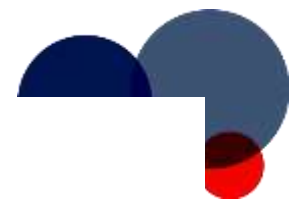




# Presentation of Annual Report 2013

Klaus Hulse, CEO, SimCorp A/S  
Thomas Johansen, CFO, SimCorp A/S



# Disclaimer

This presentation contains certain forward-looking statements and expectations in respect of the 2014 financial year. Such forward-looking statements are not guarantees of future performance. They involve risk and uncertainty and the 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 licence agreements will determine the impact on the order book and on licence income for any specific financial reporting period. Accordingly, licence 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.

The turmoil in the global financial markets with significantly increased volatility can potentially impact SimCorp's customers, leading to lower earnings and prolonged decision processes for investments in new software which can have a negative impact on SimCorp's revenue.

# Agenda

- 2013 at a glance
- Equipos acquisition
- Our customers – our commitment
- Q4 2013 review
- 2013 financial review
- Outlook 2014
- Q&A



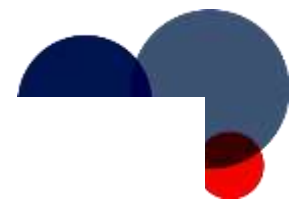


# 2013 at a glance

# 2013 – Another year we can be proud of




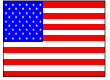





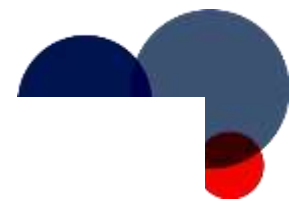
- Double digit revenue growth in local currencies
- High win ratios maintained
- Seven new customers - five of them among the top 200 Investment Managers in the world
  - Two in the important North American market
  - Three in SimCorp's European growth markets - despite the poor market conditions
  - One in the mature Nordic market
  - One in the Swiss market
- Increased penetration of Front Office
- Continued replacement of old legacy systems
- Improved awareness in the single largest growth market – North America



# 2013 – 7 new customers

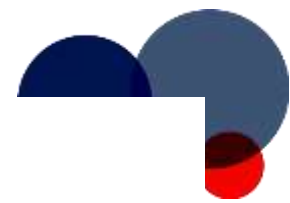
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Q1		US Asset Manager
		Nordic Investment Manager (Company Announcement)
		Sovereign Wealth Fund managed out of the UK
Q2		Lord Abbett (Company Announcement)
Q3		Blue Bay Asset Management (Company Announcement)
		French TPA
Q4		Major Swiss Bank (Company Announcement)



# Financial highlights

- Top-line EUR 225.1m (up 7.6 % y/y) – 10% in local currencies
  - Maintenance EUR 104.3m (up 6.3% y/y)
  - Professional services EUR 76.3m (up 15.6% y/y)
  - License EUR 42.3m (down 0.3% y/y)
- Order book EUR 13.8m (down 4% y/y)
- Secured on contract (FY2014) EUR 157m (up EUR 7m y/y)
- Total costs EUR 170.9m (up by 5.2% y/y)
- EBIT EUR 54.2m (EUR 7.3m higher y/y)
- EBIT margin 24.1% (22.4%)
- Number of employees (FTE) end 2013 is 1,093 – (up by 18 y/y)
- Share buyback in the full year 2013 of EUR 42.9m – (up by 68% y/y)
- Operating cash flow EUR 47.4m – (up EUR 0.3m y/y)



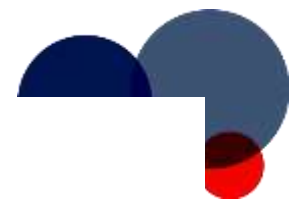
# Financial highlights

- Proposed dividend increased from DKK 3.5 per share of DKK 1 to DKK 4.0 per share of 1 DKK – an increase of 14%
- Proposed to cancel 2m treasury shares reducing the share capital to DKK 41.5m
- Share buyback programme for the next six months (until the release of the Q2 results) of EUR 10m. For the full year EUR 25m





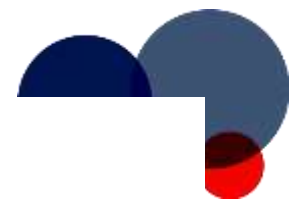
# Equipos Acquisition



# Company profile

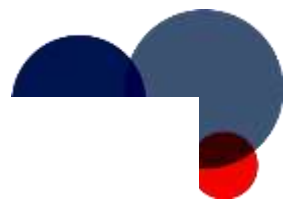
- Founded 1999 by Damian Bryan and David Broadfield
- Revenue 2013  $\approx$  GBP 5.5 m
- Employees  $\approx$  50
- Best-of-breed product in reporting area
  - Equipos Coric
  - Coric Web Reporter
  - Coric KIID
- SimCorp partner (Report Book Manager, since 2005)





# Rationale behind the acquisition

- Technology acquisition to complement SimCorp Dimension in an important area, where investment managers' spending is growing significantly
  - Coric is a “best-of-breed of product”, well established
  - Full ownership allows SimCorp to influence R&D strategy and to secure high quality service for SimCorp clients
  - Interface already established, no R&D investments necessary and no further technical integration into SimCorp Dimension planned
- Product will be sold as an integrated part of SimCorp Dimension (Report Book Manager) *and* stand-alone
- To utilize Equipos' position in the top tier asset management segment to establish cross-selling opportunities



# Integration of Equipos Ltd.

- Full integration into the SimCorp Group including realization of synergies
- Klaus Andersen (former head of SimCorp UK Ltd.) will be MD of Equipos and report to Georg Hetrodt, CTO
- Branding:
  - Corporate brand - SimCorp
  - Product brand – SimCorp Coric

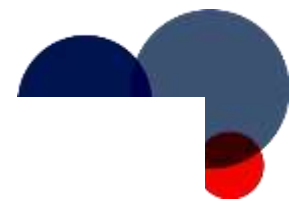


**Our customers**

**Our continued  
commitment**

# Updated method to estimate total market and count of SimCorp customers

- Historically SimCorp's target market has been estimated to 1,800 with 50% running on internal systems
- Detailed analysis (count) shows that in SimCorp's target market there are 1,200 customers of which 89% run "standard" software (including outsourcing to TPA) in some form and 11% run on internal systems
- SimCorp has proven able to replace old legacy systems, internally developed systems and supporting customers taking outsourced assets back in house
- Hence the targetable market is the full 1,200
- SimCorp has 166 customers – previously the count of customers was based on "accounts" – i.e. some customers were counted multiple times
- SimCorp's market share is 14%
- Six customers have stopped using SimCorp Dimension in 2013 – their installed license base is around 1% of the total installed license base



