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Nemetschek Group

Financial Highlights
Second Quarter / Half Year 2018

July 27, 2018

Top key figures **Q2 2018:** Accelerated growth with high profitability

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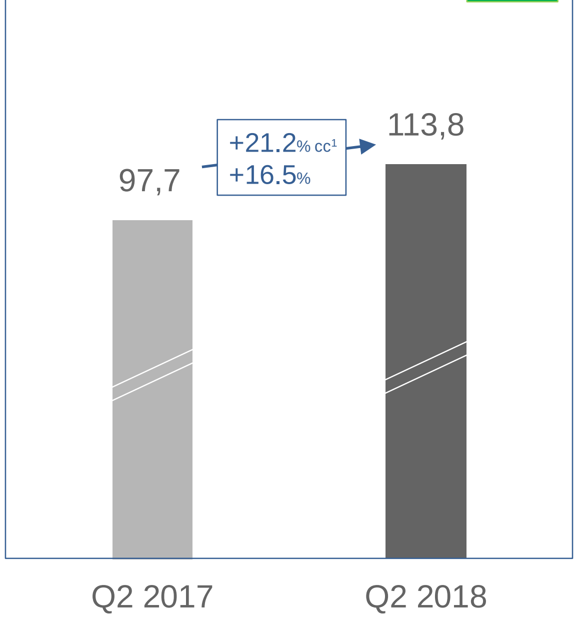
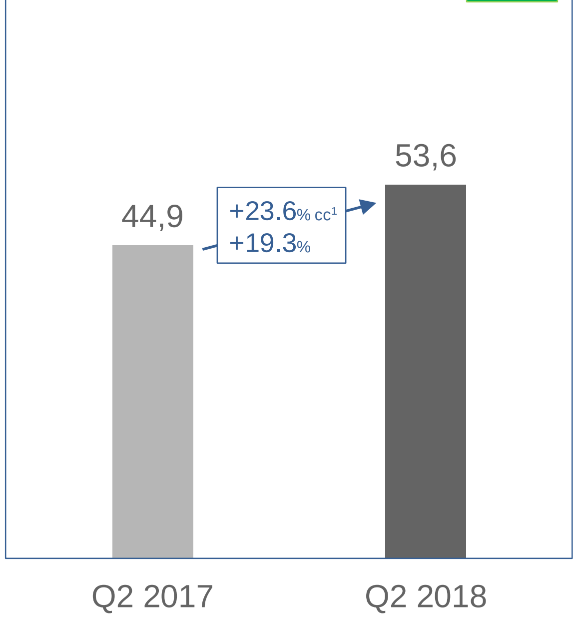
Revenues
€m



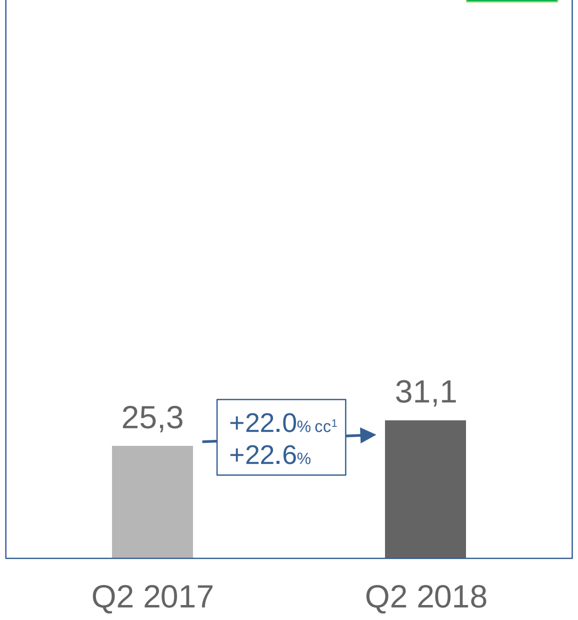
- Growth accelerated in Q2
- Continued currency headwind (€ 4.6m)

