



NEMETSCHKE GROUP Financial Results Q1 2017

April 28, 2017



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

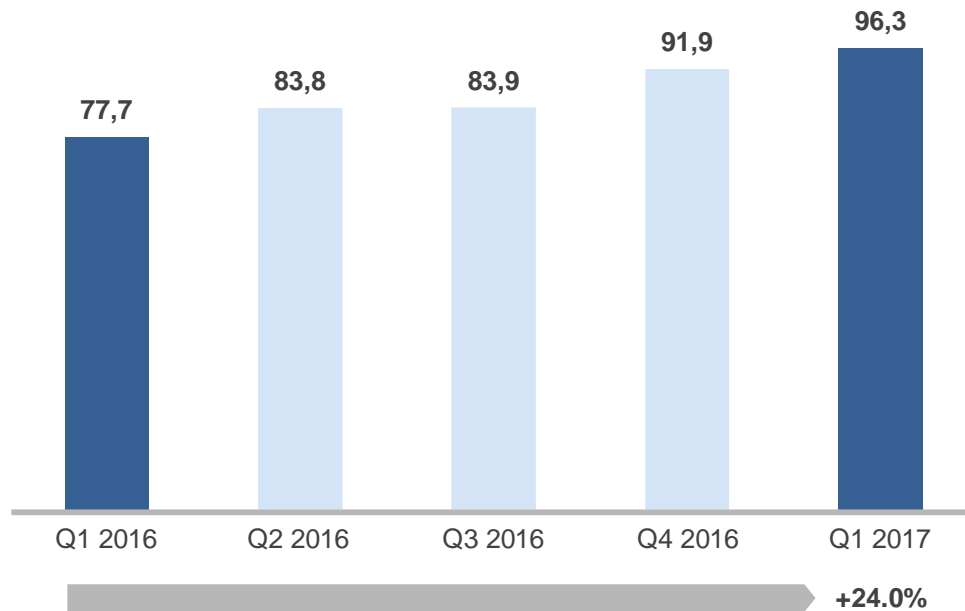
- **Dividend proposal** of 0.65 EUR per share (previous year: 0.50 EUR per share)
- Dividend increase of 30% yoy
- Total amount to be distributed of 25.025 mEUR
- Proposal to the AGM on June 1, 2017 in Munich

