

## Esker Q1 2020 Sales Activity

### Cloud-based solutions increased by 21%

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SALES REVENUE IN M€ (UNAUDITED)	Q1 2020	Q1 2019	Q1 2020/Q1 2019 GROWTH <sup>(4)</sup>
SAAS-BASED DOCUMENT PROCESS AUTOMATION <sup>(1)</sup>	26.1	21.4	+21%
LICENSE AND MAINTENANCE-BASED DOCUMENT PROCESS AUTOMATION <sup>(2)</sup>	1.5	1.8	-17%
LEGACY PRODUCTS <sup>(3)</sup>	0.6	0.9	-34%
<b>TOTAL</b>	<b>28.2</b>	<b>24.1</b>	<b>+16%</b>

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

<sup>(2)</sup>Includes Esker DeliveryWare

<sup>(3)</sup>Includes Fax Servers and Host Access

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

#### Growth in cloud-based activities

Esker Q1 2020 consolidated sales revenue amounted to 28.2 million euros, a 16% increase over Q1 2019 based on a constant exchange rate (+17% based on current rates). Growth of the company's cloud-based activities in Q1 increased 21% to represent 92% of Esker's business. Activity was particularly strong in the Americas (36% of global cloud revenue) with close to 30% growth reflecting sales success in 2019. The Asia Pacific region performed well with a 50% Q1 growth increase, representing 6% of company business. Use of traditional license-based products continues to level off in favor of cloud-based implementations.

#### Update on the COVID-19 pandemic

Despite the ongoing global health crisis, Esker continues to serve its customers with minimal disruption and without affecting the quality of service delivered. Almost all of the company's employees are operational and working from home, regardless of their location in the world. Esker's sales revenue includes a variable share that depends on customers' level of activity on its platforms. This part amounts to 45% of company revenue. The economic slowdown resulting from the pandemic will impact the growth of this income. For the month of March, this impact is estimated at -2.7 growth points. While some industries are being affected greatly (e.g., transportation, tourism, etc.), others see their activity increasing, sometimes significantly (e.g., pharmaceuticals, medical equipment, food, etc.). In this context, Esker should benefit from the strong diversification of its client base, as it is not particularly dependent on a specific economic sector.

To date, the vast majority of customer projects are carried out remotely without any noticeable slowdown. In Q1, revenue from consulting activities for cloud-based solutions increased by 27% compared to 2019. The value of signed projects and those in the process of implementation remains high and represents more than four months of activity. In the first quarter, Esker continued to sign new contracts consistent with previous quarters. The health crisis will lengthen sales cycles, at least during the second quarter of 2020. The effects of this slowdown will depend mainly on duration and momentum of the recovery that will follow.

Today's situation highlights the interest for companies to have cloud-based, back-office process automation solutions. Esker's customers are able to normally manage their business processes and ensure the operational continuity of their businesses.

### Strengthened financial structure for future growth

As of March 31, 2020, company cash rests at 24.1 million euros. With 19.9 million euros in net cash (versus 17.0 million euros on March 31, 2019), Esker has the financial resources necessary to serenely address this complicated period and pursue its strategy relying mainly on organic growth.

### Positive outlook for 2020

The actual effects of the current economic situation on Esker's sales revenue will depend on the duration of the crisis. To face this period, Esker relies on the resilience of its economic model, the geographic and sectoral diversification of its revenues and the relevance of its solutions for customers. Despite the uncertainties of the evolution of the crisis, Esker expects that it will be able to maintain close to 10% 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 over the coming years.

### 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](http://www.esker.com). Follow Esker on Twitter [@EskerInc](https://twitter.com/EskerInc) and join the conversation on the Esker blog at [blog.esker.com](http://blog.esker.com).

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