



# Mensch und Maschine Software SE

## Company Presentation

Status October 21, 2020 / Q3 report 2020

man  machine  
CAD as CAD can

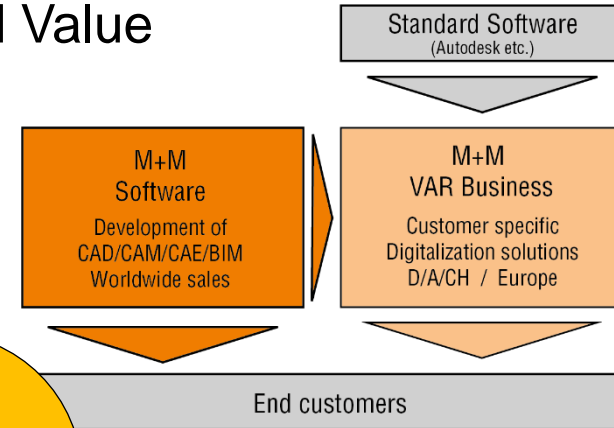
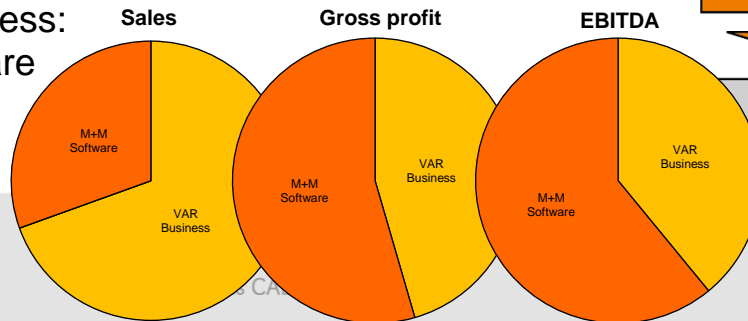
mensch  maschine  
CAD as CAD can

# 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 // >75% 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: ~60/40% Projects / Training  
Reselling (Autodesk etc.): >80% Recurring Business

Benefit VAR Business:  
Sales / Market share

Benefit Software:  
Highly profitable



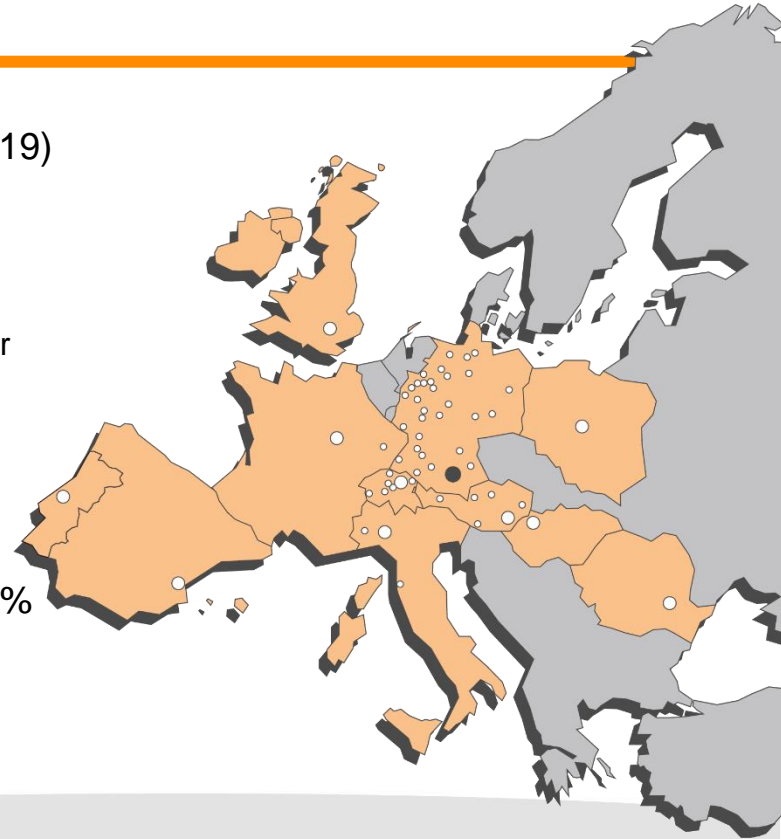
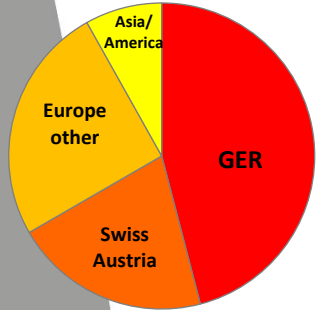
# Business model

## ■ 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 Sep 30, 2020: 1,019 / +2.9%
- ◆ Full time equivalent 9M/2020: 946 (PY: 918)
  - 483 / 51% (PY: 456 / 50%) M+M Software
  - 463 / 49% (PY: 462 / 50%) VAR Business



