

The background of the slide is a photograph of a modern building with a wooden slat facade. A large orange star logo is mounted on the wall above the word 'nedap' in blue lowercase letters. In the foreground, there is a paved plaza with a small fountain and a bronze sculpture of two figures. Lush green trees are visible on the right side of the image.

Nedap Investor Presentation

December 2020



Disclaimer

- Any forward-looking statements in this presentation refer to future events and may be expressed in a variety of ways, such as “expects”, “projects”, “anticipates”, “intends” or other similar words (“Forward-looking statements”). Nedap N.V. (“Nedap”) has based these forward-looking statements on its current expectations and projections about future events. Nedap’s expectations and projections may change and Nedap’s actual results, performance or achievements could differ from the results expressed in, or implied by, these forward-looking statements, due to possible risks and uncertainties and other important factors which are neither manageable nor foreseeable by Nedap and some of which are beyond Nedap’s control.
- In view of these uncertainties, no certainty can be given about Nedap’s future results or financial position. We advise you to treat Nedap’s forward-looking statements with caution, as they speak only as of the date on which the statements are made. Nedap is under no obligation to update or revise publicly any forward- looking statement, whether as a result of new information, future events or otherwise, except as may be required under applicable (securities) legislation.
- Nedap N.V. (“Nedap”)
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A photograph of a modern office interior. In the foreground, two men are seated at a white table, engaged in conversation. The man on the left is wearing glasses and a light-colored patterned shirt, smiling. The man on the right is wearing a blue patterned shirt and jeans. On the table between them are a laptop, a yellow mug, and some papers. In the background, another person is seated at a desk, working on a laptop. A large potted plant with tall, thin green leaves is positioned behind the table. The office has large windows and a blue carpet.

Nedap at a Glance

Key Facts



Founded in
1929



Listed since
1947



800±
employees



**Headquarters in Groenlo,
The Netherlands**

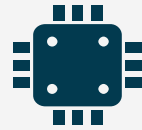
Offices in Belgium, China, Dubai,
Germany, Hong Kong, the
Netherlands, Spain, UK and the
U.S.A.



High-tech
company



Creating hardware
& software



4 core
technologies



Leading
positions in 7
selected niche
markets



Entrepreneurial,
innovative
culture



Attracting the
brightest minds
in our industry

Revenue

(2019)

€ 191.5 million

Market Cap

(31-12-2020)

€ 341 million

Operating Profit

(2019)

€ 17.5 million

ROIC

(2019)

25%

Board of Directors



Ruben Wegman (1966, CEO)

Joined Nedap in 1997, CEO since 2009

- Nedap board member since 2002
- Several management positions at Nedap since 1997
- Started career at Shell
- Graduated in Computer Sciences
- Various executive programs, including INSEAD and IMD



Daniëlle van der Sluijs (1972, CFO)

Joined Nedap in 2020

- Nedap board member since 2020
- Previously Group Finance Director at ForFarmers N.V.
- Several financial positions at Numico, Crucell and the Port of Rotterdam Authority
- Graduated in Business Administration, completed Executive Master of Finance & Control at VU and completed New Board Program at Nijenrode

