

**Columbus**

Annual Report 2015

Webcast,  
18 March 2016  
at 13:00 CET

Annual Report 2015  
Launching Columbus2020

**Columbus**<sup>®</sup>  
Once you *know* how...



This presentation and related comments contain forward-looking statements. Such statements are subject to many uncertainties and risks, as various factors of which several are beyond Columbus A/S' control, may cause that the actual development and results differ materially from the expectations

# INTRODUCING TODAY'S PRESENTERS



Thomas Honoré, CEO



Hans Henrik Thrane, CFO

# AGENDA

- Highlights 2015
  - Income statement
  - Columbus15 strategy
  - Geographical & business segments
  - Columbus2020 strategy
  - Short-term and long-term targets
  - Questions



# HIGHLIGHTS 2015

Revenue

**28% growth**

amounting to DKK 1,123m

EBITDA\*

**29% growth**

amounting to DKK 105.2m

Net Result after taxes

**24%**

increased to DKK 65.3m

Columbus Software

**57% growth**

in revenue

Consultancy Revenue

**20% growth**

Customer work

**55%**

chargeable work

Industry Solutions

**78%**

of total revenue

Global Delivery Center

**17%**

increase in customer deliveries

Acquisitions

**InterDyn BMI**

**MW data**

**MW Solutions**

**Sherwood Systems**

\* EBITDA before share-based payment

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# INCOME STATEMENT 2015

Income statement (mDKK)	2015	2014	Δ %
Consultancy	716	597	20%
Columbus Software	97	62	56%
External Software	292	198	47%
Other	19	21	-10%
<b>Net Sales</b>	<b>1123</b>	<b>878</b>	<b>28%</b>
External project cost	-275	-204	34%
<b>Gross Profit</b>	<b>848</b>	<b>674</b>	<b>26%</b>
Staff Cost (ex. warrants)	-607	-477	27%
Other External Costs	-137	-116	18%
<b>EBITDA (before warrants)</b>	<b>105</b>	<b>82</b>	<b>29%</b>
Warrants	-1	-3	-53%
<b>EBITDA</b>	<b>104</b>	<b>79</b>	<b>32%</b>
Depreciation and amortization	-29	-26	12%
Net Financial income	9	6	47%
Tax	-18	-6	201%
<b>Net result</b>	<b>65</b>	<b>53</b>	<b>24%</b>

