



Financial Results Q2 2023

Webcast & Tele Conference

24 August 2023 at 13:00 CET

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Introducing today's presenters



Søren Krogh Knudsen, CEO & President



Brian Iversen, CFO

Agenda

- Financial highlights Q2 2023
- Presenting our new Business Line: Security
- Business Line performance
- Market Unit performance
- Outlook 2023 & long-term financial ambitions
- Questions



Financial Highlights Q2 2023

Revenue (DKK)

390m

corresponding to an increase of 11%
16% adjusted for acquisitions and currency

Recurring revenue (DKK)

53m

corresponding to an increase of 8%

EBITDA (DKK)

18m

corresponding to an increase of 9%

Profit after tax (DKK)

-4m

corresponding to a decrease of DKK 6m

EBITDA margin

4.6%

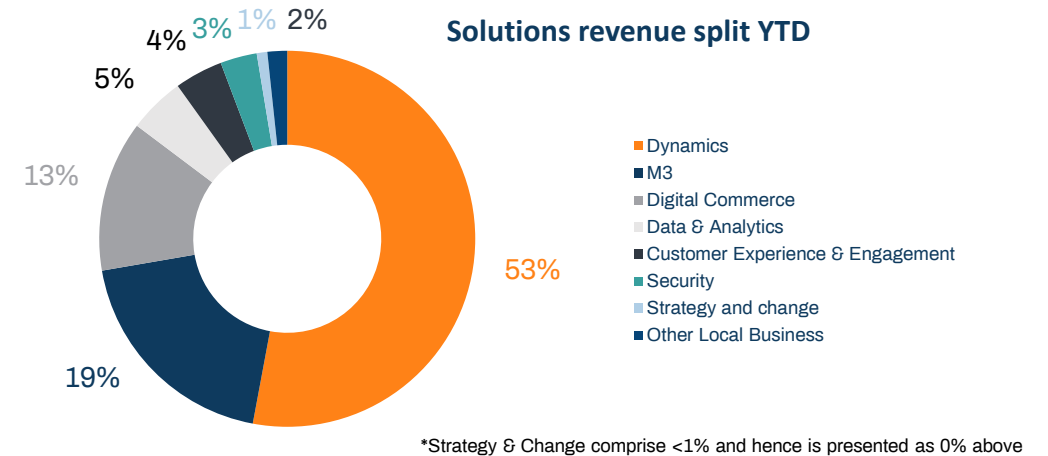
decreased by 0.1 percentage points

Operations cash flow (DKK)

