

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

Q4 2019 highlights:

- Reported Q4 2019 revenue of EUR 127.8m, EBIT of EUR 34.0m and EBIT margin of 26.6% were, as expected and in accordance with our guidance, lower than the particularly strong Q4 2018 reported revenue of EUR 129.1m, EBIT of EUR 50.8m and EBIT margin of 39.4%.
- Five new SimCorp Dimension and one new SimCorp Gain license deals were signed in Q4 2019. Total order intake was EUR 34.6m, a decrease of EUR 26.3m compared with Q4 2018, due to a very large new order in Asia in Q4 last year, a decrease in order intake from Client-Driven Development (CDD) of EUR 9.6m, and EUR 3.0m lower additional license order intake than in the same period last year. Order intake has been more evenly spread over the year compared with 2018.

FY 2019 highlights:

- Reported revenue was EUR 454.5m, an increase of 18.8% when compared with 2018, and organic revenue growth was 15.5%.
- Reported EBIT was EUR 127.8m compared with EUR 103.3m in 2018.
- Reported EBIT margin was 28.1% compared with 27.0% in 2018, primarily driven by strong license revenue from new clients. The underlying organic EBIT margin increased by 1.7%-points from 26.9% in 2018 to 28.6%.
- Measured in local currencies, SimCorp achieved revenue growth for 2019 of 16.9% and an EBIT margin of 27.7%, which was at the top end of the guidance range for the year of revenue growth between 12% and 17% and an EBIT margin between 25.0% and 28.0%, both measured in local currencies.
- Net profit was EUR 96.9m compared with EUR 77.0m in 2018.
- Total order intake was EUR 97.7m, a decrease of EUR 8.2m or 7.7% compared with 2018, as order intake from CDD accounted for EUR 2.8m compared with EUR 16.8m last year. A total of twelve new SimCorp Dimension, three new SimCorp Coric and one new SimCorp Gain agreements were signed in 2019.
- At December 31, 2019, the order book amounted to EUR 36.4m, a decrease of EUR 9.1m when compared with the order book at year-end 2018, due to the revenue recognition of the large new license agreement with an Asian investment company, signed in Q4 2018.
- Free cash flow was EUR 70.9m compared with EUR 80.2m in 2018. Free cash flow was impacted by an increase in subscription-based license sales, which resulted in an increase in contract assets of EUR 63.5m compared with EUR 35.7m in 2018.

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- The net cash position was EUR 11.9m compared with EUR 47.5m at year-end 2018. The decrease was primarily due to the acquisition of AIM Software (renamed SimCorp Gain).
- Total assets were EUR 437.9m at December 31, 2019 compared with EUR 270.3m at year-end 2018. The increase of EUR 167.6m was primarily related to the impact of the acquisition of AIM Software of EUR 72.5m, the capitalization of leases of EUR 51.0m on the adoption of IFRS 16 'Leases', and a net increase in contract assets of EUR 63.5m.
- At December 31, 2019, SimCorp has drawn EUR 20.0m on the facilities obtained to finance the acquisition of AIM Software.
- SimCorp entered 2020 with EUR 278.8m of the full year's revenue signed, an improvement of EUR 38.1m or 16% compared with last year.
- The Board of Directors intends to recommend to shareholders at the Annual General Meeting 2020 that dividends of EUR 39.9m be declared at the rate of DKK 7.50 per share compared with DKK 6.75 last year, equivalent to 41% of profit for the year and 56% of free cash flow in 2019.
- In addition, provided there will be no specific requirements for liquidity, SimCorp expects to initiate a new share buyback program in 2020. The intention is to purchase shares for EUR 20m over the next 12 months in two half yearly buy-back programs of EUR 10m each.

Financial guidance 2020:

- For 2020, SimCorp expects revenue to grow between 5% and 10% and EBIT margin to be between 24% and 27%, measured in local currencies. Research and development costs are expected to increase from 18% of revenue in 2019 to 20% in 2020 due to extra investments in cloud lift, and extra investments in internal IT systems will continue into 2020. The integration of SimCorp Gain is expected to impact EBIT margin negatively by 1%-point in 2020.

Klaus Holse, SimCorp CEO comments:

"2019 was a good year for SimCorp with organic revenue growth of 15.5% and a record high EBIT margin of 28%. I believe the results are a testament to the strength of our integrated solutions, our strategic position in the market, and our clients' buy-in to the company's strategic direction."

"During the year, we bolstered our data management capabilities with the acquisition of AIM Software and updated our corporate strategy, setting the direction for SimCorp as the leading global provider of integrated front-to-back, multi-asset, investment management solutions. We are now focused on execution of the strategy, which includes a gradual transition to a cloud-based as-a-service company, opening up for a wider ecosystem of solutions around SimCorp Dimension, and strengthening the outcomes we deliver to enable our clients' success."

Against the backdrop of a particularly strong 2019, we expect to see more modest revenue growth in 2020. We will also invest in fully integrating SimCorp Gain and in internal IT systems, and we will invest an additional 2% of our revenue in R&D to take a significant step towards realizing our cloud strategy. As a result our EBIT margin expectation for 2020 is lower than in 2019."

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Investor presentation

SimCorp's Executive Management Board will present the report at a conference call on Wednesday, February 5, 2020 at 11:00 am (CET). Please use any of the following phone numbers to dial in to the conference call:

From Denmark:	+45 3272 8042
From USA:	+1 631 510 7495
From other countries:	+44 (0) 2071 928000
Pin code to access the call:	8156377

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/mmc/p/ypy37ud9>.

The presentation will be available prior to the conference call via SimCorp's website

<http://www.simcorp.com/en/about/investor/presentations-and-events/quarterly-and-annual-investor-meetings>.

The Annual Report 2019 is available via this link

<https://www.simcorp.com/annual-report-2019>

Enquiries regarding this announcement should be addressed to:

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Financial highlights and key ratios for the SimCorp Group

EUR '000	2019 Q4	2018 Q4	2019 FY	2018 FY
INCOME STATEMENT				
Revenue	127,839	129,104	454,531	382,626
Earnings before interest, tax, depreciation, and amortization (EBITDA)	38,319	53,320	142,576	109,268
Operating profit (EBIT)	33,955	50,848	127,824	103,345
Financial items, net	-1,966	-1,084	-148	-897
Profit before tax	32,071	49,814	127,801	102,536
Profit for the period	24,336	37,650	96,901	76,971
BALANCE SHEET				
Share capital	5,441	5,441	5,441	5,441
Total equity	230,020	169,059	230,020	169,059
Revolving credit facility / bank loan	20,000	-	20,000	-
Intangible assets	99,557	40,444	99,557	40,444
Property, plant, and equipment*	55,650	5,377	55,650	5,377
Receivables	81,804	79,165	81,804	79,165
Contract assets	151,774	85,684	151,774	85,684
Cash and cash equivalents	31,851	47,500	31,851	47,500
Total assets	437,912	270,267	437,912	270,267
Investment in property, plant and equipment	496	1,027	1,722	1,950
CASH FLOW				
Cash flow from operating activities	8,016	16,974	82,505	82,215
Net cash used in investing activities	-529	-842	-60,214	-1,720
Net cash used in financing activities	-2,595	-9,874	-38,249	-64,444
Free cash flow	4,902	15,867	70,903	80,153
Net change in cash and cash equivalents	4,893	6,258	-15,958	16,051
EMPLOYEES				
Number of employees at the end of the period	1,871	1,660	1,871	1,660
Average number of employees - FTE	1,801	1,597	1,703	1,554
FINANCIAL RATIOS				
EBIT margin (%)	26.6	39.4	28.1	27.0
ROIC (return on invested capital) (%)	52.9	169.7	65.3	82.4
Receivables turnover ratio	10.5	11.2	9.3	8.2
Equity ratio (%)	52.5	62.6	52.5	62.6
Return on equity (%)	44.9	100.7	46.5	59.7
SHARE PERFORMANCE				
Earnings per share - EPS (EUR)	0.61	0.95	2.44	1.95
Diluted earnings per share - EPS-D (EUR)	0.61	0.94	2.42	1.93
Cash flow per share - CFPS (EUR)	0.20	0.42	2.08	2.08
MARKET VALUE RATIOS				
Average number of shares (m)	39.6	39.6	39.7	39.5
Average number of shares - diluted (m)	40.0	40.0	40.1	39.9
EUR/DKK rate of exchange at end of period	7.4697	7.4673	7.4697	7.4673

* 2019 includes right-of-use assets, refer to pages 24-26 for further details on the adoption of IFRS 16.

