

Nemetschek Group

Company Presentation
June 2018

Nemetschek's key achievements: #2 biggest listed software company in Germany



■ We generate high shareholder returns¹

4-year TSR*:

- Nemetschek: ~500%
- Peer group²: ~110%
- TecDAX: ~120%



■ We outperform our peers²

4-year revenue CAGR:

- Nemetschek: >20%
- Peer group²: <10%



■ We keep our promises

FY 2017:

- Strong revenue growth by +17.3% to € 395.6m
- EBITDA guidance with € 108.0m exceeded



■ We have become a global player

- Impressive track record: 5-year CAGR of 45% in the US – the world's largest / most competitive AEC market



■ We deliver high profitability despite significant growth investments

- Focus on growth: Double-digit revenue growth with sustainable EBITDA margin corridor of 25%-27%

¹ TSR: Total shareholder return: Share price performance + dividend | ² Peer group: International software companies

Nemetschek's industry achievements: #2 biggest global player in AEC



- We deliver revolutionary and best-in-class solutions in AEC covering the complete value chain

- We set industry standards for design, structural engineering, construction and building operations workflows



- We are the most customer-oriented AEC company

- We gained >300,000 new users in 2017 (total of 2.7 million users worldwide)



- We respect the customer's needs

- We stand for a flexible distribution approach, offering subscription as an additional choice

- We are the strongest growing AEC company with a 5-year CAGR of 17.7%
- We outperformed the AEC market growth (~11% p.a.) 5 years in a row
- We are closing the gap to market leader to become # 1 in AEC



NEMETSCHKEK GROUP

- | Highly specialized small or midsize companies
- | Long-term focus
- | Innovative: holding 5x as many patents per employee as major cooperations
- | Customer focused: 37% of all employees have regular customer contact (only 7% in major cooperations)
- | Internationally successful: Almost 50% of all small world market leaders are German

- | Going to market through 15 strong brands (5-80m €)
- | Every brand is a world leader in its discipline
- | Innovative: Many brands are pioneers in Building Information Modeling
- | Customer focused: All brands are developing their solutions in close cooperation with the customers
- | Internationally successful: No 1 AEC software provider in Europe, one of the largest worldwide

Our DNA: Strong brands under one umbrella

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			
IRISA					

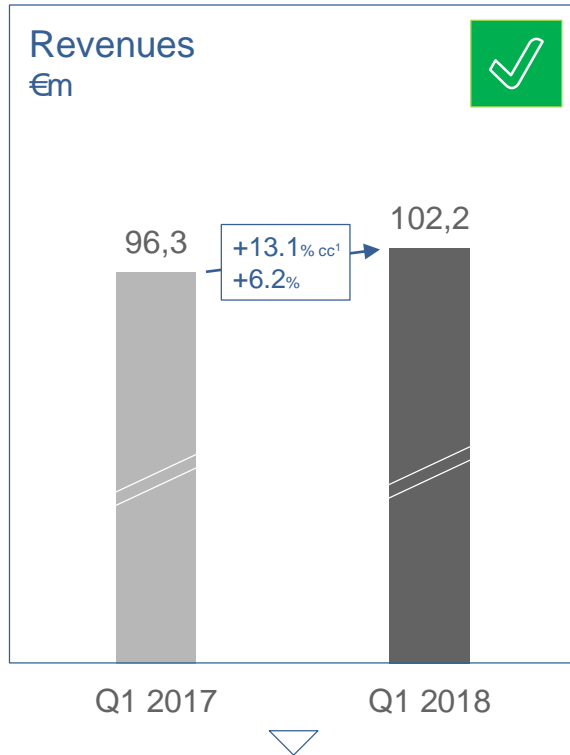
- ▶ Nemetschek covers the complete value chain in the AEC & Media industry
- ▶ Entrepreneurial brands: Industry leaders with a unique DNA, expertise and customer orientation
- ▶ Attractive set-up for potential targets



