



University of Minnesota, Minneapolis, USA
Antoine Predock Architect | Image: Tim Hursley | realized with Vectorworks

NEMETSCHKE GROUP

Financial Results Q2 | H1 2016

July 29th, 2016

Revenue growth accelerated in Q2

- Dynamic development continued with record levels in Q2 and first half
- **Revenues Q2:** increase by 22.2% to 83.8 mEUR (organic growth of 20.9%)
- **Revenues H1:** up by 19.5% to 161.5 mEUR (organic growth of 18.3%)

Strong revenue increase abroad

- Revenues abroad increased by 22.0% to 109.7 mEUR
- Revenues share outside of Germany at 68%, Americas at 25.0%
- Further focus on global expansion (Asia and Americas)

Double-digit growth in license and recurring revenues

- Software licenses showed growth 21.9% to 85.8 mEUR
- License revenue share of 53.1%
- Recurring revenues also in growth mode with 16.1% to 67.7 mEUR

Positive one-time effect

- One-time gain of +1.9mEUR in other operating income from a legal dispute with a former member of the Executive Board

Profitability increased significantly

- **Q2 EBITDA:** up by 61.5% to 24.6 mEUR, EBITDA margin of 29.3%
- **Q2 EBITDA w/o one-time effect:** up by 49.0% to 22.7 mEUR, EBITDA margin of 27.1%
- **H1 EBITDA:** up by 39.9% to 45.6 mEUR, EBITDA margin of 28.2%
- **H1 EBITDA w/o one-time effect:** up by 34.1% to 43.7 mEUR, EBITDA margin of 27.0%
- No activation of development costs - no effects on expenses and earnings

<p>Significant growth of net income and EPS</p>	<ul style="list-style-type: none"> ■ Q2 Net income: strong growth of 85.1% to 13.1 mEUR. EPS at 0.34 EUR ■ Q2 Net income w/o one-time effect: up by 66.3% to 11.8 mEUR, EPS at 0.31 EUR ■ H1 Net income: up by 56.1% to 24.2 mEUR, EPS at 0.63 EUR ■ H1 Net income w/o one-time effect: up by 47.5% to 22.9 mEUR, EPS at 0.59 EUR
<p>Net income w/o PPA</p>	<ul style="list-style-type: none"> ■ H1 net income w/o PPA: up by 47.1% to 28.0 mEUR, EPS at 0.73 EUR ■ H1 net income w/o PPA and w/o one-time effect: up by 40.1% to 26.7 mEUR, EPS at 0.69 EUR
<p>Solid balance sheet</p>	<ul style="list-style-type: none"> ■ Dividend payment of 19.25 mEUR after the AGM 2016 on May 20th ■ Cash at 84.9 mEUR and net liquidity at 13.5 mEUR ■ Equity ratio of 44.0% - leeway for further investments / acquisitions
<p>Optimistic outlook: Upper end of guidance</p>	<ul style="list-style-type: none"> ■ H1 is a very strong basis for FY 2016 ■ New record levels of revenues and EBITDA are expected in FY 2016 ■ Outlook now confirmed at upper end of revenue and EBITDA range (w/o acquisition): ■ Revenue target range of 319-325 mEUR, up by +12%-14% (thereof organic: +11%-13%) ■ EBITDA target range of 77-80 mEUR
<p>Acquisition of Design Data</p>	<ul style="list-style-type: none"> ■ Acquisition of a leading US provider of BIM 3D modeling software for steel structures ■ Perfect fit to close the gap as a multi-material software supplier for concrete and steel ■ Increase revenue share and BIM image in the US ■ Set the structure for Design Data to grow in Europe



Facts

- Based in Lincoln/Nebraska, USA
- With 65 employees Design Data serves 4,000 customers
- Revenues (last 12 months): approximately 10 mUSD
- Purchase price: 46.4 mUSD, plus earn-out component of 2.5 mUSD
- Payment via bank loan of 42 mUSD and cash reserves

