

Columbus Annual Report 2013

Webcast, 18 March 2014 at 15:00 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



Hans Henrik Thrane, CFO

➤ Highlights 2013

- Income statement
- Columbus **15** strategy
- Geographical & Business segments
- Cash flow & dividends
- 2014 expectations
- Questions



Highlights 2013

BEST RESULT EVER

- 24% increase in EBITDA - DKK 72.1m
- Revenue of DKK 879.8m
- 56% increase in cash flow from operations - DKK 73m
- Columbus suggests 10% dividend to shareholders

EXECUTING OUR STRATEGY

- Increased sale of Industry Solutions
- Increased earnings in consultancy business
- Increased earnings on Columbus Software
- Optimizing Global Delivery Model
- Closing of non-profitable companies in Poland and the Middle East
- Launch of new customer support concept, ColumbusCare

A person wearing a brown cap, sunglasses, and a life vest is kayaking in white water rapids. The water is splashing around the kayak, and the person is holding a yellow paddle. The background is a blurred view of the river and surrounding trees.

Agenda

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Income statement 2013

Income statement (mDKK)	2013	2012	Δ %
Consultancy	591	550	8%
Columbus Software	60	60	0%
External Software	229	271	-16%
Net Sales	880	881	0%
External project cost	-216	-240	-10%
Gross Profit	664	641	4%
Staff Cost (ex. warrants)	-476	-464	3%
Other External Costs	-115	-119	-3%
EBITDA (before warrants)	72	58	24%
Warrants	-2	-1	63%
EBITDA	70	57	23%
Depreciation and amortization	-25	-28	-9%
Net Financial expense	-8	-6	39%
Tax	-9	-16	-41%
Net result from continued operations	27	8	265%
Discontinued operations	-6	-7	-23%
Net result	22	0	-

A snowboarder wearing a white jacket, white pants, and a white helmet with goggles is performing a trick on a snow-covered rail. The snowboarder is in a dynamic pose, leaning forward with one foot on the rail and the other foot tucked. The background shows a snowy mountain slope under a bright sun with lens flare. An orange rectangular box is in the top right corner.

