

Nemetschek Group

Company Presentation

June 2021 | Dr. Axel Kaufmann, Spokesman & CFOO



01

Market Potential AEC/O

Big Challenges for the Construction Industry

General challenges



Need for Affordable Housing

Urbanization is making housing scarce and expensive, especially in metropolitan areas.



Time & Cost Pressure in Projects

The complexity of construction projects is constantly growing - with effects on costs, construction time and/or quality.



Sustainability

Climate protection requirements are putting pressure on the industry to build more sustainably.

Challenges for the stakeholders



Seamless Collaboration

Collaboration between different disciplines must be further improved in order to reduce information losses caused by silos.



Framework Conditions

Open data standards as the basis for fair competition and seamless collaboration.



Investments in Digitalization

Despite the well-known benefits of digitization, many companies are (still) hesitant to invest in the future.

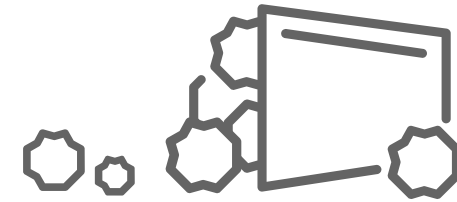
Construction Industry is Lagging behind in Terms of Digitalization

The worldwide construction market is estimated at

€10 trillion

(€3.5 trillion exc. residential)

However at least **20%** is waste



~10%

materials are wasted



~30%

of construction is rework



~40%

of projects are over budget



~90%

of projects are late



~40%

of jobsite work is unproductive

Mostly due to **ineffective communication, planning and insufficient collaboration of involved parties**

Source: Engineering-News Record 2017.

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

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

The HANDPRINT of our Customers

Renovation & Demolition

- Easier reconstruction of buildings
- Reusing raw materials

Operate & Manage

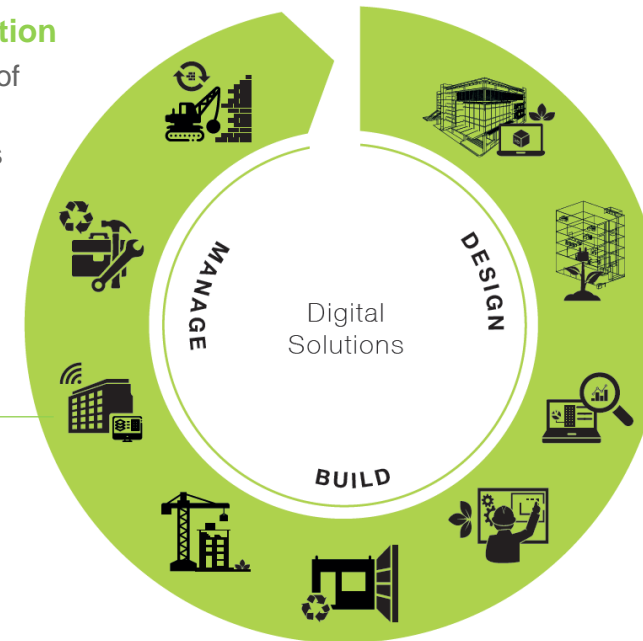
- Smart buildings
- Digital twins
- Efficient usage of office spaces and energy

