

# Company Announcement

---

## **SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018**

---

### **H1 2018 highlights:**

- Reported revenue was EUR 172.8m, an increase of 16.7% when compared with H1 2017, and an increase of 21.1% when measured in local currencies. As SimCorp Italiana, acquired in August 2017, accounted for 7.7%-points of the increase, organic revenue growth was 13.4%.
- EBIT was EUR 37.4m compared with EUR 23.4m in H1 2017. EBIT stemming from SimCorp Italiana accounted for EUR 5.4m. Currency fluctuations impacted EBIT negatively by EUR 3.2m during the first half year.
- EBIT margin was 21.6% compared with 15.8% in H1 2017, driven by license revenue growth, SimCorp Italiana contribution, and general cost focus. Measured in local currencies, the EBIT margin was 22.6% and the underlying organic EBIT margin was 20.9%.
- Net profit was EUR 27.5m compared with EUR 16.9m in H1 2017.
- Total order intake\* from new and add-on licenses was EUR 25.9m, an increase of EUR 9.2m or 55% compared with the same period last year. The order intake in Q2 2018 of EUR 16.0m includes signing of a large add-on license agreement in Central Europe and two new clients in Northern Europe.
- At June 30, 2018, the order book\* amounted to EUR 25.8m, an increase of EUR 12.4m when compared with the order book at June 30, 2017. The order book increased by EUR 7.3m in Q2 2018, primarily due to the large add-on order, plus one of the new license sales signed in Q2 2018 having conditions to be fulfilled before revenue can be recognized.

### **Financial guidance**

- SimCorp maintains its expectations for revenue growth and EBIT margin measured in local currencies for 2018. Revenue growth measured in local currencies is expected to be between 10% and 15%, while the expectation for EBIT margin measured in local currencies remains between 24.5% and 27.5%.

*Klaus Holse, SimCorp CEO comments: "We continue to drive solid growth in revenues, mainly from our services business and from sales to existing clients. A dedicated cost focus ensured a positive development in EBIT margin compared to H1 2017. We are encouraged by our sales pipeline of potential orders to new and existing clients for the next 6-12 months."*

\* The order intake and order book does not include SimCorp Italiana (Sofia).

---

**Company Announcement**

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

---

**Investor presentation**

SimCorp's Executive Management Board will present the report at a conference call today at 2:00 pm (CEST). Please use any of the following phone numbers to dial in to the conference call:

From Denmark:	+45 35 15 81 21
From USA:	+1 646-828-8193
From other countries:	+44 (0)330 336 9411
Pin code to access the call:	<b>3459348</b>

At the end of the presentation there will be a Q&A session.

It will also be possible to follow the presentation via this link:

<https://edge.media-server.com/m6/p/756mcpyk>.

The presentation will be available prior to the conference call via SimCorp's website [www.simcorp.com](http://www.simcorp.com).

**Enquiries regarding this announcement should be addressed to:**

Investor contacts:

Klaus Holse, Chief Executive Officer, SimCorp A/S (+45 3544 8802, +45 2326 0000)

Michael Rosenvold, Chief Financial Officer, SimCorp A/S (+45 3544 8800, +45 5235 0000)

Anders Hjort, Head of Investor Relations, SimCorp A/S (+45 3544 8822, +45 2892 8881)

Media contact:

Anders Crillesen, Group Communications Director, (+45 3544 6474, +45 2779 1286)

Company Announcement no. 11/2018

## Company Announcement

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

## Financial highlights and key ratios for the SimCorp Group

	2018 Q2	2017 Q2	2018 H1	2017 H1	2017 FY
<b>EUR '000</b>					
<b>INCOME STATEMENT</b>					
Revenue	82,955	75,051	172,845	148,174	343,405
Earnings before interest, tax, depreciation, and amortization (EBITDA)	15,166	14,048	39,636	25,116	92,851
Operating profit (EBIT)	14,014	13,189	37,360	23,394	88,894
Financial items, net	1,184	-671	-514	-873	-1,204
Profit before tax	15,198	12,518	36,846	22,521	87,690
Profit for the period	11,241	9,365	27,514	16,909	66,497
<b>BALANCE SHEET</b>					
Share capital	5,441	5,441	5,441	5,441	5,467
Equity	116,267	65,874	116,267	65,874	116,581
Bank loan	30,000	-	30,000	-	30,000
Intangible fixed assets	43,059	11,295	43,059	11,295	44,256
Property, plant, and equipment	5,210	5,562	5,210	5,562	5,528
Receivables	71,083	71,535	71,083	71,535	86,080
Contract assets	60,368	26,712	60,368	26,712	49,946
Cash and cash equivalents	42,832	8,194	42,832	8,194	31,412
Total assets	240,710	142,198	240,710	142,198	230,616
<b>CASH FLOW</b>					
Cash flow from operating activities	23,101	73	46,623	25,625	55,532
Cash flow from investing activities	-636	20	-683	-5,957	-26,930
Cash flow from financing activities	-7,330	-43,782	-34,570	-47,864	-28,294
Free cash flow	22,462	11	45,901	22,537	51,317
Net change in cash and cash equivalents	15,135	-43,689	11,370	-28,196	308
<b>EMPLOYEES</b>					
Number of employees at the end of the period	1,609	1,418	1,609	1,418	1,547
Average number of employees - FTE	1,545	1,342	1,528	1,346	1,421
<b>FINANCIAL RATIOS</b>					
EBIT margin (%)	16.9	17.6	21.6	15.8	25.9
ROIC (return on invested capital) (%)	48.8	86.2	63.7	87.3	107.4
Receivables turnover ratio	8.5	8.8	8.9	8.7	7.6
Equity ratio (%)	48.3	46.3	48.3	46.3	50.6
Return on equity (%)	41.2	56.1	47.3	43.5	64.5
<b>SHARE PERFORMANCE</b>					
Earnings per share - EPS (EUR)	0.29	0.24	0.70	0.43	1.69
Diluted earnings per share - EPS-D (EUR)	0.29	0.23	0.70	0.42	1.67
Cash flow per share - CFPS (EUR)	0.59	0.00	1.18	0.65	1.41
<b>MARKET VALUE RATIOS</b>					
Average number of shares (m)	39.2	39.5	39.4	39.5	39.4
Average number of shares - diluted (m)	39.7	40.0	39.8	40.0	39.9
EUR/DKK rate of exchange at end of period	7.4525	7.4366	7.4525	7.4366	7.4449

Please refer to the definition of ratios on page 74 of the Annual Report 2017. The interim report is unaudited and has not been reviewed by external auditors.

