

Columbus Financial Results Q1 2017

Presentation at ABGSC

26 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
- Columbus2020 Strategy
- Financial Value Drivers
- Geographical and business segments
- 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%



Towards Growth
Columbus2020

We help ambitious companies in three ways



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

1



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

2



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

3

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

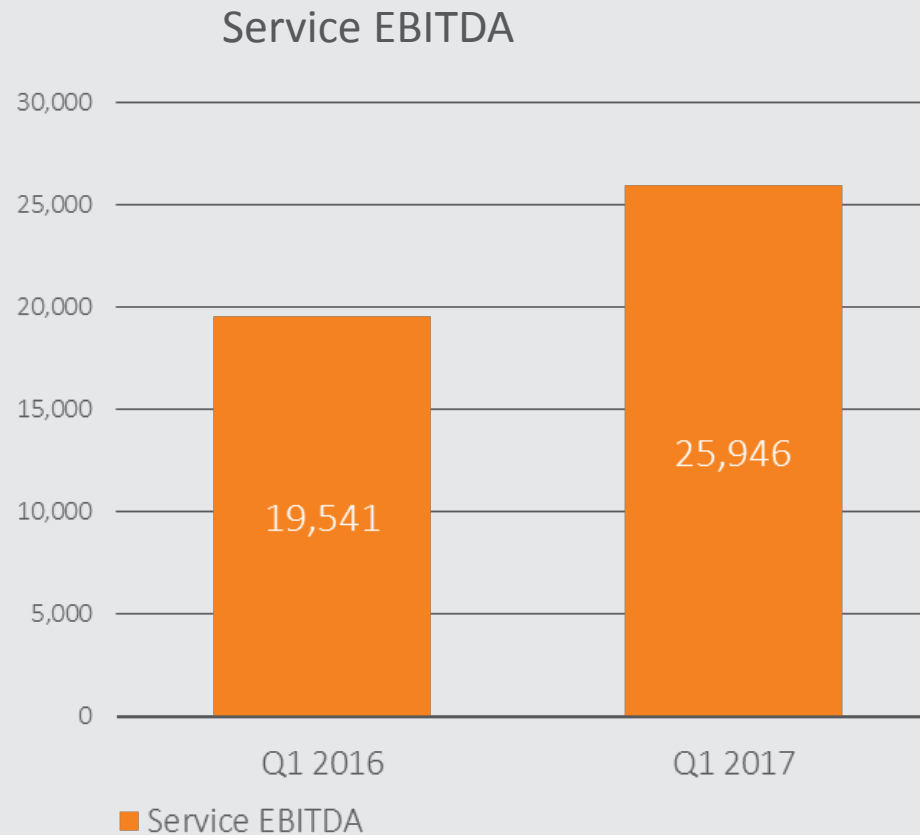
High **margin** on sales of own software which opens opportunities for additional sales and creates value for customers

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

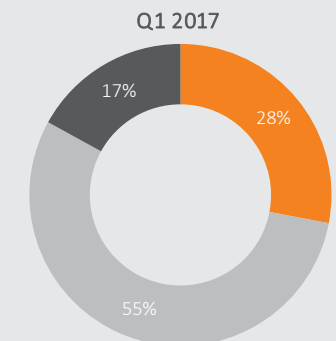
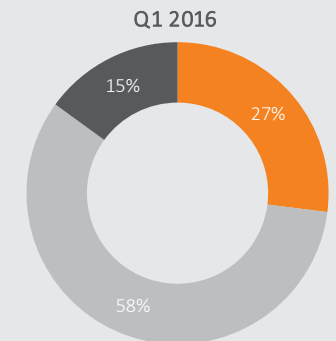
Support agreements and cloud revenue are **recurring revenue**, which also establish long and strong customer relationships

