

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 2019

Q1 2019 highlights:

- Q1 2019 reported revenue was EUR 99.7m, an increase of 11.0% when compared with Q1 2018, and an increase of 9.1% when measured in local currencies.
- EBIT was EUR 26.4m compared with EUR 23.3m in Q1 2018. Currency fluctuations impacted EBIT positively by EUR 0.9m.
- EBIT margin was 26.5% compared with 26.0% in Q1 2018. Measured in local currencies, the EBIT margin was 26.1%.
- Net profit was EUR 19.6m compared with EUR 16.3m in Q1 2018.
- Total order intake from new and add-on licenses was EUR 21.4m, an increase of EUR 7.4m compared with same period last year. We welcomed Willis Towers Watson in the UK and Sava Re Group in Slovenia as new clients in Q1 2019.
- At March 31, 2019, the order book amounted to EUR 47.1m, an increase of EUR 28.5m when compared with the order book at March 31, 2018. Compared with December 31, 2018, the order book increased by EUR 1.6m.
- To enable clients to benefit faster from the continuous R&D investments, SimCorp has changed its annual SimCorp Dimension release cycle from two to four releases. Two new versions have already been released in 2019, introducing new functionality within areas like portfolio management, data management and alternative investments handling.
- SimCorp has received three awards so far in 2019. Besides being named 'Best Securities Services Provider' in Global Custodian's Leaders in Custody Awards, SimCorp has also won FTF News' Technology Innovation Award in the categories of 'Best Middle-to-Back Office Integration Solution' and 'Best Client Reporting Solution'.

Financial guidance

- SimCorp maintains its expectations for revenue growth and EBIT margin measured in local currencies for 2019. Revenue growth measured in local currencies is expected to be between 8% and 13%, while the expectation for EBIT margin measured in local currencies remains between 25.5% and 28.5%.

SimCorp CEO, Klaus Hulse, comments: *"With solid financial performance and two new clients in Q1 2019, both of which have signed for our full, integrated, front to back offering, we are off to a good start for the year. We are pleased to have signed a renowned industry leader like Willis Towers Watson in the UK, as this has been a challenging market for some years. Our order book remains strong and our sales pipeline continues to support our financial guidance."*

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Investor presentation

SimCorp's Executive Management Board will present the report on a conference call today Wednesday, May 22, 2019 at 11.00 am (CEST). 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:	3487117

At the end of the presentation there will be a Q&A session. It will also be possible to follow the presentation via this link: <https://edge.media-server.com/m6/p/zck2vsfj>.

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

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Financial highlights and key ratios for the SimCorp Group

EUR '000	2019 Q1	2018 Q1	2018 FY
INCOME STATEMENT			
Revenue	99,737	89,890	382,626
Earnings before interest, tax, depreciation, and amortization (EBITDA)	29,651	24,470	109,268
Operating profit (EBIT)	26,423	23,346	103,345
Financial items, net	-31	-1,698	-809
Profit before tax	26,392	21,648	102,536
Profit for the period	19,573	16,273	76,971
BALANCE SHEET			
Share capital	5,441	5,467	5,441
Share premium	9,963	9,963	9,963
Total equity	156,451	102,216	169,059
Bank loan	-	30,000	-
Property, plant, and equipment *	54,785	4,994	5,377
Receivables	91,705	92,876	79,165
Contract assets	93,880	55,402	85,684
Cash and cash equivalents	70,808	27,550	47,500
Total assets	369,336	242,855	270,267
CASH FLOW			
Cash flow from operating activities	28,024	23,522	82,215
Cash flow from investing activities	-314	-47	-1,720
Cash flow from financing activities	-4,950	-27,240	-64,444
Free cash flow	25,970	23,439	80,153
Net change in cash and cash equivalents	22,760	-3,765	16,051
EMPLOYEES			
Number of employees at the end of the period	1,682	1,570	1,660
Average number of employees - FTE	1,623	1,510	1,554
FINANCIAL RATIOS			
EBIT margin (%)	26.5	26.0	27.0
ROIC (return on invested capital) (%)	72.4	76.0	27.0
Receivables turnover ratio	6.1	6.5	8.2
Equity ratio (%)	42.4	42.1	62.6
Return on equity (%)	43.3	51.6	59.7
SHARE PERFORMANCE			
Earnings per share - EPS (EUR)	0.49	0.41	1.95
Diluted earnings per share - EPS-D (EUR)	0.49	0.41	1.93
Cash flow per share - CFPS (EUR)	0.70	0.59	2.08
MARKET VALUE RATIOS			
Average number of shares (m)	39.8	39.5	39.5
Average number of shares - diluted (m)	40.2	39.9	39.9
EUR/DKK rate of exchange at end of period	7.4652	7.4513	7.4673

* 2019 includes right-of-use assets of EUR 50.6m. Please refer to pages 19 and 20 for further details.

Please refer to the definition of ratios on page 61 of the Annual Report 2018. The interim report is unaudited and has not been reviewed by external auditors.

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Management's report – the three months ended March 31, 2019

Development in sales and orders

Two new SimCorp Dimension contracts were signed in Q1 2019 both on subscription-based terms. Willis Towers Watson in UK will use SimCorp Dimension to form the front to back system for its global Delegated Investment business, and Sava Re Group in Slovenia will use the front to back investment management solution.

A number of add-on SimCorp Dimension license contracts were signed in Q1 2019, including one perpetual license that was converted to a subscription-based license, and a number of SimCorp Coric subscription agreements that were renewed.

