



Financial Results Q3 2023 & Launch of new strategy

Webcast & Tele Conference

15 November 2023 at 13:00 CET

Disclaimer

Columbus A/S' financial reports, whether in the form of annual report or interim report filed with the Danish Business Authority and/or announced via the company's website and/or Nasdaq Copenhagen, as well as any presentations based on such financial reports, and any other written information released, or oral statements made, to the public based on this report or in the future on behalf of Columbus A/S may 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



Søren Krogh Knudsen, CEO & President



Brian Iversen, CFO

Agenda

- Financial highlights Q3 2023
- Business Line performance
- Market Unit performance
- Outlook 2023 & long-term financial ambitions
- Presenting our new strategy: **New Heights**
- Questions



Financial highlights Q3 2023

Financial Highlights Q3 2023

Revenue (DKK)

345m

corresponding to an increase of 11%
15% adjusted for acquisitions and currency

Recurring revenue (DKK)

50m

corresponding to an increase of 6%

EBITDA (DKK)

21m

corresponding to an increase of 28%

Profit after tax (DKK)

3m

corresponding to an increase of DKK 5m

EBITDA margin

6.0%

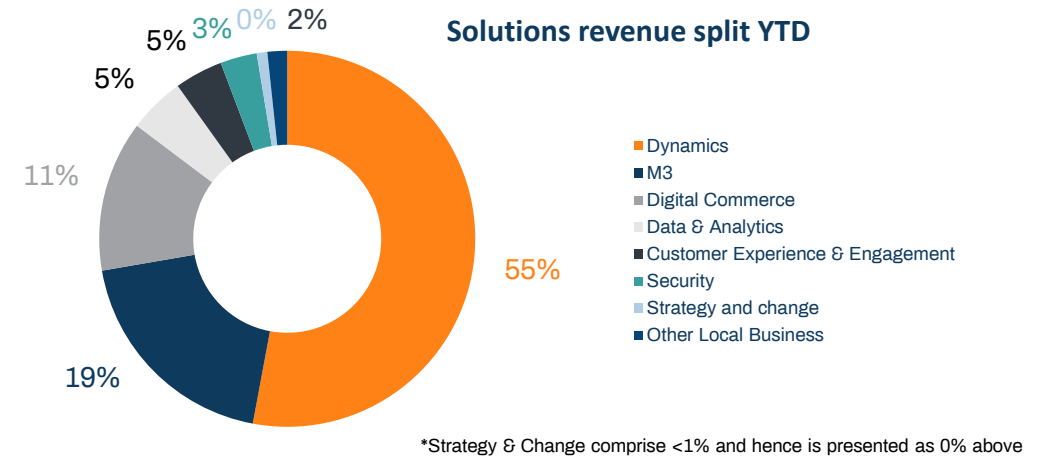
increased by 0.8 percentage points

Operations cash flow (DKK)

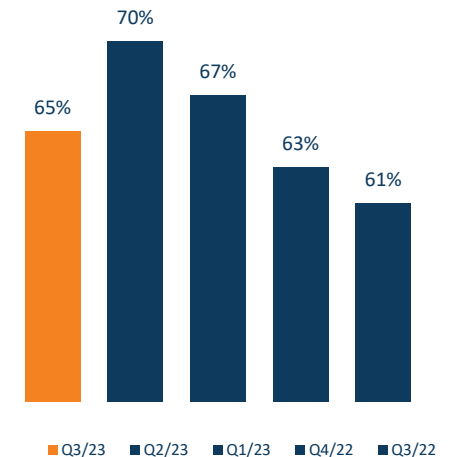
0.3m

increased from DKK -45m in Q3 2022

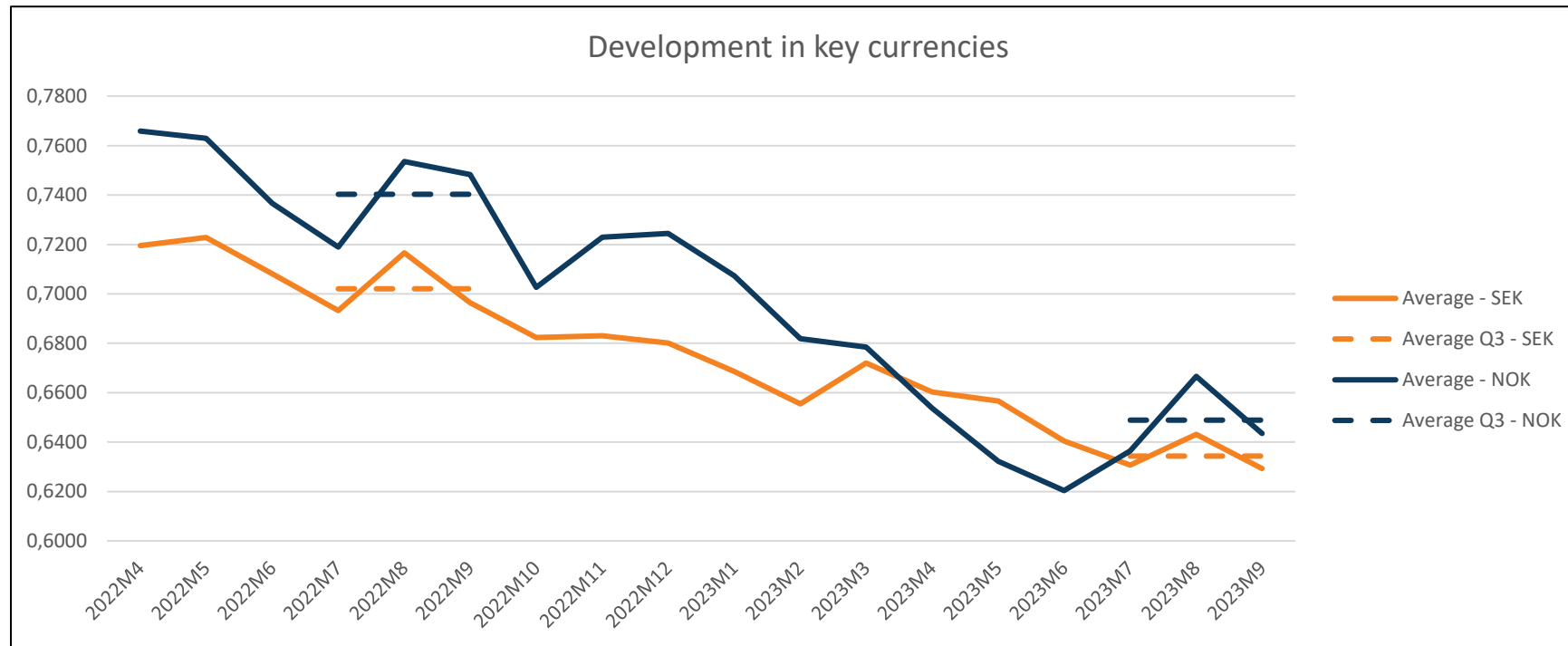
All numbers are on the continued business