---

**Company Announcement**

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

---

## **Management's report – six months ended June 30, 2018**

### **Development in sales and orders**

In Q2 2018, two new SimCorp Dimension contracts were signed in Northern Europe. One of them was with Nordea Life & Pension, soon to be renamed Velliv, in Denmark. Operating as a separate entity, Nordea Life & Pension will under this new agreement utilize SimCorp Dimension across its entire range of assets. The second new SimCorp Dimension client, which remains anonymous, will replace its existing accounting engine and use SimCorp Dimension to support its back office and investment accounting operations. No revenue is recognized in Q2 2018 on the second new license sale, as conditions need to be fulfilled later in the year.

A large add-on order signed in Q2 2018 in Central Europe is subject to conditions to be fulfilled, which has increased the order book, and deferred income recognition until the conditions are met.

Q2 2018 order intake was EUR 16.0m compared with EUR 10.9m in the same period last year. Client driven development (CDD) order intake accounted for EUR 0.5m compared with EUR 0.4m in the same period last year. There were no conversions from perpetual licenses to subscription licenses in Q2 2018.

H1 2018 order intake for SimCorp Dimension and SimCorp Coric licenses was EUR 25.9m compared with EUR 16.7m in the same period last year. A total of three new subscription based SimCorp Dimension license contracts were signed in H1 2018. Additionally, several existing customers chose to add to their current engagement, including a number of larger perpetual add-on contracts, and a couple of SimCorp Coric subscription agreements were renewed in H1 2018. The larger add-on SimCorp Dimension sales contracts were signed in Central Europe, Northern Europe and North America. The SimCorp Coric renewals were signed in the UK and in North America.

The order book of EUR 25.8m at June 30, 2018 is an increase of EUR 12.4m compared with same time last year. EUR 5.4m of the order book is related to CDD orders where income will be recognized when the software is delivered.

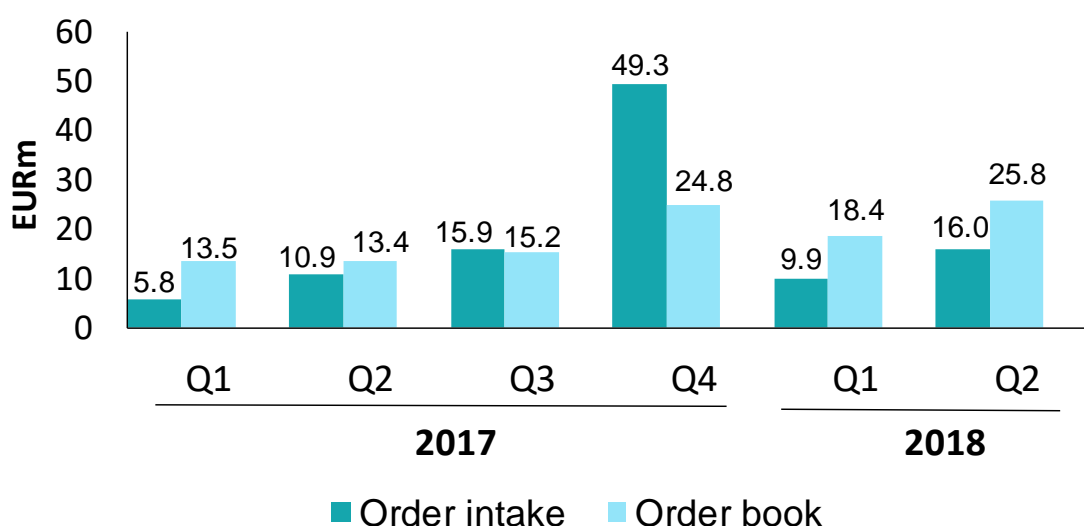
---

## Company Announcement

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

---

### SimCorp licenses, quarterly order intake and order book\*



\* Order intake and order book include licenses to new clients as well as add-on licenses to existing clients. For comparison reason the order intake and order book only include SimCorp Dimension and SimCorp Coric and not SimCorp Italiana (Sofia). The order book is the total aggregated license value of signed subscription and perpetual license agreements that has not yet been recognized in income.

### Revenue

H1 2018 revenue of EUR 172.8m was up 16.7% relative to H1 2017. Measured in local currencies the increase was 21.1%. SimCorp Italiana accounted for EUR 11.4m or 7.7%-points of the increase, which means the underlying organic revenue growth was 13.4% in H1 2018.

Income recognized from subscription-based licenses and from perpetual add-on licenses totalled EUR 29.0m, EUR 9.1m more than in H1 2017. The annual renewal of SimCorp Italiana's subscription-based agreements is predominantly in the first quarter of a year, and it accounted for EUR 4.3m of the increase in H1 2018.

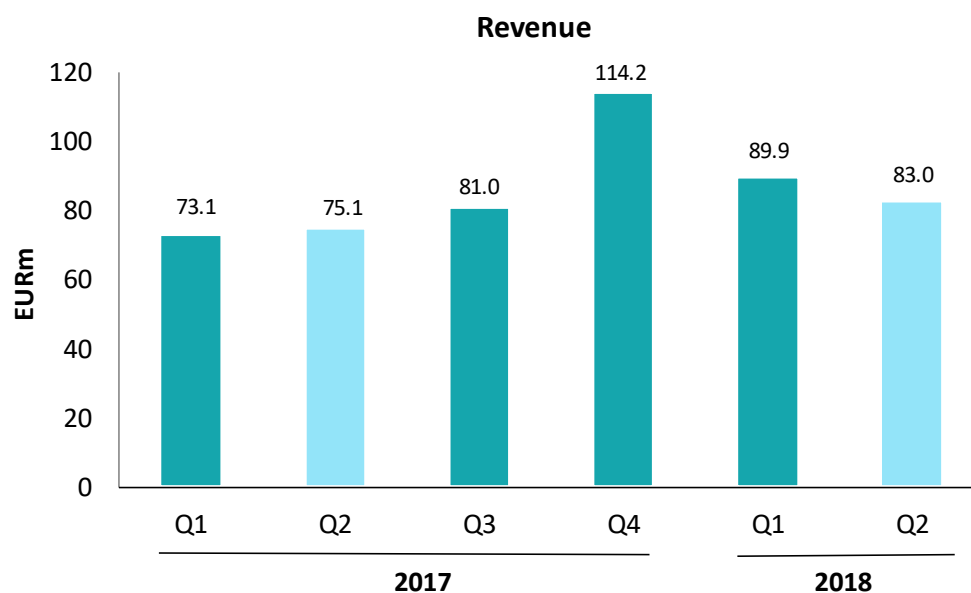
Q2 2018 revenue in reported currency was EUR 83.0m, 10.5% higher than Q2 2017. Measured in local currencies the increase was 13.6%. SimCorp Italiana generated EUR 3.5m or 4.8%-points of the increase, resulting in an underlying organic revenue growth of 8.8% in Q2 2018.

In Q2 2018, income recognized from subscription-based licenses and perpetual add-on licenses totalled EUR 9.4m, EUR 1.3m lower than Q2 2017.

