

NEMETSCHKEK GROUP

Quarterly Report Q1/2021

April 2021

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Nemetschek Group: Successful start to 2021 with double-digit operating revenue growth and high margin level in Q1

- **+12.1% currency-adjusted revenue growth to EUR 158.4 million (+8.1% reported)**
- **Strong growth in recurring revenues, driven by subscription/SaaS models (+44.0%)**
- **+18.5% EBITDA growth to EUR 49.6 million, EBITDA margin rises to above-average 31.3%**
- **+37.5% increase in earnings per share to EUR 0.25**
- **Outlook for full year 2021 confirmed**

Munich, April 29, 2021 - The Nemetschek Group (ISIN DE 0006452907) reported an excellent start to 2021 with revenue growth in the double-digit percentage range and an over-proportional increase in the operating result (EBITDA). The strong performance goes hand in hand with the consistent implementation of the further developed Group strategy. The focal points of the strategy include further internationalization, expansion of recurring revenues driven by subscription and SaaS, reduction of the Group's complexity, and continuous development of software solutions combined with acquisition of new customers.

"We had a very good start to the new year under friendly market conditions and achieved considerable growth across all segments in an improving environment. Our strategic initiatives are fully on track and are starting to take effect," announced Dr. Axel Kaufmann, Spokesman of the Executive Board and CFOO. "We have laid a strong foundation in the first quarter to achieve our targets for the financial year 2021."

Key Group figures for Q1 2021

- **Group revenues** increased by 8.1% (adjusted for currency effects: 12.1%) to EUR 158.4 million (Q1 2020: EUR 146.6 million).

- The main growth driver was again the **recurring revenues** from software service contracts and rental models (subscription + SaaS), which increased by 11.7% (adjusted for currency effects: 15.9%) to EUR 96.1 million. This above-average increase reflects the strategic change in the business model to increasingly offer rental models. Revenues from **subscription + SaaS** alone grew by 44.0% (adjusted for currency effects: 49.8%) to EUR 28.3 million.

- **Group operating EBITDA** rose at an even stronger rate than revenues by 18.5% (adjusted for currency effects: 26.5%) to EUR 49.6 million (previous year: EUR 41.8 million), resulting in an improvement in the EBITDA margin to 31.3% (previous year: 28.5%). The extraordinarily high margin is mainly due to the strong growth in revenues as well as Covid-19 related cost savings (e.g. lower travel and marketing costs) compared to Q1 2020. However, Nemetschek plans to invest further in the next few quarters in order to ensure future growth. At the same time, a slightly increasing cost base is expected (e.g. travel and trade fair costs).

- **Net income for the year** rose by 37.5% to EUR 29.4 million (previous year: EUR 21.4 million). Earnings per share increased accordingly to EUR 0.25 (previous year: EUR 0.19).

Segment performance in Q1 2021 (also see table)

The global construction industry benefited from increased customer demand, which is attributable to both the recovery of the market environment and government investment programs.

- The **Design** segment, whose business activities are focused on Europe, achieved double-digit currency-adjusted revenue growth again for the first time since the start of the Covid-19 pandemic due to both the increase in licenses and recurring revenues. In Q1 2021, revenues increased by 8.7% (adjusted for currency effects: 11.5%) to EUR 83.9 million. The EBITDA margin rose to 33.2% (Q1 2020: 30.0%).

- The **Build** segment, which serves construction companies in the USA and in the German-speaking countries in particular, also felt the effects of the recovery in the construction sector. Revenues increased by 4.8% (adjusted for currency effects: 11.2%) to EUR 51.0 million. The EBITDA margin was up on the previous year's figure at 40.9% (Q1 2020: 38.3%). It is still planned that the brand Bluebeam will start its transition to a subscription and SaaS model in the second half of 2021.

- The **Manage** segment, which focuses on the European commercial building sector, also experienced a slight recovery. Nevertheless, the important customer group of facility managers continued its cautious investment activities. Growth in revenues of 9.2% (adjusted for currency effects: 9.2%) to EUR 10.9 million was reported in Q1. The EBITDA margin was 7.6% (previous-year period: 10.2%) due to ongoing investments in future growth.

- The **Media & Entertainment** segment continued its strong growth trajectory and benefited from the already well-advanced transition to subscription models. Revenues increased by 15.9% (adjusted for currency effects: 21.9%) to EUR 14.7 million. Furthermore, the segment's profitability also increased significantly to 33.7% (Q1 2020: 23.9%) due to the absence of additional costs following the successful integration of the brands Redshift and Red Giant.

Financial outlook for 2021 confirmed

Following the very successful start to the year and in light of the improving market environment, the Executive Board is reaffirming its current targets for the financial year 2021. The Executive Board continues to anticipate that the Nemetschek Group will achieve currency-adjusted revenue growth at least in the high single-digit percentage range while further increasing its share of recurring revenues. This assessment is based on the assumption that the Bluebeam brand in the Build segment will start its transition to a subscription and cloud centric business model in the second half of 2021. The Group's EBITDA margin is expected to remain within the high target range of 27% to 29%.

Quarterly overview of key figures (Q1)

In EUR million	Q1 2021	Q1 2020	Δ in %	Δ in % FX-adj
Revenues	158.4	146.6	+8.1%	+12.1%
- thereof software licenses	55.0	53.4	+3.0%	+7.2%
- thereof recurring revenues	96.1	86.1	+11.7 %	+15.9%
- Subscription/SaaS (part of recurring revenues)	28.3	19.6	+44.0 %	+49.8%
EBITDA	49.6	41.8	+18.5 %	+26.5%
Margin	31.3%	28.5%		
EBIT	38.8	29.2	+32.6 %	
Margin	24.5%	19.9%		
Net income (Group shares)	29.4	21.4	+37.5 %	
Earnings per share in EUR	0.25	0.19	+37.5 %	
Net income (Group shares) before PPA	33.3	26.3	+26.5 %	

Earnings per share in EUR before PPA	0.29	0.23	+26.5 %	
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Quarterly overview of key figures per segment (Q1)

In EUR million	Q1 2021	Q1 2020	Δ in %	Δ in % FX-adj.
Design				
Revenue	83.9	77.2	+8.7%	+11.5%
EBITDA	27.9	23.1	+20.5%	+26.9%
EBITDA margin	33.2%	30.0%		
Build				
Revenue	51.0	48.7	+4.8%	+11.2%
EBITDA	20.9	18.7	+15.7%	+22.1%
EBITDA margin	40.9%	38.3%		
Manage				
Revenue	10.9	10.0	+9.2%	+9.2%
EBITDA	0.8	1.0	-19.0%	-22.1%
EBITDA margin	7.6%	10.2%		
Media & Entertainment				
Revenue	14.7	12.7	+15.9%	+21.9%
EBITDA	5.0	3.0	+63.1%	+62.0%
EBITDA margin	33.7%	23.9%		

For more information about the company, please contact

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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 revenue amounting to EUR 596.9 million and an EBITDA of EUR 172.3 million in 2020.

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