USP

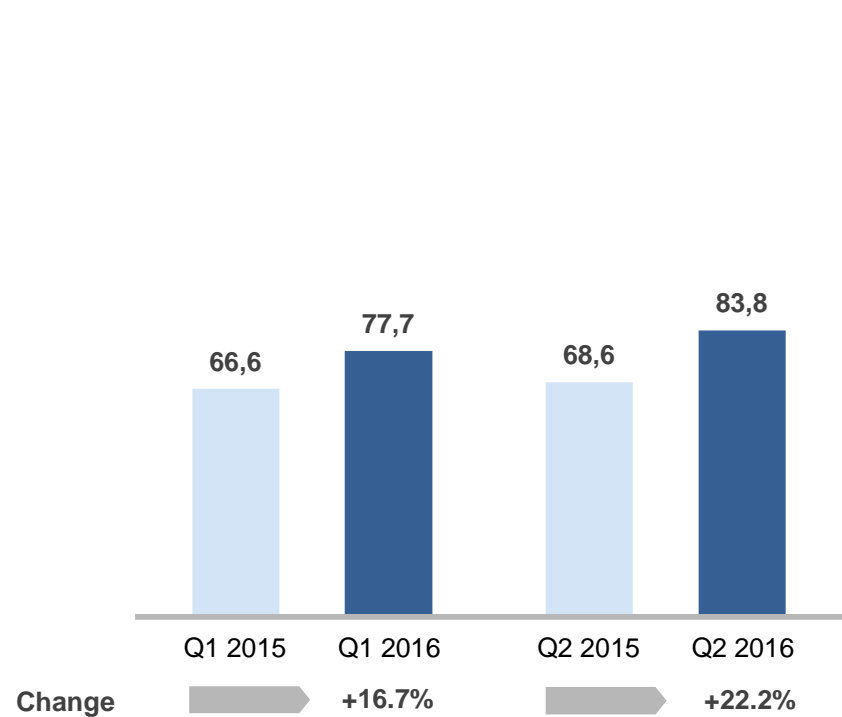
- Leading provider of BIM software solutions for the structural steel detailing industry
- Flagship product “SDS/2 Detailing” offers highest level of automation and intelligence available on the market

Strategic fit

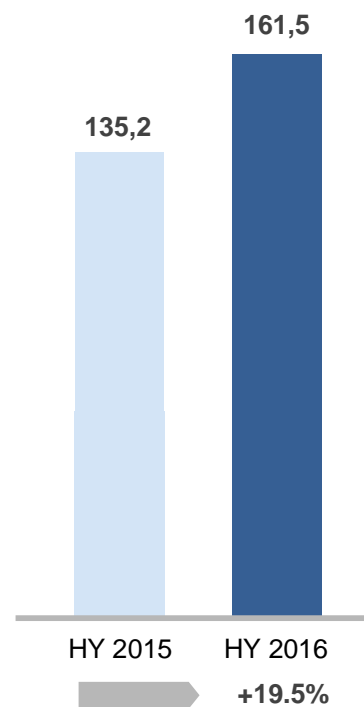
- Filling the last gap in the solution portfolio with the engineering detailing software for steel
- Nemetschek rounds off its competence as a multi-material provider (steel and concrete)
- International market presence and US image as an Open BIM provider will significantly increase
- At the same time Design Data will profit in Europe where Nemetschek has already a leading market position with its engineering solution for concrete construction

