

A photograph of a large industrial facility, likely a power plant or manufacturing plant, featuring rows of green machinery and complex piping systems. The scene is brightly lit, and the machinery is arranged in a long, organized line.

Mensch und Maschine Software SE

Company Presentation Status September 18, 2020 / Half year report 2020

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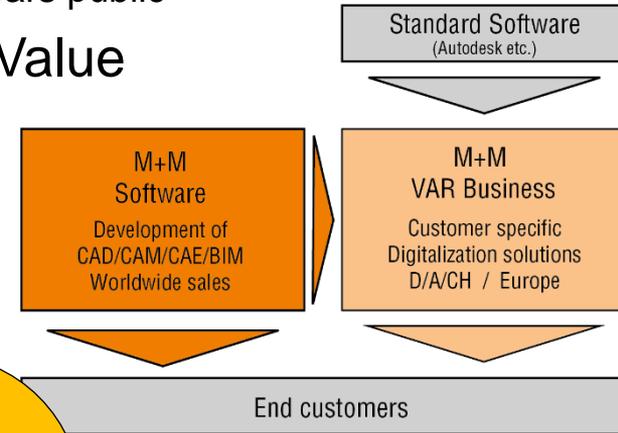


man  **machine**
CAD as CAD can

mensch  **maschine**
CAD as CAD can

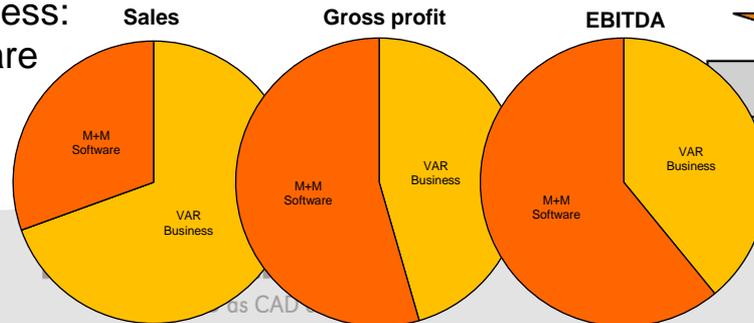
Business model

- Leading vendor of CAD/CAM/CAE/PDM/BIM solutions
 - ◆ CAD/CAM/CAE = Computer Aided Design / Manufacturing / Engineering
PDM = Product Data Management / BIM = Building Information Management
 - ◆ Founded 1984 – 36 years on market // IPO 1997 – 23 years public
- Two Segments, >80% Proprietary Added Value
 - ◆ M+M Software: Proprietary Standard Software
~70% CAD/CAM // ~30% BIM / Garden/Landscaping / CAE
 - ◆ VAR Business: Technical Digitalization Solutions
Proprietary Added Value: ~60% Projects / ~40% Training



Benefit VAR Business:
Sales / Market share

Benefit Software:
Very profitable



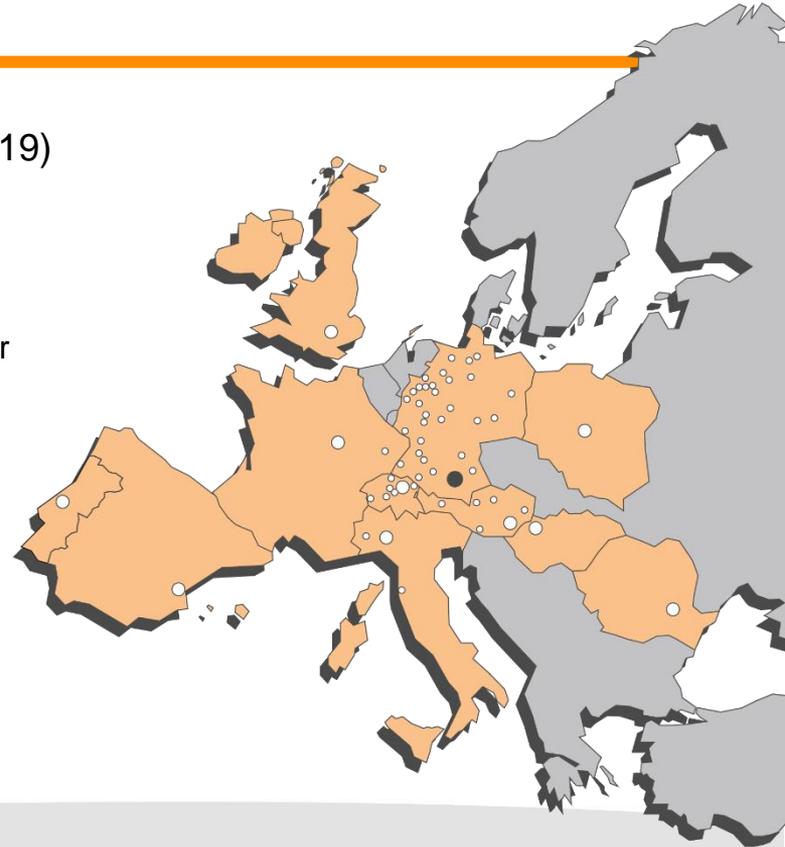
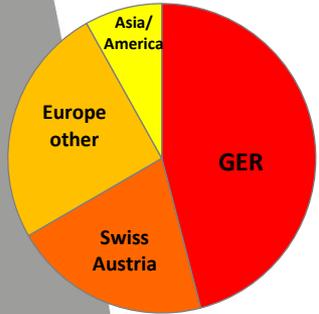
Business model

