



2023

Year-End
Report

1 January–31 December

Significant business events

Earlier in the year

- » Softronic entered into an operating agreement with AB SOLOM, Sollentuna Municipality's health and care company
- » Softronic was awarded assignments by the Swedish Tax Agency for agile system development
- » Softronic is a leader at creating customer satisfaction according to Radar's supplier quality review for 2023
- » Softronic signed an agreement with Sida for efficient task management
- » Softronic established operations in Karlstad
- » Subsidiary Consultus and Region Skåne signed a framework agreement for change leadership
- » Softronic was once again chosen as a framework supplier for the Swedish Financial Supervisory Authority
- » A partnership was entered into with VALEGA within CM1

Fourth quarter 2023

- » Sales increased to MSEK 218.2 (MSEK 195.8)
- » EBITDA increased to MSEK 37.1 (MSEK 15.8)
- » Profit before tax increased to MSEK 34.9 (MSEK 11.9)
- » Profit margin before tax increased to 16.0 % (6.1 %)
- » Profit for the period after tax increased to MSEK 27.5 (MSEK 9.6)
- » Earnings per share after tax for the period, basic and diluted, increased to SEK 0.52 (SEK 0.18)
- » Cash flow from operating activities increased to MSEK 38.3 (MSEK 34.2)

Full Year 2023

- » Sales increased to MSEK 837.5 (MSEK 797.1)
- » EBITDA increased to MSEK 118.5 (MSEK 105.2)
- » Profit before tax increased to MSEK 106.8 (MSEK 87.0)
- » Profit margin before tax increased to 12.8 % (10.9 %)
- » Profit for the period after tax increased to MSEK 84.0 (MSEK 68.2)
- » Earnings per share after tax for the period, basic and diluted, increased to SEK 1.60 (SEK 1.30)
- » Cash flow from operating activities amounted to MSEK 56.2 (MSEK 80.6)
- » Total liquidity amounted to MSEK 131
- » Equity/assets ratio increased to 62 % (58 %)
- » The Board of Directors proposes a dividend of SEK 1.35 per share (SEK 1.00)



Record-setting earnings for Softronic in 2023

Strong end to record-setting year

Softronic reports growth and improved profit for both the fourth quarter and the full year compared to the previous year.

Net sales for the fourth quarter amount to MSEK 218 compared to MSEK 196, i.e., 11.4 % organic growth. The operating margin amounts to 15.4 % (6.1 %), and the operating profit amounts to MSEK 33.6 (MSEK 11.9). The fourth quarter of the previous year was impacted by one-off costs linked to a security incident that resulted in lower figures for the comparative year.

For full-year 2023, net sales amounts to MSEK 838 compared to MSEK 797, which is organic growth of 5.1 %. The operating margin amounts to 12.5 % (11.0 %), and the operating profit amounts to MSEK 104.5 (MSEK 87.9). We are pleased to announce that we are reporting our best earnings ever.

Stable business model in a weaker economy

In 2023, the downturn in the economy dampened previous strong demand in the Swedish IT industry. Given the economic and political events of the past few years, some might say that the slow-down was late to arrive, but there is still resistance in the underlying demand related to digitalisation, automation and streamlining.

In 2023, many IT suppliers have had more challenges than before. Softronic has also seen a slow-down, where decisions on IT investments are taking longer and the volume of available competence has increased. However, Softronic was able to deliver continued strong earnings in part due to a high degree of turnkey solutions and bundled services with longer ongoing contract periods for our customers.

Cloud and artificial intelligence are clear focus areas for 2024

During the autumn, we have seen stronger demand for cloud-based systems and migration of existing solutions to cloud platforms. The maturity surrounding cloud transformation is increasing. More want to use new, standardised solutions in the cloud and also migrate old, tailored solutions.

Another area in which interest has literally exploded is solutions that use artificial intelligence, generative language models such as chatGPT, and Microsoft Copilot. Basically every company and organisation is looking into how AI can support and facilitate different processes in their operations. During the year we have worked closely with Microsoft and our customers on, among other things, Azure Open AI and Copilot. We are currently carrying out proof of concepts to analyse what is technologically possible and which AI strategy can be implemented to efficiently manage information securely and responsibly.

Importance of continuous security work

In 2023, there was a focus on investments in and work with security, both internally at Softronic and for our customers. Even if Softronic has implemented many measures, we unfortunately can state that the work to prevent and counteract cybercrime must continue. Attacks on IT systems are becoming more common and have a huge impact on society.

We are proud to put a fantastic year behind us and step into a new, exciting year.

