

Nemetschek Group

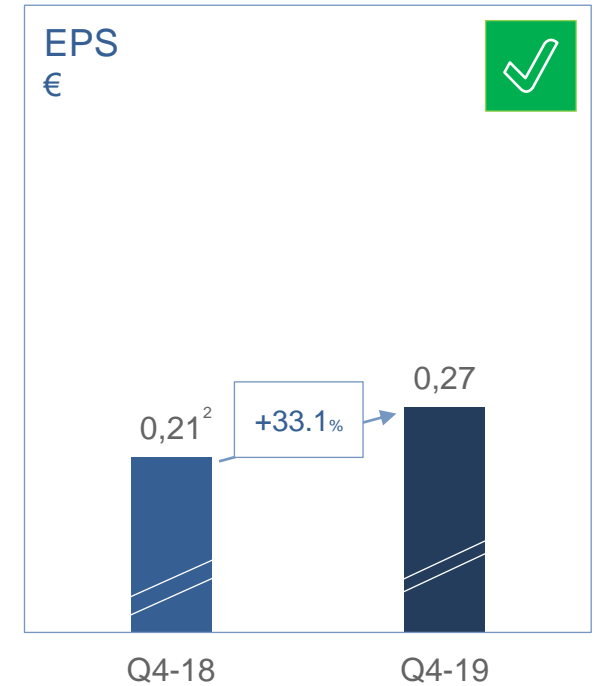
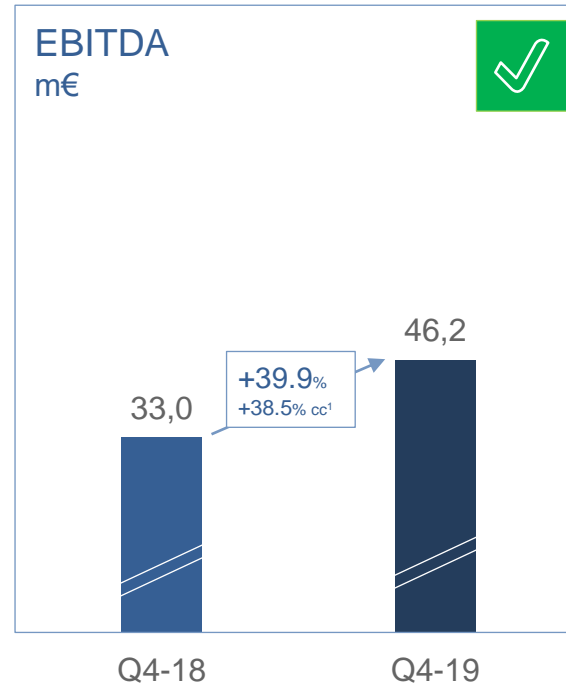
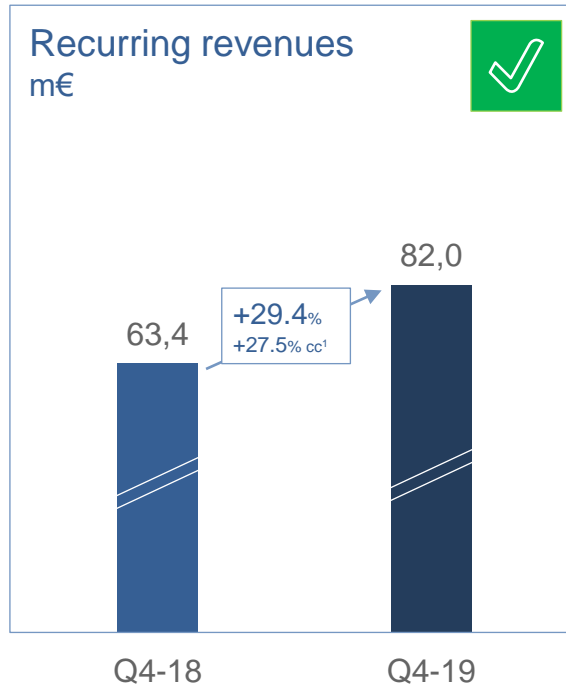
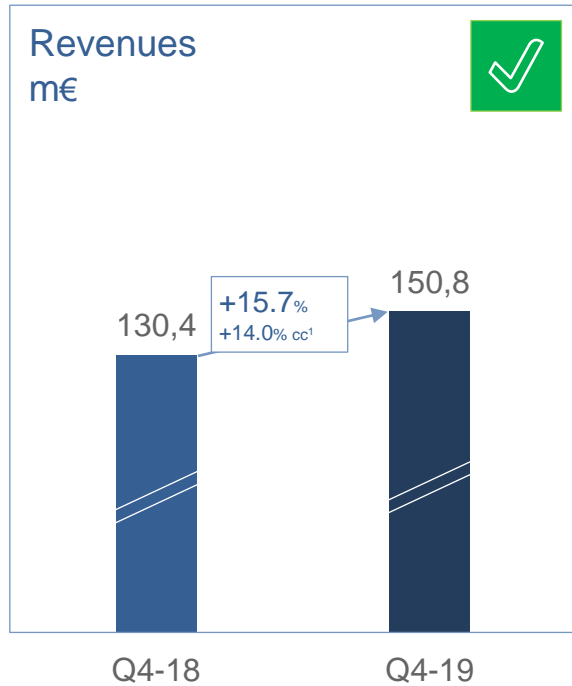
Earnings Call FY-19

