

Mensch und Maschine Software SE

Company Presentation Status February 16, 2021 / Preliminary figures 2020

man  machine
CAD as CAD can

mensch  maschine
CAD as CAD can

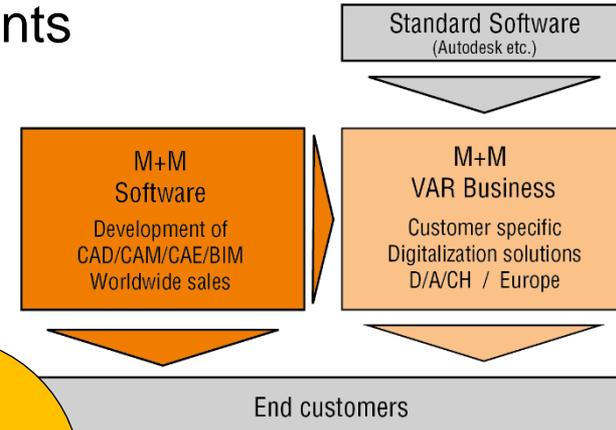
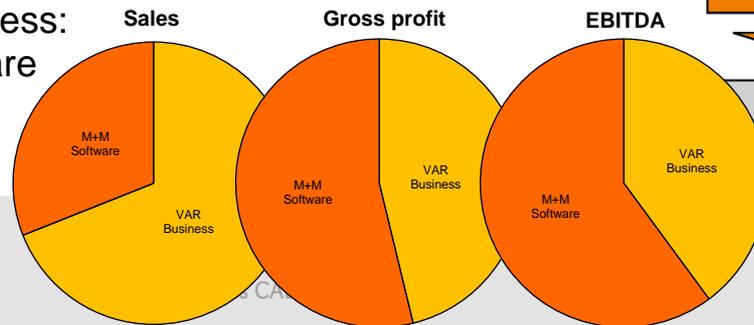


Business model

- 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 – 37 years on market // IPO 1997 – 24 years public
- Added Value well balanced over 2 Segments
 - ◆ M+M Software: Proprietary Standard Software
~65% CAD/CAM // ~35% BIM / Garden/Landscaping / CAE
 - ◆ VAR Business: Technical Digitalization Solutions
Proprietary Added Value: Projects / Training / Hotline etc.
Reselling (Autodesk etc.): Leverage effect on M+M marketshare

Benefit VAR Business:
Sales / Market share

Benefit Software:
Highly profitable



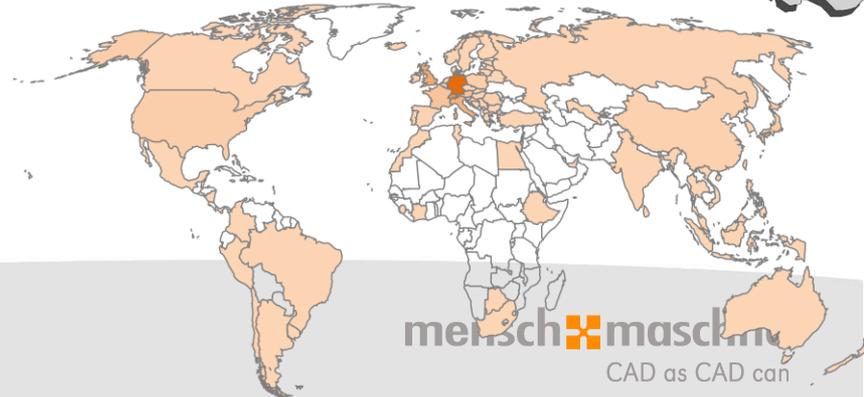
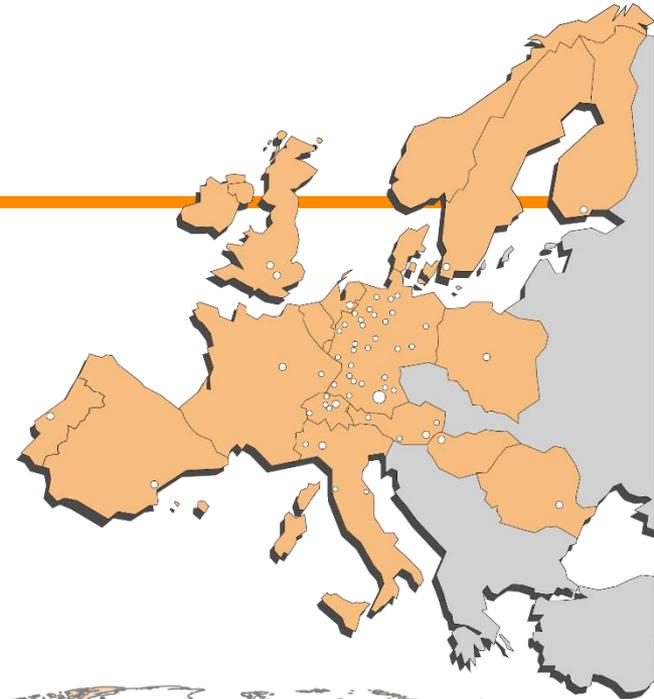
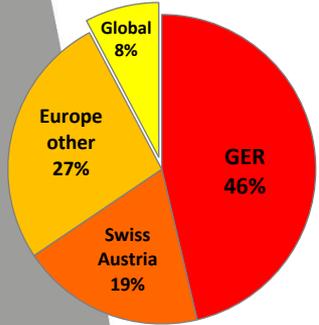
Business model

