

**Commerzbank
German Investment Seminar**

**Patrik Heider, Spokesman & CFOO
New York, January 2019**

Key Business Highlights

Strong Performance



Strong growth:
5 yrs¹ revenue CAGR of
~20%



>500%
growth in market
capitalization (5 yrs)



High cash generation:
>80%



Global footprint: US 5 yrs¹
revenue CAGR of
>45%



~50%
Recurring revenues



High profitability: Sustainable **25 – 27%**
EBITDA margin while investing in growth

Customer Focus



4.0m
Users around the world



>95%
Customer retention

Huge Market Potential



€ 8bn
AEC Market opportunity



€ 20bn
Building management
market opportunity

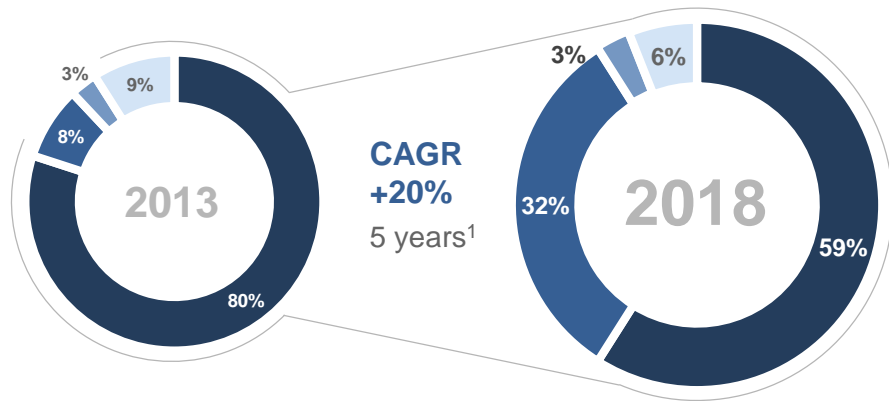


€ 5bn
Media market opportunity

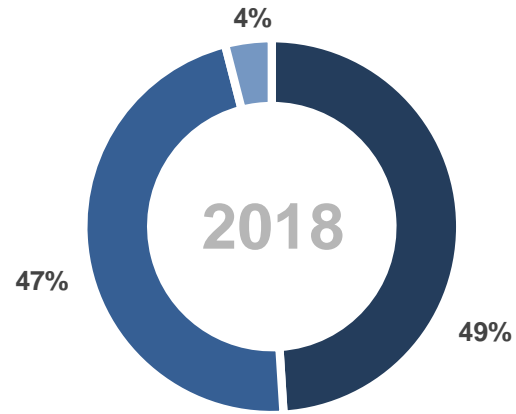
¹ 2013 – 2018(e)

Diversified Portfolio is Positioned to Provide Strong Growth

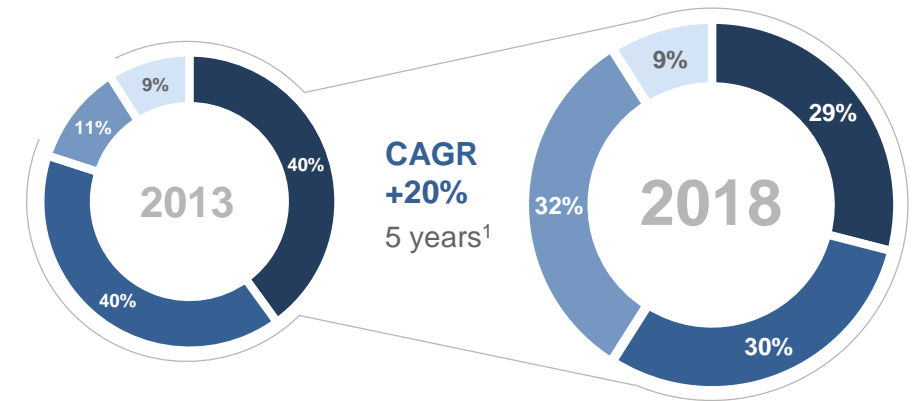
AEC business mix



Revenue mix



Global mix



- Design
- Build
- Manage
- Media

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

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

¹ 2013 – 2018(e)

Why We are Successful – A Unique Approach Similar to German Mittelstand



NEMETSCHKEK GROUP

Highly specialized small or midsized companies

Long-term focus

Holding 5x as many patents per employee as major corporations

37% of all employees have regular customer contact (only 7% in major corporations)

Almost 50% of all small world market leaders are German

Going to market with 16 strong, entrepreneurial brands (5–100m €)

Every brand is a world leader in its discipline

Our brands are pioneers in Building Information Modeling

All brands are developing their solutions in close cooperation with the customers

No 1 AEC software provider in Europe, one of the largest worldwide



Innovative



Customer focused



Internationally successful

NEMETSCHKEK Covers the Complete AEC Value Chain

Architecture | Engineering | Construction



GRAPHISOFT.

