

A photograph of a large industrial facility, likely a power plant or manufacturing plant, featuring rows of green-painted machinery and pipes. The scene is dimly lit, with light coming from overhead fixtures. A semi-transparent grey banner is overlaid across the middle of the image, containing the title and subtitle text.

Mensch und Maschine Software SE

Company Presentation

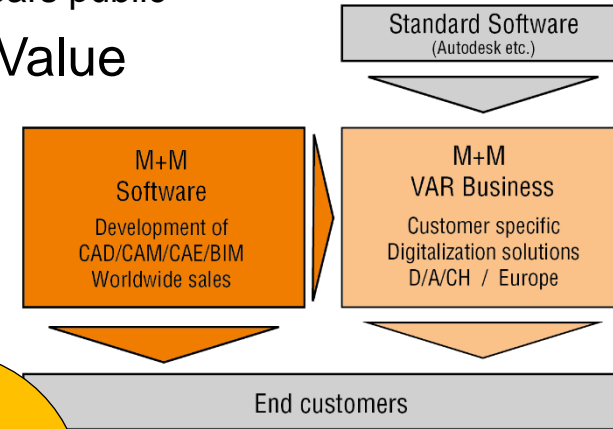
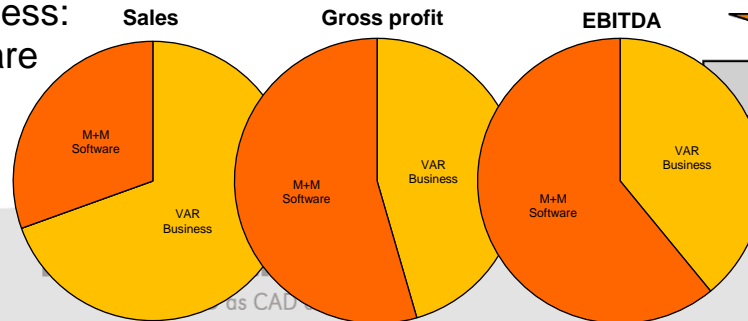
Status September 18, 2020 / Half year report 2020

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 – 36 years on market // IPO 1997 – 23 years public
- Two Segments, >80% Proprietary Added Value
 - ◆ M+M Software: Proprietary Standard Software
~70% CAD/CAM // ~30% BIM / Garden/Landscaping / CAE
 - ◆ VAR Business: Technical Digitalization Solutions
Proprietary Added Value: ~60% Projects / ~40% Training

Benefit VAR Business:
Sales / Market share

Benefit Software:
Very profitable



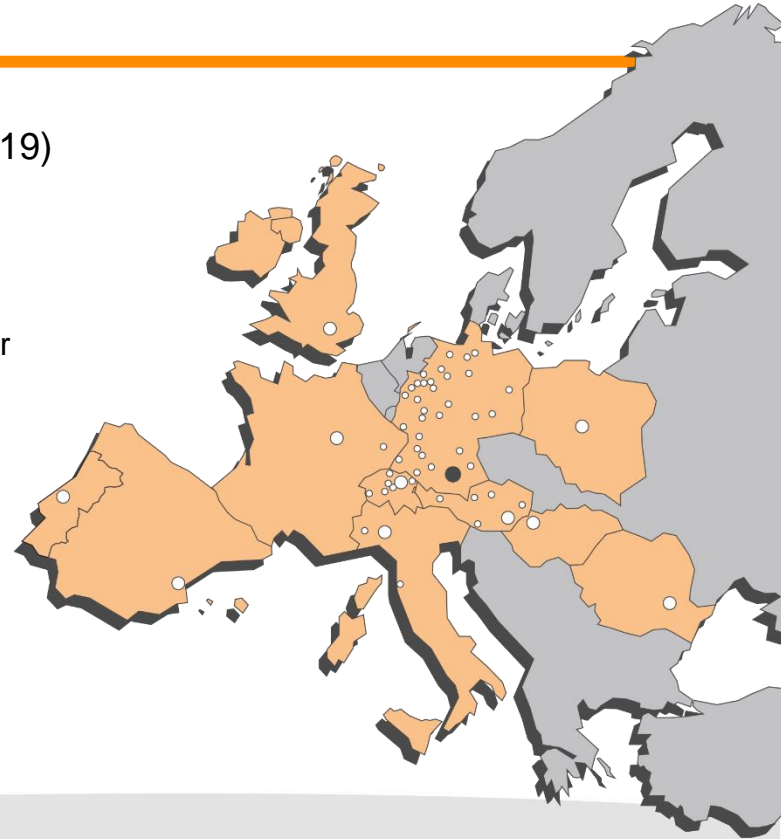
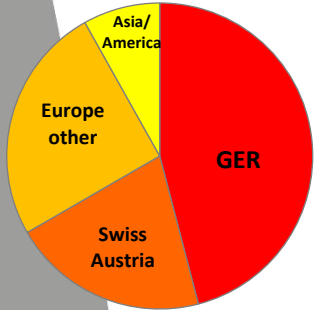
Business model

■ Geographical sales contribution: (2019)

- ◆ Germany: EUR ~113mln / ~46%
- ◆ Austria/Switzerland: EUR ~51 mln / ~21%
- ◆ Europe (other): EUR ~62 mln / ~25%
France / Italy / UK / Poland / Romania / Iberia / other
- ◆ Asia/America: EUR ~20 mln / ~8%
Japan / China / India / APAC / USA / Brazil / other
(M+M's own CAM and BIM Software only)

■ Headcount:

- ◆ Gross headcount at June 30, 2020: 1,019
- ◆ Full time equivalent H1/2020: 964 (PY: 930)
 - 503 / 52% (PY: 462 / 50%) M+M Software
 - 461 / 48% (PY: 468 / 50%) VAR Business



Business model

■ Broad industry balance:

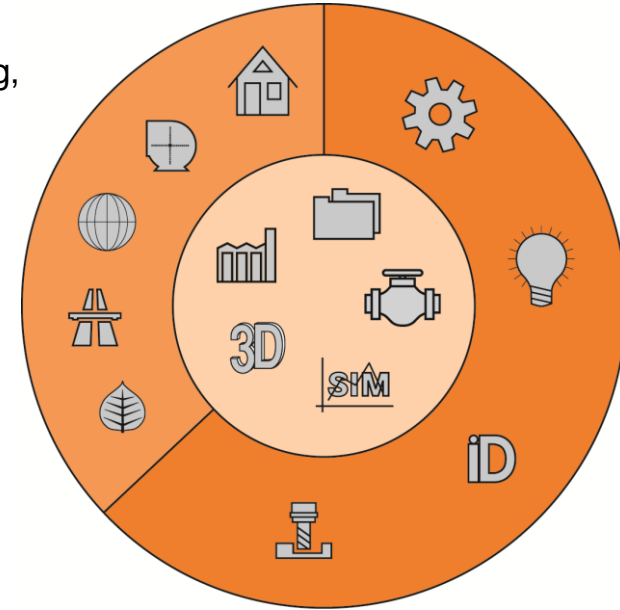
- ~2/3 Industry: e.g. Mechanical/Electrical/Process Engineering, Tool/Mold/Die Making, Automotive/Aerospace/Shipbuilding, Hydraulics, Pneumatics, Industrial design
- ~1/3 BIM: e.g. Architecture, Building Services, Structural/Civil Engineering, Bridge and Tunnel Construction, Infrastructure, Facility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

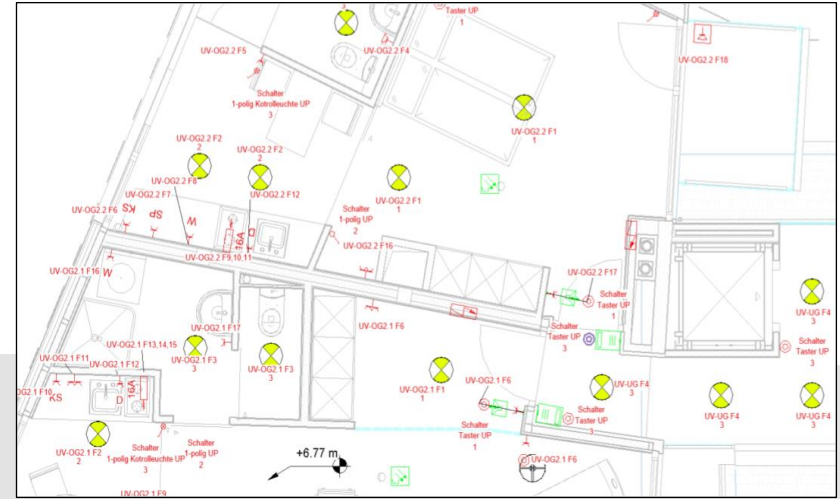
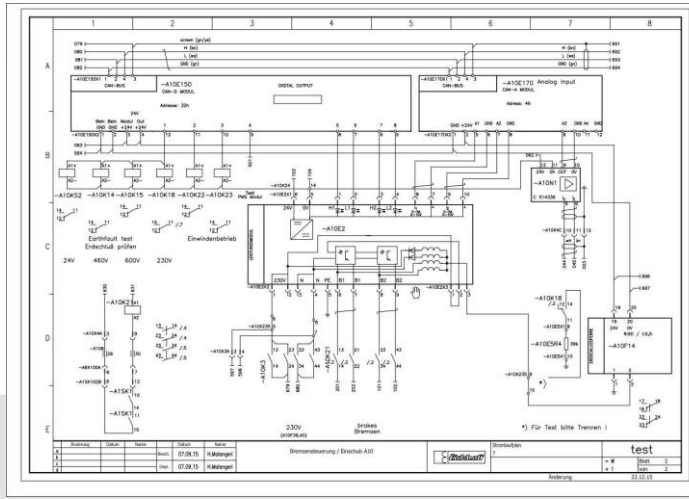
- Software from <1,000 Euro to >100,000 Euro per seat
- Pure B2B Business, only professionals, no consumers



CAD/CAM in practice (M+M Software)

