



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

NEMETSCHEK GROUP Company Presentation

January 2018





The Philosophy of Nemetschek

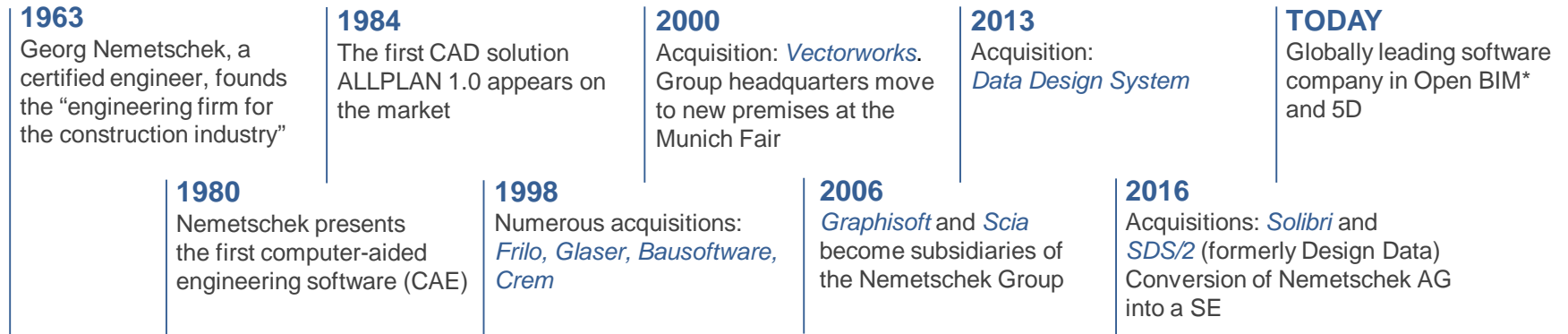
We are a Group of industry leaders with a unique DNA and expertise in the AEC* industry.

All of our strong brands share the same mission:

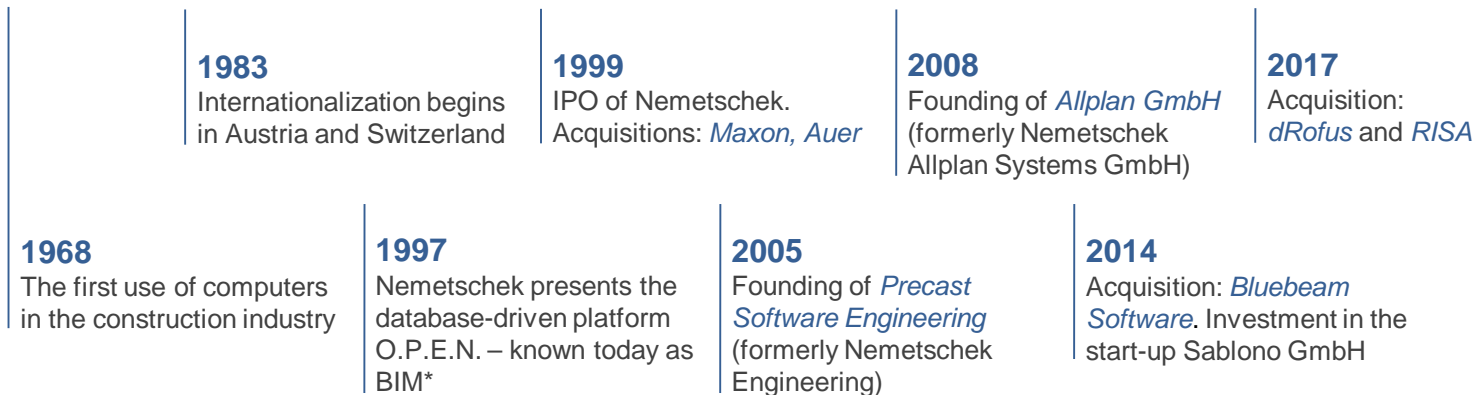
“We are open and declare our support of Open BIM, a standard that allows maximum flexibility and a seamless collaboration of all the parties involved in the construction process so that quality is enhanced in construction in compliance with time and cost schedules.”

* Architecture, Engineering, Construction

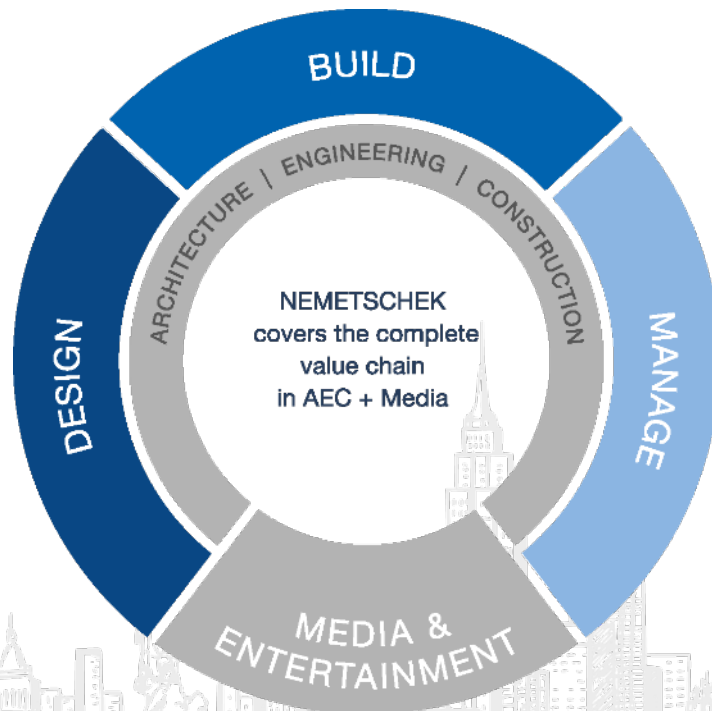
History: 50 Years of Innovation and Success



▶ 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
- 15 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
- 2.8 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	SDS/2		
RISA				

- ▶ 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



Current Situation in the Construction Industry

JANUARY 2018

Len Lye Center, New Plymouth, New Zealand
Architects: Patterson Associates Architects | Photos: Sam Hartnett, Patrick Reynolds | Realized with GRAPHISOFT

