

+25.4%

ANNUAL RECURRING
REVENUE (ARR) growth
to EUR 664.0 million

+48.6%

growth in Q3
in subscription and SaaS
to EUR 77.4 million

32.5%

EBITDA MARGIN
in Q3

ALLPLAN

BLUEBEAM

CREMSOLUTIONS

dRofus

dTwin

FRILO

GRAPHISOFT

MAXON

NEVARIS

RISA

SCiA

SOLIBRI

SPACEWELL

VECTORWORKS

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Nemetschek Group: Q3 2023 shows strong, profitable growth – increased revenue guidance for financial year 2023

- **+48.6% currency-adjusted growth in Q3 in Subscription/SaaS to EUR 77.4 million**
- **+25.4% ARR growth (constant currency) in Q3 to EUR 664.0 million**
- **+12.6% revenue growth (constant currency) to EUR 219.8 million**
- **+20.2% EBITDA growth (constant currency) to EUR 71.4 million, EBITDA margin increases to 32.5% in Q3**
- **Revenue guidance for full year 2023 increased, EBITDA margin expected at upper end of guidance**

Munich, October 26, 2023 - The Nemetschek Group, a leading global software provider for digital transformation in the construction and media industries, reported strong, profitable growth in the third quarter of 2023. Based on the successful operational development so far, the Executive Board has increased the revenue guidance for the financial year 2023 and specified the guidance for the EBITDA margin. The currency-adjusted revenue growth compared to the previous year is now expected in a range between 6% and 8% (previously: between 4% and 6%). In addition, Nemetschek expects that the EBITDA margin for the financial year 2023 will be at the upper end of the previously communicated guidance range of 28% to 30%.

In addition to the favorable operational development, the high growth in the third quarter was partly attributable to catch-up effects from the second quarter as well as one-off effects in the Design and Build segments.

"Our strong third quarter shows that the Nemetschek Group remains clearly on a growth path while simultaneously transitioning to a subscription and SaaS business model and despite the challenging economic environment," said **Yves Padrines, CEO of the Nemetschek Group**. "We continue to consistently implement our strategy of generating value-added growth and accelerating the digital transformation and the shift to a more sustainable future for our customers. With our new and strong executive leadership team, I look very positively into the future. We will continue to leverage the great potential in our markets and consistently drive our strategic focus topics such as the ongoing subscription and SaaS transformation, the further internationalization, the increase of our internal efficiency, and new technologies. We recently introduced our new horizontal, open and data-driven cloud-based digital twin platform dTwin to the market. Additional innovations and features in the area of artificial intelligence and sustainability will follow."

Group Key Performance Indicators in Q3 and the First Nine Months 2023

- The main growth driver in Q3 was once again the revenue from **subscription and SaaS offerings**, which grew significantly over-proportionally compared to Group revenues by 42.3% (currency-adjusted: 48.6%), to a record high of EUR 77.4 million. With a growth of 42.6% (currency-adjusted: 45.2%), this revenue category increased to EUR 209.3 million in the first nine months of 2023 (prior-year period: EUR 146.8 million).
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Annual recurring revenue (ARR) increased by 20.6% (currency-adjusted: 25.4%) to EUR 664.0 million. The ARR growth, which significantly exceeded the increase in revenues, indicates a high growth potential for the next 12 months.

- In line with the Group's strategy, **recurring revenue** as a percentage of total revenue increased to 74.8% in the first nine months of 2023 (previous year: 64.6%).
- **Group revenue** in Q3 increased by 8.4% year over year (currency-adjusted: 12.6%) to EUR 219.8 million despite simultaneously migrating to a subscription and SaaS-based business model. In addition to a better-than-expected operating performance, catch-up effects from Q2 2023 and higher-than-planned license sales in the Design and Build segments contributed to the high growth. The cumulative consolidated revenues increased to EUR 632.0 million in the first nine months of 2023 (9M 2022: EUR 598.9 million), resulting in a year over year growth of 5.5% (currency-adjusted: 7.1%).
- **Group operating earnings before interest, taxes, depreciation and amortization (EBITDA)** increased significantly by 13.6% (currency-adjusted: 20.2%) to EUR 71.4 million in Q3 (Q3 2022: EUR 62.9 million). The corresponding EBITDA margin in Q3 increased to 32.5% (prior-year quarter: 31.0%). From a nine-month perspective, EBITDA reached EUR 188.5 million, resulting in an EBITDA margin of 29.8% (prior-year period: 33.6%).
- **Net income** for the quarter increased by 16.1% in Q3 to EUR 45.0 million, resulting in earnings per share of EUR 0.39 (Q3 2022: EUR 0.34). Accumulated net income for the first nine months of 2023 was EUR 114.1 million while earnings per share reached EUR 0.99 (9M 2022: EUR 1.11).

