

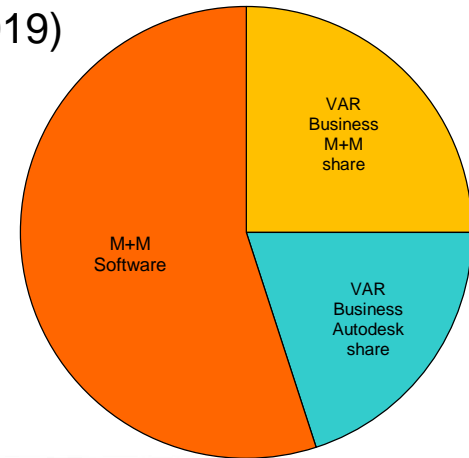


Mensch und Maschine Software SE

Company Presentation Status February 11, 2020 / Preliminary figures 2019

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
- Gross Margin from two Segments (Contribution 2019)
 - ◆ M+M Software: Proprietary Standard Software
 - ~55% of gross profit from self-developed CAD/CAM, BIM, CAE Software
 - ◆ VAR Business: Customized Digitalisation Solutions
 - ~25% of gross profit from M+M Solutions / Training / Service
 - Just ~20% gross profit contribution from Autodesk business (compared to 2001: >75% / 2008: >50%)
 - Altogether ~80% of group gross profit is proprietary



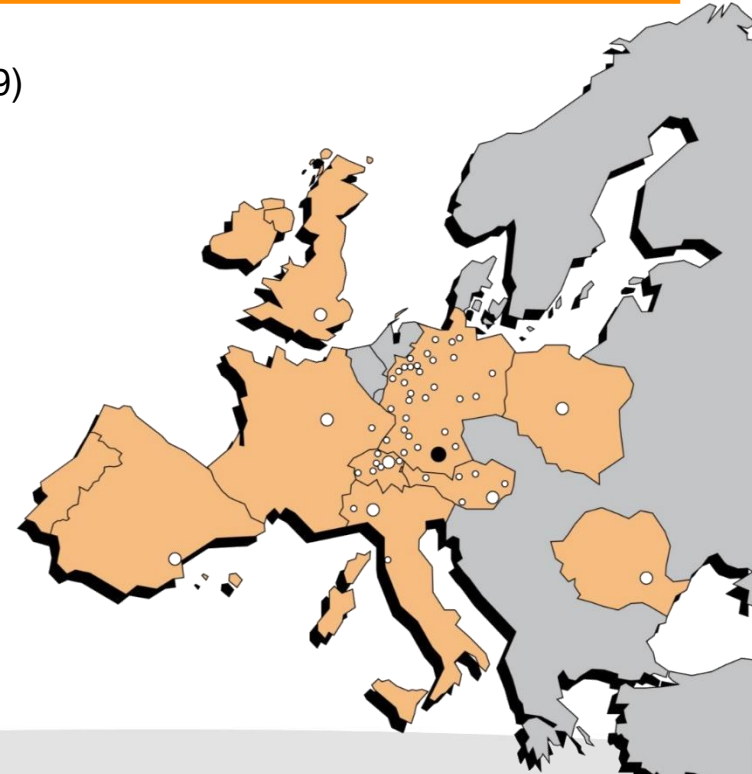
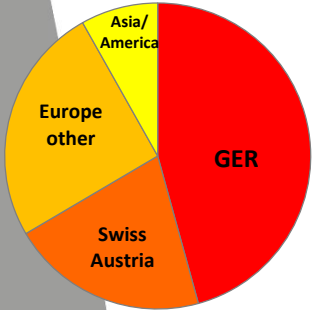
Business model

■ Geographical sales contribution: (2019)

- ◆ Germany: EUR ~112mln / ~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: (Full time equivalent 2019)

- ◆ 946 (PY: 821 / +15% or +4.5% organic)
 - 485 / 51% (PY: 364 / 44%) M+M Software
 - 461 / 49% (PY: 457 / 56%) VAR Business
- ◆ Gross headcount at Dec 31, 2019: 1,004



Business model

■ Broad industry balance:

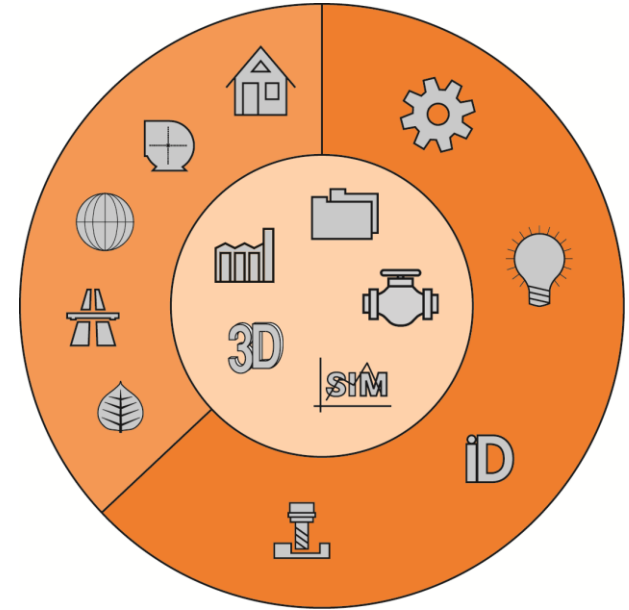
- ~2/3 Industry: e.g. Mechanical/Electrical Engineering, Tool/Mold/Die Making, Automotive/Aerospace/Shipbuilding, Industrial design
- ~1/3 BIM: e.g. Architecture, Building Services, Structural/Civil Engineering, Infrastructure, Gardening/Landscaping
- Interdisciplinary: e.g. Digital Factory, PDM/PLM,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

