

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

February 2021



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”)
nedap.com

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Nedap at a Glance

Key Facts



Founded in
1929



Listed since
1947



800±
employees



**Headquarters in Groenlo,
The Netherlands**

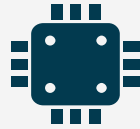
Offices in Belgium, China, Dubai,
Germany, Hong Kong, the
Netherlands, Spain, UK and the
U.S.A.



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
(2020)

€ 189.9 million

Market Cap
(31-12-2020)

€ 341 million

Operating Profit
(2020)

€ 17.1 million

ROIC
(2020)

28%

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 Nyenrode

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

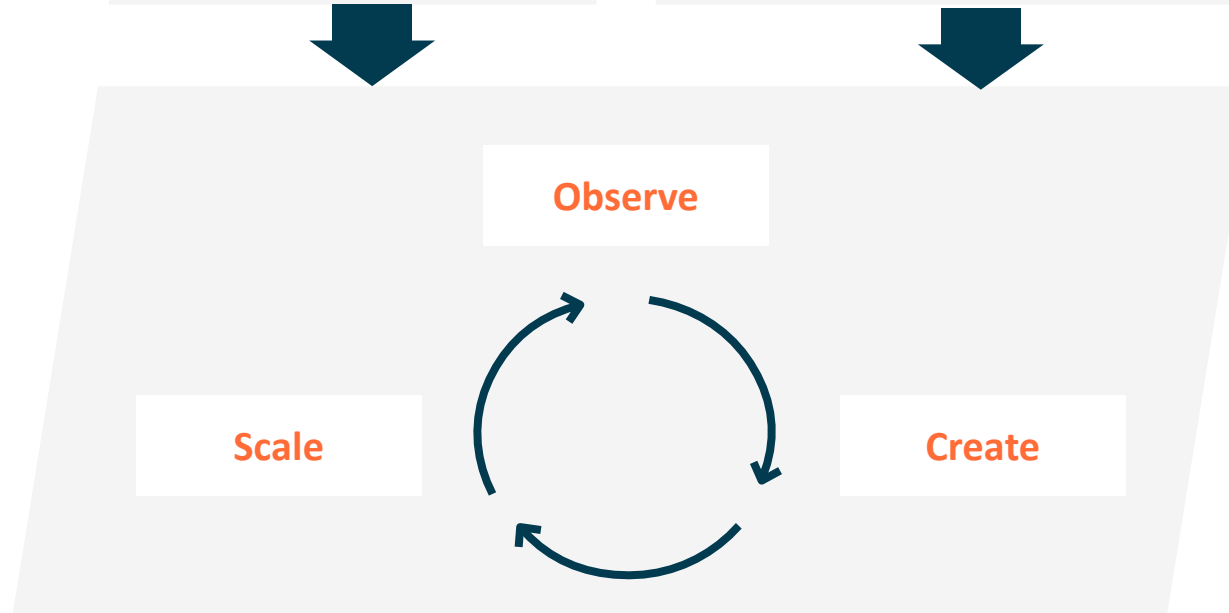
Building winning platforms

Focus on 4 core technologies

1. Connected devices
2. Communications technology
3. Software architecture
4. User eXperience

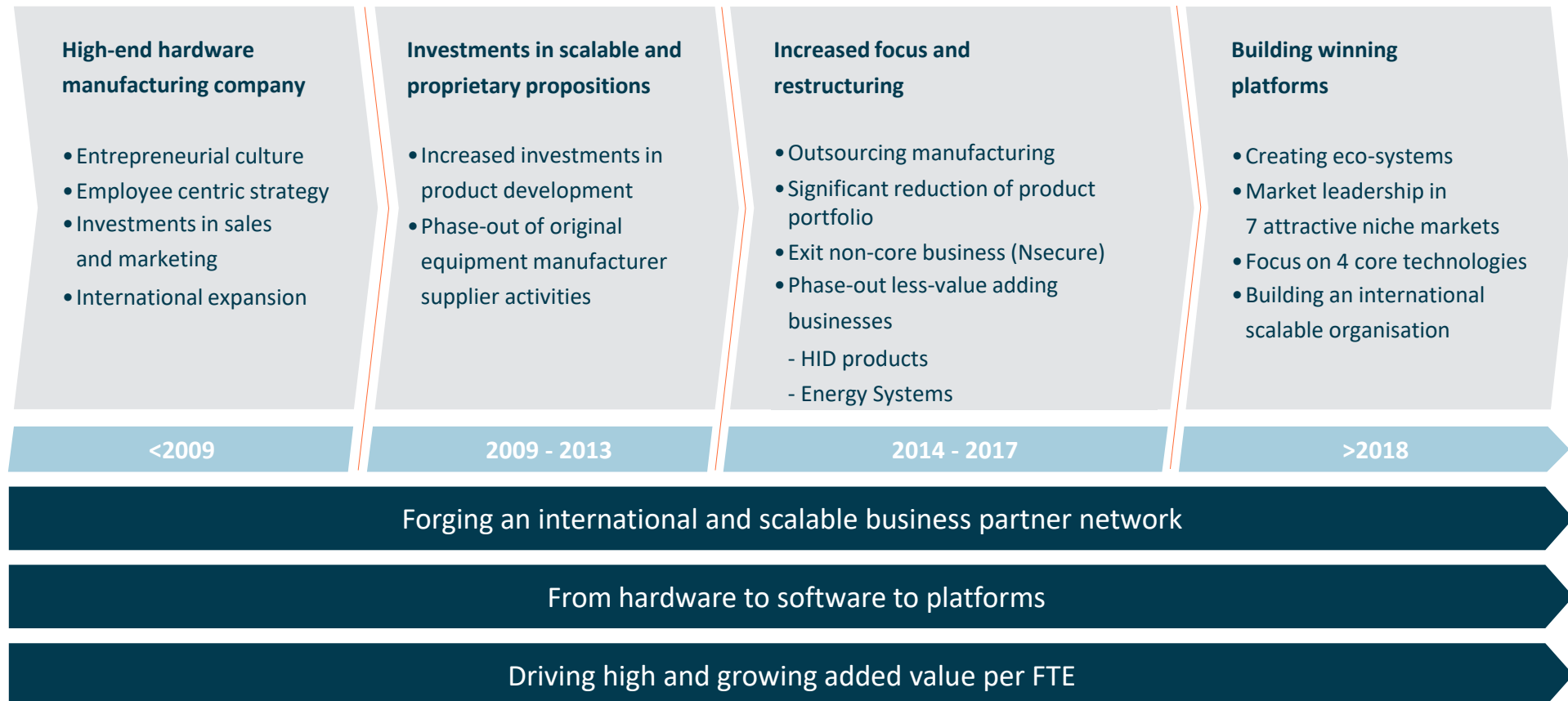
Deep insights in 7 niche markets

1. Healthcare
2. Identification Systems
3. Light Controls
4. Livestock Management
5. Retail
6. Security Management
7. Staffing Solutions



