Q1 Results 2016

Webcast, 28 April 2016 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
- Income statement
- Presentation of Columbus20**20**
- Financial Value Drivers
- Geographical & Business segments
- 2016 expectations
- Long-term guidance
- Questions

Highlights Q1

Columbus | Once you know how...

Revenue

15% growth

amounting to DKK 275m

EBITDA*

85% growth

amounting to DKK 26m

Columbus Software

7% growth

in revenue

Service Revenue

15% growth

Acquisition

Systemhosting

* EBITDA before share-based payment

Income Statement Q1 2016

Income statement (mDKK)	Q1 2016	Q1 2015	Δ%
Columbus Software	18,4	17,2	7%
External Software	60,3	51,1	18%
Consultancy	196,6	171,5	15%
Net Sales	**275,3**	**239,9**	**15%**
External project costs	-52,7	-50,7	4%
Gross profit	**222,7**	**189,2**	**18%**
Staff expenses and remuneration	-160,4	-143,8	12%
Other external costs	-36,3	-31,4	16%
EBITDA before share-based payment	**25,9**	**14,0**	**85%**
Share-based payment	-0,5	-0,3	73%
EBITDA	**25,4**	**13,7**	**85%**
Depreciation	-7,5	-6,0	25%
Net Financial Income	-1,7	13,5	-112%
Pre-tax earnings	**16,2**	**21,2**	**-23%**

[6] EBITDA before share-based payment

Towards Growth

Columbus2020

Columbus 5-year strategy

Customer Success

Customer Success;

Taking care of customers for life

- Create the ultimate customer experience
- Increase customer satisfaction and loyalty
- Build long and close relations to our customers by offering lifecycle services

"We strive to keep our customers for life by providing the best customer experience and high quality when engaging with Columbus"

Digital Leadership

Digital Leadership;
Accelerate business innovation

- Develop new products and services that increase the value of ERP investments
- Extend beyond ERP using cloud, big data, IoT and mobile technologies

"We help our customers accelerate business innovation by maximizing the value realization of ERP and by leading them in the digital business transformation".

Our People

Our People;

Attract, develop & retain the best people

- Foster a customer success culture
- Achieve global Performance Excellence
- Create a learning organization

"We provide challenging career opportunities, attractive working conditions and professional and personal development for Our People".

Process Excellence

Process Excellence;

Quality in everything we do

- World-class sales and marketing organization that creates the ultimate customer experience
- Supreme consulting and mitigating implementation risk at the right cost

"We strive to improve operations and best practices in order to achieve global sales excellence and deliver high quality services to our customers".

Columbus2020

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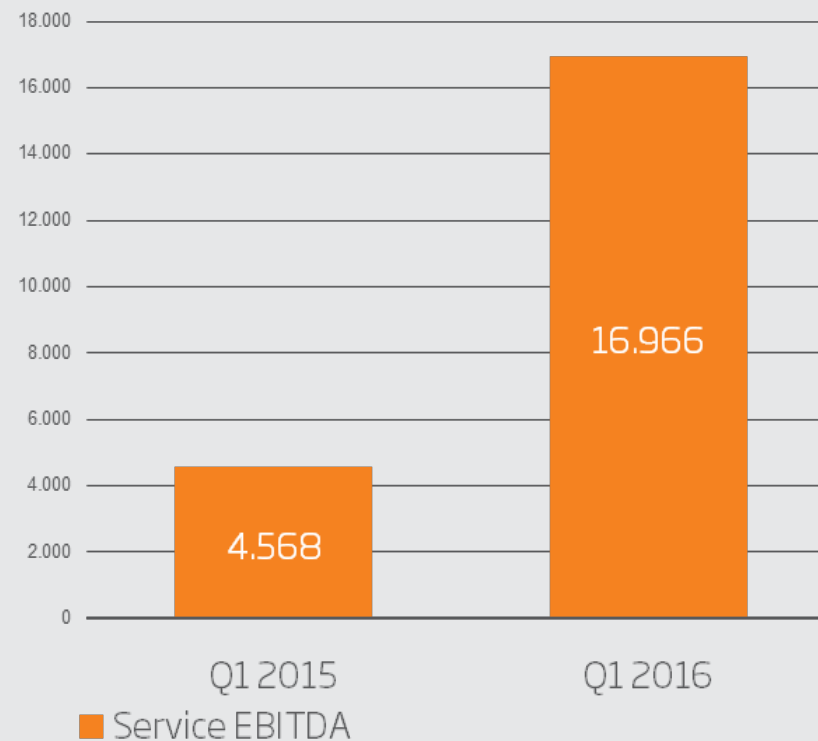
3 **Recurring service** revenue and **cloud** revenue