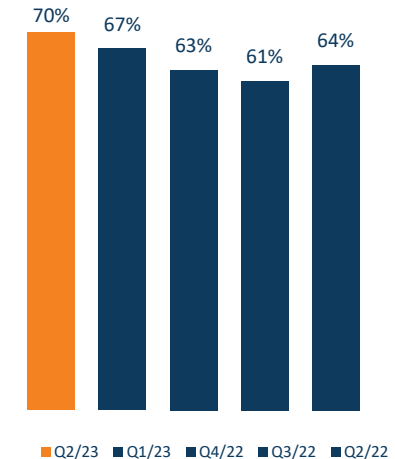
12m

increased from DKK -1m in Q2 2022

All numbers are on the continued business



Efficiency development



Currency in focus

Organic revenue growth

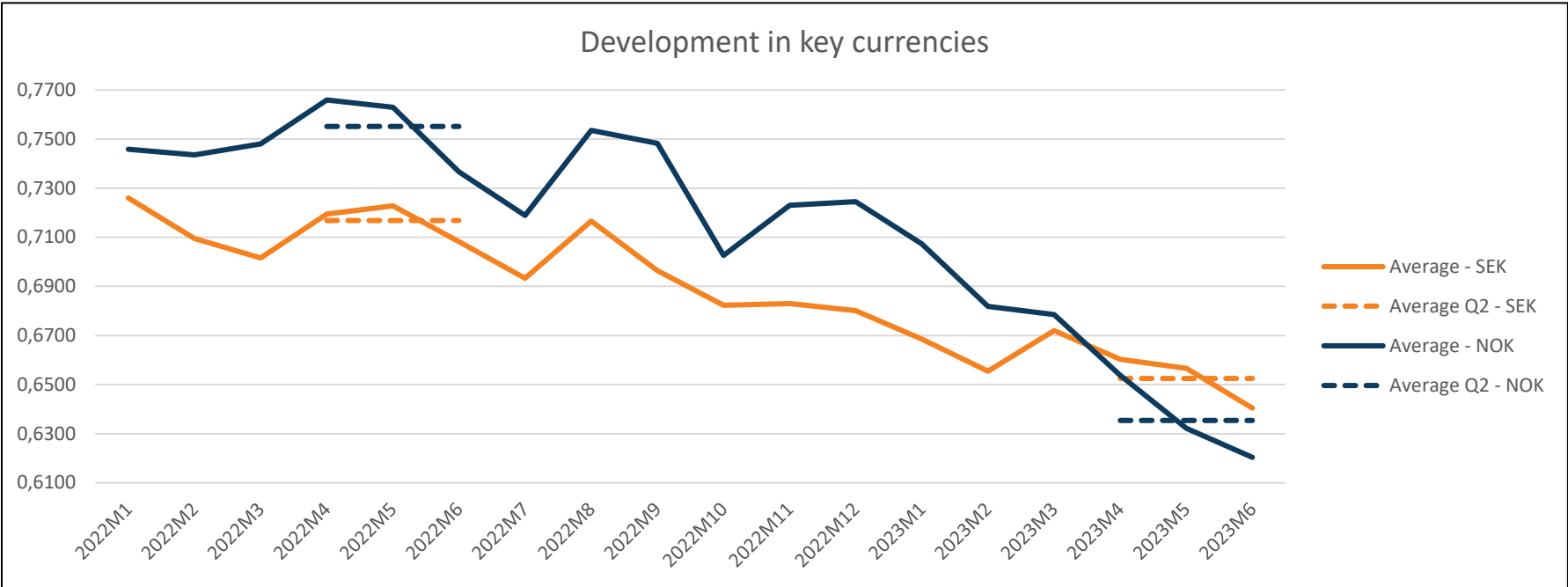
16% growth

Measured in constant currencies
and adjusted for acquisitions

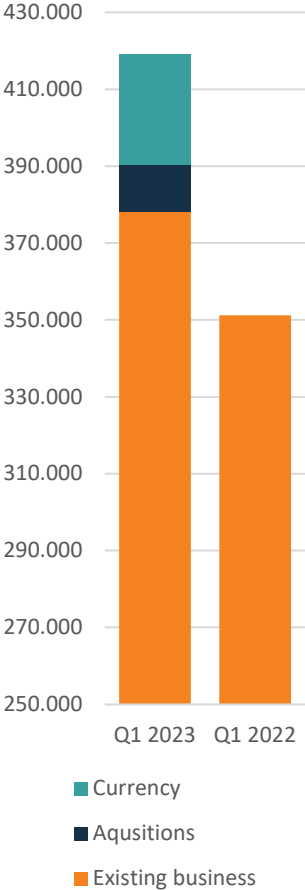
Currency impact

8%-point negative impact

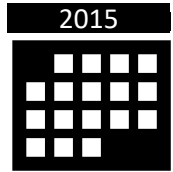
corresponding to DKK 28m negative
impact compared to Q2 2022 rate



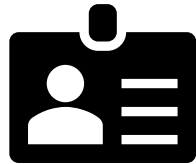
Q2 Revenue



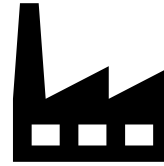
Security Business Line (former ICY Security)



