

THE CLOUD PLATFORM FOR DOCUMENT PROCESS AUTOMATION

Jean-Michel Bérard, Founder & CEO
Emmanuel Olivier, COO
March 2019



AGENDA

- Corporate Overview
- Key Figures
- Strategy
- Addendum



CORPORATE OVERVIEW

THE CLOUD PLATFORM FOR DOCUMENT PROCESS AUTOMATION



BRINGING THE BACK-OFFICE TO THE MODERN WORLD

DIGITALISATION OF EXCHANGES BETWEEN COMPANIES AND THEIR CLIENTS/SUPPLIERS

ORDER-TO-CASH

Order Management

Accounts Receivable

PURCHASE-TO-PAY

Purchasing

Accounts Payable &
Financing



A UNIFIED CLOUD PLATFORM



DRILLING DOWN FURTHER...



DIGITAL TRANSFORMATION OF THE CASH CONVERSION CYCLE



Increased business productivity



Manage growth, competitiveness & global compliance



Enhanced global visibility & analytics



Improved customer satisfaction



Strengthened supplier relationships



Greater employee satisfaction

WHY ESKER?

NOT ALL AUTOMATION SOLUTIONS ARE CREATED EQUAL

Multi-tenant cloud platform
(ISO 27001, SSAE 18 & ISAE 3402)



Artificial intelligence
improves accuracy & predictive analytics



Mobile capabilities
to manage key activities while on the go



One solution, one interface
designed for optimized user experience

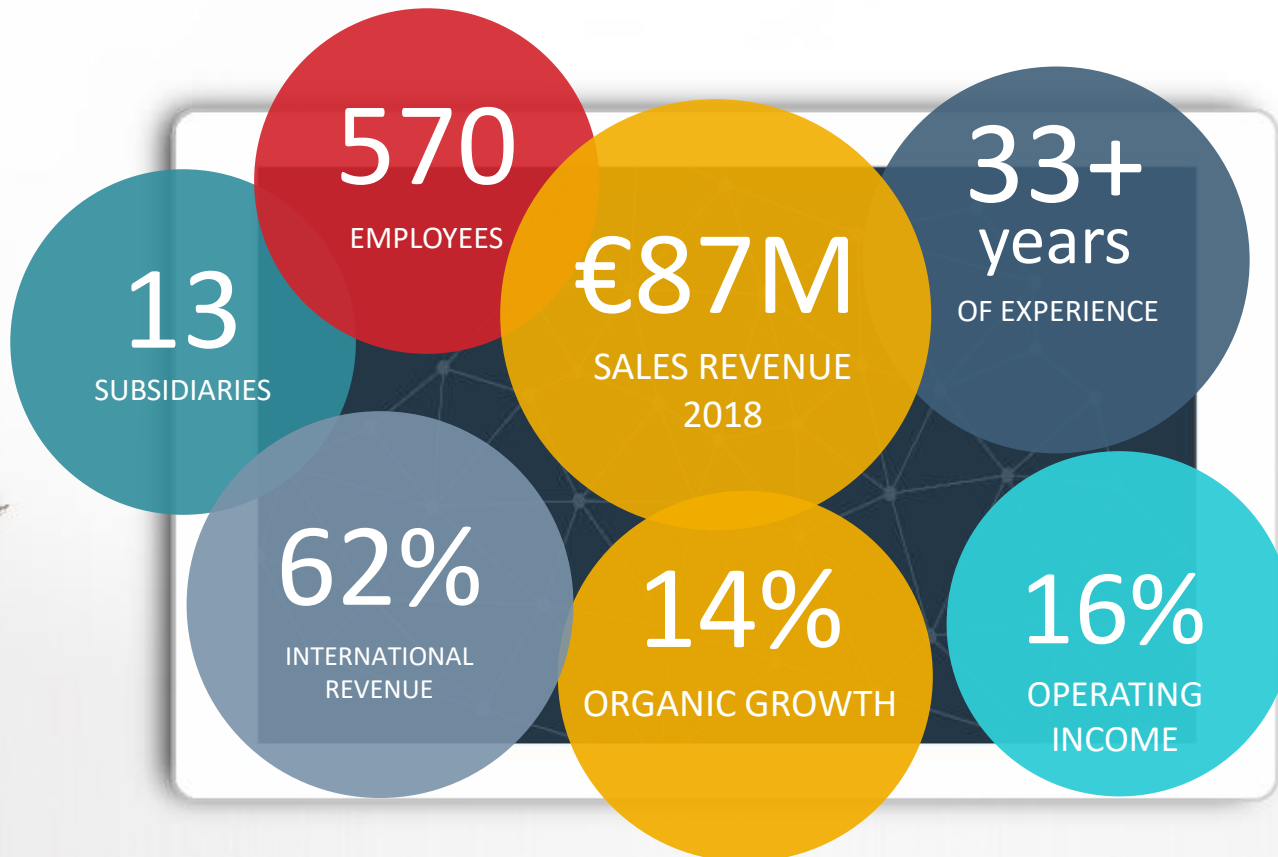


Multiple ERP integration,
independent yet fully connected

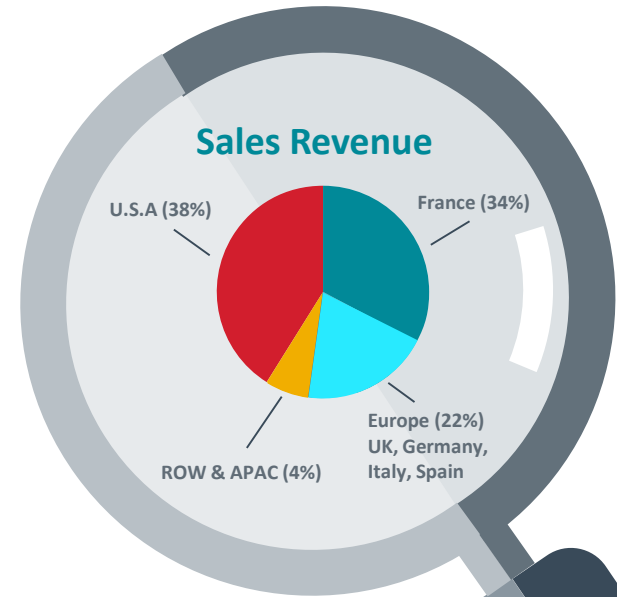



Agile methodology
for global solution delivery & rapid implementation

KEY NUMBERS



GLOBAL PRESENCE



-  Lyon, France — HQ
 - Derby, UK
 - Munich & Düsseldorf, Germany
 - Madrid, Spain
 - Milan, Italy
- Brussel, Belgium
 - Madison, WI & Denver, CO, U.S.
 - Montreal, Canada
 - Buenos Aires, Argentina
- Sydney, Australia
 - Singapore
 - Hong-Kong
 - Kuala Lumpur, Malaysia

