

# Towards Higher Earnings

Danske Bank Markets  
Copenhagen Winter  
Seminar

3 December 2015

**Columbus®**  
Once you *know* how...

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

# AGENDA

## ➤ About Columbus

- Highlights Q3
- Columbus 15 strategy
- 2015 expectations
- Value to shareholders
- Questions



# COLUMBUS AT A GLANCE

- Global **it-consultancy** with development and sale of own **industry specific business solutions**
- Established in 1989 as Dolberg Data in Aarhus
- Listed on NASDAQ Copenhagen in 1998
- Subsidiaries in 10 countries:
  - Denmark, Norway, England, USA, Latvia, Lithuania, Estonia, Russia
  - Software company, To-Increase, in Holland
  - Global Delivery Centre in India
- Globally 1,160 employees

Ownership:  
5.432 registered shareholders;  
96.68% of the total share capital  
Consolidated Holding majority  
shareholder with 50.61%





# WHY DO CUSTOMERS CHOOSE COLUMBUS?

Columbus help our customers **to optimize their business** through

- Industry knowledge and "best practices"
- Industry specific business software
- Global ColumbusCare support 24/7
- 26 year of experience, skilled employees and more than 6,000 business cases

## Columbus *Retail*®



## Columbus *Food*®



## Columbus *Manufacturing*®



# COLUMBUS' TURNAROUND

Columbus®  
Once you *know* how...



- International Microsoft reseller with technological focus
- Limited Industry focus with 12 industries
- Wide geographic spread
- Limited focus on selling own software

## Columbus®

- International Consultancy with industry focused business solutions
- 100% Industry focused.  
Columbus*Food*®  
Columbus*Retail*®  
Columbus*Manufacturing*®
- Geographic focus
- Strong focus on selling own software & support

# 100% INDUSTRY FOCUSED

Columbus®  
Once you *know* how...

## Columbus *Food*®



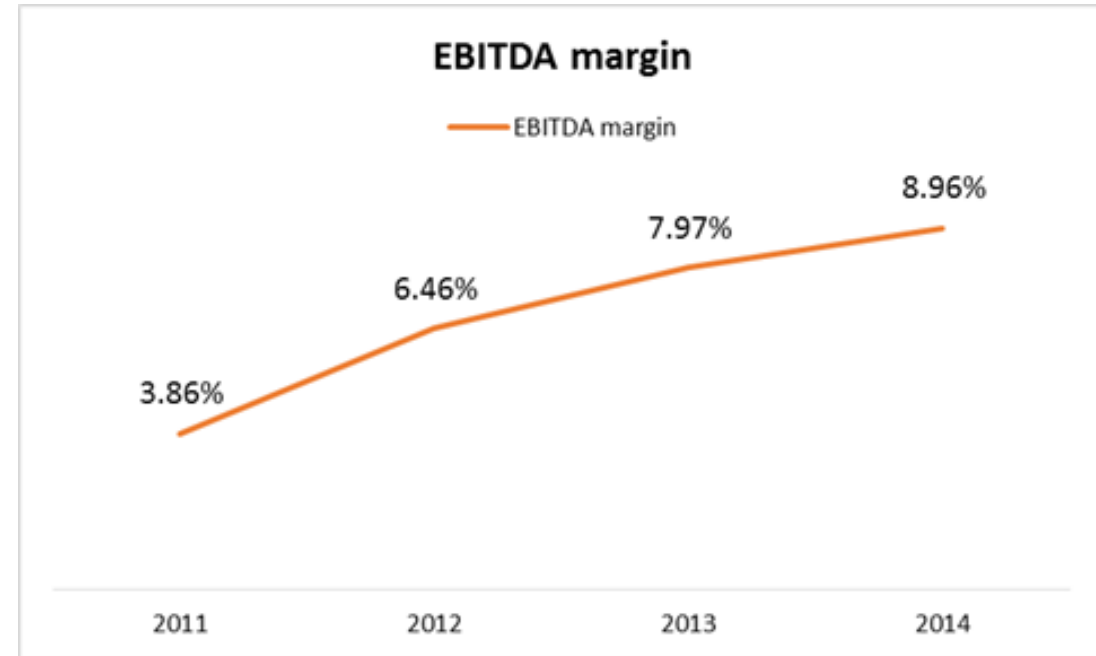
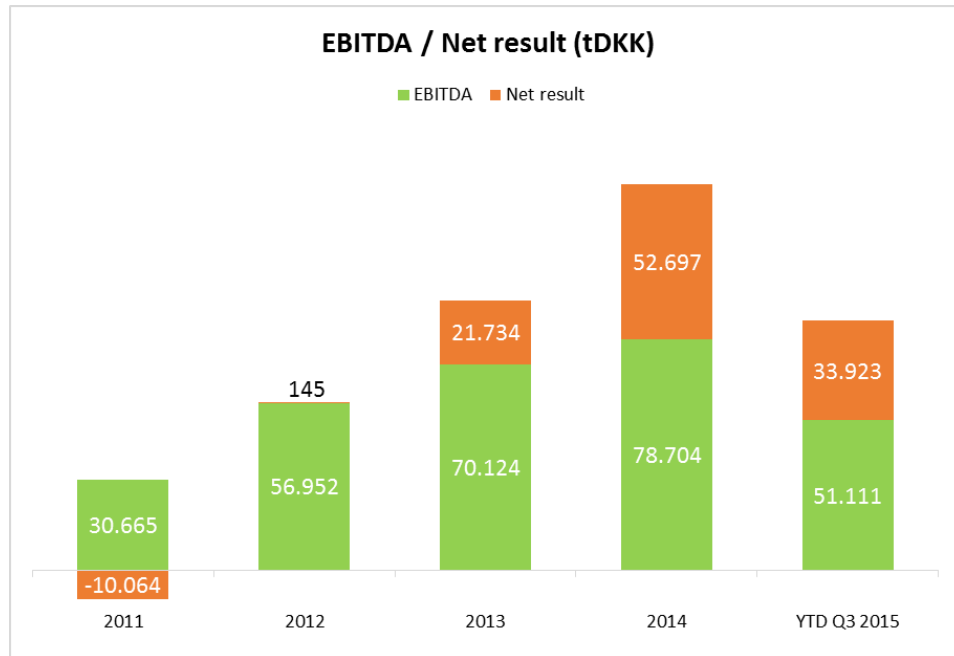
## Columbus *Retail*®



