



University of Minnesota, Minneapolis, USA
Antoine Predock Architect | Image: Tim Hursley | realized with Vectorworks

NEMETSCHKE GROUP

Financial Results Q1 2016

April 29th, 2016

Dynamic start in Q1 2016

- Revenues increased by 16.7% to 77.7 mEUR (previous year: 66.6 mEUR)
- Organic growth of high 15.6%

Strong revenue increase abroad

- Revenues abroad increased by 20.8% to 53.3 mEUR
- Revenues share outside of Germany at 68.7%, Americas at 23.0%
- Further focus on global expansion

Double-digit growth in license and recurring revenues

- Software licenses showed growth of 17.1%
- License revenue share of 51.9%
- Recurring revenues also in growth mode with 16.1%
- Balanced growth of both pillars secure new customers and high visibility

High profitability

- EBITDA grew stronger than revenues in the first quarter
- EBITDA up by 21.0% yoy and increased to 21.0 mEUR
- EBITDA at very high level of 27.0% (previous year: 26.1%)
- No activation of development costs → no effects on expenses and earnings
- Strategic investments to secure future growth: Internationalization, intensified sales & marketing activities etc.

Significant growth in EPS

- Net income (group shares) showed strong growth of 31.6% to 11.0 mEUR
- EPS at 0.29 EUR (previous year: 0.22 EUR)
- Net income w/o PPA increased by 27.5% to 13.0 mEUR
- EPS (w/o PPA) accordingly at 0.34 EUR

Cash and solid balance sheet

- Cash and cash equivalents at 97.2 mEUR
- Net liquidity at 21.2 mEUR
- Equity ratio of 44.5% - leeway for further investments / acquisitions

Annual General Meeting

- On May 20, 2016 in Munich
- Dividend proposal of 0.50 EUR per share (previous year: 0.40 EUR per share)
- Dividend increase of 25% yoy
- Total amount to be distributed of 19.25 mEUR

New Executive Board structure

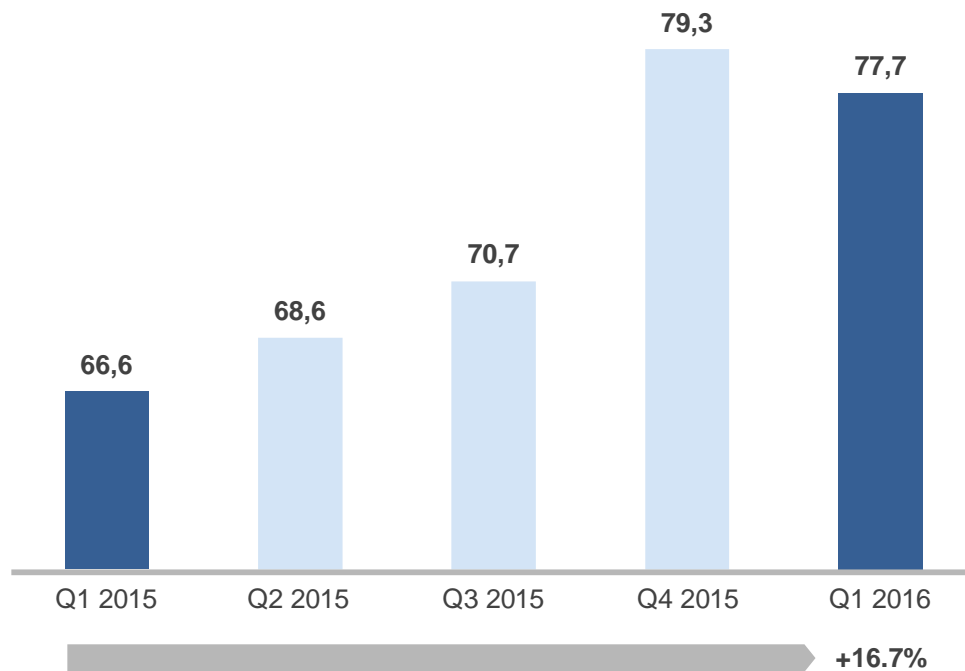
- Announcement of the appointment of Sean Flaherty as Chief Strategy Officer in a full-time position
- Focus on Group-wide future strategy, globalization and development of advanced technology in the target markets
- EB will intensify and accelerate the growth – both organic and via M&A

Outlook confirmed

- Q1 as a strong basis for the fiscal year 2016
- Revenue target range of 319-325 mEUR, up by +12%-14% (thereof organic: +11%-13%)
- EBITDA target range of 77-80 mEUR

