



2017

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# ANNUAL REPORT

## 2017 – Our best year ever!

**2017 was the best year in Softronic's 33-year history in terms of its financial performance. Market demand has been historically strong in the segments where Softronic is active. As a result, the company has signed more new contracts than ever before.**

Softronic's key operations are cloud services, outsourcing and other qualified assignments with a longer time scale. The number of inquiries and deals of this kind has increased in recent years. There is reason to believe that demand will remain high while there is demand for digitisation in all areas of society.

This positive market has led to increases in hourly rates, as well as an increase in both new customers and existing business. The downside is higher costs and staff turnover. However, this situation has resulted in higher profitability on the whole.

The key is to adopt a leading position and deliver complex assignments that are extremely beneficial to the customer, which will then help to generate new business in the future. The use of new technology, including AI and cloud services, is a strong driving force in this.

Softronic's solutions can be found everywhere in society and are used by millions of users.

Having long-term customer relationships in a variety of different industries provides stable profitability, while having a strong financial position provides staying power and a freedom to act independently regardless of what happens in the market in the future.

The clear goal is to be among the top listed IT consultancy firms in terms of both growth and profitability.

**Anders Eriksson**  
CEO, Softronic



“WE’VE BEEN CREATING SMART SUSTAINABLE SOLUTIONS FROM THE START BY USING INNOVATIVE TECHNOLOGY.”



## Demand increased and competition remained fierce

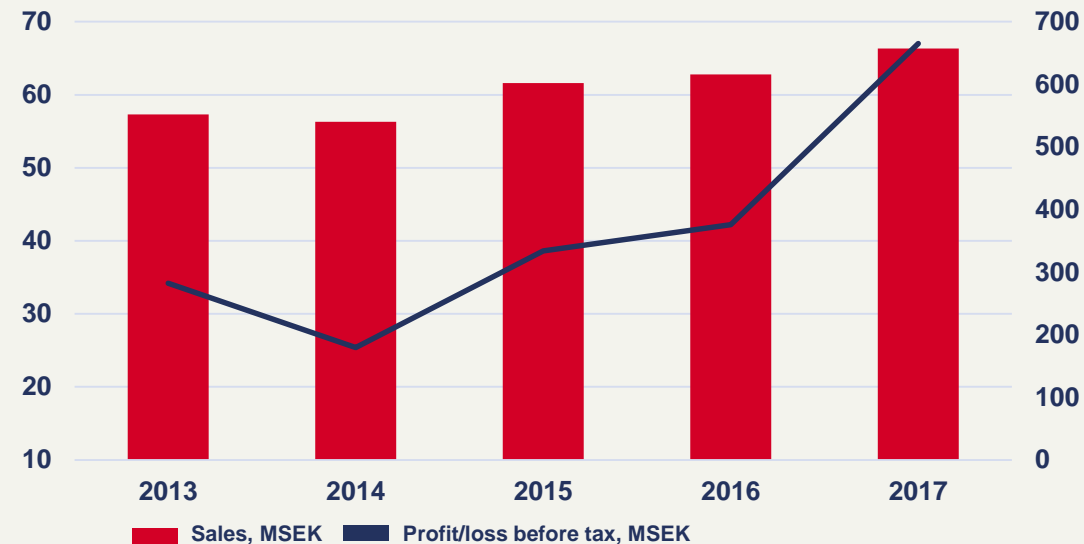
A dividend of SEK 0.75 (SEK 0.50) per share is proposed.

Profit/loss after tax per share: SEK 0.98 (SEK 0.63)

Cash flow from operating activities amounted to MSEK 56.7 (MSEK 42.6)

Total liquidity at 31 December 2017 was 111 MSEK

The equity/assets ratio amounted to 67% (65%)



	2013	2014	2015	2016	2017
Sales, MSEK	551.9	539.4	601.9	614,7	657,0
EBITDA, MSEK	42.2	31.9	46.5	50,0	75,5
Profit/loss before tax, MSEK	34.2	25.4	38.6	42,2	67,0
Profit margin, %	6.2	4.7	6.4	6,9	10,2
Average number of employees	476	482	476	458	448
Number of employees at year-end	463	467	469	432	459

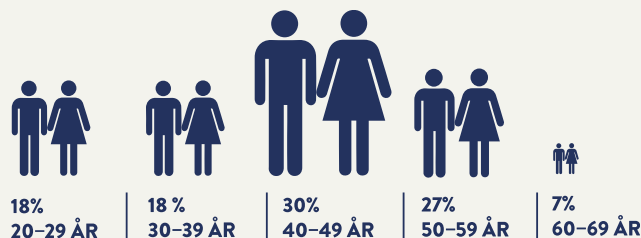
# Softronic – a complete partner...



