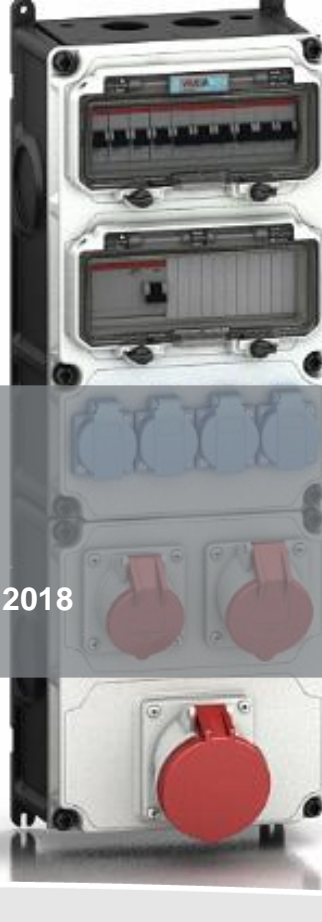


Mensch und Maschine Software SE

Company Presentation

Status November 2, 2018 / Nine months report 2018



Business model

■ Leading vendor of CAD/CAM/PDM/BIM solutions

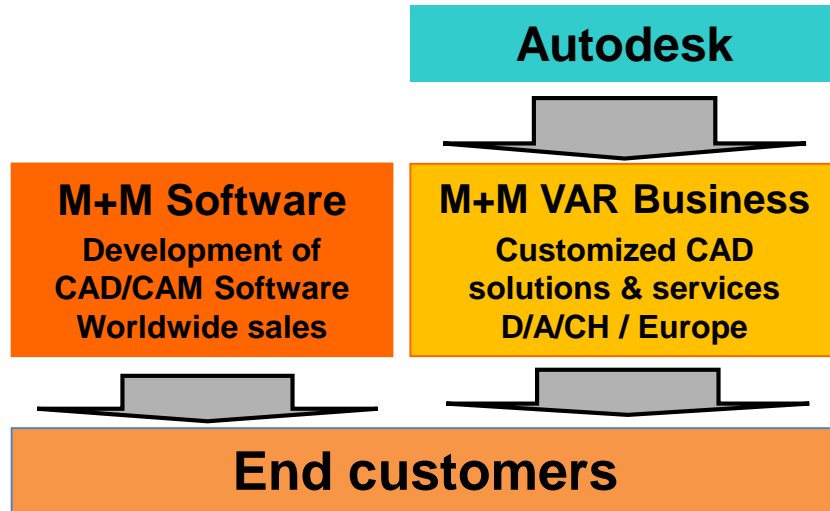
- ◆ CAD/CAM = Computer Aided Design / Manufacturing
PDM = Product Data Management / BIM = Building Information Management
- ◆ Founded 1984 – 34 years on market // IPO 1997 – 21 years public

■ Gross Margin approx. 50/50 from two Segments

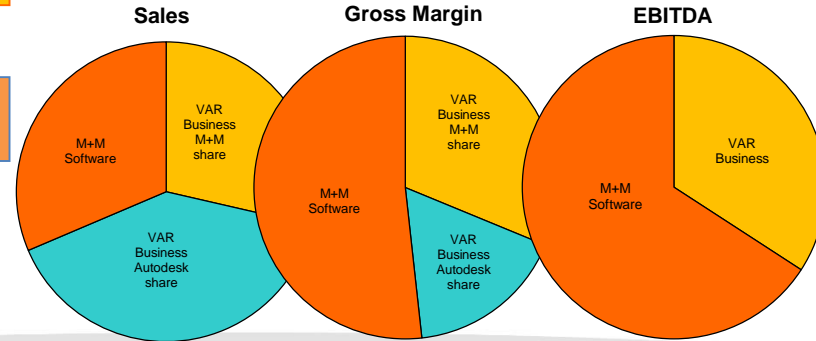
- ◆ M+M Software: Proprietary CAD/CAM Software development
 - ~85% CAM // ~15% Gardening & Landscaping / Electrical CAD
 - EBITDA yield 9M/2018: 25.2%
- ◆ VAR Business: Leading European Partner of global CAD market leader Autodesk
 - 25 years history as Value Added Distributor VAD (indirect product sales to resellers), beginning 2009 transition to Value Added Reseller VAR (direct customer solution development)
 - EBITDA yield 9M/2018: 5.6% / mid term target >10%



Business model

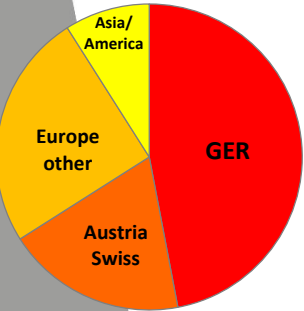


- Q4/2011: Distribution business sold off
 - Price EUR 18+10 mln fixed+variable
 - Price (in mln EUR) booked to:
2011: 12 / 2012: 9 / 2013: 4 / 2014: 3
- 9M/2018: Gross yield 56.5% / EBITDA 11.5%
 - 83% proprietary contribution from M+M Software / Services
 - Just 17% contribution from Autodesk business (2001: >75% / 2008: >50%)



