

# Financial Results Q1 2018

Webcast & Tele Conference  
24 April 2018 at 14:00 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

# Today's presentation

## AGENDA

- Highlights of Q1 2018
- Income statement
- Financial Value Drivers
- Geographical & Business segments
- 2018 expectations
- Long-term guidance
- Questions

# Highlights Q1 2018

## Revenue

**51% growth**

amounting to DKK 469m

## EBITDA\*

**75% growth**

amounting to DKK 51m

## Integration of

**iStone**

according to plan

## Columbus Software

**38% growth**

amounting to DKK 27m

## Result before tax

**92% growth**

amounting to DKK 32m

## Acquisitions

**iStone**

**HiGH Software**

# Income Statement Q1 2018

Income statement (mDKK)	Q1 2018	Q1 2017	Δ%
Columbus Software	26.6	19.2	38%
External Software	65.7	60.0	10%
Service	369.6	225.1	64%
Other	7.5	5.8	30%
Net Sales	469.4	310.1	51%
External project costs	-91.7	-60.4	52%
Gross profit	377.7	249.7	51%
Staff expenses and remuneration	-274.7	-178.6	54%
Other external costs	-51.5	-41.6	24%
EBITDA before share-based payment	51.5	29.5	75%
Share-based payment	-0.8	-0.6	40%
EBITDA	50.6	28.9	75%
Depreciation/amortization	-28.3	-9.8	189%
Net Financial Income	9.8	-2.4	-514%
Net result before tax	32.1	16.7	92%

