

NEMETSCHKEK GROUP
Annual Report 2022

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Nemetschek SE lays decisive foundations for future dynamic growth after successful 2022 financial year

Corporate News

- Revenue and profitability targets were achieved in the 2022 financial year with 17.7% revenue growth (currency adjusted: 12.1%) and an EBITDA margin of 32.0%
- +27.4% ARR growth to EUR 581.7million
- +54.7% growth in Subscriptions & SaaS to EUR 204.2million
- +20.3% growth in earnings per share to EUR 1.40
- Outlook for 2023: Attractive growth while transitioning to

Subscriptions/SaaS

- **Ambition for 2024 & 2025: Strong acceleration of growth**

Munich, March 23, 2023 – Following the successful 2022 financial year, in 2023 the Nemetschek Group, a globally leading software provider for digital transformation in the construction and media industries, is laying decisive foundations in order to continue to achieve dynamic double-digit revenue growth rates and high profitability in the future. The ongoing transition of the business model from selling perpetual Licenses to Subscriptions & SaaS will be accelerated in 2023 – particularly through the transition initiated at the Bluebeam brand. Despite the associated short-term dampening effect on revenue development and profitability and the currently changed economic environment, the Nemetschek Group expects attractive growth in 2023. Strong acceleration of growth momentum is expected again from 2024 onwards.

“By driving the transition to Subscription-based and SaaS models this year, we are making it possible to generate significantly higher revenues per user and create a higher customer lifetime value in the medium and long term,” said **Yves Padrines, CEO of the Nemetschek Group**. “In addition, these revenues are not only more predictable but also less volatile across economic cycles. This creates the conditions to benefit in the best possible way from the enormous potential of our growing markets, both in the construction and in the media business. This is because the structural growth drivers for the Nemetschek Group – such as the low level of digitalization or the need for more efficiency and sustainability in the construction industry – aren’t just intact but are becoming increasingly important in the current environment.”

Outlook for 2023 to 2025

For **2023**, the Executive Board expects further attractive growth despite the deterioration in general economic conditions and the Bluebeam brand’s simultaneous transition to Subscription and SaaS. To present the growth momentum and success of the ongoing transition of the business to Subscription-based and SaaS models more transparently, Nemetschek added the new KPI **annual recurring revenue (ARR)** in 2022. As well as Subscription and SaaS, this indicator also covers revenue from service contracts. ARR growth of more than 25% is expected for 2023, with the result that the share of recurring revenue in total revenue should already reach more than 75% in the current year (previous year: 66%). Currency-adjusted revenue growth

should be between 4% and 6%. At 28% to 30%, the Executive Board expects the EBITDA margin for 2023 to remain at a high level.

For **2024** we already expect a continuation of double-digit percentage revenue growth. At the same time, the EBITDA margin is expected to be above 30%. Due to the significantly over proportional increase in Subscription and SaaS revenue, Nemetschek expects in 2024 recurring revenues to represent around 85% of total revenues.

After a successful transition of the majority of the business to Subscription/SaaS, growth momentum is expected to increase again for **2025** with a revenue growth of at least mid-teens, which is well above the market average.

"With our strategic focus topics such as further internationalization, new technologies such as digital twins, AI and cloud solutions, and our initiatives for greater customer proximity and internal efficiency, we are excellently positioned to continue driving digitization in the construction industry. At the same time, we will also benefit from our excellent positioning in the media sector in the future," said **CEO Yves Padrines**. "After a successful transition to Subscriptions & SaaS, we also see the opportunity for structurally higher growth rates for Nemetschek that are significantly above the market average."

