

Company Announcement

SimCorp grows revenue by 12.9% in H1 2017 driven by a strong performance in Professional Services

Summary

H1 2017 reported revenue was EUR 148.2m, an increase of 12.9% when compared with restated H1 2016, and an increase of 12.8% when measured in local currencies.*

EBIT for H1 2017 was EUR 23.4m compared with EUR 22.6m in restated H1 2016. Currency fluctuations impacted EBIT positively by EUR 1.2m during first half year.

Net profit for H1 2017 was EUR 16.9m compared with EUR 16.9m in restated H1 2016.

At 30 June 2017, EUR 268m of the 2017 revenue had been contractually secured, EUR 33m more than at the same time last year.

SimCorp maintains its expectations for reported revenue growth between 9% and 14% measured in local currency for 2017, including 2% growth from the acquisition of APL Italiana (previously, before the acquisition, revenue growth was expected to be between 7% and 12%). As Professional Services are now expected to constitute a larger part of total revenue, the expectations for EBIT margin measured in local currencies is expected to be between 24% and 27% (previously 25% and 28%). The acquisition of APL Italiana is not expected to have a material impact on the EBIT margin.

Klaus Holse, SimCorp CEO comments: "We continue to see overall healthy growth in the business, primarily driven by Professional Services and additional license sales to existing customers. The intake of new SimCorp Dimension clients in the first six month of the year was lower than in the previous years, but our pipeline remains strong, which supports our revised guidance for the year."

"Following the closing of the books for the first six month, we have welcomed two new SimCorp Dimension clients: one in Denmark and one in APAC."

Other highlights of the interim report for the first six months of 2017 are:

- *Total order intake from new licenses and add-on licenses for the first six months was EUR 16.5m compared with EUR 24.8m in H1 2016. Q2 order intake was EUR 10.9m compared with EUR 13.9m in Q2 2016. Income recognized from new subscription licenses and add-on licenses including renewal of subscriptions was EUR 19.9m, an increase of 4.7% compared with restated H1 2016.*
- *The sale of professional services continued to be strong and grew 21.7% to EUR 56.0m when compared with same period last year.*
- *Maintenance income was EUR 68.5m, an increase of 8.3% from H1 2016.*

* Restated H1 2016 in accordance with IFRS15 for illustrative purposes only

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- *Total operating cost for the six months was EUR 124.9m, an increase of 14.8% compared with the same period in 2016. Currency fluctuations reduced costs by EUR 1.0m (0.9%-points). The cost increase primarily reflects additional resources to meet the demand for professional services.*
- *The lower cash flow from operating activities was EUR 25.6m compared with EUR 32.3m in H1 2016. The lower cash flow of EUR 6.7m is related to the change from perpetual license agreement to subscription based agreement and higher payment of income taxes.*
- *SimCorp has from 2017 chosen to make an early adoption of IFRS15 'Revenue from Contracts with Customers' by recognizing a cumulative effect of EUR 20.9m as an opening balance increase to equity at 1 January 2017. Q2, H1 and full year 2016 results have been restated to IFRS15 for illustrative purposes and to improve transparency. The early adoption of IFRS15 will reduce the financial reporting impact of whether customers choose to acquire SimCorp's Dimension on a perpetual license basis or on a subscription basis. In the opinion of the Board of Directors this reporting approach provides an improved basis for assessing the ongoing performance of the company.*
- *SimCorp will initiate a new share buyback program of EUR 7.5m to be executed in the period from 24 August 2017 to 31 December 2017.*

Investor presentation

SimCorp's Executive Management Board will present the report at a conference call today at 2:00 pm (CEST). Please use any of the following phone numbers to dial in to the conference call:

From Denmark:	+45 3848 7513
From USA:	+1212 444 0412
From other countries:	+44(0)20 3427 1904

The pin code to access the call is 5519392.

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:

<http://edge.media-server.com/m/p/49a5rkni>.

The presentation will be available prior to the conference call via SimCorp's website www.simcorp.com.

Enquiries regarding this announcement should be addressed to:

Investor contacts:

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Financial highlights and key ratios for the SimCorp Group

	2017 Q2	As reported Q2 2016	2017 H1	As reported H1 2016	As reported 2016 FY
EUR/DKK rate of exchange end of period	7.4366	7.4393	7.4366	7.4393	7.4344
Income statement, EUR'000					
Revenue	75,051	68,538	148,174	128,146	295,930
Earnings bef. interest, tax, depreciation & amortization (EBITDA)	14,048	14,481	25,116	21,160	71,583
Operating profit (EBIT)	13,189	13,652	23,394	19,518	68,223
Financial items, net	-671	-4	-873	47	-630
Profit before tax	12,518	13,648	22,521	19,565	67,593
Profit for the period	9,365	10,088	16,909	14,601	50,992
Balance sheet, EUR'000					
Share capital	5,441	5,575	5,441	5,575	5,575
Equity	65,874	62,185	65,874	62,185	72,571
Property, plant and equipment	5,562	4,486	5,562	4,486	4,779
Cash and cash equivalents	8,194	29,912	8,194	29,912	31,590
Total assets	142,198	126,085	142,198	126,085	146,928
Cash flows, EUR'000					
Cash flow from operating activities	73	10,765	25,625	32,307	65,418
Cash flow from investing activities	20	-864	-5,957	-1,129	-4,309
Cash flow from financing activities	-43,782	-40,140	-47,864	-44,487	-72,856
Net change in cash and cash equivalents	-43,689	-30,239	-28,196	-13,309	-11,747
Average number of employees	1,342	1,260	1,346	1,251	1,275
Key ratios					
EBIT margin (%)	17.6	19.9	15.8	15.2	23.1
ROIC (return on invested capital) (%)	72.7	97.2	63.0	68.2	121.3
Debtor turnover rate	8.8	8.0	5.8	7.5	7.8
Equity ratio (%)	46.3	49.3	46.3	49.3	49.4
Return on equity (%)	58.2	52.7	43.5	34.9	57.5
Per share data					
Basic earnings per share - EPS (EUR)	0.24	0.25	0.43	0.36	1.28
Diluted earnings per share - EPS-D (EUR)	0.23	0.25	0.42	0.36	1.26
Operating cash flow per share - CFPS (EUR)	0.00	0.27	0.65	0.80	1.64
Average number of shares (m)	39.5	40.2	39.5	40.2	40.0
Average number of diluted shares (m)	40.0	40.8	40.0	40.7	40.5

The key ratios have been calculated in accordance with IAS 33 and "Recommendations and Ratios 2016" issued by the Danish Finance Society. Please refer to the definition of ratios on page 60 of the Annual Report 2016. The interim report is unaudited and has not been reviewed by external auditors.

