

# Annual report

2019



# 2019 – a great year that highlights the strength of Softronic's business model

Looking purely at the figures, we reported a much better profit in 2019, despite a slight drop in sales. We were able to achieve this by replacing some assignments that had high sales but low profitability with assignments higher up the value chain. We're also extremely happy that we have Sweden's most satisfied customers for the second year in a row, and that we were awarded a gold medal from EcoVadis for our sustainability work.

But it would be impossible for me in this statement not to briefly mention the brand new situation that the coronavirus has put us in. In our Q4 report I commented on the emergence of this threat, which was relatively unknown at the time, but I couldn't have imagined how much would change in such a short period of time. Schools closed, people working from home on an unprecedented scale, and the worry that people have for friends and relatives who are vulnerable. I'm not going to try to predict the impact that this could have on the Swedish economy and the global economy, but I have noticed that the transition to working remotely has been pain-free for our employees.

I also think that Softronic is in a better position to withstand any changes in the market compared with other IT companies of a similar size. This is, for example, because of our customer structure with a high number of customers, spread across several sectors, as well as a certain focus on public organisations in Sweden. Added to this is the fact that our services, which focus on business-critical applications, are the ones that are protected the longest.

We use the concept 'GoodTech' to give a general description of what we work with. For us GoodTech is about offering solutions that give real benefit to society and shows that we are striving to create and deliver them in a sustainable way in the long term for the world we live in. For example, this includes acting in a way that promotes sustainability, in the way we handle materials (from food waste to obsolete electronics), our travel habits and in particular how we treat each other, our customers and our suppliers.

There are examples of these solutions later on in the annual report, where some of them are presented alongside the customers or groups of customers that use them. I personally think that the opportunity to work with these kinds of areas is what motivates our employees and will give us the advantage in the fight to attract the talents of the future.

Even in the midst of the current pandemic, I'm very cautiously looking forward to the rest of 2020 and I'm interested to see what happens.

**Per Adolfsen CEO Softronic**

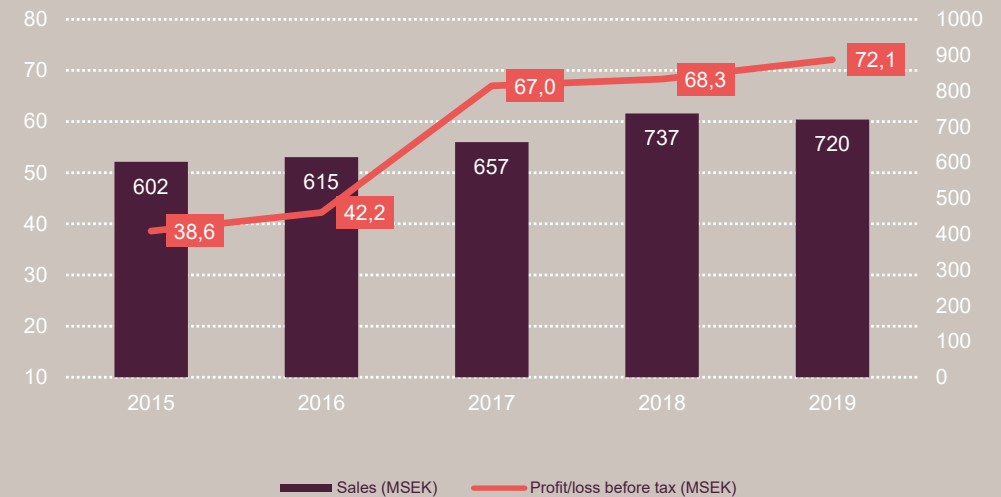
**SOFTRONIC**



# A good year that shows the strength of Softronic's business model

- » **A dividend** per share of SEK 1.00 (SEK 0.75 +SEK 0.25 extra dividend)\* is proposed.
- » **Profit/loss** after tax per share: SEK 1.06 (SEK 0.99)
- » **Cash flow** from operating activities amounted to MSEK 76.4 (MSEK 65.4)
- » **Total liquidity** as of 31 December 2019 was MSEK 140
- » **The equity/assets ratio** amounted to 60% (66%)

*\*The Board has decided to change its proposal; so no dividend will be proposed to the 2020 Annual General Meeting as a result of the ongoing pandemic. (6 April).*



	2015	2016	2017	2018	2019
Sales, MSEK	601.9	614.7	657.0	737.2	720.0
EBITDA, MSEK	46.5	50.0	75.5	75.0	97.0
Profit/loss before tax, MSEK	38.6	42.2	67.0	68.3	72.1
Profit margin, %	6.4	6.9	10.2	9.3	10.0
Number of employees at year-end	469	432	445	438	437

