

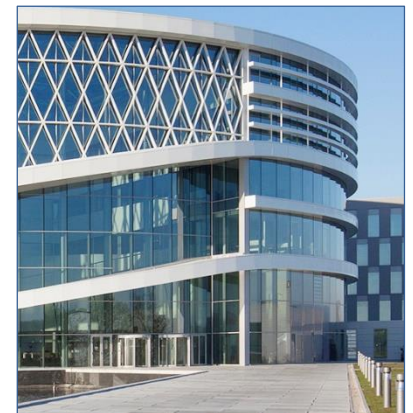
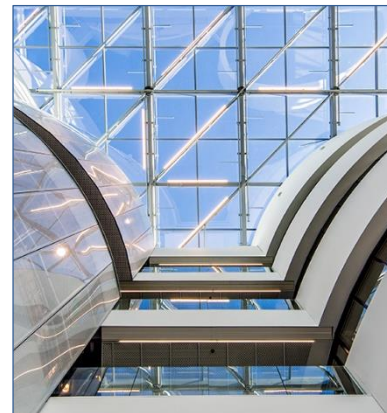


Barco One Campus, Kortrijk, Belgium  
Architects: Jaspers-Eyers Architects | Engineering Office: Establis  
Image: Marc Detiffe | Realized with GRAPHISOFT and SCIA

# **NEMETSCHKE GROUP**

## **Financial Results Q2 / H1 2017**

July 28, 2017



## Double-digit revenue growth in H1 2017

- Revenues in first half at upper end of guidance 2017
- **H1 revenues:** Strong increase of 20.1% to 194.0 mEUR
- Organic growth of 14.8% (inorganic effects: dRofus (2.6 mEUR) and Design Data (5.7 mEUR))
- **Q2 revenues:** Up by 16.5% to 97.7 mEUR
- Organic growth of 11.6%
- Challenging Q2: High comparison level of previous year and release shift of one major brand in Design Segment from Q2 to second half 2017 will lead to revenue shift in H2

## Strong revenue increase abroad

- **Revenues abroad:** Up by 24.6% to 136.7 mEUR
- Revenues share outside of Germany at 70.5%
- Higher footprint in the very competitive US market with revenues share of around 29%
- Growth regions: Americas, Asia, Scandinavia

## Growth driver: Recurring revenues

- **Recurring revenues:** Strong growth of 29.1% to 88.7 mEUR
- Share of recurring revenues at high 45.7%
- **Software licenses:** Positive development with 13.0% growth to 96.9 mEUR
- License revenue share of 50.0%

## EBITDA on high level

- **H1 EBITDA:** up by 18.3% to 51.7 mEUR, EBITDA margin at 26.6%
- EBITDA previous year adjusted for one-time gain of 1.9 mEUR at 43.7
- Including one-time gain EBITDA increased by 13.4%
- **Q2 EBITDA:** up by 11.7% to 25.3 mEUR, EBITDA margin of 25.9%
- Strategic investments started in Q2
- Mature brands are contributing to efficiency

## Net income and EPS

- **Net income:** Up by 21.1% to 27.7 mEUR (previous year w/o one-time gain)
- **EPS:** at 0.72 EUR

