Columbus Once you know how...

Kapitalmarkeds-eftermiddag

22 November 2018
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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.

Today's presentation

AGENDA

- Columbus at a glance
- Q3 YTD Highlights
- Financial Value Drivers
- Update on the iStone acquisition
- Short & Long-term Guidance
- Questions

Columbus at a glance

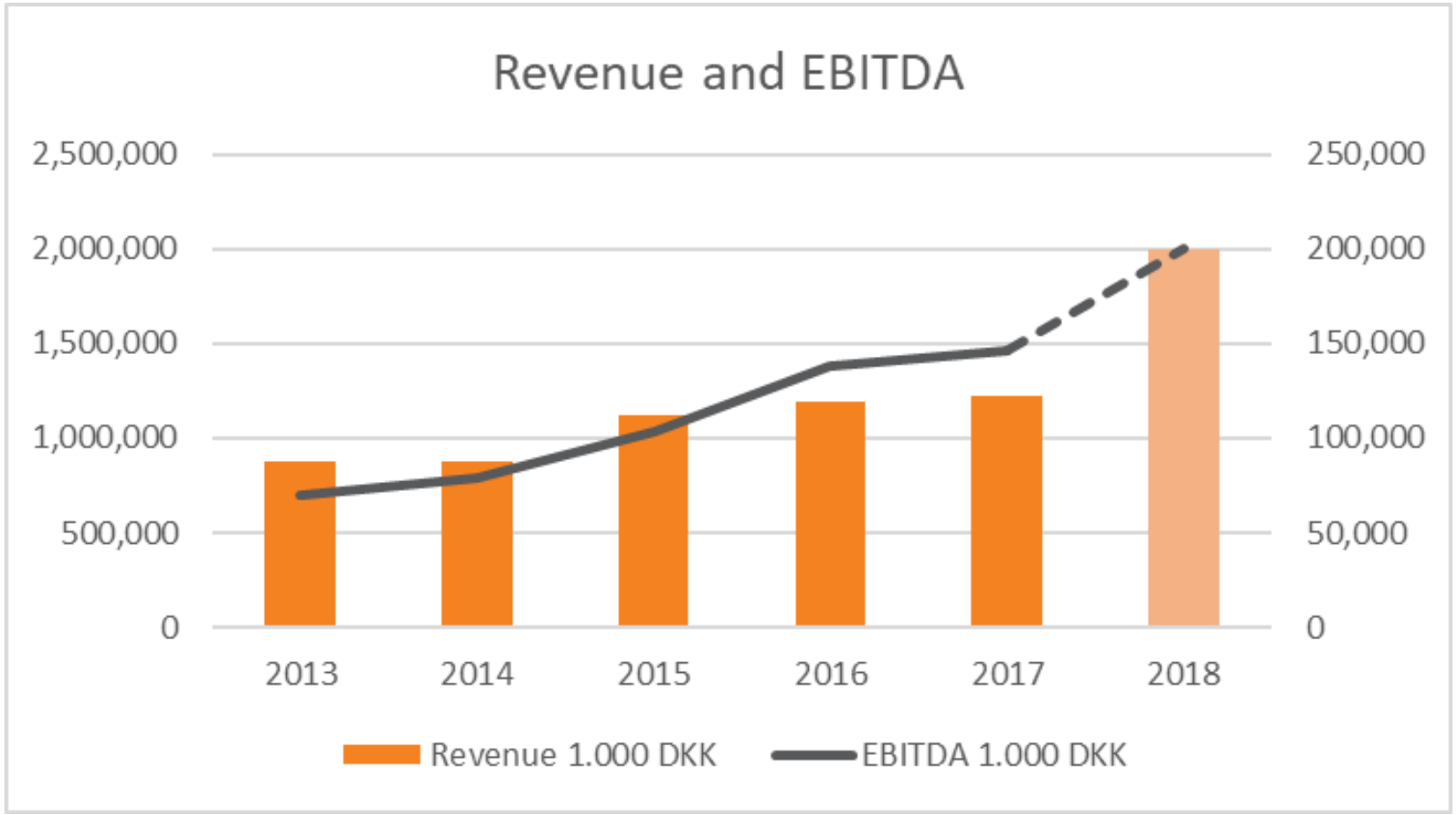
Global IT-Services and Consultancy company with development and sale of own industry specific business solutions