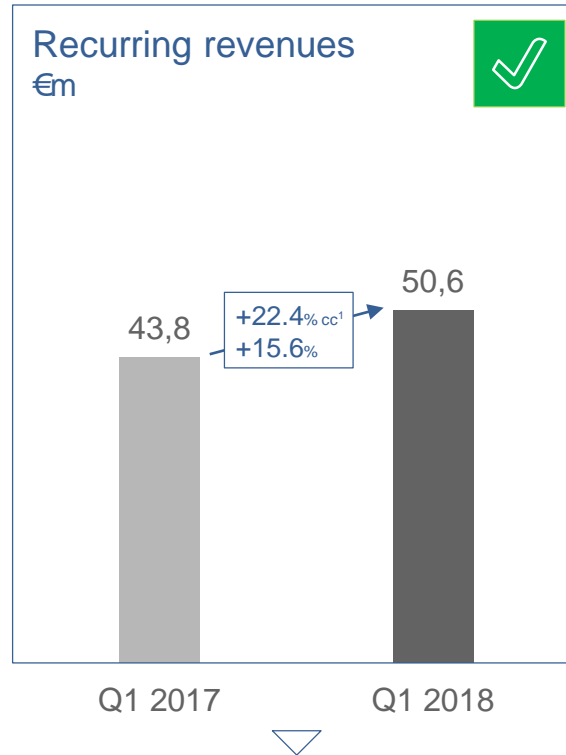
Financial Results Q1 2018

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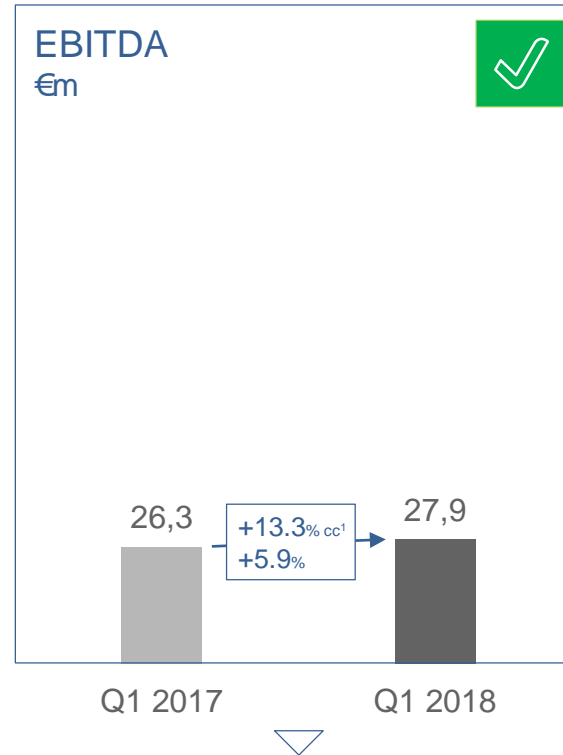
Top key figures Q1 2018: High profitability and revenue growth according to plan



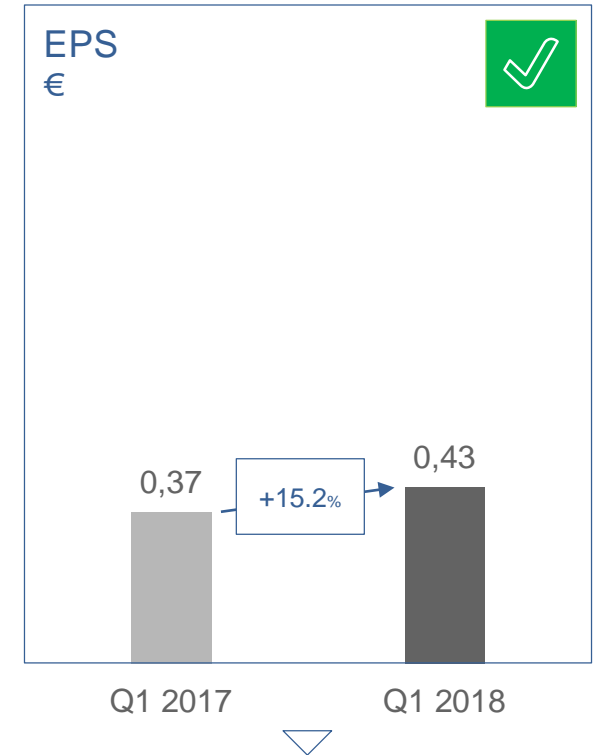
- Strong currency headwind (€6.7m)
- Strong previous year figures (growth of 24.0%)



- Smooth transition to subscription by respecting the customer wishes



- High EBITDA margin: 27.3% (previous year: 27.4%)
- Ongoing strategic investments to secure future growth
- No activation of R&D costs

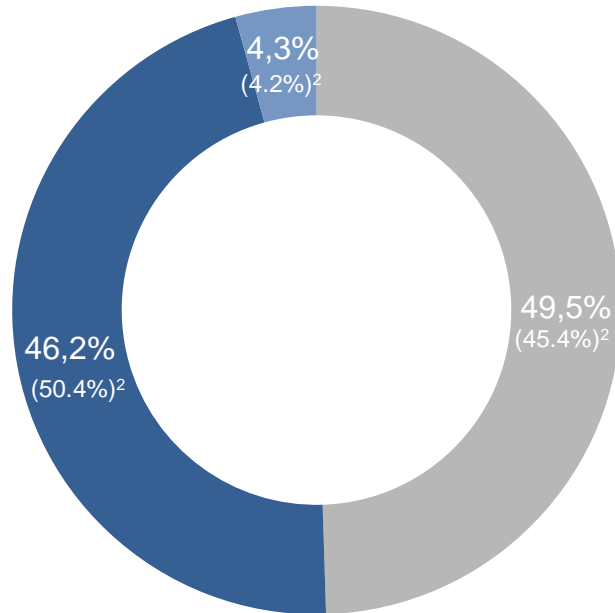


- Above EBITDA growth mainly due to lower tax rate of 24.5% (previous year: 28.4%)

¹ Constant currency

Growth driver recurring revenues: Smooth transition towards subscription

Revenue split Q1 2018



- Recurring revenues
Maintenance and rental models such as subscription, SaaS
- Software licenses
- Consulting & Hardware

