

data amplified™

PARIS 2017

THE FUTURE OF BUSINESS REPORTING

WYSIWYG

A Vision for Digital Corporate Reporting

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Background of the R&D

- New ESMA regulations impact a wide market of Filers
- Majority of newcomers have no experiences with XBRL
- Implementing XBRL remains a challenging task demanding users to learn XBRL technology

Assumptions

- Structure of most ESMA reports would follow the same pattern – plain text paragraphs with common data tables between them
- Listed companies have established processes to gather necessary report data
- Listed companies have established processes to beautify the report to the desired form
- Input data (at least their part) are already available in some external solutions
- The major issue remains conversion of final report content to format demanded by regulator (Inline XBRL)
- ESMA's taxonomy (and derived taxonomies) structure will be easily accepted/understood by the market – it's based on IFRS
- Taxonomy extensions may happen and would be done by business users without deep XBRL knowhow

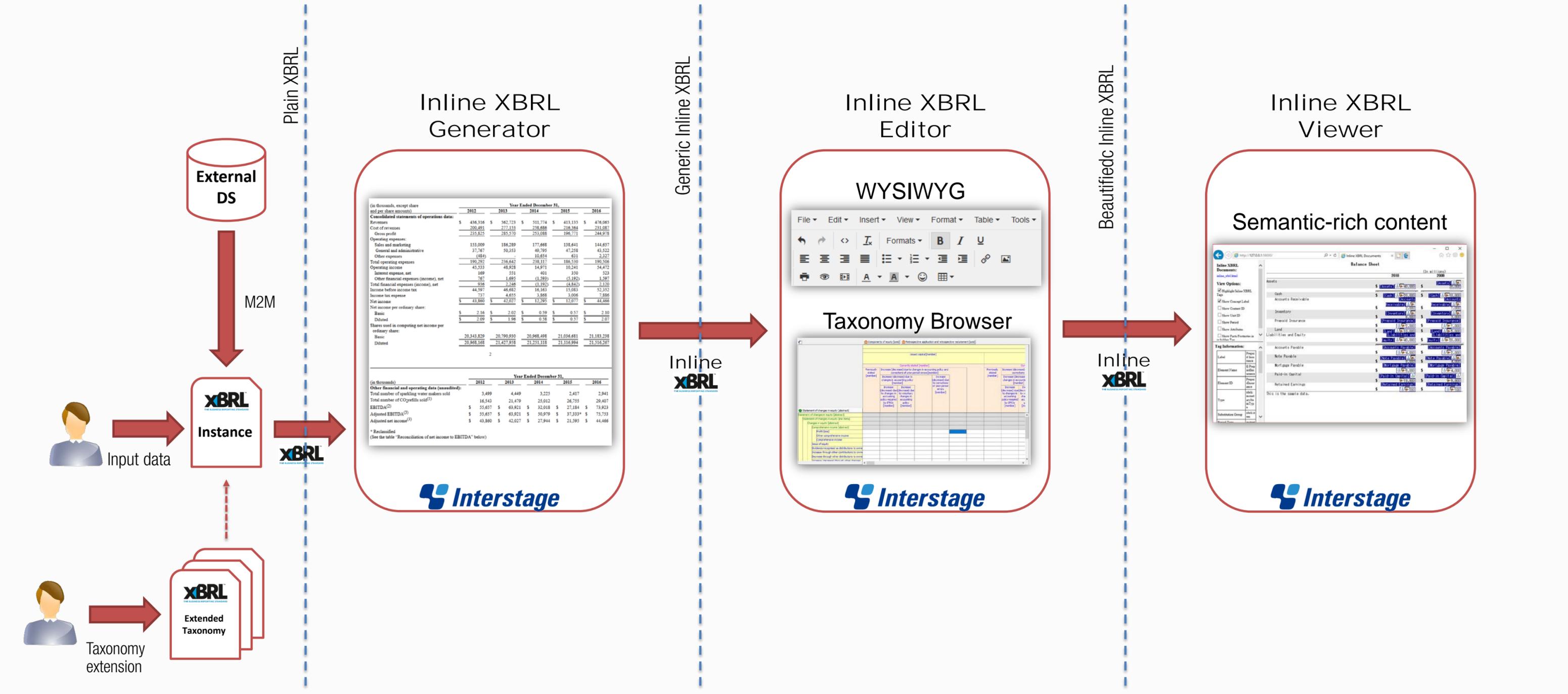
Major challenges to be solved

- The more XBRL technology we hide from Filer the happier he is
- Reusing the work done to prepare previous report is highly demanded
- Easy integration with external input data sources is necessary
- Extensibility of the taxonomy is something we need to handle as well

