

Financial Results 2018

Webcast & Tele Conference

13 March 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



Thomas Honoré, CEO & President



Hans Henrik Thrane, Corporate CFO

Agenda

- Highlights of 2018
- Income Statement
- Financial Value Drivers
- Geographical & Business Segments
- Short & Long Term Guidance
- Questions



Highlights 2018

Revenue

54% growth

amounting to DKK 1.9bn

EBITDA*

22% growth

amounting to DKK 181m

Integration of

iStone

High Software

according to plan

Columbus Software

24% growth

amounting to DKK 103m

Profit before tax

14% growth

amounting to DKK 115m

Acquisitions

iStone

HiGH Software

Hät Systems

Income Statement 2018

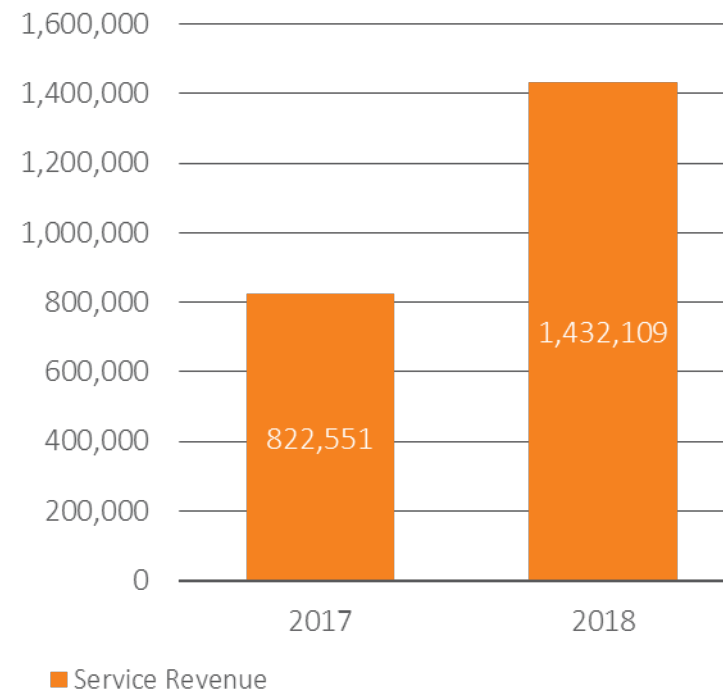
Income statement (mDKK)	2018	2017	Δ%
Columbus Software	102.9	83.2	24%
External Software	304.8	294.0	4%
Service	1,432.1	822.6	74%
Other	35.5	19.1	86%
Net Sales	1,875.3	1,218.8	54%
External project costs	-391.3	-267.5	46%
Gross profit	1,484.0	951.3	56%
Staff expenses and remuneration	-1,091.2	-659.8	65%
Other external costs	-211.6	-143.0	48%
EBITDA before share-based payment	181.2	148.5	22%
Share-based payment	-9.8	-2.3	325%
EBITDA	171.4	146.2	17%
Depreciation/amortization	-63.9	-39.5	62%
Net Financial Income	7.9	-5.1	-255%
Net result before tax	115.4	101.6	14%
Tax	-18.8	-5.5	241%
Net result after tax	96.7	96.1	1%