Support agreements and cloud revenue are **recurring revenue**, which also establish long and strong customer relationships
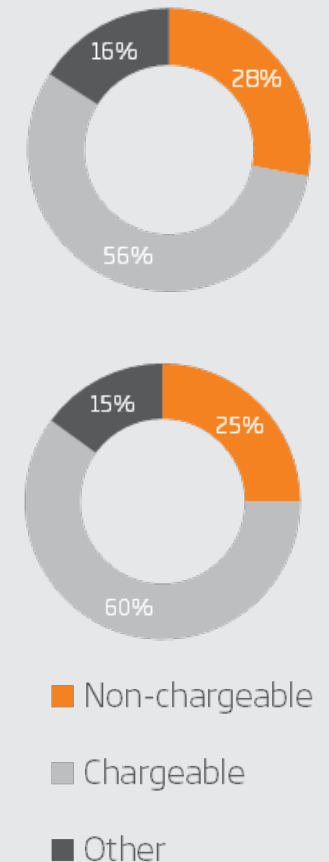
Improve profitability in the services business

- Service EBITDA increased by DKK 12.4m in Q1

- Primary due to an increase in customer work (56% to 60%) mainly in US and Norway

- Secondary due to full year effect of 2015 acquisitions and acquisition of Systemhosting in February 2016

Service EBITDA

	Q1 2015	Q1 2016
Service EBITDA	4.568	16.966

Chart axis: 0, 2.000, 4.000, 6.000, 8.000, 10.000, 12.000, 14.000, 16.000, 18.000

Customer Work

28% Non-chargeable / 56% Chargeable / 16% Other

25% Non-chargeable / 60% Chargeable / 15% Other

■ Non-chargeable
■ Chargeable
■ Other

# Scaling of Columbus Software

- Total revenue from sale of Columbus Software increased by 7%, amounting to DKK 18.4m

- Sales through external channel grew by 135%

- Best selling products:
  - Columbus Business Integration Solutions (BIS) with 380% growth

  - Columbus Advanced Discrete Manufacturing Solutions (ADM)

  - Columbus Invoice Workflow

  - Columbus AX Anywhere

Columbus Software revenue

	Q1 2015	Q1 2016
Columbus Licenses	8.138	7.973
Columbus Subscriptions	9.061	10.417
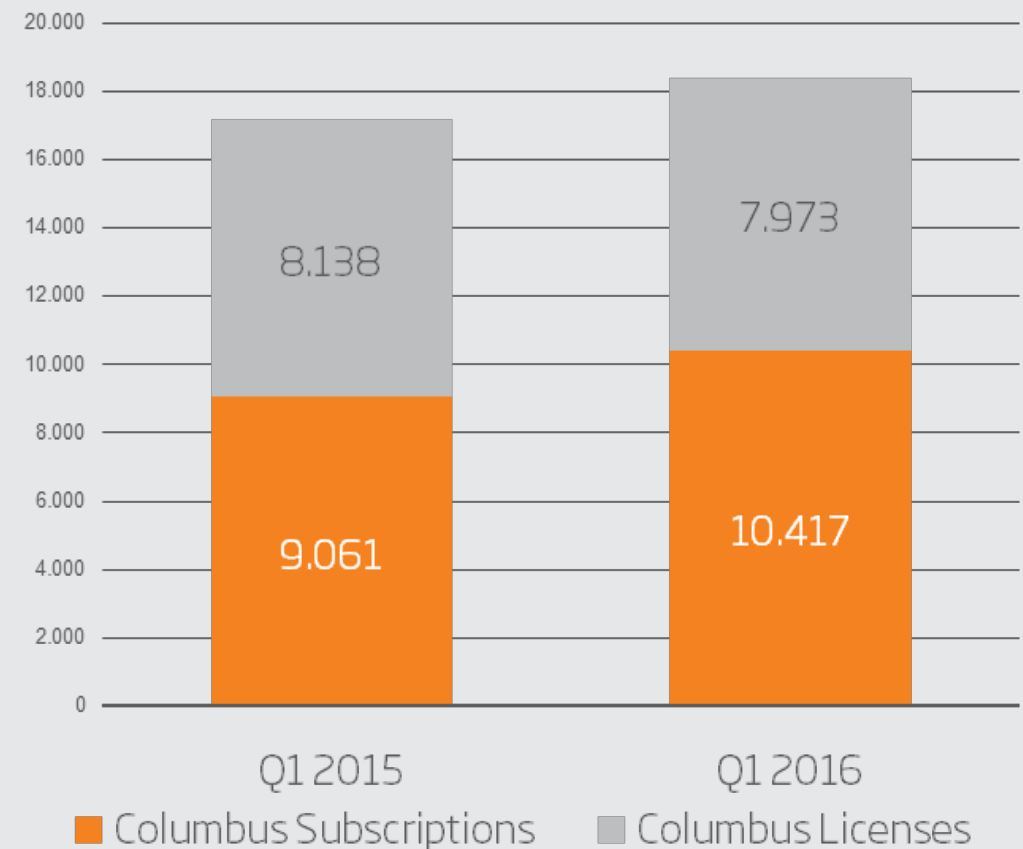
Growth in Recurring revenue

