

Columbus
Annual Report 2015

Presentation at
ABG Sundal Collier
18 March 2016

Annual Report 2015
Launching Columbus2020

Columbus®
Once you *know* how...



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 2015

- Income statement
- Columbus15 strategy
- Geographical & business segments
- Columbus2020 strategy
- Short-term and long-term targets
- Questions



HIGHLIGHTS 2015

Revenue

28% growth
amounting to DKK 1,123m

EBITDA*

29% growth
amounting to DKK 105.2m

Net Result after taxes

24%
increased to DKK 65.3m

Columbus Software

57% growth
in revenue

Consultancy Revenue

20% growth

Customer work

55%
chargeable work

Industry Solutions

78%
of total revenue

Global Delivery Center

17%
increase in customer deliveries

Acquisitions

InterDyn BMI
MW data
MW Solutions
Sherwood Systems

* EBITDA before share-based payment

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INCOME STATEMENT 2015

Income statement (mDKK)	2015	2014	Δ %
Consultancy	716	597	20%
Columbus Software	97	62	56%
External Software	292	198	47%
Other	19	21	-10%
Net Sales	1123	878	28%
External project cost	-275	-204	34%
Gross Profit	848	674	26%
Staff Cost (ex. warrants)	-607	-477	27%
Other External Costs	-137	-116	18%
EBITDA (before warrants)	105	82	29%
Warrants	-1	-3	-53%
EBITDA	104	79	32%
Depreciation and amortization	-29	-26	12%
Net Financial income	9	6	47%
Tax	-18	-6	201%
Net result	65	53	24%