FOUNDED IN 2015
Growing since **2017**



50 EMPLOYEES
Working from across DK



70+ CUSTOMERS
In Denmark and abroad



We provide
IDENTITY SECURITY



Our area of expertise is **IDENTITY
AND ACCESS MANAGEMENT**



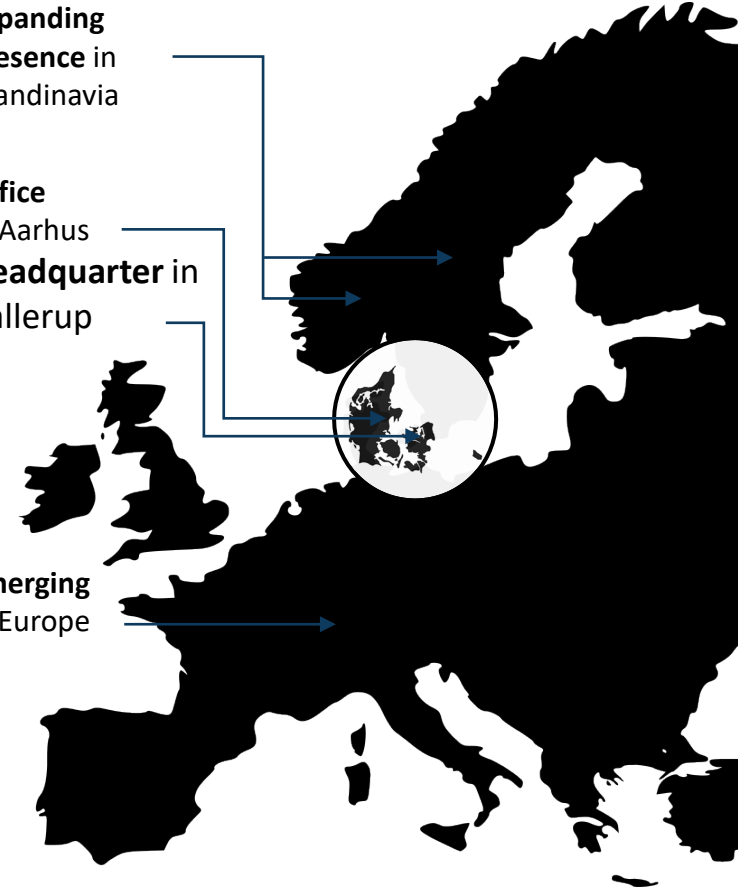
PARTNERS



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Scandinavia**

Office
In Aarhus
Headquarter in
Ballerup

**Emerging
in Europe**



IDENTITY SECURITY

Protecting the primary attack surface

IDENTITY GOVERNANCE ADMINISTRATION (IGA)

- Identity lifecycle management
- Access request
- Approval workflow
- Access certification
- Entitlement management
- Policy & role management
- Reporting and analytics for control
- Auditing

ACCESS MANAGEMENT (AM/CIAM)

- SSO
- Federation
- Strong/adaptive authentication (MFA)
- Access control
- Services/ integration



PRIVILEGED ACCESS MANAGEMENT (PAM)

- Password vault
- Password rotation / complexity
- Privilege management
- Session recording / Monitoring
- Auditing
- Command filtering
- Dual Control

ENDPOINT PRIVILEGED MANAGEMENT

- Eliminate unnecessary privileges
- elevate rights to users without hindering productivity
- Logs and reports on privileged activities
- Integration to SIEM tools

Growth in global Business Lines

- Dynamics increased by 7.9% to DKK 191m. Growth in constant currencies of 15.1%.
- M3 declined by 3.1% to DKK 75m. Measured in constant currencies the business has increased 5.4%.
- Digital Commerce grew by 6.7% to DKK 50m. Growth in constant currency of 17.4%.
- Data & Analytics grew by 31.0% to DKK 19m.
- Customer Experience & Engagement grew by 26.4% to DKK 16m.
- Security introduced as new Business Line with DKK 12m in Q2 2023.
- Strategy and Change is still a new Business Line in Columbus and delivered DKK 3m in revenue.

