

# AI SaaS firm Sidetrade announces its H1 2021 Results

**Strong bookings momentum in H1**

**Rapid ramp-up in the US**

**SaaS revenue jumps 17%**

**Record Net Profit up 89%, even during period of significant investment in US**

**Rock-solid financial position, with enhanced liquidity**

**Order-to-Cash solutions continue to attract attention from global research and advisory firms due to heightened need for healthy cashflow following Covid-19 crisis**

**London, United Kingdom – 21 September 2021 | Sidetrade (Euronext Growth: ALBFR.PA), the AI-powered Order-to-Cash (O2C) platform, has released its 2021 H1 figures, including record SaaS revenue (up 17%) and an 89% leap in net profit, in the context of continued investment in its US business.**

Olivier Novasque, CEO and founder of Sidetrade, commented:

“The first half of 2021 marked a clear turning point for Sidetrade. Firstly, multiple top global research and advisory firms recognized Sidetrade as one of the world leaders in the Order-to-Cash market, due to its undeniable edge in AI. Secondly, multinational groups such as TechData and Veolia brought on Sidetrade as a strategic partner to support the digital transformation of their finance departments worldwide.

Our growing success in the United States, which has been faster than anticipated, is a further sign of the exciting changes within our business. In just a few short months, we have onboarded an experienced local sales team, signed our first contracts there, and secured forty North American key accounts through the acquisition of Amalto. Early feedback from the field suggests a huge demand for Sidetrade’s solutions in large American firms.

Opportunities for revolutionizing the O2C cycle are immense, and this market is still in its infancy. Beyond our record 2021 H1 earnings, we are convinced that we have a long-term opportunity to build a business model combining growth and profitability, even while investing significantly to conquer a buoyant global market.”

## Growth continues to soar in H1, with a 17% jump in SaaS business

Sidetrade (million euros)	H1 2021	H1 2020	Variation
SaaS revenue	13.4	11.4	+17%
<b>Overall income</b>	<b>16.1</b>	<b>14.4</b>	<b>+12%</b>
<b>Operating profit</b>	<b>2.2</b>	<b>1.3</b>	<b>+70%</b>
<b>Net profit</b>	<b>2.1</b>	<b>1.1</b>	<b>+89%</b>

2021 information is from consolidated, unaudited data.

## Strong bookings momentum in H1

### Sidetrade gains worldwide recognition

In the first half of the year, **Sidetrade was recognized as a technological leader** by Quadrant Knowledge Solutions, in its report “SPARK Matrix™: Account Receivable Application, 2021”. This was the first of three times in 2021 that Sidetrade earned special recognition in global surveys on O2C management solutions. In June, Sidetrade was included in the “2021 Gartner Market Guide for Integrated Invoice-to-Cash Applications Report”; and in January 2021, it was cited by IDC as a *major player* in “Worldwide SaaS and Cloud-Enabled Accounts Receivable Automation Applications”.

Market research and advisory firms have been showing growing interest in O2C management technology, because of the enormous potential of such solutions, and because the Covid-19 crisis has heightened awareness of the need to secure cashflow; a need that buoys Sidetrade sales.

### Double-digit growth in SaaS bookings

The first half of the year saw **very strong growth in new bookings**, representing **annual recurring revenue (ARR) of €2.14m**, vs. €1.85m in 2020 H1, an impressive **16% increase**. Over the last six months, Sidetrade customers also purchased **€1.9m** in extra services (e.g. implementation, set-up, training), amounting to **€4.05m in annual contract value (ACV)**.

During the period, Sidetrade **accelerated its market penetration** by winning over some of the biggest names in their respective industries: **Klépierre** (Real estate), **Konica Minolta** (IT equipment), **Antargaz** (Energy), **Tarkett** (Construction materials), **MIQ** (Media-advertisement), and **Distrupol** (Chemistry). Leading companies chose Sidetrade not only for its cutting-edge AI, but also for its proven capacity to carry out large-scale multinational projects. For example, **XPO Logistics**, **XPO Transport**, **Sodexo** (Catering and facilities management services) and **Veolia** (Water and waste management) concluded exclusive global framework agreements with Sidetrade across all of their entities.

For SaaS subscriptions, the proportion of **new business remains stable, at 47%** of total bookings. **Cross-selling** to affiliates of Sidetrade customers represents **27%**; whereas **upselling** (subscription to additional modules) amounts to **26%**. The combined contribution of cross-sell and upsell (**53%**) demonstrates the satisfaction and loyalty of Sidetrade customers looking to increase their use of Sidetrade technology to generate added value in financial management and accounts payable.

In H1, **mean ARR per new customer** (excluding up-sell) reached **€84k, up 17%** vs. 2020 H1. Moreover, **mean firm initial commitment** for these new customers' SaaS subscriptions is **39.7 months**, amounting to a **total contract value of €6.39m** (excluding extra services and contract renewals).

**Attrition is well under control:** a mere **5.38%** as of June 2021 for key accounts vs. 13.1% for the entire industry (source: KeyBanc Capital Markets® (KBCM) Annual SaaS Survey, May 2021). **Net Retention** (gross retention plus additional subscriptions from existing customers) was **103.2%** on 30 June 2021.

