

# Improved profitability and continued positive development of service revenues

## January - March 2020

- Revenues decreased by 7 percent to SEK 844 (910) million.
- Adjusted EBITA amounted to SEK 42.6 (43.1) million. Items affecting comparability during first quarter previous year amounted to SEK 11.1 million related to reorganisation.
- Profit before tax increased by 25 percent and amounted to SEK 33.4 (26.8) million.
- Profit after tax amounted to SEK 25.8 (21.6) million.
- Profit per share amounted to SEK 2.85 (2.34).
- New contracts relating to cloud services worth SEK 51 (61) million has been concluded, a decrease by 16 percent.
- New services launched within Proact's backup and security offer including Backup-as-a-Service for Office 365, Anti-phishing-as-a-Service, and SIEM-as-a-Service.

### Financial summary

Amounts in SEK million	Jan-Mar 2020	Jan-Mar 2019	Rolling 12 2019/20	Jan-Dec 2019
Total revenues	843.8	909.8	3,341.9	3,407.9
<i>Growth, %</i>	-7.3	19.9	-3.7	2.7
<i>Growth, currency adjusted, %</i>	-8.6	16.0	-5.2	0.5
Organic growth, % <sup>1)</sup>	-14.8	19.9	-7.1	1.1
Adjusted EBITA <sup>2)</sup>	42.6	43.1	165.1	165.6
<i>Adjusted EBITA margin, %</i>	5.1	4.7	4.9	4.9
Operating profit (EBIT)	34.1	25.3	114.2	105.4
<i>Operating margin (EBIT), %</i>	4.0	2.8	3.4	3.1
Profit before tax	33.4	26.8	108.3	101.7
<i>Net margin, %</i>	4.0	2.9	3.2	3.0
Profit after tax	25.8	21.6	84.4	80.2
<i>Profit margin, %</i>	3.1	2.4	2.5	2.4
Earnings per share (oustanding shares), SEK <sup>3)</sup>	2.85	2.34	9.25	8.75
Return on capital employed, % <sup>4)</sup>	-	-	12.1	13.2
Cash flow from operations	-30.0	-1.7	301.2	329.5

1) Organic growth refers to growth excluding acquired and divested companies (Spain divested June 2019, PeopleWare acquired October 2019)

2) EBITA before items affecting comparability

3) Proact has a long-term performance based share program that could give rise to dilution of maximum 0.44%. The company has bought back own shares which will affect the key ratios above.

4) Calculated for rolling 12 months

## About Proact

Proact is Europe's leading independent data centre and cloud services provider. By delivering flexible, accessible and secure IT solutions and services, we help companies and authorities reduce risk and costs, whilst increasing agility, productivity and efficiency. We've completed over 5,000 successful projects around the world, have more than 3,500 customers and currently manage in excess of 100 petabytes of information in the cloud. We employ over 1,000 people with offices across 15 countries in Europe and North America. Founded in 1994, our parent company, Proact IT Group AB (publ), listed on Nasdaq Stockholm in 1999 (under the symbol PACT).

For further information about Proact's activities please visit us at [www.proact.eu](http://www.proact.eu)

# Report by the CEO of Proact

"Despite covid-19, Proact has managed both customer deliveries and operations well during the ongoing crisis. For Proact, the employees, customers and suppliers safety and health are our highest priority."



The first quarter has largely been affected by the uncertainty caused by covid-19. Naturally, the effects of the infection on society in general have had an impact on Proact in terms of demand, deliveries and measures to adapt the business to the situation.

It is gratifying that the first quarter, under prevailing circumstances, is characterised by improved profitability and maintained earnings compared with corresponding period last year, albeit with lower revenues. The quarter's revenue was lower than expected, which can be partly explained by the fact that the comparative figures in the first quarter of 2019 contained a few major one-off system transactions. The company's revenues decreased by 7 percent to SEK 844 (910) million, while adjusted EBITA was largely unchanged as a result of improved gross margin and higher share of service revenue and amounted to SEK 42.6 (43.1) million, giving an improved adjusted EBITA margin of 5.1 (4.7) percent.

In previous quarters, our result have been significantly affected by challenges in Business Unit West. It is gratifying that the implemented measures for improvement have produced results in both Germany and the Netherlands during the first quarter. The Netherlands is also positively affected by the integration with our latest acquisition, PeopleWare, where we already begin to see results from the opportunities to offer new services to our joint customer base in the region.

In Business Unit Nordics, service revenues developed positively driven primarily by cloud and consulting services, while system sales were lower than expected following a weak start to the year following a strong ending in 2019.

Overall, the activity has been good in the market, although covid-19 has caused some negative impact on the quarter's results, as a number of customers in specific industries towards the end of the quarter have changed their priorities and postponed orders. The quarter was also affected to some extent by longer delivery times.

We also see a tendency for our customers in certain industries to postpone decisions on major innovation investments and on new cloud service contracts that usually extend over several years. This has led to a decrease in the contract value of new contracts for cloud services to SEK 51 (61) million. At the same time, revenue from cloud services has increased by 58 percent with organic growth of 20 percent.

At present, it is not possible to determine how large or long-lasting impact of covid-19 entails. The company has a strong financial position and continuously makes the necessary adjustments to minimize the impact on delivery capacity, earnings and liquidity.

