

Financial Results H1 2017

ABGSC Roadshow

28 August 2017



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 H1 2017
- Income statement
- Financial Value Drivers
- Geographical & Business segments
- 2017 expectations
- Long-term guidance

Highlights H1 2017

Revenue

8% growth

amounting to DKK 642m

EBITDA*

7% growth

amounting to DKK 71m

Service EBITDA

14% growth

amounting to DKK 48m

Columbus Software

11% decline

amounting to DKK 41m

Acquisitions

Tridea Partners

Income Statement H1 2017

Income statement (mDKK)	H1 2017	H1 2016	Δ%
Columbus Software	40.7	45.8	-11%
External Software	159.6	147.4	8%
Service	431.3	390.8	10%
Other	10.7	10.5	2%
Net Sales	642.3	594.5	8%
External project costs	-142.9	-134.7	6%
Gross profit	499.5	459.8	9%
Staff expenses and remuneration	-353.4	-319.9	10%
Other external costs	-74.9	-73.1	2%
EBITDA before share-based payment	71.2	66.8	7%
Share-based payment	-1.2	-1.1	6%
EBITDA	70.0	65.7	7%
Depreciation	-19.7	-15.2	30%
Net Financial Income	-3.9	-0.6	508%
Net result before tax	46.4	49.9	-7%
Tax	-6.3	-10.3	-39%
Net result after tax	40.1	39.6	1%



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Financial Value Drivers

Financial Value Drivers

1 High profitability in the services business

High **earnings potential** in the services business by continuing to optimize deliveries, minimize risk and control costs

2 Scaling of own software sales

High **margin** on sales of own software which opens opportunities for additional sales and creates value for customers

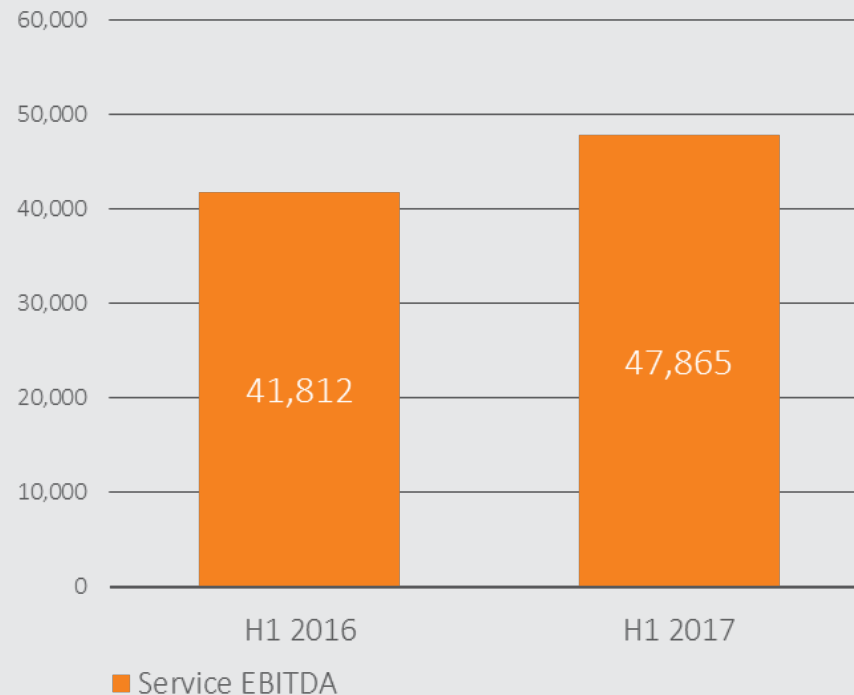
3 **Recurring** revenue and **cloud** revenue

Support agreements and cloud revenue are **recurring revenue**, which also establish long and strong customer relationships

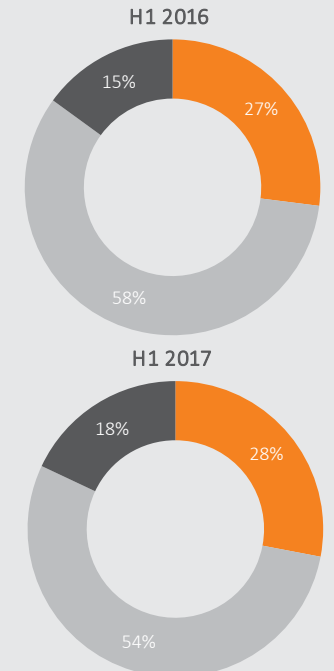
Growth and improved profitability in the services business