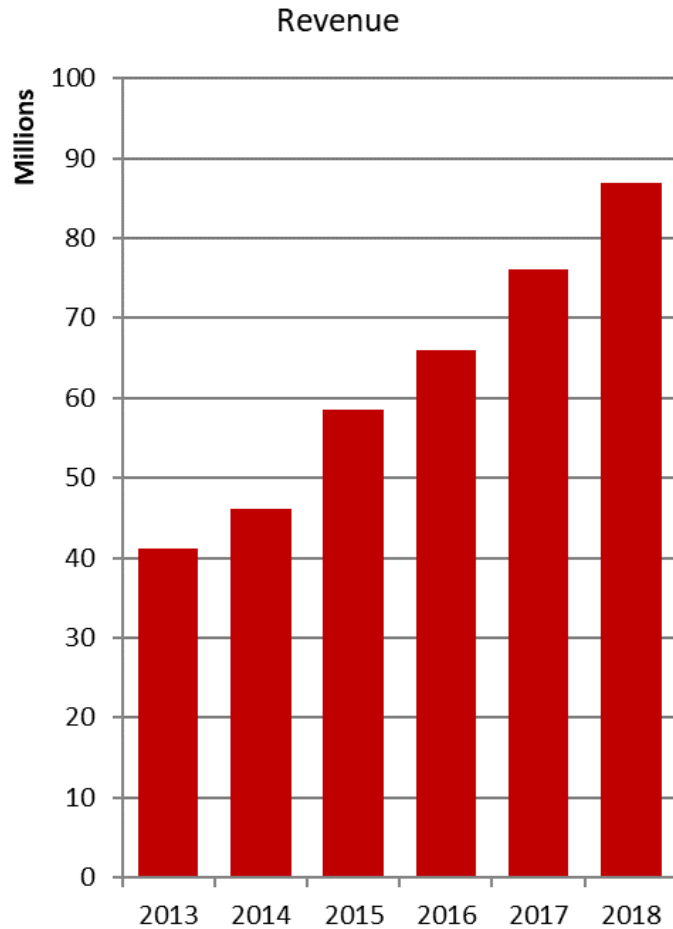
RECENTLY SIGNED CUSTOMERS





KEY FIGURES

KEY FIGURES



€87M

2018 REVENUE

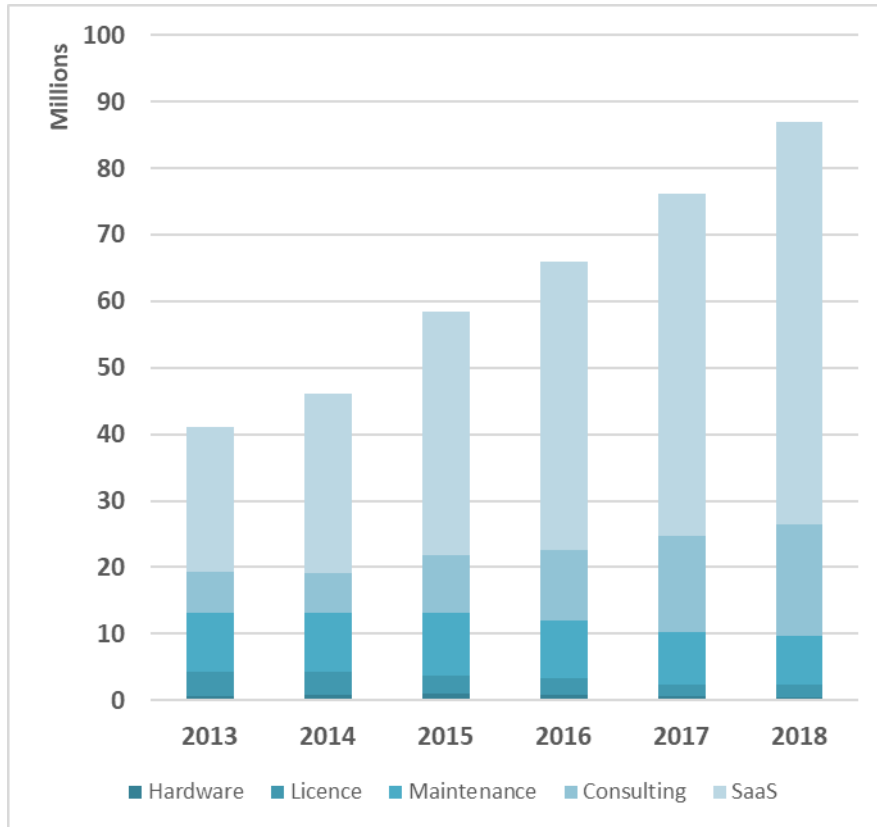
+16%

ORGANIC GROWTH

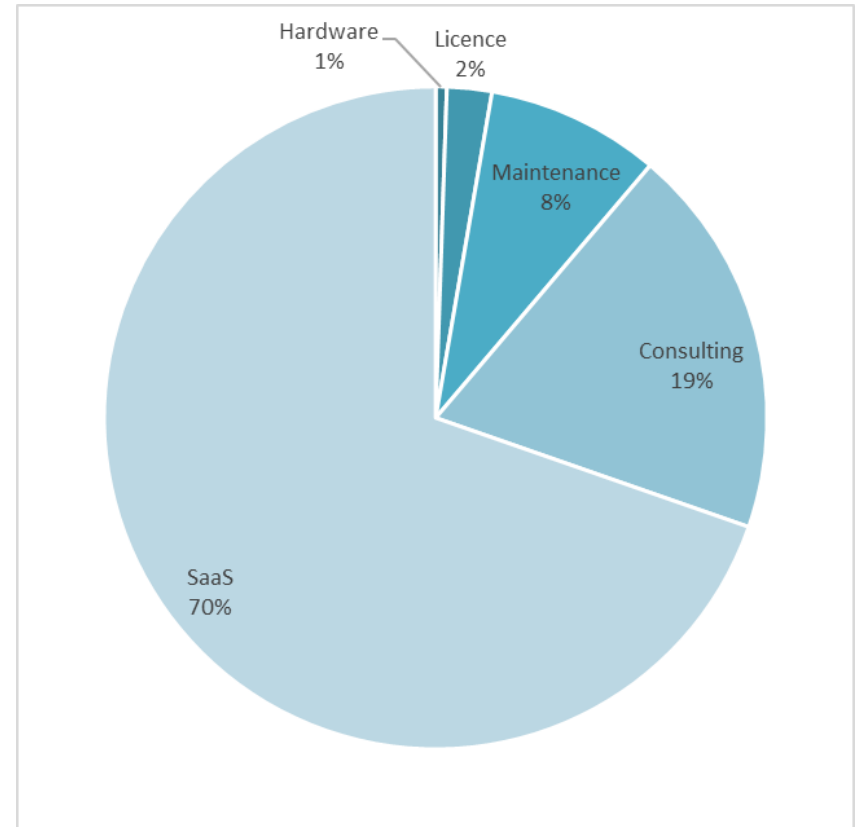
+14%

PUBLISHED GROWTH

BUSINESS MODEL

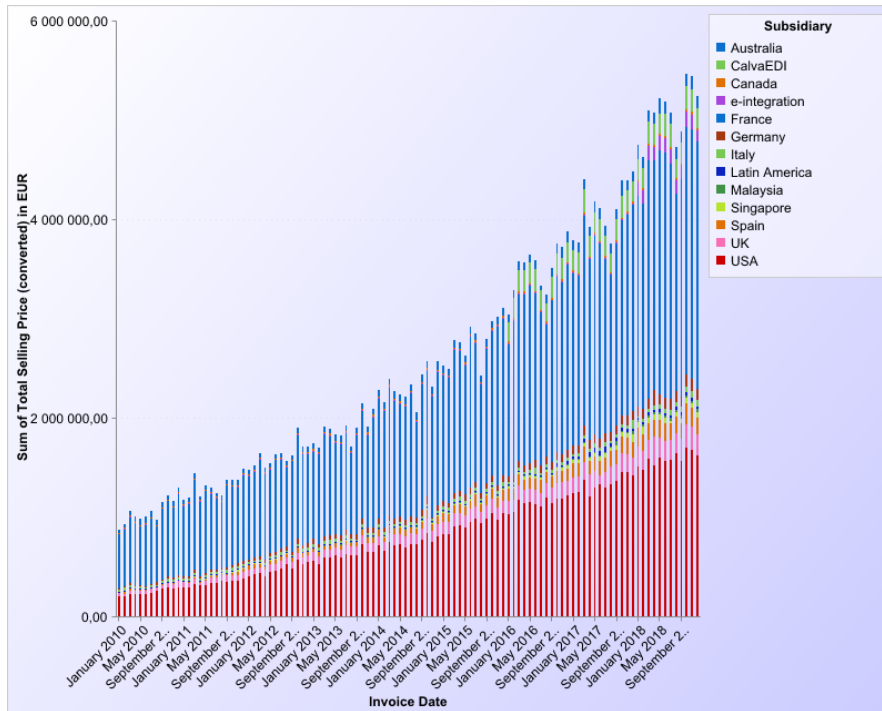


In 2018 SaaS revenue increased by 19% and represents 70% of the total revenue



78% recurring revenue in 2018 (SaaS + Maintenance)

