



Financial Results 2022 & Q4

Webcast & Tele Conference

15 March 2023 at 13:00 CET

Disclaimer

Columbus A/S' financial reports, whether in the form of annual report or interim report filed with the Danish Business Authority and/or announced via the company's website and/or Nasdaq Copenhagen, as well as any presentations based on such financial reports, and any other written information released, or oral statements made, to the public based on this report or in the future on behalf of Columbus A/S may 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



Søren Krogh Knudsen, CEO & President



Brian Iversen, CFO

Agenda

- Financial highlights 2022
- Q4 highlights 2022
- Operational milestones
- Financial review of 2022
- Sustainability Strategy & ESG Update
- Outlook 2023 & long-term financial ambitions
- Questions



Financial Highlights 2022

Revenue (DKK)

1,389m

corresponding to an increase of 9%

Recurring revenue (DKK)

192m

corresponding to an increase of 8%

EBITDA (DKK)

92m

corresponding to an increase of 3%

Profit after tax (DKK)

30m

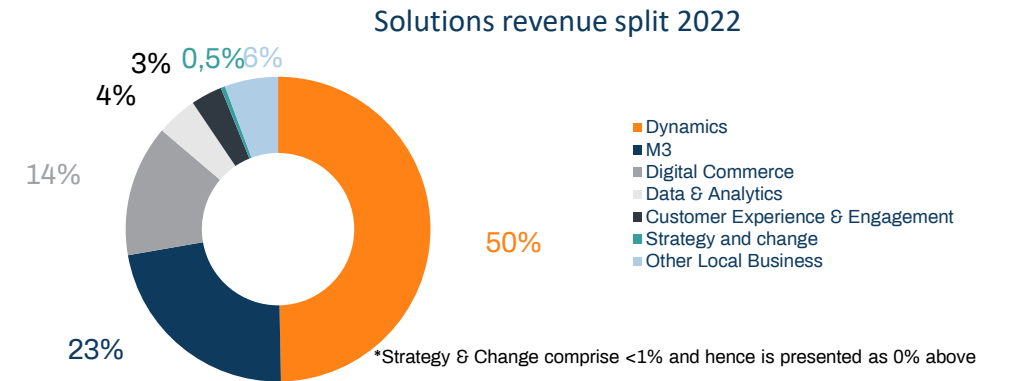
corresponding to an increase of 31%

EBITDA margin

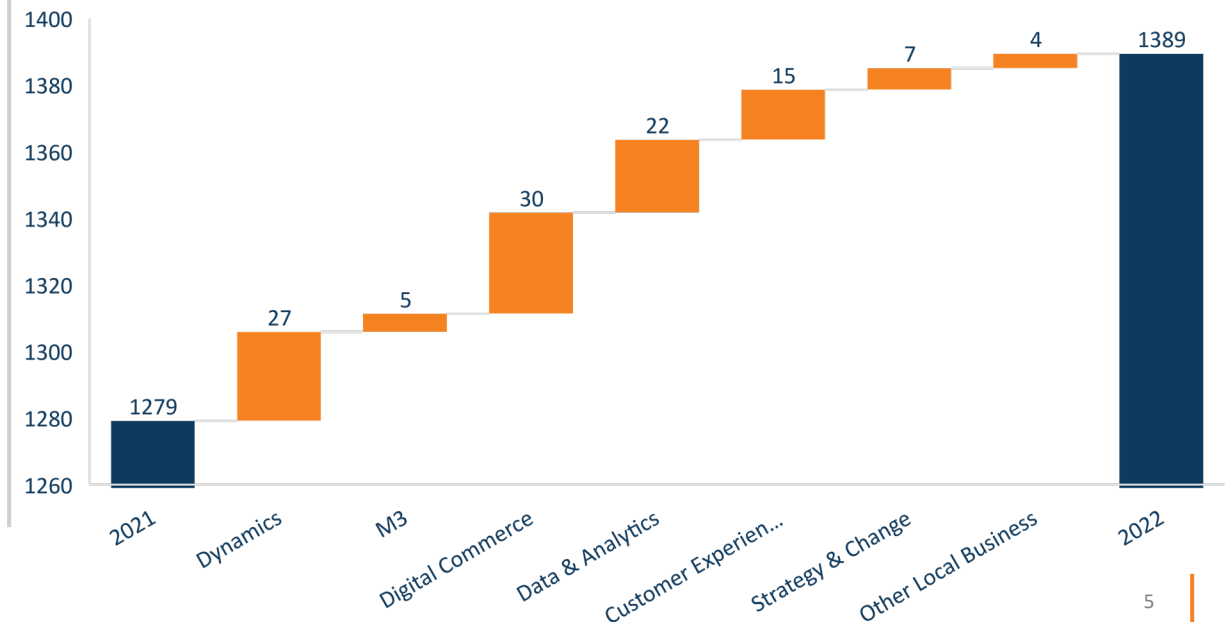
6.6%

declined by 0,4 percentage points

All numbers are on the continued business

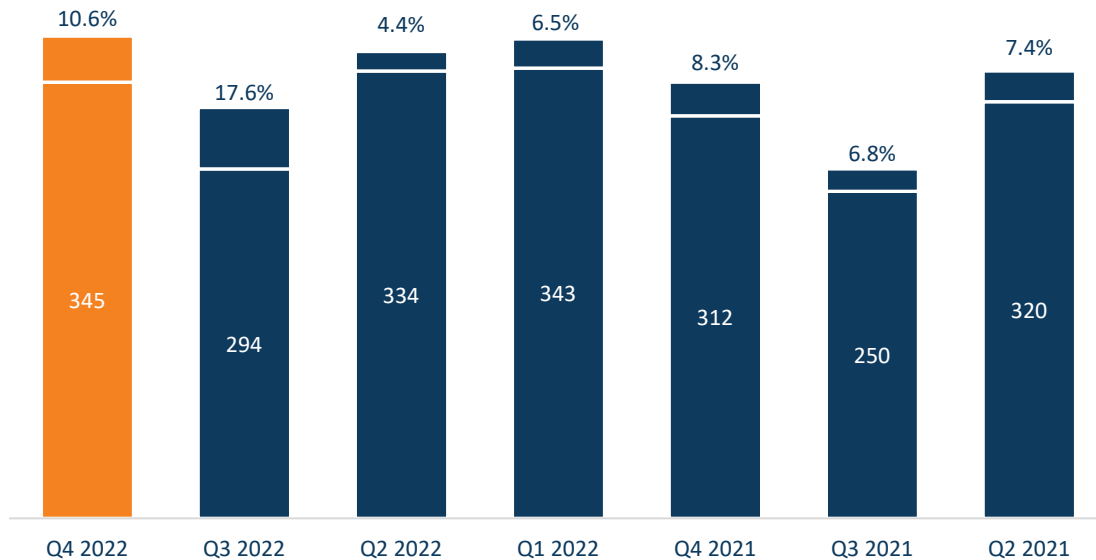


Development in revenue on Business Lines (DKKm)



Q4 2022: 7th consecutive quarter with organic growth

Quarterly service revenue (DKKm) and growth quarter over quarter



Revenue

11% organic growth

amounting to DKK 365m

Recurring Revenue

33% growth

constituting 14% of total revenue

EBITDA

11% increase

amounting to DKK 30m

EBITDA margin

8.1%

8.2% in Q4 2021

Efficiency

63%

Up from 61% in Q3 2022

Key highlights in 2022

January

January

ONE Columbus culture

In January, we continued the strong focus on creating ONE Columbus culture, including comprehensive training courses, internalizing company values and global inventive program.

January

Data & Analytics Center of Excellence

Established a Center of Excellence in our Global Delivery Center in India which supports our global organization with thought leadership, sales support and service offerings development.



Microsoft

2022 Microsoft Partner of the Year Awards

Business Applications

February

February

Microsoft Business Application Partner of the year

Columbus Denmark won the Microsoft Business Applications Partner Award.

March

March

Divestment of Columbus Russia

Divested the Russian Business Unit to the local management as a direct consequence of Russia's invasion of Ukraine while ensuring the safety of the families of our Ukrainian consultants.

