



# Financial Results Q3 YTD 2019

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Webcast & Tele Conference

6 November 2019 at 13:00 CET

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.

# Introducing today's presenters

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Thomas Honoré, CEO & President



Hans Henrik Thrane, Corporate CFO

# Agenda

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- Highlights of Q3 YTD 2019
- Income Statement
- Financial Value Drivers
- Geographical & Business Segments
- Short & Long Term Guidance
- Questions



# Highlights Q3 2019

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## Revenue

**3% organic growth**

amounting to DKK 1,400m

## Revenue Q3

**5% growth**

amounting to DKK 423m

## EBITDA

**48% growth**

amounting to DKK 165m

## Services business

**4% organic growth**

amounting to DKK 1,083m

## Columbus Care Contracts

**20% growth**

amounting to DKK 109m

## Columbus Cloud

**54% growth**

amounting to DKK 15m

# Income Statement Q3 YTD 2019

Income statement (mDKK)	Q3 2019	Q3 2018	Δ%
Columbus Software	70.7	78.6	-10%
External Software	219.1	217.9	1%
Service	1,083.4	1,063.3	2%
Other	26.8	22.1	21%
Net Sales	1,400.0	1,381.8	1%
External project costs	-334.1	-293.2	14%
Gross profit	1,065.9	1,088.6	-2%
Staff expenses and remuneration	-837.8	-813.4	3%
Other external costs	-132.8	-160.8	-17%
Other operating income	72.7	4.6	1473%
EBITDA before share-based payment	167.8	119.0	41%
Share-based payment	-3.0	-7.4	-59%
EBITDA	164.9	111.6	48%
Depreciation/amortization	-66.5	-51.7	29%
Financial Income	2.1	9.1	-77%
Financial Expenses	-6.4	-2.8	128%
Net result before tax	94.1	66.2	42%

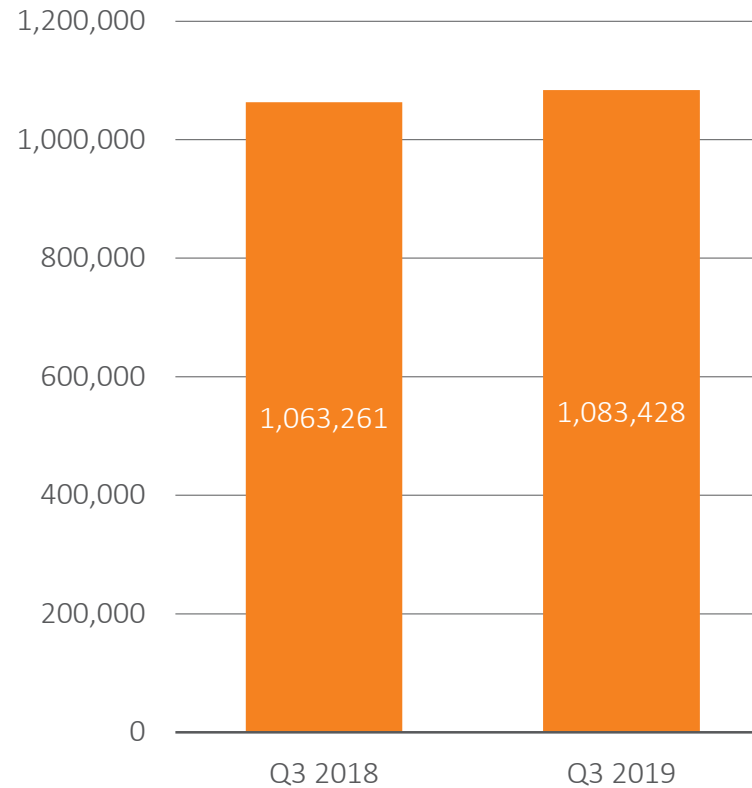
# Financial Value Drivers

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# Growth in the Services Business