Business events in 2023

Softronic has established operations in Visby with the ambition to continue to develop this region and offer IT and digitalisation services and contribute real societal benefits, which Softronic calls GoodTech.

Softronic signed a three-year agreement with AB SOLOM, Sollentuna Municipality's health and care company and largest IT operator.

Softronic was awarded assignments by the Swedish Tax Agency for agile system development. The Swedish Tax Agency decided to award Softronic the assignment to deliver agile development teams.

Softronic is a leader at creating operative, tactical and strategic values for customers in the special year 2023, according to Radar's major supplier quality review.

Sida and Softronic signed an agreement for efficient task management that entails achieving secure, traceable and effective work flows that are less person-dependent for various types of tasks at Sida using effective and robust system support.

Softronic established operations in Karlstad with a focus on system development and administration.

Region Skåne and Softronic subsidiary Consultus signed a framework agreement for change leadership.

Softronic was once again chosen by the Swedish Financial Supervisory Authority to be a framework supplier of IT consultants within the area of System Development and Administration.

Softronic entered into a partnership with VALEGA Chain Analytics for crypto transaction monitoring within CM1.

Significant events in 2023

In January 2023, Softronic AB reclassified 370,000 Class A shares to a corresponding number of Class B shares in the company. After the reclassification, the number of shares amounts to 52,632,803, of which 3,000,000 are of series A and 49,632,803 are of series B.

Liquidity

The Group had MSEK 108 in cash and cash equivalents as at 31 December 2023. The total liquidity comprising cash and cash equivalents, as well as granted unutilised credit lines, amounted to MSEK 131.

During the second quarter, a dividend of MSEK 52.6 (MSEK 71.1) was paid.

Events after the end of the period

There have been no other significant events after the end of the period.

Risks and uncertainties

The risks and uncertainties that the Parent Company and the Group may face are primarily related to changes in employee capacity utilisation, average invoicing, employee turnover, salary costs and material security-related threats, all of which may have had a decisive impact on profitability. In addition to the financial risks described in the most recent annual report, factors also include uncertainties in economic assessments, changes to markets, and competitors.

Proposed dividend

The Board of Directors decided to propose to the Annual General Meeting a dividend of SEK 1.35 per share (SEK 1.00 per share) for a total of MSEK 71.1 (MSEK 52.6).

The Board has observed the dividend policy when making its decision, based on the Group's liquidity requirements and investment capability. The proposed dividend is higher than the normal level set out in the dividend policy. However, this can be justified because the company's high liquidity and non-existent indebtedness allow for complementary acquisitions and continued organic growth. Softronic's strong financial position contributes to the competitiveness of the company in tenders from large companies and organisations and in the introduction of new business models as cloud services.

About Softronic

GoodTech – Technology that does good in society. We offer innovative digital solutions that help companies and organisations create real social benefits. Our services in IT and management range from advice and new development to administration and operations.

Our customers are primarily medium and large Swedish companies and organisations. Softronic was formed in 1984 and is listed on the Stockholm Stock Exchange, Nasdaq OMX. It has approximately 430 employees in Stockholm, Gothenburg, Malmö, Sundsvall, Arjeplog, Karlstad and Visby.

Website: www.softronic.se

Other

Reports 2024

- Annual Report 2023, 10 April
- Interim Report (Jan–March), 24 April
- 2024 Annual General Meeting, 24 April, 5:30 p.m. at the company's premises
- Interim Report (Apr–June), 17 July
- Interim Report (July–Sept), 24 October

Auditors' examination

This report has not been examined by the auditors.

Information about the year-end report

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Softronic AB (publ), CIN 556249-0192

Stockholm, 8 February 2024

Charlotte Eriksson, Chief Executive Officer, Softronic AB (Publ)