The additional license sales and order intake were positively impacted by around EUR 1.6m from the client converting its perpetual contract to a 4-year subscription-based license contract^{*)}. In Q1 2018, there was also one conversion, which impacted additional license sales and order intake by around EUR 0.5m.

Q1 2019, total order intake for SimCorp Dimension, SimCorp Coric and SimCorp Sofia licenses was EUR 21.4m compared with EUR 14.0m in the same period last year. Client driven development (CDD) order intake accounted for EUR 1.5m compared with EUR 1.6m in the same period last year.

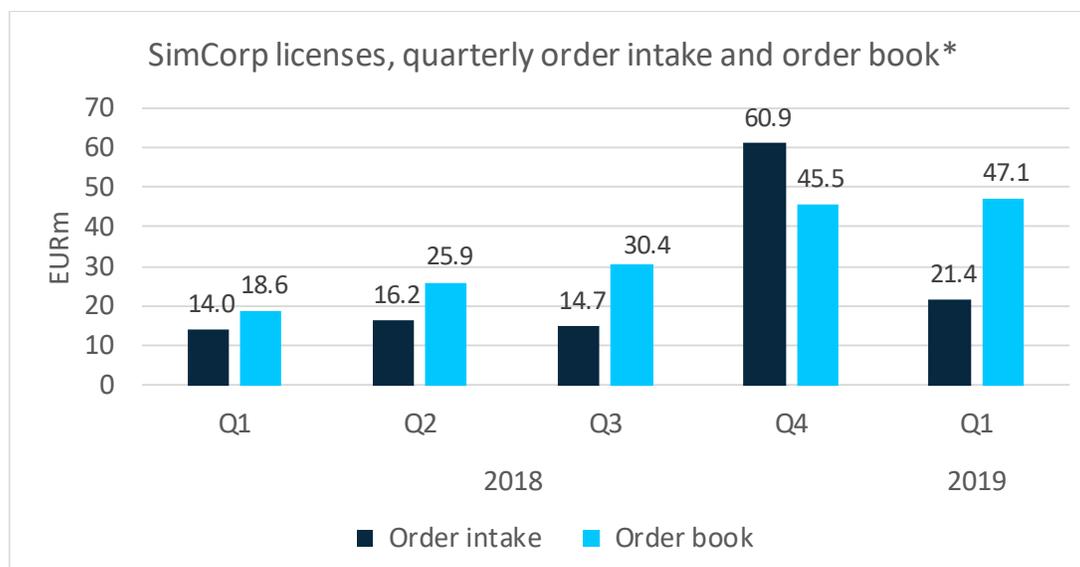
Income recognized from new and add-on licenses totaled EUR 19.7m, EUR 0.1m more than in Q1 2018. The annual renewal of SimCorp Italiana's subscription-based agreements are predominantly in the first quarter of a year and accounted for EUR 3.0m compared with EUR 4.1m in same period last year. The main reason for the lower renewal license fee was that one large client of SimCorp Italiana renewed for 6 months in Q1 2019 as opposed to 12 months in Q1 2018. This client has acquired SimCorp Dimension and will gradually switch from SimCorp Sofia to SimCorp Dimension.

Total order book was EUR 47.1m at March 31, 2019, which is an increase of EUR 28.5m compared with same time last year. Included in the order book is SimCorp Dimension Client Driven Development (CDD) of EUR 18.9m related to orders where income will be recognized when the software is delivered. The increase is a consequence of income recognition being deferred until conditions are fulfilled and for CDD to when the software is delivered. The largest order in the order book is the addition in December 2018 of a significant initial SimCorp Dimension license agreement with an Asian investment company. This contract is subject to the successful completion of milestones in the initial term of the contract, and the remainder of the license revenue is still expected to be recognized in Q2 2019. Compared with December 31, 2018, the order book increased by EUR 1.6m.

^{*)} The client had initially decided to outsource its operation but chose instead to convert to a subscription-based license contract with SimCorp. The annual subscription-based fee will be higher than the current software updates and support fee, but annual software updates and support will be EUR 0.1m lower.

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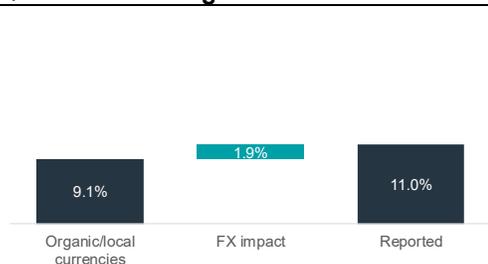
* Order intake and order book include licenses to new clients as well as add-on licenses to existing clients. The order book is the total license value of signed license agreements, including Client Driven Development (CDD) orders, that has not yet been recognized in income. Historic order intake and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

Revenue

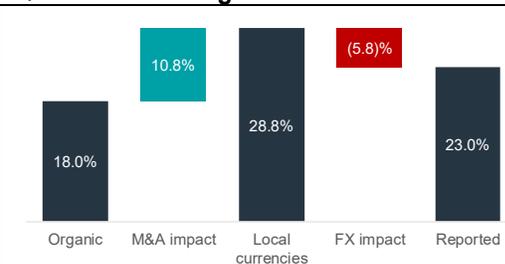
Q1 2019 revenue was up 11.0% relative to Q1 2018, increasing to EUR 99.7m. Measured in local currencies the increase was 9.1%.