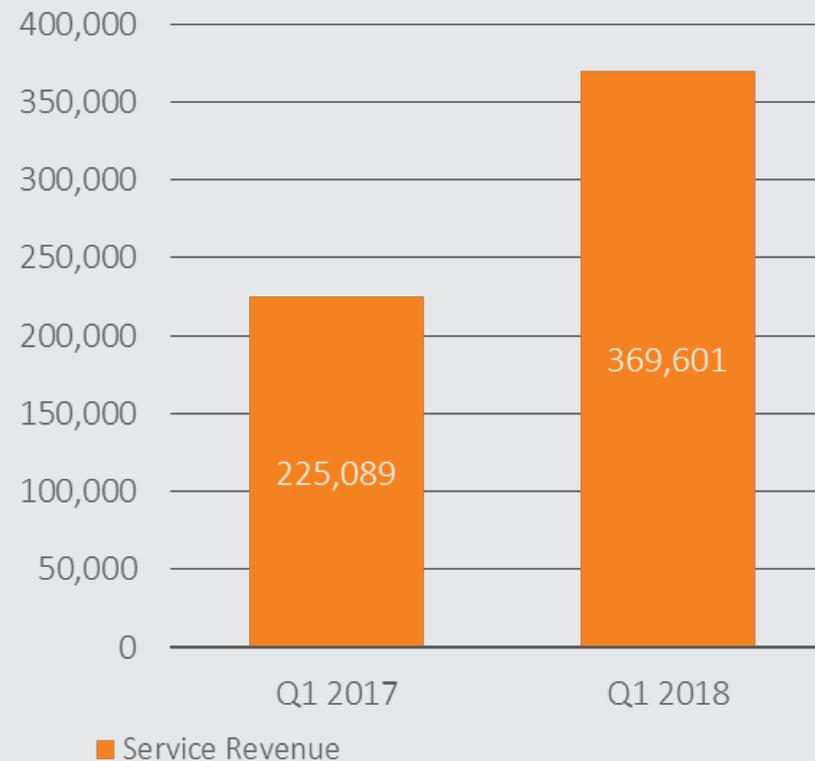


.....  
Financial Value Drivers

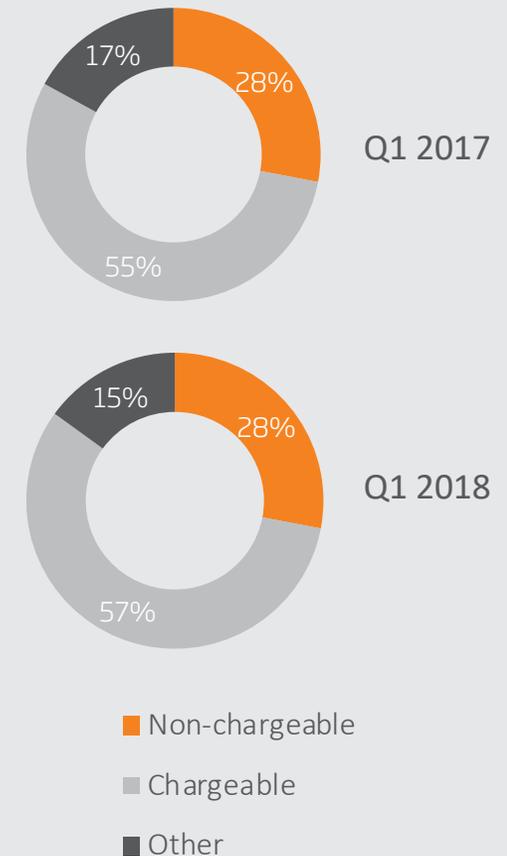
# Growth in the services business

- Service revenue grew by 64% to DKK 370m
  - Acquisition of istone
  - High activity in the services business
- Increase in chargeable hours (55% to 57%)
  - General progress in our services business
  - Acquisition of iStone

Development in the service revenue



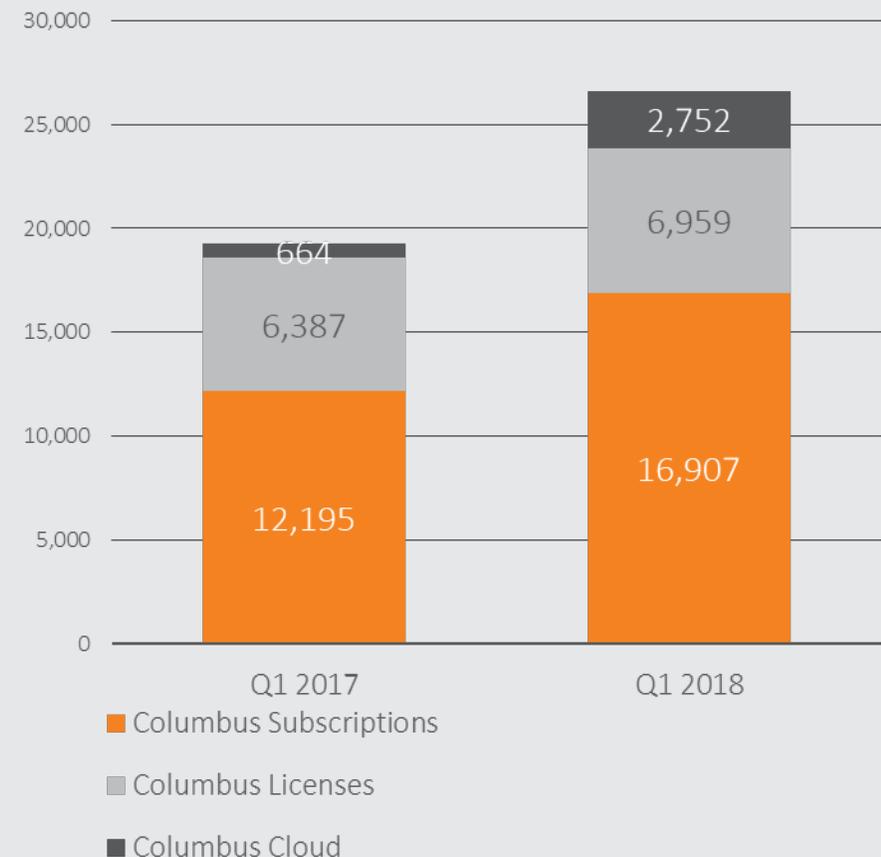
Customer Work



# Growth in Columbus Software sales

- Total revenue from sale of Columbus Software increased by 38%, amounting to DKK 27m
  - Subscriptions grew by 39%
  - License sales grew by 9%
- Cloud sales increased by 315% to DKK 2.8m

