



Mensch und Maschine Software SE

Company Presentation

Status November 2, 2021 / Q3 report 2021

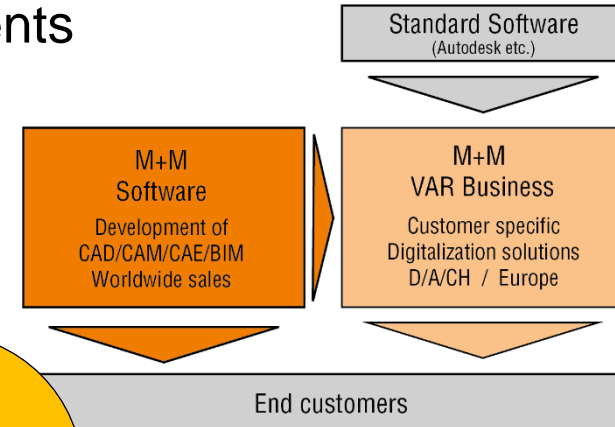
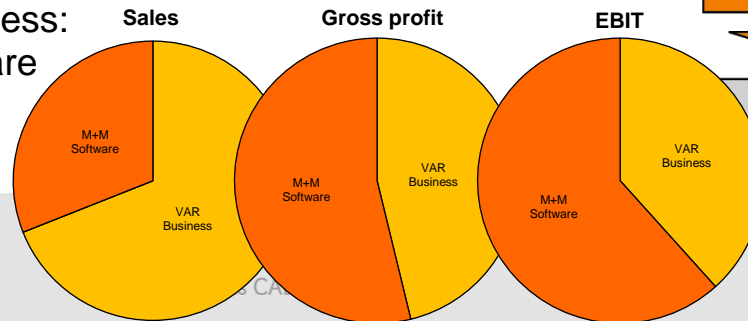


Business model

- 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 – 37 years on the market // IPO 1997 – 24 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 Digitalization Solutions
Proprietary Added Value: Projects / Training / Hotline etc.
Reselling (Autodesk etc.): Leverage effect on M+M market share

Benefit VAR Business:
Sales / Market share

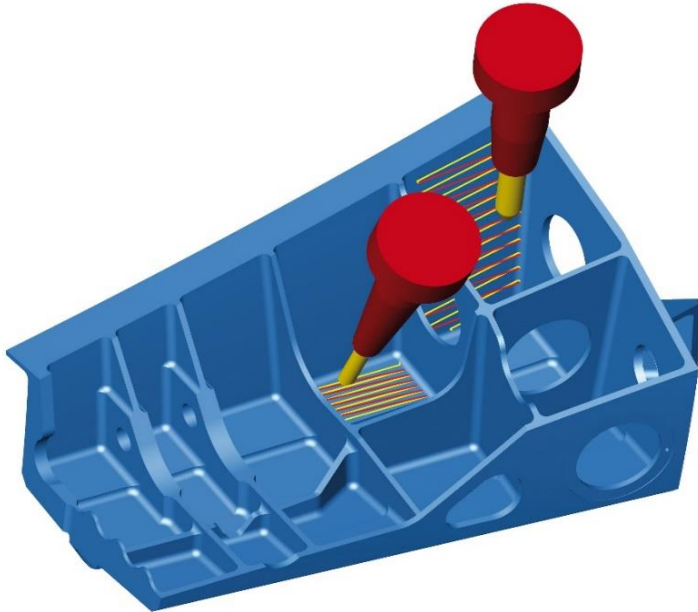
Benefit Software:
Highly profitable





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 Software
(3D design)



CAM Software
generating NC
code for machine



Precision machine
tool with
NC control



CAD/CAM in practice (M+M Software)

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

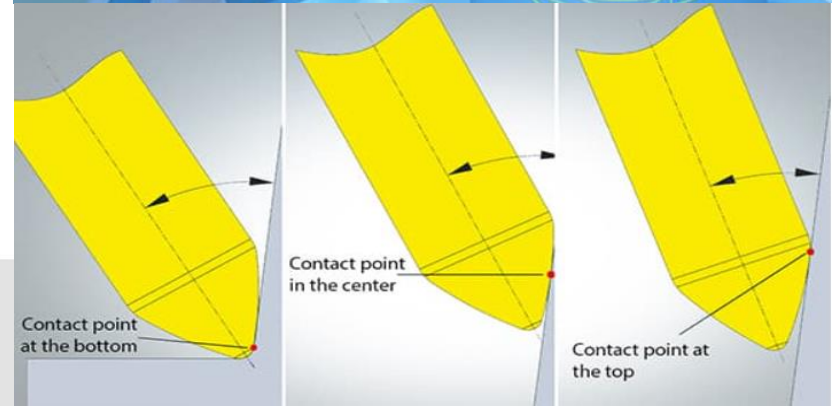
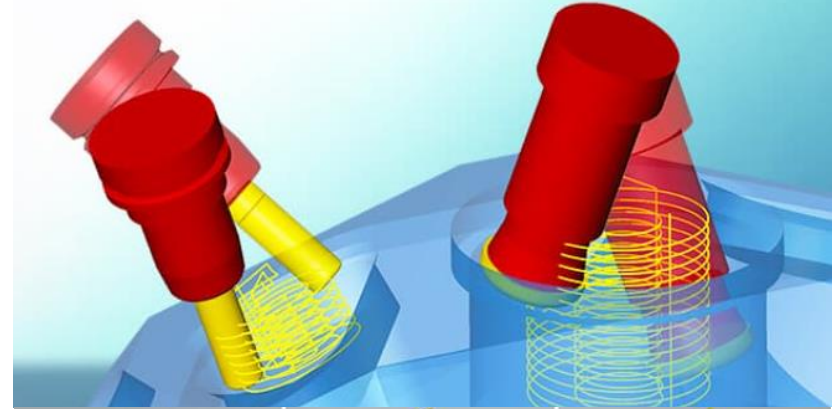
Flat surface finishing up to 10x faster by using special conical cutters with slightly convex curvature.