	2017 Q2	Restated*) Q2 2016	As reported Q2 2016	2017 H1	Restated*) H1 2016	As reported H1 2016	Restated*) 2016	As reported 2016 FY
EUR/DKK rate of exchange end of period	7.4366	7.4393	7.4393	7.4366	7.4393	7.4393	7.4344	7.4344
Income statement, EUR'000								
Revenue	75,051	69,968	68,538	148,174	131,256	128,146	309,248	295,930
Earnings bef. interest, tax, depreciation & amortization (EBITDA)	14,048	15,911	14,481	25,116	24,270	21,160	84,901	71,583
Operating profit (EBIT)	13,189	15,082	13,652	23,394	22,628	19,518	81,541	68,223
Financial items, net	-671	-4	-4	-873	47	47	-630	-630
Profit before tax	12,518	15,078	13,648	22,521	22,675	19,565	80,911	67,593
Profit for the period	9,365	11,127	10,088	16,909	16,922	14,601	61,007	50,992
EBIT margin (%)	17.6	21.6	19.9	15.8	17.2	15.2	26.4	23.1

*) Restated information is for illustrative purposes only. IFRS15 is implemented applying the modified retrospective application method by recognizing the cumulative effect of the change as an opening balance adjustment to equity at 1 January 2017. This means that prior periods are not adjusted in the reporting. Refer to page 20 and Annual Report 2016 pages 39-40 for further details on impact of adoption of IFRS15.

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Management's report – six months ended 30 June 2017

Development in sales and orders

H1 order intake was EUR 16.5m compared with EUR 24.8m in the same period last year. One new SimCorp Dimension license contract and two SimCorp Coric contracts were signed in H1. Several existing customers chose to add to their current engagement, including a couple of larger perpetual add-on contracts and a renewal of one SimCorp Dimension subscription contract in H1.

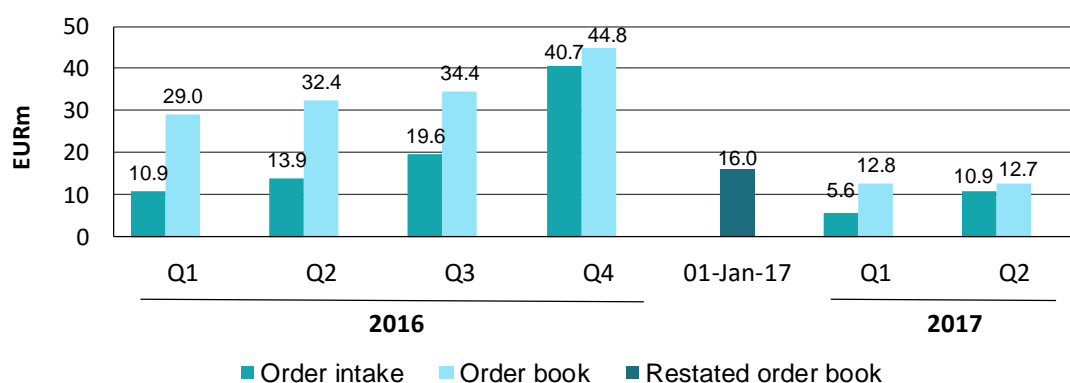
No new SimCorp Dimension license contracts were signed in Q2. SimCorp Coric signed two new clients, one in the UK and one in Continental Europe in Q2. In addition, SimCorp Coric signed two subscription contracts with existing SimCorp Dimension clients in Q2.

The larger add-on SimCorp Dimension sales contracts were signed in Northern Europe and North America. The SimCorp Coric contracts were signed in UK and in North America.

Q2 order intake was EUR 10.9m compared with EUR 13.9m in the same period last year. Order intake balanced revenue recognition for Q2, which left the order book at the same level. The order book represents the difference between actual order intake and income recognized from software licenses adjusted for the effect of exchange rate changes.

SimCorp licenses, quarterly order intake and order book

(aggregate new subscription licenses, perpetual new licenses and add-on licenses) *, 2016-2017



*) 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 that has not yet been recognized in income.

The change in order book from 31 December 2016 to 1 January 2017 of EUR 28.8m reflects the impact from adopting IFRS 15 (EUR 44.8m – EUR 16.0m)

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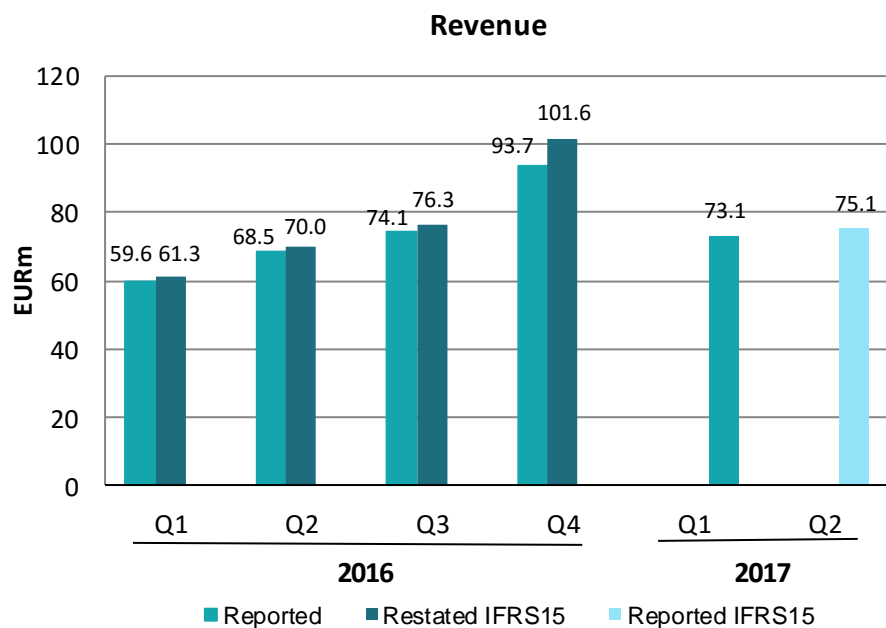
Revenue

H1 revenue was up 12.9% relative to restated H1 2016 and was EUR 148.2m. Measured in local currencies the increase was 12.8%.