# Leading GoodTech company...



**A LISTED COMPANY  
SINCE 1998**



**14001 AND 27001  
CERTIFIED**



**5 OFFICES  
IN SWEDEN**

**650**

**More than 650 customer  
relationships, most of whom are  
repeat customers**

**LEADING CONSULTANCY FIRM  
COMPLETE PARTNER  
STRONG CUSTOMER REFERENCES  
MEASURABLE RESULTS  
BREADTH AND DEPTH**

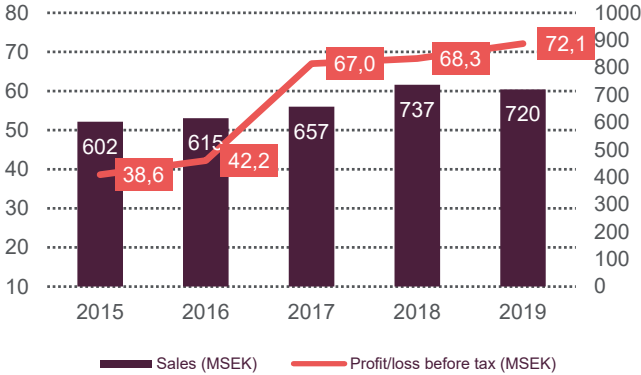


**REPEAT CUSTOMERS**  
**Most of our customers  
stay 10–20 years**



## AN INCREDIBLE TEAM!

**INDUSTRY EXPERIENCE  
AVERAGE: 17.8 YEARS**      **EMPLOYED AT SOFTRONIC  
AVERAGE: 7.7 YEARS**



**437**

**Employees at the  
end of 2019**



**SWEDEN'S MOST  
SATISFIED  
CUSTOMERS**

**RADAR'S CUSTOMER  
SATISFACTION INDEX 2019**

**GOLD MEDAL FOR CSR  
FROM ECOVADIS**



**DISTRIBUTION**

**74% men    26% women**



**WE HAVE BOTH BREADTH  
AND DEPTH**

Outsourcing	Consultancy
Innovation New development	Advice
App.Mgmt	Standard systems
App. Operation	Assignments
Operation	Services
	Specialist

... that creates a real benefit to society



**INFORMATION ABOUT SWEDEN**  
The right information about society  
in the right place for new arrivals in  
10 languages



6.6 MILLION

user accounts in the  
E services. An increase of  
almost 1 million in 2019.



~11,000 / DAY  
Queries answered via  
1177 Healthcare Guide's  
phone line



5.3 MILLION

Members in our membership system



2.3 MILLION  
Bookings/year



14 BILLION in payouts

per year from unemployment  
insurance funds to approximately  
238,000 beneficiaries

21 of 25

Unemployment  
insurance funds  
Are our partner customers



65,000  
JOB OPPORTUNITIES  
We have created the conditions  
for 65,000 agency jobs

