



Barco One Campus, Kortrijk, Belgium
Architects: Jaspers-Eyers Architects | Engineering Office: Establis
Image: Marc Detiffe | Realized with GRAPHISOFT and SCIA

NEMETSCHEK GROUP Company Presentation

May 2017



NEMETSCHEK GROUP: In Brief.....	3
Trends & Strategy.....	8
Financials: Q1 2017.....	14
NEMETSCHEK Share.....	24
Outlook: FY 2017.....	27
Appendix.....	29
Contact.....	34

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

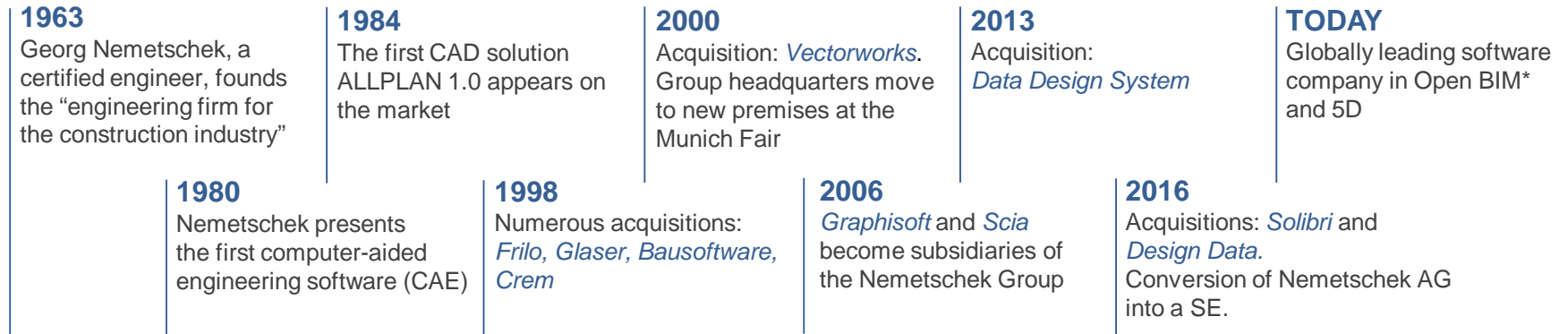
We are a Group of industry leaders with a unique DNA and expertise in the AEC* industry.

All of our strong brands share the same mission:

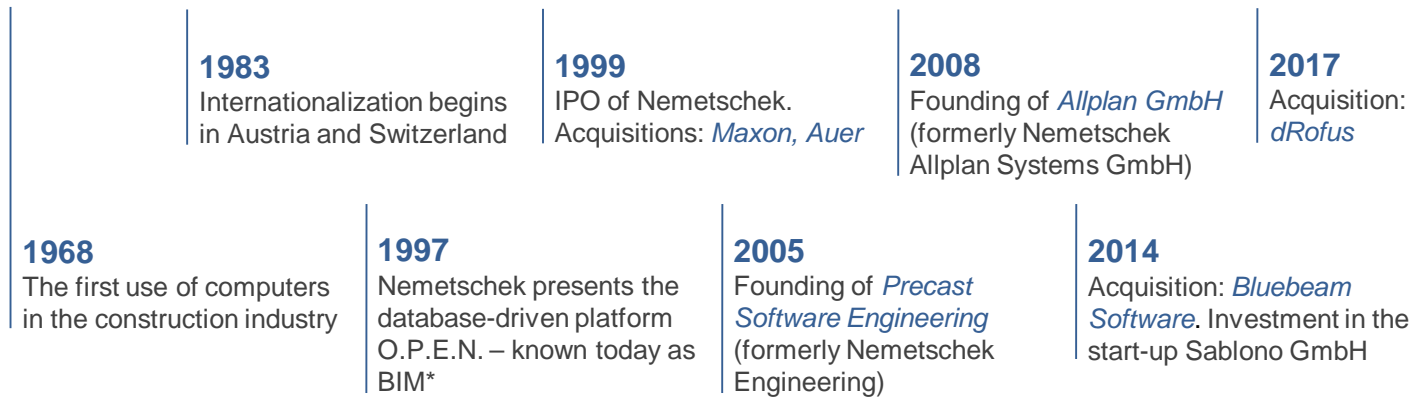
“We are open and declare our support of Open BIM, a standard that allows maximum flexibility and a seamless collaboration of all the parties involved in the construction process so that quality is enhanced in construction in compliance with time and cost schedules.”

* Architecture, Engineering, Construction

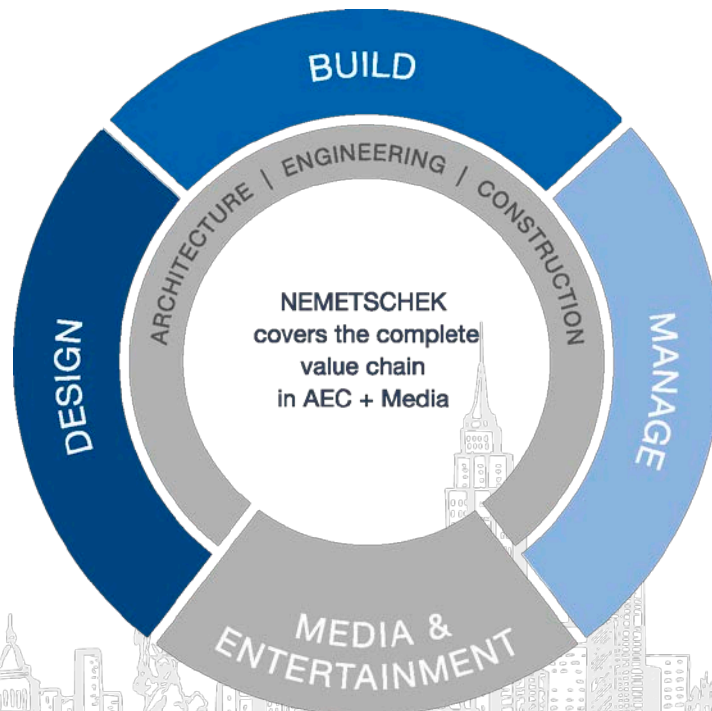
History: 50 Years of Innovation and Success



▶ SPIRIT OF INVENTION ▶ INTERNATIONALIZATION ▶ INNOVATION DRIVER ▶



* Building Information Modeling



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
- 14 strong brands
- 337.3 mEUR sales revenues (2016)
- 2.3 million users in 142 countries
- About 2,000 employees worldwide
- 60 locations in more than 40 countries
- IPO 1999, listed in the TecDax
- 2.3 billion EUR market capitalization

* Architecture, Engineering, Construction

Architecture • Engineering • Construction

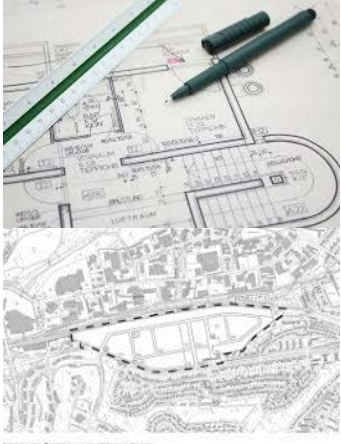
DESIGN		BUILD	MANAGE	Media & Entertainment
ALLPLAN	GRAPHISOFT.	NEVARIS	CREM SOLUTIONS	MAXON
VECTORWORKS	SCIA	bluebeam		
DATA DESIGN SYSTEM	FRILO Software	SOLIBRI		
PRECAST SOFTWARE engineering	dRofus	DESIGN DATA		

