

Release no. 23/2015

## Interim Management Statement for Q3 2015

# Columbus delivers revenue growth of 28% and increases EBITDA<sup>1</sup> by 12%

In accordance with the regulations for listed companies' submission of interim statements, Columbus A/S hereby submits the interim management statement for the period 01.01.2015-30.09.2015 (9 months).

### Increased revenue in Q3 due to acquisitions and sale of Columbus Software

Revenue in Q3 YTD amounted to DKK 800.3m (2014: DKK 627.1m), corresponding to an increase of 28% compared to the same period last year. The revenue growth is primarily driven by acquisitions and a significant growth in sale of Columbus Software.

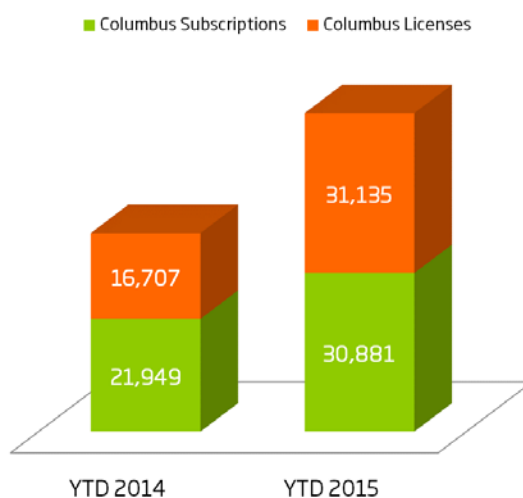
EBITDA<sup>1</sup> amounted to DKK 51.1m (2014: DKK 45.5m), corresponding to an increase of 12% compared to the same period last year.

### Columbus Software: Strong growth contributes to revenue and EBITDA increase

Columbus' software sale increased YoY by 60%. Both sale of Columbus licenses and Columbus subscriptions increased considerably.

The increase in sale of Columbus Software significantly contributes to the growth in the company's total revenue and EBITDA in Q3 YTD.

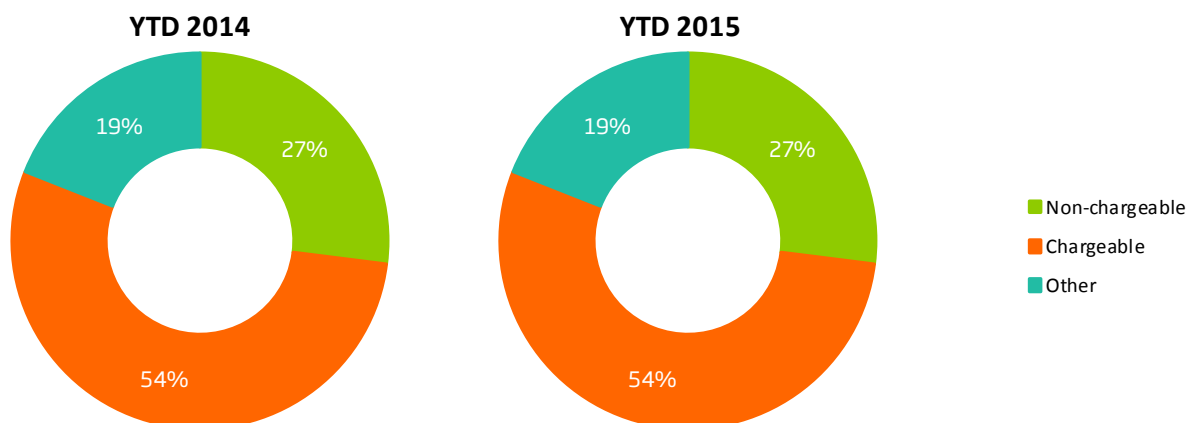
**Sale of Columbus Software (DKK '000)**



<sup>1</sup> EBITDA before share-based compensation

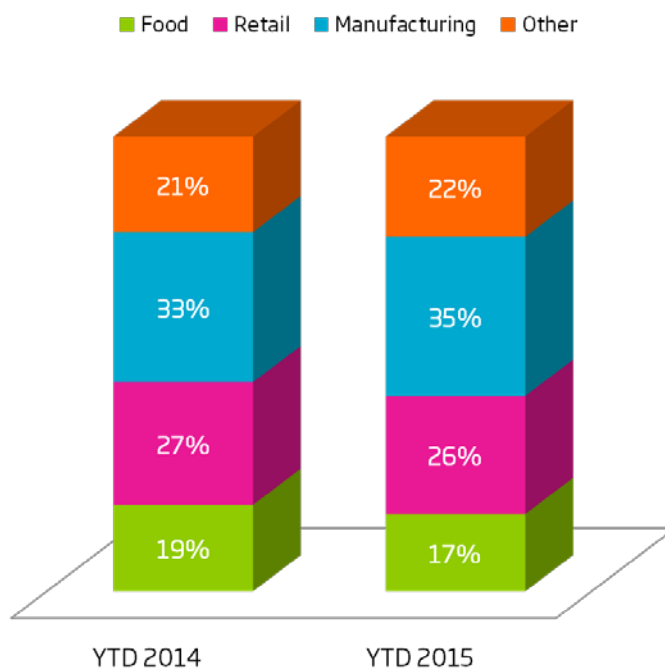
### Revenue growth in the consultancy business

The sale of consultancy services increased by 18% in Q3 YTD compared to Q3 YTD 2014. However, the productivity in the consultancy business is at the same level as last year, which is primarily due to operational challenges in Columbus' Norwegian subsidiary.



