

Nemetschek Group
Company Presentation

September 2019 | Patrik Heider, Spokesman & CFOO

Nemetschek's Key Figures: 5 Years - 5 Achievements



We generate high shareholder returns¹

5-year TSR¹:

- Nemetschek: ~700%
- Peer group²: ~95%
- TecDAX: ~110%



We outperform our peers in terms of growth²

5-year revenue CAGR:

- Total growth: 20.0%
- Organic growth: 13.4%
- Peer group²: <10%



We have become a truly global player

5-year US revenue CAGR:

- 49% in the world's largest and most competitive AEC market



Strong EPS development

5-year EPS CAGR:

- 26%



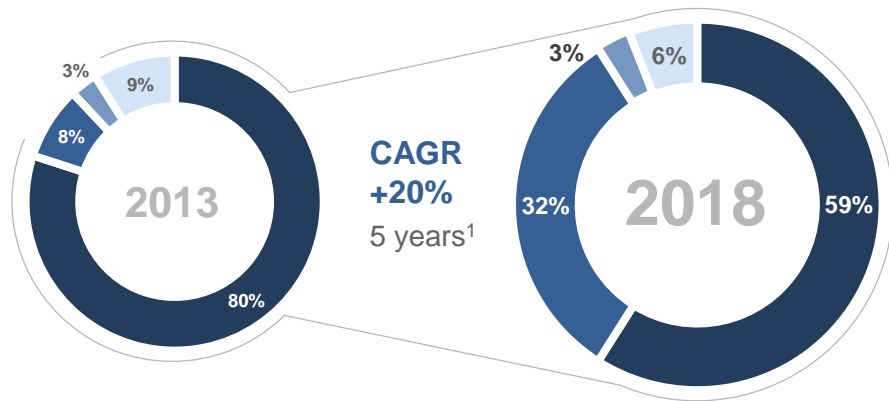
Sustainable dividend policy with continuous growth

5-year CAGR:

- 20%

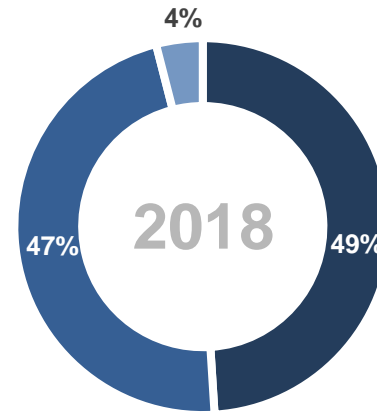
5-Years Development: Positioned to Provide Strong Growth

AEC business mix



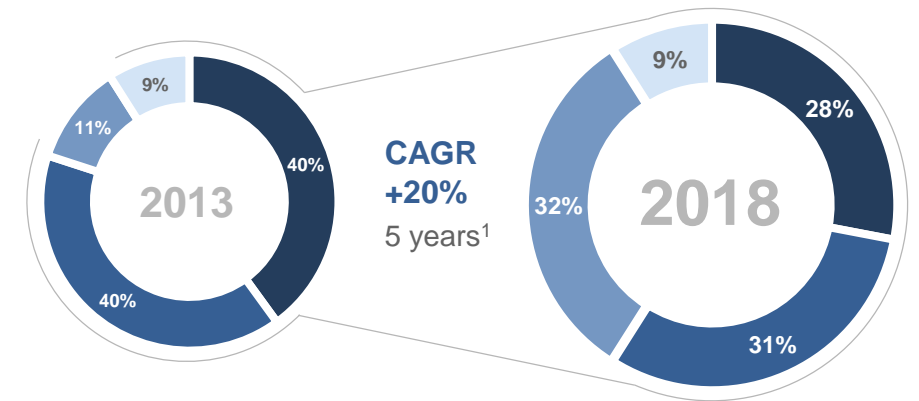
- Design
- Build
- Manage
- Media & Entertainment