## Solid balance sheet

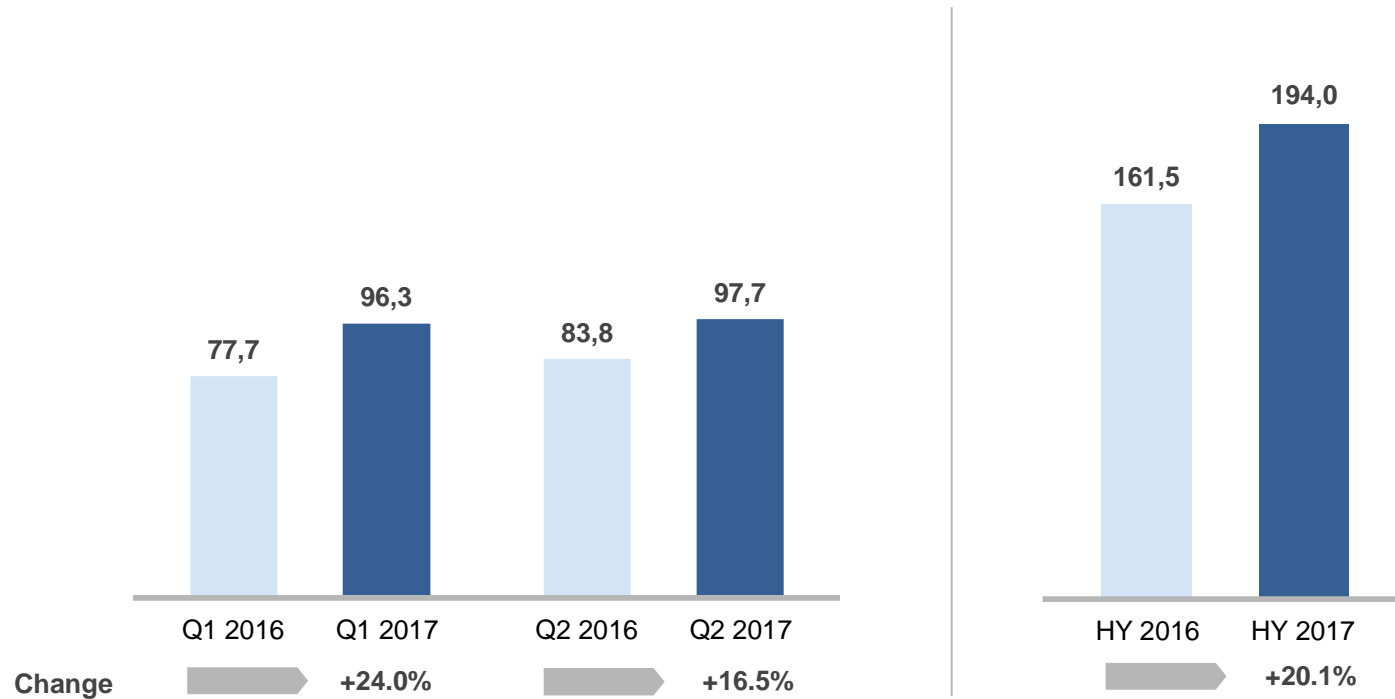
- **Dividend payment:** 25m EUR after the AGM on June 1, 2017
- **Cash and cash equivalents** at 83.4 mEUR despite dRofus acquisition and dividend payout
- **Equity ratio** at 43.6% - leeway for further investments / acquisitions

## Outlook for FY 2017 confirmed

- H1 as a very good basis for the fiscal year 2017
- Outlook for FY 2017 confirmed:
- **Revenue target range:** 395 - 401 mEUR, increase of +17% - +19%
- Thereof organic: +13% - +15%, inorganic effects through dRofus and Design Data
- **EBITDA target range:** 100 - 103 mEUR (+16 - +20%)
- High EBITDA margin of FY 2016 will be maintained despite strategic investment to secure sustained future growth and lower EBITDA margins of strongly expanding acquired brands

