

Nemetschek Group

Earnings Call Q3- / 9M-2021

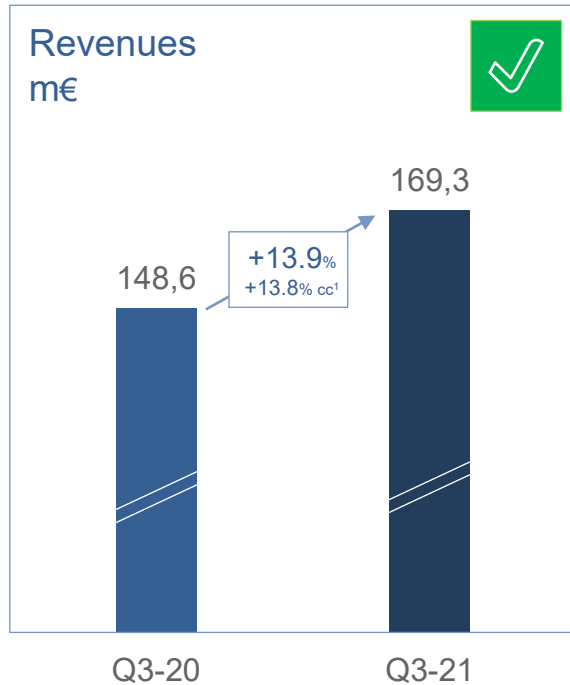
October 28 2021 | Dr. Axel Kaufmann, Spokesman & CFO



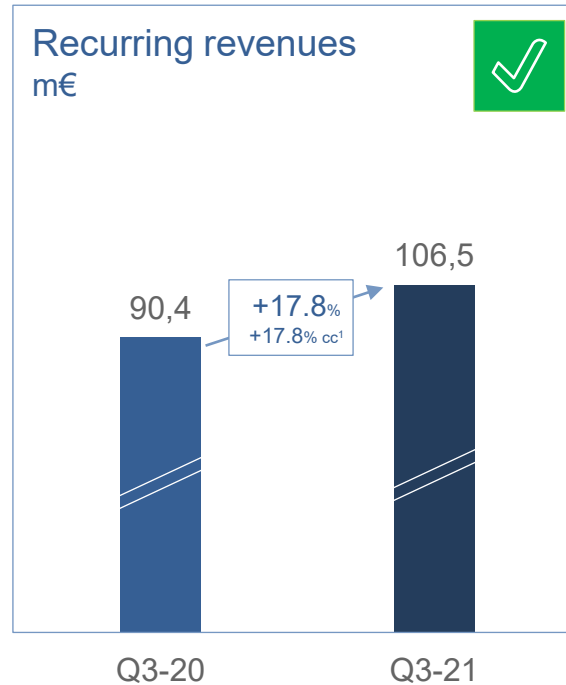
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Financial Results Q3- / 9M-21

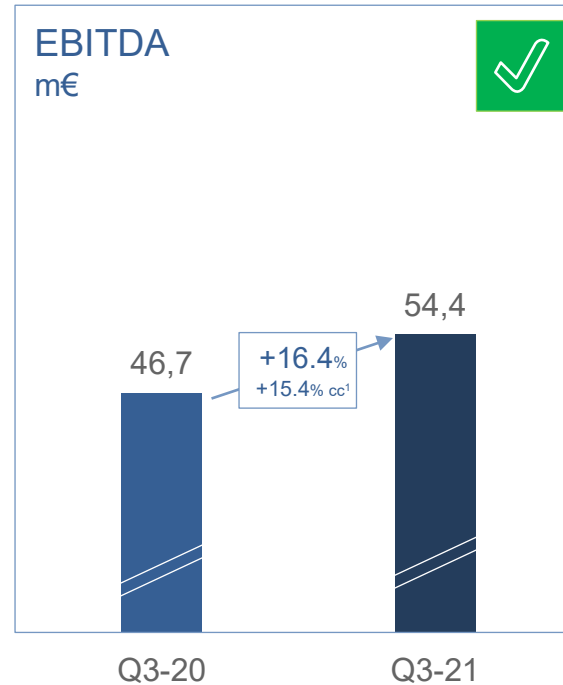
Top Key Figures Q3-21: Continued Strong Growth With High Profitability



