

NEMETSCHEK GROUP
Annual Report 2021

March 2022

2021 Financials: Record results in all key performance indicators

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Nemetschek Group: Excellent year 2021 - Double-digit growth with a high profitability expected in 2022

2021 Financials: Record results in all key performance indicators

- **+14.2% revenue growth (currency-adjusted: +15.6%) to EUR 681.5 million**
- **+46.0% increase in subscription/SaaS revenue to EUR 132.0 million**
- **+28.8% EBITDA growth to EUR 222.0 million, EBITDA margin expansion to 32.6%**

- **+38.9% growth in earnings per share to EUR 1.17**
- **Positive outlook for 2022: Revenue growth at constant currencies of 12% to 14% at an EBITDA margin between 32% and 33%**

Munich, March 22, 2022 - The Nemetschek Group, a leading global provider of software solutions for the construction and media industries, continues to be positive for 2022 after a very successful fiscal year 2021. For 2022, the Group listed in the MDAX as well as TecDAX expects a strong increase in currency-adjusted revenues in the range of 12% to 14%. Simultaneously, Nemetschek will pursue the strategic goal of further increasing its recurring revenues, in particular by transitioning to subscription and software as a service (SaaS) models, which have already been a main growth driver in 2021 with a revenue increase of around 48%. The EBITDA margin is expected to remain at a high level between 32% to 33% in 2022. Nemetschek will therefore continue its long-standing growth record also in 2022.

"In 2021, Nemetschek once again impressively demonstrated its status as one of the leading software providers in the world for all phases in the construction process. In addition to the construction sector, we are also addressing a series of highly attractive markets with our fast-growing Media & Entertainment segment" says Yves Padrines, CEO of the Nemetschek Group. "I am therefore convinced that the growth and earnings potential of our Group remains huge, also given the currently still low levels of digitalization in our industries. My ambition is to bring the company into the next growth phase. We will therefore significantly strengthen our sales power in the coming years, use new technologies such as digital twins, AI, machine learning as well as virtual reality while continuing to invest in highly innovative start-ups, thus continuing Nemetschek's development and further strengthen its unique reputation in the software industry."

Key Group figures for 2021

- **Group revenues** increased by 14.2% (currency-adjusted: 15.6%) to EUR 681.5 million. The growth at constant exchange rates was therefore slightly above the forecasted corridor of 12% to 14% which was already increased in July 2021.

- As in previous years, revenues from **subscription/SaaS** were a key growth driver with an increase of 46.0% (currency-adjusted: 47.7%) to EUR 132.0 million. Consequently, the share of recurring revenues which includes service contracts as well as rental models increased further to 61.1% of group revenues.
- Consolidated **operating earnings before interest, taxes, depreciation and amortization (EBITDA)** grew over-proportionally compared to revenues by 28.8% to EUR 222.0 million. As a result, the **EBITDA margin** expanded by 3.7 percentage points to 32.6%. This result was above the forecasted corridor of 30% to 32%, which was raised in July.
- **Net income** (Group shares) increased by 38.9% to EUR 134.6 million. Accordingly, **earnings per share** grew to EUR 1.17 (2020: EUR 0.84 per share).
- The increase in **cash conversion** to 96.6% (previous year: 91.4%) as well as the **equity ratio** of 51.4% demonstrate the Group's very healthy financial position, which is geared towards further growth.
- The Executive Board and the Supervisory Board propose a **dividend** of EUR 0.39 per share for the financial year 2021, corresponding to an increase of 30%.

Strategic focus areas in 2021

In addition to the very strong operational performance, the Nemetschek Group also achieved important strategic progress in 2021:

- In the **Media & Entertainment** segment, Nemetschek significantly expanded its product portfolio and customer base following the successful subscription conversion and integration of the US acquisitions of Redshift and Red Giant by Maxon. In addition, Maxon further strengthened its position by acquiring Pixologic, a leading provider of 3D sculpting and painting software. Maxon has thereby solidified its leading position in the dynamically growing 3D animation market, which is currently estimated to be around EUR 16 billion.
- In 2021, Nemetschek invested in three young and highly innovative **start-**

ups from Germany, the USA, and Norway in order to further increase its innovative strength and to cover important future topics such as digital twins, real-time project monitoring or quality control based on AI at an early stage.

- With the **merger** of selected brands, know-how and capacities were bundled with the goal to offer customers more integrated solutions from a single source in the future while simultaneously increasing the internal efficiency.

Overview segment performances and highlights in 2021

- In the **Design segment**, revenues increased at a double-digit rate of 11.7% (currency-adjusted: 12.7%) to EUR 351.8 million in 2021. Subscription revenues contributed to this growth with a strong increase of 61.1%. The segment EBITDA grew over-proportionally compared to revenues by 24.1% to EUR 118.9 million. The corresponding EBITDA margin consequently improved by 3.4 percentage points to 33.8%.

- In the **Build segment**, revenues increased by 14.9% (currency-adjusted: 17.1%) to EUR 221.8 million. The growth was mainly driven by the strong demand of international customers and SMEs for collaboration, cloud and mobile solutions. At the same time, cloud and mobile capabilities were further enhanced in order to make the transition to subscription/cloud starting in H2-2022 as attractive as possible. The EBITDA increased significantly by 31.0% to EUR 91.8 million, corresponding to an EBITDA margin of 41.4% (previous year: 36.3%).

- The **Media & Entertainment** segment recorded a strong increase in revenues of 27.7 % (currency-adjusted: 29.8 %) to EUR 70.5 million. The significantly increased customer base Maxon has gained through its flagship product Maxon ONE and the successful conversion to subscription were important success factors. EBITDA grew faster than revenues to EUR 25.5 million, and the EBITDA margin increased by 8.1 percentage points to 36.2%.