- Recurring revenue consists of:
  - Columbus Software subscriptions
  - External subscriptions
  - ColumbusCare contracts
  - Cloud revenue

- Recurring revenue increased by 18% constituting 23% of total revenue
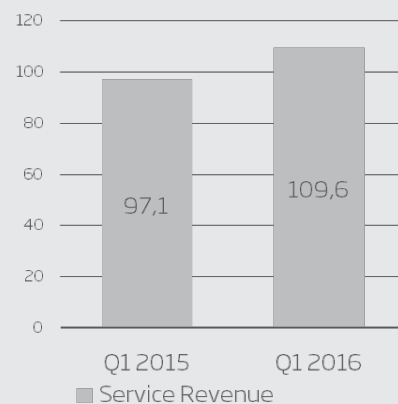
- Development in line with expectations

Recurring revenue

	Q1 2015	Q1 2016
Cloud	-	1.419
ColumbusCare Contracts	9.802	12.392
Columbus Subscriptions	9.061	10.417
External Subscriptions	36.224	40.689

Legend: ☐ Cloud   ■ ColumbusCare Contracts   ▨ Columbus Subscriptions   ■ External Subscriptions
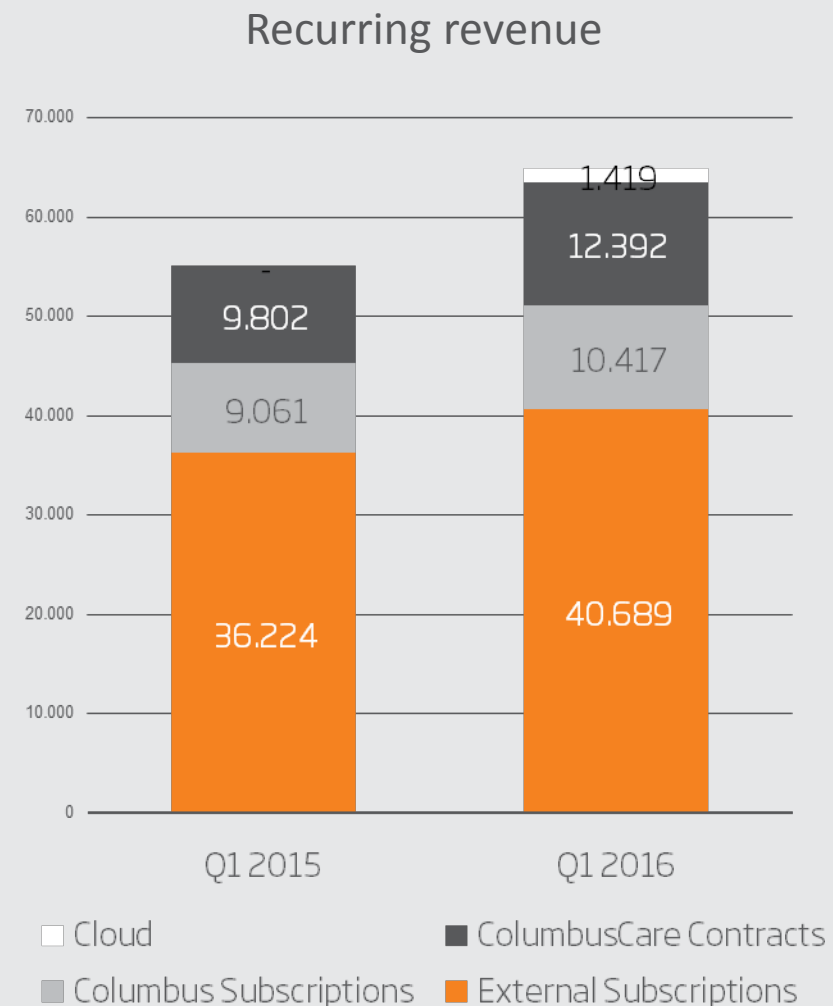
Geographical & Business segments