Efficiency development



Currency in focus



Organic revenue growth

15% growth

Measured in constant currencies and adjusted for acquisitions

Currency impact

6%-point negative impact

corresponding to DKK 22m negative impact compared to Q3 2022 rate

Growth in global Business Lines

Service revenue split on Business Lines

DKK '000	Q3 2023	Q3 2022	Δ%	Constant currencies Δ%	YTD 2023	YTD 2022	Δ%	Constant currencies Δ%
Dynamics	178,636	157,542	13.4%	19.2%	566,278	516,463	9.6%	15.5%
M3	64,666	69,749	-7.3%	0.3%	219,978	228,461	-3.7%	3.1%
Digital Commerce	38,116	40,044	-4.8%	4.6%	146,999	133,007	10.5%	19.9%
Data & Analytics	18,115	13,294	36.3%	42.3%	56,200	42,928	30.9%	36.0%
Customer Experience & Engagement	15,468	9,851	57.0%	69.3%	46,923	33,916	38.4%	48.8%
Security	9,769	0	-	-	22,070	0	-	-
Strategy & Change	1,719	782	119.8%	138.9%	6,839	5,155	32.7%	43.8%
Other Local Business	3,750	3,003	24.9%	37.3%	12,322	11,767	4.7%	13.4%
Total sale of services	330,239	294,265	12.2%	19.3%	1,077,609	971,697	10.9%	17.6%
Total sale of products	14,559	15,261	-4.6%	0.4%	48,160	52,804	-8.8%	-3.5%
Total net revenue	344,798	309,526	11.4%	18.4%	1,125,769	1,024,501	9.9%	16.6%

Business Line Contribution

- **Contribution** - Includes all revenue and cost directly related to a Business Line
 - Highly dependent on efficiency, mix of resources and use of subcontractors
 - Less impacted by currency fluctuations
- Contribution margin decreased by 1.1%-point to 20.7%.
- Total Business Line contribution increased 5.6% to DKK 71m.

Business Line contribution

DKK '000	Contribution			Contribution margin		Contribution		
	Q3 2023	Q3 2022	Δ%	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Δ%
Dynamics	49,611	51,893	-4.4%	26.4%	30.7%	165,121	146,878	12.4%
M3	17,319	14,161	22.3%	26.0%	20.2%	42,043	50,596	-16.9%
Digital Commerce	2,759	1,033	167.0%	7.2%	2.5%	26,527	12,647	109.7%
Data & Analytics	2,117	1,426	48.5%	11.6%	10.4%	8,950	2,562	249.3%
Customer Experience & Engagement	493	-508	-197.2%	3.2%	-5.1%	4,971	3,055	62.7%
Security	-1,568	0	0%	-14.9%	0%	-2,554	0	0%
Strategy & Change	-1,863	-2,326	-19.9%	-108.4%	-297.4%	-6,534	-3,854	69.5%
Other Local Business	2,481	1,901	30.5%	43.6%	37.7%	7,536	6,450	16.8%
Total Business Lines	71,349	67,580	5.6%	20.7%	21.8%	246,060	218,334	12.7%

