

Nemetschek Group
Company Presentation

November 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%



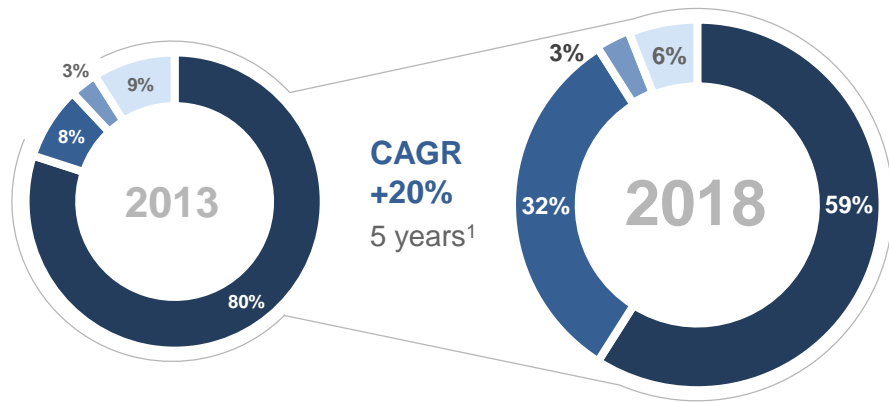
Sustainable dividend policy with continuous growth

5-year CAGR:

- | 20%

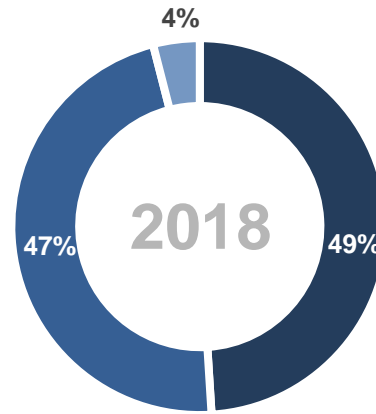
5-Years Development: Positioned to Provide Strong Growth

AEC business mix



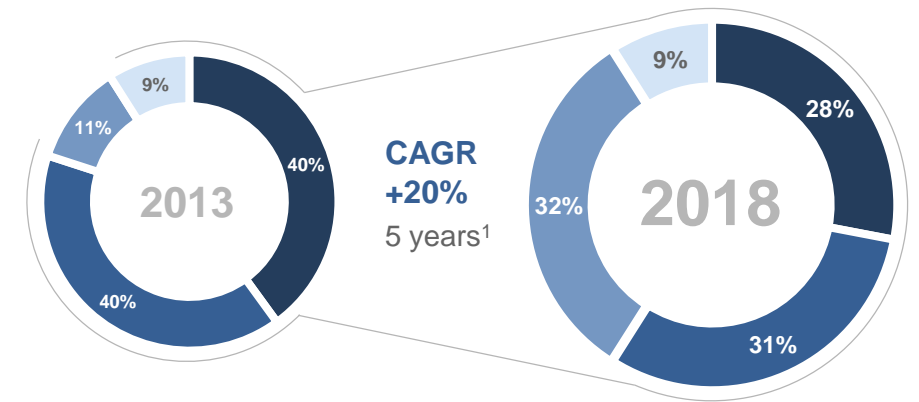
- Design
- Build
- Manage
- Media & Entertainment