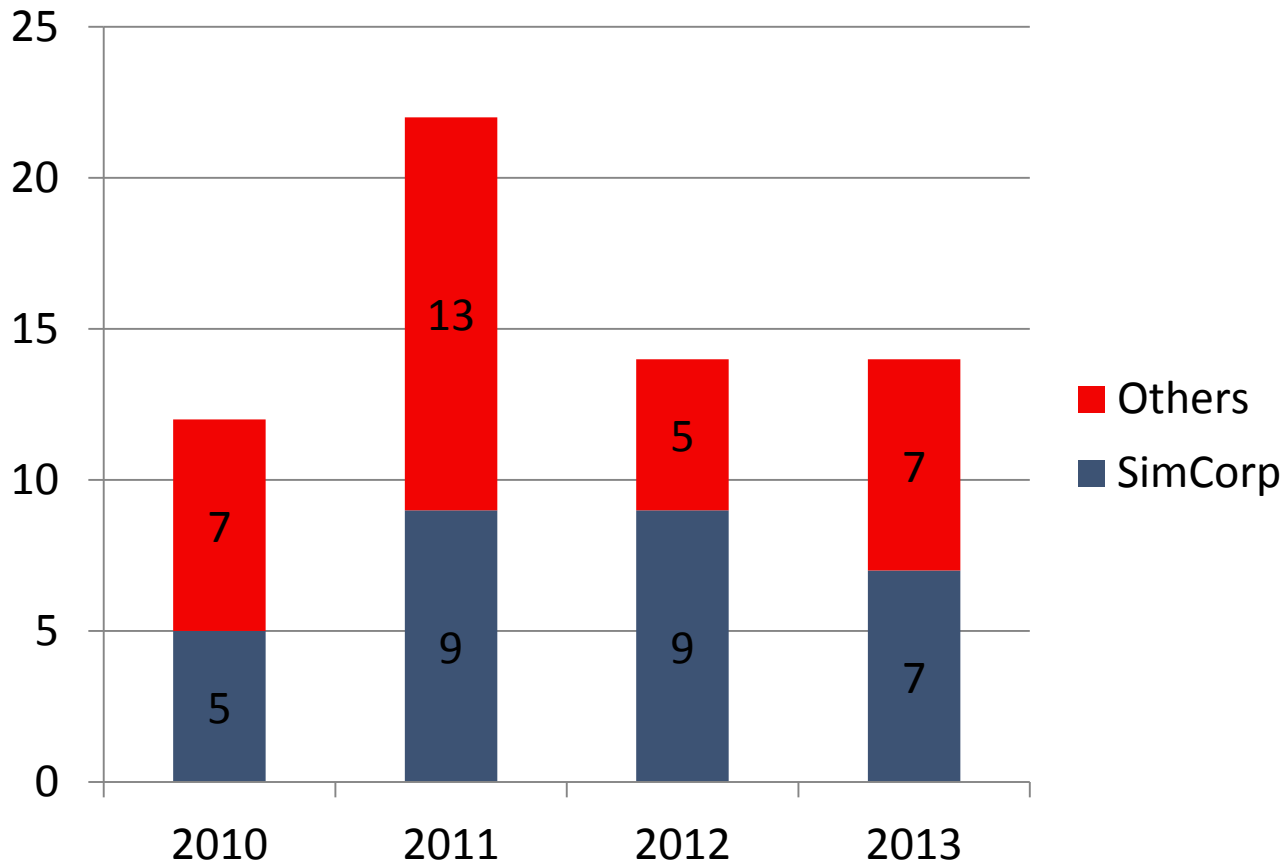
# Continued replacement of legacy systems

- Since 2010 SimCorp has won 30 new licenses and has replaced:
  - SS&C Pacer five times
  - SS&C (Thomson) Portia five times
  - DST once
  - Internally developed (in-house) systems five times
  - Other local smaller legacy systems providers 14 times
  - ... While at the same time SimCorp has been replaced ZERO times by a legacy vendor
- A clear tendency that the market is moving away from old legacy platforms towards modern integrated systems
- We are well-positioned to take advantage of this



# Performance in our universe – win ratio

Deals





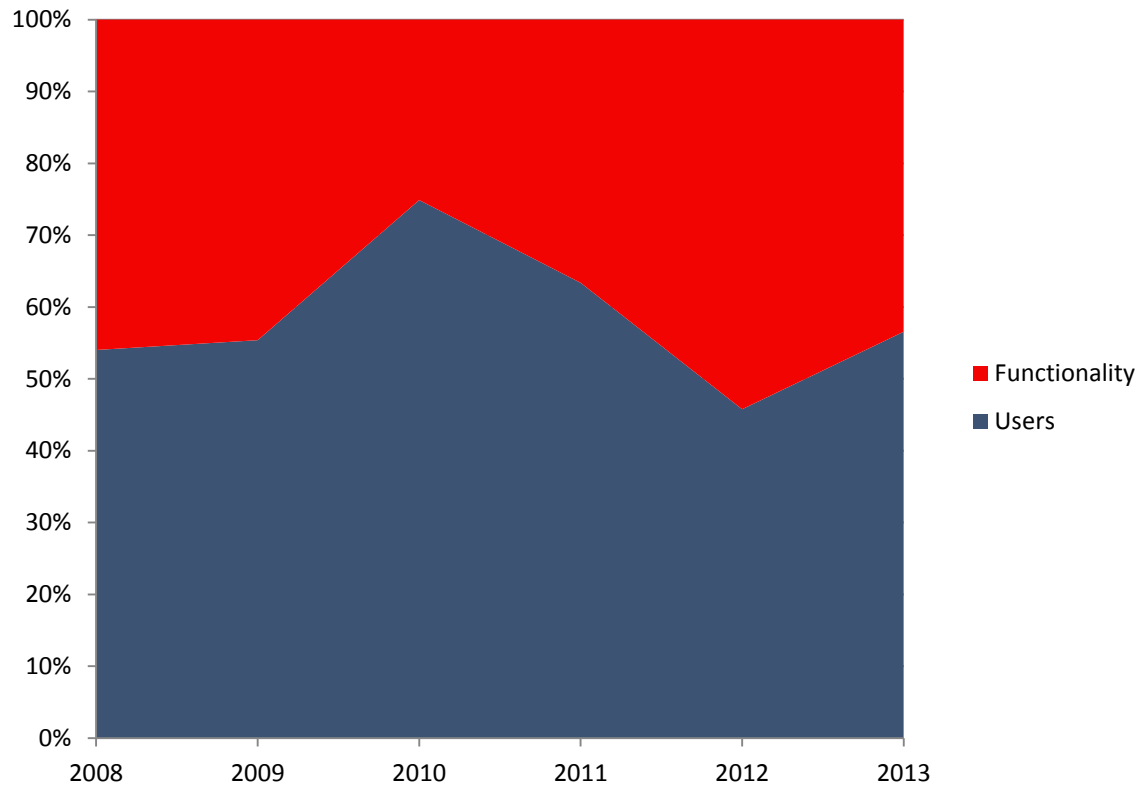
# Development in license base per region

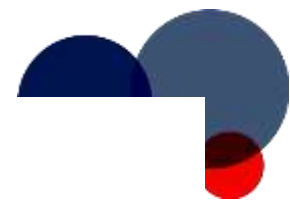


License base EURm	December 2013	December 2012	Growth	Growth %
SimCorp total	564.0	545.3	18.7	3%
Central Europe	203.7	198.6	5.1	3%
Nordic	137.4	136.0	1.4	1%
Western Europe	78.8	72.6	6.2	9%
North America	56.3	51.3	5.0	10%
Asia	44.1	48.2	-4.1	-9%
UK	43.8	38.5	5.3	14%

Currency exchange rates have impacted the total growth in the installed license base negatively with 3% points

