



# 2019 FIRST HALF RESULTS

**Jean-Michel Bérard**  
Esker Founder & CEO



**Emmanuel Olivier**  
Esker COO



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# 2019 FIRST HALF SUMMARY

- **Solid two digits growth with two record quarters:**

- +15% organic growth (constant currency rates)
  - Q1: €24.1M€ +14%
  - Q2: €26.1M€ +15%

- **Strong increase of the Cloud Business**

- +19% organic growth (constant currency rates)
- +52% increase in contract value signed vs. H1 18

- **Operating Income (EBIT) Increase : +9%**

- 14.4% of revenue vs. 15.7% for H1 18 and 13.4% for FY18
- Translation effect: +€0.5M€ (7% of EBIT)

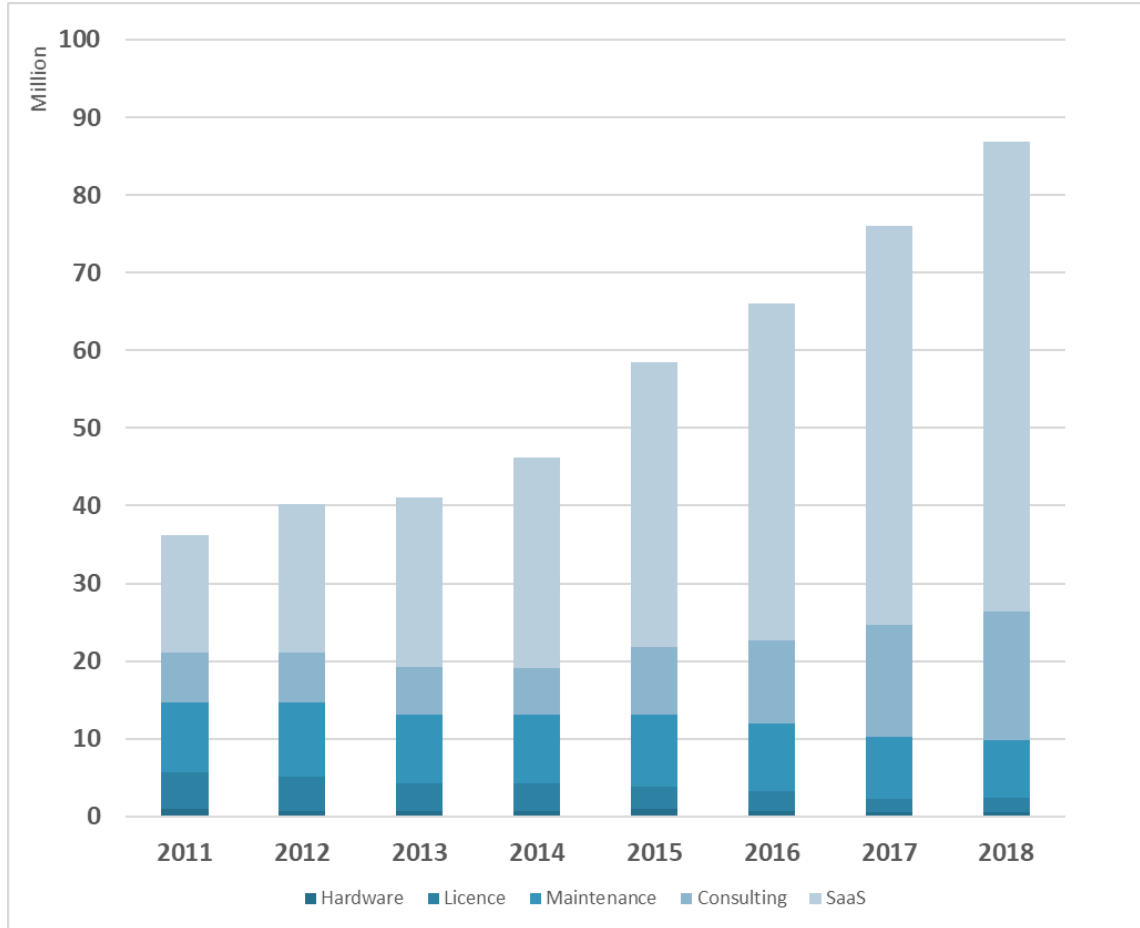
- **Net income increase : +11%**

- Includes a conservative effective tax rate of 31% vs 26% in FY18

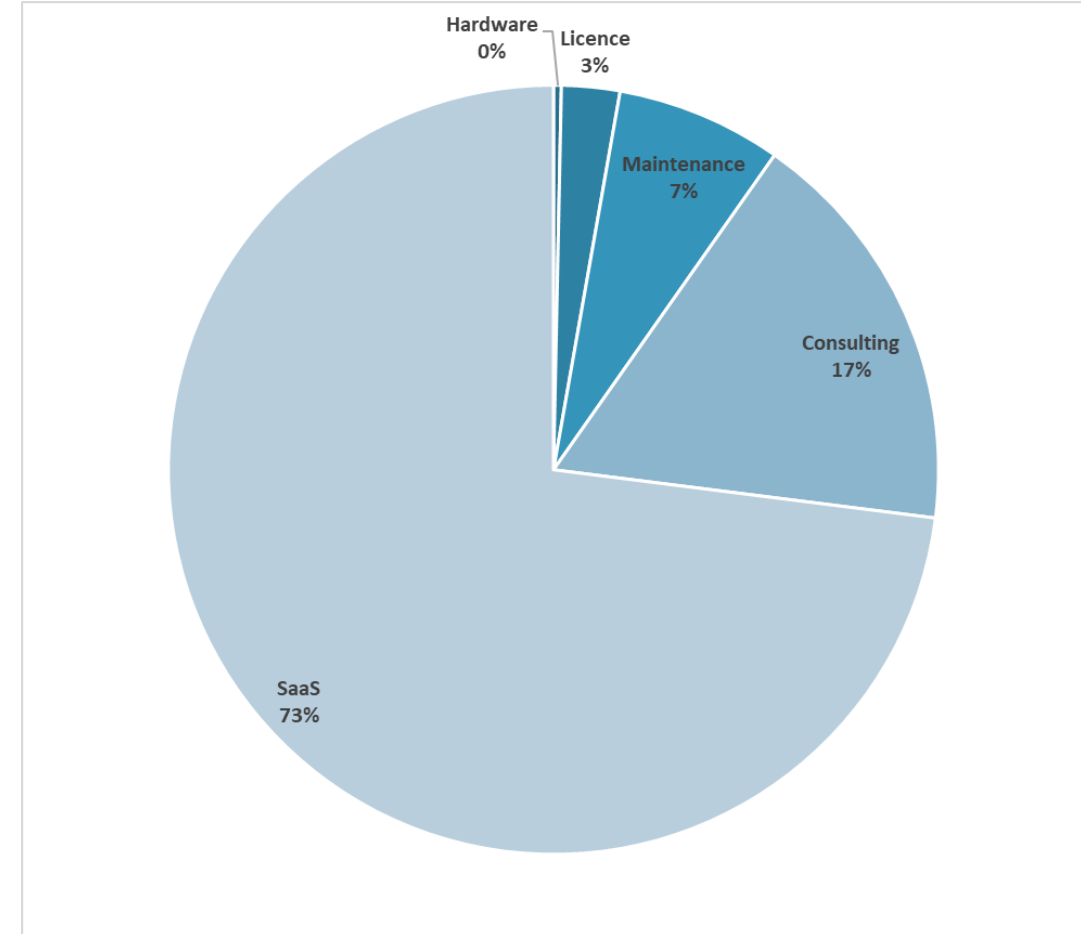
- **Strong level of investment for future growth**

- 92 additional positions compared to H1 2018 (+17%)
- + 60 compared to H2 2018 (+11%)
- Mainly in:
  - Consulting & customer experience (42% of additions)
  - Sales & marketing (34% of additions)