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

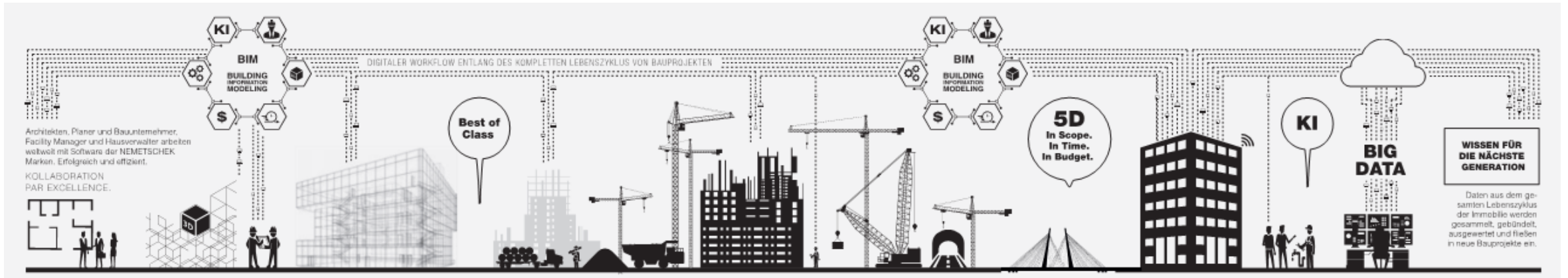


Customer focused



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

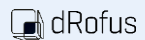
Quality Control, Clash Detection,

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



01

Financial Results Q2 2019

Key Business Highlights 9M 2019: Excellent Basis for Achieving Upper End of Targets in FY 2019