PRECAST SOFTWARE
engineering

NEVARIS

CREM SOLUTIONS

MAXON

dRofus

DATA DESIGN SYSTEM

BLUEBEAM

MCS
SOLUTIONS

ALLPLAN

SCIA

SOLIBRI

VECTORWORKS

IRISA

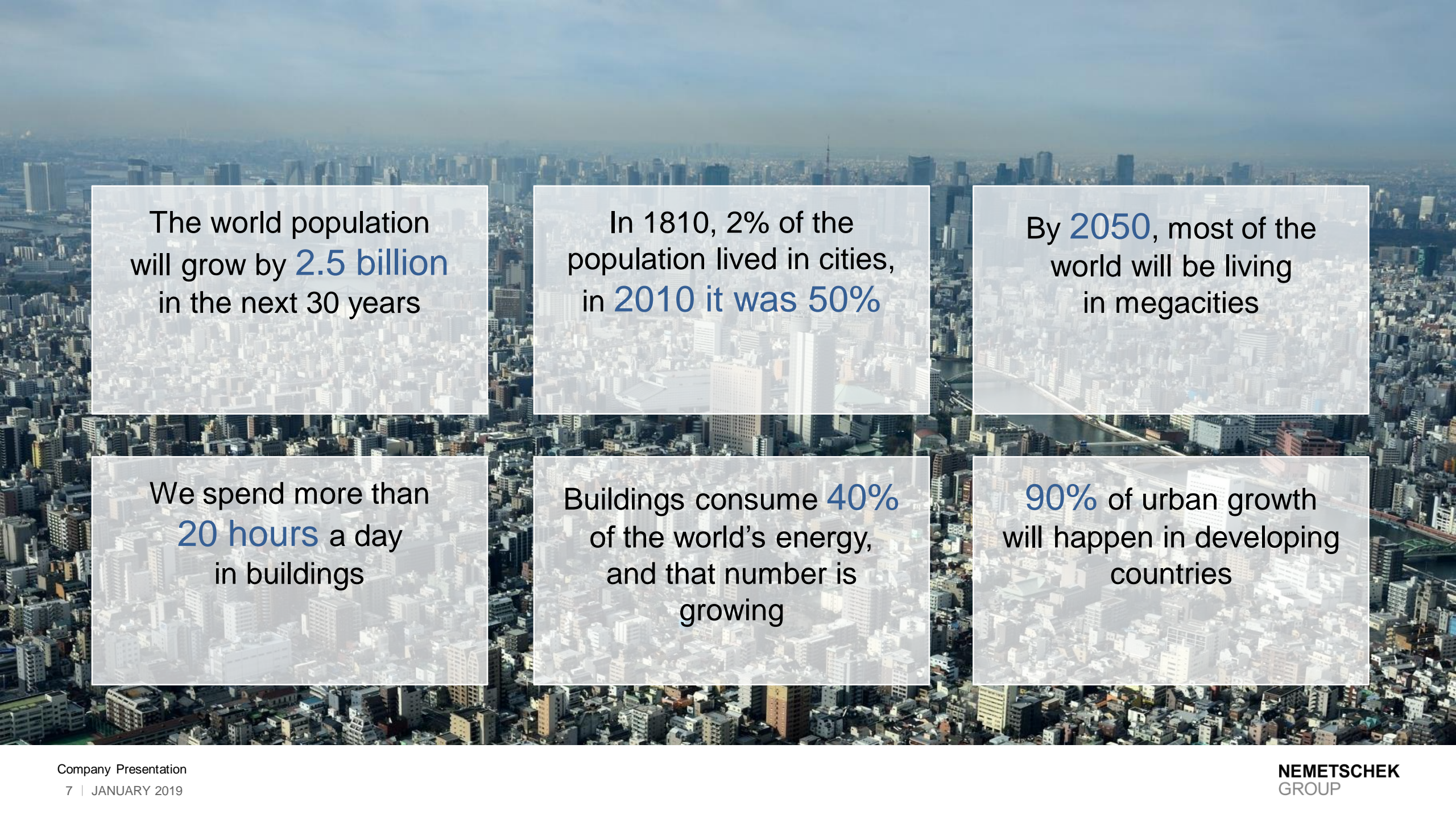
SDS/2

FRILO
Software



01

AEC Market Opportunities



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 that number is growing

90% of urban growth will happen in developing countries

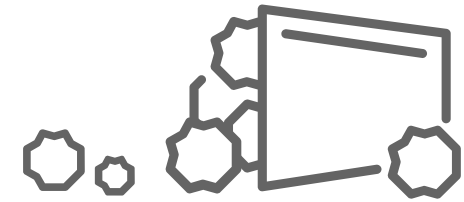
Challenges in Construction Industry

The worldwide construction market is estimated at

\$3.5 trillion

(exc. residential)

