

# Company Announcement

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## **SimCorp reports revenue of EUR 210m and EBIT margin of 21% in H1 2020, despite the disruption caused by the Covid-19 pandemic**

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### **Q2 2020 Highlights:**

- Reported revenue was EUR 106.7m, a decrease of 2.6% when compared with Q2 2019.
- EBIT was EUR 26.0m and EBIT margin was 24.4% compared with the strong EBIT of EUR 32.3m and EBIT margin of 29.5% in Q2 2019.
- In Q2 2020, one new SimCorp Dimension and two new SimCorp Coric orders were signed. For two of the new orders, order intake and revenue recognition have been deferred until certain conditions are met.
- Order intake was EUR 16.9m, a decrease of EUR 5.7m or 25% compared with Q2 2019.
- Free cash flow was EUR 20.4m, an increase of 8% when compared with Q2 2019.

### **H1 2020 Highlights:**

- Reported revenue of EUR 209.7m was at the same level as in H1 2019. Measured in local currencies, and excluding M&A activities, the organic revenue declined by 3.2% when compared with H1 2019.
- EBIT was EUR 43.5m compared with EUR 58.7m in H1 2019.
- EBIT margin was 20.8% compared with the strong EBIT margin of 28.0% in H1 2019. Organic EBIT margin was 22.2%.
- Net profit was EUR 31.6m compared with EUR 43.3m in H1 2019.
- Total order intake from new and add-on licenses was EUR 36.8m compared with EUR 44.0m in H1 2019. We welcomed six new clients in H1 2020. For two of the new clients, order intake has been deferred until certain conditions are met.
- On June 30, 2020, the order book amounted to EUR 39.1m, an increase of EUR 0.9m when compared with the order book on December 31, 2019.
- Free cash flow was EUR 52.8m, an increase of 18% when compared with H1 2019.
- On May 11, 2020, SimCorp announced its entry into the South African market, with a primary focus on servicing local asset managers, state pension funds, and sovereign wealth funds.
- On June 9, 2020, SimCorp announced the merger of its European market units, Central Europe, Southern Europe, and UK/Northern Europe/Middle East, into one integrated EMEA unit. The move is designed to support SimCorp's growth ambitions, by developing closer client relationships across borders and achieving greater scale and agility in key business functions.

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- SimCorp has signed its first North American client development partner for SimCorp Coric Engage, a state-of-the-art client reporting SaaS portal built on Microsoft Azure. At a low cost of ownership for SimCorp clients, the next-generation self-service portal provides investors with digital insights and engagement analytics. It is also our first private equity client, opening up a new market segment for Coric.
- In June, SimCorp received the award for *Best Buy-Side Enterprise Solution* at the FTF News Technology Innovation Awards 2020, recognizing SimCorp as the market-leading, front-to-back solution, helping the global buy side to achieve operational excellence.

### Covid-19:

- Most of our employees have been working remotely since the beginning of March, with some now returning to office work depending on local conditions. However, productivity and business activity across SimCorp's markets have remained high throughout the pandemic due to innovative IT solutions and high adaptability to virtual collaboration among our clients and employees. Consequently, many clients have gone live or done upgrades with assistance from our people working 100% remotely.
- The future outlook remains more uncertain than normal as it is still difficult to predict the length and impact of local restrictions, as well as potential changes in client behavior.
- To offset potentially lower license sales and a resulting lower demand for professional services, SimCorp initiated in early March a strong focus on cost control, which included travel restrictions, a hiring freeze for non-critical positions, and postponement of planned salary increases from January 1 to July 1. These measures have resulted in significant cost savings in Q2 2020. However, SimCorp remains committed to continue the investments required to realize its long-term growth ambitions, including the ongoing cloud lift.

### Financial guidance:

- SimCorp maintains its expectations for revenue growth and EBIT margin measured in local currencies for 2020 as announced in its Q1 2020 interim report. Revenue growth measured in local currencies is expected to be between -5% and 5%, and the expectation for EBIT margin measured in local currencies remains between 22.0% and 27.0%.
- Approximately 2%-points of the expected revenue growth above is related to the acquisition of AIM Software, and the acquisition is expected to impact the EBIT margin negatively by approximately 1%-point, implying an expected organic revenue growth of between -7% and 3% and an EBIT margin of between 23.0% to 28.0%.

**SimCorp CEO, Klaus Hulse, comments:** *"The solid performance delivered in Q2 was powered by strong sales to existing clients as well as adding three new clients, two in North America and one in Europe. Having achieved these results despite the disruption caused by the Covid-19 pandemic demonstrates the importance of a resilient operating model and a committed team. While people, processes, and technology have all been challenged across our industry, it has been impressive to see how SimCorp's innovative solution delivery and business continuity have been sustained through a time of significant market volatility and with a workforce largely working from home. This is the ultimate test of resilience, and I would like to express my sincere thanks to our loyal clients and highly committed employees who have made this possible."*

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### **Investor presentation**

SimCorp's Executive Management Board will present the report on a conference call Wednesday, August 12, 2020 at 11 am (CEST). Please use any of the following phone numbers to dial in to the conference call:

From Denmark:	+45 3272 0417
From USA:	+1 646 741 3167
From other countries:	+44 (0) 2071 928338
Pin code to access the call:	3775902

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/cxna9dq4>.

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>.

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

Investor contacts:

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## Financial highlights and key ratios for the SimCorp Group

EUR '000	2020 Q2	2019 Q2	2020 H1	2019 H1	2019 FY
<b>INCOME STATEMENT</b>					
Revenue	106,727	109,531	209,651	209,268	454,531
Earnings before interest, tax, depreciation, and amortization (EBITDA)	30,006	35,620	51,650	65,271	142,576
Operating profit (EBIT)	25,994	32,267	43,522	58,690	127,824
Financial items, net	-1,738	-530	-1,247	-561	-23
Profit before tax	24,256	31,737	42,275	58,129	127,801
Profit for the period	18,183	23,732	31,589	43,305	96,901
<b>BALANCE SHEET</b>					
Share capital	5,441	5,441	5,441	5,441	5,441
Total equity	219,635	174,500	219,635	174,500	230,020
Revolving credit facility	23,482	-	23,482	-	20,000
Intangible assets	97,139	39,543	97,139	39,543	99,557
Property, plant, and equipment	50,864	53,103	50,864	53,103	55,650
Receivables	81,480	76,284	81,480	76,284	81,804
Contract assets	148,912	109,686	148,912	109,686	151,774
Cash and cash equivalents	39,596	47,551	39,596	47,551	31,851
Total assets	438,351	341,024	438,351	341,024	437,912
<b>CASH FLOW</b>					
Net cash from operating activities	23,602	22,787	59,516	50,663	82,505
Net cash used in investing activities	-749	-1,073	-2,011	-1,239	-60,214
Net cash used in financing activities	-32,520	-44,855	-49,510	-49,805	-38,249
Free cash flow	20,395	18,957	52,819	44,631	70,903
Investment in property, plant, and equipment	836	1,154	1,700	1,365	1,722
Change in cash and cash equivalents	-9,667	-23,141	7,995	-381	-15,958
<b>EMPLOYEES</b>					
Number of employees at the end of the period	1,909	1,715	1,909	1,715	1,871
Average number of employees - FTE	1,851	1,648	1,843	1,638	1,703
<b>FINANCIAL RATIOS</b>					
EBIT margin (%)	24.4	29.5	20.8	28.0	28.1
ROIC (return on invested capital) (%)	42.3	73.9	35.4	68.6	58.7
Receivables turnover ratio	8.9	8.5	8.1	8.1	9.3
Equity ratio (%)	50.1	51.2	50.1	51.2	52.5
Return on equity (%)	34.4	57.4	26.9	56.9	46.5
<b>SHARE PERFORMANCE</b>					
Earnings per share - EPS (EUR)	0.46	0.60	0.80	1.09	2.44
Diluted earnings per share - EPS-D (EUR)	0.45	0.59	0.79	1.08	2.42
Cash flow per share - CFPS (EUR)	0.59	0.57	1.49	1.27	2.08
<b>MARKET VALUE RATIOS</b>					
Average number of shares (m)	39.7	39.7	39.7	39.7	39.7
Average number of shares - diluted (m)	40.1	40.1	40.1	40.1	40.1
EUR/DKK rate of exchange at end of period	7.4526	7.4636	7.4526	7.4636	7.4697

Please refer to the definition of ratios on page 56 of the Annual Report 2019. The interim report is unaudited and has not been reviewed by external auditors.

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## **Management's report for the six months ended June 30, 2020**

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

One new SimCorp Dimension contract and two SimCorp Coric contract were signed in Q2 2020, all on subscription-based terms. The new client in EMEA has purchased the Front and Middle Office solutions together with Application Operations as a Managed Service. Both of the SimCorp Coric solutions were sold in North America and will be used for client reporting and sales enablement.

