

SimCorp Interim Report Q1 2023

Accelerating growth momentum in the first quarter of 2023

Q1 2023 highlights

- In Q1 2023, SimCorp accelerated its growth momentum across all revenue metrics. Forward-looking Annual Recurring Revenue (ARR) grew by 12.6% in local currency compared to ARR by the end of Q1 2022. Ratable revenue amounted to EUR 142.3 million in Q1 2023, reflecting local currency growth of 11.8%.
- Reported revenue was EUR 136.3 million in Q1 2023 (Q1 2022: EUR 114.7 million), equivalent to an increase of 18.8% in reported terms and 18.6% when measured in local currencies. EBIT excluding special items was EUR 28.3 million (EUR 16.3 million in Q1 2022), corresponding to an EBIT-margin of 20.8%. The execution of the cost efficiency program FuEL is on track and the cost reduction targets are confirmed. Restructuring costs amounted to EUR 5.4 million in the quarter (special items of EUR 0.8 million in Q1 2022).
- SimCorp generated Free Cash Flow of EUR 45.6 million in Q1 2023, representing a significant improvement compared to EUR 20.1 million in Q1 2022. The improvement was driven by stronger underlying profitability and enhanced working capital management.
- In Q1 2023, SimCorp signed two new clients: i) a US-based insurance company for Dimension SaaS solution, Investment Operation Solution and Data Management Services and ii) a large asset manager in Singapore for client reporting. A number of expansionary SimCorp Dimension license contracts were signed in Q1 2023, including two migrations from on-premise to SaaS.
- On 27 April, SimCorp and Deutsche Börse entered into an announcement agreement pursuant to which Deutsche Börse will make an all-cash voluntary recommended takeover offer to acquire all SimCorp shares at a price of DKK 735.0 per share. The offer is subject to a number of conditions, including necessary regulatory approvals.
- Based on the performance in Q1 2023, SimCorp confirms the financial guidance for 2023. Measured in local currency, it is expected that ARR will grow 12-17%, ratable revenue will grow 6-11% and the EBIT margin is expected to be 21-24%, excluding special items (costs related to the execution of Programme FuEI and M&A-related transaction costs).

SimCorp CEO, Christian Kromann, comments:

"The first quarter of 2023 has been a solid start to the year. We continue to transform the company across our product offering, our services and our organization. Our SaaS implementations are successful, and we see continued strong market demand for our offerings. We are today confirming our financial guidance for 2023 as well as our mid-term target of returning to record-high profitability"

Key financial highlights

EUR million, unless otherwise stated	2023 Q1	2022 Q1	2022 FY	2023 Outlook
Organic ARR growth (%)	12.6%	N/A ¹	11.7%	12-17%
Organic growth of ratable revenue (%)	11.8%	11.3%	5.3%	6-11%
Ratable revenue	142.3	124.3	489.0	
Reported revenue	136.3	114.7	561.0	
EBIT-margin, excluding special items (%)	20.8%	14.2%	24.2%	21-24% (local currencies)
EBIT, excluding special items	28.3	16.3	135.8	
Special Items	-5.4	-0.8	-9.9	
Reported EBIT	22.9	15.5	125.9	

¹ ARR is an alternative performance measure introduced in the Annual Report 2022.

Other financial highlights and key ratios for the SimCorp Group

EUR '000	2023 Q1	2022 Q1	2022 FY
Income Statement			
Revenue	136,319	114,713	560,968
Earnings before interest, tax, depreciation, and amortization (EBITDA)	26,684	19,152	140,739
Operating profit (EBIT)	22,919	15,527	125,856
Financial items, net	-2,272	2,170	2,292
Profit before tax	20,647	17,697	128,148
Profit for the period	15,571	13,321	99,254
Balance Sheet			
Share capital	5,441	5,441	5,441
Total equity	355,708	293,627	375,557
Bank loan / credit facility	26,844	20,167	6,724
Intangible assets	88,227	91,845	88,984
Property, plant, and equipment	41,492	41,848	41,459
Receivables	124,126	130,167	112,378
Contract assets	286,837	213,410	292,903
Cash and cash equivalents	66,382	49,768	40,546
Total assets	648,974	558,632	604,328
Cash Flow			
Net cash from operating activities	48,327	23,172	60,340
Net cash used in investing activities	-10,402	-699	-2,767
Net cash used in financing activities	-11,855	-20,501	-64,822
Free cash flow	45,647	20,091	47,155
Employees			
Number of employees at the end of the period	2,404	2,045	2,245
Average number of employees - FTE	2,316	1,994	2,067
Alternative Performance measures			
Annual Recurring Revenue (ARR) (EUR '000)	367,935	326,767	352,224 ²
Financial Ratios			
Revenue growth (%)	18.8	4.3	13.0
Organic revenue growth (%)	18.6	4.1	9.4
Organic ARR growth (%)	12.6	-	11.7
EBIT margin (%)	16.8	13.5	22.4
ROIC (return on invested capital) (%)	25.0	21.2	35.6
Receivables turnover ratio	6.1	5.5	8.4
Equity ratio (%)	54.8	52.6	62.1
Return on equity (%)	16.2	16.3	26.0
Share Performance			
Earnings per share - EPS (EUR)	0.40	0.34	2.52
Diluted earnings per share - EPS-D (EUR)	0.39	0.34	2.50
Cash flow per share - CFPS (EUR)	1.22	0.58	1.53
Average number of shares (million)	39.3	39.5	39.3
Average number of shares - diluted (million)	39.7	39.7	39.7
EUR/DKK rate of exchange at end of period	7.4485	7.4379	7.4365

Please refer to the definition of ratios on page 63 of the Annual Report 2022. The interim report is unaudited and has not been reviewed by external auditors.