■ Geographical sales contribution: (2019)

- ◆ Germany: EUR ~113mln / ~46%
- ◆ Austria/Switzerland: EUR ~51 mln / ~21%
- ◆ Europe (other): EUR ~62 mln / ~25%
France / Italy / UK / Poland / Romania / Iberia / other
- ◆ Asia/America: EUR ~20 mln / ~8%
Japan / China / India / APAC / USA / Brazil / other
(M+M's own CAM and BIM Software only)

■ Headcount:

- ◆ Gross headcount at June 30, 2020: 1,019
- ◆ Full time equivalent H1/2020: 964 (PY: 930)
 - 503 / 52% (PY: 462 / 50%) M+M Software
 - 461 / 48% (PY: 468 / 50%) VAR Business



Business model

■ Broad industry balance:

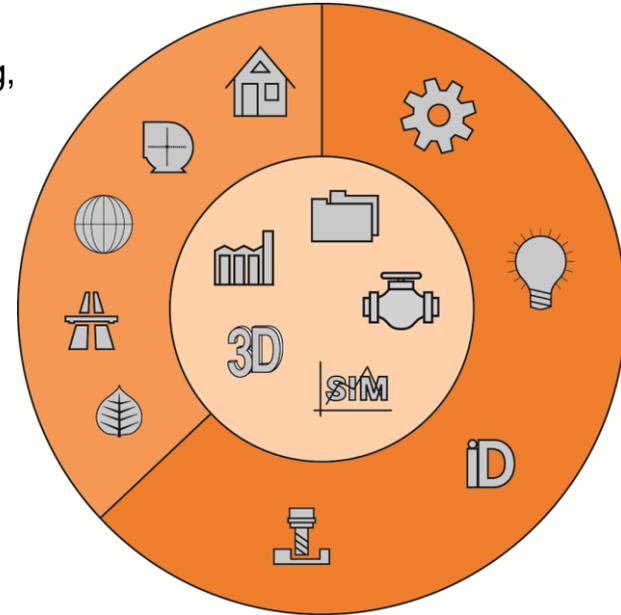
- ~2/3 Industry: e.g. Mechanical/Electrical/Process Engineering, Tool/Mold/Die Making, Automotive/Aerospace/Shipbuilding, Hydraulics, Pneumatics, Industrial design
- ~1/3 BIM: e.g. Architecture, Building Services, Structural/Civil Engineering, Bridge and Tunnel Construction, Infrastructure, Facility Management, Gardening/Landscaping
- Interdisciplinary: e.g. Digital Factory, PDM/PLM, Simulation, Plant Design, Visualization/Animation

◆ Extensive installed base:

>100,000 active seats @ more than 30,000 customers

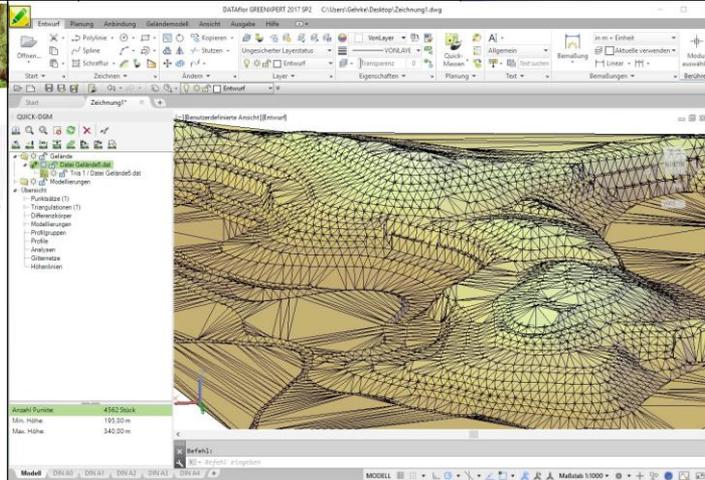
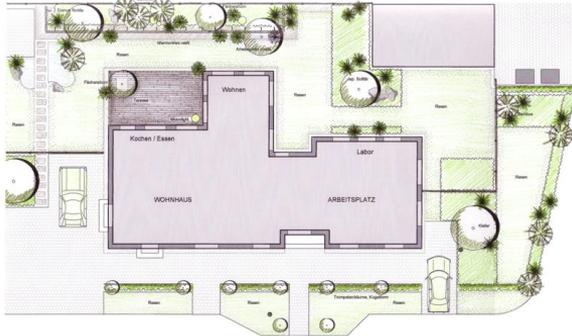
◆ Wide price/performance range:

- Software from <1,000 Euro to >100,000 Euro per seat
- Pure B2B Business, only professionals, no consumers