### Rapid ramp-up in the US

On February 8 of this year, Sidetrade announced the official launch of its US operations. By June 30, Sidetrade had 22 members of staff there, including a nine-person local sales team, two Sales VPs, a Pre-sales manager, and 6 KAM – all seasoned professionals. Despite a tight recruitment market, Sidetrade chose to focus on talent with several years' experience in O2C, who could hit the ground running. Also joining the team were 13 staff from Amalto (subsequent to the acquisition in April of last year). Highly skilled in project management and customer support, Amalto employees are a great addition to the Sidetrade team. Under Sidetrade's strategic plan dubbed *Fusion100*, two goals have been outlined: firstly, to double the US salesforce in coming months, and secondly, to see US business come up to speed at 35% to 50% of total bookings by the second half of 2022 and therefore constitute a significant growth driver.

The North American market looks to be a significant growth factor for Sidetrade. Q2 was the first quarter of real business for the new US Sales team, who surpassed expectations. They are already ahead of the game with impressive wins including **Promach**, **Imperative Chemical Partners**, **Johnston Equipment** (new business); **Tarkett US and XPO Logistics US** (cross-sell); and **Tech Data US**, **Bunzl Canada**, and **Expedia** (up-sell). These deals already represent over one third of 2021 Q2 orders. Business has taken off much faster than expected, especially considering the time it normally takes to ramp up a sales team, and the typically lengthy internal decision-making cycles within customer companies. This is indeed a promising start for Sidetrade in a tough market, and demonstrates that Sidetrade's lead in advanced AI technology and the pertinence of its business solutions truly make it stand out from the competition.

## SaaS business jumps 17%

The first half of the year saw Sidetrade's SaaS business jump 17%. Income for the period totaled €16.1m, up 12% against 2020 H1. This impressive growth is bolstered by vibrant international sales, which for the first time, represent 47% of total revenue, including 16% from Sidetrade's North American business.

## Record Net Profit up 89%, even during period of significant investment in US

In H1, Sidetrade's operating profits rocketed 70% to €2.2m, due largely to increased revenue and the leverage of the SaaS model. Gross margin rose by €1.5m to €12.8m, vs. €11.3m for the same period last year; this amounts to 79% of revenue, comparable to the ratio for 2020 H1. SaaS subscriptions contribute to 96% of this gross margin, confirming the incremental profitability of Sidetrade's pure SaaS model.

During this period, despite the Covid-19 situation, Sidetrade invested an additional €1.2m (+12%), mainly in the development of commercial operations in the US, in order to prepare for future growth in North America.

Also during the first half of the year, new ways of working resulting from COVID-19 restrictions generated savings of €0.5m, including a dramatic fall in travel expenses.

Operating profit includes French Research tax credit of €0.9m (same as in 2020 H1), as well as activation of R&D (same as in 2020 H1).

As a result of this momentum, Net profit reached €2.1m, up 89%, demonstrating that profitability is not incompatible with investing in the future.

## Rock-solid financial position with enhanced liquidity



On 30 June 2021, Sidetrade's liquidity position was stronger than ever, with cash standing at €20.3m, against €14.3m on 31 December 2020. Moreover, Sidetrade holds 66,000 of its own shares, for an estimated value of €10.1m, as of 30 June 2021. Sidetrade has a €13m line of credit, subsequent to the acquisition of Amalto in April 2021 for this amount.

**Sidetrade management has every confidence in the firm's ability to achieve double-digit growth for FY 2021.**



### Next communication

Q3 income, 19 October 2021, after stock market closes

### Investor relations

Christelle Dhrif  +33 6 10 46 72 00  [cdhrif@sidetrade.com](mailto:cdhrif@sidetrade.com)

### Media Relations

Rebecca Parlby  +44 7824 505 584  [bparlby@sidetrade.com](mailto:bparlby@sidetrade.com)

### About Sidetrade ([www.sidetrade.com](http://www.sidetrade.com))

Sidetrade (Euronext Growth: ALBFR.PA) is a fast-growing international SaaS company unlocking customer value. Sidetrade's next-generation AI, nicknamed Aimie, analyzes huge amounts of B2B customer payment behavior data to intelligently automate the Order-to-Cash process. Based on predictive analytics, Aimie delivers actionable recommendations in real time to enhance retention, up-sell/cross-sell, and cash collection. Aimie is a real gamechanger in augmented intelligence- a system whereby individuals and machines work together faster and smarter, in complementary ways. Sidetrade has a global reach, with 250 talented employees based in Paris, London, Birmingham, Dublin, Amsterdam, Houston, and Calgary, serving clients in 80 countries. Over 2,700 businesses of all sizes in a range of industries count on Sidetrade technology to outperform the competition. Amongst them: KPMG, Nespresso, Hearst, Expedia, Manpower, Veolia, Inmarsat, and Bidfood,

For further information, visit us at [www.sidetrade.com](http://www.sidetrade.com) and follow us on Twitter @Sidetrade.

*In case of any discrepancy between the French and English versions of this press release, the French version shall prevail.*