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:



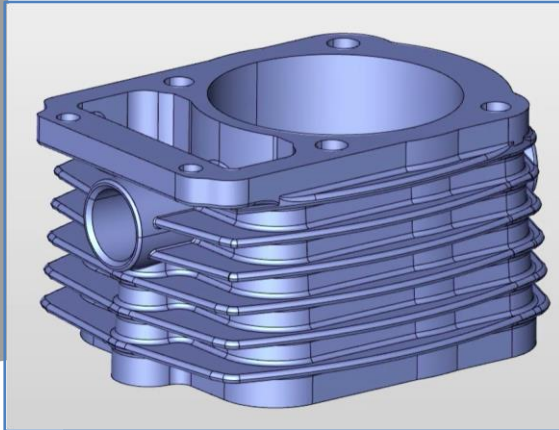


CAD/CAM in practice (M+M Software)

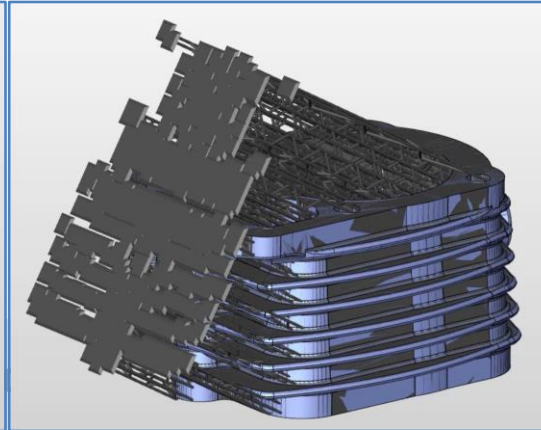
CAM (subtractive) meets 3D printing (additive): Post processing of printed metal parts

- 3D metal printers offer fascinating options for lightweight components with internal honeycomb structures or cooling ducts
- Such parts, though, still carry extensive support structures when leaving the 3D printer - subtractive processing needed
- To finish (and not to destroy instead) such a delicate structure, the part position must be known in the range of 1/100mm
- Manual alignment takes many hours – one of the main productivity barriers for the use of additive production methods
- Automated alignment by hyperMILL® (~100x faster) paves the way for an economic use of 3D metal printing

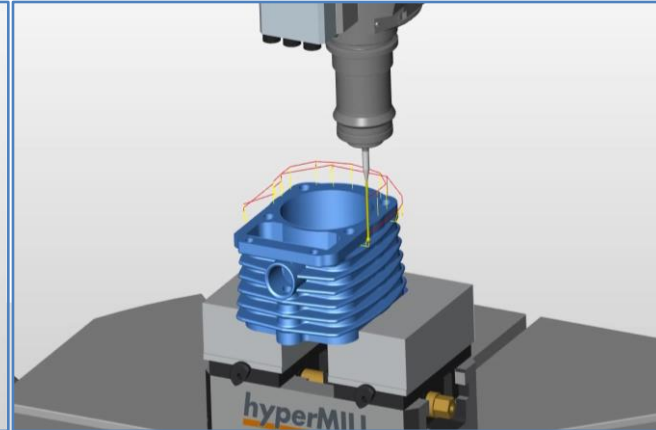
Part with internal cooling ducts ...



... leaving the 3D printer in this shape



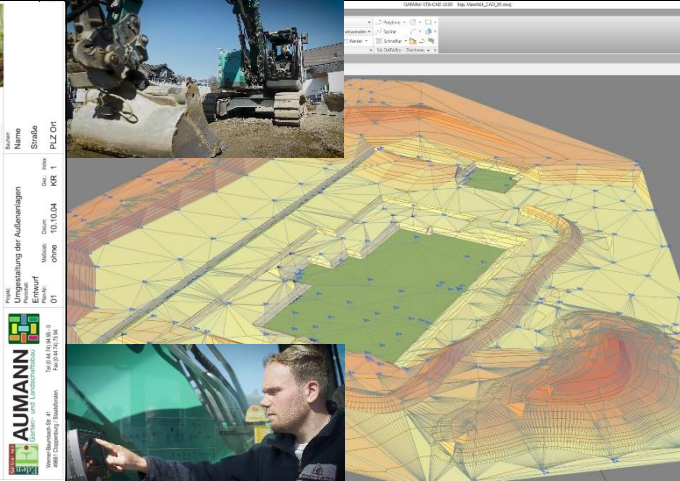
Automated alignment by *hyperMILL*®





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 design / Output to excavator control units (middle picture)
 - GRUENSTUDIO 3D: Live experiencing the future garden via VR glasses (right picture)





