

Naturschutzgebiet
Werderland

Mensch und Maschine Software SE

Company Presentation

Status October 28, 2022 / Q3 report 2022

Indus
Huf
Kohlenhafen
Hafenhafen
Beim Industriefhafen
Südweststraße

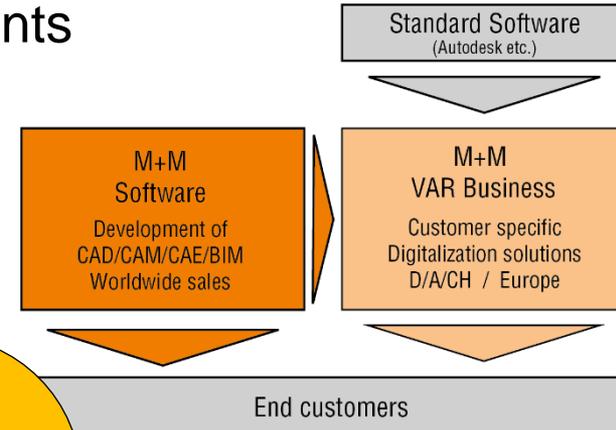
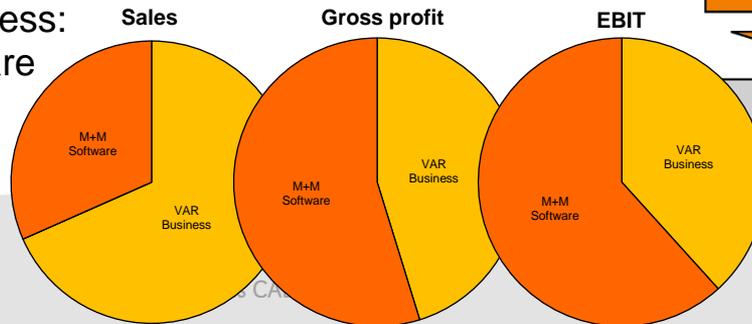


Business model

- 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



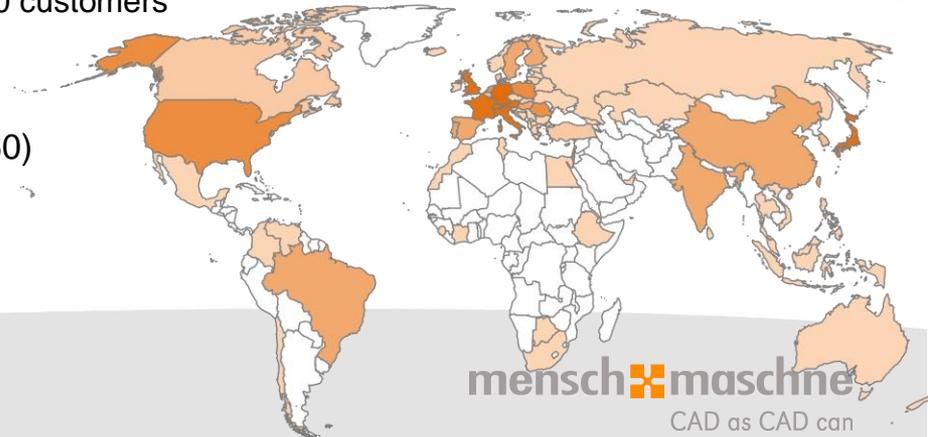
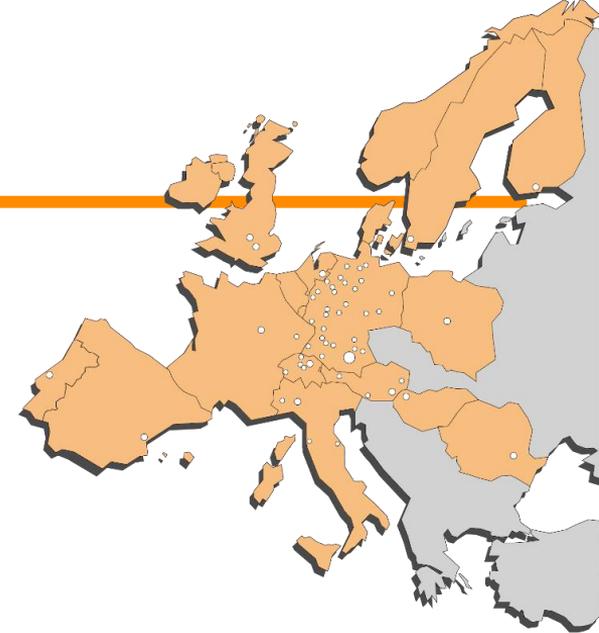
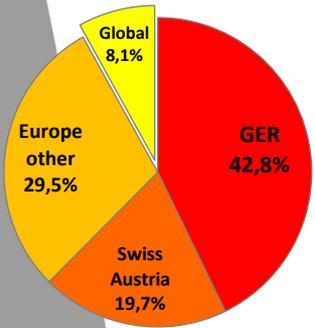
Global sales / DACH focus

