



Nemetschek Group

Financial Results 2017
Outlook 2018 and
Mid-Term Goal 2020

Nemetschek's key achievements: #2 biggest listed software company in Germany



- We generate high shareholder returns¹

4-year TSR*:

- Nemetschek: ~500%
- Peer group²: ~110%
- TecDAX: ~120%



- We outperform our peers²

4-year revenue CAGR:

- Nemetschek: >20%
- Peer group²: <10%



- We keep our promises

FY 2017:

- Strong revenue growth by +17.3% to € 395.6m
- EBITDA guidance with € 108.0m exceeded



- We have become a global player

- Impressive track record: 5-year CAGR of 45% in the US – the world's largest / most competitive AEC market



- We deliver high profitability despite significant growth investments

- Focus on growth: Double-digit revenue growth with sustainable EBITDA margin corridor of 25%-27%

¹ TSR: Total shareholder return: Share price performance + dividend | ² Peer group: International software companies

Nemetschek's industry achievements: #2 biggest global player in AEC



- We deliver revolutionary and best-in-class solutions in AEC covering the complete value chain

- We set industry standards for design, structural engineering, construction and building operations workflows



- We are the most customer-oriented AEC company

- We gained >300,000 new users in 2017 (total of 2.7 million users worldwide)



- We respect the customer's needs

- We stand for a flexible distribution approach, offering subscription as an additional choice

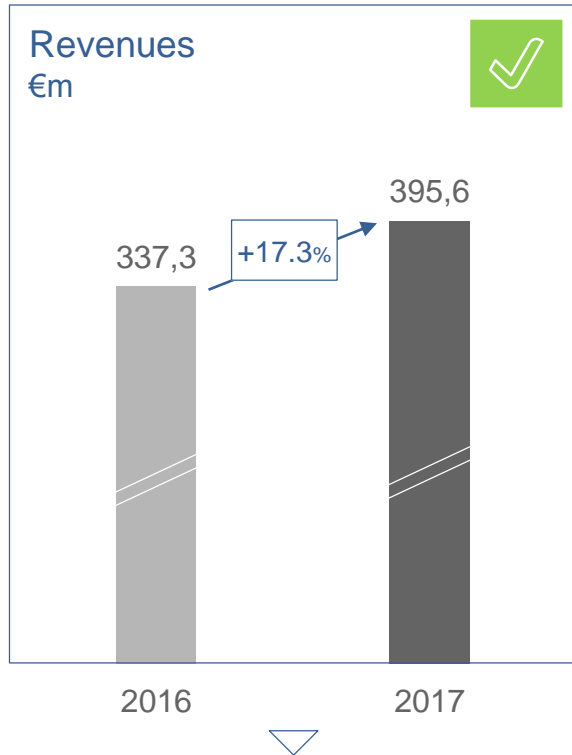
- We are the strongest growing AEC company with a 5-year CAGR of 17.7%
- We outperformed the AEC market growth (~11% p.a.) 5 years in a row
- We are closing the gap to market leader to become # 1 in AEC



