

Nemetschek Group  
**Company Presentation**

January 2020 | Dr. Axel Kaufmann, Spokesman & CFOO

# Nemetschek's Key Figures: 5 Years - 5 Achievements



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

#### 5-year TSR<sup>1</sup>:

- | Nemetschek: ~700%
- | Peer group<sup>2</sup>: ~95%
- | TecDAX: ~110%



We outperform our peers in terms of growth<sup>2</sup>

#### 5-year revenue CAGR:

- | Total growth: 20.0%
- | Organic growth: 13.4%
- | Peer group<sup>2</sup>: <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%



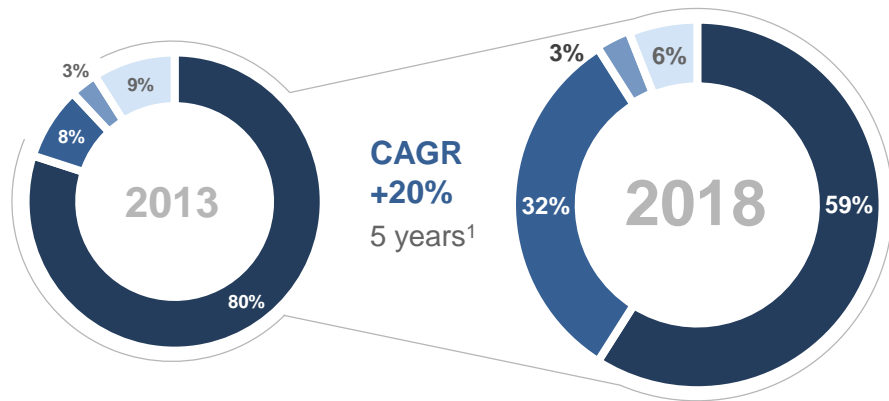
Sustainable dividend policy with continuous growth

#### 5-year CAGR:

- | 20%

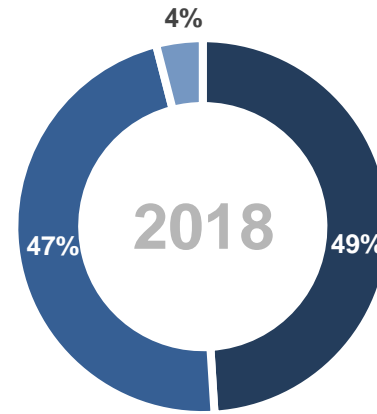
# 5-Years Development: Positioned to Provide Strong Growth

## AEC business mix



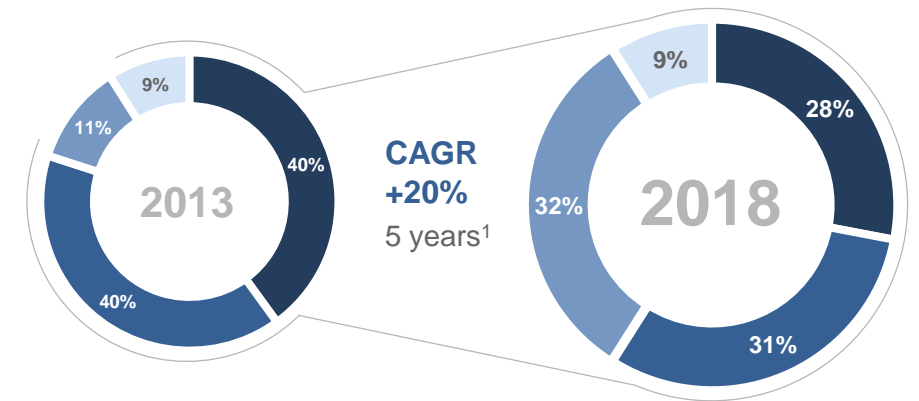
- Design
- Build
- Manage
- Media & Entertainment