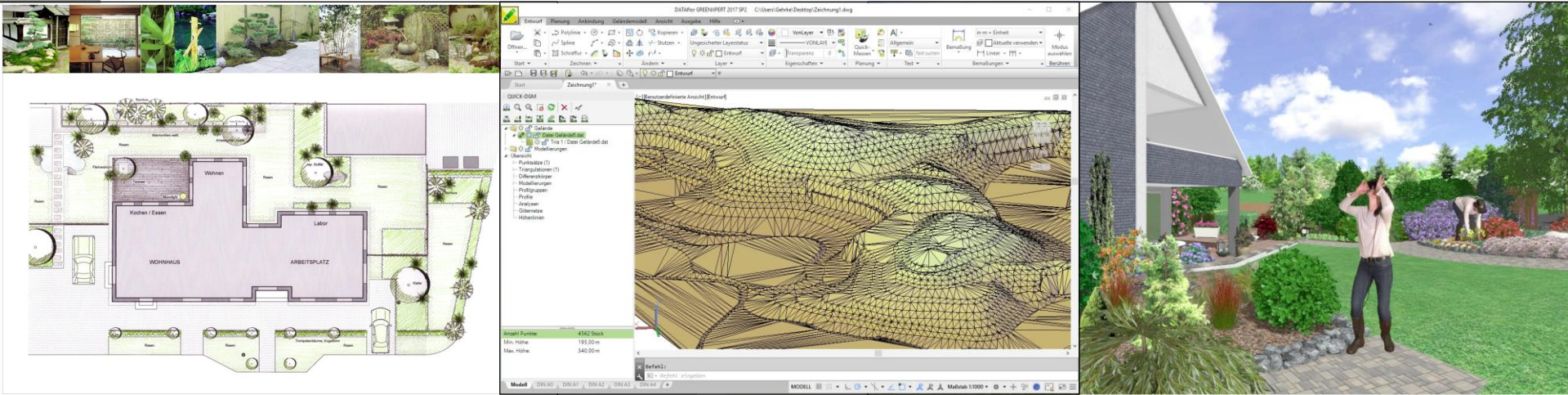
■ CAE – Computer Aided Engineering

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



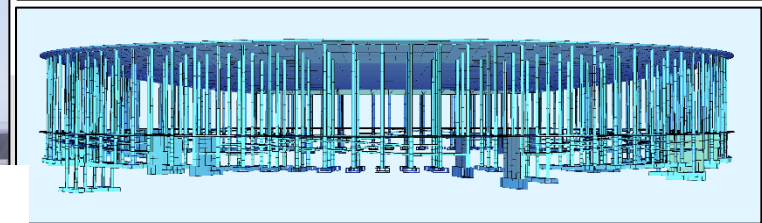
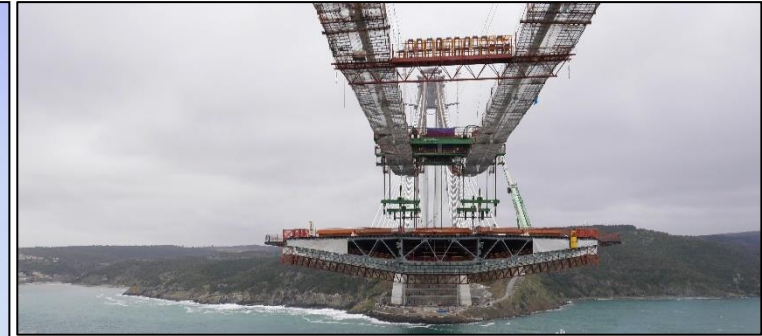
CAD/CAM in practice (M+M Software)

- 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)



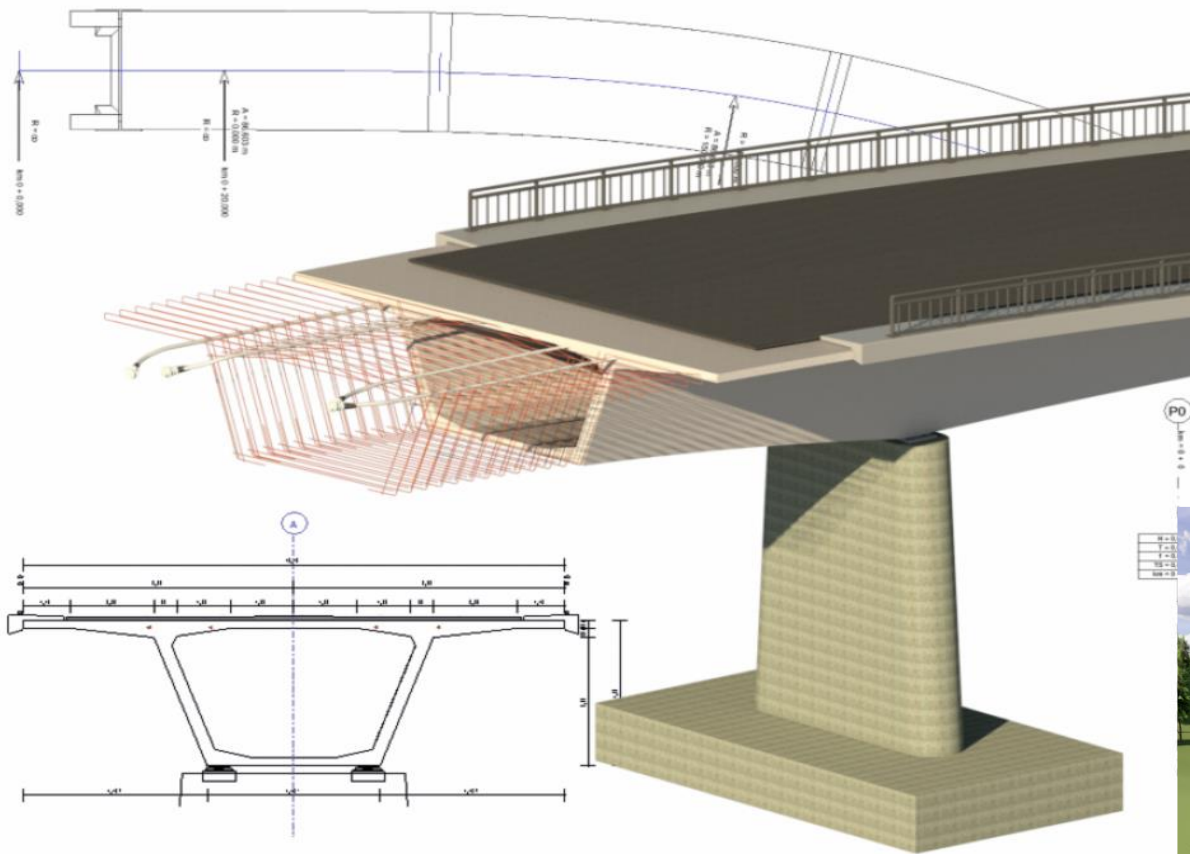
CAD/CAM in practice (M+M Software)

- New in 2019: BIM, Structural Analysis and Reinforcement
 - Strategic shareholding in SOFiSTiK AG increased from 13.3% to 51%
 - Share swap, Founders/Management staying 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)

