

Nemetschek Group

# Company Presentation

November 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

## The HANDPRINT of our Customers

### Renovation & Demolition

- Easier reconstruction of buildings
- Reusing raw materials

### Operate & Manage

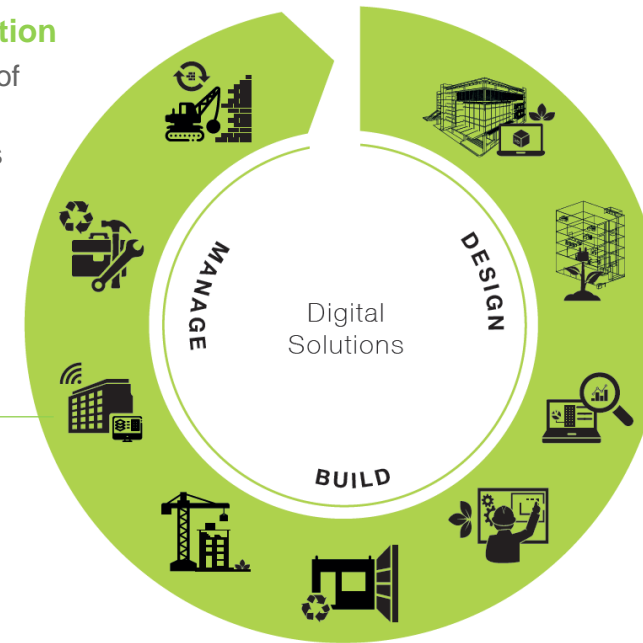
- Smart buildings
- Digital twins
- Efficient usage of office spaces and energy

### 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

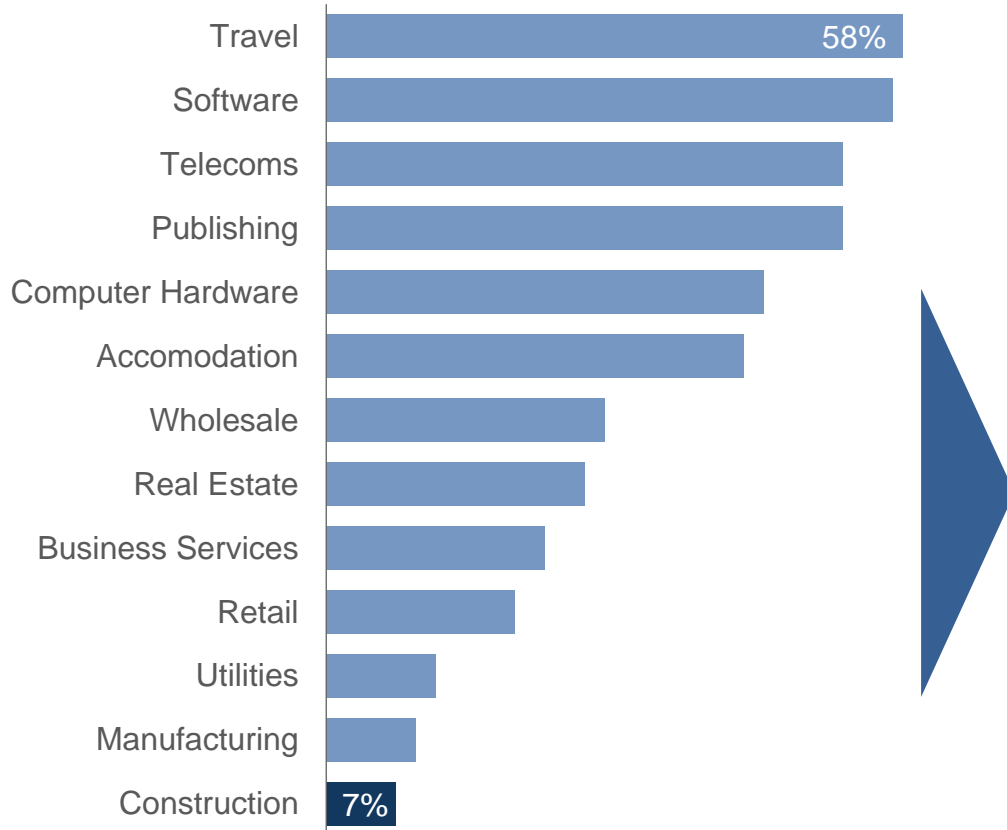
- Less errors & rework through cross-functional planning
- Green buildings
- Simulations
- Energy analysis
- Exact calculation of materials



