

Nemetschek Group

Earnings Call Q2-/ H1-21

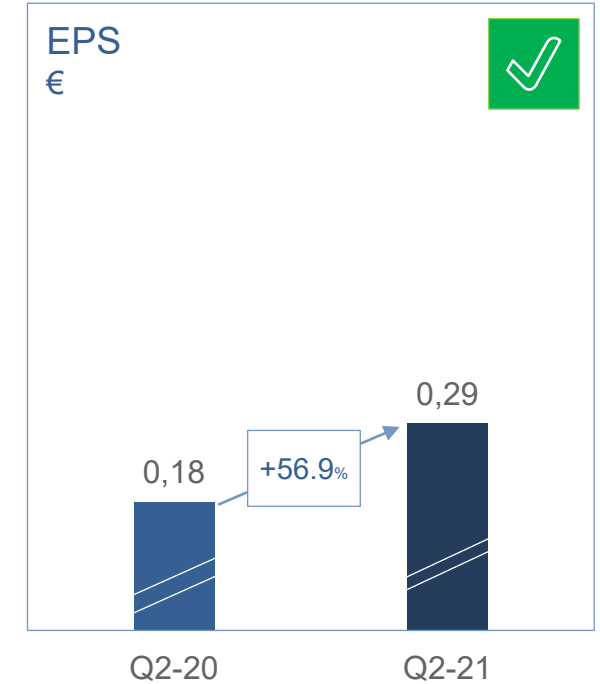
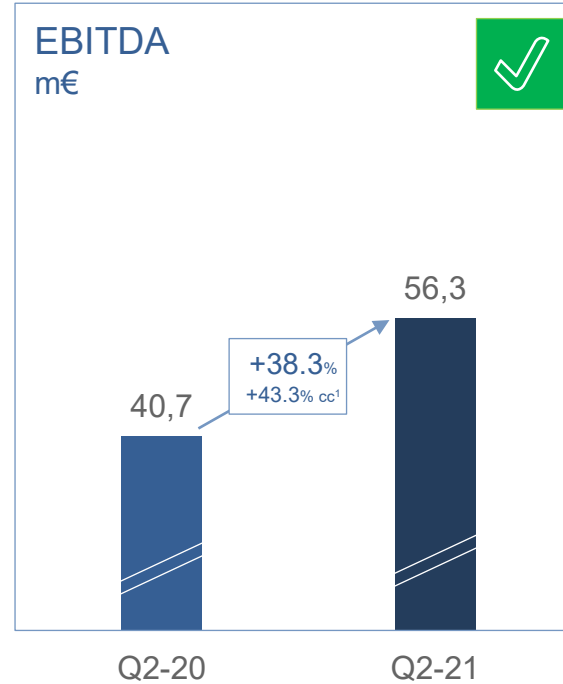
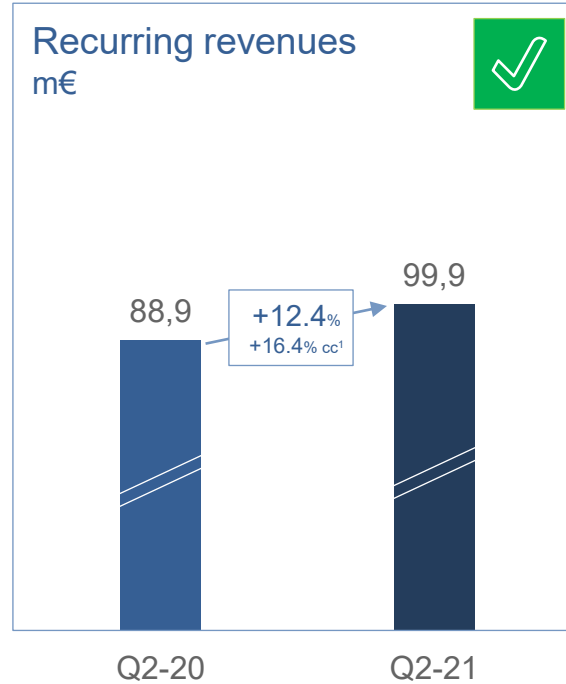
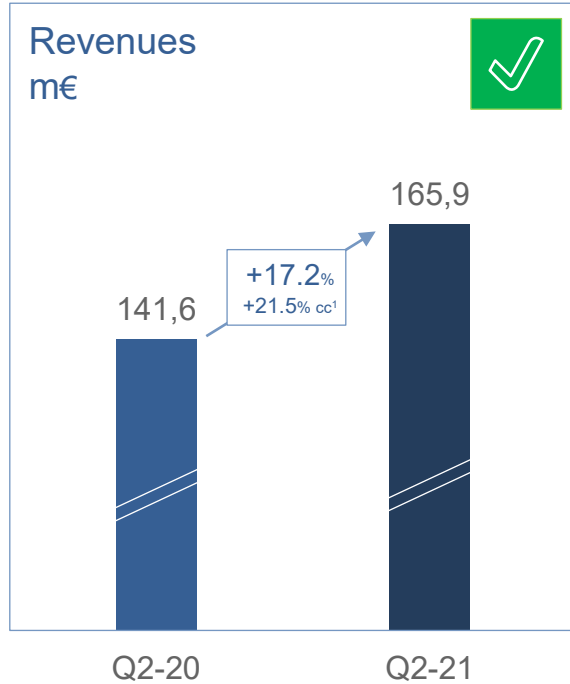
July 29 2021 | Dr. Axel Kaufmann, Spokesman & CFOO