² FY 2022 ARR is restated to include historic indexation. See page 5 for further details.

Strategy update

In 2019, SimCorp launched the current strategy to evolve from a software company to a full-scale Software-as-a-Service (SaaS) company. The strategy is based on the three strategic growth levers of SaaS acceleration, Platform leadership and Ecosystem scaling.

The SaaS acceleration continued in Q1 2023 supporting SimCorp's market competitiveness and operational scaling. Three sizeable migrations from on-premise to SaaS went live in the quarter with high customer satisfaction. Revenue generated from the SaaS platform amounted to EUR 37.9 million in Q1 2023, representing an increase of 84% compared with Q1 2022. The continued strengthening of the Platform leadership continued with development of the front-to-back offering and supporting integration across a wide range of capital markets participants with the launch of the Asset service hub. Also in Q1 2023, the pension fund PenSam went live on SimCorp's new innovative machine learning offer, called Intelligent Document Processing, on SimCorp Dimension. The Intelligent Document Processing automates the extraction of unstructured data from private market funds, which historically has been a manual and labor-intensive task.

The strength of the Ecosystem scaling allows for significant innovation and flexible use of third-party data, analytics, and tools integrated with SimCorp Dimension. In Q1 2023, SimCorp united with FlexTrade by adding them as new EMS ecosystem partner. SimCorp clients can now seamlessly deploy FlexTrade's multi-asset Execution Management System (FlexTRADER) alongside the Dimension Platform. This complements SimCorp's existing and long-held partnership with another leading EMS provider TS Imagine, thereby further strengthening SimCorp's ability to offer clients meaningful optionality.

SimCorp's strategic framework



Accelerated strategic investments

In 2023, SimCorp has initiated key accelerated investments in its core transformation focused on five important initiatives to enhance the transformation speed. Overall, the accelerated investments are progressing according to plan although still early in development. SimCorp's technology platform remains the stronghold with distinct ABOR and IBOR capabilities and unfolded through natively integrated functionalities.

The **Front Office** investment is progressing with finalized scoping on the desired enhancements. SimCorp has a strong core proposition with our all-assets IBOR and portfolio management capabilities, and SimCorp is now strengthening the surrounding workflows, including new design and user experience, enhanced OTC, Order manager and the full global launch of the new cloud-native Performance Management Module. The continued efforts in creating **development efficiency and scalability** are progressing according to plan with expected benefits beginning to materialize in Q4 2023.

The SaaS acceleration investments focus on the **total cost of serving SaaS customers**, both related to the technical infrastructure of the SaaS solution as well as the further automation of managed services. The initial 2023 focus is the infrastructure considering also the inherent scale advantages

in offering managed services to more clients. The *BPaaS investments* related mainly to Investment Operations Services (IOS) and Investment Accounting Services (IAS) are ongoing and with a steadily developing pipeline. Key implementation projects are progressing per plan, including our first full IOS customer, InTech, with go-live planned in H2 2023.

The overall structure of SimCorp's investments in the *new go to market model* has been finalized. The new Managing Director of North America, John Needham, was appointed in January 2023 and the new Managing Director of the restructured EMEA organization, Ralf Schmücker, was formally appointed in April 2023. SimCorp's flagship customer event, The SimCorp Global Summit, was hosted in Stockholm from 17 – 19 April with a record-high attendance of more than 900 participants – illustrating the strength of SimCorp's growing global client community.

Program FuEI

In February 2023, SimCorp launched a company-wide cost efficiency program (Program FuEI) aimed at funding and elevating the transformation. The business change towards a more service-based offering makes cost efficiency critical for future market competitiveness, and the program is designed to sharpen and improve the underlying operations, focusing on structural cost improvements to enhance competitiveness and the long-term potential of the company.

The program is progressing according to plan with numerous initiatives ongoing. 120 employees were made redundant in Q1 2023 and the lease of four European offices were terminated and replaced with the use of managed offices. SimCorp has also decided to establish a new talent location in Mexico City. The choice of Mexico City was based on thorough analysis of all potential locations in the Americas focused on macro-economics, labor cost, labor availability and overall risk considerations. With the establishment of Mexico City as talent location, SimCorp now has talent locations across all regions allowing for improved 24/7 client servicing via a more scalable organization and cost-efficient structure to support future growth.

Non-recurring restructuring costs to execute the program amounted to EUR 5.4 million in Q1 2023. The total restructuring costs to execute the program are still expected to amount to up to EUR 20 million to be fully recognized in 2023.

Business update

The commercial activity in Q1 2023 reflects the usual seasonality following a significant fourth quarter. In Q1 2023, SimCorp signed two new clients, respectively in US and Singapore. In the beginning of the year, SimCorp signed a US based insurance company for a Dimension SaaS solution as well as Investment Operation Solution and Data Management Services. The US client is an example of how clients increasingly focus on the core part of their business, thereby outsourcing non-core operations. Later in the quarter, SimCorp signed a large asset manager in Singapore for client reporting. This client win reflects that client reporting capabilities are increasingly becoming a key differentiator for investment management firms.