Growth in Market Units

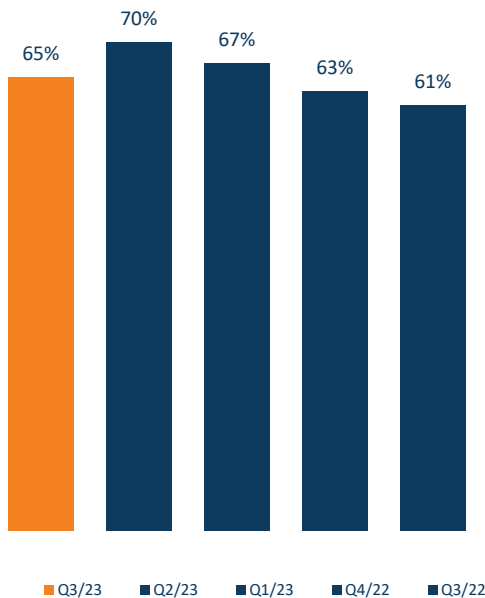
Service revenue split on Market Units

DKK '000	Q3 2023	Q3 2022	Δ%	Constant currencies Δ%	YTD 2023	YTD 2022	Δ%	Constant currencies Δ%
Sweden	112,317	107,676	4.3%	15.6%	405,912	388,521	4.5%	13.9%
Denmark	76,121	58,568	30.0%	30.0%	240,206	185,056	29.8%	29.8%
Norway	46,802	55,789	-16.1%	-4.0%	175,947	193,051	-8.9%	3.4%
UK	61,614	41,085	50.0%	50.7%	161,356	119,153	35.4%	29.2%
US	23,225	21,209	9.5%	17.2%	64,584	59,472	8.6%	9.7%
Other	8,990	9,020	-0.3%	-0.9%	26,488	23,577	12.3%	11.9%
GDC	1,170	918	27.5%	35.0%	3,116	2,867	8.7%	14.5%
Total sale of services	330,239	294,265	12.2%	19.3%	1,077,609	971,697	10.9%	17.6%
Total sale of products	14,559	15,261	-4.6%	0.4%	48,160	52,804	-8.8%	3.5%
Total net revenue	344,798	309,526	11.4%	18.4%	1,125,769	1,024,501	9.9%	16.6%

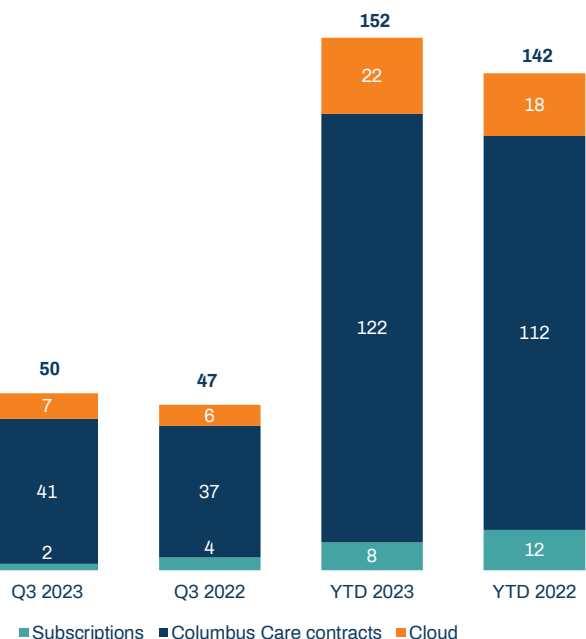
Increase in Efficiency and Recurring Revenue

- 4%-point improvement in efficiency compared to same quarter last year, reaching 65% in Q3 2023.
- Recurring revenue follows the revenue growth, and remains a stable part of the business
- Mix continues to move further towards Cloud products rather than On-prem
- Care contracts remains relatively stable compared to total service revenue

Efficiency



Recurring revenue



Outlook

Guidance for 2023

- Based on the development in the nine months of 2023, our strong pipeline and order backlog, we maintain our 2023 expectations
- Revenue expected to be in the range of DKK 1,550m and DKK 1,600m
 - A growth of 8% to 12% in constant currencies
- EBITDA expected to be in the range of DKK 119m and DKK 139m
 - An EBITDA margin of 7.4% to 9.0%

<u>DKKm</u>	<u>Revenue</u>	<u>EBITDA</u>
2023 Outlook	1,550 - 1,600	119 - 139
Implied growth to 2022 result	8% - 12%	
Implied EBITDA margin		7.4% - 9.0%



WELCOME TO



New Heights

20°24 —→ 26



Position today

The Focus23 strategy has put us in a favorable position we continue to leverage in next strategic period

Our strategic decisions prove favourable to us



GROWING CUSTOMER AND ENGAGEMENT SIZE



FOCUSED BUSINESS WITH DIVESTMENTS



ONE TRUE COLUMBUS STANDING ON COMMON VALUES AND PLATFORM



FURTHER SPECIALIZATION INTO SELECTED INDUSTRY VERTICALS

Build on strongholds to accelerate growth and profitability



IMPROVE CUSTOMER FOCUS, INTIMACY AND ADVISORY



STRONG POTENTIAL FOR ACQUISITIVE GROWTH



LEVERAGE STREAMLINED GLOBAL OPERATING MODEL



BUILD ON GLOBAL DELIVERY CAPACITY AND ACCESS TO TALENT



Now it is time to take
the next step and
improve our company
even more

→ AMBITION

Proven leader in delivering
core business technology
and lasting value

in Manufacturing, Retail & Distribution, Food & Beverage
and Life Science

→ GOAL

10%REVENUE GROWTH¹**15%**EBITDA MARGIN²

New Heights

20°24 → 26



Note: 1) 10% compounded annual growth over the period; 2) 15% margin by end-2026

New strategic bets

We will invest resources to expand our service portfolio, expand our playing field and seize the opportunity as a constant digital transformation partner

1



Expand and invest in our service portfolio

Acquisitive growth to existing- and new services that supports our strategy

2



Expand our playing field

Enter the Life Science Industry with high synergies to existing offering

3



Seize market opportunity as constant partner

Accelerate our Evolve (operations) business and expand coverage to multiple services

