



**Nemetschek Group  
Company Presentation**

April 2014



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# A success story of more than 50 years



\* Building Information Modeling

## Positioning

- Nemetschek Group with 13 strong brands
- Software solutions, innovations, collaboration, 5D and Open BIM for the AEC industry (Architecture, Engineering, Construction)
- More than 1.8 million users
- Globally present with more than 50 locations in 142 countries

## Mission & Vision

- Our claim: Innovative, customer-oriented software solution throughout the lifecycle of buildings
- Our benchmark: Highest quality, user-friendliness and user benefits
- Focus on customers
- Worldwide presence: Intensive sales and service secure customer access, customer proximity and customer satisfaction

➔ We drive innovation and digitalization for the entire building life cycle

	Design	Build	Manage	Media & Entertainment
<b>Brands</b>	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%; border: 1px solid black; padding: 5px; margin-bottom: 5px;">Graphisoft</div> <div style="width: 50%; border: 1px solid black; padding: 5px; margin-bottom: 5px;">Vectorworks</div> <div style="width: 50%; border: 1px solid black; padding: 5px; margin-bottom: 5px;">Allplan</div> <div style="width: 50%; border: 1px solid black; padding: 5px; margin-bottom: 5px;">Scia</div> <div style="width: 50%; border: 1px solid black; padding: 5px; margin-bottom: 5px;">DDS</div> <div style="width: 50%; border: 1px solid black; padding: 5px; margin-bottom: 5px;">Glaser</div> <div style="width: 50%; border: 1px solid black; padding: 5px; margin-bottom: 5px;">Frilo</div> <div style="width: 50%; border: 1px solid black; padding: 5px; margin-bottom: 5px;">Engineering</div> </div>	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%; border: 1px solid black; padding: 5px; margin-bottom: 5px;">Auer</div> <div style="width: 50%; border: 1px solid black; padding: 5px; margin-bottom: 5px;">Bausoftware</div> <div style="width: 50%; border: 1px solid black; padding: 5px; margin-bottom: 5px;">Bluebeam</div> </div>	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%; border: 1px solid black; padding: 5px; margin-bottom: 5px;">Crem</div> </div>	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%; border: 1px solid black; padding: 5px; margin-bottom: 5px;">Maxon</div> </div>
<b>FY 2014 Revenues</b>	175.1 mEUR	20.1 mEUR	5.3 mEUR	18.0 mEUR
<b>EBITDA margin</b>	25.0%	20.5%	20.6%	43.2%

**Nemetschek covers complete value chain in AEC + Media**

- ➔ Strong, entrepreneurial brands: Close involvement with customers, speed, excellence, innovation
- ➔ Value added: Complementarity, specialization, best in class instead of shared services
- ➔ Attractive for potential targets: Integration of different cultures



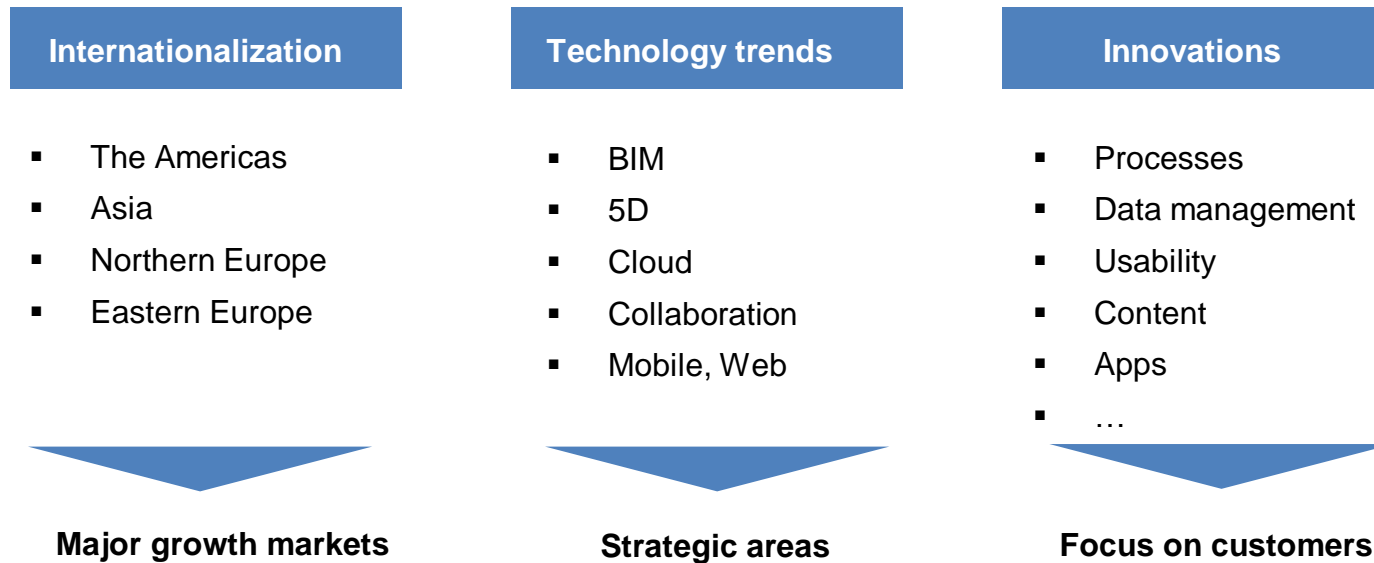
**Strategy**

Time and costs are the critical parameters in the building process, e.g. Airport Berlin, Plan: 2012 completion, 1.7bn EUR, Status: 2017 completion, 5.7bn EUR

Further projects: Elbphilharmonie, San Francisco Bay Bridge, Soccer stadium Berlin and many others



- Industry in transition
- Digitalization far behind other industries
- Increasing complexity
- Less time, less budget
- More team players
- New regulations (BIM, 5D)
- Increasing demands for sustainable building
- Management of the complete value chain in the building process



