

Nemetschek Group

3-Month Results 2019 **Earnings Call**

30 April 2019 | Patrik Heider, Spokesman & CFOO

Key Business Highlights in the First Quarter: **Excellent Start in the FY 2019**



Strong Performance



Revenues:
+27.1% to € 129.9m



EBITDA margin:
28.2%
IFRS 16 adjusted: **25.5%**



+33.9%
Recurring revenues
+124.8%
Subscription revenues



+32.7%
Revenues abroad



Dividend proposal:
€0.81 per share



High cash conversion
94.1%

M&A Successes



**Brand-level acquisitions:
Manage Division**

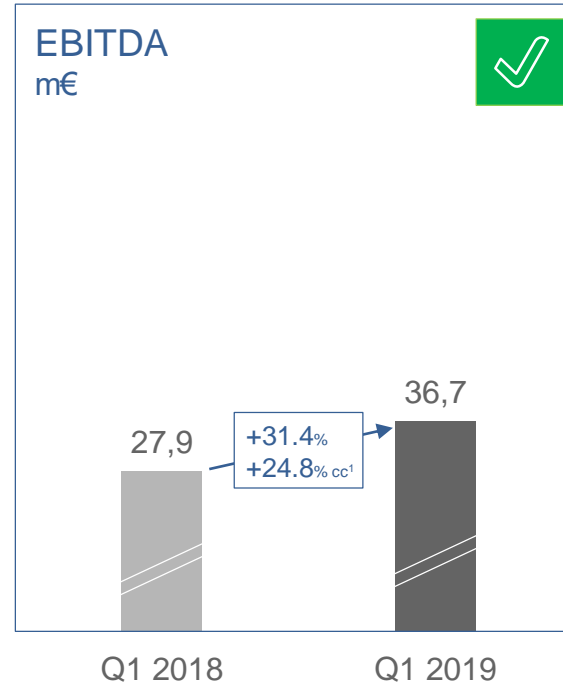
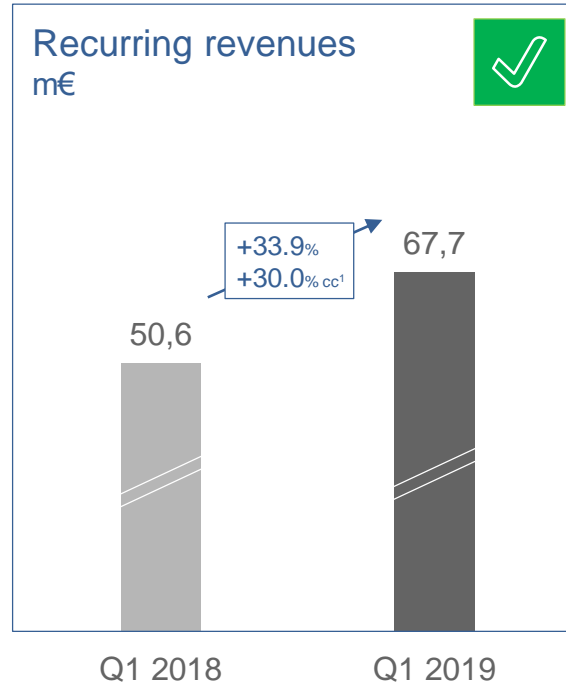
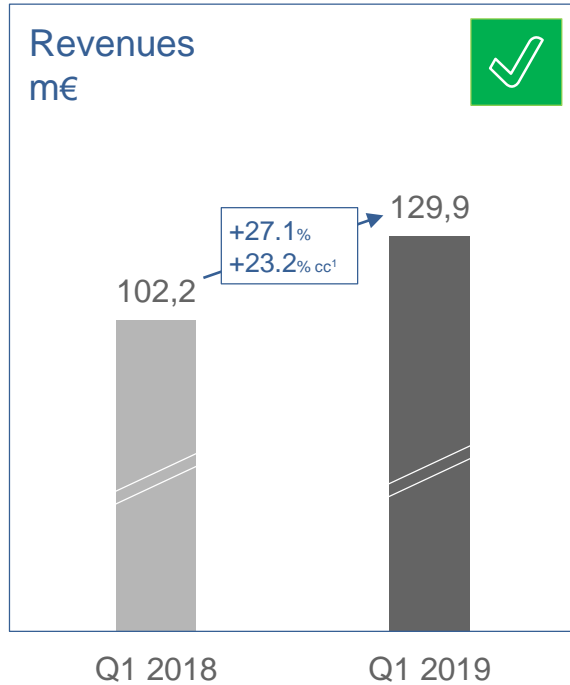
Axxerion by MCS, renamed afterwards in Spacewell



