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General assembly, SimCorp 29 March 2017



Claus Wiinblad, Head of Danish Equities, Senior Vice President.

Thank you.

My name is Claus Wiinblad, and I represent ATP.

Thank you to Chairman of the Board and CEO for the report for 2016.

Congratulations with a strong result for 2016.

Besides a strong set of results, SimCorp reported a record strong order intake. With 7 new orders in the US, SimCorp has realized a real breakthrough in the US market. This is very important, because the US is by far the most important potential growth driver for SimCorp going forward.

Further we saw new orders in both Italy and Spain. This is very positive as it opens up for Italy and Spain as two new potential growth markets for SimCorp.

Further it is positive to see a broad range of orders both geographically and by product category, front office, labor, back office and Coric.

With a strong growth in revenue of 22 percent in 2016 and an guidance of growth in revenue of 7-12 percent SimCorp is well on track to live up to the long term guidance of an annual growth rate of above 10 percent.

SimCorp has for 2017 indicated an increase in costs of 9 percent, which is high compared with the lower end of the revenue guidance. For the last three years including 2017 cost increases by 10 percent p.a, which in absolute terms is quite high.

Of course growth in revenue should have the highest priority, but it does raise the question if it is time to take a closer look at the cost structure of SimCorp in order to ensure high

operational leverage and continuous margin improvement. In a period of high growth, it is sometime more difficult to have strict focus on the costs.

This is important because the potential for continuous long term improvement in the margin is, in my opinion, an essential element in the investment case for a Software company like SimCorp.

Last year, SimCorp implemented the non-gaap adjusted reporting in order to take account of the introduction of the subscription model. This change caused quite some noise in the reporting during 2016.

Now SimCorp has changed the accounting standard with the early adoption of IFRS 15. I think the early implementation of IFRS 15 makes a lot of sense, but I certainly hope that SimCorp can stick to these principles for a longer period of time, so that the noise from changing accounting standards will disappear.

Thank you to the management and employees for an excellent 2016.

Thank you for the attention.

Spørgsmålet blev kommenteret af bestyrelsesformanden/den administrerende direktør.

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ATP deltager aktivt i selskabernes generalforsamlinger og fører løbende dialog med de enkelte selskaber for at drøfte strategi og resultater og for at vurdere ledelsens fokus på aktionærinteresser.