

Q1 FY 2024

NEMETSCHKE
GROUP



ALLPLAN	BLUEBEAM	CREMSOLUTIONS	dRofus	dTwin	FRILO	GRAPHISOFT
MAXON	NEVARIS	IRISA	SCiA	SOLIBRI	SPACEWELL	VECTORWORKS

Nemetschek Group quarterly report Q1/2024 announcement

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Nemetschek Group: Successful start to the year in Q1 2024 with double-digit operational revenue growth at a continued high profitability level

- +68.0% growth (currency-adjusted) in subscription & SaaS to EUR 106.3 million
- +25.4% ARR growth (currency-adjusted) to EUR 743.6 million
- +10.3% revenue growth (currency-adjusted) to EUR 223.9 million
- EBITDA margin increases to 30.5%

- **+17.4% growth in earnings per share to EUR 0.37**
- **Outlook for the year 2024 confirmed**

Munich, April 30, 2024 - The Nemetschek Group, a global provider of software solutions for the building and media industries, has started the financial year 2024 with a currency-adjusted double-digit percentage growth at a continued high profitability level. The successful start and the overall strong operational performance are primarily driven by strong growth of the recurring revenue base, in particular the subscription and SaaS models, in combination with the innovative software solutions, the ongoing internationalization as well the continued increase in operational efficiency.

“Nemetschek had a good start to the year 2024. With our performance in the first quarter, we have laid a good foundation to achieve our targets for the full year,” says **Yves Padrines, CEO of the Nemetschek Group**. “We see that the pressure to digitalize in the construction industry is steadily increasing, especially in the current challenging market environment. In addition to our consistent focus on the transition to subscription and SaaS, we are systematically driving forward our other strategic focus areas in order to make the best possible use of the huge growth opportunities in our markets. Thanks to new technologies such as digital twins, artificial intelligence and cloud solutions, as well as our intensified go-to-market approach, we have established strong and important growth drivers for the future.”

Key Group Figures in Q1 2024

- The main drivers in Q1 were once again the revenues from **subscription and SaaS offerings**, which grew over-proportionally compared to the Group’s total revenue by 66.5% (currency-adjusted: 68.0%) to EUR 106.3 million.
- The **annual recurring revenues (ARR)** grew by 24.5% (currency-adjusted: 25.4%) year over year to EUR 743.6 million. The ARR growth was therefore well above the revenue growth, which indicates a high growth potential in the next 12 months.
- In line with the group’s strategy, the **share of recurring revenues** as a percentage of total revenues increased in the first three months of the year by 10 percentage points year over year to 83.0% (previous year: 73.0%).
- **Group revenue** grew in Q1 by 9.4% year over year (currency-adjusted: 10.3%) to EUR 223.9 million while the simultaneous

transition to subscription and SaaS models continued successfully according to plan.

- The **earnings before interest, taxes, depreciation, and amortization (EBITDA)** increased by 11.9% (currency-adjusted: 8.5%) compared to the first quarter last year and amounted to EUR 68.3 million. Consequently, the EBITDA margin increased to 30.5% (Q1 2023: 29.8%).
- **Net income for the quarter** grew strongly by 17.4% to EUR 42.5 million, corresponding to earnings per share of EUR 0.37 (Q1 2023: EUR 0.31).

Strategic Highlights

- The Group-wide transition to **subscription and SaaS models** is continuing successfully according to plan, which is reflected in the very high share of recurring revenues of 83.0% at the end of Q1.
- The **internationalization** as well as the intensified **go-to-market approach** were also further strengthened in the first quarter. In order to increase its activities in the Asia-Pacific region, the Nemetschek Group has expanded its presence in Mumbai, India, with a new location in order to participate to an even greater extent from the high growth and market potential of this region. The focus of the Group's sales activities will initially concentrate on selected products and product packages from the brands Allplan, Bluebeam, Graphisoft, RISA, Solibri and Vectorworks as well as the digital twin solution dTwin. The attractive packages will be sold jointly under the Nemetschek Group brand. After Hyderabad, where Nemetschek already operates a shared services, development and research excellence center, Mumbai is the group's second location in India.
- During the first quarter, the Nemetschek Group has entered into two new **strategic partnerships**. The partnership with Hexagon's Geosystems Division will drive the digital transformation of the AEC/O industry. As a first step, the partners are driving the use of digital twins by offering customers a seamlessly integrated end-to-end workflow for the efficient and sustainable operation of buildings.
- In addition, the Nemetschek Group also announced an **interoperability agreement** with Autodesk, Inc.. The cooperation is intended to improve the efficiency in the areas of architecture,

engineering, construction and operations (AEC/O) as well as media and entertainment. The agreement will expand the interoperability between the cloud and desktop products and make the exchange of information more efficient for customers. The Nemetschek Group has always been committed to and pioneering open industry standards to improve workflows in the construction and media industries.