27  
BILLION

CM1-PEP and sanction checks/year



1.51 MILLION  
Credit  
checks/month



16 KG/INHABITANT  
Foodware is handled  
by our ERP systems  
every year



5 MILLION  
Packages delivered/year



More than **500,000**  
successful conversations with  
our DIGITAL ASSISTANTS



745,000

Users of the Vklass school portal  
in more than 70 municipalities

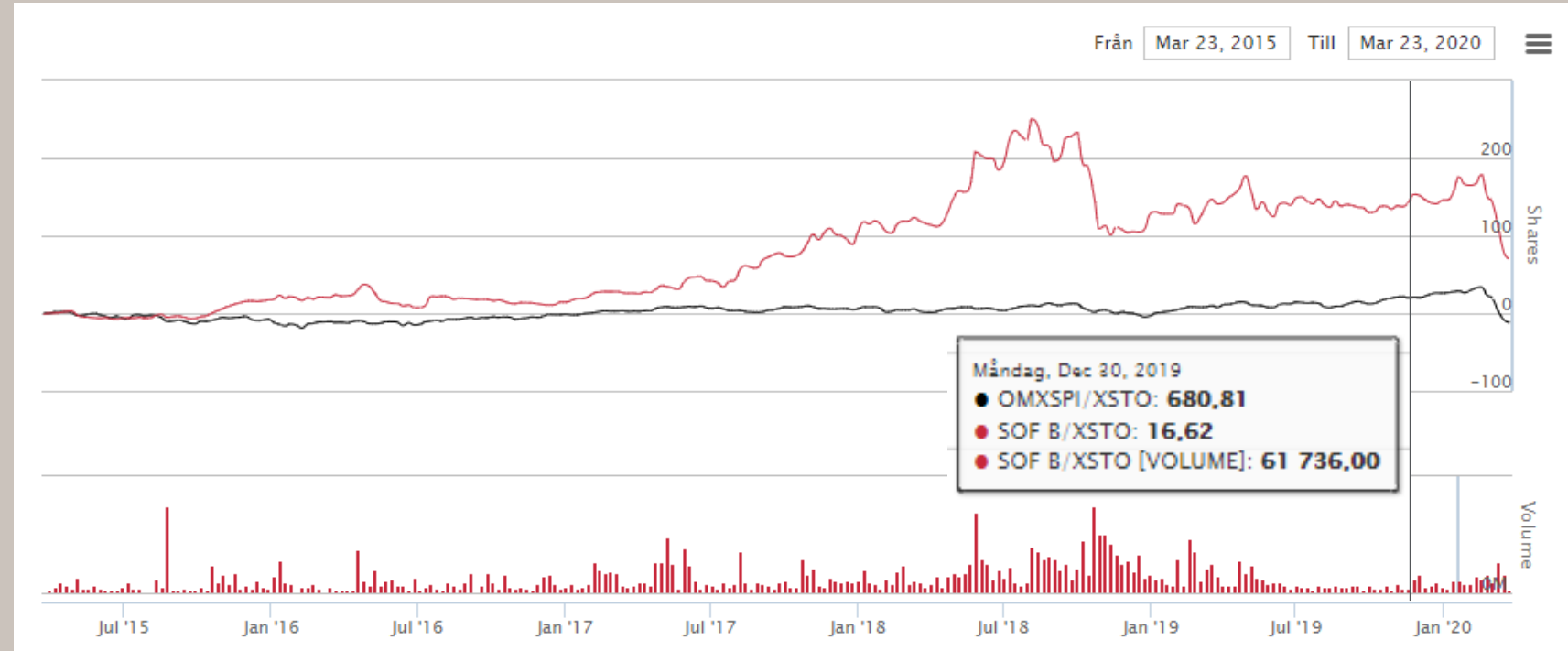
3.6  
MILLION

Declarations digitised

# Owning shares in Softronic

Shares in Softronic have been listed on the Stockholm Stock Exchange since December 1998. The shares are traded on Nasdaq Stockholm Small Cap. **As of 31 December 2019 the number of shareholders totalled 7,216.**

The aim is for the long-term dividend level to amount to around 50% of profits after tax, depending on the company's capital requirements for investments and changes to working capital, as well as the shareholders' desire for a good dividend yield.





# Board of Directors



**Anders Eriksson, 1956**

Chairman, founder and member since 1984.  
Employed since 1984.  
Other Board assignments: AB Traction

Not independent in relation to major shareholders.

A shares: 1,875,400  
B shares: 9,318,160



**Britten Wennman, 1964**

Member since 2019.  
Other Board assignments:

Independent in relation to the company and its management.

A shares: -  
B shares: 20,000



**Tomas Högström, 1963**

Employee representative since 2013.  
Employed since 1996.

Not independent in relation to major shareholders.

A shares: -  
B shares: 1,800



**Petter Stillström, 1972**

Member since 2008  
(also 01-06). CEO and Board Member of AB Traction.  
Other Board assignments (Chairman): BE Group, Nilörngruppen, OEM International.

Not independent in relation to major shareholders.

A shares: -  
B shares: -

**Britten Wennman, 1973**

Member since 2019.  
Other Board assignments: For some subsidiaries in the Capio Group.

Not independent in relation to major shareholders.

A shares: -  
B shares: - 12,000



**Cecilia Nilsson, 1965**

Employee representative since 2010.  
Employed since 1993.

Not independent in relation to major shareholders.

A shares: -  
B shares: 1,600



**Stig Martin, 1945**

Member since 1984.  
Other Board assignments: Västgötadata

Not independent in relation to major shareholders.

A shares: 891,600  
B shares: 3,345,600



**Susanna Marcus, 1965**

Member since 2016.  
Other Board assignments: Chair Kontract AB, Chair IAMIP AB

Not independent in relation to major shareholders.