■ 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:

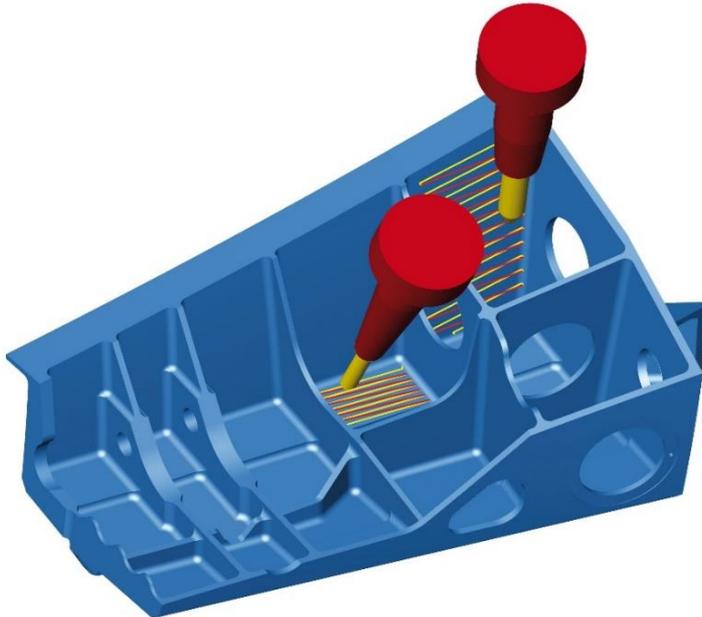
- ◆ Gross at Sep 30, 2022: 1,112 (PY: 1,060)
- ◆ Full time equivalent: 1,028 (PY: 971)





CAD/CAM in practice (M+M Software)

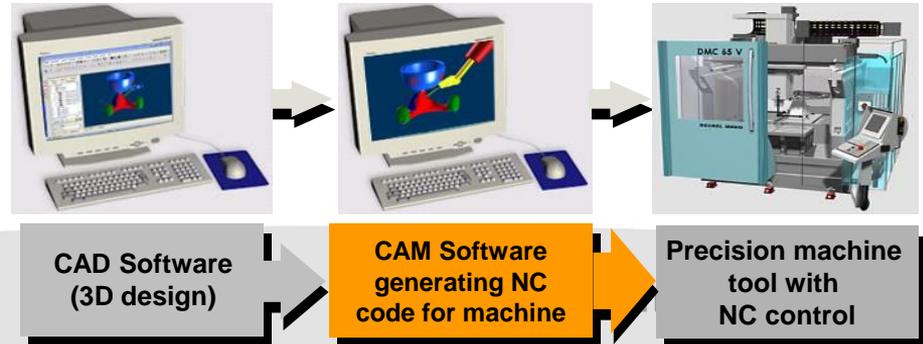
- CAM – Computer Aided Manufacturing
 - Subsidiary Open Mind – Product line *hyperMILL*®
 - High end: Average revenue approx. EUR 30,000 per seat
 - **CAM is contributing more than 1/3 to M+M's Added Value**



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.



