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Financial Results H1 2019

ABG Sundal Collier
23 August 2019

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

- Highlights of H1 2019
- Income Statement
- Financial Value Drivers
- Geographical & Business Segments
- Short & Long Term Guidance
- Questions





Highlights H1 2019

Revenue

2% organic growth

amounting to DKK 977m

EBITDA

7% growth

amounting to DKK 102m

Columbus Cloud

44% growth

amounting to DKK 10m

Integration of

iStone

according to plan

Columbus Care Contracts

16% growth

amounting to DKK 69m

Income Statement H1 2019

Income statement (mDKK)	H1 2019	H1 2018	Δ%
Columbus Software	49.1	56.0	-12%
External Software	155.5	155.0	0%
Service	752.9	751.2	0%
Other	19.8	16.1	23%
Net Sales	977.2	978.2	0%
External project costs	-209.0	-208.9	0%
Gross profit	768.2	769.2	0%
Staff expenses and remuneration	-576.2	-559.9	3%
Other external costs	-88.4	-109.7	-19%
EBITDA before share-based payment	103.5	99.6	4%
Share-based payment	-2.0	-4.9	-60%
EBITDA	101.5	94.7	7%
Depreciation/amortization	-44.0	-39.9	10%
Net Financial Income	-7.2	9.5	-176%
Net result before tax	50.4	64.2	-22%
Tax	-11.8	-13.0	-9%
Net result after tax	38.6	51.2	-25%

