

# Financial Results Q3 YTD 2018

.....  
SEB, 9 November 2018



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.

# Today's presentation

## AGENDA

- Highlights of Q3 YTD 2018
- Income statement
- Financial Value Drivers
- Geographical & Business segments
- 2018 expectations
- Long-term guidance
- Questions

# Highlights Q3 YTD 2018

## Revenue

**52% growth**

amounting to DKK 1.4bn

## EBITDA\*

**22% growth**

amounting to DKK 119m

## Integration of

**iStone**

**High Software**

according to plan

## Columbus Software

**34% growth**

amounting to DKK 79m

## Profit before tax

**8% growth**

amounting to DKK 66m

## Acquisitions

**iStone**

**HiGH Software**

**Hät Systems**

# Income Statement Q3 YTD 2018

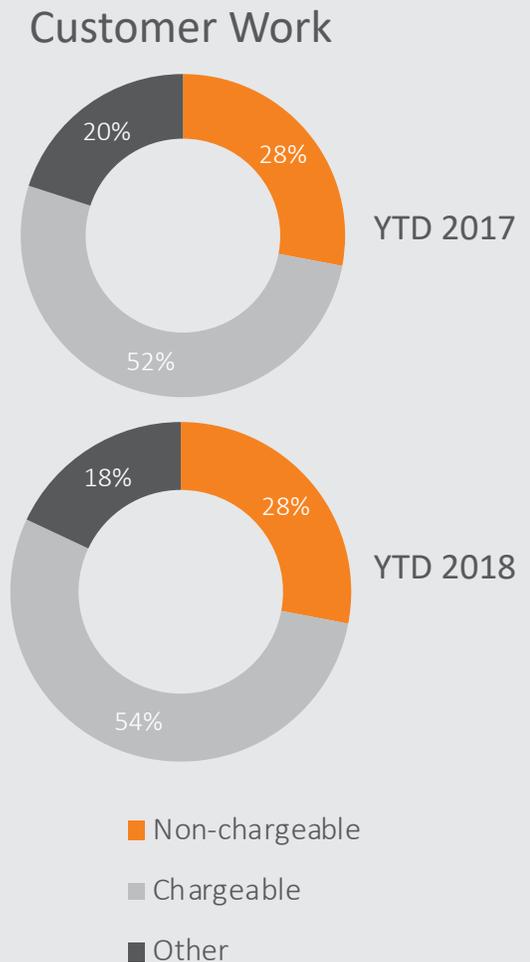
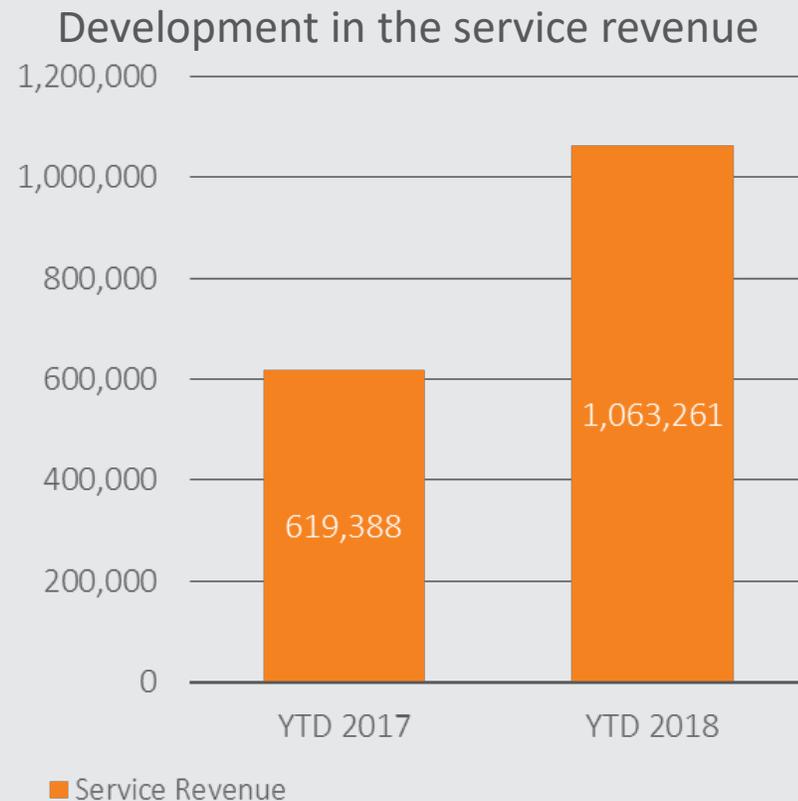
Income statement (mDKK)	YTD 2018	YTD 2017	Δ%
Columbus Software	78.6	58.8	34%
External Software	217.9	214.4	2%
Service	1,063.3	619.4	72%
Other	22.1	14.1	57%
Net Sales	1,381.8	906.7	52%
External project costs	-293.2	-193.4	52%
Gross profit	1,088.6	713.4	53%
Staff expenses and remuneration	-813.4	-505.6	61%
Other external costs	-156.2	-110.5	41%
EBITDA before share-based payment	119.0	97.3	22%
Share-based payment	-7.4	-1.7	326%
EBITDA	111.6	95.6	17%
Depreciation/amortization	-51.7	-29.4	76%
Net Financial Income	6.3	-5.1	-225%
Net result before tax	66.2	61.2	8%