Recurring revenues
€m



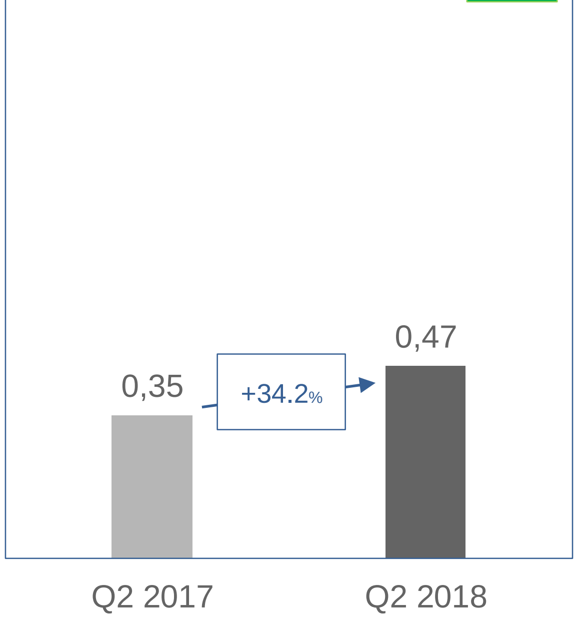
- License growth also accelerated with a double digit growth rate

EBITDA
€m



- High EBITDA margin: 27.3% (previous year: 25.9%)
- Ongoing strategic investments to secure future growth
- No activation of R&D costs

EPS
€



- Over proportional EPS growth because of strong operative performance and lower tax rate of 27.1% (previous year: 28.5%)

[1] Constant currency

Top key figures **H1 2018:** On the way to achieving the guidance for 2018

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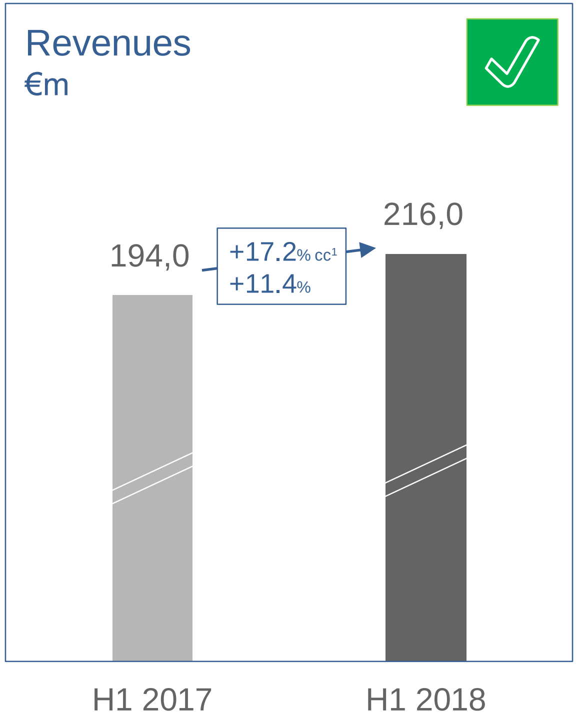
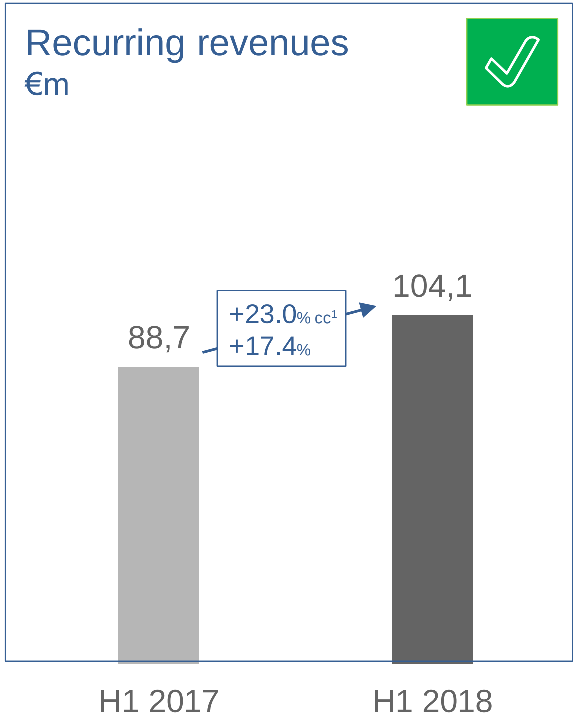
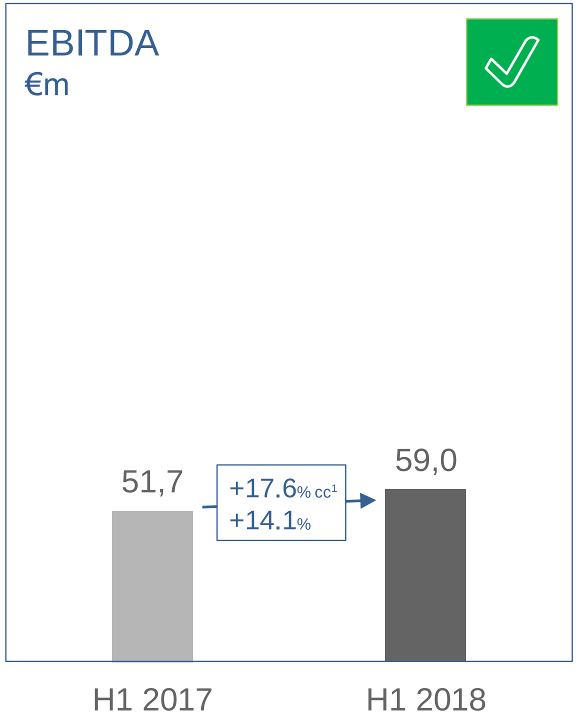


