



NEMETSCHEK GROUP

## Quarterly Report Q3/2021

October 2021

Oct 28, 2021 05:12 UTC

# Nemetschek Group: Strong business development in Q3 2021 with high growth momentum in subscription/SaaS models

- **+48.0% revenue growth in subscription/SaaS models to EUR 34.5 million in Q3**
- **+13.9% Group revenue growth to EUR 169.3 million**
- **+16.4% EBITDA growth in Q3 to EUR 54.4 million, EBITDA margin increases to 32.1%**
- **+35.7% growth in earnings per share to EUR 0.30 in Q3**

## Previously raised 2021 guidance for revenue growth and EBITDA margin expected to be at the upper end of the target range

Munich, October 28, 2021 - The Nemetschek Group, one of the world's leading software providers for the construction industry, continued its strong business development and increased its revenues and earnings again in Q3 2021. Main driver was the subscription/software-as-a-service (SaaS) revenue which increased by 48% to a new record high, which in turn also continued to drive the positive development of the Group's recurring revenues.

"Our customers rely on the solutions of the Nemetschek Group for their digital transformation. Innovations and a strong customer focus are the key drivers for our sales success. This also includes our subscription and SaaS offerings," says Dr. Axel Kaufmann, Spokesman of the Executive Board and CFOO. " With the very good operational development in Q3, we have laid the foundation to achieve the upper end of our previously raised target ranges for both our revenue growth and EBITDA margin for the financial year 2021."

### Key Group Figures for Q3 / 9-month 2021

- A growth driver was once again the revenue contribution from our **subscription/SaaS models**, which increased by 48.0% in Q3 (currency-adjusted: 48.1%) to EUR 34.5 million. On a 9-month basis, revenues increased by 46.6% (currency-adjusted: 50.2%) to EUR 93.0 million. As a result, the revenue share of subscription/SaaS models as a percentage of total revenues increased from 14.5% to 18.8% within one year.
- **Recurring revenues**, which include service contracts as well as subscription/SaaS models, increased by 17.8% (currency-adjusted: 17.8%) to EUR 106.5 million in Q3. The accumulated recurring revenues in the first 9 months of the year increased to EUR 302.6 million, a growth of 14.0% (currency-adjusted: 16.7%). The share of recurring revenues as a percentage of total revenues therefore reached a new record high of 61.3% (previous year: 60.8%).
- **Group revenue** in Q3 grew by 13.9% (currency-adjusted: 13.8%) to EUR 169.3 million. In the first 9 months of the year, group revenue increased to EUR 493.6 million, corresponding to a growth of 13.0% (currency-adjusted: 15.7%) compared to the same period last year (EUR 436.8 million).
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**Group operating earnings before interest, taxes, depreciation and amortization (EBITDA)** increased over-proportionally by 16.4% in Q3 (currency-adjusted: 15.4%) to EUR 54.4 million. The high growth momentum as well as efficiency improvements led to an increase in the EBITDA margin to 32.1% (Q3 2020: 31.4%). On a 9-month-basis, the EBITDA margin expanded by 2.9 percentage points to 32.5% (previous year: 29.6%).

- **Net income for the quarter** increased significantly by 35.7% to EUR 34.2 million (previous year: EUR 25.2 million). As a result, **earnings per share** in Q3 increased to EUR 0.30 (previous year: EUR 0.22). The accumulated net income for the first 9 months of the year increased by 42.9% to EUR 96.8 million, corresponding to earnings per share of EUR 0.84 (previous year: EUR 0.59).

## Strategic Focus Areas

- In addition to the successful **subscription/SaaS** migration as well as the increase in recurring revenues, the strategic focus continues to be on the ongoing **internationalization** of the business. The success of this strategy is reflected in the over-proportional revenue growth in the international markets in Q3 (+17.1%).
- Simultaneously, Nemetschek continues to work on the reduction of the group's **complexity**. In addition to the targeted efficiency improvements within the Group, an additional goal is to offer customers better aligned solutions from a single source. Recent examples include the integration of the brands Precast and SDS2 into Allplan as well as the integration of DDS into Graphisoft.
- Apart from the strategic **investments in innovative start-ups**, Nemetschek constantly aims to further develop its existing product portfolio in order to increase the benefit for its current customers as well as to attract new customer groups.