Subsidiaries in 17 countries with 2,000 employees in Denmark, Sweden, Norway, England, USA, Lithuania, Estonia, Russia, Holland, India, Germany, Switzerland, Czech Republic, Spain, Poland, Chile, China

6.490 Shareholders
Established in 1989 Listed on NASDAQ Copenhagen in 1998

Solid industry know-how within Manufacturing, Retail, Distribution and Food

6 years of continuous growth



What we do each and every day...

Columbus help **ambitious** companies
transform, maximize and **futureproof**
their business digitally

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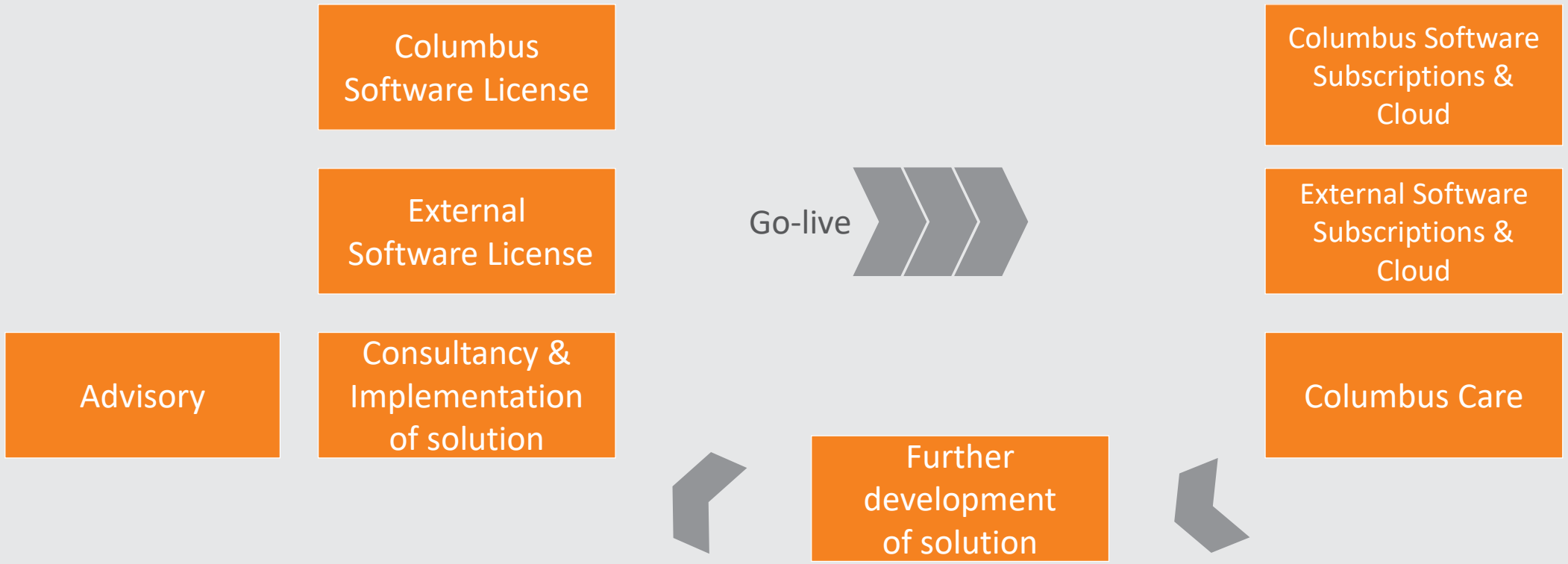
A peak into our customers

Lifetime engagement with our customers



Streamlined business processes

Höganäs

Who	World leader on the market for iron and metal powders with a yearly capacity of 500,000 tons. 2,500 customers across 75 countries and 2,300 employees.
Challenge	Needed to improve reporting, communication and usability by implementing same ERP system across the Group
Solution	**ERP platform** in 12 countries within a short timeframe Migration of data in 24 hours
Outcome	Improved consolidated reporting Simplified processes in all companies Long-time saving in time and costs

Keeping the lights on 24/7

Who	Manufacturer of bearings and units, seals, motion technologies and lubrication systems with customers in 130 countries and 45,000 employees in 103 manufacturing sites
Challenge	Current support not proactive enough with several partners delivering services
Solution	**Columbus Care** support to ensure 24/7 availability. Dedicated customer team with a separate time bank to perform proactive activities
Outcome	24/7 business application availability to increase productivity with guaranteed uptime.