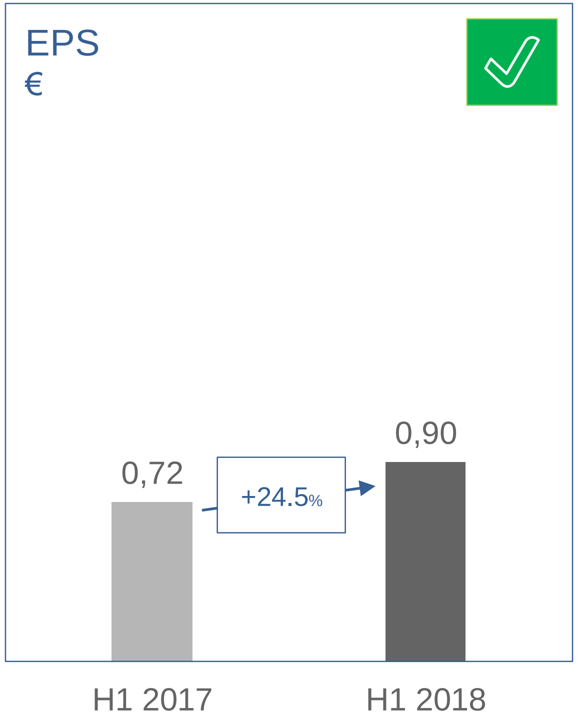
- Double-digit growth
- Currency headwind (in total: € 11.3m) slowed down in Q2



- Smooth transition to subscription by respecting the customer whishes



- High EBITDA margin: 27.3% (previous year: 26.6%)
- Above mid-term corridor of 25-27%

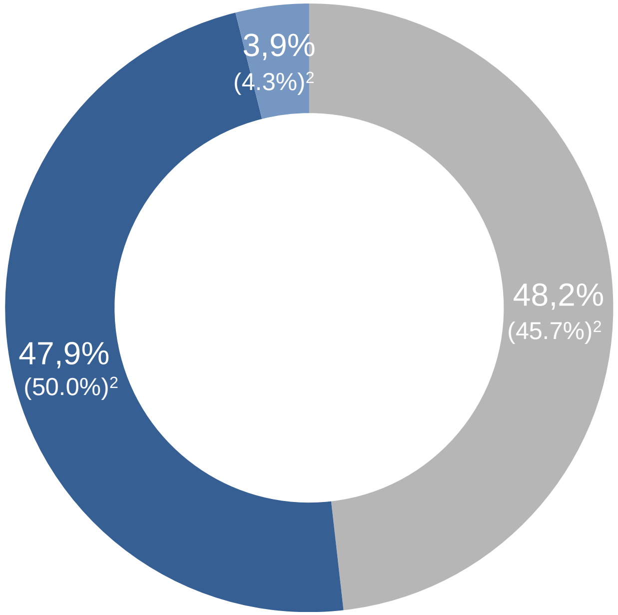


- Strong performance and lower tax rate of 25.9% led to the strong increase in EPS (tax rate previous year: 28.4%)