**LISTED ON OMX NASDAQ (SMALL CAP)**  
since 1998

# 600

More than 600 customer relationships, most of whom are repeat customers.



# 459

employees at the end of 2017



**25% 75%**  
Distribution of women/men



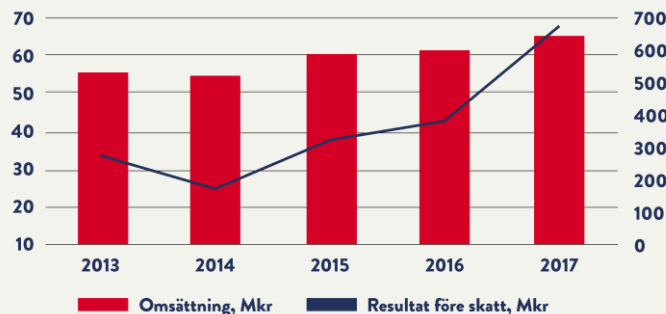
**14001 AND 27001 CERTIFIED**

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

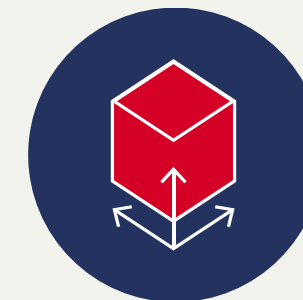


**AN INCREDIBLE TEAM!**

INDUSTRY EXPERIENCE AVERAGE: 15.4 YEARS  
EMPLOYED AT SOFTRONIC AVERAGE: 5.9 YEARS



**TOPP 5**  
**I NÖJDKUNDINDEX**  
RADAR'S CUSTOMER SATISFACTION INDEX 2017



**WE HAVE BOTH BREADTH AND DEPTH**

**OUTSOURCING**  
**INNOVATION**  
**APP. DEVELOPMENT**  
**APP. MANAGEMENT**  
**APP. OPERATION**  
**IT-OPERATIONS**

**CONSULTING**  
**MANAGEMENT**  
**STANDARD SYSTEMS**  
**IT-CONSULTING**



**5 OFFICES**  
Across Sweden



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

## ...when our customers digitise



### INFORMATION ABOUT SWEDEN

Correct information about the Swedish society for new arrivals in 10 languages



**1.2 MILLION**

more logins to the national 1177 e-health service



**500,000/MONTH**

Calls answered via the national 1177 e-health call centre



**2.3 MILLION**

members in our membership system MRM



**5.2 MILLION**

bookings/year within our travel services

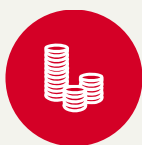


**2 MILLION TRANSACTIONS**

Through the unemployment insurance funds/year.  
Total pay outs > 3 billion SEK/year

# 21 AV 27 A-KASSOR

are our partner customers



**1.4 BILLION**

insurance payouts/year via our managed customers' applications

# 19 BILLION

CM1 – PEP and sanction checks/year



**1.43 MILLION**

Credit checks / month



**16 kg/inhabitant**

Foodware handled by our ERP systems every year



# 4.6 MILLION PACKAGES DELIVERED /YEAR



# 125,000 JOB OPPORTUNITIES

Are handled with our managed customer's applications / year



**1.2 MILLION**

users of the Vklass school portal

# 4

**MILLION**

Income tax returns digitised

## With our help, Sweden will become sustainable

**The Swedish Environmental Protection Agency's assignment** includes driving and coordinating work on environmental issues, and helping the government to implement environmental policy. Its responsibilities include everything from waste management to environmental research, from air quality to biodiversity. Billions of Swedish krona are channelled via authorities to environment-related projects every year to achieve its mission. The Swedish Environmental Protection Agency also works to ensure that the Swedish environmental goals support the UN's global sustainable development goals.

