

Columbus Financial Results Q1 2017

ABGSC Small & Midcap seminar

25 April 2017



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.

Today's presentation

AGENDA

- Highlights of Q1 2017
- Income statement
- Customer Experiences
- Columbus2020 Strategy
- Financial Value Drivers
- 2017 expectations
- Long-term guidance
- Questions

Highlights Q1 2017

Revenue

13% growth

amounting to DKK 310m

EBITDA*

14% growth

amounting to DKK 29m

Service EBITDA

33% growth

amounting to DKK 26m

Columbus Software

5% growth

amounting to DKK 19m

Acquisitions

Tridea Partners

Income Statement Q1 2017

Income statement (mDKK)	Q1 2017	Q1 2016	Δ%
Columbus Software	19,2	18,4	5%
External Software	60,0	60,3	-1%
Service	225,1	191,6	18%
Other	5,8	5,1	14%
Net Sales	310,1	275,3	13%
External project costs	-60,4	-52,7	15%
Gross profit	249,7	222,7	12%
Staff expenses and remuneration	-178,6	-160,4	11%
Other external costs	-41,6	-36,3	15%
EBITDA before share-based payment	29,5	25,9	14%
Share-based payment	-0,6	-0,5	9%
EBITDA	28,9	25,4	14%
Depreciation	-9,8	-7,5	30%
Net Financial Income	-2,4	-1,7	42%
Net result before tax	16,7	16,2	3%

Customer experiences



Industry focus

Columbus® | Food



Columbus® | Manufacturing



Columbus® | Retail



Optimizing business processes



Who	The world's leading pizza delivery company
Challenge	Lack of visibility, consistency, timeliness of data due to a range of disparate systems
Solution	Columbus RapidValue Columbus AX Anywhere Columbus Connectivity Studio Columbus EDI Studio Microsoft Dynamics AX 24x7 ColumbusCare support
Outcome	Immediate access to real-time data to help the business make smart business decisions

Delivering digital transformation



Who	Development, production, construction and service of offshore wind turbines
Challenge	Merger of two companies with multiple systems
Solution	<ul style="list-style-type: none"> Columbus Advanced Discrete Manufacturing Columbus Dynamic Security Management Columbus Invoice Workflow Columbus Connectivity Studio Microsoft Dynamics AX ColumbusCare & ServerCare
Outcome	Solid ERP system that supports MVOW's digital transformation and strategic goals

Access to business information



Who	A food processing company that is responsible for the production of breakfast cereal brands
Challenge	Costly to maintain spiders web of third party applications and complex integration points
Solution	Columbus Connectivity Studio Consulting services Microsoft Dynamics AX ColumbusCare
Outcome	Improved visibility of information across the whole business delivered at the right time and the right format



Towards Growth
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Columbus2020

We help ambitious companies in three ways



We **digitally transform** businesses and improve the value realization of business applications.



We **mitigate** the inherent risks associated with implementing, upgrading and replacing legacy ERP systems.



We **lead** our customers through their toughest challenges with lifetime services, refined over thousands of cases.