[1] Constant currency

Growth driver recurring revenues: Smooth transition towards subscription

Revenue split H1 2018



Recurring revenues
Maintenance and rental models such as subscription, SaaS

Software licenses

Consulting & Hardware

	Q2 2018	H1 2018	H1 2018 comments
Recurring revenues yoy	+23.6% cc[1] +19.3%	+23.0% cc[1] +17.4%	Above average growth to €104.1m (previous year: €88.7m)
Subscription yoy	+49.4% cc[1] +41.2%	+48.3% cc[1] +37.6%	Strong growth to €8.9m (previous year: €6.5m) Strategic change of business model: smooth transition towards subscriptions
Software licenses yoy	+21.4% cc[1] +16.1%	+13.1% cc[1] +6.7%	Accelerated growth in Q2 Half year figures of 103.4 mEUR in line with expectations

[1] Constant currency [2] Previous year

Internationalization is key: Growth accelerated in Q2 in all regions

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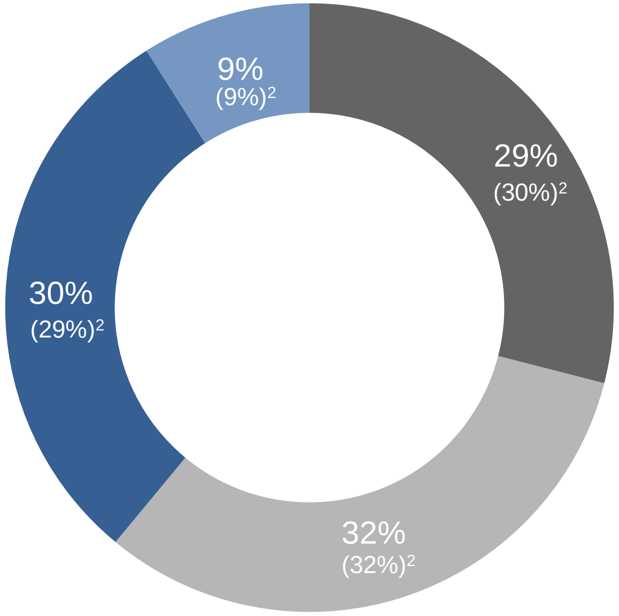
Revenue split H1 2018



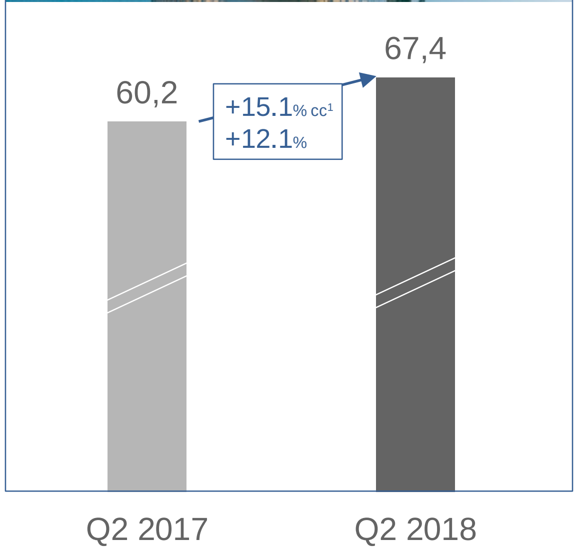
- Germany
- Europe (w/o Germany)
- Americas
- Asia/Pacific

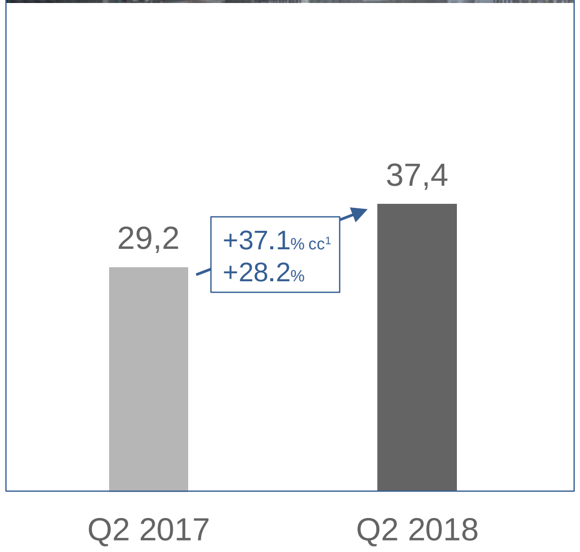
	Q2 2018	H1 2018
Germany	+11%	+9%
UK	+41% cc[1] +33%	+31% cc[1] +28%
Europe	+15% cc[1] +13%	+11% cc[1] +9%
Americas	+32% cc[1] +21%	+29% cc[1] +15%
Asia	+27% cc[1] +19%	+19% cc[1] +10%

