

# Financial Results 2017

Webcast & Tele Conference  
15 March 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



Sabine Kiær Jensen,  
Senior Financial Controller

# Today's presentation

## AGENDA

- Highlights of 2017
- Income statement
- Financial Value Drivers
- Geographical & Business segments
- 2018 expectations
- Long-term guidance
- Questions

# Highlights 2017

## Revenue

**2% growth**

amounting to DKK 1,219m

## EBITDA\*

**3% growth**

amounting to DKK 149m

## Service EBITDA

**19% growth**

amounting to DKK 109m

## Columbus Software

**9% decline**

amounting to DKK 83m

## Profit after tax

**18% growth**

amounting to DKK 96m

## Acquisitions

**Tridea Partners**

**Offer to buy iStone**



# Income Statement 2017

Income statement (mDKK)	2017	2016	Δ%
Columbus Software	83.2	91.1	-9%
External Software	294.0	281.7	4%
Service	822.6	796.4	3%
Other	19.1	23.6	-19%
Net Sales	1,218.8	1,192.7	2%
External project costs	-267.5	-264.6	1%
Gross profit	951.3	928.1	2%
Staff expenses and remuneration	-659.8	-631.7	4%
Other external costs	-143.0	-152.4	-6%
EBITDA before share-based payment	148.5	144.1	3%
Share-based payment	-2.3	-5.5	-58%
EBITDA	146.2	138.5	6%
Depreciation	-39.5	-33.3	19%
Net Financial Income	-5.1	2.0	-351%
Profit before tax	101.6	107.3	-5%
Tax	-5.5	-25.8	-79%
Profit after tax	96.1	81.5	18%

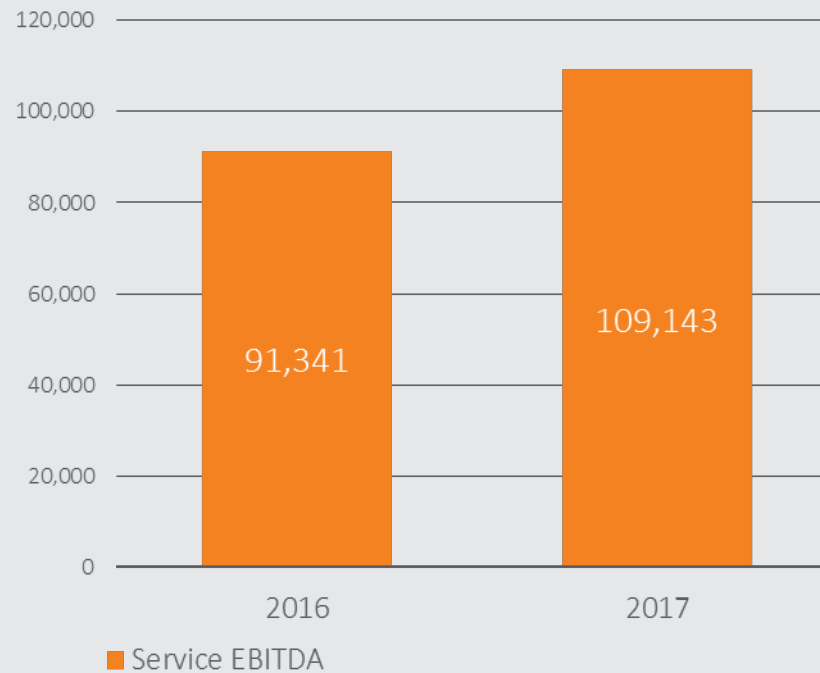


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Financial Value Drivers

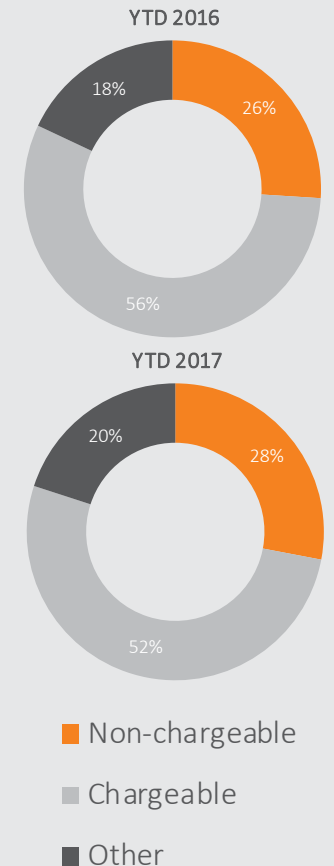
# Growth in the services business

- Service revenue grew by 3% to DKK 823m
- Service EBITDA increased by 19% to DKK 109m
  - Increase in hourly rate
  - Increased use of Columbus Global Delivery Center
- Decrease in chargeable hours (56% to 52%)
  - Due to market challenges in our US business leading to lower sales

