

Q3 2013

Martin Ödman  
CEO



# PROACT SUMMIT 2013



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Delivering Business Agility

EMC IBM NetApp CISCO op5 redhat riverbed RSA Symantec vmware

A photograph of the booth's lower section, featuring two computer monitors displaying software interfaces and several brochures hanging from the wall.

# Proact Summit September/October 2013

- More than 1 000 participants
- Very good feedback from the customers – many leads
- Increased interest from the customers with regards to Proact's own “tracks” e.g. Services and CAPEX/OPEX
- The event is funded/sponsored by the suppliers

# The third quarter in brief

- The total income in the quarter fell by 6 % compared with the same period last year
  - » Taking into account the currency effects and the sales of Exquip
- Services revenues were unchanged
  - » Cloud services increased by 27 % compared to the same period last year
- System sales fell by 11 % to 264 (297) MSEK
  
- Profit before tax fell by 17 % to 13,2 (15,9) MSEK
- All business units, except East, showed an improved profitability
- The profitability was negatively affected by the investments made in cloud services
- Measures are planned and implemented in order to safeguard the company's profitability target

# Market trends

- Growth in terms of mission critical information remains high
- Positive development regarding cloud services, a number of major contracts have been signed during the period
- A longer decision process with existing and potential new customers has led to lower system sales
- Gradual change towards a combination of systems sales and cloud services – according to our strategy

# We are where you are

- Founded in 1994
- Established in 13 countries with delivery all over the globe
- Revenue over SEK 2.4 billion (2012)
- Over 3,500 customers
- 670 employees, over 350 within services
- Listed on Swedish stock market



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Delivering Business Agility



We are where you are

**Proact is Europe's leading  
independent storage  
integrator and cloud enabler  
delivering business agility**

# Financial Report

January – September 2013





# Income statement January – September 2013

(MSEK)	Jan-Sep 2013	Jan-Sep 2012
System Sales	1 006.5	1 148.5
Services	557.0	569.6
Other	4.2	3.2
<b>Revenue</b>	<b>1 567.7</b>	<b>1 721.3</b>
Products and services	-1 185.8	-1 308.0
<b>Gross profit</b>	<b>381.9</b>	<b>413.3</b>
Sales and marketing	-227.7	-247.3
Administration	-110.2	-115.1
One-time costs	-24.0	-
Sales of subsidiary	9.2	-
<b>Operating profit</b>	<b>29.2</b>	<b>50.9</b>
Financial net	-8.5	-7.1
<b>Profit before tax</b>	<b>20.7</b>	<b>43.8</b>
<i>Margin</i>	<i>1.3%</i>	<i>2.5%</i>
Tax	-5.6	-12.7
<b>Profit after tax</b>	<b>15.1</b>	<b>31.1</b>
<i>Net margin</i>	<i>1.0%</i>	<i>1.8%</i>

## Revenue

Growth pro forma	- 5 %
Currency and adj.	- 4 %
<b>Total growth</b>	<b>- 9 %</b>
Growth system sales	- 12 %
Growth services	- 2 %
Services pro forma	+ 2 %

	Jan- Sep 2013	Jan- Sep 2013	Jan- Sep 2012	Jan- Sep 2012
<b>EBITDA</b>	87.5	5.6%	105.7	6.1%
<b>EBITA</b>	52.3	3.3%	67.3	3.9%
<b>EBIT</b>	29.2	1.9%	50.9	3.0%

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# Income statement July – September 2013

(MSEK)	Jul-Sep 2013	Jul-Sep 2012
System Sales	263.8	297.2
Services	179.3	189.9
Other	1.6	0.3
<b>Revenue</b>	<b>444.7</b>	<b>487.4</b>
Products and services	-332.6	-362.8
<b>Gross profit</b>	<b>112.1</b>	<b>124.6</b>
Sales and marketing	-63.9	-66.7
Administration	-31.3	-39.1
<b>Operating profit</b>	<b>16.9</b>	<b>18.8</b>
Financial net	-3.7	-2.9
<b>Profit before tax</b>	<b>13.2</b>	<b>15.9</b>
<i>Margin</i>	3.0%	3.3%
Tax	-4.1	-5.0
<b>Profit after tax</b>	<b>9.1</b>	<b>10.9</b>
<i>Net margin</i>	2.0%	2.2%

## Revenue

Growth pro forma	- 6 %
Currency and adj.	- 3 %
<b>Total growth</b>	<b>- 9 %</b>
Growth system sales	- 11 %
Growth services	- 6 %
Services pro forma	0 %

	Jul- Sep 2013	Jul- Sep 2013	Jul- Sep 2012	Jul- Sep 2012
<b>EBITDA</b>	33.9	7.6%	37.3	7.7%
<b>EBITA</b>	22.7	5.1%	24.2	5.0%
<b>EBIT</b>	16.9	3.8%	18.8	3.9%

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# Income statement rolling 12 months