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Extend Industry Leadership

Sell More Own Software

Global Delivery Model

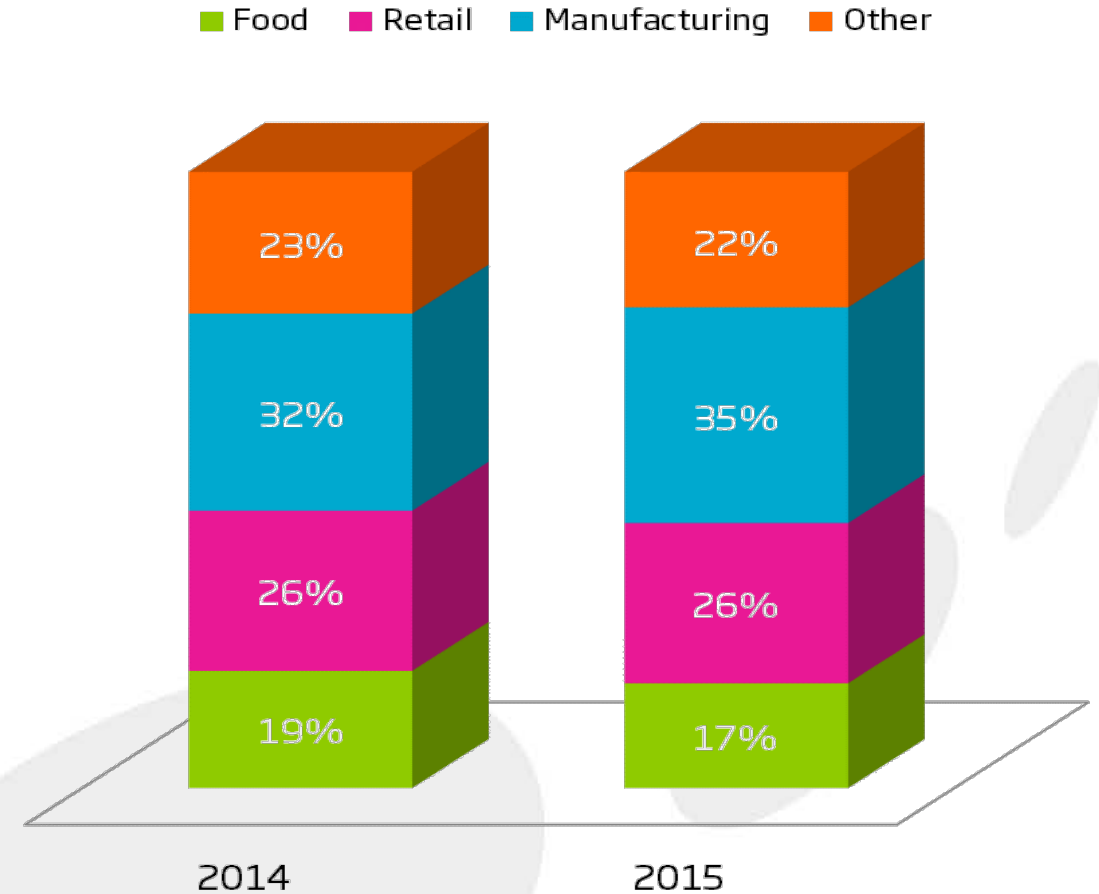
Improve Service Profit

Geographic Focus

EXTEND INDUSTRY LEADERSHIP

78% of revenue from Industry Solutions

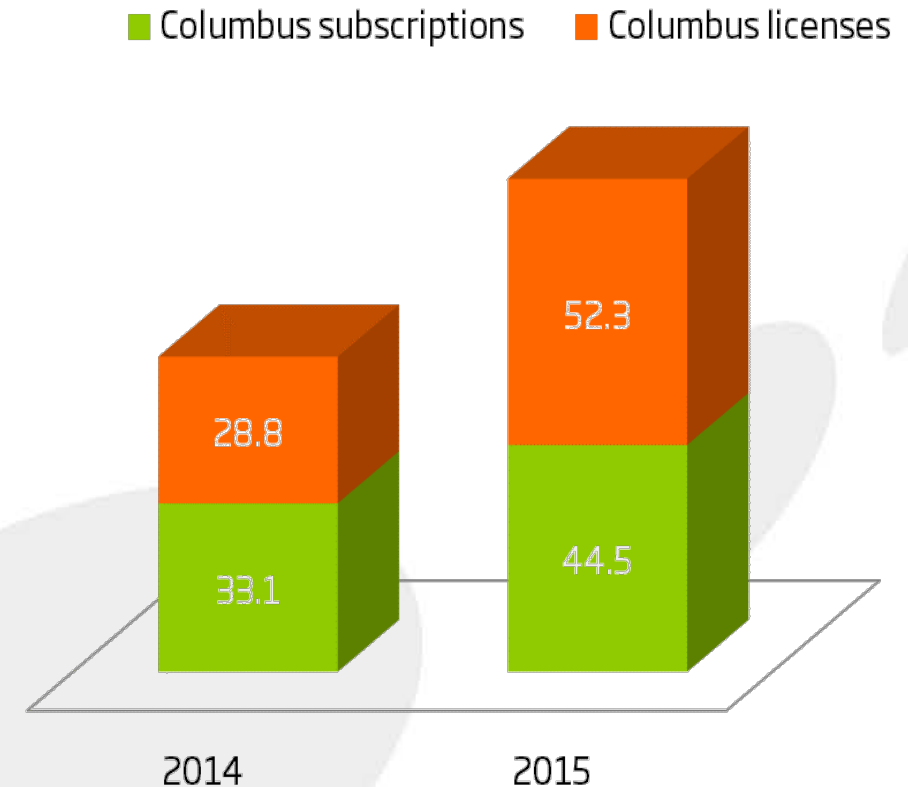
- 78% of total revenue from the focus industries food, retail and manufacturing
- Manufacturing still our leading industry with 35% of the total revenue
- Development in line with expectations and above the target of 75%



