

NEMETSCHKEK
GROUP

Nemetschek Group

Company Presentation

September 2020 | Dr. Axel Kaufmann, Spokesman & CFOO

01

Company Overview

Nemetschek's Key Figures: 5 Years - 5 Achievements



We generate high shareholder returns¹

5-year TSR¹:

- | Nemetschek: ~600%
- | Peer group²: ~95%
- | TecDAX : ~90%



We outperform our peers in terms of growth²

5-year revenue CAGR:

- | Total growth: 21%
- | Organic growth: 13%
- | Peer group²: <10%



We have become a truly global player

5-year US revenue CAGR:

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



Strong EPS development

5-year EPS CAGR:

- | 26%



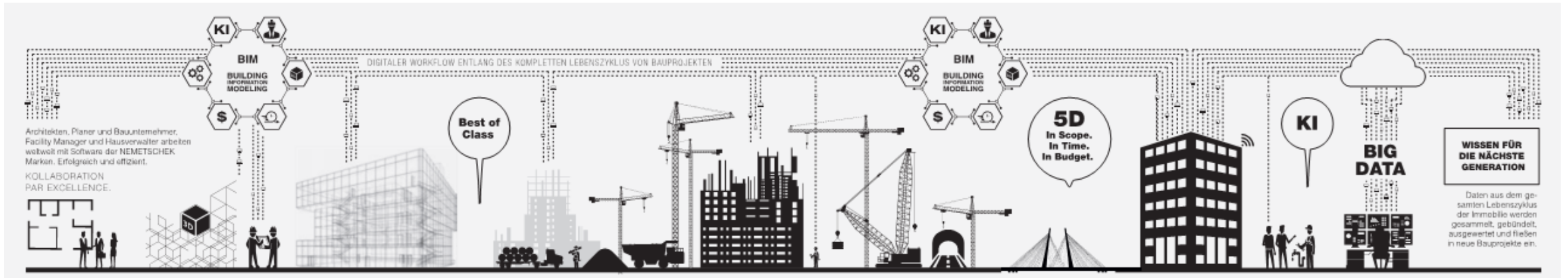
Sustainable dividend policy with continuous growth

5-year CAGR:

- | 21%

¹ TSR: Total shareholder return: Share price performance + dividend | 2014–2019 | ² Peer group: International software companies

NEMETSCHKEK 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



dRofus

GRAPHISOFT.

VECTORWORKS



SCIA

IRISA

FRILO

ALLPLAN

DATA DESIGN SYSTEM

SDS/2

PRECAST SOFTWARE engineering

SOLIBRI

NEVARIS

BLUEBEAM

CREM SOLUTIONS

SPACEWELL



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



MAXON

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: 0.4x
- | Equity ratio: 43%
- | 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

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.

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AEC Market Opportunities BIM Market Potential

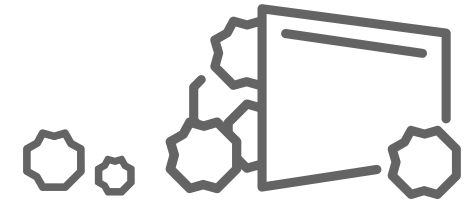
Challenges in the Construction Industry

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.

What is BIM? There Are Different BIM Levels

Level 0:

CAD is used as a drawing board, no collaboration

Level 1:

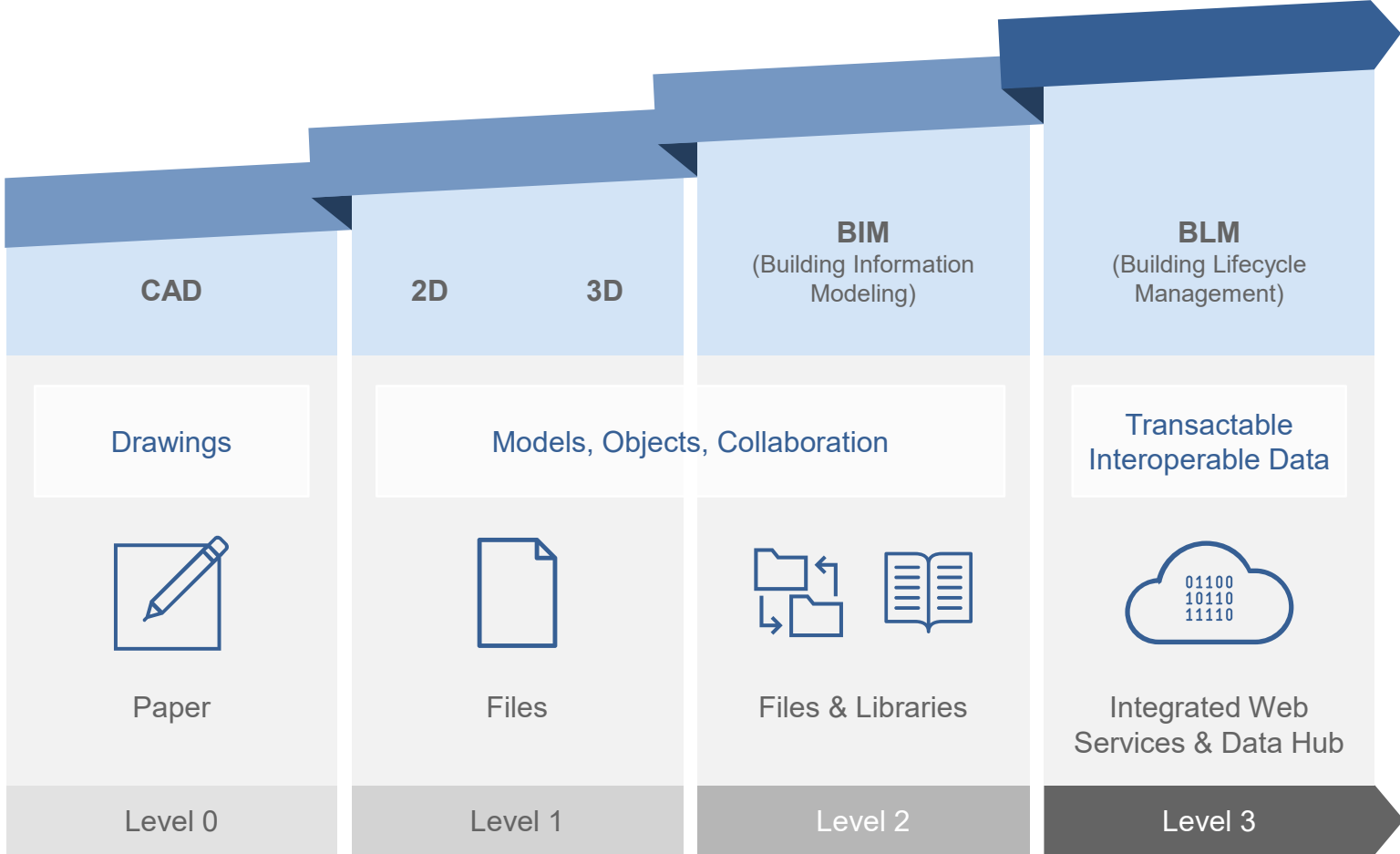
Mix of 2D and 3D work principles, no exchange of models

