

NEMETSCHKEK  
GROUP

Nemetschek Group

# DZ Bank Conference Company Presentation

November 2020 | Dr. Axel Kaufmann, Spokesman & CFOO

# 01

## Company Overview

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



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

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

| We have become a truly global player

| Strong EPS development

| Sustainable dividend policy with continuous growth

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

- | Nemetschek: ~600%
- | Peer group<sup>2</sup>: ~95%
- | TecDAX : ~90%

## 5-year revenue CAGR:

- | Total growth: 21%
- | Organic growth: 13%
- | Peer group<sup>2</sup>: <10%

## 5-year US revenue CAGR:

- | >40% in the world's largest and most competitive AEC market

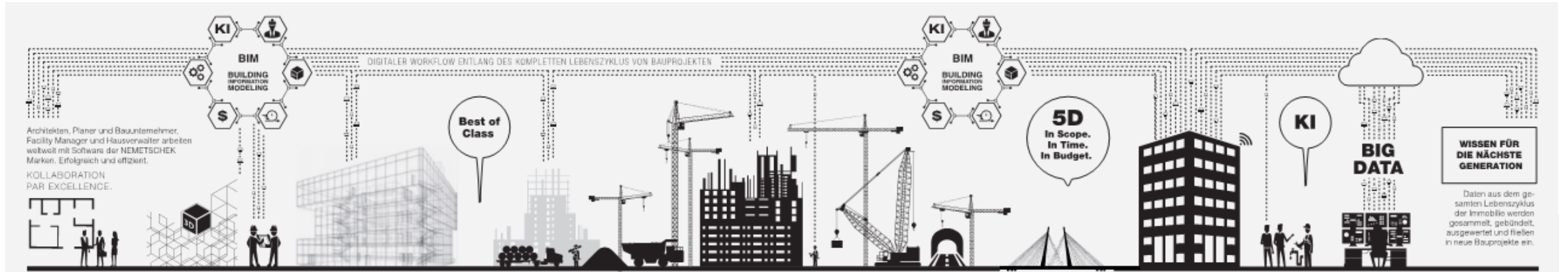
## 5-year EPS CAGR:

- | 26%

## 5-year CAGR:

- | 21%

# NEMETSCHKEK GROUP Provides Expertise Along the Complete AEC Value Chain



## Planning & Design

Program Management, Planning

Modeling & Design Development

Structural Design & Analysis

Detailing, Engineering Consultants, Fabrication



## Build & Construct

Quality Control, Clash Detection,

Estimation & Scheduling



## Operate & Manage

Collaboration, Documentation

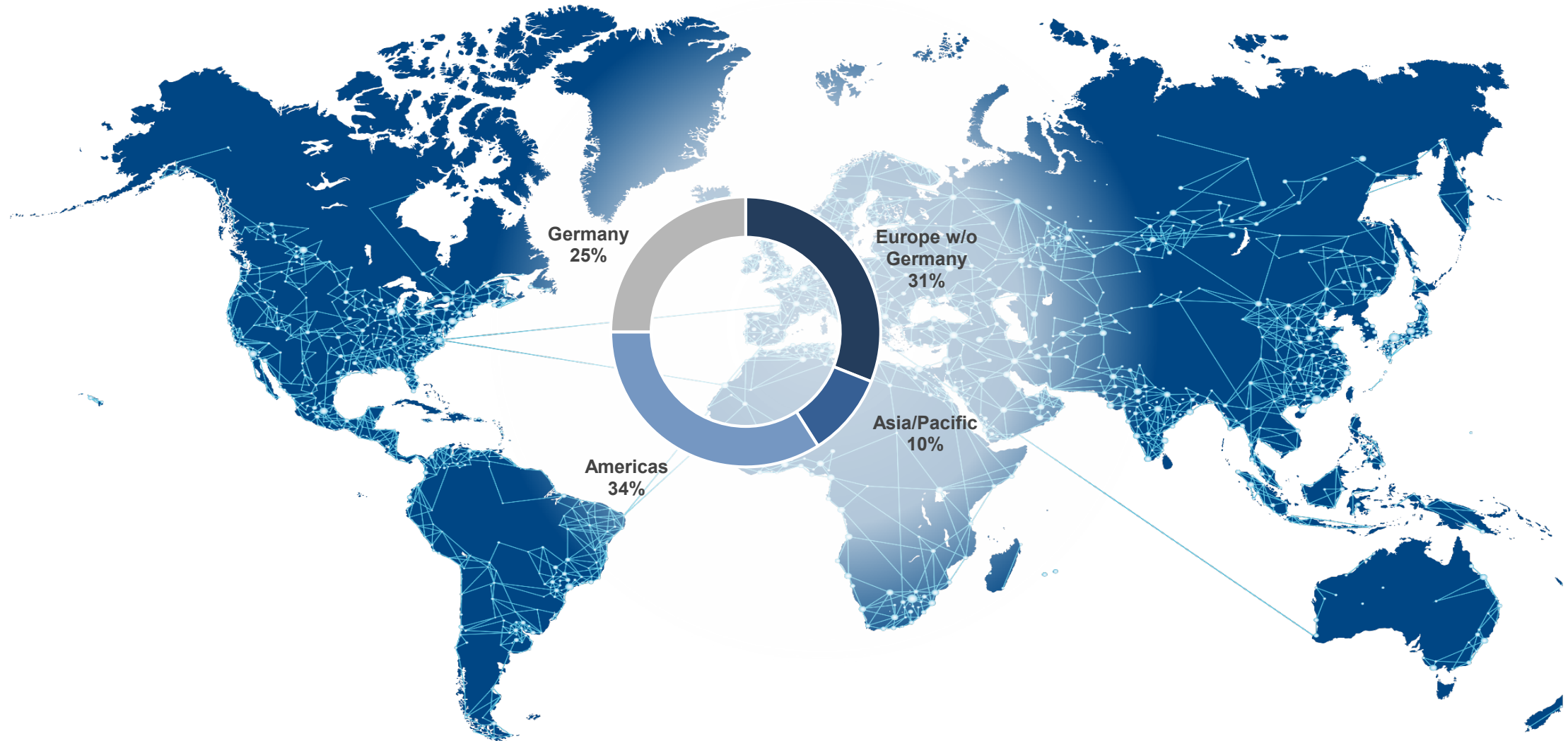
Property Management

IWMS/ Smart Buildings

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



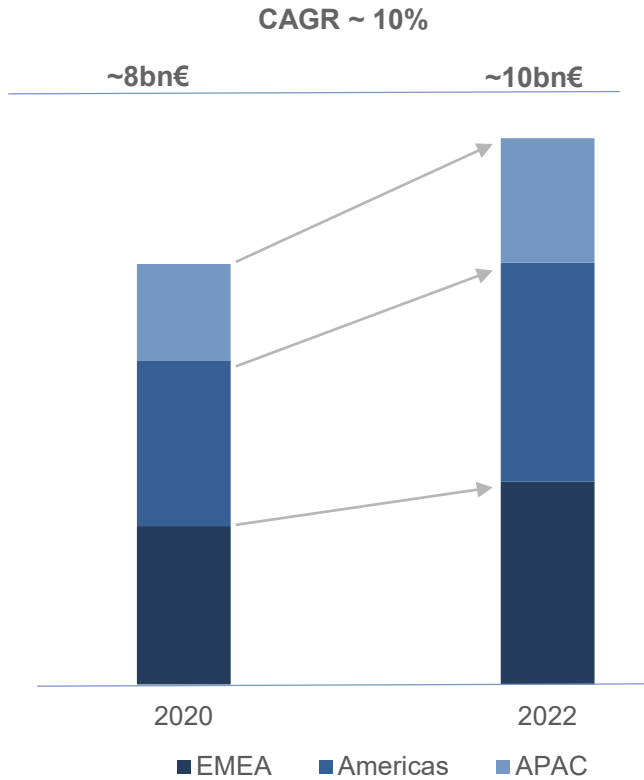
# Global Player in more than 78 Locations with Users in 142 Countries