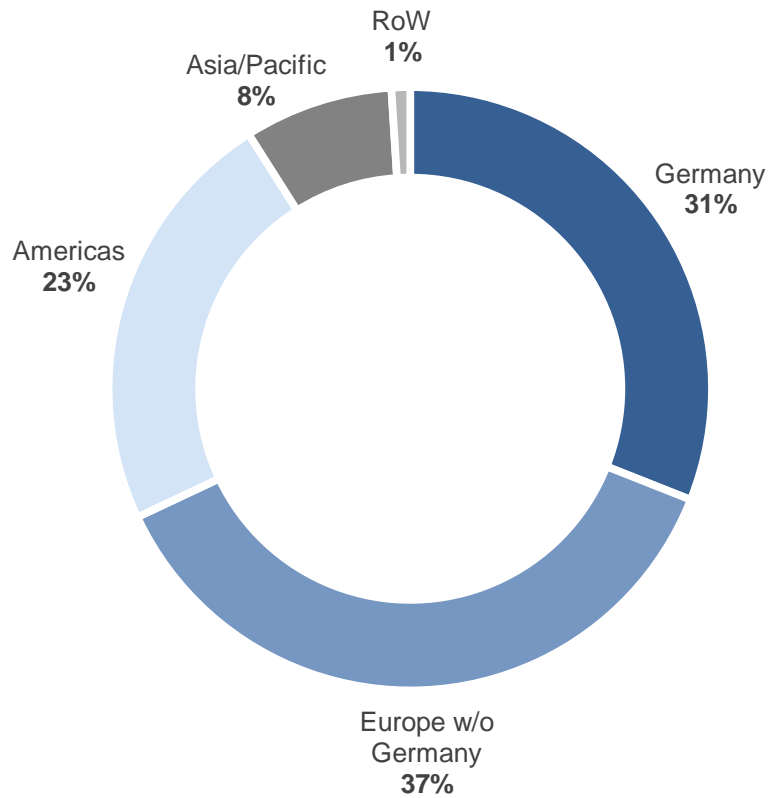
Revenues: Excellent start in the fiscal year 2016

Revenues in mEUR



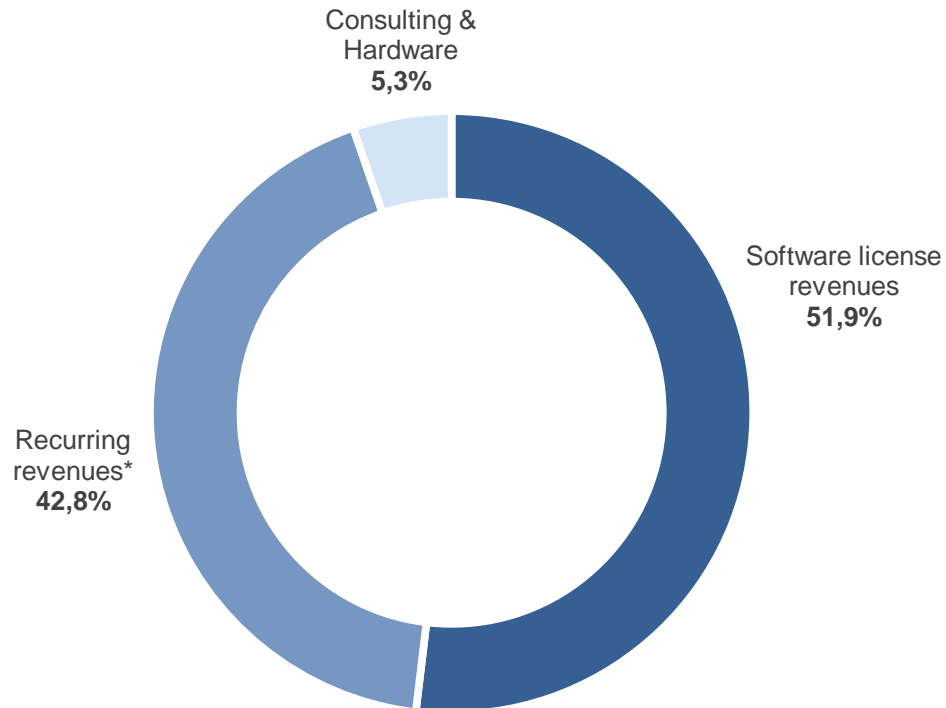
- Q1 2016 revenues increased strongly by 16.7% to 77.7 mEUR
- Solibri contributed revenues of around 1 mEUR
- Organic growth of high 15.6% yoy

