

Release no. 20/2017

## Company announcement

# Columbus maintains momentum in first half 2017

*In first half of 2017 revenue increased by 8%, and EBITDA\* increased by 7%. Growth in the services business and cloud are driving the results. Columbus2020 execution is on track.*

Columbus has today published the Interim Report for first half of 2017, cf. release no. 19/2017.

### **Growth driven by the services business**

In the first half of 2017, revenue amounted to DKK 642m (H1 2016: DKK 595m), an increase of 8% compared to the same period last year. EBITDA\* amounted to DKK 71.2m (H1 2016: DKK 66.8m), corresponding to an increase of 7%.

The revenue growth was primarily driven by growth in the services business, where revenue increased by 10%. The increase in EBITDA\* was driven by a 14% increase in earnings in the services business.

The results are in line with the announced expectations for the year.

### **Improved operation generated growth in earnings in the services business**

In first half 2017 service EBITDA increased from DKK 41.8m to DKK 47.9m, an increase of 14%. The increase is due to higher realized hourly rates and acquisitions. Further, increased utilization of Columbus' Global Delivery Center in India is a considerable parameter in the improvement of service EBITDA.

### **Columbus Software sales as expected**

In first half 2017 Columbus Software sales declined by 11%. License sales decreased by 40% due to the cloud conversion. Revenue from subscriptions increased by 17% due to a satisfactory renewal rate of previous years' sale of licenses.

Columbus cloud revenue amounted to DKK 1.6m. The development is in line with expectations.

### **ColumbusCare and cloud drive growth in recurring revenue**

In the first half of 2017, the recurring revenue increased by 16%. The progress is driven by a significant growth in the sale of ColumbusCare contracts, which increased by 67%, as well as an increase in the total cloud revenue of 120% to DKK 5.5m.

Recurring revenue constituted 27% of total revenue (H1 2016: 25%).

### **Acquisitions in 2017**

In January 2017 Columbus acquired the US IT services company, Tridea Partners LLC, which holds a leading position within ERP and CRM in the growing food and beverage industry in the US.

DKK '000	H1 2017	H1 2016	2016
Columbus Software licenses	13,571	22,554	44,187
Columbus Software subscriptions	27,164	23,271	46,876
External software licenses	53,473	47,662	86,495
Eksternal software subscriptions	106,090	99,776	195,164
Services	431,323	390,778	796,401
Other	10,694	10,496	23,584
Total net revenue	642,315	594,537	1,192,707
EBITDA before share-based payment	71,177	66,754	144,070
Share-based payment	-1,158	-1,091	-5,524
EBITDA	70,019	65,663	138,546

*"I am satisfied with the results for first half, where we deliver growth in both revenue and EBITDA despite the cloud conversion. I am particularly satisfied with the growth in our ColumbusCare and cloud businesses, which I expect will constitute a considerably larger part of our business in the future", says CEO & President in Columbus, Thomas Honoré.*

### Columbus maintains expectations for 2017

Columbus maintains the previously announced expectations for 2017:

- Revenue in the level of DKK 1.35bn
- EBITDA\* in the level of DKK 150m
- Columbus Software revenue of DKK 80m
- Service EBITDA of DKK 140m
- 10% dividend on nominal share capital

### Latest developments

No events or transactions with a material effect on the company's financial position have occurred since the balance sheet date.

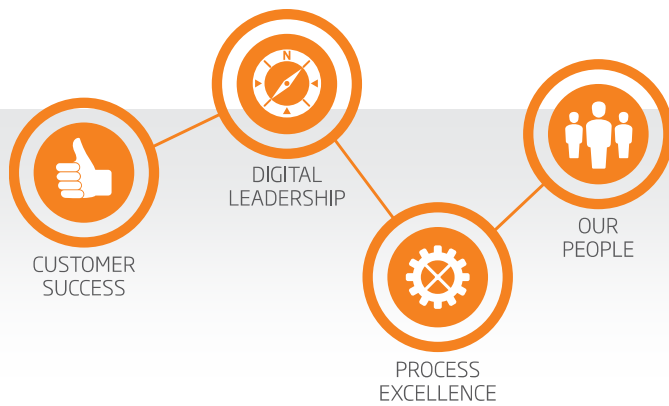
\*EBITDA before share-based payment

Ib Kunøe  
Chairman of the Board  
Columbus A/S

Thomas Honoré  
CEO & President  
Columbus A/S

For further information, please contact:  
CEO & President, Thomas Honoré .: +45 70 20 50 00

# Columbus® | 2020



## Columbus' Columbus2020 strategy - towards growth

Based on Columbus' strengthened position, as a result of successful execution of the Columbus15 strategy, the company launched a growth strategy in March. The strategy is named Columbus2020 and consists of four interconnected strategic elements.



### Customer Success - Taking care of our customers for life

Columbus' fundamental goal is to take care of our customers for life. Columbus aims to be widely recognized as a strategic business partner that enhances our customer's success by improving the value realization of

their ERP-investments and by leading them in the digital transformation of their business. This means that Columbus will intensify the focus on creating a unique customer experience and increase customer

satisfaction from the customer meet Columbus for the first time to delivering unique solutions, high quality services and streamlined project delivery and support 24/7.



### Digital Leadership - Accelerate business innovation

Columbus helps our customers in the digital transformation of their business. With Digital Leadership Columbus has two focus areas. Firstly, Columbus will continue to strengthen our leadership position within ERP by investing in new companies, applications,

methodologies and business processes that optimizes and improves the implementation of ERP-solutions. Secondly, Columbus will establish a leadership position within Digital Transformation. Many companies are about to or in the process of transforming their

business in order to succeed in the digital economy. Columbus will develop solutions and services within cloud, mobile, social, analytics and Internet of Things that help companies take advantage of the digital opportunities.



### Process Excellence - Quality in everything we do

In Columbus, we constantly strive to optimize and streamline our business operations in order to achieve strong sales excellence and deliver projects, services and support of high

quality to our customers. Our goal is to create the best customer experience in the industry. The focal point is quality in everything we do - from the initial contact with customers,

over sales and design of the business solution to the implementation process and lifetime support. This means an intense focus on optimizing and streamlining our processes globally.



### Our People - Attract, develop and retain the best people

Columbus' greatest asset is our employees and therefore it is crucial that we attract and retain the best people in the industry. We want to attract highly skilled people by

providing challenging career opportunities, attractive working conditions and professional and personal growth. Columbus want to create a customer culture, where

meeting the customers' expectations sets the direction in everything we do. This means that Columbus always strives to deliver projects on time, within budget and at the highest quality.