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

Q1 2019 revenue growth



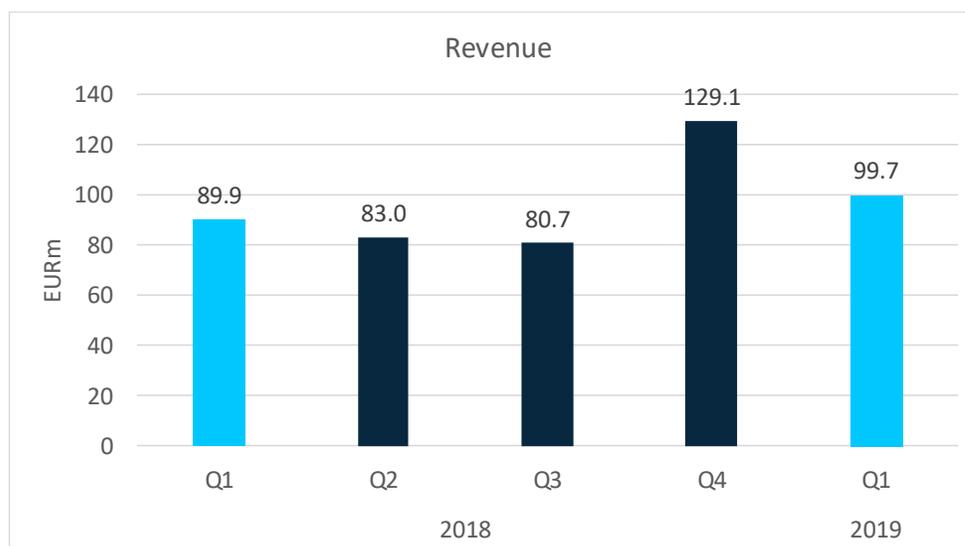
Q1 2018 revenue growth



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The development and distribution of quarterly revenue is shown below:

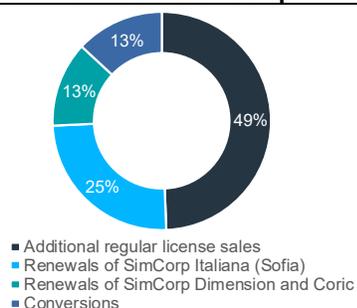


EURm	Revenue Q1 2019	Share of revenue Q1 2019	Revenue Q1 2018	Share of revenue Q1 2018	Revenue growth	Revenue growth local currency
Licenses - new sales	7.8	7.8%	5.3	5.9%	47.6%	38.6%
Licenses - add-on sales	11.9	11.9%	14.3	15.9%	-16.8%	-19.1%
Software updates and support	41.1	41.3%	36.3	40.4%	13.3%	12.0%
Professional services	34.1	34.2%	31.9	35.5%	7.2%	4.9%
ASP hosting and training fees	4.8	4.8%	2.1	2.3%	122.1%	134.9%
Total revenue	99.7	100.0%	89.9	100.0%	11.0%	9.1%

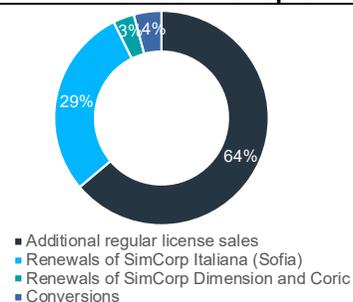
Revenue recognized from new licenses was EUR 7.8m and from add-on licenses EUR 11.9m for the first three months, an increase of EUR 0.1m compared with Q1 2018.

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

Q1 2019 add-on license sales split



Q1 2018 add-on license sales split



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Software updates and support revenue continued to increase with the completion and implementation of new client installations and new functionality to existing clients. This revenue was EUR 41.1m in Q1 2019, up 13.3% on the same period last year. Currency fluctuations impacted the software updates and support income positively by EUR 0.5m (1.3%-points).

Fees from professional services amounted to EUR 34.1m in Q1 2019, against EUR 31.9m in Q1 2018. The activity in professional services is robust and continues at a high level. Currency fluctuations impacted the revenue positively by EUR 0.7m (2.3%-points).

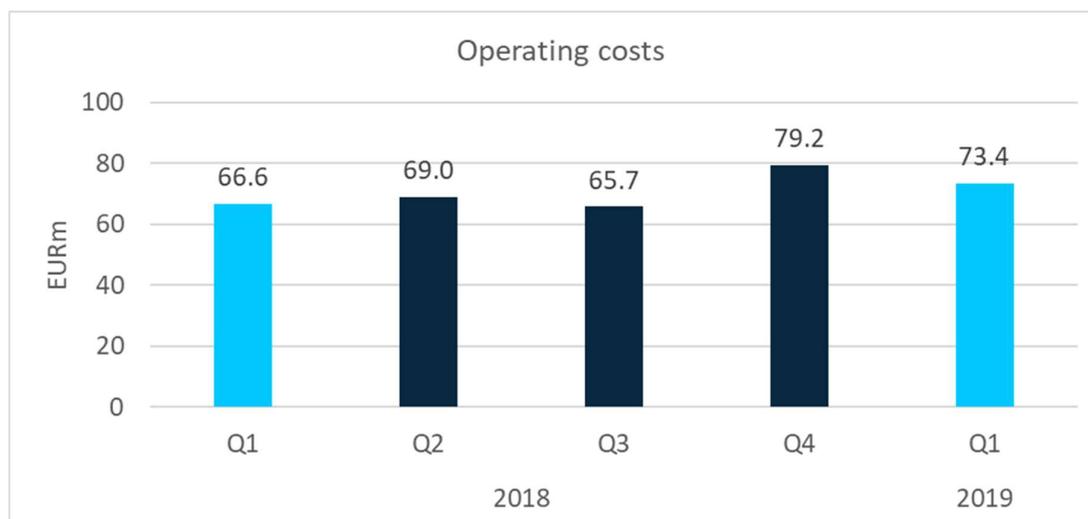
ASP hosting fees and training fees amounted to EUR 4.8m compared with EUR 2.1m in Q1 2018.

