

# Nemetschek SE shows favorable business development in the third quarter and raises outlook for the full year 2020

- Group revenue rises by +7.5% (currency-adjusted: +10.3%) to EUR 148.6 million in Q3
- Quarterly growth driven by recurring revenue (+18.0%), especially as a result of growing demand for subscription models
- Cost management and reluctance to invest lead to high Q3 EBITDA margin of 31.4%
- Investments will continue to increase in Q4 2020 and in the upcoming year
- Outlook for 2020 raised: Revenue growth anticipated in the mid-

single-digit range with an EBITDA margin of 28% to 29% in an environment which continues to be uncertain

Munich, October 29, 2020 - The Nemetschek Group (ISIN DE 0006452907), one of the world's leading software providers for the building industry, raises its outlook for the full year 2020 in terms of revenue and profitability levels following a favorable development in the third quarter. Even though the impacts of the global corona crisis continue to be felt, and may well intensify again in several regions, the Nemetschek Group posted a slight increase in customer demand in the third quarter. As a result of business activities which exceeded original expectations and cost management which was implemented at an early stage, the executive board of the MDAX company now anticipates revenue growth in the mid-single-digit percentage range with an EBITDA margin of 28% to 29% for the full year 2020. After a temporary, corona-related restraint, Nemetschek will now be investing more in order to secure future growth.

Major indicators of the Group's success in the third quarter / 9-month period of 2020

- Compared to the previous year, Group revenue rose by 7.5% (currency-adjusted: +10.3%) to EUR 148.6 million in Q3. The increase in revenue is as a result of solid organic growth of 4.5% (currency-adjusted: 7.1%) as well as the revenue contributed for the first time by the Red Giant acquisition in the Media & Entertainment segment. In the first nine months of 2020, revenue rose by 7.6% (currency-adjusted: 7.8%) compared to the same period in the previous year, while organic growth amounted to 4.7% (currency-adjusted: 4.9%).

- Recurring revenues from software service contracts and subscriptions were up by 18% (currency-adjusted: 20.8%) and remained a major growth driver in Q3. In the first nine months, revenue even rose by 22.0% (currency-adjusted: 22.3%). Thus the proportion of recurring revenues in Group revenue rose to 60.8% in the first nine months (previous year's period: 53.6%).

- The license business recovered in Q3 and posted a considerably slighter decline in revenue compared to the previous quarter (Q2 2020). License revenues amounted to EUR 51.8 million, a decline of -5.7% compared to the same quarter in the previous year (currency-adjusted: -2.9%). In the first nine months, these were -9.2% (currency-adjusted: -9.0%) below those of the

previous year, amounting to a total of EUR 152.0 million.

- As a result of the positive revenue development and high levels of discipline in terms of cost management, consolidated operating earnings before interest, taxes, depreciation and amortization (EBITDA) rose to EUR 46.7 million (+9.1%) in Q3. At 31.4%, the EBITDA margin was above the previous year's level (Q3 2019: 30.9%). In the first nine months, the margin thus improved slightly, rising to 29.6% (previous year's period: 29.4%). The above-average margin is mainly due to the reluctance to invest, such as new hires, and lower travel and marketing expenses since the beginning of the corona pandemic. However, Nemetschek is planning to increase investment again in the following quarters.

- Earnings per share in Q3 amounted to EUR 0.22 (previous year's quarter: EUR 0.21, adjusted for the positive one-off effect arising from the sale of DocuWare). In the first nine months, earnings per share rose to EUR 0.59, an increase of 2.7% compared to the adjusted value of the previous year (EUR 0.57).

The four segments of the Nemetschek Group were affected to varying degrees by the impacts of corona in the first nine months due to their regional focuses (see table). In the Design segment, with its focus on Europe, revenues stabilized in Q3 after a slight decline in the first half of the year. As expected, the Build segment, with its focus on the USA, felt the effects of the crisis with a time lag. In the Manage segment as well, the negative effects were only felt after a delay and are expected to continue due to cautious investments by the important customer group of facility managers. The Media & Entertainment segment was significantly strengthened by the acquisition of Red Giant. The integration of the US company, which has been consolidated since January 2020, into the Maxon brand continues to proceed according to plan.

"As a result of our close customer relationships, broad diversification with regard to target industries and regions and the growing proportion of recurring revenue, we have so far overcome the corona crisis better than initially expected," sums up Dr. Axel Kaufmann, Spokesman of the Executive Board and CFOO of the Nemetschek Group. "Even though we are currently seeing slight signs of recovery in the market, we must assume that the global Covid-19 pandemic with its strong resurgence in infection figures will continue to influence our business development in the short term. Caution

therefore remains the top priority. In the medium and long term, however, we still see great potential in our end markets. We will therefore increase our investments in order to support our customers with our innovative solutions in the course of their digital transition."

#### Outlook 2020 for the Group adjusted upwards

As a result of development which was better than expected in the first nine months of 2020, ongoing increases in the proportion of plannable revenues and wide regional and market-related diversification of risk, the executive board raises the revenue and profitability targets for the full year 2020 despite an environment which continues to be uncertain. The executive board now anticipates an increase in Group revenue in the mid-single-digit range and an EBITDA margin of between 28% and 29%. The forecast in March was made in expectation of stable development or a slight increase in Group revenue with an EBITDA margin of more than 26% of Group revenue.