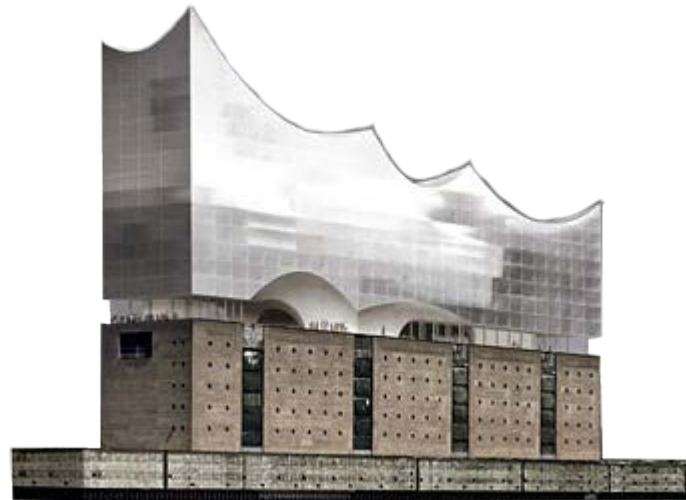
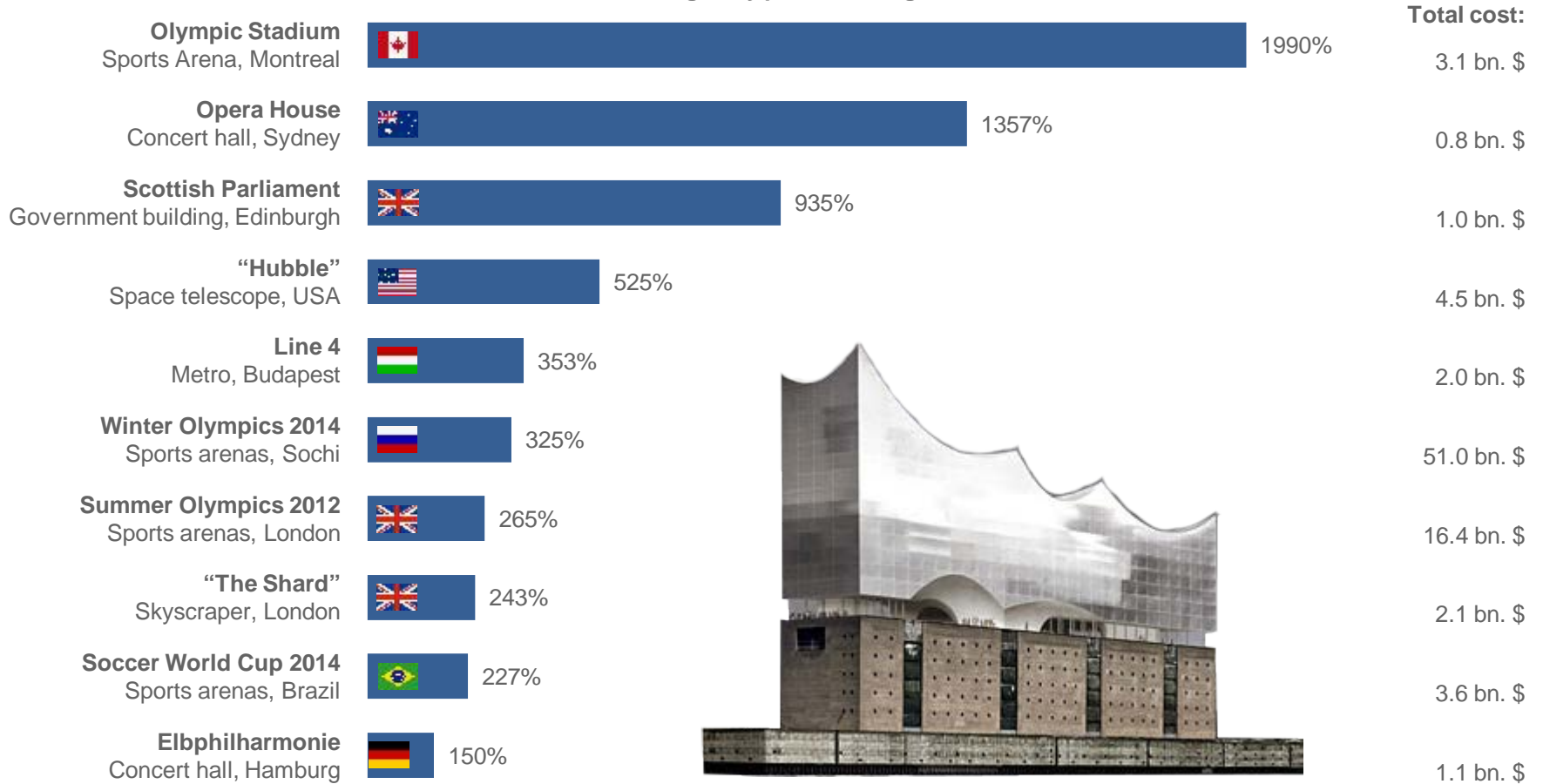


Challenges for the AEC industry

- Increasing complexity of construction projects
- Cost and time pressure
- Increasing number of project participants
 - Lack of coordination workflow
 - Loss of information during data exchange and conversion
 - Limited utilization of building data created by others
 - Lack of detailed models for construction
- New regulations and requirements
- Sustainability in the AEC industry

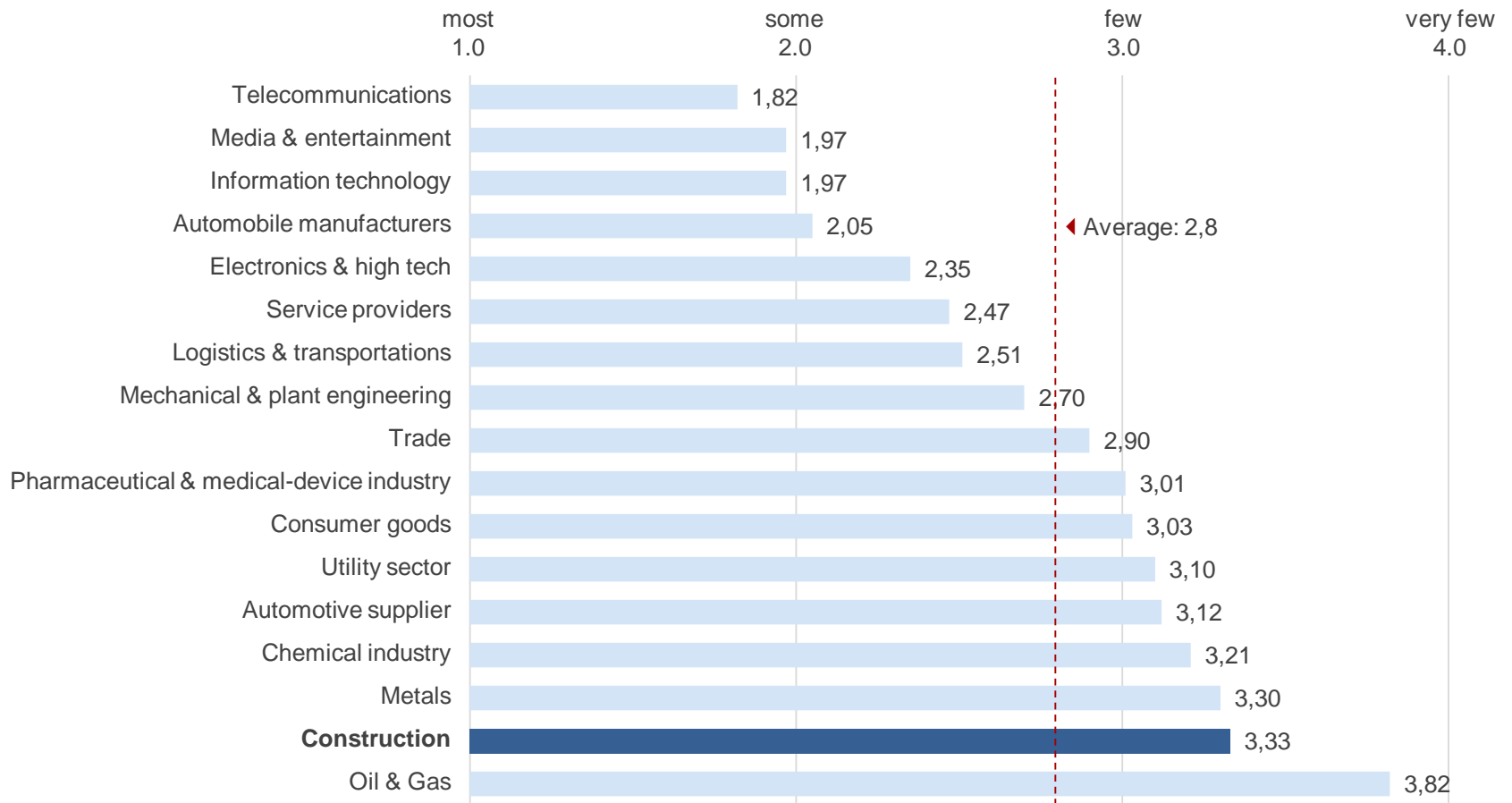
Cost Explosion in Large Building Projects Worldwide