The development and distribution in quarterly revenue is shown in the tables below:

## Company Announcement

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018



## H1 revenue

	Revenue H1 2018	Share of revenue H1 2018	Revenue H1 2017	Share of revenue H1 2017	Growth relative to H1 2017	Growth local currency relative to H1 2017	Organic growth local currency relative to H1 2017
EURm							
Licenses - new sales	7.5	4.3%	6.4	4.4%	15.6%	26.2%	26.2%
Licenses - additional sales	21.5	12.4%	13.5	9.1%	58.7%	61.9%	30.0%
Software updates and support*)	72.8	42.1%	68.5	46.2%	6.2%	9.9%	6.3%
Professional services	64.9	37.6%	56.0	37.8%	15.9%	20.9%	12.6%
ASP hosting and training fees	6.1	3.6%	3.7	2.5%	68.0%	74.8%	74.4%
<b>Total revenue</b>	<b>172.8</b>	<b>100.0%</b>	<b>148.2</b>	<b>100.0%</b>	<b>16.7%</b>	<b>21.1%</b>	<b>13.4%</b>

\* Maintenance revenue has been renamed "Software updates and support" to better reflect the nature of the revenue.

## Q2 revenue

	Revenue Q2 2018	Share of revenue Q2 2018	Revenue Q2 2017	Share of revenue Q2 2017	Growth relative to Q2 2017	Growth local currency relative to Q2 2017	Organic growth local currency relative to Q2 2017
EURm							
Licenses - new sales	2.2	2.6%	0.7	0.9%	225.9%	228.3%	228.3%
Licenses - additional sales	7.2	8.7%	10.0	13.3%	-28.3%	-26.4%	-28.3%
Software updates and support *)	36.5	44.0%	34.2	45.5%	6.8%	9.7%	6.1%
Professional services	33.0	39.8%	28.1	37.5%	17.4%	21.0%	13.5%
ASP hosting and training fees	4.1	4.9%	2.1	2.8%	97.4%	102.0%	101.4%
<b>Total revenue</b>	<b>83.0</b>	<b>100.0%</b>	<b>75.1</b>	<b>100.0%</b>	<b>10.5%</b>	<b>13.6%</b>	<b>8.8%</b>

\* Maintenance revenue has been renamed "Software updates and support" to better reflect the nature of the revenue.

---

## Company Announcement

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

---

Revenue recognized from new licenses was EUR 7.5m and from add-on licenses EUR 21.5m for the first six months, of which EUR 4.3m related to the SimCorp Italiana business, a combined increase of 45.7% compared with H1 2017 and an increase of 28.8% when measuring underlying organic growth. Add-on licenses consist of additional license sales, renewals of subscription licenses and conversion of perpetual licenses to subscription licenses. In H1 2018, conversions accounted for less than 5% of the total add-on license sales, while renewals accounted for around 25% (of which 20%-points relate to SimCorp Italiana), and additional license sales accounted for the remaining 70%. In Q2 2018, revenue from new licenses was EUR 2.2m and add-on licenses EUR 7.2m compared with total licenses of EUR 10.7m in Q2 last year.

Software updates and support revenue continues to increase with the completion and implementation of new client installations and new functionality to existing clients. This revenue was EUR 72.8m in H1 2018, up 6.2% on the same period last year, of which 3.6%-points stemmed from the SimCorp Italiana business. Currency fluctuations impacted the software updates and support income negatively by EUR 2.5m (3.7%-points), i.e. organic software updates and support income was up 6.3%. In Q2 2018, software updates and support revenue amounted to EUR 36.5m, an increase of 6.8% compared with Q2 last year and measured organically the growth was 6.1%.

In H1 2018, revenue from professional services amounted to EUR 64.9m, including EUR 4.7m (8.3%-points) from SimCorp Italiana, against EUR 56.0m in H1 2017. The activity in professional services is robust and continues at a high level. Currency fluctuations impacted the revenue negatively by EUR 2.8m (5.0%-points), i.e. organic growth was 12.6%. In Q2 2018, revenue from professional services amounted to EUR 33.0m, an increase of 17.4% compared with Q2 last year and measured organically the growth was 13.5%.

ASP hosting fees, other fees related to sale of third party solutions, and training fees amounted to EUR 6.1m compared with EUR 3.7m in H1 2017 and were EUR 4.1m in Q2 2018 compared with EUR 2.1m in Q2 last year.

## Operating costs

SimCorp's total operating costs (including depreciation and amortization) amounted to EUR 135.6m in H1 2018 compared with EUR 124.9m in H1 2017, an increase of 8.5%. SimCorp Italiana accounted for EUR 6.0m (4.8%) of the increase in operating costs, and currency fluctuations reduced the total costs by EUR 3.5m (2.8%). Measured in local currencies, the organic increase was 6.5%. The organic increase in costs is primarily related to the annual salary increase of around 3%, and an increase in the number of employees mainly related to the demand for more resources to cover for the growth in the business activities, especially in professional services.

Salaries and staff related costs accounted for 71% of total costs compared with 69% in H1 2017.

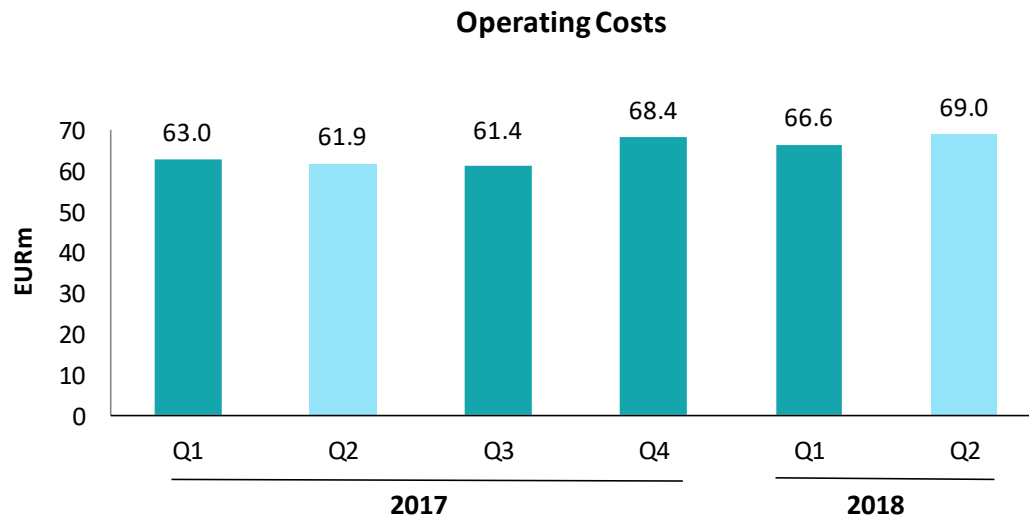
In H1 2017, operating costs included EUR 0.3m of one-time costs related to the acquisition of APL Italiana (included in the cost line "Administrative expenses").