However at least **20%** is waste



~10%

materials are wasted



~30%

of construction is rework



~40%

of projects are over budget



~90%

of projects are late



~40%

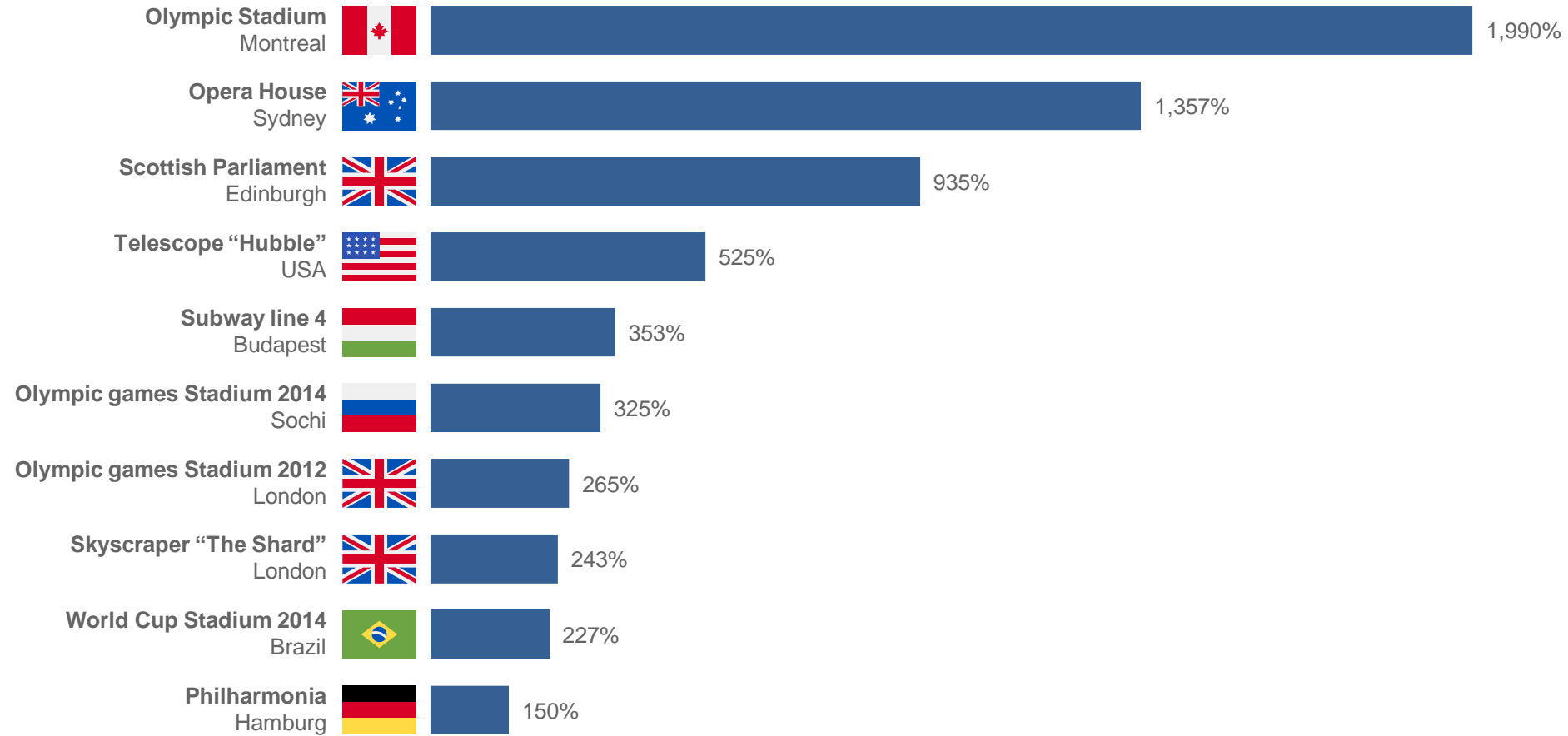
of jobsite work is unproductive

▶ Mostly due to **Ineffective Communication, Planning and Collaboration**

Source: Engineering-News Record 2017

High Inefficiency in Construction Projects

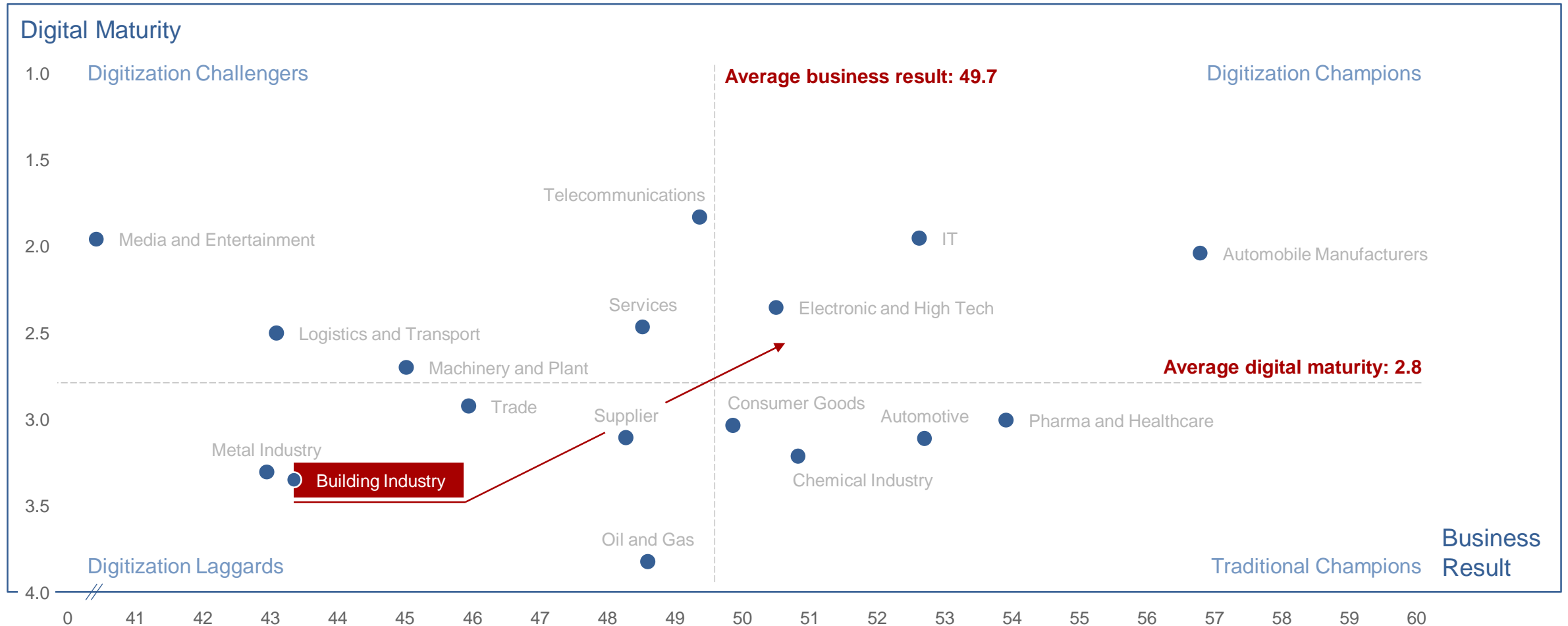
