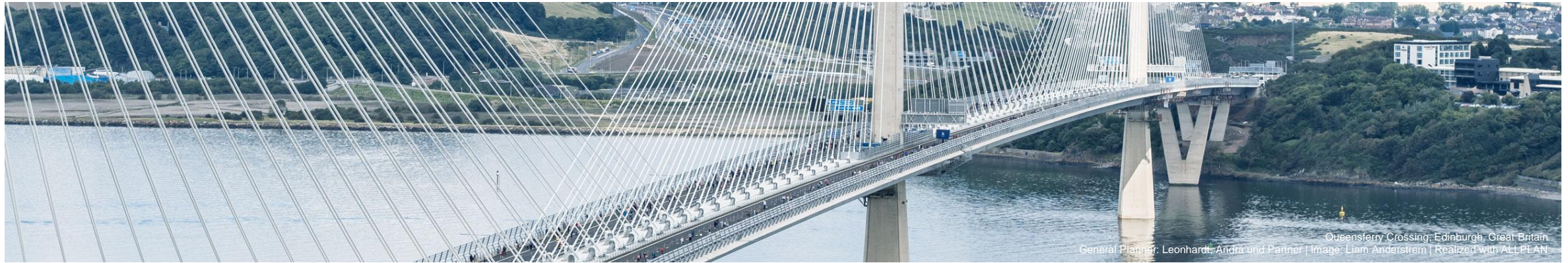


Nemetschek Group

Company Presentation  
September 2018

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



We generate high shareholder returns<sup>1</sup>

#### 4-year TSR\*

Nemetschek:	~500%
Peer group <sup>2</sup> :	~110%
TecDAX:	~120%



We outperform our peers<sup>2</sup>

#### 4-year revenue CAGR:

Nemetschek:	>20%
Peer group <sup>2</sup> :	<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



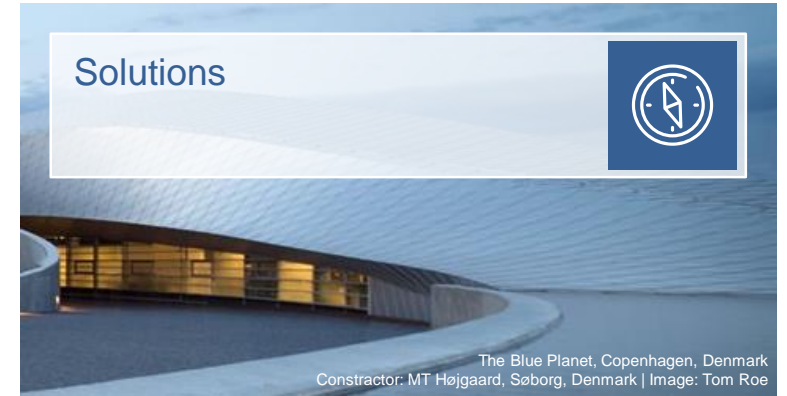
We deliver high profitability while we invest significantly in growth

#### Focus on growth:

- | Double-digit revenue growth with sustainable EBITDA margin corridor of 25%-27%

<sup>1</sup> TSR: Total shareholder return: Share price performance + dividend | <sup>2</sup> 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 4.0 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 the market leader to become #1 in AEC

# The Nemetschek Group: A unique approach similar to German Mittelstand



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

- | Going to market through 16 strong brands (5-90m €)
- | 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 co-operation with the customers
- | Internationally successful: #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	MCS SOLUTIONS	
DATA DESIGN SYSTEM	FRILO Software	SOLIBRI		
PRECAST SOFTWARE engineering	dRofus	SDS/2		
IRISA				

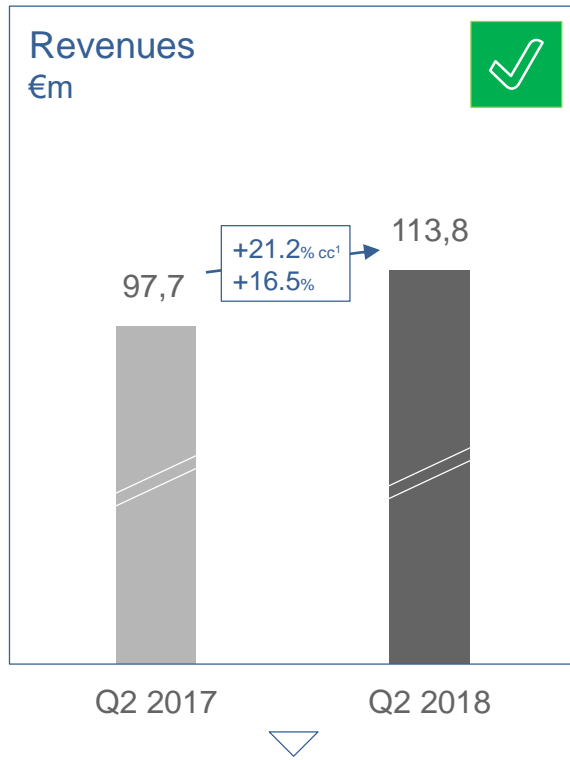
- | Nemetschek covers the complete value chain in the AEC & Media industry
- | Entrepreneurial brands: Industry leaders with a unique DNA, expertise and customer orientation
- | Attractive set-up for potential targets



