

The RIB Group with strong revenue growth in first nine months of 2020

Strong increase in Group revenues by 25.6% to EUR 190.4 million (previous year: € 151.6 million)

- Recurring revenues (9 months) continue to increase significantly by 40.6% to € 109.1 million (previous year: € 77.6 million)
- International revenues (9 months) increase by 31.2% to € 121.5 million (previous year: € 92.6 million)
- EBITDA (9 months) increases by 68.8% to € 60.6 million (previous year: € 35.9 million)
- The number of iTWO 4.0/MTWO users grows by 41.0% to 97,774 users (December 31, 2019: 69,337)
- Operating cash flow increases by 144.7% to € 62.4 million (previous year: € 25.5 million)
- Outlook for 2020 confirmed

CONSOLIDATED FIGURES - OVERVIEW

€ million unless otherwise indicated	3rd quarter 2020	3rd quarter 2019	change	9 months 2020	9 months 2019	change
Revenue	58.4	59.0	-1.0%	190.4	151.6	25.6%
ARR	34.0	25.7	32.3%	109.1	77.6	40.6%
NRR	11.5	14.5	-20.7%	38.3	33.9	13.0%
Services	12.0	16.7	-28.1%	37.8	33.3	13.5%
E-commerce	0.9	2.1	-57.1%	5.2	6.8	-23.5%
EBITDA	14.0	14.4	-2.8%	60.6	35.9	68.8%
as % of revenue	24.0%	24.4%	-	31.8%	23.7%	-
Operating EBITDA*	13.7	14.5	-5.5%	54.9	34.8	57.8%
as % of revenue	23.5%	24.6%	-	28.8%	23.0%	-
EBT	4.8	6.3	-23.8%	33.1	15.0	120.7%
as % of revenue	8.2%	10.7%	-	17.4%	9.9%	-
Expenses from purchase price allocations (PPA amortisation)	4.6	3.9	17.9%	12.5	8.7	43.7%
Cash flows from operating activities	-	-	-	62.4	25.5	144.7%
Group liquidity**	-	-	-	227.9	125.8	81.2%
Equity ratio***	-	-	-	78.1%	74.7%	-
Average number of employees	-	-	-	1,886	1,524	23.8%

* EBITDA adjusted for currency effects (Q3 2020: -0.9 Mio. €; Q3 2019: -0.1 Mio. €) / (9M 2020: -1.2 Mio. €; 9M 2019: +1.0 Mio. €) and one-off/ special effects (Q3 2020: 1.2 Mio. €; Q3 2019: 0.0 Mio. €) / (9M 2020: +6.9 Mio. €; 9M 2019: 0.0 Mio. €).

** Cash and cash equivalents, time deposits and available-for-sale securities. Previous year as of December 31, 2019.

*** Previous year as of December 31, 2019.

BUSINESS DEVELOPMENT

THE RESULTS IN DETAIL - NINE MONTHS 2020

Total revenues increased by 25.6% to € 190.4 million (previous year: € 151.6 million). Recurring revenues (ARR) grew by 40.6% to € 109.1 million (previous year: € 77.6 million). NRR revenues increased by 13.0% to € 38.3 million (previous year: € 33.9 million). Service revenues were up 13.5% to € 37.8 million (previous year: € 33.3 million). The organic growth ARR amounts to 5.7%. EBITDA increased by 68.8% to € 60.6 million (previous year: € 35.9 million). At 31.8%, the EBITDA margin exceeded the expected range of 20-30% during the investment phase impacted by Covid-19. Operating EBITDA increased by 57.8% to € 54.9 million (previous year: € 34.8 million). The operating cash flow increases by 144.7% to € 62.4 million (previous year: € 25.5 million).

At the end of the third quarter, group liquidity amounted to € 227.9 million (December 31, 2019: € 125.8 million). The average number of employees changed by 23.8% to 1,886 (previous year: 1,524).

DEVELOPMENT OF THE SEGMENTS

iMTWO

Total revenues in the iMTWO segment increased by 28.0% to € 184.9 million (previous year: € 144.4 million). Recurring revenues (ARR) increased by 40.8% to € 108.8 million (previous year: € 77.3 million). Non-recurring revenues (NRR) grew by 13.0% to € 38.3 million (previous year: € 33.9 million). The EBITDA margin reached 32.6%.