At the same time, covid-19 has created increased needs as our customers have been faced with new challenges in security, networking, accessibility and flexibility to adapt their operations. During the quarter, we launched new cloud services within our security offering, including Anti-Phishing-as-a-Service that prevents phishing attempts, and SIEM-as-a-Service that analyzes information from IT security systems in order to prevent intrusion. We have also launched a new backup service for Office 365.

Finally, I would like to emphasize that for Proact, the safety and health of our employees, customers and suppliers is our highest priority and we are closely following developments and following the authorities' advice in all our markets. Despite the prevailing circumstances, Proact has handled both customer deliveries and operational activities well during the covid-19 crisis and I am extra proud that we are able to help clients in the healthcare sector with priority support during this challenging period.

Kista, 24 April, 2020

Jonas Hasselberg  
CEO

# The Group's development

## Revenues and result

### January - March

For first quarter, total revenues amounted to SEK 844 (910) million, a decrease by 7 percent. Organically revenues decreased by 15 percent, in local currencies revenues decreased by 9 percent.

System revenues decreased for the quarter by 24 percent to SEK 477 (629) million. Organically revenues decreased by 25 percent. During the same period, service revenues increased by 30 percent to SEK 366 (281) million. Organic growth for service revenues was 8 percent. Service revenues represented 43 percent of total revenues for the first quarter.

New contracts relating to cloud services worth SEK 51 (61) million has been concluded during the quarter. The contracts has terms of three to five years. Total revenues from cloud services amounted to SEK 180 (114) million, an increase by 58 percent, organic growth was 20 percent.

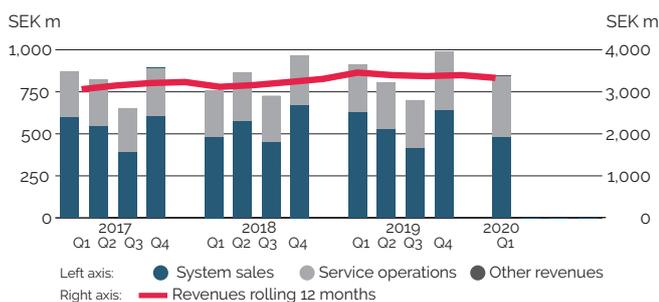
Adjusted EBITA decreased by 1 percent compared to previous year and amounted for the quarter to SEK 42.6 (43.1) million. During the quarter, the product mix has shifted to a larger proportion of services, which has had a positive impact on the EBITA margin. Sales and administrative expenses decreased by 2 percent for comparable units in local currencies.

Profit before tax amounted to SEK 33.4 (26.8) million, an increase by 25 percent. Adjusted for items affecting comparability SEK - (11.1) million, it was a decrease of 12 percent,

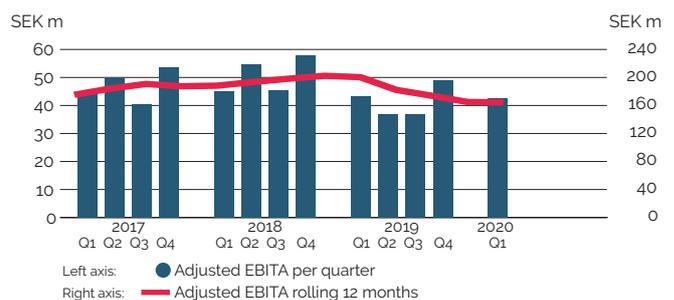
### Revenues per industry

SEK million	Jan-Mar 2020	Jan-Mar 2019	Rolling 12 mths	Jan-Dec 2019
Telecom	115	68	350	303
Bank, Finance	82	101	289	308
Oil, Energy	38	68	195	226
Manufacturing	86	118	496	529
Media	14	25	47	58
Trading & Services	172	230	702	760
Public sector	169	198	814	844
Other	168	101	448	381
<b>Total revenue</b>	<b>844</b>	<b>910</b>	<b>3,342</b>	<b>3,408</b>