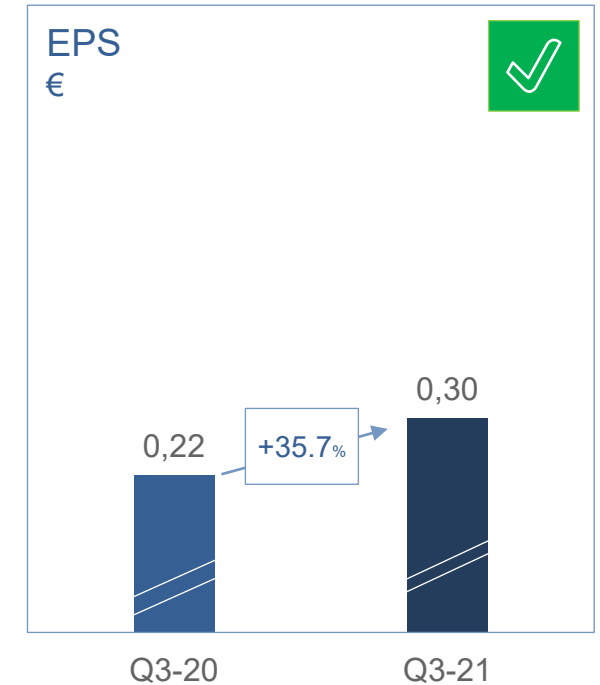
- Strong growth despite higher comparison base
- Strong customer focus drives demand for Nemetschek's leading software solutions



- Subscription/SaaS continues to be the main growth driver: +48.1% cc¹
- Substantial increase in share of Subscription/SaaS revenues to new record high of 20% (Q3-20: 15%)



- Q3-21: EBITDA margin: 32.1% vs. Q3-20: 31.4%



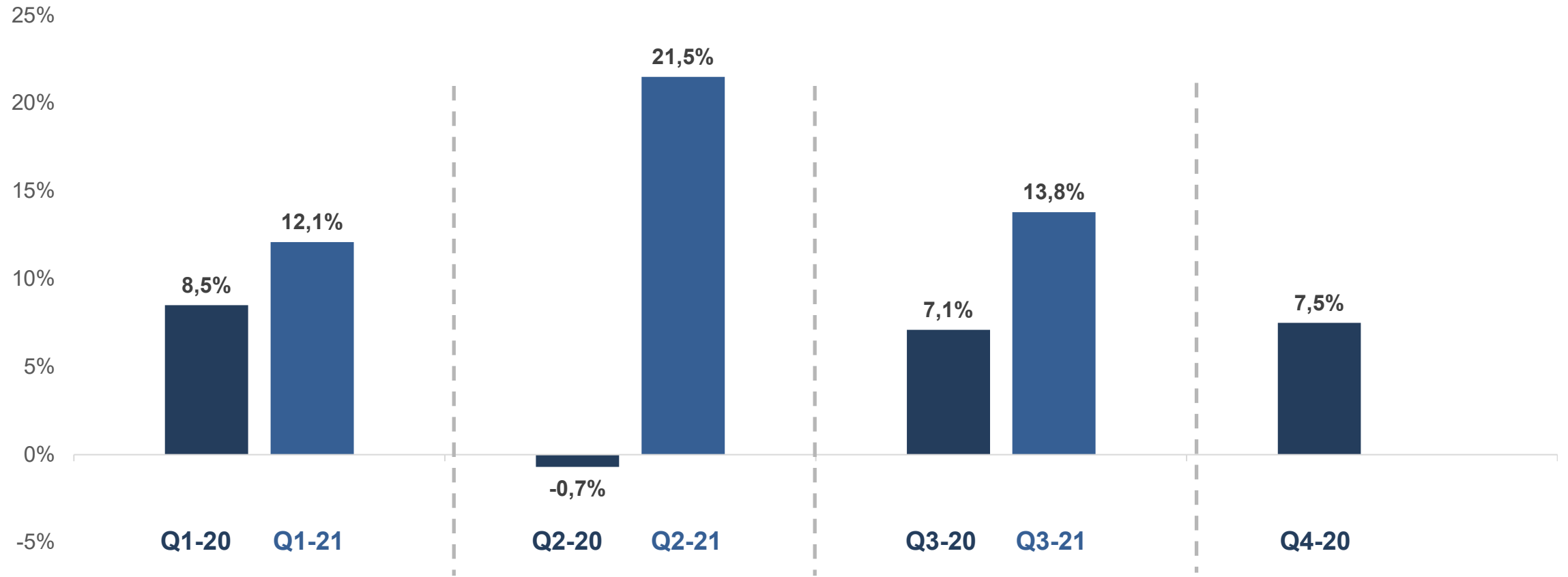
- Tax rate: 18.9% vs. 24.5% in previous year
- EPS before PPA amortization: 0.34 EUR (+32.9%)

