Proact IT Group

Fast comment

German market continues to be challenging

- Cancom Q2 PW and cut FY'25 EBITA guidance by -25%, stock -8%
- Blames reluctant customers, and particularly weak Germany
- Germany is 16% for Proact, we expect no quick recovery

Another profit warning from Cancom

German listed peer Cancom PW'd for Q2 yesterday evening and cut its FY'25 guidance on sales by -4% and EBITA by -25%. It blames "continued reluctancy of customers to buy", especially in its core market Germany. Q2 revenues were flat y-o-y, -3% vs FactSet cons but better than the -7% in Q1, while the new FY sales guidance implies -2% growth vs 2024 (vs previously +2% and FactSet cons at +1%). Stock -8% today.

Slow recovery likely for Proact Germany

Proact has also faced challenges in its German operations (part of segment Central) which represented 16% of sales in 2024, where its average organic growth has been -5% over the last two years. Proact is currently in a restructuring process of its German operations, to adapt to a lower market demand and increased focus on its core offering. This has partly been driven by aggressive price pressure from key competitors Bechtle and Cancom. Given yesterday's negative outlook from Cancom for the rest of the year in Germany, we expect no immediate changes to the competitive landscape, but the market to remain challenging near-term.

Commissioned research

Not rated

IT

PACT-SE/PACT SS

Share price (SEK)	31/7/2025	98.20
MCap (SEKm)		2,661
MCap (EURm)		238
No. of shares (m)		27.1
Free float (%)		72.9
Av. daily volume (k)		16

Next event Q3 Report 24 October 2025

Analyst(s):
daniel.thorsson@abgsc.se, +46 8 566 286 82
simon.granath@abgsc.se, +46 8 566 286 32

SEKm	2023	2024	2025e	2026e	2027e
Sales	4,847	4,864	4,697	4,891	5,035
Sales growth (%)	*1.9*	*0.3*	*-3.4*	*4.1*	*2.9*
EBITDA	458	510	430	493	528
EBITDA margin (%)	*9.5*	*10.5*	*9.1*	*10.1*	*10.5*
EBIT adj.	247	296	237	269	302
EBIT adj. margin (%)	*5.1*	*6.1*	*5.0*	*5.5*	*6.0*
Pretax profit	218	278	194	259	292
EPS	6.32	8.14	5.72	7.34	8.28
EPS growth (%)	*-9.5*	*28.9*	*-29.8*	*28.3*	*12.8*
EPS adj.	8.42	9.76	8.47	9.14	10.04
DPS	2.00	2.40	1.73	2.20	2.48
EV/EBITDA (x)	5.8	4.6	5.5	4.3	3.7
EV/EBIT adj. (x)	10.7	7.9	9.9	7.9	6.4
P/E (x)	15.5	12.1	17.2	13.4	11.9
P/E adj. (x)	11.7	10.1	11.6	10.7	9.8
EV/sales (x)	0.54	0.48	0.50	0.44	0.38
FCF yield (%)	17.3	17.9	2.5	14.4	15.4
Le. adj. FCF yld. (%)	12.9	12.8	-2.7	9.3	10.2
Dividend yield (%)	2.0	2.4	1.8	2.2	2.5
Net IB debt/EBITDA (x)	-0.1	-0.6	-0.7	-1.0	-1.3
Le. adj. ND/EBITDA (x)	-0.9	-1.5	-1.6	-2.0	-2.3

Source: ABG Sundal Collier, Company Data

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Norway
Ruseløkkveien 26, 8th floor
0251 Oslo
Norway
Tel: +47 22 01 60 00
Fax: +47 22 01 60 60

Sweden
Regeringsgatan 25, 8th floor
111 53 Stockholm
Sweden
Tel: +46 8 566 286 00
Fax: +46 8 566 286 01

USA
140 Broadway, Suite 4604
New York, NY 10005
USA
Tel. +1 212 605 3800
Fax. +1 212 605 3801

Germany
Schillerstrasse 2, 5. OG
60313 Frankfurt
Germany
Tel +49 69 96 86 96 0
Fax +49 69 96 86 96 99

Denmark
Forbindelsesvej 12,
2100 Copenhagen
Denmark
Tel: +45 35 46 61 00
Fax: +45 35 46 61 10

United Kingdom
10 Paternoster Row, 5th floor
London EC4M 7EJ
UK
Tel: +44 20 7905 5600
Fax: +44 20 7905 5601

Singapore
10 Collyer Quay
Ocean Financial Center
#40-07, Singapore 049315
Tel +65 6808 6082

Switzerland
ABG Sundal Collier AG
Representative Office
Schwanenplatz 4
6004 Lucerne
Switzerland
Tel +41 79 502 33 39