In Q2 2018, total operating costs (including depreciation and amortization) amounted to EUR 69.0m compared with EUR 61.9m in Q2 2017, an increase of 11.4%. SimCorp Italiana accounted for EUR 2.5m (4.1%) of the increase in operating costs, and currency fluctuations reduced the total costs by EUR 1.3m (2.1%). Measured in local currencies, the organic increase was 9.4%. The increase in operating costs is linked to the business growth mentioned above.

## Company Announcement

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

The development and distribution in quarterly operating costs is shown in the tables below:



### H1 operating costs

EURm	H1 2018			H1 2017			Growth relative to H1 2017	Growth local currency relative to H1 2017	Organic growth local currency relative to H1 2017
	Costs	Share of costs	Share of revenue	Costs	Share of costs	Share of revenue			
Cost of sales	71.8	52.9%	41.5%	64.4	51.6%	43.5%	11.4%	15.1%	10.8%
Research and development costs	34.5	25.5%	20.0%	31.9	25.5%	21.5%	8.2%	8.8%	1.6%
Sales and marketing costs	18.9	14.0%	11.0%	18.1	14.5%	12.2%	4.5%	9.2%	7.0%
Administrative expenses	10.4	7.7%	6.0%	10.5	8.4%	7.1%	-1.1%	-0.5%	-5.9%
<b>Total operating cost</b>	<b>135.6</b>	<b>100.0%</b>	<b>78.5%</b>	<b>124.9</b>	<b>100.0%</b>	<b>84.3%</b>	<b>8.5%</b>	<b>11.3%</b>	<b>6.5%</b>

### Q2 operating costs

EURm	Q2 2018			Q2 2017			Growth relative to Q2 2017	Growth local currency relative to Q2 2017	Organic growth local currency relative to Q2 2017
	Costs	Share of costs	Share of revenue	Costs	Share of costs	Share of revenue			
Cost of sales	36.8	53.3%	44.3%	32.7	52.9%	43.6%	12.3%	15.0%	11.5%
Research and development costs	17.6	25.5%	21.2%	15.6	25.2%	20.8%	12.8%	13.6%	7.4%
Sales and marketing costs	9.5	13.8%	11.5%	8.8	14.2%	11.7%	8.5%	11.8%	9.8%
Administrative expenses	5.1	7.4%	6.1%	4.8	7.7%	6.4%	6.2%	7.0%	2.0%
<b>Total operating cost</b>	<b>69.0</b>	<b>100.0%</b>	<b>83.1%</b>	<b>61.9</b>	<b>100.0%</b>	<b>82.5%</b>	<b>11.4%</b>	<b>13.5%</b>	<b>9.4%</b>



---

## Company Announcement

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

---

### Employees

At June 30, 2018, the Group had 1,609 employees, 191 more than at 30 June 2017. SimCorp Italiana accounts for 120 of the additional employees.

On average, the Group had 1,528 full time equivalent employees during the first six months of 2018, compared with 1,346 full time equivalent employees for the same period last year. SimCorp Italiana accounts for 60 full time equivalent employees.

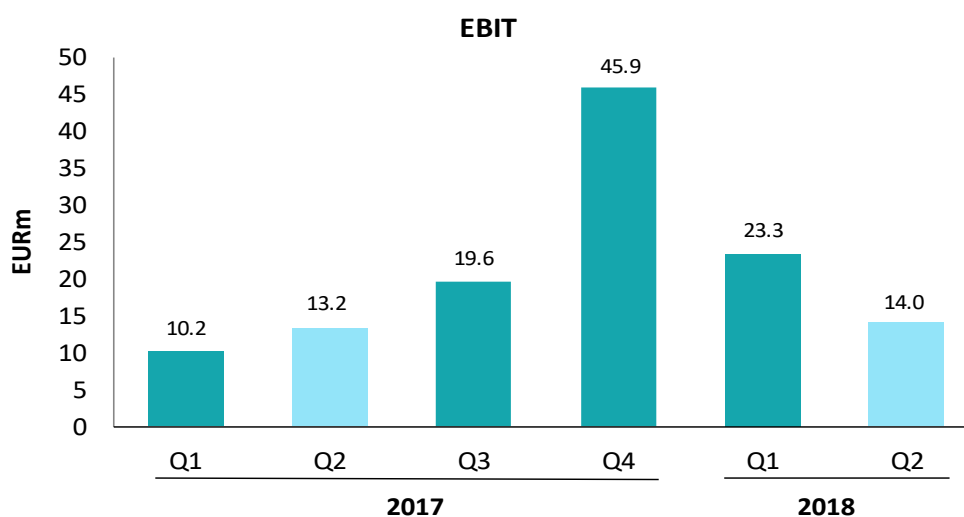
### Group performance

For H1 2018, the Group posted EBIT of EUR 37.4m compared with EUR 23.4m in H1 2017. Currency rate fluctuations decreased EBIT by EUR 3.2m for the first six months of the year.

EBIT margin increased from 15.8% in H1 2017 to 21.6%, and when measured in local currencies the EBIT margin was 22.6% in H1 2018, main drivers being license revenue growth, SimCorp Italiana contribution and cost focus. The underlying organic EBIT margin was 20.9%.

Q2 EBIT was EUR 14.0m against EUR 13.2m in Q2 last year. Currency rate fluctuations decreased EBIT by EUR 1.0m in Q2. EBIT margin was 16.9% compared with 17.6% in Q2 2017, and when measured in local currencies the EBIT margin was 17.6%. The underlying organic EBIT margin was 17.2%.

The development in quarterly EBIT is shown in the table below:



---

## **Company Announcement**

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

---

### **Profit before tax**

In H1 2018, financial income of EUR 3.2m and financial expenses of EUR 3.8m constituted a net expense of EUR 0.6m compared with a net expense of EUR 0.8m in the same period last year. Financial income and expenses are primarily related to foreign exchange adjustments and impacted by intercompany balances with parent company and the accounting for subscriptions agreements.

The Group posted a pre-tax profit of EUR 36.8m against a pre-tax profit of EUR 22.5m in H1 2017. The estimated tax charge of EUR 9.3m is equivalent to a tax rate of 25.3% compared with 24.9% in H1 2017. Thus, the Group's net profit for H1 2018 amounted to EUR 27.5m compared with a net profit of EUR 16.9m for the same period last year.

For Q2 2018, the Group realized a pre-tax profit of EUR 15.2m, against EUR 12.5m in Q2 2017, and a net profit of EUR 11.2m compared with EUR 9.4m in the same quarter last year.

### **Comprehensive income**

Exchange rate adjustments on translation of the Group's foreign assets and liabilities amounted to a net income of EUR 0.2m in H1 2018, compared with a net expense of EUR 1.6m in the same period last year, which is included in other comprehensive income. H1 2017 was impacted by the decrease in the exchange rates for GBP and USD compared with DKK and EUR.

