

Earnings Call Q4- / FY-23

Nemetschek Group

March 21, 2024

Agenda

01 | Highlights FY-2023 and
Strategic Update

02 | Update Subscription/SaaS Transition

03 | Financial Results Q4- / FY-2023

04 | Guidance 2024 and
Ambition 2025

05 | Appendix

01

Review Financial Year 2023



Financial Year 2023: All Metrics Achieved or Exceeded

Outlook 2023



Revenues Growth:
6.0% - 8.0% (at cc¹)
Initially (4.0% - 6.0%)



ARR Growth:
> 25%



EBITDA Margin:
28%-30%



Share Recurring Revenue:
> 75%

Results 2023



Revenues Growth:
+8.0% (at cc¹) to EUR
851.6m



ARR Growth:
+26.7% (at cc¹)



EBITDA Margin:
30.3%



Share Recurring Revenue:
76.6%



¹ Constant currency

Strategic Highlights FY 2023: Continued Progress in All Strategic Focus Areas

Business Model

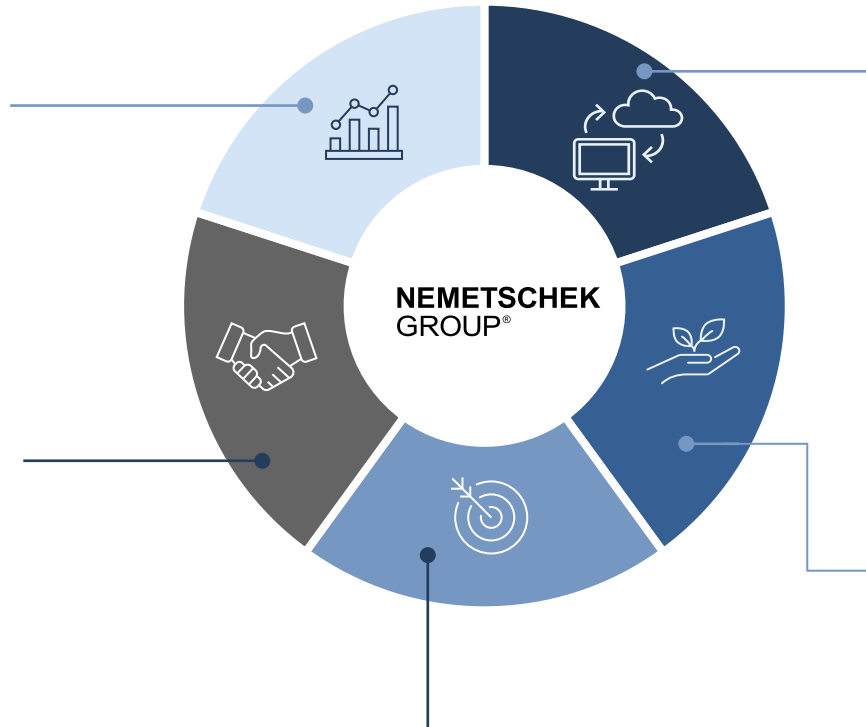
- Subscription/SaaS transition continues to be highly successful and progress in line with plans
- Record share of recurring and subscription/SaaS revenues

Go-to-Market

- Improved e-commerce
- Increased focus on cross-selling and larger accounts
- Preparation for a stronger focus on Asia/Pacific

Business Enablement

- Enhanced operational excellence
- Harmonization of processes and structures and continued build-up to utilize future growth opportunities



Innovation & Technological Leadership

- Acceleration of Artificial Intelligence initiatives
 - Graphisoft: AI visualizer
 - Allplan: Strategic partnership with elevait
- dTwin market launch
- Various industry innovation awards (e.g. Architizer, The Hammers)
- Nemetschek Cloud Platform

Venture Investments

- Value generation by combining the competences of our start-up investments & brands:



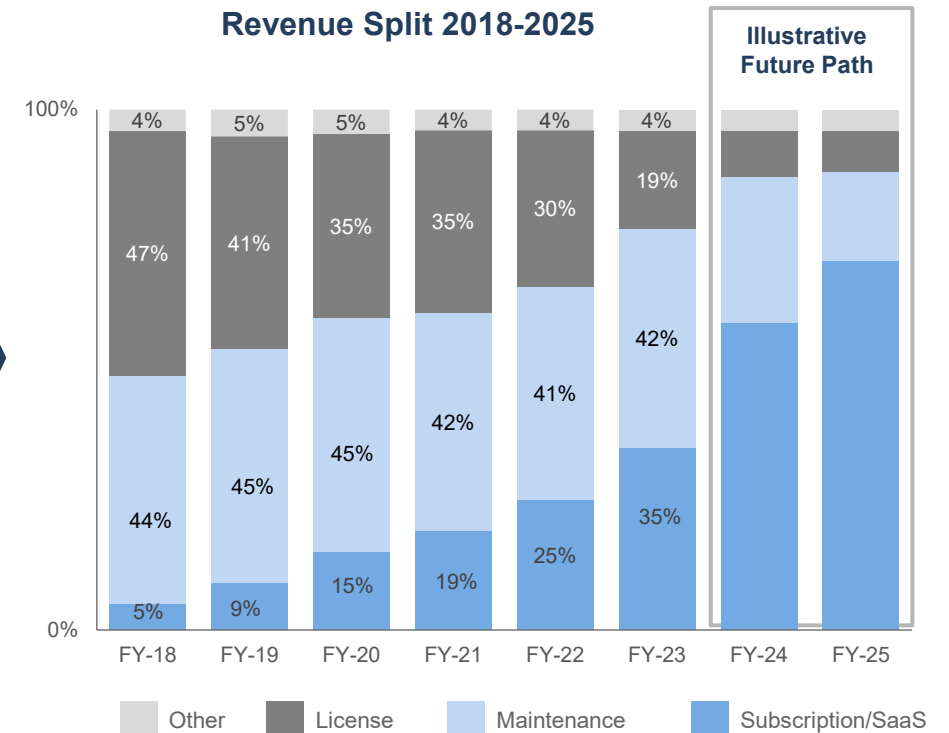
02

Update Subscription/SaaS Transition



Road to Recurring Business Model: Main Driver Subscription/SaaS

| | DESIGN | BUILD | MANAGE | MEDIA |
|-----------------------------------|---|--|---|--|
| Status of Subscription Transition | <ul style="list-style-type: none"> Good progress Phased approach Multiple brands in different stages of Subscription/SaaS transition | <ul style="list-style-type: none"> Strong acceleration with successful Bluebeam transition Majority in Subscription/SaaS by end of FY-24 | <ul style="list-style-type: none"> Well advanced Structurally higher share of service & hardware revenues | <ul style="list-style-type: none"> First segment to start move to subscription Transition already successfully completed |
| Recurring Revenue Share | > 70% | > 75% | > 65% | > 90% |



