

First Half Year Results for 2022

New bookings up considerably: +42%

58% of new bookings in the United States, a new growth driver

Robust increase in Order-to-Cash SaaS subscriptions by +19% and revenue by +11%

Net profit up +12% with ongoing substantial investment in the United States

Rock-solid financial position with enhanced liquidity

September 14, 2022 | [Sidetrade](#), the global AI-powered Order-to-Cash SaaS platform, today announces an increase in its net profit (+12%) against a background of ongoing investment in the United States.

Olivier Novasque, CEO of Sidetrade commented:

“This first half clearly validates our acceleration strategy kick-started in early 2021. In fact, we just achieved the best half year in our history, regarding both our bookings and our ability to deliver high profitability whilst implementing a substantial investment policy, particularly in North America. We can now confirm that the United States represents a robust growth driver for the years ahead. Buoyed by sustained commercial momentum and the recognition of Sidetrade by Gartner® as one of three global Leaders for Integrated Invoice-to-Cash applications, North America already accounts for more than half of our business successes. These initial wins with American multinational corporations, in preference over the two other Order-to-Cash leaders, serve to strengthen our ambition. Sidetrade has what it takes to become the leading player in terms of acquiring new customers in a booming market where the inflationary environment further incentivizes companies to accelerate their cash generation. Sidetrade will naturally pursue its robust growth strategy while remaining committed to its development model which is supported by a firm balance between investments, growth and profitability.”

New bookings up considerably: +42%

In H1 2022, Sidetrade set a record for **Order-to-Cash SaaS orders, which will generate** an additional **€3.04 million** in Annual Recurring Revenue (“ARR”), compared with €2.14 million in H1 2021; a **+42% increase**. The total value of these new subscription contracts over their initial contract periods (excluding renewals and services) represents **€9.95 million** of Total Contract Value (“TCV”) in H1 2022 versus €6.32 million in H1 2021, a **+57% increase**.

To these SaaS bookings should be added **€1.77 million of services on an annual basis** (implementation, configuration, training, recurring services, etc.), compared with €1.37 million in H1 2021, a **+29% increase**. In total and considering that almost all of these services will be invoiced over the next twelve months, H1 2022 enables Sidetrade to add the equivalent of **€4.81 million in Annual Contract Value (“ACV”)** compared to €3.51 million in H1 2021, a **+37% increase**.

The initial contract period for new customers (excluding renewals) rose to **44 months**, compared with 36 months in the previous fiscal year. This length of contract period further illustrates outsourcers’ trust in Sidetrade solutions and increases visibility over future revenue. It should be noted that as with all existing contracts, these new contracts include **an annual automatic price re-indexation clause** based on changes in price indices for the relevant country.

58% of new bookings in the United States, a new growth driver

In H1 2022, international orders represented more than 74% of all bookings.

Sidetrade outperformed its targets in North America (to achieve more than one-third of its bookings in the region by H2 2022) with **58% of bookings originating in the United States, just one year after operations were launched in this region**. The Company signed significant contracts with large American corporations such as a strategic IT services giant in Q1 2022 (see press release [here](#)) and Insight Enterprises (see press release [here](#)) in Q2 2022.

Overall, in H1 2022, bookings by new customers (“**New Business**”) accounted for **68% of the total** versus 55% on average in recent quarters. **Cross-selling** represented **13% of total bookings**, with the remaining **19% of bookings** accounted for **Upselling** of additional modules to existing customers.

The United States has also notably impacted **the average size of new contracts** (excluding Upselling). Whereas in H1 2021, the average totaled €81,000 per year of subscription (ARR), it will amount to **€190,000** per year of subscription in H2 2022.

Businesses must be prepared to respond to the inflationary environment and face a twofold challenge: consolidate their cash reserves, and generate productivity gains to address salary increases and recruitment difficulties. This trend is expected to continue over the next 12 to 24 months with an increased risk of future recession, notably linked to multiple hikes in interest rates. In this context, the management of operating working capital, and particularly accounts receivable, is a major challenge for businesses.

Robust increase in Order-to-Cash SaaS subscriptions by +19% and revenue by +11%

Sidetrade (€m)	H1 2022	H1 2021	Change
‘Order-to-Cash’ Activities	17.3	14.8	+17%
<i>of which SaaS Subscriptions</i>	<i>14.3</i>	<i>12.1</i>	<i>+19%</i>
‘Sales & Marketing’ Activities	0.5	1.3	-61%
Revenue	17.8	16.1	+11%
Operating profit	2.4	2.2	+12%
Net profit	2.3	2.1	+12%

2022 accounts have been audited and will be certified after the finalization of procedures required for the annual financial report.