Columbus® | 2020



Strategic priorities for 2017

Columbus® | 2020



Cloud Execution Plan

Acquire businesses that complement Columbus' services or offering portfolio



Launch of cloud solution portfolio

Launch of new ColumbusCare offerings



Develop Columbus Competencies & Career Framework



Synchronize processes in both the sales and services business



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Financial Value Drivers

Financial Value Drivers

1 High profitability 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

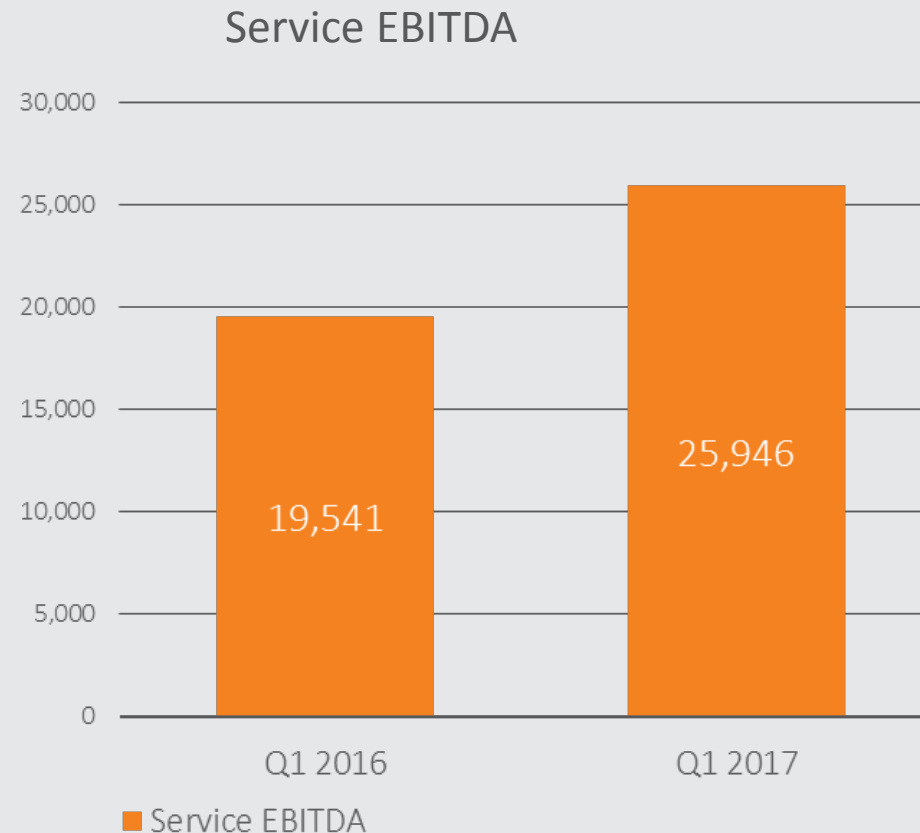
High **margin** on sales of own software which opens opportunities for additional sales and creates value for customers

3 **Recurring** revenue and **cloud** revenue

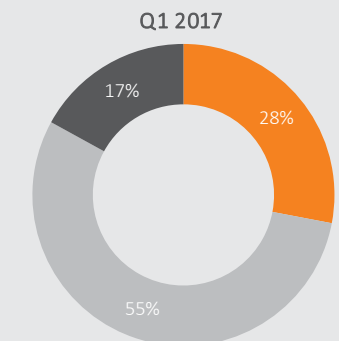
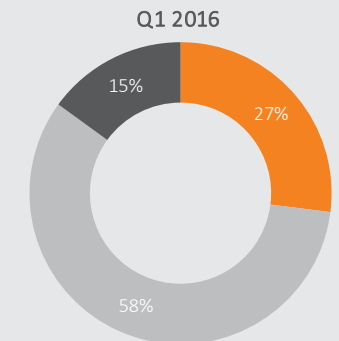
Support agreements and cloud revenue are **recurring revenue**, which also establish long and strong customer relationships

Growth and improved profitability in the services business

- Service revenue grew by 18% to DKK 26m
- Service EBITDA increased by 33% to DKK 26m
 - Increase in realized hourly rates
 - Increased use of Columbus Global Delivery Center
- Decrease in chargeable hours (58% to 55%)
 - Due to technology change in US SMB business leading to lower sales
 - Normalizing of chargeable hours in UK and Russia