Operating Costs

SimCorp's total operating costs (including depreciation and amortization) was EUR 73.4m in Q1 2019 compared with EUR 66.6m in Q1 2018, an increase of 10.2% in reported currency and 8.1% in local currencies. The increase in costs is primarily related to an increase in the number of full-time employees from 1,570 in Q1 2018 to 1,682 in Q1 2019 and the annual salary increase of around 3%.

Salaries and staff related costs accounted for 72% of total costs, similar to Q1 2018.

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



EURm	Costs	Share of costs	Share of Revenue	Costs	Share of costs	Share of Revenue	Growth	local currency
	Q1 2019	Q1 2019	Q1 2019	Q1 2018	Q1 2018	Q1 2018		
Cost of sales	39.0	53.2%	39.1%	35.0	52.5%	38.9%	11.4%	8.9%
Research and development costs	19.1	26.0%	19.2%	16.9	25.4%	18.8%	13.0%	11.1%
Sales and marketing costs	9.4	12.8%	9.4%	9.4	14.1%	10.5%	0.0%	-2.2%
Administrative expenses	5.9	8.0%	5.9%	5.3	8.0%	5.9%	11.3%	10.2%
Total operating cost	73.4	100.0%	73.6%	66.6	100.0%	74.1%	10.2%	8.1%

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Cost of sales, including costs for implementation consultants and ASP hosting, increased by 11.4% to EUR 39.0m compared with EUR 35.0m in Q1 2018. In local currencies the increase was 8.9%. The increase was due to higher level of business activity for professional services and ASP hosting, the annual general salary increase, and costs to client related external consultants. Costs of sales in Q1 2019 represented 39.1% of revenue compared with 38.9% in the same period last year.

Compared with Q1 last year, research and development costs increased by 13.0% in reported currency and 11.1% in local currencies. R&D costs in Q1 2019 represented 19.2% of revenue compared with 18.8% in Q1 2018.

Sales and marketing costs were EUR 9.4m in reported currency, unchanged compared with Q1 2018 and decreased by 2.2% in local currencies. Sales and marketing costs in Q1 2019 represented 9.4% of revenue compared with 10.5% in same period last year.

Administrative expenses increased by EUR 0.6m to EUR 5.9m. Administrative expenses in Q1 2019 represented 5.9% of revenue as in Q1 2018.

Employees

At March 31, 2019, the Group had 1,682 employees, 112 (+7%) employees more than at March 31, 2018.

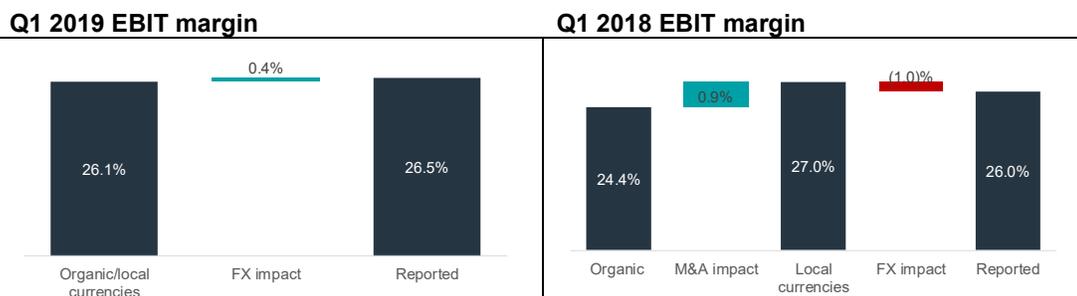
The Group had on average 1,623 FTEs in the first three months of 2019 compared with 1,510 FTEs in the same period last year.

Group performance

For the first three months of 2019, the Group posted EBIT of EUR 26.4m compared with EUR 23.3m in Q1 2018.

EBIT margin increased from 26.0% in Q1 2018 to 26.5%, and when measured in local currencies to 26.1%.

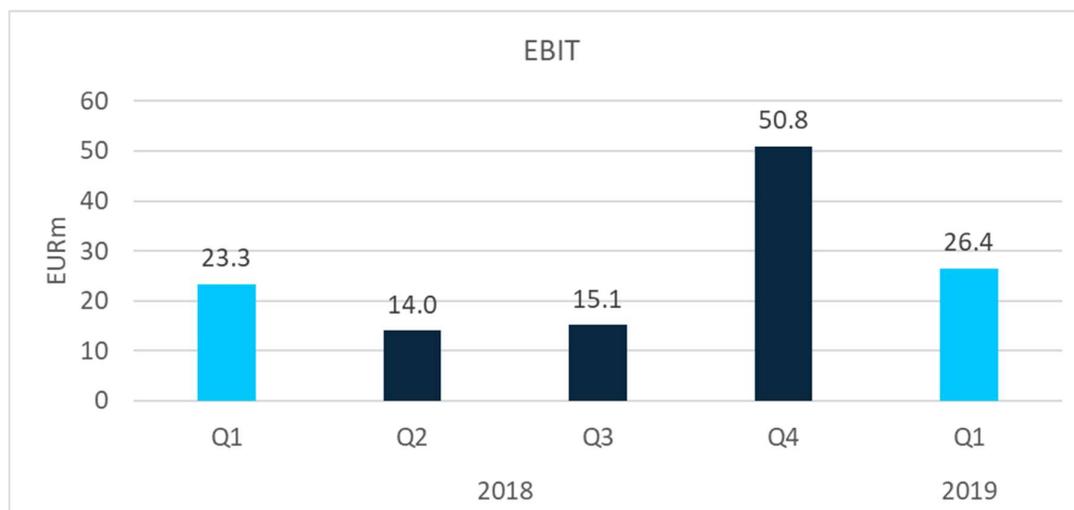
The currency and M&A impact on EBIT margin is shown below:



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The development in quarterly EBIT is shown below:



Profit and comprehensive income

Financial items for Q1 2019 comprised a net expense of EUR 0.03m compared with a net expense of EUR 1.7m in same period last year. Financial income and expenses are primarily related to foreign exchange adjustments.

The Group posted pre-tax profit of EUR 26.4m against pre-tax profit of EUR 21.6m in Q1 2018. The estimated tax charge of EUR 6.8m is equivalent to a tax rate of 25.8% compared with taxes of EUR 5.4m or 24.8% in Q1 2018. Thus, the Group's net profit for Q1 2019 amounted to EUR 19.6m against a profit of EUR 16.3m for the same period last year.

Exchange rate adjustments on translation of foreign assets and liabilities amounted to a net income of EUR 1.5m in Q1 2019, which is included in other comprehensive income.

Total comprehensive income for Q1 2019 was thus EUR 21.0m against EUR 15.9m in Q1 of last year.

Balance sheet

SimCorp's total assets were EUR 369.3m at March 31, 2019 compared with EUR 242.9m a year earlier, an increase of EUR 126.5m. The increase is primarily related to the adoption of IFRS16 Leases of EUR 50.6m, see pages 19 and 20 for further details, an increase in contract assets reflecting the accounting effect of signing new subscriptions agreements in the last 12 months of EUR 38.5m, and an increase in cash and cash equivalent of EUR 43.3m.

Cash holdings amounted to EUR 70.8m compared with EUR 27.6m a year earlier. The difference is mainly due to the timing of payment of dividends. EUR 35.9m was paid in dividends in Q2 2019, whereas EUR 27.2m of the EUR 34.5m in dividends for 2017 was paid in Q1 2018, and the tax on dividends of EUR 7.3m was paid in Q2 2018.

Total receivables amounted to EUR 91.7m at March 31, 2019, representing a decrease of EUR 1.2m compared with March 31, 2018, but EUR 12.5m higher than at December 31, 2018.

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Cash flow

Operating activities generated a cash inflow of EUR 28.0m in Q1 2019 compared with EUR 23.5m in Q1 last year. Payment of income taxes amounted to EUR 5.7m, against EUR 5.8m in Q1 2018.

EUR 0.3m was spent on investing activities, compared with EUR 0.05m in Q1 2018.

Free cash flow (cash flow from operations reduced by CAPEX and reduced by the principal element of lease payments) was EUR 26.0m compared with EUR 23.4m in first three months of 2018.

Cash used in financial activities was related to the purchase of treasury shares, which reduced liquidity by EUR 3.0m, and the repayment of lease liabilities, which reduced liquidity by EUR 2.0m in Q1 2019 compared with payment of dividends of EUR 27.2m in Q1 2018.

Changes in equity

The company's equity amounted to EUR 156.5m at March 31, 2019. This was a decrease of EUR 12.6m from December 31, 2018. Equity was reduced by the purchase of treasury shares of EUR 3.0m and by the declared dividends of EUR 35.9m. The payment of dividends was approved by the shareholders at the AGM on March 27, 2019.

Equity was increased by comprehensive income for Q1 2019 of EUR 21.0m as well as effects of share-based remuneration of EUR 5.2m.

Other business updates

As part of the focus on scaled agile development, and to enable clients to benefit faster from the continuous investments in R&D, SimCorp has changed its annual SimCorp Dimension release cycle from two to four releases. As a result, two new versions of the system have already been released in 2019, introducing new functionality across the investment management value chain, for instance within areas like portfolio management, data management and alternative investments handling.

SimCorp has received three awards so far in 2019. Besides being named 'Best Securities Services Provider' in Global Custodian's Leaders in Custody Awards, SimCorp has also won FTF News' Technology Innovation Award in the categories of 'Best Middle-to-Back Office Integration Solution' and 'Best Client Reporting Solution'.

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Outlook for the financial year 2019*)

SimCorp generated a solid financial result during the first three months of 2019 in line with SimCorp's expectations. SimCorp's intake of license contract orders and revenue recognition varies considerably from one period to the next. As announced in the Annual Report 2018, SimCorp expects to revenue recognize in Q2 2019 the majority of the license revenue from a significant deal won in December 2018.

The Q1 2019 intake of orders was EUR 21.4m compared with EUR 14.0m for the same period last year.

SimCorp enters Q2 2019 with signed revenue of EUR 301m of the projected reported revenue for 2019, compared with EUR 267m at the same time in 2018. In addition, SimCorp has during Q2 2019 signed two new SimCorp Dimension contracts and one new SimCorp Coric contract.