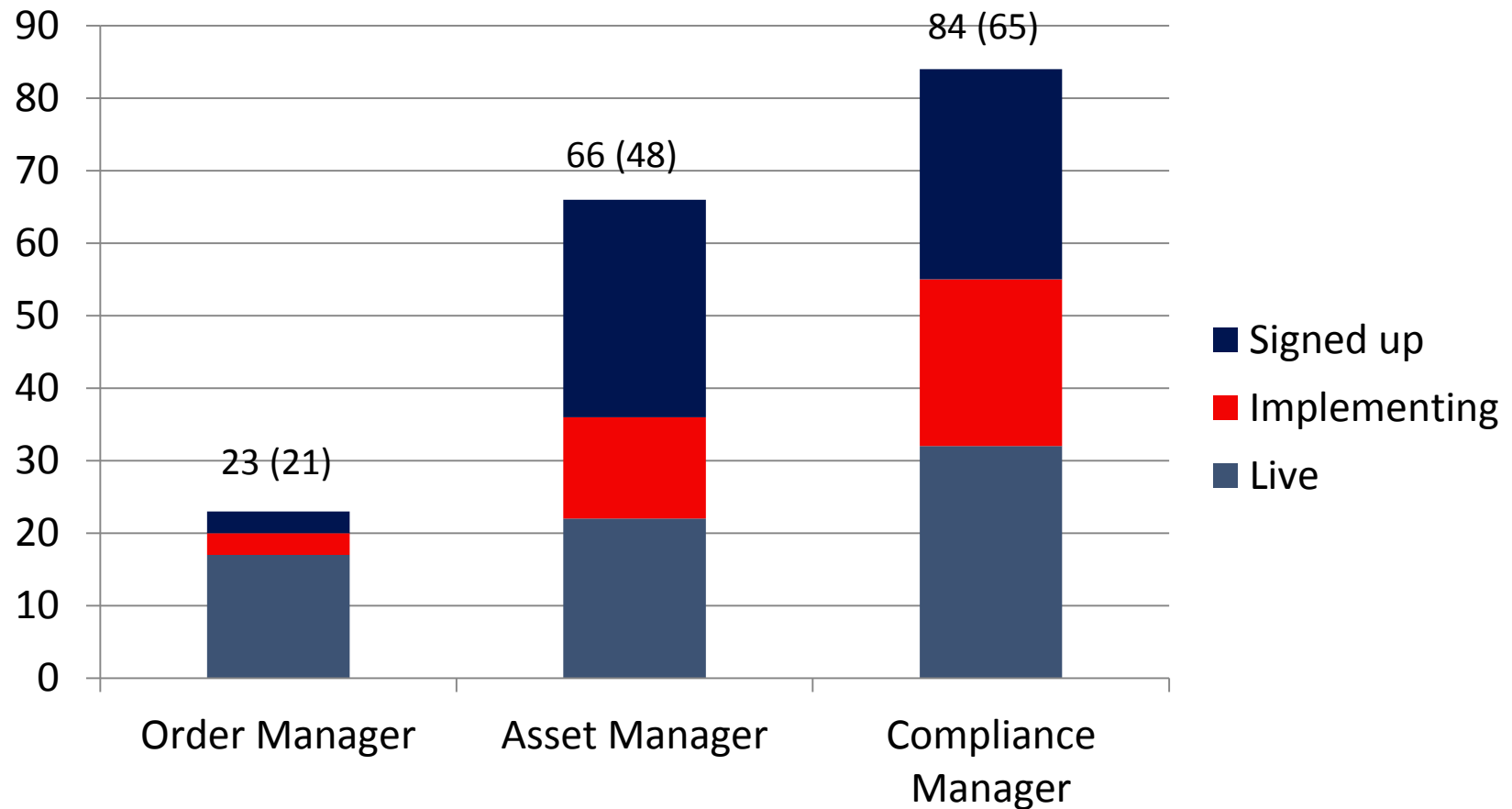
# Add on sales distribution between users and functionality, 2008-2013



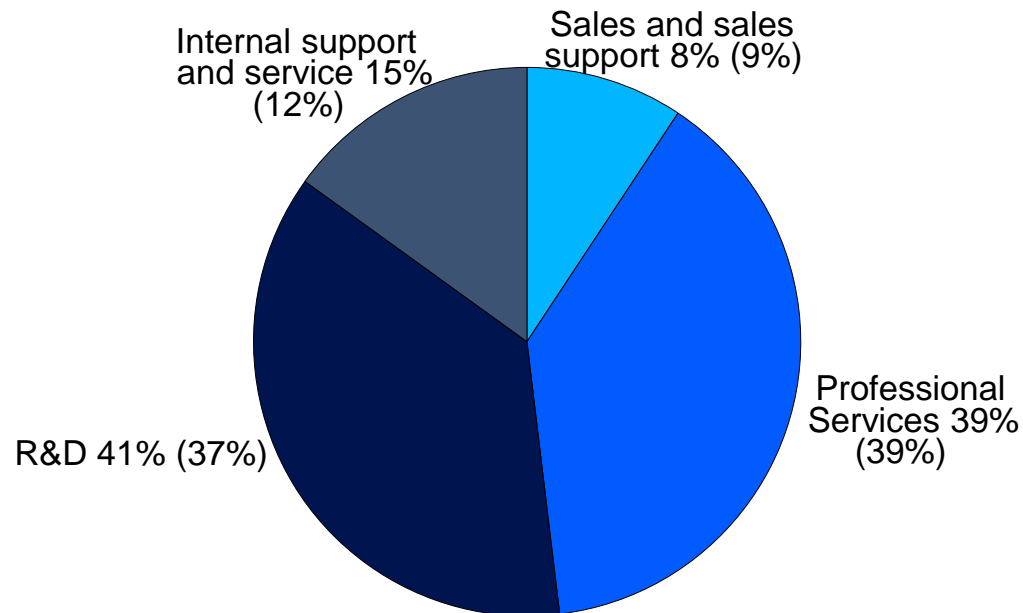


# Current FO penetration

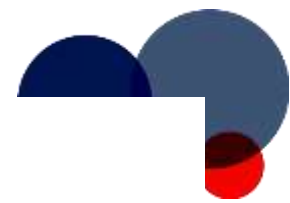
*Front Office products - clients live and clients to go live*



# Unchanged market leading commitment to our customers



- More than half of SimCorp's staff is employed in R&D and Internal support
- More than one third is implementing SimCorp Dimension at clients'



# SimCorp interaction with clients – setting the ambition in the industry

## IUCM 2013 – Amsterdam

- 548 Participants
- 410 Delegates
- 31 Speakers
- 19 Nationalities
- 14 Solution breakouts
  - 9 Focus groups
- 10 Partners
- 4 Hot-topic workshops
- 1 Executive roundtable
- 1 Executive masterclass
- 1 C to C Session

## Keynote speaker

Futurist Ross Dawson, Chairman, Advanced Human Technologies Group

## Guest speakers:

Professor Ingo Walter,  
President of SimCorp StrategyLab

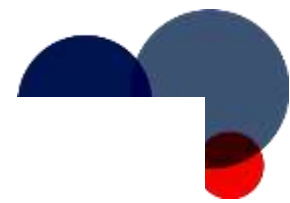
Dushyant Shahrawat,  
Senior Research Director, CEB TowerGroup

## Winner of SimCorp StrategyLab Cost Management Excellence Award 2013

DIAM

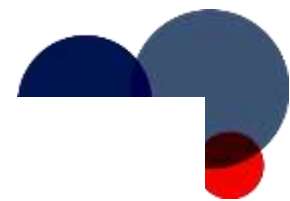


# Financial review of Q4 2013



# Q4 at a glance

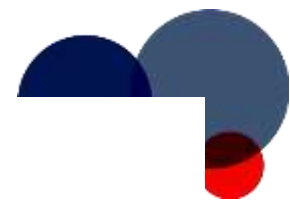
- One new customer in the quarter – total revenue unchanged from 2012
- License revenue from new customers somewhat disappointing
- License income from extra sales strong – despite the Q3 campaign – better than expected Q4 actual
- Strong performance in Professional Services continued and Q4 was the highest PS income in a quarter ever
- Costs in Q4 higher than 2012 primarily driven by performance based bonuses