Total comprehensive income for H1 2018 was EUR 27.7m compared with EUR 15.3m in the same period last year. For Q2 2018, the total comprehensive income was EUR 11.8m, against EUR 7.8m in same quarter last year.

### **Balance sheet**

SimCorp's total assets were EUR 240.7m at June 30, 2018, compared with EUR 142.2m a year earlier. The increase is primary related to the acquisition of SimCorp Italiana on August 1, 2017, which has increased total assets by EUR 53.5m, the increase in contract assets of EUR 33.7m, reflecting the accounting effect of signing new subscriptions agreements in the last 12 months, and an increase in cash holdings of EUR 34.6m.

Cash holdings amounted to EUR 42.8m compared with EUR 8.2m a year earlier. The difference is mainly due to improved operating cash flow and no buyback program for treasury shares in 2018 due to planned repayment of EUR 20m of acquisition loan in H2 2018.

Receivables amounted to EUR 71.1m at June 30, 2018, compared with EUR 71.5m at June 30, 2017, of which EUR 2.4m are related to SimCorp Italiana. Total receivables were EUR 15.0m lower than at December 31, 2017.

Contract assets increased by EUR 10.4m compared with December 31, 2017, as new and additional subscription licenses added EUR 19.8m to contract assets in H1 2018, which exceeded invoiced subscription license fees of EUR 8.9m in H1 2018 and financial element adjustments of EUR 0.5m.

SimCorp's total liabilities were EUR 124.4m at June 30, 2018, compared with EUR 76.3m a year earlier. The increase is primarily related to the loan of EUR 30.0m obtained in connection with the acquisition of SimCorp Italiana on August 1, 2017, and an increase in deferred taxes of EUR 10.3m related to contract assets, reflecting the accounting effect of new subscriptions agreements.

---

**Company Announcement**

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

---

**Cash flow**

Operating activities in H1 2018 generated a cash inflow of EUR 46.6m compared with EUR 25.6m in H1 last year. Payment of income taxes amounted to EUR 8.4m, against EUR 4.6m in H1 2017.

EUR 0.7m was spent on investing activities, compared with EUR 6.0m in H1 2017, which included payment of the deferred consideration of EUR 2.9m related to the acquisition of SimCorp Coric in 2014.

Free cash flow (cash flow from operations reduced by CAPEX) was EUR 45.9m compared with EUR 22.5m in the first six months of 2017. The higher free cash flow is related to an improved cash flow from operating activities and from lower CAPEX in H1 2018.

Cash used in financial activities in H1 2018 was for payment of dividends of EUR 34.6m, including EUR 7.3m in settling dividend taxes in Q2 2018. In H1 2017, cash used in financial activities was related to payment of dividends of EUR 33.3m and buy back of treasury shares, which reduced liquidity by EUR 14.6m.

**Changes in equity**

The company's equity amounted to EUR 116.3m at June 30, 2018. This is a decrease of EUR 0.3m from December 31, 2017.

Equity was increased by comprehensive income for H1 2018 of EUR 27.7m as well as effects of share-based remuneration of EUR 6.5m. Equity was reduced by dividends of EUR 34.5m.

---

**Company Announcement**

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

---

## **Outlook for the financial year 2018\***

SimCorp generated a solid financial result in the first half of 2018 in line with SimCorp's own expectations. SimCorp's intake of new customers varies considerably from one quarter to the next. The H1 2018 intake of orders was EUR 25.9m compared with EUR 16.7m for the same period last year.

During Q2 2018, contracts impacting the 2018 full year revenue by EUR 29m were secured, against EUR 24m in the same period last year. SimCorp enters Q3 2018 with EUR 296m of the projected 2018 revenue secured compared with EUR 268m the same time last year.

SimCorp continues to experience a satisfactory, geographically diversified demand for its products and services.

Based on the results for H1 2018, the performance so far in Q3 2018, and the pipeline for the remaining part of 2018, SimCorp maintains its expectations for the full year of between 10% and 15% revenue growth measured in local currencies, of which 3% is related to the acquisition of SimCorp Italiana, and an EBIT margin of between 24.5% to 27.5% measured in local currencies.

Based on exchange rates prevailing at July 31, 2018, SimCorp estimates currency fluctuations to have a negative impact on revenue growth of around 2% (3% in previous reporting) and to have a negative impact on EBIT margin of around 0.5%-points (unchanged from previous reporting).

\* This announcement contains certain forward-looking statements and expectations in respect of the 2018 financial year. Such forward-looking statements are not guarantees of future performance, and involve risk and uncertainty, and actual performance may deviate materially from that expressed in such forward-looking statements due to a variety of factors. Readers are warned not to rely unduly on such forward-looking statements, which apply only as at the date of this announcement. The Group's revenue is expected to continue to be impacted by relatively few but large system orders, and such orders are expected to be won at relatively irregular intervals. The terms agreed in the individual license agreements will determine the impact on the order book and on license income for any specific financial reporting period. Accordingly, license revenue is likely to vary considerably from one quarter to the next. Unless required by law or corresponding obligations SimCorp A/S is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this document, whether as a result of new information, future events or otherwise.

---

**Company Announcement**

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

---

**Other information****Significant risk and uncertainty factors**

SimCorp operates in a dynamic and complex business environment where performance relies heavily on the ongoing achievement of a number of success criteria. Pages 23-26 of SimCorp's Annual Report 2017 describe the most important general risk factors and the risk management measures utilized in everyday operations. Management believes that the description of these potential risks still applies.

**Shareholder information****Capital**

The company's extraordinary general meeting held on May 31, 2018, approved an amendment to the Articles of Association that allowed the company to reduce its nominal share capital by DKK 190,767 by cancellation of treasury shares. The reduction in share capital from 40,690,767 to 40,500,000 shares of DKK 1 was effective on June 29, 2018.

**Restricted stock units**

In Q2 2018, 360 restricted stock units have been granted to an employee related to an incentive program. The restricted stock units will vest after three years, subject to continuing employment.

441,911 restricted stock units are outstanding at June 30, 2018. The restricted stock units will be transferred in whole or in part between 2018 and 2022 to program participants still employed when the stock units vest, subject to performance conditions.

**Holding of treasury shares**

On June 29, 2018, the Company completed the nominal share capital reduction of DKK 190,767 as mentioned in the Shareholder information on page 10, by cancellation of 190,767 treasury shares.

At June 30, 2018, the holding of treasury shares amounted to 918,476 treasury shares, equal to 2.27% of the Company's issued share capital. The total purchase value was EUR 46.5m with a market value of EUR 63.7m at June 30, 2018.

**Headquarter in Copenhagen**

SimCorp has in Q2 2018 extended the lease for its office in Copenhagen to April 30, 2029. The lease has been entered on market terms and with normal rent adjustment clauses. The extension of the lease increases rent commitments by EUR 35.5m.

