

RIB with strong revenue growth in Q1 2020

Recurring revenues increase by 58.4% to € 40.4 million

- RIB Care FFP2 respirator masks have successfully arrived in Europe*
- After the first acceptance period, Schneider Electric reached around 76.63% of RIB shares
- Recurring revenues (ARR) increase significantly by 58.4% to € 40.4 million (previous year: € 25.5 million)
- International revenues grow by 71.5% to € 44.6 million (previous year: € 26.0 million)
- Group revenue increases by 39.8% to € 65.0 million (previous year: € 46.5 million)
- The number of MTWO/iTWO 4.0 platform users grows by 17.7% to 81,586 users (31.12.2019: 69,337)

CONSOLIDATED FIGURES - OVERVIEW

€ million unless otherwise indicated	1st quarter 2020	1st quarter 2019	change
Revenue	65.0	46.5	39.8%
ARR	40.4	25.5	58.4%
NRR	8.7	9.9	-12.1%
Services	13.7	8.8	55.7%
E-commerce	2.1	2.4	-12.5%
EBITDA	15.6	12.8	21.9%
as % of revenue	24.0%	27.5%	
Operating EBITDA**	15.8	11.6	36.2%
as % of revenue	24.3%	24.9%	
EBIT adjusted for PPA-Afa	10.6	8.6	23.3%
as % of revenue	16.3%	18.5%	
Expenses from purchase price allocations (PPA amortisation)	4.0	2.3	73.9%
Cash flows from operating activities	24.5	24.7	-0.8%
Group liquidity***	139.3	125.8	10.7%
Equity ratio****	72.5%	74.7%	
Average number of employees	1,827	1,274	43.4%

* You can find further information on our website at www.rib-software.com/group/ueber-rib/engagement/rib-care.
or in the video for RIB Care: <https://youtu.be/lsB-Zt6xXUY>

** EBITDA adjusted for currency effects and one-off/special effects

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

**** Previous year as of 31 December 2019

BUSINESS DEVELOPMENT

THE RESULTS IN DETAIL - FIRST QUARTER 2020

Total revenues increased by 39.8% to € 65.0 million (previous year: € 46.5 million). Recurring revenues (ARR) grew by 58.4% to € 40.4 million (previous year: € 25.5 million). The ARR and NRR revenues increased by 38.7% to € 49.1 million (previous year: € 35.4 million). Service revenues grew by 55.7% to € 13.7 million (previous year: € 8.8 million). The organic growth ARR amounts to 9.0%. EBITDA increased by 21.9% to € 15.6 million (previous year: € 12.8 million). The EBITDA margin of 24.0% during the investment phase was in the expected range of 20-25%. The iMTWO segment EBITDA increased by 20% to € 15.6 million (previous year: € 13.0 million).

At the end of the first quarter, group liquidity amounted to € 139.3 million (31.12.2019: € 125.8 million). The average number of employees changed by 43.4% to 1,827 (previous year: 1,274).

DEVELOPMENT OF THE SEGMENTS

iMTWO

Total revenues in the iMTWO segment increased by 43.1% to € 62.8 million (previous year: € 43.9 million). Recurring revenues (ARR) increased by 59.7% to € 40.4 million (previous year: € 25.3 million). Due to the gradual transformation from NRR to ARR, non-recurring revenues (NRR) fell by 12.1% to € 8.7 million (previous year: € 9.9 million). The EBITDA margin reached 24.8%.

The number of users of our new cloud-based MTWO and iTWO 4.0 platforms grew by 17.7% from 69,337 to 81,586 users compared to the end of the year, thus already reaching 81.5% of our target of 100,000 users in 2020. The users will be 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 sales decreased by 19.2% to € 2.1 million (previous year: € 2.6 million). The segment EBITDA was zero and is still strongly influenced by start-up costs in the YTWO segment. Within the scope of further cost reductions and the preservation of liquidity, we have significantly reduced investments in new business areas such as xYTWO and are focusing on the successful expansion of the iMTWO segment.

REVENUE DEVELOPMENT IN INDIVIDUAL REGIONS

Abroad revenues grew by 71.7% to € 44.6 million (previous year: € 26.0 million). Domestic revenues remained roughly at the previous year's level of around € 20.3 million (previous year: € 20.5 million). The international share of total revenues increased to 68.7% (previous year: 55.9%).

In the EMEA (Europe, Middle East and Africa) region, revenues grew by 11.3% to € 35.8 million (previous year: € 32.2 million), in North America by 165.9% and in the APAC (Asia Pacific) region by 47.6%.

FORECAST - 2020 FINANCIAL YEAR

Takeover offer by Schneider Electric

Schneider Electric completed the original acceptance period, which expired on 22 April 2020, with a stake of around 76,63% of RIB shares. Shareholders who have not yet accepted the offer can still do so during the Additional Acceptance Period, which ends on 11 May 2020. They will then receive the full offer price of € 29.00. As a result of the already very high acceptance rate, the RIB shares will have only very limited liquidity on the stock exchange after the closing of the Offer. As a result, significant price fluctuations may occur. A steady price development, which would guarantee the subsequent sale of RIB shares at favourable conditions, is then no longer guaranteed.