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# Columbus<sup>15</sup>®

Extend Industry Leadership

Sell More Own Software

Global Delivery Model

Improve Service Profit

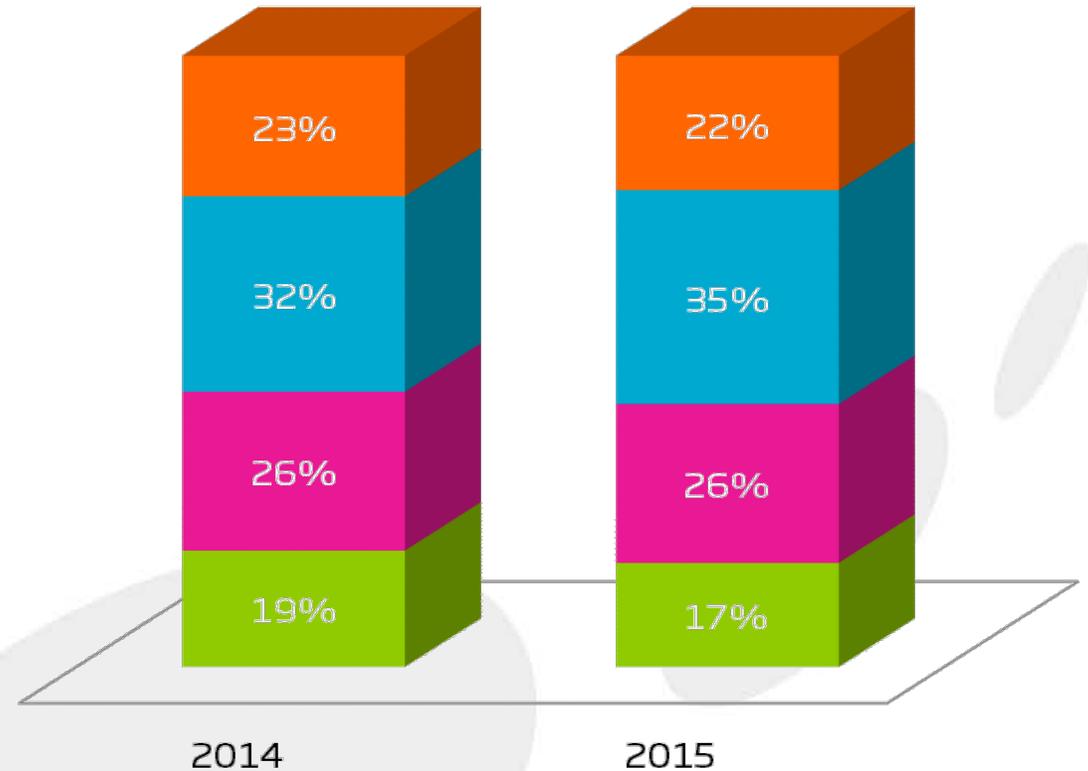
Geographic Focus

# EXTEND INDUSTRY LEADERSHIP

## 78% of revenue from Industry Solutions

- 78% of total revenue from the focus industries food, retail and manufacturing
- Manufacturing still our leading industry with 35% of the total revenue
- Development in line with expectations and above the target of 75%