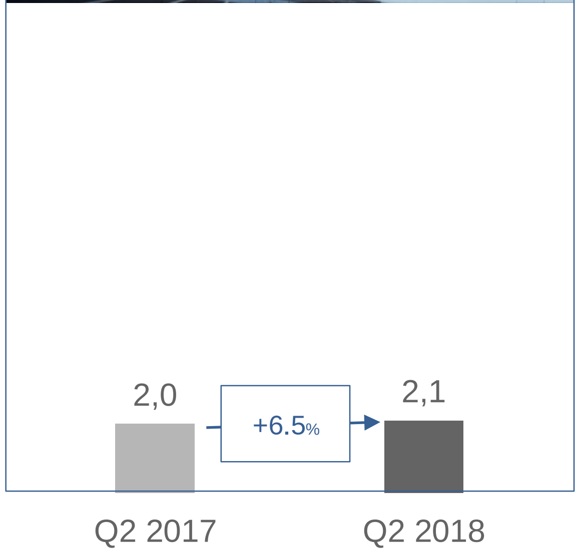
[1] Constant currency [2] Previous year

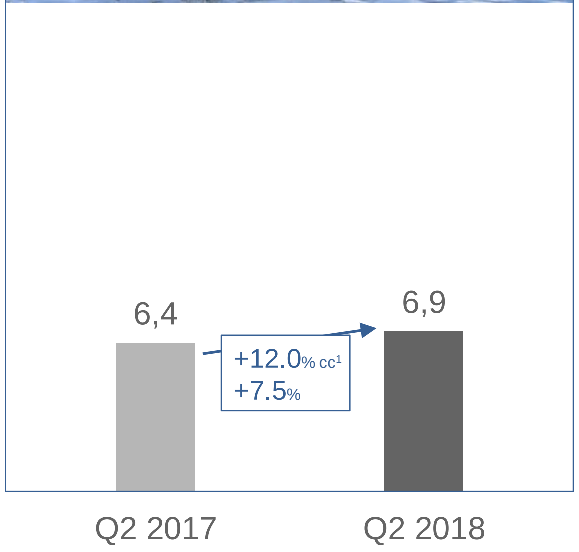
Segment overview: Build segment is key growth driver

Revenues in €m









EBITDA Margin

	Design		Build		Manage		Media & Entertainment	
	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018
EBITDA Margin	26.5%	25.2%	22.3%	28.4%	21.7%	20.6%	38.8%	43.9%

- Solid growth in H1 (11.6%cc, 7.8% reported)

- Strong growth in H1 (32.0%cc, 20.8% reported)