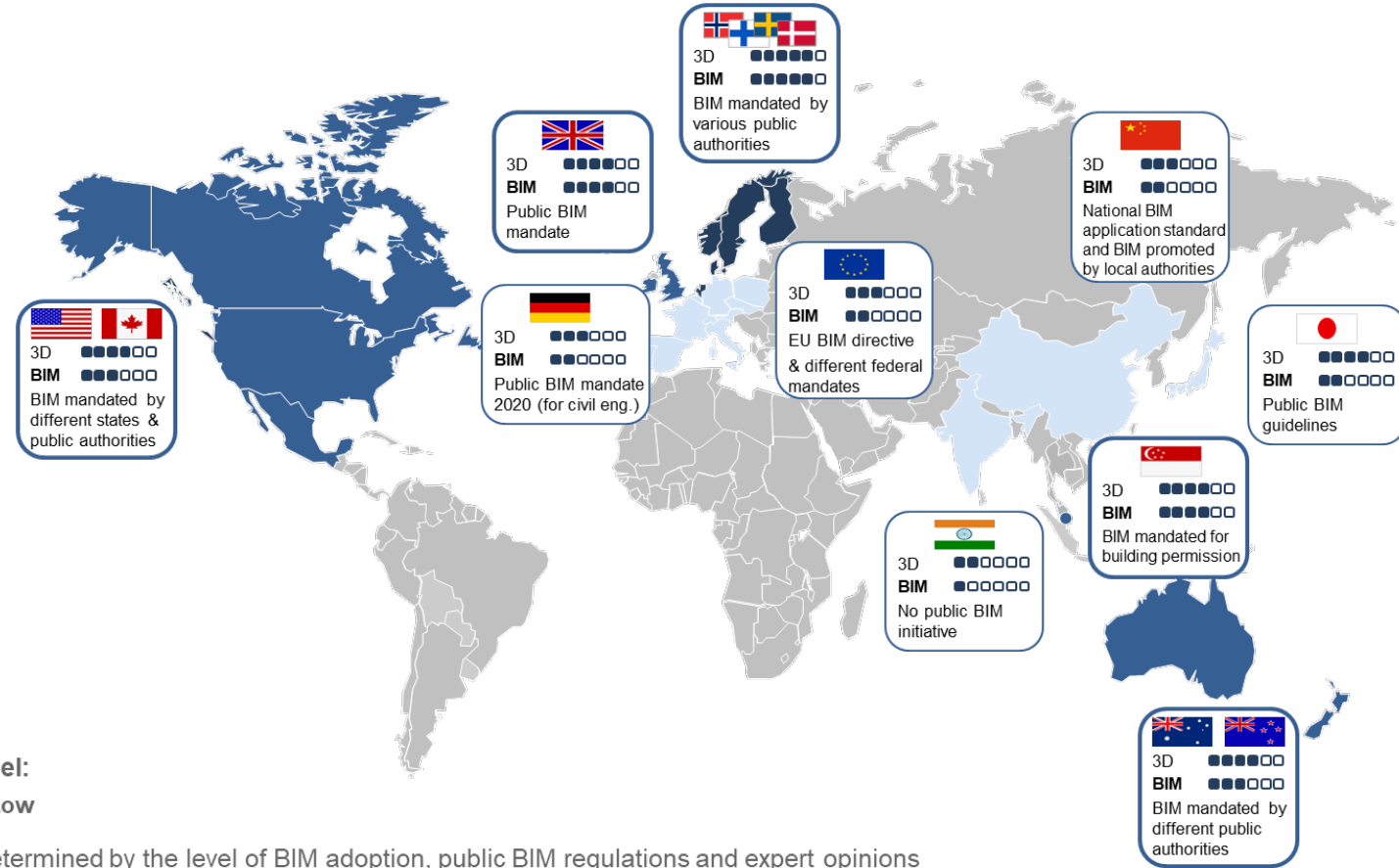
# Our markets: AEC BIM Software Market offers huge potential

## AEC Software Market

### End-user expenditure in bn €



## BIM Maturity Map



Source: Cambashi BIM Design Observatory 2020, internal research.

# Sustainability: Gaining a Greater Importance for Our Customers

## The FOOTPRINT of the Building Industry



Buildings and construction account for

- | **36%** of global final energy use and
- | **39%** of energy-related CO2 emissions



During the construction phase

- | **10%** of materials are wasted
- | **30%** of construction is rework

In **90%** of all projects, time or cost overruns occur.

## The HANDPRINT of our Customers

### Sustainable Building

Working with solutions from the Nemetschek Group, improves efficiency and productivity along the entire value chain



Planning & Design

- | Less errors and rework through cross-functional planning
- | Exact calculation of materials



Build & Construct

- | Optimized usage of resources and materials (incl paper)



Operate & Manage

- | More efficient usage of office spaces and energy



Rebuild & Demolition

- | Easier reconstruction of buildings
- | Reusage of raw materials after demolition

Sources: Global Status Report 2019, UN Environment and the International Energy Agency; Engineering-News Record 2018/2019.