4



Initiate EBITDA15 program

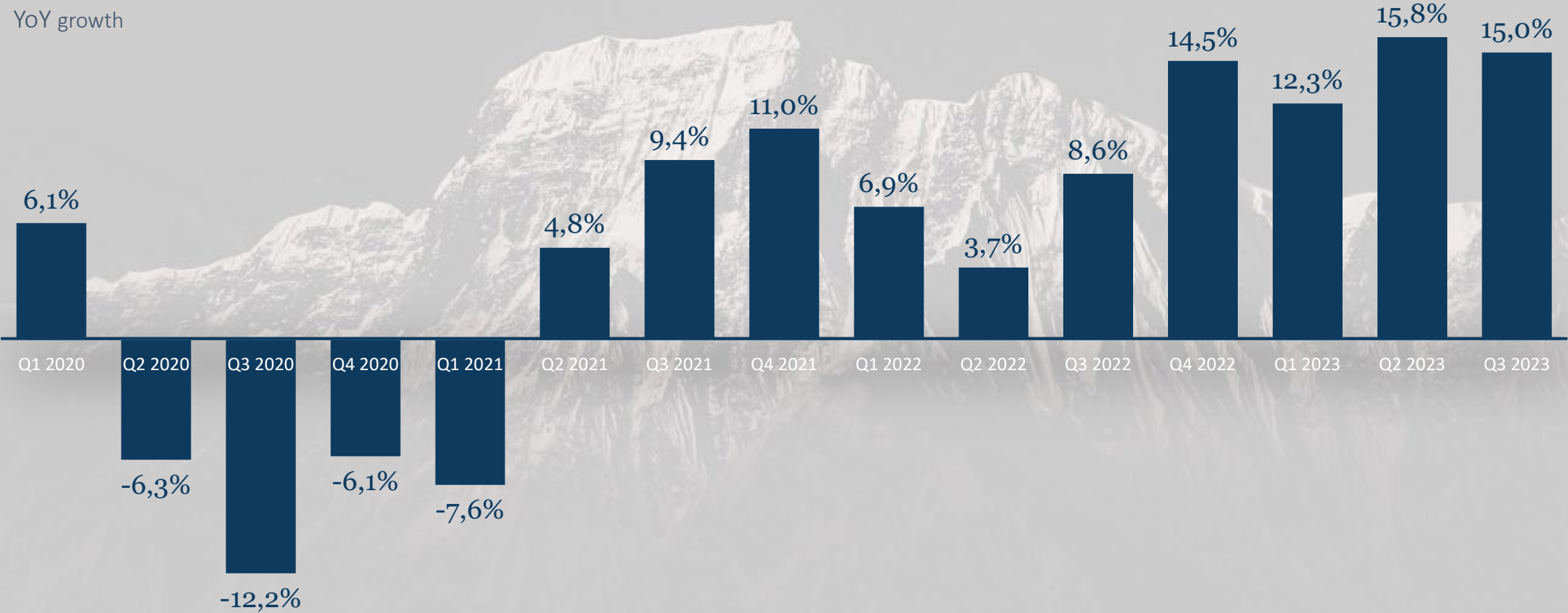
Improve profitability to fuel growth and secure financial position

Turnaround accomplished

We have achieved steady organic growth for the past ten quarters and turned around our company ready to continue the growth journey