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

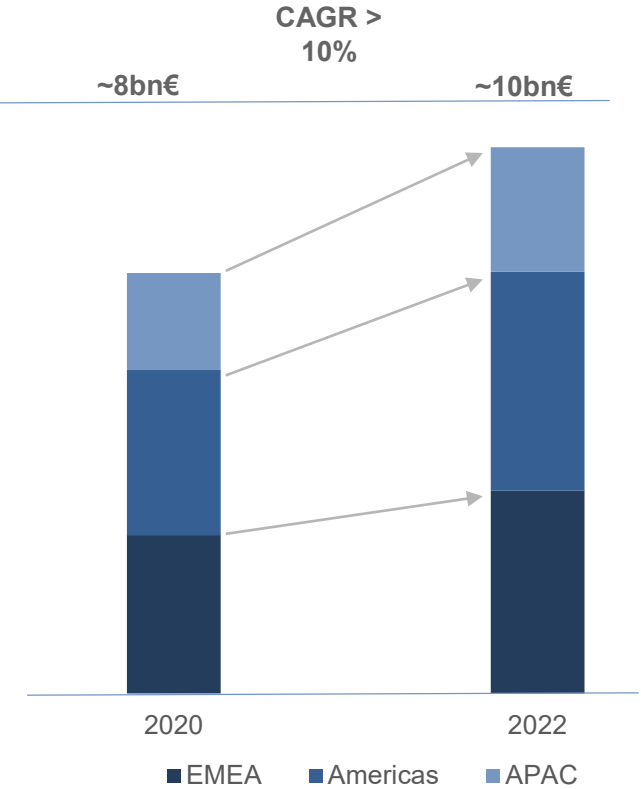


Source: Based on "The BIM Maturity Model by Mark Bew and Mervyn Richards adapted to reflect BLM's relationship to Level 3".

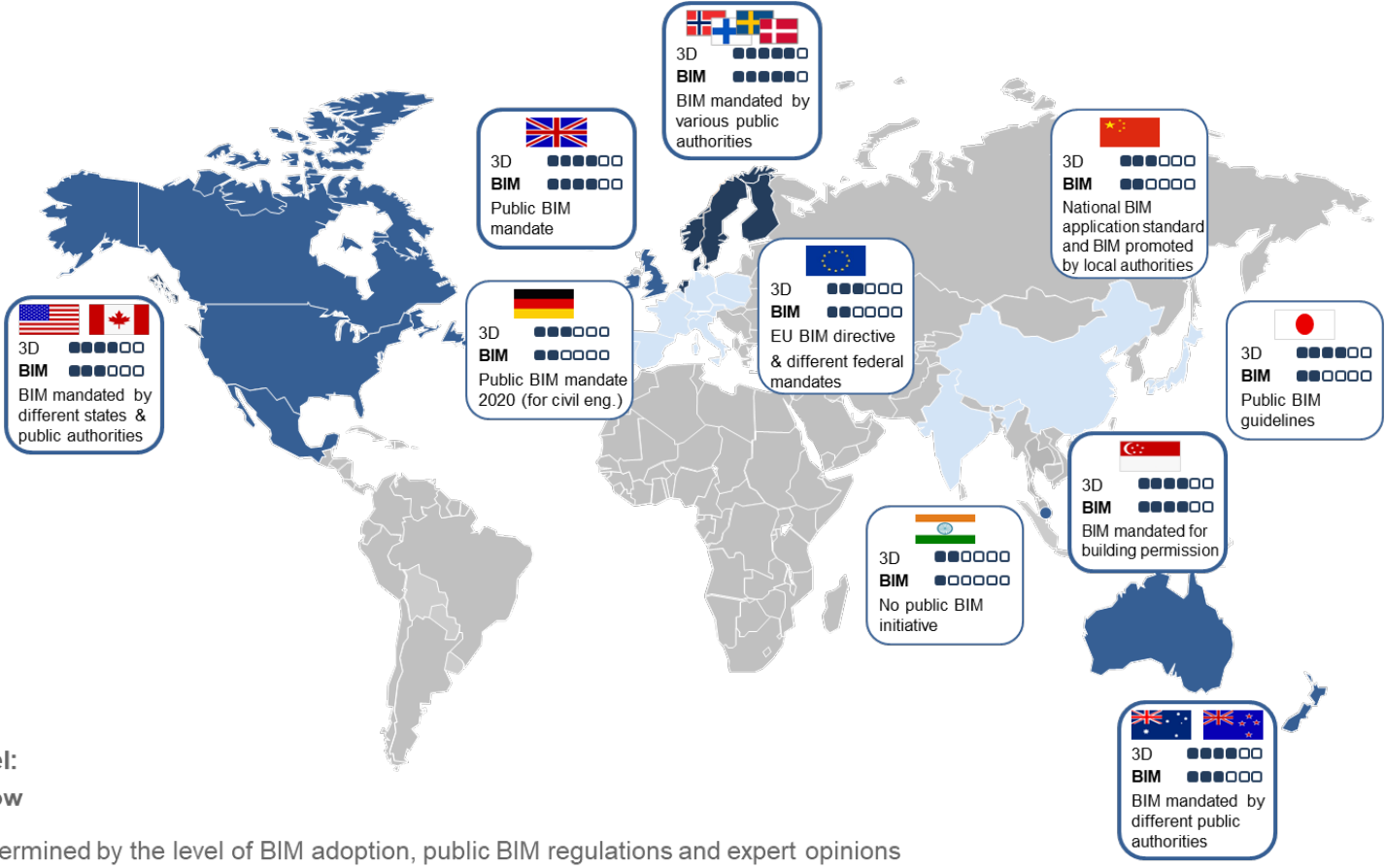
Our markets: AEC BIM Software Market offers huge potential