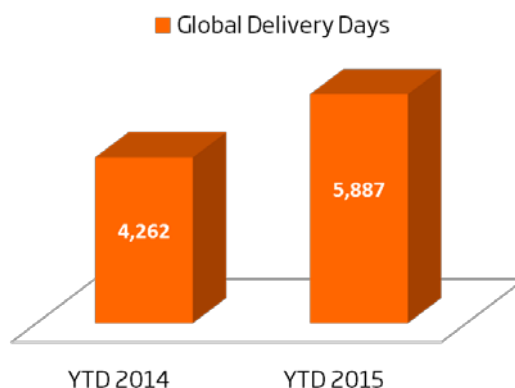
### Industry solutions in line with expectations

In Q3 YTD, sale of industry solutions to the food, retail and manufacturing industries constituted 78% of the total revenue, which is at the same level as last year. The acquisitions are not yet fully aligned with Columbus' industry verticalization model. However, the development is in line with expectations and the result satisfactory.



### Volume increase in Columbus' Global Delivery Center

Columbus' Global Delivery Center shows growth in delivery volume of 38% in Q3 YTD compared to Q3 2015 and delivers 5,887 global delivery days for customer support and implementations.



### Acquisitions and organic growth strengthen Columbus' position in the US

Columbus US subsidiary delivered strong progress in Q3 YTD due to both organic growth and acquisitions. In general, the US subsidiary has experienced increased customer intake during Q3.

On 1 July 2015, Columbus acquired the US consultancy business Sherwood Systems with more than 300 customers. The acquisition of Sherwood System supports Columbus' strategy to expand and strengthen the company's position in the US market, stated earlier this year with the acquisition of the coast-to-coast consultancy InterDyn BMI. The integration of the two businesses are progressing as planned.

### Continuous recovery of Columbus Norway

Columbus Norway is still facing operational challenges. Columbus continues to execute recovery plans including re-organization and staff reduction, while keeping a strong focus on increasing sales, and deliver profitable and high quality projects to customers.

### Development in revenue

Revenue increased primarily due to the acquisitions and the growth in sale of Columbus Software.

DKK '000	YTD 2015	YTD 2014	2014
Columbus licenses	31,135	16,707	28,782
Columbus subscriptions	30,881	21,949	33,059
External licenses	66,919	46,277	73,891
External subscriptions	131,482	83,054	124,350
Consultancy	525,730	445,935	596,942
Other	14,166	13,153	21,267
<b>Net revenue</b>	<b>800,313</b>	<b>627,075</b>	<b>878,291</b>
EBITDA before share-based compensation	51,111	45,521	81,591
Share-based compensation	-944	-2,136	-2,887
<b>EBITDA</b>	<b>50,167</b>	<b>43,385</b>	<b>78,704</b>

**Expectations to revenue and EBITDA are being maintained**

The announced expectations to 2015 are being maintained, and thus Columbus expects revenue in the level of DKK 1.03bn and EBITDA<sup>2</sup> in the level of DKK 94m in 2015.

**Latest developments**

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

Ib Kunøe  
Chairman  
Columbus A/S

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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.

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<sup>2</sup> EBITDA before share-based compensation

## Income statement

DKK '000	YTD 2015	YTD 2014	2014
Net revenue	800,313	627,075	878,291
External project costs	-193,139	-139,176	-204,491
<b>Gross profit</b>	<b>607,174</b>	<b>487,899</b>	<b>673,800</b>
Staff expenses and remuneration	-452,212	-355,284	-476,614
Other external costs	-106,322	-87,677	-117,004
Other operating income	2,494	604	1,440
Other operating cost	-23	-21	-31
<b>EBITDA before share-based payment</b>	<b>51,111</b>	<b>45,521</b>	<b>81,591</b>
Share-based payment	-944	-2,136	-2,887
<b>EBITDA</b>	<b>50,167</b>	<b>43,385</b>	<b>78,704</b>
Depreciation	-21,156	-17,555	-25,811
<b>Operating profit (EBIT)</b>	<b>29,011</b>	<b>25,830</b>	<b>52,893</b>
Financial income	5,142	4,942	6,371
Financial expense	-230	-684	-564
<b>Profit before tax</b>	<b>33,923</b>	<b>30,088</b>	<b>58,700</b>

