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Company announcement

Columbus acquires US consultancy

Today, Columbus A/S has concluded a conditional agreement about acquisition of CSG (Client Strategy Group), an ERP consultancy in the US.

The acquisition of CSG strengthens Columbus' position in the US market, and is in line with Columbus' goal of being recognized as a strategic business partner that helps customers increase the value of their ERP investment and leads them in the digital transformation of their business.

CSG is recognized for their specialized competencies and solutions within ERP. The acquisition of CSG thereby gives Columbus the opportunity to help the company's US customers optimize and develop their ERP solution to an even greater extent.

"We are excited to welcome CSG. Columbus has a clear goal of creating a unique customer experience and thereby achieving the highest customer satisfaction in the market, and with CSG's skills and experience we will be able to serve our customers even better", says Thomas Honoré, CEO, Columbus.

CSG, which was founded in 2003, has 19 employees at their office in Cleveland. In 2015, CSG had a revenue of DKK 33.5m and an EBITDA of DKK 5m.

The agreed acquisition price is DKK 42.9m Enterprise Value +/- regulation of normalized working capital.

The acquisition is conditional on a few employee related conditions, which must be confirmed before closing (date of takeover and control) on 15 July 2016. The conditions for the takeover are expected to be met, and afterwards the final announcement will be released to the market. The amount to be paid at closing of the agreement on 15 July 2016 is DKK 34.3m. The remaining amount of DKK 8.6m is dependent on the agreed earnings targets, and is expected to be paid over the next two years.

The acquisition is financed by Columbus' own available funds.

Columbus expects to take over net assets of DKK 3.3m adjusted to fair value at the acquisition. Hereafter DKK 39.6m is expected to be capitalized as intangible assets.

The acquisition is expected to contribute with a revenue in the level of DKK 14.3m and EBITDA in the level of DKK 3.5m in the period from 15 July 2016 (closing), when management control is taken over by Columbus, to 31 December 2016.

Columbus maintains the previously announced expectations to revenue in 2016 in the level of DKK 1.2bn and increases the expectations to EBITDA* in 2016 from the level of DKK 120m to the level of DKK 124m.

* EBITDA before share based payment

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