Strategic Highlights

- The group-wide transition to **subscription and SaaS** continues to progress according to plan, which is reflected in the high share of recurring revenues of 74.8% compared to total revenues.
- In the third quarter, the Nemetschek Group presented its **newly formed Executive Leadership Team (ELT)** with industry experts for the next growth phase. With the further strengthening of the innovation and technology competence in the management team, Nemetschek will further strengthen its focus on strategic future topics such as innovations in the areas of digital twin,

artificial intelligence and sustainability and drive forward the further internationalization of its business.

- As a **driver of innovation**, Nemetschek focuses on new technologies. Just recently, Nemetschek introduced its new horizontal, data-driven, open and cloud-based Digital Twin platform dTwin, the first solution in the industry that fuses all data sources of a building in one overarching view. In addition, several new product releases were also launched, including brands such as Graphisoft, Allplan, Vectorworks, and Maxon. Furthermore, the company is currently working on various Artificial Intelligence initiatives.
- Additionally, Nemetschek continues to invest in innovative **start-ups**. In order to optimally utilize the competence of the young companies, several projects have already been started to integrate the technologies of the start-ups with the Nemetschek brands. In addition, joint sales channels are increasingly being leveraged.
- The further **internationalization** of the business as well as an intensified **go-to-market** approach with a stronger focus on the large customer segment are well underway.
- At the same time, Nemetschek continues to make progress in optimizing its business structures and increasing its **operational excellence**, with the aim of laying a strong foundation for future high growth.

Segment Developments in Q3 and First Nine Months 2023 (see Table)

- The **Design segment** recorded a growth of 11.8% (currency-adjusted: 14.5%) to EUR 107.8 million in Q3. In addition to the favorable operating development, the higher growth was partly driven by catch-up effects from the second quarter of 2023 and one-time effects from stronger-than-planned license sales. Driven by the favorable operational leverage, the EBITDA in Q3 increased over-proportionally by 25.4% to EUR 34.9 million, corresponding to an EBITDA margin of 32.4% (Q3 2022: 28.9%). From a nine-month perspective, revenues were up 9.0% (currency-adjusted: 9.9%) to EUR 311.9 million. The EBITDA margin reached 27.5% in the first nine months 2023 (9M 2022: 30.3%).
- In the **Build segment**, the transition to a subscription and SaaS-based business model at the Bluebeam brand continues to be

successful. As a result, the revenue for this category in the third quarter more than doubled year-over-year. The segment revenue in Q3 increased by 4.5% (currency-adjusted: 10.9%) to EUR 72.1 million (previous year: EUR 68.9 million), supported by a positive impact from the last-time sale of perpetual licenses for existing customers. The EBITDA margin in Q3 came in at 35.0% (Q3 2022: 36.2%). In the first nine months, revenues reached EUR 201.5 million and were thus with -0.5% (currency-adjusted: +1.7%) almost at the previous year's level (EUR 202.5 million). The EBITDA margin remained high at 35.9% in the first nine months despite the ongoing business model transition (9M 2022: 40.6%).

- In the **Media segment**, Q3 revenues increased by 9.0% (currency-adjusted: 13.6%) to EUR 28.1 million. The strikes in the film and TV industry in Hollywood affects the industry. On a nine-month basis, revenues amounted to EUR 82.2 million, a growth of 8.5% (currency-adjusted: 10.4%). The EBITDA margin after nine months was 37.1% (9M 2022: 39.0%).
- In the **Manage segment**, Q3 revenues amounted to EUR 13.7 million, a growth of 3.5% (currency-adjusted: 6.0%). In the first three quarters, revenues increased by 5.6% (currency-adjusted 7.4%) to EUR 42.1 million. The EBITDA margin of -0.1% in the first nine months of the year (9M 2022: 7.0%) continued to be burdened by investments in the new Digital Twin business unit.

Increase in revenue guidance for 2023, ambition for 2024 and 2025 confirmed

Based on the very positive business development, the Executive Board has increased the revenue guidance for fiscal year 2023 as already announced in the ad hoc release of October 23, 2023. The currency-adjusted revenue growth is now expected to be in a range between 6% and 8% (previously: 4% and 6%). The Executive Board expects the EBITDA margin to be at the upper end of the previously communicated range of 28% to 30%. Furthermore, it is still expected that the ARR growth will exceed 25% compared to the previous year, resulting in a share of recurring revenues in total revenues of more than 75% in 2023 (previous year: 66%). Furthermore, the Executive Board confirms the revenue and profitability ambitions for the financial years 2024 and 2025 communicated in March 2023.

The guidance is based on the assumption that the global macroeconomic or sector-specific conditions will not deteriorate significantly in 2023.