¹ Constant currency ² Previous year

Recurring revenues yoy

↑ +22.4% cc¹
+15.6%

■ Above average growth to €50.6m (previous year: €43.8m)

Subscription yoy

↑ +47.3% cc¹
+33.8%

■ High growth to €4.3m (previous year: €3.2m)
■ Strategic change of the business model, smooth transition towards subscriptions while respecting the customer wishes

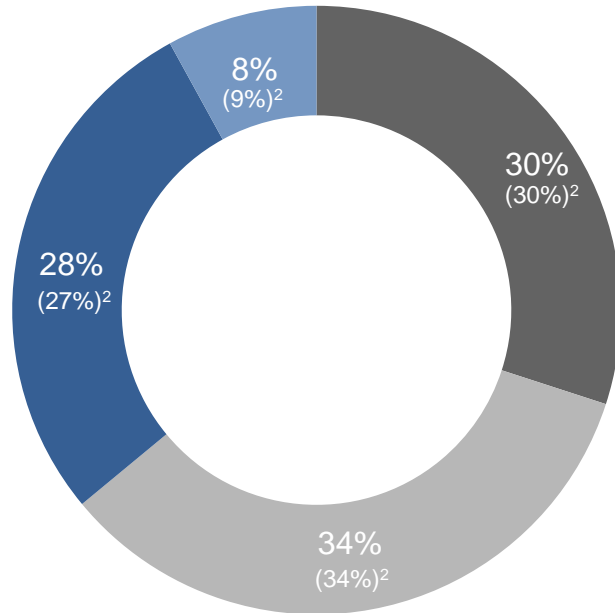
Software licenses yoy

↗ +4.8% cc¹
-2.6%

■ Strong growth in Q1 2017 (+20.4%)
■ Shift to recurring revenues

Internationalization is key: USA strongest growing market, other regions according to plan

