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NEMETSCHEK GROUP Company Presentation

September 2017



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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

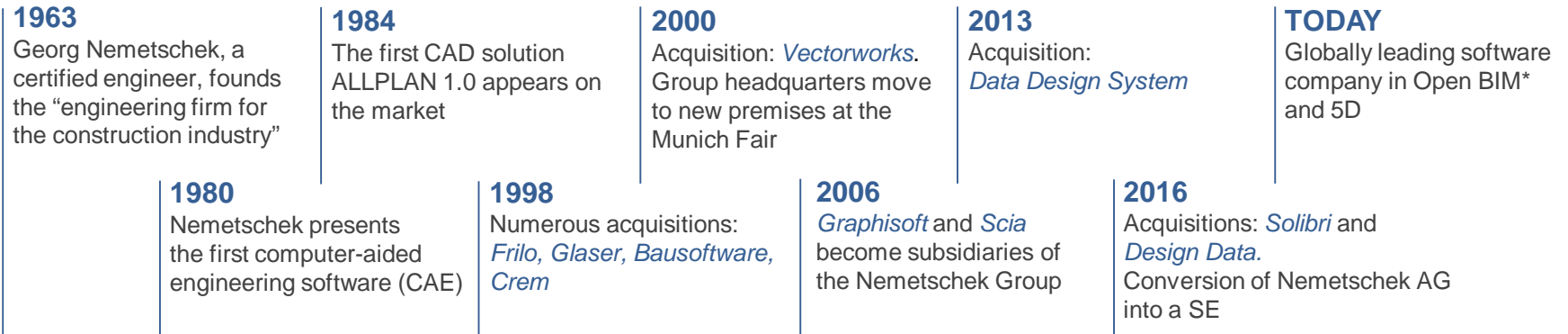
We are a Group of industry leaders with a unique DNA and expertise in the AEC* industry.

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

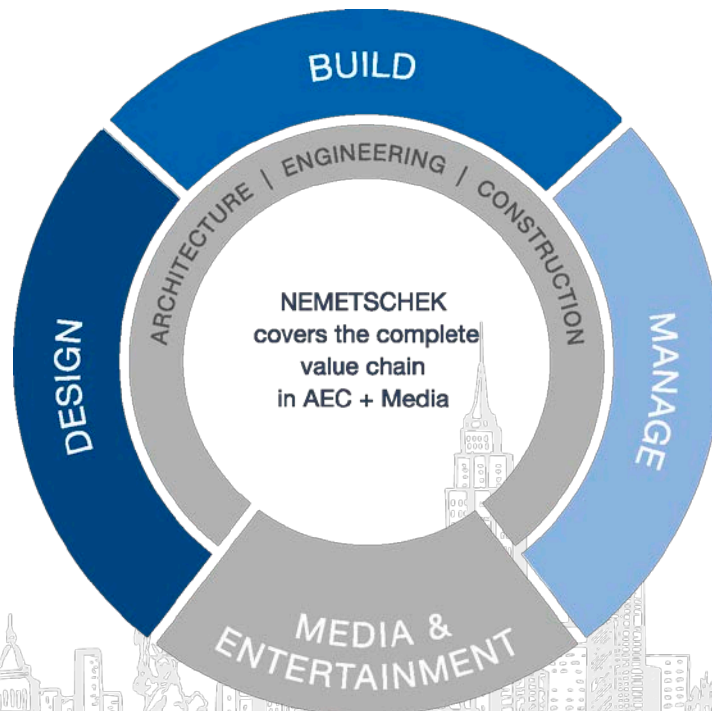
History: 50 Years of Innovation and Success



▶ SPIRIT OF INVENTION ▶ INTERNATIONALIZATION ▶ INNOVATION DRIVER ▶



* Building Information Modeling



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
- 2.5 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