Segment Developments in Q1 2024 (See Table)

- The **Design segment** recorded a growth of 8.7% (currency-adjusted: 9.3%) to EUR 115.6 million in Q1. The EBITDA grew by 18.0% to EUR 35.5 million, which corresponds to an EBITDA margin of 30.7% (Q1 2023: 28.3%). The main growth drivers were revenues from subscriptions and SaaS models, which increased by around 65%. The accounting-related temporary dampening effects of the accelerated transition to subscription and SaaS are expected to have a stronger impact in the coming quarters in line with plan.
- In the **Build segment**, the transition to subscription and SaaS models of Bluebeam, the Nemetschek Group's largest brand, continues to be successful. The share of this revenue category more than doubled from 29.4% in Q1 2023 to more than 65% in the current quarter. Segment revenue in Q1 increased in line with plan by 9.0% (currency-adjusted: 10.0%) to EUR 67.5 million despite the significant and expected decline in license revenue. The EBITDA margin was 31.1% (Q1 2023: 35.2%). The transition of the business model will have a particularly positive impact on growth in Q4, as the prior-year comparison basis in the final quarter does not include license sales for the first time.
- The growth in the **Media segment** re-accelerated in Q1. Revenue increased by 9.7% (currency-adjusted: 10.9%) to EUR 29.4 million. The EBITDA margin reached a high 37.4% (prior-year period: 35.2%).
- In the **Managesegment**, revenue increased to EUR 12.5 million, representing a growth of 9.9% (currency-adjusted: 9.9%). The EBITDA margin reached 6.6% (previous year: -2.7%).

Outlook for 2024 and Ambition for 2025 Confirmed

Following the successful start to the year, the Executive Board confirms the targets already communicated for the current **financial year 2024**. The currency-adjusted revenue growth is expected to be in the range of 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 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 at least 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 industry-specific conditions will not deteriorate significantly in 2024 and 2025. Furthermore, no additional potential negative effects from the current conflict in the Middle East and the ongoing war in Ukraine are reflected in the outlook.

Overview of quarterly key figures (Q1-24)

In EUR million	Q1 2024	Q1 2023	Δ in %	Δ in % FX-adj.
ARR	743.6	597.4	+24.5 %	+25.4%
Revenues	223.9	204.6	+9.4%	+10.3%
- thereof software licenses	29.8	47.6	-37.5 %	-36.9%
- thereof recurring revenues	185.9	149.4	+24.5 %	+25.4%
- Subscription + SaaS (part of recurring revenue)	106.3	63.8	+66.5 %	+68.0%
EBITDA	68.3	61.0	+11.9 %	+8.5%
Margin	30.5%	29.8%		
EBIT	54.7	46.6	+17.3 %	

Margin	24.4%	22.8%		
Net income (Group shares)	42.5	36.3	+17.4 %	
Earnings per share in EUR	0.37	0.31	+17.4 %	
Net income (Group shares) before amortization of purchase price allocation (PPA)	47.3	41.7	+13.3 %	
Earnings per share before PPA in EUR	0.41	0.36	+13.3 %	

Overview of quarterly key figures per segment (Q1-24)*

In EUR million	Q1 2024	Q1 2023	Δ in %	Δ in % FX-adj.
Design				
Revenues	115.6	106.3	+8.7%	+9.3%
EBITDA	35.5	30.0	+18.0%	+9.9%
EBITDA margin	30.7%	28.3%		
Build				
Revenues	67.5	62.0	+9.0%	+10.0%
EBITDA	21.0	21.8	-3.8%	-0.7%
EBITDA margin	31.1%	35.2%		
Manage				
Revenues	12.5	11.4	+9.9%	+9.9%
EBITDA	0.8	-0.3	-	-
EBITDA margin	6.6%	-2.7%		
Media				
Revenues	29.4	26.8	+9.7%	+10.9%
EBITDA	11.0	9.4	+16.5%	+17.1%
EBITDA margin	37.4%	35.2%		

* As at January 1, 2024, the Digital Twin business unit was reclassified from the Manage segment to the Design segment and the previous year's figures were adjusted accordingly to ensure comparability.

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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 new technologies and approaches such as artificial intelligence, digital twins, and open standards (OPEN BIM) in the AEC/O industries to increase productivity and sustainability. We are continuously expanding our portfolio, including through investments in disruptive 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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