# Business model

## ■ Broad industry balance:

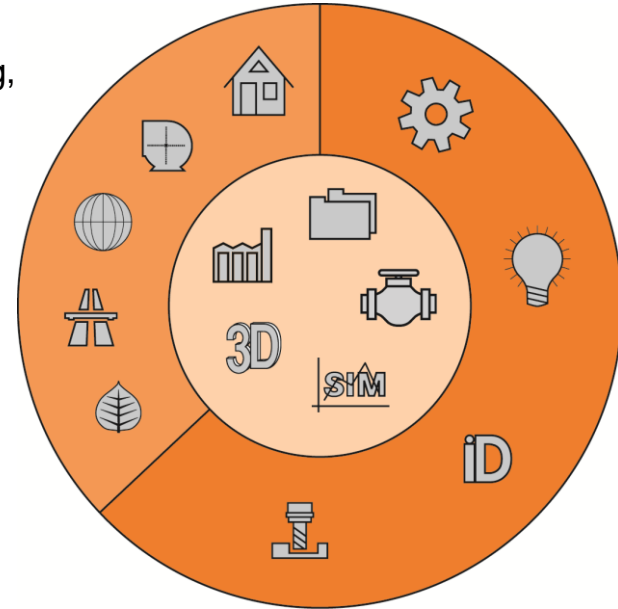
- ~2/3 Industry: e.g. Mechanical/Electrical/Process Engineering, Tool/Mold/Die Making, Automotive/Aerospace/Shipbuilding, Hydraulics, Pneumatics, Industrial design
- ~1/3 BIM: e.g. Architecture, Building Services, Structural/Civil Engineering, Bridge and Tunnel Construction, Infrastructure, Facility 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:

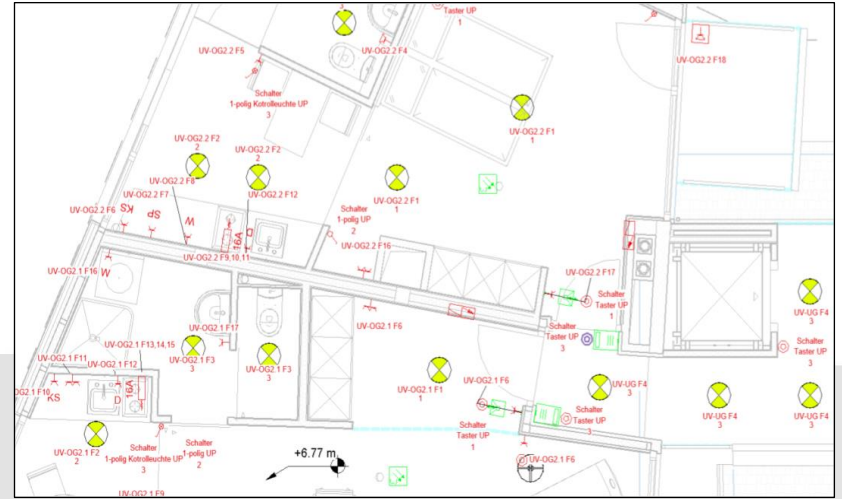
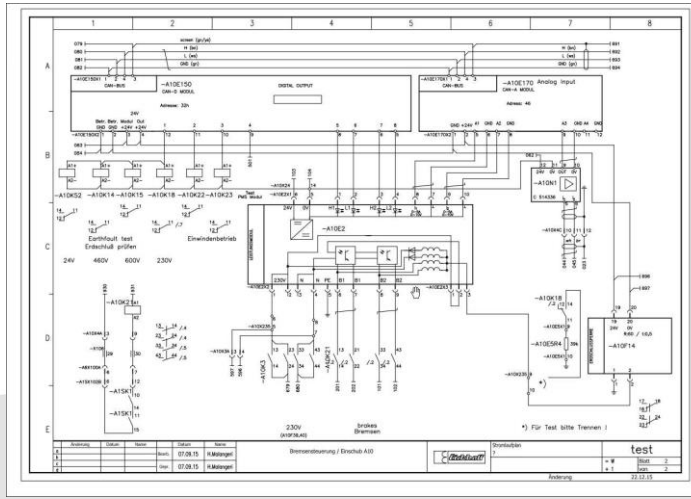
- Software from <1,000 Euro to >100,000 Euro per seat
- Pure B2B Business, only professionals, no consumers



# CAD/CAM in practice (M+M Software)

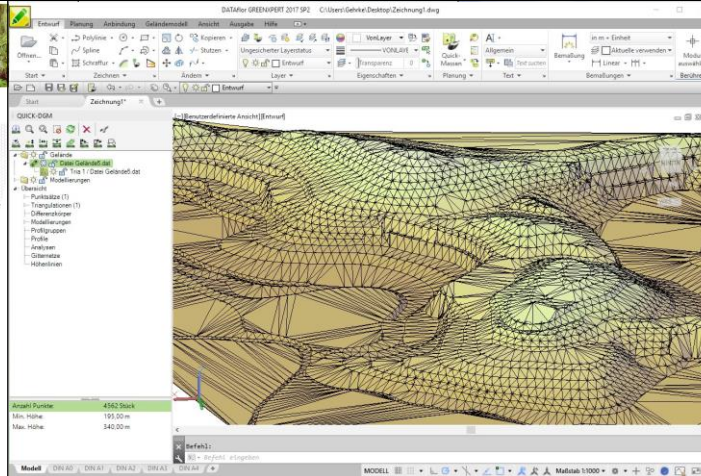
## ■ CAE – Computer Aided Engineering

- Yet: ecscad – until 2008 M+M Software, end of 2008 sold to Autodesk, since 2014 licensed back and developed / supported by M+M
- Newly developed: eXs – fully data- and largely user interface compatible
  - High performance database, more functionality, simpler usability, free configurability
  - For Industry disciplines electrical and process engineering, hydraulics and pneumatics
  - As well as for all building services disciplines in BIM projects
  - For ecscad maintenance customers free automatic license transition