.....  
Financial Value Drivers

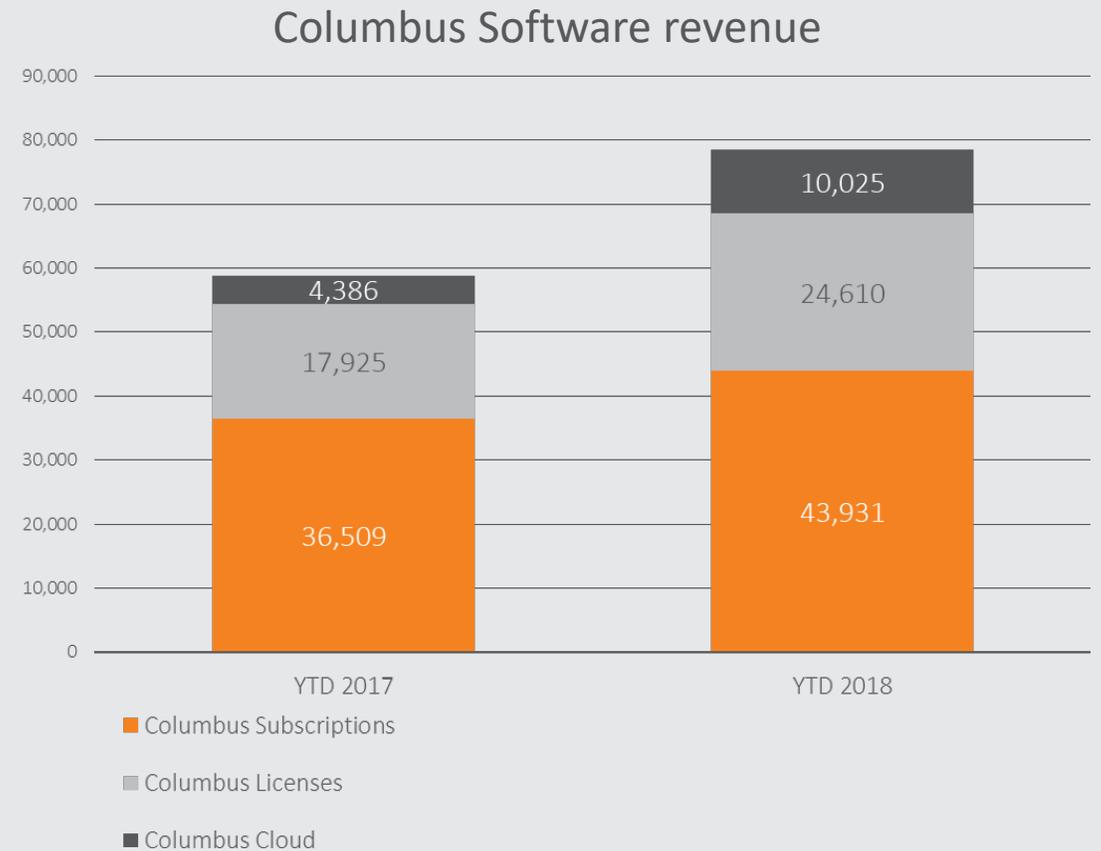
# Growth in the Services Business

- Service revenue grew by 72% to DKK 1,063m
  - Acquisition of iStone
  - 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