03

Financial Results Q4- / FY-23



Q4-23: Strong Finish of the Year 2023

ARR
EURm



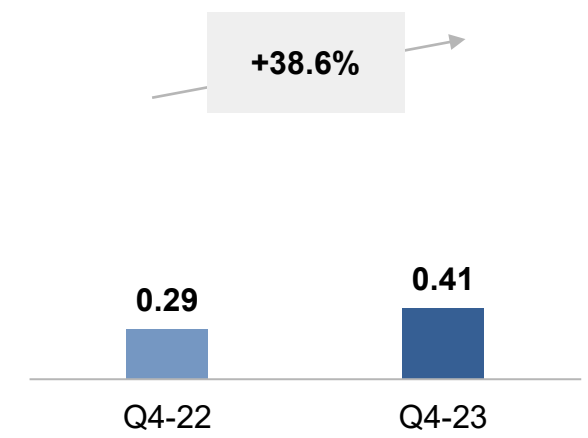
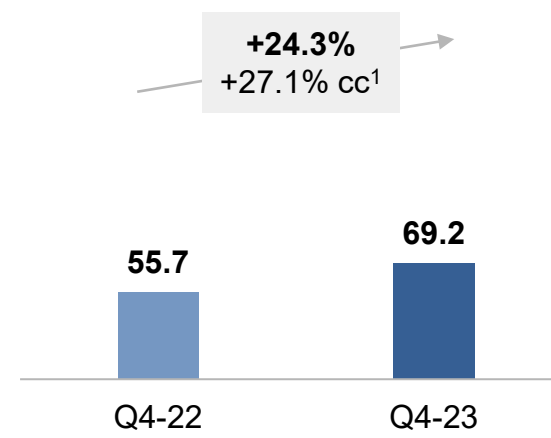
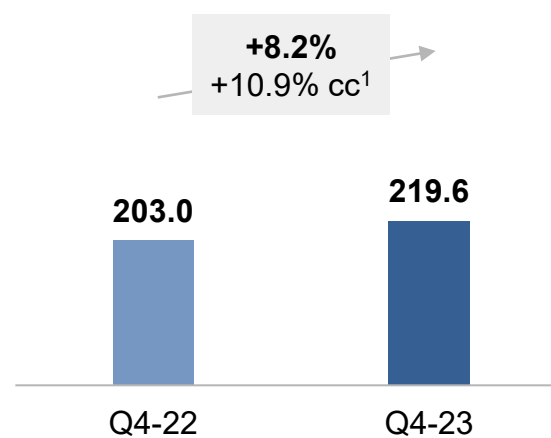
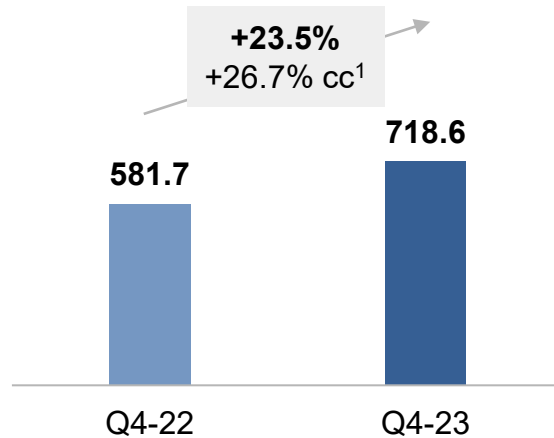
Revenues
EURm



EBITDA
EURm



EPS
EUR



- Strong increase in ARR underpins our good future growth trajectory for the next 12 months
- Subscription/SaaS revenues continue to be the main growth driver: +61.4% (+66.1% cc¹)

- Stable demand situation in AEC markets compared to last quarters
- Growth supported by re-acceleration of growth at Bluebeam

- Q4-23: EBITDA margin: 31.5%
- Strong margin while transitioning to subscription driven by good operating leverage & cost discipline

- EPS before PPA amortization: 0.48 EUR (+34% y/y)

¹ Constant currency

Key Financial Highlights FY-23: Continued Growth in a Challenging Environment



Revenues:
**+6.2% (FX adj.: +8.0%) to
EUR 851.6m**



EBITDA:
**+0.3% (FX adj.: +4.2%) to
EUR 257.7m**



Net Cash Position:
EUR 261.2m



Recurring Revenues:
**+22.5% (FX adj.: +24.7%) to
EUR 652.7m**



EBITDA Margin:
30.3%



Equity Ratio:
61.4%



Subscription/SaaS Revenues:
**+47.8% (FX adj.: +51.1%) to
EUR 301.8m**

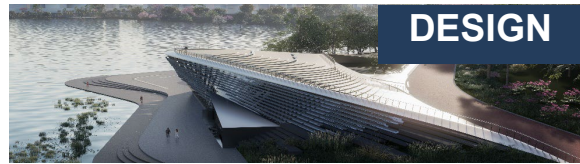


Earnings per Share:
EUR 1.40 (-0.4%)