---

## Company Announcement

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

---

## Signatures

The Board of Directors and the Executive Management Board have today considered and adopted the interim report for the period January 1 - June 30, 2018.

The interim financial report, which is unaudited and has not been reviewed by the company's auditors, is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position as of June 30, 2018, and of the profit of the Group's operations and cash flow for the period January 1 - June 30, 2018.

Besides what has been disclosed in the interim report, there are no significant changes to the Group's risks and uncertainties, as disclosed in the consolidated annual report 2017.

Furthermore, the management's commentary gives a fair representation of the Group's activities, financial position and description of the material risks and uncertainties which the Group is facing.

August 23, 2018

Executive Management Board:

---

Klaus Holse  
Chief Executive Officer

---

Georg Hetrodt  
Chief Technology Officer

---

Michael Rosenvold  
Chief Financial Officer

Board of Directors:

---

Jesper Brandgaard  
Chairman

---

Peter Schütze  
Vice Chairman

---

Hervé Couturier

---

Simon Jeffreys

---

Adam Warby

---

Joan A. Binstock

---

Morten Hübbe

---

Else Braathen

---

Vera Bergforth

---

Ulrik Elstrup Hansen

## Company Announcement

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

## Consolidated income statement

EUR '000	2018 Q2	2017 Q2	2018 H1	2017 H1	2017 FY
Revenue	82,955	75,051	172,845	148,174	343,405
Cost of sales	36,758	32,724	71,812	64,433	132,528
<b>Gross profit</b>	46,197	42,327	101,033	83,741	210,877
Other operating income	86	40	130	81	211
Research and development costs	17,664	15,616	34,543	31,858	64,797
Sales and marketing costs	9,521	8,774	18,908	18,089	37,198
Administrative expenses	5,084	4,788	10,352	10,481	20,199
<b>Operating profit (EBIT)</b>	14,014	13,189	37,360	23,394	88,894
Share of profit after tax in associates	26	-22	45	-28	51
Financial income	2,376	1,122	3,246	1,621	3,425
Financial expenses	1,218	1,771	3,805	2,466	4,680
<b>Profit before tax</b>	15,198	12,518	36,846	22,521	87,690
Tax on the profit for the period	3,957	3,153	9,332	5,612	21,193
<b>Profit for the period</b>	11,241	9,365	27,514	16,909	66,497
<b>EARNINGS PER SHARE</b>					
Earnings per share - EPS (EUR)	0.29	0.24	0.70	0.43	1.69
Diluted earnings per share - EPS-D (EUR)	0.29	0.23	0.70	0.42	1.67

## Statement of comprehensive income

EUR '000	2018 Q2	2017 Q2	2018 H1	2017 H1	2017 FY
<b>Profit for the period</b>	11,241	9,365	27,514	16,909	66,497
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to the income statement:					
Remeasurements of defined benefit plans	-5	0	-5	0	-113
Tax	0	0	0	0	33
Items that may be reclassified subsequently to the income statement, when specific conditions are met:					
Foreign currency translation differences for foreign operations	555	-1,582	208	-1,616	-2,663
<b>Other comprehensive income after tax</b>	550	-1,582	203	-1,616	-2,743
<b>Total comprehensive income</b>	11,791	7,783	27,717	15,293	63,754

## Company Announcement

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

## Consolidated balance sheet

EUR '000	2018 H1	2017 H1	2017 FY
<b>ASSETS</b>			
Goodwill	28,009	3,873	28,009
Software	7,105	4,771	7,777
Client contracts	7,945	2,651	8,470
<b>Total intangible assets</b>	<b>43,059</b>	<b>11,295</b>	<b>44,256</b>
Leasehold improvements	2,891	3,321	3,295
Technical equipment	1,453	1,162	1,277
Other equipment, fixtures, fittings and prepayments	866	1,079	956
<b>Total property, plant, and equipment</b>	<b>5,210</b>	<b>5,562</b>	<b>5,528</b>
Investments in associates	928	483	854
Deposits	1,961	1,898	1,995
Deferred tax	5,621	7,245	3,123
<b>Total other non-current assets</b>	<b>8,510</b>	<b>9,626</b>	<b>5,972</b>
<b>Total non-current assets</b>	<b>56,779</b>	<b>26,483</b>	<b>55,756</b>
Receivables	71,083	71,535	86,080
Contracts assets	60,368	26,712	49,946
Income tax receivables	1,507	1,407	1,387
Prepayments	8,141	7,867	6,035
Cash and cash equivalents	42,832	8,194	31,412
<b>Total current assets</b>	<b>183,931</b>	<b>115,715</b>	<b>174,860</b>
<b>Total assets</b>	<b>240,710</b>	<b>142,198</b>	<b>230,616</b>
<b>LIABILITIES AND EQUITY</b>			
Share capital	5,441	5,441	5,467
Share premium	9,963	0	9,963
Exchange adjustment reserve	-2,962	-2,134	-3,170
Retained earnings	103,825	62,567	69,751
Proposed dividend	0	0	34,570
<b>Total equity</b>	<b>116,267</b>	<b>65,874</b>	<b>116,581</b>
Deferred tax	11,328	1,055	8,514
Provisions	8,246	5,781	8,025
<b>Total non-current liabilities</b>	<b>19,574</b>	<b>6,836</b>	<b>16,539</b>
Bank loan	30,000	0	30,000
Overdrafts	0	5,055	0
Prepayments from clients	24,172	18,972	11,969
Trade payables and other payables	45,304	38,377	50,358
Income tax payables	5,040	7,076	4,976
Provisions	353	8	193
<b>Total current liabilities</b>	<b>104,869</b>	<b>69,488</b>	<b>97,496</b>
<b>Total liabilities</b>	<b>124,443</b>	<b>76,324</b>	<b>114,035</b>
<b>Total liabilities and equity</b>	<b>240,710</b>	<b>142,198</b>	<b>230,616</b>



