

Mensch und Maschine Software SE

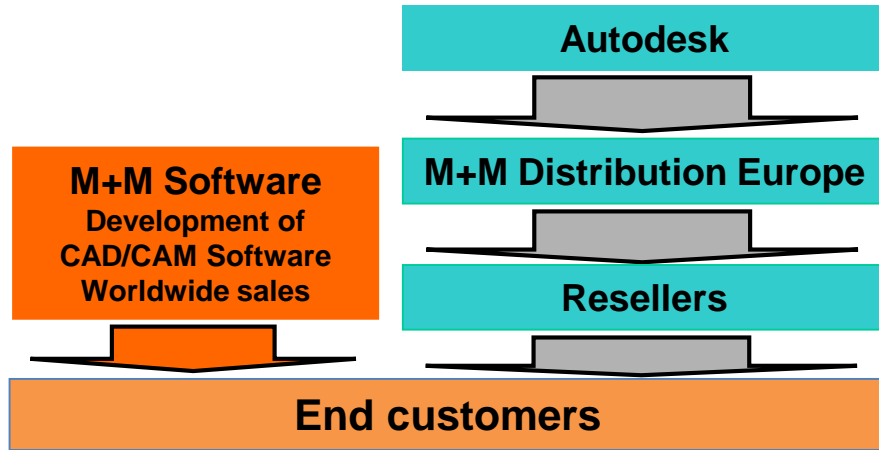
Company Presentation Status November 10, 2017 / Nine months report 2017

Business model

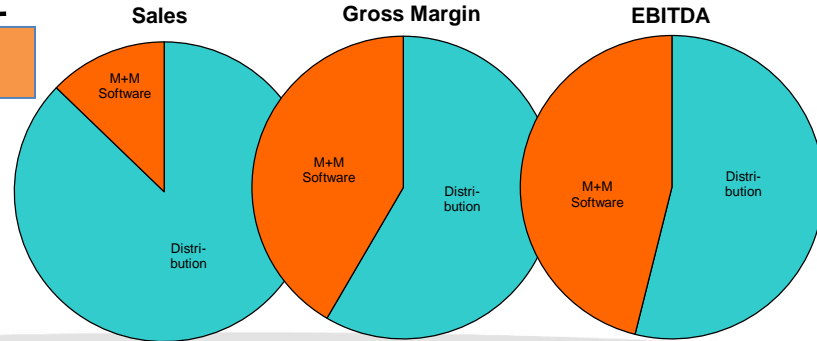
- Leading European vendor of CAD/CAM/PDM/BIM solutions
 - ◆ CAD/CAM = Computer Aided Design / Manufacturing
PDM = Product Data Management / BIM = Building Information Management
 - ◆ Founded 1984 – 33 years on market // IPO 1997 – 20 years public
- Gross Margin approx. 50/50 from two Segments
 - ◆ M+M Software: Proprietary CAD/CAM Software development
 - ~85% CAM // ~15% Gardening & Landscaping / Electrical CAD
 - EBITDA yield target >25% / 2016: 23.1%
 - ◆ VAR Business: Leading European Partner of global CAD market leader Autodesk
 - 25 years history as Value Added Distributor VAD (indirect product sales to resellers),
2009-2011 transition to Value Added Reseller VAR (direct customer solution development)
 - EBITDA yield target >10% / 2016: 4.2% (transition still ongoing)



