

Earnings Call Q4- / FY-22

Nemetschek Group

March 23, 2023

Agenda

01 | Highlights FY-2022 and Strategic Update

02 | Financial Results Q4- / FY-2022

03 | Update Subscription/SaaS Transition

04 | Guidance 2023 and Ambition 2024 & 2025

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01

Highlights FY-2022 and Strategic Update



Key Messages

1. Record results in FY-2022 with challenging Design markets in Europe and the successful start of Bluebeam's subscription/SaaS transition
2. Long-term structural growth drivers in our industries remain intact
3. We are positioned for growth and continued value creation: our increasing share of recurring and subscription/SaaS revenues provide greater visibility, resilience and profitability
4. Attractive growth and margin development even during our subscription/SaaS transition in 2023
5. Significantly above-market growth in the medium- to long-term, capitalizing on our leading positions in structurally growing industries

Progress in all Strategic Focus Areas in FY-2022



01 Subscription / SaaS

- Increase recurring revenues
- Continuing Subscription/SaaS transition in all segments
- Successful launch of Bluebeam Cloud
- Migration of Chinese perpetual license market in Media



02 Internationalization / Go-to-Market

- Internationalization:
 - Stronger focus on North America & Asia/Pacific
- Go-to-Market:
 - Stronger focus on E-Commerce
 - Stronger focus on Solution Selling



03 Innovation

- Launch of new Cloud offerings and features across the portfolio (e.g. Bluebeam Cloud, Solibri Inside)
- Digital Twin platform
- Media: Expansion of flagship product MaxonOne



04 M&A / Venture Investments

- M&A:
 - Pixologic
 - DC Software
- Latest Venture investments:
 - Imerzo
 - SymTerra
 - Kewazo



05 Operational Excellence

- Harmonization of overhead and IT functions for greater efficiencies
- Joining forces: Nemetschek Engineering
- Integration of acquired companies

Goals:

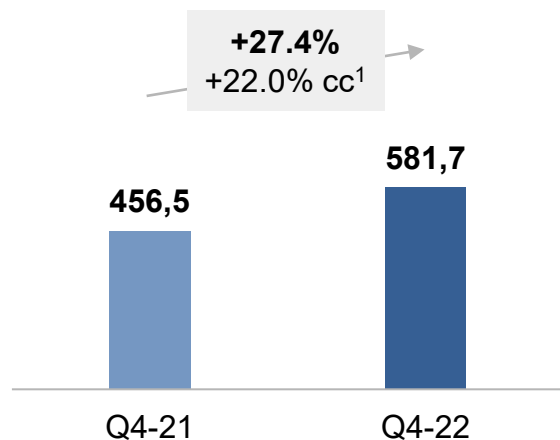
- Strengthening our leading positions in global AEC/O and Media markets
- Driving share of recurring revenues, internationalization and harmonization for the benefits of our customers

02

Financial Results Q4- / FY-2022

Financial Highlights Q4-22: Continued High Growth in Recurring Revenues

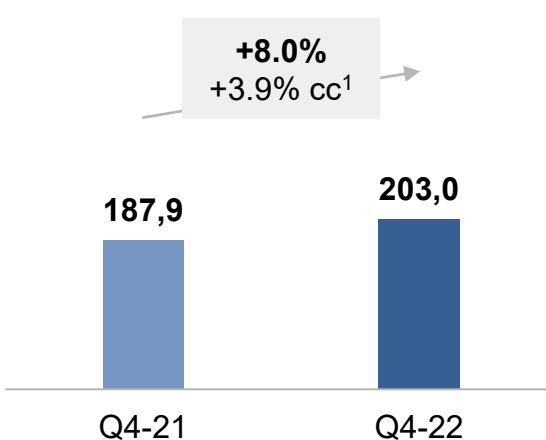
ARR²
EURm



- Strong increase in ARR shows continued good growth outlook for the next 12 months
- Subscription/SaaS revenues once again main growth driver: +47.2% (+40.3% cc)

