

# 2022 FINANCIAL STATEMENTS

 Public

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# 2022 IN A NUTSHELL

- FY22 YTD operating income 21.4 M€ +29% vs PY
  - Revenue +19%
  - Cost +18%
  - Currency translation effect: +2.2 M€
- Profitability increase from 12.4% to 13.5% of revenue
- Average headcount increase: +13%
- Operations back to normal after Covid
  - Travel & events cost +1.3 M€
  - Marketing operations (+27%) +1.2 M€
- Decrease of accrual for tax on free shares allocations
  - +1.4 M€ on EBIT.
- Net income increases 25%
- New bookings up 19% (+26% @ current rates)
- Market Dojo acquisition
  - 50.1% ownership
  - Cost of acquisition 10.1 M€ (9.3 M€ in cash)
  - Consolidated since June 1<sup>st</sup> 2022
  - Contribution
    - Revenue: 0.8 M€
    - EBIT -0.7 M€
- Increased LT Financial debt 17 M€
  - Low fixed rate for 5 years (<1%)
  - To be used for future possible acquisitions

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# KEY PERFORMANCE INDICATORS

# 2022 – Key Numbers

Sales Revenue in M€ (unaudited)	Q4 2022 M€	Q4 2021 M€	Q4 2022/Q4 2021 Growth <sup>(4)</sup>	2022 M€	2022/2021 Growth <sup>(4)</sup>
SaaS <sup>(1)</sup>	34,2	28,2	+16%	127,7	+17%
Implementation Services <sup>(2)</sup>	6,9	6,2	+8%	25,7	+7%
Legacy Products <sup>(3)</sup>	1,3	1,5	-18%	5,9	-21%
<b>Total</b>	<b>42,5</b>	<b>35,9</b>	<b>+13%</b>	<b>159,0</b>	<b>+13%</b>
<b>Bookings <sup>(5)(4)</sup></b>	<b>4,50</b>	<b>3,65</b>	<b>+21%</b>	<b>16,6</b>	<b>+19%</b>

<sup>(1)</sup>Includes subscriptions and transactional revenue

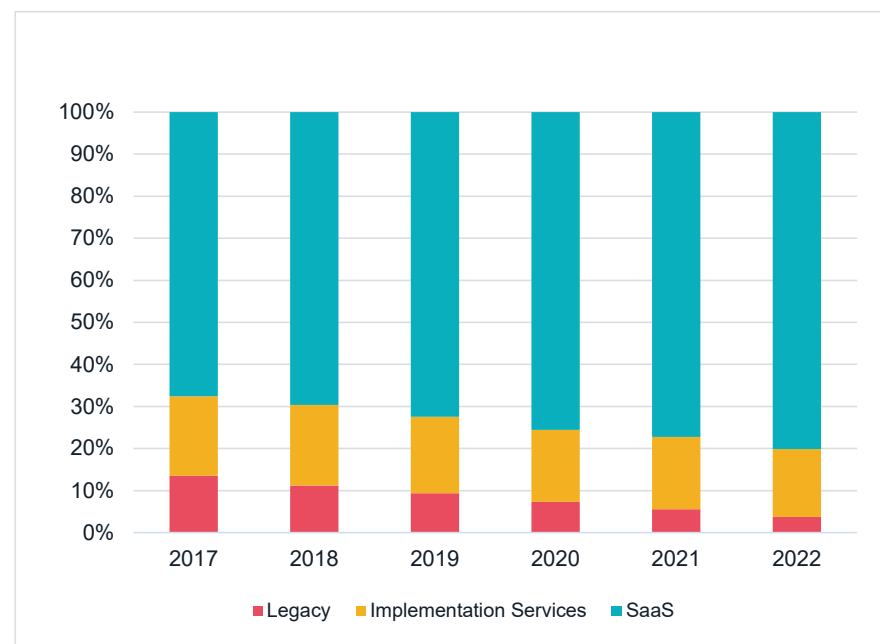
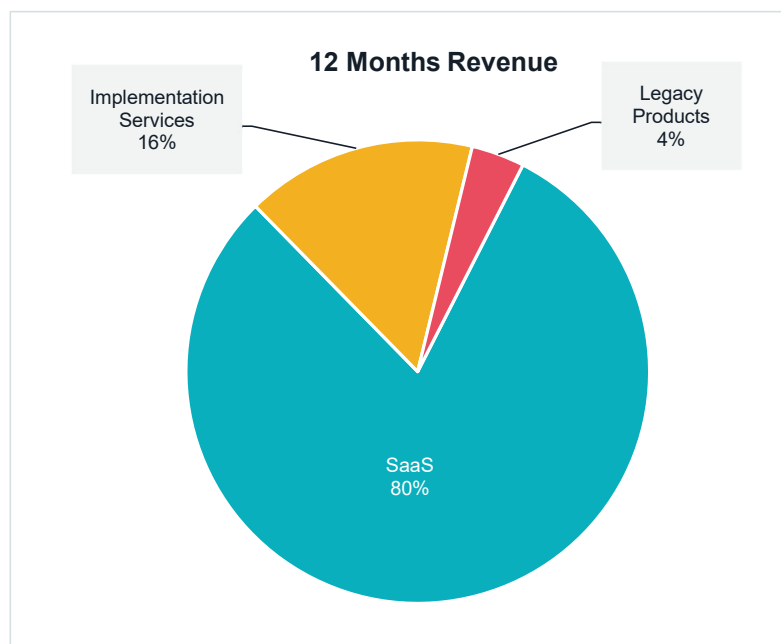
<sup>(2)</sup>Includes Consulting and Professional Services

