

Esker Q3 2021 Sales Activity

Strong company growth continues in Q3 with revenues increasing 23%

LYON, France, and MIDDLETON, Wis. — October 12, 2021

SALES REVENUE IN M€ (UNAUDITED)	Q3 2021 M€	Q3 2020 M€	QUARTER GROWTH ⁽⁴⁾ or Q3 2021/Q3 2020 GROWTH ⁽⁴⁾	9 MONTH 2021 M€	9 MONTH GROWTH ⁽⁴⁾
SAAS ⁽¹⁾	25.9	21.2	+22%	75.3	+25%
IMPLEMENTATION SERVICES ⁽²⁾	6.0	4.2	+40%	17.0	+21%
LEGACY PRODUCTS ⁽³⁾	1.5	1.8	-15%	5.4	-1%
TOTAL	33.4	27.2	+23%	97.7	+22%
BOOKINGS⁽⁵⁾	3.0	2.7	+11%	9.5	+42%

⁽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.

Cloud services in full swing

Esker Q3 2021 sales revenue amounted to 33.4 million euros, a 23% increase over Q3 2020 based on constant exchange rates (+20% based on current rates). For the first nine months of 2021, Esker's sales growth increased 22% to reach 97.7 million euros (based on both current and constant exchange rates).

Growth continued to be driven by the development of cloud solutions, which grew 24% in Q3, representing 94% of the company business. The company's cloud-based activities continued on their usual growth trend in Q3 (+22%) as a result of increased utilization of the platform by existing users, linked to COVID-19 recovery, as well as the implementation of recently acquired customers. Overall company growth was also reinforced by significant acceleration in implementation services revenue for Q3 (40%). This comes as a direct result of the significant increase in new bookings experienced by the company since the end of 2020.

Continued strong pace of new contracts

Esker signed a high amount of new contracts over the quarter. More than ever, businesses have shown a strong interest in automation solutions that deliver significant productivity gains to finance and customer service functions.

The Annual Recurring Value (ARR) of new contracts signed during Q3 2021 continues to show dynamic growth even compared to Q3 2020, which benefited from the strong economic recovery after the first wave of the pandemic. Q3 2021 ARR reached 3.0 million euros (11.6 million euros in subscriptions over the total duration of the contracts), 11% growth compared to Q3 2020.

Since the beginning of the year, the ARR of new contracts signed amounts to 9.5 million euros, an increase of 42% (34.5 million euros in subscriptions over the total duration of the contracts) compared to 2020.

Strengthened financial structure for future growth

As of September 30, 2021, company cash rests at 38.0 million euros. With 36.9 million euros in net cash (versus 25.1 million euros on September 30, 2020) and close to 140,000 treasury shares immediately available, Esker has the financial resources necessary to pursue its strategy focused on accelerating organic growth. Targeted acquisitions could also be envisioned to accelerate the company's coverage of adjacent markets and enhance value delivered to customers.

Outlook for 2021

Esker's growth should continue to accelerate due to the significant sales success achieved during the first nine months of the year. Esker is once again raising its organic growth forecast for the full year 2021 from 17% to 18%. This should bring sales revenue to around 132 million euros in the absence of any unexpected disruptive events and assuming constant exchange rates. This increase takes into account a much more demanding base effect in Q4 2021, due to the acceleration of the global recovery linked to the phasing out of the COVID-19 restrictions in Q4 2020. 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,

©2021 Esker S.A. All rights reserved. Esker and the Esker logo are trademarks or registered trademarks of Esker S.A. the U.S. and other countries. All other trademarks are the property of their respective owners.

Esker, Inc.

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

Press Contact: Alexis Diehl

Tel: (469) 999-4975 – adiehl@ideagrove.com

Investor Relations Contact: Emmanuel Olivier

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

Get Social



blog.esker.com

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.