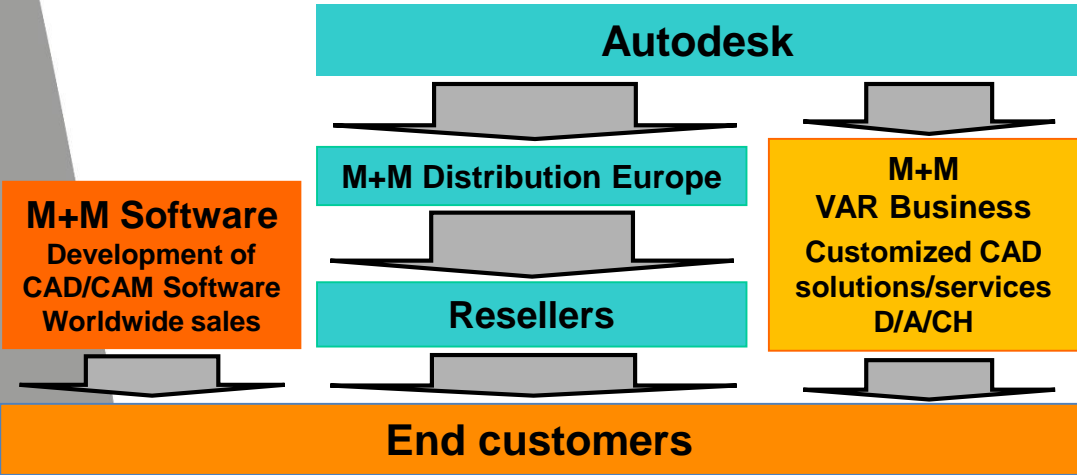
Business model until 2008



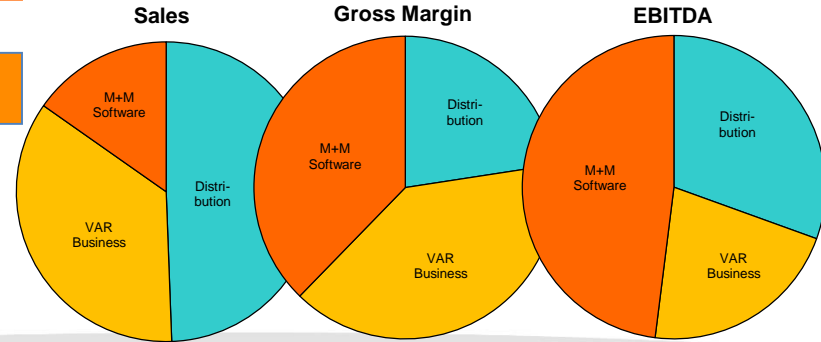
- Business model since foundation, Software expanded beginning 2000
- 2008: For Gross Margin & EBITDA nearly 50/50% segment balance
 - Autodesk Distribution dominating sales volume
- Gross yield 25% / EBITDA 5.8%



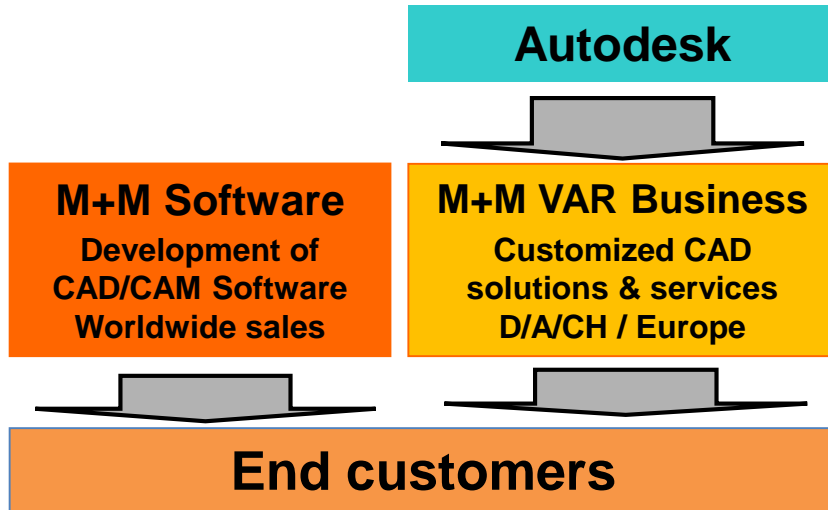
Business model 2009-2011



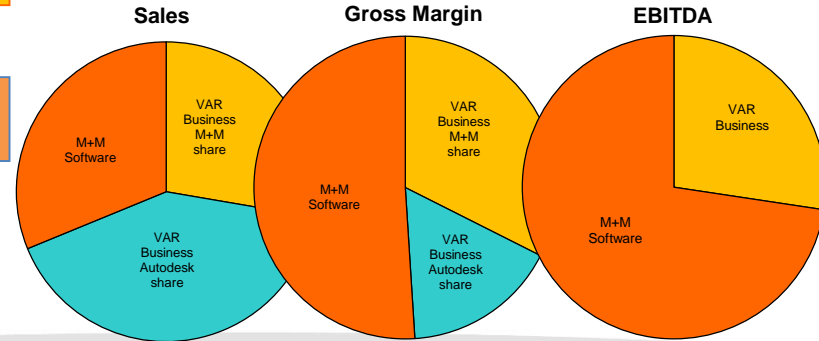
- In D/A/CH transition from Distribution (indirect) to VAR (direct)
 - Acquisition of ~12 VAR partners through share swap
 - ~50/50% Gross margin contribution services / trading
- 2011: Distribution Gross Margin & EBITDA cut back significantly
- Gross yield 36.5% / EBITDA 4.7%



Business model since 2012



- 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
 - Transition to VAR Business in Europe
- 9M/17: Gross yield 59.4% / EBITDA 9.9%
 - 83.4% proprietary contribution from M+M Software / Services
 - Just 16.6% from Autodesk resale (though 41.1% share in group sale)