A number of expansionary SimCorp Dimension license contracts were signed in Q1 2023, including two migrations from on-premise to SaaS solutions. In addition, three customers successfully went live on their SaaS solution during the quarter.

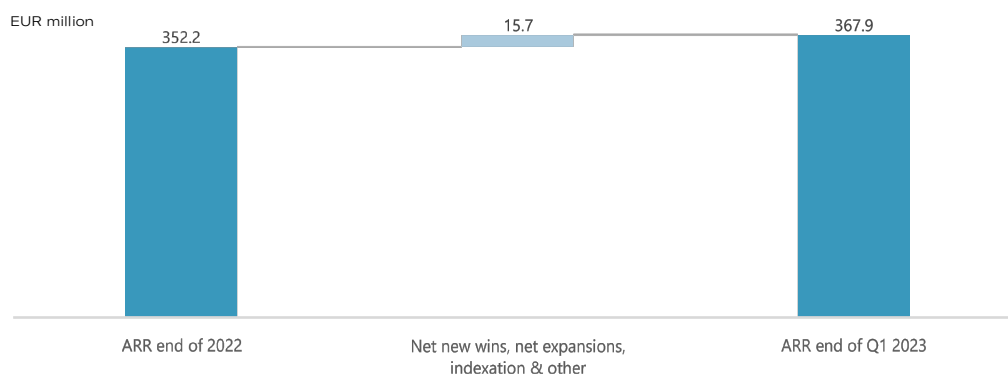
New customer wins in Q1 2023

Region	Client	Offering	SaaS	Order Intake	Revenue recognition
North America	Undisclosed investment manager	IOS & DMS	Yes	Q1 2023	Revenue from sale of license recognized upfront. SaaS part of contract recognized over the period
APAC	Undisclosed investment manager	Client reporting	Yes	Q1 2023	Revenue from sale of license recognized upfront. SaaS part of contract recognized over the period

ARR development

SimCorp accelerated its growth momentum with ARR accelerating to 12.6% in Q1 2023 compared to Q1 2022. In the quarter, ARR increased by approximately EUR 16 million of which the largest contributor was Indexation on current contracts. Other growth drivers were the signing of two new customers and the signed conversions of two clients from on-premise to SaaS.

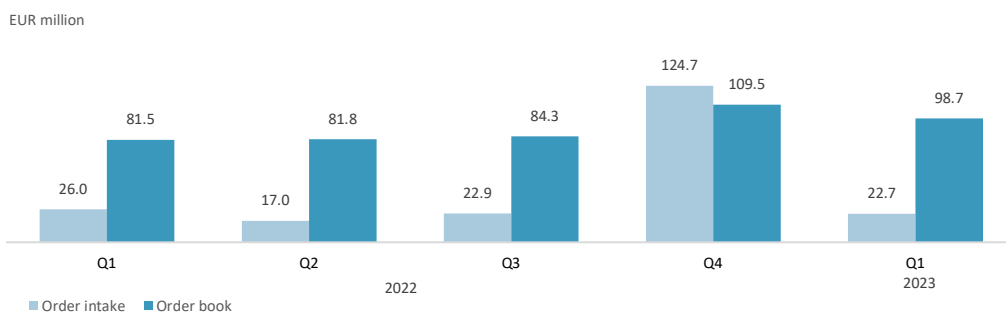
ARR development in Q1 2023³



³ ARR is an alternative performance measure introduced in 2023. FY 2022 ARR, as disclosed in the Annual Report 2022, did not include historic indexation of customer contracts amounting to EUR 13 million. Disclosed ARR growth figures are not impacted by the correction.

Order intake and order book

In Q1 2023, the total order intake was EUR 22.7 million compared with EUR 26.0 million in the same period last year. Total order book was EUR 98.7 million at March 31, 2023, which is an increase of EUR 17.2 million compared with the order book at March 31, 2022.



Update on the situation in Ukraine

The situation in Ukraine remained challenging in Q1 2023. Despite the extremely difficult situation, our Ukrainian colleagues are overcoming enormous challenges and continue to manage their daily work with dedication and limited disruption. SimCorp did not incur any extraordinary costs related to the situation in Ukraine in Q1 2023.

Other highlights

On April 27, 2023, SimCorp A/S and Deutsche Börse AG announced that they have entered into an announcement agreement pursuant to which Deutsche Börse will make an all-cash voluntary recommended public takeover offer to acquire all of the issued and outstanding shares (except treasury shares) in SimCorp. The price of the Offer is DKK 735.0 in cash for each share of nominally DKK 1.0 in SimCorp, subject to adjustment on a DKK-for-DKK basis for any dividends or other distributions paid out to shareholders prior to completion of the Offer, valuing the entire share capital of SimCorp at approximately DKK 29.0 billion.

The work related to the announcement agreement and public takeover offer will entail transaction costs, mainly related to advisor fees. The transaction costs will be recognized as special items and occur from Q2 2023.