# STRONG RECURRING BUSINESS MODEL

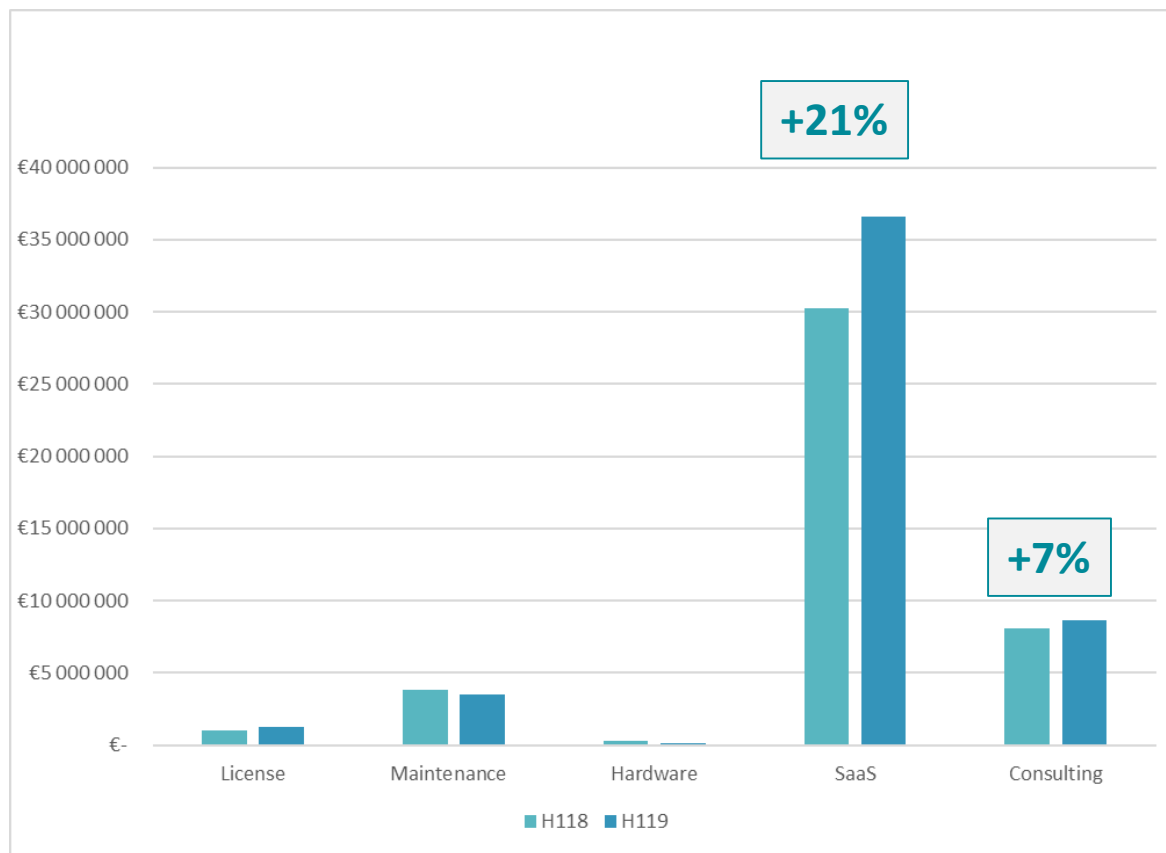


In H1 2019 SaaS Increased 19% and represented 73% of the total revenue (70% for FY 2018)