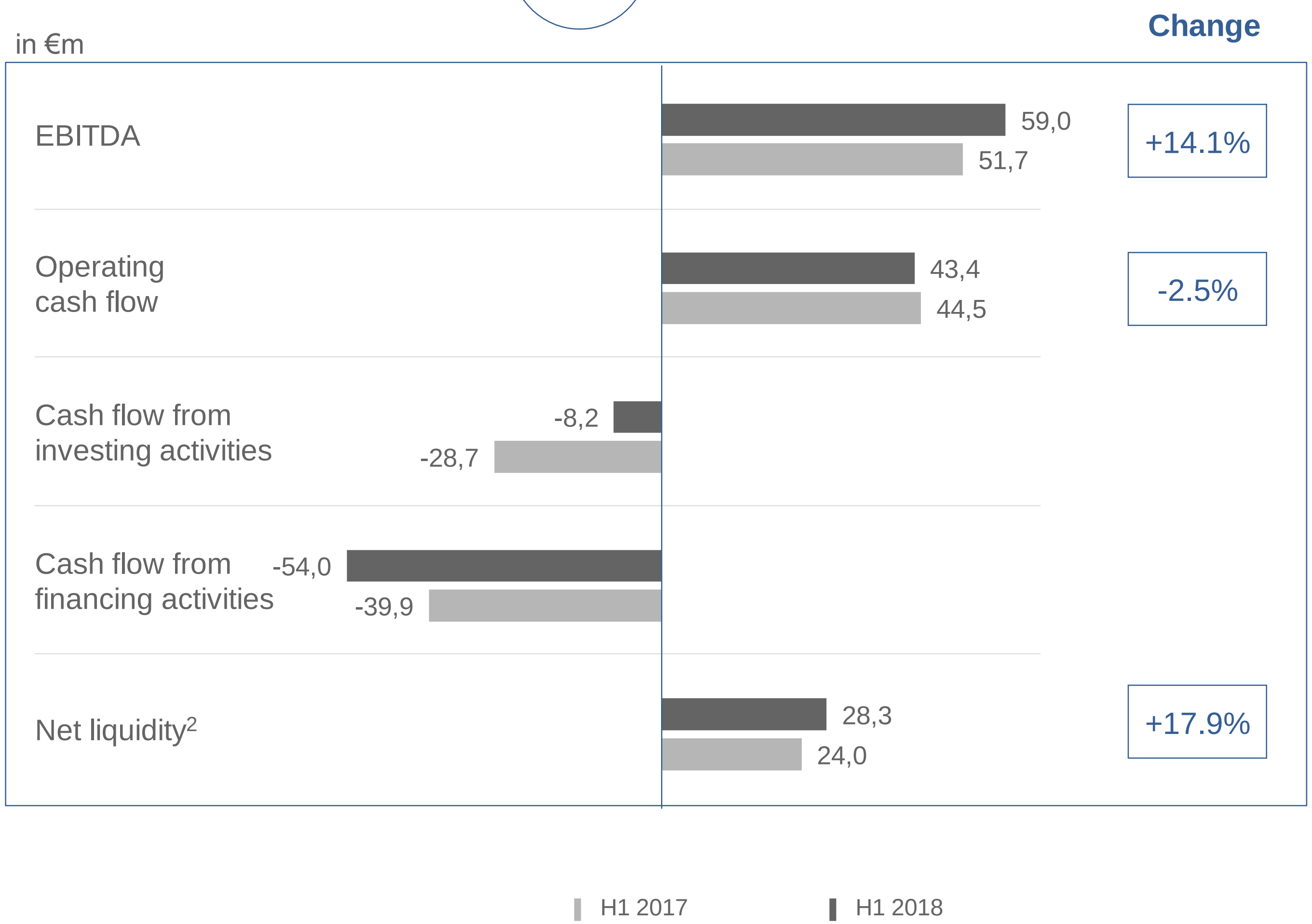
- H1 growth of 9.2%
- Postponed projects in Q2

- H1 growth inline with expectations (8.8%cc, 3.3% reported)
- July: Increased share from 70% to 100%, new CEO to drive future growth

[1] Constant currency

Net liquidity situation allows for strategic M&A

73.5% High cash conversion rate[1]



[1] Operating cash flow/EBITDA [2] Previous year = End of 2017

H1 highlights: Driving key strategic projects

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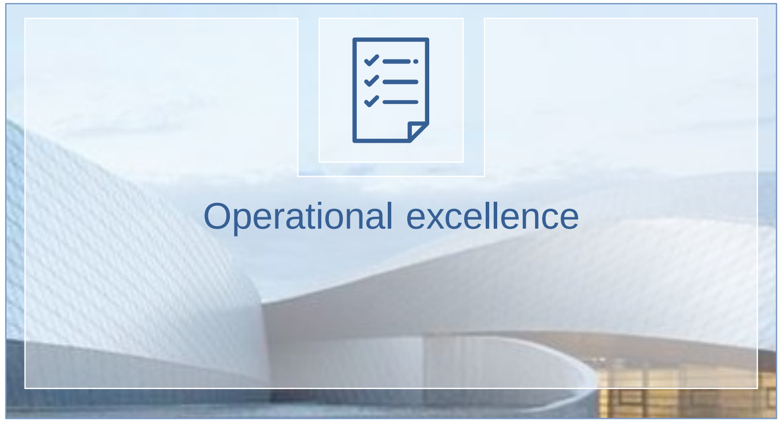


Entering new markets / Partnerships

- Allplan opened up new office in West Chester, USA, to address the US concrete reinforcement market
- dRofus adds first US based reseller partner
- Bluebeam with stronger focus on UK and Germany

