

## UNIT4 announces revenue growth for Q3 2013

- **SaaS and subscription revenues continue to increase;**
- **EBITDA increases 16 per cent.**

*Slidrecht, 22 October, 2013:* UNIT4, the global leader in software that supports business change is pleased to announce total revenue growth for the third quarter of 2013, with an increasing move towards subscription invoicing (SaaS). Demand for cloud-based solutions, which include not only FinancialForce.com but also its core UNIT4 Coda and Agresso solutions, continues to gain momentum with increasing interest from existing and prospective customers in both private and public sectors around the world.

Key trading and operational highlights:

- Total Q3 revenue up 5% on Q3 2012 to €116.0 million;
- SaaS & subscription revenues increased by more than 40% to €17.6 million and remains larger than traditional license revenue;
- FinancialForce.com, the cloud applications company in which UNIT4 is the majority investor, continued to perform strongly with SaaS revenue growing close to 80% compared to Q3 2012;
- Product (license) revenues decreased by 3% to €16.6 million;
- EBITDA grew 16% to €23.7 million (Q3 2012: €20.5 million), in spite of increased investment in FinancialForce.com;
- Excluding FinancialForce.com, EBITDA increased 17% from €22.6 million in Q3 2012 to €26.5 million in Q3 2013, representing an EBITDA margin of 23.7%;
- Shareholders approved the evolution to a one-tier Board, the appointment of Chris Ouwinga as non-Executive Chairman of the Board and the appointment of José Duarte as statutory board member and sole CEO of UNIT4 as of January 1<sup>st</sup> 2014.

Strong and growing demand for cloud solutions was seen across virtually all country operations. We continued to enjoy success in the UK largely driven by the successful partnerships it has established with major systems integrators and outsourcing companies. Strong sales were made in education, local government and non-profit organizations while other large public sector implementations continued extremely well. North America performed well including further sales into the education and travel sectors.

Chris Ouwinga, founder and co-CEO, said: "Growth has been good across the group, but we are particularly excited to see great traction in FinancialForce.com. Given the opportunities in the market, we will continue to push for very strong growth in the business, even if that pushes the point where we reach profitability further into the future."

In Q3 UNIT4 opened an office in Australia in order to provide better local support to existing clients and partners as well as to ramp up sales and marketing activities in the region. It continued to invest in its new global business unit for Higher Education and Research, sponsoring and running events in Australia and Singapore.

José Duarte, co-CEO of UNIT4, said: "UNIT4 is unique in having successfully transitioned to being a cloud software company whilst continuing to grow profitability, increasing penetration in key sectors around the world and expanding geographically. We continue to prove that our focus on helping organizations to manage change also applies to our own operations in a market which is seeing unprecedented rates of change."

Edwin van Leeuwen, CFO of UNIT4, commented: "We continue to report steady and growing success around our cloud and subscription offerings and the gradual transition from upfront license sales towards greater adoption of subscription based pricing. Should the larger deals, typically seen in the last few months of the trading year, be sold as cloud solutions, we expect there to be a negative impact on the EBITDA margin for Q4 2013. This is simply because we can only recognize a small percentage of revenue from cloud sales compared to more traditional license sales in the short term, albeit building greater sustainable and recurring revenues through our SaaS and subscription based model for the future."

For this reason and in spite of the strong performance in the first nine months of 2013, UNIT4 management has not changed its outlook and reconfirms its full year target of achieving single digit growth in revenue with an EBITDA (without FinancialForce.com and excluding reorganization costs) in the range of €105 - €115 million. Total EBITDA including investments in FinancialForce.com but excluding reorganizations is expected to be in the range of €95 - €105 million.

*This document contains certain future expectations about the financial state of affairs and results of the activities of UNIT4 as well as certain related plans and objectives. Such expectations for the future are naturally associated with risks and uncertainties because they relate to future events, and as such depend on certain circumstances that may not arise in future. Various factors can cause real results and developments to deviate considerably from explicitly or implicitly made statements about future expectations. Such factors may for instance be changes in expenditure by companies in important economies, statutory changes and changes in financial markets, in pension costs, in the salary levels of employees, in future exchange and interest rates, in future takeovers or divestitures and the pace of technological developments. UNIT4 therefore cannot guarantee that the expectations will be realized. UNIT4 also refuses to accept any obligation to update statements made in this document.*

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**About UNIT4 – [www.UNIT4.com](http://www.UNIT4.com)**

UNIT4 is a global business software and services company aimed at helping dynamic public sector and commercial services organisations to embrace change simply, quickly and cost effectively in a market sector it calls 'Businesses Living IN Change' (BLINC)<sup>™</sup>. The Group incorporates a number of the world's leading change embracing software brands including Agresso, our flagship ERP suite for mid-sized and large services intensive organisations; Coda, our best-of-class financial management software; and FinancialForce.com, the cloud applications company formed with investment from salesforce.com.

With operations in 26 countries worldwide, revenue of €469.8 million was realised in 2012.

UNIT4 is headquartered in Sliedrecht, the Netherlands and has over 4,000 employees. It is listed on Euronext Amsterdam by NYSE Euronext and is included in the Amsterdam Midcap Index (AMX).

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