80% recurring revenue (SaaS & Maintenance) – 2019 H1

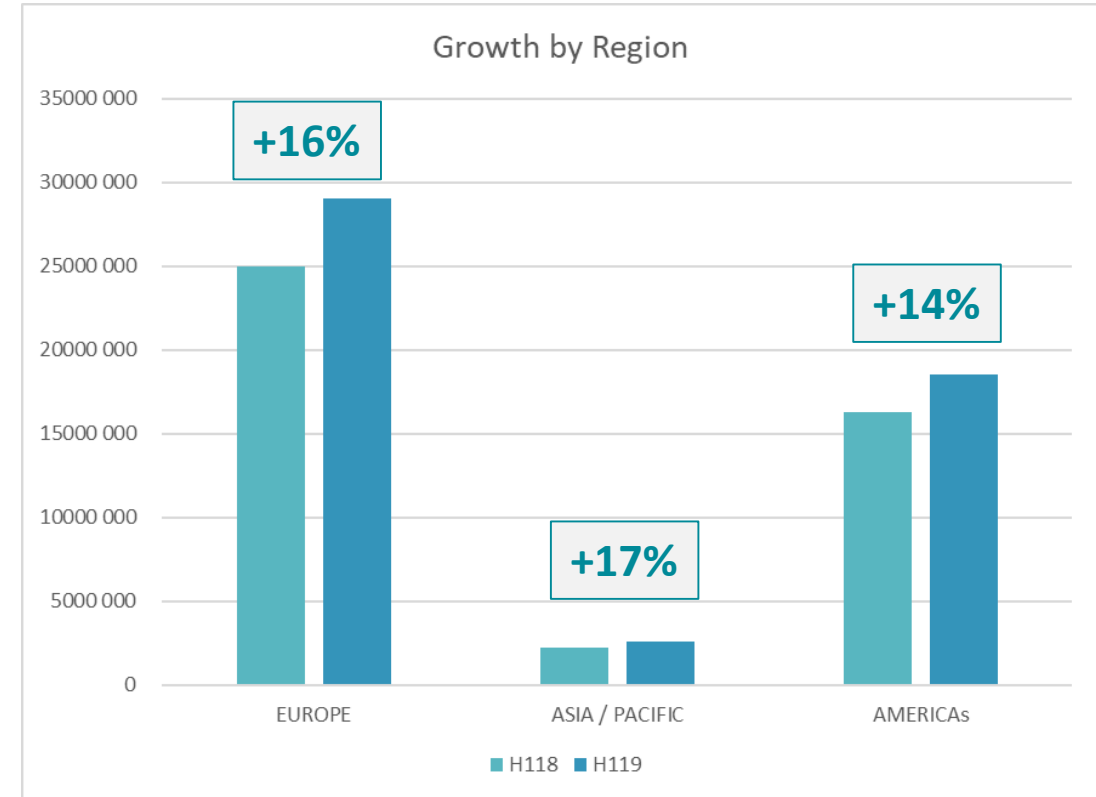
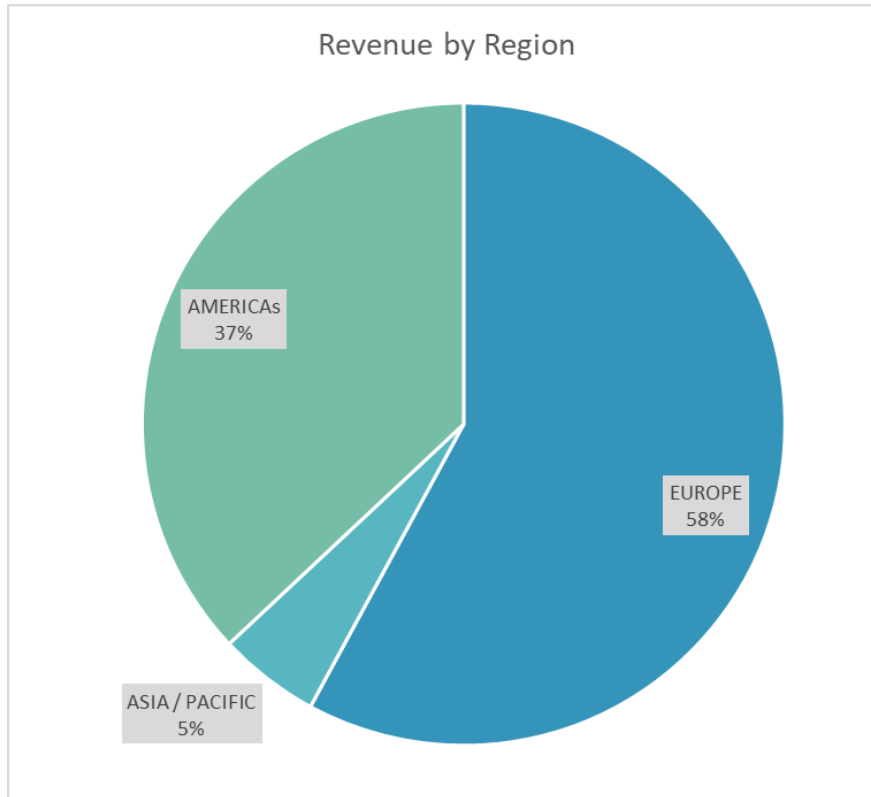
# REVENUE GROWTH BY PRODUCT LINE