AEC Software Market

End-user expenditure in bn €



BIM Maturity Map

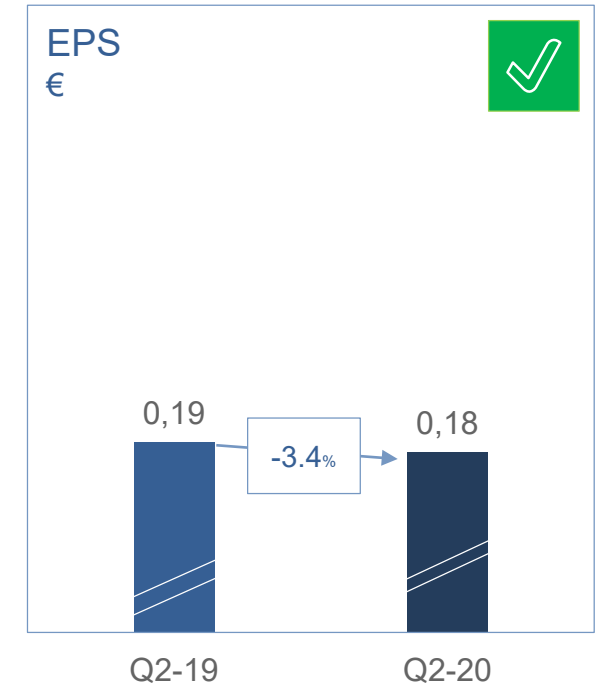
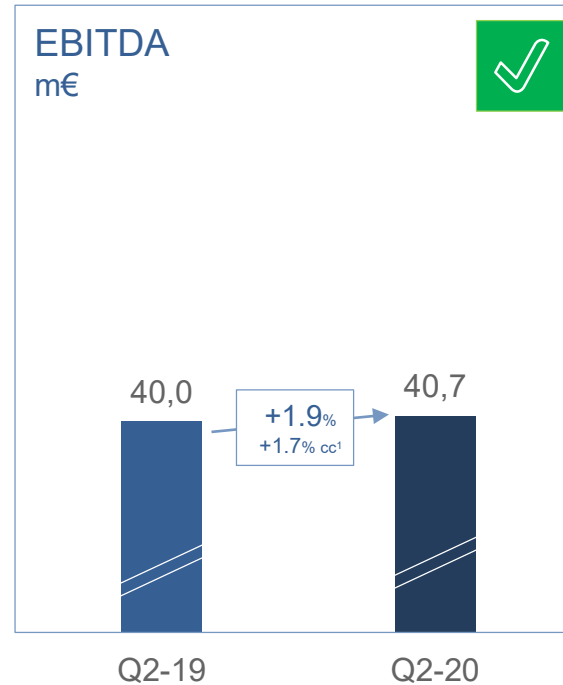
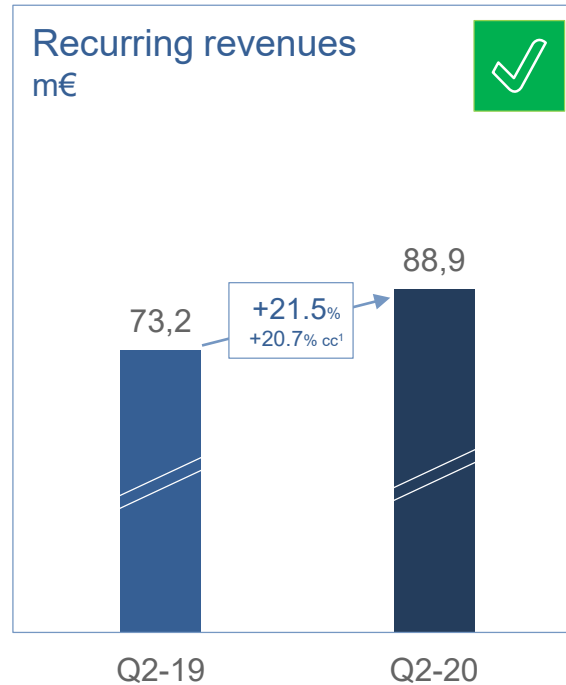
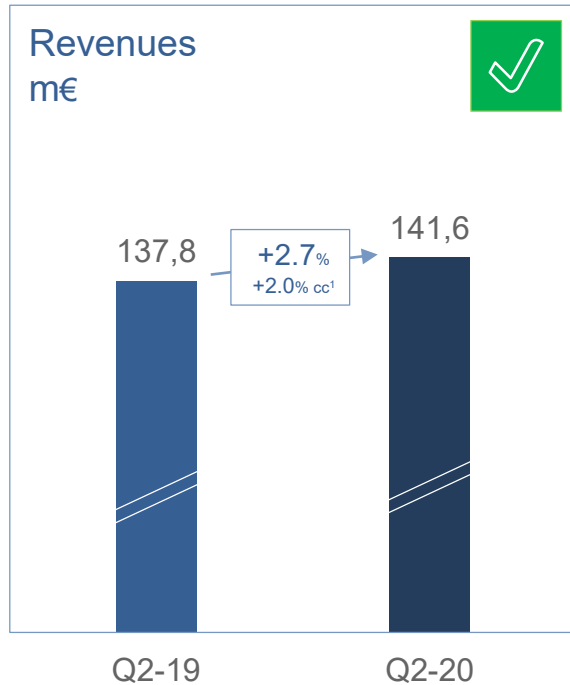


