



NEMETSCHKEK GROUP Company Presentation

November 2016



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Our Founder

Mission: „We drive digitalization and innovation for the entire life cycle of the AEC industry!“

Vision: Innovation driver and digital backbone of the AEC industry with strong global brands and customer proximity.

Responsibility: Prof. Nemetschek establishes the Nemetschek charitable foundation, supporting projects in the areas of education, science and research, arts and culture, the environment, international understanding and social projects.

Prof. Georg Nemetschek

Founder and Member of the Supervisory Board of Nemetschek SE



The Philosophy of Nemetschek

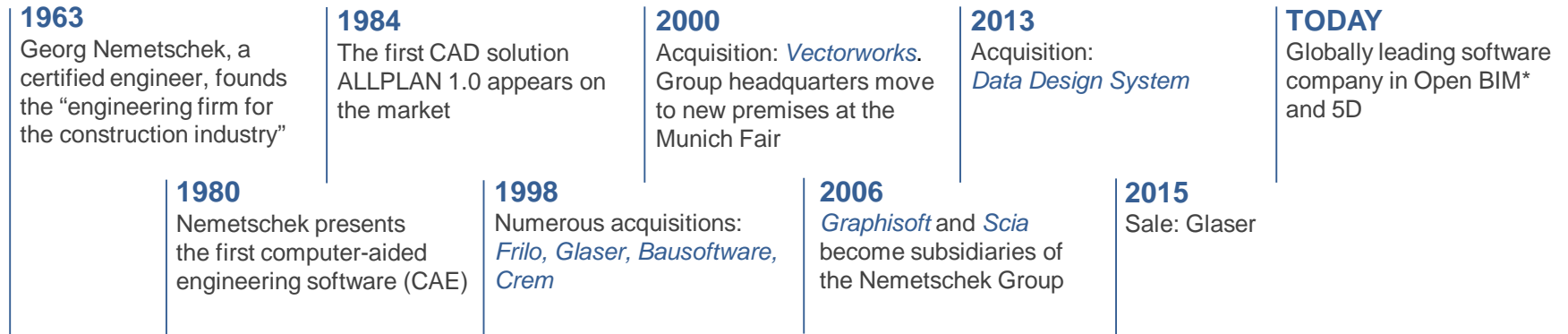
We are a Group of industry leaders with a unique DNA and expertise in the AEC* industry.

All of our strong brands share the same mission:

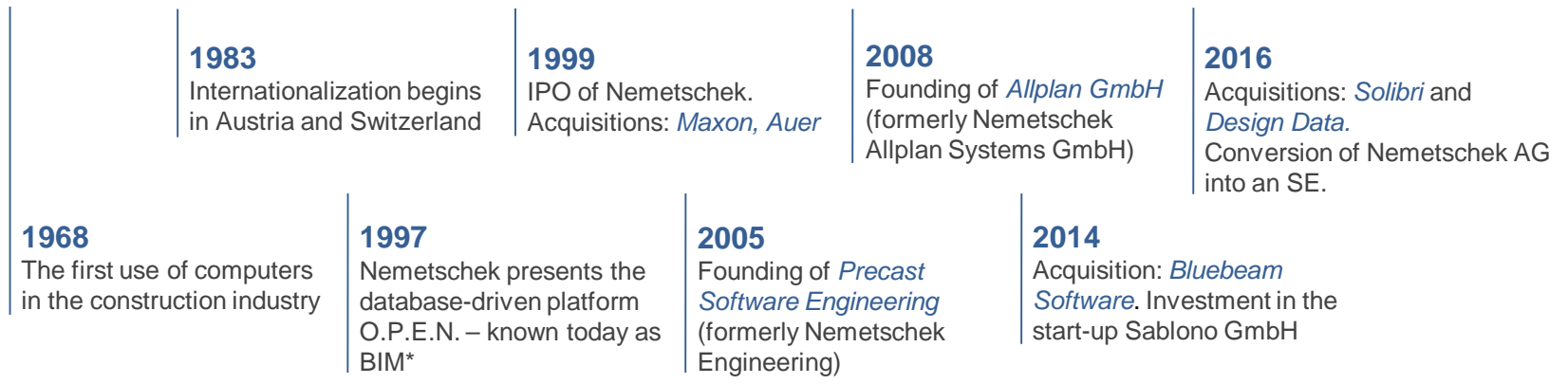
“We are open and declare our support of Open BIM, a standard that allows maximum flexibility and a seamless collaboration of all the parties involved in the construction process so that quality is enhanced in construction in compliance with time and cost schedules.”

* Architecture, Engineering, Construction

History: 50 Years of Innovation and Success

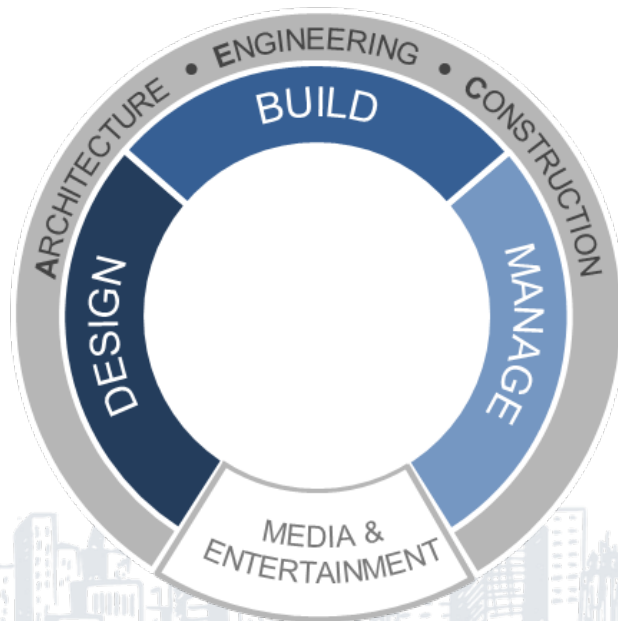


▶ SPIRIT OF INVENTION ▶ INTERNATIONALIZATION ▶ INNOVATION DRIVER ▶



* Building Information Modeling

Four segments



Facts and figures

- > 50 years of innovation, founded in 1963 and headquartered in Munich, Germany
- Open BIM pioneer and 5D provider with software solutions for the AEC* and media industry
- 13 strong brands
- 285.3 mEUR sales revenues (2015)
- 2.1 million users in 142 countries
- 1,900 employees worldwide
- > 50 locations in more than 40 countries
- IPO 1999, listed in the TecDax
- 2.1 billion EUR market capitalization

* Architecture, Engineering, Construction

Decentralized Strong Brands under One Umbrella

Architecture • Engineering • Construction

DESIGN		BUILD	MANAGE	Media & Entertainment
ALLPLAN	GRAPHISOFT	NEVARIS	CREM SOLUTIONS	MAXON
VECTORWORKS	SCIA	bluebeam		
DATA DESIGN SYSTEM	FRILO Software	SOLIBRI		
PRECAST SOFTWARE engineering		DESIGN DATA		

- ▶ Nemetschek covers the complete value chain in the AEC & Media industry
- ▶ Entrepreneurial brands: Industry leaders with a unique DNA, expertise and customer orientation
- ▶ Attractive set-up for potential targets

