Q4

YEAR-END REPORT

SEPTEMBER 1, 2018 – AUGUST 31, 2019

Interim Report September 2018 – August 2019

”Continued strengthened market position during the quarter”

Fourth quarter

- Net sales rose 19.9 per cent to SEK 3,026 million (2,524).
- Organic growth was 11.2 per cent (neg: 4.7) of which SMB accounted for 2.3 per cent (8.0), LCP for 20.8 per cent (neg: 13.4) and B2C for 0.7 per cent (1.1).
- The gross margin was 16.2 per cent (16.5).
- Adjusted EBITA increased to SEK 120 million (119), corresponding to an adjusted EBITA margin of 4.0 per cent (4.7).
- EBIT totalled SEK 102 million (107), including items affecting comparability of SEK 3 million (4).
- Profit for the quarter was SEK 73 million (71).
- Earnings per share before dilution totalled SEK 0.83 (0.90).
- Cash flow from operating activities amounted to SEK 71 million (59).

September 2018-August 2019

- Net sales rose 21.7 per cent to SEK 12,536 million (10,300).
- Organic growth was 9.9 per cent (2.0), of which SMB accounted for 4.0 per cent (9.6), LCP for 16.5 per cent (neg: 3.8) and B2C for a negative 3.9 per cent (pos: 7.9).
- The gross margin rose to 16.7 per cent (15.9).
- Adjusted EBITA totalled SEK 560 million (501), corresponding to an adjusted EBITA margin of 4.5 per cent (4.9).
- EBIT totalled SEK 489 million (444), including items affecting comparability of 3.5 million (1).
- Profit for the period amounted to SEK 356 million (305).
- Earnings per share before dilution totalled SEK 4.12 (3.91).
- Cash flow from operating activities amounted to SEK 264 million (748).
- At the end of the period, net debt in relation to adjusted EBITDA over the past 12-month period was 2.9 (3.3 at the end of 2017/18).
- The Board of Directors proposes a total dividend of SEK 266 million (239), corresponding to SEK 3.00 (2.71) per share outstanding.

Financial key ratios

All amounts in SEK million, unless otherwise indicated	Q4 18/19	Q4 17/18	Full-year 18/19	Full-year 17/18
Net sales	3,025.7	2,524.2	12,535.7	10,300.5
Organic sales growth (%)	11.2	-4.7	9.9	2.0
Gross margin (%)	16.2	16.5	16.7	15.9
Adjusted EBITA	120.1	118.8	559.7	500.6
Adjusted EBITA margin (%)	4.0	4.7	4.5	4.9
EBIT	101.6	107.3	489.1	443.8
Profit for the period	73.4	70.5	356.2	305.1
Items affecting comparability*	3.2	3.6	3.5	1.0
Earnings per share, including discontinued operations, before dilution, (SEK)**	0.83	0.90	4.12	3.91
Cash flow from operating activities	70.8	59.1	264.0	747.9
Net debt/adjusted EBITDA (multiple)*	-	-	2.9	3.3
Return on equity (%)***	-	-	14.5	18.5

For definitions, refer to page 27.

* Refer to note 4 Items affecting comparability for more information.
** Key ratios have been restated in comparative periods to take into account and conditions of the new share issue carried out in November 2018.
*** Reduction attributable to new share issue carried out in November 2018.

Continued strengthened market position during the quarter

We are closing the financial year with strong sales growth of 20 per cent in the fourth quarter, of which just over 11 per cent was organic. Growth is continued to be driven by the strong volume trend in the public sector, while sales to the B2B market were somewhat cautious during the quarter. Adjusted EBITA increased slightly to SEK 120 million. The adjusted EBITA margin was impacted by a continued high share of sales with lower margins to the public sector. In addition, the relatively higher cost base we have built up as part of our transformation towards a higher proportion of service sales has had an effect on margin.

Continued strong growth
Net sales rose 19.9 per cent to SEK 3,026 million, corresponding to organic growth of 11.2 per cent. The LCP segment reported organic growth of 20.8 per cent, driven by a continued strong volume trend in the public sector. The SMB segment reported organic growth of 2.3 per cent due to a modest market situation. Data from the intelligence firm IDC shows that the hardware market in the Nordic region declined between 2 and 3 per cent in the second quarter of 2019.

Sales mix and investments impact profitability
Adjusted EBITA for the quarter increased to SEK 120 million (119). The adjusted EBITA margin declined to 4.0 per cent (4.7) which, in line with the preceding quarter, was mainly attributable to a changed sales mix with a high share of sales to the public sector with lower profitability. Our transformation and efforts to strengthen our delivery capacity for services and solutions have driven the cost base up, and subsequently impacted the margin trend compared with the year-earlier quarter. Sequentially, compared with the third quarter, the adjusted EBITA margin improved slightly despite a generally more cautious market.

Integration generates economies of scale
In order to fully benefit from our acquired expertise in services and solutions, and to continue the development of our offering and generate economies of scale in the service business, we accelerated the pace of integration of our previously acquired operations into Dustin. As a result of these intensified efforts, we finalised the integration of Saldab with Dustin on September 1 both organizationally and brand-wise,, which is the largest acquisition we have integrated to date.

Investments in enhanced efficiency
Increased investment in the sales and delivery organisation during the financial year was a direct consequence of the transformation that we are now undergoing towards a higher proportion of service sales. As part of this work, we standardize and package the service offering to enable online sales over time. We have a strong focus on constantly enhancing the efficiency of our processes and our way of working. We are now working to optimise the structure of our small data centres and sites that accompanied earlier acquisitions, to enhance the efficiency of these over time and thereby reducing our costs. This optimisation will also reduce our energy consumption and therefore our climate impact, in line with our corporate responsibility efforts.

Progress in our corporate responsibility efforts
We made a great deal of progress with our take back serivce during the year, and due to the sharp increase, we have already achieved our target for 2020. Since 90 per cent of the recovered products have been reusable, this has helped to lower CO_2 emissions when reducing production of new units. In our focus area of responsible manufacturing, we have continued our facility audits, became a member of the Responsible Business Alliance (RBA) and taken a step further throughout the supply chain by requiring adoption of our Supplier Code of Conduct from the manufacturers as well.

The Board's dividend proposal
The Board of Directors proposes a dividend of SEK 3.00 (2.71) per share, corresponding to a total divided of SEK 266 million (239), which is in line with our dividend policy to distribute more than 70 per cent of net profit. At the end of the period, our net debt in relation to adjusted EBITDA was 2.9, which is within our financial target for net debt of 2.0-3.0.

Summary of the financial year
To summarise, Dustin performed well during the 2018/19 financial year and our long-term outlook is positive, despite a slightly cautious market in the near term. The acquisitions we completed during the year complement and broaden our customer offering and provide opportunities for moving up the value chain. We increased the pace of our integration and, as part of our transformation, made investments in our service organisation, which will impact our margins in the short term. The investments will make a positive contribution as the share of software and services increases, and these rose to 16 per cent (12) during the financial year. Our financial position remains favourable and we are well-equipped for continued profitable growth, both organically and through acquisitions. I would also like to take this opportunity to thank all our employees for a very good job that strengthened our position during the year.

Nacka, October 2019

Thomas Ekman
President and CEO

Dustin in brief

Dustin is a leading online IT partner in the Nordic region, with a wide range of hardware, software and related services and solutions. Our centralised warehouse along with an efficient logistics and online platform ensure fast and reliable delivery. By adding high-level IT expertise, we act as a strategic IT partner primarily for small and medium-sized businesses, but also for large-sized businesses, the public sector and consumers. The acquisition of Vincere at the end of the financial year 2017/18 provides us with a strong position in the Netherlands, primarily in advanced products and services.