## Segment Overview

- The **Design** segment, which focuses mainly on Europe, was able to increase its revenue to EUR 85.6 million, a growth of 7.6% (currency-adjusted: 7.5%) compared to the prior year's quarter. The EBITDA margin reached 32.3% (Q3 2020: 37.6%).
- The **Build** segment, which mainly targets construction companies

in the USA and German-speaking countries, continued its strong growth momentum in the third quarter. Revenue increased by 16.8% (currency-adjusted: 16.6%) to EUR 55.4 million, while the EBITDA margin of 39.9% was above the prior year's already high level (37.8%). The continued success in Q3 confirms the strategic decision to shift the start of the subscription/SaaS migration of the US brand Bluebeam to 2022 with a then significantly higher user base.

- The **Manage** segment, which focuses on the European commercial building sector, continued its double-digit revenue growth with 13.9% in Q3 (currency-adjusted: 13.7%), generating revenues of EUR 11.0 million. However, investments by facility managers have not yet reached their pre-crisis levels. In Q3, the EBITDA margin was at 11.6% (previous year: 14.5%).
- The **Media & Entertainment** segment achieved the strongest growth in its history and continued to benefit from the successful and well-advanced conversion to subscription models as well as its ongoing internationalization. Revenue in Q3 grew by 37.0 % (currency-adjusted: 37.1%) to a record level of EUR 18.9 million. In addition, profitability also improved significantly. The EBITDA margin expanded to 42.0%, compared to 32.7% in Q3 2020.

### Financial Outlook 2021 Expected to be at the Upper End of the Already Raised Target Ranges

Based on the very good business development in the first 9 months of the year and the continued positive outlook, the Executive Board expects to achieve the upper end of the previously raised target ranges for revenue growth and EBITDA. The currency-adjusted revenue growth is expected to be in a range between 12% and 14% while the EBITDA margin is targeted to be between 30% and 32%.

The outlook is based on the assumption that there will be no significant deterioration in the macroeconomic conditions in the fourth quarter of 2021 and that the Corona pandemic will continue to be under control.

### Overview of quarterly key figures (Q3)

In EUR million	Q3 2021	Q3 2020	Δ in %	Δ in % FX-adj
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<b>Revenues</b>	<b>169.3</b>	<b>148.6</b>	<b>+13.9%</b>	<b>+13.8%</b>
- thereof software licenses	55.7	51.8	+7.5%	+7.1%
- thereof recurring revenues	106.5	90.4	+17.8%	+17.8%
- Subscription (part of recurring revenues)	34.5	23.3	+48.0%	+48.1%
<b>EBITDA</b>	<b>54.4</b>	<b>46.7</b>	<b>+16.4%</b>	<b>+15.4%</b>
Margin	32.1%	31.4%		
<b>EBIT</b>	<b>42.0</b>	<b>34.5</b>	<b>+21.8%</b>	<b>+20.0%</b>
Margin	24.8%	23.2%		
<b>Net income (Group shares)</b>	<b>34.2</b>	<b>25.2</b>	<b>+35.7%</b>	
Earnings per share in EUR	0.30	0.22	+35.7%	
<b>Net income (Group shares) before amortization of purchase price allocation (PPA)</b>	<b>39.3</b>	<b>29.6</b>	<b>+32.9%</b>	
Earnings per share before PPA in EUR	0.34	0.26	+32.9%	