Revenue mix



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

Global mix



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

¹ 2013–2018

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

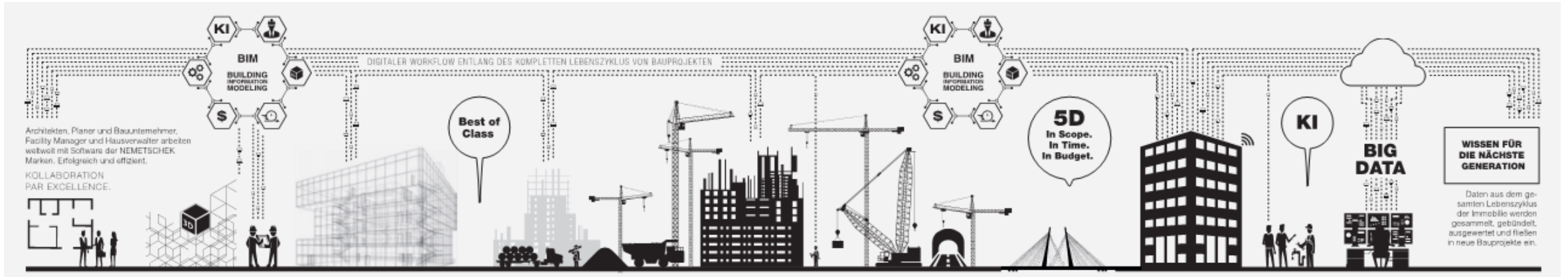


Customer focused



Internationally successful

NEMETSCHKEK GROUP Provides Expertise Along the Complete AEC Value Chain



Planning & Design



Build & Construct



Operate & Manage

Program Management, Planning

Modeling & Design Development

Structural Design & Analysis

Detailing, Engineering Consultants, Fabrication

Quality Control, Clash Detection,

Estimation & Scheduling

Collaboration, Documentation

Property Management

IWMS/ Smart Buildings



GRAPHISOFT.



ALLPLAN

SOLIBRI



CREM SOLUTIONS



PRECAST SOFTWARE engineering



Media: AEC Renderings, Animation & Visual Effects for Gaming, Movies

MAXON



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Financial Results Q2 2019

Key Business Highlights H1 2019: Excellent Basis for Achieving Targets in FY 2019