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 (Q3-23)

In EUR million	Q3 2023	Q3 2022	Δ in %	Δ in % FX-adj
ARR	664.0	550.6	+20.6%	+25.4%
Revenues	219.8	202.8	+8.4%	+12.6%
- thereof software licenses	44.0	56.6	-22.2%	-19.1%
- thereof recurring revenues	166.0	137.7	+20.6%	+25.4%
- Subscription + SaaS (part of recurring revenue)	77.4	54.4	+42.3%	+48.6%
EBITDA	71.4	62.9	+13.6%	+20.2%
Margin	32.5%	31.0%		
EBIT	56.6	48.0	+17.9%	
Margin	25.7%	23.7%		
Net income (Group shares)	45.0	38.8	+16.1%	
Earnings per share in EUR	0.39	0.34	+16.1%	
Net income (Group shares) before amortization of purchase price allocation (PPA)	50.9	45.5	+11.9%	
Earnings per share before PPA in EUR	0.44	0.39	+11.9%	

Overview of quarterly key figures per segment* (Q3-23)

In EUR million	Q3 2023	Q3 2022	Δ in %	Δ in % FX-adj.
Design				
Revenues	107.8	96.5	+11.8%	+14.5%
EBITDA	34.9	27.8	+25.4%	+30.2%
EBITDA margin	32.4%	28.9%		
Build				
Revenues	72.1	68.9	+4.5%	+10.9%
EBITDA	25.2	24.9	+1.2%	+10.1%
EBITDA margin	35.0%	36.2%		
Manage				
Revenues	13.7	13.3	+3.5%	+6.0%
EBITDA	0.0	0.5	-	
EBITDA margin	-0.1%	3.5%		
Media				
Revenues	28.1	25.8	+9.0%	+13.6%
EBITDA	11.3	9.7	+17.0%	+21.7%
EBITDA margin	40.2%	37.5%		

Overview of 9-month key figures (9M-23)

In EUR million	9M 2023	9M 2022	Δ in %	Δ in % FX-adj
ARR	664.0	550.6	+20.6%	+25.4%
Revenues	632.0	598.9	+5.5%	+7.1%
- thereof software licenses	132.0	186.7	-29.3%	-28.3%
- thereof recurring revenues	473.0	387.2	+22.2%	+24.0%

- Subscription + SaaS (part of recurring revenue)	209.3	146.8	+42.6 %	+45.2%
EBITDA	188.5	201.3	-6.4 %	-2.2%
Margin	29.8%	33.6%		
EBIT	143.9	157.6	-8.7 %	
Margin	22.8%	26.3%		
Net income (Group shares)	114.1	127.9	-10.8 %	
Earnings per share in EUR	0.99	1.11	-10.8 %	
Net income (Group shares) before amortization of purchase price allocation (PPA)	131.8	146.1	-9.8 %	
Earnings per share before PPA in EUR	1.14	1.26	-9.8 %	

Overview of 9-month key figures per segment* (9M-23)

In EUR million	9M 2023	9M 2022	Δ in %	Δ in % FX-adj.
Design				
Revenues	311.9	286.1	+9.0%	+9.9%
EBITDA	85.8	86.8	-1.2%	+4.0%
EBITDA margin	27.5%	30.3%		
Build				
Revenues	201.5	202.5	-0.5%	+1.7%
EBITDA	72.3	82.2	-12.1%	-8.4%
EBITDA margin	35.9%	40.6%		
Manage				
Revenues	42.1	39.9	+5.6%	+7.4%
EBITDA	0.0	2.8	-	

EBITDA margin	-0.1%	7.0%		
Media				
Revenues	82.2	75.8	+8.5%	+10.4%
EBITDA	30.5	29.6	+3.1%	+7.0%
EBITDA margin	37.1%	39.0%		

*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).

About the Nemetschek Group

The Nemetschek Group is a globally leading software provider for digital transformation in the AEC/O and media industries. Its intelligent software solutions cover the entire lifecycle of building and infrastructure projects and enable creatives to optimize their workflows. Customers can design, build, and manage buildings and infrastructures more efficiently and sustainably and develop digital content such as visualizations, films and computer games more creatively. The software provider is driving innovations such as digital twins as well as open standards (OPEN BIM), and sustainability in the AEC/O industry, constantly expanding its portfolio by also investing in deep-tech startups. Currently more than seven million users worldwide are shaping the world with the customer-focused solutions of our four divisions. Founded by Prof. Georg Nemetschek in 1963, the Nemetschek Group today employs around 3,600 experts globally.

Publicly listed since 1999 and quoted on the MDAX and TecDAX, the company generated revenues amounting to EUR 801.8 million and an EBITDA of EUR 257.0 million in 2022.

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