Further business development

Due to the uncertainties caused by Covid-19, we have severely limited our M&A activities at this time, which in turn will have an impact on the planned revenue and EBITDA contribution from these deals. In the context of further cost reductions and liquidity protection we have reduced investments in new business areas such as xYTWO and focus on the successful expansion of the iMTWO segment. In this context we plan to discontinue or sell the physical trading business in segment xYTWO, which does not contribute to EBITDA.

As we are currently unable to make a reliable estimate of the impact the rapid global spread of the corona virus will have on the economic development of the RIB Group, these forecasts are subject to risks. For this reason, we have suspended the guidance dated 13 February 2020 until further notice. If necessary, the RIB Group will issue new guidance for 2020 at the Annual General Meeting in June.

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: 01.01.2020 to 31.03.2020

figures in € thousand, unless otherwise indicated	3 months 2020	3 months 2019
Revenue	64,983	46,484
Cost of sales	-29,356	-21,166
Gross profit	35,627	25,318
Other operating income	1,096	2,014
Marketing and distribution costs	-15,613	-11,079
General administrative expenses	-7,754	-4,820
Research and development expenses	-5,612	-4,607
Other operating expenses	-1,107	-484
Financial income	128	388
Finance costs	-417	-140
Profit shares from investments accounted for using the equity method	24	0
Profit before tax	6,372	6,590
Income taxes	-3,051	-2,769
Profit after tax	3,321	3,821
Profit/Loss attributable to non-controlling interests	567	-113
Profit attributable to owners of the parent company	2,754	3,934
Result per share on the basis of the share earnings of the shareholders of RIB Software SE:		
basic	0.06 €	0.08 €
diluted	0.06 €	0.08 €

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31.03.2020 AND 31.12.2019

Figures in € thousand	31 March 2020	31 December 2019
Goodwill	169,931	172,573
Other intangible assets	149,380	157,122
Property, plant and equipment	16,494	16,773
Rights of use	14,948	15,185
Investment properties	6,977	6,956
Investments accounted for using the equity method	8,489	8,377
Other financial assets	13,696	11,837
Deferred tax assets	248	250
Total non-current assets	380,163	389,074
Inventories	2,969	2,807
Trade receivables	56,692	52,162
Income tax assets	2,662	2,635
Other financial assets	4,055	4,177
Non-current assets held for sale	2,867	2,797
Other non-financial assets	14,886	11,505
Cash and cash equivalents	136,982	123,821
Total current assets	221,113	199,904
Total assets	601,276	588,978

Figures in € thousand	31 March 2020	31 December 2019
Subscribed capital	51,899	51,899
Capital reserves	302,280	304,721
Retained earnings	87,534	84,780
Other equity components	428	3,899
Treasury shares	-35,979	-37,134
Equity attributable to owners of the parent company	406,162	408,165
Non-controlling interests	29,635	31,802
Total equity	435,797	439,967
Pension provisions	3,835	3,759
Bank liabilities	5,064	5,498
Other provisions	242	242
Other financial liabilities	20,280	20,025
Leasing liabilities	9,646	10,822
Deferred tax liabilities	24,535	26,728
Total non-current liabilities	63,602	67,074
Bank liabilities	1,349	438
Trade payables	20,546	21,713
Income tax liabilities	3,544	3,513
Other provisions	1,731	1,604
Accruals	14,357	13,916
Deferred income	43,043	22,460
Other financial liabilities	2,949	3,454
Leasing liabilities	5,098	5,060
Other liabilities	9,260	9,778
Total current liabilities	101,877	81,936
Total liabilities	165,479	149,010
Total equity and liabilities	601,276	588,977

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period: 01.01.2020 to 31.03.2020

	Figures in € thousand	3 months 2020	3 months 2019
Cash flows from operating activities:			
Profit before tax		6,372	6,590
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of rights of use from leases		1,973	1,537
Amortisation / adjustments of intangible assets		7,006	4,794
Depreciation of investment property		33	69
Changes in valuation allowances for trade receivables		70	50
Other non-cash items		-478	-1,790
Share of profit(-)/loss from associated companies		-24	0
Interest expense and other finance cost		417	140
Financial income		-128	-388
		15,241	11,002
Changes in working capital:			
Increase/decrease(-) in provisions and deferred liabilities		-459	-1,930
Increase(-)/decrease in receivables and other assets		-6,243	-615
Increase/decrease(-) in received payments		-98	415
Increase/decrease(-) in liabilities from trade payables and other liabilities		18,301	17,678
Cash generated from operations		26,742	26,550
Interest paid		-390	-42
Interest received		127	231
Income taxes paid		-1,969	-2,070
Net cash flows from operating activities		24,510	24,669
Cash received from the sale of non-current assets		0	18
Payments made for the acquisition of tangible assets		-404	-136
Acquisition/production of intangible assets		-3,623	-2,316
Payments made for the acquisition of consolidated companies less cash acquired		-1,412	0
Payments made for the acquisition of non-controlling interests without a change of control		-2,300	0
Payments made for credits and loans granted		-1,154	0
Payments received from financial investments as part of current treasury management		0	0
Payments made for financial investments as part of current treasury management		-352	0
Net cash flows from investing activities		-9,245	-2,434
Payments for the repayment of other financial liabilities		-409	-32
Cash received from bank liabilities		913	0
Payments for the repayment of bank loans		-440	0
Payments for leasing liabilities		-1,615	-1,038
Payments for the acquisition of own shares		0	-19,511
Net cash flows used in financing activities		-1,551	-20,581
Change in cash and cash equivalents impacting cash flow		13,714	1,654
Cash and cash equivalents at the beginning of the period		123,821	205,245
Currency-related change in cash and cash equivalents		-553	2,510
Cash and cash equivalents at the end of the period		136,982	209,409
Composition of cash and cash equivalents:			
Liquid funds, unrestricted		132,982	206,701
Liquid funds, restricted		4,000	2,708
Total		136,982	209,409