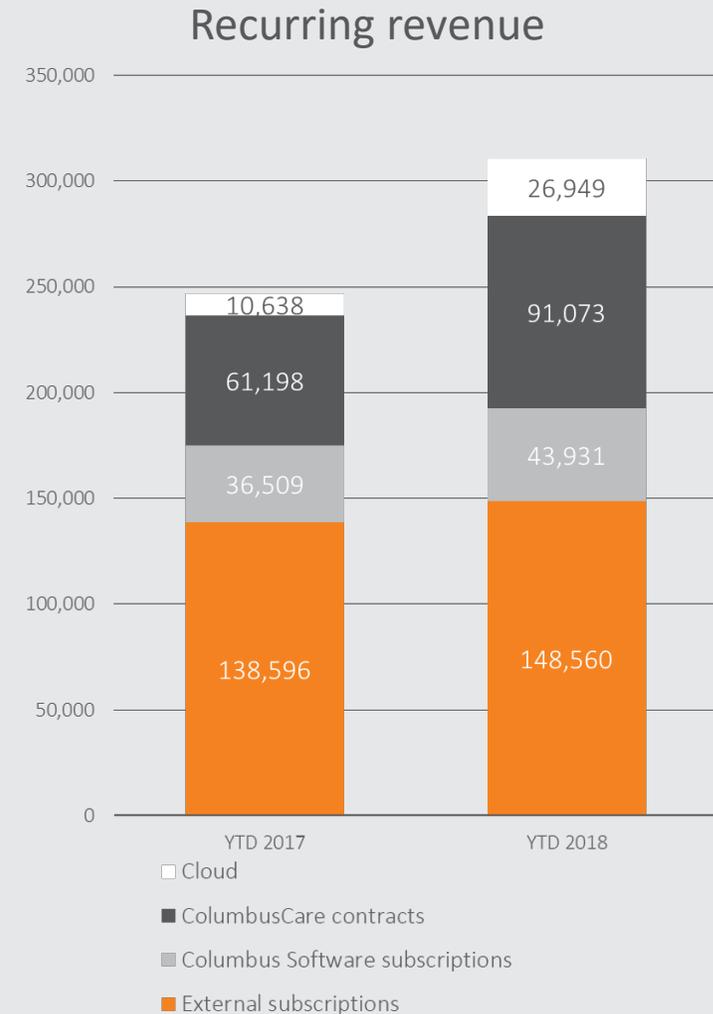
# Growth in Columbus Software sales

- Total revenue from sale of Columbus Software increased by 34%, amounting to DKK 79m
  - Subscriptions grew by 20%
  - License sales grew by 37%
- Cloud sales increased from DKK 4.4m to DKK 10m



# Growth in Recurring Revenue

- Recurring revenue increased by 26%
- Recurring revenue constitutes 22.5% of total revenue
- Columbus Care contracts grew by 49%
- Total Cloud revenue grew by 153%





.....  
Geographical & Business segments

# Western Europe

## Net Revenue

**+115%** (DKK 953m)

## Service Revenue

**+141%** (DKK 813m)

## Columbus Software Revenue

**+16%** (DKK 23m)

## EBITDA

**+14%** (DKK 73m)

Western Europe mDKK	YTD 2018	YTD 2017	Δ	Δ%
Columbus Software	22.6	19.5	3.1	16%
External software	99.3	79.9	19.4	24%
Service revenue	813.0	337.6	475.4	141%
Other	17.6	6.6	11.1	169%
<b>Total net revenue</b>	<b>952.5</b>	<b>443.6</b>	<b>509.0</b>	<b>115%</b>
EBITDA	72.7	63.8	8.8	14%
Recurring revenue of total revenue	17%	26%	-9%	-34%

