

4 Comparison of Actual and Forecast Business Performance of the Nemetschek Group

The original forecast for the 2022 financial year took into account the uncertain macroeconomic conditions prevailing at the beginning of 2022, partly due to the start of Russia's invasion of Ukraine. The forecast was also based on the expectation that the global economy would grow by around 4%, as forecast by the German Council of Economic Experts and IMF at the time, and that the negative impacts of the Covid-19 pandemic would probably continue to decrease over the course of 2022. Factoring in these assumptions, the Executive Board approached the 2022 financial year with realistic and overall positive expectations and anticipated currency-adjusted revenue growth in a range of 12% to 14%, with recurring revenues expected to grow at a disproportionately high rate, and an EBITDA margin of 32% to 33%.

With the worsening of the economic environment due to the significantly higher interest rates, implemented in response to very high levels of inflation, particularly in the Americas and Europe, plus the effects of Russia's invasion of Ukraine and the diminishing but continuing Covid-19 pandemic, as explained in [3.2 Business Performance in 2022 and Key Events Influencing the Company's Business Performance](#), the growth prospects for the global economy promised by the IMF and the German Economic Council of Experts at the time of the forecast could not be achieved. According to current expert opinion, growth for 2022 is expected to be around 3% instead of around 4%. The construction industry, which is of vital importance for the Nemetschek Group, developed as described in [3.1 Macroeconomic and Industry-Specific Conditions](#) in 2022, with the sector in Germany and other parts of Europe having been particularly affected by the macroeconomic developments.

The Nemetschek Group was nevertheless able to deliver a pleasing performance in this environment. Business performed very well in the first half of the year in particular, driven by high customer demand and especially by the strong development of recurring revenues from subscriptions and Software as a Service (SaaS) and by a strong Media segment. However, in the second half of the year, both the switch by Bluebeam to subscription and SaaS models, which started as scheduled, and the macroeconomic effects also impacted the business of the Nemetschek Group, and the growth momentum noticeably slowed.

In total, revenues of EUR 801.8 million were generated in the 2022 financial year, corresponding to nominal growth of 17.7% and growth adjusted for currency effects of 12.1%. The revenue growth achieved in the 2022 financial year is therefore within the forecast range of 12% to 14%. The Americas and Asia/Pacific regions in particular, along with the Build and Media segments, contributed to the pleasing development in revenue. The reasons for this stable growth in a challenging macroeconomic environment included the further significant increase in the proportion of recurring revenues, which acted as the basis for the targeted sustainable growth, consistent work on the strategic key topics and the further internationalization of the business. The impact of the uncertain macroeconomic environment, particularly in Europe, was felt in both the Manage and Design segments, as reflected in customer reluctance to invest and in the lengthening of sales cycles.

Based on the pleasing revenue development, profitability also developed positively in the 2022 financial year and EBITDA of EUR 257.0 million was generated, corresponding to an EBITDA margin of 32.0% and therefore also lying within the forecast range of 32% to 33%.

COMPARISON OF ACTUAL AND FORECAST BUSINESS PERFORMANCE - OVERVIEW

	Financial year 2021 Actual	Financial year 2022 Forecast March 2022	Financial year 2022 Actual	Δ nominal in %	Δ currency-adjusted
Revenue	EUR 681.5 million	Currency-adjusted growth: 12% – 14%	EUR 801.8 million	17.7%	12.1%
Recurring revenues	EUR 416.7 million	Overproportionate growth (compared to revenue growth)	EUR 532.6 million	27.8%	21.7%
EBITDA margin	32.6%	32% – 33%	32.0%		