# Financial highlights, Q4 2013

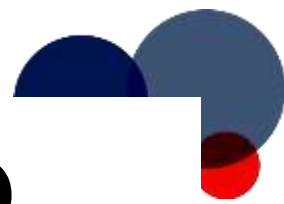
EURm	2013	2012	Change
Total revenue	67.5	67.5	0.0
EBIT	22.5	26.2	(3.7)
Financial items	0.1	(0.1)	0.2
Profit before tax	22.6	26.1	(3.5)
Profit for the period	16.5	19.3	(2.8)
Total assets	117.5	125.8	(8.3)
Total equity	71.6	85.9	(14.3)
Basic earnings per share DKK 1 - EPS (EUR)	0.40	0.44	(0.04)
Cash flow per share DKK 1 – CFPS (EUR)	0.41	0.41	0.00
EBIT margin (%)	33.3	38.8	(5.5)
Return on equity, ROE (%)	96.0	100.1	(4.1)
Equity ratio (%)	60.9	68.3	(7.4)
Receivables days outstanding	35.0	36.0	



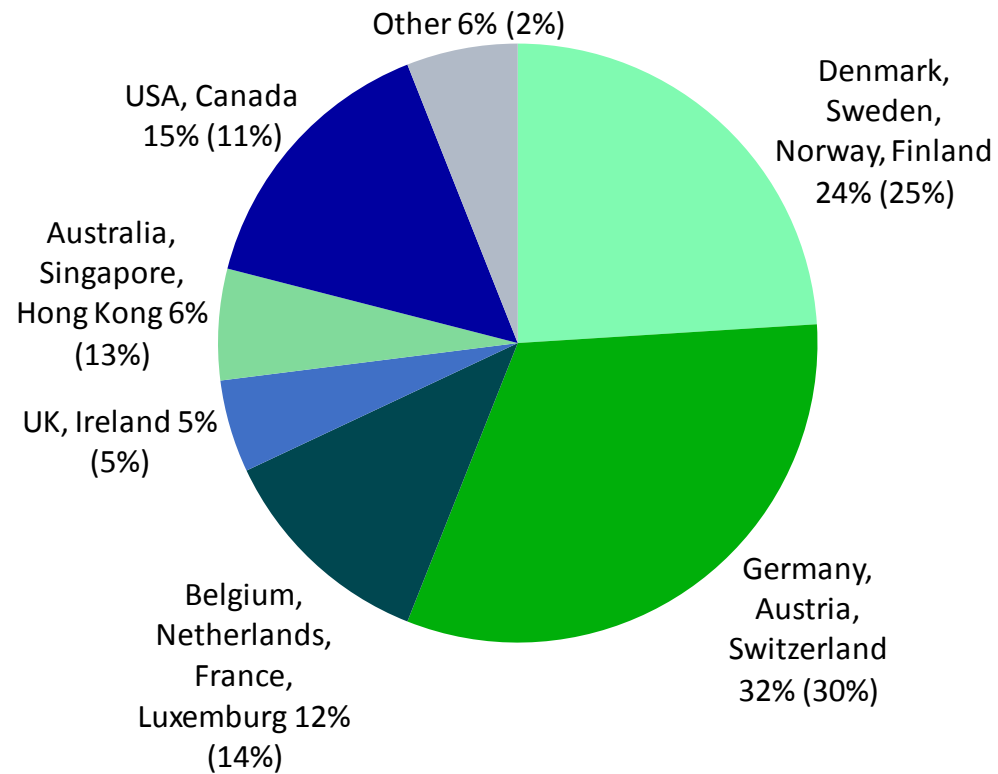
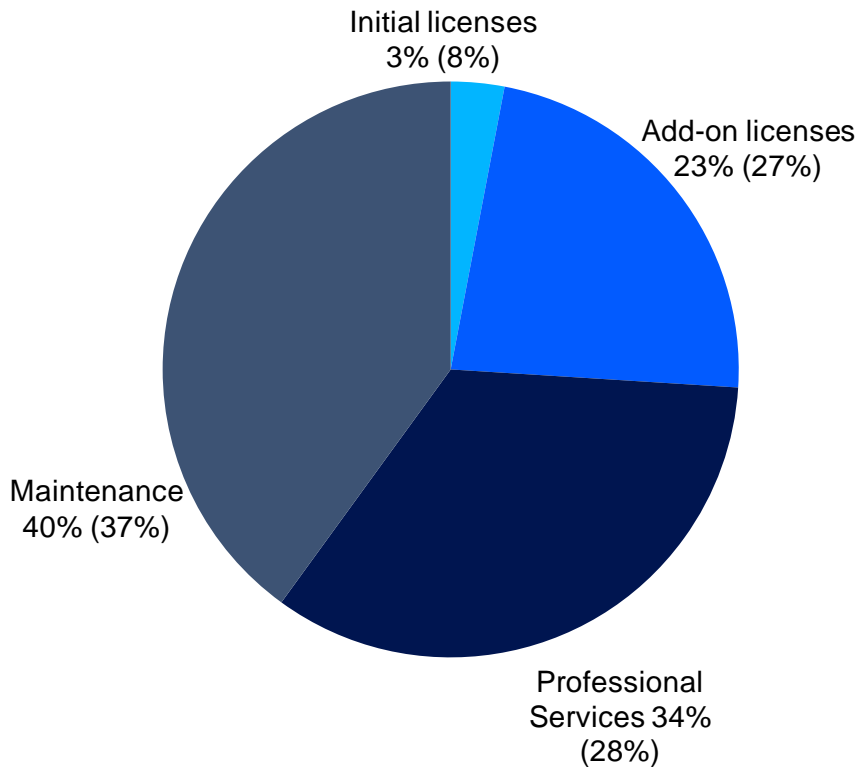


# Financial results, Q4 2013

(EURm)	2013	2012	Change	Change %
License	2.1	5.8	(3.7)	(62.8%)
Extra Sale	15.2	18.3	(3.1)	(17.0%)
Professional Services	22.7	18.0	4.7	26.1%
Maintenance	27.0	24.8	2.2	9.0%
Revenue	67.5	67.5	0.0	(0.1%)
EBIT	22.5	26.2	(3.7)	(14.3%)



