

Nemetschek Group

Company Presentation

January 2022



01

Market Potential AEC/O

We Address the Pain Points of the Construction Industry

General challenges



Need for Affordable Housing

Housing shortage due to urbanization, especially in metropolitan areas.



Time & Cost Pressure in Projects

The constantly increasing complexity of construction projects leads to higher time, cost, and/or quality demands.



Sustainability

Climate protection requirements are putting pressure on the industry to build more sustainably.

Opportunities for us



Seamless Collaboration

Collaboration between different disciplines must be further improved in order to reduce information losses caused by silos.



Framework Conditions

Open data standards are the basis for seamless collaboration and higher efficiency.



Investments in Digitalization

Construction industry still lagging behind other industries. But regulations increase need for investments in Digitalization.

Sustainability: Gaining a Greater Importance for our Customers

The FOOTPRINT of the Building Industry



Buildings and construction account for

36% of global final energy use and
39% of energy-related CO2 emissions



Construction and demolition account for

35% of all waste in the EU



During the construction phase

10% of materials are wasted
30% of construction is rework

The HANDPRINT of our Customers

Renovation & Demolition

- Easier reconstruction of buildings
- Reusing raw materials

Operate & Manage

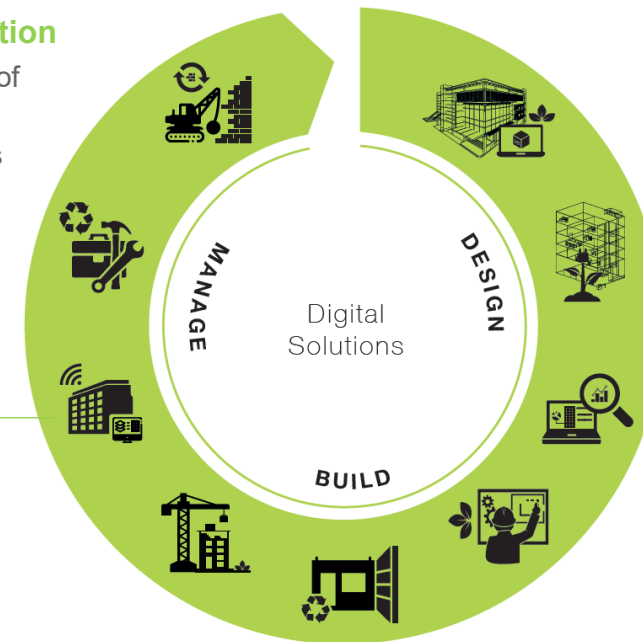
- Smart buildings
- Digital twins
- Efficient usage of office spaces and energy

Build & Construct

- Optimized usage of resources and materials via exact cost & time estimation
- Up to 60% less energy consumption and 90% less waste with prefabrication

Planning & Design

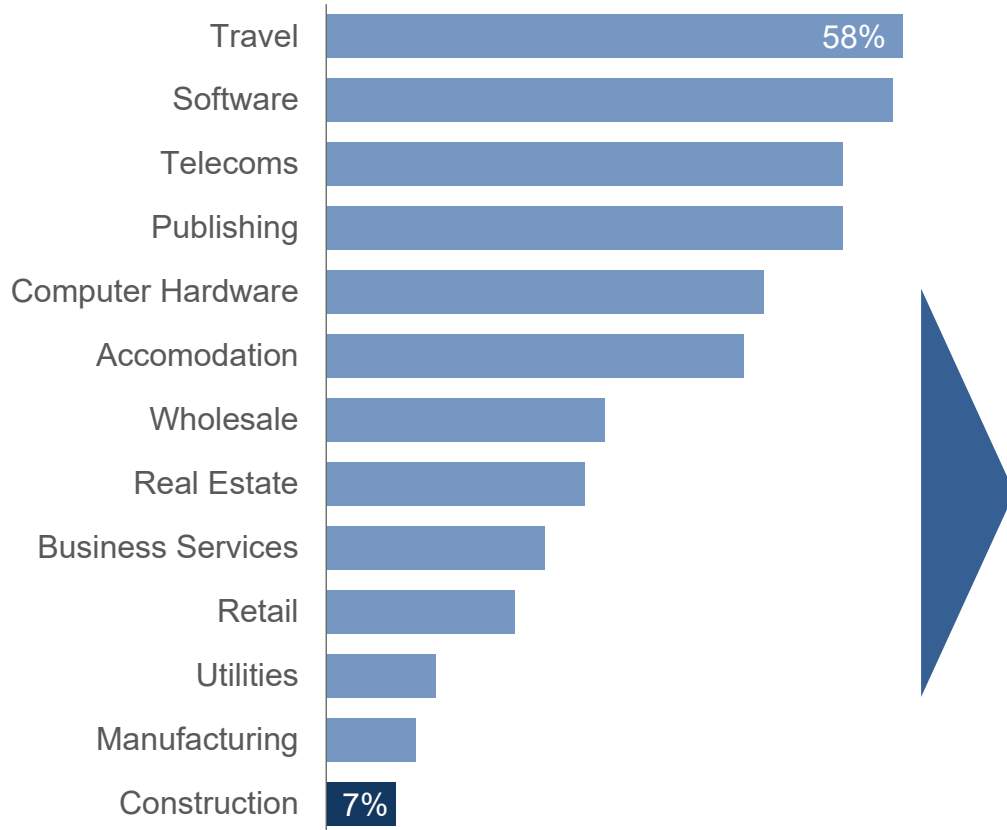
- Less errors & rework through cross-functional planning
- Green buildings
- Simulations
- Energy analysis
- Exact calculation of materials