Strong Performance YTD 2019



Revenues:
+22.7% to € 406.0m



EBITDA margin:
29.4%
IFRS 16 adjusted: **26.7%**



Recurring revenues:
+33.9%
Subscription/SaaS revenues:
+129.6%



EPS:
+81.3% to 0.83 EUR



Revenues abroad:
+27.9%



High cash conversion
95.5%

M&A / Sale Successes



**Brand-level acquisitions:
Manage Division**

01/2019

Axxerion by MCS, renamed afterwards in Spacewell



Media & Entertainment Division

04/2019

Redshift by Maxon

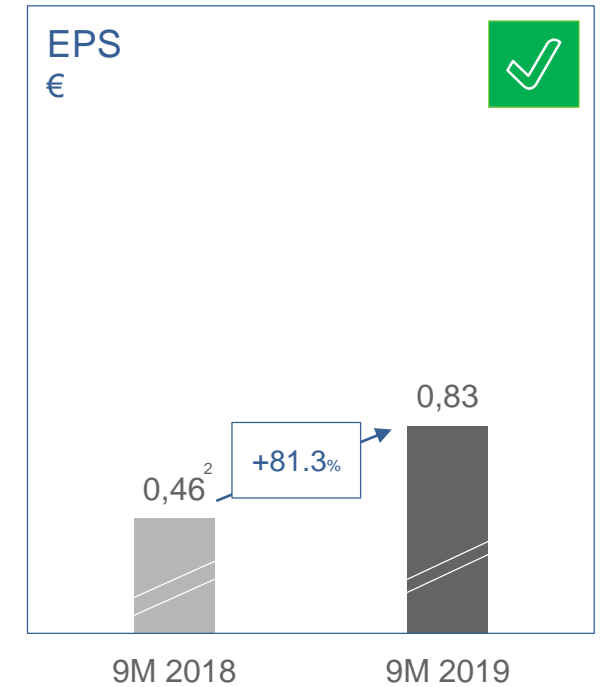
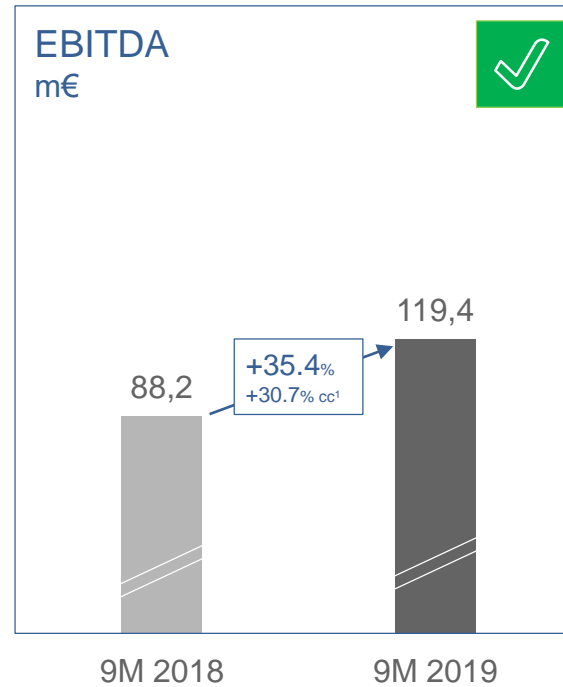
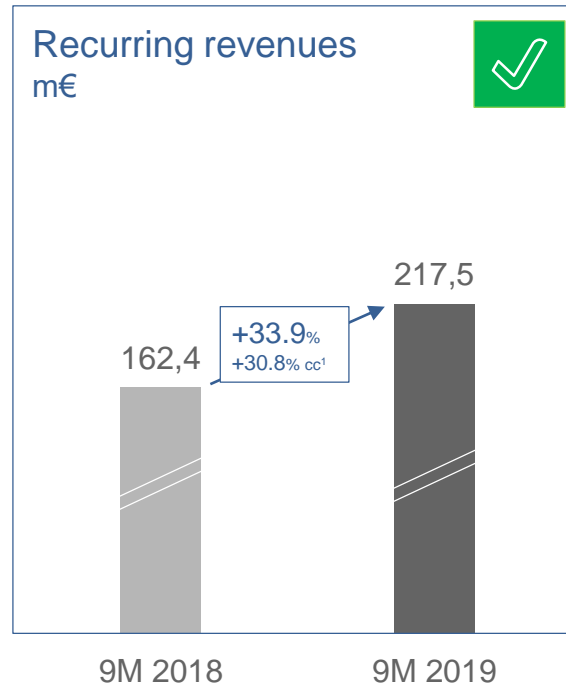
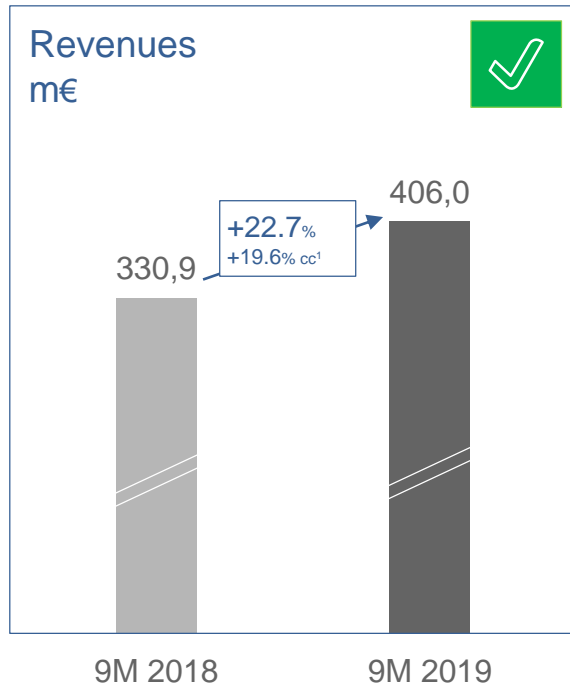


Sale of minority interest:

08/2019

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

Top Key Figures 9M 2019: On the Way to Another Record Year



Organic growth of +17.2%
(+14.1% cc¹)

Strong organic growth in 9M: +26.8%
(+23.7% cc¹)

Growth driver subscription in 9M:
+129.6%

High EBITDA margin: 29.4%
(previous year: 26.7%)