# Nemetschek Is Well Positioned!

## Nemetschek SE

### Attractive End-markets

- | Huge growth potential
- | Structural long-term growth drivers (low degree of digitalization)
- | Growth supported by regulation

### Unique market position

- | Best in class products
- | Product offering along the complete AEC value chain
- | Leader in Open BIM
- | Close proximity to customers within our 4 divisions

### Attractive business model

- | Highly profitable
- | Strong Cash conversion (~ 90%)
- | High share of recurring revenues (approx. 60%)
- | High returns (ROCE > 20%)

### Strong financial position

- | Very healthy balance sheet
- | Net debt/EBITDA: < 0.1x
- | Equity ratio: 45%
- | EUR 200m credit line secured
- | Long-term anchor shareholder

### Value accretive M&A

- | Strong track record of bolt-on acquisitions (e.g. Bluebeam)
- | Disciplined approach
- | Substantial financial fire power
- | Focus on long-term value generation

**Operating mode via four strong divisions with leading global brands**



An aerial photograph of a city construction site. In the foreground, a large, modern building with a glass facade is under construction. Several red tower cranes are positioned around the site. To the left, a river flows through the city. The background shows a dense urban area with various residential and commercial buildings.

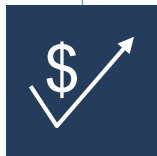
# 02

## Fiscal Year 2020 & Outlook

# Key Business Highlights 9M-2020: Resilient Development in Uncertain Environment



## Solid Financial Performance



Revenues:  
**+7.6% (FX adj.: +7.8%) to € 436.8m**



EBITDA margin:  
**29.6% (FX adj.: 29.5%)**



Recurring revenues:  
**+22.0% (FX adj.: +22.3%)**  
Subscription revenues:  
**+84.2% (FX adj.: +85.2%)**



EPS:  
**+2.7%<sup>1</sup> to € 0.59**



Share recurring revenues:  
**61% (vs. 9M-19: 54%)**



High cash conversion:  
**88.6% (9M-2019: 95.5%)**

## M&A Activities



### Media & Entertainment Division:

**Q1-2020:** Red Giant by Maxon  
**9M-2020:** Integration of Red Giant and Redshift progressing as planned. Expected to finish by Q1-21



### Planning & Design Division:

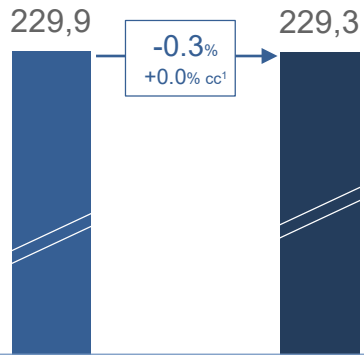
**Q2-2020:** ADAPT by RISA. Strengthens structural engineering competence in the US