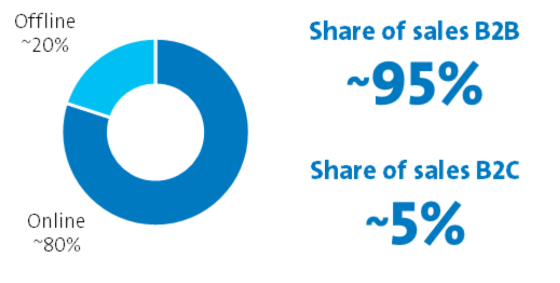
Dustin applies a multi-channel business model, where most sales are online, supplemented by relationship and consultative selling over the phone or through customer visits. Dustin conducts operations in Sweden, Denmark, Finland, Norway and the Netherlands through three business segments, SMB (Small and Medium-sized Businesses), LCP (Large Corporate and Public Sector) and B2C (Business to Consumer).

As the leading B2B e-retailer with our efficient online platform in the Nordic region and through our operations in the Netherlands, Dustin has created a strong market position, since more and more sales of both products and core services are now taking place online. The operations are supported by scalable and shared central functions, including the online platform, purchasing, warehousing and logistics, pricing, marketing, IT and HR.

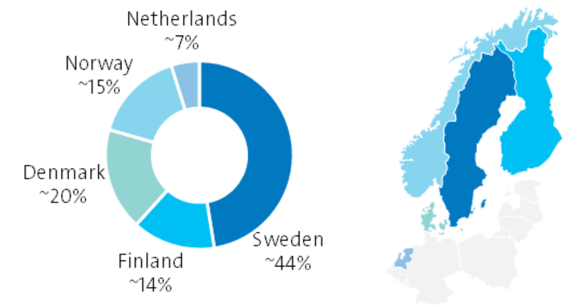
We see increasing demand for more advanced and managed services as demand on mobility and accessibility grow. By combining products and services into integrated solutions, and by adding more advanced services through acquisitions, we are continuously expanding our customer offering and our market. We are able to solve more and more of our customers' IT needs, which is in line with our vision.

Responsible business is a prerequisite for a sound and successful company. For us, responsible business encompasses the Group's long-term impact on society and the environment, where our responsibility extends throughout the entire value chain. The size of our operations provides us with a key role and an opportunity to influence both suppliers and customers. We focus on making sustainable IT more accessible to our customers.

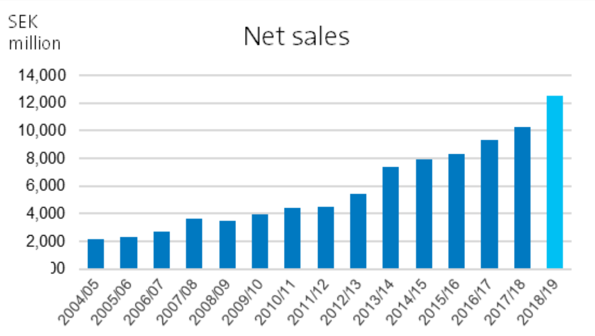
Dustin Group AB is a Swedish public limited company with its head office in Nacka Strand. The share was listed on Nasdaq Stockholm's Mid Cap Index in 2015.

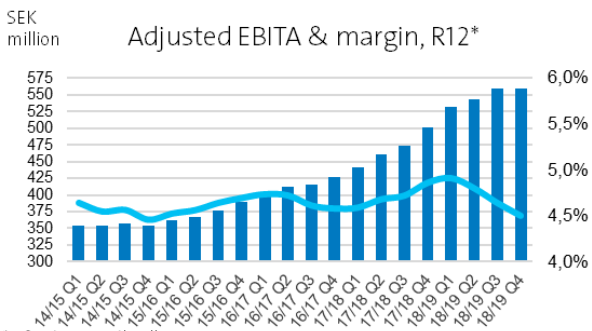


Distribution refers to integrated operations 2018/19.



Distribution refers to sales 2018/19.





**Refers to 12 month rolling*

Vision and Mission

Vision
To be the customer's first choice and set the standard for efficient and sustainable IT.

Mission
To make it possible for our customers to focus on their core business.

Brand promise
Dustin solves your IT challenges.

Financial targets

Dustin's Board of Directors has established the following financial targets:

Growth
Dustin's target is to achieve average annual organic growth of 8 per cent over a business cycle.
In addition to this, Dustin intends to expand through acquisitions.

Margin
Dustin's target is to increase the adjusted EBITA margin over time, and to achieve an adjusted EBITA margin of 5-6 per cent in the medium term.

Capital structure
Dustin's capital structure should enable a high degree of financial flexibility and provide scope for acquisitions. The company's net debt target is a 2.0–3.0 multiple of adjusted EBITDA for the past 12-month period.

Dividend policy
Dustin's dividend payout target is 70 per cent of net profit. However, the company's financial position, cash flow, acquisition opportunities and prospects should be taken into consideration.

Our corporate responsibility efforts

Dustin integrates corporate responsibility aspects as a natural part of all of its operations in order to promote responsible business and to help customers make more sustainable choices.

For us, responsible business encompasses the entire Group's long-term impact on society and the environment. Our responsibility extends throughout the value chain, from manufacturing and transportation to how the products are used, reused and recycled.

Five focus areas where we make a difference
Dustin has identified five focus areas that we continuously monitor and develop within the scope of our corporate responsibility programme: Responsible manufacturing, Reduced climate impact, Responsible use of resources, Business ethics and anti-corruption as well as Diversity and equality.

Progress in the fourth quarter
As part of its responsible manufacturing focus area, Dustin performs regular factory inspections in China. In the fourth quarter, 7 (4) inspections were carried out. All of the audits were led by Dustin's sustainability team, together with local experts trained in our Supplier Code of Conduct. The audits identified non-compliances, which are being systematically addressed and followed up. Most of the non-compliances were minor, and no zero-tolerance non-compliances were revealed during the audits.

We work continuously to ensure that new suppliers adopt Dustin's Supplier Code of Conduct and that they implement a risk assessment to evaluate their ability to comply with the Code.

In the responsible use of resources focus area, Dustin has an interim target to collect 38,000 products as end-of-life returns during the 2018/19 financial year. In the fourth quarter, 36,030 products (15,597) were collected, of which 34,578 were reused and the remaining 1,452 recycled. At the end of the fourth quarter, a total of 83,540 (35,342) products had been collected during the financial year, and a total of 147,828 since 2014/15. As a result, the targets for both 2019 and 2020, totalling 140,000 products, have been surpassed.

	Q4 18/19	Q4 17/18	Full-year 18/19	Full-year 17/18
Share of suppliers* that have adopted the Code of Conduct	99.6%	99.8%	99.6%	99.8%
Share of suppliers* that have completed a risk assessment	95.7%	96.0%	95.7%	96.0%
Number of end-of-life returns during the period	36,030	15,597	83,540	35,342

* Refers to hardware suppliers with an annual purchase volume of over SEK 200,000.

Financial overview

Income statement items and cash flows are compared with the year-earlier periods. Balance-sheet items pertain to the position at the end of the period and are compared with the corresponding year-earlier date. The quarter pertains to June-August 2019.

Fourth quarter

Net sales

Net sales for the quarter increased 19.9 per cent to SEK 3,026 million (2,524). Organic growth was 11.2 per cent (neg: 4.7), of which SMB accounted for 2.3 per cent (8.0), LCP for 20.8 per cent (neg: 13.4) and B2C for 0.7 per cent (1.1). Acquired growth was 7.7 percentage points (12.6) and exchange-rate differences had a positive impact of 0.9 percentage points (3.7).

Gross profit

During the quarter, gross profit rose SEK 72 million to SEK 489 million (417), corresponding to 17.2 per cent. The gross margin declined to 16.2 per cent (16.5), mainly the result of a changed sales mix with a higher share of sales with lower profitability to the public sector.

Adjusted EBITA

Adjusted EBITA for the quarter increased 1.1 per cent to SEK 120 million (119). The adjusted EBITA margin was 4.0 per cent (4.7), primarily due to a changed sales mix in the LCP segment with a higher share of sales with lower margins to the public sector. A higher cost level due to investments in the sales and delivery organisation for services and solutions had a negative impact on the margin. Adjusted EBITA excluded items affecting comparability of SEK 3 million (4), which are specified in Note 4 Items affecting comparability. For a comparison of adjusted EBITA and EBIT, see Note 2 Segments.