A shares: -  
B shares: 12,000



**Auditors**

**Nicklas Kullberg**

Authorised public accountant; Auditor in charge since 2017. PricewaterhouseCoopers AB

# Management



**Per Adolfsson, 1960**

CEO  
Employed since 2019

Other Board assignments: Datema AB

A shares: –  
B shares: 10 00



**Mathias Kjellberg, 1971**

COO  
Employed since 1999

A shares: -  
B shares: -



**Anders Bergman, 1964**

CFO  
Employed since 2004

A shares: -  
B shares: -



**Joachim Lundberg, 1965**

Manager of Group  
functions  
Employed since 1995

A shares: -  
B shares: 163,600



**Johan Andersson, 1972**

Business Area Manager  
Employed since 1999

A shares: -  
B shares: -



**Anna Thörlund, 1976**

Business Area Manager  
Employed since 2000

A shares: -  
B shares: 250



**Claes Brikell, 1966**

Sales Manager  
Employed since 1998

A shares: -  
B shares: -



**Roger Gustavsson, 1969**

Business Area Manager  
Employed since 1999

A shares: -  
B shares: -



**Torbjörn Ivarsson, 1958**

Business Area Manager  
Employed since 1990

A shares: -  
B shares: -

# Profit and Loss Account and Balance Sheet

Profit and Loss Account, MSEK	2019	2018	2017	2016	2015
Revenue	720.0	737.2	657.0	614.7	601.9
Operating expenses	623.0	-662.2	-581.5	-564.7	-555.3
Depreciation and amortisation according to plan	-23.7	-6.9	-8.9	-8.5	-8.2
<b>Operating income</b>	<b>73.3</b>	<b>68.1</b>	<b>66.6</b>	<b>41.5</b>	<b>38.4</b>
Net financial income/expense	-0.1	0.2	0.4	0.7	0.2
<b>Profit/loss after net financial income/expense</b>	<b>72.0</b>	<b>68.3</b>	<b>67.0</b>	<b>42.2</b>	<b>38.6</b>
Taxes	-16.3	-16.0	-15.2	-9.2	-8.8
<b>Profit/loss for the period</b>	<b>55.8</b>	<b>52.3</b>	<b>51.8</b>	<b>33.0</b>	<b>29.8</b>

Balance Sheet, MSEK	2019	2018	2017	2016	2015
<b>Assets</b>					
Intangible assets	111.5	113.3	114.7	119.8	123.4
Property, plant and equipment	5.6	8.3	11.3	10.8	4.4
Right-of-use asset	38.8	-	-	-	-
Other non-current receivables	2.4	2.5	-	-	-
Current assets	178.5	174.9	173.8	164.6	162.6
Cash and cash equivalents (incl. current investments)	117.2	113.0	87.7	62.3	57.6
<b>Total assets</b>	<b>454.0</b>	<b>412.0</b>	<b>387.5</b>	<b>357.5</b>	<b>348.0</b>
<b>Equity and liabilities</b>					
Equity	274.1	270.9	258.1	232.6	226.0
Liabilities	179.9	141.1	129.4	124.9	122.0
<b>Total Equity and liabilities</b>	<b>454.0</b>	<b>412.0</b>	<b>387.5</b>	<b>357.5</b>	<b>348.0</b>

# Key performance indicators

Key performance indicators, employees	2019	2018	2017	2016	2015
Avg. no. of employees	443	452	441	458	476
Sales per employee, TSEK	1.625	1.631	1.490	1.342	1.264
Staff costs per employee, TSEK	858	842	768	727	738
Profit/loss before tax per employee, TSEK	163	151	152	92	81

Shares, key figures	2019	2018	2017	2016	2015
Earnings per share, SEK*	1.06*	0.99	0, 98	0.63	0.57
Dividend in TSEK*	52,633	52,633	39,475	26,316	26,316
Dividend per share, SEK*	1.00	1.00	0.75	0.50	0.50
Share price as of 31 Dec SEK	16.6	14.4	12.8	7.8	8.1
Dividend yield, %*	6.0	5.2	3.9	6.5	5.6
Equity per share, TSEK	5.2	5.1	4.9	4.4	4.3

*\*The Board has decided to change its proposal; so no dividend will be proposed to the 2020 Annual General Meeting as a result of the ongoing pandemic. (6 April).*

Cash flow, MSEK	2019	2018	2017	2016	2015
Cash flow from operating activities	76.4	65.4	56.7	42.6	47.6
Cash flow from investing activities	-0.8	-0.6	-5.0	-11.6	-14.0
Cash flow from financing activities	-71.4	-39.5	-26.3	-26.3	-23.7
<b>Cash flow for the year</b>	<b>4.2</b>	<b>25.3</b>	<b>25.4</b>	<b>4.7</b>	<b>9.9</b>

# FASAB6F – one of our new satisfied IT partners

Since Q4 2018, Softronic has provided a service-based IT delivery to FASAB6F. The model builds on availability and security while maintaining control over its IT environment, and covers a wide range from office workplaces to server and application operations.

