

Nemetschek Group

# Company Presentation

September 2021



01

Market Potential AEC/O

# We Address the Pain Points of the Construction Industry

## General challenges



### Need for Affordable Housing

Housing shortage due to urbanization, especially in metropolitan areas.



### Time & Cost Pressure in Projects

The constantly increasing complexity of construction projects leads to higher time, cost, and/or quality demands.



### Sustainability

Climate protection requirements are putting pressure on the industry to build more sustainably.

## Opportunities for us



### Seamless Collaboration

Collaboration between different disciplines must be further improved in order to reduce information losses caused by silos.



### Framework Conditions

Open data standards are the basis for seamless collaboration and higher efficiency.



### Investments in Digitalization

Construction industry still lagging behind other industries. But regulations increase need for investments in Digitalization.

# 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



Construction and demolition account for

**35%** of all waste in the EU



During the construction phase

**10%** of materials are wasted  
**30%** of construction is rework

Sources: Global Status Report 2019, UN Environment and the International Energy Agency. Engineering-News Record 2018/2019

## The HANDPRINT of our Customers

### Renovation & Demolition

- Easier reconstruction of buildings
- Reusing raw materials

### Operate & Manage

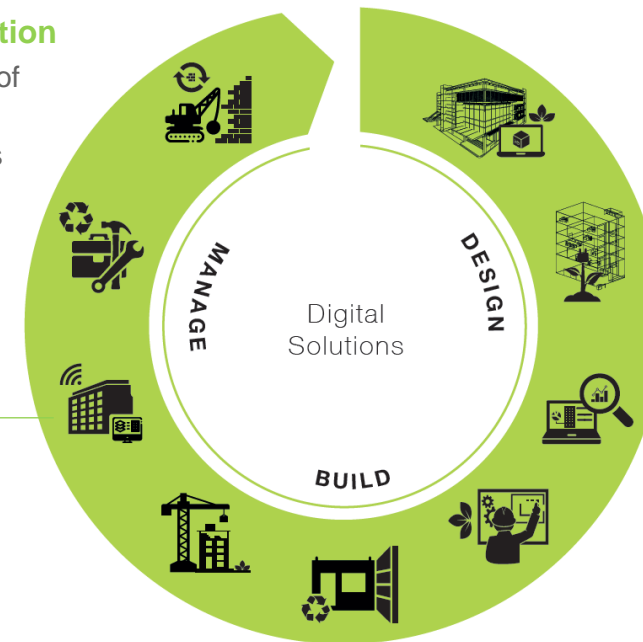
- Smart buildings
- Digital twins
- Efficient usage of office spaces and energy

### Build & Construct

- Optimized usage of resources and materials via exact cost & time estimation
- Up to 60% less energy consumption and 90% less waste with prefabrication