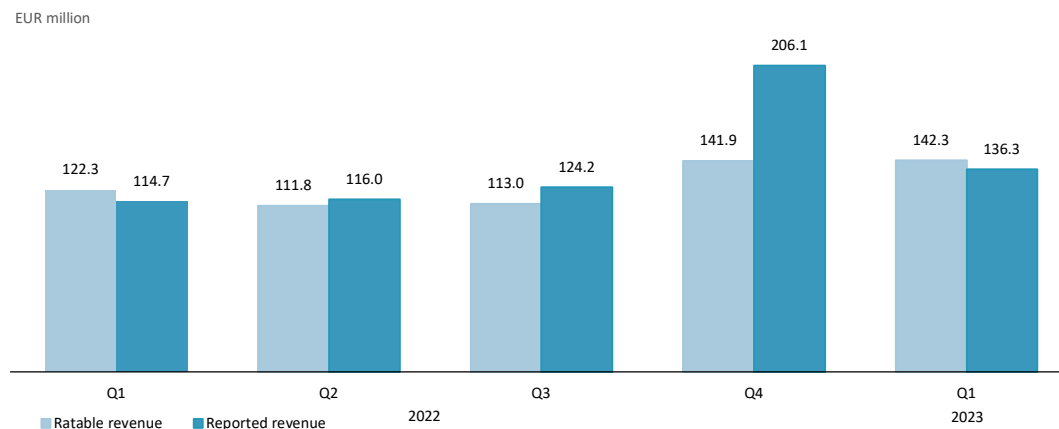
Q1 2023 Financial review

Revenue development

Q1 2023 reported revenue was EUR 136.3 million corresponding to an increase of 18.8% compared to Q1 2022. The reported revenue growth was driven by 84.2% SaaS revenue growth. Measured in local currencies, the revenue growth was 18.6%.

Ratable revenue was EUR 142.3 million in Q1 2023 – an increase of 11.8% in local currencies and 16.4% in reported terms.

Quarterly revenue development



Revenue development per segment

In Q1 2023, On-premise revenue increased by 4.4%, driven by license revenue. The SaaS revenue continued to develop positively with revenue of EUR 37.9 million corresponding to an increase of 84.2% compared to Q1 2022. The revenue growth was driven both by additional license sale as well as SaaS services with the completion and implementation of new client installations and new functionalities to existing clients.

Q1 Revenue	Revenue	Revenue	Growth
EURm	Q1 2023	Q1 2022	Q1 2023
On-premise License sales	19.8	15.3	29.7%
On-premise Software updates and support	39.6	41.6	-4.8%
Total on-premise revenue	59.4	56.9	4.4%
SaaS License sales	16.8	4.7	261.1%
SaaS Services incl. Software Updates & Support	21.1	15.9	32.4%
Total SaaS revenue	37.9	20.6	84.2%
Professional services	39.0	37.2	4.7%
Total revenue	136.3	114.7	18.8%

The total license sales (on-premise license sales and SaaS license sales) can be split into the following:

License split	Q1 2023	Q1 2022
Initial license	8%	15%
Additional regular license	23%	29%
Renewals	37%	28%
Conversions	18%	9%
Other license	14%	19%
Total license revenue	100%	100%

Operating Costs

SimCorp's total operating costs excl. special items (including depreciation and amortization) were EUR 108.1 million in Q1 2023 compared to EUR 98.6 million in Q1 2022, an increase of 9.7% in reported currency and 10.3% in local currencies.

The number of employees increased by 17.6% from 2,045 at the end of Q1 2022 to 2,404 at the end of Q1 2023, mainly reflecting investments and the establishment of the SaaS and BPaaS offerings. The vast majority of the increase came from talent-locations, predominantly Poland, India and most recently, Philippines. Furthermore, overall salaries and staff related costs accounted for 65.5% of total costs, compared with 65.7% in Q1 2022.

In Q1 2023, cost of sales, including costs for implementation consultants and hosting activities, increased by 13.2% in local currencies to EUR 59.3 million driven by investments in new SaaS operations and solutions, and a higher level of SaaS and professional services revenue.

Compared with Q1 last year, research and development costs increased by 10.7% in reported currency and 13.5% in local currencies. The work of the research and development organization is focused on improving the offerings with additional applications such as Alternatives and ESG investments, enhancing the SaaS platform, including development of cloud-native applications and improving the interaction between the standard platform and the tech-enabled service offerings (BPaaS).

In Q1 2023, sales and marketing costs were EUR 13.1 million and slightly down compared to last year reflecting benefits from the restructuring of the EMEA organization in January 2023. Commercial investments in Front Office and North America are expected to impact the sales and marketing costs from Q2 2023. Administrative expenses increased from EUR 7.7 million in Q1 2022 to EUR 8.3 million in Q1 2023, reflecting general cost inflation and growth in support functions in the newly established operating model organisation.

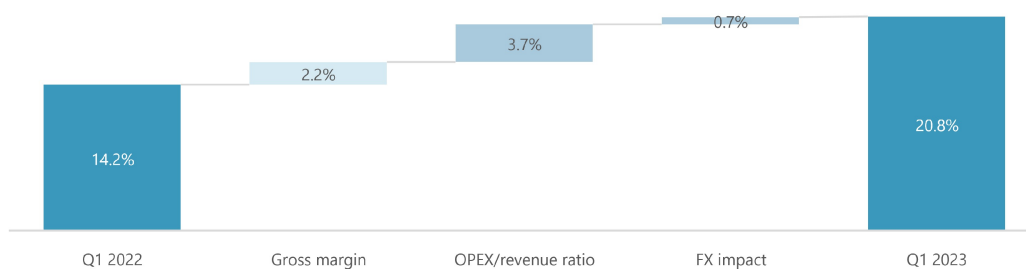
Operating costs EUR million	Reported costs Q1 2023	Special items Q1 2023	Costs excl.	Costs excl.	Growth excl.	Growth local
			special items Q1 2023	special items Q1 2022	special items Q1 2023	currency excl. special items Q1 2023
Cost of sales	60.3	1.0	59.3	52.5	13.0%	13.2%
Research and development costs	28.8	1.4	27.4	24.7	10.7%	13.5%
Sales and marketing costs	14.4	1.3	13.1	13.7	-4.3%	-5.2%
Administrative expenses	10.0	1.7	8.3	7.7	8.5%	8.5%
Total operating costs	113.5	5.4	108.1	98.6	9.7%	10.3%