- ▶ 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

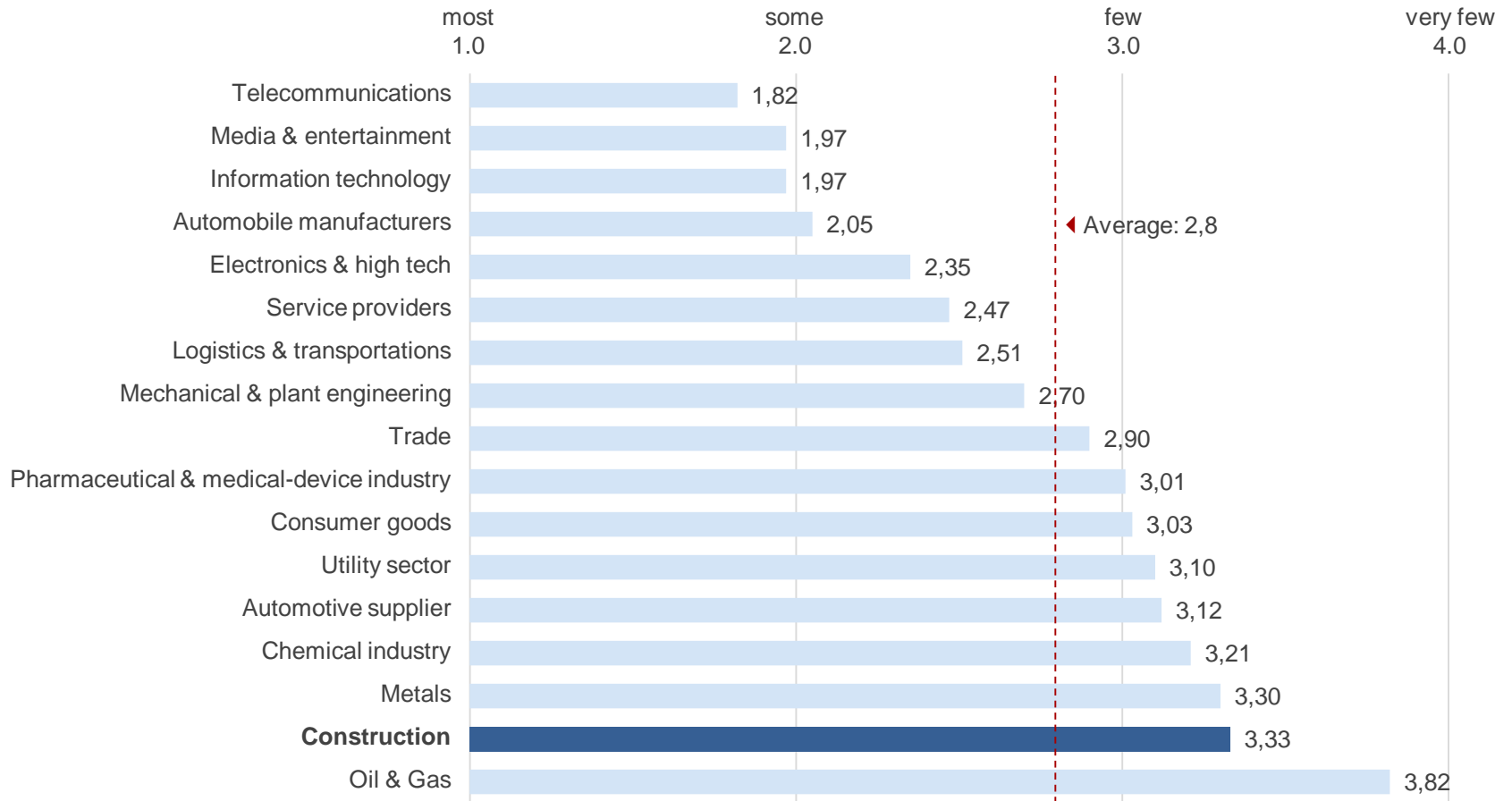


Since 1985

Today

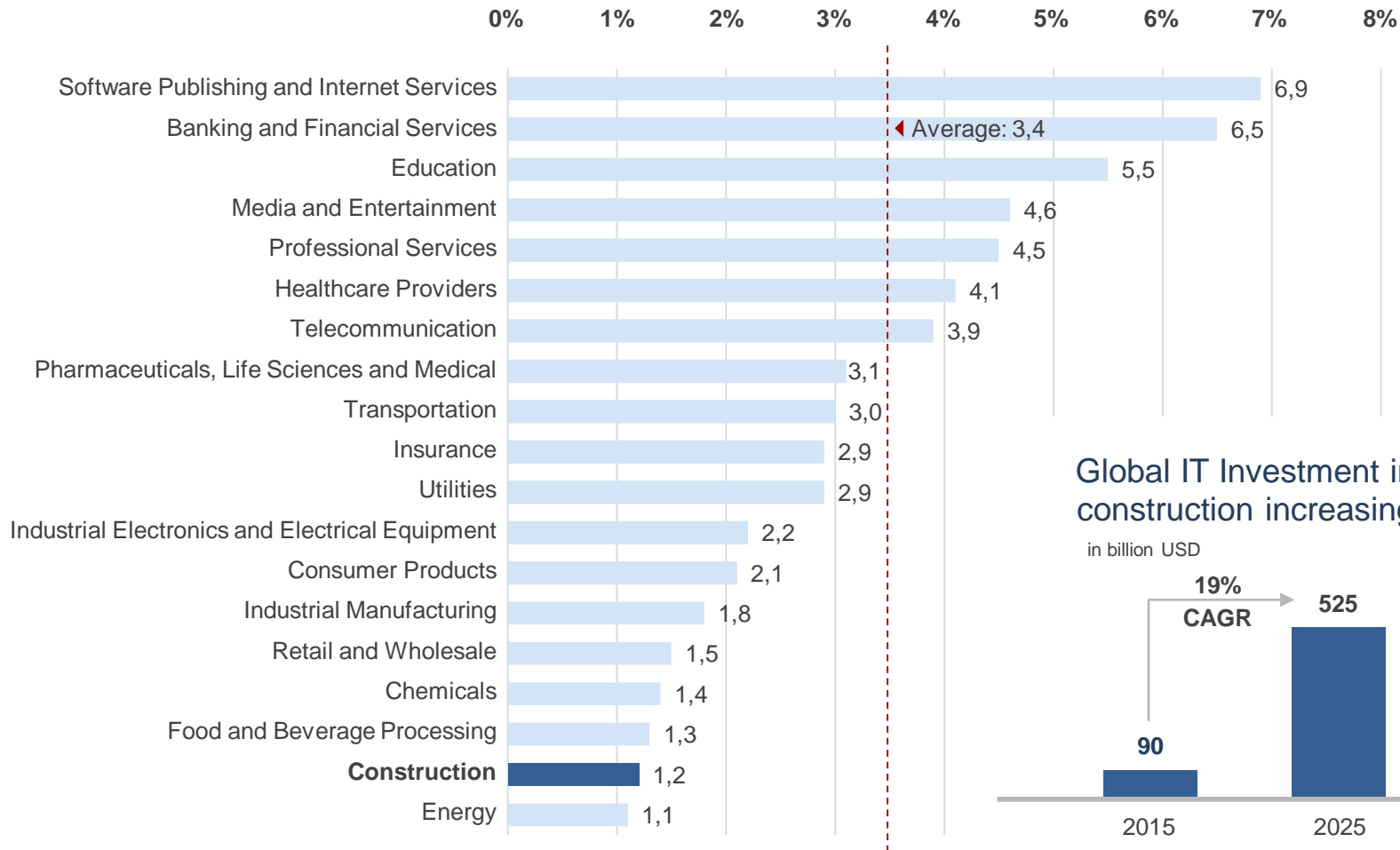
Tomorrow

Mega Trend Digitalization – Entering The Industries



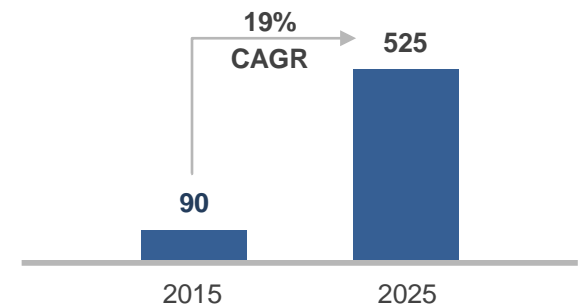
Source: TOP 500 survey 2014 / Accenture

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



Global IT Investment in construction increasing

