

# Business Deep Dive

Delivering on Horizon 2026

26 November 2024



# MY KEY MESSAGES TODAY

On track to deliver on Horizon 2026 targets,  
incl. synergies and Axioma integration

Strong growth momentum in all regions -  
SaaS a key driver

Unique SimCorp One value proposition is a  
major catalyst for client transformations

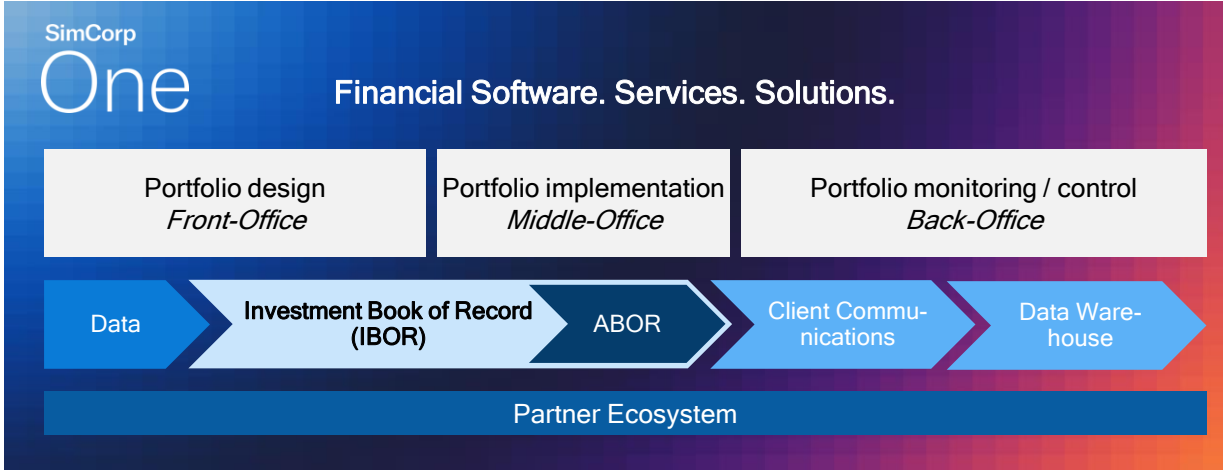
Significant investment in technology innovation,  
cloud native development a game changer

Growing share of growing market with  
attractive fundamentals

# SimCorp simplifies the investment operations for more than 800 of the world's largest institutional investors

## We sell mission critical software...

- SimCorp One unified platform covering the entire investment life cycle, enabling clients to transform their operating models
- Modularized value chain coverage
  - front-to-back
  - front-to-middle
  - middle-to-back



## ... with best of breed solutions

Data management	Optimization & Risk (Axioma)
Client communications	Cloud native apps

## ...and multiple deployment options for clients

Inhouse operations <i>On-premise</i>	Outsourced IT operations <i>SaaS</i>	Outsourced business processes <i>Business services</i>
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**GOODBYE COMPLEXITY,  
HELLO SIMICORP.**



# A leading global provider of integrated technology solutions for investment managers

Over **3,500 employees** globally

En route to  
**€1bn in revenue**

Over **50 years**  
of innovation

Our clients have  
a combined AUM  
of over **€35tr**

**Trusted by 800+**  
Asset Owners and  
Asset Managers worldwide

**High client retention rate**

# Healthy revenue development - on track toward Horizon 2026 targets but with quarterly swings through IFRS

Steering the business on  
3 key metrics

ARR




Net revenue

EBITDA margin




- High recurring revenue portion, with significant **per client revenue expansion**
- 30-35% of annual revenue driven through upfront license fee recognition (IFRS 15)
- Upfront license fees generated from sales, renewals and conversions
- **Q4 delivers around 35%** of annual revenues, with significantly higher share of upfront license fees
- Within a year **revenue distribution highly dependent on renewal cycles** (IFRS 15) resulting in fluctuating share (license, on-prem, SaaS)
- **Annual recurring revenue (ARR) represents a solid forward-looking metric** eliminating IFRS 15 fluctuation effects
- Horizon targets confirmed:
  - ~€0.9bn net revenue in 2026
  - 13-18% ARR growth 2023-26 (CAGR)