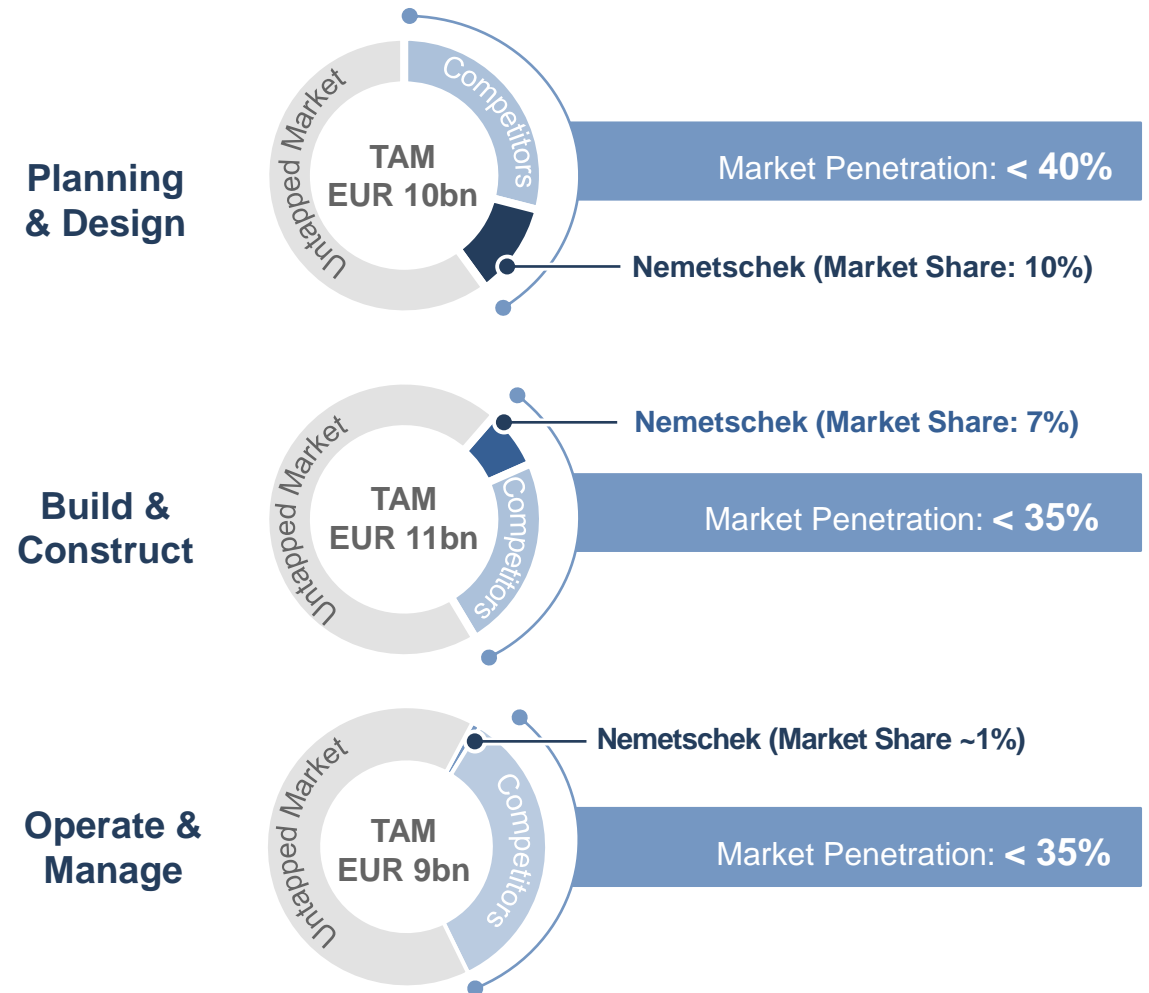
Sources: Global Status Report 2019, UN Environment and the International Energy Agency, Engineering-News Record 2018/2019