Revenue split Q1 2018



- Germany
- Europe (w/o Germany)
- Americas
- Asia/Pacific

¹ Constant currency ² Previous year

Americas

↑ +26% cc¹
+10%

Asia

↑ +11% cc¹
+1%

Europe

↑ +9% cc¹
+7%

UK

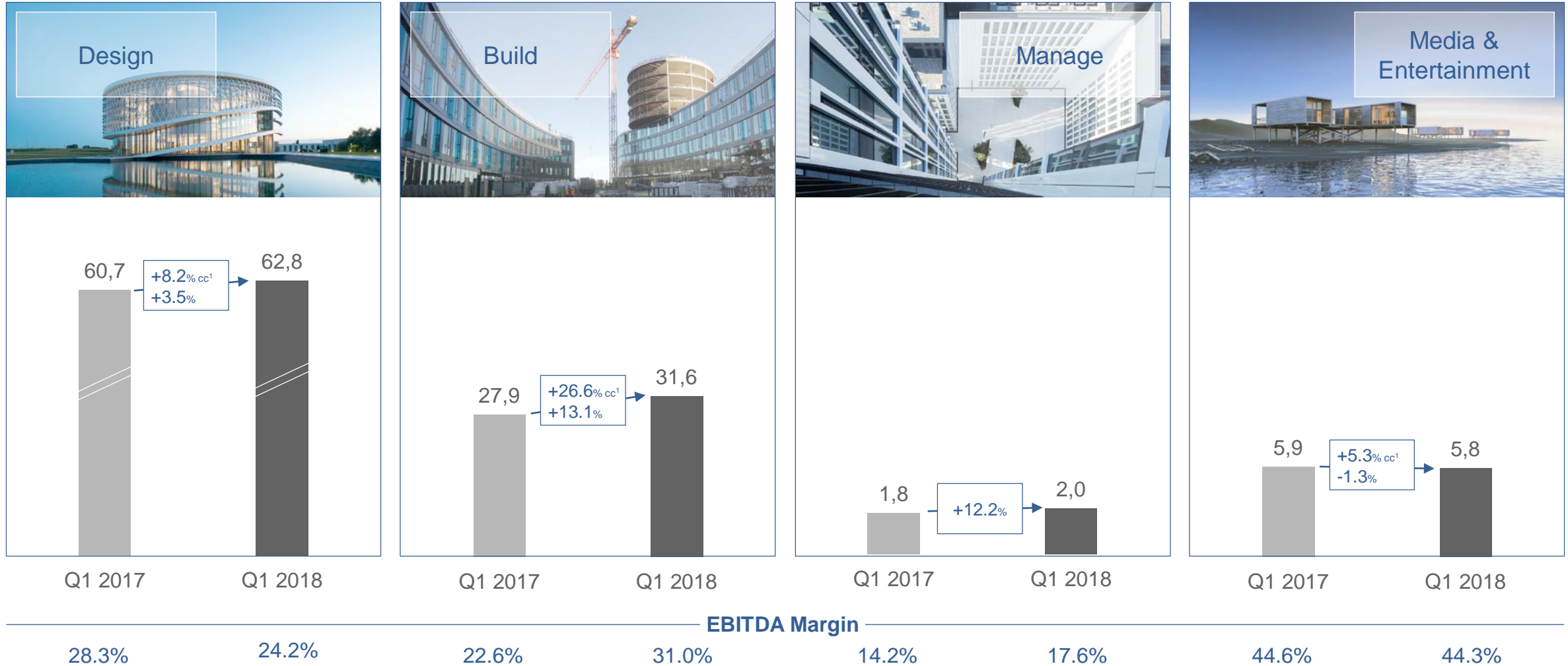
↑ +26% cc¹
+22%

Germany

↑ +6%

Segment overview: Build segment is key growth driver

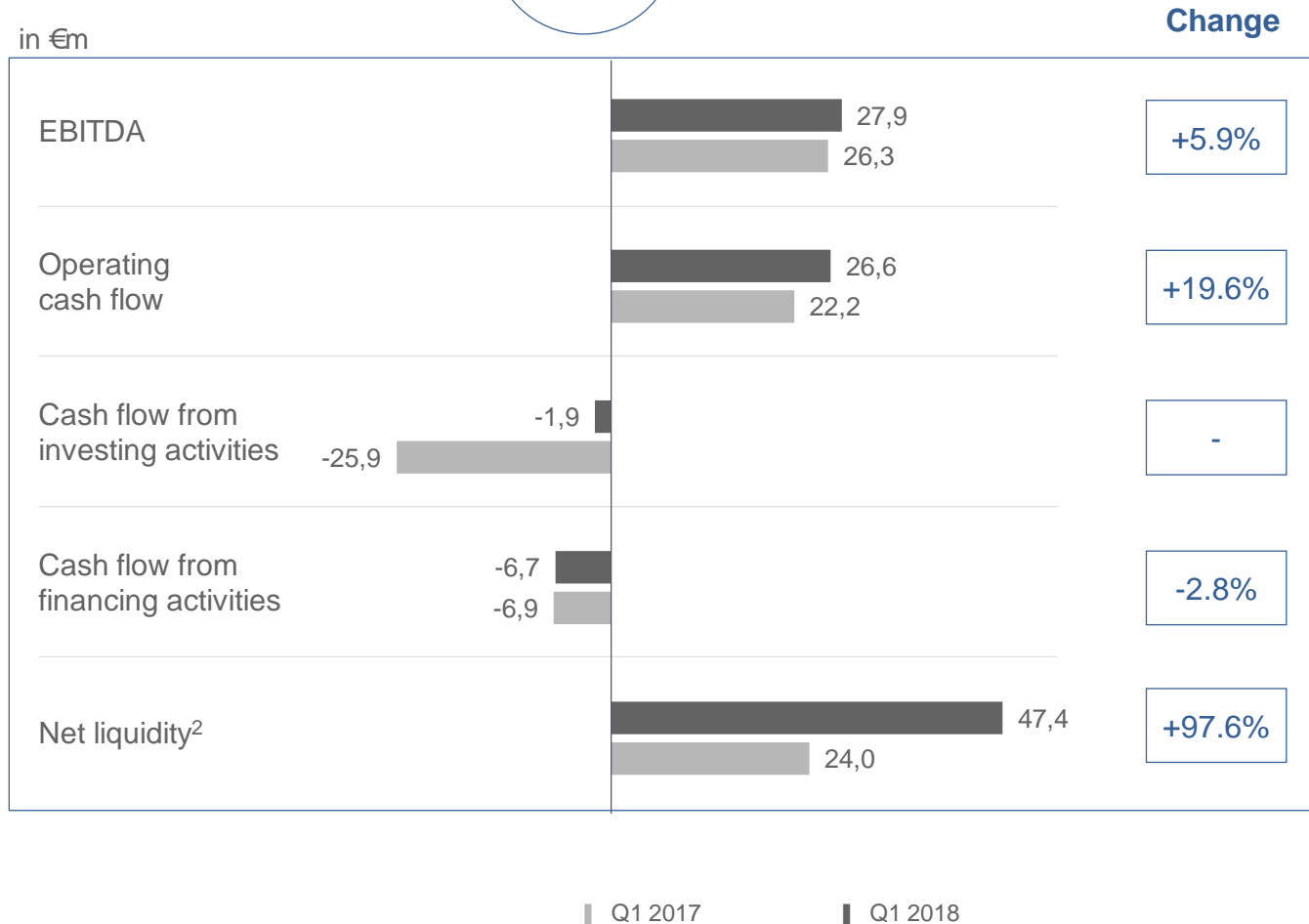
Revenues in €m



¹ Constant currency

High cash generation: Cash conversion of more than 90% allows for strategic M&A

95.2% High cash conversion rate¹



¹ Operating cash flow/EBITDA ² Previous year = End of 2017



AEC Industry in Transition

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The world population will grow by 2.5 billion in the next 30 years