Financial Value Drivers

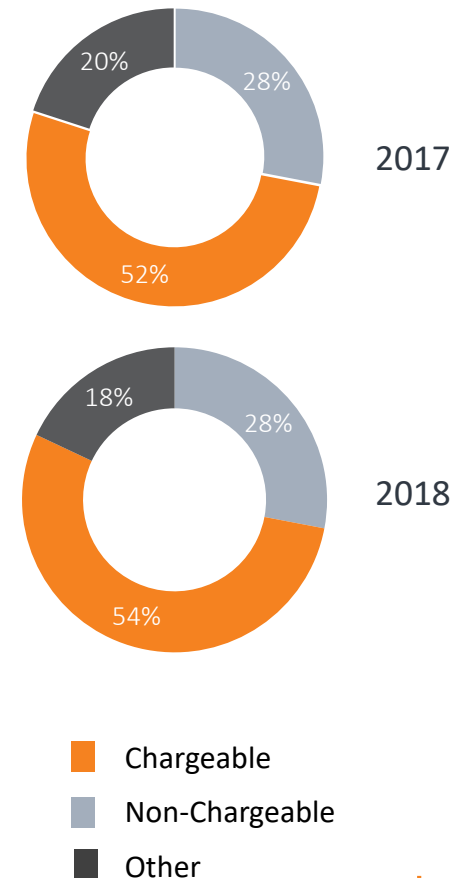
Growth in the Services Business

- Service revenue grew by 74% to DKK 1,432m
 - Acquisition of iStone & High Software
 - High activity in the Services Business
- Increase in chargeable hours (52% to 54%)
 - General progress in our Services Business
 - Progress within ERP, Cloud and offerings such as Analytics & BI and Customer Experience