## 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

<sup>1</sup> 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**

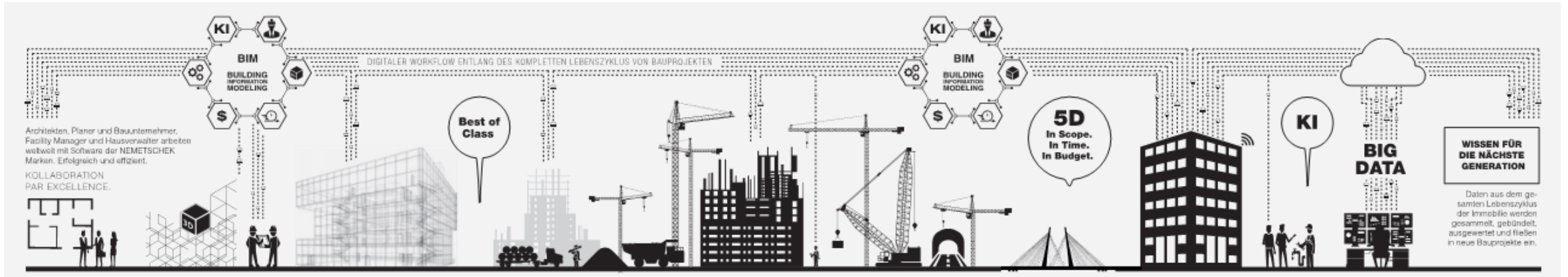


**Customer focused**



**Internationally successful**

# NEMETSCHEK 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

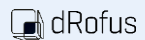
Quality Control, Clash Detection,

Estimation & Scheduling

Collaboration, Documentation

Property Management

IWMS/ Smart Buildings