EBIT

Operating profit amounted to SEK 102 million (107). Operating profit included items affecting comparability of SEK 3 million (4) which, during the quarter, primarily pertained to positive effects of SEK 13 million (14) from the change in acquisition-related liabilities. Operating profit also included acquisition costs of SEK 6 million (10), and SEK 4 million (-) related to costs for development of the IT platform to support online retail in the Netherlands. Online retail is expected to be launched at the end of 2019. For more information, refer to Note 4 Items affecting comparability.

Financial items

Financial expenses amounted to SEK 11 million (25). The change compared with the previous quarter was due to borrowing expenses of 14 million in the preceding year in connection with conclusion of a new bank agreement. During the quarter, expenses mainly pertained to external financing costs of SEK 10 million (8). Other financial expenses primarily related to the discounting of acquisition-related liabilities of SEK 1 million (1). Financial income amounted to SEK 0.2 million (0.2).

Tax

Tax expense for the quarter was SEK 17 million (12), corresponding to an effective tax rate of 19.0 per cent (15.0). The low effective tax rate is mainly due to non-taxable profit effects from the adjustment of acquisition-related liabilities during the quarter.

Profit for the quarter

Profit for the quarter was SEK 73 million (71). Earnings per share were SEK 0.83 (0.90) before dilution and SEK 0.83 (0.89) after dilution.

Cash flow

Cash flow for the quarter was SEK 54 million (neg: 121). The change was mainly attributable to completed acquisitions amounting to a negative SEK 703 million and refinancing totalling SEK 559 million during the preceding year.

Cash flow from operating activities was SEK 71 million (59). Cash flow from changes in working capital was a negative SEK 22 million (neg: 38). For information about working capital, refer to the Net working capital section.

Cash flow from investing activities was a negative SEK 17 million (neg: 739). The change was due to acquisitions completed in the preceding year. Cash flow from investments in tangible and intangible assets was a negative SEK 17 million (neg: 22), of which a negative SEK 7 million (neg: 5) pertained to investments in the IT platform and a negative SEK 10 million (neg: 17) mainly pertained to investments in hardware for data centres and in vehicles.

Cash flow from financing activities was a negative SEK 0.4 million (pos: 559), mainly comprising a finance lease liability totalling SEK 0.6 million (0.7). The change was mainly due to effects of SEK 560 million from the net change in loans raised during the preceding year.

Significant events in the fourth quarter

Dustin began working to optimise the structure of the company's small data centres and sites that accompanied earlier acquisitions, to gradually enhance their operational efficiency.

Dustin decided to invest in increased automation of the central warehouse in Rosersberg outside Stockholm. The automation is expected to be implemented during the 2019/20 financial year.

September 1, 2018-August 31, 2019 period

Net sales
During the year, net sales rose 21.7 per cent to SEK 12,536 million (10,300). Organic growth was 9.9 per cent (2.0), of which SMB accounted for 4.0 per cent (9.6), LCP for 16.5 per cent (neg: 3.8) and B2C for a negative 3.9 per cent (pos: 7.9). Acquired growth was 9.9 percentage points (7.3) and exchange-rate differences had a positive impact of 1.9 percentage points (1.4).

Gross profit
During the year, gross profit rose SEK 452 million to SEK 2,089 million (1,637), corresponding to 27.6 per cent. The gross margin rose to 16.7 per cent (15.9), mainly due to a more favourable sales mix with a higher proportion of services and solutions, primarily attributable to completed acquisitions and a positive sales trend for private label goods. A changed sales mix with a higher share of sales with lower profitability to the public sector slightly dampened the margin trend.

Adjusted EBITA
During the year, adjusted EBITA rose 11.8 per cent to SEK 560 million (501). The adjusted EBITA margin was 4.5 per cent (4.9). The weaker margin was attributable to the changed sales mix and a higher cost level due to investments in the sales and delivery organisation for services and solutions during the year. Adjusted EBITA excluded items affecting comparability of SEK 4 million (1), which are specified in Note 4 Items affecting comparability. For a comparison of adjusted EBITA and EBIT, see Note 2 Segments.

EBIT
Operating profit amounted to SEK 489 million (444). Operating profit included items affecting comparability of SEK 4 million (1) which, during the period, mainly comprised a positive effect of SEK 48 million (24) from a change in acquisition-related liabilities, acquisition-related expenses of SEK 26 million (20) and costs for the development of the IT platform to support online retail in the Netherlands of SEK 18 million (-). For more information, refer to Note 4 Items affecting comparability.

Financial items
Financial expenses for the year amounted to SEK 45 million (60), and mainly pertained to borrowing costs of SEK 38 million (54) for external financing. Other financial expenses primarily related to the discounting of acquisition-related liabilities of SEK 4 million (4). Financial income amounted to SEK 0.8 million (1).

Tax
Tax expense for the year was SEK 89 million (79), corresponding to an effective tax rate of 19.9 per cent (20.7). The low effective tax rate was mainly due to non-taxable profit effects from earn-out adjustments during the period.

Profit for the year
Profit for the year totalled SEK 356 million (305). Earnings per share were SEK 4.12 (3.91) before dilution, and SEK 4.11 (3.89) after dilution.

Cash flow
Cash flow for the year was SEK 15.4 million (231).

Cash flow from operating activities was SEK 264 million (748), with the year-on-year decline mainly attributable to changes in working capital. During the period, the effect of changes in working capital was a negative SEK 126 million (pos: 386), with the negative year-on-year change primarily due to a major effect from an increase in accounts payable at the end of the preceding year. The cash flow was also adversely impacted by changes in working capital from a high proportion of accounts receivable at the end of the period, which was subsequently attributable to high sales in LCP at the end of the period. For further information regarding working capital, refer to the Net working capital section.

Cash flow from investing activities was a negative SEK 642 million (neg: 1,127). Purchase considerations of SEK 536 million (neg: 1,023) attributable to completed acquisitions were paid during the period, of which SEK 55 million was attributable to Norisk B.V., SEK 250 million to Inventio.IT A/S and SEK 231 million to the acquisition of Chilit Oy. During the period, contingent earn-outs were paid relating to JML-System AB (SEK 20 million), Core Services AS (SEK 6 million) and IKT Gruppen AS (SEK 5 million). Investments in tangible and intangible assets amounted to a negative SEK 80 million (neg: 52), of which a negative SEK 32 million (neg: 23) pertained to investments in the IT platform and a negative SEK 47 million (neg: 29) was primarily related to investments in hardware for data centres, purchases of computers for internal use and cars.

Cash flow from financing activities amounted to SEK 393 million (611) and was mainly due to effects from the completed rights issue of SEK 681 million (-) and shareholder dividends of SEK 239 million (213). During the period, a liability to a credit institution of SEK 59 million in the acquired company Chilit Oy was repaid as well as a drawn credit facility of SEK 12 million. The period was also positively impacted in an amount of SEK 29 million (55) by cash flow effects from the long-term incentive (LTI) programme.

Net working capital
At year-end, net working capital amounted to a negative SEK 68 million (neg: 192). The change in net working capital compared with the preceding year is mainly the result of higher accounts receivable due to increased business volumes and completed acquisitions. In addition, the inventory increased slightly, mainly attributable to a higher proportion of private label goods, while accounts payable increased due to higher business volumes.

SEK Million	Aug 31, 2019	Aug 31, 2018
Inventories	465.7	395.8
Accounts receivable	1,460.4	1,272.6
Tax assets and other current receivables	313.9	191.8
Accounts payable	-1,712.3	-1,568.5
Tax liabilities and other current liabilities	-595.3	-483.6
Net working capital	**-67.6**	**-192.0**

Net debt and cash and cash equivalents

At the end of the period, net debt amounted to SEK 1,736 million (1,731). In total, cash and cash equivalents amounted to SEK 281 million (278). At the end of the period, there was also an unutilised overdraft facility of SEK 270 million (270) and an unutilised credit facility of EUR 5 million (5) in the Dutch operations.

