



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

NEMETSCHKE GROUP

Financial Results Q3 / 9M 2017

October 27, 2017



Nemetschek Group highlights for Q3 | 9M 2017 (1)

Continued revenue growth in Q3 despite negative currency effects

- Double-digit revenue growth continued in Q3 despite negative currency effects
- **Revenues Q3:**
 - Growth of 14.3% to 95.8 mEUR, currency adjusted growth of 17.3%
 - Organic growth of 12.0%, currency adjusted growth of 14.9% (inorganic effects: dRofus (1.3 mEUR) and SDS/2 (2.5 mEUR))
- **Revenues 9M:**
 - Growth of 18.1% to 289.8 mEUR, currency adjusted growth of 18.3%
 - Organic growth of 13.9%, currency adjusted growth of 14.1% (inorganic effects: dRofus (3.9 mEUR) and SDS/2 (8.2 mEUR))

Strong revenue increase abroad

- **Revenues abroad** increased by 21.7% to 202.0 mEUR (Americas, Asia, Nordics)
- Revenues share outside of Germany at 70%
- Higher footprint in the very competitive US market (revenue share of 29%)
- Germany showed also solid growth of 10.6% to 87.8 mEUR

Growth driver: recurring revenues

- **Recurring revenues:** Strong growth of 27.2% to 134.8 mEUR
- Share of recurring revenues at high 46.5%
- **Software licenses:** Positive development with 10.6% growth to 142.8 mEUR
- License revenue share of 49.3%

EBITDA on high level despite strategic investments

- **Q3 EBITDA:**
 - Up by 18.1% to 24.8 mEUR, EBITDA margin of 25.9% (PY: 25.1%)
 - Currency adjusted growth of 23.0%
- **9M EBITDA:**
 - Up by 14.9% to 76.5 mEUR, EBITDA margin at 26.4% (PY: 27.1%)
 - Currency adjusted growth of 16.9%
 - EBITDA would have increased by 18.3% if we compare to 9M EBITDA 2016 w/o extraordinary positive one-time income of 1.9 mEUR
- High EBITDA margin despite strategic investments in future growth

Net income and EPS

- **Q3 net income:** Up by 25.4% to 15.1mEUR, **Q3 EPS:** at 0.39 EUR
- **9M net income:** Up by 18.1% to 42.8 mEUR, **9M EPS:** at 1.11 EUR