Cost overruns in % of the originally planned budget



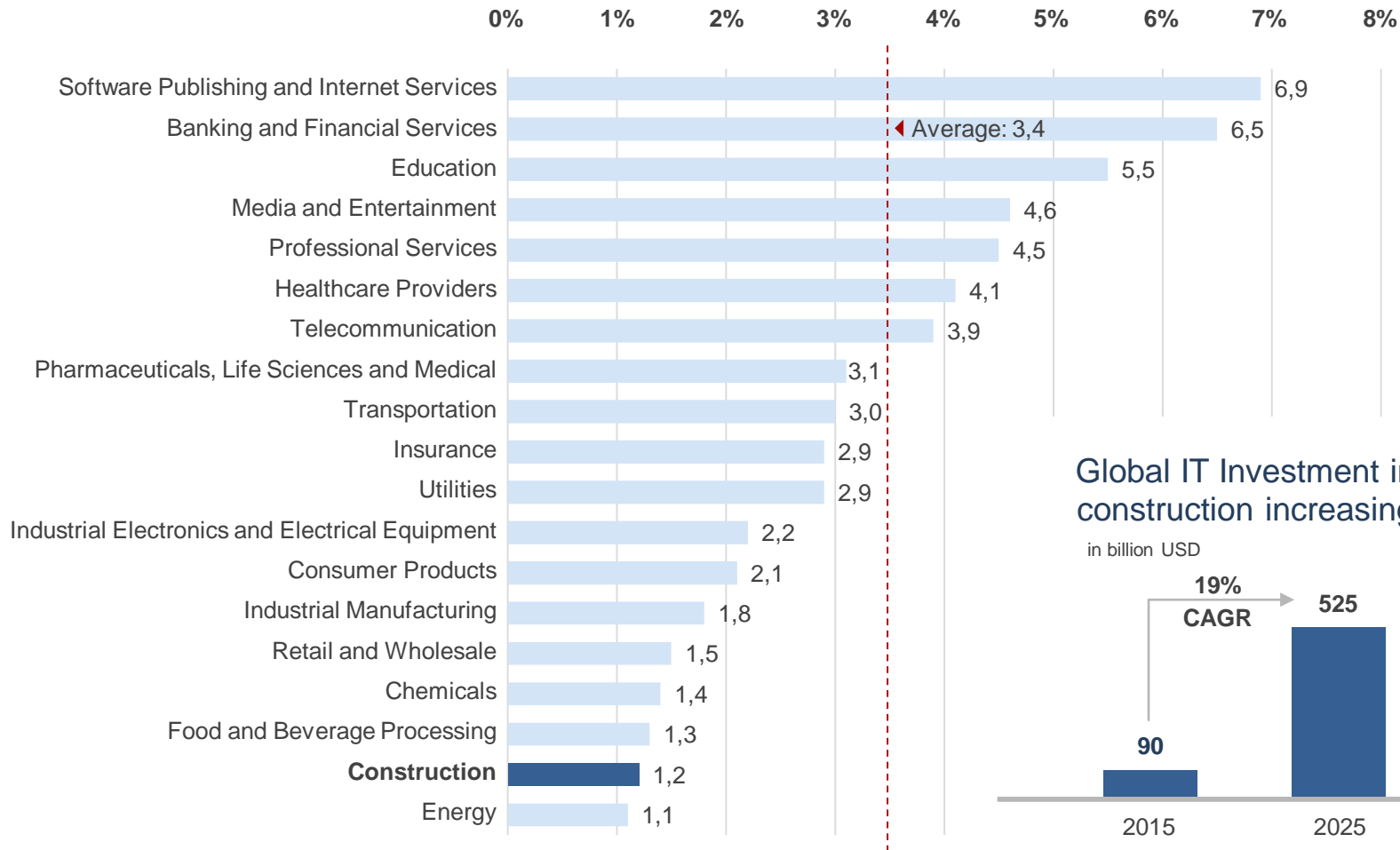
Source: Statista, 2017

Mega Trend Digitalization – Entering The Industries



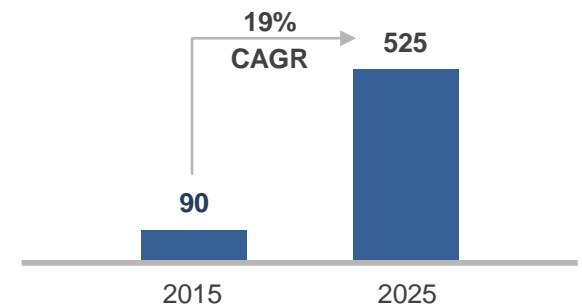
Source: TOP 500 survey 2014 / Accenture

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

Changing Industry: The Future is 5D



Drawings



Models



Workflows



Since 1985

Today

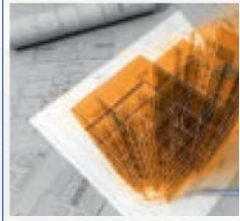
Tomorrow

The Solution: Building Information Modeling (BIM)

- An integrated process of designing, building and managing buildings – on the basis of a consistent and digital building model that is available to all.
- All relevant building data is digitally captured, combined and networked in this intelligent model: architecture, structure, technical building equipment, physical, functional design properties, etc.
- BIM reinforces collaboration, reduces error proneness and costs and improves efficiency.
- **Nemetschek is the pioneer for BIM**, since its early beginnings.
- **BIM 5D** refers to the intelligent linking of 3D CAD components with time and with cost-related information.