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



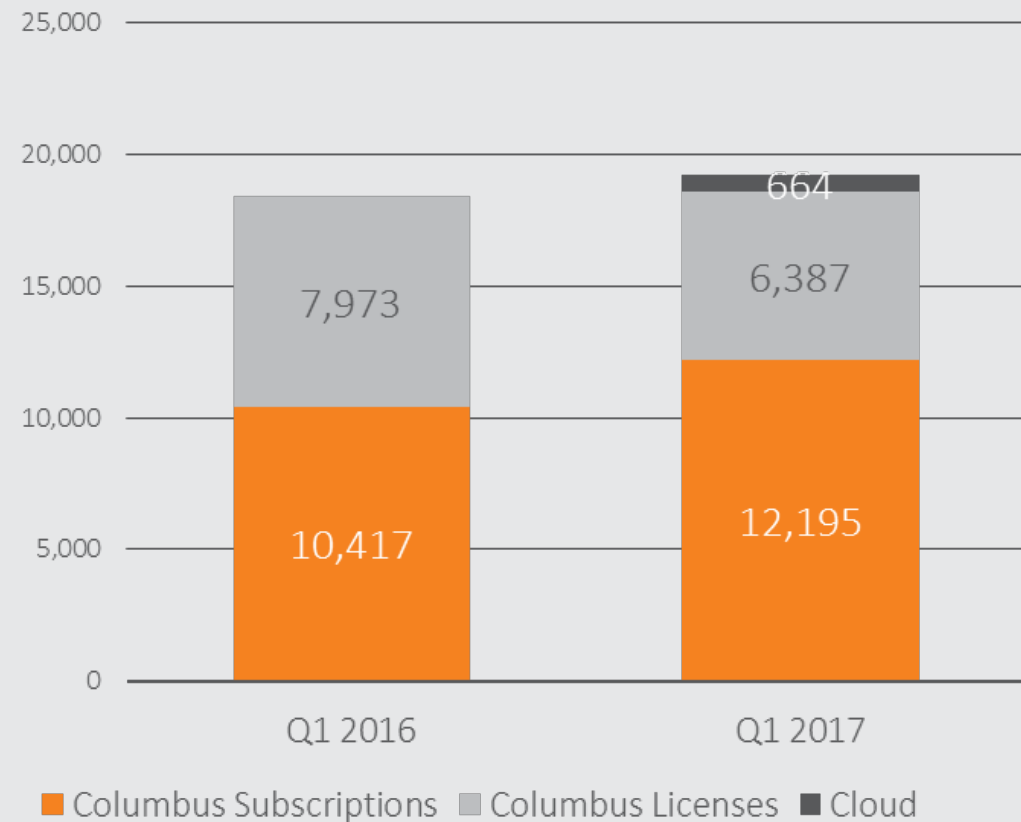
- Non-chargeable
- Chargeable
- Other

Excluding Cambridge Online systems

Growth in Columbus Software sales

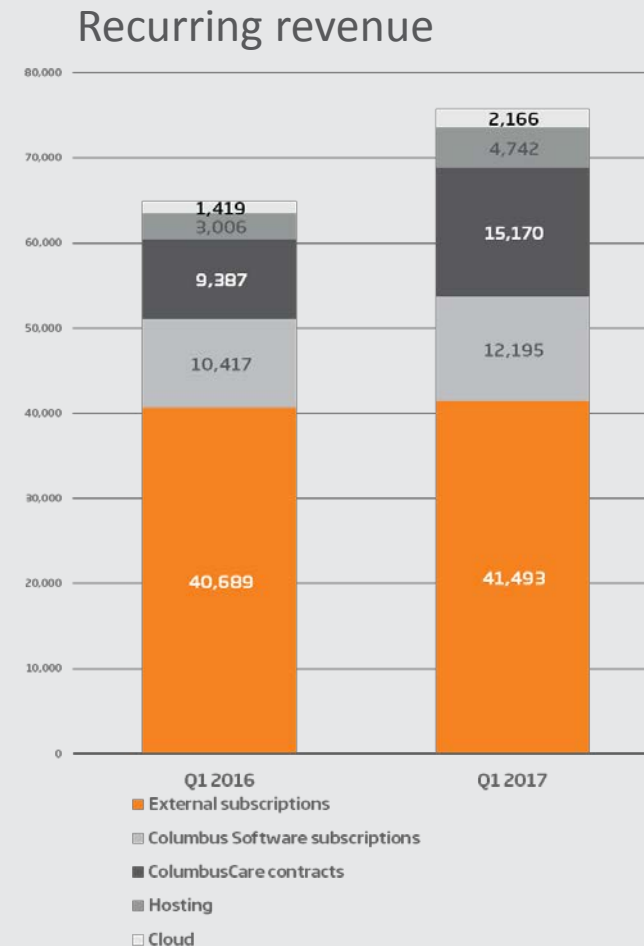
- Total revenue from sale of Columbus Software grew by 5%, amounting to DKK 19m
 - Subscriptions grew by 17%
 - License sales declined by 20%
- Cloud sales increased to DKK 664.000
- Development as expected