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Financial Results Q2-/ H1-21

Top Key Figures Q2-2021: Record Quarter Across the Board



- Strongest organic quarterly growth in years
- Strong demand for Nemetschek's leading software solutions in all market segments

- Subscription/SaaS continues to be the main growth driver: +53.1% cc¹
- Subscription share reaches new record high with 18% of total revenues

- Q2-21: EBITDA margin: 34.0% vs. Q2-20: 28.8%
- Main drivers: strong operational growth combined with high efficiency

- Tax rate: 18.5% vs. 23.5% in previous year
- EPS before PPA amortization: 0.34 EUR (+50.1%)

Key Business Highlights H1-21: Excellent First Half of the Year due to Operational Strength



Financial Performance



Revenues:

**+12.5% (FX adj.: +16.7%)
to EUR 324.3m**



Subscription/SaaS:

**+45.7% (FX adj.: +51.5%)
to EUR 58.5m**



EBITDA:

**+28.3% to EUR 105.9m
(Margin: 32.7%)**



Earnings per Share

EUR 0.54 (+47.1% y/y)



High Cash Conversion:

99.9%



Equity Ratio:

49.3% (H1-20: 43.3%)

Strategic Highlights



Value accretive M&A and Venture Investments

- Successful integration of acquisitions Red Giant and Redshift in Maxon
- Start-up Investments: Reconstruct, Sablono