Overview of the key indicators for the 2022 financial year

- With an increase of 27.4% to EUR 581.7 million, **ARR growth** was significantly above the Group's growth, which continues to indicate high, stable growth potential for the next 12 months. In line with the strategy, the **share of recurring revenues** further increased to more than 66% of the Group's revenue (previous year: 61%). This increase was again fueled by revenues from Subscriptions and SaaS, which grew strongly and over proportionately by around 54.7% (adjusted for currency effects: 46.8%) to EUR 204.2 million.
- **Group revenues** increased by 17.7% (adjusted for currency effects: 12.1%) compared with the previous year to EUR 801.8 million. The currency-adjusted revenue growth was therefore in the forecast range of 12% to 14%.
- **Group earnings before interest, taxes, depreciation and**

amortization (EBITDA) rose by 15.8% to EUR 257.0 million. At 32.0%, the EBITDA margin reached the forecast range of 32% to 33%.

- **Net income** showed strong growth of 20.3% to EUR 161.9 million, which equates to earnings per share of EUR 1.40 (2021: EUR 1.17).
- The Executive Board and Supervisory Board propose an **increase in the dividend** by 15.4% to EUR 0.45 per share based on the good business development for the 2022 financial year (previous year: EUR 0.39 per share).

Strategic highlights

- **Foreign revenues** further increased from 76% in 2021 to 79% of the Group's revenues in the year under review as part of the strategy. In the future, Nemetschek will continue to drive internationalization and create the structures for further international growth, in particular with a focus on the regions of the Americas and Asia/Pacific.
- Nemetschek further strengthened its **go-to-market approach** in 2022. This is aimed at connecting the Group brands' products and solutions to an even greater extent, expanding the e-commerce offering, and advancing regional growth initiatives. As a result, Nemetschek will be able to serve existing customers and secure new customer groups even better at the same time.
- In addition, Nemetschek has set **innovation focus areas** in cloud solutions, digital twins, and artificial intelligence (AI). They include, for example, the new Bluebeam cloud product offering and the development of an open, cloud-based digital twin platform.
- Nemetschek has also further strengthened its power to innovate through targeted **investments instart-ups**. In addition to taking a stake in the start-up SymTerra, which offers a digital platform for construction site communication, Nemetschek has also invested in the young robotics company Kewazo, whose innovative solutions optimize processes and the flow of materials on construction sites with the aid of robotics and data analytics.
- Moreover, the **structures within the Group** will be further streamlined. In addition to further integrating brands, internal processes and IT structures are also being optimized. All these

measures serve to even further improve operational excellence with the aim of increasing customer satisfaction and successfully mastering further growth.

Segment developments in 2022 (see table)

- In the **Design** segment, revenue grew by 9.6% (adjusted for currency effects: 6.0%) to EUR 391.6 million, despite a changing market environment, particularly in Europe, and longer sales cycles at customers. At the same time, the segment recorded strong growth in Subscription revenue by 51% (adjusted for currency effects: 43%), confirming the segment strategy of also increasingly offering Subscription models in addition to licenses. The EBITDA margin was 32.4% (previous year: 33.7%).
- The **Build** segment achieved very strong revenue growth again despite the transition to Subscription and SaaS models by the US brand Bluebeam, which started in Q3 2022. Segment revenues increased by 24.1% (adjusted for currency effects: 14.6%) to EUR 268.3 million. The EBITDA margin was 38.5% (previous year: 41.3%).
- The revenue in the **Media** segment increased significantly by 48.5% (adjusted for currency effects: 41.2%) to EUR 104.7 million. As well as strong organic growth momentum, the Media segment also benefited from the acquisition of the business operations of Pixologic, Inc. at the end of 2021. The EBITDA margin increased strongly from 36.2% in the previous year to 43.8%.
- In the **Manage** segment, revenue increased by 6.8% (adjusted for currency effects: 7.1%) to EUR 46.7 million. The EBITDA margin was 8.2% (previous year: 9.3%) partly due to increased investments.

The aforementioned forecasts are subject to the express proviso that global economic and industry-specific conditions do not significantly deteriorate, especially with a view to the growing global economic risks resulting from the war in Ukraine, increased interest rates, and high general inflation.

