



Columbus delivers revenue growth of 52% in first half of 2018

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In first half of 2018 revenue increased by 52%, and EBITDA increased by 40%. Successful acquisition of iStone and HiGH Software and progress in sale of Columbus Software are the main drivers for the growth. Operating cash flow increased by 50% to DKK 100.6m.*

Columbus has today published the Interim Report for first half of 2018, cf. release no. 18/2018.

Growth driven by successful acquisitions

In the first half of 2018, revenue amounted to DKK 978 m (H1 2017: DKK 642m), an increase of 52%. EBITDA* amounted to DKK 99.6m (H1 2017: DKK 71.2m), corresponding to a growth of 40%.

The revenue growth was primarily driven by the acquisition of iStone (2 January, 2018) and secondarily by the acquisition of HiGH Software (9 January, 2018). Both acquisitions are in a very positive integration process and Columbus is executing the business plans for the acquisitions as planned.

iStone drives progress in the services business

Service revenue increased by 74% which is driven by the acquisitions of iStone and HiGH Software. Columbus Care services saw good progress and we continue to experience an increased demand for these services by our customers.

Significant progress in Columbus Software

Sale of Columbus Software contributed with a growth of 37% compared to last

year. Growth is coming from Columbus' existing portfolio as well as the software portfolio in the acquired HiGH Software. The cloud conversion continues, and Columbus Cloud showed great progress in the first half of the year.

Increase in external cloud software sales

In H1 external cloud increased by 172% due to the increasing conversion to cloud-based products. External software licenses declined by 28% due to the fact that a large number of customers buy licenses directly from the vendor where Columbus receives an agent fee, as well as due to a decline in external software sales in Columbus US as previously announced.

Columbus Care and cloud drive growth in recurring revenue

In the first half of 2018, recurring revenue increased by 24% now constituting 22% of total revenue. The progress is driven by the acquisitions, increase in Columbus Care and by the revenue increase in cloud.

DKK '000	H1 2018	H1 2017	2017
Columbus Software licenses	17,533	13,571	26,673
Columbus Software subscriptions	31,151	25,542	50,258
Columbus Cloud	7,268	1,623	6,248
External software licenses	38,687	53,473	94,629
Eksternal software subscriptions	105,766	102,221	190,119
External cloud	10,508	3,868	9,215
Services	751,150	431,323	822,551
Other	16,091	10,694	19,069
Total net revenue	978,154	642,315	1,218,762
EBITDA before share-based payment	99,601	71,177	148,510
Share-based payment	-4,948	-1,158	-2,302
EBITDA	94,653	70,019	146,208

Strong EBITDA growth

EBITDA* amounted to DKK 99.6m, corresponding to an increase of 40% compared to the same period last year. The increase in EBITDA is driven by the acquisitions but is also due to a significant cost adjustment in the US business.

Increase in cash flow

Cash flow from primary activities amounted to DKK 100.6m, corresponding to an increase of 50% compared to H1 2017.

"I am very satisfied with the results for first half, where we deliver growth in both revenue and EBITDA. I am particularly satisfied with the progress of the integration of iStone where we start to see many synergies between our businesses, especially within customer engagements and sales", says CEO & President in Columbus, Thomas Honoré.

Columbus maintains expectations for 2018

Columbus maintains the previously announced expectations for 2018:

- Revenue in the level of DKK 2bn
- EBITDA* in the level of DKK 200m
- Columbus Software revenue in the level of DKK 90m
- 10% dividend on nominal share capital

Latest developments

No events or transactions with a material effect on the company's financial position have occurred since the balance sheet date.

* EBITDA before share-based payment

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Columbus' Columbus2020 strategy – towards growth

Based on Columbus' strengthened position, as a result of successful execution of the Columbus 15 strategy, the company launched a growth strategy in March. The strategy is named Columbus2020 and consists of four interconnected strategic elements.

Customer Success – Taking care of our customers for life

Columbus' fundamental goal is to take care of our customers for life. Columbus aims to be widely recognized as a strategic business partner that enhances our customer's success by improving the value realization of

their ERP-investments and by leading them in the digital transformation of their business

This means that Columbus will intensify the focus on creating a unique customer experience and increase customer

satisfaction from the customer meet Columbus for the first time to delivering unique solutions, high quality services and streamlined project delivery and support 24/7.

Digital Leadership – Accelerate business innovation

Columbus helps our customers in the digital transformation of their business. With Digital Leadership Columbus has two focus areas. Firstly, Columbus will continue to strengthen our leadership position within ERP by investing in new companies, applications,

methodologies and business processes that optimizes and improves the implementation of ERP-solutions. Secondly, Columbus will establish a leadership position within Digital Transformation. Many companies are about to or in the process of transforming their

business in order to succeed in the digital economy. Columbus will develop solutions and services within cloud, mobile, social, analytics and Internet of Things that help companies take advantage of the digital opportunities.

Process Excellence – Quality in everything we do

In Columbus, we constantly strive to optimize and streamline our business operations in order to achieve strong sales excellence and deliver projects,

quality to our customers. Our goal is to create the best customer experience in the industry. The focal point is quality in everything we do – from the initial contact

over sales and design of the business solution to the implementation process and lifetime support. This means an intense focus on optimizing and

services and support of high

with customers,

streamlining our processes globally.

Our People – Attract, develop and retain the best people

Columbus' greatest asset is our employees and therefore it is crucial that we attract and retain the best people in the industry. We want to attract highly skilled people by

providing challenging career opportunities, attractive working conditions and professional and personal growth. Columbus want to create a customer culture, where

meeting the customers' expectations sets the direction in everything we do. This means that Columbus always strives to deliver projects on time, within budget and at the highest quality.

Attachment

- [SE 19 2018 Columbus delivers 52 procent revenue growth](#)