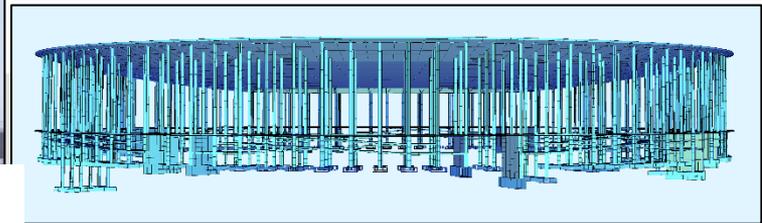
CAD/CAM in practice (M+M Software)

- Gardening / Landscaping / Earthworks for Architects and Implementers
 - M+M Subsidiary DATAflor, Goettingen, Germany
 - Integrated software solutions not only containing graphical planning but also calculation, tender, quoting, construction site controlling and billing
 - Two examples from the extensive functionality:
 - Digital terrain model: Comfortable three dimensional landscape design (middle picture)
 - GRUENSTUDIO 3D: Live experiencing the future garden via VR glasses (right picture)



CAD/CAM in practice (M+M Software)

- New in 2019: BIM, Structural Analysis and Reinforcement
 - Strategic shareholding in SOFiSTiK AG increased from 13.3% to 51%
 - Share swap, Founders/Management staying on board with 49% shareholding
 - SOFiSTiK (est. 1987) is a technology leader in bridge, tunnel and building construction
 - In more than 30 years, thousands of construction projects have been realised and calculated with SOFiSTiK software, e.g. BMW-Welt Munich, new Bosphorus bridge, Brasilia National Stadium...



www.sofistik.com/company/references

CAD/CAM in practice (M+M Software)

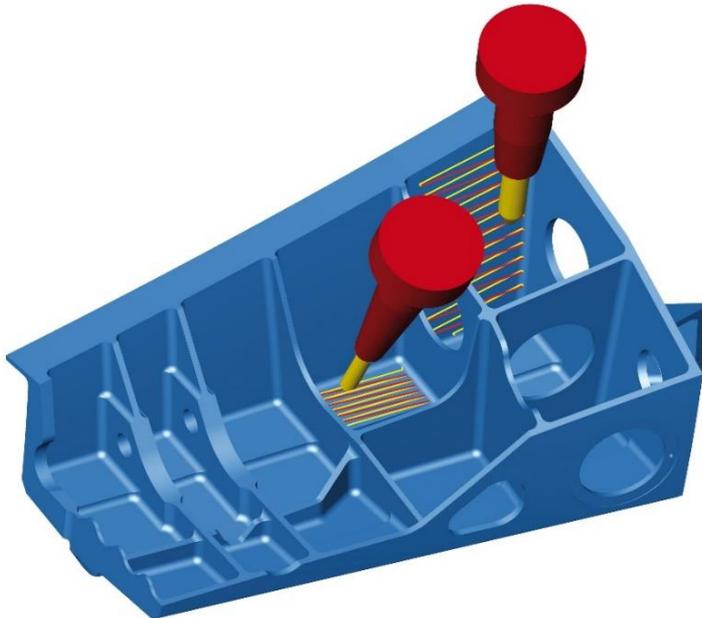


CAD/CAM in practice (M+M Software)

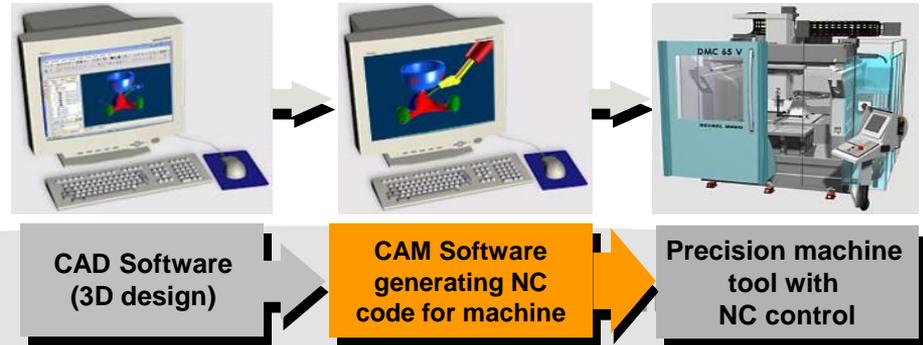
- CAM – Computer Aided Manufacturing
 - Subsidiary Open Mind – Product line hyperMILL
 - High end: Average revenue approx. EUR 30,000 per seat
 - **CAM is contributing ~40% of group gross margin**



 **OPEN MIND**
THE CAM FORCE



Precision machine tools' purchase prices are in the six or seven digit Euro range. hyperMILL reduces milling times by up to 90% through intelligent machining strategies, pushing return on investment for these expensive machine tools to completely new dimensions.



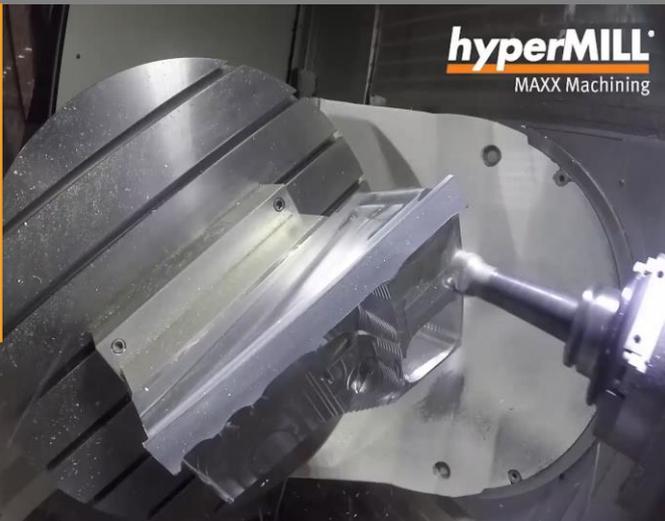
CAD/CAM in practice (M+M Software)

Up to 5x faster material removal by 'helical' roughing.