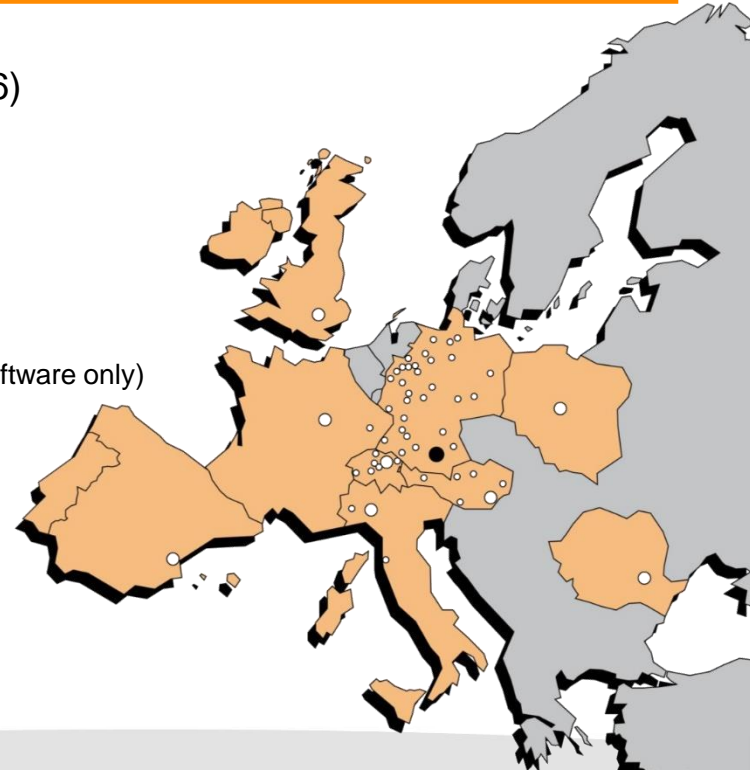
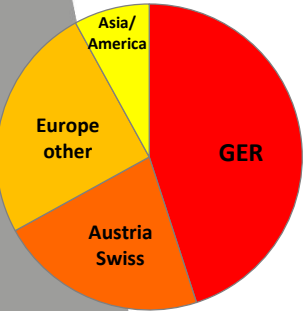
Business model

■ Geographical sales contribution: (2016)

- ◆ Germany: EUR ~75 mln / ~45%
- ◆ Austria/Switzerland: EUR ~36.5 mln / ~22%
- ◆ Europe (other): EUR ~42 mln / ~25%
France / Italy / UK / Poland / Romania / Iberia
- ◆ Asia/America: EUR 13.5 mln / ~8%
Japan / APAC / USA / Brazil (M+M sales offices / CAM Software only)

■ Headcount: (Status Sept 30, 2017)

- ◆ 790 (PY: 759)
 - 338 / 43% M+M Software
 - 452 / 57% VAR Business



Business model

■ Broad industry balance:

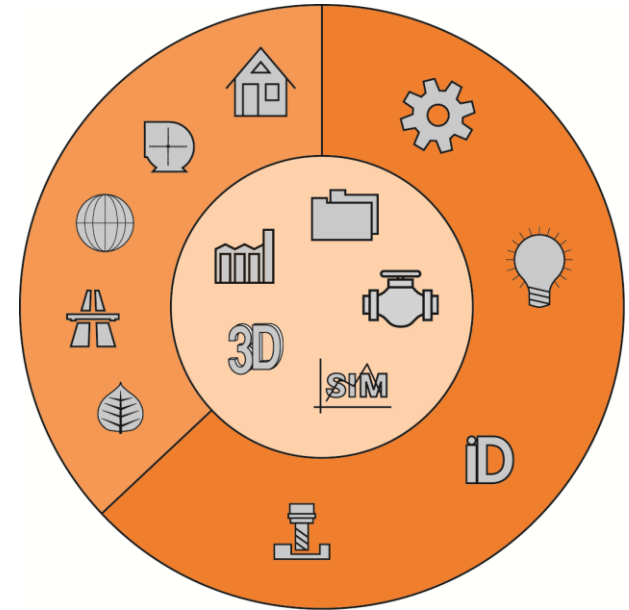
- ~2/3 Industry: e.g. Mechanical/Electrical Engineering, Tool/Mold/Die Making, Automotive/Aerospace/Shipbuilding, Industrial design
- ~1/3 AEC: e.g. Architecture, Building Services, Structural/Civil Engineering, Infrastructure, Gardening/Landscaping
- Interdisciplinary: e.g. Simulation, Visualization/Animation,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

◆ Extensive installed base:

>100,000 active seats @ approx. 25,000 customers

◆ Wide price/performance range:

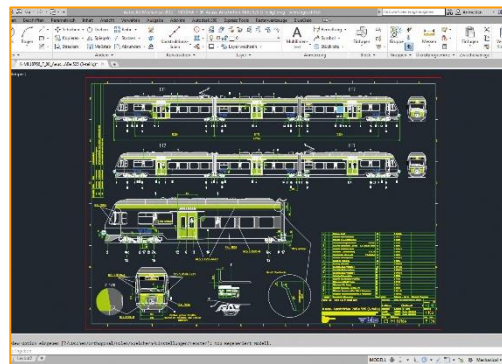
- Software from 1,000 Euro to over 100,000 Euro per seat
- Pure B2B Business, only professionals, no consumers



CAD/CAM in practice (VAR Business)

