

2024

Interim Report

1 January – 30 June

Second quarter 2024

- » Sales increased to MSEK 206.8 (MSEK 202.3)
- » EBITDA increased to MSEK 21.5 (MSEK 20.4)
- » Profit before tax increased to MSEK 18.7 (MSEK 17.3)
- » Profit margin before tax increased to 9.0 % (8.6 %)
- » Profit for the period after tax increased to MSEK 14.6 (MSEK 13.5)
- » Earnings per share after tax for the period, basic and diluted, increased to SEK 0.28 (SEK 0.26)
- » Cash flow from operating activities increased to MSEK 26.9 (MSEK 4.4)

First six months of 2024

- » Sales increased to MSEK 436.9 (MSEK 435.5)
- » EBITDA was MSEK 47.0 (MSEK 49.3)
- » Profit before tax totalled MSEK 41.7 (MSEK 42.8)
- » Profit margin before tax amounted to 9.5 % (9.8 %)
- » Profit for the period after tax amounted to MSEK 32.6 (MSEK 33.5)
- » Earnings per share for the period after tax, basic and diluted, amounted to SEK 0.62 (SEK 0.64)
- » Cash flow from operating activities increased to MSEK 42.6 (MSEK 22.9)



A stable quarter for Softronic

For the second quarter, Softronic's sales amount to MSEK 206.8 compared to MSEK 202.3 in the previous year, which corresponds to organic growth of approximately 2 %. Earnings before tax amount to MSEK 18.7 compared to MSEK 17.3 the previous year, corresponding to profit growth of around 8 % and a profit margin of 9.0 % (8.6 %).

At the beginning of the year, the market and our customers have been cautious due to the weak economy. This has been most evident in the industrial segment and the public sector. To some extent this has meant savings packages at and delayed investments from our customers, but primarily they have delayed decisions and project starts. In order to handle this, we are more cost conscious. We are still recruiting, but we continue to be selective in our selection process. After the cautious spring, we are seeing more positive indications in the industry the further into the year we come. There is a clear demand for digital services in the long term, and we believe the future is bright.

Long-term partnership

We are very proud about the partnership with our customers. One example of this is FASAB6F (FASAB, Facklig Administration i Samverkan). During the period, we agreed on an extension of our collaboration regarding Softronic's services as FASAB's turnkey IT supplier.

In addition to long-term collaborations, we are noting that interest in our bundled solutions is increasing, both locally in Sweden and internationally. This applies to our niche systems in, for example, insurance and transport, SaaS-services CM1, which prevents money laundering, and the member system MRM as well as services linked to standard systems such as business and customer systems.

For Sweden's most secure customers

During the period, we also underwent an audit in IT and information security and continue to be certified under ISO27001. Within the framework of our security work, we are also pleased about our strategic partnership with the cybersecurity company Nixu.

Business events in 2024

Softronic was also re-selected as the turnkey supplier and IT partner for FASAB6F (Facklig Administration i Samverkan).

Softronic expanded its security services through a collaboration with cybersecurity expert Nixu, a DNV company. Together, we will deliver a Security Operations Center (SOC) and supplementary security services for businesses and organisations.

Softronic launched an updated version of the GSR (Gemensamt skadeanmälningsregister, Joint Claims Report Register) system on behalf of Skadeanmälningsregister AB.

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

Softronic and Facility Labs signed an IT partnership agreement, which means that Softronic is developing a new, cloud-based operational system.

Liquidity

The Group had MSEK 71 in cash and cash equivalents as at 30 June 2024. The total liquidity comprising cash and cash equivalents, as well as granted unutilised credit lines, amounted to MSEK 94.

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

About Softronic

GoodTech – leading technology that does good in society. We offer innovative digital solutions that help businesses 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

- Interim Report (July-Sept), 24 October

Auditors' examination

This report has not been examined by the auditors.

Information about the interim report

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Softronic AB (publ), CIN 556249-0192

The Board of Directors and Chief Executive Officer certify that this interim report gives a true and fair view of the development of the Group's operations, financial position and results, and describes the significant risks and uncertainty factors facing the company and the companies within the Group.

Stockholm, 17 July 2024

Charlotte Eriksson, CEO

Per Adolfsson, Chair of the Board of Directors

Petter Stillström

Victoria Bohlin

Eola Änggård Runsten

Johan Strid

Andreas Eriksson

Anna Hammarberg, (employee representative)

Mikael Filén, (employee representative)

