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First half 2014: Significant improvement in net result

In the first half of 2014 Columbus realized a significant improvement in net result of 184% compared to first half 2013, mainly due to completed closure of loss-making companies and increased earnings. Columbus maintains expectations to 2014.

Columbus has today published the Interim Report for first half of 2014, cf. release no. 21/2014.

Increased earnings in first half of 2014

In the first half of 2014 earnings before depreciation (EBITDA¹) totaled DKK 36.3m, corresponding to an increase of 4.7% compared to the same period last year. The net result in first half of 2014 increased by DKK 11.1m compared to the same period last year.

Revenues from consultancy increased by 7.5%

In the first half of 2014 Columbus continued the strong focus on increasing earnings in the consultancy business, thus improving risk management, project management and resource allocation. Consequently, invoicable hours increased from 55% to 56%, and revenues from consultancy increased by 7.5% in first half.

Growth in sale of industry solutions

Columbus' focus on sale of industry solutions to the industries food, retail and manufacturing and on servicing customers even better has resulted in a significant increase in revenues from Columbus' industry solutions. Revenues from industry solutions increased to 76% of total revenues in first half of 2014, from DKK 240.4m in first half of 2013 to DKK 331.7m in the same period this year.

Increased capacity Global Delivery Center

Columbus continues optimizing the Global Delivery Center in India, and the Global Delivery Center now has 82 consultants. In first half the Global Delivery Center delivered 2,738 days of customer work and implementations, corresponding to an increase of 39.3% compared to first half of 2013.

US and Norway

In first half of 2014 Columbus experienced declines in both revenues and earnings in the US due to lack of sales execution. The lack of sales has led to low performance in the sale of both external and Columbus licenses. Further, the lack of product sale has negatively affected the revenues from consultancy.

¹EBITDA before share-based compensation

In Norway we lost a large number of consultants in Q2 due to heavy headhunting activities from a competitor. This has led to temporary extra costs in legal fees, recruiting costs and free work when introducing new consultants. Columbus is executing recovery plans for both subsidiaries.

Improved cash position

In the first half of 2014 Columbus has invested DKK 7.6m in development projects and tangible assets and we have expanded our business in the UK which had a cash effect of DKK 9.8m. During the first half of 2014 we have been able to repay all debt to credit institutions and for the first time in Columbus' history dividend was paid out to the shareholders amounting to DKK 14.4m. Despite this Columbus still managed to improve the cash position with DKK 11.2m during the first half of 2014 due to the operational earnings and due to a reduction in receivables.

DKK '000	H1 2014	H1 2013	2013
Columbus licenses	11,416	12,853	31,052
Columbus subscriptions	15,423	14,490	29,102
External licenses	32,114	50,599	88,270
External subscriptions	58,413	76,760	140,258
Consultancy	309,720	288,249	567,614
Other	9,332	10,639	23,509
Net revenue	436,418	453,590	879,805
EBITDA before share-based compensation	36,283	34,628	72,084
Share-based compensation	-1,294	-368	-1,960
EBITDA	34,989	34,260	70,124

Expectations to 2014

Columbus maintains the announced expectations to 2014, and thus Columbus expects revenues in the level of DKK 900m and an EBITDA¹ in the level of DKK 80m.

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Translation: In the event of any inconsistency between this document and the Danish language version, the Danish language version shall be the governing version.

¹EBITDA before share-based compensation