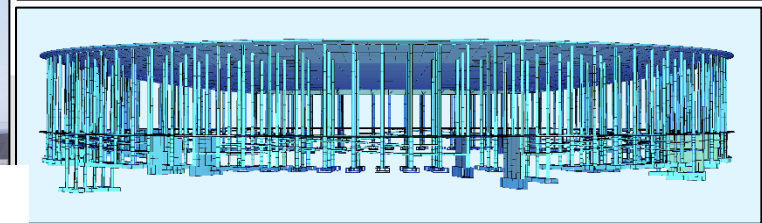
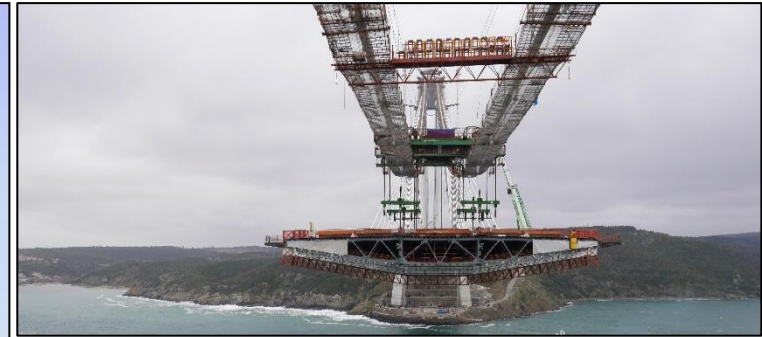
# CAD/CAM in practice (M+M Software)

- 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)



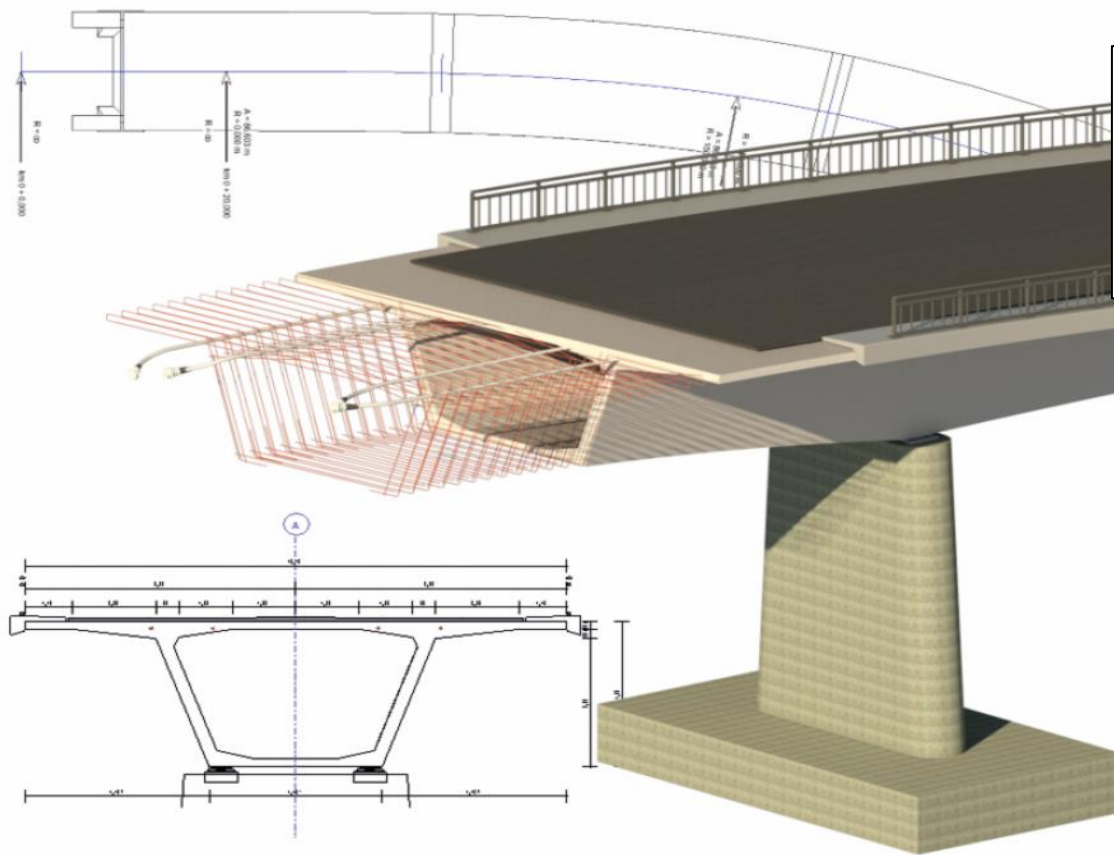
# CAD/CAM in practice (M+M Software)

- BIM / Civil Engineering: Structural Analysis & Reinforcement Software
  - Jan 1, 2019: Long-standing shareholding in SOFiSTiK AG increased from 13.3% to 51%
  - Share swap, Founders/Management stayed 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](http://www.sofistik.com/company/references)

# CAD/CAM in practice (M+M Software)



The **SOFiSTiK Bridge + Infrastructure Modeler** supports parametrized 3D bridge, tunnel and other profile building design, detailing and analysis, fully compatible to BIM standards, as it e.g. is mandatory in Germany since 2020 for public projects due to the German Ministry of Transport and Infrastructure.



