



Columbus delivers strong growth in the services business in the third quarter of the year

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In the first nine months of the year, Columbus generates 7% revenue growth, and 71% revenue increase*. The services business drives the progress.

Ballerup, 2016-11-02 10:08 CET (GLOBE NEWSWIRE) -- With a revenue increase of 7% (DKK 855m), and an increase in earnings* of 71% (DKK 87.6m) in the third quarter YTD, Columbus announces solid progress in the group.

"In general, we see great progress in Columbus, and it is especially our services business that drives the growth. We have been successful in optimizing and streamlining operations, while selling more projects and ColumbusCare support agreements", says CEO and President in Columbus, Thomas Honoré.

Columbus' services business delivers 10% revenue growth in the third quarter YTD. At the same time earnings (Service EBITDA) improved from DKK 17m to DKK 52m, which is an increase of DKK 35m. Columbus' US and Norwegian subsidiaries delivers the largest progress.

The improvement was also impacted by the effect of acquisitions made in 2015 and 2016. In February, Columbus acquired the Danish cloud and hosting company SystemHosting, and in July Columbus acquired the US ERP consultancy, CSG.

Growth in sales of ColumbusCare

ColumbusCare shows great progress in the third quarter with 27% growth. ColumbusCare is Columbus' support concept, which ensures customers support of their ERP investment 24 hours a day.

"Companies are increasingly moving to a hybrid infrastructure, which means that the complexity is increasing. Therefore, we see a growing demand for packaged services such as ColumbusCare that ensures high uptime, availability, and value of the customers' ERP investments," says Thomas Honoré.

"Columbus wants to take care of our customers for life, and with ColumbusCare we can offer customers lifetime support and further development of their business applications of a very high quality," says Thomas Honoré.

Together with cloud revenue, Columbus Software subscriptions, and third-party subscriptions, ColumbusCare constitutes the revenue category "recurring revenue". In the third quarter YTD, recurring revenue increased by 8%, which corresponds to 24% of the total revenue of the Group. Columbus expects to increase the proportion of recurring revenue as it creates greater stability and predictability in the business.

Columbus maintains expectations to revenue and EBITDA in 2016

Columbus maintains the announced expectations to 2016 and thus expects revenues in the level of DKK 1.2bn and EBITDA* in the level of DKK 124m.

Columbus2020 — towards growth

In March, Columbus announced the five-year strategy Columbus2020 with the clear purpose of being the preferred business partner, that helps our customers increasing the value of their ERP investment and leads them in the digital transformation of their business. Columbus2020 focuses on four strategic elements; Customer Success, Digital Leadership, Process Excellence and Our People.

*EBITDA before share-based payment

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