 **OPEN MIND**
THE CAM FORCE





CAD/CAM in practice (M+M Software)

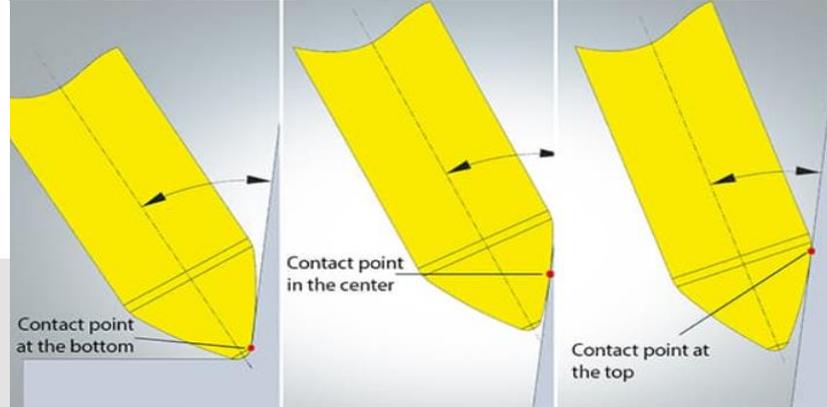
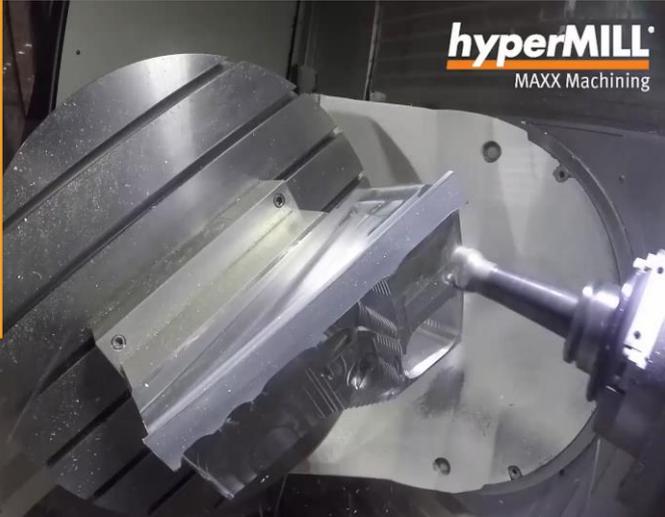
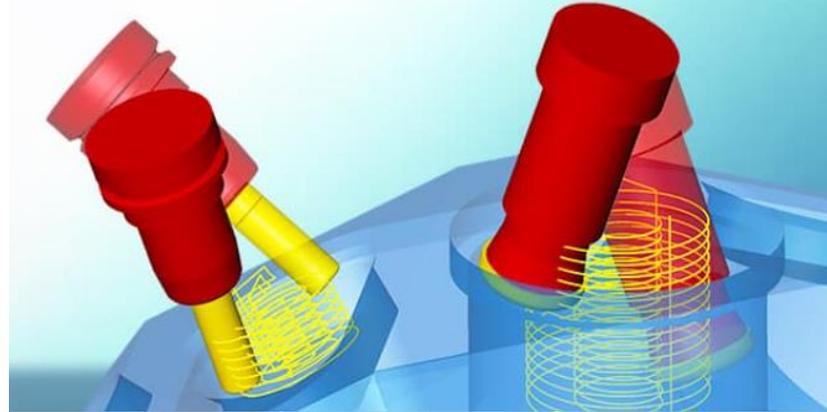
Up to 5x faster material removal by 'helical' roughing.