Continued Progress on Harmonization

- Precast integration into Allplan
- Allplan & SDS2 join forces

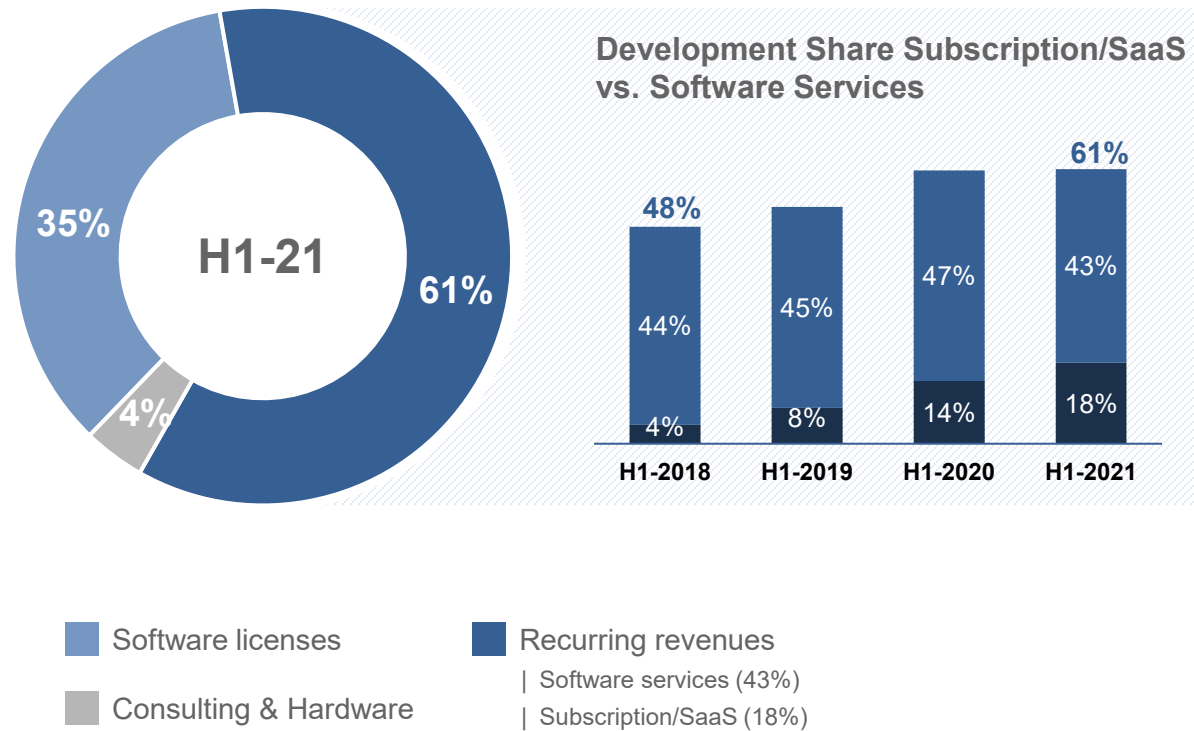


Subscription/SaaS

- Growth underpins success of segment-tailored subscription strategy

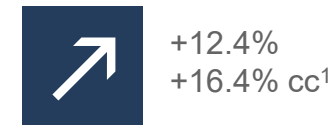
Continued Strong Growth in Subscription/SaaS

