

Esker's 2021 Annual Results

Record results and optimism for 2022

LYON, France, and MIDDLETON, Wis. — March 24, 2022

VALUE IN THOUSANDS OF EUROS	2021	2020	GROWTH
SALES REVENUE	133,580	112,274	+19%
GROSS MARGIN ⁽¹⁾	91,400	75,425	+21%
INCOME FROM OPERATIONS	16,580	13,612	+22%
CURRENT INCOME BEFORE TAXES	16,782	13,545	+24%
NET INCOME	14,280	11,562	+24%

⁽¹⁾ Gross margin equals sales revenue minus cost of production sold (e.g., platform, production and consulting costs)
 The Esker Supervisory Board approved the financial statements for the year, ending December 31, 2021. Audit procedures on the consolidated accounts have been completed. The certification report will be issued at the end of April, following the completion of procedures required for the publication of the annual financial report.

Accelerated growth driven by cloud-based solutions and the Americas

Esker's sales revenue amounted to 133.6 million euros in 2021, a 19% increase over 2020 (+20% based on a constant exchange rate). These results are marked by the ongoing success of the company's cloud-based automation solutions, which represent close to 104 million euros (77% of Esker's business), a 23% increase over 2020. Revenue generated by the professional implementation services grew 19% to 23.2 million euros (17.4% of total revenue), driven by sales successes in 2020 and 2021. The performance of traditional license-based products and legacy products continue their downward trend (-10%) and represent only 5% of the total revenue.

At the geographic level, the Americas region (39% of total revenue) achieved particularly strong growth rates, up 24% compared to an already excellent 2020 year. Despite stricter sanitary restrictions than in the rest of the world, sales in the Asia-Pacific region also rose sharply (+18%) and exceeded 6% of total company sales. The European continent also contributed to company growth, with a 17.5% increase in revenue for 55% of overall revenue. France (+18%) and the United Kingdom (+21%) stood out among Esker's European subsidiaries, which all progressed strongly during the year.

Record number of signed projects

Beyond the strong financial results in 2021, sales achieved a record performance for the year. The minimum guaranteed value of signed contracts in 2021 (bookings) increased by 25% compared to 2020 to surpass 13 million euros. The first half of the year was marked by the catch-up of certain deferred contracts in 2020 due to the pandemic, combined with strong interest businesses have shown in automation solutions. Q4 confirmed this trend by approaching the all-time record level of quarterly bookings reached in Q4 2020, which was disproportionally boosted by a very strong catch-up effect linked to the pandemic.

Europe, particularly France, posted strong bookings (+53%) after 2020, a year strongly affected by the pandemic. Bookings were particularly dynamic in the Americas (+45%), building on a very good 2020. Due to the strict sanitary restrictions that impacted IT projects in the region, Asia-Pacific saw bookings fall by 23%, erasing part of the strong growth recorded in 2020 (+40%).

These multi-year contracts have a marginal impact on revenue in the year they are signed, and according to a company accounting policy applied consistently, their acquisition costs, mainly marketing and sales, are charged in full to the year of signature.

Continued growth investments

In 2021, Esker's workforce increased 12% to reach 840 employees at the end of December. Efforts were particularly focused on the Americas (+18% in average headcount) to support the strong growth dynamic recorded in the region. Asia Pacific (+13%) and Europe (+9%) also saw their headcount increase significantly. Recruitments mainly concerned sales and marketing functions (+13%) as well as consulting (+13%).

Increased operating profitability

Esker's operating income (EBIT) increased 22% to reach 16.6 million euros in 2021, compared with 13.6 million euros in 2020. Operating profitability increased slightly from 12.1% to 12.4% in 2021 despite an overall negative currency effect of 0.3 million euros (2% of operating income).

These results were achieved thanks to a significant increase in gross margin (+21%), exceeding 67% of sales revenue. Controlled platform and production costs as well as the solid performance of the professional implementation services teams contributed to these results. Controlled increase of general expenses also helped grow profitability and allowed significant investments in sales (+30%) and marketing (+23%) development. The evolution of these expenses reflects both the sales successes of the year, the cost of which is assumed in the year of signature (additional cost of approximately 1.4 million euros for 2021

compared to 2020), as well as the investments made in 2021 to fuel the company's development in the years to come.

Strong increase in net income

Given the increase in financial income, a stable effective tax rate of 23% and a good contribution from equity-accounted companies, Esker net income amounted to 14.3 million euros, a 24% increase over 2020.

Outlook for 2022 and available cash

Esker's performance in 2021, both in terms of revenue and bookings, allows the company to approach 2022 with confidence. Contracts signed in 2021 will progressively fuel 2022 revenue growth. Nevertheless, economic fluctuations linked to the ongoing health crisis or to geopolitical tensions are always likely to have a slight impact on the company's performance. Under these circumstances, Esker expects 2022 growth close to 16% (excluding acquisitions) with stable profitability. These perspectives will be updated with each revenue performance release. As of December 31, 2021, company cash rests at 35 million euros, which 4.8 million euros must be added, classified as financial assets but available for short-term use. Esker repaid close to 14 million euros in loans during 2021. Its financial debt amounts to only 1.2 million euros for 80.4 million euros in equity.

An English webcast will take place March 24, 2022, at 6:00 p.m. CET. To participate please join Microsoft Teams call [here](#).

About Esker

Esker is a global cloud platform built to unlock strategic value for finance and customer service professionals, and strengthen collaboration between companies by automating the cash conversion cycle. Esker's solutions incorporate technologies like Artificial Intelligence (AI) to drive increased productivity, enhanced visibility, reduced fraud risk, and improved collaboration with customers, suppliers and internally. Esker operates in North America, Latin America, Europe and Asia Pacific with global headquarters in Lyon, France, and U.S. headquarters in Madison, Wisconsin. For more information on Esker and its solutions, visit www.esker.com. Follow Esker on [LinkedIn](#) and join the conversation on the Esker blog at blog.esker.com.

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Esker, Inc.

1850 Deming Way, Suite 150
Middleton, WI 53562 USA
Tel: (608) 828-6000
www.esker.com | info@esker.com

Press Contact: Nick Wilson

Tel: (972) 850 5899 | nwilson@ideagrove.com

Investor Relations Contact: Emmanuel Olivier

Tel: +33 (0)4 72 83 46 46 | olivier@esker.fr

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