Trends & Strategy



Drawings



Models



Workflows

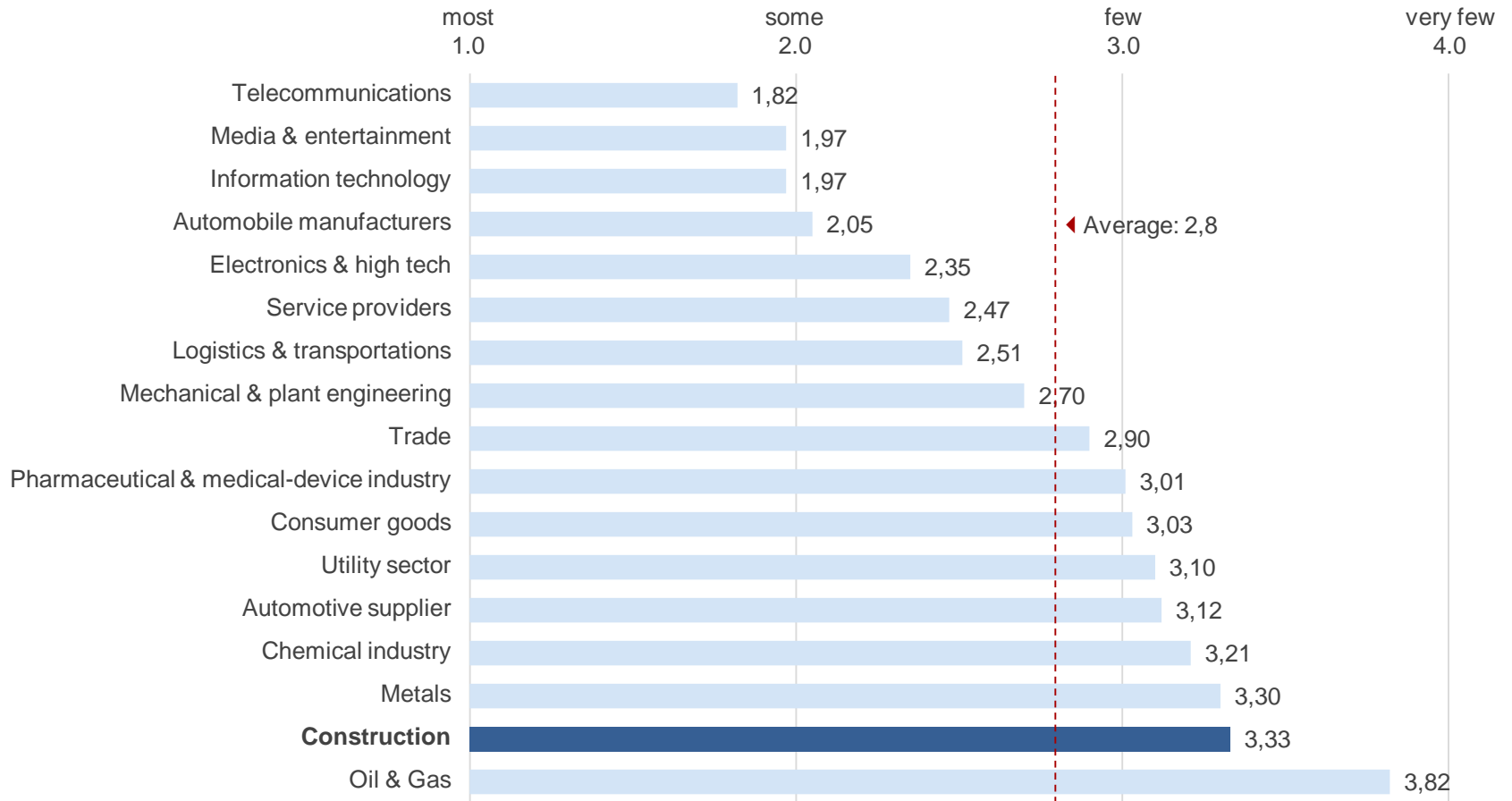


Since 1985

Today

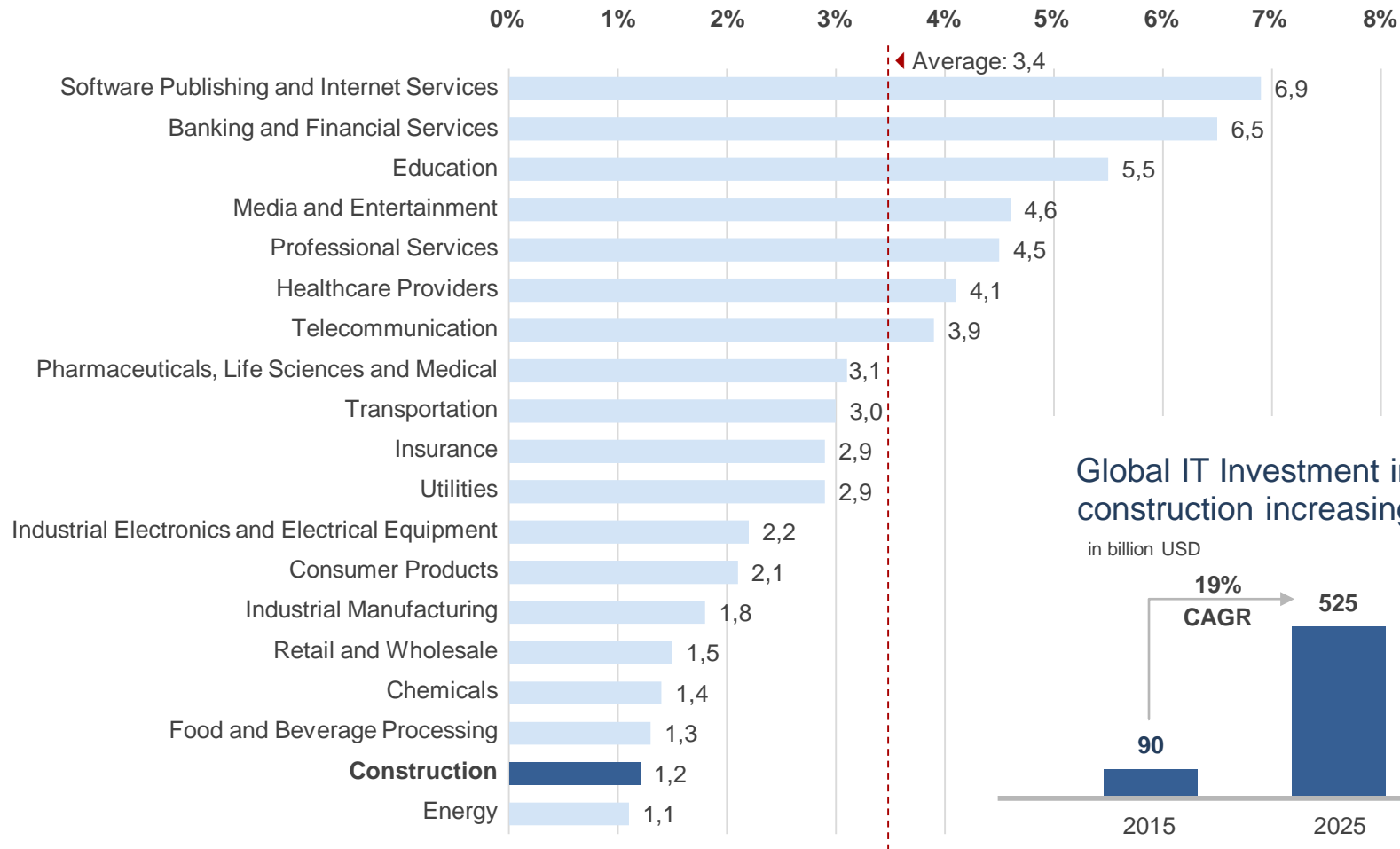
Tomorrow

Mega Trend Digitalization – Entering The Industries



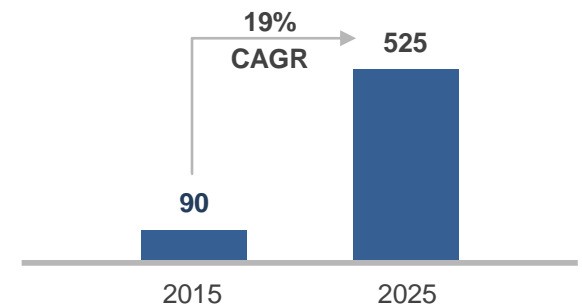
Source: TOP 500 survey 2014 / Accenture

IT Spending as a % of Revenue by Industry (2015)