Dividend Proposal:
EUR 0.48 (+6.7%)

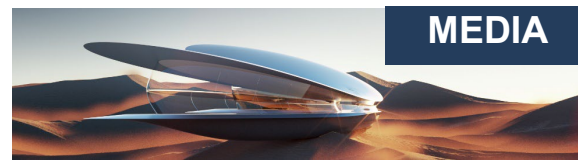
Segments FY 2023: Resilient Growth in Design, Build Recording Growth Despite Transition



DESIGN



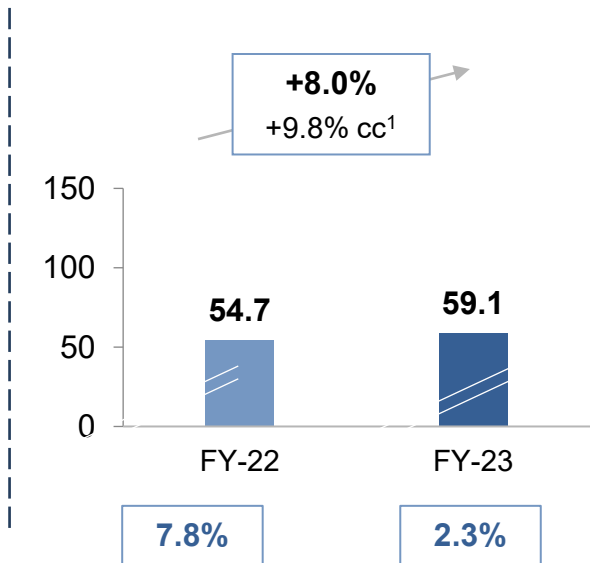
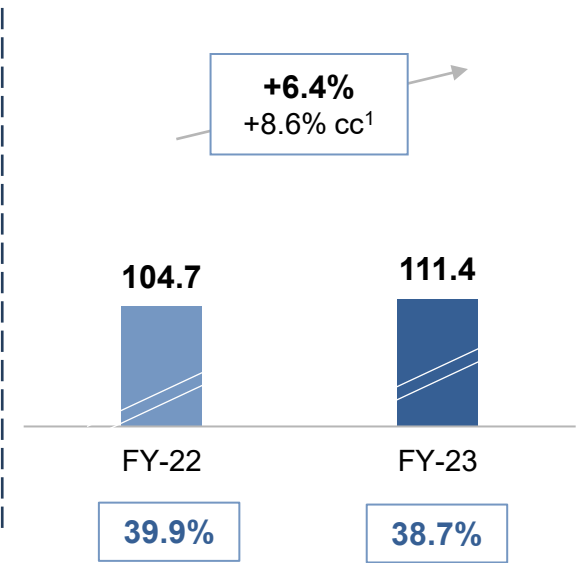
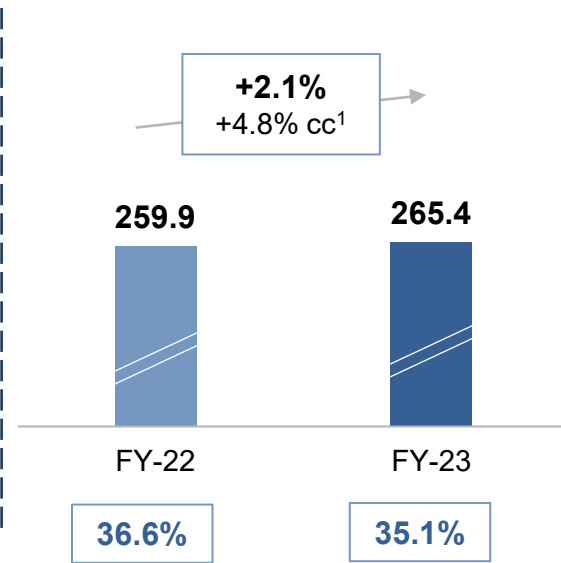
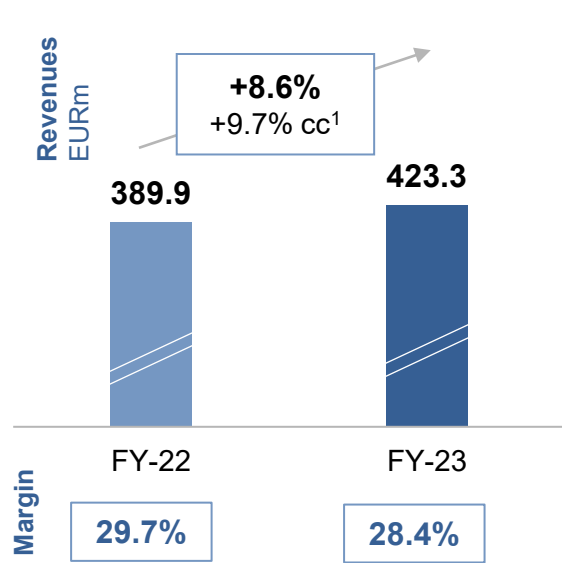
BUILD*