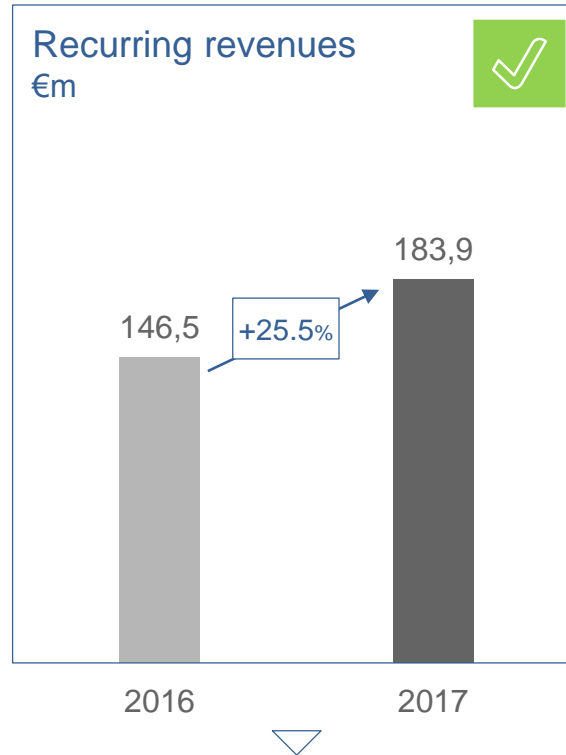
Financial Results
FY 2017

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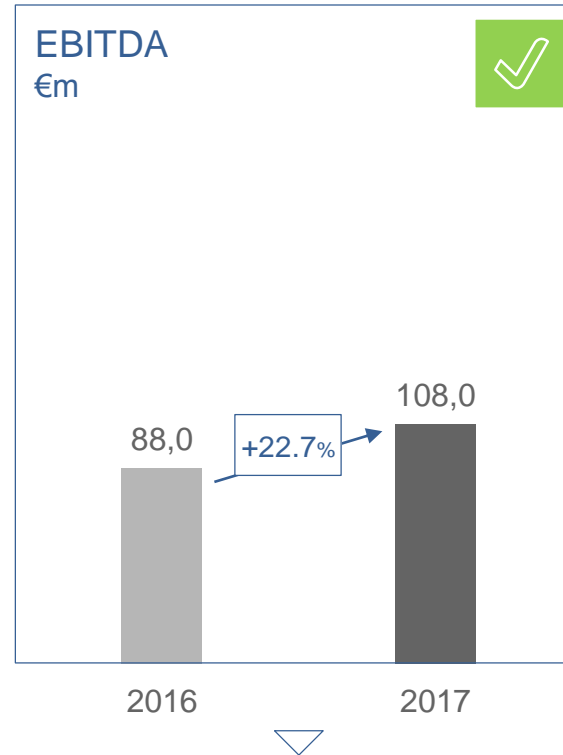
Top key figures: Excellent performance 2017



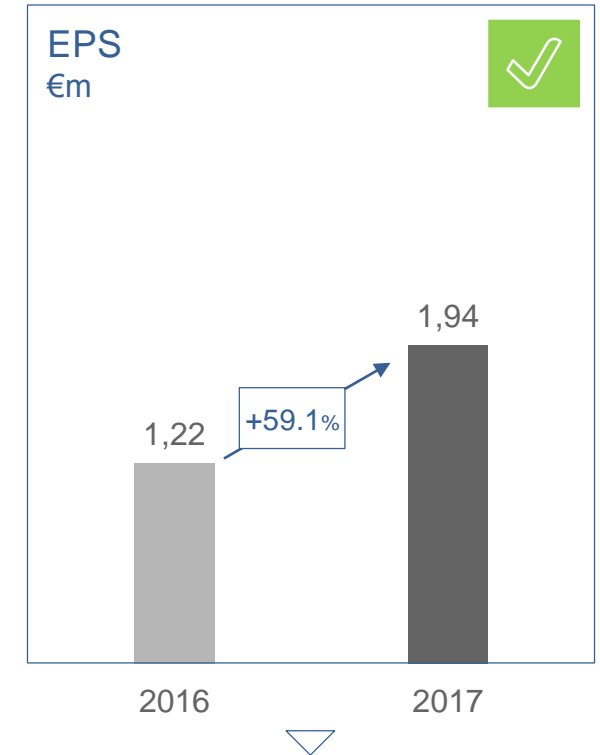
- Total Δ : +17.3%
- Currency-adjusted Δ : +18.6%
- Organic Δ : +13.8%
- Currency-adjusted Δ : +15.0%



- Strong recurring revenue Δ : +25.5%
- Currency-adjusted Δ : +26.7%
- License revenue Δ : +10.9%
- Currency-adjusted Δ : +12.3%