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

<sup>(4)</sup>Growth based on a constant exchange rate: 2022 exchange rates applied to 2021 figures

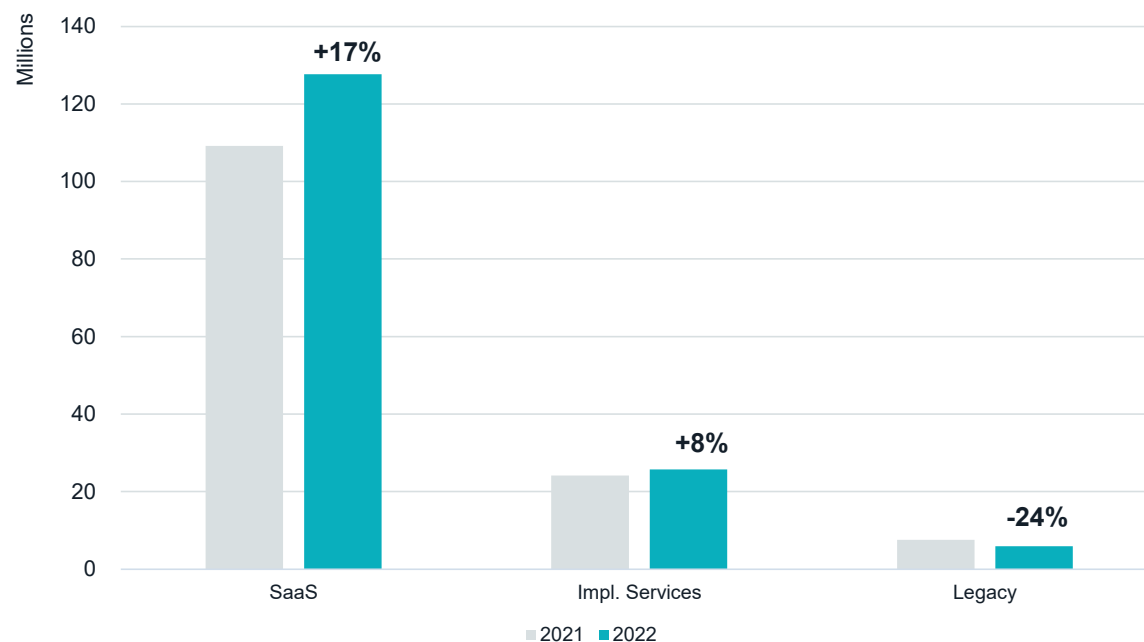
<sup>(5)</sup>Expressed as Annual Recurring Revenue (ARR), a standard metric for SaaS or subscription business. ARR is the average annual subscription value that customers commit to pay over the life of a contract. Revenue from platform transactions is not included as it is uncertain by nature and depends 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.

# Strong Recurring Business Model



In 2022 SaaS increased 17% to represent 80% of the total revenue (78% for FY 2021)