Constant Currency Exchange Rates

- Dynamic growth of traffic shows implementation of past wins
- Softer consulting revenue growth reflects effort to onboard new resources (internal & external) in order to increase implementation capabilities in future periods. H2 2019 and 2020 should show growth closer to SaaS revenue

# REVENUE GROWTH BY REGION



Constant Currency Exchange Rates

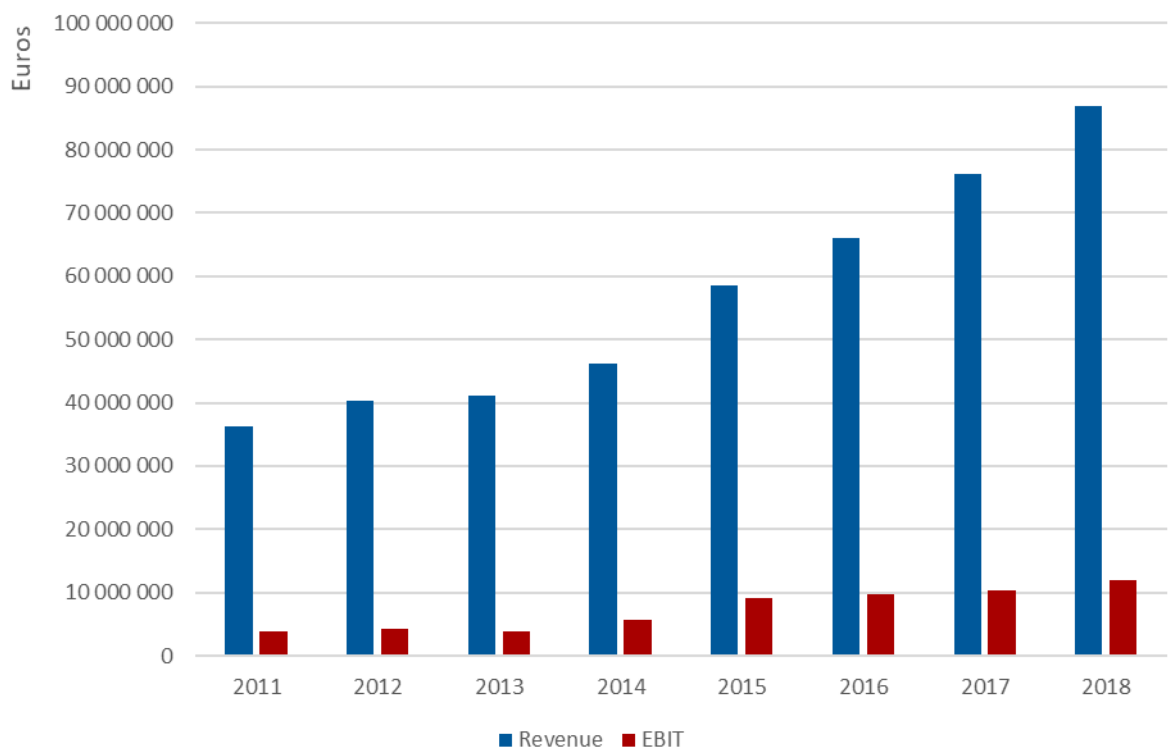
- All regions are growing
- Partnership with Fuji Xerox in APAC expected to show first results in 2020
- Growth to accelerate in the Americas due to development of Neopost partnership and implementations of 2019 wins (+175% due to softer H1 18)