Q3-21: Continued Strong Growth Despite Substantially Higher Comparison Base

Q1-20: First negative effects in pockets of growth

Q2-20: Main impact of Covid-19 pandemic

Q3- & Q4-20: Start of recovery and re-acceleration of growth



■ Org. Growth FY-20 ■ Org. Growth FY-21

Key Business Highlights 9M-21: Successful First Nine Months of the Year



Financial Performance



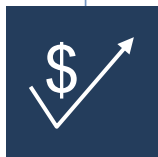
Revenues:

**+13.0% (FX adj.: +15.7%)
to EUR 493.6m**



Subscription/SaaS:

**+46.6% (FX adj.: +50.2%)
to EUR 93.0m**



EBITDA:

**+24.0% to EUR 160.3m
(Margin: 32.5%)**



Earnings per Share

EUR 0.84 (+42.9% y/y)



High Cash Conversion:

102.1%



Equity Ratio:

52.0% (9M-20: 45.3%)

Strategic Highlights



Internationalization as a Growth Driver

- International expansion of brands (e.g. European expansion of US brands and vice versa)



Continued Progress on Harmonization

- Precast & SDS2 integration into Allplan progressing as planned
- Graphisoft and DDS join forces

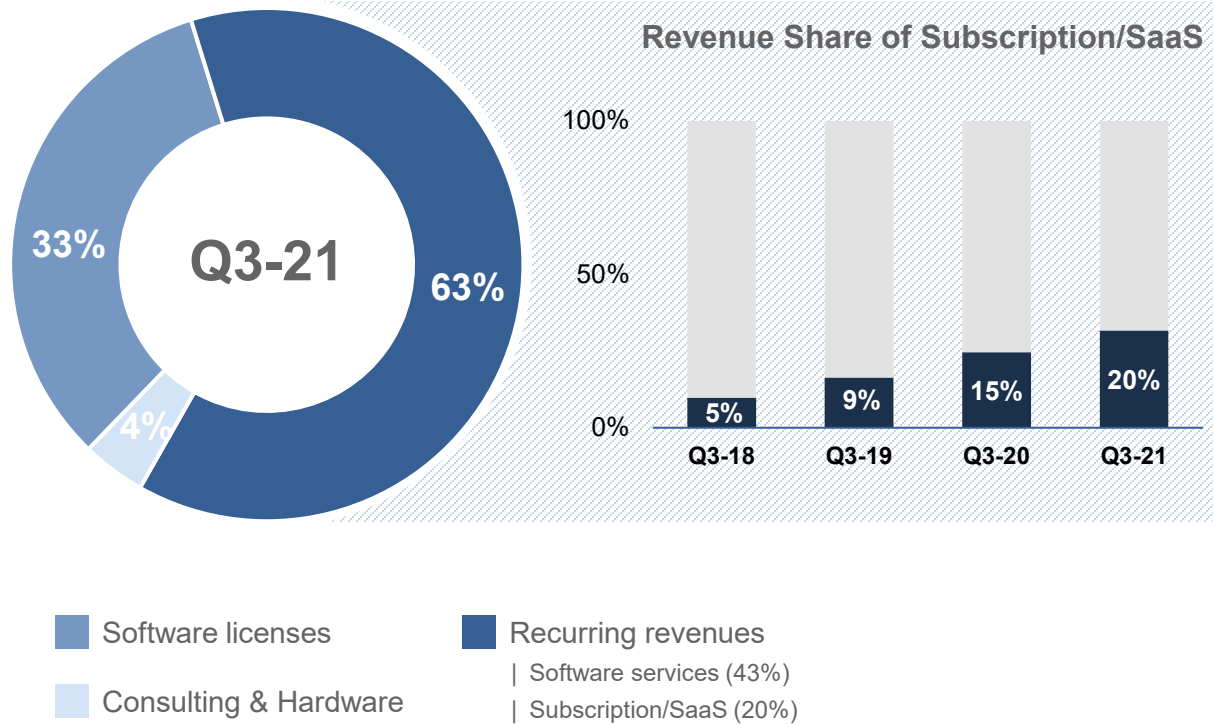


Subscription/SaaS

- Growth underpins success of segment-tailored subscription strategy

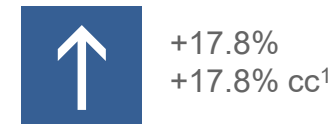
Record High: Share of Recurring and Subscription/SaaS Revenues