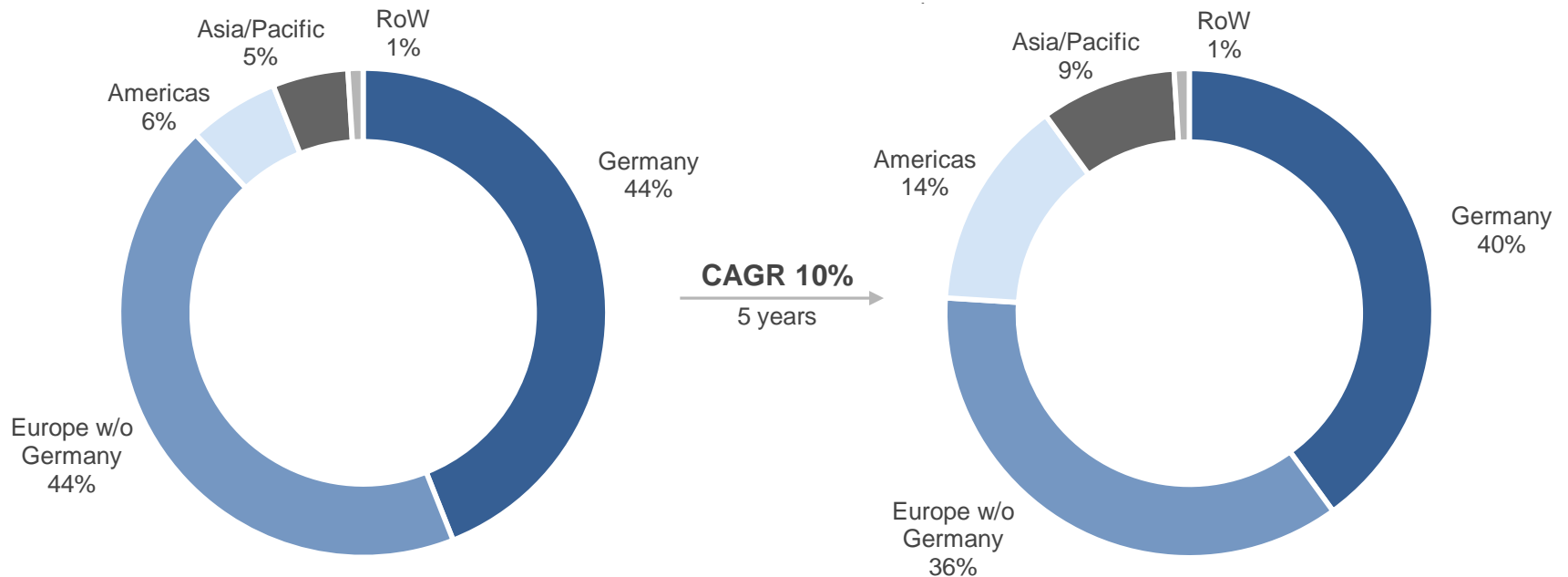
➔ Growth: Organic and via acquisitions

➔ Acquisition focus: Strategic fit to close regional and technology gaps



**Revenues 2009: 135.6 mEUR**

**Revenues 2014: 218.5 mEUR**



- ▶ DACH: Market leading position, strong base, increasing revenues
- ▶ Market position in the U.S. strengthened via organic growth and through Bluebeam acquisition
- ▶ Growth potential abroad (Asia, Latin America)



- ➔ Strengthening our position in the Americas, Asia, Northern and Eastern Europe
- ➔ Markets with strong growth prospects and increasing demand
- ➔ Leverage via co-operations, acquisitions and early-stage occupation

- 2D drawings
- Slow internet
- Poor hardware



- 3D drawings
- Fast internet
- Powerful hardware
- BIM
- Cloud computing



- 5D BIM end-to-end solution
- Smart/Mobile/Apps
- Collaboration along the value chain