MEDIA



MANAGE*



- Main growth driver: Subscription/SaaS (+46% y/y)
- Continued hesitation in European Design markets

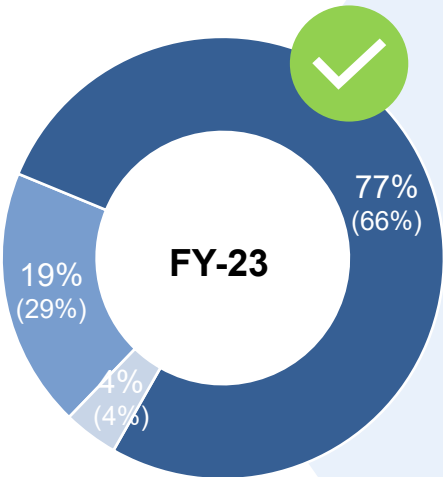
- Very successful transition to Subscription/SaaS of Bluebeam
- Continued resilient customer demand in US
- High profitability despite transition

- Subscription revenue growth >20% cc¹
- Market impacted by aftermaths of Hollywood strikes
- Continued high profitability

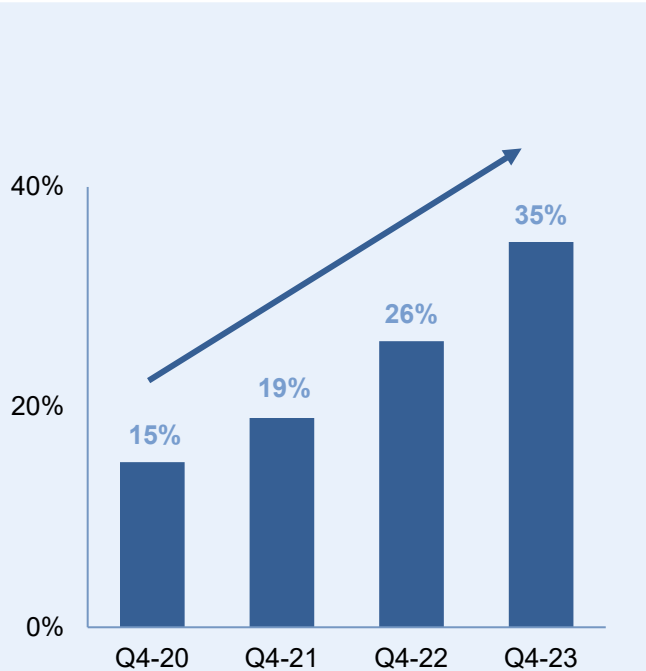
- Open and data-driven cloud-based platform dTwin launched
- Continued investments into future growth weighting on profitability
- Long-term growth potential due to green buildings, energy efficiency regulation