Acquisition of RISA

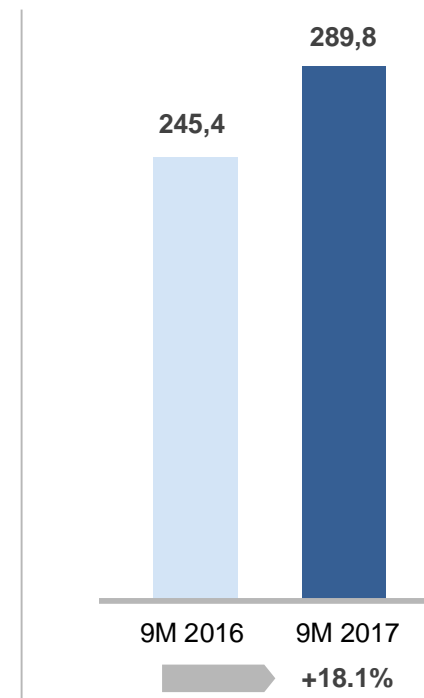
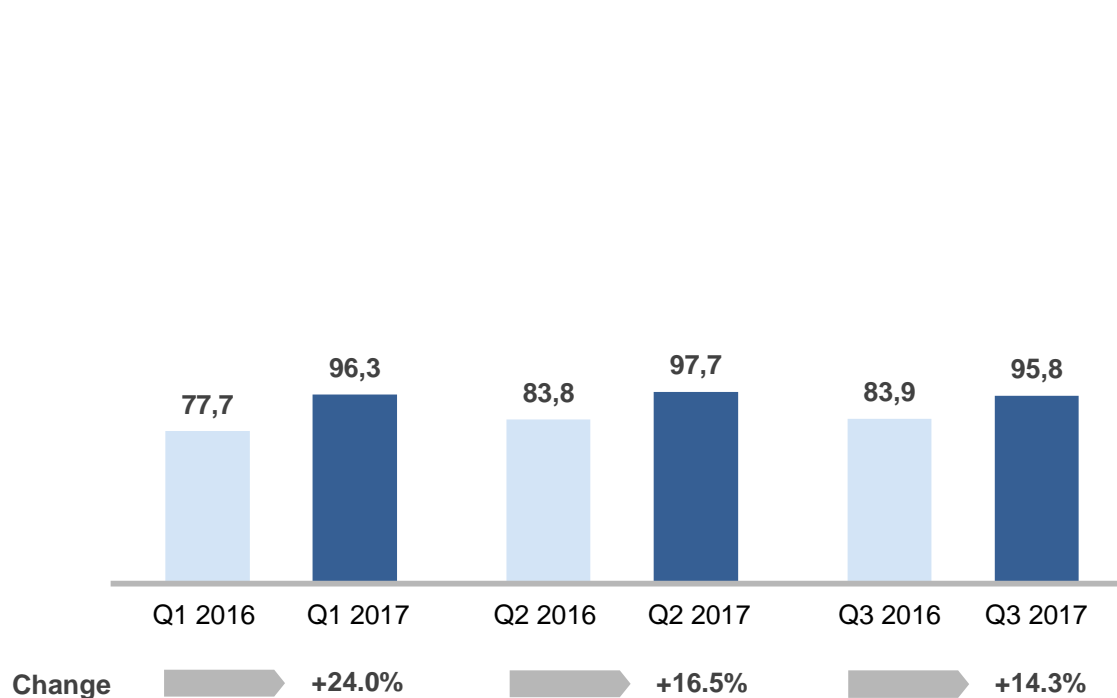
- **RISA** is a key player in structural analysis and design software in the US
- RISA has leading market share and is a key provider to top design firms in the US
- Acquisition complements Nemetschek's existing portfolio of AEC software

Outlook for FY 2017 confirmed

- Outlook for FY 2017 at constant currency confirmed:
- **Revenue target range:** 395 - 401 mEUR, increase of +17% - +19%
Thereof organic: +13% - +15%, inorganic effects through dRofus and SDS/2
- Further negative currency effects (EUR / USD) on revenues expected
- **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

Continued double-digit growth despite negative currency effects

Revenues in mEUR



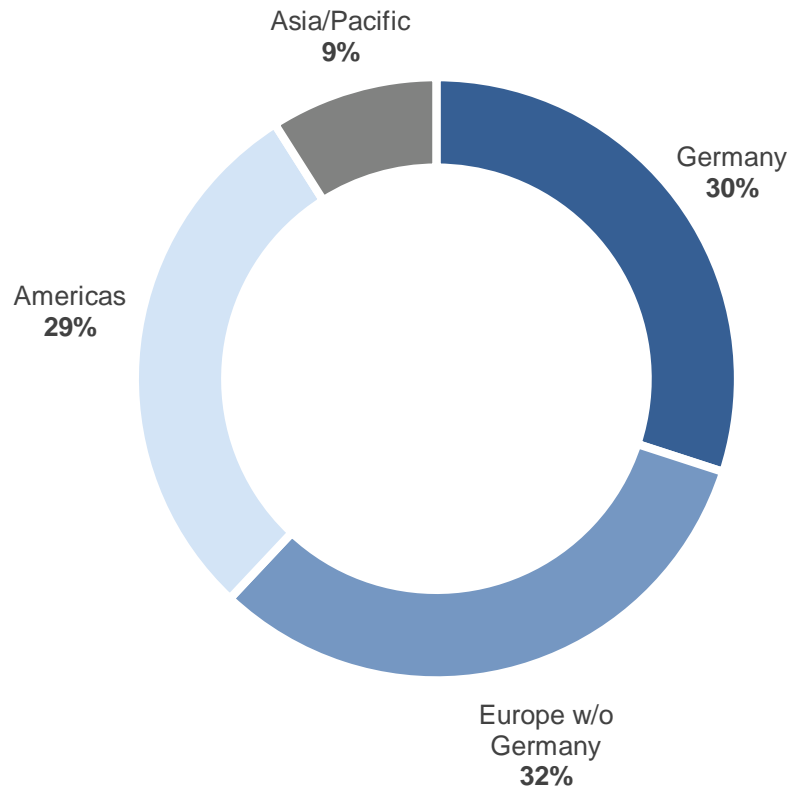
► **Q3:**

Currency adjusted growth of 17.3%
Organic growth of 12.0%, currency adjusted organic growth of 14.9%
(inorganic effects: dRofus and SDS/2 with 3.8 mEUR)

