PRESS RELEASE

Esker Q4 2021 Sales Activity

Record quarter with sales revenue exceeding 20% growth

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SALES REVENUE IN M€ (UNAUDITED)	Q4 2021 M€	Q4 2020 M€	Q4 2021/Q4 2020 GROWTH[4]	2021 M€	2020 M€	2021/2020 GROWTH[4]
SAAS [1]	28.2	23.4	+18%	103.6	84.9	+23%
IMPLEMENTATION SERVICES[2]	6.2	5.4	+13%	23.2	19.7	+19%
LEGACY PRODUCTS[3]	1.5	2.1	-31%	6.9	7.8	-10%
TOTAL	**35.9**	30.9	**+14%**	**133.7**	112.3	**+20%**
BOOKINGS[5]	**3.65**	3.78	**-3.4%**	**13.2**	10.6	**+25%**

(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, record year

Esker once again experienced its most successful quarter and year in company history, surpassing the 130 million euros mark for 2021. Esker 2021 sales revenue amounted to 133.7 million euros, a 20% increase over 2020 based on a constant exchange rate (+19% based on current rates).

Esker Q4 2021 consolidated sales revenue amounted to 35.9 million euros, a 16% increase over Q4 2020 based on current exchange rates (+14% based on a constant rate). Despite a slight decrease in volumes processed during the month of December due to the resurgence of the pandemic, cloud-based activities (up 18%) are driving growth, representing 96% of the company's business. This strong momentum is equally spread across all geographical areas, all of which posted solid growth, benefiting from the sales successes achieved during the year.

Continued strong pace of signed projects

Esker recorded a high amount of signed projects 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 Q4 2021 amounted to 3.65 million euros, slightly down from an exceptional Q4 2020 (numerous contracts deferred in the first months of the pandemic were closed in Q4). Q4 2021 is, in absolute value for ARR, the best quarter of the year and the second best in company history. This performance is all the more significant given that the pandemic resurgence in December 2021 delayed the signing of some contracts. In addition, due to slightly longer contract terms, the total value of contracts signed during Q4 reached 15.3 million euros, 20% growth compared to Q4 2020.

The ARR of contracts signed amounted to 13.2 million euros for the year (an increase of 25% over 2020). The total value of subscriptions signed in 2021 increased by 38% to 48.0 million euros, compared with 34.7 million euros in 2020.

Strengthened financial structure for future growth

Esker expects to maintain its operating income at a level similar to that achieved in the first half of 2021. As of December 31, 2021, company cash rests at 39.2 million euros. With 38.6 million euros in net cash (versus 30.7 million euros on December 31, 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 2022

Esker expects to achieve double-digit organic growth in 2022, which should bring sales revenue to around 155 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 LinkedIn and join the conversation on the Esker blog at blog.esker.com.

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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