# STRONG SALES PERFORMANCE (BOOKINGS)

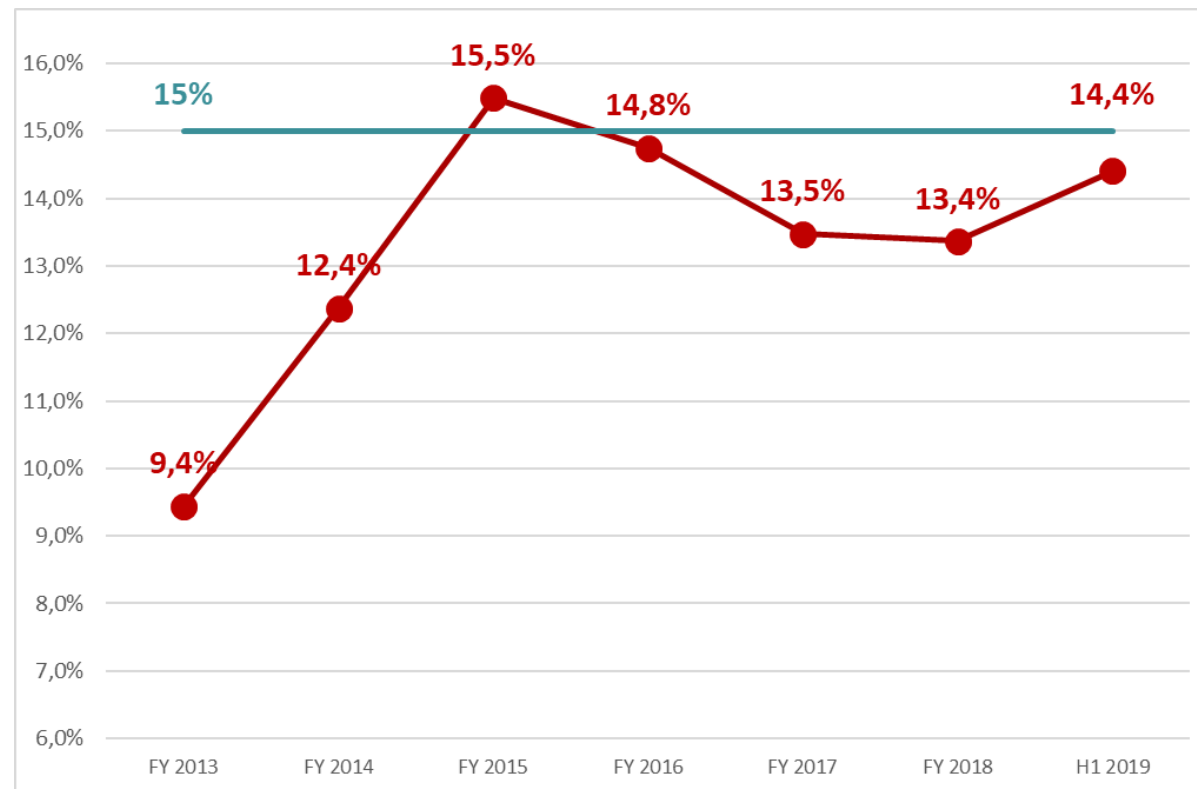


- Typical contract: 3 years
- Includes :
  - › Fixed part: subscription fee
  - › Variable part: per document fee
- Committed value signed
  - › €11.4M in H1 2019
  - › +52% vs H1 2018
- Will hit the revenue line over the next 3 years
- Acquisition cost (sales & marketing mainly) charged to income statement immediately
- Committed value of contract is approx. 50% of total value at contract renewal

