

2022 Annual Results

Record bookings in 2022

- +36% increase in bookings (€6.44 million in ARR)
- United States now represents 51% of total bookings

Revenue for 2022 up 13%

- Increase in Order-to-Cash revenue to +18%, with +22% from SaaS subscriptions
- International represents 54% of revenue for 2022, with 24% from North America

Robust resilience in profitability at 10% growth, despite increased costs relating to investment of €7 million in North America

Solid financial position

Responsible growth for Sidetrade with a full assessment of its environmental impact

PARIS, France – April 4, 2023 | [Sidetrade](#), the global AI-powered Order-to-Cash SaaS platform, announces a record increase in bookings for the 2022 fiscal year, driven by international bookings, with double-digit growth in revenue to achieve strong profitability against a background of ongoing investment in the United States.

Olivier Novasque, CEO of Sidetrade commented:

“After only 18 months of operations in North America, Sidetrade has taken an important step in its development, significantly outperforming its initial targets for bookings. Overall, Sidetrade delivered a record year of bookings, posting nearly €6.5 million in new Annual Recurring Revenue up +36% overall with 51% from the United States. This performance provides excellent visibility for our revenue in 2023. Significantly, Sidetrade now achieves more than half of its revenue internationally, with 24% already generated in North America.

In addition to our remarkable commercial successes, with a gross margin close to 80%, our efficient SaaS model enabled us to invest €7 million in North America for the full year while retaining an operating margin at 10% of our revenue. Sidetrade is one of those rare companies in the software industry that can invest heavily in North American expansion, with rapid and significant commercial success in return, while maintaining double-digit profitability.

Sidetrade has effectively expanded its scale and we are proud to be recognized as one of the three global leaders in the Order-to-Cash segment. Despite a background of economic uncertainty, we enter 2023 with confidence and enthusiasm, strengthened by the bookings recorded in 2022. The market outlook is buoyant against a backdrop where many companies are under pressure to secure and improve their cash flow. Once more, our robust model – which maintains a healthy balance between growth and profitability – has served to develop our strongest ever market position.”

Increased robustness thanks to a profitable growth model

Sidetrade (€m)	2022	2021	Change
New SaaS Subscriptions (New ARR)	6.44	4.75	36%
of which North America	3.27	1.04	214%
Revenue	36.8	32.6	+13%
'Order-to-Cash' Activities	35.9	30.3	+18%
'Sales & Marketing' Activities	0.9	2.3	-61%
Gross margin	29.0	25.7	+13%
as a % of Revenue	79%	79%	
Operating expenses (OPEX)	(25.3)	(20.7)	+22%
of which North America	(7.0)	(3.5)	+100%
Operating profit	3.7	5.0	-26%
as a % of Revenue	10%	15%	
Net profit	3.4	4.7	-28%

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

Record bookings in 2022, with more than €10 million in Annual Contract Value and €6.44 million in ARR, up +36%

In 2022, Sidetrade achieved a **+36% increase** in **Annual Recurring Revenue** ("ARR") which totaled €6.44 million. This performance reflects the strong demand for the Company's solutions, winning a growing number of new customers. In an ever-changing economic environment, the management of operating working capital, and particularly accounts receivable, is a major challenge for companies, irrespective of their sector.

In 2022, bookings linked to **services** (implementation, configuration and training, excluding recurring services) also achieved **robust growth of +37%**, amounting to **€3.84 million**. Considering that almost all of these services will be invoiced over the next twelve months (excluding recurring services which can be invoiced over several years), Sidetrade adds the equivalent of **€10.28 million in Annual Contract Value** ("ACV"), representing a **+36% increase**.

United States – a robust growth driver with 51% of bookings in 2022

Sidetrade continued to increase **international orders**, which represented **66% of all bookings in 2022**. The commercial success in the United States was especially significant on a half-yearly basis, since the **US already represented more than half the total bookings (51%) on a full-year basis in 2022**.

The contracts won in preference over American competitors demonstrate, on the one hand, Sidetrade's technological edge – recognized as one of the three global leaders in Gartner's 2022 Magic Quadrant™ for Integrated Invoice-to-Cash applications – and on the other, the delivery capacity and execution of the salesforce, which will continue its ramp-up in the quarters ahead.

In 2022, Sidetrade reported a **dramatic increase of +60%** in the total value of these new subscription contracts (“Total Contract Value” or “TCV”) over their initial contract periods (excluding renewals and services) which reached **€20.7 million**. In particular, this surge is attributed to an extension of the initial contract period for new customers (excluding renewals) to **44.9 months**, thereby increasing the economic model’s high predictability.

Overall, in FY 2022, bookings by **new customers** and **cross-selling** represented **80% of total bookings**, with the remaining **20% of bookings** accounting for **upselling of additional modules to existing customers** compared to 28% in FY 2021.

Lastly, **churn rate** for enterprise accounts **remains under control at 3.83%** as of December 31, 2022, significantly below the SaaS industry’s average of 14% according to the [“2022 Private SaaS Company Survey Results”](#) by KeyBanc Capital Markets.