Adjusted IFRS 16 margin: 26.7%

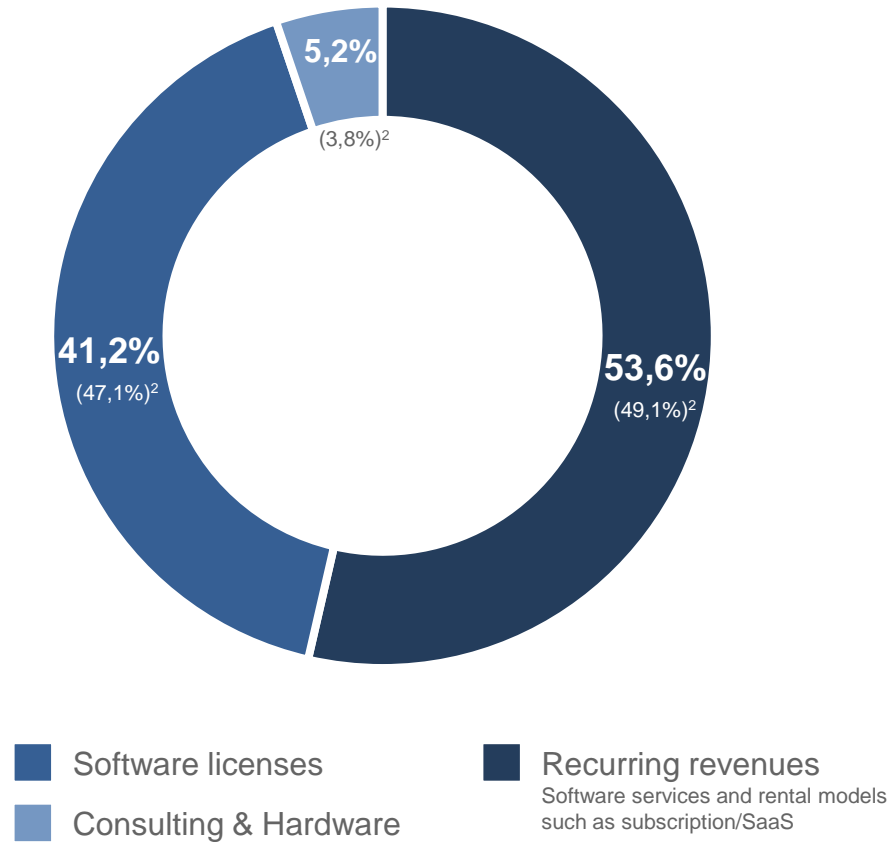
Adjusted EPS w/o DocuWare sale:
0.57 (+24.5%)

Tax rate: 18.5%

Adjusted tax rate w/o DocuWare
effect: 24.8% below previous year
level (26.0%)