Profitability

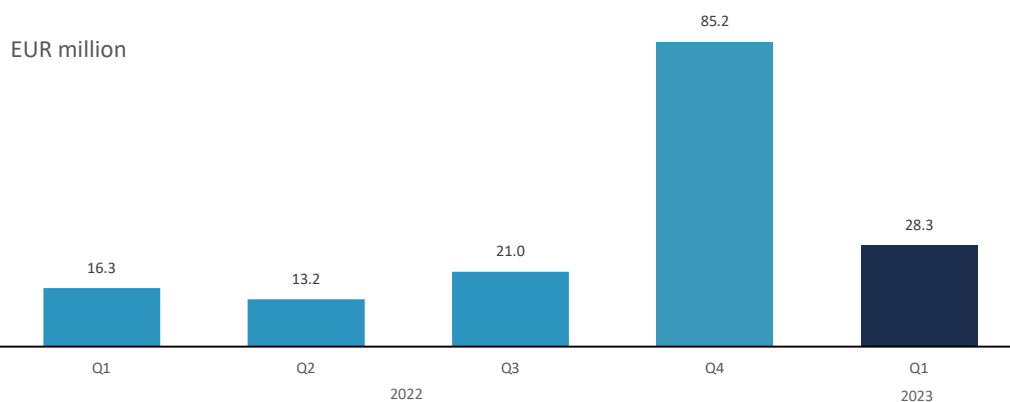
In Q1 2023, the Group posted an EBIT of EUR 28.3 million excluding special items, compared to EUR 16.3 million in Q1 2022. The EBIT margin was 20.8% compared to 14.2% in Q1 2022. Foreign exchange fluctuations had a positive net impact on the EBIT-margin of 0.7%-points, primarily related to depreciation of PLN/EUR and UKH/EUR. Restructuring costs related to the execution of Program FuEl amounted to DKK 5.4 million in Q1 implying reported EBIT of 22.9 million, equivalent to an EBIT margin of 16.8%.

The EBIT-margin improvement is driven by revenue growth and operating leverage which is positively impacting both the Gross margin and the OPEX/revenue ratio. The lower OPEX/revenue ratio in Q1 2023 compared to Q1 2022 is also positively impacted by the FuEL cost efficiency program initiated in February 2023.

Q1 2023 EBIT margin development (excluding special items)



Quarterly EBIT development excl. special items



Financial items for Q1 2023 comprised net expenses of EUR 2.3 million compared with a net income of EUR 2.2 million in the same period last year. Financial income and expenses are primarily related to non-cash foreign exchange adjustments. The Group posted pre-tax profit of EUR 20.6 million in Q1 2023 against pre-tax profit of EUR 17.7 million in Q1 2022.

Cash flow

Operating activities generated a cash inflow of EUR 48.3 million in Q1 2023 compared with EUR 23.2 million in Q1 2022, with net cash used in investing activities amounting to EUR 10.4 million in Q1 2023 of which EUR 10 million related to the investment in Artega, SimCorp's joint venture channel play partner in Australia. In Q1 2022, cash used in investing activities amounted to EUR 0.7 million.

Payment of income taxes amounted to EUR 5.6 million, against EUR 9.8 million in Q1 2022. The Q1 2023 free cash flow (cash flow from operations reduced by CAPEX and by the principal element of lease payments) amounted to EUR 45.6 million representing a significant improvement compared to EUR 20.1 million in Q1 2022. The improvement was driven by stronger underlying profitability and enhanced working capital management.

Balance sheet

SimCorp's total assets were EUR 649.0 million at March 31, 2023 compared with EUR 558.6 million a year earlier, an increase of EUR 90.4 million, due to higher contract assets.

Cash holdings amounted to EUR 66.4 million. Draw on credit facilities was EUR 26.8 million. Consequently, net cash holdings was EUR 39.6 million compared with EUR 29.6 million a year earlier. Receivables amounted to EUR 124.1 million at March 31, 2023, representing a decrease of EUR 6.0 million compared with March 31, 2022.

Contract assets were EUR 286.8 million, an increase of EUR 73.4 million compared with March 31, 2022. Compared with December 31, 2022, contract assets decreased by EUR 6.1 million. New and additional subscription-based licenses added EUR 31.9 million to contract assets in Q1 2023, finance income recognized added EUR 1.1 million, and reversal of expected credit loss provision added EUR 0.1 million. Reductions stem from foreign exchange adjustments of EUR 2.4 million and invoiced subscription based license fees of EUR 36.6 million in Q1 2023.

Changes in equity

The company's equity amounted to EUR 355.7 million at March 31, 2023. This was an increase of EUR 62.1 million from March 31, 2022. Equity was reduced by the declared and paid dividends of EUR 39.7 million. The payment of dividends was approved by the shareholders at the AGM on March 23, 2023. Equity was increased by comprehensive income for Q1 2023 of EUR 14.9 million as well as the effects of share-based remuneration of EUR 5.0 million, net of tax.