Strategy

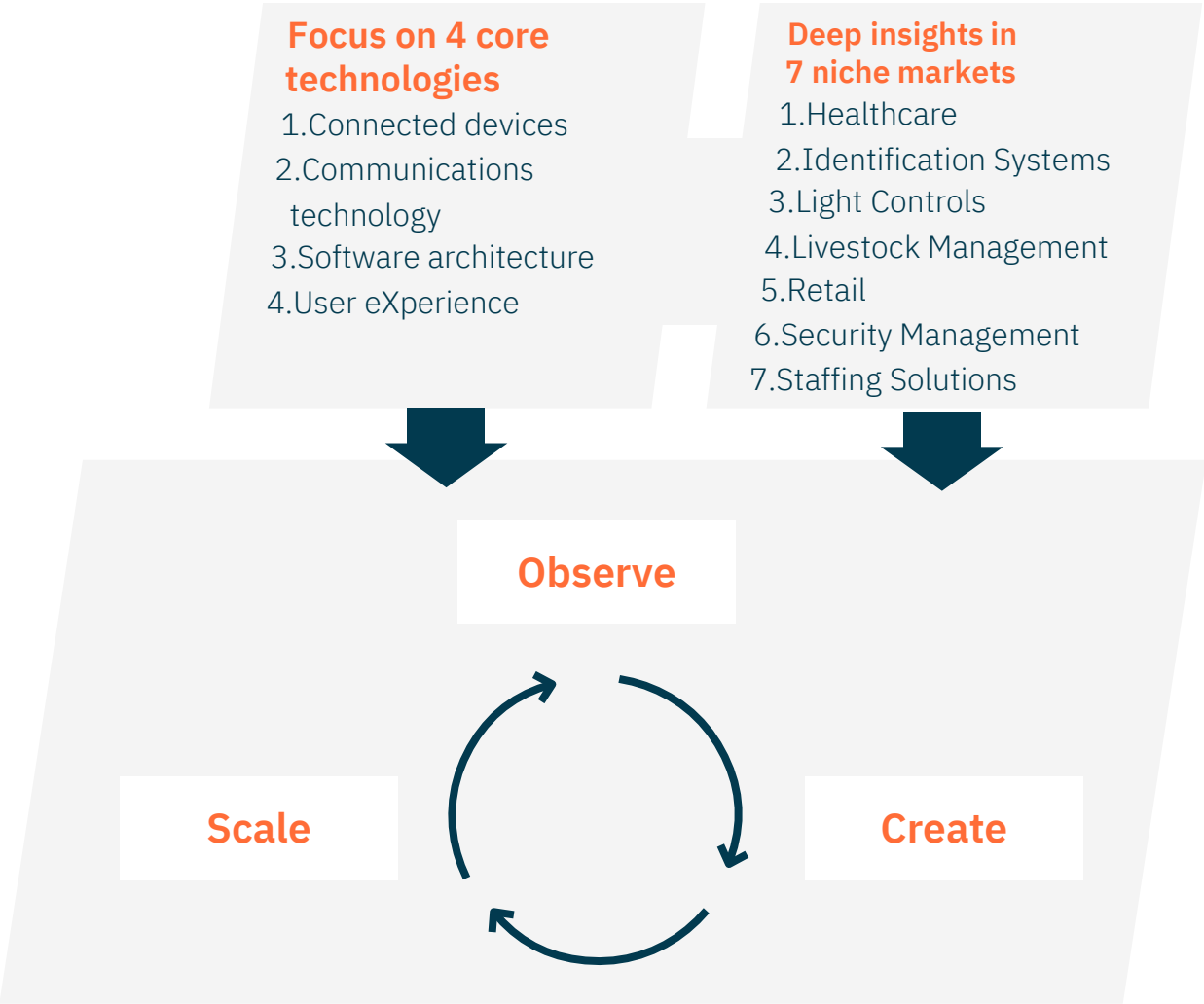


Technology for Life

- Nedap focuses on the development and supply of Technology for Life: technological solutions that make people more comfortable and successful in their professional lives.
- The starting point is always ‘first people, then technology’. What we develop and create must be of added value for people – with their individual talents, skills and ambitions
- Our propositions are built by combining 4 core technologies and deep insights in 7 niche markets
- Our ambition is creating winning platforms centered around our hard- and software capabilities, by:
 - building eco-systems with business and technology partners
 - nurturing an entrepreneurial culture
 - employing the brightest minds in our industry