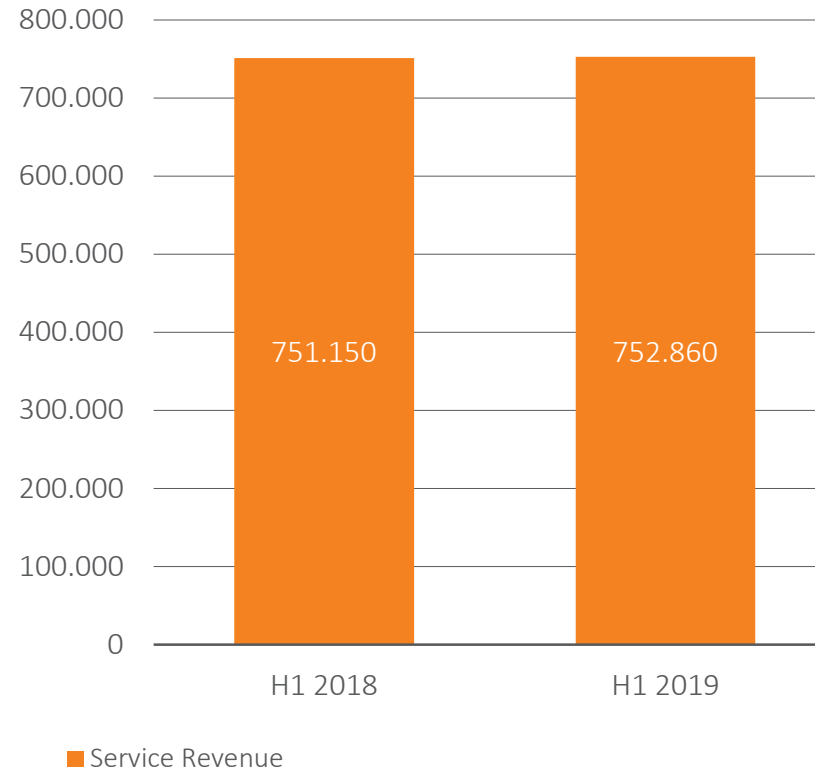


Financial Value Drivers

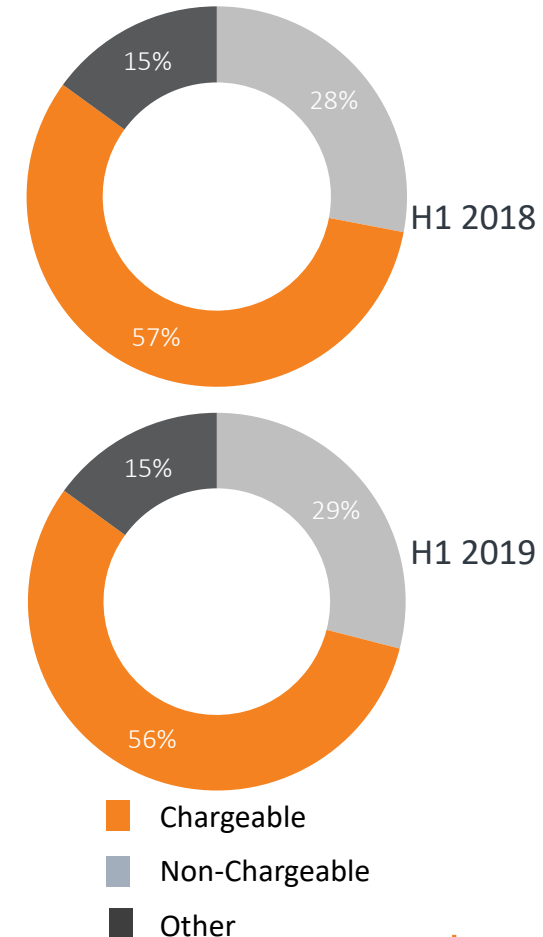
Services Business in line with last year

- Service revenue amounted to DKK 753m
 - Growth in Columbus Care Services
 - Good progress in Denmark, Norway, Sweden, Commerce and M3
- Decrease in chargeable hours (57% to 56%)
 - Lower efficiency in RU, UK, US
 - Progress within ERP, Cloud and offerings such as Analytics & BI and Customer Experience