Strong Growth in Recurring Revenues: Subscription is Key Driver

Revenue distribution 9M 2019

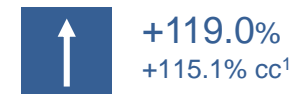


Q3 2019

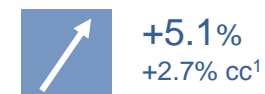
Recurring revenues yoy



Subscription yoy

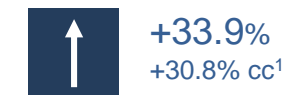


Software licenses yoy

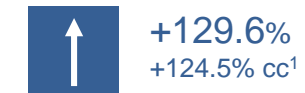


9M 2019

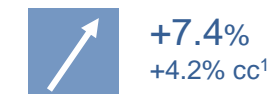
Recurring revenues yoy



Subscription yoy

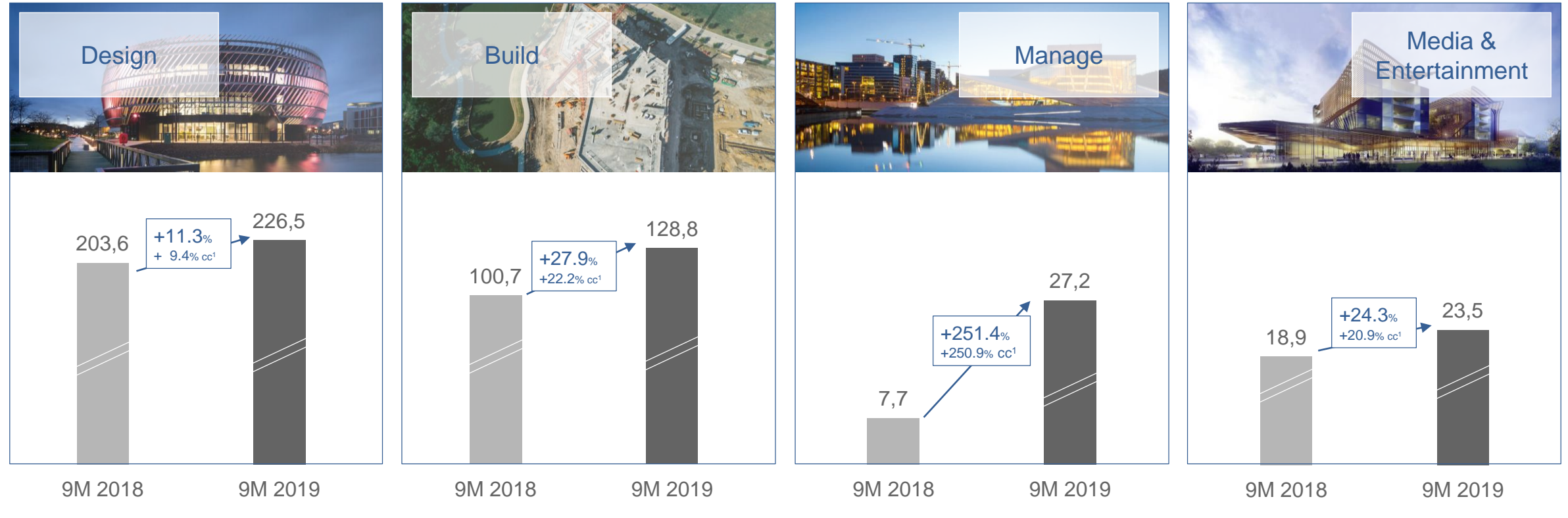


Software licenses yoy



Segment Overview: Build Segment Remains in Strong Growth Mode

Revenues in m€



EBITDA Margin

24.9%	29.0%	27.6%	32.7%	22.0%	18.1%*	41.9%	35.1%
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Adjusted EBITDA margin (IFRS 16): 26.4%
 Reclassification of Solibri from Build to Design

Adjusted EBITDA margin (IFRS 16): 29.5%

*Adjusted EBITDA margin w/o € 1.5m acquisition related cost
 Reported EBITDA margin: 12.6%
 Organic growth: +14.1%

Very strong performance while moving to subscription
 Effects on EBITDA: Acquisition related costs of Redshift and cost for subscription move

02

AEC Market Opportunities BIM Market Potential

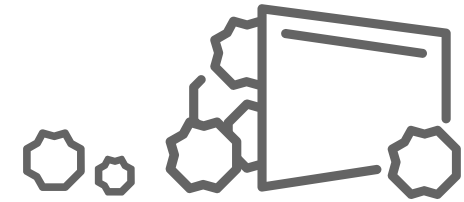
Challenges in Construction Industry

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:

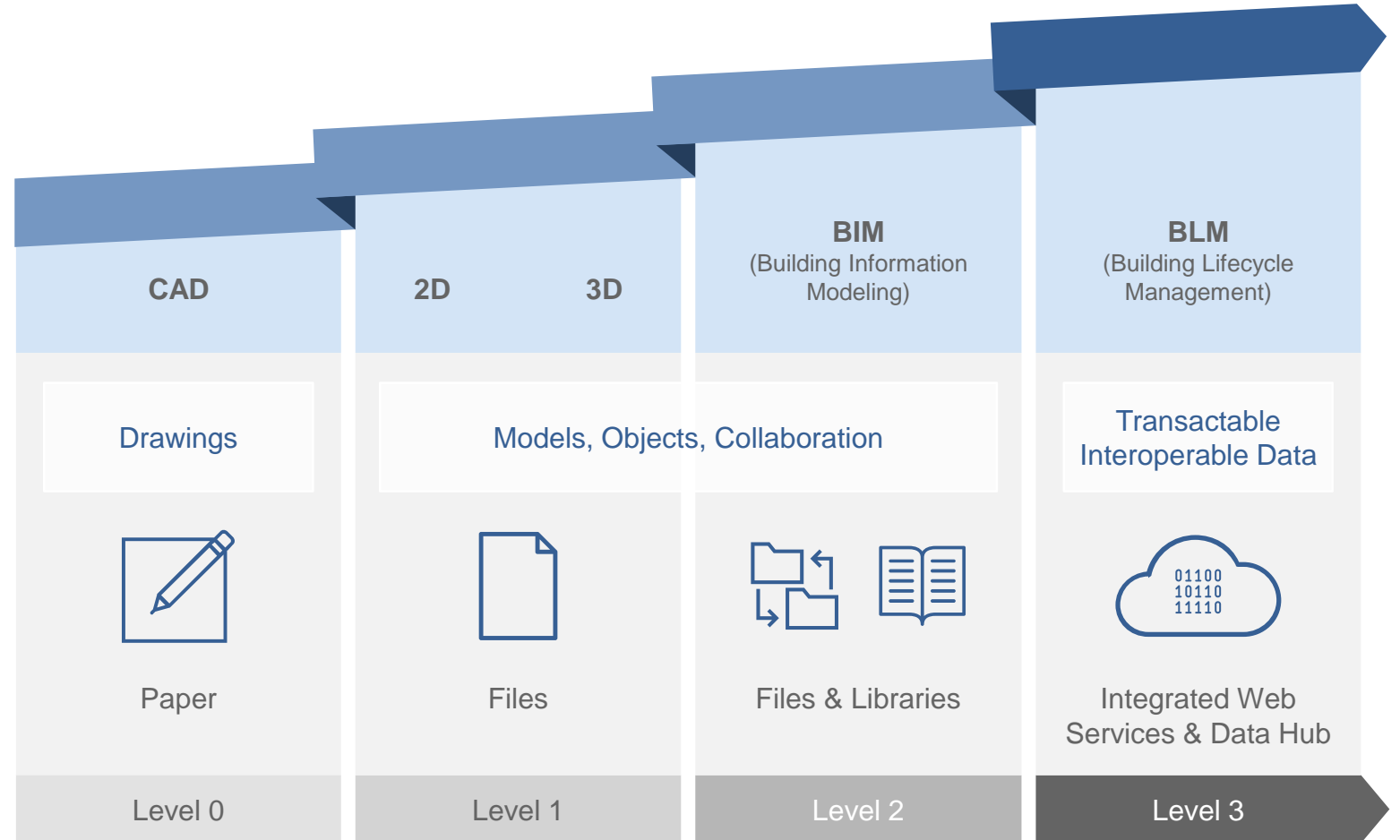
Mix of 2D and 3D work principles, no exchange of models

Level 2:

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

Level 3:

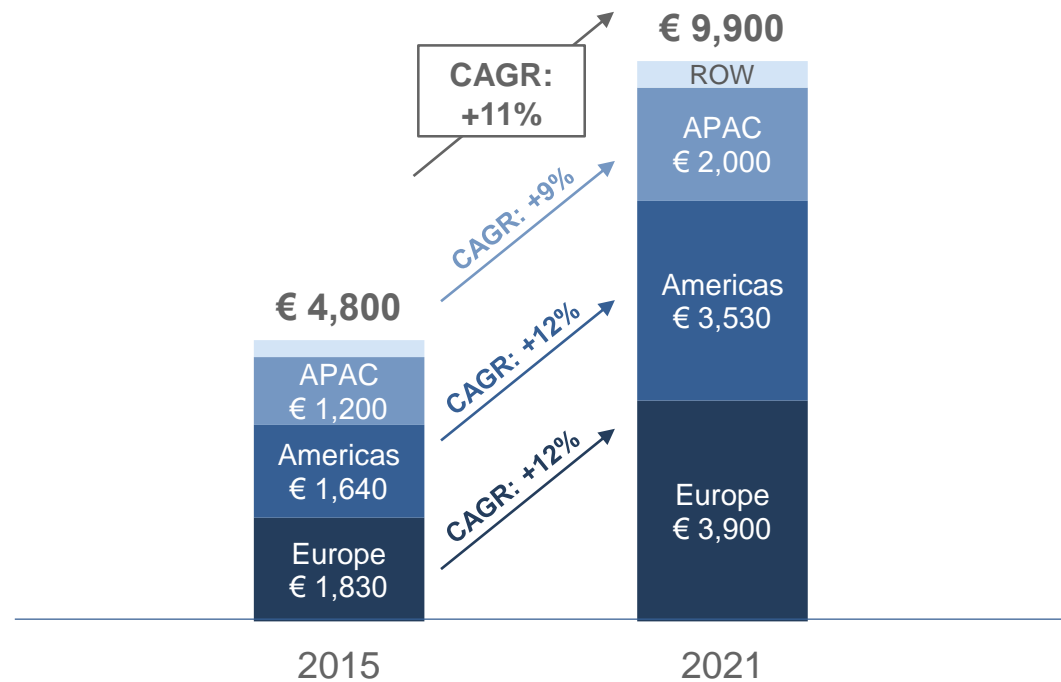
Full collaboration between all disciplines using a shared model