At the end of the period, net debt in relation to adjusted EBITDA over the past 12-month period was 2.9 (3.3).

SEK million	Aug 31, 2019	Aug 31, 2018
Non-current liabilities	2,006.1	1,984.8
Current liabilities to credit institutions	-	12.6
Finance lease liabilities	11.5	10.9
Cash and cash equivalents	-281.3	-277.6
Net debt	**1,736.4**	**1,730.6**

Employees

The average number of full-time employees during the period was 1,731, compared with 1,152 in the year-earlier period. The increase was primarily attributable to acquisitions during the period.

Events after the balance-sheet date

Merger with Saldab IT AB

In September, the Swedish subsidiary Saldab IT AB was merged with Dustin Sverige AB. The merger is a step in further integration of the businesses into the shared IT platform. After the merger, the company will operate under the Dustin brand.

Parent Company

Dustin Group AB (Corp. Reg. No. 556703-3062), which is domiciled in Nacka, Sweden, only conducts holding operations. Furthermore, external financing is gathered in the Parent Company.

During the period, net sales amounted to SEK 0.4 million (0.4) and profit totalled SEK 166 million (366). The change was mainly attributable to the net currency position due to external financing, which amounted to SEK 21 million (133) during the period. The Group applies hedge accounting, whereby the net currency position is recognised against equity.

Risks and uncertainties

Dustin has a structured and Group-wide process to identify, classify, manage and monitor a number of strategic, operative and external risks.

- The strategic risks are normally identified in conjunction with risk discussions linked to a strategic initiative. These risks include acquisition and integration projects and the preparation of profitable and attractive customer offerings.
- Operational risks arise in the business and are identified mainly through process reviews. These risks include the ability to attract and retain customers.
- External risks consist of risks that are outside the direct control of the Group. These risks include regulatory changes or changed market conditions.

For a detailed description of the risks that are expected to be particularly significant for the future development of the Group, refer to pages 58-63 of Dustin's 2017/18 Annual Report.

The share

The Parent Company's share has been listed on Nasdaq Stockholm since February 13, 2015, and is included in the Mid Cap index. At August 31, 2019, the price was SEK 80.9 per share (90.10), corresponding to a total market capitalisation of SEK 7,172 million (6,958).
At August 31, the company had a total of 7,191 shareholders (6,534). The company's three largest shareholders were Axel Johnson Gruppen with 25.9 per cent, AMF Försäkring & Fonder with 9.8 per cent and Swedbank Robur Fonder with 9.1 per cent. Dustin's shareholder register with the largest shareholders is presented on the company's website.

During the period, a rights issue was conducted and the long-term incentive programme LTI 2016 was exercised. As a result, the number of shares increased from 77,226,502 to 88,647,339, while the share capital increased by SEK 55 million and the share premium reserve by SEK 626 million. LTI 2016 represents an increase of SEK 2 million in the share capital, and SEK 23 million in the share premium reserve.

Capital Markets Day 2019

Dustin will hold a Capital Markets Day for investors, analysts and media representatives at the Group's Logistics Center in Rosersberg outside Stockholm on Thursday, November 28, 2019. The purpose is to give a detailed presentation of Dustin's operations, strategy and financial performance. The day includes themes such as the transformation towards an increased proportion of managed and cloud-based services, the operations in the Netherlands, the company's strong position online as well as the progress within the Corporate Responsibility area. In addition, the acquisition strategy and some of the latest acquisitions will be highlighted.

2018/19 Annual General Meeting

Dustin's Annual General Meeting (AGM) will be held in Stockholm on December 11, 2019. Shareholders who wish to have matters considered should submit a written request to the Board by October 23, 2019 to ensure that the matter is included in the notice convening the AGM. Requests by mail should be addressed to: Dustin Group AB (publ) Att: Sara Edlund Box 1194, SE-131 27 Nacka Strand or by e-mail to: sara.edlund@dustin.se.

Nomination Committee for the 2018/19 AGM

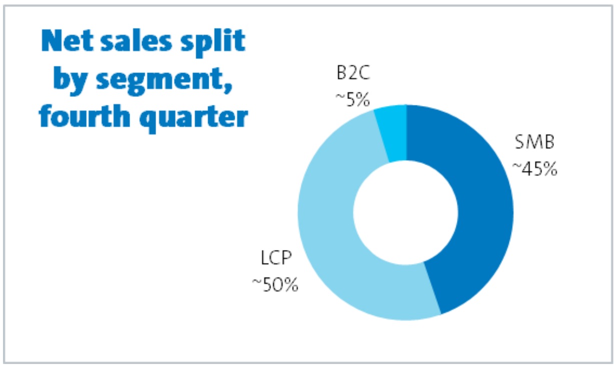
The Nomination Committee for the AGM on December 11, 2019 consists of the following members:

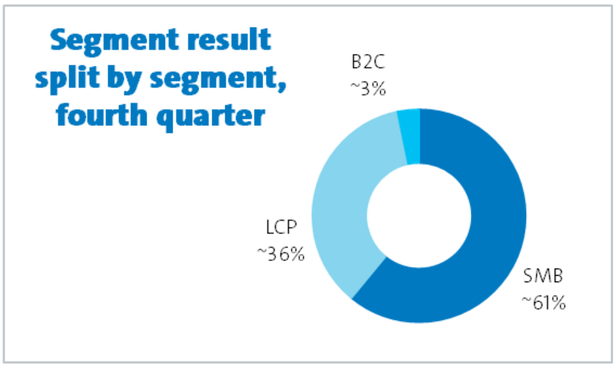
- Caroline Berg, Axel Johnson AB/Axmedia AB, Chairman of the Nomination Committee
- Lennart Francke, Swedbank Robur Funds
- Tomas Risbecker, AMF Försäkring & Fonder
- Mia Brunell Livfors, Chairman of Dustin's Board of Directors (co-opted)

Shareholders wishing to submit proposals to the Nomination Committee can do so by mail at the following address: Dustin Group AB (publ), Att: Sara Edlund Box 1194, SE-131 27 Nacka Strand or by e-mail to: sara.edlund@dustin.se.

Review of the business segments

Dustin operates in three business segments: SMB (Small and Medium-sized Businesses), LCP (Large Corporate and Public sector) and B2C (Business to Consumer). Within the SMB and LCP segments, customers are served through both the online platform and relationship selling. In the B2C segment, customers are served through the online platform.





SMB - Small and Medium-sized Businesses

SEK million	Q4 18/19	Q4 17/18	Change %	Full-year 18/19	Full-year 17/18	Change %
Net sales	1,353.4	1,154.4	17.2	5,532.9	4,375.1	26.5
Segment results	134.7	131.7	2.3	584.4	508.2	15.0
Segment margin (%)	10.0	11.4	-	10.6	11.6	-

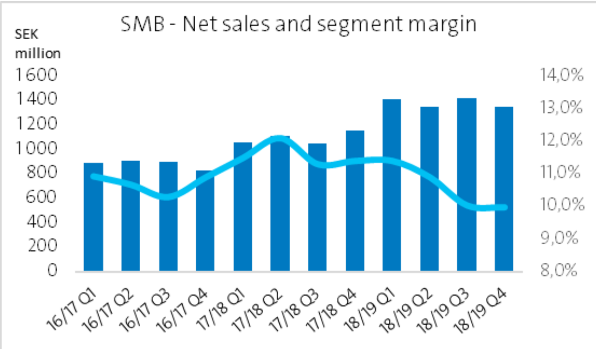
Net sales

Net sales for the quarter rose 17.2 per cent to SEK 1,353 million (1,154), with 14.0 percentage points of the increase compared with the year-earlier quarter attributable to completed acquisitions and divestments, and 0.9 percentage points to exchange-rate differences. Organic growth was slightly dampened by a cautious market climate and amounted to 2.3 per cent (8.0) during the quarter. Data from IDC shows that the hardware market in the Nordic region contracted between 2 and 3 per cent in the second quarter of 2019.