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

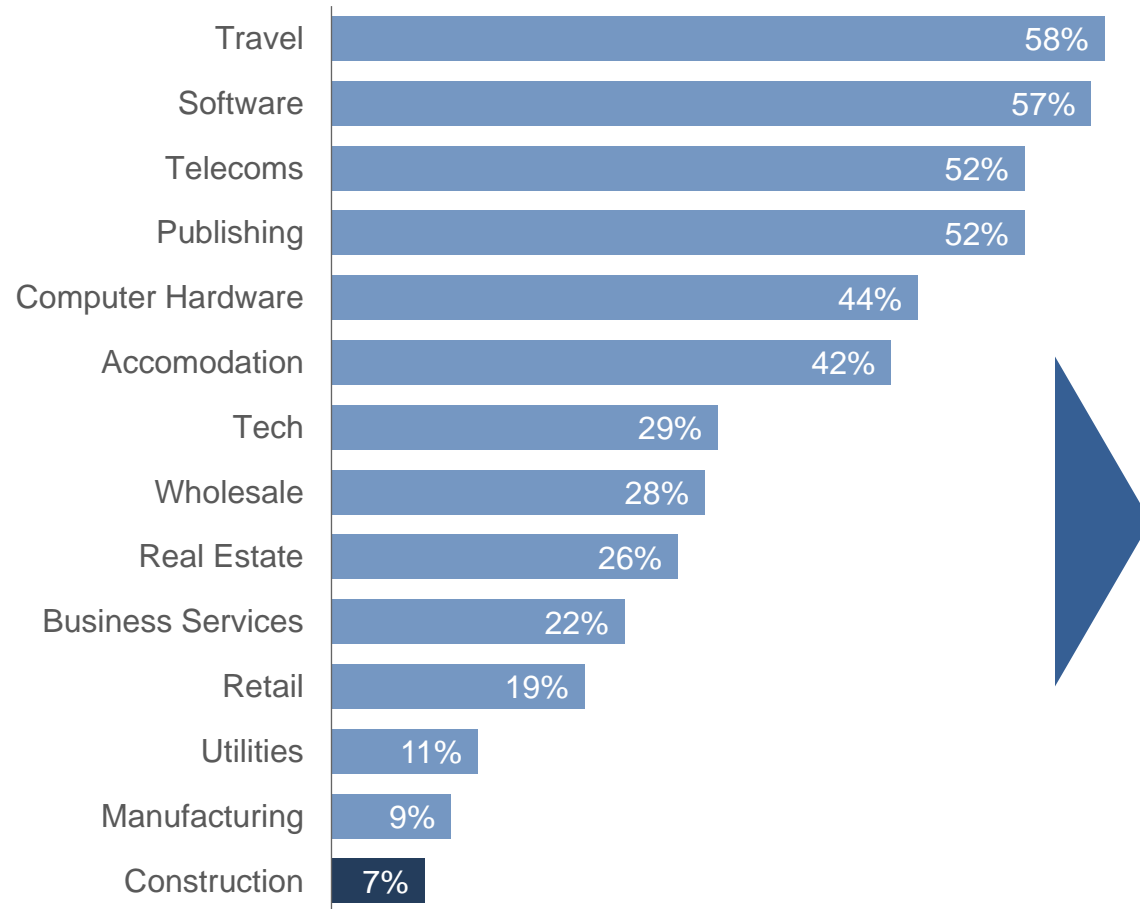
Planning & Design

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

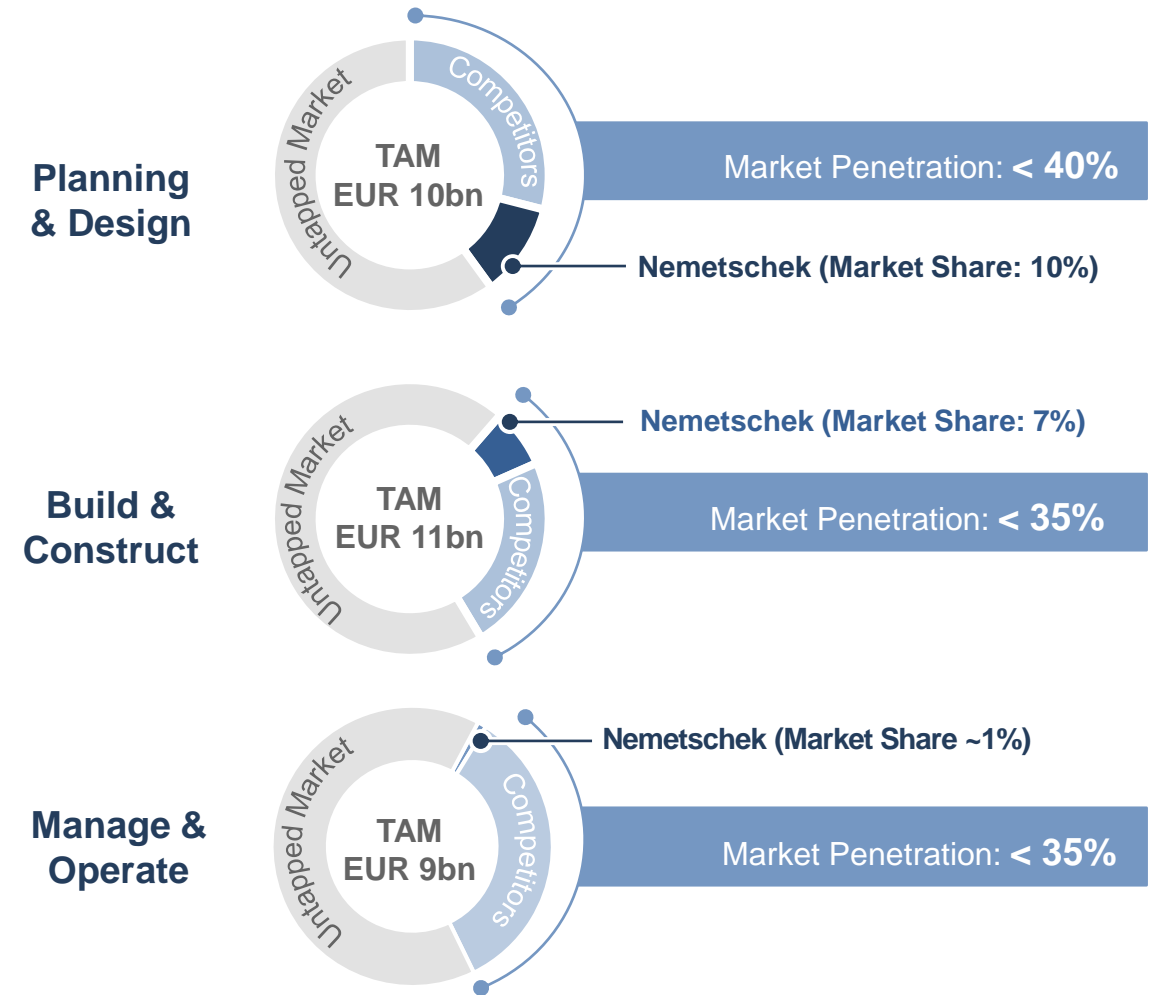


Intact Long-term Trend: AEC/O BIM Software Market Offers huge Potential

Construction is the least digitalized industry in Europe



Addressable market expected to grow by ~10% p.a.



02

Company Overview