■ Geographical sales contribution: (2020)

- ◆ Germany: EUR ~113 mln / ~46%
- ◆ Austria/Switzerland: EUR ~47 mln / ~19%
- ◆ Europe (other): EUR ~65 mln / ~27%
- ◆ Global: EUR ~19 mln / ~8%
- ◆ M+M's own CAM and BIM Software is sold to more than 70 countries on all five Continents
- ◆ ~75 Subsidiaries in 22 Countries (Europe, Asia and America)

■ Headcount:

- ◆ Gross at Dec 31, 2020: 1.030 (PY: 1.004)
- ◆ Full time equivalent 2020: 948 (PY: 946)
 - 484 / 51% (PY: 485 / 51%) M+M Software
 - 464 / 49% (PY: 461 / 49%) VAR Business



Business model

■ Broad industry balance:

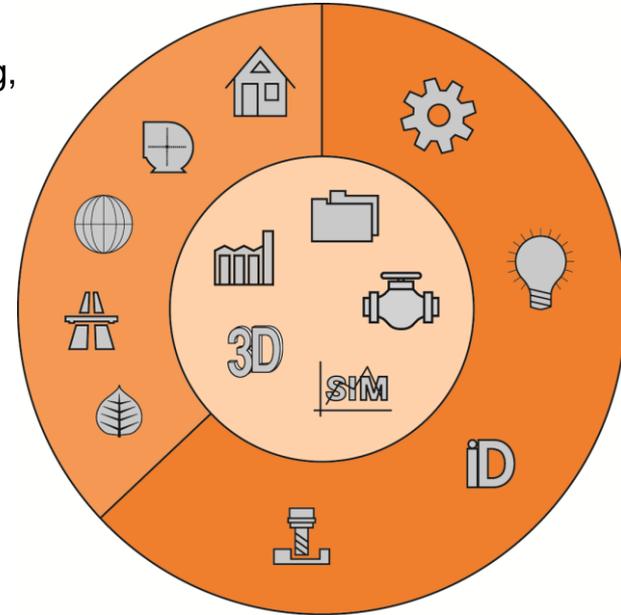
- ~2/3 Industry: e.g. Mechanical/Electrical/Process Engineering, Tool/Mold/Die Making, Automotive/Aerospace/Shipbuilding, Hydraulics, Pneumatics, Industrial design
- ~1/3 BIM: e.g. Architecture, Building Services, Structural/Civil Engineering, Bridge and Tunnel Construction, Infrastructure, Facility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

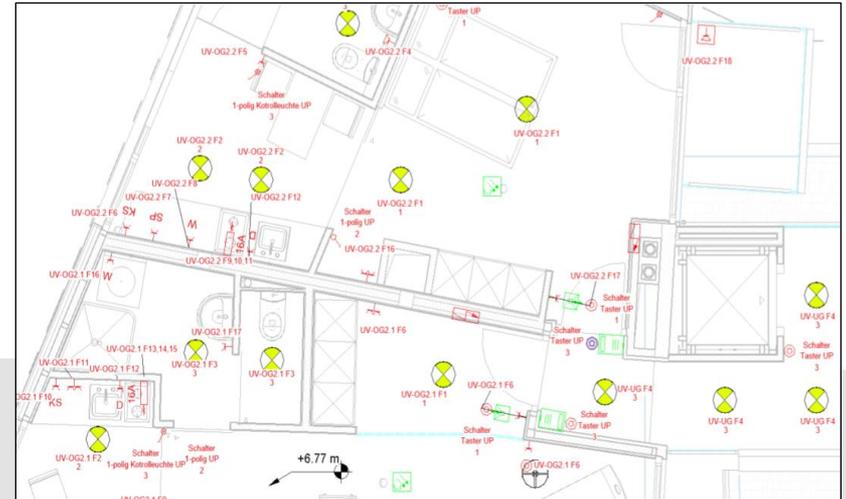
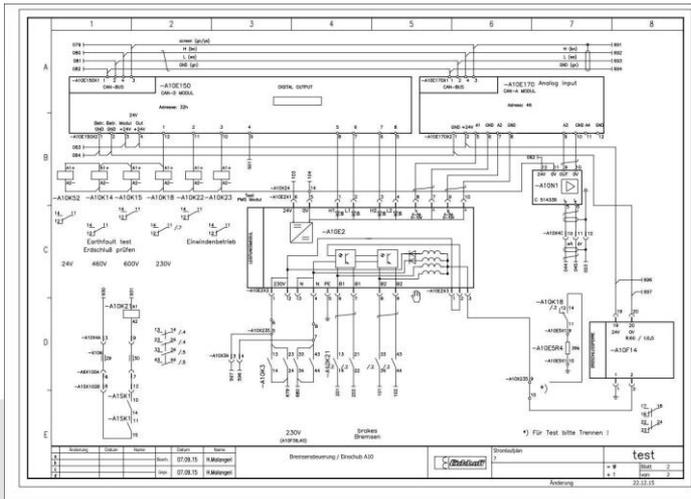
- Software from <1,000 Euro to >100,000 Euro per seat
- Pure B2B Business, only professionals, no consumers



