

H1 Results 2016

ABG Sundal Collier, 29 August 2016
v/ Hans Henrik Thrane, CFO



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 H1
- Income statement
- Presentation of Columbus2020
- Financial Value Drivers
- Geographical & Business segments
- 2016 expectations
- Long-term guidance
- Questions

Highlights H1 2016

Revenue

8% growth

amounting to DKK 595m

EBITDA*

70% growth

amounting to DKK 66.8m

Net result

55% growth

amounting to DKK 39.6m

Columbus Software

9% growth

amounting to DKK 45.8m

Service revenue

10% growth

amounting to DKK 391m

Acquisition

SystemHosting

Income Statement H1 2016

Income statement (mDKK)	H1 2016	H1 2015	Δ%
Columbus Software	45,8	42,0	9%
External Software	147,4	141,9	4%
Service	390,8	354,7	10%
Other	10,5	9,8	8%
Net Sales	594,5	548,4	8%
External project costs	-134,7	-134,4	0%
Gross profit	459,8	414,0	11%
Staff expenses and remuneration	-319,9	-306,6	4%
Other external costs	-73,1	-68,1	7%
EBITDA before share-based payment	66,8	39,4	70%
Share-based payment	-1,1	-0,6	73%
EBITDA	65,7	38,7	70%
Depreciation	-15,2	-14,1	8%
Net Financial Income	-0,6	6,8	-109%
Tax	-10,3	-6,0	70%
Net result	39,6	25,5	55%



Towards Growth
.....
Columbus2020

Columbus' 5-year strategy

Columbus[®] | 2020



Customer Success



Customer Success; Taking care of customers for life

- Create the ultimate customer experience
- Increase customer satisfaction and loyalty
- Build long and close relations to our customers by offering lifecycle services

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



Digital Leadership



Digital Leadership; Accelerate business innovation

- Develop new products and services that increase the value of ERP investments
- Extend beyond ERP using cloud, big data, IoT and mobile technologies



“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



Our People; Attract, develop & retain the best people

- Foster a customer success culture
- Achieve global Performance Excellence
- Create a learning organization

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



Process Excellence



Process Excellence; Quality in everything we do

- World-class sales and marketing organization that creates the ultimate customer experience
- Supreme consulting and mitigating implementation risk at the right cost



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

Columbus2020

Columbus® | 2020





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

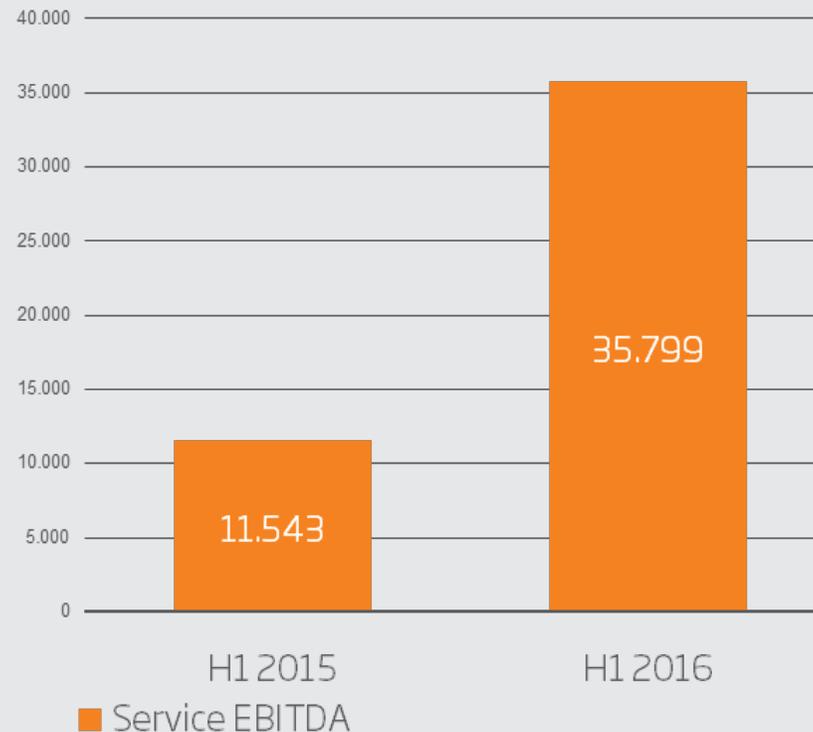
3 **Recurring** revenue and **cloud** revenue