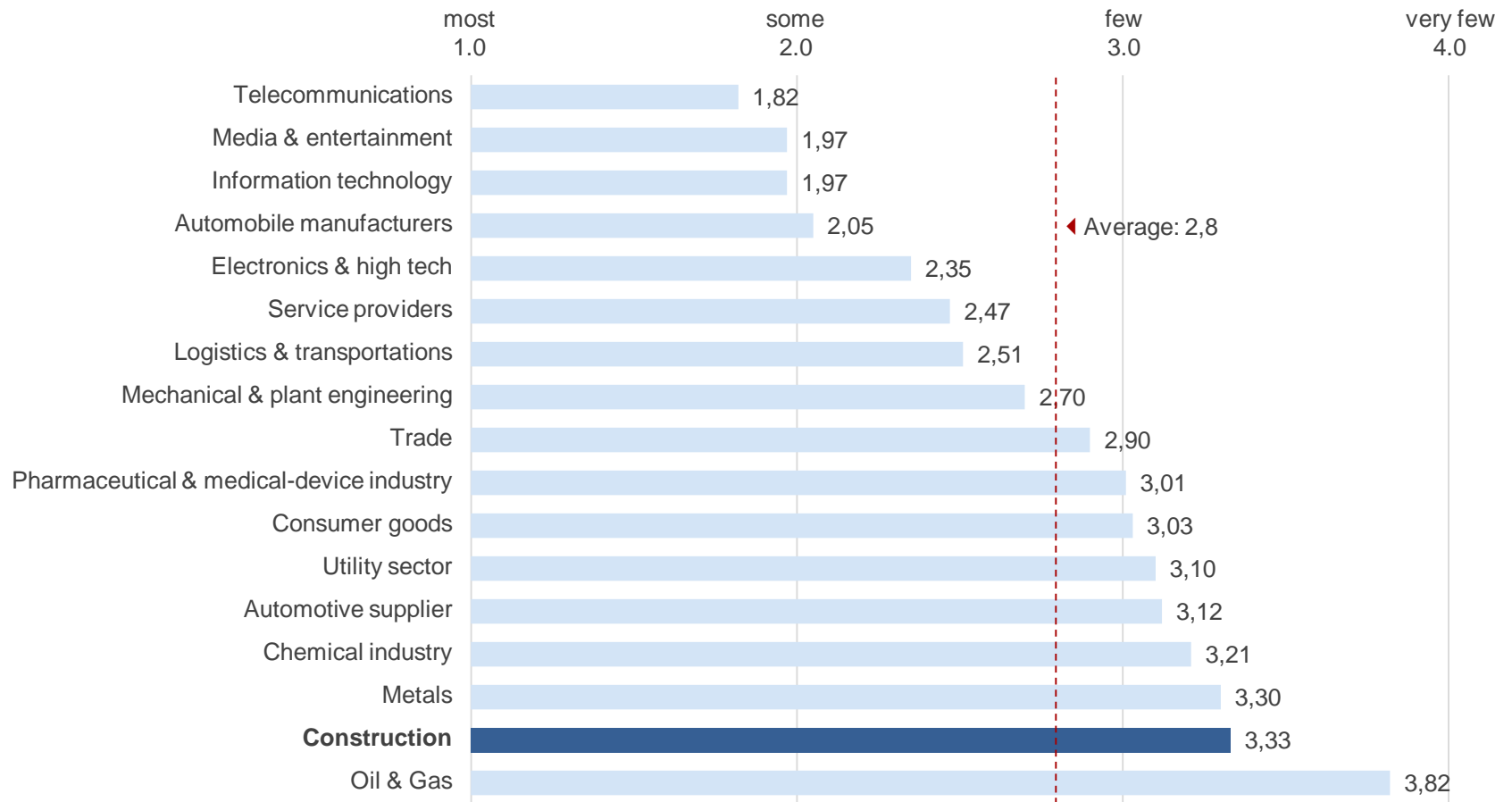


Since 1985

Today

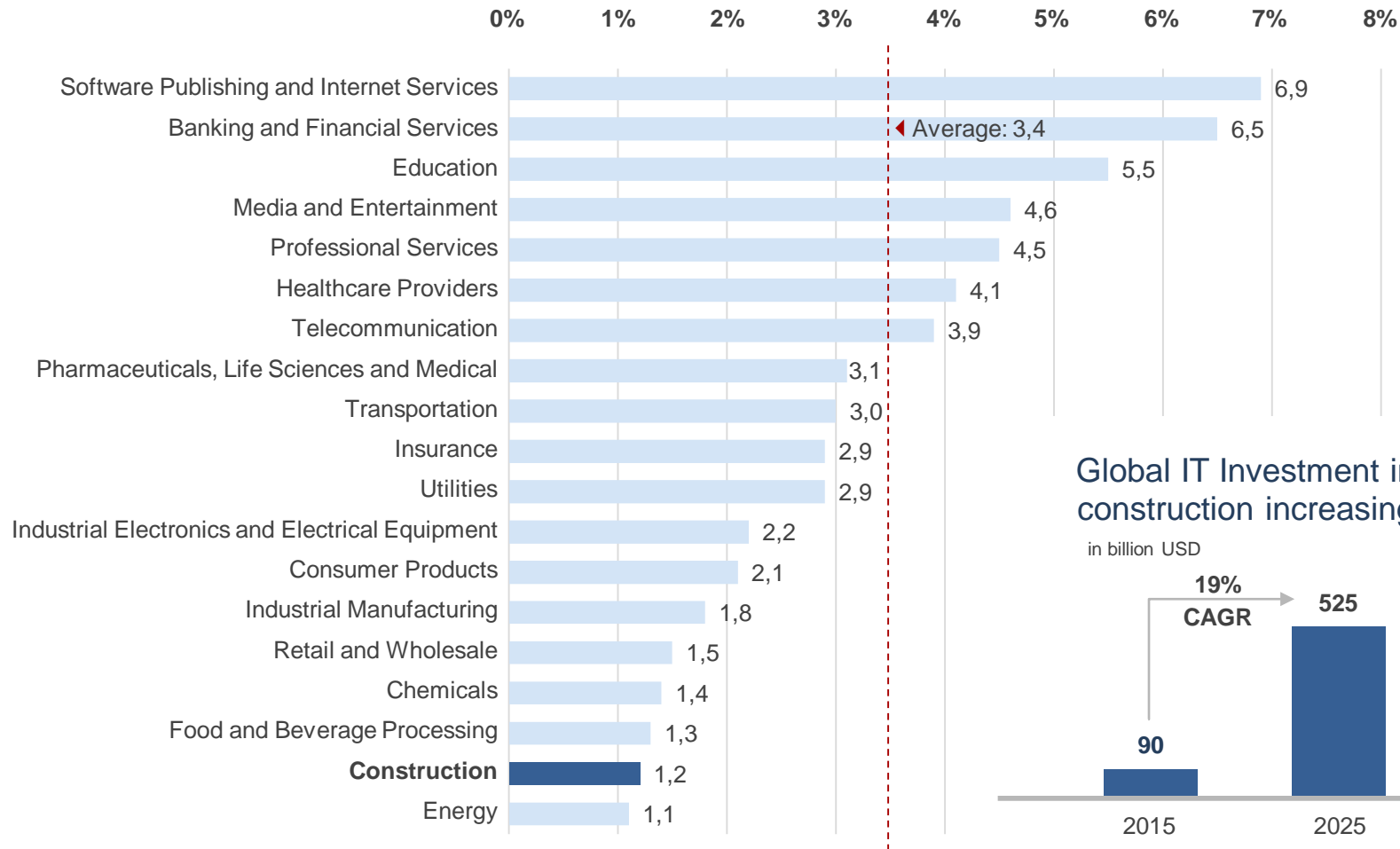
Tomorrow

Mega Trend Digitalization – Entering The Industries



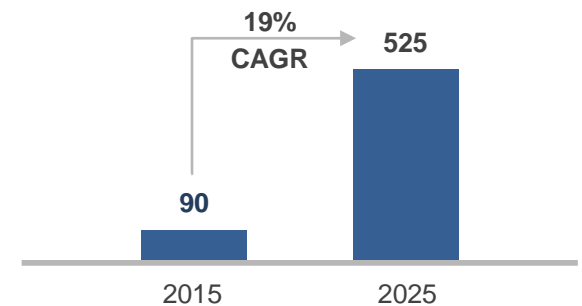
Source: TOP 500 survey 2014 / Accenture

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



Global IT Investment in construction increasing

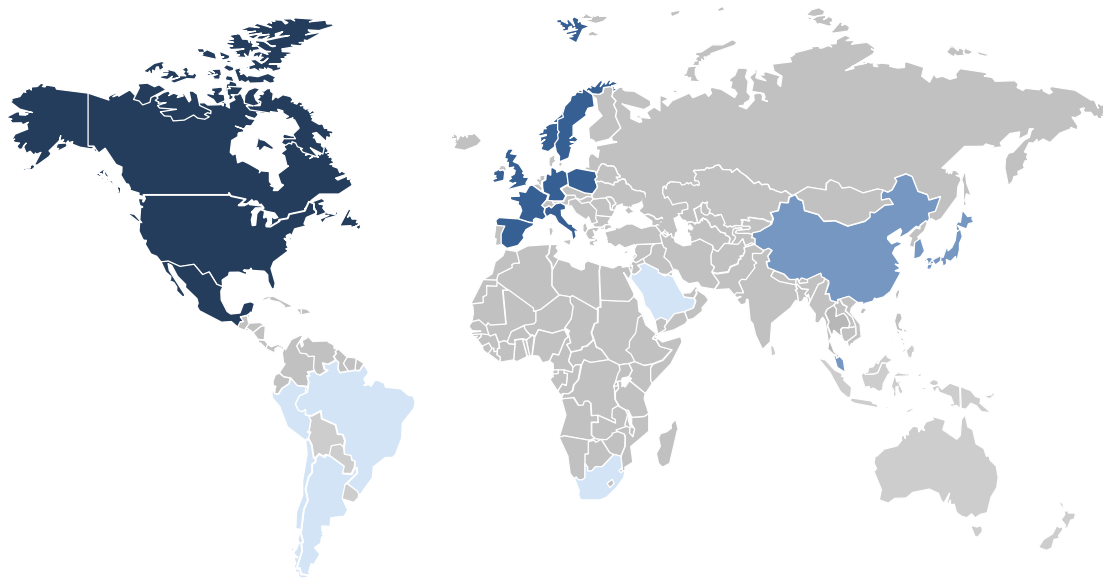
in billion USD



Source: IT Key Metrics ,Data 2015

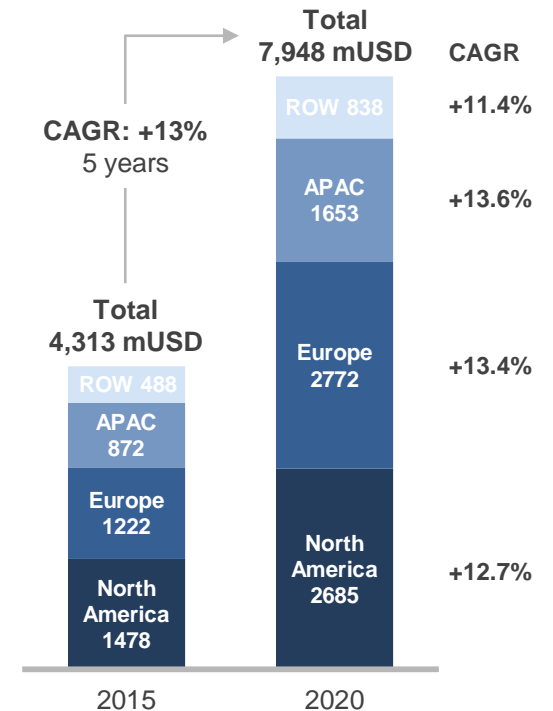
Source: McKinsey

BIM Market by Region 2015



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

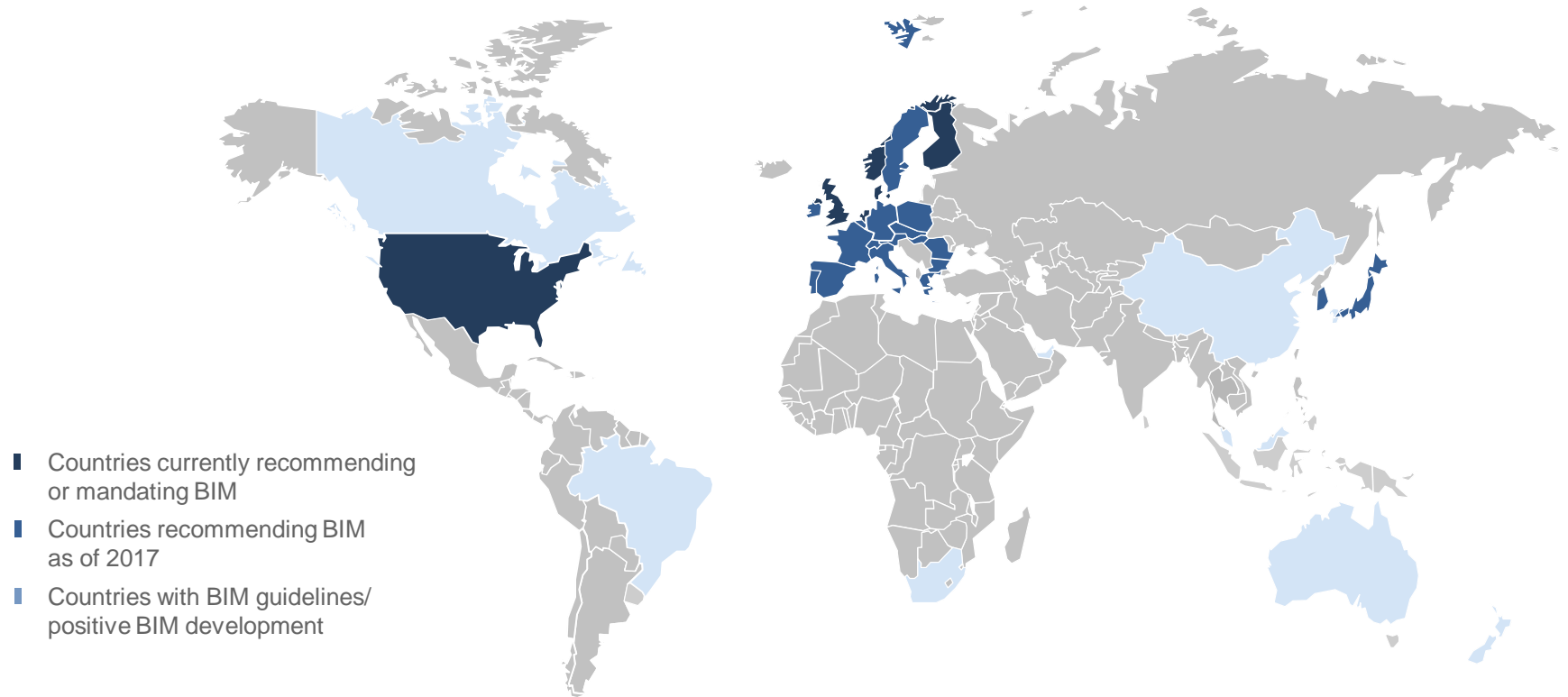


\$ Market Size 2015
↗ CAGR 2015 - 2020

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: Q2 / H1 2017

Double-digit revenue growth in H1 2017

- Revenues in first half at upper end of guidance 2017
- **H1 revenues:** Strong increase of 20.1% to 194.0 mEUR
- Organic growth of 14.8% (inorganic effects: dRofus (2.6 mEUR) and Design Data (5.7 mEUR))
- **Q2 revenues:** Up by 16.5% to 97.7 mEUR
- Organic growth of 11.6%