Global IT Investment in construction increasing

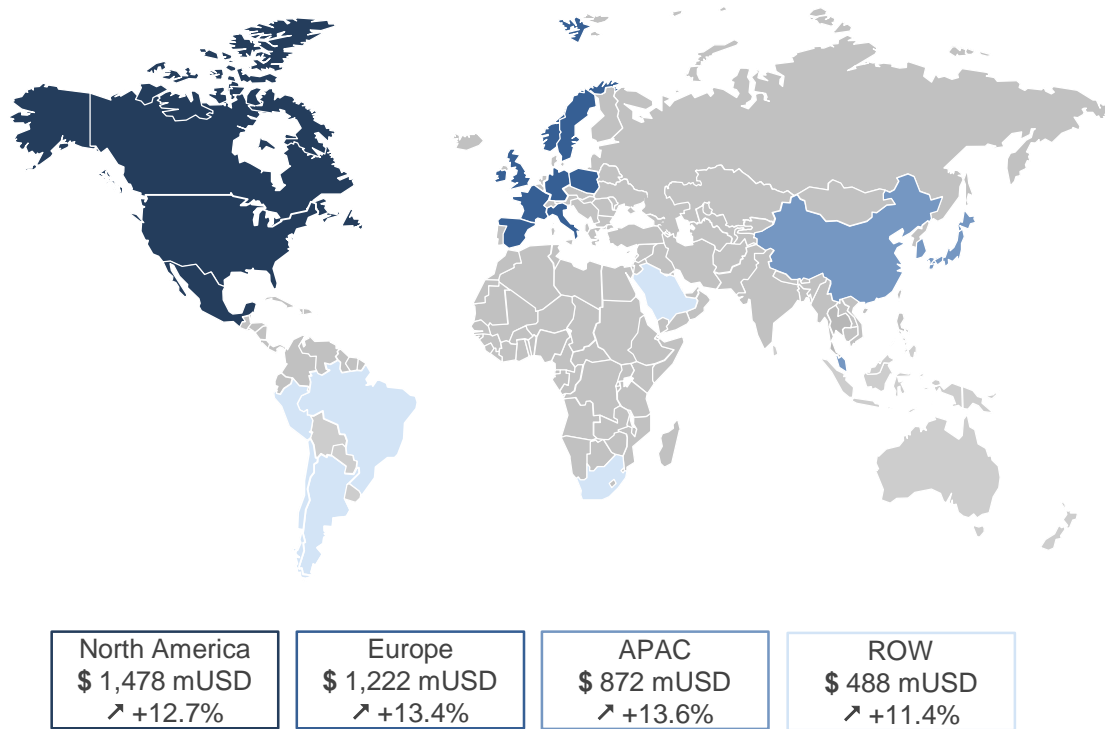
in billion USD



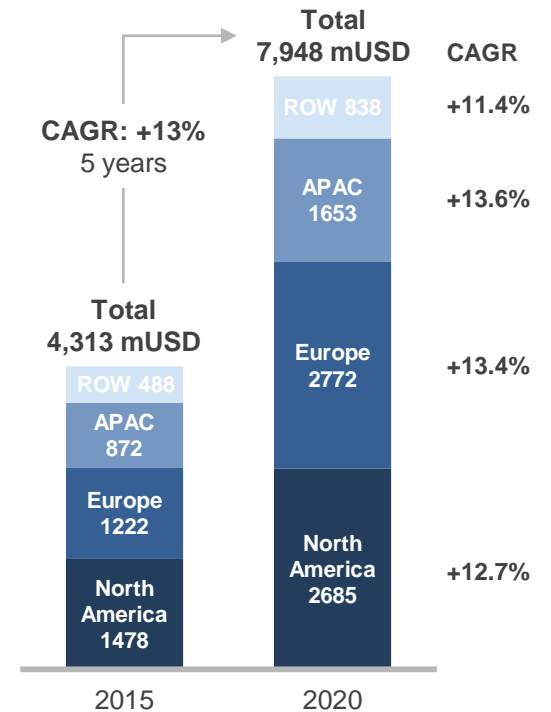
Source: IT Key Metrics ,Data 2015

Source: McKinsey

BIM Market by Region 2015



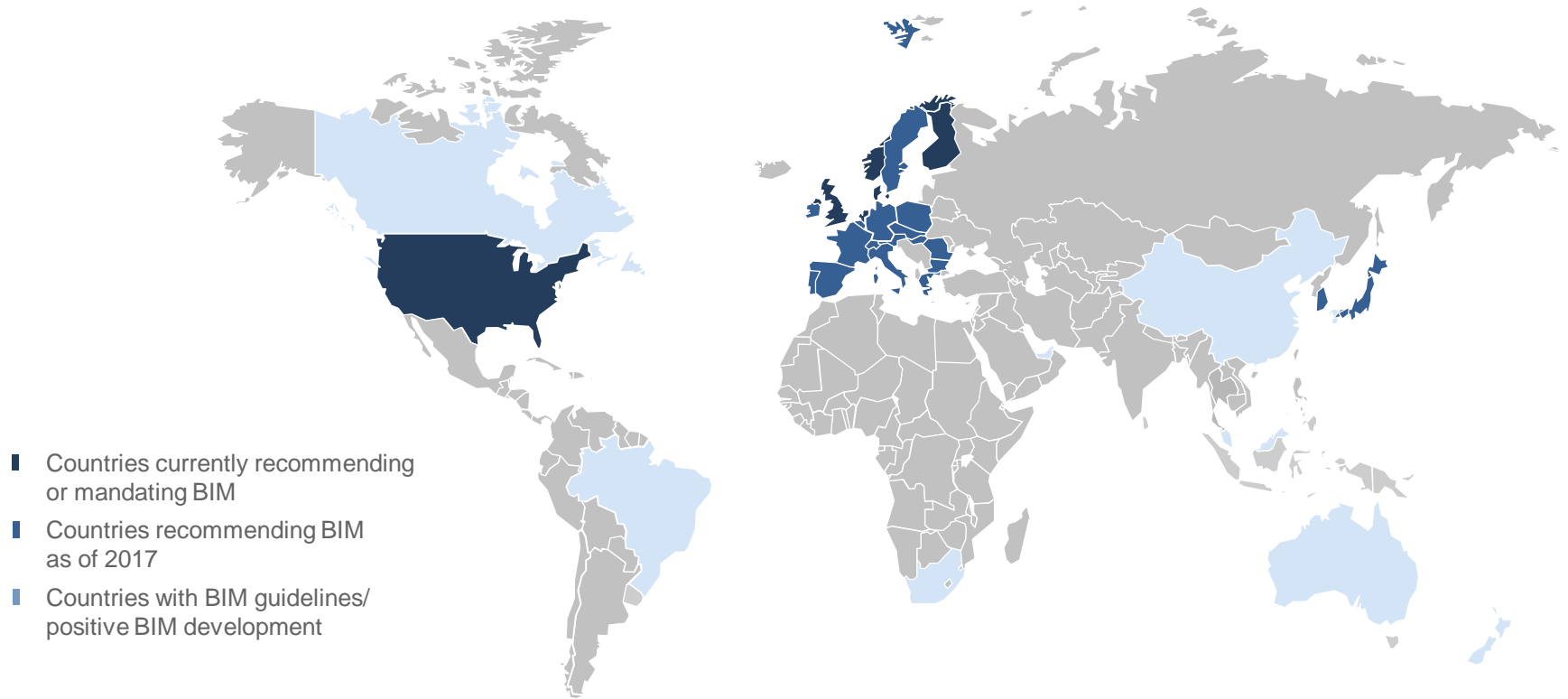
BIM Market Size 2015/2020



\$ Market Size 2015
↗ CAGR 2015 - 2020

Source: BIM Market, Global Trends and Forecasts (2015-2020) Markets and Markets

Source: HSBC, Kepler Cheuvreux



National UK BIM Report survey on future use of BIM



Financials: Q3 / 9M 2016

Continued revenue growth in Q3

- After a extremely strong Q2, revenue growth continued in Q3
- New record level in first nine months
- **Revenues Q3:** increase by 18.5% to 83.9 mEUR (organic growth of 14.9%)
- **Revenues 9M:** up by 19.2% to 245.4 mEUR (organic growth of 17.1%)

Strong revenue increase abroad

- Revenues abroad increased by 20.7% to 166.0 mEUR (Americas, Asia, Nordics)
- Revenues share outside of Germany at 68%, Americas at 26%
- Germany showed also strong growth with 16.1% to 79.4 mEUR