CAD/CAM in practice (M+M Software)

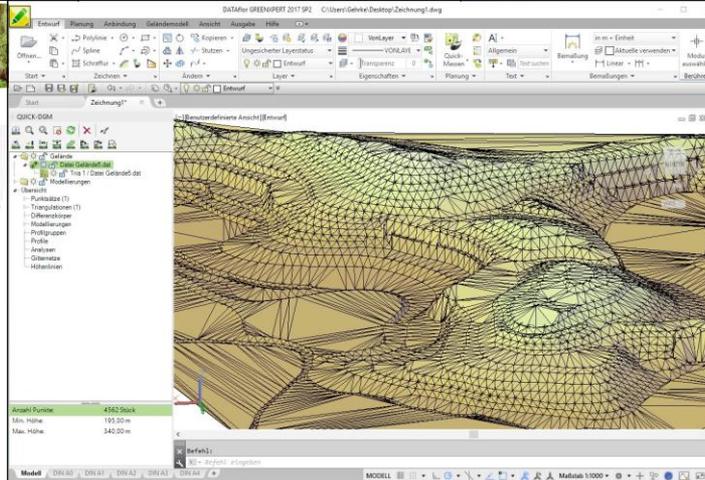
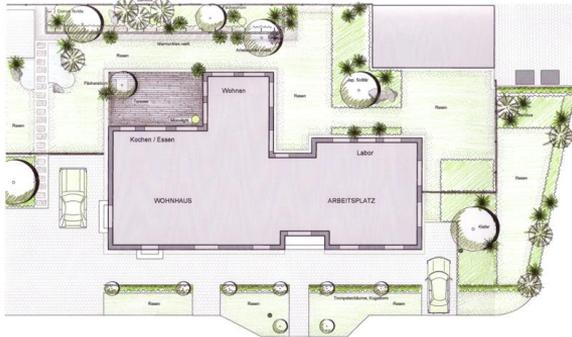
■ CAE – Computer Aided Engineering

- Seat base: ecscad – M+M product since 1993, end of 2008 sold to Autodesk, since 2014 licensed back and M+M maintenance till 2019
- 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



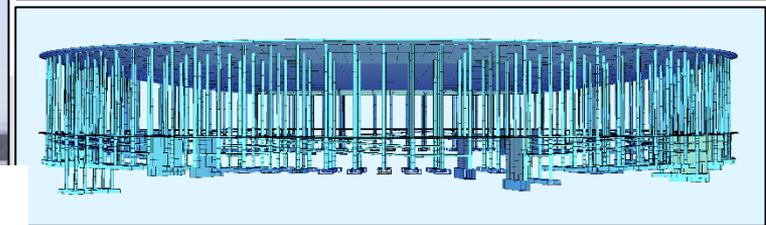
CAD/CAM in practice (M+M Software)

- 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)



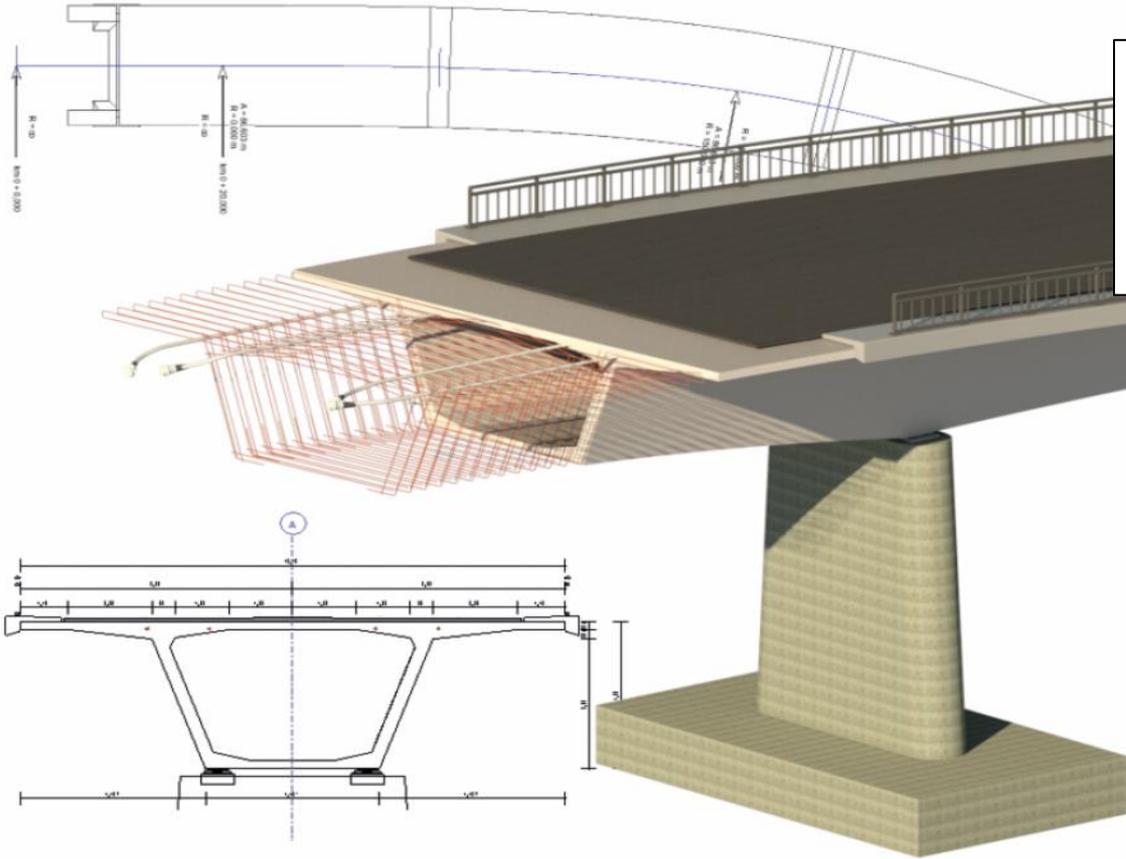
CAD/CAM in practice (M+M Software)