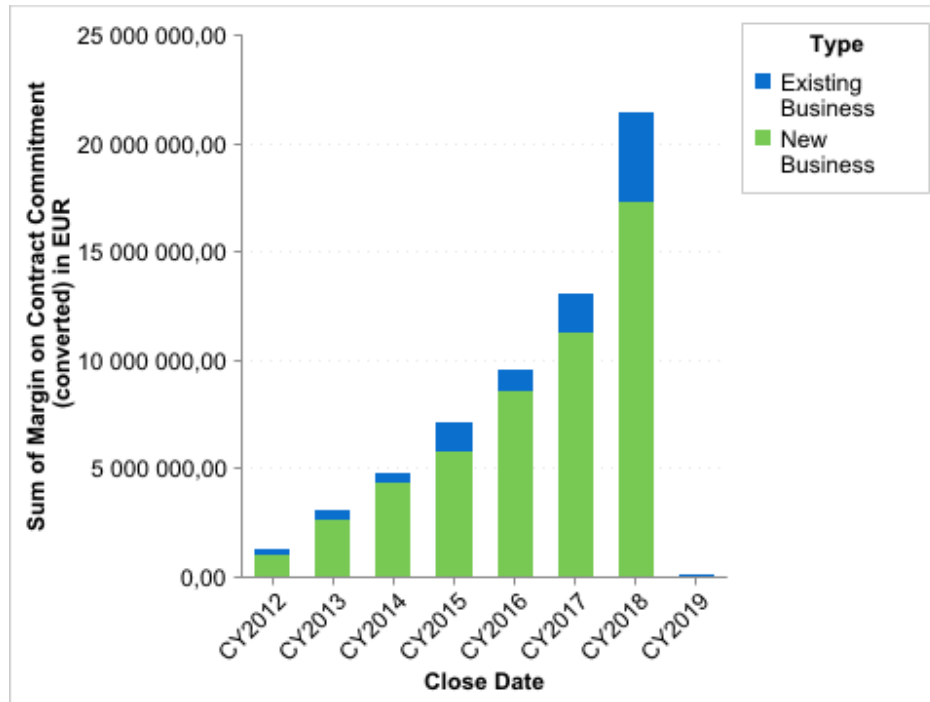
SAAS REVENUE



Monthly SaaS Revenue

- **70% of the Revenue in 2018 (excl. consulting)**
- **€60M in 2018 (+20%)**
- **Over 60 million pages processed every month**
- **Around 7,000 Customers**
- **142 million Users on our platform (500K daily users)**

SALES PERFORMANCE (BOOKINGS)



Committed Value of Signed Contracts

- Typical contract: **3** years
- Includes:
 - Fixed part: **subscription** fee
 - Variable part: **per document** fee
- Committed value signed
 - **€21.5M** in 2018
 - **+65%** vs 2017
- Will hit the revenue line over the next 3 years
- Acquisition cost (sales & marketing mainly) charged to income statement immediately
- Committed value of contract is approximately **50%** of total value at contract renewal



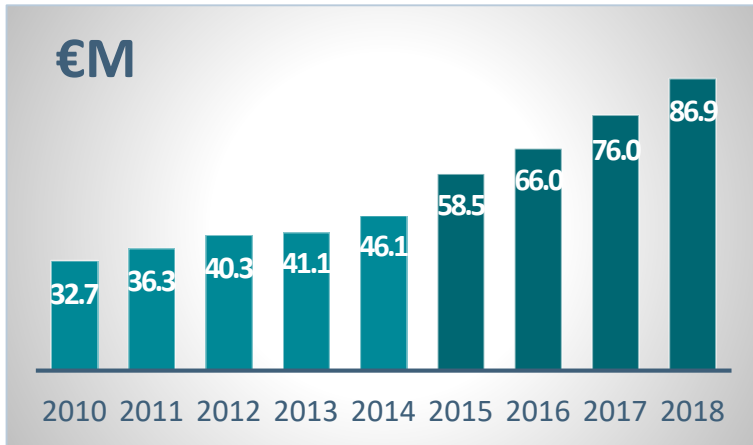
FINANCIAL OVERVIEW

2018 AT A GLANCE

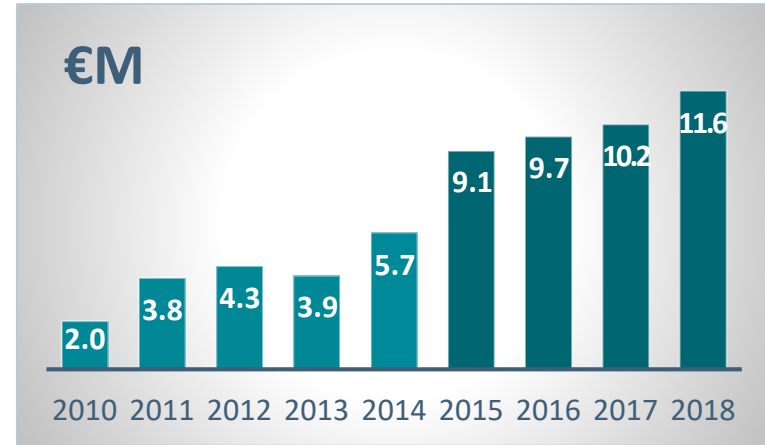
- **Dynamic organic revenue growth +16%**
 - Cloud revenue growth +20%
 - Other products -3%
- **Operating income increase by 14% to reach €11.6M**
 - Profitability stable at 13.3% of revenue
- **New customer acquisition continues to accelerate**
 - Value of new contracts sold grew by more than 65% vs. 45% in 2017
 - Good visibility on future years revenue
- **Sales success translates into higher commission expense**
 - Variable selling expenses on new contracts are 100% expensed and not deferred
 - €1.1M hit to 2018 income statement (1.2% of revenue)
- **Unfavorable currency translation effect:**
 - -€0.48M on operating profit
 - Mainly USD (€0.4M)
- **Continued investments in HR to generate future growth (+13.5%)**
 - R&D & Consulting 56% of overall increase
 - Sales & marketing investment effort started (+12%)
- **Net income increasing by 31%**
 - No significant exceptional items
 - Effective income tax rate decreases by 7% points to 27.6% driven by reduced income tax in the US
 - Share in net income of affiliates increase by 37%

TRACK RECORD

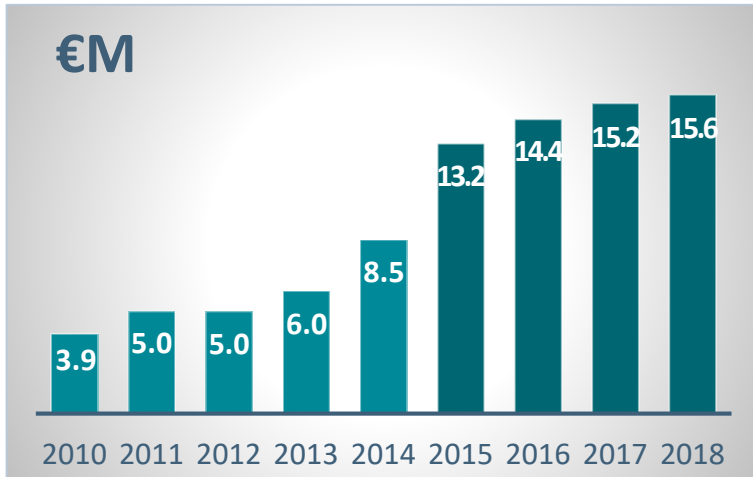
Sales revenue



Operating income



Cash flow from Operations



Net income



2018 SALES ACTIVITY

SALES REVENUE	2018 €M	2017 €M	GROWTH ⁽⁴⁾	GROWTH CONSTANT CURRENCY
SaaS-based document process automation ⁽¹⁾	75.8	64.3	+18%	+20%
License and maintenance-based document process automation ⁽²⁾	7.8	8.1	-4%	-1%
Legacy products ⁽³⁾	3.3	3.6	-8%	-7%
TOTAL	86.9	76.1	+14%	+16%