Double-digit growth in license and recurring revenues

- Software licenses up by 20.9% to 129.0 mEUR
- Recurring revenues also in growth mode with 16.1% to 104.3 mEUR
- Share of recurring revenues at 42.5%

Positive one-time effect

- One-time gain of +1.9 mEUR in Q2 in other operating income from a legal dispute with a former member of the Executive Board

Profitability increased significantly

- **Q3 EBITDA:** up by 24.9% to 21.0 mEUR, EBITDA margin of 25.1%
- **9M EBITDA:** up by 34.8% to 66.6 mEUR, EBITDA margin of 27.1%
- **9M EBITDA w/o one-time effect:** up by 30.9% to 64.7 mEUR, EBITDA margin of 26.4%
- No activation of development costs - no effects on expenses and earnings

Significant growth of net income and EPS

- **Q3 Net income:** strong growth of 38.9% to 12.1 mEUR, EPS at 0.31 EUR
- **9M Net income:** up by 49.9% to 36.3 mEUR, EPS at 0.94 EUR
- **9M Net income w/o one-time effect:** up by 44.4% to 34.9 mEUR, EPS at 0.91 EUR

Net income w/o PPA

- **9M Net income w/o PPA:** up by 43.0% to 42.3 mEUR, EPS at 1.10 EUR
- **9M Net income w/o PPA and w/o one-time effect:** up by 38.5% to 40.9 mEUR, EPS at 1.06 EUR

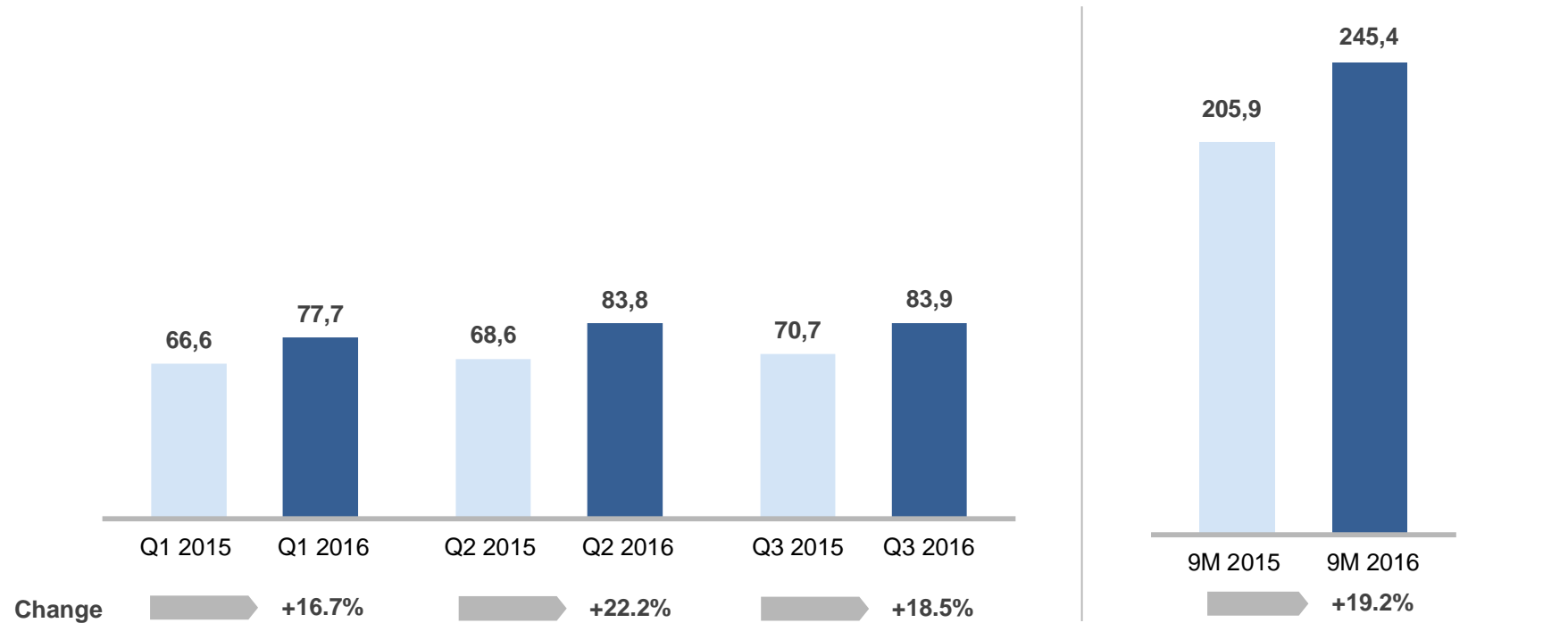
High cash generation and solid balance sheet

- **Cash flow from operating activities:** up by 32.1% to 64.5 mEUR
- **Conversion rate** at high 96.9%
- Cash at 103.0 mEUR and net liquidity at 0.2 mEUR
- Equity ratio of 41.4% - leeway for further investments / acquisitions

Increased guidance for FY 2016 confirmed

- New record levels of revenues and EBITDA are expected
- Guidance increased at the beginning of October:
- **Revenue target range: 338 - 341 mEUR**, increase of +18% - 20% YoY (former revenue target: 319 - 325 mEUR, +12% - 14%)
- **EBITDA target range (w/o positive one-time effect): 89 - 91 mEUR (+28% - 31%)** (former EBITDA target: 77 - 80 mEUR)

Revenues in mEUR



▶ **Q3:** Organic growth of 14.9% yoy

- ▶ **9M:** Organic growth of 17.1%
- ▶ Solibri and Design Data contributed around 4.6 mEUR

International Growth In Focus, More than 50 Locations

WESTERN AND SOUTHERN EUROPE

Austria
Belgium
France
Great Britain
Germany
Italy
Netherlands
Spain
Switzerland

NORTHERN AND EASTERN EUROPE

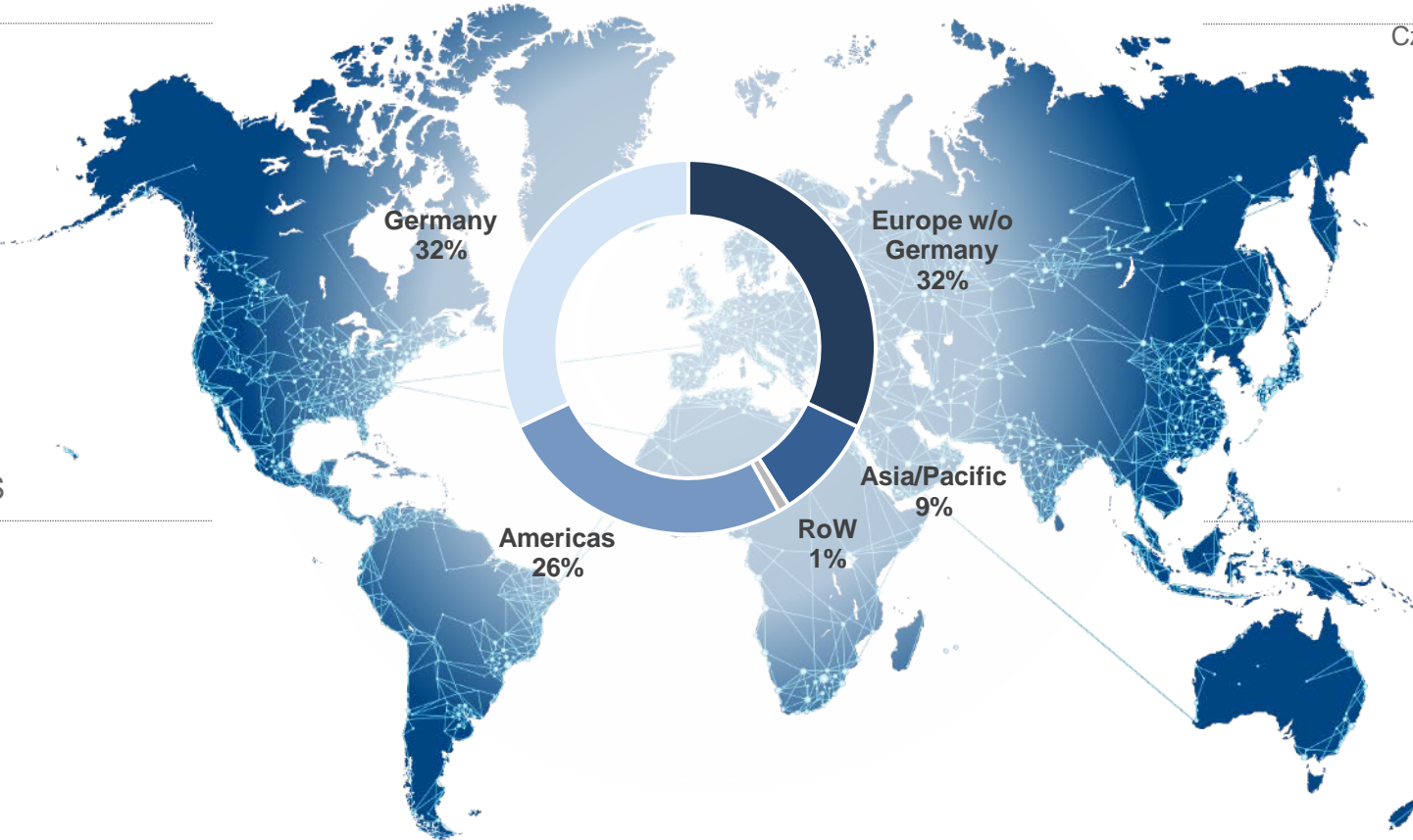
Czech Republic
Finland
Hungary
Norway
Slovakia
Sweden
Russia