- 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

CAD/CAM in practice (M+M Software)

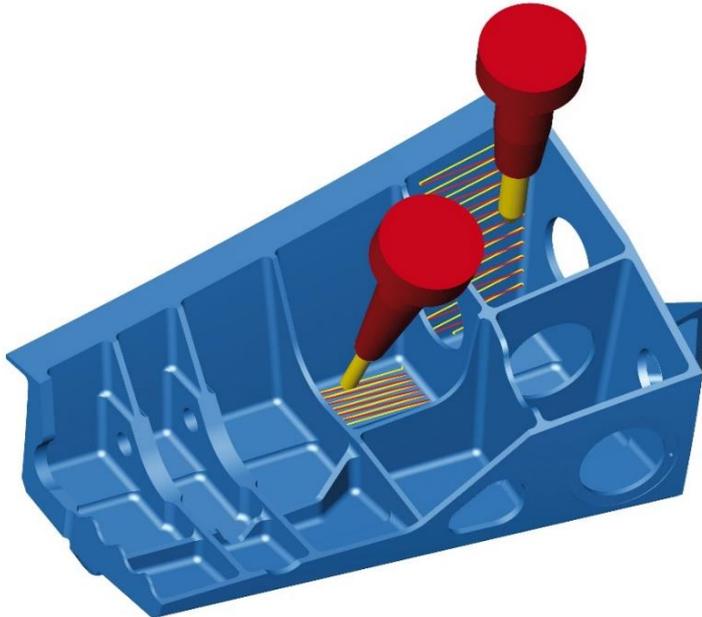


The **SOFiSTiK Bridge + Infrastructure Modeler** supports parametrized 3D bridge, tunnel and other profile building design, detailing and analysis, fully compatible to BIM standards, as it e.g. is mandatory in Germany since 2020 for public projects due to the German Ministry of Transport and Infrastructure.



CAD/CAM in practice (M+M Software)

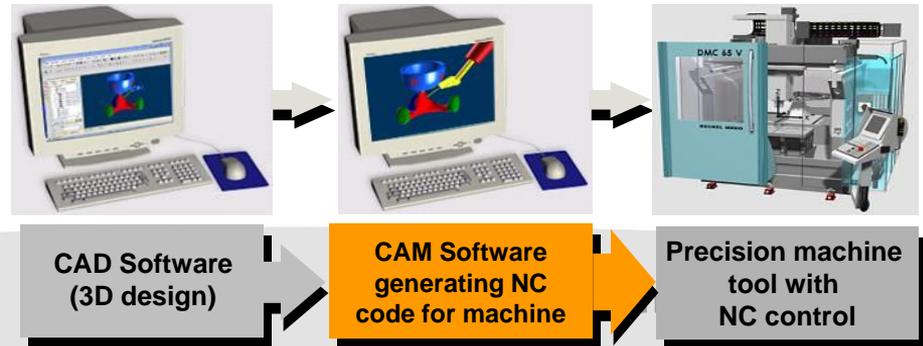
- CAM – Computer Aided Manufacturing
 - Subsidiary Open Mind – Product line hyperMILL
 - High end: Average revenue approx. EUR 30,000 per seat
 - **CAM is contributing more than 1/3 to M+M's Added Value**



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.