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

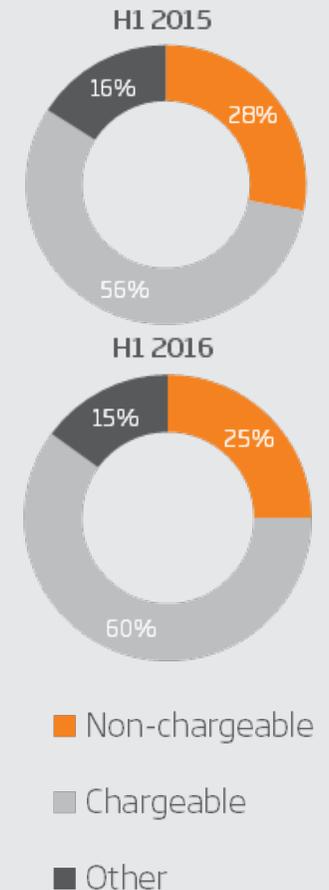
Improve profitability in the services business

- Service EBITDA increased by DKK 24.3m in H1
- Primary due to an increase in customer work (56% to 60%) mainly in US and Norway
- Secondary due to full year effect of 2015 acquisitions and acquisition of Systemhosting in February 2016

Service EBITDA



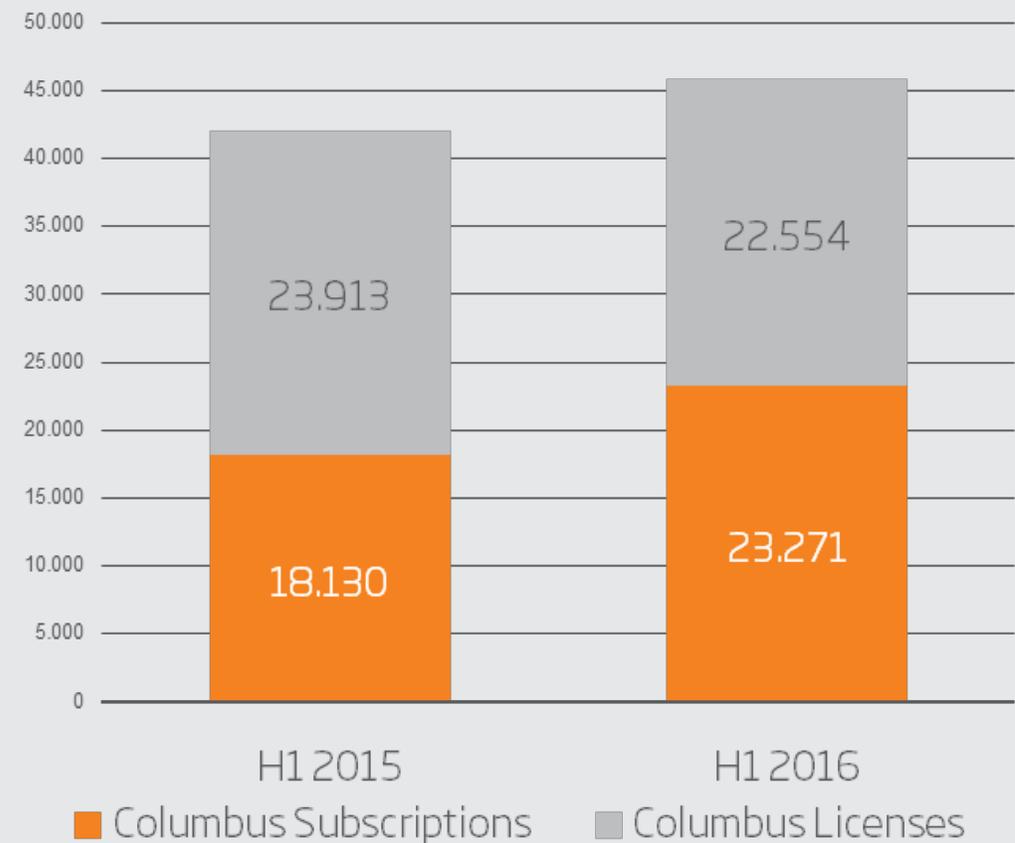
Customer Work



Scaling of Columbus Software

- Total revenue from sale of Columbus Software increased by 9%, amounting to DKK 46m
- Columbus NAV solutions had the biggest growth YoY with 32%:
 - NAV Anywere grew by 138%
 - NAV Business Integration Solutions grew by 22%
- Best selling products:
 - Columbus Business Integration Solutions (BIS)
 - Columbus Advanced Discrete Manufacturing Solutions (ADM)
 - Columbus Invoice Workflow

