

PCM to Further Expand into Europe?

Written by Frederick Douglas
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US reseller PCM might expand further into Europe, as its successful UK arm brings sales worth \$62.4 million for 2018, an increase of 410% over 2017 sales of \$12.2m. In comparison, overall 2018 sales are flat at \$2.2 billion.



The UK business was launched back in April 2017, and accounts to 3% of overall sales for the reseller.

During the earnings call, CEO Frank Khulusi was asked about potential expansion towards Europe-- something the reseller does not appear to rule out, considering the current situation with Brexit.

"It depends on what deal ends up being struck," Khulusi says. "There's always been a wish on the table from both sides, both the EU side and UK side to continue to have trades very open. But we don't know what we don't know about where that's going to land. And we hope that it's going to land in an area, where we can continue to transact very openly within Europe."

Khulusi continues that, from a longer-term perspective, PCM can do things within Ireland, as well as "other places" allowing the reseller to leverage any opportunities in the rest of Europe. As such, the company appears to be not too worried about what will happen once the UK leaves the European Union, unless the UK economy takes a major hit. After all, the majority of PCM European revenues come from the UK.

CFO Brandon LaVerne adds UK revenues should grow further once the company wins places

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on public sector frameworks, which make a "significant piece of business." Currently PCM UK is not on the major contracts, leading to lower-margin sales, and it takes time to enter into contracts with the larger accounts.

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