Business model

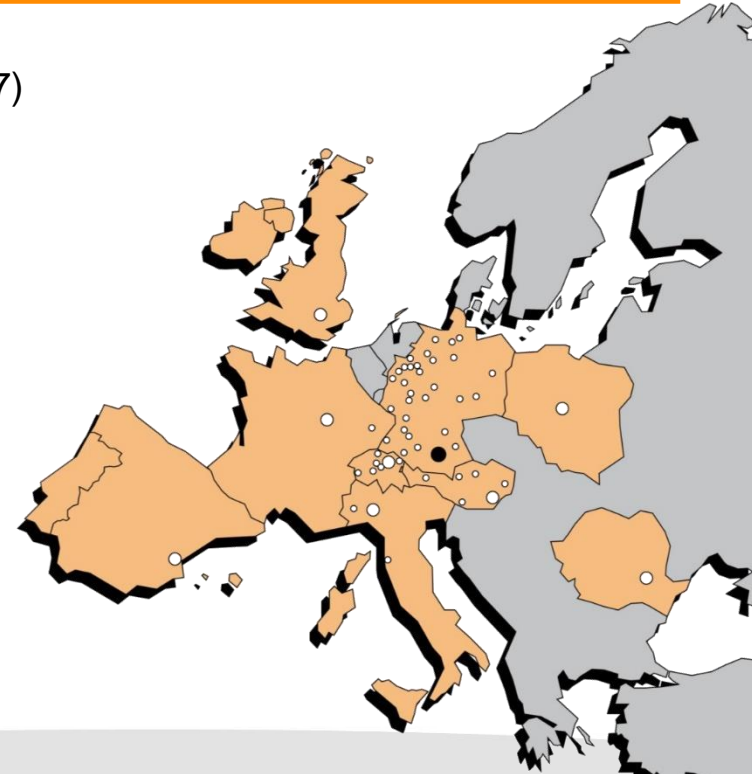
■ Geographical sales contribution: (2017)



- ◆ Germany: EUR ~76 mln / ~47%
- ◆ Austria/Switzerland: EUR ~30 mln / ~19%
- ◆ Europe (other): EUR ~40 mln / ~25%
France / Italy / UK / Poland / Romania / Iberia
- ◆ Asia/America: EUR ~15 mln / ~9%
Japan / China / India / APAC / USA / Brazil
(M+M sales offices / CAM Software only)

■ Headcount: (Sept 30, 2018)

- ◆ 818 (PY: 790 / +3.5%)
 - 354 / 43% M+M Software
 - 464 / 57% VAR Business



Business model

■ Broad industry balance:

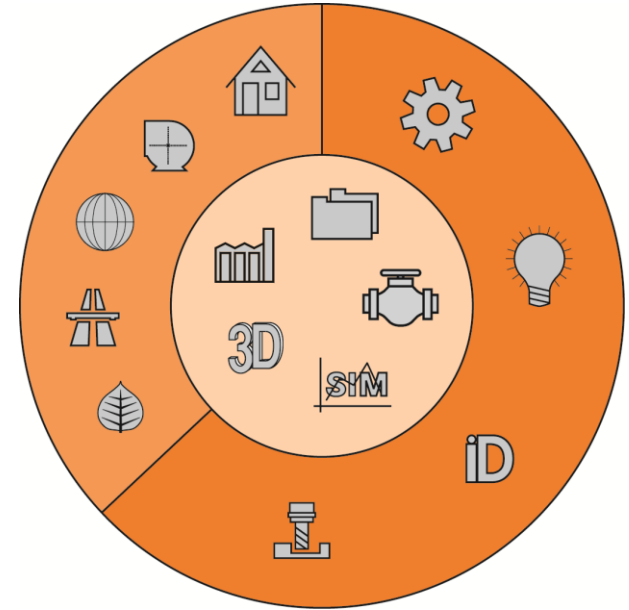
- ~2/3 Industry: e.g. Mechanical/Electrical Engineering, Tool/Mold/Die Making, Automotive/Aerospace/Shipbuilding, Industrial design
- ~1/3 BIM: e.g. Architecture, Building Services, Structural/Civil Engineering, Infrastructure, Gardening/Landscaping
- Interdisciplinary: e.g. Digital Factory, PDM/PLM,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

◆ Extensive installed base:

>100,000 active seats @ more than 25,000 customers

◆ Wide price/performance range:

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



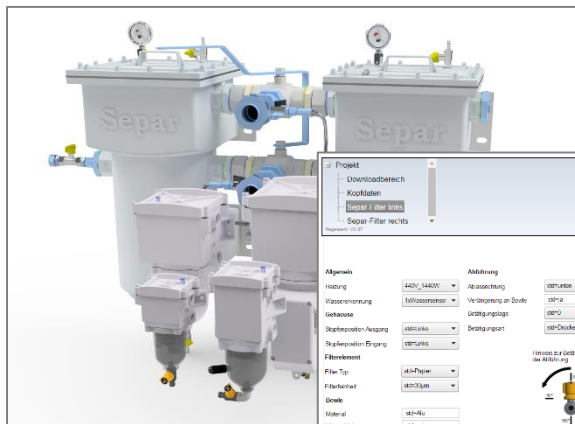
CAD/CAM in practice (VAR Business)

