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Following a successful Financial Year 2023, Nemetschek Group targets continued highly profitable double-digit growth for FY 2024

- All financial targets for 2023 fully achieved or exceeded
- Revenue growth of 8.0% (currency-adjusted) and EBITDA margin of 30.3% at the upper end of the increased guidance range
- +26.7% ARR growth to EUR 718.6 million
- +51.1% growth in Subscription & SaaS to EUR 301.8 million
- Outlook 2024: Currency-adjusted revenue growth of 10% to 11%

- **despite continued sub-scription/SaaS transition; attractive EBITDA margin targeted in the range of 30% to 31%**
Ambition 2025: Further acceleration of growth

Munich, March 21, 2024 - The Nemetschek Group, global provider of software solutions for the building and media industries, is optimistic for the current year after a successful financial year 2023. For 2024, the MDAX and TecDAX-listed Group is expecting a return to a currency-adjusted double-digit growth in the range of 10% to 11%. The EBITDA margin is forecasted to remain at a high 30% to 31% range.

Nemetschek will therefore continue its successful growth path also in the current financial year, despite a partially challenging economic market environment and the ongoing transition of the business model to subscription and SaaS models, which has a short-term dampening effect on revenue and earnings. For 2025, Nemetschek expects an even more dynamic growth in the mid-teens range.

"Nemetschek remains on its growth path. In 2023, we met or exceeded our targets for all key performance indicators and set the course for growth in the coming years," says **Yves Padrines, CEO of the Nemetschek Group**. " Especially in the current challenging market environment, particularly in the European construction industry, the inner strength and resilience that characterizes our business model are clearly demonstrated. We aim to strengthen this resilience even more by continuing to internationalize, significantly increase our recurring revenues and drive innovation. This also includes our numerous ongoing initiatives relating to new technologies such as AI, cloud offerings or digital twins. As a driver of these future success factors, we will continue to benefit as much as possible from the enormous potential of our markets, both in the construction and media business."

Key figures for the financial year 2023

- **Group revenue** increased by 6.2% to EUR 851.6 million; adjusted for currency effects, growth amounted to 8.0%. The currency-adjusted growth was therefore at the upper end of the already in October 2023 increased guidance range of 6% to 8% (previously 4% to 6%).

- **Annual recurring revenue (ARR)** increased by 23.5% (constant currency: 26.7%) to EUR 718.6 million. The ARR growth was therefore well above the revenue growth, which indicates a significant growth potential in the coming twelve months.
- In line with the Group's strategy, the **share of recurring revenues** as a percentage of total revenue increased strongly by 10 percentage points year-over-year to 76.6%. The main growth drivers were once again the revenues from **Subscription & SaaS models**, which increased over-proportionally by 47.8% (currency-adjusted: 51.1%) to EUR 301.8 million.
- **Group operating earnings before interest, taxes, depreciation, and amortization (EBITDA)** increased to EUR 257.7 million (previous year: EUR 257.0 million) despite the ongoing subscription and SaaS transition. The EBITDA margin of 30.3% was at the upper end of the forecast corridor of 28% to 30%.
- **Net income** for the year reached the previous year's level (EUR 161.9 million) with EUR 161.3 million. Consequently, also the earnings per share remained unchanged compared to the previous year at EUR 1.40.
- Based on the positive business performance for the financial year 2023, the Executive Board and the Supervisory Board will propose an **increase of the dividend** to EUR 0.48 per share (previous year: EUR 0.45 per share) to the Annual General Meeting. This would represent the eleventh consecutive dividend increase of the Nemetschek Group.

Strategic Highlights in FY 2023

- The Group-wide **transition from perpetual license sales to subscription and SaaS** is proceeding successfully according to plans, which is reflected in the very high share of recurring revenue (76.6%) as a percentage of total revenue.
- The Nemetschek Group has continued its commitment to **innovation** in future topics such as cloud solutions, digital twins and artificial intelligence (AI). With the launch of the horizontal, open and cloud-based SaaS platform dTwin, Nemetschek is revolutionizing the AEC/O industry. dTwin is the industry's first solution for data-driven decisions that helps customers operate buildings more efficiently and sustainably from the design stage

through to operation.