Koncernens resultaträkning och övrigt totalresultat i sammandrag, Mkr		2023	2022	2023	2022
		okt-dec	okt-dec	helår	helår
Intäkter		218,2	195,8	837,5	797,1
Aktiverade utvecklingsutgifter		-	0,0	-	1,7
Handelsvaror och övriga fakturerade kostnader		-67,4	-71,4	-285,9	-285,5
Övriga externa kostnader		-9,5	-15,4	-34,7	-39,0
Personalkostnader		-104,2	-93,2	-398,4	-369,1
Avskrivningar, anläggningstillgångar ¹		-3,5	-3,9	-14,0	-17,3
Rörelseresultat		33,6	11,9	104,5	87,9
Finansnetto	<u>not 2</u>	1,3	0,0	2,3	-0,9
Resultat före skatt		34,9	11,9	106,8	87,0
Skatt		-7,4	-2,3	-22,8	-18,8
Periodens resultat		27,5	9,6	84,0	68,2
Övriga totalresultat					
<i>Poster som kommer att omklassificeras till resultatet</i>					
Omräkningsdifferenser		0,0	0,0	0,0	0,0
Totalresultat för perioden		27,5	9,6	84,0	68,2
Periodens resultat hänförligt till moderbolagets aktieägare		27,5	9,6	84,0	68,2
Totalresultat hänförligt till moderbolagets aktieägare		27,5	9,6	84,0	68,2
Periodens resultat per aktie, före utspädning, kr	<u>not 1</u>	0,52	0,18	1,60	1,30
Periodens resultat per aktie, efter utspädning, kr	<u>not 1</u>	0,52	0,18	1,60	1,30

¹varav avskrivning leasing Q4 2023 är -3 Mkr (-3 Mkr), helår 2023 -12 Mkr (-15 Mkr)

Balansräkning i sammandrag		
Koncernen, Mkr	2023-12-31	2022-12-31
TILLGÅNGAR		
Goodwill	109,3	109,3
Övr. immateriella anl.tillgångar	2,7	3,4
Andra långfristiga fordringar	3,3	3,3
Nyttjanderättstillgång	35,7	45,9
Materiella anl.tillgångar	4,7	5,4
Summa anläggningstillgångar	155,7	167,3
Fordringar m.m.	195,9	149,6
Likvida medel	107,9	117,0
Summa omsättningstillgångar	303,8	266,6
Summa tillgångar	459,5	433,9
EGET KAPITAL OCH SKULDER		
Eget kapital	285,0	253,6
Uppskjuten skatteskuld	1,7	1,9
Övrig avsättning	3,5	3,3
Andra långfristiga skulder, leasing	19,8	30,1
Kortfristiga skulder ¹	149,5	145,0
Summa eget kapital och skulder	459,5	433,9

¹varav kortfristig del av leasingskuld (IFRS 16) 2023-12-31 13 Mkr, (13 Mkr)

Totalt Eget Kapital i sammandrag	2023	2022
Koncernen, Mkr	helår	helår
TOTALT EGET KAPITAL		
Ingående balans	253,6	256,4
Periodens totalresultat	84,0	68,2
Utdelning	-52,6	-71,0
Belopp vid periodens utgång	285,0	253,6

Allt eget kapital är hänförligt till aktieägare i moderbolaget eftersom minoritetsintresse inte finns.

Kassaflödesanalys i sammandrag	2023	2022	2023	2022
Koncernen, Mkr not 3	okt-dec	okt-dec	helår	helår
Kassaflöde från den löpande verksamheten				
före förändringar av rörelsekapital	42,1	15,1	95,8	63,0
Förändringar i rörelsekapital	-3,8	19,1	-39,6	17,6
Kassaflöde från den löpande verksamheten	38,3	34,2	56,2	80,6
Kassaflöde från investeringsverksamheten	0,0	0,0	-0,7	-8,2
Kassaflöde från finansieringsverksamheten	-3,0	-3,4	-64,6	-86,0
Årets/periodens kassaflöde	35,3	30,8	-9,1	-13,6
Likvida medel vid årets/periodens början	72,6	86,2	117,0	130,6
Likvida medel vid årets/periodens slut	107,9	117,0	107,9	117,0
Kassaflöde från löpande verksamhet per aktie, före utspädning, kr. not 1	0,73	0,65	1,07	1,53
Kassaflöde från löpande verksamhet per aktie, efter utspädning, kr. not 1	0,73	0,65	1,07	1,53

Nyckeltal Koncernen, not 4		2023	2022	2023	2022
Resultat		okt-dec	okt-dec	helår	helår
Resultat per aktie, före/efter utspädning, kr	not 1	0,52	0,18	1,60	1,30
EBITDA, Mkr		37,1	15,8	118,5	105,2
EBITDA marginal, %		17,0	8,1	14,1	13,2
Rörelsemarginal, %		15,4	6,1	12,5	11,0
Vinstmarginal, %		16,0	6,1	12,8	10,9
Räntabilitet, eget kapital, %		32,2	27,1	32,2	27,1