CAD/CAM in practice (M+M Software)

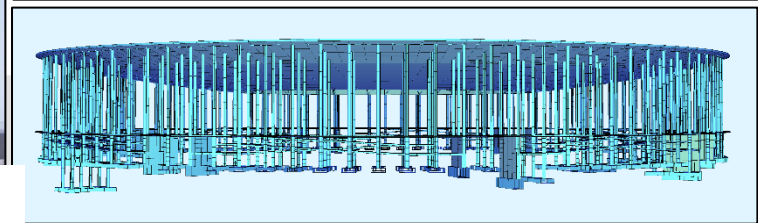
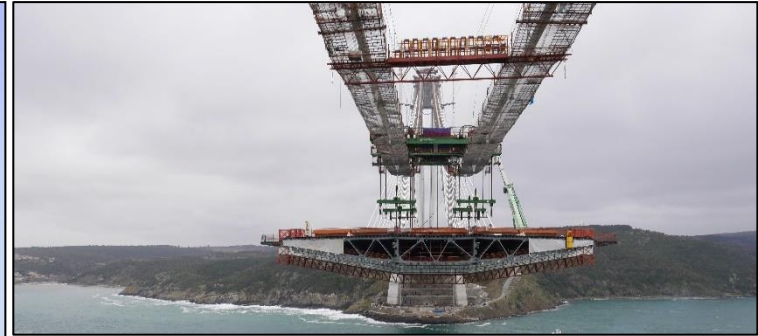
- BIM / Civil Engineering: Structural Analysis & Reinforcement Software
 - Jan 1, 2019: Long-standing shareholding in SOFiSTiK AG increased from 13.3% to 51%
 - Share swap, Founders/Management stayed on board with 49% shareholding
 - SOFiSTiK (est. 1987) is a technology leader in bridge, tunnel and building 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...



SOFiSTiK



www.sofistik.com/company/references

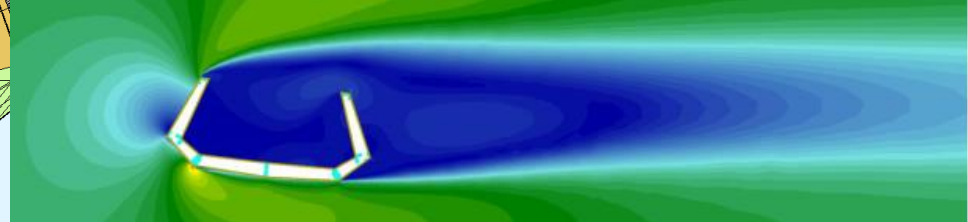
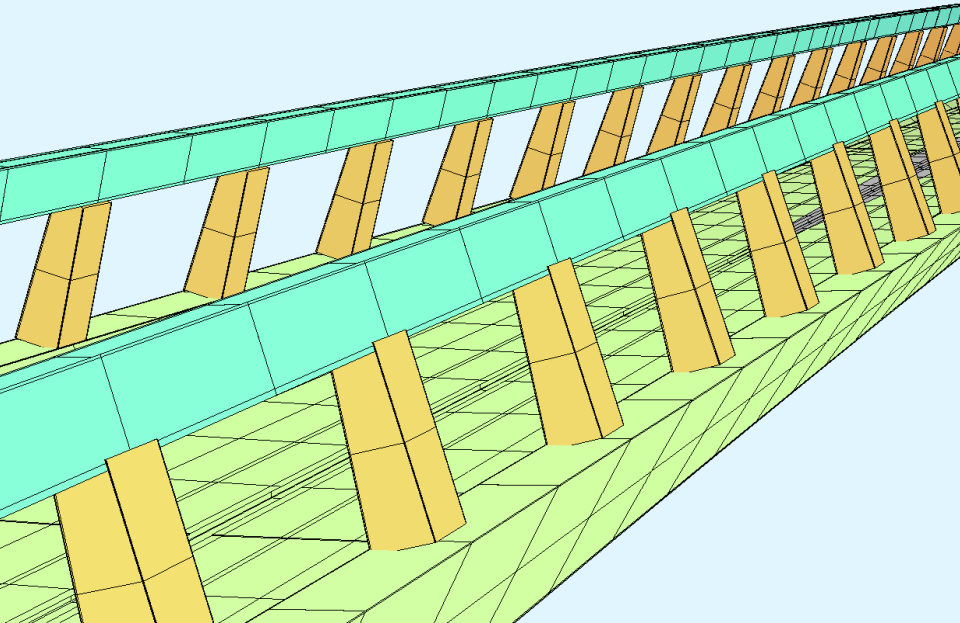




CAD/CAM in practice (M+M Software)

- Example: Structural and dynamic analysis of Arnulfpark bridge
Calculation of launching phases and CFD wind simulation