BIM 5D – in Scope, in Time, in Budget

3D Planning



3D - what you see,
is what you build



4D Time



4D - what you see,
is when you build



5D Cost



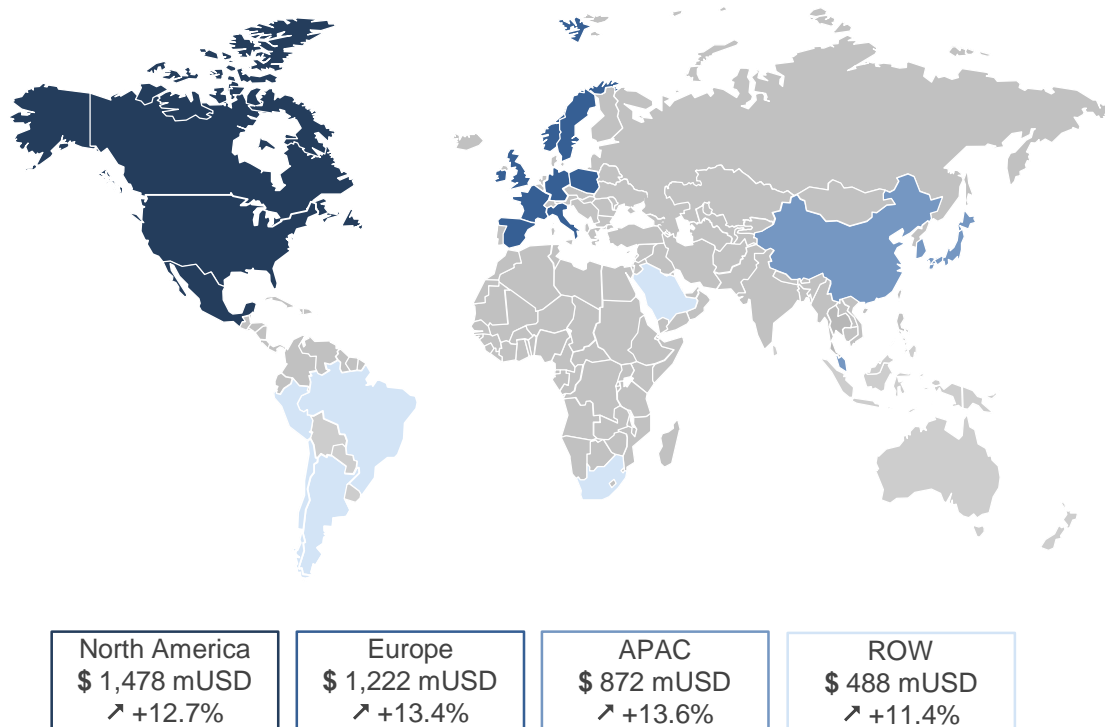
5D - what you see,
is how you build



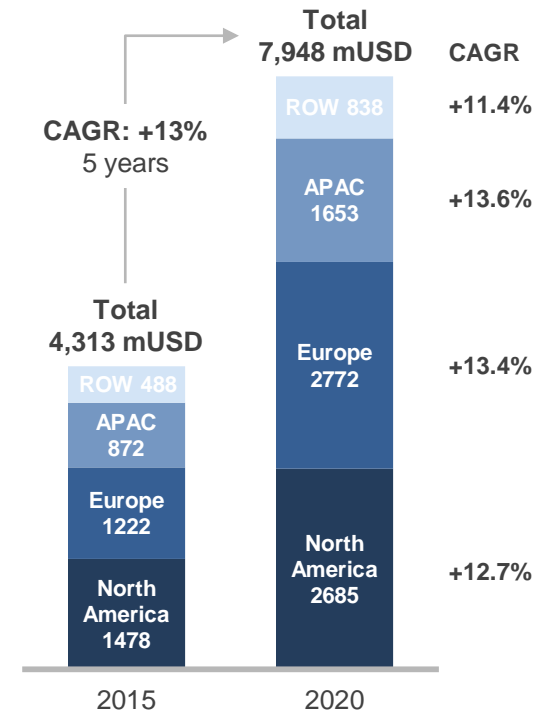
Added value and advantage of BIM 5D

- Compliance with time, cost and quality
 - Simplified controlling over the whole life cycle of a building
 - Centralized management for all building information
 - Building and process simulation over the whole life cycle
 - Seamless information and technology transfer from Design to Facility Management
 - Higher transparency and efficiency during the complete construction and management process
- ▶ BIM practice shows time savings of more than 20% and cost reduction exceeding 30%

BIM Market by Region 2015



BIM Market Size 2015/2020

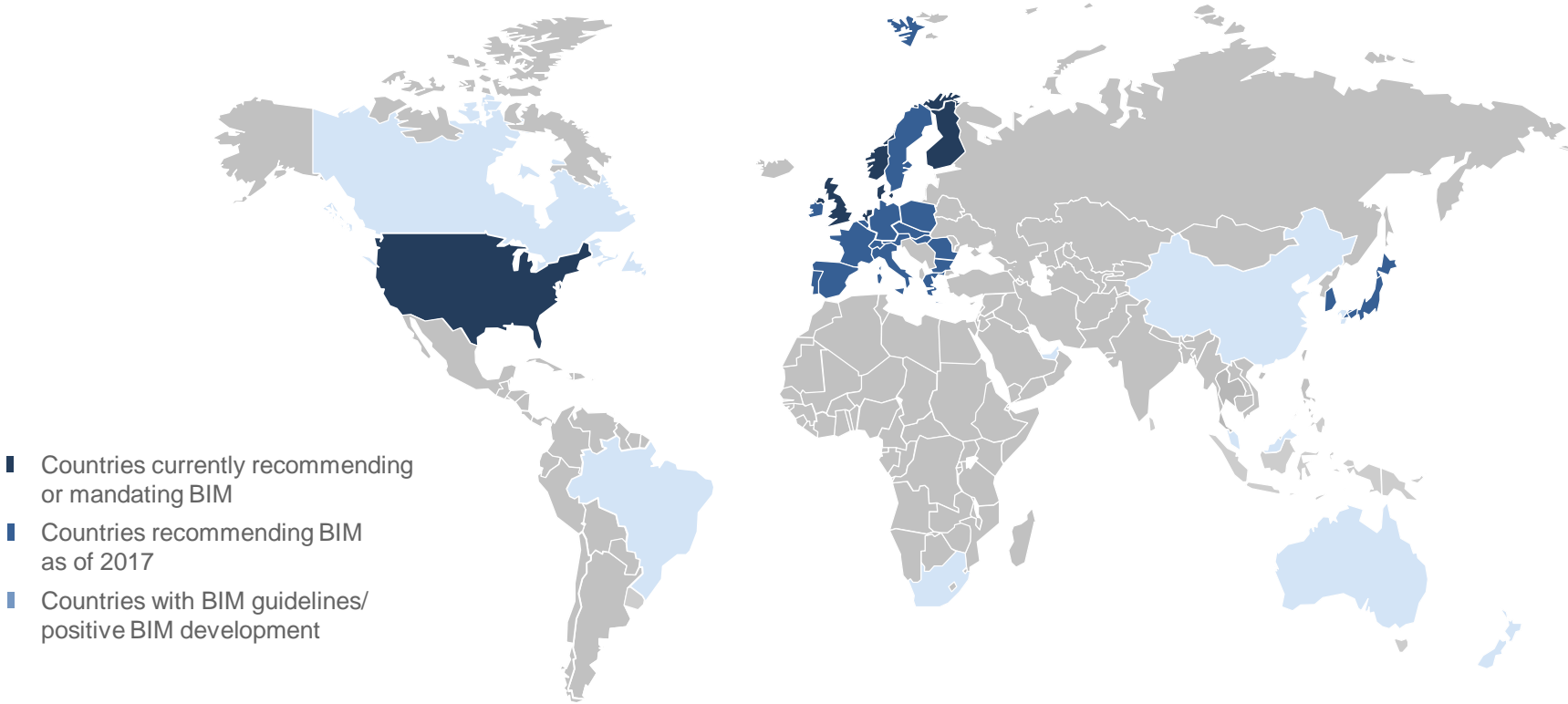


\$ Market Size 2015
↗ CAGR 2015 - 2020

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

Status of Current BIM Regulations and Use

Source: HSBC, Kepler Cheuvreux



National UK BIM Report survey on future use of BIM





Exemplary BIM Projects



Example Gotthard Base Tunnel, Switzerland

- General planner: Gähler & Partner
- With 57 km worldwide longest railroad tunnel
- Opening date: June 1, 2016
- Construction time undercut by 6 months
- Total cost: CHF 12.2 billion
- Cost planning nearly fulfilled (CHF 12.0 bn.)
- High transparency in all stages of construction
- Engineering masterpiece: Deviation from the nominal axis only 4mm



Example Queensferry Crossing Bridge, Edinburgh

- General planner: Leonhardt Andrä & Partner
- Longest cable-stayed bridge in the world: with 2x 650m wingspan and a total length of 2,638m
- Reinforcement completely planned in 3D - accurate and error-free
- Almost within time frame: only a weather-related 3-month delay
- Cost planning of 0.9 billion pounds undercut by 100 million pounds



Financials: Q3 / 9M 2017

Nemetschek Group highlights for Q3 | 9M 2017 (1)

Continued revenue growth in Q3 despite negative currency effects

- Double-digit revenue growth continued in Q3 despite negative currency effects
- **Revenues Q3:**
 - Growth of 14.3% to 95.8 mEUR, currency adjusted growth of 17.3%
 - Organic growth of 12.0%, currency adjusted growth of 14.9% (inorganic effects: dRofus (1.3 mEUR) and SDS/2 (2.5 mEUR))
- **Revenues 9M:**
 - Growth of 18.1% to 289.8 mEUR, currency adjusted growth of 18.3%
 - Organic growth of 13.9%, currency adjusted growth of 14.1% (inorganic effects: dRofus (3.9 mEUR) and SDS/2 (8.2 mEUR))

Strong revenue increase abroad

- **Revenues abroad** increased by 21.7% to 202.0 mEUR (Americas, Asia, Nordics)
- Revenues share outside of Germany at 70%
- Higher footprint in the very competitive US market (revenue share of 29%)
- Germany showed also solid growth of 10.6% to 87.8 mEUR

Growth driver: recurring revenues

- **Recurring revenues:** Strong growth of 27.2% to 134.8 mEUR
- Share of recurring revenues at high 46.5%
- **Software licenses:** Positive development with 10.6% growth to 142.8 mEUR
- License revenue share of 49.3%

Nemetschek Group highlights for Q3 | 9M 2017 (2)