Accelerated Revenue Growth in the Second Quarter

in mEUR

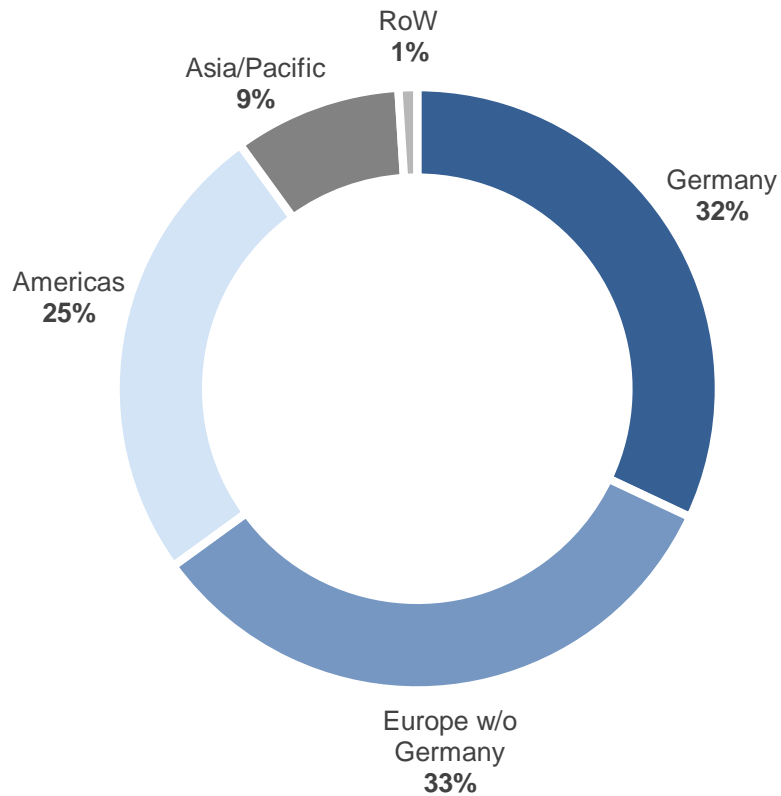


▶ Organic growth of high 20.9% yoy



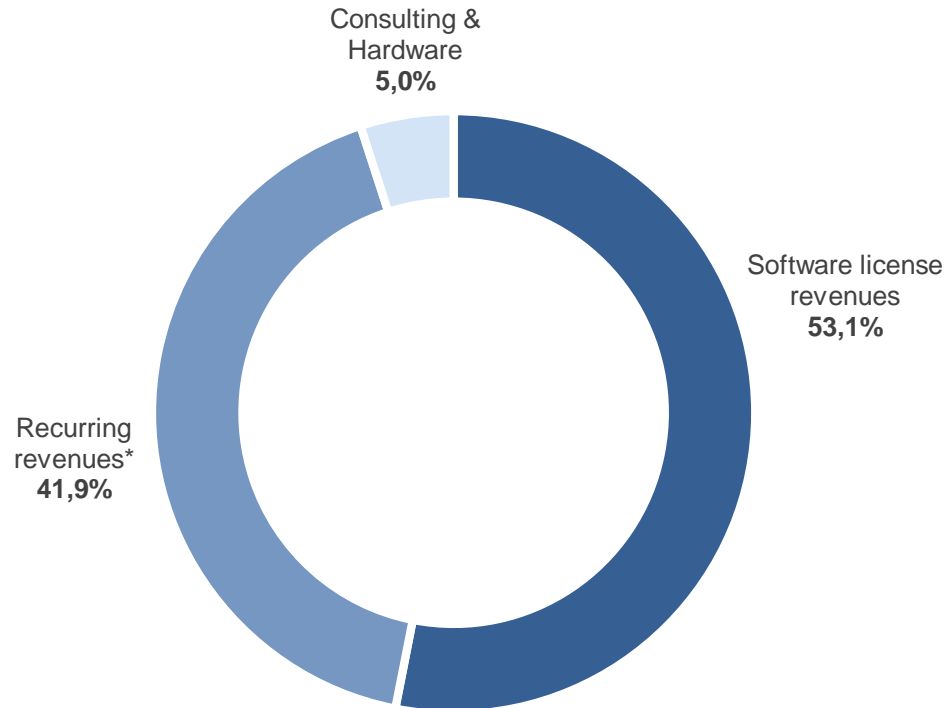
▶ Organic growth of 18.3%
▶ Solibri contributed around 2 mEUR

Revenues split H1 2016 in %



- Strong growth of 22.0% abroad
- Growth markets:
 - Americas
 - Asia (China, Japan)
 - Nordics
- Further growth potential abroad

Revenues split H1 2016 in %



Software license revenues

- Up by 21.9% to 85.8 mEUR
- New customers wins
- Increasing customer base
- Consequently recurring revenues will follow