→ ORGANIC REVENUE GROWTH

YoY growth

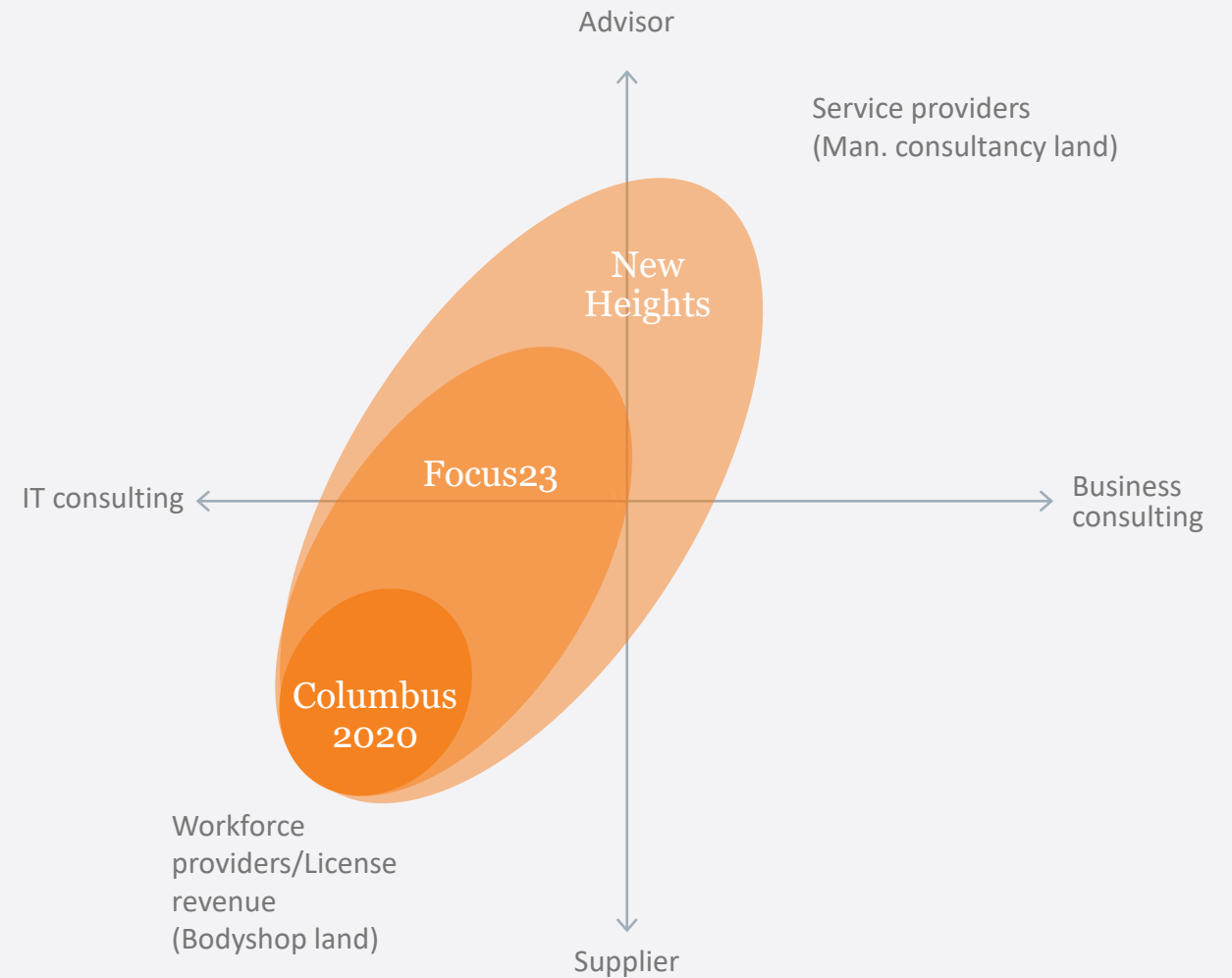


Note: Organic growth adjusted for acquisitions and divestments and in constant currencies

Market position

Our market position lies in the sweet spot where strong business advisory and deep technical expertise meet delivery responsibility

- Strategic position: Business advisory and deep technical expertise meets delivery responsibility
- Global operating model and local market presence
- Premium digital transformation partner with solid industry expertise and strong methodology



We solve complex industry problems

Our customers partner up with us to help solve some of the most complex challenges facing their industry

SUPPLY CHAIN
DISRUPTIONS

AUTOMATION
PRESSURES

DIGITAL CHANNEL
REQUIREMENTS

SUSTAINABILITY
& COMPLIANCE

RESILIENCE
& SECURITY



Priority customers segments and services

From our stronghold as market leader in the medium size segment toward larger customers

→ MARKET PRESENCE: CUSTOMER SEGMENT SIZE & SERVICE

		Service				
		Cloud ERP	Digital Commerce	Data & Analytics	Customer Experience	Security
		Evolve (Operations)				
Customer segment	Global					
	Large size and multinational	Medium	Low	Low	Low	Low
	Medium size and regional	Strong	Strong	Strong	Strong	Strong
	Small size and local	Medium	Strong	Medium	Medium	Low
	Micro size	Low				



Existing market presence: Low , Medium , Strong

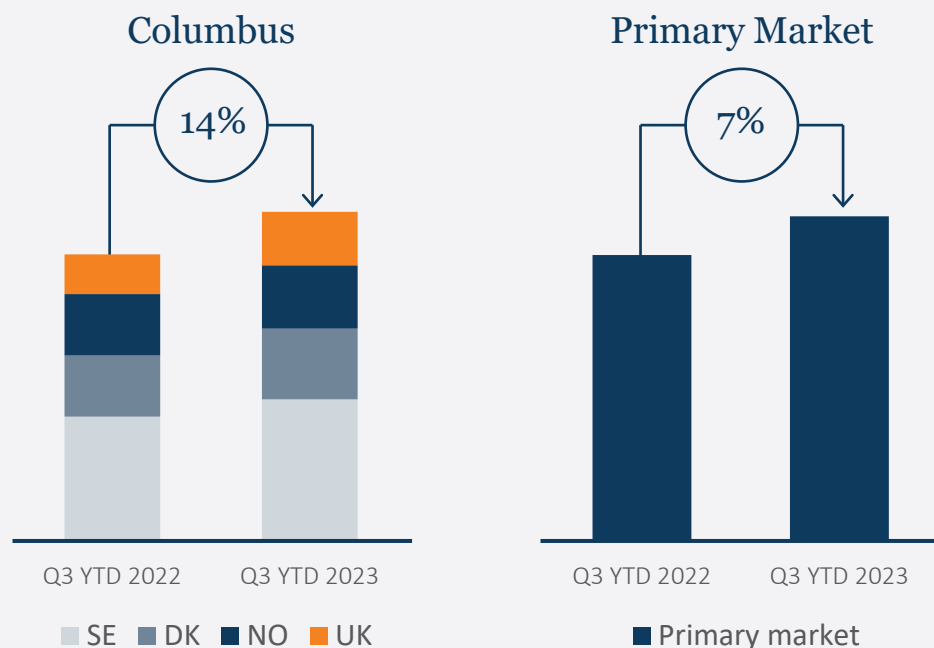
Grow Maintain Non-focus

Market with room to grow

Large primary market for differentiated industry specialist who continues to take market share