Acquisition (Brand-level)

- Bluebeam acquires project Atlas' groundbreaking visualization SaaS solution "maps" for construction industry
- Nevaris acquires market leader in mobile construction site management 123erfasst.de

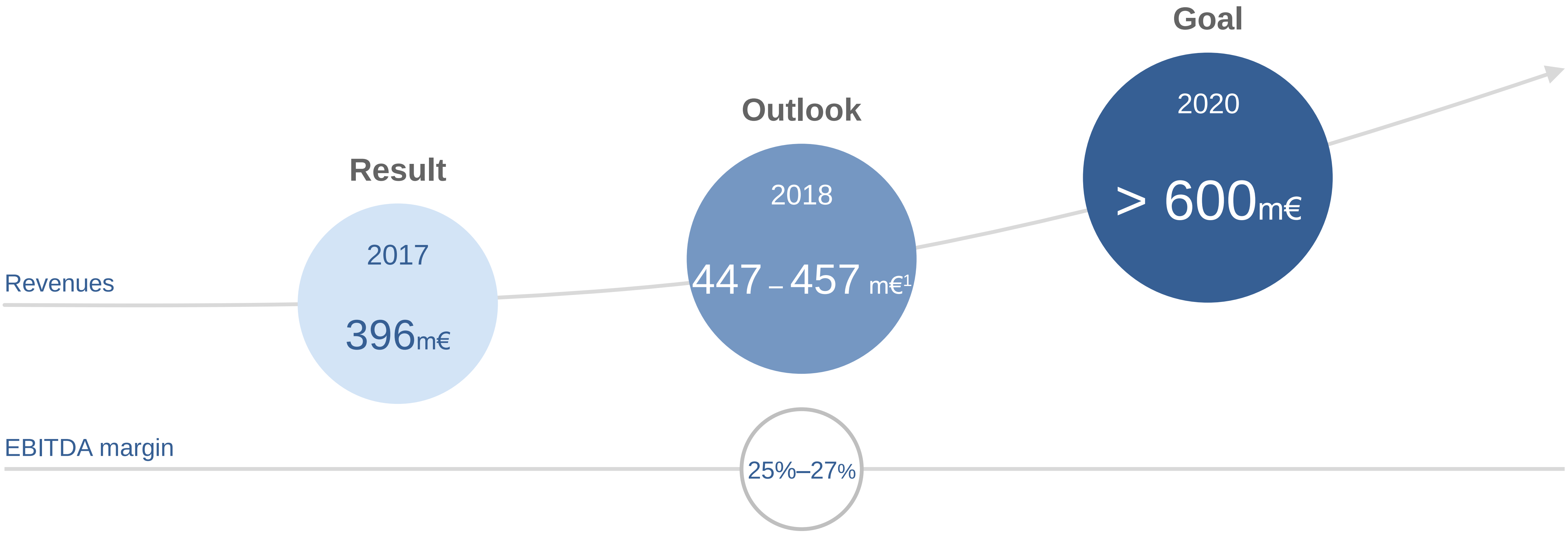
Cross-brand highlights / Interoperability

- First dRofus and Graphisoft Open BIM Project in Australia – Sunshine Coast University Hospital
- First Allplan Bridge software released

Increase efficiency

- Implementation of groupwide infrastructure is on track

Outlook 2018 confirmed: H1 figures show we are on track to reaching full-year guidance



- Revenues: double-digit growth rate
- EBITDA margin: on sustainable level of 25%-27%
- Investments 2018: additional €10 m to leverage future growth

[1] The revenue outlook is based on planned exchange rate of 1.18 EUR/USD

Financial Calendar

September 24, 2018	Berenberg & Goldman Sachs German Corporate Conference, Munich
September 25, 2018	Baader Investment Conference, Munich
October 30, 2018	Publication of 9-month report
November 13, 2018	Capital market day
November 15, 2018	Morgan Stanley TMT Conference, Barcelona
November 27, 2018	Equity Forum, Frankfurt
December 6, 2018	Berenberg European Conference, Pennyhill