- Challenging Q2: High comparison level of previous year and release shift of one major brand in Design Segment from Q2 to second half 2017 will lead to revenue shift in H2

Strong revenue increase abroad

- **Revenues abroad:** Up by 24.6% to 136.7 mEUR
- Revenues share outside of Germany at 70.5%
- Higher footprint in the very competitive US market with revenues share of around 29%
- Growth regions: Americas, Asia, Scandinavia

Growth driver: Recurring revenues

- **Recurring revenues:** Strong growth of 29.1% to 88.7 mEUR
- Share of recurring revenues at high 45.7%
- **Software licenses:** Positive development with 13.0% growth to 96.9 mEUR
- License revenue share of 50.0%

EBITDA on high level

- **H1 EBITDA:** up by 18.3% to 51.7 mEUR, EBITDA margin at 26.6%
- EBITDA previous year adjusted for one-time gain of 1.9 mEUR at 43.7
- Including one-time gain EBITDA increased by 13.4%
- **Q2 EBITDA:** up by 11.7% to 25.3 mEUR, EBITDA margin of 25.9%
- Strategic investments started in Q2
- Mature brands are contributing to efficiency

Net income and EPS

- **Net income:** Up by 21.1% to 27.7 mEUR (previous year w/o one-time gain)
- **EPS:** at 0.72 EUR