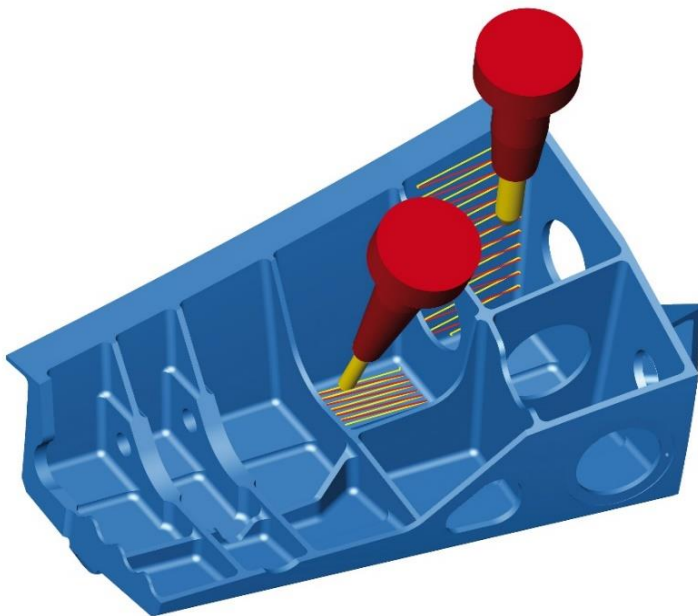


The new **SOFiSTiK Bridge Modeler** supports parametrized 3D bridge design, detailing and analysis, fully compatible to BIM standards, as it will e.g. be mandatory in Germany beginning 2020 due to the German Ministry of Transport and Infrastructure.



CAD/CAM in practice (M+M Software)

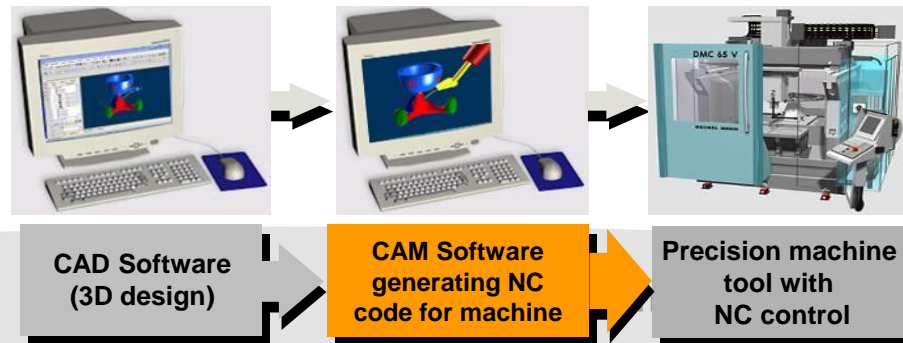
- CAM – Computer Aided Manufacturing
 - Subsidiary Open Mind – Product line hyperMILL
 - High end: Average revenue approx. EUR 30,000 per seat
 - **CAM is contributing ~40% of group gross margin**



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



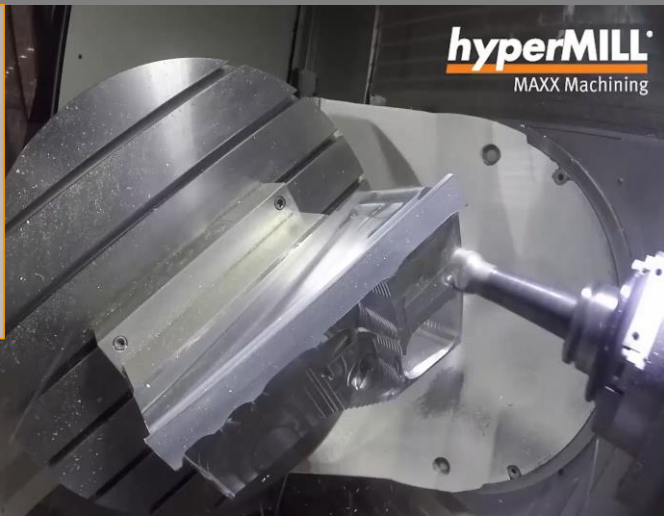
CAD/CAM in practice (M+M Software)

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

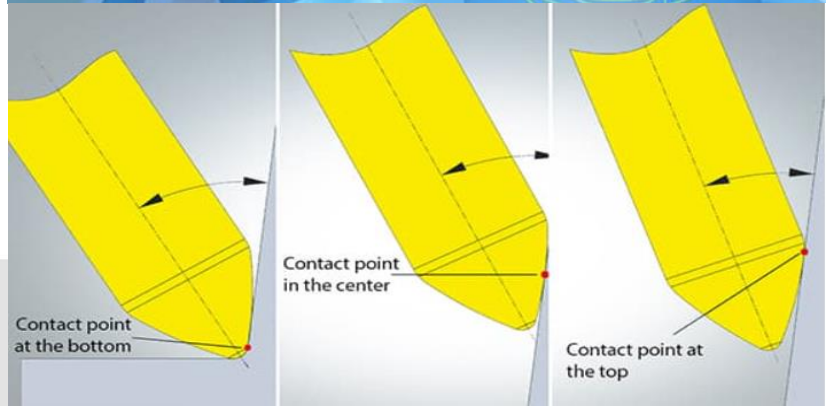
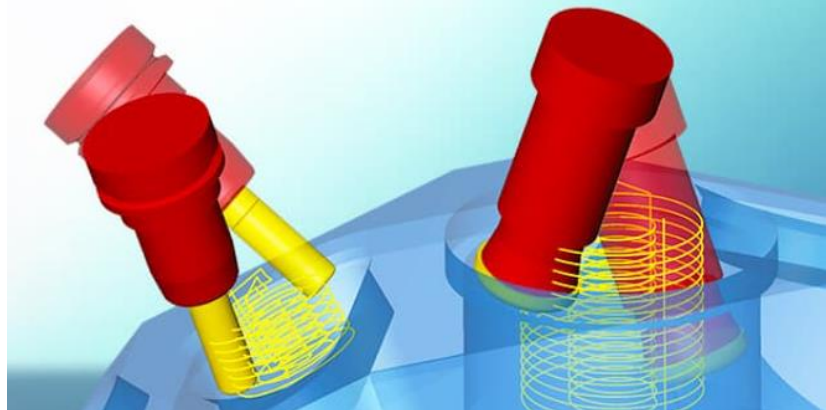
Flat surface finishing up to 10x faster by using special conical cutters with slightly convex curvature.