AMERICAS

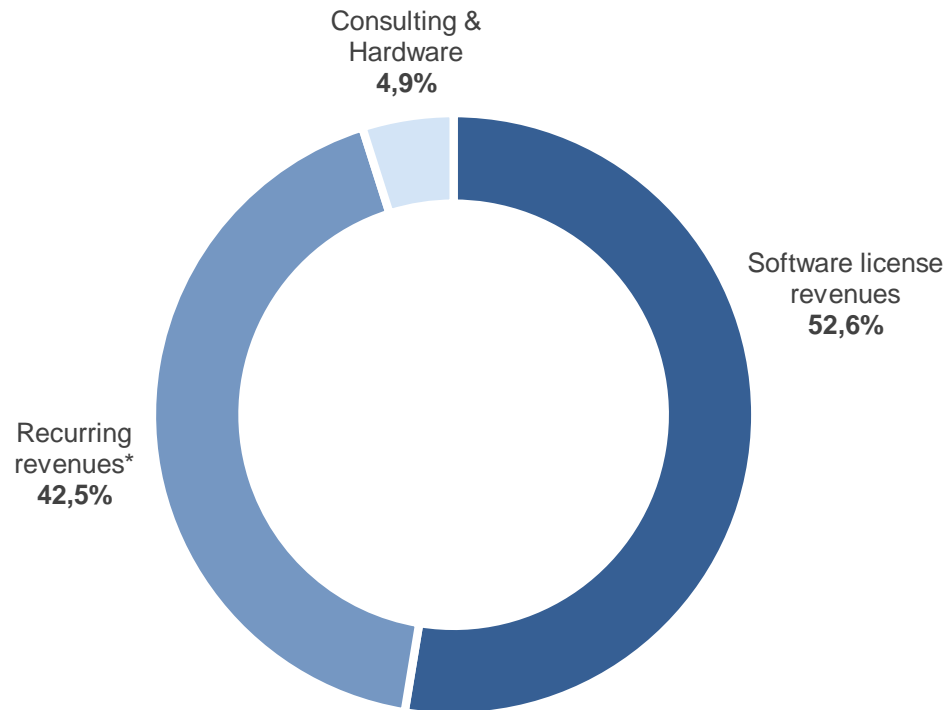
Brazil
Canada
Mexico
USA

ASIA

China
Japan
Singapore



Revenues split 9M 2016 in %



Software license revenues

- Up by 20.9% to 129.0 mEUR
- New customers wins
- Increasing customer base
- Consequently recurring revenues will follow

Recurring revenues*

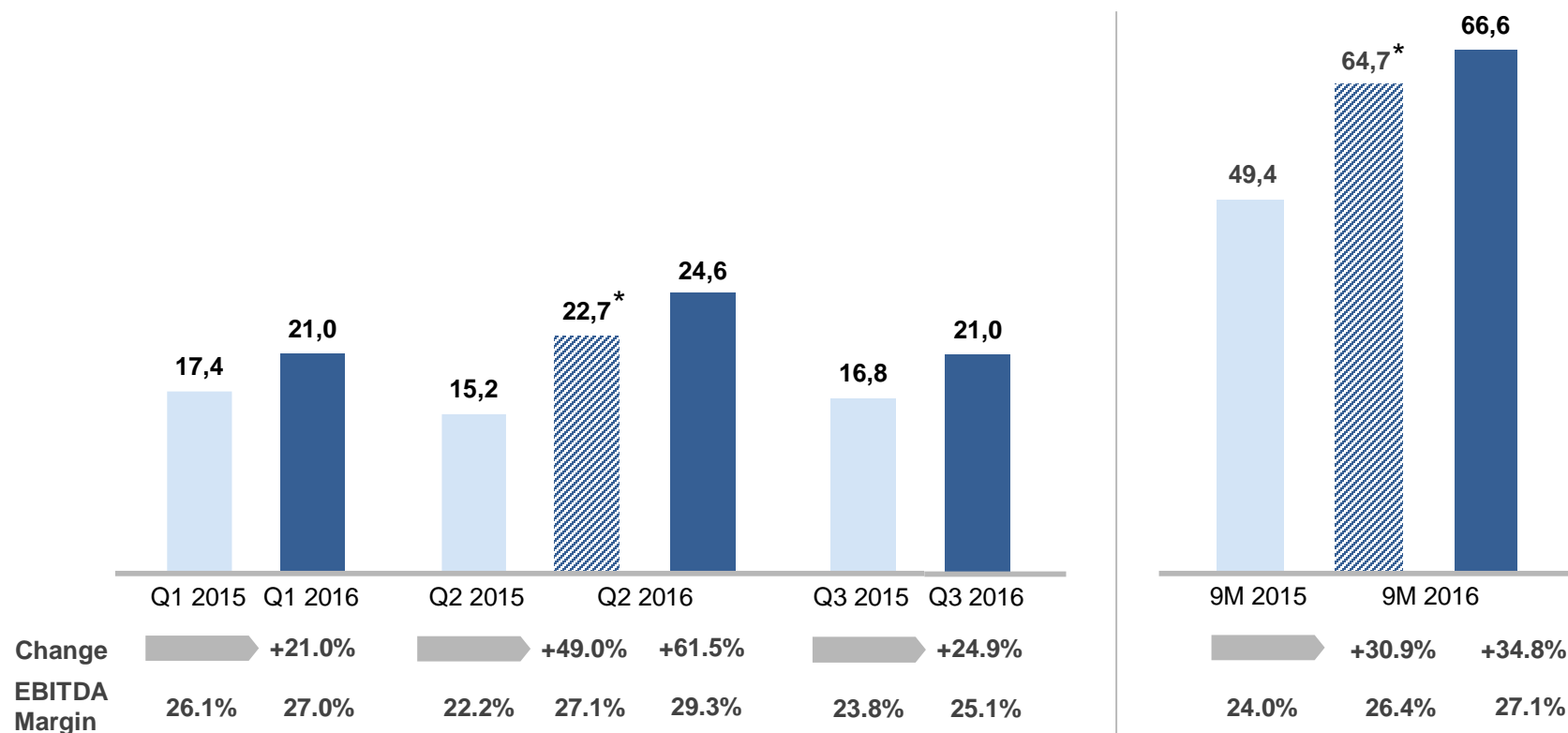
- Up by 16.1% to 104.3 mEUR
- Share of 42.5% leads to higher visibility

* Software services, rental models (subscription, SaaS)