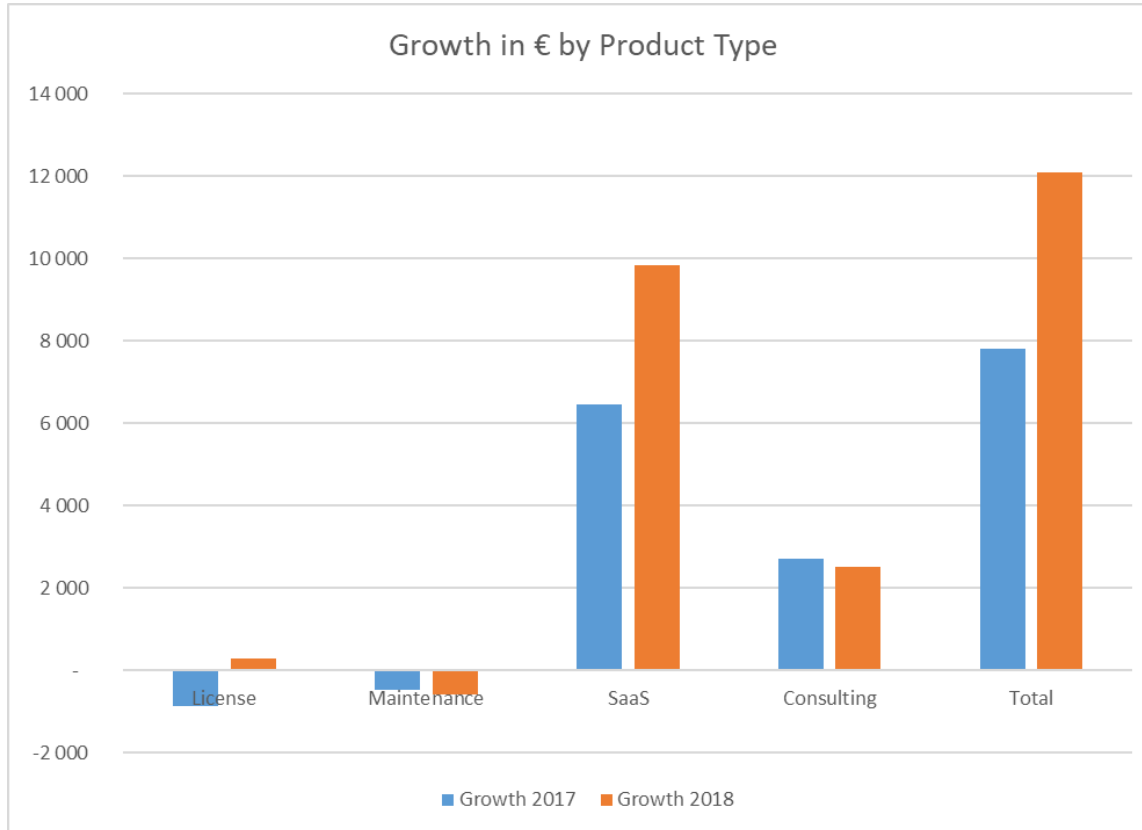
(1) Includes Esker On Demand, FlyDoc, CalvaEDI, TermSync and e-integration GmbH

(2) Includes Esker DeliveryWare

(3) Includes Fax Servers and Host Access

(4) Growth expressed with no currency effect: 2018 exchange rates applied to 2017 figures

GROWTH BY PRODUCT TYPE

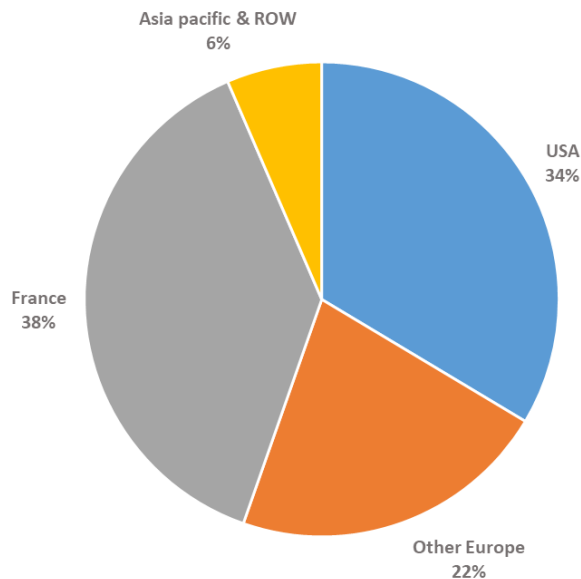


At constant exchange rates

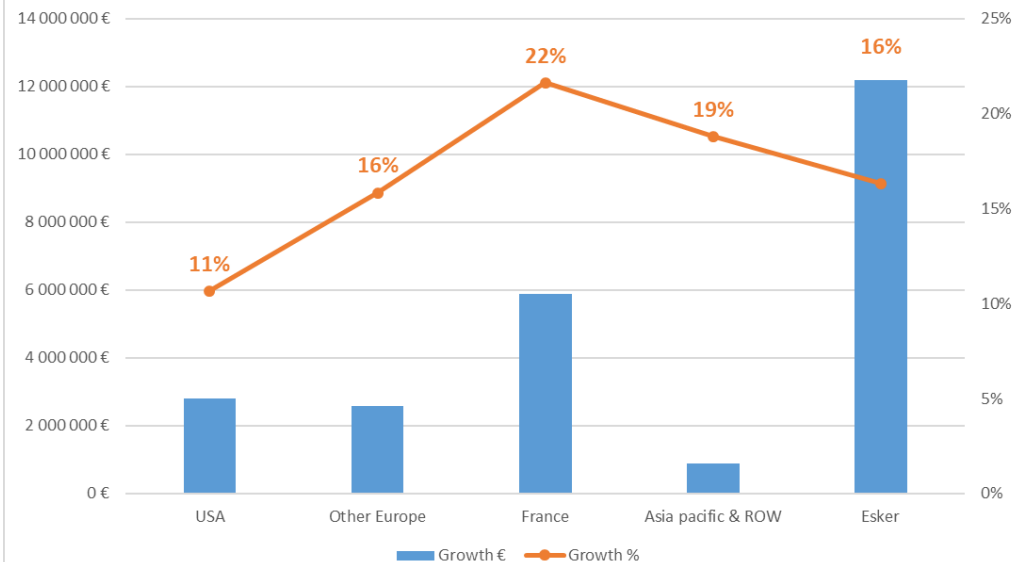
- SaaS Growth accelerates and drives overall growth
 - €9.8M in 2018
 - €6.5M in 2017
 - +51%
- Consulting growth is stable
 - Investment in partners
 - Improved consulting productivity

REVENUE AND GROWTH BY GEOGRAPHY

Revenue by Region



Revenue Growth by Geography



- **Dynamic growth across all regions**

- France revenue continues to perform very well both through Esker channels and Neopost JV (+€2.2M)
- “Other Europe” shows excellent performance in Germany, Italy and Spain.
- Brexit uncertainty slows down growth in the UK (+6%)