Customer: SSF Ingenieure, Munich, Germany

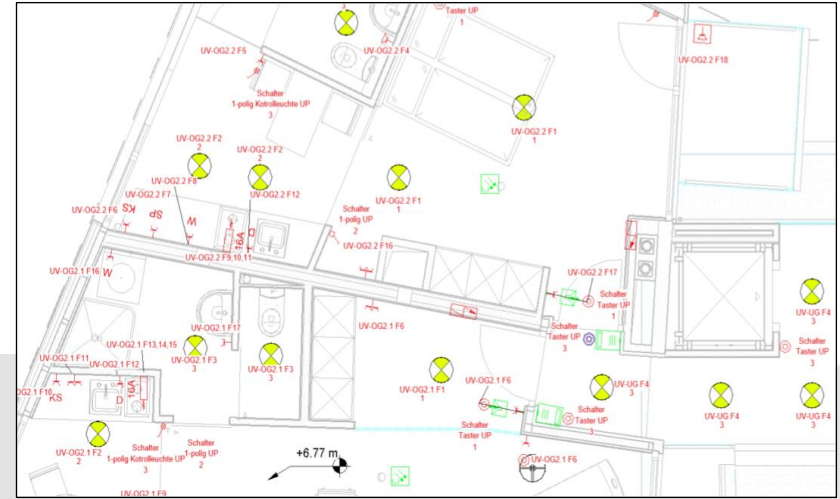
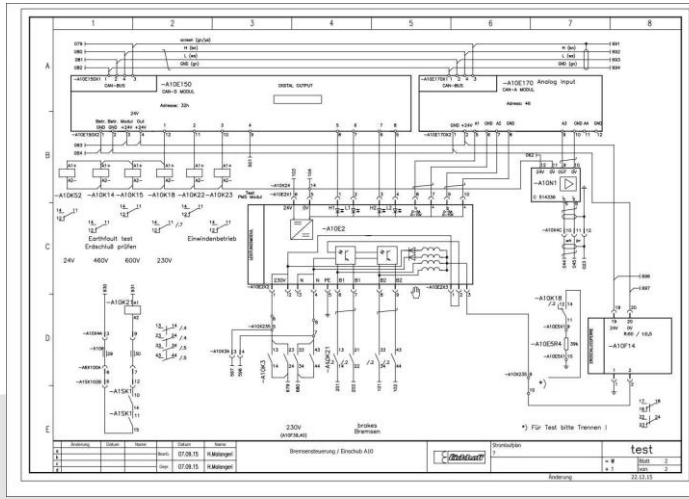




CAD/CAM in practice (M+M Software)

■ 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
- New since 2020: 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 (iBIM)
 - For ecscad maintenance customers free automatic license transition

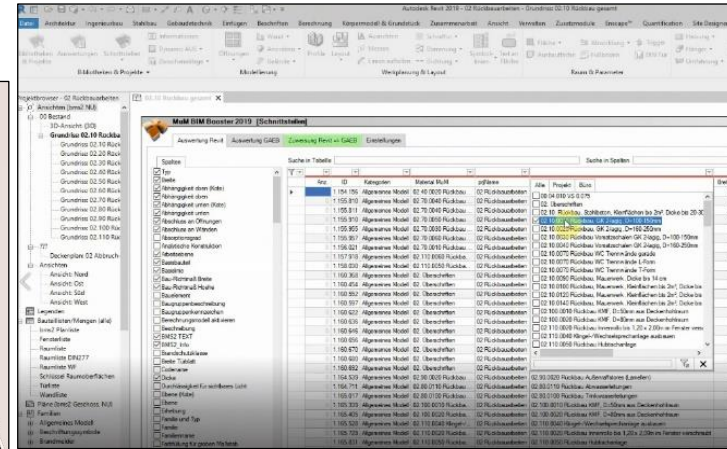




Digitalization in practice (VAR Business)

- 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

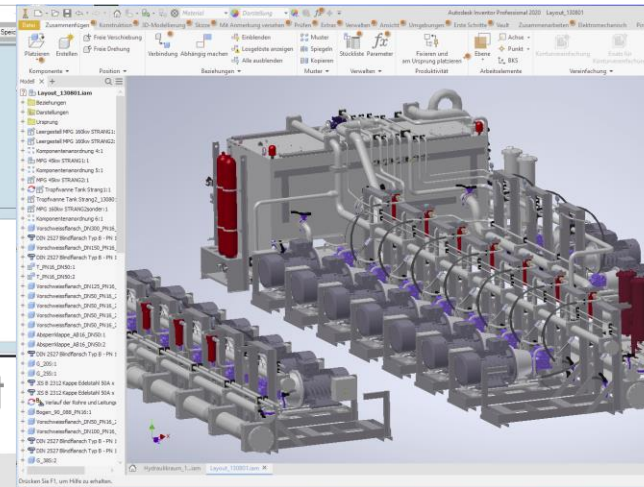
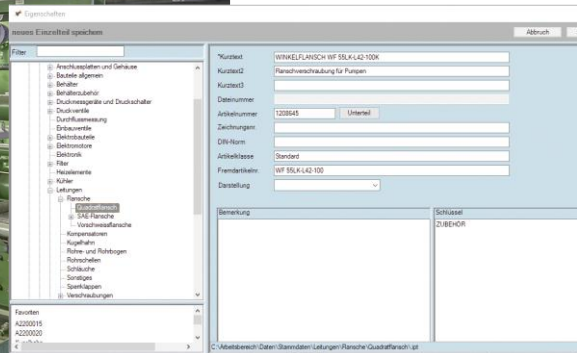