Q3 YTD

Highlights & Financial Value Drivers

Highlights Q3 YTD 2018

Revenue

52% growth

amounting to DKK 1.4bn

EBITDA*

22% growth

amounting to DKK 119m

Integration of

iStone

High Software

according to plan

Columbus Software

34% growth

amounting to DKK 79m

Profit before tax

8% growth

amounting to DKK 66m

Acquisitions

iStone

HiGH Software

Hät Systems

* EBITDA before share-based payment

Financial Value Drivers

1 Growth in the services business

Growth and high earnings in the services business by continuing to optimize deliveries, minimize risk and control costs

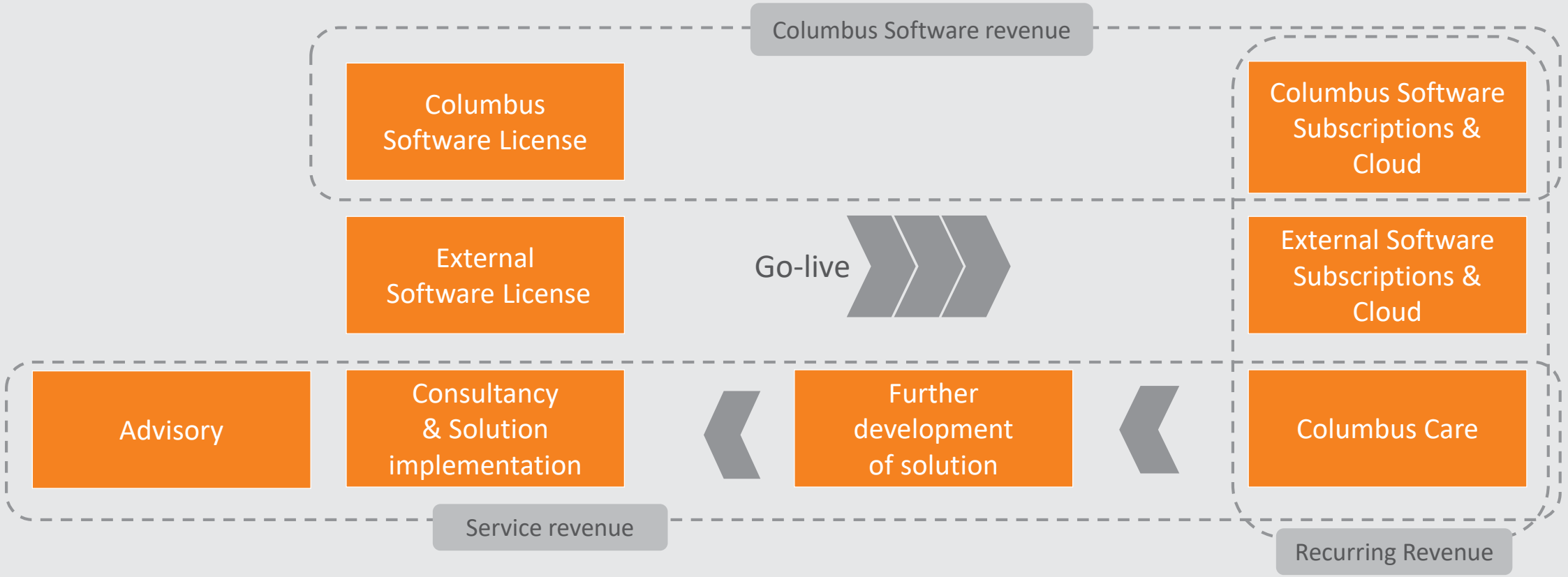
2 Scaling of own software sales

High margin on sales of own software which opens opportunities for additional sales and creates value for customers