Revenue Share by Type in %

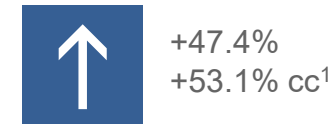


Q2-21

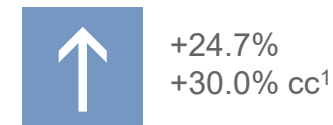
Recurring revenues y/y



Subscription/SaaS y/y

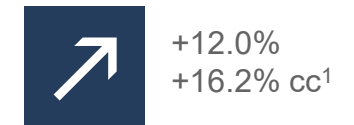


Software licenses y/y

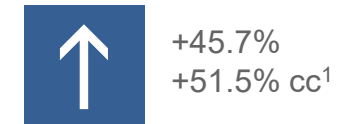


H1-21

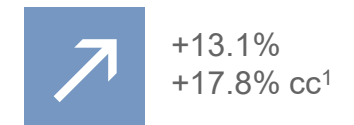
Recurring revenues y/y



Subscription/SaaS y/y



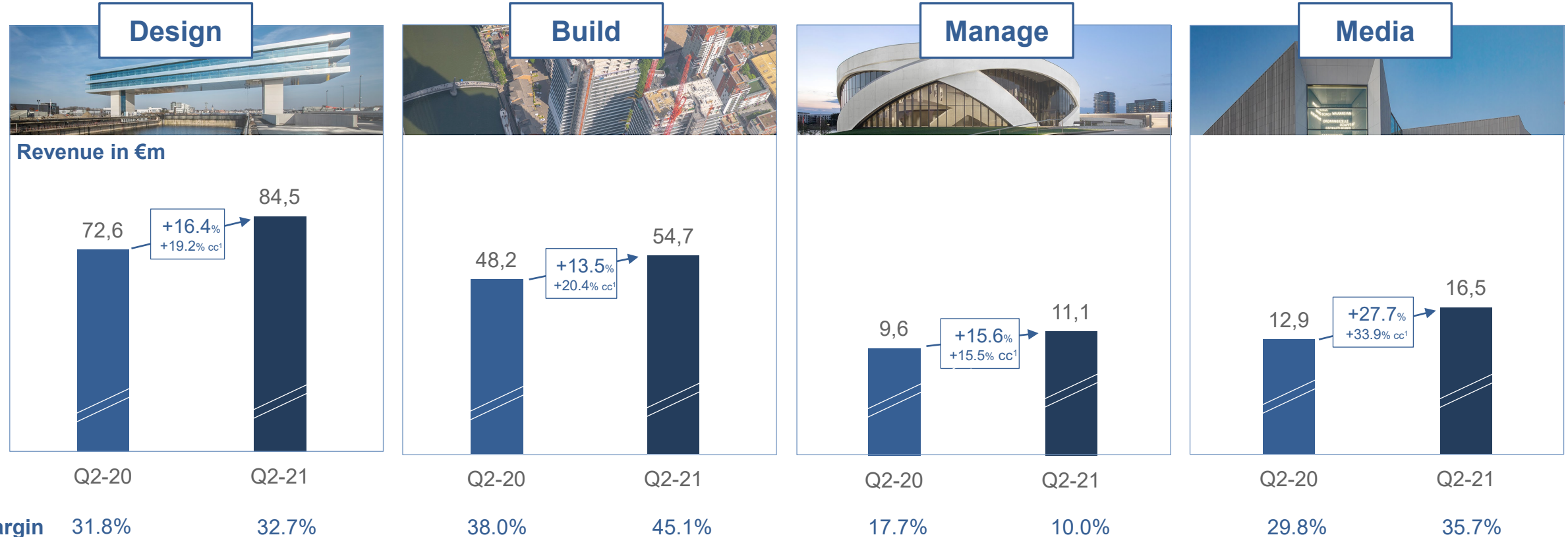
Software licenses y/y



At a Glance: Income Statement and Important KPIs

Key Figures mEUR	Q2 2021	Q2 YoY	H1-2021	H1 YoY	in % of revenue
Revenues	165.9	+17.2%	324.3	+12.5%	100.0%
Cost of materials/cost of purchased services	-5.6	-5.9%	-12.3	+11.3%	3.8%
Personnel expenses	-70.8	+10.5%	-140.2	+8.2%	43.2%
Other operating income/expenses	-33.1	+7.5%	-65.9	+1.3%	20.3%
EBITDA	56.3	+38.3%	105.9	+28.3%	32.7%
EBITDA margin	34.0%	+520bps	32.7%	+400bps	-
D&A (incl. PPA)	-14.1	+14.2%	-24.9	-0.2%	7.7%
EBIT	42.3	+48.8%	81.0	+40.6%	25.0%
EBIT margin	25.5%	+540bps	25.0%	+500bps	-
Net income (Group shares)	33.1	+56.9%	62.6	+47.1%	19.3%
EPS	0.29	+56.9%	0.54	+47.1%	-
Operating cash flow	45.3	+28.8%	105.8	+35.2%	-
Free cash flow (ex M&A)	35.0	+5.8%	93.8	+27.5%	-
Equity ratio in %	49.3%	-	49.3%	-	-
Net debt (liquidity)	59.7	-	59.7	-	-

Q2-21 Segment Overview: Strong Operational Performance in all Divisions



- Graphisoft with largest contribution to revenue and margin increase
- Acceleration of license growth: +36% (vs. +13% in Q1-21)

- Main growth driver Bluebeam with highest increase in new users in company's history
- Strong growth despite continued FX headwind from USD

- Growth picking up in Q2 with +15.6% (vs. 9.2% in Q1)

- Strong growth purely organic
- Margin uplift after successful integration of acquisitions Red Giant and Redshift

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Outlook & Summary



Market Overview: Strong Demand for our Products Across the Entire Construction Market

