



Mensch und Maschine Software SE

Company Presentation

Status March 17, 2023 / Annual report 2022

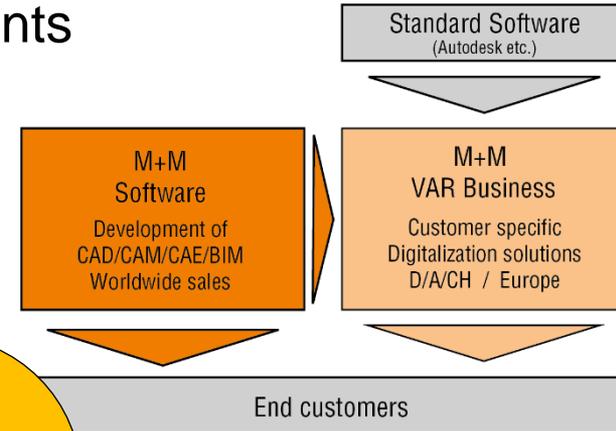
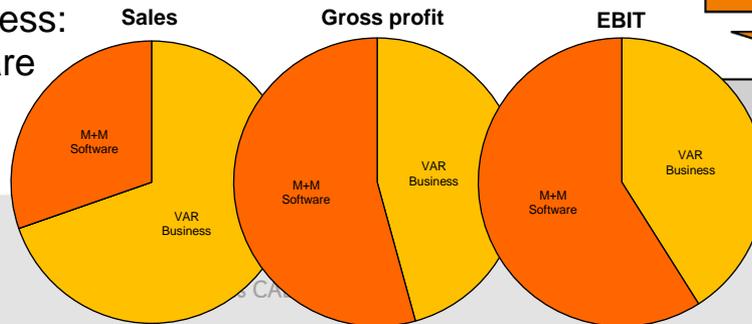


Business model

- 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 – 39 years on the market // IPO 1997 – 26 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 Digitization 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



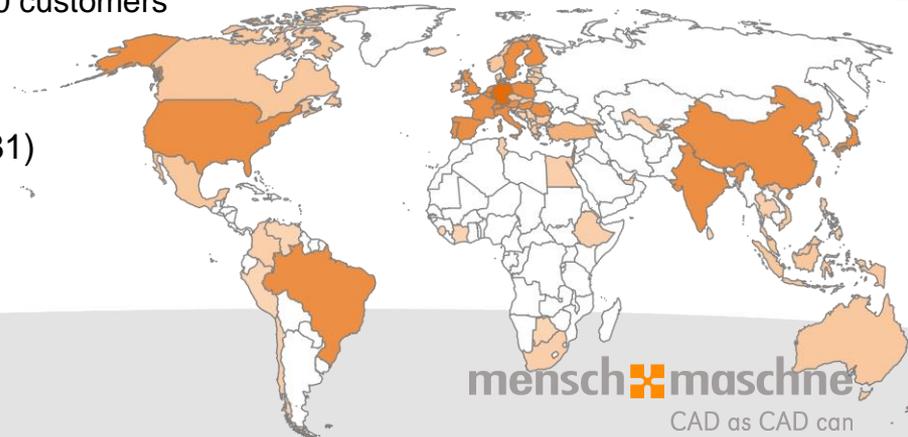
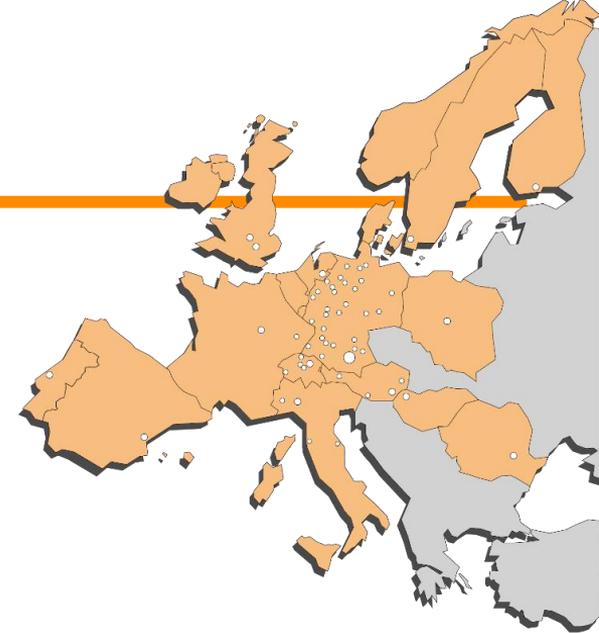
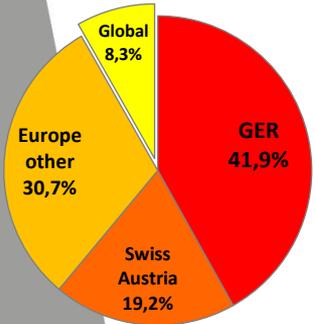
Global sales / DACH focus