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

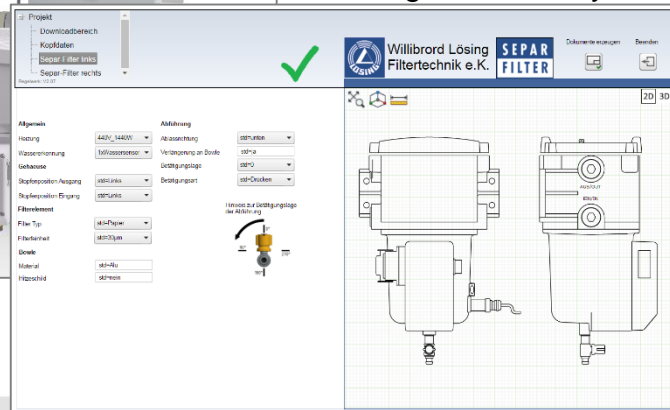
Customer: Bals Elektrotechnik, Kirchhundem, Germany



Customer:
Willibrord Lösing
Filtertechnik,
Hattingen, Germany



customX



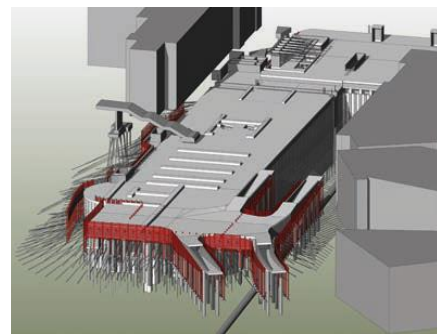
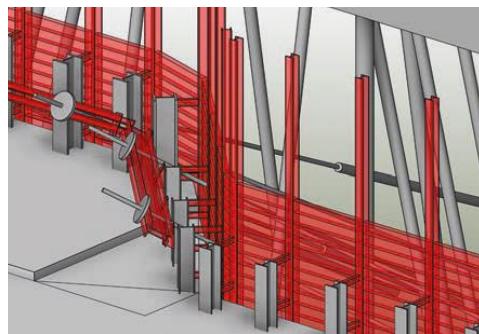
man machine
CAD as CAD can

menschenmaschine
CAD as CAD can

CAD/CAM in practice (VAR Business)

- Example BIM – Building Information Modelling / Management:
General planning of large building projects

Customer: Scherr + Klimke, Ulm Germany



bim  booster

bim  ready

man  machine
CAD as CAD can

mensch  machine
CAD as CAD can

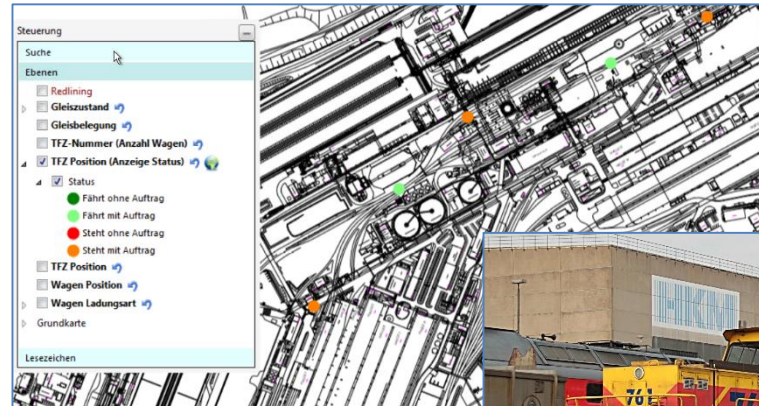


CAD/CAM in practice (VAR Business)

- 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



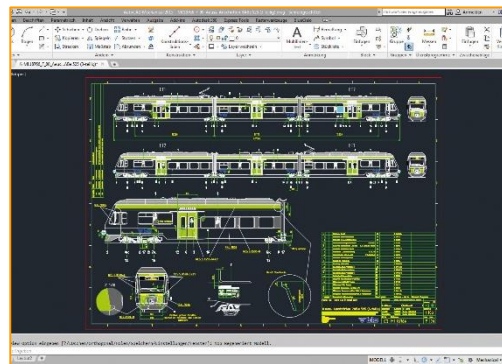
mapedit



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



Some VAR Business Key Customers



CAD/CAM in practice (M+M Software)

■ Example Electrical Engineering and Documentation: Shearer loaders for coal and potash underground mining