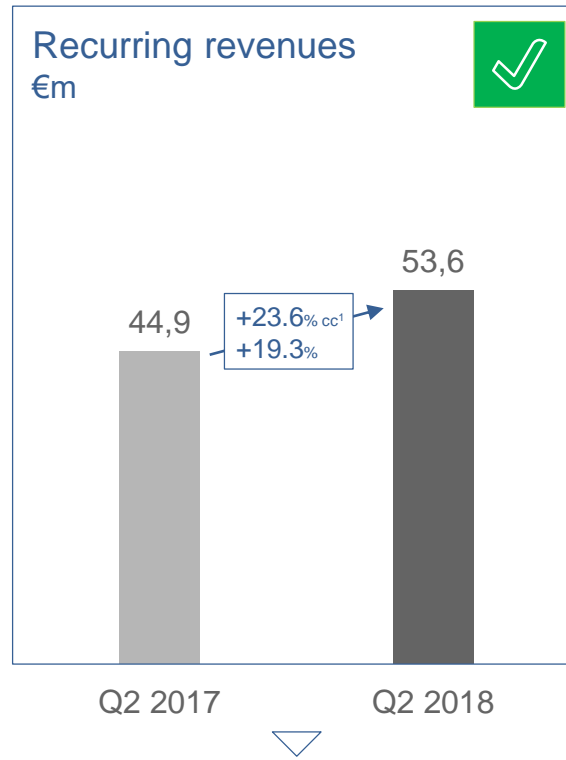
01

Financial Results H1 2018

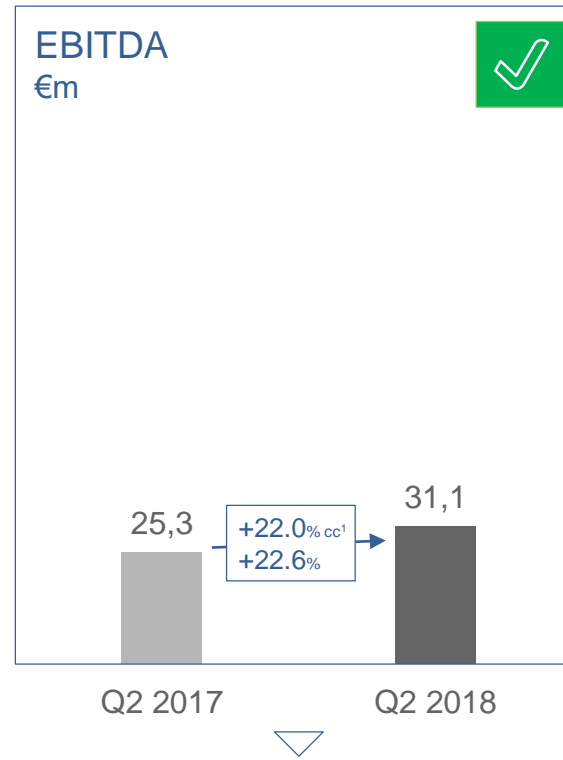
# Top key figures Q2 2018: Accelerated growth with high profitability



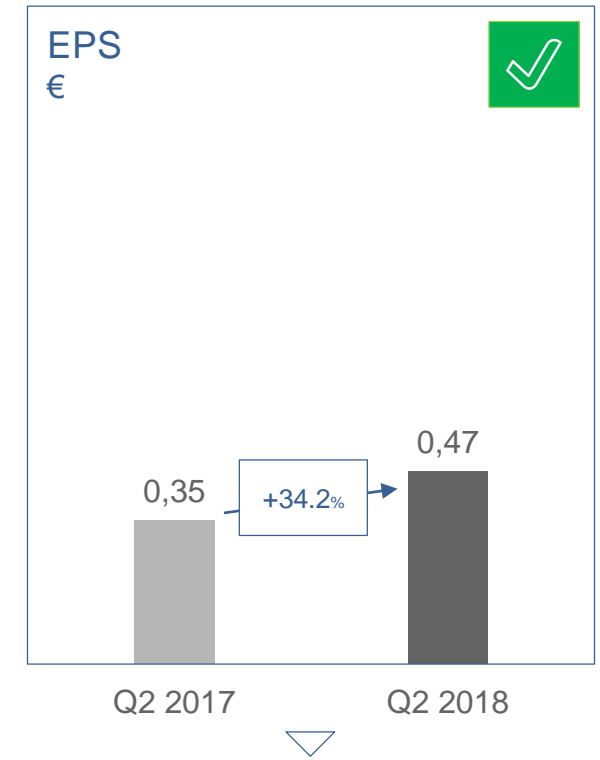
- Growth accelerated in Q2
- Continued currency headwind (€ 4.6m)



- License growth also accelerated with a double digit growth rate



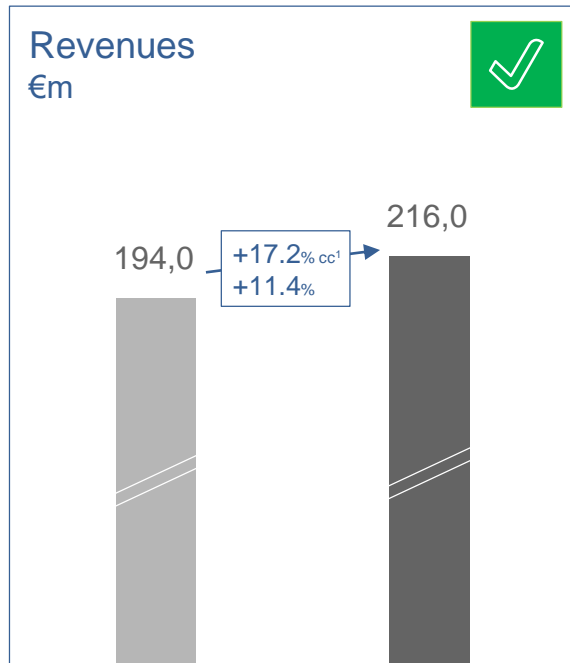
- High EBITDA margin: 27.3% (previous year: 25.9%)
- Ongoing strategic investments to secure future growth
- No activation of R&D costs



- Over proportional EPS growth because of strong operative performance and lower tax rate of 27.1% (previous year: 28.5%)