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 lifetime 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

Digitalization of the Building Lifecycle



Planning & Design

Seamless collaboration among all project stakeholders minimizes risks and improves the overall project quality.



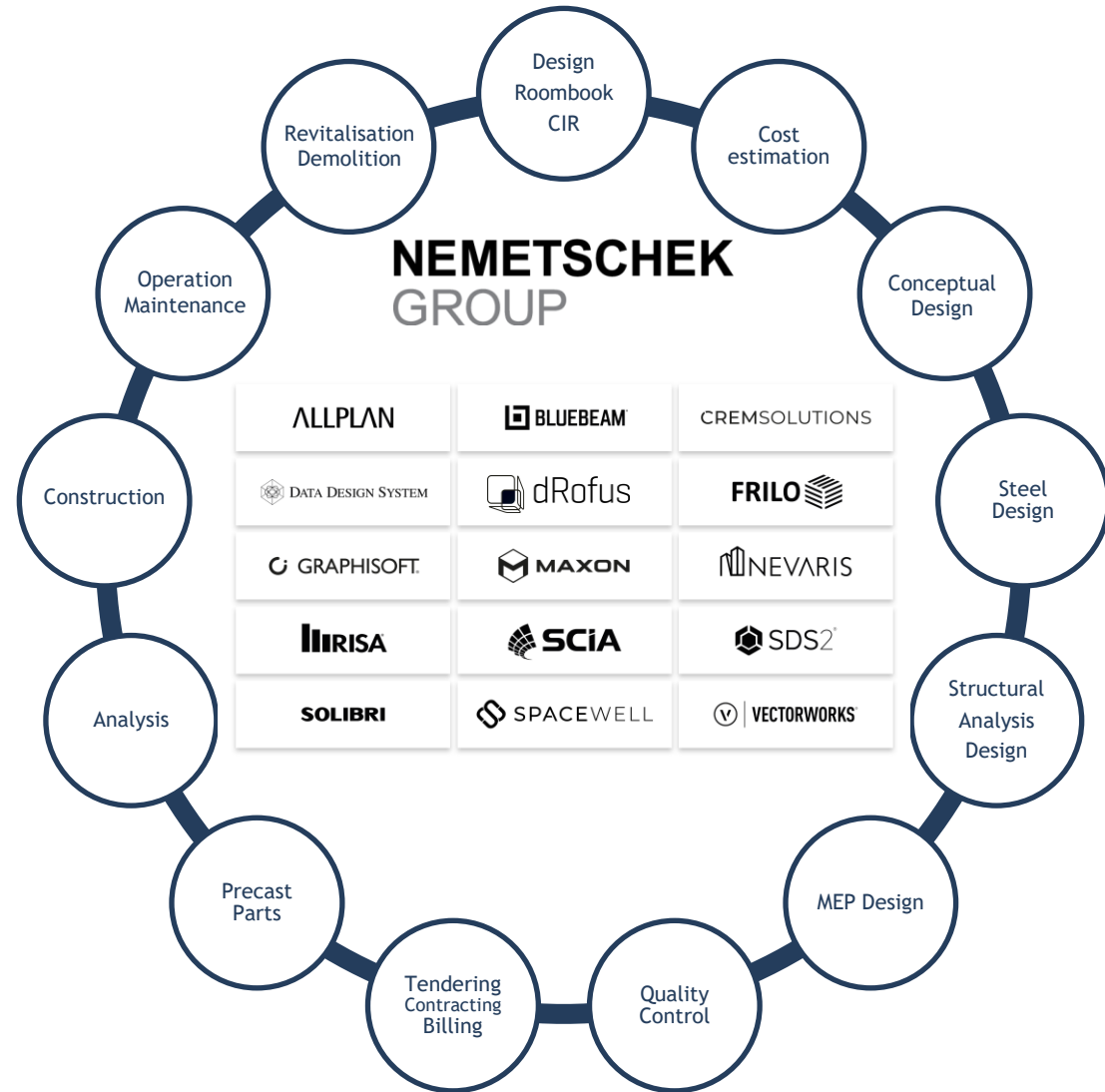
Build & Construct

Precast parts, geodata and digital tools to connect office and field workers increase efficiency during construction.