# 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 life-time 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.



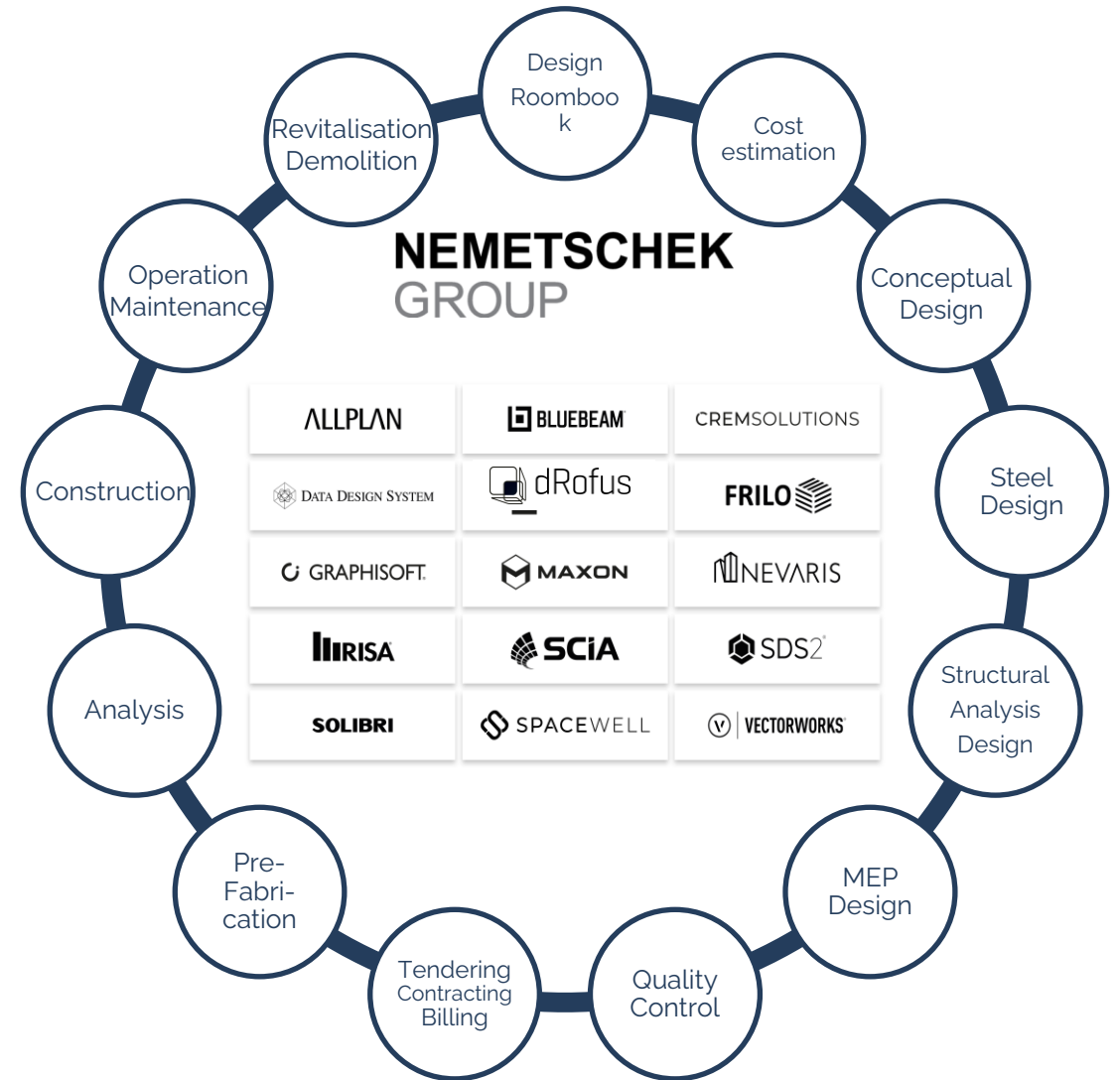
### Operate & Manage

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: Continued Positive Market Conditions

Construction markets


## Residential



Sub-segments:

- Multi-Family Homes
- Flats


## Non-Residential



Sub-segments:

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

## Infrastructure



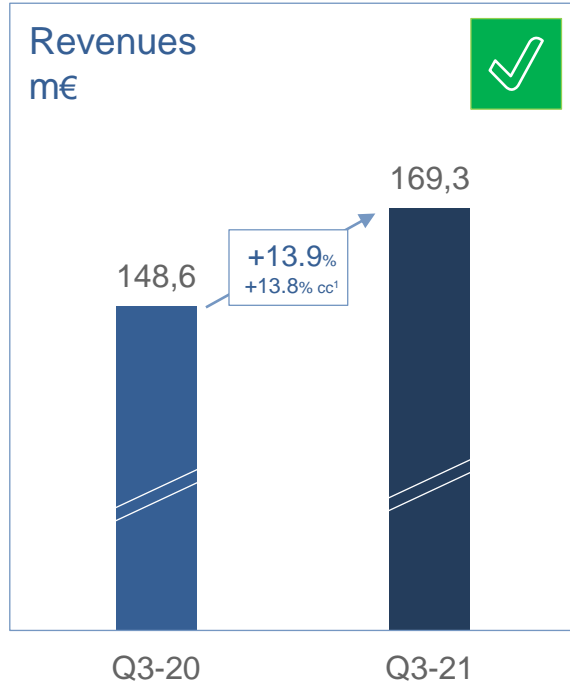
Sub-segments:

- Airports
- Bridges
- Tunnels

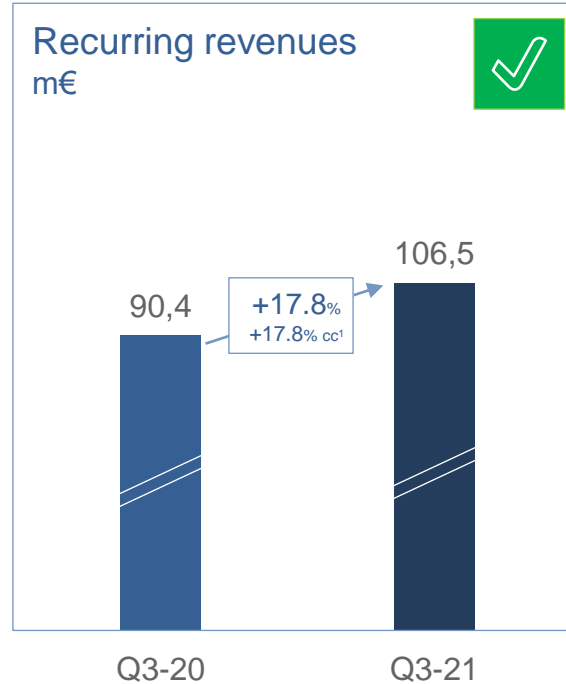
Market Status



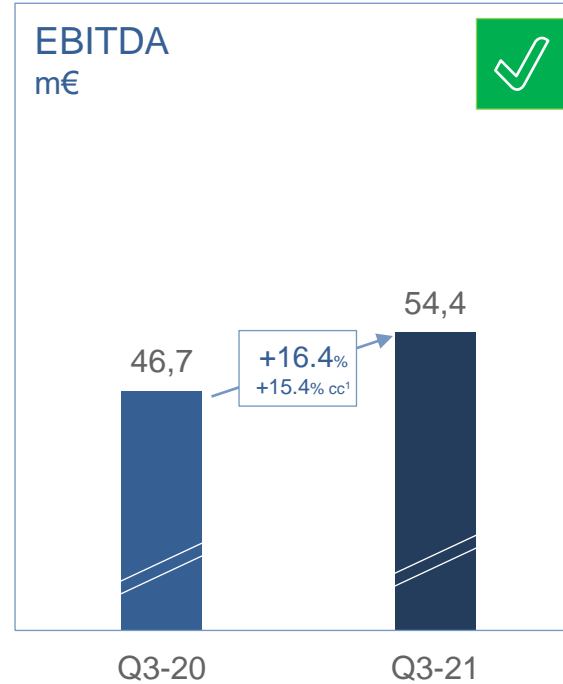
# Top Key Figures Q3-21: Continued Strong Growth With High Profitability



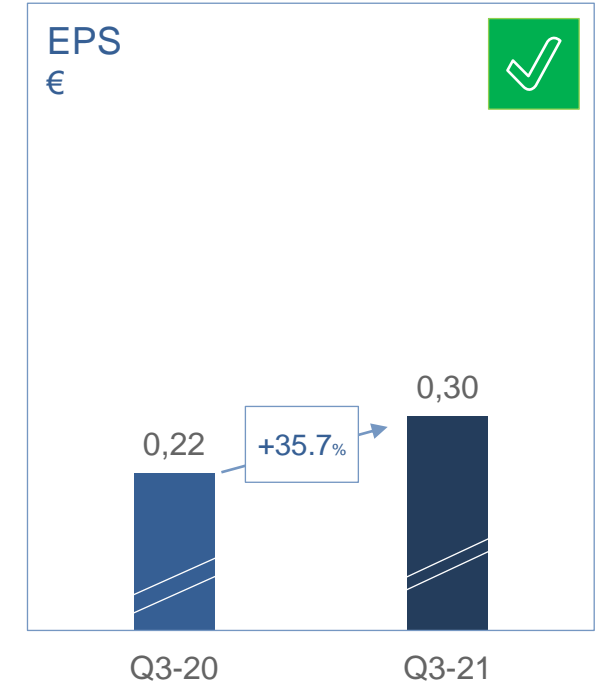
- Strong growth despite higher comparison base
- Strong customer focus drives demand for Nemetschek's leading software solutions



- Subscription/SaaS continues to be the main growth driver: +48.1% cc¹
- Substantial increase in share of Subscription/SaaS revenues to new record high of 20% (Q3-20: 15%)



- Q3-21: EBITDA margin: 32.1% vs. Q3-20: 31.4%



- Tax rate: 18.9% vs. 24.5% in previous year
- EPS before PPA amortization: 0.34 EUR (+32.9%)