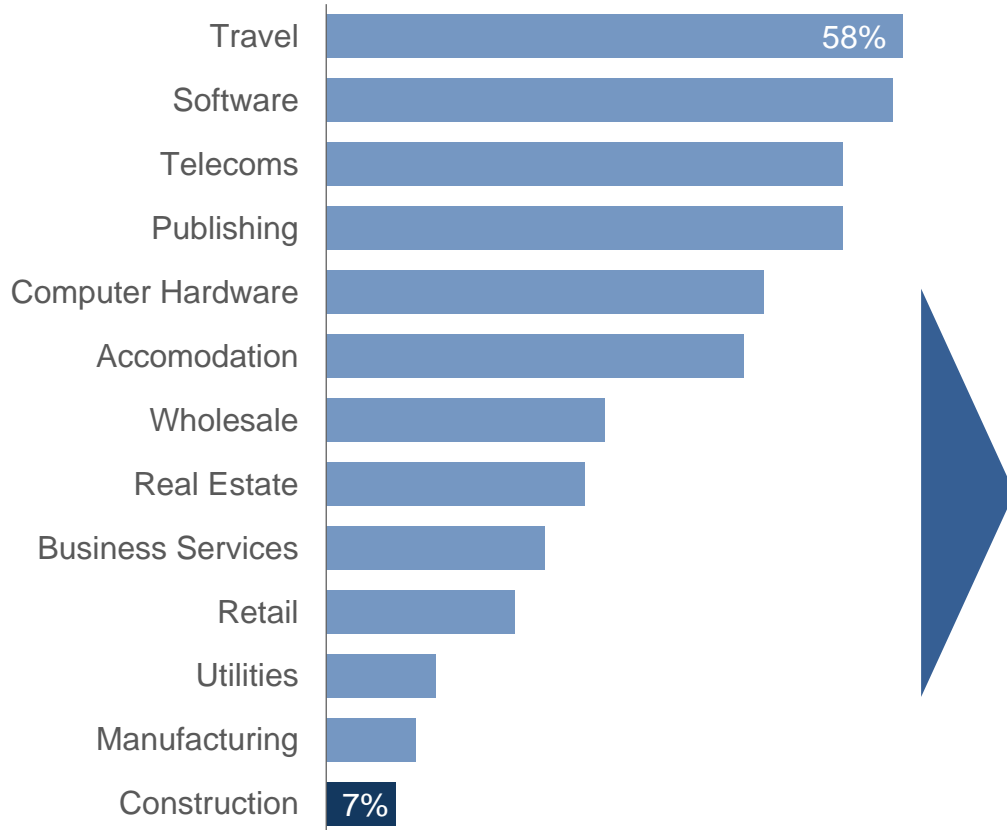
### Planning & Design

- Less errors & rework through cross-functional planning
- Green buildings
- Simulations
- Energy analysis
- Exact calculation of materials

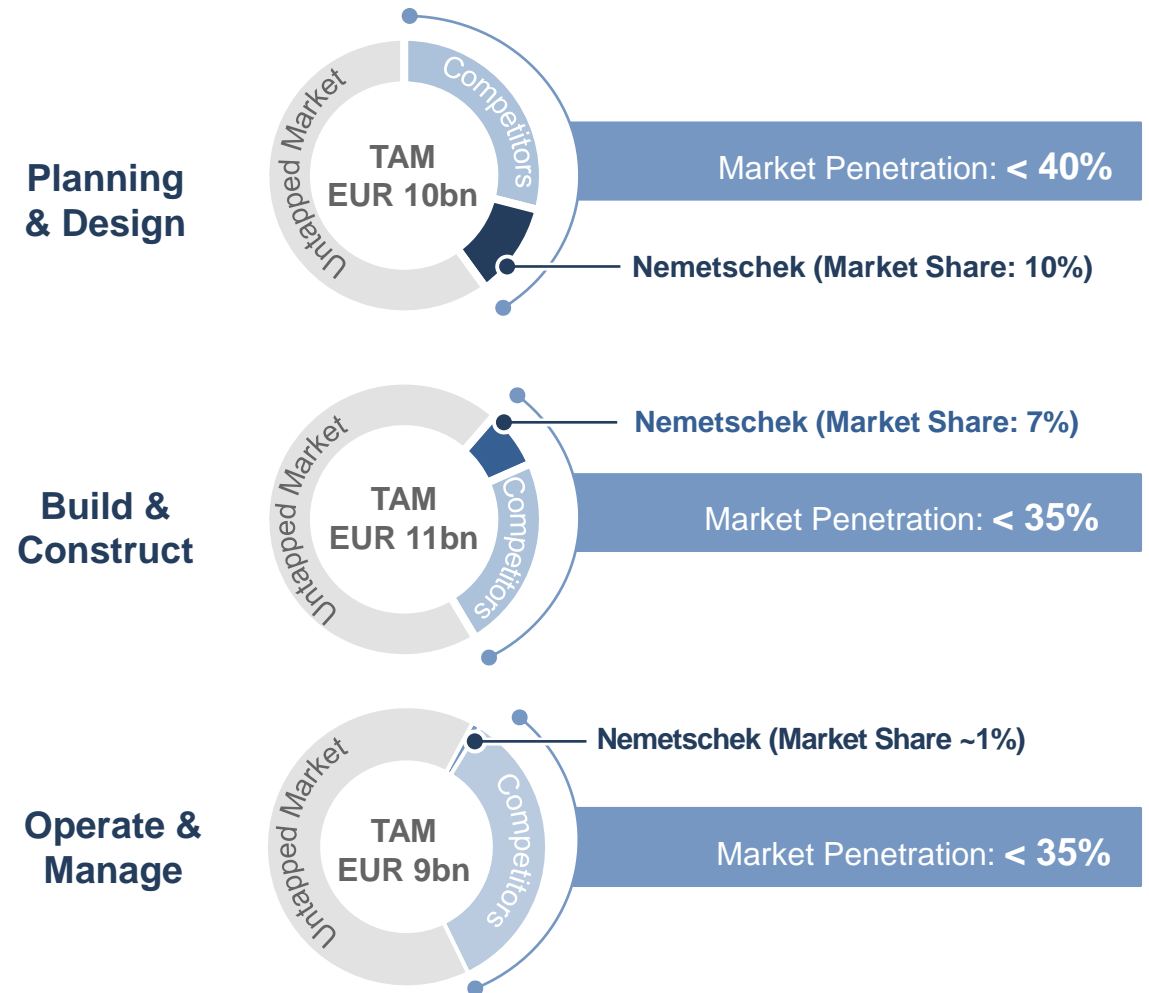


# Intact long-term trend of AEC/O BIM Software Market is Offering huge Potential

## Construction lagging behind Digitalization



## Addressable market growth ~10% p.a.



# 02

## Our Positioning in the AEC/O Industry



# Nemetschek Group Drives Digitalization in the Construction Industry...

## ... for an efficient building lifecycle

- Pioneer for open standards
- Software solutions for the entire life-cycle of buildings, from planning and construction to facility management
- Close cooperation with science and universities
- 25% of revenue flow into research & development
- Named one of the 50 Sustainability & Climate Leaders by the U.N.