EBITDA Increased Stronger than Revenues

EBITDA in mEUR

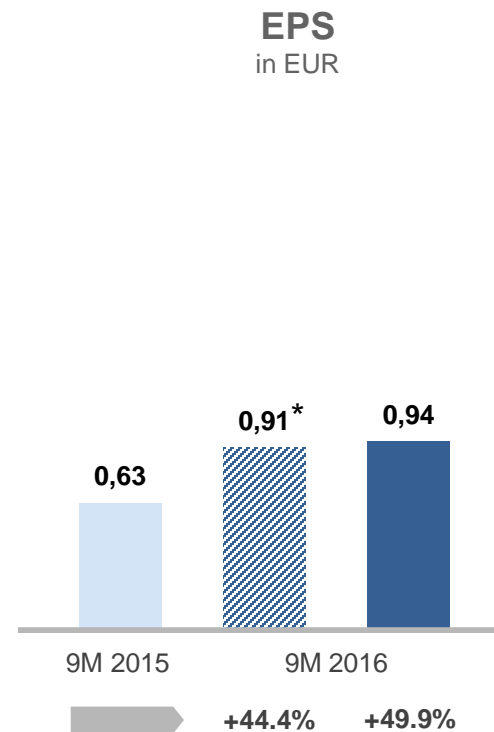
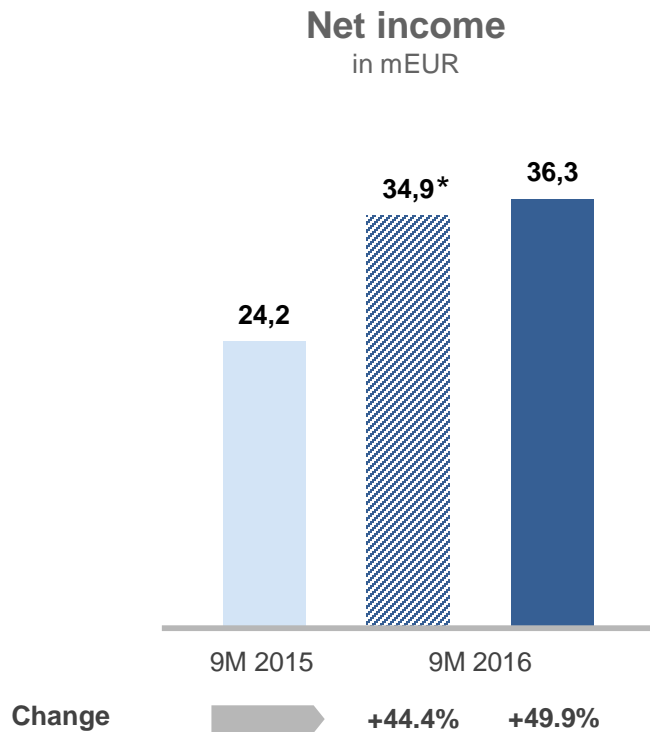
* EBITDA w/o 1.9 mEUR positive one-time effect



- ▶ EBITDA is shown with and w/o the positive one-time effect of 1.9 mEUR occurred in Q2
- ▶ EBITDA margin improved significantly

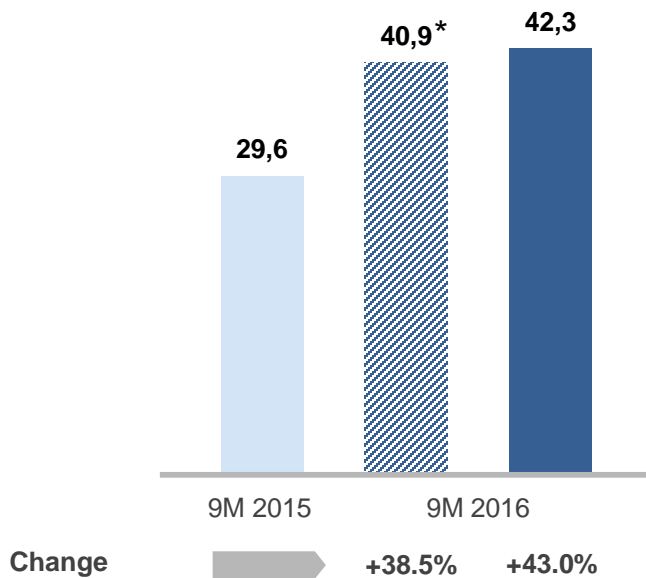
Net Income and EPS Showed Significant Growth

* Net income and EPS w/o 1.9 mEUR positive one-time effect

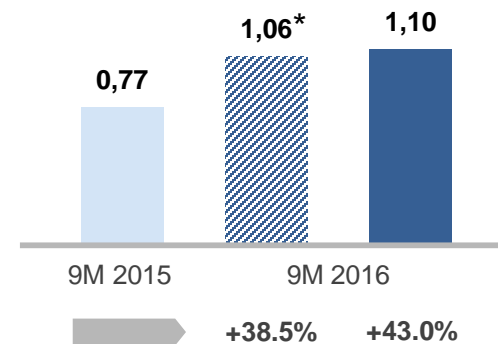


* Net income and EPS w/o 1.9 mEUR positive one-time effect

Net income w/o PPA
in mEUR



EPS w/o PPA
in EUR



AEC Segments with Double-Digit Growth Rates

Design

- Growth path continued
- EBITDA margin improved significantly by 4pp

Build

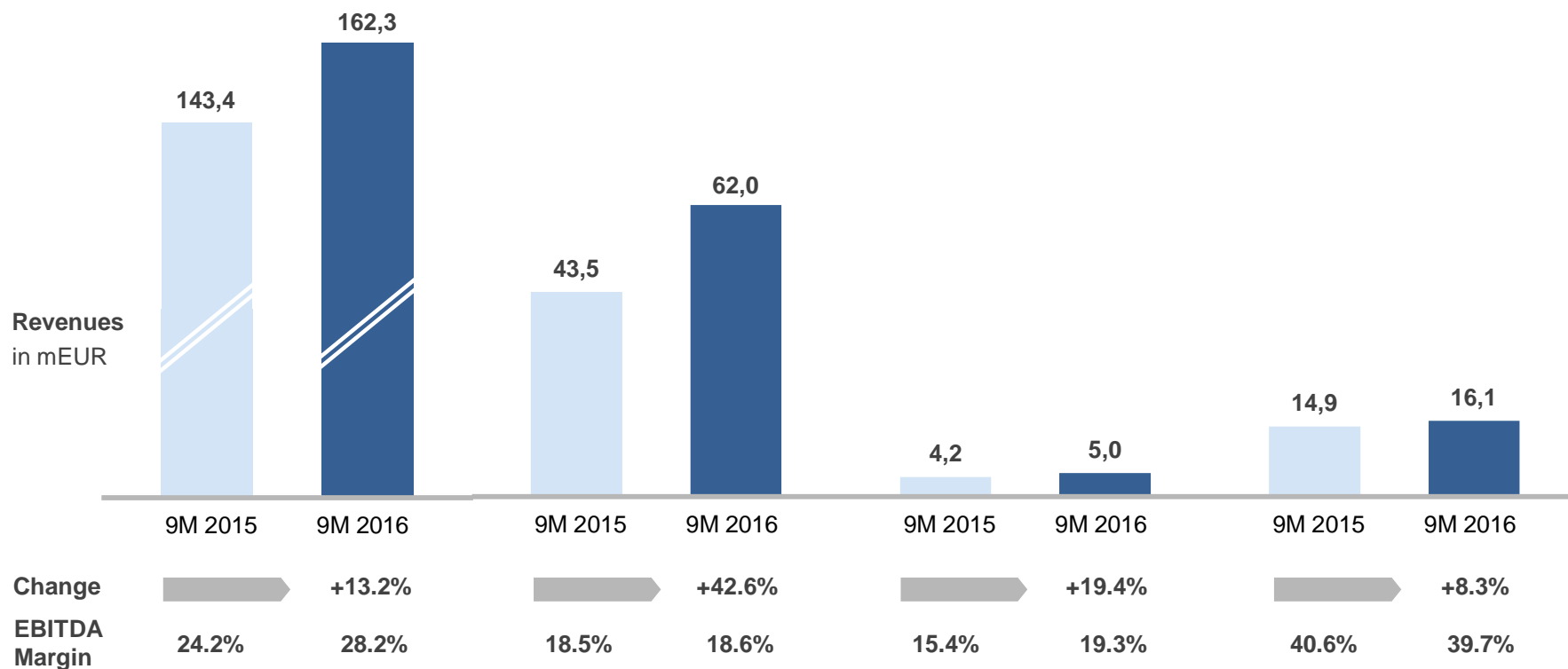
- Revenue growth of 42.6%
- Inorganic effect of Solibri and Design Data (~4.6 mEUR)
- Organic growth of 33%
- Stable profitability