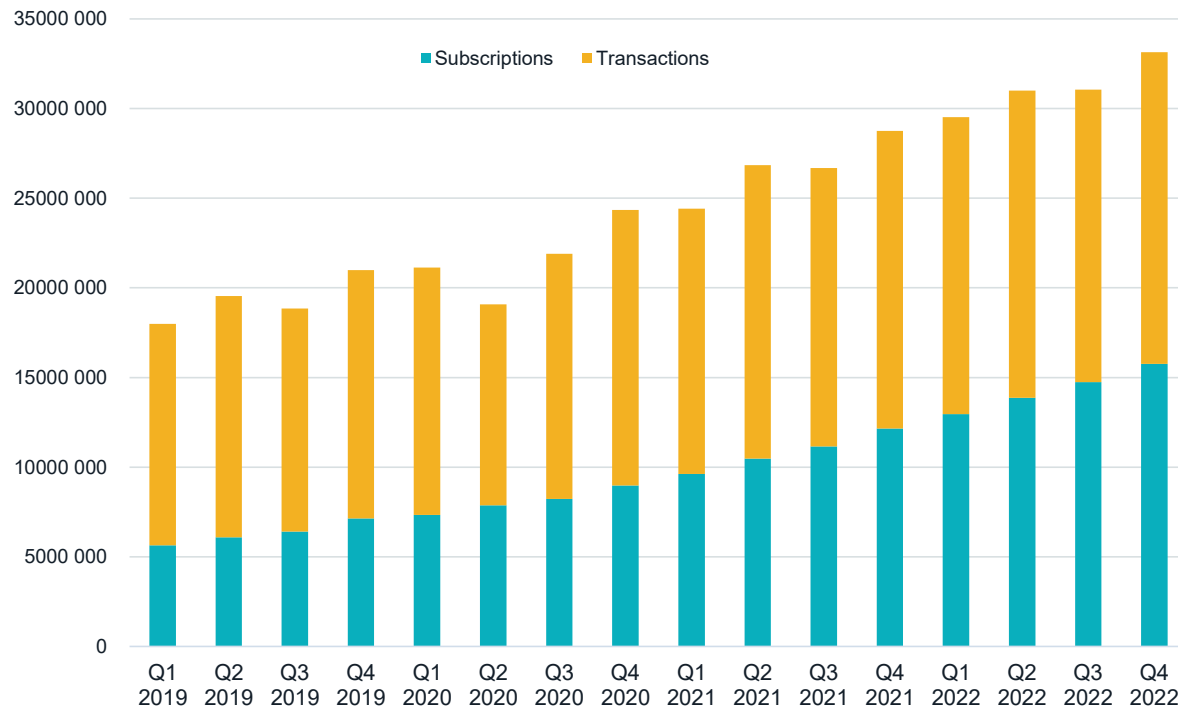
# Revenue Growth by Product Type



- Dynamic growth of SaaS shows implementation of past wins as well as volume of activity on the platform by existing customers
- Consulting revenue has improved in during the year after a slow start mostly due to poor availability of internal & external resources linked to Covid pandemic
- Legacy products on their trend

\*In constant currency exchange rates

# SaaS Revenue by Type



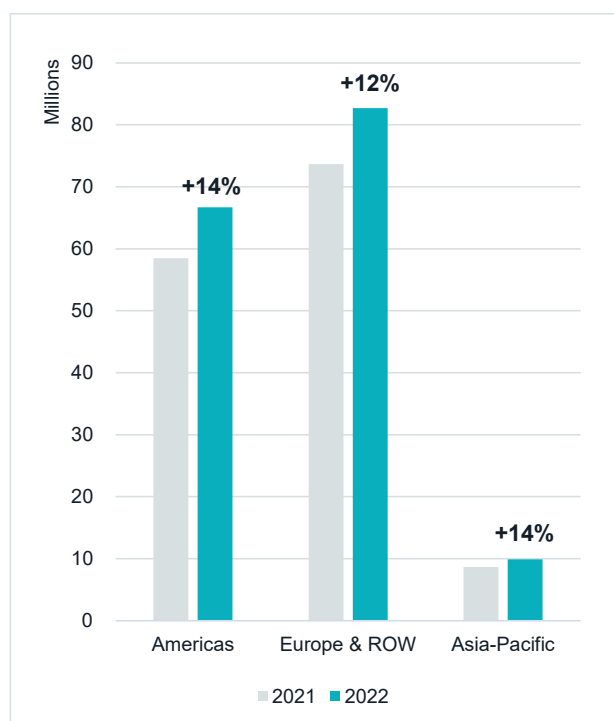
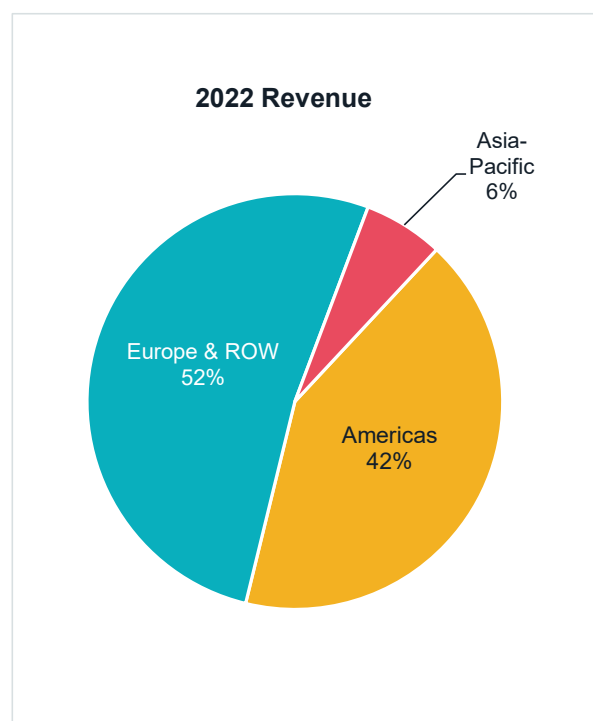
## Subscription revenue