The number of users of our cloud based MTWO / iTWO 4.0 platform grew by 41.0% from 69,337 to 97,774 users compared to year-end, thus already reaching 97.8% of our target of 100,000 users in 2020. Users are gained partly through new customer acquisition and partly through the migration of existing users from other software applications within our Group.

xYTWO

In the xYTWO segment, total revenues decreased by 22.5% to € 5.5 million (previous year: € 7.1 million) as planned due to the sale of the e-commerce business, as already announced. The segment EBITDA amounted to € 0.4 million.

REVENUE DEVELOPMENT IN THE REGIONS

Foreign revenues grew by 31.2% to € 121.5 million (previous year: € 92.6 million). Domestic revenues increased by 16.8% to € 68.9 million (previous year: € 59.0 million). The international share of total revenues increased slightly to 63.8% (previous year: 61.1%).

In the EMEA (Europe, Middle East and Africa, excl. Germany) region revenues grew by 6.5% to € 45.0 million (previous year: € 42.3 million), in North America by 93.9% to € 50.1 million (previous year: € 25.8 million) and in the APAC (Asia Pacific) region by 7.9% to € 26.4 million (previous year: € 24.4 million).

OUTLOOK - FISCAL YEAR 2020

Due to the uncertainties caused by Covid-19, we have currently severely limited our M&A activities, which will have an impact on the planned revenue and EBITDA contribution from these deals. In the context of further cost reductions and preservation of liquidity, we have strongly reduced investments in new business areas such as xYTWO and are focusing on the further successful global expansion of the iMTWO segment.

Provided that the economic situation in our industry does not deteriorate due to the uncertainties of Covid-19, we confirm the outlook for 2020.

OTHER INFORMATION

We invite our shareholders to regularly follow the current development of the RIB Group using the IR presentations and definitions available on the Investor Relations website.

MAIN COMPONENTS OF THE FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the period: January 1, 2020 to September 30, 2020

figures in € thousand, unless otherwise indicated	3rd quarter 2020	3rd quarter 2019	9 months 2020	9 months 2019
Revenue	58,434	59,018	190,376	151,565
Cost of sales	-26,735	-26,733	-83,846	-74,145
Gross profit	31,699	32,285	106,530	77,420
Other operating income	2,194	1,394	10,675	4,503
Marketing and distribution costs	-13,547	-15,768	-39,766	-35,777
General administrative expenses	-6,299	-5,429	-21,786	-15,141
Research and development expenses	-7,272	-5,263	-18,656	-14,498
Other operating expenses	-2,079	-1,098	-3,513	-2,181
Financial income	232	154	560	916
Finance costs	-54	-103	-825	-345
Share of profit and losses of investments accounted for using the equity method	-48	93	-92	58
Profit before tax	4,827	6,265	33,128	14,955
Income taxes	-2,387	-2,608	-8,996	-6,737
Profit after tax	2,440	3,657	24,132	8,218
Profit attributable to non-controlling interests	341	-633	996	-460
Profit attributable to owners of the parent company	2,099	4,290	23,136	8,678
Result per share on the basis of the share earnings of the shareholders of RIB Software SE:				
basic	0.03 €	0.09 €	0.47 €	0.18 €
diluted	0.03 €	0.09 €	0.46 €	0.18 €

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2020 AND DECEMBER 31, 2019

Figures in € thousand	September 30, 2020	December 31, 2019
Goodwill	174,192	172,573
Other intangible assets	165,480	157,122
Property, plant and equipment	16,141	16,773
Right of use assets	14,682	15,185
Investment properties	6,645	6,956
Investments accounted for using the equity method	8,391	8,377
Other financial assets	4,597	11,837
Deferred tax assets	973	250
Total non-current assets	391,041	389,073
Inventories	2,585	2,807
Trade receivables	49,371	52,162
Income tax assets	1,766	2,635
Other financial assets	5,095	4,177
Available-for-sale non-current assets	2,683	2,797
Other non-financial assets	14,852	11,505
Cash and cash equivalents	226,211	123,821
Total current assets	302,563	199,904
Total assets	693,604	588,977