## Balance sheet

DKK '000	YTD 2015	YTD 2014	2014
<b>ASSETS</b>			
Goodwill	314,390	187,606	198,622
Other intangible assets	22,179	2,640	2,568
Development projects finalized	33,283	35,116	46,970
Development projects in progress	21,089	11,018	1,233
<b>Intangible assets</b>	<b>390,941</b>	<b>236,380</b>	<b>249,393</b>
Leasehold improvements	109	161	148
Plant and operating equipment	12,781	7,683	8,500
<b>Tangible assets</b>	<b>12,890</b>	<b>7,844</b>	<b>8,648</b>
Deferred tax assets	21,745	17,885	19,400
<b>Total long-term assets</b>	<b>425,576</b>	<b>262,109</b>	<b>277,441</b>
Inventories	517	153	270
Trade receivables	134,228	117,400	144,091
Contract work in progress	13,936	13,133	8,491
Corporate tax	6,043	40	4,106
Other receivables	10,320	5,718	8,024
Prepayments	6,518	8,090	8,777
<b>Receivables</b>	<b>171,045</b>	<b>144,381</b>	<b>173,488</b>
Cash	40,802	81,788	99,018
<b>Total short-term assets</b>	<b>212,364</b>	<b>226,322</b>	<b>272,777</b>
<b>TOTAL ASSETS</b>	<b>637,940</b>	<b>488,431</b>	<b>550,218</b>

## Balance sheet

DKK '000	YTD 2015	YTD 2014	2014
<b>EQUITY AND LIABILITIES</b>			
Share capital	142,123	137,831	137,831
Reserves on foreign currency translation	-8,279	-9,794	-12,693
Retained profit	216,472	171,096	186,980
Proposed dividends	0	0	13,783
<b>Group shareholders equity</b>	<b>350,316</b>	<b>299,133</b>	<b>325,901</b>
Minority interests	2,135	3,357	4,233
<b>Equity</b>	<b>352,451</b>	<b>302,490</b>	<b>330,134</b>
Deferred tax	421	207	281
Provisions	21,440	5,696	5,172
Other liabilities	0	1,270	1,270
<b>Non-current liabilities</b>	<b>21,861</b>	<b>7,173</b>	<b>6,723</b>
Debt to credit institutions	16,426	7,403	6
Client prepayments	31,862	20,339	19,542
Trade accounts payable	43,727	35,267	58,620
Corporate tax	8,493	4,606	7,430
Other liabilities	138,626	91,049	102,399
Accruals	24,494	20,104	25,364
<b>Current liabilities</b>	<b>263,628</b>	<b>178,768</b>	<b>213,361</b>
<b>Total liabilities</b>	<b>285,489</b>	<b>185,941</b>	<b>220,084</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>637,940</b>	<b>488,431</b>	<b>550,218</b>

## Segment data

In order to support decisions about allocation of resources and assessment of performance of the segments, the Group's internal reporting to the Board of Directors of the Parent Company is based on the following grouping of operating segments:

Strategic business areas	Description	Geographical segment
ISV (Independent Software Vendor)	Development and sale of industry-specific software within Columbus' three focus industries: Retail, food and manufacturing	No specific area
Consultancy	Sale and implementation of standard business systems.	Western Europe Eastern Europe North America

Information about the Group's segment is stated below.

DKK '000	Consultancy						Total
	ISV	Western Europe	Eastern Europe	North America	HQ, GDC and Eliminations		
<b>YTD 2015</b>							
Columbus licenses	22,766	10,689	2,484	4,597	-9,401	31,135	
Columbus subscriptions	24,651	9,027	808	3,950	-7,555	30,881	
External licenses	0	23,319	10,739	32,836	25	66,919	
External subscriptions	-128	49,585	16,489	65,723	-187	131,482	
Consultancy	12,318	291,574	67,931	166,491	-12,584	525,730	
Other	463	5,771	1,360	6,487	85	14,166	
<b>Total net revenue</b>	<b>60,070</b>	<b>389,965</b>	<b>99,811</b>	<b>280,084</b>	<b>-29,617</b>	<b>800,313</b>	
Gross profit	52,061	293,284	72,695	177,415	11,719	607,174	
EBITDA	28,247	30,159	5,673	7,194	-21,106	50,167	

DKK '000	Consultancy						Total
	ISV	Western Europe	Eastern Europe	North America	HQ, GDC and Eliminations		
<b>YTD 2014</b>							
Columbus licenses	11,807	7,599	1,835	1,583	-6,117	16,707	
Columbus subscriptions	18,739	6,066	642	2,464	-5,962	21,949	
External licenses	0	23,108	13,305	10,022	-158	46,277	
External subscriptions	241	43,992	15,253	24,707	-1,139	83,054	
Consultancy	10,471	294,025	81,689	68,573	-8,823	445,935	
Other	625	7,788	2,026	2,539	175	13,153	
<b>Total net revenue</b>	<b>41,883</b>	<b>382,578</b>	<b>114,750</b>	<b>109,888</b>	<b>-22,024</b>	<b>627,075</b>	
Gross profit	38,029	286,548	86,949	74,171	2,202	487,899	
EBITDA	17,516	33,959	10,281	1,129	-19,500	43,385	