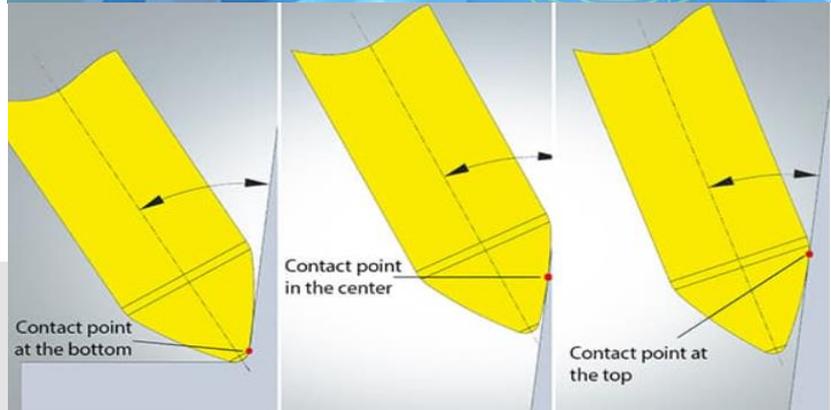
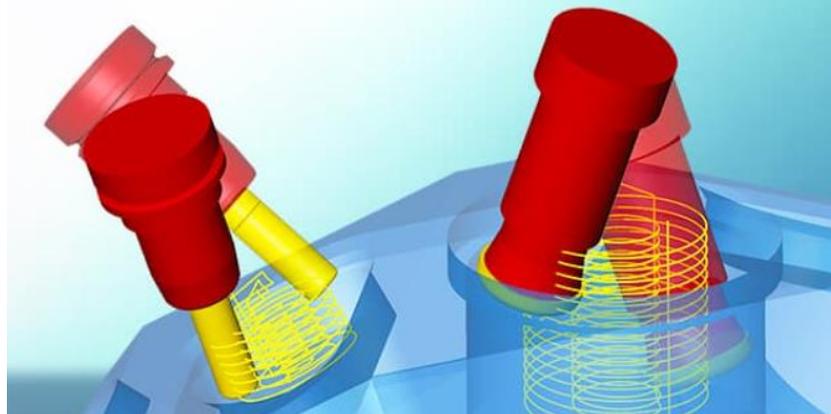
Flat surface finishing up to 10x faster by using special conical cutters with slightly convex curvature.

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:



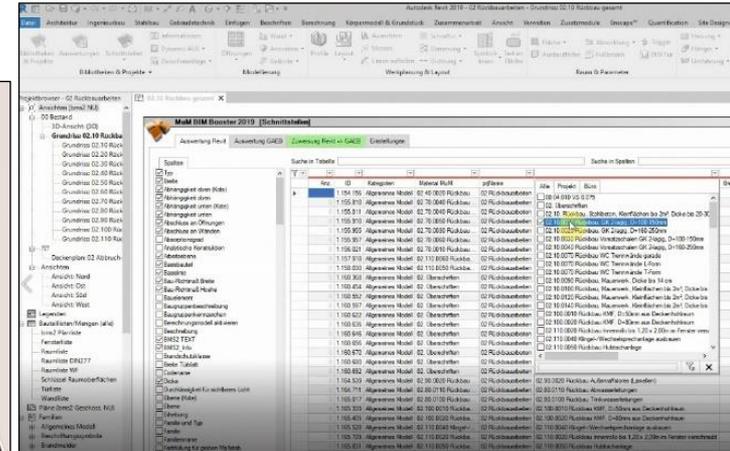
Some CAM Key Customers



Digitalization in practice (VAR Business)

- Example BIM – Building Information Modelling / Management: High efficiency gain in complex interior work projects

Customer: BMS² GmbH, Munich, Germany



bim booster bim ready



man machine
CAD as CAD can

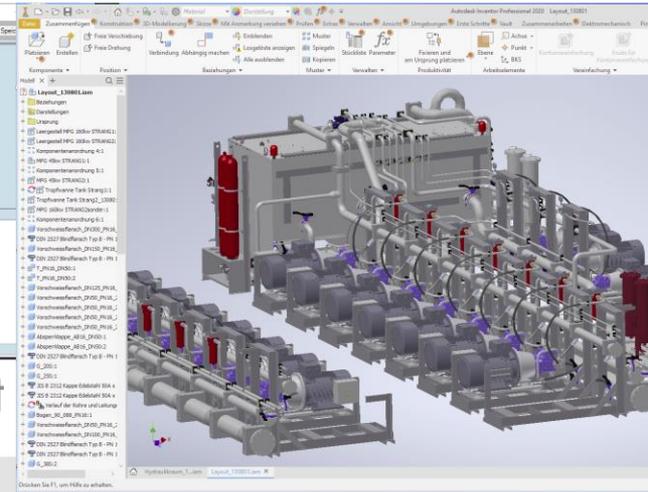
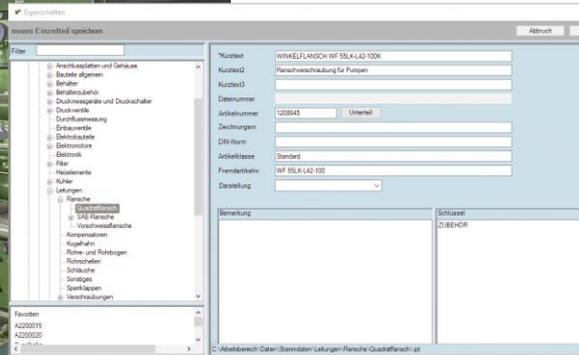
mensch machine
CAD as CAD can

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



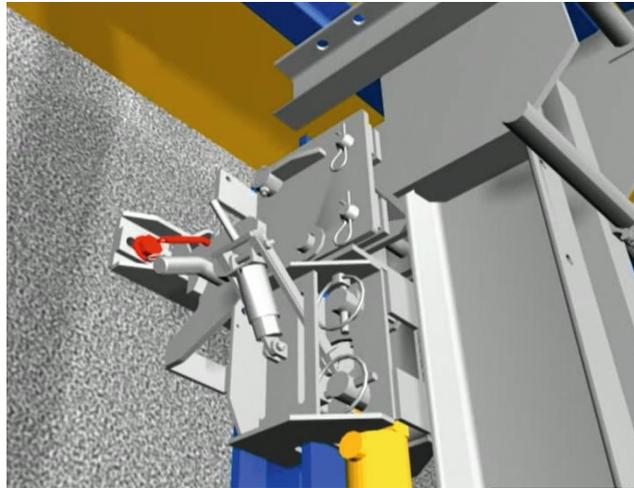
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mensch  maschine
CAD as CAD can