Segment results

Profit for the segment rose 2.3 per cent to SEK 135 million (132). The improved earnings were the result of increased sales, largely due to acquisitions. The segment margin remained unchanged compared with the preceding quarter but declined to 10.0 per cent (11.4) compared with the year-earlier quarter. The change was largely due to higher costs in the form of investments in the sales and delivery organisation for services and solutions during the year, as well as a somewhat weaker market. Acquired but not yet fully integrated companies had a negative impact on the segment margin.

Investments in more advanced products and services continued, and the proportion of software and services as a share of sales increased to 29 per cent (20) in the segment (see Note 2 Segments), of which approximately half pertain to contracted recurring revenues. At the end of the fourth quarter, the customer base for SaaS configurations in the integrated operations increased to a total of 76,417 users (53,988) in the Nordic region.



LCP - Large Corporate and Public sector

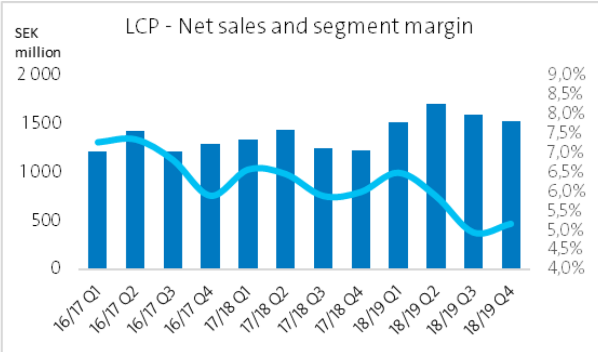
SEK Million	Q4 18/19	Q4 17/18	Change %	Full-year 18/19	Full-year 17/18	Change %
Net sales	1,530.8	1,230.1	24.4	6,376.8	5,284.2	20.7
Segment results	79.6	74.1	7.4	359.4	330.5	8.7
Segment margin (%)	5.2	6.0	-	5.6	6.3	-

Net sales

During the quarter, net sales rose 24.4 per cent to SEK 1,531 million (1,230), positively impacted by completed acquisitions of 2.7 percentage points and exchange-rate differences of 1.0 percentage points. Organic growth amounted to 20.8 per cent (neg: 13.4), and was mainly the result of high activity and large volumes under the framework agreement in the Public Sector customer group in Denmark, and to a strong trend in Norway. The Large Corporate customer group showed continued positive growth, but at a somewhat slower pace due to the slightly cautious market climate in the Nordic region and a considerably weaker PC market in Finland, which according to IDC individually decreased by just over 5 percent.

Segment results

Profit for the segment totalled SEK 80 million (74), up 7.4 per cent compared with the year-earlier quarter. The segment margin improved slightly compared with the preceding quarter, but declined to 5.2 per cent (6.0) compared with the year-earlier quarter. The change was attributable to a higher share of sales with a lower margin under framework agreements with the public sector and a generally less favourable product mix.



B2C – Business to Consumer

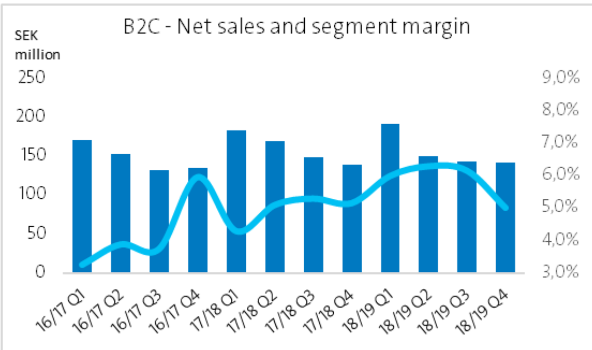
SEK Million	Q4 18/19	Q4 17/18	Change %	Full-year 18/19	Full-year 17/18	Change %
Net sales	141.6	139.6	1.4	625.9	641.2	-2.4
Segment results	7.1	7.2	-2.0	36.7	31.5	16.6
Segment margin (%)	5.0	5.2	-	5.9	4.9	-

Net sales

During the quarter, net sales increased 1.4 per cent to SEK 142 million (140). Organic growth was 0.7 per cent (1.1). The segment continued to focus on margin over growth.

Segment results

During the quarter, profit for the segment was in line with the year-earlier quarter and amounted to SEK 7 million (7). The segment margin weakened somewhat to 5.0 per cent (5.2).



Central functions

SEK Million	Q4 18/19	Q4 17/18	Change %	Full-year 18/19	Full-year 17/18	Full-year %
Cost for central functions	-101.3	-94.3	7.4	-420.7	-369.5	13.9
Cost for central functions in relation to net sales (%)	-3.3	-3.7	-	-3.4	-3.6	-

Central functions

Dustin's central functions hold the key to efficient delivery of the Group's offerings in all markets, the generation of economies of scale and the simplification of the integration of acquired operations. In the fourth quarter, costs for central functions amounted to 3.3 per cent (3.7) in relation to sales. Costs for central functions amounted to SEK 101 million (94), with the increase attributable to continued investments in the product and service offering and the integration of acquired businesses.

For additional financial data on the segments, refer to Note 2 Segments on page 19, and to Segment information by quarter on page 26.

The undersigned certify that this interim report gives a true and fair presentation of the Parent Company's and the Group's operations, financial position and profits and describes the material risks and uncertainties facing the Parent Company and the companies in the Group.

Nacka, October 9, 2019

Thomas Ekman, President and CEO
in accordance with authorisation by the Board of Directors

This report has not been audited.

Consolidated income statement

SEK Million	Note	Q4 18/19	Q4 17/18	Full-year 18/19	Full-year 17/18
Net sales	2	3,025.7	2,524.2	12,535.7	10,300.5
Cost of goods and services sold		-2,536.3	-2,106.7	-10,446.3	-8,663.7
Gross profit		**489.4**	**417.4**	**2,089.3**	**1,636.8**
Selling and administrative expenses		-388.9	-311.5	-1,594.3	-1,183.3
Items affecting comparability	4	3.2	3.6	3.5	1.0
Other operating income		1.9	1.7	7.6	6.8
Other operating expenses		-4.1	-4.0	-17.1	-17.5
EBIT	2	**101.6**	**107.3**	**489.1**	**443.8**
Financial income and other similar income-statement items		0.2	0.2	0.8	1.1
Financial expenses and other similar income-statement items		-11.1	-24.5	-45.0	-60.3
Profit after financial items		**90.6**	**83.0**	**444.9**	**384.6**
Tax attributable to continuing operations		-17.2	-12.5	-88.7	-79.4
Comprehensive income for the period is attributable in its entirety to Parent Company shareholders		**73.4**	**70.5**	**356.2**	**305.1**
Other comprehensive income (all items that will be transferred to the income statement)					
Translation differences		-38.6	51.2	-43.4	115.3
Change in hedging reserves		44.2	-53.6	39.0	-128.5
Tax attributable to change in hedging reserves		-9.7	11.7	-8.6	28.2
Other comprehensive income		**-4.1**	**9.4**	**-13.0**	**15.0**
Comprehensive income for the period is attributable in its entirety to Parent Company shareholders		**69.4**	**79.9**	**343.2**	**320.1**
Earnings for continuing operations per share (SEK)*		0.83	0.90	4.12	3.91
Earnings for continuing operations per share after dilution (SEK)*		0.83	0.89	4.11	3.89

*Key ratios have been restated in comparative periods to take into account the terms and conditions of the new share issue carried out in November 2018