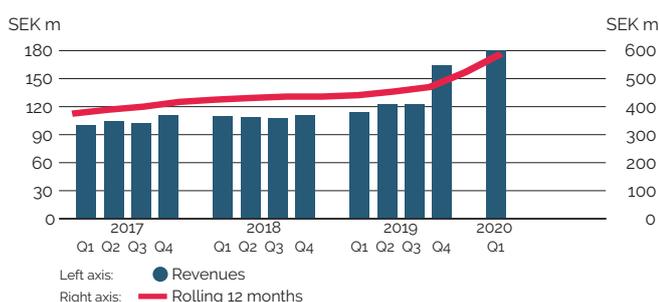
### Revenues



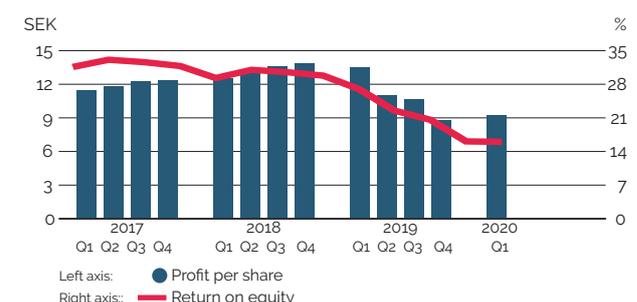
### Adjusted EBITA



### Revenues from cloud service



### Profit per share and return on equity, rolling 12 months, %



Amounts in SEK million	Jan-Mar 2020	Jan-Mar 2019	rolling 12 mths	Jan-Dec 2019
Total Revenues	843.8	909.8	3,341.9	3,407.9
Cost of goods and services sold, excl. amortizations and depreciations	-610.1	-688.0	-2,430.6	-2,508.5
Gross profit excl. amortizations and depreciations	233.7	221.8	911.3	899.3
<i>Gross margin excl. amortizations and depreciations, %</i>	<i>27.7</i>	<i>24.4</i>	<i>27.3</i>	<i>26.4</i>
Operational expenses excl. amortizations and depreciations	-150.8	-148.4	-598.6	-596.1
Adjusted EBITDA <sup>1)</sup>	82.9	73.4	312.7	303.2
<b>Adjusted EBITDA margin, %</b>	<b>9.8</b>	<b>8.1</b>	<b>9.4</b>	<b>8.9</b>
Depreciations and write-downs of tangible assets	-40.2	-30.2	-147.6	-137.6
Adjusted EBITA <sup>1)</sup>	42.6	43.1	165.1	165.6
<b>Adjusted EBITA margin, %</b>	<b>5.1</b>	<b>4.7</b>	<b>4.9</b>	<b>4.9</b>
Amortizations and write-downs of intangible assets	-8.5	-6.7	-30.6	-28.7
Items affecting comparability	-	-11.1	-20.4	-31.5
Operating profit/loss (EBIT)	34.1	25.3	114.2	105.4
<i>Operating margin (EBIT), %</i>	<i>4.0</i>	<i>2.8</i>	<i>3.4</i>	<i>3.1</i>

1) EBITDA and EBITA before items affecting comparability

## Cash flow

### January - March

Cash flow for the quarter was SEK -89 (-33) million, of which SEK -30 (-2) million from operating activities. Decrease in cash flow from operating activities is mainly attributable to working capital. Working capital was adversely affected during the quarter due to a few large transactions were paid by customers late in the fourth quarter of 2019, while related supplier payments were made during the first quarter of 2020.

During the period, amortization of lease liabilities was made by SEK 34 million.

### Investments

During the first quarter SEK 26 (24) million has been invested in fixed assets.

## Financial position

Cash and cash equivalent amounted to SEK 290 million as of March 31, 2020, compared with SEK 246 million last year. None of the total overdraft credit facility of SEK 258 million was utilized. Bank loans amounted to SEK 237 million and relate to a three-year revolving credit facility. Investments in IT-equipment for the cloud operations are financed through leasing agreements. The Group's equity ratio at the year-end was 20 (20) percent.

### Net debt

SEK million	Mar 31 2020	Dec 31 2019	Mar 31 2019	Dec 31 2018
Cash and cash equivalents	290	373	246	270
Bank overdraft facilities	-	-	-6	-5
Liabilities to credit institutions excl. financial leasing liabilities	-237	-232	-112	-109
<b>Net cash (+)/Net debt (-) excl. financial leasing</b>	<b>53</b>	<b>142</b>	<b>128</b>	<b>156</b>
Financial leasing liabilities	-300	-302	-247	-14
<b>Net cash (+)/Net debt (-) incl. financial leasing</b>	<b>-247</b>	<b>-161</b>	<b>-118</b>	<b>142</b>
Unutilized bank overdraft facility	258	253	242	240
Total bank overdraft facility	258	253	249	245

## Income tax

The group's tax expense includes total current tax and deferred tax calculated based on applicable tax rates in the respective countries. Reported tax cost for the first quarter 2020 amounts to SEK 76 (5.2) million, corresponding to an efficient tax rate of 23 (19) percent.

## Buy-back of own shares

The Annual General Meeting on May 9, 2019 authorized the Board to acquire up to 10 percent of the Company's shares until the next Annual General Meeting. As of March 31, 2020, no shares have been acquired under this authorization.

As of March 31, 2020, the company holds 182,269 shares in own repository, which corresponds to 2.0 percent of the total number of shares.

## Employees

The company employed 1,021 (810) as at March 31, 2020, of which acquisition of PeopleWare has contributed with 230 employees.

## Parent Company in brief

Parent Company's total revenues for the first quarter amounted to SEK 24.7 (27.0) million. Profit before tax amounted to SEK -2.6 (-10.0) million.

Parent Company's liabilities in a joint group currency account amounted as at 31 March 2020 to SEK 240 (243) million.

At the end of the period, the number of people employed by the parent company totalled 17 (15).

Parent Company's operations have remained unchanged over the period. There have been no significant transactions with related parties.

# Business Units

## Nordics

### Revenue and result

#### January - March

In Nordics, revenues decreased during the quarter by 16 per cent compared to previous year. Revenues from system sales decreased during the quarter by 24 per cent at the same time revenues from service operation increased by 8 per cent. During the first quarter of 2019, a number of larger system transactions with lower margins were conducted, which affects the comparative figures. Revenues from consulting operations increased by 20 percent compared with the corresponding quarter last year.

Adjusted EBITA amounted to SEK 14.7 (16.4) million and EBITA margin amounted to 4.0 (3.7) percent for the first quarter. In Nordics, profitability in both system and service operations improved during the quarter, which has largely compensated the lower system revenues, at the same time sales and administration expenses have increased by 1 percent.

SEK million	Jan-Mar 2020	Jan-Mar 2019	Change, %	Rolling 12 mths	Jan-Dec 2019
Revenues	368	439	-16	1,644	1,715
Adjusted EBITA	14.7	16.4	-10	93.9	95.6
Margin, %	4.0	3.7		5.7	5.6

#### Revenues



#### Adjusted EBITA



## UK

### Revenue and result

#### January - March

In UK, revenues decreased by 9 percent during the quarter compared to previous year. System revenues decreased by 20 percent during the quarter, while revenue from cloud services increased by 14 percent compared with the corresponding quarter last year.