SimCorp continues to experience a satisfactory, geographically diversified demand for its products and services and continues to see the value of the pipeline increase.

SimCorp maintains its expectations for the full year of between 8% and 13% revenue growth measured in local currencies, and an EBIT margin of between 25.5% to 28.5% measured in local currencies.

Based on the exchange rates prevailing at April 30, 2019, SimCorp estimates reported revenue to be positively impacted from currency fluctuations by around 1.5%. The impact from currency fluctuations on reported EBIT margin is expected to be positive by around 0.2%-points. In the previous reporting (Annual Report 2018) the currency impact on reported revenue was expected to be positive by around 1.0% and on EBIT margin positive by around 0.2%-points.

*) This announcement contains certain forward-looking statements and expectations in respect of the 2019 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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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 28-30 of SimCorp's Annual Report 2018 describe the most important general risk factors and the risk management measures utilized in everyday operations. Management believes that the description of these potential risks still applies.

Shareholder information**Transferred shares in relation to restricted stock units programs****Long-term restricted stock units incentive plan allotted in 2016**

60,258 shares were in Q1 2019 transferred to the Executive Management Board and key employees, who participated in the long-term incentive program in 2016 and who have fulfilled the program's criteria, including 14,412 shares to the Executive Management Board. The actual number of shares transferred was determined based on the achieved average annual business growth and annual average net operating profit after tax for the financial years 2016 to 2018. 97.5% of the maximum number of shares under the program was allotted.

Corporate bonus restricted stock units programs 2015, 2016 and 2017

90,728 shares were transferred in Q1 2019 to the Group's employees related to the corporate bonus restricted stock units programs for 2015, 2016 and 2017, including 7,664 shares to the Executive Management Board and 710 shares to employee elected members of the Board of Directors.

Sign-on and incentive programs 2014 and 2016

12,267 shares were transferred in Q1 2019 to the Groups employees, with sign-on and incentive programs, who have fulfilled the program's criteria.

Issue of restricted stock units

In accordance with the remuneration policy approved by the shareholders at the AGM, the Board of Directors have granted restricted stock units for the year 2019. A total of 55,357 restricted stock units was granted, including 22,679 restricted stock units to the Executive Management Board. The fair value of these restricted stock units amounted to EUR 4.7m at the time of allotment. The value adjusted for dividends will be included in the income statement over the vesting period of three years. The restricted stock units will vest after three years, subject to continued employment. Furthermore, the restricted stock units are subject to conditions with respect to average annual minimum business growth and annual average net operating profit after tax for the financial years 2019 to 2021. If the two last conditions are only partially satisfied, the number of shares transferred after three years will be reduced, and may possibly lapse completely.

In addition, 77,108 restricted stock units relating to the corporate bonus program for 2018 were granted to Group employees, including 506 restricted stock units to employee elected members of the Board of Directors. The fair value of these restricted stock units amounted to EUR 5.9m at the time of allotment. The value adjusted for waived group bonus and dividends will be included in the income statement over the vesting periods. These restricted stock units will vest one third after one

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year, a further one third after two years and the last third after three years subject to continued employment.

399,687 restricted stock units are outstanding at the time of reporting, including 55,357 restricted stock units that have been granted after the AGM. The restricted stock units will be transferred in whole or in part between 2019 and 2022 to program participants still employed when the stock units vest, some subject to performance conditions.

Holding of treasury shares

In 2019, the Company transferred a total of 163,253 treasury shares in relation to the restricted stock unit programs as mentioned on page 12, and in accordance with the approved remuneration policy for the Board of Directors, Executive Management and employees. In addition, the Company transferred 4,241 treasury shares to the Board of Directors equivalent to one third of their total remuneration for 2018.

The Company has purchased 36,826 treasury shares in Q1 at an average price of DKK 599.93 per share, totaling EUR 3.0m. At March 31, 2019, the Company's holding of treasury shares amounted to 786,748 treasury shares, equal to 1.9% of the Company's issued share capital.

In addition to the purchases in Q1 2019 the Company has in the period from April 1 to May 20, 2019 acquired 41,122 treasury shares at a total price of EUR 3.4m under the EUR 12.5m "Safe Harbour" program that runs to 23 August 2019.

The Company has up until May 20, 2019 acquired shares amounting to EUR 6.4m. At May 20, 2019, the Company's holding of treasury shares amounted to 827,489 treasury shares, equal to 2.0% of the Company's issued share capital.

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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 - March 31, 2019.

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 March 31, 2019 and of the profit of the Group's operations and cash flow for the period January 1 - March 31, 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, May 22, 2019

Executive Management Board:

Klaus Hulse
Chief Executive Officer

Georg Hetrodt
Chief Product Officer

Michael Rosenvold
Chief Financial 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

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Consolidated income statement

EUR '000	2019 Q1	2018 Q1	2018 FY
Revenue	99,737	89,890	382,626
Cost of sales	39,018	35,054	148,786
Gross profit	60,719	54,836	233,840
Other operating income	67	44	1,219
Research and development costs	19,066	16,879	69,879
Sales and marketing costs	9,447	9,387	40,971
Administrative expenses	5,850	5,268	20,864
Operating profit (EBIT)	26,423	23,346	103,345
Share of profit after tax in associates	30	19	88
Financial income	1,352	870	4,694
Financial expenses	1,413	2,587	5,591
Profit before tax	26,392	21,648	102,536
Tax on the profit for the period	6,819	5,375	25,565
Profit for the period	19,573	16,273	76,971
EARNINGS PER SHARE			
Earnings per share - EPS (EUR)	0.49	0.41	1.95
Diluted earnings per share - EPS-D (EUR)	0.49	0.41	1.93