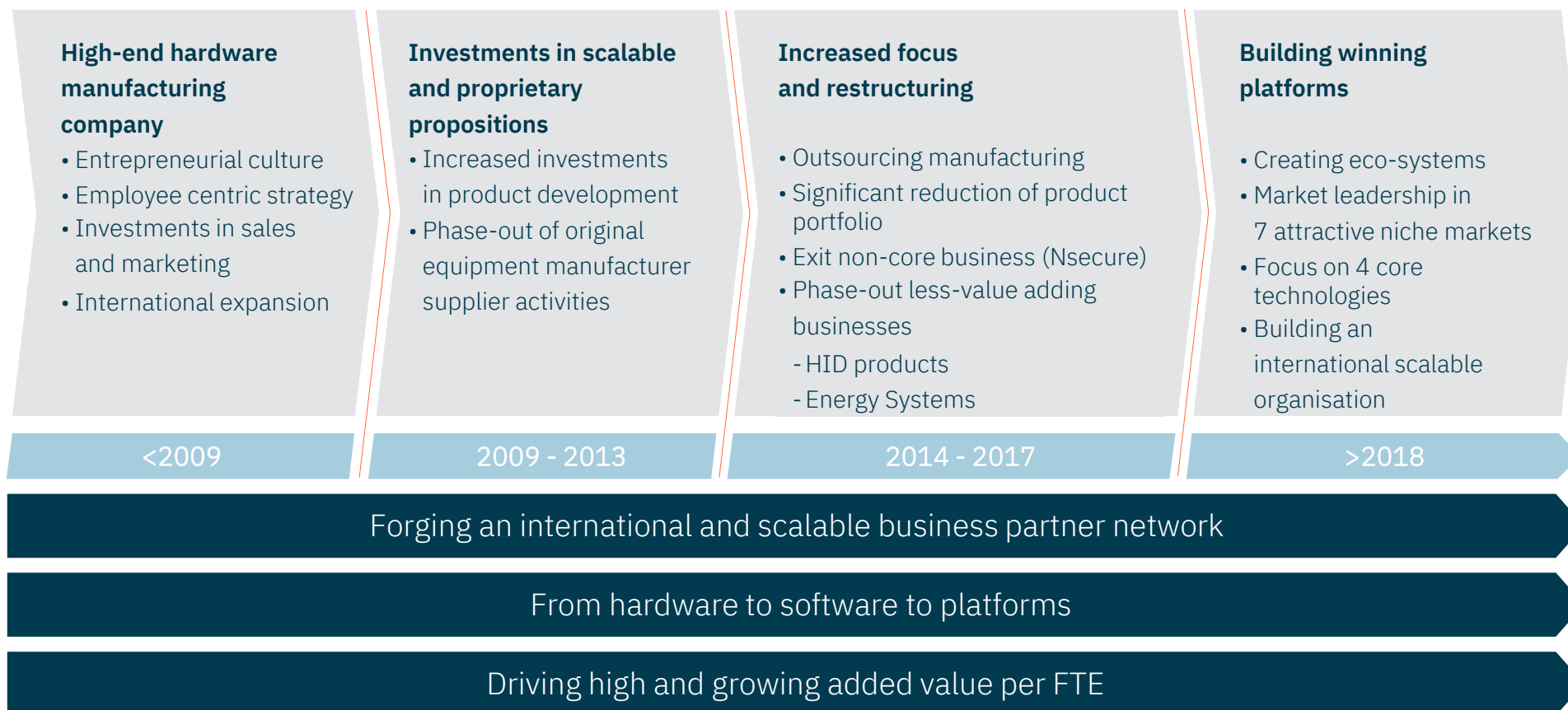
Strategic Framework

Building winning platforms



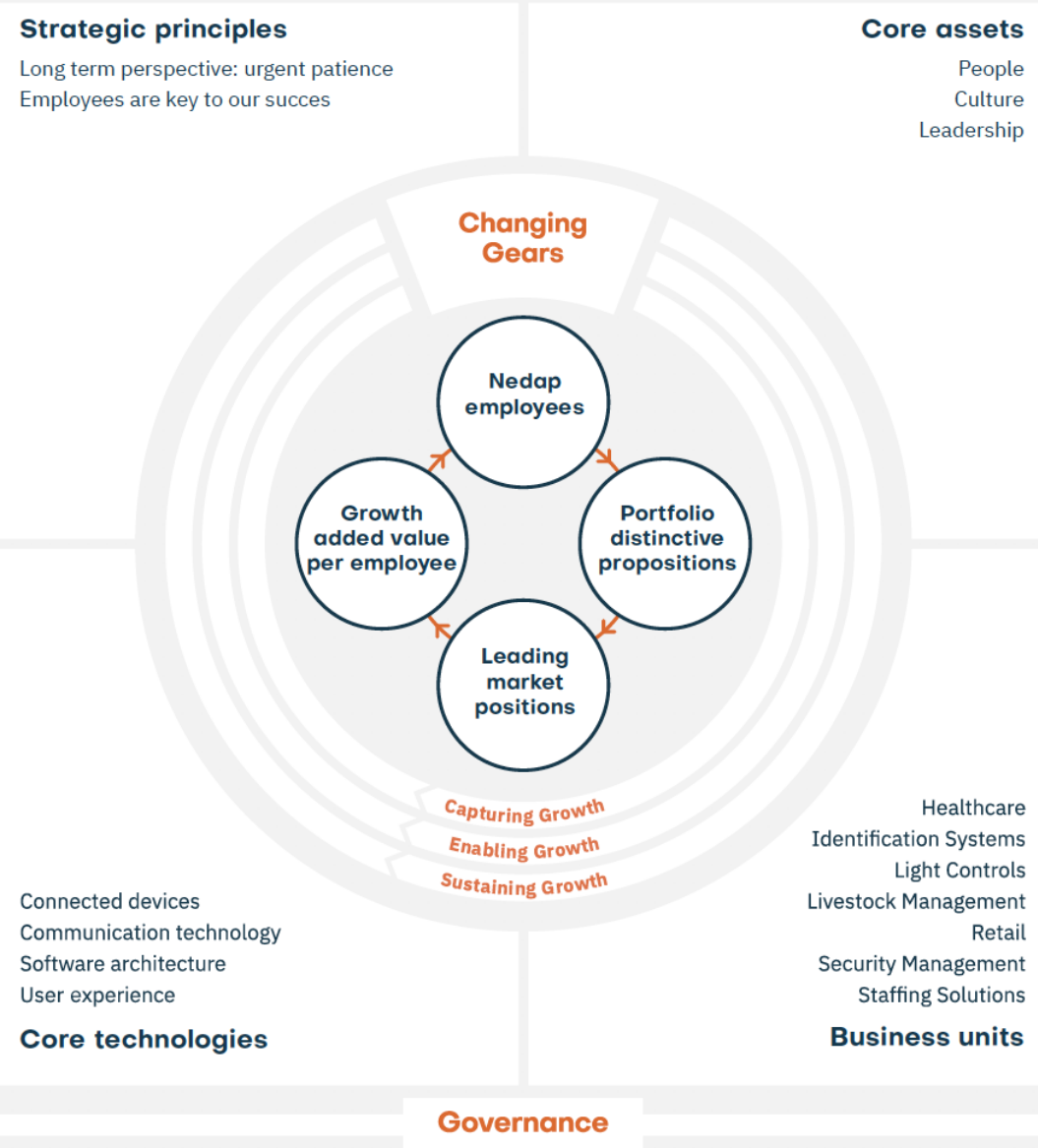
Strategic Intent

Evolving from hardware manufacturer to provider of scalable and proprietary propositions



Value Creation Model

Capturing growth by the synergy of Nedap employees and culture



Overview Business Units

Business units	Size*	Niche market	Solutions	Competitive position	Typology
Healthcare	10-20%	Long term care providers	Electronic Health Record cloud solution for administrative, logistic and care processes at care providers	- #1 in elderly care, #1 in disabled care - New entrant in mental healthcare	Scale-up Start-up
Identification Systems	10-20%	(Local) Governments and larger companies in parking, industry and security	Vehicle identification, detection and access control technology and management solutions	- #1 in wireless parking sensors - Global leader in identification of vehicles	Start-up Scale-up
Light Controls	10-20%	General industries, water treatment companies and retail	Power electronics and control systems for the lighting industry	- #1 in high-power UV power supplies - Leading position in connected lighting	Scale-up Start-up
Livestock Management	>20%	Management of cows and pigs	Automation of livestock management processes	- #1 in dairy farming sensors - #1 in pig feeding/sensing farming systems	Scale-up Scale-up
Retail	>20%	International fashion and food retailers	Security, management and information systems for the retail sector	- Top-3 player in anti-shop lifting solutions - Leading position in inventory visibility & control	Scale-up Start-up
Security Management	10-20%	Larger companies, financial institutions and governments	Physical security systems	- Top-3 player	Scale-up
Staffing Solutions	<10%	Employment agencies & distribution, logistics and production organisations	Digitized forecasting, rostering and time scheduling.	Largest independent solution	Start-up