Adjusted EBITA amounted to SEK 9.7 (10.3) million and EBITA margin amounted to 6.9 (6.6) percent for the first quarter. In UK, EBITA margin was positively affected by improved profitability in both system and service operation and at the same time sales and administration expenses decreased by 6 percent.

SEK million	Jan-Mar 2020	Jan-Mar 2019	Change, %	Rolling 12 mths	Jan-Dec 2019
Revenues	141	156	-9	551	565
Adjusted EBITA	9.7	10.3	-6	33.7	34.3
Margin, %	6.9	6.6		6.1	6.1

#### Revenues



#### Adjusted EBITA



# Business Units

## West

### Revenue and result

#### January - March

In the West, revenues increased by 11 percent during the quarter compared to the corresponding period last year. Organically, revenues decreased by 16 percent. System revenues decreased by 26 percent and service revenues increased by 84 percent. Organically, system revenues decreased by 29 percent and service revenues increased by 11 percent. Cloud service revenues increased by 136 percent, of which 32 percent were organic.

Adjusted EBITA amounted to SEK 16.1 (8.7) million and EBITA margin amounted to 5.5 (3.3) percent for the first quarter.

The acquisition of PeopleWare, during the fourth quarter of 2019, is proceeding according to plan and has had a positive impact on result. The improvement measures implemented have produced results in both Germany and the Netherlands during the first quarter. In Germany and the Netherlands, profitability in both system and service operations has improved and sales and administration expenses for comparable units have decreased by 2 percent.

SEK million	Jan-Mar 2020	Jan-Mar 2019	Change, %	Rolling 12 mths	Jan-Dec 2019
Revenues	291	262	11	988	959
Adjusted EBITA	16.1	8.7	86	29.9	22.4
Margin, %	5.5	3.3		3.0	2.3

#### Revenues



#### Adjusted EBITA



## East

### Revenue and result

#### January - March

In East, revenues decreased by 11 percent during the quarter due to the lack of major system business. Service revenues increased by 4 percent.

Adjusted EBITA amounted to SEK 4.8 (5.9) million and EBITA margin amounted to 8.8 (9.6) percent for the first quarter.

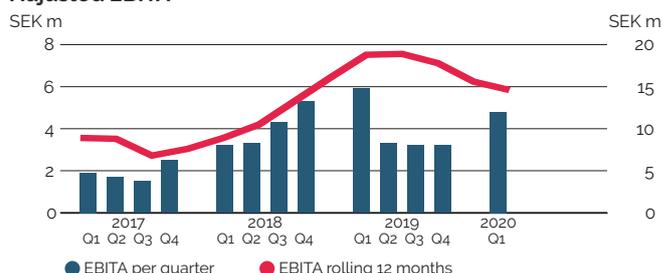
In East, result was negatively impacted mainly by lower revenues, at the same time sales and administrative expenses have decreased by 1 percent.

SEK million	Jan-Mar 2020	Jan-Mar 2019	Change, %	Rolling 12 mths	Jan-Dec 2019
Revenues	55	62	-11	195	202
Adjusted EBITA	4.8	5.9	-18	14.6	15.6
Margin, %	8.8	9.6		7.5	7.7

#### Revenues



#### Adjusted EBITA



## Proact Finance

### Revenue and result

#### January - March

Proact Finance revenues decreased for the first quarter compared to the same period last year. Revenues amounted to SEK 24 (33) million. Future contracted cash flows from Proact Finance amount to SEK 151 (175) million, a decrease of 14 percent.

Profit before tax amounted to SEK 1.1 (0.5) million.

SEK million	Jan-Mar 2020	Jan-Mar 2019	Change, %	Rolling 12 mths	Jan-Dec 2019
Revenues	24	33	-27	89	97
EBIT	0.3	-0.4	172	-0.1	-1.7
Net financial items	0.8	0.9	-11	3.7	3.9
Profit before tax	1.1	0.5	120	2.6	2.2

### Operating segments

**Nordics:** Sweden, Norway, Finland, USA and Denmark

**UK:** United Kingdom

**East:** Estonia, Latvia, Lithuania, Czech Republic and Slovakia

**West:** Netherlands, Belgium, Spain and Germany

**Proact Finance:** Proact's own in-house finance company is reported separately as this company supports all geographical regions.

Jan-Mar 2020 SEK million	Nordics	UK	West	East	Proact Finance	Groupwide	Eliminations	Group
Total revenue	368	141	291	55	24	34	-68	844
EBITDA, before items affecting comparability	24.8	23.1	27.4	5.9	0.3	1.4	-	82.9
Depreciations and write-down on tangible fixed assets	-10.1	-13.4	-11.3	-1.1	-	-4.4	-	-40.2
EBITA, before items affecting comparability	14.7	9.7	16.1	4.8	0.3	-3.1	-	42.6
Items affecting comparability	-	-	-	-	-	-	-	-
EBITA	14.7	9.7	16.1	4.8	0.3	-3.1	-	42.6
Amortizations and write-down on intangible fixed assets	-0.4	-2.2	-4.4	-0.2	-	-1.3	-	-8.5
EBIT	14.4	7.5	11.7	4.6	0.3	-4.4	-	34.1
Net financial items	-2.5	-1.0	-0.6	0.0	0.8	2.7	-	-0.7
Profit before tax	11.8	6.5	11.1	4.6	1.0	-1.7	-	33.4
Tax								-7.6
Comprehensive income for the period								25.8