Cost overruns in % (of original budget)



Total costs:

- \$ 3.1 bn
- \$ 0.8 bn
- \$ 1.0 bn
- \$ 4.5 bn
- \$ 2.0 bn
- \$ 51.0 bn
- \$ 16.4 bn
- \$ 2.1 bn
- \$ 3.6 bn
- \$ 1.1 bn

Huge Digitalization Potential for AEC



Source: Top500 study 2017, Accenture analysis

What is BIM? There Are Different BIM Levels

Level 0:

CAD is used as a drawing board, no collaboration

Level 1:

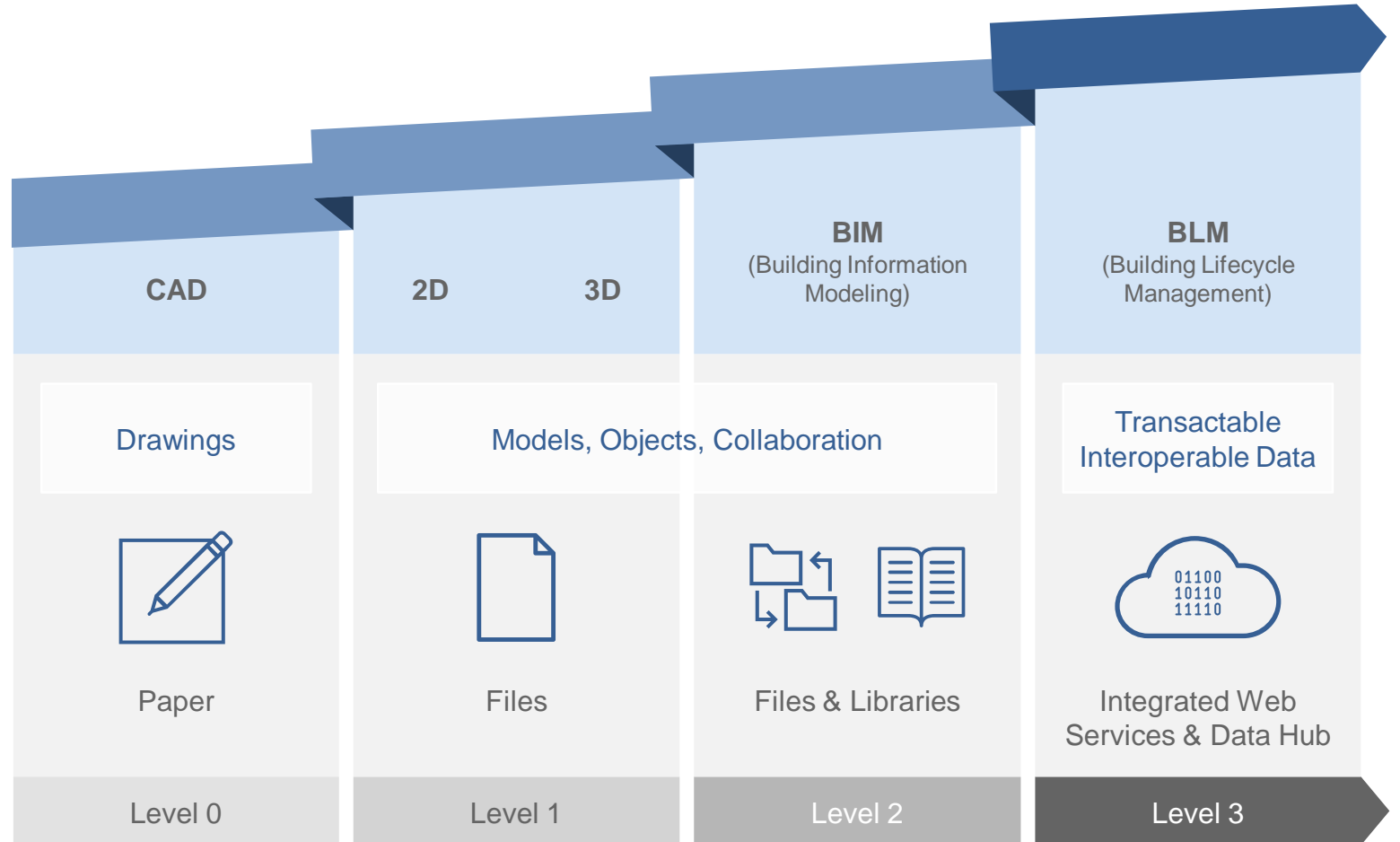
Mix of 2D and 3D work principles, no exchange of models

