

# Financial Results H1 2018

Webcast & Tele Conference  
23 August 2018 at 13:00 CET



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.

# Introducing today's presenters



Thomas Honoré, CEO



Hans Henrik Thrane, CFO

# Today's presentation



## AGENDA

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- Highlights of H1 2018
- Income statement
- Financial Value Drivers
- Geographical & Business segments
- 2018 expectations
- Long-term guidance
- Questions

# Highlights H1 2018

## Revenue

**52% growth**

amounting to DKK 978m

## EBITDA\*

**40% growth**

amounting to DKK 99,6m

## Integration of

**iStone**

**High Software**

according to plan

## Columbus Software

**37% growth**

amounting to DKK 56m

## Profit after tax

**28% growth**

amounting to DKK 51m

## Acquisitions

**iStone**

**HiGH Software**

**Hät Systems**

# Income Statement H1 2018

Income statement (mDKK)	1H 2018	1H 2017	Δ%
Columbus Software	56.0	40.7	37%
External Software	155.0	159.6	-3%
Service	751.1	431.3	74%
Other	16.1	10.7	50%
Net Sales	978.2	642.3	52%
External project costs	-208.9	-142.9	46%
Gross profit	769.2	499.5	54%
Staff expenses and remuneration	-559.9	-353.4	58%
Other external costs	-109.7	-74.9	47%
EBITDA before share-based payment	99.6	71.2	40%
Share-based payment	-4.9	-1.2	327%
EBITDA	94.7	70.0	35%
Depreciation/amortization	-39.9	-19.7	102%
Net Financial Income	9.5	-3.9	344%
Net result before tax	64.2	46.4	38%
Tax	-13.0	-6.3	106%
Net result after tax	51.2	40.1	28%