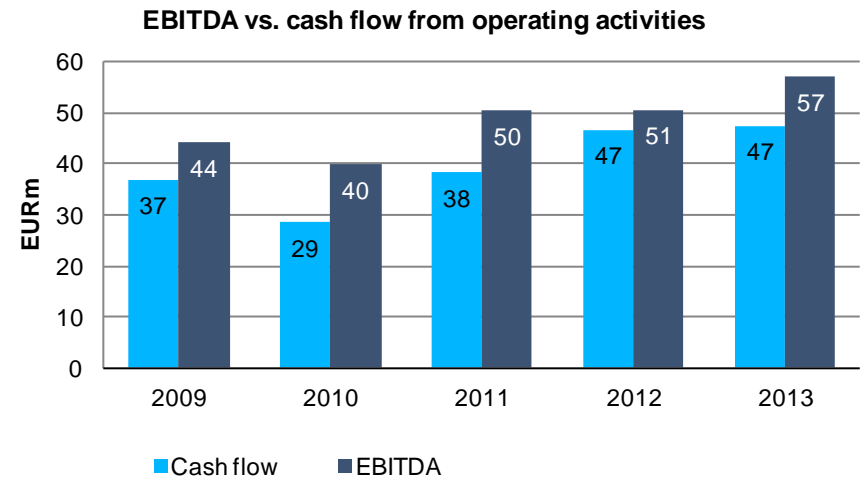
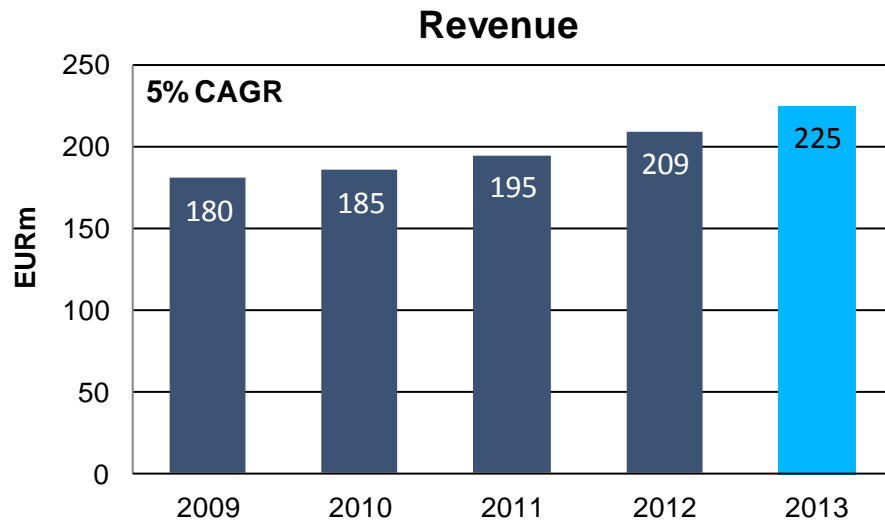
# Revenue analysis, Q4 2013 (Q4 2012)

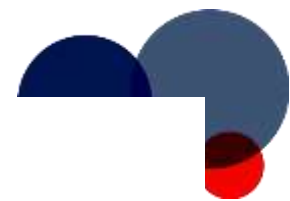




# **Financial review of full year 2013**

# Revenue, EBITDA and cash flow, 2009-2013

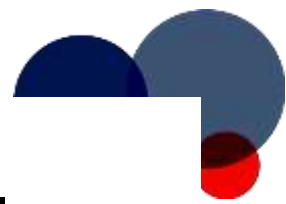




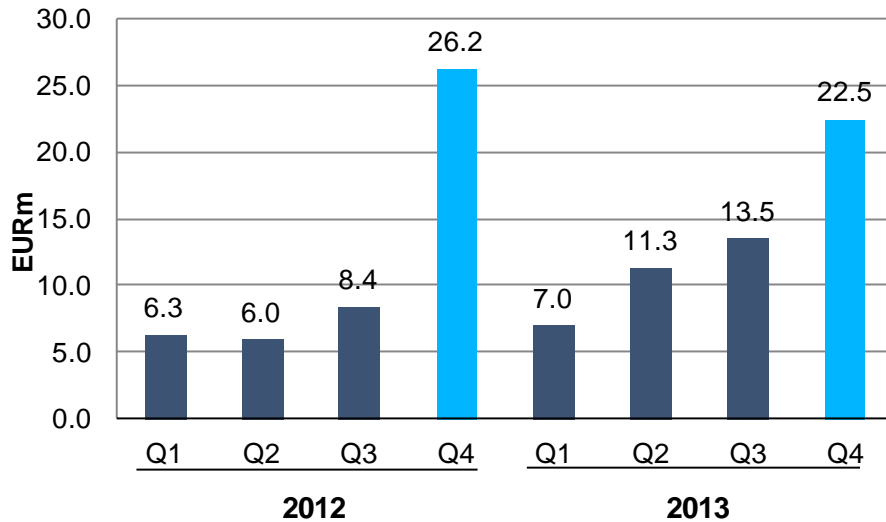
# Financial highlights, 12M 2013

EURm	2013 12M	2012 12M	Change %
Total revenue	225.1	209.2	7.6%
EBIT	54.2	46.9	15.6%
Financial items	(0.2)	0.1	(370.4%)
Profit before tax	54.0	47.0	14.9%
Profit for the period	39.3	34.5	13.9%
Total assets	117.5	125.8	(6.6%)
Total equity	71.6	85.9	(16.7%)
Basic earnings per share DKK 1 - EPS (EUR)	0.93	0.80	
Cash flow per share DKK 1 - CFPS (EUR)	1.13	1.08	
EBIT margin (%)	24.1	22.4	
Return on equity, ROE (%)	46.8	38.7	
Equity ratio (%)	60.9	68.3	
Receivables days outstanding	42.0	46.0	

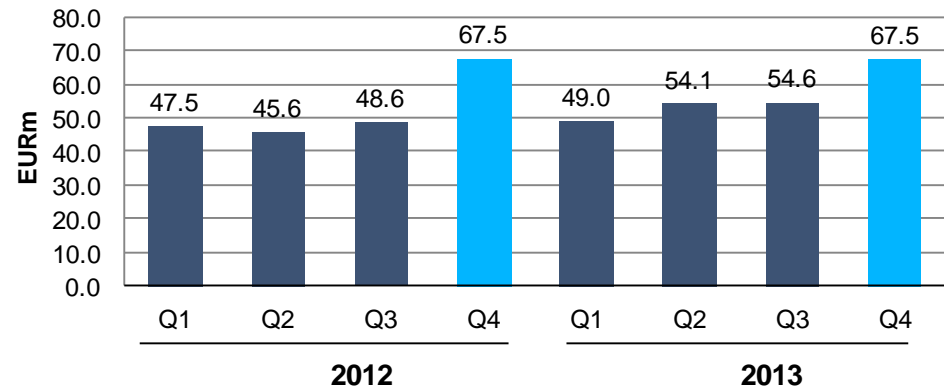
# EBIT and revenue per quarter, 2012-2013