Development in the service revenue

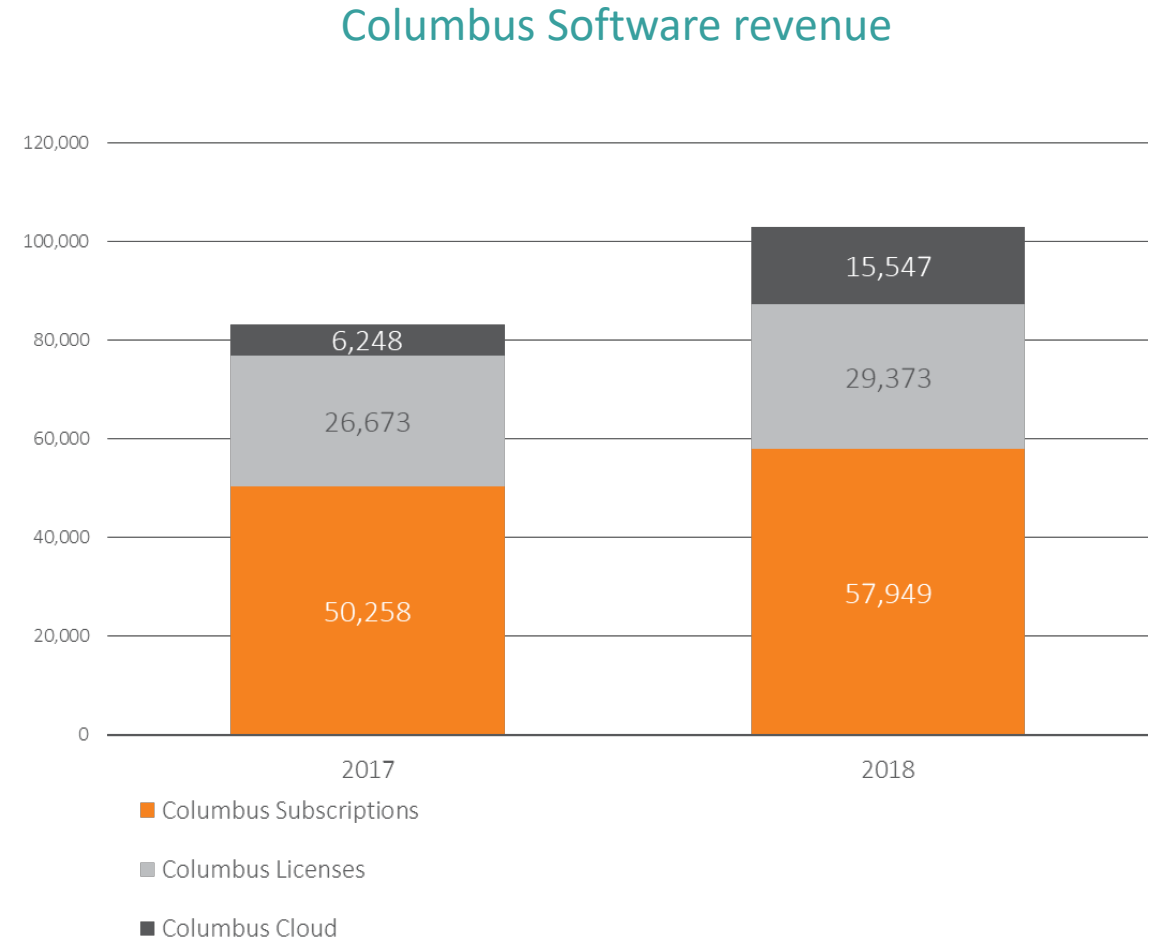


Customer Work



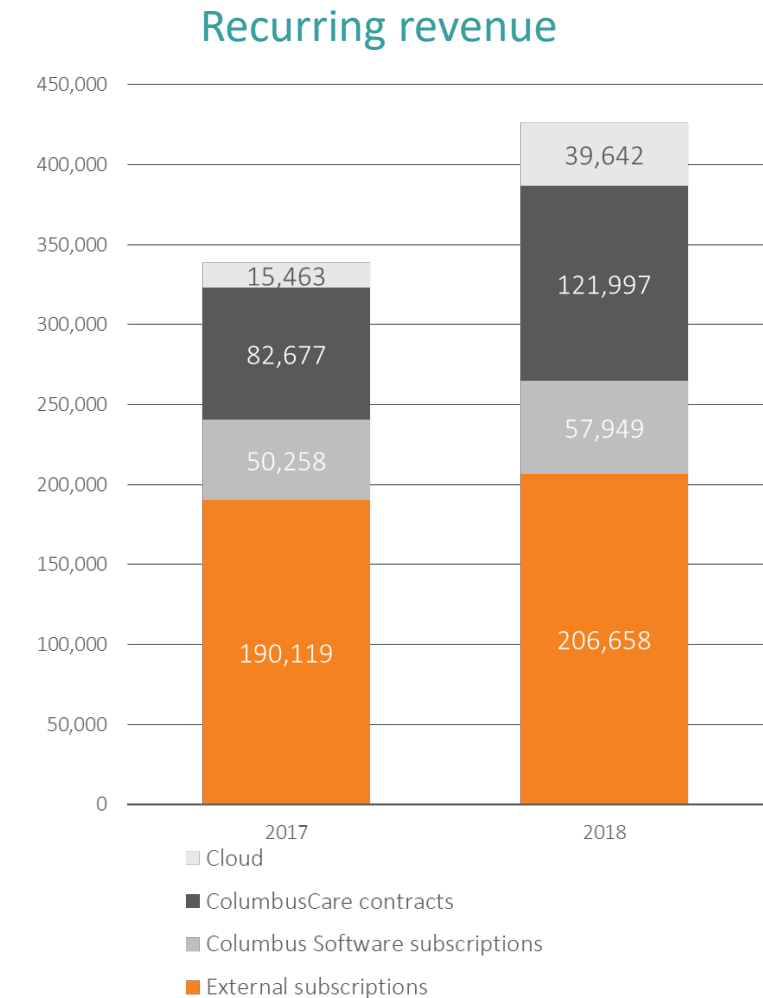
Growth in Columbus Software Sales

- Total revenue from sale of Columbus Software increased by 24%, amounting to DKK 103m
 - Subscriptions grew by 15%
 - License sales grew by 10%
- Columbus Cloud sales increased from DKK 6.3m to DKK 15,5m (149%)



Growth in Recurring Revenue

- Recurring revenue increased by 26%
- Recurring revenue constitutes 23% of total revenue
- Columbus Care contracts grew by 48%
- Total Cloud revenue grew by 156%



Geographical & Business Segments

Western Europe

Net Revenue

+114% (DKK 1,298m)

Service Revenue

+140% (DKK 1,096m)

Columbus Software Revenue

+8% (DKK 31m)

EBITDA*

+22% (DKK 113m)

Western Europe mDKK	2018	2017	Δ	Δ%
Columbus Software	30.6	28.3	2.3	8%
External software	141.5	113.5	28.0	25%
Service revenue	1,096.3	456.8	639.6	140%
Other	29.6	8.7	20.9	241%
Total net revenue	1,298.0	607.2	690.9	114%
EBITDA	112.7	92.4	20.3	22%
Recurring revenue of total revenue	17%	26%	-9%	-34%

Eastern Europe

Net Revenue

-6% (DKK 135m)

Service Revenue

+3% (DKK 100m)

Columbus Software Revenue

+30% (DKK 5.5m)

EBITDA*

-5% (DKK 12.3m)

Eastern Europe mDKK	2018	2017	Δ	Δ%
Columbus Software	5.5	4.2	1.3	30%
External software	26.9	40.8	-13.9	-34%
Service revenue	100.3	96.9	3.4	3%
Other	2.4	2.5	-0.1	-3%
Total net revenue	135.2	144.5	-9.3	-6%
EBITDA	12.3	13.0	-0.7	-5%
Recurring revenue of total revenue	21%	22%	-1%	-4%