Strong Performance Continued in H1 2019



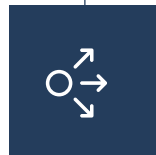
Revenues:
+23.9% to €267.7m



+30.2%
Revenues abroad



EBITDA margin:
28.6%
IFRS 16 adjusted: **25.9%**



Share split:
End of June



+35.3%
Recurring revenues
+136.7%
Subscription/SaaS revenues



High cash conversion
90.4%

M&A / Sale Successes



**Brand-level acquisitions:
Manage Division**

Axxerion by MCS, renamed afterwards in Spacewell



Media & Entertainment Division

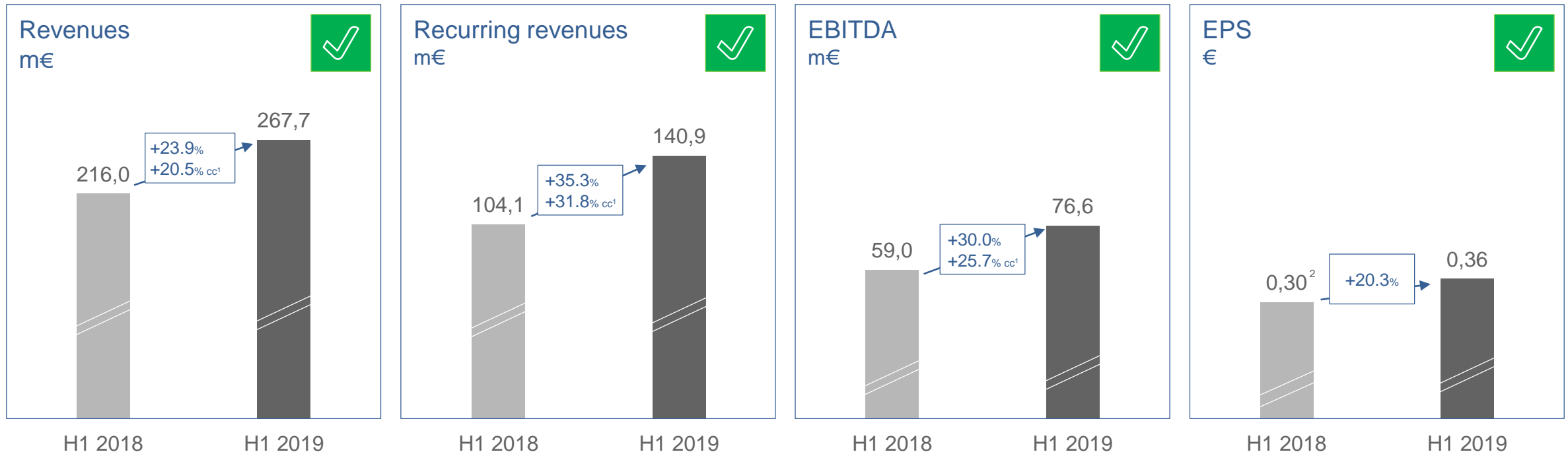
Redshift by Maxon



Sale of minority interest:

Value-generating sale of DocuWare with a strong positive one-time effect on EPS in Q3

Top Key Figures H1 2019: On the Way to Another Record Year



Strong double-digit growth with organic growth of +17.9% (+14.5% cc¹)

Currency tailwind (in H1: €7.5m) will come down in Q3 + Q4

Accelerated growth with high organic growth in H1: +27.6% (+24.1% cc¹)

Strong increase in subscription in H1: +136.7%

High portion of recurring revenues: 52.6%

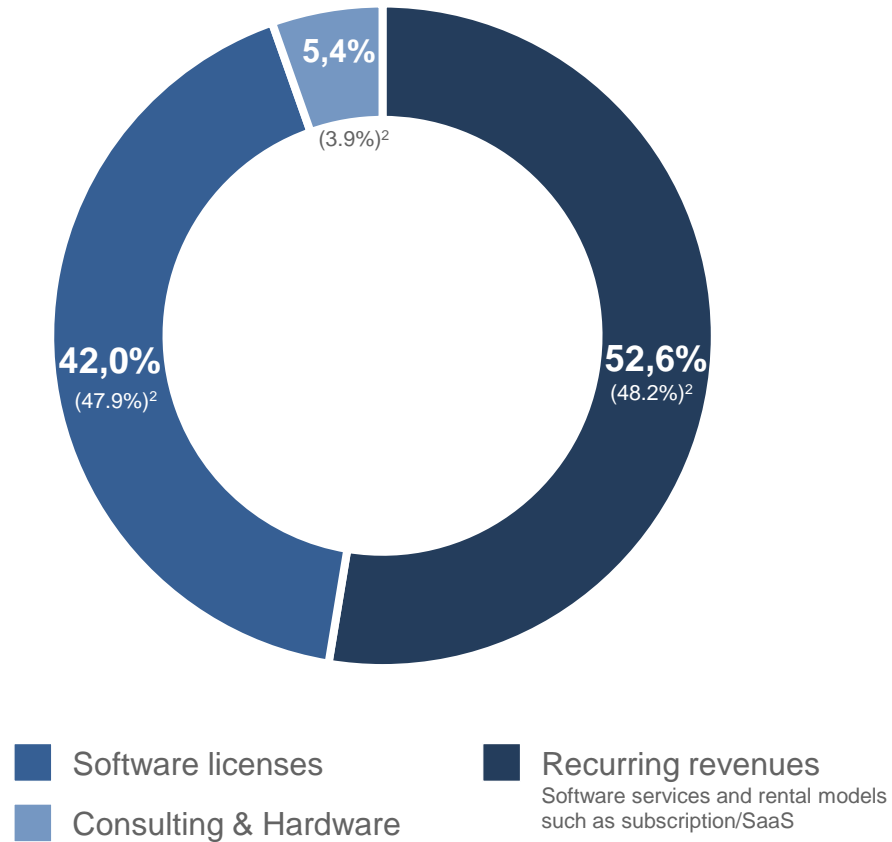
High EBITDA margin: 28.6% (previous year: 27.3%) influenced by IFRS 16