Record growth in Columbus' software business

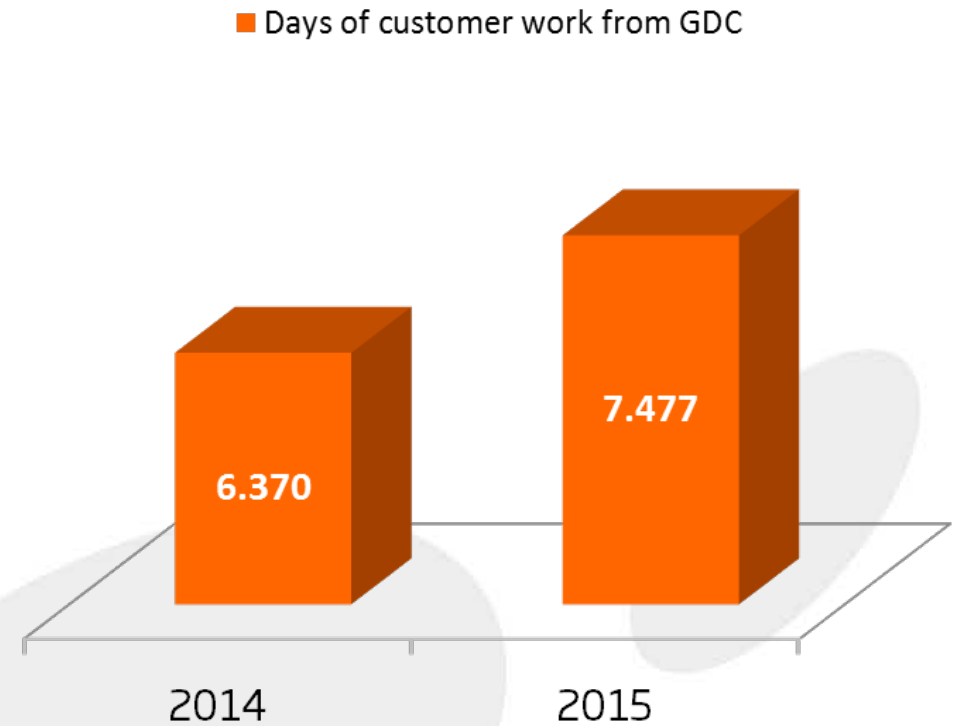
- Total revenue from sale of Columbus Software increased by 57%, amounting to DKK 96.8m
- Best selling solutions:
 - Columbus Advanced Discrete Manufacturing (ADM) suite
 - Columbus Mobility Solutions
 - Columbus RapidValue
- Sale of Columbus licenses grew by 82%

Sale of Columbus Software (mDKK)



Increased capacity and productivity in Columbus' Global Delivery Center

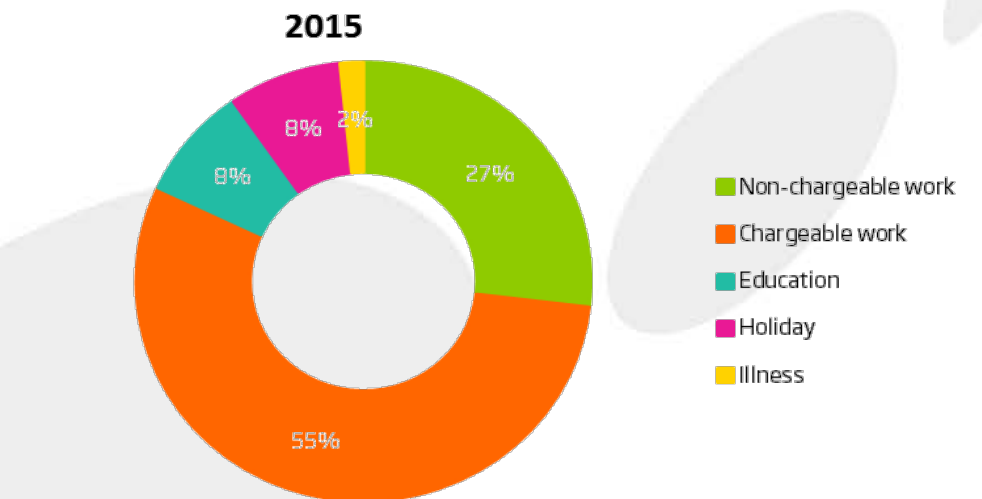
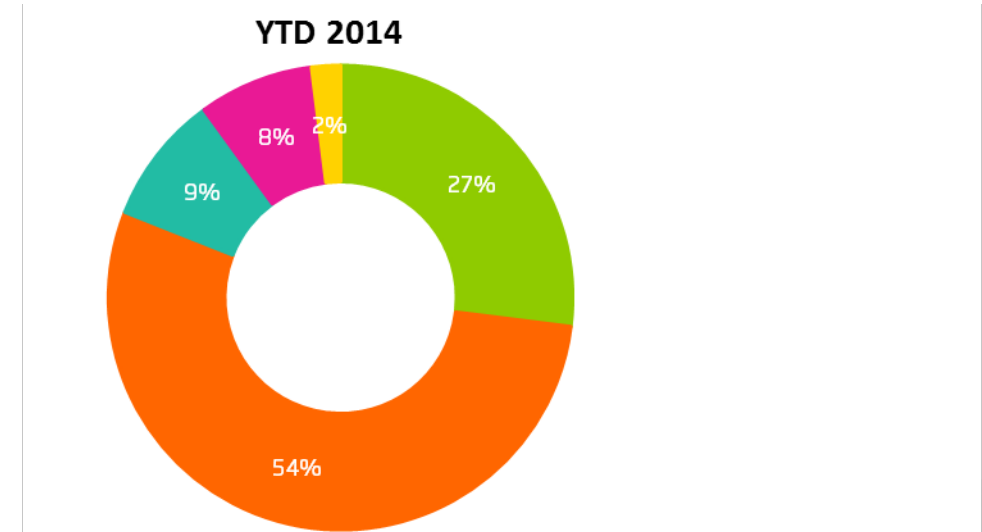
- 17% increase in Global Delivery Days
- 7,477 days of customer work
- The centre employs 101 consultants
- In line with expectations



