



NEMETSCHKEK GROUP

Quarterly Report Q2/2021

July 2021

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Nemetschek SE continues its highly profitable growth course in Q2 and increases its forecast for the fiscal year 2021

- Higher targets for 2021: Currency-adjusted revenue growth between 12% and 14% and an EBITDA margin between 30% and 32%
- +21.5% currency-adjusted growth in revenue to EUR 165.9 million in Q2
- +53.1% growth in subscription/SaaS models to EUR 30.2 million

- **+38.3% EBITDA growth to EUR 56.3 million, EBITDA margin rises to 34.0% in Q2**

- **+56.9% increase in earnings per share to EUR 0.29**

Munich, July 29, 2021 - The Nemetschek Group one of the world's leading software providers for the building industry, has increased its forecast for the current financial year 2021 following a very strong second quarter with new record figures for revenues and earnings. The currency-adjusted revenue growth is now expected to be in the range of 12% to 14% while the EBITDA margin is targeted to be between 30% and 32%.

The successful business development is attributable to Nemetschek's attractive software solutions, the consistent implementation of strategic priorities as well as the high level of commitment of the organization and management. "We are currently profiting from our very strong positioning with our customers and the high demand for our digital solutions. We were consequently able to continue with our strong and highly profitable growth in the second quarter. The first half year's development therefore confirms our strategy to further internationalize our business, to reduce complexities within the Group and to acquire new customers," said Dr. Axel Kaufmann, Spokesman of the Executive Board and CFOO. "This outstanding business development has led to the increase of our targets for the financial year 2021."

Major key figures for the Group in Q2 and the first half of 2021

- In Q2, **Group revenue** rose by 17.2% (currency-adjusted: 21.5%) to EUR 165.9 million (Q2 2020: EUR 141.6 million). The cumulative Group revenue for the first six months increased to EUR 324.3 million, a growth of 12.5% (currency-adjusted: 16.7%) compared to the previous year's revenue of EUR 288.2 million.

- In addition to the stronger **license business**, which grew by 24.7% in Q2 (currency-adjusted: 30.0%) to EUR 58.2 million, **recurring revenues from subscriptions and SaaS** continued to be main growth drivers. Revenues from

subscriptions / SaaS grew by 47.4% (currency-adjusted: 53.1%) to EUR 30.2 million. For the first six months of the year, licenses grew by 13.1% (currency-adjusted: 17.8%) to EUR 113.3 million. In addition, Nemetschek increased subscriptions / SaaS revenues by 45.7% (currency-adjusted: 51.5%) to EUR 58.5 million in H1. Consequently, the proportion of subscriptions / SaaS as a percentage of total revenues increased from 13.9% last year to 18.0% today.

- In Q2, the **consolidated operating earnings before interest, tax and depreciation and amortization (EBITDA)** rose over-proportionally by 38.3% (currency-adjusted: 43.3%) to EUR 56.3 million (previous year's quarter: EUR 40.7 million). As a result of the high growth and increased efficiency, the EBITDA margin expanded considerably to 34.0% (Q2 2020: 28.8%). In H1-21, the EBITDA margin increased to 32.7% (previous year: 28.7%).

- The **net income for the quarter** grew by 56.9% to EUR 33.1 million (previous year: EUR 21.1 million). Consequently, the Q2 earnings per share increased to EUR 0.29 (previous year: EUR 0.18). The net income for the first half of the year rose by 47.1% to EUR 62.6 million, corresponding to earnings per share of EUR 0.54 (previous year: EUR 0.37).

Strategic focus points and segment overview

- In the second quarter, the Nemetschek Group successfully implemented its **start-up** strategy, with investments in two young and innovative companies. In addition to the fast-growing German company Sablono - a digital solution provider for increasing efficiency in the construction process - Nemetschek invested in the US start-up Reconstruct - an expert in the quality control of construction sites with its artificial intelligence-based solutions.

- The **Design** segment, which focuses mainly on Europe, was able to continue its double-digit revenue growth from the first quarter in Q2 as well, which was attributable to the increase in revenue from licenses as well as from subscriptions. The revenue for the quarter increased by 16.4% (currency-adjusted: 19.2%) to EUR 84.5 million. The EBITDA margin rose to 32.7% (Q2 2020: 31.8%).

- The **Build** segment, which primarily targets construction companies in the

USA and the German-speaking region, also continued to profit strongly from the very favorable environment in the construction sector. Revenues in Q2 rose by 13.5% (currency-adjusted: 20.4%) to EUR 54.7 million. The EBITDA margin of 45.1% was significantly above the corresponding previous year's figure (38.0%). In the second quarter, the Bluebeam brand achieved the highest increase in new users in the company's history. Based on the current record growth in new users, Bluebeam will choose a more conservative approach for the planned transition of its business to subscription models in order to take advantage of these additional opportunities. At the same time, Bluebeam will also be able to test its new subscription solutions for a longer period with selected customers in order to gain even more valuable feedback and insights. Nemetschek is convinced that this approach will maximize the benefits for its customers, support its business development, and offer the possibility to start the transition from an even higher user base in 2022.