Condensed consolidated balance sheet

SEK Million	Note	Aug 31, 2019	Aug 31, 2018
ASSETS			
Non-current assets			
Goodwill		3,839.8	3,221.7
Other intangible assets attributable to acquisitions	3	641.5	572.0
Other intangible assets	5	133.0	127.0
Tangible assets	5	105.7	91.7
Divestment-related receivables	6	1.6	1.6
Deferred tax assets		5.5	2.1
Derivative instruments	6	0.6	2.0
Other non-current assets		17.9	16.2
Total non-current assets		**4,745.6**	**4,034.1**
Current assets			
Inventories		465.7	395.8
Accounts receivable		1,460.4	1,272.6
Derivative instruments	6	1.4	0.2
Tax assets		45.8	9.0
Other receivables		268.1	182.7
Divestment-related receivables	6	-	5.0
Cash and cash equivalents		281.3	277.6
Total current assets		**2,522.7**	**2,143.0**
TOTAL ASSETS		**7,268.3**	**6,177.1**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent Company shareholders		2,460.3	1,646.6
Total equity		**2,460.3**	**1,646.6**
Non-current liabilities			
Deferred tax and other long-term provisions		235.6	186.5
Liabilities to credit institutions		2,006.1	1,984.8
Acquisition-related liabilities	6	-	202.5
Derivative instruments	6	24.1	7.3
Total non-current liabilities		**2,265.8**	**2,381.1**
Current liabilities			
Liabilities to credit institutions		-	12.6
Accounts payable		1,712.3	1,568.5
Tax liabilities		10.2	20.0
Derivative instruments	6	0.7	0.1
Other current liabilities		574.2	474.5
Acquisition-related liabilities	6	244.8	73.9
Total current liabilities		**2,542.3**	**2,149.5**
TOTAL EQUITY AND LIABILITIES		**7,268.3**	**6,177.1**

Condensed consolidated statement of changes in equity

SEK Million	Aug 31, 2019	Aug 31, 2018
Opening balance, September 1	**1,646.6**	**1,485.1**
Profit for the period	356.2	305.1
Other comprehensive income		
Translation differences	-43.4	115.3
Change in hedging reserves	39.0	-128.5
Tax attributable to change in hedging reserves	-8.6	28.2
Total other comprehensive income	**-13.0**	**15.0**
Total comprehensive income	**343.2**	**320.1**
Dividends	-239.2	-213.3
Holding of own warrants	-	-5.9
New share issue	720.4	55.4
Issue costs	-14.2	-
Subscription with the support of warrants	3.5	5.1
Total transactions with shareholders	**470.5**	**-158.7**
Closing equity as per the balance-sheet date, attributable to Parent Company shareholders in its entirety	**2,460.3**	**1,646.6**

Consolidated statement of cash flow

SEK Million	Note	Q4 18/19	Q4 17/18	Full-year 18/19	Full-year 17/18
Operating activities					
Profit before financial items		101.6	107.3	489.1	443.8
Adjustment for non-cash items		18.0	11.4	66.9	51.7
Interest received		0.2	0.2	0.8	1.1
Interest paid		-9.7	-8.4	-38.8	-34.6
Income tax paid		-16.9	-13.8	-127.7	-99.8
Cash flow from operating activities before changes in working capital		**93.2**	**96.7**	**390.2**	**362.3**
Decrease (+)/increase (-) in inventories		9.3	32.4	-62.2	-87.1
Decrease (+)/increase (-) in receivables		-11.4	-52.8	-199.5	21.8
Decrease (-)/increase (+) in current liabilities		-20.3	-17.2	135.5	451.0
Cash flow from changes in working capital		**-22.4**	**-37.6**	**-126.2**	**385.7**
Cash flow from operating activities		**70.8**	**59.1**	**264.0**	**747.9**
Investing activities					
Acquisition of intangible assets	5	-7.7	-7.2	-37.3	-27.2
Acquisition of tangible assets	5	-9.0	-15.1	-42.1	-24.9
Acquisition of operations	3	-	-703.0	-536.1	-1,023.0
Divestment of operations		-	-	5.0	1.5
Contingent consideration paid		-	-13.8	-31.2	-53.7
Cash flow from investing activities		**-16.5**	**-739.1**	**-641.8**	**-1,127.4**
Financing activities					
New share issue		-	-	680.8	-
Cash flow from LTI program		0.2	-	28.9	54.6
Dividend		-	-	-239.2	-213.3
New loans raised		-	1,949.8	-	2,165.0
Repayment of loans		-	-1,383.6	-71.9	-1,383.6
Paid bank arrangement fees		-	-6.5	-0.6	-8.4
Change in financial leasing liability		-0.6	-0.7	-4.8	-3.6
Cash flow from financing activities		**-0.4**	**559.1**	**393.2**	**610.8**
Cash flow for the period		**53.9**	**-120.9**	**15.5**	**231.3**
Cash and cash equivalents at beginning of period		**236.9**	**408.0**	**277.6**	**71.5**
Cash flow for the period		53.9	-120.9	15.5	231.3
Exchange-rate differences in cash and cash equivalents		-9.5	-9.4	-11.8	-25.1
Cash and cash equivalents at the close of the period		**281.3**	**277.6**	**281.3**	**277.6**

Condensed Parent Company income statement

SEK Million	Q4 18/19	Q4 17/18	Full-year 18/19	Full-year 17/18
Net sales	0.1	0.1	0.4	0.4
Selling and administrative expenses	-2.0	-2.1	-6.7	-11.8
Other operating expenses	0.0	0.0	0.0	-0.1
EBIT	**-1.9**	**-2.0**	**-6.3**	**-11.5**
Financial income and other similar income-statement items	0.0	1.7	47.7	314.2
Financial expenses and other similar income-statement items	-32.5	-77.2	-59.5	-187.6
Profit/Loss after financial items	**-34.3**	**-77.5**	**-18.1**	**115.1**
Appropriations	-	269.4	213.5	269.4
Tax	-39.6	-42.3	-29.8	-18.7
Profit/Loss for the period	**139.6**	**149.6**	**165.6**	**365.9**

Parent Company statement of comprehensive income

SEK million	Q 4 18/19	Q 4 17/18	Full-year 18/19	Full-year 17/18
Profit/Loss for the period	139.6	149.6	165.6	365.9
Other comprehensive income	-	-	-	-
Comprehensive income for the period	**139.6**	**149.6**	**165.6**	**365.9**

Condensed Parent Company balance sheet

SEK Million	Aug 31, 2019	Aug 31, 2018
ASSETS		
Non-current assets	1,211.6	1,211.6
Current assets	2,490.4	1,791.1
TOTAL ASSETS	**3,702.0**	**3,002.7**
EQUITY AND LIABILITES		
Restricted equity		
Share capital	443.2	386.1
Total restricted equity	**443.2**	**386.1**
Non-restricted equity		
Share premium reserve	1,087.3	438.3
Retained earnings	-191.8	-322.0
Profit/Loss for the year	165.6	365.9
Total non-restricted equity	**1,061.1**	**482.1**
Total equity	**1,504.3**	**868.2**
Untaxed reserves	182.8	137.7
Non-current liabilities	2,006.1	1,984.8
Current liabilities	8.7	12.0
TOTAL EQUITY AND LIABILITIES	**3,702.0**	**3,002.7**

Note 1 Accounting policies

This report has been prepared by applying IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting policies are consistent with those presented in the Group's Annual Report for the 2017/18 financial year, except for the new standards described below.

The Parent Company applies the Swedish Annual Accounts Act, and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

This report has been prepared in SEK million, unless otherwise stated. Rounding-off differences may occur in this report.

None of the amendments and interpretations in existing standards that have been applied from the financial year beginning September 1, 2018 had any material impact on the financial statements for the Group or the Parent Company or alternative performance measures.

New accounting policies 2018/19 and onward

IFRS 9 Financial instruments
The standard was applied for the first time for the current financial year and replaces IAS 39 Financial Instruments: Recognition and Measurement. The application has not had any significant effects on the measurement of financial assets or liabilities. Accounts receivable and other receivables meet the conditions for being measured at amortised cost. Divestment-related liabilities and other liabilities shall continue to be measured at fair value. Dustin has elected to apply the exemption, which means that comparable information for prior periods will not be restated with respect to changes in classification and measurement. While the new standard entails a policy change for the impairment of expected credit losses, the changed policy has not had any significant effect on the financial statements. Due to the insignificant effect, no adjustment has been deemed necessary. Dustin has also assessed that existing hedging transactions qualify for hedge accounting under IFRS 9.

