

## First Half Year Results for 2023

### Record bookings

- €5.84 million in new Annual Contract Value: +21%

### Robust growth in revenue, up 17%

- Strong increase in Order-to-Cash SaaS subscriptions: +21%
- Surge in revenue in the United States: +45%
- Increasing demand from multinational corporations: +46%

Resilient operating profitability, at 12%, despite €3.8 million investments in North America

### Solid financial position

Reinforced commitment to responsible growth with a full CSR assessment

September 12, 2023 | [Sidetrade](#), the global leader in AI-powered Order-to-Cash applications, today announces robust revenue growth in the first half of 2023, up 17%, with a 22% increase in SaaS subscriptions and double-digit profitability at 12% of revenue despite increased investment and a reinforced commitment to responsible growth through an in-depth CSR assessment.

### Profitable growth model

Sidetrade (€m)	H1 2023	H1 2022	Change
<b>Revenue</b>	<b>20.9</b>	<b>17.8</b>	<b>+17%</b>
<i>of which 'Order-to-Cash' SaaS subscriptions</i>	<i>17.4</i>	<i>14.3</i>	<i>+21%</i>
<b>Gross margin</b>	<b>16.9</b>	<b>14.2</b>	<b>+19%</b>
<i>as a % of Revenue</i>	<i>81%</i>	<i>80%</i>	
<b>Operating expenses (OPEX)</b>	<b>(14.4)</b>	<b>(11.8)</b>	<b>+22%</b>
<i>of which North America</i>	<i>(3.8)</i>	<i>(2.7)</i>	<i>+41%</i>
<b>Operating profit</b>	<b>2.5</b>	<b>2.4</b>	<b>+2%</b>
<i>as a % of Revenue</i>	<i>12%</i>	<i>14%</i>	
<b>Net profit</b>	<b>2.2</b>	<b>2.3</b>	<b>-8%</b>

2023 information is from consolidated, unaudited data.

Olivier Novasque, CEO of Sidetrade commented:

"In H1 2023, Sidetrade reported an all-time high in bookings, with nearly €6 million in new Annual Contract Value, representing an increase of more than 20%. This performance was all the more remarkable for two reasons. On the one hand, it was achieved in a market environment of cautious major contractors. On the other, it followed a demanding base effect with record bookings for Sidetrade in H1 2022. Our ambitious investment policy is now paying off, with the goal of 1/ **accelerating our development** in North America, 2/ **expanding our AI-based product offering** to provide the most comprehensive Order-to-Cash software suite on the market, and 3/ **targeting multinational companies** with revenue over \$1 billion. By simultaneously implementing all three of these strategic decisions, we have increased our credibility, boosted our appeal to major customers, and ultimately, won multiple contracts internationally.

To date, the United States represents a robust growth driver, with revenue up 45% for the period. What's more, our newly launched CashApp solution helped us win tenders the world over. Lastly, the share of subscriptions with companies generating \$1 billion-plus revenue now accounts for 76% of Sidetrade's total subscriptions. In the months ahead, we must continue our efforts while staying focused on our development model that combines growth with profitability."

## Record first half in 2023 with nearly €6 million in bookings in new Annual Contract Value, up 21%

Sidetrade (€m)	H1 2023	H1 2022	Change
New SaaS subscriptions (New ARR)	3.30	3.04	+9%
Services bookings	2.54	1.77	+44%
<b>New Annual Contract Value (ACV)</b>	<b>5.84</b>	<b>4.81</b>	<b>+21%</b>

2023 information is from consolidated, unaudited data.

In H1 2023, Sidetrade delivered its best-ever performance in bookings with new Annual Contract Value (ACV) of **€5.84 million**, up **21% versus H1 2022** despite a challenging base effect since the latter period already set an historic record for the Group with **€4.81 million in ACV**.

**New SaaS bookings** totaled **€3.30 million**, mainly driven by an exceptional Q2 2023 when Sidetrade achieved the best quarterly performance in its history with €2.41 million in New Annual Recurring Revenue ("New ARR") signed in one quarter. Parallel to this, **services bookings** (with almost all invoiced within twelve months of their signing) totaled **€2.54 million**, up **44%** compared to H1 2022. This performance is largely due to the growing number of deployment projects signed worldwide.

In H1 2023, the **initial contract period for new customers** (excluding renewals) rose to **44.8 months** versus **43.2 months** a year earlier, demonstrating new customers' confidence in Sidetrade. This extended contract period increases the economic model's strong predictability. Attrition remained extremely low for the industry (generally around 10%) with a churn rate of 2.51% at the end of the first half.

### Sidetrade's winning strategy: Ramp-up in new global contracts

The commercial successes in recent months validate Sidetrade's strategic decision to target companies generating revenue in excess of \$1 billion. As such, this first-half performance is largely attributable to the ramp-up in new global contracts with multinationals including Bayer AG, BIC, NIELSENIQ and Dassault Systèmes. Sidetrade benefits from 1/ a **technological edge** in artificial intelligence, 2/ **increased credibility** with a significant foothold on both sides of the Atlantic to implement and support international contracts, and 3/ an **effective salesforce** that fosters collaboration between teams in Europe and North America.