#### Overview of quarterly key figures (Q3)

In EUR million	Q3 2020	Q3 2019	Δ in %	Δ in % FX- adj
Revenues	148.6	138.3	+7.5%	+10.3%
- thereof software licenses	51.8	55.0	-5.7%	-2.9%
- thereof recurring revenues	90.4	76.6	+18.0 %	+20.8%
- Subscription (part of recurring revenues)	23.3	13.1	+78.4 %	83.2%
EBITDA	46.7	42.8	+9.1%	+12.4%
Margin	31.4%	30.9%		
EBITA	41.1	37.2	+10.3 %	
Margin	27.6%	26.9%		
EBIT	34.5	32.0	+7.6%	
Margin	23.2%	23.2%		
Net income (Group shares)	25.2	54.0	-53.3 %	
Earnings per share in EUR	0.22	0.47	-53.3 %	
Net income (Group shares) w/o one-time effect prior year*	25.2	24.5	+2.9%	

Earnings per share in EUR w/o one-time effect prior year*	0.22	0.21	+2.9%
Net income (Group shares) before PPA and w/o one-time effect prior year*	29.6	27.9	+6.1%
Earnings per share in EUR before PPA and w/o one-time effect prior year*	0.26	0.24	+6.1%

\*Prior year figure w/o positive one-time effect from DocuWare sale  
Overview of quarterly key figures per segment (Q3)

In EUR million	Q3 2020	Q3 2019	Δ in %	Δ in % FX-adj.
Design				
Revenue	79.5	77.7	+2.4%	+4.2%
EBITDA	29.9	25.3	+18.2%	+18.1%
EBITDA margin	37.6%	32.6%		
Build				
Revenue	47.4	44.6	+6.3%	+10.7%
EBITDA	17.9	15.1	+18.9%	+25.4%
EBITDA margin	37.8%	33.8%		
Manage				
Revenue	9.6	9.7	-0.6%	-0.4%
EBITDA	1.4	2.5	-43.0%	-40.8%
EBITDA margin	14.5%	25.3%		
Media & Entertainment				
Revenue	13.8	8.3	+66.9%	+72.3%
Revenue organic	9.7	8.3	+17.1%	+20.0%
EBITDA	4.5	2.4	+86.9%	
EBITDA margin	32.7%	29.2%		

## Overview of nine months key figures

In EUR million	9M 2020	9M 2019	Δ in %	Δ in % FX-adj.
Revenues	436.8	406.0	+7.6%	+7.8%
- thereof software licenses	152.0	167.3	-9.2%	-9.0%

- thereof recurring revenues	265.4	217.5	+22.0 %	+22.3%
- Subscription (part of recurring revenues)	63.5	34.5	+84.2 %	+85.2%
EBITDA	129.3	119.4	+8.2%	+8.0%
Margin	29.6%	29.4%		
EBITA	112.1	103.4	+8.4%	
Margin	25.7%	25.5%		
EBIT	92.1	88.5	+4.1%	
Margin	21.1%	21.8%		
Net income (Group shares)	67.7	95.4	-29.0 %	
Earnings per share in EUR	0.59	0.83	-29.0 %	
Net income (Group shares) w/o one-time effect prior year*	67.7	66.0	+2.7%	
Earnings per share in EUR w/o one-time effect prior year*	0.59	0.57	+2.7%	
Net income (Group shares) before PPA and w/o one-time effect prior year*	82.0	75.7	+8.4%	
Earnings per share in EUR before PPA and w/o one-time effect prior year*	0.71	0.66	+8.4%	

\*Prior year figure w/o positive one-time effect from DocuWare sale  
Overview of nine months figures per segment

In EUR million	9M 2020	9M 2019	Δ in %	Δ in % FX-adj.
Design				
Revenue	229.3	229.9	-0.3%	+0.0%
EBITDA	76.1	69.8	+9.1%	+7.6%
EBITDA margin	33.2%	30.4%		
Build				
Revenue	144.3	129.9	+11.1%	+11.2%
EBITDA	54.9	45.4	+21.0%	+21.8%
EBITDA margin	38.0%	34.9%		
Manage				
Revenue	29.2	27.2	+7.2%	+7.3%

EBITDA	4.1	4.0	+1.6%	+2.9%
EBITDA margin	14.1%	14.8%		
Media & Entertainment				
Revenue	39.4	24.7	+59.1%	+59.2%
Revenue organic	27.6	24.7	+11.5%	+11.6%
EBITDA	11.4	8.6	+32.1%	+35.9%
EBITDA margin	28.9%	34.8%		

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## About the Nemetschek Group

The Nemetschek Group is a pioneer for the digital transformation in the AEC industry. With its software solutions, it covers the complete life cycle of building and infrastructure projects and guides its customers into the future of digitalization. As one of the world's leading corporate groups in this field, the Nemetschek Group increases quality in the construction process and improves the digital workflow of all those involved in the construction process. This revolves around the use of open standards (Open BIM). The innovative solutions of the 16 brands in the four customer-oriented divisions 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 in the amount of EUR 556.9 million and an EBITDA of EUR 165.7 million in 2019.

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