*% of revenue

Nedap Investment Proposition

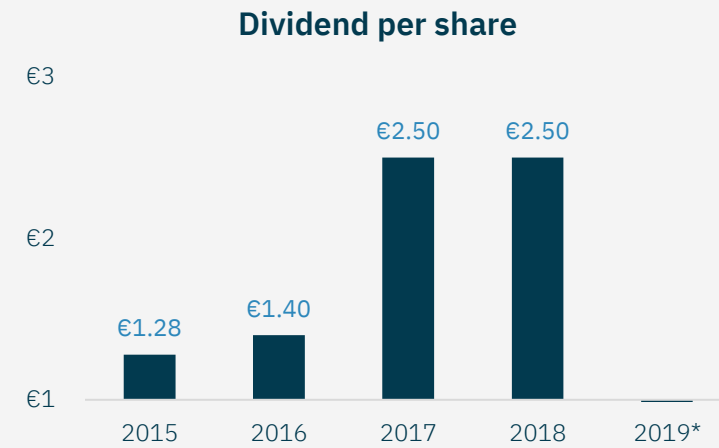
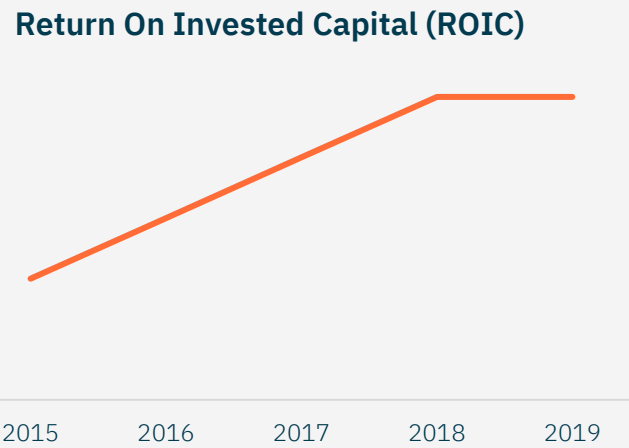
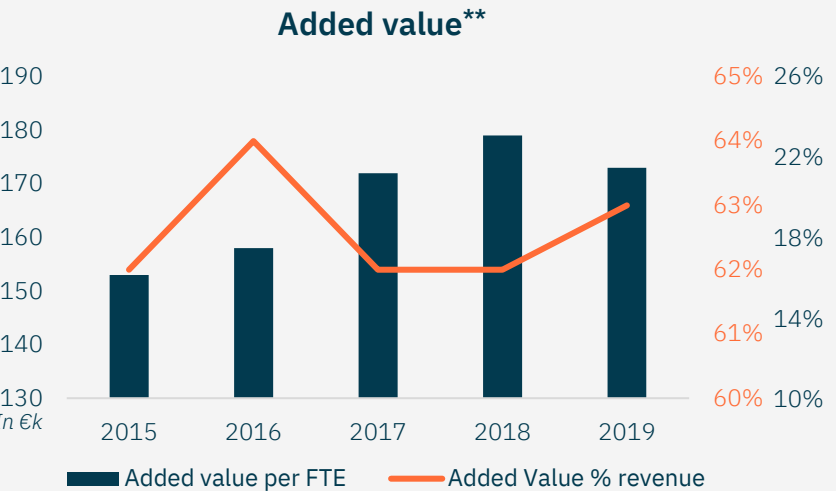
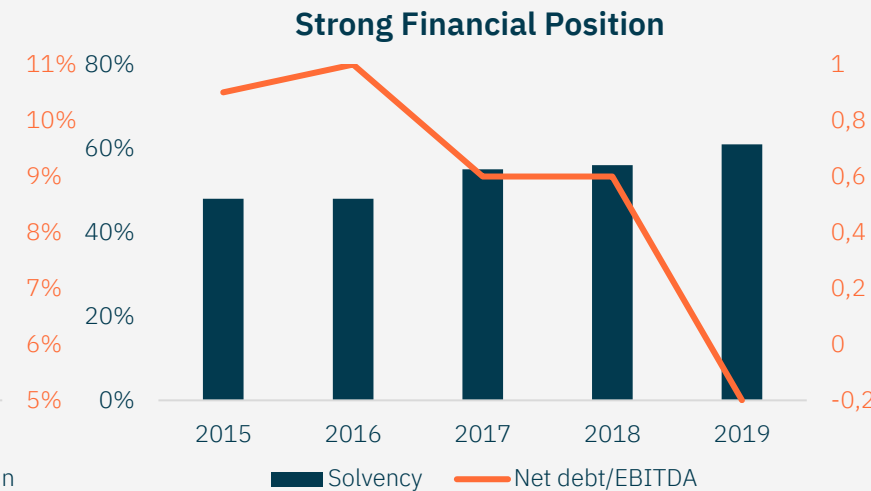
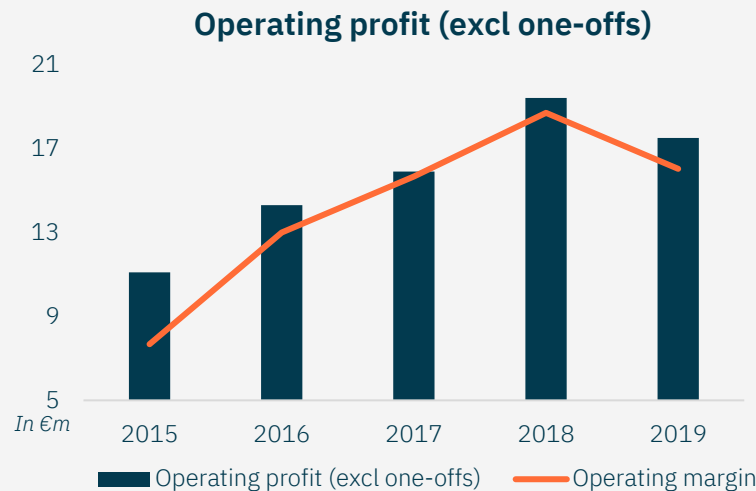
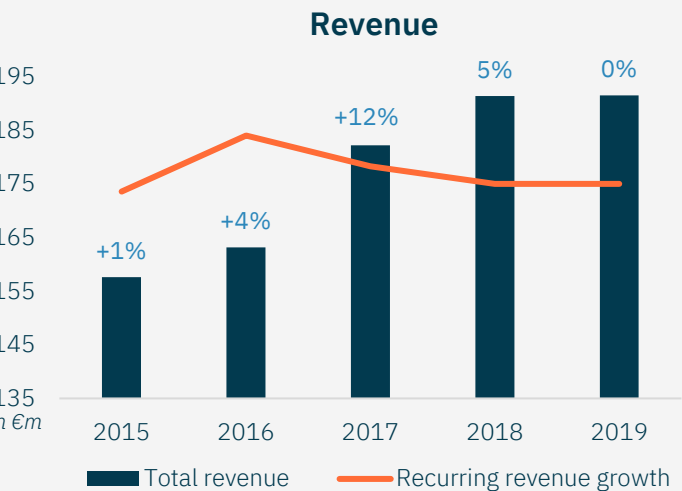


nedap

Investment Proposition

- Focus on 4 core technologies and 7 niche markets offers opportunities to build winning platforms
- Track-record of autonomous growth by creating scalable and proprietary propositions
- High and growing added value per FTE driven by our entrepreneurial culture
- Growth in margins and recurring software services underpinned by creating eco-systems and an international scalable organisation
- Transition to an asset light business model enhances capital efficiency and cash conversion
- Solid financial position
- Attractive dividend

