Esker Q1 2021 Sales Activity

Record quarter with a return to double-digit growth (14%)

LYON, France, and MIDDLETON, Wis. — April 13, 2021

SALES REVENUE IN M€ (UNAUDITED)	Q1 2021	Q1 2020	Q1 2021/Q1 2020 GROWTH[4]
SAAS [1]	23.9	21.1	+16%
IMPLEMENTATION SERVICES[2]	5.3	4.9	+13%
LEGACY PRODUCTS[3]	1.8	2.1	-13%
TOTAL	**31.0**	**28.2**	**+14%**
BOOKINGS[5]	**3.30**	**2.27**	**+45%**

[1]Includes subscriptions and transactional revenue
[2]Includes implementation, training and Professional Services
[3]Includes Esker DeliveryWare, Fax Servers and Host Access
[4]Growth based on a constant exchange rate: 2021 exchange rates applied to 2020 figures
[5]Expressed as Annual Recurring Revenue (ARR)
Esker has decided to adjust its revenue presentation by activity to reflect the strategy of focusing on the cloud and the increasingly smaller share of legacy products and license-based document process automation solutions. Therefore, Fax, Host Access and Esker DeliveryWare products are grouped under legacy products. For cloud solutions, Esker will now distinguish between the purely SaaS part (subscription and traffic) and the implementation services part. Esker has also decided to report its bookings using Annual Recurring Revenue (ARR), a standard metric for SaaS or subscription business. ARR is the average annual subscription value that customers commit to pay over the life of a contract. Revenue from platform transactions is not included as it is uncertain by nature and depends on the number of transactions effectively processed, which is not known at the time the contract is signed. Service revenue is also not included in ARR as it is non-recurring

Record quarter

Esker Q1 2021 sales revenue amounted to 31.0 million euros, a 14% increase over Q1 2020 based on constant exchange rates (+10% based on a current rate). This rapid return to double-digit growth is all the more significant given that this increase is calculated in relation to Q1 2020, most of which precedes the global health pandemic. Despite this, Esker experienced its most successful quarter in company history.

Growth continued to be driven by the development of cloud solutions, which grew 16% in Q1, representing 94% of company business. Activity was strong in all geographies, with all returning to double-digit growth, reflecting strong sales success in 2020. Implementation services also grew significantly (+13%) due to the large number of bookings at the end of 2020.

The performance of traditional license-based products and legacy products continue their downward trend in favor of cloud implementations and represent only 7% of company business.

Second best quarter in terms of bookings

Similar to Q4 2020, Esker recorded numerous signed contracts in Q1. After a wait-and-see period related to the first lockdown measures, businesses have shown a strong interest in automation solutions that deliver significant productivity gains to finance and customer service functions and allow them to continue to operate when the majority of employees are working remotely.

The Annual Recurring Value (ARR) of new contracts signed during Q1 2021 increased by 45% compared to Q1 2020, to reach 3.3 million euros (11 million euros over the total duration of the contracts). The pace of signatures was dynamic in all regions of the world and particularly intense in France, the U.S. and Spain.

Maintained profitability and financial structure for future growth

As of March 31, 2021, company cash rests at 48.5 million euros. With 34.9 million euros in net cash (versus 19.6 million euros on March 31, 2020) and close to 140,000 treasury shares immediately available, Esker has the financial resources necessary to pursue its strategy focused on accelerating its organic growth combined with external growth operations.

Outlook for 2021

Esker's growth should continue to accelerate over the next two quarters due to the economic recovery and a very favorable base effect. Based on the excellent performance in Q1 2021, Esker has raised its organic growth forecast for the full year from 15% to 16%, which should bring sales revenue to around 130 million euros if the EUR/USD exchange rate remains unchanged. At this level of growth, profitability is expected to be between 12-15%.

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 Twitter @EskerInc and join the conversation on the Esker blog at blog.esker.com.

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