Recurring revenues*

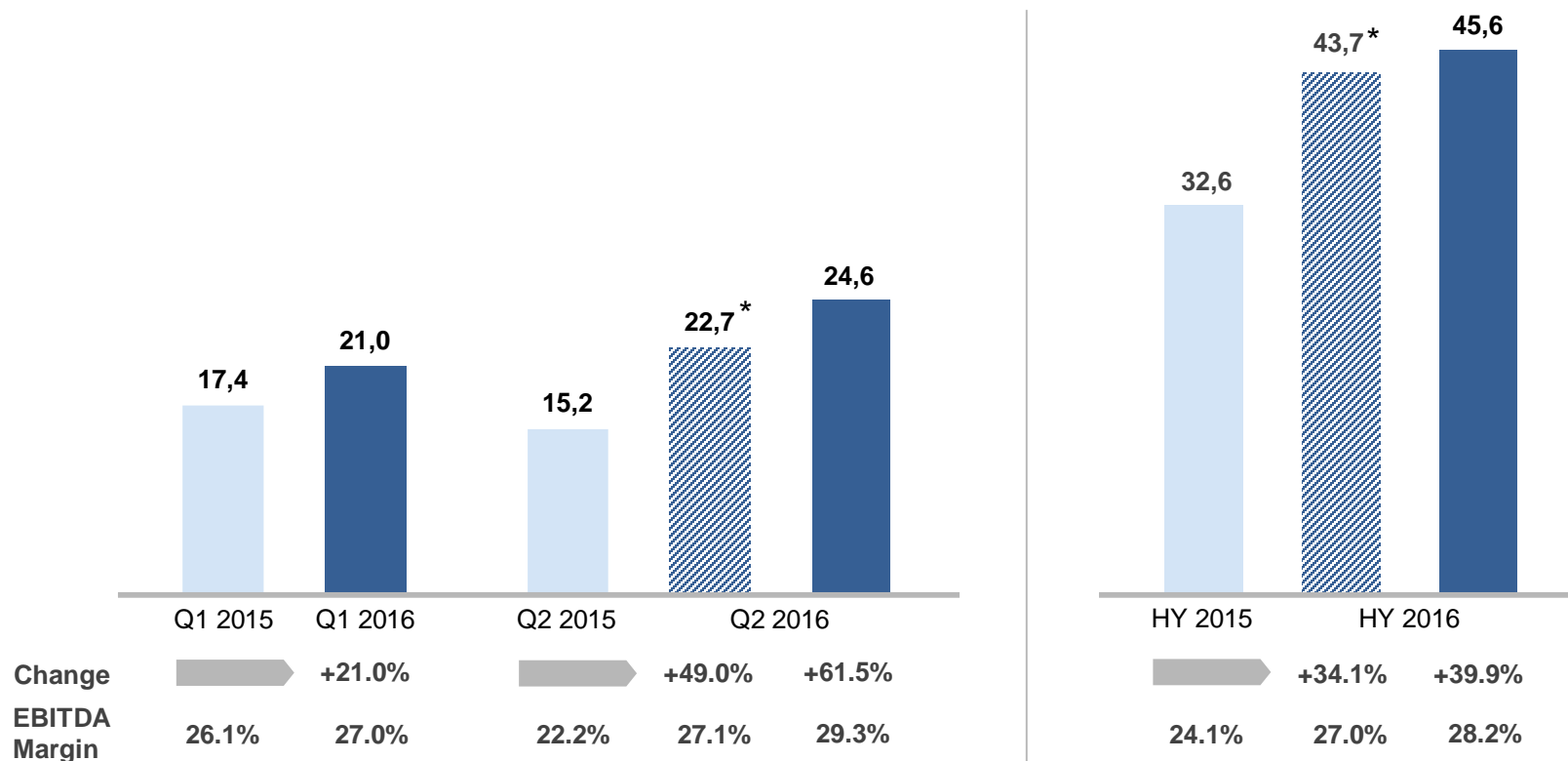
- Up by 16.1% to 67.7 mEUR
- Increasing visibility

* Software services, rental models (subscription, SaaS)