Source: Cambashi BIM Design Observatory 2020, internal research.

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Financial Results Q2 / H1 2020

Top Key Figures Q2-2020: Covid-19 impacts visible, ongoing in Q3



Organic growth: -0.7% cc¹

Continued high organic growth:
+17.2% cc¹

Subscription again important growth
driver: +74.9% cc¹

Continued focus on cost control

Stable EBITDA margin: 28.8% (FX
adj.: 28.9%) vs. Q2-19: 29.0%

Tax rate: 23.5% vs. 25.6% in
previous year

EPS before PPA amortization:
0.23 EUR (+4.8%)

¹ Constant currency

Key Business Highlights H1-2020: Solid First Half Year Despite Challenging Environment



Solid Financial Performance



Revenues:
+7.6% (FX adj.: +6.6%) to € 288.2m



EBITDA margin:
28.7% (FX adj.: 28.3%)



Recurring revenues:
+24.2% (FX adj.: +23.0%)
Subscription revenues:
+87.7% (FX adj.: +86.4%)



EPS:
+2.6% to € 0.37



Revenues abroad:
+8.4%



High cash conversion:
94.8% (H1-2019: 90.4%)

M&A Transactions, Divestitures



Media & Entertainment Division:

Q1-2020: Red Giant by Maxon
Q1/Q2-2020: Integration of Red Giant and Redshift progressing as planned

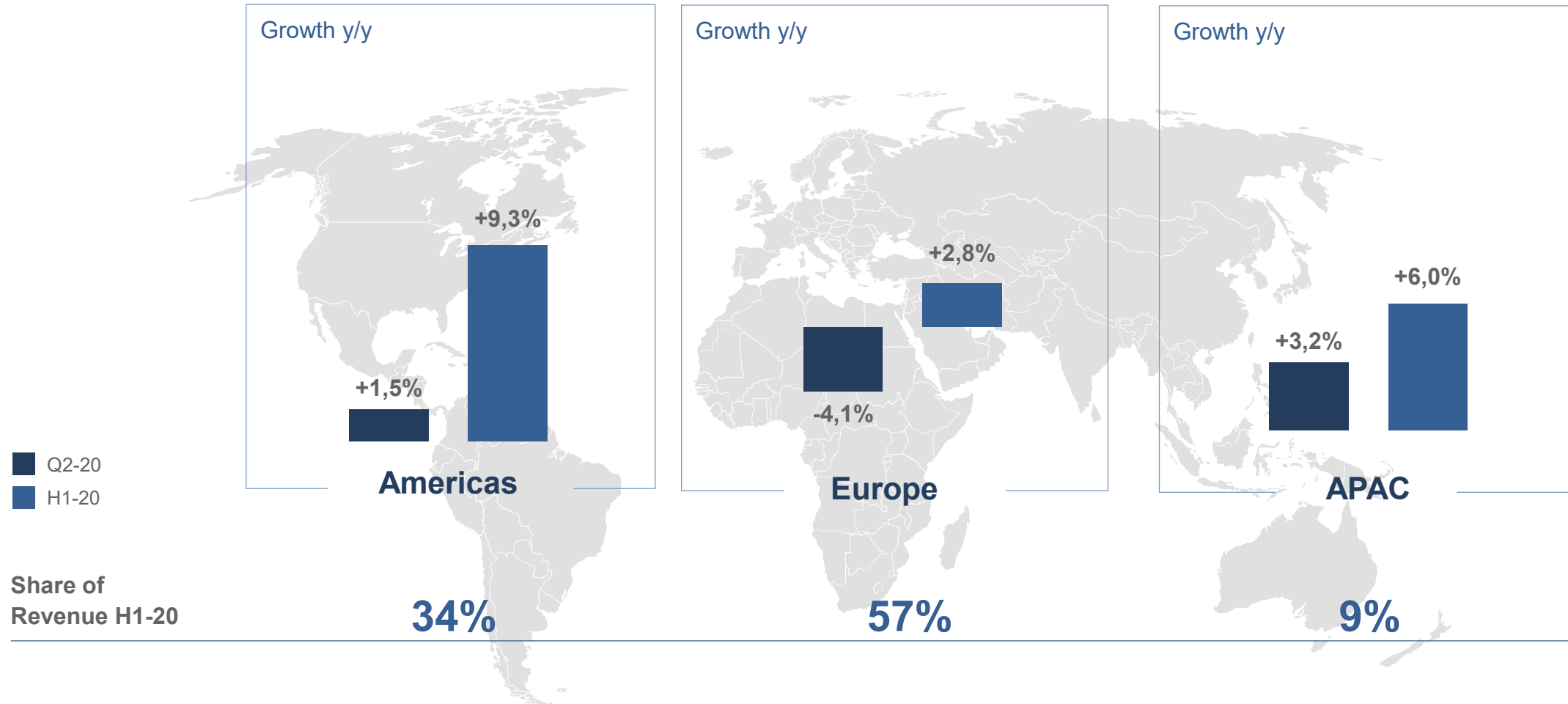


Planning & Design Division:

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

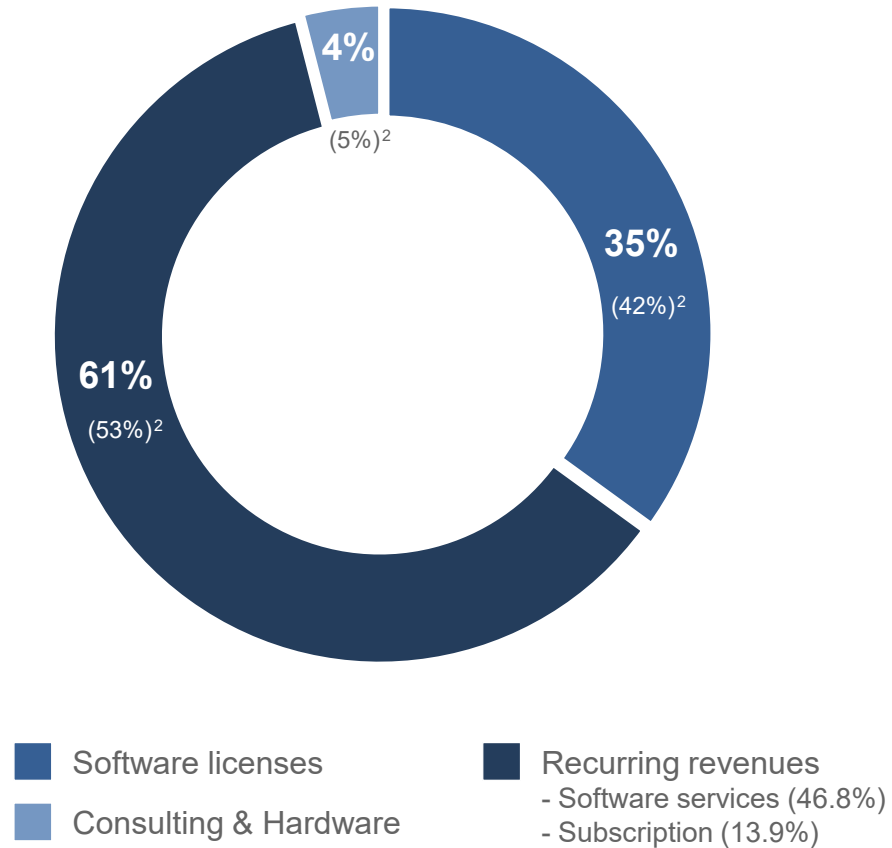
Globally Positioned: Strong Regional Diversification Balances Risks

