Proact IT Group

Fast comment

Commissioned research

Not rated

18% adj. EBITA beat in Q3

- -5% organic growth (cons -7%) and adj. EBITA +18% vs cons
- Cloud orders up 142% y-o-y, Nordics & Baltics and the UK strongest
- Estimates up 4-6%, share likely to outperform post recent weakness

Q3 details

Sales SEK 1,084m (4% vs ABG 1,037m, no cons). Adj. EBITA 76m (18% vs ABG 65m), Adj. EBITA margin 7.0% (ABG 6.2%). Organic growth -5% (vs ABG -7%), of which system sales -8% (ABG -10%) and services 0% (ABG -3%). Adj. EBITA -4% y-o-y (ABG -19%) on a tough comp and a weaker market, off-set by cost reductions. Better than expected on both revenues streams, and 6% lower opex. OCF at SEK -28m (83m in Q3'24) is a bit soft.

Nordics & Baltics and the UK strongest in the group

Nordics & Baltics leading the way, UK develops positively while West (Netherlands) and Central (Germany) remained challenging. Cautiously optimistic outlook highlighting the local partner presence for US vendors as a positive in the geopolitical landscape, as well as continuously looking for cost improvements. Cloud order intake of SEK 248m in Q3 is up 142% y-o-y and considered very strong.

Estimates up 4-6%, share to outperform

We expect consensus to raise adj. EBITA by 4-6% and share likely to outperform the market today similarly (+5-10%) post recent weakness (share -19% last 6 months). Conf call at CET 9.30.

Deviation

SEKm	Q3'24	ABGe Q3'25e	Q3'25	Deviation SEKm	Deviation %
System sales	616	534	555	21	4%
Service Sales	515	502	528	26	5%
Other	2	1	0	-1	-90%
Total revenues	**1,133**	**1,037**	**1,084**	**46**	**4%**
COGS	-859	-792	-822	-30	4%
Gross profit	**274**	**245**	**261**	**17**	**7%**
Sales and marketing	-116	-114	-106	8	-7%
Admin. costs	-93	-83	-91	-8	10%
Non-recurring items	*0*	*0*	*0*	0	*na*
EBITDA	119	105	113	8	8%
EBITA	79	65	76	11	18%
Adj EBITA	**79**	**65**	**76**	**11**	**18%**
EBIT	65	48	65	17	35%
Adj EBIT	**65**	**48**	**65**	**17**	**35%**
Financial net	-3	-3	-20	-17	na
EBT	62	45	45	0	0%
Adj EBT	**62**	**45**	**45**	**0**	**0%**
Tax	-10	-11	-8	2	-23%
Net profit before minority	**52**	**34**	**37**	**2**	**7%**
Minority	0	0	0	0	*na*
Net profit	**52**	**34**	**37**	**2**	**7%**
EPS	1.92	1.29	1.39	0.10	8%
DPS					
Revenue growth yoy	6.3%	-8.4%	-4.3%		
Growth yoy excl. FX and acq.	**8.8%**	**-6.8%**	**-4.5%**		**2.3%**
Adj. EBITA growth yoy	9.1%	-18.5%	-4.0%		
Gross margin	24.2%	23.6%	24.1%		
EBITA margin	7.0%	6.2%	7.0%		
Adj. EBITA margin	**7.0%**	**6.2%**	**7.0%**		**0.8%**
EBT margin	5.5%	4.4%	4.2%		
Adj. EBT margin	5.5%	4.4%	4.2%		
System sales	**616**	**534**	**555**	**21**	**4%**
Growth yoy	18%	-13%	-10%		
Organic growth yoy	20%	-10%	-8%		2%
Share of total revenues	54%	52%	51%		
Services sales	**515**	**502**	**528**	**26**	**5%**
Growth yoy	-5%	-3%	3%		
Organic growth yoy	-2%	-3%	0%		3%
Share of total revenues	45%	48%	49%		

Source: ABG Sundal Collier, company data

IT

PACT-SE/PACT SS

Share price (SEK)	23/10/2025	93.40
MCap (SEKm)		2,531
MCap (EURm)		232
No. of shares (m)		27.1
Free float (%)		72.9
Av. daily volume (k)		16

Next event Q3 Report 24 October 2025

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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)	5.5	4.4	5.2	4.1	3.4
EV/EBIT adj. (x)	10.2	7.5	9.4	7.5	6.0
P/E (x)	14.8	11.5	16.3	12.7	11.3
P/E adj. (x)	11.1	9.6	11.0	10.2	9.3
EV/sales (x)	0.52	0.46	0.47	0.41	0.36
FCF yield (%)	18.2	18.8	2.6	15.2	16.2
Le. adj. FCF yld. (%)	13.6	13.5	-2.8	9.7	10.7
Dividend yield (%)	2.1	2.6	1.8	2.4	2.7
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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