

# Q4 and Year-end Report

- Q4 in short
- Business highlights
- Financial details
- 2023 - a good year
- Next step

# Q4 in short.



**Net Sales  
Increase**

**+7% to 136 mSEK  
(128 mSEK)**



**Growth  
in ARR**

**+10% in ARR  
405 mSEK (369)**

**ACV  
9 mSEK (24)**

**SaaS  
36 mSEK (26)**



**Strong  
Profitability**

**13% EBIT (4%)  
17 mSEK (6 mSEK)**

# Q4 Business highlights.

## Case & Document Management

## Grants Management

## Lasernet platform

### Public sector

- Several Meetings live deals
- New business & upsales
  - Fiskeristyrelsen, Vingåker kommun, Enköping kommun
- New Frame Agreements
  - Sundbyberg Avfall&Vatten, Knivsta Kommun

- One active agreement with Landbrugsstyrelsen

### Private sector

#### Microsoft Dynamics

- 23 deals worldwide
  - OFA-Bamberg
  - Schwäbisch Media
  - RKW
  - Pågen

#### Banking&Finance

- 5 new banking deals and the largest was 1m SEK in ACV
- Temenos Solution Provider of the year

# Strong closing of the year.

(SEK 000)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q/Q
SaaS	20 832	22 192	24 481	26 254	28 113	32 135	33 679	36 062	37%
Support and maintenance	55 685	56 175	56 424	58 212	60 115	62 339	65 454	64 888	11%
<i>Recurring revenue</i>	<i>76 517</i>	<i>78 368</i>	<i>80 905</i>	<i>84 467</i>	<i>88 228</i>	<i>94 474</i>	<i>99 133</i>	<i>100 951</i>	20%
License	3 691	2 437	3 426	7 012	2 836	7 924	1 929	6 070	-13%
<i>Software revenues</i>	<i>80 208</i>	<i>80 805</i>	<i>84 330</i>	<i>91 479</i>	<i>91 064</i>	<i>102 398</i>	<i>101 062</i>	<i>107 021</i>	17%
Deliveries	40 139	38 775	33 064	36 298	36 571	35 086	22 754	29 200	-20%
<b>Net sales</b>	<b>120 347</b>	<b>119 580</b>	<b>117 395</b>	<b>127 777</b>	<b>127 635</b>	<b>137 484</b>	<b>123 816</b>	<b>136 221</b>	7%
Sales expenses	-16 056	-15 760	-16 869	-18 606	-15 926	-16 340	-14 241	-15 413	-17%
Other costs	-27 005	-30 680	-28 089	-31 211	-27 661	-30 480	-28 500	-32 569	4%
Personnel costs	-72 124	-71 546	-64 971	-73 690	-73 352	-75 321	-65 304	-72 319	-2%
Capitalized development costs	11 881	13 085	13 153	15 803	12 651	13 740	13 434	17 052	8%
<b>Total operating expenses</b>	<b>-103 305</b>	<b>-104 901</b>	<b>-96 776</b>	<b>-107 703</b>	<b>-104 288</b>	<b>-108 401</b>	<b>-94 610</b>	<b>-103 249</b>	-4%
<b>EBITDA</b>	<b>17 042</b>	<b>14 679</b>	<b>20 619</b>	<b>20 074</b>	<b>23 348</b>	<b>29 083</b>	<b>29 206</b>	<b>32 973</b>	64%
%	14,2%	12,3%	17,6%	15,7%	18,3%	21,2%	23,6%	24,2%	54%
Items affecting comparability	-	-	-	-	-	-	-1 465	-	
Depreciation/amortization	-13 511	-14 298	-14 619	-14 267	-16 283	-16 142	-16 153	-15 722	10%
<b>EBIT</b>	<b>3 531</b>	<b>381</b>	<b>6 000</b>	<b>5 807</b>	<b>7 065</b>	<b>12 941</b>	<b>11 588</b>	<b>17 251</b>	197%
%	2,9%	0,3%	5,1%	4,5%	5,5%	9,4%	9,4%	12,7%	