► **9M:**

Currency adjusted growth: 18.3%
Organic growth of 13.9%
Currency adjusted organic growth: 14.1%
► (inorganic effects: 12.1 mEUR)

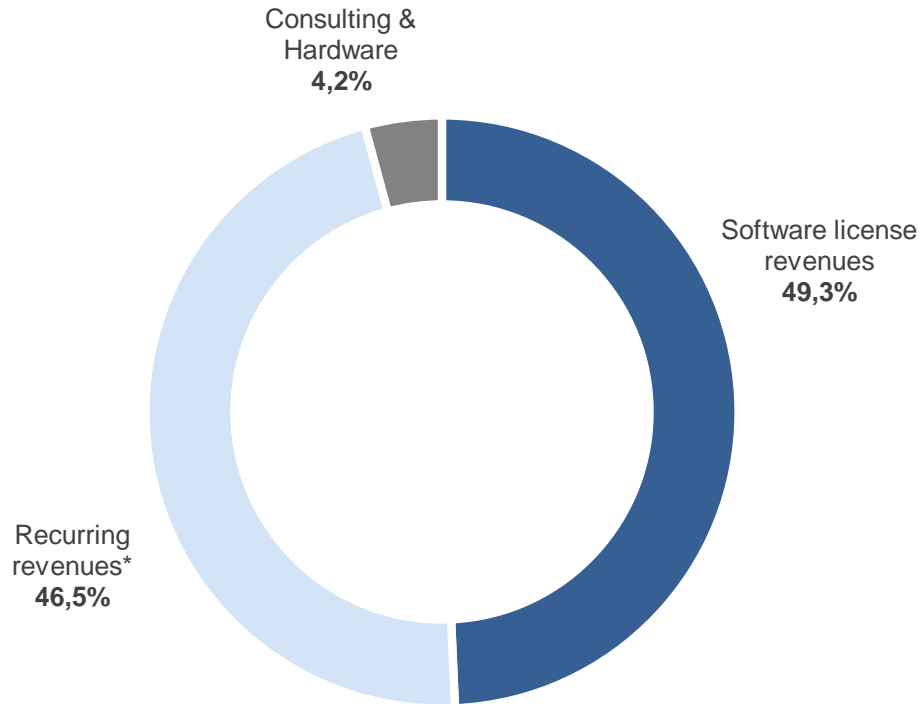
Revenues split 9M 2017 in %



Regional facts

- ▶ Strong growth abroad of 21.7%
- ▶ 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 9M 2017 in %



Recurring revenues*

- ▶ High growth of 27.2% to 134.8 mEUR
- ▶ High recurring revenue share of 46.5% leads to higher stability