- Service revenue grew by 10% to DKK 431m
- Service EBITDA increased by 14% to DKK 48m
 - Increase in realized hourly rates
 - Increased use of Columbus Global Delivery Center
- Decrease in chargeable hours (58% to 54%)
 - Due to technology change in US SMB business leading to lower sales
 - Normalizing of chargeable hours in UK and Russia

Service EBITDA



Customer Work



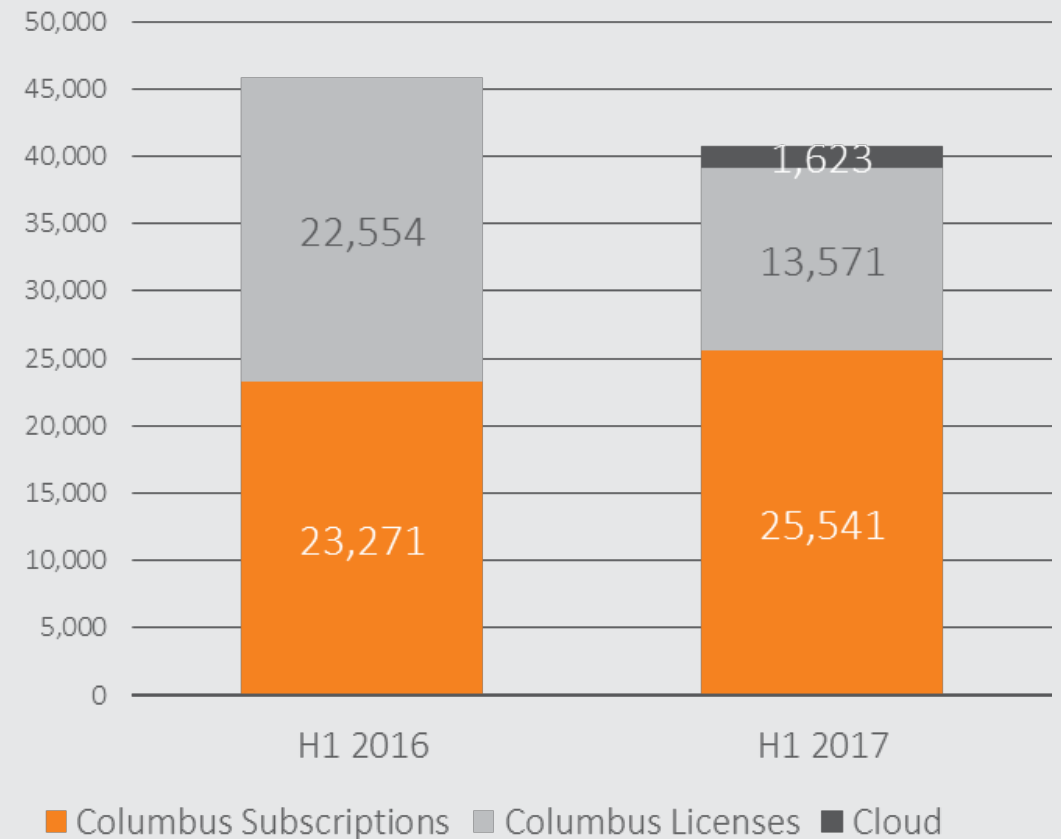
- Non-chargeable
- Chargeable
- Other

Excluding Cambridge Online Systems

Columbus Software sales as expected

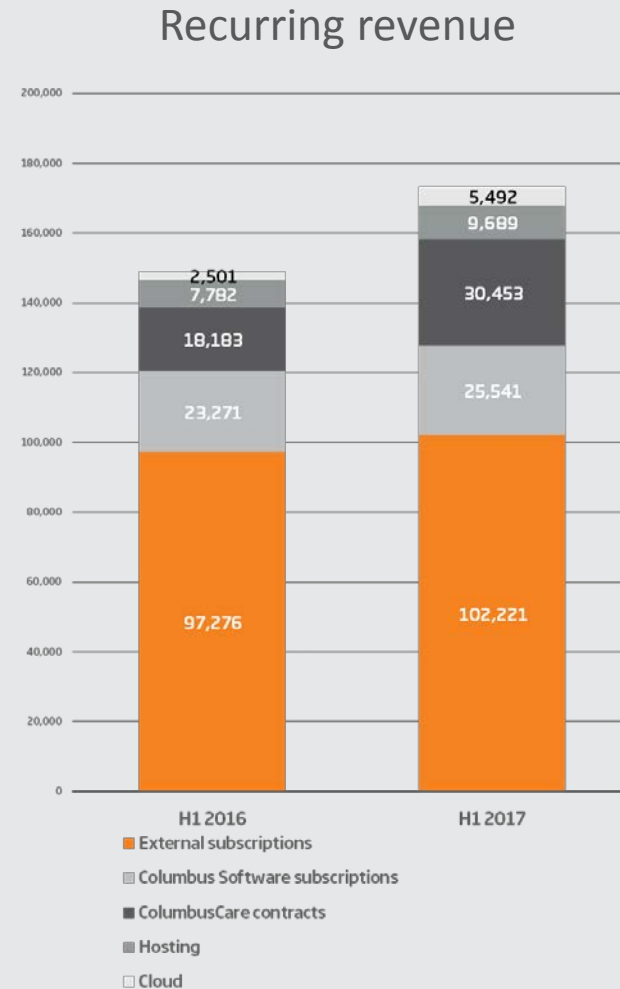
- Total revenue from sale of Columbus Software declined by 11%, amounting to DKK 41m