SEGMENT INFORMATIONEN

	3 months 2020		
	iMTWO	xYTWO	Total
Figures in € thousand			
Revenue, external	62,849	2,134	64,983
ARR	40,397	0	40,397
Subscription	25,582	0	25,582
Support	13,534	0	13,534
Managed Services	1,281	0	1,281
NRR	8,740	0	8,740
Licenses	8,740	0	8,740
Services	13,712	0	13,712
E-Commerce	0	2,134	2,134
Production costs	-26,743	-2,613	-29,356
ARR	-11,041	-766	-11,807
NRR	-4,627	0	-4,627
Services	-11,075	0	-11,075
E-Commerce	0	-1,847	-1,847
Research and development expenses	-5,598	-14	-5,612
ARR	-1,763	-14	-1,777
NRR	-3,835	0	-3,835
Services	0	0	0
E-Commerce	0	0	0
Distribution and marketing costs	-15,340	-273	-15,613
General administrative expenses	-7,550	-204	-7,754
Other operating income and expenses	-101	90	-11
EBIT segment	7,517	-880	6,637
Financial result			-265
thereof profit shares from investments accounted for using the equity method	82	-58	24
Income taxes			-3,051
Consolidated net profit			3,321
EBITDA segment	15,633	-17	15,616
EBITDA-margin	24,9%	-0,8%	24,0%
Other segment information:			
Amortisation and adjustments	8,116	863	8,979

Figures in € thousand	3 months 2019		
	iMTWO	xYTWO	Total
Revenue, external	43,879	2,605	46,484
ARR	25,257	245	25,502
Cloud	11,912	245	12,157
Support	11,281	0	11,281
Managed Services	2,064	0	2,064
NRR	9,861	0	9,861
Licenses	9,861	0	9,861
Services	8,761	0	8,761
E-Commerce	0	2,360	2,360
Production costs	-18,205	-2,961	-21,166
ARR	-7,899	-745	-8,644
NRR	-3,279	0	-3,279
Services	-7,027	-156	-7,183
E-Commerce	0	-2,060	-2,060
Research and development expenses	-4,544	-63	-4,607
ARR	-2,171	-63	-2,234
NRR	-2,373	0	-2,373
Services	0	0	0
E-Commerce	0	0	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

OTHER DISCLOSURES

AVERAGE NUMBER OF EMPLOYEES

	3 months 2020	3 months 2019
General administration	263	175
Research & development	457	388
Sales & marketing	349	253
Support & consulting	758	458
Total	1,827	1,274

REVENUE BY GEOGRAPHIC AREA

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

	Figures in € thousand	3 months 2020	3 months 2019
EMEA (Europe, Middle East and Africa)		35,803	32,173
APAC (Asia and Pacific region)		11,072	7,502
North America		18,108	6,809
Total revenue		64,983	46,484

INTEGRATION TECHNOLOGIES CORP.

With the contract dated January 16, 2020, the Group acquired 60% of the shares in Integration Technologies Corp. Puerto Rico (hereinafter: Intech). The purchase price for the acquisition of the shares amounted to approximately €1,630 thousand (USD 1,800 thousand) and was paid by transfer of cash.

With regard to the remaining 40% of the shares, we have concluded a purchase option with the remaining shareholders, which can be exercised in 2024 under certain conditions.

The investment in Intech is a further acquisition of the RIB Group in the iMTWO sector. Intech will offer Infrastructure as a Service to MTWO customers, with a 24/7 fully managed service network, firewall, contact center, cyber security, back and recovery, cloud platforms and digital transformation solutions and services. Intech will be integrated into the RIB MTWO cloud and web services ecosystem.

FURTHER INFORMATION

The quarterly statement and all information contained therein are unaudited.

IMPRINT

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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

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

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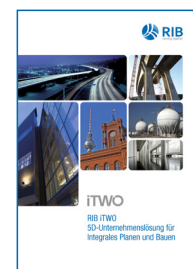
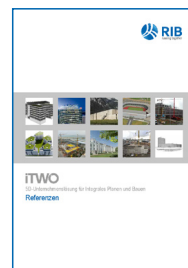
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Product information and References

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