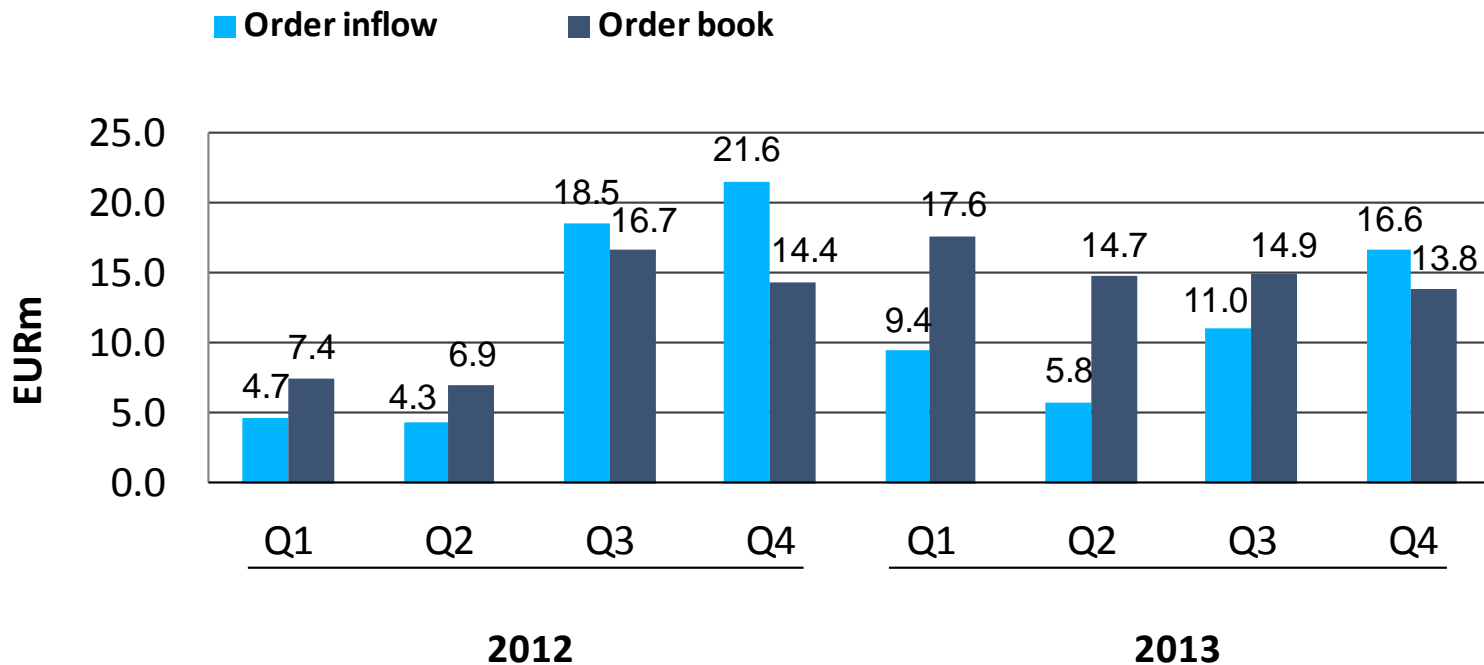
**EBIT**

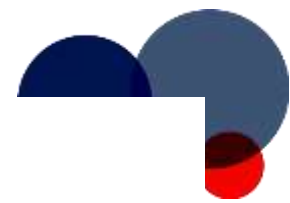


**Revenue**

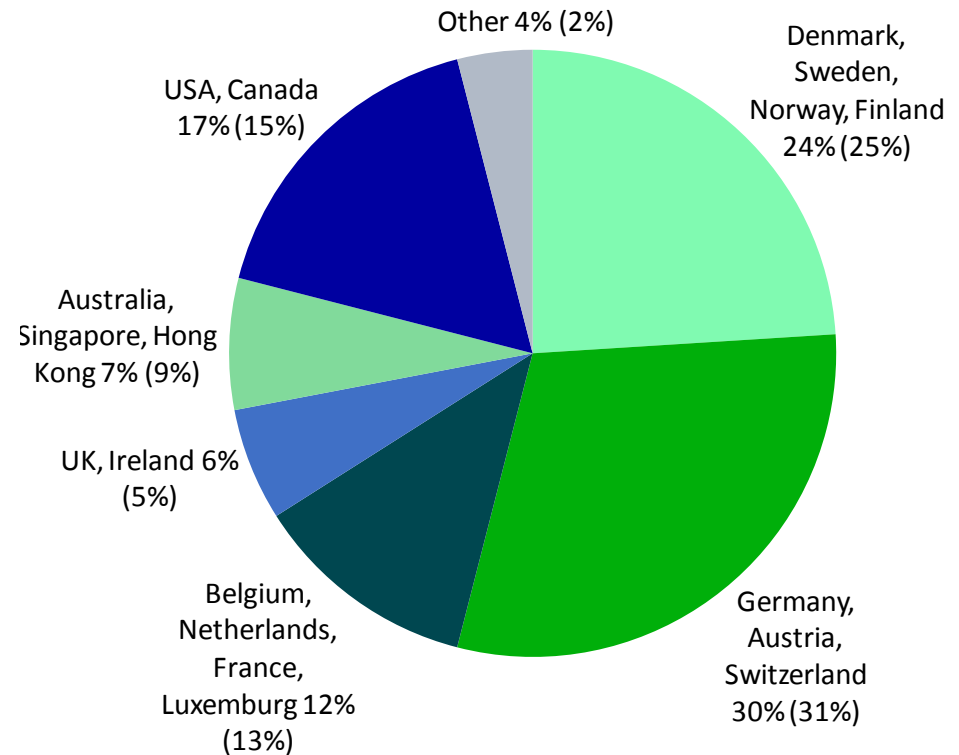
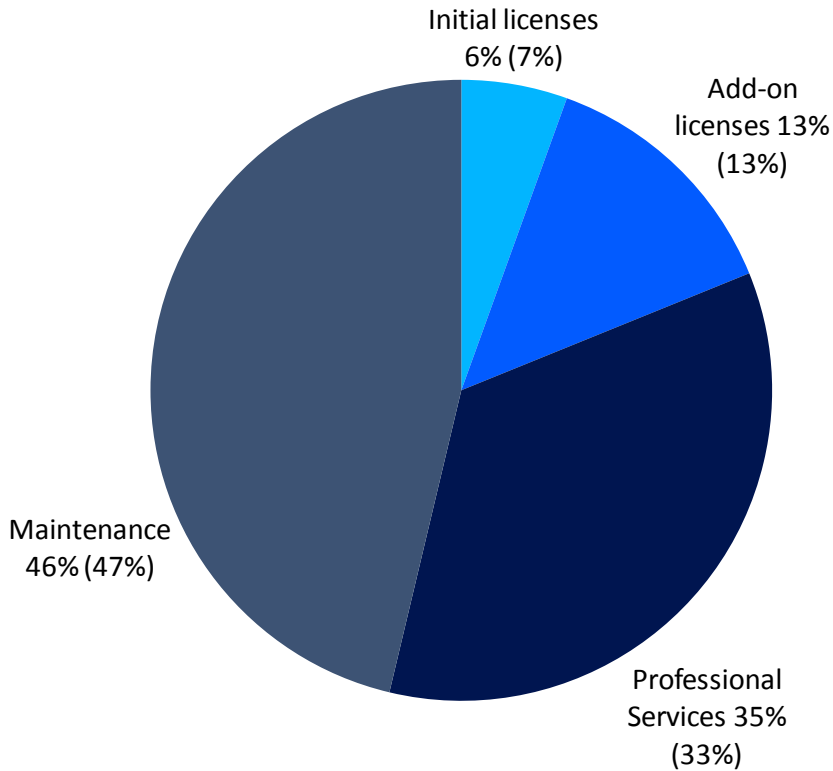


# License, order inflow and order backlog

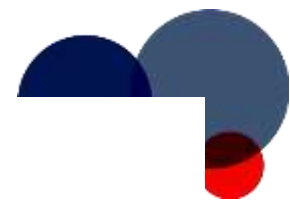




# Revenue analysis, 12M 2013 (2012)

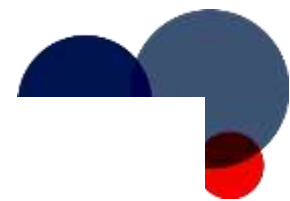






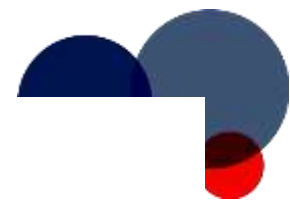
# Financial results

(EURm)	2013	2012	Change	Change %
License	12.2	14.8	(2.6)	(17.4%)
Extra Sale	30.1	27.6	2.5	8.8%
Professional Services	76.3	66.1	10.2	15.6%
Maintenance	104.3	98.1	6.2	6.3%
Revenue	225.1	209.2	15.9	7.6%
EBIT	54.2	46.9	7.3	15.6%