Level 2:

All planning partners work in 3D, but do not work on a shared model

Level 3:

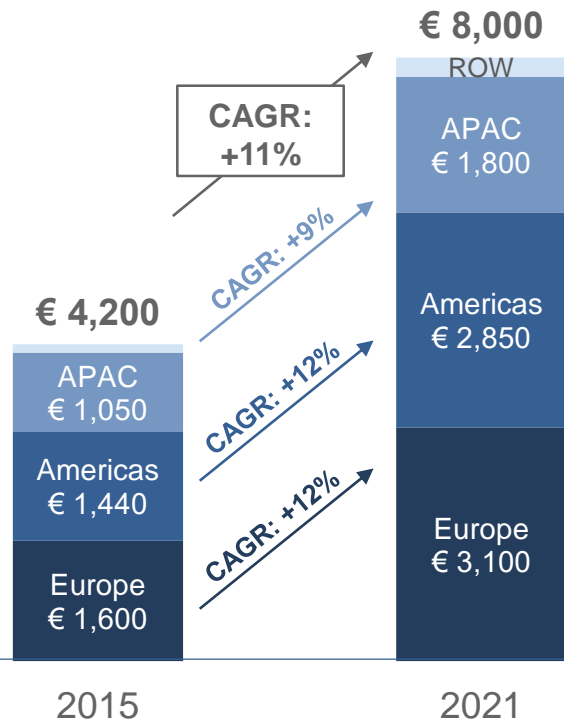
Full collaboration between all disciplines using a shared model



Source: Based on "The BIM Maturity Model by Mark Bew and Mervyn Richards adapted to reflect BLM's relationship to Level 3"

Huge Market Potential: The AEC BIM Software Market Will Grow to € 8 billion in 2021

End-user expenditure (EUE) in m€



Top 3 Countries per Region



| | | | |
|------------------------|-----------------|------------------|--------------------|
| APAC EUE (2017) | Japan € 528m | China € 257m | Australia € 83m |
| Americas EUE (2017) | US € 1,354m | Canada € 136m | Brazil € 61m |
| EMEA EUE (2017) | DACH € 767m | UK/I € 282m | France € 209m |