Construction markets


Residential



Sub-segments:

- Multi-Family Homes
- Flats


Non-Residential



Sub-segments:

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

Infrastructure



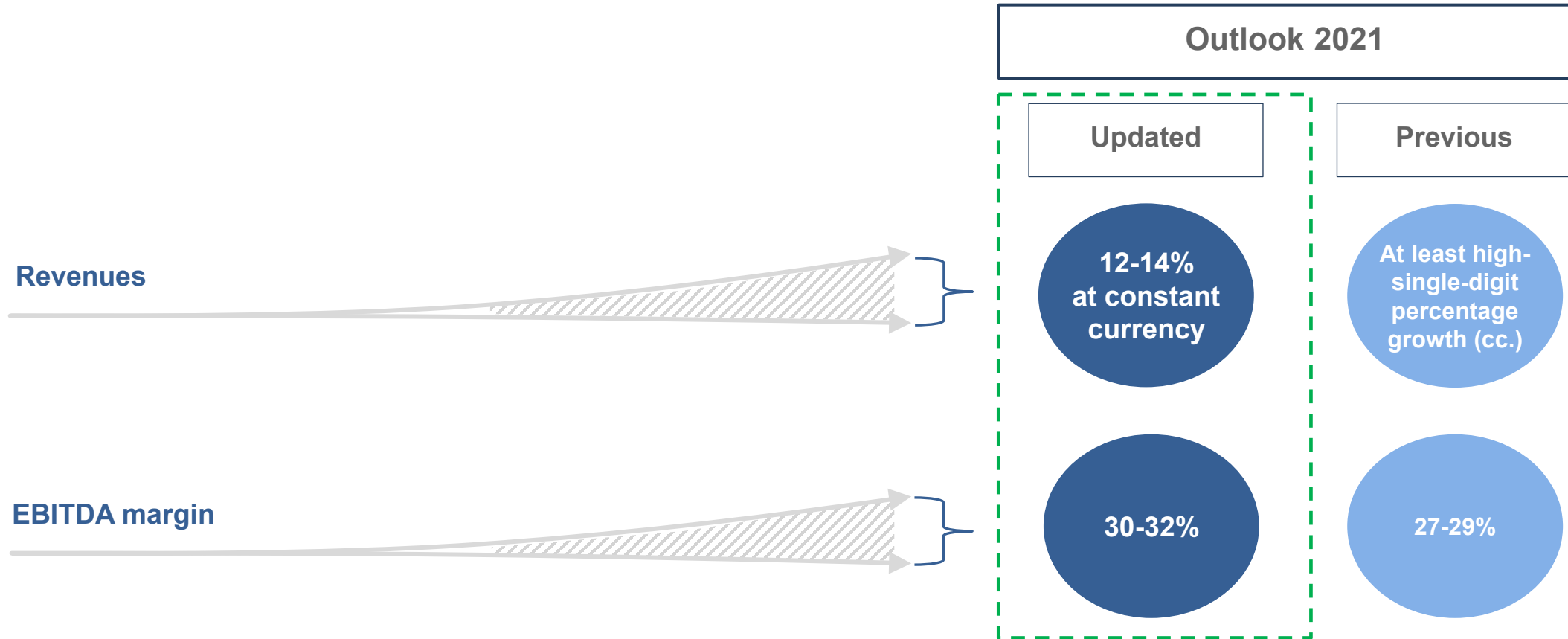
Sub-segments:

- Airports
- Bridges
- Tunnels

Market Status



Increased Guidance 2021: Upgrade after Strong Operational Performance in H1



Outlook 2021:

Please note: The outlook is based on the assumption that there will be no deterioration in the economic conditions in the second half of 2021 and that the Corona pandemic will continue to be under control.