Software license revenues

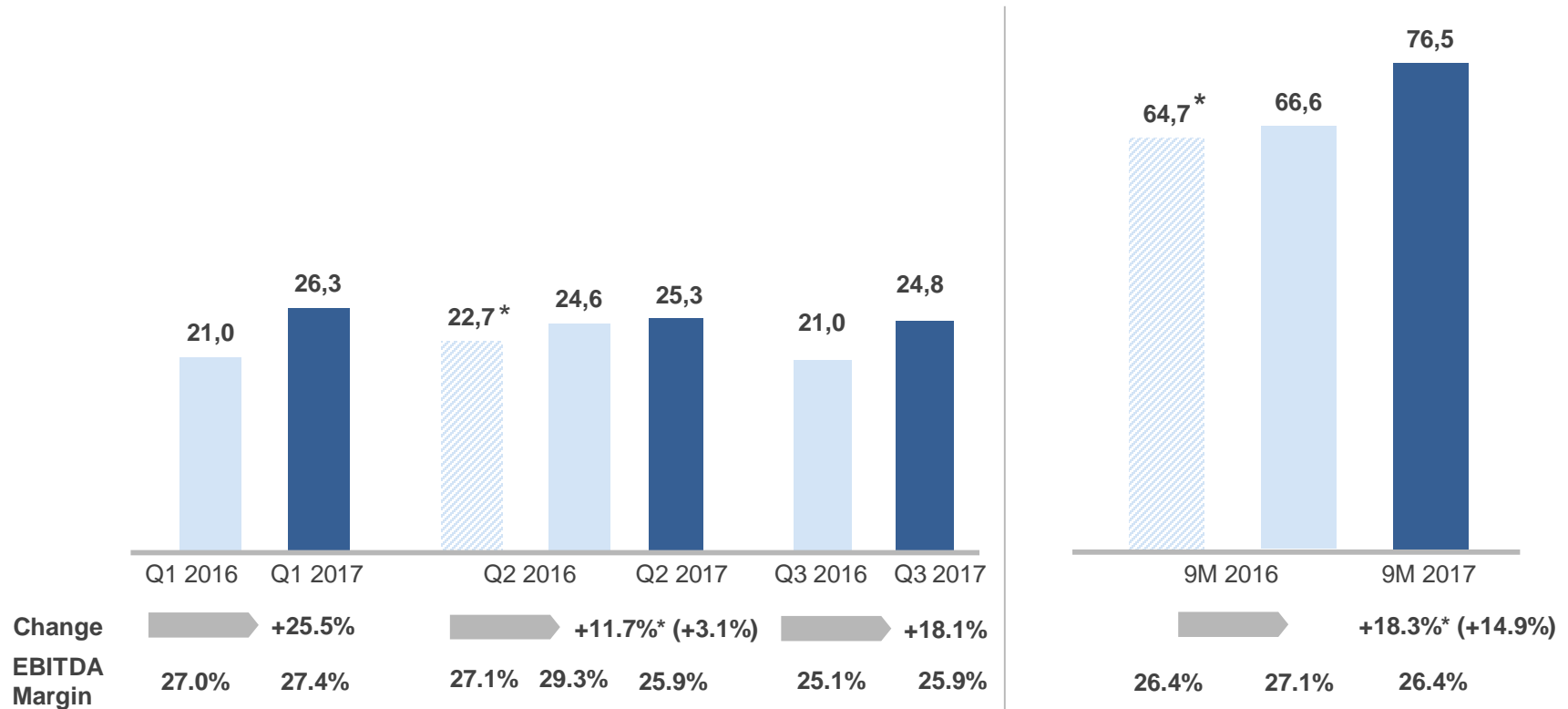
- ▶ Up by 10.6% to 142.8 mEUR
- ▶ License revenue share of high 49.3%

* Software services, rental models (Subscriptions, SaaS)

EBITDA margin on high level

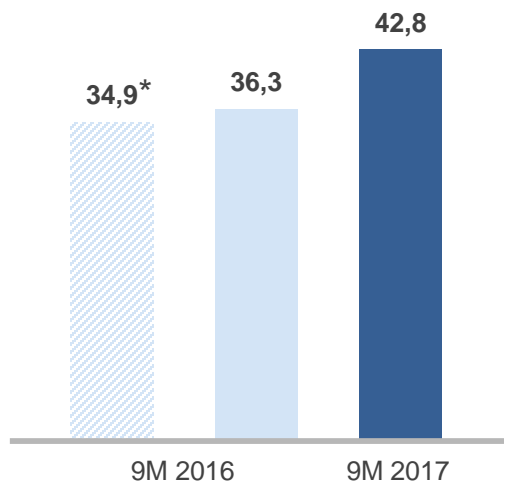
in mEUR

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



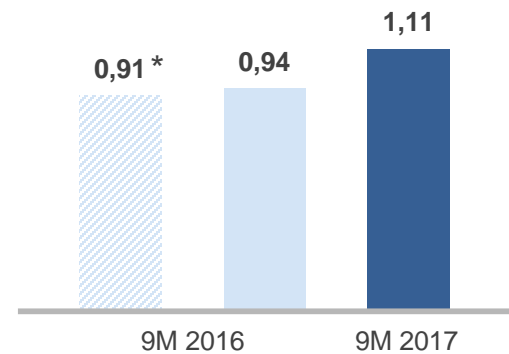
- ▶ EBITDA grew stronger than revenues in Q3 2017
- ▶ High profitability despite strategic investments in future growth

