

Earnings Call Q1-23

Nemetschek Group

April 27, 2023



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Financial Results Q1-23



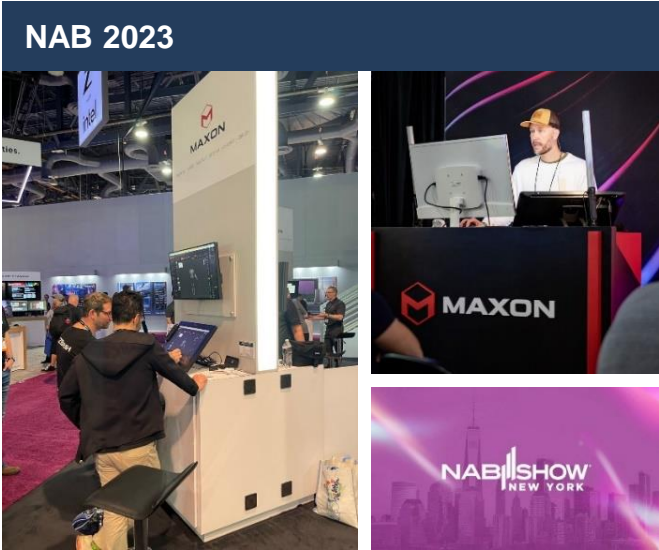
Key Messages

1. Successful start to the year & well on track to reach outlook FY-23
2. Q1 supported by catch-up effects from Q4 and by pre-buying ahead of announced price increases in Design segment
3. As planned: Substantial progress on our journey to a subscription and SaaS centric business model in all segments
4. We are well positioned to achieve above-market growth and shareholder returns in the medium- to long-term, capitalizing on our leading positions in structurally growing industries

Transforming the AEC Industry: From Silos to Workflows



ONE Nemetschek



Key Financial Highlights Q1-23: Successful Start to the Year



Revenues:
**+6.5% (FX adj.: +5.5%) to
EUR 204.6m**



EBITDA:
**-12.7% (FX adj.: -10.8%) to
EUR 61.0m**



Cash Conversion:
123%



ARR:
**+23.5% to
EUR 597.4m**



EBITDA margin:
29.8%



Net Cash Position:
EUR 189.1m



Subscription/SaaS Revenues:
**+40.6% (FX adj.: +38.9%) to
EUR 63.8m**

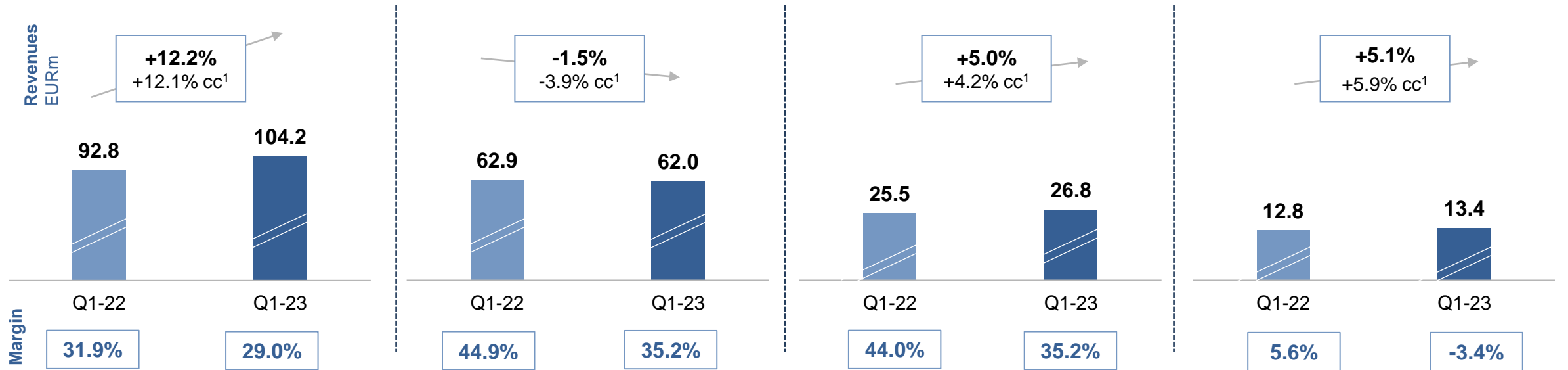


Earnings per Share:
EUR 0.31 (-14.9%)