**Softronic has many** long-term assignments that it is carrying out at the same time for the Swedish Environmental Protection Agency. Most are them are linked to Sweden's 16 environmental goals, and in turn to EU requirements and UN goals. This includes, for example, the design of Sweden's new traceability system for hazardous waste. And the work on [sverigesmiljomal.se](https://sverigesmiljomal.se) – the national website that has been set up to encourage municipalities, trade and industry to push ahead with their environmental work. The company is also developing environmental indicators, where you can follow up different measures and see their status in relation to the various goals. In this way, our assignments have a clear strategic focus on sustainability. To put it simply, we are helping the Swedish Environmental Protection Agency to transform Sweden into a sustainable country.

**We have many** employees who are deeply involved in this collaboration, spending a lot of time with this customer. The commitment shown by the employees of the Swedish Environmental Protection Agency is contagious, making these assignments even more interesting. It makes us feel part of the customer itself.



“Many of our assignments for the Swedish Environmental Protection Agency have a bearing on Sweden's 16 environmental goals, which in turn support the UN's global sustainable development goals.”

Joachim Lundberg, Chief of Staff at Softronic





## A lifeline for new arrivals

**When the Swedish Integration Board was closed** in 2007, Sweden's county administrative boards took over a lot of the responsibility for the reception of refugees. Talieh Ashjari, Diversity Director at the County Administrative Board of Västra Götaland, immediately realised how important accessibility to vital information was for new employees in order for them to find their feet in Sweden.

**Talieh Ashjari and** her colleagues decided to create a digital tool – a source of information in the form of a website. Their aim was to make it easier for new arrivals to receive the correct information about, for example, accommodation, work, education and care – and to collect all this information in one single location.

**Following the procurement by the County Administrative Board,** Softronic was awarded the job of building this website and developing its functions. In 2009 informationsverige.se was launched in ten languages. The accessibility was ensured from the very beginning by new arrivals being systematically referred to this new website by the Swedish Public Employment Service and the Swedish Migration Agency and then later by

other authorities and municipalities.

**Talieh Ashjari explains** that the website has been used by the vast majority of new arrivals, with a peak reported during the high influx of refugees in 2015. She describes the website as a lifeline, giving people the opportunity to find their way among the abundance of information that surrounds us all.

**In 2014 the government tasked county administrative boards** to develop the information they provide to new arrivals, further strengthening the position of informationsverige.se.

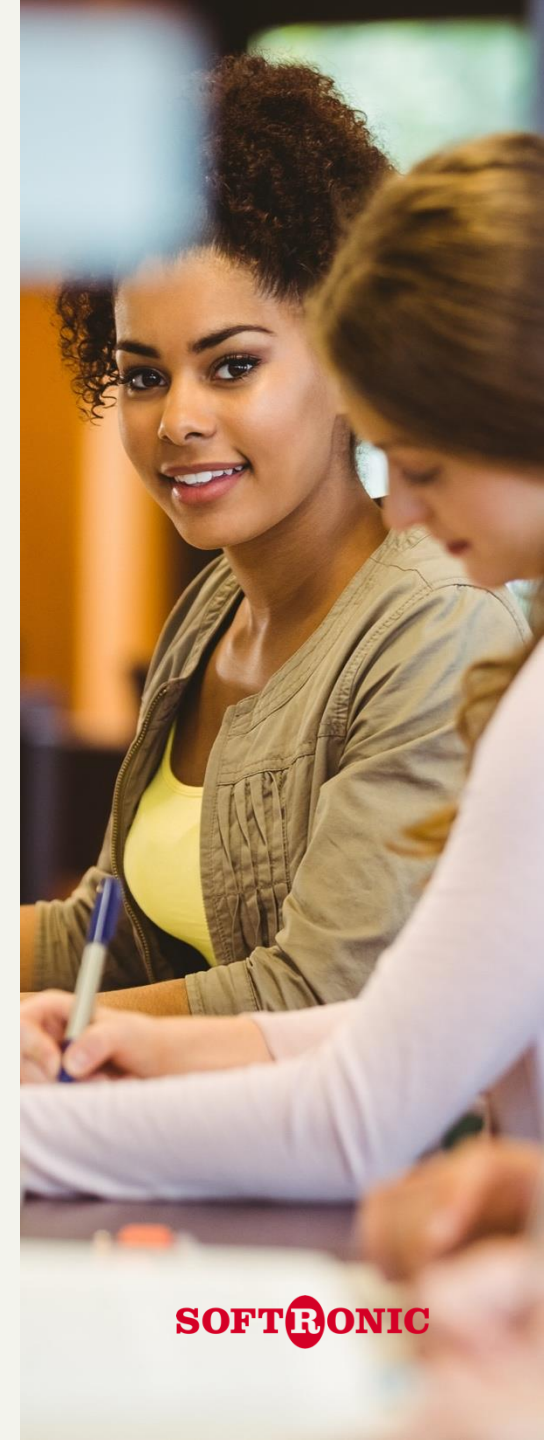
**The development of Information about** Sweden is a typical example of Softronic's long-term vision in its customer relationships, where we have been involved right from the start and have also won procurements to extend the assignment.