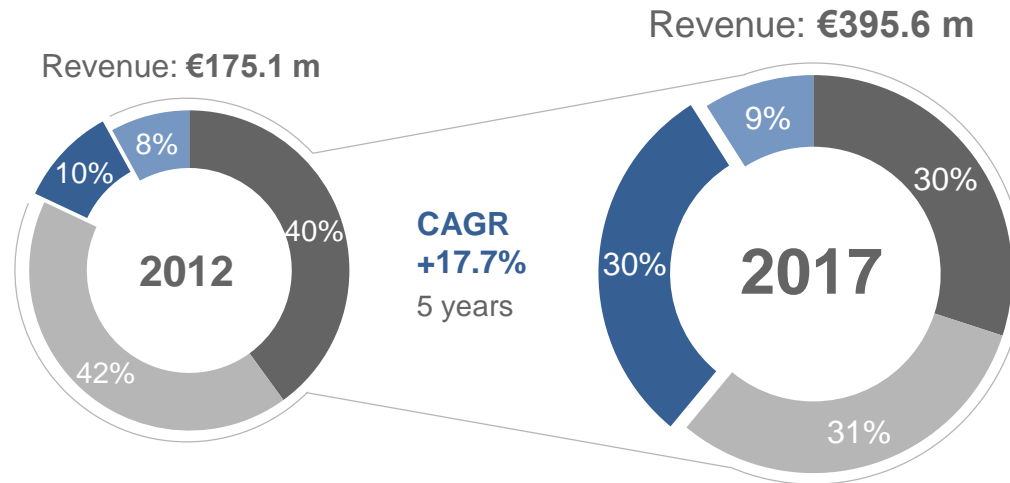
- Above average Δ : +22.7%
- EBITDA margin: +27.3%
- No activation of R&D costs



- Adjusted EPS: €1.62 (+33.0%)
w/o special effects of €12.2 m
(€7.6 m in financial result, €4.6 m in taxes
because of US tax reform and release of
deferred tax provisions)

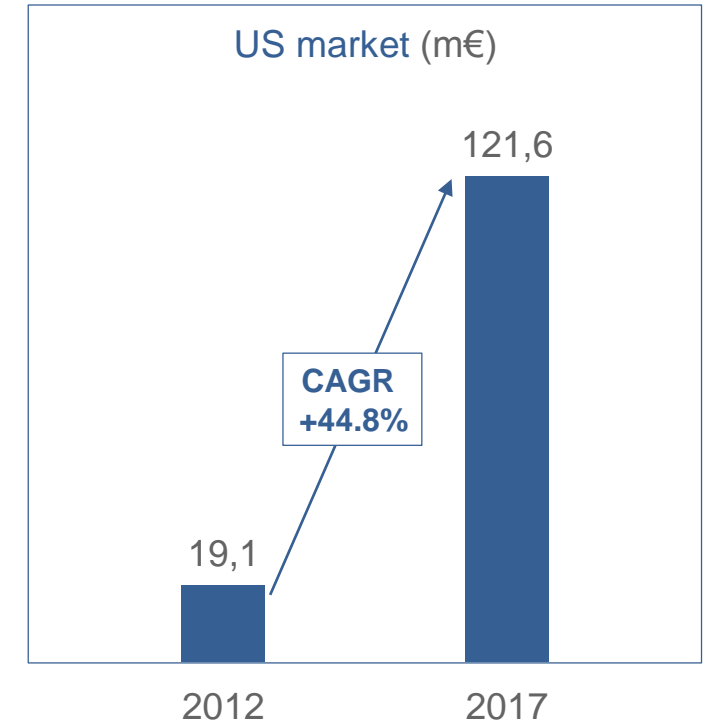
Outstanding success in the US: Worldwide largest single AEC market

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



Key achievement:

- Nemetschek has become a global player

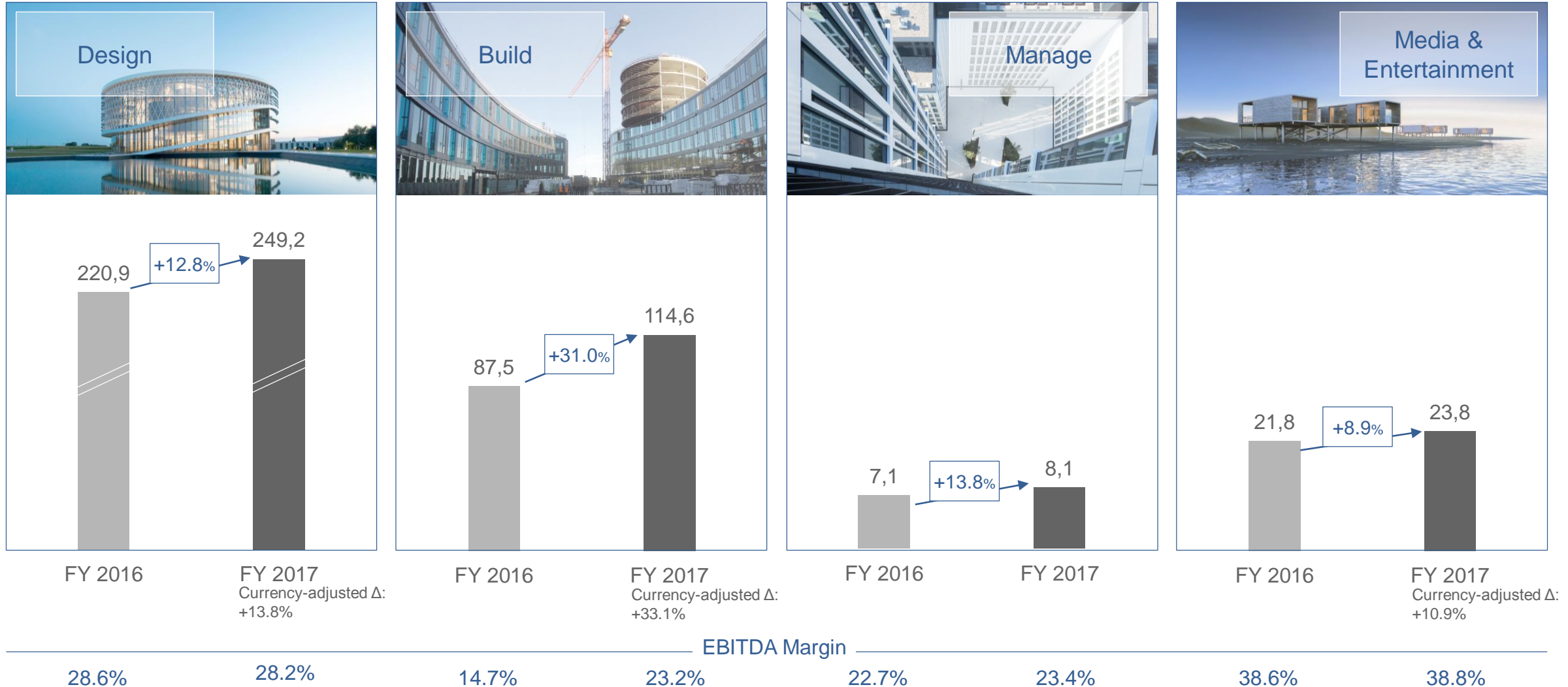


Exemplary growth story in the US:

- With roots in Germany, Nemetschek increased its revenues with a 5-year CAGR of 45% in the biggest and most competitive market, the USA