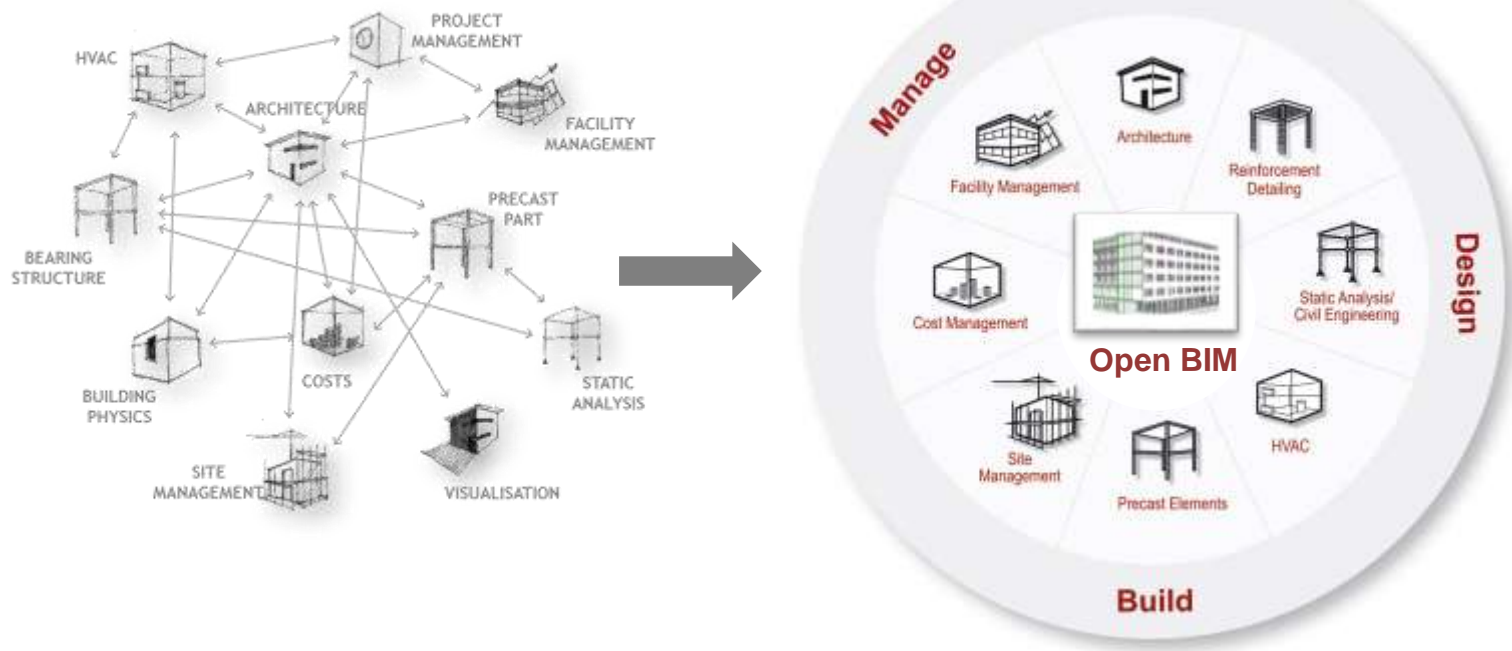


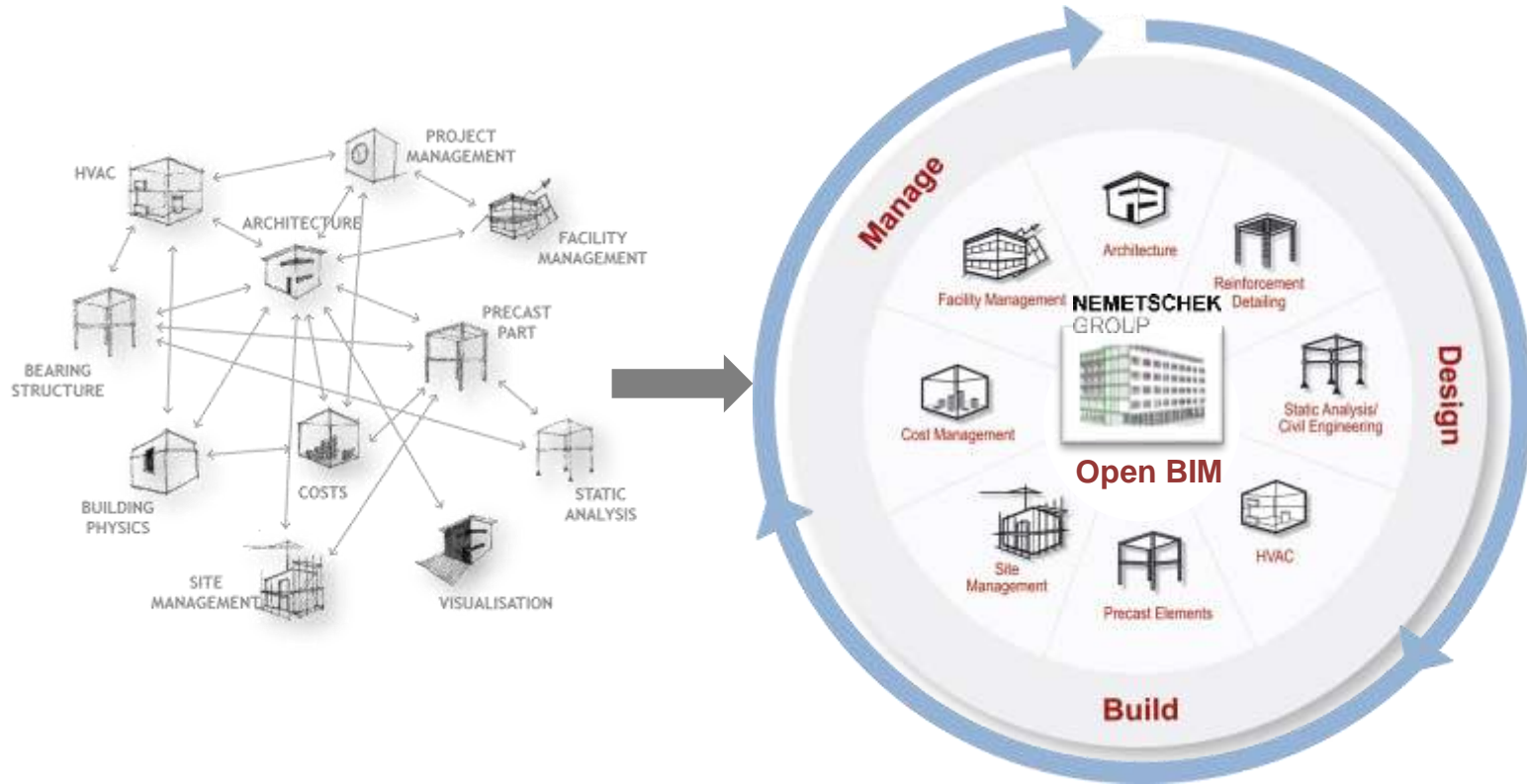
since 1985

Today

Tomorrow

# Open BIM is one of the growth drivers for the AEC industry





- ➔ Innovations along the value chain
- ➔ Focus on customer needs



**Financials 2014**

<b>Guidance exceeded</b>	<ul style="list-style-type: none"><li>▪ Revenues with 218.5 mEUR and EBITDA margin of 26.0% outperformed guidance (revenue target of 211-216 mEUR and EBITDA margin in between 23%-25%)</li></ul>
<b>Revenue growth in Q4 accelerated</b>	<ul style="list-style-type: none"><li>▪ Strong year-end business with record numbers in Q4</li><li>▪ Q4 2014 revenues: 65.0 mEUR (+25.7%), organic growth: 12.6%</li><li>▪ FY 2014 revenues: 218.5 mEUR (+17.5%), organic growth: 10.0%</li></ul>
<b>License business main growth driver</b>	<ul style="list-style-type: none"><li>▪ Both, software licenses (+20.7%) and software services (+13.3%) showed double-digit growth rates in FY 2014</li><li>▪ New customers and recurring revenues secured</li></ul>
<b>Focus on internationalization</b>	<ul style="list-style-type: none"><li>▪ International markets increased by 19.5% to 131.5 mEUR</li><li>▪ Higher footprint in the US via organic growth and Bluebeam acquisition, focus on Asia and Latin America</li><li>▪ Positive revenue development in Germany with 14.6% to 87.0 mEUR</li></ul>
<b>Brands specifics</b>	<ul style="list-style-type: none"><li>▪ Maxon is Group renderer: Integration of Cine Renderer in 3D CAD brands</li><li>▪ Positive response on new releases</li><li>▪ 5D and Open BIM competence further strengthened</li></ul>

## High profitability

- EBITDA grew stronger than revenues despite acquisition costs
- Q4 2014 EBITDA: 18.0 mEUR (+24.2%), EBITDA margin at 27.6%
- FY 2014 EBITDA: 57.0 mEUR (+22.8%), EBITDA margin at 26.0%

## Strong increase in EPS

- Net income (group shares) showed significant growth of 31.1% to 31.5 mEUR
- EPS at 3.27 EUR
- Net income w/o PPA at 35.3 mEUR (+19.1%), EPS accordingly at 3.67 EUR

## Cash generation and solid balance sheet

- Operating cash flow at 44.2 mEUR (+9.8%)
- Cash and cash equivalents at 57.0 mEUR
- Equity ratio of 46.8% - leeway for further investments / acquisitions

## M&A / Bluebeam

- Integration well on track
- Consolidation since October 31, 2014
- 2014: Revenue contribution of 4.9 mEUR with an EBITDA margin of around 20%