In 1810, 2% of the population lived in cities, in 2010 it was 50%

By 2050, most of the world will be living in megacities

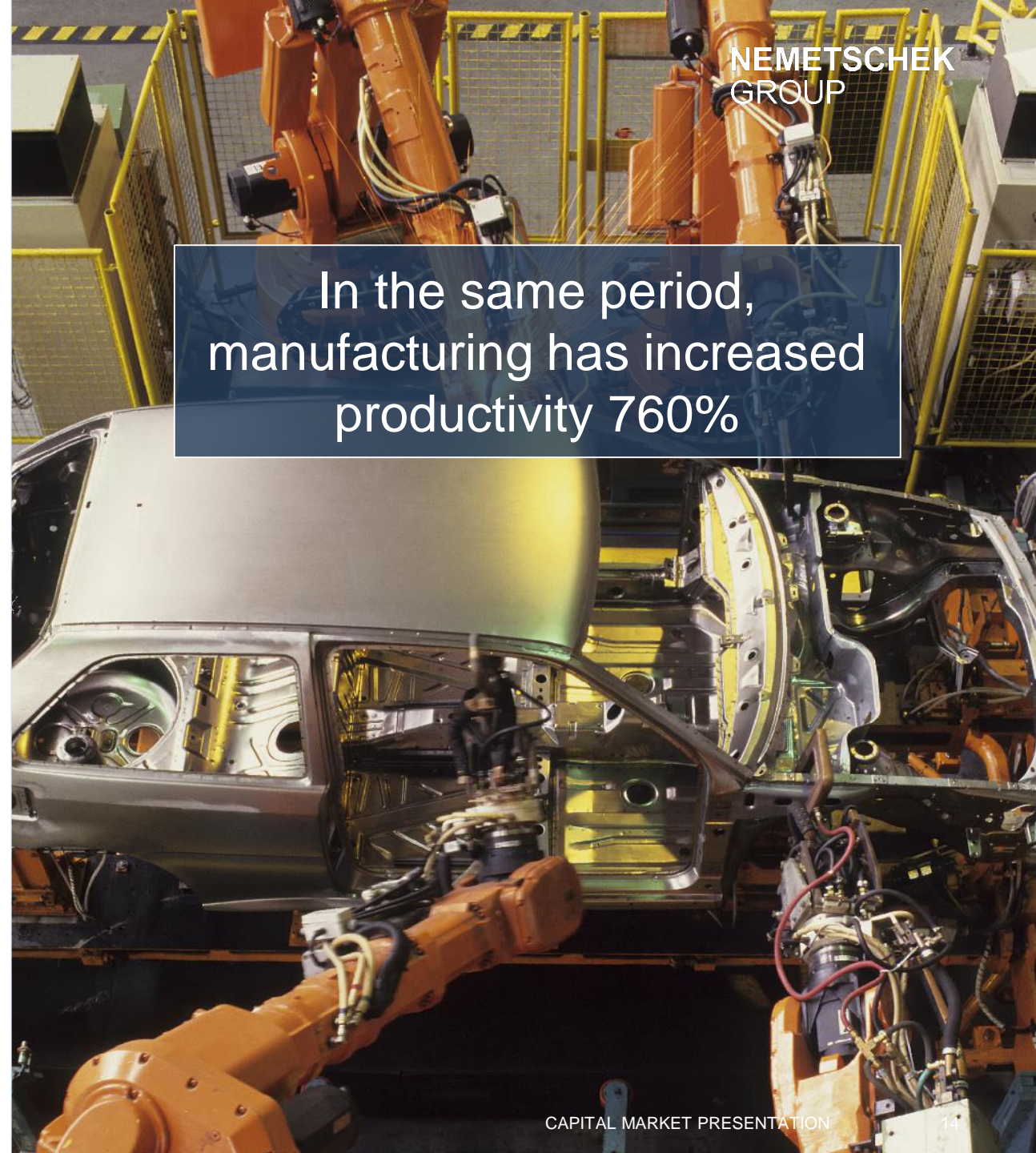
We spend more than 20 hours a day in buildings