## Columbus *Manufacturing*®



# DEVELOPMENT IN KEY FIGURES





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# HIGHLIGHTS Q3 YTD 2015

## Revenue

**28% growth**

Amounting to DKK 800.3m

## EBITDA

**12% growth**

Amounting to DKK 51.1m

## Columbus Software

**60% growth**

in revenue

## Acquisition

**Sherwood  
Systems**

## Consultancy Revenue

**18% growth**

## Customer work

**54%**

Chargeable work

## Industry Solutions

**78%**

of total revenue

## Global Delivery Center

**38%**

increase in customer deliveries

# INCOME STATEMENT Q3 YTD 2015

Income statement (m DKK)	YTD 2015	YTD 2014	Δ %
Consultancy	526	446	18%
Columbus Software	62	39	60%
External Software	198	129	53%
Other	14	13	8%
<b>Net Sales</b>	<b>800</b>	<b>627</b>	<b>28%</b>
External project cost	-193	-139	39%
<b>Gross Profit</b>	<b>607</b>	<b>488</b>	<b>24%</b>
Staff Cost (ex. warrants)	-452	-355	27%
Other External Costs	-104	-87	19%
<b>EBITDA (before warrants)</b>	<b>51</b>	<b>46</b>	<b>12%</b>
Warrants	-1	-2	-56%
<b>EBITDA</b>	<b>50</b>	<b>43</b>	<b>16%</b>
Depreciation and amortization	-21	-18	21%
Net Financial income	5	4	15%
<b>Net result before tax from continued operations</b>	<b>34</b>	<b>30</b>	<b>13%</b>