### Overview of quarterly key figures per segment (Q3)

In EUR million	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>Δ in %</b>	<b>Δ in % FX-adj.</b>
<b>Design</b>				
Revenues	85.6	79.5	+7.6%	+7.5%
EBITDA	27.7	29.9	-7.5%	-7.2%
EBITDA margin	32.3%	37.6%		
<b>Build</b>				
Revenues	55.4	47.4	+16.8%	+16.6%
EBITDA	22.1	17.9	+23.4%	+21.2%

EBITDA margin	39.9%	37.8%		
<b>Manage</b>				
Revenues	11.0	9.6	+13.9%	+13.7%
EBITDA	1.3	1.4	-9.0%	-12.4%
EBITDA margin	11.6%	14.5%		
<b>Media &amp; Entertainment</b>				
Revenues	18.9	13.8	+37.0%	+37.1%
EBITDA	7.9	4.5	+76.1%	+74.3%
EBITDA margin	42.0%	32.7%		

### Overview of 9 months key figures

In EUR million	9M 2021	9M 2020	Δ in %	Δ in % FX-adj
<b>Revenues</b>	<b>493.6</b>	<b>436.8</b>	<b>+13.0%</b>	<b>+15.7%</b>
- thereof software licenses	169.0	152.0	+11.2%	+14.2%
- thereof recurring revenues	302.6	265.4	+14.0%	+16.7%
- Subscription (part of recurring revenues)	93.0	63.5	+46.6%	+50.2%
<b>EBITDA</b>	<b>160.3</b>	<b>129.3</b>	<b>+24.0%</b>	<b>+27.8%</b>
Margin	32.5%	29.6%		
<b>EBIT</b>	<b>123.0</b>	<b>92.1</b>	<b>+33.6%</b>	<b>+37.5%</b>
Margin	24.9%	21.1%		
<b>Net income (Group shares)</b>	<b>96.8</b>	<b>67.7</b>	<b>+42.9%</b>	
Earnings per share in EUR	0.84	0.59	+42.9%	
<b>Net income (Group shares) before amortization of purchase price allocation (PPA)</b>	<b>111.8</b>	<b>82.0</b>	<b>+36.3%</b>	

Earnings per share before PPA in EUR	0.97	0.71	+36.3 %	
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## Overview of 9 months key figures per segment

In EUR million	9M 2021	9M 2020	Δ in %	Δ in % FX-adj.
<b>Design</b>				
Revenues	254.0	229.3	+10.8%	+12.5%
EBITDA	83.2	76.1	+9.2%	+10.8%
EBITDA margin	32.7%	33.2%		
<b>Build</b>				
Revenues	161.1	144.3	+11.6%	+16.0%
EBITDA	68.4	54.9	+24.6%	+29.2%
EBITDA margin	42.5%	38.0%		
<b>Manage</b>				
Revenues	33.0	29.2	+12.9%	+12.8%
EBITDA	3.2	4.1	-21.9%	-24.4%
EBITDA margin	9.7%	14.1%		
<b>Media &amp; Entertainment</b>				
Revenues	50.1	39.4	+27.2%	+31.1%
EBITDA	18.8	11.4	+64.8%	+69.9%
EBITDA margin	37.5%	28.9%		

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## About the Nemetschek Group

The Nemetschek Group is a pioneer for digital transformation in the AEC

industry. With its intelligent software solutions, it covers the entire lifecycle of building and infrastructure projects and guides its customers into the future of digitalization. As one of the leading corporate groups worldwide, the Nemetschek Group increases quality in the building process and improves the digital workflow of all those involved in the building process. This makes it possible to design, build and manage buildings with greater efficiency, sustainability and environmental compatibility in terms of resources. 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 15 brands of the Nemetschek Group in the four customer-oriented segments are used by approximately six million users worldwide. Founded by Prof. Georg Nemetschek in 1963, the Nemetschek Group today employs more than 3,000 experts. Publicly listed since 1999 and quoted on the MDAX and TecDAX, the company achieved EUR 596.9 million in revenues and an EBITDA of EUR 172.3 million in 2020.

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