Revenue Share by Type in %

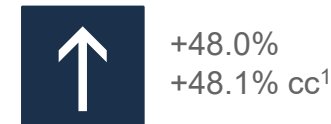


Q3-21

Recurring revenues y/y



Subscription/SaaS y/y

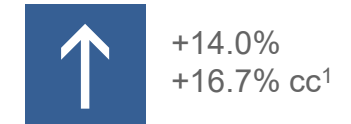


Software licenses y/y

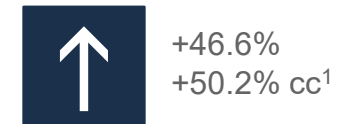


9M-21

Recurring revenues y/y



Subscription/SaaS y/y



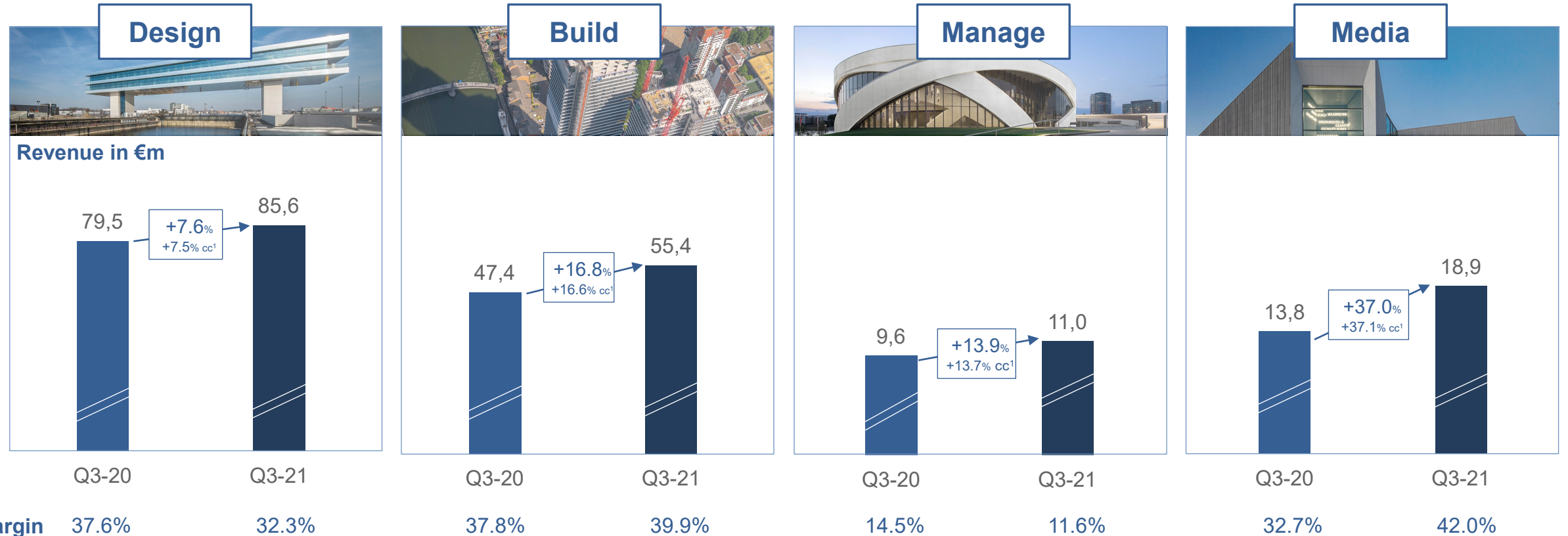
Software licenses y/y



At a Glance: Income Statement and Important KPIs

Key Figures mEUR	Q3 2021	Q3 YoY	9M-2021	9M YoY	in % of revenue
Revenues	169.3	+13.9%	493.6	+13.0%	100.0%
Cost of materials/cost of purchased services	-5.8	-5.3%	-18.1	+5.4%	3.7%
Personnel expenses	-72.4	+8.3%	-212.6	+8.3%	43.1%
Other operating income/expenses	-36.8	+27.0%	-102.7	+9.2%	20.8%
EBITDA	54.4	+16.4%	160.3	+24.0%	32.5%
EBITDA margin	32.1%	+68bps	32.5%	+287bps	-
D&A (incl. PPA)	-12.3	+1.0%	-37.2	+0.2%	7.5%
EBIT	42.0	+21.8%	123.0	+33.6%	24.9%
EBIT margin	24.8%	+160bps	24.9%	+384bps	-
Net income (Group shares)	34.2	+35.7%	96.8	+42.9%	19.6%
EPS	0.30	+35.7%	0.84	+42.9%	-
Operating cash flow	57.8	+59.2%	163.6	+42.9%	-
Free cash flow (ex M&A)	55.5	+64.0%	149.3	+39.0%	-
Equity ratio in %	52.0%	-	52.0%	-	-
Net cash	109.1	-	109.1	-	-

Q3-21 Segment Overview: Continued Strong Momentum in Build, Record Quarter in M&E



- Very strong growth in Subscription/SaaS (+74% y/y)
- Q3-20: EBITDA margin artificially high due to cost-savings measures in response to Covid-19

- Bluebeam with continued strong growth in users
- Margin increase driven by strong growth and operational efficiency

- Continued double-digit growth
- New customer wins despite uncertain market environment

- Record growth in all regions
- Margin uplift after successful integration of acquisitions Red Giant & Redshift and subscription transition

Industry Shows & Events: Staying Closely Connected to our Customers

Highlights Q3: Digital Brand Events



Bluebeam XCON Anywhere

- Latest trends in digital construction



Graphisoft Building Together

- Presentations from leading AEC industry professionals



Allplan Global Summit

- First large digital event
- > 30 keynotes & presentations from Allplan and industry experts

Upcoming In-Person Industry Shows in Q4:



BIM World Munich

- Leading BIM networking platform in DACH (> 8000 participants)
- 10 Nemetschek brands on-site



Digital Construction Week

- Key UK event dedicated to digital construction, engineering, design, manufacturing, and operation
- 5 Nemetschek brands on-site

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Outlook & Summary



Market Overview: Continued Positive Market Conditions

Construction markets


Residential



Sub-segments:

- Multi-Family Homes
- Flats


Non-Residential



Sub-segments:

- Education
- Health
- Commercial (e.g. Office)

Infrastructure



Sub-segments:

- Airports
- Bridges
- Tunnels

Market Status



Summary 9M-21 – Successful First Nine Months of the Year



9M-21:

- Strategic Highlights
 - First venture investments in promising start-ups
 - Optimization of organizational structure
- Financial Highlights
 - New record levels in revenue, EBITDA and EPS
 - Substantial increase in Subscription/SaaS contribution
 - Strong cash flow generation underpins high earnings quality

Success based on Nemetschek's strong operational business

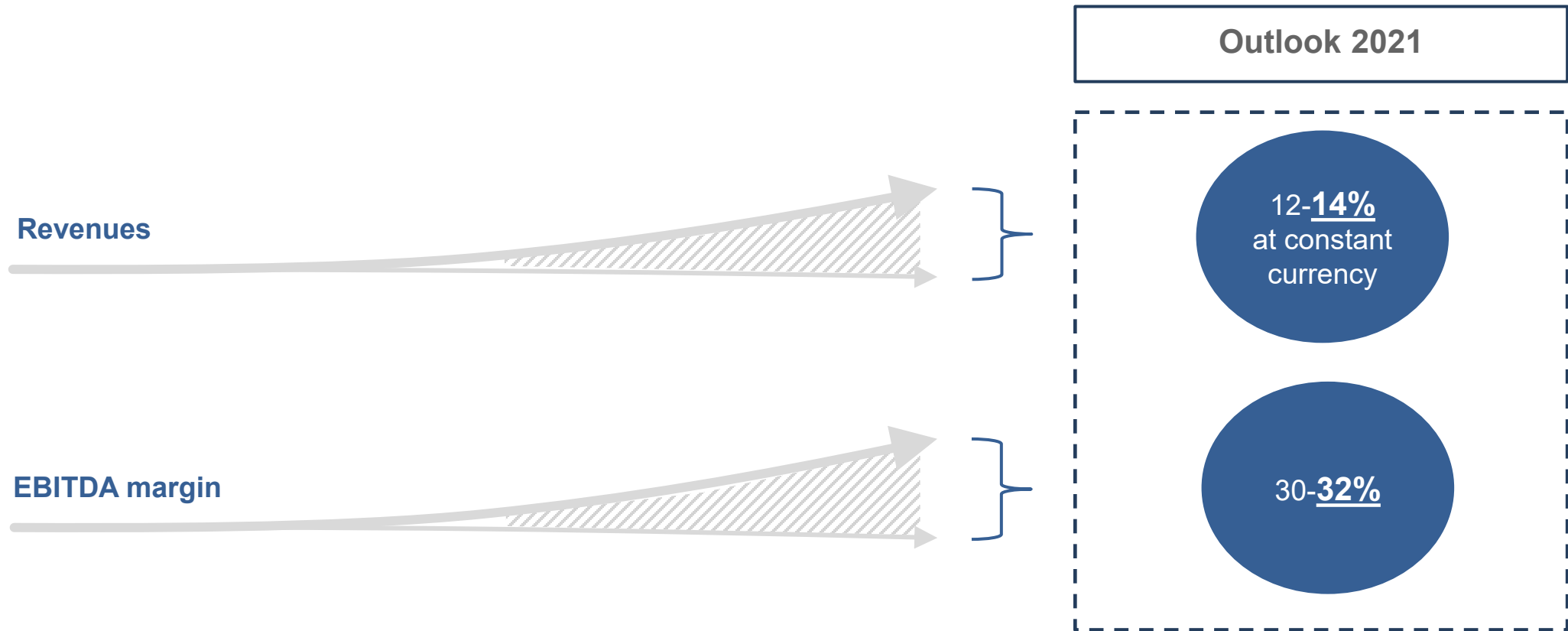


Long-term View:

- Long-term structural growth drivers unchanged
- Strong market position, products & customer relationships
- Continued progress on strategic initiatives
 - Further reduction of organizational complexity
 - Continuously screening the market for attractive & innovative start-ups

As a leading AEC software company, Nemetschek is well positioned for future growth

Outlook 2021: We Now Target the Upper End of Guidance Ranges



Outlook 2021:

Please note: The outlook is based on the assumption that there will be no material deterioration in the economic conditions in Q4-21 and that the Corona pandemic will continue to be under control.

