

# Earnings Call Q2- / H1-24

**Nemetschek Group**

July 31, 2024

# Key Messages

1. **GoCanvas:** Highly value-generating acquisition of GoCanvas progressing as expected with closing as of July 1, 2024.
2. **Q2-24:** Continued high growth driven by strong recurring revenue development in Design and Build segments. Profitability impacted by one-off costs in connection with M&A activities.
3. **H1-24:** Successful operational development in line with plans. Substantial progress on our journey to a subscription and SaaS centric business model in all segments.
4. **Outlook FY-24:** Expanded outlook for FY 2024 following the acquisition of GoCanvas - while fully confirming our organic guidance.

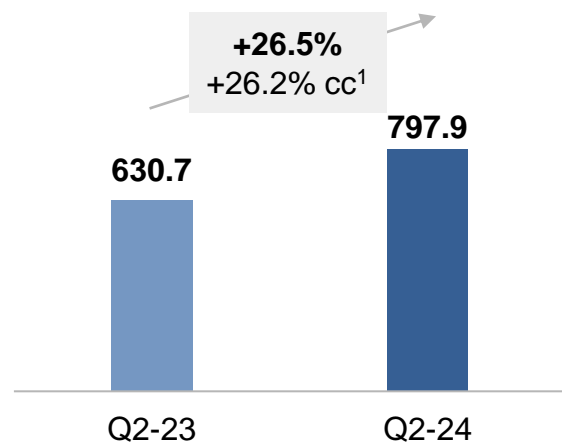
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## Financial Highlights Q2-24



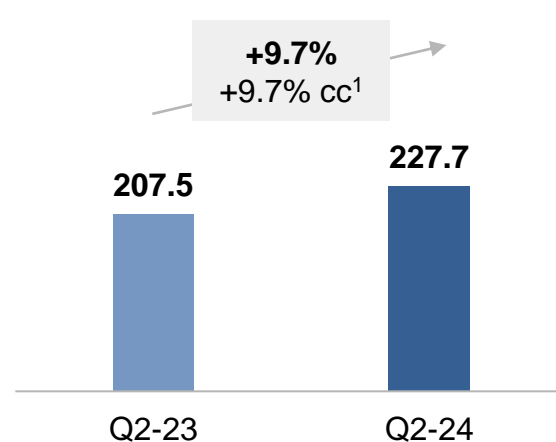
# Q2-24: Recurring Business Driven by +83% Growth in Subscription & SaaS Revenue

## ARR EURm



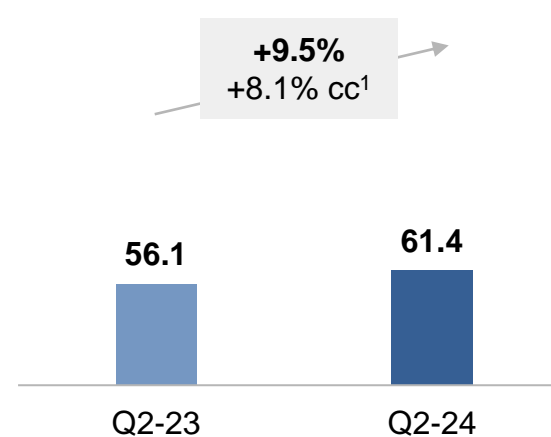
- Ongoing strong increase in ARR shows continued high sustainable revenue growth for the next 12 months
- Subscription/SaaS revenue accelerated in Q2 and remains main growth driver: +82.9% (+82.2% cc<sup>1</sup>)