Net income in mEUR



Change  +22.6%* (+18.1%)

EPS in EUR



Change  +22.6%* (+18.1%)

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

All segments with double-digit growth rates

Design

- Revenue growth: 12.1%
Currency adjusted growth: 12.2%
Organic growth of 9.7%
- EBITDA margin nearly on previous year level

Build

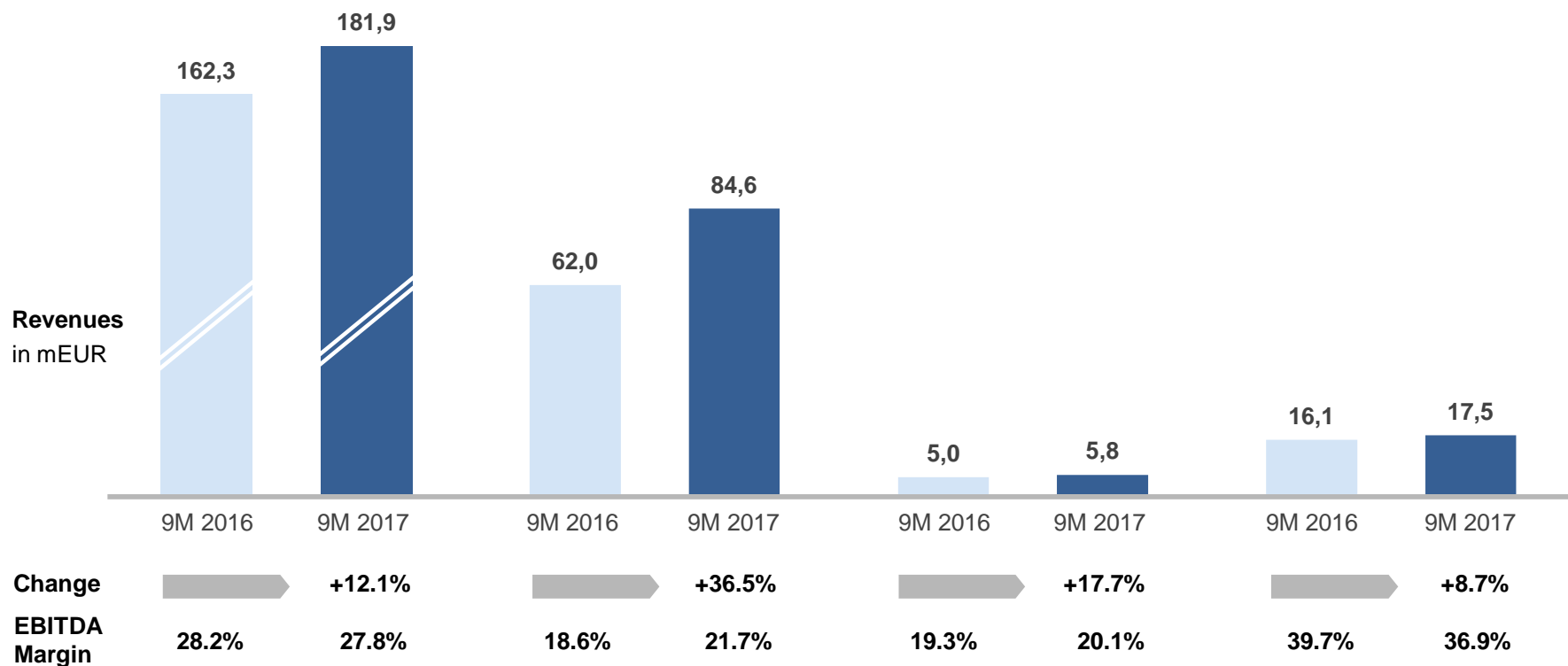
- Revenue growth: 36.5% (also currency adjusted growth)
Organic growth of 26.5%
- EBITDA margin increased compared to last year

Manage

- Revenue growth: 17.7%
Very stable growth rates during the year
- EBITDA margin slightly above previous year level