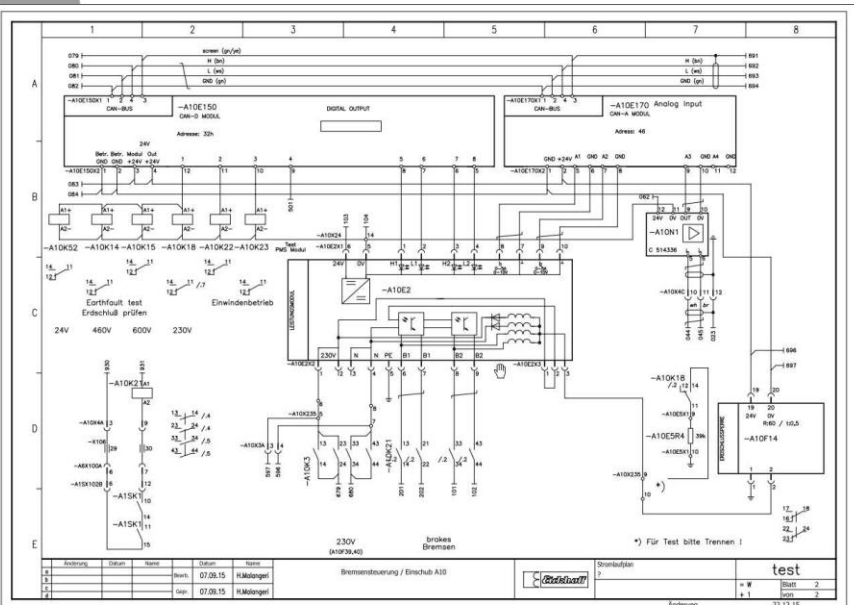
- Product ECSCAD – until 2008 M+M Software, end of 2008 sold to Autodesk
– since 2014 licensed back and developed / supported by M+M

Customer:
Eickhoff Bergbautechnik
GmbH, Bochum, Germany



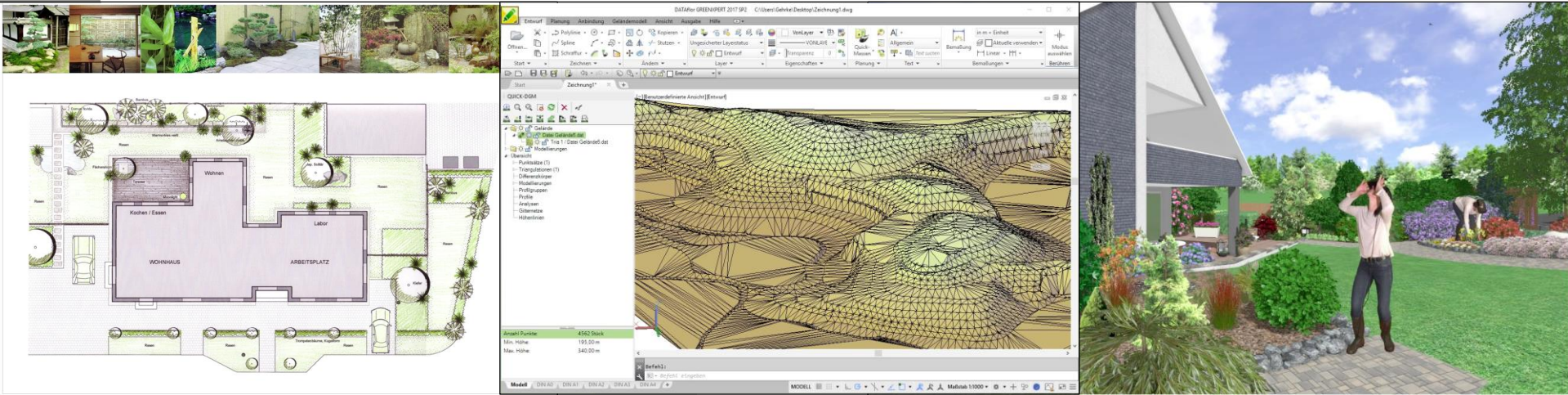
ecs  cad

mens  maschine
CAD as CAD can



CAD/CAM in practice (M+M Software)

- Gardening / Landscaping / Earthworks for Architects and Implementors
 - M+M Subsidiary DATAflor, Goettingen
 - 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)



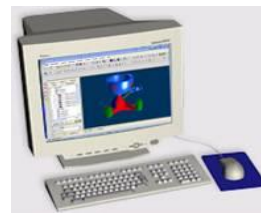
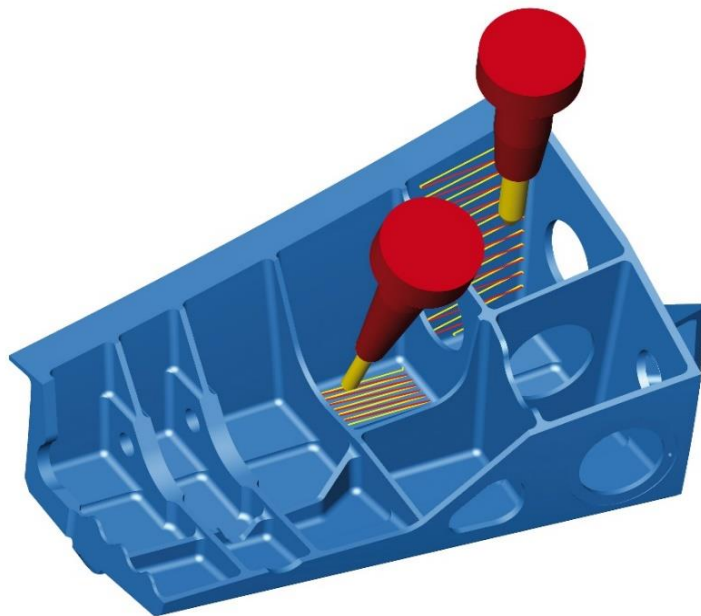
CAD/CAM in practice (M+M Software)