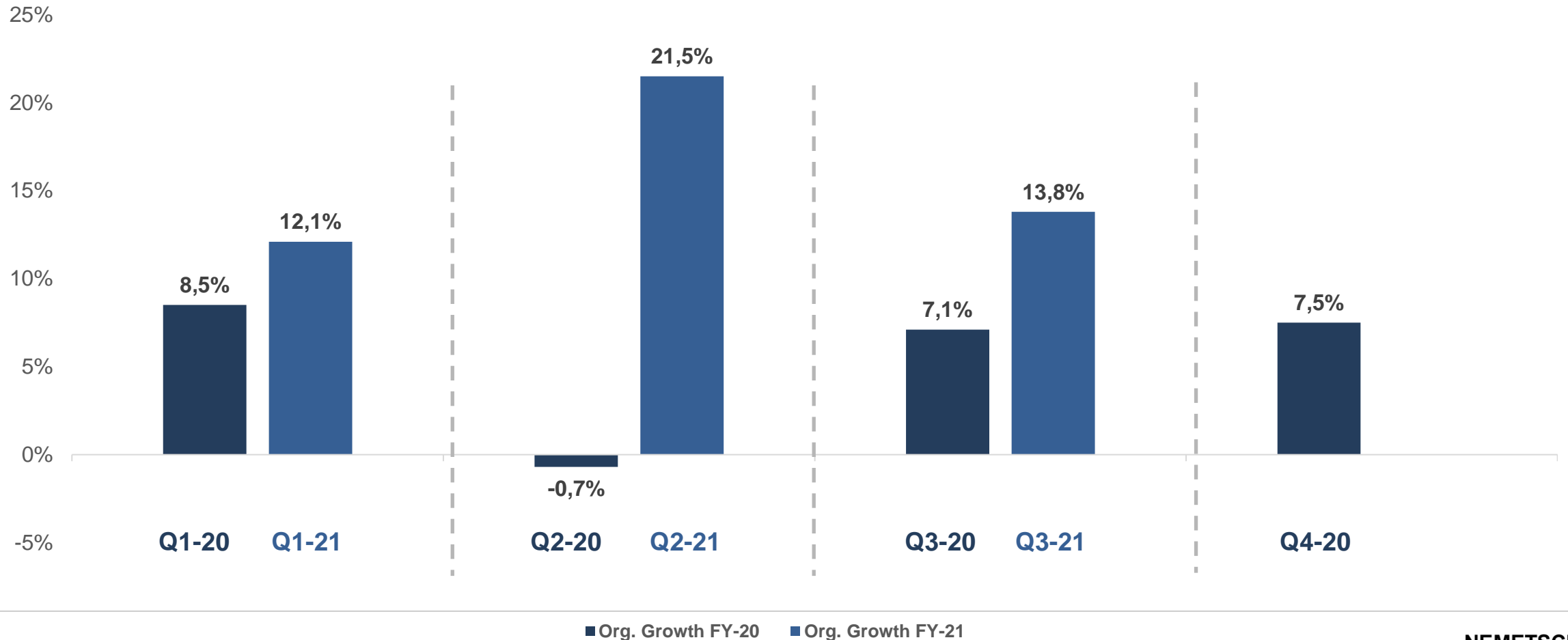
<sup>1</sup> Constant currency

# Q3-21: Continued Strong Growth Despite Substantially Higher Comparison Base

**Q1-20:** First negative effects in pockets of growth

**Q2-20:** Main impact of Covid-19 pandemic

**Q3- & Q4-20:** Start of recovery and re-acceleration of growth



# Key Business Highlights 9M-21: Successful First Nine Months of the Year



## Financial Performance



### Revenues:

**+13.0% (FX adj.: +15.7%)  
to EUR 493.6m**



### Subscription/SaaS:

**+46.6% (FX adj.: +50.2%)  
to EUR 93.0m**



### EBITDA:

**+24.0% to EUR 160.3m  
(Margin: 32.5%)**



### Earnings per Share

**EUR 0.84 (+42.9% y/y)**



### High Cash Conversion:

**102.1%**



### Equity Ratio:

**52.0% (9M-20: 45.3%)**

## Strategic Highlights



### Internationalization as a Growth Driver

- International expansion of brands (e.g. European expansion of US brands and vice versa)



### Continued Progress on Harmonization

- Precast & SDS2 integration into Allplan progressing as planned
- Graphisoft and DDS join forces