H1 2017 income recognized from subscription based licenses, perpetual new licenses and add-on licenses was EUR 6.4m in new sales and EUR 13.5m in additional sales totaling EUR 19.9m, EUR 0.8m more than restated H1 2016.

Q2 revenue in reported currency was EUR 75.1m 7.3% higher than restated Q2 2016. Measured in local currencies the increase was 7.7%. In Q2 2017 income recognized from subscription based licenses, perpetual new licenses and add-on licenses totaled EUR 10.7m, EUR 1.1m lower than restated Q2 2016.

The distribution of H1 and Q2 revenue is shown in the tables below. For 2016 the information is shown both as reported and as restated for illustrative purposes only.



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H1 Revenue

	Revenue H1 2017	Share of revenue H1 2017	Restated Revenue H1 2016	Share of revenue restated H1 2016	Growth relative to restated H1 2016	Growth local currency relative to restated H1 2016
EURm						
Licenses - new sales	6.4	4.4 %	5.5	4.2%	17.0%	16.3%
Licenses - additional sales	13.5	9.1 %	13.6	10.3%	-0.3%	0.5%
Professional services	56.0	37.8 %	46.0	35.1%	21.7%	21.0%
Maintenance	68.5	46.2 %	63.3	48.2%	8.3%	8.4%
ASP hosting and training activities	3.7	2.5 %	2.9	2.2%	28.4%	28.8%
Total	148.2	100.0 %	131.3	100%	12.9%	12.8%

Q2 Revenue

	Revenue Q2 2017	Share of revenue Q2 2017	Restated Revenue Q2 2016	Share of revenue restated Q2 2016	Growth relative to restated Q2 2016	Growth local currency relative to restated Q2 2016
EURm						
Licenses - new sales	0.7	0.9 %	1.3	1.9%	-50.1%	-45.2%
Licenses - additional sales	10.0	13.3 %	10.5	15.0%	-4.4%	-3.8%
Professional services	28.1	37.5 %	24.7	35.3%	13.8%	13.7%
Maintenance	34.2	45.5 %	32.0	45.7%	6.9%	7.5%
ASP hosting and training activities	2.1	2.8 %	1.5	2.1%	41.2%	42.6%
Total	75.1	100.0 %	70.0	100%	7.3%	7.7%

Fees from professional services amounted to EUR 56.0m in H1, up 21.7% compared with H1 last year. The activity level in Professional Services continues to be high. Currency fluctuations impacted the revenue positively by EUR 0.3m (0.7%-points). In Q2, professional services amounted to EUR 28.1m, an increase of 13.8% compared with Q2 last year.

Maintenance revenue continues to increase with the completion of new client installations and implementation of new functionality to existing clients. This revenue was EUR 68.5m in H1, up 8.3% on the same period last year. Currency fluctuations impacted the maintenance income negatively by EUR 0.1m (0.1%-points). In Q2, maintenance revenue amounted to EUR 34.2m, an increase of 6.9% compared with Q2 last year. Currency fluctuations impacted the maintenance income negatively by EUR 0.2m (0.6%-points).

ASP hosting fees and training fees amounted to EUR 3.7m compared with EUR 2.9m in H1 2016 and were EUR 2.1m in Q2 compared with EUR 1.5m in Q2 last year.

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Operating Costs

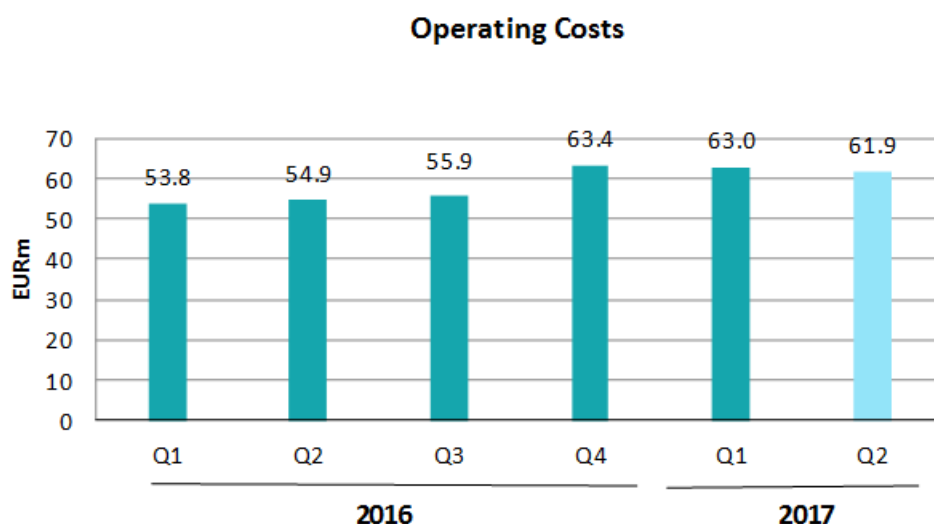
SimCorp's total operating costs (including depreciation and amortization) were EUR 124.9m in H1 compared with EUR 108.8m in same period in 2016, an increase of 14.8%. Currency fluctuations reduced the total operating costs by EUR 1.0m (0.9%-points).

The total operating costs (including depreciation and amortization) in Q2 were EUR 61.9m, an increase of EUR 7.0 or 12.7% compared with Q2 2016. Currency fluctuations reduced total operating costs by EUR 0.6m (1.2%-points).

The increase in operating costs is mainly related to the demand for professional services leading to an increase in use of external professional service consultants of EUR 6.0m, which accounted for 5.5%-points of the increase in operating costs.

Salaries increased in general by 2%. Salaries and staff related costs accounted for 69% of total costs, compared with 75% in H1 2016, as more external consultants was used for delivering professional services.

Additionally, operating costs include EUR 0.3m of one-time costs related to the acquisition of APL Italiana (included in the cost line "Administrative expenses"). Apart from this, there is no effect of the acquisition in the H1 accounts. The transaction was effective per 1 August 2017 and will be reflected in the accounts for Q3 2017 and the FY 2017 Annual Report.



The distribution of H1 and Q2 operating costs is shown in the tables below.