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

* In % of revenue, average over past 3 years

Nedap Investment Proposition

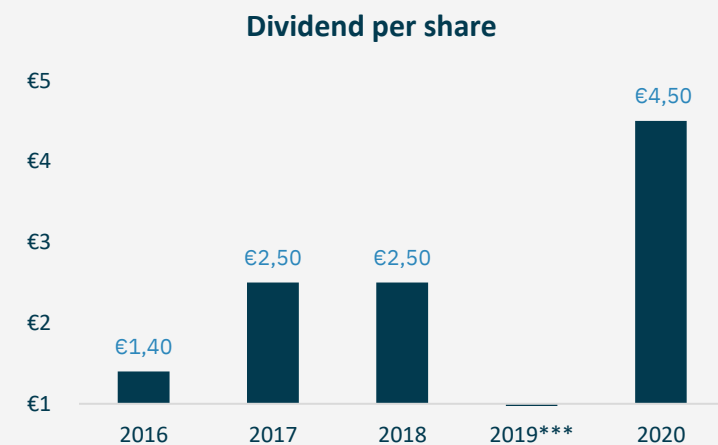
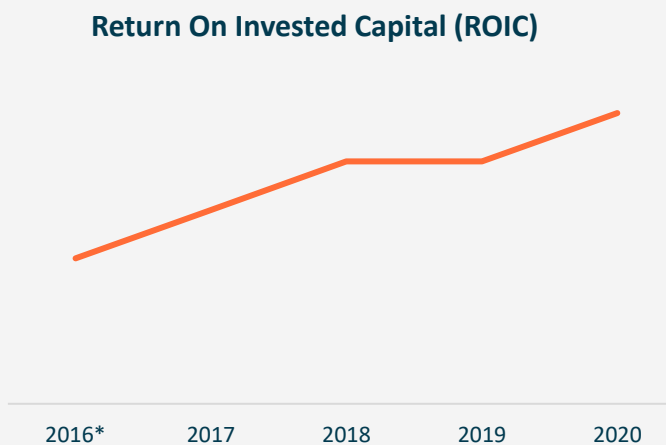
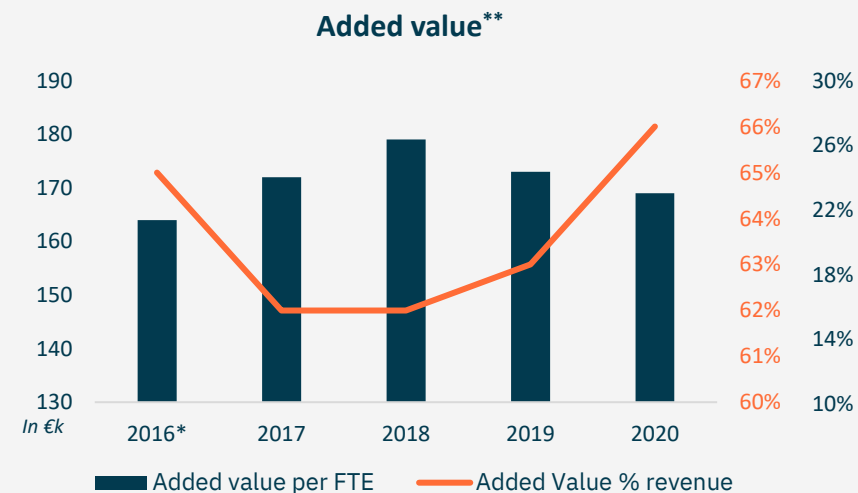
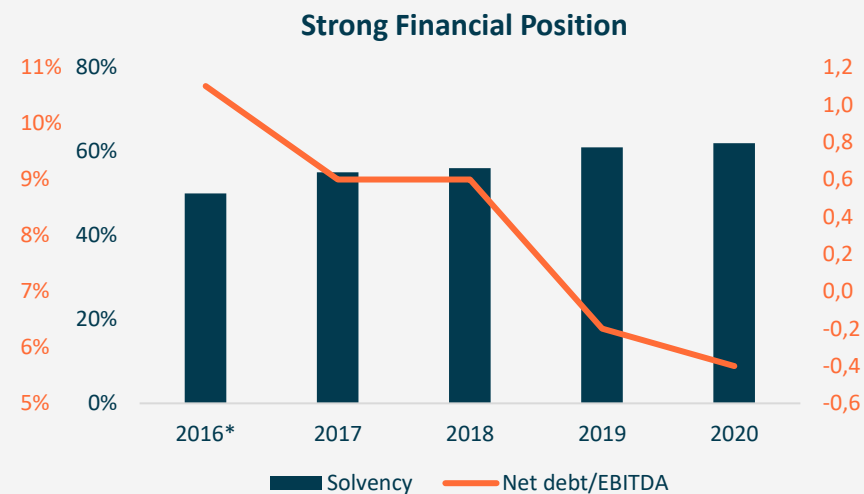
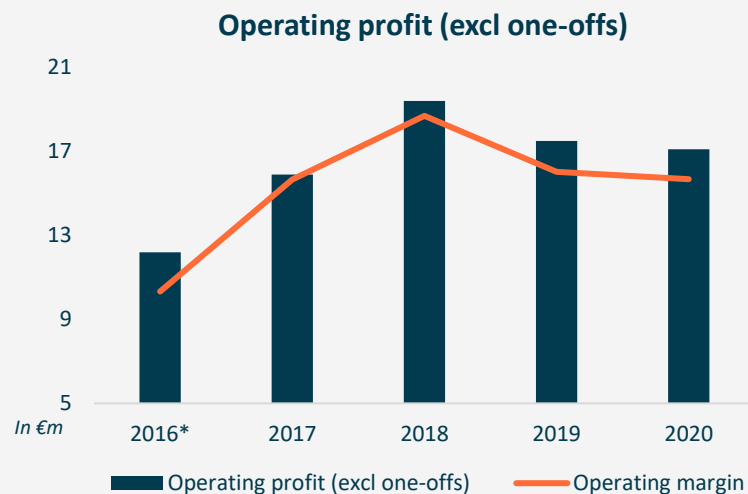
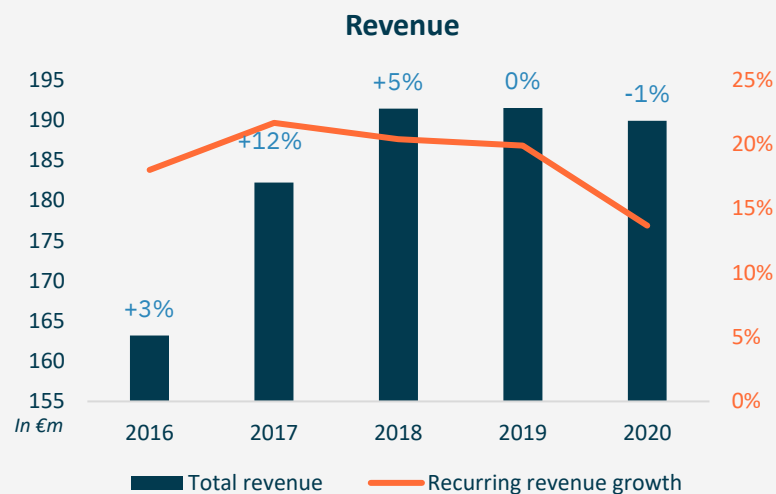