'Order-to-Cash' Activities grew very sharply by +17% in H1 2022, driven by **19% growth in SaaS subscriptions**. The growth in this recurring revenue is the result of record bookings in the 2021 fiscal year, which will continue to impact revenue growth throughout the 2022 fiscal year.

'Order-to-Cash' Activities, a core business within the Company's strategy since 2019, now represent **97% of total revenue in H1 2022**.

The 'Sales & Marketing' Activities, which have become secondary to Sidetrade's activities, now account for only **3% of total revenue in this half year** and will continue to play a less prominent role commercially, with estimated revenue of **€0.9 million at end-2022**.

Total revenue **grew by 11%** in H1 2022, to €17.8 million. This performance is supported by solid growth drivers in **international markets which now represent 51% of total revenue, including 21% for North America**.

Sidetrade's economic model provides its business with significant resilience, as 91% of its revenue is recurring, representing a significant advantage in the current and future environment.

All of these multi-year contracts are indexed to inflation (the Syntec for Southern Europe, the UK CPI for Northern Europe and the US CPI for the United States), which alters the total price of SaaS subscriptions each year by reference to changes in these price indices.

Sidetrade therefore has a robust pricing power that protects the Company's future revenue against uncertainties and inflationary pressures. At present, Sidetrade perfectly combines its sound fundamentals with a highly favorable growth outlook.

Net profit up +12% with ongoing substantial investment in the United States

In H1 2022, **Sidetrade's operating profit increased by 12% to €2.4 million**, due to increased revenue and the leverage of the SaaS model.

This excellent performance is owing to growth in the gross margin of €1.5 million to €14.2 million (vs. €12.8 million for the same period last year); this amounts to 80% of revenue (vs. 79% in H1 2021) with a rate of 93% on SaaS subscriptions alone.

During this period, Sidetrade increased its investments by 20% (i.e., an additional €2.3 million), mainly in the development of commercial operations in the US (€1.8 million).

In addition, operating profit includes a French Research tax credit of €1.3 million (vs. €0.9 million in H1 2021), an innovation subsidy of €0.5 million as well as activation of R&D for €0.17 million (vs. €0.1 million in H1 2021).

As a result of this momentum, **net profit reached €2.3 million, up 12%, demonstrating that investing is not incompatible with growth and profitability**.

Solid financial position with enhanced liquidity

On June 30, 2022, Sidetrade's financial structure continued to strengthen with a high cash position at €22.4 million, versus €18 million on December 31, 2021. Moreover, Sidetrade holds 85,000 of its own shares, for an estimated value of €10.8 million, as of June 30, 2022.

Sidetrade has a €13 million line of credit, subsequent to the acquisition of Amalto in April 2021 for this amount (fixed rate at 1.1%).

On the back of its H1 2022 performance, the Group's management is confident in Sidetrade's ability to deliver double-digit growth in the 2022 fiscal year.

Next financial announcement

Third Quarter Revenue for 2022: October 18, 2022, after the stock market closes

Investor relations

Christelle Dhrif +33 6 10 46 72 00 cdhrif@sidetrade.com

Media relations

Rebecca Parlby +44 7824 505 584 bparlby@sidetrade.com

About Sidetrade (www.sidetrade.com)

Sidetrade (Euronext Growth: ALBFR.PA) provides a SaaS platform dedicated to securing and accelerating cash flow. Sidetrade's next-generation AI, nicknamed Aimie, analyzes \$4,600 million worth of B2B payment transactions daily in the Sidetrade Cloud to predict customer payment behavior and attrition risk of more than 21 million companies worldwide. Aimie recommends the best cash collection strategies, intelligently automates actions on the Order-to-Cash process, and dematerializes customer transactions to enhance productivity, performance and working capital management.

Sidetrade has a global reach, with 250 talented employees based in Paris, London, Birmingham, Dublin, Houston, and Calgary, serving global businesses in more than 85 countries. Amongst them: Tech Data, KPMG, Nespresso, Hearst, Expedia, Manpower, Securitas, Randstad, Engie, Veolia, Biffa, Saint Gobain, Air Liquide, Inmarsat, Insight Enterprises and Bidfood.

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

In the event of any discrepancy between the French and English versions of this press release, only the French version is to be taken into account.