Solid balance sheet

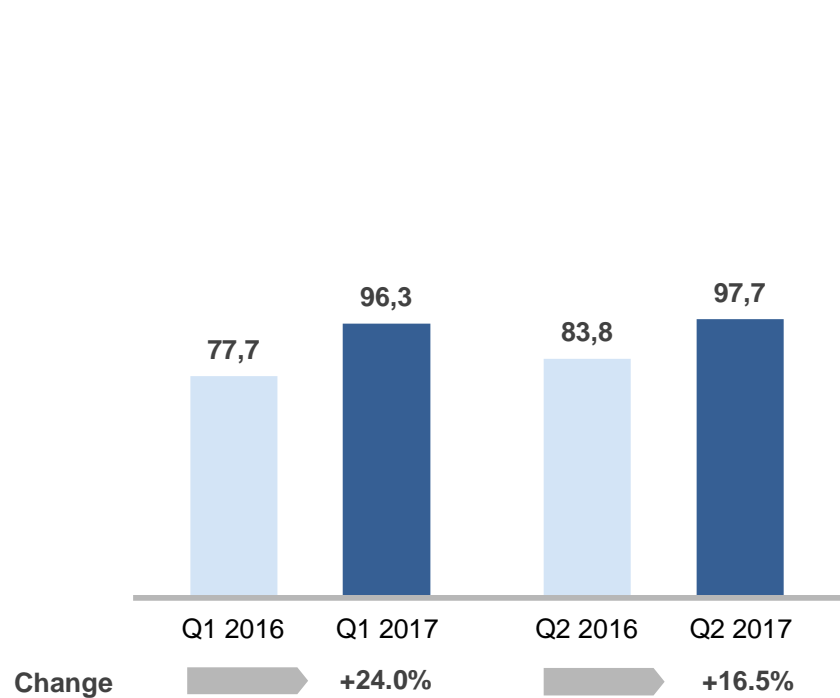
- **Dividend payment:** 25m EUR after the AGM on June 1, 2017
- **Cash and cash equivalents** at 83.4 mEUR despite dRofus acquisition and dividend payout
- **Equity ratio** at 43.6% - leeway for further investments / acquisitions

Outlook for FY 2017 confirmed

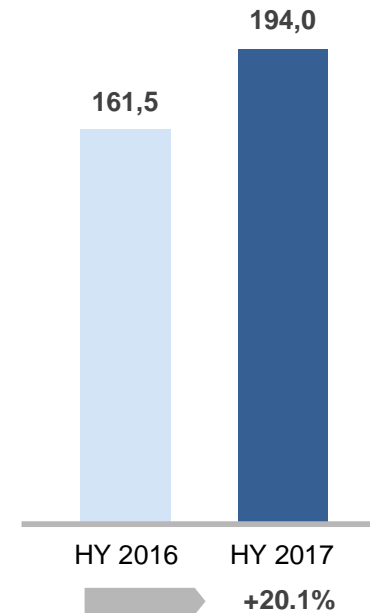
- H1 as a very good basis for the fiscal year 2017
- Outlook for FY 2017 confirmed:
- **Revenue target range:** 395 - 401 mEUR, increase of +17% - +19%
- Thereof organic: +13% - +15%, inorganic effects through dRofus and Design Data
- **EBITDA target range:** 100 - 103 mEUR (+16 - +20%)
- High EBITDA margin of FY 2016 will be maintained despite strategic investment to secure sustained future growth and lower EBITDA margins of strongly expanding acquired brands

Positive revenue development continued in Q2 2017

in mEUR



▶ Organic growth of 11.6% yoy in Q2



▶ Organic growth of 14.8% yoy in H1

- ▶ Inorganic effects:
 - ▶ Design Data: 5.7 mEUR
 - ▶ dRofus: 2.6 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
- Russia
- Slovakia
- Sweden