31 March 2020 | Dr. Axel Kaufmann, Spokesman & CFOO

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Financial Results Q4 & FY-19

Top Key Figures Q4-19: Expected Year-End Finish Confirms Preliminary Numbers



Organic growth: +10.6% cc¹

Continued high organic growth: +24.4% cc¹

Subscription again important growth driver: +85.8% cc¹

Very strong EBITDA margin supported by IFRS 16: 30.6%

Adjusted IFRS 16 margin: 28.0%

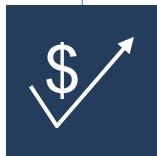
Previous year: 25.3%

Tax rate: 13.1%

Key Business Highlights 2019: Another Successful Year



Strong Financial Performance



Revenues:
+20.7% to € 557m



EBITDA margin:
29.7%
IFRS 16 adjusted:
27.0%



Recurring revenues:
+32.6%
Subscription/SaaS revenues:
+114.8%



EPS (w/o DocuWare):
+27.7% to 0.85 EUR



Revenues abroad:
+24.2%



High cash conversion:
96.8%

M&A Transactions, Divestitures



Manage & Operate Division:
01/2019: Axxerion acquired by MCS,
renamed afterwards in "Spacewell"

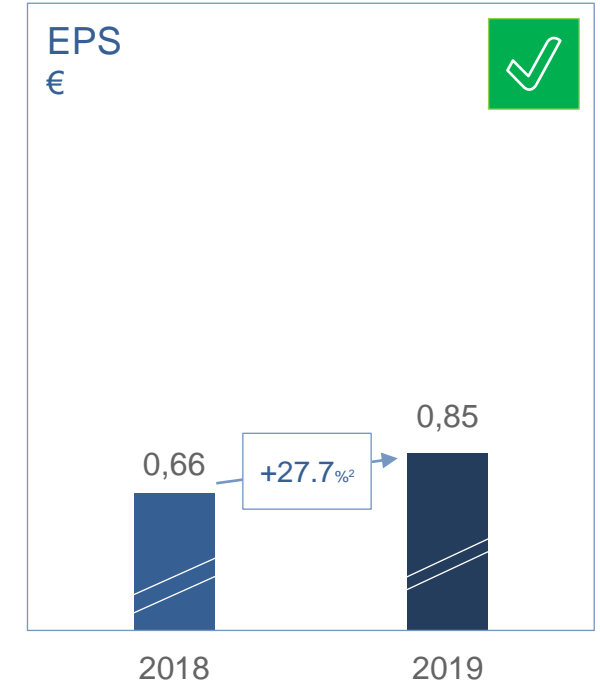
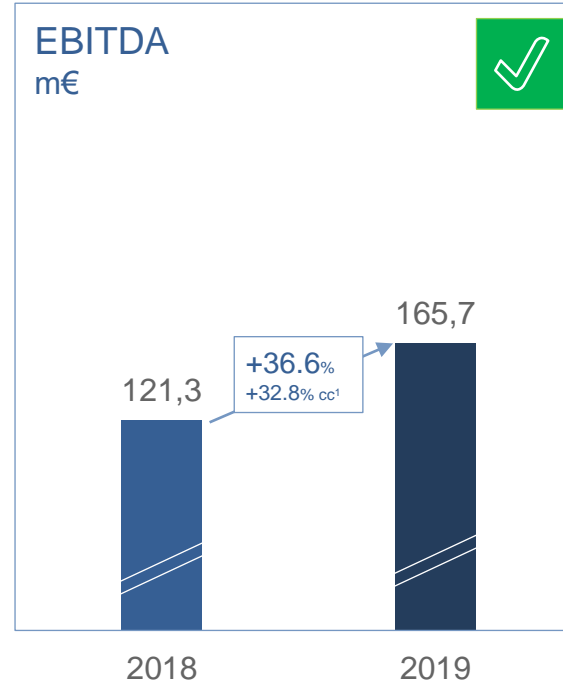
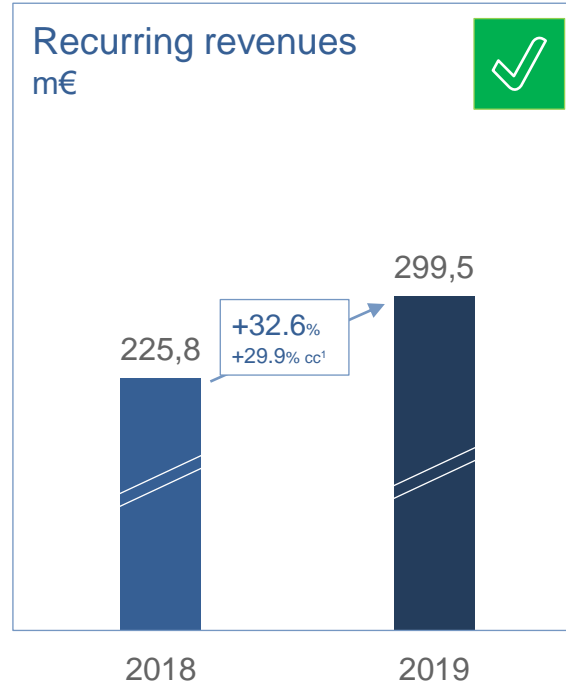
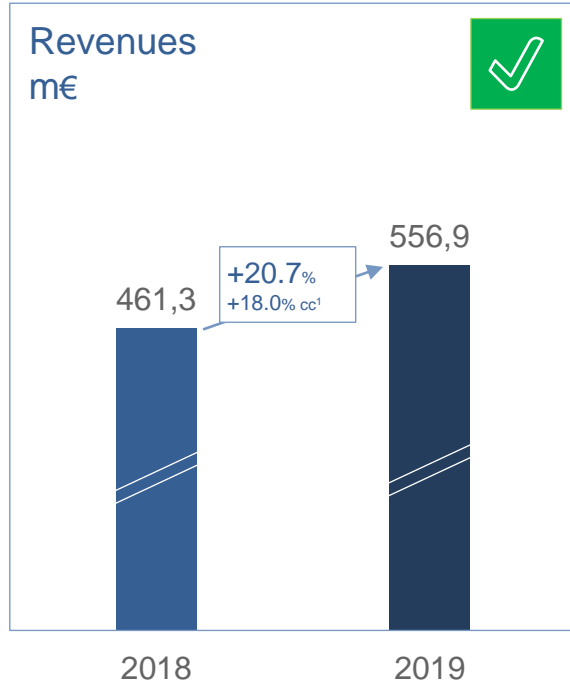