1 Constant currency

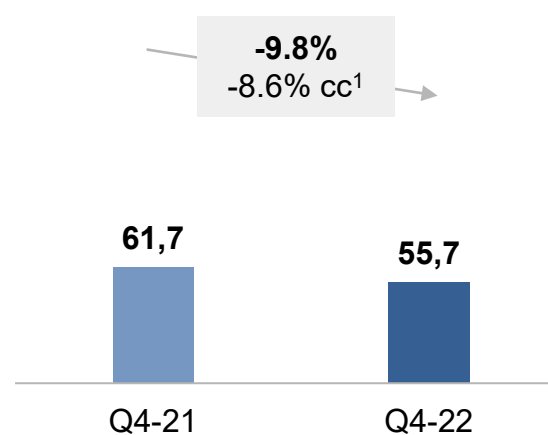
Revenues
EURm



- Media +41.7% (+35.6% cc) and Manage +18.9% (+19.5% cc) grew overproportionally
- FX tailwind (mainly from USD): +410bps

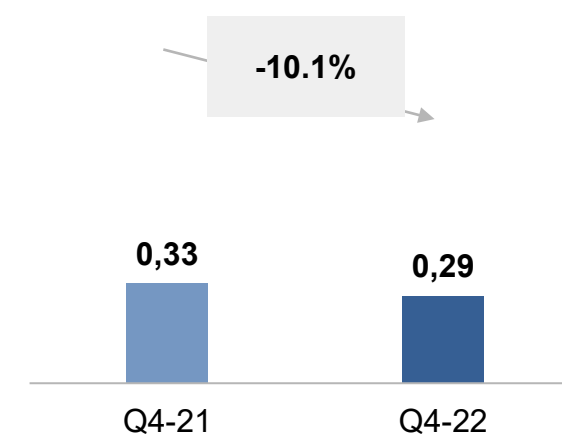
2 Annual Recurring Revenue (ARR): Average of all recurring revenues (Sub./SaaS and maintenance contracts) over the last three months x 4.

EBITDA
EURm



- Q4-22: EBITDA margin: 27.4%
- Profitability impacted by:
 - Bluebeam subscription transition
 - Continued investments in key resources

EPS
EUR



- EPS before PPA amortization on previous year's level: 0.36 EUR (vs. Q4-21: 0.36 EUR)

Key Financial Highlights FY-22: Continued Growth in a Challenging Environment



Revenues:
**+17.7% (FX adj.: +12.1%) to
EUR 801.8m**



EBITDA:
**+15.8% (FX adj.: +9.3%) to
EUR 257.0m**



Net Cash Position:
EUR 124.9m



Recurring Revenues:
**+27.8% (FX adj.: +21.7%) to
EUR 532.6m**



EBITDA margin:
32.0%



Equity Ratio:
57.5%



Subscription/SaaS Revenues:
**+54.7% (FX adj.: +46.8%) to
EUR 204.2m**



Earnings per Share:
EUR 1.40 (+20.3%)



Dividend Proposal:
EUR 0.45 (+15.4%)

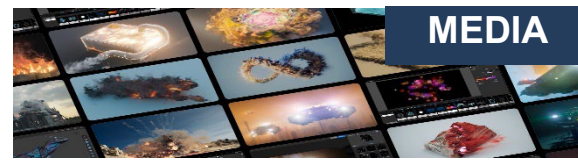
Segments FY-2022: Stellar Year in Media, High Growth in Build Despite Transition