# Positive revenue development continued in Q2 2017

in mEUR



▶ Organic growth of 11.6% yoy in Q2

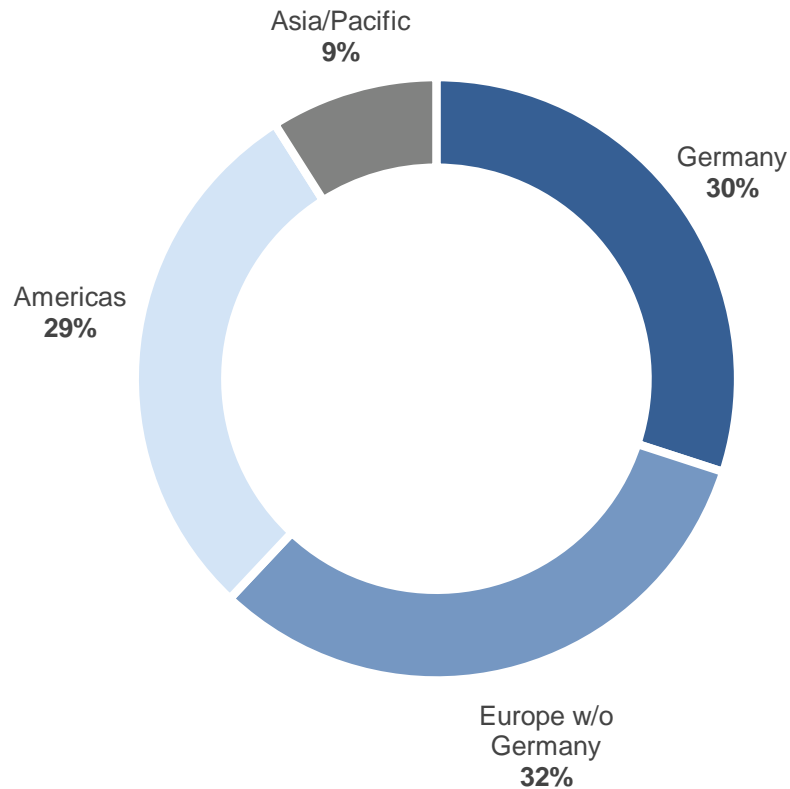
▶ Organic growth of 14.8% yoy in H1

▶ Inorganic effects:

▶ Design Data: 5.7 mEUR

▶ dRofus: 2.6 mEUR

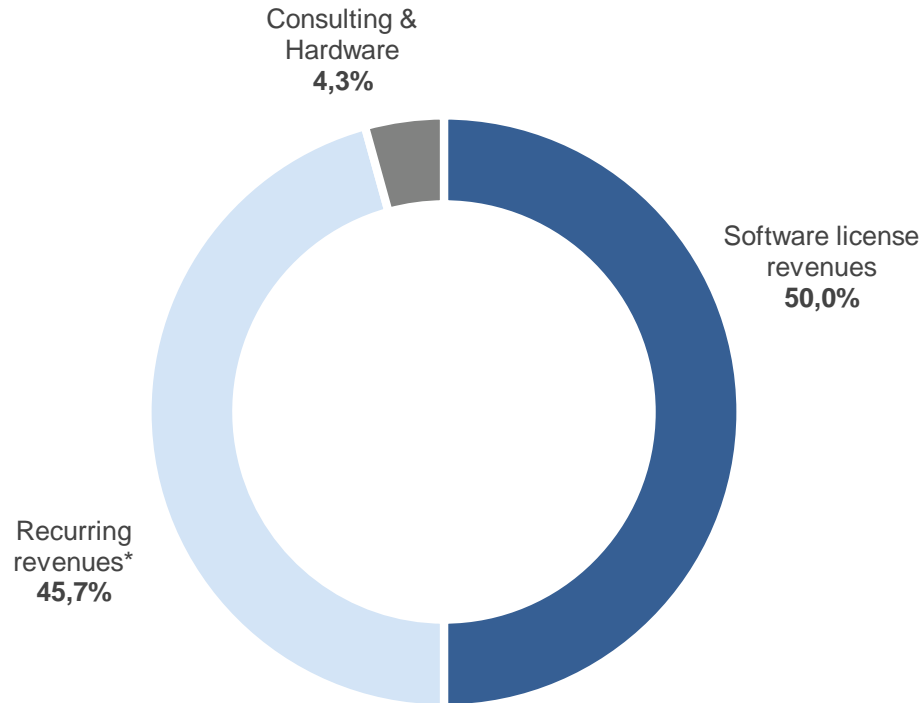
## Revenues split H1 2017 in %



### Regional facts

- ▶ Strong growth abroad of 24.6%
- ▶ Growth markets:
  - ▶ Americas
  - ▶ Asia
  - ▶ Nordic
- ▶ Continued success in the US as the biggest and most competitive market worldwide
- ▶ Positive revenue development also in Germany with +10.6%

## Revenues split H1 2017 in %



### Recurring revenues\*

- ▶ High growth of 29.1% to 88.7 mEUR
- ▶ High recurring revenue share of 45.7% leads to higher stability