■ Geographical sales contribution: (2022)

- ◆ Germany: EUR 134.2 mln / 41.9%
- ◆ Austria/Switzerland: EUR 61.6 mln / 19.2%
- ◆ Europe (other): EUR 98.3 mln / 30.7%
- ◆ Global: EUR 26.5 mln / 8.3%
- ◆ 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:

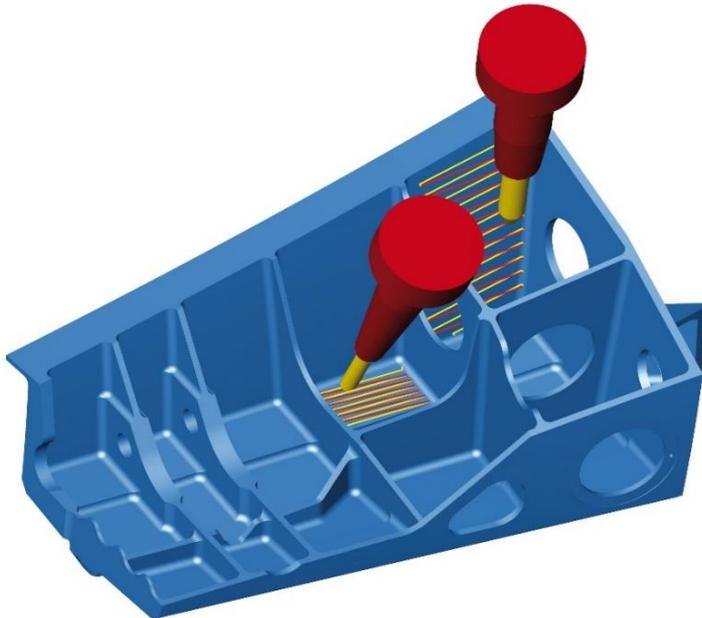
- ◆ Gross at Dec 31, 2022: 1,120 (PY: 1,081)
- ◆ Full time equivalent: 1,031 (PY: 979)





CAD/CAM in practice (M+M Software)

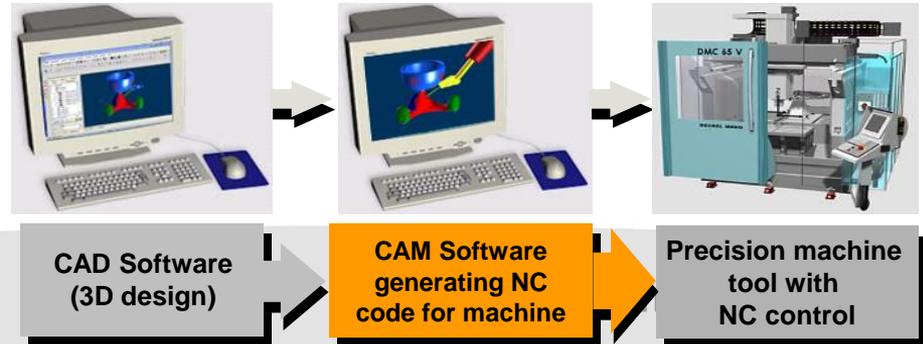
- CAM – Computer Aided Manufacturing
 - Subsidiary Open Mind – Product line *hyperMILL*®
 - High end: Average revenue approx. EUR 30,000 per seat
 - **CAM is contributing more than 1/3 to M+M's Added Value**



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)