P0  
H = 0.000m

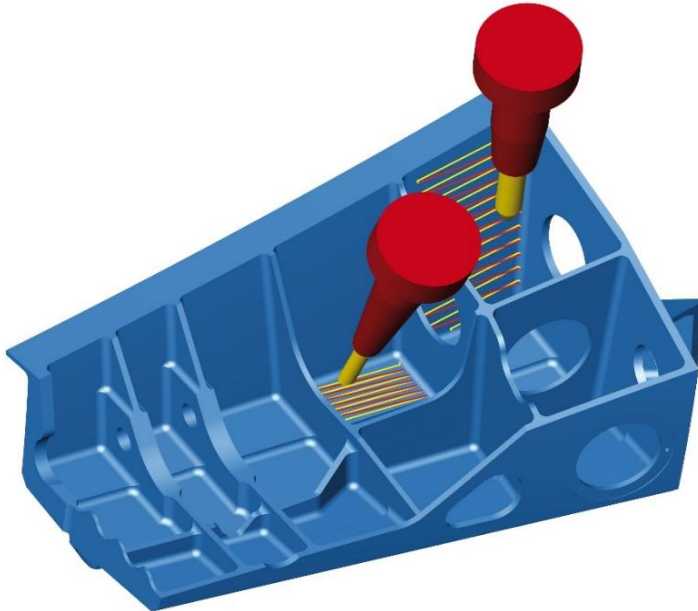
P1  
H = 0.000m





# CAD/CAM in practice (M+M Software)

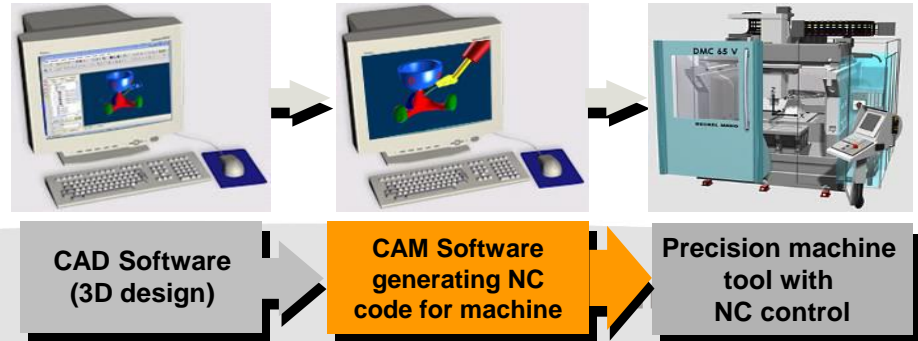
- CAM – Computer Aided Manufacturing
  - Subsidiary Open Mind – Product line hyperMILL
  - High end: Average revenue approx. EUR 30,000 per seat
  - **CAM is contributing ~40% of group gross margin**



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.



 **OPEN MIND**  
THE CAM FORCE



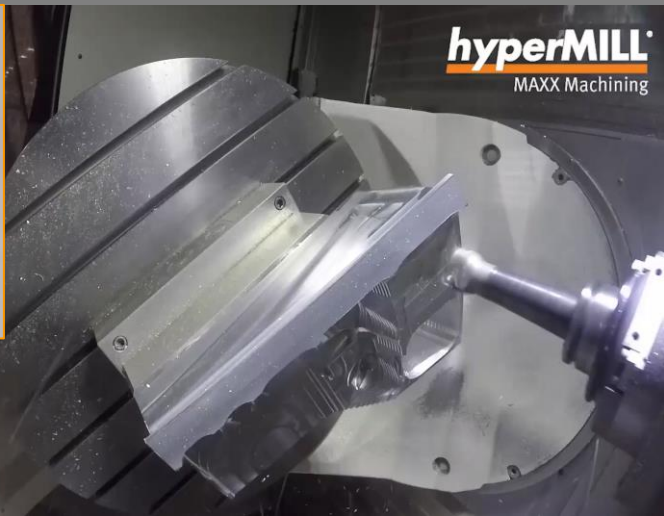
# CAD/CAM in practice (M+M Software)

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

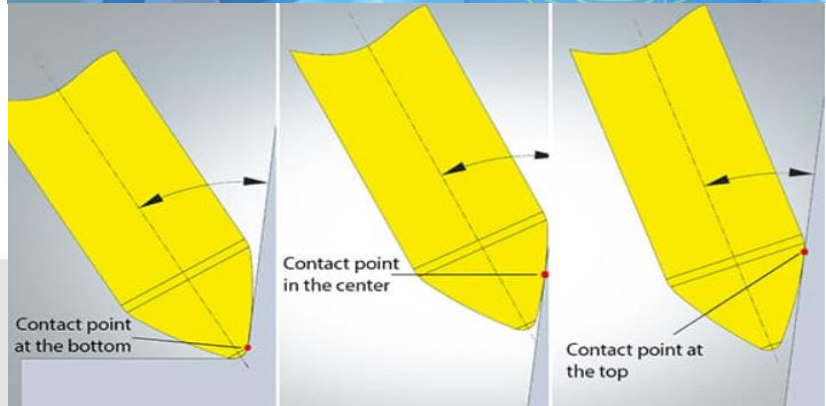
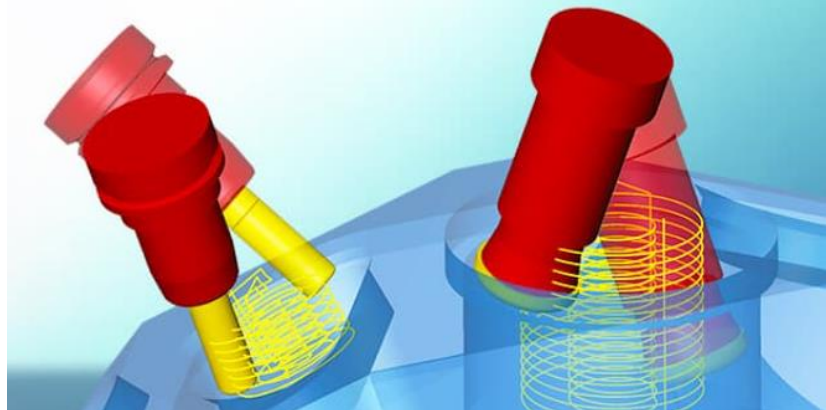
Flat surface finishing up to 10x faster by using special conical cutters with slightly convex curvature.