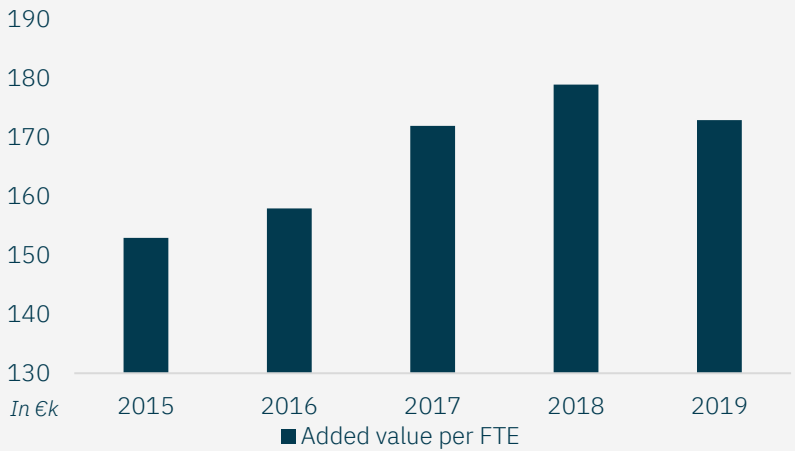
Financial Track Record



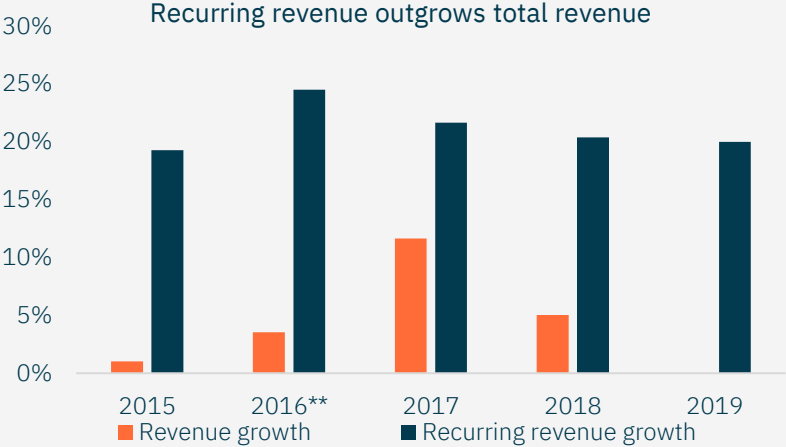
* Initial dividend proposal withdrawn due to the COVID-19 crisis.
 ** Added value is revenue plus or less inventory movements, the cost of materials and outsourced work.