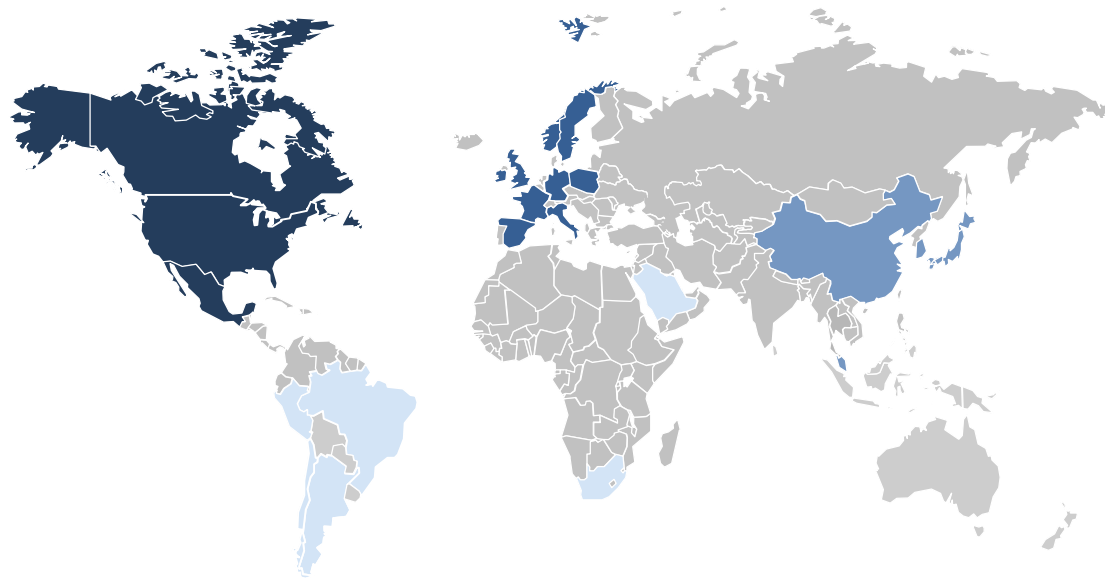
in billion USD



Source: IT Key Metrics ,Data 2015

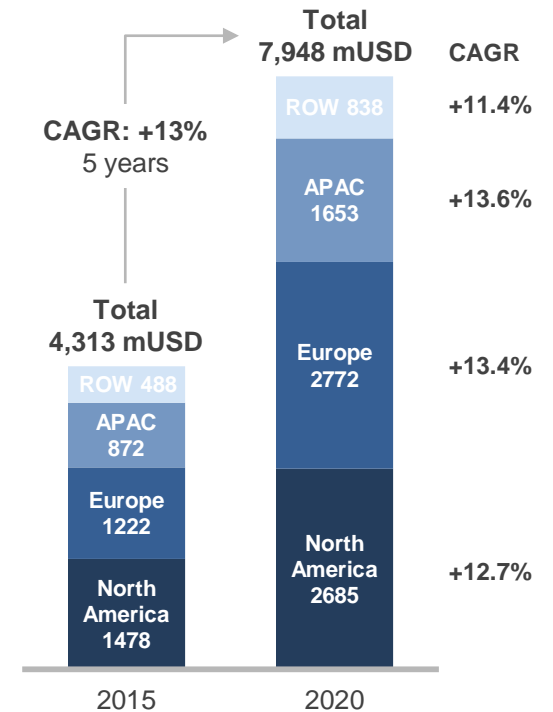
Source: McKinsey

BIM Market by Region 2015



<p>North America \$ 1,478 mUSD ↗ +12.7%</p>	<p>Europe \$ 1,222 mUSD ↗ +13.4%</p>	<p>APAC \$ 872 mUSD ↗ +13.6%</p>	<p>ROW \$ 488 mUSD ↗ +11.4%</p>
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BIM Market Size 2015/2020