Condensed consolidated profit and loss statement and other comprehensive income, MSEK		2024 April–June	2023 April–June	2024 Jan–June	2023 Jan–June	2023 full year
Revenue		206,8	202,3	436,9	435,5	837,5
Goods for resale and other invoiced expenses		-66,3	-68,3	-150,9	-159,9	-285,9
Other external expenses		-10,0	-8,9	-19,9	-18,2	-34,7
Staff costs		-109,0	-104,7	-219,1	-208,1	-398,4
Depreciation, non-current assets ¹		-3,6	-3,3	-7,1	-7,0	-14,0
Operating income		17,9	17,1	39,9	42,3	104,5
Net financial income/expense	note 2	0,8	0,2	1,8	0,5	2,3
Profit/loss before tax		18,7	17,3	41,7	42,8	106,8
Taxes		-4,1	-3,8	-9,1	-9,3	-22,8
Profit/loss for the period		14,6	13,5	32,6	33,5	84,0
Other comprehensive income						
Items that will be reclassified to profit or loss						
Translation differences		-	-	-	-	-
Comprehensive income for the period		14,6	13,5	32,6	33,5	84,0
shareholders		14,6	13,5	32,6	33,5	84,0
shareholders		14,6	13,5	32,6	33,5	84,0
Earnings per share for the period, basic, SEK	note 1	0,28	0,26	0,62	0,64	1,60
Earnings per share for the period, diluted, SEK	note 1	0,28	0,26	0,62	0,64	1,60

¹of which depreciation for leasing for Q2 2024 is MSEK -3 (MSEK -3), MSEK -6 (MSEK -6) for accumulated 2024, MSEK -12 for full year 2023

Condensed Balance Sheet				
Group, MSEK		2024-06-30	2023-06-30	2023-12-31
ASSETS				
Goodwill		109.3	109.3	109.3
Other intangible assets		2.4	3.0	2.7
Other non-current receivables		3.3	3.3	3.3
Right-of-use asset		30.7	40.4	35.7
Property, plant and equipment		6.1	4.7	4.7
Total non-current assets		151.8	160.7	155.7
Receivables, etc.		196.1	172.0	195.9
Cash and cash equivalents		71.2	81.2	107.9
Total current assets		267.3	253.2	303.8
Total assets		419.1	413.9	459.5
EQUITY AND LIABILITIES				
Equity		246.5	234.5	285.0
Deferred tax liabilities		2.6	2.1	1.7
Other provision		2.5	3.1	3.5
Other non-current liabilities, leasing		14.4	24.2	19.8
Current liabilities ¹		153.1	150.0	149.5
Total equity and liabilities		419.1	413.9	459.5

¹of which the current part of lease liabilities (IFRS 16) was MSEK 13 (MSEK 13) on 30 June 2024

Condensed Total Equity Group, MSEK	2024 Jan–June	2023 Jan–June	2023 full year
TOTAL EQUITY			
Opening balance	285.0	253.6	253.6
Comprehensive income for the period	32.6	33.5	84.0
Dividend	-71.1	-52.6	-52.6
Closing balance	246.5	234.5	285.0
All equity is attributable to the Parent Company's shareholders, as there are no non-controlling interests.			

Condensed Cash Flow Statement Group, MSEK Note 3	2024 April–June	2023 April–June	2024 Jan–June	2023 Jan–June	2023 full year
Cash flow from operating activities					
before changes in working capital	11.4	17.1	39.3	32.1	95.8
Changes in working capital	15.5	-12.7	3.3	-9.2	-39.6
Cash flow from operating activities	26.9	4.4	42.6	22.9	56.2
Cash flow from investing activities	-2.2	0.0	-2.4	0.0	-0.7
Cash flow from financing activities	-73.9	-55.6	-76.9	-58.7	-64.6
Cash flow for the year/period	-49.2	-51.2	-36.7	-35.8	-9.1
Cash and cash equivalents at the start of the year/period	120.4	132.4	107.9	117.0	117.0
Cash and cash equivalents at the end of the year/period	71.2	81.2	71.2	81.2	107.9
Cash flow from operating activities per share, basic, SEK. Note 1	0.51	0.08	0.81	0.44	107
Cash flow from operating activities per share, diluted, SEK. Note 1	0.51	0.08	0.81	0.44	107

Key performance indicators for the Group, Note 4		2024	2023	2024	2023	2023
Net profit/loss		April–June	April–June	Jan–June	Jan–June	full year
Earnings per share, basic/diluted, SEK	note 1	0.28	0.26	0.62	0.64	1.60
EBITDA, MSEK		21.5	20.4	47.0	49.3	118.5
EBITDA margin, %		10.4	10.1	10.8	11.3	14.1
Operating margin, %		8.7	8.5	9.1	9.7	12.5
Profit margin, %		9.0	8.6	9.5	9.8	12.8
Return on equity, %		31.3	25.2	31.3	25.2	32.2

	2024	2023	2024	2023	2023
Sales	April–June	April–June	Jan–June	Jan–June	full year
Net sales, MSEK	207	202	437	436	838
Sales of consultancy services, MSEK	76	70	155	147	290
Sales of agreements, MSEK	93	91	184	181	368
Invoiced to third parties, services, MSEK	20	21	42	44	85
Invoiced to third parties, other, MSEK	9	9	20	20	38
Sales of licenses, MSEK	6	8	30	28	38
Sales of hardware, MSEK	3	3	6	16	19
Sales per employee, TSEK	480	475	1,014	1,032	1,957

Financial position	2024-06-30	2023-06-30	2023-12-31
Equity, MSEK	247	235	285
Equity/assets ratio, %	59	57	62
Cash and cash equivalents, MSEK	71	81	108
Unutilised credit lines, MSEK	23	23	23