Q&A



Appendix



Income Statement

€m	9M-2021	9M-2020	%YoY
Revenues	493.6	436.8	+13.0%
Other operating income	6.2	7.3	-15.1%
Operating income	499.8	444.1	+12.5%
Cost of materials/purchased services	-18.1	-17.2	+5.4%
Personnel expenses	-212.6	-196.4	+8.3%
Other operating expenses	-108.9	-101.3	+7.5%
Operating expenses	-339.6	-314.9	+7.8%
EBITDA	160.3	129.3	+24.0%
Margin	32.5%	29.6%	
Depreciation and amortization	-37.2	-37.2	+0.2%
t/o Right-of-use assets	-11.1	-11.7	-4.7%
t/o PPA	-19.1	-18.5	+3.5%
EBIT	123.0	92.1	+33.6%
Financial result	-1.1	-1.7	-38.0%
t/o IFRS 16	-1.0	-1.1	-9.7%
EBT	121.9	90.4	+34.9%
Income taxes	-23.6	-22.0	+7.3%
Non-controlling interests	1.5	0.6	
Net income (group shares)	96.8	67.7	+42.9%
EPS in EUR	0.84	0.59	+42.9%

Balance Sheet – Assets

€m	September 30, 2021	December 31, 2020
Assets		
Cash and cash equivalents	191.9	139.3
Trade receivables, net	66.8	64.6
Inventories	0.7	0.6
Other current assets	33.0	31.8
Current assets, total	292.4	236.4
Property, plant and equipment	20.8	21.6
Right-of-use assets	58.9	61.3
Intangible assets	131.9	138.2
Goodwill	428.4	416.7
Other non-current assets	25.1	15.5
Non-current assets, total	665.1	653.3
Total assets	957.5	889.7

Balance Sheet – Equity and Liabilities

€m	September 30, 2021	December 31, 2020
Equity and liabilities		
Short-term borrowings and current portion of long-term loans	40.9	59.6
Trade payables & accrued liabilities	69.6	67.5
Deferred revenue	158.8	129.5
Current lease liability	13.8	13.4
Other current assets	37.5	25.9
Current liabilities, total	320.6	295.8
Long-term borrowings without current portion	41.9	70.7
Deferred tax liabilities	24.7	25.2
Non-current lease liability	51.7	54.3
Other non-current liabilities	20.9	26.4
Non-current liabilities, total	139.2	176.6
Subscribed capital and capital reserve	128.0	128.0
Retained earnings	377.6	315.3
Other comprehensive income	-23.0	-39.4
Non-controlling interests	15.2	13.4
Equity, total	497.8	417.3
Total equity and liabilities	957.5	889.7

Cash Flow Statement

€m	September 30, 2021	September 30, 2020	% YoY
Cash and cash equivalents at the beginning of the period	139.3	209.1	-33.4%
Cash flow from operating activities	163.6	114.5	+42.9%
Cash flow from investing activities	-19.7	-90.3	
t/o Cash paid for acquisition of other investments	-7.2	0.0	
t/o CapEX	-5.6	-7.3	
t/o Cash paid for acquisition of subsidiaries, net of cash acquired	-5.4	-83.3	
Cash flow from financing activities	-95.8	-81.8	+17.1%
t/o Dividend payments	-34.7	-32.3	
t/o Cash received from bank loan	18.0	6.9	
t/o Repayments of borrowings	-65.6	-43.1	
t/o Principal elements of lease payments	-11.2	-9.6	
FX-effects	4.5	-4.8	
Cash and cash equivalents at the end of the period	191.9	146.6	+30.9%
Free cash flow¹	143.9	24.2	
Free cash flow¹ (w/o acquisition effects)	149.3	107.5	+39.0%

