

# Financial Results 2018

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ABGSC, 15 March 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

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- Highlights of 2018
- Income Statement
- Financial Value Drivers
- Geographical & Business Segments
- Stronger Together
- 9 Doors to Digital Leadership
- Short & Long Term Guidance
- Questions



# Highlights 2018

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## Revenue

**54% growth**

amounting to DKK 1.9bn

## EBITDA\*

**22% growth**

amounting to DKK 181m

## Integration of

iStone

**High Software**

according to plan

## Columbus Software

**24% growth**

amounting to DKK 103m

## Profit before tax

**14% growth**

amounting to DKK 115m

## Acquisitions

iStone

**HiGH Software**

**Hät Systems**

# Income Statement 2018

Income statement (mDKK)	2018	2017	Δ%
Columbus Software	102.9	83.2	24%
External Software	304.8	294.0	4%
Service	1,432.1	822.6	74%
Other	35.5	19.1	86%
Net Sales	1,875.3	1,218.8	54%
External project costs	-391.3	-267.5	46%
Gross profit	1,484.0	951.3	56%
Staff expenses and remuneration	-1,091.2	-659.8	65%
Other external costs	-211.6	-143.0	48%
EBITDA before share-based payment	181.2	148.5	22%
Share-based payment	-9.8	-2.3	325%
EBITDA	171.4	146.2	17%
Depreciation/amortization	-63.9	-39.5	62%
Net Financial Income	7.9	-5.1	-255%
Net result before tax	115.4	101.6	14%
Tax	-18.8	-5.5	241%
Net result after tax	96.7	96.1	1%

# Financial Value Drivers

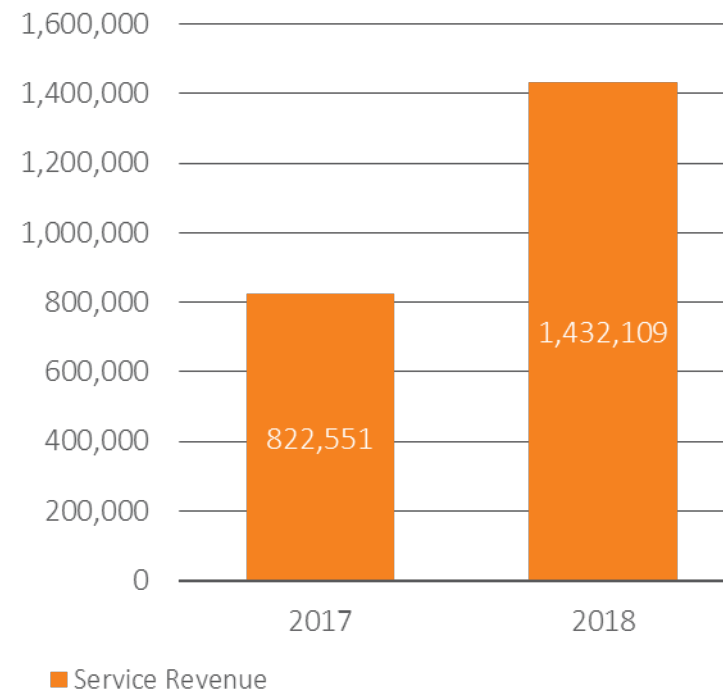
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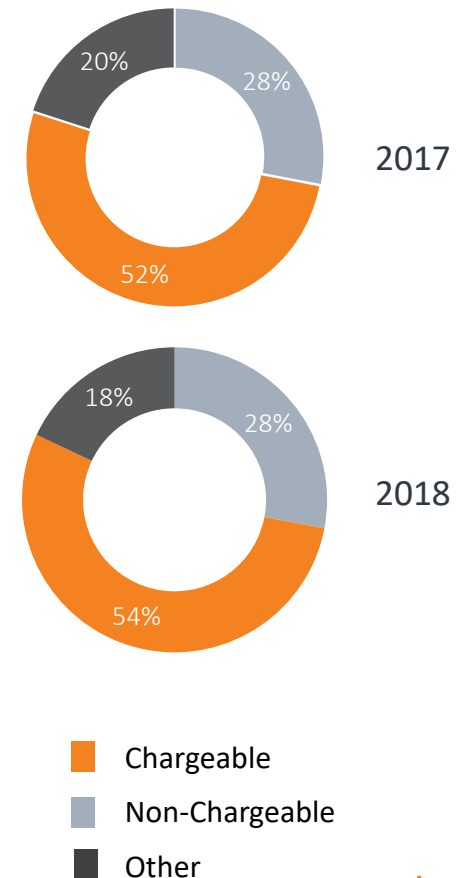
# Growth in the Services Business