Financial Targets

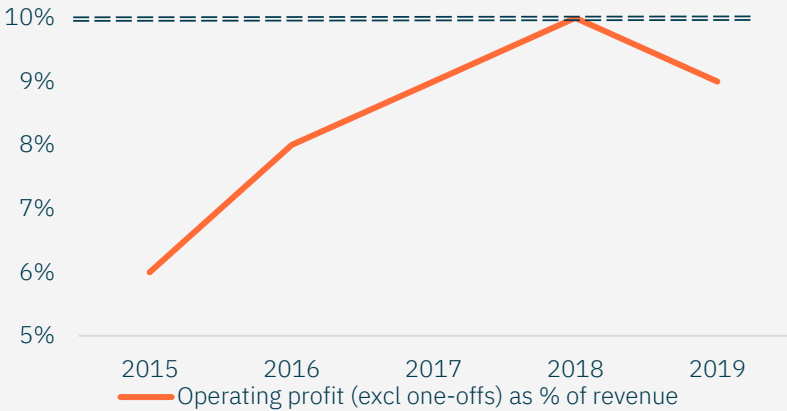
High and growing added value per FTE



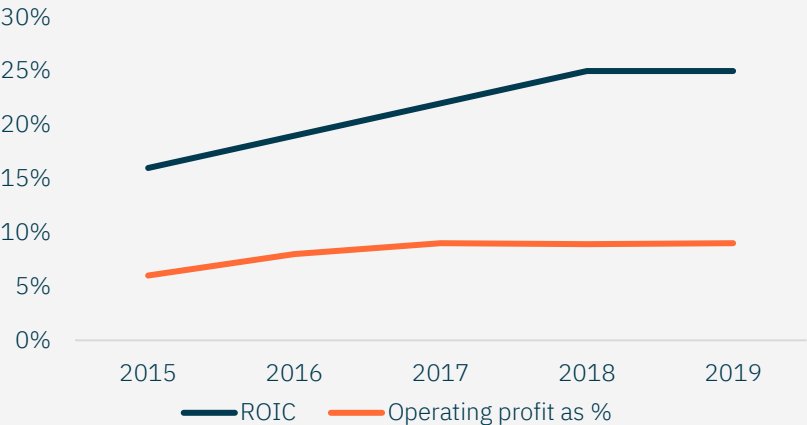
Long-term autonomous revenue growth



Operating profit, excluding one-off items of at least 10%

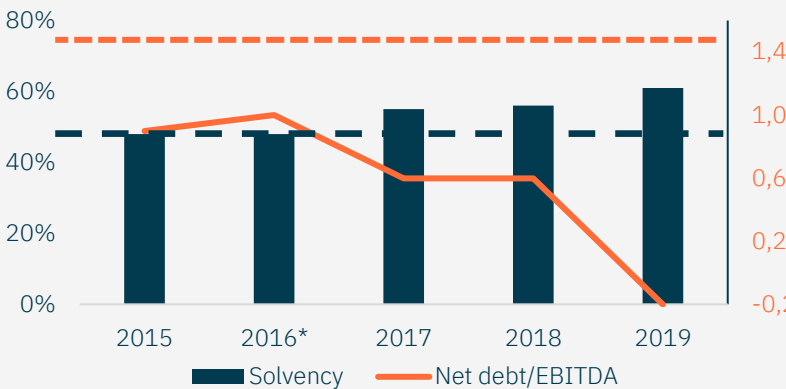


ROIC outgrows profitability

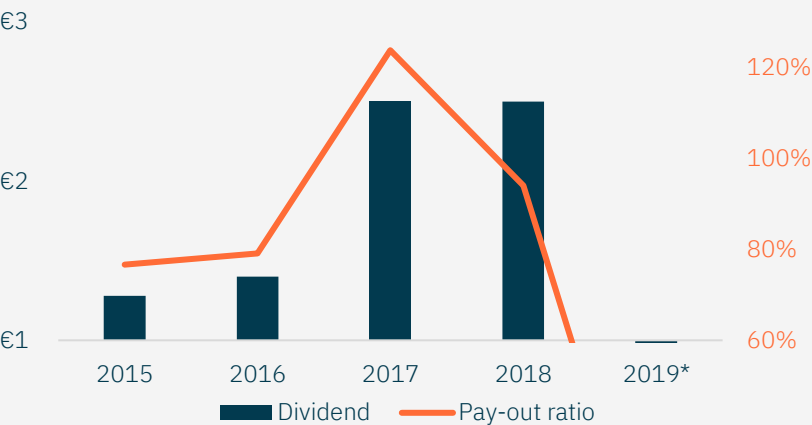


Conservative financing structure

Solvency > 45% | Net Debt/EBITDA < 1.5

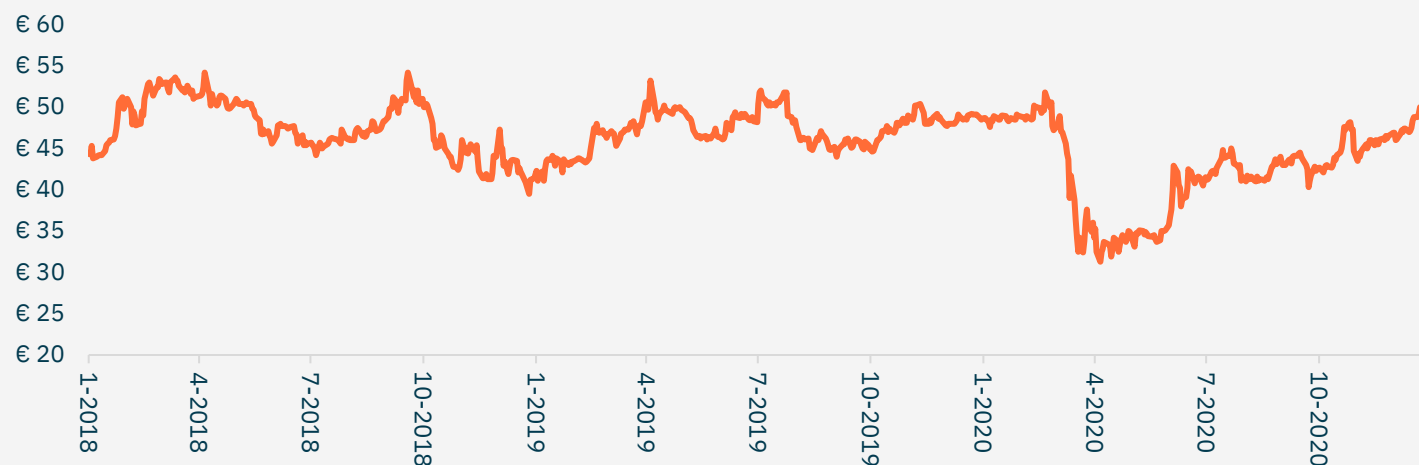


High dividend pay-out

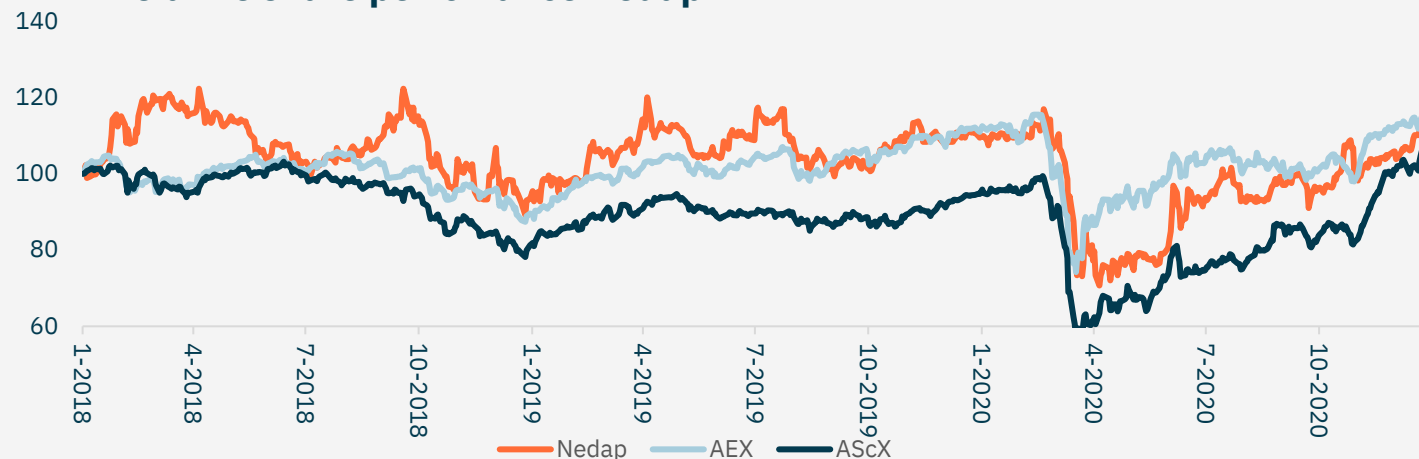


Nedap Share

Share price development



Relative share performance Nedap



Overview of notifications major shareholdings AFM*

Shareholder	Stake in Nedap
Cross Options Beheer B.V.	14.61%
Teslin Participaties Coöperatief U.A.	10.19%
Kempen Capital Management N.V.	10.00%
NN Group N.V.	9.97%
ASR Nederland N.V.	8.20%
Decico B.V.	5.01%
Nedap N.V.	4.14%
Add Value Fund N.V.	3.36%

**Lists all notifications to the Dutch Authority for the financial markets as per 31-12-20*

The Nedap Share	2019	2018
# shares outstanding (Ultimo year)	6,452,833	6,414,866
# Shares traded	1,257,357	1,187,781
Share price ultimo year	€ 48.50	€ 41.40
Dividend per share	-**	€ 2.50
Price-earnings ratio	13	16
Dividend yield (Ultimo year)	-**	6.04%
Market cap (Ultimo year)	€ 325 M	€ 277 M

** Initial dividend proposal withdrawn due to the COVID-19 crisis.

A photograph of a modern office lounge. Two men are sitting on a brown leather sofa, looking at a laptop on a small wooden table. One man is wearing a white shirt and the other a maroon sweater. In the background, there are large potted plants and a person working at a desk. The scene is well-lit with warm indoor lighting.