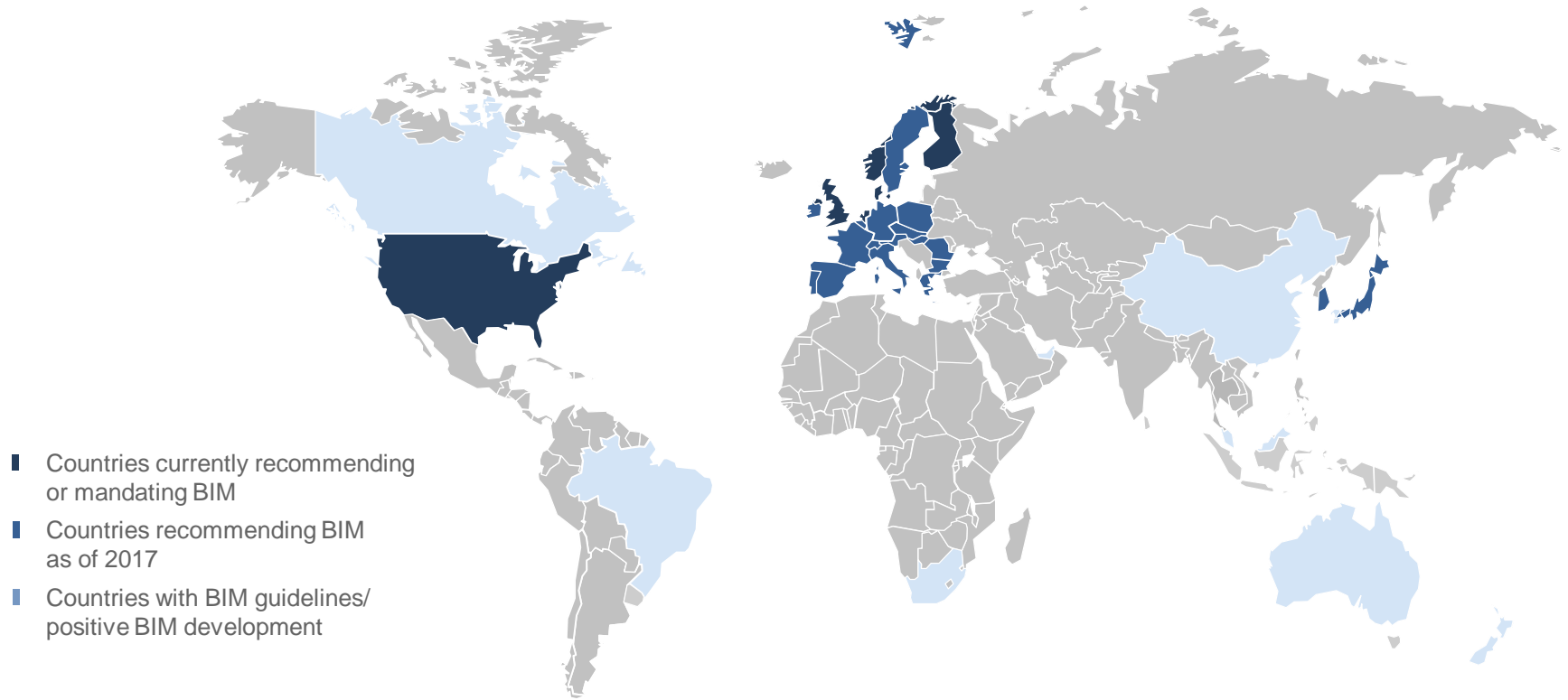


\$ Market Size 2015
↗ CAGR 2015 - 2020

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

Status of Current BIM Regulations and Use

Source: HSBC, Kepler Cheuvreux



National UK BIM Report survey on future use of BIM





Financials: Q1 2017

La Spezia Trade Fair, Italy
Architects: Studio Manifroni Associati | Realized with VECTORWORKS

Dynamic revenue growth in Q1 2017

- **Q1 revenues** increased strongly by 24.0% to 96.3 mEUR
- Inorganic effects – dRofus (1.3 mEUR) and Design Data (3.1 mEUR)
- Organic growth of high 18.3%

Strong revenue increase abroad

- **Revenues abroad** increased significantly by 26.5% to 67.5 mEUR
- Revenue share outside of Germany at 70.1%, Americas at 27.0%
- Growth regions: Americas, Asia, Nordic
- Domestic revenues also in growth mode with +18.5% to 28.8 mEUR

Growth driver: Recurring revenues

- **Recurring revenues** up by 31.5% to 43.8 mEUR
- Recurring revenue share at high 45.4%
- Positive revenue development of software licenses: +20.4% to 48.5 mEUR
- Both, high recurring revenues and new customers secured

EBITDA grew stronger than revenues – profitability increased

- **EBITDA** up by 25.5% yoy to 26.3 mEUR
- EBITDA margin increased from 27.0% to 27.4%
- No activation of R&D costs
- Strategic investments to secure future growth: Internationalization, cross-brand developments, innovations

Significant growth of net income and EPS

- **Net income** (group shares) increased significantly by 28.6% to 14.2 mEUR
- **EPS** up to 0.37 EUR (previous year: 0.29 EUR)
- Net income w/o PPA increased by 28.3% to 16.7 mEUR
- EPS (w/o PPA) accordingly at 0.43 EUR

Cash and solid balance sheet

- **Cash and cash equivalents** at 101.4 mEUR despite dRofus acquisition
- Net liquidity at 11.7 mEUR
- **Equity ratio** of 45.2% - leeway for further investments / acquisitions

Dividend

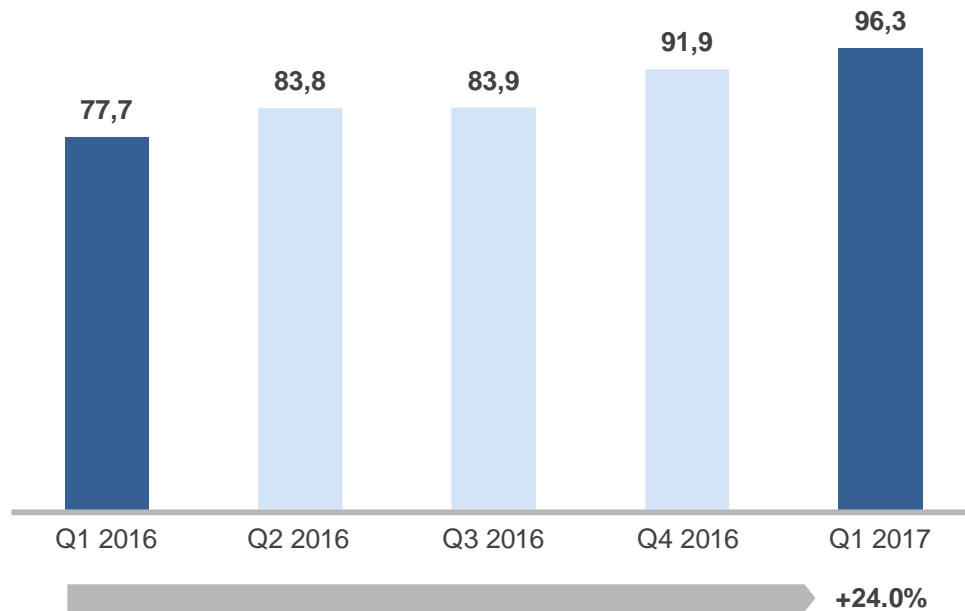
- **Dividend proposal** of 0.65 EUR per share (previous year: 0.50 EUR per share)
- Dividend increase of 30% yoy
- Total amount to be distributed of 25.025 mEUR
- Proposal to the AGM on June 1, 2017 in Munich

Outlook confirmed

- Q1 as a very good basis for the fiscal year 2017
- Continuing to be the fastest growing software company in Europe
- **Revenue target range:** 395 - 401 mEUR, increase of +17% - +19%
- Thereof organic: +13% - +15%, inorganic effects through dRofus and Design Data
- **EBITDA target range:** 100 - 103 mEUR (+16 - +20%)
- High EBITDA margin of FY 2016 will be maintained despite strategic investment to secure sustained future growth and lower EBITDA margins of strongly expanding acquired brands

Revenues: Excellent and dynamic start in the fiscal year 2017

Revenues in mEUR



Q1 2017

- ▶ Revenues up by 24.0% to 96.3 mEUR
- ▶ Acquired companies dRofus and Design Data contributed around 4.4 mEUR
- ▶ Organic growth of 18.3% yoy