H1-2020: US market still solid, but high uncertainty for Q3



Strong Growth in Recurring Revenues: Subscription Is Key Driver

Revenue distribution H1-2020

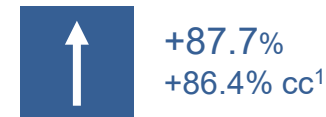


H1-2020

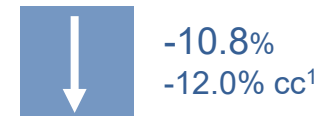
Recurring revenues y/y



Subscription y/y



Software licenses y/y

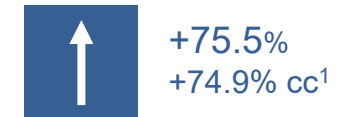


Q2-2020

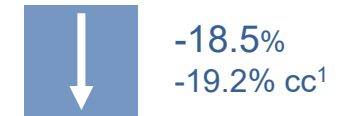
Recurring revenues y/y



Subscription y/y



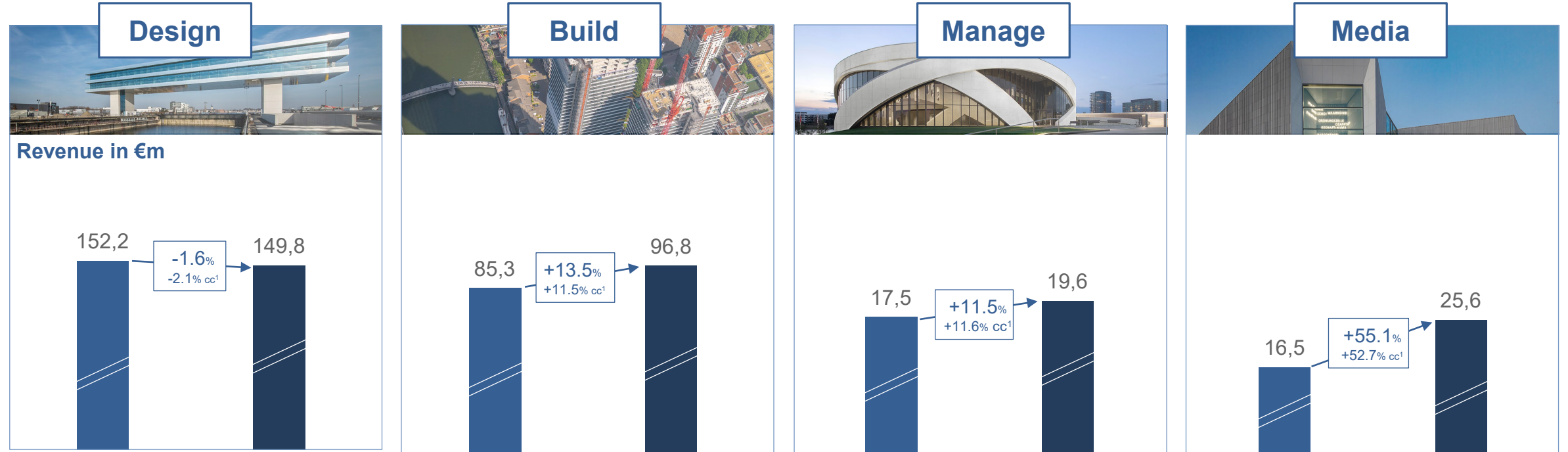
Software licenses y/y



At a Glance: Income Statement and Important KPIs

Key Figures mEUR	Q2 2020	Q2 YoY	H1-2020	H1 YoY	in % of revenue
Revenues	141.6	+2.7%	288.2	+7.6%	100.0%
Cost of materials/cost of purchased services	-5.9	+20.3%	-11.0	+19.1%	3.8%
Personnel expenses	-64.0	+6.3%	-129.6	+10.2%	45.0%
Other operating income/expenses	-30.8	-5.5%	-65.0	+1.2%	22.6%
EBITDA	40.7	+1.9%	82.6	+7.7%	28.7%
EBITDA margin	28.8%	-20bps	28.7%	+10bps	-
D&A (incl. PPA)	-12.3	+18.8%	-25.0	+23.4%	8.7%
EBIT	28.4	-4.0%	57.6	+2.1%	20.0%
EBIT margin	20.1%	-140bps	20.0%	-110bps	-
Net income (Group shares)	21.1	-3.4%	42.5	+2.6%	14.8%
EPS	0.18	-3.4%	0.37	+2.6%	-
Operating cash flow	35.2	+1.2%	78.2	+12.9%	-
Free cash flow (ex M&A)	33.1	+19.7%	73.6	+30.0%	-
Equity ratio in %	43.3%	-	43.3%	-	-
Net debt (liquidity)	30.6	-	30.6	-	-

H1 Segment view: Design impacted (licenses), Build remains strong (C-19 impact not yet visible ...)



Segment	H1-19 Margin	H1-20 Margin
Design	29.2%	30.9%
Build	35.5%	38.2%
Manage	9.0%	13.8%
Media	37.6%	26.9%

| H1-20: FX adjusted EBITDA margin: 30.3%
 | Q2-20: revenue: -5.3%, EBITDA margin: 31.8%

| Bluebeam with largest contribution to revenue and margin increase
 | Q2-20: revenue: +7.6%, EBITDA margin: 38.0%

| H1-19 EBITDA margin burdened by Axxerion acquisition costs
 | Q2-20: revenue: +3.1%, EBITDA margin: 17.7%

| Continued move towards subscription, integration costs, dilutes margin
 | Q2-20: revenue: +44.5%, EBITDA margin: 29.8%

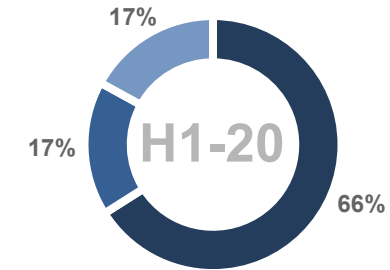
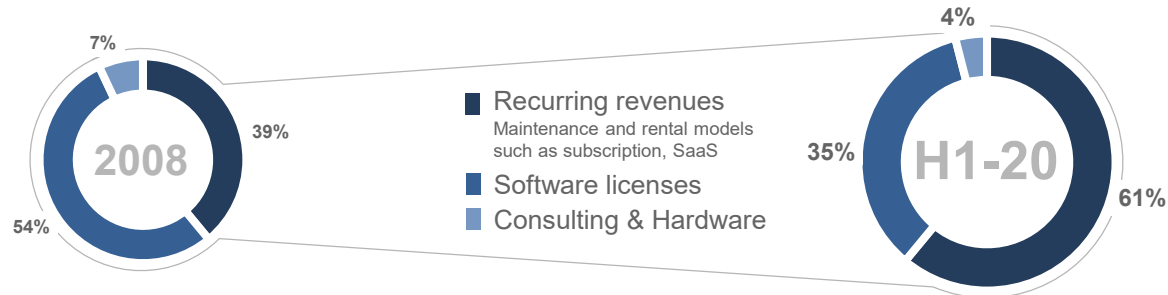
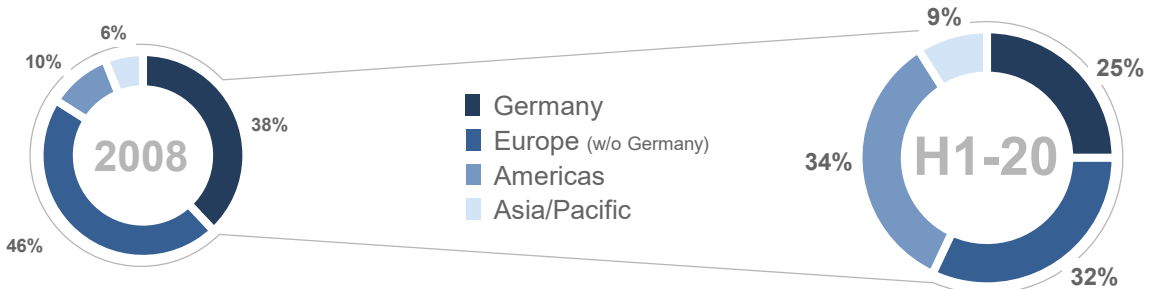
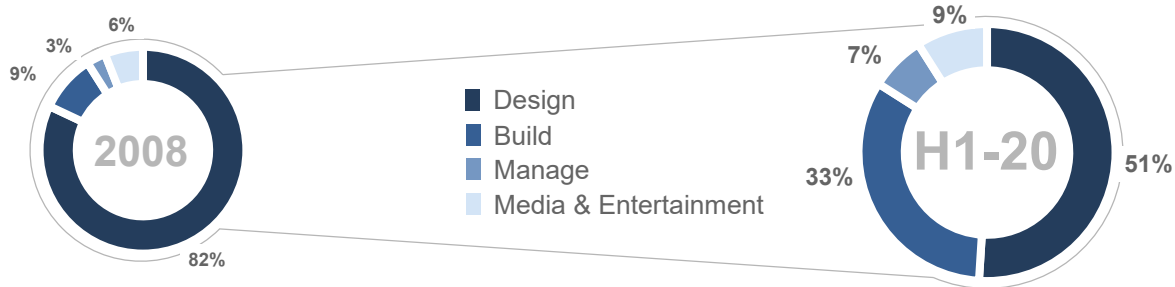
¹ Constant currency