## Revenues EURm



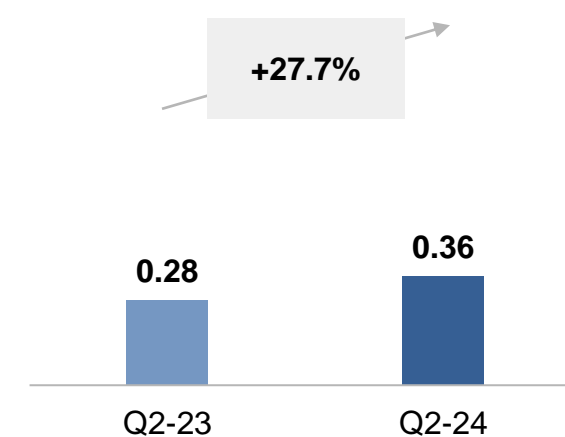
- Q2 revenue growth in line with plans
- Growth impacted by accounting-related subscription/SaaS transition effects and unchanged markets environment

## EBITDA EURm



- Q2-24: EBITDA margin: 27.0% (Q2-23: 27.0%)
- Adjusted EBITDA margin\*: 29.4%
- Impacted by subscription/SaaS transition & one-offs in connection with M&A (mid-single-digit million EUR amount)

## EPS EUR



- Tax rate: 21.8% (Q2-23: 20.5%)
- EPS before PPA amortization: 0.41 EUR (Q2-23: 0.34)

<sup>1</sup> Constant currency

\* Adjusted for M&A-related costs

# Strategic Highlights First Half 2024

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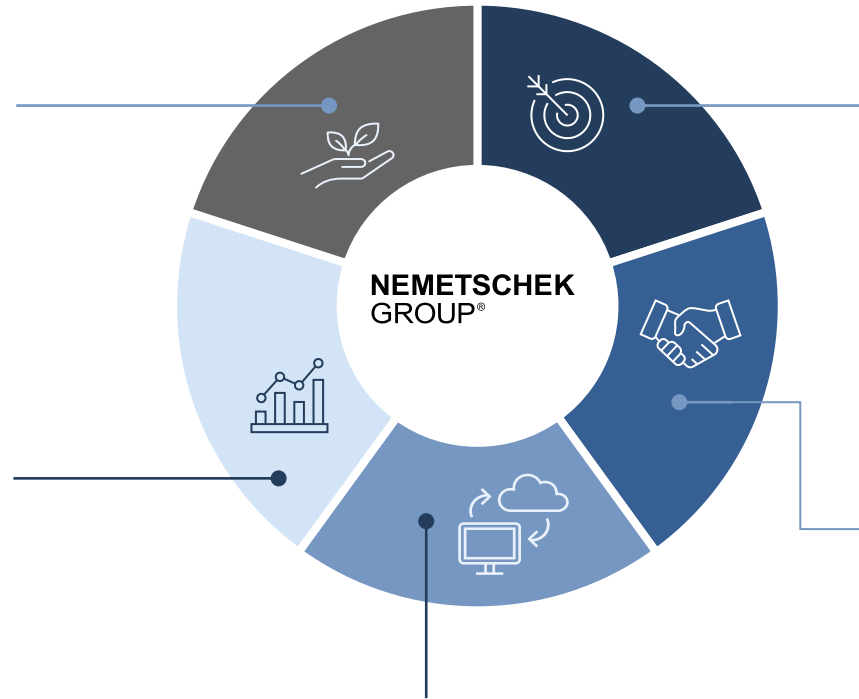
## M&A and Start-up Investments

- Acquisition of GoCanvas:
  - Highly value-generating due to complementary technologies, customer bases, and regional sales structures
  - Significant synergy potential by combining Bluebeam office and GoCanvas field worker communities

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## Business Model

- Subscription/SaaS Transition progressing as planned
- Record share of 85% in recurring revenues driven by high growth of subscription/SaaS



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## Go-to-market

- Driving internationalization: Opening of a new local Go-to-Market office in Mumbai, India
- Strengthening of cross-selling activities

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## Business Enablement

- Further harmonization and continued build-up to enable future growth journey
- Enhanced operational excellence

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## Innovation & Technological Leadership

- Launch of Nemetschek Group AI Innovation Hub to accelerate and streamline the adoption of AI initiatives for external and internal use cases
- Launch of various AI features across different brands
- First successful use cases of dTwin

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## Overview Financial Results H1-24



