Mensch und Maschine Software SE
Company Presentation  Status October 28, 2022 / Q3 report 2022
Business model

- Leading developer 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 – 38 years on the market // IPO 1997 – 25 years public

- Added Value well balanced over 2 Segments
  - M+M Software: Proprietary Standard Software
    CAD/CAM / BIM/Civil Engineering / Garden/Landscaping / CAE
  - VAR Business: Technical Digitization Solutions
    Proprietary Added Value: Projects / Training / Hotline etc.
    Reselling (Autodesk etc.): Leverage effect on M+M market share

Benefit VAR Business:
Sales / Market share

Benefit Software:
Highly profitable
Global sales / DACH focus

Geographical sales contribution: (2021)

- Germany: EUR 113.9 mln / 42.8%
- Austria/Switzerland: EUR 52.4 mln / 19.7%
- Europe (other): EUR 78.4 mln / 29.5%
- Global: EUR 21.5 mln / 8.1%
  - M+M’s own CAM and BIM / Civil Engineering Software is sold to more than 70 countries on all five Continents
  - ~75 Subsidiaries in 22 Countries (Europe, Asia and America)
  - >100,000 active seats @ more than 30,000 customers

Headcount:

- Gross at Sep 30, 2022: 1,112 (PY: 1,060)
- Full time equivalent: 1,028 (PY: 971)
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 more than 1/3 to M+M’s Added Value

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.
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
High Precision: Precise transitions / reflecting surfaces - without reworking (polishing)

- Mold and tool makers: e.g. perfect blow molds for glass or plastic bottles (see mold half below on the left) or injection molds for high-quality plastic parts for the interior of cars, airplanes or ships
- Food industry: Chocolate molds with smooth surfaces and writing reliefs for manufacturer names
- Jewelry manufacturing or model making, e.g. for works by sculptors
- Reflectors of car headlights / injection molds of LED spots with faceted pattern (bottom right)

Blow mold half for a PET bottle with a perfectly reflecting surface thanks to hyperMILL®

LED spot with faceted pattern
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%
  - SOFiSTiK (est. 1987) is a technology leader in bridge, tunnel and building construction

- Example: Structural and dynamic analysis of Arnulfpark bridge Calculation of launching phases and CFD wind simulation (Benefit: Saving of expensive vibration dampers)

Customer: SSF Ingenieure, Munich, Germany
CAD/CAM in practice (M+M Software)

- Gardening / Landscaping / Earthworks for Architects and Implementers
  - M+M Subsidiary DATAflor, Goettingen, Germany (est. 1982) / M+M share 67.2%
  - 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 3D design / Output to excavator control units (middle picture)
    - GRUENSTUDIO 3D: Live experiencing the future garden e.g. via VR glasses (right picture)
CAD/CAM in practice (Software / VAR Business)

- **CAE – Computer Aided Engineering**
  - Seat base: ecscad – M+M product since 1993, end of 2008 sold to Autodesk, since 2014 licensed back and M+M maintenance till 2019
  - New since 2020: 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 (iBIM)
    - For ecscad maintenance customers free automatic license transition
  - Development: Software segment / Sales/Training/Customizing: VAR segment
Example: Migrate thousands of circuit and schematic diagrams in short time while improving corporate standards

Customer:
Crane manufacturer
Brun Marti Dytan AG, Nebikon, Switzerland
Digitization in practice (VAR Business)

Example BIM – Building Information Modeling / Management: BIM introduction and training for a large railway operator

**Customer:** Deutsche Bahn AG, Berlin, Germany
Digitization in practice (VAR Business)

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

Customer: Otto Zimmermann GmbH, Saarbruecken, Germany
Digitization 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
Digitization in practice (VAR Business)

Project examples BIM for Infrastructure:
MuM MapEdit as a data hub for the Digital City or Factory

Approx. 2,500 seats at nearly 200 customers in D, CH and Europe: Municipalities, Suppliers, Industry, Ports/Airports, Planning Offices...
Allocation of Gross Profit (2021: EUR 138.4 mln)

Manufacturing (~55%):
- CAM Software hyperMILL / proprietary kernel hyperCAD S
  Target group: Owners/Buyers of Precision Machine Tools
- VAR Business: Digitization/Training for Mechanical/Electrical/Process Engineering, Hydraulics, Pneumatics, Automotive/Aerospace/Shipbuilding …