**Following an extensive procurement process**, the choice ultimately fell on Softronic, in part because Softronic guarantees the availability of services and assumes total responsibility. The services are delivered in line with a consumption-based model, which provides elasticity and cost efficiency.

**The parties are working systematically** to scale up FASAB's level of digitalisation, with high ambitions pertaining to business development, mobility and a modern discourse with future union members.

**The IT partnership between Softronic and FASAB strengthened in 2019.** In the fourth quarter Softronic also decided to take over the application management and the further development of the business system PUMA (based on Microsoft Dynamic's CRM and Dynamics AX).



“We appreciate the delivery, which is professional yet still customer oriented. It feels reassuring to have an IT partner who is responsive and adaptive, since this allows us to run our business development in the best possible way with a focus on increasing the benefits to members going forward.”

Anders Rehn, CEO of FASAB6F AB

# People in Södertälje can use Kommun-Kim as another way to access the municipality

**Södertälje municipality is taking a shared approach to digitalisation** to make the most of digitalisation's ability to create new and effective digital working methods.

**Digitalisation is important** to manage the municipality's core activities: to deliver the best possible welfare and public services to people living in Södertälje, companies and visitors, with transparency and good availability.

**Kommun-Kim increases the availability** of information in a modern and more personal way. Kim makes life simpler for the people living in the municipality as many questions can be dealt with and answered at every hour of the day. Approximately 30% make contact outside office hours.



“We want to use digitalisation to help find new solutions that make life easier for the people living in our community. We also need to free up time for our employees to spend more time on more specialised tasks.”

Maria Dahl Torgerson, Head of Communication and Digitalisation for Södertälje Municipality

# Support for charity fundraising

**Softronic's CRM system Charity** was born out of the need for fund-raising organisations to develop their relationship with donors and have a user-friendly system to handle time-consuming administration. The system is a bespoke, turnkey solution that provides fund-raising organisations with excellent opportunities to focus on their work with donors and increase the number and average value of donations.

**Softronic Charity provides the fund-raising organisation** provides the fund-raising organisation with full control over the entire range of fund-raising activities and a better understanding of the target groups. It gives them the opportunity to adapt communication channels and get better results in their campaigns. When time-consuming administration is made more efficient, organisations can dedicate more resources to the principal task of getting more people to help in the fight against poverty and increase support for people in need of help.

**All event-driven activities** can be entered and managed by Softronic Charity, including things like thank-you notes, deed of gifts, reports for honorary persons and welcome letters in connection with direct debits. The results can then be analysed using the system's analysis tools. The budget and the accounting connected with the campaigns can also be managed directly in Softronic Charity.

**At Softronic**, we are immensely proud to be able to offer Softronic Charity to aid organisations, and as a result help them succeed in their hugely important work.



Photo: Hans Jörgen Ramstedt/  
Läkarmissionen

“Where water is scarce, Läkarmissionen digs wells. Water saves lives. Good hygiene is always important, but particularly now with the coronavirus.”

Monika Frieberg, Database and Head of IT,  
Läkarmissionen

# Federation solution for the Internet Foundation in Sweden

**The Internet Foundation in Sweden** is an independent, business-driven and public-benefit organisation that works for an Internet that contributes positively to people and society. The foundation is responsible for the Internet's Swedish top-level domain .se and manages the operation and administration of the top-level domain .nu.

**The Internet Foundation in Sweden had an old federation solution** that was built on the manual handling of metadata and the manual administration of customers. The foundation wanted to build a scalable solution that could offer several types of federations. At the moment the solution is being used in schools, as well as nursing, health and care.

**Softronic has developed a technical solution** that handles identity and authorisation federations, and has digitalised the administrative processes for membership applications and assurance checking.

**The federation solution is based on modern technology** with a focus on useability. At the same time the administrative processes for membership and assurance checking have been digitalised. It is now easy for the foundation's customers to upload and follow up their application.



*"The project team has been working closely with us, and they have always been open and transparent with us, which I've really appreciated as a customer. Using an agile working method we've always found the way forward together and solved the challenges that we've faced."*

Ulrika Ahlgren, Internet Foundation in Sweden