Jan-Mar 2019 SEK million	Nordics	UK	West	East	Proact Finance	Groupwide	Eliminations	Group
Total revenue	439	156	262	62	33	35	-77	910
EBITDA, before items affecting comparability	25.3	21.9	14.0	7.0	-0.3	5.4	-	73.4
Depreciations and write-down on tangible fixed assets	-8.9	-11.6	-5.3	-1.1	-0.1	-3.3	-	-30.2
EBITA, before items affecting comparability	16.4	10.3	8.7	5.9	-0.4	2.1	-	43.1
Items affecting comparability	-	-	-	-	-	-11.1	-	-11.1
EBITA	16.4	10.3	8.7	5.9	-0.4	-9.0	-	32.0
Amortizations and write-down on intangible fixed assets	-0.4	-2.1	-2.5	-0.2	-	-1.5	-	-6.7
EBIT	16.1	8.2	6.1	5.7	-0.4	-10.4	-	25.3
Net financial items	-0.6	-1.0	-0.8	-0.0	0.9	2.9	-	1.4
Profit before tax	15.5	7.2	5.3	5.7	0.5	-7.6	-	26.8
Tax								-5.2
Comprehensive income for the period								21.6

# Market Review

Understanding market trends, identifying new technology with commercial potential, and then building competence around this is something Proact always have been strong in. In this way, we can be at the forefront of the market's development and establish ourselves early in segments where demand is expected to grow.

This is a successful cornerstone of our strategy – but we are also seeing some major, widespread trends from the buyers.

For our customers, IT has historically been a tool mainly for rationalisation and efficiency. In particular, with Proact's focus on data centres, sales have largely been driven by new technology with a constantly improving price/performance ratio.

Well-functioning IT delivery is, of course, a prerequisite for any organisation to run efficiently, but the ongoing digital transformation adds a new dimension giving IT an even greater strategic importance.

Cost savings and/or efficiency are no longer the main drivers of customer IT investments. Instead, people are expecting IT to drive business development, business revenue and business growth.

## Flexibility and hybrid delivery models

To drive business and business development through IT, there is a strong and widespread vision of a cloud-based IT infrastructure. However, there are very few organisations in Proact's segments that can, or will, put everything into public clouds. This could be for any number of reasons, including data sovereignty, data regulations, organisations' internal policies, security concerns, cost implications and latency issues, to name but a few.

Instead, we are seeing that most of our customers choose a hybrid solution that takes advantage of the benefits of traditional IT infrastructure, managed cloud services, private cloud services and public cloud services.

However, this type of hybrid delivery model adds complexity. Organisations face new challenges, especially relating to security and networking – and this opens up new opportunities for systems and cloud integrators with a strong range of services and expertise.

# Other information

## Proposed appropriations of profits

The Board will be proposing to the Annual General Meeting that no dividend should be paid for the 2019 business year. Previous year a dividend of SEK 4.15 per share was paid.

## Events after the balance sheet date

No events of significance to the Group have occurred since the end of the report period, in addition to closely monitoring the development of the spread of covid-19. See further Risks and uncertainty below.

## Transactions with related parties

No transactions between Proact and related parties, which have significantly affected the Group's position and profits, have taken place during the quarter.

## Risks and uncertainty factors within the enterprise

The company has in the current situation difficulties to assess consequences' of United Kingdom's forthcoming exit from EU. Short term, currency rate effects will affect the group's financial statements.

The spread of covid-19 means that many companies may be in a financially strained situation with liquidity problems, declining sales and in the long run impact on earnings. Against this background, Proact is working in parallel to secure short-term solutions and to find long-term alternatives in the current situation. The company has conducted an analysis of how this pandemic may affect the company's operations and financial position. Proact's assessment is that in the short term, the Group can handle the resulting situation as the company has good liquidity and stable financing. The company's ability to continue to supply contracted services such as support and operations services and outsourcing services is good. If the pandemic becomes prolonged, there is a risk that supply chains will be adversely affected, which in turn can affect the availability of the products and sub-components that the company sells.

Otherwise, no risks or uncertainty factors have altered, by comparison with those commented upon in the last Annual Report issued. For a more detailed description of significant risks and uncertainty factors, please see Proact's annual report for 2019, page 28.

## Alternative Performance Measures

The company presents financial key figures in the interim report that are not defined according to IFRS. The company believes that these key figures provide valuable supplementary information to investors and the company's management. Definitions for the financial ratios, see Annual Report 2019.

## Annual General Meeting

The Annual General Meeting will be held at 4 pm on May 6, 2020 at Scandic Victoria Tower, Kista. In order to reduce the risk of spreading covid-19, the company has taken preventive measures, including providing postal voting.

For more information, see the company's website [www.proact.se](http://www.proact.se).

## Financial calendar

6 May 2020	Annual General Meeting 2020
15 July 2020	Interim Report Q2 2020
23 Oct 2020	Interim Report Q3 2020
11 Feb 2021	Year-end Report 2020

Kista 24 April 2020  
Proact IT Group AB (publ)

Jonas Hasselberg  
CEO

This interim report has not been audited.

## Note

The information in this interim report is such information as Proact IT Group (publ) shall publish in accordance with lagen om värdepappersmarknad, the Securities Market Act, and/or lagen om handel med finansiella instrument, the Act on Trading in Financial Instruments. This information was submitted for publication at 08:00 (CET) on 24 April 2020.