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

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



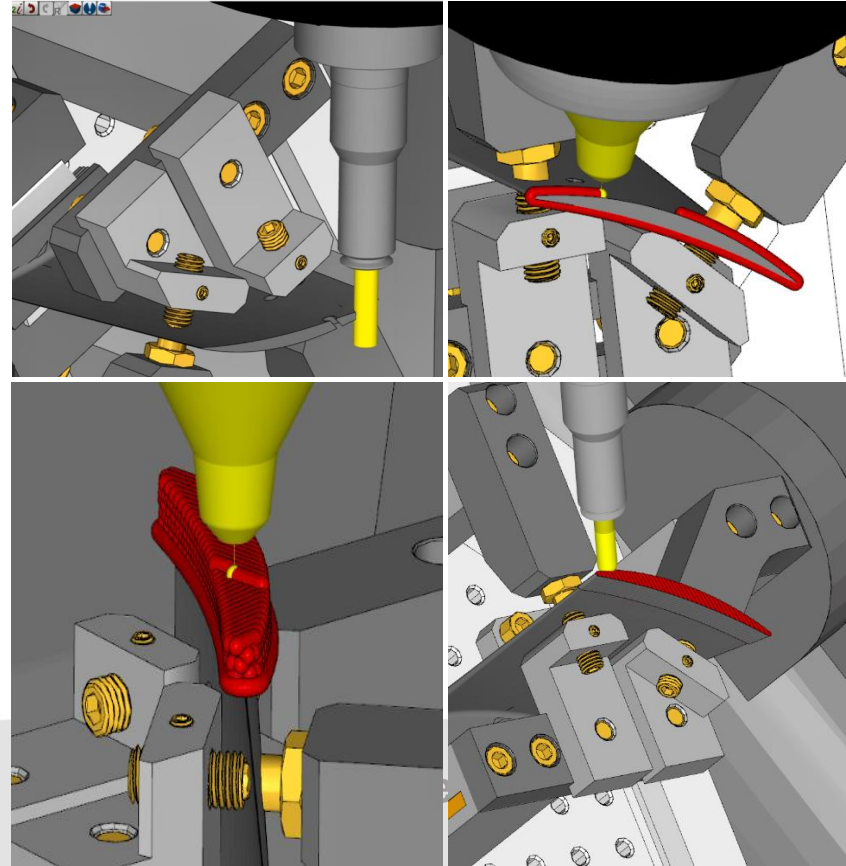
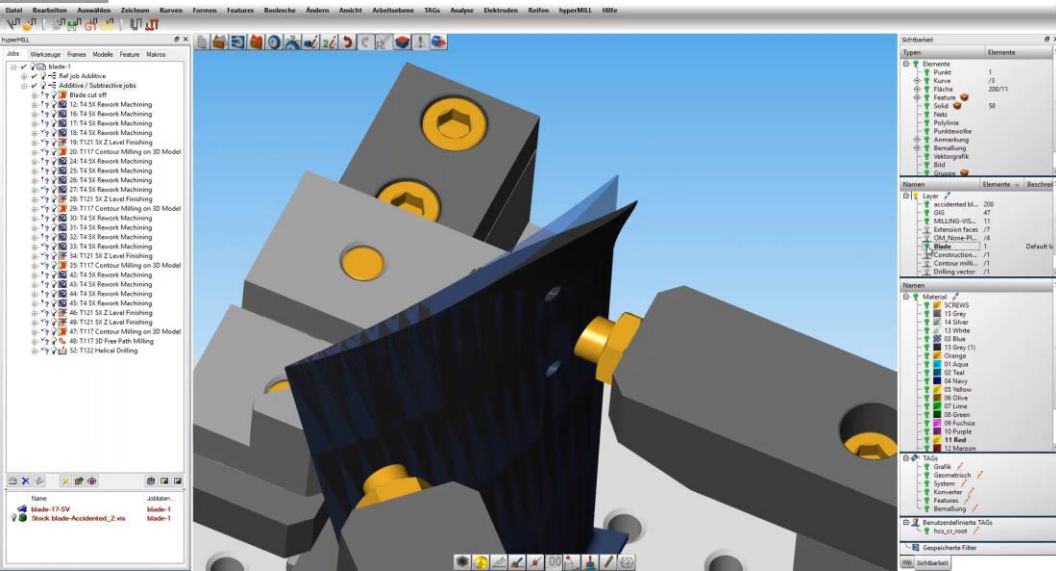
78% faster roughing + 90% faster flat surface finishing:



# 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 Infrastructure for Municipalities: The ‘Digital City’ M+M MapEdit is the data turntable helping Emden (called „Green City by the sea“) to reach their ambitious sustainability targets

Customer: Stadtwerke Emden, Germany



**Entdecken Sie Ihr Sparpotenzial - Emden Solarkataster**

Das Emden Solarkataster stellt eine Orientierungshilfe dar, mit der Sie die Eignung Ihres Daches für Fotovoltaik- und / oder Solarthermieanlagen erkennen können. Mit Hilfe von drei einfachen Schritten können Sie auf der Karte einsehen, ob auch in Ihrem Haus ein ungenutztes Sparpotenzial vorhanden ist.

