Columbus Once you know how...

Q3 YTD Results 2016

Webcast & Tele Conference

2 November 2016 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
- Income statement
- Columbus2020 Strategy
- Financial Value Drivers
- Geographical & Business segments
- 2016 expectations
- Long-term guidance
- Questions

Highlights Q3 YTD 2016

Revenue

7% growth

amounting to DKK 855m

EBITDA*

71% growth

amounting to DKK 87.6m

Columbus Software

2% growth

amounting to DKK 63m

Service revenue

10% growth

amounting to DKK 578m

Acquisition

Client strategy Group (CSG) SystemHosting

* EBITDA before share-based payment

Income Statement Q3 YTD 2016

Income statement (mDKK)	YTD 2016	YTD 2015	Δ%
Columbus Software	63,0	62,0	2%
External Software	197,8	198,4	0%
Service	577,7	525,7	10%
Other	17,0	14,2	20%
Net Sales	855,5	800,3	7%
External project costs	-183,3	-193,1	-5%
Gross profit	672,2	607,2	11%
Staff expenses and remuneration	-468,7	-452,2	4%
Other external costs	-115,9	-103,9	12%
EBITDA before share-based payment	87,6	51,1	71%
Share-based payment	-3,4	-0,9	260%
EBITDA	84,2	50,2	68%
Depreciation	-24,1	-21,2	14%
Net Financial Income	-1,3	4,9	-126%
Net result before tax	58,9	33,9	74%

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Towards Growth

Columbus2020

Columbus' 5-year strategy

Customer Success

Customer Success;
Taking care of customers for life

- Create the ultimate customer experience
- Increase customer satisfaction and loyalty
- Build long and close relations to our customers by offering lifecycle services

"We strive to keep our customers for life by providing the best customer experience and high quality when engaging with Columbus"

Digital Leadership

Digital Leadership;

Accelerate business innovation

- Develop new products and services that increase the value of ERP investments
- Extend beyond ERP using cloud, big data, IoT and mobile technologies

"We help our customers accelerate business innovation by maximizing the value realization of ERP and by leading them in the digital business transformation".

Our People

Our People;

Attract, develop & retain the best people

- Foster a customer success culture
- Achieve global Performance Excellence
- Create a learning organization

"We provide challenging career opportunities, attractive working conditions and professional and personal development for Our People".

Process Excellence

Process Excellence;

Quality in everything we do

- World-class sales and marketing organization that creates the ultimate customer experience
- Supreme consulting and mitigating implementation risk at the right cost

"We strive to improve operations and best practices in order to achieve global sales excellence and deliver high quality services to our customers".

Columbus2020

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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