GRAPHISOFT.



ALLPLAN

SOLIBRI



CREM SOLUTIONS



VECTORWORKS



DATA DESIGN SYSTEM



PRECAST SOFTWARE engineering



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

MAXON



01

Financial Results Q3 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**

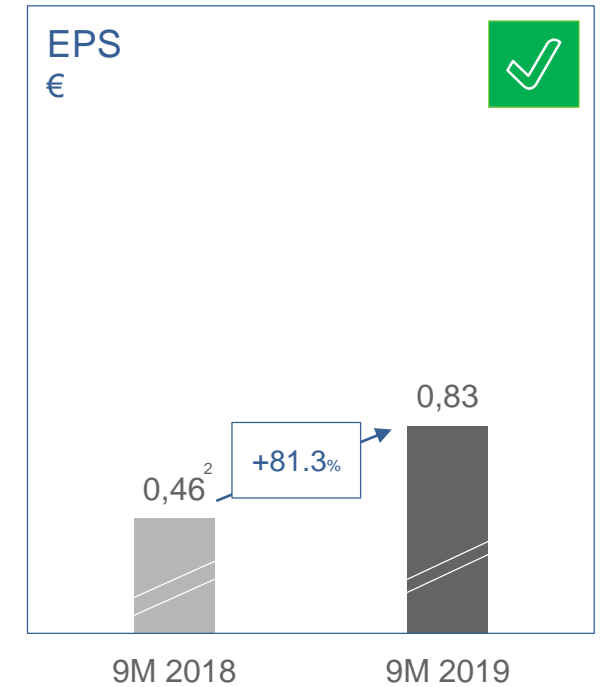
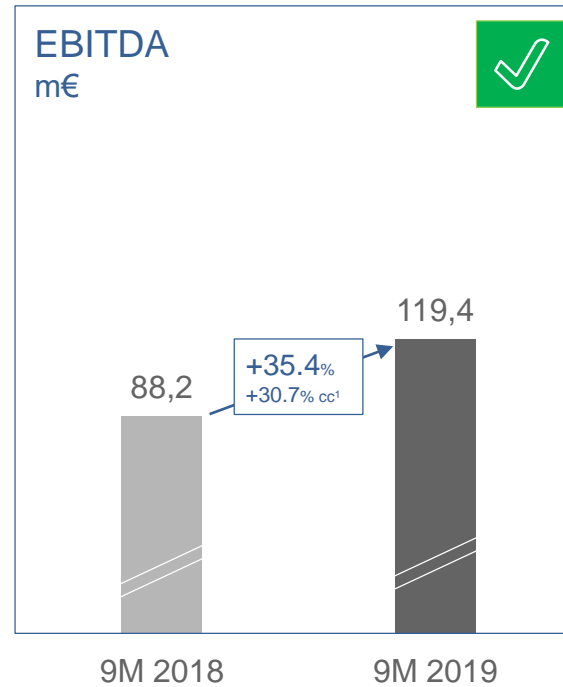
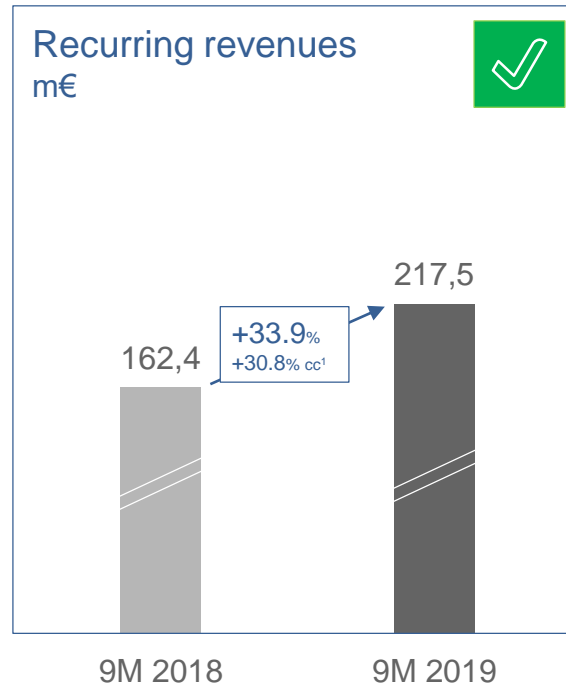
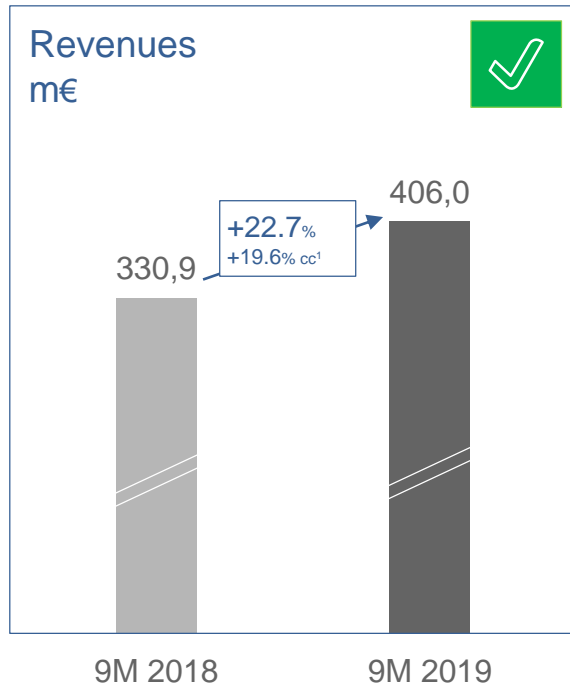
Redshift by Maxon