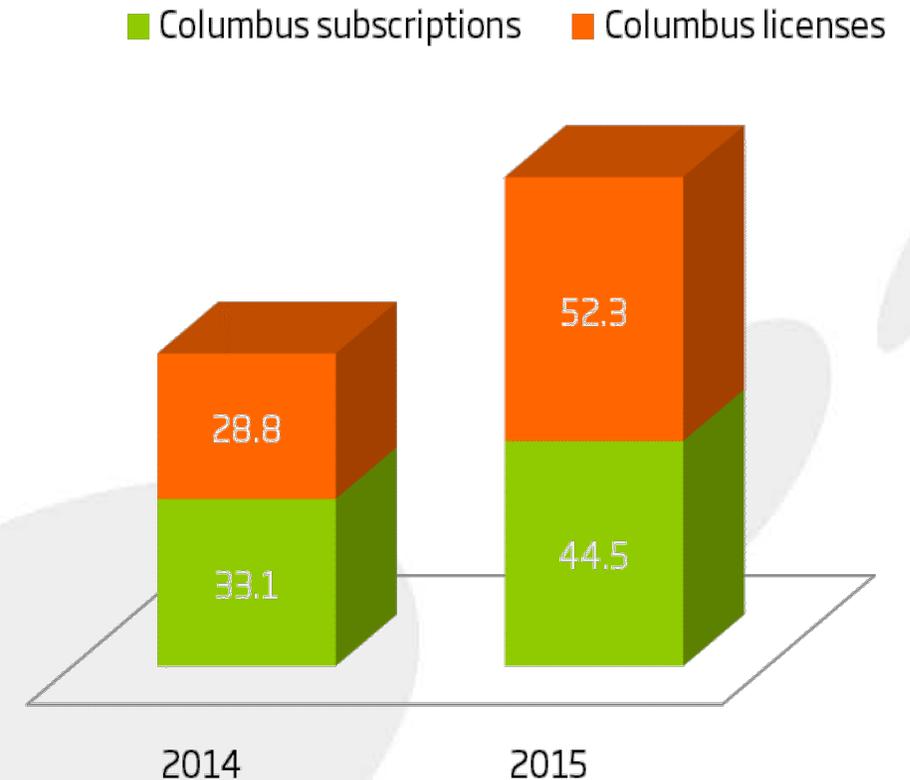
■ Food ■ Retail ■ Manufacturing ■ Other



## Record growth in Columbus' software business

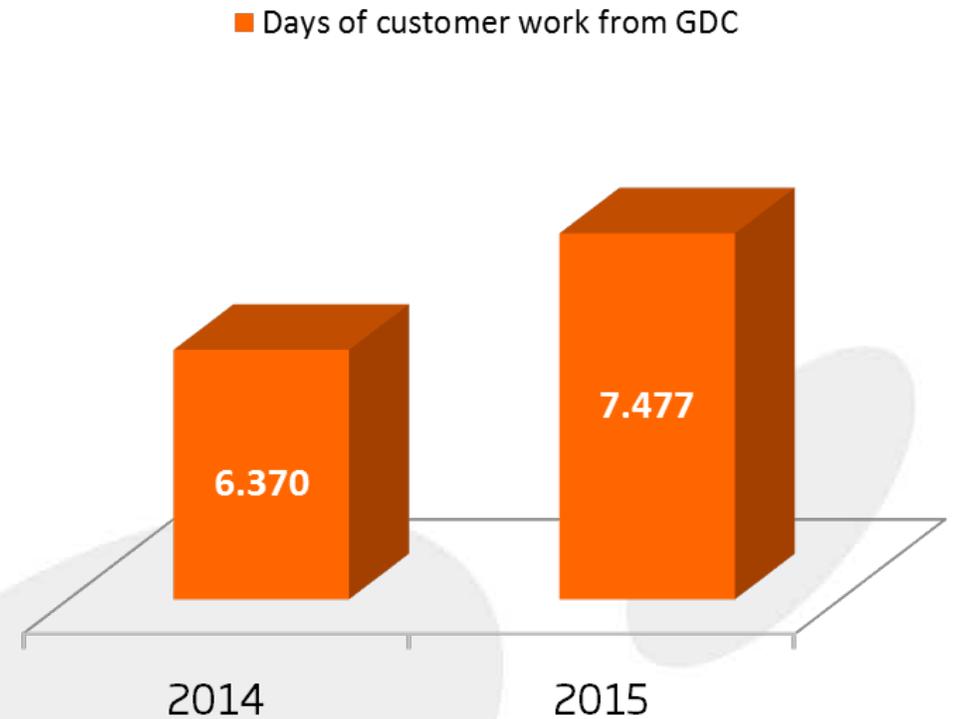
- Total revenue from sale of Columbus Software increased by 57%, amounting to DKK 96.8m
- Best selling solutions:
  - Columbus Advanced Discrete Manufacturing (ADM) suite
  - Columbus Mobility Solutions
  - Columbus RapidValue
- Sale of Columbus licenses grew by 82%

Sale of Columbus Software (mDKK)



## Increased capacity and productivity in Columbus' Global Delivery Center

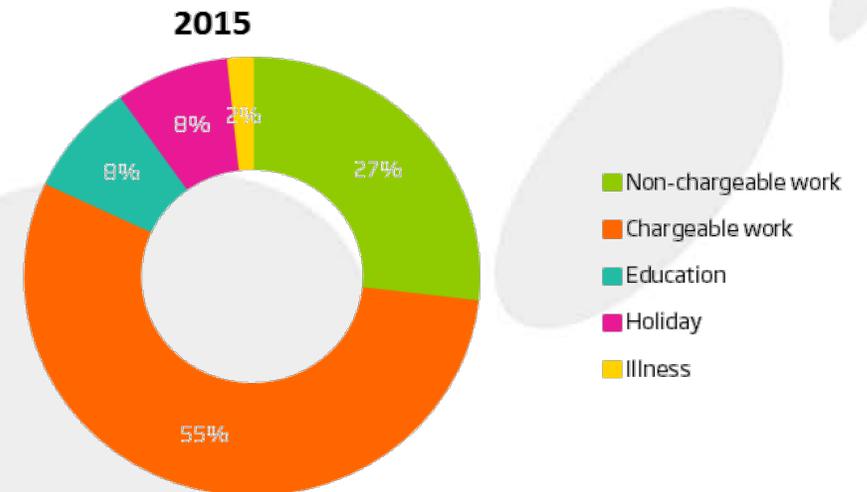
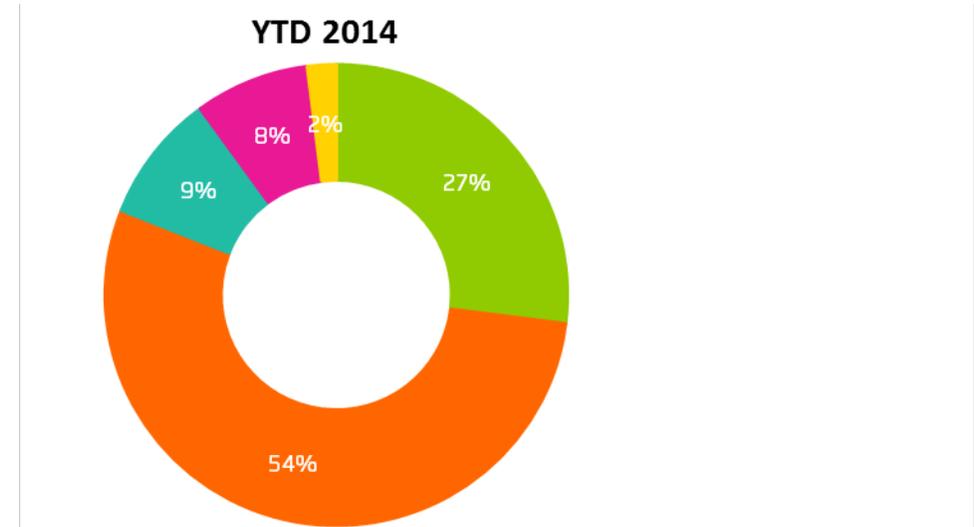
- 17% increase in Global Delivery Days
- 7,477 days of customer work
- The centre employs 101 consultants
- In line with expectations