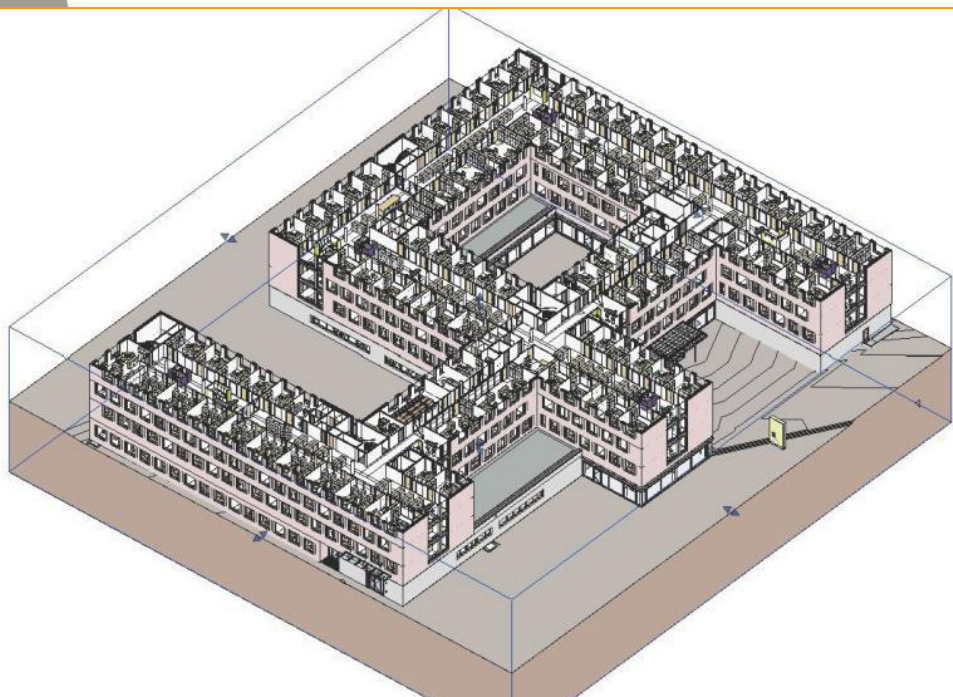
- Example: Data Management for a train operator
Integrated system for design, data management and Office

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



CAD/CAM in practice (VAR Business)

- Example BIM – Building Information Management:
New headquarter building for AOK West in Dortmund



Customer: Nattler Architekten GmbH, Essen,
Germany



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)

- Example: Infrastructure Software for Municipalities and public services to use Geographical data for customer service and hazard response



Customer: Stadtwerke Monheim, Germany



Some VAR Business Key Customers

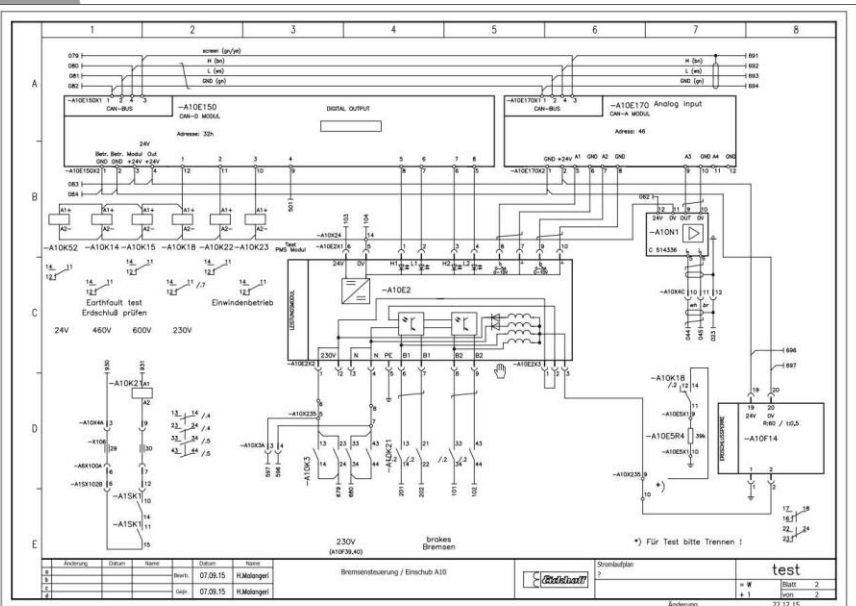


CAD/CAM in practice (M+M Software)