- Nemetschek also continues to invest in **highly innovative start-ups** that have the potential to develop groundbreaking and innovative solutions. In 2023, investments were made in companies such as Stylib, LiveCosts, Briq, Preoptima and SmartPM, which use AI and new technologies to make the building process more efficient.
- Nemetschek continued to concentrate on the group-wide **go-to-market approach** and its focus on the market segment of larger, multinational, and multidisciplinary customers. In order to achieve this and also to drive regional growth initiatives forward, the individual Group brands will be even better integrated under the umbrella of the Nemetschek Group. At the same time, this enables Nemetschek to serve existing customers even better and to address new customer groups.
- By optimizing its business structures and processes as part of its **Business Enablement Initiative**, the Nemetschek Group further increased its internal efficiency in 2023 and therefore laid the foundation to make the best possible use of the future growth potential.

Development of segments in 2023 (see table)

- In the **Designsegment**, revenue grew by 8.6% (currency-adjusted: 9.7%) to EUR 423.3 million, despite the ongoing transition of the business model and a challenging market environment, particularly in Europe, combined with longer sales cycles. The segment recorded a very strong growth of 45.9% (currency-adjusted: 48.2%) in subscription and SaaS revenues. The EBITDA margin reached 28.4% (previous year: 29.7%) despite transition related impacts.
- In the **Build segment**, the transition to subscription and SaaS models of the Bluebeam brand continues to be very successful. As a result, revenue in this category more than doubled in FY-23. As expected, the ongoing transformation and its accounting-related effects had a short-term dampening effect on revenue growth. Revenues therefore increased only by 2.1% (currency-adjusted: 4.8%) to EUR 265.4 million (previous year: EUR 259.9 million). Despite the transition, the EBITDA margin remained at

high 35.1% (previous year: 36.6%).

- In the **Media segment**, revenue increased by 6.4% (currency-adjusted: 8.6%) to EUR 111.4 million. The prolonged strikes in the film and TV industry in Hollywood had a negative effect on the media industry during the year, which was also felt by the Maxon brand. At 18.6% (currency-adjusted: 21.1%), subscription revenue increased significantly faster than revenue. The EBITDA margin remained at a high level and reached 38.7% (previous year: 39.9%).
- In the **Manage segment**, revenue amounted to EUR 59.1 million, representing a growth of 8.0% (currency-adjusted: 9.8%). The EBITDA margin was at 2.3% (previous year: 7.8%), impacted by investments in the new Digital Twin business unit.

Outlook 2024 and Ambition 2025: Further Acceleration of Growth and high-quality earnings

For the current **financial year 2024**, the Nemetschek Group does not anticipate an improvement in the economic environment, particularly in Germany and Europe. Nevertheless, the Executive Board is confident that Nemetschek will once again be able to set itself apart from this environment and continue on its growth path. Innovation leadership, sales strength, customer proximity and targeted investments in start-ups and innovative companies paired with high operational excellence build a strong foundation for this development.

The currency-adjusted revenue growth in 2024 is expected to be in the double-digit percentage range at 10 to 11%. The growth in annual recurring revenue (ARR) is forecasted to grow by around 25%, so significantly faster than Group revenues. The share of recurring revenue as a percentage of total revenue is expected to increase further to around 85% in 2024. The EBITDA margin is forecasted to be in the high range of 30% to 31%.

Following the further successful transition of the business to Subscription/SaaS, Nemetschek expects a further increase in growth momentum and a revenue growth in the mid-teens for the **financial year 2025**, which is significantly above the expected market average.

The guidance is based on the assumption that the global macroeconomic or sector-specific conditions will not deteriorate significantly in 2024. Furthermore, no additional potential negative effects from the current developments in the Middle East conflict and the ongoing war in Ukraine are reflected in the outlook.

Overview of quarterly key figures (Q4-23)

In EUR million	Q4 2023	Q4 2022	Δ in %	Δ in % FX-adj
ARR	718.6	581.7	+23.5%	+26.7%
Revenues	219.6	203.0	+8.2%	+10.9%
- thereof software licenses	29.1	46.3	-37.1%	-35.5%
- thereof recurring revenues	179.6	145.4	+23.5%	+26.7%
- Subscription + SaaS (part of recurring revenue)	92.5	57.3	+61.4%	+66.1%
EBITDA	69.2	55.7	+24.3%	+27.1%
Margin	31.5%	27.4%		
EBIT	55.6	40.5	+37.1%	
Margin	25.3%	20.0%		
Net income (Group shares)	47.1	34.0	+38.6%	
Earnings per share in EUR	0.41	0.29	+38.6%	
Net income (Group shares) before amortization of purchase price allocation (PPA)	55.5	41.4	+34.0%	
Earnings per share before PPA in EUR	0.48	0.36	+34.0%	

