PROACT

2010-03-08

OMXS Small Cap
Information Technology

Price (SEK) : 84,00

ESTIMATES (SEK)	2008A	2009E	2010E	2011E
SALES (m)	1 044	1 253	1 380	1 490
EBITDA (m)	60	77	89	100
EBIT (m)	47	60	70	79
EBT (m)	50	60	72	81
EPS	3,97	5,61	6,16	6,57
CEPS	8,20	6,72	7,37	10,11
DPS	1,20	1,35	1,60	1,75
SALES growth (%)	21	20	10	8
EPS growth (%)	30	41	10	7
EBITDA margin (%)	5,7	6,1	6,4	6,7
EBIT margin (%)	4,5	4,8	5,1	5,3
NET margin (%)	3,7	4,2	4,1	4,0
ROE (%)	24	29	25	22
ROCE (%)	29	32	31	29

VALUATION	2008A	2009E	2010E	2011E
P/E (x)	7,5	13,2	13,6	12,8
P/CEPS (x)	3,7	11,0	11,4	8,3
P/BV (x)	1,8	3,8	3,4	2,9
EV/SALES (x)	0,2	0,5	0,5	0,4
EV/EBITDA (x)	3,5	7,9	7,5	6,7
EV/EBIT (x)	4,5	10,1	9,4	8,5
DIV. YIELD (%)	4,0	1,8	1,9	2,1

KEY DATA			
Market Cap (SEKm)	762	Free Float (%)	79,5
Enterprise Value (SEKm)	664	Trad. Symbol	PACT
Net Debt (SEKm)	-97	Reuter Code	PACT.ST
Equity Ratio (%)	24	Sector	IT
No. of shares basic (m)	9,1	Industrygr.	Softw. & Serv.
No. of shares diluted (m)	9,1	Industry	IT Cons. & Serv.

PERFORMANCE			
1 month (%)	1	YTD (%)	14
3 months (%)	16	52-Week High	85,00
12 months (%)	118	52-Week Low	36,00

RECENT DEVELOPMENTS

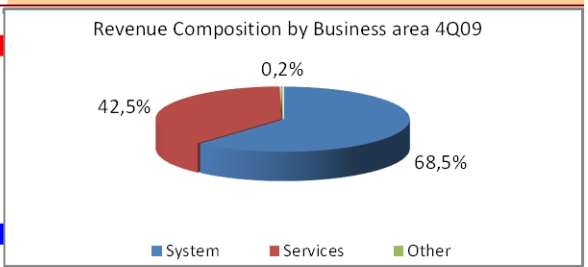
Proact ended the year with a strong showing - pretaxprofit increased by 26% in Q4. Salesgrowth in the quarter (13%) slowed versus the three first quarters but is till way above the underlying growth of the market. The Norwegian operations showed the largest profit improvement. The start-up in the Netherlands has reached critical mass and contributed to profits in the quarter. The financial standing of Proact improved and the cashbalance amounted to SEK 100 m by the end of the year in spite of buy-backs of own shares amounting to SEK17m.

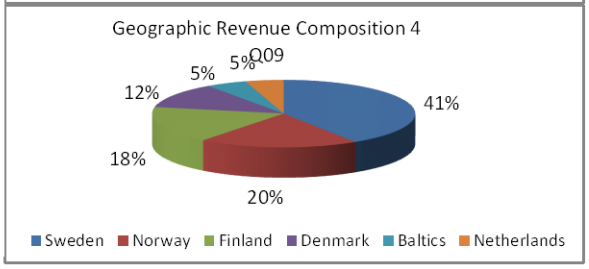
OUTLOOK & VALUATION

The market for data storage in Europe is bound to start growing in 2010 after experiencing a slight decline last year. We believe that Proact will be able to continue gaining market share in this market due to its independent status.Contracted services have become a major source of income for Proact and improves earnings visibility. The start-up success in the Netherlands is likely to improve the likelihood of another start-up or purchase of business in another North European country. If nothing of this comes about we believe that another buy-back program is about to the launched. Our EPS estimate for 2010 is based on full tax.

COMPANY DESCRIPTION

Proact, founded in 1994, is an IT infrastructure company specializing in systems and services within data storage. Mainly targeting larger corporations, the Group conducts business in the Nordic region, Baltic region and the Netherlands.