## Contact

Jonas Hasselberg, CEO +46 722 13 55 56 [jonas.hasselberg@proact.eu](mailto:jonas.hasselberg@proact.eu)  
Jonas Persson, CFO +46 733 56 66 90 [jonas.persson@proact.eu](mailto:jonas.persson@proact.eu)

### Proact IT Group AB

Kistagången 2, Kista  
Tel. +46 8 410 666 00  
[www.proact.eu](http://www.proact.eu)

Org.no: 556494-3446  
Reg. Office: Stockholm

# Financial reports

## Consolidated statement of comprehensive income

Amounts in SEK million	Jan-Mar 2020	Jan-Mar 2019	Rolling 12 months	Jan-Dec 2019
System income	477.3	628.9	2,051.4	2,203.1
Service income	366.0	280.5	1,288.5	1,203.0
Other operating income	0.5	0.3	2.0	1.8
<b>Total income</b>	<b>843.8</b>	<b>909.8</b>	<b>3,341.9</b>	<b>3,407.9</b>
Cost of goods and services sold	-643.2	-712.2	-2,550.2	-2,619.2
<b>Gross profit</b>	<b>200.6</b>	<b>197.5</b>	<b>791.7</b>	<b>788.6</b>
Sales and marketing expenses	-99.1	-99.7	-405.3	-406.0
Administration expenses	-67.4	-61.4	-251.8	-245.8
Items affecting comparability	-	-11.1	-11.3	-22.4
Disposal of subsidiary	-	-	-9.1	-9.1
<b>Operating profit/loss (EBIT)</b>	<b>34.1</b>	<b>25.3</b>	<b>114.2</b>	<b>105.4</b>
Net financial items	-0.7	1.4	-5.8	-3.7
<b>Profit before tax</b>	<b>33.4</b>	<b>26.8</b>	<b>108.3</b>	<b>101.7</b>
Income tax	-7.6	-5.2	-23.9	-21.5
<b>Comprehensive income for the period</b>	<b>25.8</b>	<b>21.6</b>	<b>84.4</b>	<b>80.2</b>
<b>Other comprehensive income</b>				
<b>Items which may be reversed later in the income statement</b>				
Change of hedging reserve (net investment in foreign operations)	-0.2	-0.8	-0.3	--0.9
Tax effect of change of reserve (net investment in foreign operations)	0.0	0.2	0.1	0.2
Translation differences from remaining foreign operations	3.7	11.7	7.0	15.0
Total items which may be reversed later in the income statement	3.5	11.1	6.7	14.3
<b>Total comprehensive income for the period</b>	<b>29.4</b>	<b>32.7</b>	<b>91.1</b>	<b>94.4</b>
<b>Comprehensive income attributable to:</b>				
Shareholders of the Parent company	26.1	21.4	84.7	80.1
Holdings without a controlling influence	-0.2	0.2	-0.3	0.1
<b>Total comprehensive income for the period attributable to:</b>				
Shareholders of the Parent company	29.5	32.5	91.3	94.3
Holdings without a controlling influence	-0.1	0.2	-0.2	0.1

## Data per share<sup>1)</sup>

	Jan-Mar 2020	Jan-Mar 2019	Rolling 12 months	Jan-Dec 2019
Earnings per share for the period attributable to the shareholders of the parent company, SEK	2.85	2.34	9.25	8.75
Equity per share attributable to the shareholders of the parent company, SEK	60.53	54.67	60.53	57.28
Cash flow from operations per share, SEK	-3.28	-0.18	32.91	36.01
Number of outstanding shares at end of period	9,151,617	9,151,617	9,151,617	9,151,617
Weighted average number of outstanding shares	9,151,617	9,151,617	9,151,617	9,151,617

1) Proact has a long-term performance based share program that could give rise to dilution of maximum 0.44 percent.

## Consolidated Balance Sheet in Brief

Amounts in SEK million	31 March 2020	31 March 2019	31 Dec 2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
Goodwill	532.8	404.8	516.4
Other intangible fixed assets	89.5	65.7	93.2
Tangible fixed assets	391.0	317.2	384.3
Other long-term receivables	365.4	334.8	350.9
Deferred tax receivables	172	16.1	16.2
<b>Current assets</b>			
Inventories	18.9	46.9	20.2
Trade and other receivables	1,104.7	1,075.5	1,122.2
Cash and cash equivalents	289.8	246.0	373.2
<b>Total assets</b>	<b>2,809.3</b>	<b>2,507.0</b>	<b>2,876.7</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to the shareholders of the parent company	553.9	500.3	524.2
Equity attributable to holdings without a controlling influence	1.5	2.0	1.7
<b>Total equity</b>	<b>555.5</b>	<b>502.3</b>	<b>525.9</b>
<b>Long-term liabilities</b>			
Long-term liabilities, interest-bearing	454.5	282.5	453.3
Long-term liabilities, non-interest-bearing	381.9	388.9	379.4
Deferred tax liabilities	274	20.8	28.1
<b>Short-term liabilities</b>			
Short-term liabilities, interest-bearing	133.1	84.5	127.6
Short-term liabilities, non-interest-bearing	1,257.0	1,228.0	1,362.4
<b>Total equity and liabilities</b>	<b>2,809.3</b>	<b>2,507.0</b>	<b>2,876.7</b>

## Consolidated Statement of Changes in Equity

Amounts in SEK million	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
At beginning of period	525.9	469.6	469.6
Total comprehensive income for the period	29.4	32.7	94.4
Dividend	-	-	-38.0
Dividend to holdings without a controlling influence	-	-	-0.3
Financial liability to holdings without a controlling influence	-	-	-
Share savings and share option programs	0.1	-	-
<b>At end of period</b>	<b>555.4</b>	<b>502.3</b>	<b>525.9</b>

Holdings without a controlling influence: Proact Lietuva UAB 26.14 percent.