March

Appointed new CPO

To further strengthen our focus on attracting and retaining talent in Columbus, Per Fredriksson was appointed new Chief People Officer.



May

May

Customer development program

Launched a global customer development program towards most strategic customers in our main markets to ensure a proactive and holistic approach to value creation.



May

Per Kogut joins the Board of Directors

At the General Assembly, Per Kogut was elected as a new member of the Board of Directors.

April

April

Price and commercial initiatives

New price and commercial conditions implemented to secure the profitability in a market with increasing inflation affecting salary and costs in general.



June

June

Efficiency in our global Delivery Center in India

Focus on improving efficiency in our Global Delivery Center in India, including Implementing performance management and better integration into our new operation model.



July

July

CXE market expansion to Denmark

Expanded Customer Experience & Engagement business to the Danish market with a dedicated sales and delivery team.

September



September
New Sustainability Strategy
Launched new Sustainability Strategy implying building digital solutions and advisory services to accelerate our customers' sustainable performance.



September
New CFO joined
Columbus' new CFO Brian Iversen joined Columbus. His focus will be to further streamline business processes and financial operations.

September
Global Sourcing allocation
Updated recourse allocation setup to fully utilize our skilled resources on a global scale and set the best customer team across borders and business areas.

October

October
Partner of the year at Microsoft Sweden
Columbus Sweden won the F&O partner of the year.



October
Merge of ERP and Care Business Lines
Merging Project and Care Business Lines into two global Business Lines: Dynamics and M3 to improve customer interactions in the emerging evergreen cloud environment.



October
New ERP platform live
Went live with new ERP platform globally to increase transparency and help reduce complexity in operations.

December

December
Power Platform Initiative
Established a Center of Excellence to enable Columbus' Microsoft Power Platform Application Service.



A partner that constantly fills the pipeline with exciting customer names, transforms a large part of the customer base in Sweden to the cloud with Dynamics 365 F&O, but also supports the customers in their journey of change and prepares the customer for digital transformation. In addition, being able to work with the entire Microsoft cloud and workloads means that this year's F&O partner is Columbus!

Microsoft

August
Starting global Young Professionals Programme

Onboarding of 46 new talents for our Young Professionals Programme which is our career program for young graduates.



August
Strengthening the Danish market organization

Onboarding of Claes Reinholdt Kongsdam as Danish Market Unit Executive. He will lead the progress of the Danish business with focus on strategic sales and consultancy.

August

August
Leadership principles introduced
Launched our global Leadership Principles which guide and offer autonomy to all our competent leaders in the organization.



August
Strengthening the Digital Advisory focus
Onboarding of Michaël Navon as global Business Line Executive for Strategy & Change. He will lead the development and growth of Columbus' strategic focus on digital advisory.

Income Statement

Income statement (mDKK)	Q4 2022	Q4 2021	Δ%	2022	2021	Δ%
Sale of services	345	312	11%	1,317	1,210	9%
Sale of products	20	16	23%	72	69	5%
Net Sales	365	328	11%	1,389	1,279	9%
External project costs	-33	-43	24%	-135	-115	-18%
Gross profit	332	285	17%	1,254	1,165	8%
Staff expenses and remuneration	-260	-225	-16%	-1,035	-947	-9%
Other external costs	-42	-32	-33%	-144	-124	-16%
Other operating income/costs	0	0	140%	18	-1	1825%
EBITDA before share-based payment	30	28	6%	93	92	1%
Share-based payment	0	-1	89%	-1	-3	65%
EBITDA	30	27	11%	92	89	3%
EBITDA-margin	8.1%	8.2%	-0.6%	6.6%	7.0%	-5.3%

