FINANCIAL REPORT January – June 2018

PROACT

THE POWER OF TOGETHER

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

PROACT

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

- New applications and technologies such as Artificial Intelligence (AI), Internet of Things (IoT), Analytics and Big Data are also being implemented, making new demands of business, organisation and IT infrastructure

- 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.

PROACT

The second quarter in brief

- Total revenues increased by 5% to 868 MSEK, new accounting principals (described in the interim report for the first quarter) have negatively affected the revenues with 8 MSEK
- The company's gross margin has increased by 1 percentage points
- EBITDA increased by 8% and amounted to 62.3 MSEK
- Profit before tax increased by 19% to 46.8 MSEK
- Net margin 5.4% compared to 4.8% corresponding quarter previous year
- The solidity has increased to 21% (20%)

PROACT

The second quarter in brief cont’d

- System sales revenues
  - » Revenues increased by 6% and amounted to 575 (544) MSEK

- Service revenues
  - » Total revenues continued to develop positively during the quarter and amounted to 291 MSEK, an increase of 4%
  - » Revenues relating to cloud services amounted to 109 MSEK, an increase of 4%
  - » Rolling 12 months cloud revenues amounted to 431 MSEK, an increase of 11%

PROACT

Income statement April – June 2018

(MSEK)	Apr-Jun 2018	Apr-Jun 2017
System Sales	575.0	544.1
Services	290.6	280.2
Other	2.0	1.3
Revenue	**867.6**	**825.6**
Products and services	-658.1	-637.2
Gross profit	**209.5**	**188.4**
Sales and marketing	-105.5	-89.0
Administration	-57.2	-58.3
Items affecting comparability	-	-
Operating profit	**46.8**	**41.1**
Financial net	0.1	-1.6
Profit before tax	**46.8**	**39.5**
Margin	*5.4%*	*4.8%*
Tax	-11.7	-9.4
Profit after tax	**35.2**	**30.1**
Net margin	*4.1%*	*3.6%*

Revenue Growth	
Total revenue	5.1%
…if reversed change in accounting principles, for comparison:	
Apr-Jun 2018	876
Apr-Jun 2017	830
Growth, adjusted	*5.5%*
System sales	5.7%
…if reversed change in accounting principles, for comparison:	
Apr-Jun 2018	583
Apr-Jun 2017	548
Growth, adjusted	*6.4%*
Services	3.7%

	Apr-Jun 2018		Apr-Jun 2017	
EBITDA	62.3	7.2%	57.4	7.0%
EBITA	54.8	6.3%	49.6	6.0%
EBIT	46.8	5.4%	41.1	5.0%

PROACT

Income statement January – June 2018

(MSEK)	Jan-Jun 2018	Jan-Jun 2017
System Sales	1,056.3	1,142.2
Services	566.6	554.1
Other	3.3	1.9
Revenue	**1,626.2**	**1,698.2**
Products and services	-1,232.2	-1,318.6
Gross profit	**394.0**	**379.6**
Sales and marketing	-200.1	-185.9
Administration	-109.8	-116.5
Items affecting comparability	-2.6	-
Operating profit	**81.5**	**77.3**
Financial net	-1.4	-5.1
Profit before tax	**80.1**	**72.2**
Margin	*4.9%*	*4.2%*
Tax	-19.6	-18.2
Profit after tax	**60.5**	**54.0**
Net margin	*3.7%*	*3.2%*

Revenue Growth	
Total revenue	-4.2%
…if reversed change in accounting principles, for comparison:	
Jan-Jun 2018	1,729
Jan-Jun 2017	1,707
Growth, adjusted	*1.3%*
System sales	-7.5%
…if reversed change in accounting principles, for comparison:	
Jan-Jun 2018	1,159
Jan-Jun 2017	1,150
Growth, adjusted	*0.8%*
Services	2.2%

	Jan-Jun 2018		Jan-Jun 2017	
EBITDA	112.4	6.9%	109.7	6.5%
EBITA	97.4	6.0%	94.0	5.5%
EBIT	81.5	5.0%	77.3	4.6%