	2023	2022	2023	2022
Omsättning	okt-dec	okt-dec	helår	helår
Nettoomsättning, Mkr	218	196	838	797
Försäljning konsulttjänster, Mkr	83	67	290	276
Försäljning avtal, Mkr	95	85	368	349
Vidarefakturerade tjänster, Mkr	25	25	85	100
Vidarefakturerat övrigt, Mkr	9	8	38	34
Försäljning licenser, Mkr	5	6	38	27
Försäljning hårdvara, Mkr	1	5	19	11
Omsättning per anställd, Tkr	504	472	1 957	1 925

Finansiell ställning	2023-12-31	2022-12-31
Eget kapital, Mkr	285	254
Soliditet, %	62	58
Likvida medel, Mkr	108	117
Outnyttjade krediter, Mkr	23	23

Anställda	2023	2022	2023	2022
	okt-dec	okt-dec	helår	helår
Genomsnitt under perioden, antal	433	415	428	414
Antal vid periodens utgång, antal	432	415	432	415
Antal strukturavgångar perioden, antal	4	1	6	9

Utveckling per kvartal	Q4/21	Q1/22	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23
Nettoomsättning, Mkr	210,1	222,2	206,3	172,8	195,8	233,2	202,3	183,8	218,2
Periodens resultat före skatt, Mkr	30,3	29,8	21,4	23,9	11,9	25,5	17,3	29,1	34,9
Vinstmarginal före skatt, %	14,4	13,4	10,4	13,8	6,1	10,9	8,6	15,8	16,0

Resultaträkning i sammandrag		
Moderbolaget, Mkr	2023	2022
	helår	helår
Intäkter	838	797
Kostnader	-823	-781
Rörelseresultat	15	16
Finansnetto	3	0
Bokslutsdispositioner*	90	69
Resultat före skatt	108	85
Skatt	-23	-18
Nettoresultat	85	67

*koncernbidrag netto lämnade/mottagna

Balansräkning i sammandrag		
Moderbolaget, Mkr	2023-12-31	2022-12-31
TILLGÅNGAR		
Anläggningstillgångar	16	17
Långfristiga fordringar	3	3
Omsättningstillgångar	282	254
Summa tillgångar	301	274
EGET KAPITAL OCH SKULDER		
Eget kapital	175	143
Långfristiga skulder	4	3
Kortfristiga skulder, ej räntebärande	122	128
Summa eget kapital och skulder	301	274

Kassaflödesanalys i sammandrag		
Moderbolaget, Mkr	2023	2022
	helår	helår
Kassaflöde från den löpande verksamheten	44	64
Kassaflöde från investeringsverksamheten	-1	-7
Kassaflöde från finansieringsverksamheten	-52	-71
Årets/periodens kassaflöde	-9	-14
Likvida medel vid årets/periodens början	117	131
Likvida medel vid årets/periodens slut	108	117

Notes

Accounting principles and supplementary information

Softronic AB (publ) applies the IFRS standards (International Financial Reporting Standards) as adopted by the EU.

The year-end report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. The report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities.

Group operations are wide-ranging and are therefore reported as a segment.

The Group applies the same accounting principles and uses the same bases for calculation as in the 2022 Annual Report.

The estimates follow the same principles as in the Annual Accounts of 2022.

Comprehensive income is reported as an extended profit and loss account, including items previously recognised in equity.

The Group's financial assets and liabilities comprise accounts receivable, other non-current receivables, other current receivables, prepaid expenses, accrued income, cash and cash equivalents, other provisions, accounts payable, other current liabilities, accrued expenses, deferred income, and where the carrying amounts are the same as fair value.

New and amended IFRS that have become applicable from 2023 are not considered to have any material effect on the financial statements. In terms of IFRS 16, as at 31 December 2023, the right-of-use asset amounted to MSEK 36 (MSEK 46) and the leasing liability to MSEK 33 (MSEK 43) (recognised under other non-current liabilities at MSEK 20 and current liabilities at MSEK 13). Depreciation/amortisation of MSEK 3 was applied in the fourth quarter of 2023 (accumulated 2023: MSEK 12) while interest expense was MSEK -0.3 (accumulated 2023: MSEK -1.2). Softronic has opted to adopt the relief rules regarding short-term leases and agreements where the underlying asset is of a low value.

Capitalised development costs are in balance and are subject to capitalisation if the costs are sizeable and considered to lead to future income or cost reductions. For the Parent Company, research and development costs are expensed as they are incurred.

There have been no material transactions with related parties other than commercial transactions between companies within the Group that were carried out on market terms, except for the payment of Board fees and a dividend to shareholders in accordance with the resolution of the Annual General Meeting, and the sale of the Hifab Group on market terms. Hifab Group is a related party because Petter Stillström, the chair of Softronic, is also a Board member of Hifab Group and indirectly a majority shareholder of both Softronic and Hifab through his ownership in Traction. Stillström was not involved in the business decision nor the negotiations between the parties relating to the IT partnership agreement that was signed in March 2022.

