Q3 2026 Business Review

Northwind Technologies · Board quarterly report

Business Operations · Finance

October 15, 2026

1 Key figures

The group booked **USD 68.0 million** in revenue in Q3, up ▲ **18.4%** year on year — the **sixth** quarter in a row of double-digit growth. Gross margin reached **32.7%**, a record since the IPO. Operating cash flow exceeded net profit for the first time; days sales outstanding remain above target and are a priority for Q4[1].

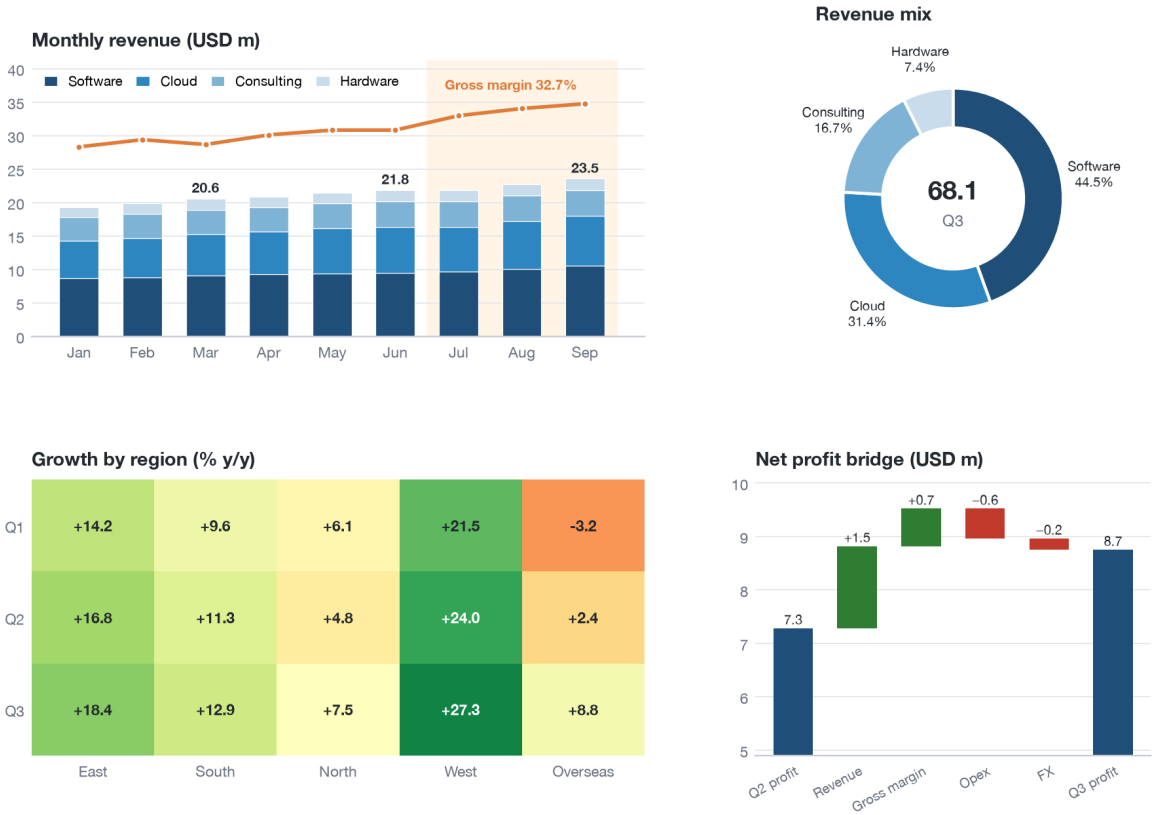


Figure 1 Q3 dashboard: (a) monthly revenue by product line and gross margin; (b) revenue mix; (c) growth by region; (d) net profit bridge

[1] Days sales outstanding = closing receivables ÷ quarterly revenue × 91.

Table 1 Key figures against budget, Q3 2026

Area	Measure	Q3 2026			y/y	Status
		Actual	Budget	vs budget		
Scale	Revenue (USD m)	**68.0**	64.4	105.7%	+18.4%	● Ahead
	New contracts (USD m)	**85.7**	77.0	111.3%	+26.1%	● Ahead
Profit	Gross margin	**32.7%**	31.5%	+1.2 pt	+1.9 pt	● Ahead
	Net profit (USD m)	**8.7**	8.4	103.3%	+21.6%	● On track
Cash	Operating cash flow (USD m)	**9.9**	7.7	129.1%	+48.0%	● Ahead
	Days sales outstanding	**96**	85	−11 days	+7 days	▲ Watch

Important

Cloud now makes up **31.4%** of revenue (Figure 1b) and has become our second growth engine; the West has led regional growth for three quarters running.

2 Regions

Table 2 Revenue by region and product line (USD m)

Region	Market	Software		Cloud		Total
		Q3	y/y	Q3	y/y	
East	New York	5.9	+12%	4.3	+41%	12.0
	Boston	5.3	+19%	3.4	+36%	9.9
	Philadelphia	4.6	+15%	2.8	+28%	8.4
South	Atlanta	5.0	+9%	3.1	+24%	9.2
	Miami	2.0	+6%	1.0	+18%	3.4
North	Chicago, Detroit	4.1	−2%	2.5	+15%	7.7
West	Seattle, Denver	2.9	+22%	2.8	+47%	7.0
Overseas	SE Asia, Middle East	0.4	—	1.5	+120%	2.5
Group total		**30.2**	**+22.5%**	**21.4**	**+31.8%**	**68.0**

2.1 Quality of earnings

A DuPont breakdown of return on equity shows all three drivers improving:

$$\text{ROE} = \underbrace{\frac{\text{Net profit}}{\text{Revenue}}}_{\text{margin } 12.8\%} \times \underbrace{\frac{\text{Revenue}}{\text{Total assets}}}_{\text{turnover } 0.64} \times \underbrace{\frac{\text{Total assets}}{\text{Equity}}}_{\text{leverage } 1.71} \approx 14.0\% \tag{1}$$

Customer lifetime value follows Eq. (2); for cloud, $\text{LTV}/\text{CAC} = 4.3$, well above the industry rule of thumb of 3.0:

$$\text{LTV} = \sum_{t=1}^{T} \frac{m \cdot \text{ARPU}_t \cdot r^{\,t-1}}{(1+d)^t}, \qquad r = 1 - \text{churn},\ d = 8\% \tag{2}$$

> **Management view**
>
> Of the margin gain, **0.9 pt** comes from the product mix (more high-margin cloud) and **0.3 pt** from delivery automation; see Key figures and Table 2.

3 Risks and Q4 plan

Table 3 Main risks and responses

Risk	Likelihood	Impact	Response	Owner
Late payment by key accounts	High	High	Staged milestones in contracts, weekly collection	Finance
Software decline in the North	Med	Med	Channel changes, subscription bundle	North region
Currency swings overseas	Med	Low	Forwards covering 60% of exposure	Treasury

- ☒ Grow the cloud delivery team by 30 (22 hired)
- ☒ Launch deployment automation platform 2.0
- ☐ Bring days sales outstanding below **85**
- ☐ Open a local service centre in the Middle East

> “Quality of growth matters more than speed.” — Chair, Q3 operating review