Strong increase in ‘Order-to-Cash’ revenue to +18%, driven by ‘Order-to-Cash’ SaaS subscriptions, up 22%

‘Order-to-Cash’ activities, which form a core business within the Company’s strategy, represented 98% of total revenue at end-2022. In FY 2022, these activities increased by +18%, mainly due to **strong growth in SaaS subscriptions (+22%)**. This increase is the result of record bookings in the 2021 fiscal year and early fiscal 2022, which continued to have an impact throughout the 2022 fiscal year.

As announced, the ‘Sales & Marketing’ activities accounted for only 2% of total revenue at end-2022, and will continue to decline, with estimated revenue of €0.5 million at end-2023. In 2022, the negative impact on total revenue growth was 5% (18% for ‘Order-to-Cash’ activities vs. 13% growth in total) and will automatically have considerably less impact in 2023.

Sidetrade’s revenue is also underpinned by vigorous **growth in international markets** which, for the first time, represents **more than half its revenue** (54% of total revenue), including **24% for North America**.

Total revenue grew by **+13% in FY 2022**, to **€36.8 million**.

With a backdrop of economic uncertainty, Sidetrade’s economic model provides its business with significant resilience, as **90% of its revenue is recurring**. It should be noted that **all Sidetrade subscription contracts**, including new contracts, contain an **annual automatic price re-indexation clause** based on the Consumer Price Index (CPI) for the relevant country.

With its sound fundamentals and a highly favorable growth outlook, Sidetrade has excellent pricing power that protects the Company’s future revenue against inflationary pressures.

In respect to fiscal 2022, the impact of exchange rates on the Company was not material.

Strong results in a context of accelerating investment

Outstanding gross margin at 79% of revenue, above the SaaS industry average

Gross margin remained at a very high level, topping out at **79% of revenue for 2022**, with a rate of 92% on SaaS subscriptions alone. This performance was driven both by a commercial strategy to promote Sidetrade’s technological edge and costs which were kept under control in an inflationary environment.

Sidetrade continues to illustrate the robustness of its SaaS model, which generates significant incremental gross margin, year after year.

Double-digit profitability at 10%, despite investment of €7 million in North America

Operating profit for 2022 totaled €3.7 million, representing **10% of revenue**. The Group retained its profitability in double digits under the combined impact of revenue growth, an excellent gross margin and efficient cost control.

Bolstered by its robust economic model, Sidetrade has undertaken an unprecedented effort to accelerate investment in North America, which amounted to €7 million in 2022, focused on building a team of 52 colleagues in the region to end of 2022.

Operating profit for 2022 includes a French Research Tax Credit and subsidies of €2.7 million (vs. €2.2 million in 2021) as well as activation of €0.3 million in marginal R&D costs, i.e. 4% of R&D costs for the full year.

Corporate income tax for 2022 totaled €0.4 million, versus €0.3 million in 2021.

All told, **Sidetrade's net profit for 2022 was €3.4 million**, demonstrating that growth and profitability are achievable while investing.

Solid financial position

Sidetrade reported **€20.3 million in gross cash** at year-end (vs. €18 million in 2021). As of December 31, 2022, Sidetrade also holds 85,000 of its own shares with a value of €12.8 million.

Sidetrade's financial debt stands at €12 million (fixed rate at 1.1%), giving the Group **significant investment capacity** to accelerate its expansion.

Responsible growth for Sidetrade with a full assessment of its environmental impact

In addition to its robust financial results, **Sidetrade is committed to a CSR (Corporate Social Responsibility) approach**. The latter centers on integrating ESG (Environmental, Social, Governance) challenges into its company strategy.

While Sidetrade is not yet bound by regulatory requirements, as an industry-recognized leader, the Company understands the significant role it has in shaping a more responsible and sustainable future. With this in mind, Sidetrade has already performed **a comprehensive Carbon Assessment (scopes 1, 2 and 3) for FY 2022**, which applies to activities and regions across the board. This assessment helped the Group to pinpoint the main greenhouse gas emission sources and identify concrete actions to regulate them.

Humble in its approach, Sidetrade is committed to a purposeful and proactive CSR strategy, backed by its **participation in the United Nations Global Compact** (see [press release of 15 February 2023](#)) and in compliance with the European Union's Corporate Sustainability Reporting Directive (CSRD). Through this commitment, the Company is convinced that it will cement its industry-leading position.

Strengthened by these results, Sidetrade looks ahead to fiscal 2023 with confidence and a clear vision and has the resources to fulfill its ambitions.

Next financial announcement

First Quarter Revenue for 2023: May 10, 2023, after the stock market closes.

Investor & Media relations

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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 \$4.6 trillion worth of B2B payment transactions daily in the Sidetrade Cloud to predict customer payment behavior and the 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 300 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, Expedia, Securitas, Randstad, Engie, Veolia, Biffa, Saint-Gobain, Air Liquide, Inmarsat and Insight Enterprises. Sidetrade is now a participant of the United Nations Global Compact and adheres to its principles-based approach to responsible business.

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.