Buildings consume 40% of the world's energy, and growing

90% of urban growth will happen in developing countries

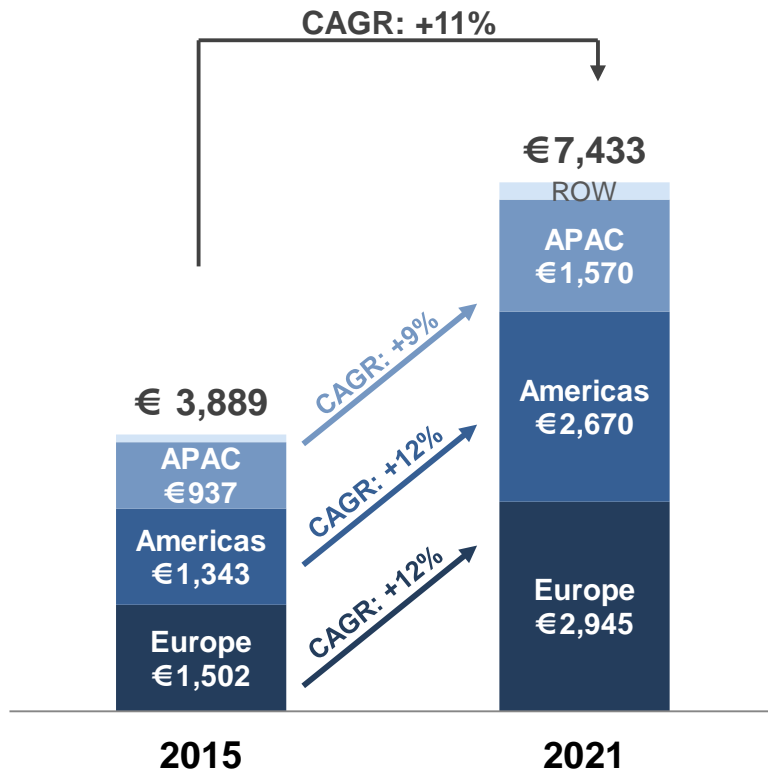


Construction productivity has increased 60% over the last 60 years



In the same period, manufacturing has increased productivity 760%

The AEC Market grows to € 7.4 billion in 2021



Top 3 countries per Geography

Geography	Country	EUE (2017) (m€)
APAC	Japan	€ 458m
	China	€ 190m
	Australia	€ 75m
Americas	US	€ 1,261m
	Canada	€ 125m
	Brazil	€ 56m
EMEA	Germany	€ 550m
	UK/I	€ 259m
	France	€ 199m

End-user-expenditures (EUE) in m€

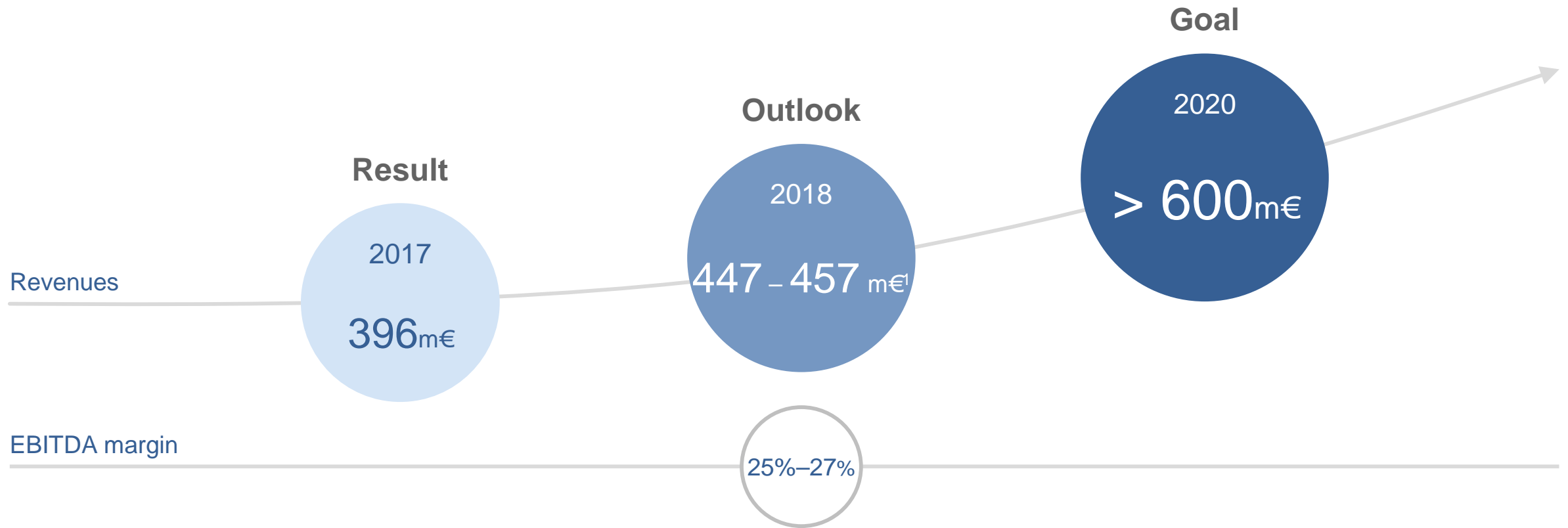
Source: Cambashi BIM Design Observatory and internal reserach



Outlook 2018/ Mid-Term Goal 2020

03

Mid-term goal 2020: Secure future double-digit growth while maintaining a high EBITDA margin



- Revenues: double-digit growth rate
- EBITDA margin: on sustainable level of 25%-27%
- Investments 2018: additional €10 m to leverage future growth

¹ The revenue outlook is based on planned exchange rate of 1.18 EUR/USD



Key drivers & fields of investments

- 1 Internationalization
- 2 Next generation products & solutions
- 3 Operational excellence



Internationalization

Taking advantage of market leaderships

- Strong US brands support US market entry for European brands and vice versa

Focus on markets with biggest potential

- USA followed by Europe and Asia



Next-generation products & solutions

Architecture & structural engineering

- Targeting large customers by combining superior discipline specific products into total BIM-workflow solutions

Collaboration

- Development of a group-wide UK BIM compliant Common Data Environment (CDE)
- Huge market potential: Collaboration market size of >€1 bn with a mid-teens growth rate