◆ Extensive installed base:

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

◆ Wide price/performance range:

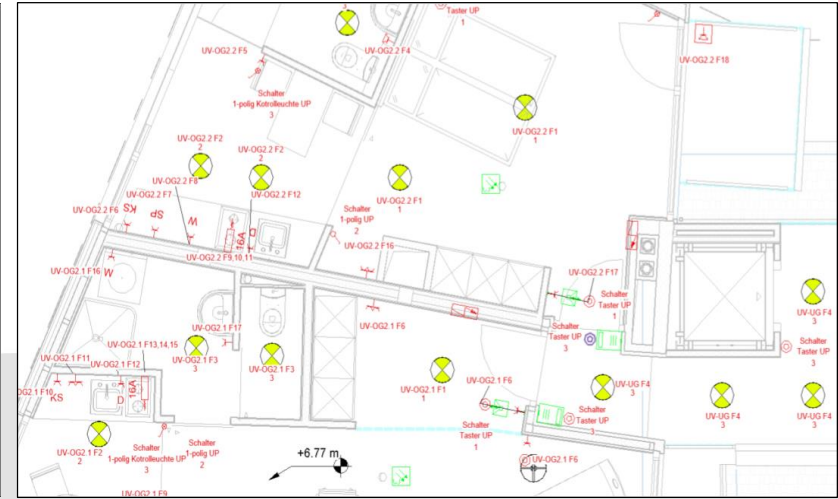
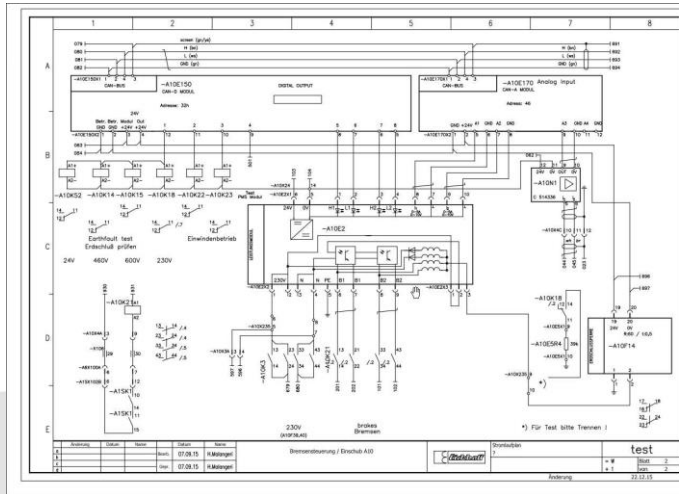
- Software from <1,000 Euro to >100,000 Euro per seat
- Pure B2B Business, only professionals, no consumers



CAD/CAM in practice (M+M Software)