For two of the new license orders signed in Q2 2020, both order intake and revenue recognition of more than EUR 3m in total have been deferred until certain conditions are met. One of the two deferred orders will be recognized over the term of the contract due to conditions in the agreement.

A number of larger add-on SimCorp Dimension license contracts, especially in EMEA, were signed in Q2 2020.

Total order intake in Q2 2020 was EUR 16.9m compared with EUR 22.6m in the same period last year, of which Client-Driven Development (CDD) order intake accounted for EUR 0.9m compared with EUR 1.0m in the same period last year, and Datacare and Securities Financing Transaction Regulation (SFTR) Subscription Services order intake accounted for EUR 0.2m in Q2 2020.

In Q2 2020, there were two conversions from perpetual to subscription-based licenses compared with no conversions in Q2 2019. The two conversions impacted additional license sales by EUR 5.9m and order intake by EUR 6.5m.

In H1 2020, order intake was EUR 36.8m compared with EUR 44.0m in the same period last year. A total of three new subscription-based SimCorp Dimension license contracts and three new SimCorp Coric license contracts were signed in H1 2020.

Income recognized from new and add-on licenses totaled EUR 17.5m in Q2 2020, EUR 5.9m lower than in Q2 2019.

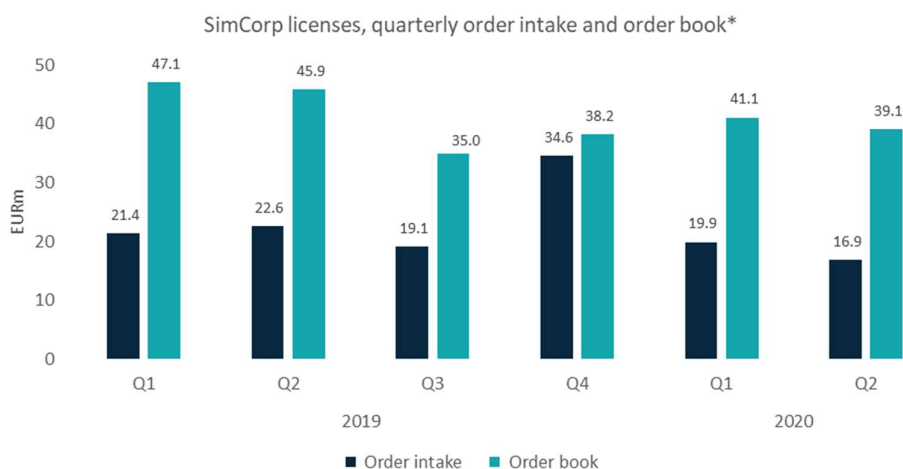
The annual renewal of SimCorp Italiana's subscription-based agreements are predominantly in the first quarter of the year and accounted for EUR 4.7m in H1 2020 compared with EUR 3.3m in same period last year. The main reason for the increased renewal license fee was that one client of SimCorp Italiana renewed its agreement for three years in Q1 2020, instead of one year.

Total order book was EUR 39.1m at June 30, 2020, which is an increase of EUR 0.9m compared with December 31, 2019. Compared with March 31, 2020, the order book decreased by EUR 2.0m.

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Included in the order book is SimCorp Dimension Client-Driven Development (CDD) of EUR 14.2m related to orders, where income will be recognized when the software is delivered. Also included in the order book are Subscription Services orders of EUR 5.5m, where the income will be recognized over the term of the agreement commencing with the start of service delivery.



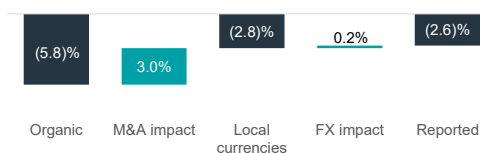
\* Order intake and order book include licenses to new clients as well as add-on licenses to existing clients. The order book is the total license value of signed license agreements, including Client-Driven Development (CDD) orders, that has not yet been recognized in income. SimCorp Gain order intake and order book have been included since the acquisition. From 2020, the order book includes Subscription Services such as Datacare and SFTR, and accordingly Q4 2019 was adjusted with Subscription Services of EUR 1.8m.

## Revenue

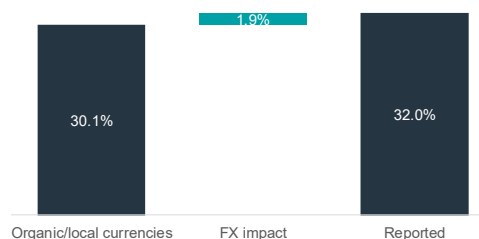
Q2 2020 revenue of EUR 106.7m was down 2.6% relative to Q2 2020. Measured in local currencies, the decrease was 2.8%. The acquisition of AIM Software had a positive impact of 3.0%-points. Revenue measured in local currency excluding M&A activities has decreased by 5.8%.

The currency and M&A impact on revenue growth are shown below:

### Q2 2020 revenue growth



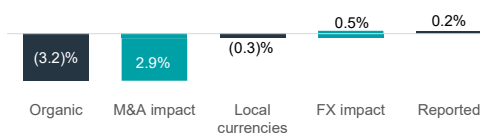
### Q2 2019 revenue growth



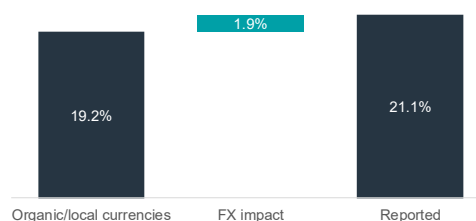
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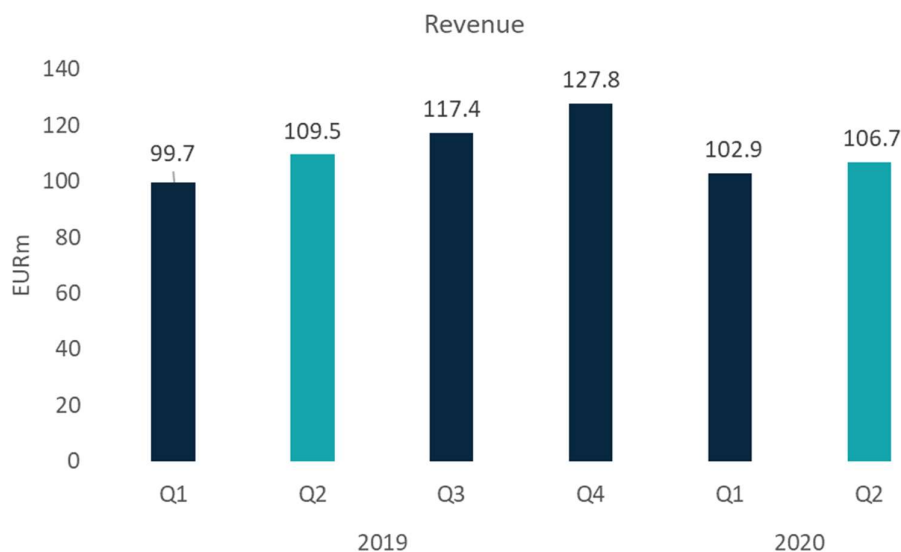
### H1 2020 revenue growth



### H1 2019 revenue growth



The development and distribution of quarterly revenue are shown below:



#### Q2 REVENUE

EURm	Revenue Q2 2020	Share of revenue Q2 2020	Revenue Q2 2019	Share of revenue Q2 2019	Revenue growth	Revenue growth local currency	Organic revenue growth local currencies
Licenses - new sales	2.0	1.9%	14.2	12.9%	-85.7%	-85.7%	-85.8%
Licenses - additional sales	15.5	14.6%	9.2	8.4%	68.9%	68.4%	58.4%
Software updates and support	44.1	41.2%	41.1	37.5%	7.2%	7.3%	5.3%
Professional services	38.2	35.8%	37.5	34.3%	1.7%	1.3%	-1.7%
Hosting and other fees	6.9	6.5%	7.5	6.9%	-8.7%	-9.0%	-15.3%
<b>Total revenue</b>	<b>106.7</b>	<b>100.0%</b>	<b>109.5</b>	<b>100.0%</b>	<b>-2.6%</b>	<b>-2.8%</b>	<b>-5.8%</b>

#### H1 REVENUE

EURm	Revenue H1 2020	Share of revenue H1 2020	Revenue H1 2019	Share of revenue H1 2019	Revenue growth	Revenue growth local currency	Organic revenue growth local currencies
Licenses - new sales	4.5	2.1%	21.9	10.5%	-79.5%	-79.7%	-79.8%
Licenses - additional sales	29.7	14.2%	21.1	10.1%	41.0%	40.6%	33.4%
Software updates and support	89.1	42.4%	82.3	39.3%	8.2%	7.9%	5.9%
Professional services	75.0	35.9%	71.7	34.3%	4.7%	4.0%	1.0%
Hosting and other fees	11.4	5.4%	12.3	5.8%	-7.3%	-8.0%	-14.3%
<b>Total revenue</b>	<b>209.7</b>	<b>100.0%</b>	<b>209.3</b>	<b>100.0%</b>	<b>0.2%</b>	<b>-0.3%</b>	<b>-3.2%</b>

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In Q2 2020, SimCorp had modest new license sales of EUR 2.0m, partly due to revenue recognition for two new license deals being deferred as certain conditions need to be fulfilled before the license fee can be recognized. This was partly offset by additional license sales to existing clients being 69% higher than in Q2 2019.