→ TAKING MARKET SHARE

YoY growth

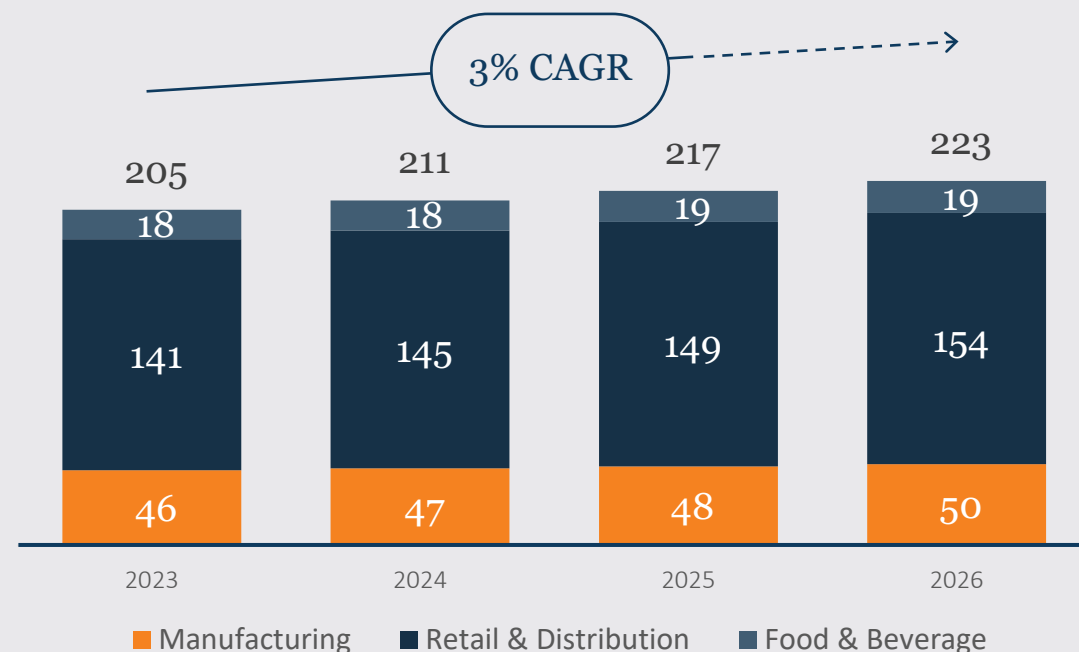


We are outgrowing our primary market where we currently have an avg. Nordic market share ~ 2%¹ leaving room to grow.

→ IT SERVICES CONSULTING SPEND:

CAGR 3% 2024-25

bnDKK



Our primary market² continues to grow at lower rates in the foreseeable future due to slowdown in the economy.

Columbus' definition of Life Science target market

We target companies operating in the research, development, manufacturing and distribution of pharmaceuticals, MedTech and biomedical technologies

No public companies

Segment size follows our other industry verticals focusing on 'medium size and regional' to 'large size and multinational' – not targeting blue chip pharma

Responding to demand in Life Science

Life Science has large potential for us with strong synergies to existing business



We see big potential in the industry based on experience of increased customer demand for our services



We are already working in the industry and have first-hand experience driving digital transformation with our existing customers



There are strong synergies to our existing industry specialties that all work with- or produce physical goods - namely 'food & beverage' has many similarities to Life Science



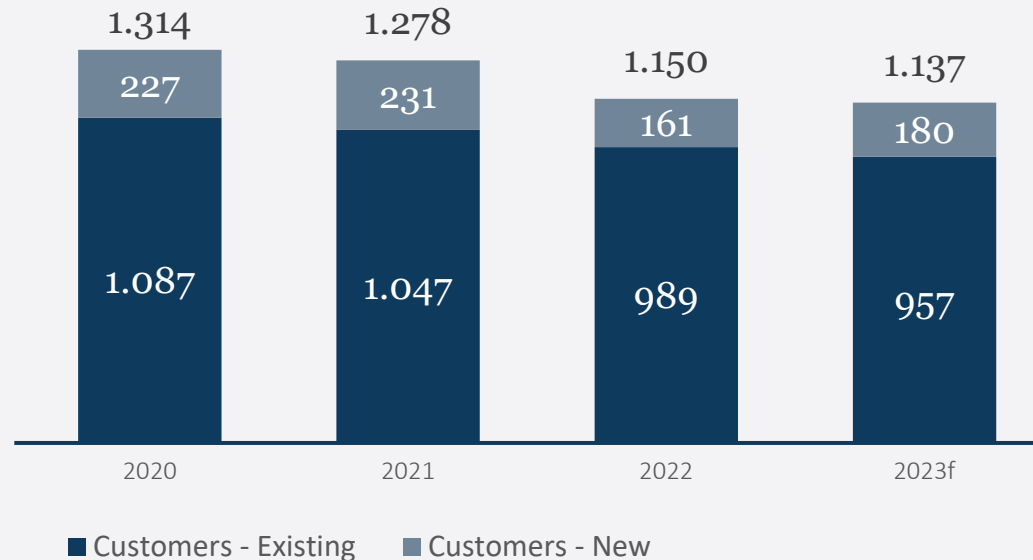
Our biggest partners support our move into the new industry

Stable customer base & growing engagements

Stable customer base with new larger customers pushing the average account revenue up

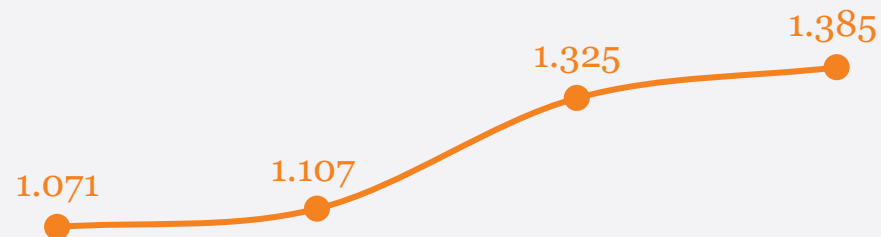
→ CUSTOMERS AND ANNUAL ACCOUNT REVENUE

Customers
#



Avg. annual account revenue

tDKK



- Stable customer base with ~85% who continues their partnership with us year after year
- More business lines involved on same customer as we increasingly act as digital partner to solve multiple different problems over time
- Larger more complex customers requires larger and longer engagements, steadily pushing account revenue up
- Average annual account revenue is increasing, 29% up from 2020, as we move up in segment size toward our ICP (Ideal Customer Profiles)