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:





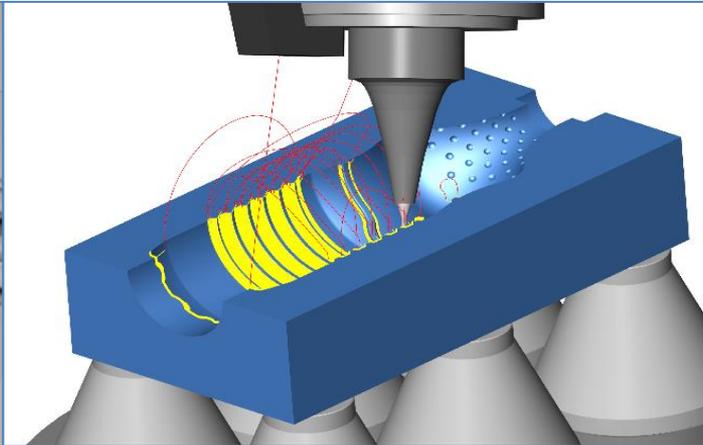
CAD/CAM in practice (M+M Software)

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

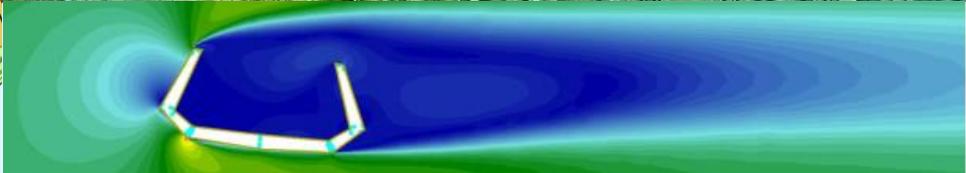
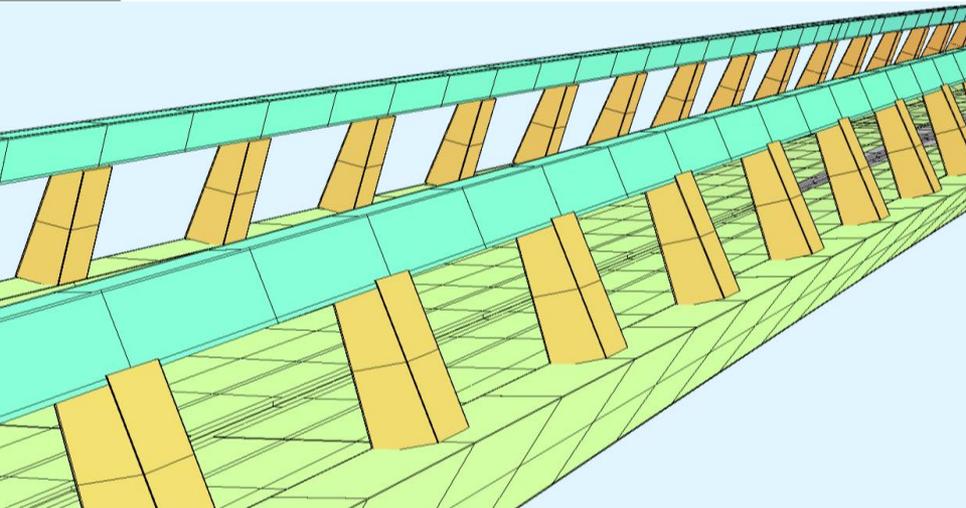




CAD/CAM in practice (M+M Software)

- 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)

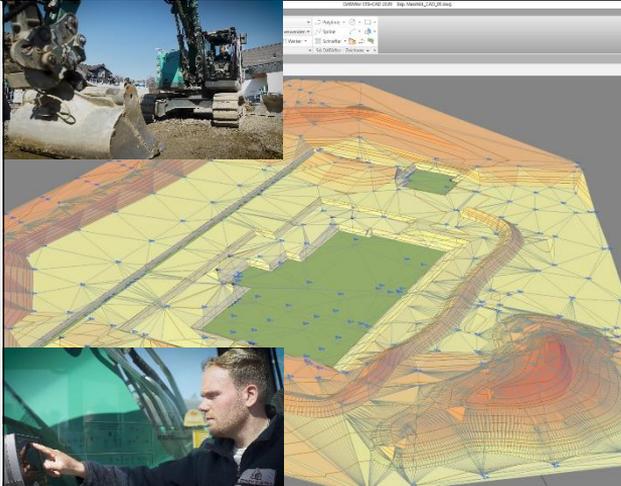
Customer: SSF Ingenieure, Munich, Germany





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)