Outlook for the financial year 2023

SimCorp maintains its expectations for 2023 as announced in the 2022 Annual Report. Measured in local currency, it is expected that ARR will grow 12-17%, ratable revenue will grow 6-11% and the EBIT margin is expected to be 21-24%, excluding special items (costs related to the execution of Programme FuEI and M&A-related transaction costs).

SimCorp's accelerated investments are still expected to add costs corresponding to 3.5%-points to the current run-rate. These investments are more than offset by the cost efficiency program. The execution of the FuEI cost efficiency program is on track, and the cost reduction targets of EUR 25 million in 2023 and EUR 35 million run-rate effect are confirmed. The restructuring costs amounted to EUR 5.4 million in Q1 2023 (special items of EUR 0.8 million in Q1 2022). The restructuring costs related to Programme FuEI are still expected to amount to up to EUR 20 million to be fully recognized in 2023.

The financial outlook for 2023 reflects the ongoing SaaS transformation, with accelerated investments, and the initiation of the cost efficiency program. The investments are expected to generate solid business growth in 2023.

Financial outlook for 2023

All numbers in local currency, excluding special items	2023 Q1 achieved	2022 FY achieved	2023 financial outlook
ARR (forward-looking) growth (%)	12.6%	11.7%	12-17%
Ratable revenue growth (%)	11.8%	5.3%	6-11%
Total cost growth (incl. investments)	10.3%	14.3%	7-15%
EBIT-margin (%)	20.8%	24.2%	21-24%

Based on the exchange rates at the end of April 2023, it is estimated that the foreign exchange rate development will reduce revenue by 2-3% and the EBIT-margin by 0-1%-points.

Mid-term financial target – returning to record-high profitability

The current transformation to a full-scale SaaS provider is materially changing the revenue, cost and profitability structure of the company. The mid-term financial target is to generate double-digit average growth rates and return to record-high profitability (above 28% EBIT-margin).

The growth potential stems from the development of the core platform combined with expansion opportunities in SaaS and BPaaS offerings. SaaS and BPaaS clients initially require higher cost to serve while building capabilities and scale. The larger share of revenue from SaaS combined with accelerated investments to build scale are drivers of the current profitability development. These negative margin drivers are targeted to be more than offset by future efficiency in the SaaS and BPaaS offerings combined with an acceleration of revenue growth. Based on these drivers, SimCorp targets to return to record-high profitability at a significantly higher revenue level.

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 31-35 of SimCorp's Annual Report 2022 (published on 9 February 2023) 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.

Shareholder information

Restricted stock units

Allotment of restricted stock units

536,582 restricted stock units are outstanding at March 31, 2023. The restricted stock units will be transferred in whole or in part between 2023 and 2027 to program participants still employed when the stock units vest. Some restricted stock units are subject to performance conditions.

Holding of treasury shares

SimCorp has not purchased treasury shares in 2023. In comparison, SimCorp purchased 289,795 treasury shares at an average price of DKK 514.47 per share, totaling EUR 20.0 million in 2022.

At March 31, 2023, the Company's holding of treasury shares amounted to 1,100,399, equal to 2.7% of the Company's issued share capital.

SimCorp does not intend to initiate share buy back programs in 2023.

Investor presentation

SimCorp's Executive Management Board will present the report on a conference call on Wednesday, May 17, 2023 at 11:00 am (CET).

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

The presentation will be available prior to the conference call via SimCorp's website www.simcorp.com/en/about/investor/presentations-and-events/quarterly-and-annual-investor-meetings

Webcast details

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

<https://edge.media-server.com/mmc/p/zab7z5ks>

Telephone conference registration

Participants are required to register in advance of the conference using the link provided below. Upon registering, each participant will be provided with Participant Dial In Numbers, and a unique Personal PIN.

Online registration: <https://register.vevent.com/register/BI560c2316f3f4488caf8a396cbc9844ce>

Enquiries regarding this announcement should be addressed to

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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, 2023.

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 at March 31, 2023 and of the profit of the Group's operations and cash flow for the period January 1 – March 31, 2023.

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 2022 (published on 9 February 2023).

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, 17 May 2023

Executive Management Board

Christian Kromann
Chief Executive Officer

Michael Bjergby
Chief Financial Officer

Georg Hetrodt
Chief Operating Officer

Board of Directors

Peter Schütze
Chair

Morten Hübbe
ViceChair

Simon Jeffreys

Susan Standiford

Adam Warby

Allan Polack

Charlotte Søndergaard
Klausen

Neil Cook

Sven Rinke

Consolidated income statement

EUR '000	2023 Q1	2022 Q1	2022 FY
Revenue	136,319	114,713	560,968
Cost of sales	60,333	52,505	228,588
Gross profit	75,986	62,208	332,380
Other operating income	100	179	830
Research and development costs	28,799	24,689	107,039
Sales and marketing costs	14,377	13,722	61,534
Administrative expenses	9,959	8,449	35,867
Other operating costs	32	-	2,914
Operating profit (EBIT)	22,919	15,527	125,856
Share of profit after tax in associates	80	49	122
Financial income/expenses, net	-2,352	2,121	2,170
Profit before tax	20,647	17,697	128,148
Tax on the profit for the period	5,076	4,376	28,894
Profit for the period	15,571	13,321	99,254
Earnings per Share			
Earnings per share - EPS (EUR)	0.40	0.34	2.52
Diluted earnings per share - EPS-D (EUR)	0.39	0.34	2.50