Development in the service revenue

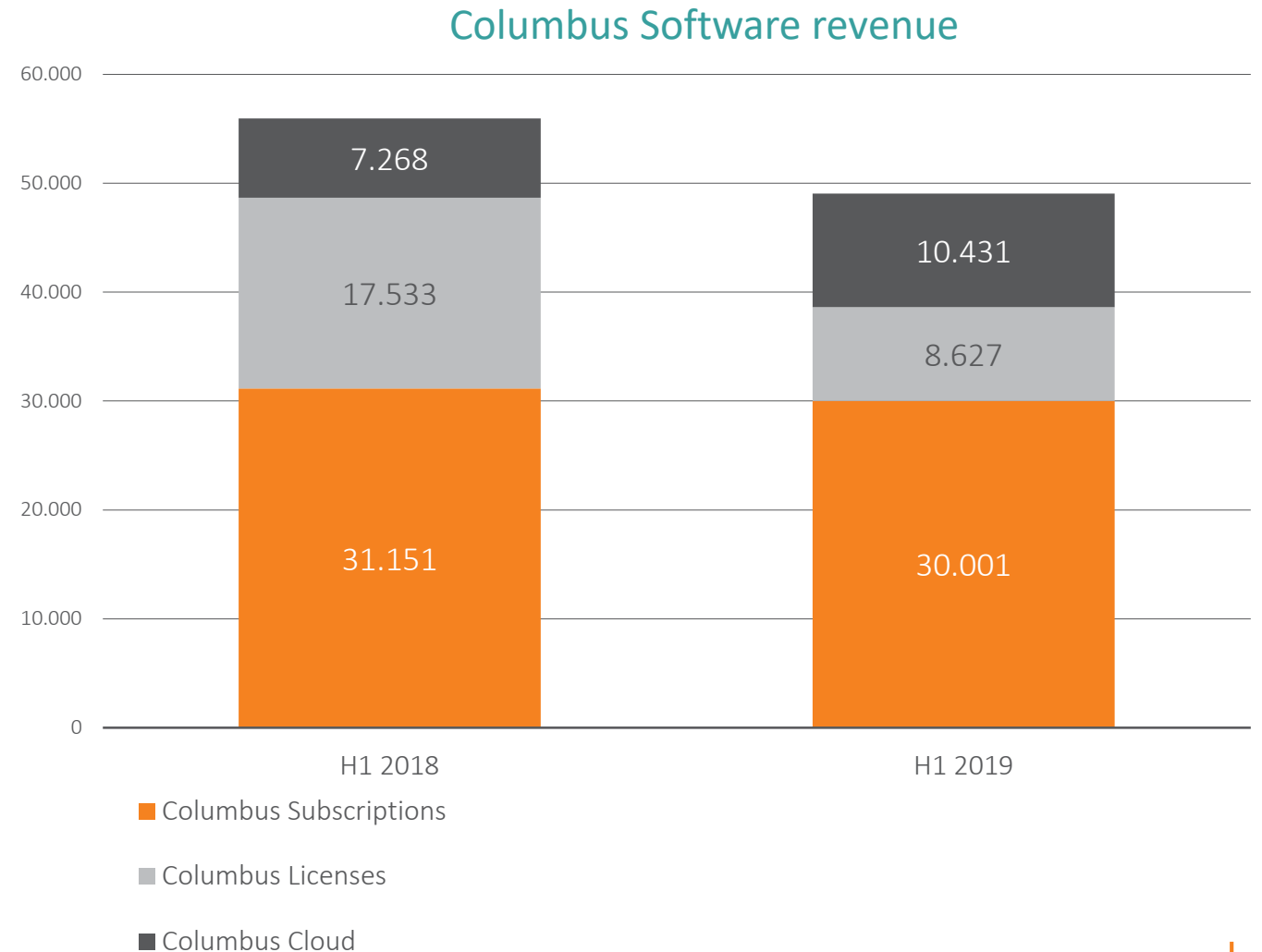


Customer Work



Accelerated Cloud Conversion for Columbus Software

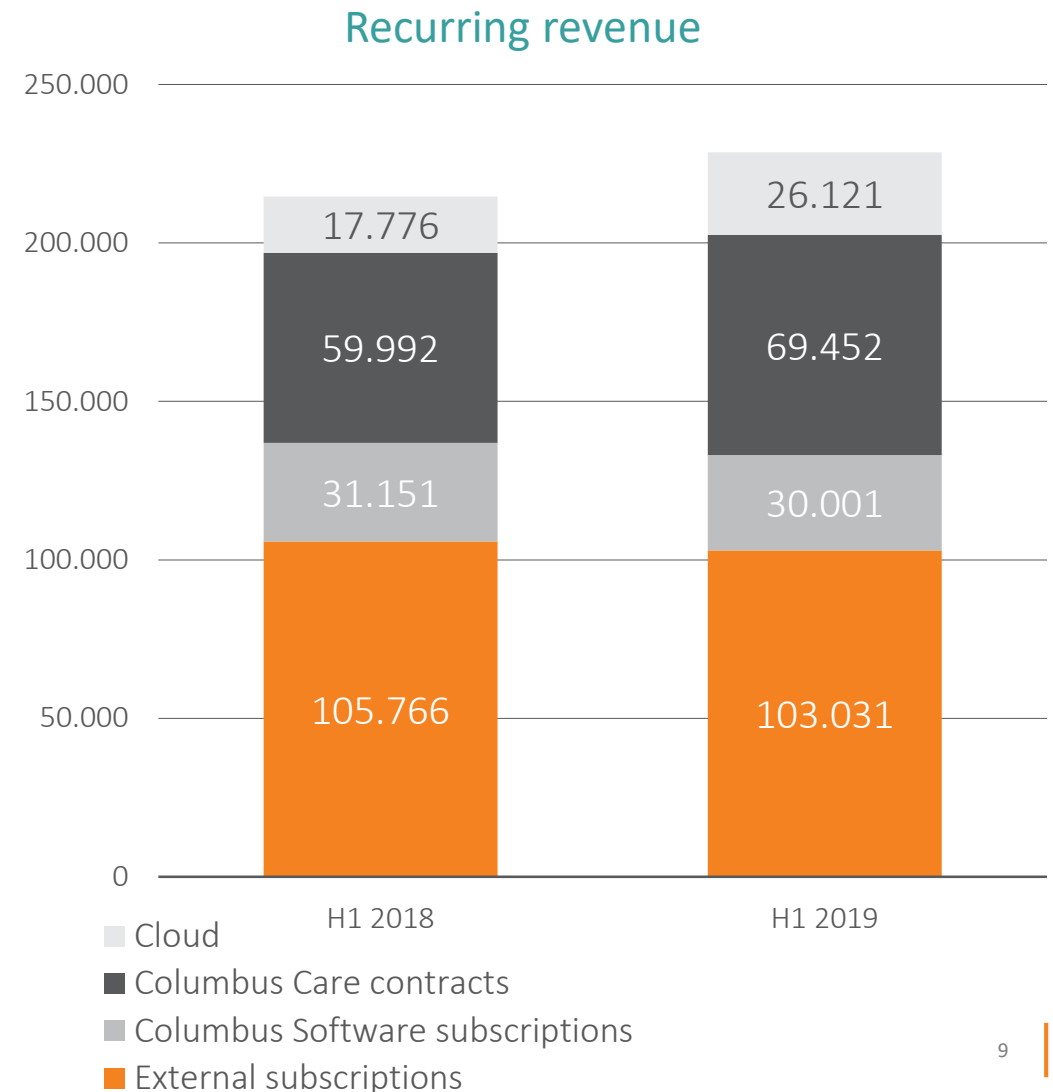
- Total revenue from sale of Columbus Software decreased by 12%, amounting to DKK 49m
 - Subscriptions declined by 4%
 - License sales declined by 51%
- Columbus Cloud sales increased by 44%, from DKK 7m to DKK 10m