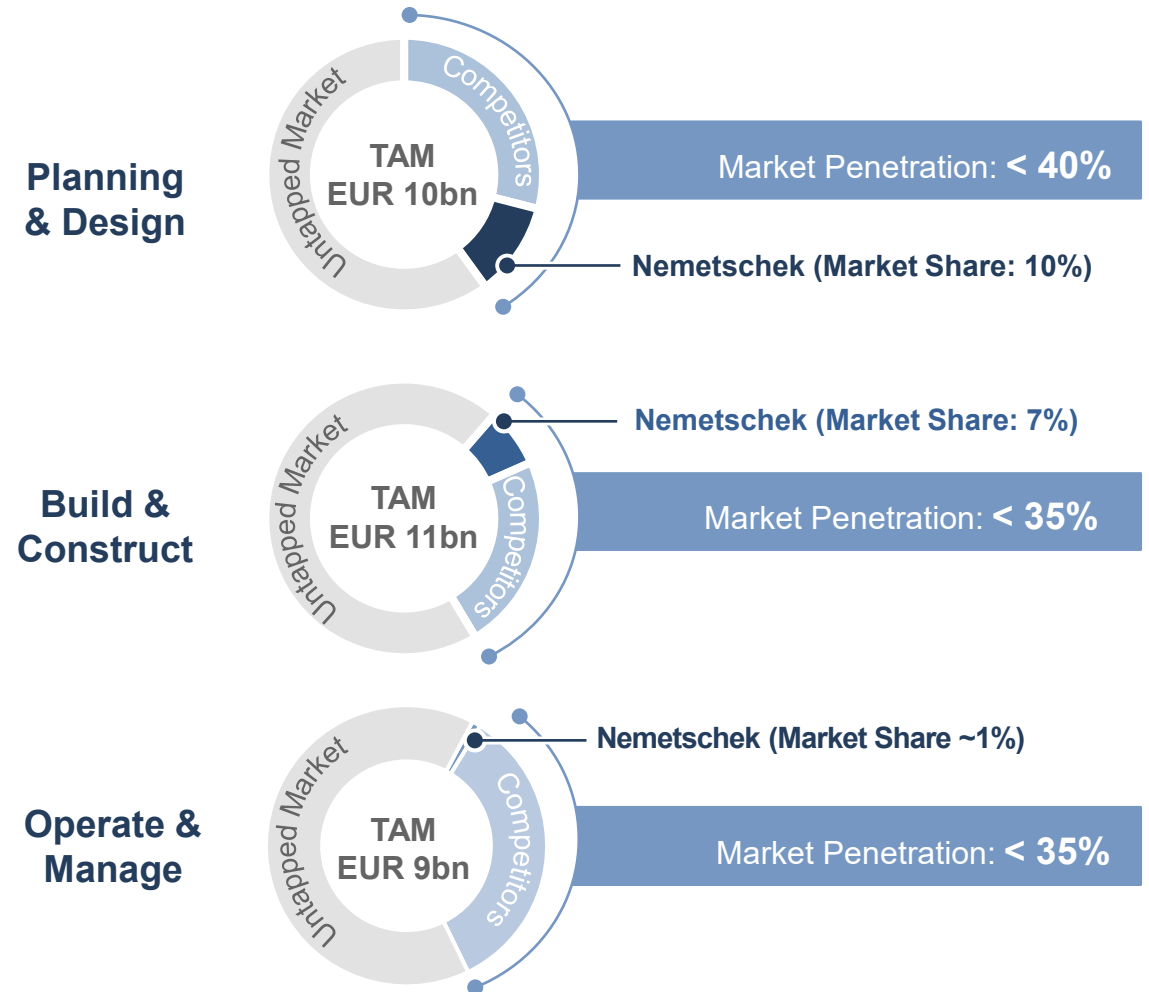
Sources: Global Status Report 2019, UN Environment and the International Energy Agency, Engineering-News Record 2018/2019

Intact long-term trend of AEC/O BIM Software Market is Offering huge Potential

Construction lagging behind Digitalization



Addressable market growth ~10% p.a.