Figures in € thousand	September 30, 2020	December 31, 2019
Subscribed capital	52,069	51,899
Capital reserves	295,811	304,721
Retained earnings	166,766	84,780
Other equity components	-4,754	3,899
Treasury shares	-	-37,134
Equity attributable to owners of the parent company	509,892	408,165
Non-controlling interests	31,874	31,802
Total equity	541,766	439,967
Pension provisions	3,987	3,759
Bank liabilities	7,251	5,498
Other provisions	242	242
Other financial liabilities	6,667	20,025
Leasing liabilities	10,443	10,822
Deferred tax liabilities	25,082	26,728
Total non-current liabilities	53,672	67,074
Bank liabilities	418	438
Trade payables	16,887	21,713
Income tax liabilities	9,281	3,513
Other provisions	1,641	1,604
Deferred liabilities	13,580	13,916
Deferred income	29,580	22,460
Other financial liabilities	4,847	3,454
Leasing liabilities	4,967	5,060
Other liabilities	16,965	9,778
Total current liabilities	98,166	81,936
Total liabilities	151,838	149,010
Total equity and liabilities	693,604	588,977

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period: January 1, 2020 to September 30, 2020

	Figures in € thousand	9 months 2020	9 months 2019
Cash flows from operating activities:			
Profit before tax		33,128	14,955
Adjustments for:			
Depreciation of property, plant and equipment and rights of use		6,051	5,056
Amortisation of intangible assets		21,089	16,287
Depreciation of investment property		186	153
Changes in valuation allowances for trade receivables		7	110
Other non-cash items		-4,051	-3,802
Share of profit(-)/loss from associated companies		92	58
Interest expense and other finance cost		825	345
Financial income		-560	-916
		56,767	32,246
Changes in working capital:			
Increase/decrease(-) in provisions and deferred liabilities		1,134	751
Increase(-)/decrease in receivables and other assets		11,499	-4,615
Increase/decrease(-) in received prepayments		561	-972
Increase/decrease(-) in liabilities from trade payables and other liabilities		-2,708	4,403
Cash generated from operations		67,253	31,813
Interest paid		-723	-33
Interest received		454	740
Income taxes paid		-4,628	-6,987
Net cash flows from operating activities		62,356	25,533
Cash received from the sale of non-current assets		1,350	-
Payments made for the acquisition of tangible assets		-1,749	-1,386
Acquisition/production of intangible assets		-11,669	-8,264
Payments made for the acquisition of consolidated companies less cash acquired		-18,969	-75,621
Payments made for the acquisition of companies consolidated at equity		-	-4,111
Payments made for the acquisition of non-controlling interests without a change of control		-22,063	-2,000
Purchase(-)/sale of available-for-sale securities		-4	-12
Payments made for credits and loans granted		-1,244	-7,039
Payments received from financial investments as part of short-term treasury management		1,006	31,053
Payments made for financial investments as part of short-term treasury management		-490	-
Net cash flows from investing activities		-53,832	-67,380
Dividends paid		-5,796	-8,644
Payments to minority shareholders		-	-443
Payments made for redeeming other financial liabilities		-1,397	-1,495
Payments received from bank loans		2,688	-
Payments made for the repayment of bank loans		-957	-1,394
Payments made for lease liabilities		-4,679	-4,902
Payments made for the acquisition of treasury shares		-	-19,511
Payments received from the sale of treasury shares		104,498	-
Payments received from the exercise of stock options		170	7
Net cash flows used in financing activities		94,527	-36,382
Change in cash and cash equivalents impacting cash flow		103,051	-78,229
Cash and cash equivalents at the beginning of the period		123,821	205,245
Currency-related change in cash and cash equivalents		-661	3,677
Cash and cash equivalents at the end of the period		226,211	130,693
Composition of cash and cash equivalents:			
Liquid funds, unrestricted		202,223	127,497
Liquid funds, restricted		23,988	3,196
Total		226,211	130,693