Quarterly overview of Group key figures (Q4)

In EUR million	Q4 2022	Q4 2021	Δ in %	Δ in % FX-adj
ARR	581.7	456.5	+27.4%	+22.0%
Revenues	203.0	187.9	+8.0%	+3.9%
- thereof software licenses	47.9	65.9	-27.3%	-29.8%
- thereof recurring revenues	145.4	114.1	+27.4%	+22.0%
- Subscription & SaaS (part of recurring revenue)	57.3	38.9	+47.2%	+40.3%
EBITDA	55.7	61.7	-9.8%	-8.6%
Margin	27.4%	32.9%		
EBIT	40.5	49.0	-17.2%	-14.5%
Margin	20.0%	26.1%		
Net income (Group shares)	34.0	37.8	-10.1%	
Earnings per share in EUR	0.29	0.33	-10.1%	
Net income (Group shares) before amortization of purchase price allocation (PPA)	41.4	42.1	-1.7%	
Earnings per share before PPA in EUR	0.36	0.36	-1.7%	

Quarterly overview of the segments' key figures (Q4)

In EUR million	Q4 2022	Q4 2021	Δ in %	Δ in % FX-adj.
Design				
Revenues	104.2	99.5	+4.7%	+1.8%
EBITDA	32.1	36.5	-12.0%	-7.8%
EBITDA margin	30.8%	36.7%		

Build				
Revenues	59.5	59.0	+0.8%	-5.4%
EBITDA	15.2	22.4	-31.9%	-34.6%
EBITDA margin	25.6%	37.9%		
Manage				
Revenues	12.8	10.8	+18.9%	+19.5%
EBITDA	1.6	0.8	+83.7%	>100%
EBITDA margin	12.2%	7.9%		
Media				
Revenues	29.0	20.5	+41.7%	+35.6%
EBITDA	13.5	6.8	+99.8%	+95.2%
EBITDA margin	46.6%	33.0%		

12-month overview of Group key figures

In EUR million	FY 2022	FY 2021	Δ in %	Δ in % FX-adj
ARR	581.7	456.5	+27.4%	+22.0%
Revenues	801.8	681.5	+17.7%	+12.1%
- thereof software licenses	235.0	234.8	+0.1%	-5.3%
- thereof recurring revenues	532.6	416.7	+27.8%	+21.7%
- Subscription & SaaS (part of recurring revenue)	204.2	132.0	+54.7%	+46.8%
EBITDA	257.0	222.0	+15.8%	+9.3%
Margin	32.0%	32.6%		
EBIT	198.1	172.0	+15.2%	+8.5%

Margin	24.7 %	25.2%		
Net income (Group shares)	161.9	134.6	+20.3%	
Earnings per share in EUR	1.40	1.17	+20.3%	
Net income (Group shares) before amortization of purchase price allocation (PPA)	188.9	153.9	+22.7%	
Earnings per share before PPA in EUR	1.64	1.33	+22.7%	

12-month overview of the segments' key figures

In EUR million	FY 2022	FY 2021	Δ in %	Δ in % FX-adj.
Design				
Revenues	391.6	357.3	+9.6%	+6.0%
EBITDA	126.9	120.5	+5.3%	+1.9%
EBITDA margin	32.4%	33.7%		
Build				
Revenues	268.3	216.2	+24.1%	+14.6%
EBITDA	103.2	89.3	+15.6%	+6.1%
EBITDA margin	38.5%	41.3%		
Manage				
Revenues	46.7	43.7	+6.8%	+7.1%
EBITDA	3.8	4.1	-5.6%	+6.3%
EBITDA margin	8.2%	9.3%		
Media				
Revenues	104.7	70.5	+48.5%	+41.2%
EBITDA	45.9	25.5	+79.9%	+72.0%
EBITDA margin	43.8%	36.2%		

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About the Nemetschek Group

The Nemetschek Group is a globally leading software provider for digital transformation of 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 7 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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