Columbus Software revenue



# Growth in Recurring Revenue

- Recurring revenue increased by 29%
- Recurring revenue constitutes 21% of total revenue
- Columbus Care contracts grew by 52%
- Total Cloud revenue grew by 234%





.....  
Geographical & Business segments

# Western Europe

## Net Revenue

**+120%** (DKK 321m)

## Service Revenue

**+135%** (DKK 280m)

## Columbus Software Revenue

**+13%** (DKK 8m)

## EBITDA

**+70%** (DKK 31m)

Western Europe mDKK	Q1 2018	Q1 2017	Δ	Δ%
Columbus Software	7.8	6.9	0.9	13%
External software	28.2	17.4	10.7	61%
Service revenue	279.7	119.1	160.6	135%
Other	5.7	2.6	3.0	114%
<b>Total net revenue</b>	<b>321.4</b>	<b>146.1</b>	<b>175.3</b>	<b>120%</b>
EBITDA	30.8	18.1	12.7	70%
Recurring revenue of total revenue	15%	22%	-7%	-30%

# Eastern Europe

**Net Revenue**

**-17%** (DKK 30m)

**Service Revenue**

**-8%** (DKK 24m)

**Columbus Software Revenue**

**-50%** (DKK 1m)

**EBITDA**

**-22%** (DKK 3m)

Eastern Europe mDKK	Q1 2018	Q1 2017	Δ	Δ%
Columbus Software	0.6	1.2	-0.6	-50%
External software	5.0	8.7	-3.7	-43%
Service revenue	23.7	25.7	-2.0	-8%
Other	0.6	0.4	0.2	51%
<b>Total net revenue</b>	<b>29.9</b>	<b>35.9</b>	<b>-6.0</b>	<b>-17%</b>
EBITDA	3.3	4.3	-1.0	-22%
Recurring revenue of total revenue	17%	19%	-2%	-13%

# Northern America

## Net Revenue

**-26%** (DKK 87m)

## Service Revenue

**-33%** (DKK 54m)

## Columbus Software Revenue

**+31%** (DKK 2m)

## EBITDA

**+78%** (DKK 7m)

North America mDKK	Q1 2018	Q1 2017	Δ	Δ%
Columbus Software	1.9	1.4	0.4	31%
External software	30.6	33.9	-3.4	-10%
Service revenue	53.5	79.5	-26.0	-33%
Other	1.2	2.7	-1.5	-57%
<b>Total net revenue</b>	<b>87.1</b>	<b>117.6</b>	<b>-30.5</b>	<b>-26%</b>
EBITDA	7.0	3.9	3.1	78%
Recurring revenue of total revenue	32%	25%	7%	27%

# Columbus Software ISV

## Columbus Software Revenue

**+109%** (DKK 42m)

## Columbus Software Licens

**+16%** (DKK 6m)

## Columbus software Subscriptions

**+62%** (DKK 16m)

## EBITDA

**+85%** (DKK 18m)

Columbus Software mDKK	Q1 2018	Q1 2017	Δ	Δ%
Columbus Software licenses	5.6	4.9	0.8	16%
Columbus Software subscriptions	16.2	10.0	6.2	62%
Columbus Cloud	2.3	0.7	1.7	249%
External software	3.3	0.0	3.3	100%
Service revenue	14.3	4.2	10.1	241%
Other	0.2	0.3	-0.1	-31%
<b>Total net revenue</b>	<b>41.9</b>	<b>20.0</b>	<b>21.9</b>	<b>109%</b>
EBITDA	17.9	9.7	8.3	85%
Recurring revenue of total revenue	53%	58%	-4%	-7%

# Status on the iStone acquisition

Stronger Together integration program progress as planned:

- Integration program overall
- Growth and Efficiency business synergies
- Revenue and EBITDA according to plan
- Confirmation of cultural fit and common values

