

Q4 2013

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CEO



# The fourth quarter in brief

- The total income in the quarter increased by 7 % compared with the same period last year
  - » Taking into account the currency effects and the sales of Exquip
- EBITDA increased by 4 % to 40,5 (38,8) MSEK
- Profit before tax increased by 34 % to 23,0 (17,2) MSEK
- The profitability was negatively affected by 6,3 MSEK, due to nonrecurring cost related to the cloud operation
- Services revenues were unchanged
  - » Cloud services increased by 35 % compared to the same period last year
- System sales increased by 10 % to 539 (498) MSEK
  - » Taking into account the currency effects
- 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, IDC forecast a yearly growth of 50-70 %
  - » Economic growth is approximately 3 % per year in general terms
- Some areas have a much higher growth pace, like Integrated Systems with a yearly growth of 50 %
- The need for virtualization of different parts like storage, servers and network remains high
- The need for ongoing streamlining, as well as a growing demand for solutions in new fields of technology, is indicating potential for growth in Proact's specialist fields
- Proact has established methods, processes and services to offer so as to meet demand on the market and provide the most effective support to its customers

# A mix of primary storage and backup in the cloud prepares Zadkine for the future trends

- Zadkine, one of the largest training centers for intermediate vocational education in the Netherlands, has recently signed a 3 years contract with Proact.
- Proact will supply and implement of a new storage and backup environment.
- A unique element of the solution is that it will be partly carried out by Zadkine itself, and partly under the responsibility of Proact. The environment as a whole will serve as the basis for increasing the availability, scalability and the associated IT infrastructure services.

*“The solution and the hybrid approach offered by Proact within their services harmonize seamlessly. Scalability, availability and the fast rollout of projects and expansions will thereby be ensured to the maximum level. While the solution will also bring us a huge financial saving.” Says Ronald Zeelenberg, Manager of ICT Operations & Development at Zadkine*

**PROACT**

# 100 % uptime with new storage platform

- Matiq is a subsidiary of Nortura and supplies ICT solutions to the entire group. The company runs around 160 applications with 2 800 users in 40 locations all over Norway. As a result, they also have considerable data volumes to deal with.
- Thanks to the new storage platform, Nortura has a solution which allows all data to be managed and consolidated with ease on a single virtualized platform.
- The rich functionality ensures that stability is maintained, internal processes are streamlined and IT services can be supplied more quickly and more effectively. Redundancy in the systems also ensures that they are always accessible, even during maintenance and upgrades

*“Our previous system became too expensive to run, and we needed new functionality which added more technical value and covered our future needs. We are now certain that we have the solution that manages our data most effectively, supplied by a organisation with great reputations in the market,” says Stig Roar Schjølborg, team manager at the infrastructure department*

**PROACT**

# We are where you are

- Founded in 1994
- Established in 13 countries with delivery all over the globe
- Revenue over SEK 2.3 billion (2013)
- Over 3,500 customers
- 640 employees, over 350 within services
- Listed on Swedish stock market



**PROACT**

**PROACT**

Delivering Business Agility



We are where you are

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



**PROACT**

Delivering Business Agility

## **FINANCIAL REPORT**

**January – December 2013**



# Income statement January – December 2013

(MSEK)	Jan-Dec 2013	Jan-Dec 2012
System Sales	1 545.5	1 646.8
Services	754.1	783.1
Other	5.2	3.2
<b>Revenue</b>	<b>2 304.8</b>	<b>2 433.1</b>
Products and services	-1 752.2	-1 851.0
<b>Gross profit</b>	<b>552.6</b>	<b>582.1</b>
Sales and marketing	-322.4	-350.6
Administration	-155.1	-160.8
One-time costs	-30.3	-
Sales of subsidiary	9.2	-
<b>Operating profit</b>	<b>54.0</b>	<b>70.7</b>
Financial net	-10.3	-9.7
<b>Profit before tax</b>	<b>43.7</b>	<b>61.0</b>
<i>Margin</i>	<i>1.9%</i>	<i>2.5%</i>
Tax	-16.5	-19.2
<b>Profit after tax</b>	<b>27.2</b>	<b>41.8</b>
<i>Net margin</i>	<i>1.2%</i>	<i>1.7%</i>

## Revenue

Growth pro forma	- 1 %
Currency and adj.	- 4 %
<b>Total growth</b>	<b>- 5 %</b>
Growth system sales	- 6 %
Growth services	- 4 %
Services pro forma	+ 1 %

	Jan- Dec 2013	Jan- Dec 2013	Jan- Dec 2012	Jan- Dec 2012
<b>EBITDA</b>	128.0	5.6%	144.5	5.9%
<b>EBITA</b>	82.8	3.6%	93.1	3.8%
<b>EBIT</b>	54.0	2.3%	70.7	2.9%

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# Income statement October – December 2013