# Key Financial Highlights H1-24: Successful First Half of the Year 2024



**Revenues:**  
**+9.6% (FX adj.: +10.0%) to  
EUR 451.6m**



**EBITDA:**  
**+10.8% (FX adj.: +8.3%) to  
EUR 129.7m**



**Cash Conversion:**  
**109.1%**



**ARR Growth:**  
**+26.5% (FX adj.: +26.2%) to  
EUR 797.9m**



**EBITDA Margin:**  
**28.7%**



**Adj. EBITDA Margin\*:**  
**30.0%**



**Net Cash Position:**  
**EUR 306.7m**



**Subscription/SaaS Revenues:**  
**+74.9% (FX adj.: +75.3%) to  
EUR 230.9m**



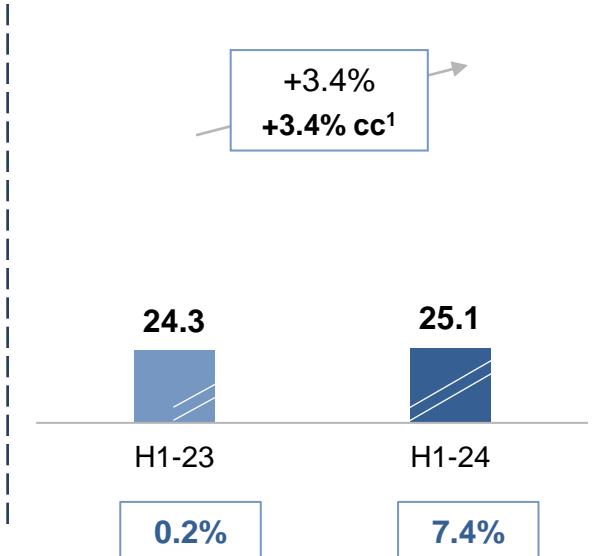
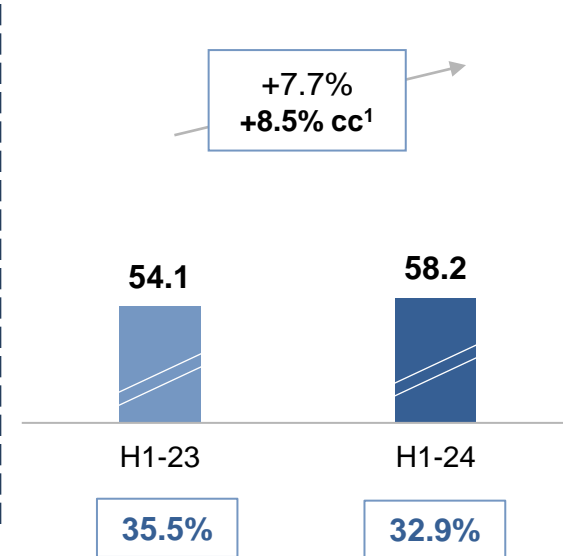
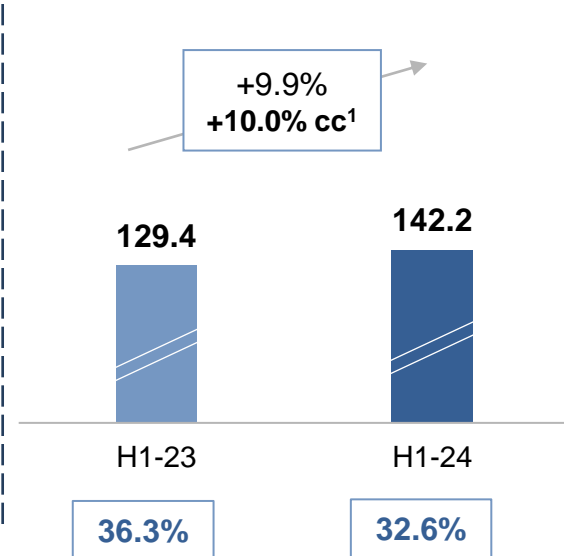
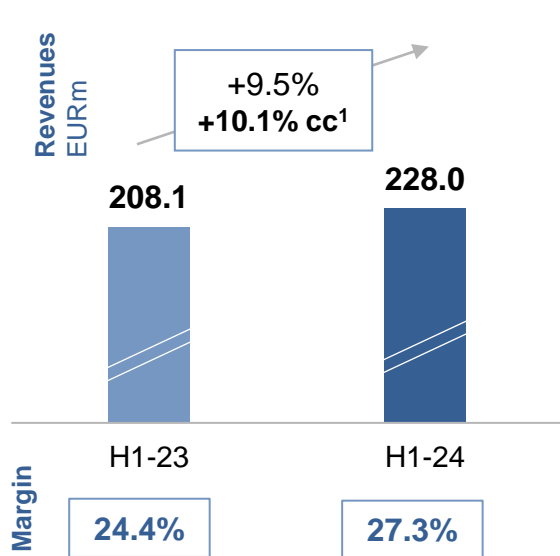
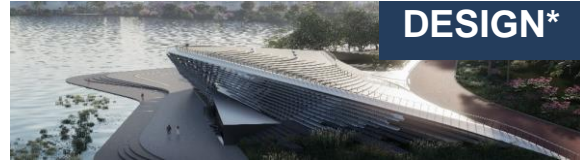
**Earnings per Share:**  
**EUR 0.73 (+22.3%)**