# BUSINESS MODEL COMBINES PROFITABILITY AND INVESTMENTS

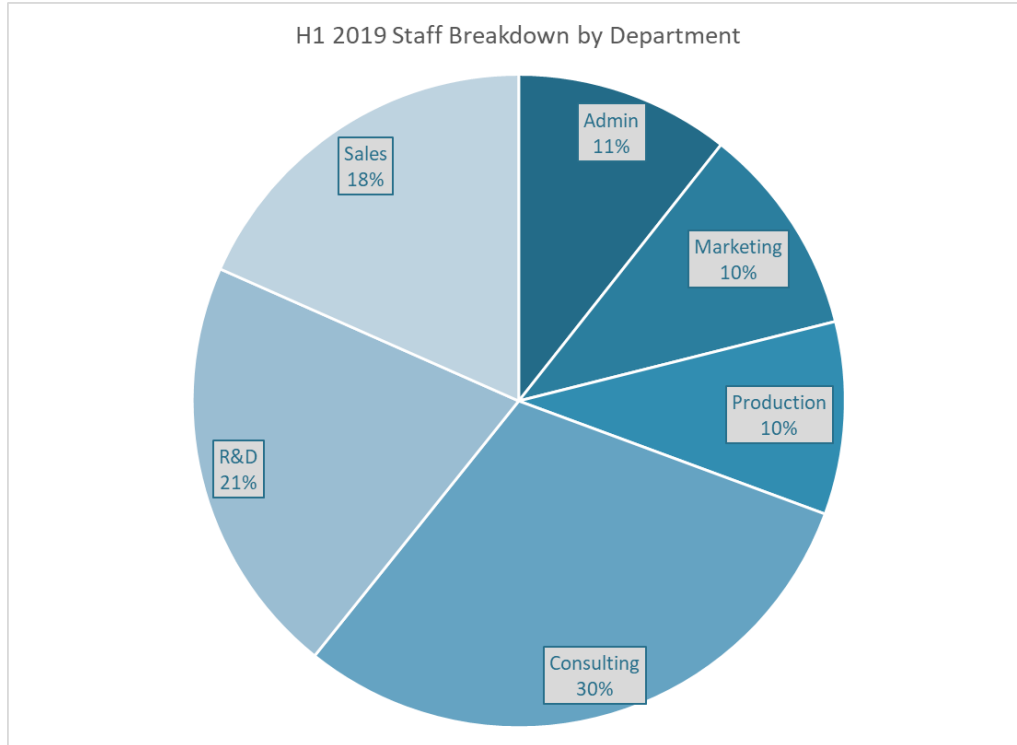


2019 – H1 Operating Income: 14.4%

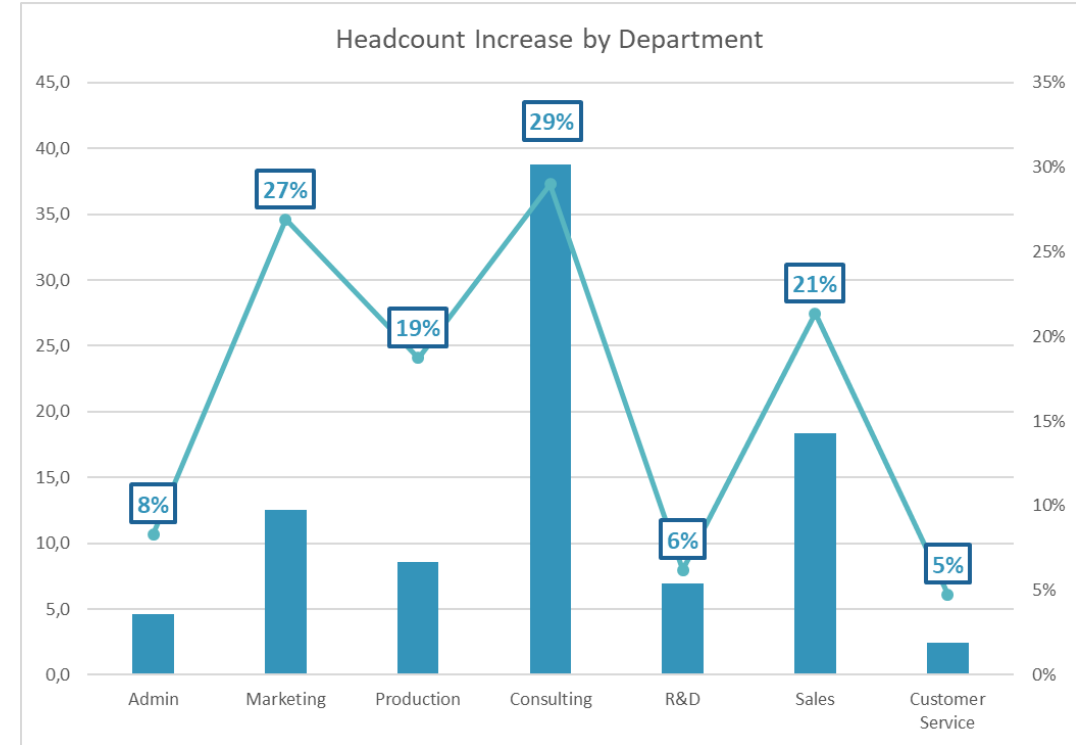


We aim at 15% EBIT to combine growing profits and investments for future growth

# DYNAMIC INVESTMENTS FOR FUTURE GROWTH



Staff @ 6/30/19: 640



H1 2019 - Staff increase:  
 VS. H1 2018: 92 FTE (+17%)  
 VS. H2 2018: +60 FTE (+11%)