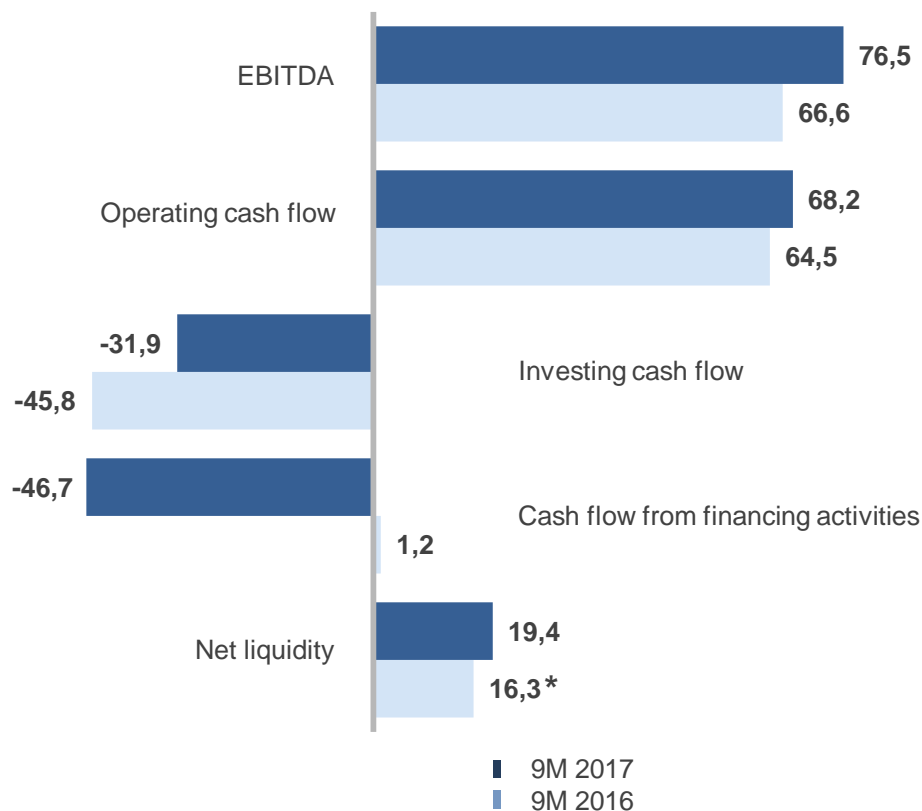
Media & Entertainment

- Revenue growth: 8.7%
Currency adjusted growth: 9.7%
- Planned investments have impact on margins



Cash flow situation

in mEUR



* End of FY 2016

** Operating cash flow / EBITDA

EBITDA

- +14.9% yoy

Operating cash flow

- +5.7% yoy
- Increase in change of trade receivables because of strong September business
- Decrease in change of other liabilities because of Bluebeam earn-out (5mEUR)

Investing cash flow

- Capex of 6.9 mEUR
- Acquisition of dRofus (24.5 mEUR)

Cash flow from financing activities

- Repayment of bank loan (-19.5 mEUR)
- Dividend payment (-25.0 mEUR)

Conversion rate**

- 89% (previous year: 97%)

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, sales & marketing and innovation
- Healthy balance sheet - capable of investing in organic and in inorganic growth

Guidance 2017 confirmed

- **Revenues:** Focus on topline with double digit growth rates at constant currency
- Further negative currency effects (EUR/USD) on revenues expected
- **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 extraordinary positive one-time effect of 1.9 mEUR