EBITDA Increased Stronger than Revenues

in mEUR

* EBITDA w/o 1.9 mEUR positive one-time effect

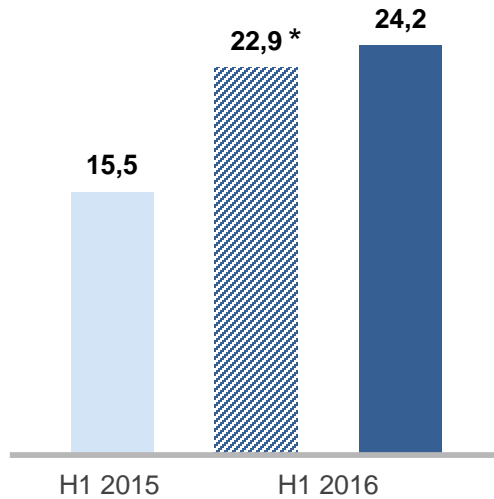


- ▶ EBITDA is shown with and w/o the positive one-time effect of 1.9 mEUR
- ▶ EBITDA margin improved significantly

Net Income and EPS Showed Significant Growth

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

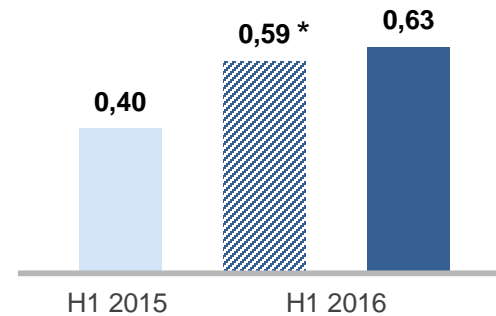
Net income
in mEUR



Change



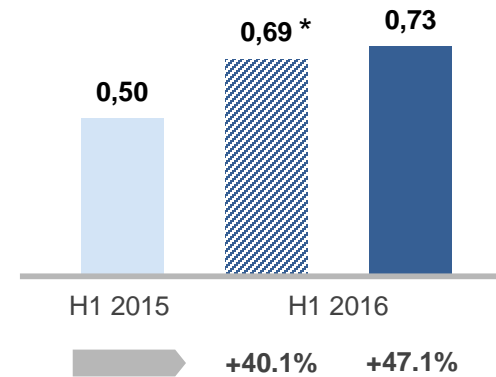
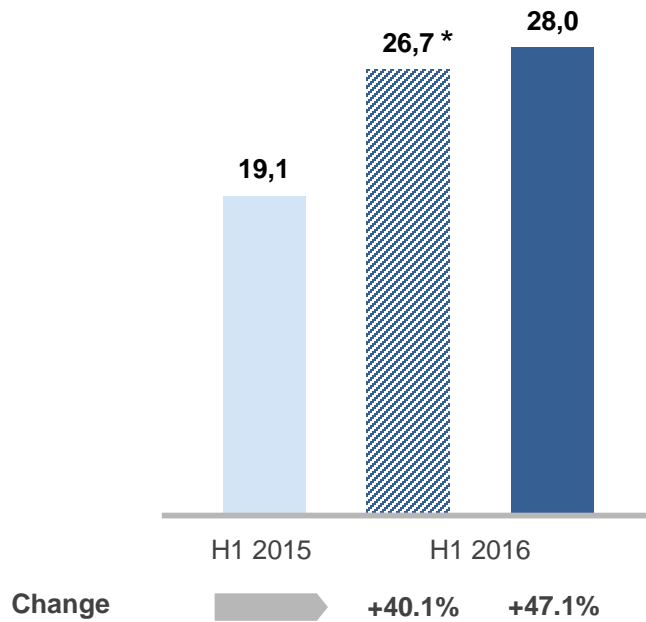
EPS
in EUR