Please refer to the definition of ratios on page 56 of the Annual Report 2019.

This interim report is unaudited and has not been reviewed by external auditors, for audited financial statements please refer to the comprehensive Annual Report 2019.

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Management's report – Twelve months ended December 31, 2019

Development in sales and orders

In Q4 2019, five new SimCorp Dimension contracts were signed, of which two were in North America, two in the United Kingdom, Northern Europe and Middle East business unit and one in Central Europe. One new SimCorp Gain deal was signed in the Netherlands.

Q4 2019 order intake was EUR 34.6m compared with the particularly strong order intake of EUR 60.9m in Q4 last year. The decrease was due to a very large new order in Asia in Q4 last year, order intake from Client-Driven Development (CDD) amounting to EUR 0.6m compared with EUR 10.2m in Q4 last year, and EUR 3.0m lower additional license order intake than same period last year. Order intake has been more evenly spread over the year compared with 2018.

FY 2019 order intake was EUR 97.7m compared with EUR 105.9m last year, as order intake from CDD accounted for EUR 2.8m compared with a particularly high order intake of EUR 16.8m last year. Compared with 2018, the order intake for SimCorp Dimension, excluding CDD, decreased slightly by EUR 1.9m to EUR 77.1m in 2019. The order intake for SimCorp Coric was EUR 10.6m compared with EUR 5.2m in 2018. For SimCorp Sofia, the order intake was EUR 5.2m compared with EUR 4.9m in 2018, and SimCorp Gain had an order intake of EUR 2.0m.

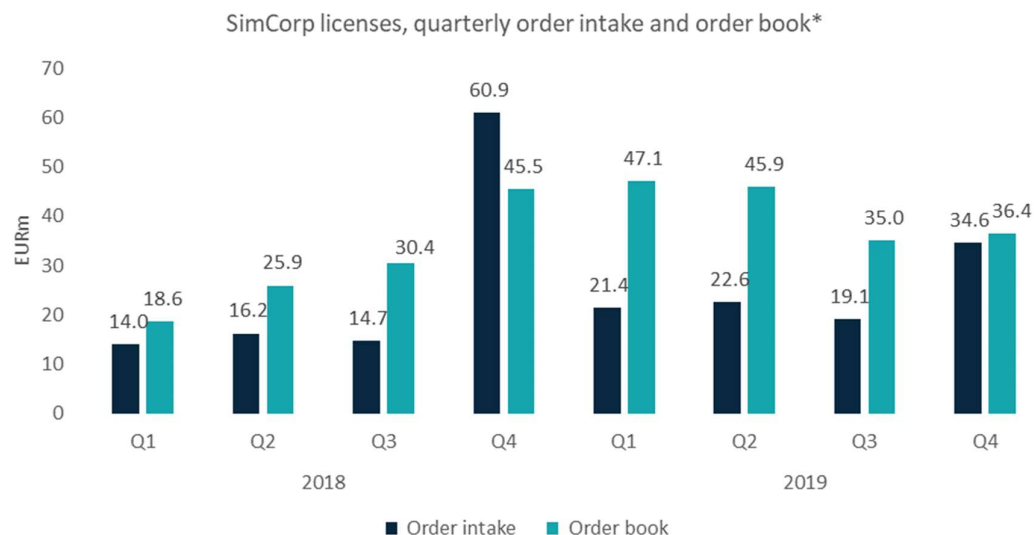
A total of 12 new subscription-based SimCorp Dimension license contracts, three new SimCorp Coric contracts and one new SimCorp Gain contract were signed in 2019. Add-on sales were well distributed among all business units, but slightly lower than last year.

The order book increased by EUR 1.4m from September 30, 2019 to December 31, 2019.

The order book of EUR 36.4m at December 31, 2019 is a decrease of EUR 9.1m compared with same time last year, primarily due to revenue recognition in 2019 of a large new license agreement with an Asian investment company, signed in Q4 2018. EUR 17.0m of the order book is related to CDD orders, where income will be recognized when the software is delivered, compared with EUR 17.7m at the same time last year.

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* Order intake and order book include licenses to new clients as well as add-on licenses to existing clients. The order book is the total license value of signed license agreements, including Client Driven Development (CDD) orders, that has not yet been recognized in income. 2018 order intake has been restated to include SimCorp Italiana (Sofia).

Revenue

Q4 2019 revenue in reported currency was EUR 127.8m, 1.0% lower than in Q4 2018. Measured in local currencies the decrease was 2.4% and organically the decrease was 5.1%.

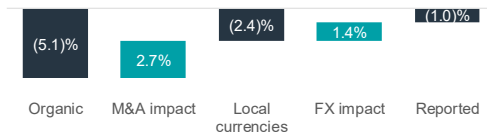
SimCorp generated revenue of EUR 454.5m in 2019 compared with EUR 382.6m in 2018, equal to an increase of 18.8%. The growth was primarily driven by strong license revenue from new clients. Exchange rate fluctuations for the year had a positive impact on revenue of 1.9%-point. Measured in local currencies, revenue thus increased by 16.9%. The underlying organic revenue growth was 15.5%, including a 1.4%-point positive impact from the acquisition of AIM Software with effect from August 1, 2019.

The currency and acquisition impact on revenue growth is shown below:

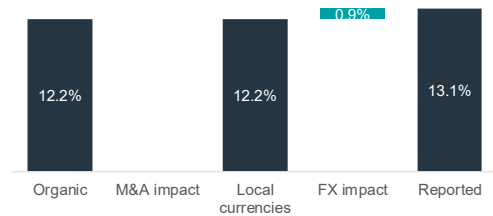
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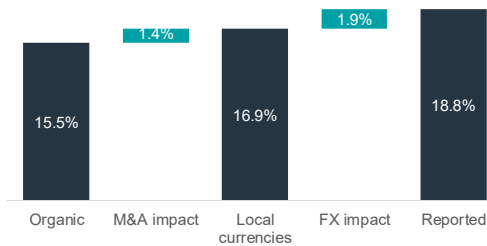
Q4 2019 revenue growth