Revenues by Type: Subscription/SaaS Driving Recurring Revenue Share > 75%

Revenue Share by type in %



Revenue Share of Subscription/SaaS



■ Recurring revenues (Software services (42%); Subscription/SaaS (35%)) ■ Licenses ■ Consulting & Hardware

Q4-23

Comments

ARR² y/y



• **+23.5%**
• +26.7% cc¹

• Indicates strong future growth with EUR 719m

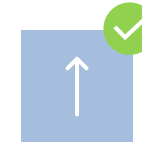
Recurring revenues y/y



• **+23.5%**
• +26.7% cc¹

• Continued strong growth to EUR 180m

Subscription/SaaS y/y



• **+61.4%**
• +66.1% cc¹

• Strong over-proportional growth to EUR 93m
• Driven mainly by Build & Design segments

Licenses y/y



• **-37.1%**
• -35.5% cc¹

• Reduction to only EUR 29m in line with plans
• Decline driven by Build, Media and Design

At a Glance: Income Statement and Important KPIs

| Key Figures mEUR | FY-23 | In % of revenue | FY-22 | Growth y/y |
|---------------------------------|--------------|-----------------|--------------|--------------|
| Revenues | 851.6 | 100% | 801.8 | +6.2% |
| Cost of goods and services | -33.9 | 4.0% | -31.8 | +6.5% |
| Personnel expenses | -360.9 | 42.4% | -337.2 | +7.0% |
| Other operating income/expenses | -199.1 | 23.4% | -175.8 | +13.2% |
| EBITDA | 257.7 | 30.3% | 257.0 | +0.3% |
| EBITDA margin | 30.3% | - | 32.0% | -170bps |
| D&A (incl. PPA) | -58.2 | 6.8% | -58.8 | -1.1% |
| EBIT | 199.5 | 22.8% | 198.1 | +0.7% |
| EBIT margin | 23.4% | - | 24.7% | -130bps |
| Net income (group shares) | 161.3 | 18.9% | 161.9 | -0.4% |
| EPS | 1.40 | - | 1.40 | -0.4% |
| FCF (before M&A) | 240.6 | - | 182.4 | +31.9% |
| Equity ratio in % | 61.4% | - | 57.5% | +390bps |
| Net Cash | 261.2 | - | 124.9 | +109% |

04

Outlook



Guidance 2024 and Ambition 2025



| Starting Point | Guidance | Ambition |
|--|--|--|
| 2023 | 2024 | 2025 |
| ARR: EUR 718.6m Revenue: EUR 851.6m EBITDA Margin: 30.3% Share Recurring Revenue: 77% | ARR Growth: ~ 25% Revenue Growth: 10% - 11% (at constant currencies) EBITDA Margin: 30% - 31% Share Recurring Revenue: ~ 85% | Revenue Growth: Significantly above market – Mid-teens |

Guidance 2024:

Please note: The guidance is based on the assumption that the global macroeconomic or sector-specific conditions will not deteriorate significantly in 2024. Furthermore, no additional potential negative effects from the current developments in the Middle East conflict and the ongoing war in Ukraine are reflected in the outlook.

05

Appendix



Income Statement

| €m | FY 2023 | FY 2022 | % YoY |
|----------------------------------|---------------|---------------|--------------|
| Revenues | 851.6 | 801.8 | +6.2% |
| Other income | 8.9 | 12.6 | -29.1% |
| Operating income | 860.5 | 814.4 | +5.7% |
| Cost of goods and services | -33.9 | -31.8 | +6.5% |
| Personnel expenses | -360.9 | -337.2 | +7.0% |
| Other expenses | -208.0 | -188.4 | +10.4% |
| Operating expenses | -602.8 | -557.4 | +8.1% |
| EBITDA | 257.7 | 257.0 | +0.3% |
| Margin | 30.3% | 32.0% | |
| Depreciation and amortization | -58.2 | -58.8 | -1.1% |
| t/o right-of-use assets | -16.7 | -16.3 | +2.5% |
| t/o PPA | -29.4 | -31.8 | -7.6% |
| EBIT | 199.5 | 198.1 | +0.7% |
| Financial result | 5.0 | 1.4 | +261.9% |
| t/o IFRS 16 | -1.9 | -1.4 | +39.0% |
| EBT | 204.5 | 199.5 | +2.5% |
| Income taxes | -40.6 | -34.4 | +17.8% |
| Non-controlling interests | 2.7 | 3.2 | -15.0% |
| Net income (group shares) | 161.3 | 161.9 | -0.4% |
| EPS in EUR | 1.40 | 1.40 | -0.4% |

