

Financial Results Q3 YTD 2017

Webcast & Tele Conference

2 November 2017 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



Hans Henrik Thrane, CFO

Today's presentation

AGENDA

- Highlights of Q3 YTD 2017
- Income statement
- Financial Value Drivers
- Geographical & Business segments
- 2017 expectations
- Long-term guidance
- Questions

Highlights Q3 YTD 2017

Revenue

6% growth

amounting to DKK 907m

EBITDA*

11% growth

amounting to DKK 97m

Service EBITDA

7% growth

amounting to DKK 65m

Columbus Software

7% decline

amounting to DKK 59m

Acquisitions

Tridea Partners

Net Result before tax

4% growth

amounting to DKK 61.2m

Income Statement Q3 YTD 2017

Income statement (mDKK)	YTD 2017	YTD 2016	Δ%
Columbus Software	58.8	63.0	-7%
External Software	214.4	197.8	8%
Service	619.4	577.7	7%
Other	14.1	17.1	-17%
Net Sales	906.7	855.5	6%
External project costs	-193.4	-183.3	6%
Gross profit	713.4	672.2	6%
Staff expenses and remuneration	-505.6	-468.7	8%
Other external costs	-110.5	-115.9	-5%
EBITDA before share-based payment	97.3	87.6	11%
Share-based payment	-1.7	-3.4	-49%
EBITDA	95.6	84.2	14%
Depreciation	-29.4	-24.1	22%
Net Financial Income	-5.1	-1.3	292%
Net result before tax	61.2	58.9	4%



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Financial Value Drivers

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

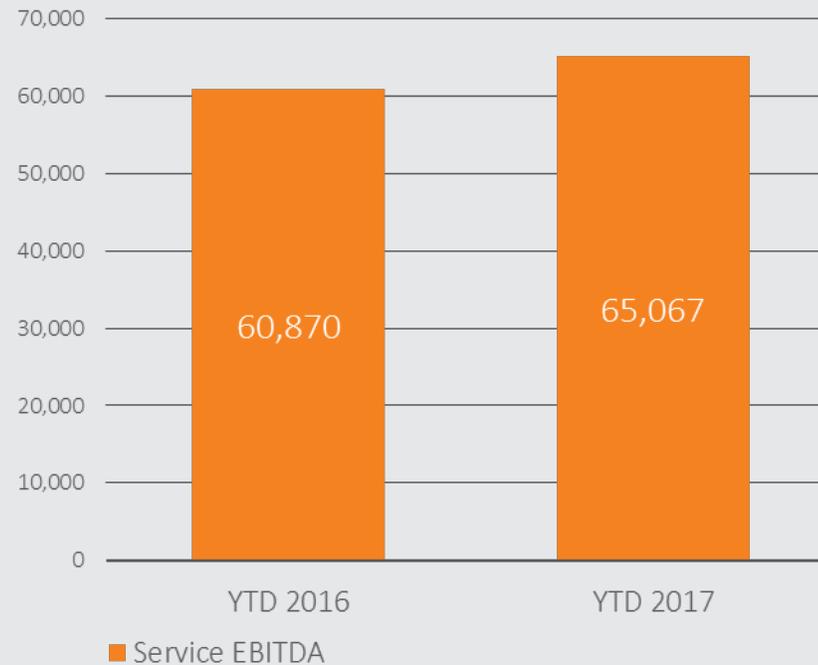
3 **Recurring** revenue and **cloud** revenue

Support agreements and cloud revenue are **recurring revenue**, which also establish long and strong customer relationships

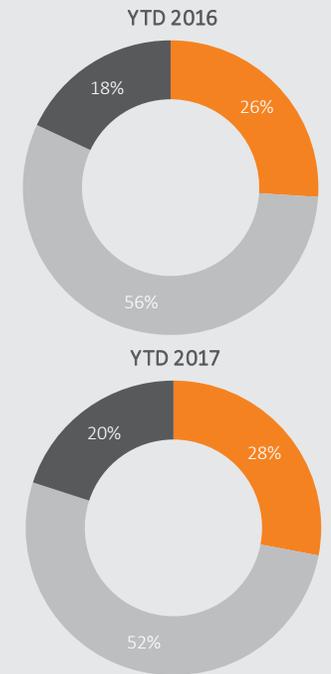
Growth in the services business

- Service revenue grew by 7% to DKK 619m
- Service EBITDA increased by 7% to DKK 65m
 - High activity in the services business
 - Increased use of Columbus Global Delivery Center
- Decrease in chargeable hours (56% to 52%)
 - Due to technology change in US SMB business leading to lower sales