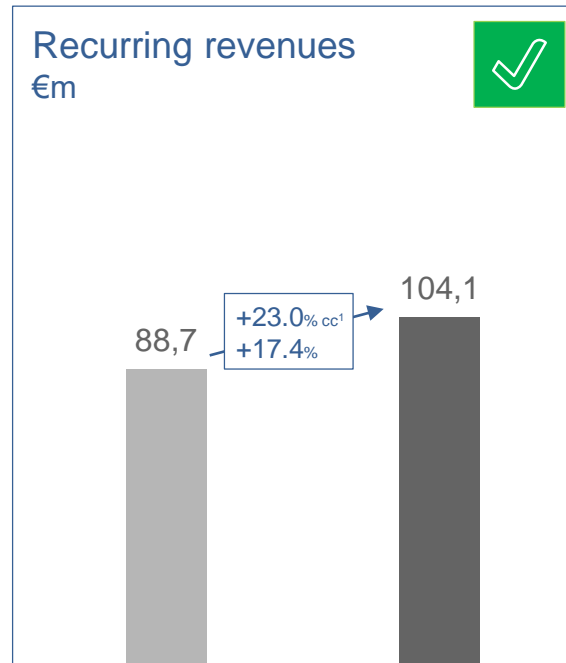
<sup>1</sup> Constant currency

# Top key figures H1 2018: On the way to achieving the guidance for 2018



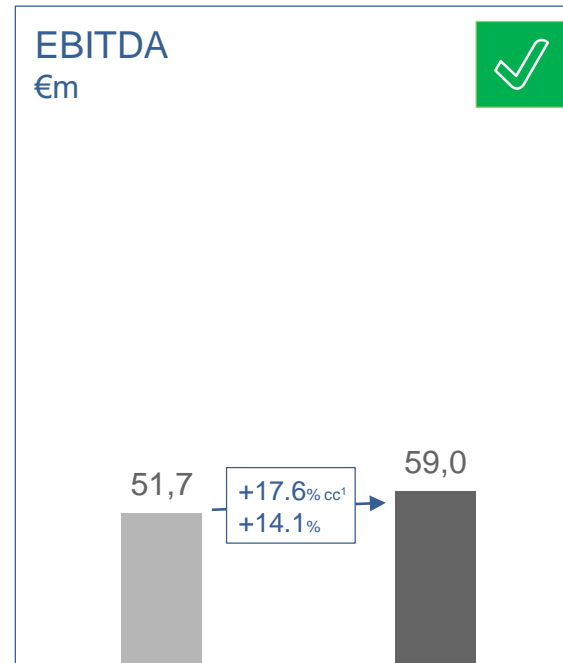
H1 2017 H1 2018

- Double-digit growth
- Currency headwind (in total: € 11.3m) slowed down in Q2



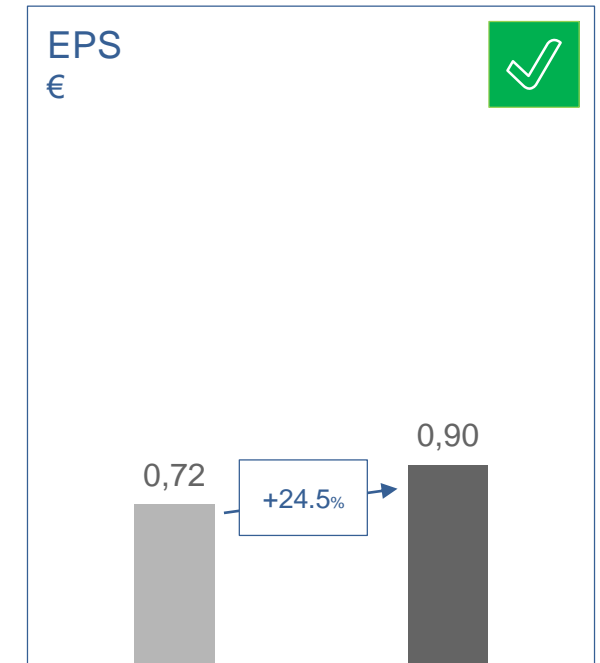
H1 2017 H1 2018

- Smooth transition to subscription by respecting the customer wishes



H1 2017 H1 2018

- High EBITDA margin: 27.3% (previous year: 26.6%)
- Above mid-term corridor of 25-27%



H1 2017 H1 2018

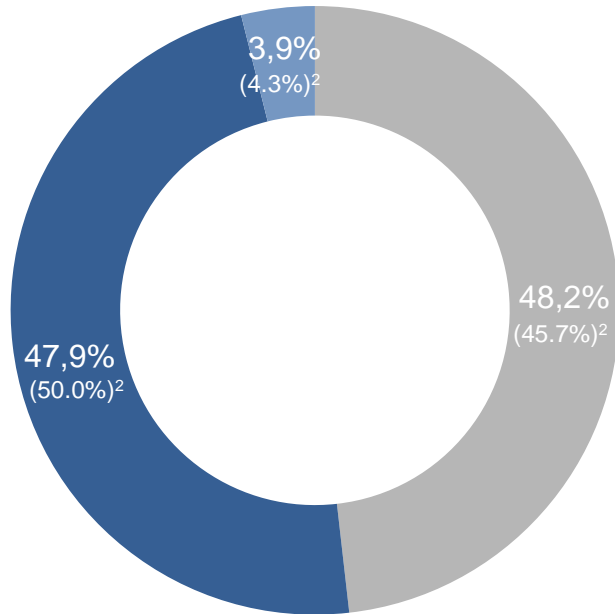
- Strong performance and lower tax rate of 25.9% led to the strong increase in EPS (tax rate previous year: 28.4%)

<sup>1</sup> Constant currency



# Growth driver recurring revenues: Smooth transition towards subscription

Revenue split H1 2018



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

<sup>1</sup> Constant currency <sup>2</sup> Previous year

## Q2 2018

### Recurring revenues yoy

↑ +23.6% cc<sup>1</sup>  
+19.3%

### Subscription yoy

↑ +49.4% cc<sup>1</sup>  
+41.2%

### Software licenses yoy

↑ +21.4% cc<sup>1</sup>  
+16.1%

## H1 2018

### Recurring revenues yoy

↑ +23.0% cc<sup>1</sup>  
+17.4%

### Subscription yoy

↑ +48.3% cc<sup>1</sup>  
+37.6%

### Software licenses yoy

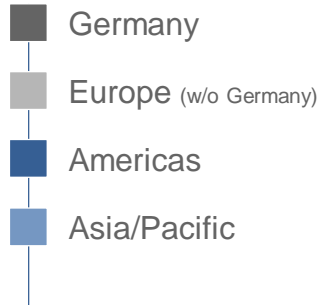
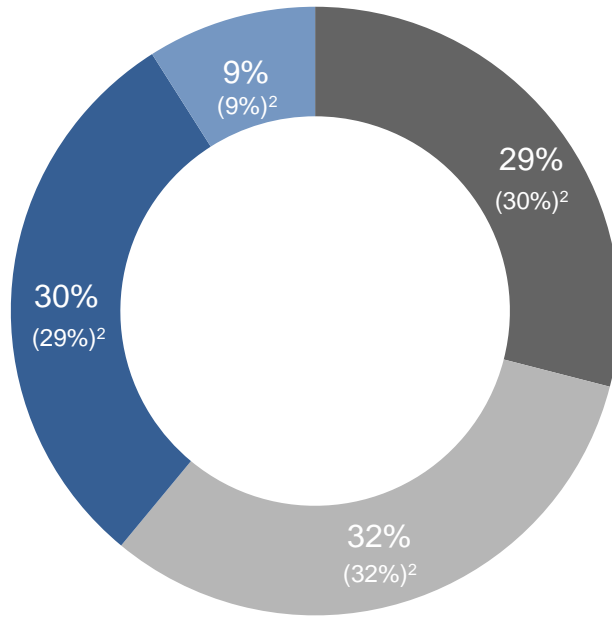
↗ +13.1% cc<sup>1</sup>  
+6.7%

## H1 2018 comments

- █ Above average growth to €104.1m (previous year: €88.7m)
- █ Strong growth to €8.9m (previous year: €6.5m)
- █ Strategic change of business model: smooth transition towards subscriptions
- █ Accelerated growth in Q2
- █ Half year figures of 103.4 mEUR in line with expectations