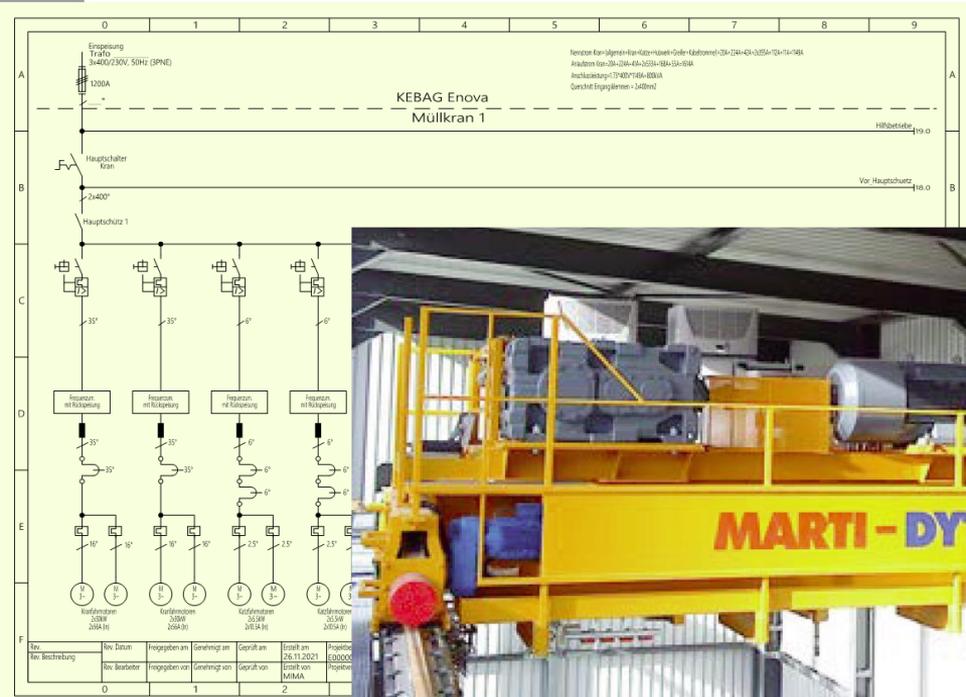


CAD/CAM in practice (Software / VAR Business)

- 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



Visualisierung: DB Engineering & Consulting

bim  booster bim  ready





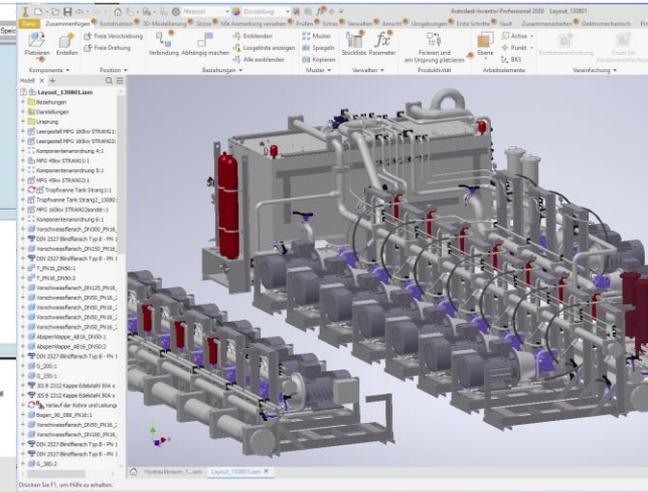
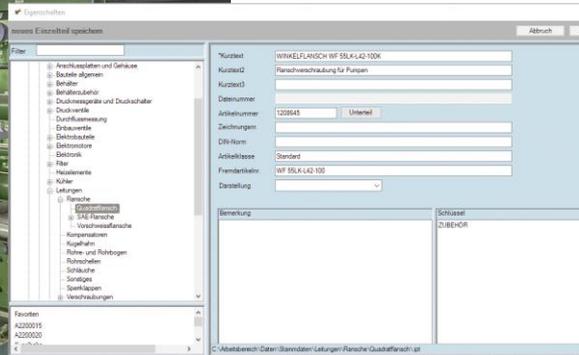
Digitization in practice (VAR Business)