Revenues split Q1 2016 in %



- Strong growth of 20.8% abroad
- Growth markets:
 - Americas
 - Asia
 - Nordics
- Further growth potential abroad

Revenues split Q1 2016 in %



Software license revenues

- Up by 17.1% to 40.3 mEUR
- New customers wins
- Increasing customer base
- Consequently recurring revenues will follow

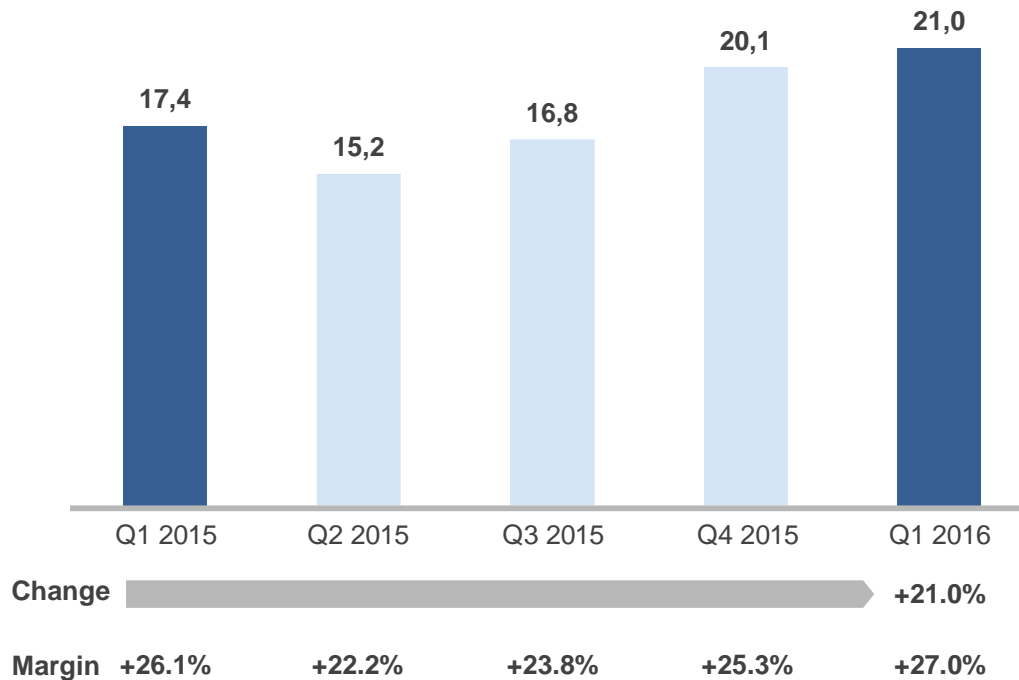
Recurring revenues*

- Up by 16.1% to 33.3 mEUR
- Increasing visibility

* Software services, subscription

EBITDA increased stronger than revenues

in mEUR



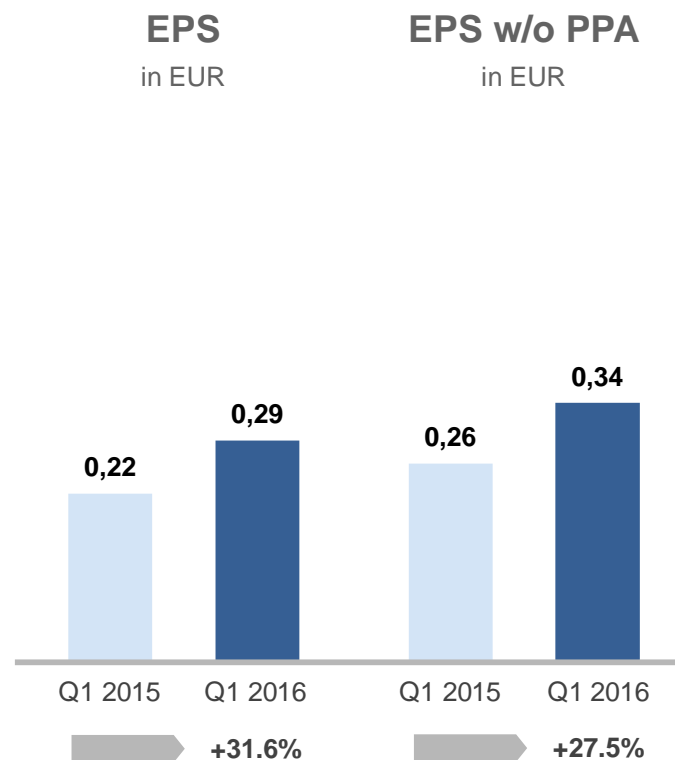
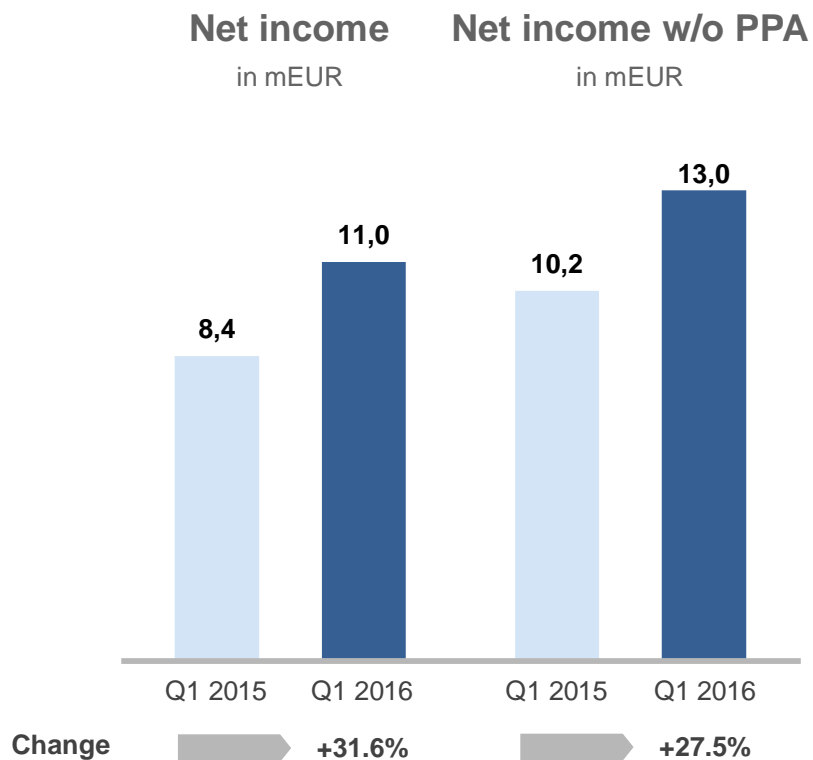
EBITDA

- EBITDA up by 21.0% to 21.0 mEUR