02

Our Positioning in the AEC/O Industry



Nemetschek Group Drives Digitalization in the Construction Industry...

... for an efficient building lifecycle

- Pioneer for open standards
- Software solutions for the entire life-cycle of buildings, from planning and construction to facility management
- Close cooperation with science and universities
- 25% of revenue flow into research & development
- Named one of the 50 Sustainability & Climate Leaders by the U.N.

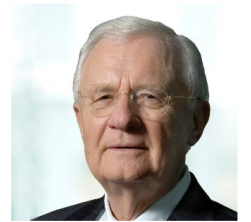


... local and global

- BIM solutions made in Germany, competition essentially abroad
- One of the top 3 software providers in Germany
- More than 3,000 employees worldwide, 25% of them in Germany
- Nearly €600 million in revenue, 24% of which are generated in Germany (2020)
- 15 brands with solutions for a wide range of customers at 80 locations worldwide

... with 60 years of commitment!

- Prof. Georg Nemetschek is founder, majority shareholder and spiritus rector of the Nemetschek Group
- Awarded with Konrad Zuse Medal for commitment to the construction industry and promotion of young talent as well as the Federal Cross of Merit for his lifetime achievements
- Nemetschek Innovation Foundation and Georg Nemetschek Foundation promote competence and excellence in the building industry (most recently: TU Munich Endowed Chair)



Nemetschek Group's Leading-Edge Software Solutions

Covering the Entire Building Lifecycle



Planning & Design

Technology-edge design tools. Seamless collaboration among all stakeholders improves the overall project quality.



Build & Construct

Collaboration tools to connect office / field workers to increase efficiency along with world-class ERP tools.