- Service revenue grew by 74% to DKK 1,432m
  - Acquisition of iStone & High Software
  - 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

Development in the service revenue

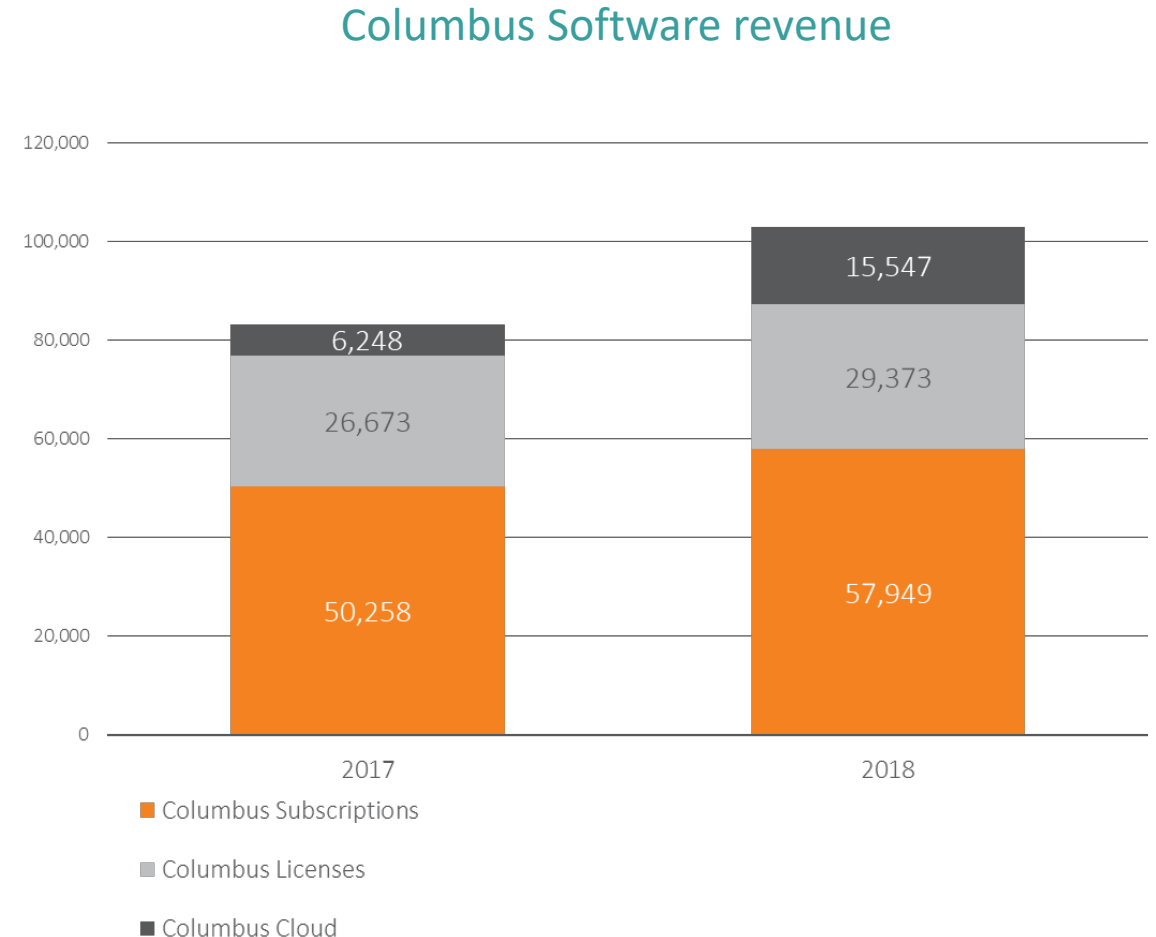


Customer Work



# Growth in Columbus Software Sales

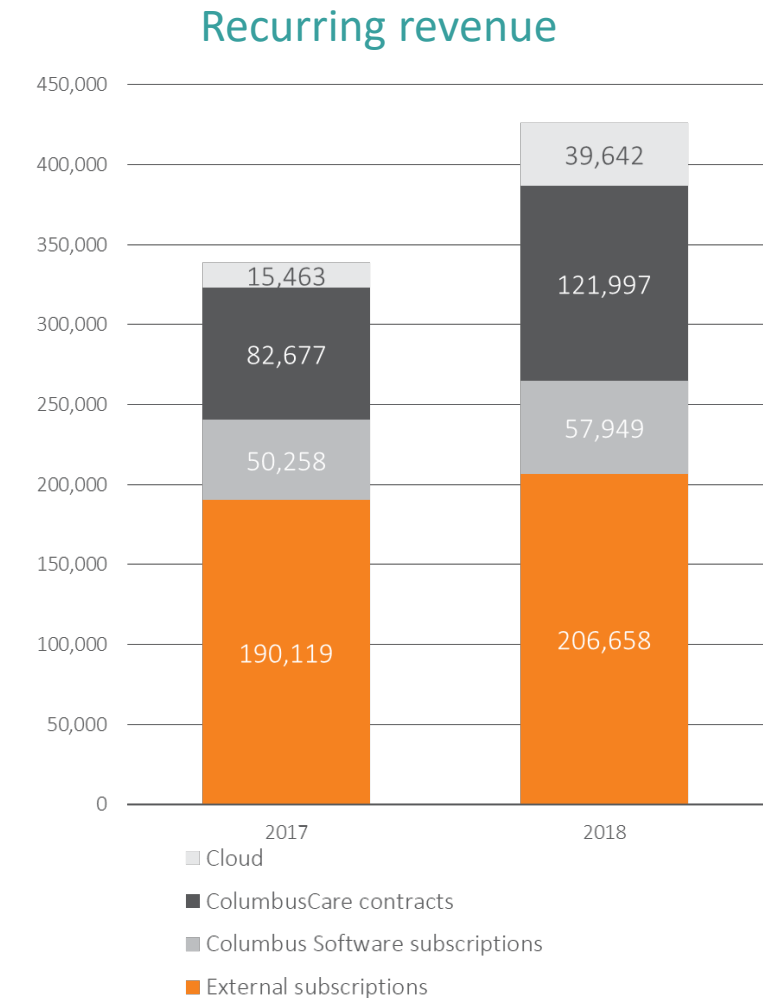
- Total revenue from sale of Columbus Software increased by 24%, amounting to DKK 103m
  - Subscriptions grew by 15%
  - License sales grew by 10%
- Columbus Cloud sales increased from DKK 6.3m to DKK 15,5m (149%)





# Growth in Recurring Revenue

- Recurring revenue increased by 26%
- Recurring revenue constitutes 23% of total revenue
- Columbus Care contracts grew by 48%
- Total Cloud revenue grew by 156%