- EBITDA margin improved to 27.0%

Further investments in

- Internationalization
- New customer segments
- Sales & marketing

Net income and EPS with significant growth of 31.6% yoy



Design

- Design segment showed again double-digit growth
- EBITDA margin increased to 26.1%
- Further strategic investments to secure future growth (sales, internationalization)
- Growth in all main focus regions

Build

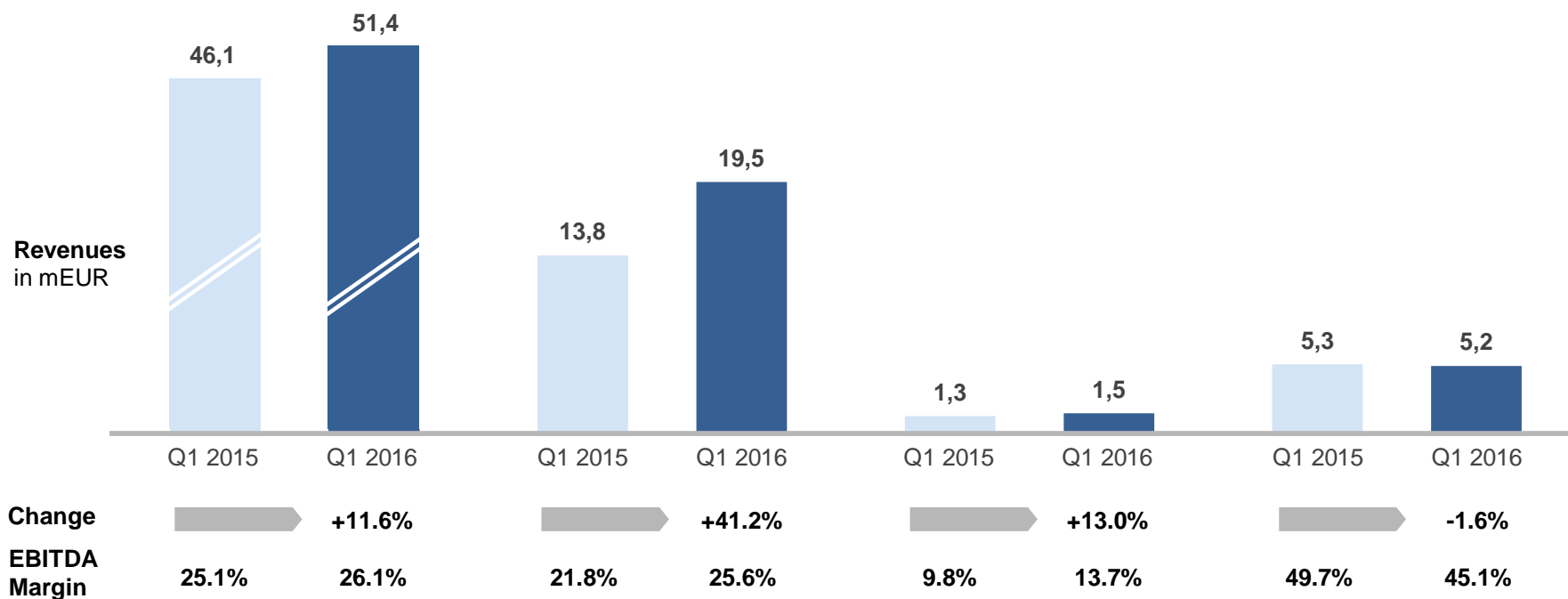
- Very strong revenue growth of 41.2%
- Inorganic effect of Solibri with 1 mEUR revenues
- Organic growth of 34% LFL
- Bluebeam showed over proportional growth (new release of Revu 2016)