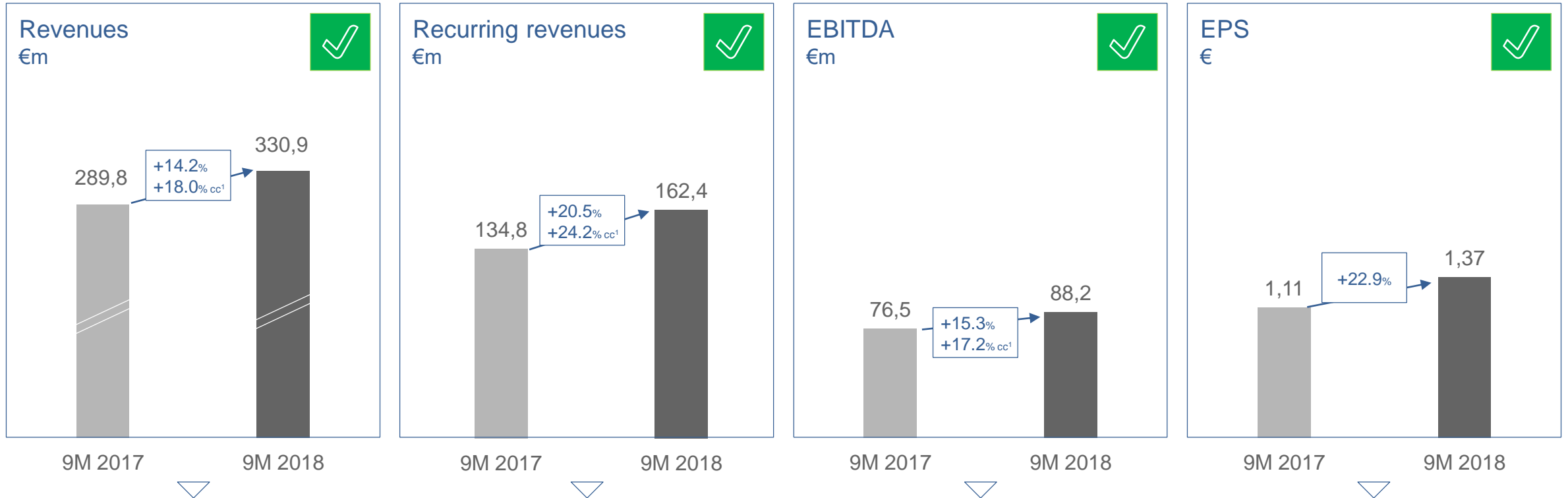
Source: Cambashi BIM Design Observatory and internal research



02

Financial Results Q3 / 9M 2018

Top key figures 9M 2018: On the way to achieving the guidance and a next record year



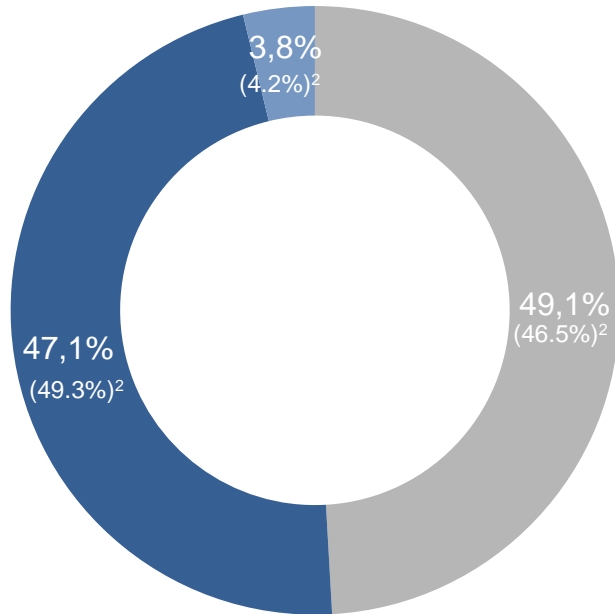
- Continued double-digit growth
- Currency headwind (in total: € 11.1m) came from H1 2018
- Organic growth of 12.4% (+16.1% cc¹)

- High EBITDA margin: 26.7% (previous year: 26.4%)
- Upper end of expected corridor of 25-27%

- Strong operative performance led to the strong increase in EPS
- Tax rate with 26.0% slightly above previous year (25.7%)

Growth driver recurring revenues: Smooth transition towards subscription ongoing

Revenue split 9M 2018



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

Q3 2018

Recurring revenues yoy

↑ +26.4%
+26.5% cc¹

Subscription yoy

↑ +64.7%
+66.3% cc¹

Software licenses yoy

↑ +14.1%
+13.5% cc¹

9M 2018

Recurring revenues yoy

↑ +20.5%
+24.2% cc¹

Subscription yoy

↑ +46.9%
+54.5% cc¹

Software licenses yoy

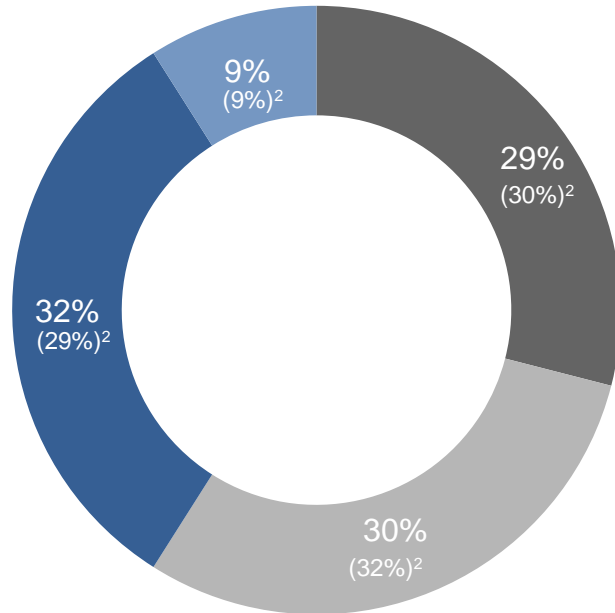
↗ +9.1%
+13.2% cc¹

9M 2018 comments

- ▮ Above average growth to € 162.4m
- ▮ Strong growth to € 14.5m (previous year: € 9.9m)
- ▮ Strategic change of business model towards subscriptions
- ▮ Double-digit growth in Q2 and Q3
- ▮ 9-month figures of € 155.8m in line with expectations