# IMPROVE SERVICES PROFIT

## Growth in services revenue

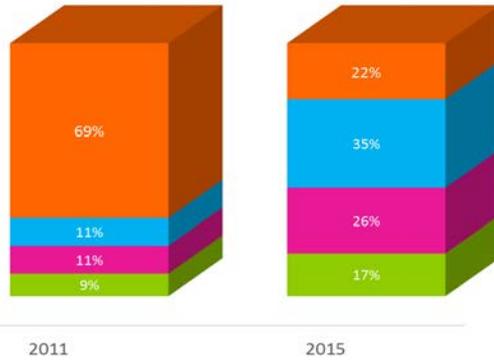
- 20% revenue growth in consulting revenue, mainly due to acquisitions and growth in Columbus Software sales
- Chargeable work increased from 54% to 55%
- The average number of consultants increased by 19%



# SEALING COLUMBUS<sub>15</sub>

## Extend industry leadership

■ Food ■ Retail ■ Manufacturing ■ Other

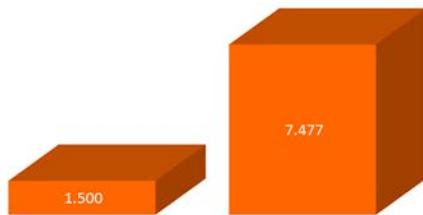


2011

2015

## Global delivery center

■ Global Delivery Days

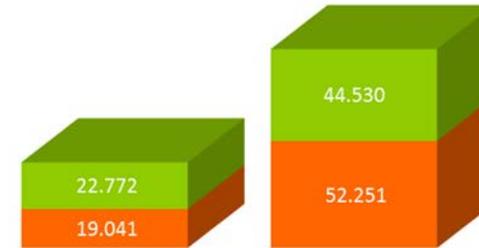


2012

2015

## Columbus Software

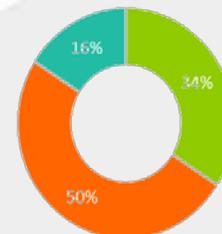
■ Columbus Software licenses ■ Columbus Software subscriptions



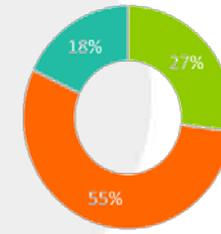
2011

2015

## Improve services profit



2012



2015

■ Non-chargeable  
■ Chargeable  
■ Other

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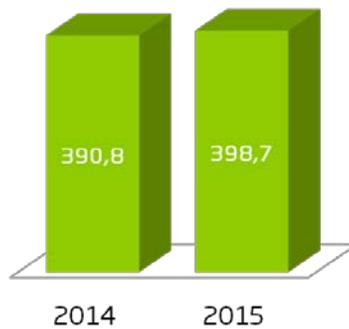