PROACT

Income statement rolling 12 months

(MSEK)	Jul-Jun 2017/2018	Jul-Jun 2016/2017
System Sales	2,046.8	2,096.1
Services	1,118.0	1,061.5
Other	6.5	3.0
Revenue	**3,171.3**	**3,160.5**
Products and services	-2,402.4	-2,423.8
Gross profit	**768.9**	**736.7**
Sales and marketing	-388.6	-362.7
Administration	-217.9	-218.3
Items affecting comparability	-2.6	-
Operating profit	**159.8**	**155.7**
Financial net	-0.8	-5.5
Profit before tax	**159.0**	**150.2**
Margin	*5.0%*	*4.8%*
Tax	-38.4	-41.7
Profit after tax	**120.6**	**108.5**
Net margin	*3.8%*	*3.4%*

Revenue Growth	
Total revenue	0.3%
Growth, in local currencies	*-0.5%*
System sales	-2.3%
Growth, in local currencies	*-2.9%*
Services	5.3%
Growth, in local currencies	*4.0%*

	Jul-Jun 2018		Jul-Jun 2017	
EBITDA	221.6	7.0%	215.2	6.8%
EBITA	191.5	6.0%	184.7	5.8%
EBIT	159.8	5.0%	155.7	4.9%

PROACT

Revenue and profit before tax per Business Unit

(MSEK)	April - June 2018 Revenue	PBT	Net margin	April - June 2017 Revenue	PBT	Net margin
Nordics	418	22.0	5.3%	417	20.2	4.8%
UK	170	7.1	4.2%	129	2.9	2.2%
West	249	18.0	7.2%	253	14.0	5.6%
East	32	2.9	9.3%	30	1.4	4.9%
Proact Finance	27	1.3	4.9%	28	2.2	7.9%
Other	-28	-4.6		-31	-1.2	
Items affecting comparability		-			-	
Group	**868**	**46.8**	**5.4%**	**826**	**39.5**	**4.8%**

Deferred income Q2 2018 due to change in accounting principles:
Nordics 15 MSEK, UK 6 MSEK, West -13 MSEK, East 1 MSEK

PROACT

Revenue and profit before tax per Business Unit

(MSEK)	January - June 2018 Revenue	PBT	Net margin	January - June 2017 Revenue	PBT	Net margin
Nordics	757	38.8	5.1%	866	45.5	5.3%
UK	317	14.0	4.4%	275	7.2	2.6%
West	494	30.0	6.1%	512	15.8	3.1%
East	68	5.9	8.7%	54	3.1	5.7%
Proact Finance	58	2.0	3.5%	38	2.8	7.4%
Other	-68	-8.0		-47	-2.2	
Items affecting comparability		-2.6			-	
Group	**1,626**	**80.1**	**4.9%**	**1,698**	**72.2**	**4.2%**

Deferred income first six months 2018 due to change in accounting principles:
Nordics 62 MSEK, UK 24 MSEK, West 14 MSEK, East 4 MSEK

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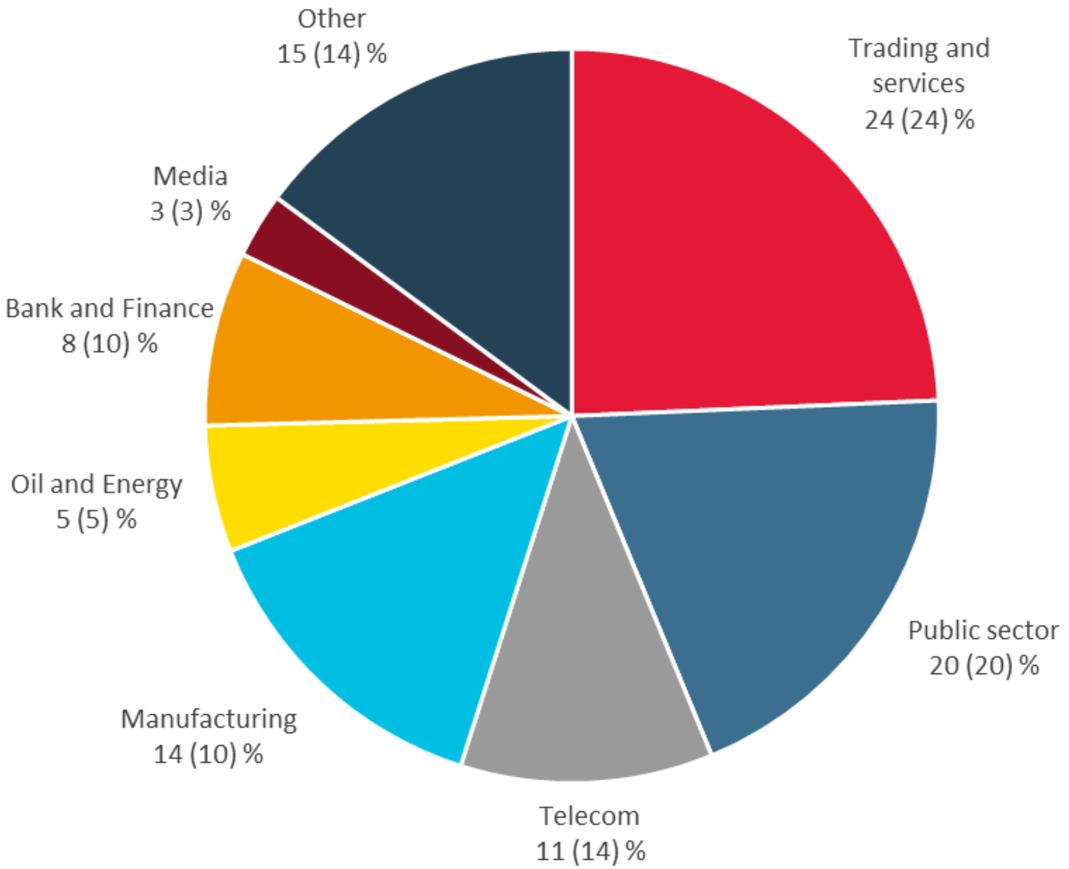
Revenue per industry 12 months Jul-Jun 2017/2018