Digitalization in practice (VAR Business)



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

Customer: Otto Zimmermann GmbH,
Saarbruecken, Germany



pdm  pinpoint



man  machine
CAD as CAD can

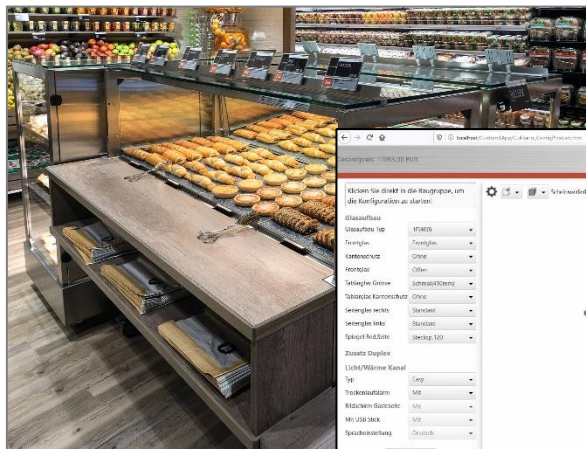
mens  chine
CAD as CAD can



Digitalization in practice (VAR Business)

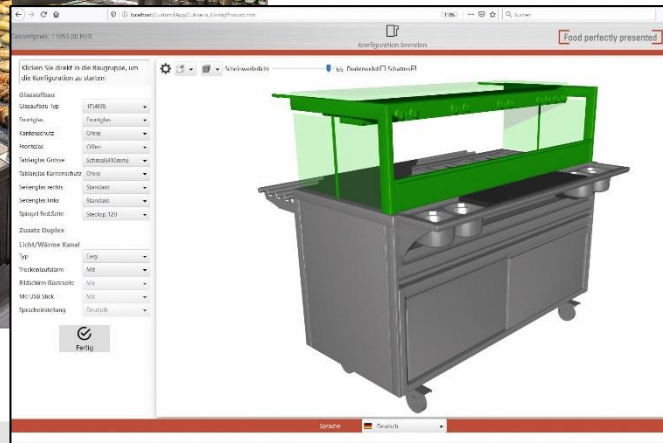
- Fully automated variant design with customX – up to 90% productivity gain
Project examples: Electric distribution boxes & Showcases for gastronomy

Customer: Bals Elektrotechnik, Kirchhundem, Germany



customX

Customer:
Beer Grill AG,
Villmergen, Switzerland



man machine
CAD as CAD can

menschenmaschine
CAD as CAD can



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: Stadtwerke 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.

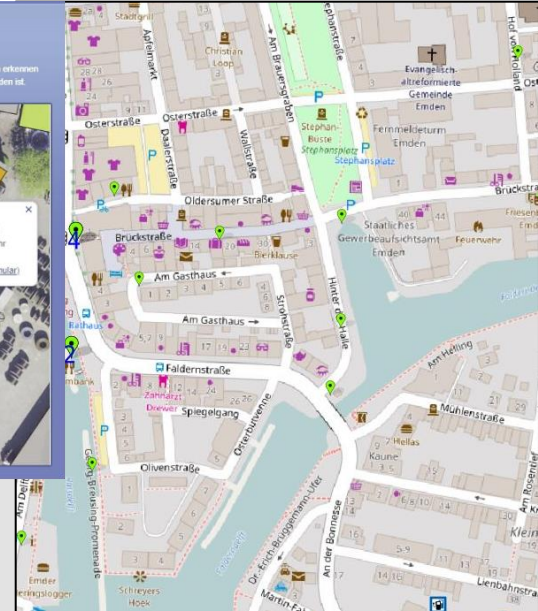
- 1. Produktwahl**
☒ Fotovoltaik
☐ Solarthermie
- 2. Dachfläche suchen**
Finden Sie die von Ihnen gesuchte Dachfläche durch Eingabe der gewünschten Adresse oder suchen Sie direkt in der Karte.
Straße und Hausnummer
- 3. Sparpotenzial erkennen**
Um jetzt auf einen Blick Informationen über die Eignung 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: 50,4 m²
Max. CO₂-Einsparung: 5,1 Tonnen pro Jahr
Ich möchte mehr wissen (zum Kontaktformular)

map  edit

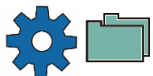


Distribution of Gross Profit (2020: EUR 128 mIn)

Manufacturing (~55%):



- CAM Software hyperMILL / proprietary kernel hyperCAD S
Target group: Owners/Buyers of Precision Machine Tools
- VAR Business: Digitalization/Training for Mechanical/Electrical/Process Engineering, Hydraulics, Pneumatics, Automotive/Aerospace/Shipbuilding ...