Media & Entertainment Division:
04/2019: Redshift by Maxon
01/2020: RedGiant by Maxon



Sale of minority interest:
08/2019: Value-generating sale of DocuWare with a
positive one-time effect on EPS

Top Key Figures FY-19: Another Record Year



Organic growth: +13.1% cc¹

Strong organic growth: +23.9% cc¹

Growth driver subscription:
+110.6% cc¹

High EBITDA margin: 29.7%
(previous year: 26.3%)

Adjusted IFRS 16 margin: 27.0%

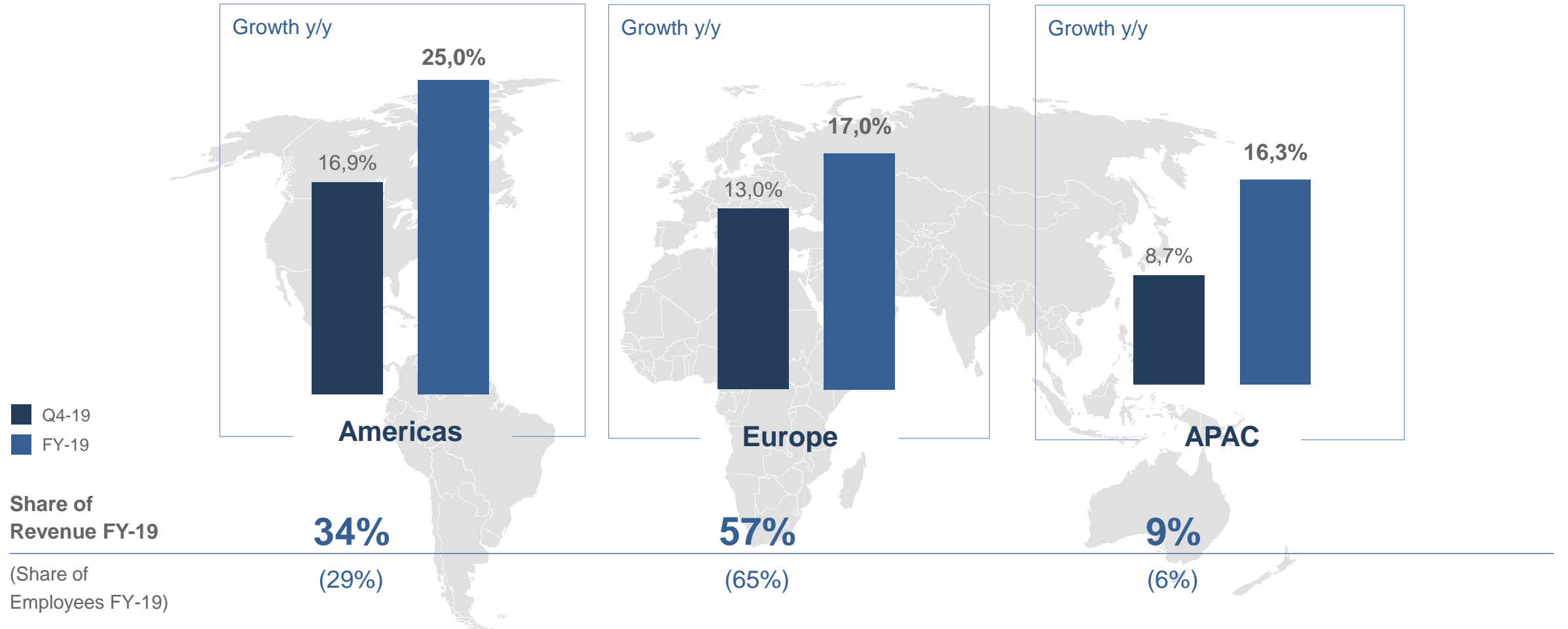
EPS reported (incl. DocuWare
effect): 1.10€ (+66.3%)

Tax rate: 17.2%

Adjusted tax rate w/o DocuWare
effect: 21.3% below previous year
level (23.3%)