IMPROVE SERVICES PROFIT

Growth in services revenue

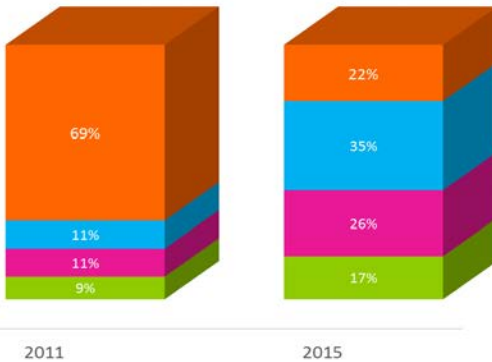
- 20% revenue growth in consulting revenue, mainly due to acquisitions and growth in Columbus Software sales
- Chargeable work increased from 54% to 55%
- The average number of consultants increased by 19%



SEALING COLUMBUS15

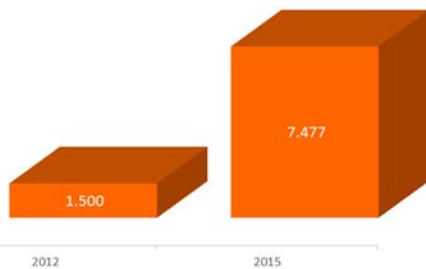
Extend industry leadership

Food Retail Manufacturing Other



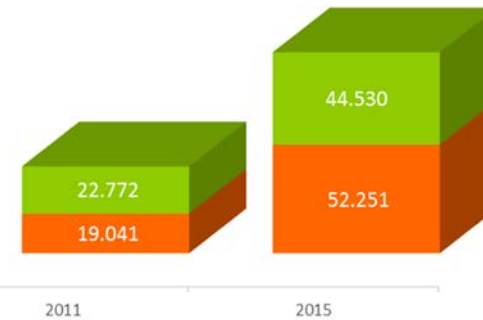
Global delivery center

Global Delivery Days

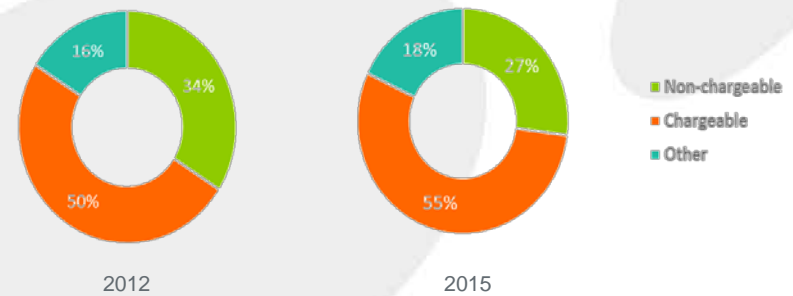


Columbus Software

Columbus Software licenses Columbus Software subscriptions



Improve services profit



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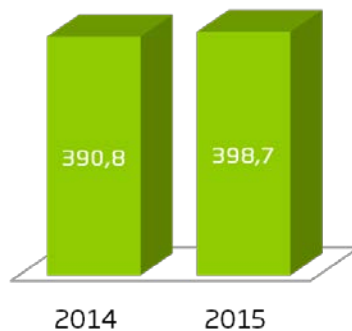