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

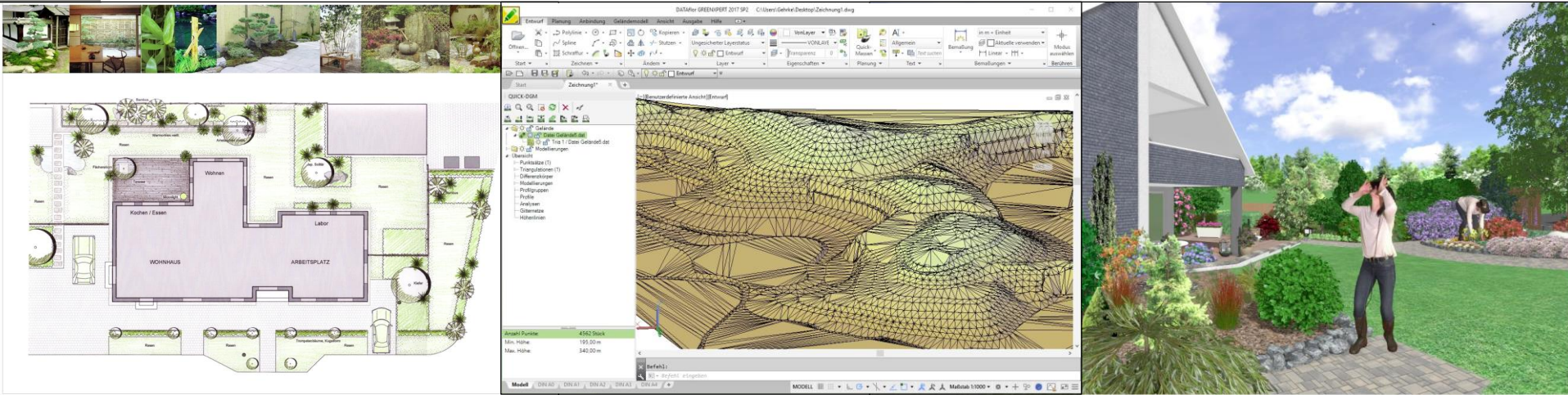
- Product ECSCAD – until 2008 M+M Software, end of 2008 sold to Autodesk
– since 2014 licensed back and developed / supported by M+M

Customer:
Eickhoff Bergbautechnik
GmbH, Bochum, Germany



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)



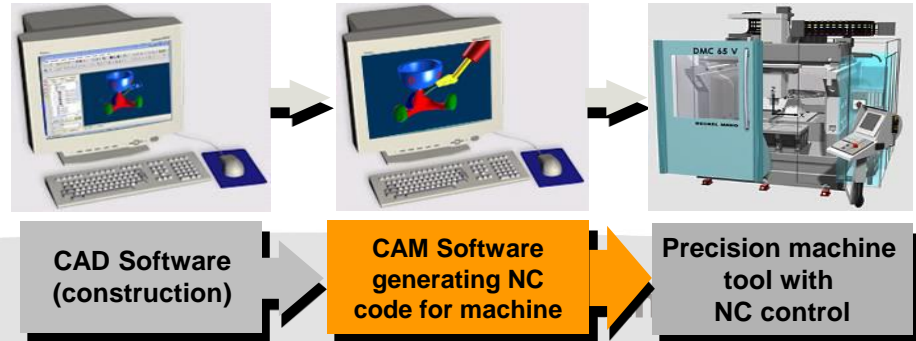
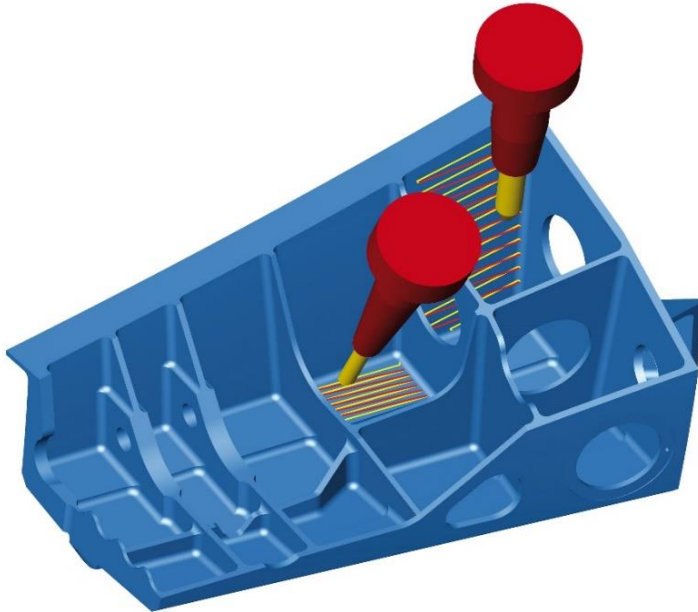


CAD/CAM in practice (M+M Software)

- CAM – Computer Aided Manufacturing
 - Subsidiary Open Mind – Product line hyperMILL
 - High end: Average revenue approx. EUR 30,000 per seat
 - ~27% of group revenue / **~44% 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



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.

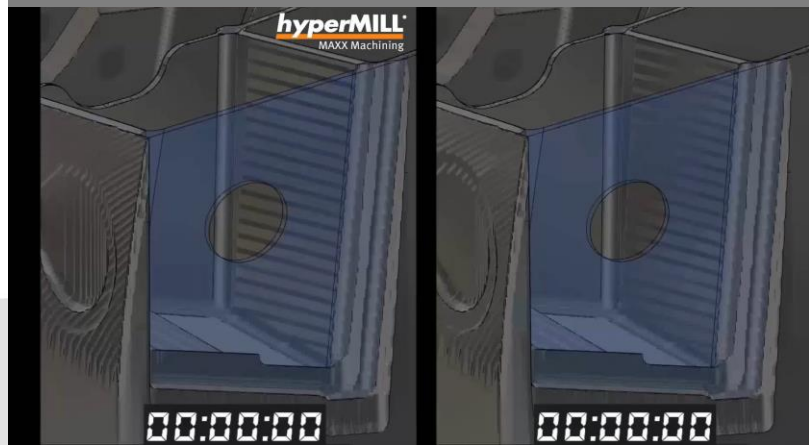
Fast Impeller milling: 1:46 min instead of approx. 1h