 - Subscriptions grew by 17%
 - License sales declined by 40%
- Cloud sales increased to DKK 1.6m
- Development as expected

Columbus Software revenue



Growth in Recurring revenue

- Recurring revenue increased by 16%
- Recurring revenue constitutes 27% of total revenue
- Significant growth in ColumbusCare, which increased by 67%
- Development as expected





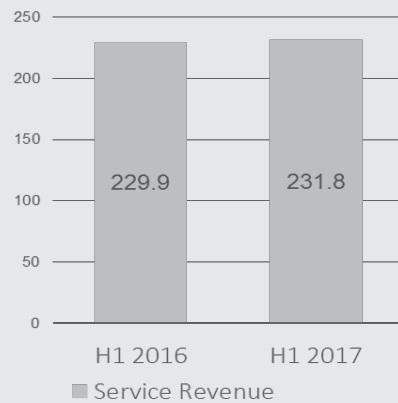
Geographical & Business segments

Western Europe

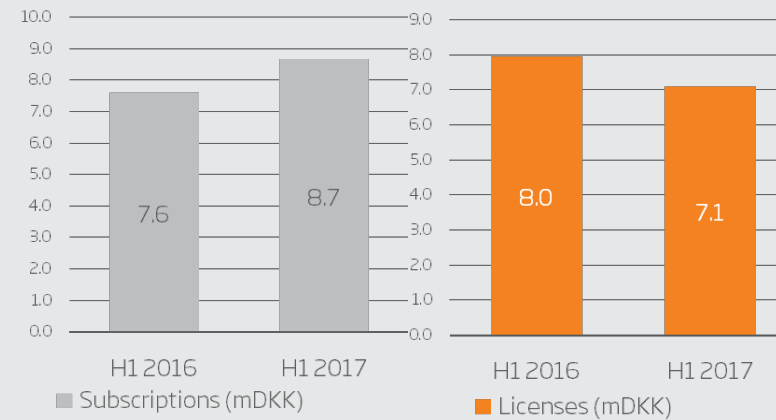
Overview

Western Europe mDKK	H1 2017	H1 2016	Δ	Δ%
Net sales	310.3	301.6	8.7	3%
EBITDA	44.6	40.4	4.2	10%
Recurring revenue of total revenue	24%	21%	3%	15%