PROACT

Cash flow April – June 2018

Liquid Funds March 31, 2018		**180**
Cash-flow from current operations		55
Current operations	56	
Change in working capital	-1	
Cash-flow from investment activities		-15
Fixed assets	-16	
Other	1	
Cash-flow from financial activities		-62
Bank loans/Bank overdraft facilities	-27	
Acquisitions from holdings without controlling influence	-	
Buy back of own shares	-	
Dividend to parent company´s shareholders´	-34	
Other	-1	
Change in liquid funds		-22
Currency translation difference in liquid funds		*5*
Liquid Funds June 30, 2018		**163**

PROACT

Cash flow January – June 2018

Liquid Funds December 31, 2017		**220**
Cash-flow from current operations		42
Current operations	90	
Change in working capital	-48	
Cash-flow from investment activities		-65
Fixed assets	-46	
Acquisitions	-19	
Cash-flow from financial activities		-54
Bank loans/Bank overdraft facilities	-5	
Acquisitions from holdings without controlling influence	-7	
Buy back of own shares	-8	
Dividend to parent company´s shareholders´	-34	
Change in liquid funds		-77
Currency translation difference in liquid funds		*20*
Liquid Funds June 30, 2018		**163**

PROACT

Key ratios – Balance sheet

(MSEK)	**2018 Jun 30**	**2017 Dec 31**	**2017 Jun 30**
Total Assets	2,020	1,941	1,761
whereof Goodwill	*403*	*385*	*371*
whereof Intangible fixed assets	*89*	*99*	*127*
whereof Accounts receivables	*536*	*575*	*422*
Equity	418	384	359
Solidity	21%	20%	20%
Cash and bank deposits	163	220	188
Bank loan, overdraft facilities etc.	138	140	165
Net cash (+) / Net debt (-)	25	80	23
Bank overdraft facilities, unutilized	223	240	238
Bank overdraft facilities, total	242	241	240

PROACT

Proact share – Top 10 owners June 30, 2018

	2018 June 30	2018 March 31
AB Grenspecialisten	11.1 %	11.1 %
Livförsäkrings AB Skandia	10.9 %	10.9 %
UBS AG London Branch A/C Client	8.0 %	8.0 %
Fondita Nordic Micro Cap SR	4.3 %	4.6 %
Skandia Sverige	3.8 %	3.8 %
Försäkringsaktiebolaget, Avanza Pension	2.9 %	4.1 %
HSBC Trustee of Marlborough, European	2.8 %	2.8 %
Humle Småbolagsfond	2.5 %	-
Skandia Småbolagsfond Sverige	2.3 %	2.3 %
Unionen	2.1 %	2.1 %
Others	49.3 %	50.3 %
Total	100 %	100 %

After earlier buy back of own shares, the company holds as per June 30, 2018, 182 269 shares

PROACT