

Press release

Esker Q2 2023 Sales Activity

Esker achieves record quarter

LYON, France, and MIDDLETON, Wis. — July 18, 2023

Sales Revenue in M€ (Unaudited)	Q2 2023	Q2 2022	Q2 2023/ Q2 2022 Growth ⁽⁴⁾	H1 2023	H1 2023/ H1 2022 Growth ⁽⁴⁾
SaaS ⁽¹⁾	37.2	31.5	+20%	72.5	+20%
Implementation Services ⁽²⁾	7.0	6.4	+12%	13.4	+10%
Legacy Products ⁽³⁾	0.9	1.9	-53%	2.0	-39%
TOTAL	45.1	39.8	+15%	87.9	+16%
Bookings^{(5) (4)}	4.6	4.0	+14%	9.0	+18%

⁽¹⁾Includes subscriptions and transactional revenue

⁽²⁾Includes Consulting and Professional Services

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

⁽⁴⁾Growth based on a constant exchange rate: 2023 exchange rates applied to 2022 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.

Record quarter, record half year

Esker Q2 2023 sales revenue amounted to 45.1 million euros, a 15% increase over Q2 2022 based on constant exchange rates (+13% based on current rates). Half-year sales revenue grew 16% based on constant exchange rates (+15% based on current rates) to 87.9 million euros. Once again, Esker has experienced its best quarter and half year in company history.

Cloud revenue (+20% based on constant rates and +18% based on current rates) continued to drive growth, representing 82% of the company's business. This excellent performance is the result of the many customer contracts signed in previous quarters that are now progressively entering production. Additionally, transaction volumes have shown good resilience since the beginning of the year.

Implementation services grew more gradually (+12% based on constant rates and +11% based on current rates), representing 16% of the company's business. The performance of legacy products continues its downward trend, representing less than 2% of sales revenue.

A record quarter for new bookings

Esker recorded the second-best quarter and the best half year in its history in terms of bookings. The annual recurring value (ARR) of new contracts signed during Q2 2023 increased by 14% (based on constant exchange rates) compared to Q2 2022, to reach 4.6 million euros. The ARR of new contracts signed in the first half of the year reached 9.0 million euros, an increase of 18%.

The pace of new bookings was extremely dynamic in Europe (+104%), excluding France, with a very large contract won in the U.K. Performance in France improved sharply (+6%) over Q1 thanks to the first signed contracts linked to the change in electronic invoicing regulations. This reform has created several excellent opportunities that will fuel French performance over the coming quarters. Esker is one of the first companies to finalize its application to become a Partner Dematerialization Platform (PDP) with France's General Directorate of Public Finances (DGFIP). The company also set up a group of volunteer companies of all sizes and from all sectors, with the goal of taking part in the pilot program organized by the DGFIP to carry out the first exchanges with the government's public invoicing platform (PPF) at the beginning of 2024.

A solid financial position

As of June 30, 2023, company cash rests at 45.2 million euros (including 5 million euros classified as financial fixed assets) versus 43.1 million euros on June 30, 2022, after payment of dividend and employee profit-sharing. Given the low financial debt (12.7 million euros as of June 30, 2023) and more than 130,000 in treasury shares (representing 18.2 million euros based on the closing share price on July 13, 2023), Esker has the financial autonomy to pursue its strategy based on accelerating organic growth, complemented by targeted acquisitions to integrate adjacent solutions and technologies that will increase the value delivered to customers.

Outlook for 2023

Given the strong booking performance in H1 2023, Esker raises its organic revenue forecast for 2023 to between 14-15% (against an initial target of +12% to +14% raised to +13% to +15% in April 2023), with a profitability (operating margin) of between 12-14% of sales revenue.

An English webcast will take place July 18, 2023, at 6:30 p.m. Central European Time. To participate, please join call [here](#).

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 employees. 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 www.esker.com. Follow Esker on [LinkedIn](#) and join the conversation on the Esker blog at esker.com/blog.

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