## ... local and global

- BIM solutions made in Germany, competition essentially abroad
- One of the top 3 software providers in Germany
- More than 3,000 employees worldwide, 25% of them in Germany
- Nearly €600 million in revenue, 24% of which are generated in Germany (2020)
- 15 brands with solutions for a wide range of customers at 80 locations worldwide

## ... with 60 years of commitment!

- Prof. Georg Nemetschek is founder, majority shareholder and spiritus rector of the Nemetschek Group
- Awarded with Konrad Zuse Medal for commitment to the construction industry and promotion of young talent as well as the Federal Cross of Merit for his lifetime achievements
- Nemetschek Innovation Foundation and Georg Nemetschek Foundation promote competence and excellence in the building industry (most recently: TU Munich Endowed Chair)



# Nemetschek Group's Leading-Edge Software Solutions

## Covering the Entire Building Lifecycle



### Planning & Design

Technology-edge design tools. Seamless collaboration among all stakeholders improves the overall project quality.



### Build & Construct

Collaboration tools to connect office / field workers to increase efficiency along with world-class ERP tools.



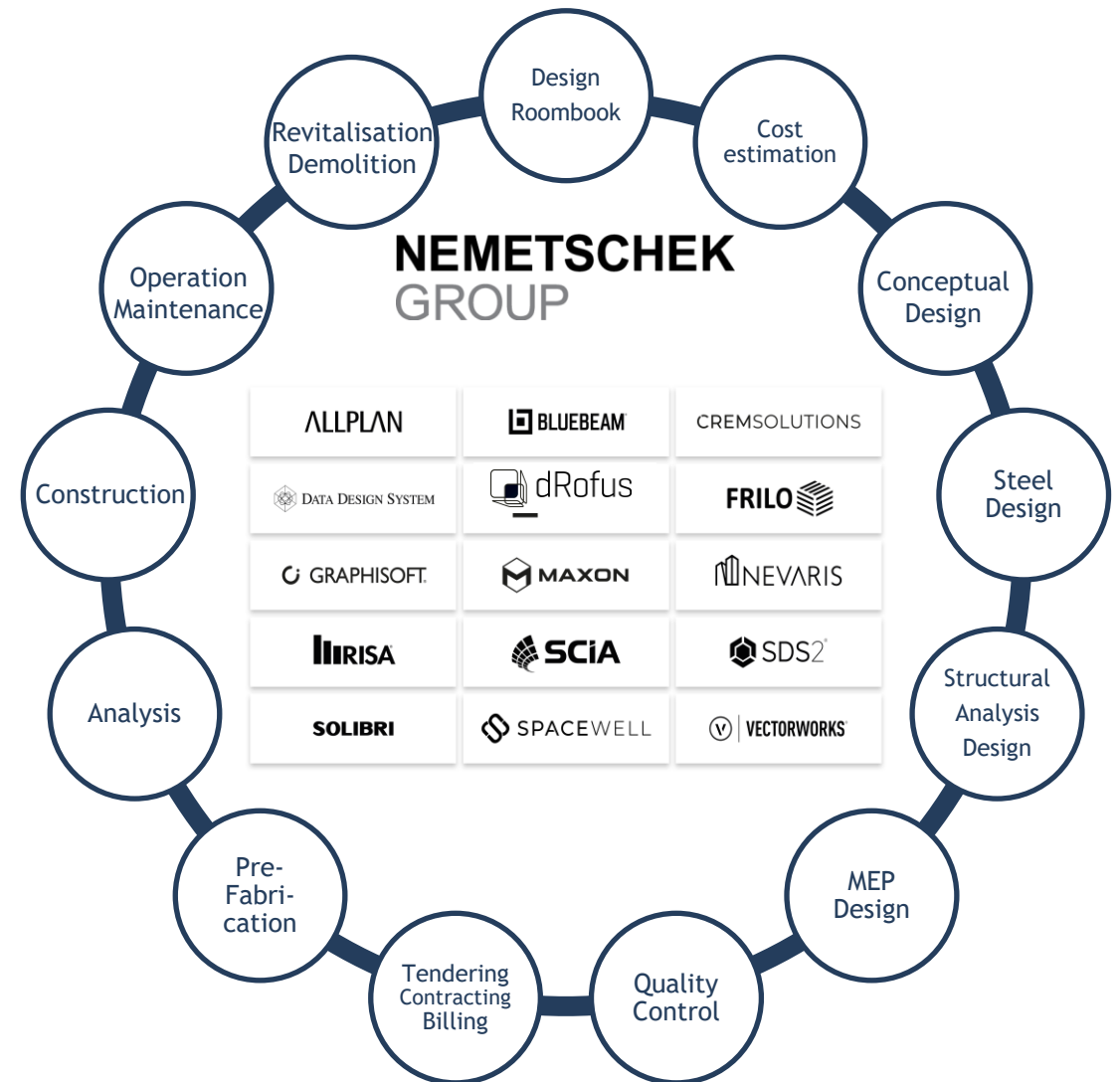
### Operate & Manage

Increase efficiency in buildings: 80% of a building's costs are generated during its operational phase.



### Media & Entertainment

Visual and special effects & rendering to present objects in a realistic way for decision makers






# 03

## Financial Performance / Investment Story

# Market Overview: Strong Demand for our Products Across the Entire Construction Market

Construction markets


## Residential



Sub-segments:

- Multi-Family Homes
- Flats


## Non-Residential



Sub-segments:

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

## Infrastructure



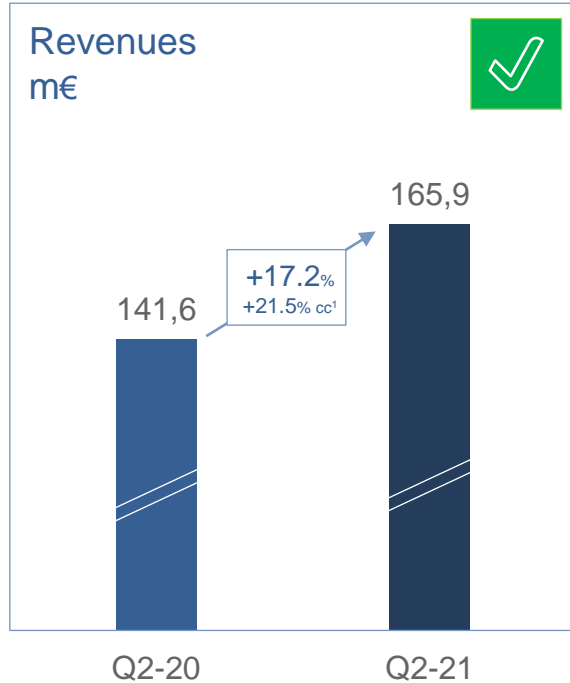
Sub-segments:

- Airports
- Bridges
- Tunnels

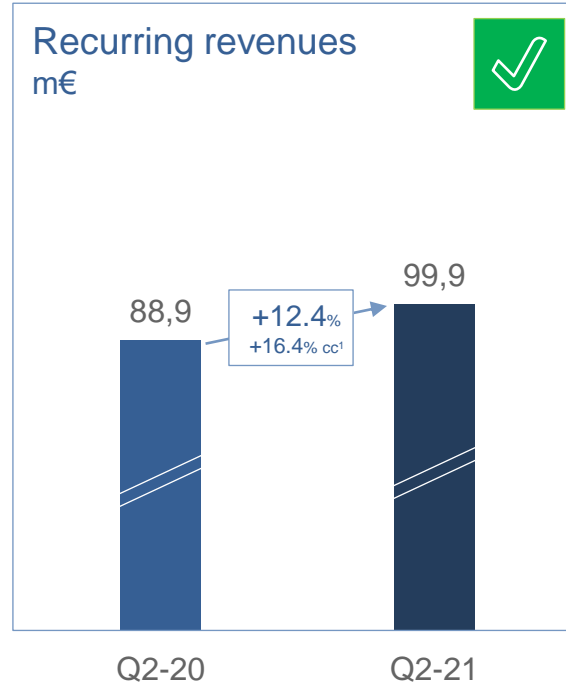
Market Status



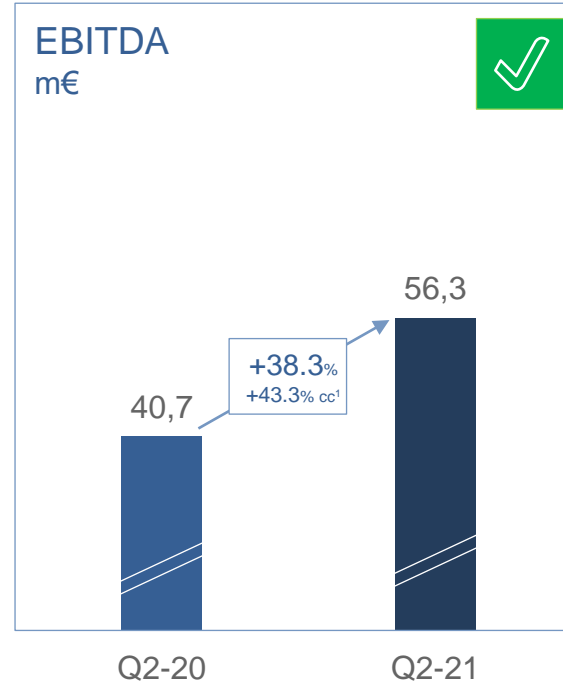
# Top Key Figures Q2-2021: Record Quarter Across the Board