Balance Sheet – Assets

| €m | December 31, 2023 | December 31, 2022 |
|----------------------------------|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | 268.0 | 196.8 |
| Trade receivables, net | 99.6 | 84.5 |
| Inventories | 1.0 | 0.9 |
| Other current assets | 49.6 | 44.9 |
| Current assets, total | 418.2 | 327.1 |
| Property, plant and equipment | 23.7 | 26.6 |
| Right-of-use assets | 61.0 | 69.8 |
| Intangible assets | 135.1 | 171.7 |
| Goodwill | 552.0 | 557.0 |
| Other non-current assets | 84.3 | 45.9 |
| Non-current assets, total | 856.1 | 871.0 |
| Total assets | 1,274.3 | 1,198.1 |

Balance Sheet – Equity and Liabilities

| €m | December 31, 2023 | December 31, 2022 |
|--|-------------------|-------------------|
| Equity and liabilities | | |
| Short-term borrowings and current portion of long-term loans | 6.8 | 65.1 |
| Trade payables | 15.3 | 15.7 |
| Provisions and accrued liabilities | 65.7 | 70.3 |
| Deferred revenue | 265.1 | 206.9 |
| Current lease liability | 16.7 | 14.9 |
| Other current liabilities | 31.0 | 31.0 |
| Current liabilities, total | 400.6 | 403.8 |
| Long-term borrowings without current portion | 0.1 | 6.9 |
| Deferred tax liabilities | 16.7 | 19.8 |
| Non-current lease liability | 52.8 | 62.4 |
| Other non-current liabilities | 22.2 | 15.9 |
| Non-current liabilities, total | 91.8 | 105.1 |
| Subscribed capital and capital reserve | 128.0 | 128.0 |
| Retained earnings | 640.8 | 533.9 |
| Other reserves | -22.2 | -8.6 |
| Non-controlling interests | 35.3 | 36.0 |
| Equity, total | 781.9 | 689.2 |
| Total equity and liabilities | 1,274.3 | 1,198.1 |

Cash Flow Statement

| €m | FY 2023 | FY 2022 | % YoY |
|---|---------------|---------------|---------------|
| Cash and cash equivalents at the beginning of the period | 196.8 | 157.1 | +25.3% |
| Cash flow from operating activities | 252.9 | 213.8 | +18.3% |
| Cash flow from investing activities | -37.8 | -52.4 | -27.8% |
| t/o CapEX | -12.7 | -19.0 | |
| t/o Cash paid for acquisition of equity investments | -24.1 | -4.8 | |
| Cash flow from financing activities | -139.4 | -124.0 | +12.4% |
| t/o Dividends | -52.0 | -45.0 | +15.4% |
| t/o Cash received from loans | 18.5 | 40.8 | |
| t/o Repayments of borrowings | -83.6 | -98.7 | |
| t/o Principal elements of lease payments | -16.5 | -16.0 | |
| FX-effects | -4.4 | 2.3 | |
| Free cash flow | 215.0 | 161.4 | +33.2% |
| Free cash flow (before M&A)¹ | 240.6 | 182.4 | +31.9% |
| Cash and cash equivalents at the end of the period | 268.0 | 196.8 | +36.2% |

SHAPE THE WORLD

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