Service EBITDA



Customer Work

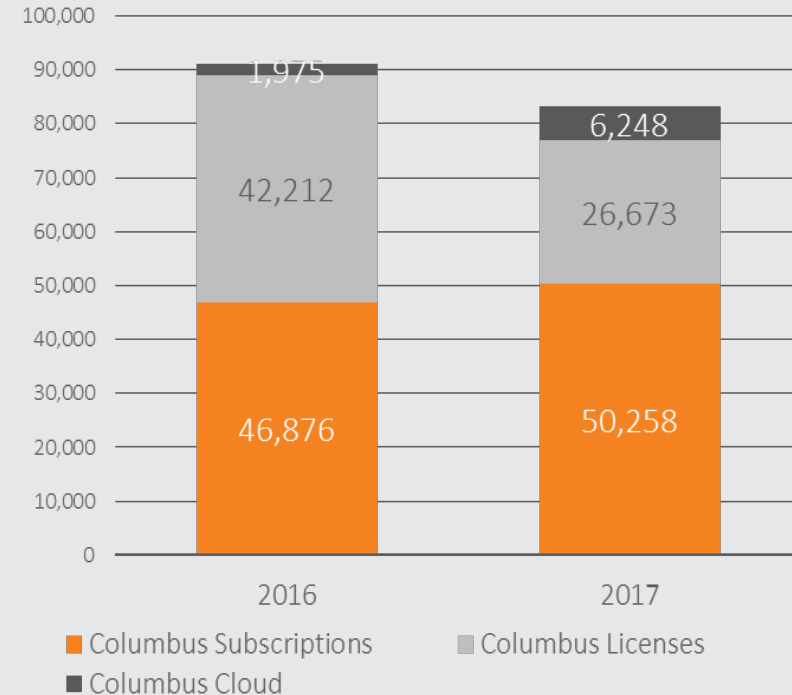




# Columbus Software sales as expected

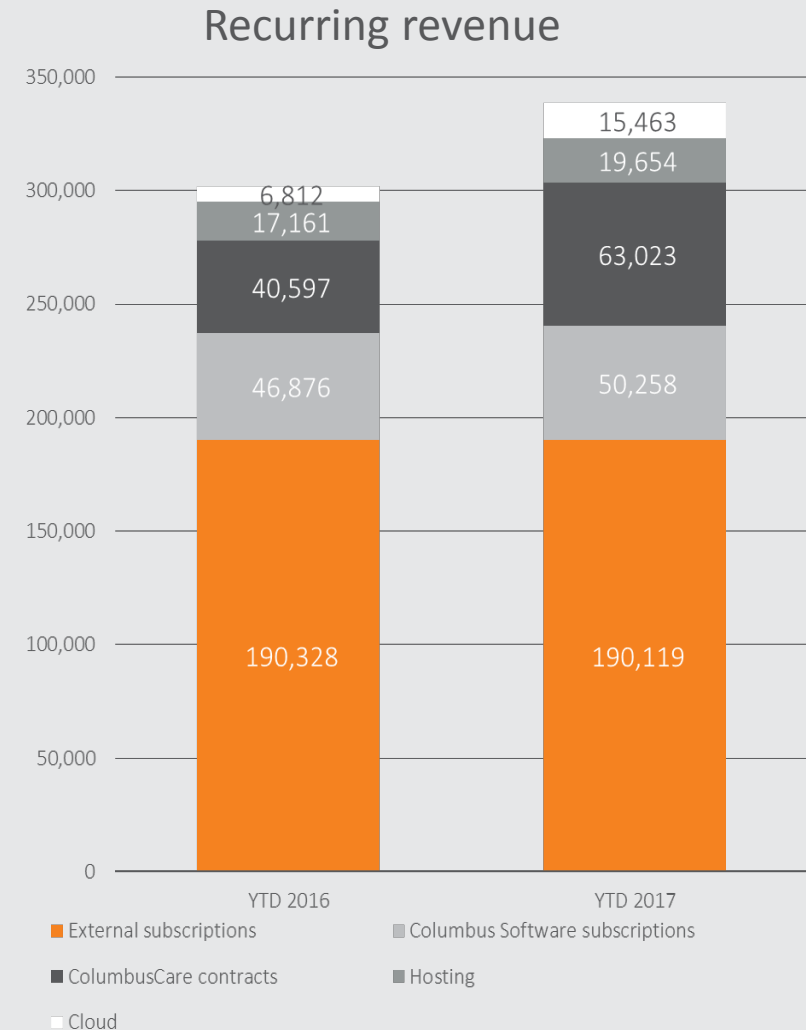
- Total revenue from sale of Columbus Software declined by 9%, amounting to DKK 83m
  - Subscriptions grew by 7%
  - License sales declined by 37%
- Cloud sales increased to DKK 6,2m