DESIGN



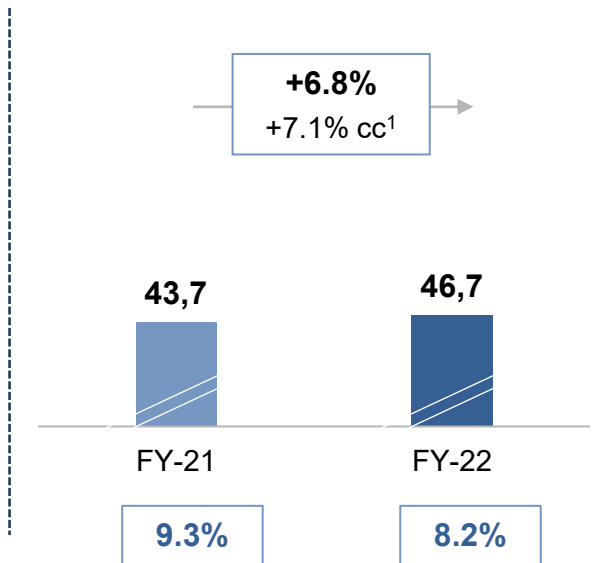
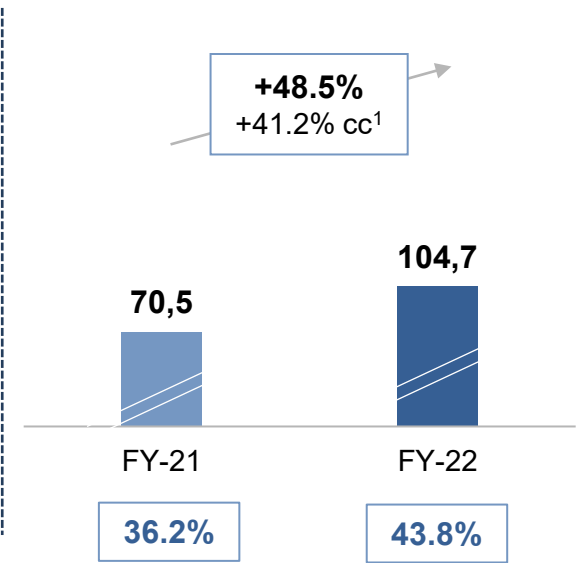
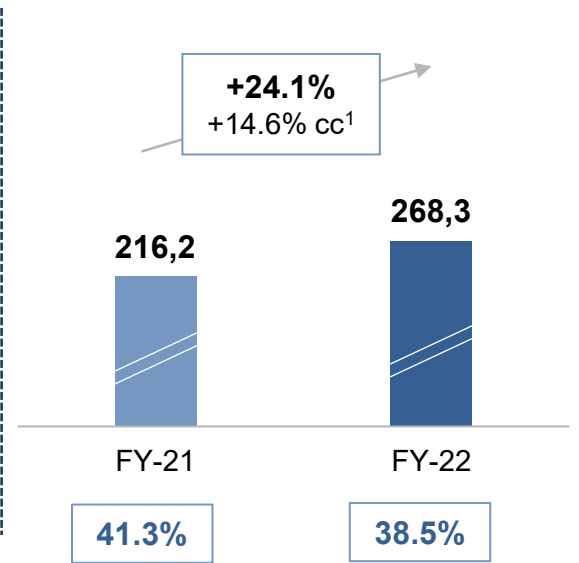
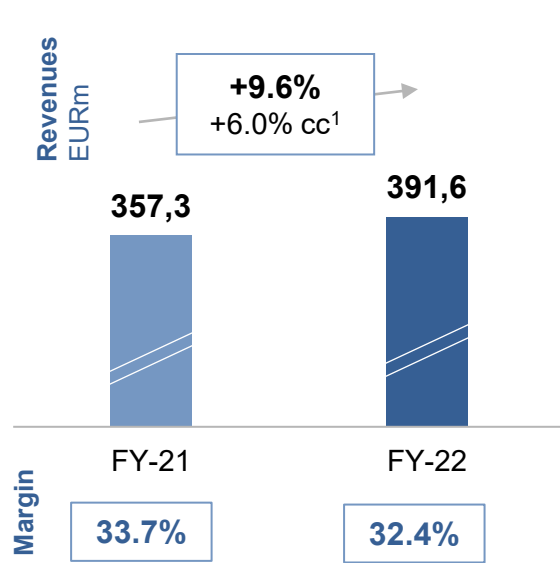
BUILD



MEDIA



MANAGE



- Prolonged sales cycles and cautious customer behavior in Europe
- Very strong growth (+51%) in Subscription/SaaS
- High comparison base in Q4-22 (Q4-21:+14.2% vs. Q3-21: +7.6%)