Our Business Model in Light of a Crisis Scenario

Situation 2008/09

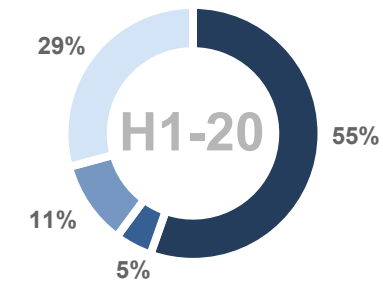


2020: We further diversified our business and are better prepared for a macro downturn



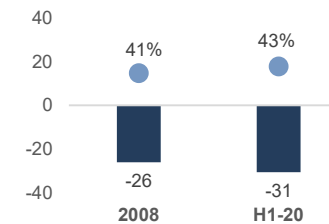
Fixed vs. variable costs

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



Main operating expenses

- Personnel
- COGS
- D&A
- Other



Financial position

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

Covid-19 Impact: Status Quo after H1-2020

Status quo after H1-2020

Covid-19 impact so far:

- Slowdown in Europe in Q2
- High uncertainty in US
- Strong decline in new licenses as expected
- Solid growth in recurring revenues

First measures quickly implemented:

- Sales & support activities adapted to new environment
- Cost saving measures initiated
- Financial position further improved, i.e. additional credit line of EUR 200m

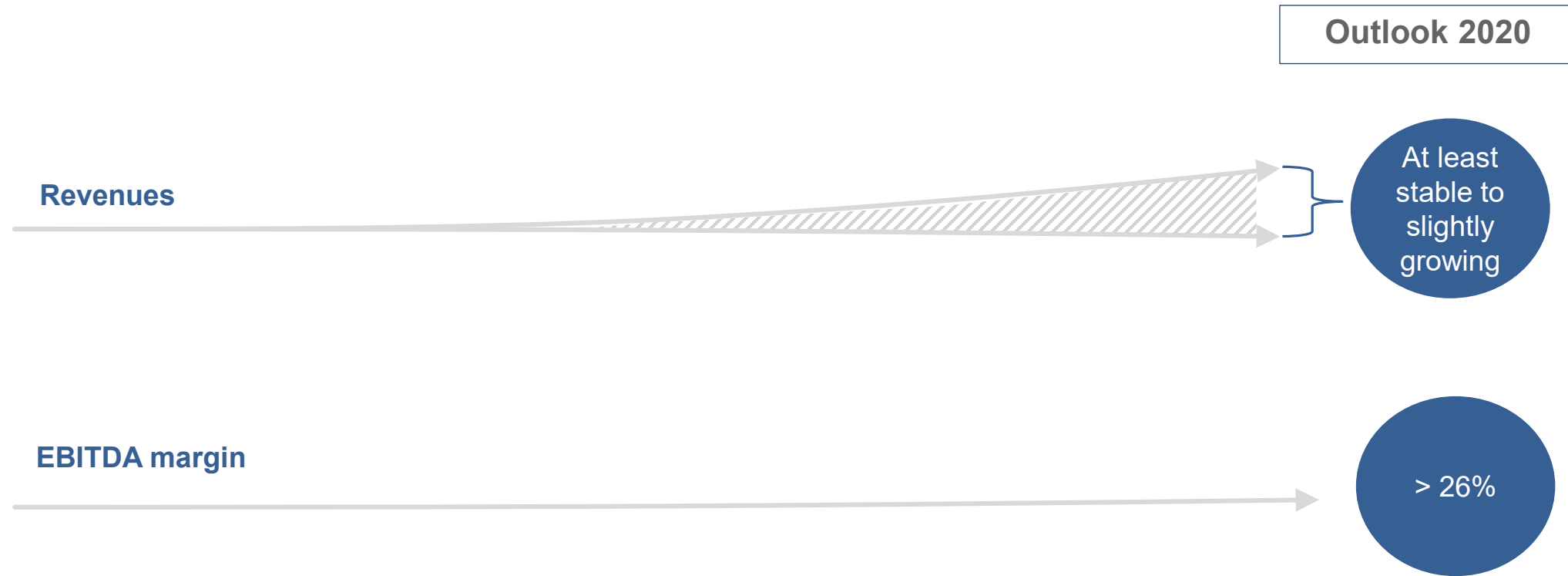
Our working assumptions

- Deceleration in Q2 not as severe as feared
- Postponements from Q2 and slowdown to last into Q3 (especially in the US)
- **Timing** of Covid-19 impact on our business:
By division:
Design ▶ M&E ▶ Manage ▶ Build
By geography:
APAC ▶ Europe ▶ Americas
- Continued weakness in **new licence** & solid growth in **recurring revenues**

Our response to the challenges

- Our **first priority** is the safety of our employees and customers
- We ensure business continuity and **support our customers and the society** in this difficult situation
- **We will continue to...:**
 - monitor the situation closely and steer the business on sight
 - be flexible and quick to react to new developments (e.g. Spacewell workplace solutions)
 - stay opportunistic

Outlook 2020: Confirmed after the First Half Year



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. In contrast to our March assessment, we now expect the slowdown to last into Q3 (especially in the US).