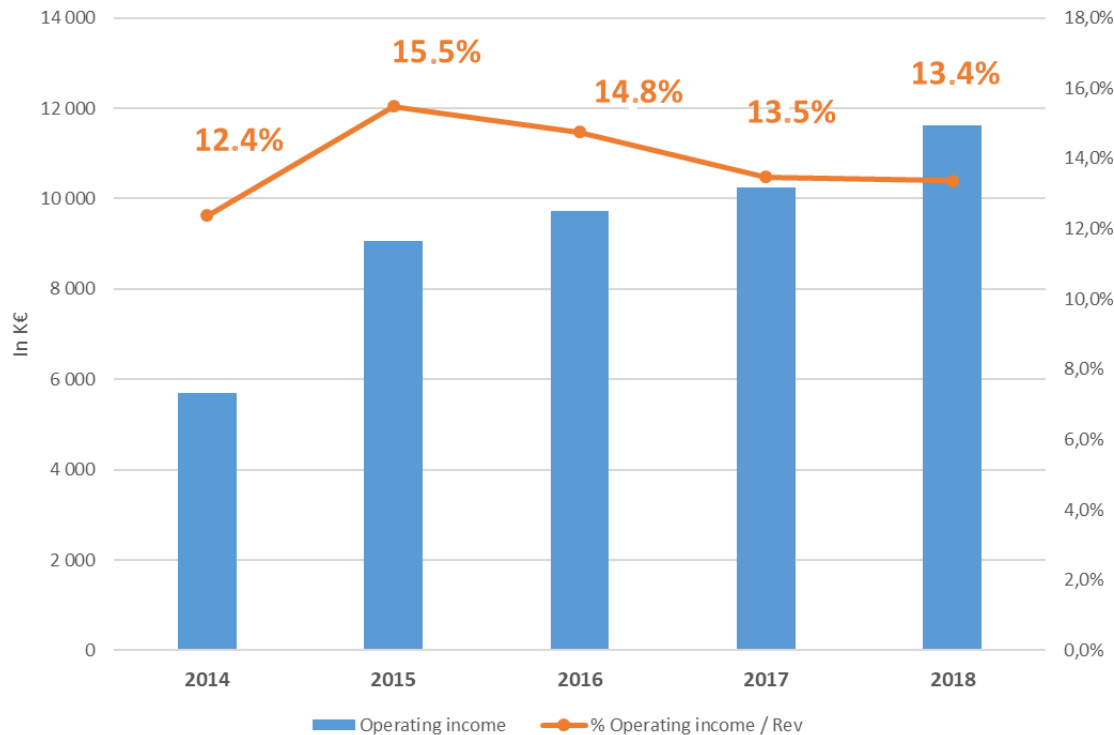
- Asia Pacific maintains high growth rate
- USA growth rate lower due to legacy and on premise revenue. US SaaS revenue on par with rest of the company

CURRENCY EFFECTS (USD)

Rate USD/EURO	Revenue	Operating Income
1.00	€5,584K	€1,845K
1.137	€1,159K	€385K
1.179	€0K	€0K
1.20	-€537K	-€177K
1.30	-€2,891K	-€955K

PROFITABILITY OVERVIEW

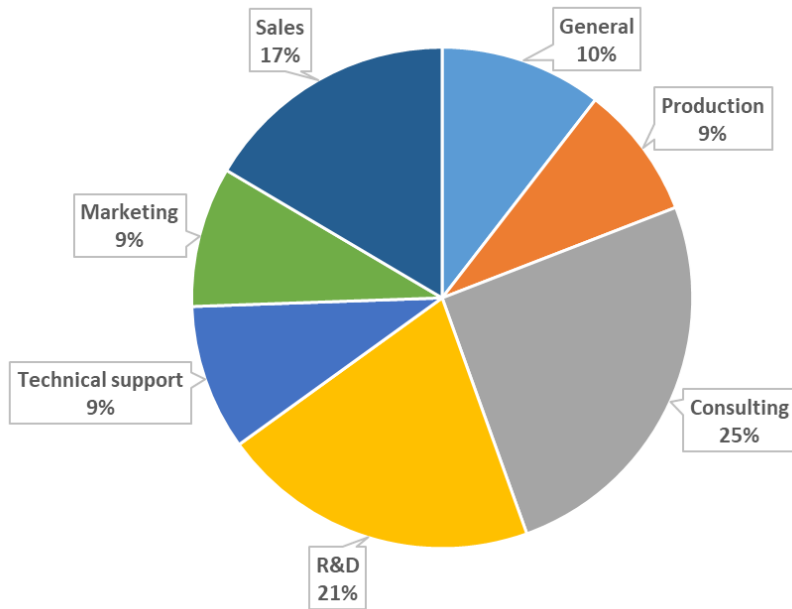
Operating Income and Profitability



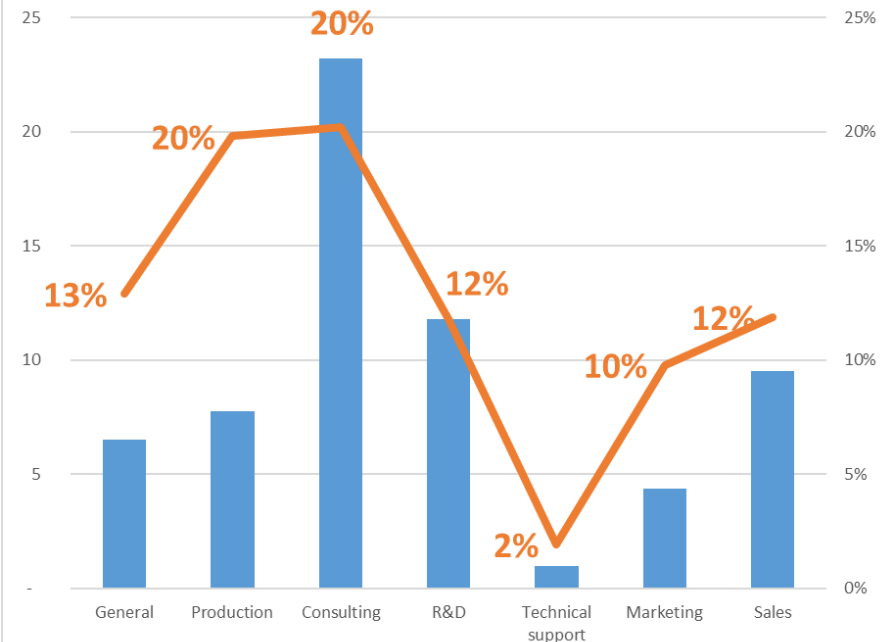
- Income from operations increase by 13.3%
- Profitability stable at 13.4% of revenue despite
 - ✓ Continued investment in HR for future growth (Headcount +13.5%)
 - ✓ Unfavorable currency translation impact: €0.5M
 - ✓ Higher variable compensation cost (Sales, marketing, consulting) due to very high increase in new bookings for 2018: +€1.1M)

CONTINUED INVESTMENT IN PEOPLE

2018 average headcount



Increase in average headcount by department



■ Global HC increase 13.5%

- ✓ 544 average FTE in 2018. 580 @ 12/31/2018
- ✓ +64 FTE vs 2017
- ✓ Consulting & R&D represent 56% of overall increase

INCOME STATEMENT

<i>In '000 of euros</i>	31/12/2018	% CA	31/12/2017	% CA	Var €	Var %
REVENUE	86,871	100.0%	76,065	100.0%	10,806	14.2%
Capitalized R&D expenses	5,742	6.6%	5,204	6.8%	538	10.3%
Other income	1,324	1.5%	1,136	1.5%	188	16.5%
Personnel cost	-50,015	-57.6%	-43,216	-56.8%	-6,799	15.7%
Other operating expenses	-24,180	-27.8%	-21,536	-28.3%	-2,644	12.3%
Taxes	-1,213	-1.4%	-1,063	-1.4%	-150	14.1%
Depreciation and amortization	-6,918	-8.0%	-6,342	-8.3%	-576	9.1%
INCOME FROM OPERATIONS	11,611	13.4%	10,248	13.5%	1,363	13.3%
Financial income / (Loss)	-57	-0.1%	-110	-0.1%	53	-48.2%
OPERATING INCOME	11,554	13.3%	10,138	13.3%	1,416	14.0%
Exceptional items	-88	-0.1%	-456	-0.6%	368	-80.7%
Income tax	-2,940	-3.4%	-3,148	-4.1%	208	-6.6%
Affiliates equity method	317	0.4%	232	0.3%	85	36.6%
NET INCOME	8,843	10.2%	6,766	8.9%	2,077	30.7%
<i>Earnings per share</i>	<i>1.64</i>		<i>1.28</i>		<i>0.36</i>	<i>28.1%</i>
<i>Fully diluted earnings per share</i>	<i>1.59</i>		<i>1.22</i>		<i>0.37</i>	<i>30.3%</i>