SEGMENT INFORMATIONEN

Figures in € thousand	9 months 2020		
	iMTWO	xYTWO	Total
Revenue, external	184,858	5,518	190,376
ARR	108,752	345	109,097
Subscription	66,126	345	66,471
Support	39,057	-	39,057
Managed Services	3,569	-	3,569
NRR	38,310	-	38,310
Licenses	38,310	-	38,310
Services	37,797	-	37,797
E-commerce	-	5,173	5,173
Production costs	-77,100	-6,746	-83,846
ARR	-32,697	-2,256	-34,953
NRR	-13,404	-	-13,404
Services	-30,999	-	-30,999
E-commerce	-	-4,490	-4,490
Research and development expenses	-18,621	-34	-18,655
ARR	-5,488	-34	-5,522
NRR	-13,134	-	-13,134
Services	-	-	-
E-commerce	-	-	-
Distribution and marketing costs	-39,165	-600	-39,766
General administrative expenses	-21,298	-487	-21,786
Other operating income and expenses	6,818	343	7,162
EBIT segment	35,492	-2,006	33,485
Financial result	-	-	-357
thereof profit shares from investments accounted for using the equity method	82	-174	-92
Income taxes	-	-	-8,996
Consolidated net profit	-	-	24,132
EBITDA segment	60,183	443	60,626
EBITDA-margin	32.6%	8.0%	31.8%
Other segment information:			
Amortisation and adjustments	24,691	2,449	27,140

Figures in € thousand	9 months 2019		
	iMTWO	xYTWO	Total
Revenue, external	144,447	7,118	151,565
ARR	77,282	287	77,569
Subscription	39,230	287	39,517
Support	35,174	-	35,174
Managed Services	2,878	-	2,878
NRR	33,879	-	33,879
Licenses	33,879	-	33,879
Services	33,286	-	33,286
E-commerce	-	6,831	6,831
Production costs	-65,615	-8,530	-74,145
ARR	-21,999	-2,258	-24,257
NRR	-11,578	-	-11,578
Services	-32,038	-370	-32,408
E-commerce	-	-5,902	-5,902
Research and development expenses	-14,312	-186	-14,498
ARR	-4,314	-186	-4,500
NRR	-9,998	-	-9,998
Services	-	-	-
E-commerce	-	-	-
Distribution and marketing costs	-34,744	-1,033	-35,777
General administrative expenses	-14,315	-826	-15,141
Other operating income and expenses	2,325	-3	2,322
EBIT segment	17,786	-3,460	14,326
Financial result	-	-	629
thereof profit shares from investments accounted for using the equity method	58	-	58
Income taxes	-	-	-6,737
Consolidated net profit	-	-	8,218
EBITDA segment	36,795	-910	35,885
EBITDA-margin	25.5%	-12.8%	23.7%
Other segment information:			
Amortisation and adjustments	19,009	2,550	21,559

OTHER DISCLOSURES

AVERAGE NUMBER OF EMPLOYEES

	9 months 2020	9 months 2019
General administration	264	205
Research & development	522	405
Sales & marketing	347	287
Support & consulting	753	627
Total	1,886	1,524

REVENUE BY GEOGRAPHIC AREA

Revenue by geographic area (based on the location of customers) breaks down as follows:

	Figures in € thousand	9 months 2020	9 months 2019
EMEA (Europe, Middle East and Africa)		113,889	101,285
APAC (Asia and Pacific region)		26,375	24,434
North America		50,112	25,846
Total revenue		190,376	151,565

BUSINESS COMBINATIONS

In a contract dated June 9, 2020, the Group acquired 51% of the shares in Beijing Bochao Software Co., Ltd. The date of acquisition was July 6, 2020. For reasons of simplification, Bochaosoft has been included in the consolidated financial statements since July 1, 2020. The amount of the consideration for the acquisition of the shares has not yet been conclusively determined. We assume that it will amount to around € 25,246 thousand (CNY 200,000 thousand). This is a purchase price to be paid by transfer of liquid funds. A partial amount of around € 22,106 thousand was paid immediately after the acquisition date. The remaining purchase price instalments are due for payment in June 2021 and - if contractually agreed performance targets are achieved - in June 2022. If the performance targets are not met, the above purchase price is reduced by around € 1,048 thousand.

With regard to the remaining 49% of the shares, we have agreed conditional purchase obligations and rights with the remaining shareholders. According to these, we are obliged to acquire these shares in 2022, provided that Bochaosoft's annual results in 2020 and 2021 do not fall below agreed targets. The purchase price of the additional shares is then based on the enterprise value of Bochaosoft, which is calculated using a multiplier method based on Bochaosoft's earnings. The enterprise value was limited to a maximum amount of around € 88,360 thousand (CNY 700,000 thousand), so that the maximum purchase price for the 49% stake is around € 43,300 thousand (CNY 343,000 thousand). If the conditions of the purchase obligation are not met, the Group has a purchase option for the remaining 49% of the shares, i.e. in this case we are entitled but not obliged to purchase these shares. The call option can be exercised by us in two tranches in 2022 and 2023.