Architecture/Construction/Engineering (~35%):



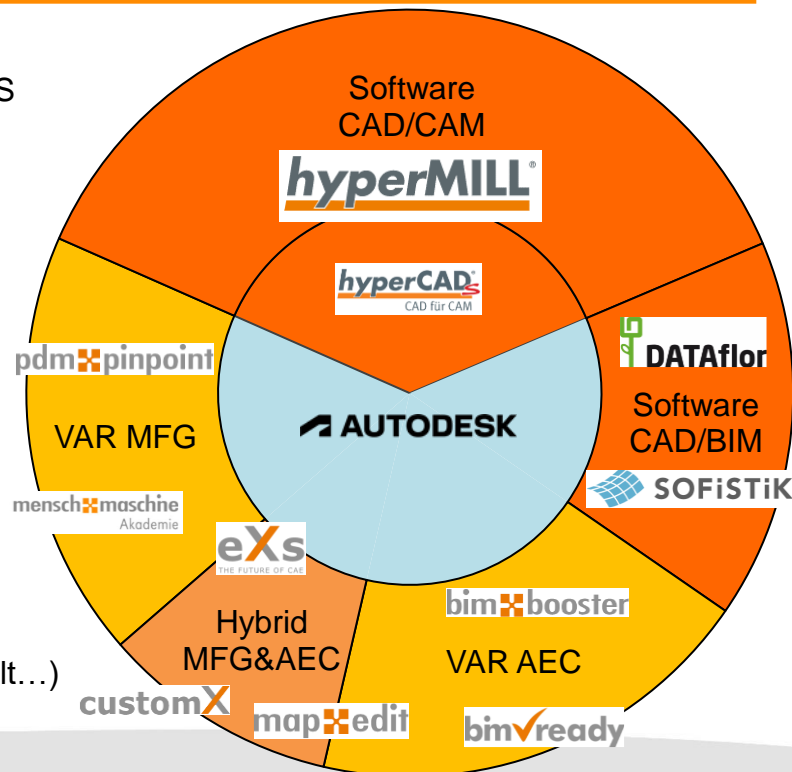
- Software: BIM/Gardening/Landscaping (DATAflor)
BIM/Structural/Civil Engin/Bridge/Tunnel (SOFiSTiK)
- VAR Business: Digitalization/Training for Architecture, Building Services, Facility Management ...



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



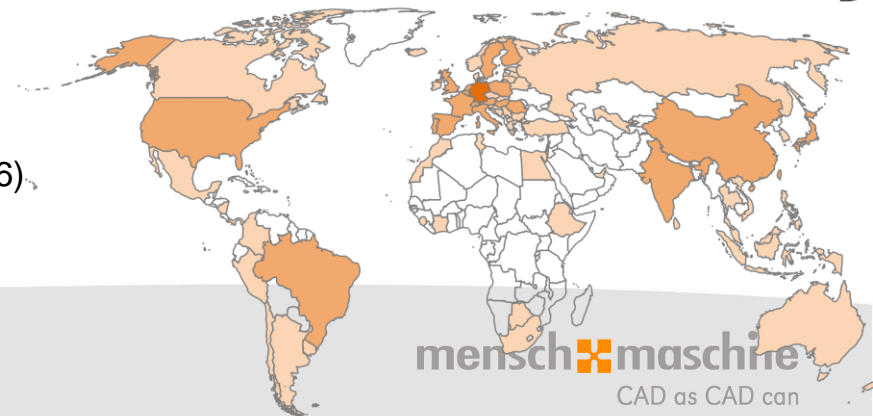
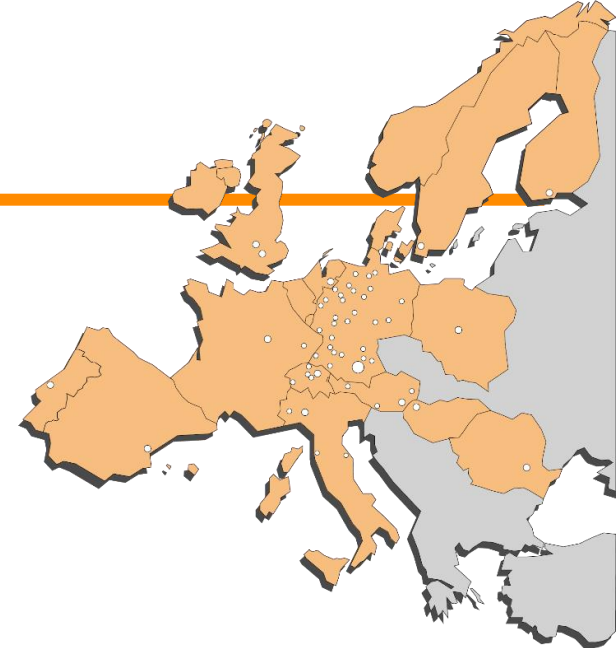
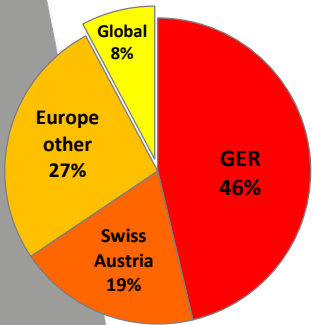
Global sales / DACH focus

■ Geographical sales contribution: (2020)