In H1 2020, revenue recognized from new and additional license sales was EUR 34.2m, a decrease of EUR 8.8m, or 20.4% compared with H1 2019. Currency fluctuations impacted total license fee positively by 0.4%-points. Measured in local currencies, the decrease was 20.8%, and the underlying organic revenue growth in total license fee declined by 24.3% in H1 2020, reflecting a 3.5%-points positive impact from the acquisition of AIM Software. The decrease in new license sales was partly due to revenue recognition for three new license deals being deferred as certain conditions need to be fulfilled before the license fee can be recognized. On the other hand, additional license sales to existing clients increased by 41.0%.

In Q2 2020, there were two conversions from perpetual to subscription-based license contracts (Q2 2019: no conversions, but revenue recognized from a 2017 conversion), which accounted for around 38% (Q2 2019: 18%) of the total add-on license sales. Renewals accounted for around 9% (Q2 2019: 9%), and additional regular license sales accounted for around 53% (Q2 2019: 73%). Additional regular license sales of EUR 8.2m was EUR 1.5m higher than in Q2 2019.

In H1 2020, the additional order intake were positively impacted by EUR 6.5m and add-on license revenue by EUR 5.9m from two clients converting their perpetual contracts to subscription-based license contracts compared with additional order intake of EUR 1.6m and add-on license revenue EUR 3.2m from conversions in H1 2019.

For the two clients converting in H1 2020, the annual subscription-based payments will be EUR 0.4m 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 0.9m lower, as the subscription license revenue according to IFRS 15 is recognized on contract completion.

In H1 2020, revenue from conversions accounted for around 20% (H1 2019: 15%) of the total add-on license sales, while renewals accounted for around 24% (H1 2019: 25%). Additional regular license sales of EUR 16.6m were EUR 4.0m higher than in H1 2019.

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



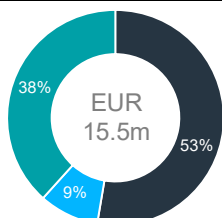
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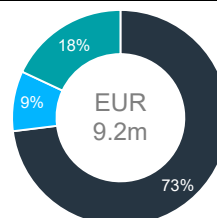
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**Q2 2020 add-on license sales split**



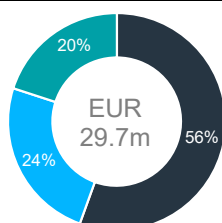
■ Additional regular license sales ■ Renewals ■ Conversions

**Q2 2019 add-on license sales split**



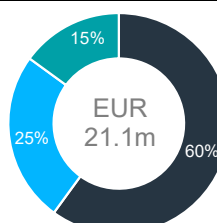
■ Additional regular license sales ■ Renewals ■ Conversions

**H1 2020 add-on license sales split**



■ Additional regular license sales ■ Renewals ■ Conversions

**H1 2019 add-on license sales split**



■ Additional regular license sales ■ Renewals ■ Conversions

In Q2 2020, software updates and support revenue increased by 7.2% from EUR 41.1m in Q2 2019 to EUR 44.1m. Currency fluctuations impacted the software updates and support revenue negatively by 0.1%-points, and the acquisition of AIM Software impacted the software updates and support revenue positively by 2.0%-points. Consequently, organic growth for Q2 in software updates and support revenue was 5.3%.

In H1 2020, software updates and support revenue increased by 8.2% from EUR 82.3m in H1 2019 to EUR 89.1m. Currency fluctuations impacted the software updates and support revenue positively by 0.3%-points and the acquisition of AIM Software impacted the software updates and support revenue positively by 2.0%-points. Consequently, for H1 2020 organic growth in software updates and support revenue was 5.9%.

Fees from professional services amounted to EUR 38.2m in Q2 2020 compared with EUR 37.5m in Q2 2019, an increase of 1.7% in reported currency. Currency fluctuations impacted the revenue positively by EUR 0.2m (0.4%-points), while the acquisition of AIM Software impacted the professional services revenue positively by 3.0%-points, resulting in a negative organic growth of 1.7%.

In H1 2020, fees from professional services increased by 4.7% from EUR 71.7m last year to EUR 75.0m. Currency fluctuations impacted the professional services revenue positively by 0.7%-points, while the acquisition of AIM Software impacted the professional services revenue positively by 3.0%-points. Consequently, organic growth in professional services revenue was 1.0%.

Hosting and selling of other third-party products amounted to EUR 6.9m compared with EUR 7.5m in Q2 2019.

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In H1 2020, hosting and selling of other third-party products amounted to EUR 11.4m compared with EUR 12.3m in H1 2019. In H1 2020, we added one new ASP hosted client, bringing the total number of clients on an ASP hosted solution to 22.

### **Operating costs**

In early March, several cost reduction measures were taken, including travel restrictions, hiring freeze on non-critical positions, and postponement of planned salary increases from January 1 to July 1, 2020. The effect of these measures was visible in Q2 2020.

On the other hand, SimCorp remains committed to continue investing in its products, people, and strategic priorities, including cloud lift and other research and development priorities, to realize its long-term growth ambitions. As a consequence, research and development costs increased organically by 10% in Q2 2020.

SimCorp's total operating costs (including depreciation and amortization) were EUR 81.1m in Q2 2020 compared with EUR 77.4m in Q2 2019, an increase of 4.8% in reported currency. Currency fluctuations reduced the total operating costs by 0.1%. Measured in local currencies and adjusted for the impact of the acquisition of AIM Software of 4.9%, the organic operating costs were unchanged compared with Q2 2019. In comparison to Q1 2020, the operating costs decreased by around 5% as a consequence of the cost measures taken in March following the Covid-19 outbreak.

In H1 2020, the total operating costs (including depreciation and amortization) were EUR 166.7m compared with EUR 150.8m in H1 2019, an increase of 10.5% in reported currency. Currency fluctuations increased the total operating costs by 0.3%. Measured in local currencies and adjusted for the impact of the acquisition of AIM Software of 5.1%, the organic operating costs increased by 5.1% compared with H1 2019.

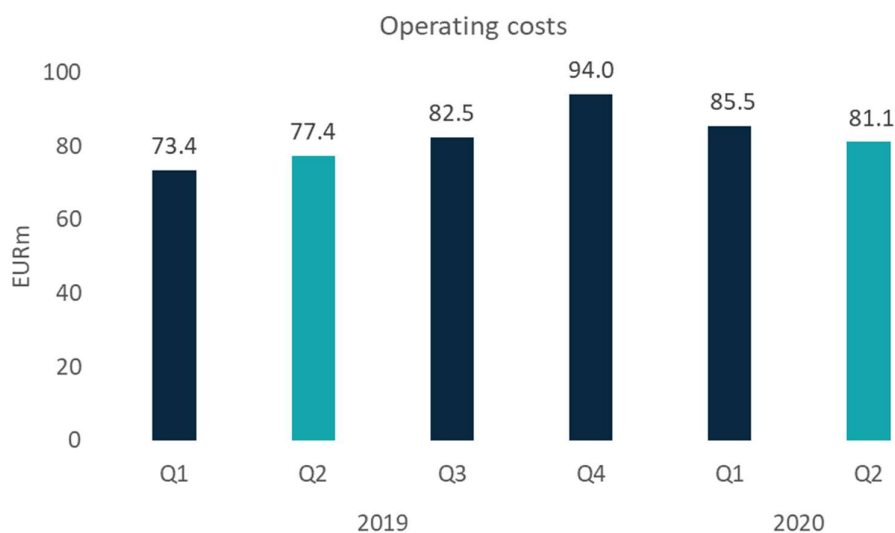
The increase in costs is primarily related to an increase in the average number of full-time employees from 1,638 in H1 2019 to 1,843 in H1 2020, of which 69 employees are related to the acquisition of AIM Software.

In H1 2020, 74% of SimCorp's total operating costs were directly related to employees, compared with 71% in H1 2019.