5x faster roughing with helical drilling



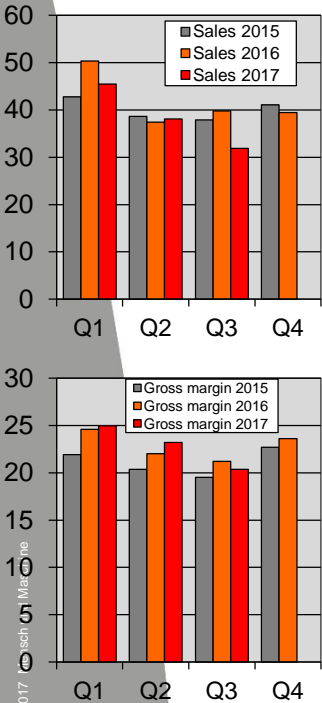
Flat surface in 30 sec vs. 5:10 min: Factor 10!



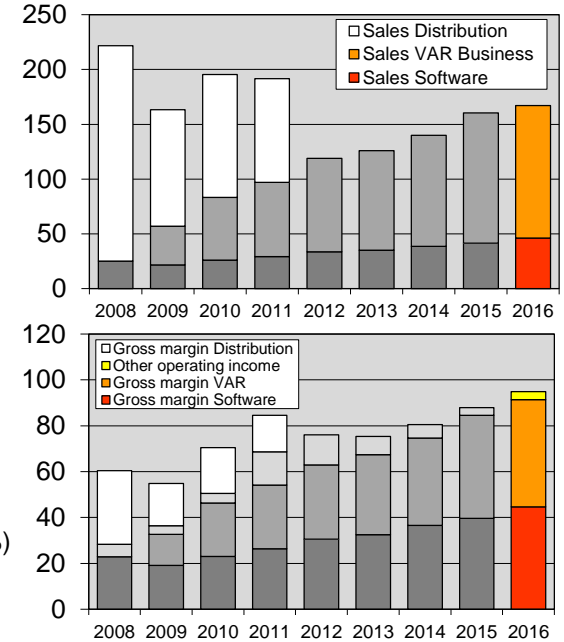
Some CAM Key Customers



Sales & gross margin

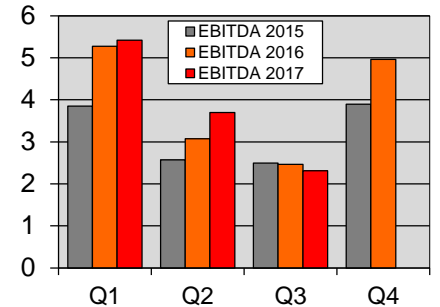
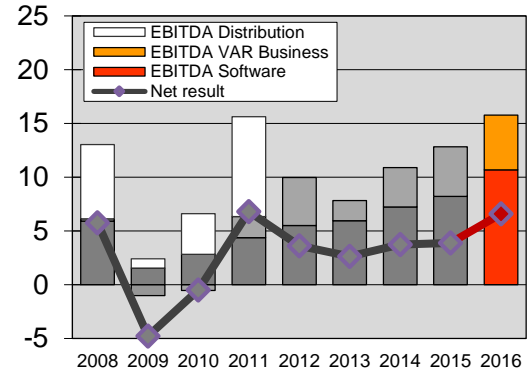


- **Sales 2016: EUR 167.07 mln / +4.2%**
 - ◆ M+M Software: EUR 46.24 mln / +11.6%
 - ◆ VAR Business: EUR 120.83 mln / +1.6%
- **Gross margin 2016: EUR 91.43 mln / +8.2%**
 - ◆ M+M Software: EUR 44.73 mln / +13%
 - ◆ VAR Business: EUR 46.70 mln / +3.9%
 - ◆ M+M Technology + services: EUR 25.73 mln / +16.4%
 - ◆ Autodesk reselling: EUR 20.97 mln / -8.2% (Transition license sale to rental)
- **Sales 9M/2017: EUR 115.47 mln / -9.5%**
 - ◆ M+M Software: EUR 36.00 mln / +7.6% (+9.0% in local currency)
 - ◆ VAR Business: EUR 79.48 mln / -16% (Q1 -16% / Q2 -0.5% / Q3 -28%)
- **Gross margin 9M/2017: EUR 68.56 mln / +1.1%**
 - ◆ Q1: +1.5% / Q2: +5.5% / Q3: -4.1%
 - ◆ M+M Software: EUR 34.97 mln / +8.0% (+9.3% in local currency)
 - ◆ VAR Business: EUR 33.59 mln / -5.2% (Q1 -7.8% / Q2 +5.2% / Q3 -12%)
 - ◆ M+M Technology + services: EUR 22.68 mln / +16.7%
 - ◆ Autodesk reselling: EUR 11.36 mln / -31% (Q1 -32% / Q2 -5.7% / Q3 -46%)
 - ◆ Adjusted by pull effects amounting to approx. EUR 6.4 mln in 2016, just maintenance and subscription: Increase approx. +14%