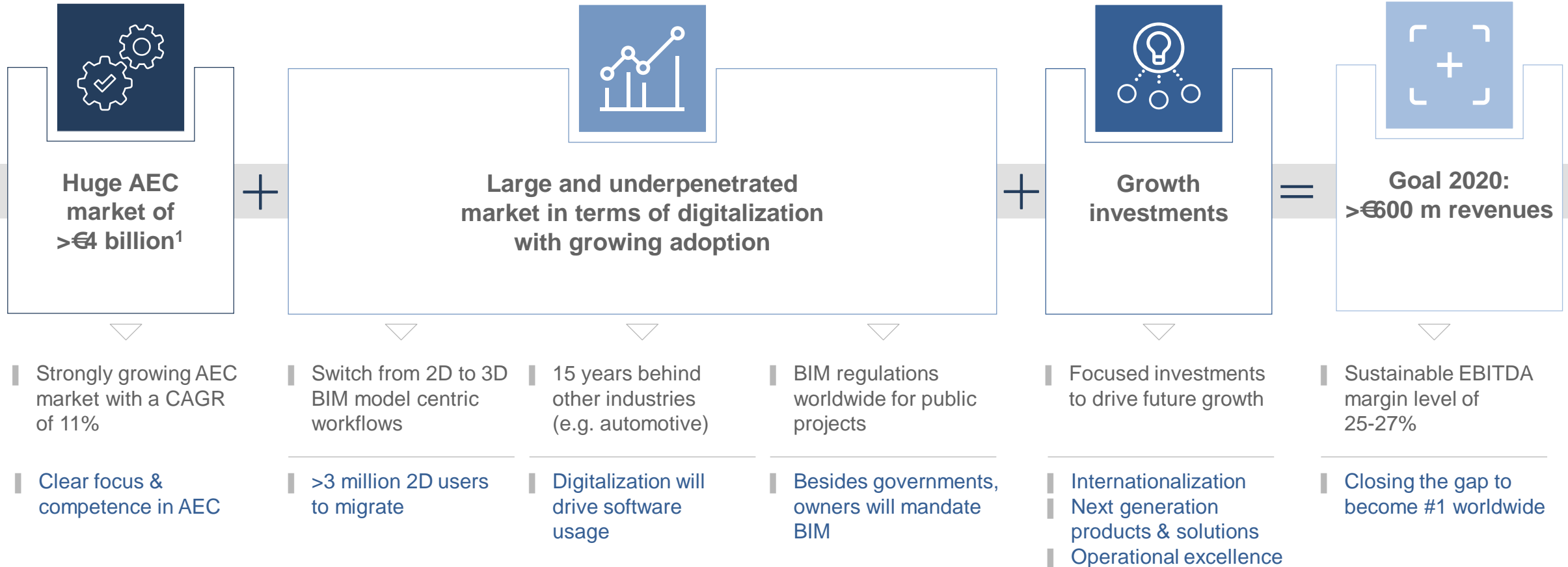


Operational excellence

Increase efficiency

- Implementation of a groupwide harmonized core application infrastructure to leverage process efficiency

Excellent positioning in dynamically growing market



¹ Source: Cambashi

Financial Calendar

July 27, 2018

Publication of 6-month report

October 30, 2018

Publication of 9-month report

2nd half of 2018

Capital market day

04

Appendix

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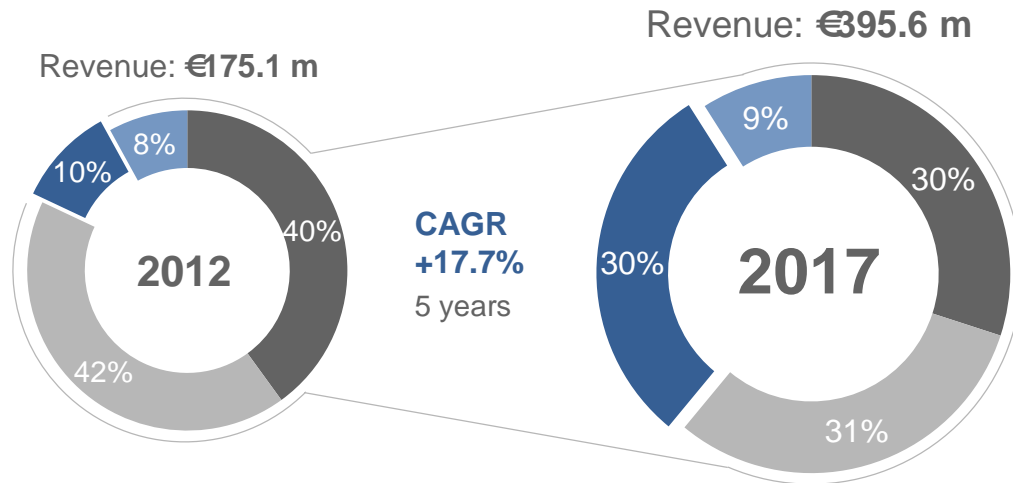