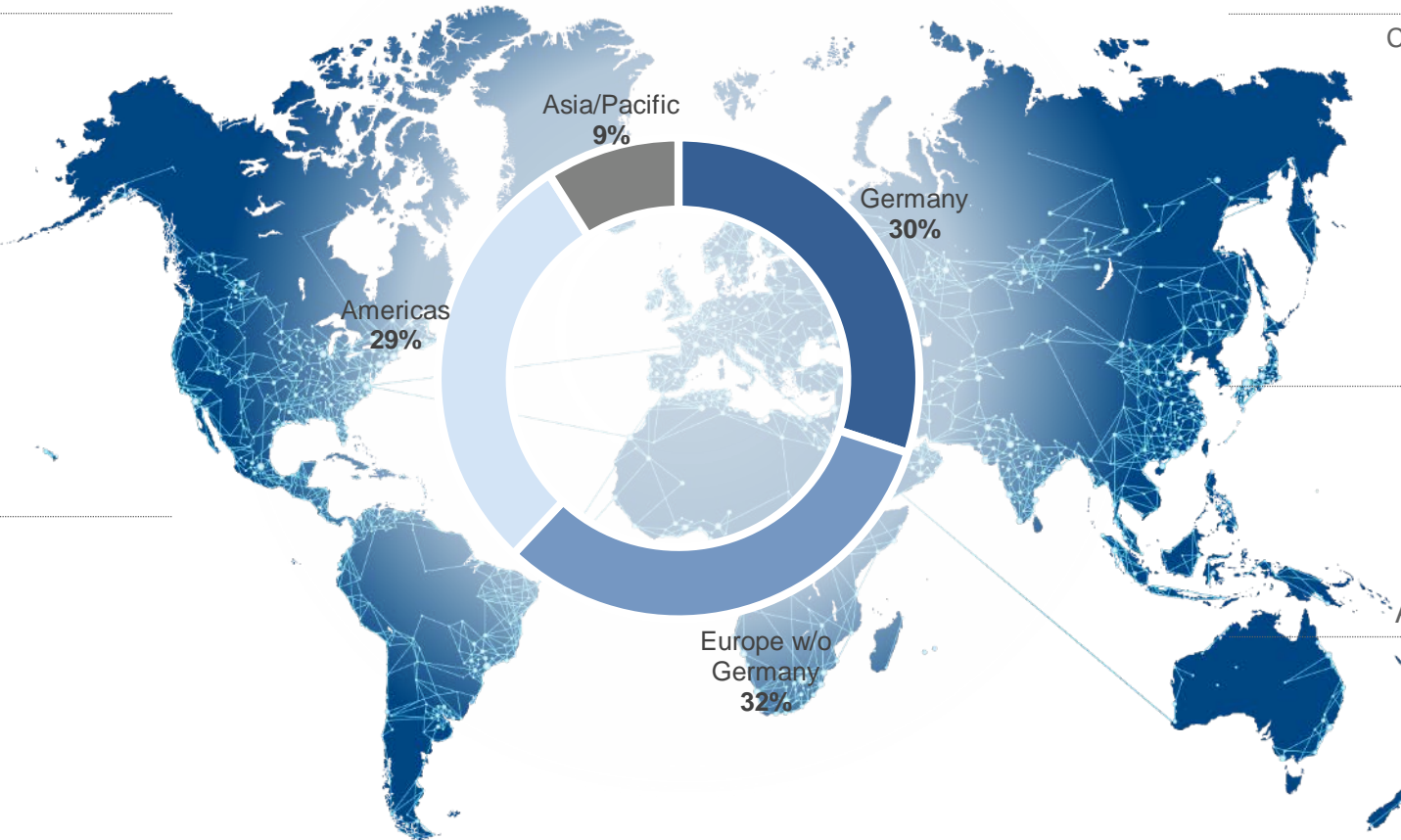
AMERICAS

- Brazil
- Canada
- Mexico
- USA

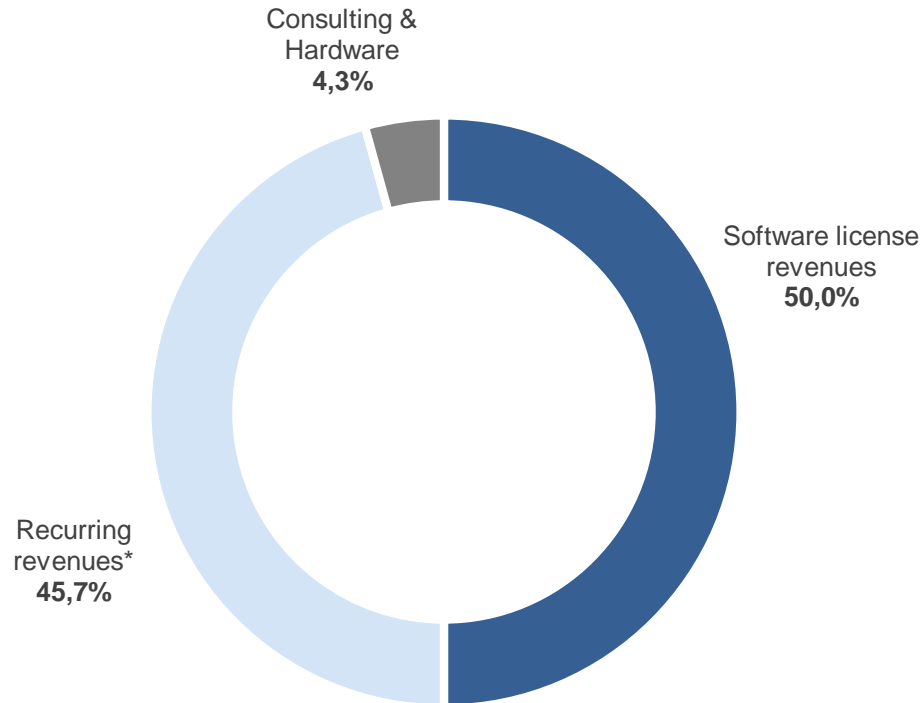
ASIA

- China
- Japan
- Singapore

AUSTRALIA



Revenues split H1 2017 in %



Recurring revenues*

- ▶ High growth of 29.1% to 88.7 mEUR
- ▶ High recurring revenue share of 45.7% leads to higher stability