## Overview

mDKK	2015	2014	Δ	Δ%
Net Sales	551,9	532,5	19,4	4%
EBITDA	56,9	52,8	4,1	8%

## Consultancy

Service Revenue (mDKK)

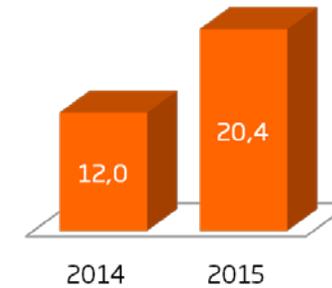


## Columbus Software

Subscriptions (mDKK)



Licenses (mDKK)

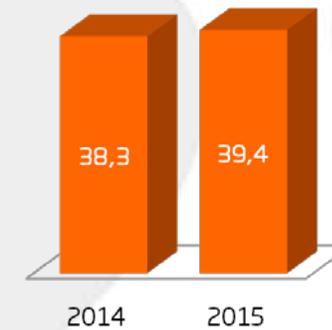


## 3rd party software

Subscriptions (mDKK)



Licenses (mDKK)



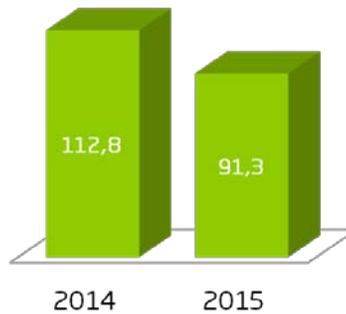
# EASTERN EUROPE

## Overview

mDKK	2015	2014	Δ	Δ%
Net Sales	139,8	161,3	-21,5	-13%
EBITDA	11,7	16,3	-4,6	-28%

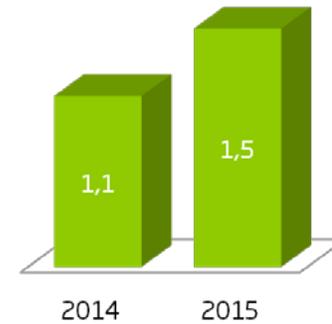
## Consultancy

Service Revenue (mDKK)

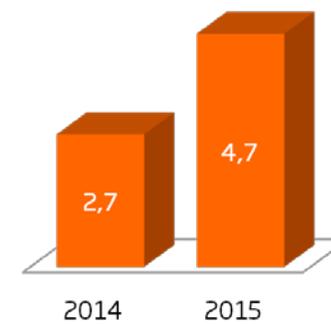


## Columbus Software

Subscriptions (mDKK)



Licenses (mDKK)

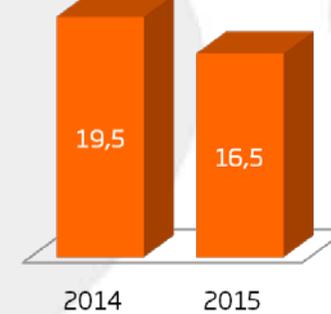


## 3rd party software

Subscriptions (mDKK)



Licenses (mDKK)



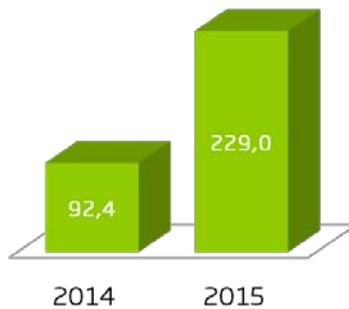
# NORTHERN AMERICA

## Overview

mDKK	2015	2014	Δ	Δ%
Net Sales	391,7	149,6	242,2	162%
EBITDA	13,6	1,4	12,2	847%

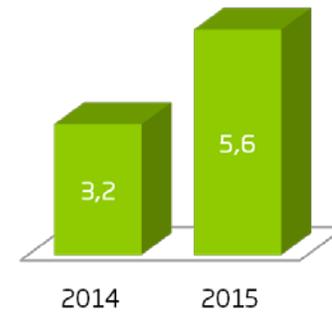
## Consultancy

Service Revenue (mDKK)