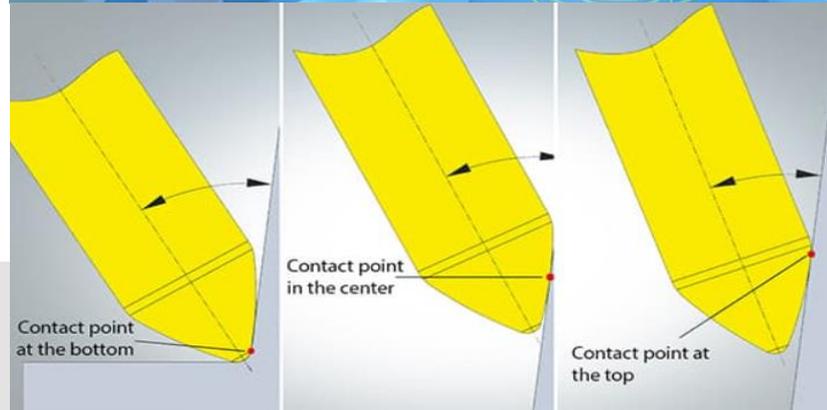
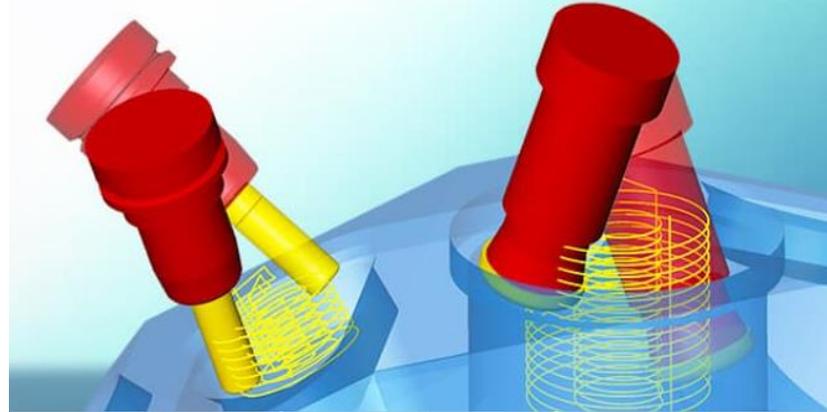
Up to 5x faster material removal by 'helical' roughing.

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:





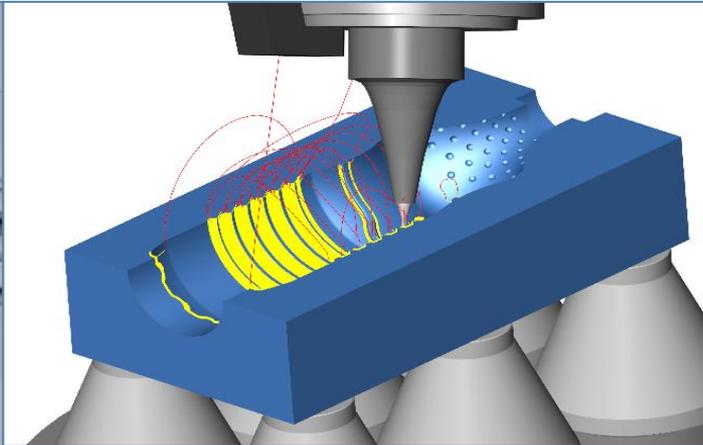
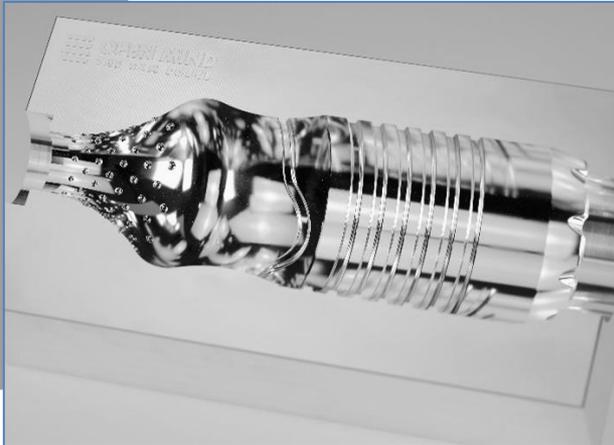
CAD/CAM in practice (M+M Software)

High Precision: Precise transitions / reflecting surfaces - without reworking (polishing)

- mold and tool makers: e.g. perfect blow molds for glass or plastic bottles (see mold half below on the left) or injection molds for high-quality plastic parts for the interior of cars, airplanes or ships
- Food industry: Chocolate molds with smooth surfaces and writing reliefs for manufacturer names
- Jewelry manufacturing or model making, e.g. for works by sculptors
- Reflectors of car headlights / injection molds of LED spots with faceted pattern (bottom right)

Blow mold half for a PET bottle with a perfectly reflecting surface thanks to *hyperMILL*®