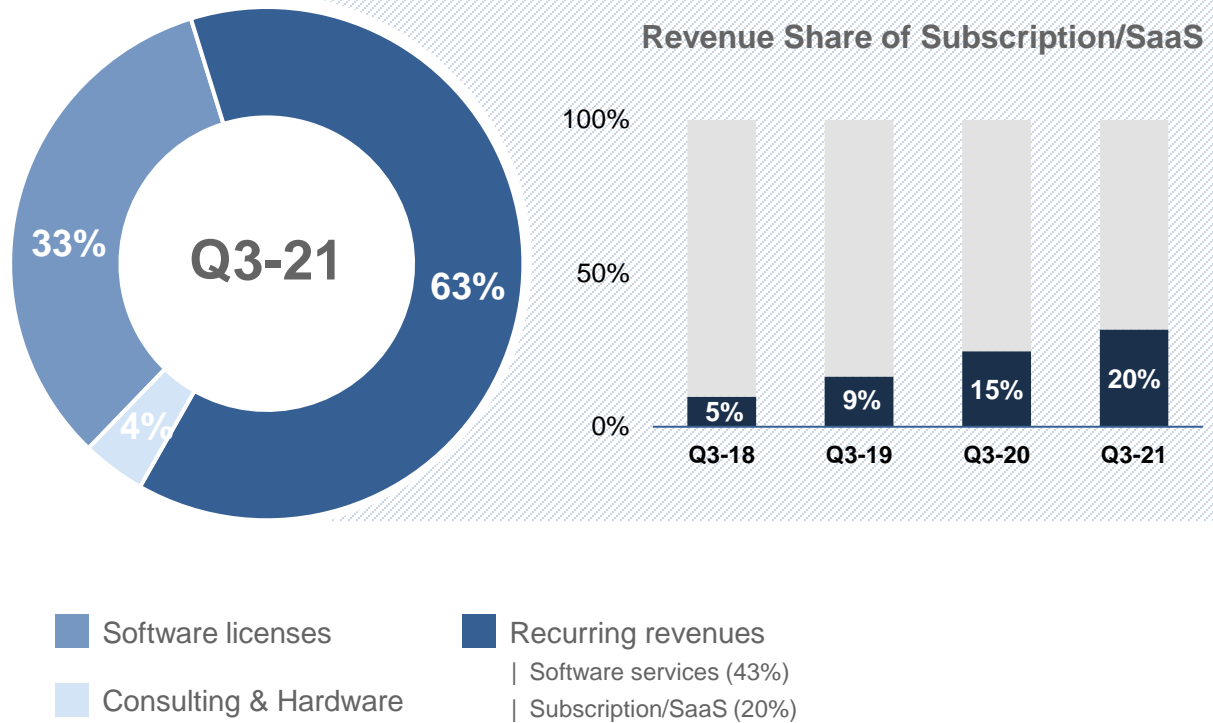


### Subscription/SaaS

- Growth underpins success of segment-tailored subscription strategy

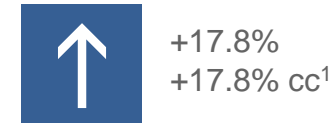
# Record High: Share of Recurring and Subscription/SaaS Revenues