In this report there is only an overview of the Parent Company's profit and loss statement and balance sheet, as the Group's sales and balance sheet items are mostly in the Parent Company.

Note 1

Earnings per share

The number of shares (basic and diluted) when calculating earnings and cash flow per share amounted to 52,632,803.

Note 2

Net financial income/expense

This item includes interest income and interest expense.

Note 3

Cash flow statements

Fördelning av investeringar, Mkr	2023 helår	2022 helår
Nettoinvesteringar i inventarier	-0,7	-5,6
Aktiverade utvecklingsavgifter	-	-2,2
Likvidflöde från tidigare års förvärv	-	-0,4
Totalt investerat	-0,7	-8,2

Note 4

Key performance indicators

Softronic's financial statements contain alternative key performance indicators that supplement the measures defined in applicable regulations for financial reporting, such as income, profit or loss, or earnings per share. Alternative key performance indicators are given as they provide more in-depth information than the measures defined in the regulations. The alternative key performance indicators are disclosed below because they are used by management to evaluate the financial performance and are thereby believed to give analysts and other stakeholders valuable information in order to evaluate Softronic's financial position and results. In the section below, we have defined how the alternative performance measures are calculated by Softronic.

Definitions of key performance indicators may deviate from the definitions given by other companies, even though the indicators have similar names. The alternative key performance indicators originate from the consolidated financial statements and are not measures of our financial performance or liquidity in accordance with IFRS, which is why they should not be considered to be alternatives to net profit, operating profit or other key performance indicators in accordance with IFRS, or as an alternative to cash flow as a measure of our liquidity.



Nyckeltal	Definition/förklaring av informationsvärde och syfte	Beräkning helår 2023
Resultat	Ger en nyanserad och fördjupad förståelse för resultatutvecklingen	
Rörelsemarginal, %	Rörelseresultat/intäkter	$(104,5/837,5)*100=12,5$
Vinstmarginal, %	Resultat före skatt/intäkter	$(106,8/837,5)*100=12,8$
EBITDA marginal, %	Rörelseresultat före avskrivningar/intäkter	$(118,5/837,5)*100=14,1$
Räntabilitet, eget kapital, %	Periodens resultat senaste 12 mån/snitt eget kapital 5 kvartal	$(84041/((1303957/5))*100=32,2$
EBITDA, Mkr	Rörelseresultat före avskrivningar	104,5+14=118,5
Omsättning, Mkr	Ger en djupare insyn i omsättningens fördelning	
Försäljning av konsulttjänster	Intäkter avseende konsulttjänster	290
Försäljning av avtalstjänster	Intäkter avseende avtalstjänster	368
Försäljning av vidarefakt. tjänster	Intäkter avseende vidarefakturering tjänster	85
Försäljning av vidarefakt. övrigt	Intäkter avseende vidarefakturering övrigt	38
Försäljning av licenser	Intäkter avseende licenser	38
Försäljning av hårdvara	Intäkter avseende hårdvara	19
Omsättning per anställd, Tkr	Intäkter/antal anställda i genomsnitt	$(837,5/428)*1\ 000=1\ 957$
Finansiell ställning	Ger en bra översyn av totalt likviditetsutrymme och soliditet	
Soliditet, %	Totalt eget kapital/summa eget kapital och skulder	$285,0/459,5*100=62,0$
Outnyttjade krediter, Mkr	Tillgänglig men ej utnyttjad checkräkningskredit	23
Totalt likviditetsutrymme, Mkr	Likvida medel plus outnyttjade krediter	108+23=131
Anställda	Ger en sammanfattande bild av personalförändringar	
Genomsnitt under perioden, ant	Antalet anställda i genomsnitt	428
Antal vid periodens utgång	Antalet anställda	432
Antal strukturavgångar perioden	Antal strukturavgångar	6

The information in this year-end report is the information that Softronic AB (publ) must publish in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (MAR). This information was submitted for publication through the offices of CEO Charlotte Eriksson on 08 February 2024 at 8:00 a.m. (CET). This report along with other information about Softronic AB is available at www.softronic.se.

GoodTech – leading technology that does good in society

Softronic's ambition is to be a leader when it comes to providing innovative digital solutions that help companies and organisations create real social benefits.

Together with our customers, we work for the digitalisation of society and thereby contribute to a more sustainable future. That's what we call GoodTech.

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