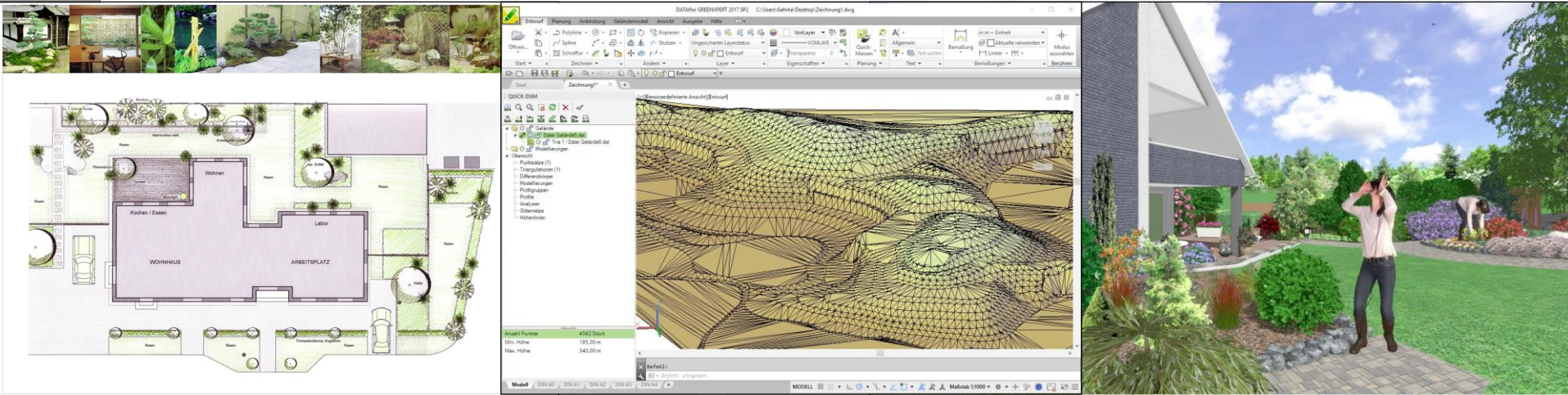
■ CAE – Computer Aided Engineering

- 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



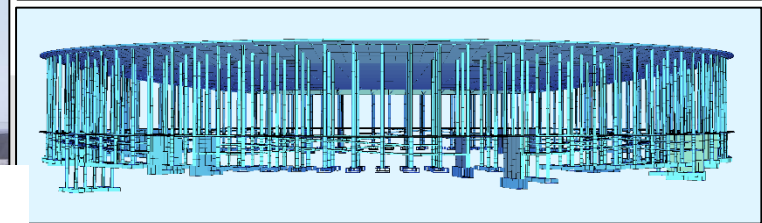
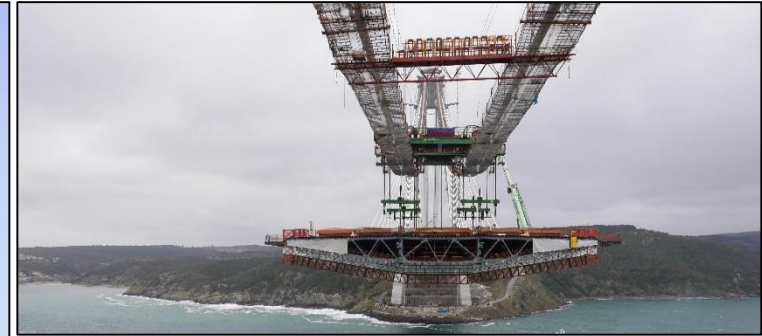
CAD/CAM in practice (M+M Software)

- 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)



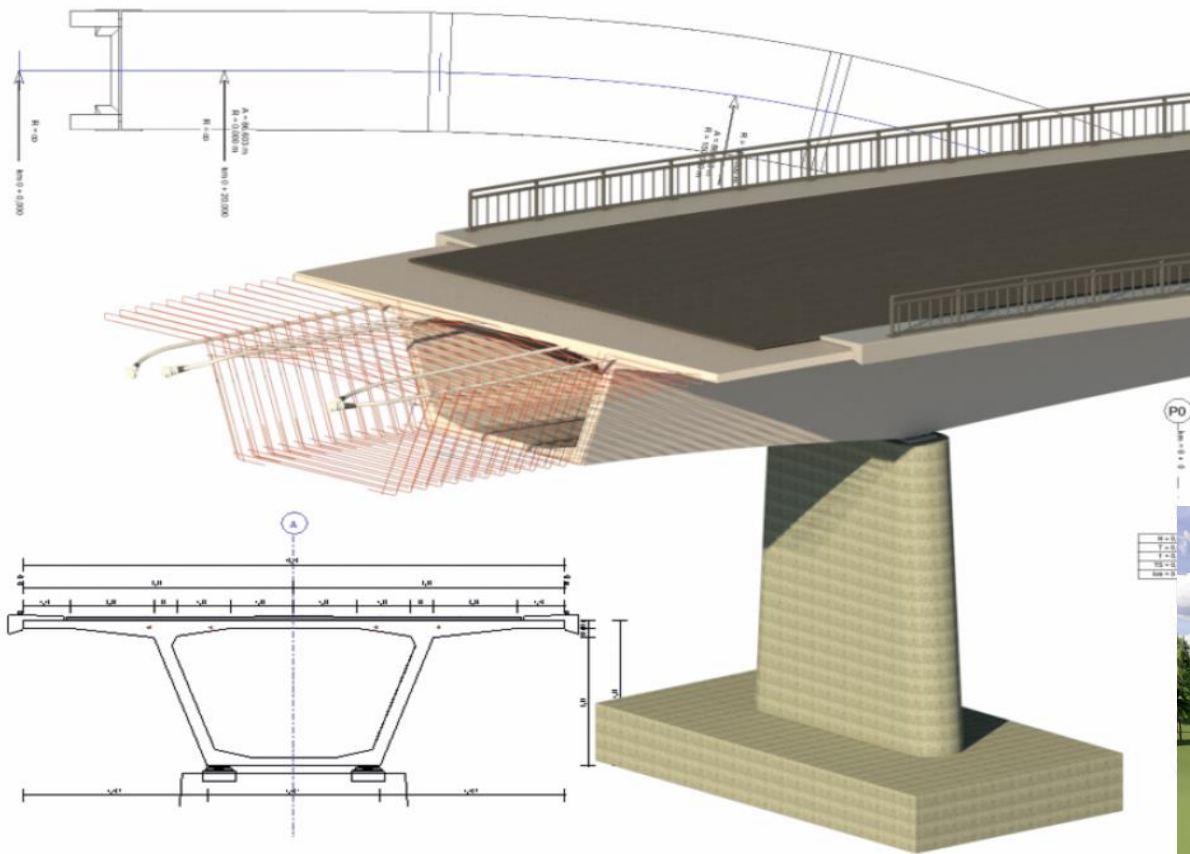
CAD/CAM in practice (M+M Software)

- 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)



The new **SOFiSTiK Bridge Modeler** supports parametrized 3D bridge design, detailing and analysis, fully compatible to BIM standards, as it will e.g. be mandatory in Germany beginning 2020 due to the German Ministry of Transport and Infrastructure.

