

Esker

Strong Q1 revenues and orders

Esker has reported another record quarter for revenues, with Q119 constant currency revenue growth of 14% year-on-year for the group and 17% for SaaS-related revenues. Order intake for the quarter was significantly higher than a year ago and, combined with 80% recurring revenues, gives the company good visibility for its FY19 growth target. We maintain our forecasts.

Year end	Revenue (€m)	PBT* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/17	76.1	10.7	1.32	0.32	55.1	0.4
12/18	86.9	12.2	1.64	0.36	44.2	0.5
12/19e	99.1	14.4	1.81	0.39	40.0	0.6
12/20e	112.7	17.8	2.19	0.43	33.2	0.6

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Esker has reported Q119 revenues of €24.1m, up 18% on a reported basis and up 14% in constant currency. SaaS-related revenues grew 17% y-o-y on a constant currency basis to make up 89% of revenues (87% for FY18). The company noted that within this, combined traffic and subscription revenues grew 20%, whereas consulting revenues only grew 8%. A combination of bringing on board new consultants and training up new implementation partners slowed the pace of growth in consulting revenues in Q1, but this should accelerate the pace at which new customers come on board in future quarters. The value of orders received in Q1 was 79% higher than a year ago. Management continues to expect double-digit revenue growth in FY19 and expects a positive effect on reported revenues from the stronger dollar in Q219. We maintain our estimates for FY19 revenue growth of 14%.

Q1 revenue update

Software & comp services

17 April 2019

Price **€72.5**

Market cap **€398m**

Net cash (€m) at end Q119 17.9

Shares in issue 5.5m

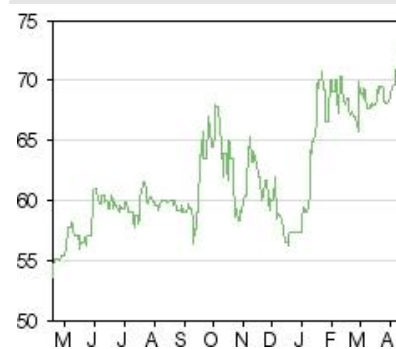
Free float 68%

Code ALESK

Primary exchange Euronext Growth Paris

Secondary exchange N/A

Share price performance



Business description

Esker provides end-to-end document automation solutions, offering on-demand and on-premise delivery models. In FY18, the business generated 56% of revenues from Europe, 38% from the US and the remainder from Asia and Australia.

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