EBITDA on high level despite strategic investments

- **Q3 EBITDA:**
 - Up by 18.1% to 24.8 mEUR, EBITDA margin of 25.9% (PY: 25.1%)
 - Currency adjusted growth of 23.0%
- **9M EBITDA:**
 - Up by 14.9% to 76.5 mEUR, EBITDA margin at 26.4% (PY: 27.1%)
 - Currency adjusted growth of 16.9%
 - EBITDA would have increased by 18.3% if we compare to 9M EBITDA 2016 w/o extraordinary positive one-time income of 1.9 mEUR
- High EBITDA margin despite strategic investments in future growth

Net income and EPS

- **Q3 net income:** Up by 25.4% to 15.1mEUR, **Q3 EPS:** at 0.39 EUR
- **9M net income:** Up by 18.1% to 42.8 mEUR, **9M EPS:** at 1.11 EUR

Acquisition of RISA

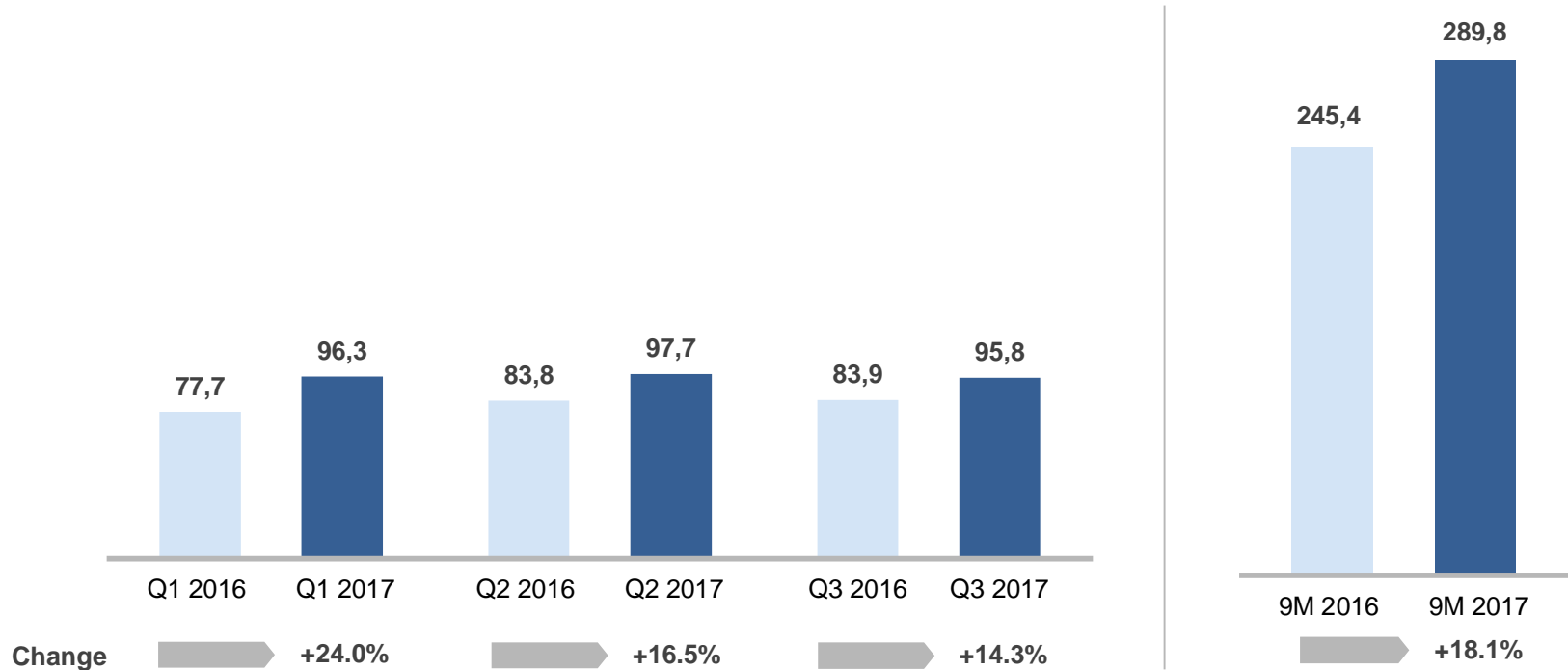
- **RISA** is a key player in structural analysis and design software in the US
- RISA has leading market share and is a key provider to top design firms in the US
- Acquisition complements Nemetschek's existing portfolio of AEC software

Outlook for FY 2017 confirmed

- Outlook for FY 2017 at constant currency confirmed:
- **Revenue target range:** 395 - 401 mEUR, increase of +17% - +19%
Thereof organic: +13% - +15%, inorganic effects through dRofus and SDS/2
- Further negative currency effects (EUR / USD) on revenues expected
- **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

Continued double-digit growth despite negative currency effects

Revenues in mEUR



► **Q3:**

Currency adjusted growth of 17.3%
Organic growth of 12.0%, currency adjusted organic growth of 14.9%
(inorganic effects: dRofus and SDS/2 with 3.8 mEUR)

► **9M:**

Currency adjusted growth: 18.3%
Organic growth of 13.9%
Currency adjusted organic growth: 14.1%
► (inorganic effects: 12.1 mEUR)

International Growth In Focus, More than 50 Locations

WESTERN AND SOUTHERN EUROPE

- Austria
- Belgium
- France
- Great Britain
- Germany
- Italy
- Netherlands
- Spain
- Switzerland