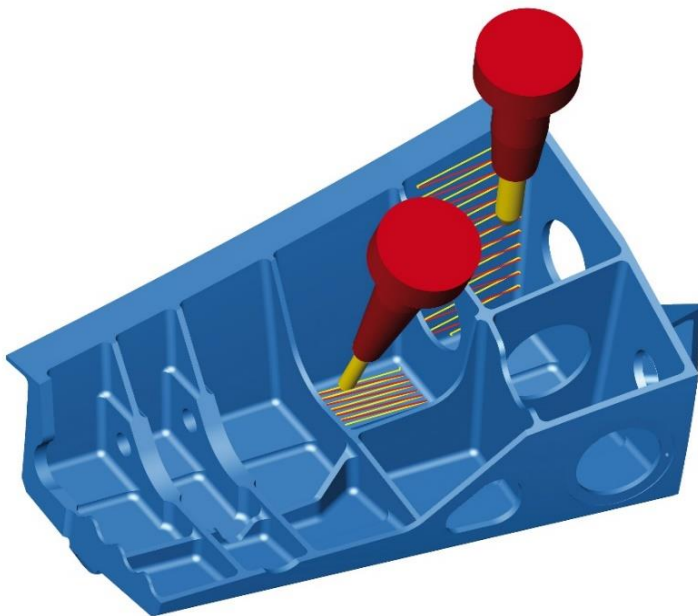


SOFiSTiK



CAD/CAM in practice (M+M Software)

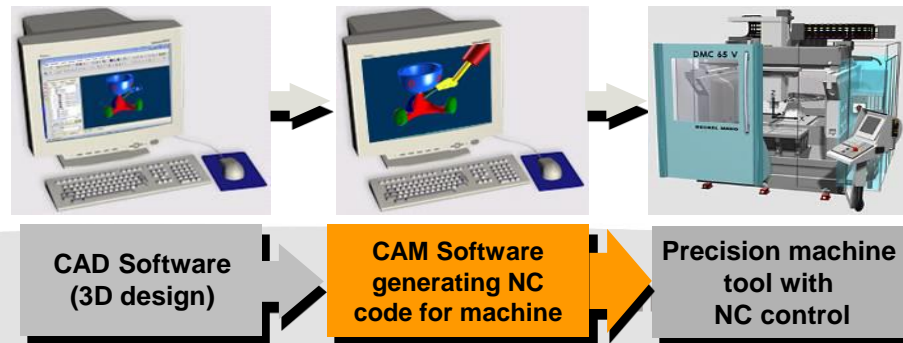
- CAM – Computer Aided Manufacturing
 - Subsidiary Open Mind – Product line hyperMILL
 - High end: Average revenue approx. EUR 30,000 per seat
 - **CAM is contributing ~40% of group gross margin**



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.

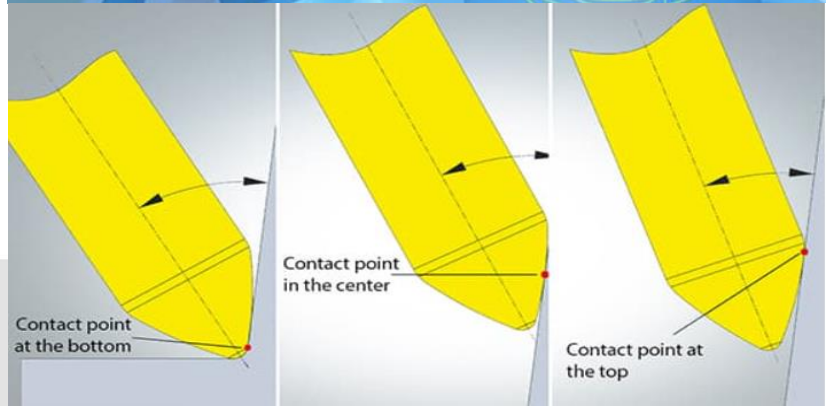
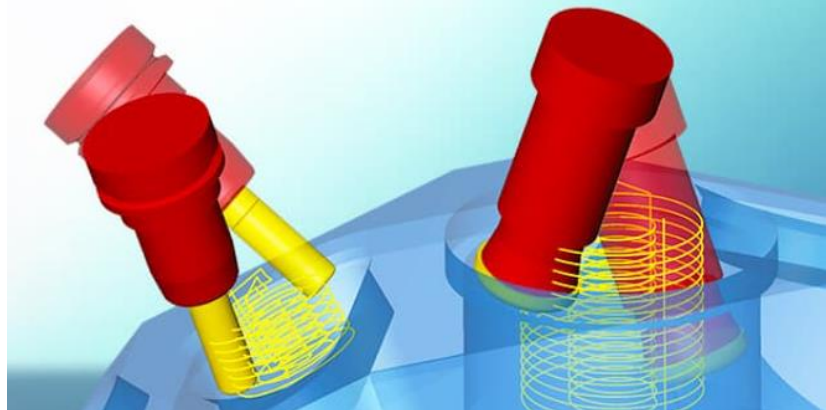
Flat surface finishing up to 10x faster by using special conical cutters with slightly convex curvature.