# Internationalization is key: Growth accelerated in Q2 in all regions

Revenue split H1 2018



<sup>1</sup> Constant currency <sup>2</sup> Previous year

Q2 2018

Germany

↑ +11%

UK

↑ +41% cc<sup>1</sup>  
+33%

Europe

↑ +15% cc<sup>1</sup>  
+13%

Americas

↑ +32% cc<sup>1</sup>  
+21%

Asia

↑ +27% cc<sup>1</sup>  
+19%

H1 2018

Germany

↑ +9%

UK

↑ +31% cc<sup>1</sup>  
+28%

Europe

↑ +11% cc<sup>1</sup>  
+9%

Americas

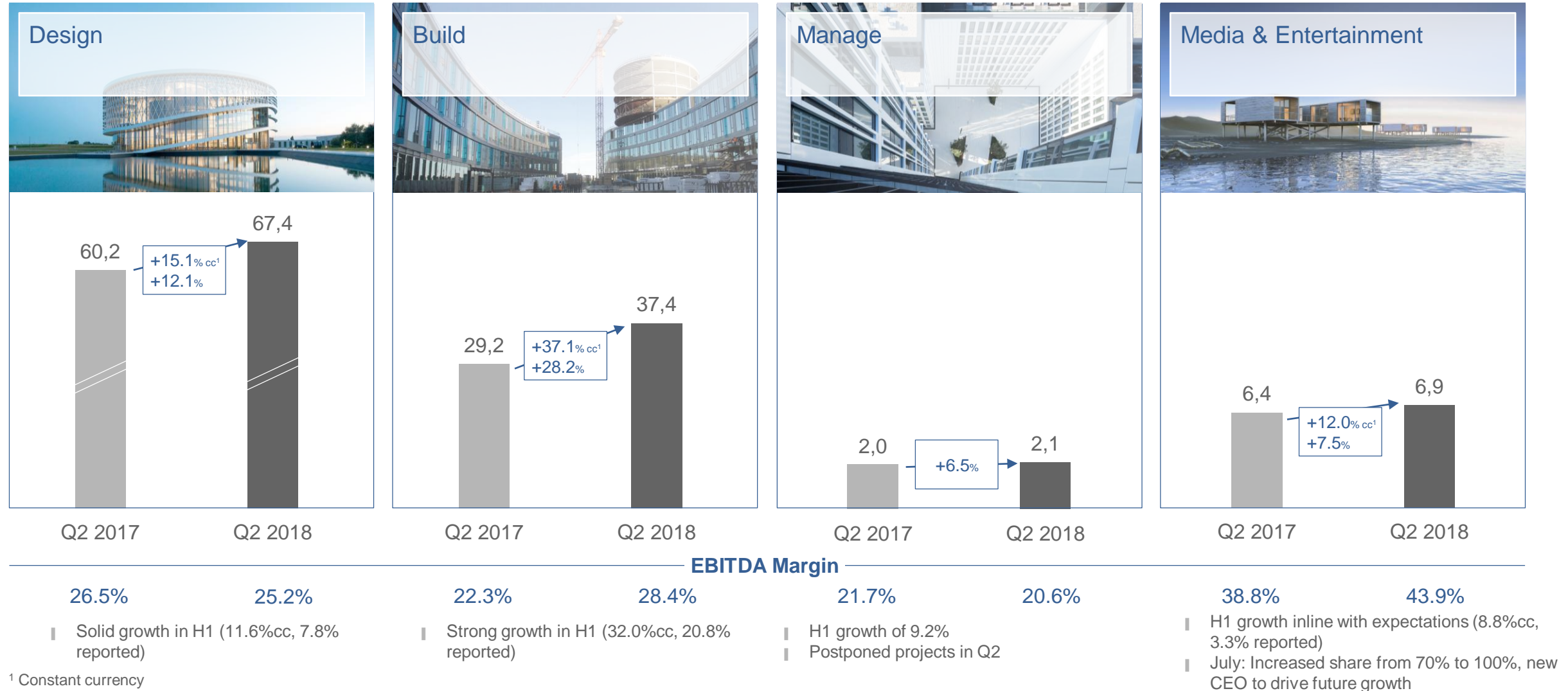
↑ +29% cc<sup>1</sup>  
+15%

Asia

↑ +19% cc<sup>1</sup>  
+10%

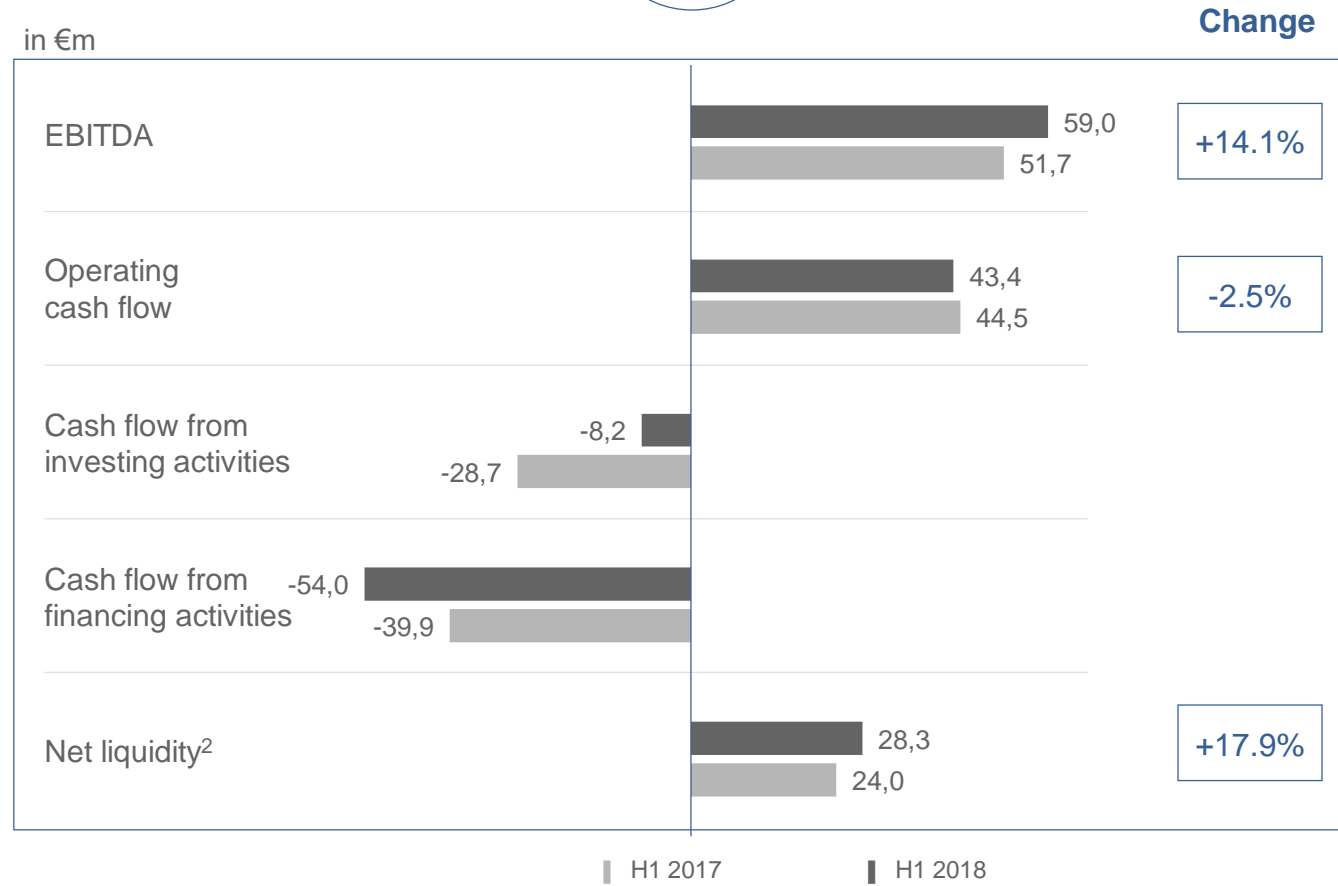
# Segment overview: Build segment is key growth driver