**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%)

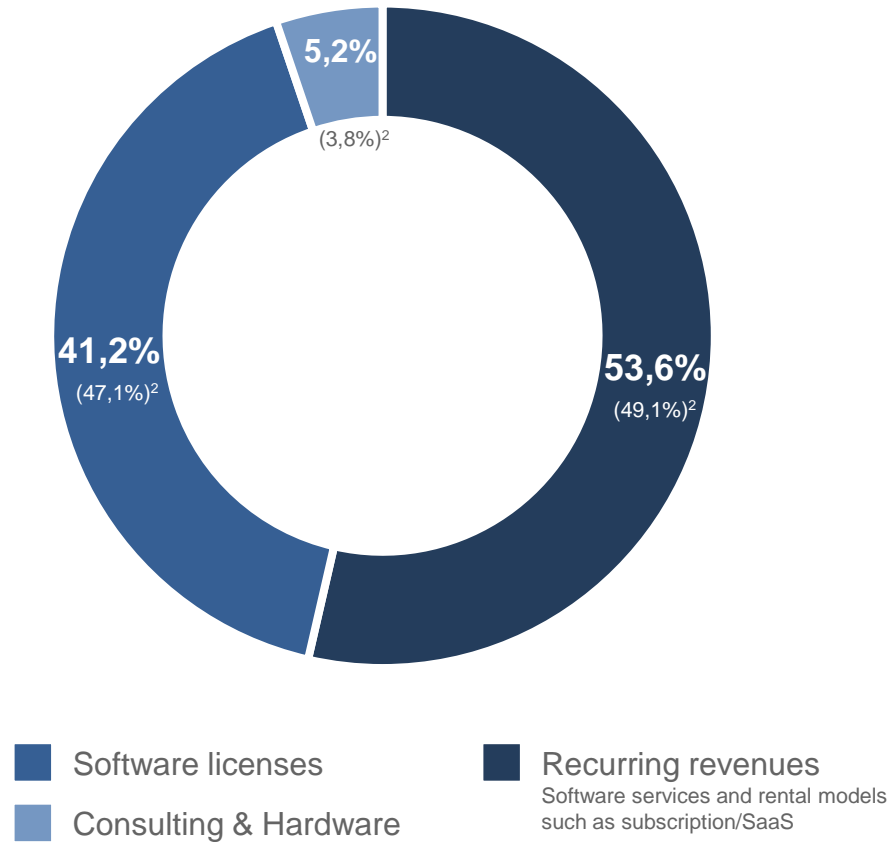
Tax rate: 18.5%

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

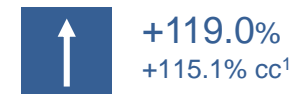


## Q3 2019

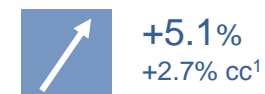
### Recurring revenues yoy



### Subscription yoy



### Software licenses yoy

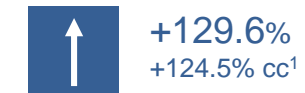


## 9M 2019

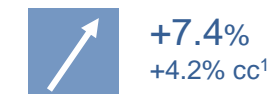
### Recurring revenues yoy



### Subscription yoy

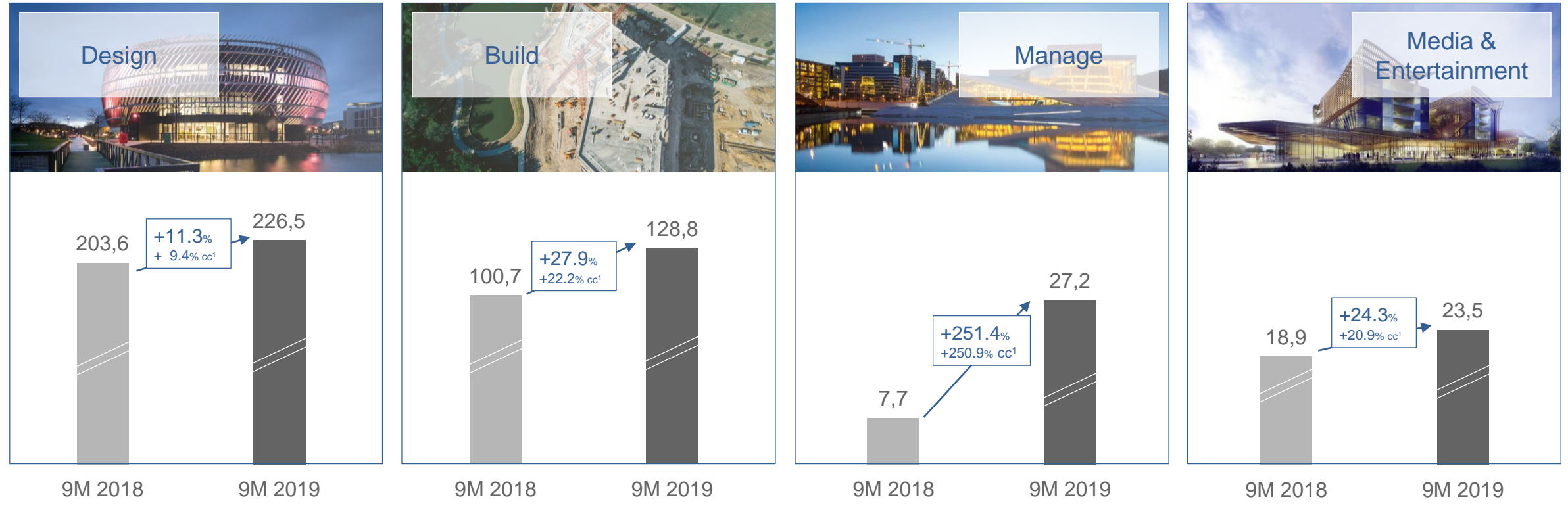


### Software licenses yoy



# Segment Overview: Build Segment Remains in Strong Growth Mode

Revenues in m€



## EBITDA Margin

Segment	9M 2018	9M 2019
Design	24.9%	29.0%
Build	27.6%	32.7%
Manage	22.0%	18.1%*
Media & Entertainment	41.9%	35.1%

| 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

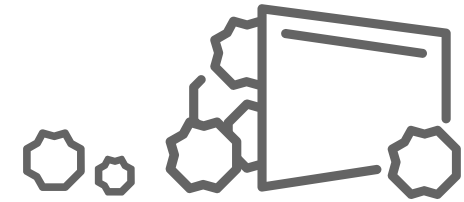
# Challenges in Construction Industry

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 <sup>1</sup>
Bridges	11%
Roads	27%
Railways	30%
Buildings	39%
Airports	56%
Waterways	68%
Tunnels	149%

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

<sup>1</sup> Source: Herite School of governance (2015), 170 infrastructure projects analyzed | <sup>2</sup> 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:

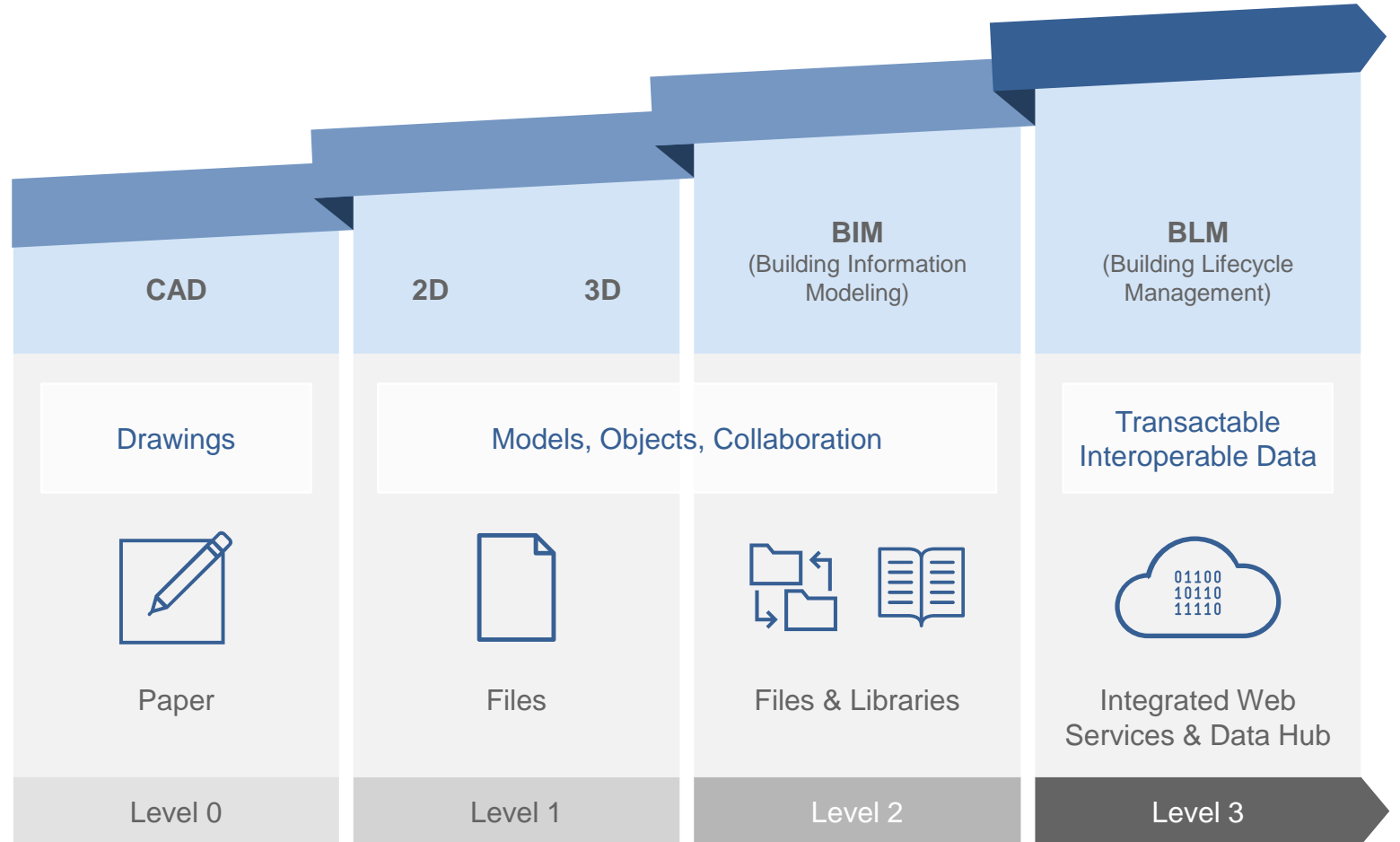
Mix of 2D and 3D work principles, no exchange of models