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H1 Operating Costs

	Costs H1 2017	Share of costs H1 2017	Costs H1 2016	Share of costs H1 2016	Growth relative to H1 2016	Growth local currency relative to H1 2016
EURm						
Cost of sales	64.4	51.6 %	53.8	49.4 %	19.9%	20.8%
Research and development costs	31.9	25.5 %	29.1	26.7 %	9.6%	10.9%
Sales and distribution costs	18.1	14.5 %	16.9	15.6 %	6.9%	7.5%
Administrative expenses	10.5	8.4 %	9.0	8.3 %	16.3%	16.0%
Total	124.9	100 %	108.8	100 %	14.8%	15.7%

Q2 Operating Costs

	Costs Q2 2017	Share of costs Q2 2017	Costs Q2 2016	Share of costs Q2 2016	Growth relative to Q2 2016	Growth local currency relative to Q2 2016
EURm						
Cost of sales	32.7	52.9 %	27.1	49.2 %	20.8%	22.3%
Research and development costs	15.6	25.2 %	14.8	26.9 %	5.7%	6.9%
Sales and marketing costs	8.8	14.2 %	8.7	15.8 %	1.4%	2.3%
Administrative expenses	4.8	7.7 %	4.4	8.1 %	8.1%	8.0%
Total	61.9	100 %	54.9	100 %	12.7%	13.9%

Employees

At 30 June 2017, the Group had 1,418 employees, 95 more than at 30 June 2016.

On average, the Group had 1,346 full time equivalent employees during the first six months of 2017, compared with 1,251 for the same period last year.

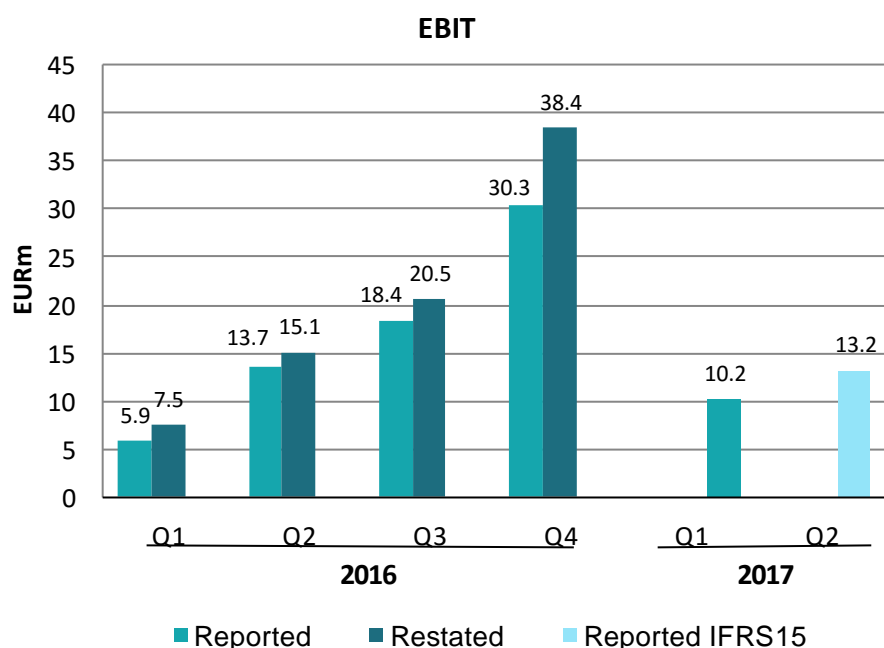
Group performance

For H1 2017, the Group posted EBIT of EUR 23.4m compared with EUR 22.6m in restated H1 2016. Currency rate fluctuations increased EBIT by EUR 1.2m for the first six months of the year. EBIT margin was 15.8% compared to 17.2% for restated H1 2016 and measured in local currencies the EBIT margin was 15.0%. The lower EBIT margin is caused by a different mix in revenue with more Professional Services revenue in 2017.

Q2 EBIT was EUR 13.2m against EUR 15.1m in restated Q2 last year, also due to different revenue mix. The distribution of H1 and Q2 EBIT is shown in the table below. For 2016, the information is shown as reported and additionally as restated for illustrative purposes only.

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Profit before tax

Foreign exchange adjustments gave financial income of EUR 1.6m, and financial expenses related to foreign exchange adjustments of EUR 2.5m, which gives a net expense of EUR 0.9m compared with a net income of EUR 0.05m in same period last year.

The Group posted a pre-tax profit of EUR 22.5m against a profit of EUR 22.7m in restated H1 2016. The estimated tax charge of EUR 5.6m is equivalent to a tax rate of 24.9% compared with estimated restated taxes of EUR 5.7m or 25.4% in restated H1 2016. Thus, the Group's net profit for H1 2017 amounted to EUR 16.9m compared with a restated profit of EUR 16.9m for the same period last year.

For Q2 2017, the Group realized a pre-tax profit of EUR 12.5m, against EUR 15.1m in restated Q2 2016 and a net profit of EUR 9.4m compared with EUR 11.1m in the same quarter last year.

Comprehensive income

Exchange rate adjustments on conversion of the Group's foreign assets and liabilities amounted to a net expense of EUR 1.6m in H1, compared with a net expense of EUR 1.5m in the same period last year. This is primarily related to the decrease in the exchange rates for GBP and USD compared with DKK and EUR.

Total comprehensive income for H1 was thus EUR 15.3m against EUR 15.4m in the same period last year. For Q2, the total comprehensive income was EUR 7.8m, against EUR 10.7m in same quarter last year.

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Balance sheet items and cash flow

SimCorp's total assets were EUR 142.2m at 30 June 2017 compared with EUR 126.1m a year earlier. The increase is primarily related to the new category Contract Assets of EUR 26.7m that is a result of adopting IFRS15.

Cash holdings amounted to EUR 8.2m, EUR 21.7m less than a year earlier. Total receivables amounted to EUR 71.5m at 30 June 2017, representing an increase of EUR 10.3m compared with 30 June 2016, however EUR 8.5m lower than at 31 December 2016.

Operating activities in H1 generated a cash inflow of EUR 25.6m compared with EUR 32.3m in H1 last year. The lower cashflow of EUR 6.7m is related to the change from perpetual license agreement to subscription based agreement and higher payment of income taxes.

EUR 6.0m was spent on investments, including payment of the deferred consideration of EUR 2.9m related to the acquisition of SimCorp Coric in 2014, compared with EUR 1.1m in H1 2016.

Financial activities, payment of dividend and purchase of treasury shares reduced liquidity by EUR 47.9m, compared with EUR 44.5m in H1 2016.