### Software license revenues

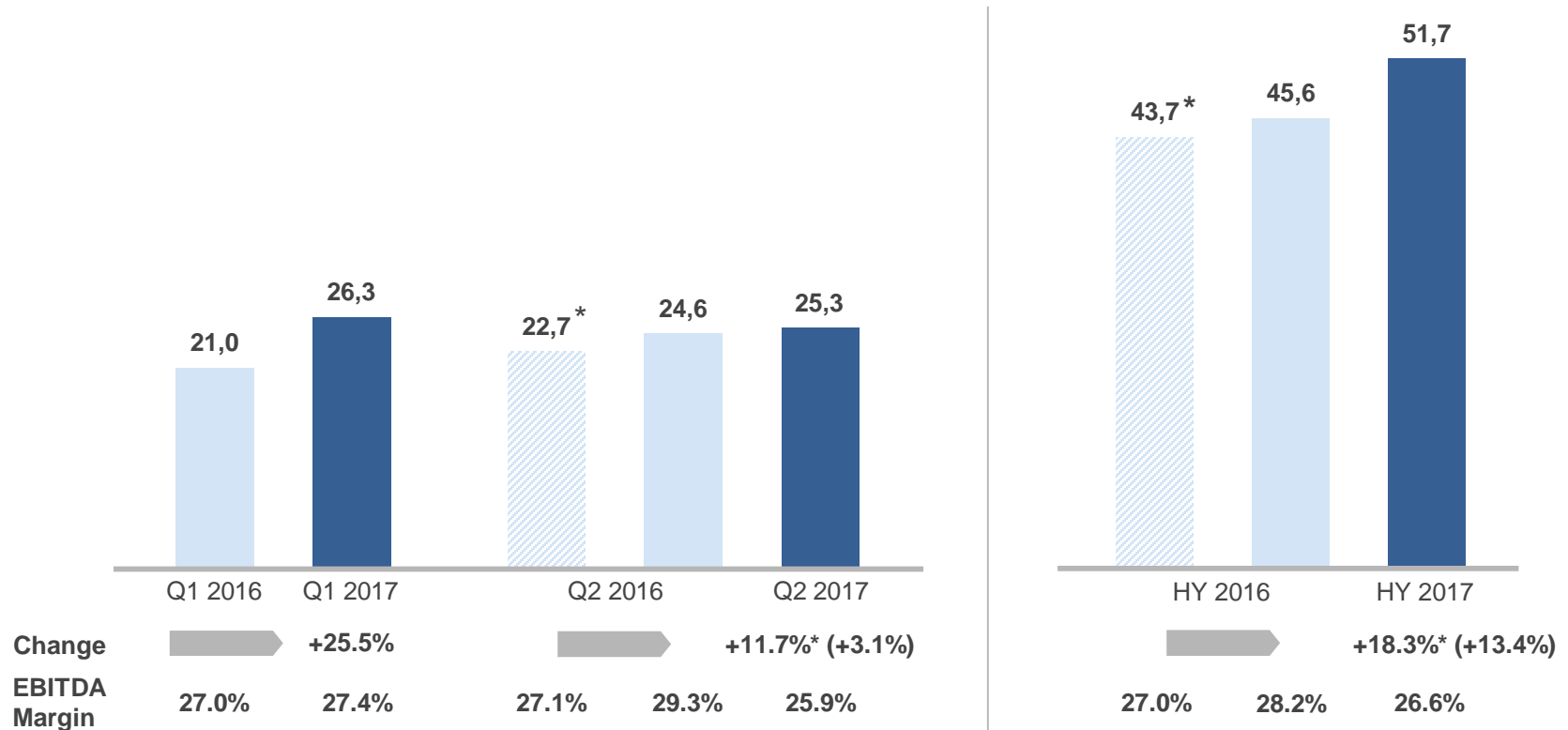
- ▶ Up by 13.0% to 96.9 mEUR
- ▶ New customers wins
- ▶ Increasing customer base
- ▶ Consequently recurring revenues will follow

\* Software services, rental models (Subscriptions, SaaS)