Growth in Recurring Revenue

- Recurring revenue increased by 6%
- Recurring revenue constitutes 23% of total revenue
- Columbus Care contracts grew by 16%
- Total Cloud revenue grew by 47%





Geographical & Business Segments

Western Europe

Net Revenue

+6% (DKK 710m)

Service Revenue

+6% (DKK 608m)

Columbus Software Revenue

-19% (DKK 15m)

EBITDA

+31% (DKK 82m)

Western Europe mDKK	H1 2019	H1 2018	Δ	Δ%
Columbus Software	14.5	17.9	-3.4	-19%
External software	69.0	66.6	2.4	4%
Service revenue	608.2	573.1	35.2	6%
Other	18.4	12.5	5.9	47%
Total net revenue	710.2	670.0	40.1	6%
EBITDA	81.8	62.7	19.2	31%
Recurring revenue of total revenue	17%	16%	1%	6%

Eastern Europe

Net Revenue

+6% (DKK 71m)

Service Revenue

+4% (DKK 51m)

Columbus Software Revenue

+60% (DKK 3m)

EBITDA

-5% (DKK 7m)

Eastern Europe mDKK	H1 2019	H1 2018	Δ	Δ%
Columbus Software	3.4	2.1	1.3	60%
External software	16.0	15.0	1.0	7%
Service revenue	50.7	48.6	2.1	4%
Other	0.5	1.1	-0.6	-54%
Total net revenue	70.5	66.7	3.9	6%
EBITDA	6.7	7.1	-0.4	-5%
Recurring revenue of total revenue	21%	22%	0%	-1%

Northern America

Net Revenue

-14% (DKK 158m)

Service Revenue

-19% (DKK 87m)

Columbus Software Revenue

+10% (DKK 4m)

EBITDA

-93% (DKK 1m)

North America mDKK	H1 2019	H1 2018	Δ	Δ%
Columbus Software	3.6	3.3	0.3	10%
External software	65.6	69.3	-3.7	-5%
Service revenue	87.1	108.0	-20.9	-19%
Other	1.7	2.4	-0.7	-30%
Total net revenue	158.0	182.9	-25.0	-14%
EBITDA	1.0	15.0	-14.0	-93%
Recurring revenue of total revenue	39%	35%	5%	13%

Columbus Software

Columbus Software Subscriptions

-11% (DKK 25m)

Columbus Cloud Revenue

+34% (DKK 9m)

Columbus Software License

-57% (DKK 6m)

EBITDA

-10% (DKK 33m)

Columbus Software mDKK	H1 2019	H1 2018	Δ	Δ%
Columbus Software licenses	5.8	13.4	-7.6	-57%
Columbus Software subscriptions	24.5	27.6	-3.0	-11%
Columbus Cloud	9.1	6.8	2.3	34%
External software	8.5	7.3	1.2	16%
Service revenue	27.7	29.1	-1.3	-5%
Other	0.8	0.3	0.5	148%
Total net revenue	76.4	84.4	-8.0	-9%
EBITDA	32.7	36.1	-3.4	-10%
Recurring revenue of total revenue	58%	51%	7%	13%



Short & Long Term Guidance



Financial Guidance for 2019

Revenue, in the range of
DKK 2bn

EBITDA, in the range of
DKK 240m

Software revenue, in the range of
DKK 110m

Dividend
10% dividend
on nominal share capital



Long Term Guidance for 2021

Revenue

3-5% growth

Compounded average growth
each year organically

Recurring revenue

25%

of total revenue in 2021

EBITDA

13%

EBITDA margin

Dividend

10% pay-out

of nominal value each year





Questions?



Upcoming events

- Small & Mid Cap Seminar at ABG Sundal Collier
 - 25 September 2019
 - Sign up at invitations@abgsc.dk

- Interim Management Statement Q3
 - 6 November 2019