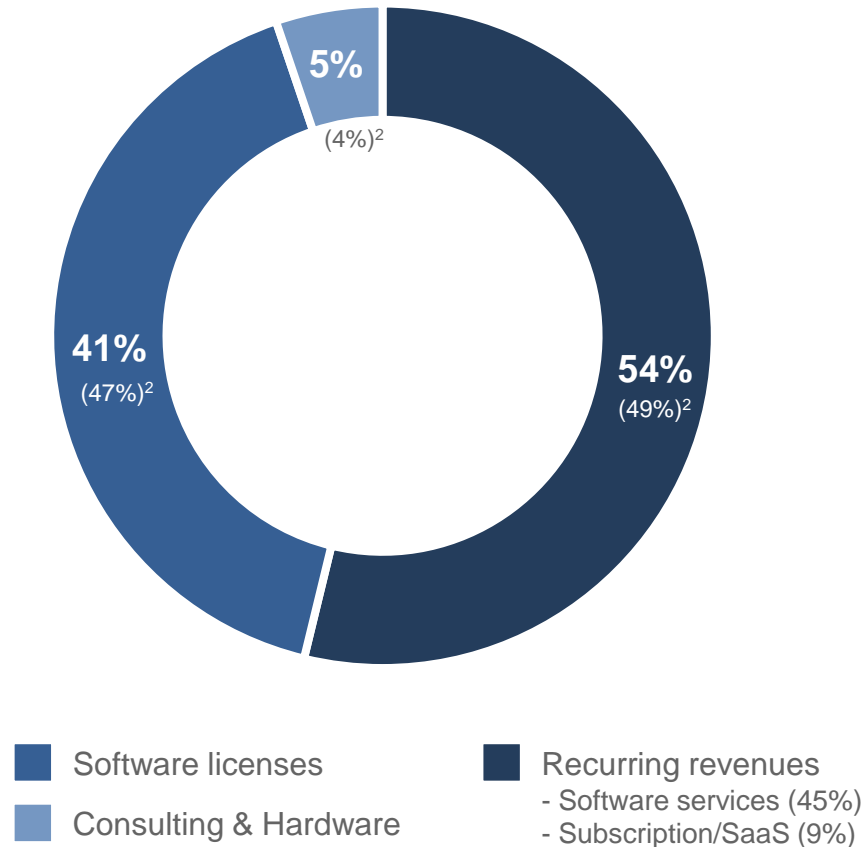
Globally Positioned: Strong Growth in all Regions