Statement of comprehensive income

EUR '000	2023 Q1	2022 Q1	2022 FY
Profit for the period	15,571	13,321	99,254
Other comprehensive income			
Items that will not be reclassified subsequently to the income statement:			
Remeasurements of defined benefit plans	-	-	1,268
Tax, remeasurement of defined benefit plans	-	-	-275
Items that may be reclassified subsequently to the income statement, when specific conditions are met:			
Foreign currency translation differences for foreign operations	-710	405	-850
Other comprehensive income after tax	-710	405	143
Total comprehensive income	14,861	13,726	99,397

Consolidated balance sheet

EUR '000	Mar. 31 2023	Mar. 31 2022	Dec. 31 2022
Assets			
Goodwill	61,293	61,623	61,266
Software	7,731	9,384	8,132
Client relationships	19,203	20,838	19,586
Total intangible assets	88,227	91,845	88,984
Leasehold	38,214	38,618	38,259
Technical equipment	1,220	744	851
Other equipment, fixtures, fittings and prepayments	2,058	2,486	2,349
Total property, plant, and equipment	41,492	41,848	41,459
Investments in associates	10,152	916	827
Deposits	4,031	2,250	3,517
Deferred tax	2,218	2,914	2,755
Other financial assets	4,835	4,842	4,843
Total other non-current assets	21,236	10,922	11,942
Total non-current assets	150,955	144,615	142,385
Receivables	124,126	130,167	112,378
Contract assets	286,837	213,410	292,903
Income tax receivables	5,010	5,188	5,480
Prepayments	15,664	15,484	10,636
Cash and cash equivalents	66,382	49,768	40,546
Total current assets	498,019	414,017	461,943
Total assets	648,974	558,632	604,328

EUR '000	Mar. 31 2023	Mar. 31 2022	Dec. 31 2022
Liabilities and Equity			
Share capital	5,441	5,441	5,441
Exchange adjustment reserve	-3,785	-1,820	-3,075
Retained earnings	354,052	290,006	333,459
Proposed dividend	-	-	39,732
Total equity	355,708	293,627	375,557
Lease liabilities	29,292	29,856	29,437
Deferred tax	45,421	35,575	46,596
Provisions	9,562	9,934	9,132
Total non-current liabilities	84,275	75,365	85,165
Bank loan / credit facility	26,844	20,167	6,724
Lease liabilities	9,748	8,304	9,401
Prepayments from clients	71,296	71,880	35,975
Trade payables	35,750	33,841	33,351
Other payables	46,139	39,826	51,079
Income tax payables	8,331	4,844	6,065
Provisions	897	710	1,011
Dividends and related taxes	9,986	10,068	-
Total current liabilities	208,991	189,640	143,606
Total liabilities	293,266	265,005	228,771
Total liabilities and equity	648,974	558,632	604,328

Consolidated cash flow statement

EUR '000	2023 Q1	2022 Q1	2022 FY
Profit for the period	15,571	13,321	99,254
Depreciation/amortization	3,733	3,625	14,883
Share of profit after tax in associates	-80	-49	-122
Financial income	-96	-2,337	-3,191
Financial expenses	2,447	216	1,021
Tax on the profit for the period	5,076	4,376	28,894
Other non-cash	-2,341	2,118	3,954
Adjustment share based remuneration	4,875	6,296	13,527
Change in provisions	316	469	-32
Changes in contract assets	5,326	7,979	-70,576
Changes in working capital	19,162	-2,991	-4,756
Financial income received	-	2	80
Financial expenses paid	-90	-88	-345
Income tax paid	-5,572	-9,765	-22,251
Net cash from operating activities	48,327	23,172	60,340
Purchase of property, plant, and equipment, net	-346	-572	-1,524
Sale and purchase of financial assets, net	-10,055	-127	-1,377
Dividends from associates	-	-	134
Net cash used in investing activities	-10,401	-699	-2,767
Dividends paid	-29,683	-29,531	-39,836
Purchase of treasury shares	-	-8,628	-20,049
Repayment of lease liability	-2,332	-2,509	-11,661
Proceeds, credit facilities / loans	36,962	20,167	26,891
Repayments, credit facilities / loans	-16,802	-	-20,167
Net cash used in financing activities	-11,855	-20,501	-64,822
Change in cash and cash equivalents	26,071	1,972	-7,249
Cash and cash equivalents at beginning of period	40,546	47,692	47,692
Foreign exchange adjustment of cash and cash equivalents	-235	104	103
Cash and cash equivalents end of period	66,382	49,768	40,546