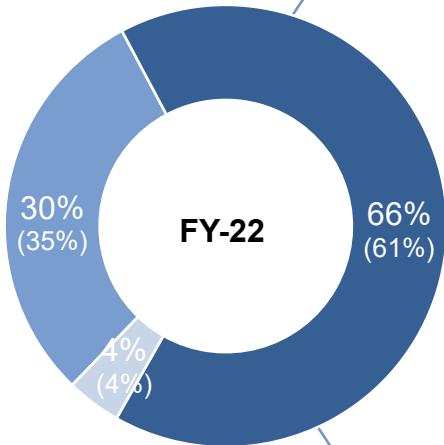
- Continued good demand in US
- Strong growth despite start of Bluebeam transition
- Subscription/SaaS transition progressing as planned

- High growth in all regions combined with record margin
- Growth supported by Pixologic acquisition

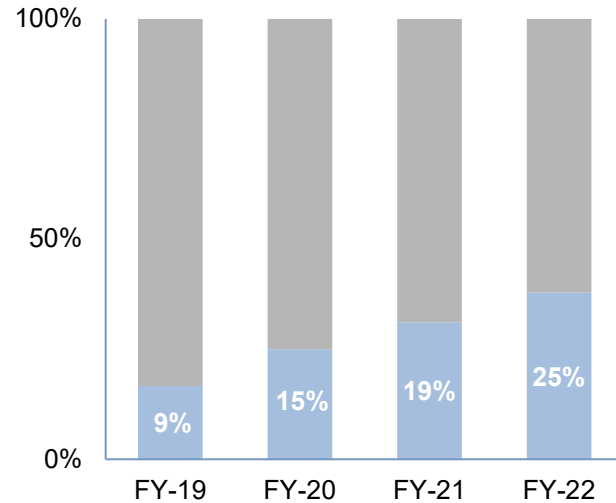
- Restrained investment activities from customers, especially in H1
- Reshaping the Manage segment
- New business unit Digital Twin
- Huge long-term growth potential due to Digital Twins, green buildings, etc.

Recurring Revenues: ARR Indicates Strong Future Growth

Revenue Share
by type in %



Revenue Share
of Subscription/SaaS



■ Recurring revenues (Software services (41%); Subscription/SaaS (25%)) ■ Licenses ■ Consulting & Hardware

	Q4-22	FY-22
ARR² y/y	↑ • +27.4% • +22.0% cc ¹	↑ • +27.4% • +22.0% cc ¹
Recurring revenues y/y	↑ • +27.4% • +22.0% cc ¹	↑ • +27.8% • +21.7% cc ¹
Subscription/SaaS y/y	↑ • +47.2% • +40.3% cc ¹	↑ • +54.7% • +46.8% cc ¹
Licenses y/y	↘ • -27.3% • -29.8% cc ¹	→ • +0.1% • -5.3% cc ¹

At a Glance: Income Statement and Important KPIs

Key Figures mEUR	FY-22	In % of revenue	FY-21	Growth y/y
Revenues	801.8	100%	681.5	+17.7%
Cost of goods and services	-31.8	4.0%	-25.3	+25.5%
Personnel expenses	-337.2	42.1%	-292.0	+15.5%
Other operating income/expenses	-175.8	21.9%	-142.1	+23.7%
EBITDA	257.0	32.0%	222.0	+15.8%
EBITDA margin	32.0%	-	32.6%	-60bps
D&A (incl. PPA)	-58.8	7.3%	-50.0	+17.7%
EBIT	198.1	24.7%	170.6	+16.9%
EBIT margin	24.7%	-	25.2%	-50bps
Net income (group shares)	161.9	20.2%	134.6	+20.3%
EPS	1.40	-	1.17	+20.3%
FCF (before M&A)	182.4	-	193.8	-5.9%
Equity ratio in %	57.5%	-	52.2%	
Net Cash	124.9	-	28.4	