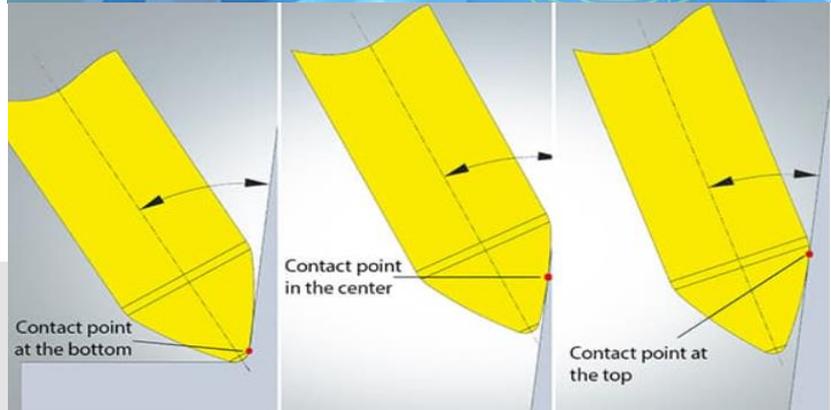
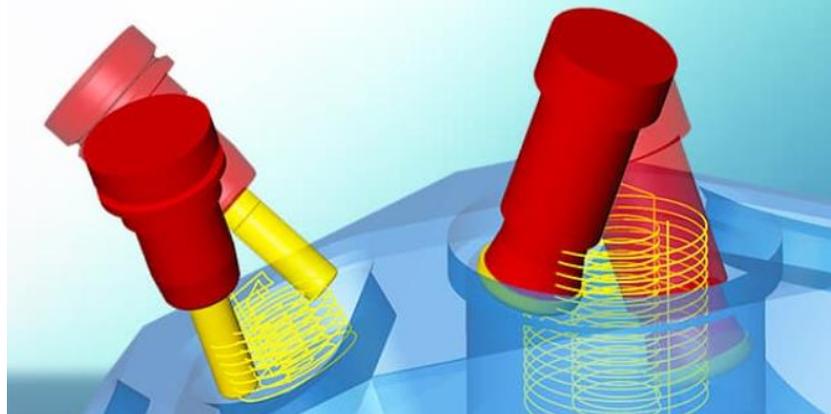
Flat surface finishing up to 10x faster by using special conical cutters with slightly convex curvature.

Milling time for this lightweight aerospace part:
2h05min instead of 10h30min => 80% productivity gain.