Appendix

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



P+L statement Q3 / FY comparison

mEUR	Q3 2017	Q3 2016	% YoY	9M 2017	9M 2016	% YoY
Revenues	95.8	83.9	+14.3%	289.8	245.4	+18.1%
Own work capitalized/other operating income	1.3	1.0	+37.9%	3.5	5.6	-38.0%
Operating income	97.2	84.8	+14.6%	293.3	251.0	+16.9%
Cost of materials / purchased services	-3.4	-2.9	+15.6%	-9.7	-8.0	+21.4%
Personnel expenses	-42.1	-38.5	+9.3%	-127.6	-109.7	+16.3%
Other operating expenses	-26.9	-22.4	+20.2%	-79.6	-66.7	+19.3%
Operating expenses	-72.4	-63.8	+13.4%	-216.8	-184.4	+17.6%
EBITDA	24.8	21.0	+18.1%	76.5	66.6	+14.9%
Margin	25.9%	25.1%		26.4%	27.1%	
EBITDA (w/o one-time effect)	24.8	21.0	+18.1%	76.5	64.7	+18.3%
Margin (w/o one-time effect)	25.9%	25.1%		26.4%	26.4%	
Depreciation of PPA and amortization	-5.3	-4.7	+11.6%	-16.2	-13.6	+19.2%
<i>t/o PPA</i>	-3.3	-2.9	+13.6%	-10.2	-8.3	+23.4%
EBITA (normalized EBIT)	22.8	19.2	+19.0%	70.5	61.3	+15.1%
EBIT	19.5	16.3	+20.0%	60.3	53.0	+13.8%
Financial result	-0.2	-0.2		-0.6	-0.7	
EBT	19.3	16.1	+20.1%	59.7	52.4	+14.0%
Income taxes	-3.9	-3.7	+5.0%	-15.3	-14.7	+4.5%
Non-controlling interests	-0.3	-0.3		-1.5	-1.3	
Net income (group shares)	15.1	12.1	+25.4%	42.8	36.3	+18.1%
EPS in EUR	0.39	0.31	+25.4%	1.11	0.94	+18.1%
Net income (group shares w/o one-time effect)	17.4	14.2	+22.6%	42.8	34.9	+22.6%
EPS in EUR (w/o one-time effect)	0.45	0.37	+22.6%	1.11	0.91	+22.6%

Balance sheet - Assets

mEUR	September 30, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	96.2	112.5
Trade receivables, net	45.9	38.8
Inventories	0.5	0.6
Other current assets	14.9	16.0
Current assets, total	157.5	167.9
Property, plant and equipment	14.6	14.3
Intangible assets	81.8	89.7
Goodwill	182.8	177.2
Other non-current assets	6.3	5.7
Non-current assets, total	285.6	286.8
Total assets	443.1	454.7

Balance sheet – Equity and liabilities

mEUR	September 30, 2017	December 31, 2016
EQUITY AND LIABILITIES		
Short-term borrowings and current portion of long-term loans	26.1	26.0
Trade payables & accrued liabilities	41.8	40.7
Deferred revenue	71.1	55.3
Other current assets	26.9	24.1
Current liabilities, total	165.9	146.1
Long-term borrowings without current portion	50.6	70.2
Deferred tax liabilities	17.7	20.6
Other non-current liabilities	8.0	15.7
Non-current liabilities, total	76.4	106.5
Subscribed capital and capital reserve	51.0	51.0
Retained earnings	161.4	144.0
Other comprehensive income	-14.8	4.4
Non-controlling interests	3.2	2.8
Equity, total	200.8	202.1
Total equity and liabilities	443.1	454.7

Cash flow statement

mEUR	September 30, 2017	September 30, 2016	% YoY
Cash and cash equivalents at the beginning of the period	112.5	84.0	+34.0%
Cash flow from operating activities	68.2	64.5	+5.7%
Cash flow from investing activities	-31.9	-45.8	
t/o CapEX	-6.9	-5.7	+21.5%
t/o Cash paid for business combinations	-24.9	-40.4	
Cash flow from financing activities	-46.7	1.2	
t/o Dividend payments	-25.0	-19.3	+30.0%
t/o Repayments of borrowings	-19.5	-15.7	
FX-effects	-5.9	-0.9	
Cash and cash equivalents at the end of the period	96.2	103.0	-6.7%
Free cash flow⁽¹⁾	36.3	18.7	+93.7%
Free cash flow⁽¹⁾ (w/o acquisition effects)	61.1	59.1	+3.4%

⁽¹⁾ Operating cash flow – Investing cash flow

Contact

NEMETSCHKE SE
Investor Relations
Konrad-Zuse-Platz 1
D-81829 Munich
Germany
investorrelations@nemetschek.com
www.nemetschek.com

Disclaimer

This presentation contains forward-looking statements based on the beliefs of Nemetschek SE management. Such statements reflect current views of Nemetschek SE with respect to future events and results and are subject to risks and uncertainties. Actual results may vary materially from those projected here, due to factors including changes in general economic and business conditions, changes in currency exchange, the introduction of competing products, lack of market acceptance of new products, services or technologies and changes in business strategy. Nemetschek SE does not intend or assume any obligation to update these forward-looking statements.