nedap

Investment Proposition

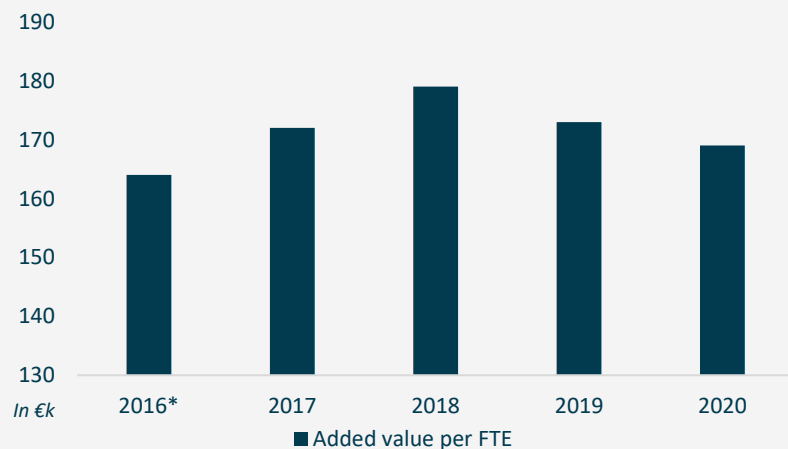
- Focus on 4 core technologies and 7 niche markets offers opportunities to build winning platforms
- Track-record of autonomous growth by creating scalable and proprietary propositions
- High and growing added value per FTE driven by our entrepreneurial culture
- Growth in margins and recurring software 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