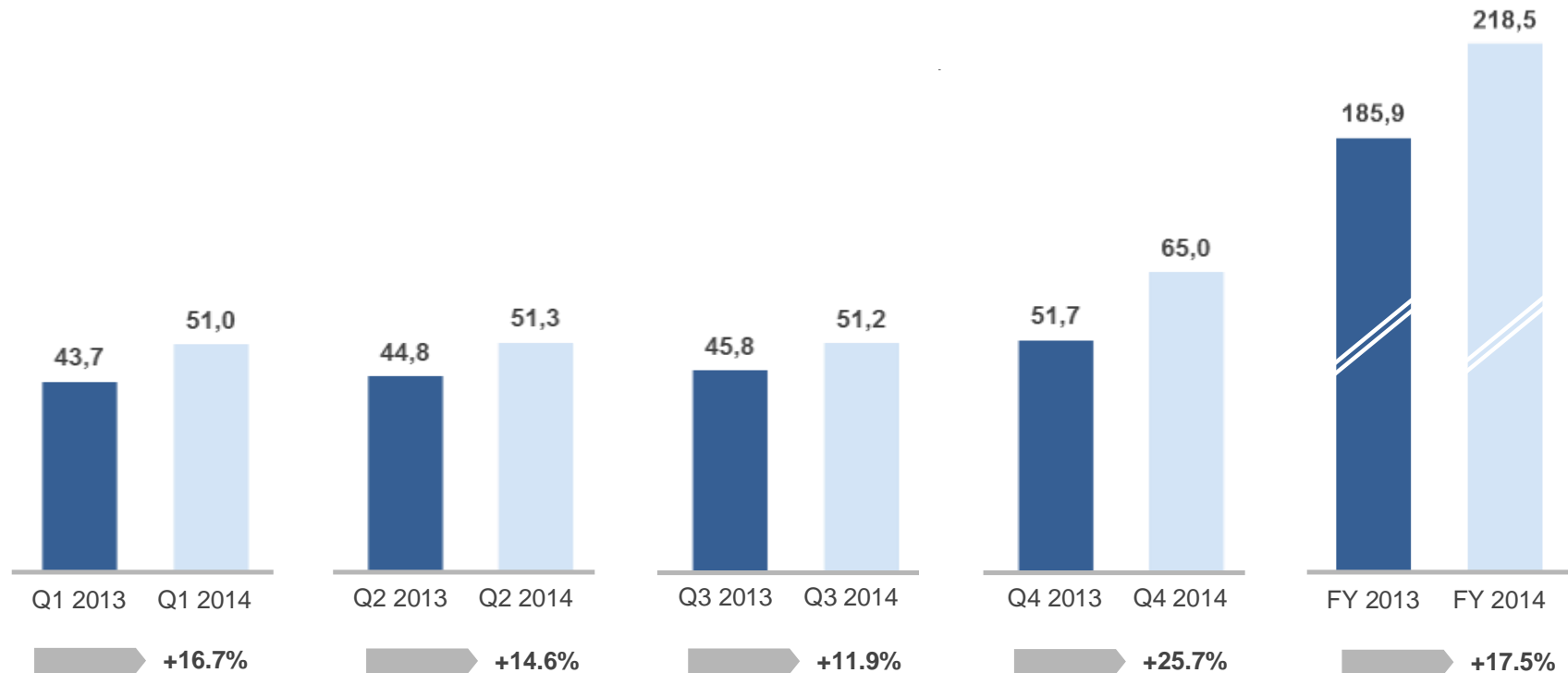
## Dividend proposal

- Shareholders will participate in the positive development
- Dividend will increase by 23% to 1.60 EUR per share
- Payout of 15.4 mEUR in total; payout ratio of 35% of operating cash flow



## Q4: Strongest quarter in the company's history

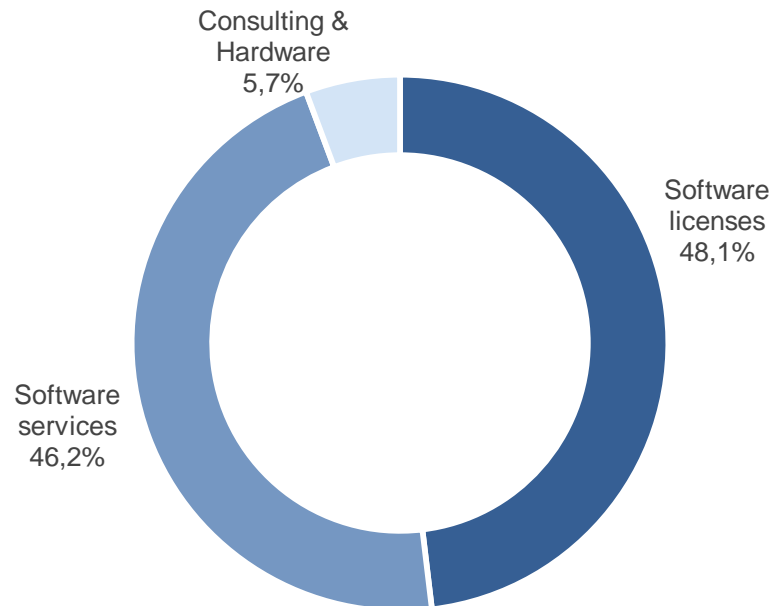
in mEUR



- ▶ Organic growth: In FY of 10.0% and in Q4 of 12.6%
- ▶ Currency-adjusted growth: In FY of 17.6% and in Q4 of 23.3%

# Well-balanced growth of software license and software services

% of revenues



## Software licenses:

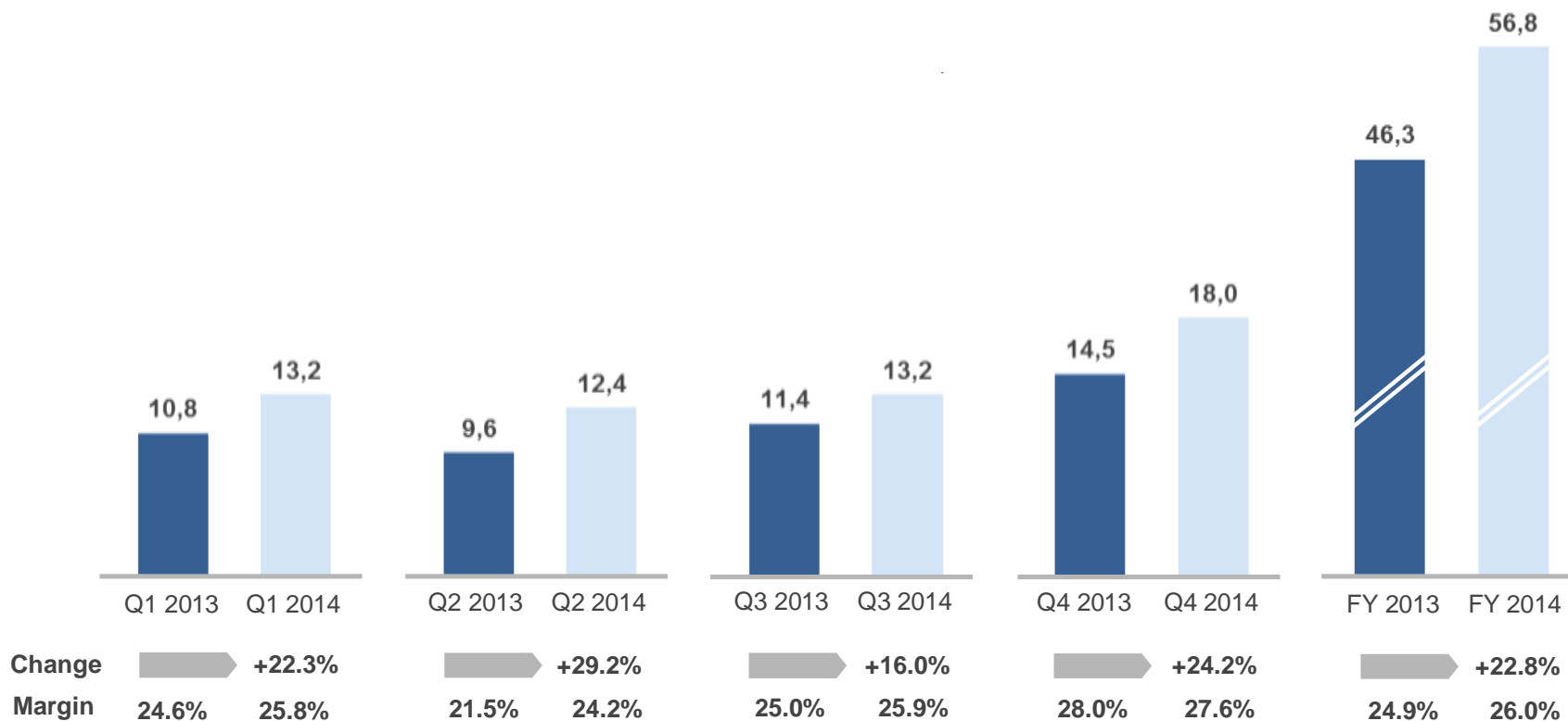
- ▶ Up by 20.7% to 105.0 mEUR:  
New customers wins and increasing customer base