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





Geographical & Business segments

Western Europe

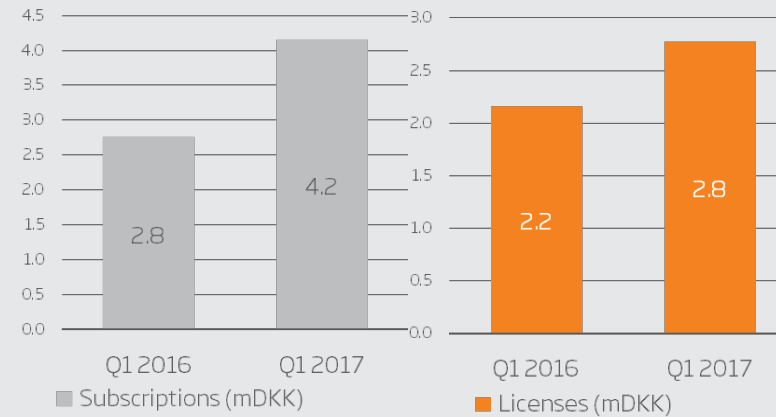
Overview

Western Europe mDKK	Q1 2017	Q1 2016	Δ	Δ%
Net sales	146.1	137.1	9.1	7%
EBITDA	18.1	13.9	4.1	30%
Recurring revenue of total revenue	22%	20%	2%	10%