(MSEK)	Oct-Sep 2012/2013	Oct-Sep 2011/2012
System Sales	1 504.8	1 652.6
Services	770.5	762.2
Other	4.2	5.0
<b>Revenue</b>	<b>2 279.5</b>	<b>2 419.8</b>
Products and services	-1 728,8	-1 851.4
<b>Gross profit</b>	<b>550.7</b>	<b>568.4</b>
Sales and marketing	-331.0	-344.1
Administration	-155.9	-155.4
One-time costs	-24.0	-
Sales of subsidiary	9.2	-
<b>Operating profit</b>	<b>49.0</b>	<b>68.9</b>
Financial net	-11.1	-12.4
<b>Profit before tax</b>	<b>37.9</b>	<b>56.5</b>
<i>Margin</i>	<i>1.7%</i>	<i>2.3%</i>
Tax	-12.1	-17.3
<b>Profit after tax</b>	<b>25.8</b>	<b>39.2</b>
<i>Net margin</i>	<i>1.1%</i>	<i>1.6%</i>

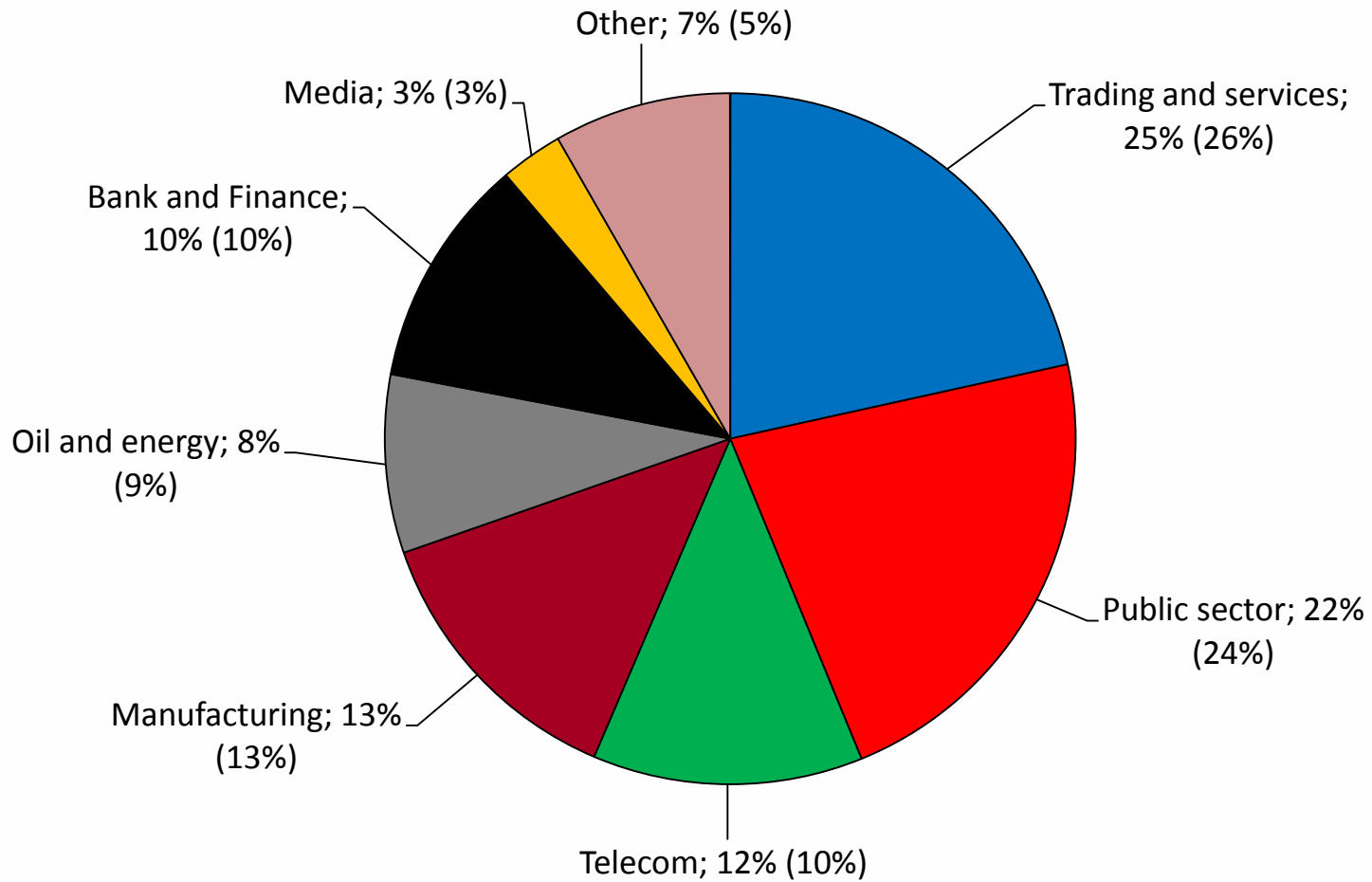
## Revenue

Growth system sales	- 9 %
Growth services	+ 1 %
<b>Total growth</b>	<b>- 6 %</b>

	Oct- Sep 12/13	Oct- Sep 12/13	Oct- Sep 11/12	Oct- Sep 11/12
<b>EBITDA</b>	126.3	5.5%	143.2	5.9%
<b>EBITA</b>	78.1	3.4%	91.4	3.8%
<b>EBIT</b>	49.0	2.1%	68.9	2.8%