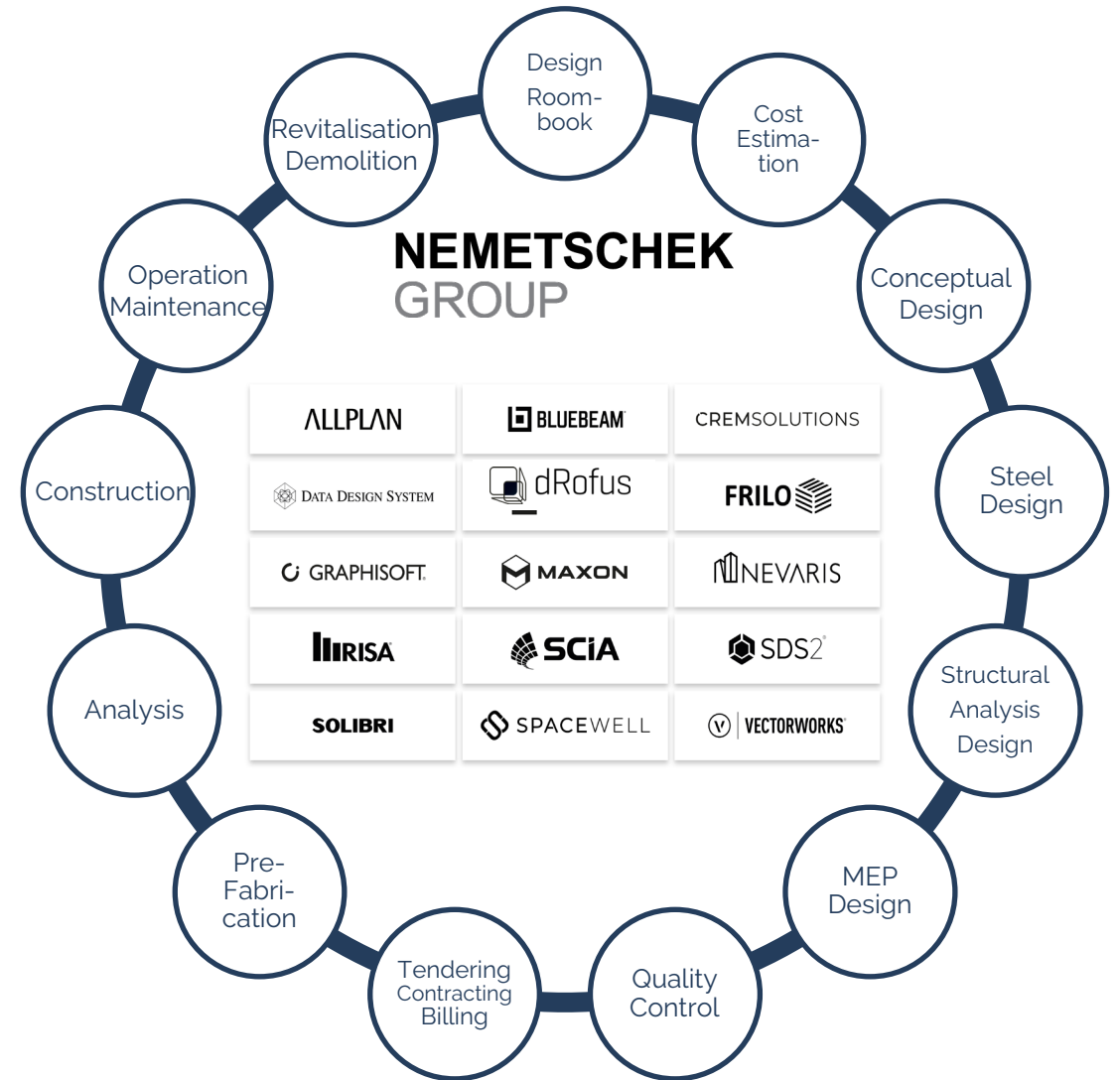
Operate & Manage

Increase efficiency in buildings: 80% of a building's costs are generated during its operational phase.



Media & Entertainment

Visual and special effects & rendering to present objects in a realistic way for decision makers




03

Financial Performance / Investment Story

Market Overview: Continued Positive Market Conditions

Construction markets


Residential



Sub-segments:

- Multi-Family Homes
- Flats


Non-Residential



Sub-segments:

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

Infrastructure



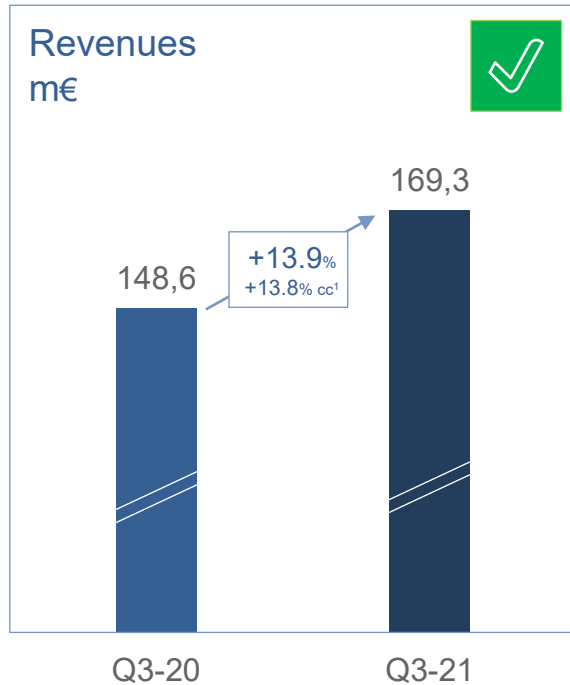
Sub-segments:

- Airports
- Bridges
- Tunnels

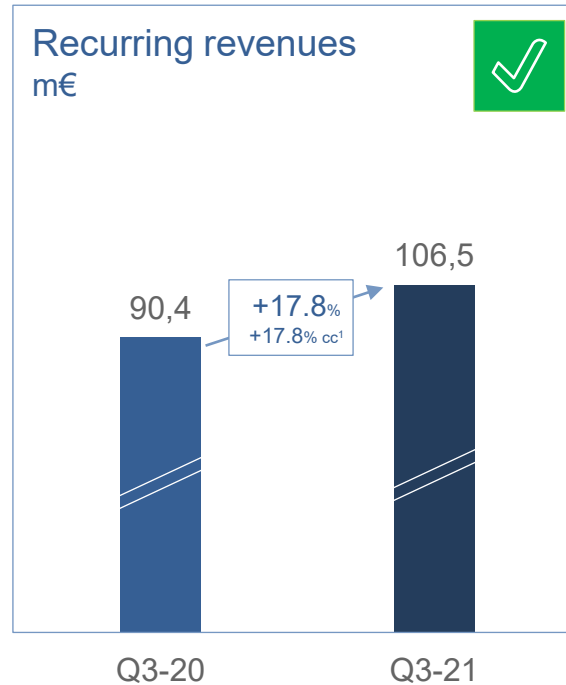
Market Status



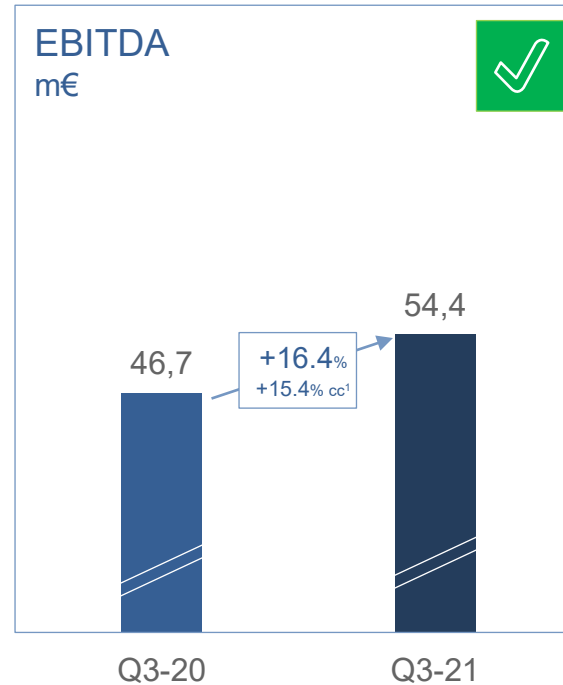
Top Key Figures Q3-21: Continued Strong Growth With High Profitability