Manage

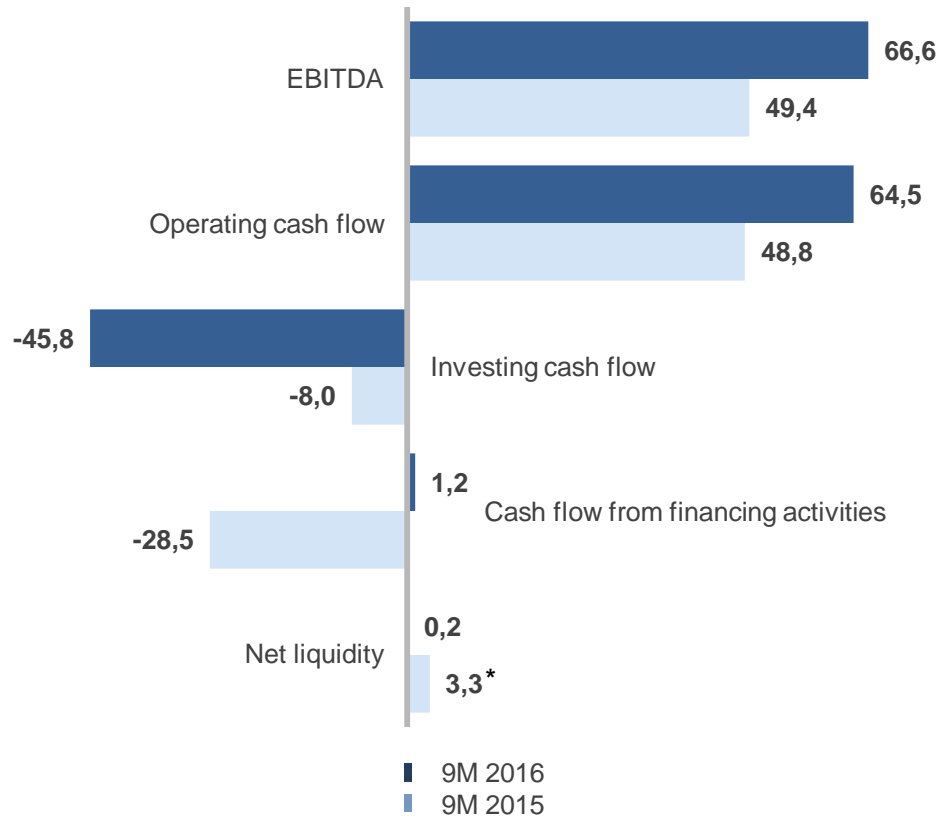
- High revenue growth rate with 19.4%
- EBITDA margin improved year on year

Media & Entertainment

- Solid revenue growth of 8.3%
- Planned investments have impact on margins



in mEUR



* End of FY 2015

** Operating cash flow / EBITDA

EBITDA

- +34.8% yoy

Operating cash flow

- Increase of 32.1% yoy

Investing cash flow

- Capex of 5.7 mEUR
- Acquisition of Design Data of 40.4 mEUR

Cash flow from financing activities

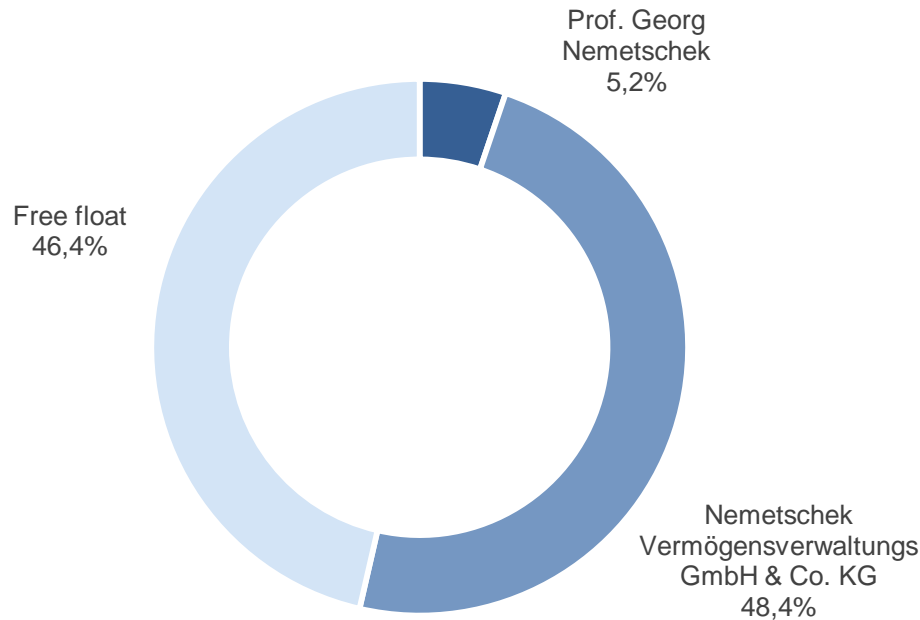
- Repayment of bank loan (-15.7 mEUR)
- Dividend payment (-19.3 mEUR)
- Bank loan for Design Data (+38.0 mEUR)

Conversion rate**

- 96.9% (previous year: 98.9%)