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

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



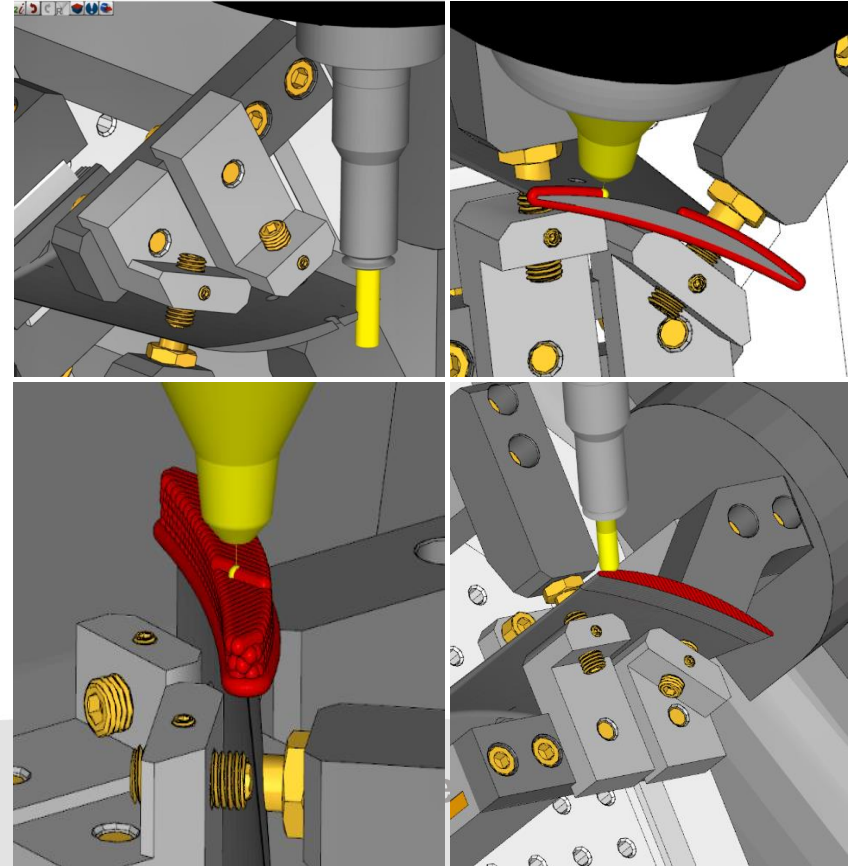
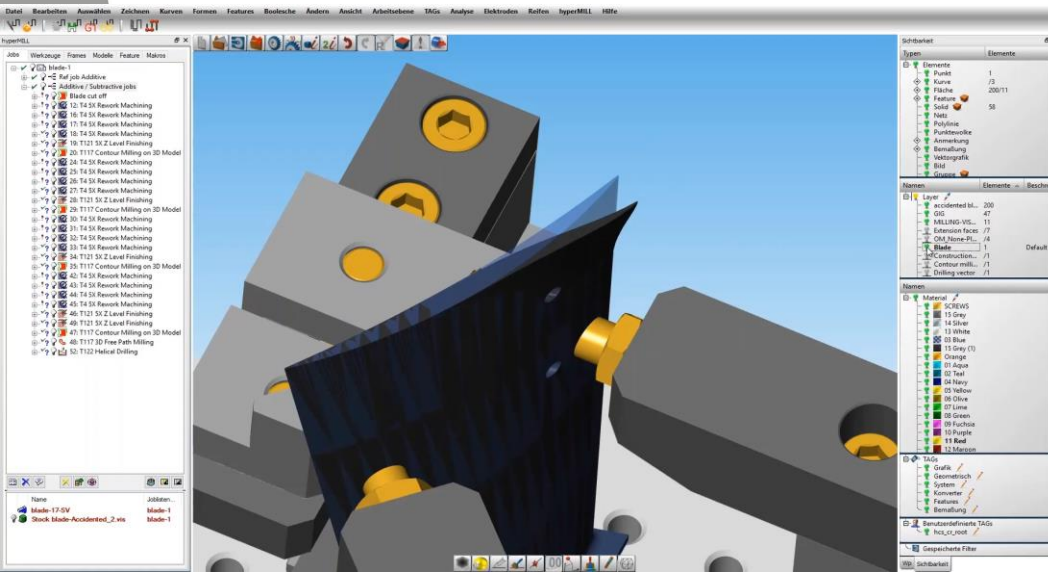
78% faster roughing + 90% faster flat surface finishing:



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



CAD/CAM in practice (VAR Business)