Now it’s your turn.
Q&A

Appendix

P+L statement Q2 2018 comparison

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€m	Q2 2018	Q2 2017	% YoY	H1 2018	H1 2017	%YoY
Revenues	**113.8**	**97.7**	**+16.5%**	**216.0**	**194.0**	**+11.4%**
Own work capitalized/other operating income	2.2	1.1	+90.9%	3.1	2.1	+47.1%
Operating income	**116.0**	**98.8**	**+17.4%**	**219.2**	**196.1**	**+11.8%**
Cost of materials/purchased services	-3.4	-3.5	-4.7%	-6.6	-6.3	+5.6%
Personnel expenses	-48.9	-42.1	+16.3%	-94.1	-85.5	+10.0%
Other operating expenses	-32.6	-27.9	+17.0%	-59.5	-52.7	+13.0%
Operating expenses	**-84.9**	**-73.5**	**+15.6%**	**-160.2**	**-144.4**	**+10.9%**
EBITDA	**31.1**	**25.3**	**+22.6%**	**59.0**	**51.7**	**+14.1%**
Margin	**27.3%**	**25.9%**		**27.3%**	**26.6%**	
Depreciation of PPA and amortization	-5.5	-5.4	+1.8%	-10.8	-10.9	-0.7%
t/o PPA	-3.4	-3.4	+0.5%	-6.8	-6.9	-1.8%
EBITA (normalized EBIT)	**29.0**	**23.3**	**+24.2%**	**55.0**	**47.7**	**+15.2%**
EBIT	**25.6**	**19.9**	**+28.3%**	**48.2**	**40.8**	**+18.0%**
Financial result	0.3	-0.2		0.1	-0.4	
EBT	**25.8**	**19.7**	**+31.1%**	**48.3**	**40.4**	**+19.7%**
Income taxes	-7.0	-5.6	+24.6%	-12.5	-11.5	+8.8%
Non-controlling interests	-0.7	-0.6		-1.4	-1.2	
Net income (group shares)	**18.1**	**13.5**	**+34.2%**	**34.5**	**27.7**	**+24.5%**
EPS in EUR	0.47	0.35	+34.2%	0.90	0.72	+24.5%

Balance sheet – Assets

NEMETSCHEK GROUP

€m	June 30, 2018	December 31, 2017
Assets		
Cash and cash equivalents	85.3	104.0
Trade receivables, net	53.3	41.0
Inventories	0.6	0.6
Other current assets	21.0	13.5
Current assets, total	**160.1**	**159.1**
Property, plant and equipment	15.9	14.9
Intangible assets	81.3	86.9
Goodwill	198.6	192.7
Other non-current assets	7.5	7.3
Non-current assets, total	**303.3**	**301.7**
Total assets	**463.4**	**460.8**

Balance sheet – Equity and liabilities

NEMETSCHEK GROUP

€m	June 30, 2018	December 31, 2017
Equity and liabilities		
Short-term borrowings and current portion of long-term loans	26.0	36.0
Trade payables & accrued liabilities	40.3	43.7
Deferred revenue	91.3	68.1
Other current assets	18.0	18.0
Current liabilities, total	**175.6**	**165.7**
Long-term borrowings without current portion	30.9	43.9
Deferred tax liabilities	12.9	13.5
Other non-current liabilities	7.8	9.6
Non-current liabilities, total	**51.6**	**67.1**
Subscribed capital and capital reserve	51.0	51.0
Retained earnings	199.3	193.2
Other comprehensive income	-16.3	-18.7
Non-controlling interests	2.2	2.5
Equity, total	**236.2**	**227.9**
Total equity and liabilities	**463.4**	**460.8**

Cash flow statement

NEMETSCHEK GROUP

€m	June 30, 2018	June 30, 2017	% YoY
Cash and cash equivalents at the beginning of the period	**104.0**	**112.5**	**-7.6%**
Cash flow from operating activities	**43.4**	**44.5**	**-2.5%**
Cash flow from investing activities	**-8.2**	**-28.7**	**-71.3%**
t/o CapEX	-5.2	-4.0	+28.3%
t/o Cash paid for business combinations	-3.1	-24.5	
Cash flow from financing activities	**-54.0**	**-39.9**	
t/o Repayments of borrowings	-23.0	-13.0	
FX-effects	0.1	-4.9	
Cash and cash equivalents at the end of the period	**85.3**	**83.4**	**+2.2%**
Free cash flow[1]	**35.1**	**15.7**	
Free cash flow[1] (w/o acquisition effects)	**38.2**	**40.2**	**-5.1%**

[1] Operating cash flow – Investing cash flow

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