- 48% of SaaS revenue in Q4 22
- 32% growth vs. Q4 21

## Transaction revenue

- 52% of SaaS revenue
- 6% growth vs. 2021

# Revenue Growth by Region

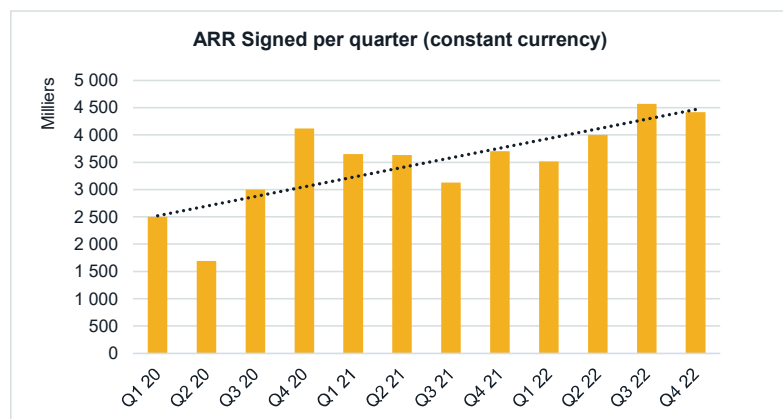
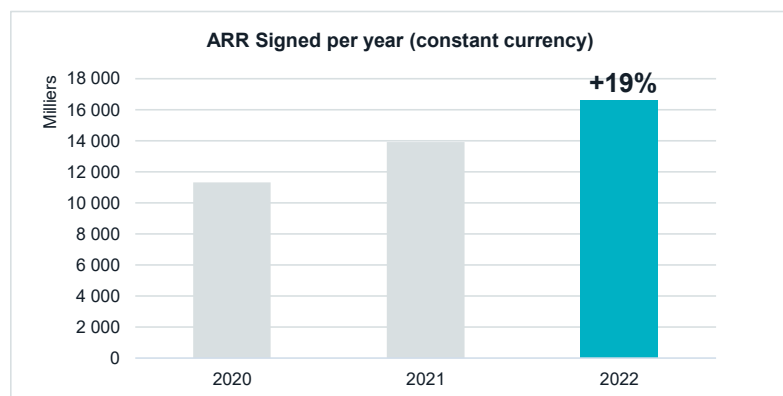


- All regions are growing
- Dynamic growth in the US following consistent growth in bookings in previous years
- APAC back to growth after being impacted by restrictive Covid policies

\*In constant currency exchange rates



# Dynamic Sales Performance (Bookings)



- Bookings (order intake) is defined as the average annual minimum amount of revenue for signed contracts (Annual Recurring Revenue)
- It is charged to customers as subscription fee
- This revenue will be recognized over the duration of the contract. Typical contract: 3 years
- Acquisition cost (sales & marketing mainly) charged to income statement in the year on contract closing. No deferral
- Per document revenue comes on top of subscription fees and will be recognized based on customers utilization of the platform.
- Per document revenue (transactional) is not included in bookings