Software license revenues

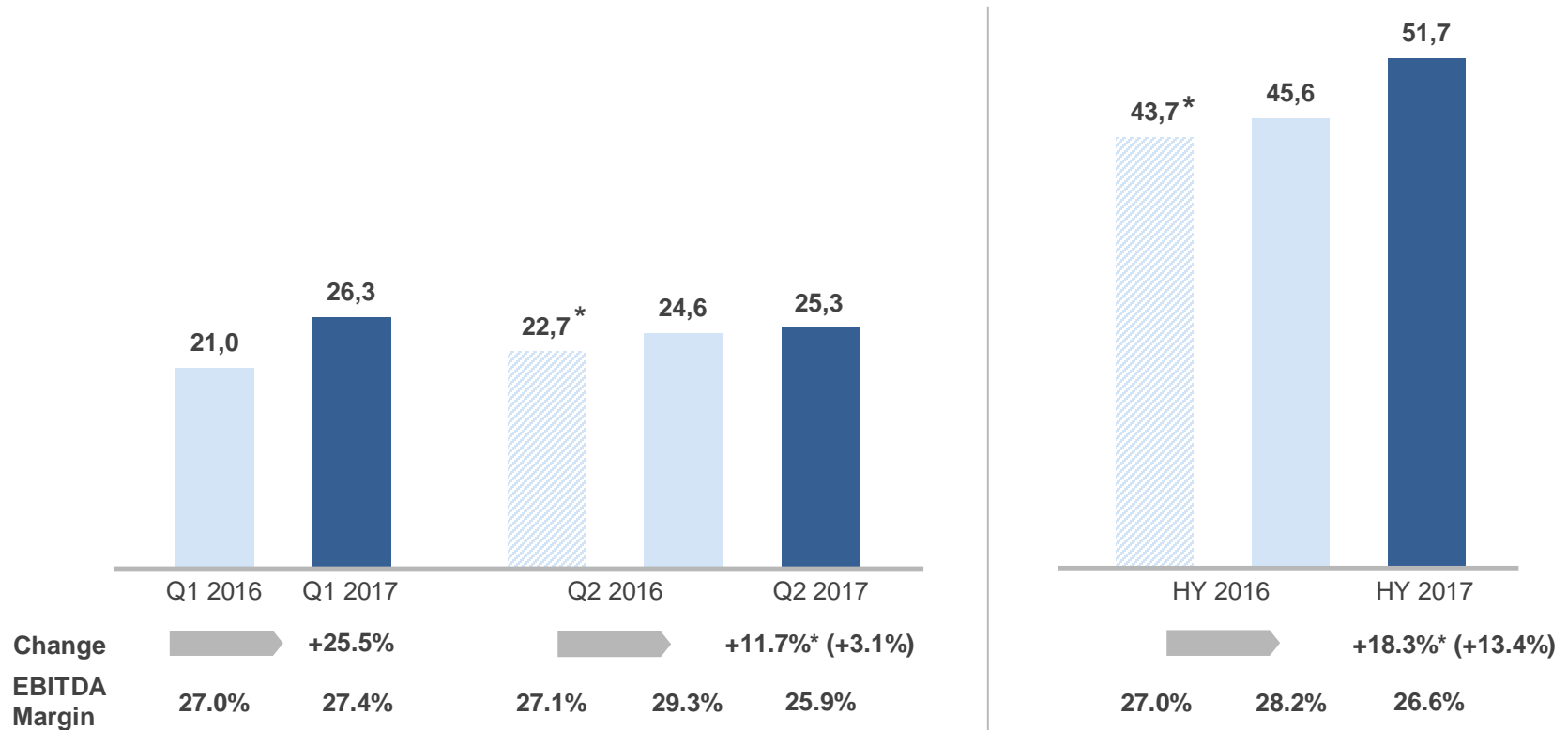
- ▶ Up by 13.0% to 96.9 mEUR
- ▶ New customers wins
- ▶ Increasing customer base
- ▶ Consequently recurring revenues will follow

* Software services, rental models (Subscriptions, SaaS)

EBITDA margin on high level

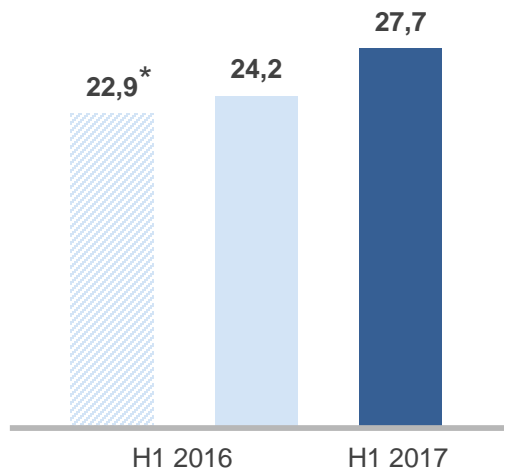
in mEUR

* EBITDA w/o 1.9 mEUR positive one-time effect in Q2 2016



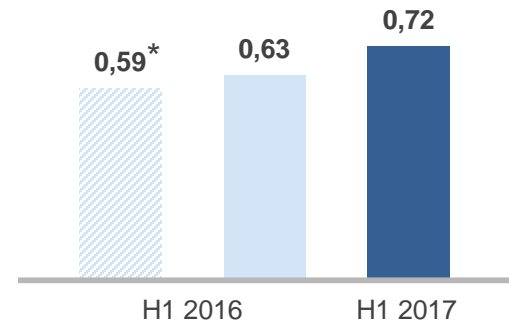
► EBITDA of the previous year 2016 is shown with and w/o the positive one-time effect of 1.9 mEUR

Net income in mEUR



Change  +21.1%* (+14.5%)

EPS in EUR



Change  +21.1%* (+14.5%)

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

All segments with double-digit growth rates

Design

- Revenue growth in H1: 13.1% (organic growth of 10.7%)
- Challenging Q2: High previous year level and release shift of one major brand from Q2 in H2 2017
- EBITDA margin H1 on previous year level