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# Columbus *15*®

Extend Industry Leadership

Sell More Own Software

Global Delivery Model

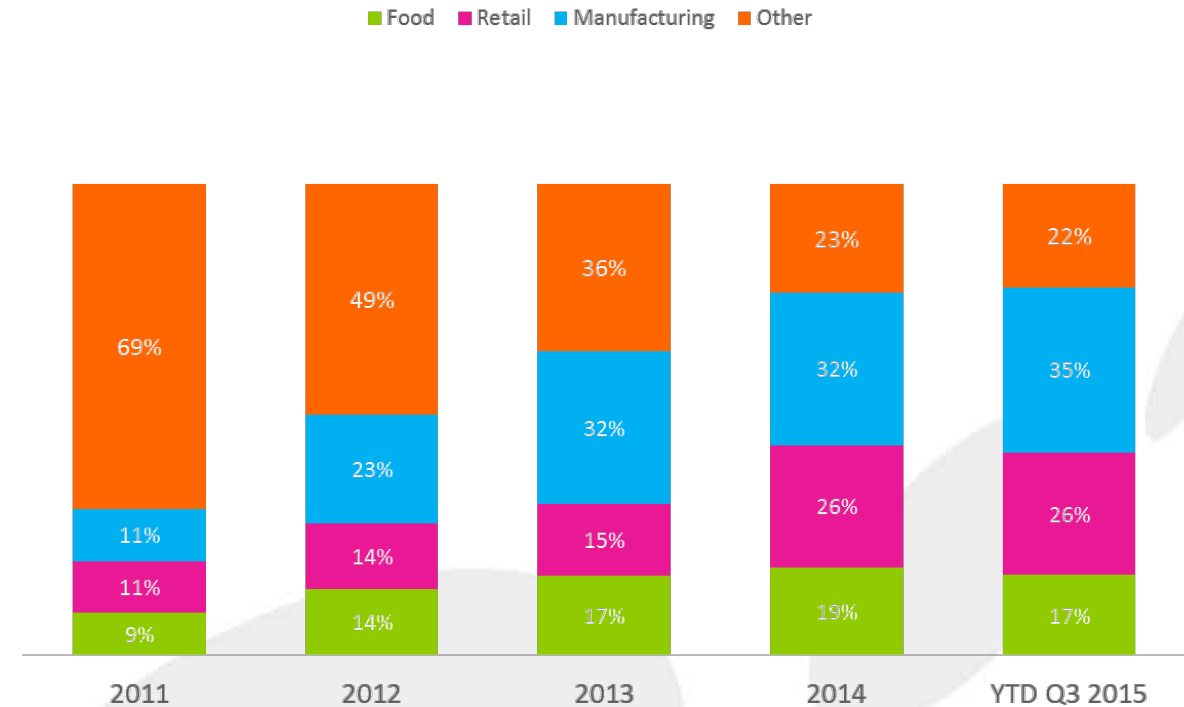
Improve Service Profit

Geographic Focus



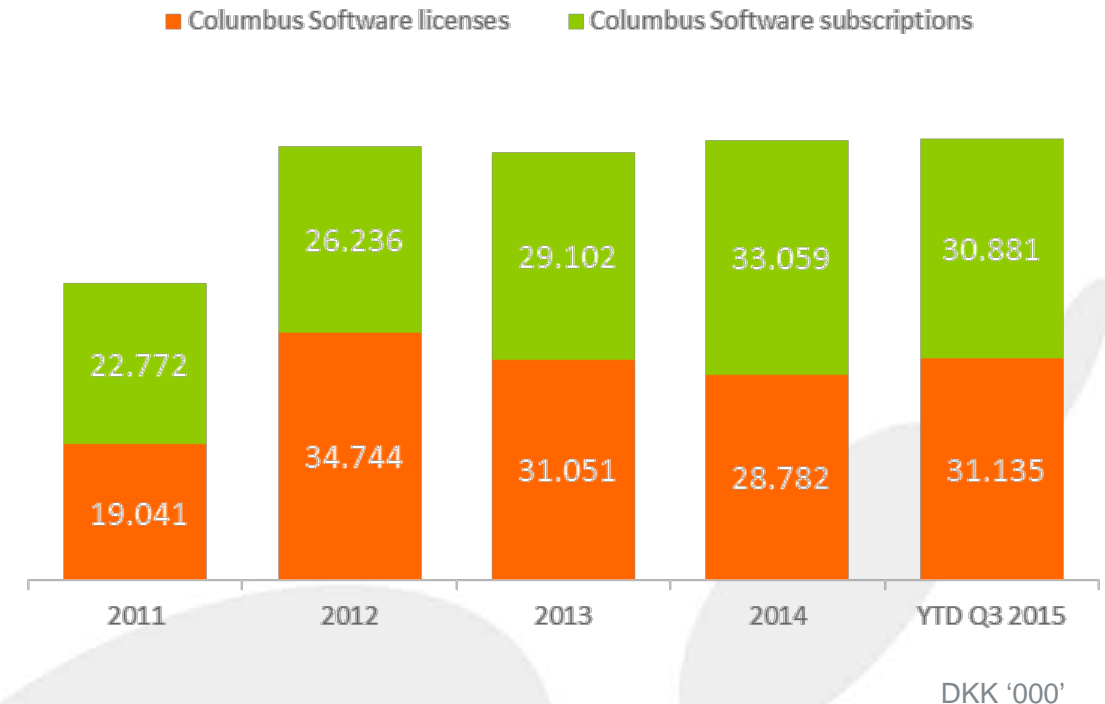
# EXTEND INDUSTRY LEADERSHIP

- Strong industry focus means:
  - **Market leading** position and strong competitive advantages
  - Great **value** to customers
  - **Optimized** sales- and delivery process
