

PROACT

Delivering Business Agility

A blurred photograph of a business meeting in a modern office. Several people in business attire are gathered around a table, leaning in and talking. The background is a large glass wall reflecting the office interior. The overall scene is out of focus, emphasizing movement and activity.

**Financial report
January – March 2018**

Strategy

- “We are constantly working according to our established strategy, in order to meet the company’s objectives and financial targets.”
- The strategy is based on the following areas
 - » “The Power of together”
 - » Customer focus
 - » Market leading offering independent of suppliers
 - » Emphasis on innovation
 - » Growth
 - » Increased proportion of contracted revenues

Market trends

- The underlying growth of digital business-critical information remains high
- The rapid digitisation taking place in most industries and businesses and the increasing volume of business-critical information, means that the IT infrastructure is becoming increasingly complex and new demands are being made
- Applications, automation and security are fields of increasing strategic importance
- Customers want to offer IT as a service, where in-house and external users themselves order and consume different types of IT service based on the needs of each individual user. To facilitate the supply of IT as a service, companies and authorities are implementing a combination of private and public cloud services, known as hybrid clouds.

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The first quarter in brief

- As from January 1, 2018, the company applies the new accounting standard IFRS 15
 - » In total, these changes have had a negative effect on the quarter's revenues with 95 MSEK, adjusted for this change revenues has decreased by 2.6%.
 - » The changed accounting principles have no impact on the company's business and cash flows
- System sales revenues
 - » Decreased by 20% and amounted to 481 (598) MSEK. The decrease mainly relates to introducing a new accounting standard, whereby 95 MSEK, which had previously been recognized during the quarter, will be recognized over future periods of one to three years
- Service revenues
 - » Total revenues continued to develop positively during the quarter and amounted to 276 MSEK, an increase of 1%
 - » Revenues relating to cloud services amounted to 110 MSEK, an increase of 9%
 - » Rolling 12 months cloud revenues amounted to 426 MSEK an increase of 14%

The first quarter in brief, cont'd

- The company's gross margin has increased by 2 percentage points
- Sales and marketing expenses and administration expenses in total decreased by 5%
- Profit before tax increased by 10% to 35.8 MSEK
- Net margin 4.7% compared to 3.7% corresponding quarter previous year

Income statement January – March 2018

(MSEK)	Jan-Mar 2018	Jan-Mar 2017
System Sales	481.3	598.2
Services	276.0	273.9
Other	1.3	0.5
Revenue	758.6	872.6
Products and services	-574.1	-681.4
Gross profit	184.5	191.2
Sales and marketing	-94.6	-96.9
Administration	-52.6	-58.2
Items affecting comparability	-2.6	-
Operating profit	34.8	36.1
Financial net	-1.5	-3.5
Profit before tax	33.2	32.7
<i>Margin</i>	4.4%	3.7%
Tax	-7.9	-8.8
Profit after tax	25.3	23.9
<i>Net margin</i>	3.3%	2.7%

Revenue Growth	
Total revenue	-13%
<i>...if reversed change in accounting principles, for comparison:</i>	
Jan-Mar 2018	854
Jan-Mar 2017	877
<i>Growth, adjusted</i>	-2.6%
System sales	-20%
<i>...if reversed change in accounting principles, for comparison:</i>	
Jan-Mar 2018	576
Jan-Mar 2017	598
<i>Growth, adjusted</i>	-3.7%
Services	1%

	Jan-Mar 2018		Jan-Mar 2017	
EBITDA	50.2	6.6%	52.2	6.0%
EBITA	42.6	5.6%	44.4	5.1%
EBIT	34.8	4.6%	36.1	4.1%

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Income statement rolling 12 months

(MSEK)	Apr-Mar 2017/2018	Apr-Mar 2016/2017
System Sales	2,015.9	2,027.1
Services	1,107.6	1,042.3
Other	5.9	2.2
Revenue	3,129.4	3,071.6
Products and services	-2,381.6	-2,346.0
Gross profit	747.8	725.6
Sales and marketing	-372.1	-365.2
Administration	-219.0	-212.1
Items affecting comparability	-2.6	-
Operating profit	154.2	148.3
Financial net	-2.5	-3.2
Profit before tax	151.7	145.1
<i>Margin</i>	4.8%	4.7%
Tax	-36.2	-39.3
Profit after tax	115.5	105.8
<i>Net margin</i>	3.7%	3.4%

Revenue Growth

Total revenue	2%
<i>Growth in Local Currencies</i>	2%
System sales	-1%
<i>Growth in Local Currencies</i>	0%
Services	6%
<i>Growth in Local Currencies</i>	6%

	Apr-Mar 2018		Apr-Mar 2017	
EBITDA	216.8	6.9%	204.7	6.7%
EBITA	186.3	6.0%	175.9	5.7%
EBIT	154.2	4.9%	148.3	4,8%