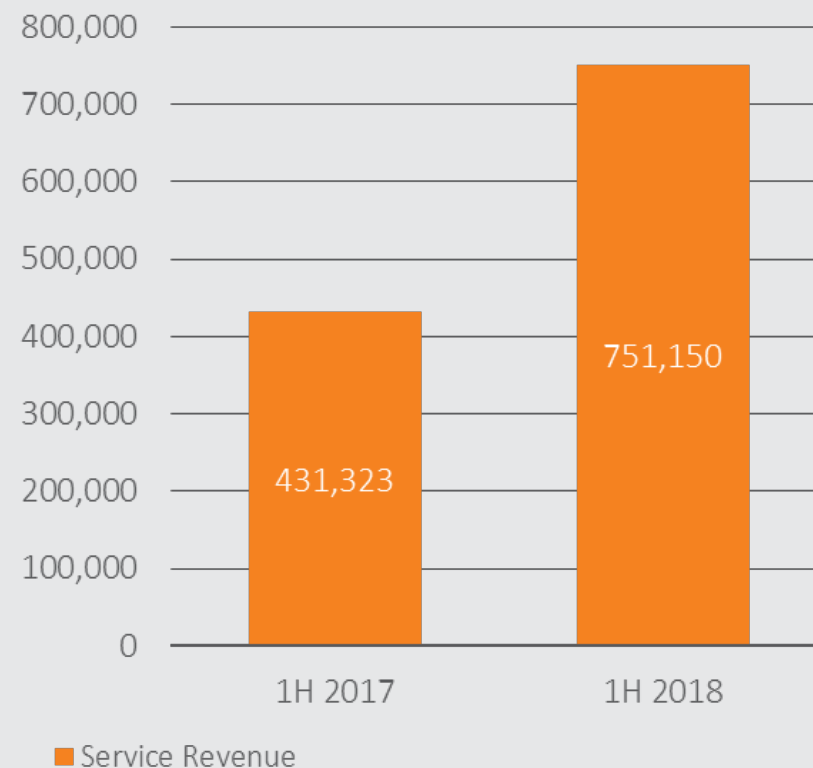


Financial Value Drivers

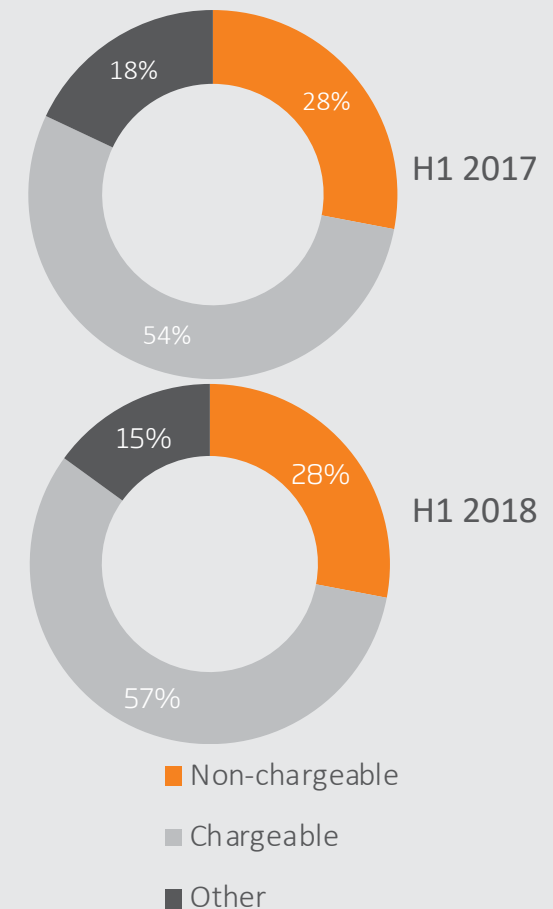
# Growth in the Services Business

- Service revenue grew by 74% to DKK 751m
  - Acquisition of iStone
  - High activity in the services business
- Increase in chargeable hours (54% to 57%)
  - General progress in our services business
  - Progress within ERP, Cloud and new offerings such as Analytics & BI

