

RIB with strong revenue growth in Q1 2019

Recurring revenues increase by 67.8% to € 25.5 million

- Group revenues grow by 47.6% in the investment phase to € 46.5 million (previous year: € 31.5 million)
- Cloud revenues increase by 190.5% to € 12.2 million (previous year: € 4.2 million)
- Cloud and software revenues increase by 84.9% to € 22.0 million (previous year: € 11.9 million)
- Recurring revenues (ARR) increase significantly by 67.8% to € 25.5 million (previous year: € 15.2 million)
- EBITDA margin at 27.5% remains at a high level
- The number of MTWO/iTWO 4.0 platform users increases by 181.6% to 8,447 users

CONSOLIDATED FIGURES - OVERVIEW

€ million unless otherwise indicated	1st quarter 2019	1st quarter 2018	change
Revenue	46.5	31.5	47.6%
Software ARR	25.5	15.2	67.8%
Software NRR	9.9	7.7	28.6%
Services	8.8	6.5	35.4%
E-commerce	2.4	2.2	9.1%
EBITDA	12.8	9.8	30.6%
as % of revenue	27.5%	31.1%	
EBITDA adjusted for IFRS 16	11.5	9.8	17.3%
as % of revenue	24.7%	31.1%	
EBT	6.6	5.9	11.9%
as % of revenue	14.2%	18.7%	
Expenses from purchase price allocations (PPA amortisation)	2.3	1.0	130.0%
Cash flows from operating activities	24.7	23.5	5.1%
Group liquidity*	242.4	238.2	1.8%
Equity ratio**	79.7%	83.6%	
Average number of employees	1,274	890	43.1%

* Cash and cash equivalents, time deposits and available-for-sale securities. Previous year as of 31 December 2018

** Previous year as of 31 December 2018

BUSINESS DEVELOPMENT

THE RESULTS IN DETAIL - FIRST QUARTER 2019

The strong growth during the investment phase, with an average annual growth rate of 30-60% until 2022, continued successfully in the first quarter of 2019 following the strong Q4 2018.

Total revenues increased by 47.6% to € 46.5 million (previous year: € 31.5 million). Recurring revenues (ARR) grew by 67.8% to € 25.5 million (previous year: € 15.2 million), in particular due to the strong 190.5% increase in cloud revenues. Cloud and software revenues increased by 84.9% to € 22.0 million (previous year: € 11.9 million). Due to the high number of projects, service revenues continued to develop very positively by 35.4% to € 8.8 million (previous year: € 6.5 million).

EBITDA rose by 30.6% year-on-year to € 12.8 million (previous year: € 9.8 million). The EBITDA margin was 27.5%. Adjusted for IFRS 16, EBITDA grew by 17.3% to € 11.5 million, while the EBITDA margin of 24.7% during the investment phase was in the expected range of 20-30%. Of the start-up costs in the reporting segments xYTWO and iMTWO planned for 2019 in the amount of approx. € 5.0 million, € 1.2 million were incurred in the first quarter and included in the quarterly EBITDA.

Operating cash flow in the first three months amounted to € 24.7 million (previous year: € 23.5 million). At the end of the first quarter, Group liquidity amounted to € 242.4 million (previous year: € 238.2 million).

DEVELOPMENT OF THE SEGMENTS

In 2019, we adjusted and simplified our segment reporting to reflect our business development. In future, we will present two reporting segments:

iMTWO comprises our software business and

xYTWO comprises the operation of web-based platforms for the electronic mapping of business processes. The reporting segment comprises the two business segments xTWO (E-commerce) and YTWO (SCM).

In the future, revenues will be divided into **recurring revenues (ARR)** and **non-recurring revenues (NRR)**. ARR are revenues from Cloud, Support and Managed Services. The NRR include license revenues as well as service revenues and E-commerce revenues.

iMTWO

Total revenues in the iMTWO segment rose by 49.3% to € 43.9 million (previous year: € 29.4 million). Recurring revenues (ARR) increased by 66.4% to € 25.3 million (previous year: € 15.2 million). Non-recurring revenues (NRR) grew by 28.6% to € 9.9 million (previous year: € 7.7 million). The segment EBITDA rose by 31.3% to € 13.0 million (previous year: € 9.9 million). The EBITDA margin reached 29.6%.