AMERICAS

- Brazil
- Canada
- Mexico
- USA

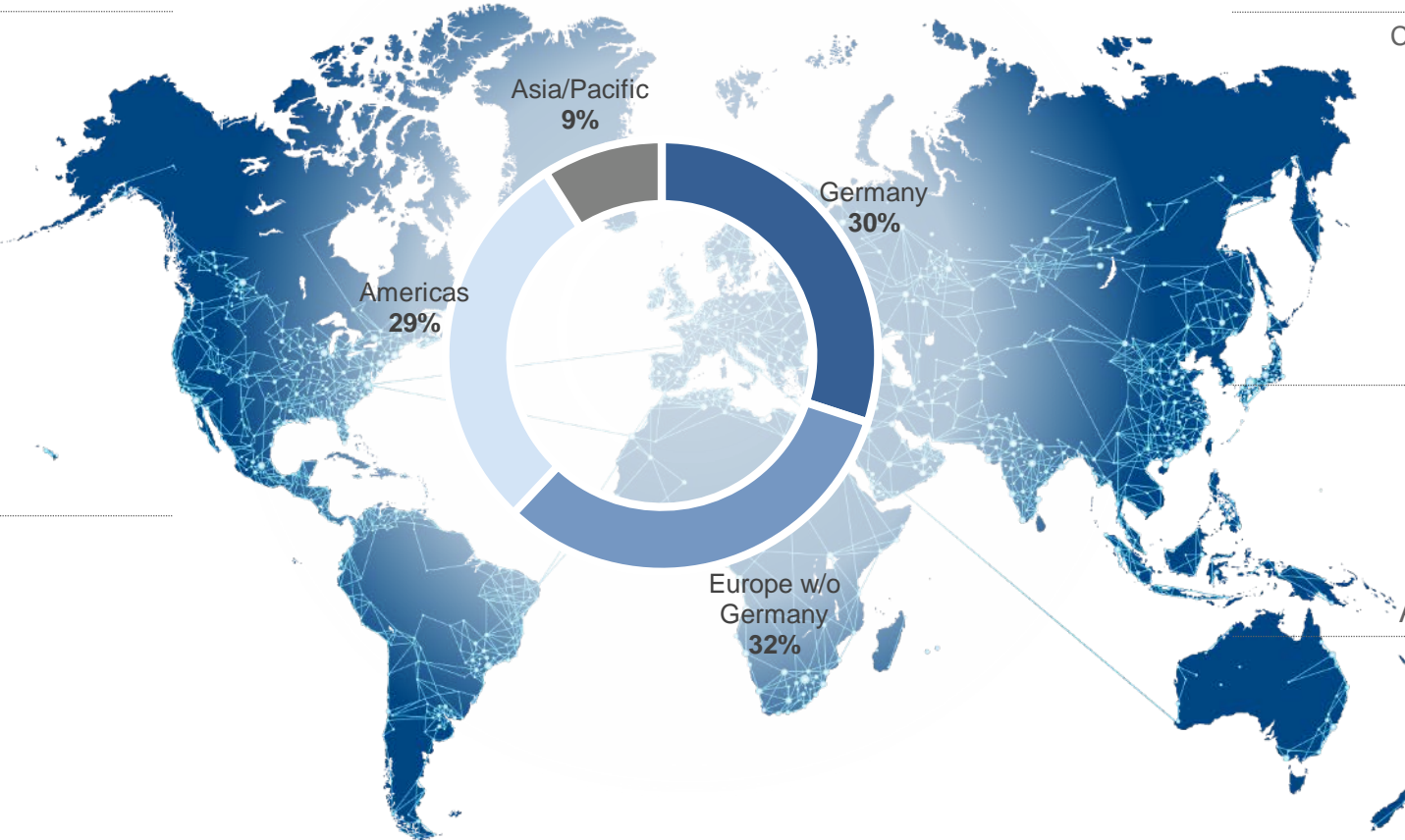
NORTHERN AND EASTERN EUROPE

- Czech Republic
- Finland
- Hungary
- Norway
- Russia
- Slovakia
- Sweden

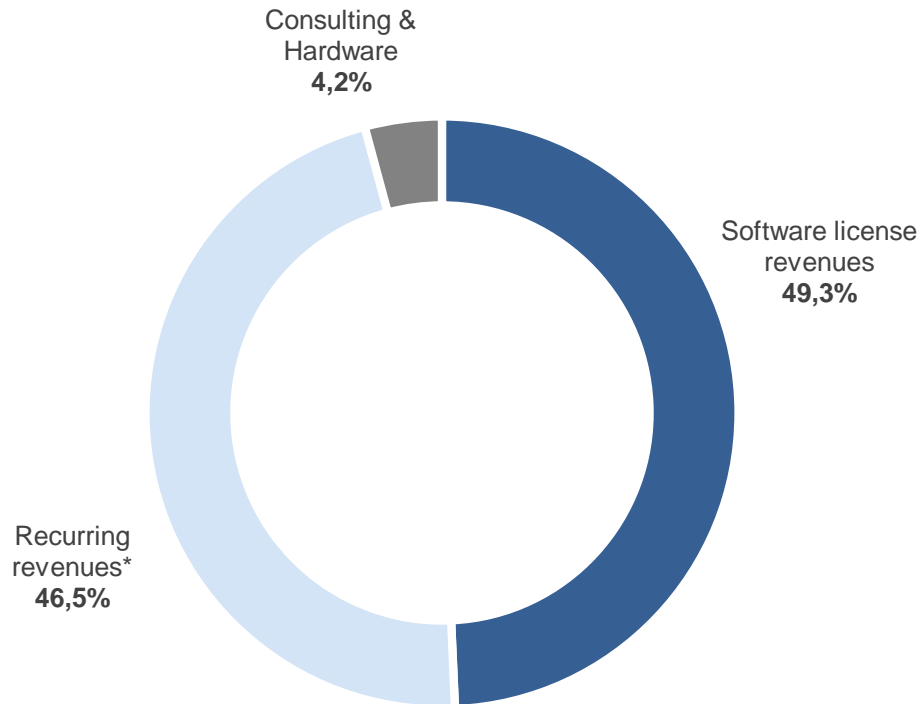
ASIA

- China
- Japan
- Singapore

AUSTRALIA



Revenues split 9M 2017 in %



Recurring revenues*

- ▶ High growth of 27.2% to 134.8 mEUR
- ▶ High recurring revenue share of 46.5% leads to higher stability

Software license revenues

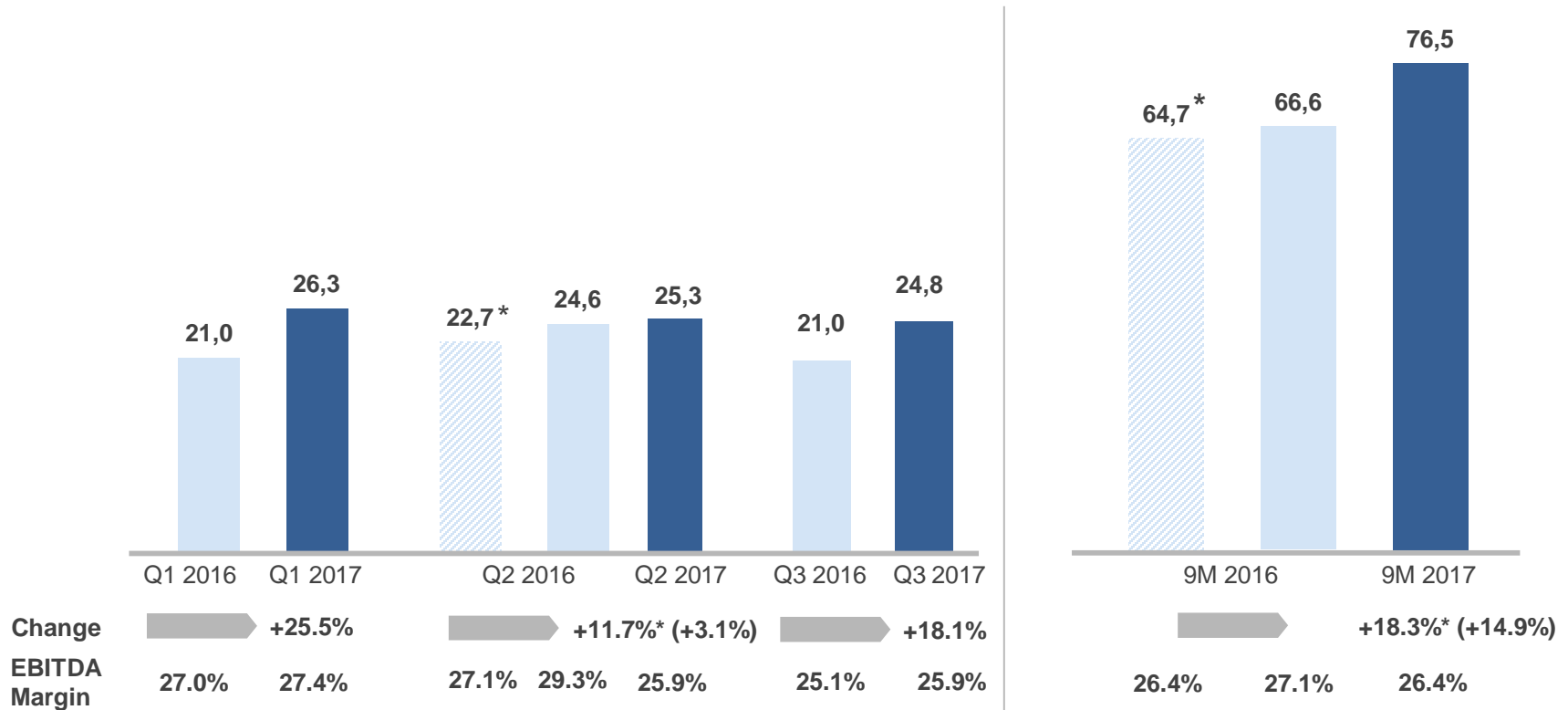
- ▶ Up by 10.6% to 142.8 mEUR
- ▶ License revenue share of high 49.3%

* Software services, rental models (Subscriptions, SaaS)