Adjusted IFRS 16 margin: 25.9%

Tax rate with 25.5% on previous year level (25.9%)

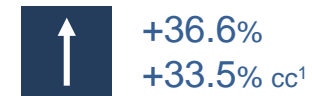
Growth Driver Recurring Revenues: Subscription is Key Driver

Revenue distribution H1 2019

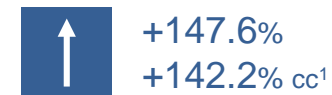


Q2 2019

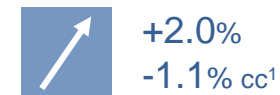
Recurring revenues yoy



Subscription yoy

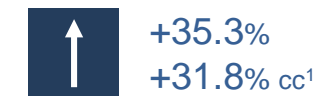


Software licenses yoy

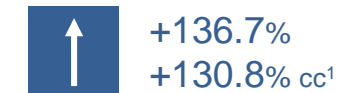


H1 2019

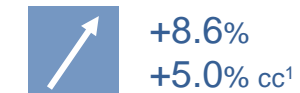
Recurring revenues yoy



Subscription yoy

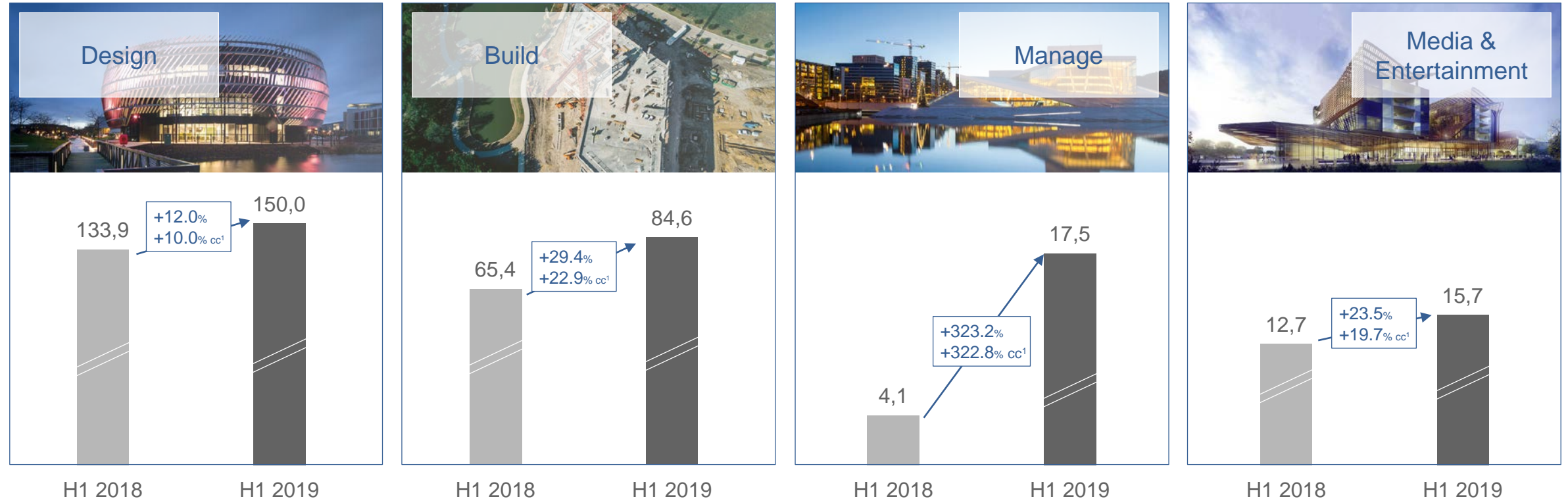


Software licenses yoy



Segment Overview: Build Segment Remains Key Growth Driver in H1

Revenues in m€



EBITDA Margin

Segment	H1 2018 (%)	H1 2019 (%)
Design	24.5%	27.7%
Build	30.3%	33.2%
Manage	19.1%	15.4%*
Media & Entertainment	44.1%	37.2%