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
Russia
Slovakia
Sweden

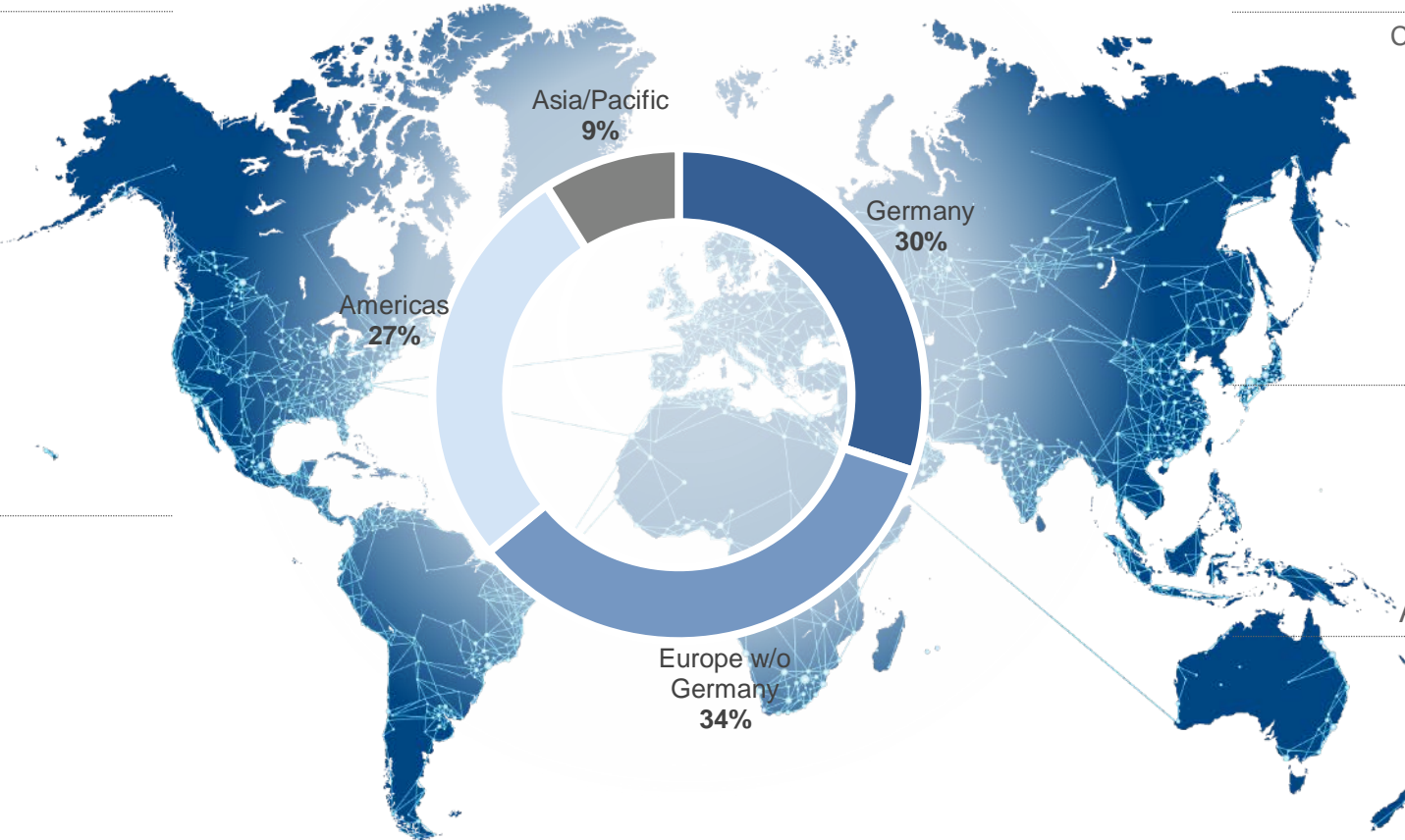
AMERICAS

Brazil
Canada
Mexico
USA

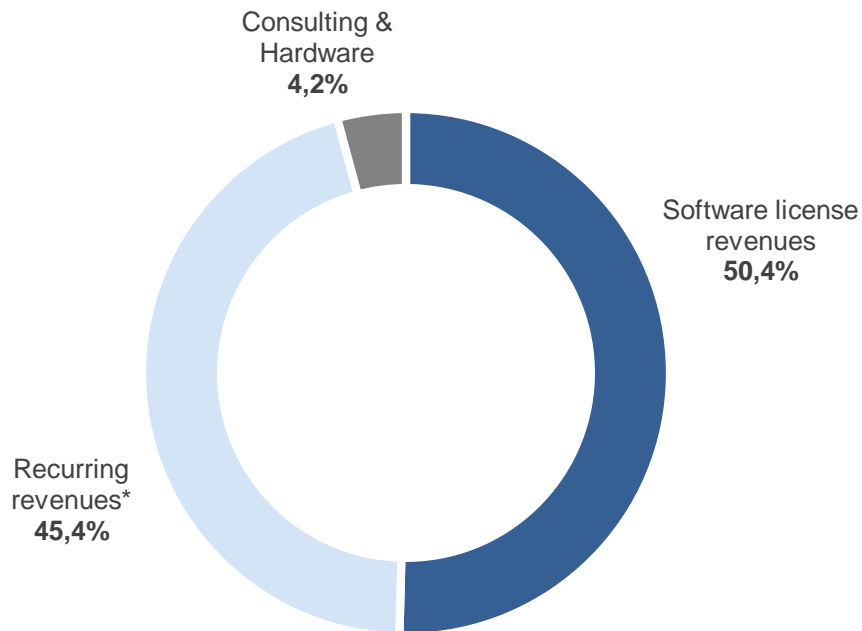
ASIA

China
Japan
Singapore

AUSTRALIA



Revenues split Q1 2017 in %



Recurring revenues*

- ▶ High growth of 31.5% to 43.8 mEUR
- ▶ High recurring revenue share of 45.4% leads to higher stability

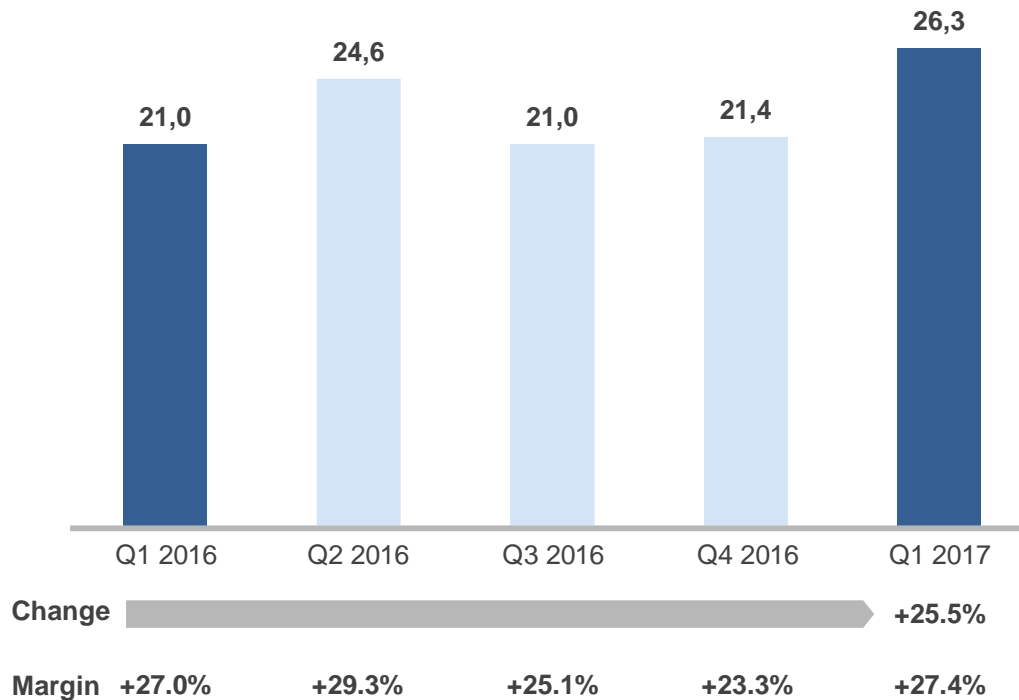
Software license revenues

- ▶ Up by 20.4% to new high of 48.5 mEUR
- ▶ New customers wins
- ▶ Increasing customer base
- ▶ Consequently recurring revenues will follow