Summary H1-21 – Excellent First Half of the Year



H1-21:

- Strong market position and innovative software solutions spur growth and market share gains
- High H1 profitability: Strong growth and higher efficiency leads to high operating leverage
- Updated Guidance based on:
 - Strong operational performance in H1
 - Bluebeam with more conservative transition in 2022 in order to:
 - Benefit from record growth in new users
 - Maximize customer value by extended subscription testing with selected customers

H1 builds a strong basis for a successful financial year 2021



Long-term View:

- Long-term structural growth drivers unchanged
- Strong market position, products & customer relationships
- Continued progress on strategic initiatives
 - Further optimization of organizational structure
 - First venture investments in promising start-ups

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

Q&A



Appendix



Income Statement

€m	H1 2021	H1-2020	%YoY
Revenues	324.3	288.2	+12.5%
Other operating income	4.2	4.8	-13.1%
Operating income	328.5	293.0	+12.1%
Cost of materials/purchased services	-12.3	-11.0	+11.3%
Personnel expenses	-140.2	-129.6	+8.2%
Other operating expenses	-70.1	-69.8	+0.3%
Operating expenses	-222.6	-210.4	+5.8%
EBITDA	105.9	82.6	+28.3%
Margin	32.7%	28.7%	
Depreciation and amortization	-24.9	-25.0	-0.2%
t/o Right-of-use assets	-7.4	-7.9	-6.0%
t/o PPA	-12.8	-12.5	+1.7%
EBIT	81.0	57.6	+40.6%
Financial result	-2.1	-1.1	+94.0%
t/o IFRS 16	-0.7	-0.8	-11.2%
EBT	78.9	56.5	+39.6%
Income taxes	-15.5	-13.8	+12.9%
Non-controlling interests	0.8	0.2	
Net income (group shares)	62.6	42.5	+47.1%
EPS in EUR	0.54	0.37	+47.1%

Balance Sheet – Assets

€m	June 30, 2021	December 31, 2020
Assets		
Cash and cash equivalents	167.5	139.3
Trade receivables, net	63.3	64.6
Inventories	0.7	0.6
Other current assets	35.3	31.8
Current assets, total	266.9	236.4
Property, plant and equipment	20.9	21.6
Right-of-use assets	60.3	61.3
Intangible assets	134.8	138.2
Goodwill	421.8	416.7
Other non-current assets	23.3	15.5
Non-current assets, total	661.1	653.3
Total assets	928.0	889.7

Balance Sheet – Equity and Liabilities

€m	June 30, 2021	December 31, 2020
Equity and liabilities		
Short-term borrowings and current portion of long-term loans	59.0	59.6
Trade payables & accrued liabilities	59.0	67.5
Deferred revenue	157.3	129.5
Current lease liability	13.8	13.4
Other current assets	34.6	25.9
Current liabilities, total	323.7	295.8
Long-term borrowings without current portion	48.8	70.7
Deferred tax liabilities	25.2	25.2
Non-current lease liability	52.8	54.3
Other non-current liabilities	20.1	26.4
Non-current liabilities, total	147.0	176.6
Subscribed capital and capital reserve	128.0	128.0
Retained earnings	343.4	315.3
Other comprehensive income	-28.3	-39.4
Non-controlling interests	14.2	13.4
Equity, total	457.3	417.3
Total equity and liabilities	928.0	889.7

Cash Flow Statement

€m	June 30, 2021	June 30, 2020	% YoY
Cash and cash equivalents at the beginning of the period	139.3	209.1	-33.4%
Cash flow from operating activities	105.8	78.2	+35.2%
Cash flow from investing activities	-14.2	-88.3	
t/o Cash paid of other investments	-6.7	0.0	
t/o CapEX	-3.8	-4.7	
t/o Cash paid for acquisition of subsidiaries, net of cash acquired	-2.2	-83.7	
Cash flow from financing activities	-66.3	-67.4	-1.6%
t/o Dividend payments	-34.7	-32.3	
t/o Cash received from bank loan	13.0	0.0	
t/o Repayments of borrowings	-35.7	-27.3	
t/o Principal elements of lease payments	-7.4	-6.4	
FX-effects	2.9	-1.5	
Cash and cash equivalents at the end of the period	167.5	130.2	+18.7%
Free cash flow¹	91.6	-10.1	
Free cash flow¹ (w/o acquisition effects)	93.8	73.6	+27.5%