## Level 2:

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

## Level 3:

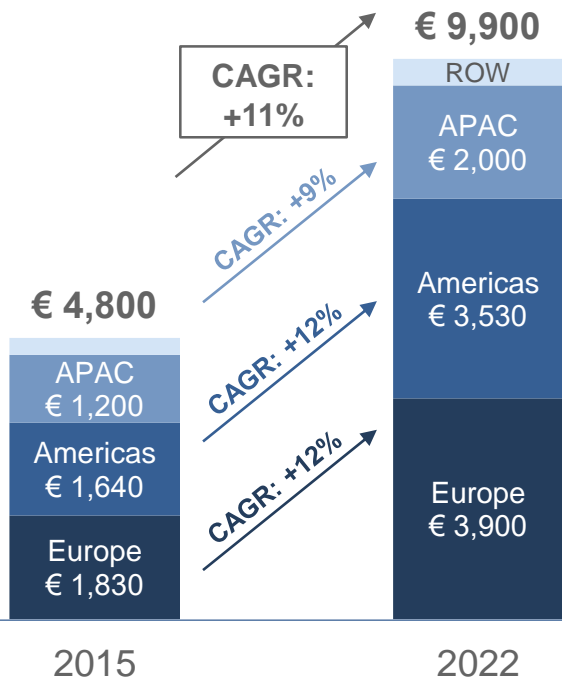
Full collaboration between all disciplines using a shared model



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 €10 billion in 2022

End-user expenditure (EUE) in m€



EUE 2019: ~€ 7bn

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

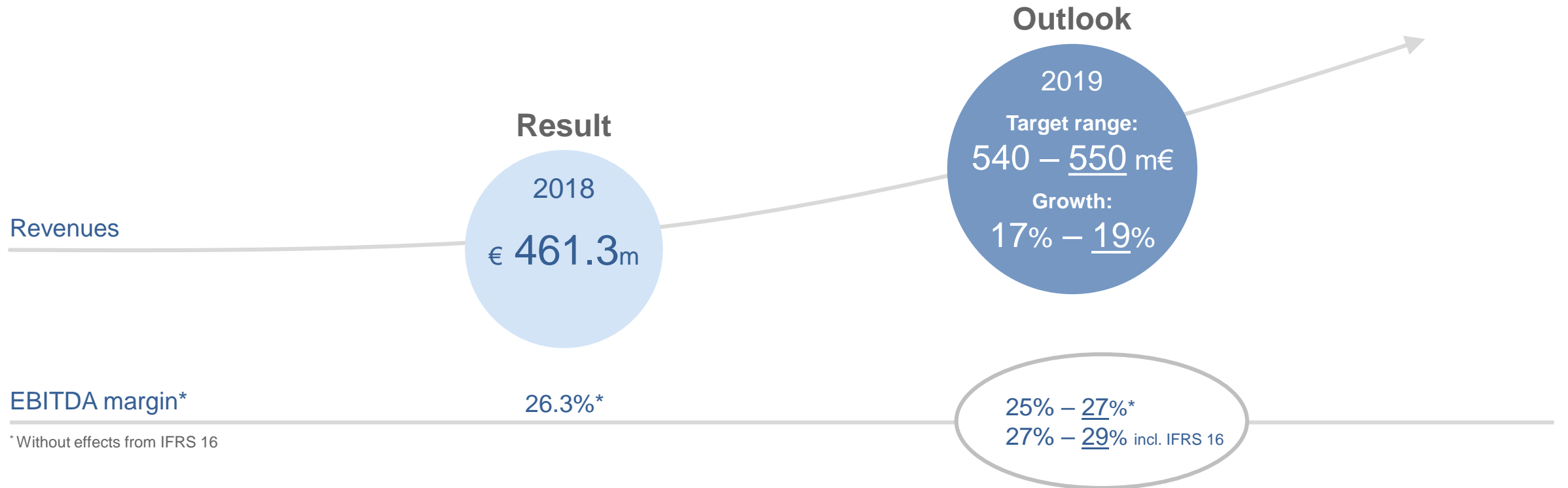
Source: Cambashi BIM Design Observatory and internal research

# 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

## Contact

NEMETSCHEK SE  
Investor Relations

Konrad-Zuse-Platz 1  
81829 Munich  
Germany

[investorrelations@nemetschek.com](mailto:investorrelations@nemetschek.com)  
[www.nemetschek.com](http://www.nemetschek.com)





## Safe Harbor Statement

Each of the presentations today will contain forward-looking statements about our strategies, products, future results, performance or achievements, financial, operational and otherwise, including statements about our strategic priorities, guidance and our mid-term goal, our M&A strategy, and our capital allocation initiatives. These statements reflect management's current expectations, estimates and assumptions based on the information currently available to us. These forward-looking statements are not guarantees of future performance and involve significant risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from results, performance or achievements expressed or implied by the forward-looking statements contained in these presentations.

Nemetschek undertakes no obligation to publicly update or revise any forward looking statements. All forward looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of their dates.