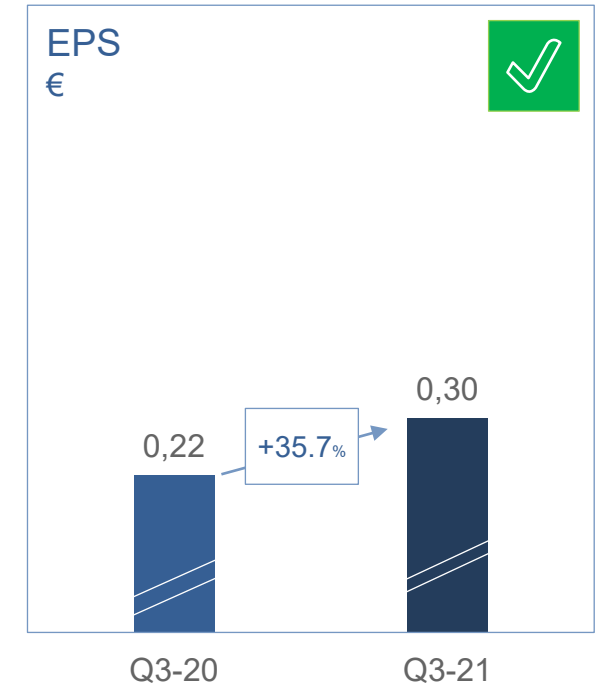
- Strong growth despite higher comparison base
- Strong customer focus drives demand for Nemetschek's leading software solutions



- Subscription/SaaS continues to be the main growth driver: +48.1% cc¹
- Substantial increase in share of Subscription/SaaS revenues to new record high of 20% (Q3-20: 15%)



- Q3-21: EBITDA margin: 32.1% vs. Q3-20: 31.4%



- Tax rate: 18.9% vs. 24.5% in previous year
- EPS before PPA amortization: 0.34 EUR (+32.9%)