Northern America

Net Revenue

-17% (DKK 349m)

Service Revenue

-23% (DKK 206m)

Columbus Software Revenue

8% (DKK 7m)

EBITDA*

+166% (DKK 19m)

North America mDKK	2018	2017	Δ	Δ%
Columbus Software	7.2	6.7	0.5	8%
External software	131.0	140.6	-9.6	-7%
Service revenue	205.9	267.1	-61.2	-23%
Other	4.6	7.6	-3.0	-39%
Total net revenue	348.8	422.0	-73.2	-17%
EBITDA	18.7	7.0	11.7	166%
Recurring revenue of total revenue	34%	28%	6%	23%

Columbus Software

Columbus Software Subscriptions

+19% (DKK 52m)

Columbus Cloud Revenue

+134% (DKK 13.3m)

Columbus Software License

+16% (DKK 24m)

EBITDA*

+40% (DKK 62m)

Columbus Software mDKK	2018	2017	Δ	Δ%
Columbus Software licenses	24.0	20.7	3.3	16%
Columbus Software subscriptions	51.7	43.6	8.1	19%
Columbus Cloud	13.3	5.7	7.6	134%
External software	12.5	0.0	12.5	100%
Service revenue	57.8	16.8	41.1	245%
Other	0.9	1.3	-0.4	-31%
Total net revenue	160.2	88.1	72.2	82%
EBITDA	62.1	44.2	17.9	40%
Recurring revenue of total revenue	51%	60%	-9%	-16%

Stronger Together on track

- Revenue and EBITDA according to plan
- Expansion of Global Delivery Capacity within Infor M3, Commerce, MS Dynamics, Application Management
- Columbus Norway becoming one company – one leadership team and one location
- One brand – merging the iStone brand into Columbus
- Strategic partnership with Itelligence divesting the SAP Business Unit

Stronger together

Business Growth synergies:

- Sell more Columbus Software & Columbus Care to Dynamics customers
- Expand commerce to Columbus markets
- Expand M3 business globally

Business Efficiency synergies:

- Leverage Columbus GDC setup
- Headquarter simplification & shared services
- Synchronize methods and tools (PE)

Investment for organic growth

- The 9 Doors to Digital Leadership®
- Columbus Comprehensive services and solutions framework
- Expand our ERP business with end-to-end services and solutions
- Address existing and new customers with a wider portfolio
- Investment in global delivery capacity
- Main driver for organic growth in 2019 and beyond