Equity Ratio:
58.0%

Segments Q1-23: Re-acceleration in Design, Build and Media According to Plan



- Slight stabilization of European Design markets
- Main growth driver: Recurring revenues (+17% y/y)
- Q1-23 supported by catch-up effects and strong end of quarter perpetual license sales before price increases

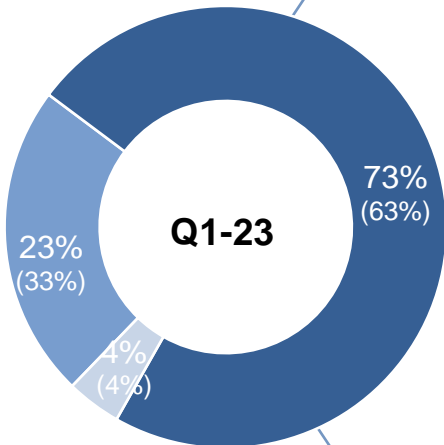
- Resilient customer demand in US
- Subscription/SaaS transition progressing as planned
- Continued strong demand for mid- & premium packages

- Very high comparison base (Q1-22: +73.6%) due to end of perpetual license sales in China which led to expected slow start
- Strong acceleration of growth and normalization of margin expected in coming quarters

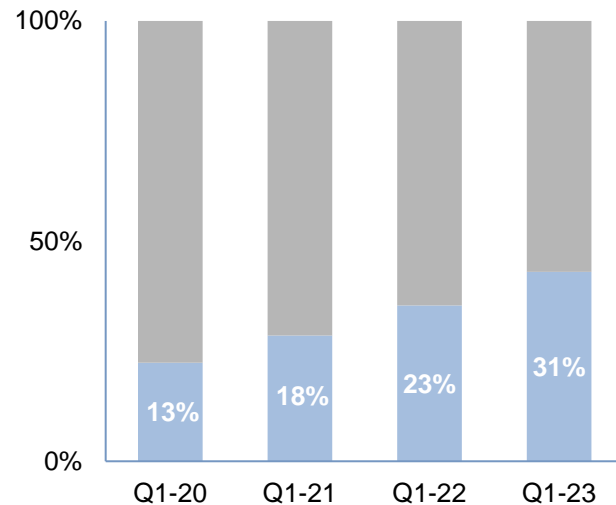
- Ongoing reshaping of Manage weighting on profitable growth
- New business unit Digital Twin progressing as planned
- Long-term growth potential due to Digital Twins, green buildings, etc.

Revenues by Type: Strong Increase in Recurring Revenue Share

Revenue Share by type in %



Revenue Share of Subscription/SaaS



■ Recurring revenues (Software services (42%); Subscription/SaaS (31%)) ■ Licenses ■ Consulting & Hardware

	Q1-23	Comments
ARR² y/y	<ul style="list-style-type: none"> +23.5% 	<ul style="list-style-type: none"> Indicates strong future growth with EUR 597m Expected acceleration in H2-23
Recurring revenues y/y	<ul style="list-style-type: none"> +23.5% +22.2% cc¹ 	<ul style="list-style-type: none"> Continued strong growth to EUR 149m Software Services: +13.2% y/y
Subscription/SaaS y/y	<ul style="list-style-type: none"> +40.6% +38.9% cc¹ 	<ul style="list-style-type: none"> Over-proportional growth to EUR 64m Driven mainly by Build & Media segments
Licenses y/y	<ul style="list-style-type: none"> -25.2% -25.7% cc¹ 	<ul style="list-style-type: none"> Reduction to EUR 48m in line with plans Decline driven by Build & Media

At a Glance: Income Statement and Important KPIs

Key Figures mEUR	Q1-23	In % of revenue	Q1-22	Growth y/y
Revenues	204.6	100%	192.2	+6.5%
Cost of goods and services	-7.8	3.8%	-6.9	+12.7%
Personnel expenses	-88.8	43.4%	-78.2	+13.5%
Other operating income/expenses	-47.1	23.0%	-37.3	+26.2%
EBITDA	61.0	29.8%	69.8	-12.7%
EBITDA margin	29.8%	-	36.3%	-652bps
D&A (incl. PPA)	-14.4	7.0%	-13.5	+6.1%
EBIT	46.6	22.8%	56.3	-17.2%
EBIT margin	22.8%	-	29.3%	-649bps
Net income (group shares)	36.3	17.7%	42.6	-14.9%
EPS	0.31	-	0.37	-14.9%
FCF (before M&A)	72.5	-	61.3	+18.2%
Equity ratio in %	58.0%	-	52.7%	-
Net Cash	189.1	-	86.9	-