2019: Over-proportional growth in the United States



Strong Growth in Recurring Revenues: Subscription Is Key Driver

Revenue distribution 2019

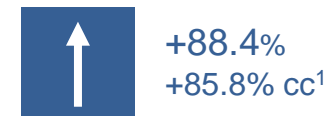


Q4 2019

Recurring revenues yoy



Subscription yoy



Software licenses yoy

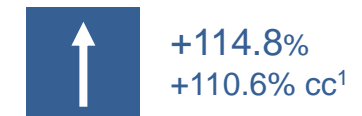


FY-2019

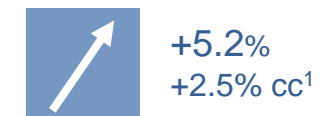
Recurring revenues yoy



Subscription yoy



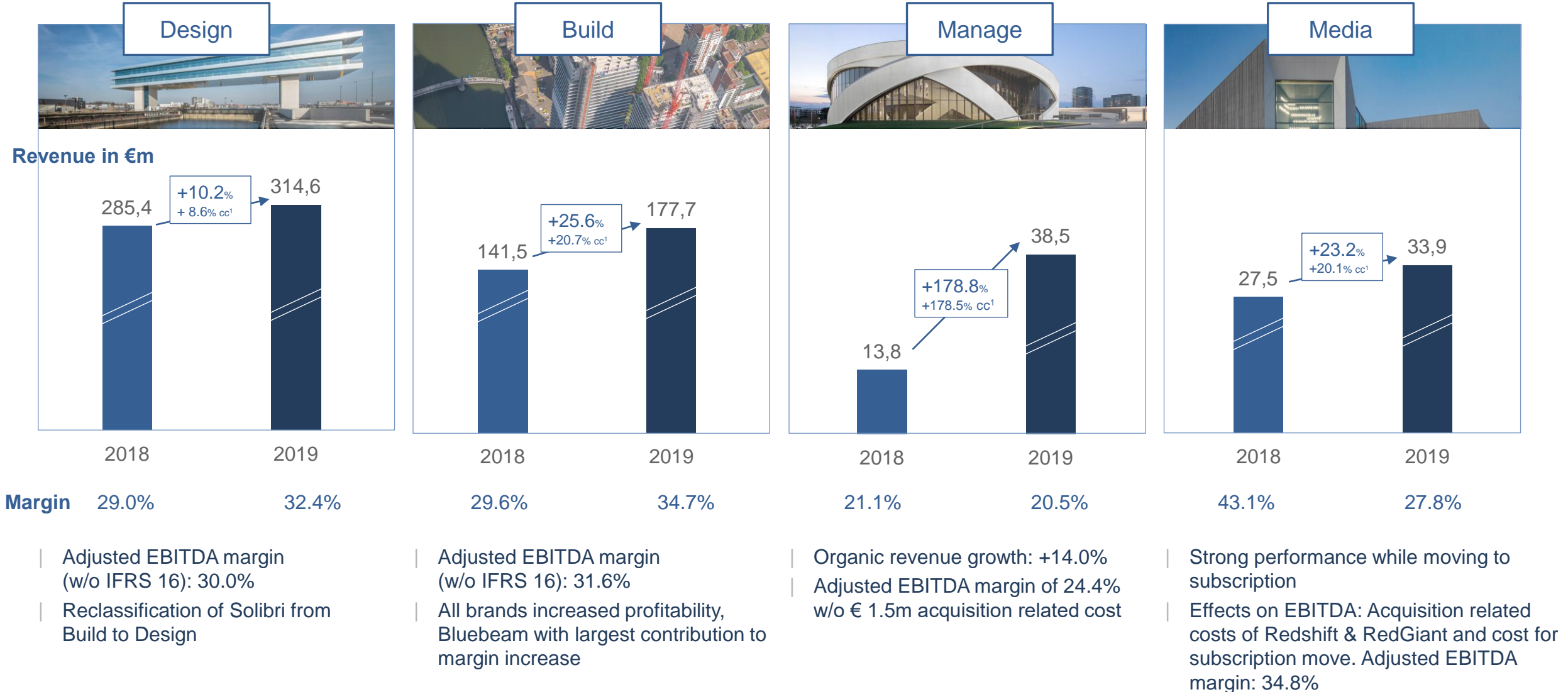
Software licenses yoy



At a Glance: Income Statement and Important KPIs

Key Figures mEUR	Q4 2019	FY 2019	FY YoY	in % of revenue
Revenues	150.8	556.9	+20.7%	100.0%
Cost of materials/cost of purchased services	-6.2	-20.2	+41.8%	3.6%
Personnel expenses	-61.4	-239.4	+19.4%	43.0%
Other operating expenses	-38.1	-137.8	+5.4%	24.7%
EBITDA	46.2	165.7	+36.6%	29.7%
EBITDA margin (w/o IFRS 16)	30.6% (28.0%)	29.7% (27.0%)	+340bps	-
D&A (incl. PPA)	-11.1	-42.1	+79.3%	7.6%
EBIT	35.2	123.6	+26.4%	22.2%
EBIT margin	23.3%	22.2%	+100bps	-
Net income (Group shares)	31.7	127.2	+66.3%	22.9%
EPS	0.27	1.10	+66.3%	-
EPS (w/o DocuWare sale)	0.27	0.85	+27.7%	-
Operating cash flow	-	160.4	+60.8%	-
Free cash flow (ex M&A)	-	174.5	+97.3%	-
Equity ratio in %	-	40.7%	-	-
Net debt/ liquidity	-	21.0	-	-

Segment Overview: Build Segment Remains in Strong Growth Mode



An aerial photograph of a city construction site. A large, modern building with a glass facade is under construction, with several red tower cranes positioned around it. The building is situated next to a river, and the surrounding area includes other residential or commercial buildings, streets, and greenery. The scene is captured from a high angle, looking down on the construction site.