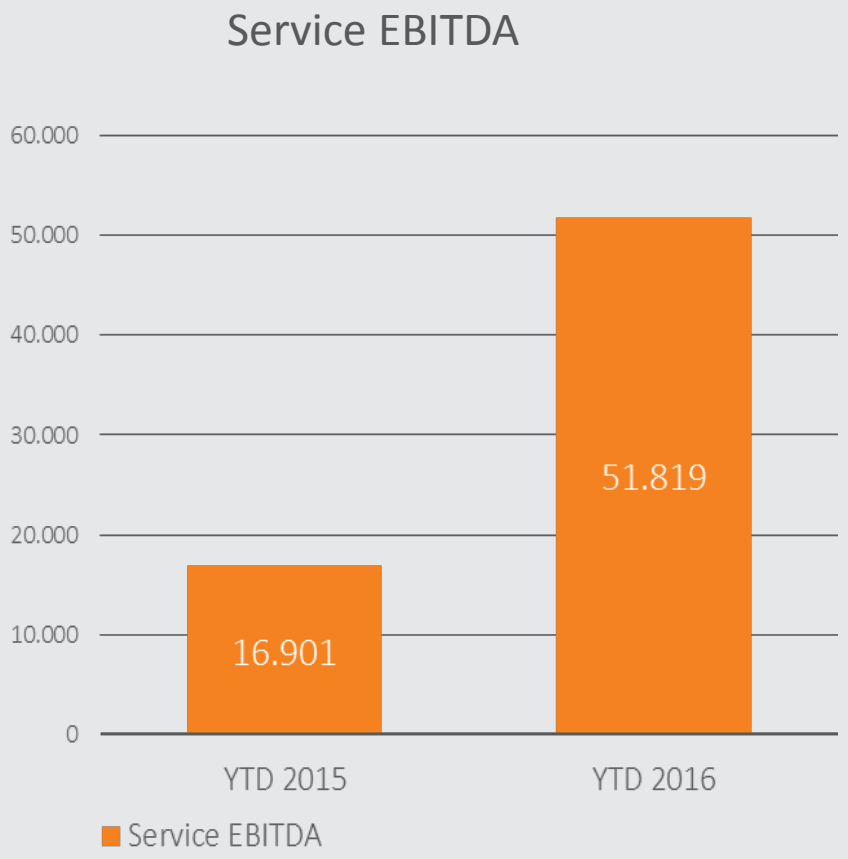
3 Recurring revenue and cloud revenue

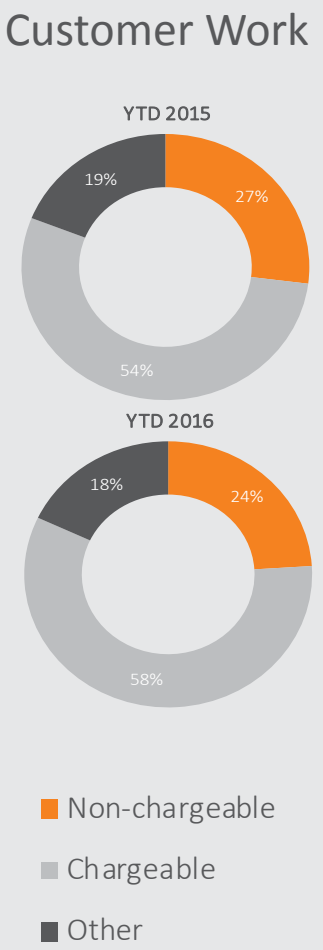
Support agreements and cloud revenue are recurring revenue, which also establish long and strong customer relationships

Improve profitability in the services business

Significant increase in Service earnings:

- Service EBITDA increased by DKK 34.9m in Q3
- Primary due to an increase in customer work (54% to 58%) mainly in US and Norway
- Secondary due to full year effect of 2015 acquisitions and acquisitions in 2016
  - 2016: SystemHosting and CSG





Scaling of Columbus Software

Columbus Software delivers small growth:

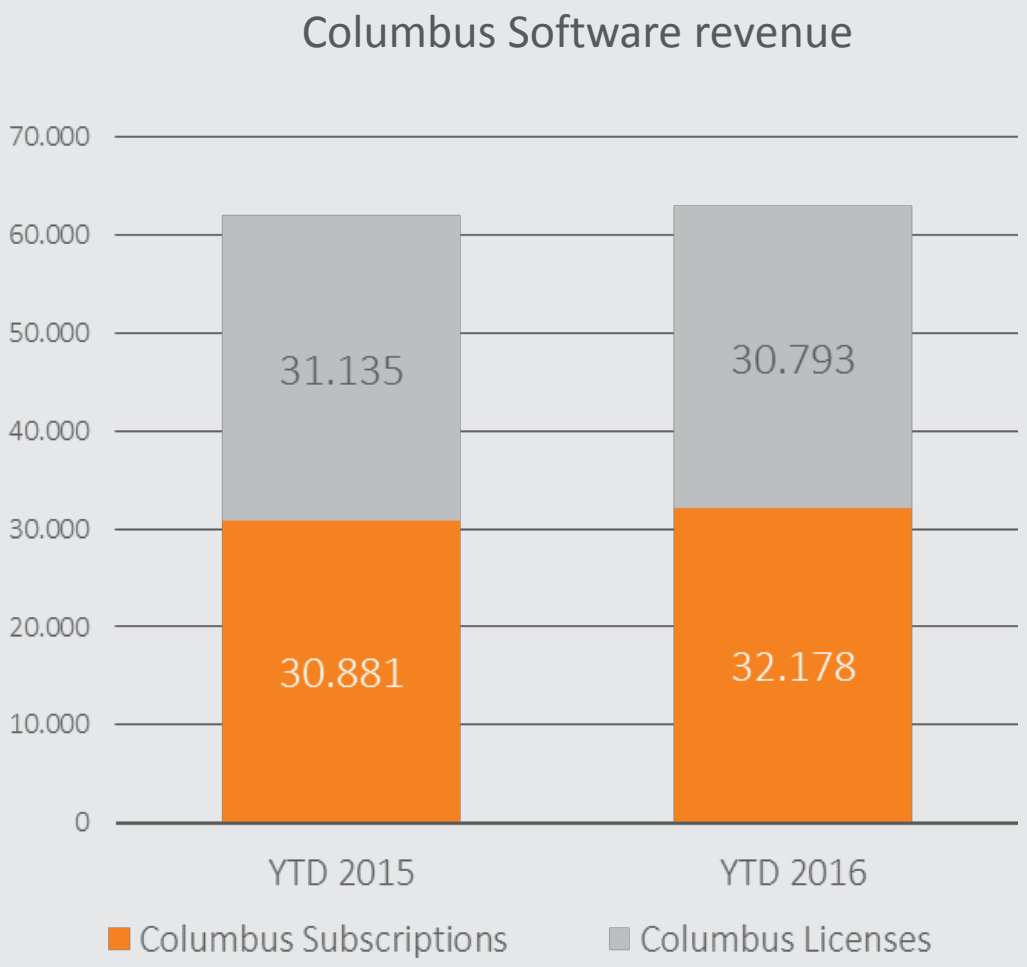
- Total revenue from sale of Columbus Software increased by 2%, amounting to DKK 63m

Highest product growth:

1. Columbus Business Integration Solutions showed 89% growth YoY
2. Columbus NAV Anywhere grew by 79% YoY
3. Columbus Invoice Workflow grew by 70% YoY

Best selling products (revenue):

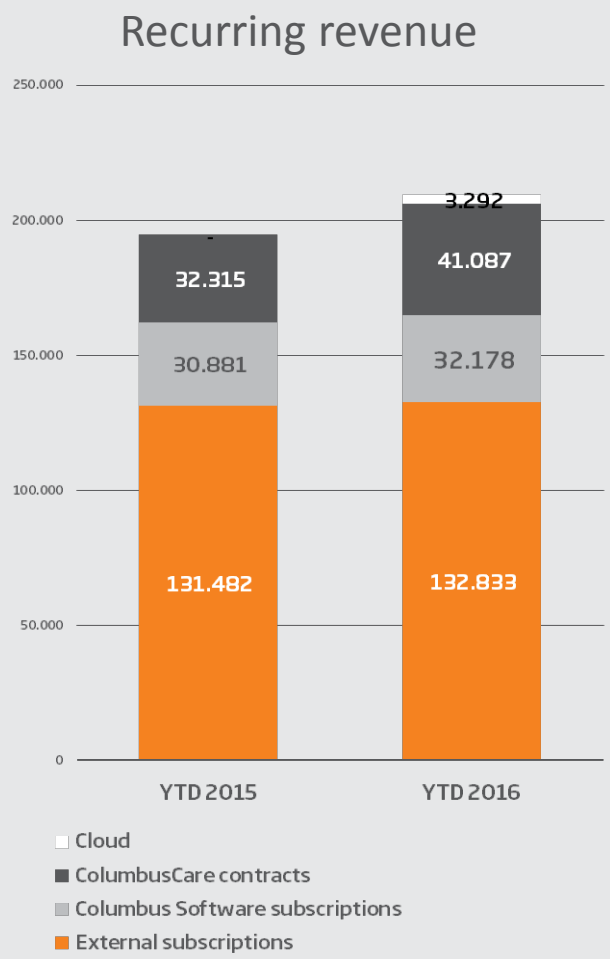
1. Columbus Industrial Equipment Manufacturing
2. Columbus Business Integration Solution
3. Columbus Dynamics Anywhere