# Attractive industry fundamentals and positive market outlook

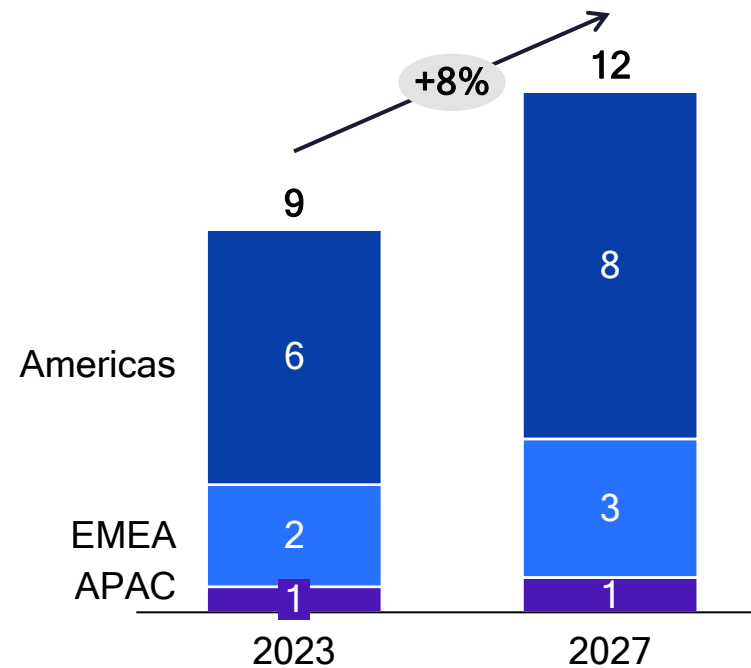
## Structurally attractive

-  Growth market
-  Specialized niche
-  Concentrated competition

## Strategically attractive

-  High entry barriers
-  High switching costs
-  Network effects

Investment management software market  
2023-27 CAGR (€bn, %)



## Tailwind trends fueling future growth

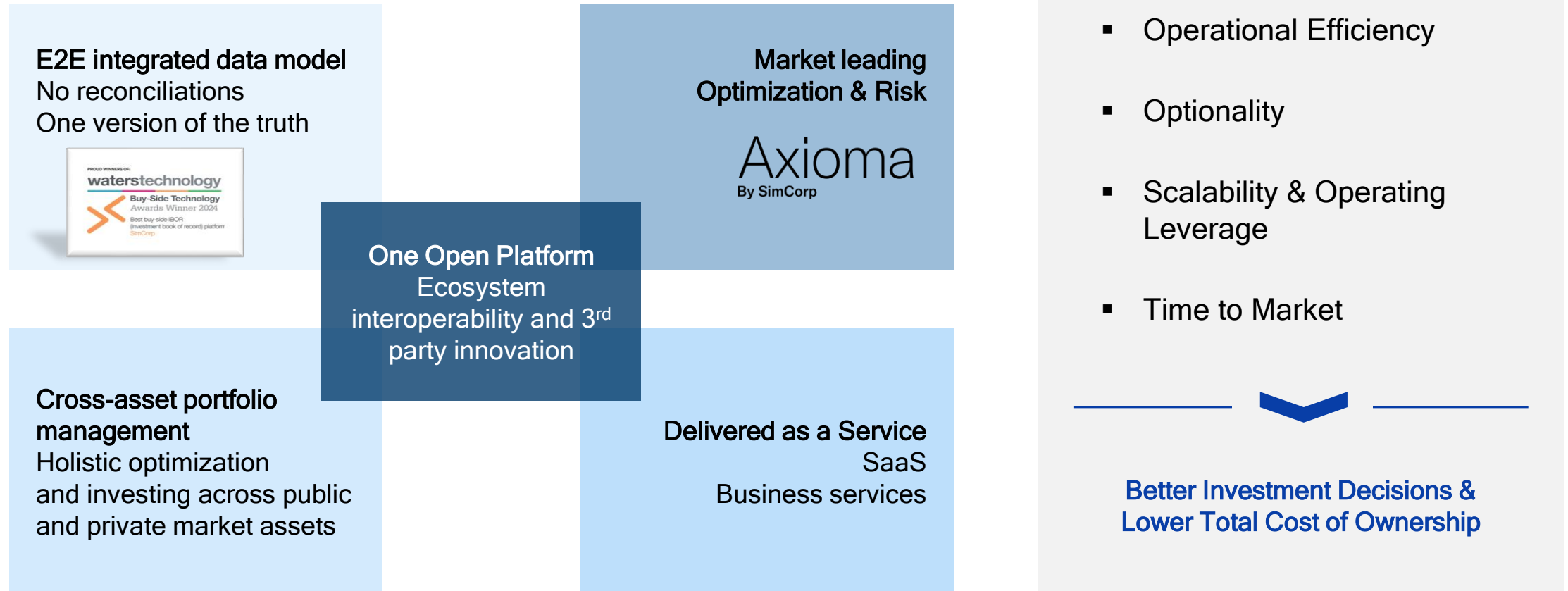
Large untapped pool of “legacy” operating models:

- Switch to **integrated front-to-back** operating models
- Move to **cloud** is **accelerating** and will keep pace in coming years
- Uptick in **technology enabled business process outsourcing**

# We help investors run their business through the entire life-cycle - from investment idea to accounting

SimCorp  
**One**

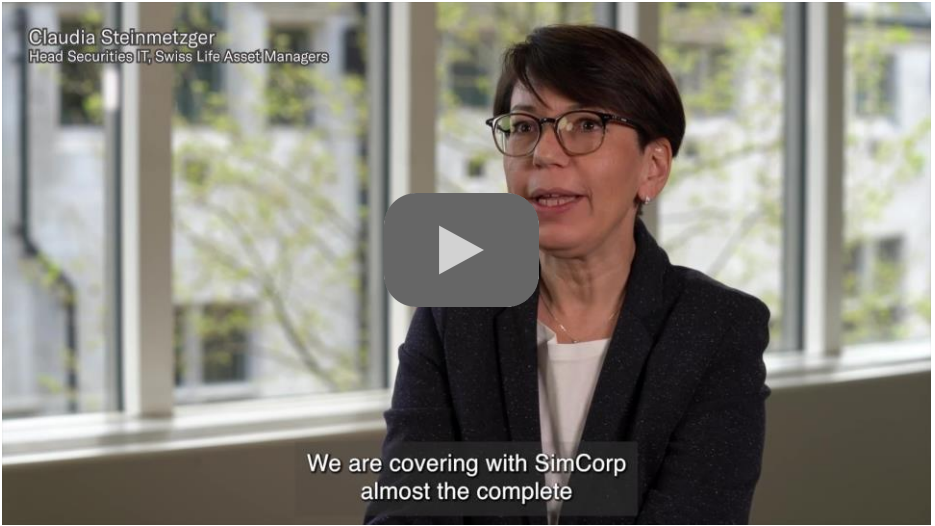
## Breaking down the uniqueness of SimCorp One





# Being a trusted partner and creating superior customer value will continue to fuel our growth

  
**SwissLife**  
SwissLife  
AuM: €270bn  
  
Claudia Steinmetzger  
Head of Securities IT



**ADIA**  
**MEAG**

 **GENERALI**  
INVESTMENTS  
  
 **Manulife**

 **Fannie Mae**<sup>®</sup>  
  
**Nordea**  
ASSET MANAGEMENT

 **SimCorp**

**Saving +\$10m  
in 3 years**

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ROI	134%
Payback	13 months
3Y efficiencies	\$11.5m

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A Forrester Total Economic Impact™ Study