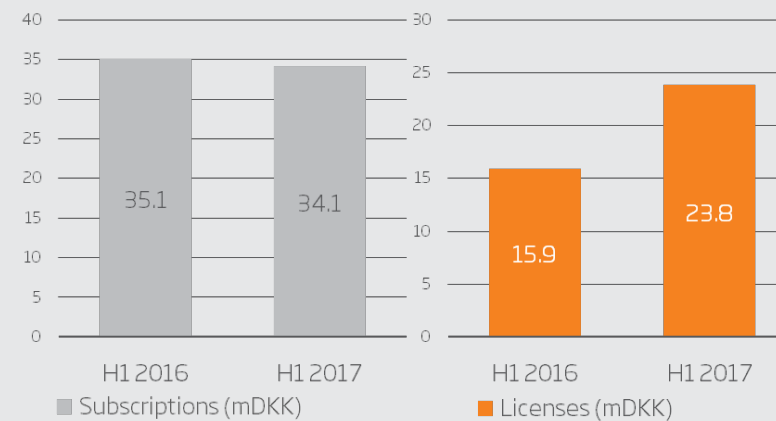
Service Revenue



Columbus Software



3rd party software

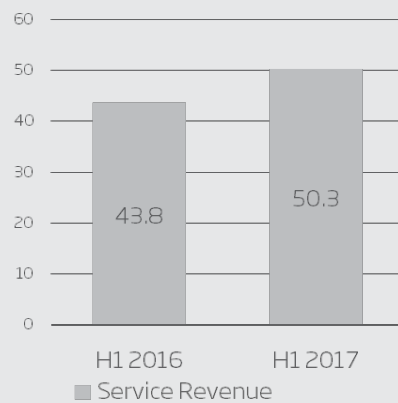


Eastern Europe

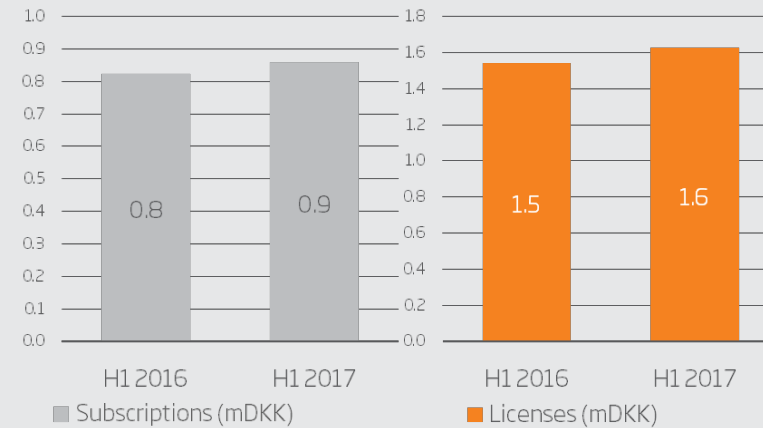
Overview

Eastern Europe mDKK	H1 2017	H1 2016	Δ	Δ%
Net sales	77.4	65.2	12.2	19%
EBITDA	8.5	6.0	2.5	41%
Recurring revenue of total revenue	23%	22%	1%	5%