## Software services:

- ▶ Up by 13.3% to 101.0 mEUR:  
Recurring revenues secured

# EBITDA margin exceeded target range of 23% - 25%

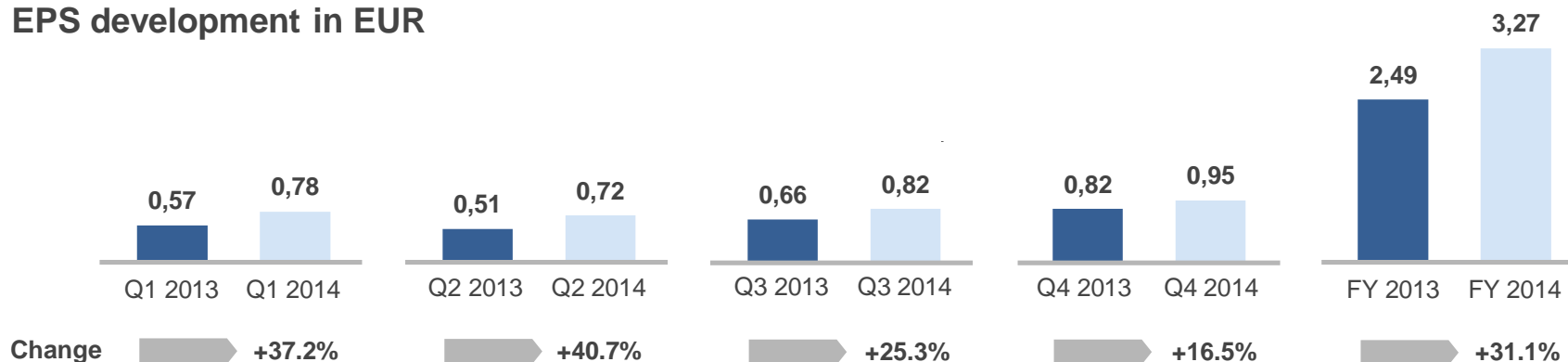
in mEUR



- ▶ EBITDA increased over proportional compared to revenues despite Bluebeam acquisition costs
- ▶ Investments in internationalization, new customer segments (media), in BIM 5D competence and strategic cooperation will follow in 2015

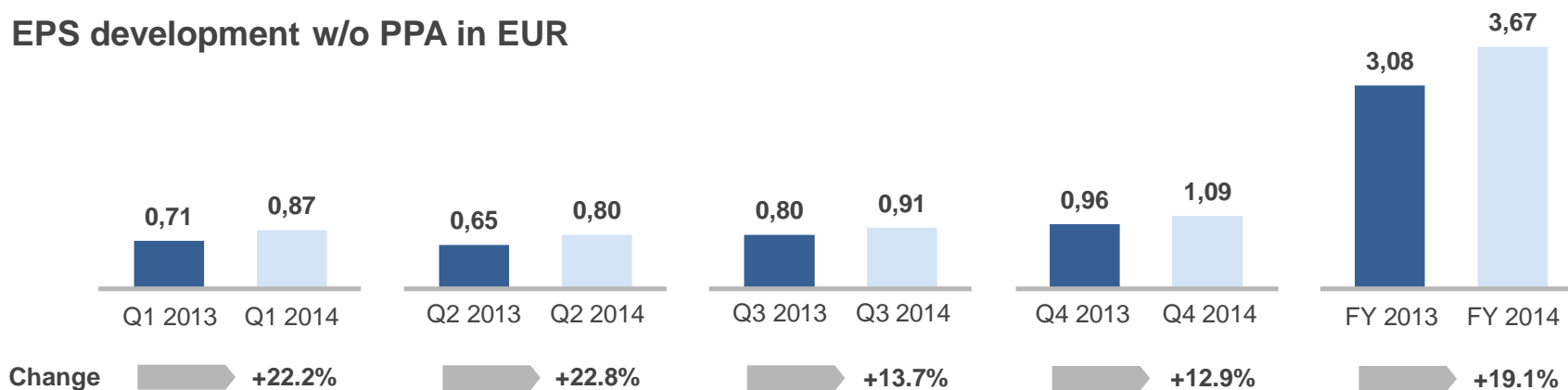
# Earnings per share increased strongly

## EPS development in EUR



► Net result (group shares) up by 31.1% to 31.5 mEUR, EPS at 3.27 EUR

## EPS development w/o PPA in EUR



► Net result (group shares) w/o PPA at 35.3 mEUR (+19.1%); EPS w/o PPA at 3.67 EUR

## Design

- Design segment is growth driver, esp. Graphisoft and Vectorworks
- Growth in all main focus regions
- Organic growth of 11%

## Build

- Delay in product development during the year
- Strong Q4 organically (+11%) and through Bluebeam
- FY 2014 flat organic development
- Lower margins: no activation of own work capitalized in 2014 (2013: 1.6mEUR capitalized)