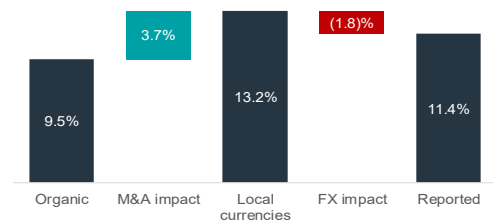
Q4 2018 revenue growth



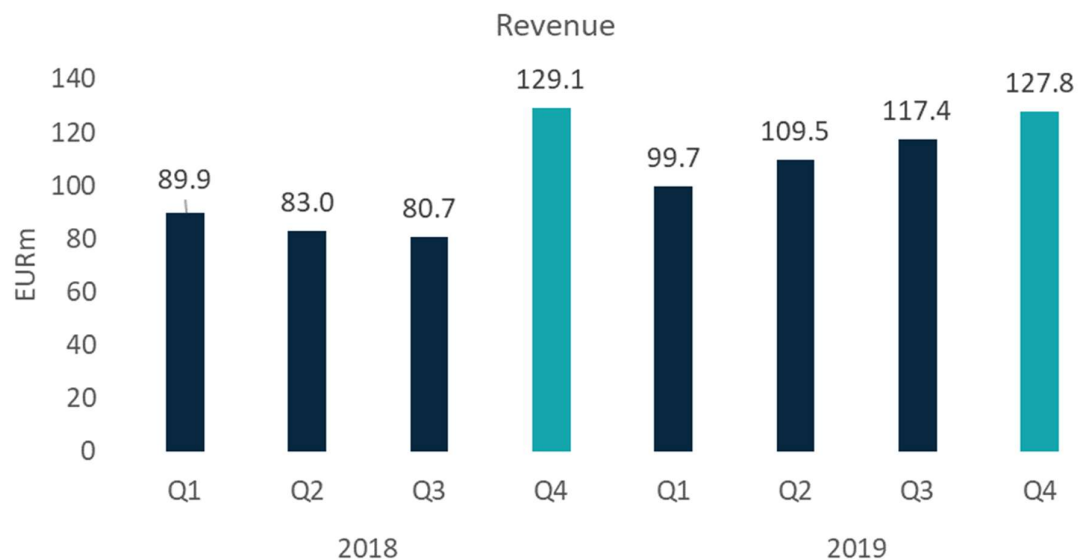
FY 2019 revenue growth



FY 2018 revenue growth



The development and distribution of quarterly revenue is shown below:



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Q4 revenue

EURm	Revenue Q4 2019	Share of revenue Q4 2019	Revenue Q4 2018	Share of revenue Q4 2018	Revenue growth	Revenue growth local currencies	Organic revenue growth local currencies
Licenses - new sales	19.0	14.9%	23.2	18.0%	-18.2%	-21.2%	-23.3%
Licenses - additional sales	13.2	10.3%	24.3	18.8%	-45.7%	-45.6%	-47.0%
Software updates and support	42.6	33.3%	38.9	30.2%	9.5%	8.8%	6.8%
Professional services	45.4	35.5%	38.1	29.5%	19.3%	17.5%	13.9%
Hosting and other fees	7.6	6.0%	4.6	3.5%	66.8%	62.4%	50.7%
Total revenue	127.8	100.0%	129.1	100.0%	-1.0%	-2.4%	-5.1%

FY revenue

EURm	Revenue 2019	Share of revenue 2019	Revenue 2018	Share of revenue 2018	Revenue growth	Revenue growth local currencies	Organic revenue growth local currencies
Licenses - new sales	54.6	12.0%	34.4	9.0%	58.9%	53.9%	52.4%
Licenses - additional sales	51.2	11.3%	51.9	13.6%	-1.4%	-3.0%	-3.7%
Software updates and support	167.4	36.8%	149.6	39.1%	12.0%	11.0%	10.0%
Professional services	153.2	33.7%	133.7	34.9%	14.6%	12.7%	11.0%
Hosting and other fees	28.1	6.2%	13.1	3.4%	114.1%	110.2%	104.1%
Total revenue	454.5	100.0%	382.6	100.0%	18.8%	16.9%	15.5%

In Q4 2019, revenue recognized from new and additional license sales totalled EUR 32.2m, EUR 15.3m less than in Q4 2018, mainly due to EUR 11.1m lower additional license sales.

In FY 2019, revenue recognized from new and additional license sales was EUR 105.8m, an increase of EUR 19.5m, or 22.6% compared with 2018. Currency fluctuations impacted total license fee positively by 3.0%. Measured in local currencies, the increase was 19.6%, and the underlying organic revenue growth in total license fee was 18.6% in 2019, reflecting a 1.0%-point positive impact from the acquisition of AIM Software.

In Q4 2019, there was one conversion from perpetual to subscription-based license contract (Q4 2018: three conversions), which accounted for around 33% (Q4 2018: 21%) of the total add-on license sales, while renewals accounted for around 9% (Q4 2018: 3%), and additional license sales accounted for around 58% (Q4 2018: 76%).

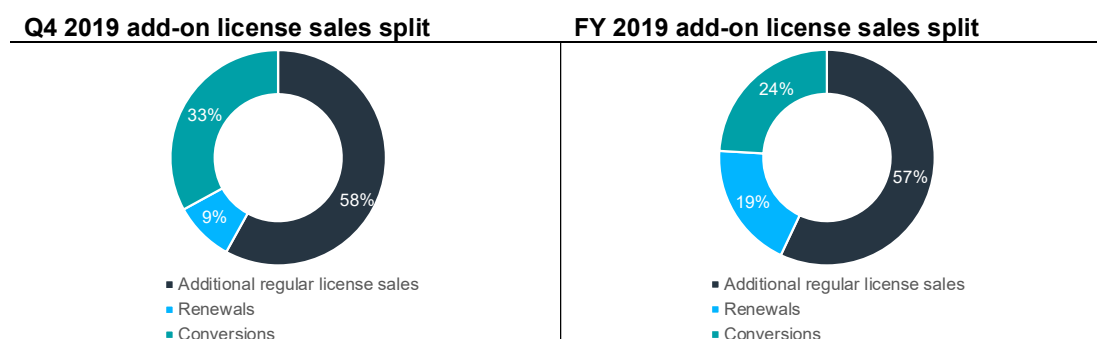
For the FY 2019, the additional order intake was positively impacted by EUR 10.6m from three clients converting their perpetual contracts to subscription-based license contracts. Add-on license revenue was positively impacted by EUR 12.3m as, in addition to the additional order intake from conversions, revenue was also recognized in 2019 for a conversion made in 2017. For the three clients converting in 2019, the annual subscription-based payments will be higher than the software updates and support fee under the perpetual contracts due to the sale of additional functionality in connection with the conversions. However, the annual software updates and support fees will be EUR 1.6m lower, as the subscription license revenue according to IFRS 15 is recognized on contract completion. In comparison, additional order intake was impacted by EUR 7.2m due to conversions in 2018, resulting in annual software updates and support fees being decreased by EUR 1.0m.

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In FY 2019, additional regular license sales accounted for 57% (2018: 74%) of the total add-on license sales, conversions accounted for 24% (2018: 12%), while renewals accounted for the remaining 19% (2018: 14%), of which approximately 10%-points related to SimCorp Coric renewals and 9%-points related to SimCorp Sofia renewals.

The split in add-on license sales is shown below:



Three clients canceled SimCorp Dimension contracts in 2019, of which one continued using SimCorp Dimension through an outsourcing client. Three SimCorp Coric, no SimCorp Gain, and four small SimCorp Sofia licenses were cancelled. The SimCorp Sofia cancellations were due to mergers into existing SimCorp Sofia clients. The annual software updates and support fee for the canceled contracts amounted to EUR 2.6m, equivalent to 0.6%-points of 2019 revenue compared with EUR 3.6m in 2018, equivalent to 0.9% of 2018 revenue.

In Q4 2019, revenue from software updates and support amounted to EUR 42.6, an increase of 9.5% compared with Q4 last year. Measured in local currencies, the increase was 8.8%, and the underlying organic revenue growth from software updates and support was 6.8% in Q4 2019.

In FY 2019, software updates and support revenue increased by 12.0% from EUR 149.6m last year to EUR 167.4m. Currency fluctuations impacted the software updates and support revenue positively by 1.0%, and the acquisition of AIM Software also impacted the software updates and support revenue positively by 1.0%. Consequently, organic growth in software updates and support revenue was 10.0%. License agreements signed in 2019 will increase annual software updates and support income by around EUR 9m once fully implemented (2018: EUR 10m), while cancelled contracts in 2019 and conversions from perpetual to subscription-based licenses will decrease annual software updates and support income by EUR 4.2m (2018: EUR 4.7m).

In Q4 2019, revenue from professional services amounted to EUR 45.4m, an increase of 19.3% compared with Q4 last year.

In FY 2019, fees from professional services increased by 14.6% from EUR 133.7m last year to EUR 153.2m, primarily due to implementations related to new clients. Currency fluctuations impacted the professional services revenue positively by 1.9%, while the acquisition of AIM Software impacted the professional services revenue positively by 1.7%, i.e. organic growth was 11.0%.