Service revenue split on Business Lines

DKK '000	Q2 2023	Q2 2022	Δ%	Constant currencies Δ%	YTD 2023	YTD 2022
Dynamics	191,261	177,230	7.9%	15.1%	387,640	358,925
M3	74,717	77,108	-3.1%	5.4%	155,313	158,711
Digital Commerce	50,203	47,032	6.7%	17.4%	108,883	92,962
Data & Analytics	18,719	14,289	31.0%	37.5%	38,085	29,633
Customer Experience & Engagement	15,853	12,538	26.4%	37.4%	31,455	24,065
Security	12,301	0	100.0%	100.0%	12,301	0
Strategy & Change	3,302	1,935	70.6%	85.9%	5,121	4,374
Other Local Business	4,136	4,261	-2.9%	-21.8%	8,572	8,765
Total sale of services	370,492	334,393	10.8%	14.9%	747,370	677,435
Total sale of products	19,980	16,764	19.2%	27.1%	33,602	37,539
Total net revenue	390,472	351,157	11.2%	19.4%	780,972	714,974

Business Line Contribution

- **Contribution** - Includes all revenue and cost directly related to a Business Line
 - Highly dependent on efficiency, mix of resources and use of subcontractors
 - Less impacted by currency fluctuations
- Contribution margin increased by 1.1%-point to 19.3%.
- Total Business Line contribution increased 17.7% to DKK 75m.

Business Line contribution

DKK '000	Contribution			Contribution margin		Contribution	
	Q2 2023	Q2 2022	Δ%	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Dynamics	54,865	45,351	21.0%	26.5%	24.0%	115,508	95,059
M3	8,297	11,295	-26.5%	11.0%	14.4%	24,725	36,155
Digital Commerce	8,255	3,272	152.3%	16.3%	6.9%	23,768	11,612
Data & Analytics	2,196	22	10108.6%	11.6%	0.2%	6,833	1,136
Customer Experience & Engagement	2,408	1,567	53.7%	14.9%	12.2%	4,477	3,488
Security	-986	0	0%	-7.9%	0.0%	-986	0
Strategy & Change	-1,866	-1,074	73.7%	-56.5%	-55.5%	-4,671	-1,527
Other Local Business	2,044	3,497	-41.5%	30.9%	47.5%	5,055	4,515
Total Business Lines	75,213	63,930	17.7%	19.3%	18.2%	174,709	150,438

Growth in Market Units

- The Swedish market increased service revenue by 14.5% in local currency but negatively impacted by the weakened exchange rate to DKK.
- Denmark continues in a high pace. Isolated for the acquisition of ICY Security, Denmark grew by 17.3%.
- Norwegian market has slowed down and combined with negative impact from currency, the market declined in Q2 2023.
- The UK Market Unit delivered 41.9% growth with all Business Lines contributing significantly.
- The US Market Unit increased by 5.7% to DKK 19m.