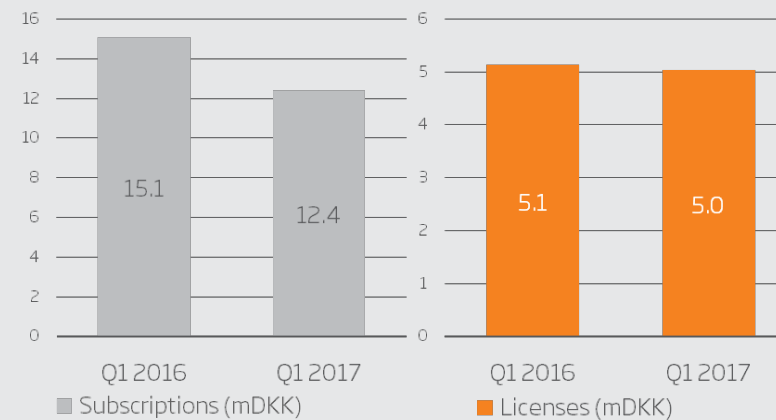
Service Revenue



Columbus Software



3rd party software

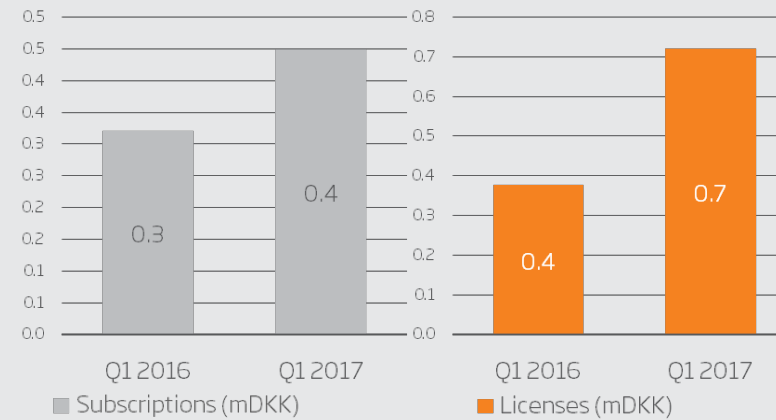


Eastern Europe

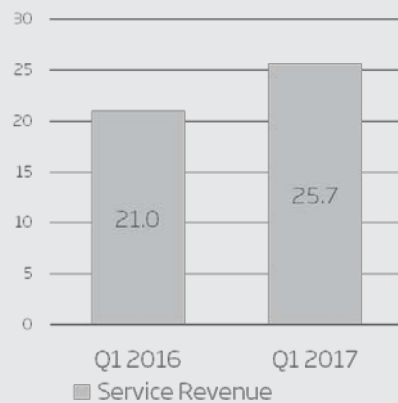
Overview

Eastern Europe mDKK	Q1 2017	Q1 2016	Δ	Δ%
Net sales	35.9	29.0	6.9	24%
EBITDA	4.3	2.4	1.9	76%
Recurring revenue of total revenue	19%	19%	0%	-2%