Total 80% productivity gain: 2h05 instead of 10h30



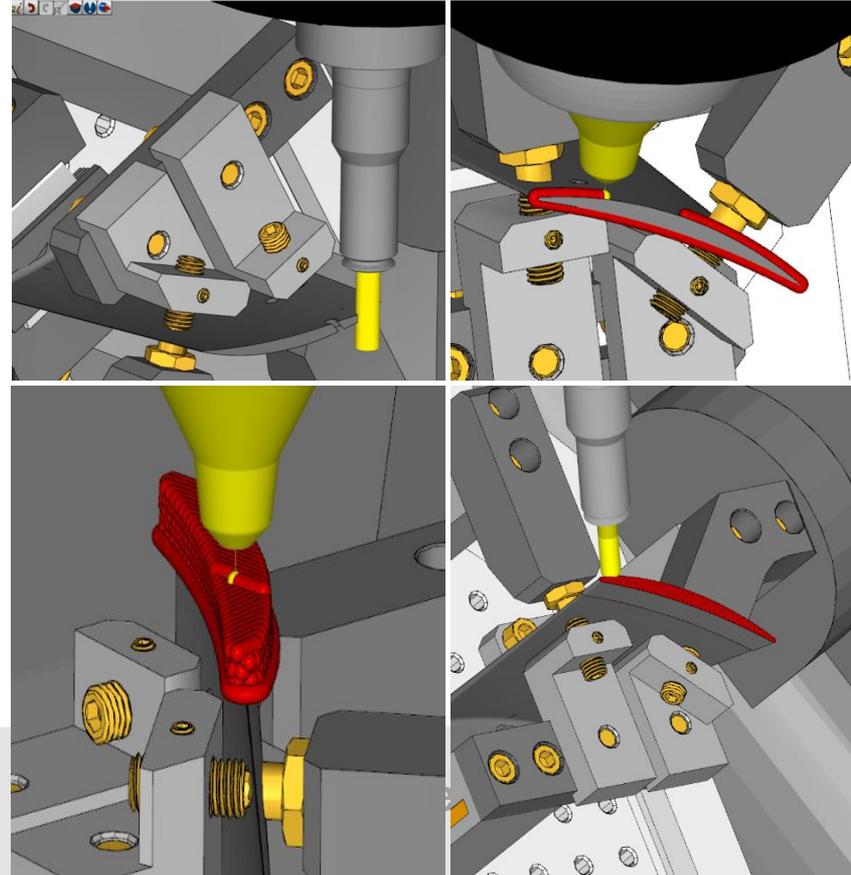
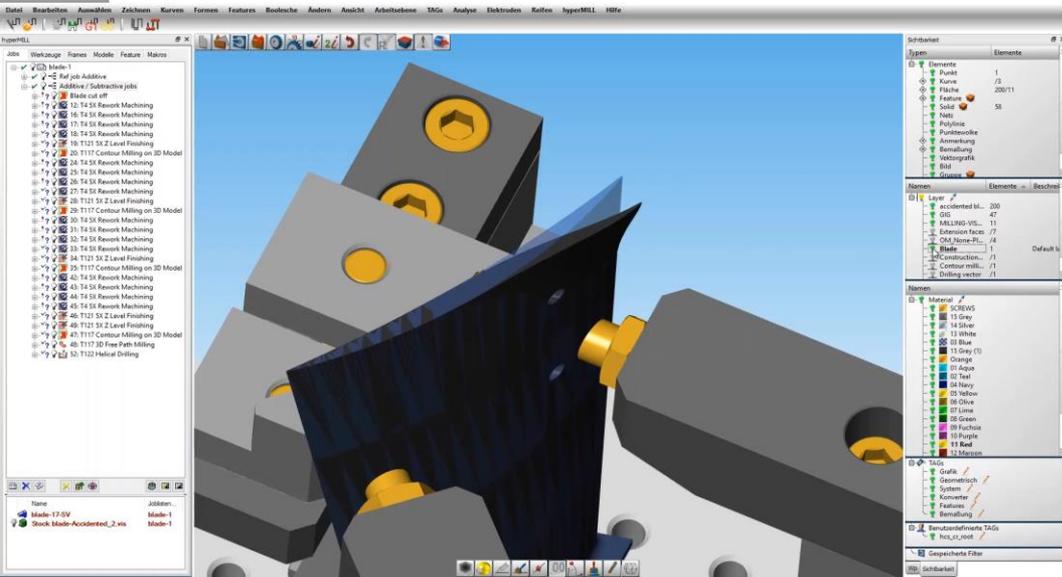
78% faster roughing + 90% faster flat surface finishing:



CAD/CAM in practice (M+M Software)

CAM (subtractive) meets 3D printing (additive):

New hybrid machine tools with an LMD device (Laser Metal Deposition) combine the advantages of 3D metal printing (building parts from scratch) and 5-axis milling (finishing defined surfaces with high accuracy) without re-clamping. hyperMILL now supports this process holistically. Example: Hybrid repair of a turbine blade.



Some CAM Key Customers

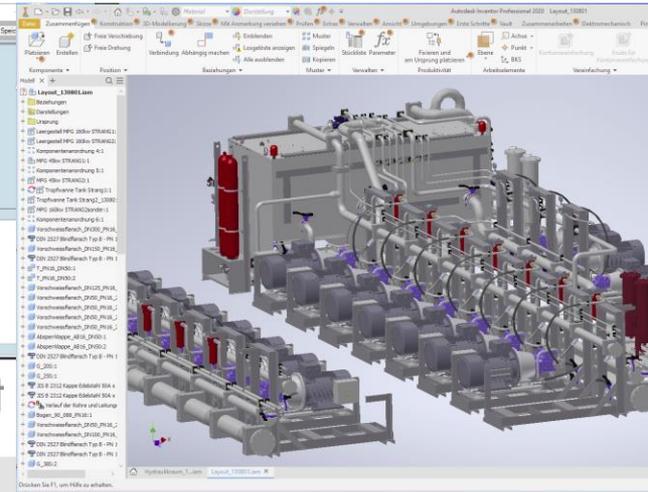
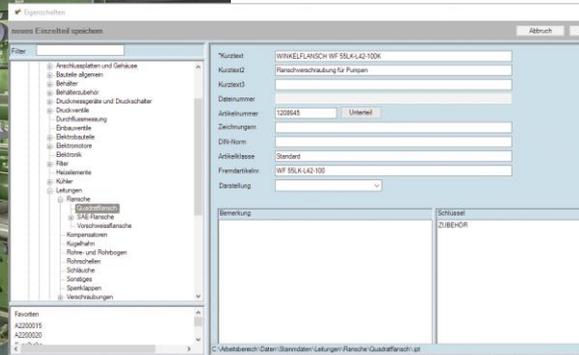


Digitalization in practice (VAR Business)

- Example: Data Management for Industry customers
Connecting design and commercial data by M+M PDM pinpoint



Customer: Otto Zimmermann GmbH,
Saarbruecken, Germany



pdm  pinpoint



man  machine
CAD as CAD can

mensch  maschine
CAD as CAD can

Digitalization in practice (VAR Business)

- Example BIM – Building Information Modelling / Management: Digital Building Manual for Facility Management