03

Update Subscription/SaaS Transition

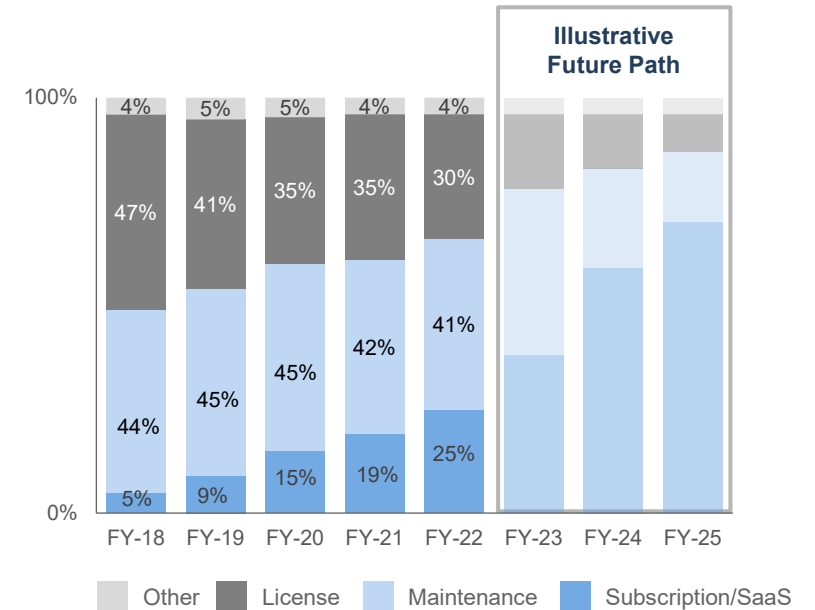


Overview Subscription/SaaS Transition: Phased Across the Segments

	DESIGN	BUILD	MANAGE	MEDIA
Subscription/SaaS Strategy	Dual Offering	Subscription/SaaS only	Subscription/SaaS only	Subscription only
Status of Subscription Transition	<ul style="list-style-type: none"> Good progress Still in early innings of phased Subscription/SaaS transition 	<ul style="list-style-type: none"> Strong acceleration with Bluebeam transition Successful start of migration in Q3-22 	<ul style="list-style-type: none"> Well advanced 	<ul style="list-style-type: none"> Will be completed in FY-23



Revenue Split 2022-2025



Update: Bluebeam Subscription/SaaS Transition



MAJORITY OF SALES MIX

Basics	Core	Complete
Essential tools for marking up and managing your AECO office and project documents.	Comprehensive tools for managing and collaborating on small- and mid-sized AECO projects.	Everything you need to manage and optimize complex AECO projects at scale.
\$240	\$300	\$400
Per user, billed annually	Per user, billed annually	Per user, billed annually
Bluebeam Revu	Bluebeam Revu and Studio	Bluebeam Revu and Studio
&	&	&
Cloud Features:	Cloud Features Basic	Cloud Features Basic
	+	+
<ul style="list-style-type: none"> Unlimited secure centralized storage Markup Editor (easy markup and collaboration) 	<ul style="list-style-type: none"> Manage punch, RFIs and submittals on the go with Field Tools Geolocational insights 	<ul style="list-style-type: none"> Manage punch, RFIs and submittals on the go with Field Tools Geolocational insights

First Learnings & Next Steps

New customers:

- Positive early adoption and promising feedback for Bluebeam Cloud and mobile offerings.
- Customers are trending towards more expensive and feature-rich packages (Core & Complete).
- Good early adoption in SMB segment.

Existing customers:

- Successful launch of programs to incentivize existing customers to transition to subscription in order to accelerate transitions and upgrades.
- Majority of existing customers choose subscriptions vs. license for additional seats.

04

Guidance 2023 and Ambition 2024 & 2025



Massive Market Opportunity – AEC/O & Media

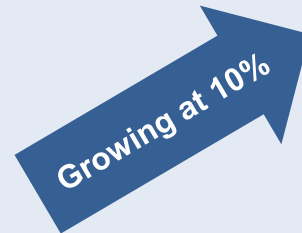
AEC/O Software Market

Planning +
Design



Build +
Construct

Manage + Operate



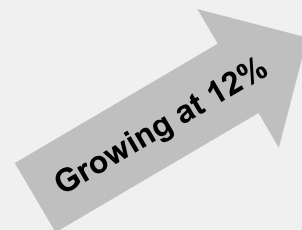
Long Term Structural Growth Drivers:

- Very low degree of digitalization
- Regulation
- Efficiency needs (cost & time)
- Green buildings & carbon footprint
- Labor shortage
- Urbanization trend
- Demand for buildings with higher quality
- Increased material & energy prices
-