Media & Entertainment Division

Redshift by Maxon

Top Key Figures Q1 2019: Growth Accelerated in the First 3 Months of 2019



- Accelerated double-digit growth with strong organic growth of 21.3% (+17.3% cc¹)
- Currency tailwind (in total: € 4m)

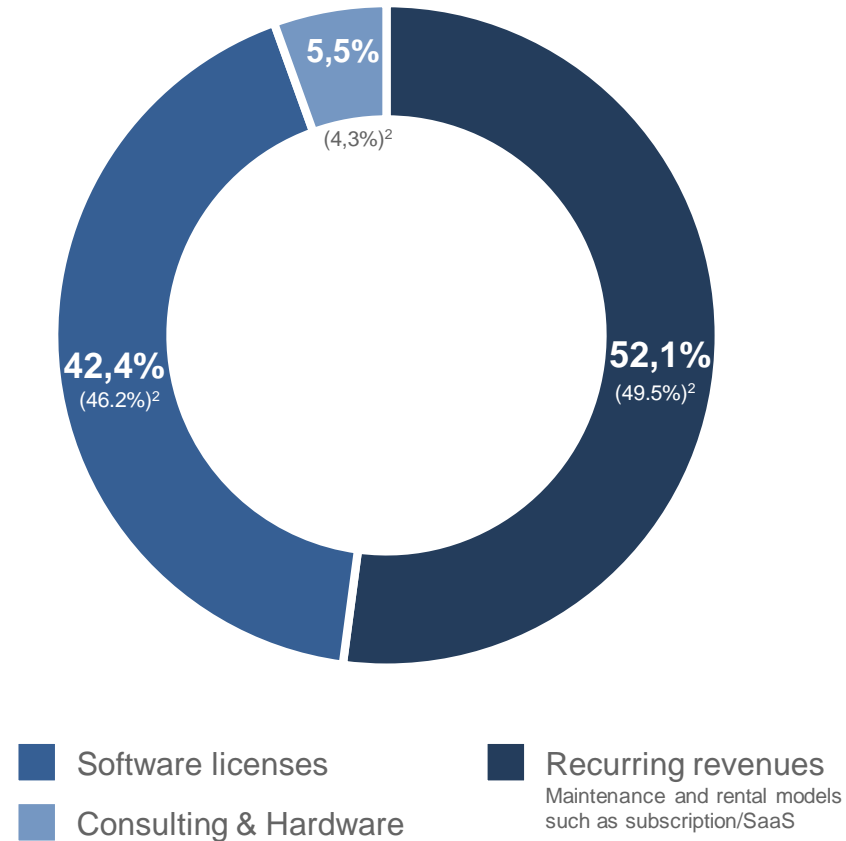
- Organic growth: 26.6% (+22.7% cc¹)
- Strong increase in Subscription +124.8%
- High portion of recurring revenues (52.1% of total revenues)

- High EBITDA margin: 28.2% (previous year: 27.3%) influenced by IFRS 16
- Adjusted IFRS 16 margin: 25.5% while investing in future growth and lower margin in Manage segment (acquisition related costs)

- Tax rate with 25.4% slightly above previous year (24.5%)

Growth Driver Recurring Revenues: Strongest Growth in Subscription

Revenue distribution Q1 2019



Q1 2019

Recurring revenues yoy

↑ +33.9%
 +30.0% cc¹

Comments

Above average growth to € 67.7m
 Organic growth: 26.6% (22.7% cc¹)

Subscription yoy

↑ +124.8%
 +118.3% cc¹

Strong growth to € 9.7m
 Spacewell as main driver
 Organic growth: 37.5% (31.9% cc¹)