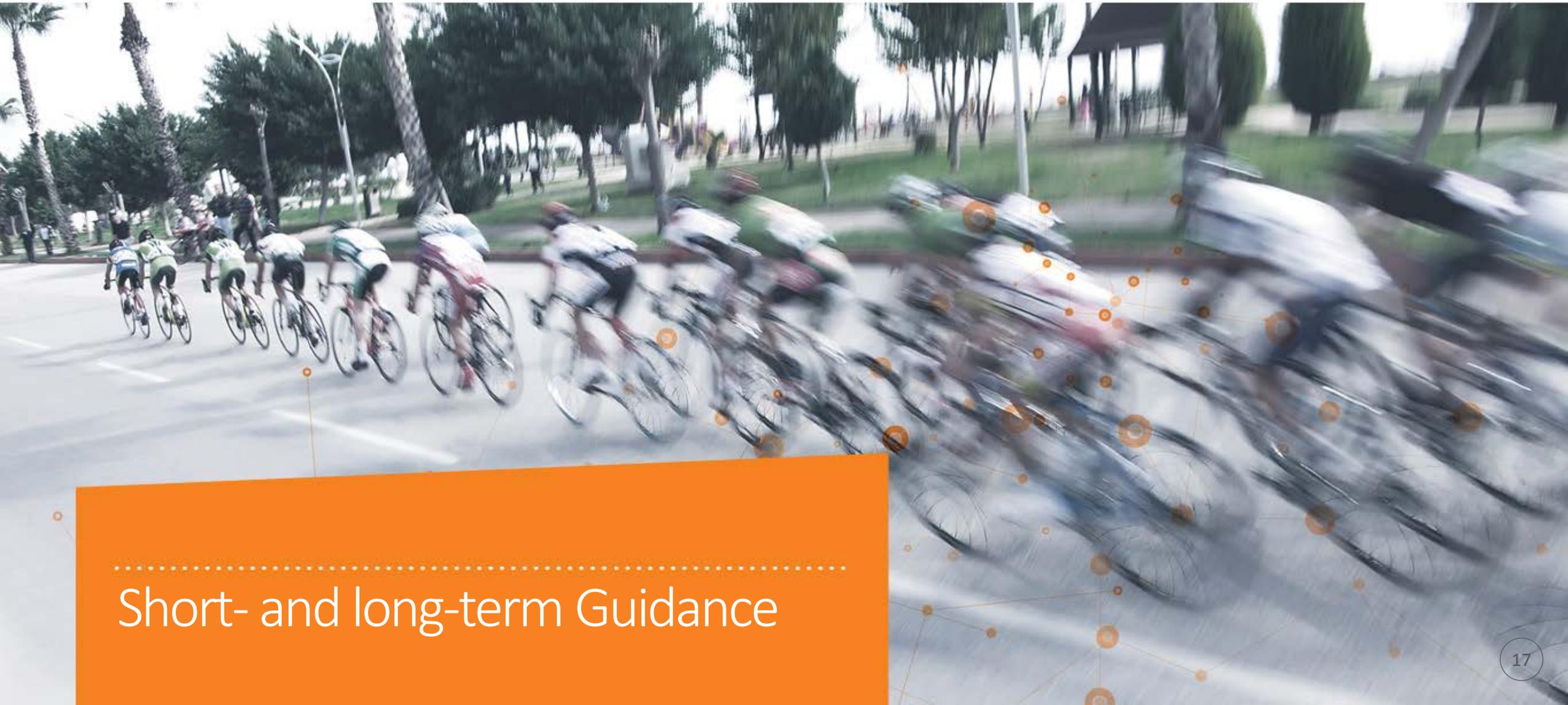


## **Business Growth synergies:**

- 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

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

\* EBITDA before share-based payment



Thank You!  
.....  
Questions

## Upcoming events

- Small & Midcap seminar
  - 25 April, 2018 at ABG Sundal Collier
- Interim Report H1 2018
  - 23 August, 2018
- Interim Management Statement Q3 2018
  - 7 November, 2018





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