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



bim  booster bin  ready

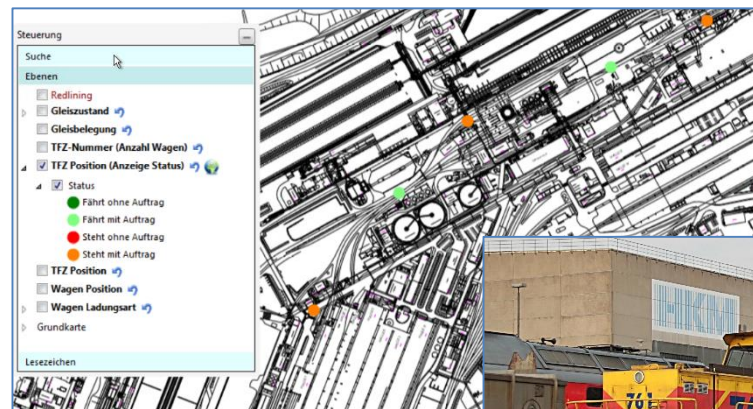


CAD/CAM in practice (VAR Business)

- 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



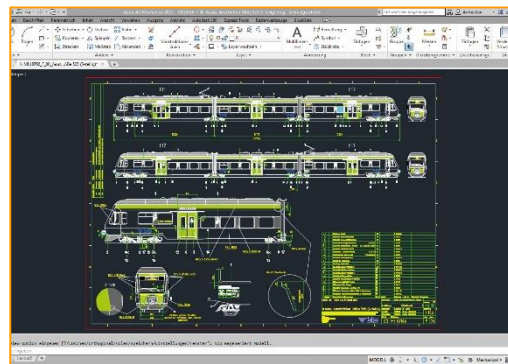
mapedit



CAD/CAM in practice (VAR Business)

- Example: Data Management for a train operator
Integrated system for design, data management and Office

Customer: BLS Bern-Lötschberg-Simplon Bahn AG,
Bern, Switzerland



ecs cad



man machine
CAD as CAD can

menschenmaschine
CAD as CAD can

CAD/CAM in practice (VAR Business)

- Example: Industry 4.0 meets BIM
BIM compatible catalog data for large kitchen planning

Customer: Rational AG, Landsberg, Germany



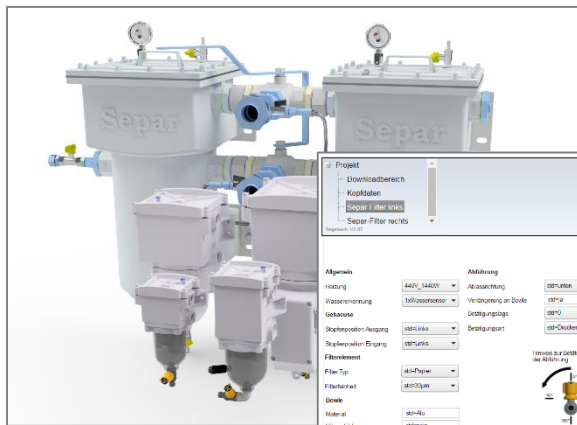
CAD/CAM in practice (VAR Business)

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

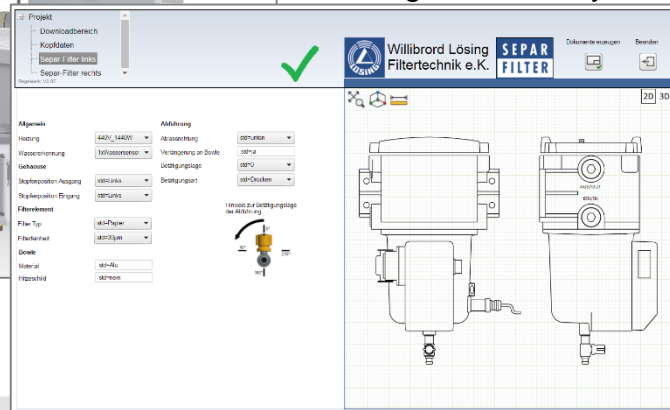
Customer: Bals Elektrotechnik, Kirchhundem, Germany



Customer:
Willibrord Lösing
Filtertechnik,
Hattingen, Germany



customX



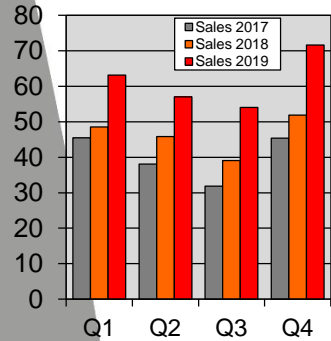
man machine
CAD as CAD can

menschenmaschine
CAD as CAD can

Some VAR Business Key Customers

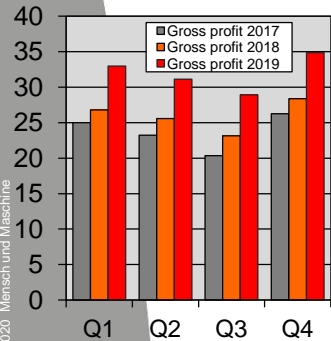


Sales & gross profit (preliminary figures 2019)