Western Europe

Overview

mDKK	Q1 2016	Q1 2015	Δ	Δ%
Net sales	137,1	127,8	9,2	7%
EBITDA	13,9	8,3	5,6	68%
Recurring revenue of total revenue	20%	19%	1%	4%

Columbus Software

Subscriptions (mDKK): Q1 2015 = 2,8; Q1 2016 = 2,8
Licenses (mDKK): Q1 2015 = 4,5; Q1 2016 = 2,2

Consultancy

Service Revenue: Q1 2015 = 97,1; Q1 2016 = 109,6

3rd party software

Subscriptions (mDKK): Q1 2015 = 15,3; Q1 2016 = 15,1
Licenses (mDKK): Q1 2015 = 5,9; Q1 2016 = 5,1
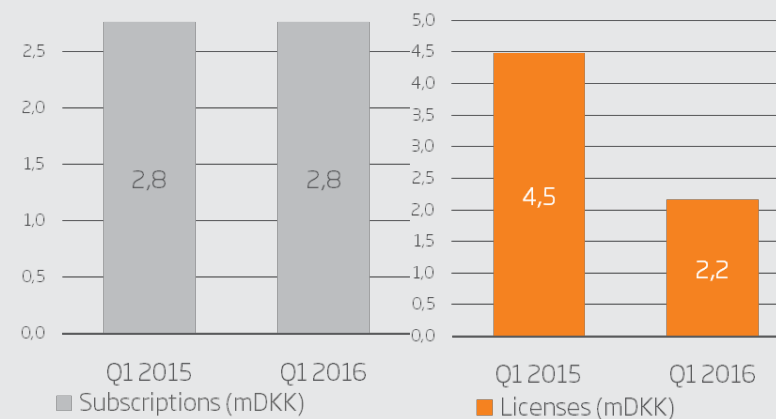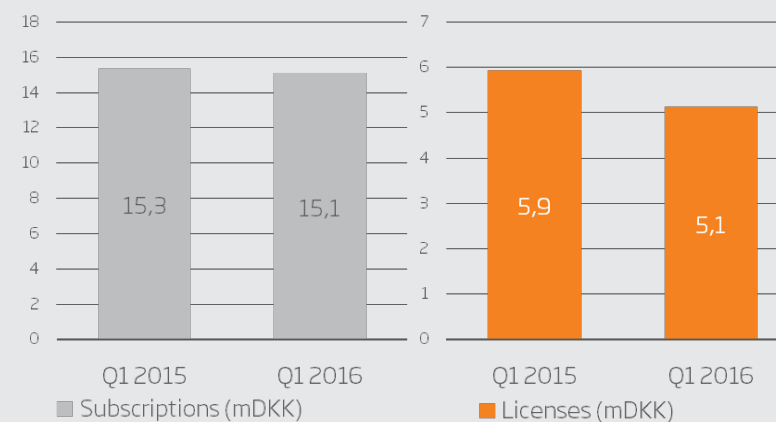
Eastern Europe

Overview

mDKK	Q1 2016	Q1 2015	Δ	Δ%
Net sales	29,0	30,1	-1,1	-4%
EBITDA	2,4	2,1	0,3	16%
Recurring revenue of total revenue	19%	19%	1%	3%

Columbus Software

Subscriptions (mDKK): Q1 2015 = 0,4; Q1 2016 = 0,3
Licenses (mDKK): Q1 2015 = 0,8; Q1 2016 = 0,4

