

Esker Q3 2020 Sales Activity

Company growth picks up thanks to strong performance of cloud-based activities

LYON, France, and MIDDLETON, Wis. — October 13, 2020

SALES REVENUE IN M€ (UNAUDITED)	Q3 2020	Q3 2019	QUARTER GROWTH ⁽⁴⁾	9 MONTH 2020	9 MONTH 2019	9 MONTH GROWTH ⁽⁴⁾
SAAS-BASED DOCUMENT PROCESS AUTOMATION ⁽¹⁾	25.3	22.8	+14%	75.4	67.6	+12%
LICENSE AND MAINTENANCE- BASED DOCUMENT PROCESS AUTOMATION ⁽²⁾	1.3	1.6	-17%	4.2	4.9	-15%
LEGACY PRODUCTS ⁽³⁾	0.6	0.9	-39%	1.8	2.9	-38%
TOTAL	27.1	25.3	+10%	81.4	75.5	+8%

⁽¹⁾Includes Esker on Demand, FlyDoc, CalvaEDI, TermSync and e-integration GmbH

⁽²⁾Includes Esker DeliveryWare

⁽³⁾Includes Fax Servers and Host Access

⁽⁴⁾Growth based on a constant exchange rate: 2020 exchange rates applied to 2019 figures

Stable growth of cloud-based activities

Esker Q3 2020 consolidated sales revenue amounted to 27.1 million euros, a 10% increase over Q3 2019 based on a constant exchange rates (7% based on current rates). For the first nine months of 2020, Esker's sales growth increased 8% to reach 81.4 million euros (based on both current and constant exchange rates).

As expected, cloud-based activities gradually recovered over the summer and grew 21% in September and 14% for the quarter as a whole. The variable share of cloud-based activities (45% of sales revenue), which was slowed down by COVID-19-driven measures during Q2, returned to 95% of its pre-COVID trend in September. The fixed portion of cloud-based activities continued to grow at its usual rate.

The company's strong Q3 performance was slightly hampered by a lack of traditional license and maintenance-based activities, which tend to take a harder hit during volatile economic times.

The pace of signed projects remains strong

Despite the difficult economic situation, Esker recorded numerous signed projects in Q3 which will fuel the company's future growth. The cumulative value of new contracts signed in the first nine months of 2020 increased by 11% compared to 2019, to reach 21.3 million euros. While the health pandemic has delayed some projects, it has also accelerated decision-making for companies who view Esker's solutions as

essential to ensuring operational continuity, particularly when the majority of their administrative and financial staff are working from home.

Strengthened financial structure for future growth

As of September 30, 2020, company cash rests at 40 million euros. With 25.2 million euros in net cash (versus 19 million euros on September 30, 2019), Esker has the financial resources necessary to handle the macroeconomic consequences of the global health crisis while continuing to invest in future growth.

Outlook for 2020 remains positive

Despite the uncertainties of how the global health and economic crisis will evolve, Esker expects to maintain close to 9% organic growth in 2020. In this hypothesis, profitability would remain close to what was recorded in 2019, without calling into question investments aimed at further developing the company.

About Esker

Esker is a worldwide leader in AI-driven process automation software, helping financial and customer service departments digitally transform their procure-to-pay (P2P) and order-to-cash (O2C) cycles. Used by more than 6,000 companies worldwide, 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](https://twitter.com/EskerInc) and join the conversation on the Esker blog at blog.esker.com.

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