Development in the service revenue



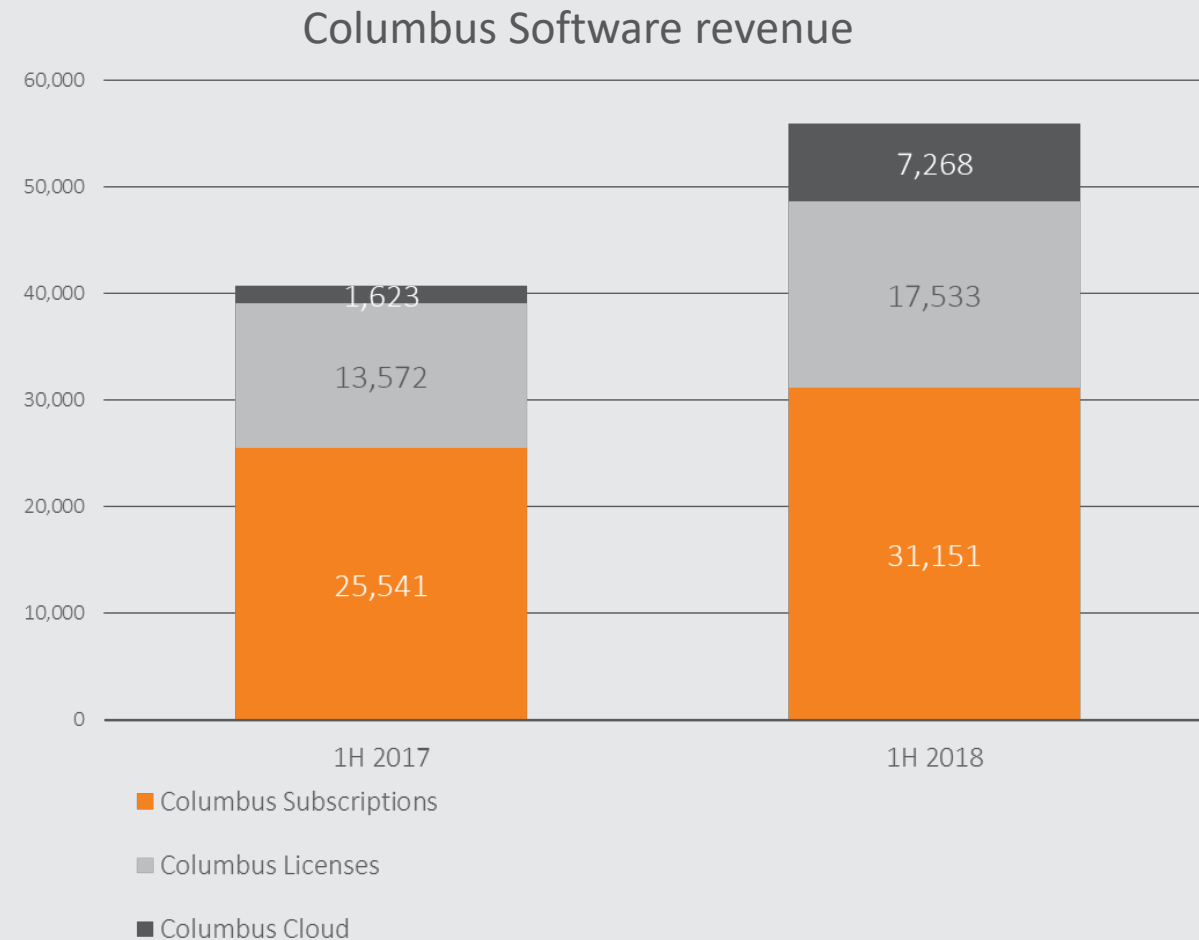
Customer Work





# Growth in Columbus Software sales

- Total revenue from sale of Columbus Software increased by 37%, amounting to DKK 56m
  - Subscriptions grew by 22%
  - License sales grew by 29%
- Cloud sales increased from 1.6m to 7.3m Danish kroner



# Growth in Recurring Revenue

- Recurring revenue increased by 24%
- Recurring revenue constitutes 22% of total revenue
- Columbus Care contracts grew by 49%
- Total Cloud revenue grew by 224%





Geographical & Business segments

# Western Europe

## Net Revenue

**+116%** (DKK 670m)

## Columbus Software Revenue

**+14%** (DKK 18m)

## Service Revenue

**+147%** (DKK 573m)

## EBITDA

**+41%** (DKK 63m)

Western Europe mDKK	1H 2018	1H 2017	Δ	Δ%
Columbus Software	17.9	15.8	2.1	14%
External software	66.6	58.0	8.6	15%
Service revenue	573.1	231.8	341.3	147%
Other	12.5	4.8	7.7	160%
<b>Total net revenue</b>	<b>670.0</b>	<b>310.3</b>	<b>359.7</b>	<b>116%</b>
EBITDA	62.7	44.6	18.1	41%
Recurring revenue of total revenue	16%	25%	-9%	-35%

# Eastern Europe

## Net Revenue

**-14%** (DKK 67m)

## Service Revenue

**-3%** (DKK 49m)

## Columbus Software Revenue

**-15%** (DKK 2m)

## EBITDA

**-16%** (DKK 7m)

Eastern Europe mDKK	1H 2018	1H 2017	Δ	Δ%
Columbus Software	2.1	2.5	-0.4	-15%
External software	15.0	23.6	-8.7	-37%
Service revenue	48.6	50.3	-1.8	-3%
Other	1.1	1.0	0.1	8%
<b>Total net revenue</b>	<b>66.7</b>	<b>77.4</b>	<b>-10.7</b>	<b>-14%</b>
EBITDA	7.1	8.5	-1.4	-16%
Recurring revenue of total revenue	22%	23%	-1%	-6%

# Northern America

## Net Revenue

**-22%** (DKK 183m)

## Columbus Software Revenue

**+10%** (DKK 3m)

## Service Revenue

**-28%** (DKK 108m)

## EBITDA

**+161%** (DKK 15m)

North America mDKK	1H 2018	1H 2017	Δ	Δ%
Columbus Software	3.3	3.0	0.3	10%
External software	69.3	78.2	-8.9	-11%
Service revenue	108.0	149.0	-41.1	-28%
Other	2.4	5.1	-2.6	-52%
<b>Total net revenue</b>	<b>182.9</b>	<b>235.3</b>	<b>-52.3</b>	<b>-22%</b>
EBITDA	15.0	5.8	9.2	161%
Recurring revenue of total revenue	35%	28%	7%	25%