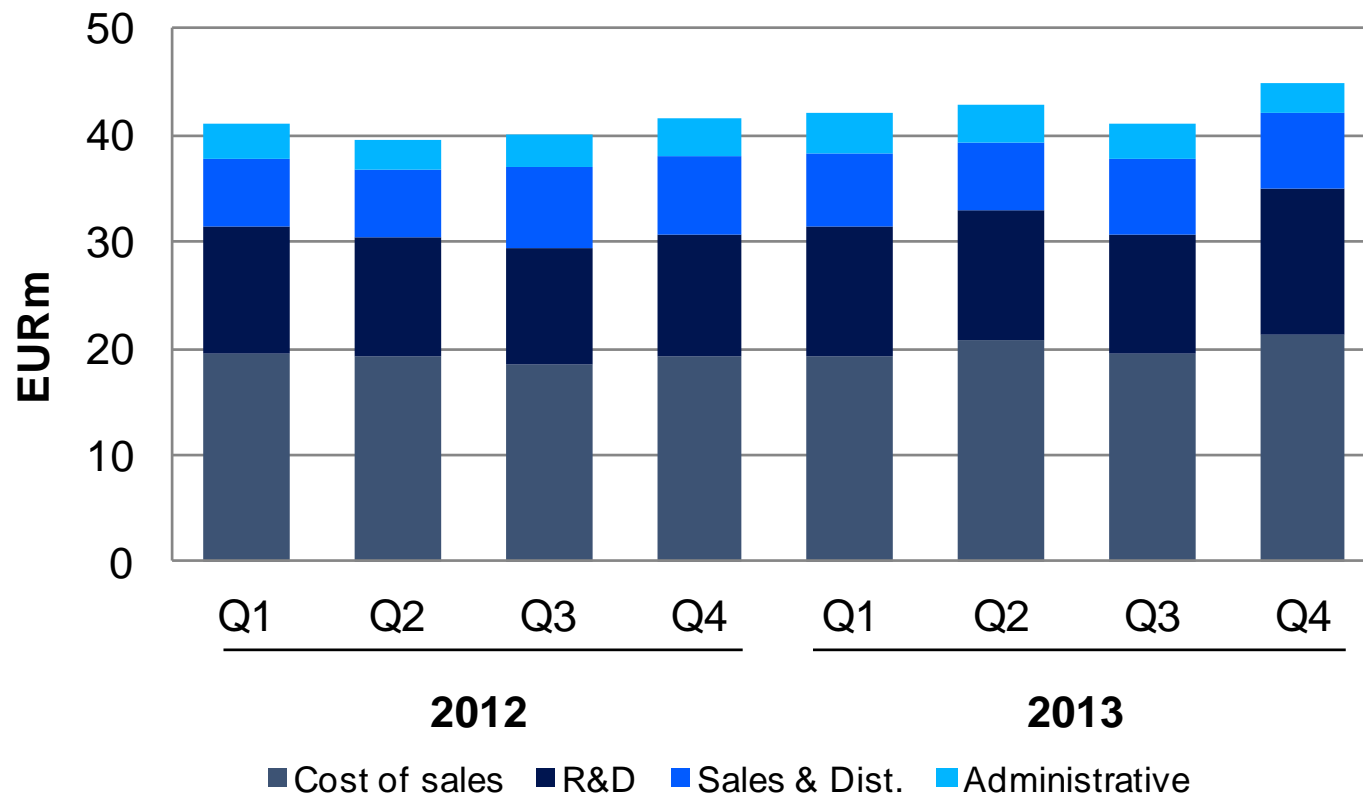


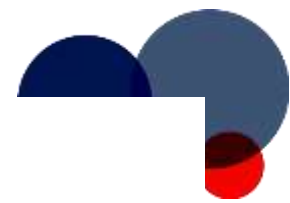
# Cost structure

(EURm)	<b>Costs 2013</b>	Share of consolidated costs 2013	Costs 2012	Change relative to 2012
Sales and distribution cost	27.0	16%	27.3	(1%)
Cost of sales	80.9	47%	76.6	6%
Research and development costs	49.5	29%	45.6	9%
Administrative expenses	13.5	8%	13.0	4%
<b>Total</b>	<b>170.9</b>	<b>100%</b>	<b>162.5</b>	<b>5%</b>



# Costs per quarter, 2012-2013





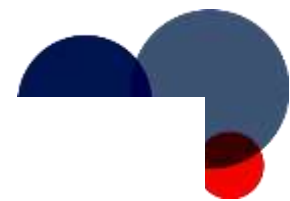
# Headcount per quarter 2012-2013

Headcount	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Group total	1,134	1,105	1,104	1,113	1,123	1,124	1,147	1,163
Marketing,								
Services, Sales	66	73	72	71	64	59	61	63
Product Division	468	454	454	450	462	467	477	476
Nordic	101	98	95	95	97	96	94	92
UK	65	60	60	62	58	50	47	55
Western Europe	82	78	74	70	69	67	65	65
Central Europe	139	138	138	142	146	148	154	158
North America	68	68	75	82	90	97	103	107
Asia	31	30	28	31	30	33	36	36
Corporate Units	114	106	108	110	107	107	110	111



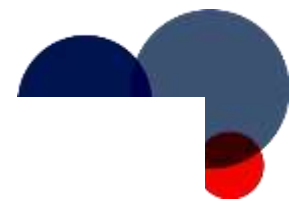
# Employees FTE per function per quarter 2012-2013

FTE	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
R&D	397	390	399	394	401	403	405	407
Cost of sales	418	416	384	417	424	424	425	429
Sales and distribution	106	104	110	96	96	93	92	93
Administration	172	162	181	168	162	163	164	164



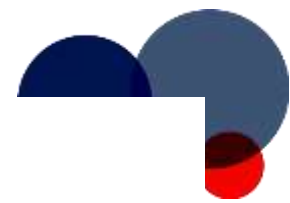
# Cash flow

(EUR'000)	<b>12M 2013</b>	12M 2012
Net cash flow from operating activities	47,447	46,665
Net cash flow from/(used) in investing activities	(2,843)	(766)
Net cash from operating and investing activities	44,604	45,899
Net cash from/(used) in financing activities	(55,850)	(35,362)
Change in cash and cash equivalents	(11,246)	10,537
Cash and cash equivalents at period end	47,106	58,897



# Balance sheet

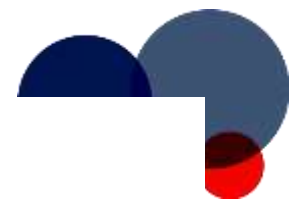
(EUR'000)	<b>31.12.13</b>	31.12.12
Intangible assets	1,178	1,498
Property, plant and equipment	4,839	5,213
Other non-current assets	9,551	9,139
Current assets	101,901	109,941
<b>Total assets</b>	<b>117,469</b>	<b>125,791</b>
Equity	71,566	85,864
Non-current liabilities	3,390	4,061
Current liabilities	42,513	35,866
<b>Total liabilities and equity</b>	<b>117,469</b>	<b>125,791</b>
Number of treasury shares at DKK 1	2,147,241	2,444,020
Treasury shares market value	61,450	41,409



# Currency – FX impact 12M 2013

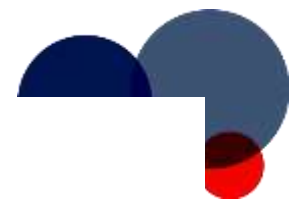
EUR 1,000	Revenue	Cost	Net	FX impact
EUR/DKK	106,711	108,276	-1,565	96
NOK	13,720	4,469	9,251	-524
SEK	11,175	3,547	7,628	18
USD	28,346	16,262	12,084	-535
CAD	9,973	5,928	4,045	-302
GBP	20,237	13,847	6,391	-313
AUD	6,841	4,830	2,011	-202
CHF	19,087	4,867	14,220	-286
Other	9,090	8,919	171	25
<b>Total</b>	<b>225,181</b>	<b>170,946</b>	<b>54,236</b>	<b>-2,023</b>