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

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### Q2 OPERATING COSTS

EURm	Costs Q2 2020	Share of costs Q2 2020	Share of revenue Q2 2020	Costs Q2 2019	Share of costs Q2 2019	Share of revenue Q2 2019	Growth	Growth local currency	Organic growth local currency
Cost of sales	40.0	49.4%	37.5%	40.0	51.6%	36.5%	0.2%	0.3%	-3.4%
Research and development costs	22.5	27.7%	21.1%	19.4	25.1%	17.7%	16.0%	16.1%	10.0%
Sales and marketing costs	12.1	14.9%	11.3%	12.1	15.6%	11.1%	0.0%	0.0%	-8.9%
Administrative expenses	6.5	8.0%	6.1%	5.9	7.7%	5.4%	9.0%	9.0%	8.1%
<b>Total operating cost</b>	<b>81.1</b>	<b>100.0%</b>	<b>76.0%</b>	<b>77.4</b>	<b>100.0%</b>	<b>70.7%</b>	<b>4.8%</b>	<b>4.9%</b>	<b>0.0%</b>

### H1 OPERATING COSTS

EURm	Costs H1 2020	Share of costs H1 2020	Share of revenue H1 2020	Costs H1 2019	Share of costs H1 2019	Share of revenue H1 2019	Growth	Growth local currency	Organic growth local currency
Cost of sales	83.7	52.4%	39.9%	79.0	52.4%	37.7%	5.9%	5.5%	1.2%
Research and development costs	44.7	25.5%	21.3%	38.4	25.5%	18.4%	16.2%	16.1%	10.4%
Sales and marketing costs	24.5	14.3%	11.7%	21.6	14.3%	10.3%	13.6%	13.2%	4.3%
Administrative expenses	13.8	7.8%	6.6%	11.8	7.8%	5.6%	17.3%	17.3%	14.6%
<b>Total operating cost</b>	<b>166.7</b>	<b>100.0%</b>	<b>79.5%</b>	<b>150.8</b>	<b>100.0%</b>	<b>72.0%</b>	<b>10.5%</b>	<b>10.2%</b>	<b>5.1%</b>

In Q2 2020, cost of sales, including costs for implementation consultants, was EUR 40.0m, and thereby at the same level as in Q2 2019. In local currencies, the increase was 0.3%. Measured in local currencies and adjusted for the impact from the acquisition of AIM Software of 3.7%, the organic costs decreased by 3.4%. The decrease was due to slightly lower business activities and lower travel costs due to Covid-19 as more professional services were delivered remotely. Costs of sales in Q2 2020 represented 37.5% of revenue compared with 36.5% in the same period last year.

Compared with Q2 last year, research and development costs increased by 16.0% in reported currency and 16.1% in local currencies. Measured in local currencies and adjusted for the impact of the acquisition of AIM Software of 6.1%, the organic costs increase was 10.0%. The increase in costs

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## **Company Announcement**

SimCorp reports revenue of EUR 210m and EBIT margin of 21% in H1 2020, despite the disruption caused by the Covid-19 pandemic

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relates primarily to the investment in the cloud lift. R&D costs in Q2 2020 represented 21.1% of revenue compared with 17.7% in Q2 2019.

In Q2 2020, sales and marketing costs were EUR 12.1m in reported currency, which was at same level as in Q2 2019. Measured in local currencies and adjusted for the impact of 8.9% from the acquisition of AIM Software, the organic costs decrease was EUR 1.1m equal to 8.9%, mainly related to lower sales commission and travel costs compared with same period last year. Sales and marketing costs in Q2 2020 represented 11.3% of revenue compared with 11.1% in same period last year.

In H1 2020, sales and marketing costs were EUR 24.5m in reported currency, an increase of 13.6% compared with H1 2019. Measured in local currencies and adjusted for the impact of 8.9% from the acquisition of AIM Software, the organic costs increase was 4.3%. Sales and marketing costs in H1 2020 represented 11.7% of revenue compared with 10.3% in same period last year.

Administrative expenses increased by EUR 0.6m to EUR 6.5m in Q2 2020. The increase was related to one-time costs related to the creation of the new market unit EMEA of EUR 0.8m, the acquisition of AIM Software of EUR 0.1m, and additional costs for the implementation of new IT systems of EUR 0.6m. Administrative expenses in Q2 2020 represented 6.1% of revenue compared with 5.4% in Q2 2019.

For H1 2020, administrative expenses increased by EUR 2.0m to EUR 13.8m. The increase was related to one-time costs related to the merger of the market unit EMEA of EUR 0.8m, the acquisition of AIM Software of EUR 0.4m, and additional costs for the implementation of new IT-systems of EUR 1.2m. Administrative expenses in H1 2020 represented 6.6% of revenue compared with 5.6% in H1 2019.

## **Employees**

The Group had on average 1,851 FTEs in Q2 2020, of which 69 FTEs were related to the acquisition of AIM Software, compared with 1,648 FTEs in the same period last year.

The average number of full-time employees increased from 1,638 in H1 2019 to 1,843 in H1 2020, of which 68 FTE's were related to the acquisition of AIM Software.

The number of employees (headcounts) were 1,909 at the end of H1 2020, of which 70 employees were related to the acquisition of AIM Software, compared with 1,715 at the end of H1 2019.

## **Group performance**

In Q2 2020, the Group posted EBIT of EUR 26.0m compared with EUR 32.3m in Q2 2019. The reported EBIT margin was 24.4% compared with 29.5% in Q2 2019. Currency rate fluctuations had a positive net impact on EBIT of EUR 0.3m or 0.3%-points in Q2 2020 and the acquisition of AIM Software had a negative impact on the EBIT margin of 1.2%-points. The underlying organic EBIT margin measured in local currency was 25.3%. The EBIT margin was the second highest Q2 EBIT margin achieved in the last five years.

For H1 2020, the Group generated an EBIT of EUR 43.5m compared with EUR 58.7m in H1 2019. Exchange rate fluctuations had a positive net impact on EBIT of EUR 0.5m or 0.1%-points. The underlying organic EBIT margin was 22.2%. The acquisition of AIM Software had a negative impact

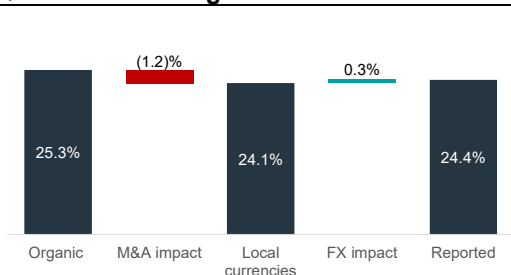
## Company Announcement

SimCorp reports revenue of EUR 210m and EBIT margin of 21% in H1 2020, despite the disruption caused by the Covid-19 pandemic

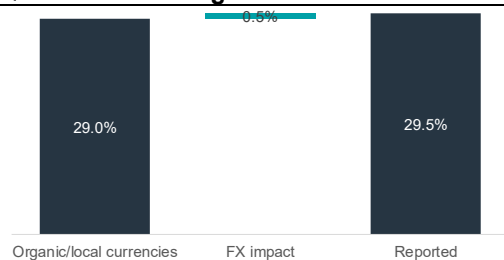
on the EBIT margin of 1.4%-points. The reported EBIT margin was therefore 20.8% compared with the EBIT margin of 28.0% in H1 2019.

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

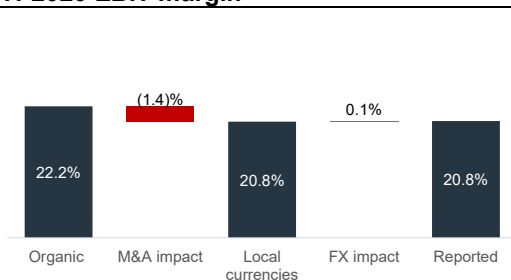
### Q2 2020 EBIT margin



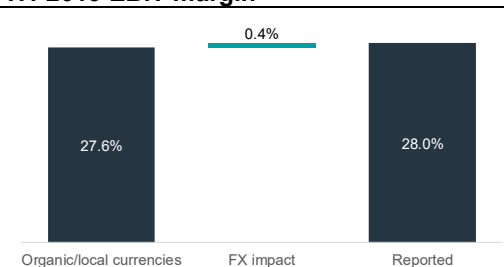
### Q2 2019 EBIT margin



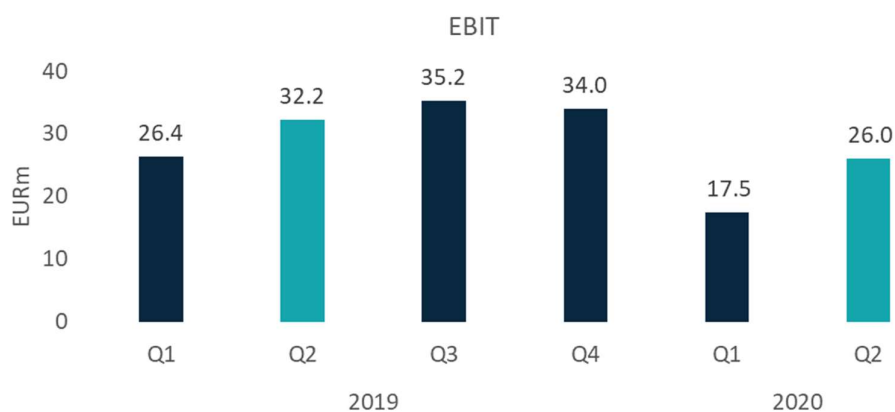
### H1 2020 EBIT margin



### H1 2019 EBIT margin



The development in quarterly EBIT is shown below:



The development in Q2 and H1 EBIT and EBIT margin over the last five years are shown below:

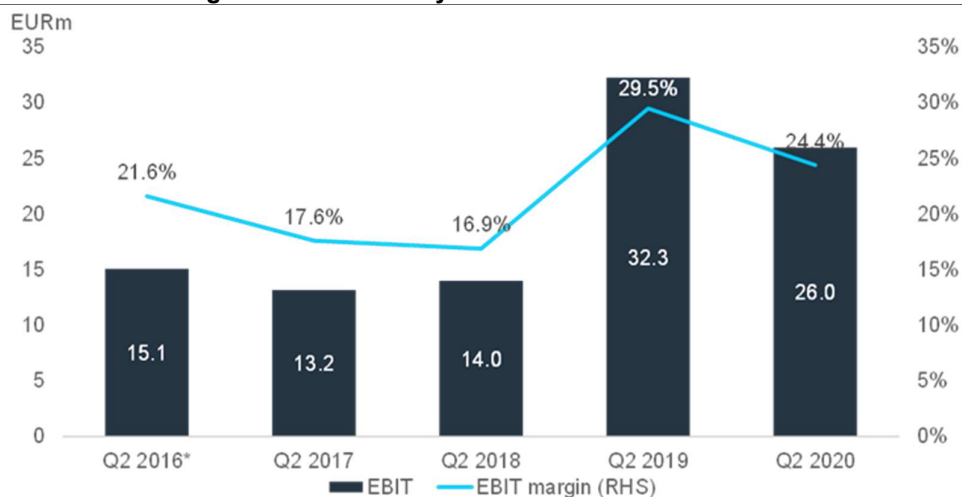
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## Company Announcement

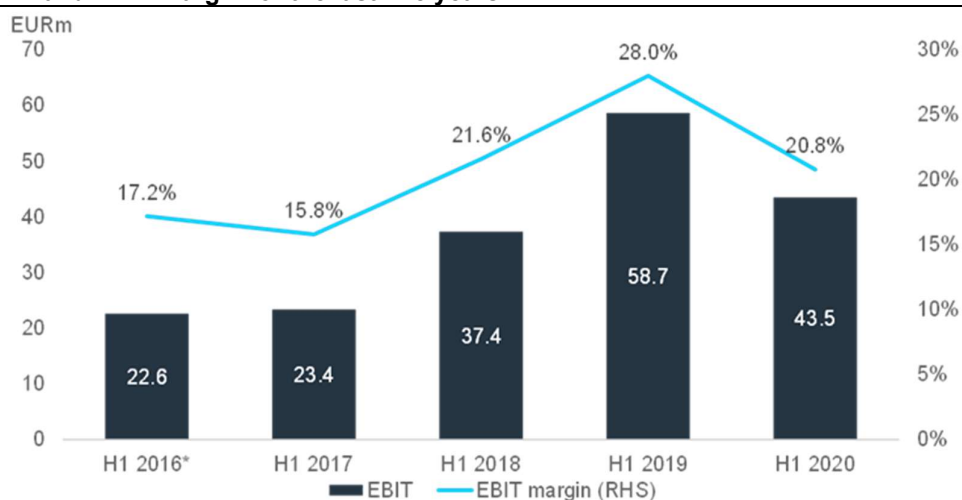
SimCorp reports revenue of EUR 210m and EBIT margin of 21% in H1 2020, despite the disruption caused by the Covid-19 pandemic

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### Q2 EBIT and EBIT margin for the last five years



### H1 EBIT and EBIT margin for the last five years



\*2016 restated based on IFRS 15.

### Profit and comprehensive income

Financial items for Q2 2020 comprised a net expense of EUR 1.7m compared with a net expense of EUR 0.5m in the same period last year. Financial income and expenses were primarily related to foreign exchange adjustments.

In Q2 2020, the Group realized a pre-tax profit of EUR 24.3m, against EUR 31.7m, and a net profit of EUR 18.2m compared with EUR 23.7m in the same quarter last year.

Exchange rate adjustments on translation of foreign assets and liabilities amounted to a net expense of EUR 0.3m in Q2 2020, which is included in other comprehensive income. Total comprehensive income amounted to EUR 17.9m against EUR 22.2m in Q2 2019.

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## **Company Announcement**

SimCorp reports revenue of EUR 210m and EBIT margin of 21% in H1 2020, despite the disruption caused by the Covid-19 pandemic

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Financial items for H1 2020 comprised a net expense of EUR 1.2m compared with a net expense of EUR 0.6m in same period last year. The Group posted pre-tax profit of EUR 42.3m against pre-tax profit of EUR 58.1m in H1 2019.

The estimated tax charge of EUR 10.7m is equivalent to a tax rate of 25.3% compared with the estimated tax of EUR 14.8m and a tax rate of 25.5% in H1 2019. Thus, the Group's net profit for H1 2020 amounted to EUR 31.6m against a profit of EUR 43.3m for the same period last year.

After exchange rate adjustments on translation of foreign assets and liabilities, a net expense of EUR 1.5m, the total comprehensive income amounted to EUR 30.0m against EUR 43.3m in H1 2019.

### **Balance sheet**

SimCorp's total assets were EUR 438.4m at June 30, 2020 compared with EUR 341.0m a year earlier, an increase of EUR 97.4m. The increase is primarily related to the impact of the acquisition of AIM Software of around EUR 74.0m.

Cash holdings amounted to EUR 39.6m compared with EUR 47.6m a year earlier. The net cash position was EUR 16.1m at the end of June 2020 compared with EUR 47.6m at the end of June 2019. The difference is mainly due to the financing of the acquisition of AIM Software.

Receivables amounted to EUR 81.5m at June 30, 2020, representing an increase of EUR 5.2m compared with June 30, 2019, and was EUR 0.3m lower than at December 31, 2020. AIM Software accounted for EUR 3.3m of receivables at June 30, 2020 compared with nil at June 30, 2019.

Compared with December 31, 2019 contract assets decreased by EUR 2.9m from EUR 151.8m to EUR 148.9m. New and additional subscription-based licenses added EUR 13.0m to contract assets, finance income recognized added EUR 1.4m, and foreign exchange adjustments added EUR 0.5m. Reductions in H1 2020 stem from invoiced subscription-based license fees of EUR 17.7m and from reversal of expected credit loss provision of EUR 0.1m.

The Group's total non-current assets were EUR 156.7m compared with EUR 163.5m at December 31, 2019 and EUR 97.5m at June 30, 2019.

Goodwill was EUR 60.9m at June 30, 2020 compared with EUR 61.2m at December 31, 2019 and EUR 28.0m at the end of June 2019. No impairment to goodwill was made in H1 2020.

The carrying amount of acquired software was EUR 12.3m compared with EUR 13.3m at the end of 2019 and the value of client relationships was EUR 23.9m compared with EUR 25.0m at the end of 2019. The decreases were due to amortization.

The carrying amount of leasehold assets was EUR 46.7m compared with EUR 51.6m at the end of 2019 and EUR 49.0m at the end June 2019. The decreases were due to amortization.

Other property, plant, and equipment amounted to EUR 4.1m, which was at the same level as at the end of both June and December 2019.

Other financial assets of EUR 0.4m includes an investment in Alkymi.

Deferred tax assets was EUR 5.5m, an increase of EUR 0.1m compared with end of 2019.

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## **Company Announcement**

SimCorp reports revenue of EUR 210m and EBIT margin of 21% in H1 2020, despite the disruption caused by the Covid-19 pandemic

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SimCorp's total liabilities were EUR 218.7m at June 30, 2020, compared with EUR 207.9m at December 31, 2019. The increase relates mainly to higher prepayments from clients.

### **Cash flow**

In Q2 2020, free cash flow (cash flow from operations reduced by CAPEX and reduced by the principal element of lease payments) was EUR 20.4m compared with EUR 19.0m in Q2 2019, an increase of 7.6%.