Customer Work



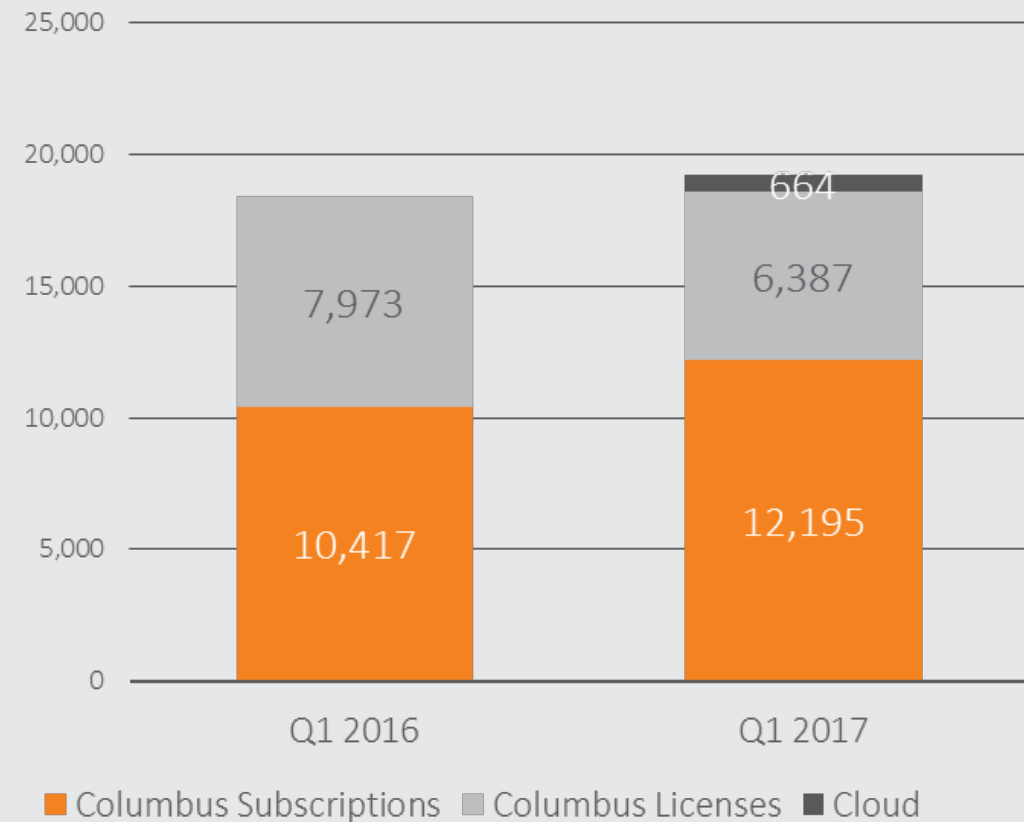
- Non-chargeable
- Chargeable
- Other

Excluding Cambridge Online systems

Growth in Columbus Software sales

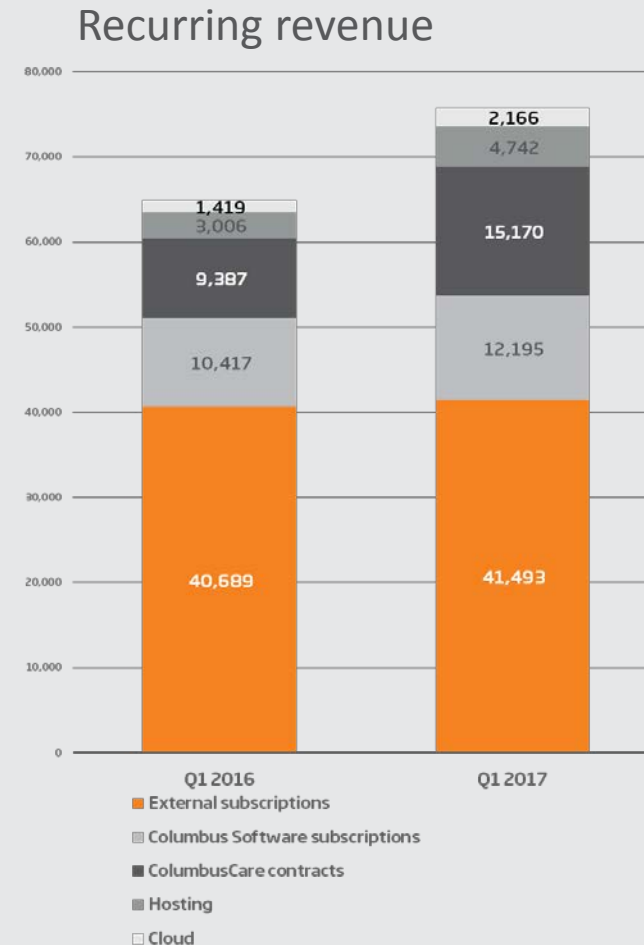
- Total revenue from sale of Columbus Software grew by 5%, amounting to DKK 19m
 - Subscriptions grew by 17%
 - License sales declined by 20%
- Cloud sales increased to DKK 664.000
- Development as expected

Columbus Software revenue



Growth in Recurring revenue

- Recurring revenue increased by 17%
- Recurring revenue constitutes 24,4% of total revenue
- Significant growth in ColumbusCare, which increased by 62%
- Development as expected