# CURRENCY EFFECT (USD)

Rate USD/EURO	Effect on Revenue	%	Effect on Operating Income	%
1.131	0	0.0%	0	0.0%
1.00	2,400 K€	4.8%	733 K€	10.1%
1.10	522 K€	1.0%	159 K€	2.2%
1.179 (2018)	-741 K€	-1.5%	-226 K€	3.1%
1.207 (H1 2018)	-1,144 K€	-2.3%	-349 K€	4.8%
1.25	-1,731 K€	-3.5%	-529 K€	-7.3%

Global translation Effect (all currencies) compared to H1 18:

- Sales: +€1.2M
- Operating Income: +€0.5M

# P&L BY FUNCTIONS—JUNE 30<sup>TH</sup> 2019

<i>(in thousands of euros)</i>	H1 2019	%	H1 2018	%	Var. €	Var. %
<b>REVENUE</b>	<b>50 135</b>	<b>100,0%</b>	<b>42 415</b>	<b>100,0%</b>	<b>7 720</b>	<b>18,2%</b>
Cost of Goods Sold	-7 370	-14,7%	-6 503	-16,0%	-867	13,3%
Research and Development Expenses	-5 106	-10,2%	-4 441	-10,0%	-665	15,0%
Selling and Consulting Expenses	-21 172	-42,2%	-16 805	-41,0%	-4 367	26,0%
Marketing Expenses	-4 604	-9,2%	-4 014	-9,0%	-590	14,7%
General and Administrative Expenses	-4 660	-9,3%	-4 012	-10,0%	-648	16,2%
<b>INCOME FROM OPERATIONS</b>	<b>7 223</b>	<b>14,4%</b>	<b>6 640</b>	<b>13,0%</b>	<b>583</b>	<b>8,8%</b>
Financial Income (Loss)	116	0,2%	2	0,0%	114	5700,0%
<b>OPERATING INCOME</b>	<b>7 339</b>	<b>14,6%</b>	<b>6 642</b>	<b>13,0%</b>	<b>697</b>	<b>10,5%</b>
Exceptional Items	139	0,3%	14	-1,0%	125	892,9%
Income Tax	-2 279	-4,5%	-1 895	-4,0%	-384	20,3%
Share in Profit of Associates	251	0,5%	151	0,0%	100	66,2%
<b>NET INCOME</b>	<b>5 450</b>	<b>10,9%</b>	<b>4 912</b>	<b>9,0%</b>	<b>538</b>	<b>11,0%</b>
<i>Earnings per share</i>	1,02		0,93		0,09	9,7%
<i>Diluted earnings per share</i>	1,00		0,85		0,15	17,6%

- Average number of employees for H1 19: 640 (+17% vs H1 18)
- Cost generally in line with headcount and revenue increase
- Selling and consulting expenses increase at a higher rate due to:
  - ✗ Investment in headcount
  - ✗ Faster increase in bookings (Americas) generate higher commission expenses
  - ✗ Customer experience functions enhanced in all regions (0.5M€ investment)
- CIR (tax credit on R&D): €380K vs 354 for H1 18
- Financial income improves due to immaterial impact of realized & unrealized currency gains and losses
- Effective income tax rate increased conservatively at 31% vs 29% in H1 18
- Share of profit in associates increase in line with development of JV with Neopost

# P&L BY EXPENSE TYPE—JUNE 30<sup>TH</sup> 2019

<i>(in thousands of euros)</i>	H1 2019	%	H1 2018	%	Var. €	Var. %
<b>REVENUE</b>	<b>50 135</b>	<b>100,0%</b>	<b>42 415</b>	<b>100,0%</b>	<b>7 720</b>	<b>18,2%</b>
Development costs	3 192	6,4%	2 968	7,0%	224	7,5%
Other income	562	1,1%	527	1,2%	35	6,6%
Purchase and external expenses	-14 178	-28,3%	-11 835	-27,9%	-2 343	19,8%
Personnel and related taxes	-27 883	-55,6%	-23 481	-55,4%	-4 402	18,7%
Other expenses	-668	-1,3%	-600	-1,4%	-68	11,3%
Depreciation & reserve expenses	-3 937	-7,9%	-3 354	-7,9%	-583	17,4%
<b>INCOME FROM OPERATION</b>	<b>7 223</b>	<b>14,4%</b>	<b>6 640</b>	<b>15,7%</b>	<b>583</b>	<b>8,8%</b>
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Earnings per share	1,02		0,93		0,09	9,7%
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- ✗ Capitalization of R&D expenses flat in percentage
- ✗ Net effect slightly decreases compared to H1 18 as past capitalized expenses get amortized (table below)