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



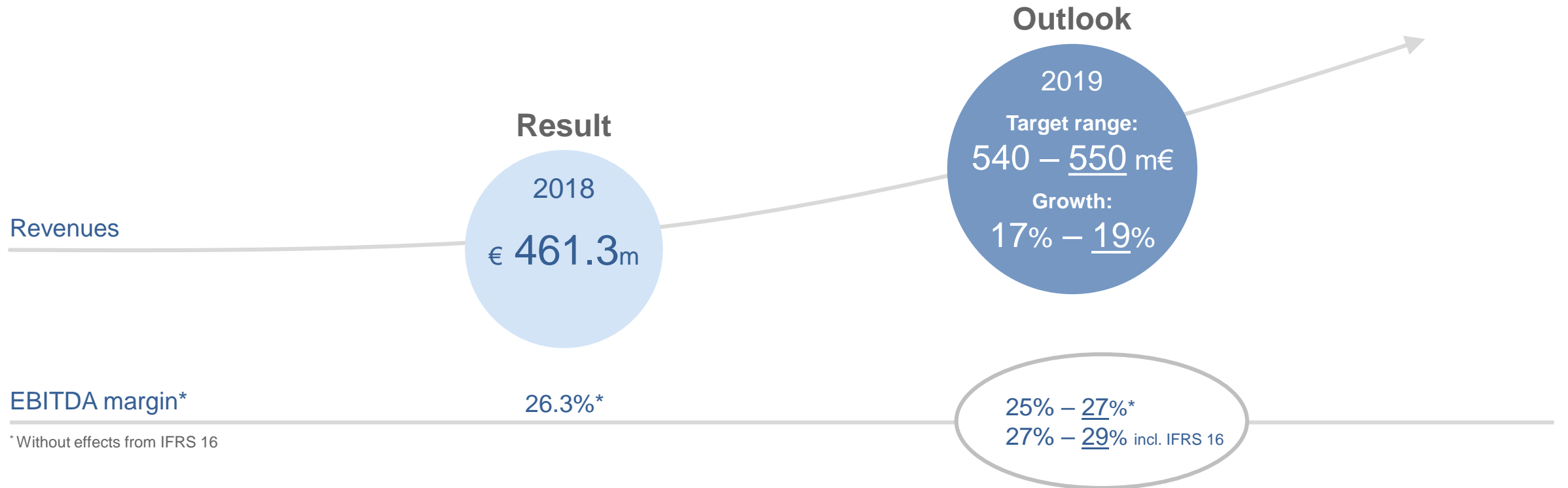
APAC EUE (2019)	Japan € 698m	China € 397m	Australia € 149m
Americas EUE (2019)	US/Canada € 2,141m	Brazil € 61m	
EMEA EUE (2019)	DACH € 1,075m	UK/I € 448m	France € 307m

Source: Cambashi BIM Design Observatory and internal research

03

Financial Outlook

Outlook 2019: Reaching the Guidance on the Upper End



9-month results are an extremely solid basis to reach the upper end of the guidance 2019

- | Revenues range: € 540 – 550m, strong double-digit growth of 17% – 19%
- | EBITDA margin: in between 25% – 27%*, 27% – 29% incl. IFRS 16

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