Changes in equity

The company's equity amounted to EUR 65.9m at 30 June 2017. This is a decrease of EUR 6.7m from 31 December 2016. Equity was reduced by a dividend of EUR 33.3m. Purchases of treasury shares amounted to EUR 14.6m compared with EUR 16.1m in H1 2016.

Comprehensive income for H1 was EUR 15.3m compared with EUR 13.1m in H1 2016. In addition, adjustments to share based remuneration, equity increased by EUR 5.0m.

The implementation of IFRS15 increased equity by EUR 20.9m at 1 January 2017, which comprised income of EUR 27.9m and tax of EUR 7.0m.

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Outlook for the financial year 2017*)

SimCorp generated a financial result in the first half of 2017 broadly in line with SimCorp's own expectations. SimCorp's intake of new customers varies considerably from one quarter to the next. Since the closing of H1 2017, two new SimCorp Dimension customer contracts have been signed.

During Q2, contracts impacting the 2017 full year revenue by EUR 24m were secured, against EUR 14m in the same period last year. SimCorp enters Q3 with EUR 268m of the projected 2017 revenue secured, 14% points higher (EUR 33m including EUR 7m from APL Italiana) than at the same time last year. SimCorp continues to experience a satisfactory, geographically diversified demand for its products and services and continues to see the number of available deals and the value of the pipeline increase.

Based on the results for H1 2017, the performance so far in Q3, and the pipeline for the remaining part of 2017, SimCorp maintains its expectations for the full year revenue growth to be between 9% and 14%, including an expected 2% growth from the acquisition of APL Italiana measured in local currencies (previously, before the acquisition, revenue growth was expected to be between 7% and 12%). As Professional Services are now expected to constitute a larger part of total revenue, the expectations for EBIT margin measured in local currencies is expected to be between 24% and 27% (previously 25% and 28%). The acquisition of APL Italiana is not expected to have a material impact on the EBIT margin.

Based on exchange rates prevailing at 31 July 2017, SimCorp expects a negative impact from currency fluctuations on revenue growth of around 1.4% (previously negative 0.1%) and no impact on EBIT margin (unchanged).

*) This announcement contains certain forward-looking statements and expectations in respect of the 2017 financial year. Such forward-looking statements are not guarantees of future performance, and involve risk and uncertainty, and actual performance may deviate materially from that expressed in such forward-looking statements due to a variety of factors. Readers are warned not to rely unduly on such forward-looking statements, which apply only as at the date of this announcement. The Group's revenue is expected to continue to be impacted by relatively few but large system orders, and such orders are expected to be won at relatively irregular intervals. The terms agreed in the individual license agreements will determine the impact on the order book and on license income for any specific financial reporting period. Accordingly, license revenue is likely to vary considerably from one quarter to the next. Unless required by law or corresponding obligations SimCorp A/S is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this document, whether as a result of new information, future events or otherwise.

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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. Page 19-22 of SimCorp's Annual Report 2016 describes 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**Capital**

The company's extraordinary general meeting held on 26 April 2017 approved an amendment to the Articles of Association that allowed the company to reduce its nominal share capital by DKK 1,000,000 by cancellation of treasury shares. The reduction in share capital from 41.5m to 40.5m shares of DKK 1 was effective on 31 May 2017.

Further, at the company's extraordinary general meeting held on 26 April 2017, it was approved that the share capital may be increased in one or more issues of new shares by a total nominal amount of up to DKK 4,000,000 (4,000,000 shares of DKK 1) without pre-emption rights for the Company's existing shareholders and as directed by the Board of Directors with respect to time and terms. The capital increase may be effected in cash or by contribution of an existing business or specific assets, in all cases at market price. This authority shall be valid for a period of five years, expiring on 1 March 2022 and may be extended by the general meeting for one or more periods of up to five years at a time.

The new shares shall be registered in the name of the holder in the Company's register of shareholders. The new shares shall be negotiable instruments, and no restrictions shall apply to the transferability of the shares. No shares confer any special rights upon their holder and no shareholders shall be under an obligation to have his shares redeemed in full or in part by the Company or any other party.

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Shareholder information

Restricted stock units

In Q2, a total of 1,984 restricted stock units have been granted to employees as part of sign-on agreements. The restricted stock units will vest after three years, subject to continuing employment.

A total of 453,043 restricted stock units are outstanding at 30 June 2017. These will be transferred in whole or in part between 2017 and 2019 to program participants still employed when the stock units vest and subject to performance conditions.

In addition, in connection with Michael Rosenvold's appointment as CFO with expected effect from 1 October 2017, 11,953 restricted stock units will be granted to him on the commencement date of his employment, provided Michael Rosenvold has completed his personal investment commitment of DKK 2.5m in SimCorp shares. These restricted stock units will vest 60% after three years, 20% after four years, and 20% after five years subject to continued employment.

Vesting of restricted stock units granted to CEO, Klaus Holse

As part of the executive service agreement entered into with Klaus Holse, CEO, restricted stock units with a total market value of DKK 10m were granted the CEO under the condition that he would make an investment in SimCorp shares with a total market value of DKK 5m and that the restricted stock units would vest 60% after three years' service and 20% after four years' service and the remaining 20% after 5 years' service. The allotment was made with an original vesting date of 1 September 2017 for the vesting of the last 20% restricted stock units. The Board of Directors has decided to bring forward the vesting date to 24 August 2017, enabling Klaus Holse to sell shares after the release of the H1 2017 financial results to cover for his personal income tax liability.

Acquisition of APL Italiana

29 June 2017, SimCorp entered into an agreement to acquire all shares in APL Italiana S.p.A. for a total enterprise value of EUR 35m. This includes EUR 10m in SimCorp shares. The purchasing price was adjusted upwards by approximately EUR 3m upon closing of the agreement, reflecting a higher value of the net assets acquired.

APL Italiana is a leading provider of investment and portfolio management software for the Italian insurance market. The company is based in Milan and has approximately 120 employees. Please refer to Company Announcement no. 27/2017.

Issuance of new shares

1 August 2017, SimCorp issued 190,767 new shares as part of the acquisition of APL Italiana S.p.A.

The new shares were subscribed for by contribution in kind of shares in APL Italiana S.p.A. The subscription price was calculated based on the average closing price of SimCorp A/S' shares on Nasdaq Copenhagen A/S for the 5 (five) trading days following SimCorp A/S' announcement of the agreement 29 June 2017, i.e. during the period 30 June 2017 - 6 July 2017, both days inclusive. The subscription price per share of nominal DKK 1 was DKK 389.84.