**FORRESTER**<sup>®</sup>

# Solid commercial traction - Q4 pivotal as always

Key highlights

**13-18%**  
expected ARR growth  
in 2024

**58%**  
of ARR growth from  
client expansions

**31**  
New logos

Strong growth across  
all regions

Axioma/SimCorp  
cross-selling  
momentum

# Focus areas



SaaS & Business Services growth



Americas Acceleration



Market leading Front Office



Cost efficient scaling

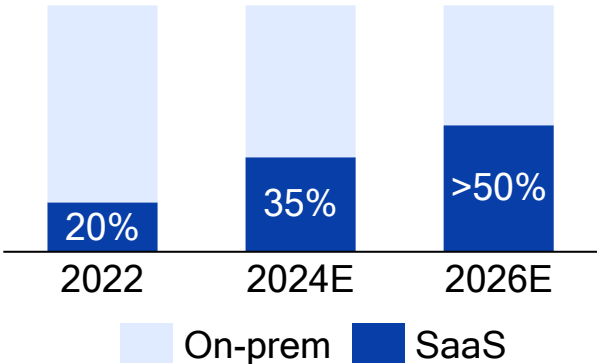


Axioma and Deutsche Börse Group synergies

# Leveraging operating model transformation of existing and new clients to build scale in SaaS and Business Services

## Operating Model Transformations

- Transitioning existing and new clients onto SimCorp One
- Pace of on-prem to SaaS transitions largely dictated by clients



## SaaS

- Cloud native and cloud optimized
- Ongoing technology modernization
- SaaS running on Microsoft Azure
- Automation & AI
- 24/7 delivery & support

## Business Services

- Outsourced business operations
- Technology enabled
  - Data Management Services
  - Investment Operations Services
  - Investment Accounting Services
- Operational efficiency via increasing scale, use of automation, standards, and connectivity hub



**110 SimCorp One SaaS Clients in Total**

**+27 SimCorp One SaaS Clients YoY**

**20 Business Service Clients (+4 YoY)**

# Accelerating SimCorp's growth in the Americas from a stronger position than ever

Large untapped growth potential on a solid foundation



**350+**  
clients




520+  
employees

8 offices  
Mexico global  
delivery center

Market share<sup>1</sup>  
(excl Axioma)

~9%

Priority growth drivers

-  US and Canadian Pensions  
- our current stronghold
-  US Asset Managers  
- largest segment with largest potential
-  US Insurance  
- strong Business Services appeal



Note: 1) based on number of platform clients relative to total addressable market

Multi-pronged strategic approach ...

- Boosting brand awareness
- Tailoring product portfolio
- Expanding sales capacity