Overview

mDKK	2015	2014	Δ	Δ %
Net Sales	551,9	532,5	19,4	4%
EBITDA	56,9	52,8	4,1	8%

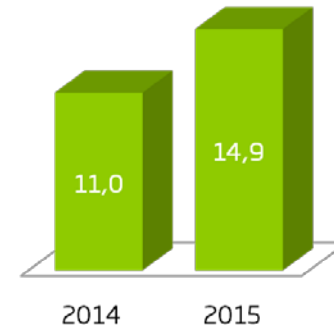
Consultancy

Service Revenue (mDKK)

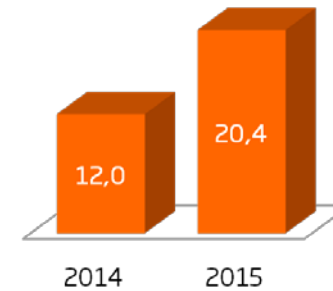


Columbus Software

Subscriptions (mDKK)

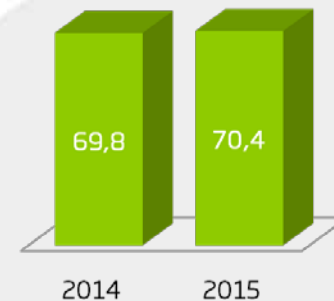


Licenses (mDKK)

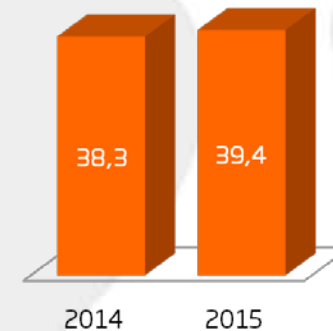


3rd party software

Subscriptions (mDKK)



Licenses (mDKK)

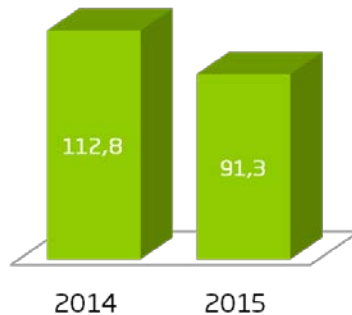


Overview

mDKK	2015	2014	Δ	Δ %
Net Sales	139,8	161,3	-21,5	-13%
EBITDA	11,7	16,3	-4,6	-28%

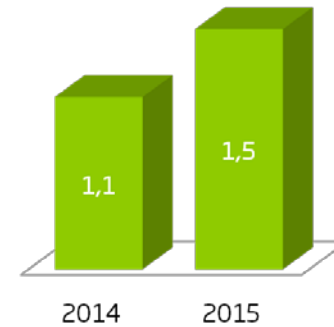
Consultancy

Service Revenue (mDKK)

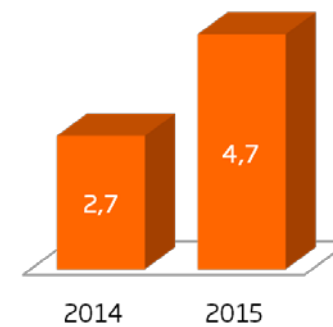


Columbus Software

Subscriptions (mDKK)

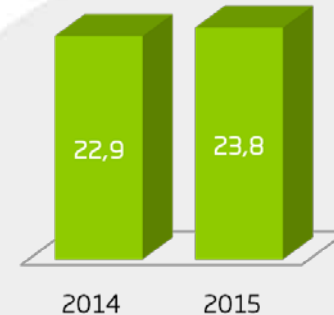


Licenses (mDKK)

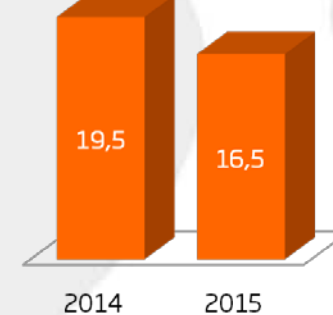


3rd party software

Subscriptions (mDKK)



Licenses (mDKK)

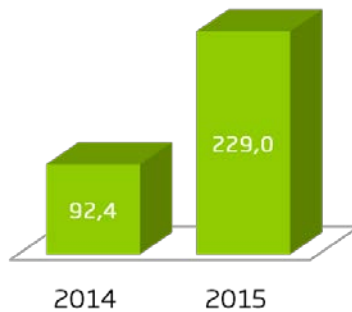


Overview

mDKK	2015	2014	Δ	Δ %
Net Sales	391,7	149,6	242,2	162%
EBITDA	13,6	1,4	12,2	847%

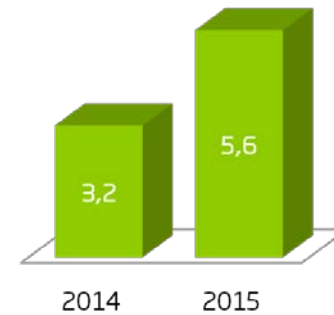
Consultancy

Service Revenue (mDKK)