EBITDA margin on high level

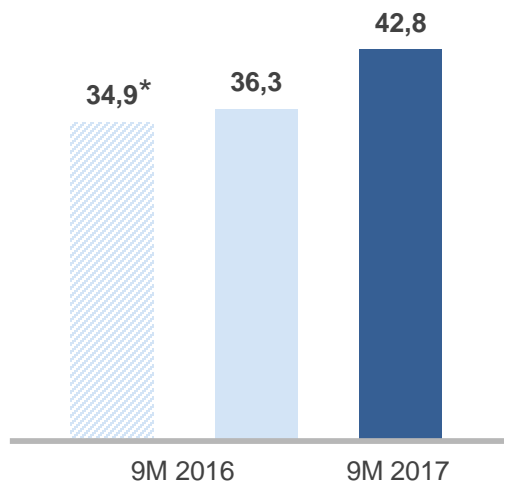
in mEUR

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



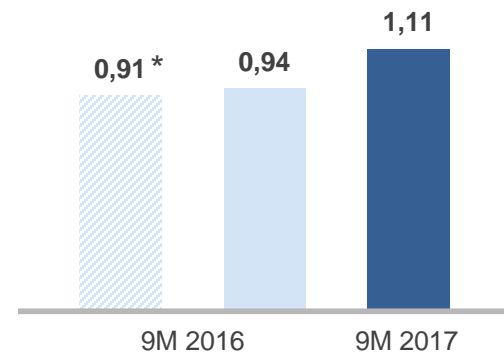
- ▶ EBITDA grew stronger than revenues in Q3 2017
- ▶ High profitability despite strategic investments in future growth

Net income in mEUR



Change  **+22.6%* (+18.1%)**

EPS in EUR



Change  **+22.6%* (+18.1%)**

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

All segments with double-digit growth rates

Design

- Revenue growth: 12.1%
Currency adjusted growth: 12.2%
Organic growth of 9.7%
- EBITDA margin nearly on previous year level

Build

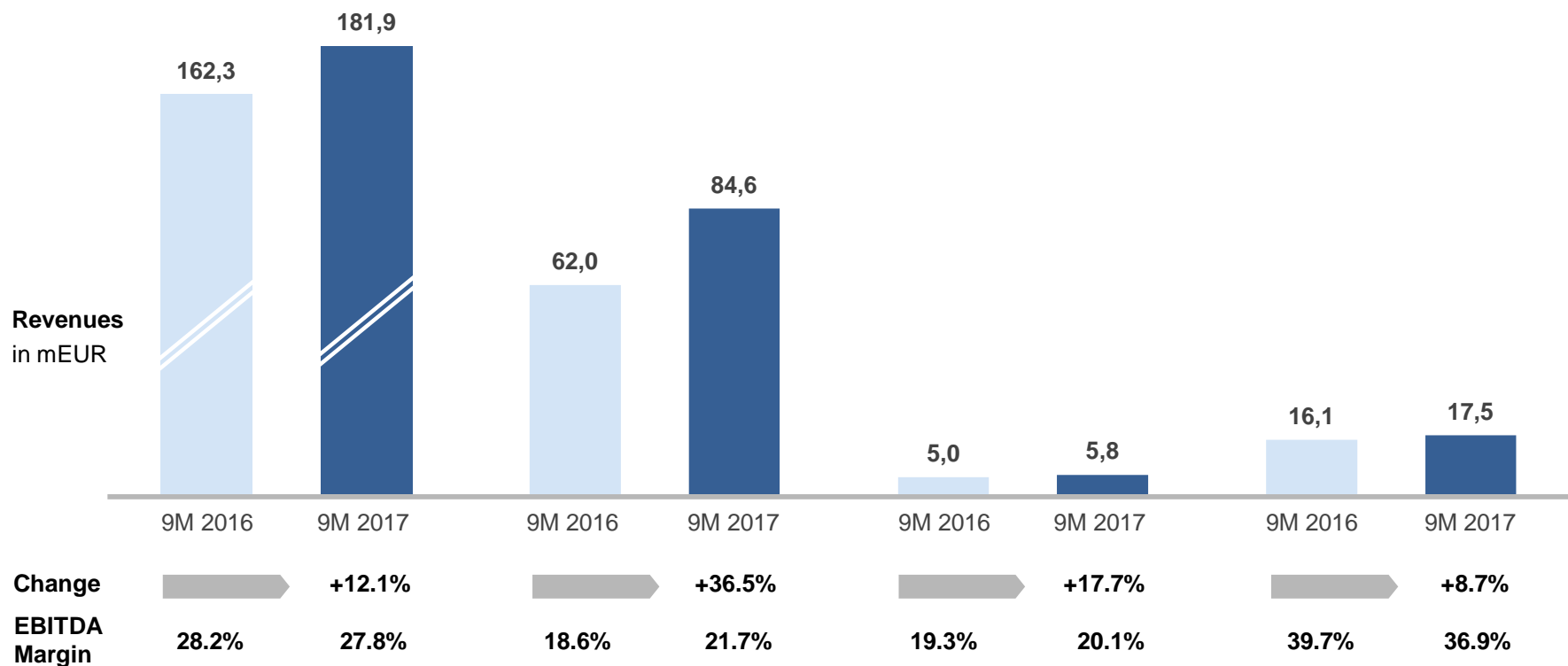
- Revenue growth: 36.5% (also currency adjusted growth)
Organic growth of 26.5%
- EBITDA margin increased compared to last year

Manage

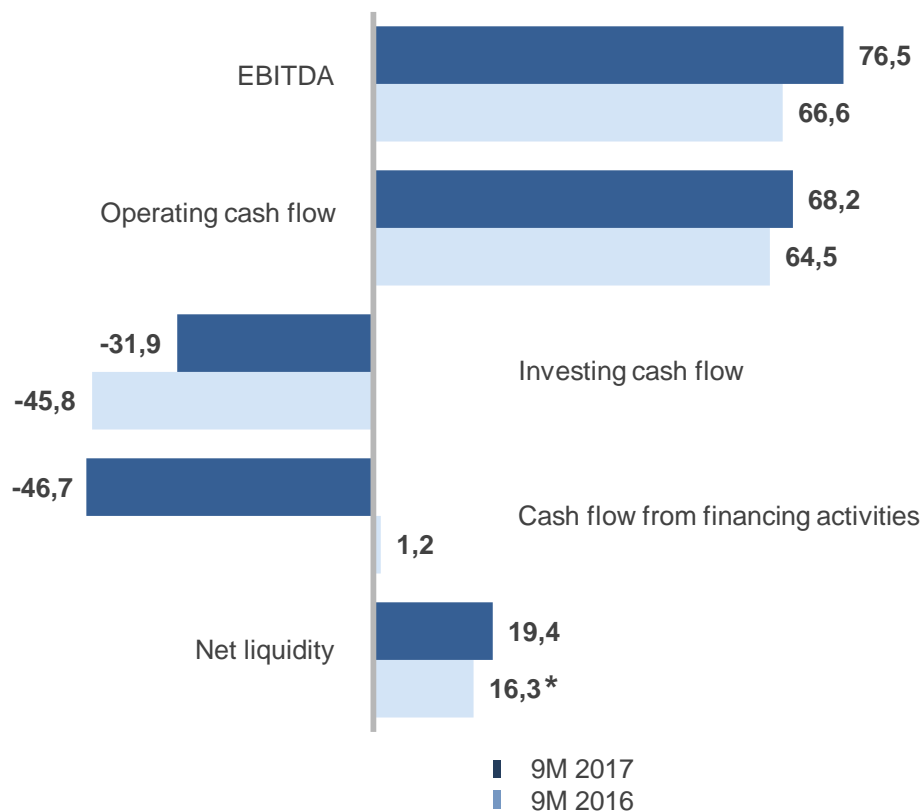
- Revenue growth: 17.7%
Very stable growth rates during the year
- EBITDA margin slightly above previous year level

Media & Entertainment

- Revenue growth: 8.7%
Currency adjusted growth: 9.7%
- Planned investments have impact on margins



in mEUR



* End of FY 2016
** Operating cash flow / EBITDA

EBITDA

- +14.9% yoy

Operating cash flow

- +5.7% yoy
- Increase in change of trade receivables because of strong September business
- Decrease in change of other liabilities because of Bluebeam earn-out (5mEUR)