# Geographical & Business Segments

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# Western Europe

## Net Revenue

**+114%** (DKK 1,298m)

## Service Revenue

**+140%** (DKK 1,096m)

## Columbus Software Revenue

**+8%** (DKK 31m)

## EBITDA\*

**+22%** (DKK 113m)

Western Europe mDKK	2018	2017	Δ	Δ%
Columbus Software	30.6	28.3	2.3	8%
External software	141.5	113.5	28.0	25%
Service revenue	1,096.3	456.8	639.6	140%
Other	29.6	8.7	20.9	241%
Total net revenue	1,298.0	607.2	690.9	114%
EBITDA	112.7	92.4	20.3	22%
Recurring revenue of total revenue	17%	26%	-9%	-34%

# Eastern Europe

## Net Revenue

**-6%** (DKK 135m)

## Service Revenue

**+3%** (DKK 100m)

## Columbus Software Revenue

**+30%** (DKK 5.5m)

## EBITDA\*

**-5%** (DKK 12.3m)

Eastern Europe mDKK	2018	2017	Δ	Δ%
Columbus Software	5.5	4.2	1.3	30%
External software	26.9	40.8	-13.9	-34%
Service revenue	100.3	96.9	3.4	3%
Other	2.4	2.5	-0.1	-3%
Total net revenue	135.2	144.5	-9.3	-6%
EBITDA	12.3	13.0	-0.7	-5%
Recurring revenue of total revenue	21%	22%	-1%	-4%

# Northern America

## Net Revenue

**-17%** (DKK 349m)

## Service Revenue

**-23%** (DKK 206m)

## Columbus Software Revenue

**8%** (DKK 7m)

## EBITDA\*

**+166%** (DKK 19m)

North America mDKK	2018	2017	Δ	Δ%
Columbus Software	7.2	6.7	0.5	8%
External software	131.0	140.6	-9.6	-7%
Service revenue	205.9	267.1	-61.2	-23%
Other	4.6	7.6	-3.0	-39%
Total net revenue	348.8	422.0	-73.2	-17%
EBITDA	18.7	7.0	11.7	166%
Recurring revenue of total revenue	34%	28%	6%	23%

# Columbus Software

## Columbus Software Subscriptions

**+19%** (DKK 52m)

## Columbus Cloud Revenue

**+134%** (DKK 13.3m)

## Columbus Software License

**+16%** (DKK 24m)

## EBITDA\*

**+40%** (DKK 62m)

Columbus Software mDKK	2018	2017	Δ	Δ%
Columbus Software licenses	24.0	20.7	3.3	16%
Columbus Software subscriptions	51.7	43.6	8.1	19%
Columbus Cloud	13.3	5.7	7.6	134%
External software	12.5	0.0	12.5	100%
Service revenue	57.8	16.8	41.1	245%
Other	0.9	1.3	-0.4	-31%
Total net revenue	160.2	88.1	72.2	82%
EBITDA	62.1	44.2	17.9	40%
Recurring revenue of total revenue	51%	60%	-9%	-16%

# Stronger Together on track

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- Revenue and EBITDA according to plan
- Expansion of Global Delivery Capacity within Infor M3, Commerce, MS Dynamics, Application Management
- Columbus Norway becoming one company – one leadership team and one location
- One brand – merging the iStone brand into Columbus
- Strategic partnership with Itelligence divesting the SAP Business Unit

Stronger together

## 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)



# Investment for organic growth

- The 9 Doors to Digital Leadership®
- Columbus Comprehensive services and solutions framework
- Expand our ERP business with end-to-end services and solutions
- Address existing and new customers with a wider portfolio
- Investment in global delivery capacity
- Main driver for organic growth in 2019 and beyond



# Short & Long Term Guidance

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# Financial Guidance for 2019

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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