- CAM – Computer Aided Manufacturing
 - Subsidiary Open Mind – Product line hyperMILL
 - High end: Average revenue approx. EUR 30,000 per seat
 - ~26% of group revenue / **~45% of group gross margin**



Project: Flat surface milling 10x faster by using special conical cutters with slightly convex curvature. Milling time for this lightweight aerospace part: Total 2h05min instead of 10h30min

 **OPEN MIND**
THE CAM FORCE



CAD Software
(construction)



CAM Software
generating NC
code for machine



Precision machine
tool with
NC control

CAD/CAM in practice (M+M Software)

Precision machine tools' purchase prices are in the six or even 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.

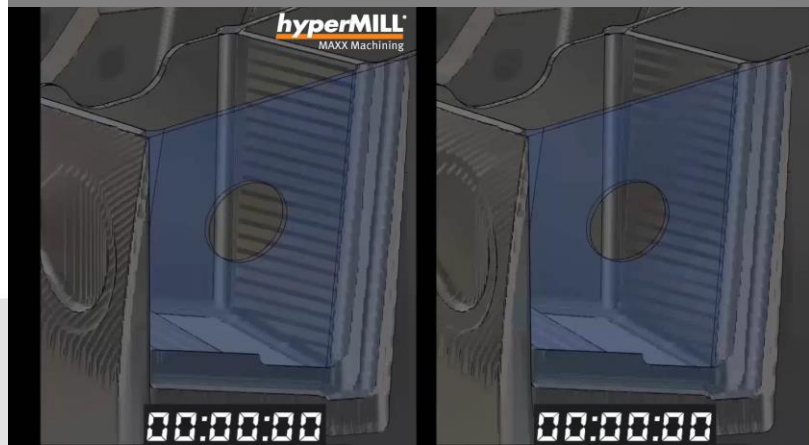
5x faster roughing with helical drilling



Fast Impeller milling: 1:46 min instead of approx. 1h



Flat surface in 30 sec vs. 5:10 min: Factor 10!



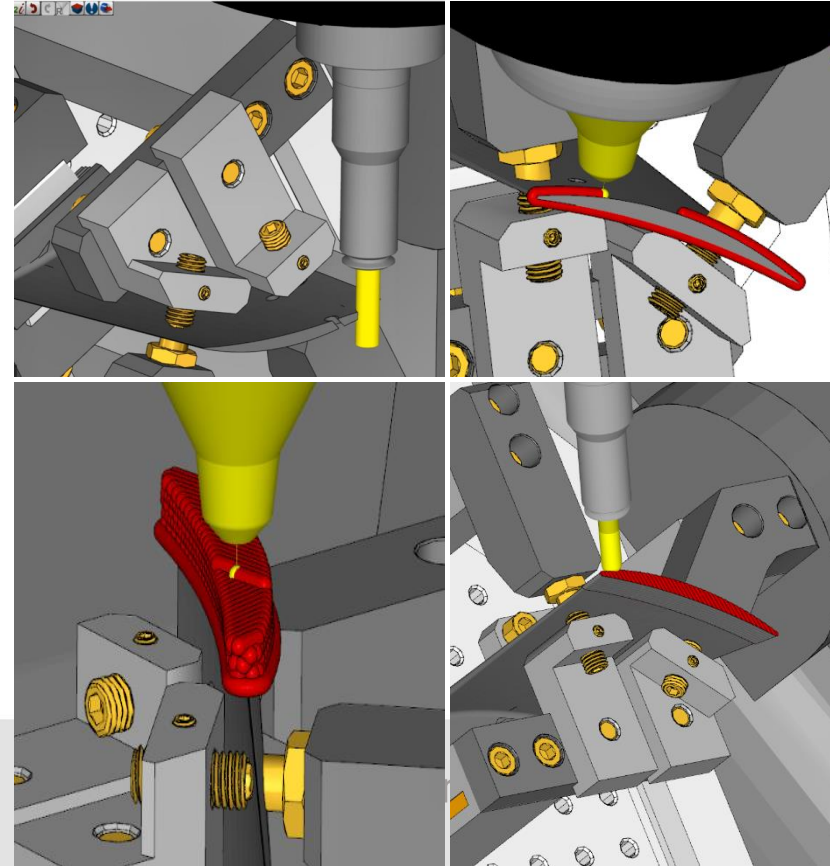
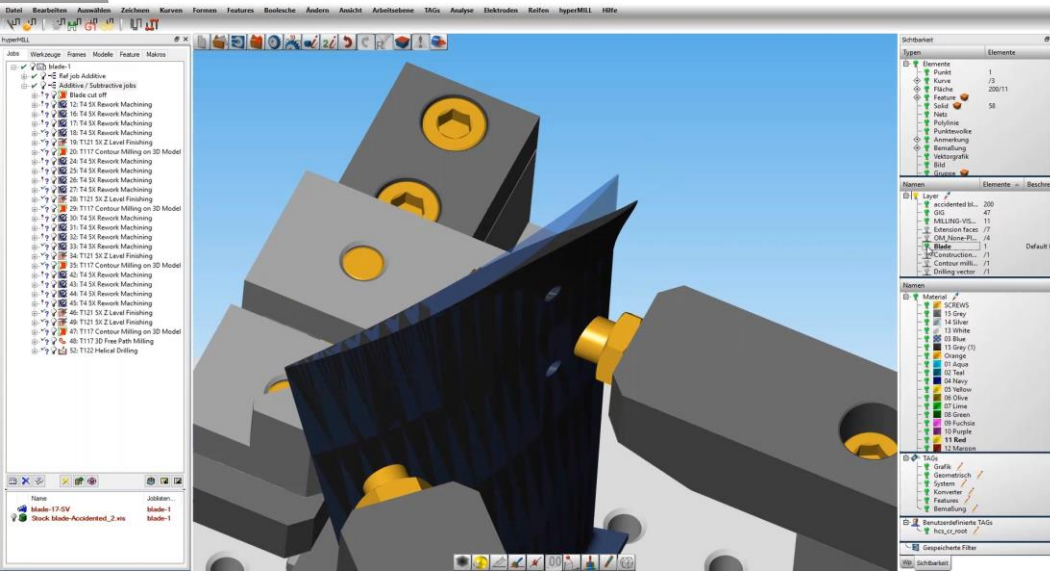
CAD/CAM in practice (M+M Software)