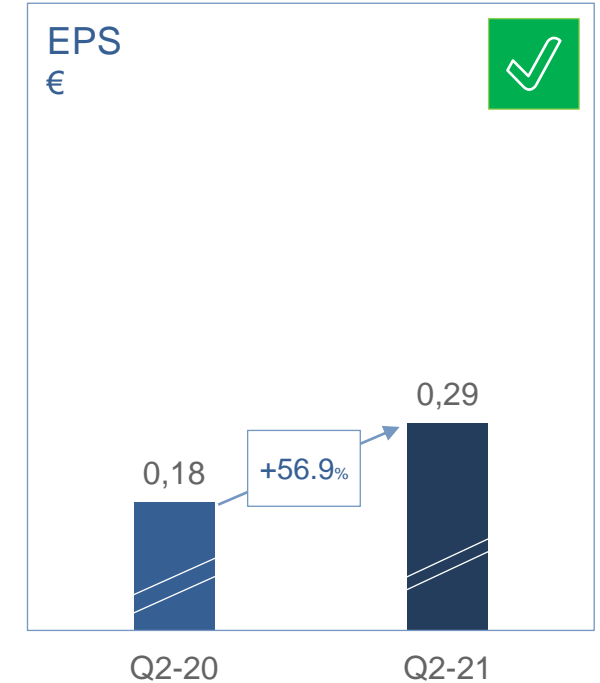
- Strongest organic quarterly growth in years
- Strong demand for Nemetschek's leading software solutions in all market segments



- Subscription/SaaS continues to be the main growth driver: +53.1% cc<sup>1</sup>
- Subscription share reaches new record high with 18% of total revenues



- Q2-21: EBITDA margin: 34.0% vs. Q2-20: 28.8%
- Main drivers: strong operational growth combined with high efficiency



- Tax rate: 18.5% vs. 23.5% in previous year
- EPS before PPA amortization: 0.34 EUR (+50.1%)

# Key Business Highlights H1-21: Excellent First Half of the Year due to Operational Strength



## Financial Performance



### Revenues:

**+12.5% (FX adj.: +16.7%)  
to EUR 324.3m**



### Subscription/SaaS:

**+45.7% (FX adj.: +51.5%)  
to EUR 58.5m**



### EBITDA:

**+28.3% to EUR 105.9m  
(Margin: 32.7%)**



### Earnings per Share

**EUR 0.54 (+47.1% y/y)**



### High Cash Conversion:

**99.9%**



### Equity Ratio:

**49.3% (H1-20: 43.3%)**

## Strategic Highlights



### Value accretive M&A and Venture Investments

- Successful integration of acquisitions Red Giant and Redshift in Maxon
- Start-up Investments: Reconstruct, Sablono