**Equity Ratio:**  
**59.0%**

\* Adjusted for M&A-related costs

# Segments H1-24: Design and Build Segments Main Growth Drivers



- Subscription/SaaS transition according to plan (H1-24 growth: +77% y/y)
- Unchanged market environment in European Design markets
- Small pull forward effect in Q2-24 due to perpetual license price increase

- Very successful transition to Subscription/SaaS of Bluebeam continues as planned
- Continued resilient customer demand
- Strong acceleration of Bluebeam growth expected in Q4-24
- GoCanvas contribution as of July 1

- Stronger performance than overall market growth
- Continued weak environment in the US
- Mid-term growth potential unchanged based on structural growth drivers

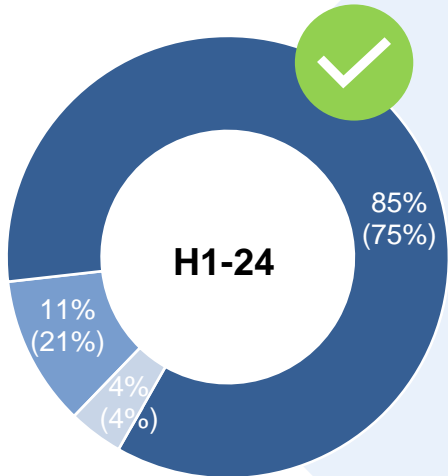
- Q2-24 growth impacted by the discontinuation of low margin advisory service unit
- Good demand for AI-powered energy management solutions
- Long-term growth potential due to green buildings and energy efficiency regulation