# 9M Segment view: Design recovering, Build remains strong, Manage still burdened by Covid-19



## Design

Revenue in €m



9M-19

9M-20

Margin 30.4%

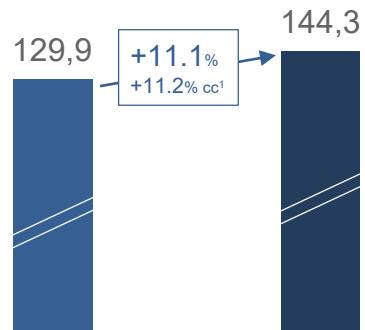
33.2%

9M-20: FX adjusted EBITDA margin: 32.7%

Q3-20: revenue: +2.4%, EBITDA margin: 37.6%



## Build



9M-19

9M-20

Margin 34.9%

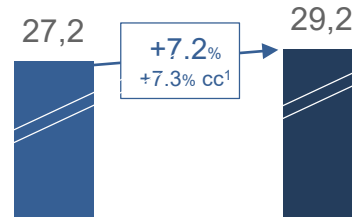
38.0%

Bluebeam with largest contribution to revenue and margin increase

Q3-20: revenue: +6.3%, EBITDA margin: 37.8%



## Manage



9M-19

9M-20

Margin 14.8%

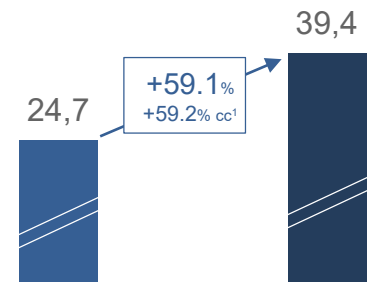
14.1%

9M-20: Revenue still burdened by Covid-19, esp. in Services

Q3-20: revenue: -0.6%, EBITDA margin: 14.5%



## Media



9M-19

9M-20

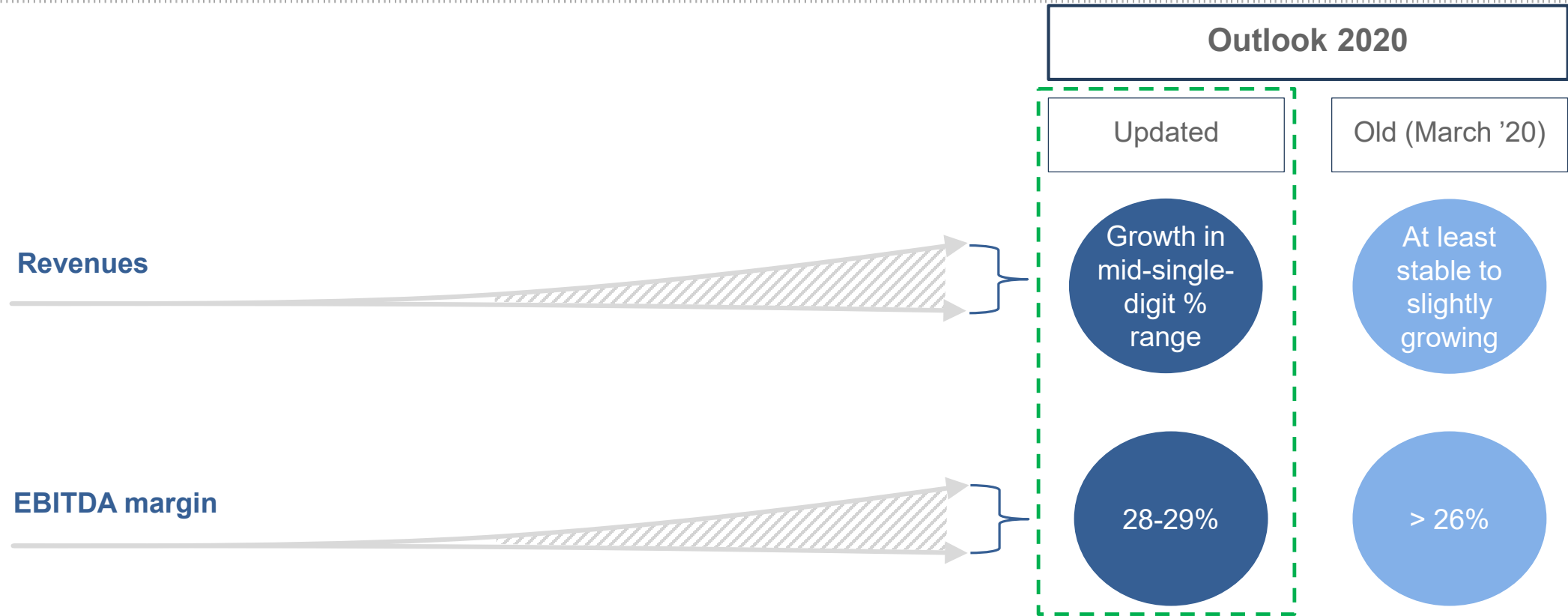
Margin 34.8%

28.9%

Continued move towards subscription, integration costs dilutes margin

Q3-20: revenue: +66.9% (organic: +20.0% cc¹), EBITDA margin: 32.7%

# Updated Outlook 2020: Guidance upgrade after the first nine months of the year



## Outlook 2020:

- | Revenues: Growth expected to be in the mid-single-digit percentage range (previously: At least stable to slightly growing)
- | EBITDA margin: 28-29% (previously: > 26%)
- | Please note: Guidance reflects the still high degree of uncertainty regarding the macroeconomic outlook for the remainder of the year

# 02

## Appendix

# NEMETSCHKE GROUP



## Unique DNA & Dynamic Markets

- Founded 1963 by Prof. Georg Nemetschek
- Leading global Open BIM software provider in AEC
- 4 customer-oriented divisions with 16 strong brands
- ~6.0 million users around the world
- Highest quality, user-friendly, innovative
- **Growth drivers:** Digitalization in AEC far behind other industries, BIM regulations worldwide, switch from 2D to integrated digital 3D workflow solutions

## Investment Highlights

- Positioning**
  - Focus on AEC, leading in Open BIM
  - Focus on customer needs
- Financials**
  - Stable margins, healthy balance sheet
  - Strong cash generation
- Growth factors**
  - Focus on internationalization
  - Driving innovations: Open BIM, digital workflows, collaboration
  - Organic, acquisitions