The number of users of our new cloud-based MTWO and iTWO 4.0 platforms grew by 181.6% to 8,447 users and exceeded our expectations. Of the total users gained, 74.7% came from new customers and 25.3% from existing customers. For 2019, we plan to increase the total number of users from 3,000 in 2018 to 30,000 in 2019, to reach 100,000 in 2020, as already announced. The users will be acquired partly through new customer acquisition and partly through the migration of 500,000 existing users from other software applications within our Group.

In 2019, the focus will be on establishing a worldwide partner network to create the basis for the future worldwide distribution of iMTWO.

xYTWO

In the xYTWO segment, total revenues grew by 18.2% to € 2.6 million (previous year: € 2.2 million). The increase is mainly due to the continued positive business development in the xTWO area.

The segment EBIT amounted to € -1.1 million and continues to be strongly influenced by start-up costs in the YTWO area.

In April 2019, RIB announced a joint venture with Saint-Gobain, called SGTWO. SGTWO AG combines Saint-Gobain's expertise in innovative building solutions with RIB's 5D-BIM and AI technologies. With SGTWO, Saint-Gobain and RIB improve the efficiency of project planning and execution by creating a more realistic and better representation of the building than in a classic BIM model. In addition to optimized planning, the advantages of the new offer are the possibility of a constant and timely comparison of target and actual values. In particular, the area of modular construction methods is to be given greater support.

REVENUE DEVELOPMENT IN INDIVIDUAL REGIONS

Revenues abroad grew by 62.5% to € 26.0 million (previous year: € 16.0 million). Domestic revenues rose by 32.3% to € 20.5 million (previous year: € 15.5 million). The international share of total revenues increased to 55.9% (previous year: 50.8%).

In the EMEA region (Europe, Middle East and Africa) revenues grew by 33.6% to € 32.2 million (previous year: € 24.1 million), in North America by 69.7% and in the APAC region (Asia Pacific) by 121.4%.

FORECAST - 2019 FINANCIAL YEAR

Based on a very successful business development in the first quarter, we confirm our revenue forecast of € 180 million to € 200 million and an operating EBITDA of € 36 million to € 46 million. The development of the partner network is proceeding according to plan and the acquisition of additional users for our MTWO and iTWO 4.0 platforms runs very promising.

OTHER INFORMATION

We invite our shareholders to follow the RIB Group's current development on a regular basis through the IR presentations and definitions available on the Investor Relations website.

MAIN COMPONENTS OF THE FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the period: 01.01.2019 to 31.03.2019

figures in € thousand, unless otherwise indicated	3 months 2019	3 months 2018
Revenue	46,484	31,537
Cost of sales	-21,166	-12,178
Gross profit	25,318	19,359
Other operating income	2,014	957
Marketing and distribution costs	-11,079	-5,161
General administrative expenses	-4,820	-3,049
Research and development expenses	-4,607	-3,652
Other operating expenses	-484	-1,613
Financial income	388	81
Finance costs	-140	-88
Profit shares from investments accounted for using the equity method	0	-920
Profit before tax	6,590	5,914
Income taxes	-2,769	-2,261
Profit after tax	3,821	3,653
Loss attributable to non-controlling interests	-113	0
Profit attributable to owners of the parent company	3,934	3,653
Result per share on the basis of the share earnings of the shareholders of RIB Software SE:		
basic	0.08 €	0.08 €
diluted	0.08 €	0.08 €

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31.03.2019 AND 31.12.2018

Figures in € thousand	31 March 2019	31 December 2018
Goodwill	103,620	103,266
Other intangible assets	113,399	115,451
Property, plant and equipment	19,531	19,435
Rights of use	11,469	0
Investment properties	5,740	5,548
Investments accounted for using the equity method	0	0
Prepaid land use lease payments	935	899
Other financial assets	989	779
Deferred tax assets	912	620
Total non-current assets	256,595	245,998
Inventories	2,929	2,796
Trade receivables	36,440	37,773
Income tax assets	2,194	3,467
Other financial assets	34,112	34,014
Other non-financial assets	6,861	4,203
Cash and cash equivalents	209,409	205,245
Total current assets	291,945	287,498
Total assets	548,540	533,496