Earnings / cash flows / dividend

- EBITDA 2016: EUR 15.76 mln (PY: 12.81 / +23%)
 - ◆ EBITDA yield 2016: 9.4% (PY: 8.0%)
 - ◆ Software: EUR 10.66 mln (PY: 8.21 / +30%) / yield 23.1% (PY: 19.8%)
 - ◆ VAR Business: EUR 5.09 mln (PY: 4.60 / +11%) / yield 4.2% (PY: 3.9%)
 - ◆ Net profit 2016: EUR 6.59 mln (PY: 3.87 / +70%)
 - ◆ EPS 40 Cents (PY: 24)
 - ◆ Operating cash flows 2016: EUR 14.64 mln (PY: 14.73)
 - ◆ Per share: 90 Cents / +25% adjusted by non-recurring effect in PY
 - ◆ Dividend 2016: 35 Cents (PY: 25 / +40%)
 - ◆ EBITDA 9M/2017: EUR 11.44 mln / +5.9%
 - ◆ Q1: +2.7% / Q2: +21% / Q3: -6.3% // Yield 9.9% (PY: 8.5%)
 - ◆ Software: EUR 8.31mln / +18% // Yield 23.1% (PY: 21.0%)
 - ◆ VAR Business: EUR 3.13 mln / -17% // Yield 3.9% (PY: 4.0%)
 - ◆ Net profit 9M/17: EUR 5.31 mln / +22% // EPS 33 Cents (PY: 27)
 - ◆ Operating cash flows 9M/17: EUR 13.02 mln // CPS 80 Cents / +10%



Balance sheet & financing

■ Total assets:

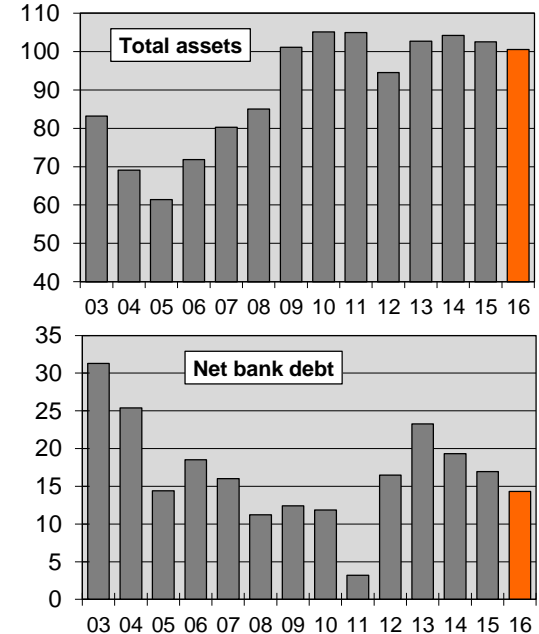
- ◆ Dec 31, 2016: EUR 100.52 mln / -2%
- ◆ Sep 30, 2017: EUR 96.35 mln / -4%

■ Net bank debt:

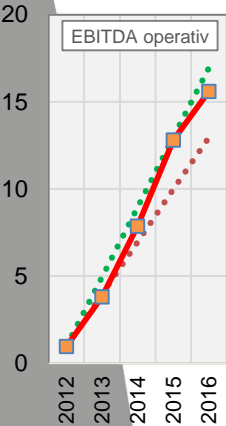
- ◆ Dec 31, 2016: EUR 14.31 mln (PY: 16.95)
- ◆ Sep 30, 2017: EUR 10.54 mln
- ◆ Low interest rates for debt: M+M uses mixed equity/debt financing for leverage
- ◆ Real estate (e.g. the headquarter building) additionally included in the debt financing concept

■ Shareholders' equity:

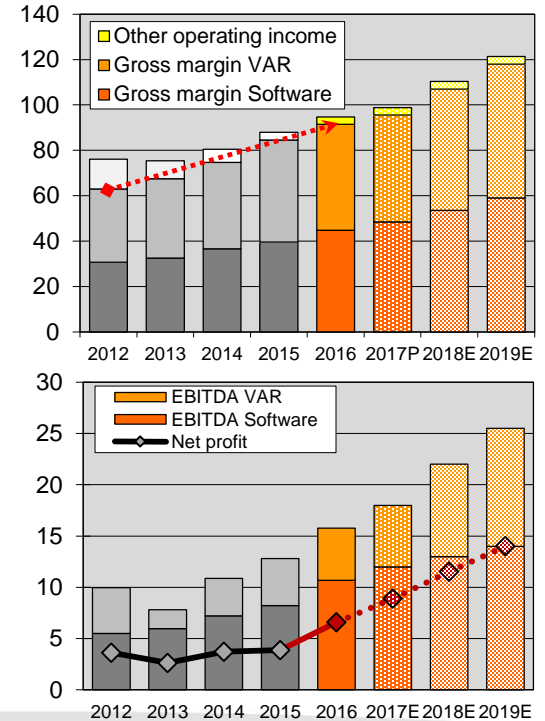
- ◆ Dec 31, 2016: EUR 40.57 mln (PY: 39.62 / +2%)
 - ◆ Equity ratio: 40.4% (PY: 38.6%)
- ◆ Sep 30, 2017: EUR 41.95 mln / Equity ratio 43.5%