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“The website informationsverige.se has helped many new arrivals since it was launched in 2009. The page is also used regularly by people who have been in Sweden for a while to find information about a variety of relevant issues and to learn Swedish, for example.”



Talieh Ashjari, Diversity Director at the County Administrative Board of Västra Götaland



## Digital care services free up time for physical appointments

**1177 Healthcare Guide** has developed in recent years into a portal for e-services that makes communication easier between patients and healthcare providers. From 2018 every healthcare provider in Sweden must offer services through this website. One of the reasons for this is to increase the accessibility of physical care for people who really need it.

**The site where patients** and healthcare providers meet is called 1177.se. This site brings together personal e-services and is a place where everyone can contact healthcare in a simple way and get an overview of their own health and healthcare. For example, to renew prescriptions. To book an appointment. To get results. To look at their records. And many other services.

**As the use of** e-services at 1177.se increases, it is becoming even clearer that it is a win-win situation. The patient avoids waiting in a telephone queue and in many cases also avoids having to go to a health centre or hospital. It reduces the costs for the county councils as a case that can be resolved online costs much less than advice by phone and physical appointments. And just as important is the fact that it reduces the amount of travelling, which is good for the environment.

**Softronic's assignment** involves managing and developing the website's e-services to ensure that the architecture and technical solutions comply with national directives for e-health as well as other laws and regulations. We also ensure that 1177 Healthcare Guide is integrated with the National Service Platform – a technical platform that optimises the exchange of information between various IT systems in healthcare.



“We've been working with Softronic for many years to digitise Sweden in e-health. The services have gradually grown to become one of the most used e-services in Sweden, without compromising accessibility and stability. We are very happy.”

Carl-Gunnar Höglund, Head of Management and Support 1177 Healthcare





## The smart cloud

**A typical morning** You turn on a few lights. Turn your smartphone on, which has been charging overnight. Have a shower. Make a coffee. Put on the radio or TV to check the news. Your entire morning routine is powered by electricity. But when you leave home, you turn the lights off, and turn off both the coffee machine and the TV. This is for environmental reasons, but also because you do not want to pay for these conveniences when you are not using them.

**This should be the same** for data storage as well. And for the same reasons: the environment and money. This is where Azure Stack comes in. Azure Stack is the local cloud platform from Microsoft, where you only pay for the functions you use, *when* you use them. If you are not using the capacity, you do not pay anything for it, and you do not contribute to any energy consumption. This is the sharing economy at its best.