Internationalization is key: US is strongest growing market

Revenue split 9M 2018



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

Q3 2018

Germany

↑ +5%

UK

↑ +33%
+37% cc¹

Europe

↑ +12%
+14% cc¹

Americas

↑ +44%
+46% cc¹

Asia

↑ +26%
+26% cc¹

9M 2018

Germany

↑ +7%

UK

↑ +30%
+33% cc¹

Europe

↑ +10%
+12% cc¹

Americas

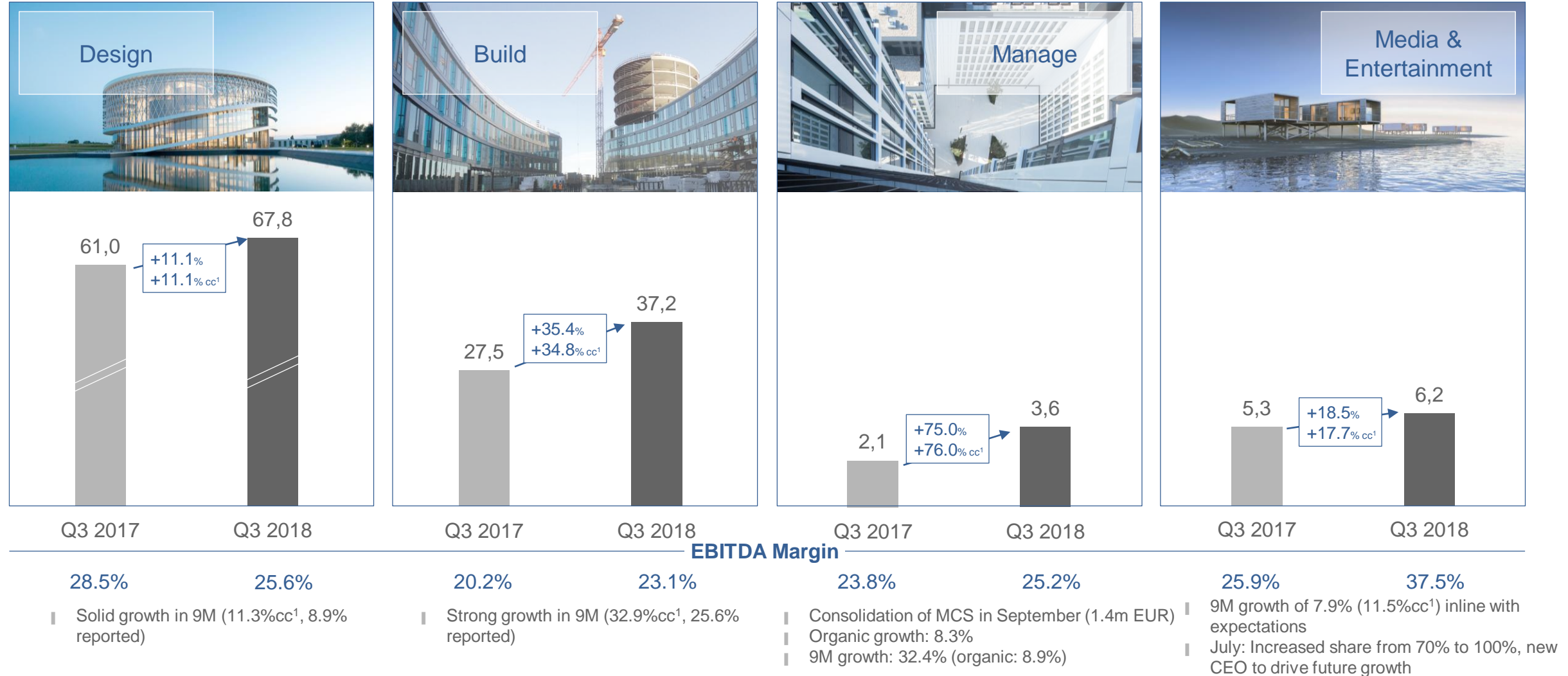
↑ +24%
+33% cc¹

Asia

↑ +15%
+21% cc¹

Segment overview: Build segment is key growth driver

Revenues in €m



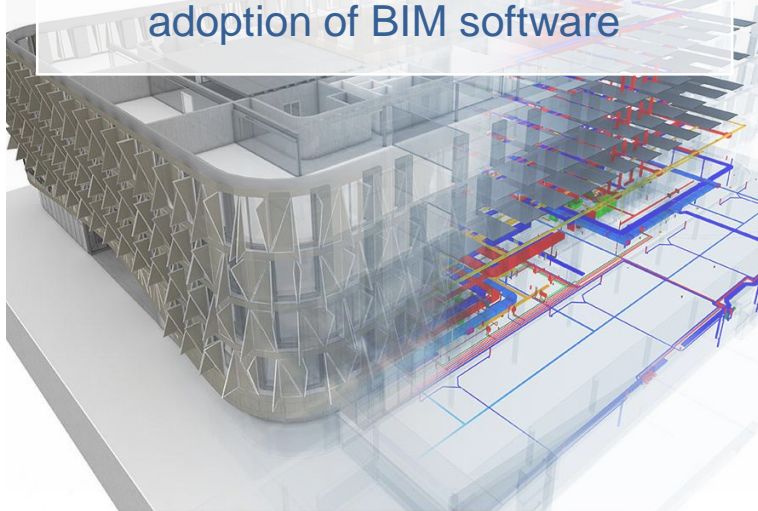
03

Future Steps / Outlook

Our Strategy to Exploit Market Potential: Organic Growth and Acquisitions



Large, underpenetrated market in terms of digitalization with growing adoption of BIM software



Organic growth initiatives

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



M&A to fill gaps and add competence