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Columbus *15*®

Extend Industry Leadership

Sell more own software

Global Delivery Model

Improve Service Profit

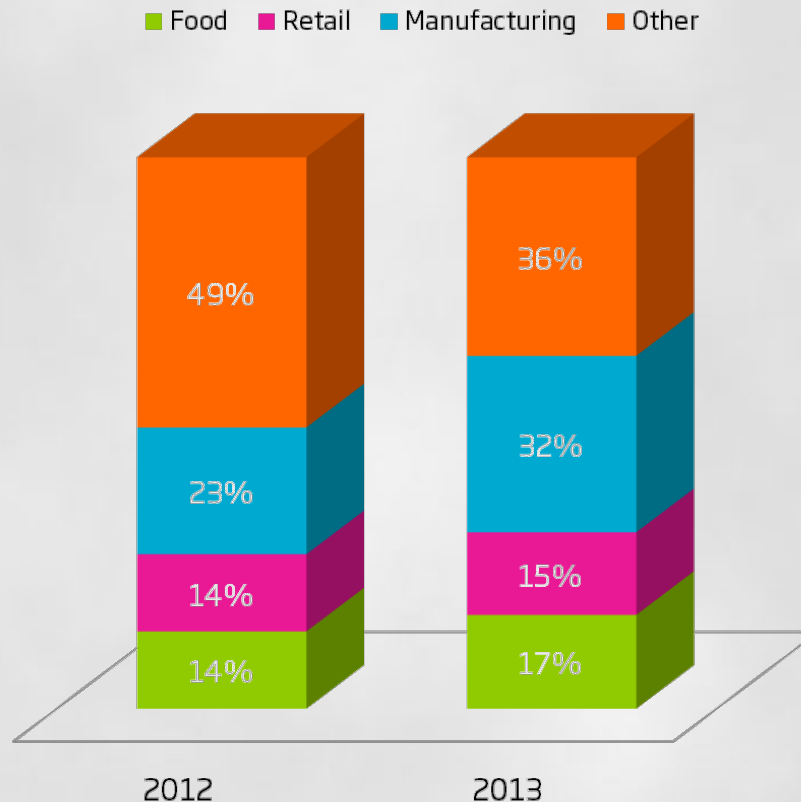
Geographic Focus

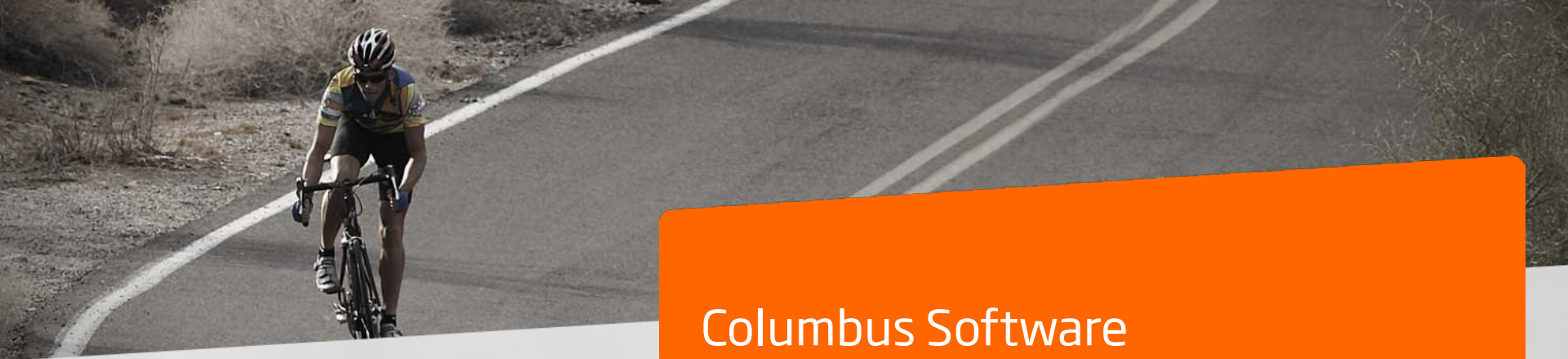


Extend Industry Leadership

Growth in sale of Industry Solutions

- 25% revenue growth within our three industries: food, retail and manufacturing
- Industry solutions constitute 64% of Columbus' total revenue
- Growth is primarily driven by the industry solution Manufacturing



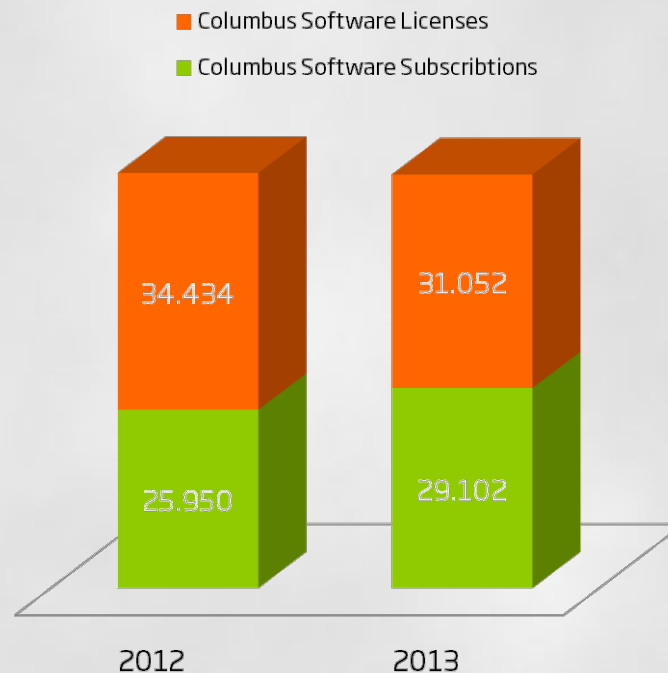


Columbus Software

Increased earnings on Columbus software

- Revenues in line with 2012
- Increased sale of Columbus Software through own companies
- 12% increase in software maintenance