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

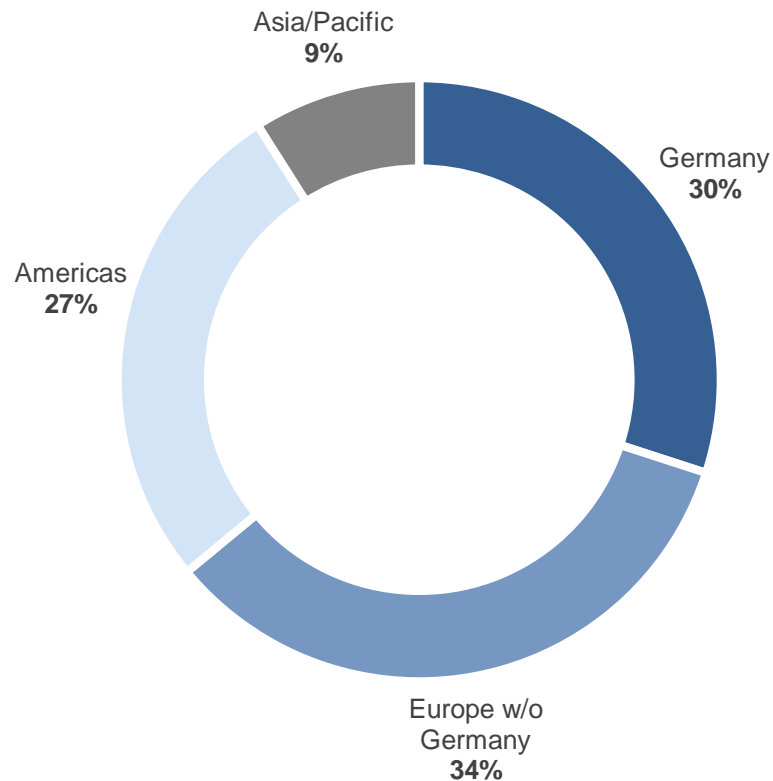
Revenues in mEUR



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

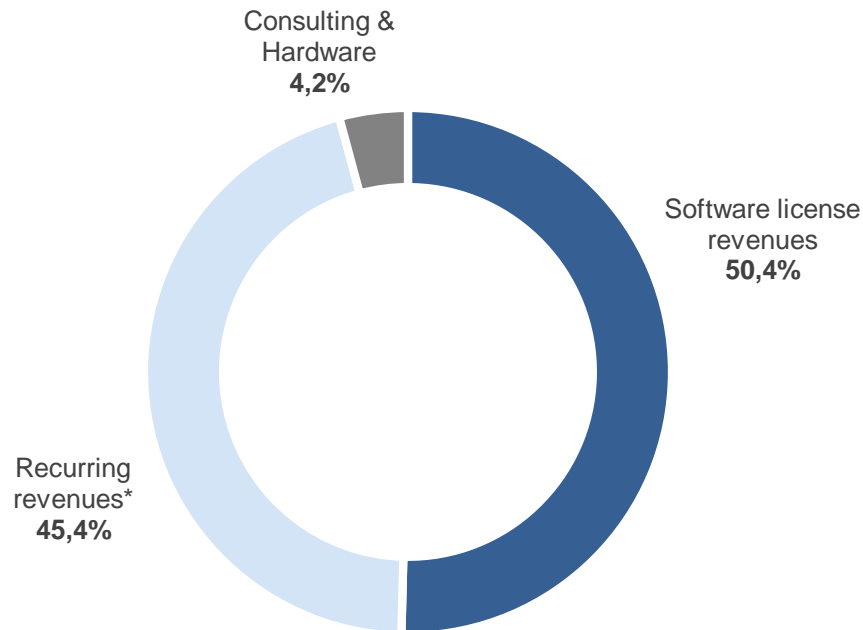
Revenues split Q1 2017 in %



Regional facts

- ▶ Strong growth abroad of 26.5%
- ▶ Growth markets:
 - ▶ Americas
 - ▶ Asia
 - ▶ Nordic
- ▶ Continued success in the US as the biggest and most competitive market worldwide
- ▶ Positive revenue development also in Germany with +18.5%

