

# Kapitalmarkeds- eftermiddag

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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

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- Columbus at a glance
- Columbus2020 strategy
- Financial Value Drivers & Long-term Guidance
- Status on Q3 YTD & Financial Value Drivers
- Short-term guidance

# Columbus at a glance

- Global **it-services company** with development and sale of own industry specific business solutions
- Established in 1989
- Listed on NASDAQ Copenhagen in 1998
- Subsidiaries in 10 countries:
  - Denmark, Norway, England, USA, Latvia, Lithuania, Estonia, Russia
  - Software company, To-Increase, in Holland
  - Global Delivery Centre in India
- Globally 1,200 employees
- Solid industry know-how within the industries:
  - Manufacturing
  - Retail
  - Food



# Why do customers choose Columbus?

1

We help our customers **digitally transform** their business and improve the value realization of their business applications investments.

2

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

3

We **lead** our customers with best-practice consulting services and aspire to keep them for life.

Columbus' core purpose is to help organizations digitally transform their business and maximize productivity by offering innovative and leading business solutions.



# Strong market position in key industries

**Columbus** | Once you know how...

## Columbus | Food

## Columbus | Retail

## Columbus | Manufacturing





Towards Growth

.....  
The Columbus2020 strategy

# Columbus2020 towards growth

## 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

“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 with Columbus Academy

“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

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



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



Financial Value Drivers  
.....  
Long-term guidance

# 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

# Long-term guidance for 2018

## Revenue

**10% growth**

average per year

## Recurring revenue

**30%**

of total revenue in 2018

## EBITDA

**10%**

EBITDA margin per year

## Dividend

**10% pay-out**

of nominal value each year



Long-term guidance



Status on Q3 YTD  
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Financial Value Drivers



# Highlights Q3 YTD 2016

## Revenue

**7% growth**

amounting to DKK 855m

## EBITDA\*

**71% growth**

amounting to DKK 87.6m

## Columbus Software

**2% growth**

amounting to DKK 63m

## Service revenue

**10% growth**

amounting to DKK 578m

## Acquisition

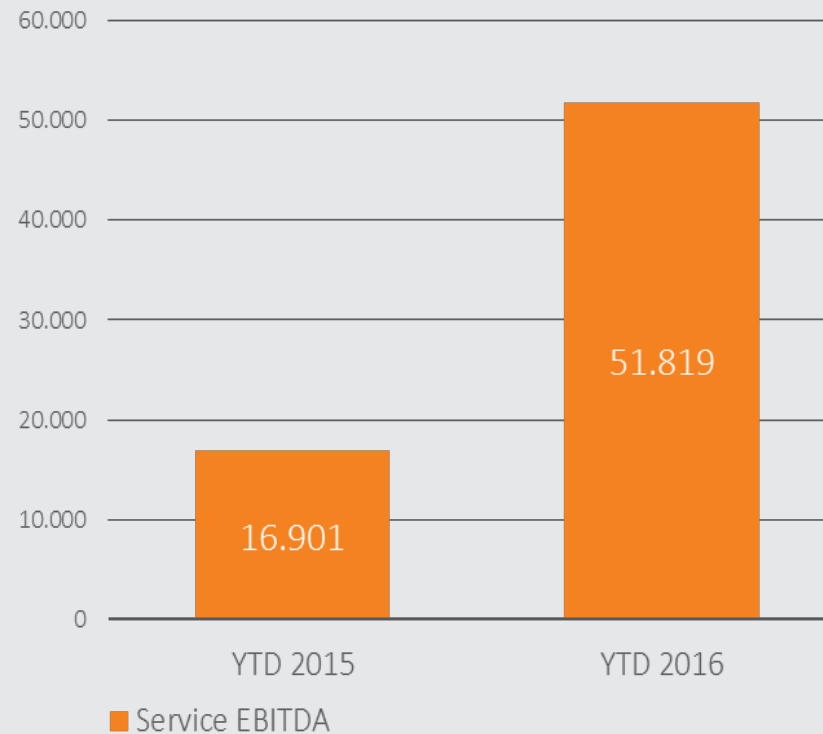
**Client strategy  
Group (CSG)  
SystemHosting**