Solution considered

- First draft of the report should be generated fully automatically, incl. as many Inline XBRL tags as possible
- If any manual tagging of additional data is necessary it should be done using WYSIWYG editor hiding all XBRL details
- Beautifying the report remains an interactive task to be done by human
- Once the report is formatted by human to the desired layout such formatting should be reused for any subsequent reports
- Similarly, if the report is feed with data coming from external input sources tagging the data to report content should survive for subsequent reporting periods
- Data validation should happen immediately during data input
- Light report viewer integrating XBRL semantic and validation results into report content
- User-friendly editor of taxonomy extensions

Solution concept



Plain XBRL

Generic Inline XBRL

Beautifuld Inline XBRL

Inline XBRL Generator

Inline XBRL Editor

Inline XBRL Viewer

External DS

Instance

	2012	2013	2014	2015	2016
<i>(in thousands, except share and per share amounts)</i>					
Consolidated statements of operations data:					
Revenues	\$ 436,316	\$ 562,723	\$ 511,774	\$ 413,135	\$ 476,063
Cost of revenues	200,491	277,133	238,686	216,364	233,081
Gross profit	235,825	285,570	273,088	196,771	242,978
Operating expenses:					
Sales and marketing	153,009	186,289	177,668	138,641	144,637
General and administrative	37,767	50,353	49,795	47,258	43,522
Other expenses	(484)	-	10,654	611	2,827
Total operating expenses	190,292	236,642	238,117	186,510	190,986
Operating income	45,533	48,928	14,971	10,241	54,472
Interest expense, net	169	551	401	350	523
Other financial expenses (income), net	787	1,695	(1,393)	(5,192)	1,597
Total financial expenses (income), net	916	2,246	(1,392)	(4,842)	2,120
Income before income tax	44,597	46,682	16,363	15,083	52,352
Income tax expense	737	4,655	3,568	3,006	7,826
Net income	\$ 43,860	\$ 42,027	\$ 12,795	\$ 12,077	\$ 44,526
Net income per ordinary share:					
Basic:	\$ 2.16	\$ 2.02	\$ 0.59	\$ 0.57	\$ 2.10
Diluted:	\$ 2.09	\$ 1.96	\$ 0.58	\$ 0.57	\$ 2.07
Shares used in computing net income per ordinary share:					
Basic:	20,343,829	20,790,930	20,968,498	21,036,681	21,183,238
Diluted:	20,948,168	21,427,938	21,251,118	21,116,994	21,516,527

WYSIWYG

File Edit Insert View Format Table Tools

Formats B I U

Taxonomy Browser

Interstage

Semantic-rich content

Balance Sheet

	2016	2015
Assets		
Cash	\$ 1,100,000	\$ 1,200,000
Accounts Receivable	\$ 2,000,000	\$ 1,800,000
Inventory	\$ 500,000	\$ 600,000
Prepaid Insurance	\$ 100,000	\$ 100,000
Land	\$ 1,000,000	\$ 1,000,000
Liabilities and Equity		
Accounts Payable	\$ 1,000,000	\$ 1,000,000
Note Payable	\$ 1,000,000	\$ 1,000,000
Mortgage Payable	\$ 1,000,000	\$ 1,000,000
Paid-in Capital	\$ 1,000,000	\$ 1,000,000
Retained Earnings	\$ 1,000,000	\$ 1,000,000