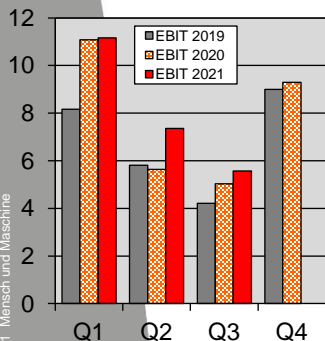
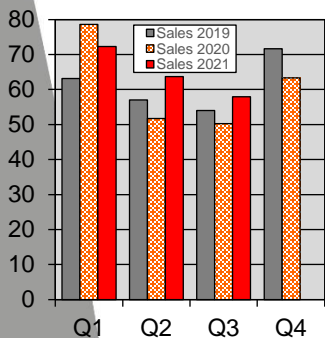
- ◆ Germany: EUR ~113 mln / ~46%
- ◆ Austria/Switzerland: EUR ~47 mln / ~19%
- ◆ Europe (other): EUR ~65 mln / ~27%
- ◆ Global: EUR ~19 mln / ~8%
- ◆ M+M's own CAM and BIM / Civil Engineering Software is sold to more than 70 countries on all five Continents
- ◆ ~75 Subsidiaries in 22 Countries (Europe, Asia and America)
- ◆ >100,000 active seats @ more than 30,000 customers

■ Headcount:

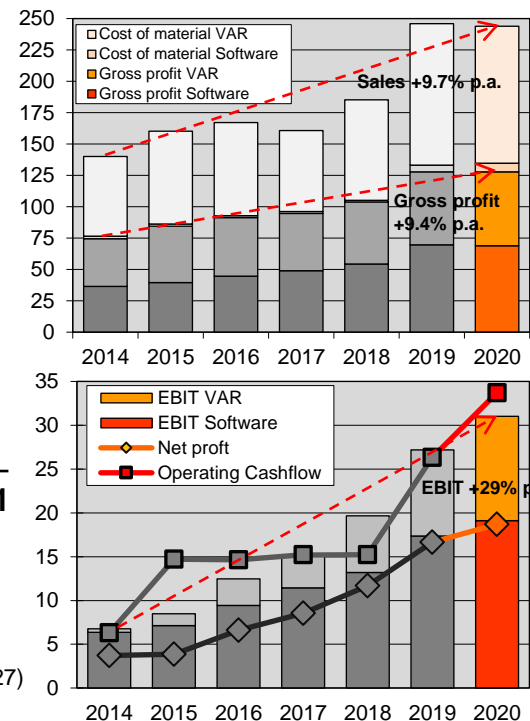
- ◆ Gross at Sept 30, 2021: 1.060 (PY: 1.029)
- ◆ Full time equivalent 9M/2021: 971 (PY: 946)
 - 501 / 51.6% (PY: 483 / 51%) M+M Software
 - 470 / 48.4% (PY: 463 / 49%) VAR Business



Financials 2014-2020 & 9M/2021



- **Sales growth 2014-2020: +74% / +9.7% p.a.**
 - ◆ Consolidation 2020 EUR 244 mln / -0.8% after super-record year 2019
 - ◆ Distorted seasonality 2020: Record Q1 / followed by Corona retarding effect
 - **Gross profit 2014-2020: +71% / +9.4% p.a. / more steady than sales**
 - ◆ Segment contribution 2020: Software 54% / VAR Business 46% (2014: 49% / 51%)
 - **EBIT growth 2014-2020: +359% / +29% p.a.**
 - ◆ Record EBIT 2020 EUR 31.03 mln / +14% due to cost discipline & margin strength
Yield 2020: 12.7% (PY: 11.1%) // Software 25.3% (PY: 23.1%) / VAR Business 7.1% (PY: 5.7%)
 - ◆ Q1/2020 best quarter ever / Corona retarding effect overcompensated
 - **Net profit 2014-2020: +365% / +29% p.a. to EUR 18.71 mln / EPS 111.5 Cents**
 - **Cash flows 2014-2020: +403% / +31% p.a. to EUR 33.73 mln / CPS 201 Cents**
 - **Dividend 2014-2020: +400% / +31% p.a. to 100 Cents (PY: 85)**
-
- **Record sales 9M/2021: EUR 193.99 mln / +7.4%**
 - ◆ Compared to (undistorted) pre-crisis year 2019: +11%
 - **Record EBIT 9M/2021: EUR 24.09 mln / +11%**
 - ◆ **Compared to pre-crisis year 2019: +32%**
 - **Record net 9M/21: EUR 14.39 mln / +13% // +30% vs 2019 // EPS 85 (PY: 76 / 2019: 66)**
 - **Cash flows 9M/21: EUR 30.11 mln (PY: 32.73 / 2019: 21.43) // CPS 178 (PY: 195 / 2019: 127)**