Revenues in €m



# Net liquidity situation allows for strategic M&A

**73.5%** High cash conversion rate<sup>1</sup>

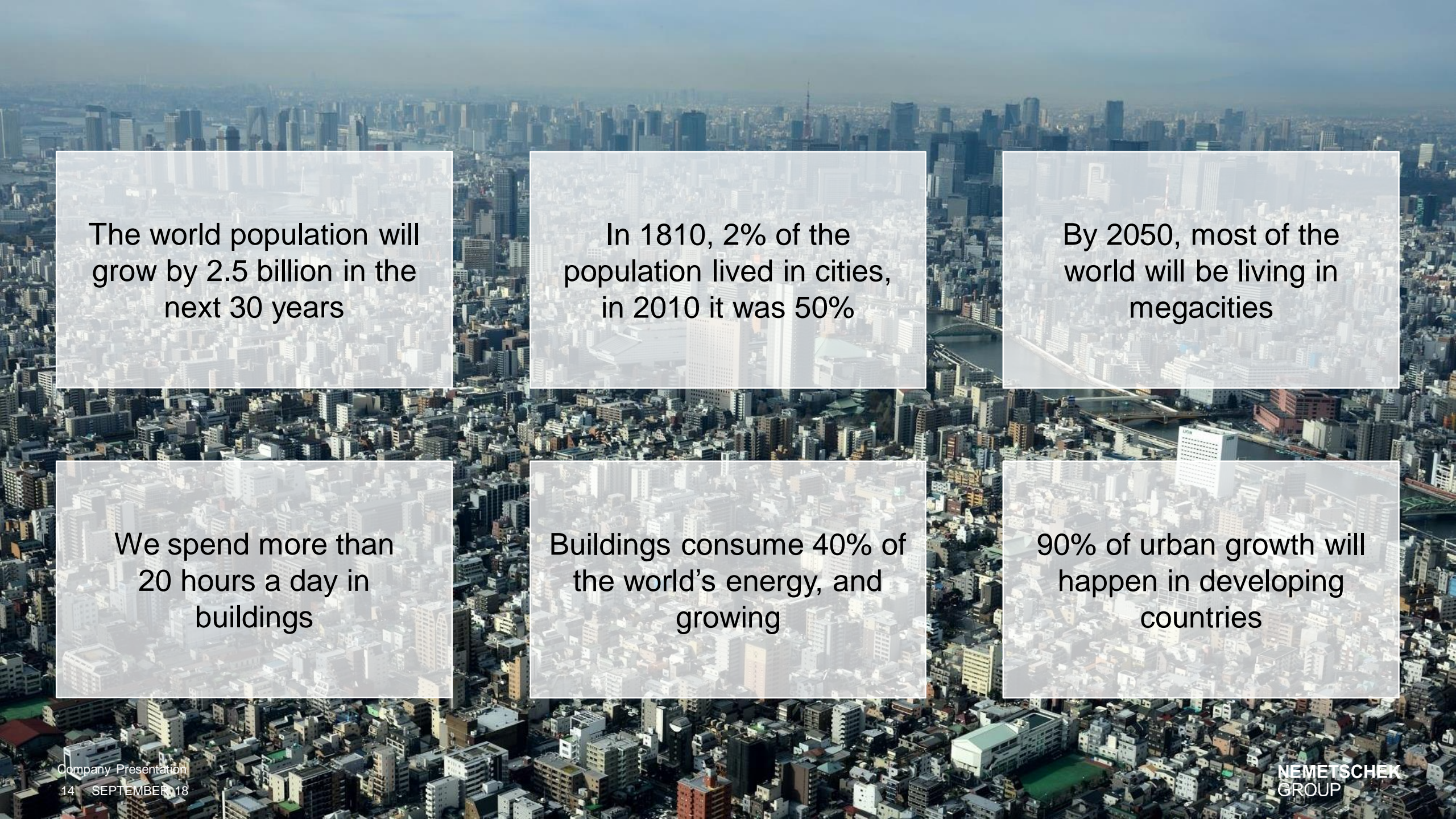


<sup>1</sup> Operating cash flow/EBITDA <sup>2</sup> Previous year = End of 2017



02

AEC Industry in Transition



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

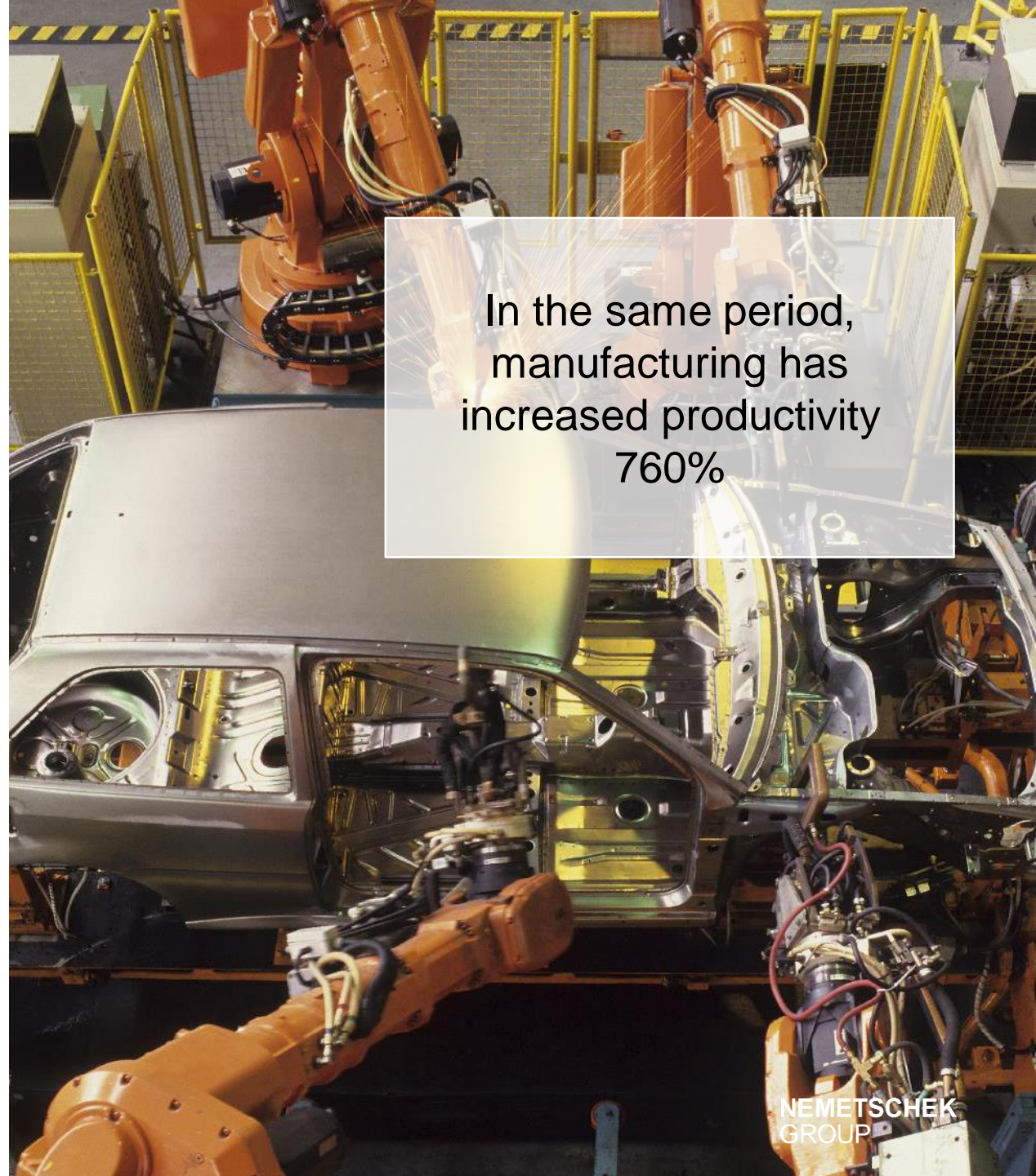
We spend more than 20 hours a day in buildings