Business cases – Examples



!D Cloud

Merchandise simply available

We observe

Fashion retailers have great difficulty in keeping an accurate overview of their stock levels. This leads to a mismatch in supply and demand, dissatisfied customers and missed revenue opportunities.

We create

By combining RFID knowledge with powerful new software concepts, Nedap has created !D Cloud. This solution gives fashion retailers detailed insight into their stock in the shortest possible time with up to more than 98% accuracy, whilst it is still compatible with the retailers' total ICT environment.

We scale

With the cloud-based software service and a growing global ecosystem of implementation and technology partners, Nedap !D Cloud can roll out quickly and easily in large retail chains. At the moment Nedap is the global market leader in this fast growing market.

Clients



celio*

極度乾燥(しなさい)
Superdry®

AEOS

Security above everything

We observe

More and more organisations are struggling with the sharply increasing and fundamentally changing security requirements, which can hardly be met by traditional security systems.

We create

Based on modern software concepts and open standards, Nedap has built a powerful security platform that focuses on ease of use. By combining a diversity of smart software components, the most diverse and complex security issues can be solved with our standard software solution.

We scale

Many leading institutions around the world are now working with the AEOS security system. Nedap has gained a leading European position in the security management market for large and complex systems.

Clients



Lufthansa



Unilever



CowControl™

Where is Bertha 128?



We observe

The market for dairy farming is changing rapidly: Scaling up is a prerequisite for remaining profitable, while suitable personnel are becoming scarcer.

We create

Nedap has created an all-in-one monitoring and management system for dairy cows. This produces simple to use action-oriented management information based on collected essential animal data. This solution contributes to higher returns, better business operations, and better animal welfare.

We scale

Nedap is the global market leader in management systems of dairy cows because its propositions are and remain relevant for every type of dairy farm worldwide. Thanks to the distribution network of business partners that are active internationally, Nedap is further expanding its market position.

Clients



— innovators in agriculture —





Ons Softwareplatform

Improved care, better working conditions

We observe

The healthcare sector suffers from a large staff shortage and a high workload, partly due to a high administrative burden. At the moment, existing administrative systems do not sufficiently meet the specific requirements and wishes of healthcare providers.

We create

Nedap has developed a single system, Ons, that supports the entire care process and reduces the complexity of administrative processes. By combining the most modern software technologies with a great emphasis on user-friendliness, healthcare providers once again enjoy their work.

We scale

By adding functionalities and connecting partners and systems, the Ons software platform has evolved into a core system for healthcare institutions. Nedap is now the market leader in care for the elderly and is rapidly expanding its position in care for the disabled and mental health care.

Clients



Key Figures

Key Figures

Key Financials (in millions of euros)

	HY1 2020	HY1 2019	%	FY 2019	FY 2018	%
Revenue	93.5	94.2	-1%	191.5	191.4	0%
Recurring revenue	24.0	21.3	13%	44.6	37.2	20%
Added value** as percentage of revenue	65%	63%	-	63%	62%	-
Added value** per FTE (x € 1,000)	166	172	-3%	173	179	-3%
Operating result (excl. one-off items)	7.7	8.1	-6%	17.5	19.4	-10%
Operating margin (excl. one-off items) as % of revenue	8.2%	8.6%	-	9%	10%	-
Net Result	6.2	6.7	-8%	24.1	17.1	41%
Earnings per share (x € 1)	0.95	1.04	-9%	3.74	2.66	41%
Dividend per share (x € 1)	-	-*	-	-*	2.50	-
Return on invested capital (ROIC)	-	-	-	25%	25%	-
Net debt/EBITDA	-0.4	1.1	-	-0.2	0.6	-
Solvency	64%	48%	-	61%	56%	-



Financial Updates

Trading Update Q3 2020

- Revenue in Q3 2020 5% lower than last year, shows a slight improvement compared to Q2 2020.
 - The business units Healthcare and Livestock Management continue to show further growth.
 - The business units Identification Systems, Retail, Security Management and Staffing Solutions achieve revenue growth in Q3 2020 compared to Q2 2020 but stays behind the comparable period in 2019. The business unit Light Controls shows an increasing decline in Q3 2020.
 - Growth in recurring revenue with 9% compared to third quarter 2019.
- Revenue up to Q3 2020 2% lower than in the comparable period in 2019.
- As a result of the effects of the COVID-19 crisis, a decrease in revenue is expected for Q4 2020 in comparison with last year.
- Interim dividend of € 2.25 per share will be paid out.

Extra Trading Update January 2021: Revenue Q4 2020 3% higher than last year. For the full year 2020, revenue is 1% lower than the €191.5 million realized in 2019.

Highlights HY1- 2020

- Revenue in the first half of 2020 was € 93.5 million, which is almost the same as in the first half of 2019 (-0.7%).
 - Recurring revenue increased by 13% and now accounts for 25.7% of the total revenue.
- The business units Healthcare and Livestock Management showed good revenue growth, in line with the first quarter of 2020. As a result of the lockdown measures in a large number of countries, the other business units showed a decrease in revenue. The impact on the Retail business unit was the largest.
- Added value improved from 62.8% to 64.9%, driven by the increased share of recurring revenue.
- Operating result decreased by 6% to € 7.7 million (H1 2019: € 8.1 million) due to the effect of investments in the organisation during 2019.
- Net result amounted to € 6.2 million in the first half of 2020, compared to € 6.7 million in the first half of 2019.
- Due to uncertainty about the duration and effects of the COVID-19 crisis on the global economy, it is not possible to make a reliable estimate of the results in the second half of 2020.