(MSEK)	Oct-Dec 2013	Oct-Dec 2012
System Sales	539.0	498.3
Services	197.1	213.5
Other	1.0	0.0
<b>Revenue</b>	<b>737.1</b>	<b>711.8</b>
Products and services	-566.4	-543.0
<b>Gross profit</b>	<b>170.7</b>	<b>168.8</b>
Sales and marketing	-94.7	-103.3
Administration	-44.9	-45.7
One-time costs	-6.3	-
<b>Operating profit</b>	<b>24.8</b>	<b>19.8</b>
Financial net	-1.8	-2.6
<b>Profit before tax</b>	<b>23.0</b>	<b>17.2</b>
<i>Margin</i>	<i>3.1%</i>	<i>2.4%</i>
Tax	-10.9	-6.5
<b>Profit after tax</b>	<b>12.1</b>	<b>10.7</b>
<i>Net margin</i>	<i>1.6%</i>	<i>1.5%</i>

## Revenue

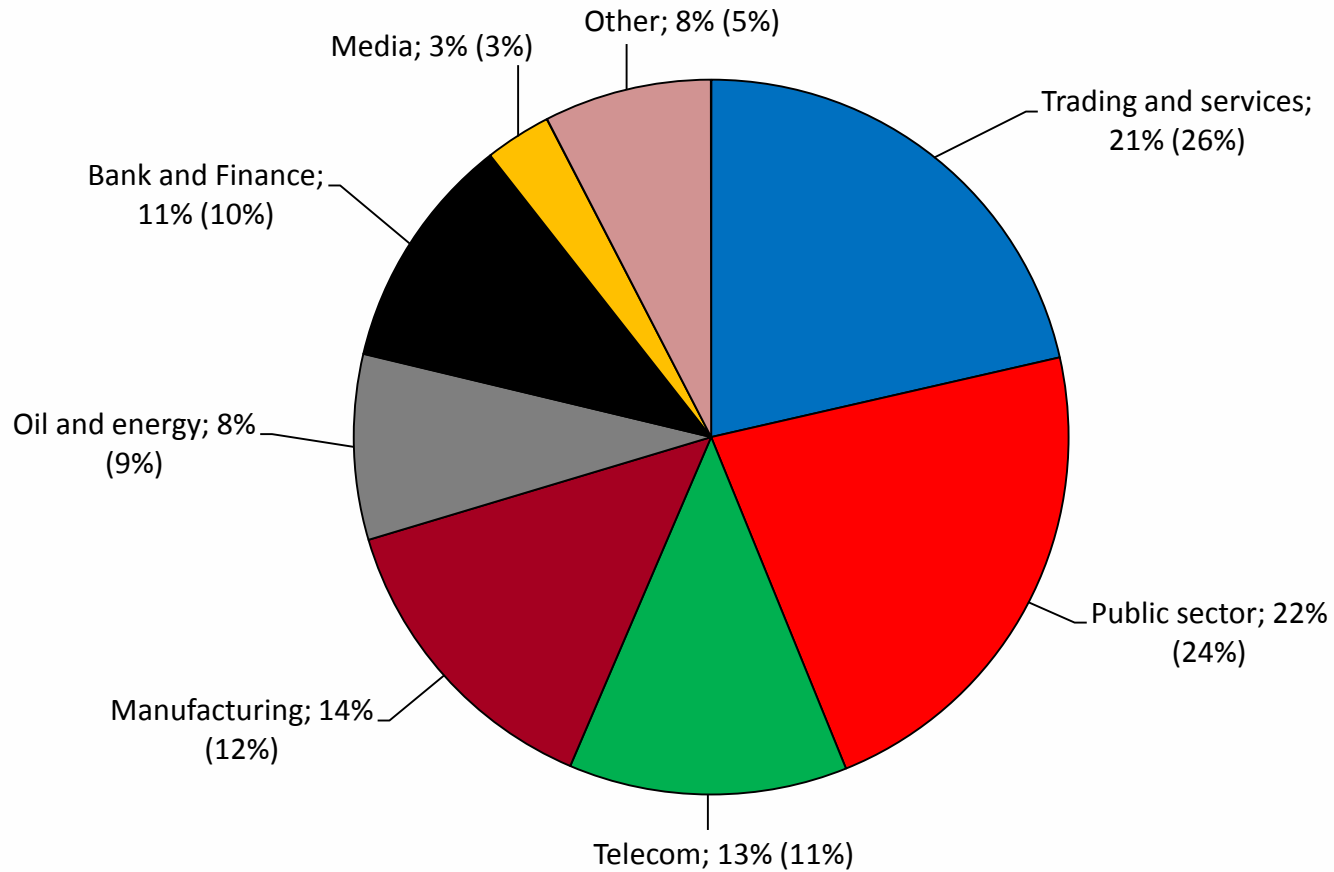
Growth pro forma	+ 7 %
Currency and adj.	- 3 %
<b>Total growth</b>	<b>+ 4 %</b>
Growth system sales	+ 8 %
Growth services	- 8 %
Services pro forma	- 2 %

	Oct- Dec 2013	Oct- Dec 2013	Oct- Dec 2012	Oct- Dec 2012
<b>EBITDA</b>	40.5	5.5%	38.8	5.4%
<b>EBITA</b>	30.5	4.1%	25.8	3.6%
<b>EBIT</b>	24.8	3.4%	19.8	2.8%