Media & Entertainment Market



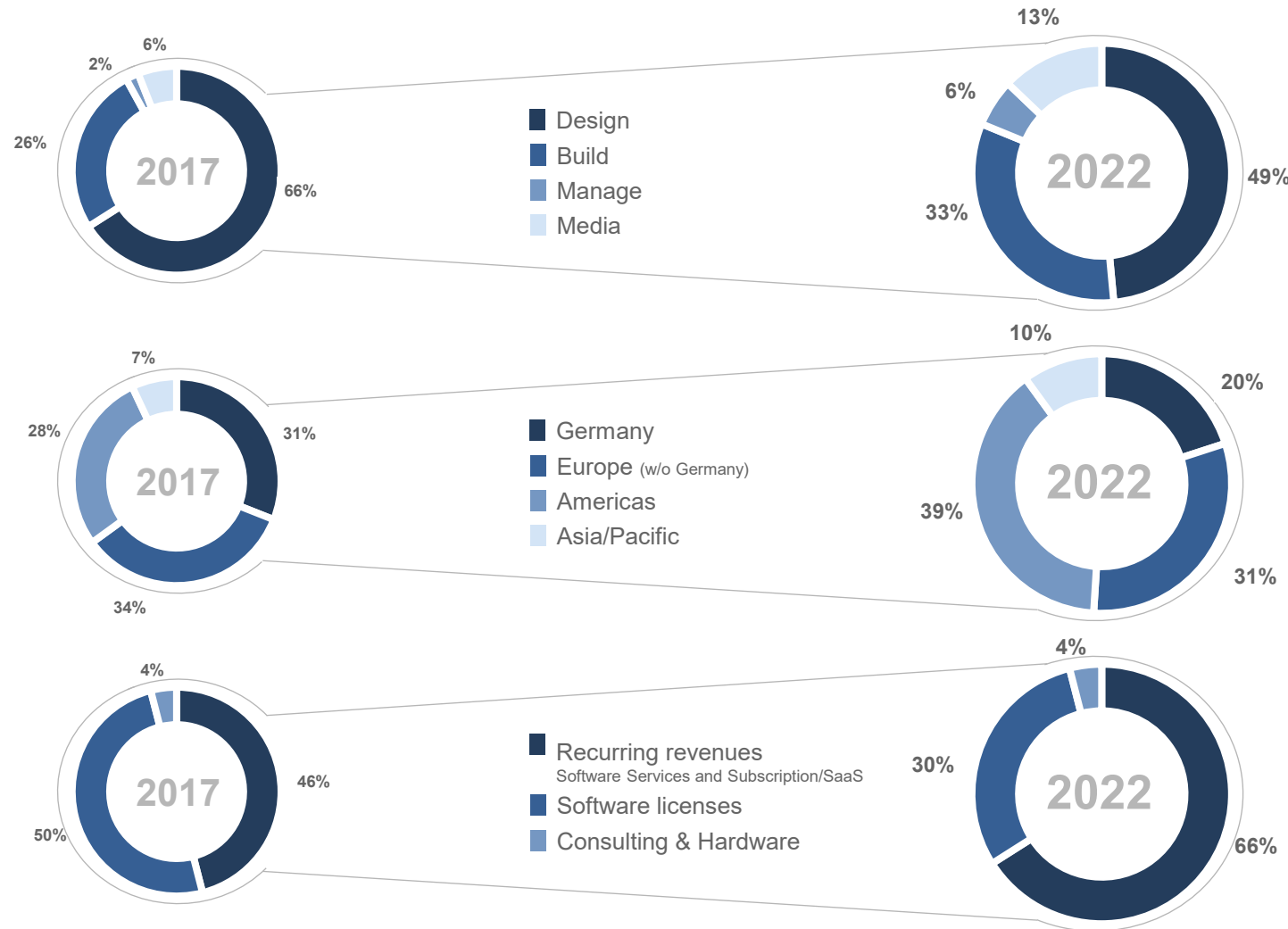
3D Animation



Long Term Structural Growth Drivers:

- Increasing demand for digital content creation
- 3D animation
- Metaverse
- AR/VR
- Gaming
- ...