### Continued Progress on Harmonization

- Precast integration into Allplan
- Allplan & SDS2 join forces

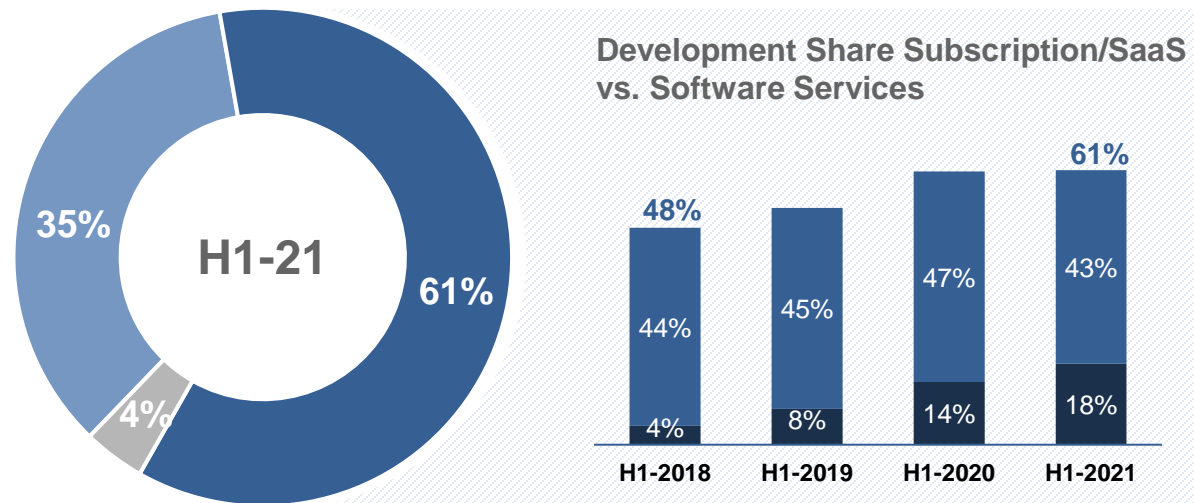


### Subscription/SaaS

- Growth underpins success of segment-tailored subscription strategy

# Continued Strong Growth in Subscription/SaaS

## Revenue Share by Type in %

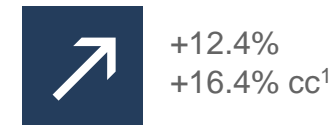


■ Software licenses  
■ Recurring revenues  
■ Consulting & Hardware

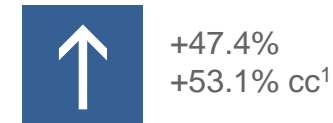
■ Software services (43%)  
■ Subscription/SaaS (18%)

## Q2-21

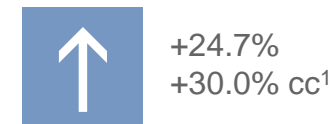
### Recurring revenues y/y



### Subscription/SaaS y/y

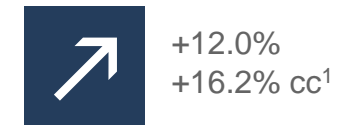


### Software licenses y/y

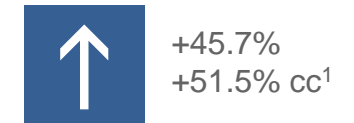


## H1-21

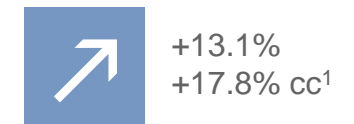
### Recurring revenues y/y



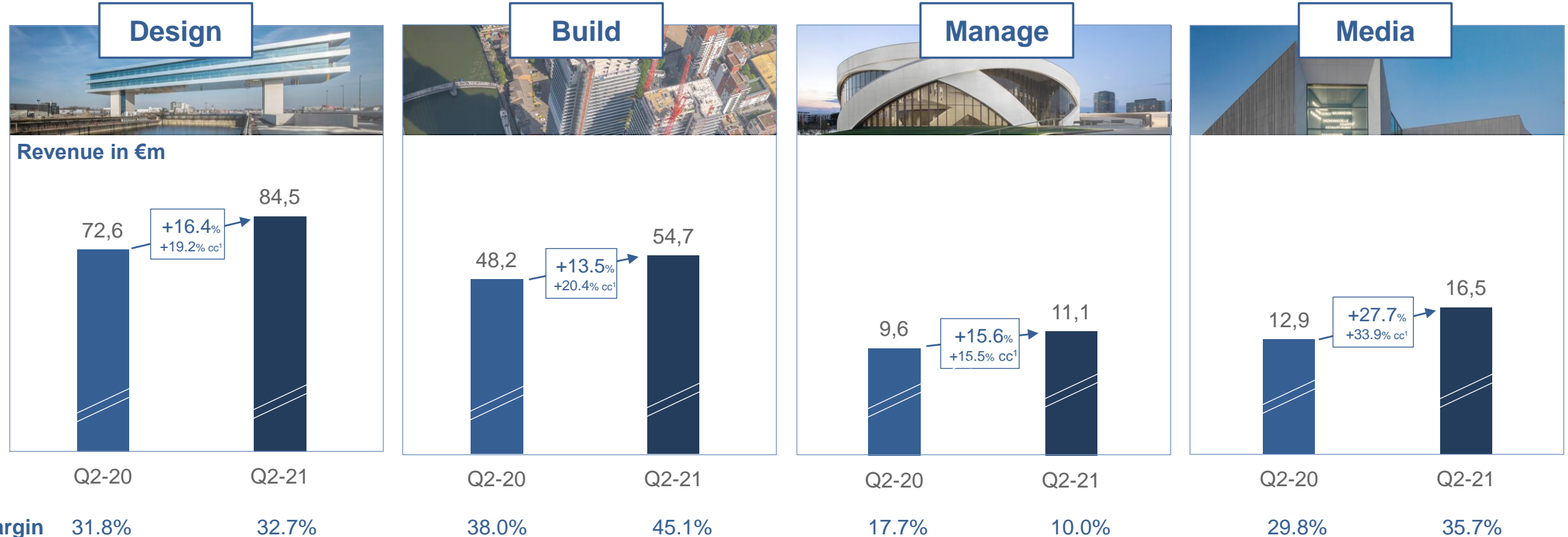
### Subscription/SaaS y/y



### Software licenses y/y



# Q2-21 Segment Overview: Strong Operational Performance in all Divisions



- Graphisoft with largest contribution to revenue and margin increase
- Acceleration of license growth: +36% (vs. +13% in Q1-21)