Figures in € thousand	31 March 2019	31 December 2018
Subscribed capital	51,741	51,741
Capital reserves	317,199	316,734
Retained earnings	90,083	85,246
Other equity components	4,364	2,635
Treasury shares	-38,195	-22,378
Equity attributable to owners of the parent company	425,192	433,978
Non-controlling interests	11,749	11,780
Total equity	436,941	445,758
Pension provisions	3,428	3,456
Bank liabilities	4,800	4,800
Other provisions	230	223
Other financial liabilities	5,417	5,381
Leasing liabilities	5,930	0
Deferred tax liabilities	18,848	18,772
Total non-current liabilities	38,653	32,632
Bank liabilities	400	400
Trade payables	10,440	10,137
Income tax liabilities	3,130	2,566
Other provisions	1,534	1,018
Deferred liabilities	8,596	10,858
Deferred income	29,869	12,532
Other financial liabilities	2,938	6,572
Leasing liabilities	4,637	0
Other liabilities	11,402	11,023
Total current liabilities	72,946	55,106
Total liabilities	111,599	87,738
Total equity and liabilities	548,540	533,496

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period: 01.01.2019 to 31.03.2019

	Figures in € thousand	3 months 2019	3 months 2018
Cash flows from operating activities:			
Profit before tax		6,590	5,914
Adjustments for:			
Depreciation of property, plant and equipment and rights of use		1,537	265
Amortisation of intangible assets		4,794	2,633
Depreciation of investment property		69	41
Changes in valuation allowances for trade receivables		50	60
Other non-cash items		-1,790	4,286
Interest expense and other finance cost		140	88
Financial income		-388	-81
		11,002	13,206
Working capital adjustments:			
Increase/decrease(-) in provisions and deferred liabilities		-1,930	-1,958
Increase(-)/decrease in receivables and other assets		-615	-3,103
Increase/decrease(-) in received prepayments		415	841
Increase/decrease(-) in liabilities from trade payables and other liabilities		17,678	16,802
Cash generated from operations		26,550	25,788
Interest paid		-42	-59
Interest received		231	54
Income taxes paid		-2,070	-2,296
Net cash flows from operating activities		24,669	23,487
Proceeds from the disposal of non-current assets		18	0
Purchase of property, plant and equipment		-136	-92
Purchase/production of intangible assets		-2,316	-2,248
Payments made for the acquisition of consolidated companies less cash acquired		0	-2,450
Payments received from financial investments as part of current treasury management		0	16,400
Payments made for financial investments as part of current treasury management		0	-16,306
Net cash flows from investing activities		-2,434	-4,696
Payments received from capital increase		0	131,167
Payments made for capital increase expense		0	-4,263
Payments for the repayment of other financial liabilities		-32	0
Payments made for the repayment of bank loans		0	-100
Payments made for lease liabilities		-1,038	0
Payments made for the acquisition of treasury shares		-19,511	0
Net cash flows used in financing activities		-20,581	126,804
Change in cash and cash equivalents impacting cash flow		1,654	145,595
Cash and cash equivalents at the beginning of the period		205,245	100,459
Currency-related change in cash and cash equivalents		2,510	-1,474
Cash and cash equivalents at the end of the period		209,409	244,580
Composition of cash and cash equivalents:			
Liquid funds, unrestricted		206,701	241,231
Liquid funds, restricted		2,708	3,349
Total		209,409	244,580