Short- and long-term Guidance

Financial guidance for 2017

Revenue, in the range of
DKK 1.35bn

EBITDA*, in the range of
DKK 150m

Service EBITDA, in the range of
DKK 140m

Software revenue, in the range of
DKK 80m

Dividend
10% dividend
on nominal share capital

* EBITDA before share-based payment

Short-term guidance



Long-term guidance for 2019

Revenue

10% growth

average per year

Recurring revenue

30%

of total revenue in 2019

EBITDA*

11%

EBITDA margin per year

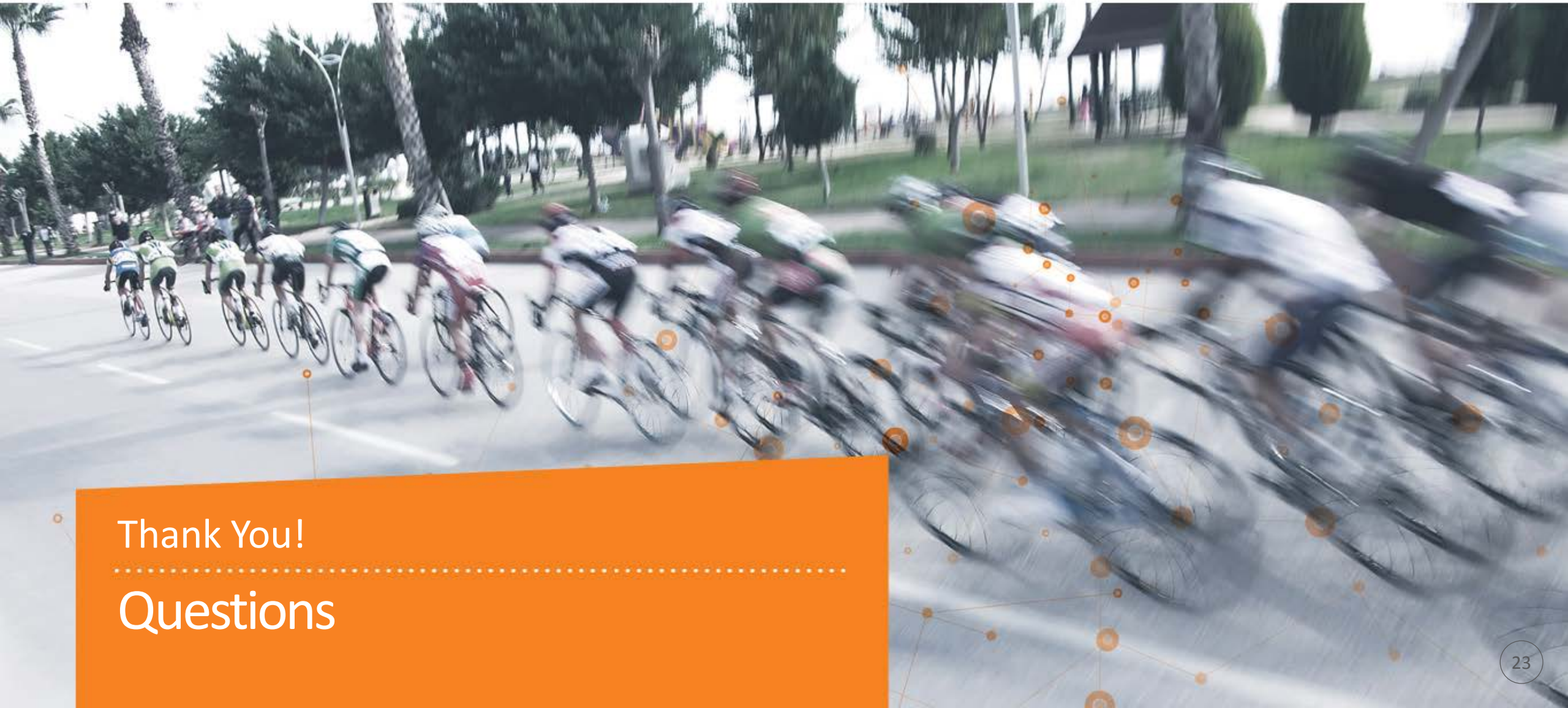
Dividend

10% pay-out

of nominal value each year



Long-term guidance



Thank You!
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Questions

Upcoming events

H1 2017, Financial Results

24 August 2017





Columbus[®] | Once you
know how...