* Software services, rental models (Subscriptions, SaaS)

EBITDA increased stronger than revenues

in mEUR



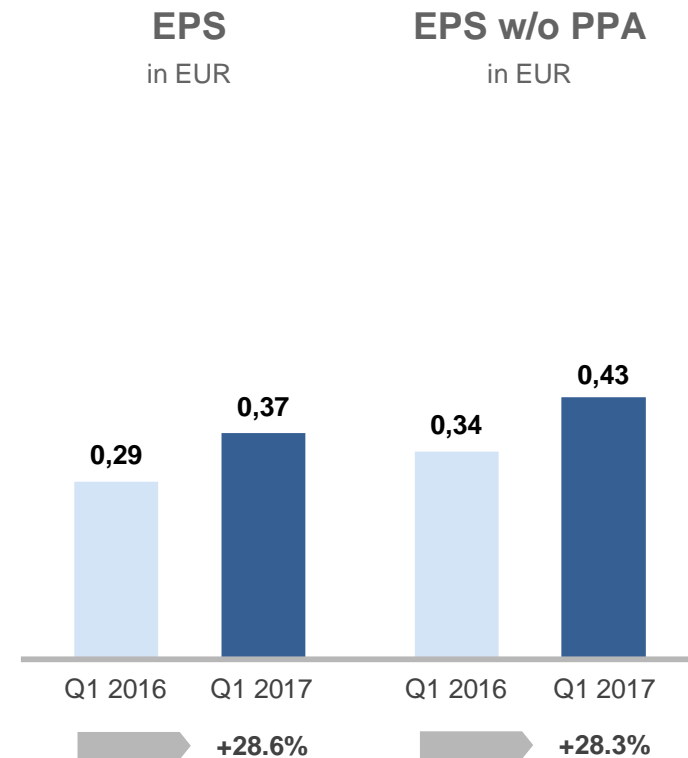
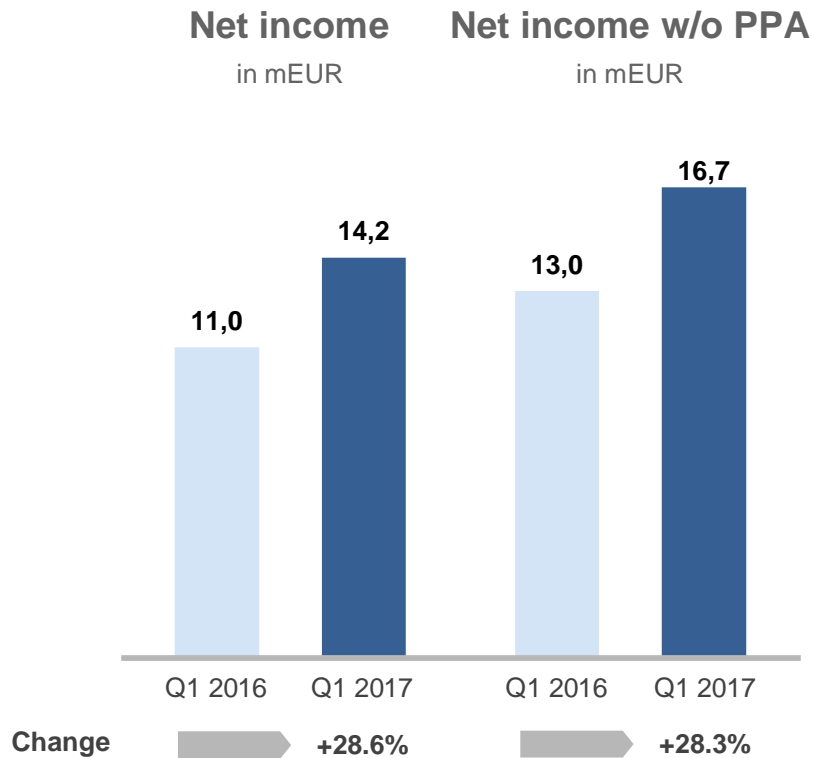
EBITDA

- ▶ Up by 25.5% to 26.3 mEUR

EBITDA margin

- ▶ EBITDA margin improved to 27.4%
- ▶ High EBITDA margin despite strategic investments to secure future growth and lower EBITDA margins of strongly expanding acquired brands

Net income and EPS with significant growth of 28.6% yoy



Design

- Double-digit revenue growth rate of +18.0%
- Inorganic effect of dRofus with 1.3 mEUR revenues
- Organic growth of +15.4%
- Positive development in all brands and regions
- EBITDA margin increased to 28.3%

Build

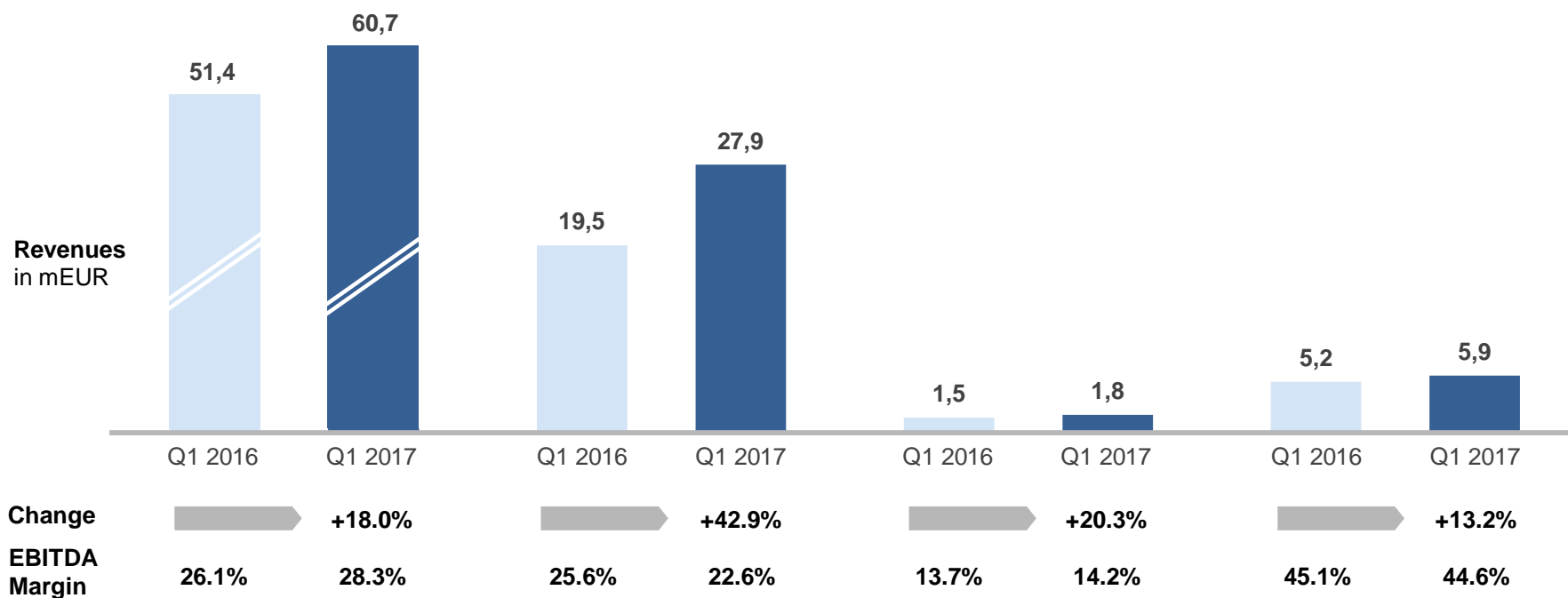
- Very strong revenue growth of +42.9%
- Inorganic effect of Design Data with 3.1 mEUR revenues
- Organic growth of +26.9%
- Bluebeam and Solibri are strongest growing brands
- Further investments to secure high growth rates in the future