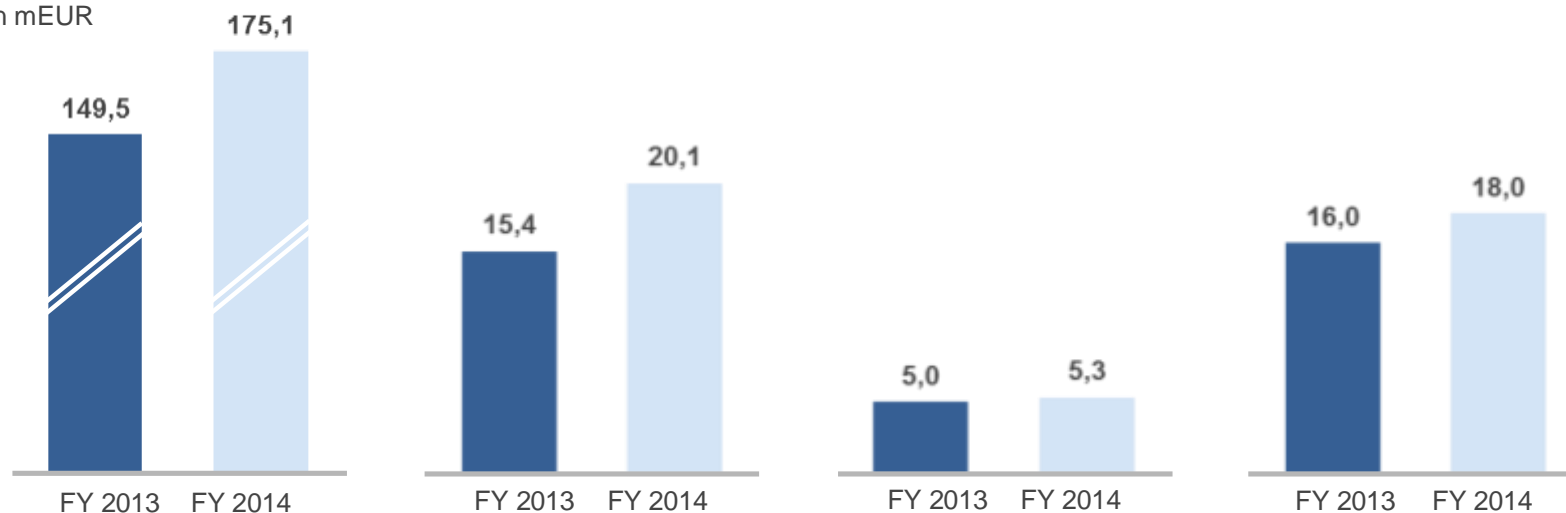
## Manage

- Accelerated growth in Q4: +12.3% revenue growth
- FY 2014 showed solid development with stable margin situation

## Media & Entertainment

- Very strong year end business with revenue growth in Q4 of 32.9%
- Very high margin – planned investments in new customer segments (gaming) planned will have impact on margins

Revenues in mEUR



Change	FY 2013	FY 2014
EBITDA Margin	22.1%	25.0%

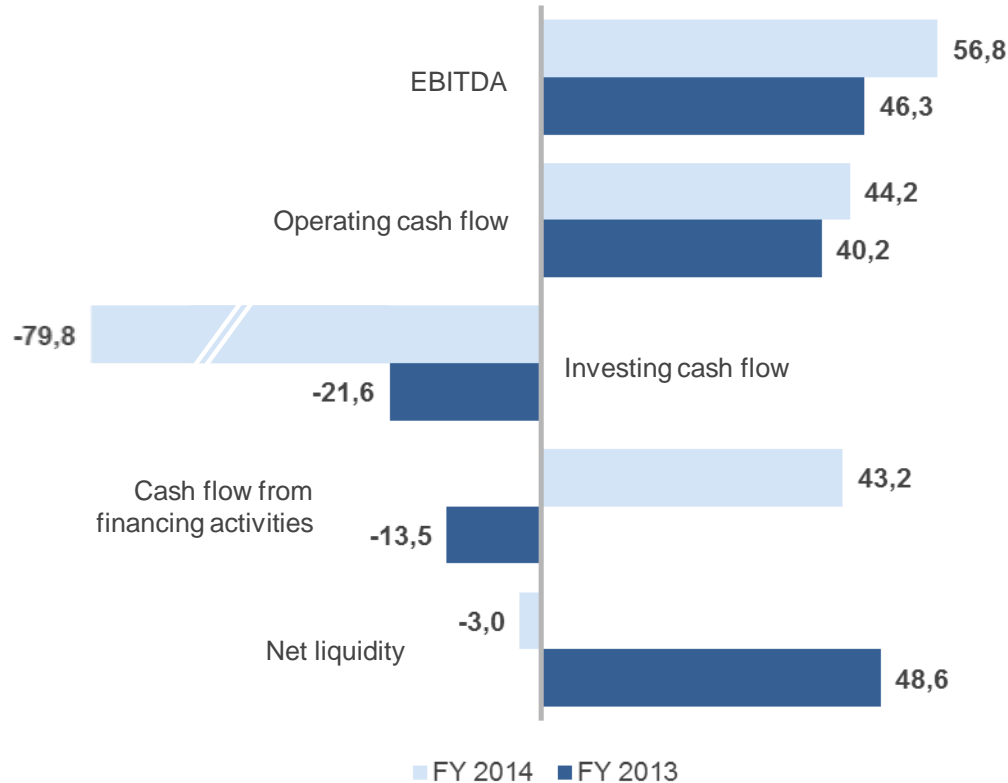
Change	FY 2013	FY 2014
EBITDA Margin	36.0%	20.5%

Change	FY 2013	FY 2014
EBITDA Margin	22.5%	20.6%

Change	FY 2013	FY 2014
EBITDA Margin	40.7%	43.2%

# Cash flow situation

in mEUR



▶ **Operating cash flow**

- Increased by 9.8% yoy to 44.2 mEUR
- Cash conversion of 78%

▶ **Investing cash flow**

- Capex of 3.5 mEUR as expected and below last year
- Cash paid for acquisition of 76.0 mEUR

▶ **Cash flow from financing activities**

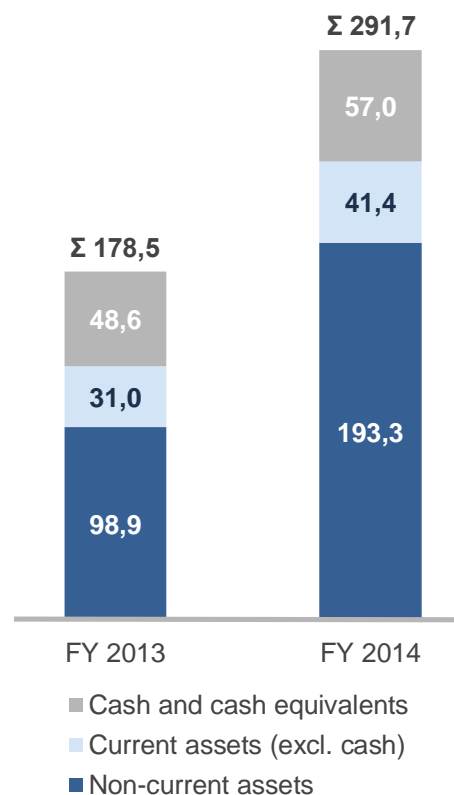
- Dividend payment of 12.5 mEUR after AGM in May 2014
- Bank loans of 60.0 mEUR with an interest rate of 1.03%