Manage

- Continued revenue growth with +13.0%
- Significant improvement of the EBITDA margin
- iXHaus with new customer wins: Potsdamer Platz in Berlin

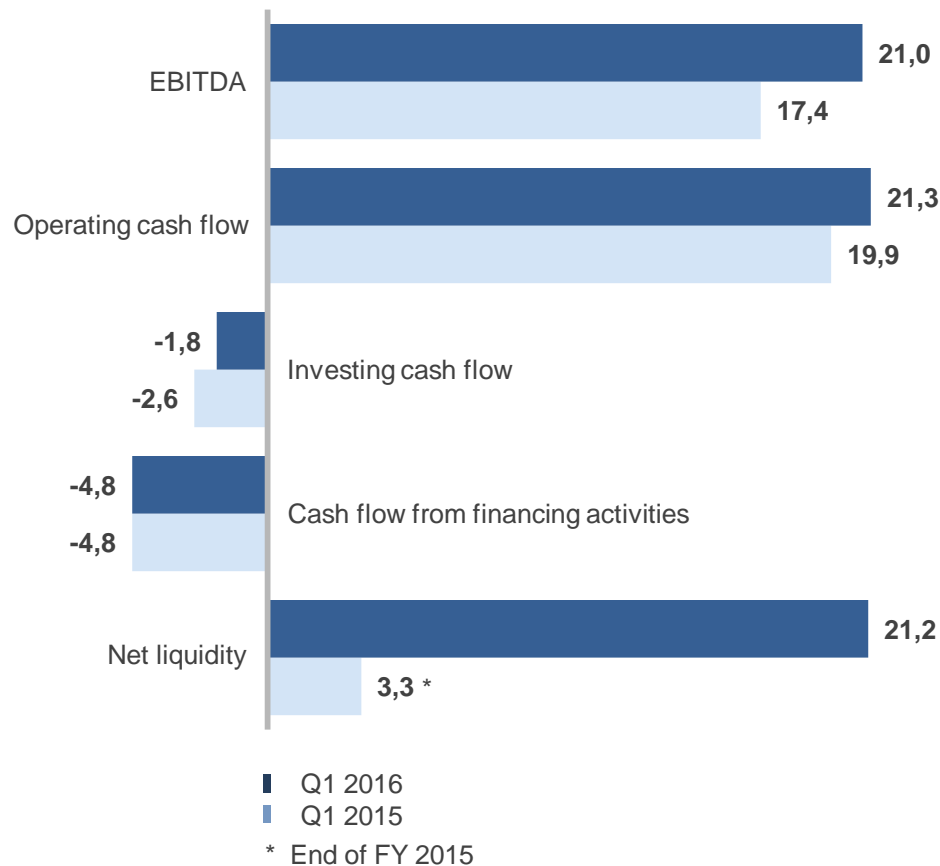
Media & Entertainment

- Flat development yoy
- Strong previous year with one-time effect
- Investments in new customer segments etc. have impact on margins