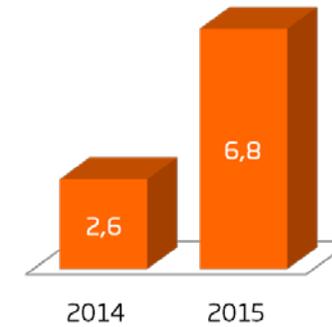


## Columbus Software

Subscriptions (mDKK)



Licenses (mDKK)

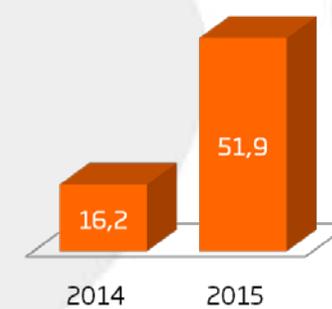


## 3rd party software

Subscriptions (mDKK)



Licenses (mDKK)



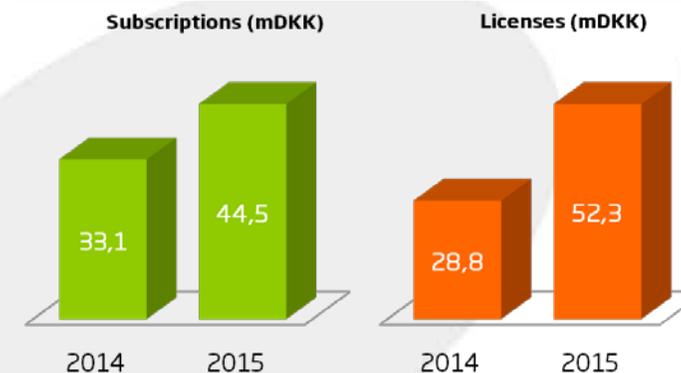
## Increased earnings in Columbus' software business

- Revenue in our Software ISV business grew by 33%
  - 57% increase in sale of Columbus Software
  - 82% increase in Columbus licenses
  - 35% increase in subscriptions
- EBITDA increased by 42%

### Overview

mDKK	2015	2014	Δ	Δ%
Net Sales	92,8	69,9	22,9	33%
EBITDA	49,0	34,5	14,6	42%

### Columbus Software



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# Columbus® | 2020

# FINANCIAL VALUE DRIVERS

1 High productivity in the **services business** ➤ High **earnings potential** in the services business by continuing to optimize deliveries, minimize risk and control costs