- 1 Group level (Build, Manage)
- 2 Brand level
- 3 €250m firepower

Clear Organic Strategy: Three Pillars to Sustain Double-Digit Organic Growth



Key drivers & fields of investments

1

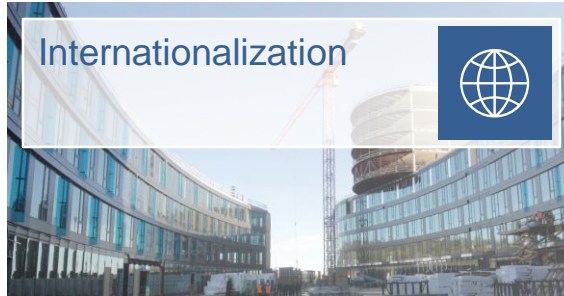
Internationalization

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 merging superior discipline-specific products into total BIM-workflow solutions

Collaboration

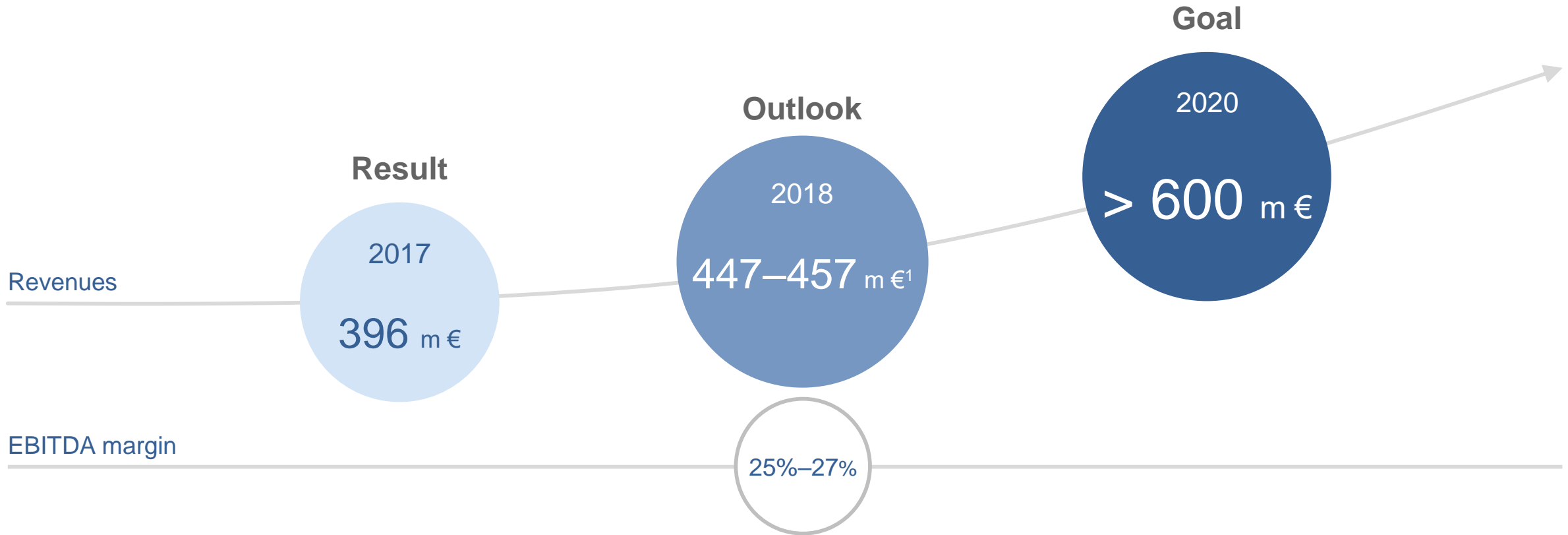
- | Development of a groupwide Common Data Environment (CDE)
- | Huge market potential: Collaboration market size of >€1 bn with a mid-teens growth rate



Increase efficiency

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

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 euro to leverage future growth

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

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