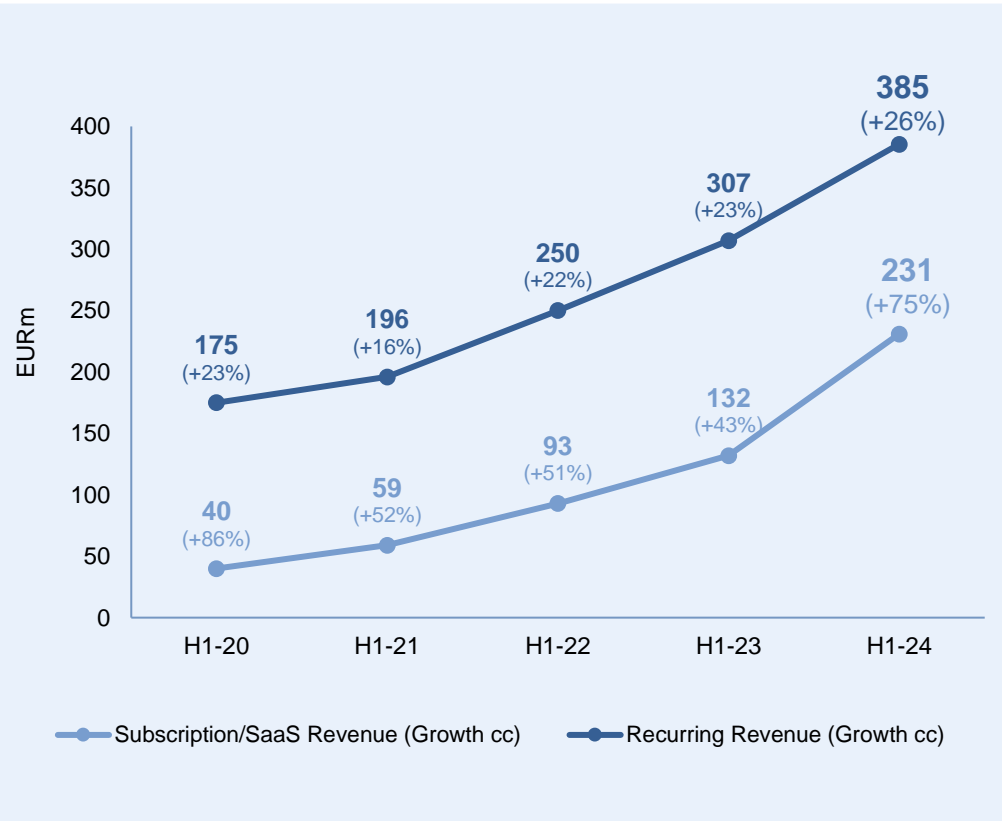
# Recurring Revenues: Successful Transition Leads to New Record High of 85%

## Revenue Share

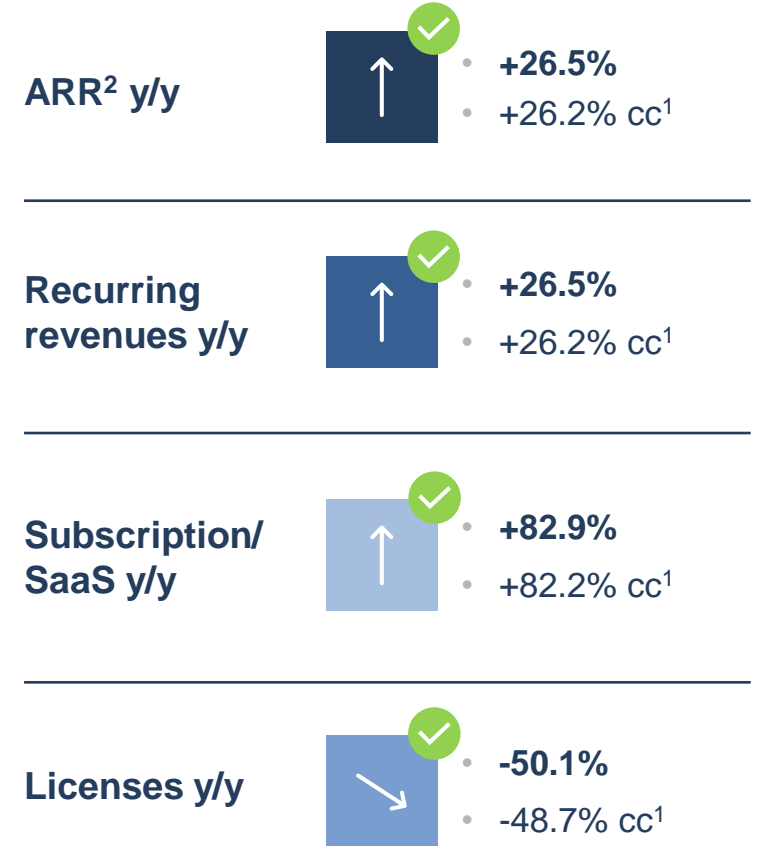
by type in %



## Recurring & Subscription/SaaS 2020-2024



## Overview Q2-24:



■ Recurring revenues (Software services (34%); Subscription/SaaS (51%)) ■ Licenses ■ Consulting & Hardware