Overview of quarterly key figures per segment* (Q4-23)

In EUR million	Q4 2023	Q4 2022	Δ in %	Δ in % FX-adj.
Design				
Revenues	111.5	103.8	+7.4%	+9.1%
EBITDA	34.5	28.9	+19.2%	+18.1%
EBITDA margin	30.9%	27.8%		
Build				
Revenues	63.9	57.4	+11.4%	+16.0%
EBITDA	20.8	13.0	+59.6%	+69.7%
EBITDA margin	32.5%	22.7%		
Manage				
Revenues	17.0	14.8	+14.7%	+16.5%
EBITDA	1.4	1.5	-6.6%	-9.1%
EBITDA margin	8.2%	10.1%		
Media				
Revenues	29.2	29.0	+0.9%	+3.8%
EBITDA	12.6	12.3	+2.6%	+8.0%
EBITDA margin	43.1%	42.3%		

12-month overview of Group key figures (FY-23)

In EUR million	FY 2023	FY 2022	Δ in %	Δ in % FX-adj
ARR	718.6	581.7	+23.5%	+26.7%
Revenues	851.6	801.8	+6.2%	+8.0%
- thereof software licenses	161.1	233.1	-30.9%	-29.8%

- thereof recurring revenues	652.7	532.6	+22.5 %	+24.7%
- Subscription + SaaS (part of recurring revenue)	301.8	204.2	+47.8 %	+51.1%
EBITDA	257.7	257.0	+0.3 %	+4.2%
Margin	30.3%	32.0%		
EBIT	199.5	198.1	+0.7 %	
Margin	23.4%	24.7%		
Net income (Group shares)	161.3	161.9	-0.4 %	
Earnings per share in EUR	1.40	1.40	-0.4%	
Net income (Group shares) before amortization of purchase price allocation (PPA)	183.8	186.9	-1.6 %	
Earnings per share before PPA in EUR	1.59	1.62	-1.6%	

12-month overview of the segments' key figures* (FY-23)

In EUR million	FY 2023	FY 2022	Δ in %	Δ in % FX-adj.
Design				
Revenues	423.3	389.9	+8.6%	+9.7%
EBITDA	120.2	115.7	+3.9%	+7.6%
EBITDA margin	28.4%	29.7%		
Build				
Revenues	265.4	259.9	+2.1%	+4.8%
EBITDA	93.1	95.2	-2.3%	+2.3%
EBITDA margin	35.1%	36.6%		
Manage				
Revenues	59.1	54.7	+8.0%	+9.8%
EBITDA	1.4	4.3	-67.9%	-72.3%

EBITDA margin	2.3%	7.8%		
Media				
Revenues	111.4	104.7	+6.4%	+8.6%
EBITDA	43.1	41.8	+3.0%	+7.3%
EBITDA margin	38.7%	39.9%		

*As a result of the strategic reorganization of brands between the Build and Manage segments, prior year figures were adjusted for comparable reasons. In addition, the consolidation column has been allocated directly to the segments since January 1, 2023 (incl. prior-year adjustment).

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About the Nemetschek Group

The Nemetschek Group is a globally leading provider of software for digital transformation in the AEC/O and media industries. Its intelligent software solutions cover the entire life cycle of construction and infrastructure projects and allow creatives to optimize their workflows. Customers can plan, construct, and manage buildings and infrastructure more efficiently and sustainably, and develop digital content such as visualizations, films, and computer games in a creative way. The software company drives innovation such as digital twins as well as open standards (OPEN BIM) and sustainability in the AEC/O industries and is continuously expanding its portfolio, including through investments in start-ups. More than 7 million users are currently designing the world with the customer-focused solutions of our four segments. Founded by Prof. Georg Nemetschek in 1963, the Nemetschek

Group today employs more than 3,400 experts.

The company, which has been listed in the MDAX and TecDAX since 1999, achieved a revenue of EUR 851.6 million and an EBITDA of EUR 257.7 million in 2023.

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