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

Net income w/o PPA
in mEUR

EPS w/o PPA
in EUR



All Segments with Two-Digit Growth Rates

Design

- Two-digit revenue growth in Q2 with 16%
- EBITDA margin improved significantly

Build

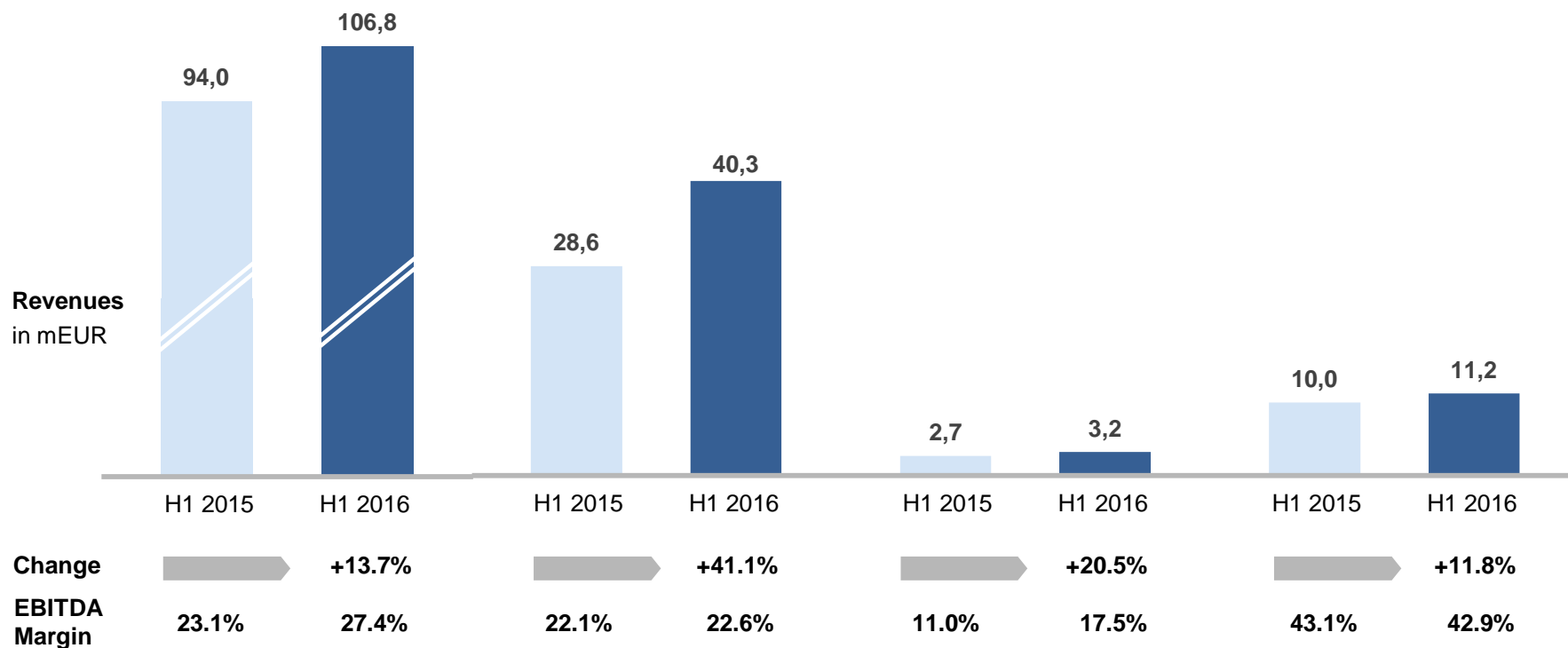
- Growth of 41% in Q1 continued in Q2
- Inorganic effect of Solibri around 2 mEUR
- Organic growth of 35%