- 1. Produktwahl**
  - Fotovoltaik
  - Solarthermie
- 2. Dachfläche suchen**

Finden Sie die von Ihnen gesuchte Dachfläche durch Eingabe der gewünschten Adresse oder suchen Sie direkt in der Karte.

Strasse und Hausnummer
- 3. Sparpotenzial erkennen**

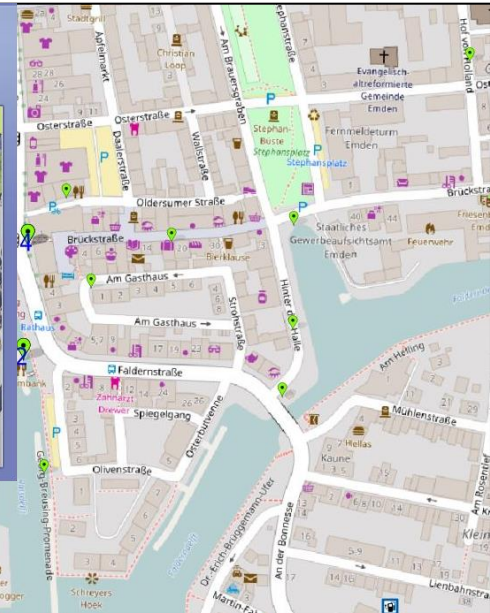
Um jetzt auf einen Blick Informationen über die Eignung für den Einsatz von Fotovoltaik- bzw. Solarthermieanlagen zu erhalten, klicken Sie den Mauszeiger auf die gewünschte Dachfläche.

**Legende**

  - sehr gut geeignet
  - gut geeignet
  - bedingt geeignet

**Dachfläche (172,8 m<sup>2</sup>): sehr gut geeignet**  
Geplante Fläche für PV-Module: 58,4 m<sup>2</sup>  
Max. CO<sub>2</sub>-Einsparung: 5,1 Tonnen pro Jahr

[Ich möchte mehr wissen \(zum Kontaktformular\)](#)



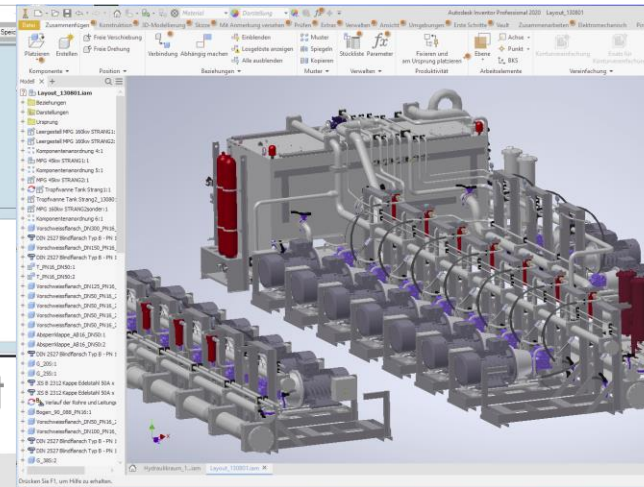
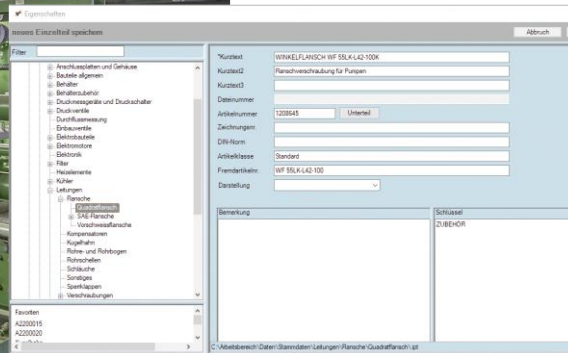
map  edit

# 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



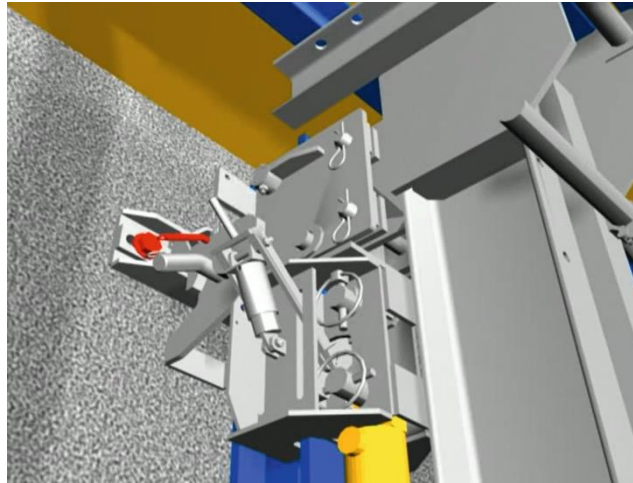
bim  booster bin  ready



# 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:





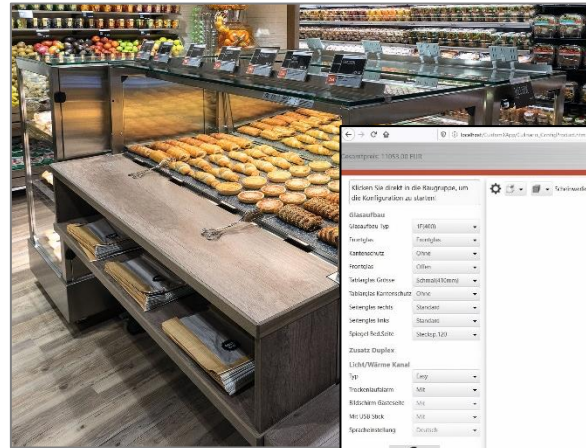
# Digitalization in practice (VAR Business)