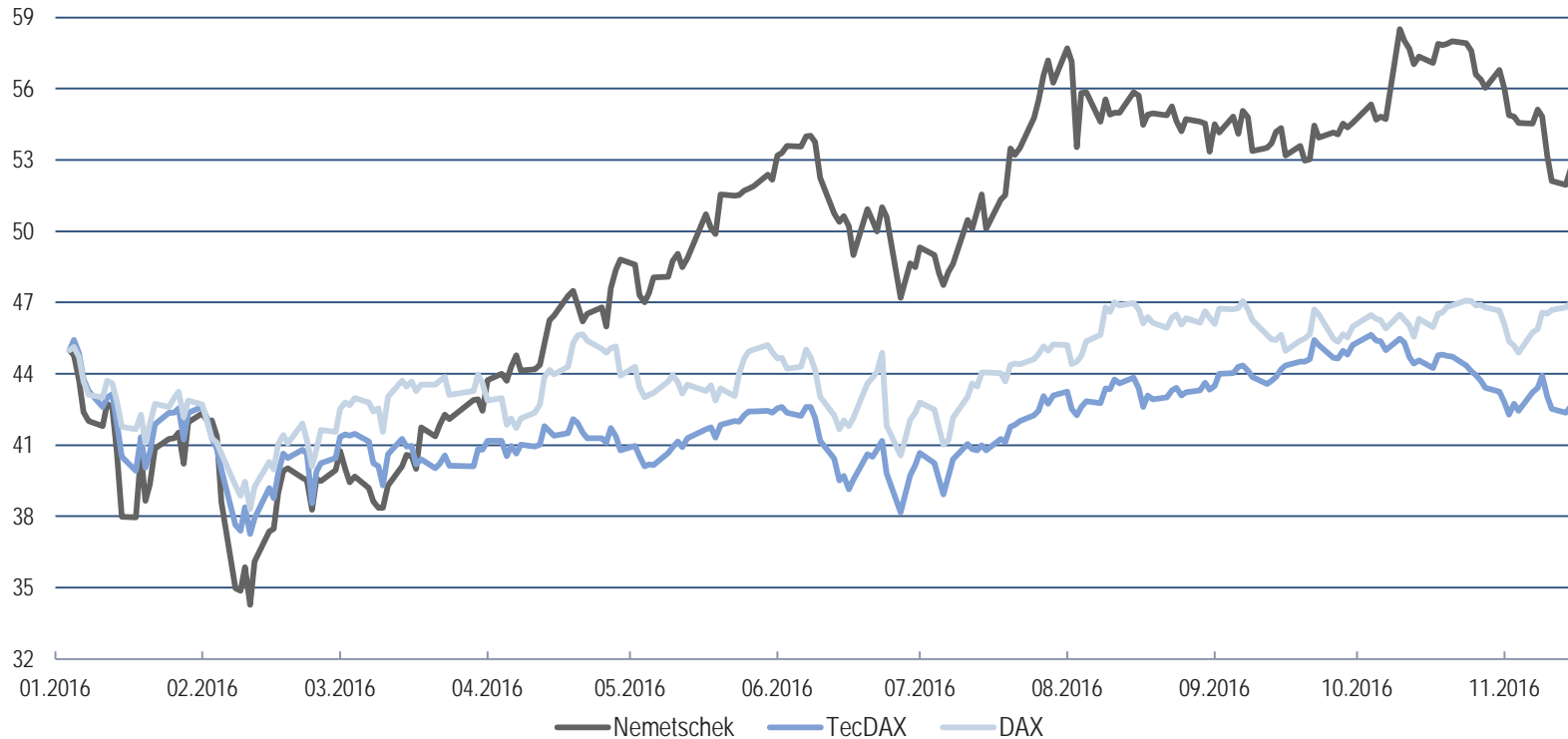
NEMETSCHEK Shares



- Founded: in 1963
- IPO: March 10, 1999
- Number of shares: 38,500,000
- Frankfurt Stock Exchange, Prime Standard
- Bloomberg: NEM GY, Reuters: NEKG.DE
- Shares Nemetschek family: 53.57%
- Freefloat: 46.43 percent
- Current MarketCap: ~ 2.1 billion EUR
- Current TecDAX Ranking: 13/20

➔ Shares of Nemetschek family pooled: secures stable shareholder structure for well-being of NEMETSCHEK GROUP in the future

Share Price Increased Stronger than TecDAX and DAX



Time	Nemetschek	TecDAX	Dax
Year 2013	+52%	+38%	+23%
Year 2014	+66%	+18%	+3%
Year 2015	+120%	+34%	+10%
YTD 2016	+17%	-4%	+4%



Outlook: FY 2016

Current situation

- Strong basis due to the strong 9-month figures

Market conditions

- Digitalization and IT spending will drive the use of software solutions in the AEC market
- BIM market is expected to grow at a remarkable rate owing to supportive government regulations mandating the adoption of BIM software for construction projects

Strategic market positioning

- Clear focus on AEC market
- Leading player of Open BIM solutions
- Strong and independent global brands

Growth potential/ Investments

- Focus on internationalization (North America, Asia, Europe)
- Investments in new markets, customer segments, sales & marketing
- Strategically co-operations & acquisitions
- Healthy balance sheet - capable of investing in organic and in inorganic growth

Guidance 2016 increased

- Increase of guidance at the beginning of October 2016
- Expect record levels in revenues and EBITDA

in mEUR	FY 2015	Increased Forecast FY 2016 (Oct 2016)	Former Forecast FY 2016 (Mar 2016)
Revenues	285.3	338 - 341 (+18% - 20%)	319 - 325 (+12% - 14%)
EBITDA	69.5	89 - 91	77 - 80



Appendix



P+L Statement Q3 Comparison

mEUR	Q3 2016	Q3 2015	% YoY	9M 2016	9M 2015	% YoY
Revenues	83.9	70.7	+18.5%	245.4	205.9	+19.2%
Own work capitalized/other operating income	1,0	0,7	+34.0%	5.6	3.6	+55.6%
Operating income	84.8	71.5	+18.7%	251.0	209.5	+19.8%
Cost of materials/ purchased services	-2.9	-2.5	+17.6%	-8.0	-6.9	+14.6%
Personnel expenses	-38.5	-32.3	+19.2%	-109.7	-93.2	+17.7%
Other operating expenses	-22.4	-19.9	+12.7%	-66.7	-60.0	+11.3%
Operating costs	-63.8	-54.6	+16.8%	-184.4	-160.1	+15.2%
EBITDA	21.0	16.8	+24.9%	66.6	49.4	+34.8%
Margin	25.1%	23.8%		27.1%	24.0%	
EBITDA (w/o one-time effect)	21.0	16.8	+24,9%	64.7	49.4	+30.9%
Margin (w/o one-time effect)	25.1%	23.8%		26.4%	24.0%	
Depreciation of PPA and amortization	-4.7	-4.2	+11.8%	-13.6	-12.5	+8.6%
<i>t/o PPA</i>	-2.9	-2.5	+13.2%	-8.3	-7.6	+8.6%
EBITA (normalized EBIT)	19.2	15.1	+26.6%	61.3	44.5	+37.7%
EBIT	16.3	12.6	+29.3%	53.0	36.9	+43.6%
Financial result	-0.2	-0.2		-0.7	-0.2	
EBT	16.1	12.5	+29.3%	52.4	36.7	+42.9%
Income taxes	-3.7	-3.4	+7.1%	-14.7	-11.4	+29.0%
Non-controlling interests	0.3	0.3	+5.1%	1.4	1.2	+23.3%
Net income (group shares)	12.1	8.7	+38.9%	36.3	24.2	+49.9%
EPS in EUR	0.31	0.23	+38.9%	0.94	0.63	+49.9%
Net income (group shares w/o one-time effect)	12.1	8.7	+38.9%	34.9	24.2	+44.4%
EPS in EUR (w/o one-time effect)	0.31	0.23	+38.9%	0.91	0.63	+44.4%

Balance Sheet - Assets

mEUR	September 30, 2016	December 31, 2015
ASSETS		
Cash and cash equivalents	103.0	84.0
Trade receivables, net	36.9	29.6
Inventories	0.6	0.5
Other current assets	14.2	11.8
Current assets, total	154.8	125.9
Property, plant and equipment	13.9	13.8
Intangible assets	104.0	100.8
Goodwill	163.2	134.9
Other non-current assets	4.5	4.1
Non-current assets, total	285.6	253.6
Total assets	440.4	379.5

Balance Sheet – Equity and Liabilities

mEUR	September 30, 2016	December 31, 2015
EQUITY AND LIABILITIES		
Short-term borrowings and current portion of long-term loans	26.1	18.6
Trade payables & accrued liabilities	35.1	32.2
Deferred revenue	57.6	42.0
Other current assets	17.9	11.4
Current liabilities, total	136.7	104.1
Long-term borrowings without current portion	76.7	62.1
Deferred tax liabilities	23.7	24.3
Other non-current liabilities	20.7	22.1
Non-current liabilities, total	121.1	108.5
Subscribed capital and capital reserve	51.0	51.0
Retained earnings	133.1	116.3
Other comprehensive income	-3.8	-2.5
Non-controlling interests	2.2	2.1
Equity, total	182.5	166.9
Total equity and liabilities	440.4	379.5

Cash Flow Statement

mEUR	September 30, 2016	September 30, 2015	% YoY
Cash and cash equivalents at the beginning of the period	84.0	57.0	+47.4%
Cash flow from operating activities	64.5	48.8	+32.1%
Cash flow from investing activities	-45.8	-8.0	+472.2%
t/o CapEX	-5.7	-5.7	-0.4%
t/o Cash paid for business combinations	-40.4	-2.4	
Cash flow from financing activities	1.2	-28.5	-104.3%
t/o Dividend payments	-19.3	-15.4	+25.0%
t/o Repayments of borrowings	-15.7	-9.0	
t/o Cash received from bank loans	38.0	0.0	
FX-effects	-0.9	2.2	
Cash and cash equivalents at the end of the period	103.0	71.5	+44.1%
Free cash flow⁽¹⁾	18.7	40.8	-54.1%

⁽¹⁾ Operating cash flow – Investing cash flow

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