# EBITDA margin on high level

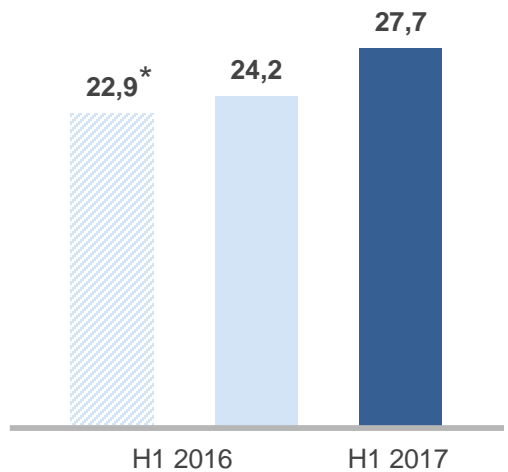
in mEUR

\* EBITDA w/o 1.9 mEUR positive one-time effect in Q2 2016



► EBITDA of the previous year 2016 is shown with and w/o the positive one-time effect of 1.9 mEUR

## Net income in mEUR

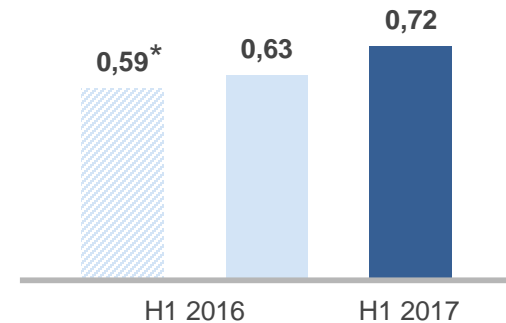


Change



+21.1%\* (+14.5%)

## EPS in EUR



+21.1%\* (+14.5%)

\* Net income and EPS w/o 1.9 mEUR positive one-time effect



# All segments with double-digit growth rates

## Design

- Revenue growth in H1: 13.1% (organic growth of 10.7%)
- Challenging Q2: High previous year level and release shift of one major brand from Q2 in H2 2017
- EBITDA margin H1 on previous year level

## Build

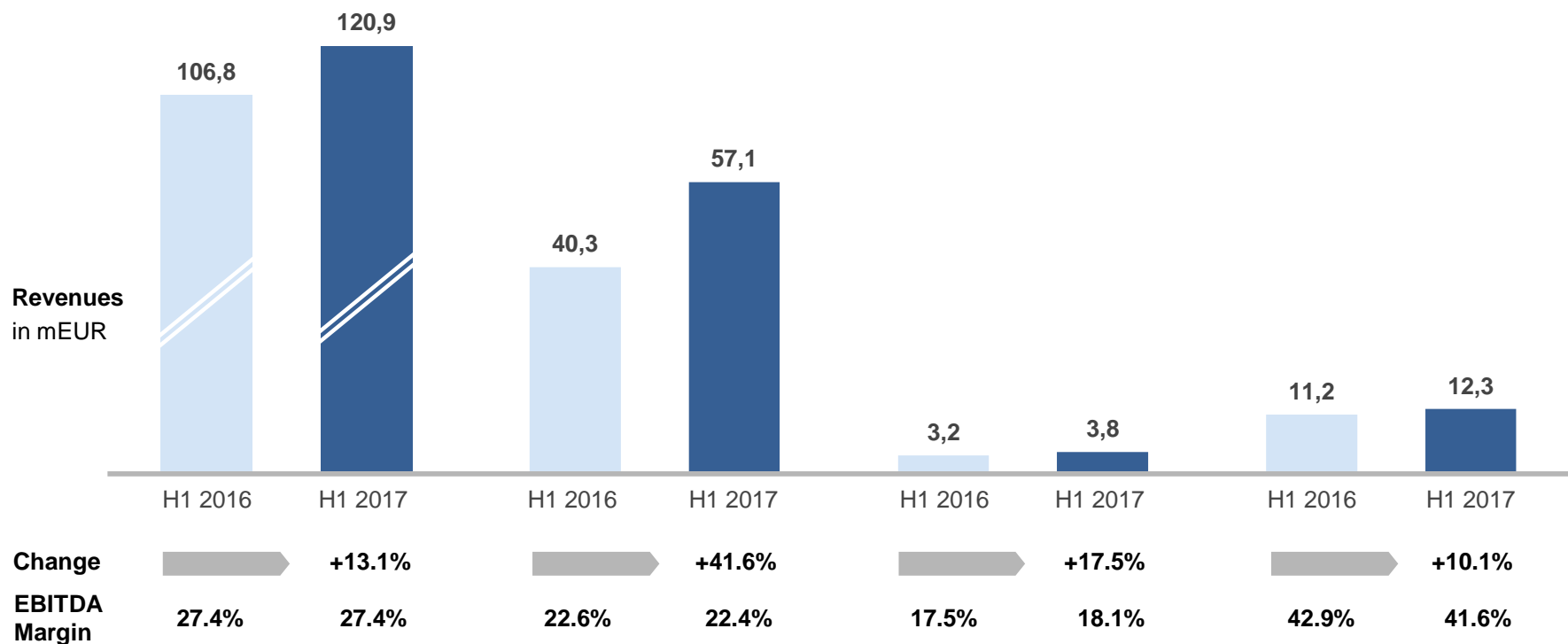
- Revenue growth of 41.6% in H1 (organic growth of 27.4%)
- EBITDA margin H1 on previous year level