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



Customer: Otto Zimmermann GmbH,
Saarbruecken, Germany



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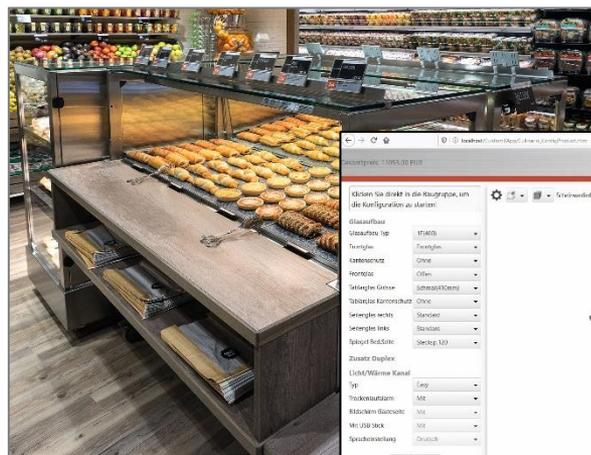




Digitization in practice (VAR Business)

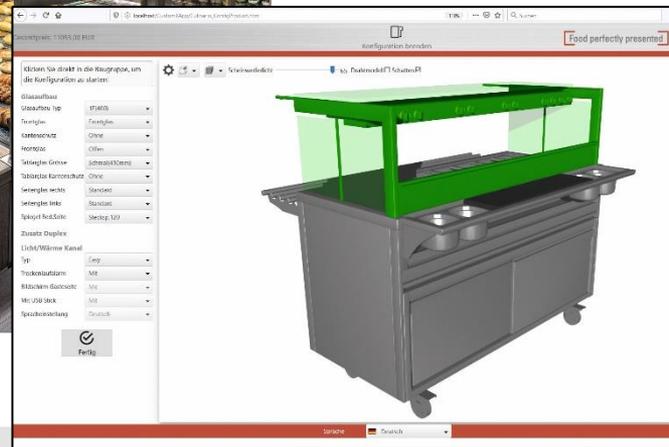
- Fully automated variant design with customX – up to 90% productivity gain
Project examples: Electric distribution boxes & Showcases for gastronomy

Customer: Bals Elektrotechnik, Kirchhundem, Germany



Customer:
Beer Grill AG,
Villmergen, Switzerland

customX

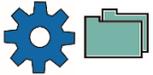


Allocation of Gross Profit (2021: EUR 138.4 mIn)

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%):