## Consolidated Cash Flow Statement in Brief

Amounts in SEK million	Jan-Mar 2020	Jan-Mar 2019	Rolling 12 months	Jan-Dec 2019
Cash flow from operating activities before changes in working capital	82.1	28.6	320.6	267.1
Cash flow from changes in working capital	-112.1	-30.3	-19.4	62.4
<b>Cash flow from operating activities</b>	<b>-30.0</b>	<b>-1.7</b>	<b>301.2</b>	<b>329.5</b>
Cash flow from investing activities	-25.3	-24.1	-207.3	-206.2
Cash flow from financing activities	-34.0	-7.3	-54.3	-27.6
<b>Total cash flow for the period</b>	<b>-89.3</b>	<b>-33.1</b>	<b>39.6</b>	<b>95.7</b>
Cash and cash equivalents at beginning of the period	373.2	269.9	246.0	269.9
Currency translation difference in cash and cash equivalents	6.0	9.2	4.3	7.5
<b>Cash and cash equivalents at end of the period</b>	<b>289.9</b>	<b>246.0</b>	<b>289.8</b>	<b>373.2</b>

## Key ratios

	Jan-Mar 2020	Jan-Mar 2019	Rolling 12 mths	Jan-Dec 2019
<b>Total revenue, SEK millions</b>	<b>844</b>	<b>910</b>	<b>3,342</b>	<b>3,408</b>
of which currency effect total revenues, SEK million	12	30	55	72
Currency adjusted total revenues, SEK million	832	880	3,287	3,336
<b>Currency adjusted growth total revenues, %</b>	<b>-8.6</b>	<b>16.0</b>	<b>-5.2</b>	<b>0.5</b>
System revenues, SEK millions	477	629	2,051	2,203
of which currency effect system revenues, SEK million	5	19	28	42
Currency adjusted system revenues, SEK million	472	610	2,024	2,161
<b>Currency adjusted growth total revenues, %</b>	<b>-25.0</b>	<b>26.6</b>	<b>-12.9</b>	<b>-0.6</b>
Services revenues, SEK millions	366	281	1,289	1,203
of which currency effect services revenues, SEK million	7	10	27	30
Currency adjusted services revenues, SEK million	359	270	1,262	1,173
<b>Currency adjusted growth total revenues, %</b>	<b>28.1</b>	<b>-2.1</b>	<b>10.4</b>	<b>3.0</b>
<b>EBITDA, SEK million</b>	<b>82.9</b>	<b>62.3</b>	<b>292.3</b>	<b>271.7</b>
EBITDA margin, %	9.8	6.8	8.7	8.0
Depreciation and write-down on tangible assets, SEK million	-40.2	-30.2	-1476	-1376
<b>EBITA, SEK million</b>	<b>42.6</b>	<b>32.0</b>	<b>144.7</b>	<b>134.2</b>
EBITA margin, %	5.1	3.5	4.3	3.9
Depreciation and write-down on intangible assets, SEK million	-8.5	-6.7	-30.6	-28.7
<b>EBIT, SEK million</b>	<b>34.1</b>	<b>25.3</b>	<b>114.2</b>	<b>105.4</b>
EBIT margin, %	4.0	2.8	3.4	3.1
<b>Profit before tax, SEK million</b>	<b>33.4</b>	<b>26.8</b>	<b>108.3</b>	<b>101.7</b>
Net margin, %	4.0	2.9	3.2	3.0
<b>Profit after tax, SEK million</b>	<b>25.8</b>	<b>21.6</b>	<b>84.4</b>	<b>80.2</b>
Profit margin, %	3.1	2.4	2.5	2.4
Equity	555.5	502.3	555.5	525.9
Total assets	2,809.3	2,507.0	2,809.3	2,876.7
<b>Equity ratio, %</b>	<b>19.8</b>	<b>20.0</b>	<b>19.8</b>	<b>18.3</b>
<b>Capital turnover rate, times</b>	<b>0.3</b>	<b>0.4</b>	<b>1.3</b>	<b>1.3</b>
<b>Return on equity, %</b>	<b>4.8</b>	<b>4.4</b>	<b>16.0</b>	<b>16.1</b>
Financial costs included in net financial items, SEK million	2.8	0.3	13.8	11.3
Capital employed	1,143.1	869.3	1,143.1	1,106.8
<b>Return on capital employed, %</b>	<b>3.2</b>	<b>3.7</b>	<b>12.1</b>	<b>13.2</b>
Investments in fixed assets, SEK million	48.8	72.0	417.5	440.7
<b>Profit before tax per employee, SEK thousands</b>	<b>33.8</b>	<b>33.4</b>	<b>123.5</b>	<b>122.0</b>
Average number of employees	991	801	878	834

For a five-year summary, see Note 2. Definitions of key ratios, see Annual Report 2019.

Key figures Proact reports and monitors the business by are common key figures used by the industry and by companies' listed on Nasdaq Stockholm.