▶ **Net liquidity**

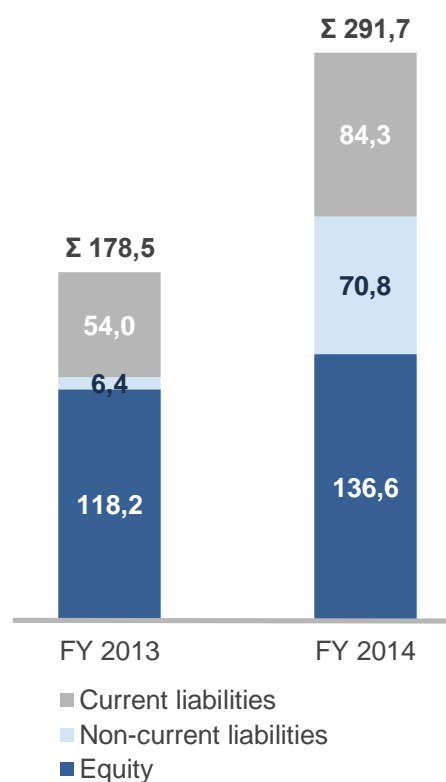
- -3.0 mEUR because of Bluebeam acquisition

in mEUR

## Assets



## Equity and Liabilities

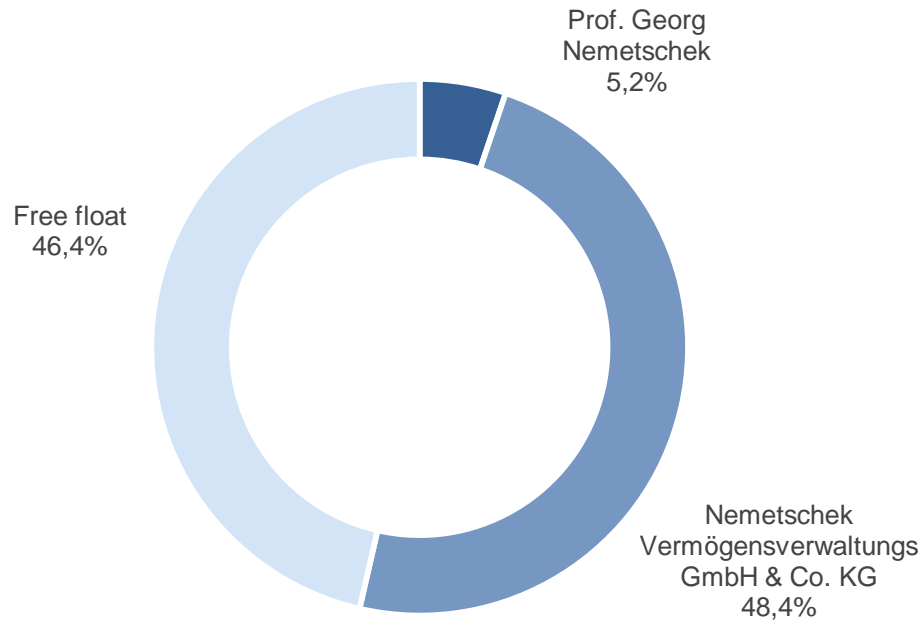


- ▶ **Bluebeam acquisition**  
Balance sheet mainly influenced through Bluebeam acquisition
- ▶ **Assets**  
Intangible assets increased to 68.8 mEUR  
Goodwill up to 111.3 mEUR
- ▶ **Liabilities**  
60 mEUR bank loan to finance Bluebeam (remaining amount was paid in cash)
- ▶ **Equity ratio**  
At 46.8% still on a solid level
- ▶ **Further leeway**  
To finance growth organically and via acquisitions

# Nemetschek Share





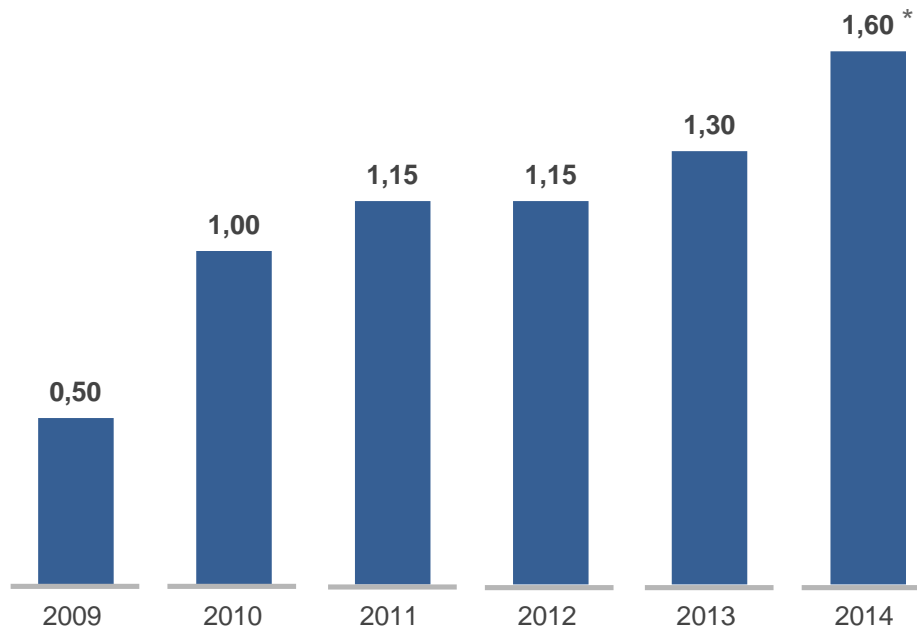


- Founded: in 1963
- IPO: March 10, 1999
- Number of shares: 9,625,000
- Frankfurt Stock Exchange, Prime Standard
- Bloomberg: NEM GY, Reuters: NEKG.DE
- Shares Nemetschek family: 53.57%
- Freefloat: 46.43 percent
- Current MarketCap: ~ 1.1 billion EUR
- Current TecDAX Ranking: 22/27

➔ Shares of Nemetschek family pooled: secures stable shareholder structure for well-being of Nemetschek Group in the future

## Dividend payment of 1.60 EUR per share

Dividend per share in EUR



- ▶ Dividend will increase by 23% to 1.60 EUR per share
- ▶ In total 15.4 mEUR will be paid out to the shareholders in May 2015 after the AGM
- ▶ Since 2009, we paid more than 64 mEUR in total in the last 6 years