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

90% of urban growth will happen in developing countries

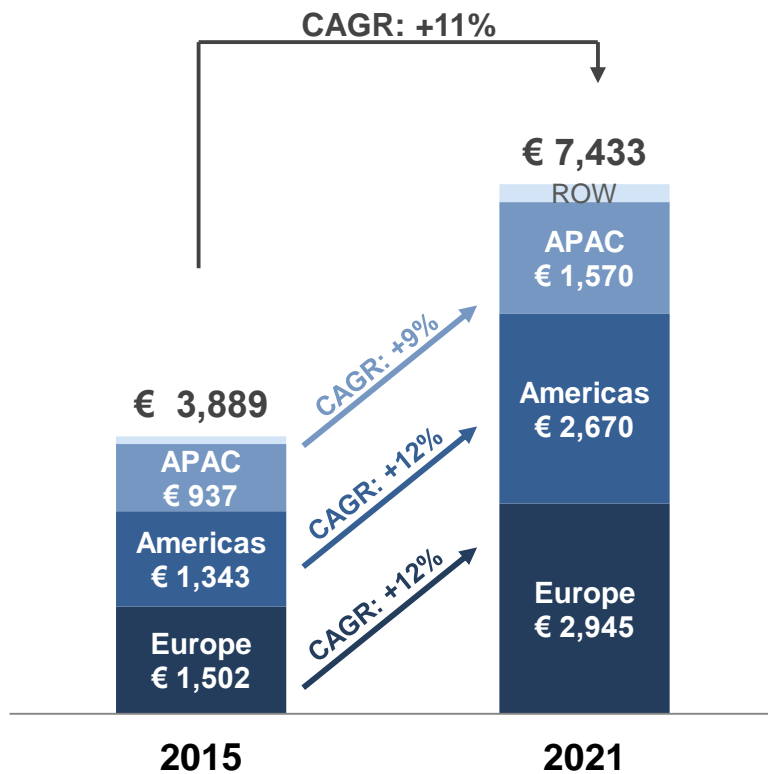


Construction productivity  
has increased 60% over  
the last 60 years



In the same period,  
manufacturing has  
increased productivity  
760%

# The AEC Market grows to € 7.4 billion in 2021



End-user-expenditures (EUE) in m€

Source: Cambashi BIM Design Observatory and internal research

## Top 3 countries per Geography

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

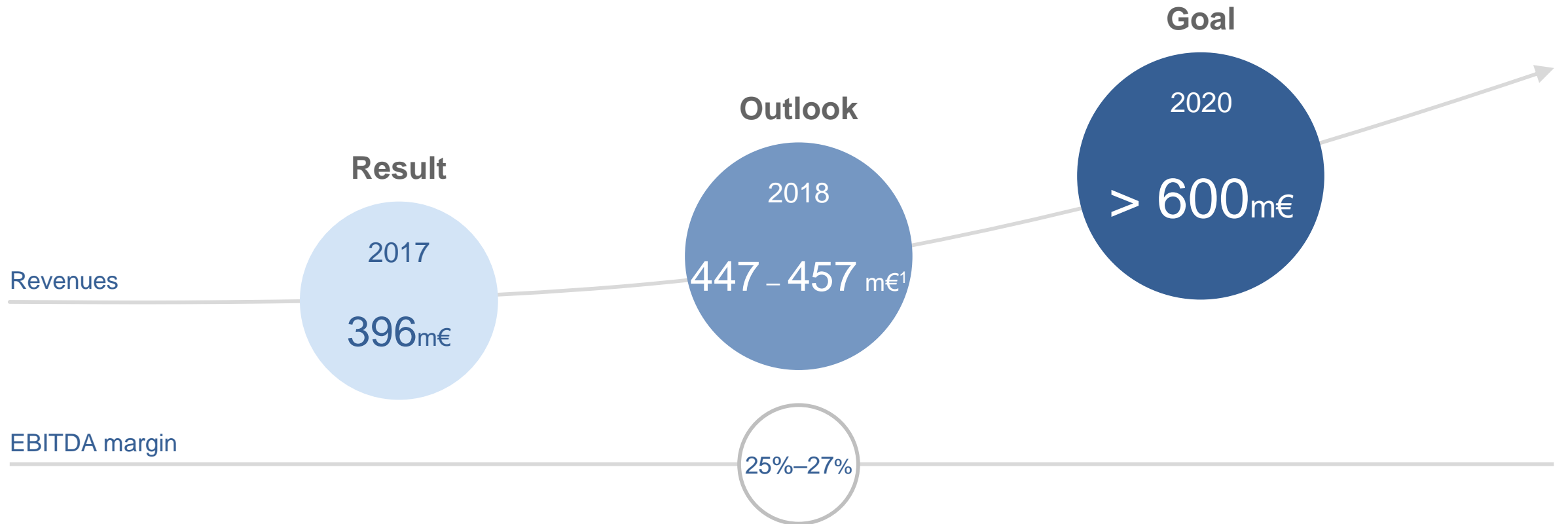




03

Outlook 2018 /  
Mid-Term Goal 2020

# 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

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

# Strong operating profit and additional extraordinary investments of €10 million in 2018



## Key drivers & fields of investments

1

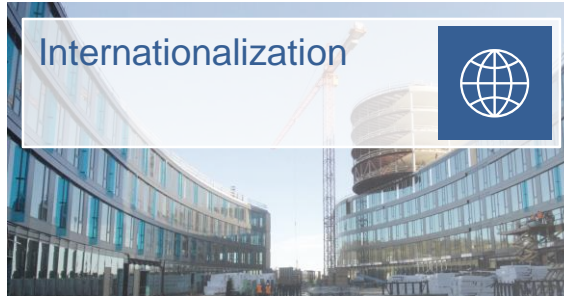
Internationalization

2

Next generation products & solutions

3

Operational excellence



### 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



### Architecture & structural engineering

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

### Collaboration

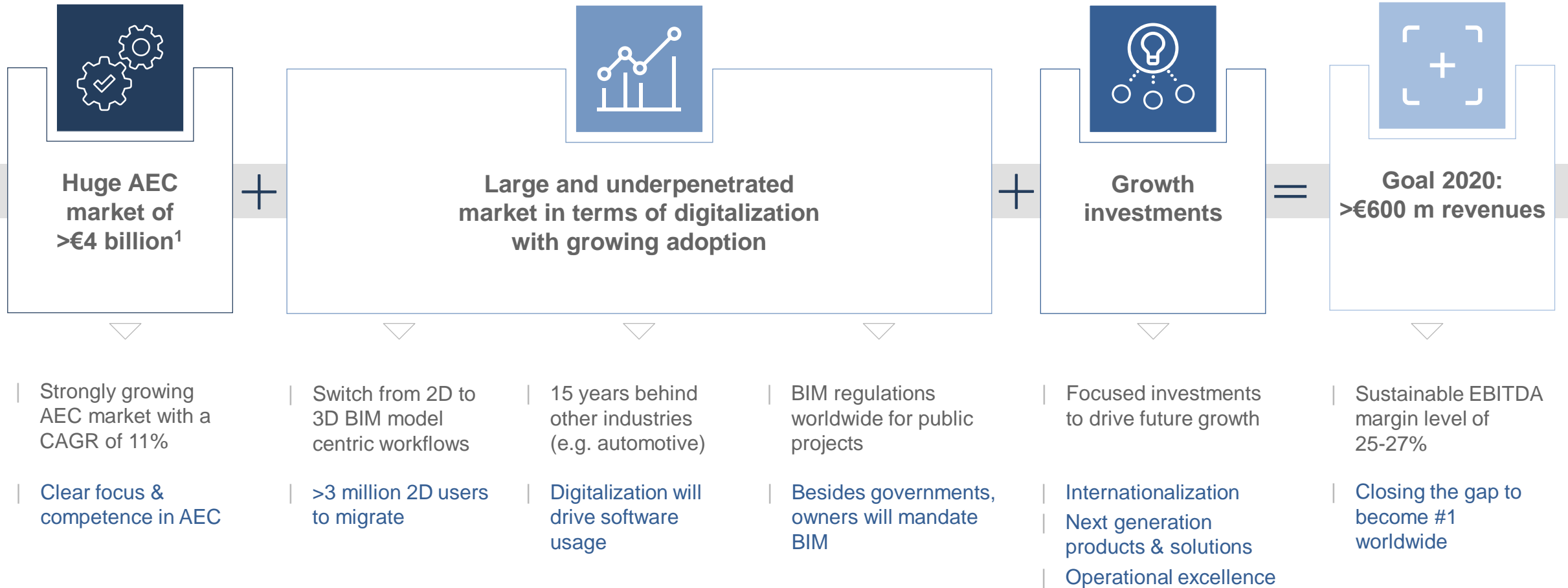
- | Development of a group-wide UK BIM compliant Common Data Environment (CDE)
- | Huge market potential: Collaboration market size of >€1 bn with a mid-teens growth rate



### Increase efficiency

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

# Excellent positioning in dynamically growing market



<sup>1</sup> Source: Cambashi

## Financial Calender

04

- |                          |   |
|--------------------------|---|
| <b>October 30, 2018</b>  | Publication of 9-month report                 |
| <b>November 13, 2018</b> | Capital markets day, Frankfurt                |