	2018	2017	Var €	Var %
Development cost capitalized	5 742	5 204	538	10%
Amortization	(4 137)	(3 634)	(503)	14%
Net	1 605	1 570	35	2%
% Capitalized	62%	63%		

INCOME STATEMENT BY FUNCTION

<i>In '000 of euros</i>	31/12/2018	% CA	31/12/2017	% CA	Var €	Var %
REVENUE	86,871	100.0%	76,065	100.0%	10,806	14.2%
Costs of Goods Sold	-12,936	-14.9%	-12,209	-16.0%	-727	6.0%
Research and Development Expenses	-9,337	-10.7%	-7,958	-10.0%	-1,379	17.3%
Selling & Consulting Expenses	-36,638	-42.2%	-31,142	-41.0%	-5,496	17.6%
Marketing Expenses	-8,111	-9.3%	-7,181	-9.0%	-930	13.0%
General and Administrative Expenses	-8,238	-9.5%	-7,332	-10.0%	-906	12.4%
INCOME FROM OPERATIONS	11,611	13.4%	10,248	13.5%	1,363	13.3%
Financial income / (Loss)	-57	-0.1%	-110	-0.1%	53	-48.2%
OPERATING INCOME	11,554	13.3%	10,138	13.3%	1,416	14.0%
Exceptional items	-88	-0.1%	-456	-0.6%	368	-80.7%
Income tax	-2,940	-3.4%	-3,148	-4.1%	208	-6.6%
Affiliates equity method	317	0.4%	232	0.3%	85	36.6%
NET INCOME	8,843	10.2%	6,766	8.9%	2,077	30.7%
<i>Earnings per share</i>	<i>1.64</i>		<i>1.28</i>		<i>0.36</i>	<i>28.1%</i>
<i>Fully diluted earnings per share</i>	<i>1.59</i>		<i>1.22</i>		<i>0.37</i>	<i>30.3%</i>

CONSOLIDATED BALANCE SHEET

ASSETS (in'000)	12/31/18	12/31/2017	Var.
Goodwill	6,082	5,858	224
Intangible assets	22,014	20,815	1,199
Tangible assets	7,050	7,115	-65
Financial assets	3,745	3,699	46
Affiliates equity method	744	425	319
Total Fixed Assets	39,635	37,912	1,723
Inventory	147	176	-29
Accounts Receivable	20,516	17,633	2,883
Deferred Tax Assets	524	762	-238
Other Assets	5,035	3,620	1,415
Cash & Cash Equivalents	22,794	20,632	2,162
Total Current Assets	49,016	42,823	6,193
TOTAL ASSETS	88,651	80,735	7,916

LIABILITIES AND SHAREHOLDERS EQUITY (In '000)	12/31/18	12/31/2017	Var.
Shareholders Equity	47,769	39,620	8,149
Reserves	1,492	1,193	299
Long Term Debt	9,318	13,716	-4,398
Long Term Liabilities	10,810	14,909	-4,099
Accounts Payable	6,157	4,824	1,333
Tax & Social liabilities	14,415	12,451	1,964
Deferred Tax Liabilities	430	210	220
Other Liabilities	9,070	8,721	349
Total Liabilities	39,390	39,922	-532
TOTAL	88,651	80,735	7,916

- Intangible assets & goodwill increase due to
 - Higher EUR/USD rate (5%)
 - Net addition to R&D costs capitalized
- Financial assets include €3.1M of LT cash invested in bonds (to be held till maturity)
- Affiliates under equity method reflect share in JV with Neopost
- Accounts receivable increase in line with revenue
- Financial liabilities decrease in line with amortization schedule

CONSOLIDATED CASH FLOW STATEMENT

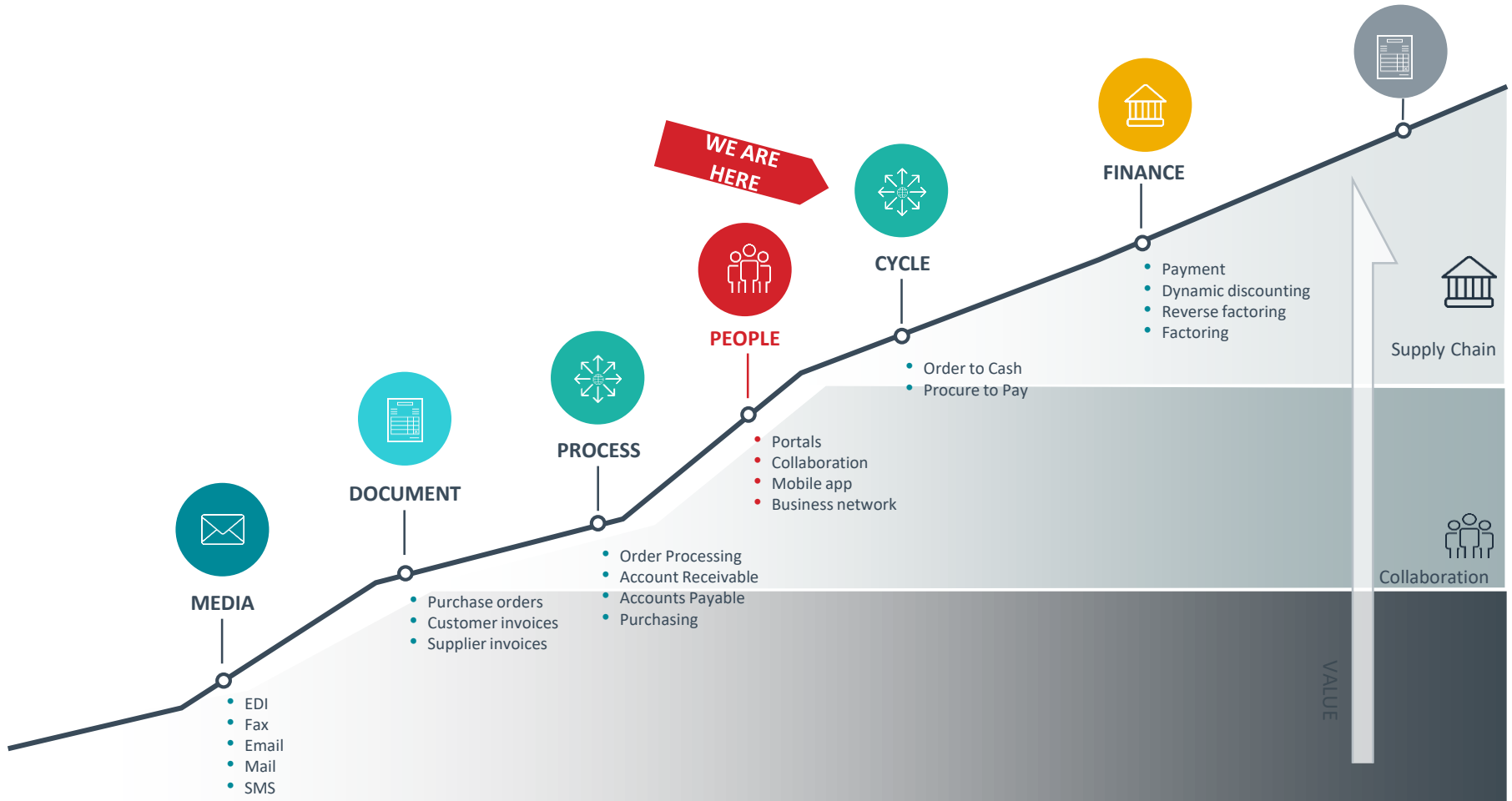
in '000 of euros	12/31/18	12/31/2017
Net Consolidated Income	8,843	6,766
Depreciation and Amortization Expense	7,170	7,424
Net income / loss from Sales of Assets	6	-56
Income tax Expense VS Paid	145	1,095
Interest income	120	35
Change in Working Capital	-650	-80
CASH FLOW FROM OPERATING ACTIVITIES	15,634	15,184
Acquisition of Tangible and Intangible Assets	-7,792	-13,155
Sale of Tangible and Intangible Assets	279	77
Increase in Financial Assets	-46	-3,106
Investment in Affiliated Entities	-543	-3,751
CASH FLOW FROM INESTING ACTIVITIES	-8,102	-19,935
Dividends Paid	-1,756	-1633
Proceeds from Stock Options Exercised	661	477
Amortization of Financial Debt	-4,398	-3,977
Increase in Financial Debt	0	10,000
CASH FLOW FROM FINANCING ACTIVITIES	-5,493	4,867
NET CHANGE IN CASH POSITION	2,039	116
Currency impact	124	-822
Cash on Hand at Opening	20,632	21,338
Cash on Hand at Closing	22,794	20,632