Growth in Recurring revenue

Recurring revenue continues to increase:

- Recurring revenue increased by 8%
- Recurring revenue constitutes 24% of total revenue (LY 24%)
  - All categories showed progress
  - Highest growth in ColumbusCare revenue which grew by 27%
- Development in line with expectations



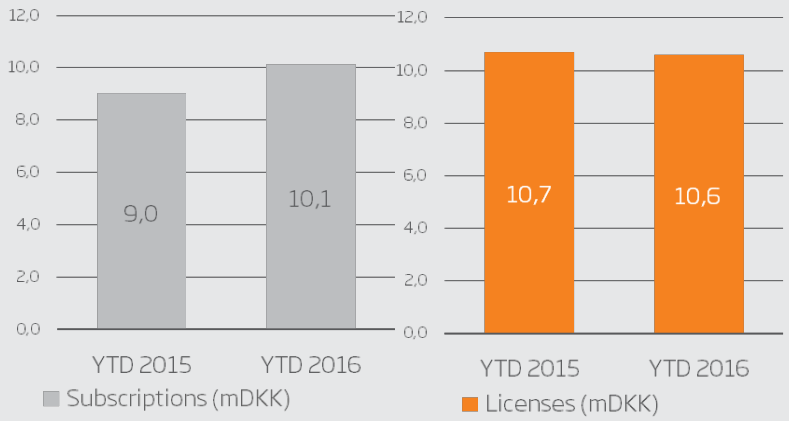
Geographical & Business segments

Western Europe

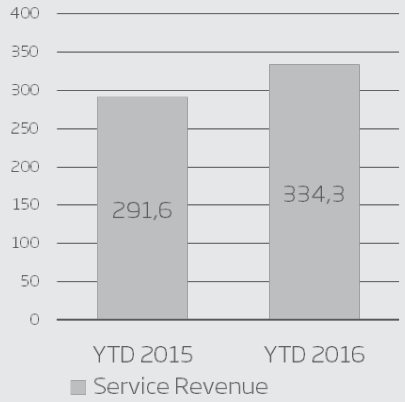
Overview

Western Europe mDKK	YTD 2016	YTD 2015	Δ	Δ%
Net sales	429,8	390,0	39,8	10%
EBITDA	59,5	30,2	29,4	97%
Recurring revenue of total revenue	21%	20%	1%	4%