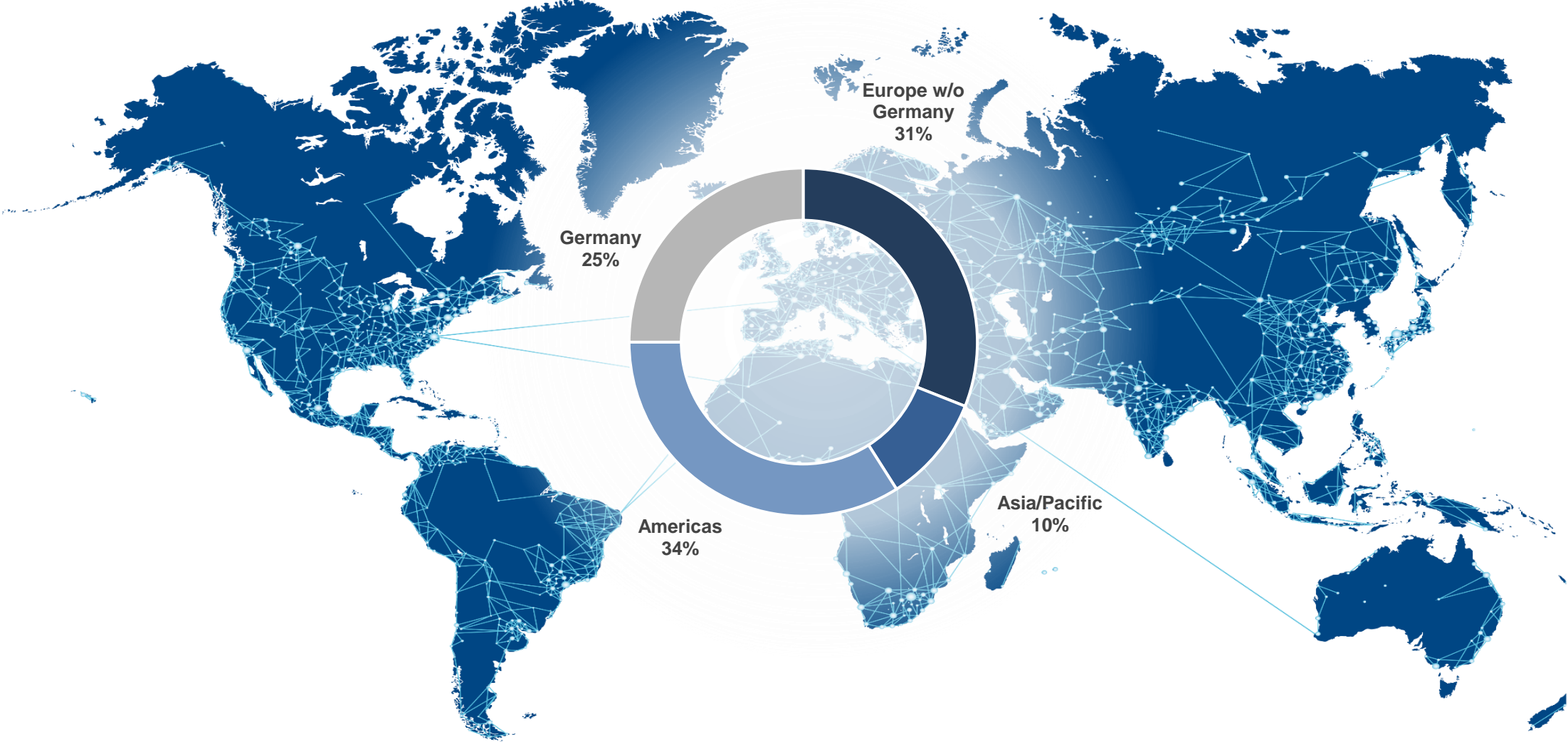


Operate & Manage

80% of a building's costs are generated during its operational phase.