- Fully automated variant design with customX – up to 90% productivity gain  
Project examples: Electric distribution boxes & Showcases for gastronomy

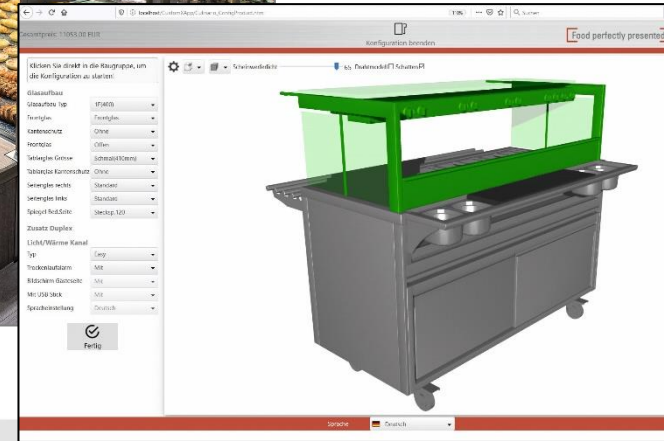
**Customer:** Bals Elektrotechnik, Kirchhundem, Germany



**Customer:**  
Beer Grill AG,  
Villmergen, Switzerland



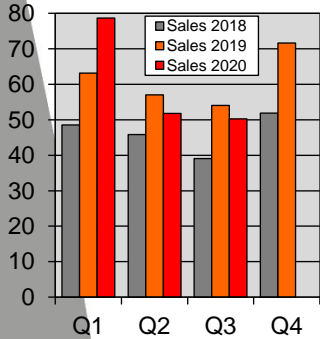
customX



# Some VAR Business Key Customers



# Sales & gross profit

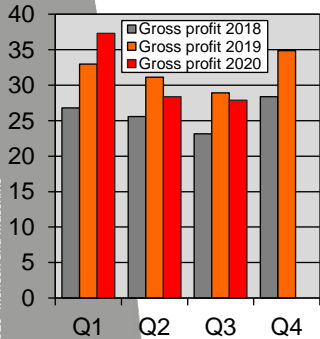


## ■ Record sales 2019: EUR 245.94 mln / +33% (organic +25%)

- ◆ 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)

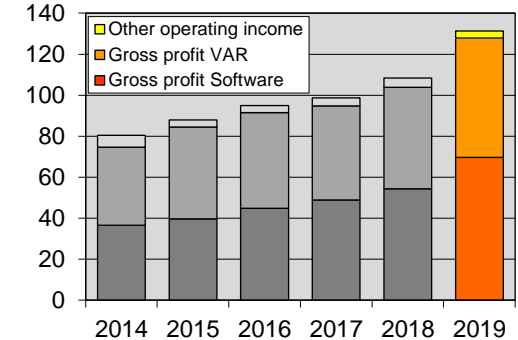
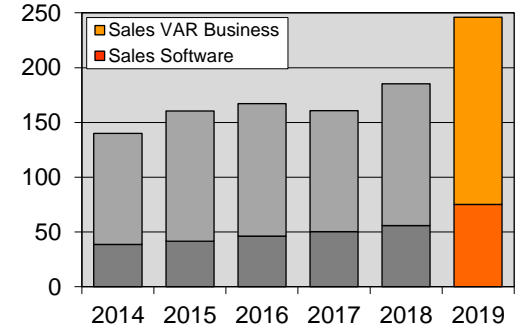


## ■ Record sales 9M/20: EUR 180.61 mln / +3.6% **9M/2020**

- ◆ M+M Software: EUR 54.93 mln / +0.4%
- ◆ VAR Business: EUR 125.68 mln / +5.1%
- ◆ Q1: +24.5% / Q2: -9.3% / Q3: -7.1%

## ■ Record gross profit 9M/2020: EUR 93.54 mln / +0.5%

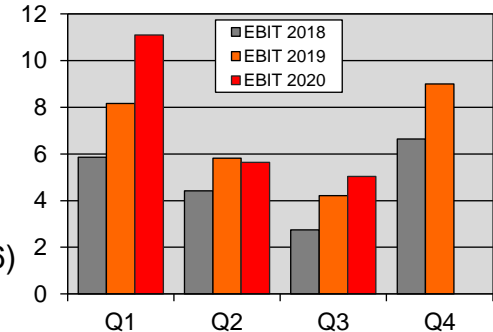
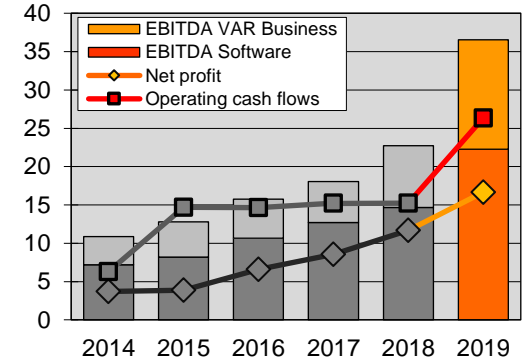
- ◆ M+M Software: EUR 50.24 mln / -1.8%
- ◆ VAR Business: EUR 43.30 mln / +3.5%
- ◆ Q1: +13% / Q2: -8.8% / Q3: -3.6%



# 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 9M/2020: EUR 29.66 mln / +18% **9M/2020**
- Record EBIT 9M/2020: EUR 21.76 mln / +19.5%
  - ◆ M+M Software: EUR 13.67 mln / +12%
  - ◆ VAR Business: EUR 8.09 mln / +34%
  - ◆ Q1: +36% / Q2: -3.7% / Q3: +19.6%
- Record net profit 9M/20: EUR 12.63 mln / +14% // EPS 75.3 Cents (PY: 65.6)
- Record operating cash flows 9M/2020: EUR 32.73 mln / +53%
  - ◆ Cash flows per share: 195 Cents !