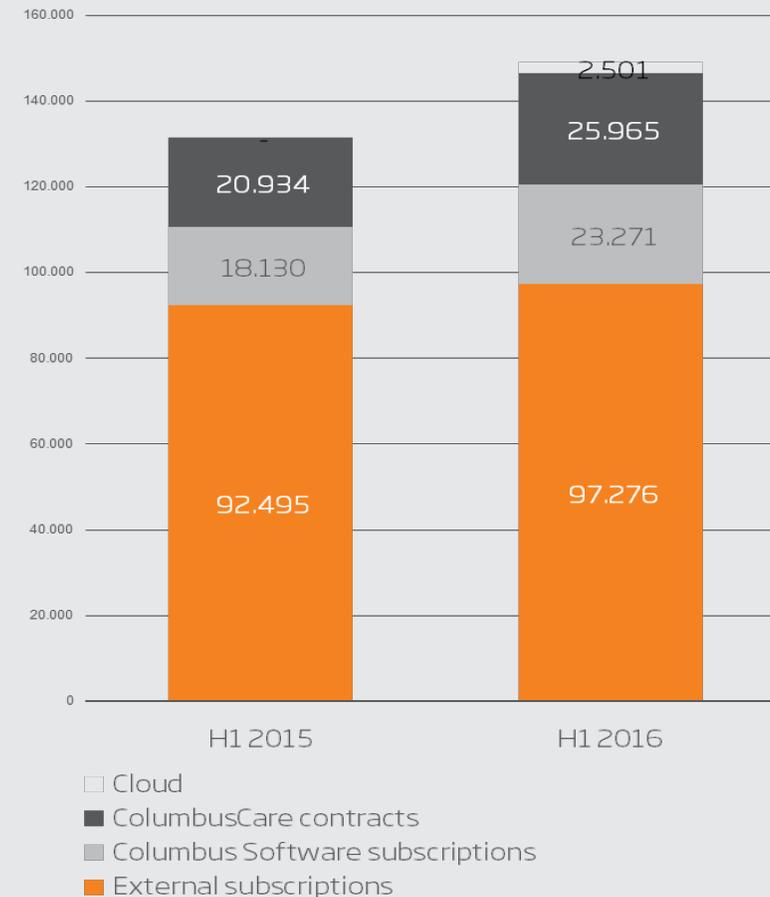
Columbus Software revenue



Growth in Recurring revenue

- Recurring revenue consists of:
 - Columbus Software subscriptions
 - External subscriptions
 - ColumbusCare contracts
 - Cloud revenue
- Recurring revenue increased by 13% constituting 25% of total revenue (LY 24%)
- Development in line with expectations

Recurring revenue





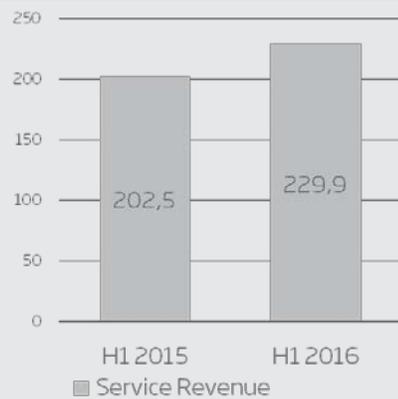
Geographical & Business segments

Western Europe

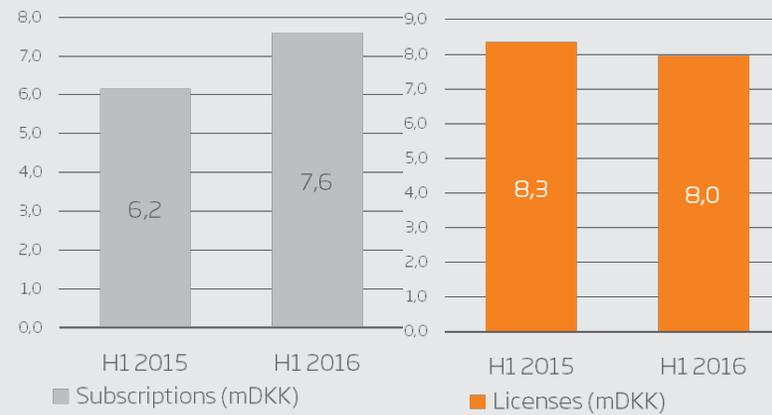
Overview

Western Europe					
mDKK	H1 2016	H1 2015	Δ	Δ%	
Net sales	301,6	271,5	30,1	11%	
EBITDA	40,4	21,9	18,5	84%	
Recurring revenue of total revenue	21%	20%	1%	7%	