3 Recurring revenue and cloud revenue

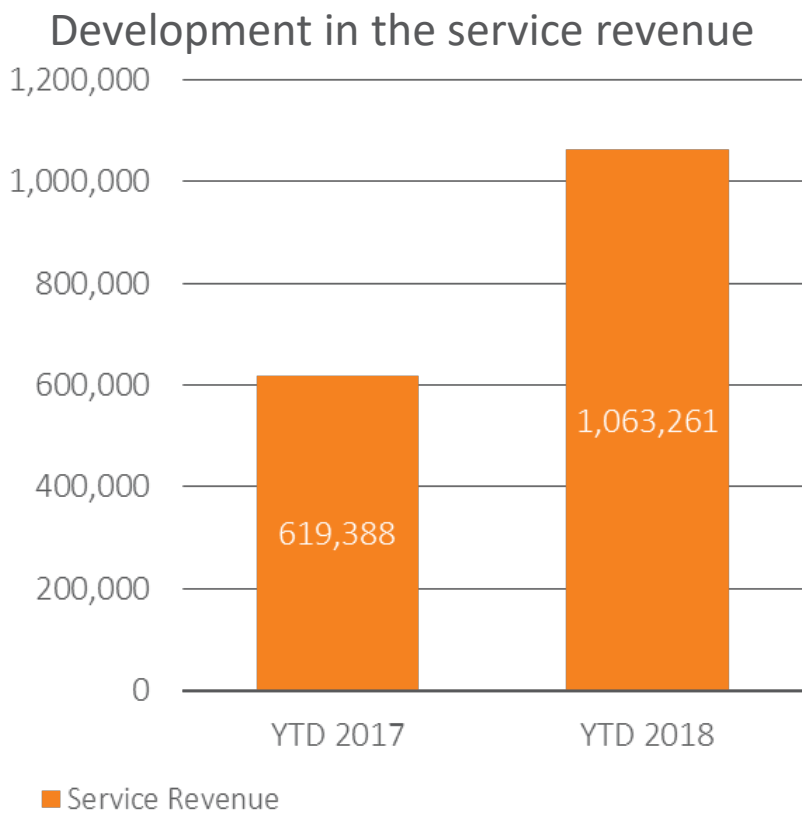
Support agreements and cloud revenue are recurring revenue, which also establish long and strong customer relationships

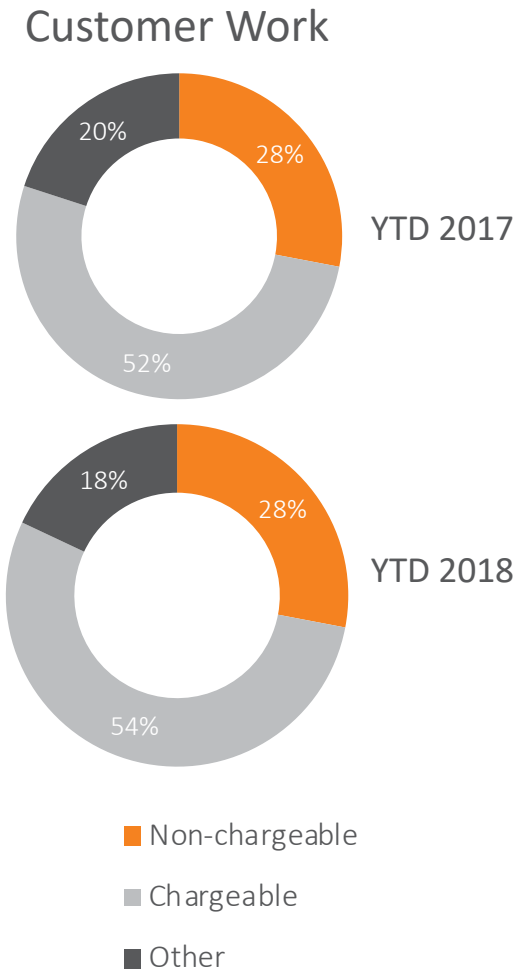
Financial value drivers in customer lifetime engagement