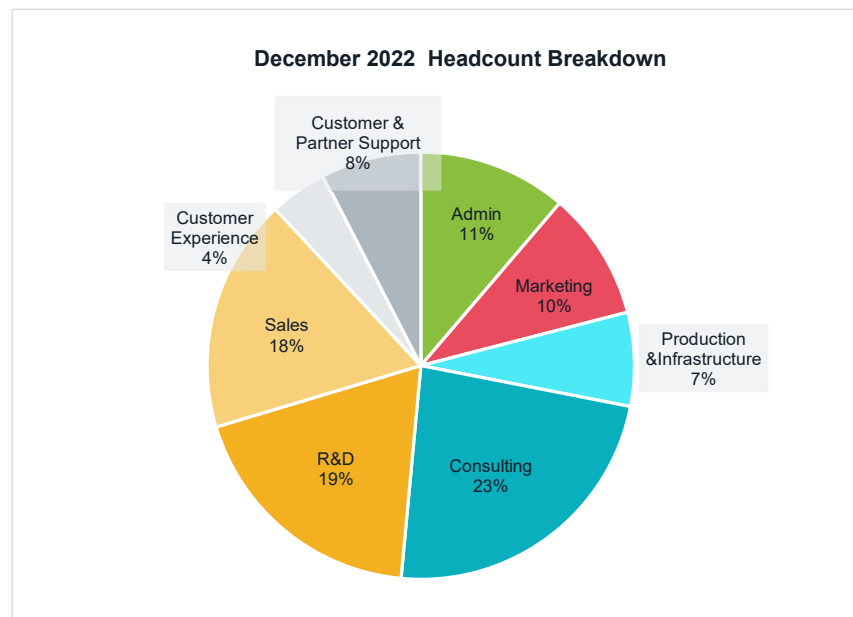
# Bookings Growth by Region



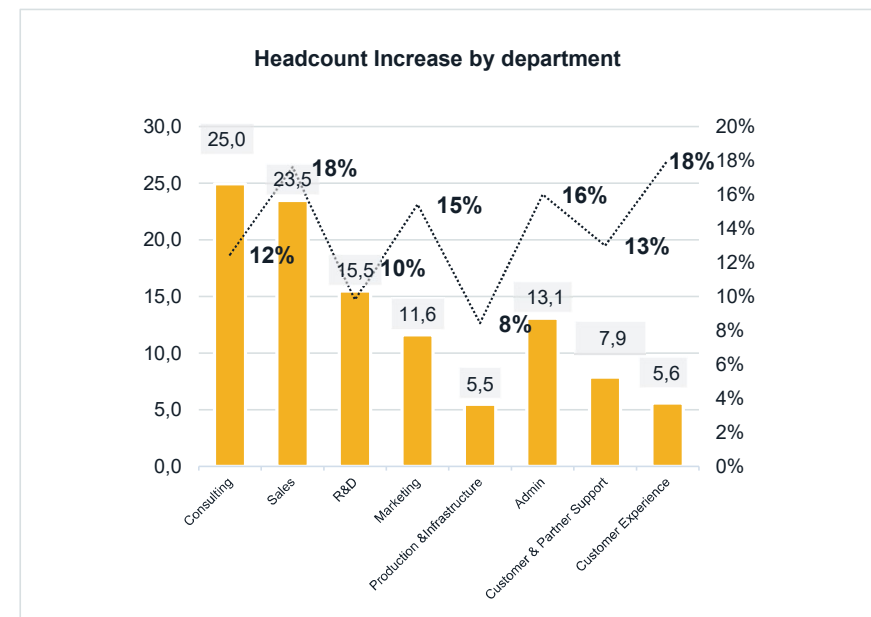
- Solid performance in Americas
- Europe : Slowing down after a good H1, particularly in France
- Sharp recovery in Asia-Pacific after a weak 2021 due to Covid lockdowns

\*In constant currency exchange rates

# Continued Investments In Future Growth

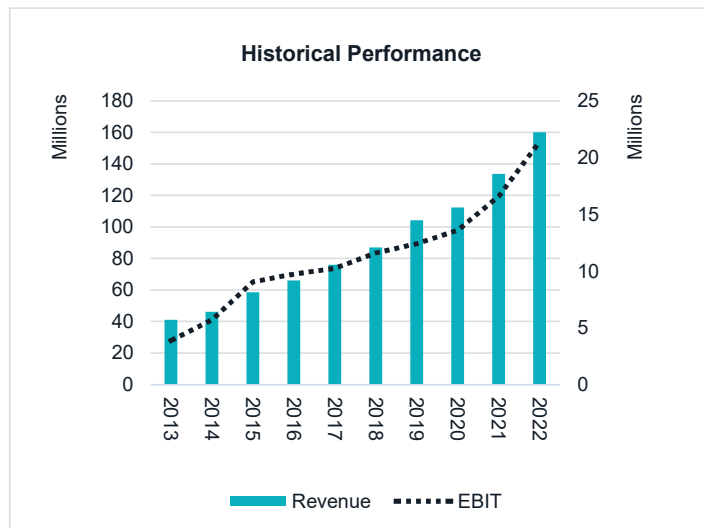


- Staff @ 12/31/22: 972 (FTE)
- +16% vs Dec 2021
- Avg FTE in FY 22: 917

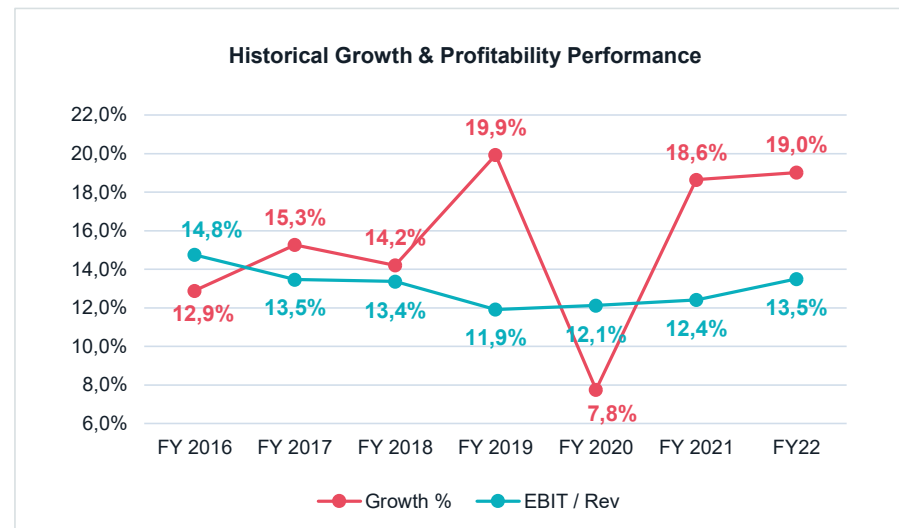


- Avg FTE staff increase vs FY 21
  - +108 (incl. Market Dojo +13.5 avg FTE)
  - +13%