# At a Glance: Income Statement and Important KPIs

Key Figures mEUR	H1-24	In % of revenue	H1-23	Growth y/y
<b>Revenues</b>	451.6	100%	412.1	+9.6%
Cost of goods and services	-19.2	4.3%	-17.0	+13.1%
Personnel expenses	-189.2	41.9%	-182.4	+3.8%
Other operating income/expenses	-113.5	25.1%	-95.7	+18.6%
<b>EBITDA</b>	129.7	28.7%	117.1	+10.8%
EBITDA margin	28.7%	-	28.4%	+30bps
Adj. EBITDA margin*	30.0%	-	28.4%	+160bps
D&A (incl. PPA)	-27.1	6.0%	-29.7	-8.8%
<b>EBIT</b>	102.6	22.7%	87.4	+17.5%
EBIT margin	22.7%	-	21.2%	+150bps
Net income (group shares)	84.5	18.7%	69.1	+22.3%
<b>EPS</b>	0.73	-	0.60	+22.3%
FCF (before M&A)	135.6	-	114.7	+18.2%
Equity ratio in %	59.0%	-	57.5%	+150bps
Net Cash	306.7	-	168.3	+82.2%

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## Outlook



# Guidance 2024: Organic Guidance Confirmed & Expanded by GoCanvas



Starting Point	Confirmed Organic Guidance	Expanded Guidance (incl. GoCanvas)
2023	2024	2024
<b>ARR:</b> EUR 718.6m  <b>Revenue:</b> EUR 851.6m  <b>EBITDA Margin:</b> 30.3%  <b>Share Recurring Revenue:</b> 77%	<b>ARR Growth:</b> ~ 25%  <b>Revenue Growth:</b> 10% - 11% (at constant currencies)  <b>EBITDA Margin:</b> 30% - 31%  <b>Share Recurring Revenue:</b> ~ 85%	<b>ARR Growth:</b> > 30%  <b>Revenue Growth Impact on Organic Guidance:</b> ~ +3 Percentage Points  <b>EBITDA Margin Impact on Organic Guidance:</b> ~ -100 Basis Points  <b>Share Recurring Revenue:</b> ~ 85%

## Additional Information Guidance 2024:

- 1) The statements on the effects of the acquisition on the 2024 financial year are subject to the proviso that important key figures, including the calculation of the purchase price allocation (PPA) for GoCanvas, will not be finalized until later in the year.
- 2) The guidance is based on the assumption that the global macroeconomic or sector-specific conditions will not deteriorate significantly in 2024. Furthermore, no additional potential negative effects from the current developments in the Middle East conflict and the ongoing war in Ukraine are reflected in the outlook.

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## Appendix



# Income Statement

€m	H1 2024	H1 2023	Y/Y%
<b>Revenues</b>	<b>451.6</b>	<b>412.1</b>	<b>+9.6%</b>
Other income	4.4	3.6	+20.3%
<b>Operating income</b>	<b>456.0</b>	<b>415.8</b>	<b>+9.7%</b>
Cost of goods and services	-19.2	-17.0	+13.1%
Personnel expenses	-189.2	-182.4	+3.8%
Other expenses	-117.9	-99.4	+18.7%
<b>Operating expenses</b>	<b>-326.3</b>	<b>-298.7</b>	<b>+9.2%</b>
<b>EBITDA</b>	<b>129.7</b>	<b>117.1</b>	<b>+10.8%</b>
<b>Margin</b>	<b>28.7%</b>	<b>28.4%</b>	
Depreciation and amortization	-27.1	-29.7	-8.8%
t/o right-of-use assets	-8.4	-8.3	+0.8%
t/o PPA	-12.3	-15.4	-20.3%
<b>EBIT</b>	<b>102.6</b>	<b>87.4</b>	<b>+17.5%</b>
Financial result	6.7	0.8	+>100%
t/o IFRS 16	-1.0	-0.9	+9.4%
<b>EBT</b>	<b>109.3</b>	<b>88.1</b>	<b>+24.1%</b>
Income taxes	-23.3	-17.9	+30.2%
Non-controlling interests	1.5	1.1	+36.2%
<b>Net income (group shares)</b>	<b>84.5</b>	<b>69.1</b>	<b>+22.3%</b>
<b>EPS in EUR</b>	<b>0.73</b>	<b>0.60</b>	<b>+22.3%</b>