## Manage

- H1 revenue growth of 17.5%
- EBITDA margin improved slightly year on year

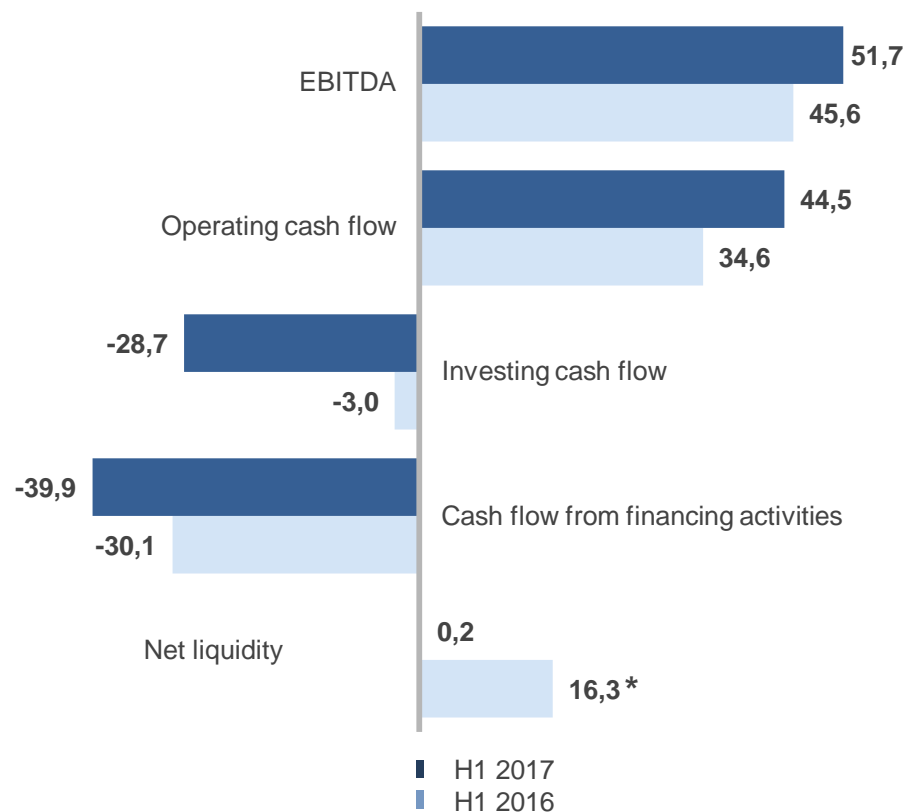
## Media & Entertainment

- H1 revenue growth of 10.1%
- Planned investments have impact on margins



# Cash flow situation

in mEUR



\* End of FY 2016

\*\* Operating cash flow / EBITDA

## EBITDA

- +13.4% yoy

## Operating cash flow

- +28.4% yoy
- Previous year: One-time effects of 3.5 mEUR in trade receivables resulting from later customer payments (July 2016) – adjusted growth of 16.8%

## Investing cash flow

- Capex of 4.0 mEUR
- Acquisition of dRofus (24.5 mEUR)

## Cash flow from financing activities

- Repayment of bank loan (-13.0 mEUR)
- Dividend payment (-25.0 mEUR)