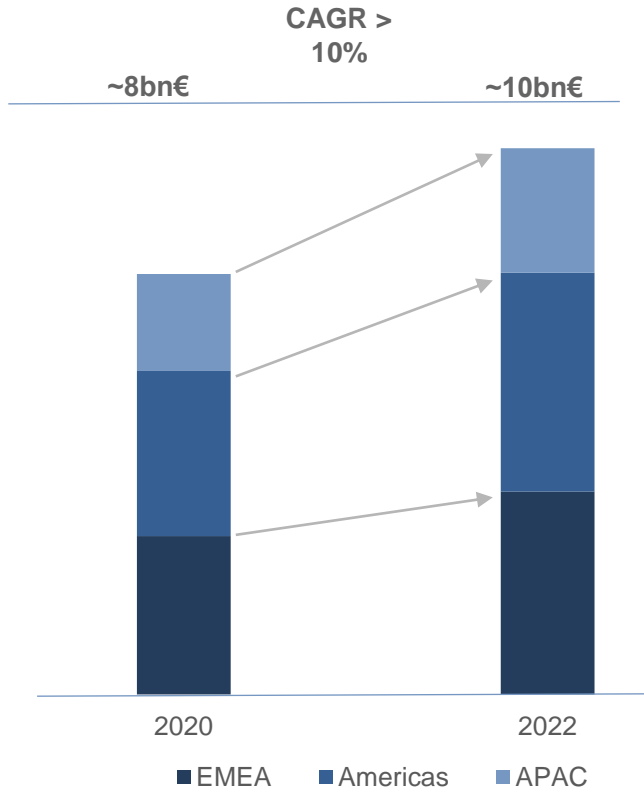
02

Financial Outlook

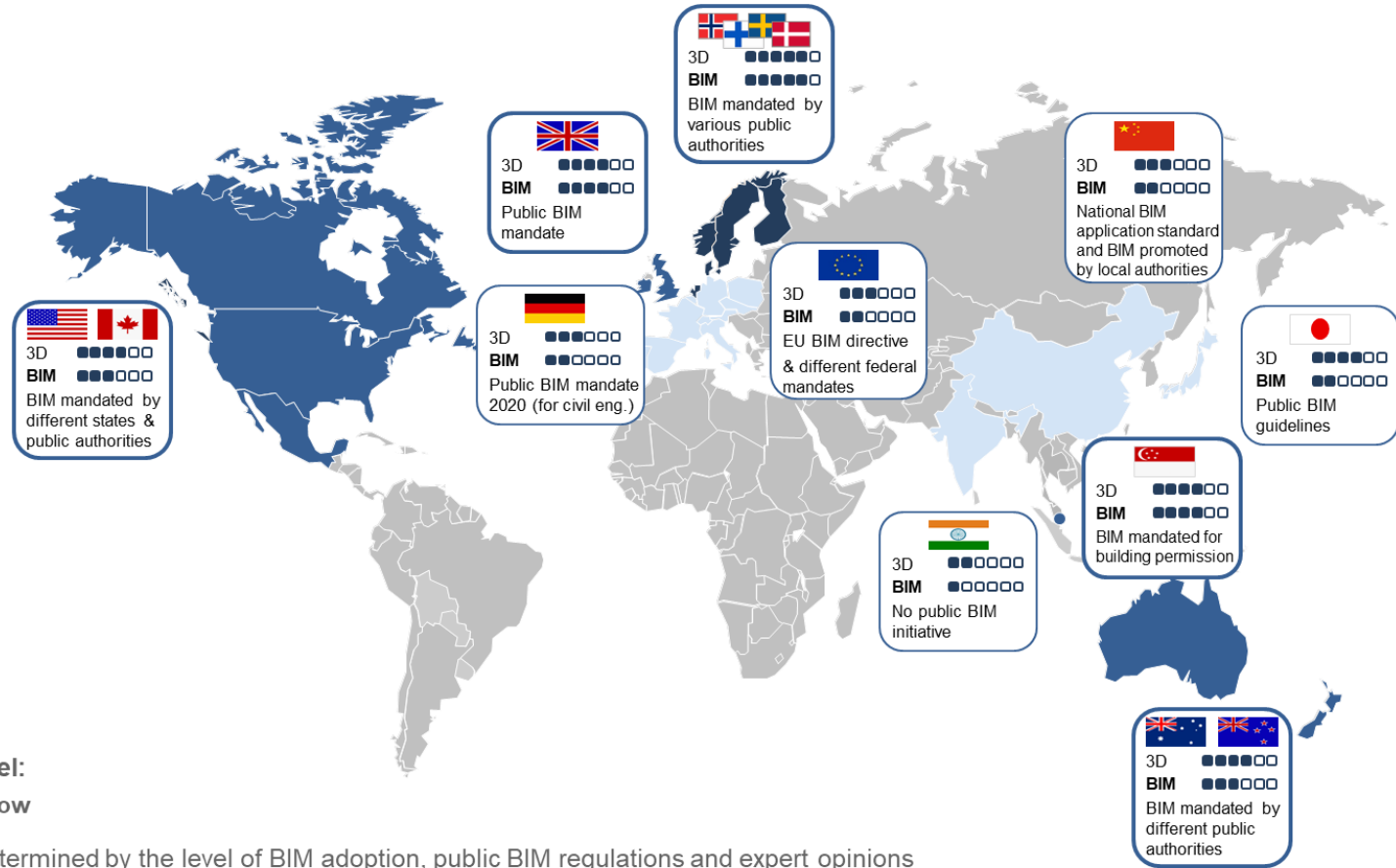
Long-term Trend remains intact: AEC BIM Software Market offers huge potential

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 BM
- | Close proximity to customers within our 4 divisions

Attractive business model

- | Highly profitable
- | Strong Cash conversion (> 80%)
- | High share of recurring revenues (approx.50%)
- | High returns (ROCE>20%)

Strong financial position

- | Very healthy balance sheet
- | Net cash position
- | Equity ratio: 41%
- | No major refinancing needs
- | 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

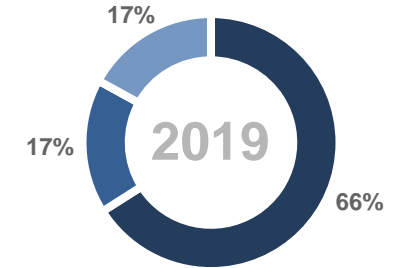
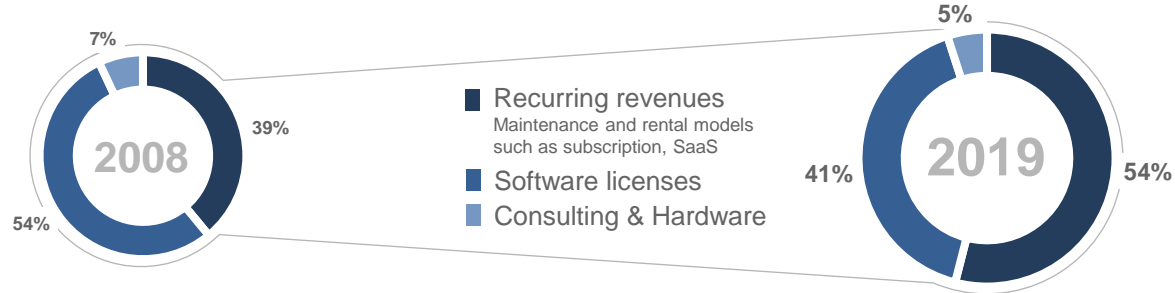
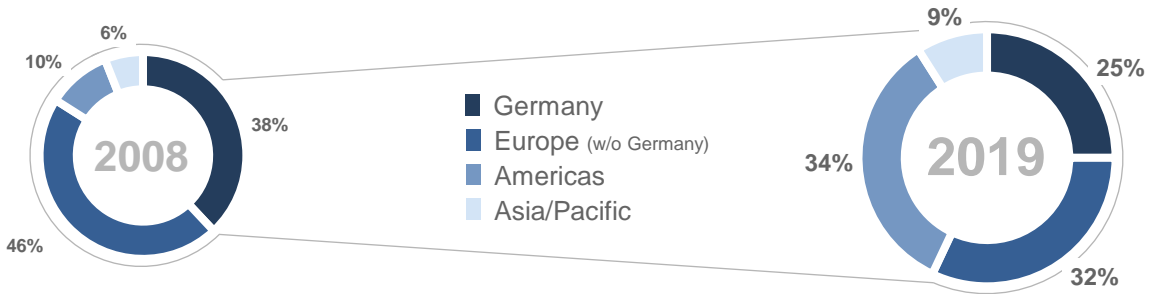
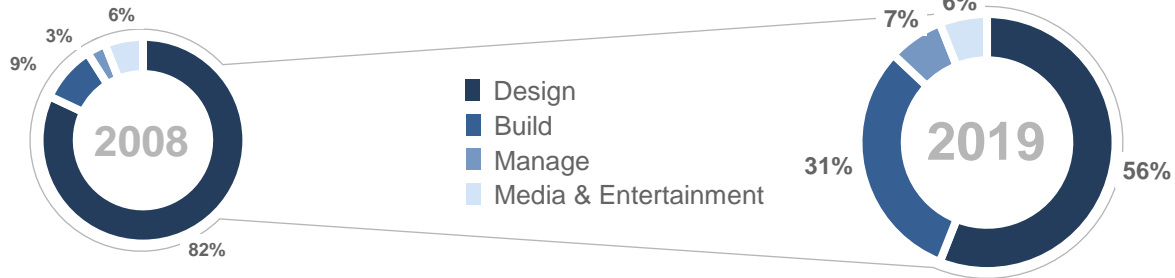
Operating mode via four strong divisions with leading global brands