Growth in the Services Business

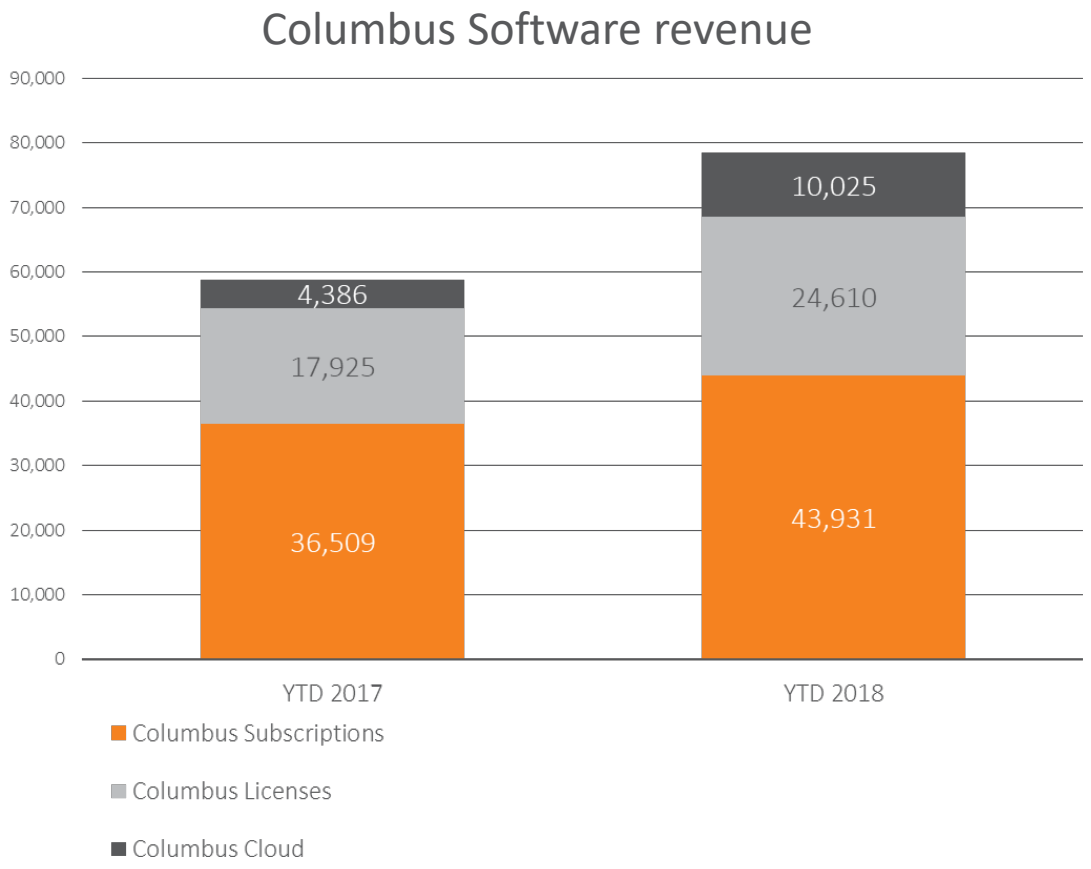
- Service revenue grew by 72% to DKK 1,063m
  - Acquisition of iStone
  - High activity in the services business
- Increase in chargeable hours (52% to 54%)
  - General progress in our services business
  - Progress within ERP, Cloud and offerings such as Analytics & BI and Customer Experience