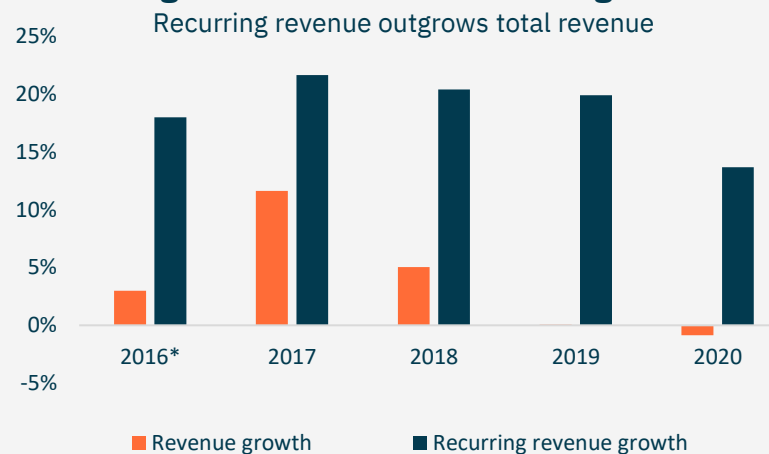


Financial Targets

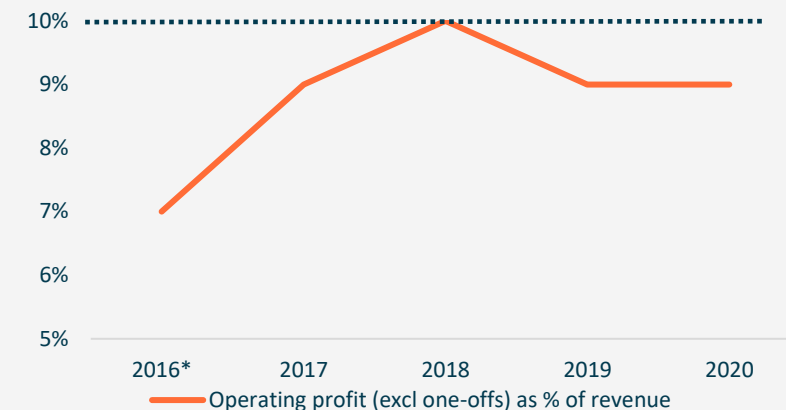
High and growing added value per FTE



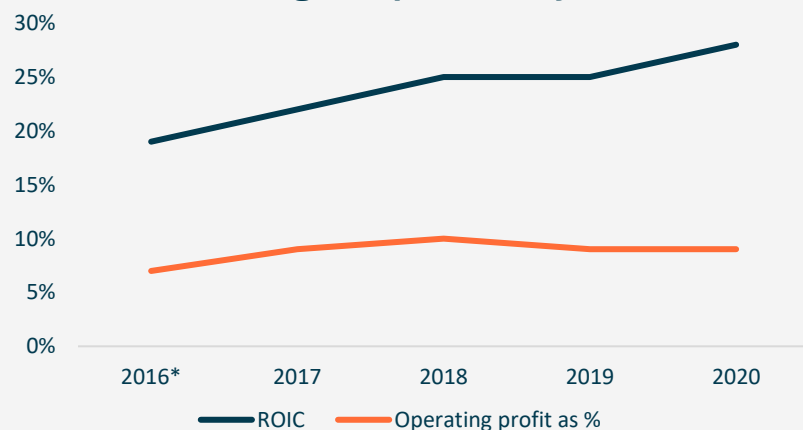
Long-term autonomous revenue growth



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

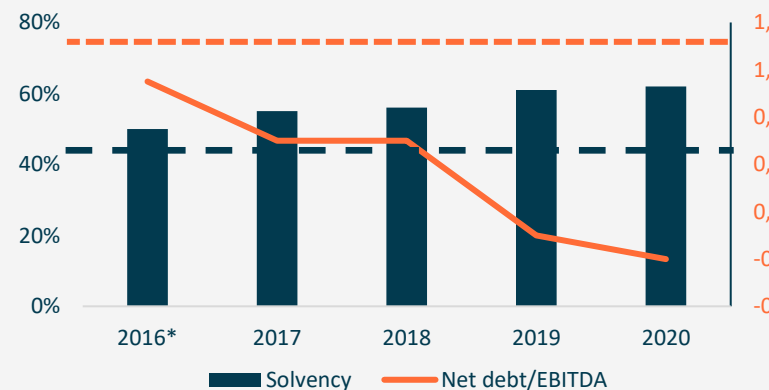


ROIC outgrows profitability



Conservative financing structure

Solvency > 45% | Net Debt/EBITDA < 1,5

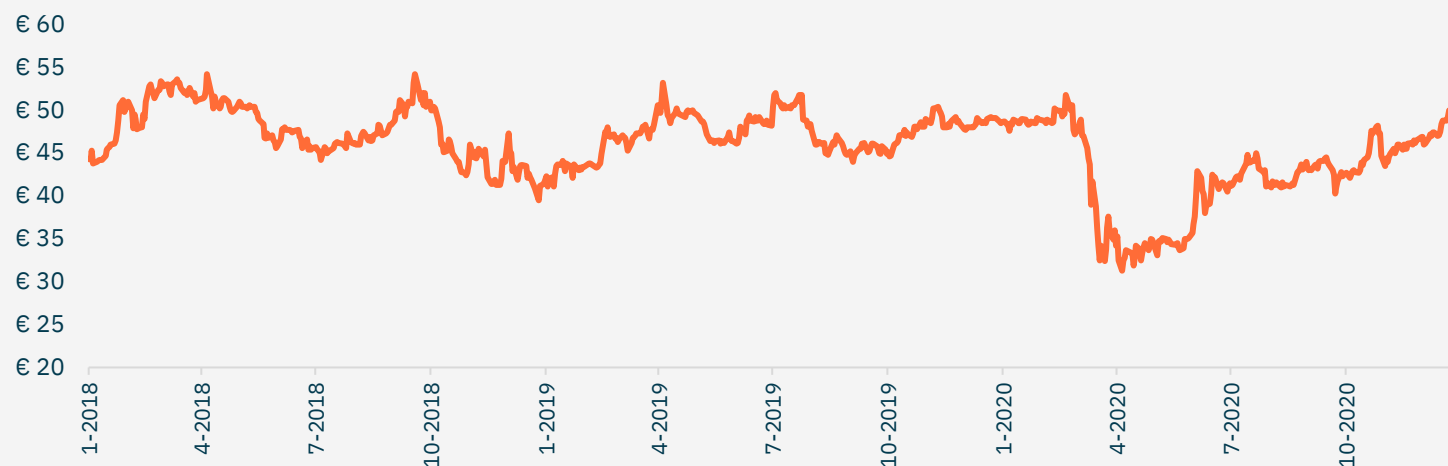


High dividend pay-out

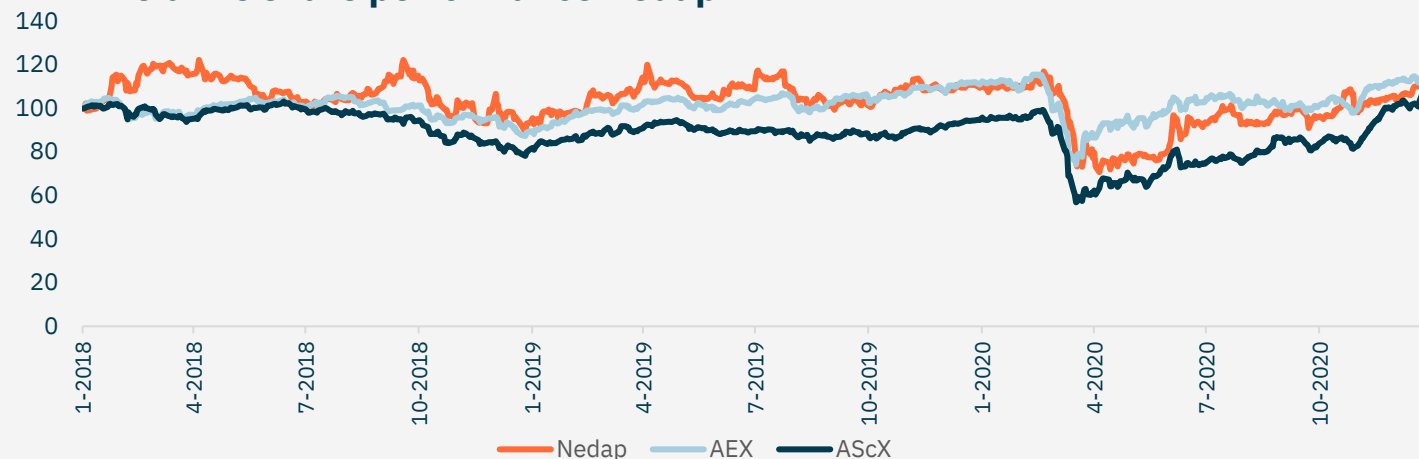


Nedap Share

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 NV.	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%

The Nedap Share

	2020	2019
# shares outstanding (as per 31-12)	6.468.343	6.452.833
# Shares traded	1.630.213	1.257.357
Share price ultimo year	€ 51,00	€ 48,50
Dividend per share **	€ 4,50	€ -
Price-earnings ratio	24	13
Dividend yield (Ultimo year)	8.82%	0.00%
Market cap (Ultimo year)	€ 341 M	€ 325 M

A photograph of a modern office lounge. Two men are sitting on a light-colored leather sofa, looking at a laptop on a wooden coffee table. The man on the left is wearing a white shirt and has