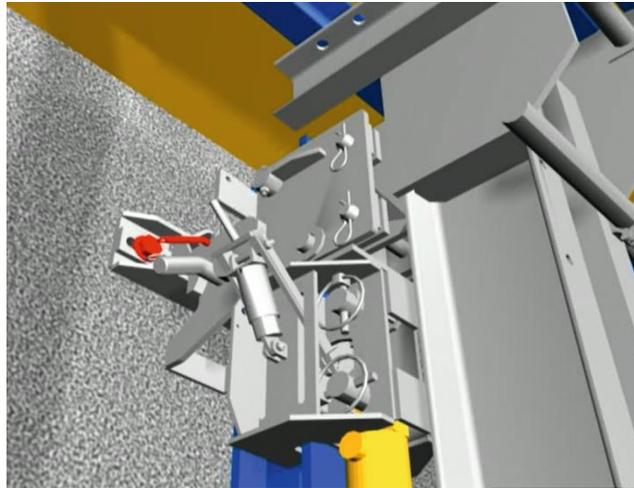
bim  booster bin  ready



Digitalization in practice (VAR Business)

- Example Industry 4.0 meets BIM: convert BIM compatible data (here: automatic climbing formwork on Frankfurt high 4 construction site)

Customer: Doka GmbH, Amstetten, Austria



YouTube Video:

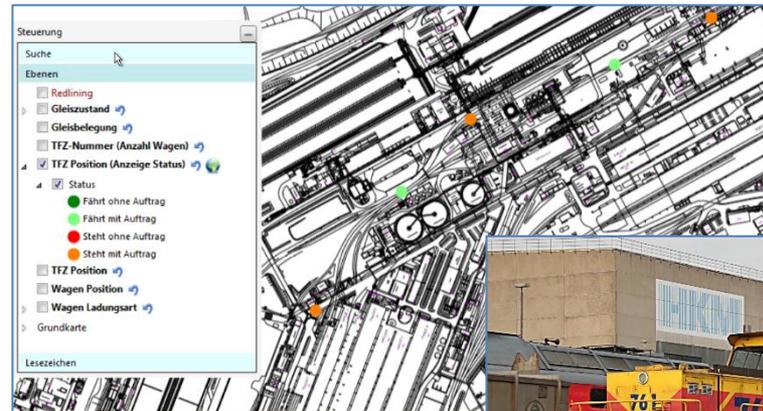


Digitalization in practice (VAR Business)

- Example: Infrastructure/BIM – Steel plant becoming ‘Digital Factory’
Large project since 2010 including over a dozen modules totally representing several man-years. Here: GPS aided locomotive tracking on the factory premises



Customer: HKM Hüttenwerke Krupp Mannesmann, Duisburg-Huckingen, Germany



mapedit

Digitalization in practice (VAR Business)

- Fully automated variant design with customX - for >90% productivity gain
Project examples: Electric distribution boxes and Diesel filters

Customer: Bals Elektrotechnik, Kirchhundem, Germany



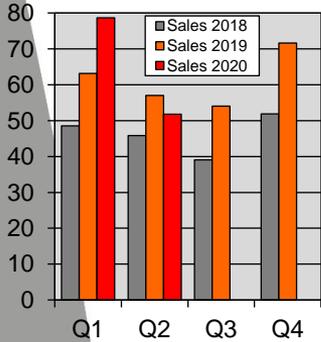
Customer:
Willibrord Lösung
Filtertechnik,
Hattingen, Germany



Some VAR Business Key Customers



Sales & gross profit

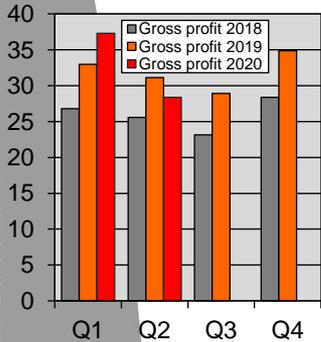


- **Record sales 2019: EUR 245.94 mln / +33%** (organic +25%)

- ◆ M+M Software: EUR 75.08 mln (organic +9%)
 - ◆ Solid organic growth plus SOFiSTiK acquisition
- ◆ VAR Business: EUR 170.86 mln / +32% (purely organic)
 - ◆ Strong growth – counter-reaction to the temporary retarding effect of Autodesk’s sales to subscription transition in 2016/17

- **Record gross profit: EUR 127.89 mln / +23%** (organic +13%)

- ◆ M+M Software: EUR 69.70 mln / +28% (organic +9%)
- ◆ VAR Business: EUR 58.19 mln / +17% (purely organic)

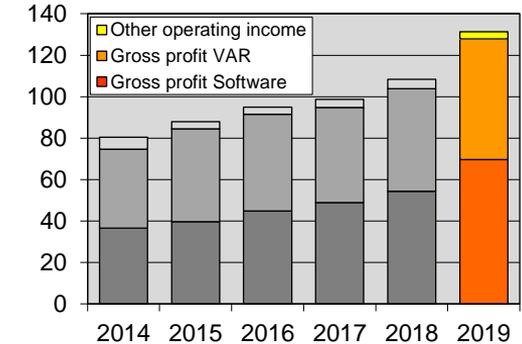
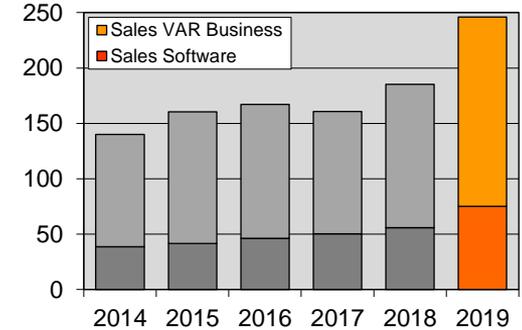