# Improve profitability in the services business

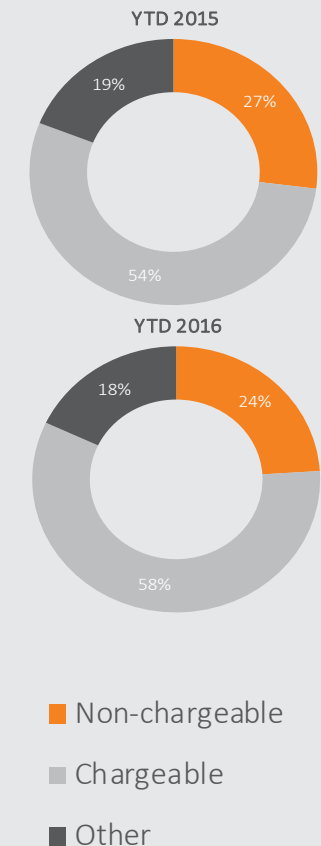
## Significant increase in Service EBITDA:

- Service EBITDA increased by DKK 34.9m in Q3 YTD
- Primary due to an increase in customer work (54% to 58%) mainly in US and Norway
- Secondary due to full year effect of 2015 acquisitions and acquisitions in 2016
  - 2016: SystemHosting and CSG

### Service EBITDA



### Customer Work



# Scaling of Columbus Software

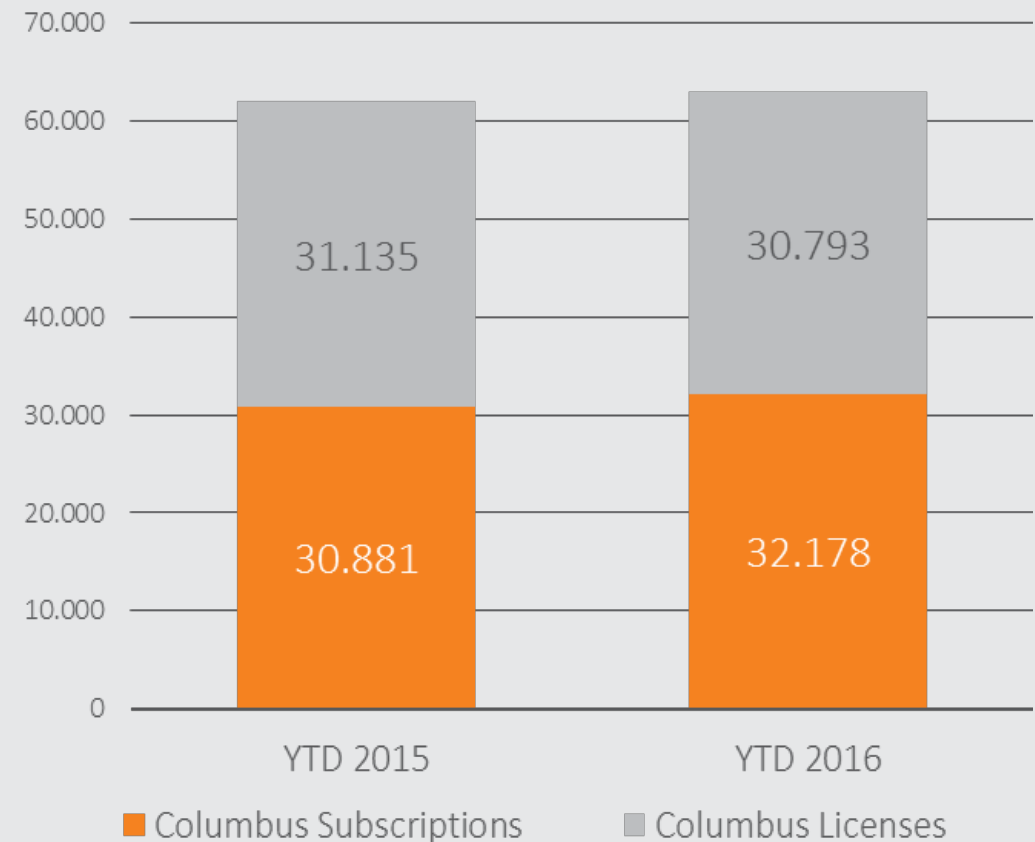
## Columbus Software delivers small growth:

- Total revenue from sale of Columbus Software increased by 2%, amounting to DKK 63m

## Best selling products (revenue):

1. Columbus Industrial Equipment Manufacturing
2. Columbus Business Integration Solution
3. Columbus Dynamics Anywhere

Columbus Software revenue

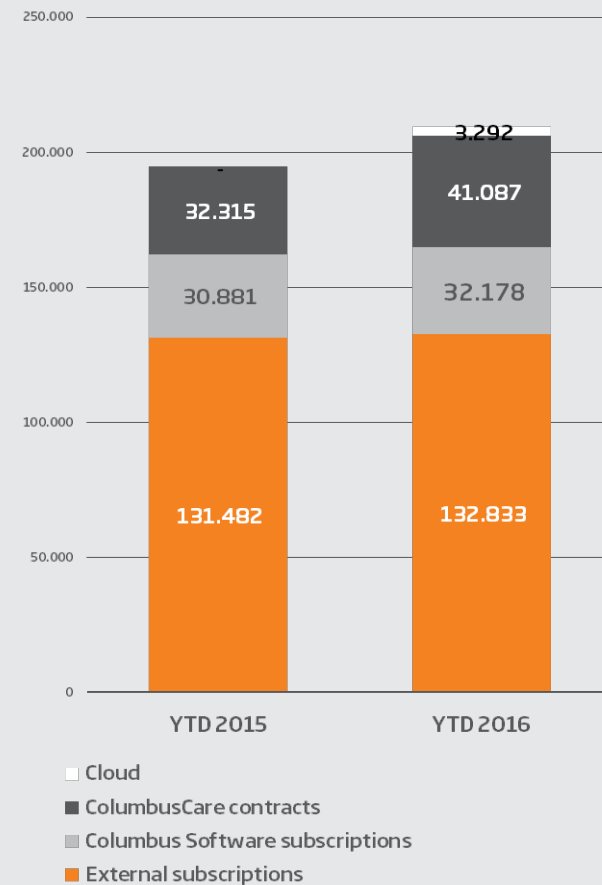


# Growth in Recurring revenue

## Recurring revenue increased by 8%:

- Recurring revenue constitutes 24% of total revenue (LY 24%)
  - Cloud revenue introduced
  - Highest growth in ColumbusCare revenue which grew by 27%
- Development in line with expectations