Our International Positioning: Global Player with Focus on Europe / USA / Asia



03

Financial Performance / Investment Story

Key Business Highlights Q1-21: Strong Start to the Year

Solid Financial Performance



Revenues:
**+8.1% (FX adj.: +12.1%) to
EUR 158.4m**



Recurring Revenues:
**+11.7% (FX adj.: +15.9%) to
EUR 96.1m**



Subscription/SaaS Revenues:
**+44.0% (FX adj.: +49.8%) to
EUR 28.3m**



EBITDA:
**+18.5% (FX adj.: +26.5%) to
EUR 49.6m**



EBITDA margin:
31.3% (FX adj.: 32.2%)



Earnings per Share
EUR 0.25 (+37.5% y/y)



High Cash Conversion:
122%



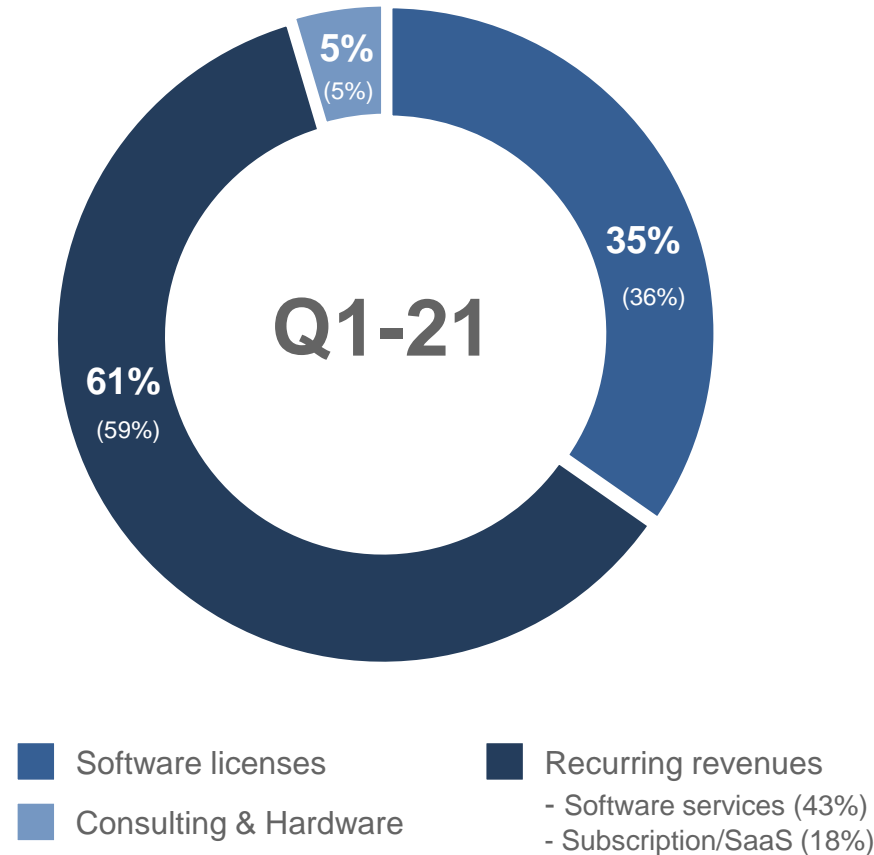
Net Cash Position:
EUR 64.8m (Q1-20: 9.0m)



Equity Ratio:
48.7% (Q1-20: 43.3%)

Strong Growth in Recurring Revenues: Subscription is Key Driver

Revenue share by Type in % (previous year)