Vision for the future

Our improved company is engaging to work in, and our customers love us for our integrity and ability to 'make digital transformation happen'



Employees

EXPLORE AND GROW

We offer exciting development opportunities to help our employees explore their potential working in the intersection between business and technology

MEANINGFUL WORK

We engage each other, our customers and society in a meaningful and purpose led way to make digital transformation happen

LEAD WITH INTEGRITY

We instill integrity into our people because we know what we talk about – and have both a 'thinker' and a 'doer' mindset

TRUSTED ADVISOR

We learn-in and act as trusted advisors in every interaction at all levels of our customer's organizations working together across services to help solve complex industry challenges



Customers

DIGITAL SURGEON

Our customers trust us because we do digital surgery on the most precious parts of their systems every day – core business technology systems

WE DO COMPLEX

Our transformations are carried out in the most complex, risky and difficult area of technology – it requires diligence, know-how and trust

WE STICK AROUND

We keep green lights on for our customers before, during and after transformations as a constant partner to help navigate the industry and technology – we help them evolve

BIGGER PICTURE

We go beyond the apparent problem and help customers see the bigger picture that spans across the market, strategy, technology, organization and services

Strategic growth pillars and foundation

Placing people first and building trust with customers through our unique industry expertise and rapid adaptation

GROWTH PILLAR →

People First

We stand out as an attractive and caring employer

Industry Expertise

We win customers with our unique industry expertise

Rapid Adaptation

We help our customers navigate the complex tech landscape as a constant partner

FOUNDATION →

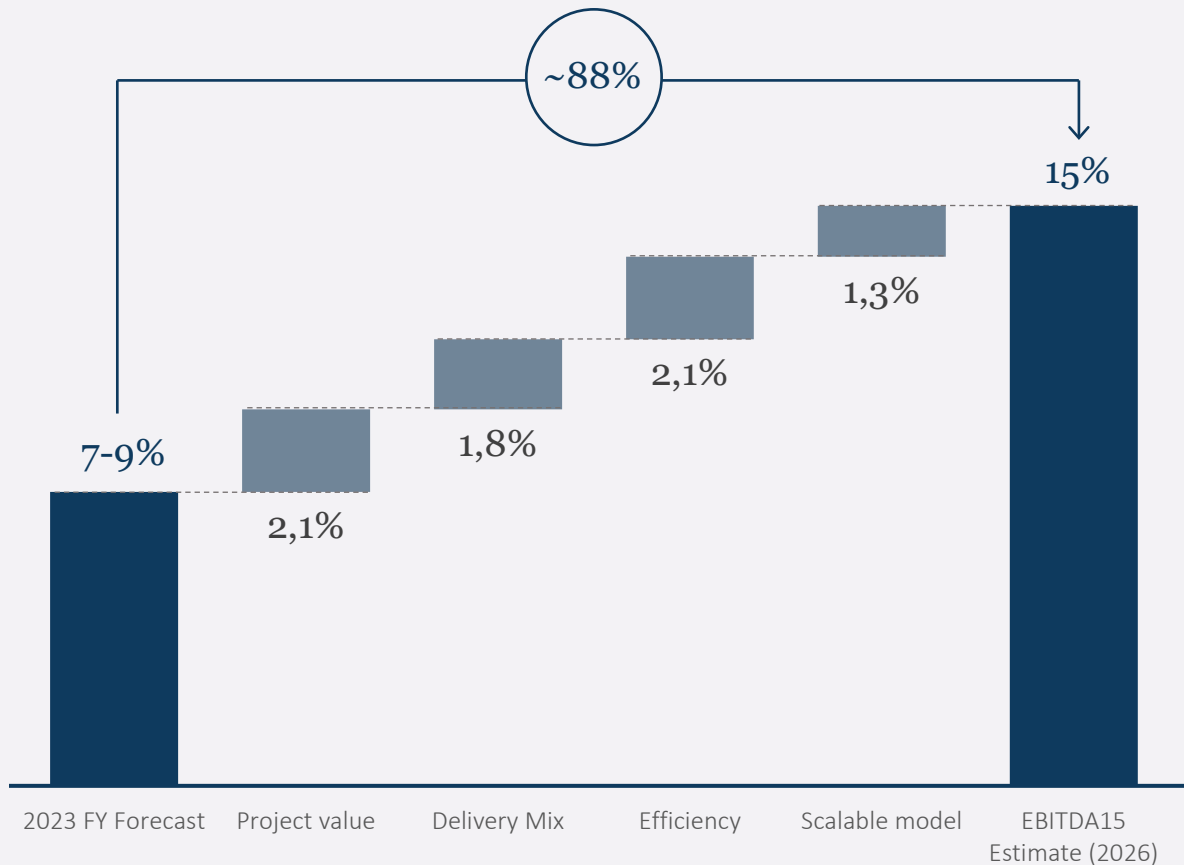
Scalable Business Model

We keep a lean and scalable model with focus on local market customer intimacy while leveraging our global delivery strength of experienced people

EBITDA15 program

Expand margin with productivity increases, commercial excellence and leveraging of business model