Sale of Columbus Software



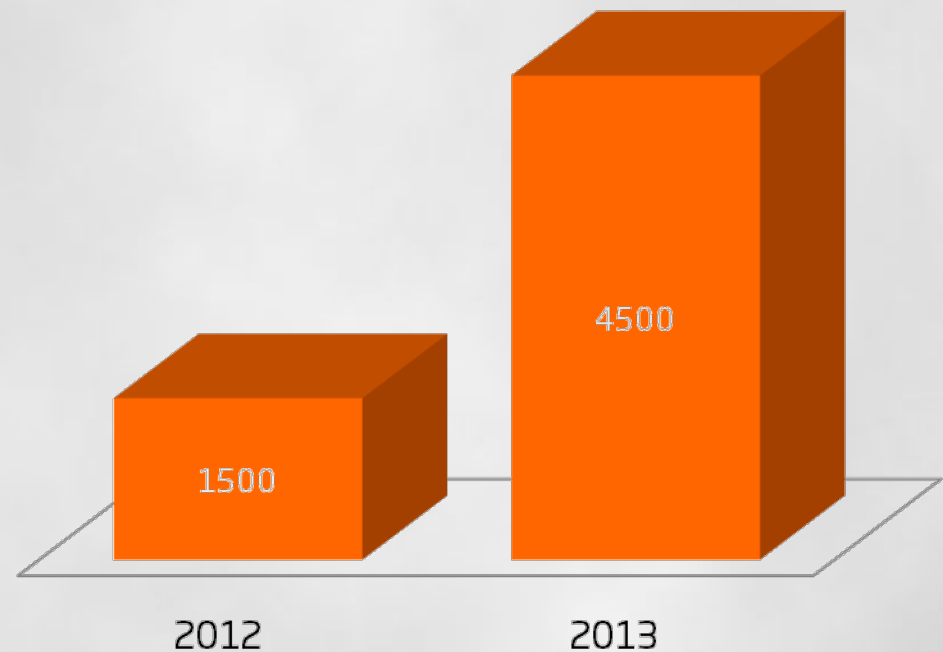


Global Delivery Center

Optimizing Global Delivery Model

- In 2012 we established Global Delivery Center in India
- In 2013 the center had 69 consultants supporting customers worldwide 24/7
- Support of 100 projects globally
- 4,500 days of customer work and implementations
- Introduction of new support concept ColumbusCare

Days of customer work

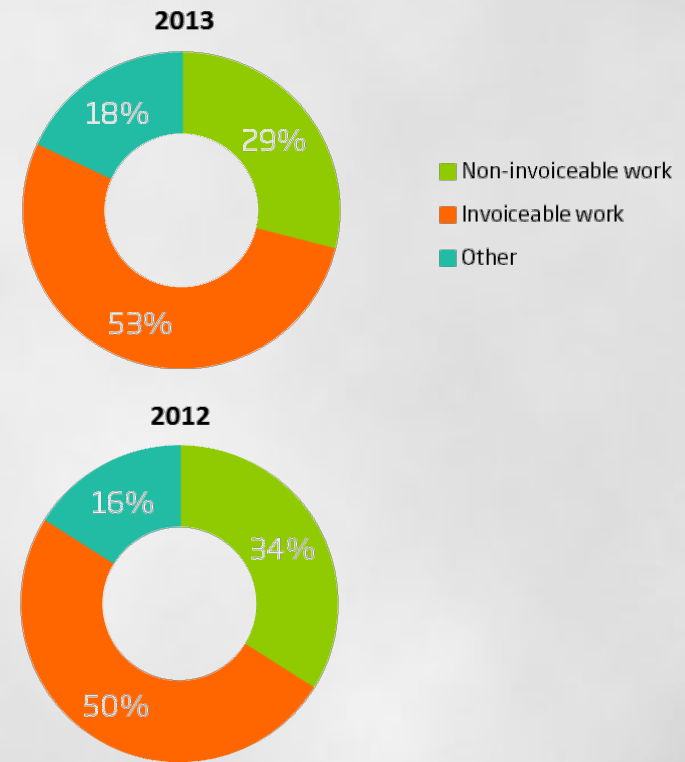




Improve Services Profit

Increased earnings in consultancy

- 7% revenue growth in consultancy business
- Invoiceable work increased from 50% to 53%
- Improved risk & project management, efficiency and resource allocation



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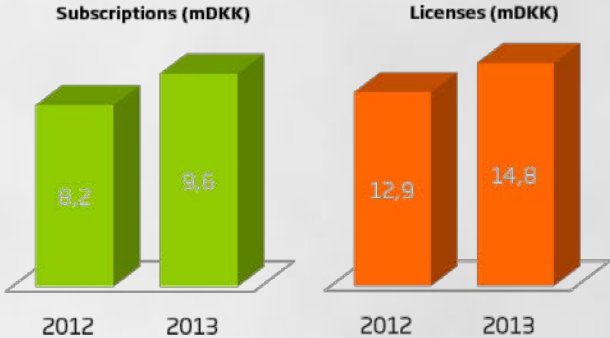


