

# NEMETSCHKE GROUP

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## Building Lifecycle Intelligence



QUARTERLY STATEMENT AS OF MARCH 31, 2021

# Key Figures

## NEMETSCHKE GROUP

in EUR million	3 months 2021	3 months 2020	Change
<b>Operative figures</b>			
<b>Revenues</b>	<b>158.4</b>	<b>146.6</b>	<b>8.1%</b>
- thereof software licenses	55.0	53.4	3.0%
- thereof recurring revenues	96.1	86.1	11.7%
- subscription (as part of the recurring revenues)	28.3	19.6	44.0%
<b>EBITDA</b>	<b>49.6</b>	<b>41.8</b>	<b>18.5%</b>
as % of revenue	31.3%	28.5%	
<b>EBIT</b>	<b>38.8</b>	<b>29.2</b>	<b>32.6%</b>
as % of revenue	24.5%	19.9%	
<b>Net income (group shares)</b>	<b>29.4</b>	<b>21.4</b>	<b>37.5%</b>
per share in €	0.25	0.19	
<b>Net income (group shares) before purchase price allocation</b>	<b>33.3</b>	<b>26.3</b>	<b>26.5%</b>
per share in €	0.29	0.23	
<b>Cash flow figures</b>			
Cash flow from operating activities	60.5	43.1	40.4%
Cash flow from investing activities	-3.9	-81.6	
Cash flow from financing activities	-22.1	-17.5	
Free cash flow	56.6	-38.6	
Free cash flow before M&A investments	58.8	40.5	45.1%
<b>Balance sheet figures</b>			
Cash and cash equivalents*	177.4	139.3	27.4%
Net liquidity/net debt*	64.8	9.0	
Balance sheet total*	947.7	889.7	6.5%
Equity ratio in %*	48.7%	46.9%	
Headcount as of balance sheet date	3,173	2,935	8.1%
<b>Share figures</b>			
Closing price (Xetra) in €	54.40	45.28	
Market Capitalization	6,283.20	5,229.84	

\* Presentation of previous year as of December 31, 2020.

# Interim Group Management Report

## Report on the earnings, financial and asset situation

### Strong start to the year 2021: Revenue growth of 8.1% and increase in EBITDA margin to 31.3%

Consolidated revenue rose by 8.1% in the first three months to EUR 158.4 million (previous year: EUR 146.6 million). The increase in revenue is a result of solely organic growth. Adjusted for currency translation effects at constant exchange rates, revenue growth would have been 12.1%.

EBITDA increased by 18.5% to EUR 49.6 million (previous year: EUR 41.8 million). The EBITDA margin thus rose considerably from 28.5% in the previous year to 31.3%. The above-average margin is mainly due to the reluctance to invest, such as new hires, and lower travel and marketing expenses since the beginning of the Covid-19 pandemic. However, Nemetschek is planning to increase investment again in the following quarters.

### Recurring revenues continue to drive growth

Overall, there was a recovery in the license business. In the first three months of 2021, the Nemetschek Group's revenues from software licenses were 3.0% higher than in the same quarter of the previous year at EUR 55.0 million (previous year: EUR 53.4 million). Adjusted for currency effects, the increase was 7.2%. Recurring revenues again increased significantly in the first three months by 11.7% to EUR 96.1 million (previous year: EUR 86.1 million). Adjusted for currency effects, recurring revenues rose by 15.9%. Software licenses accounted for 34.7% of total revenues (previous year: 36.4%), while the share of recurring revenues increased from 58.7% in the previous year to 60.7%. The disproportionately strong increase reflects the strategic change in the business model to increasingly offer rental models (subscription and SaaS). Revenues from subscription/SaaS increased significantly by 44.0% (adjusted for currency effects: 49.8%) to EUR 28.3 million.

### Internationalization

An essential diversification factor is the Group's continuing global orientation. Domestic sales increased by 12.1% to EUR 42.2 million (previous year: EUR 37.6 million). In the foreign markets, the Nemetschek Group achieved revenues of EUR 116.2 million, an increase of 6.7% compared to the previous year. Growth abroad was negatively impacted by the US dollar. Therefore the share of revenues generated abroad declined slightly to 73.4% (previous year: 74.3%).