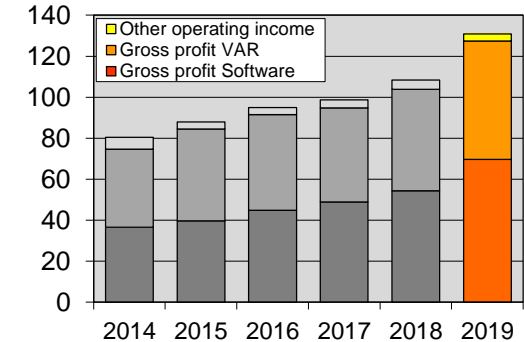
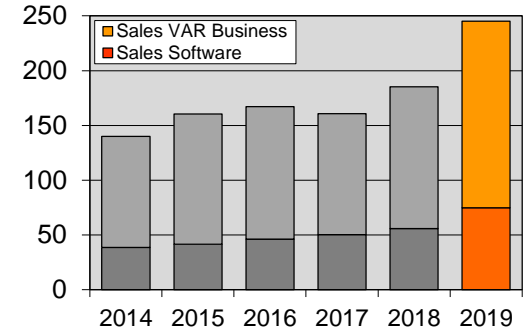
Record sales 2019: EUR ~245 mln / +32% (organic +25%)

- ◆ M+M Software: EUR ~75 mln / +35%
 - ◆ Solid organic growth plus SOFiSTiK acquisition
- ◆ VAR Business: EUR ~170 mln / +31%
 - ◆ Strong growth – counter-reaction to the temporary retarding effect of Autodesk's sales to subscription transition in 2016/17
- ◆ Typical seasonality: Q1/Q4 strong / calmer mid of year
Q1: +30% / Q2: +24% / Q3: +38% / Q4: +37%



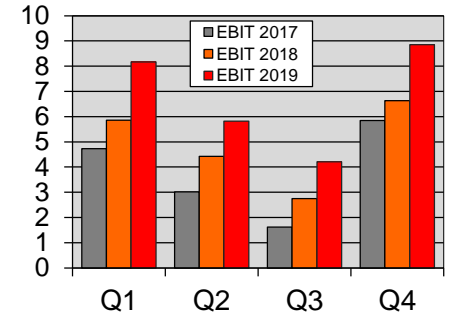
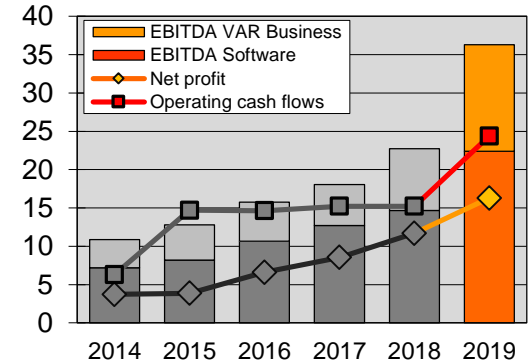
Record gross profit: EUR ~127.5 mln / +23% (organic +13%)

- ◆ M+M Software: EUR ~69.6 mln / +28%
- ◆ VAR Business: EUR ~57.9 mln / +17%
- ◆ Gross profit seasonality smoother than for sales
Q1: +23% / Q2: +22% / Q3: +25% / Q4: +22%
- 2019 growth was significantly above expectations
 - ◆ Non-recurring effects e.g. by Autodesk incentives for 3YR contracts



Earnings / cashflow / dividend (preliminary figures 2019)

- Record EBITDA 2019: EUR ~36.3 mln (PY: 22.75)
 - ◆ EBITDA group yield: ~14.8% (PY: 12.3%)
 - ◆ Attention: IFRS16 (Shifting leasing expenses to depreciation) distorting PY comparison
 - ◆ M+M Software: EUR ~22.3 mln (PY: 14.68) / yield 29.8% (PY: 26.3%)
 - ◆ VAR Business: EUR ~14.0 mln (PY: 8.07) / yield 8.2% (PY: 6.2%)
- ◆ Record EBIT 2019: EUR ~27.0 mln (PY: 19.66 / +37%) (organic +25%)
 - ◆ M+M Software: EUR ~17.3 mln (PY: 13.21 / +31%)
 - ◆ VAR Business: EUR ~9.7 mln (PY: 6.45 / +50%)
 - ◆ Seasonality Q1: +39% / Q2: +32% / Q3: +54% / Q4: +33%
- ◆ Record net profit 2019: EUR ~16.3 mln (PY: 11.69 / +39%) (organic +32%)
 - ◆ EPS ~97 Cents (PY: 71.5)
- ◆ Record operating cash flows 2019: EUR ~24.4 mln (PY: 15.23 / +60%)
 - ◆ CPS: ~145 Cents (PY: 93)
 - ◆ Growth adjusted by IFRS16 effects: +23%
- ◆ Preliminary dividend 2019: 83 Cents (PY: 65 / +28%)