SEGMENT INFORMATIONEN

	3 months 2019		
	iMTWO	xYTWO	Total
Figures in € thousand			
Revenue, external	43,879	2,605	46,484
SW-ARR	25,257	245	25,502
Cloud	11,912	245	12,157
Support	11,281	-	11,281
Managed Services	2,064	-	2,064
SW-NRR	9,861	0	9,861
Licenses	9,861	-	9,861
Services	8,761	-	8,761
E-commerce	0	2,360	2,360
Production costs	-18,205	-2,961	-21,166
SW-ARR	-7,899	-745	-8,644
SW-NRR	-3,279	-	-3,279
Services	-7,027	-156	-7,183
E-commerce	-	-2,060	-2,060
Research and development expenses	-4,544	-63	-4,607
SW-ARR	-2,171	-63	-2,234
SW-NRR	-2,373	-	-2,373
Services	-	-	0
E-commerce	-	-	0
Distribution and marketing costs	-10,669	-410	-11,079
General administrative expenses	-4,564	-256	-4,820
Other operating income and expenses	1,529	1	1,530
EBIT segment	7,426	-1,084	6,342
Financial result			248
thereof profit shares from investments accounted for using the equity method	-	-	0
Income taxes			-2,769
Consolidated net profit			3,821
EBITDA segment	13,015	-232	12,783
EBITDA-margin	29.7%	-8.9%	27.5%
Other segment information:			
Amortisation and adjustments	5,589	852	6,441

Figures in € thousand	3 months 2018		
	iMTWO	xYTWO	Total
Revenue, external	29,364	2,173	31,537
SW-ARR	15,178	0	15,178
Cloud	4,199	-	4,199
Support	10,979	-	10,979
Managed Services	-	-	0
SW-NRR	7,719	0	7,719
Licenses	7,719	-	7,719
Services	6,467	-	6,467
E-commerce	0	2,173	2,173
Production costs	-10,340	-1,838	-12,178
SW-ARR	-2,097	-	-2,097
SW-NRR	-3,309	-	-3,309
Services	-4,934	-	-4,934
E-commerce	-	-1,838	-1,838
Research and development expenses	-3,652	0	-3,652
SW-ARR	-1,733	-	-1,733
SW-NRR	-1,919	-	-1,919
Services	-	-	0
E-commerce	-	-	0
Distribution and marketing costs	-4,834	-327	-5,161
General administrative expenses	-2,907	-142	-3,049
Other operating income and expenses	-686	30	-656
EBIT segment	6,945	-104	6,841
Financial result			-927
thereof profit shares from investments accounted for using the equity method	-	-920	-920
Income taxes			-2,261
Consolidated net profit			3,653
EBITDA segment	9,850	-68	9,782
EBITDA-margin	33.5%	-3.1%	31.0%
Other segment information:			
Amortisation and adjustments	2,905	36	2,941
Carrying amount of participation in the former joint venture Y TWO accounted for using the equity method		29,099	29,099

OTHER DISCLOSURES

AVERAGE NUMBER OF EMPLOYEES

	3 months 2019	3 months 2018
General administration	175	115
Research & development	388	367
Sales & marketing	253	159
Support & consulting	458	249
Total	1,274	890

REVENUE BY GEOGRAPHIC AREA

Revenue by geographic area (based on the location of customers):

	Figures in € thousand	3 months 2019	3 months 2018
EMEA (Europe, Middle East and Africa)		32,173	24,136
APAC (Asia and Pacific region)		7,502	3,389
North America		6,809	4,012
Total revenue		46,484	31,537

ACCOUNTING OF LEASE TRANSACTIONS ACCORDING TO IFRS 16

As of 01 January 2019, the Group applied the new IFRS 16 standard for the accounting of leases for the first time. The Group made use of the simplification provisions on initial application and therefore did not adjust previous periods.

The application of IFRS 16 as of 01 January 2019 resulted in the initial capitalization of rights of use in the amount of €12,538 thousand and the recognition of lease liabilities in the amount of €10,567 thousand.

In the first quarter of 2019, the Group recognized depreciation expense for rights of use in the amount of € 1,155 thousand and interest expense for lease liabilities in the amount of € 42 thousand in the income statement.

As a result of IFRS 16, operating cash flow increased by €1,038 thousand and cash flow from financing activities decreased by €1,038 thousand.

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 2019

30 April 2019	15 May 2019
Quarterly Statement (January - March 2019) Analyst Conference Call	Annual General Meeting
31 July 2019	30 October 2019
Interim Report (January - June 2019) Analyst Conference Call	Quarterly Statement (January - September 2019) Analyst Conference Call

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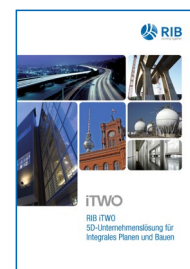
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Product information and References

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