Our Business Model in Light of a Potential Crisis Scenario

Situation 2008/09

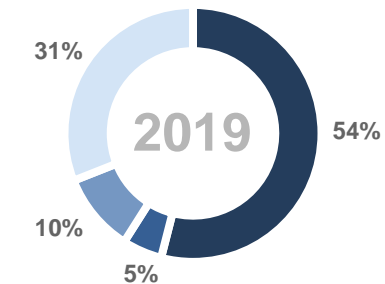


2020: We further diversified our business and are better prepared for a macro downturn



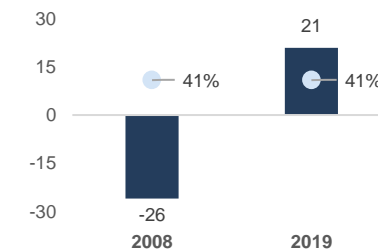
Fixed vs. variable costs

- Fixed
- Variable (discretionary)
- Revenue-related (variable)



Main operating expenses

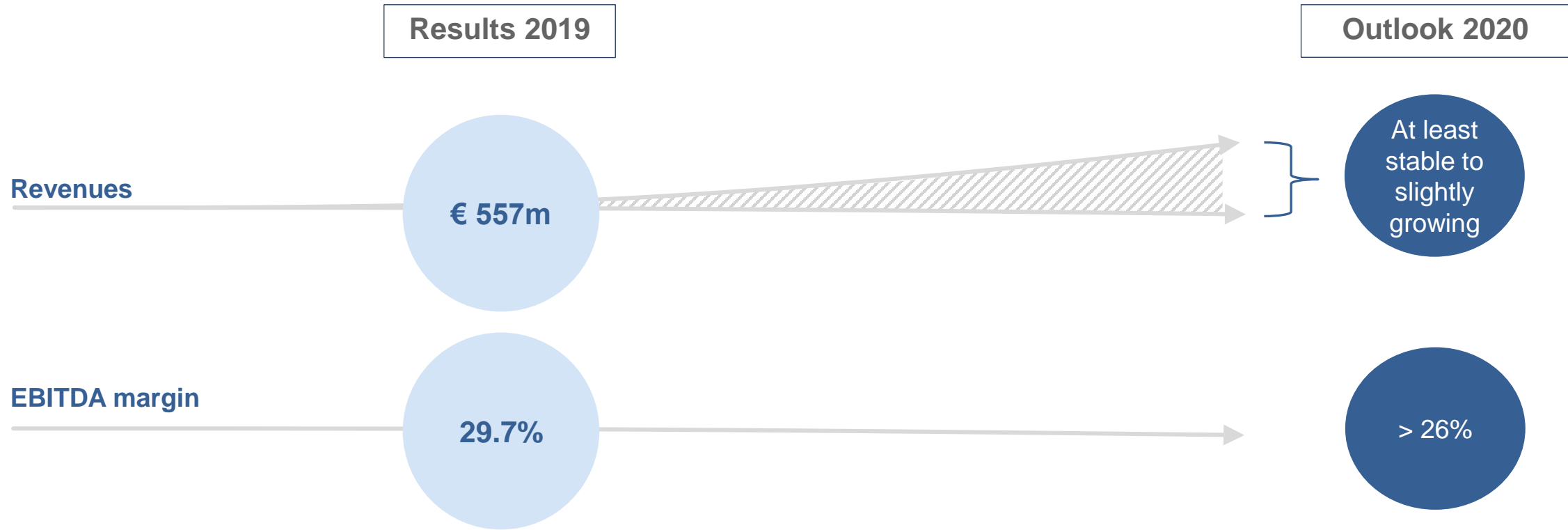
- Personnel
- COGS
- D&A
- Other



Financial position

- Net cash (- debt) in €m
- Equity ratio (%)