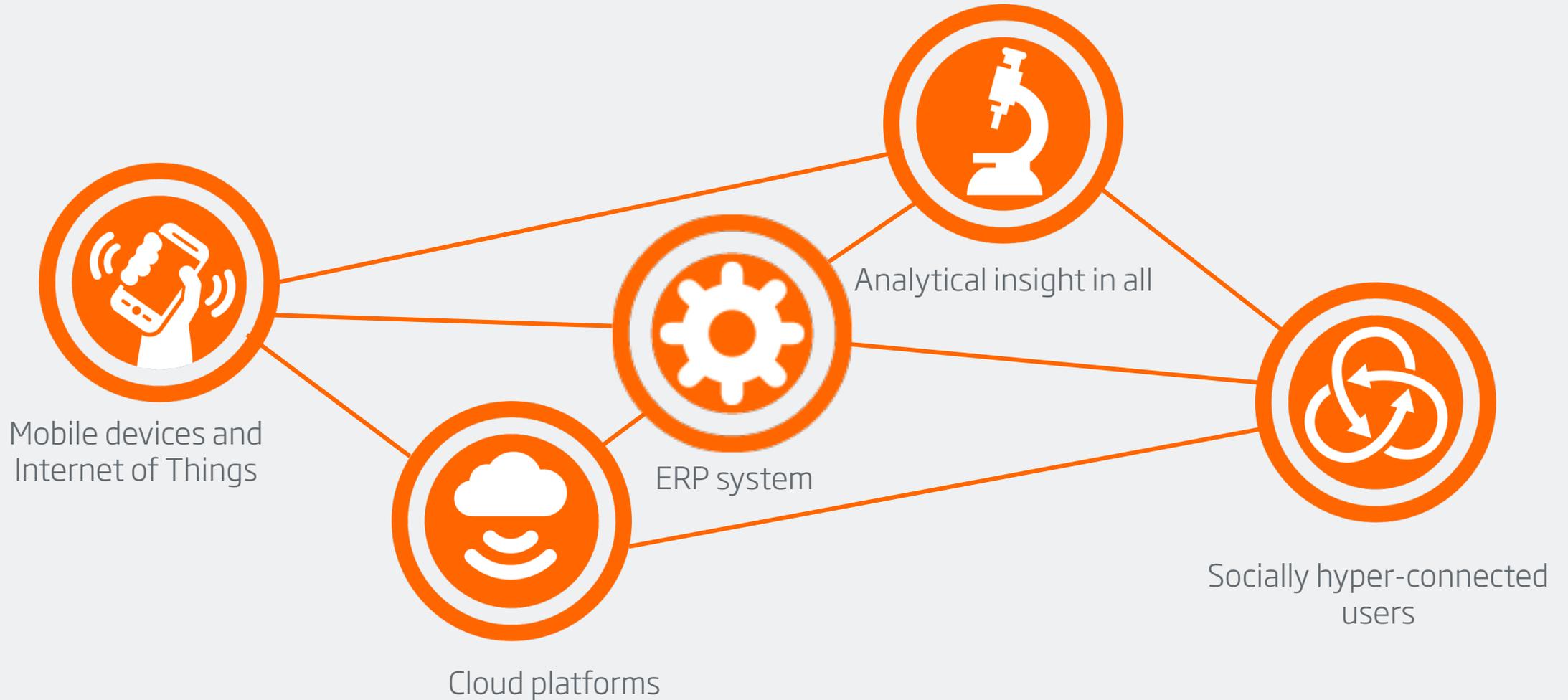
2 Scaling of own **software sales** ➤ High **margin** on sales of own software which opens opportunities for additional sales and creates value for customers

3 **Recurring service revenue** and **cloud revenue** ➤ Support agreements and cloud revenue are **recurring revenue**, which also establish long and strong customer relationships

# MEGA TRENDS ARE ACCELERATING CHANGE

- Global trends drive spending in digital business solutions
- More **complex business** processes
- Need for improved **customer experiences** to create better customer relations
- **Compliance management** and **risk management** are becoming major obligations
- High demands to excel in **change management**
- **Mergers, acquisitions** and **selling businesses** increase
- demand for **secure, sustainable and transparent** operations
- Urge to improve **efficiency and manage cost**

# ERP THE CORNERSTONE IN DIGITAL TRANSFORMATION



# COLUMBUS 5-YEAR STRATEGY

## Columbus® | 2020





## Customer Success; Taking care of our customers for life

“We strive to keep our customers for life by providing the best customer experience and high quality when engaging with Columbus”



## Digital Leadership; Accelerate business innovation

“We help our customers accelerate business innovation by maximizing the value realization of ERP and by leading them in the digital business transformation”.



## Our People;

Attract, develop & retain the best people

“We provide challenging career opportunities, attractive working conditions and professional and personal development for Our People”.



## Process Excellence; Quality in everything we do

“We strive to improve operations and best practices in order to achieve global sales excellence and deliver high quality services to our customers”.

# COLUMBUS 5-YEAR STRATEGY

## Columbus® | 2020



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# FINANCIAL GUIDANCE FOR 2016