The option prices are also based on the enterprise value of Bochaosoft, which is calculated using the multiplier method.

Bochaosoft is one of the leading providers of digitisation solutions for the design, construction and maintenance phases in the engineering and construction sector. The company is also expanding into the Smart City sector, integrating IoT technologies. RIB and Bochaosoft share the common vision of digitisation in the building industry. Building on the development expertise and strong brand names of both companies, RIB and Bochaosoft will jointly strengthen the market position of iTWO 4.0 technology in China. In addition, Bochaosoft will use the worldwide network of RIB to expand its international market share within the framework of the Chinese initiative „One Belt, One Road“.

ACQUISITION OF NON-CONTROLLING INTERESTS

In January 2020, the Group acquired additional shares of 25% in RIB Leipzig GmbH. The shareholding thus increased from 75% to 100%. The carrying amount of the total net assets of RIB Leipzig GmbH in the Group at the time of acquisition was € 6,320 thousand. The change in the carrying amount of the non-controlling interests was recognised directly in equity and is shown below:

	thousand €
Carrying amount of non-controlling interests acquired	1,580
Purchase price paid for non-controlling interests	-4,600
Decrease in equity of the owners of the parent company	-3,020

In May 2020, the Group acquired additional shares amounting to 30% in Construction Computer Software (Pty) Limited, Johannesburg/South Africa (CCS). The shareholding thus increased from 70% to 100%. The carrying amount of the total net assets of CCS in the Group amounted to € 33,463 thousand at the time of acquisition; the carrying amount of the non-controlling interests acquired was € 10,039 thousand at the time of acquisition.

The Group acquired the 70% interest that existed before the increase in the shareholding in CCS in the 2019 financial year and thus gained control over CCS. In the course of this acquisition, reciprocal call and put options were agreed with regard to the 30% stake now acquired, which, under the original agreement, would have been exercisable in 2023. For the described put option, the Group recognized a financial liability of € 12,356 thousand at the acquisition date, the recognition of which led to a reduction in additional paid-in capital. For further details of the acquisition completed in fiscal 2019 and the financial liability recognized in this connection, please refer to Notes (7.B.) and (39) of our consolidated financial statements for the year ended December 31, 2019.

The increase in the shareholding from 70% to 100% in the period under review was carried out on the basis of the early exercise of the Group's purchase option by mutual agreement between the parties at a purchase price deviating from the original agreement. The disposal of the non-controlling interests acquired results in an increase in the parent company's equity in the amount of their carrying amount of € 10,039 thousand.

The purchase price paid for the acquired non-controlling interests was € 7,147 thousand. The financial liability recognised on the basis of the written put option had a carrying amount of € 12,390 thousand as at December 31, 2019, which was initially amortised on a scheduled basis to € 12,853 thousand up to the date of acquisition. The subsequent measurement of the financial liability at the time of acquisition resulted in a positive effect on earnings in the amount of the difference between the updated carrying amount of the financial liability and the purchase price actually payable. This income of € 5,706 thousand was recognized in these financial statements under other operating income.

In September 2020, the group acquired additional shares of 40% in Building Systems Design Inc., Atlanta/USA (hereinafter: BSD). The shareholding thus increased from 60% to 100%. The carrying amount of the total net assets of BSD in the group at the time of acquisition was € 5,875 thousand. The change in the carrying amount of the non-controlling interests was recognized directly in equity and is shown below:

	thousand €
Carrying amount of non-controlling interests acquired	2,350
Purchase price paid for non-controlling interests	-20,499
Decrease in equity of the owners of the parent company	-18,149

FURTHER INFORMATION

The Quarterly Statement and all information contained therein are unaudited.

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Translation of the original German version:

The English version of the Quarterly Statement is a translation of the original German version; in the event of variances, the German version shall take precedence over the English translation.

FINANCIAL CALENDAR 2020

30 April 2020	26 June 2020
Quarterly Statement (January - March 2020) Analyst Conference Call	Annual General Meeting
31 July 2020	30 October 2020
Interim Report (January - June 2020) Analyst Conference Call	Quarterly Statement (January - September 2020)

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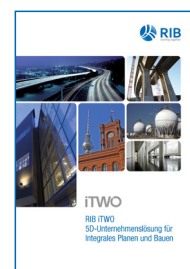
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Careers

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Product information and References

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