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The new shares were issued by SimCorp's Board of Directors pursuant to authority granted by SimCorp's shareholders at the extraordinary general meeting on 26 April 2017. The new shares were issued against contribution in kind without any pre-emptive rights for SimCorp's existing shareholders, and no person or entity other than the above persons participated in the private placement.

The new shares carry the same rights as all other shares issued by SimCorp. The new shares are freely transferable, negotiable instruments and entitle the holders to receive dividend from the date of the issuance. Under the terms of the share purchase agreement, the sellers of APL Italiana S.p.A. have accepted certain restrictions on the sale and transfer of the shares, including a lock-up period.

For further details, please refer to Company Announcement no. 30/2017.

Holding of treasury shares

In Q2 2017 the Company acquired 191,089 treasury shares at an average price of DKK 408.98 per share, totaling EUR 10.5m. In total in H1, the Company acquired 267,089 treasury shares at an average price of DKK 406.28 per share, totaling EUR 14.6m.

On 31 May 2017, the Company completed the nominal share capital reduction of DKK 1,000,000 as mentioned in the Shareholder information on page 10, by cancellation of 1,000,000 treasury shares. After cancellation, the nominal share capital is DKK 40,500,000 comprising 40,500,000 shares of DKK 1.

At 30 June 2017, the holding of treasury shares amounted to 1,104,382 treasury shares, equal to 2.73% of the Company's issued share capital. The total purchase value was EUR 53.9m with a market value of EUR 34.1m at 30 June 2017.

In addition to the repurchases in H1, the Company has in Q3 acquired 55,940 treasury shares at a total price of EUR 2.9m. under the EUR 17.5m "Safe Harbor" program that runs to 23 August 2017. The Company completed the program on 26 July 2017.

On 1 August 2017, SimCorp A/S issued 190,767 new shares as part of the acquisition of APL Italiana S.p.A.

At 23 August 2017, the holding of treasury shares amounted to 1,161,773, equal to 2.9% of the Company's share capital.

Based on the current business outlook and the cash position, SimCorp will initiate a new share buyback program of EUR 7.5m to be executed in the period from 24 August 2017 to 31 December 2017.

The buyback program will be structured and carried out in compliance with the provisions of Regulation No. 596/2014 of the European Parliament and of the Council on market abuse (the Market Abuse Regulation - MAR) and delegated legislation under MAR.

Company Announcement

SimCorp grows revenue by 12.9% in H1 2017 driven by a strong performance in Professional Services

Signatures

The Board of Directors and the Executive Management Board have today considered and adopted the interim report for the period 1 January - 30 June 2017.

The interim financial report, which is unaudited and has not been reviewed by the company's auditors, is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position as of 30 June 2017 and of the profit of the Group's operations and cash flow for the period 1 January - 30 June 2017.

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 consolidated annual report 2016.

Furthermore, the management's commentary gives a fair representation of the Group's activities, financial position and description of the material risks and uncertainties which the Group is facing.

24 August 2017

Executive Management Board:

Klaus Holse
Chief Executive Officer

Georg Hetrodt
Chief Technology Officer

Board of Directors:

Jesper Brandgaard
Chairman

Peter Schütze
Vice Chairman

Hervé Couturier

Simon Jeffreys

Patrice McDonald

Adam Warby

Else Braathen

Vera Bergforth

Ulrik Elstrup Hansen

Company Announcement

SimCorp grows revenue by 12.9% in H1 2017 driven by a strong performance in Professional Services

Consolidated income statement

EUR'000	2017 Q2	Restated Q2 2016	As reported Q2 2016	2017 H1	Restated H1 2016	As reported H1 2016	Restated 2016	As reported 2016 FY
Revenue	75,051	69,968	68,538	148,174	131,256	128,146	309,248	295,930
Cost of sales	32,724	27,084	27,084	64,433	53,760	53,760	111,773	111,773
Gross profit	42,327	42,884	41,454	83,741	77,496	74,386	197,475	184,157
Other operating income	40	52	52	81	136	136	324	324
Research and development costs	15,616	14,771	14,771	31,858	29,067	29,067	59,270	59,270
Sales and marketing costs	8,774	8,654	8,654	18,089	16,928	16,928	37,546	37,546
Administrative expenses	4,788	4,429	4,429	10,481	9,009	9,009	19,442	19,442
Operating profit (EBIT)	13,189	15,082	13,652	23,394	22,628	19,518	81,541	68,223
Share of profit after tax in associates	-22	16	16	-28	5	5	94	94
Financial income	1,122	733	733	1,621	1,570	1,570	2,694	2,694
Financial expenses	1,771	753	753	2,466	1,528	1,528	3,418	3,418
Profit before tax	12,518	15,078	13,648	22,521	22,675	19,565	80,911	67,593
Tax on profit	3,153	3,951	3,560	5,612	5,753	4,964	19,904	16,601
Net profit for the period	9,365	11,127	10,088	16,909	16,922	14,601	61,007	50,992
Earnings per share								
Basic earnings per share - EPS (EUR)	0.24	0.28	0.25	0.43	0.42	0.36	1.53	1.28
Diluted earnings per share - EPS-D (EUR)	0.23	0.27	0.25	0.42	0.42	0.36	1.51	1.26

Statement of comprehensive income

EUR'000	2017 Q2	Restated Q2 2016	As reported Q2 2016	2017 H1	Restated H1 2016	As reported H1 2016	Restated 2016	As reported 2016 FY
Net profit for the period	9,365	11,127	10,088	16,909	16,922	14,601	61,007	50,992
Other comprehensive income								
Items that will not be reclassified subsequently to the income statement:								
Remeasurements of defined benefit pension plans	0	0	0	0	0	0	-259	-259
Tax	0	0	0	0	0	0	57	57
Items that will be reclassified subsequently to the income statement, when specific conditions are met:								
Foreign currency translation differences for foreign operations	-1,582	-418	-418	-1,616	-1,521	-1,521	-1,529	-1,529
Other comprehensive income after tax for the period	-1,582	-418	-418	-1,616	-1,521	-1,521	-1,731	-1,731
Total comprehensive income for the period	7,783	10,709	9,670	15,293	15,401	13,080	59,276	49,261

Company Announcement

SimCorp grows revenue by 12.9% in H1 2017 driven by a strong performance in Professional Services