Q1 very strong

Q2/Q3: Corona  
retarding effects,  
but very good  
cost discipline

Positive trend Q3  
9M solidly staying  
on record path

Strong cash flows !

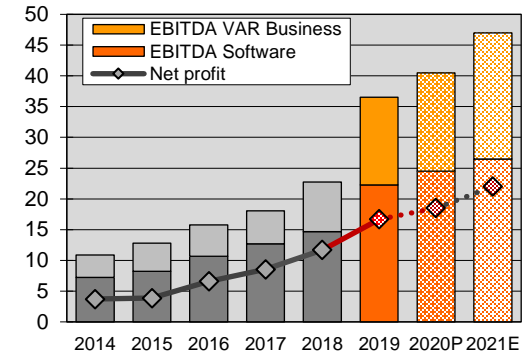
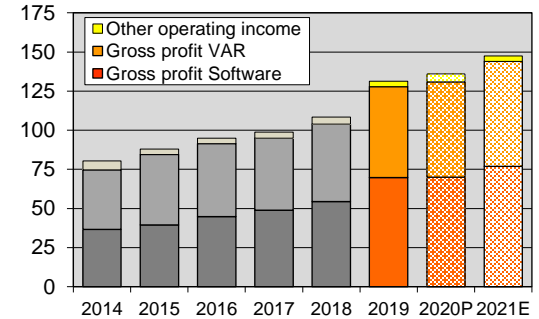
# Review & Outlook

## 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

- 2020P: Concentration on profit target no focus on sales / gross profit
  - ◆ EPS +8-19 Cents to 107-118 Cents / Dividend +15-20 Cents to 100-105 Cents  
9M: +9.7 Cents EPS already achieved / Strong Q4 earnings on PY record level (+/-) expected
- 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

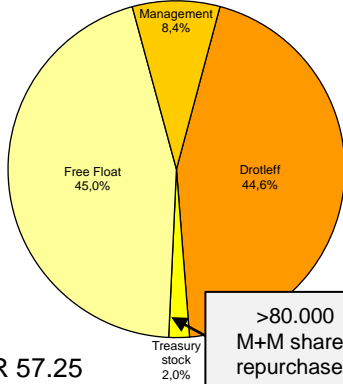
## Designated Sponsors:

- ◆ LBBW, Stuttgart
- ◆ Oddo Seydler, Frankfurt

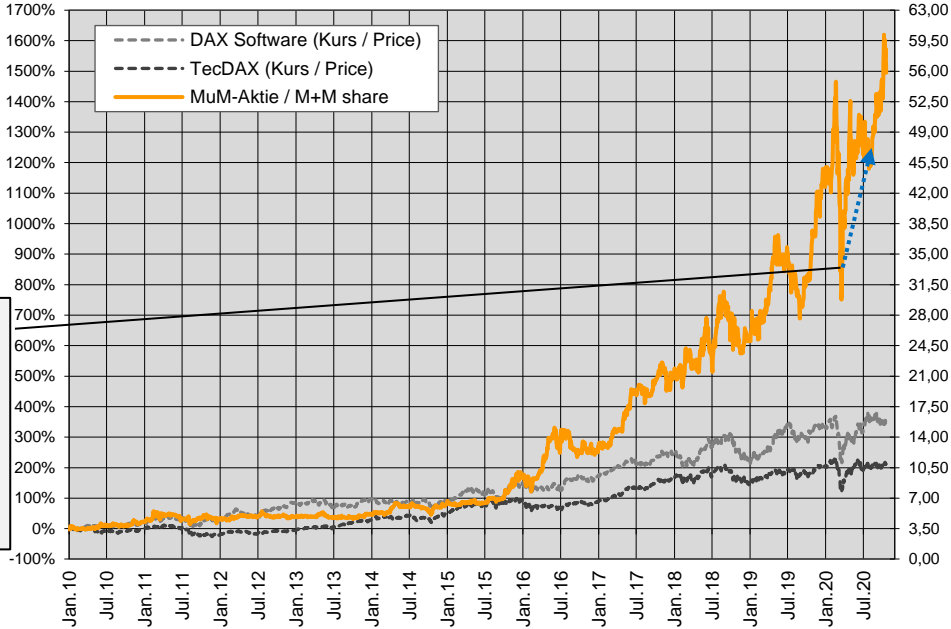
## Analyst Coverage:

- ◆ LBBW: „Hold“ – fair value EUR 57.25
- ◆ SMC Research\*: „Hold“ – fair value EUR 52.30
- ◆ EDISON\*: **scale** research report – no price tag

\*available in English language



>80.000 M+M shares repurchased in March dip (EUR 33.22) and used in July to service share dividend (EUR 46.80)



**M+M is both a public and private company**

**Total dividends paid since 2010: EUR 3.50**

# Why invest in M+M ?

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- 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 9M/2020 was 16.4% - mid-term potential >18%
  - ◆ Profit 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





**Thank you for your attention!**  
For more Information: [www.mum.de](http://www.mum.de) / Investor Relations