Interstage

Existing tools

R&D scope



Report generation

- Conversion of data coming from external data sources to XBRL can be done by existing XBRL tools
- Interactive input of plain XBRL data can be also handled by existing user-friendly tools
- Once input data are available in XBRL format the draft Inline XBRL report can be generated fully automatically with complete tagging
- The output will be a draft of the report containing data tables tagged with Inline XBRL
- Configurability of the output document will be done by user-defined CSS styles
- References to input data sources should be maintained for future reuse in next reports



Inline XBRL
Generator

(in thousands, except share and per share amounts)	Year Ended December 31,				
	2012	2013	2014	2015	2016
Consolidated statements of operations data:					
Revenues	\$ 436,316	\$ 382,723	\$ 311,714	\$ 413,133	\$ 416,063
Cost of revenues	290,491	272,133	238,606	216,364	211,687
Gross profit	235,823	205,570	253,088	196,771	244,978
Operating expenses:					
Sales and marketing	153,009	186,289	177,668	128,611	144,637
General and administrative	37,767	50,353	49,795	47,258	43,522
Other expenses	(484)		10,654	631	2,327
Total operating expenses	190,292	236,642	238,117	176,500	190,586
Operating income	45,531	48,928	14,971	10,241	54,472
Interest expense, net	169	551	401	350	523
Other financial expenses (income), net	767	1,692	(1,292)	(3,192)	1,597
Total financial expenses (income), net	936	2,243	(1,921)	(4,042)	2,120
Income before income tax	44,595	46,685	16,163	15,083	52,352
Income tax expense	737	4,655	3,865	3,006	7,866
Net income	\$ 43,858	\$ 42,030	\$ 12,398	\$ 12,077	\$ 44,486
Net income per ordinary share:					
Basic	\$ 2.16	\$ 2.02	\$ 0.59	\$ 0.57	\$ 2.10
Diluted	\$ 2.00	\$ 1.96	\$ 0.56	\$ 0.57	\$ 2.07
Shares used in computing net income per ordinary share:					
Basic	20,343,820	20,790,930	20,968,498	21,016,481	21,183,218
Diluted	20,968,148	21,427,938	21,751,118	21,116,994	21,516,267
	2				
Other financial and operating data (unaudited):					
Total number of sparkling water makers sold	3,499	4,449	3,225	2,417	2,941
Total number of CO ₂ refills sold ⁽¹⁾	16,543	21,479	25,012	26,755	29,407
EBITDA ⁽²⁾	\$ 55,657	\$ 63,921	\$ 32,018	\$ 21,184	\$ 78,823
Adjusted EBITDA ⁽²⁾	\$ 55,657	\$ 63,921	\$ 50,979	\$ 37,333*	\$ 75,713
Adjusted net income ⁽²⁾	\$ 43,860	\$ 42,027	\$ 27,944	\$ 21,585	\$ 44,466



Interstage



Generic Inline

XBRL

Report edition

- Comprehensive WYSIWIG editor of Inline XBRL
 - HTML5 support
 - Graphical taxonomy browser for manual tagging
- AI text analytics can be used to suggest user tags for additional concepts appearing in report content
- Computer aided quality assurance of XBRL tagging

File Edit Insert View Format Table Tools

Table properties
Delete table

Cell
Row
Column

Cell properties
Merge cells
Split cell

A. Selected Financial Data

You should read the following selected consolidated financial and other financial and operating data. Historical results are not indicative of the results to be expected in the future. Our financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The following table sets forth our selected consolidated financial and other financial and operating data. Historical results are not indicative of the results to be expected in the future. Our financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

(in thousands, except share and per share amounts)

	Year Ended December 31,				
	2012	2013	2014	2015	2016
Consolidated statements of operations data:					
Revenues	\$ 436,316	\$ 562,723	\$ 511,774	\$ 413,135	\$ 476,065
Cost of revenues	200,491	277,153	258,686	216,364	231,087
Gross profit	235,825	285,570	253,088	196,771	244,978
Operating expenses:					

Components of equity [axis] Retrospective application and retrospective restatement [axis]

Issued capital [member]

Currently stated [member]