Milling time for this lightweight aerospace part:
2h05min instead of 10h30min => 80% productivity gain.

Total 80% productivity gain: 2h05 instead of 10h30



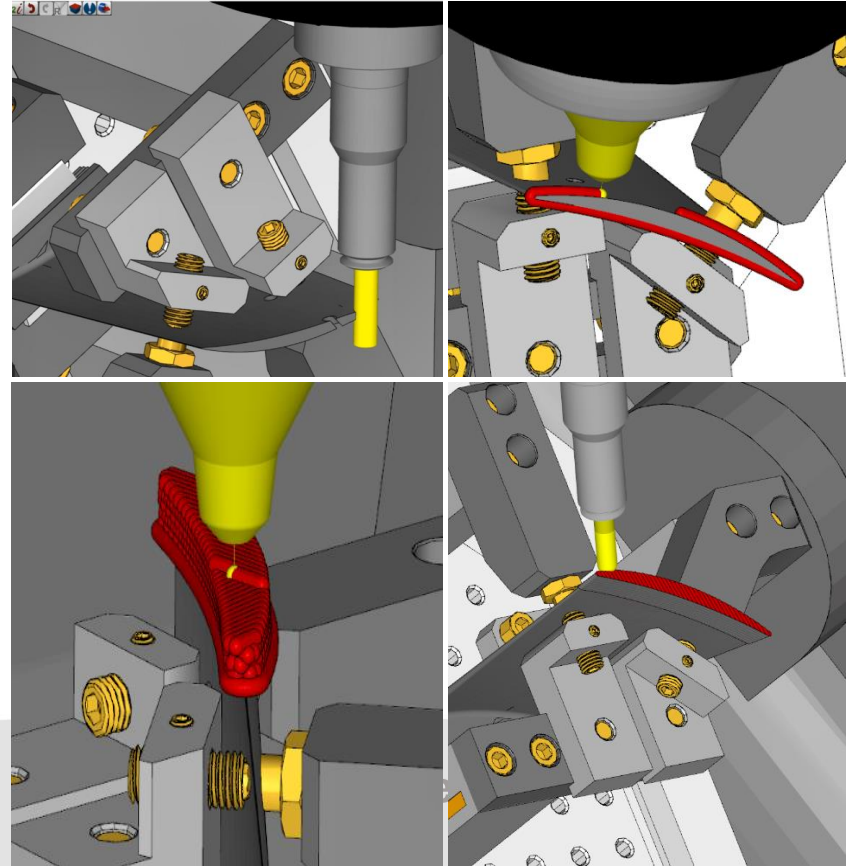
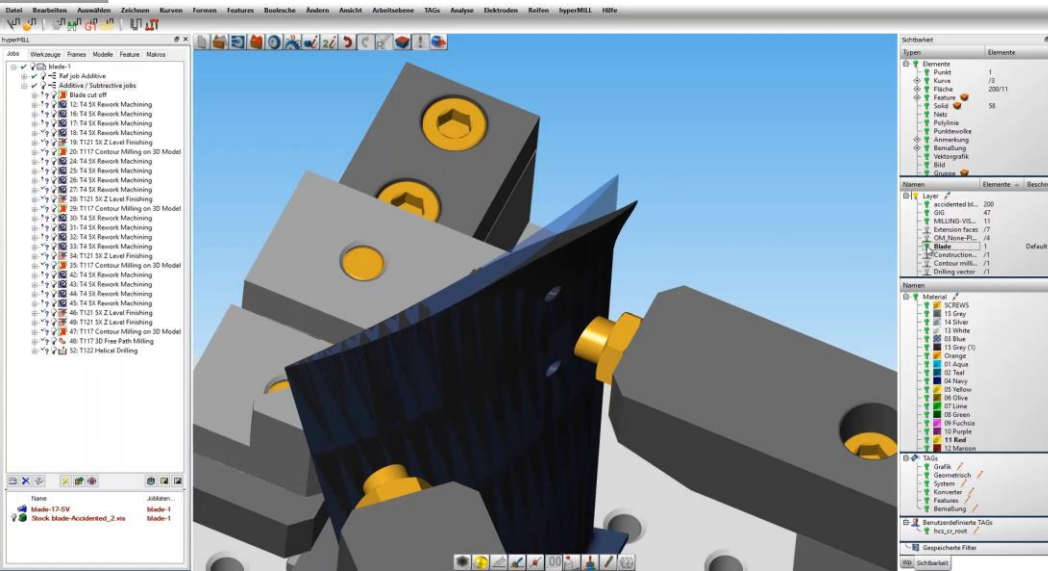
78% faster roughing + 90% faster flat surface finishing:



CAD/CAM in practice (M+M Software)

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.



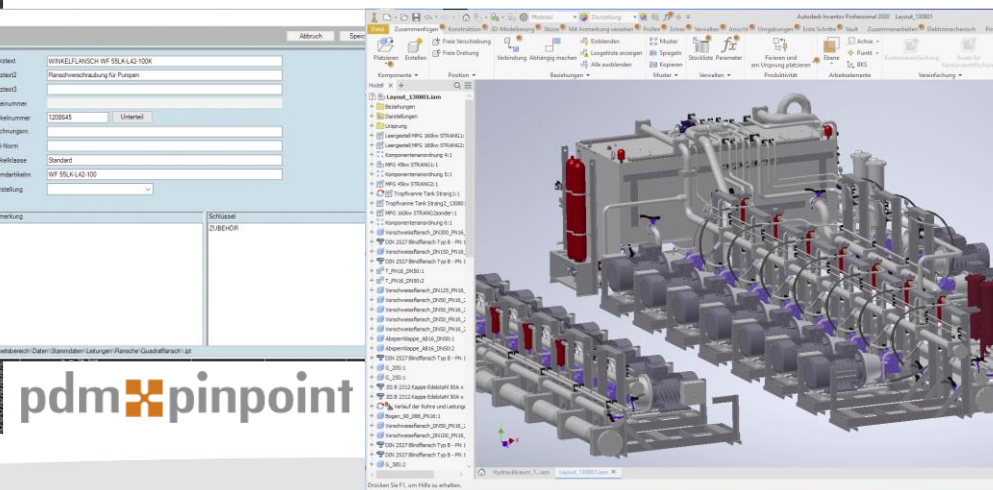
Some CAM Key Customers



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

The image shows a large industrial facility, likely a water treatment plant, with rows of green machinery. An inset window displays a software interface with a tree view of components. The tree view includes the following items:

- 1 Antriebswellen und Gehäuse
 - 2 Bauteile abfragen
 - 3 Behälter
 - 4 Betriebszustand
 - 5 Druckmessgeräte und Druckschalter
 - 6 Druckventile
 - 7 Durchflussmessung
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Digitalization in practice (VAR Business)

- Example BIM – Building Information Modelling / Management: Digital Building Manual for Facility Management

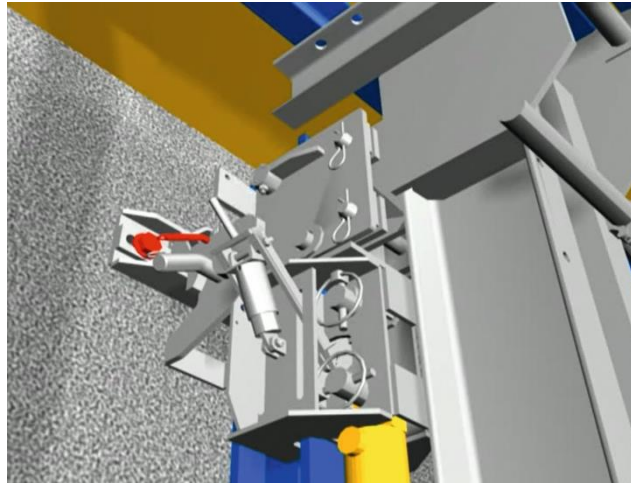


bim  booster bin  ready

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:

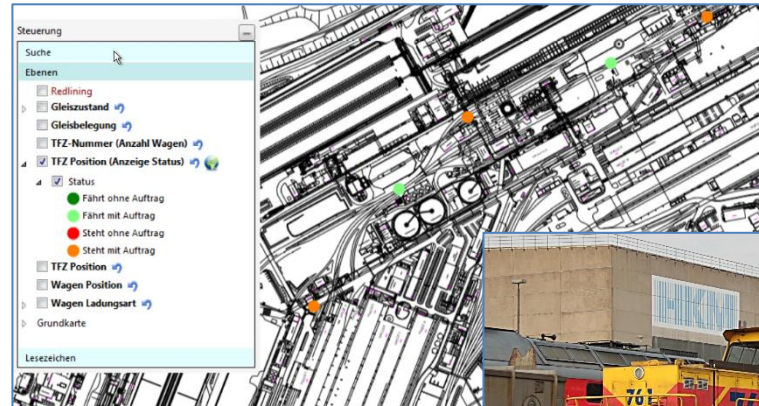


Digitalization in practice (VAR Business)

- Example: Infrastructure/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



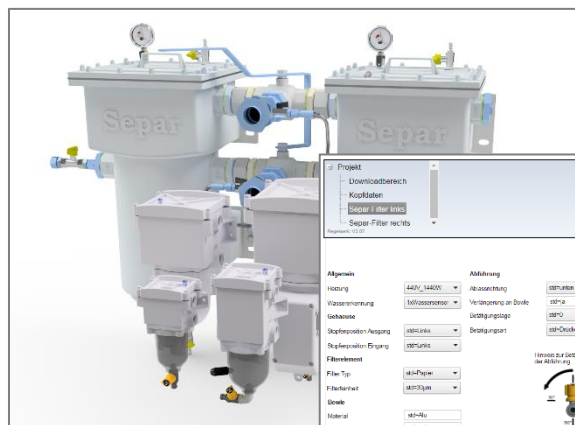
Digitalization in practice (VAR Business)

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

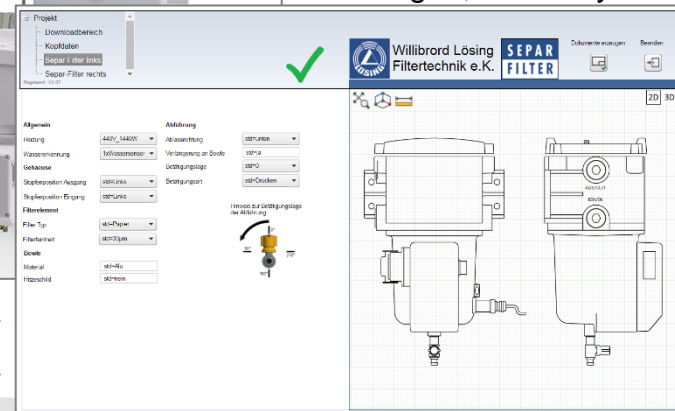
Customer: Bals Elektrotechnik, Kirchhundem, Germany



Customer:
Willibrord Lösing
Filtertechnik,
Hattingen, Germany



customX



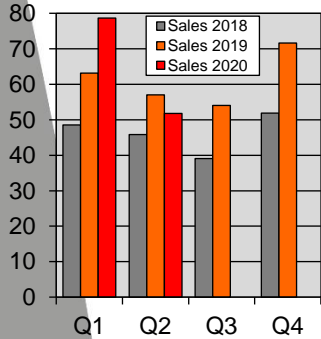
man machine
CAD as CAD can

menschenmaschine
CAD as CAD can

Some VAR Business Key Customers



Sales & gross profit

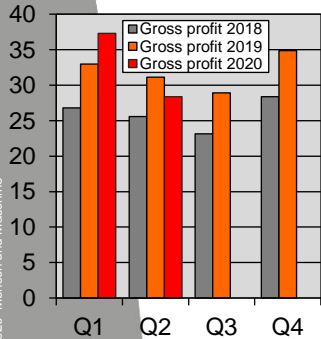


■ Record sales 2019: EUR 245.94 mln / +33% (organic +25%)