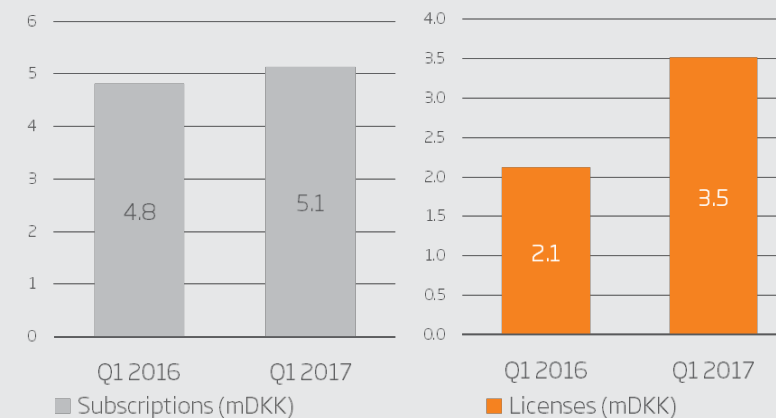
Columbus Software



Service Revenue



3rd party software

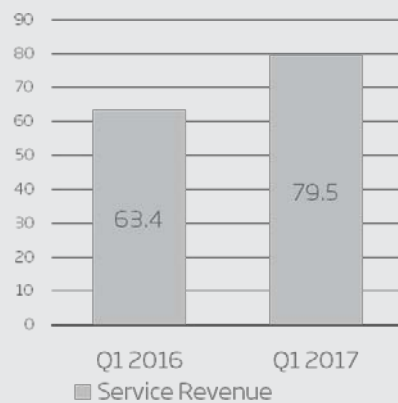


Northern America

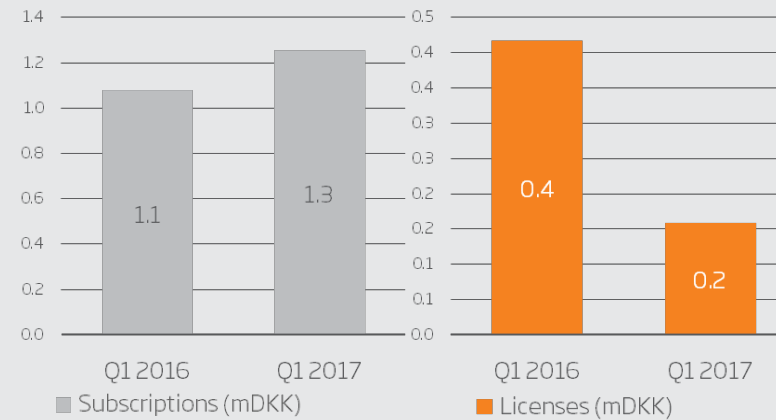
Overview

North America mDKK	Q1 2017	Q1 2016	Δ	Δ%
Net sales	117.6	100.2	17.4	17%
EBITDA	3.9	5.3	-1.3	-25%
Recurring revenue of total revenue	25%	25%	0%	0%

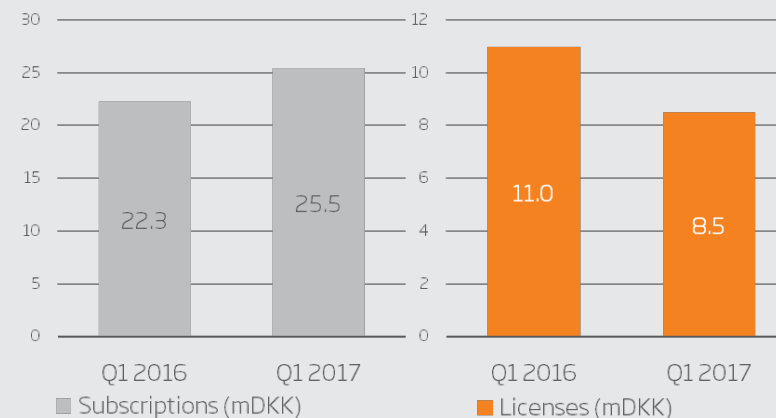
Service Revenue



Columbus Software



3rd party software

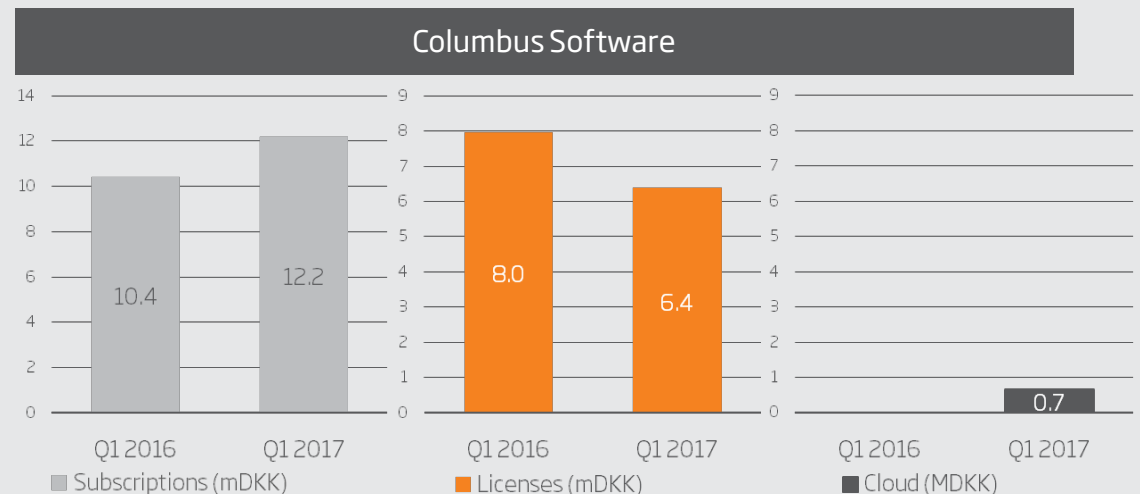


Columbus Software ISV

- Revenue in our Software ISV Business same level as LY
- EBITDA in line with LY
- Columbus Software overall grew by 5%
 - 17% increase in sale of Columbus subscriptions due to strong license sale in previous years
 - 20% declined in sale of Columbus Software licenses due to cloud conversion