Financial Calendar

- 18 February 2021 - Annual figures 2020
- 23 February 2021 - Annual report 2020

Appendix

5-Year Financial History

Key figures (in millions of euros or as a percentage)

	FY 2019	FY 2018	FY 2017	FY2016**	FY 2015
Revenue	191.5	191.4	182.2	163.2	180.9
Revenue growth	0%	5%	12%	-	2%
Recurring revenue	44.6	37.2	30.9	25.4	28.3
Growth of recurring revenue	20%	20%	22%	-	20%
Recurring revenue as % of revenue	23%	19%	17%	16%	16%
Added value as % of revenue	63%	62%	62%	65%	62%
Added value per FTE (x € 1,000)	173	179	172	164	153
Operating profit excl. one-off items	17.5	19.4	15.9	12.2	11.1
Operating profit as % of revenue excl. one-off items	9%	10%	9%	7%	6%
Profit for the financial year	24.1	17.1	28.0	10.8	4.7
Earnings per share (x € 1)	3.74	2.66	4.21	1.61	0.70
Earnings per share excl. one-off items (x € 1)	3.74	2.66	2.02	1.77	1.67
Dividend per share (x € 1)	-*	2.50	2.50	1.40	1.28
Return on invested capital (ROIC)	25%	25%	22%	19%	16%
Net debt/EBITDA	-0.2	0.6	0.6	1.1	0.9
Solvency	61%	56%	55%	50%	48%

Overview Business Units

Business units	Size	Market (focus)	Solutions	Competitive position	Typology	Growth driver	Market	Competition
Healthcare	10-20%	Long term care providers	Electronic Health Record cloud solution for administrative, logistic and care processes at care providers	<ul style="list-style-type: none"> #1 in elderly care, #1 in disabled care New entrant in mental healthcare 	scale-up scale-up start-up	<ul style="list-style-type: none"> Entering new verticals Urgence for budget control at customers 	NL	Local
Identification Systems	10-20%	(Local) Governments and larger companies in parking, industry and security	Vehicle identification, detection and access control technology and management solutions	<ul style="list-style-type: none"> #1 in wireless parking sensors Global leader in identification of vehicles 	start-up scale-up	<ul style="list-style-type: none"> Scaling-up 	Global	Global
Light Controls	10-20%	General industries, water treatment companies and retail	Power electronics and control systems for the lighting industry	<ul style="list-style-type: none"> #1 in high-power UV power supplies Leading position in connected lighting 	scale-up start-up	<ul style="list-style-type: none"> Regulation in ballast water treatment Energy savings 	U.S.A. & Europe	Global
Livestock Management	>20%	Management of cows and pigs	Automation of livestock management processes based on identification of individual animals	<ul style="list-style-type: none"> #1 in dairy farming sensors #1 in pig feeding/sensing farming systems 	scale-up scale-up	<ul style="list-style-type: none"> Animal welfare Increase in scale of farming business Increased demand in animal proteins 	Global	Global
Retail	>20%	International fashion and food retailers	Security, management and information systems for the retail sector	<ul style="list-style-type: none"> Top-3 player in anti-shop lifting solutions Leading position in shop based stock management 	scale-up start-up	<ul style="list-style-type: none"> Omni-channel retailing Expansion in the Americas 	Global	Global
Security Management	10-20%	Larger companies, financial institutions and governments	Physical security systems	<ul style="list-style-type: none"> Top-3 player 	scale-up	<ul style="list-style-type: none"> Leveraging solution across Europe 	Global	Global
Staffing Solutions	<10%	Employment agencies (Source) & distribution, logistics and production organisations	Digitized forecasting, rostering and time scheduling.	<ul style="list-style-type: none"> Largest independent solution 	start-up	<ul style="list-style-type: none"> Complexity of supply and demand of work and workforce 	NL	Local

Highlights of the 2019 financial year

- Stable revenue of € 191.5 million in 2019, with increasing added value.
- Recurring revenue rose 20% and is now at 23% of the total revenue.
- The Healthcare business unit continued its robust growth trend. Identification Systems, Light Controls and Security Management also performed well, while Livestock Management and Retail posted lower revenue. Revenue at Staffing Solutions remained more or less stable.
- Continued investments in the organisation, especially in the recruitment of new employees, brought the operating profit down to € 17.5 million (€ 19.4 million in 2018).
- The operating margin (EBIT) came in at 9.1%, compared to 10.2% in the same period of 2018.
- The increase in the number of FTE resulted in an added value per FTE of € 173,000 in 2019 (€ 179,000 in 2018).
- Net profit, including the book profit generated in the third quarter of 2019 upon completion of the sale of Nedap France S.A.S., amounted to € 24.1 million (€ 17.1 million in 2018), i.e. earnings per share of € 3.74 (€ 2.66 in 2018). Net profit excluding the book profit came in at € 14.2 million.

Consolidated income statement (€ x 1,000)

	2020 half-year	2019 half-year
Revenue	93,534	94,181
Cost of materials and outsourced work	-32,222	-31,228
Inventory movements of finished goods and work in progress	-613	-3,767
	-32,835	-34,995
Added value	60,699	59,186
Personnel costs	-37,167	-35,548
Amortisation	-541	-376
Depreciation	-3,936	-3,760
Other operating costs	-11,382	-11,370
Operating costs	-53,026	-51,054
Operating result	7,673	8,132
Financing income	20	13
Financing costs	-134	-145
Net financing costs	-114	-132
Share in profit of associate (after income tax)	-	333
Result before taxation	7,559	8,333
Taxation	-1,404	-1,619
Result for the financial year	6,155	6,714
Profit attributable to shareholders of Nedap N.V.	6,155	6,714

Consolidated balance sheet (€ x 1,000)

Assets		2020 30 June	2019 31 Dec.	Equity and liabilities		2020 30 June	2019 31 Dec.
Fixed assets				Group equity			
Intangible fixed assets		2,364	2,828	Shareholders' equity		80,366	73,571
Tangible fixed assets		39,207	38,621	Non-current liabilities			
Deferred tax assets		751	758	Borrowings		14,066	14,110
		42,322	42,207	Lease liabilities		1,518	1,838
Current assets				Employee benefits		1,021	1,001
Inventories		27,095	28,501	Provisions		805	704
Income tax receivable		1,323	625	Deferred tax liabilities		35	176
Trade and other receivables		30,632	30,526			17,445	17,829
Cash and cash equivalents		24,110	18,687	Current liabilities			
		83,160	78,339	Borrowings		87	86
Total assets		125,482	120,546	Lease liabilities		1,047	987
				Employee benefits		81	45
				Provisions		1,226	1,236
				Bank overdrafts		-	-
				Income tax payable		124	765
				Taxation and social security contributions		3,859	2,374
				Trade and other payables		21,247	23,653
						27,671	29,146
				Total liabilities		45,116	46,975
				Total equity and liabilities		125,482	120,546