Review & Outlook



- **Gross Margin 2012-2016: EUR +28.4 mln / +45%**
 - ✓ 9.8% organic Gross Margin growth p.a. (target was 10%)
Spread from 7.1% (2013) to 13% (2015)
- **EBITDA purely operating 2012-2016: EUR +14.8 mln**
Spread from EUR +2.8 mln (2013) to EUR +4.9 mln (2015)
 - ✓ EUR 3.7 mln p.a. (target was EUR 3-4 mln)
- **Gain 52%: 1 EUR Gross Margin >> 52 Cents EBITDA**
- **2017P: Strong Q4 expected / Rental impact turning to positive**
 - ◆ Gross Margin approx. +4% to EUR ~95 mln / EBITDA +11-17% to EUR 17.5-18.5 mln
 - ◆ Net profit +29-41% to EUR 8.5-9.3 mln / EPS 52-57 Cents / Dividend 45-50 Cents
- **2018E: Positive rental impact / stronger growth expected**
 - ◆ Gross Margin +11-12% to EUR ~107 mln / EBITDA approx. +4 mln to EUR ~22 mln
 - ◆ Net profit approx. +30% to EUR ~11.5 mln / EPS ~70 Cents / Dividend ~60 Cents
- ◆ **2019E ff: EBITDA EUR +3-4 mln p.a.**
 - ◆ Net profit p.a. EUR +2-3 mln / EPS +13-20 Cents / Dividend +10-15 Cents
- **100 Cents EPS mid-term target achievable until 2020**
 - ◆ By 2020 EBITDA contribution from both Segments should be equal



The M+M share

Listings:

- ◆ scale, Frankfurt
- ◆ m:access, Munich

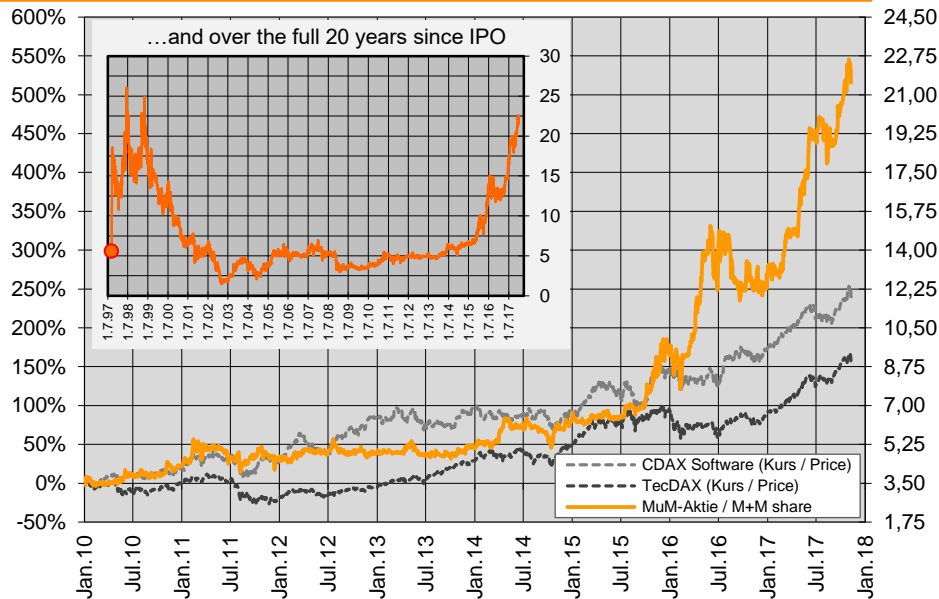
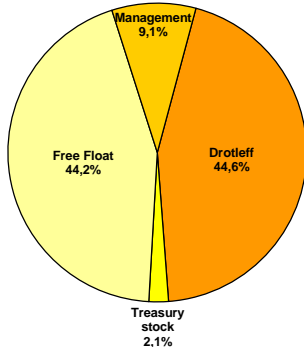
Designated Sponsors:

- ◆ LBBW, Stuttgart
- ◆ Oddo Seydler, Frankfurt

Analyst Coverage:

- ◆ LBBW: „Hold“ – fair value EUR 21.00
- ◆ Independent Research: „Buy“ – fair value EUR 24.50
- ◆ SMC Research*: „Hold“ – fair value EUR 21.80
- ◆ EDISON*: **scale** research report – no price tag

*available in English language




Total dividends paid since 2010: EUR 1.50

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 – 33 years of established market position
 - ◆ More than 25,000 customers worldwide
 - ◆ Private and 20 years public company
- Sustainably profitable growth
 - ◆ Organic growth (CAGR) approx. 10% p.a.
 - ◆ EBITDA yield actually ~10% - mid-term potential >14%
 - ◆ More than 100% EPS growth potential over the next 4-5 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