IFRS 15 Revenue from Contracts with Customers
The standard is being applied for the first time in the current financial year and replaces IAS 11 Construction Contracts and IAS 18 Revenue.

Dustin's assessment is that the Group's revenue recognition is consistent with IFRS 15 and that the new standard will not therefore have any significant effect on the consolidated financial statements aside from expanded disclosure requirements. Due to the insignificant effect, no adjustment has been deemed necessary. For an overview of the various revenue flows, refer to the Accounting policies section in the 2017/18 Annual Report.

In addition to segment reporting, Dustin has elected to disclose information about the Group's revenue on the basis of the following division: hardware, software and services, refer to Note 2 Segments. The purpose of the division is to provide greater insight into how the division between Dustin's largest revenue stream of hardware relates to other sales.

IFRS 16 Leases
This standard, which relates to the recognition of leases, comes into effect on January 1, 2019, which for Dustin means the financial period beginning on September 1, 2019.

The Group will apply the modified retrospective transition method. That means that the cumulative effect of adopting IFRS 16 will be recognised in the opening balance on September 1, 2019 with no restatement of comparative figures. Identified leases under IFRS 16 mainly relate to buildings (offices and warehouse), transportation (vehicles and forklifts) and other equipment (such as IT and machinery). Leases of low value and with a term of less than 12 months are not included in the right-of-use assets or lease liabilities. The present value of the future operating lease payments, discounted using the marginal loan interest rate at September 1, 2019, will be recognised as an interest-bearing liability with a corresponding use-of-right asset, and the current rent expense in the income statement will be replaced by depreciation and interest expenses in net financial items.

From the transition date as of September 1, 2019, the opening balance regarding right-of-use assets and lease liabilities will amount to SEK 220 million each.

Key ratios that exclude depreciation will mainly be impacted, such as EBITDA, and therefore also net debt/EBITDA.

Note 2 Segments

All amounts in SEK million, unless otherwise indicated	Q4 18/19	Q4 17/18	Full-year 18/19	Full-year 17/18
Net sales				
LCP	**1,530.8**	**1,230.1**	**6,376.8**	**5,284.1**
of which, hardware	1,356.1	1,106.8	5,699.2	4,683.1
of which, software and services	174.7	123.3	677.6	601.0
SMB	**1,353.4**	**1,154.4**	**5,532.9**	**4,375.1**
of which, hardware	961.5	923.9	4,225.9	3,701.8
of which, software and services	391.9	230.6	1,307.0	673.2
B2C	**141.6**	**139.6**	**625.9**	**641.2**
of which, hardware	141.1	138.7	622.3	635.6
of which, software and services	0.5	0.9	3.6	5.7
Total	**3,025.7**	**2,524.2**	**12,535.7**	**10,300.5**
of which, hardware	2,458.6	2,169.4	10,547.4	9,020.5
of which, software and services	567.1	354.8	1,988.2	1,279.9
Segment results				
LCP	79.6	74.1	359.4	330.5
SMB	134.7	131.7	584.4	508.2
B2C	7.1	7.2	36.7	31.5
Total	**221.4**	**213.1**	**980.5**	**870.2**
Central functions	-101.3	-94.3	-420.7	-369.5
Adjusted EBITA	**120.1**	**118.8**	**559.7**	**500.7**
Segment margin				
LCP, segment margin (%)	5.2	6.0	5.6	6.3
SMB, segment margin (%)	10.0	11.4	10.6	11.6
B2C, segment margin (%)	5.0	5.2	5.9	4.9
Segment margin	7.3	8.4	7.8	8.4
Costs for central functions, excluding items affecting comparability in relation to net sales (%)	-3.3	-3.7	-3.4	-3.6
Reconciliation with profit after financial items				
Items affecting comparability	3.2	3.6	3.5	1.0
Amortisation and impairment of intangible assets	-21.8	-15.1	-74.1	-57.8
EBIT, Group	**101.6**	**107.3**	**489.1**	**443.8**
Financial income and other similar income-statement items	0.2	0.2	0.8	1.1
Financial expenses and other similar income-statement items	-11.1	-24.5	-45.0	-60.3
Profit after financial items, Group	**90.6**	**83.0**	**445.0**	**384.6**

Note 3 Acquisitions of businesses during the year

Acquisitions during the period

During the year, Dustin completed three acquisitions, all during the third quarter of the financial year. In March, Dustin acquired all of the shares in the Dutch company Norisk B.V. and will be included in Vincere Group, which Dustin acquired in July 2018. As a result of this acquisition, the company's presence has been strengthened in the Netherlands and Dustin will become a market leader in the region. In April, Dustin acquired all of the shares in Inventio.IT A/S, which is a Danish company specialised in hosting, infrastructure and business systems as a service. Inventio.IT is focused on small and medium-sized businesses and subscription services account for a high proportion of its revenue. Through this acquisition, Dustin is broadening its service portfolio and can continue to drive the development to make it easier for small and medium-sized businesses to buy products and services online. In May, all of the shares in the Finnish company Chilit Oy were acquired. Chilit specialises in IT products, services and solutions, primarily for the SMB segment. The company has a broad IT offering, combined with a strong sales force and a growing proportion of subscription services for small and medium-sized businesses.

Aggregated effects of preliminary acquisition analyses

SEK Million

Fair value of acquired assets and liabilities	**Norisk B.V.**	**Inventio.IT A/S**	**Chilit Oy**	**Total**
Intangible assets (excl. goodwill)	13.1	63.7	31.1	107.9
Tangible assets	2.2	6.5	1.7	10.4
Inventories	1.4	0.0	4.2	5.6
Accounts receivables and other current assets	7.3	22.1	38.6	68.1
Cash and cash equivalents	2.2	23.5	39.7	65.4
Non-current liabilities to credit institutions	-	-	59.1	59.1
Other current liabilities	10.9	61.4	41.6	113.8
Total identifiable assets	**15.3**	**54.4**	**14.7**	**84.4**
Consolidated goodwill	42.3	289.4	255.8	**587.5**
Purchase consideration including estimated contingent earn-out	**57.6**	**343.8**	**270.5**	**671.9**
Less:				
Cash and cash equivalents	2.2	23.5	39.7	65.4
Estimated contingent earn-out	-	70.4	-	70.4
Net cash outflow	**55.5**	**249.9**	**230.8**	**536.1**

The maximum performance-based earn-out for acquisitions during the period totals SEK 70 million. Acquisitions are strategically important for complementing Dustin's service offering of advanced products and services. The total acquisition costs are presented in Note 4 Items affecting comparability.

Acquired goodwill comprises new distribution channels, new sales channels for advanced products and services, and employee expertise. The fair value of the acquired receivables is expected to be fully settled. The contracted gross amounts essentially correspond to the fair values of the receivables.

Note 4 Items affecting comparability

Items affecting comparability for the full-year amounted to SEK 4 million (1) and mainly comprised acquisition-related expenses of SEK 26 million (20) and costs of SEK 18 million (-) for development of the IT platform to support online retail in the Netherlands. Costs for acquisitions and divestments primarily pertained to consultants and lawyers for financial and legal advisory services.

The positive value change of SEK 48 million in acquisition-related liabilities is attributable to previously completed acquisitions. The positive change of SEK 13 million during the quarter pertained to the adjustment of performance-based earn-outs to Core Services AS and Norriq Infrastructure & Cloud Services AS.