Q1-21

Comments

Recurring revenues y/y



+11.7%
+15.9% cc¹

- Above average growth to EUR 96.1m

Subscription/SaaS y/y



+44.0%
+49.8% cc¹

- Subscription/SaaS revenue of 28.3m
- Driven by M&E segment

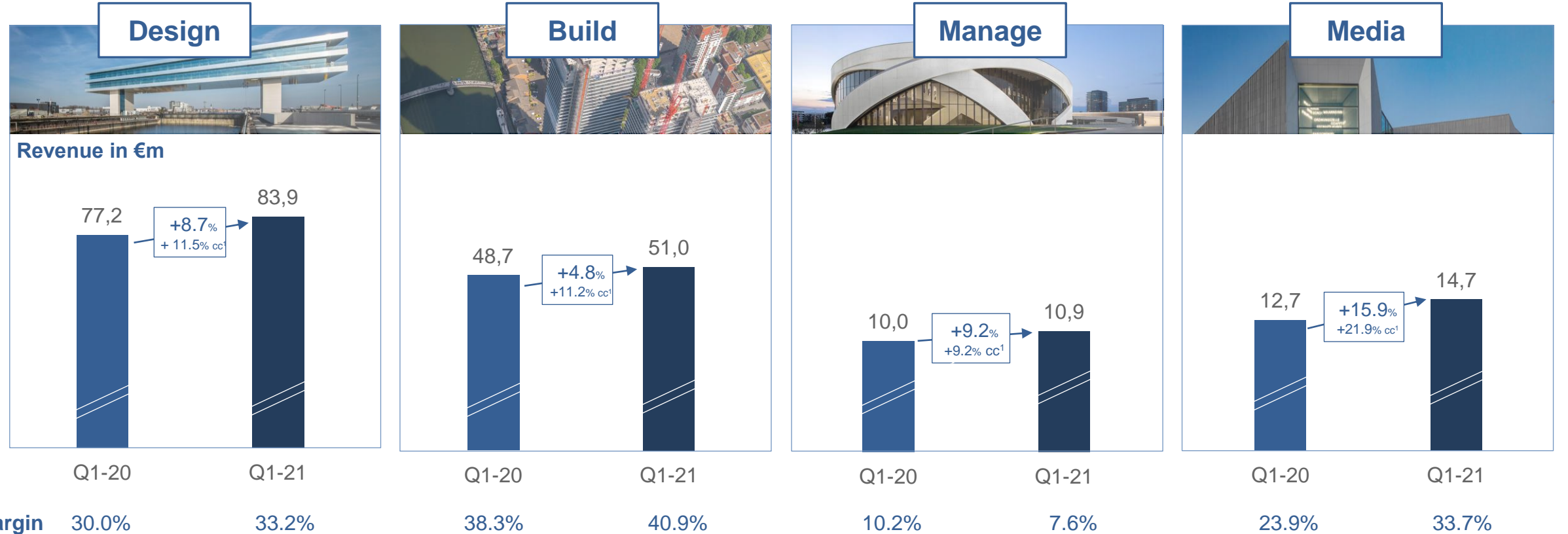
Software licenses y/y



+3.0%
+7.2% cc¹

- Return to growth
- Driven by Design segment

Segment Overview: Strong Recovery in Design



- Graphisoft with largest contribution to revenue and margin increase
- Organic growth licenses: +13%

- Strong FX headwind from USD
- Org. growth recurring revenues: +16%

- Q1: Expected slow start to the year due to ongoing cautious investments of facility managers
- EBITDA margin: ongoing investments in future growth

- Q1-21: Strong growth purely organic
- Q1-20: Margin negatively impacted by Maxon's move to subscription and integration of Redshift and Red Giant

Overall a Compelling Position

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: 47%
- | EUR 200m credit line secured
- | Long-term anchor shareholder

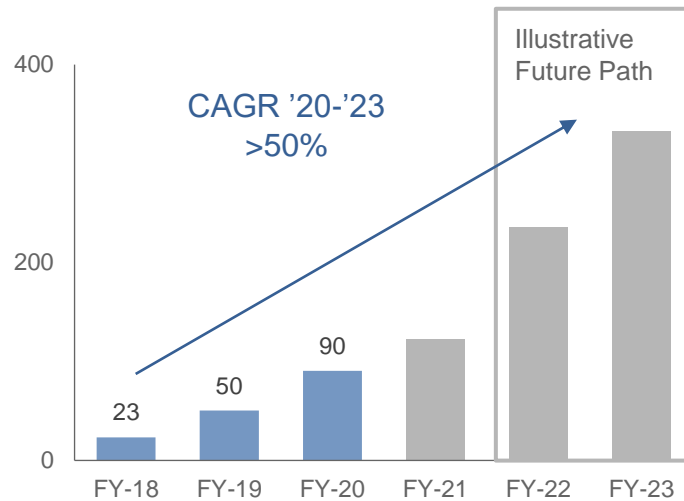
Value accretive M&A

- | Strong track record of bolt-on acquisitions
- | Disciplined approach
- | Substantial financial fire power
- | Focus on long-term value generation

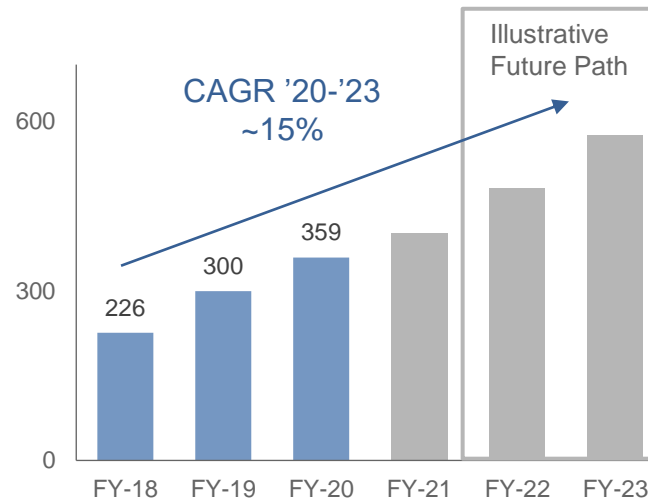
Operating mode via four strong divisions with leading global brands