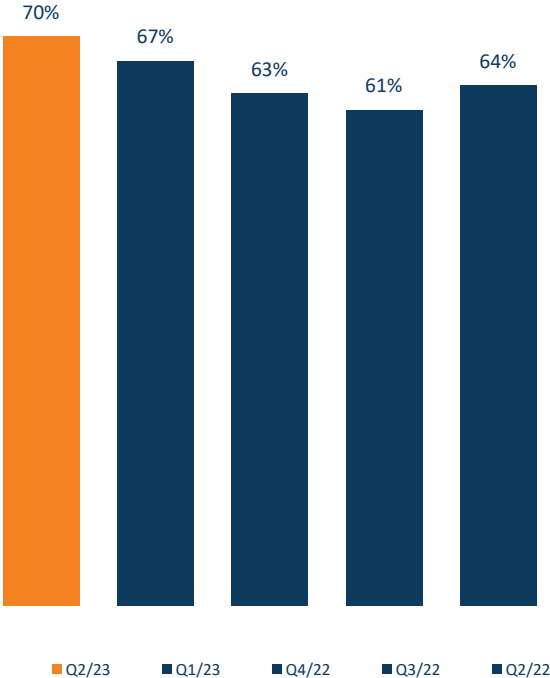
Service revenue split on Market Units

DKK '000	Q2 2023	Q2 2022	Δ%	Constant currencies Δ%	YTD 2023	YTD 2022
Sweden	147,730	141,747	4.2%	14.5%	293,594	280,845
Denmark	83,636	60,924	37.3%	37.3%	164,086	126,490
Norway	57,338	67,262	-14.8%	1.4%	129,146	137,262
UK	54,037	38,079	41.9%	46.5%	99,743	78,068
US	19,339	18,302	5.7%	6.4%	41,359	38,263
Other	7,438	7,282	2.1%	1.7%	17,497	14,557
GDC	974	797	22.2%	16.9%	1,945	1,950
Total sale of services	370,492	334,393	10.8%	14.9%	747,370	677,435
Total sale of products	19,980	16,764	19.2%	27.1%	33,602	37,539
Total net revenue	390,472	351,157	11.2%	19.4%	780,972	714,974

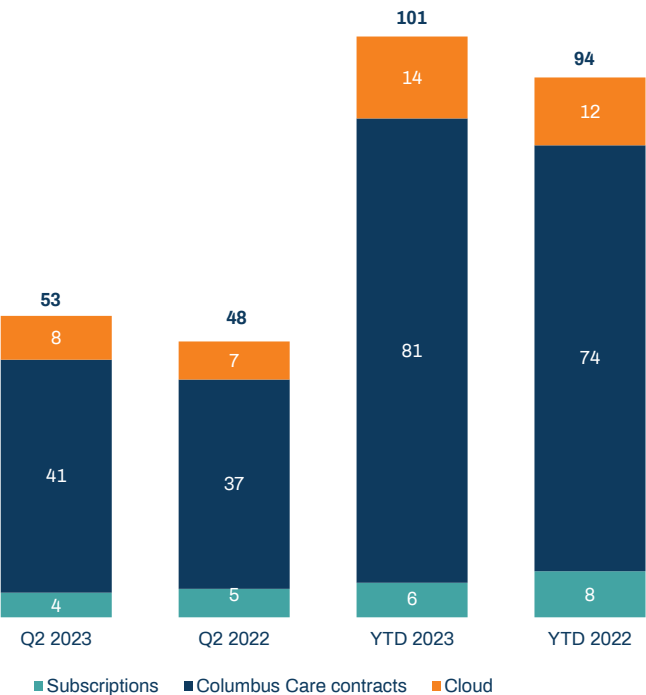
Increase in Efficiency and Recurring Revenue

- 4th quarter of consecutive improvement in efficiency, reaching 70% in Q2 2023.
- Recurring revenue follows the revenue growth, and remains a stable part of the business
- Mix continues to move further towards Cloud products rather than On-prem
- Care contracts remains relatively stable compared to total service revenue

Efficiency



Recurring revenue



Outlook

Guidance for 2023

- Based on the development in the first half of 2023, our strong pipeline and order backlog, we maintain our 2023 expectations
- Revenue expected to be in the range of DKK 1,550m and DKK 1,600m
 - A growth of 8% to 12% in constant currencies
- EBITDA expected to be in the range of DKK 119m and DKK 139m
 - An EBITDA margin of 7.4% to 9.0%

DKKm	Revenue	EBITDA
2023 Outlook	1,550 - 1,600	119 - 139
Implied growth to 2022 result	8% - 12%	
Implied EBITDA margin		7.4% - 9.0%





Questions?

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