Build

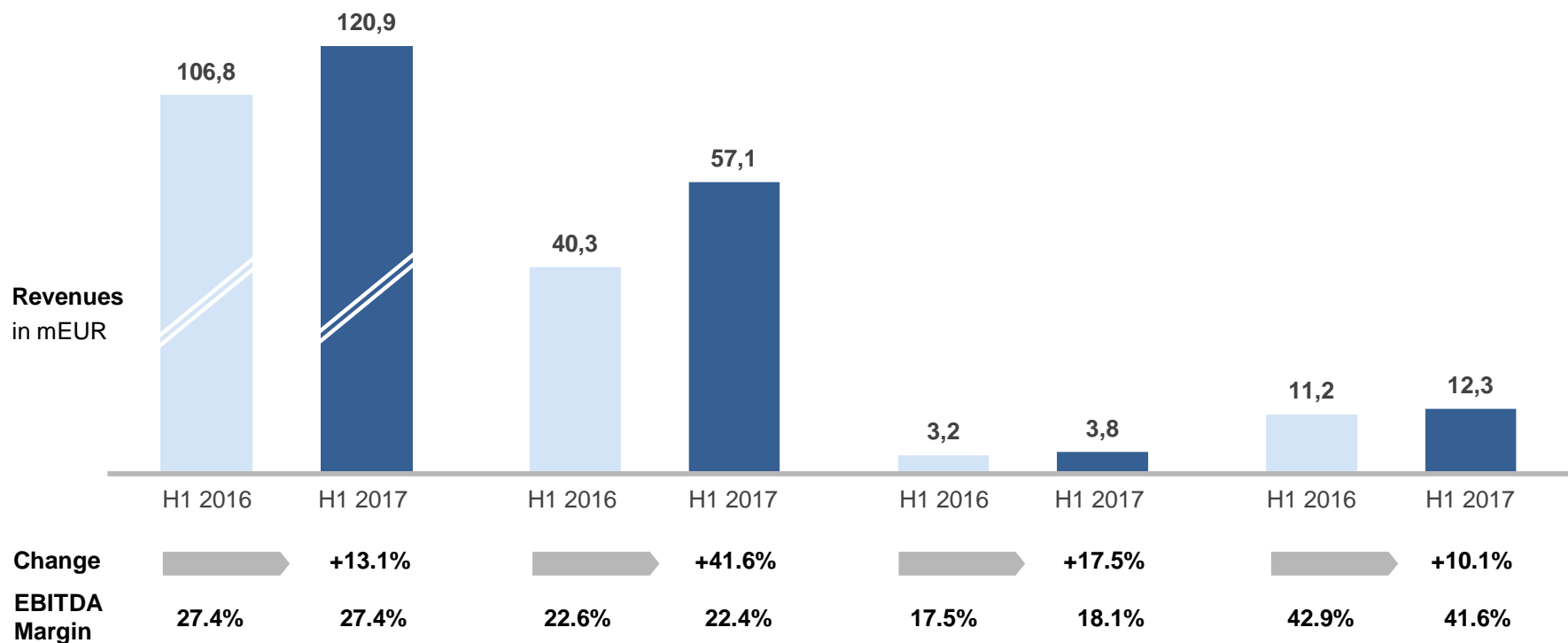
- Revenue growth of 41.6% in H1 (organic growth of 27.4%)
- EBITDA margin H1 on previous year level

Manage

- H1 revenue growth of 17.5%
- EBITDA margin improved slightly year on year

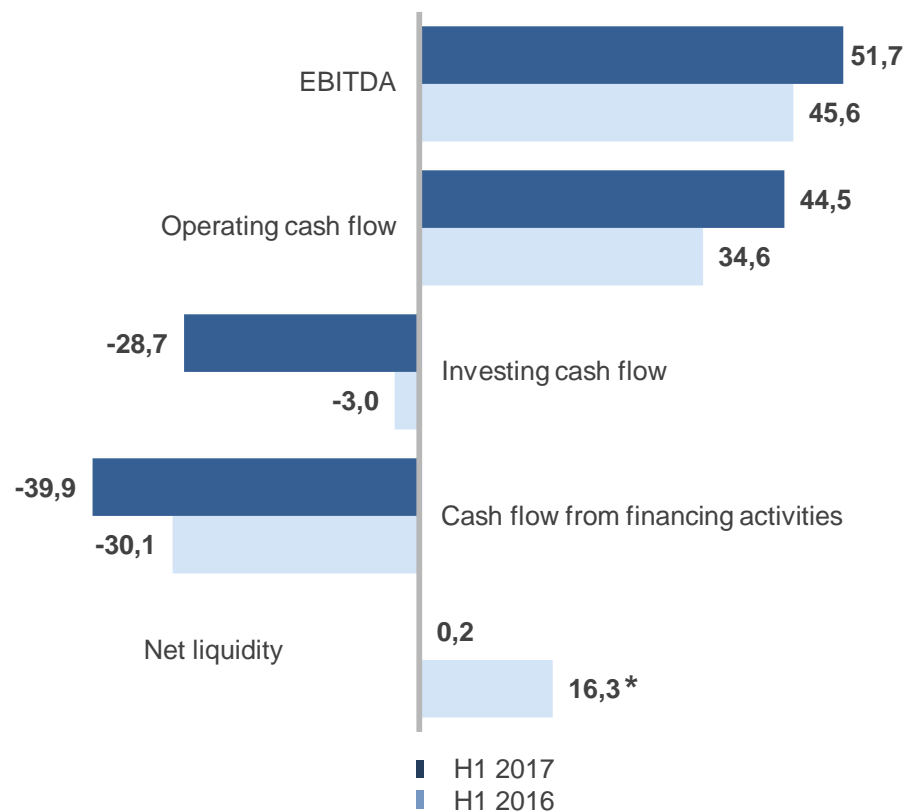
Media & Entertainment

- H1 revenue growth of 10.1%
- Planned investments have impact on margins



Cash flow situation

in mEUR



* End of FY 2016

** Operating cash flow / EBITDA

EBITDA

- +13.4% yoy

Operating cash flow

- +28.4% yoy
- Previous year: One-time effects of 3.5 mEUR in trade receivables resulting from later customer payments (July 2016) – adjusted growth of 16.8%

Investing cash flow

- Capex of 4.0 mEUR
- Acquisition of dRofus (24.5 mEUR)

