

+24.2% | **+46.7%**

Annual Recurring Revenue
(ARR) growth to
EUR 630.7 million
(constant currency)

Growth in Q2
in subscription and SaaS
to EUR 68.1 million
(constant currency)

ALLPLAN

BLUEBEAM

CREMSOLUTIONS

dRofus

FRILO

GRAPHISOFT

MAXON

NEVARIS

IRISA

SCIA

SOLIBRI

SPACEWELL

VECTORWORKS

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Nemetschek SE: First Half of 2023 on Plan – Continued Strong Growth in Subscription & SaaS in Q2 2023

- **+46.7% constant currency growth in Q2 in subscription and SaaS to EUR 68.1 million**
- **+24.2% ARR growth to EUR 630.7 million (constant currency)**
- **+3.3% constant currency revenue growth in Q2 to EUR 207.5 million, H1 revenue growth of 4.2% to EUR 412.1 million**
- **Q2 EBITDA margin at 27.0% while business model transitioning and planned one-off effects, EBITDA margin in H1 at 28.4%**
- **Full-year guidance for 2023 confirmed**

Munich, July 31, 2023 - The Nemetschek Group, a globally leading software provider for digital transformation in the construction and media industries, is on track to achieve its full-year guidance after the first six months of 2023. The MDAX-listed Group continued to successfully transition its business model from license to subscription and SaaS offerings in the second quarter of 2023, reaching its peak in 2023. This is reflected in the continued very strong growth of this revenue category as well as the continued strong performance of annual recurring revenue (ARR). In line with expectations, the profitability in Q2 was impacted by the business model transition as well as planned one-offs.

"We continue to benefit from the strong positioning of our Group and the broad diversification across our customer base and our regional exposure. Even though the market environment for the construction industry in Europe has become more demanding since last year and we are in the middle of transitioning our business model, we are on plan after the first half of the year," says **Yves Padrines, CEO of the Nemetschek Group**. "For the first time, the share of recurring revenues reached around 75%, which means that we have achieved an important milestone. Regardless of the current market situation, the structural long-term growth drivers in our industries remain intact. With our strategic projects, including new, innovative technologies such as artificial intelligence, digital twins or cloud solutions, our strengthened go-to-market approach as well as the increase of our internal efficiency, we are laying the foundation for continuous high growth in the future."

Key Group Performance Indicators in Q2 and H1 2023

- As in previous quarters, the main growth driver in Q2 was the revenue from **subscription and SaaS offerings**, which grew by 44.0% (FX-adjusted: 46.7%) to EUR 68.1 million, significantly over-proportionally compared to the Group's total revenue. In the first half of the year, the growth amounted to 42.7% (FX-adjusted: 43.2%) to EUR 132.0 million (H1-2022: EUR 92.5 million).
- **Annual Recurring Revenue (ARR)** increased by 22.4% (FX-adjusted: 24.2%) to EUR 630.7 million. The ARR growth which was significantly higher than the reported revenue growth indicates a high growth potential for the next 12 months.
- In line with the strategy, **recurring revenues** as a percentage of total revenues increased significantly by 12 percentage points

year-on-year to a new record high of 74.5% in H1-2023 (H1-2022: 63.0%).

- In Q2, **Group revenue** grew by 1.8% (FX-adjusted: 3.3%) to EUR 207.5 million despite the ongoing subscription and SaaS transition. The accumulated revenue for the first six months of the year grew in accordance to plan to EUR 412.1 million, a growth of 4.1% (FX-adjusted: 4.2%) compared to the same period last year.
- The transition to a subscription and SaaS centric business model and its accounting-related effects had the expected dampening impact on short-term earnings. Furthermore, Q2 earnings were impacted by planned one-off effects with regards to personnel expenses and investment in the first joint appearance of the Group brands at trade fairs, as part of the go-to-market approach. **Group earnings before interest, taxes, depreciation and amortization (EBITDA)** in Q2 reached EUR 56.1 million (Q2-2022: 68.6 million). The corresponding EBITDA margin in Q2 was 27.0% (prior-year quarter: 33.6%). On a half-year basis, the EBITDA reached EUR 117.1 million, resulting in an EBITDA margin of 28.4% (prior-year quarter: 34.9%).
- **Net income** for the second quarter came in at EUR 32.8 million, corresponding to earnings per share of EUR 0.28 (prior-year quarter: EUR 0.40). For H1 2023, net income amounted to EUR 69.1 million with earnings per share of EUR 0.60 (H1 2022: EUR 0.77).
- The high **cash conversion** (operating cash flow in relation to EBITDA) of 104.4% (previous year: 82.8%) for the first half of 2023 underpins the Group's continued high cash generation.