Manage

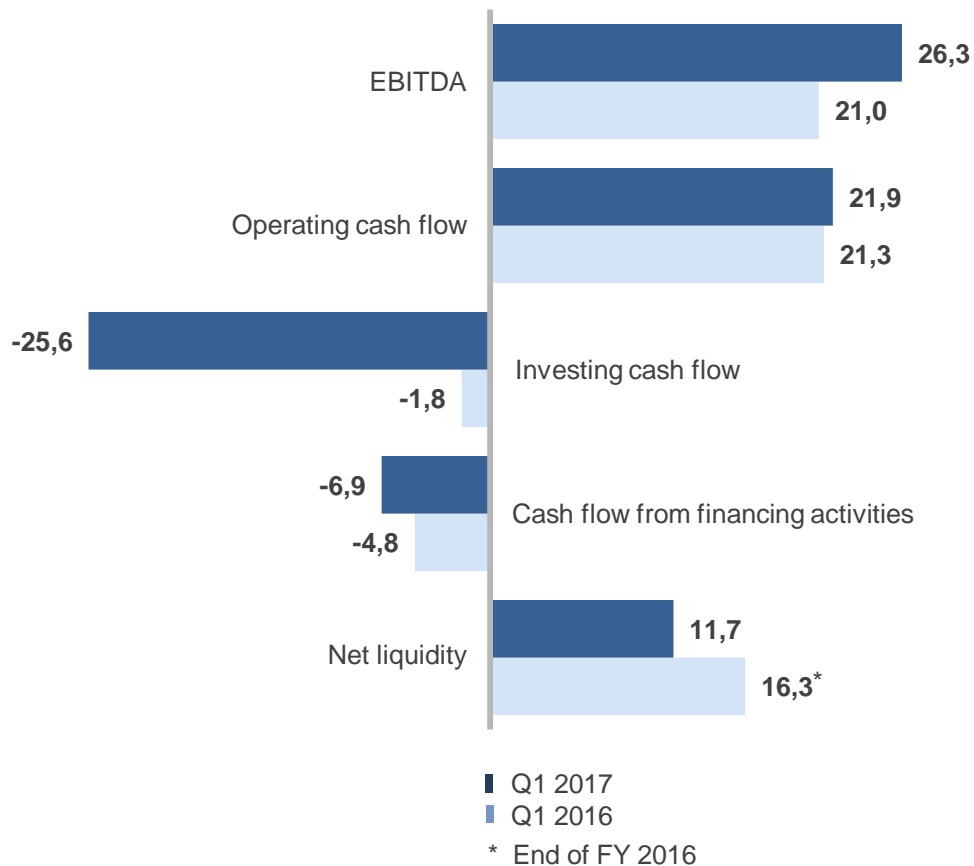
- Continued revenue growth with +20.3%
- Slight improvement of the EBITDA margin

Media & Entertainment

- Positive revenue development with +13.2%
- High profitability but further investments in future growth



in mEUR



EBITDA

- +25.5% yoy

Operating cash flow

- Only slight increase because of earn-out component of Bluebeam (5 mEUR)
- Adjusted operating cash flow (w/o earn-out) would have been at 26.9 mEUR (+26.3% yoy)

Investing cash flow

- Capex of 1.2 mEUR
- Acquisition of dRofus (24.5 mEUR)

Cash flow from financing activities

- Repayment of bank loan (-6.5 mEUR)

Net liquidity situation despite dRofus acquisition

- Leeway to grow organically and via acquisitions

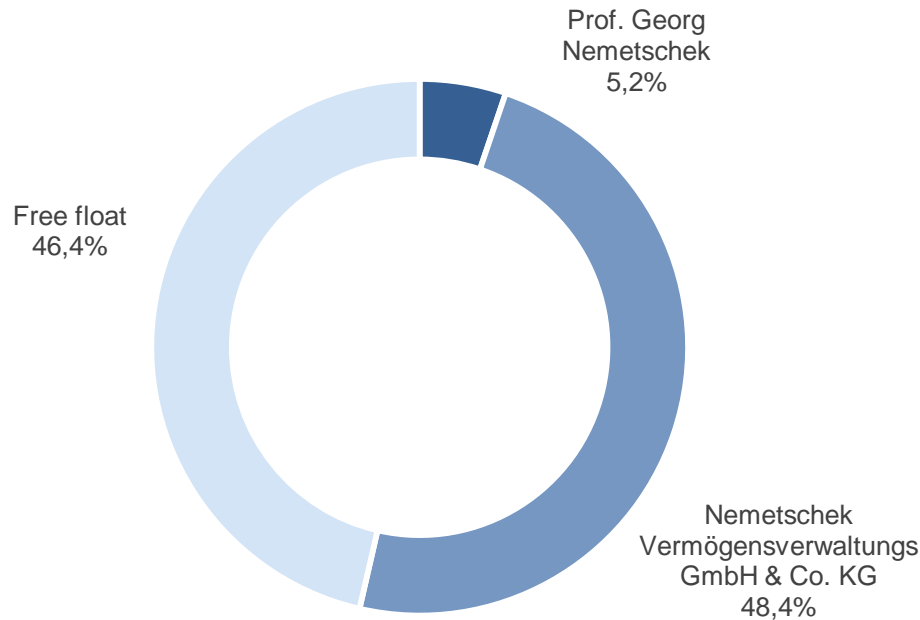
Conversion rate**

- Strong conversion rate of 83% (previous year: 102%)