a beard. The man on the right is wearing a maroon sweater and glasses. They are both pointing at the laptop screen. In the background, there are large potted plants, a white armchair, and a person sitting at a desk. The text "Business cases – Examples" is overlaid on the left side of the image in a dark blue font.

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

icareSizaTzorg

Key Figures

Key Figures

Key Financials (in millions of euros)

	FY 2020	%	FY 2019	%	FY 2018
Revenue	189,9	-1%	191,5	0%	191,4
Recurring revenue	50,7	14%	44,6	20%	37,2
Added value** as percentage of revenue	66%		63%		62%
Added value** per FTE (x € 1,000)	169		173		179
Operating result (excl. one-off items)	17,1	-2%	17,5	-10%	19,4
Operating result (excl. one-off items) as % of revenue	9%		9%		10%
Profit	13,8	-43%	24,1***	41%	17,1
Earnings per share (x € 1)	2,13	-43%	3,74	41%	2,66
Dividend per share (x € 1)	4,50	-	-*	-	2,50
Return on invested capital (ROIC)	28%		25%		25%
Net debt/EBITDA	-0,4		-0,2		0,6
Solvency	62%		61%		56%

* 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 and logistical costs

*** Including sale of Nedap France S.A.S.



Financial Updates

Highlights 2020

- Revenue amounted to € 189.9 million, down 1% on 2019. Added value increased from 63% to 66% of revenue.
- Recurring revenue rose by 14% and now makes up 27% of the total revenue.
- The business units Healthcare and Livestock Management posted a robust growth in revenue, which almost entirely compensated for the drop in revenue by the other business units, mainly due to the COVID-19 crisis.
- Operating profit amounted to € 17.1 million (€ 17.5 million in 2019), while the operating margin remained more or less the same at 9.0% (9.1% in 2019).
- The number of FTEs grew, putting added value per FTE at € 169,000 in 2020 (€ 173,000 in 2019). Net profit amounted to € 13.8 million, i.e. € 2.13 per share. The 2019 net profit, excluding the book profit on the sale of Nedap France, amounted to € 14.2 million.
- The final dividend for the 2020 financial year has been set at € 2.25. A one-off interim dividend of € 2.25 was paid in November 2020.
- Given the uncertainty as to the duration of the COVID-19 crisis and its impact on the global economy, it is not possible to make a reliable estimate of the revenue development in 2021.