Strategic Highlights

- The Group-wide **transition to subscription and SaaS** continues to progress as planned, which is reflected in the record high share of recurring revenues. In addition to the Bluebeam brand in the Build segment, the Design brands Frilo, Scia and Vectorworks have also successfully started their transition. In the case of Vectorworks, the brand is initially focussing on the USA, UK and Pacific.
- With the group-wide **go-to-market approach**, which envisages a greater collaboration of solutions for a more efficient workflow in the AEC/O industry, the brands presented themselves together

for the first time under the umbrella of the Nemetschek Group at several trade fairs, such as the BIM World in Paris, the BAU 2023 in Munich, the Digital Construction Week in London, and the AIA in San Francisco.

- The Nemetschek Group made **five new investments in highly innovative start-ups** in the first half of 2023, including Preoptima (promoting more sustainability in the construction industry) and SmartPM (cloud-based software for project analysis during the construction process).
- As one of the leading **innovation drivers** in the industry, Nemetschek also focuses on new technologies. Development activities focus in particular on the open Digital Twin Cloud platform, initiatives of the brands in the area of artificial intelligence or new cloud features such as Solibri Inside, a SaaS solution integrated in Graphisoft Archicad, Allplan and Vectorworks for the quality control of models.
- To increase its **operational excellence** and ensure future growth, Nemetschek also continued to work on optimizing its business structures and processes.

Segment Developments in Q2 / H1 2023 (See Table)

- The **Design segment** recorded a revenue of EUR 99.8 million in Q2, corresponding to a growth rate of 3.1% (FX-adjusted: 3.9%). With majority of the business in Europe for the Design segment, the market environment, which had already deteriorated since last year, and customers' longer sales cycles continued to impact the segment's development. In addition, announced price adjustments at the beginning of the second quarter led to pull-forward effects from Q2 to Q1. Revenue from subscription and SaaS continued to grow at a disproportionately high rate in Q2, with a currency-adjusted growth of almost 40%. For the first half of the year, the revenue with a plus of 7.6% was in line with expectations at EUR 204.0 million (FX-adjusted: 7.6%). The EBITDA margin in H1 2023 reached 24.9% (H1 2022: 31.1%). This reflects the transition to subscription and SaaS models as well as the planned non-recurring personnel expenses and the one-off investments in the first joint trade fair appearance.
- In the **Build segment**, the transition to subscription and SaaS models at the Bluebeam brand continues to be successful. Consequently, the revenue in this category more than doubled.

As a result of the transition, the revenue in Q2 of EUR 67.4 million was with -4.6% slightly below the previous year's figure of EUR 70.7 million (FX-adjusted: -2.5%). In H1 2023, revenues reached EUR 129.4 million, a decline of -3.1% on year-on-year basis (FX-adjusted: -3.1%). Despite the transition, the EBITDA margin remained at a high level with 36.3% in the first six months of the year (H1 2022: 42.9%).

- In the **Media segment**, revenue growth accelerated in the second quarter to 11.6% (FX-adjusted: 13.6%) to EUR 27.2 million. On a half-year basis, revenues amounted to EUR 54.1 million, a growth of 8.2% (FX-adjusted: 8.8%). The EBITDA margin was 35.5% in H1 2023 (H1 2022: 39.8%).
- In the **Manage segment**, growth also accelerated slightly in Q2. With an increase of 7.9% (FX-adjusted: 10.0%), revenue grew to EUR 15.0 million. In the first half of 2023, revenue increased by 6.6% and reached EUR 28.4 million (FX-adjusted: 8.0%). The EBITDA margin - also due to investments in the new Digital Twin business unit - was 0.0% in the first half of the year (H1 2022: 8.7%).

Full-Year Guidance for 2023 as well as Ambition for 2024 and 2025 confirmed

Based on the business development in the first half of the year, the Executive Board confirms the targets for the current financial year **2023**. An ARR growth of more than 25% is expected for 2023, which means that the share of annual recurring revenues in total revenue should reach more than 75% in 2023 (previous year: 66%). Nemetschek continues to expect a currency-adjusted revenue growth at Group level in a range of 4 % to 6 % and an EBITDA margin of between 28 % and 30 %.