Western Europe

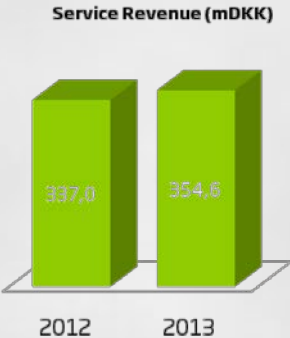
Overview

mDKK	2013	2012	Δ	Δ %
Net Sales	494	501	-7	-1%
EBITDA	52	46	6	13%

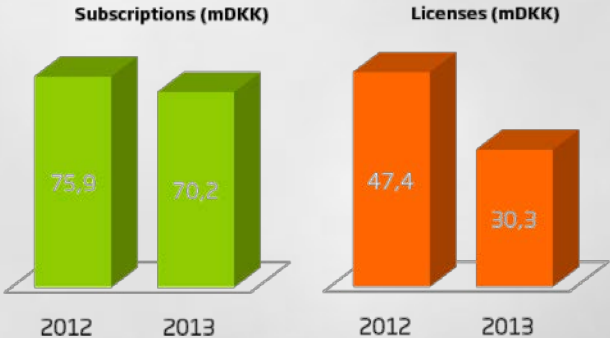
Columbus Software



Consultancy



3rd party software



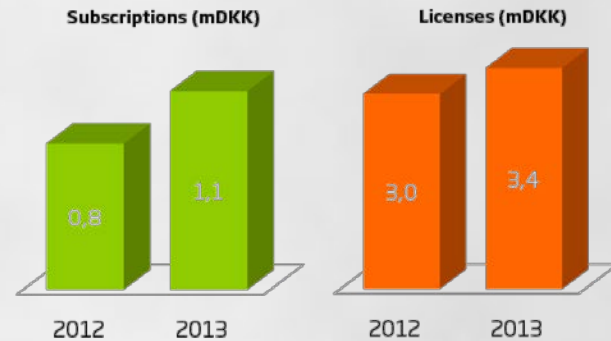


Eastern Europe

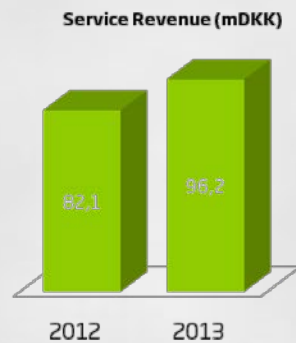
Overview

mDKK	2013	2012	Δ	Δ %
Net Sales	182	174	9	5%
EBITDA	15	10	5	48%

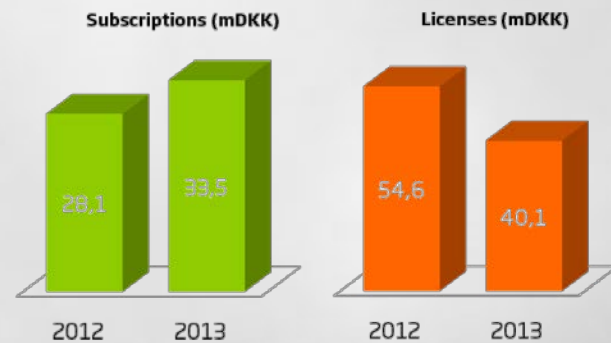
Columbus Software



Consultancy



3rd party software





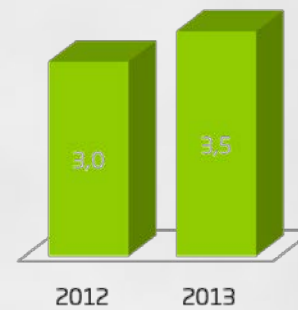
North America

Overview

mDKK	2013	2012	Δ	Δ %
Net Sales	182	190	-8	-4%
EBITDA	18	19	-1	-3%

Columbus Software

Subscriptions (mDKK)



Licenses (mDKK)



Consultancy

Service Revenue (mDKK)



3rd party software

Subscriptions (mDKK)



Licenses (mDKK)





Columbus software (ISV)

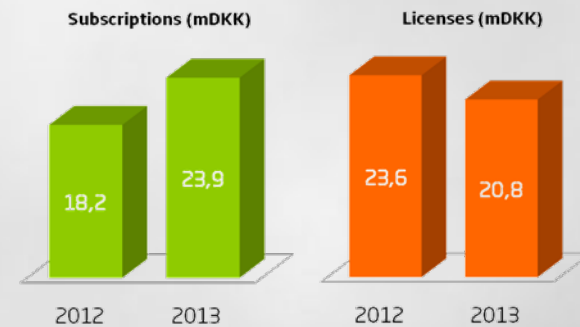
Increased earnings on Columbus Software

- Strong increase in EBITDA
 - Reduced cost
 - Decreased cost to 3rd party SW elements
 - Increased sale of SW support
- 12% increase in subscriptions which is recurring revenue