Service EBITDA



Customer Work



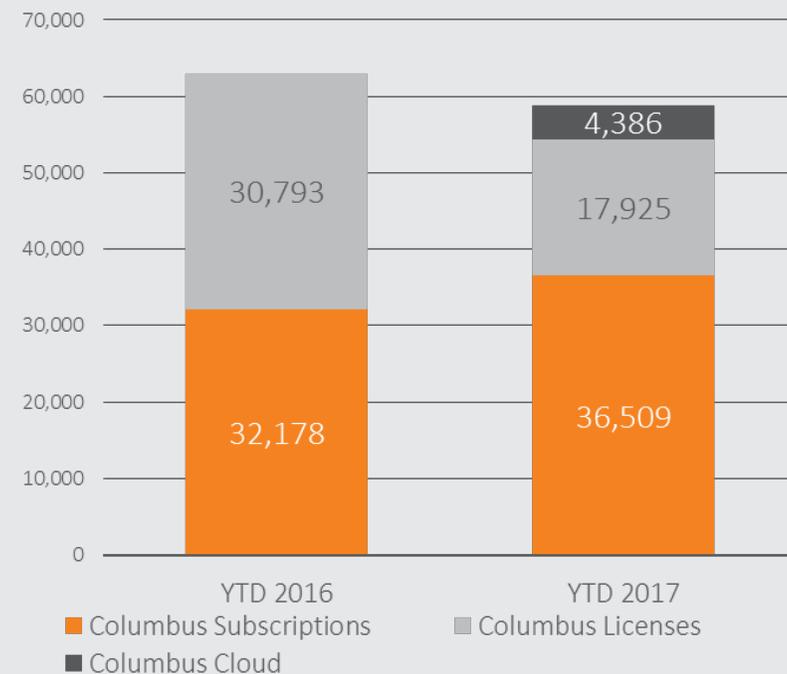
- Non-chargeable
- Chargeable
- Other

Excluding Cambridge Online Systems

Columbus Software sales as expected

- Total revenue from sale of Columbus Software declined by 7%, amounting to DKK 59m
 - Subscriptions grew by 27%
 - License sales declined by 42%
- Cloud sales increased to DKK 4,4m
- Development as expected

Columbus Software revenue



Growth in Recurring revenue

- Recurring revenue increased by 18%
- Recurring revenue constitutes 27% of total revenue
- Significant growth in ColumbusCare, which increased by 62%
- Development as expected





Geographical & Business segments

Western Europe

Net Revenue

+3% (DKK 444m)

Columbus Software Revenue

-6% (DKK 19m)

Service Revenue

+1% (DKK 338m)

EBITDA

+7% (DKK 64m)

Western Europe mDKK	YTD 2017	YTD 2016	Δ	Δ%
Columbus Software licenses	7,6	10,6	-3,0	-29%
Columbus Software subscriptions	11,9	10,1	1,8	18%
External licenses	29,2	18,8	10,3	55%
External subscriptions	50,8	48,1	2,7	6%
Service revenue	337,6	334,3	3,3	1%
Other	6,6	7,9	-1,3	-16%
Total net revenue	443,6	429,8	13,8	3%
EBITDA	63,8	59,5	4,3	7%
Recurring revenue of total revenue	26%	21%	5%	21%

Eastern Europe

Net Revenue

+14% (DKK 104m)

Columbus Software Revenue

+5% (DKK 3m)

Service Revenue

+9% (DKK 71m)

EBITDA

+40% (DKK 9m)

Eastern Europe mDKK	YTD 2017	YTD 2016	Δ	Δ%
Columbus Software licenses	1,9	1,8	0,1	5%
Columbus Software subscriptions	1,0	0,9	0,0	5%
External licenses	11,6	6,5	5,1	79%
External subscriptions	17,0	15,1	1,9	13%
Service revenue	71,3	65,5	5,7	9%
Other	1,5	1,3	0,2	16%
Total net revenue	104,2	91,1	13,1	14%
EBITDA	8,8	6,3	2,5	40%
Recurring revenue of total revenue	21%	19%	2%	9%

Northern America

Net Revenue

+5% (DKK 329m)

Columbus Software Revenue

-30% (DKK 6m)

Service Revenue

+13% (DKK 210m)

EBITDA

-64% (DKK 7m)

North America mDKK	YTD 2017	YTD 2016	Δ	Δ%
Columbus Software licenses	1,4	2,9	-1,5	-51%
Columbus Software subscriptions	4,2	5,1	-0,9	-17%
External licenses	29,0	36,8	-7,8	-21%
External subscriptions	77,5	73,8	3,7	5%
Service revenue	210,4	186,9	23,5	13%
Other	6,4	6,8	-0,5	-7%
Total net revenue	328,9	312,3	16,5	5%
EBITDA	6,6	18,4	-11,8	-64%
Recurring revenue of total revenue	27%	27%	0%	0%

Columbus Software ISV

Columbus Software Revenue

-4% (DKK 51m)

Columbus Software Licens

-43% (DKK 14m)