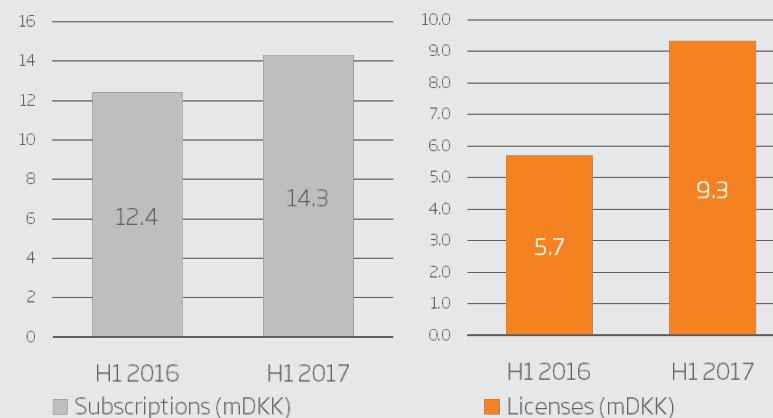
Service Revenue



Columbus Software



3rd party software

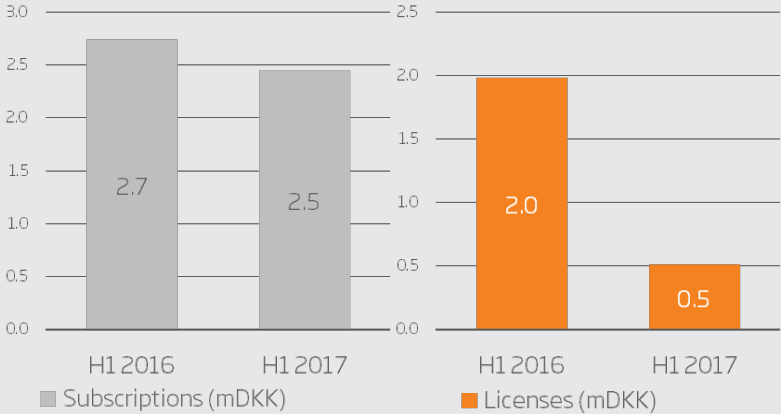


Northern America

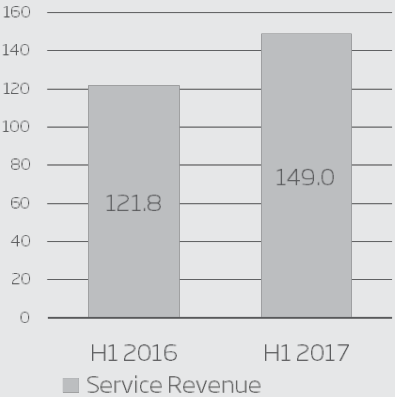
Overview

North America mDKK	H1 2017	H1 2016	Δ	Δ%
Net sales	235.3	209.4	25.8	12%
EBITDA	5.8	12.5	-6.7	-54%
Recurring revenue of total revenue	28%	28%	0%	-1%