## Company Announcement

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

## Consolidated cash flow statement

EUR '000	2018 Q2	2017 Q2	2018 H1	2017 H1	2017 FY
Profit for the period	11,241	9,365	27,514	16,909	66,497
Adjustments for non-cash operating items	7,577	6,112	17,949	12,987	33,905
Changes in contract assets	-4,966	725	-10,422	-615	-21,922
Changes in working capital	11,849	-15,035	20,040	999	-7,931
<b>Cash from operating activities before financial items</b>	<b>25,701</b>	<b>1,167</b>	<b>55,081</b>	<b>30,280</b>	<b>70,549</b>
Financial income received	9	64	32	146	180
Financial expenses paid	-25	-88	-127	-174	-299
Income tax paid	-2,584	-1,070	-8,363	-4,627	-14,898
<b>Net cash from operating activities</b>	<b>23,101</b>	<b>73</b>	<b>46,623</b>	<b>25,625</b>	<b>55,532</b>
Deferred payment, purchase of subsidiaries	0	0	0	-2,931	-2,931
Purchase of subsidiaries, net of cash acquired	0	0	0	0	-19,851
Purchase of intangible fixed assets	0	0	0	-1,134	-1,362
Purchase of property, plant, and equipment	-639	-71	-722	-1,963	-3,162
Proceeds from sale of property, plant, and equipment	0	9	0	9	309
Purchase of financial assets	0	-5	-14	-34	-123
Proceeds from sale of financial assets	3	1	53	10	104
Dividends from associates	0	86	0	86	86
<b>Net cash used in investing activities</b>	<b>-636</b>	<b>20</b>	<b>-683</b>	<b>-5,957</b>	<b>-26,930</b>
<b>Net cash from operating and investing activities</b>	<b>22,465</b>	<b>93</b>	<b>45,940</b>	<b>19,668</b>	<b>28,602</b>
Dividends paid	-7,330	-33,272	-34,570	-33,272	-33,235
Purchase of treasury shares	0	-10,510	0	-14,592	-25,059
Proceeds, loans	0	0	0	0	30,000
<b>Net cash used in financing activities</b>	<b>-7,330</b>	<b>-43,782</b>	<b>-34,570</b>	<b>-47,864</b>	<b>-28,294</b>
<b>Change in cash and cash equivalents</b>	<b>15,135</b>	<b>-43,689</b>	<b>11,370</b>	<b>-28,196</b>	<b>308</b>
Cash and cash equivalents at beginning of period	27,550	47,087	31,412	31,590	31,590
Foreign exchange adjustment of cash and cash equivalents	147	-259	50	-255	-486
<b>Cash and cash equivalents end of period</b>	<b>42,832</b>	<b>3,139</b>	<b>42,832</b>	<b>3,139</b>	<b>31,412</b>
Cash and cash equivalents	42,832	8,194	42,832	8,194	31,412
Current debt (bank overdraft)	0	-5,055	0	-5,055	0
<b>Cash and cash equivalents end of period</b>	<b>42,832</b>	<b>3,139</b>	<b>42,832</b>	<b>3,139</b>	<b>31,412</b>

## Company Announcement

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

## Statement of changes in equity

EUR '000	Share capital	Share premium	Exchange adjustment reserve	Retained earnings	Proposed dividends for the year	Total
<b>2018 H1</b>						
Equity at January 1	5,467	9,963	-3,170	69,751	34,570	116,581
Net profit for the period	-	-	0	27,514	-	27,514
Total other comprehensive income	-	-	208	-5	-	203
<b>Total comprehensive income for the period</b>	-	-	208	27,509	0	27,717
<b>Transactions with owners</b>						
Cancellation of treasury shares	-26	-	-	26	-	0
Dividends paid to shareholders	-	-	-	57	-34,570	-34,513
Share-based payment	-	-	-	5,676	-	5,676
Tax, share-based payment	-	-	-	806	-	806
<b>Equity at June 30</b>	<b>5,441</b>	<b>9,963</b>	<b>-2,962</b>	<b>103,825</b>	<b>0</b>	<b>116,267</b>
<b>2017</b>						
Equity at January 1 as previously reported	5,575	-	-518	34,173	33,341	72,571
Adjustment related to IFRS 15	-	-	-	27,874	-	27,874
Tax, adjustment related to IFRS 15	-	-	-	-6,967	-	-6,967
<b>Adjusted balance at January 1</b>	<b>5,575</b>	<b>-</b>	<b>-518</b>	<b>55,080</b>	<b>33,341</b>	<b>93,478</b>
Net profit for the period	-	-	0	16,909	-	16,909
Total other comprehensive income	-	-	-1,616	0	-	-1,616
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-1,616</b>	<b>16,909</b>	<b>0</b>	<b>15,293</b>
<b>Transactions with owners</b>						
Cancellation of treasury shares	-134	-	-	134	-	0
Share-based payment	-	-	-	4,531	-	4,531
Tax, share-based payment	-	-	-	436	-	436
Purchase of treasury shares	-	-	-	-14,592	-	-14,592
Dividends declared to shareholders	-	-	-	69	-33,341	-33,272
<b>Equity at June 30</b>	<b>5,441</b>	<b>0</b>	<b>-2,134</b>	<b>62,567</b>	<b>0</b>	<b>65,874</b>
Adjustment related to IFRS 15	-	-	-	-233	-	-233
Tax, adjustment related to IFRS 15	-	-	-	18	-	18
<b>Adjusted balance at July 1</b>	<b>5,441</b>	<b>0</b>	<b>-2,134</b>	<b>62,352</b>	<b>0</b>	<b>65,659</b>
Net profit for the period	-	-	-	49,588	-	49,588
Total other comprehensive income	-	-	-1,047	-80	-	-1,127
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-1,047</b>	<b>49,508</b>	<b>0</b>	<b>48,461</b>
<b>Transactions with owners</b>						
Issue of shares	26	9,963	11	-	-	10,000
Dividends paid to shareholders	-	-	-	106	-	106
Share-based payment	-	-	-	3,020	-	3,020
Tax, share-based payment	-	-	-	-129	-	-129
Purchase of treasury shares	-	-	-	-10,467	-	-10,467
Proposed dividends to shareholders	-	-	-	-34,639	34,570	-69
<b>Equity at December 31</b>	<b>5,467</b>	<b>9,963</b>	<b>-3,170</b>	<b>69,751</b>	<b>34,570</b>	<b>116,581</b>

---

**Company Announcement**

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

---

## **Notes to the financial statements**

### **Accounting policies**

The interim report is presented in accordance with IAS 34 “Interim financial reporting” as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

The accounting policies applied are consistent with those of the Annual Report 2017 except for the changes described below. See the Annual Report 2017 for a comprehensive description of the accounting policies applied.

### **Change in accounting policies**

Effective January 1, 2018, IFRS 9 Financial Instruments was implemented, the standard contains requirements for the classification and measurement of financial assets and liabilities, impairment methodology and general hedge accounting. The implementation of IFRS9 and a number of other new accounting standards and interpretations have no monetary effect on the SimCorp Group’s result, assets, liabilities or equity.

### **Judgments and estimates**

The preparation of interim reports requires management to make accounting judgments and estimates that affect the use of accounting policies and recognized assets, liabilities, income and expenses. Actual results may differ from these estimates.

The most significant estimates made by management when using the Group’s accounting policies and the most significant judgment uncertainties attached hereto are the same for the preparation of the interim report as for the preparation of the Annual Report 2017.