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Outlook



Outlook 2023: On Track after Successful Start to the Year

2022	Guidance	Ambition	
Starting Point	2023	2024	2025
<p>ARR: EUR 581.7m</p> <p>Share Recurring Revenue: 66%</p> <p>Revenue: EUR 801.8m</p> <p>EBITDA Margin: 32.0%</p>	<p>ARR Growth: > 25%</p> <p>Share Recurring Revenue: > 75%</p> <p>Revenue Growth: 4% - 6% (at constant currencies)</p> <p>EBITDA Margin: 28% - 30%</p>	<p>Revenue Growth: Double digit percentage growth</p> <p>EBITDA Margin: > 30%</p> <p>Share Recurring Revenue: ~85%</p>	<p>Revenue Growth: Significantly above market – At least Mid-teens</p>

Guidance 2023:

Please note: The guidance is based on the assumption that there will be no material change in the economic conditions during the course of 2023 and that the war in Ukraine & geopolitical tensions will not escalate further.

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Appendix



Income Statement

€m	Q1 2023	Q1 2022	% YoY
Revenues	204.6	192.2	+6.5%
Other income	1.8	3.0	-40.5%
Operating income	206.4	195.3	+5.7%
Cost of goods and services	-7.8	-6.9	+12.7%
Personnel expenses	-88.8	-78.2	+13.5%
Other expenses	-48.9	-40.3	+21.1%
Operating expenses	-145.5	-125.5	+15.9%
EBITDA	61.0	69.8	-12.7%
Margin	29.8%	36.3%	
Depreciation and amortization	-14.4	-13.5	+6.1%
t/o right-of-use assets	-4.3	-4.1	+4.4%
t/o PPA	-7.2	-7.1	+1.2%
EBIT	46.6	56.3	-17.2%
Financial result	-0.5	-0.3	+86.3%
t/o IFRS 16	-0.5	-0.3	+42.8%
EBT	46.1	56.0	-17.7%
Income taxes	-9.3	-11.7	-20.7%
Non-controlling interests	0.6	1.7	>100%
Net income (group shares)	36.3	42.6	-14.9%
EPS in EUR	0.31	0.37	-14.9%

Balance Sheet – Assets

€m	March 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	234.1	196.8
Trade receivables, net	91.4	84.5
Inventories	1.0	0.9
Other current assets	50.7	44.9
Current assets, total	377.2	327.1
Property, plant and equipment	26.5	26.6
Right-of-use assets	71.1	69.8
Intangible assets	163.2	171.7
Goodwill	549.5	557.0
Other non-current assets	51.4	45.9
Non-current assets, total	861.8	871.0
Total assets	1,239.0	1,198.1

Balance Sheet – Equity and Liabilities

€m	March 31, 2023	December 31, 2022
Equity and liabilities		
Short-term borrowings and current portion of long-term loans	39.8	65.1
Trade payables & accrued liabilities	62.9	86.0
Deferred revenue	258.2	206.9
Current lease liability	15.2	14.9
Other current liabilities	43.0	31.0
Current liabilities, total	419.2	403.8
Long-term borrowings without current portion	5.2	6.9
Deferred tax liabilities	18.0	19.8
Non-current lease liability	63.4	62.4
Other non-current liabilities	15.1	15.9
Non-current liabilities, total	101.8	105.1
Subscribed capital and capital reserve	128.0	128.0
Retained earnings	570.4	533.9
Other reserves	-15.7	-8.6
Non-controlling interests	35.3	36.0
Equity, total	718.1	689.2
Total equity and liabilities	1,239.0	1,198.1

Cash Flow Statement

€m	Q1 2023	Q1 2022	% YoY
Cash and cash equivalents at the beginning of the period	196.8	157.1	+25.3%
Cash flow from operating activities	74.9	72.0	+4.1%
Cash flow from investing activities	-6.0	-10.7	-43.4%
t/o CapEX	-2.6	-3.1	
t/o Cash paid for acquisition of equity investments	-3.3	-0.3	
Cash flow from financing activities	-29.9	-14.8	+101.9%
t/o Cash received from loans	2.5	39.0	
t/o Repayments of borrowings	-27.1	-49.1	
t/o Principal elements of lease payments	-4.1	-4.0	
FX-effects	-1.7	1.9	
Free cash flow	68.9	61.3	+12.4%
Free cash flow (before M&A)¹	72.5	61.3	+18.2%
Cash and cash equivalents at the end of the period	234.1	205.6	+13.9%

SHAPE THE WORLD

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