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

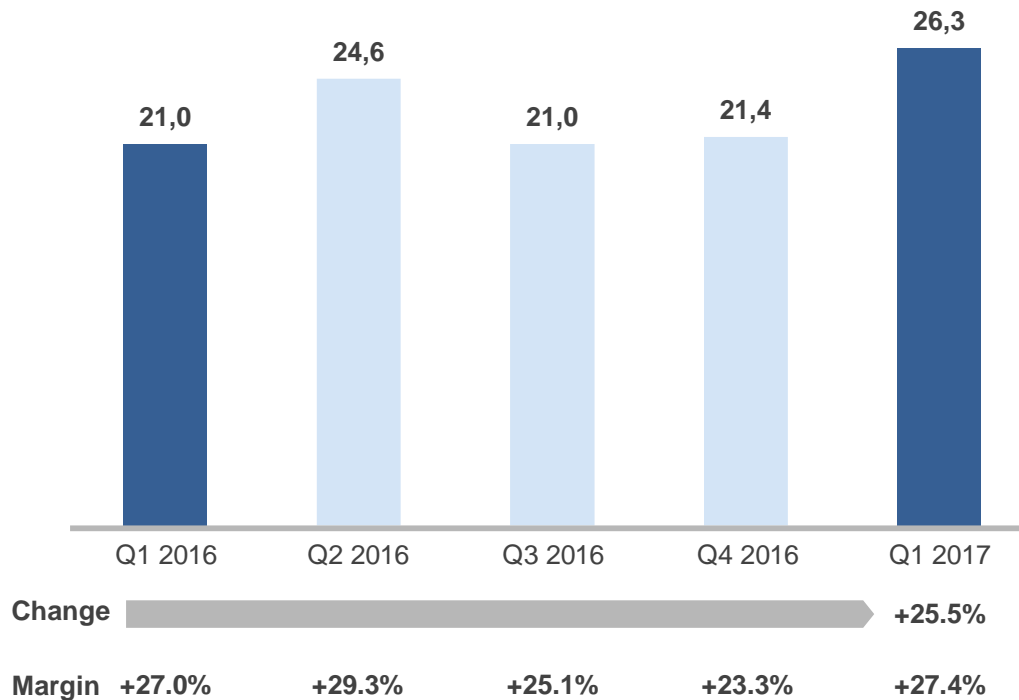
Software license revenues

- ▶ 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



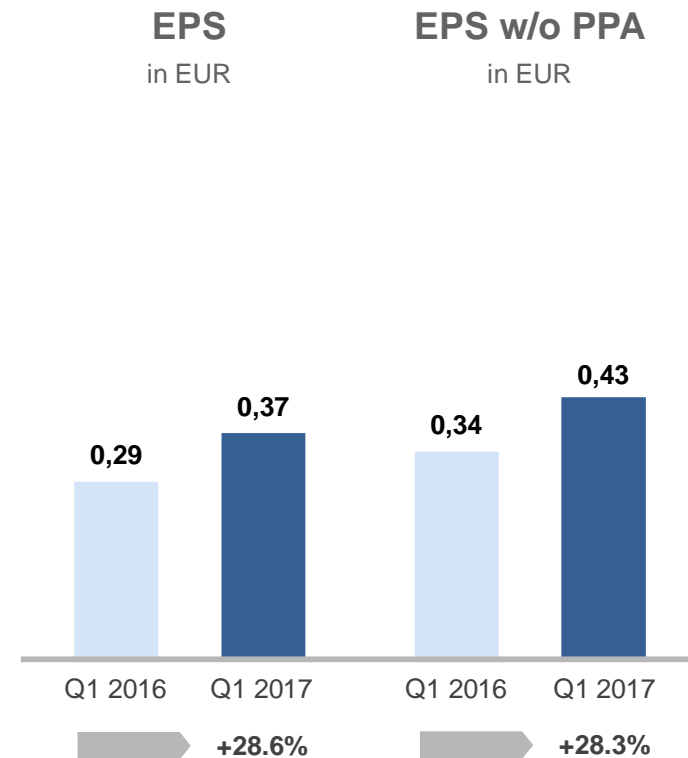
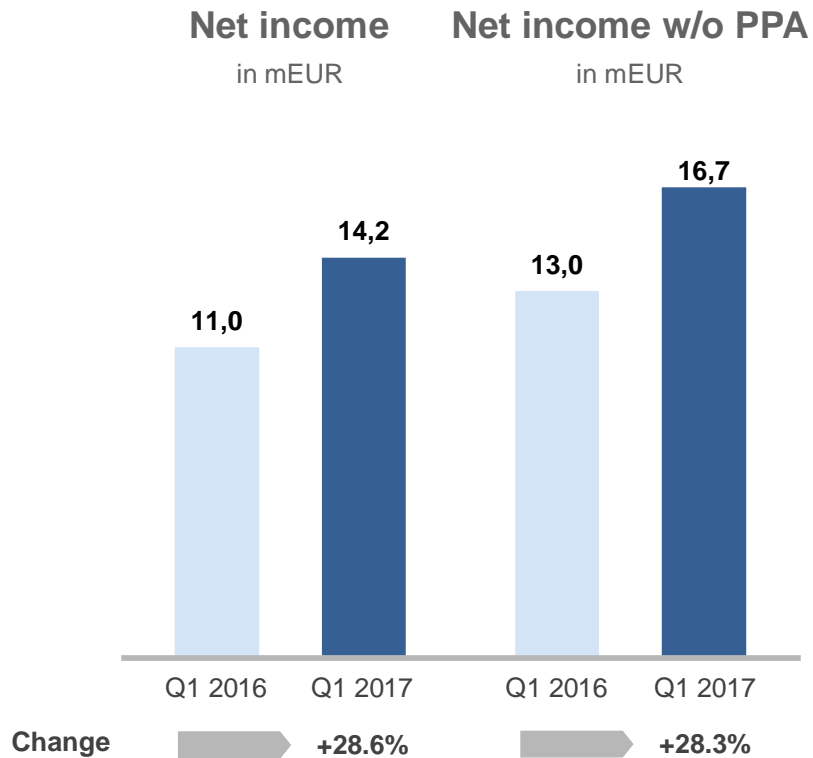
EBITDA