Revenue, in the range of  
**DKK 1.2bn**

EBITDA\*, in the range of  
**DKK 120m**

Service EBITDA, in the range of  
**DKK 80m**

Software revenue, in the range of  
**DKK 105m**

Dividend  
**10% dividend**  
on nominal share capital

\* EBITDA before share-based payment

# LONG-TERM GUIDANCE FOR 2018

Revenue

**10% growth**

average per year

EBITDA

**10%**

EBITDA margin per year

Recurring revenue

**30%**

Of total revenue in 2019

Dividend

**10% pay-out**

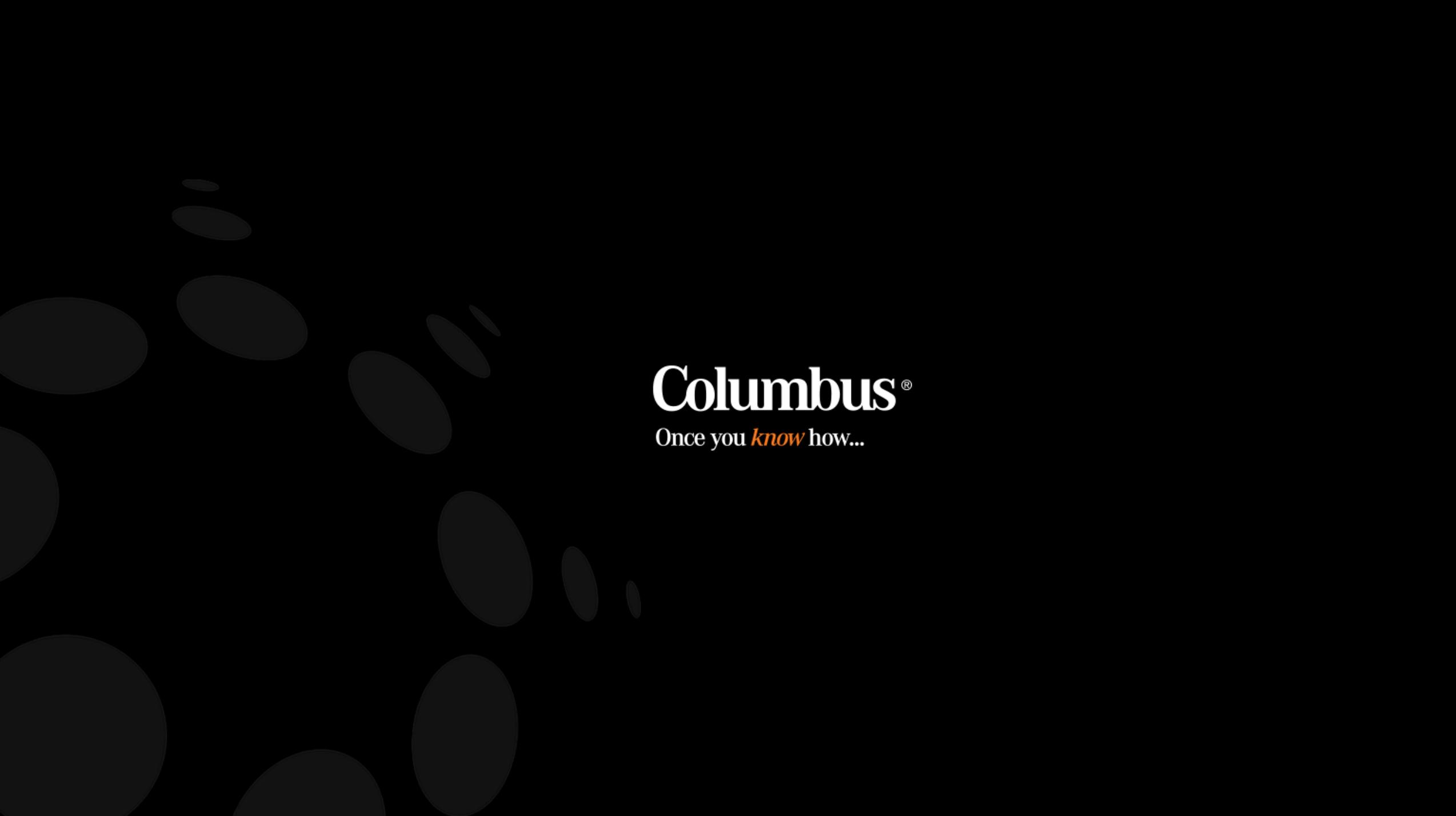
of nominal value each year

## Columbus Capital Markets Day

- Date: Tuesday, April 5
- Time: 9:00 - 11.00 am CET
- Where: ABG Sundal Collier, Copenhagen
- Register to Rind Danielsson at [rind.danielsson@abgsc.dk](mailto:rind.danielsson@abgsc.dk)

We look forward to welcoming you

# QUESTIONS



Columbus<sup>®</sup>

Once you *know* how...