## Conversion rate\*\*

- 86% (previous year: 76%)

## Market conditions

- Digitalization and IT spending will drive the use of software solutions in the AEC market
- BIM market is expected to grow at a remarkable rate owing to supportive government regulations mandating the adoption of BIM software for construction projects

## Strategic market positioning

- Clear focus on AEC market
- Leading player of Open BIM solutions
- Network of industry leaders

## Growth potential/ Investments

- Focus on internationalization (North America, Asia, Europe)
- Investments in cross-brand strategic projects, new regional markets and customer segments, sales & marketing and innovation
- Strategically co-operations & acquisitions
- Healthy balance sheet - capable of investing in organic and in inorganic growth

## Guidance 2017 confirmed

- **Revenues:** Focus on topline with double digit growth rates in the mid-teens
- **EBITDA:** Double digit growth
- High **EBITDA margin** of FY 2016 will be maintained despite strategic investment to secure sustained future growth and lower EBITDA margins of strongly expanding acquired brands

in mEUR	FY 2016	Forecast 2017*	Organic
Revenues	337.3	395 – 401 (+17% - +19%)	+13% - +15%
EBITDA	86.1**	100 – 103 (+16 - +20%)	

\*USD/EUR plan rate: 1.09

\*\* EBITDA w/o positive one-time effect of 1.9 mEUR



# Appendix

La Spezia Trade Fair, Italy  
Architects: Studio Manifroni Associati | Realized with VECTORWORKS

## P+L statement Q2 / FY comparison

mEUR	Q2 2017	Q2 2016	% YoY	6M 2017	6M 2016	% YoY
<b>Revenues</b>	<b>97.7</b>	<b>83.8</b>	<b>+16.5%</b>	<b>194.0</b>	<b>161.5</b>	<b>+20.1%</b>
Own work capitalized/other operating income	1.1	3.5	-66.9%	2.1	4.6	-53.9%
<b>Operating income</b>	<b>98.8</b>	<b>87.3</b>	<b>+13.2%</b>	<b>196.1</b>	<b>166.2</b>	<b>+18.0%</b>
Cost of materials / purchased services	-3.5	-2.6	+34.1%	-6.3	-5.0	+24.7%
Personnel expenses	-42.1	-36.2	+16.2%	-85.5	-71.2	+20.0%
Other operating expenses	-27.9	-23.9	+16.8%	-52.7	-44.3	+18.8%
<b>Operating expenses</b>	<b>-73.5</b>	<b>-62.7</b>	<b>+17.2%</b>	<b>-144.4</b>	<b>-120.6</b>	<b>+19.8%</b>
<b>EBITDA</b>	<b>25.3</b>	<b>24.6</b>	<b>+3.1%</b>	<b>51.7</b>	<b>45.6</b>	<b>+13.4%</b>
<b>Margin</b>	<b>25.9%</b>	<b>29.3%</b>		<b>26.6%</b>	<b>28.2%</b>	
<b>EBITDA (w/o one-time effect)</b>	<b>25.3</b>	<b>22.7</b>	<b>+11.7%</b>	<b>51.7</b>	<b>43.7</b>	<b>+18.3%</b>
<b>Margin (w/o one-time effect)</b>	<b>25.9%</b>	<b>27.1%</b>		<b>26.6%</b>	<b>27.0%</b>	
Depreciation of PPA and amortization	-5.4	-4.4	+22.9%	-10.9	-8.8	+23.3%
<i>t/o PPA</i>	-3.4	-2.7	+27.2%	-6.9	-5.4	+28.6%
<b>EBITA (normalized EBIT)</b>	<b>23.3</b>	<b>22.9</b>	<b>+2.1%</b>	<b>47.7</b>	<b>42.1</b>	<b>+13.3%</b>
<b>EBIT</b>	<b>19.9</b>	<b>20.2</b>	<b>-1.3%</b>	<b>40.8</b>	<b>36.8</b>	<b>+11.0%</b>
Financial result	-0.2	-0.3		-0.4	-0.5	
<b>EBT</b>	<b>19.7</b>	<b>19.9</b>	<b>-1.1%</b>	<b>40.4</b>	<b>36.3</b>	<b>+11.3%</b>
Income taxes	-5.6	-6.2	-10.0%	-11.5	-11.0	+4.3%
Non-controlling interests	-0.6	-0.6		-1.1	-1.0	
<b>Net income (group shares)</b>	<b>13.5</b>	<b>13.1</b>	<b>+2.6%</b>	<b>27.7</b>	<b>24.2</b>	<b>+14.5%</b>
<b>EPS in EUR</b>	<b>0.35</b>	<b>0.34</b>	<b>+2.6%</b>	<b>0.72</b>	<b>0.63</b>	<b>+14.5%</b>
<b>Net income (group shares w/o one-time effect)</b>	<b>13.5</b>	<b>11.8</b>	<b>+14.2%</b>	<b>27.7</b>	<b>22.9</b>	<b>+21.1%</b>
<b>EPS in EUR (w/o one-time effect)</b>	<b>0.35</b>	<b>0.31</b>	<b>+14.2%</b>	<b>0.72</b>	<b>0.59</b>	<b>+21.1%</b>