Consultancy

Service Revenue: Q1 2015 = 23,2; Q1 2016 = 21,0

3rd party software

Subscriptions (mDKK): Q1 2015 = 4,4; Q1 2016 = 4,8
Licenses (mDKK): Q1 2015 = 1,1; Q1 2016 = 2,1
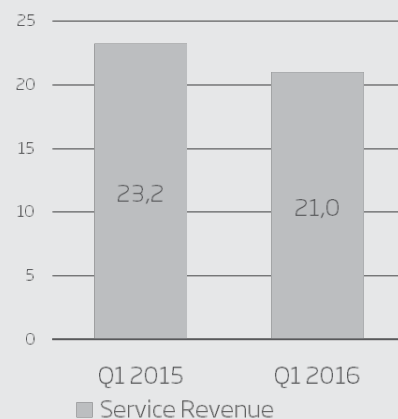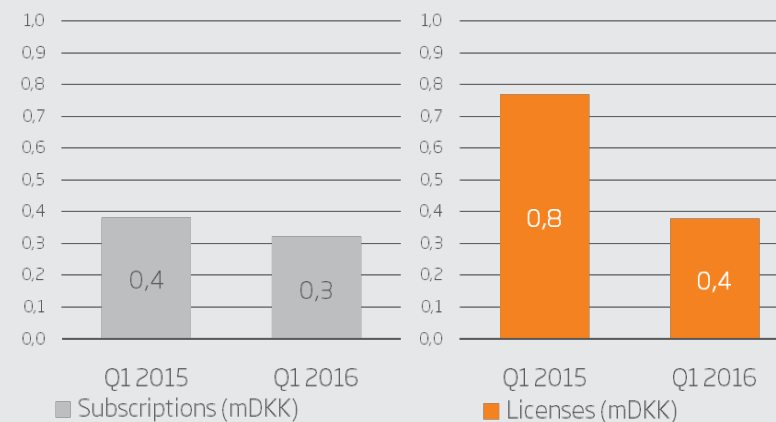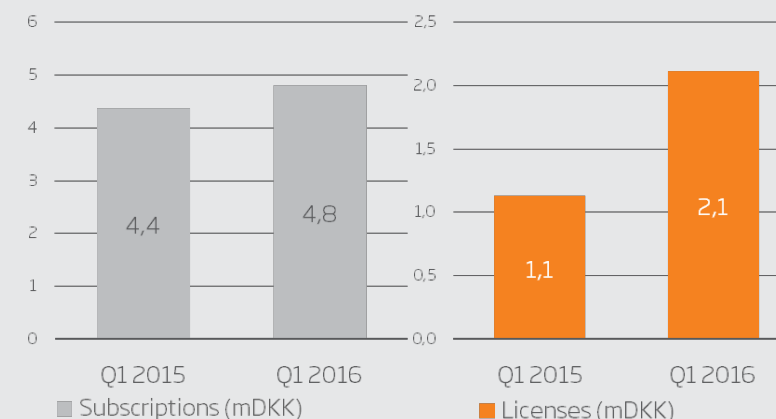
Northern America

Overview

mDKK	Q1 2016	Q1 2015	Δ	Δ%
Net sales	100,2	74,5	25,7	35%
EBITDA	5,3	1,0	4,3	445%
Recurring revenue of total revenue	25%	26%	-1%	-3%

Columbus Software

Subscriptions (mDKK): Q1 2015 = 0,7; Q1 2016 = 1,1
Licenses (mDKK): Q1 2015 = 0,7; Q1 2016 = 0,4