# Business Model Combines Profitability And Investments



Growth requires investments but Esker aims at maintaining profitability in the 12 – 15% range



FY22 profitability increase mainly due to:

- Solid performance in operations
- Share based rewards tax adjustment +1.4 M€
- Currency translation effect +2.2 M€

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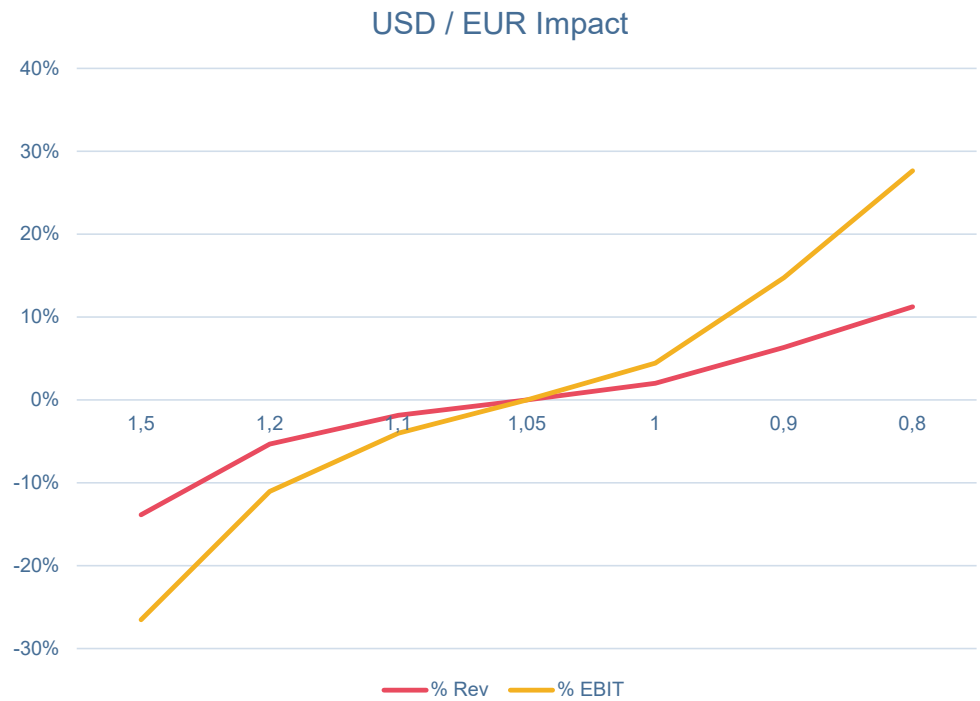
# DETAILED FINANCIAL STATEMENTS

# FOREX IMPACTS

- Impact on sales: +9 M€
- Impact on EBIT: +2.2 M€
  - USD/EUR: +1.8 M€
  - All others: +0.4 M€

## USD/EUR

Exc. Rates	Revenue	% Rev	EBIT	% EBIT
1,5	-19,4	-14%	-5,7	-27%
1,2	-8,1	-5%	-2,4	-11%
1,1	-2,9	-2%	-0,9	-4%
1,05	0,0	0%	0,0	0%
1	3,2	2%	0,9	4%
0,9	10,8	6%	3,2	15%
0,8	20,2	11%	5,9	28%



# CONSOLIDATED P&L BY FUNCTIONS

(in thousands of euros)	12/31/22	12/31/21	Var %
<b>Net sales</b>	<b>158 987</b>	<b>133 580</b>	<b>19%</b>
Cost of Goods Sold	(44 793)	(42 090)	6%
<b>Gross Margin</b>	<b>114 193</b>	<b>91 490</b>	<b>25%</b>
Gross Margin %	72%	68%	
Research and Development Expenses	(15 175)	(14 229)	7%
Selling Expenses	(35 620)	(28 228)	26%
CX and Support Expenses	(11 368)	(8 514)	34%
Marketing Expenses	(15 714)	(11 867)	32%
General and Administrative Expenses	(14 907)	(12 071)	23%
<b>Income from Operations</b>	<b>21 409</b>	<b>16 582</b>	<b>29%</b>
<b>Financial income</b>	<b>272</b>	<b>202</b>	<b>35%</b>
<b>Operating Income</b>	<b>21 681</b>	<b>16 784</b>	<b>29%</b>
<b>Exceptional income</b>	<b>(299)</b>	<b>403</b>	<b>(174%)</b>
Income tax	(5 015)	(3 907)	28%
Share of profit in associates	1 497	1 002	49%
<b>Net income</b>	<b>17 864</b>	<b>14 280</b>	<b>25%</b>