| <b>November 15, 2018</b> | Morgan Stanley TMT Conference, Barcelona      |
| <b>November 27, 2018</b> | Eigenkapitalforum (equity forum), Frankfurt   |
| <b>December 6, 2018</b>  | Berenberg European Conference 2018, Pennyhill |

# 04

## Appendix

## P+L statement Q2 2018 comparison

€m	Q2 2018	Q2 2017	% YoY	H1 2018	H1 2017	%YoY
<b>Revenues</b>	<b>113.8</b>	<b>97.7</b>	<b>+16.5%</b>	<b>216.0</b>	<b>194.0</b>	<b>+11.4%</b>
Own work capitalized/other operating income	2.2	1.1	+90.9%	3.1	2.1	+47.1%
<b>Operating income</b>	<b>116.0</b>	<b>98.8</b>	<b>+17.4%</b>	<b>219.2</b>	<b>196.1</b>	<b>+11.8%</b>
Cost of materials/purchased services	-3.4	-3.5	-4.7%	-6.6	-6.3	+5.6%
Personnel expenses	-48.9	-42.1	+16.3%	-94.1	-85.5	+10.0%
Other operating expenses	-32.6	-27.9	+17.0%	-59.5	-52.7	+13.0%
<b>Operating expenses</b>	<b>-84.9</b>	<b>-73.5</b>	<b>+15.6%</b>	<b>-160.2</b>	<b>-144.4</b>	<b>+10.9%</b>
<b>EBITDA</b>	<b>31.1</b>	<b>25.3</b>	<b>+22.6%</b>	<b>59.0</b>	<b>51.7</b>	<b>+14.1%</b>
<b>Margin</b>	<b>27.3%</b>	<b>25.9%</b>		<b>27.3%</b>	<b>26.6%</b>	
Depreciation of PPA and amortization	-5.5	-5.4	+1.8%	-10.8	-10.9	-0.7%
t/o PPA	-3.4	-3.4	+0.5%	-6.8	-6.9	-1.8%
<b>EBITA (normalized EBIT)</b>	<b>29.0</b>	<b>23.3</b>	<b>+24.2%</b>	<b>55.0</b>	<b>47.7</b>	<b>+15.2%</b>
<b>EBIT</b>	<b>25.6</b>	<b>19.9</b>	<b>+28.3%</b>	<b>48.2</b>	<b>40.8</b>	<b>+18.0%</b>
Financial result	0.3	-0.2		0.1	-0.4	
<b>EBT</b>	<b>25.8</b>	<b>19.7</b>	<b>+31.1%</b>	<b>48.3</b>	<b>40.4</b>	<b>+19.7%</b>
Income taxes	-7.0	-5.6	+24.6%	-12.5	-11.5	+8.8%
Non-controlling interests	-0.7	-0.6		-1.4	-1.2	
<b>Net income (group shares)</b>	<b>18.1</b>	<b>13.5</b>	<b>+34.2%</b>	<b>34.5</b>	<b>27.7</b>	<b>+24.5%</b>
<b>EPS in EUR</b>	<b>0.47</b>	<b>0.35</b>	<b>+34.2%</b>	<b>0.90</b>	<b>0.72</b>	<b>+24.5%</b>