Growth in global Business Lines

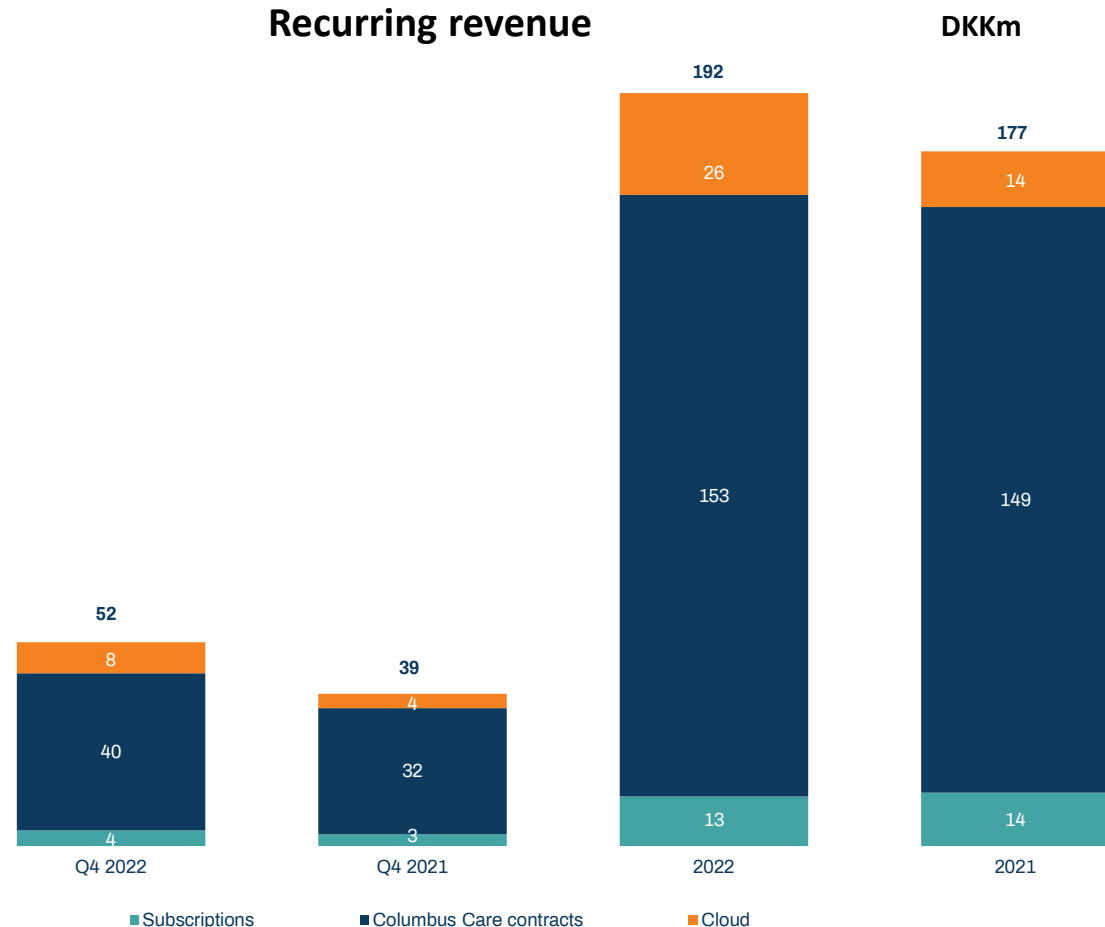
- Dynamics increased by 10% to DKK 169m Q4 2022 resulting in 4% growth in 2022 overall.
- M3 declined by 6% to DKK 72m in Q4 2022, although delivering 2% growth in 2022 overall.
- Digital Commerce grew by 32% to DKK 59m in Q4 2022 primarily coming from Sweden and Norway. In 2022 overall Digital Commerce increased 22%.
- Data & Analytics grew by 30% to DKK 15m in Q4 2022 resulting in 58% growth in 2022 overall.
- Customer Experience & Engagement grew by 19% to DKK 11m in Q4 2022 resulting in 51% growth in 2022 overall.
- Strategy and Change in introduced as a new Business Line delivering DKK 7m in revenue in 2022.