LED spot with faceted pattern

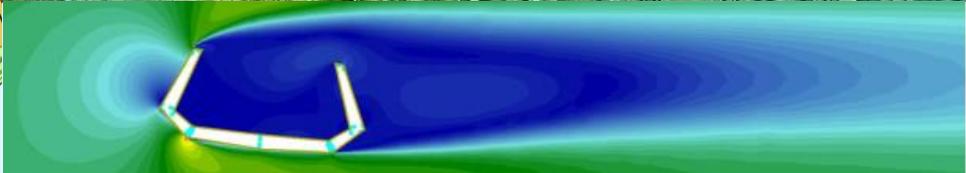
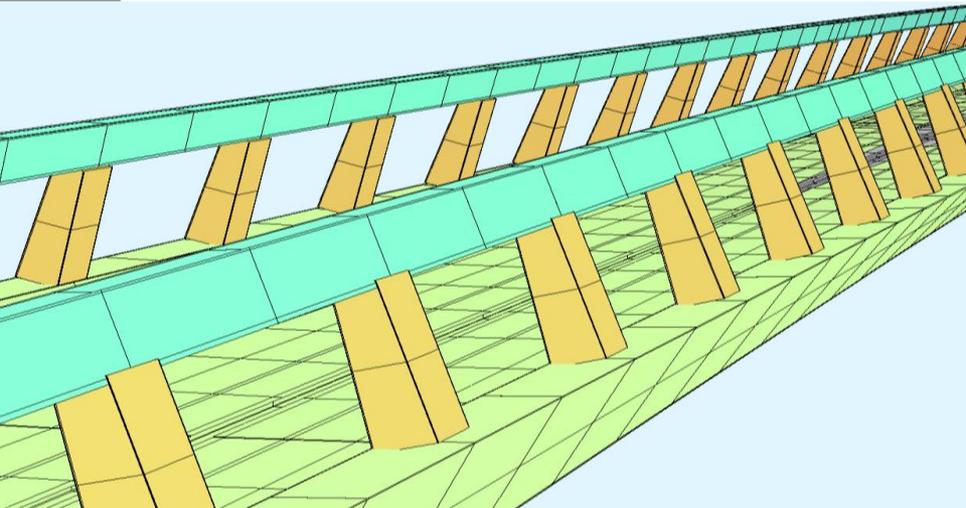




CAD/CAM in practice (M+M Software)

- BIM / Civil Engineering: Structural Analysis & Reinforcement Software
 - Jan 1, 2019: Long-standing shareholding in SOFiSTiK AG increased from 13.3% to 51%
SOFiSTiK (est. 1987) is a technology leader in bridge, tunnel and building construction
- Example: Structural and dynamic analysis of Arnulfpark bridge Calculation of launching phases and CFD wind simulation (Benefit: Saving of expensive vibration dampers)

Customer: SSF Ingenieure, Munich, Germany

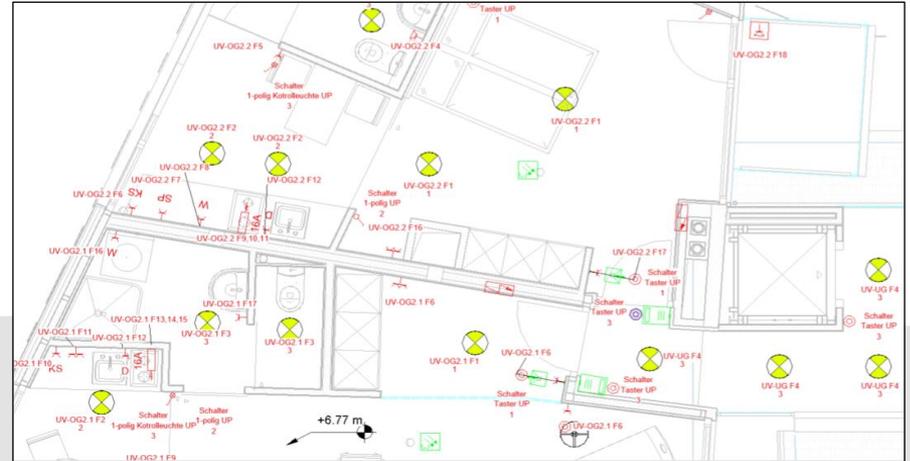
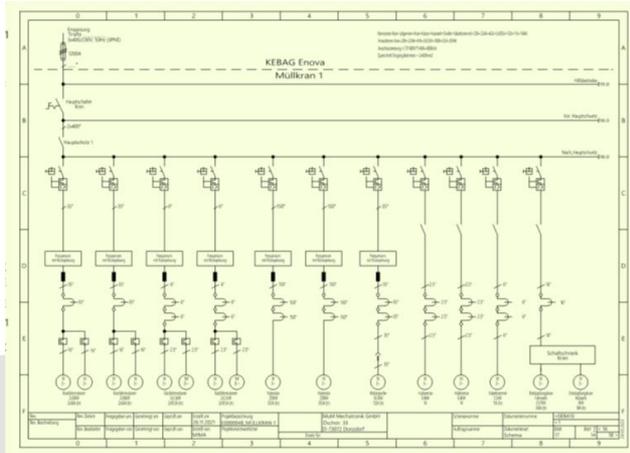