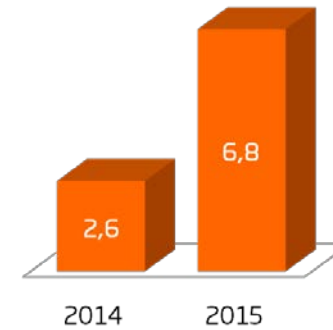


Columbus Software

Subscriptions (mDKK)



Licenses (mDKK)

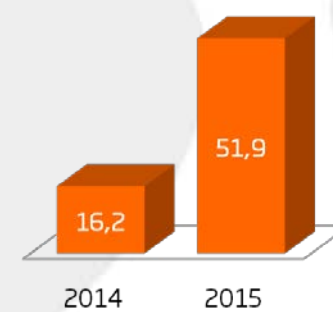


3rd party software

Subscriptions (mDKK)



Licenses (mDKK)



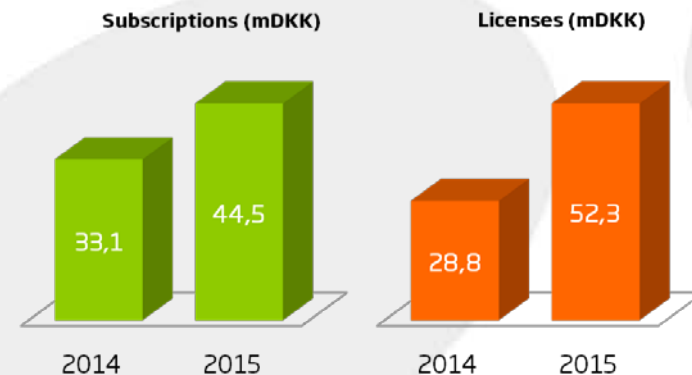
Increased earnings in Columbus' software business

- Revenue in our Software ISV business grew by 33%
 - 57% increase in sale of Columbus Software
 - 82% increase in Columbus licenses
 - 35% increase in subscriptions
- EBITDA increased by 42%

Overview

mDKK	2015	2014	Δ	Δ%
Net Sales	92,8	69,9	22,9	33%
EBITDA	49,0	34,5	14,6	42%

Columbus Software



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1 High productivity in the
services business



High **earnings potential** in the services business by continuing to optimize deliveries, minimize risk and control costs

2 Scaling of own
software sales



High **margin** on sales of own software which opens opportunities for additional sales and creates value for customers