# Eastern Europe

## Net Revenue

**-8%** (DKK 96m)

## Service Revenue

**+2%** (DKK 73m)

## Columbus Software Revenue

**+50%** (DKK 4m)

## EBITDA

**-9%** (DKK 8m)

Eastern Europe mDKK	YTD 2018	YTD 2017	Δ	Δ%
Columbus Software	4.2	2.8	1.4	50%
External software	17.4	28.6	-11.2	-39%
Service revenue	72.9	71.3	1.6	2%
Other	1.6	1.5	0.1	8%
<b>Total net revenue</b>	<b>96.2</b>	<b>104.2</b>	<b>-8.1</b>	<b>-8%</b>
EBITDA	8.0	8.8	-0.8	-9%
Recurring revenue of total revenue	20%	21%	-1%	-6%

# Northern America

## Net Revenue

**-20%** (DKK 264m)

## Service Revenue

**-25%** (DKK 158m)

## Columbus Software Revenue

**-3%** (DKK 6m)

## EBITDA

**+158%** (DKK 17m)

North America mDKK	YTD 2018	YTD 2017	Δ	Δ%
Columbus Software	5.5	5.6	-0.2	-3%
External software	97.2	106.5	-9.2	-9%
Service revenue	158.2	210.4	-52.2	-25%
Other	3.6	6.4	-2.8	-44%
<b>Total net revenue</b>	<b>264.4</b>	<b>328.9</b>	<b>-64.5</b>	<b>-20%</b>
EBITDA	16.9	6.6	10.4	158%
Recurring revenue of total revenue	33%	27%	6%	24%

# Columbus Software

## Columbus Software Subscriptions

**+24%** (DKK 40m)

## Columbus Cloud Revenue

**+118%** (DKK 9m)

## Columbus Software License

**+32%** (DKK 19m)

## EBITDA

**+56%** (DKK 48m)

Columbus Software mDKK	YTD 2018	YTD 2017	Δ	Δ%
Columbus Software licenses	18.9	14.4	4.5	32%
Columbus Software subscriptions	40.0	32.3	7.7	24%
Columbus Cloud	8.9	4.1	4.8	118%
External software	8.8	0.0	8.8	100%
Service revenue	42.9	12.7	30.2	237%
Other	0.6	0.4	0.2	66%
<b>Total net revenue</b>	<b>120.0</b>	<b>63.8</b>	<b>56.2</b>	<b>88%</b>
EBITDA	47.8	30.6	17.2	56%
Recurring revenue of total revenue	51%	61%	-10%	-17%

# Stronger Together on track

## Stronger Together integration progress as planned:

- Revenue and EBITDA according to plan
- Strategic partnership with itelligence including divesting of the SAP Business Unit
- Columbus Norway becoming one company – one leadership team and one location
- Building GDC resources within M3, Dynamics and Columbus Care
- Common mail and calendar platform across the organization