## Balance sheet – Assets

€m	June 30, 2018	December 31, 2017
<b>Assets</b>		
Cash and cash equivalents	85.3	104.0
Trade receivables, net	53.3	41.0
Inventories	0.6	0.6
Other current assets	21.0	13.5
<b>Current assets, total</b>	<b>160.1</b>	<b>159.1</b>
Property, plant and equipment	15.9	14.9
Intangible assets	81.3	86.9
Goodwill	198.6	192.7
Other non-current assets	7.5	7.3
<b>Non-current assets, total</b>	<b>303.3</b>	<b>301.7</b>
<b>Total assets</b>	<b>463.4</b>	<b>460.8</b>



## Balance sheet – Equity and liabilities

€m	June 30, 2018	December 31, 2017
<b>Equity and liabilities</b>		
Short-term borrowings and current portion of long-term loans	26.0	36.0
Trade payables & accrued liabilities	40.3	43.7
Deferred revenue	91.3	68.1
Other current assets	18.0	18.0
<b>Current liabilities, total</b>	<b>175.6</b>	<b>165.7</b>
Long-term borrowings without current portion	30.9	43.9
Deferred tax liabilities	12.9	13.5
Other non-current liabilities	7.8	9.6
<b>Non-current liabilities, total</b>	<b>51.6</b>	<b>67.1</b>
Subscribed capital and capital reserve	51.0	51.0
Retained earnings	199.3	193.2
Other comprehensive income	-16.3	-18.7
Non-controlling interests	2.2	2.5
<b>Equity, total</b>	<b>236.2</b>	<b>227.9</b>
<b>Total equity and liabilities</b>	<b>463.4</b>	<b>460.8</b>

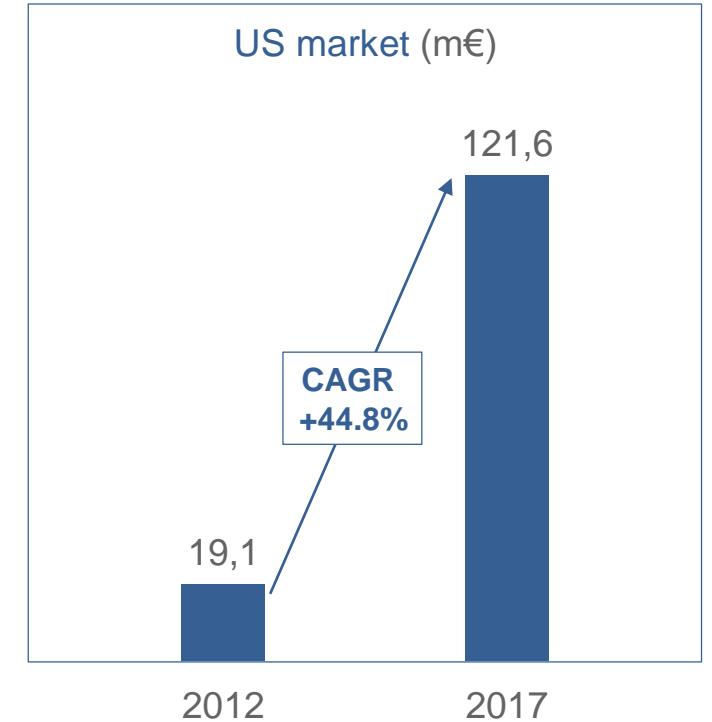
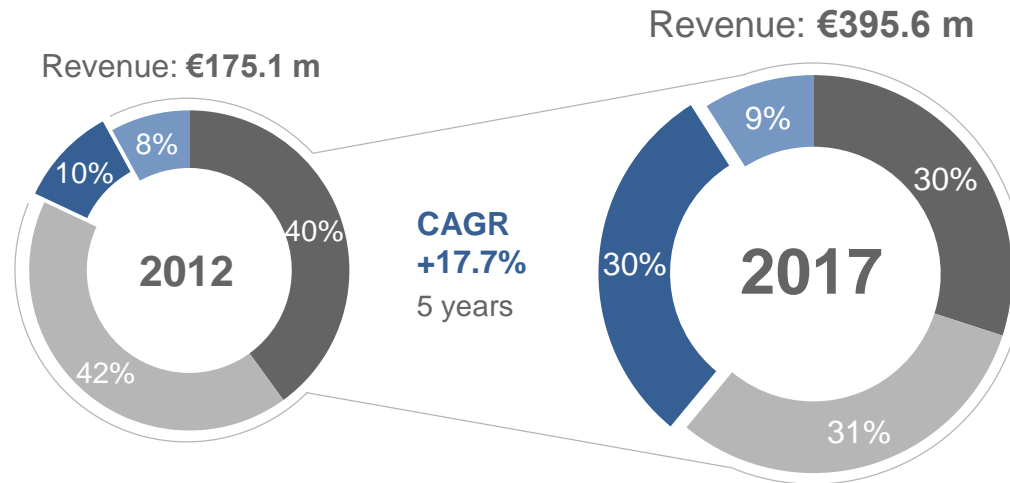
# Cash flow statement

€m	June 30, 2018	June 30, 2017	% YoY
<b>Cash and cash equivalents at the beginning of the period</b>	<b>104.0</b>	<b>112.5</b>	<b>-7.6%</b>
<b>Cash flow from operating activities</b>	<b>43.4</b>	<b>44.5</b>	<b>-2.5%</b>
<b>Cash flow from investing activities</b>	<b>-8.2</b>	<b>-28.7</b>	<b>-71.3%</b>
t/o CapEX	-5.2	-4.0	+28.3%
t/o Cash paid for business combinations	-3.1	-24.5	
<b>Cash flow from financing activities</b>	<b>-54.0</b>	<b>-39.9</b>	
t/o Repayments of borrowings	-23.0	-13.0	
FX-effects	0.1	-4.9	
<b>Cash and cash equivalents at the end of the period</b>	<b>85.3</b>	<b>83.4</b>	<b>+2.2%</b>
<b>Free cash flow<sup>1</sup></b>	<b>35.1</b>	<b>15.7</b>	
<b>Free cash flow<sup>1</sup> (w/o acquisition effects)</b>	<b>38.2</b>	<b>40.2</b>	<b>-5.1%</b>

<sup>1</sup> Operating cash flow – Investing cash flow

# 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

# Contact

**NEMETSCHKE SE**  
Investor Relations

Konrad-Zuse-Platz 1  
81829 Munich

Germany

[investorrelations@nemetschek.com](mailto:investorrelations@nemetschek.com)

[www.nemetschek.com](http://www.nemetschek.com)

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