- Cash position increases by €2M and does not include €3.1M on LT investments
- Positive cash flow generated by operating activities stable
- Finances investing activities:
 - ✓ €5.7M of capitalized development costs
 - ✓ €2.1M of investment in cloud infrastructure, improvement of offices and needs from increasing headcount
- Increased dividend paid to shareholders
- Financial debt continues its amortization schedule

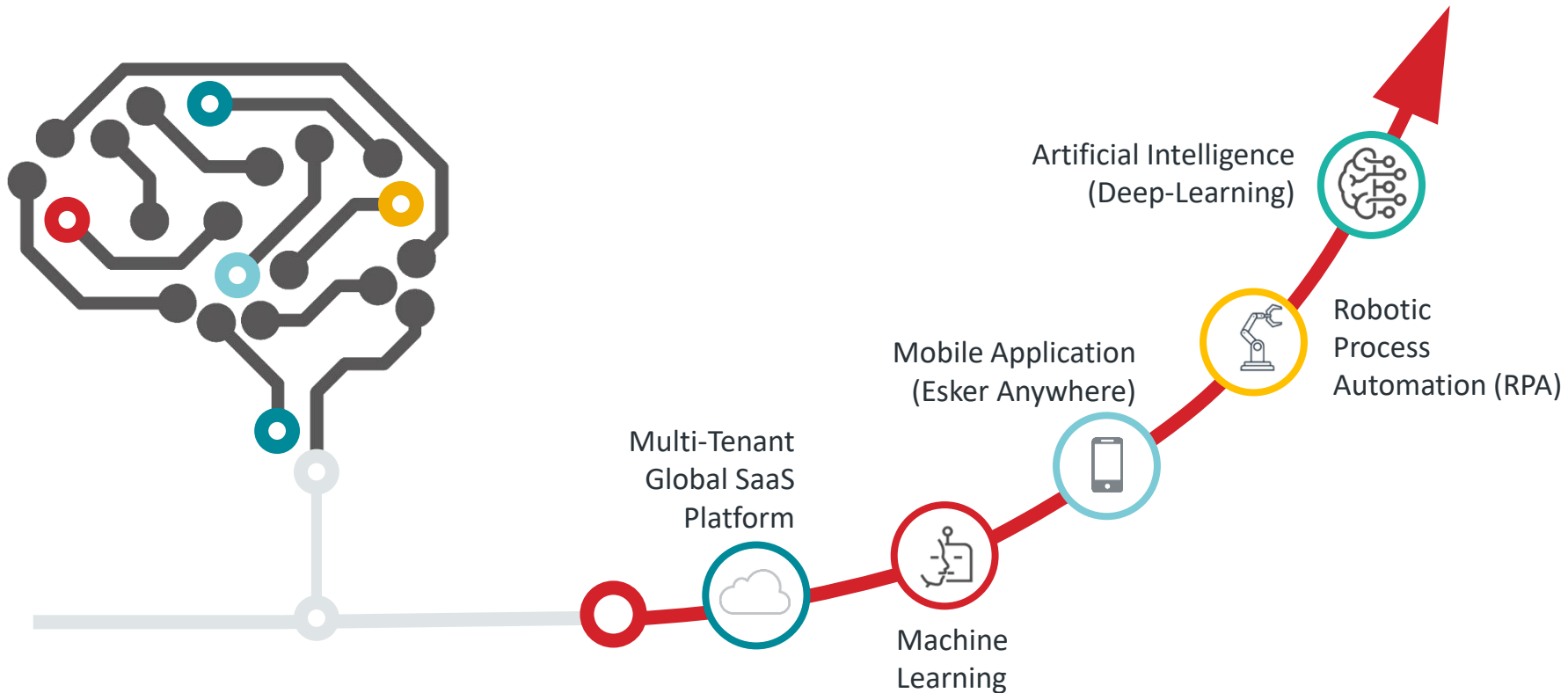


STRATEGY

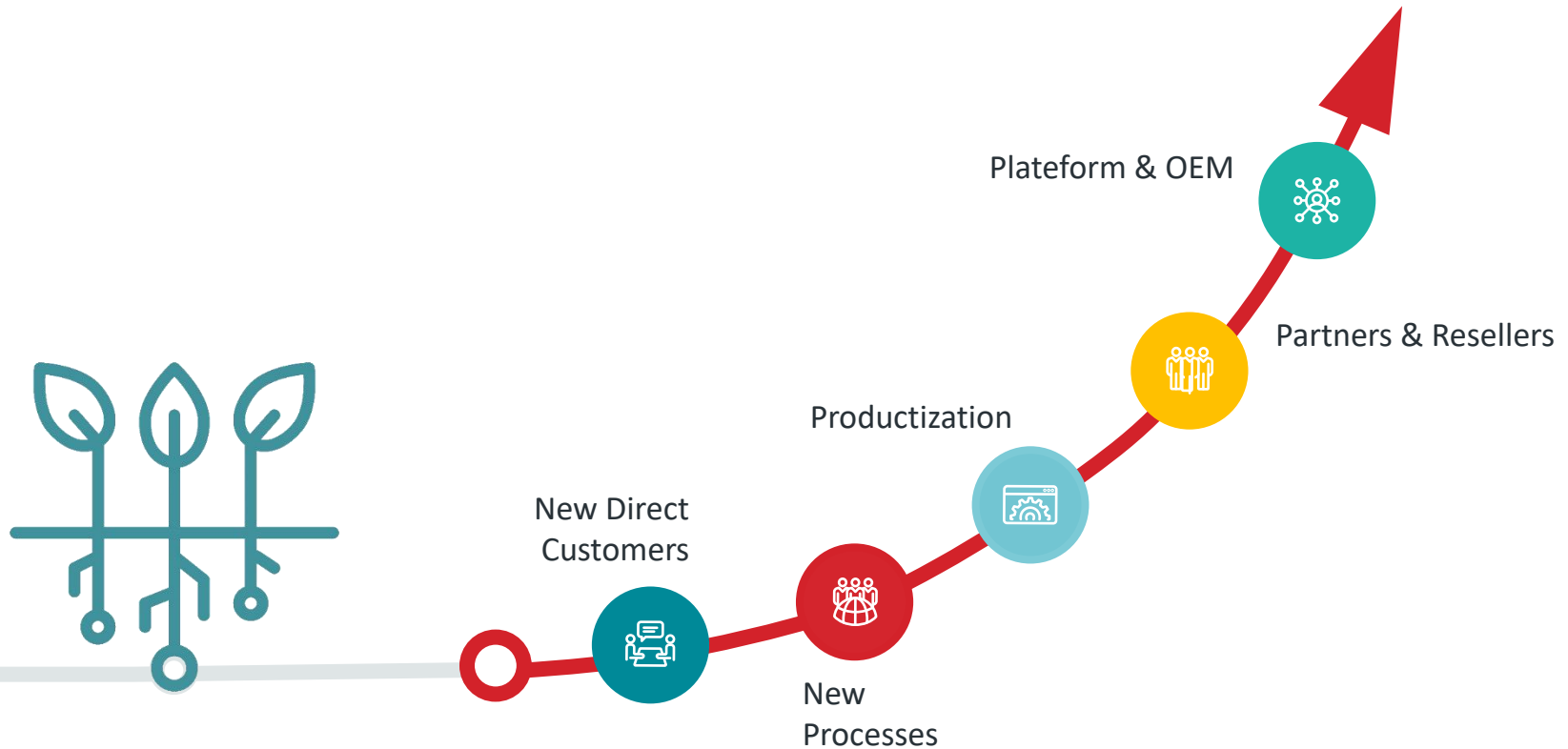
Product Roadmap



Technology Roadmap



Growth Drivers



Target 2019 and Beyond

- Aiming at 20% recurring organic growth
- While keeping profitability around 15%
- And maintaining strong investments in Sales, Consulting and R&D along



ADDENDUM

STOCK MARKET

Euronext Growth Paris

ISIN Code: FR0000035818 ALESK

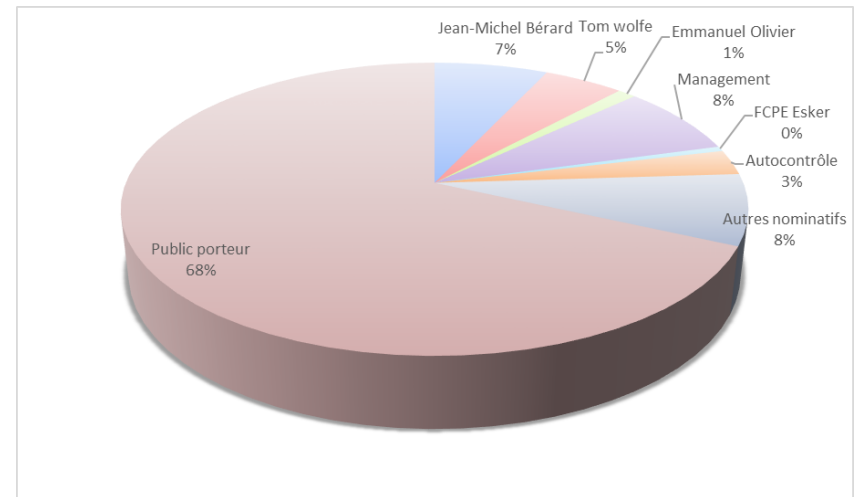