Overview

Columbus Software mDKK	Q1 2017	Q1 2016	Δ	Δ%
Net sales	20.0	19.9	0.2	1%
EBITDA	9.7	9.7	0.0	0%
Recurring revenue of total revenue	58%	49%	8%	17%





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

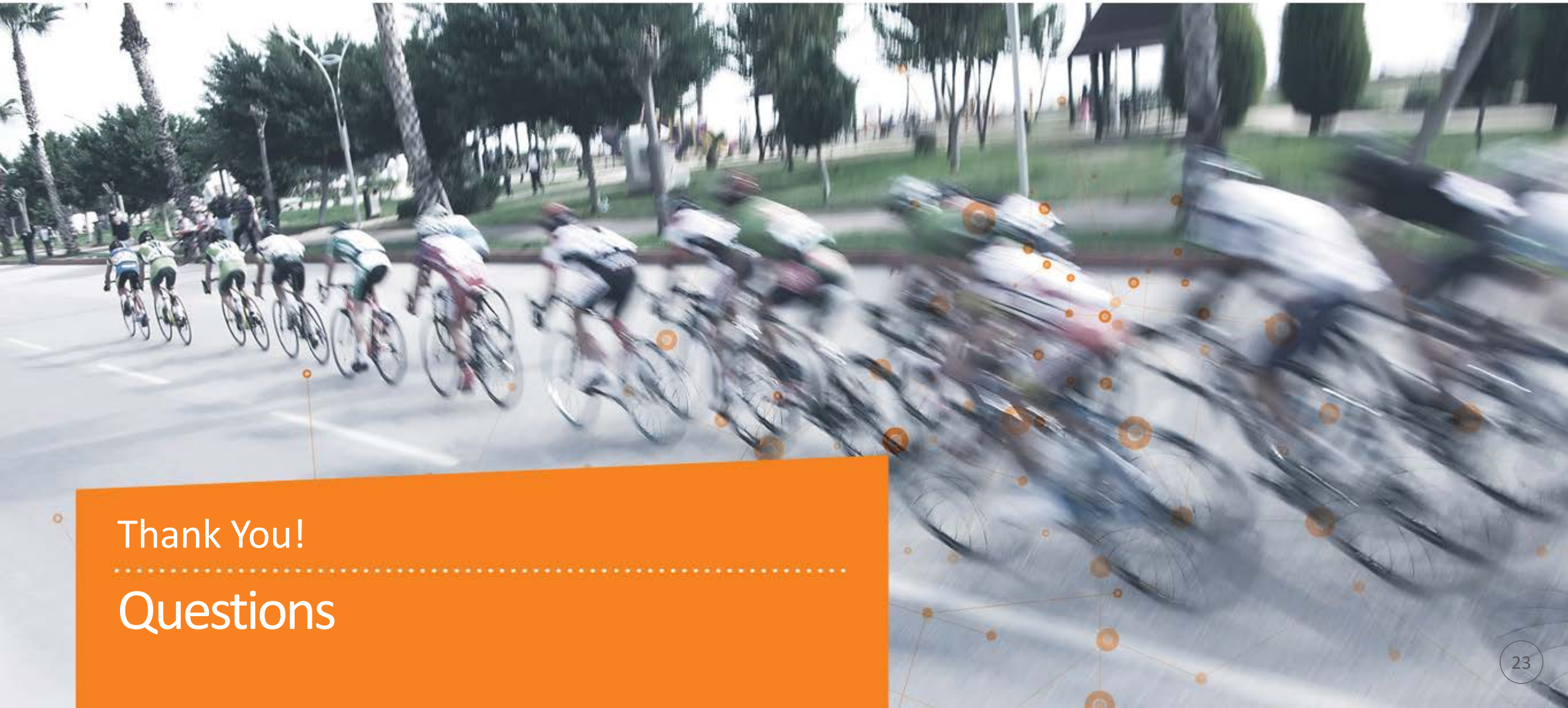
Dividend

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...