Consolidated balance sheet

EUR'000	As reported	Cumulative	As reported
30 June 2017	30 June 2016	effect of IFRS15 1 January 2017	31 December 2016
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	3,873	4,108	3,976
Software	4,771	3,098	4,215
Client contracts	2,651	2,989	2,804
Total intangible assets	11,295	10,195	10,995
Property, plant and equipment			
Leasehold improvements	3,321	1,617	2,446
Technical equipment	1,162	1,753	1,179
Other equipment, fixtures, fittings and prepayments	1,079	1,116	1,154
Total property, plant and equipment	5,562	4,486	4,779
Other non-current assets			
Investments in associates	483	630	551
Deposits	1,898	1,878	1,890
Deferred tax	7,245	8,545	8,534
Total other non-current assets	9,626	11,053	10,975
Total non-current assets	26,483	25,734	26,749
Current assets			
Receivables	71,535	61,230	80,041
Contract Assets	26,712	-	-
Income tax receivable	1,407	2,148	1,966
Prepayments	7,867	7,061	6,582
Cash and cash equivalents	8,194	29,912	31,590
Total current assets	115,715	100,351	120,179
Total assets	142,198	126,085	146,928
LIABILITIES AND EQUITY			
Equity			
Share capital	5,441	5,575	5,575
Exchange adjustment reserve	-2,134	-510	-518
Retained earnings	62,567	57,120	34,173
Proposed dividend	0	0	33,341
Total equity	65,874	62,185	72,571
Liabilities			
Non-current liabilities			
Deferred tax	1,055	899	1,149
Provisions	5,781	4,842	5,573
Other debt	0	1,717	0
Total non-current liabilities	6,836	7,458	6,722
Current liabilities			
Bank overdrafts	5,055	0	0
Prepayments from clients	18,972	18,566	14,647
Trade payables and other payables	38,377	36,103	50,922
Income tax	7,076	1,763	1,946
Provisions	8	10	120
Total current liabilities	69,488	56,442	67,635
Total liabilities	76,324	63,900	74,357
Total liabilities and equity	142,198	126,085	146,928

Company Announcement

SimCorp grows revenue by 12.9% in H1 2017 driven by a strong performance in Professional Services

Consolidated cash flow statement

EUR'.000	2017 Q2	As reported Q2 2016	2017 H1	As reported H1 2016	As reported 2016 FY
Profit for the period	9,365	10,088	16,909	14,601	50,992
Adjustments for non cash operating items	6,112	8,841	12,987	10,797	25,672
Changes in working capital	-14,310	-8,138	384	9,571	1,997
Cash from operating activities before financial items	1,167	10,791	30,280	34,969	78,661
Financial income received	64	7	146	17	218
Financial expenses paid	-88	-114	-174	-219	-368
Income taxes paid	-1,070	81	-4,627	-2,460	-13,093
Net cash from operating activities	73	10,765	25,625	32,307	65,418
Deferred payment, purchase of subsidiaries	0	0	-2,931	0	0
Purchase of intangible fixed assets	0	0	-1,134	-14	-1,644
Purchase of property, plant and equipment	-71	-1,140	-1,963	-1,503	-2,973
Proceeds from sale of property, plant and equipment	9	70	9	73	0
Purchase of financial assets	-5	-8	-34	-13	-132
Proceeds from sale of financial assets	1	214	10	237	349
Dividends from associates	86	0	86	91	91
Net cash from/(used) in investing activities	20	-864	-5,957	-1,129	-4,309
Net cash from operating and investing activities	93	9,901	19,668	31,178	61,109
Dividends paid	-33,272	-28,431	-33,272	-28,431	-28,450
Acquisition of treasury shares	-10,510	-11,709	-14,592	-16,056	-44,406
Net cash from/(used) in financing activities	-43,782	-40,140	-47,864	-44,487	-72,856
Change in cash and cash equivalents	-43,689	-30,239	-28,196	-13,309	-11,747
Total cash for the period					
Cash and cash equivalents at beginning of period	47,087	60,125	31,590	43,344	43,344
Foreign exchange adjustment of cash and cash equivalents	-259	26	-255	-123	-7
Cash and cash equivalents at 30 June	3,139	29,912	3,139	29,912	31,590
Cash and cash equivalent	8,194	29,912	8,194	29,912	31,590
Current debt (bank overdrafts)	-5,055	0	-5,055	0	0
Cash and cash equivalents at 30 June	3,139	29,912	3,139	29,912	31,590

Company Announcement

SimCorp grows revenue by 12.9% in H1 2017 driven by a strong performance in Professional Services

Statement of changes in equity

EUR'000	Share capital	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total
Group					
Equity at 1 January 2016	5,575	1,011	54,825	28,409	89,820
Comprehensive income for the period *					
Total comprehensive income for the period	0	-1,521	14,601	0	13,080
Transactions with owners					
Dividends paid to shareholders	0	0	-22	-28,409	-28,431
Share-based payment	0	0	4,017	0	4,017
Tax, share-based payment	0	0	-245	0	-245
Purchase of treasury shares	0	0	-16,056	0	-16,056
Equity at 30 June 2016	5,575	-510	57,120	0	62,185
Equity at 1 July 2016	5,575	-510	57,120	0	62,185
Comprehensive income for the period *					
Total comprehensive income for the period	0	-8	36,189	0	36,181
Transactions with owners					
Dividends paid to shareholders	0	0	-19	0	-19
Share-based payment	0	0	2,276	0	2,276
Tax, share-based payment	0	0	298	0	298
Purchase of treasury shares	0	0	-28,350	0	-28,350
Proposed dividend to shareholders	0	0	-33,341	33,341	0
Equity at 31 December 2016	5,575	-518	34,173	33,341	72,571
Equity at 1 January 2017	5,575	-518	34,173	33,341	72,571
Adjustment related to IFRS15	0	0	27,874	0	27,874
Tax, adjustment related to IFRS15	0	0	-6,967	0	-6,967
Comprehensive income for the period *					
Total comprehensive income for the period	0	-1,616	16,909	0	15,293
Transactions with owners					
Cancellation of treasury shares	-134	0	134	0	0
Dividends declared to shareholders	0	0	69	-33,341	-33,272
Share-based payment	0	0	4,531	0	4,531
Tax, share-based payment	0	0	436	0	436
Purchase of treasury shares	0	0	-14,592	0	-14,592
Equity at 30 June 2017	5,441	-2,134	62,567	0	65,874

* Please refer to Statement of comprehensive income page 16.