9M/2021

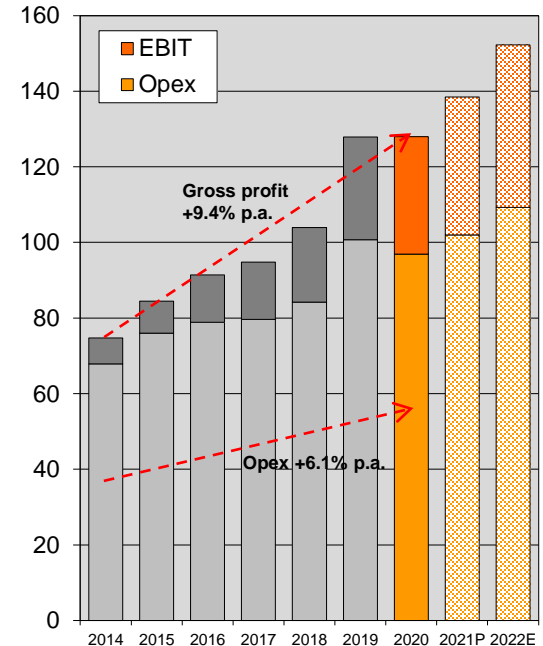
Review & Outlook

Gross profit +9.4% p.a. / EBIT +29% p.a. – what's the trick?

- Very simple method: Opex increase 2014-2020 just +6.1% p.a.
- Opex development in the M+M Group is controlled continuously & locally (~100 profit centers) at ~2/3 relative to gross profit development
 - Profit optimized growth through effective cost control management
 - ✓ Working well even despite short-term dips in gross profit development (2017: gross profit +3.7% / EBIT +22% // 2020: gross profit +0.1% / EBIT +14%)

Sustainably profitable strategy - also for the future:

- 2021P: We again expect a strong closing quarter
 - ◆ Sales / Gross profit +6-10% to EUR 259-268 / 136-141 mln
 - ◆ EBIT +12-21% to EUR 35.5-37.5 mln (+30-38% vs 2019)
 - ◆ EPS +12-21% to 125-135 Cents (+26-36% vs 2019)
 - ◆ Dividend +15-20% to 115-120 Cents (+35-41% vs 2019)
- 2022E ff: Organic growth + cost discipline = economy of scale
 - ◆ Return to long-term growth corridor: Sales / Gross profit +8-12% p.a.
 - ◆ EBIT +5.5-7.5 Mio p.a. / EPS +18-24 Cents p.a. / Dividend +15-20 Cents p.a.



The M+M share

Listings:

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

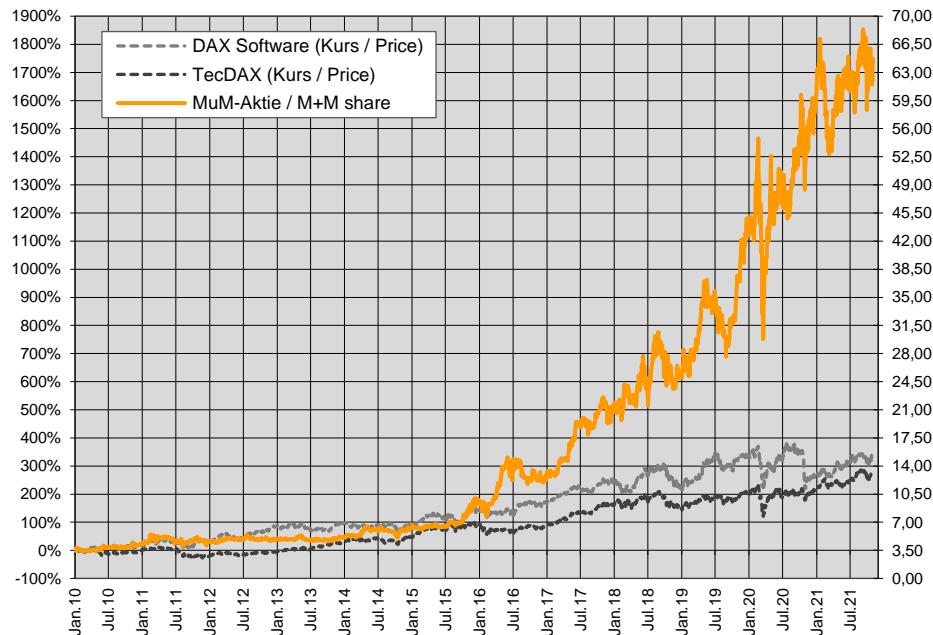
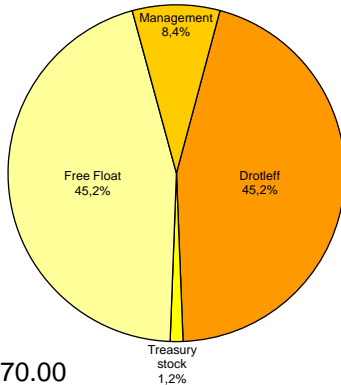
Designated Sponsors:

- ◆ LBBW, Stuttgart
- ◆ Oddo BHF C&M, Frankfurt

Analyst Coverage:

- ◆ LBBW: „Buy“ – fair value EUR 70.00
- ◆ SMC Research*: „Strong buy“ – EUR 70.00
- ◆ EDISON*: **scale** research report – no price tag

*available in English language




Total dividends paid since 2010: EUR 4.50

M+M is both a public and private company

Why invest in M+M shares ?

- 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
- Highly scalable business model / sustainable profitable growth
 - ◆ Organic growth (CAGR): long-term average approx. 10% p.a.
 - ◆ EBIT yield 2021P: ~14% - 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