### **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

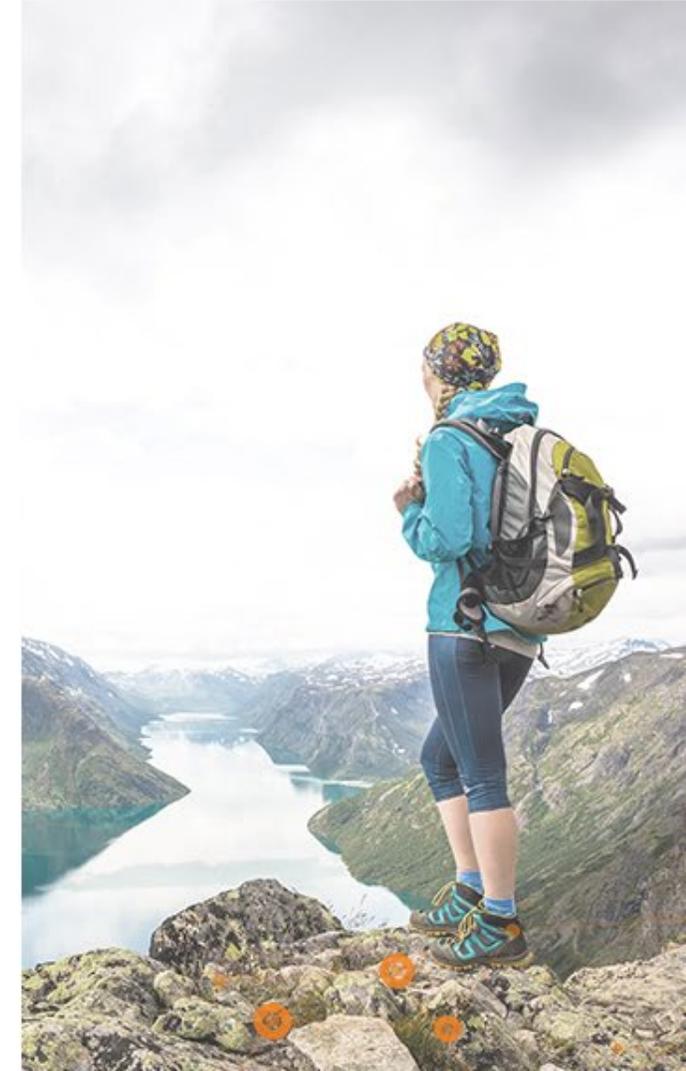
# Financial guidance for 2018

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

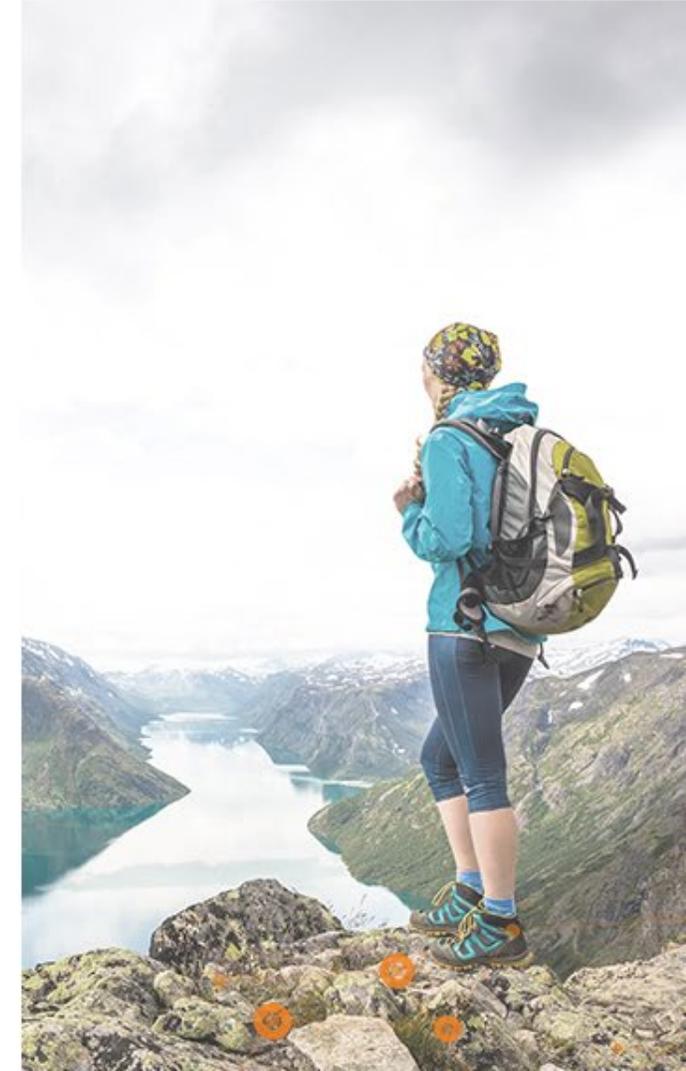
**25%**

of total revenue in 2020

## Dividend

**10% pay-out**

of nominal value each year





**Columbus**<sup>®</sup> | Once you  
know how...