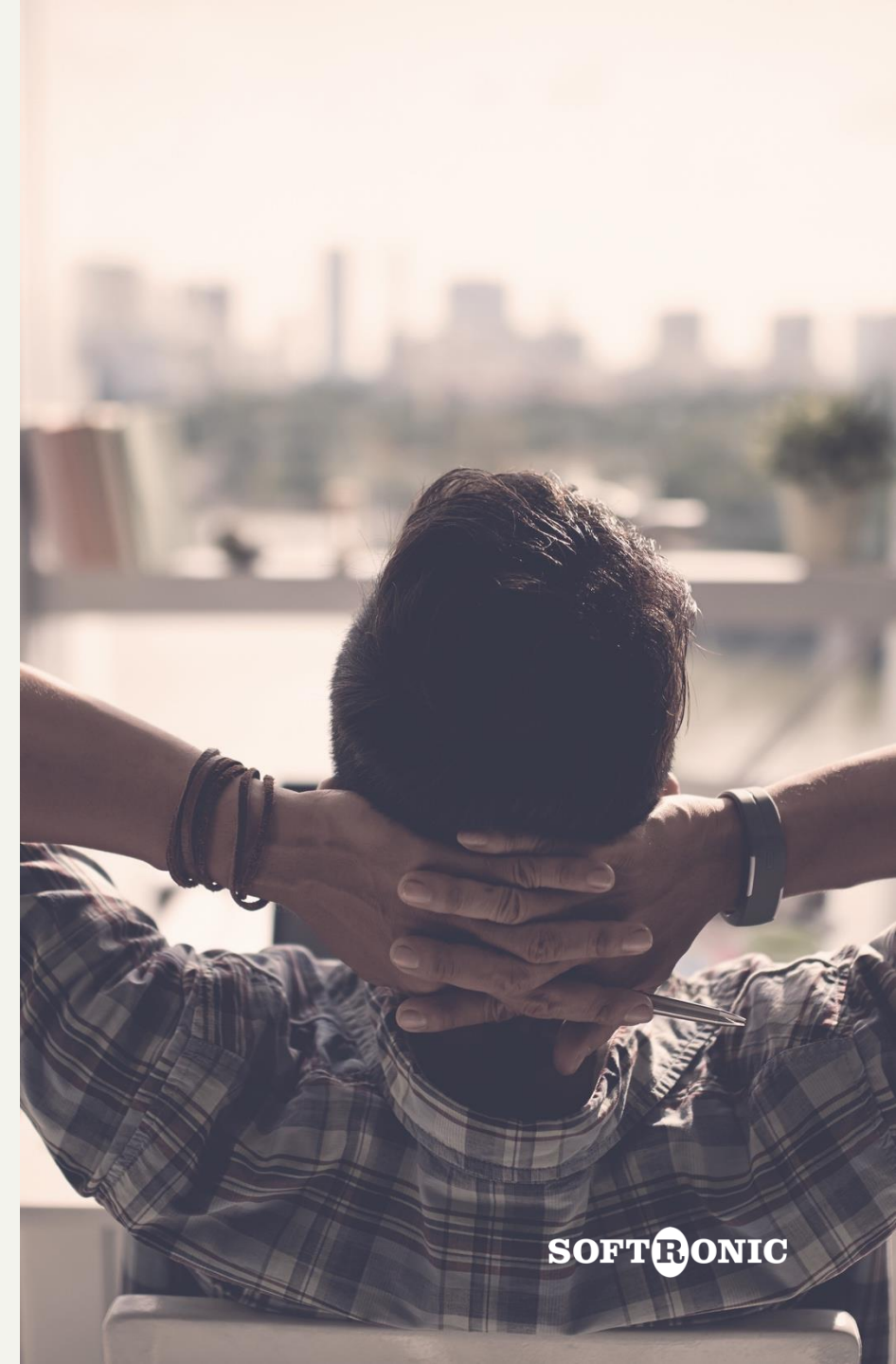
**Azure Stack is based** on the same technology as the public cloud. The difference is that everything is stored locally in Sweden. Ideally at locations that do not have national data centres. Or for companies, organisations and authorities who do not want their data to end up abroad.

**As a certified partner** of Microsoft, we are now offering all our customers the use of Azure Stack and to be involved in taking an important step toward not only reducing data management costs, but also toward becoming more energy-efficient.



“It is incredible to follow developments in technology and see how modern and scalable technology contributes to solutions that are secure and energy-efficient. Microsoft has more than 30 years’ experience of managing, protecting and optimising infrastructure and data, both locally and in cloud services like Azure.”