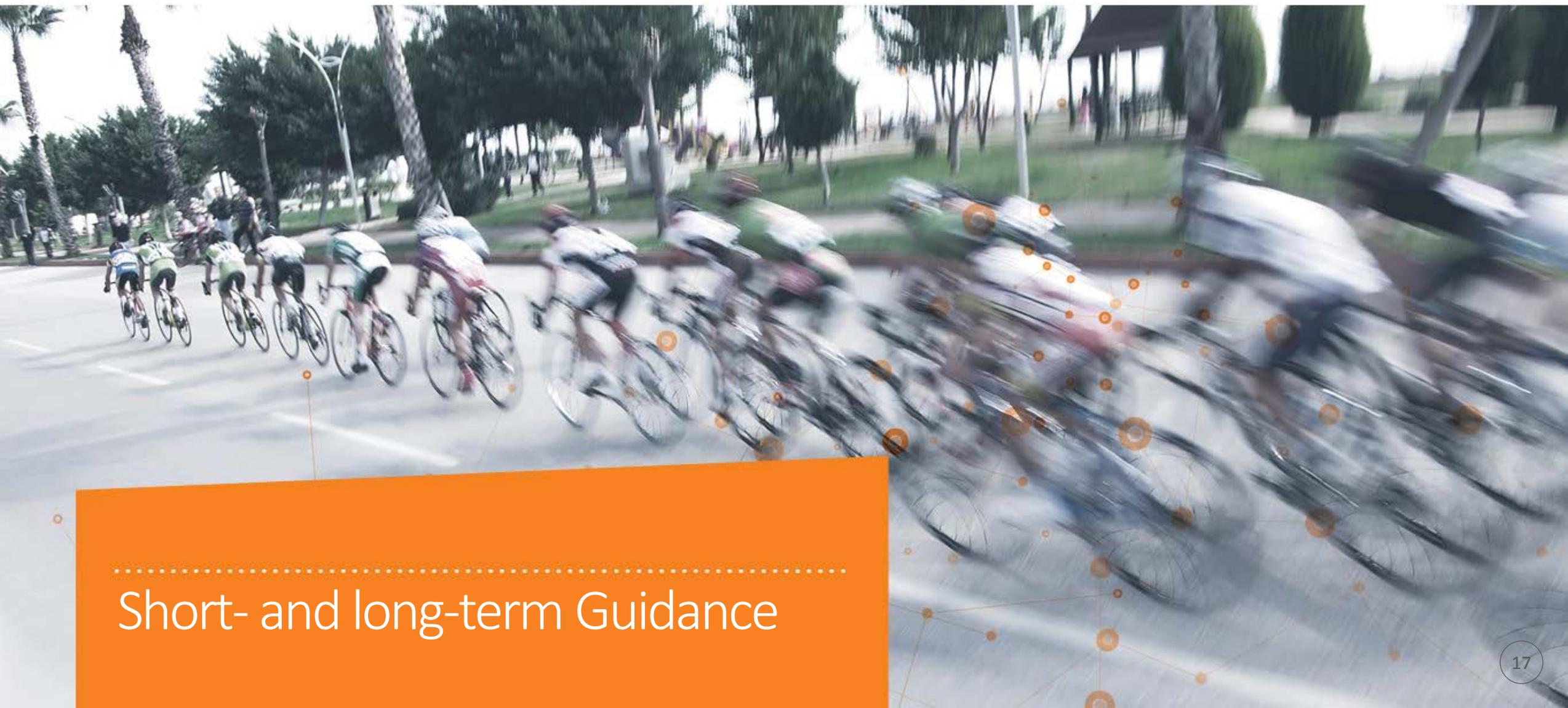
Columbus software Subscriptions

+32% (DKK 36m)

EBITDA

+1% (DKK 31m)

Columbus Software mDKK	YTD 2017	YTD 2016	Δ	Δ%
Columbus Software licenses	14,4	25,1	-10,7	-43%
Columbus Software subscriptions	32,3	27,5	4,8	17%
Columbus Cloud	4,1	0,0	4,1	100%
Service revenue	12,7	10,5	2,3	21%
Other	0,4	0,9	-0,5	-59%
Total net revenue	63,8	63,9	-0,1	0%
EBITDA	30,6	30,4	0,2	1%
Recurring revenue of total revenue	61%	46%	15%	32%



Short- and long-term Guidance

Financial guidance for 2017

Revenue, in the range of
DKK 1.35bn

EBITDA*, in the range of
DKK 150m

Service EBITDA, in the range of
DKK 120m

Software revenue, in the range of
DKK 80m

Dividend
10% dividend
on nominal share capital

* EBITDA before share-based payment

Short-term guidance



Long-term guidance for 2019

Revenue

10% growth

average per year

Recurring revenue

30%

of total revenue in 2019

EBITDA*

11%

EBITDA margin per year

Dividend

10% pay-out

of nominal value each year



Long-term guidance



Thank You!
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Questions



Columbus[®] | Once you
know how...