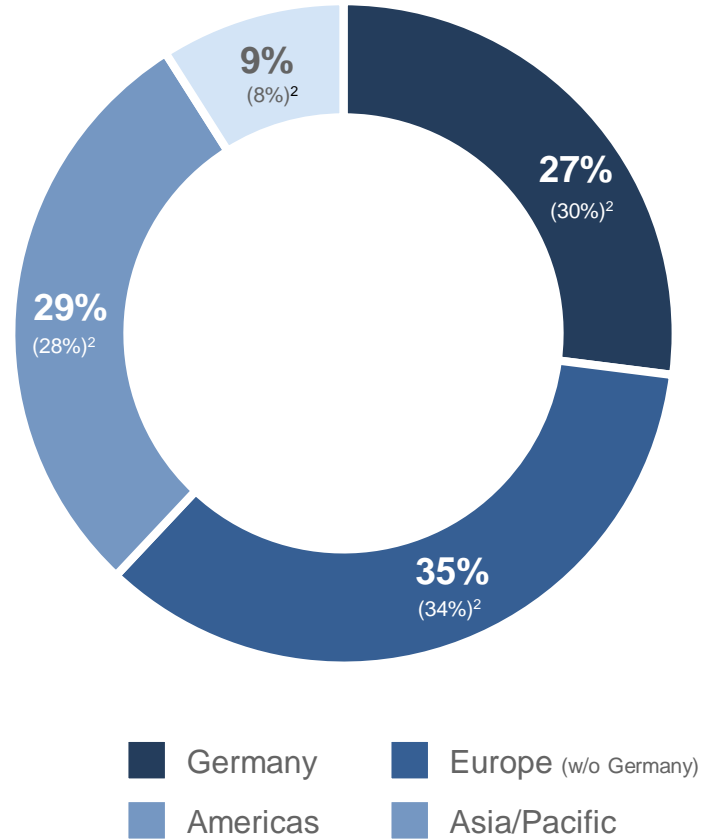
Software licenses yoy

↗ +16.4%
 +12.3% cc¹

Double-digit growth continued
 Total of € 55.0m
 Organic growth: 16.3% (12.1% cc¹)

Internationalization Is Key: Broad Growth Across All Regions

Revenue distribution Q1 2019



Q1 2019

Germany



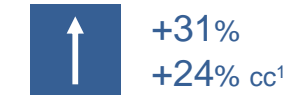
Americas



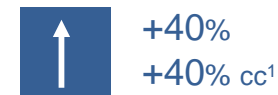
Europe



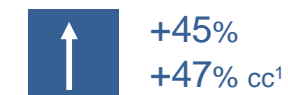
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UK