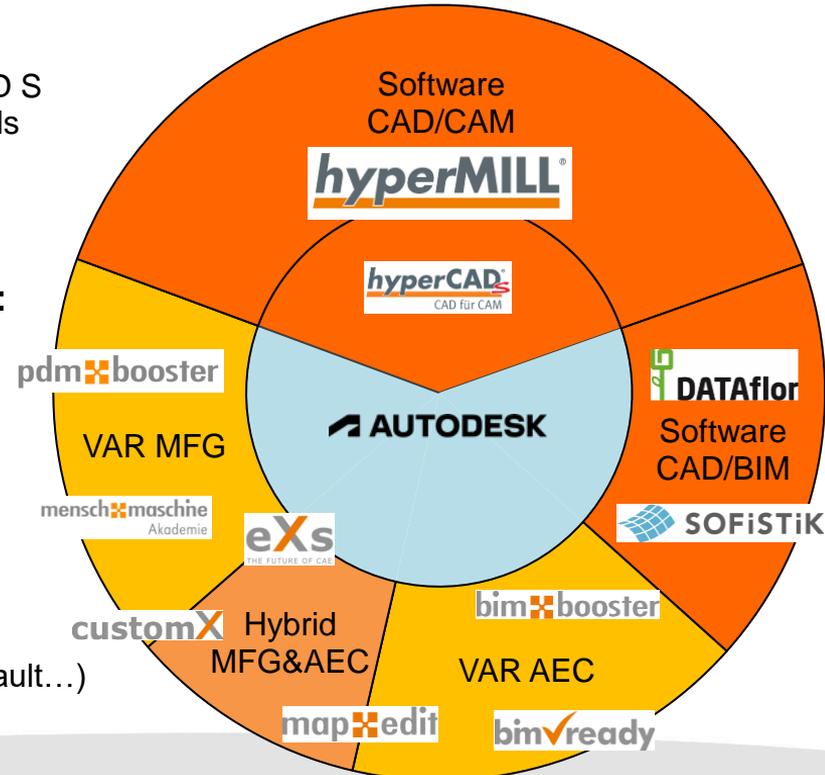


- Software: BIM/Gardening/Landscaping (DATAflor)
BIM/Structural/Civil Engin/Bridge/Tunnel (SOFiSTiK)
- VAR Business: Digitization/Training for Architecture, Building Services, Facility Management ...

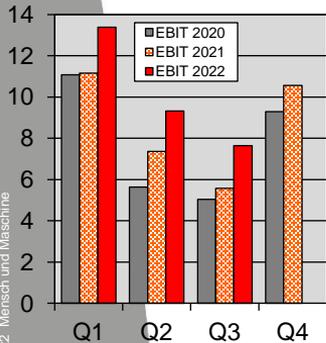
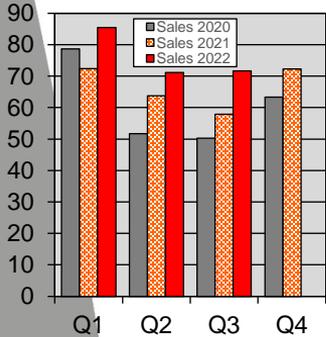


Hybrid MFG & AEC (~10%):

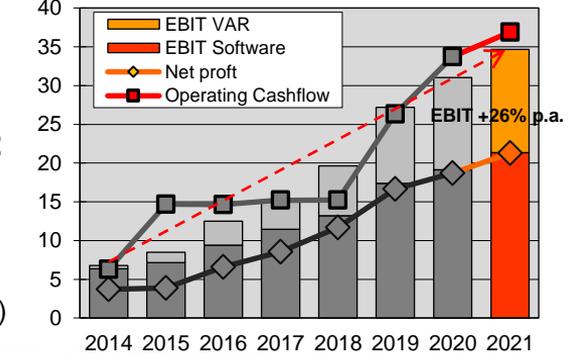
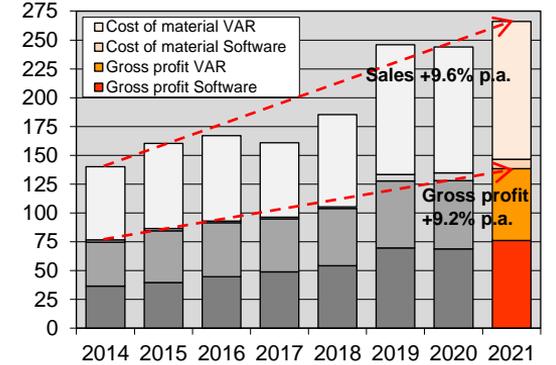
- CAE, Infrastructure (Digital City / Factory), Variant design, iBIM for AEC subcontractors ...
- Common Base (Exception CAM):
Autodesk CAD Standards (AutoCAD, Revit, Inventor, Vault...)
VAR Business: Value Added Reselling / Software: OEM Licensing



Business development



- **Record sales 2021: EUR 266.16 mln / +9.1%** (+8.2% vs. 2019)
 - ◆ 7YR average sales growth 2014-2021: +9.6% p.a.
 - ◆ 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%** **9M/2022**
 - ◆ 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?