Segment overview: Build segment is key growth driver

Revenues in €m



High cash generation: Cash conversion of more than 90% allows for strategic M&A

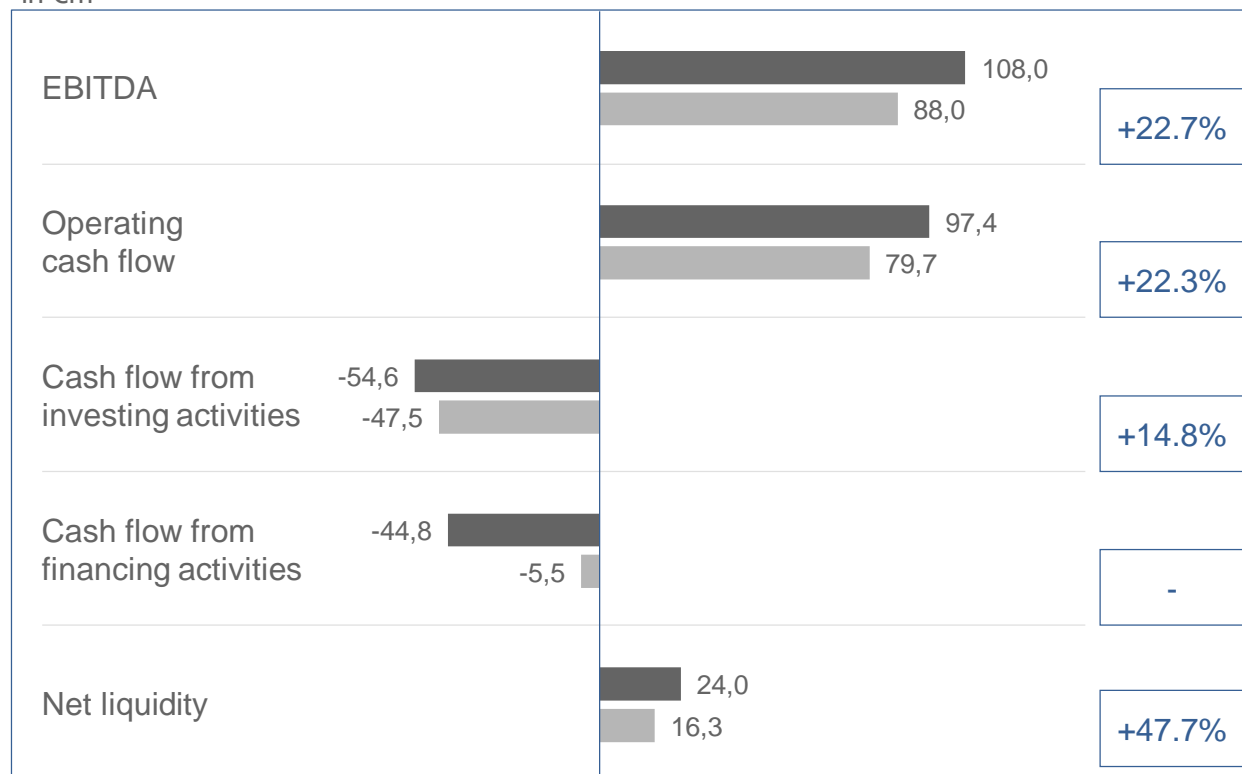
High cash conversion rate¹

90.2%

previous year:
90.6%

in €m

Change



¹ Operating cash flow/EBITDA

■ Fiscal Year 2016

■ Fiscal Year 2017

M&A focus areas



Structural Engineering



Building Management



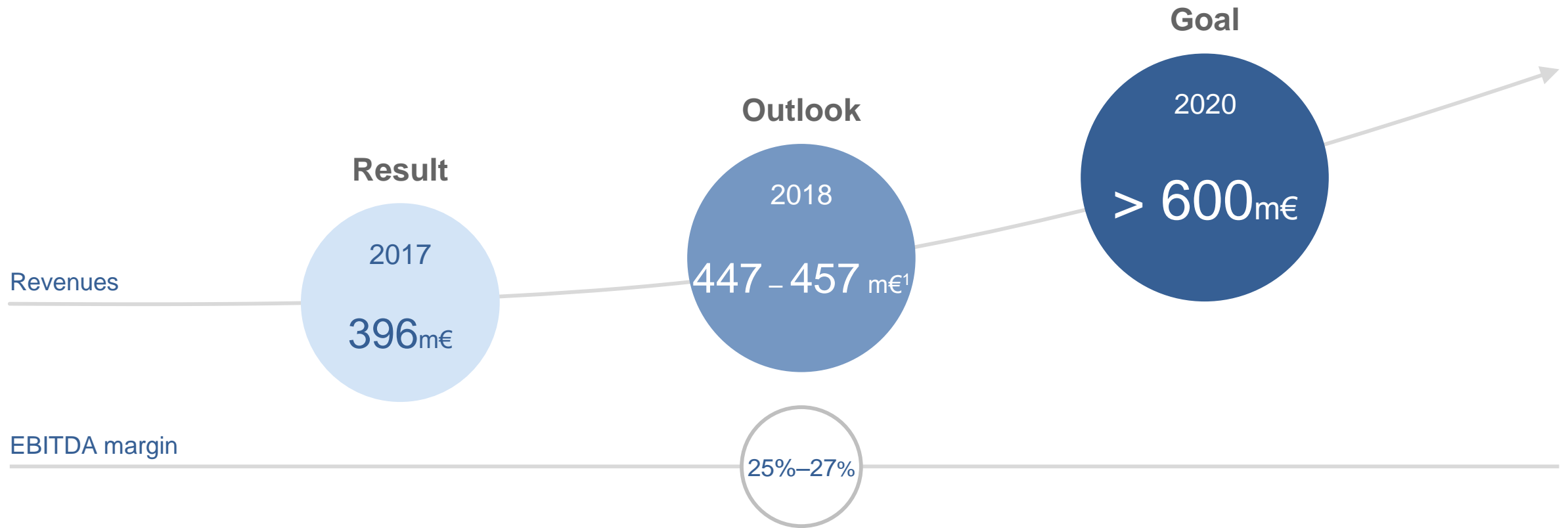
Complementary market shares



Outlook 2018/
Mid-Term Goal 2020

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Mid-term goal 2020: Secure future double-digit growth while maintaining a high EBITDA margin