04

Factsheet



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

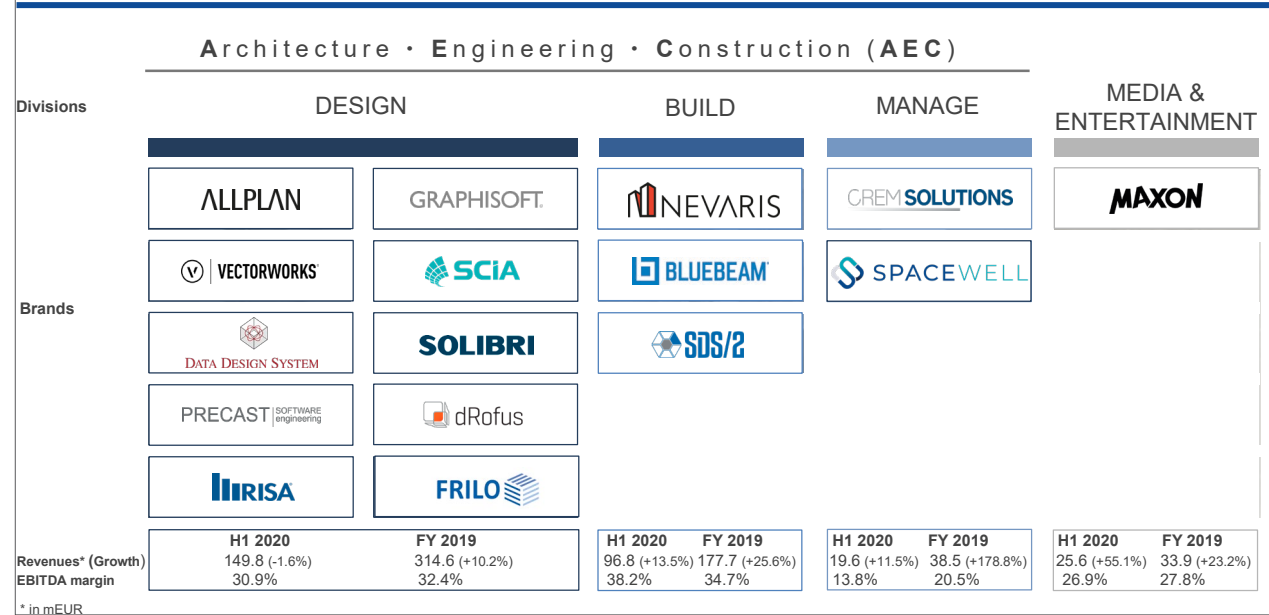
Investment Highlights

- 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	H1 2020	H1 2019	%YoY	%YoYcc*	FY 2019
Revenues	288.2	267.7	+7.6%	+6.6%	556.9
EBITDA	82.6	76.6	+7.7%	+5.5%	165.7
EBITDA margin	28.7%	28.6%	-	-	29.7%
EBIT	57.6	56.4	+2.1%	-	150.5
EBIT margin	20.0%	21.1%	-	-	27.0%
Net income	42.5	41.4	+2.6%	-	127.2
EPS	0.37	0.36	+2.6%	-	1.10
Operating cash flow	78.2	69.3	+12.9%	-	160.4
Free cash flow	-10.1	-41.0	+75.4%	-	76.6
Free cash flow**	73.6	56.6	+30.0%	-	174.5
Equity ratio in %	43.3%	33.6%	-	-	40.7%
Net cash	-30.6	-89.7	-	-	21.0
Headcount	3,014	2,776	+8.6%	-	2,875

*constant currency **without M&A investments

Business Overview – Covering complete value chain in AEC + Media

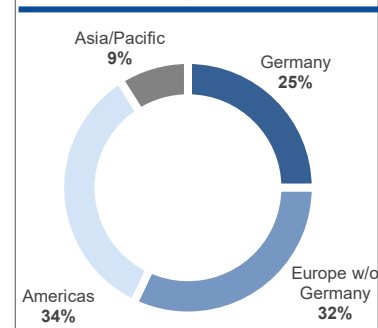


Guidance	FY 2020
Revenue	At least stable to slight increase
EBITDA margin	> 26%

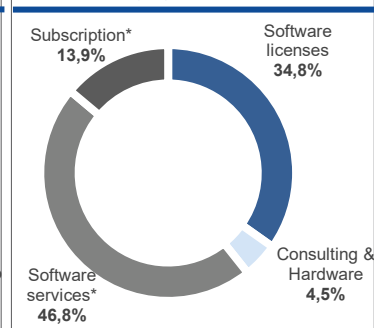
Management Team

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

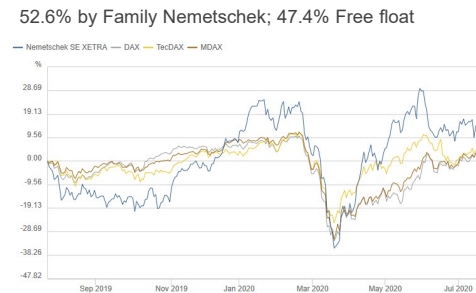
Revenues by Regions (H1 2020)



Revenues by Type (H1 2020)



Shareholder Structure & Share Price Development



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 7.2 billion

* = Recurring revenues in total: 60.7%

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Thank You!

Et quidam ipsam cum...
apla nobitas ex...
... ..

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Al-Jaouhri-Stadion, Al Wakrah, Katar
Ingenieurbüro: AECOM | Umgesetzt mit SOA