

Company announcement

Columbus divests US SMB Business Unit as part of focus strategy

Today, Columbus A/S has entered into an agreement to divest its US Microsoft Dynamics SMB business to the Microsoft cloud company Enavate, located in Colorado US

As part of Columbus' Focus23 strategy to focus on digital advisory and services to larger customers, the company has entered into an agreement with the US-based Microsoft cloud company Enavate to take over the SMB Business Unit in Columbus US.

"The divestment of the US SMB Business Unit is part of Columbus' new strategic direction to simplify the business and focus on digital advisory and services to larger companies. The divestment ensures that our SMB customers have a partnership with a company with a strategic focus on solutions addressing their business needs", says Søren Krogh Knudsen, CEO & President, Columbus.

Columbus' market approach in the US is divided into two Business Units:

- An Enterprise Business Unit serving larger customers focused on Microsoft Dynamics 365.
- An SMB Business Unit serving small customers focused on Microsoft Dynamics 365 Business Central, Microsoft Dynamics NAV and Microsoft Dynamics GP.

The divestment comprises the SMB Business Unit including 55 employees and comprising up to 1,400 customers.

"We are excited to welcome the Columbus team members to Enavate. This new team will help us keep pace with businesses' needs to move to the security, continuity and convenience of the cloud. In addition to the technical and client-focused expertise delivered by these professionals, this acquisition will help Enavate meet the increasing demand for on time, on budget, client focused ERP implementations. This acquisition is a key milestone in our journey to attaining the goals of our Vision 2024 - being the worldwide leader in the Microsoft Dynamics SMB space. This team is a great addition to our organization; invested in client success", says Thomas Ajspur, CEO of Enavate.

The Focus23 strategy entails a more focused and simplified operation with increased focus on larger customers and a more digital advisory approach with the goal of unleashing the full growth potential and make it possible to gradually increase organic growth to minimum 10% annually from 2023.

The total net proceeds of USD 16.5m are paid in two installments, USD 8.0m in cash at completion and additional USD 8.5m in cash at the latest 30 April 2022. The sale of the US SMB Business will have marginal impact on the corporate equity.

Financial Implications and Outlook

The divestment will impact full year revenue with approx. DKK 150m and EBITDA with approx. DKK 25m.

About Columbus

Columbus is a global digital consultancy headquartered in Denmark. For +30 years, we have helped more than 5.000 ambitious companies transform, maximize, and futureproof their business digitally. Columbus employs more than 1,800 digital advisors and consultants focused on the manufacturing-, retail & distribution-, and food & process industries. We offer end-to-end digital services and solutions within Strategy & Change, Cloud ERP, Data & Analytics, Application Management, Digital Commerce, and Customer Experience. Columbus has offices and partners all over the world and we deliver our solutions and services locally – on a global scale. www.columbusglobal.com

About Enavate

Enavate is a technology company that transforms businesses and the lives they touch through services and solutions spanning industry, platform and functionality. A Microsoft Gold Partner and NetSuite Solution Provider, the Enavate team of 450 professionals helps organizations get to the cloud, maximize technology investments and drive new business. We cultivate a robust partner network to ensure availability of a broad range of solutions so we may meet client needs and exceed expectations. Enavate provides consulting, software implementations, systems upgrades, Cloud deployments and managed IT services to more than 1,800 clients across North America. Learn more about Enavate, our Vision 2024, our culture of empowerment, and our fresh approach to helping companies innovate, grow and navigate change at www.enavate.com.

Ib Kunøe
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