Statement of comprehensive income

EUR '000	2019 Q1	2018 Q1	2018 FY
Profit for the period	19,573	16,273	76,971
Other comprehensive income			
Items that will not be reclassified subsequently to the income statement:			
Remeasurements of defined benefit plans	-	-	181
Tax, remeasurement of defined benefit plans	-	-	-39
Items that may be reclassified subsequently to the income statement, when specific conditions are met:			
Foreign currency translation differences for foreign operations	1,475	-347	-239
Other comprehensive income after tax	1,475	-347	-97
Total comprehensive income	21,048	15,926	76,874

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 2019

Consolidated balance sheet

EUR '000	Mar. 31 2019	Mar. 31 2018	Dec. 31 2018
ASSETS			
Goodwill	28,127	28,048	27,937
Software	5,011	7,477	5,139
Client contracts	7,226	8,241	7,368
Total intangible assets	40,364	43,766	40,444
Leasehold	51,069	3,034	3,106
Technical equipment	1,951	1,080	1,475
Other equipment, fixtures, fittings and prepayments	1,765	880	796
Total property, plant, and equipment	54,785	4,994	5,377
Investments in associates	790	911	723
Deposits	2,243	1,954	1,983
Deferred tax	3,513	5,367	2,328
Total other non-current assets	6,546	8,232	5,034
Total non-current assets	101,695	56,992	50,855
Receivables	91,705	92,876	79,165
Contract assets	93,880	55,402	85,684
Income tax receivables	1,937	2,708	978
Prepayments	9,311	7,327	6,085
Cash and cash equivalents	70,808	27,550	47,500
Total current assets	267,641	185,863	219,412
Total assets	369,336	242,855	270,267
LIABILITIES AND EQUITY			
Share capital	5,441	5,467	5,441
Share premium	9,963	9,963	9,963
Exchange adjustment reserve	-1,934	-3,517	-3,409
Retained earnings	142,981	90,303	121,130
Proposed dividend	-	-	35,934
Total equity	156,451	102,216	169,059
Lease liabilities	42,732	-	-
Deferred tax	14,096	12,277	11,728
Provisions	7,198	8,004	8,258
Total non-current liabilities	64,026	20,281	19,986
Bank loan	-	30,000	-
Lease liabilities	9,722	-	-
Prepayments from clients	44,433	30,412	17,704
Trade payables and other payables	55,213	48,194	59,675
Income tax payables	3,054	4,098	3,117
Provisions	534	324	726
Dividends and related taxes	35,903	7,330	-
Total current liabilities	148,859	120,358	81,222
Total liabilities	212,885	140,639	101,208
Total liabilities and equity	369,336	242,855	270,267

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 2019

Consolidated cash flow statement

EUR '000	2019 Q1	2018 Q1	2018 FY
Profit for the period	19,573	16,273	76,971
Adjustments for non-cash operating items	16,877	10,372	41,675
Changes in contract assets	-8,196	-5,456	-35,738
Changes in working capital	5,542	8,191	21,917
Cash from operating activities before financial items	33,796	29,380	104,825
Financial income received	102	23	136
Financial expenses paid	-147	-102	-465
Income tax paid	-5,727	-5,779	-22,281
Net cash from operating activities	28,024	23,522	82,215
Proceeds from sale of share of associates	-	-	285
Purchase of intangible fixed assets	-	-	-112
Purchase of property, plant, and equipment	-63	-83	-1,950
Purchase of financial assets	-391	-14	-45
Proceeds from sale of financial assets	140	50	59
Dividends from associates	-	-	43
Net cash used in investing activities	-314	-47	-1,720
Net cash from operating and investing activities	27,710	23,475	80,495
Dividends paid	-	-27,240	-34,444
Purchase of treasury shares	-2,959	-	-
Repayment of lease liability	-1,991	-	-
Repayment, loans	-	-	-30,000
Net cash used in financing activities	-4,950	-27,240	-64,444
Change in cash and cash equivalents	22,760	-3,765	16,051
Cash and cash equivalents at beginning of period	47,500	31,412	31,412
Foreign exchange adjustment of cash and cash equivalents	548	-97	37
Cash and cash equivalents end of period	70,808	27,550	47,500

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 2019

Statement of changes in equity

EUR '000	Share capital	Share premium	Exchange adjustment reserve	Retained earnings	Dividends for the year	Total
2019 Q1						
Equity at January 1	5,441	9,963	-3,409	121,130	35,934	169,059
Net profit for the period	-	-	-	19,573	-	19,573
Total other comprehensive income	-	-	1,475	-	-	1,475
Total comprehensive income for the period	-	-	1,475	19,573	-	21,048
Transactions with owners						
Declared dividends to shareholders	-	-	-	31	-35,934	-35,903
Share-based payment	-	-	-	4,222	-	4,222
Tax, share-based payment	-	-	-	984	-	984
Purchase of treasury shares	-	-	-	-2,959	-	-2,959
Equity at March 31	5,441	9,963	-1,934	142,981	-	156,451
2018						
Equity at January 1	5,467	9,963	-3,170	69,751	34,570	116,581
Net profit for the period	-	-	-	16,273	-	16,273
Total other comprehensive income	-	-	-347	-	-	-347
Total comprehensive income for the period	-	-	-347	16,273	-	15,926
Transactions with owners						
Dividends paid to shareholders	-	-	-	52	-34,570	-34,518
Share-based payment	-	-	-	3,821	-	3,821
Tax, share-based payment	-	-	-	406	-	406
Equity at March 31	5,467	9,963	-3,517	90,303	0	102,216
Net profit for the period	-	-	-	60,698	-	60,698
Total other comprehensive income	-	-	108	142	-	250
Total comprehensive income for the period	-	-	108	60,840	-	60,948
Transactions with owners						
Cancellation of treasury shares	-26	-	-	26	-	-
Dividends paid to shareholders	-	-	-	74	-	74
Share-based payment	-	-	-	5,484	-	5,484
Tax, share-based payment	-	-	-	337	-	337
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 11% and EBIT margin of 26.5% in Q1 2019