## Company Announcement

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

## Segment information

EUR '000	Northern Europe	Central Europe	UK and Middle East	Southern Europe	Asia and Australia	North America	Dimension *	SimCorp Coric	SimCorp Sofia**	Segment s total	Corporate Functions	Elimination / Not allocated	Group
<b>April 1 - June 30 2018</b>													
External revenue	27,089	16,468	5,704	9,947	4,456	13,568	269	1,785	3,540	82,826	129	-	82,955
Revenue between segments	3,757	2,142	2,193	253	258	1,205	27,071	312	120	37,311	2,208	-39,519	-
<b>Total segment revenue</b>	<b>30,846</b>	<b>18,610</b>	<b>7,897</b>	<b>10,200</b>	<b>4,714</b>	<b>14,773</b>	<b>27,340</b>	<b>2,097</b>	<b>3,660</b>	<b>120,137</b>	<b>2,337</b>	<b>-39,519</b>	<b>82,955</b>
EBITDA	2,733	1,716	664	-1,313	388	1,387	12,972	-509	1,040	19,078	-3,912	-	15,166
Depreciation and amortization	27	8	80	41	15	85	30	145	326	757	395	-	1,152
<b>Segment operating profit (EBIT)</b>	<b>2,706</b>	<b>1,708</b>	<b>584</b>	<b>-1,354</b>	<b>373</b>	<b>1,302</b>	<b>12,942</b>	<b>-654</b>	<b>714</b>	<b>18,321</b>	<b>-4,307</b>	<b>-</b>	<b>14,014</b>
<b>January 1 - June 30 2018</b>													
External revenue	52,076	32,922	12,091	21,355	8,195	30,371	546	3,604	11,443	172,603	242	-	172,845
Revenue between segments	8,577	4,648	4,630	488	630	2,310	51,013	779	350	73,425	2,871	-76,296	-
<b>Total segment revenue</b>	<b>60,653</b>	<b>37,570</b>	<b>16,721</b>	<b>21,843</b>	<b>8,825</b>	<b>32,681</b>	<b>51,559</b>	<b>4,383</b>	<b>11,793</b>	<b>246,028</b>	<b>3,113</b>	<b>-76,296</b>	<b>172,845</b>
EBITDA	5,426	3,213	997	-2,247	577	1,943	28,953	806	6,014	45,682	-6,046	-	39,636
Depreciation and amortization	54	15	160	116	25	170	58	288	621	1,507	769	-	2,276
<b>Segment operating profit (EBIT)</b>	<b>5,372</b>	<b>3,198</b>	<b>837</b>	<b>-2,363</b>	<b>552</b>	<b>1,773</b>	<b>28,895</b>	<b>518</b>	<b>5,393</b>	<b>44,175</b>	<b>-6,815</b>	<b>-</b>	<b>37,360</b>
<b>Total assets</b>	<b>39,208</b>	<b>13,556</b>	<b>7,065</b>	<b>24,963</b>	<b>16,414</b>	<b>41,326</b>	<b>2,858</b>	<b>24,821</b>	<b>53,478</b>	<b>223,689</b>	<b>6,191</b>	<b>10,830</b>	<b>240,710</b>
<b>April 1 - June 30 2017</b>													
External revenue	24,230	15,819	6,421	6,177	4,362	14,510	301	3,072	-	74,892	159	-	75,051
Revenue between segments	3,773	2,587	2,580	54	514	1,477	28,312	225	-	39,522	918	-40,440	0
<b>Total segment revenue</b>	<b>28,003</b>	<b>18,406</b>	<b>9,001</b>	<b>6,231</b>	<b>4,876</b>	<b>15,987</b>	<b>28,613</b>	<b>3,297</b>	<b>-</b>	<b>114,414</b>	<b>1,077</b>	<b>-40,440</b>	<b>75,051</b>
EBITDA	3,514	1,385	-1,481	-840	142	295	11,086	1,589	-	15,690	-1,642	-	14,048
Depreciation and amortization	29	10	87	51	14	71	34	143	-	439	420	-	859
<b>Segment operating profit (EBIT)</b>	<b>3,485</b>	<b>1,375</b>	<b>-1,568</b>	<b>-891</b>	<b>128</b>	<b>224</b>	<b>11,052</b>	<b>1,446</b>	<b>-</b>	<b>15,251</b>	<b>-2,062</b>	<b>-</b>	<b>13,189</b>
<b>January 1 - June 30 2017</b>													
External revenue	43,660	32,468	13,954	14,044	8,774	29,455	666	4,876	-	147,897	277	-	148,174
Revenue between segments	7,178	3,971	5,033	176	981	2,954	54,269	629	-	75,191	1,486	-76,677	0
<b>Total segment revenue</b>	<b>50,838</b>	<b>36,439</b>	<b>18,987</b>	<b>14,220</b>	<b>9,755</b>	<b>32,409</b>	<b>54,935</b>	<b>5,505</b>	<b>-</b>	<b>223,088</b>	<b>1,763</b>	<b>-76,677</b>	<b>148,174</b>
EBITDA	6,178	1,983	-343	371	422	2,300	18,692	867	-	30,470	-5,354	-	25,116
Depreciation and amortization	59	19	166	93	29	116	59	293	-	834	888	-	1,722
<b>Segment operating profit (EBIT)</b>	<b>6,119</b>	<b>1,964</b>	<b>-509</b>	<b>278</b>	<b>393</b>	<b>2,184</b>	<b>18,633</b>	<b>574</b>	<b>-</b>	<b>29,636</b>	<b>-6,242</b>	<b>-</b>	<b>23,394</b>
<b>Total assets</b>	<b>24,570</b>	<b>17,108</b>	<b>8,803</b>	<b>18,944</b>	<b>6,267</b>	<b>37,789</b>	<b>972</b>	<b>23,115</b>	<b>-</b>	<b>137,568</b>	<b>8,127</b>	<b>-3,497</b>	<b>142,198</b>

\* SimCorp Dimension includes all development cost for SimCorp Dimension

\*\* SimCorp Sofia from August 1, 2017.

Revenue disclosures are based on SimCorp's market units and development activities while asset allocation is based on the physical location of the assets. Unallocated assets relate to non-current headquarter assets, cash, taxes and investments in associates.

EUR '000	2018 Q2	2017 Q2	2018 H1	2017 H1
<b>Segment operating profit (EBIT)</b>	<b>14,014</b>	<b>13,189</b>	<b>37,360</b>	<b>23,394</b>
Share of profit after tax on associates	26	-22	45	-28
Financial income	2,376	1,122	3,246	1,621
Financial expenses	1,218	1,771	3,805	2,466
<b>Profit for the period before tax</b>	<b>15,198</b>	<b>12,518</b>	<b>36,846</b>	<b>22,521</b>

---

**Company Announcement**

SimCorp reports revenue growth of 17% and EBIT margin of 22% in H1 2018

---

**Property, plant and equipment and investment obligations**

The SimCorp Group does not hold assets under finance leases and has not provided assets as security.

**Contingent liabilities**

No material changes have occurred to contingent liabilities referred to in the Annual Report 2017.

**Events after June 30, 2018**

No significant events have occurred after the balance sheet date that affect the interim report.