- In the **Manage segment**, revenues increased by 7.0% to EUR 43.7 million. Just like in the previous year, Covid-19 led to a continued restraint demand from the important customer group of facility managers. The EBITDA increased by 10.1% to EUR 4.1 million.

Outlook 2022

The Nemetschek Group will continue to develop its successful business model by remaining focused on innovation leadership, its sales strength, its customer proximity as well as by means of targeted investments in start-ups and innovative companies. Thanks to the enormous market potential along with the unchanged fundamental growth drivers, Nemetschek's executive board looks positively into 2022.

The executive board therefore expects a revenue growth at constant exchange rates in the range of 12% to 14% for the Group in fiscal year 2022. The benefits of the stronger shift to subscription/SaaS models will additionally lead to a higher value generation and further accelerate the Group's growth in the coming years. The EBITDA margin is targeted to be between 32% and 33%.

The outlook is based on the assumption that there will be no significant deterioration in the global macroeconomic as well as industry-specific conditions in 2022, in particular in the light of the recent growing global economic risk due to the war in Ukraine.

Overview of quarterly key figures (Q4)

In EUR million	Q4 2021	Q4 2020	Δ in %	Δ in % FX-adj
Revenues	187.9	160.1	+17.4%	+15.2%
- thereof software licenses	65.9	58.0	+13.5%	+11.3%
- thereof recurring revenues	114.1	93.6	+21.9%	+19.6%
- Subscription (part of recurring revenues)	38.9	26.9	+44.6%	+41.8%

EBITDA	61.7	43.0	+43.5%	+38.5%
Margin	32.9%	26.9%		
EBIT	49.0	30.4	+61.1%	+56.5%
Margin	26.1%	19.0%		
Net income (Group shares)	37.8	29.2	+29.5%	
Earnings per share in EUR	0.33	0.25	+29.5%	
Net income (Group shares) before amortization of purchase price allocation (PPA)	42.1	33.2	+26.8%	
Earnings per share before PPA in EUR	0.36	0.29	+26.8%	

Overview of quarterly key figures per segment (Q4)

In EUR million	Q4 2021	Q4 2020	Δ in %	Δ in % FX-adj.
Design				
Revenues	97.8	85.6	+14.2%	+13.1%
EBITDA	35.8	19.7	+81.5%	+77.7%
EBITDA margin	36.6%	23.0%		
Build				
Revenues	60.7	48.7	+24.5%	+20.4%
EBITDA	23.4	15.2	+53.8%	+46.1%
EBITDA margin	38.5%	+31.2%		
Manage				
Revenues	10.8	11.7	-7.7%	-7.9%
EBITDA	0.8	-0.4	-	-
EBITDA margin	7.9%	-3.6%		

Media & Entertainment				
Revenues	20.5	15.9	+29.0%	+26.3%
EBITDA	6.8	4.1	+62.8%	+51.0%
EBITDA margin	33.0%	26.2%		

Overview of full year key figures

In EUR million	12M 2021	12M 2020	Δ in %	Δ in % FX-adj
Revenues	681.5	596.9	+14.2%	+15.6%
- thereof software licenses	234.8	210.0	+11.8%	+13.4%
- thereof recurring revenues	416.7	359.0	+16.1%	+17.5%
- Subscription (part of recurring revenues)	132.0	90.4	+46.0%	+47.7%
EBITDA	222.0	172.3	+28.8%	+30.4%
Margin	32.6%	28.9%		
EBIT	172.0	122.5	+40.4%	+42.3%
Margin	25.2%	20.5%		
Net income (Group shares)	134.6	96.9	+38.9%	
Earnings per share in EUR	1.17	0.84	+38.9%	
Net income (Group shares) before amortization of purchase price allocation (PPA)	153.9	115.2	+33.6%	
Earnings per share before PPA in EUR	1.33	1.00	+33.6%	

Overview of full year key figures per segment

In EUR million	12M 2021	12M 2020	Δ in %	Δ in % FX-adj.
Design				
Revenues	351.8	314.9	+11.7%	+12.7%
EBITDA	118.9	95.9	+24.1%	+24.6%
EBITDA margin	33.8%	30.4%		
Build				
Revenues	221.8	193.0	+14.9%	+17.1%
EBITDA	91.8	70.1	+31.0%	+32.9%
EBITDA margin	41.4%	36.3%		
Manage				
Revenues	43.7	40.9	+7.0%	+6.9%
EBITDA	4.1	3.7	+10.1%	+4.8%
EBITDA margin	9.3%	9.0%		
Media & Entertainment				
Revenues	70.5	55.2	+27.7%	+29.8%
EBITDA	25.5	15.5	+64.3%	+64.8%
EBITDA margin	36.2%	28.1%		

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The Nemetschek Group is a pioneer for digital transformation in the AEC/O and the media & entertainment industries. With its intelligent software solutions, it covers the entire lifecycle of building and infrastructure projects, guides its customers into the future of digitalization and enables them to shape the world. As one of the leading corporate groups worldwide in this sector, the Nemetschek Group increases quality in the building process and improves the digital workflow for all those involved. Customers can design, build, and manage buildings more efficiently, sustainably and resource-saving. The focus is on the use of open standards (OPEN BIM). The portfolio also includes digital solutions for visualization, 3D modeling, and animation. The innovative products of the 13 brands of the Nemetschek Group in the four customer-oriented segments are used by approximately 6.5 million users worldwide. Founded by Prof. Georg Nemetschek in 1963, the Nemetschek Group today employs around 3,400 experts all over the world.

Publicly listed since 1999 and quoted on the MDAX and TecDAX, according to preliminary figures, the company achieved revenue amounting to EUR 681.5 million and an EBITDA of EUR 222.0 million in 2021.

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