Cash flow from financing activities

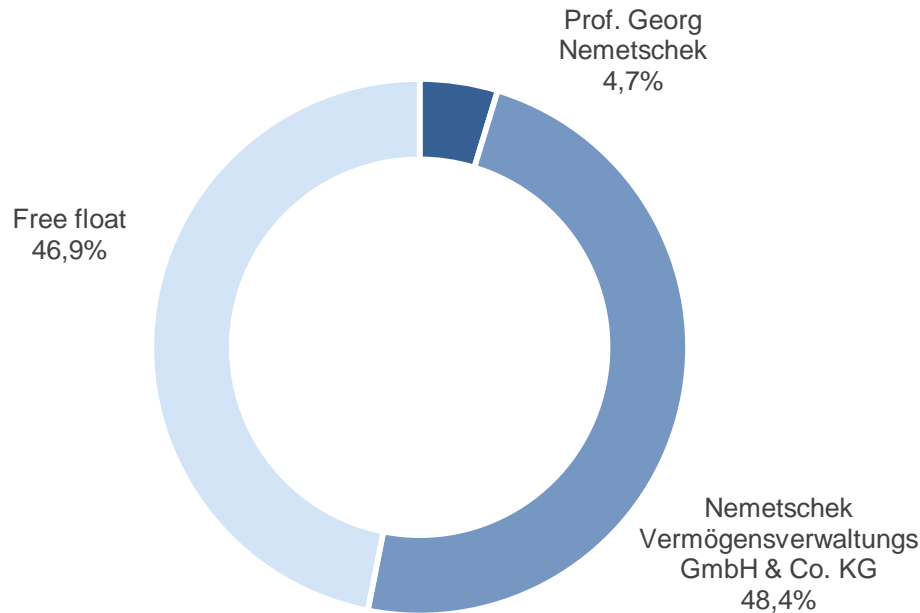
- Repayment of bank loan (-13.0 mEUR)
- Dividend payment (-25.0 mEUR)

Conversion rate**

- 86% (previous year: 76%)



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: ~ 2.5 billion EUR
- Current TecDAX Ranking: 18/20

➔ 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	+18%	+25%	+4%



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 confirmed

- **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-time effect of 1.9 mEUR



Appendix

SEPTEMBER 2017

COMPANY PRESENTATION

P+L statement Q2 / FY comparison

mEUR	Q2 2017	Q2 2016	% YoY	6M 2017	6M 2016	% YoY
Revenues	97.7	83.8	+16.5%	194.0	161.5	+20.1%
Own work capitalized/other operating income	1.1	3.5	-66.9%	2.1	4.6	-53.9%
Operating income	98.8	87.3	+13.2%	196.1	166.2	+18.0%
Cost of materials / purchased services	-3.5	-2.6	+34.1%	-6.3	-5.0	+24.7%
Personnel expenses	-42.1	-36.2	+16.2%	-85.5	-71.2	+20.0%
Other operating expenses	-27.9	-23.9	+16.8%	-52.7	-44.3	+18.8%
Operating expenses	-73.5	-62.7	+17.2%	-144.4	-120.6	+19.8%
EBITDA	25.3	24.6	+3.1%	51.7	45.6	+13.4%
Margin	25.9%	29.3%		26.6%	28.2%	
EBITDA (w/o one-time effect)	25.3	22.7	+11.7%	51.7	43.7	+18.3%
Margin (w/o one-time effect)	25.9%	27.1%		26.6%	27.0%	
Depreciation of PPA and amortization	-5.4	-4.4	+22.9%	-10.9	-8.8	+23.3%
<i>t/o PPA</i>	-3.4	-2.7	+27.2%	-6.9	-5.4	+28.6%
EBITA (normalized EBIT)	23.3	22.9	+2.1%	47.7	42.1	+13.3%
EBIT	19.9	20.2	-1.3%	40.8	36.8	+11.0%
Financial result	-0.2	-0.3		-0.4	-0.5	
EBT	19.7	19.9	-1.1%	40.4	36.3	+11.3%
Income taxes	-5.6	-6.2	-10.0%	-11.5	-11.0	+4.3%
Non-controlling interests	-0.6	-0.6		-1.1	-1.0	
Net income (group shares)	13.5	13.1	+2.6%	27.7	24.2	+14.5%
EPS in EUR	0.35	0.34	+2.6%	0.72	0.63	+14.5%
Net income (group shares w/o one-time effect)	13.5	11.8	+14.2%	27.7	22.9	+21.1%
EPS in EUR (w/o one-time effect)	0.35	0.31	+14.2%	0.72	0.59	+21.1%

Balance sheet - Assets

mEUR	June 30, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	83.4	112.5
Trade receivables, net	44.8	38.8
Inventories	0.5	0.6
Other current assets	16.2	16.0
Current assets, total	145.0	167.9
Property, plant and equipment	14.1	14.3
Intangible assets	87.6	89.7
Goodwill	184.9	177.2
Other non-current assets	6.2	5.7
Non-current assets, total	292.8	286.8
Total assets	437.7	454.7

Balance sheet – Equity and liabilities

mEUR	June 30, 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	34.9	40.7
Deferred revenue	72.9	55.3
Other current assets	29.0	24.1
Current liabilities, total	163.0	146.1
Long-term borrowings without current portion	57.1	70.2
Deferred tax liabilities	19.1	20.6
Other non-current liabilities	7.9	15.7
Non-current liabilities, total	84.1	106.5
Subscribed capital and capital reserve	51.0	51.0
Retained earnings	146.3	144.0
Other comprehensive income	-9.5	4.4
Non-controlling interests	2.9	2.8
Equity, total	190.6	202.1
Total equity and liabilities	437.7	454.7

Cash flow statement

mEUR	June 30, 2017	June 30, 2016	% YoY
Cash and cash equivalents at the beginning of the period	112.5	84.0	+34.0%
Cash flow from operating activities	44.5	34.6	+28.4%
Cash flow from investing activities	-28.7	-3.0	
t/o CapEX	-4.0	-3.2	+26.0%
t/o Cash paid for business combinations	-24.5	0.0	
Cash flow from financing activities	-39.9	-30.1	+32.9%
t/o Dividend payments	-25.0	-19.3	+30.0%
t/o Repayments of borrowings	-13.0	-9.2	
FX-effects	-4.9	-0.7	
Cash and cash equivalents at the end of the period	83.4	84.9	-1.8%
Free cash flow⁽¹⁾	15.7	31.6	-50.2%
Free cash flow⁽¹⁾ (w/o acquisition effects)	40.2	31.6	+27.2%

⁽¹⁾ Operating cash flow – Investing cash flow

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