# Balance sheet - Assets

mEUR	June 30, 2017	December 31, 2016
<b>ASSETS</b>		
Cash and cash equivalents	83.4	112.5
Trade receivables, net	44.8	38.8
Inventories	0.5	0.6
Other current assets	16.2	16.0
<b>Current assets, total</b>	<b>145.0</b>	<b>167.9</b>
Property, plant and equipment	14.1	14.3
Intangible assets	87.6	89.7
Goodwill	184.9	177.2
Other non-current assets	6.2	5.7
<b>Non-current assets, total</b>	<b>292.8</b>	<b>286.8</b>
<b>Total assets</b>	<b>437.7</b>	<b>454.7</b>

# Balance sheet – Equity and liabilities

mEUR	June 30, 2017	December 31, 2016
<b>EQUITY AND LIABILITIES</b>		
Short-term borrowings and current portion of long-term loans	26.1	26.0
Trade payables & accrued liabilities	34.9	40.7
Deferred revenue	72.9	55.3
Other current assets	29.0	24.1
<b>Current liabilities, total</b>	<b>163.0</b>	<b>146.1</b>
Long-term borrowings without current portion	57.1	70.2
Deferred tax liabilities	19.1	20.6
Other non-current liabilities	7.9	15.7
<b>Non-current liabilities, total</b>	<b>84.1</b>	<b>106.5</b>
Subscribed capital and capital reserve	51.0	51.0
Retained earnings	146.3	144.0
Other comprehensive income	-9.5	4.4
Non-controlling interests	2.9	2.8
<b>Equity, total</b>	<b>190.6</b>	<b>202.1</b>
<b>Total equity and liabilities</b>	<b>437.7</b>	<b>454.7</b>

# Cash flow statement

mEUR	June 30, 2017	June 30, 2016	% YoY
<b>Cash and cash equivalents at the beginning of the period</b>	<b>112.5</b>	<b>84.0</b>	<b>+34.0%</b>
<b>Cash flow from operating activities</b>	<b>44.5</b>	<b>34.6</b>	<b>+28.4%</b>
<b>Cash flow from investing activities</b>	<b>-28.7</b>	<b>-3.0</b>	
t/o CapEX	-4.0	-3.2	+26.0%
t/o Cash paid for business combinations	-24.5	0.0	
<b>Cash flow from financing activities</b>	<b>-39.9</b>	<b>-30.1</b>	<b>+32.9%</b>
t/o Dividend payments	-25.0	-19.3	+30.0%
t/o Repayments of borrowings	-13.0	-9.2	
FX-effects	-4.9	-0.7	
<b>Cash and cash equivalents at the end of the period</b>	<b>83.4</b>	<b>84.9</b>	<b>-1.8%</b>
<b>Free cash flow<sup>(1)</sup></b>	<b>15.7</b>	<b>31.6</b>	<b>-50.2%</b>
<b>Free cash flow<sup>(1)</sup> (w/o acquisition effects)</b>	<b>40.2</b>	<b>31.6</b>	<b>+27.2%</b>

<sup>(1)</sup> Operating cash flow – Investing cash flow



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