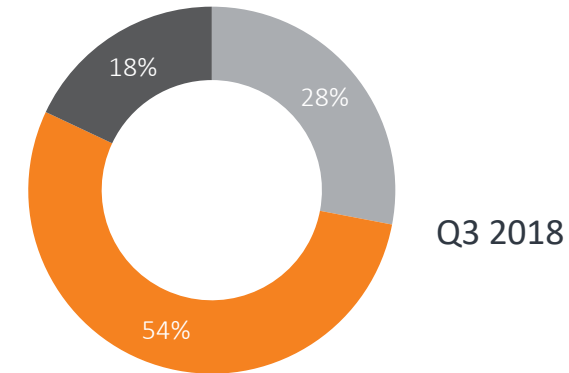
- Service revenue grew by 2% to DKK 1,083m
  - Organic growth of 4%
  - General progress
  - Growth in Columbus Care Services
  - M3 and Commerce strong growth
- Decrease in chargeable hours (54% to 52%)
  - Low efficiency in RU, UK
  - Progress within ERP, Cloud and offerings such as Analytics & BI and Customer Experience

Development in the service revenue

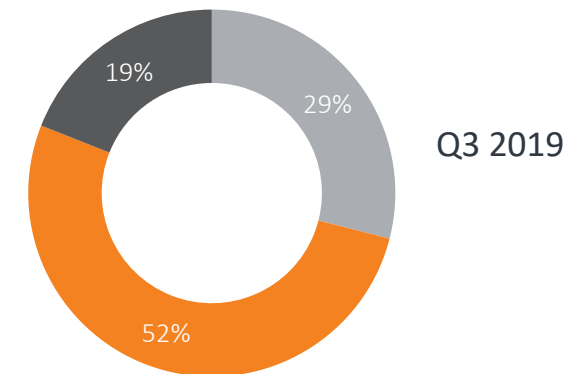