- Very simple method: Opex increase 2014-2021 just +6.3% p.a.
- 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:

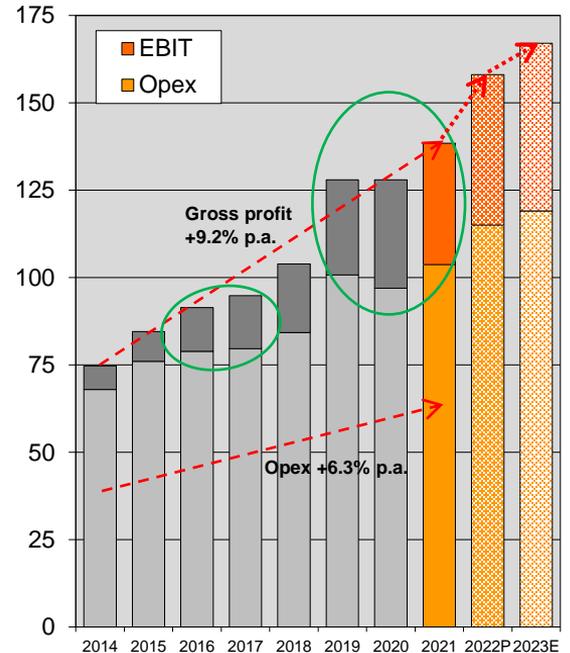
- Organic growth + cost discipline = economy of scale effect

Long-term growth target (organic):

- Profit doubling in 4-5 years: EPS >250 Cents by 2025/26

Short-term targets 2022P/23E:

- ◆ 2YR Guidance: Gross profit +8-12% p.a. // EBIT & EPS +14-20% p.a.
- ◆ Trend: 2022P slightly steeper, 2023E slightly 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

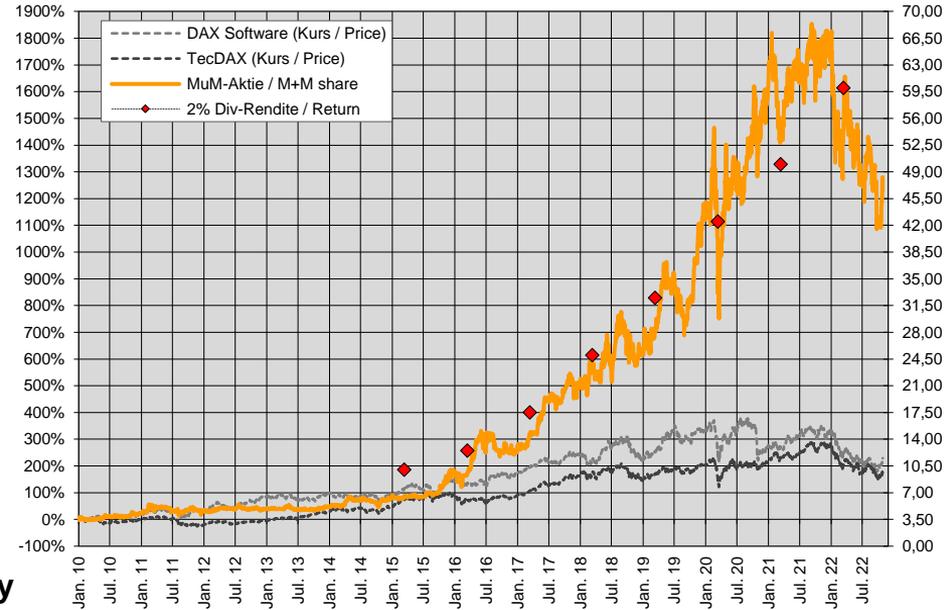
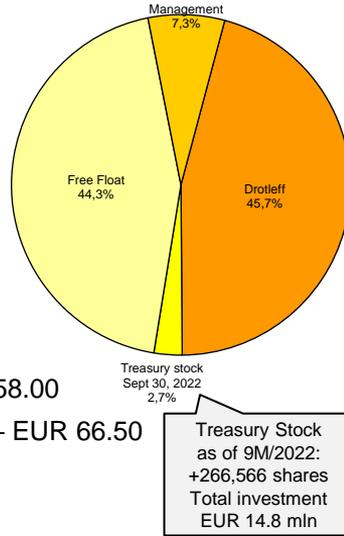
Designated Sponsors:

- ◆ 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
 - ◆ Organic growth (CAGR): long-term average approx. 10% p.a.
 - ◆ 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



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Thank you for your attention!

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

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CAD as CAD can

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