In addition, the Executive Board confirms the revenue and earnings ambitions for the years 2024 and 2025 communicated in March. For **2024**, a continuation of double-digit percentage revenue growth is expected, while the share of recurring revenues in total revenues is expected to increase to around 85%. At the same time, the EBITDA margin is expected to be above 30%. For **2025**, revenue growth is expected to be at least in the mid-teens range.

The outlook is based on the assumption that global macroeconomic or

sector-specific conditions will not deteriorate significantly in 2023, particularly in view of growing global economic risks as well as increasing geopolitical tensions.

Overview of quarterly key figures (Q2-23)

In EUR million	Q2 2023	Q2 2022	Δ in %	Δ in % FX-adj
ARR	630.7	515.1	+22.4%	+24.2%
Revenues	207.5	203.8	+1.8%	+3.3%
- thereof software licenses	40.4	66.4	-39.2%	-38.2%
- thereof recurring revenues	157.7	128.8	+22.4%	+24.2%
- Subscription + SaaS (part of recurring revenue)	68.1	47.3	+44.0%	+46.7%
EBITDA	56.1	68.6	-18.2%	-13.3%
Margin	27.0%	33.6%		
EBIT	40.7	53.4	-23.7%	
Margin	19.6%	26.2%		
Net income (Group shares)	32.8	46.5	-29.4%	
Earnings per share in EUR	0.28	0.40	-29.4%	
Net income (Group shares) before amortization of purchase price allocation (PPA)	40.5	53.8	-24.6%	
Earnings per share before PPA in EUR	0.35	0.47	-24.6%	

Overview of quarterly key figures per segment* (Q2-23)

In EUR million	Q2 2023	Q2 2022	Δ in %	Δ in % FX-adj.
Design				
Revenues	99.8	96.8	+3.1%	+3.9%
EBITDA	20.7	29.3	-29.6%	
EBITDA margin	20.7%	30.3%		
Build				
Revenues	67.4	70.7	-4.6%	-2.5%
EBITDA	25.2	29.0	-13.0%	
EBITDA margin	37.4%	41.0%		
Media				
Revenues	27.2	24.4	+11.6%	+13.6%
EBITDA	9.7	8.6	+12.8%	
EBITDA margin	35.8%	35.4%		
Manage				
Revenues	15.0	13.9	+7.9%	+10.0%
EBITDA	0.4	1.6	-72.2%	
EBITDA margin	3.0%	11.6%		

Overview of half-yearly key figures (H1-23)

In EUR million	H1 2023	H1 2022	Δ in %	Δ in % FX-adj
ARR	630.7	515.1	+22.4%	+24.2%
Revenues	412.1	396.1	+4.1%	+4.2%
- thereof software licenses	88.0	130.2	-32.4%	-32.4%
- thereof recurring revenues	307.0	249.5	+23.1%	+23.2%

- Subscription + SaaS (part of recurring revenue)	132.0	92.5	+42.7 %	+43.2%
EBITDA	117.1	138.4	-15.4 %	-12.3%
Margin	28.4%	34.9%		
EBIT	87.4	109.6	-20.3 %	
Margin	21.1%	27.7%		
Net income (Group shares)	69.1	89.1	-22.5 %	
Earnings per share in EUR	0.60	0.77	-22.5 %	
Net income (Group shares) before amortization of purchase price allocation (PPA)	80.9	101.1	-20.0 %	
Earnings per share before PPA in EUR	0.70	0.88	-20.0 %	

Overview of half-yearly key figures per segment* (H1-23)

In EUR million	H1 2023	H1 2022	Δ in %	Δ in % FX-adj.
Design				
Revenues	204.0	189.6	+7.6%	+7.6%
EBITDA	50.8	58.9	-13.7%	
EBITDA margin	24.9%	31.1%		
Build				
Revenues	129.4	133.6	-3.1%	-3.1%
EBITDA	47.0	57.3	-17.9%	
EBITDA margin	36.3%	42.9%		
Media				
Revenues	54.1	50.0	+8.2%	+8.8%
EBITDA	19.2	19.9	-3.6%	

EBITDA margin	35.5%	39.8%		
Manage				
Revenues	28.4	26.6	+6.6%	+8.0%
EBITDA	0.0	2.3		
Marge	0.0%	8.7%		

*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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