3 **Recurring service**
revenue and **cloud**
revenue



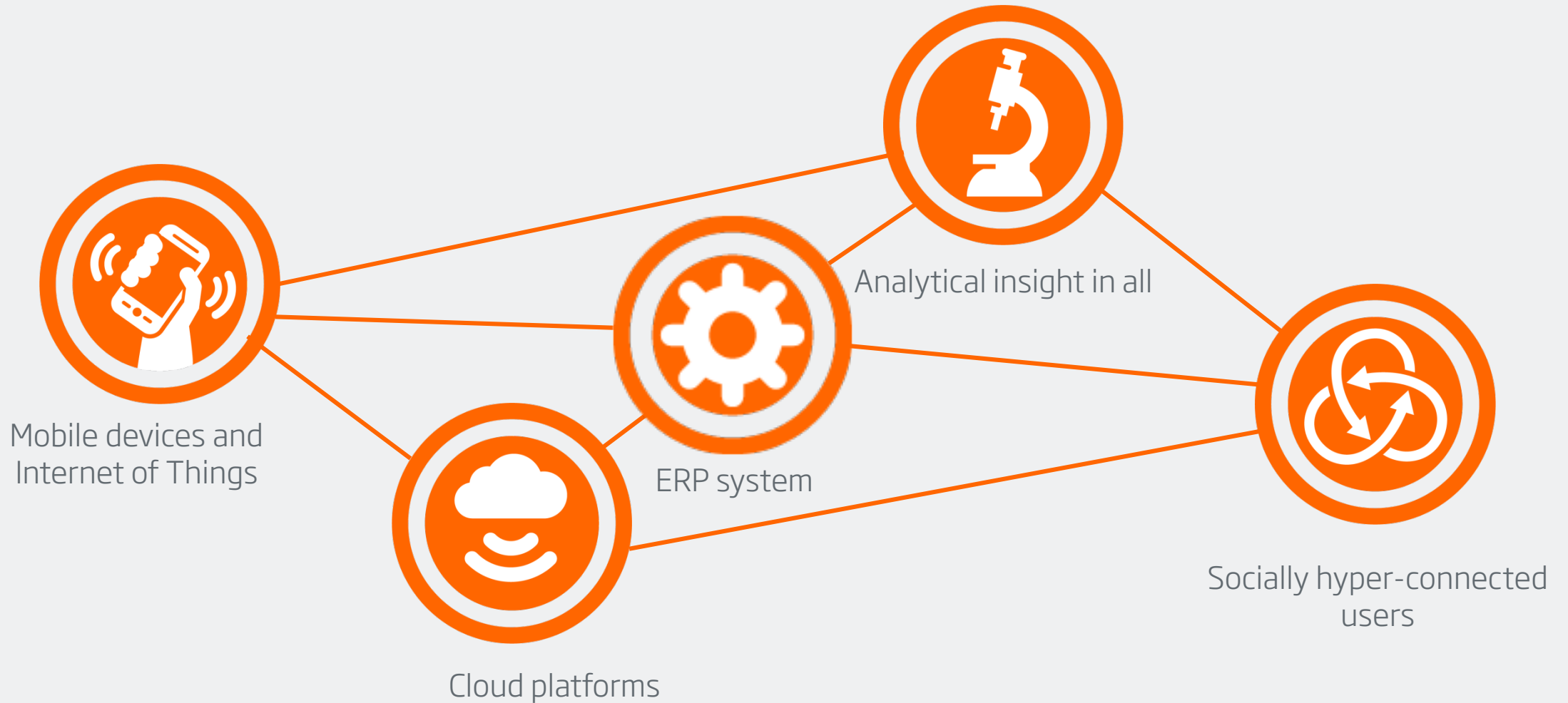
Support agreements and cloud revenue are **recurring revenue**, which also establish long and strong customer relationships

MEGA TRENDS ARE ACCELERATING CHANGE

- Global trends drive spending in digital business solutions
- More **complex business** processes
- Need for improved **customer experiences** to create better customer relations
- **Compliance management** and **risk management** are becoming major obligations
- High demands to excel in **change management**
- **Mergers, acquisitions** and **selling businesses** increase
- demand for **secure, sustainable and transparent** operations
- Urge to improve **efficiency and manage cost**

ERP THE CORNERSTONE IN DIGITAL TRANSFORMATION

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Once you *know* how...





Customer Success; Taking care of our customers for life

"We strive to keep our customers for life by providing the best customer experience and high quality when engaging with Columbus"



Digital Leadership; Accelerate business innovation

“We help our customers accelerate business innovation by maximizing the value realization of ERP and by leading them in the digital business transformation”.



Our People;

Attract, develop & retain the best people

"We provide challenging career opportunities, attractive working conditions and professional and personal development for Our People".



Process Excellence; Quality in everything we do

"We strive to improve operations and best practices in order to achieve global sales excellence and deliver high quality services to our customers".

COLUMBUS 5-YEAR STRATEGY

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FINANCIAL GUIDANCE FOR 2016

Revenue, in the range of
DKK 1.2bn

EBITDA*, in the range of
DKK 120m

Service EBITDA, in the range of
DKK 80m

Software revenue, in the range of
DKK 105m

Dividend
10% dividend
on nominal share capital

* EBITDA before share-based payment

LONG-TERM GUIDANCE FOR 2018

Revenue

10% growth

average per year

EBITDA

10%

EBITDA margin per year

Recurring revenue

30%

Of total revenue in 2019

Dividend

10% pay-out

of nominal value each year

Columbus Capital Markets Day

- Date: Tuesday, April 5
- Time: 9:00 - 11.00 am CET
- Where: ABG Sundal Collier, Copenhagen
- Register to Rind Danielsson at rind.danielsson@abgsc.dk

We look forward to welcoming you

QUESTIONS



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