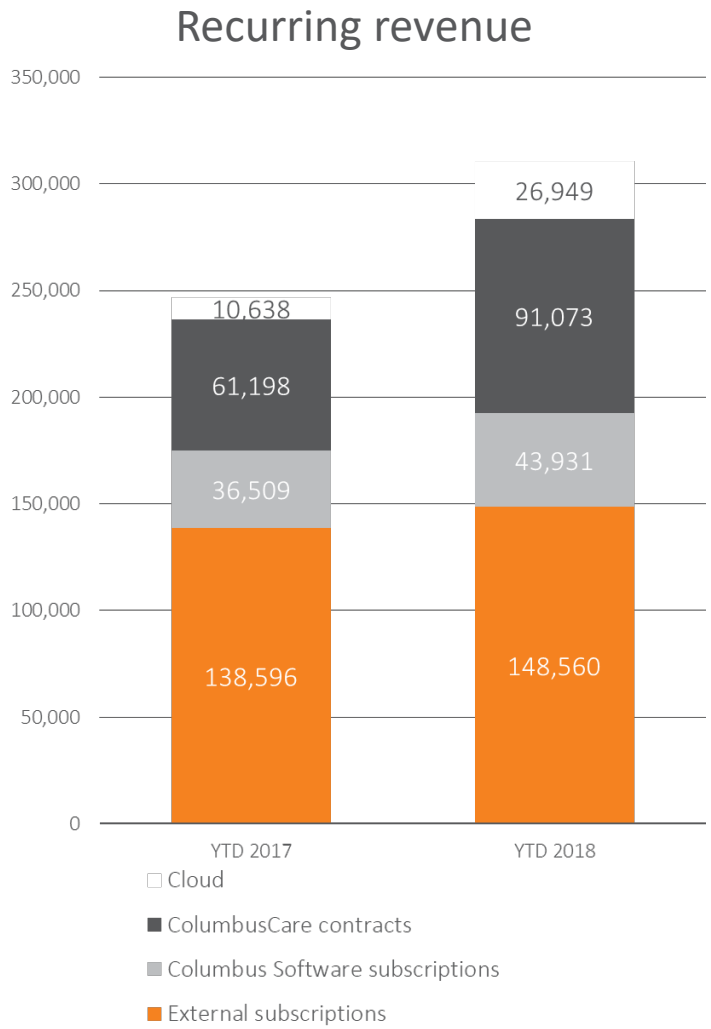
Growth in Columbus Software sales

- Total revenue from sale of Columbus Software increased by 34%, amounting to DKK 79m
  - Subscriptions grew by 20%
  - License sales grew by 37%
- Cloud sales increased from DKK 4.4m to DKK 10m



Growth in Recurring Revenue

- Recurring revenue increased by 26%
- Recurring revenue constitutes 22.5% of total revenue
- Columbus Care contracts grew by 49%
- Total Cloud revenue grew by 153%



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Update

iStone acquisition

The strategic rationale for the acquisition of iStone

- Create a market leading position in the Nordic region
- Extend our solution portfolio with additional technology platforms and solutions
- Strong industry fit within manufacturing and retail, distribution and food
- Realize financial synergies
- Increase global delivery and reach

Status on the iStone integration

Stronger Together integration progress as planned:

- Revenue and EBITDA according to plan
- Strong cultural fit and common values
- Joint work on customer projects

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)

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Short- and long-term Guidance