## Overview of segments

In the Design segment, revenues increased by 8.7% (adjusted for currency effects: 11.5%) to EUR 83.9 million compared to the prior-year quarter (EUR 77.2 million). EBITDA increased by 20.5% to EUR 27.9 million (previous year: EUR 23.1 million). This corresponds to an operating margin of 33.2%, which was above the previous year's level of 30.0%. In the Build segment, revenues increased significantly year-on-year by 4.8% (after adjustment for currency translation effects: 11.2%) to EUR 51.0 million (previous year: EUR 48.7 million). The EBITDA margin increased to 40.9% (previous year: 38.3%). In the Manage segment, revenues increased by 9.2% (adjusted for currency translation effects: 9.2%) to EUR 10.9 million (previous year EUR 10.0 million). The EBITDA margin was 7.6% and below the previous year (10.2%). The Media & Entertainment segment revenues increased by 15.9% to EUR 14.7 million (previous year: EUR 12.7 million) in the first three months. The currency-adjusted growth was at 21.9%. At 33.7%, the EBITDA margin significantly increased (previous year: 23.9%).

### Earnings per share at EUR 0.25

Operating expenses decreased by -0.2% from EUR 121.4 million to EUR 121.2 million. The cost of materials included in this figure rose to EUR 6.7 million (previous year: EUR 5.1 million). Personnel expenses rose by 6.0% from EUR 65.5 million to EUR 69.5 million. Other operating expenses decreased by -10.3% from EUR 38.2 million to EUR 34.2 million. Depreciation and amortization on fixed assets decreased by -14.4% from EUR 12.6 million to EUR 10.8 million.

The net income for the year (group shares) increased to EUR 29.4 million (previous year EUR 21.4 million). Adjusted for amortization from the purchase price allocation after tax, net income rose by EUR 26.5% million to EUR 33.3 million (previous year: EUR 26.3 million), resulting in earnings per share of EUR 0.29.

The Group's tax rate at the end of the first quarter of 2021 was 21.0% (previous year: 25.2%).

### Operating cash flow at EUR 60.5 million – Cash and cash equivalents at EUR 177.4 million

The cash flow from operating activities was mainly used for the repayment of loans and lease liabilities.

The operating cash flow of the first three months in the amount of EUR 60.5 million increased significantly due to the higher operating performance (previous year: EUR 43.1 million) supported by positive working capital effects.



Cash flow from investment activities was EUR –3.9 million (previous year: EUR –81.6 million). In the previous year, EUR 79.1 million were paid for the acquisition of Red Giant in the Media & Entertainment segment. The cash flow from financing activities of EUR –22.1 million (previous year: EUR –17.5 million) mainly include the repayment of bank loans of EUR 17.8 million (previous year EUR 13.6 million) and the repayment of lease liabilities of EUR 3.7 million (previous year EUR 3.1 million).

On the quarterly closing date, the Nemetschek Group held cash and cash equivalents of EUR 177.4 million (December 31, 2020: EUR 139.3 million).

#### **Equity ratio at 48.7%**

The balance sheet total increased from EUR 889.7 million to EUR 947.7 million compared to December 31, 2020. Equity amounted to EUR 461.7 million (December 31, 2020: EUR 417.3 million), resulting in an equity ratio of 48.7% compared to 46.9% as of December 31, 2020. Equity was increased by the net income for the year (EUR 29.8 million) as well as the currency-related increase of Group assets (EUR 14.5 million).

### **Significant events after the interim reporting period**

There were no significant events after the end of the interim reporting period.

### **Employees**

As of March 31, 2021, the Nemetschek Group employed a staff of 3,173 (March 31, 2020: 2,935), an increase of 8.1% on the prior-year quarter. In the following quarters, the Nemetschek Group intends to further increase the number of employees in order to ensure future growth.

### **Report on opportunities and risks**

For the main opportunities and risks of the Nemetschek Group's anticipated development, we refer to the opportunities and risks described in the Group management report as of December 31, 2020. No significant changes have occurred in the meantime. With regard to the effects of the Covid-19 pandemic, we refer to the forecast report in the Group management report as of December 31, 2020, and to the comments in this quarterly report.

### **Report on forecasts and other statements on expected development**

After the very successful start to the year and in view of the improving market environment, the executive board confirms the previous targets for the current year. He assumes that the Nemetschek Group will achieve currency-adjusted revenue growth at least in the high single-digit percentage range with a further increase in the proportion of recurring revenues. This will be essentially driven by the move to subscription and cloud solutions at the Bluebeam brand in the Build segment from the second half of 2021. The Group EBITDA margin is expected to remain in the high target range of 27% to 29%.