## Revenue Share by Type in %

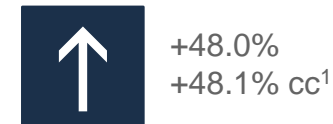


### Q3-21

#### Recurring revenues y/y



#### Subscription/SaaS y/y

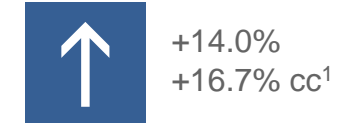


#### Software licenses y/y

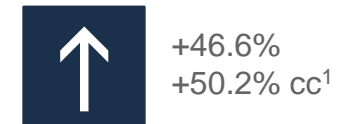


### 9M-21

#### Recurring revenues y/y



#### Subscription/SaaS y/y

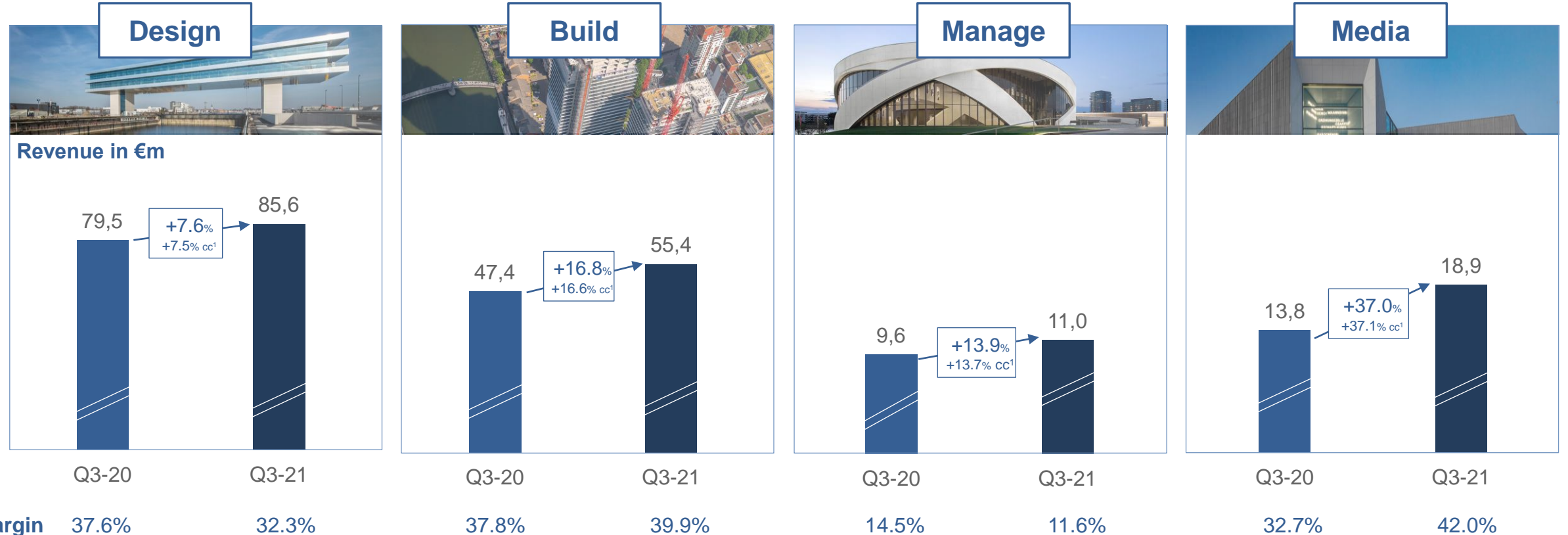


#### Software licenses y/y



<sup>1</sup> Constant currency

# Q3-21 Segment Overview: Continued Strong Momentum in Build, Record Quarter in M&E



- Very strong growth in Subscription/SaaS (+74% y/y)
- Q3-20: EBITDA margin artificially high due to cost-savings measures in response to Covid-19

- Bluebeam with continued strong growth in users
- Margin increase driven by strong growth and operational efficiency

- Continued double-digit growth
- New customer wins despite uncertain market environment

- Record growth in all regions
- Margin uplift after successful integration of acquisitions Red Giant & Redshift and subscription transition

<sup>1</sup> Constant currency

# Summary 9M-21 – Successful First Nine Months of the Year



## 9M-21:

- Strategic Highlights
  - First venture investments in promising start-ups
  - Optimization of organizational structure
- Financial Highlights
  - New record levels in revenue, EBITDA and EPS
  - Substantial increase in Subscription/SaaS contribution
  - Strong cash flow generation underpins high earnings quality

**Success based on Nemetschek's strong operational business**



## Long-term View:

- Long-term structural growth drivers unchanged
- Strong market position, products & customer relationships
- Continued progress on strategic initiatives
  - Further reduction of organizational complexity
  - Continuously screening the market for attractive & innovative start-ups

**As a leading AEC software company, Nemetschek is well positioned for future growth**



# 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

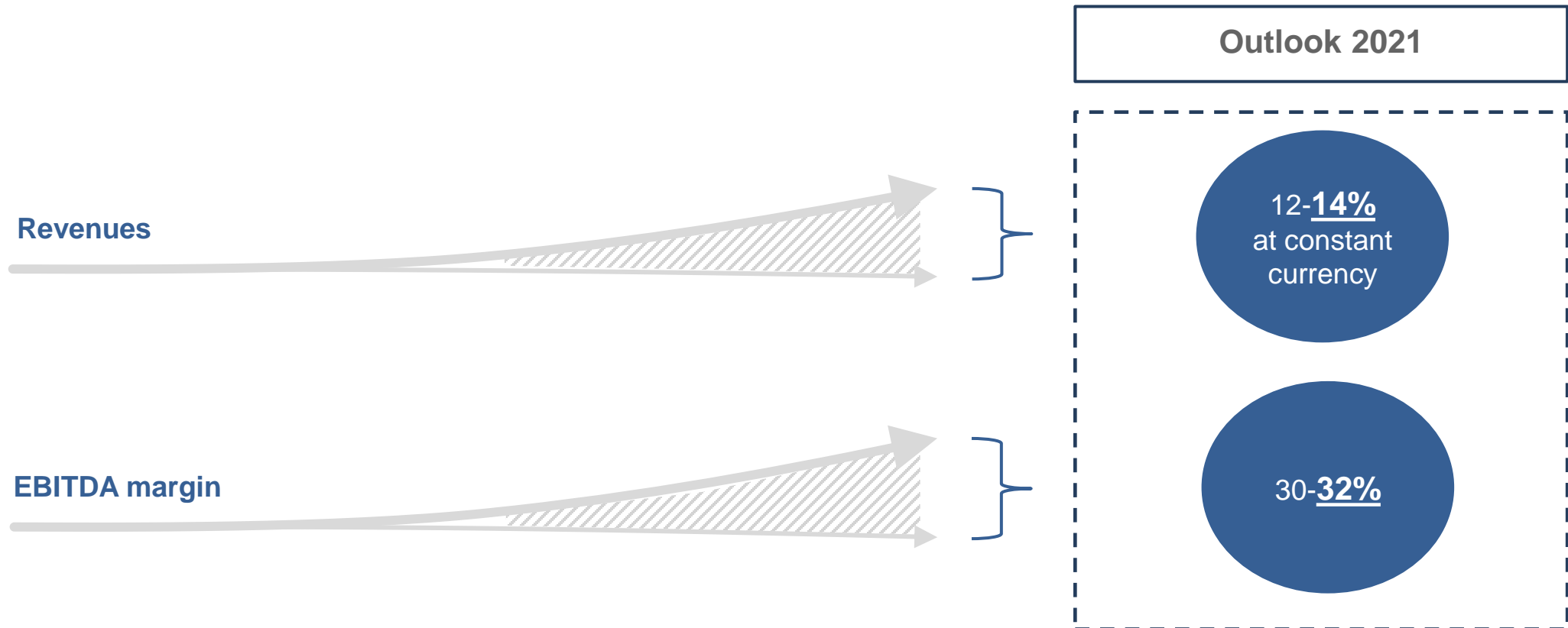
### Value accretive M&A plus Ventures

- | 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%)