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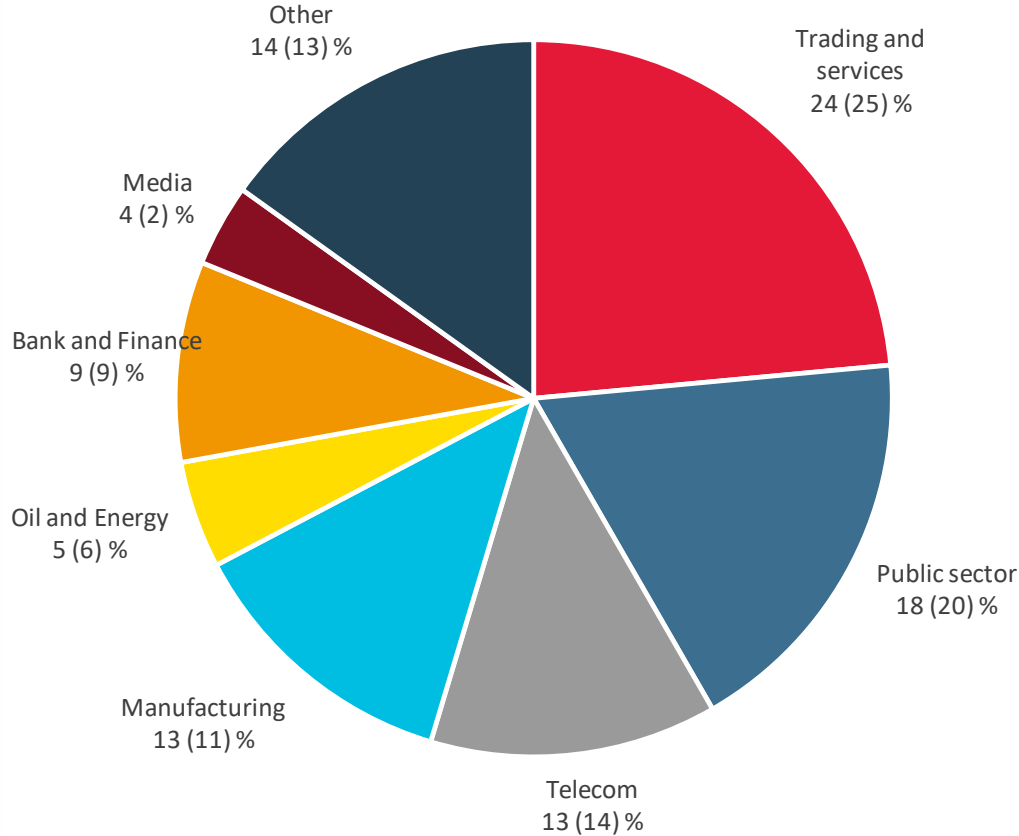
Revenue and profit before tax per Business Unit

(MSEK)	January - March 2018			January - March 2017		
	Revenue	PBT	Net margin	Revenue	PBT	Net margin
Nordics	339	16.7	4.9%	448	25.3	5.6%
UK	147	6.9	4.7%	146	4.4	3.0%
West	245	12.0	4.9%	260	1.8	0.7%
East	36	2.9	8.1%	24	1.6	6.8%
Proact Finance	31	0.7	2.3%	10	0.6	6.1%
Other	-39	-3.4		-15	-1.0	
Items affecting comparability		-2.6			-	
Group	759	33.2	4.4%	873	32.7	3.7%

*Deferred income Q1 2018 due to change in accounting principles:
Nordics 47 MSEK, UK 18 MSEK, West 27 MSEK, East 3 MSEK*

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Revenue per industry 12 months Apr-Mar 2018