Outlook 2020: Conservative Guidance Due to Covid-19



Outlook 2020:

- | Revenues: At least stable to slightly growing
- | EBITDA margin: > 26%
- | Please note: Guidance reflects the currently extremely high degree of uncertainty regarding the macroeconomic outlook

03

Q&A



Appendix

Income Statement

€m	Q4 2019	Q4 2018	% YoY	12M 2019	12M 2018	%YoY
Revenues	150.8	130.4	+15.7%	556.9	461.3	+20.7%
Own work capitalized/other operating income	1.1	1.1	-2.5%	6.2	5.5	+13.5%
Operating income	152.0	131.5	+15.5%	563.1	466.8	+20.6%
Cost of materials/purchased services	-6.2	-4.1	+53.0%	-20.2	-14.3	+41.8%
Personnel expenses	-61.4	-55.3	+11.0%	-239.4	-200.6	+19.4%
Other operating expenses	-38.1	-39.1	-2.6%	-137.8	-130.7	+5.4%
Operating expenses	-105.7	-98.5	+7.4%	-397.4	-345.5	+15.0%
EBITDA	46.2	33.0	+39.9%	165.7	121.3	+36.6%
Margin	30.6%	25.3%		29.7%	26.3%	
Depreciation and amortization	-11.1	-6.6	+67.2%	-42.1	-23.5	+79.3%
t/o right-of-use assets	-3.9	0.0		-14.7	0.0	
t/o PPA	-4.6	-4.1	+10.4%	-17.1	-14.7	+16.0%
EBITA (normalized EBIT)	39.7	30.5	+30.0%	140.7	112.5	+25.0%
EBIT	35.2	26.4	+33.0%	123.6	97.8	+26.4%
Financial result	1.4	2.0		30.1	2.0	
t/o interest expenses right-of-use assets	-0.4	0.0		-1.5	0.0	
t/o gain on disposal of shares in associates	0.0	0.0		29.9	0.0	
EBT	36.5	28.4	+28.5%	153.7	99.8	+54.0%
Income taxes	-4.8	-4.7	+1.9%	-26.4	-23.2	+13.6%
Non-controlling interests	0.0	-0.1		0.1	0.1	
Net income (group shares)	31.7	23.8	+33.1%	127.2	76.5	+66.3%
EPS in EUR*	0.27	0.21	+33.1%	1.10	0.66	+66.3%
Net income (group shares) w/o DocuWare-effect	31.7	23.8	+33.1%	97.7	76.5	+27.7%
EPS in EUR*	0.27	0.21	+33.1%	0.85	0.66	+27.7%

* for better comparability, EPS considers stock split

Balance Sheet – Assets

€m	December 31, 2019	December 31, 2018
Assets		
Cash and cash equivalents	209.1	120.7
Trade receivables, net	62.0	55.8
Inventories	1.0	0.8
Other current assets	23.3	24.9
Current assets, total	295.5	202.2
Property, plant and equipment	27.6	17.6
Right-of-use assets	66.2	0.0
Intangible assets	127.7	102.1
Goodwill	325.0	244.3
Other non-current assets	15.2	14.3
Non-current assets, total	561.7	378.3
Total assets	857.2	580.6

Balance Sheet – Equity and Liabilities

€m	December 31, 2019	December 31, 2018
Equity and liabilities		
Short-term borrowings and current portion of long-term loans	58.6	56.3
Trade payables & accrued liabilities	56.4	53.5
Deferred revenue	118.5	95.1
Current lease liability	12.6	0.0
Other current assets	25.6	17.3
Current liabilities, total	271.6	222.3
Long-term borrowings without current portion	129.5	74.3
Deferred tax liabilities	23.3	17.2
Non-current lease liability	57.7	0.0
Other non-current liabilities	26.4	17.2
Non-current liabilities, total	236.9	108.7
Subscribed capital and capital reserve	128.0	51.0
Retained earnings	230.9	212.1
Other comprehensive income	-10.4	-13.6
Non-controlling interests	0.1	0.1
Equity, total	348.6	249.6
Total equity and liabilities	857.2	580.6

Cash Flow Statement

€m	December 31, 2019	December 31, 2018	% YoY
Cash and cash equivalents at the beginning of the period	120.7	104.0	+16.2%
Cash flow from operating activities	160.4	99.7	+60.8%
Cash flow from investing activities	-83.8	-74.4	
t/o CapEX	-19.3	-11.3	
t/o Cash paid for business combinations	-97.9	-63.1	
t/o Cash received from disposal of shares in associate	33.3	0.0	
Cash flow from financing activities	10.7	-10.4	
t/o Dividend payments	-31.2	-28.9	
t/o Repayments of borrowings	-72.5	-38.0	
t/o Changes in bank liabilities due to company acquisitions	130.0	86.0	
t/o Principal elements of lease payments	-11.3	0.0	
FX-effects	1.1	1.8	
Cash and cash equivalents at the end of the period	209.1	120.7	+73.2%
Free cash flow¹	76.6	25.4	
Free cash flow¹ (w/o acquisition effects)	174.5	88.5	+97.3%

¹ Operating cash flow – Investing cash flow

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Thank You!

Et quiddam ipsum cum in ceteris in hac parte voluntate
opta nobitas ex cetera in hac parte voluntate

NEMETSCHKE
GROUP

Al-Jaouhri Stadium, Al Wakrah, Qatar
Ingenieurbüro: AECOM | Umgesetzt mit SCIA