Investing cash flow

- Capex of 6.9 mEUR
- Acquisition of dRofus (24.5 mEUR)

Cash flow from financing activities

- Repayment of bank loan (-19.5 mEUR)
- Dividend payment (-25.0 mEUR)

Conversion rate**

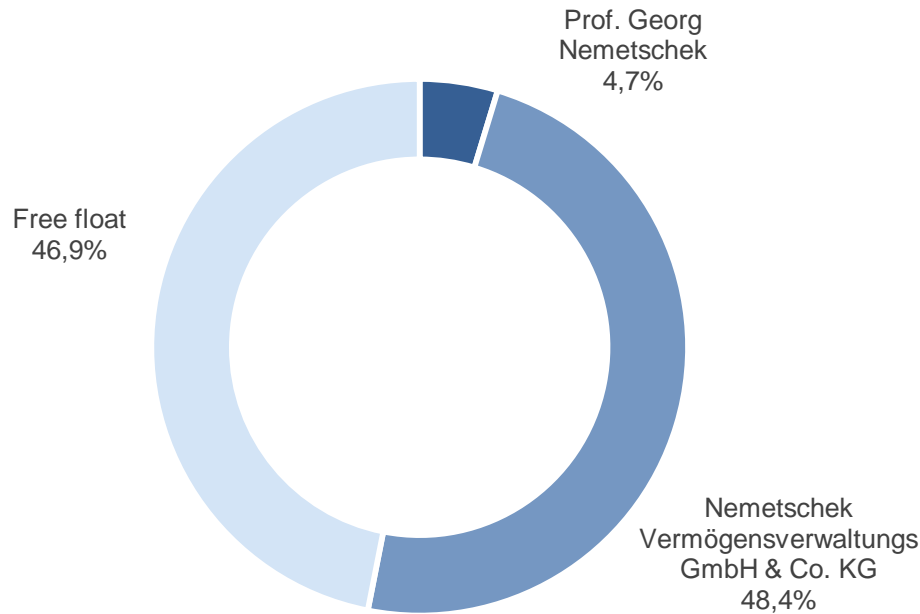
- 89% (previous year: 97%)



Nemetschek Share

KUNSTMUSEUM RAVENSBURG

Kunstmuseum Ravensburg, Germany
Contractor: Georg Reisch | Photo: Roland Halbe | Realized with Nexaris




- 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: 53.1%
- Freefloat: 46.9 percent
- Current MarketCap: ~ 2.9 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%
Year 2017	+35%	+39%	+13%



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, sales & marketing and innovation
- Healthy balance sheet - capable of investing in organic and in inorganic growth

Guidance 2017 confirmed

- **Revenues:** Focus on topline with double digit growth rates at constant currency
- Further negative currency effects (EUR/USD) on revenues expected
- **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 extraordinary positive one-time effect of 1.9 mEUR

Appendix

P+L statement Q3 / FY comparison

mEUR	Q3 2017	Q3 2016	% YoY	9M 2017	9M 2016	% YoY
Revenues	95.8	83.9	+14.3%	289.8	245.4	+18.1%
Own work capitalized/other operating income	1.3	1.0	+37.9%	3.5	5.6	-38.0%
Operating income	97.2	84.8	+14.6%	293.3	251.0	+16.9%
Cost of materials / purchased services	-3.4	-2.9	+15.6%	-9.7	-8.0	+21.4%
Personnel expenses	-42.1	-38.5	+9.3%	-127.6	-109.7	+16.3%
Other operating expenses	-26.9	-22.4	+20.2%	-79.6	-66.7	+19.3%
Operating expenses	-72.4	-63.8	+13.4%	-216.8	-184.4	+17.6%
EBITDA	24.8	21.0	+18.1%	76.5	66.6	+14.9%
Margin	25.9%	25.1%		26.4%	27.1%	
EBITDA (w/o one-time effect)	24.8	21.0	+18.1%	76.5	64.7	+18.3%
Margin (w/o one-time effect)	25.9%	25.1%		26.4%	26.4%	
Depreciation of PPA and amortization	-5.3	-4.7	+11.6%	-16.2	-13.6	+19.2%
<i>t/o PPA</i>	-3.3	-2.9	+13.6%	-10.2	-8.3	+23.4%
EBITA (normalized EBIT)	22.8	19.2	+19.0%	70.5	61.3	+15.1%
EBIT	19.5	16.3	+20.0%	60.3	53.0	+13.8%
Financial result	-0.2	-0.2		-0.6	-0.7	
EBT	19.3	16.1	+20.1%	59.7	52.4	+14.0%
Income taxes	-3.9	-3.7	+5.0%	-15.3	-14.7	+4.5%
Non-controlling interests	-0.3	-0.3		-1.5	-1.3	
Net income (group shares)	15.1	12.1	+25.4%	42.8	36.3	+18.1%
EPS in EUR	0.39	0.31	+25.4%	1.11	0.94	+18.1%
Net income (group shares w/o one-time effect)	17.4	14.2	+22.6%	42.8	34.9	+22.6%
EPS in EUR (w/o one-time effect)	0.45	0.37	+22.6%	1.11	0.91	+22.6%

Balance sheet - Assets

mEUR	September 30, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	96.2	112.5
Trade receivables, net	45.9	38.8
Inventories	0.5	0.6
Other current assets	14.9	16.0
Current assets, total	157.5	167.9
Property, plant and equipment	14.6	14.3
Intangible assets	81.8	89.7
Goodwill	182.8	177.2
Other non-current assets	6.3	5.7
Non-current assets, total	285.6	286.8
Total assets	443.1	454.7

Balance sheet – Equity and liabilities

mEUR	September 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	41.8	40.7
Deferred revenue	71.1	55.3
Other current assets	26.9	24.1
Current liabilities, total	165.9	146.1
Long-term borrowings without current portion	50.6	70.2
Deferred tax liabilities	17.7	20.6
Other non-current liabilities	8.0	15.7
Non-current liabilities, total	76.4	106.5
Subscribed capital and capital reserve	51.0	51.0
Retained earnings	161.4	144.0
Other comprehensive income	-14.8	4.4
Non-controlling interests	3.2	2.8
Equity, total	200.8	202.1
Total equity and liabilities	443.1	454.7

Cash flow statement

mEUR	September 30, 2017	September 30, 2016	% YoY
Cash and cash equivalents at the beginning of the period	112.5	84.0	+34.0%
Cash flow from operating activities	68.2	64.5	+5.7%
Cash flow from investing activities	-31.9	-45.8	
t/o CapEX	-6.9	-5.7	+21.5%
t/o Cash paid for business combinations	-24.9	-40.4	
Cash flow from financing activities	-46.7	1.2	
t/o Dividend payments	-25.0	-19.3	+30.0%
t/o Repayments of borrowings	-19.5	-15.7	
FX-effects	-5.9	-0.9	
Cash and cash equivalents at the end of the period	96.2	103.0	-6.7%
Free cash flow⁽¹⁾	36.3	18.7	+93.7%
Free cash flow⁽¹⁾ (w/o acquisition effects)	61.1	59.1	+3.4%

⁽¹⁾ Operating cash flow – Investing cash flow

Contact

NEMETSCHKE SE
Investor Relations
Konrad-Zuse-Platz 1
D-81829 Munich
Germany
investorrelations@nemetschek.com
www.nemetschek.com

Disclaimer

This presentation contains forward-looking statements based on the beliefs of Nemetschek SE management. Such statements reflect current views of Nemetschek SE with respect to future events and results and are subject to risks and uncertainties. Actual results may vary materially from those projected here, due to factors including changes in general economic and business conditions, changes in currency exchange, the introduction of competing products, lack of market acceptance of new products, services or technologies and changes in business strategy. Nemetschek SE does not intend or assume any obligation to update these forward-looking statements.