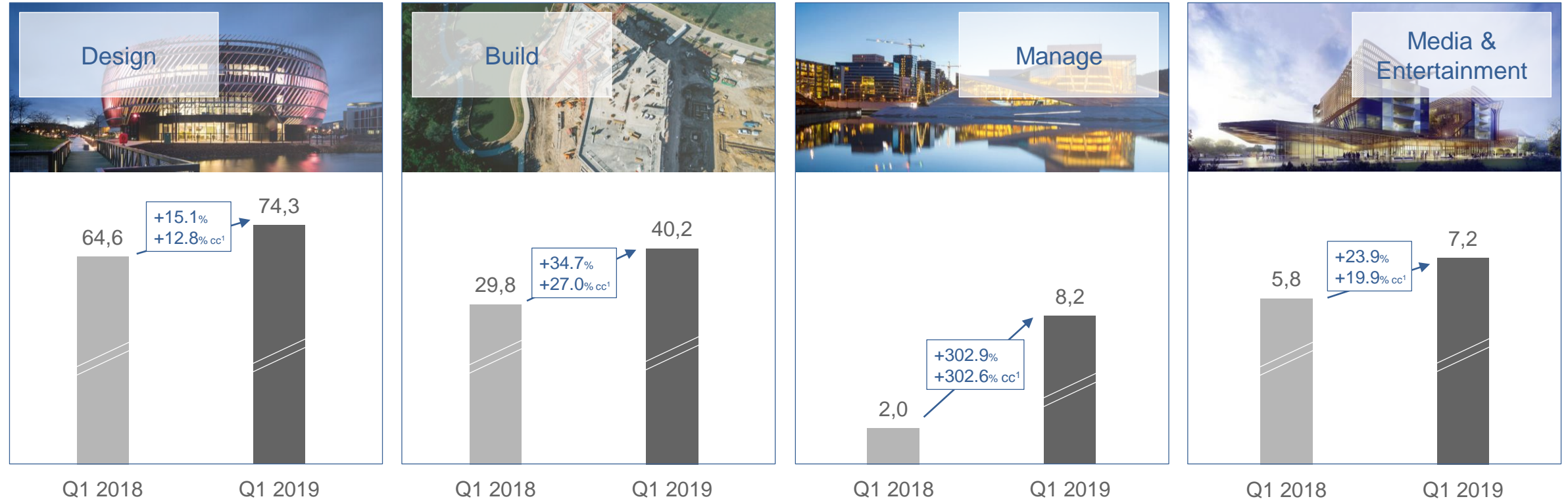


Scandinavia



Segment Overview: Build Segment Remains Key Growth Driver in Q1

Revenues in m€



EBITDA Margin

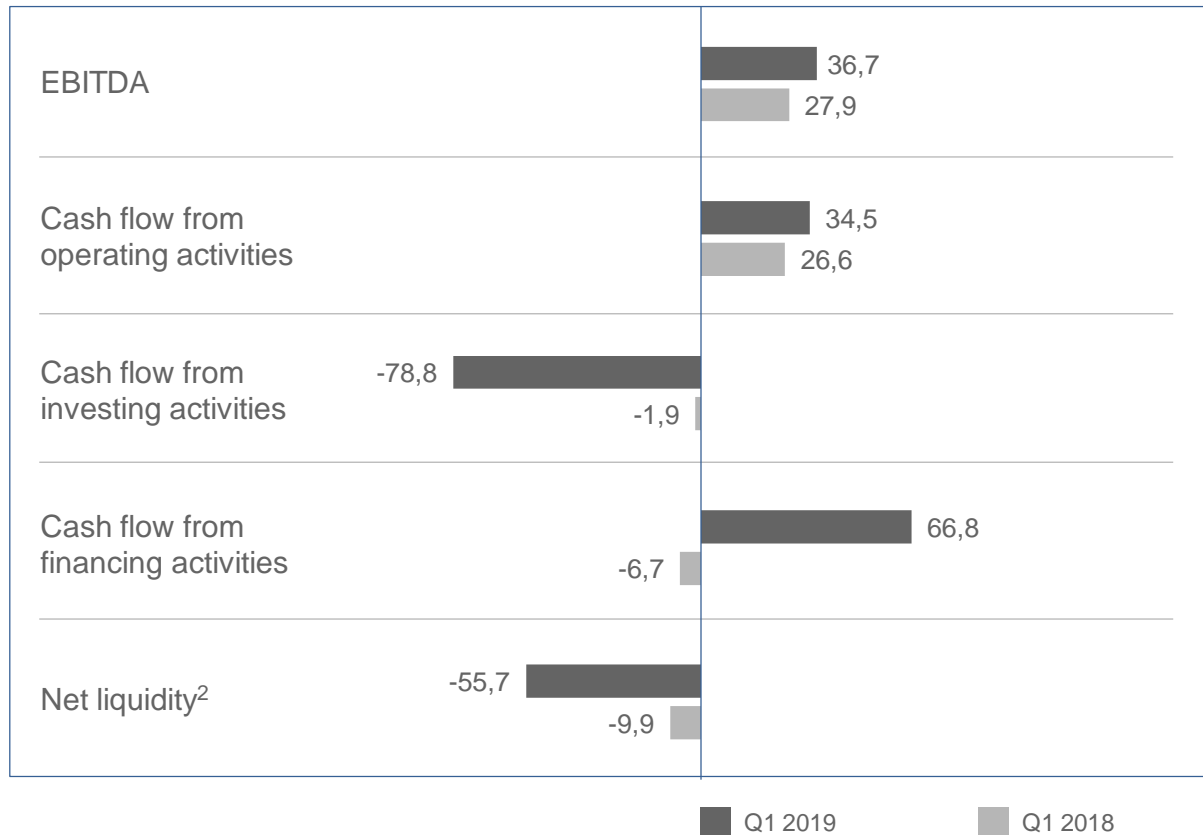
Segment	Q1 2018 (%)	Q1 2019 (%)
Design	24.1%	28.5%
Build	31.5%	31.8%
Manage	17.6%	15.6%*
Media & Entertainment	44.3%	40.7%

- Strong growth in Q1, also driven by BAU 2019
Adjusted EBITDA margin (IFRS 16): 26.1% while investing in future growth
Reclassification of Solibri from Build to Design
- Still strong growth with focus on international markets
Adjusted EBITDA margin (IFRS 16): 28.4%
- *EBITDA margin w/o € 1.5m acquisition related cost
Reported EBITDA margin: -2.6%
Organic growth: +11.7%
Contribution Spacewell: € 6.0m
- Accelerated growth
Adjusted EBITDA margin (IFRS 16): 39.4% because of acquisition related costs for Redshift