CAD/CAM in practice (Software / VAR Business)

■ 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
- Development: Software segment / Sales/Training/Customizing: VAR segment





Digitization in practice (VAR Business)



- Example BIM – Building Information Modeling / Management: BIM introduction and training for a large railway operator

Customer: Deutsche Bahn AG, Berlin, Germany



bim✓ready

bim✘booster

Visualisierung: DB Engineering & Consulting



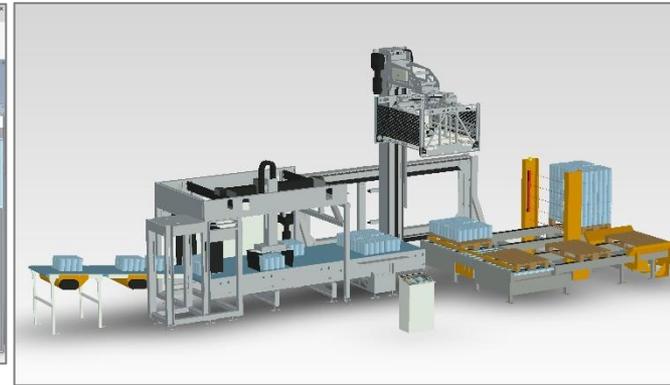
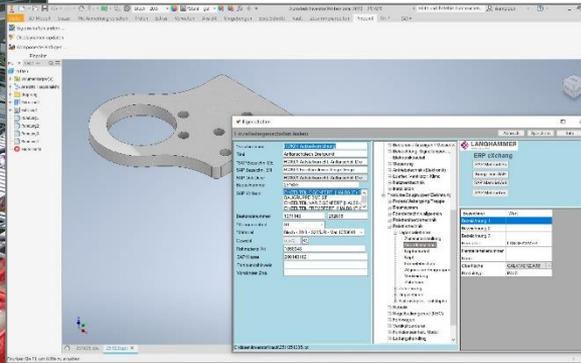


Digitization in practice (VAR Business)



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

Customer: Koerber Supply Chain GmbH,
Eisenberg, Germany



pdm  booster



man  machine
CAD as CAD can

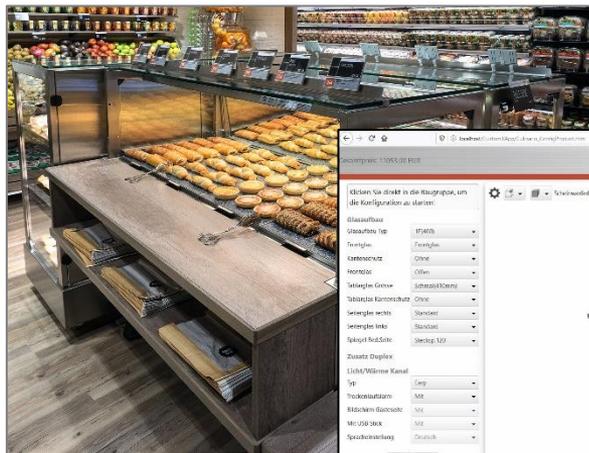
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CAD as CAD can



Digitization in practice (VAR Business)

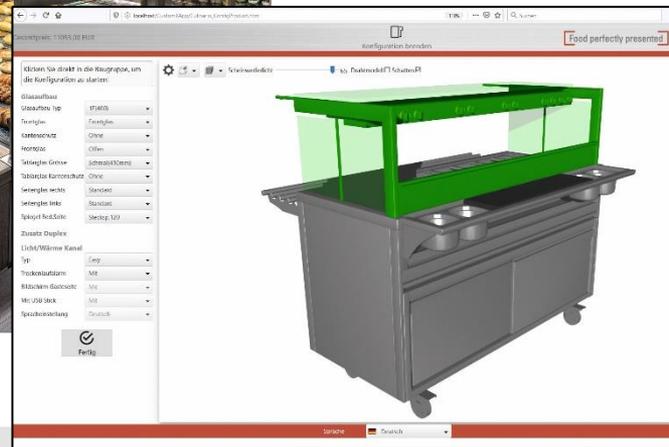
- Fully automated variant design with customX – up to 90% productivity gain
Project examples: Electric distribution boxes & Showcases for gastronomy

Customer: Bals Elektrotechnik, Kirchhundem, Germany



Customer:
Beer Grill AG,
Villmergen, Switzerland

customX

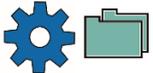


Allocation of Gross Profit (2022: EUR 161 mln)

Manufacturing (~55%):



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



Architecture/Construction/Engineering (~35%):