In Q4 2019, hosting and other fees amounted to EUR 7.6m compared with EUR 4.6m in Q4 2018.

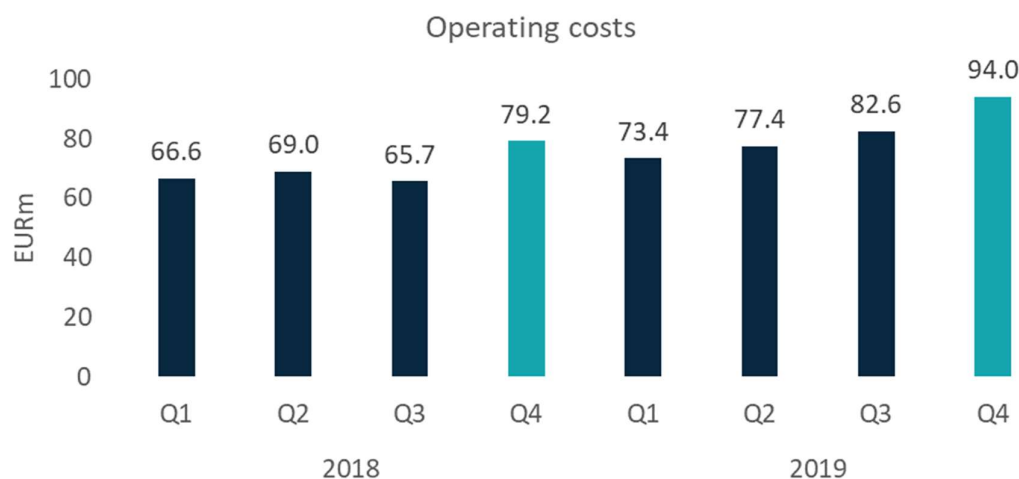
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In FY 2019, hosting and other fees more than doubled from EUR 13.1m in 2018 to EUR 28.1m, due to adding more clients on a hosted as-a-service solution and growth in selling third party products. In 2019, we added nine new SimCorp Dimension as-a-service clients, bringing the total number of clients on a hosted solution to 21, comprising 12 clients in North America, five in the UK, Northern Europe and Middle East business unit, three in Central Europe, and one in APAC. Seven out of the nine new SimCorp Dimension as-a-service clients were new clients in 2019, while the remaining two were existing clients moving from an on-premise to a hosted solution.

Operating costs

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



Q4 operating costs

EURm	Costs Q4 2019	Share of costs Q4 2019	Share of revenue Q4 2019	Costs Q4 2018	Share of costs Q4 2018	Share of revenue Q4 2018	Growth	Growth local currency	Organic growth local currency
Cost of sales	47.4	50.4%	37.1%	42.6	53.8%	33.0%	11.4%	10.1%	6.7%
Research and development costs	23.0	24.5%	18.0%	19.2	24.2%	14.9%	19.7%	19.4%	13.3%
Sales and marketing costs	14.4	15.4%	11.3%	12.4	15.6%	9.6%	16.7%	14.8%	4.9%
Administrative expenses	9.1	9.7%	7.1%	5.1	6.4%	3.9%	80.8%	80.8%	57.5%
Total operating cost	93.9	100.0%	73.5%	79.3	100.0%	61.4%	18.7%	17.6%	11.3%

FY operating costs

EURm	Costs 2019	Share of costs 2019	Share of revenue 2019	Costs 2018	Share of costs 2018	Share of revenue 2018	Growth	Growth local currency	Organic growth local currency
Cost of sales	167.1	51.1%	36.8%	148.8	53.1%	38.9%	12.3%	11.0%	9.1%
Research and development costs	82.9	25.3%	18.2%	69.9	24.9%	18.3%	18.7%	18.6%	15.9%
Sales and marketing costs	49.1	15.0%	10.8%	41.0	14.6%	10.7%	19.9%	17.7%	13.2%
Administrative expenses	28.1	8.6%	6.2%	20.8	7.4%	5.4%	34.5%	34.4%	27.0%
Total operating cost	327.2	100.0%	72.0%	280.5	100.0%	73.3%	16.7%	15.6%	12.7%

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SimCorp's total operating costs (including depreciation and amortization) amounted to EUR 94.0m in Q4 2019, compared with EUR 79.2m in Q4 2018, an increase of 18.7%. Currency fluctuations increased operating costs by 1.1% and the acquisition of AIM software added 6.3%. Measured in local currencies the increase was 17.6% and organic growth in operating costs was 11.3%.

In FY 2019, total operating costs (including depreciation and amortization) increased by 16.7% from EUR 280.5m in 2018 to EUR 327.2m. Currency fluctuations increased the total operating costs by 1.1%. Measured in local currencies and adjusted for the impact from the acquisition of AIM Software of 2.9%, the organic operating costs increase was 12.7%.

The organic increase in operating costs was primarily related to an increase in the number of employees and subcontractors and the annual salary increase of around 3%, and secondarily due to internal IT investments.

Administrative expenses was the cost line with the highest increase. In 2019, administrative expenses included one-time transaction costs of EUR 1.1m related to the acquisition of AIM Software and extra costs of more than EUR 2m related to internal IT investments. The remaining increase in administrative expenses was primarily related to increase in salary related cost, including performance related bonuses.

In FY 2019, 68% of SimCorp's total operating costs were directly related to employees compared with 70% in 2018.

Employees

The average number of full-time employees increased by 9.6% from 1,554 in 2018 to 1,703 in 2019, of which 1.8%-points of the increase related to AIM Software. The number of employees was 1,871 at the end of 2019 compared with 1,660 at the end of 2018, of which 68 employees were from AIM Software.

EBIT and EBIT margin

Q4 EBIT was EUR 34.0m against EUR 50.8m in Q4 last year. EBIT margin was 26.6% compared with 39.4% in Q4 2018. When measured in local currencies, EBIT margin was 26.2% and underlying organic EBIT margin was 28.1%.

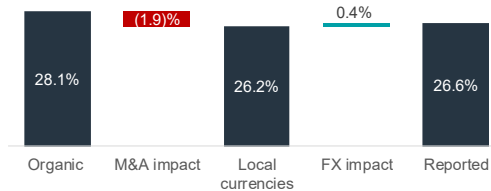
For FY 2019, EBIT was EUR 127.8m compared with EUR 103.3m in 2018, an increase of EUR 24.5m. EBIT margin increased from 27.0% in 2018 to 28.1%. When measured in local currencies the EBIT margin was 27.7% in 2019, the main driver behind the improved margin being new license revenue growth. The underlying organic EBIT margin was 28.6%, as the acquisition of AIM Software had a negative impact on the EBIT margin of 0.9%-points. The organic EBIT margin improved by 1.7%-points compared with the organic EBIT margin of 26.9% in 2018.