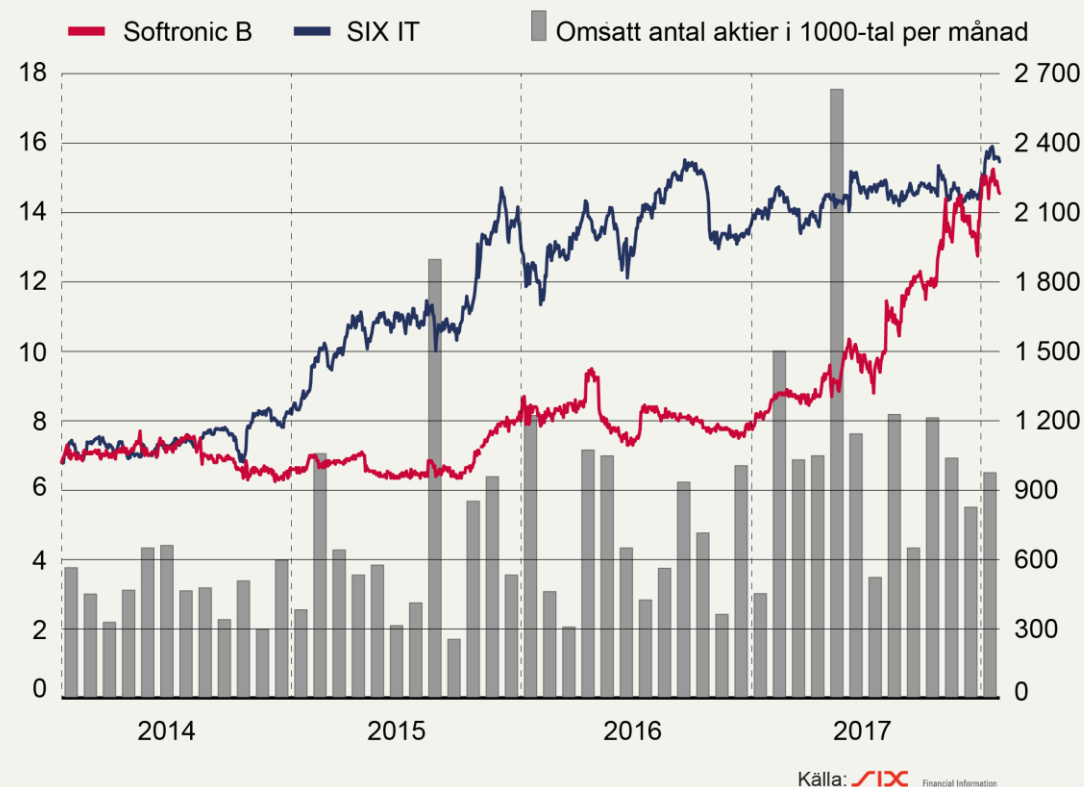
Mathias Ekman, Director Industry Solutions at Microsoft Western Europe



## 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 2017, the number of shareholders in Softronic totalled 5,761.

**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



**Petter Stillström, 1972**

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

A shares: -  
B shares: -



**Anders Nilsson, 1951**

Member since 2013.  
Other Board assignments: NP3 Fastigheter, SSG, and more.

A shares: -  
B shares: 20,000



**Tomas Högström, 1963**

Employee representative since 2013.  
Employed since 1996.

A shares: -  
B shares: 1,800



**Anders Eriksson, 1956**

CEO and member since 1984.  
Employed since 1984.  
Other Board assignments: AB Traction.

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



**Jeanna Rutherhill, 1974**

Member since 2014.  
Founder Women for Leaders; LRF Konsult AB, Heroes of Brand, Business Innovation AB

A shares: -  
B shares: 500



**Cecilia Nilsson, 1965**

Employee representative since 2010.  
Employed since 1993.