- Positive trends from previous quarters continue.
  - Good growth in Recurring revenue (+20%)
  - Lower level of Deliveries (-20%), from new agreement with Landbrugsstyrelsen (DK)
- Growth in revenue of 7%
- Continued good cost control
- Summing up to a strong profitability increase from last year (+11 mkr)

# All Business areas contribute.

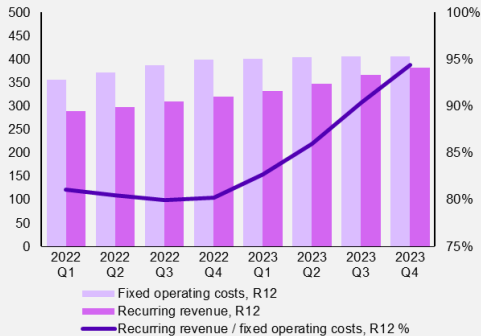
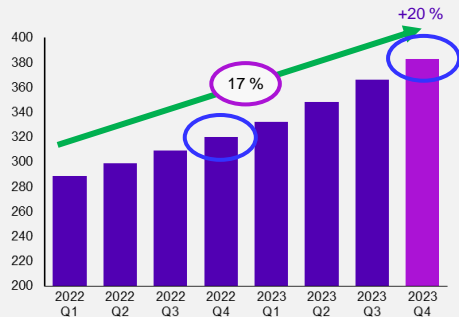
- Positive development in all business areas.
- SE Public shows improved **efficiency**.
  - Replaced sub-contractors with our own delivery resources.
- DK Public successfully **renewed** and prolonged customer contracts.
- BA Private now shows **scalability**.
  - Good growth coupled with good cost control
- Group is expanding
  - Sales by 8% to 525 mSEK
  - EBITDA by 58% to 115 mSEK

(SEK 000)	Jan-Dec 2023				Group	Y/Y Group
	SE Public	DK Public	Private	Other		
SaaS	17 658	14 258	98 074	-	129 989	39%
Support & Maintenance	89 085	83 632	76 729	3 351	252 796	12%
<i>Recurring revenue</i>	<i>106 743</i>	<i>97 890</i>	<i>174 802</i>	<i>3 351</i>	<i>382 786</i>	<i>20%</i>
License	6 863	3 906	7 990	-	18 759	13%
<i>Software revenue</i>	<i>113 605</i>	<i>101 796</i>	<i>182 793</i>	<i>3 351</i>	<i>401 545</i>	<i>19%</i>
Delivery	40 988	64 280	18 344	-0	123 612	-17%
<b>Net sales</b>	<b>154 593</b>	<b>166 076</b>	<b>201 137</b>	<b>3 351</b>	<b>525 157</b>	<b>8%</b>
Costs, external	-92 293	-118 824	-174 523	-24 907	-410 547	-1%
Intercompany net	584	-584	0	-	0	
<b>EBITDA</b>	<b>62 885</b>	<b>46 668</b>	<b>26 614</b>	<b>-21 557</b>	<b>114 609</b>	<b>58%</b>
%	40,7%	28,1%	13,2%	-643,4%	21,8%	

(SEK 000)	jan-dec 2022				Koncern
	SE Public	DK Public	Private	Other	
SaaS	15 054	8 181	70 524	-	93 760
Support & Maintenance	84 520	64 930	73 117	3 929	226 497
<i>Recurring revenue</i>	<i>99 574</i>	<i>73 112</i>	<i>143 641</i>	<i>3 929</i>	<i>320 256</i>
License	4 406	1 559	10 601	-	16 565
<i>Software revenue</i>	<i>103 980</i>	<i>74 670</i>	<i>154 243</i>	<i>3 929</i>	<i>336 822</i>
Delivery	41 758	77 062	29 456	-0	148 277
<b>Net sales</b>	<b>145 737</b>	<b>151 733</b>	<b>183 699</b>	<b>3 929</b>	<b>485 098</b>
Costs, external	-101 214	-113 377	-170 946	-27 148	-412 685
Intercompany net	549	-549	0	-	0
<b>EBITDA</b>	<b>45 073</b>	<b>37 807</b>	<b>12 753</b>	<b>-23 219</b>	<b>72 414</b>
%	30,9%	24,9%	6,9%	-590,9%	14,9%

