

+23.5%

ANNUAL RECURRING
REVENUE (ARR) growth
to EUR 597.4 million

+40.6%

growth to EUR 63.8 million
in SUBSCRIPTIONS
& SAAS

ALLPLAN

BLUEBEAM

CREMSOLUTIONS

dRofus

FRILO

GRAPHISOFT

MAXON

NEVARIS

RISA

SCiA

SOLIBRI

SPACEWELL

VECTORWORKS

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Nemetschek SE: Successful Start to the Year in Q1 2023 with Continued Strong Growth in Subscriptions and SaaS

- +40.6% growth to EUR 63.8million in subscriptions and SaaS in Q1
- +23.5% ARR growth to EUR 597.4million
- +6.5% revenue growth to EUR 204.6million
- EBITDA margin remains at a high 29.8%
- Full-Year Guidance for 2023 confirmed

Munich, April 27, 2023 – The Nemetschek Group, a globally leading provider of software for digital transformation in the construction and media industries, recorded a successful start to the year 2023. The successful ongoing transition of its business model from perpetual license to subscription and SaaS models was reflected in the continued very strong growth in this revenue category as well as in the pleasing development of the annual recurring revenues (ARR). During the transition, also the Group's profitability stayed at a very high and attractive level.

“In addition to the strong momentum in subscriptions and SaaS, we are also consistently driving our other strategic topics in order to make optimal use of the growth opportunities in our markets. These include new technologies such as digital twins, artificial intelligence, and cloud solutions as well as internationalization, the Group-wide go-to-market strategy, and the constant increase in internal efficiency,” said **Yves Padrines, Chief Executive Officer of the Nemetschek Group**. “With the first quarter, we have created a good foundation for achieving our goals for the full year.”

Key Group Performance Indicators in Q1 2023

- The **annual recurring revenues (ARR)** grew significantly by 23.5% year over year to EUR 597.4 million. The ARR growth was therefore well above the revenue growth, which indicates a high growth potential for this revenue category in the next 12 months.
- The main drivers were once again the revenues from **subscription and SaaS offerings**, which grew over-proportionally compared to the Group's total revenue by 40.6% (FX-adjusted: 38.9%) to EUR 63.8 million (previous year: EUR 45.4 million)
- Accordingly, the **share of recurring revenues** as a percentage of total revenues increased very strongly and in line with the Group's strategy by 10 percentage points year over year to 73% (previous year: 63%).
- The **Group's revenue** grew by 6.5% year over year (FX-adjusted: 5.5%) to EUR 204.6 million during the simultaneous transition to subscription and SaaS models. In addition to catch-up effects from Q4 2022 also pull-forward effects from the second quarter 2023 at customers in the Design segment due to announced

price increases contributed to this development.

- The transition to subscriptions and SaaS models and its accounting-related effects had the expected short-term dampening effect on the Group's earnings. The **earnings before interest, taxes, depreciation, and amortization (EBITDA)** amounted to EUR 61.0 million (same period previous year: EUR 69.8 million). The EBITDA margin remained at a high level at 29.8%.
- **Net income** reached EUR 36.3 million, corresponding to earnings per share of EUR 0.31 (previous year: EUR 0.37).
- The high **cash conversion** (operating cash flow in relation to EBITDA) of 122.9% underpins the Group's continued high cash generation.

Strategic Highlights

- The transition to **subscriptions and SaaS** continues to progress as planned. For instance, the Bluebeam brand in the Build segment as well as the brands Frilo, Scia, and Vectorworks in the Design segment have successfully launched their transitions, with Vectorworks initially concentrating on markets with direct sales (US, UK, and Asia Pacific) in line with its strategy.
- With the Group-wide **go-to-market approach** and a stronger connection between the brands' products and solutions, the Nemetschek brands presented themselves for the first time on a joint booth at the BIM World in Paris as well as at the BAU in Munich, Europe's leading trade fair for construction software. As a result, the innovative solutions from a single source, which stand for efficient workflows over the entire life cycle in the AEC/O industry, could be presented even more efficiently and customer-oriented.
- Furthermore, the Nemetschek Group also continued its targeted **investments instart-ups** in the first quarter. In addition to an investment in the start-up LiveCosts.com for cost control of construction projects, Nemetschek also invested in the start-ups Preoptima (promotion of more sustainability in the construction industry) and SmartPM (cloud-based software for project analysis in the construction process).