- Design:** Growth in-line with expectations, driven by strong Q1 followed by a moderate Q2
Adjusted EBITDA margin (IFRS 16): 25.2%
Reclassification of Solibri from Build to Design
- Build:** Growth still on high level
Adjusted EBITDA margin (IFRS 16): 29.9%
- Manage:** *Adjusted EBITDA margin w/o € 1.5m acquisition related cost
Reported EBITDA margin: 6.9%
Organic growth: +11.1%
Contribution Spacewell: € 12.9m
- Media & Entertainment:** Contribution Redshift: ~€ 1m
Organic growth H1: ~16%
Adjusted EBITDA margin w/o € 0.8m acquisition related costs of Redshift: 42%

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AEC Market Opportunities BIM Market Potential

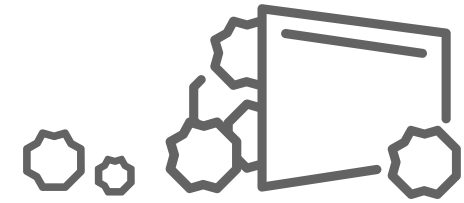
Challenges in Construction Industry

The worldwide construction market is estimated at

€10 trillion

(€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

Construction Projects: Running out of Time and Cost



Type of Project	Average Cost Overrun ¹
Bridges	11%
Roads	27%
Railways	30%
Buildings	39%
Airports	56%
Waterways	68%
Tunnels	149%

► Cost and time overruns occur in ~90% of the projects

¹ Source: Herite School of governance (2015), 170 infrastructure projects analyzed | ² Flyvbjerg et al. (2013): Underestimating Costs in Public Works Projects: Error or Lie?

What is BIM? There Are Different BIM Levels

Level 0:

CAD is used as a drawing board, no collaboration

Level 1:

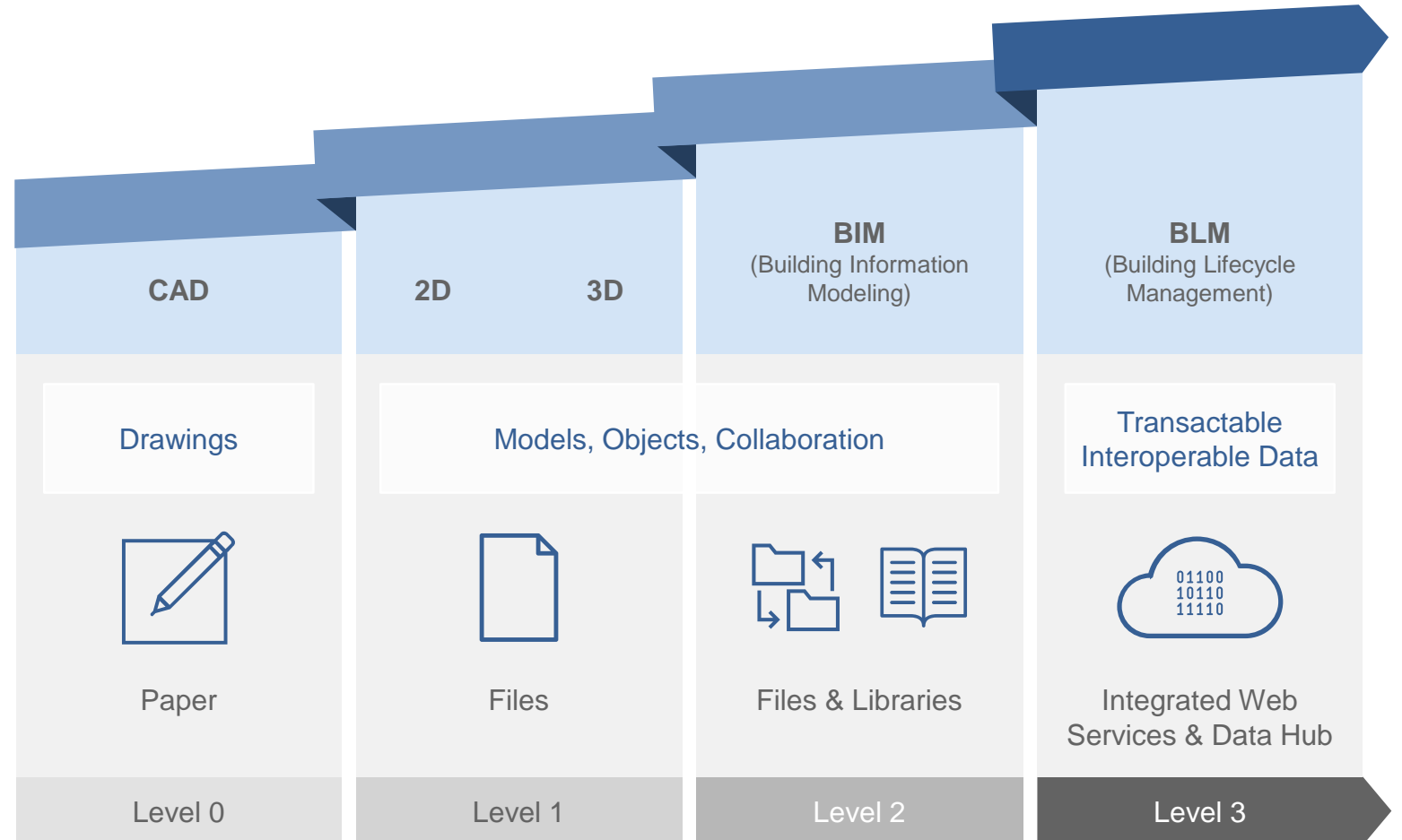
Mix of 2D and 3D work principles, no exchange of models

Level 2:

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

Level 3:

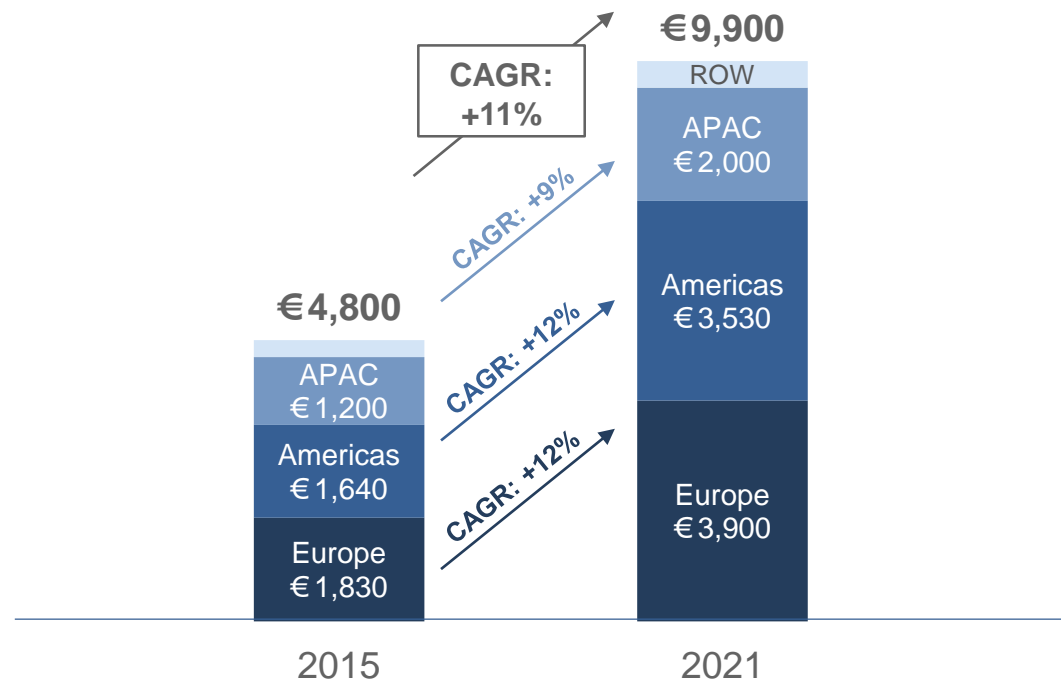
Full collaboration between all disciplines using a shared model