P+L statement Q1 2018 comparison

€m	Q1 2018	Q1 2017	% YoY
Revenues	102.2	96.3	+6.2%
Own work capitalized/other operating income	1.0	1.0	-3.7%
Operating income	103.2	97.3	+6.1%
Cost of materials/purchased services	-3.3	-2.7	+18.9%
Personnel expenses	-45.1	-43.4	+4.0%
Other operating expenses	-26.9	-24.8	+8.4%
Operating expenses	-75.3	-70.9	+6.1%
EBITDA	27.9	26.3	+5.9%
Margin	27.3%	27.4%	
Depreciation of PPA and amortization	-5.3	-5.5	-3.2%
t/o PPA	-3.4	-3.5	-4.0%
EBITA (normalized EBIT)	26.0	24.4	+6.5%
EBIT	22.6	20.9	+8.3%
Financial result	-0.1	-0.2	
EBT	22.5	20.7	+8.8%
Income taxes	-5.5	-5.9	-6.3%
Non-controlling interests	-0.6	-0.6	
Net income (group shares)	16.4	14.2	+15.2%
EPS in EUR	0.43	0.37	+15.2%

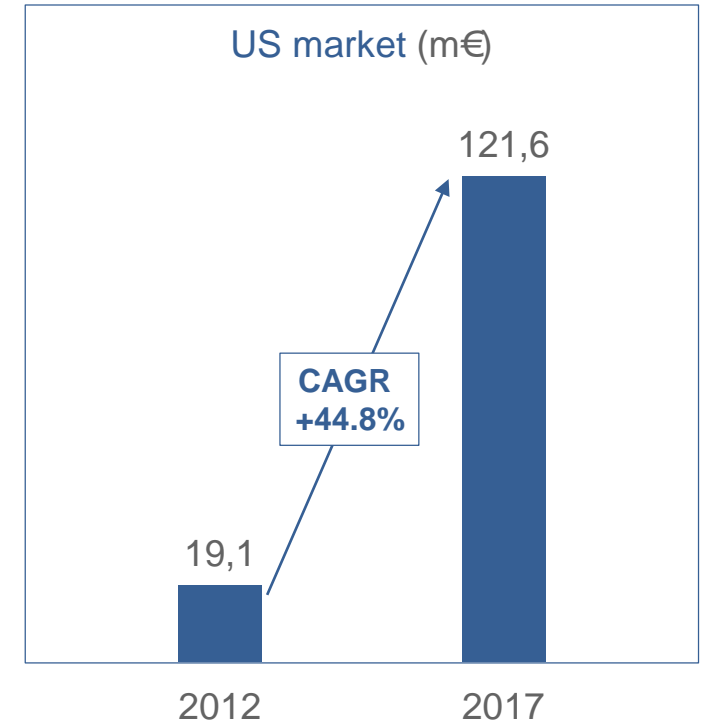
Outstanding success in the US: Worldwide largest single AEC market

- Germany
- Europe (w/o Germany)
- America
- Asia/Pacific



Key achievement:

- Nemetschek has become a global player



Exemplary growth story in the US:

- With roots in Germany, Nemetschek increased its revenues with a 5-year CAGR of 45% in the biggest and most competitive market, the USA

Balance sheet – Assets

€m	March 31, 2018	December 31, 2017
Assets		
Cash and cash equivalents	120.9	104.0
Trade receivables, net	44.6	41.0
Inventories	0.5	0.6
Other current assets	19.0	13.5
Current assets, total	184.9	159.1
Property, plant and equipment	14.7	14.9
Intangible assets	81.8	86.9
Goodwill	190.7	192.7
Other non-current assets	7.3	7.3
Non-current assets, total	294.6	301.7
Total assets	479.5	460.8

Balance sheet – Equity and liabilities

€m	March 31, 2018	December 31, 2017
Equity and liabilities		
Short-term borrowings and current portion of long-term loans	36.0	36.0
Trade payables & accrued liabilities	36.6	43.7
Deferred revenue	87.3	68.1
Other current assets	20.9	18.0
Current liabilities, total	180.9	165.7
Long-term borrowings without current portion	37.4	43.9
Deferred tax liabilities	13.0	13.5
Other non-current liabilities	6.5	9.6
Non-current liabilities, total	56.9	67.1
Subscribed capital and capital reserve	51.0	51.0
Retained earnings	210.1	193.2
Other comprehensive income	-22.5	-18.7
Non-controlling interests	3.1	2.5
Equity, total	241.7	227.9
Total equity and liabilities	479.5	460.8

Cash flow statement

€m	March 31, 2018	March 31, 2017	% YoY
Cash and cash equivalents at the beginning of the period	104.0	112.5	-7.6%
Cash flow from operating activities	26.6	22.2	+19.6%
Cash flow from investing activities	-1.9	-25.9	-92.8%
t/o CapEX	-1.9	-1.2	+57.0%
t/o Cash paid for business combinations	0.0	-24.5	
Cash flow from financing activities	-6.7	-6.9	
t/o Repayments of borrowings	-6.5	-6.5	
FX-effects	-1.1	-0.5	
Cash and cash equivalents at the end of the period	120.9	101.4	+19.2%
Free cash flow¹	24.7	-3.7	
Free cash flow¹ (w/o acquisition effects)	24.7	20.8	+19.0%

¹ Operating cash flow – Investing cash flow

Contact

NEMETSCHKE SE
Investor Relations

Konrad-Zuse-Platz 1
81829 Munich

Germany

investorrelations@nemetschek.com

www.nemetschek.com

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