Overview

mDKK	2013	2012	Δ	Δ %
Net Sales	60	56	4	8%
EBITDA	27	19	8	44%

Columbus Software





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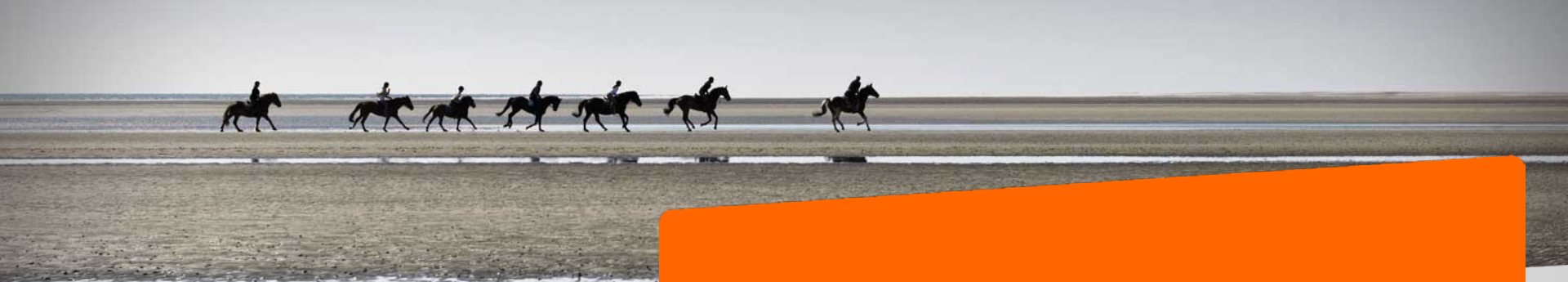
➤ **Cash flow & dividends**

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Cash Flow

Cash Flow (mDKK)	2013	2012	Δ %
EBITDA before share based payment	72	58	24%
Change in net working capital	13	-4	246%
Financial expences net	-4	-2	98%
Corpoarte taxes paid	-9	-6	50%
Cash flow from operations	73	46	56%
Development	-15	-17	-9%
Investments in fixed assets net	-4	-7	-49%
Investments in affililated companies	-16	-18	-9%
Investments total	-35	-42	-16%
Dividend minority shareholders	-2	-5	-69%
Net discontinued and sold activities	0	-5	-95%
Total Cash flow	36	-6	548%
Net Cash beginning of the year	39	43	-10%
Other adjustment, exchange rate	-2	1	-248%
Net Cash end of the year	73	39	-

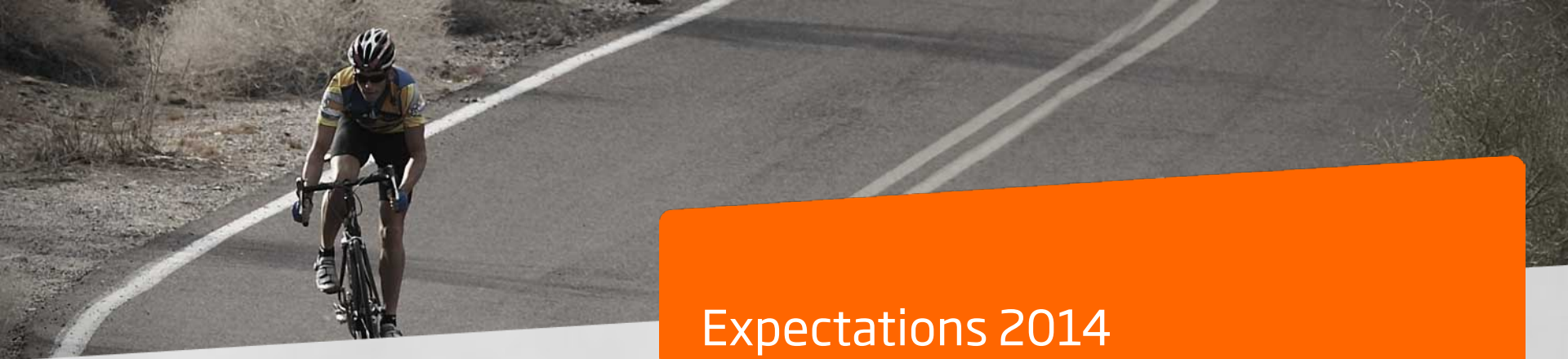


Suggested Dividends

- Strong Cash Flow
- Strong Capital structure - Equity Ratio 58%
- 10% dividend is suggested at the General Meeting
- 12.5 øre per share (DKK 0.125)

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Expectations 2014

Group	2012	2013	2014
Revenue (mDKK)	881	880	900
EBITDA (mDKK)	58	72	80
Extend Industry Leadership	52%	64%	70%
Columbus software (mDKK)	60	60	70
Global Delivery Center consultants	43	69	95
Improve Service Profits - invoicable work	51%	53%	55%

Questions



Columbus®
Once you *know* how...