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.

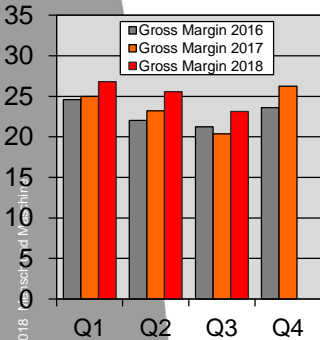
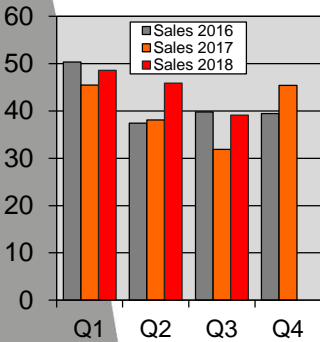
Example: Hybrid repair of a turbine blade without re-clamping.



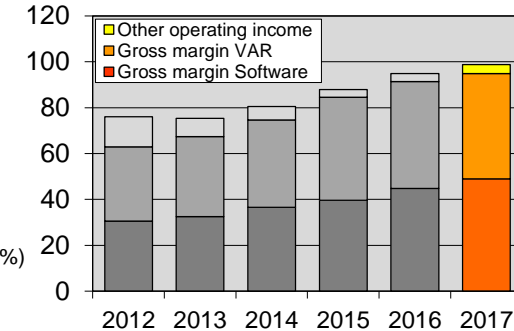
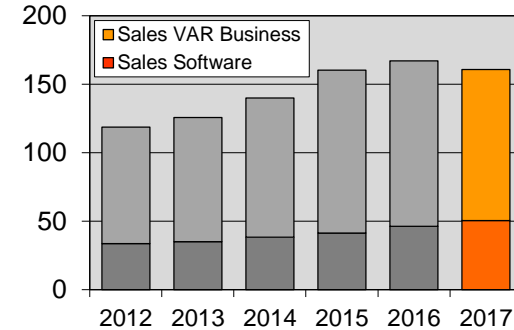
Some CAM Key Customers



Sales & gross margin

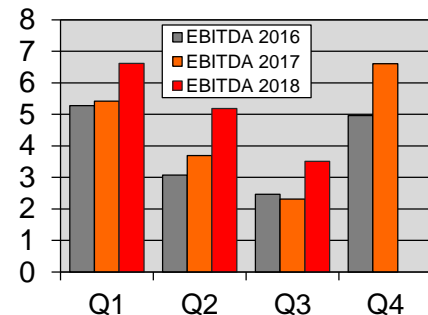
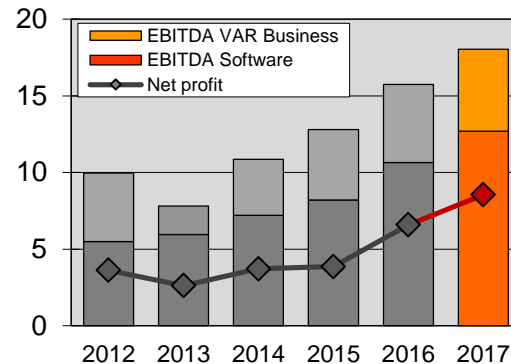