Segment Developments in Q1 2023 (See Table)

- The **Design segment**, returned to double-digit revenue growth of 12.2% (FX-adjusted: 12.1%) for the first time in four quarters to EUR 104.2 million. The uncertain market environment, especially in Europe, and longer sales cycles among customers stabilized slightly in the first quarter. In addition to catch-up effects from Q4 2022 also pull-forward effects from the second quarter 2023 due to announced prices increases contributed to this development. The EBITDA margin remained at a high level at 29.0% (previous year: 31.9%).
- In the **Build segment**, Bluebeam's transition to subscription and SaaS models continued to progress as planned. Consequently, the segment's growth in this revenue category exceeded 70%. The majority of new customers are opting for the high-value Subscription & SaaS packages with more extensive cloud features. As a result of the transition, the revenue of EUR 62.0 million was slightly below the previous year's figure of EUR 62.9 million, a drop of 1.5% (FX-adjusted: – 3.9%). The EBITDA margin reached a continually high level of 35.2% (previous year: 44.9%) despite the conversion.
- Revenue in the **Media segment** increased by 5.0% (FX-adjusted: 4.2%) to EUR 26.8 million. The lower growth compared to the previous year's quarters is attributable to the particularly high comparison base from the previous year. Q1 2022 profited from an inorganic growth contribution as well as from a strong, positive one-time effect from the last time sale of perpetual licenses in China. Starting in Q2, the segment's growth is expected to return to a double-digit percentage range. The EBITDA margin, which in Q1 was 35.2% (same period previous year: 44.0%), is therefore also expected to see a significant increase in the coming quarters.
- In the **Manage segment**, revenue increased by 5.1% (FX-adjusted: 5.9%) to EUR 13.4 million. Since January 1, 2023, the dRofus brand has been consolidated in the Manage segment, having been moved from the Build segment to the newly created Digital Twin business unit. For reasons including investment in new business, the EBITDA margin was – 3.4% (previous year: 5.6%).

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

Following the successful start to the year, the Executive Board is confirming its current targets for the 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 already reach more than 75% in 2023 (previous year: 66%). The Executive Board continues to expect a currency adjusted revenue growth in the range of 4% to 6% for the Group in 2023. The EBITDA margin is expected to be between 28% and 30%. Furthermore, the Executive Board confirms its ambitions for the years 2024 and 2025.

The outlook is based on the assumption that there will be no significant deterioration in the global macroeconomic or industry-specific environments in 2023 particularly in light of the growing global economic risk from the war in Ukraine.

Overview of quarterly key figures (Q1-23)*

In EUR million	Q1 2023	Q1 2022	Δ in %	Δ in % FX-adj.
ARR	597.4	483.9	+23.5 %	+22.2%
Revenues	204.6	192.2	+6.5%	+5.5%
- thereof software licenses	47.6	63.7	-25.2 %	-25.7%
- thereof recurring revenues	149.4	121.0	+23.5 %	+22.2%
- Subscription + SaaS (part of recurring revenue)	63.8	45.4	+40.6 %	+38.9%
EBITDA	61.0	69.8	-12.7 %	-10.8%
Margin	29.8%	36.3%		
EBIT	46.6	56.3	-17.2 %	

Margin	22.8%	29.3%		
Net income (Group shares)	36.3	42.6	-14.9 %	
Earnings per share in EUR	0.31	0.37	-14.9 %	
Net income (Group shares) before amortization of purchase price allocation (PPA)	41.7	47.9	-13.0 %	
Earnings per share before PPA in EUR	0.36	0.41	-13.0 %	

Overview of quarterly key figures per segment (Q1-23)*

In EUR million	Q1 2023	Q1 2022	Δ in %	Δ in % FX-adj.
Design				
Revenues	104.2	92.8	+12.2%	+12.1%
EBITDA	30.2	29.6	+2.0%	+8.0%
EBITDA margin	29.0%	31.9%		
Build				
Revenues	62.0	62.9	-1.5%	-3.9%
EBITDA	21.8	28.3	-22.8%	-24.8%
EBITDA margin	35.2%	44.9%		
Manage				
Revenues	13.4	12.8	+5.1%	+5.9%
EBITDA	-0.5	0.7	-	-
EBITDA margin	-3.4%	5.6%		
Media				
Revenues	26.8	25.5	+5.0%	+4.2%
EBITDA	9.4	11.2	-16.1%	-14.8%
EBITDA margin	35.2%	44.0%		

*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).

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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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