Recurring revenue





Short-term Guidance

# Financial guidance for 2016

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

**EBITDA\***, in the range of  
**DKK 124m**

**Service EBITDA**, in the range of  
**DKK 84m**

**Software revenue**, in the range of  
**DKK 95m**

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

\* EBITDA before share-based payment

Short-term guidance





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



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Appendix

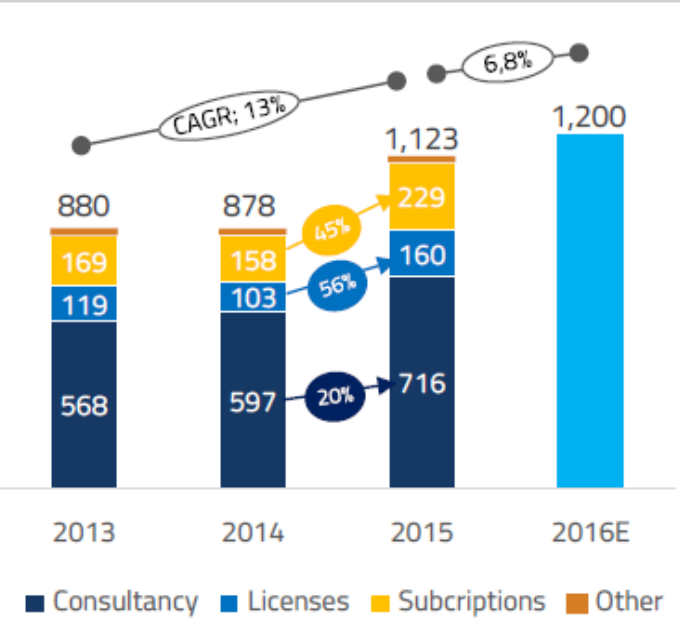


# Income Statement Q3 YTD 2016

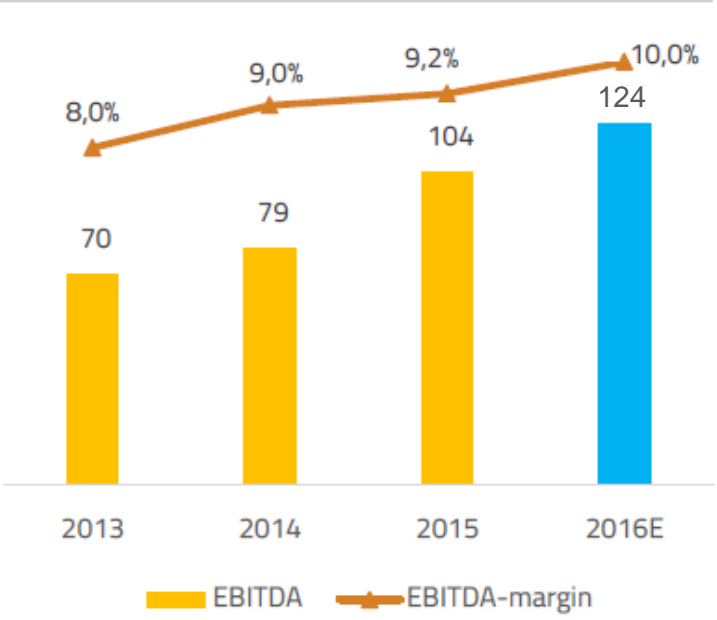
Income statement (mDKK)	YTD 2016	YTD 2015	Δ%
Columbus Software	63,0	62,0	2%
External Software	197,8	198,4	0%
Service	577,7	525,7	10%
Other	17,0	14,2	20%
Net Sales	855,5	800,3	7%
External project costs	-183,3	-193,1	-5%
Gross profit	672,2	607,2	11%
Staff expenses and remuneration	-468,7	-452,2	4%
Other external costs	-115,9	-103,9	12%
EBITDA before share-based payment	87,6	51,1	71%
Share-based payment	-3,4	-0,9	260%
EBITDA	84,2	50,2	68%
Depreciation	-24,1	-21,2	14%
Net Financial Income	-1,3	4,9	-126%
Net result before tax	58,9	33,9	74%

# Performance overview

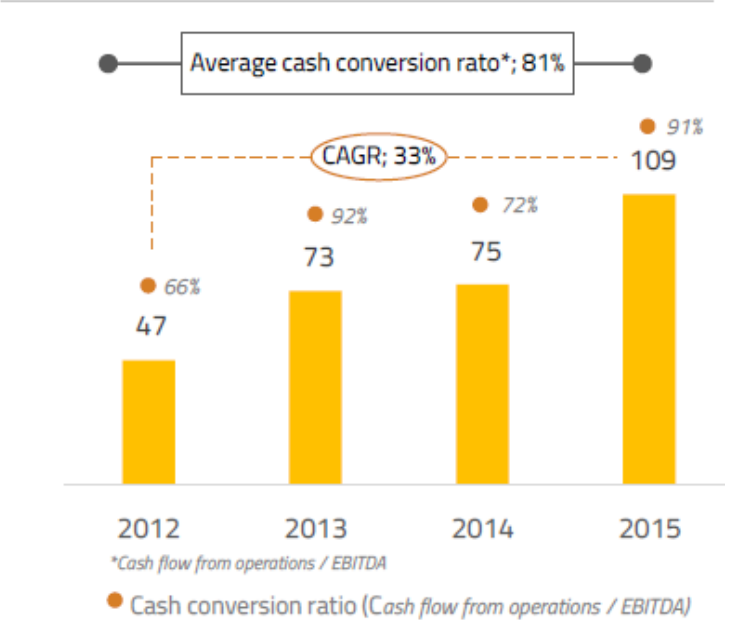
Development in sales (DKKm)



Development EBITDA (DKKm) and margin



Development in Cash flow from operations



# Share analysis of Columbus

- AGB Sundal Collier, <https://www.abgsc.com/>
- Aktieinfo, <http://www.aktieinfo.net/>