Columbus Software revenue



# Growth in Recurring revenue

- Recurring revenue increased by 12%
- Recurring revenue constitutes 28% of total revenue
- Significant growth in Columbus Care, which increased by 43%





Geographical & Business segments

# Western Europe

## Net Revenue

**+3%** (DKK 607m)

## Columbus Software Revenue

**-3%** (DKK 28m)

## Service Revenue

**+1%** (DKK 457m)

## EBITDA

**+3%** (DKK 92m)

Western Europe mDKK	2017	2016	Δ	Δ%
Columbus Software	28.3	29.3	-1.0	-3%
External software	113.5	94.9	18.6	20%
Service revenue	456.8	452.4	4.4	1%
Other	8.7	10.5	-1.8	-17%
<b>Total net revenue</b>	<b>607.2</b>	<b>587.0</b>	<b>20.1</b>	<b>3%</b>
EBITDA	92.4	89.4	3.0	3%
Recurring revenue of total revenue	26%	22%	4%	19%

# Eastern Europe

## Net Revenue

**+8%** (DKK 144m)

## Service Revenue

**+4%** (DKK 97m)

## Columbus Software Revenue

**+9%** (DKK 4m)

## EBITDA

**+12%** (DKK 13m)

Eastern Europe mDKK	2017	2016	Δ	Δ%
Columbus Software	4.2	3.9	0.4	9%
External software	40.8	35.0	5.8	17%
Service revenue	96.9	92.8	4.1	4%
Other	2.5	1.7	0.8	46%
<b>Total net revenue</b>	<b>144.5</b>	<b>133.4</b>	<b>11.0</b>	<b>8%</b>
EBITDA	13.0	11.6	1.4	12%
Recurring revenue of total revenue	22%	20%	2%	9%



# Northern America

## Net Revenue

**-3%** (DKK 422m)

## Service Revenue

**+2%** (DKK 267m)

## Columbus Software Revenue

**-29%** (DKK 7m)

## EBITDA

**-72%** (DKK 7m)

North America mDKK	2017	2016	Δ	Δ%
Columbus Software	6.7	9.5	-2.8	-29%
External software	140.6	153.6	-13.0	-8%
Service revenue	267.1	261.6	5.5	2%
Other	7.6	10.0	-2.4	-24%
<b>Total net revenue</b>	<b>422.0</b>	<b>434.6</b>	<b>-12.7</b>	<b>-3%</b>
EBITDA	7.0	25.3	-18.2	-72%
Recurring revenue of total revenue	28%	27%	1%	3%