Strong Cash Conversion Allows Further Investment in Organic Growth and Strategic M&A

94.1% High cash conversion rate¹

in m€



Comments

| +31.4% - partly influenced by IFRS 16
| Adjusted growth (IFRS 16): +18.5%

| +30.0%
| Strong development based on good operative performance

| - € 5.6m in Capex as planned
| - € 73.3m for acquisition

| - € 10.5m repayment of loans
| +€ 80.4m new loans for acquisitions

¹ Operating cash flow/EBITDA | ² Previous year = End of 2018

Investment Focus: Our Strategic Investments Are Going on in 2019



3 Strategic initiatives to drive next-generation solutions



1. From Design to Build

- | Targeting large customers by connecting the competences of brands
- | Disruptive workflow for design collaboration
- | Growing positioning in infrastructure

2. Transformative construction solutions

- | Connected solutions to digitalize workflows and leverage construction project data in new ways
- | Empower file users with mobile solutions

3. Smart Building Platform

- | Creating an integrated portfolio for the total building management lifecycle
- | Closing the loop towards design & build
- | Multi-source intelligent data hub for improving building, people and service performance

Internationalization



Enter adjacent markets

- | Leverage regional market leadership and competencies across brands
- | Investments in local market presence, resources, and end-to-end localized customer experience

Focus on markets with biggest potential

- | USA followed by Europe and Asia

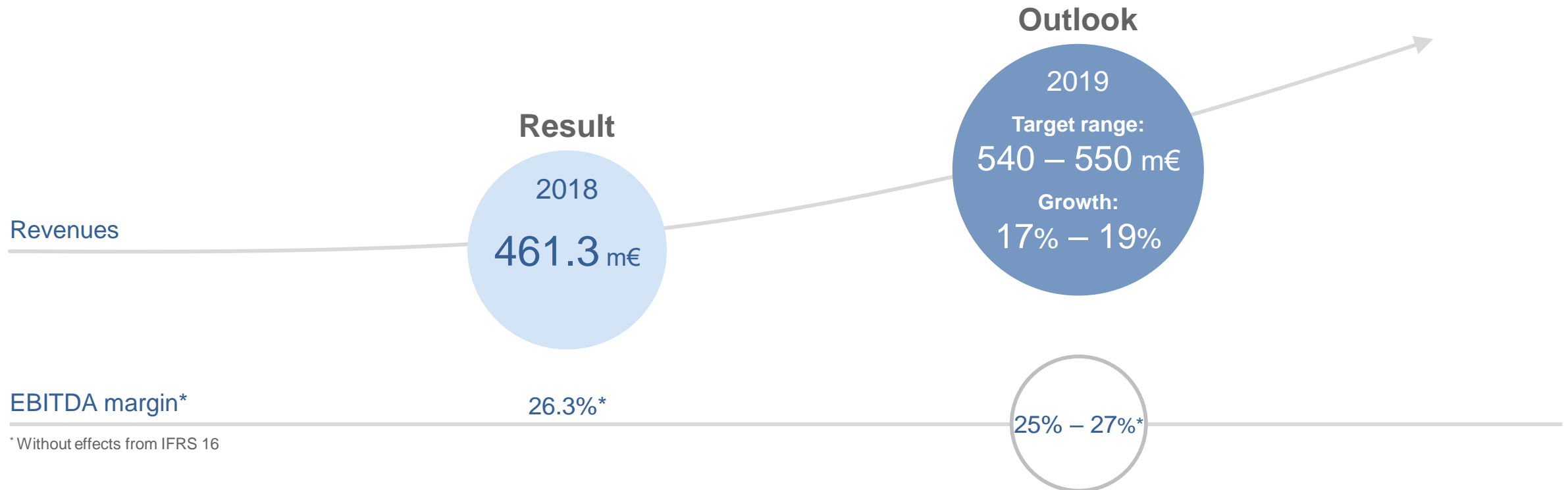
Operational excellence



Increase efficiency

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

Outlook 2019: Strong Double-Digit Growth While Maintaining a High EBITDA Margin Confirmed