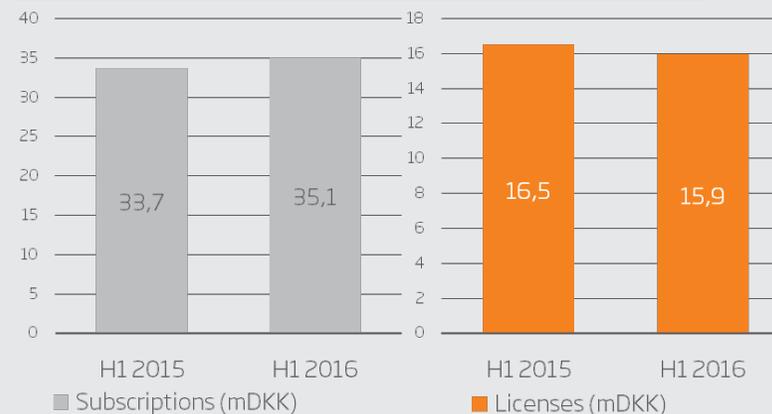
Service Revenue



Columbus Software



3rd party software



Eastern Europe

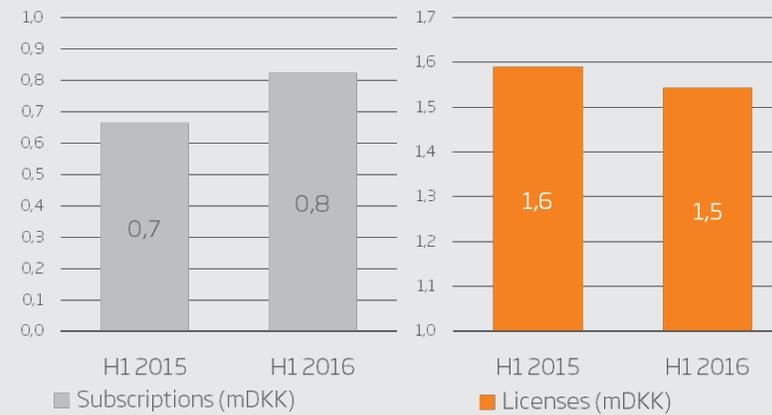
Overview

Eastern Europe mDKK	H1 2016	H1 2015	Δ	Δ%
Net sales	65,2	72,0	-6,8	-9%
EBITDA	6,0	4,3	1,7	39%
Recurring revenue of total revenue	22%	24%	-2%	-8%