	2024	2023	2024	2023	2023
Employees	April–June	April–June	Jan–June	Jan–June	full year
Average number during the period	431	426	431	422	428
Number at the end of the period	430	431	430	431	432
Number of structural dismissals for the period	5	2	7	2	6

Development per quarter	Q2/22	Q3/22	Q4/22	Q1/23	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24
Net sales, MSEK	206.3	172.8	195.8	233.2	202.3	183.8	218.2	230.1	206.8
Profit/loss for the period before tax, MSEK	21.4	23.9	11.9	25.5	17.3	29.1	34.9	23.0	18.7
Profit margin before tax, %	10.4	13.8	6.1	10.9	8.6	15.8	16.0	10.0	9.0

Condensed Profit and Loss Statement	2024	2023	2023
Parent Company, MSEK	Jan–June	Jan–June	full year
Revenue	437	436	838
Costs	-397	-394	-823
Operating income	40	42	15
Net financial income/expense	2	1	3
Appropriations*	-	-	90
Profit/loss before tax	42	43	108
Taxes	-9	-9	-23
Net profit/loss	33	34	85
*net Group contributions paid/received			

Condensed Balance Sheet	2024-06-30	2023-06-30	2023-12-31
Parent Company, MSEK			
ASSETS			
Non-current assets	18	16	16
Non-current receivables	2	3	3
Current assets	255	228	282
Total assets	275	247	301
EQUITY AND LIABILITIES			
Equity	136	124	175
Non-current liabilities	2	3	4
Current liabilities, non-interest-bearing	137	120	122
Total equity and liabilities	275	247	301

Condensed Cash Flow Statement	2024	2023	2023
Parent Company, MSEK	Jan–June	Jan–June	full year
Cash flow from operating activities	36	17	44
Cash flow from investing activities	-2	-	-1
Cash flow from financing activities	-71	-53	-52
Cash flow for the year/period	-37	-36	-9
Cash and cash equivalents at the start of the year/period	108	117	117
Cash and cash equivalents at the end of the year/period	71	81	108

Notes

Accounting principles and supplementary

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

The interim 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 2023 Annual Report.

The estimates follow the same principles as in the Annual Accounts of 2023.

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 30 June 2024, the right-of-use asset amounted to MSEK 31 (MSEK 40) and the leasing liability was MSEK 27 (MSEK 37) (recognised under other non-current liabilities as MSEK 14 and current liabilities as MSEK 13). Depreciation/amortisation of MSEK 3 was carried out in the second quarter of 2024, and the interest expense was MSEK 0.2. Softronic has opted to adopt the relief rules regarding short-term leases and agreements where the underlying asset is of a low value.

information

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.

Commercial transactions were carried out with the Hifab Group according to the IT partner agreement signed in March 2022. Petter Stillström is a Board member and indirect major owner of both Hifab and Softronic.

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

Allocation of investments MSEK	2024 April–June	2023 April–June	2023 full year
Net investments in equipment	-2.4	-	-0.7
Capitalised development costs	-	-	-
Liquidity flows from previous years' acquisitions	-	-	-
Total invested	-2.4	0.0	-0.7

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 Softronic's 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 IFRS key performance indicators, or as an alternative to cash flow as a measure of Softronic's liquidity.



Key performance indicators	Definition/explanation of information value and purpose	Calculation Jan–June 2024
Net profit/loss	Provides a more nuanced and in-depth understanding of profit development	
Operating margin, %	Operating profit/income	$(39.9/436.9)*100=9.1$
Profit margin, %	Profit/loss before tax/income	$(41.7/436.9)*100=9.5$
EBITDA margin, %	Operating profit before depreciation and amortisation/income	$(47.0/436.9)*100=10.8$
Return on equity, %	Profit for the 12-month period/average equity over 5 quarters	$(83101/(1326314/5))*100=31.3$
EBITDA, MSEK	Operating profit before depreciation and amortisation	$39.9+7.1=47.0$
Sales, MSEK	Provides a more in-depth insight into the distribution of sales	
Sales of consultancy services	Income from consultancy services	155
Sales of agreement services	Income from agreement services	184
Sales of services invoiced to third parties	Income from services invoiced to third parties	42
Sales of invoices to third parties, other	Income from invoices to third parties, other	20
Sale of licences	Income from licences	30
Sales of hardware	Income from hardware	6
Sales per employee, TSEK	Income/number of employees on average	$(436.9/431)*1,000=1,014$
Financial position	Provides a good overview of total liquidity and solvency	
Equity/assets ratio, %	Total equity/total equity and liabilities	$246.5/419.1*100=59$
Unutilised credit lines, MSEK	Available but unutilised overdraft facilities	23
Total liquidity, MSEK	Cash and cash equivalents plus unutilised credit lines	$71+23=94$
Employees	Provides a summary of changes in staff	
Average number during the period	Number of employees on average	431
Number at the end of the period	Number of employees	430
Number of structural dismissals during the period	Number of structural dismissals	7

The information in this interim 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) and the Swedish Securities Market Act. This information was submitted for publication through the offices of CEO Charlotte Eriksson on 17 July 2024 at 11:00 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.

A horizontal dotted line in a light red color, spanning the width of the contact information section.

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