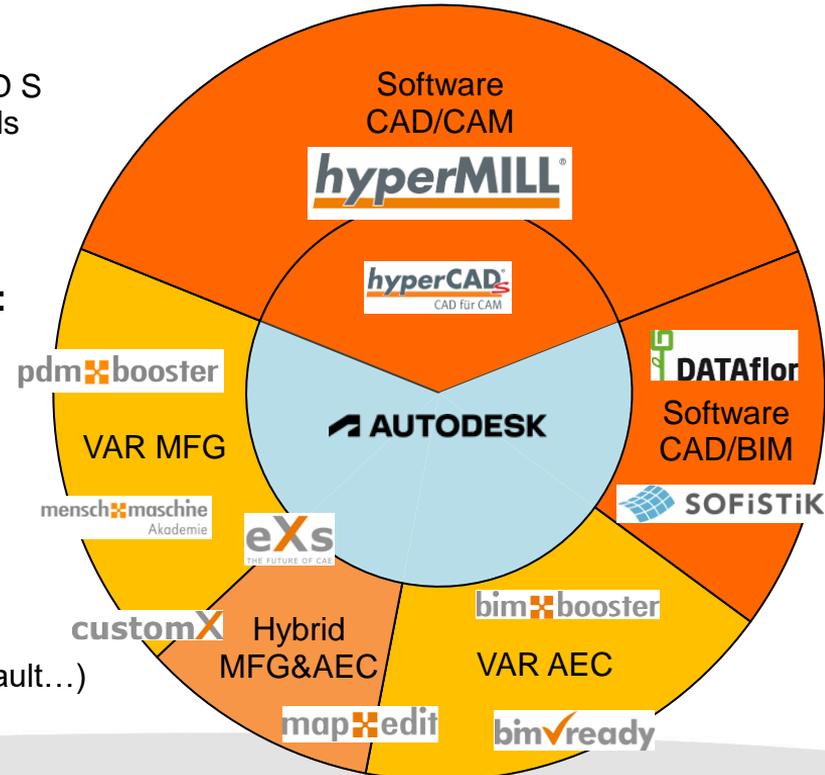


- Software: BIM/Gardening/Landscaping (DATAflor)
BIM/Structural/Civil Engin/Bridge/Tunnel (SOFiSTiK)
- VAR Business: Digitization/Training for Architecture, Building Services, Facility Management ...

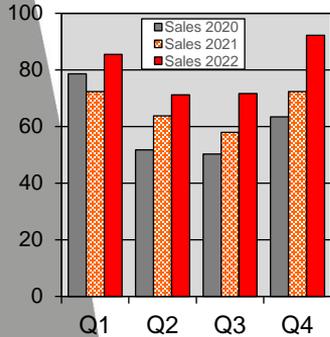


Hybrid MFG & AEC (~10%):

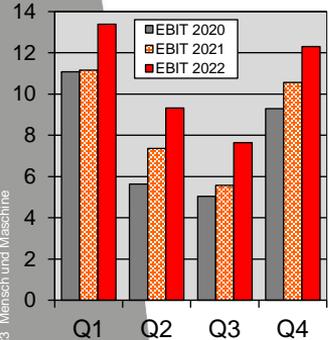
- CAE, Infrastructure (Digital City / Factory), Variant design, iBIM for AEC subcontractors ...
- Common Base (Exception CAM):
Autodesk CAD Standards (AutoCAD, Revit, Inventor, Vault...)
VAR Business: Value Added Reselling / Software: OEM Licensing



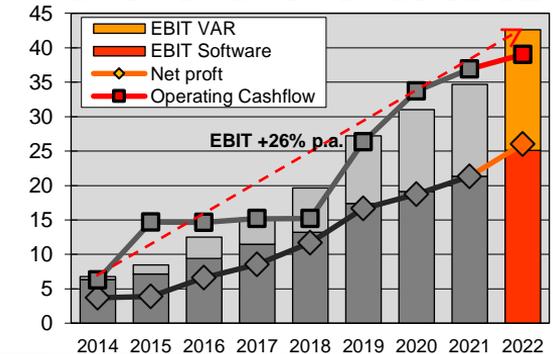
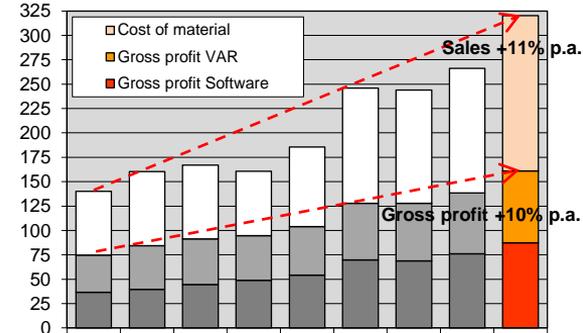
Business development