→ EBITDA MARGIN EXPANSION



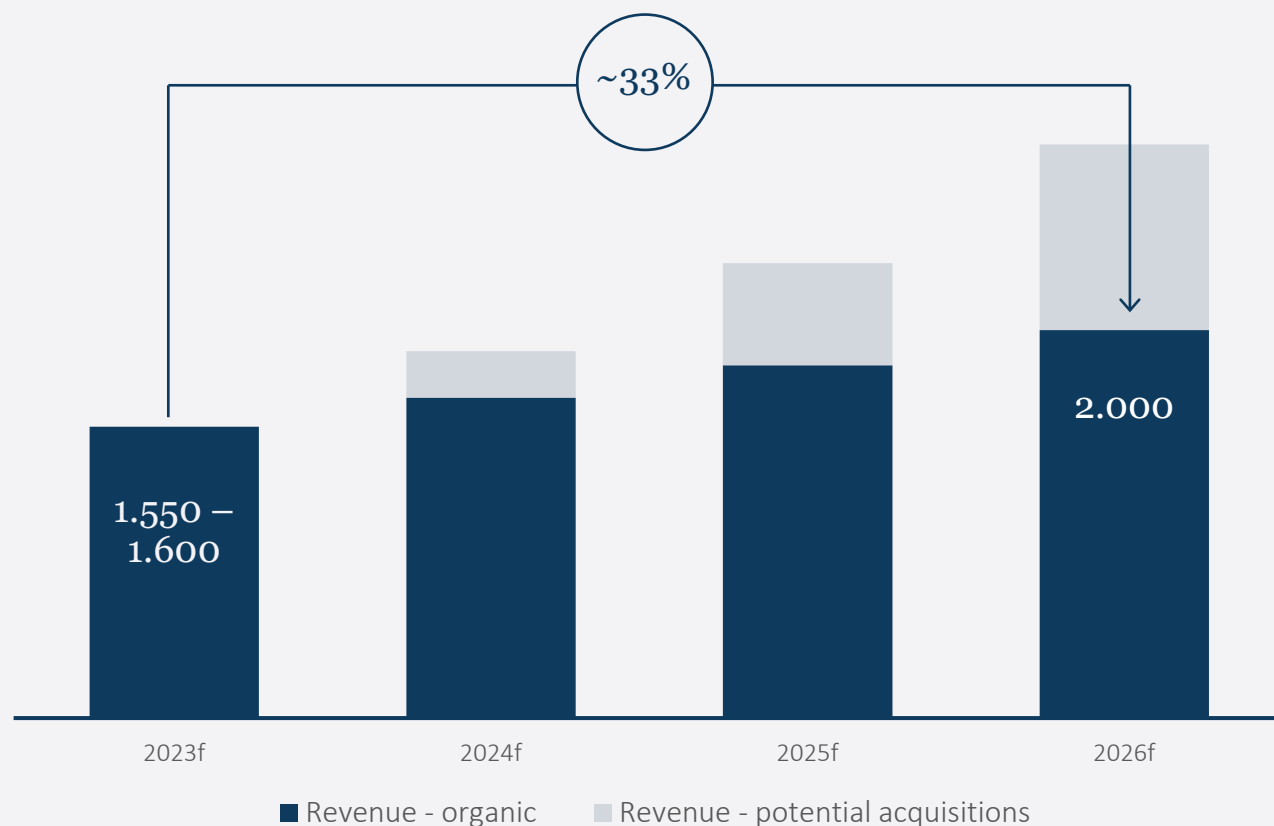
- **Project value.** Increased project value delivered translating to higher price points and less rework
- **Delivery mix.** Changes to shoring mix and seniority in delivery - improving margins
- **Efficiency.** Efficiency improvements through better utilization of available customer facing hours and larger engagements
- **Scalable model.** Global functions and other support staff diminishing in ratio to growing delivery organization

Revenue growth

Continue strong growth trajectory toward 2026 with combination of organic growth and acquisitions

→ REVENUE GROWTH

mDKK



- We maintain our revenue growth trajectory of 10% CAGR for the period, despite market headwinds
- In addition to organic growth, we reserve the option to add acquisitive growth – ICY Security being the latest. We stay selective for right strategic fit
- Entering the service area of Security with high growth is going to contribute to continued growth medium-term
- Entering Life Science with high potential is going to contribute to continued growth medium-term

The strategy reflects employee input

Our strategy is a product of the collective mind of our organization - this provides a strong outset for strategy execution

EMPLOYEE INPUT	STRATEGIC ELEMENT	IMPACT IN STRATEGY
<ul style="list-style-type: none"> Get even closer to customers to become close digital partners 	NEW STRATEGIC BETS	<ul style="list-style-type: none"> Expand our offerings, also with acquisitions, and a new industry to accelerate in the market and get closer to customers
<ul style="list-style-type: none"> Continue to foster our OneColumbus culture Give opportunities to grow and work across the organization 	PEOPLE FIRST	<ul style="list-style-type: none"> Build on our cultural foundation and invest in our people to help them grow - and increase access to talent
<ul style="list-style-type: none"> Increase ability to advice by improving access to knowledge Improve our service development 	INDUSTRY EXPERTISE	<ul style="list-style-type: none"> Make our industry knowledge easier to access and elevate our ability to use it to advice customers
<ul style="list-style-type: none"> Make stronger alliances with partners and improve technology strategy See and address market gaps 	RAPID ADAPTATION	<ul style="list-style-type: none"> Reorganize to bring our technology advice to customers to help them navigate and implement emerging technologies
<ul style="list-style-type: none"> Improve our ability to work together – also globally Remove friction in processes Improve implementation and methodology 	SCALABLE BUSINESS MODEL	<ul style="list-style-type: none"> Continue improving our global engagement model and simplify our operations, while strengthening our methodology



Thank you



Questions?

Investor contact

- Brian Iversen, Corporate CFO,
brian.iversen@columbusglobal.com, +45 7020 5000
- Tine Rasmussen, Corporate Communications Director
tine.rasmussen@columbusglobal.com, +45 29690677