In H1 2020, free cash flow was EUR 52.8m compared with EUR 44.6m in H1 2019, an increase of 18.4%.

Operating activities generated in Q2 2020 a cash inflow of EUR 23.6m compared with EUR 22.8m in the same period last year.

In H1 2020, operating activities generated a cash inflow of EUR 59.5m compared with EUR 50.7m in same period last year. Payment of income taxes amounted to EUR 7.4m, against EUR 8.5m in H1 2019.

In Q2 2020, EUR 0.7m was spent on investing activities compared with EUR 1.1m in Q2 2019, and for H1 2020, EUR 2.0m was spent on investing activities compared with EUR 1.2m in H1 2019.

Cash used in financing activities in Q2 2020 related to the payment of dividend taxes of EUR 9.3m, purchase of treasury shares of EUR 4.2m, repayment of lease liabilities of EUR 2.4m, and repayment of credit facilities of EUR 16.6m compared with payment of dividends of EUR 35.9m, purchase of treasury shares of EUR 6.3m, and repayment of lease liabilities of EUR 2.7m in the same period last year.

Cash used in financing activities in H1 2020 related to the payment of dividends of EUR 39.9m, purchase of treasury shares of EUR 8.1m, repayment of lease liabilities of EUR 5.0m, and net proceed from credit facilities of EUR 3.5m compared with payment of dividends of EUR 35.9m, purchase of treasury shares of EUR 9.2m, and repayment of lease liabilities of EUR 4.7m in the same period last year.

### **Changes in equity**

The company's equity amounted to EUR 219.6m at June 30, 2020. This was a decrease of EUR 10.4m compared with December 31, 2019. Equity was reduced by the purchase of treasury shares of EUR 8.1m and by dividends of EUR 39.9m. Equity was increased by comprehensive income in H1 2020 of EUR 30.0m as well as effects of share-based remuneration of EUR 7.6m, net of tax.

### **Covid-19 and other business updates**

As a consequence of Covid-19, most of our employees have been working from home since the beginning of March. Despite working remotely, SimCorp's activity level has remained high due to a strong global IT setup, innovative solutions, and a high level of adaptability to virtual collaboration among our employees and clients with regard to product development, ongoing strategic projects, and sales cases.



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## **Company Announcement**

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While measures were taken quickly to secure business continuity across all markets, SimCorp continues to monitor new developments very closely to be able to take any additional actions and precautions required in a timely fashion. As part of its company policy, SimCorp follows the guidelines of local government authorities and international health organizations closely to continuously adjust appropriately to the situation as it develops. The company's global crisis management team convenes for frequent status meetings to discuss information updates and potential further measures to be taken. At SimCorp Headquarters in Copenhagen and in some local offices, employees are now permitted to return to work, however, only at 70% capacity level to align with local social distancing requirements.

At SimCorp, we remain strongly dedicated to maintaining our level of productivity and to meeting our clients' expectations and obligations. Our global IT setup enables all our services to be provided via remote connectivity tools. Despite most teams working from home, SimCorp managed to meet the deadline for Release 20.07 of SimCorp Dimension in July, delivering the release ahead of schedule, in full scope, and with high quality.

In order to prepare for potentially lower license sales, and therefore lower demand for professional services, SimCorp initiated several cost control measures in early March, including travel restrictions, hiring freeze for non-critical positions, and postponement of planned salary increases from January 1 to July 1. Despite these measures, SimCorp remains committed to continue investing in its products, people and strategic priorities to realize its long-term growth ambitions.

In Q2, SimCorp received the award for *Best Buy-Side Enterprise Solution* at the FTF News Technology Innovation Awards 2020.

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## Company Announcement

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## Outlook for the financial year 2020\*)

SimCorp generated a financial result during the first half of 2020 in line with SimCorp's expectations as per updated guidance in Q1, 2020. SimCorp's intake of license contract orders and revenue recognition varies considerably from one period to the next.

The H1 2020 intake of orders was EUR 39.1m compared with EUR 44.0m H1 2019.

SimCorp enters Q3 2020 with signed revenue of EUR 363m of the projected revenue for 2020, compared with EUR 346m at the same time in 2019.

SimCorp continues to experience a satisfactory, geographically diversified demand for its products and services, but the future outlook remains more uncertain than normal as it is still difficult to predict the length and impact of lock-downs and restrictions following Covid-19, and how this might impact client behavior.

SimCorp maintains its expectations for revenue growth and EBIT margin measured in local currencies for 2020 as announced in its Q1 2020 interim report. Revenue growth measured in local currencies is expected to be between -5% and 5%, and the expectation for EBIT margin measured in local currencies remains between 22.0% and 27.0%.

Approximately 2%-points of the expected revenue growth above is related to the acquisition of AIM Software, and the acquisition is expected to impact the EBIT margin negatively by approximately 1%-point, implying an expected organic revenue growth of between -7% and 3% and an EBIT margin of between 23.0% to 28.0%.

Based on the exchange rates prevailing at July 31, 2020, SimCorp estimates reported revenue to be negatively impacted from currency fluctuations by around 1.3%. The impact from currency fluctuations on reported EBIT margin is expected to be negative by around 0.4%-points. In the previous reporting (Q1 2020), the currency impact on reported revenue was expected to be positive by around 0.5%, and EBIT margin was expected to be positive by around 0.1% points. The change in estimated currency impact compared with previous reporting (Q1 2020) is primarily due to the recent decline in USD and USD related currencies.

\*) 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 will 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.

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## **Company Announcement**

SimCorp reports revenue of EUR 210m and EBIT margin of 21% in H1 2020, despite the disruption caused by the Covid-19 pandemic

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## **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 applied in everyday operations. Management believes that the description of these potential risks still pertains to the current situation.

In addition to the above, it has become evident that the Covid-19 pandemic, which has locked down most countries, like terror and war, poses a significant risk and uncertainty factor for SimCorp that has strategic, operational, as well as financial implications. Securing SimCorp employees' health and safety and ensuring that all processes related to SimCorp's products, sales, and services are operating as close as possible to normal during this period is a key priority for SimCorp. Due to the uncertainty of the situation, there is a risk that client decisions relating to sales processes will be postponed or delayed, and that implementation projects at our clients will be delayed or prolonged. Structured sales reviews, the ability to do remote demonstrations and implementations, as well as our standard platform initiative are in place to mitigate the risk of discontinuity in the daily operation of the business.

### **Shareholder information**

#### **Restricted stock units**

In Q2 2020, 296 restricted stock units were granted to an employee related to a sign-on incentive. The restricted stock units will vest after three years subject to continued employment.

360,248 restricted stock units are outstanding at June 30, 2020. 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, some subject to performance conditions.

#### **Holding of treasury shares**

The Company purchased 47,508 treasury shares in Q2 2020 at an average price of DKK 655.76 per share, totaling EUR 4.2m. In total, the Company purchased 92,982 treasury shares in H1 2020 at an average price of DKK 647.26 per share, totaling EUR 8.1m. In comparison, the Company purchased 111,120 treasury shares at an average price of DKK 619.73 per share, totaling EUR 9.2m, in H1 2019. At June 30, 2020, the Company's holding of treasury shares amounted to 837,036 treasury shares, equal to 2.1% of the Company's issued share capital.

In addition to the purchases in H1 2020, the Company has in the period from July 1 to July 31, 2020 acquired 19,672 treasury shares at a total price of EUR 1.9m under the EUR 10.0m "Safe Harbour" program that expires July 31, 2020. Consequently, the EUR 10.0m share buyback "Safe Harbour" program was completed at July 31, 2020. During the program the Company purchased 112,654 treasury shares amounting to EUR 10.0m at an average price of DKK 660.78. At July 31, 2020, the Company's holding of treasury shares amounted to 858,347 treasury shares, equal to 2.1% of the Company's issued share capital.

The Company maintains its position as communicated earlier and does not plan to initiate a new "Safe Harbour" program in 2020 due to the continued uncertainty caused by Covid-19.

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## Company Announcement

SimCorp reports revenue of EUR 210m and EBIT margin of 21% in H1 2020, despite the disruption caused by the Covid-19 pandemic

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## 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, 2020.

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 interim reports for listed companies.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position as of June 30, 2020 and of the profit of the Group's operations and cash flow for the period January 1 – June 30, 2020.

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 Annual Report 2019.

Furthermore, in our opinion the management's report gives a true and fair view of developments in the activities and financial position of the Group, the results for the period and of the Group's financial position in general, and outlines the significant risk and uncertainty factors that may affect the Group.