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 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: Stadwerke Emden, Germany



Entdecken Sie Ihr Sparpotenzial - Emden Solarkataster

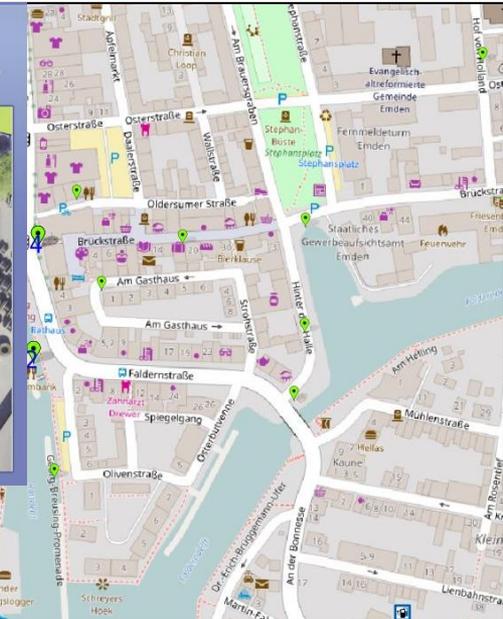
Das Emden Solarkataster stellt eine Orientierungshilfe dar, mit der Sie die Eignung Ihres Daches für Fotovoltaik- und / oder Solarthermieanlagen erkennen können. Mit Hilfe von drei einfachen Schritten können Sie auf der Karte einsehen, ob auch in Ihrem Haus ein ungenutztes Sparpotenzial vorhanden ist.

- 1. Profiktanzwahl**
 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 m²): sehr gut geeignet
Geplante Fläche für PV-Module: 58,4 m²
Max. CO₂-Einsparung: 5,1 Tonnen pro Jahr
Ich möchte mehr wissen (zum Kontaktformular)



map  edit

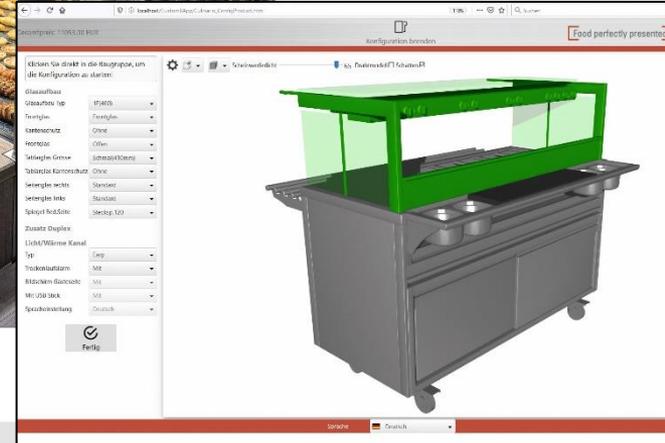
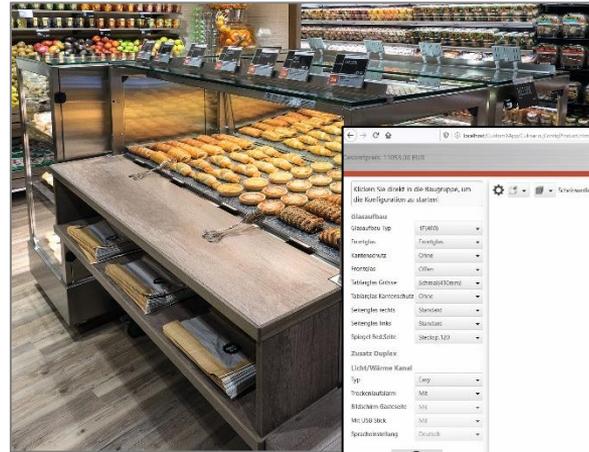
Digitalization in practice (VAR Business)

- 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



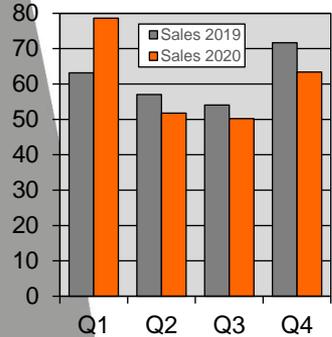
customX



Some VAR Business Key Customers



Sales & gross profit (preliminary figures 2020)