Consultancy

Licenses (mDKK): Q1 2015 = 46,1; Q1 2016 = 63,4

3rd party software

Subscriptions (mDKK): Q1 2015 = 16,6; Q1 2016 = 22,3
Licenses (mDKK): Q1 2015 = 8,3; Q1 2016 = 11,0
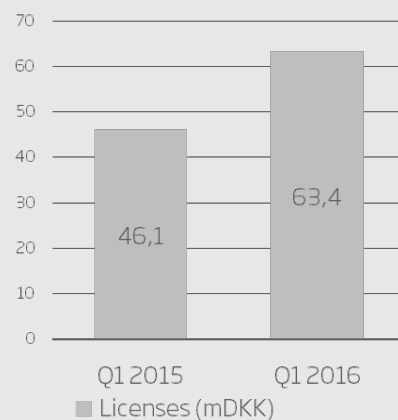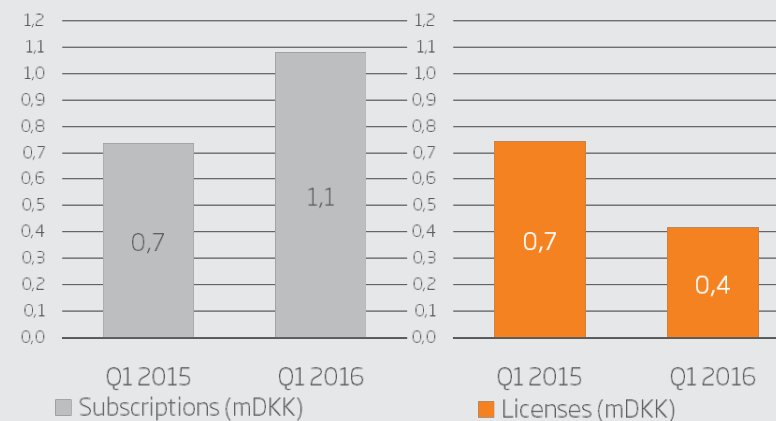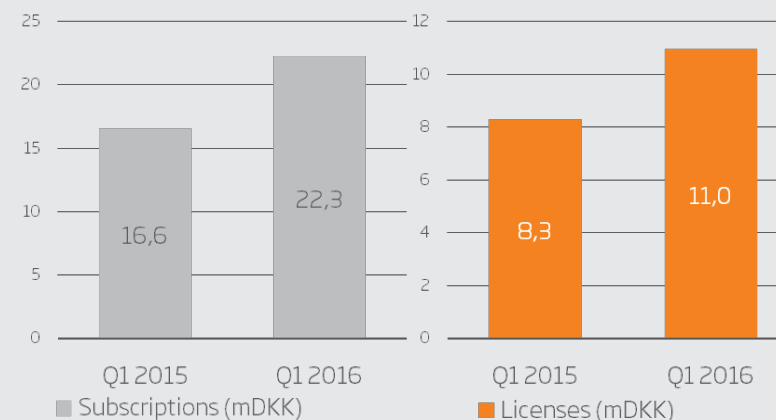
Columbus Software ISV

- Revenue in our Software ISV Business grew by 8%

- EBITDA at the same level as last year

- 9% increase in recurring revenue

- 7% increase in sale of Columbus Software

Overview

mDKK	Q1 2016	Q1 2015	Δ	Δ%
Net sales	19,9	18,4	1,4	8%
EBITDA	9,7	9,6	0,0	0%
Recurring revenue of total revenue	49%	45%	4%	9%

Columbus Software

Subscriptions (mDKK): Q1 2015 = 9,1; Q1 2016 = 10,4
Licenses (mDKK): Q1 2015 = 8,1; Q1 2016 = 8,0
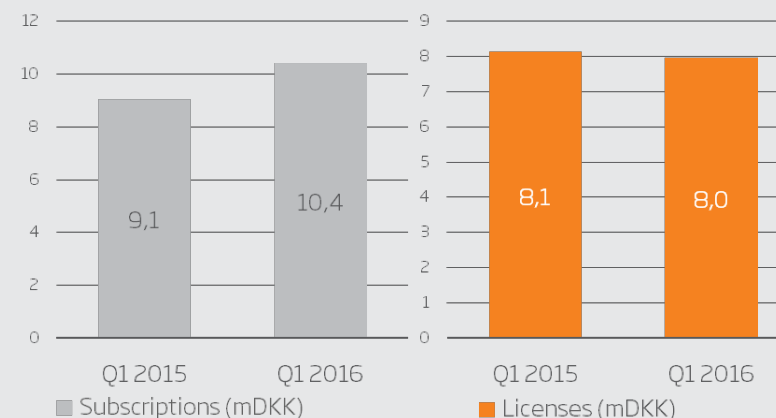
Short- and long-term Guidance

Maintinaing financial guidance for 2016

Revenue, in the range of
DKK 1.2bn

EBITDA*, in the range of
DKK 120m

Service EBITDA, in the range of
DKK 80m

Software revenue, in the range of
DKK 105m

Dividend
10% dividend
on nominal share capital

Short-term guidance

* EBITDA before share-based payment

Long-term guidance for 2018

Revenue

10% growth

average per year

EBITDA

10%

EBITDA margin per year

Recurring revenue

30%

Of total revenue in 2018

Dividend

10% pay-out

of nominal value each year

Long-term guidance

Thank You!

Questions

Upcoming events

Presentation of Q1 Result

2 May 2016, 13:30 at ABG Sundal Collier

Interim Report H1 2016

25 August 2016

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