Key Figures mEUR	9M 2020	9M 2019	%YoY	%YoYcc*	FY 2019
Revenues	436.8	406.0	+7.6%	+7.8%	556.9
EBITDA	129.3	119.4	+8.2%	+8.0%	165.7
EBITDA margin	29.6%	29.4%	-	-	29.7%
EBIT	92.1	88.5	+4.1%	+3.4%	150.5
EBIT margin	21.1%	21.8%	-	-	27.0%
Net income**	67.7	66.0	+2.7%	-	127.2
EPS**	0.59	0.57	+2.7%	-	1.10
Operating cash flow	114.5	114.1	+0.4%	-	160.4
Free cash flow	24.2	34.8	-30.5%	-	76.6
Free cash flow***	107.5	132.5	-18.9%	-	174.5
Equity ratio in %	45.3%	38.7%	-	-	40.7%
Net cash	-5.2	-15.2	-	-	21.0
Headcount	3,067	2,838	+8.1%	-	2,875

\*constant currency \*\*previous year w/o one-time effect from the Docuware sale \*\*\*w/o M&A investments

## Business Overview – Covering complete value chain in AEC + Media

### Architecture · Engineering · Construction (AEC)

Divisions	DESIGN		BUILD	MANAGE	MEDIA & ENTERTAINMENT			
	ALLPLAN	GRAPHISOFT	NEVARIS	CREM SOLUTIONS	MAXON			
	VECTORWORKS	SCIA	BLUEBEAM	SPACEWELL				
Brands	DATA DESIGN SYSTEM	SOLIBRI	SDS/2					
	PRECAST SOFTWARE engineering	dRofus						
	IRISA	FRILO						
Revenues* (Growth)	9M 2020 229.3 (-0.3%)	FY 2019 314.6 (+10.2%)	9M 2020 144.3 (+11.1%)	FY 2019 177.7 (+25.6%)	9M 2020 29.2 (+7.2%)	FY 2019 38.5 (+178.8%)	9M 2020 39.4 (+59.1%)	FY 2019 33.9 (+23.2%)
EBITDA margin	33.2%	32.4%	38.0%	34.7%	14.1%	20.5%	28.9%	27.8%

\* in mEUR

## Guidance FY 2020

Revenue	Mid single-digit growth (Formerly: stable to slight increase)
EBITDA margin	28% - 29% (Formerly: > 26%)

## Management Team

Dr. Axel Kaufmann	Spokesman, CFOO & CDO Media & Ent.
Viktor Várkonyi	Chief Division Officer, Planning & Design
Jon Elliott	Chief Division Officer, Build & Construct
Koen Matthijs	Chief Division Officer, Manage & Operate

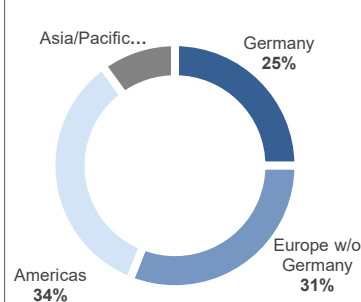
## Supervisory Board

Kurt Dobitsch	Chairman
Prof. Georg Nemetschek	Deputy Chairman
Rüdiger Herzog, Bill Krouch	Board Members

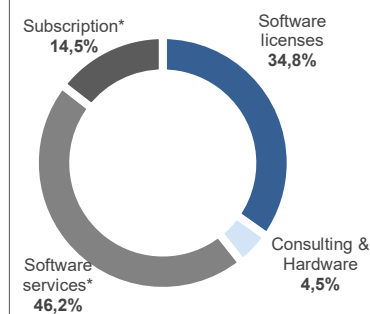
## Key Stock Figures

ISIN / WKN	DE0006452907 / 645290
Number of shares / IPO	115,500,000 / March 10, 1999
Indices / Ticker symbol	MDAX, TecDAX / NEM GY, NEKG, DE
Current market cap	EUR 6.7 billion

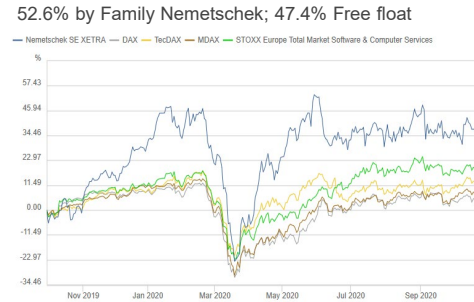
## Revenues by Regions (9M 2020)



## Revenues by Type (9M 2020)



## Shareholder Structure & Share Price Development



## Contact

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**Thank you**

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