- 78% of revenue from Industry Solutions
- The manufacturing industry is our leading industry with 35% of total revenue



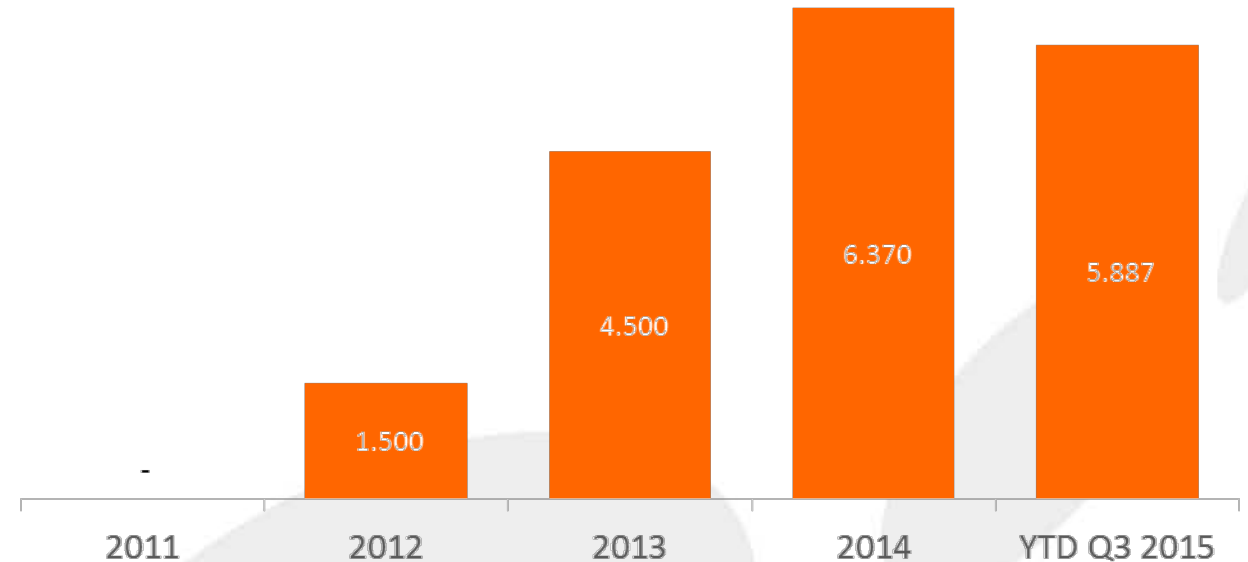
# COLUMBUS' SOFTWARE BUSINESS

- Columbus' software business delivers
  - Strong **market differentiation**
  - **High earnings**
- Total revenue from sale of Columbus Software increased by 60%, amounting to DKK 62m
- Sale of Columbus licenses experienced the largest growth (86%)