Short & Long Term Guidance

Financial Guidance for 2019

Revenue, in the range of
DKK 2bn

EBITDA, in the range of
DKK 240m

Software revenue, in the range of
DKK 110m

Dividend
10% dividend
on nominal share capital



Long Term Guidance for 2021

Revenue

3-5% growth

Compounded average growth
each year organically

Recurring revenue

25%

of total revenue in 2021

EBITDA

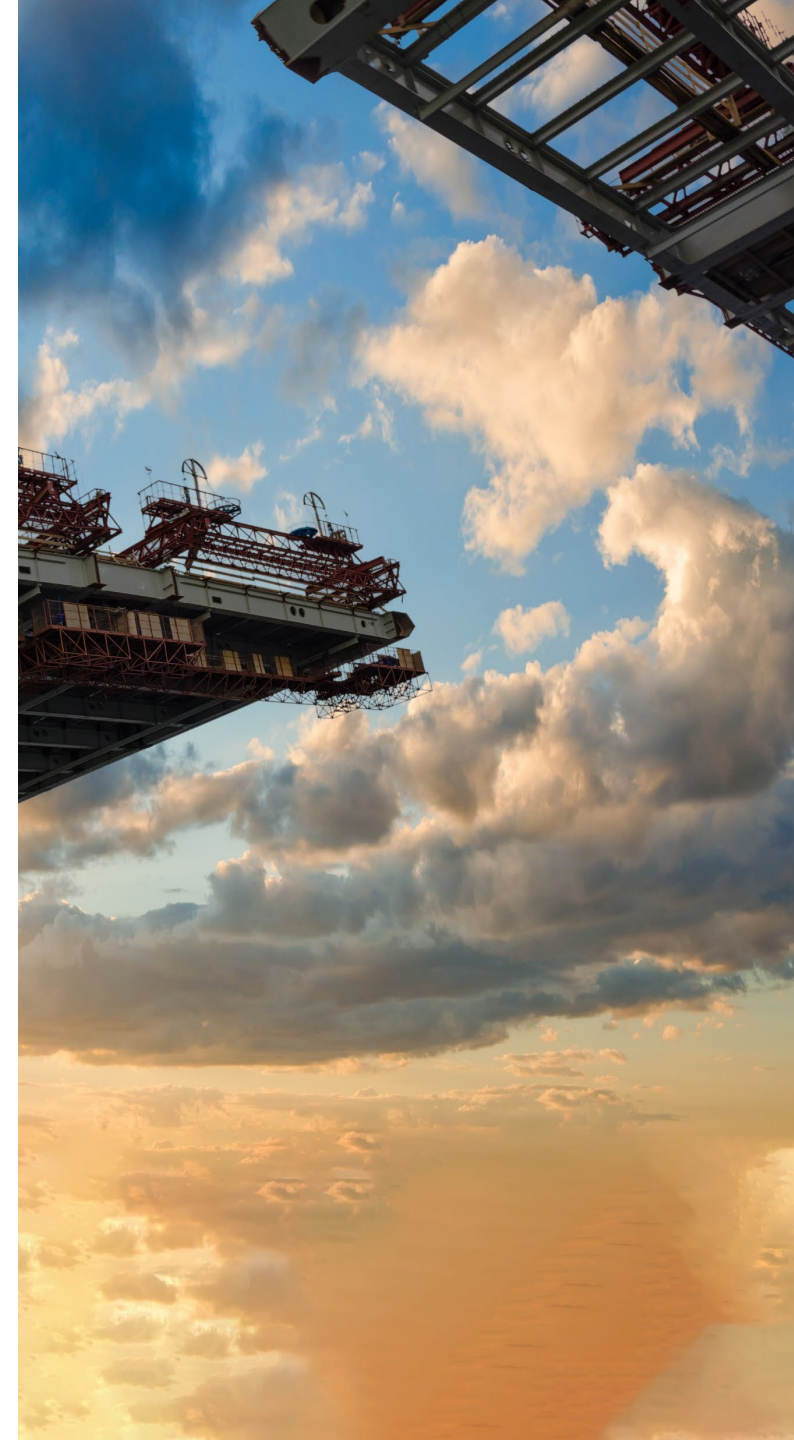
13%

EBITDA margin

Dividend

10% pay-out

of nominal value each year





Questions?

Upcoming events

- Annual Report 2018 at ABGSC
 - 15 March 2019 at 12:30 – 13:30
- Interim Management Statement Q1
 - 30 April 2019
- Interim Report H1
 - 22 August 2019
- Interim Management Statement Q3
 - 6 November 2019



The invitation card is divided into three main sections. The top section is white with the word 'INVITATION' in orange and the ABG Sundal Collier logo. It includes a short paragraph in Danish about the 2018 annual report. The middle section is light grey and contains the 'Columbus' logo with the tagline 'Once you know how...'. It lists the representatives: Thomas Honoré (CEO) and Hans Henrik Thrane (CFO). The bottom section is dark blue and contains contact information for ABGSC Analysts Andrew Carlsen and Hannah K. Larsen, as well as Event Coordinator Karina K. Andersen. A small image of a train tunnel is also present in the bottom right corner.

INVITATION

ABG
SUNDAL COLLIER

ABGSC har fornøjelsen af at invitere dig til en præsentation af årsrapporten 2018 med:

Columbus | Once you know how...

Columbus vil være repræsenteret ved:

Thomas Honoré
CEO

Hans Henrik Thrane
CFO

INFO

Dato	Fredag den 15. marts 2019
Tid	Kl. 12:30 – 13:30 (frokost)
Sted	ABG Sundal Collier Forbindelsesvej 12 (stuen) 2100 København Ø
S.U.	Til din sædvanlige kontakt eller til ABGSCs event team: T: + 45 35 46 30 00 E: invitations@abgsc.dk

For mere information,
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When you have the aspiration to
transform, maximize and future-proof
your business digitally.

Columbus® | Once you
know how...