Service revenue split on Business Lines

DKK '000	Q4 2022	Q4 2021	Δ%	2022	2021	Δ%
Dynamics	168,746	153,182	10.2%	646,128	619,793	4.2%
M3	72,442	77,261	-6.2%	302,958	296,832	2.1%
Digital Commerce	58,785	44,500	32.1%	192,233	157,184	22.3%
Data & Analytics	15,286	11,766	29.9%	59,332	37,676	57.5%
Customer Experience & Engagement	11,263	9,456	19.1%	45,179	30,008	50.6%
Strategy & Change	1,358	0	100.0%	6,513	0	100.0%
Other Local Business	17,465	22,309	-21.7%	64,699	68,798	-6.0%
Total sale of services	345,345	318,474	8.4%	1,317,042	1,210,291	8.8%
Total sale of products	19,588	16,056	22.0%	72,392	68,893	5.1%
Total net revenue	364,933	334,530	9.1%	1,389,434	1,279,184	8.6%

Increase in Recurring Revenue

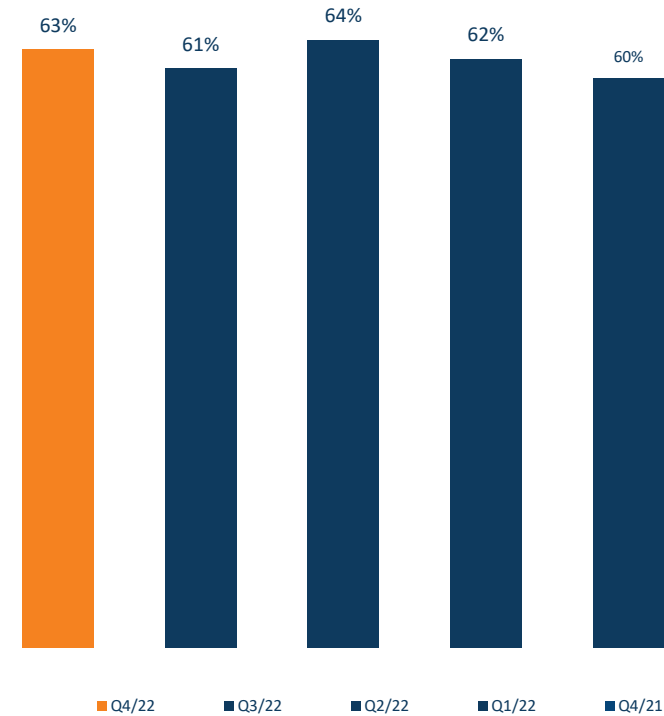
- Recurring revenue increased by 33% to DKK 52m in Q4 2022
- Increased by 8% in 2022 overall
- Recurring revenue impacted by change in accounting principle, lowering revenue from subscriptions and cloud significantly.
- Continues increase in Cloud in 2022.
- Columbus Care increasing slightly in 2022.
- Subscriptions remains stable in 2022.
- Recurring revenue constitutes 14% of total revenue in 2022, which is unchanged compared to 2021.



Efficiency in line with expectations

- 1,537 average number of FTE's in 2022
- Special focus on improving efficiency in our Global Delivery Center in India starting to materialize
- Efficiency 63% in Q4 2022 compared to 60% in Q4 2021

Development in Efficiency



Growth in Market Units

- The Swedish market delivered 1% increase in service revenue in Q4 2022 although 9% in 2022 overall.
- Columbus Denmark delivered 7% growth in Q4 2022 and 2% in 2022 overall.
- Columbus Norway continued their strong momentum, growing 15% in Q4 2022 and 14% in 2022 overall.
- The UK Market Unit delivered 34% growth in Q4 2022 resulting 16% in 2022 overall.
- The US Market Unit decreased by 5% in Q4 2022 resulting in decrease of 1% in 2022 overall.