- Record sales 2022: EUR 320.48 mln / +20%**
 - Drivers: New sales for M+M Software / Renewals in VAR Business (in Q4 additionally driven by January end of discount for Autodesk 3YR contracts)
 - Normal seasonality 2022 (Attention: Corona year 2020 was distorted)
 - 8YR average sales growth 2014-2022: +11% p.a.
- Record gross profit 2022: EUR 161.14 mln / +16%**
 - Software EUR 87.48 mln / +15% // VAR Business EUR 73.66 mln / +18%
 - Gross profit growth 2014-2022: +10% p.a. / more steadily than sales development
 - Segment contribution 2022: Software 54.3% / VAR 45.7% (2014: 49% / 51%)



- Record EBIT 2022 EUR 42.63 mln / +23%**
 - Software EUR 25.11 mln / +18% // VAR Business EUR 17.52 mln / +31%
 - Normal seasonality 2022 (Attention: Corona year 2020 was distorted)
 - EBIT growth 2014-2022: +26% p.a. / highly disproportionate to sales
- Record net profit 2022: EUR 26.01 mln / +22% // EPS 155 Cents**
 - Net profit growth 2014-2022: +26% p.a.
- Record cash flows 2022: EUR 39.05 mln / +5.8% // CPS 233 Cents**
 - Cashflow growth 2014-2022: +25% p.a.
- Record Dividend proposal 2022: 140 Cents (PY: 120)**
 - Cash or shares / 70 Cents paid pre-tax (steuerliches Einlagenkonto §27 KStG)
 - Dividend growth 2014-2022: +27.5% p.a.



Review & Outlook

Gross profit +10% p.a. / EBIT +26% p.a. – what's the trick?

- Very simple method: Opex increase 2014-2022 just +7% p.a.
- Opex development in the M+M Group is controlled continuously & locally (~100 profit centers) at ~2/3 relative to gross profit development
 - Continuous profit gains through strict cost control management
 - ✓ Working well even despite short-term dips in gross profit development (2016/17: Gross profit +3.7% / EBIT +22% // 2YR 19/21: Gross profit +8.2% / EBIT +28%)

Sustainably profitable strategy - also for the future:

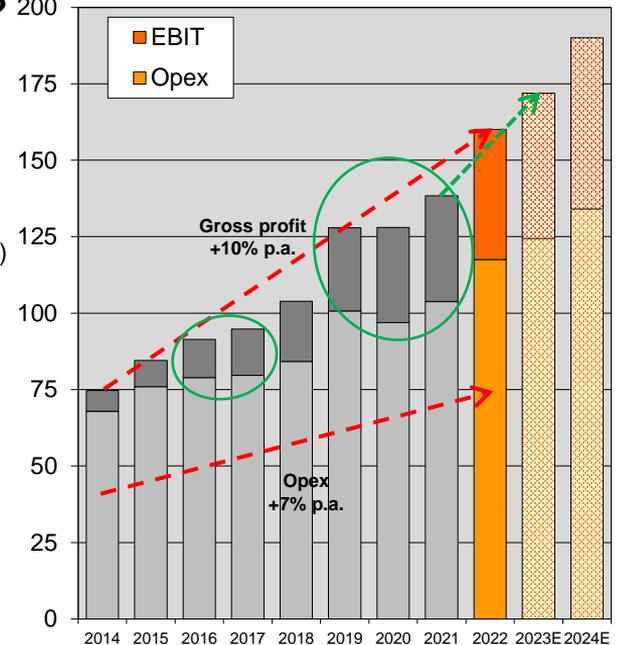
- Organic growth + cost discipline = economy of scale effect

Long-term growth target (organic):

- Profit doubling in 4-5 years: EPS >300 Cents by 2026/27

Short-term targets 2023/24E:

- ◆ 2023E: EPS 164-181 Cents / Dividend 155-165 Cents
- ✓ 2YR Guidance 2022/23E from the Annual report 2021:
Gross profit +8-12% / EPS +14-20% p.a. (+38-55 Cents 2YR 2021/23E)
- 2024E: EPS +14-20% or +24-34 Cents / Dividend +15-25 Cents



Sustainability: Economy & Ecology in harmony

The M+M group is using all suitable roof surfaces in corporate ownership for regenerative power production with a total amount of ~200 MWh solar power p.a.



The M+M business model is based on resource savings for customers ...