Manage

- Strong growth in Q2 with 28%
- EBITDA margin improved year on year

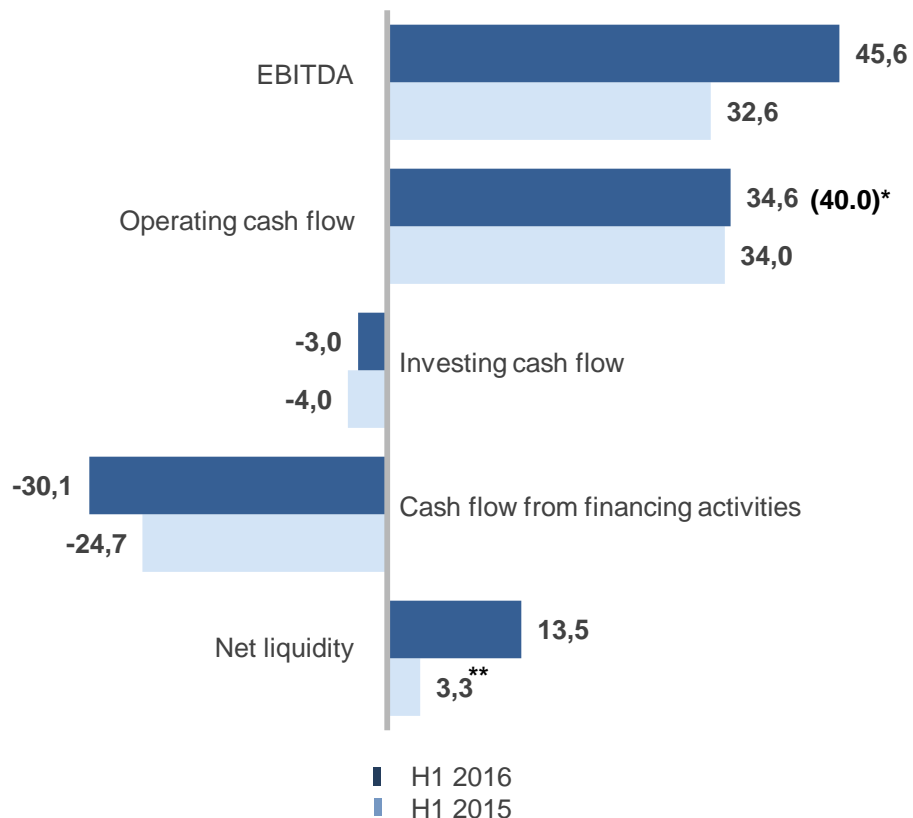
Media & Entertainment

- Growth of 27% in Q2 because of 30th anniversary edition
- Planned investments have impact on margins



Cash Flow Situation

in mEUR



* Adjusted operating cash flow due to one-time effects of 3.5 mEUR resulting from later payments (July 2016) of customers compared to previous year and 1.9 mEUR from legal dispute)

** End of FY 2015

*** Operating cash flow / EBITDA

EBITDA

- +39.9% yoy

Operating cash flow

- **Adjusted operating cash flow:** 40.0 mEUR, that corresponds to an increase of 17.9% yoy
- One-time effects of 3.5 mEUR in trade receivables and 1.9 mEUR in other assets

Investing cash flow

- Capex of 3.2 mEUR

Cash flow from financing activities

- Repayment of bank loan (-9.2 mEUR)
- Dividend payment (-19.25 mEUR)

Conversion rate***

- 76% (previous year: 104%)
- Adjusted conversion rate (w/o one-time effects: 1.9 mEUR and 3.5 mEUR): 88%

- Current situation**
 - Strong basis due to the strong H1 figures
- Market conditions**
 - Robust development of construction markets
 - Additional growth coming from BIM regulations and trends such as Open BIM, 5D, collaboration, platform technologies, mobile solutions etc.
- Strategic market positioning**
 - Clear focus on AEC market
 - Leading in Open BIM solutions
 - Strong and independent global brands
- Growth potential/ Investments**
 - Focus on internationalization (North/Latin America, Asia, Europe)
 - Investments in new markets, customer segments, sales & marketing
 - Strategically co-operations & acquisitions
 - Healthy balance sheet - capable of investing in organic and in inorganic growth
- Guidance 2016 confirmed at upper end**
 - Optimistic outlook for the second half of 2016
 - Expect record levels in revenues and EBITDA
 - Upper end of the guidance will be achieved

in mEUR	FY 2015	Forecast 2016*	Organic
Revenues	285.3	319 - 325 (+12%-14%)	+11%-13%
EBITDA	69.5	77 - 80	-