- **Record sales H1/20: EUR 130.38 mln / +8.5%** **H1/2020**

- ◆ M+M Software: EUR 37.87 mln / +1.0%
- ◆ VAR Business: EUR 92.51 mln / +12%
- ◆ Q1: +24.5% / Q2: -9.3%

- **Record gross profit H1/20: EUR 65.68 mln / +2.4%**

- ◆ M+M Software: EUR 34.69 mln / -1.5%
- ◆ VAR Business: EUR 30.99 mln / +7.2%
- ◆ Q1: +13% / Q2: -8.8%



Earnings / cash flows / dividend

Record EBITDA 2019: EUR 36.55 mln (PY: 22.75) / yield 14.9% (PY: 12.3%)

- ◆ M+M Software: EUR 22.27 mln (PY: 14.68) / yield 29.7% (PY: 26.3%)
- ◆ VAR Business: EUR 14.28 mln (PY: 8.07) / yield 8.4% (PY: 6.2%)

Attention: IFRS16 (Shifting leasing expenses to depreciation) distorting 19/18 comparison

Record EBIT 2019: EUR 27.19 mln / +38% (organic +25%)

- ◆ M+M Software: EUR 17.37 mln / +32% (organic +12%)
- ◆ VAR Business: EUR 9.82 mln / +52% (purely organic)

Record net profit 2019: EUR 16.67 mln // EPS 99 Cents (PY: 71.5)

Record operating cash flows 2019: EUR 26.35 mln / +73%

Dividend 2019: 85 Cents (PY: 65 / +31%) - in cash or shares

Record EBITDA H1/20: EUR 21.21 mln / +15%

H1/2020

Record EBIT H1/2020: EUR 16.72 mln / +19%

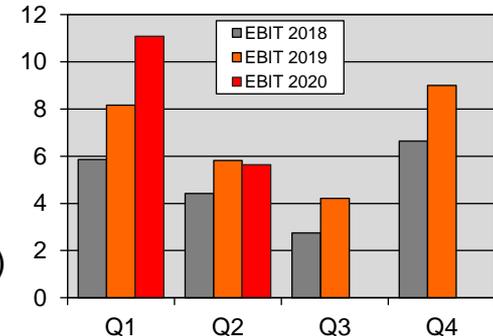
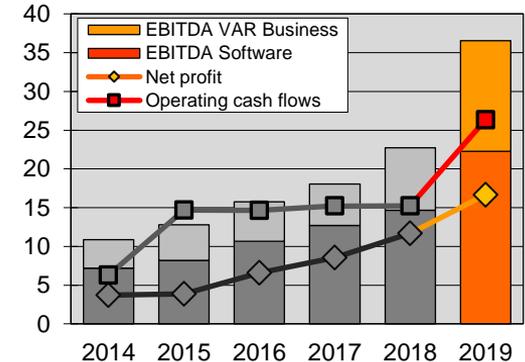
- ◆ M+M Software: EUR 9.95 mln / +7.7%
- ◆ VAR Business: EUR 6.77 mln / +42%
- ◆ Q1: +36% / Q2: -3.7%

Record net profit H1/20: EUR 9.99 mln / +18% // EPS 60 Cents (PY: 50)

Record operating cash flows H1/2020: EUR 24.46 mln / +79%

Q1 very strong
Q2 with Corona
retarding effects
(as expected),
but very good
cost discipline

H1 solidly staying
on record path



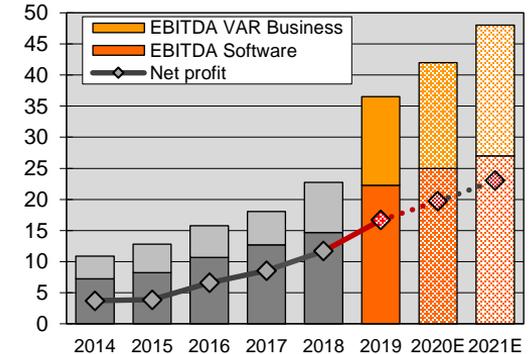
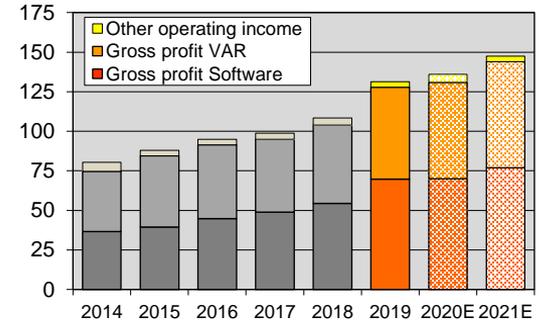
Review & Outlook

Review on profitable growth:

- Gross profit 2014-2019: EUR +53.2 mln / +71%
 - ✓ EUR +10.6 mln / +11% average gross profit growth p.a.
- EBITDA 2014-2019: EUR +25.6 mln / +235%
 - ✓ EUR +5.1 mln / +27% average EBITDA growth p.a.
- Gain 48%: 1 EUR more gross profit >> 48 Cents more EBITDA
 - ✓ Profit optimized growth through effective cost control management

Clear target: Continuing sustainable profitable growth

- 2020E: Concentration on profit target no focus on sales / gross profit
 - ◆ EPS +18-24 Cents to 117-123 Cents / Dividend +15-20 Cents to 100-105 Cents +10 Cents EPS already achieved in H1 / moderate recovery of customer demand sufficient
- 2021E ff: Organic growth + margin potential = economy of scale
 - ◆ Sales / Gross profit +8-12% p.a.
 - ◆ EPS +18-24 Cents / Dividend +15-20 Cents p.a.



The M+M share

Listings:

- ◆ scale, Frankfurt (scale30)
- ◆ m:access, Munich

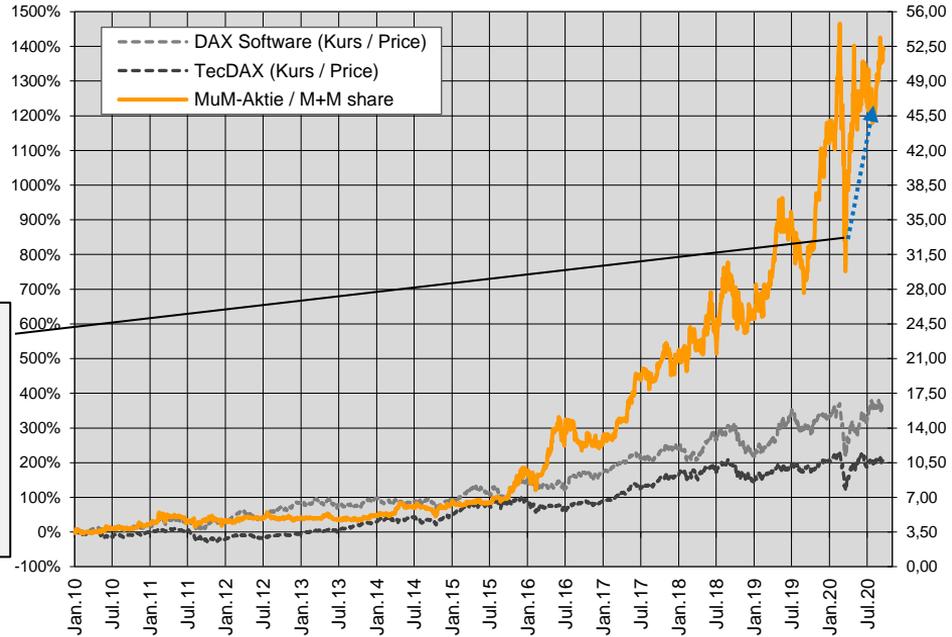
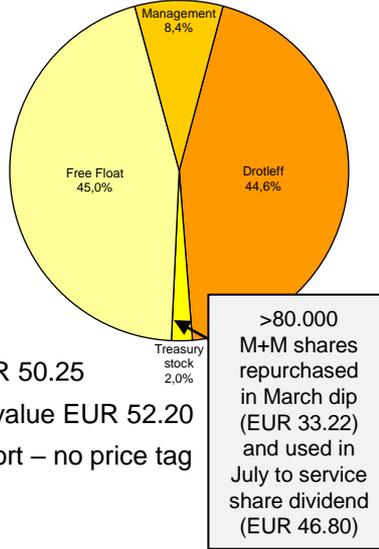
Designated Sponsors:

- ◆ LBBW, Stuttgart
- ◆ Oddo Seydler, Frankfurt

Analyst Coverage:

- ◆ LBBW: „Hold“ – fair value EUR 50.25
- ◆ SMC Research*: „Hold“ – fair value EUR 52.20
- ◆ EDISON*: **scale** research report – no price tag

*available in English language



Total dividends paid since 2010: EUR 3.50

M+M is both a public and private company

Why invest in M+M ?

- M+M is a leading vendor of technical software solutions
 - ◆ Founded 1984 – 36 years of established market position
 - ◆ More than 30,000 active customers worldwide
 - ◆ Private and 23 years public company
- Sustainable profitable growth / highly scalable business model
 - ◆ Organic growth (CAGR): long-term average approx. 10% p.a.
 - ◆ EBITDA yield H1/2020 was 16.3% - mid-term potential >18%
 - ◆ 18-24 Cents p.a. EPS growth target secured by effective cost management
- Good dividend return due to high pay-out ratio
 - ◆ Low CAPEX, as the lion's share of software development is not capitalized
 - ◆ Founder/CEO Adi Drotleff swapping the majority of his dividend rights to shares every year



A photograph of a large industrial facility, likely a power plant or manufacturing plant, featuring rows of green machinery and complex piping systems. The scene is brightly lit, and the machinery is arranged in a long, perspective view.

Thank you for your attention!

For more Information: www.mum.de / Investor Relations