Service Revenue

Customer Work



Q3 2018



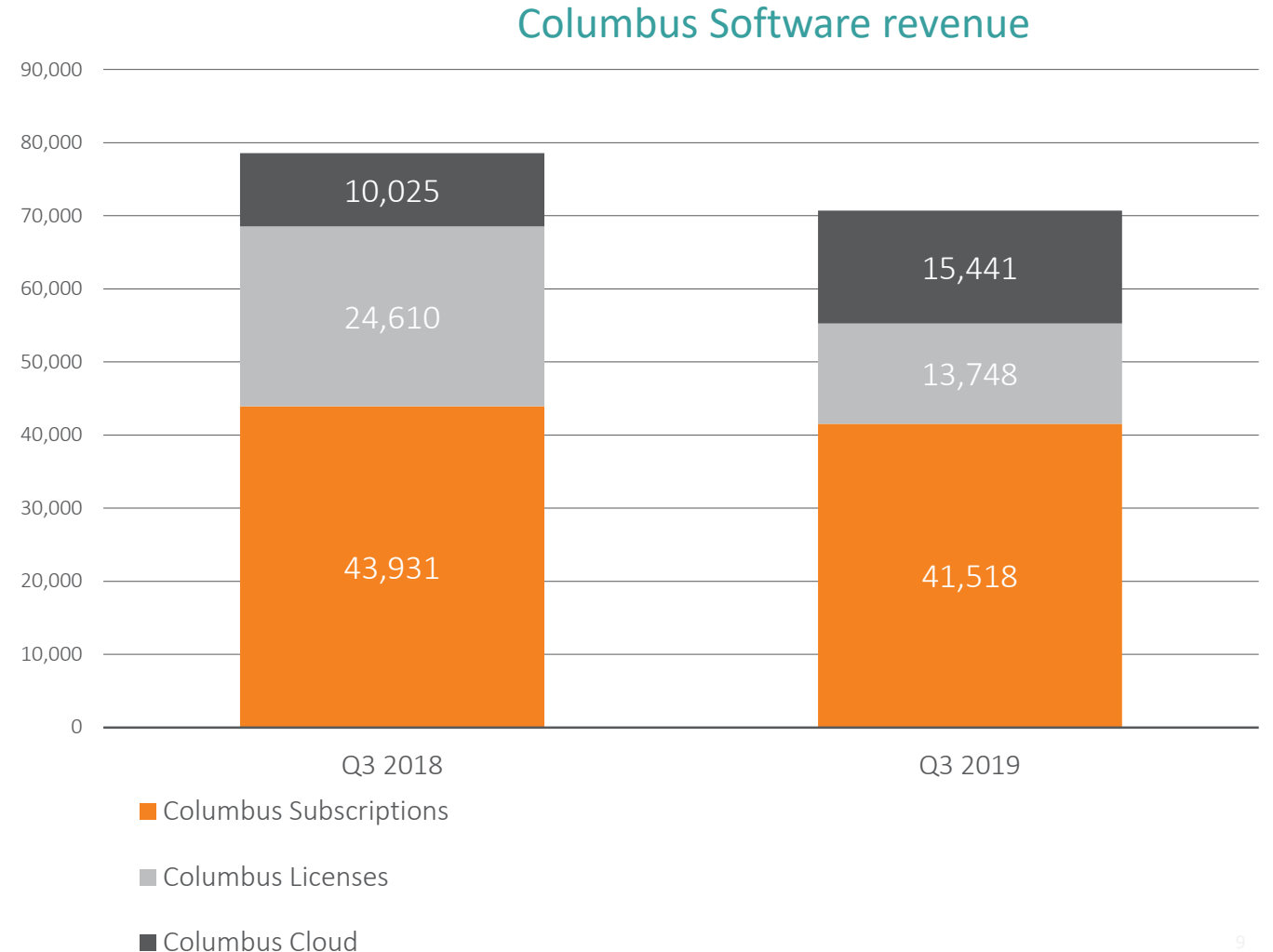
Q3 2019

- Chargeable
- Non-Chargeable
- Other



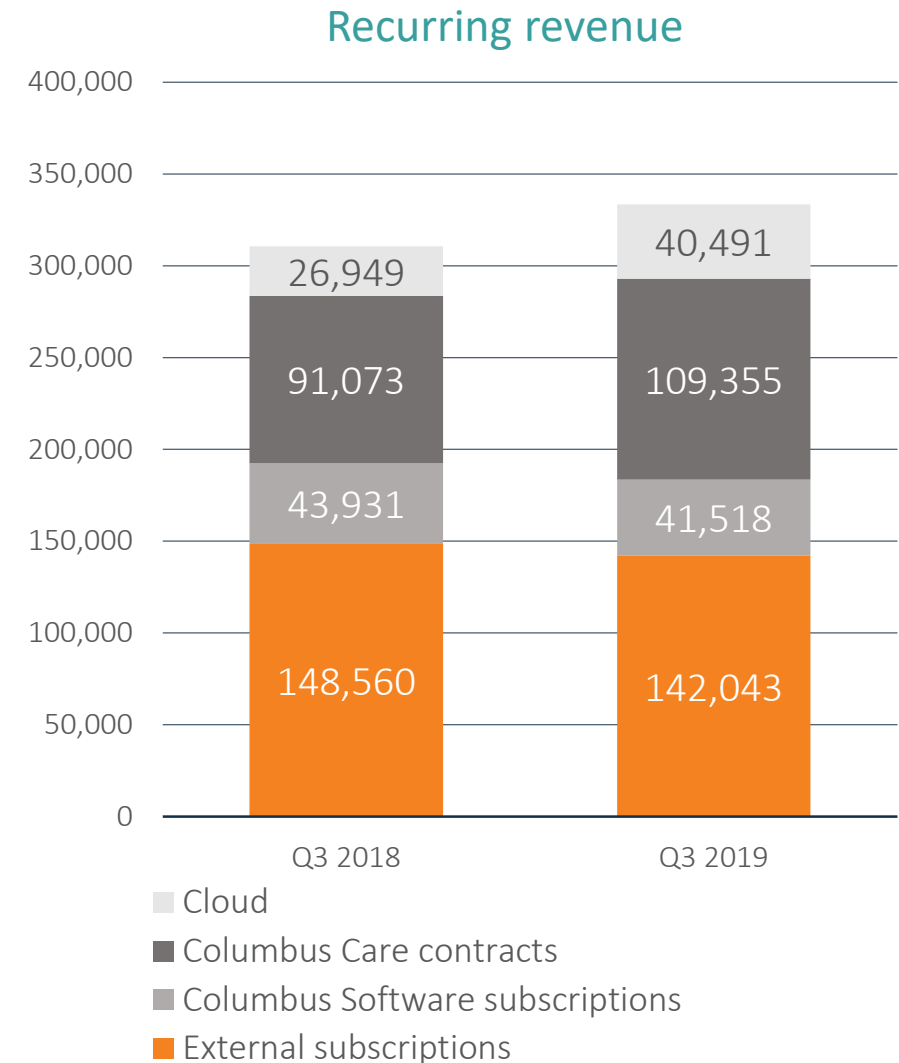
# Growth in Columbus Software Sales

- Columbus Cloud sales increased by 54%, from DKK 10m to DKK 15m
- Total revenue from sale of Columbus Software decreased by 10%, amounting to DKK 70,7m
  - Subscriptions declined by 5%
  - License sales declined by 44%
- Strong pipeline in Q4