* USD/EUR plan rate: 1.11



Appendix



P+L Statement Q2 / H1 2016 Comparison

mEUR	Q2 2016	Q2 2015	% YoY	HY 2016	HY 2015	% YoY
Revenues	83.8	68.6	+22.2%	161.5	135.2	+19.5%
Own work capitalized/other operating income	3.5	0.7	+435.9%	4.6	2.9	+61.0%
Operating income	87.3	69.3	+26.0%	166.1	138.1	+20.4%
Cost of materials/ purchased services	-2.6	-2.5	+7.7%	-5.0	-4.5	+12.9%
Personnel expenses	-36.2	-30.9	+17.1%	-71.2	-60.9	+16.9%
Other operating expenses	-23.9	-20.7	+15.5%	-44.3	-40.1	+10.5%
Operating costs	-62.7	-54.0	+16.1%	-120.6	-105.5	+14.3%
EBITDA	24.6	15.2	+61.5%	45.6	32.6	+39.9%
Margin	29.3%	22.2%		28.2%	24.1%	
EBITDA (w/o one-time effect)	22.7	15.2	+49.0%	43.7	32.6	+34.1%
Margin (w/o one-time effect)	27.1%	22.2%		27.0%	24.1%	
Depreciation of PPA and amortization	-4.4	-4.1	+7.1%	-8.8	-8.3	+7.0%
<i>t/o PPA</i>	-2.7	-2.5	+6.6%	-5.4	-5.1	+6.3%
EBITA (normalized EBIT)	22.9	13.6	+67.7%	42.1	29.4	+43.4%
EBIT	20.2	11.1	+81.6%	36.8	24.3	+51.1%
Financial result	-0.3	-0.1		-0.5	0.0	
EBT	19.9	11.0	+80.7%	36.3	24.3	+49.9%
Income taxes	-6.2	-3.6	+74.6%	-11.0	-7.9	+38.5%
Non-controlling interests	0.6	0.4	+56.9%	1.1	0.8	+30.6%
Net income (group shares)	13.1	7.1	+85.1%	24.2	15.5	+56.1%
EPS in EUR	0.34	0.18	+85.1%	0.63	0.40	+56.1%
Net income (group shares w/o one-time effect)	11.8	7.1	+66.3%	22.9	15.5	+47.5%
EPS in EUR (w/o one-time effect)	0.31	0.18	+66.3%	0.59	0.40	+47.5%

Balance Sheet - Assets

mEUR	June 30, 2016	December 31, 2015
ASSETS		
Cash and cash equivalents	84.9	84.0
Trade receivables, net	37.3	29.6
Inventories	0.6	0.5
Other current assets	16.8	11.8
Current assets, total	139.6	125.9
Property, plant and equipment	13.9	13.8
Intangible assets	93.7	100.8
Goodwill	133.5	134.9
Other non-current assets	4.7	4.1
Non-current assets, total	245.8	253.6
Total assets	385.4	379.5

Balance Sheet – Equity and Liabilities

mEUR	June 30, 2016	December 31, 2015
EQUITY AND LIABILITIES		
Short-term borrowings and current portion of long-term loans	18.5	18.6
Trade payables & accrued liabilities	29.2	32.2
Deferred revenue	53.5	42.0
Other current assets	17.5	11.4
Current liabilities, total	118.6	104.1
Long-term borrowings without current portion	53.0	62.1
Deferred tax liabilities	23.9	24.3
Other non-current liabilities	20.3	22.1
Non-current liabilities, total	97.2	108.5
Subscribed capital and capital reserve	51.0	51.0
Retained earnings	121.2	116.3
Other comprehensive income	-4.6	-2.5
Non-controlling interests	1.9	2.1
Equity, total	169.5	166.9
Total equity and liabilities	385.4	379.5

Cash Flow Statement

mEUR	June 30, 2016	June 30, 2015	% YoY
Cash and cash equivalents at the beginning of the period	84.0	57.0	+47.4%
Cash flow from operating activities	34.6	34.0	+2.0%
Cash flow from investing activities	-3.0	-4.0	-25.5%
t/o CapEX	-3.2	-2.6	+25.1%
t/o Payments for acquisition of non-controlling interests	0	-1.6	
Cash flow from financing activities	-30.1	-24.7	+21.7%
t/o Dividend payments	-19.3	-15.4	+25.0%
t/o Repayments of borrowings	-9.2	-6.0	
FX-effects	-0.6	2.8	
Cash and cash equivalents at the end of the period	84.9	65.0	+30.7%
Free cash flow⁽¹⁾	31.6	29.9	+5.7%

⁽¹⁾ Operating cash flow – Investing cash flow



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