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€



EUE 2019: € 6.8bn

Top 3 Countries per Region



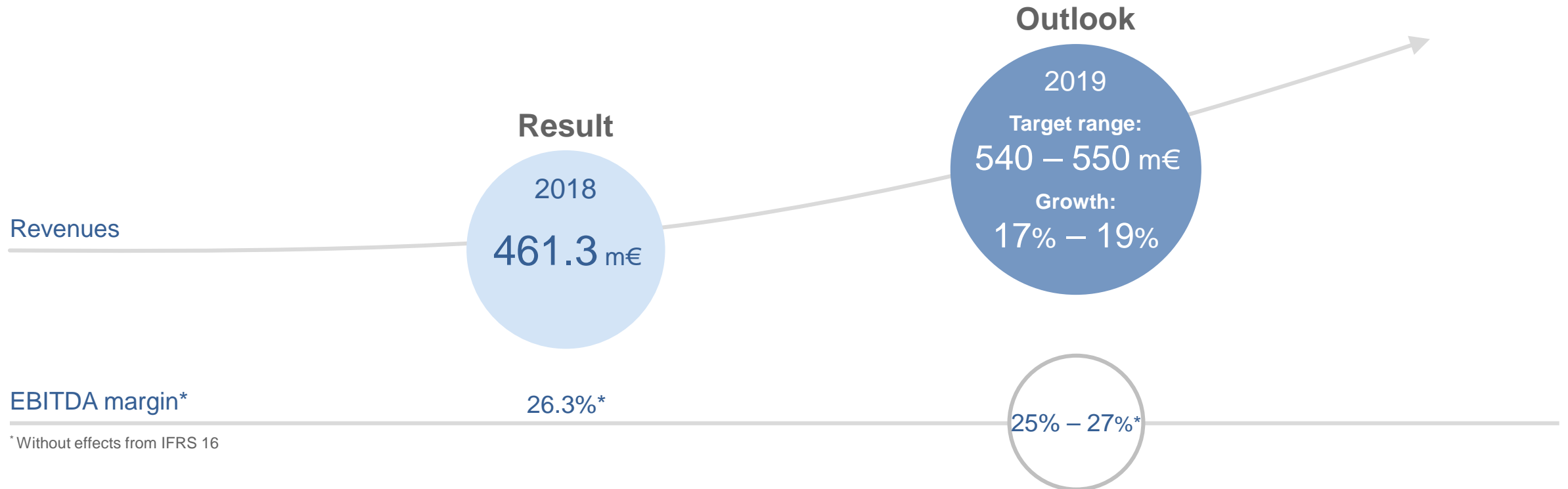
APAC EUE (2019)	Japan € 698m	China € 397m	Australia € 149m
Americas EUE (2019)	US/Canada € 2,141m	Brazil € 61m	
EMEA EUE (2019)	DACH € 1,075m	UK/I € 448m	France € 307m

Source: Cambashi BIM Design Observatory and internal research

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Financial Outlook

Outlook 2019: Strong Double-Digit Growth While Maintaining a High EBITDA Margin



* Without effects from IFRS 16

- | Revenues range: € 540 – 550m, strong growth of 17% – 19%
- | EBITDA margin: on sustainable level of 25% – 27%*
- | Investments 2019: additional € 10-12m to leverage future growth

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