Architecture/Construction/Engineering (~35%):
- Software: BIM/Gardening/Landscaping (DATAflor)
  BIM/Structural/Civil Engin/Bridge/Tunnel (SOFiSTiK)
- VAR Business: Digitization/Training for Architecture, Building Services, Facility Management …

Hybrid MFG & AEC (~10%):
- CAE, Infrastructure (Digital City / Factory), Variant design, iBIM for AEC subcontractors …
- Common Base (Exception CAM): Autodesk CAD Standards (AutoCAD, Revit, Inventor, Vault…)
  VAR Business: Value Added Reselling / Software: OEM Licensing
Business development

- Record sales 2021: EUR 266.16 mln / +9.1% (+8.2% vs. 2019)
  - Seasonality 2021 similar to pre-crisis year 2019 (Corona year 2020 was distorted)

- Record gross profit 2021: EUR 138.42 mln / +8.2% (+8.2% vs. 2019)
  - Gross profit growth 2014-2021: +9.2% p.a. / more steadily than sales development
  - Segment contribution 2021: Software 55% / VAR 45% (2014: 49% / 51%)

- Record EBIT 2021 EUR 34.69 mln / +12% (+28% vs. 2019)
  - EBIT growth 2014-2021: +26% p.a. / highly disproportionate to sales
  - Seasonality 2021 comparable to 2019 (Corona year 2020 was distorted)

- Record net profit 2021: EUR 21.31 mln / +14% // EPS 126 Cents

- Record cash flows 2021: EUR 36.91 mln / +9.4% // CPS 218 Cents

- Dividend 2021: 120 Cents (PY: 100 / +20%) – in cash or in shares

- Record sales 9M/2022: EUR 228.24 mln / +18%
  - Drivers: New sales for M+M Software, solid renewals in VAR Business

- Record EBIT 9M/2022: EUR 30.34 mln / +26%

- Record net profit 9M/22: EUR 18.69 mln / +29% // EPS 111 Cents (PY: 86)

- Record cash flows 9M/22: EUR 34.44 mln (PY: 30.11) // CPS 205 Cts (PY: 178)
Review & Outlook

Gross profit +9.2% p.a. / EBIT +26% p.a. – what’s the trick?
- Opex development in the M+M Group is controlled continuously & locally (~100 profit centers) at ~2/3 relative to gross profit development
  - Continuous profit gains through strict cost control management
  - Working well even despite short-term dips in gross profit development (2017/16: Gross profit +3.7% / EBIT +22% // 2YR 21/19: Gross profit +8.2% / EBIT +28%)

Sustainably profitable strategy - also for the future:
- Organic growth + cost discipline = economy of scale effect

Long-term growth target (organic):
- Profit doubling in 4-5 years: EPS >250 Cents by 2025/26

Short-term targets 2022P/23E:
- Trend: 2022P sightly steeper, 2023E sightly slower
- 2022P: EPS 145-155 Cents / Dividend +15-20 to 135-140 Cents (even the upper limit of the improved target corridor seems achievable)
- 2023E: EPS 164-181 Cents / Dividend +15-25 Cents
The M+M share

- **Listings:**
  - scale, Frankfurt (scale30)
  - m:access, Munich

- **Designated Sponsors:**
  - LBBW, Stuttgart
  - Oddo BHF C&M, Frankfurt

- **Analyst Coverage:**
  - LBBW: "Buy" – fair value EUR 58.00
  - SMC Research*: "Strong buy" – EUR 66.50

*available in English language

**M+M is both an entrepreneurial and public company**

Total dividends paid since 2010: EUR 5.70

M+M share correlating with ~2% dividend return since 2016, with positive (2020/21 up to ~1.5%) and negative (actually ~3%) deviation
Why invest in M+M shares?

- M+M is a leading vendor of technical software solutions
  - Founded 1984 – 38 years of established market position
  - More than 30,000 active customers with far over 100,000 active seats worldwide
  - Broad geographical & sectoral allocation allows for flexible change management
  - Entrepreneurial and 25 years public company

- Highly scalable business model / sustainable profitable growth
  - EPS 2021: 126 Cents – Targeted doubling in 4-5 years: EPS >250 Cents ~2025/26
  - Profit growth target secured by effective cost management

- Continuously increasing dividend return due to high payout ratio
  - Reason: Investment in software development (EUR >20 mln p.a.) is not capitalized
  - We plan to continue this shareholder-friendly dividend policy
Thank you for your attention!
For more Information: www.mum.de / Investor Relations