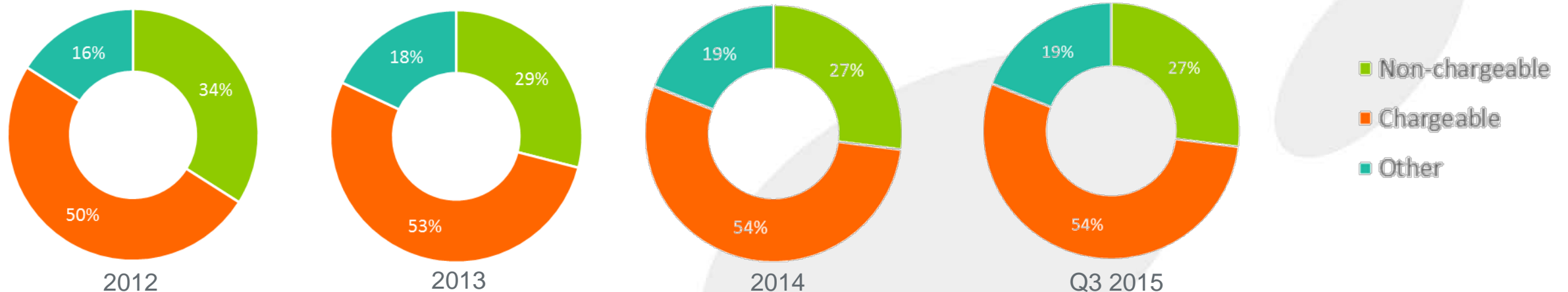
- Columbus' Delivery Center means:
  - Access to expert skills
  - Lower delivery costs and fast scaling of capacity
  - 24/7 global support of customers
- 38% increase in Global Delivery Days
- 5,887 days of customer work
- The centre employs 100 consultants

Global Delivery Days



# COLUMBUS' SERVICES BUSINESS

- By **optimizing productivity** in the services business we **increase earnings**
- Columbus' services business represents the largest share of Columbus' total business
- 18% revenue growth in consultancy revenue, mainly due to acquisitions



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# EXPECTATIONS FOR 2015

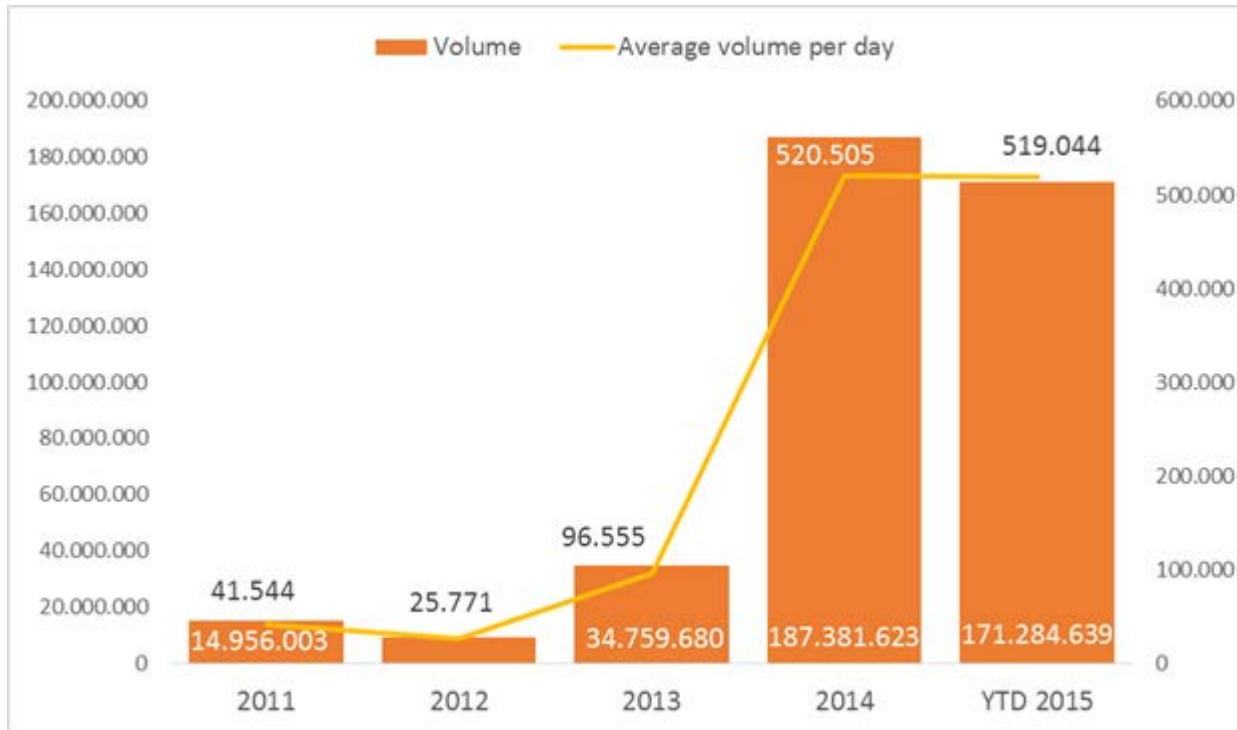
Group	2012	2013	2014	2015
Revenue (mDKK)	881	880	878	1,030
EBITDA before share based payment (mDKK)	58	72	82	94
Extend Industry Leadership	48%	64%	77%	75%
Columbus software (mDKK)	60	60	62	80
Global Delivery Center consultants	43	69	97	125
Improve Service Profits - invoicable work	50%	53%	54%	55%