A shares: -  
B shares: 1,600



**Stig Martin, 1945**

Member since 1984.  
Other Board assignments: Västgötadata

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



**Susanna Marcus, 1965**

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

A shares: -  
B shares: 12,000



**Auditors**

**Nicklas Kullberg**

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

# Management



**Anders Eriksson, 1956**  
CEO  
Employed since 1984

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



**Mathias Kjellberg, 1971**  
COO  
Employed since 1999

A shares: -  
B shares: -



**Anders Bergman, 1964**  
CFO  
Employed since 2004

A shares: -  
B shares: -



**Leif Sjöberg, 1954**  
Marketing Manager  
Employed since 2005

A shares: -  
B shares: -



**Joachim Lundberg, 1965**  
COS  
Employed since 1995

A shares: -  
B shares: 163,600



**Claes Brikell, 1966**  
Sales Manager  
Employed since 1998

A shares: -  
B shares: -



**Johan Andersson, 1972**  
Business Area Manager  
Employed since 1999

A shares: -  
B shares: -



**Per Lundmark, 1965**  
Business Area Manager  
Employed since 2017

A shares: -  
B shares: 3,000



**Anna Thörnlund, 1976**  
Business Area Manager  
Employed since 2000

A shares: -  
B shares: 250



**Lars Bäck, 1960**  
Business Area Manager  
Employed since 2001

A shares: -  
B shares: 10,000



**Roger Gustavsson, 1969**  
Business Area Manager  
Employed since 1999

A shares: -  
B shares: -



**Mikael Matiesen, 1953**  
Business Area Manager  
Employed since 1999

A shares: -  
B shares: 400



**Torbjörn Ivarsson, 1958**  
Business Area Manager  
Employed since 1999

A shares: -  
B shares: -



## Profit and Loss Account and Balance Sheet

Profit and Loss Account, MSEK	2017	2016	2015	2014	2013
Revenue	657.0	614.7	601.9	539.4	551.9
Operating expenses	-581.5	-564.7	-555.3	-507.5	-509.6
Depreciation and amortisation according to plan	-8.9	-8.5	-8.2	-6.8	-8.4
<b>Operating profit/loss</b>	<b>66.6</b>	<b>41.5</b>	<b>38.4</b>	<b>25.1</b>	<b>33.9</b>
Net financial income/expense	0.4	0.7	0.2	0.3	0.3
<b>Profit/loss after net financial income/expense</b>	<b>67.0</b>	<b>42.2</b>	<b>38.6</b>	<b>25.4</b>	<b>34.2</b>
Tax	15.2	-9.2	-8.8	-6.5	-6.7
<b>Profit/loss for the period</b>	<b>51.8</b>	<b>33.0</b>	<b>29.8</b>	<b>18.9</b>	<b>27.5</b>

Balance Sheet, MSEK	2017	2016	2015	2014	2013
<b>Assets</b>					
Intangible assets	114.7	119.8	123.4	117.0	118.2
Property, plant and equipment	11.3	10.8	4.4	4.8	5.4
Financial assets	-	-	-	3.6	7.8
Current assets	173.8	164.6	162.6	158.6	168.0
Cash and cash equivalents (incl. current investments)	87.7	62.3	57.6	47.7	37.2
<b>Total assets</b>	<b>387.5</b>	<b>357.5</b>	<b>348.0</b>	<b>331.7</b>	<b>336.6</b>
<b>Equity and liabilities</b>					
Equity	258.1	232.6	226.0	219.9	224.7
Non-interest-bearing liabilities	129.4	124.9	122.0	111.8	111.9
<b>Total equity and liabilities</b>	<b>387.5</b>	<b>357.5</b>	<b>348.0</b>	<b>331.7</b>	<b>336.6</b>

## Key figures

Key figures, employees	2017	2016	2015	2014	2013
Avg. no. of employees	448	458	476	482	476
Avg. no. of paid consultants	432	442	460	466	460
Sales per employee, TSEK	1467	1,342	1,264	1,119	1,160
Service sales per paid consultant, TSEK	1201	1,100	1,026	933	941
Value added per employee, TSEK	905	818	818	755	771
Personnel costs per employee, TSEK	756	727	738	703	700
Profit/loss before tax per employee, TSEK	150	92	81	53	72

Shares, key figures	2017	2016	2015	2014	2013
Earnings per share, SEK	0.98	0.63	0.57	0.36	0.52
Dividend in TSEK*	39,475	26,316	26,316	23,685	23,685
Dividend per share, SEK*	0.75	0.50	0.50	0.45	0.45
Share price as of 31 Dec SEK	7.9	7.8	8.1	6.4	6.8
Dividend yield, %*	5.9	6.4	6.2	7.0	6.6
Equity per share, TSEK	4.9	4.4	4.3	4.2	4.3
* The 2016 dividend refers to the Board's proposal					

Cash Flow, MSEK	2017	2016	2015	2014	2013
Cash flow from operating activities	56.7	42.6	47.6	40.0	29.7
Cash flow from investing activities	-5.0	-11.6	-14.0	-5.8	-3.5
Cash flow from financing activities	-26.3	-26.3	-23.7	-23.7	-23.7
Cash flow for the year	25.4	4.7	9.9	10.5	2.5



**SOFTRONIC**

[www.softronic.se](http://www.softronic.se)