# Balance Sheet – Assets

€m	June 30, 2024	December 31, 2023
<b>Assets</b>		
Cash and cash equivalents	309.8	268.0
Trade receivables, net	130.1	99.6
Inventories	0.9	1.0
Other current assets	70.5	49.6
<b>Current assets, total</b>	<b>511.3</b>	<b>418.2</b>
Property, plant and equipment	23.0	23.7
Right-of-use assets	56.0	60.9
Intangible assets	139.5	135.1
Goodwill	571.0	552.0
Other non-current assets	96.0	84.3
<b>Non-current assets, total</b>	<b>885.3</b>	<b>856.1</b>
<b>Total assets</b>	<b>1,396.7</b>	<b>1,274.3</b>

# Balance Sheet – Equity and Liabilities

€m	June 30, 2024	December 31, 2023
<b>Equity and liabilities</b>		
Short-term borrowings and current portion of long-term loans	3.1	6.8
Trade payables	20.9	15.3
Provisions and accrued liabilities	61.7	65.7
Deferred revenue	334.8	265.1
Current lease liability	15.8	16.7
Other current liabilities	34.3	31.0
<b>Current liabilities, total</b>	<b>470.6</b>	<b>400.6</b>
Long-term borrowings without current portion	0.0	0.1
Deferred tax liabilities	19.2	16.7
Non-current lease liability	49.3	52.8
Other non-current liabilities	33.0	22.2
<b>Non-current liabilities, total</b>	<b>101.6</b>	<b>91.8</b>
Subscribed capital and capital reserve	128.0	128.0
Retained earnings	671.2	640.8
Other reserves	-11.3	-22.2
Non-controlling interests	36.6	35.3
<b>Equity, total</b>	<b>824.5</b>	<b>781.9</b>
<b>Total equity and liabilities</b>	<b>1,396.7</b>	<b>1,274.3</b>



# Cash Flow Statement

€m	H1 2024	H1 2023	Y/Y%
<b>Cash and cash equivalents at the beginning of the period</b>	<b>268.0</b>	<b>196.8</b>	<b>+36.2%</b>
<b>Cash flow from operating activities</b>	<b>141.5</b>	<b>122.2</b>	<b>+15.8%</b>
<b>Cash flow from investing activities</b>	<b>-31.5</b>	<b>-21.9</b>	<b>+43.6%</b>
t/o CapEX	-6.0	-7.7	
t/o Cash paid for acquisition of equity investments	-6.0	-13.3	
Cash paid for acquisition of subsidiaries, net of cash acquired	-19.7	0.0	
<b>Cash flow from financing activities</b>	<b>-72.8</b>	<b>-86.2</b>	<b>-15.5%</b>
t/o Dividend payments	-55.4	-52.0	
t/o Cash received from bank loans	0.0	10.5	
t/o Repayments of borrowings	-3.8	-33.9	
t/o Principal elements of lease payments	-8.9	-8.2	
FX-effects	+4.7	-1.7	
<b>Free cash flow</b>	<b>110.0</b>	<b>100.2</b>	<b>+9.7%</b>
<b>Free cash flow (before M&amp;A)<sup>1</sup></b>	<b>135.6</b>	<b>114.7</b>	<b>+18.2%</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>309.9</b>	<b>209.2</b>	<b>+48.1%</b>

# SHAPE THE WORLD

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