PROACT

INCOME STATEMENT

MSEK	1Q09A	2Q09A	3Q09A	4Q09A	1Q10E	2Q10E	3Q10E	4Q10E	2007A	2008A	2009A	2010E	2011E	2012E
Net Sales	298	321	248	385	331	350	275	423	865	1 044	1 253	1 380	1 490	1 579
COGS	-223	-240	-177	-286	-247	-257	-201	-309	-502	-759	-926	-1 014	-1 080	-1 137
Gross Profit	75	82	71	99	84	93	74	114	363	285	327	365	410	442
Operating Expense	-63	-64	-56	-71	-66	-71	-61	-79	-312	-226	-250	-276	-310	-333
EO-Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EBITDA	12	18	14	29	18	22	13	35	51	60	77	89	100	109
Depr. & Amort.	-4	-4	-4	-5	-5	-4	-4	-4	-12	-13	-17	-18	-21	-21
EBIT	8	14	14	24	13	18	9	31	39	47	60	70	79	88
Net Financials	0	0	-1	0	0	0	0	0	1	3	0	2	2	3
EBT	8	14	14	24	13	18	10	31	41	50	60	72	81	91
Tax	-2	-4	0	-1	-3	-5	-2	-8	-9	-11	-8	-18	-21	-24
Net Profit	6	10	13	23	10	14	7	24	32	39	52	56	60	67
EPS Basic (SEK)	0,63	1,05	1,35	2,54	1,08	1,49	0,79	2,60	3,00	3,97	5,78	6,18	6,59	7,43
EPS Diluted (SEK)	0,63	1,05	1,35	2,53	1,07	1,49	0,79	2,59	3,05	3,97	5,61	6,16	6,57	7,40
Sales growth Q/Q	-12%	8%	-23%	55%	-14%	6%	-21%	54%	N/A	N/A	N/A	N/A	N/A	N/A
Sales growth Y/Y	25%	30%	13%	13%	11%	9%	11%	10%	14%	21%	20%	10%	8%	6%
Adj. EBITDA margin	4,0%	5,5%	5,8%	7,4%	5,4%	6,3%	4,9%	8,4%	5,9%	5,7%	6,1%	6,4%	6,7%	6,9%
Adj. EBIT margin	2,7%	4,3%	5,8%	6,2%	3,8%	5,0%	3,3%	7,3%	4,6%	4,5%	4,8%	5,1%	5,3%	5,6%
Adj. EBT margin	2,8%	4,4%	5,4%	6,3%	3,9%	5,2%	3,5%	7,4%	4,7%	4,8%	4,8%	5,2%	5,4%	5,8%
Adj. Net margin	2,0%	3,2%	5,3%	6,0%	3,0%	3,9%	2,6%	5,6%	3,7%	3,7%	4,2%	4,1%	4,0%	4,3%

CASH FLOW STATEMENT

MSEK	2007A	2008A	2009A	2010E	2011E	2012E
Cash Flow b.f. ch. in Work.Cap.	52	54	66	73	81	89
Change in Work.Cap.	12	26	-3	-5	11	4
Cash Flow fr. Operations	64	80	63	67	92	93
Cash Flow fr. Investments	-14	-26	-24	-28	-22	-24
Free Cash Flow	50	54	39	39	70	70
Cash Flow fr. Financing	-38	-40	-28	-12	-15	-16
Net Cash Flow	13	14	11	27	55	54

PER SHARE DATA

SEK	2007A	2008A	2009A	2010E	2011E	2012E
EPS	3,05	3,97	5,61	6,16	6,57	7,40
Adj. EPS	3,05	3,97	5,61	6,16	6,57	7,40
CEPS	6,13	8,20	6,72	7,37	10,11	10,25
FCFPS	4,79	5,52	4,21	4,34	7,65	7,65
BVPS	15,09	16,43	19,34	24,44	29,41	35,07
NIBDPS	-6,40	-8,32	-9,73	-12,79	-18,84	-24,75
DPS	1,20	1,20	1,35	1,60	1,75	1,89

BALANCE SHEET

MSEK	2007A	2008A	2009A	2010E	2011E	2012E
Equity	158	160	181	222	268	319
Total Assets	516	644	751	830	923	1 013
Net Debt	-67	-81	-91	-116	-171	-225
Cash & Bank	67	85	97	123	178	232
Capital Employed	158	164	187	229	274	326
Operating Capital	799	1 032	1 209	1 299	1 386	1 461
Equity Ratio	31%	25%	24%	27%	29%	31%

RETURN ON CAPITAL

	2007A	2008A	2009A	2010E	2011E	2012E
ROE	20%	24%	29%	25%	22%	21%
ROCE	25%	29%	32%	31%	29%	27%
ROC	5%	5%	5%	5%	6%	6%
Adj. ROE	20%	24%	29%	25%	22%	21%
Adj. ROCE	25%	29%	32%	31%	29%	27%
Adj. ROC	5%	5%	5%	5%	6%	6%
Payout Rat.	40%	30%	23%	26%	27%	25%

MAJOR SHAREHOLDERS

2010-01-20	Capital %	Votes %
Skandia Liv	10,4%	10,4%
Hultmark Anders	10,1%	10,1%
Skagen Fonder	8,1%	8,1%
Swedbank Robur	8,0%	8,0%
No. of A-shares (m)	-	
No. of B-shares (m)	10,2	
Total No. of Shares (m)	10,2	

MANAGEMENT

COB	Ahlberg Staffan
CEO	Sand Olof
CFO	Persson Jonas
IR	Åkerlund Hans

FINANCIAL CALENDER

1Q-rapport	2010-04-28

COMPANY CONTACTS

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MARKET MAKING INFORMATION

Remium AB is at present acting as a Market Maker in the security concerned, for its undertakings Remium AB receive economic compensation from the relevant company. Remium AB is a specialist in the relevant securities and will at any given time have an inventory position, "long" or "short," and may be on the opposite side of orders executed on the relevant exchange. At present, Remium's analyst has no net position in Proact or a related instrument.

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