'000 euros	H1 19	H2 18	H1 18	H2 17
Dev costs capitalized	3192	2774	2968	2631
Amortization	-2272	-2168	-1969	-1920
<b>NET</b>	<b>920</b>	<b>606</b>	<b>999</b>	<b>711</b>
% capitalized	63%	59%	64%	63%

- ✗ Personnel expenses increase reflect investments as described
- ✗ External expenses increase due to higher headcount (offices, overheads, etc) and higher marketing investments

# CONSOLIDATED BALANCE SHEET

ASSETS (in thousands of euros)	06/30/19	12/31/18	LIABILITIES (in thousands of euros)	06/30/19	12/31/18
Goodwill	6 113	6 082	Capital stock	11 445	11 218
Intangible assets	22 689	22 014	Additional paid-in-capital	20 105	19 681
Tangible assets	8 653	7 050	Net Income	5 450	8 843
Financial assets	3 734	3 745	Retained Earnings	14 658	8 027
Investments under the equity method	995	744	<b>Total shareholders' equity</b>	<b>51 658</b>	<b>47 769</b>
<b>Total fixed assets</b>	<b>42 184</b>	<b>39 635</b>	Reserves	1 498	1 492
Inventory and work in progress	187	147	Financial liabilities	7 166	9 318
Accounts receivable	21 868	20 516	Account payable	6 941	6 157
Prepaid Exp. and other assets	4 645	5 559	Tax and employee related liabilities	12 511	14 845
Cash and equivalent	19 247	22 794	Other liabilities	8 357	9 070
<b>Total current assets</b>	<b>45 947</b>	<b>49 016</b>	<b>Total current liabilities</b>	<b>34 975</b>	<b>39 390</b>
<b>TOTAL ASSETS</b>	<b>88 131</b>	<b>88 651</b>	<b>TOTAL LIABILITIES</b>	<b>88 131</b>	<b>88 651</b>

## Solid financial structure :

- Cash & cash equivalents: €19.2M
- Cash net of financial debt: €12.1M
- Total Equity: €51.7M
- Long term investments: €3.0M

## Financial debt:

- Capital lease agreements €0.6M
- Government (BPI) Loans €3.4M
- Bank Loans: €3.1M

## Other liabilities

- Mainly consist of deferred maintenance revenue (5,4 M€) and customer deposits (2,8 M€)

# CONSOLIDATED CASH FLOW STATEMENT

<i>(in thousands of euros)</i>	H1 2019	H1 2018
<b>Consolidated net income (loss)</b>	<b>5 450</b>	<b>4 912</b>
Depreciation and amortization	3 676	3 169
Capital gains and losses	-4	-3
<b>Cash Flow after net financial expenses</b>	<b>9 122</b>	<b>8 078</b>
Interest paid and received	25	35
Income tax, including deferred taxes, due and paid	392	560
<b>Vairance in working capital</b>	<b>-3 035</b>	<b>-1 643</b>
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>	<b>6 504</b>	<b>7 030</b>
Investments intangible and tangible assets	-5 939	-3 828
Change in other financial assets	-80	-274
Investments in associate company	-282	-288
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-6 301</b>	<b>-4 390</b>
Dividend paid	-2 237	-1 756
Amounts received from the exercices of stock options	554	313
Changes in borrowing & other	-2 177	-2 231
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-3 860</b>	<b>-3 674</b>
<i>Effect of exchange rate changes on cash</i>	<i>110</i>	<i>84</i>
<b>Cash at the beginning of the period</b>	<b>22 794</b>	<b>20 632</b>
<b>Cash at the end of the period</b>	<b>19 247</b>	<b>19 682</b>

- Cash flow before change in working capital increases in line with operations
- Variance in working capital is due to seasonality of prior year employee bonuses and taxes payments
- Positive cash flow generated by operations: + €6.5M
- Covers
  - ✓ Capital expense needs (R&D capitalized mainly)
  - ✓ Dividend paid
  - ✓ And helps finance repayment of financial debt

# TARGET 2019 AND BEYOND

- Aiming at 20% recurring organic growth at company level
- Keeping profitability around 15%
- Leverage investments in Consulting, R&D and Sales resources in H2 and 2020
- Continue to build partner network and make first partners successful



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