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 2018 except for the changes described below. See the Annual Report 2018 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 recognizes 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 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 1 January 2019. The weighted average incremental borrowing rate for lease liabilities on January 1, 2019 was 1.27%.

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 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	Jan. 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	Mar. 31 2019	Jan. 1 2019
Leasehold (depreciation period: 1 to 10 years)	48,910	48,708
Equipment (depreciation period: 1 to 3 years)	652	781
Cars (depreciation period: 1 to 4 years)	989	1,111
Right-of-use assets	50,551	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	
Operating lease commitment 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 at January 1, 2019	50,479
Current liability	8,889
Non-current liability	41,590

Impact on segment reporting

EBITDA and segment assets have increased as a result of the change in accounting policy, while EBIT has decreased. The following segments are impacted by the changes:

EUR'000	Q1 2019 EBIT	Q1 2019 EBITDA	Segment assets Mar. 31 2019
UK, Northern Europe and Middle East	-34	315	7,070
Central Europe	-21	196	4,191
Southern Europe	-18	166	3,399
Asia and Australia	-6	56	1,736
North America	-17	155	8,919
Research and development	-13	117	12,212
SimCorp Coric	-9	86	2,828
SimCorp Sofia	-8	74	3,505
Segments total	-126	1,165	43,860
Corporate Functions	-96	887	6,691
Impact	-222	2,052	50,551

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 2019

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 2018.

Segment information

EUR '000	UK, Northern Europe and Middle East	Central Europe	Southern Europe	Asia and Australia	North America	Research and development	SimCorp Coric	SimCorp Sofia	Segments total	Corporate Functions	Elimination/ Not allocated	Group
January 1 - March 31, 2019												
External revenue	36,712	19,725	11,474	5,769	16,410	240	2,715	6,663	99,708	29	-	99,737
Revenue between segments	5,566	1,854	353	76	810	37,483	2,060	319	48,521	6,810	-55,331	-
Total segment revenue	42,278	21,579	11,827	5,845	17,220	37,723	4,775	6,982	148,229	6,839	-55,331	99,737
EBITDA	3,559	2,010	387	420	1,123	16,535	2,236	3,965	30,235	-584	-	29,651
Depreciation and amortization	455	230	307	80	262	166	241	321	2,062	1,166	-	3,228
Segment operating profit (EBIT)	3,104	1,780	80	340	861	16,369	1,995	3,644	28,173	-1,750	-	26,423
Total assets	70,284	19,821	35,142	21,607	71,927	3,420	22,451	52,947	297,599	36,134	35,603	369,336
January 1 - March 31, 2018												
External revenue	31,374	16,454	11,408	3,739	16,803	277	1,819	7,903	89,777	113	-	89,890
Revenue between segments	7,257	2,506	235	372	1,105	23,943	467	230	36,115	663	-36,778	-
Total segment revenue	38,631	18,960	11,643	4,111	17,908	24,220	2,286	8,133	125,892	776	-36,778	89,890
EBITDA	3,026	1,497	-934	189	556	15,981	1,315	4,974	26,604	-2,134	-	24,470
Depreciation and amortization	107	7	75	10	85	28	143	295	750	374	-	1,124
Segment operating profit (EBIT)	2,919	1,490	-1,009	179	471	15,953	1,172	4,679	25,854	-2,508	-	23,346
Total assets March 31, 2018	52,057	16,211	33,912	16,605	40,425	2,877	25,854	54,952	242,893	4,249	-4,287	242,855

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.

EUR '000	2019 Q1	2018 Q1
Segment operating profit (EBIT)	26,423	23,346
Share of profit after tax on associates	30	19
Financial income	1,352	870
Financial expenses	1,413	2,587
Profit for the period before tax	26,392	21,648

A number of other new accounting standards and interpretations were implemented and have no monetary effect on the SimCorp Group's result, assets, liabilities or equity.

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 2019

Board of Directors and Executive Management Board

The Group has prepared general guidelines for incentive pay to members of the company's Board of Directors and Executive Management Board, which were approved by the shareholders at the AGM and posted on the company's website.

The shareholders approved the total remuneration to the Board of Directors for 2019 of DKK 4.5m, comprising DKK 3.0m in cash and DKK 1.5m in SimCorp shares. In addition, the audit committee receives separate remuneration for 2019 for a total of DKK 0.6m comprising DKK 0.4m in cash and DKK 0.2m in SimCorp shares, and the nomination and remuneration committee receives separate remuneration for 2019 for a total of DKK 0.3m comprising DKK 0.2m in cash and DKK 0.1m in SimCorp shares.

Contingent liabilities

No material changes have occurred to the contingent liabilities referred to in the Annual Report 2018.

Events after March 31, 2019

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