\* Proposal to the AGM on May 20, 2015

# Share price increased stronger than TecDAX and DAX



Time	Nemetschek	TecDAX	DAX
Year 2012	+29%	+18%	+25%
Year 2013	+52%	+38%	+23%
Year 2014	+66%	+18%	+3%
YTD 2015	+42%	+17%	23%

# Outlook 2015



- ▶ **Market conditions**
  - Robust development of construction markets
  - Additional growth coming from trends such as Open BIM, 5D, collaboration, mobile solutions, cloud
  
- ▶ **Strategic market positioning**
  - Clear focus on AEC market
  - Leading in Open BIM solutions
  - Strong and independent global brands
  
- ▶ **Growth potential/ Investments**
  - Focus on internationalization (North/Latin America, Asia)
  - Investments in new customer segments (segment media)
  - Investments in BIM 5D competence
  - Strategically sound cooperations
  - Healthy balance sheet
  - Capable of investing in organic and in inorganic growth

	<b>FY 2014</b>	<b>Forecast 2015*</b>	<b>Organic*</b>
Revenues	218.5	262-269 (+20%-23%)	+6%-9%
EBITDA	56.8	62-65	-

\* USD/EUR plan rate: 1.25

# Appendix



# P+L statement Q4 / FY comparison

mEUR	Q4 2014	Q4 2013	% YoY	FY 2014	FY 2013	% YoY
<b>Revenues</b>	<b>65.0</b>	<b>51.7</b>	<b>+25.7%</b>	<b>218.5</b>	<b>185.9</b>	<b>+17.5%</b>
Own work capitalized/ other operating income	2.3	1.2	+91.4%	5.0	3.9	+28.1%
<b>Operating income</b>	<b>67.3</b>	<b>52.9</b>	<b>+27.2%</b>	<b>223.5</b>	<b>189.8</b>	<b>+17.7%</b>
Cost of materials/ purchased services	-2.7	-2.4	+13.0%	-8.6	-8.7	-0.7%
Personnel expenses	-28.4	-20.9	+35.6%	-94.5	-78.7	+20.2%
Other operating expenses	-18.3	-15.1	+20.6%	-63.5	-56.2	+12.9%
<b>Operating costs</b>	<b>-49.3</b>	<b>-38.5</b>	<b>+28.3%</b>	<b>-166.7</b>	<b>-143.6</b>	<b>+16.1%</b>
<b>EBITDA</b>	<b>18.0</b>	<b>14.5</b>	<b>+24.2%</b>	<b>56.8</b>	<b>46.3</b>	<b>+22.8%</b>
<b>Margin</b>	<b>27.6%</b>	<b>28.0%</b>		<b>26.0%</b>	<b>24.9%</b>	
Depreciation of PPA and amortization	-3.7	-2.2	+69.6%	-10.3	-10.6	-2.9%
t/o PPA	-1.8	-1.6	+13.2%	-4.8	-6.3	-24.7%
<b>EBITA (normalized EBIT)</b>	<b>16.1</b>	<b>13.9</b>	<b>+15.9%</b>	<b>51.3</b>	<b>42.0</b>	<b>+22.1%</b>
<b>EBIT</b>	<b>14.3</b>	<b>12.3</b>	<b>+16.2%</b>	<b>46.5</b>	<b>35.7</b>	<b>+30.4%</b>
Financial result	0.0	0.5		0.1	0.5	
<b>EBT</b>	<b>14.3</b>	<b>12.8</b>	<b>+11.9%</b>	<b>46.6</b>	<b>36.2</b>	<b>+28.7%</b>
Income taxes	-4.4	-4.5	-2.1%	-13.1	-10.9	+20.0%
Minorities	0.8	0.4	+74.1%	2.0	1.3	+56.4%
<b>Net income (group shares)</b>	<b>9.1</b>	<b>7.9</b>	<b>+16.5%</b>	<b>31.5</b>	<b>24.0</b>	<b>+31.1%</b>
<b>EPS in EUR</b>	<b>0.95</b>	<b>0.82</b>	<b>+16.5%</b>	<b>3.27</b>	<b>2.49</b>	<b>+31.1%</b>

## Balance sheet - Assets

mEUR	December 31, 2014	December 31, 2013
<b>Assets</b>		
Cash and cash equivalents	57.0	48.6
Trade receivables, net	28.9	21.9
Inventories	0.7	0.7
Other current assets	11.8	8.4
<b>Total current assets</b>	<b>98.4</b>	<b>79.6</b>
Property, plant and equipment	10.8	5.3
Intangible assets	68.8	30.9
Goodwill	111.3	60.1
Other non-current assets	2.5	2.5
<b>Total non-current assets</b>	<b>193.3</b>	<b>98.9</b>
<b>Total assets</b>	<b>291.7</b>	<b>178.5</b>



# Balance sheet – Equity and liabilities

mEUR	December 31, 2014	December 31, 2013
<b>Equity and liabilities</b>		
Short-term loan	12.0	0
Trade payables & accrued liabilities	26.9	20.1
Deferred revenue	32.4	23.5
Other current assets	13.0	10.4
<b>Total current liabilities</b>	<b>84.3</b>	<b>54.0</b>
Short-term loan	48.0	0
Deferred tax liabilities	15.4	4.1
Other non-current liabilities	7.4	2.3
<b>Total non-current liabilities</b>	<b>70.8</b>	<b>6.4</b>
Subscribed capital and capital reserve	51.0	51.0
Other comprehensive income	-12.6	-12.8
Retained earnings	96.6	78.3
Minority interests	1.6	1.6
<b>Total equity</b>	<b>136.6</b>	<b>118.2</b>
<b>Total equity and liabilities</b>	<b>291.7</b>	<b>178.5</b>

# Cash flow statement

mEUR	December 31, 2014	December 31, 2013	% YoY
Cash at beginning of period	48.6	44.3	+9.6%
<b>Operating cash flow</b>	<b>44.2</b>	<b>40.2</b>	+9.8%
<b>Investing cash flow</b>	<b>-79.8</b>	<b>-21.6</b>	
t/o CapEX	-3.5	-5.4	-34.0%
t/o Cash paid for acquisition	-76.0	-16.2	
<b>Financing cash flow</b>	<b>43.2</b>	<b>-13.5</b>	
t/o Dividend payments	-12.5	-11.1	+13.0%
t/o Cash received from bank loans	60.0	0	
FX-effects	0.9	-0.9	
<b>Cash at end of period</b>	<b>57.0</b>	<b>48.6</b>	<b>+17.3%</b>
<b>Free cash flow<sup>(1)</sup></b>	<b>-35.6</b>	<b>18.7</b>	



## Contact

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