# Growth in Recurring Revenue

- Recurring revenue increased by 7%
- Recurring revenue constitutes 24% of total revenue
- Columbus Care contracts grew by 20%
- Total Cloud revenue grew by 50%



# Geographical & Business Segments

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# Western Europe

## Net Revenue

**+6%** (DKK 1,007m)

## Service Revenue

**+6%** (DKK 862m)

## Columbus Software Revenue

**-15%** (DKK 19m)

## EBITDA

**+79%** (DKK 130m)

Western Europe mDKK	Q3 2019	Q3 2018	Δ	Δ%
Columbus Software	19.2	22.6	-3.4	-15%
External software	101.5	99.3	2.3	2%
Service revenue	861.8	813.0	48.8	6%
Other	24.1	17.6	6.5	37%
<b>Total net revenue</b>	<b>1,006.6</b>	<b>952.5</b>	<b>54.1</b>	<b>6%</b>
EBITDA	130.4	72.7	57.7	79%
Recurring revenue of total revenue	18%	17%	1%	6%

# Eastern Europe

## Net Revenue

**+8%** (DKK 104m)

## Service Revenue

**+7%** (DKK 78m)

## Columbus Software Revenue

**-2%** (DKK 4m)

## EBITDA

**+22%** (DKK 10m)

Eastern Europe mDKK	Q3 2019	Q3 2018	Δ	Δ%
Columbus Software	4.1	4.2	-0.1	-2%
External software	20.7	17.4	3.3	19%
Service revenue	78.4	72.9	5.4	7%
Other	0.7	1.6	-0.9	-56%
Total net revenue	103.9	96.2	7.8	8%
EBITDA	9.7	8.0	1.8	22%
Recurring revenue of total revenue	20%	20%	0%	-1%

# Northern America

## Net Revenue

**-13%** (DKK 230m)

## Service Revenue

**-17%** (DKK 131m)

## Columbus Software Revenue

**-4%** (DKK 5m)

## EBITDA

**-71%** (DKK 5m)

North America mDKK	Q3 2019	Q3 2018	Δ	Δ%
Columbus Software	5.3	5.5	-0.2	-4%
External software	91.9	97.2	-5.3	-5%
Service revenue	130.6	158.2	-27.6	-17%
Other	2.5	3.6	-1.0	-29%
Total net revenue	230.3	264.4	-34.1	-13%
EBITDA	4.9	16.9	-12.0	-71%
Recurring revenue of total revenue	38%	33%	5%	14%

# Columbus Software

## Columbus Software Subscriptions

**-11%** (DKK 36m)

## Columbus Cloud Revenue

**+49%** (DKK 13m)

## Columbus Software License

**-46%** (DKK 10m)

## EBITDA

**-3%** (DKK 47m)

Columbus Software mDKK	Q3 2019	Q3 2018	Δ	Δ%
Columbus Software licenses	10.2	18.9	-8.7	-46%
Columbus Software subscriptions	35.6	40.0	-4.4	-11%
Columbus Cloud	13.2	8.9	4.3	49%
External software	11.3	8.8	2.5	28%
Service revenue	41.4	42.9	-1.5	-3%
Other	1.8	0.6	1.2	211%
<b>Total net revenue</b>	<b>113.5</b>	<b>120.0</b>	<b>-6.5</b>	<b>-5%</b>
EBITDA	46.5	47.8	-1.3	-3%
Recurring revenue of total revenue	56%	51%	5%	10%

# Short & Long Term Guidance

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# Financial Guidance for 2019

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Revenue, in the range of  
**DKK 2bn**

Software revenue, in the range of  
**DKK 110m**

EBITDA, in the range of  
**DKK 240m**

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



# Long Term Guidance for 2021

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## Revenue

**3-5% growth**

Compounded average growth  
each year organically

## Recurring revenue

**25%**

of total revenue in 2021

## EBITDA

**13%**

EBITDA margin

## Dividend

**10% pay-out**

of nominal value each year





# Questions?

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