- ✓ A precision machine tool that runs two to five times faster consumes correspondingly less electricity
- ✓ The same applies when customers accelerate their technical processes with eXs, customX or PDM Booster
- ✓ Or when BIM Ready training and the use of BIM Booster enable more effective planning and resource-saving construction
- ✓ Or when large infrastructure operators can achieve their ambitious sustainability goals more quickly through MapEdit
- ✓ A structure planned and calculated with SOFiSTiK software uses less steel and concrete or can alternatively be made of a more environmentally friendly material such as wood
- ✓ With the Gardening/Landscaping design software from DATAflor, gardens or parks are created that make a direct contribution to CO² reduction

... which should be enough to more than compensate the M+M CO² footprint



M+M: Entrepreneurial & Public Company

Listings:

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

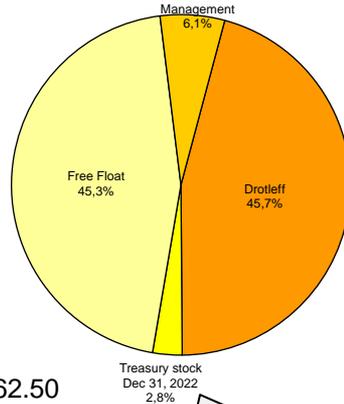
Designated Sponsors:

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

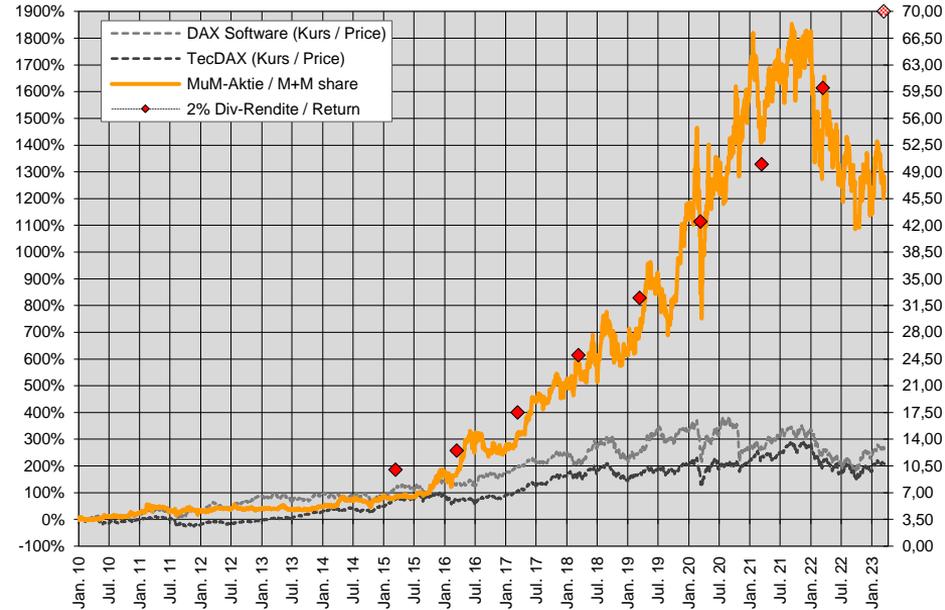
Analyst Coverage:

- ◆ LBBW: „Buy“ – fair value EUR 62.50
- ◆ SMC Research*: „Strong buy“ – EUR 61.70
- ◆ Bryan, Garnier & Co*: „Neutral“ – EUR 54.00
- ◆ Baader Helvea*: „Buy“ – EUR 65.00

*available in English language



Treasury Stock as of 12/2022:
+287,993 shares
Total investment
EUR 15.7 mln



Total dividends paid since 2010: EUR 5.70 (+1.40 for 2022)

M+M share correlating with ~2% initial dividend return since 2016, with certain volatility (2020/21 min. ~1.5% // 2022 max. ~3.5%)



Why invest in M+M shares ?

- M+M is a leading vendor of technical software solutions
 - ◆ Founded 1984 – 39 years of established market position
 - ◆ More than 30,000 active customers with far over 100,000 active seats worldwide
 - ◆ Broad geographical & sectoral allocation allows for flexible change management
 - ◆ Entrepreneurial and 26 years public company
- Highly scalable business model / sustainable profitable growth
 - ◆ Organic growth (CAGR): long-term average approx. 10% p.a.
 - ◆ EPS 2022: 155 Cents – Targeted doubling in 4-5 years: EPS >300 Cents until 2026/27
 - ◆ Profit growth target secured by effective cost management
- Continuously increasing dividend return due to high payout ratio
 - ◆ Reason: Investment in software development (EUR >23 mln p.a.) is not capitalized
 - ◆ That is why M+M can distribute the profit in full without endangering its future





Thank you for your attention!
For more Information: www.mum.de / Investor Relations

