

Växjö, February 13, 2019

Strong performance for Fortnox in 2018

2018 was a very strong year for Fortnox with a positive trend in both sales and earnings. During the year, consolidated sales rose 37.5 percent to SEK 374.4 million, compared with SEK 272.3 million in the year-earlier period. Operating profit increased from SEK 62.7 million to SEK 102.1 million, and the operating margin for the full-year was 27.3 percent. Operating profit for the fourth quarter totaled SEK 28.7 million.

Fortnox thereby surpassed its long-term financial targets of at least 25 percent growth and an operating margin of at least 20 percent on an annual basis. The growth is an effect of growing demand and high customer inflow. In the fourth quarter, 13,000 new customers chose to use Fortnox's cloud-based software. At year-end, Fortnox therefore had 257,000 customers, compared with 203,000 customers at December 31, 2017.

"It is very gratifying to see how more and more businesses are discovering the benefits of cloud-based products. The trend has remained stable over time, and according to our assessments, more and more small businesses in Sweden will transition to cloud-based solutions," says Nils Carlsson, CEO Fortnox.

In the fourth quarter, net sales rose 38.3 percent year-on-year and amounted to SEK 107.2 million. The operating margin was 26.7 percent.

In addition to several new features in the core areas of accounting and invoicing, both subsidiaries – Fortnox Finans and Fortnox Försäkringar – were able to offer new products during the year. The Group has thereby developed an increasingly complete customer offering in financial administration, all on the same platform.

"We are building a comprehensive solution for Sweden's small businesses based on cutting-edge technology. Increasingly automated software gives customers more time to focus on their core business, which is a key factor for small businesses. Our strategy for continued growth is right, and customer demand is the confirmation," says Nils Carlsson.

Summary of the Fortnox Group for full-year 2018 (compared with the year-earlier period)

- Consolidated net sales rose 37.5 percent to SEK 374.4 million (272.3).
- Operating profit totaled SEK 102.1 million (62.7), corresponding to an operating margin of 27.3 percent (23.0).
- The Parent Company reported an operating margin of 30.3 percent (24.2).
- Profit after tax was SEK 78.9 million (48.8).
- Earnings per share were SEK 1.32 (0.82).
- The Board of Directors proposes that the dividend be raised to SEK 0,35 (0,25).

Summary of the Fortnox Group for the fourth quarter of 2018 (compared with the year-earlier period).

- Consolidated net sales rose 38.3 percent to SEK 107.2 million (77.5).
- Operating profit totaled SEK 28.7 million (12.1), corresponding to an operating margin of 26.7 percent (15.6).

- The Parent Company reported an operating margin of 29.6 percent (14.9).
- In the fourth quarter of the preceding year, operating profit was charged with impairment losses related to internally generated intangible assets and costs for the rights to Fortnox's cloud-based salary software. Excluding these items, the operating margin was 25.6 percent for the Group and 26.9 percent for the Parent Company in the year-earlier period.
- Profit after tax was SEK 22.8 million (9.4).
- Earnings per share were SEK 0.38 (0.16).

This information is such that Fortnox AB is required to publish under the EU Market Abuse Regulation. The information was submitted for publication through the agency of the person below on February 13, 2019 at 8:30 a.m. CET

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