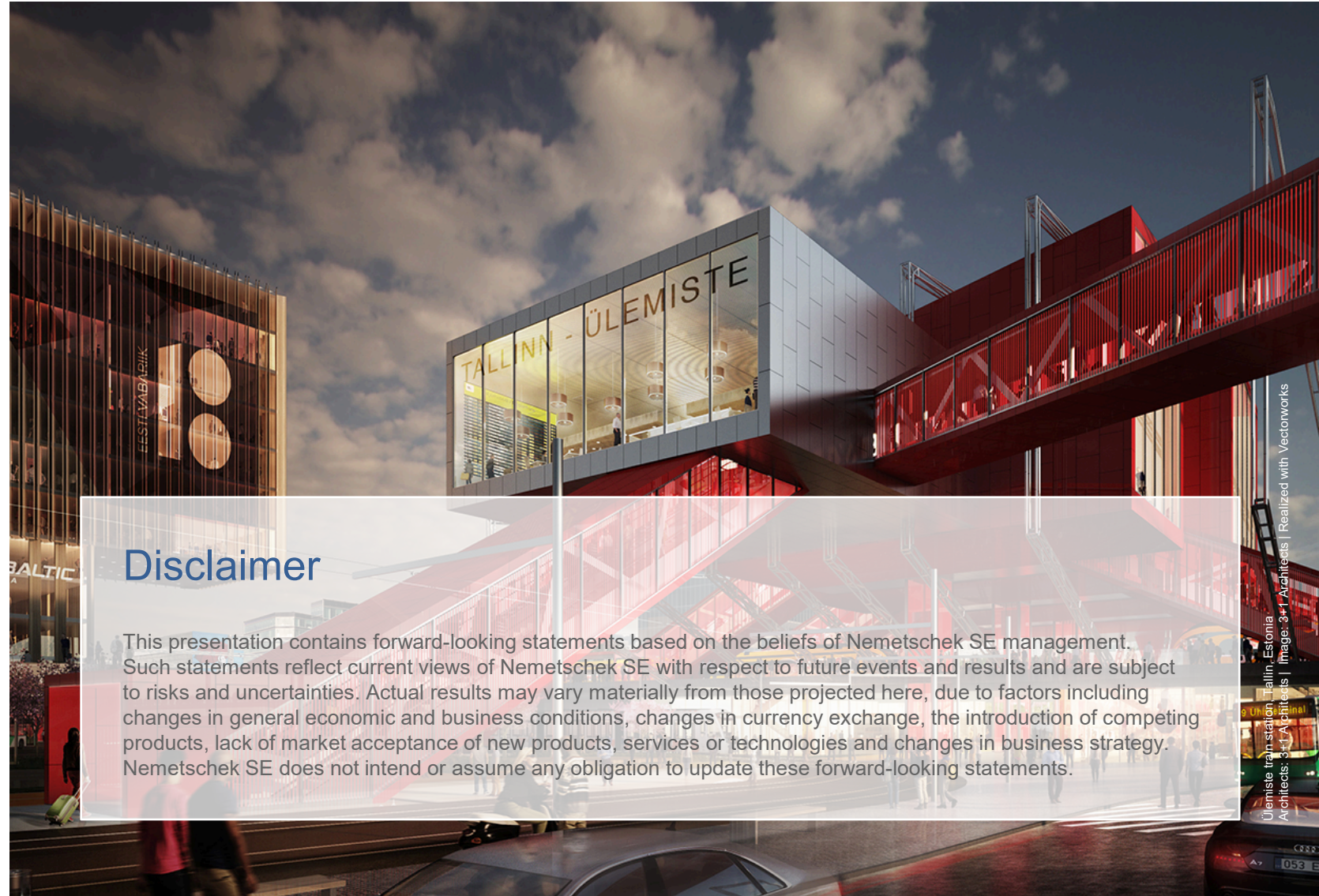
¹ Operating cash flow – Investing cash flow

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Thank you!