Company Announcement

SimCorp grows revenue by 12.9% in H1 2017 driven by a strong performance in Professional Services

Notes to the financial statements

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 2016 except for the changes described below. See the Annual Report 2016 for a comprehensive description of the accounting policies applied.

Change in accounting policies

IASB has issued accounting standard IFRS15 “Revenue from contracts with customers” to take effect as of 1 January 2018. The standard establishes a single comprehensive framework for revenue recognition. The standard permits early adoption.

Effective 1 January 2017, SimCorp adopted IFRS15 applying the modified retrospective application method. SimCorp elected to transition into the new revenue recognition standard by recognizing the cumulative effect of initially applying the standard as an opening balance sheet adjustment to equity at 1 January 2017.

The impact is that the order book value has been depleted by EUR 28.8m at 1 January 2017. A new balance sheet asset, Contract Assets with a value of EUR 27.8m, being the net present value of future license instalments from subscription based agreements, was included under current assets. Further, a tax liability of EUR 7.0m was recognized. The cumulative effect booked to equity was a net income of EUR 20.8m, comprising income before tax of EUR 27.8m and tax of EUR 7.0m.

Please refer to page 17 and page 19 for the effect on balance sheet and equity. The cumulative effect at 1 January 2017 is shown in a separate column in the balance sheet and in a separate income and tax adjustment item in the equity statement.

Additionally, a number of other new accounting standards and interpretations have been implemented, which do not have a monetary effect on the SimCorp Group’s result, assets, liabilities or equity.

Judgments and estimates

The preparation of interim reports requires management to make accounting judgments and estimates that affect the use of accounting policies and recognized assets, liabilities, income and expenses. Actual results may differ from these estimates.

The most significant estimates made by management when using the Group’s accounting policies and the most significant judgment uncertainties attached hereto are the same for the preparation of the interim report as for the preparation of the Annual Report 2016.

Company Announcement

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Segment information

The segment information has been updated to reflect the forming of a new 'Southern Europe' market unit, encompassing operations in France, Italy and Spain and a merger of the Nordic and the Benelux operations to form a new 'Northern Europe' market unit.

EUR '000	Northern Europe	Central Europe	UK and Middle East	Southern Europe	Asia and Australia	North America	Dimension	Coric	Corporate functions	Total	Elimination/ not allocated	Group
1 April - 30 June 2017												
Revenue external clients	24,230	15,819	6,421	6,177	4,362	14,510	301	3,072	159	75,051	0	75,051
Revenue between segments	3,761	2,587	2,580	66	514	1,477	28,312	225	918	40,440	-40,440	0
Total segment revenue	27,991	18,406	9,001	6,243	4,876	15,987	28,613	3,297	1,077	115,491	-40,440	75,051
Segment operating profit (EBIT)	4,412	1,375	-1,594	-867	128	-726	11,052	1,446	-2,037	13,189	0	13,189
1 January - 30 June 2017												
Revenue external clients	43,660	32,468	13,954	14,044	8,774	29,455	666	4,876	277	148,174	0	148,174
Revenue between segments	7,166	3,971	5,033	188	981	2,954	54,269	629	1,486	76,677	-76,677	0
Total segment revenue	50,826	36,439	18,987	14,232	9,755	32,409	54,935	5,505	1,763	224,851	-76,677	148,174
Segment operating profit (EBIT)	7,046	1,964	-535	302	393	1,234	18,633	574	-6,217	23,394	0	23,394
Total assets	24,570	17,108	8,803	18,944	6,267	37,789	972	23,115	8,127	145,695	-3,497	142,198
As reported 1 April - 30 June 2016												
Revenue external clients	22,330	16,766	9,439	3,734	3,833	9,656	401	2,300	79	68,538	0	68,538
Revenue between segments	4,796	953	94	126	514	1,224	24,704	401	365	33,177	-33,177	0
Total segment revenue	27,126	17,719	9,533	3,860	4,347	10,880	25,105	2,701	444	101,715	-33,177	68,538
Segment operating profit (EBIT)	3,912	1,586	2,434	124	666	391	13,435	42	-8,938	13,652	0	13,652
As reported 1 January - 30 June 2016												
Revenue external clients	40,095	33,107	15,048	8,578	7,588	18,333	758	4,488	151	128,146	0	128,146
Revenue between segments	8,220	1,776	199	280	946	2,416	48,350	860	634	63,681	-63,681	0
Total segment revenue	60,248	34,883	15,247	8,858	8,534	20,749	49,108	5,348	786	203,761	-63,681	140,080
Segment operating profit (EBIT)	6,320	1,990	2,055	152	787	-1,539	20,745	78	-11,070	19,518	0	19,518
Total assets	26,494	17,383	10,584	11,432	5,558	20,876	1,369	11,512	5,366	110,574	15,511	126,085

Revenue disclosures are based on SimCorp's market units and development activities while asset allocation is based on the physical location of the assets. Unallocated assets relate to non-current headquarter assets, cash, taxes and investments in associates.

Reconciliation of the profit	2017	As reported	2017	As reported
EUR'000	Q2	Q2 2016	H1	H1 2016
Total segment operating profit reported (EBIT)	13,189	13,652	23,394	19,518
Share of profit after tax on associates	-22	16	-28	5
Financial income	1,122	733	1,621	1,570
Financial expenses	1,771	753	2,466	1,528
Profit for the period before tax, see income statement	12,518	13,648	22,521	19,565

Property, plant and equipment and investment obligations

The SimCorp Group does not hold assets under finance leases and has not provided assets as security.

Contingent liabilities

No material changes have occurred to contingent liabilities referred to in the Annual Report 2016.

Company Announcement

SimCorp grows revenue by 12.9% in H1 2017 driven by a strong performance in Professional Services

Significant events after 30 June 2017

29 June 2017, SimCorp entered into an agreement to acquire all shares in APL Italiana S.p.A. As the closing of the acquisition is completed just ahead of SimCorp's presentation of its Q2 2017 financial statements, a purchase price allocation for the acquisition has not been made.

A preliminary calculation estimates that the acquisition will lead to an additional value of approximately EUR 38.0m, mainly related to goodwill, customers and software.

The acquisition of APL Italiana S.p.A is expected to have a positive impact on total revenue of 2%, and no impact is expected on the EBIT margin in 2017.

Except for the acquisition of APL Italiana and the issue of new shares in connection hereto, please refer to page 13-14, no significant events have occurred after the balance sheet date that affect the interim report.