Copenhagen, August 12, 2020

Executive Management Board:

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Klaus Hulse  
Chief Executive Officer

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Michael Rosenvold  
Chief Financial Officer

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Georg Hetrodt  
Chief Product Officer

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Christian Kromann  
Chief Operating Officer

Board of Directors:

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Peter Schütze  
Chairman

---

Morten Hübbe  
Vice Chairman

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Hervé Couturier

---

Simon Jeffreys

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Adam Warby

---

Joan A. Binstock

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Else Braathen

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Vera Bergforth

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Hugues Chabanis

## Company Announcement

SimCorp reports revenue of EUR 210m and EBIT margin of 21% in H1 2020, despite the disruption caused by the Covid-19 pandemic

### Consolidated income statement

EUR '000	2020 Q2	2019 Q2	2020 H1	2019 H1	2019 FY
Revenue	106,727	109,531	209,651	209,268	454,531
Cost of sales	40,041	39,945	83,647	78,963	167,141
<b>Gross profit</b>	66,686	69,586	126,004	130,305	287,390
Other operating income	404	136	543	203	533
Research and development costs	22,530	19,420	44,716	38,486	82,938
Sales and marketing costs	12,102	12,108	24,497	21,555	49,105
Administrative expenses	6,464	5,927	13,812	11,777	28,056
<b>Operating profit (EBIT)</b>	25,994	32,267	43,522	58,690	127,824
Share of profit after tax in associates	-4	18	34	48	125
Financial income/expenses, net	-1,734	-548	-1,281	-609	-148
<b>Profit before tax</b>	24,256	31,737	42,275	58,129	127,801
Tax on the profit for the period	6,073	8,005	10,686	14,824	30,900
<b>Profit for the period</b>	18,183	23,732	31,589	43,305	96,901

#### EARNINGS PER SHARE

Earnings per share - EPS (EUR)	0.46	0.60	0.80	1.09	2.44
Diluted earnings per share - EPS-D (EUR)	0.45	0.59	0.79	1.08	2.42

EUR '000	2020 Q2	2019 Q2	2020 H1	2019 H1	2019 FY
<b>Profit for the period</b>	18,183	23,732	31,589	43,305	96,901
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to the income statement:					
Remeasurements of defined benefit plans	-	-	-	-	-1,473
Tax, remeasurement of defined benefit plans	-	-	-	-	323
Items that may be reclassified subsequently to the income statement, when specific conditions are met:					
Foreign currency translation differences for foreign operations	-297	-1,530	-1,555	-55	1,426
<b>Other comprehensive income after tax</b>	-297	-1,530	-1,555	-55	276
<b>Total comprehensive income</b>	17,886	22,202	30,034	43,250	97,177

## Company Announcement

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## Consolidated balance sheet

EUR '000	Jun. 30 2020	Jun. 30 2019	Dec. 31 2019
<b>ASSETS</b>			
Goodwill	60,922	27,962	61,178
Software	12,345	4,721	13,348
Client relationships	23,872	6,860	25,031
<b>Total intangible assets</b>	<b>97,139</b>	<b>39,543</b>	<b>99,557</b>
Leasehold	46,741	49,046	51,589
Technical equipment	1,151	2,099	1,506
Other equipment, fixtures, fittings and prepayments	2,972	1,958	2,555
<b>Total property, plant, and equipment</b>	<b>50,864</b>	<b>53,103</b>	<b>55,650</b>
Investments in associates	802	696	808
Deposits	2,070	2,092	2,095
Deferred tax	5,470	2,090	5,357
Other financial assets	404	-	-
<b>Total other non-current assets</b>	<b>8,746</b>	<b>4,878</b>	<b>8,260</b>
<b>Total non-current assets</b>	<b>156,749</b>	<b>97,524</b>	<b>163,467</b>
Receivables	81,480	76,284	81,804
Contract assets	148,912	109,686	151,774
Income tax receivables	1,562	1,245	2,341
Prepayments	10,052	8,734	6,675
Cash and cash equivalents	39,596	47,551	31,851
<b>Total current assets</b>	<b>281,602</b>	<b>243,500</b>	<b>274,445</b>
<b>Total assets</b>	<b>438,351</b>	<b>341,024</b>	<b>437,912</b>
<b>LIABILITIES AND EQUITY</b>			
Share capital	5,441	5,441	5,441
Exchange adjustment reserve	-3,538	-3,464	-1,983
Retained earnings	217,732	172,523	186,643
Proposed dividend	-	-	39,919
<b>Total equity</b>	<b>219,635</b>	<b>174,500</b>	<b>230,020</b>
Lease liabilities	37,970	38,233	41,585
Deferred tax	27,308	16,151	25,931
Provisions	17,228	7,319	12,796
<b>Total non-current liabilities</b>	<b>82,506</b>	<b>61,703</b>	<b>80,312</b>
Revolving credit facility	23,482	-	20,000
Lease liabilities	8,688	9,278	10,063
Prepayments from clients	41,625	33,856	24,678
Trade payables	14,281	17,902	18,503
Other payables	42,525	39,418	48,922
Income tax payables	5,243	3,916	4,389
Provisions	366	451	1,025
<b>Total current liabilities</b>	<b>136,210</b>	<b>104,821</b>	<b>127,580</b>
<b>Total liabilities</b>	<b>218,716</b>	<b>166,524</b>	<b>207,892</b>
<b>Total liabilities and equity</b>	<b>438,351</b>	<b>341,024</b>	<b>437,912</b>

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## Company Announcement

SimCorp reports revenue of EUR 210m and EBIT margin of 21% in H1 2020, despite the disruption caused by the Covid-19 pandemic

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### Consolidated cash flow statement

EUR '000	2020 Q2	2019 Q2	2020 H1	2019 H1	2019 FY
Profit for the period	18,183	23,732	31,589	43,305	96,901
Depreciation	4,012	3,353	8,128	6,581	14,752
Financial income/expenses, net	1,734	-548	1,281	-609	148
Tax on the profit for the period	6,073	8,005	10,686	14,824	30,900
Share of profit after tax in associates	4	-18	-34	-48	-125
Other included in operating income	-1,832	-2,578	-1,618	-623	598
Adjustment share based remuneration	2,076	1,989	7,164	6,211	10,243
Change in provisions	1,532	-1,810	3,773	-1,214	4,837
Changes in contract assets	-5,028	-15,806	2,862	-24,002	-63,492
Changes in working capital	-225	9,223	3,275	14,765	11,496
Financial income received	5	15	12	117	135
Financial expenses paid	-114	-15	-190	-162	-342
Income tax paid	-2,818	-2,755	-7,412	-8,482	-23,546
<b>Net cash from operating activities</b>	<b>23,602</b>	<b>22,787</b>	<b>59,516</b>	<b>50,663</b>	<b>82,505</b>
Purchase of subsidiaries, net of cash acquired	-	-	-	-	-58,468
Purchase of property, plant, and equipment, net	-836	-1,154	-1,700	-1,365	-1,722
Sale and purchase of financial assets, net	8	-	-390	45	-105
Dividends from associates	79	81	79	81	81
<b>Net cash used in investing activities</b>	<b>-749</b>	<b>-1,073</b>	<b>-2,011</b>	<b>-1,239</b>	<b>-60,214</b>
Dividends paid	-9,312	-35,911	-39,919	-35,911	-35,881
Purchase of treasury shares	-4,188	-6,268	-8,076	-9,227	-12,488
Repayment of lease liability	-2,371	-2,676	-4,997	-4,667	-9,880
Proceeds, credit facilities / loans	-16,649	-	3,482	-	20,000
<b>Net cash used in financing activities</b>	<b>-32,520</b>	<b>-44,855</b>	<b>-49,510</b>	<b>-49,805</b>	<b>-38,249</b>
<b>Change in cash and cash equivalents</b>	<b>-9,667</b>	<b>-23,141</b>	<b>7,995</b>	<b>-381</b>	<b>-15,958</b>
Cash and cash equivalents at beginning of period	49,252	70,808	31,851	47,500	47,500
Foreign exchange adjustment of cash and cash equivalents	11	-116	-250	432	309
<b>Cash and cash equivalents end of period</b>	<b>39,596</b>	<b>47,551</b>	<b>39,596</b>	<b>47,551</b>	<b>31,851</b>

## Company Announcement

SimCorp reports revenue of EUR 210m and EBIT margin of 21% in H1 2020, despite the disruption caused by the Covid-19 pandemic