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# Revenue per industry 12 months Oct-Sep 2012/2013



## Cash flow January – September 2013

<b>Liquid Funds December 31, 2012</b>		<b>103</b>
Cash-flow from current operations		-43
Current operations	83	
Change in working capital	-126	
Cash-flow from investment activities		-30
Fixed assets	-33	
Acquisitions	-6	
Sales of subsidiary	9	
Cash-flow from financial activities		-5
Dividend	-11	
Acquired holdings without a controlling influence	-4	
Bank overdraft facilities	33	
Contract financing	-8	
Bank loans	-18	
Other	3	
Change in liquid funds		-78
<b>Liquid Funds September 30, 2013</b>		<b>25</b>

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## Cash flow July – September 2013

<b>Liquid Funds June 30, 2013</b>		<b>44</b>
Cash-flow from current operations		-5
Current operations	22	
Change in working capital	-27	
Cash-flow from investment activities		-10
Fixed assets	-10	
Cash-flow from financial activities		-4
Bank overdraft facilities	2	
Contract financing	-2	
Bank loans	-6	
Other	2	
Change in liquid funds		-19
<b>Liquid Funds September 30, 2013</b>		<b>25</b>

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## Cash flow rolling 12 months Oct-Sep 2012/2013

<b>Liquid Funds September 30, 2012</b>		<b>29</b>
Cash-flow from current operations		110
Current operations	116	
Change in working capital	-6	
Cash-flow from investment activities		-49
Fixed assets	-49	
Acquisitions	-9	
Sales of subsidiary	9	
Cash-flow from financial activities		-65
Dividend	-11	
Acquired holdings without a controlling influence	-4	
Bank overdraft facilities	-21	
Contract financing	-8	
Bank loans	-18	
Other	-3	
Change in liquid funds		-4
<b>Liquid Funds September 30, 2013</b>		<b>25</b>

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## Key ratios – Balance sheet

(MSEK)	2013 Sep 30	2013 Jun 30	2012 Dec 31	2012 Sep 30
Total Assets	1 181	1 301	1 493	1 264
whereof Goodwill	254	255	257	252
whereof Intangible fixed assets	124	130	141	141
whereof Accounts receivables	319	404	536	353
Equity	228	223	229	214
Solidity	19 %	17 %	15 %	17 %
Cash and bank deposits	25	44	103	29
Bank loan, overdraft facilities etc.	200	202	188	250
Net debt / Net cash	-175	-158	-85	-221
Bank overdraft facilities, unutilized	75	101	114	98
Bank overdraft facilities, total	115	139	121	159



## Revenue and Profit before tax per Business Unit, YTD

(MSEK)	January – September 2013			January – September 2012		
	Revenue	P.b.t	Net margin	Revenue	P.b.t	Net margin
Nordics	842	34.9	4.1%	954	42.8	4.5%
UK	391	8.4	2.1%	432	6.7	1.6%
BeNeLux+Spain	254	4.4	1.7%	247	-2.2	Neg
East	82	2.4	2.9%	112	4.1	3.7%
Proact Finance	49	0.8	1.6%	54	-0.5	Neg
Other	-50	-15.4		-78	-7.1	
One time costs/ sales of subsidiary		-14.8			-	
<b>Group</b>	<b>1 568</b>	<b>20.7</b>	<b>1.3%</b>	<b>1 721</b>	<b>43.8</b>	<b>2.5%</b>

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## Revenue and profit before tax per Business Unit, Q3

(MSEK)	July – September 2013			July – September 2012		
	Revenue	P.b.t	Net margin	Revenue	P.b.t	Net margin
Nordics	223	18.8	8.4%	249	16.6	6.7%
UK	128	2.8	2.2%	124	-2.2	Neg
BeNeLux+Spain	79	2.3	2.9%	74	-0,7	Neg
East	20	0.6	3.0%	45	3.3	7.3%
Proact Finance	17	0.4	2.4%	25	0.0	0.0%
Other	-22	-11.7		-30	-1.1	
<b>Group</b>	<b>445</b>	<b>13.2</b>	<b>3.0%</b>	<b>487</b>	<b>15.9</b>	<b>3.3%</b>

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## Proact share – Top 10 owners 2013-09-30

	2013 30 September	2013 30 June
LivförsäkringsAB Skandia	15.2 %	15.2 %
IGC Industrial Growth Company AB	6.1 %	6.1 %
Lannebo Micro Cap.	5.8 %	5.3 %
Svolder Aktiebolag	5.8 %	3.2 %
Swedbank Robur Småbolagsfond Sverige	5.4 %	5.4 %
Skagen Vekst Verdipapirfondet	4.9 %	4.9 %
Lannebo Micro Cap.	4.0 %	4.0 %
Fjärde AP-Fonden	3.8 %	3.8 %
AFA Sjukförsäkrings AB	3.3 %	3.3 %
Netfonds ASA, NQI	2.2 %	3.2 %
Others	43.5 %	46.6 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>

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Thank you for your time

**Questions?**