Sidetrade also cemented its market position following Gartner's recognition for the second year in a row as one of the global Leaders for Integrated Invoice-to-Cash applications.

### **Expansion of Sidetrade's offering: a complete suite for Order-to-Cash cycle and the success of CashApp**

Another crucial factor behind this first-half performance is the expanded AI offering which aims to transform Sidetrade's platform into the most comprehensive Order-to-Cash software suite on the market. It includes paperless order processing, real time credit risk management, electronic invoicing, dunning and dispute resolution as well as reconciliation of payments. With respect to the latter, Sidetrade secured its first contracts thanks to its all-new CashApp solution which automates the reconciliation of customers' banked payments with open invoices by leveraging the capabilities of machine learning and deep learning algorithms. CashApp was a resounding success among major customers such as Bayer AG and BIC who both opted to deploy the application worldwide.

In H1 2023, bookings by new customers ("**New Business**") accounted for **62% of the total new bookings** while **Cross-selling** represented **13% of total new bookings**, with the remaining **25% of bookings** driven by **Upselling** of additional modules to existing customers.

### **Robust growth in revenue, up 17%, with SaaS subscriptions up 21%**

In H1 2023, **revenue for 'Order-to-Cash' SaaS subscriptions** continued its brisk growth, **up 21%**.

Sidetrade's revenue topped the €20 million mark for the first time in a half year, totaling €20.9 million, an increase of 17% compared to the same period in the previous fiscal year. This growth is attributable to two factors:

- **Expansion in the United States**

In H1 2023, the United States was a growth driver for Sidetrade, posting revenues up 45%. As a result of this successful expansion, **international markets** now represent **57% of the Company's total revenue**, including **27% in North America**. Going forward, the United States will continue to be pivotal for Sidetrade's growth.

- **Increasing demand from multinational corporations**

Analysis of customer profiles for 'Order-to-Cash' activities is underpinned by **impressive growth of 46% in subscriptions with multinational corporations** on annual contracts in excess of €250,000. These subscriptions now account for **42% of Sidetrade's total subscriptions** and are expected to remain an important growth driver in the months ahead.

In H1 2023, the impact of exchange rates on Sidetrade was not material.

### **Strong results in a context of accelerating investment**

#### **Record gross margin at 81% of revenue**

Sidetrade achieved a **record gross margin** in H1 2023, representing **81% of total revenue**, with an impressive **rate of 93% in SaaS subscriptions**. This remarkable performance results from Sidetrade's strategy to promote its technological edge, coupled with strict cost 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 12%, despite investment of €3.8 million in North America**

**Operating profit for H1 2023** totaled €2.5 million (vs. €2.4 million in H1 2022), representing **12% of revenue**. Profitability slightly increased, remaining in double digits under the combined impact of vigorous revenue growth, an excellent gross margin and efficient cost control.

Bolstered by its robust economic model, Sidetrade stepped up investment in North America, which amounted to €3.8 million in H1 2023, up €1.1 million compared to the same period in the previous fiscal year. This investment mainly focused on building a regional team of more than 50 colleagues.

Operating profit for H1 2023 includes a French Research Tax Credit of €1.3 million, equivalent to that of H1 2022, as well as activation of €0.2 million in marginal R&D costs. It should be noted that H1 2022 included an innovation subsidy (EuroFirmo project) of €0.5 million. Restated for this exceptional item, operating profit would have increased by €0.6 million, up 25%.

Corporate income tax for H1 2023 totaled €0.3 million, versus €0.2 million a year earlier.

All told, **Sidetrade's net profit for H1 2023 was almost stable at €2.2 million**, demonstrating that continued growth and profitability are achievable while strategically investing.

**Note that the acquisition of CreditPoint Software on June 30, 2023, will be consolidated into the Group's financial statements from July 1, 2023.**

### **Solid financial position**

On June 30, 2023, Sidetrade reported **€24.2 million in gross cash** (vs. €20.4 million on December 31, 2022). As of June 30, 2023, the Company also holds 86,000 of its own shares with a value of €12.1 million.

Sidetrade's financial debt stands at €11.4 million (fixed rate at 1.1%), giving the Group **significant investment capacity** to accelerate its expansion.

### **Reinforced commitment to responsible growth with a full CSR assessment**

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. Against this background, 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.

On top of this, Sidetrade published its first-ever CSR report (in compliance with the European Union's new Corporate Sustainability Reporting Directive – CSRD), showcasing its commitment towards corporate sustainability (see [press release of July 26, 2023](#)). Through this approach, the Company is convinced that it will further cement its industry-leading position.

**Next financial announcement**

Third Quarter Revenue for 2023: October 17, 2023, after the stock market closes.

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**About Sidetrade ([www.sidetrade.com](http://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, Calgary, and Tulsa serving global businesses in more than 85 countries. Amongst them: Tech Data, KPMG, Nespresso, Hearst, Expedia, Criteo, Manpower, Securitas, Randstad, Engie, Veolia, Inmarsat, and Bidfood.

Sidetrade is 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](http://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.*