Previously stated [member]	Increase (decrease) due to changes in accounting policy and corrections of prior period errors [member]	Increase (decrease) due to changes in accounting policy [member]	Increase (decrease) due to voluntary changes in accounting policy [member]	Increase (decrease) due to corrections of prior period errors [member]	Previously stated [member]	Increase (decrease) corrections [member]	Cur
	Increase (decrease) due to changes in accounting policy required by IFRSs [member]	Increase (decrease) due to voluntary changes in accounting policy [member]			Increase (decrease) due to changes in accounting policy required by IFRSs [member]	Increase (decrease) due to voluntary changes in accounting policy [member]	
Statement of changes in equity [abstract]							
Statement of changes in equity [line items]							
Changes in equity [abstract]							
Comprehensive income [abstract]							
Profit (loss)							
Other comprehensive income							
Comprehensive income							
Issue of equity							
Dividends recognised as distributions to owners							
Increase through other contributions by owners							
Decrease through other distributions to owners							
Increase (decrease) through other changes							

drag & drop tagging

Taxonomy View

Report Content



Report viewer

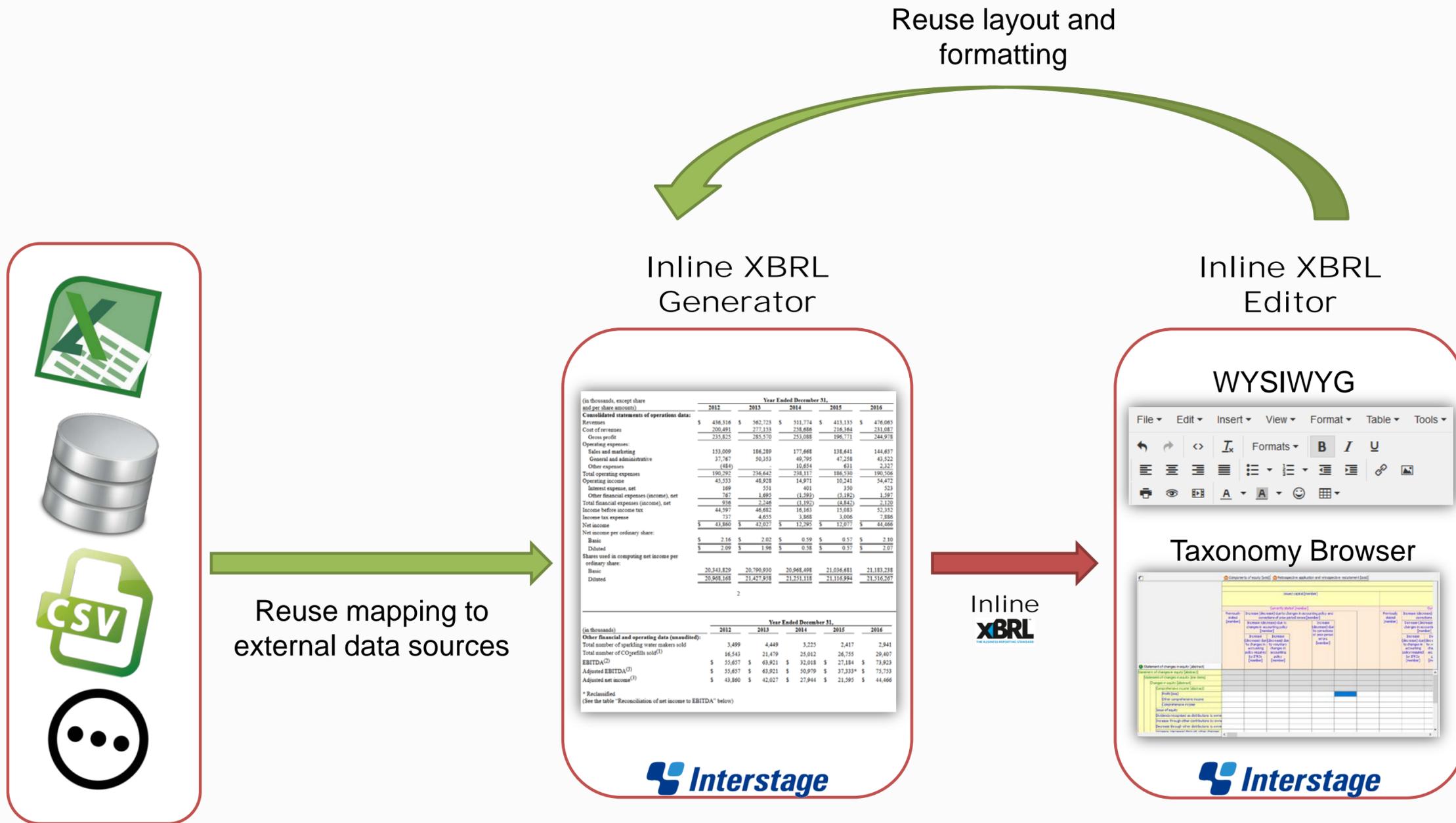
- Interactive web viewer decorating report content with semantic information from XBRL instance and taxonomy
- Search and filtering features with full access to dictionary concepts and their properties
- Browsable validation errors