# Outlook 2021: We Now Target the Upper End of Guidance Ranges



## Outlook 2021:

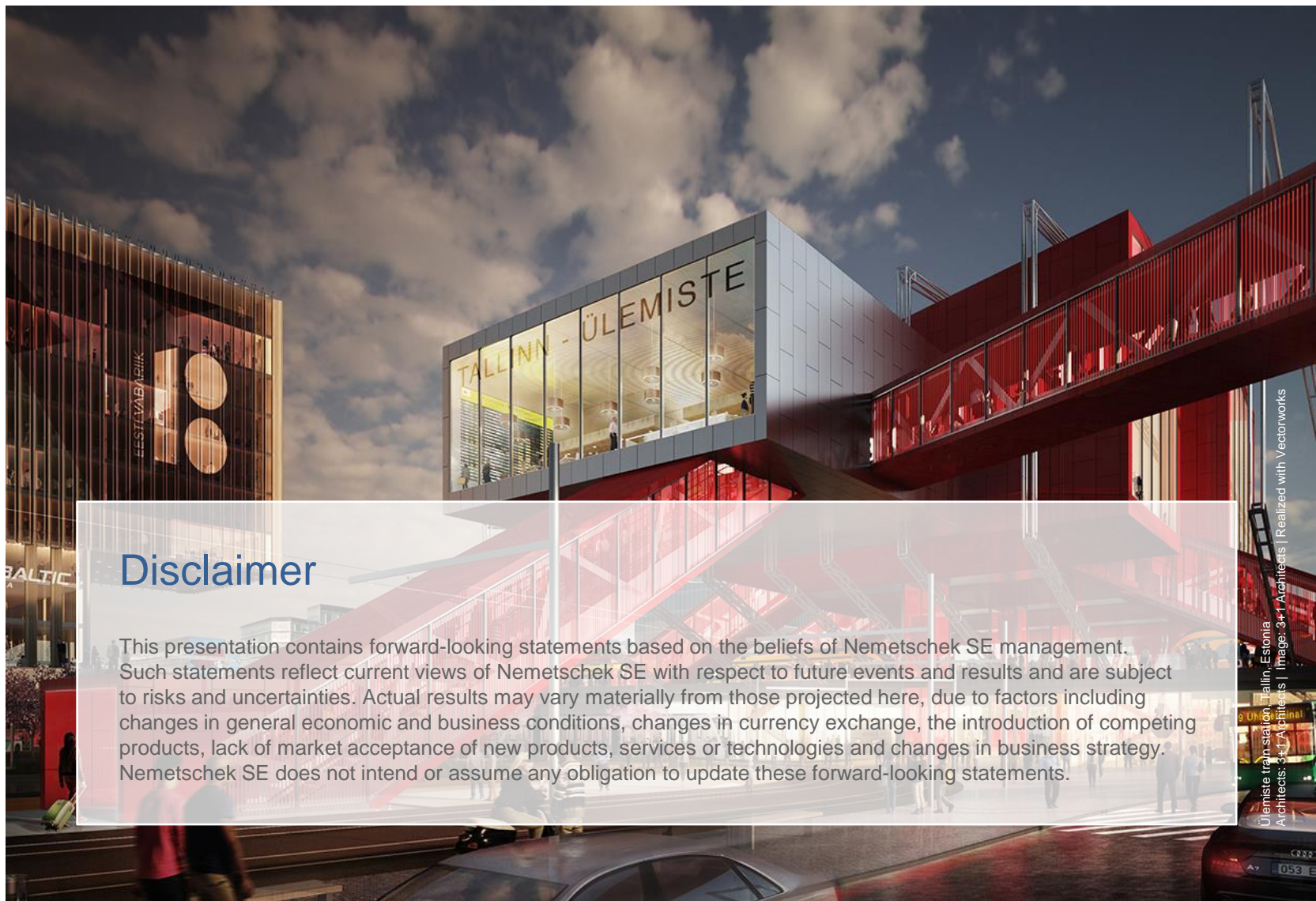
**Please note:** The outlook is based on the assumption that there will be no material deterioration in the economic conditions in Q4-21 and that the Corona pandemic will continue to be under control.

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