# Columbus Software ISV

## Columbus Software Revenue

**-6%** (DKK 88m)

## Columbus Software Licens

**-41%** (DKK 21m)

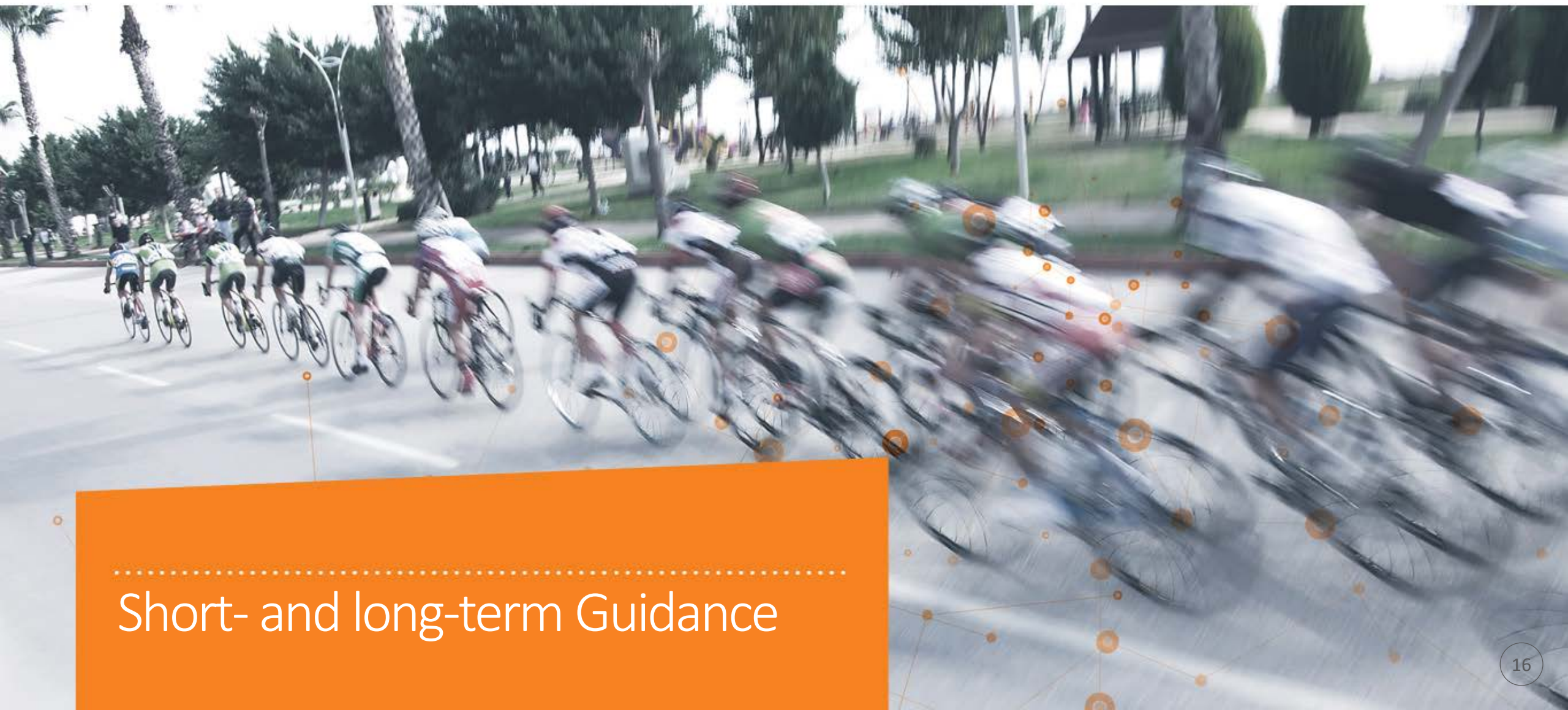
## Columbus software Subscriptions

**+6%** (DKK 44m)

## EBITDA

**-11%** (DKK 44m)

Columbus Software mDKK	2017	2016	Δ	Δ%
Columbus Software licenses	20.7	34.9	-14.2	-41%
Columbus Software subscriptions	43.6	41.0	2.7	6%
Columbus Cloud	5.7	2.2	3.5	158%
Service revenue	16.8	14.2	2.5	18%
Other	1.3	1.2	0.1	11%
<b>Total net revenue</b>	<b>88.1</b>	<b>93.5</b>	<b>-5.4</b>	<b>-6%</b>
EBITDA	44.2	49.6	-5.4	-11%
Recurring revenue of total revenue	60%	49%	11%	22%



Short- and long-term Guidance

# Financial guidance for 2018

**Revenue**, in the range of

**DKK 2bn**

Corresponding to a growth of 64%

**EBITDA\***, in the range of

**DKK 200m**

Corresponding to a growth of 35%

**Software revenue**, in the range of

**DKK 90m**

**Dividend**

**10% dividend**

on nominal share capital

Short-term guidance



# 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



Long-term guidance





Thank You!  
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Questions

# Upcoming events

- Capital Market Day: Acquisition of iStone
  - Thursday, 22 March at 14:00 – 16:00 CET at ABG Sundal Collier
  - Sign up at E: [Nicole.Dahl@abgsc.dk](mailto:Nicole.Dahl@abgsc.dk)
- Q1 2018 Interim Management Statement
  - 24 April 2018
- Annual General Meeting
  - 24 April 2018
- Small & Midcap seminar
  - 25 April 2018 at ABG Sundal Collier





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know how...