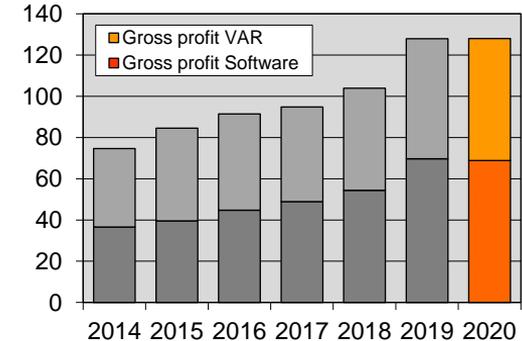
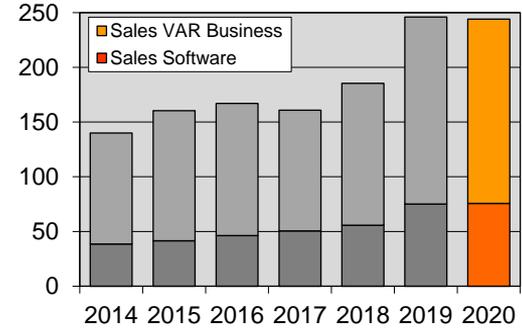
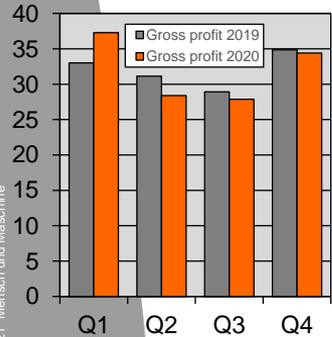


- Sales 2020: EUR ~244 mln / -0.8%
 - ◆ M+M Software: EUR ~75.6 mln / +0.7%
 - ◆ VAR Business: EUR ~168.4 mln / -1.5%
 - ◆ Q1: +24.5% / Q2: -9.3% / Q3: -7.1% / Q4: approx. -12%

- Gross profit 2020: EUR ~128 mln / +0.1%

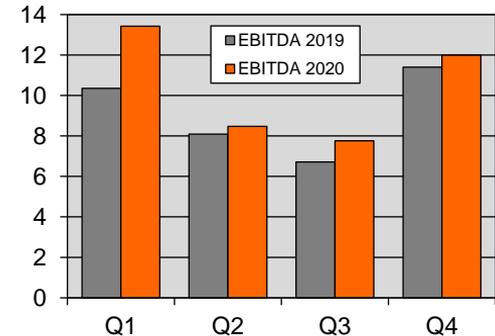
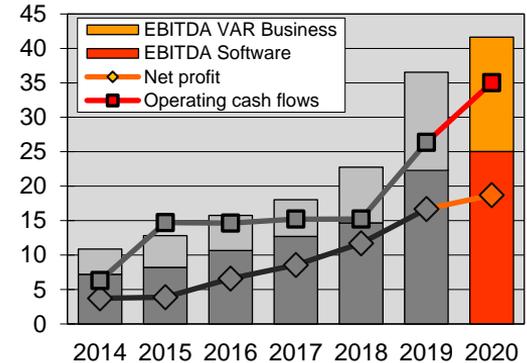
- ◆ M+M Software: EUR ~68.9 mln / -1.2%
- ◆ VAR Business: EUR ~59.1 mln / +2.6%
- ◆ Q1: +13% / Q2: -8.8% / Q3: -3.6% / Q4: approx. -1.3%
- ◆ Gross yield 2020: ~52.4% (PY: 52.0%)
- ◆ Gross yield seasonality 2019/20:
 - 2019: Q1: 52.2% / Q2: 54.6% / Q3: 53.5% / Q4: 43.4%
 - 2020: Q1: 47.4% / Q2: 54.8% / Q3: 55.5% / Q4: 54.3%
 - => Q4/19 & Q1/20: Anomaly caused by Autodesk resales peak

- Full year 2020: Consolidation of 2019 records
Sales just below, gross profit just above previous year
High volatility: Record Q1, then Corona retarding effects



Earnings / cash flows / dividend (preliminary figures 2020)

- Record EBITDA 2020: EUR ~41.6 mln / +14%
 - ◆ EBITDA yield ~17% (PY: 14.9%)
 - ◆ M+M Software: EUR ~25.0 mln / +12% // yield ~33% (PY: 29.8%)
 - ◆ VAR Business: EUR ~16.6 mln / +16% // yield ~9.9% (PY: 8.4%)
 - ◆ Q1: +30% / Q2: +4.8% / Q3: +16% / Q4: ca. +5%
 - ◆ Corona retarding effects in Q2/Q3 mainly compensated through cost elasticity, in Q4 mainly through margin strength
- Record EBIT 2020: EUR ~31 mln / +14%
 - ◆ EBIT yield ~12.7% (PY: 11.1%)
- Record net profit 2020: EUR ~18.6 mln / +12%
 - ◆ EPS: ~111 Cents (PY: 99)
- Record operating cash flows 2020: EUR ~35 mln / +33%
 - ◆ CPS: ~208 Cents (PY: 157)
- Prospective Dividend 2020: 100 Cents (PY: 85 / +18%)
 - ◆ Optionally in cash or shares like in previous years