- Sales 2017: EUR 160.85 mln / -3.7%
 - ◆ M+M Software: EUR 50.47 mln / +9.1%
 - ◆ VAR Business: EUR 110.38 mln / -8.6%
 - ◆ Seasonality returned to the pattern typical for M+M (Q1/Q4 strong, Q3 weakest)
PY comparison in Q1 and Q3 distorted by pull effect before Autodesk's transition to rental
- Record gross margin 2017: EUR 94.82 mln / +3.7%
 - ◆ M+M Software: EUR 48.94 mln / +9.4%
 - ◆ VAR Business: EUR 45.88 mln / -1.8%
 - ◆ M+M share: EUR 29.88 mln / +16% (Technology + services)
 - ◆ Autodesk share: EUR 16.00 mln / -24%
 - ◆ Gross margin seasonality smoother than for sales
- Sales 9M/18: EUR 133.55 mln / +16% (Q1 +7% / Q2 +20% / Q3 +23%)
 - ◆ M+M Software: EUR 40.08 mln / +11% (Q1 +9.3% / Q2 +12% / Q3 +13%)
 - ◆ VAR Business: EUR 93.47 mln / +18% (Q1 +5.9% / Q2 +24% / Q3 +28%)
(numerous Autodesk maintenance contracts converted to subscription in Q2/Q3)
- Gross margin 9M/18: EUR 75.52 mln / +10% (Q1 +7% / Q2 +10% / Q3 +14%)
 - ◆ M+M Software: EUR 39.18 mln / +12% (Q1 +9.3% / Q2 +14% / Q4 +13%)
 - ◆ VAR Business: EUR 36.34 mln / +8.2% (Q1 +5.1% / Q2 +6.5% / Q3 +14%)

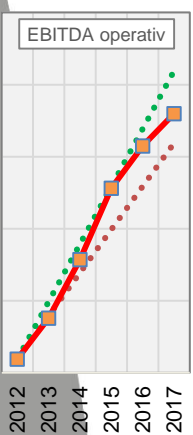


Earnings / cash flows / dividend

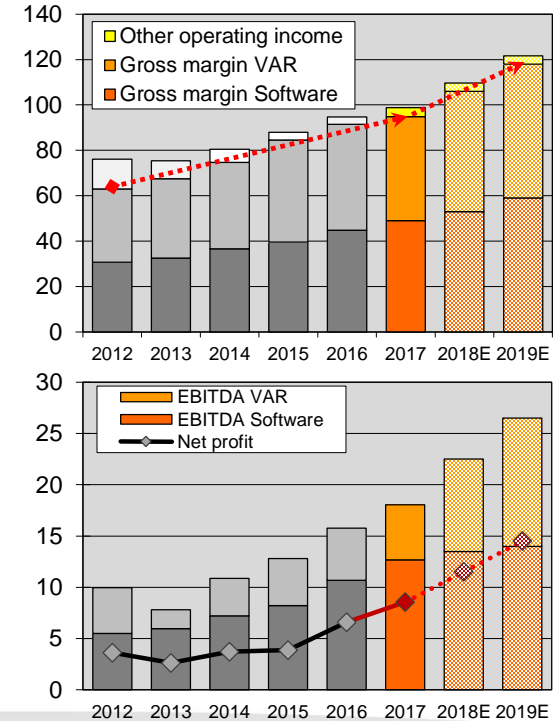
- Record EBITDA 2017: EUR 18.04 mln (PY: 15.76 / +14.5%)
 - ◆ EBITDA yield: 11.2% (PY: 9.4%)
 - ◆ M+M Software: EUR 12.69 mln (PY: 10.66 / +19%) / yield 25.2% (PY: 23.1%)
 - ◆ VAR Business: EUR 5.35 mln (PY: 5.09 / +5.0%) / yield 4.8% (PY: 4.2%)
 - ◆ Q1: +2.7% / Q2: +21% / Q3: -6.3% / Q4: +33%
- ◆ Record net profit 2017: EUR 8.55 mln (PY: 6.59 / +30%)
 - ◆ EPS 52.5 Cents (PY: 40)
- ◆ Record operating cash flows 2017: EUR 15.22 mln (PY: 14.64)
 - ◆ CPS 93.5 Cents (PY: 90)
- ◆ Dividend 2017: 50 Cents (PY: 35 / +43%) in cash or shares (scrip dividend)
- ◆ EBITDA 9M/2018: EUR 15.32 mln / +34% (Q1 +22% / Q2 +40% / Q3 +52%)
 - ◆ M+M Software: EUR 10.09 mln / +21% (Q1 +17% / Q2 +34% / Q3 +12%)
 - ◆ VAR Business: EUR 5.23 mln / +67% (Q1 +33% / Q2 +59% / Q3 +270%)
- ◆ Net profit 9M/2018: EUR 7.61 mln / +41% // EPS 47 Cents (PY: 33)
- ◆ Operating cash flows 9M/2018: EUR 11.04 mln (PY: 13.02)