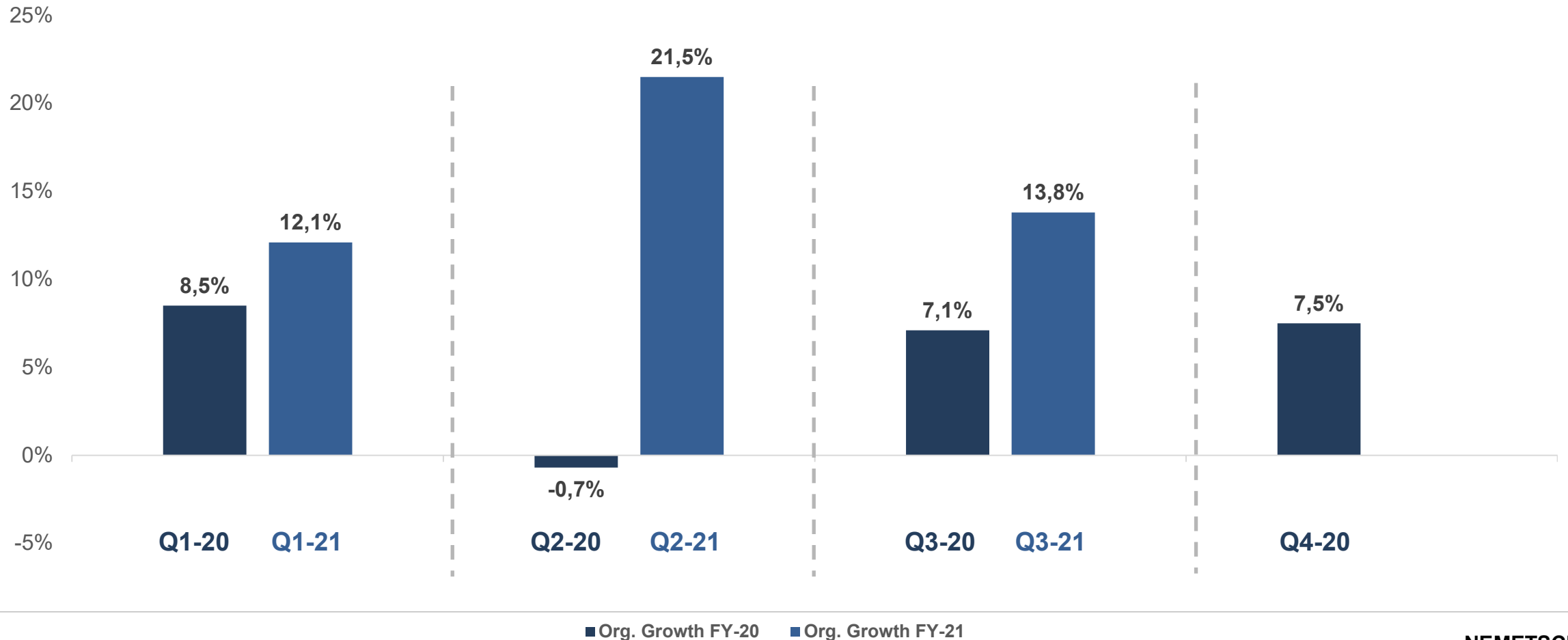
¹ Constant currency

Q3-21: Continued Strong Growth Despite Substantially Higher Comparison Base

Q1-20: First negative effects in pockets of growth

Q2-20: Main impact of Covid-19 pandemic

Q3- & Q4-20: Start of recovery and re-acceleration of growth



Key Business Highlights 9M-21: Successful First Nine Months of the Year



Financial Performance



Revenues:

**+13.0% (FX adj.: +15.7%)
to EUR 493.6m**



Subscription/SaaS:

**+46.6% (FX adj.: +50.2%)
to EUR 93.0m**



EBITDA:

**+24.0% to EUR 160.3m
(Margin: 32.5%)**



Earnings per Share

EUR 0.84 (+42.9% y/y)



High Cash Conversion:

102.1%



Equity Ratio:

52.0% (9M-20: 45.3%)

Strategic Highlights



Internationalization as a Growth Driver

- International expansion of brands (e.g. European expansion of US brands and vice versa)



Continued Progress on Harmonization

- Precast & SDS2 integration into Allplan progressing as planned
- Graphisoft and DDS join forces

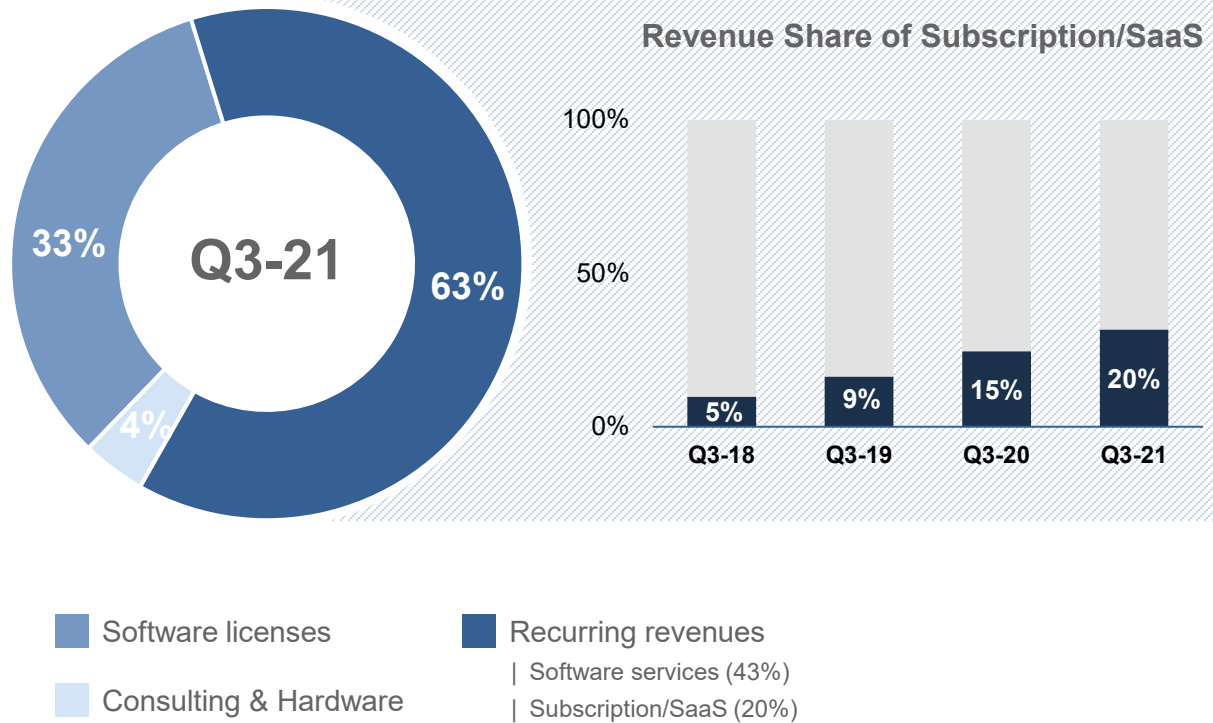


Subscription/SaaS

- Growth underpins success of segment-tailored subscription strategy

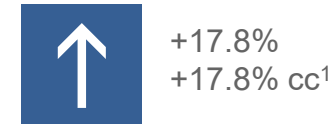
Record High: Share of Recurring and Subscription/SaaS Revenues