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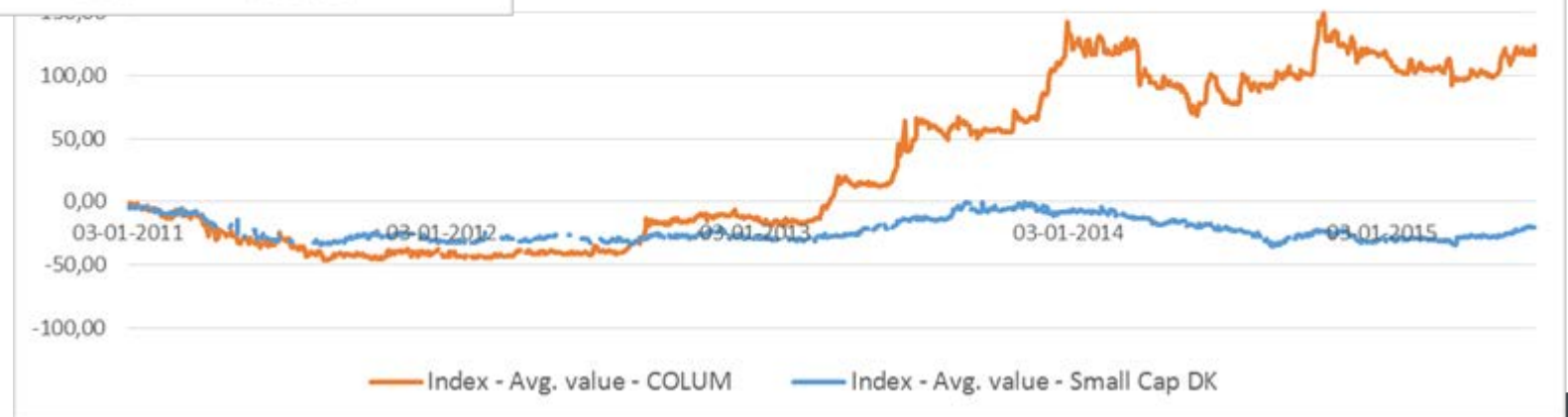
# VALUE TO SHAREHOLDERS



## Columbus, 17/11 2015

- Market Cap DKK 642m
- Shareholders 5.432
- Shares 113.7m
- Index Small Cap
- Dividend: 10%

Share value (DKK per share)



# COLUMBUS – LONG TERM VALUE

- 1 High efficiency in the **Consultancy Business** ➤ High **earnings potential** in the consulting business by continuing to optimize deliveries, minimize risk and control costs
- 2 Scaling of own **software sales** ➤ High **margin** on sales of own software opens opportunities for additional sales and creates value for customers
- 3 Recurring revenue on **ColumbusCare cloud** services ➤ Support agreements and cloud are **recurring revenue**, which also establish long and strong customer relationships

# STRATEGIC PRIORITIES NEXT 5 YEARS

## The Market

Key initiatives focused on the capitalizing the digital economy

Develop new cloud revenue streams

Develop more ColumbusCare offerings

## The Business

Key initiatives for optimizing and improving our business

Improve quality in Services Business

Attract, retain & develop top talents



## New revenue streams & business optimization

- Increase in software subscriptions
- More - but smaller projects
- Streamlining of processes
- Increase in ColumbusCare revenue
- Business Process Outsourcing (BPO)



# QUESTIONS

# THANK YOU

Read more at [www.columbusglobal.com](http://www.columbusglobal.com)

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