Review & Outlook



- **Gross Margin 2012-2017: EUR +31.8 mln / +51%**
 - ✓ 8.5% organic Gross Margin growth p.a. (target was 10%)
Spread from 3.7% (2017) to 13% (2015)
- **EBITDA purely operating 2012-2017: EUR +17.0 mln**
Spread from EUR +2.3 mln (2017) to EUR +4.9 mln (2015)
 - ✓ EUR +3.4 mln p.a. (target range was EUR +3-4 mln)
- **Gain 53%: 1 EUR Gross Margin >> 53 Cents EBITDA**
 - ✓ Profit optimized growth through active cost control method
- **2018P: Ambitious targets very well underlined after 9M**
 - ◆ Gross Margin +10-12% to EUR 104-106 mln / EBITDA +22-28% to EUR 22-23 mln
 - ◆ Net profit +30-40% to EUR 11-12 mln / EPS 67-73 Cents / Dividend 62-68 Cents
- ◆ **2019E ff: EBITDA to increase EUR +4-5 mln p.a.**
 - ◆ Net profit EUR +3-4 mln / EPS +18-24 Cents / Dividend +15-20 Cents p.a.
- **100 Cents EPS mid-term target should be exceeded by 2020**
 - ◆ Long-term EBITDA contribution by segments is expected to largely balance



The M+M share

Listings:

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

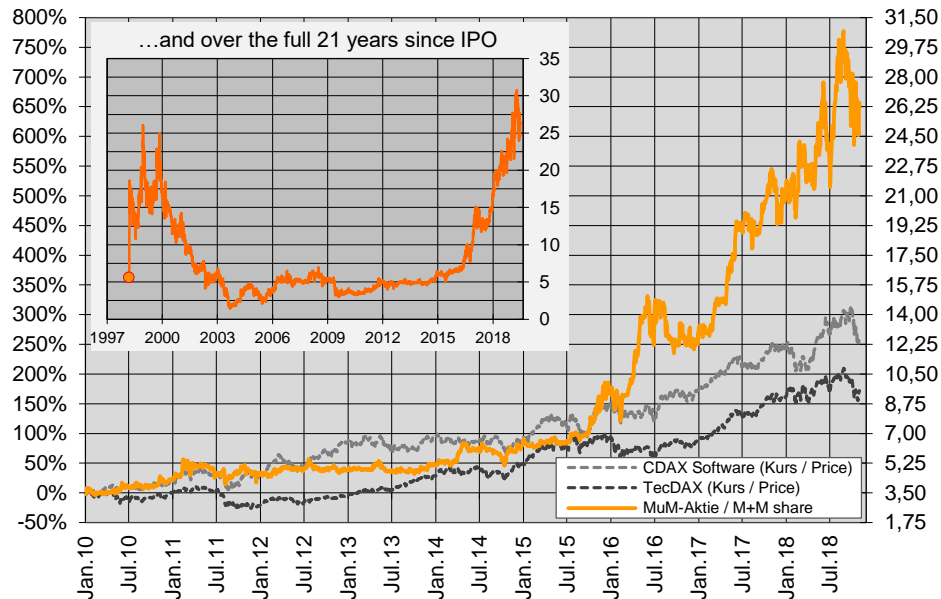
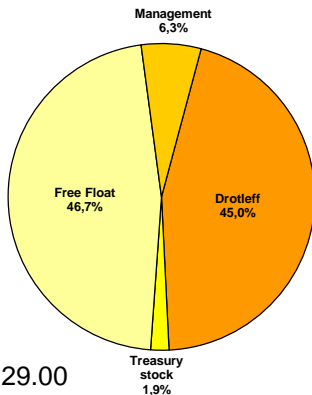
Designated Sponsors:

- ◆ LBBW, Stuttgart
- ◆ Oddo Seydler, Frankfurt

Analyst Coverage:

- ◆ LBBW: „Buy“ – fair value EUR 29.00
- ◆ Independent Research: „Buy“ – fair value EUR 31.00
- ◆ SMC Research*: „Buy“ – fair value EUR 31.30
- ◆ EDISON*: **scale** research report – no price tag

*available in English language



Total dividends paid since 2010: EUR 2.00

M+M is both a public and private company

Why invest in the M+M share?

- M+M is a leading vendor of technical software solutions
 - ◆ Founded 1984 – 34 years of established market position
 - ◆ More than 25,000 customers worldwide
 - ◆ Private and 21 years public company
- Sustainably profitable growth
 - ◆ Organic growth (CAGR): long-term average approx. 10% p.a.
 - ◆ EBITDA yield 2017 11.2% // 2018P ~12.5% - mid-term potential >16%
 - ◆ More than 100% EPS growth potential over the next 3-4 years
- Good dividend return due to high pay-out ratio
 - ◆ Low CAPEX, as the lion's share of software development is not capitalized





Thank you for your attention!

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