Revenue Share by Type in %

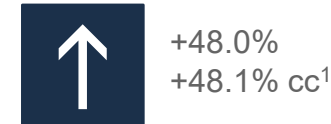


Q3-21

Recurring revenues y/y



Subscription/SaaS y/y

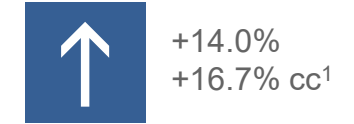


Software licenses y/y

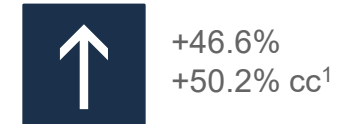


9M-21

Recurring revenues y/y



Subscription/SaaS y/y

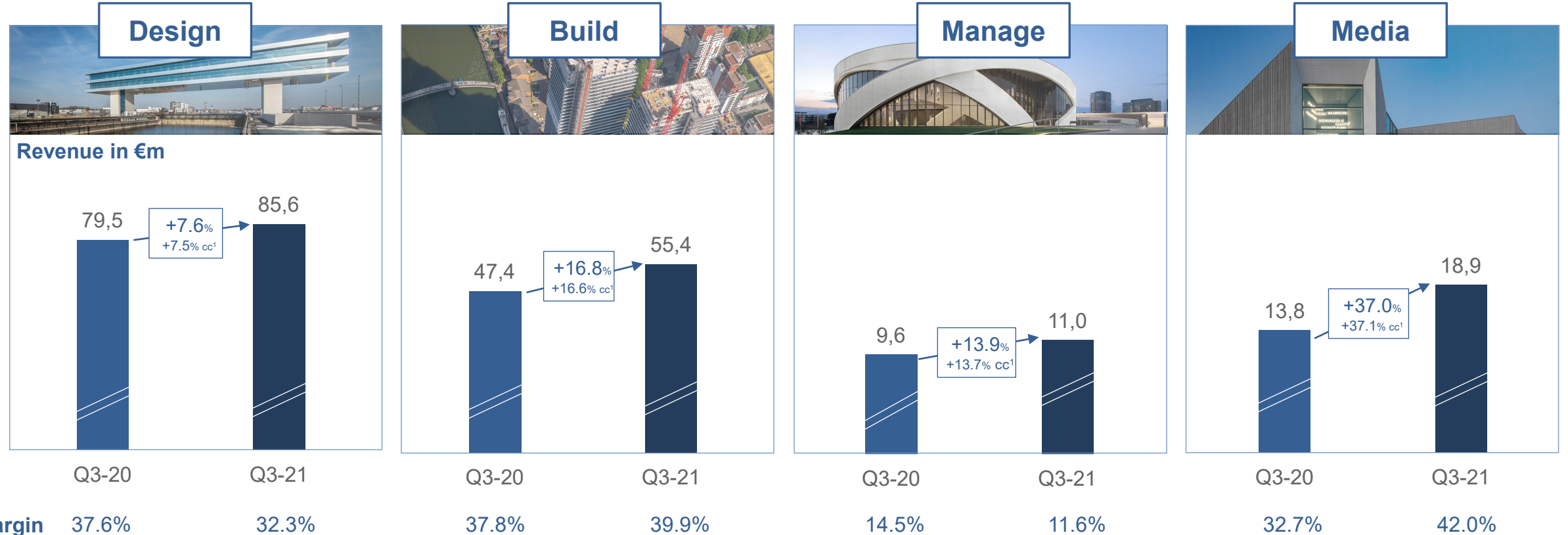


Software licenses y/y



¹ Constant currency

Q3-21 Segment Overview: Continued Strong Momentum in Build, Record Quarter in M&E



- Very strong growth in Subscription/SaaS (+74% y/y)
- Q3-20: EBITDA margin artificially high due to cost-savings measures in response to Covid-19

- Bluebeam with continued strong growth in users
- Margin increase driven by strong growth and operational efficiency

- Continued double-digit growth
- New customer wins despite uncertain market environment

- Record growth in all regions
- Margin uplift after successful integration of acquisitions Red Giant & Redshift and subscription transition

¹ Constant currency

Summary 9M-21 – Successful First Nine Months of the Year



9M-21:

- Strategic Highlights
 - First venture investments in promising start-ups
 - Optimization of organizational structure
- Financial Highlights
 - New record levels in revenue, EBITDA and EPS
 - Substantial increase in Subscription/SaaS contribution
 - Strong cash flow generation underpins high earnings quality