** Operating cash flow / EBITDA



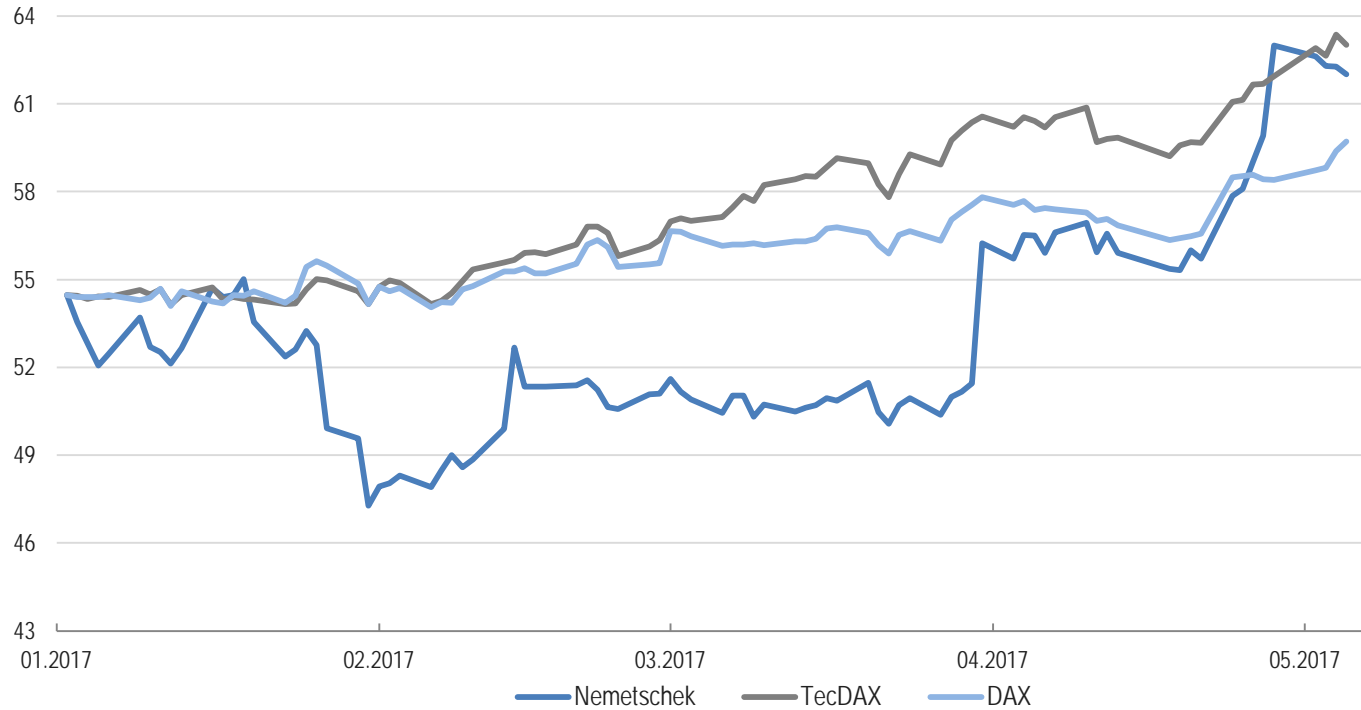
NEMETSCHKEK Shares



- 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: ~ 2.3 billion EUR
- Current TecDAX Ranking: 15/20

➔ 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%
Year 2016	+20%	-1%	+7%
YTD 2017	+14%	+16%	+10%



Outlook: FY 2017

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
- Network of industry leaders

Growth potential/ Investments

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

Guidance 2017 confirmend

- **Revenues:** Focus on topline with double digit growth rates in the mid-teens
- **EBITDA:** Double digit growth
- High **EBITDA margin** of FY 2016 will be maintained despite strategic investment to secure sustained future growth and lower EBITDA margins of strongly expanding acquired brands

in mEUR	FY 2016	Forecast 2017*	Organic
Revenues	337.3	395 – 401 (+17% - +19%)	+13% - +15%
EBITDA	86.1**	100 – 103 (+16 - +20%)	

*USD/EUR plan rate: 1.09

** EBITDA w/o positive one-off effect of 1.9 mEUR



Appendix

P+L statement Q1 / FY comparison

mEUR	Q1 2017	Q1 2016	% YoY
Revenues	96.3	77.7	+24.0%
Own work capitalized/other operating income	1.0	1.2	-15.4%
Operating income	97.3	78.8	+23.4%
Cost of materials/ purchased services	-2.7	-2.4	+14.3%
Personnel expenses	-43.4	-35.0	+24.0%
Other operating expenses	-24.8	-20.5	+21.2%
Operating costs	-70.9	-57.9	+22.6%
EBITDA	26.3	21.0	+25.5%
Margin	27.4%	27.0%	
Depreciation of PPA and amortization	-5.5	-4.4	+23.8%
<i>t/o PPA</i>	-3.5	-2.7	+30.1%
EBITA (normalized EBIT)	24.4	19.3	+26.5%
EBIT	20.9	16.6	+26.0%
Financial result	-0.2	-0.2	
EBT	20.7	16.4	+26.4%
Income taxes	-5.9	-4.8	+23.0%
Non-controlling interests	-0.6	-0.5	
Net income (group shares)	14.2	11.0	+28.6%
EPS in EUR	0.37	0.29	+28.6%

Balance sheet - Assets

mEUR	March 31, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	101.4	112.5
Trade receivables, net	47.3	38.8
Inventories	0.5	0.6
Other current assets	18.6	16.0
Current assets, total	167.8	167.9
Property, plant and equipment	13.9	14.3
Intangible assets	94.6	89.7
Goodwill	192.2	177.2
Other non-current assets	6.1	5.7
Non-current assets, total	306.8	286.8
Total assets	474.6	454.7

Balance sheet – Equity and liabilities

mEUR	March 31, 2017	December 31, 2016
EQUITY AND LIABILITIES		
Short-term borrowings and current portion of long-term loans	26.1	26.0
Trade payables & accrued liabilities	33.8	40.7
Deferred revenue	75.2	55.3
Other current assets	31.7	24.1
Current liabilities, total	166.8	146.1
Long-term borrowings without current portion	63.6	70.2
Deferred tax liabilities	22.1	20.6
Other non-current liabilities	7.8	15.7
Non-current liabilities, total	93.4	106.5
Subscribed capital and capital reserve	51.0	51.0
Retained earnings	158.1	144.0
Other comprehensive income	1.9	4.4
Non-controlling interests	3.2	2.8
Equity, total	214.3	202.1
Total equity and liabilities	474.6	454.7

Cash flow statement

mEUR	March 31, 2017	March 31, 2016	% YoY
Cash and cash equivalents at the beginning of the period	112.5	84.0	+34.0%
Cash flow from operating activities	21.9	21.3	+2.7%
Cash flow from investing activities	-25.6	-1.8	
t/o CapEX	-1.2	-1.9	-38.9%
t/o Cash paid for business combinations	-24.5	0.0	
Cash flow from financing activities	-6.9	-4.8	+42.3%
t/o Repayments of borrowings	-6.5	-4.6	
FX-effects	-0.5	-1.5	
Cash and cash equivalents at the end of the period	101.4	97.2	+4.3%
Free cash flow⁽¹⁾	-3.7	19.5	

⁽¹⁾ Operating cash flow – Investing cash flow

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