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## Revenue

**3-5% growth**

Compounded average growth  
each year organically

## Recurring revenue

**25%**

of total revenue in 2021

## EBITDA

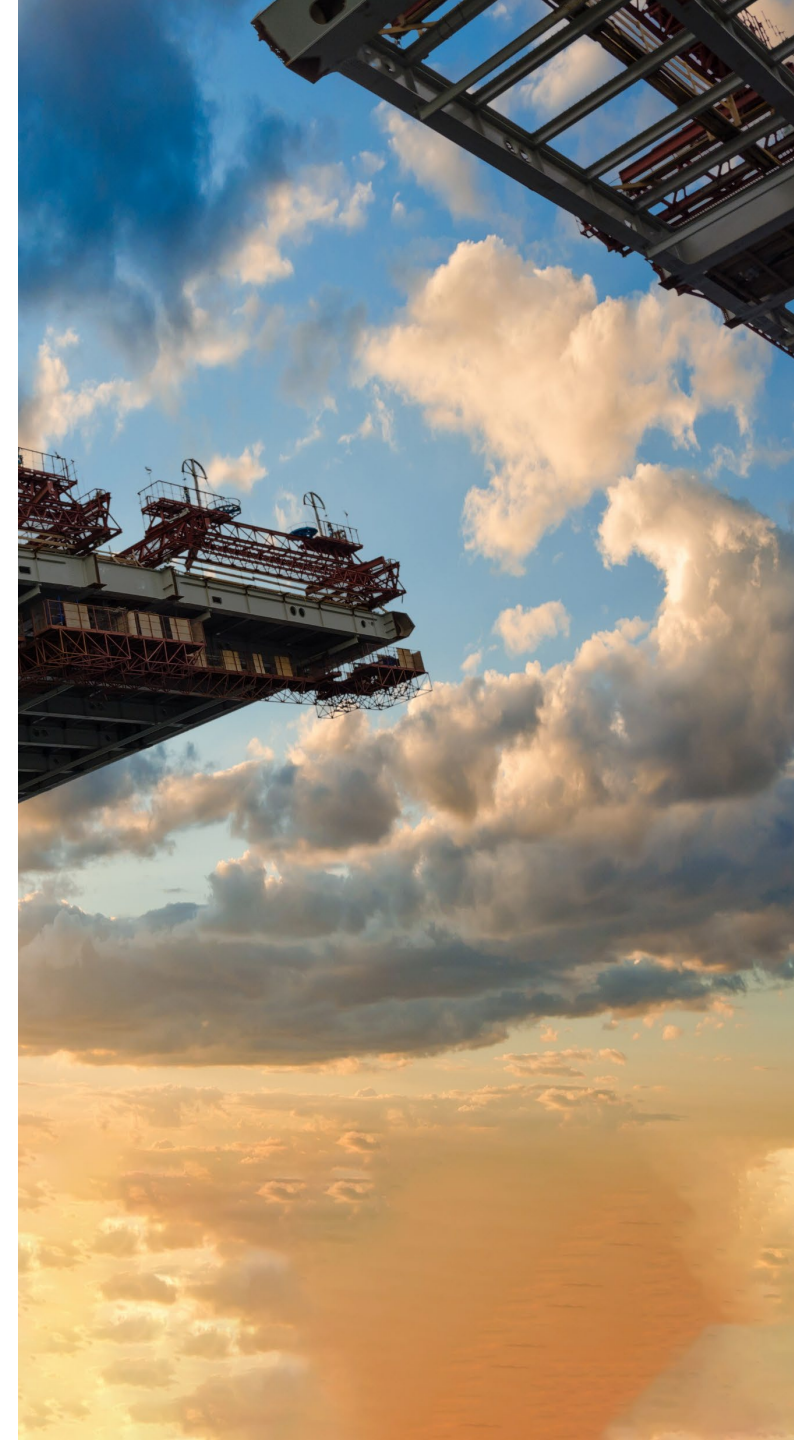
**13%**

EBITDA margin

## Dividend

**10% pay-out**

of nominal value each year





# Questions?

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# Upcoming events

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- Interim Management Statement Q1
  - 30 April 2019
- Interim Report H1
  - 22 August 2019
- Interim Management Statement Q3
  - 6 November 2019

Columbus® | Once you  
know how...