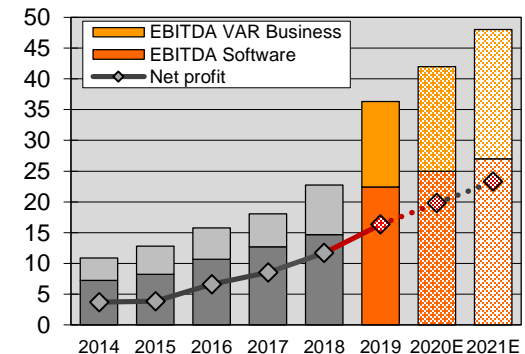
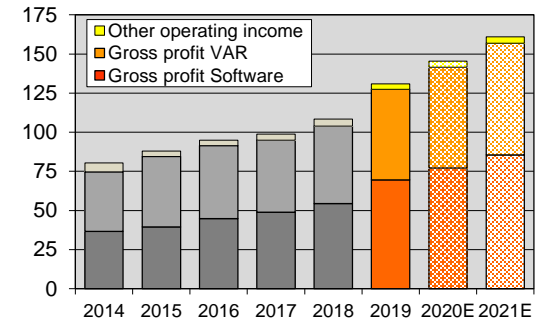
Review & Outlook (preliminary figures 2019)

Review on profitable growth:

- Gross profit 2014-2019: EUR +52.8 mln / +71%
 - ✓ EUR +10.6 mln / +11% average gross profit growth p.a.
- EBITDA 2014-2019: EUR +25.4 mln / +233%
 - ✓ 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 sustainably profitable growth

- 2020E: Organic growth + margin reserve = economy of scale
 - ◆ Sales +10-12% to EUR 270-275 mln / Gross profit +10-12% to EUR 140-143 mln
 - ◆ EBITDA +13-18% to EUR 41-43 mln
 - ◆ EPS +18-24 Cents to 115-121 Cents / Dividend +15-20 Cents to 98-103 Cents
- 2021E: Sales / Gross profit +10-12% / EBITDA +13-18%
 - ◆ EPS +18-24 Cents / Dividend +15-20 Cents



The M+M share

Listings:

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

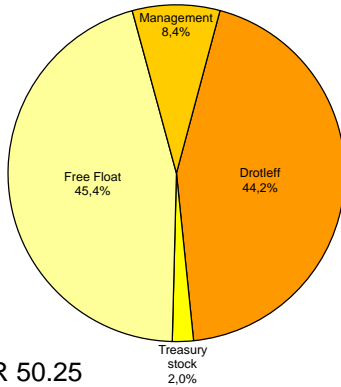
Designated Sponsors:

- ◆ LBBW, Stuttgart
- ◆ Oddo Seydler, Frankfurt

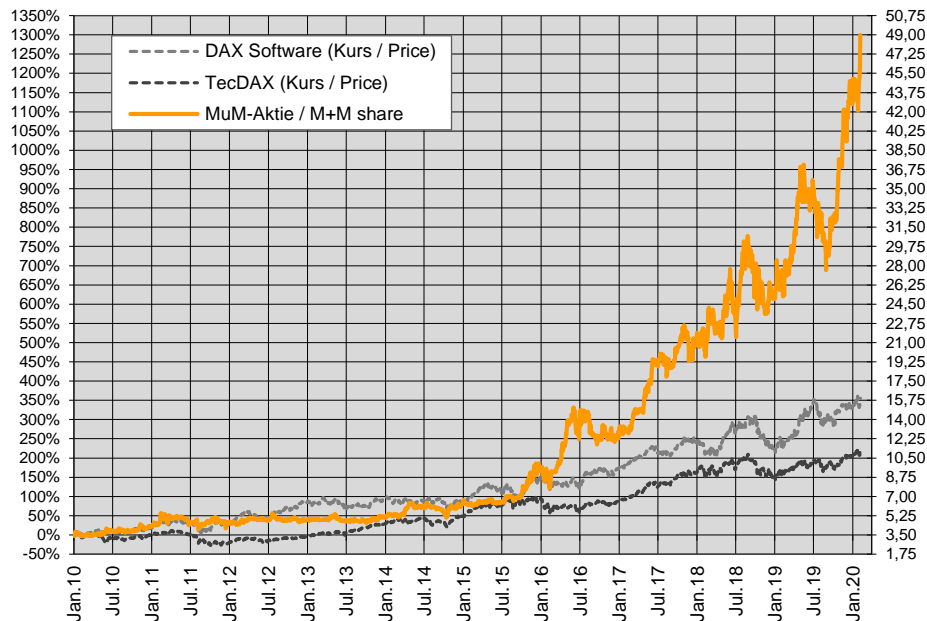
Analyst Coverage:

- ◆ LBBW: „Hold“ – fair value EUR 50.25
- ◆ SMC Research*: „Buy“ – fair value EUR 38.50
- ◆ EDISON*: **scale** research report – no price tag

*available in English language



M+M is both a public and private company



Total dividends paid since 2010: EUR 2.65

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
- Sustainably profitable growth / well scalable business model
 - ◆ Organic growth (CAGR): long-term average approx. 10% p.a.
 - ◆ EBITDA yield 2019 was 14.8% - 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





Thank you for your attention!

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