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.

Financial Calendar 2021

17 March	Capital Markets Day
6 April	Trading update Q1
8 April	Annual general meeting of shareholders
12 April	Ex-dividend date
13 April	Record date
19 April	Dividend payment
22 July	Half-yearly report
19 October	Trading update Q3

Appendix

5-Year Financial History

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

	FY 2020	FY 2019	FY 2018	FY 2017	FY2016**
Revenue	189,9	191,5	191,4	182,2	163,2
Revenue growth	-1%	0%	5%	12%	-
Recurring revenue	50,7	44,6	37,2	30,9	25,4
Growth of recurring revenue	14%	20%	20%	22%	-
Recurring revenue as % of revenue	27%	23%	19%	17%	16%
Added value as % of revenue	66%	63%	62%	62%	65%
Added value per FTE (x € 1,000)	169	173	179	172	164
Operating profit excl. one-off items	17,1	17,5	19,4	15,9	12,2
Operating profit as % of revenue excl. one-off items	9%	9%	10%	9%	7%
Profit for the financial year	13,8	24,1	17,1	28,0	10,8
Earnings per share (x € 1)	2,13	3,74	2,66	4,21	1,61
Earnings per share excl. one-off items (x € 1)	2,13	3,74	2,66	2,02	1,77
Dividend per share (x € 1)	4,50	-*	2,50	2,50	1,40
Return on invested capital (ROIC)	28%	25%	25%	22%	19%
Net debt/EBITDA	-0,4	-0,2	0,6	0,6	1,1
Solvency	62%	61%	56%	55%	50%

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

Consolidated income statement (€ x 1,000)

	2020	2019
Revenue	189,916	191,549
Cost of materials and outsourced work	-61,319	-63,880
Inventory movements of finished goods and work in progress	-3,499	-6,563
	-64,818	-70,443
Added value	125,098	121,106
Personnel costs	-74,376	-72,690
Amortisation	-1,115	-880
Depreciation	-8,022	-7,600
Impairments	-247	-
Other operating costs	-24,219	-22,448
Operating costs	-107,979	-103,618
Operating result	17,119	17,488
Financing income	51	35
Financing costs	-290	-253
Net financing costs	-239	-218
Share in profit of associate (after income tax)	-	10,257
Result before taxation	16,880	27,527
Taxation	-3,129	-3,400
Result for the financial year	13,751	24,127
Profit attributable to shareholders of Nedap N,V,	13,751	24,127

Consolidated balance sheet (€ x 1,000)

Assets	2020	2019	Equity and liabilities	2020	2019
Fixed assets			Group equity		
Intangible fixed assets	2,211	2,828	Shareholders' equity	73,253	73,571
Tangible fixed assets	38,031	38,621			
Deferred tax assets	990	758	Non-current liabilities		
	41,232	42,207	Borrowings	14,030	14,110
Current assets			Lease liabilities	1,315	1,838
Inventories	23,062	28,501	Employee benefits	997	1,001
Income tax receivable	10	625	Provisions	1,074	704
Trade and other receivables	28,176	30,526	Deferred tax liabilities	20	176
Assets held for sale	907	-		17,436	17,829
Cash and cash equivalents	25,689	18,687	Current liabilities		
	77,844	78,339	Borrowings	80	86
			Lease liabilities	1,009	987
			Employee benefits	82	45
			Provisions	1,515	1,236
			Bank overdrafts	-	-
			Income tax payable	452	765
			Taxation and social security contributions	1,986	2,374
			Trade and other payables	23,263	23,653
				28,387	29,146
			Total liabilities	45,823	46,975
Total assets	119,076	120,546	Total equity and liabilities	119,076	120,546