Consolidated Balance Sheets as of December 31

(in thousands)

	Note	2015	2016
Assets			
Cash and cash equivalents	11	\$ 34,334	\$ 50,250
Bank deposits		-	7,000
Inventories	9	112,973	87,986
Trade receivables, net	23	76,566	87,430
Other receivables	10	29,098	20,613
Assets classified as held for sale		-	1,484
Derivative financial instruments	23	831	2,112
Total current assets		253,803	256,875
Property, plant and equipment	7	155,294	164,628
Intangible assets	8	42,095	37,582
Deferred tax assets	21	1,106	4,154
Other receivables		831	2,688
Total non-current assets		199,326	209,052
Total assets		453,129	465,927
Liabilities			
Loans and borrowings	13	11,917	-
Trade payables		50,549	41,643
Income tax payable	21	7,305	8,312
Provisions	15	2,407	2,646
Other current liabilities	16	18,118	22,262
Total current liabilities		90,296	74,863

Reusing previous reports



Data validation

■ Validation engines

- XBRL and Inline XBRL validations
- ESMA-specific filing rules
- Custom validation rules for taxonomy extensions

■ Validation reports

- Error lists
- References to error cells
- Highlighting errors directly in Inline XBRL content

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2

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Adjusted net income ⁽³⁾	\$ 43,860	\$ 42,027	\$ 27,944	\$ 21,595	\$ 44,466

* Reclassified
(See the table "Reconciliation of net income to EBITDA" below)

Architecture and technology assumptions

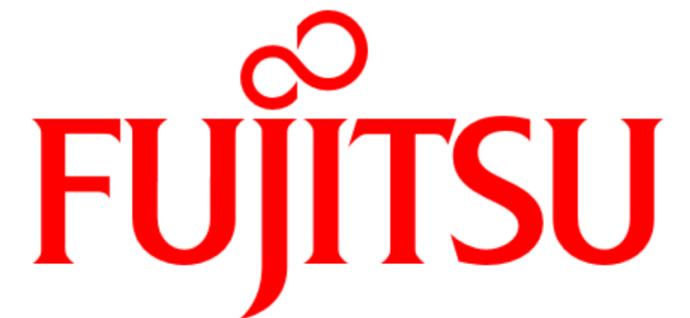
- Target execution environment: web
- Strong and highly efficient XBRL engine behind the scene
- Flexible delivery
 - Component architecture to be able to integrate only selected features with existing web platforms of Filers/Regulators
 - A comprehensive web platform for customers who would like to replace existing solution
- Plain Java/.NET implementations not to introduce unnecessary technological constraints for production environment
- Stateless, in-memory processors of Inline XBRL



RAPORTADO

Summary

- Further R&D on user friendly solutions for Inline XBRL can bring obvious benefits for ESMA customers
- It can also positively influence solutions for other regimes like EBA or EIOPA
- Exact functional requirements need to be revised again once the final guidelines for ESMA filers is available

The Fujitsu logo consists of a red infinity symbol above the word "FUJITSU" in a bold, red, serif font.

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