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# Revenue per industry

## January – December 2013



## Cash flow January – December 2013

<b>Liquid Funds December 31, 2012</b>		<b>103</b>
Cash-flow from current operations		40
Current operations	125	
Change in working capital	-85	
Cash-flow from investment activities		-53
Fixed assets	-54	
Acquisitions	-8	
Sales of subsidiary	9	
Cash-flow from financial activities		-46
Dividend	-11	
Acquired holdings without a controlling influence	-4	
Bank overdraft facilities	6	
Contract financing	-9	
Bank loans	-24	
Other	-4	
Change in liquid funds		-59
<b>Liquid Funds December 31, 2013</b>		<b>44</b>

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## Cash flow October 2012 – December 2013, rolling 5 quarters

<b>Liquid Funds September 30, 2012</b>		<b>29</b>
Cash-flow from current operations		192
Current operations	155	
Change in working capital	37	
Cash-flow from investment activities		-72
Fixed assets	-71	
Acquisitions	-11	
Sales of subsidiary	10	
Cash-flow from financial activities		-105
Dividend	-11	
Acquired holdings without a controlling influence	-4	
Bank overdraft facilities	-49	
Contract financing	-9	
Bank loans	-30	
Other	-2	
Change in liquid funds		15
<b>Liquid Funds December 31, 2013</b>		<b>44</b>

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## Cash flow October – December 2013

<b>Liquid Funds September 30, 2013</b>		<b>25</b>
Cash-flow from current operations		84
Current operations	43	
Change in working capital	41	
Cash-flow from investment activities		-24
Fixed assets	-21	
Acquisitions	-3	
Cash-flow from financial activities		-41
Bank overdraft facilities	-27	
Contract financing	-1	
Bank loans	-6	
Other	-7	
Change in liquid funds		18
<b>Liquid Funds December 31, 2013</b>		<b>44</b>

## Key ratios – Balance sheet

(MSEK)	2013 Dec 31	2013 Sep 30	2012 Dec 31
Total Assets	1 439	1 181	1 493
whereof Goodwill	258	254	257
whereof Intangible fixed assets	127	124	141
whereof Accounts receivables	556	319	536
Equity	243	228	229
Solidity	17 %	19 %	15 %
Cash and bank deposits	44	25	103
Bank loan, overdraft facilities etc.	165	200	188
Net debt / Net cash	-121	-175	-85
Bank overdraft facilities, unutilized	102	75	114
Bank overdraft facilities, total	115	115	121

## Revenue and adj. profit before tax per Business Unit, YTD

(MSEK)	January – December 2013			January – December 2012		
	Revenue	Adj. P.b.t	Net margin	Revenue	P.b.t	Net margin
Nordics	1 261	63.3	5.0%	1 382	70.3	5.1%
UK	567	12.7	2.2%	587	4.8	0.8%
BeNeLux+Spain	357	7.4	2.1%	335	-1.8	Neg
East	124	5.2	4.2%	155	7.7	5.0%
Proact Finance	70	1.2	1.7%	61	-0.2	Neg
Other	-74	-25.0		-87	-19.8	
One time costs/ sales of subsidiary		-21.1			-	
<b>Group</b>	<b>2 305</b>	<b>43.7</b>	<b>1.9%</b>	<b>2 433</b>	<b>61.0</b>	<b>2.5%</b>

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## Revenue and profit before tax per Business Unit, Q4

(MSEK)	October – December 2013			October – December 2012		
	Revenue	P.b.t	Net margin	Revenue	P.b.t	Net margin
Nordics	419	28.5	6.8%	429	27.3	6.4%
UK	175	4.3	2.5%	155	-1.9	Neg.
BeNeLux+Spain	103	3.0	2.9%	88	0.4	0.0%
East	42	2.8	6.7%	43	3.6	8.4%
Proact Finance	20	0.4	2.0%	7	0.4	5.7%
Other	-22	-9.7		-10	-12.6	
One time costs/ sales of subsidiary		-6.3			-	
<b>Group</b>	<b>737</b>	<b>23.0</b>	<b>3.1%</b>	<b>712</b>	<b>17.2</b>	<b>2.4%</b>

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## Proact share – Top 10 owners 2013-12-31

	2013 31 December	2012 31 December
LivförsäkringsAB Skandia	15.2 %	14.9 %
Lannebo Micro Cap.	7.3 %	4.3 %
Svolder Aktiebolag	7.2 %	-
IGC Industrial Growth Company AB	6.1 %	6.6 %
Swedbank Robur Småbolagsfond Sverige	5.4 %	6.5 %
Skagen Vekst Verdipapirfondet	4.9 %	4.9 %
Lannebo Micro Cap. II	4.5 %	3.5 %
Fjärde AP-Fonden	3.8 %	4.0 %
AFA Sjukförsäkrings AB	3.3 %	3.3 %
Netfonds ASA, NQI	2.2 %	2.1 %
Others	40.1 %	49.9 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>

Thank you for your time

**Questions?**