- Main growth driver Bluebeam with highest increase in new users in company's history
- Strong growth despite continued FX headwind from USD

- Growth picking up in Q2 with +15.6% (vs. 9.2% in Q1)

- Strong growth purely organic
- Margin uplift after successful integration of acquisitions Red Giant and Redshift

# Strategic Initiatives for Strong Future Growth

## Operations & Solutions



### Harmonization/Reducing Complexity

- | Organizational simplification
- | Group-wide activities to harmonize processes (IT & HR)

### Business Transformation: Subscription/SaaS

- | Strong growth after successful transition of Maxon
- | Bluebeam in final preparations for subscription move in Q4-21, comes from a great installed base and detailed preparation

### Customer Focus/Cross-Brand Activities

- | Enhanced group-wide competences (e.g. Key Account Management)
- | Introduction of innovative and integrated solutions for the benefit of our customers

## M&A/Start-Ups & Ventures



### Planning & Design Division

- | Acquisition & integration of ADAPT by RISA to strengthen structural engineering competence in the US
- | Integration of Precast in Allplan successfully completed

### Operate & Manage Division

- | Acquisition & Integration of DEXMA by Spacewell to expands portfolio with AI-powered Energy Management Solution

### Media & Entertainment Division

- | Acquisition & integration of Red Giant and Redshift successfully completed

### Start-Ups & Ventures

- | Investment in Contech-Champion Sablono
- | New Expert Role (Head of Start Up & Venture Investments)

# Overall a Compelling Position: Strong Foundation for Sustainable Growth

## 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/O 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%)

### Strong financial position

- | Very healthy balance sheet
- | Equity ratio: 49%
- | EUR 200m credit line secured
- | Long-term anchor shareholder

### Value accretive M&A plus Ventures

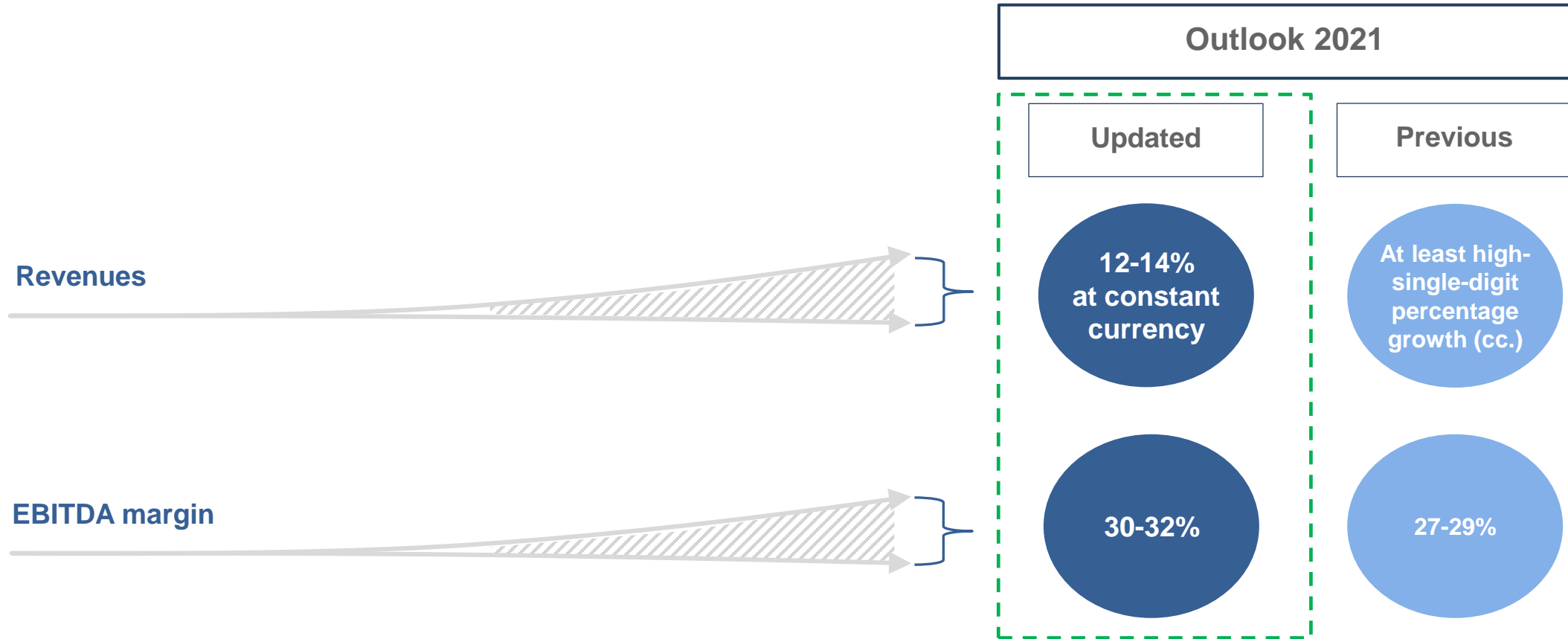
- | Strong track record of bolt-on acquisitions
- | Disciplined approach
- | Substantial financial fire power
- | Focus on long-term value generation