- In the **Manage** segment, which focuses on the European commercial building sector, the market has continued its recovery, even though the investment volume of building operators has not yet reached pre-crisis levels. In Q2, revenues grew by 15.6% (currency-adjusted: 15.5%) to EUR 11.1 million. The EBITDA margin reached 10.0% (previous year's period: 17.7%).

- The **Media & Entertainment** segment continued on its growth course and profited from the conversion to subscription models. Revenues in Q2 grew by 27.7% (currency-adjusted: 33.9%) to EUR 16.5 million. The EBITDA margin expanded to 35.7%, compared to 29.8% in the second quarter last year. The profitability also improved considerably due to the by now completed integration of the Redshift and Red Giant acquisitions.

Financial outlook 2021 raised

Based on the very good business development in the first half of the year 2021 and the continued positive outlook, the Executive Board decided to raise the outlook for the financial year 2021. The currency-adjusted revenue growth is now expected to be in a range between 12% and 14% (previously: at least high single-digit percentage growth). This is accompanied by a new EBITDA margin target range of 30% to 32% (previously: 27% to 29%).

The outlook is based on the assumption that there will be no deterioration in the economic conditions in the second half of 2021 and that the Corona pandemic will continue to be under control.

Overview of quarterly key figures (Q2)

In EUR million	Q2 2021	Q2 2020	Δ in %	Δ in % FX-adj
Revenues	165.9	141.6	+17.2%	+21.5%
- thereof software licenses	58.2	46.7	+24.7%	+30.0%
- thereof recurring revenues	99.9	88.9	+12.4%	+16.4%
- Subscription (part of recurring revenues)	30.2	20.5	+47.4%	+53.1%
EBITDA	56.3	40.7	+38.3%	+43.3%
Margin	34.0%	28.8%		
EBIT	42.3	28.4	+48.8%	+53.9%
Margin	25.5%	20.1%		
Net income (Group shares)	33.1	21.1	+56.9%	
Earnings per share in EUR	0.29	0.18	+56.9%	
Net income (Group shares) before amortization of purchase price allocation (PPA)	39.2	26.1	+50.1%	
Earnings per share before PPA in EUR	0.34	0.23	+50.1%	

Overview of quarterly key figures per segment (Q2)

In EUR million	Q2 2021	Q2 2020	Δ in %	Δ in % FX-adj.
Design				

Revenues	84.5	72.6	+16.4%	+19.2%
EBITDA	27.6	23.1	+19.5%	+18.4%
EBITDA margin	32.7%	31.8%		
Build				
Revenues	54.7	48.2	+13.5%	+20.4%
EBITDA	24.7	18.3	+35.0%	+42.2%
EBITDA margin	45.1%	38.0%		
Manage				
Revenues	11.1	9.6	+15.6%	+15.5%
EBITDA	1.1	1.7	-34.3%	-33.1%
EBITDA margin	10.0%	17.7%		
Media & Entertainment				
Revenues	16.5	12.9	+27.7%	+33.9%
EBITDA	5.9	3.8	+53.0%	+68.7%
EBITDA margin	35.7%	29.8%		

Overview of half-year key figures

In EUR million	H1 2021	H1 2020	Δ in %	Δ in % FX-adj
Revenues	324.3	288.2	+12.5%	+16.7%
- thereof software licenses	113.3	100.1	+13.1%	+17.8%
- thereof recurring revenues	196.1	175.0	+12.0%	+16.2%
- Subscription (part of recurring revenues)	58.5	40.1	+45.7%	+51.5%
EBITDA	105.9	82.6	+28.3%	+34.8%
Margin	32.7%	28.7%		

EBIT	81.0	57.6	+40.6%	+48.0%
Margin	25.0%	20.0%		
Net income (Group shares)	62.6	42.5	+47.1%	
Earnings per share in EUR	0.54	0.37	+47.1%	
Net income (Group shares) before amortization of purchase price allocation (PPA)	72.5	52.4	+38.3%	
Earnings per share before PPA in EUR	0.63	0.45	+38.3%	

Overview of half-year key figures per segment

In EUR million	H1 2021	H1 2020	Δ in %	Δ in % FX-adj.
Design				
Revenues	168.4	149.8	+12.4%	+15.2%
EBITDA	55.5	46.2	+20.0%	+22.5%
EBITDA margin	33.0%	30.9%		
Build				
Revenues	105.7	96.8	+9.1%	+15.7%
EBITDA	46.3	37.0	+25.2%	+33.1%
EBITDA margin	43.8%	38.2%		
Manage				
Revenues	22.0	19.6	+12.3%	+12.3%
EBITDA	1.9	2.7	-28.6%	-30.6%
EBITDA margin	8.8%	13.8%		
Media & Entertainment				
Revenues	31.2	25.6	+21.9%	+27.9%
EBITDA	10.8	6.9	+57.4%	+67.0%

EBITDA margin	34.8%	26.9%		
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About the Nemetschek Group

The Nemetschek Group is a pioneer for digital transformation in the AEC/O 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 in this sector, the Nemetschek Group increases quality in the building process and improves the digital workflow of all those involved in the building process. 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 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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