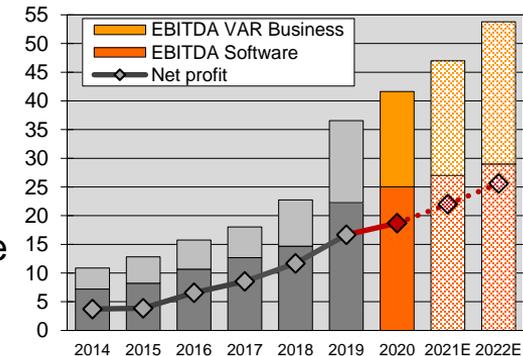
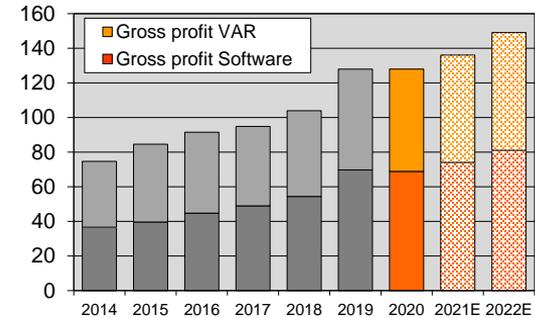
Review & Outlook (preliminary figures 2020)

Review on profitable growth:

- Gross profit 2014-2020: EUR +53.3 mln / +71%
 - ✓ EUR +8.9 mln / +9.4% average gross profit growth p.a.
- EBITDA 2014-2020: EUR +30.7 mln / +282%
 - ✓ EUR +5.1 mln / +25% average EBITDA growth p.a.
- Gain 58%: 1 EUR more gross profit >> 58 Cents more EBITDA
 - ✓ Profit optimized growth through effective cost control management

Clear target: Continuing sustainable profitable growth

- 2021E: Return to our normal growth mode from Q2 onwards
 - ◆ Strong Q1 expected, but yet below the 2020 all-time-records
 - ◆ **EPS +13-22% to 125-135 Cents / Dividend +15-20% to 115-120 Cents**
- 2022E ff: Organic growth + margin potential = economy of scale
 - ◆ Sales / Gross profit +8-12% p.a.
 - ◆ **EPS +18-24 Cents p.a. / Dividend +15-20 Cent p.a.**



The M+M share

Listings:

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

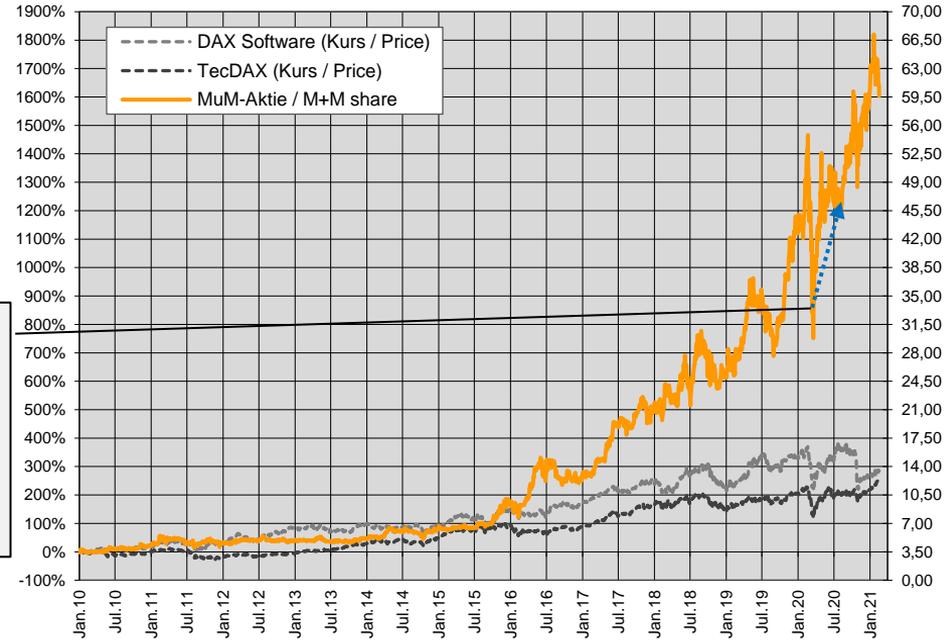
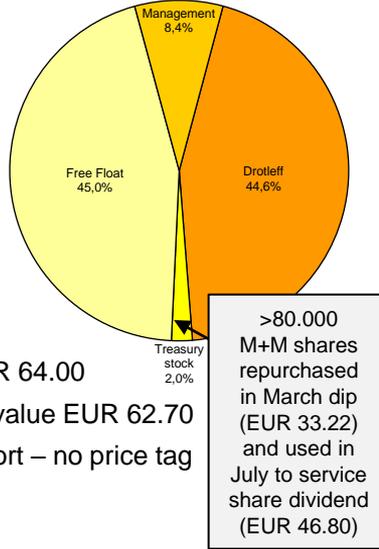
Designated Sponsors:

- ◆ LBBW, Stuttgart
- ◆ Odso Seydler, Frankfurt

Analyst Coverage:

- ◆ LBBW: „Hold“ – fair value EUR 64.00
- ◆ SMC Research*: „Hold“ – fair value EUR 62.70
- ◆ 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 – 37 years of established market position
 - ◆ More than 30,000 active customers worldwide
 - ◆ Private and 24 years public company
- Sustainable profitable growth / highly scalable business model
 - ◆ Organic growth (CAGR): long-term average approx. 10% p.a.
 - ◆ EBITDA yield 2020 was ~17% - mid-term potential >20%
 - ◆ 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 / Investor Relations