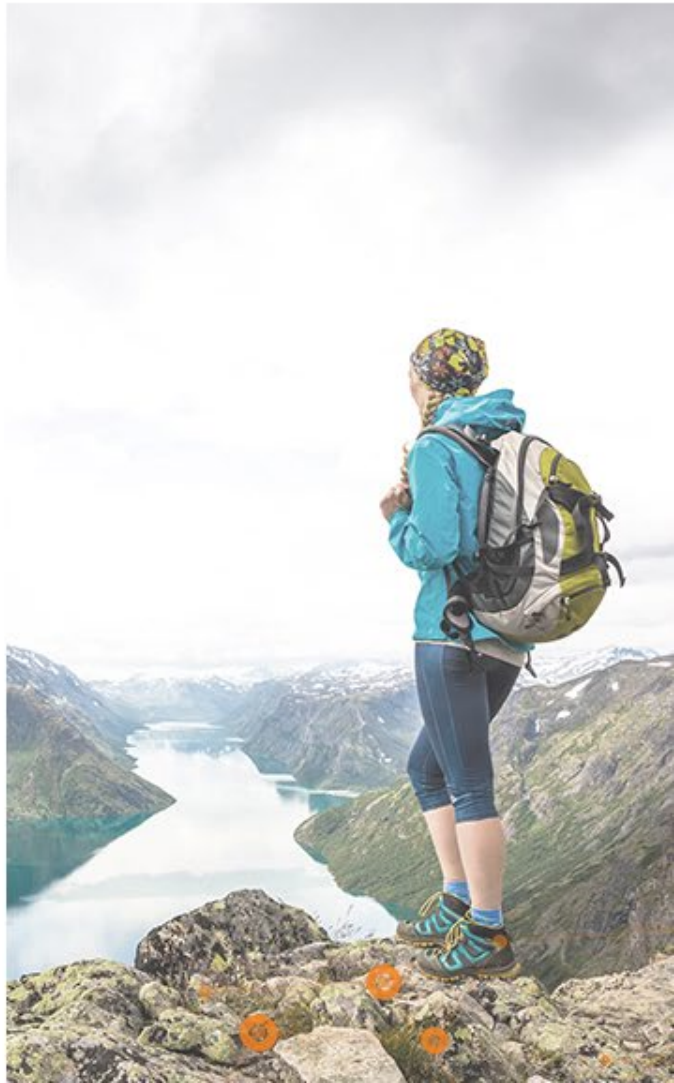
Financial guidance for 2018

Revenue, in the range of
DKK 2bn

EBITDA*, in the range of
DKK 200m

Software revenue, in the range of
DKK 90m

Dividend
10% dividend
on nominal share capital



Long-term guidance for 2020

Revenue

3-5% growth

average per year organically

EBITDA*

11%

EBITDA margin

Recurring revenue

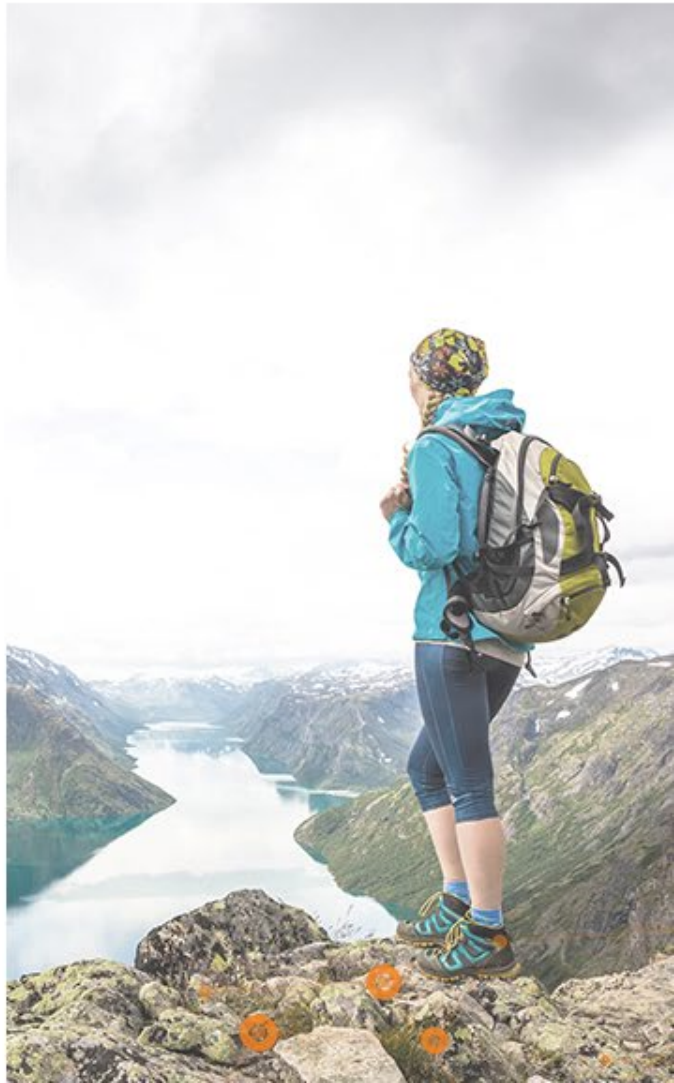
25%

of total revenue in 2020

Dividend

10% pay-out

of nominal value each year



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