- ▶ 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

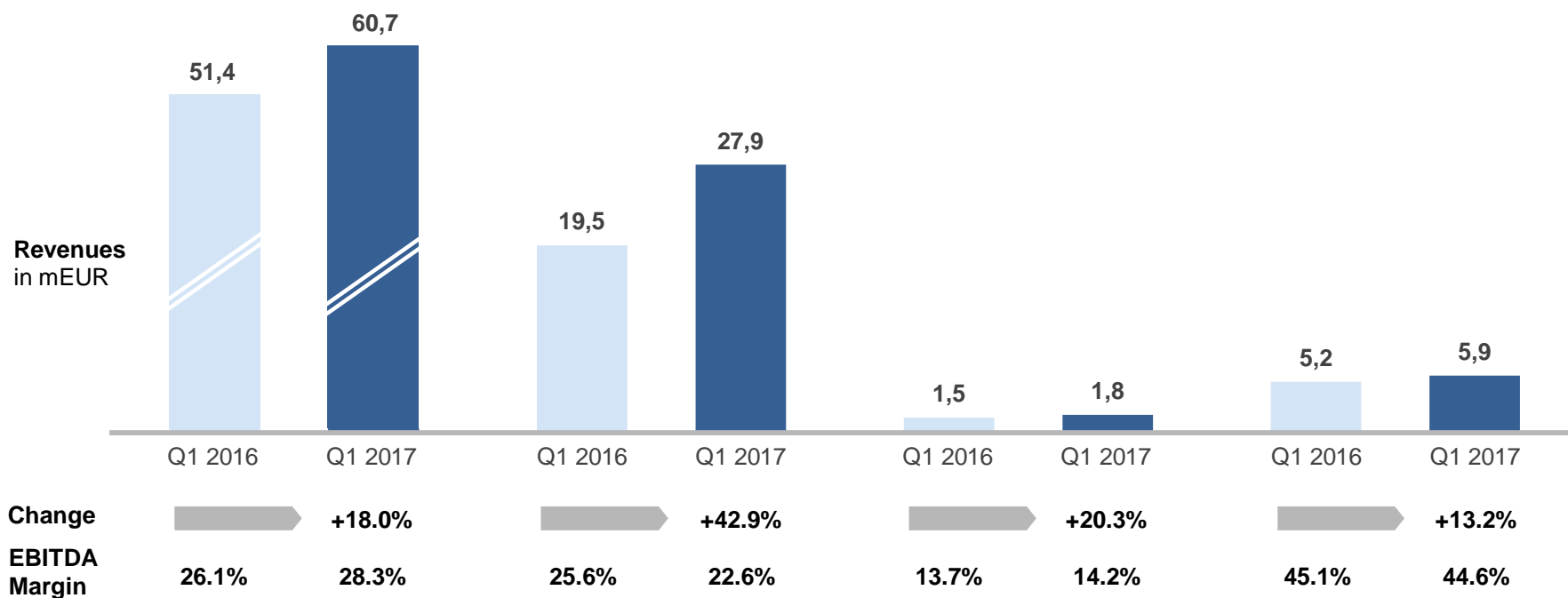
- Very strong revenue growth of +42.9%
- Inorganic effect of Design Data with 3.1 mEUR revenues
- Organic growth of +26.9%
- Bluebeam and Solibri are strongest growing brands
- Further investments to secure high growth rates in the future

Manage

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

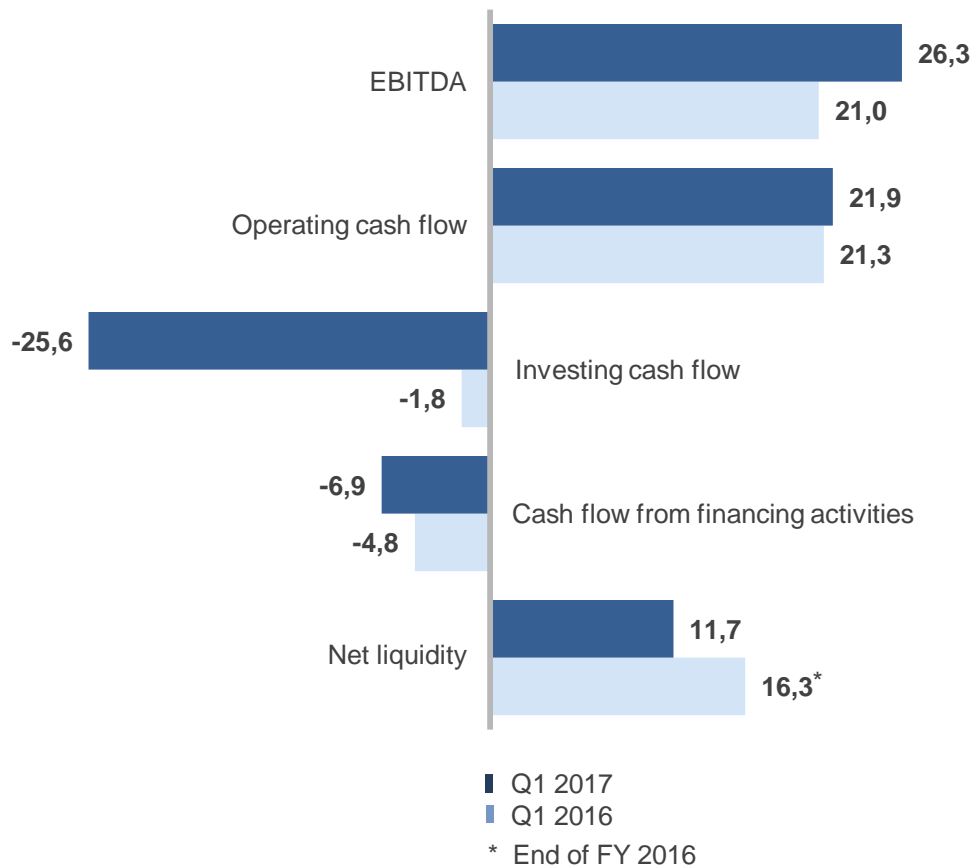
Media & Entertainment

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



Cash flow situation

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

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

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



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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