Recurring Revenues are a Priority with a CAGR of ~15% ('20-'23), Leading to >75% of Revenues ('23)

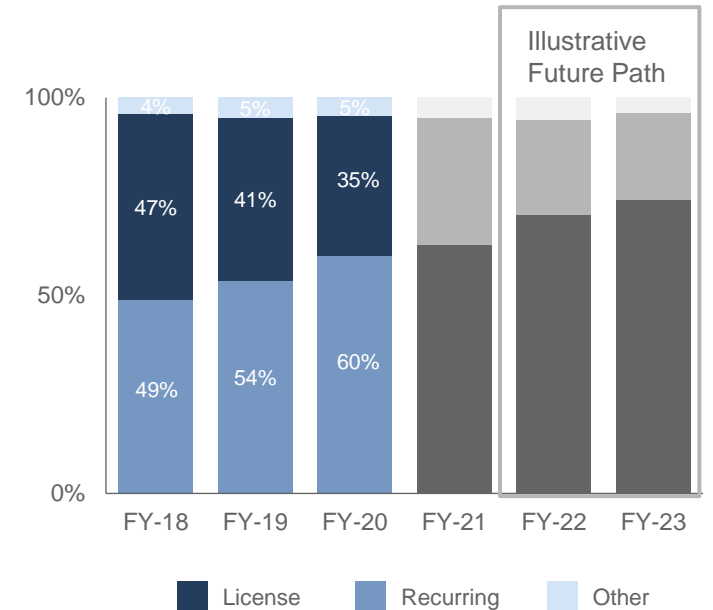
Subscription/SaaS Revenue (in EURm)



Recurring Revenue (in EURm)



Revenue Split 2020-2023 (in EURm)



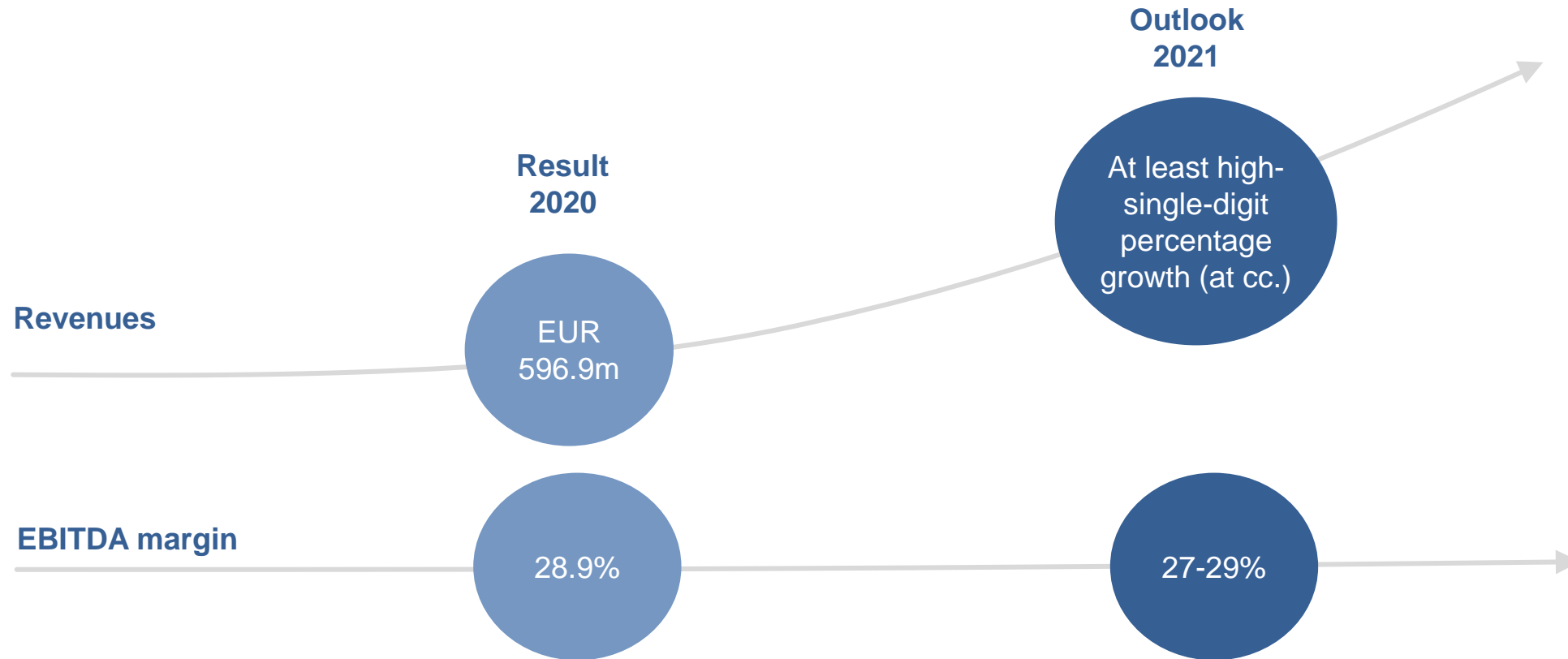
Ambition 2023

- Share of Recurring Revenues: ~ 75%
- t/o Share of Subscription/SaaS ~ 45%



- 2021/22: High-single-digit revenue growth
- 2023: Strong re-acceleration of growth to mid-teens