### Ambition 2023

- Mid-teens growth starting in 2023 and following the successful Subscription/SaaS transition
  - Share of Recurring Revenues: ~ 75% (t/o Share of Subscription/SaaS ~ 45%)



# Increased Guidance 2021: Upgrade after Strong Operational Performance in H1



## Outlook 2021:

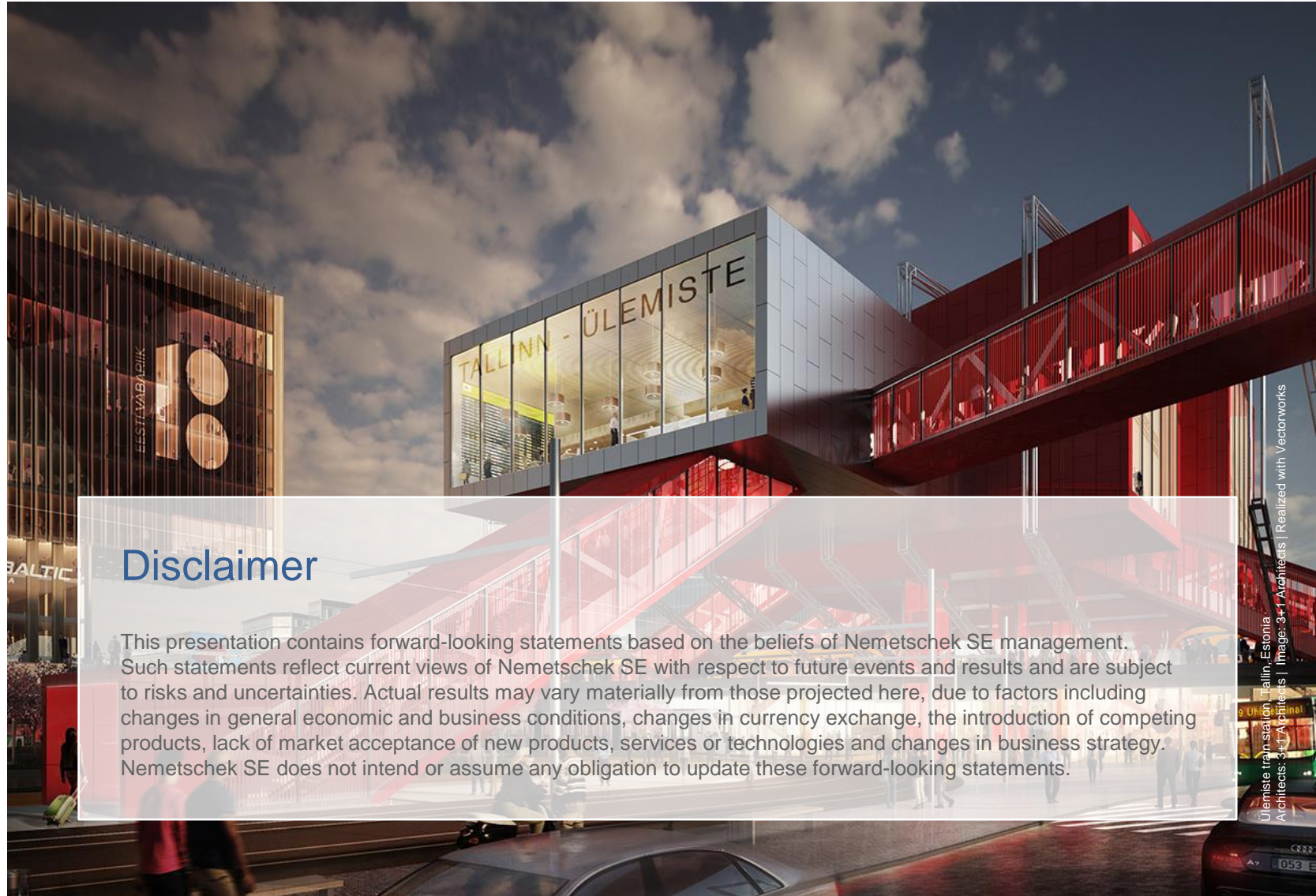
**Please note:** The outlook is based on the assumption that there will be no deterioration in the economic conditions in the second half of 2021 and that the Corona pandemic will continue to be under control.

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