Market capitalization March 20, 2019: €387M

Number of shares: 5,608,965



Stock Price Evolution over 5 years

Capital breakdown as of December 31, 2018 (estimated)



Financial Announcements:

Q1 2019: April 16 2019*
Q2 2019: July 16 2019*
Q3 2019: October 15 2019*

* After stock market closing

BOARD OF DIRECTORS

Jean-Michel Bérard (57)

CEO – President of BoD
Esker founder



Emmanuel Olivier (50)

COO – General Manager
Board Member



**Eric Bussy
(44)**

WW Corporate Marketing
and Product Management
Director



**Jean-Jacques Bérard
(52)**

Executive Vice President,
Research and Development



**Steve Smith
(57)**

U.S. Chief Operating Officer



**Eric Thomas
(50)**

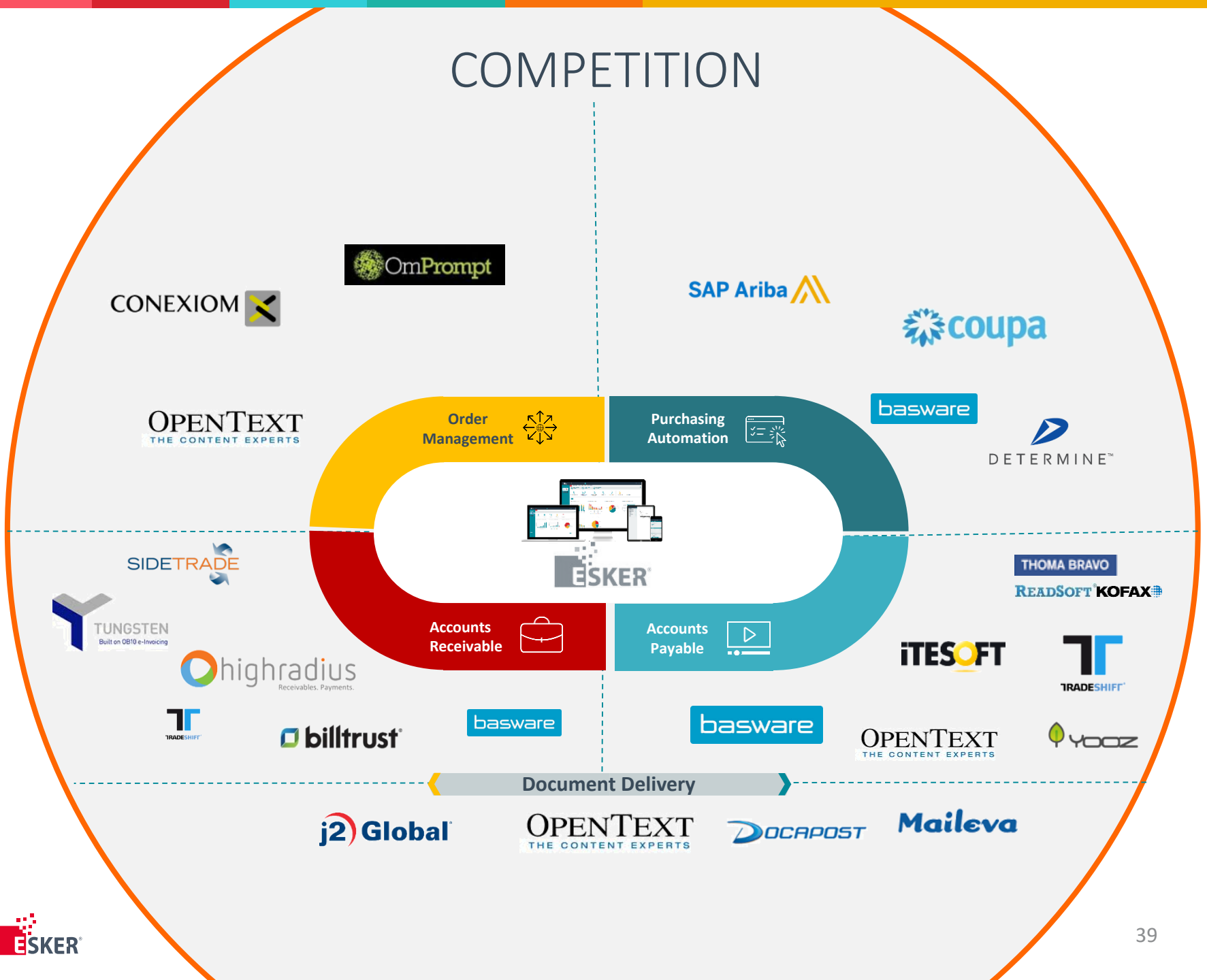
Vice President of Business
Development



**Anne Grand-Clément
(46)**

WW Director of Professional
Services and Technical
Support

COMPETITION



THANK YOU FOR YOUR
ATTENTION