The currency and M&A impact on EBIT margin is shown below:

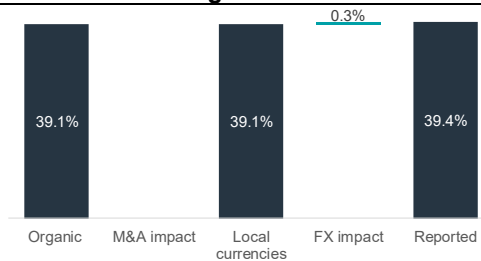
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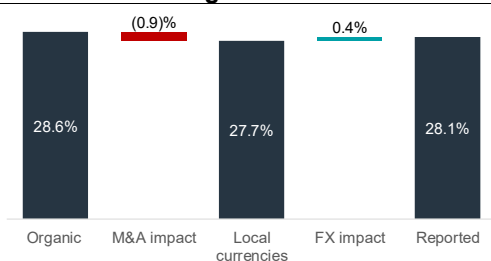
Q4 2019 EBIT margin



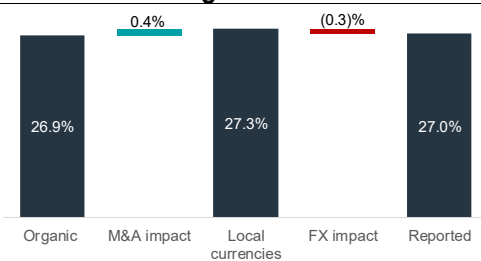
Q4 2018 EBIT margin



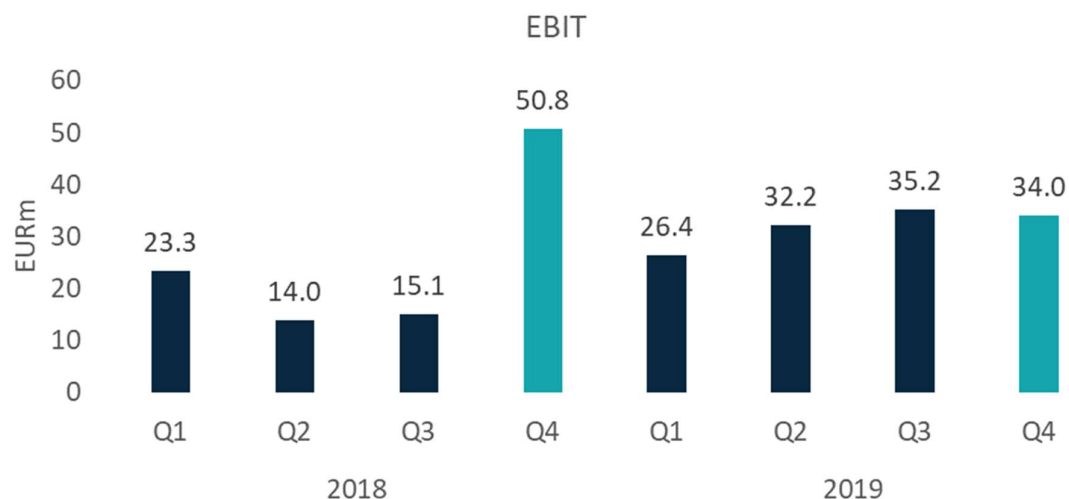
FY 2019 EBIT margin



FY 2018 EBIT margin



The development in quarterly EBIT is shown below:



Profit and comprehensive income

In Q4 2019, the share of profit after tax in associates of EUR 0.1m and negative financial items (net) of EUR 2.0m resulted in a net financial expense of EUR 1.9m compared with a net financial expense of EUR 1.0m in Q4 2018.

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In Q4 2019, the pre-tax profit was EUR 32.1m, against EUR 49.8m in Q4 2018, and a net profit of EUR 24.3m compared with EUR 37.7m in the same quarter last year.

In FY 2019, share of profit after tax in associates of EUR 0.1m and negative financial items (net) of EUR 0.1m resulted in a net financial expense of EUR 23 thousand compared with a net financial expense of EUR 0.8m in 2018.

In FY 2019, profit before tax was EUR 127.8m against EUR 102.5m in 2018. The tax charges for 2019 amounted to EUR 30.9m against EUR 25.6m in 2018. The effective tax rate was 24.2% compared with 24.9% in 2018.

In FY 2019, profit after tax was EUR 96.9m compared with EUR 77.0m in 2018. After the net effect of foreign currency translation differences and remeasurements of defined benefit plans of EUR 0.3m, the total comprehensive income amounted to EUR 97.2m against EUR 76.9m in 2018.

Balance sheet

SimCorp had total assets of EUR 437.9m at December 31, 2019 compared with EUR 270.3m at December 31, 2018. The increase of EUR 167.6m was primarily related to the impact of the acquisition of AIM Software of EUR 72.5m, the capitalization of leases of EUR 51.0m on the adoption of IFRS 16 'Leases', and a net increase (excluding AIM Software) in contract assets of EUR 63.5m.

Cash holdings amounted to EUR 31.9m compared with EUR 47.5m at December 31, 2018. EUR 20.0m were drawn on the revolving credit facilities to finance the acquisition of AIM Software. Consequently, the net cash position decreased from EUR 47.5m at the end of 2018 to EUR 11.9m.

Receivables increased slightly from EUR 79.2m at December 31, 2018 to EUR 81.8m, of which AIM Software accounted for EUR 3.3m.

In accordance with IFRS 9 'Financial Instruments', SimCorp has made an expected credit loss provision of EUR 1.2m related to contract assets and receivables at December 31, 2019 (December 31, 2018: EUR 0.7m). Since 2008, no significant actual losses have been incurred.

Contract assets increased by EUR 66.1m compared with December 31, 2018, as new and additional subscription-based licenses added EUR 84.5m to contract assets in 2019, finance income recognized added EUR 2.1m, and AIM Software added another EUR 2.6m, which together exceeded invoiced subscription-based license fees of EUR 23.1m in 2019.

The Group's total non-current assets were EUR 163.5m compared with EUR 50.9m at December 31, 2018. The increase is primarily related to the adoption of IFRS16 'Leases' (EUR 51.0m) and the AIM Software acquisition (EUR 72.5m).

Goodwill was EUR 61.2m at December 31, 2019 compared with EUR 27.9m at the end of 2018. The increase is due to the acquisition of AIM Software. No impairment to goodwill was made in 2019.

The carrying amount of acquired software increased by EUR 8.2m to EUR 13.3m and the value of client relationships increased by EUR 17.7m to EUR 25.0m, primarily due to the identified intangible assets of AIM Software, which were only partly offset by amortization.

The carrying amount of leasehold assets increased from EUR 3.1m at the end of 2018 to EUR 51.6m, primarily due to the adoption of IFRS 16.

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

Other property, plant, and equipment amounted to EUR 4.1m against EUR 2.3m at the end of 2018.

Deferred tax assets increased by EUR 3.0m to EUR 5.4m

SimCorp's total liabilities were EUR 207.9m at December 31, 2019, compared with EUR 101.2m a year earlier. The increase was primarily due to the adoption of IFRS 16 'Leases' and the acquisition of AIM Software.

Investments

On June 6, 2019, SimCorp announced that it had signed an agreement to acquire all the shares of AIM Holding SCA and its subsidiaries ("AIM Software"), for a total enterprise value of EUR 60m. The purchase price was adjusted upwards by EUR 2.9m upon closing of the agreement, reflecting the net cash items taken over. The acquisition was financed by own cash reserves and extended credit facilities. The acquisition was completed on August 1, 2019.

The purchase price of EUR 62.9m was settled by cash consideration.

SimCorp Gain will be fully integrated into the current SimCorp business and operation. To achieve the identified synergies, it will require a number of one-off investments in 2019 and 2020, which will have a dilutive impact on the contribution from the SimCorp Gain business. In 2021, we expect to realize the identified synergies, and the fully integrated SimCorp Gain is expected to further increase its profitability and deliver higher revenue growth than the Group.

The preliminary assessment of the fair value of the net assets acquired, consideration paid and goodwill arising on the transaction can be seen below. The preliminary assessment is subject to remeasurement for a period of 12 months after the acquisition date and accordingly subject to adjustment.

Intangible assets related to client relationships and software have been valued initially at EUR 19.0m and EUR 9.4m, respectively. Client relationships will be amortized over 20 years and software over 10 years.

The net aggregate fair value of identifiable assets and liabilities measured in accordance with IFRS 3 is preliminarily determined to be EUR 29.9m, and goodwill to be EUR 33.0m.

The goodwill is attributable to cross-selling synergies from the complimentary products and shared target client base, as well as cost synergies, for instance from combining the two firm's office locations.