... and growing momentum in the market



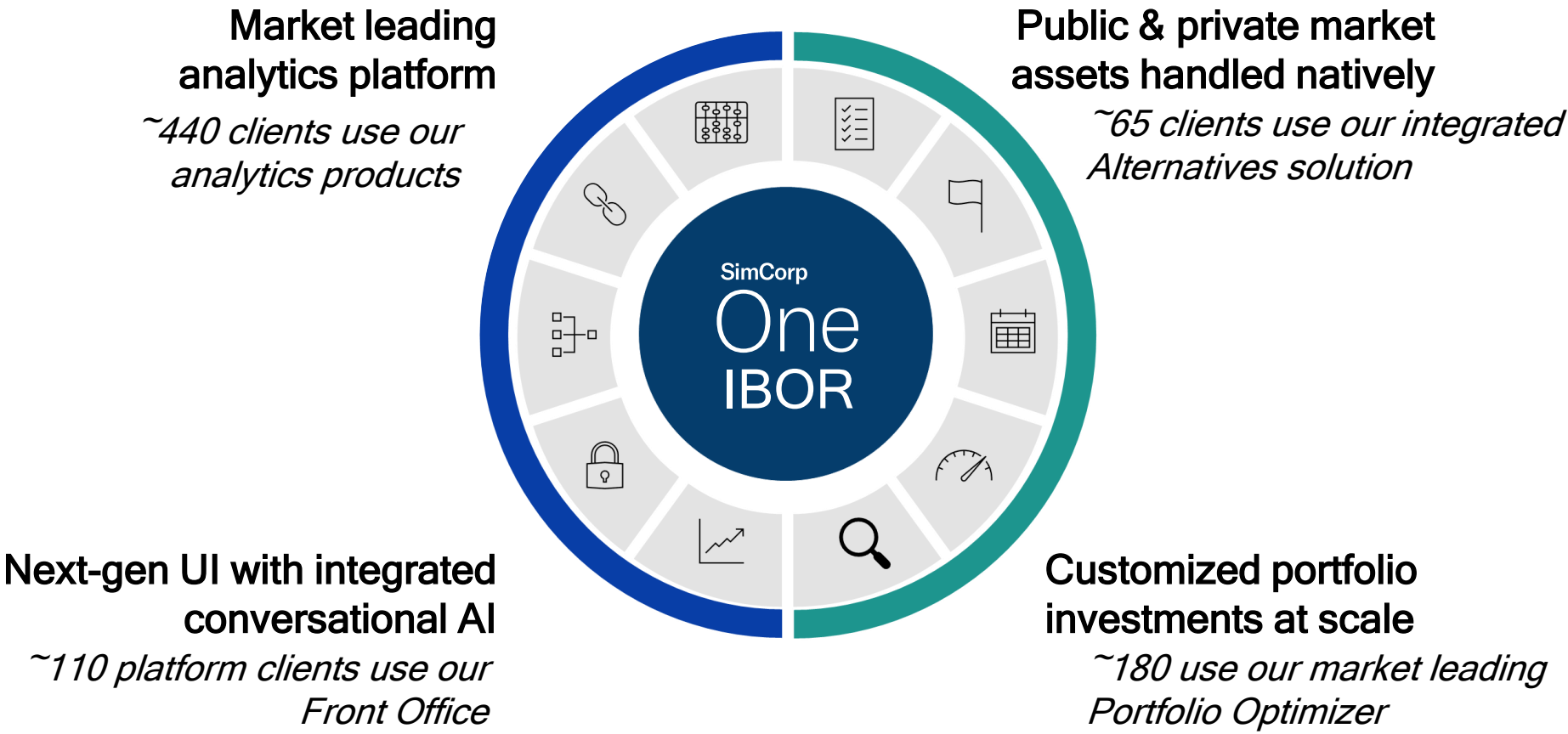


Intech Investments  
AuM: €12bn

**Paul Cassel**  
Chief Technology Officer



# Building out our market leading Front Office solution across asset classes, functionality, and workflows



# Stepping up the use of AI across our business

8+ year experience with AI

Strategic technology partnerships with AI frontrunners ...

... and access to frontier innovation through our 120+ Partner ecosystem



We're utilizing AI to optimize, enhance, and enrich the way we work and deliver value to clients

Amplifying products and services

Enhancing customer experience

Optimizing internal workflows



# Several levers to scale cost-efficiently and drive margins up

## Technological



**Software engineering for the cloud**  
Example: Infrastructure footprint reduction,  
cloud native applications



**AI assisted software development**  
Example: GitHub Copilot



**Automation & simplification**  
Example: DevOps pipelines

## Operational



**Disciplined cost management**  
Example: Zero growth in  
corporate support functions<sup>1</sup>



**Global delivery model**  
Example: Finance offshoring to Manila  
operations center



**Group economies of scale**  
Example: Group hosting deal with  
Microsoft

# Harvesting the value of the Axioma and Deutsche Börse Group

On track to realize Axioma synergies and integration ...

Tracking to reach target of ~€60m run-rate EBITDA synergies by 2026	Efficiency measures from operating model optimizations (~€35m)
	Revenue uplift from cross-sell and integrated, enhanced offering (~€25m)

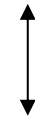
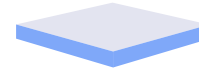
Cross-sell examples

		
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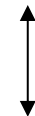
... and building opportunities across the Group

Examples

Liquidity & data connectivity



SimCorp  
One



Post-trade connectivity

- Liquidity**  
 Extended repo functionalities by adding access to cleared repos  

- Data Connectivity**  
 Cross-sell FX execution management  

- Collateral & Lending**  
 Provide triparty collateral management, securities lending and liquidity solutions  

- Fund distribution**  
 Access to fund processing solution incl joint value proposition for Fund Data Management  






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