- 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



Key drivers & fields of investments

- 1 Internationalization
- 2 Next generation products & solutions
- 3 Operational excellence



Taking advantage of market leaderships

- Strong US brands support US market entry for European brands and vice versa

Focus on markets with biggest potential

- USA followed by Europe and Asia



Architecture & structural engineering

- Targeting large customers by combining superior discipline specific products into total BIM-workflow solutions

Collaboration

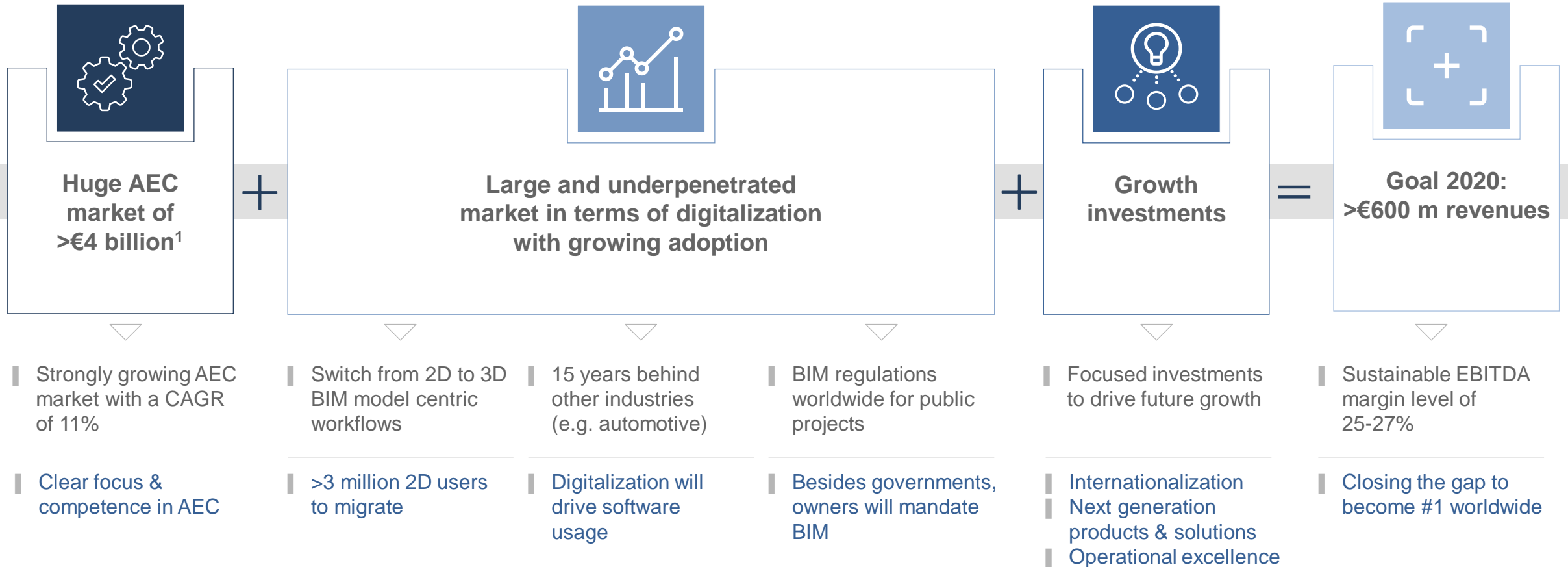
- Development of a group-wide UK BIM compliant Common Data Environment (CDE)
- Huge market potential: Collaboration market size of >€1 bn with a mid-teens growth rate




Increase efficiency

- Implementation of a groupwide harmonized core application infrastructure to leverage process efficiency

Excellent positioning in dynamically growing market



¹ Source: Cambashi



Now it's your turn.
Q&A

Financial Calendar

April 27, 2018

Publication of 3-month report

May 30, 2018

AGM in Munich

July 27, 2018

Publication of 6-month report

2nd half of 2018

Capital market day

October 30, 2018

Publication of 9-month report

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Appendix

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P+L statement Q4 / FY comparison