* Without effects from IFRS 16

- | Revenues range: € 540 – 550m, strong growth of 17% – 19%
- | EBITDA margin: on sustainable level of 25% – 27%*
- | Investments 2019: additional € 10-12m to leverage future growth

Appendix



P+L statement Q1 2019 comparison

€m	Q1 2019	Q1 2018	% YoY
Revenues	129.9	102.2	+27.1%
Own work capitalized/other operating income	1.6	1.0	+64.7%
Operating income	131.5	103.2	+27.4%
Cost of materials/purchased services	-4.3	-3.3	+32.8%
Personnel expenses	-57.3	-45.1	+26.9%
Other operating expenses	-33.2	-26.9	+23.6%
Operating expenses	-94.8	-75.3	+26.0%
EBITDA	36.7	27.9	+31.4%
Margin	28.2%	27.3%	
Depreciation and amortization	-9.8	-5.3	+85.5%
t/o right-of-use assets	-3.4	0.0	
t/o PPA	-4.0	-3.4	+19.9%
EBITA (normalized EBIT)	30.9	26.0	+18.9%
EBIT	26.8	22.6	+18.7%
Financial result	-0.5	-0.1	
t/o Interest expenses right-of-use assets	-0.4	0.0	
EBT	26.3	22.5	+16.9%
Income taxes	-6.7	-5.5	+21.4%
Non-controlling interests	0.0	-0.6	
Net income (group shares)	19.6	16.4	+19.7%
EPS in EUR	0.51	0.43	+19.7%

Balance sheet – Assets

€m	March 31, 2019	December 31, 2018
Assets		
Cash and cash equivalents	144.7	120.7
Trade receivables, net	63.2	55.8
Inventories	1.4	1.2
Other current assets	26.2	24.6
Current assets, total	235.6	202.2
Property, plant and equipment	21.0	17.6
Right-of-use assets	68.3	0.0
Intangible assets	133.2	102.1
Goodwill	299.3	244.3
Other non-current assets	13.7	14.3
Non-current assets, total	535.5	378.3
Total assets	771.1	580.6

Balance sheet – Equity and liabilities

€m	March 31, 2019	December 31, 2018
Equity and liabilities		
Short-term borrowings and current portion of long-term loans	59.4	56.3
Trade payables & accrued liabilities	40.8	53.5
Deferred revenue	124.3	95.1
Current lease liability	11.0	0.0
Other current assets	21.6	17.3
Current liabilities, total	257.0	222.3
Long-term borrowings without current portion	141.0	74.3
Deferred tax liabilities	24.5	17.2
Non-current lease liability	58.9	0.0
Other non-current liabilities	16.7	17.2
Non-current liabilities, total	241.2	108.7
Subscribed capital and capital reserve	51.0	51.0
Retained earnings	231.6	212.1
Other comprehensive income	-9.8	-13.6
Non-controlling interests	0.1	0.1
Equity, total	272.9	249.6
Total equity and liabilities	771.1	580.6

Cash flow statement

€m	March 31, 2019	March 31, 2018	% YoY
Cash and cash equivalents at the beginning of the period	120.7	104.0	+16.2%
Cash flow from operating activities	34.5	26.6	+30.0%
Cash flow from investing activities	-78.8	-1.9	
t/o CapEX	-5.6	-1.9	
t/o Cash paid for business combinations	-73.3	0.0	
Cash flow from financing activities	66.8	-6.7	
t/o Repayments of borrowings	-10.5	-6.5	
t/o Changes in bank liabilities due to company acquisitions	80.4	0.0	
t/o Principal elements of lease payments	-2.4	0.0	
FX-effects	1.5	-1.1	
Cash and cash equivalents at the end of the period	144.7	120.9	+21.7%
Free cash flow¹	-44.3	24.7	
Free cash flow¹ (w/o acquisition effects)	29.0	24.7	+17.4%

¹ Operating cash flow – Investing cash flow



Safe Harbor Statement

Each of the presentations today will contain forward-looking statements about our strategies, products, future results, performance or achievements, financial, operational and otherwise, including statements about our strategic priorities, guidance and our mid-term goal, our M&A strategy, and our capital allocation initiatives. These statements reflect management's current expectations, estimates and assumptions based on the information currently available to us. These forward-looking statements are not guarantees of future performance and involve significant risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from results, performance or achievements expressed or implied by the forward-looking statements contained in these presentations.

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