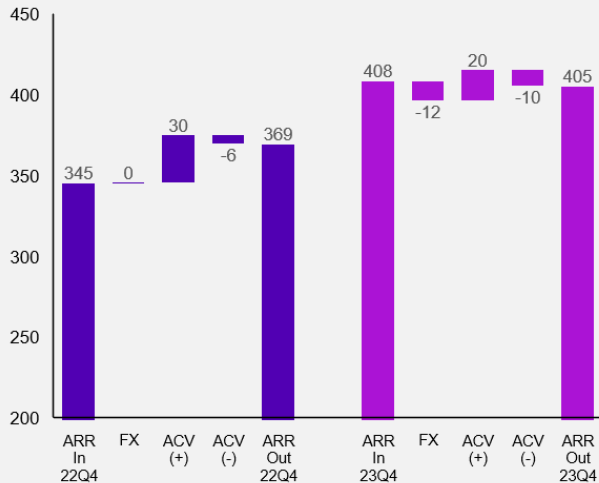
# Growth in recurring revenue.

- >70 % of revenue
- R12 growth of 20 % yoy in Q4
- CAGR >10 % from 2014
  - 17 % over the last two years
- Covers ~95 % of fixed operating costs
  - Gives stability and lowers risk
  - Steep upward trend from Q1!



# ACV.

- Negative FX effect in quarter of 12 mSEK
- ACV of 9 mSEK for the quarter.
  - SaaS: +11 mSEK
  - Support & Maint.: -2 mSEK
- Larger churn than normal in Private (Banking).
  - Private: +6 mSEK
  - SE Public: +3 mSEK
  - DK Public: +0 mSEK
- Outgoing ARR of 405 mSEK.
  - +10 % from last year



# 2023, a good foundation for next phase.

**525**

**mSEK**

**Net Sales**

+8% growth  
(485 mSEK)

**9%**

**EBIT**

**Profitability**

49 mSEK (16)

**0,50**

**SEK/share**

**Dividend**

Proposed

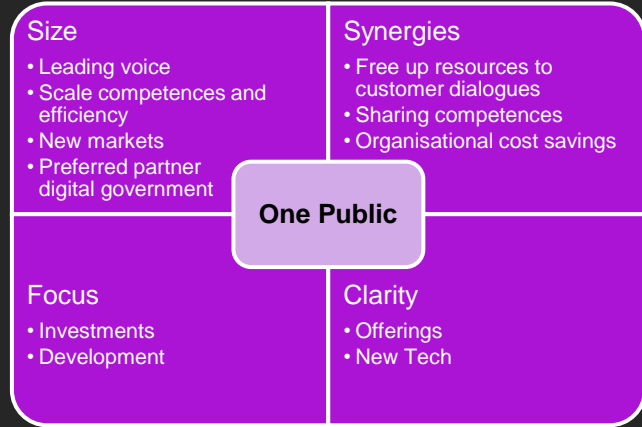


# Pursue Potential

Actions for next phase of profitable growth

# One Public business area

1. We free up resources for customer dialogue, innovation and development
2. Focus our development resources and investments to sharper product portfolio
3. Together with customers develop more compelling leading-edge offerings by applying technologies such AI, automation, professional and managed services, cyber security
4. Increased size to scale competence and efficiency for application related projects
5. Thomas à Porta EVP and Head of Public business area
  - Extensive experience from leading roles in the IT industry (IBM, KMD), joined Formpipe 2012



# Sharper customer journey and business model in Private business area



1. Overhaul customer journey
  - Make us easy to find, consume and use
2. Increase Business Model Value
  - Improve product platform's structure, distribution, price and integration in relevant eco-systems
3. Accelerate our partner-based presence in Dynamics and banking & finance eco systems
  - Carefully follow market demand into new areas and geographies
4. Michael Rogers, EVP and Head of Private business area
  - Over 20 years of commercial experience with Formpipe's products, employed since 2019

# Financial targets 2021–2025.

**10%**

Average annual  
revenue growth  
2021-2025

**70%**

Share of  
recurring revenue  
in 2025

**>20%**

Gradually  
improved EBIT  
margin to reach  
by 2025

**>50%**

Dividend policy  
of net profit over  
time



Questions?