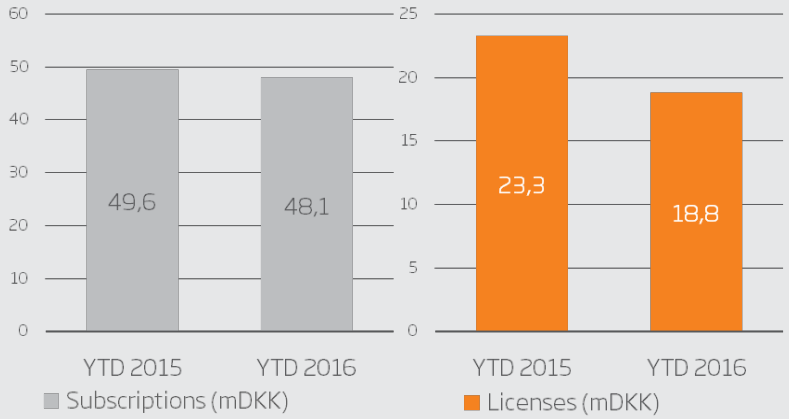
Columbus Software



Service Revenue



3rd party software

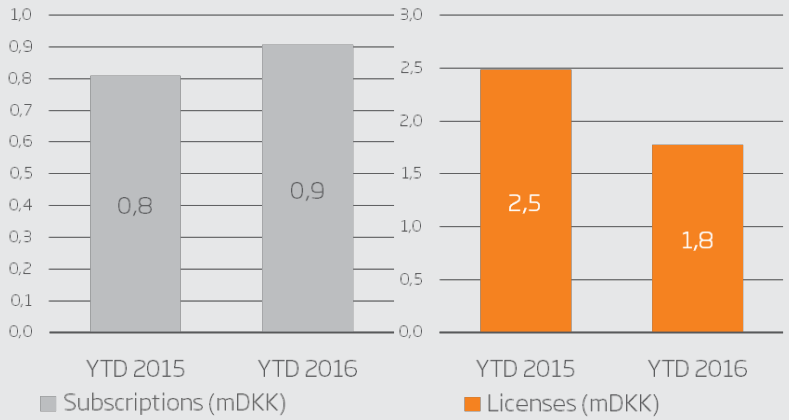


Eastern Europe

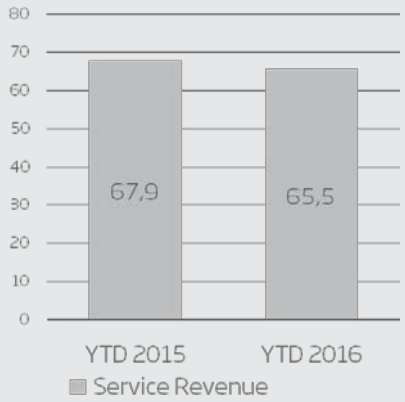
Overview

Eastern Europe mDKK	YTD 2016	YTD 2015	Δ	Δ%
Net sales	91,1	99,8	-8,7	-9%
EBITDA	6,3	5,7	0,6	11%
Recurring revenue of total revenue	19%	20%	-1%	-4%

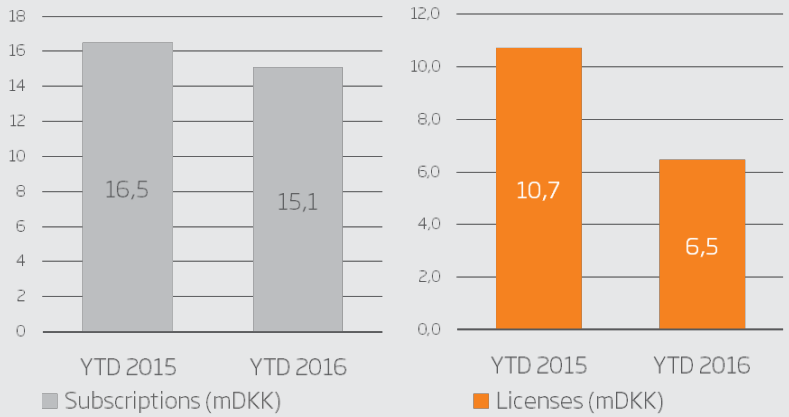
Columbus Software



Service Revenue



3rd party software

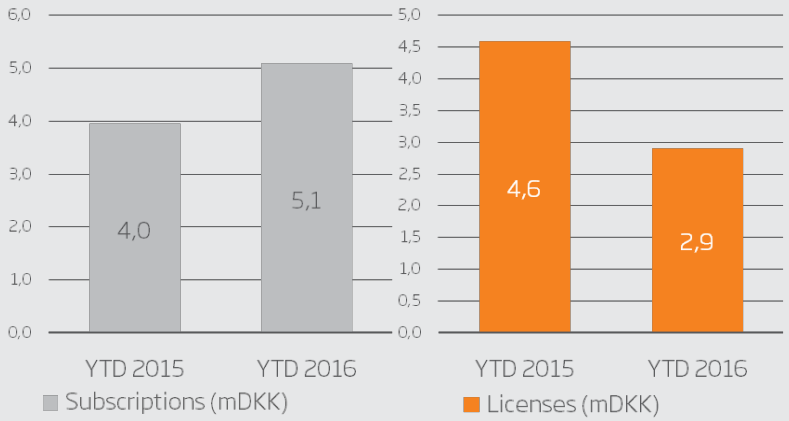


Northern America

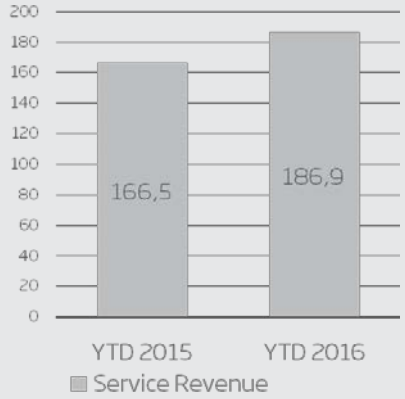
Overview

North America mDKK	YTD 2016	YTD 2015	Δ	Δ%
Net sales	312,3	280,1	32,3	12%
EBITDA	18,4	7,2	11,2	156%
Recurring revenue of total revenue	27%	27%	0%	-1%