## Consolidated statement of comprehensive income

for the period from January 1 to March 31, 2021 and 2020

### STATEMENT OF COMPREHENSIVE INCOME

Thousands of €	3 months 2021	3 months 2020
<b>Revenues</b>	<b>158,431</b>	<b>146,624</b>
Other income	1,499	3,958
<b>Operating income</b>	<b>159,930</b>	<b>150,583</b>
Cost of goods and services	-6,676	-5,082
Personnel expenses	-69,452	-65,511
Depreciation of property, plant and equipment and amortization of intangible assets	-10,801	-12,612
<i>thereof amortization of intangible assets due to purchase price allocation</i>	-4,912	-6,363
Other expenses	-34,241	-38,159
<b>Operating expenses</b>	<b>-121,171</b>	<b>-121,363</b>
<b>Operating result (EBIT)</b>	<b>38,759</b>	<b>29,220</b>
Interest income	15	189
Interest expenses	-638	-702
Other financial expenses/income	-408	-8
<b>Net finance costs</b>	<b>-1,031</b>	<b>-521</b>
Share of net profit of associates	0	0
<b>Earnings before taxes (EBT)</b>	<b>37,728</b>	<b>28,699</b>
Income taxes	-7,920	-7,221
<b>Net income for the year</b>	<b>29,808</b>	<b>21,478</b>
<b>Other comprehensive income:</b>		
Difference from currency translation	14,459	-3,056
<b>Items of other comprehensive income that are reclassified subsequently to profit or loss</b>	<b>14,459</b>	<b>-3,056</b>
Gains/losses from the revaluation of defined benefit pension plans	237	-308
Tax effect	-67	87
<b>Items of other comprehensive income that will not be reclassified to profit or loss</b>	<b>170</b>	<b>-221</b>
<b>Subtotal other comprehensive income</b>	<b>14,629</b>	<b>-3,277</b>
<b>Total comprehensive income for the year</b>	<b>44,437</b>	<b>18,202</b>
<b>Net profit or loss for the period attributable to:</b>		
Equity holders of the parent	29,446	21,411
Non-controlling interests	362	68
<b>Net income for the year</b>	<b>29,808</b>	<b>21,478</b>
<b>Total comprehensive income for the year attributable to:</b>		
Equity holders of the parent	43,166	17,837
Non-controlling interests	1,271	365
<b>Total comprehensive income for the year</b>	<b>44,437</b>	<b>18,202</b>
Earnings per share (undiluted) in euros	0.25	0.19
Earnings per share (diluted) in euros	0.25	0.19
Average number of shares outstanding (undiluted)	115,500,000	115,500,000
Average number of shares outstanding (diluted)	115,500,000	115,500,000

# Consolidated statement of financial position

as of March 31, 2021 and December 31, 2020

## STATEMENT OF FINANCIAL POSITION

<b>Assets</b>	Thousands of €	<b>March 31, 2021</b>	December 31, 2020
<b>Current assets</b>			
Cash and cash equivalents		177,442	139,320
Trade receivables		66,629	64,571
Inventories		798	642
Income tax receivables		7,022	6,010
Other financial assets		1,509	1,624
Other non-financial assets		28,498	24,204
<b>Current assets, total</b>		<b>281,899</b>	<b>236,371</b>
<b>Non-current assets</b>			
Property, plant and equipment		21,341	21,628
Intangible assets		137,764	138,176
Goodwill		429,410	416,706
Right-of-use assets		60,604	61,328
Investments in associates		1,344	1,344
Deferred tax assets		8,468	7,465
Other financial assets		5,049	4,835
Other non-financial assets		1,781	1,809
<b>Non-current assets, total</b>		<b>665,760</b>	<b>653,290</b>
<b>Total assets</b>		<b>947,659</b>	<b>889,661</b>

