

Esker Q2 2024 Sales Activity

Record bookings combined with strong growth in subscription revenue

Derby, UK — July 18, 2024

Sales Revenue in M€ (Unaudited)	Q2 2024	Q2 2023	Q2 2024/ Q2 2023 Growth ⁽⁴⁾	H1 2024	H1 2024/ H1 2023 Growth ⁽⁴⁾
SaaS Subscriptions	22.1	16.7	+32%	42.1	+30%
SaaS Transactions ⁽¹⁾	19.9	20.4	-3%	39.6	-1%
Total SaaS	42.0	37.2	+13%	81.7	+13%
Implementation Services ⁽²⁾	9.0	7.0	+28%	16.7	+25%
Legacy Products ⁽³⁾	0.5	0.9	-47%	0.9	-55%
TOTAL Sales Revenue	51.5	45.1	+14%	99.2	+13%
TOTAL Bookings ⁽⁵⁾⁽⁴⁾	7.3	4.6	+65%	13.1	+50%

⁽¹⁾Includes transactional and per transaction pricing revenue

⁽²⁾Includes Consulting and Professional Services

⁽³⁾Includes Esker DeliveryWare, Fax Servers and Host Access

⁽⁴⁾Growth based on a constant exchange rate: 2024 exchange rates applied to 2023 figures

⁽⁵⁾Expressed as Annual Recurring Revenue (ARR). 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.

Sales growth driven by strong momentum in subscription revenue

Esker Q2 2024 consolidated sales revenue amounted to €51.5 million, a 14% increase over Q2 2023 based on constant exchange rates and current rates. Half-year sales revenue grew by 13% based on constant exchange rates and on a reported basis, amounting to €99.2 million.

Esker once again achieved its best quarter and half-year ever in terms of business activity. This performance is at the top end of the target growth range set by the company at the start of the year (12-14%).

Over Q2 2024, SaaS revenue (+13% at constant and current exchange rates) powered growth, accounting for 82% of total sales. Subscription revenue was up by +32%, representing 53% of total SaaS sales activity, reflecting the growth in bookings reported in previous quarters.

This outstanding performance is partially eclipsed by a slight decline in SaaS transaction revenue. This can be explained in part by persistently tense macroeconomic conditions, which traditionally weigh on volumes processed by the Esker on Demand platform. It also reflects the priorities of Esker's sales strategy which focuses on resilience and predictability of revenue, therefore favouring subscriptions.

In line with Esker's ongoing sales success, implementation services grew strongly (+25% at constant exchange rates and on a reported basis), representing 17% of total sales.

Lastly, legacy products (1% of total sales) continued to decline (-47%), which is in line with expectations.

A record quarter and half-year for new bookings

Esker also recorded its best quarter and half-year ever in terms of new bookings. The annual recurring value (ARR) of new contracts signed during Q2 2024 rose by +65% at constant exchange rates, compared with Q2 2023, to 7.3 M€. For the first HY 2024 as a whole, the annual recurring value of new bookings came to 13.1 M€, up +50%.

Bookings grew at a brisk pace in all subsidiaries: The U.S. subsidiary (+116%) recorded exceptional numbers, thanks to intense commercial activity and the topped by an especially large contract in June (€0.9 million ARR).

In France, order intake grew by +18% and was driven, albeit to a lesser extent, by the upcoming electronic invoicing reforms. The French subsidiary also benefited from a favourable base effect. For the rest of Europe and Asia, performance was remarkable, with order intake up 46%.

The record level of bookings in Q2 2024 will help maintain, possibly even accelerate, growth in SaaS subscription revenue (53% of SaaS in Q2 2024) and, consequently, Esker's overall growth in upcoming quarters.

A solid financial structure

As of June 30, 2024, Esker's cash position stood at €55.7 million (including €4.8 million classified as long-term investments), compared with €45.2 million on June 30, 2023, after payment of the dividend and employee profit-sharing.

With a low level of financial debt (€8.8 million on June 30, 2024) and over 134,000 treasury shares (representing an amount of over €25 million), Esker has considerable financial autonomy to execute its strategy. The approach is primarily focused on accelerating organic subscription growth, complemented by targeted external growth operations aimed at integrating adjacent solutions and technologies that will increase the value delivered to customers.

Outlook for 2024

Esker started 2024 on a very positive note, thanks to excellent new bookings over the past months. As these contracts take effect, they will gradually boost revenue growth in the coming quarters. In addition, investment restraints implemented at the beginning of 2024 will enable Esker to notably improve profitability.

Given the remarkable value of bookings in the first half of 2024, Esker maintains its sales growth target of +12 to +14% (excluding acquisitions and currency effects) for the full year 2024. At this level of activity, the operating margin will be between 12-13% of sales.

About Esker

Esker is a global cloud platform built to unlock strategic value for Finance, Procurement and Customer Service professionals, and strengthen collaboration between companies by automating the cash conversion cycle. Esker's solutions incorporate AI technologies to drive increased productivity, enhanced visibility, reduced fraud risk, and improved collaboration with customers, suppliers and internally. Founded in 1985, 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 <https://www.esker.co.uk/>. Follow Esker on [LinkedIn](#) or [You Tube](#), and join the conversation on the [Esker blog](#).

Esker Ltd.

Unit 1 Stoney Cross Industrial Estate
Station Road
Spondon - Derby
DE21 7RX
United Kingdom
Tel: +44 (0) 1332 54 8181
www.esker.co.uk/ | info@esker.co.uk

Press Contact: Samuel Townsend

Tel: +44 (0) 1332 548181 | sam.townsend@esker.com

Investor Relations Contact: Emmanuel Olivier

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