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

PRELIMINARY FAIR VALUE AT ACQUISITION

EUR '000	2019
Intangible assets - client relationships	18,990
Intangible assets - software	9,392
Property, plant, and equipment	1,199
Receivables	3,954
Contract assets	2,598
Cash and cash equivalents	4,431
Deferred tax liability	-5,771
Income tax payable	-109
Prepayments from clients	-1,833
Trade and other payables	-2,120
Lease liabilities	-856
Identifiable net assets	29,875

GOODWILL

EUR '000	2019
Consideration transferred	62,899
Fair value of identifiable net assets	-29,875
Goodwill	33,024

Changes in equity

The Group's equity increased during the year by EUR 60.9m from EUR 169.1m at December 31, 2018 to EUR 230.0m. Comprehensive income amounted to EUR 97.2m against EUR 76.9m last year. The net effect of share-based payments related to restricted stock units was EUR 12.1m, compared with EUR 10.0m in 2018. Equity was reduced by purchases of treasury shares of EUR 12.5m and dividends payments of EUR 35.9m against dividends payments of EUR 34.4m in 2018.

Cash flow

In Q4 2019, free cash flow (cash flow from operations reduced by CAPEX and lease payments) was EUR 4.9m compared with EUR 15.9m in Q4 2018.

In FY 2019, operating activities generated a net cash inflow of EUR 82.5m against EUR 82.2m last year, however, payment of leases of EUR 9.9m in 2019 has been reported under financing cash flow after the adoption of IFRS 16. For the second consecutive year changes in working capital were positive at EUR 11.5m in 2019 and EUR 21.9m in 2018. Changes in contract assets were EUR -63.5m compared with EUR -35.7m in 2018. Payment of income taxes amounted to EUR 23.5m, against EUR 22.3m in 2018.

In FY 2019, there was a net cash outflow of EUR 60.2m from investing activities compared with EUR 1.7m in 2018. Cash flow from investing activities included in 2019 a net payment of EUR 58.5m for

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

AIM Software, consisting of paid consideration of EUR 62.9m less cash in AIM Software of EUR 4.4m when acquired.

In FY 2019, free cash flow was EUR 70.9m compared with EUR 80.2m in 2018.

Cash conversion, defined as free cash flow divided by profit for the year, was 73%. The reason for being below 100% is the negative impact of changes in contract assets of EUR 63.5m.

Cash used in financing activities in 2019 related to dividend payments of EUR 35.9m and the purchase of treasury shares of EUR 12.5m and the repayment of lease liabilities of EUR 9.9m. To finance the acquisition of AIM Software, SimCorp has increased its credit facilities, and at the end of 2019 EUR 20.0m was drawn on the facilities. Cash used in financing activities in 2018 was limited to dividend payments of EUR 34.4m and a loan repayment of EUR 30.0m related to the acquisition of SimCorp Italiana.

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

Outlook for the financial year 2020*

Based on the current business environment, the current pipeline, and SimCorp's market position, the expectations for 2020 are to grow revenue in local currencies by between 5% and 10% and to generate an EBIT margin measured in local currencies of between 24.0% and 27.0%.

Approximately 2%-point of the above-mentioned expected revenue growth is related to the acquisition of AIM Software. The acquisition is expected to impact the EBIT margin negatively by approximately 1%-point due to lower initial profitability and integration costs, resulting in an expected 2020 organic revenue growth of between 3% and 8% and an EBIT margin of between 25.0% and 28.0%.

Extra investments in research and development related to cloud lift are expected to impact the EBIT margin negatively by approximately 2%-points, and extra investments in internal IT systems will continue into 2020.

SimCorp entered 2020 with signed revenue for the full year of EUR 278.8m – an increase of EUR 38.1m or 16% compared with the beginning of 2018.

Based on the exchange rates prevailing at the end of January 2020, SimCorp estimates reported revenue to be positively impacted from currency fluctuations by around 0.7%. SimCorp does not expect any impact from currency fluctuations on reported EBIT margin.

* This announcement contains certain forward-looking statements and expectations in respect of the 2020 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 19% and EBIT margin of 28% for 2019

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 26-28 of SimCorp's Annual Report 2019 describe the most important general risk factors and the risk management measures utilized in everyday operations.

Shareholder information**Restricted stock units**

402,079 restricted stock units are outstanding at December 31, 2019. The restricted stock units will be transferred in whole or in part between 2020 and 2024 to program participants still employed when the stock units vest, subject to performance conditions.

Holding of treasury shares

In 2019, SimCorp purchased 150,980 treasury shares with a nominal value of DKK 1 at an average price of DKK 617.86 per share, totaling EUR 12.5m. SimCorp delivered 168,217 treasury shares with a nominal value of DKK 1 on the vesting of restricted stock units.

At December 31, 2019, SimCorp held 900,481 treasury shares with a nominal value of DKK 1 each (2.2% of the total share capital) at a cost of EUR 50.9m and a market value of EUR 91.3m. At December 31, 2018, SimCorp held 917,718 treasury shares with a nominal value of DKK 1 each (2.3% of the total share capital) at a cost of EUR 46.6m and a market value of EUR 54.8m.

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

Signatures

The Board of Directors and the Executive Management Board have today considered and approved the Annual Report for 2019 of SimCorp A/S, including the audited consolidated financial statements. The Board of Directors and the Executive Management Board have also considered and approved this interim report for 2019.

The consolidated financial statements in the Annual Report 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements according to the Danish Financial Statements Act.

The interim 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 report gives a true and fair view of the Group's assets, liabilities and financial position as of December 31, 2019, and of the profit of the Group's operations and cash flow for the period January 1 – December 31, 2019.

Furthermore, this interim report gives, together with what is disclosed in the Annual Report 2019, a fair representation of the Group's activities, financial position and description of the most material risks and uncertainties which the Group is facing.

February 5, 2020

Executive Management Board:

Klaus Holse
Chief Executive Officer

Michael Rosenvold
Chief Financial Officer

Georg Hetrodt
Chief Product Officer

Christian Kromann
Chief Operating Officer

Board of Directors:

Peter Schütze
Chairman

Morten Hübbe
Vice Chairman

Hervé Couturier

Simon Jeffreys

Adam Warby

Joan A. Binstock

Else Braathen

Vera Bergforth

Hugues Chabanis

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

Consolidated income statement

EUR '000	2019 Q4	2018 Q4	2019 FY	2018 FY
Revenue	127,839	129,104	454,531	382,626
Cost of sales	47,422	42,570	167,141	148,786
Gross profit	80,417	86,534	287,390	233,840
Other operating income	111	943	533	1,219
Research and development costs	22,992	19,214	82,938	69,879
Sales and marketing costs	14,443	12,362	49,105	40,971
Administrative expenses	9,138	5,053	28,056	20,864
Operating profit (EBIT)	33,955	50,848	127,824	103,345
Share of profit after tax in associates	82	50	125	88
Financial items (net)	-1,966	-1,084	-148	-897
Profit before tax	32,071	49,814	127,801	102,536
Tax on the profit for the period	7,735	12,164	30,900	25,565
Profit for the period	24,336	37,650	96,901	76,971
EARNINGS PER SHARE				
Earnings per share - EPS (EUR)	0.61	0.95	2.44	1.95
Diluted earnings per share - EPS-D (EUR)	0.61	0.94	2.42	1.93

Statement of comprehensive income

EUR '000	2019 Q4	2018 Q4	2019 FY	2018 FY
Profit for the period	24,336	37,650	96,901	76,971
Other comprehensive income				
Items that will not be reclassified subsequently to the income statement:				
Remeasurements of defined benefit plans	-1,473	186	-1,473	181
Tax, remeasurement of defined benefit plans	323	-39	323	-39
Items that may be reclassified subsequently to the income statement, when specific conditions are met:				
Foreign currency translation differences for foreign operations	249	-489	1,426	-239
Other comprehensive income after tax	-901	-342	276	-97
Total comprehensive income	23,435	37,308	97,177	76,874