# Currency exchange rates

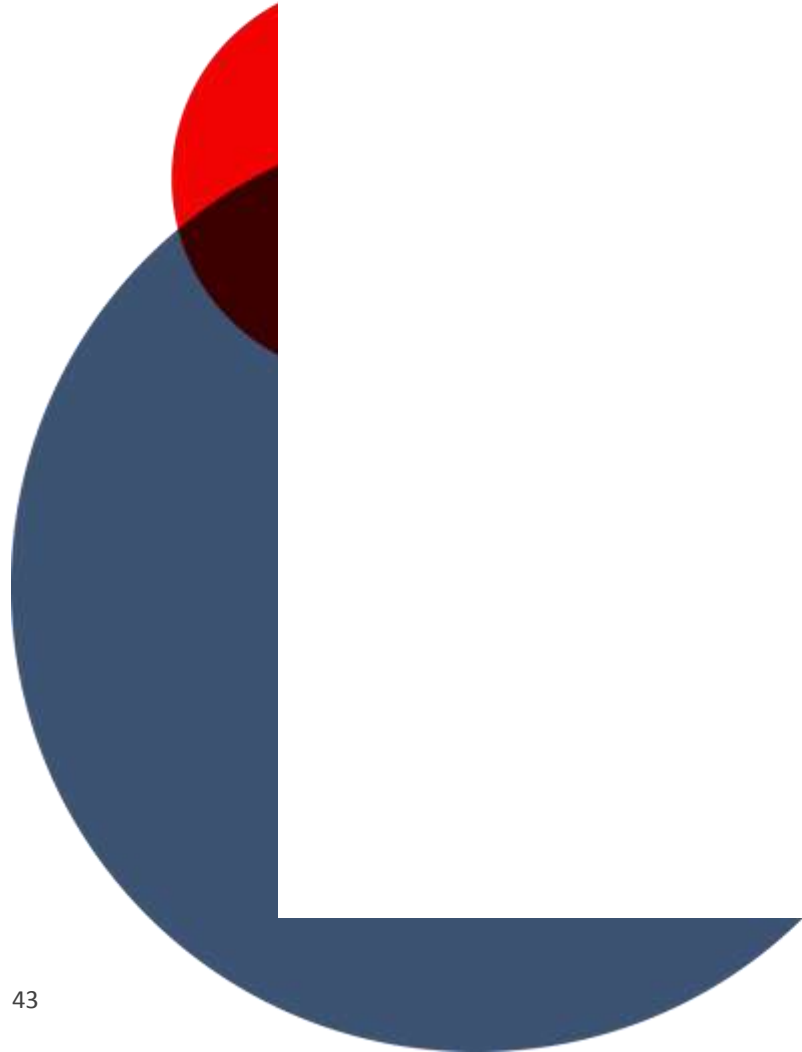
EUR per 100 Currency	2012 average rates	2013 average rate	31 January 2014 current rate
USD	77.88	75.28	73.99
CAD	78.26	72.52	66.09
AUD	80.54	73.03	64.45
SGD	62.41	60.14	57.88
GBP	123.16	118.03	121.75
CHF	77.88	81.27	81.83
NOK	13.43	12.72	11.75

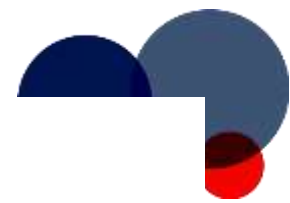


# Equipos deal structure

- Acquisition of the remaining 80% of the shares of the company
- Will be fully integrated into SimCorp books per 1 March 2014
- Total consideration (for the 80% of the shares) GBP 8.3m or EUR 10m
- Accounting profit on the 20% shares SimCorp already owned of approx EUR 1.1m in Q1 2014

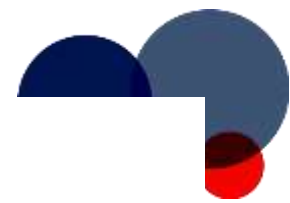
# Outlook





# Outlook 2014

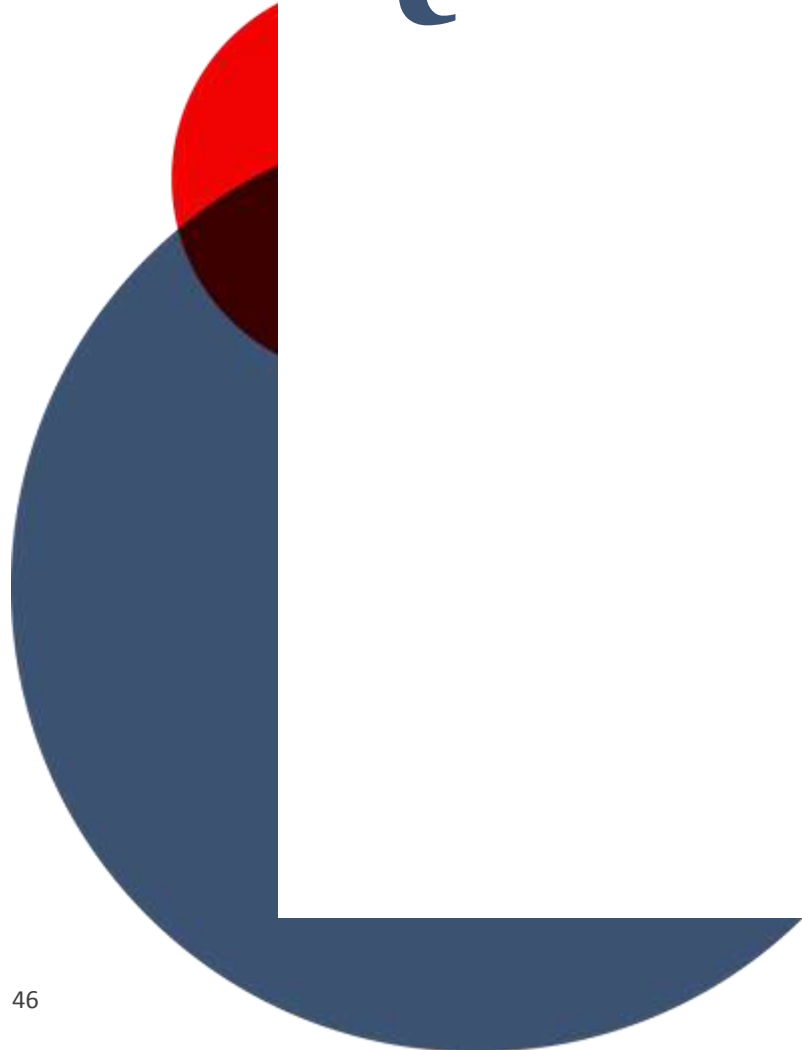
- 10% revenue growth in local currencies and an EBIT margin of 24%
- Outlook includes the expected revenue growth from the acquisition of Equipos of 2%-point for 2014. Further the acquisition is expected to impact EBIT margin negatively by 0.5%- point as a result of non-recurring costs connected to the acquisition
- Still an economic environment where the financial institutions are cutting back on spending in general – particularly in Europe where the largest part of SimCorp's customer base is



# Longer term outlook

- Continue double digit revenue growth year on year for a sustained period
- Continuously improve profitability

# Q & A





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