Cash flow January – March 2018

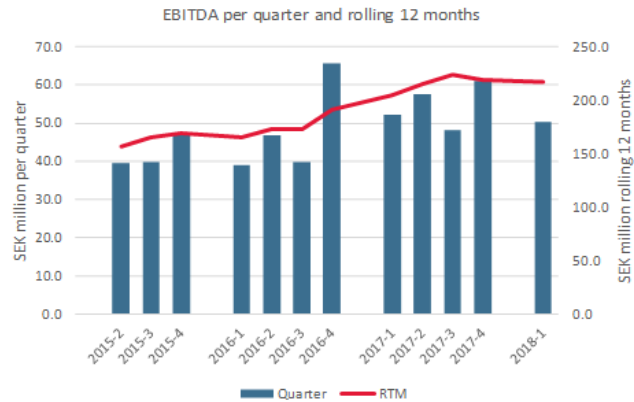
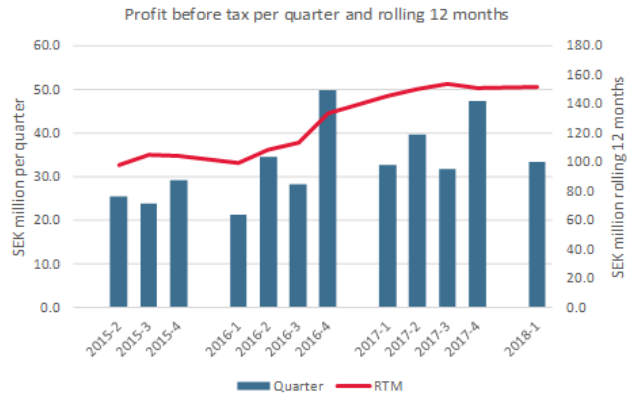
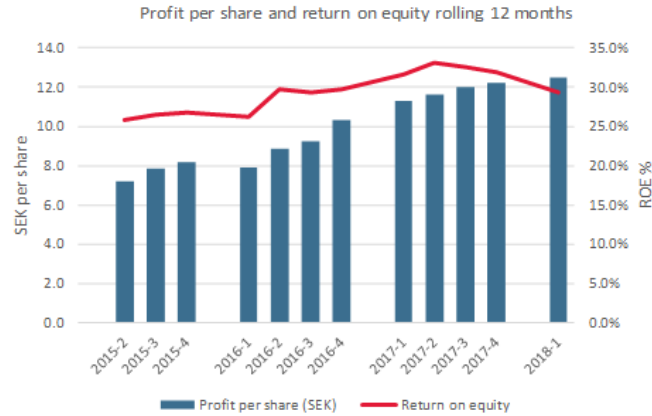
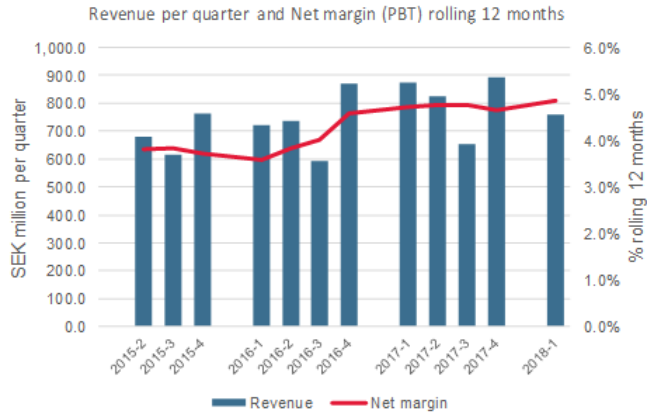
Liquid Funds December 31, 2017		220
Cash-flow from current operations		-13
Current operations	34	
Change in working capital	-47	
Cash-flow from investment activities		-50
Fixed assets	-31	
Acquisitions	-19	
Cash-flow from financial activities		8
Bank loans/Bank overdraft facilities	23	
Acquisitions from holdings without controlling influence	-7	
Buy back of own shares	-8	
Change in liquid funds		-55
<i>Currency translation difference in liquid funds</i>		15
Liquid Funds March 31, 2018		180

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Key ratios – Balance sheet

(MSEK)	2018 Mar 31	2017 Dec 31	2017 Mar 31
Total Assets	1,997	1,941	1,865
whereof Goodwill	401	385	368
whereof Intangible fixed assets	96	99	132
whereof Accounts receivables	557	575	503
Equity	412	384	377
Solidity	21%	20%	20%
Cash and bank deposits	180	220	221
Bank loan, overdraft facilities etc.	165	140	214
Net cash (+)/Net debt (-)	15	80	7
Bank overdraft facilities, unutilized	211	240	153
Bank overdraft facilities, total	245	241	170

Summary rolling 12 months



Proact share – Top 10 owners March 31, 2018

	2018 March 31	2017 December 31
AB Grenspecialisten	11.1 %	11.1 %
Livförsäkrings AB Skandia	10.9 %	10.9 %
UBS AG London Branch A/C Client	8.0 %	0.0 %
Fondita Nordic Micro Cap SR	4.6 %	4.6 %
Försäkringsaktiebolaget, Avanza Pension	4.1 %	1.4 %
JP Morgan Bank Luxembourg S.A.	3.9 %	3.9 %
Skandia Sverige	3.8 %	3.8 %
HSBC Trustee of Marlborough, European	2.8 %	2.3 %
Handelsbankens Nordiska Småbolag Sverige	2.7 %	1.8 %
JPMEL – Stockholm Branch	2.4 %	2.1 %
Others	45.6 %	58.0 %
Total	100 %	100 %

After earlier buy back of own shares, the company holds as per March 31, 2018, 182 269 shares

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Q/A

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