<b>Professional Services</b>	2022	2021	Var	Var %
Sales	25 627	22 981	2 646	12%
Costs	(23 371)	(20 830)	(2 541)	12%
<b>Gross Margin</b>	<b>2 256</b>	<b>2 151</b>	<b>105</b>	<b>5%</b>
% Margin	8,8%	9,4%		
PS headcount	225	200	24	12%

<b>SaaS</b>	2022	2021	Var	Var %
Sales	127 451	103 484	23 967	23%
Expenses & platform costs	(21 228)	(18 131)	(3 097)	17%
<b>Gross Margin</b>	<b>106 223</b>	<b>85 352</b>	<b>20 870</b>	<b>24%</b>
% Income	83,3%	82,5%		
EOD/Production headcount	71	65	6	8%

- Slight decrease of GM for professional services reflect support of channel partners and slow start of FY 22 service revenue
- GM % increase for SaaS indicates better utilization of platform cost (salaries and infrastructure)

<b>Selling expenses</b>	12/31/22	12/31/21	Var	%
Salaries, travel & other costs	(22 003)	(16 730)	(5 273)	32%
Variable costs	(10 832)	(9 372)	(1 460)	16%
Sales engineers / Presales	(2 785)	(2 126)	(660)	31%
<b>Total selling costs</b>	<b>(35 620)</b>	<b>(28 228)</b>	<b>(7 393)</b>	<b>26%</b>
Headcount	157	133	24	18%

- Salaries & other cost increase linked to headcount (incl. Market Dojo), currency effect and increase in travel expenses (0.8 M€)
- Presales engineers cost increase in line with sales cost

NB: @ Current exchange rates

# CONSOLIDATED P&L BY FUNCTIONS

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<b>Exceptional income</b>	<b>(299)</b>	<b>403</b>	<b>(174%)</b>
Income tax	(5 015)	(3 907)	28%
Share of profit in associates	1 497	1 002	49%
<b>Net income</b>	<b>17 864</b>	<b>14 280</b>	<b>25%</b>

- Customer Experience & support increase linked to headcount (+13%), currency & raises
- Marketing expenses
  - Headcount +15%
  - Operations +27% (1.2 M€)
- G&A in line with headcount (Admin, HR, IS, etc)

Currency exchange gain: 0.3 M€

Loss on liquidity contract

JV with Quadient

NB: @ Current exchange rates



# CONSOLIDATED INCOME STATEMENT

(in Thousands of Euros)	12/31/22	% net sales	12/31/21	% net sales	Var	Var %
<b>Net sales</b>	<b>158 987</b>	<b>100%</b>	<b>133 580</b>	<b>100%</b>	<b>25 407</b>	<b>19%</b>
Development costs	10 163	6%	8 641	6%	1 522	18%
Other income	1 629	1%	1 534	1%	95	6%
Purchase and external expenses	(42 097)	(26%)	(31 911)	(24%)	(10 187)	32%
Personnel and related taxes	(94 398)	(59%)	(84 139)	(63%)	(10 259)	12%
Local and misc. Taxes	(1 756)	(1%)	(1 533)	(1%)	(223)	15%
Depreciation expenses	(11 924)	(7%)	(9 072)	(7%)	(2 852)	31%
Reserves	805	1%	(520)	(0%)	1 325	(255%)
<b>Operating income after amortization of Goodwil</b>	<b>21 409</b>	<b>13%</b>	<b>16 580</b>	<b>12%</b>	<b>4 828</b>	<b>29%</b>
Financial income	272	0%	202	0%	70	35%
<b>Net income of integrated companies</b>	<b>21 681</b>	<b>14%</b>	<b>16 782</b>	<b>13%</b>	<b>4 898</b>	<b>29%</b>
<b>Exceptional income</b>	<b>(299)</b>	<b>(0%)</b>	<b>403</b>	<b>0%</b>	<b>(702)</b>	<b>(174%)</b>
<b>Income tax</b>	<b>(5 015)</b>	<b>(3%)</b>	<b>(3 907)</b>	<b>(3%)</b>	<b>(1 108)</b>	<b>28%</b>
<b>Share of profit in associates</b>	<b>1 497</b>	<b>10%</b>	<b>1 002</b>	<b>1%</b>	<b>495</b>	<b>49%</b>
<b>Net income</b>	<b>17 864</b>	<b>1%</b>	<b>14 281</b>	<b>11%</b>	<b>3 583</b>	<b>25%</b>
Earnings per share in Euros	3,03		2,44			
Diluted earnings per share in Euros	2,96		2,39			

R&D	12/31/22	12/31/21	Var	%
R&D capitalized expenses	10 164	8 641	1 523	18%
Amortization	(6 930)	(6 156)	(774)	13%
<b>Net</b>	<b>3 234</b>	<b>2 485</b>	<b>749</b>	<b>30%</b>
Total R&D expenses	15 523	14 226	1 297	9%
% Capitalized	65%	61%		