Service revenue split on Market Units

DKK '000	Q4 2022	Q4 2021	Δ%	2022	2021	Δ%
Sweden	136,503	134,906	1.2%	525,024	483,888	8.5%
Denmark	67,806	63,347	7.0%	252,862	247,979	2.0%
Norway	69,220	59,977	15.4%	262,271	230,828	13.6%
UK	40,763	30,517	33.6%	159,916	137,767	16.1%
US	20,812	21,949	-5.2%	80,284	80,915	-0.8%
Other	8,760	7,404	18.3%	32,337	26,666	21.3%
GDC	1,481	374	296.0%	4,348	2,248	93.4%
Total sale of services	345,345	318,474	8.4%	1,317,042	1,210,291	8.8%
Total sale of products	19,588	16,056	22.0%	72,392	68,893	5.1%
Total net revenue	364,933	334,530	9.1%	1,389,434	1,279,184	8.6%

New Sustainability Strategy

- 2022 marked the launch of Columbus' Sustainability Strategy.
- Our strategy consists of two streams:
 - **A customer stream**, which aims at accelerating our customers sustainable performance by advising and providing digital solutions that promote sustainability, growth, and profitability in their business.
 - **An ESG stream**, which focuses on our culture, business conduct, and our operational impact on the environment.



Enabling sustainable impact

We help our customers accelerate sustainable performance and development.



Growing a diverse and talented culture

We support people to grow, develop, collaborate within an inclusive culture.



Ensuring responsible business conduct

We empower and strengthen compliance, governance and responsible behavior.



Building sustainable operations

We improve daily operations to create significant sustainable outcomes.



ESG update - 2022

Environment

- We started monitoring our greenhouse gas emissions globally and established a confident baseline for 2022.
- We are committed to maintain or reduce our indirect greenhouse gas emissions by improving energy efficiency and using more renewable energy.
- Currently, 60% of our electricity consumption is renewable.

Social

- We increased the proportion of women globally in 2022
- We launched new Diversity & Inclusion initiatives to further improve
- Our employee satisfaction in our annual employee survey was at +47 compared to +40 in 2021.
- We launched our Leadership Principles to support the creation of a unified culture in Columbus.

Governance




- The gender distribution in the Board of Directors was 20% women and 80% by the end of 2022.



[Please see the Columbus 2022 ESG Report](#)



ESG key figures

ESG key figures overview		2022	Unit	2021	2020	2019
	Environment					
	CO ₂ e, scope 1 (direct GHG emissions)	91.86	tCO ₂ e	–	–	–
	CO ₂ e, scope 2 (indirect GHG emissions)	153.56	tCO ₂ e	–	–	–
	CO ₂ e, scope 3 (other indirect GHG emissions)	1,630.87	tCO ₂ e	–	–	–
	Social					
	Average full-time employees	1,635	FTE	1,455	1,655	1,834
	Gender diversity	31%/69%	f/m	29%/71%	28%/72%	–
	Gender diversity for managers, principals and partners	28/72	f/m	29%/71%	29%/71%	–
	Sickness absence	2.34	%	–	–	–
	Employee satisfaction	+47	eNPS	+40	+33	–
	Governance					
	Gender diversity – Board of Directors (BoD)	20%/80%	f/m	25%/75%	25%/75%	25%/75%
	Attendance at the BoD meetings	100	%	100	100	100
	CEO pay ratio	1:7	times	1:8	1:22 ¹	1:9

¹ In 2020, total remuneration for the CEO & President, Thomas Honoré, included severance pay. The CEO pay ratio excluding the severance pay was 1:9. See Remuneration Report 2022 for further information.

Outlook

Guidance for 2023

- Revenue expected to be in the range of DKK 1,500m and DKK 1,550m
 - A growth of 8% to 12%
- EBITDA expected to be in the range of DKK 115m and DKK 135m
 - An increase of 25% to 47%

<u>DKKm</u>	<u>Revenue</u>	<u>EBITDA</u>
2023 Outlook	1,500 - 1,550	115 - 135
Implied growth to 2022 result	8% - 12%	25% - 47%
Implied EBITDA margin		7.4% - 9.0%



Operational milestones for 2023

- Continuing development and deployment of our Digital Advisory capabilities
- Developing sustainability offerings leveraging our deep industry expertise
- Further strengthening our global delivery model
- Focus on further improvement of our efficiency
- Focus on contract delivery and profitability

In Q4 2023, we will launch our new strategy with long term operational and financial goals.





Questions?

Investor contact

- Brian Iversen, Corporate CFO,
brian.iversen@columbusglobal.com, +45 7020 5000
- Tine Rasmussen, Communications Director
tra@columbusglobal.com, +45 2969 0677