- ◆ M+M Software: EUR 75.08 mln (organic +9%)
 - ◆ Solid organic growth plus SOFiSTiK acquisition
- ◆ VAR Business: EUR 170.86 mln / +32% (purely organic)
 - ◆ Strong growth – counter-reaction to the temporary retarding effect of Autodesk's sales to subscription transition in 2016/17

■ Record gross profit: EUR 127.89 mln / +23% (organic +13%)

- ◆ M+M Software: EUR 69.70 mln / +28% (organic +9%)
- ◆ VAR Business: EUR 58.19 mln / +17% (purely organic)

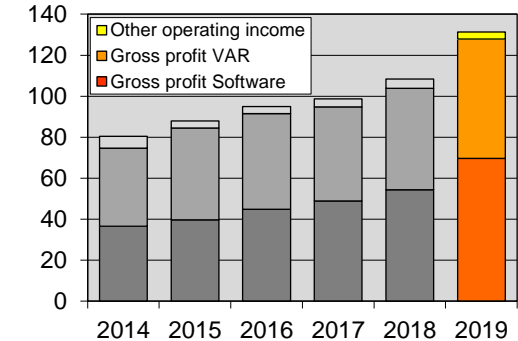
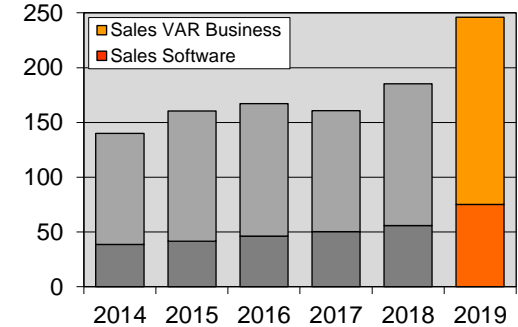


■ Record sales H1/20: EUR 130.38 mln / +8.5% **H1/2020**

- ◆ M+M Software: EUR 37.87 mln / +1.0%
- ◆ VAR Business: EUR 92.51 mln / +12%
- ◆ Q1: +24.5% / Q2: -9.3%

■ Record gross profit H1/20: EUR 65.68 mln / +2.4%

- ◆ M+M Software: EUR 34.69 mln / -1.5%
- ◆ VAR Business: EUR 30.99 mln / +7.2%
- ◆ Q1: +13% / Q2: -8.8%



Earnings / cash flows / dividend

Record EBITDA 2019: EUR 36.55 mln (PY: 22.75) / yield 14.9% (PY: 12.3%)

- ♦ M+M Software: EUR 22.27 mln (PY: 14.68) / yield 29.7% (PY: 26.3%)
- ♦ VAR Business: EUR 14.28 mln (PY: 8.07) / yield 8.4% (PY: 6.2%)

Attention: IFRS16 (Shifting leasing expenses to depreciation) distorting 19/18 comparison

Record EBIT 2019: EUR 27.19 mln / +38% (organic +25%)

- ♦ M+M Software: EUR 17.37 mln / +32% (organic +12%)
- ♦ VAR Business: EUR 9.82 mln / +52% (purely organic)

Record net profit 2019: EUR 16.67 mln // EPS 99 Cents (PY: 71.5)

Record operating cash flows 2019: EUR 26.35 mln / +73%

Dividend 2019: 85 Cents (PY: 65 / +31%) - in cash or shares

Record EBITDA H1/20: EUR 21.21 mln / +15%

H1/2020

Record EBIT H1/2020: EUR 16.72 mln / +19%

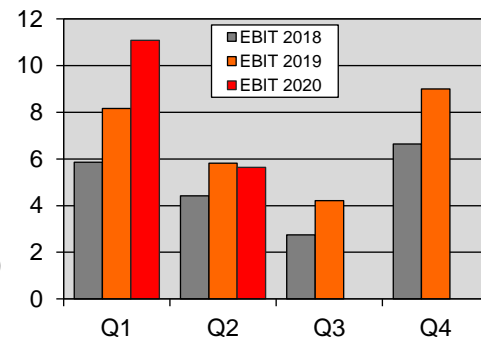
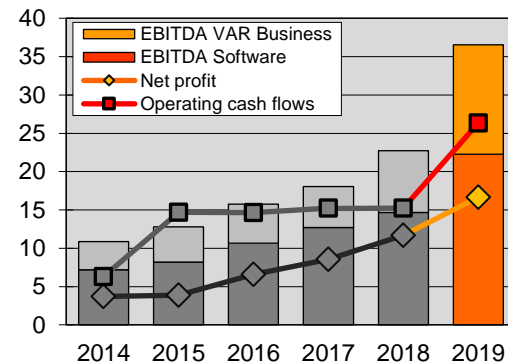
- ♦ M+M Software: EUR 9.95 mln / +7.7%
- ♦ VAR Business: EUR 6.77 mln / +42%
- ♦ Q1: +36% / Q2: -3.7%

Record net profit H1/20: EUR 9.99 mln / +18% // EPS 60 Cents (PY: 50)

Record operating cash flows H1/2020: EUR 24.46 mln / +79%

Q1 very strong
Q2 with Corona
retarding effects
(as expected),
but very good
cost discipline