- Other income : tax credit for R&D in France
- Purchases & external expenses
  - Currency translation
  - Volume growth (platform, COGS)
  - Travel expenses & marketing operations (2.5 M€)
- Personnel & taxes
  - Currency translation
  - Headcount +13%
  - Partially offset by decrease of tax accrual for free shares program (1.4 M€)
  - Average cost per employee stable

# CONSOLIDATED BALANCE SHEET - ASSETS

ASSETS (thousand of euros)	12/31/22	12/31/21
Intangible assets	47 651	33 644
<i>Of which Goodwill</i>	16 266	6 138
Property, plant and equipment	8 986	9 896
Financial assets	10 754	10 928
Investments in affiliates(equity method)	4 259	2 761
<b>Total assets</b>	<b>71 650</b>	<b>57 229</b>
Inventory and work in progress	512	341
Receivables	37 157	28 870
Deferred tax assets	1 114	667
Prepaid and other current assets	9 001	6 678
Cash and equivalents	42 887	34 978
<b>Total current assets</b>	<b>90 671</b>	<b>71 534</b>
<b>TOTAL ASSETS</b>	<b>162 321</b>	<b>128 763</b>

Goodwill for Market Dojo: 9.8 M€

- Investments in affiliates incl. LSQ for 4.7 M€
- LT financial investments 4.7 M€

- Increase of AR due to :
- Revenues growth +19%
  - DSO increase (7%) mostly due to Quadiant
  - Change effect (0.5 M€)

# CONSOLIDATED BALANCE SHEET - LIABILITIES

LIABILITIES ( <i>Thousand of Euros</i> )	12/31/22	12/31/21
Share Capital	11 971	11 850
<i>Additional Paid-in Capital</i>	<i>23 227</i>	<i>22 756</i>
Net Result	17 864	14 280
Retained Earnings	45 578	31 508
<b>Total Shareholders' Equity</b>	<b>98 641</b>	<b>80 394</b>
Accruals	3 114	2 497
Financial Debt	15 034	1 169
Payables	9 839	9 485
Tax and Employee Related Liabilities	24 124	24 295
Other Liabilities	11 570	10 923
<b>Total Current Liabilities</b>	<b>63 680</b>	<b>45 872</b>
<b>TOTAL LIABILITIES</b>	<b>162 321</b>	<b>128 763</b>

New loans (17 M€)

# CONSOLIDATED CASHFLOW STATEMENT

(Thousands of Euros)	12/31/22	12/31/21	Var	Var %
<b>Consolidated Net Income (loss)</b>	17 864	14 280	3 584	25%
Depreciation and amortization	10 393	9 326	1 067	11%
Capital Gains (Losses)	(288)	-	(288)	NA
Interest paid / Received	594	51	543	1064%
Income Tax	(59)	84	(143)	(170%)
Dividends Received	1 800	-	1 800	NA
<b>Variance in Accounts Receivable &amp; Payable</b>	<b>(10 301)</b>	<b>1 936</b>	<b>(12 237)</b>	<b>(632%)</b>
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>	<b>20 002</b>	<b>25 677</b>	<b>(5 675)</b>	<b>(22%)</b>
Investments intangible and tangible assets	(12 492)	(11 140)	(1 352)	12%
Acquisitions & Investments	(8 902)	(5 876)	(3 026)	51%
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(21 394)</b>	<b>(17 016)</b>	<b>(4 378)</b>	<b>26%</b>
Dividends Paid	(3 555)	(2 897)	(658)	23%
Amount received from Exercise of stocks options	1 728	1 743	(15)	(1%)
Financial Debt Change	13 865	(13 975)	27 840	(199%)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>12 037</b>	<b>(15 129)</b>	<b>27 166</b>	<b>(180%)</b>
<i>Effect of exchange rate changes on cash</i>	(2 736)	1 026	1 913	
<b>Cash at the beginning of the period</b>	<b>34 978</b>	<b>40 421</b>		
<b>Cash at the end of the period</b>	<b>42 885</b>	<b>34 978</b>		
Var.	7907	(5 443)		

## Increase of the cash position +7.9 M€:

- **Strong cash flow generated by operations: 20 M€**
  - Despite negative impact of variance in AR (-10.3 M€)
    - Quadient mostly (5 M€)
    - Social taxes for 1 M€
    - Other receivables for 1 M€
  - Partially compensated by +1.8 M€ dividends received from Quadient JV
- Increase in investing activities linked to acquisitions
  - 9.3 M€ Purchasing of Market Dojo
  - 10.2 M€ of Research and Development
  - 1.7 M€ of tangible assets
- New loans to finance future opportunities:
  - +17,0 M€ loans
  - -3,1 M€ loans reimbursement
- Dividend Increase reflects financial performance development
- Currency exchange impact: 2.7 M€

THANK YOU