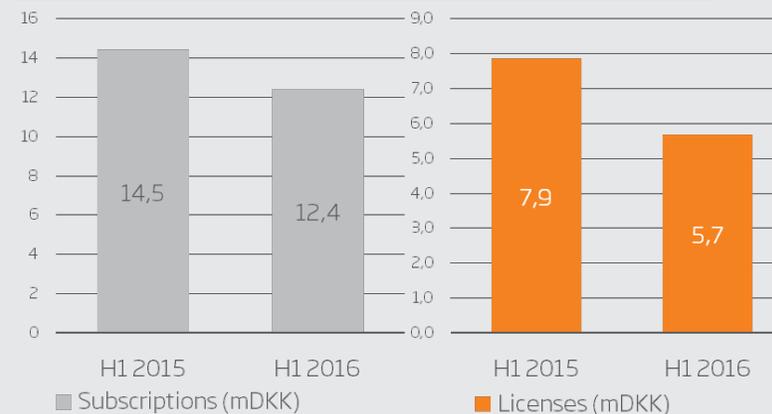
Service Revenue



Columbus Software



3rd party software

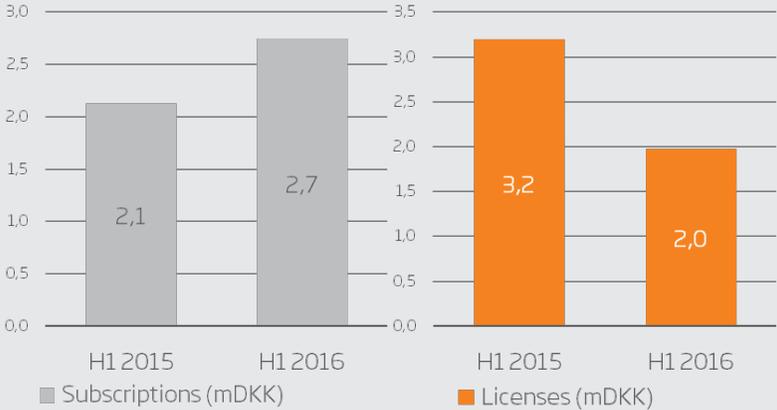


Northern America

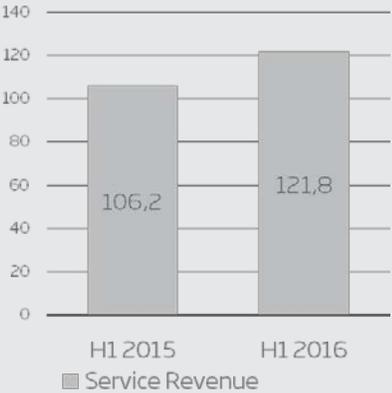
Overview

North America mDKK	H1 2016	H1 2015	Δ	Δ%
Net sales	209,4	185,9	23,6	13%
EBITDA	12,5	6,0	6,5	109%
Recurring revenue of total revenue	28%	28%	0%	0%

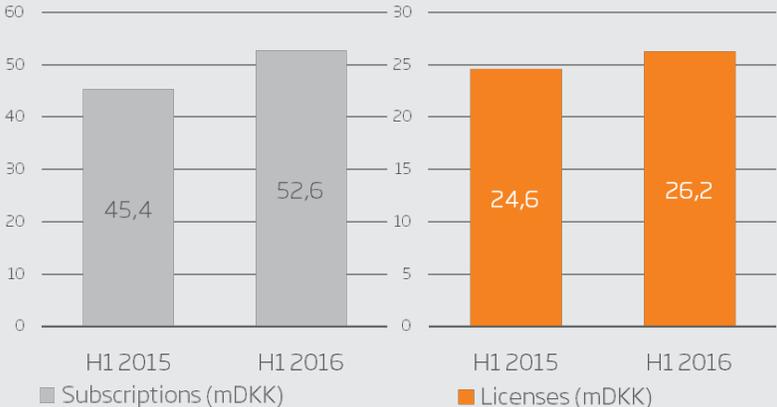
Columbus Software



Service Revenue



3rd party software



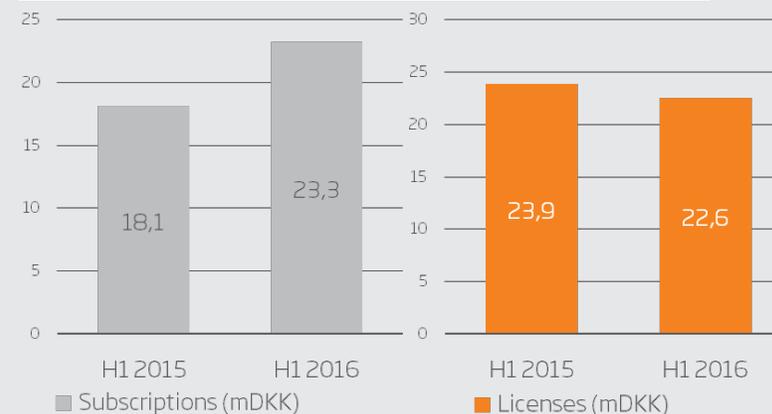
Columbus Software ISV

- Revenue in our Software ISV Business grew by 3%
- EBITDA grew by 3%
- Columbus Software overall increased by 9%
- 28% increase in sale of Columbus Subscriptions

Overview

Columbus Software mDKK	H1 2016	H1 2015	Δ	Δ%
Net sales	44,0	42,8	1,1	3%
EBITDA	23,1	22,4	0,7	3%
Recurring revenue of total revenue	45%	39%	5%	13%

Columbus Software





Short- and long-term Guidance

Maintaining financial guidance for 2016

Revenue, in the range of
DKK 1.2bn

EBITDA*, in the range of
DKK 124m

Short-term guidance

Service EBITDA, in the range of
DKK 84m

Software revenue, in the range of
DKK 105m

Dividend
10% dividend
on nominal share capital



Long-term guidance for 2018

Revenue

10% growth

average per year

EBITDA

10%

EBITDA margin per year

Recurring revenue

30%

Of total revenue in 2018

Dividend

10% pay-out

of nominal value each year



Long-term guidance

A photograph of swimmers in a pool, overlaid with a network of orange circles and lines. The circles vary in size and are connected by thin lines, creating a web-like pattern across the scene. The background shows swimmers in motion, with water splashing and lane lines visible.

Thank You!

Questions

Upcoming events

Small & Mid Cap seminar
September 21, at ABG Sundal Collier





Columbus[®] | Once you
know how...