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

Consolidated balance sheet

EUR '000	Dec. 31 2019	Dec. 31 2018
ASSETS		
Goodwill	61,178	27,937
Software	13,348	5,139
Client relationships	25,031	7,368
Total intangible assets	99,557	40,444
Leasehold	51,589	3,106
Technical equipment	1,506	1,475
Other equipment, fixtures, fittings and prepayments	2,555	796
Total property, plant, and equipment	55,650	5,377
Investments in associates	808	723
Deposits	2,095	1,983
Deferred tax	5,357	2,328
Total other non-current assets	8,260	5,034
Total non-current assets	163,467	50,855
Receivables	81,804	79,165
Contract assets	151,774	85,684
Income tax receivables	2,341	978
Prepayments	6,675	6,085
Cash and cash equivalents	31,851	47,500
Total current assets	274,445	219,412
Total assets	437,912	270,267
LIABILITIES AND EQUITY		
Share capital	5,441	5,441
Share premium	-	9,963
Exchange adjustment reserve	-1,983	-3,409
Retained earnings	186,643	121,130
Proposed dividend	39,919	35,934
Total equity	230,020	169,059
Lease liabilities	41,585	-
Deferred tax	25,931	11,728
Provisions	12,796	8,258
Total non-current liabilities	80,312	19,986
Revolving credit facility / bank loan	20,000	-
Lease liabilities	10,063	-
Prepayments from clients	24,678	17,704
Trade payables	18,503	17,257
Other payables	48,922	42,418
Income tax payables	4,389	3,117
Provisions	1,025	726
Total current liabilities	127,580	81,222
Total liabilities	207,892	101,208
Total liabilities and equity	437,912	270,267

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

Consolidated cash flow statement

EUR '000	2019 Q4	2018 Q4	2019 FY	2018 FY
Profit for the period	24,336	37,650	96,901	76,971
Depreciation	4,364	2,471	14,752	5,923
Financial items (net)	1,966	1,084	148	897
Tax on profit for the year	7,735	12,164	30,900	25,565
Share of profit after tax in associates	-82	-50	-125	-88
Other included in operating income	-2,201	-1,463	598	-693
Adjustment share based remuneration	982	927	10,243	9,305
Change in provisions	3,760	1,287	4,837	766
Changes in contract assets	-18,474	-24,793	-63,492	-35,738
Changes in working capital	-1,291	-247	11,496	21,917
Financial income received	10	100	135	136
Financial expenses paid	-56	-263	-342	-465
Income tax paid	-13,033	-11,893	-23,546	-22,281
Net cash from operating activities	8,016	16,974	82,505	82,215
Purchase of subsidiaries, net of cash acquired	-	-	-58,468	-
Proceeds from sale of share of associates	-	285	-	285
Purchase of intangible fixed assets	-	-80	-	-112
Purchase of property, plant, and equipment, net	-496	-1,027	-1,722	-1,950
Sale and purchase of financial assets, net	-33	-20	-105	14
Dividends from associates	-	-	81	43
Net cash used in investing activities	-529	-842	-60,214	-1,720
Dividends paid	17	126	-35,881	-34,444
Purchase of treasury shares	6	-	-12,488	-
Repayment of lease liability	-2,618	-	-9,880	-
Proceeds, credit facilities / loans	-	-	20,000	-
Repayment, loans	-	-10,000	-	-30,000
Net cash used in financing activities	-2,595	-9,874	-38,249	-64,444
Change in cash and cash equivalents	4,892	6,258	-15,958	16,051
Cash and cash equivalents at beginning of period	26,903	41,305	47,500	31,412
Foreign exchange adjustment of cash and cash equivalents	56	-63	309	37
Cash and cash equivalents end of period	31,851	47,500	31,851	47,500

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

Statement of changes in equity

EUR '000	Share capital	Share premium	Exchange adjustment reserve	Retained earnings	Dividends for the year	Total
2019						
Equity at January 1	5,441	9,963	-3,409	121,130	35,934	169,059
Reclassification	-	-9,963	-	9,963	-	-
Adjusted balance at January 1	5,441	-	-3,409	131,093	35,934	169,059
Net profit for the year	-	-	-	96,901	-	96,901
Total other comprehensive income	-	-	1,426	-1,150	-	276
Total comprehensive income for the year	-	-	1,426	95,751	-	97,177
Transactions with owners						
Dividends paid to shareholders	-	-	-	53	-35,934	-35,881
Share-based payment	-	-	-	10,243	-	10,243
Tax, share-based payment	-	-	-	1,910	-	1,910
Purchase of treasury shares	-	-	-	-12,488	-	-12,488
Proposed dividends to shareholders	-	-	-	-39,919	39,919	-
Equity at December 31	5,441	-	-1,983	186,643	39,919	230,020
2018						
Equity at January 1	5,467	9,963	-3,170	69,751	34,570	116,581
Net profit for the year	-	-	-	76,971	-	76,971
Total other comprehensive income	-	-	-239	142	-	-97
Total comprehensive income for the year	-	-	-239	77,113	-	76,874
Transactions with owners						
Cancellation of treasury shares	-26	-	-	26	-	-
Dividends paid to shareholders	-	-	-	126	-34,570	-34,444
Share-based payment	-	-	-	9,305	-	9,305
Tax, share-based payment	-	-	-	743	-	743
Proposed dividends to shareholders	-	-	-	-35,934	35,934	-
Equity at December 31	5,441	9,963	-3,409	121,130	35,934	169,059

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

Notes to the financial statements

Accounting policies

The financial 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 2019. See the Annual Report 2019 for a comprehensive description of the accounting policies applied.

Change in accounting policies

IFRS 16

Effective January 1, 2019, IFRS 16 Leases was implemented. The standard was adopted applying the modified retrospective approach for the 2019 reporting period, and comparatives for the 2018 reporting period were not restated as permitted under the transition provisions in the standard. On adoption of IFRS 16, SimCorp recognized lease liabilities in relation to leases, which had previously been classified as 'Operating Leases' under the principles of IAS 17 Leases. These leases were measured as payments payable over the remaining lease term.

SimCorp has used several practical expedients permitted by the standard: reliance on previous assessment on whether leases are onerous; accounting as short-term leases those with remaining terms of less than 12 months from January 1, 2019; exclusion of initial direct costs for the measurement of right-of-use asset at the date of initial application; and use of hindsight in determining the term of contracts with options to extend and terminate.

SimCorp has provided information on implementation of IFRS 16 Leases, including the estimated impact on the financial statements for the full year 2019, in the Annual Report 2018 on page 59.

Right-of-use assets are included in the categories under Property, plant, and equipment and the lease liability is presented separately in the balance sheet.

SimCorp's leases predominately include office leases, and also some company cars and office equipment. With IFRS 16, essentially all leases are recognized in the balance sheet with a corresponding lease liability except for short-term assets and low value assets.

Leased assets are depreciated over the lease term, and payments are allocated between installments on the lease liabilities and interest expense, classified as financial expenses. Liabilities are measured at the present value of the remaining lease payments adjusted with any incentive payments. SimCorp has selected to exclude related operational costs from the assets.

The term for each lease agreement is determined based on the minimum term and if the agreement includes an extension option the period covered by the extension option is included if the extension option is reasonably certain to be exercised.

SimCorp applies the marginal borrowing rate in the applicable countries. The incremental borrowing rate, which is the risk-free interest rate plus a credit spread to obtain external financing, was estimated to between 1.0% and 2.5% depending on the geographical location of the asset. The rate is used for discounting the lease liabilities on January 1, 2019. The weighted average incremental borrowing rate for lease liabilities on January 1, 2019 was 1.27%.

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

A number of office lease agreements includes reestablishment and refurbishment obligations when the office is vacated. These obligations are estimated and included in provisions.