Statement of changes in equity

EUR '000	Share capital	Exchange adjustment reserve	Retained earnings	Dividends for the year	Total
2023					
Equity at January 1	5,441	-3,075	333,459	39,732	375,557
Net profit for the period	-	-	15,571	-	15,571
Total other comprehensive income	-	-710	-	-	-710
Total comprehensive income for the period	-	-710	15,571	-	14,861
Transactions with owners					
Dividends paid to shareholders	-	-	63	-39,732	-39,669
Share-based payment	-	-	4,875	-	4,875
Tax, share-based payment	-	-	84	-	84
Purchase of treasury shares	-	-	-	-	-
Equity at March 31	5,441	-3,785	354,052	0	355,708
2022					
Equity at January 1	5,441	-2,225	280,003	39,888	323,107
Net profit for the period	-	-	13,321	-	13,321
Total other comprehensive income	-	405	-	-	405
Total comprehensive income for the period	-	405	13,321	-	13,726
Transactions with owners					
Dividends paid to shareholders	-	-	52	-39,888	-39,836
Share-based payment	-	-	6,296	-	6,296
Tax, share-based payment	-	-	-327	-	-327
Purchase of treasury shares	-	-	-9,339	-	-9,339
Equity at March 31	5,441	-1,820	290,006	0	293,627
Net profit for the period	-	-	85,933	-	85,933
Total other comprehensive income	-	-1,255	993	-	-262
Total comprehensive income for the period	-	-1,255	86,926	-	85,671
Transactions with owners					
Share-based payment	-	-	7,231	-	7,231
Tax, share-based payment	-	-	-262	-	-262
Purchase of treasury shares	-	-	-10,710	-	-10,710
Proposed dividends to shareholders	-	-	-39,732	39,732	0
Equity at December 31	5,441	-3,075	333,459	39,732	375,557

Notes

Accounting policies

The interim report for Q1 2023 has been prepared in accordance with IAS 34 and additional Danish regulations for the presentation of quarterly interim reports by listed companies.

The interim report for the first three months of 2023 follows the same accounting policies as the annual report for 2022 except for all new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on January 1, 2023. These IFRSs have not had any impact on the Group's interim report. See the annual report 2022 for a comprehensive description of the accounting policies applied.

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 2022.

Contingent liabilities

Please refer to the annual report 2022.

Events after March 31, 2023

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

Segment information

The segment reporting reflects the management reporting structure where revenue is categorized into three main segments: revenue from clients operating and maintaining their SimCorp solution. On-premise, revenue from clients that are on a SaaS solution, and non-recurring professional services revenue.

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. "Research and development" and "Corporate functions" and "Elimination/Not allocated" are not operating segments, and the disclosure forms part of the reconciliation of segment data to the group income statement rather than being information about operating segments.

EUR '000	EMEA	Asia and Australia	North America	SimCorp Sofia	Research and development	Corporate functions	Elimination/Not allocated	Group
January 1 - March 31, 2023								
On-premise initial licenses	956	61	281	2	-	-	-	1,300
On-premise additional licenses	10,298	494	1,943	3,490	-	-	-	16,225
On-premise other licenses	1,737	(5)	548	-	-	-	-	2,280
On-premise Software updates and support	30,280	2,479	4,855	1,386	77	520	-	39,597
Total on-premise revenue	43,271	3,029	7,627	4,878	77	520	-	59,402
SaaS Initial Licenses	310	391	848	-	-	-	-	1,549
SaaS Additional Licenses	7,223	272	4,954	-	-	-	-	12,449
SaaS Other Licenses	2,240	84	513	-	-	-	-	2,837
SaaS Services incl. Software Updates & Support	11,959	2,423	6,673	-	-	-	-	21,055
Total SaaS revenue	21,732	3,170	12,988	-	-	-	-	37,890
Professional services	22,961	4,686	7,999	3,381	-	-	-	39,027
External revenue	87,964	10,885	28,614	8,259	77	520	-	136,319
Revenue between segments	5,685	889	1,117	106	45,790	10,791	(64,378)	-
Total segment revenue	93,649	11,774	29,731	8,365	45,867	11,311	(64,378)	136,319
EBITDA	15,592	2,269	11,208	5,121	28,618	(36,124)	-	26,684
Depreciation and amortization	965	155	384	327	769	1,165	-	3,765
Segment operating profit (EBIT)	14,627	2,114	10,824	4,794	27,849	(37,289)	-	22,919
Financial items, net							-2,272	(2,272)
Profit for the period before tax								20,647
Total assets	354,814	51,229	114,163	59,857	59,894	4,104	4,913	648,974
January 1 - March 31, 2022								
On-premise initial licenses	2,145	342	140	60	-	-	-	2,687
On-premise additional licenses	6,599	98	971	3,239	-	-	-	10,907
On-premise other licenses	1,382	243	52	-	-	-	-	1,677
On-premise Software updates and support	31,814	2,981	4,961	1,297	326	229	-	41,608
Total on-premise revenue	41,940	3,664	6,124	4,596	326	229	-	56,879
SaaS Initial Licenses	39	160	195	-	-	-	-	394
SaaS Additional Licenses	923	2	1,295	-	-	-	-	2,220
SaaS Other Licenses	1,016	47	985	-	-	-	-	2,048
SaaS Services incl. Software Updates & Support	8,054	1,950	5,778	122	-	-	-	15,904
Total SaaS revenue	10,032	2,159	8,253	122	-	-	-	20,566
Professional services	21,024	4,329	8,648	3,267	-	-	-	37,268
External revenue	72,996	10,152	23,025	7,985	326	229	-	114,713
Revenue between segments	12,040	863	2,095	8	37,764	10,045	(62,815)	-
Total segment revenue	85,036	11,015	25,120	7,993	38,090	10,274	(62,815)	114,713
EBITDA	10,522	1,166	3,598	5,108	17,910	(19,152)	-	19,152
Depreciation and amortization	1,010	191	362	296	825	941	-	3,625
Segment operating profit (EBIT)	9,512	975	3,236	4,812	17,085	(20,093)	-	15,527
Financial items, net							2,170	2,170
Profit for the period before tax								17,697
Total assets	265,826	48,530	103,689	57,681	60,207	3,591	19,109	558,632