# Columbus Software ISV

## Columbus Software Revenue

**+30%** (DKK 41m)

## Columbus Software License

**+31%** (DKK 13m)

## Columbus software Subscriptions

**+30%** (DKK 28m)

## EBITDA

**+70%** (DKK 36m)

Columbus Software mDKK	1H 2018	1H 2017	Δ	Δ%
Columbus Software licenses	13.4	10.2	3.2	31%
Columbus Software subscriptions	27.6	21.3	6.3	30%
Columbus Cloud	6.8	1.5	5.2	342%
External software	7.3	0.0	7.3	100%
Service revenue	29.1	8.9	20.2	227%
Other	0.3	0.4	0.0	-3%
<b>Total net revenue</b>	<b>84.4</b>	<b>42.2</b>	<b>42.2</b>	<b>100%</b>
EBITDA	36.1	21.3	14.9	70%
Recurring revenue of total revenue	51%	58%	-7%	-12%

# Stronger Together on track

## Stronger Together integration program progress as planned:

- Revenue and EBITDA according to plan
- Strategic partnership with itelligence including divesting of the SAP Business Unit
- Combined solution portfolio
- Strong cultural fit and common values



### **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)



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

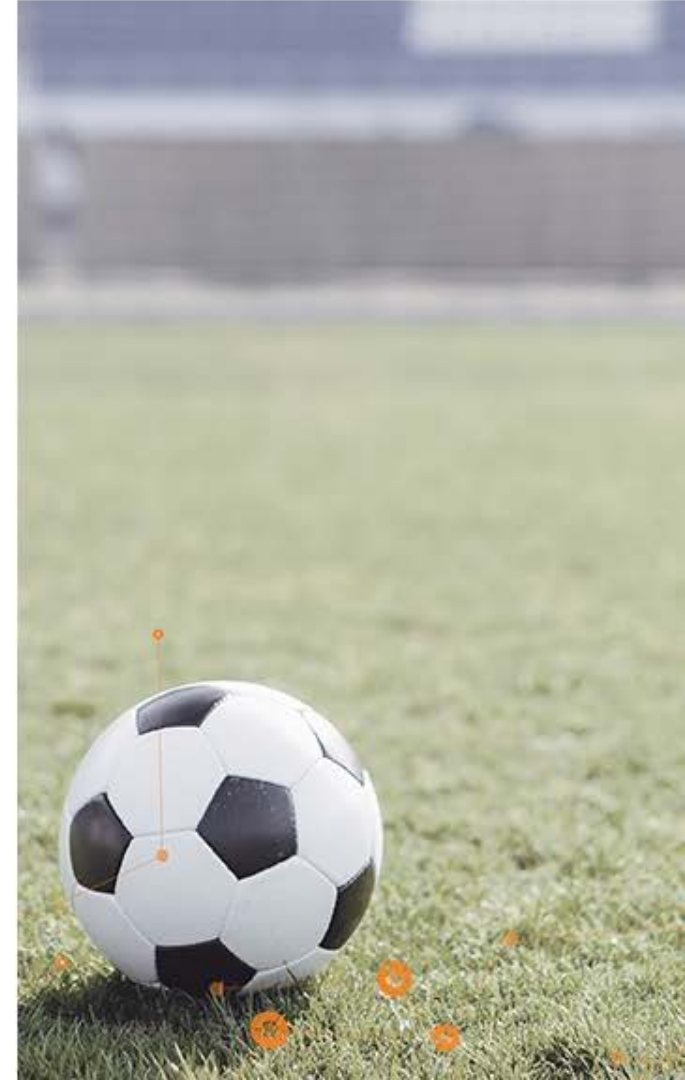
**10% pay-out**

of nominal value each year



Thank you!

Questions





## Upcoming events

- Columbus Q2 Roadshow, Carnegie
  - 27 August, 2018
- Small & Mid Cap seminar, ABG Sundal Collier
  - 26 September, 2018
- Interim Management Statement Q3 2018
  - 7 November, 2018





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know how...