Resilient Business Model Through Diversification



- Reduced dependency on a single segment
- Media and AEC/O industries with different business cycles

- Well diversified geographic exposure
- Less dependent on individual countries, e. g. Germany

- Substantial increase in recurring revenues, mainly driven by phased subscription transition
- Recurring revenues better predictable & more resilient in downturns

Guidance 2023 and Ambition 2024 & 2025

2022	Guidance	Ambition	
Starting Point	2023	2024	2025
<p>ARR: EUR 581.7m</p> <p>Revenue: EUR 801.8m</p> <p>EBITDA Margin: 32.0%</p> <p>Share Recurring Revenue: 66%</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.

05

Appendix



Income Statement

€m	FY 2022	FY 2021	% YoY
Revenues	801.8	681.5	+17.7%
Other income	12.6	9.8	+27.9%
Operating income	814.4	691.3	+17.8%
Cost of goods and services	-31.8	-25.3	+25.4%
Personnel expenses	-337.2	-292.0	+15.5%
Other expenses	-188.4	-152.0	+24.0%
Operating expenses	-616.2	-519.3	+18.7%
EBITDA	257.0	222.0	+15.8%
Margin	32.0%	32.6%	
Depreciation and amortization	-58.8	-50.0	+17.7%
t/o right-of-use assets	-16.3	-14.9	+9.3%
t/o PPA	-31.8	-25.4	+25.0%
EBIT	198.1	172.0	+15.2%
Financial result	+1.4	-1.4	> 100%
t/o IFRS 16	-1.4	-1.3	+5.1%
EBT	199.5	170.6	+16.9%
Income taxes	-34.4	-33.7	+2.1%
Non-controlling interests	3.2	2.3	+39.1%
Net income (group shares)	161.9	134.6	+20.3%
EPS in EUR	1.40	1.17	+20.3%

Balance Sheet – Assets

€m	December 31, 2022	December 31, 2021
Assets		
Cash and cash equivalents	196.8	157.1
Trade receivables, net	84.5	70.1
Inventories	0.9	0.9
Other current assets	44.9	35.0
Current assets, total	327.1	263.1
Property, plant and equipment	26.6	20.7
Right-of-use assets	69.8	59.2
Intangible assets	171.7	158.9
Goodwill	557.0	542.0
Other non-current assets	45.9	28.2
Non-current assets, total	871.0	809.1
Total assets	1,198.1	1,072.2

Balance Sheet – Equity and Liabilities

€m	December 31, 2022	December 31, 2021
Equity and liabilities		
Short-term borrowings and current portion of long-term loans	65.1	93.8
Trade payables & accrued liabilities	86.0	83.0
Deferred revenue	206.9	158.0
Current lease liability	14.9	14.1
Other current liabilities	31.0	35.7
Current liabilities, total	403.8	384.5
Long-term borrowings without current portion	6.9	34.9
Deferred tax liabilities	19.8	20.6
Non-current lease liability	62.4	52.0
Other non-current liabilities	15.9	20.5
Non-current liabilities, total	105.1	128.0
Subscribed capital and capital reserve	128.0	128.0
Retained earnings	533.9	415.4
Other reserves	-8.6	-17.5
Non-controlling interests	36.0	33.8
Equity, total	689.2	559.7
Total equity and liabilities	1,198.1	1,072.2

Cash Flow Statement

€m	FY 2022	FY 2021	% YoY
Cash and cash equivalents at the beginning of the period	157.1	139.3	+12.8%
Cash flow from operating activities	213.8	214.4	-0.3%
Cash flow from investing activities	-52.4	-147.6	+64.5%
t/o CapEX	-19.0	-9.9	
t/o Cash paid for acquisition of subsidiaries, net of cash acquired	-21.0	-127.1	
Cash flow from financing activities	-124.0	-55.4	+124.0%
t/o Dividend payments	-45.0	-34.7	
t/o Cash received from loans	40.8	75.6	
t/o Repayments of borrowings	-98.7	-77.5	
t/o Principal elements of lease payments	-16.0	-15.1	
FX-effects	2.3	6.4	
Free cash flow	161.4	66.7	+141.8%
Free cash flow (before M&A)¹	182.4	193.8	-5.9%
Cash and cash equivalents at the end of the period	196.8	157.1	+25.3%

SHAPE THE WORLD

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