€m	Q4 2017	Q4 2016	% YoY	12M 2017	12M 2016	% YoY
Revenues	105.7	91.9	+15.1%	395.6	337.3	+17.3%
Own work capitalized/other operating income	1.4	-1.4	+0.8%	4.8	7.0	-30.4%
Operating income	107.1	93.3	+14.8%	400.4	344.3	+16.3%
Cost of materials/purchased services	-3.3	-3.0	+8.9%	-12.9	-10.9	+18.0%
Personnel expenses	-45.0	-41.5	+8.6%	-172.6	-151.2	+14.2%
Other operating expenses	-27.3	-27.4	-0.3%	-106.9	-94.1	+13.6%
Operating expenses	-75.6	-71.9	+5.2%	-292.4	-256.3	+14.1%
EBITDA	31.5	21.4	+47.2%	108.0	88.0	+22.7%
Margin	29.8%	23.3%		27.3%	26.1%	
EBITDA (w/o one-time effect)	31.5	21.4	+47.2%	108.0	86.1	+25.5%
Margin (w/o one-time effect)	29.8%	23.3%		27.3%	25.5%	
Depreciation of PPA and amortization	-5.4	-4.8	+13.3%	-21.6	-18.3	+17.7%
t/o PPA	-3.3	-2.8	+18.0%	-13.5	-11.1	+22.1%
EBITA (normalized EBIT)	29.4	19.4	+51.3%	99.9	80.7	+23.8%
EBIT	26.1	16.6	+57.0%	86.4	69.7	+24.1%
Financial result	8.6	0.1		8.0	-0.5	
EBT	34.7	16.7	+107.8%	94.4	69.2	+36.5%
Income taxes	-2.2	-5.7	-60.3%	-17.6	-20.3	-13.5%
Non-controlling interests	-0.6	-0.5		-2.2	-1.9	
Net income (group shares)	31.8	10.7	+198.5%	74.7	46.9	+59.1%
EPS in EUR	0.83	0.28	+198.5%	1.94	1.22	+59.1%
Net income (group shares w/o special effects)¹	19.7	10.7	+84.5%	62.4	45.6	+33.0%
EPS in EUR (w/o special effects)¹	0.51	0.28	+84.5%	1.62	1.18	+33.0%

¹ w/o positive special effects of 12.2 m€ in total (thereof: 7.6 m€ financial result and 4.6 m€ in taxes because of US tax reform and release of deferred tax provisions)

Balance sheet – Assets

€m	December 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	104.0	112.5
Trade receivables, net	41.0	38.8
Inventories	0.6	0.6
Other current assets	13.5	16.0
Current assets, total	159.1	167.9
Property, plant and equipment	14.9	14.3
Intangible assets	86.9	89.7
Goodwill	192.7	177.2
Other non-current assets	7.3	5.7
Non-current assets, total	301.7	286.8
Total assets	460.8	454.7

Balance sheet – Equity and liabilities

€m	December 31, 2017	December 31, 2016
Equity and liabilities		
Short-term borrowings and current portion of long-term loans	36.0	26.0
Trade payables & accrued liabilities	43.7	40.7
Deferred revenue	68.1	55.3
Other current assets	18.0	24.1
Current liabilities, total	165.7	146.1
Long-term borrowings without current portion	43.9	70.2
Deferred tax liabilities	13.5	20.6
Other non-current liabilities	9.6	15.7
Non-current liabilities, total	67.1	106.5
Subscribed capital and capital reserve	51.0	51.0
Retained earnings	193.2	144.0
Other comprehensive income	-18.7	4.4
Non-controlling interests	2.5	2.8
Equity, total	227.9	202.1
Total equity and liabilities	460.8	454.7

Cash flow statement

€m	December 31, 2017	December 31, 2016	% YoY
Cash and cash equivalents at the beginning of the period	112.5	84.0	+34.0%
Cash flow from operating activities	97.4	79.7	+22.3%
Cash flow from investing activities	-54.6	-47.5	+14.8%
t/o CapEX	-8.8	-7.4	+19.2%
t/o Cash paid for business combinations	-45.4	-40.4	+12.2%
Cash flow from financing activities	-44.8	-5.5	
t/o Dividend payments	-25.0	-19.3	+30.0%
t/o Cash received from bank loans	10.0	38.0	
t/o Repayments of borrowings	-26.0	-22.2	+17.1%
FX-effects	-6.6	+1.9	
Cash and cash equivalents at the end of the period	104.0	112.5	-7.6%
Free cash flow¹	42.8	32.2	+33.3%
Free cash flow¹ (w/o acquisition effects)	88.2	72.6	+21.5%

¹ Operating cash flow – Investing cash flow

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