## Parent Company's Income Statement, in brief

Amounts in SEK million	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Net sales	24.7	27.0	100.9
Cost of goods and services sold	-	-	-
<b>Gross profit</b>	<b>24.7</b>	<b>27.0</b>	<b>100.9</b>
Administration expenses	-30.0	-39.8	-125.8
<b>Operating profit</b>	<b>-5.3</b>	<b>-12.8</b>	<b>-24.8</b>
Net financial items	2.8	2.8	64.6
<b>Profit after financial items</b>	<b>-2.6</b>	<b>-10.0</b>	<b>39.8</b>
Provisions	-	-	20.6
<b>Profit before tax</b>	<b>-2.6</b>	<b>-10.0</b>	<b>60.4</b>
Income tax	0.5	2.1	0.2
<b>Comprehensive income for the period</b>	<b>-2.0</b>	<b>-7.8</b>	<b>60.6</b>

## Parent Company's Balance Sheet, in brief

Amounts in SEK million	31 Mar 2020	31 Mar 2019	31 Dec 2019
<b>ASSETS</b>			
Fixed assets	798.5	729.5	792.3
Current assets	123.2	95.0	140.7
<b>Total assets</b>	<b>921.7</b>	<b>824.6</b>	<b>933.0</b>
<b>EQUITY AND LIABILITIES</b>			
Restricted Equity	55.0	53.2	54.8
Non-restricted Equity	307.7	280.9	309.8
<b>Equity</b>	<b>362.7</b>	<b>334.1</b>	<b>364.6</b>
Long-term liabilities	249.2	122.7	243.2
Short-term liabilities	309.8	367.8	325.2
<b>Total equity and liabilities</b>	<b>921.7</b>	<b>824.6</b>	<b>933.0</b>

# Explanatory information

## Note 1 ► Accounting principles

The consolidated accounts for the interim report have been compiled in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU, and the Swedish Annual Accounts Act. The Parent Company's accounts have been compiled in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 (Accounting for Legal Entities). The Group applies the same accounting principles as those described in the annual report for 2019.

### Financial instruments

Proact's financial instruments consist of derivatives, accounts receivable, cash and cash equivalents, accounts payable, accrued trade creditors and interest-bearing liabilities. Derivative instruments are recognized in the balance sheet as per the contract date and are valued at fair value, both initially and in subsequent revaluations. All derivatives are reported continuously at fair value with the value changes reported in the statement of comprehensive income within cost sold for those derivatives that are linked to accounts payable and financial items for the derivatives that are linked to financial leasing contracts. Derivatives are valued at fair value within level 2, i.e. fair value determined on the basis of valuation techniques with observable market data, either directly (as price) or indirectly (hence to price). All other financial assets have been classified as loans and receivables, which includes accounts receivable and cash and cash equivalents. All other financial liabilities have been classified as other financial liabilities valued at amortized cost, which includes accounts payable, accrued supplier costs and liabilities to credit institutions. Liabilities to credit institutions run at variable interest rates, and reported interest rates are on a par with current interest on liabilities to credit institutions and other financial assets and liabilities with short maturities. Based on this, the book values of all financial assets and liabilities are judged to be a reasonable estimate of fair value.

## Note 2 ► Five-year summary

	Apr-Mar 2019/2020	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016 <sup>1)</sup>
Total revenue, SEK million	3,342	3,408	3,318	3,243	2,922
EBITDA, SEK million	292.3	271.7	231.1	218.8	191.4
EBITDA margin, %	8.7	8.0	7.0	6.7	6.6
EBITA, SEK million	144.7	134.2	200.5	188.1	163.9
EBITA margin, %	4.3	3.9	6.0	5.8	5.6
EBIT, SEK million	114.2	105.4	164.5	155.6	137.2
EBIT margin, %	3.4	3.1	5.0	4.8	4.7
Profit before tax, SEK million	108.3	101.7	167.8	151.1	133.7
Net margin, %	3.2	3.0	5.1	4.7	4.6
Profit after tax, SEK million	84.4	80.2	127.3	114.0	96.7
Profit margin, %	2.5	2.4	3.8	3.5	3.3
Equity ratio, %	19.8	18.3	21.2	19.8	18.4
Capital turnover rate, times	1.3	1.3	1.6	1.7	1.7
Return on equity, %	16.0	16.1	29.8	31.8	29.8
Return on capital employed, %	12.1	13.2	29.5	29.2	27.2
Dividend to shareholders of the Parent company, SEK million <sup>2)</sup>	38.0	38.0	34.3	32.4	25.1
Investments in fixed assets, SEK million	417.5	440.7	83.8	166.7	60.5
Financial costs included in net financial items, SEK millions	13.8	11.3	3.9	11.4	8.3
Profit before tax per employee, SEK thousands	123	122	211	189	185
Average number of employees	878	834	797	799	723
Earnings per share for the period, SEK <sup>3)</sup>	9.25	8.75	13.87	12.22	10.32

1) Years prior to 2017 has not been recalculated according to new accounting principles (IFRS 15), which are applied as from January 2018.

2) Relates to the year in which the dividend was executed. For business year 2018 a dividend of SEK 4.15, total SEK 38.0 million, was made. The Board will be proposing to the Annual General Meeting that no dividend should be paid for 2019 business year.

3) Calculated on the basis of the weighted average number of outstanding shares. Proact has a long-term performance based share program that could give rise to dilution of maximum 0.44 percent.