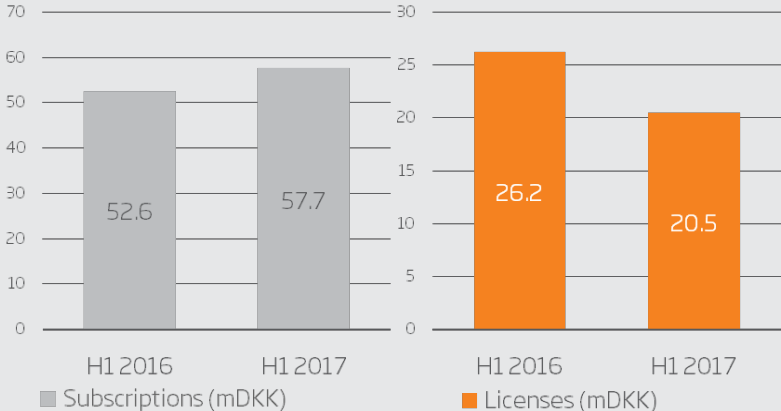
Columbus Software



Service Revenue



3rd party software



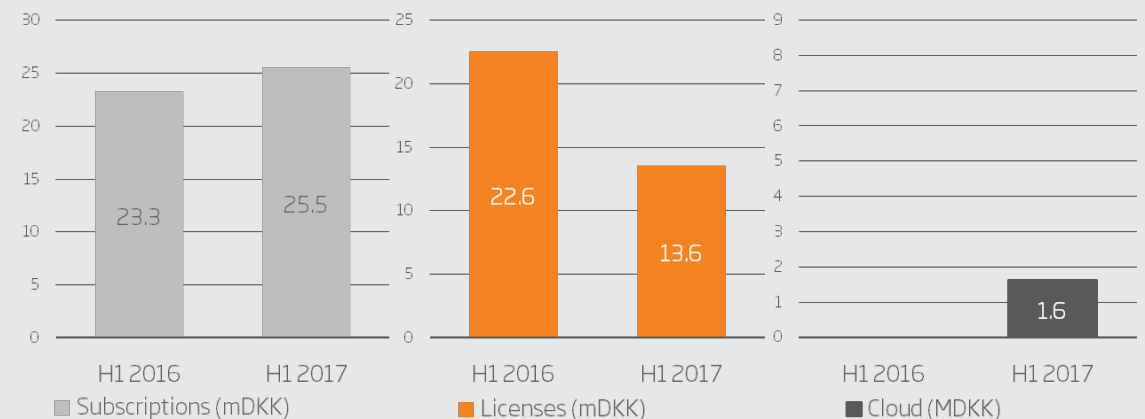
Columbus Software ISV

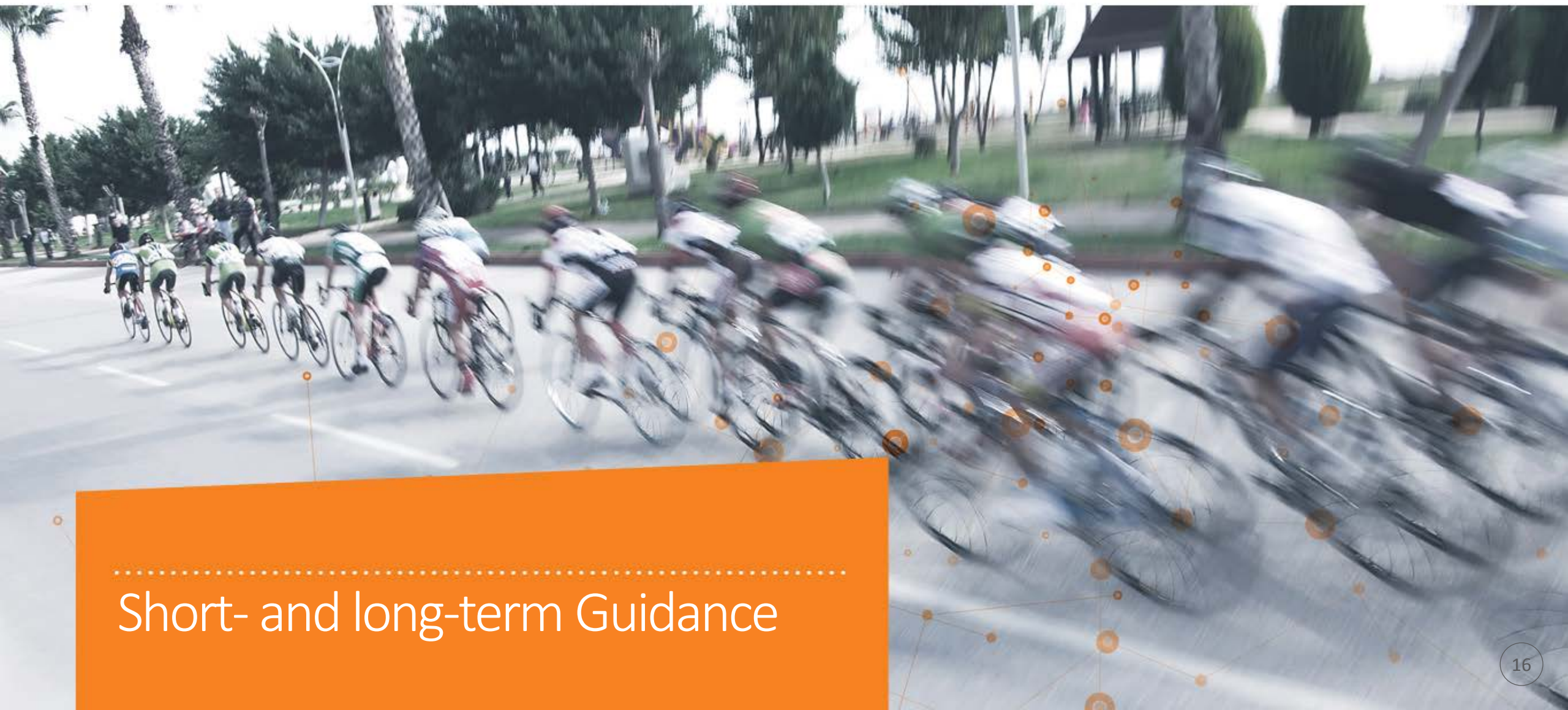
- Revenue in our Software ISV Business same level as LY
- EBITDA decline 8% due to cloud conversion
- Columbus Software overall declined by 11%
 - 10% increase in sale of Columbus subscriptions due to strong license sale in previous years
 - 40% declined in sale of Columbus Software licenses due to cloud conversion

Overview

Columbus Software mDKK	H1 2017	H1 2016	Δ	Δ%
Net sales	42.2	44.0	-1.7	-4%
EBITDA	21.3	23.1	-1.8	-8%
Recurring revenue of total revenue	58%	45%	13%	30%

Columbus Software





Short- and long-term Guidance

Financial guidance for 2017

Revenue, in the range of
DKK 1.35bn

EBITDA*, in the range of
DKK 150m

Service EBITDA, in the range of
DKK 140m

Software revenue, in the range of
DKK 80m

Dividend
10% dividend
on nominal share capital

* EBITDA before share-based payment

Short-term guidance



Long-term guidance for 2019

Revenue

10% growth

average per year

Recurring revenue

30%

of total revenue in 2019

EBITDA*

11%

EBITDA margin per year

Dividend

10% pay-out

of nominal value each year



Long-term guidance



Columbus[®] | Once you
know how...