Success based on Nemetschek's strong operational business



Long-term View:

- Long-term structural growth drivers unchanged
- Strong market position, products & customer relationships
- Continued progress on strategic initiatives
 - Further reduction of organizational complexity
 - Continuously screening the market for attractive & innovative start-ups

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

Overall a Compelling Position: Strong Foundation for Sustainable Growth

Nemetschek SE

Attractive end-markets

- | Huge growth potential
- | Structural long-term growth drivers (low degree of digitalization)
- | Growth supported by regulation

Unique market position

- | Best in class products
- | Product offering along the complete AEC/O value chain
- | Leader in Open BIM
- | Close proximity to customers within our 4 divisions

Attractive business model

- | Highly profitable
- | Strong Cash conversion (~ 90%)
- | High share of recurring revenues (approx. 60%)

Strong financial position

- | Very healthy balance sheet
- | Equity ratio: 49%
- | EUR 200m credit line secured
- | Long-term anchor shareholder

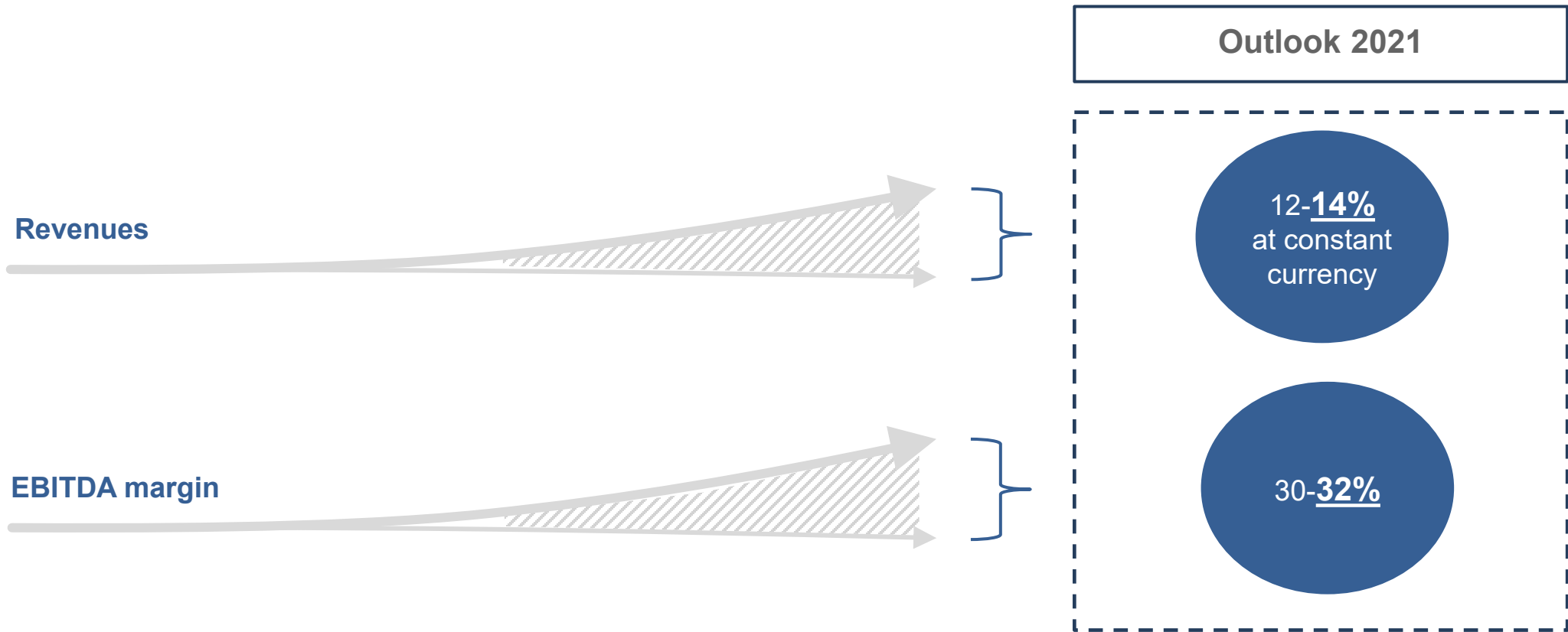
Value accretive M&A plus Ventures

- | Strong track record of bolt-on acquisitions
- | Disciplined approach
- | Substantial financial fire power
- | Focus on long-term value generation

Ambition 2023

- Mid-teens growth starting in 2023 and following the successful Subscription/SaaS transition
 - Share of Recurring Revenues: ~ 75% (t/o Share of Subscription/SaaS ~ 45%)

Outlook 2021: We Target the Upper End of Guidance Ranges



Outlook 2021:

Please note: The outlook is based on the assumption that there will be no material deterioration in the economic conditions in Q4-21 and that the Corona pandemic will continue to be under control.

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