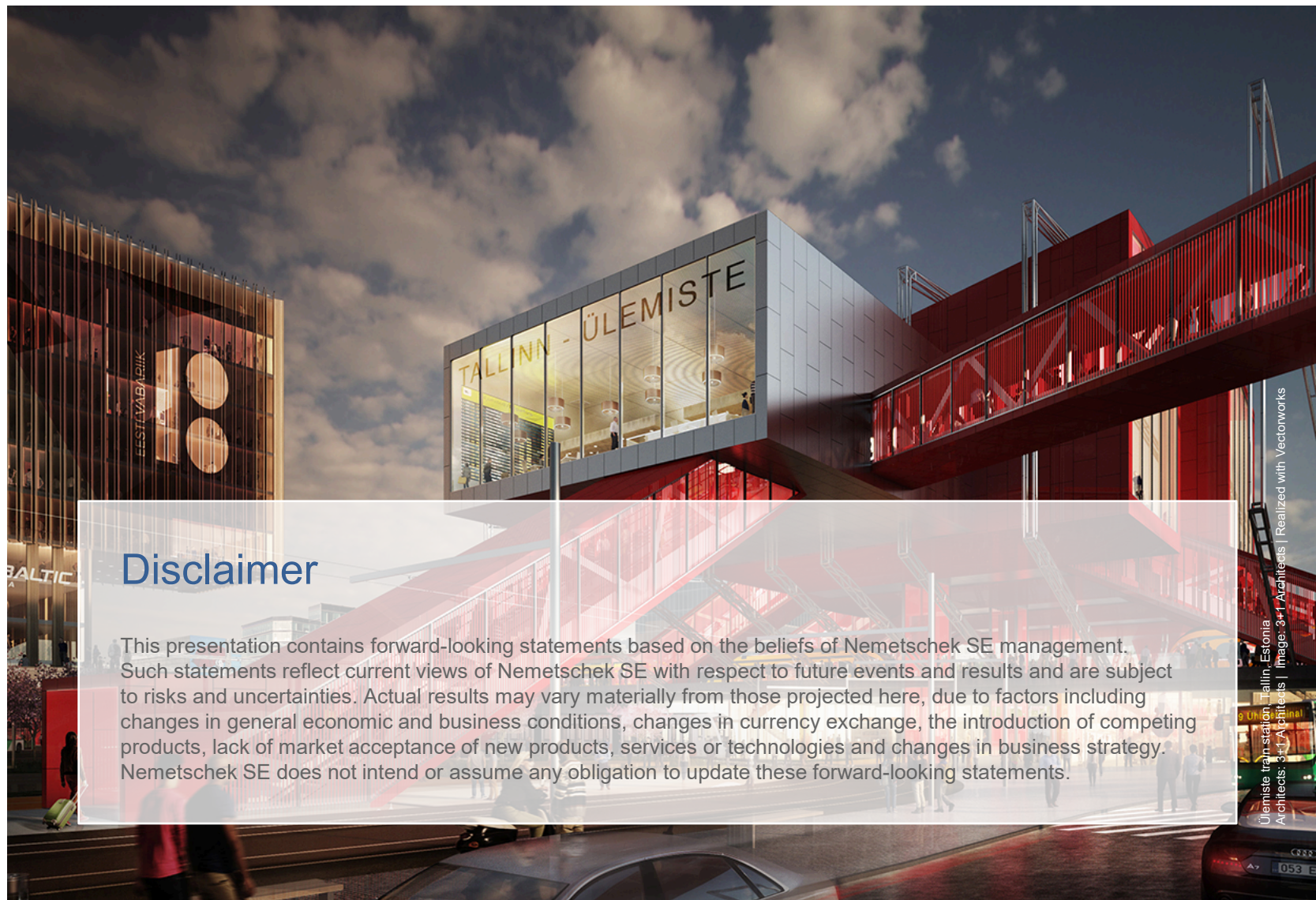
¹ Operating cash flow – Investing cash flow

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Thank you!