## Statement of changes in equity

### H1 2020

EUR '000	Share capital	Share premium	Exchange adjustment reserve	Retained earnings	Dividends for the year	Total
Equity at January 1	5,441	-	-1,983	186,643	39,919	230,020
Net profit for the period	-	-	-	31,589	-	31,589
Total other comprehensive income	-	-	-1,555	-	-	-1,555
<b>Total comprehensive income for the period</b>	-	-	-1,555	31,589	-	30,034
<b>Transactions with owners</b>						
Dividends paid to shareholders	-	-	-	40	-39,919	-39,879
Share-based payment	-	-	-	7,164	-	7,164
Tax, share-based payment	-	-	-	372	-	372
Purchase of treasury shares	-	-	-	-8,076	-	-8,076
<b>Equity at June 30</b>	<b>5,441</b>	<b>-</b>	<b>-3,538</b>	<b>217,732</b>	<b>-</b>	<b>219,635</b>
<b>2019</b>						
Equity at January 1	5,441	9,963	-3,409	121,130	35,934	169,059
Reclassification	-	-9,963	-	9,963	-	-
<b>Adjusted balance at January 1</b>	<b>5,441</b>	<b>-</b>	<b>-3,409</b>	<b>131,093</b>	<b>35,934</b>	<b>169,059</b>
Net profit for the period	-	-	-	43,305	-	43,305
Total other comprehensive income	-	-	-55	-	-	-55
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-55</b>	<b>43,305</b>	<b>-</b>	<b>43,250</b>
<b>Transactions with owners</b>						
Dividends paid to shareholders	-	-	-	23	-35,934	-35,911
Share-based payment	-	-	-	6,211	-	6,211
Tax, share-based payment	-	-	-	1,118	-	1,118
Purchase of treasury shares	-	-	-	-9,227	-	-9,227
<b>Equity at June 30</b>	<b>5,441</b>	<b>-</b>	<b>-3,464</b>	<b>172,523</b>	<b>-</b>	<b>174,500</b>
Net profit for the period	-	-	-	53,596	-	53,596
Total other comprehensive income	-	-	1,481	-1,150	-	331
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,481</b>	<b>52,446</b>	<b>-</b>	<b>53,927</b>
<b>Transactions with owners</b>						
Dividends paid to shareholders	-	-	-	30	-	30
Share-based payment	-	-	-	4,032	-	4,032
Tax, share-based payment	-	-	-	792	-	792
Purchase of treasury shares	-	-	-	-3,261	-	-3,261
Proposed dividends to shareholders	-	-	-	-39,919	39,919	-
<b>Equity at December 31</b>	<b>5,441</b>	<b>-</b>	<b>-1,983</b>	<b>186,643</b>	<b>39,919</b>	<b>230,020</b>



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**Company Announcement**

SimCorp reports revenue of EUR 210m and EBIT margin of 21% in H1 2020, despite the disruption caused by the Covid-19 pandemic

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**Notes****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 2019. See the Annual Report 2019 for a comprehensive description of the accounting policies applied.

**Change in accounting policies**

Effective 1 January 2020, a number of new accounting standards and interpretations have been implemented which do not have any 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 2019.

**Segment information**

In 2020, the business activities and internal reporting for SimCorp Coric and SimCorp Gain have been incorporated within the Geographical Sales organization and are therefore no longer reported separately. Furthermore, the Market Units UK, Northern Europe and Middle East, Central Europe and Southern Europe have been merged to EMEA. The comparative information has been restated accordingly. Furthermore, amortization and allocations of assets resulting from purchase price allocation has been included under unallocated as these items are not part of internal reporting for the market units.

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 headquarter assets, cash, and investments in associates and assets related to the purchase price allocation from acquisitions.

## Company Announcement

SimCorp reports revenue of EUR 210m and EBIT margin of 21% in H1 2020, despite the disruption caused by the Covid-19 pandemic

### SALES ORGANIZATION - GEOGRAPHICAL

	EMEA		Asia and Australia		North America		Sales organization total	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>April 1 - June 30</b>								
External revenue	73,845	62,760	6,659	15,766	21,375	26,609	101,879	105,135
Revenue between segments	6,355	7,665	449	90	1,286	777	8,090	8,532
<b>Total segment revenue</b>	<b>80,200</b>	<b>70,425</b>	<b>7,108</b>	<b>15,856</b>	<b>22,661</b>	<b>27,386</b>	<b>109,969</b>	<b>113,667</b>
EBITDA	8,649	7,443	581	477	1,125	3,068	10,355	10,988
Depreciation and amortization	1,167	877	181	147	338	355	1,686	1,379
<b>Segment operating profit (EBIT)</b>	<b>7,482</b>	<b>6,566</b>	<b>400</b>	<b>330</b>	<b>787</b>	<b>2,713</b>	<b>8,669</b>	<b>9,609</b>
<b>January 1 - June 30</b>								
External revenue	142,005	132,230	13,454	21,535	41,159	44,174	196,618	197,939
Revenue between segments	12,186	15,548	842	166	2,102	1,587	15,130	17,301
<b>Total segment revenue</b>	<b>154,191</b>	<b>147,778</b>	<b>14,296</b>	<b>21,701</b>	<b>43,261</b>	<b>45,761</b>	<b>211,748</b>	<b>215,240</b>
EBITDA	13,771	13,553	1,327	901	2,802	4,201	17,900	18,655
Depreciation and amortization	2,018	1,685	353	227	681	706	3,052	2,618
<b>Segment operating profit (EBIT)</b>	<b>11,753</b>	<b>11,868</b>	<b>974</b>	<b>674</b>	<b>2,121</b>	<b>3,495</b>	<b>14,848</b>	<b>16,037</b>
<b>Total assets</b>	<b>149,769</b>	<b>124,238</b>	<b>41,620</b>	<b>31,385</b>	<b>83,421</b>	<b>79,239</b>	<b>274,810</b>	<b>234,862</b>

### RECONCILIATION TO INCOME STATEMENT

	Sales organization		Research and development		SimCorp Sofia		Corporate functions		Elimination/ Not allocated		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>April 1 - June 30</b>												
External revenue	101,879	105,135	232	279	4,282	4,033	334	84	-	-	106,727	109,531
Revenue between segments	8,090	8,532	45,669	45,061	104	220	7,256	8,678	-61,119	-62,491	-	-
<b>Total segment revenue</b>	<b>109,969</b>	<b>113,667</b>	<b>45,901</b>	<b>45,340</b>	<b>4,386</b>	<b>4,253</b>	<b>7,590</b>	<b>8,762</b>	<b>-61,119</b>	<b>-62,491</b>	<b>106,727</b>	<b>109,531</b>
EBITDA	10,355	10,988	19,735	29,837	1,462	1,093	-2,271	-6,517	725	219	30,006	35,620
Depreciation and amortization	1,686	1,379	182	178	411	404	1,605	1,298	128	94	4,012	3,353
<b>Segment operating profit (EBIT)</b>	<b>8,669</b>	<b>9,609</b>	<b>19,553</b>	<b>29,659</b>	<b>1,051</b>	<b>689</b>	<b>-3,876</b>	<b>-7,815</b>	<b>597</b>	<b>125</b>	<b>25,994</b>	<b>32,267</b>
Financial items, net											-1,738	-530
<b>Profit for the period before tax</b>											<b>24,256</b>	<b>31,737</b>
<b>January 1 - June 30</b>												
External revenue	196,618	197,939	771	519	11,791	10,696	471	114	-	-	209,651	209,268
Revenue between segments	15,130	17,301	84,015	84,242	433	433	15,721	15,915	-115,299	-117,891	-	-
<b>Total segment revenue</b>	<b>211,748</b>	<b>215,240</b>	<b>84,786</b>	<b>84,761</b>	<b>12,224</b>	<b>11,129</b>	<b>16,192</b>	<b>16,029</b>	<b>-115,299</b>	<b>-117,891</b>	<b>209,651</b>	<b>209,268</b>
EBITDA	17,900	18,655	34,756	48,113	6,287	4,927	-8,018	-6,643	725	219	51,650	65,271
Depreciation and amortization	3,052	2,618	364	344	819	808	3,168	2,592	725	219	8,128	6,581
<b>Segment operating profit (EBIT)</b>	<b>14,848</b>	<b>16,037</b>	<b>34,392</b>	<b>47,769</b>	<b>5,468</b>	<b>4,119</b>	<b>-11,186</b>	<b>-9,235</b>	<b>-</b>	<b>-</b>	<b>43,522</b>	<b>58,690</b>
Financial items, net											-1,247	-561
<b>Profit for the period before tax</b>											<b>42,275</b>	<b>58,129</b>
<b>Total assets</b>	<b>274,810</b>	<b>234,862</b>	<b>16,812</b>	<b>17,644</b>	<b>45,819</b>	<b>52,786</b>	<b>20,114</b>	<b>20,040</b>	<b>80,796</b>	<b>15,692</b>	<b>438,351</b>	<b>341,024</b>

\* Not allocated includes goodwill and other assets from the purchase price allocation acquired as part of acquisitions.

### Contingent liabilities

No material changes have occurred to the contingent liabilities referred to in the Annual Report 2019.

### Events after June 30, 2020

No significant events have occurred after the balance sheet date that affect the interim report other than described separately in this interim report.