Outlook 2021: Confirmed after the First Quarter



Ambition 2023

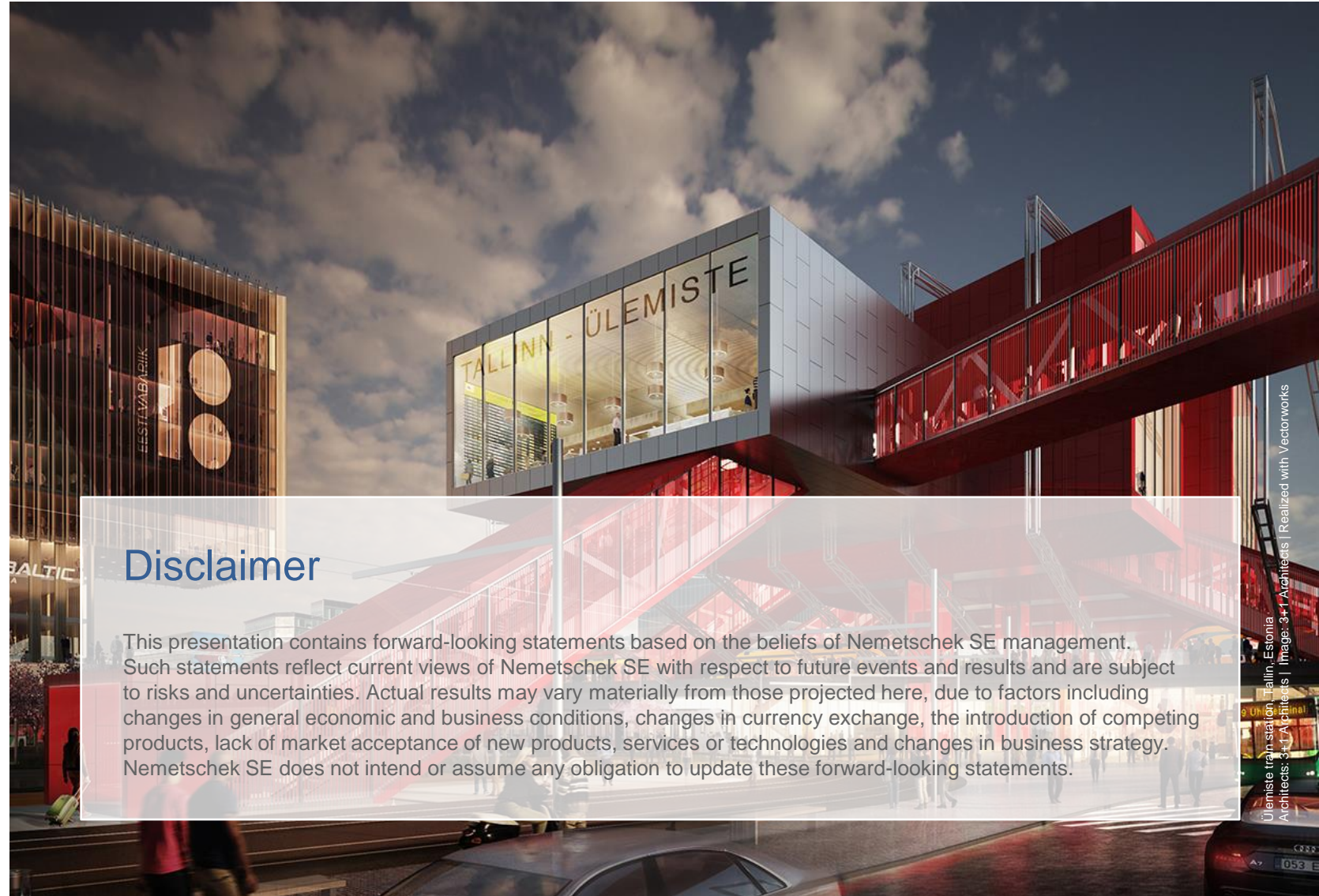
- Mid-teens growth starting in 2023 and following the successful Subscription/SaaS transition
 - Share of Recurring Revenues: ~ 75% (t/o Share of Subscription/SaaS ~ 45%)

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