The change in accounting policy affected the below items in the balance sheet on January 1, 2019:

EUR '000	January 1, 2019
Right-of-use assets	50,600
Total property, plant, and equipment	-857
Prepayments	-320
Trade payables and other payables	1,056
Lease liabilities	-50,479

The recognized right-of-use assets relate to the following types of assets:

EUR '000	December 31, 2019	January 1, 2019
Leasehold (depreciation period: 1 to 10 years)	49,480	48,708
Equipment (depreciation period: 1 to 3 years)	263	781
Cars (depreciation period: 1 to 4 years)	1,279	1,111
Right-of-use assets	51,022	50,600

Operating lease commitments at December 31, 2018 reconcile to the opening balance for lease liabilities at January 1, 2019 as follows:

EUR '000	2019
Operating lease commitment as at December 31, 2018	61,399
Discounted using SimCorp's incremental borrowing rate	57,555
Short term leases	-282
Low value leases	-53
Contracts reassessed as services agreements	-9,363
Adjustments as a result of a different treatment of extension and termination options	2,570
Adjustments relating to changes in the index or rate affecting variable payments	52
Lease liability recognized as at January 1, 2019	50,479
Current	8,889
Non-current	41,590

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

Impact on segment reporting

EBITDA and EBIT segment assets have increased as a result of the change in accounting policy.

The following segments are impacted by the changes:

EUR '000	EBIT	EBITDA	Segment assets December 31, 2019
UK, Northern Europe and Middle East	-15	1,868	6,410
Central Europe	197	1,074	1,200
Southern Europe	-55	751	4,004
Asia and Australia	5	389	952
North America	74	772	6,286
Research and development	89	2,500	16,628
SimCorp Coric	30	400	1,609
SimCorp Sofia	9	340	1,320
SimCorp Gain	5	162	767
Segments total	339	8,256	39,176
Corporate Functions	23	1,917	11,846
Impact	362	10,173	51,022

Segment information

SALES ORGANIZATION - GEOGRAPHICAL Q4

	UK, Northern Europe and Middle East		Central Europe		Southern Europe		Asia and Australia		North America		Sales organization total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
External revenue	46,452	38,488	30,046	29,092	8,646	13,548	8,630	7,843	23,502	33,955	117,276	122,926
Revenue between segments	5,726	3,961	2,251	76	868	204	504	-896	1,195	998	10,544	4,343
Total segment revenue	52,178	42,449	32,297	29,168	9,514	13,752	9,134	6,947	24,697	34,953	127,820	127,269
EBITDA	5,831	4,703	2,933	1,369	551	5,289	1,035	83	1,004	1,819	11,354	13,263
Depreciation and amortization	649	114	248	13	290	41	179	15	268	89	1,634	272
Segment operating profit (EBIT)	5,182	4,589	2,685	1,356	261	5,248	856	68	736	1,730	9,720	12,991
Total assets	72,891	52,916	32,783	23,611	23,985	20,431	44,588	21,426	79,358	61,892	253,605	180,276

2019

	UK, Northern Europe and Middle East		Central Europe		Southern Europe		Asia and Australia		North America		Sales organization total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
External revenue	149,052	129,589	90,086	80,512	39,625	44,453	52,412	20,253	84,061	81,148	415,236	355,955
Revenue between segments	20,533	22,022	7,041	6,895	2,149	949	1,039	390	4,127	4,271	34,889	34,527
Total segment revenue	169,585	151,611	97,127	87,407	41,774	45,402	53,451	20,643	88,188	85,419	450,125	390,482
EBITDA	17,562	13,765	8,944	6,296	3,182	3,021	4,215	1,151	5,804	5,581	39,707	29,814
Depreciation and amortization	2,087	433	949	40	953	165	575	56	1,060	347	5,624	1,041
Segment operating profit (EBIT)	15,475	13,332	7,995	6,256	2,229	2,856	3,640	1,095	4,744	5,234	34,083	28,773
Total assets	72,891	52,916	32,783	23,611	23,985	20,431	44,588	21,426	79,358	61,892	253,605	180,276

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

PRODUCT BASED Q4

	Research and development		SimCorp Coric		SimCorp Sofia		GAIN*		Product based total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
External revenue	256	262	2,858	2,580	4,042	3,258	3,674	-	10,830	6,100
Revenue between segments	51,470	86,098	1,582	587	339	436	363	-	53,754	87,121
Total segment revenue	51,726	86,360	4,440	3,167	4,381	3,694	4,037	-	64,584	93,221
EBITDA	29,449	40,614	1,367	934	840	479	491	-	32,147	42,027
Depreciation and amortization	202	27	235	144	419	326	674	-	1,530	497
Segment operating profit (EBIT)	29,247	40,587	1,132	790	421	153	-183	-	30,617	41,530
Total assets	17,501	1,420	15,896	17,985	43,691	46,505	71,834	-	148,922	65,910

2019

	Research and development		SimCorp Coric		SimCorp Sofia		GAIN*		Product based total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
External revenue	1,131	1,106	13,255	6,899	19,290	18,109	5,509	-	39,185	26,114
Revenue between segments	180,749	164,164	5,346	3,832	958	995	458	-	187,511	168,991
Total segment revenue	181,880	165,270	18,601	10,731	20,248	19,104	5,967	-	226,696	195,105
EBITDA	97,292	85,633	8,115	776	7,775	6,944	54	-	113,236	93,353
Depreciation and amortization	743	118	952	574	1,631	1,308	1,086	-	4,412	2,000
Segment operating profit (EBIT)	96,549	85,515	7,163	202	6,144	5,636	-1,032	-	108,824	91,353
Total assets	17,501	1,420	15,896	17,985	43,691	46,505	71,834	-	148,922	65,910

RECONCILIATION TO INCOME STATEMENT

Q4

	Sales organization		Product based		Corporate functions		Elimination/ Not allocated		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
External revenue	117,276	122,926	10,830	6,100	-267	78	-	-	127,839	129,104
Revenue between segments	10,544	4,343	53,754	87,121	10,670	1,438	-74,968	-92,902	-	-
Total segment revenue	127,820	127,269	64,584	93,221	10,403	1,516	-74,968	-92,902	127,839	129,104
EBITDA	11,354	13,263	32,147	42,027	-5,182	-1,971	-	-	38,319	53,319
Depreciation and amortization	1,634	272	1,530	497	1,200	1,702	-	-	4,364	2,471
Segment operating profit (EBIT)	9,720	12,991	30,617	41,530	-6,382	-3,673	-	-	33,955	50,848
Share of profit after tax in associates									82	50
Financial items, net									-1,966	-1,084
Profit for the period before tax									32,071	49,814
Total assets	253,605	180,276	148,922	65,910	-	4,813	-	19,268	437,912	270,267

2019

	Sales organization		Product based		Corporate functions		Elimination/ Not allocated		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
External revenue	415,236	355,955	39,185	26,114	110	557	-	-	454,531	382,626
Revenue between segments	34,889	34,527	187,511	168,991	32,040	6,155	-254,440	-209,673	-	-
Total segment revenue	450,125	390,482	226,696	195,105	32,150	6,712	-254,440	-209,673	454,531	382,626
EBITDA	39,707	29,814	113,236	93,353	-10,367	-13,899	-	-	142,576	109,268
Depreciation and amortization	5,624	1,041	4,412	2,000	4,716	2,882	-	-	14,752	5,923
Segment operating profit (EBIT)	34,083	28,773	108,824	91,353	-15,083	-16,781	-	-	127,824	103,345
Share of profit after tax in associates									125	88
Financial items, net									-148	-897
Profit for the period before tax	34,083	28,773	108,824	91,353	-15,083	-16,781			127,801	102,536
Total assets	253,605	180,276	148,922	65,910	17,543	4,813	17,842	19,268	437,912	270,267

* SimCorp Gain was acquired on August 1, 2018.

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.

Company Announcement

SimCorp reports revenue growth of 19% and EBIT margin of 28% for 2019

Events after December 31, 2019

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