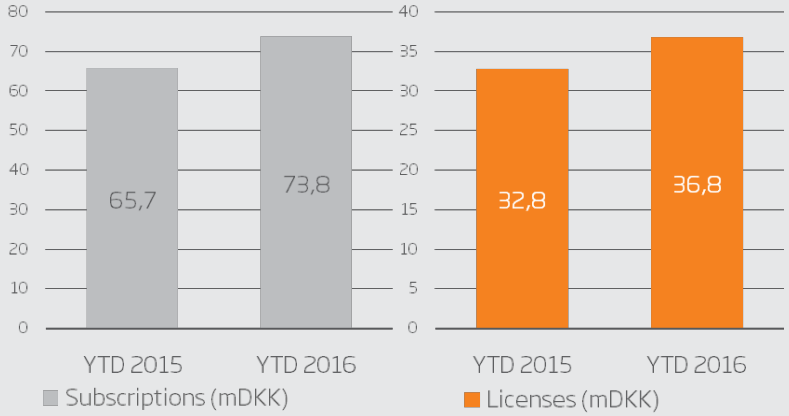
Columbus Software



Service Revenue



3rd party software



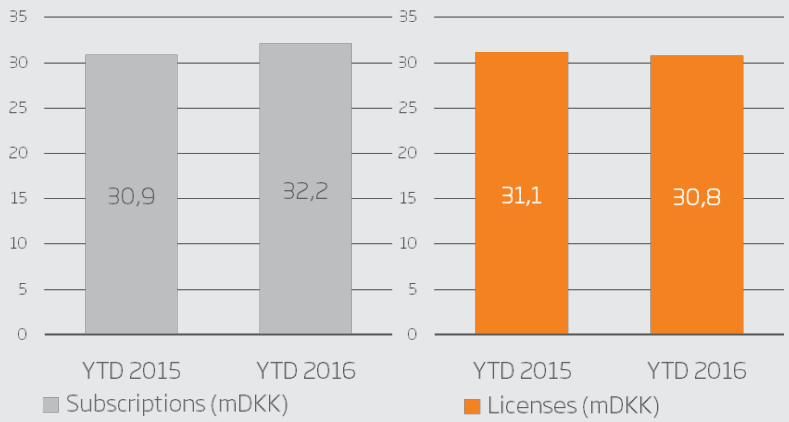
Columbus Software ISV

- Revenue in our Software ISV Business grew by 6%
- EBITDA grew by 8%
- Columbus Software overall increased by 2%
- 4% increase in sale of Columbus Subscriptions

Overview

Columbus Software mDKK	YTD 2016	YTD 2015	Δ	Δ%
Net sales	63,9	60,1	3,9	6%
EBITDA	30,4	28,2	2,2	8%
Recurring revenue of total revenue	46%	44%	2%	6%

Columbus Software



Short- and long-term Guidance

Financial guidance for 2016

Revenue, in the range of
DKK 1.2bn

EBITDA*, in the range of
DKK 124m

Service EBITDA, in the range of
DKK 84m

Software revenue, in the range of
DKK 95m

Dividend
10% dividend
on nominal share capital

Short-term guidance

* EBITDA before share-based payment

Long-term guidance for 2018

Revenue

10% growth

average per year

EBITDA

10%

EBITDA margin per year

Recurring revenue

30%

Of total revenue in 2018

Dividend

10% pay-out

of nominal value each year

Long-term guidance

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Thank You!

Questions

Upcoming events

Capital Market Seminar

Focus on Small- and Mid Cap companies

23 November 2016

Berlingske Hus, Copenhagen

Sign up: https://abonnement.ugebrev.dk/investordag-small-midcap/

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