<b>Equity and liabilities</b>	Thousands of €	<b>March 31, 2021</b>	December 31, 2020
<b>Current liabilities</b>			
Short-term borrowings and current portion of long-term loans		47,766	59,601
Trade payables		9,243	11,229
Provisions and accrued liabilities		46,459	56,250
Deferred revenue		164,868	129,469
Income tax liabilities		11,641	9,253
Other financial liabilities		1,836	1,618
Lease liabilities		13,660	13,369
Other non-financial liabilities		20,288	15,023
<b>Current liabilities, total</b>		<b>315,762</b>	<b>295,813</b>
<b>Non-current liabilities</b>			
Long-term borrowings without current portion		64,870	70,670
Deferred tax liabilities		25,581	25,222
Pensions and related obligations		3,316	3,083
Provisions		3,671	4,153
Deferred revenue		1,939	2,406
Income tax liabilities		3,206	3,050
Other financial liabilities		9,358	8,731
Lease liabilities		53,482	54,254
Other non-financial liabilities		4,745	4,986
<b>Non-current liabilities, total</b>		<b>170,169</b>	<b>176,556</b>
<b>Equity</b>			
Subscribed capital		115,500	115,500
Capital reserve		12,485	12,485
Retained earnings		345,038	315,341
Other reserves		-25,939	-39,408
<b>Equity (group shares)</b>		<b>447,084</b>	<b>403,919</b>
Non-controlling interests		14,644	13,373
<b>Equity, total</b>		<b>461,728</b>	<b>417,292</b>
<b>Total equity and liabilities</b>		<b>947,659</b>	<b>889,661</b>

# Consolidated cash flow statement

for the period from January 1 to March 31, 2021 and 2020

## CONSOLIDATED STATEMENT OF CASH FLOWS

Thousands of €	3 months 2021	3 months 2020
Profit (before tax)	37,728	28,699
Depreciation and amortization of fixed assets	10,801	12,612
Net finance costs	1,031	521
<b>EBITDA</b>	<b>49,561</b>	<b>41,832</b>
Other non-cash transactions	1,082	2,647
<b>Cash flow for the period</b>	<b>50,643</b>	<b>44,479</b>
Change in trade working capital	28,138	21,907
Change in other working capital	-10,342	-17,377
Financing effects and tax cash flow	-7,974	-5,930
<b>Cash flow from operating activities</b>	<b>60,465</b>	<b>43,079</b>
Capital expenditure	-1,718	-2,587
Cash received from disposal of fixed assets	25	8
Cash paid for acquisition of subsidiaries, net of cash acquired	-2,219	-79,068
<b>Cash flow from investing activities</b>	<b>-3,912</b>	<b>-81,647</b>
Repayment of borrowings	-17,825	-13,625
Principal elements of lease payments	-3,711	-3,134
Interests paid	-607	-703
<b>Cash flow from financing activities</b>	<b>-22,142</b>	<b>-17,462</b>
<b>Changes in cash and cash equivalents</b>	<b>34,411</b>	<b>-56,029</b>
<b>Effect of exchange rate differences on cash and cash equivalents</b>	<b>3,711</b>	<b>-401</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>139,320</b>	<b>209,143</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>177,442</b>	<b>152,713</b>



## Consolidated statement of changes in equity

for the period from January 1 to March 31, 2021 and 2020

Thousands of €	Equity attributable to the parent company's shareholders				Total	Non-controlling interests	Total equity
	Subscribed capital	Capital reserve	Retained earnings	Translation reserve			
<b>As of January 1, 2020</b>	<b>115,500</b>	<b>12,485</b>	<b>230,924</b>	<b>-10,396</b>	<b>348,513</b>	<b>103</b>	<b>348,616</b>
Other comprehensive income	-	-	-185	-3,388	-3,573	297	-3,276
Net income for the year	-	-	21,411	-	21,411	68	21,479
Total comprehensive income for the year	0	0	21,225	-3,388	17,837	365	18,202
Acquisition of a subsidiary	-	-	19,932	-	19,932	15,678	35,610
<b>As of March 31, 2020</b>	<b>115,500</b>	<b>12,485</b>	<b>272,081</b>	<b>-13,784</b>	<b>386,282</b>	<b>16,146</b>	<b>402,428</b>
<b>As of January 1, 2021</b>	<b>115,500</b>	<b>12,485</b>	<b>315,341</b>	<b>-39,408</b>	<b>403,919</b>	<b>13,373</b>	<b>417,292</b>
Other comprehensive income	-	-	251	13,469	13,720	909	14,629
Net income for the year	-	-	29,446	-	29,446	362	29,808
Total comprehensive income for the year	0	0	29,697	13,469	43,166	1,271	44,437
<b>As of March 31, 2021</b>	<b>115,500</b>	<b>12,485</b>	<b>345,038</b>	<b>-25,939</b>	<b>447,084</b>	<b>14,644</b>	<b>461,728</b>

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