H1 solidly staying
on record path



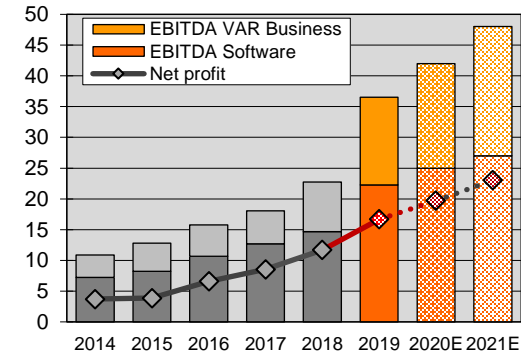
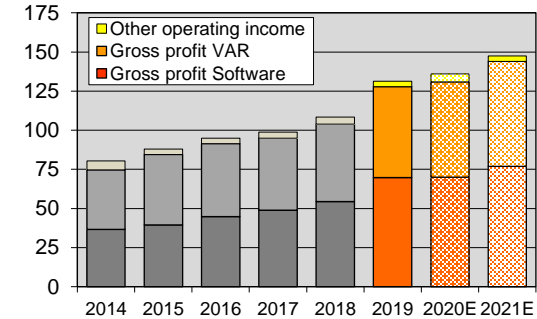
Review & Outlook

Review on profitable growth:

- Gross profit 2014-2019: EUR +53.2 mln / +71%
 - ✓ EUR +10.6 mln / +11% average gross profit growth p.a.
- EBITDA 2014-2019: EUR +25.6 mln / +235%
 - ✓ EUR +5.1 mln / +27% average EBITDA growth p.a.
- Gain 48%: 1 EUR more gross profit >> 48 Cents more EBITDA
 - ✓ Profit optimized growth through effective cost control management

Clear target: Continuing sustainable profitable growth

- 2020E: Concentration on profit target no focus on sales / gross profit
 - ◆ EPS +18-24 Cents to 117-123 Cents / Dividend +15-20 Cents to 100-105 Cents +10 Cents EPS already achieved in H1 / moderate recovery of customer demand sufficient
- 2021E ff: Organic growth + margin potential = economy of scale
 - ◆ Sales / Gross profit +8-12% p.a.
 - ◆ EPS +18-24 Cents / Dividend +15-20 Cents p.a.



The M+M share

Listings:

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

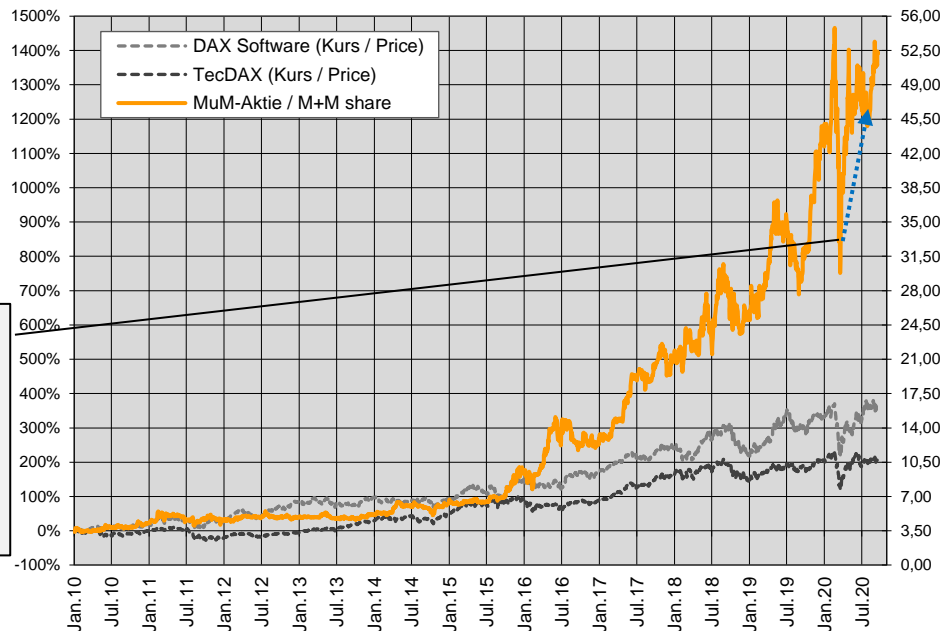
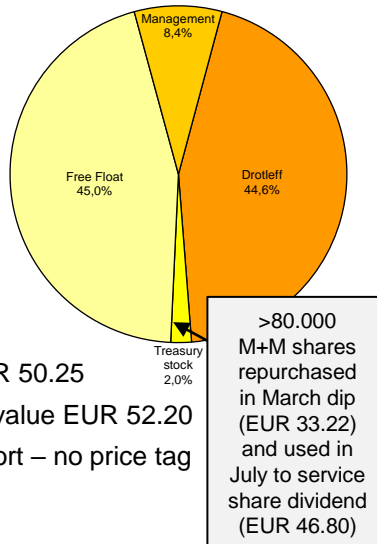
Designated Sponsors:

- ◆ LBBW, Stuttgart
- ◆ Oddo Seydler, Frankfurt

Analyst Coverage:

- ◆ LBBW: „Hold“ – fair value EUR 50.25
- ◆ SMC Research*: „Hold“ – fair value EUR 52.20
- ◆ EDISON*: **scale** research report – no price tag

*available in English language



M+M is both a public and private company

Total dividends paid since 2010: EUR 3.50

Why invest in M+M ?

- M+M is a leading vendor of technical software solutions
 - ◆ Founded 1984 – 36 years of established market position
 - ◆ More than 30,000 active customers worldwide
 - ◆ Private and 23 years public company
- Sustainable profitable growth / highly scalable business model
 - ◆ Organic growth (CAGR): long-term average approx. 10% p.a.
 - ◆ EBITDA yield H1/2020 was 16.3% - mid-term potential >18%
 - ◆ 18-24 Cents p.a. EPS 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



A photograph of a large industrial facility, likely a power plant or manufacturing plant, featuring rows of green-painted machinery and pipes. The scene is dimly lit, with some overhead lights visible. A semi-transparent grey box is overlaid on the center of the image, containing white text.

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