Cash flow situation

in mEUR



EBITDA

- +21.0% yoy

Operating cash flow

- +7.2% to 21.3 mEUR

Investing cash flow

- Capex of 1.9 mEUR
- Previous year: Investment in distribution partner

Cash flow from financing activities

- Repayment of bank loan (-4.6 mEUR)

Net liquidity situation

- Leeway to grow organically and via acquisitions

Conversion rate**

- Strong conversion rate of 102% (previous year: 115%)

** Operating cash flow / EBITDA

Current situation

- Strong basis due to the excellent Q1 figures

Market conditions

- Robust development of construction markets
- Additional growth coming from trends such as Open BIM, 5D, collaboration, platform technologies, mobile solutions etc.
- Regulations regarding BIM standards

Strategic market positioning

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

Growth potential/ Investments

- Focus on internationalization (North/Latin 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

in mEUR	FY 2015	Forecast 2016*	Organic
Revenues	285.3	319 - 325 (+12%-14%)	+11%-13%
EBITDA	69.5	77 - 80	-

* USD/EUR plan rate: 1.11

Appendix

P+L statement Q1 comparison

mEUR	Q1 2016	Q1 2015	% YoY
Revenues	77.7	66.6	+16.7%
Own work capitalized/ other operating income	1.2	2.2	-47.7%
Operating income	78.8	68.8	+14.6%
Cost of materials/ purchased services	-2.4	-2.0	+19.2%
Personnel expenses	-35.0	-30.0	+16.7%
Other operating expenses	-20.5	-19.4	+5.3%
Operating costs	-57.9	-51.4	+12.5%
EBITDA	21.0	17.4	+21.0%
Margin	27.0%	26.1%	
Depreciation of PPA and amortization	-4.4	-4.1	+6.9%
t/o PPA	-2.7	-2.5	+6.0%
EBITA (normalized EBIT)	19.3	15.8	+22.3%
EBIT	16.6	13.2	+25.4%
Financial result	-0.2	0.0	
EBT	16.4	13.3	+23.4%
Income taxes	-4.8	-4.4	+9.0%
Non-controlling interests	-0.5	-0.5	
Net income (group shares)	11.0	8.4	+31.6%
EPS in EUR	0.29	0.22*	+31.6%

* for better comparability, earnings per share has been presented after the stock split

Balance sheet - Assets

mEUR	March 31, 2016	December 31, 2015
Assets		
Cash and cash equivalents	97.2	84.0
Trade receivables, net	33.2	29.6
Inventories	0.5	0.5
Other current assets	13.3	11.8
Current assets, total	144.3	125.9
Property, plant and equipment	13.9	13.8
Intangible assets	95.6	100.8
Goodwill	132.3	134.9
Other non-current assets	4.4	4.1
Non-current assets, total	246.3	253.6
Total assets	390.5	379.5

Balance sheet – Equity and liabilities

mEUR	March 31, 2016	December 31, 2015
Equity and liabilities		
Short-term borrowings and current portion of long-term loans	18.6	18.6
Trade payables & accrued liabilities	24.8	32.2
Deferred revenue	56.6	42.0
Other current assets	15.7	11.4
Current liabilities, total	115.7	104.1
Long-term borrowings without current portion	57.5	62.1
Deferred tax liabilities	23.4	24.3
Other non-current liabilities	20.2	22.1
Non-current liabilities, total	101.0	108.5
Subscribed capital and capital reserve	51.0	51.0
Retained earnings	127.3	116.3
Other comprehensive income	-7.0	-2.5
Non-controlling interests	2.5	2.1
Equity, total	173.8	166.9
Total equity and liabilities	390.5	379.5

Cash flow statement

mEUR	March 31, 2016	March 31, 2015	% YoY
Cash and cash equivalents at the beginning of the period	84.0	57.0	+47.4%
Cash flow from operating activities	21.3	19.9	+7.2%
Cash flow from investing activities	-1.8	-2.6	-30.4%
t/o CapEX	-1.9	-1.1	+70.7%
t/o Cash paid for business combinations	0.0	-1.4	
Cash flow from financing activities	-4.8	-4.8	+0,7%
t/o Repayment of borrowings	-4.6	-3.0	
FX-effects	-1.5	4.0	
Cash and cash equivalents at the end of the period	97.2	73.5	+32.3%
Free cash flow⁽¹⁾	19.5	17.3	+12.8%

⁽¹⁾ Operating cash flow - Investing cash flow

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