SEK Million	**Q4 18/19**	**Q4 17/18**	**Full-year 18/19**	**Full-year 17/18**
Acquisition and divestment-related expenses	-6.1	-10.0	-26.2	-20.2
Recruitment costs, senior executives	-	-	-	-2.9
Change in value of acquisition-related liabilities	13.4	13.6	48.1	23.7
Costs related to online launch	-4.0	-	-18.4	-
Gain attributable to divestment of operations	-	-	-	0.4
Total	**3.2**	**3.6**	**3.5**	**1.0**

Note 5 Investments

SEK Million	**Q4 18/19**	**Q4 17/18**	**Full-year 18/19**	**Full-year 17/18**
Capitalized expenditure for IT development (integrated IT-platform and other long-term strategic IT-systems)	6.5	5.1	32.3	22.9
Other investments in tangible and intangible assets	10.2	17.1	47.2	29.2
Investments in financial lease assets	2.2	0.0	7.5	4.0
Total	**18.9**	**22.3**	**87.0**	**56.1**

Note 6 Financial instruments

Financial instruments measured at fair value consist of derivative instruments and acquisition and divestment-related assets and liabilities. As regards other financial items, these essentially match fair value and book value.

Derivative instruments
Derivative instruments measured at fair value consist of interest-rate derivatives and currency futures. Derivative instruments have been structured as hedges for variable interest on external bank loans. Currency futures pertain to the hedging of purchases in USD from China and the hedging of investments by foreign subsidiaries. The Group applies hedge accounting for derivatives and currency futures, and fair value measurement is Level 2, according to the definition in IFRS 13. The measurement level remains unchanged compared with August 31, 2018.

At Aug 31, 2019, the fair value of derivative instruments amounted to SEK 23 million (6).

Acquisition-related liabilities
Acquisition-related liabilities pertain to contingent earn-outs. Measurement is carried out on a continuous basis at fair value through profit or loss and the liability is settled if necessary. However, if a change in value occurs before the acquisition analysis has been determined, and is not the result of events after the acquisition date, measurement is carried out via the balance sheet. Divestment-related receivables pertain to contingent earn-outs for the divestment of IT-Hantverkarna i Sverige AB. The fair value is calculated as defined for Level 3 in IFRS 13, meaning unobservable inputs developed by using the best information available. The calculation of the contingent earn-out is based on the parameters of each acquisition agreement. These parameters are usually linked to the outcome of performance measures taken for up to three years from the date of acquisition. Changes to the balance-sheet item are shown in the table below.

Disbursements during the period pertain to the previous acquisitions of JML-System AB, Core Services AS and IKT Gruppen AS.

Acquisition and divestment-related assets and liabilities

Change in acquisition-related liabilities measured at fair value based on inputs that are not based on observative market date (Level 3)	Aug 31, 2019	Aug 31, 2018
Opening balance	**276.3**	**109.6**
Remeasurements recognised in profit or loss:		
Unrealised remeasurement of contingent earn-out recognised under items affecting comparability	-70.2	-23.7
Discount of contingent earn-out recognised under Financial expenses and other similar income-statement items	3.9	4.3
Remeasurements recognised under other comprehensive income:		
Unrealised exchange-rate differences recognised under Translation differences	1.7	12.2
Changes recognised via the balance sheet:		
Payments attributable to previous acquisitions	-37.3	-53.7
Acquisitions	70.4	227.7
Closing balance	**244.8**	**276.3**

Change in acquisition-related liabilities measured at fair value based on inputs that are not based on observative market date (Level 3)	Aug 31, 2019	Aug 31, 2018
Opening balance	**6.6**	**-**
Remeasurements recognized in profit or loss:		
Settlement of receivable for previously divested operations	-5.0	-
Estimated purchase consideration, divestment of subsidiary, long and short term	-	6.6
Closing balance	**1.6**	**6.6**

Note 7 Seasonal variations

Dustin is impacted by seasonal variations. Each quarter is comparable between years. Sales volumes are normally higher in November and December, and lower during the summer months when sales and marketing activities are less intense. Similar seasonal variations occur in all geographical markets.

Note 8 Related-party transactions

There were no significant related-party transactions during the current period or comparative period.

Key ratios

All amounts in SEK million, unless otherwise indicated	Q4 18/19	Q4 17/18	Full-year 18/19	Full-year 17/18
Income statement				
Organic sales growth (%)	11.2	-4.7	9.9	2.0
Gross margin (%)	16.2	16.5	16.7	15.9
EBIT	101.6	107.3	489.1	443.8
Adjusted EBITDA	131.1	127.3	601.1	521.2
Adjusted EBITA	120.1	118.8	559.7	500.6
Adjusted EBITA margin (%)	4.0	4.7	4.5	4.9
Return on equity (%)	-	-	14.5	18.5
Balance sheet				
Net working capital	-67.6	-192.0	-67.6	-192.0
Capital employed	197.0	48.5	197.0	48.5
Net debt	1,736.4	1,730.6	1,736.4	1,730.6
Net debt/adjusted EBITDA (multiple)		-	2.9	3.3
Maintenance investments	-16.7	-22.2	-79.5	-52.1
Equity/assets ratio (%)	-	-	33.8	26.7
Cash flow				
Operating cash flow	92.0	67.5	395.5	854.8
Cash flow from operating activities	70.8	59.1	264.0	747.9
Data per share				
Earnings per share, including discontinued operations before dilution (SEK)*	0.83	0.90	4.12	3.91
Earnings per share, including discontinued operations after dilution (SEK)*	0.83	0.89	4.11	3.89
Equity per share before dilution (SEK)	27.75	21.32	27.75	21.32
Cash flow from operating activities per share before dilution (SEK)*	0.81	0.75	3.05	9.58
Cash flow from operating activities per share after dilution (SEK)*	0.81	0.75	3.04	9.53
Average number of shares*	88,647,339	78,771,032	86,472,611	78,078,991
Average number of shares after dilution*	88,794,603	79,076,737	86,766,793	78,449,771
Number of shares issued at end of period	88,647,339	77,226,502	88,647,339	77,226,502

*Key ratios have been restated in comparative periods to take into account the terms and conditions of the new share issue carried out in November 2018.

Source of alternative performance measures

Dustin applies financial measures that are not defined under IFRS. Dustin believes that these financial measures provide the reader of the report with valuable information and constitute a complement when assessing Dustin's performance. The performance measures that Dustin has chosen to present are relevant in relation to its operations and the Company's financial targets for growth, margins and capital structure and in terms of Dustin's dividend policy. The alternative performance measures are not always comparable with those applied by other companies since these companies may have used different calculation methods. Definitions on page 27 present how Dustin defines its performance measures and the purpose of each performance measure. The data presented below is supplementary information from which all performance measures can be derived. The sources of Net working capital and Net debt are described on page 7-8.

Total	Q4 18/19	Q4 17/18	Full-year 18/19	Full-year 17/18
Organic growth				
Sales growth (%)	19.9	11.6	21.7	10.7
Acquired growth (%)	-7.7	-12.6	-9.9	-7.3
Currency effects in sales growth (%)	-0.9	-3.7	-1.9	-1.4
Organic sales growth (%)	**11.2**	**-4.7**	**9.9**	**2.0**

SMB	Q4 18/19	Q4 17/18	Full-year 18/19	Full-year 17/18
Organic growth				
Sales growth (%)	17.2	38.9	26.5	23.9
Acquired growth (%)	-14.0	-28.3	-21.1	-13.3
Currency effects in sales growth (%)	-0.9	-2.6	-1.3	-1.0
Organic sales growth (%)	**2.3**	**8.0**	**4.0**	**9.6**

LCP	Q4 18/19	Q4 17/18	Full-year 18/19	Full-year 17/18
Organic growth				
Sales growth (%)	24.4	-5.1	20.7	1.9
Acquired growth (%)	-2.7	-3.8	-1.8	-4.0
Currency effects in sales growth (%)	-1.0	-4.5	-2.3	-1.7
Organic sales growth (%)	**20.8**	**-13.4**	**16.5**	**-3.8**

B2C	Q4 18/19	Q4 17/18	Full-year 18/19	Full-year 17/18
Organic growth				
Sales growth (%)	1.4	3.6	-2.4	8.6
Currency effects in sales growth (%)	-0.7	-2.5	-1.6	-0.7
Organic sales growth (%)	**0.7**	**1.1**	**-3.9**	**7.9**

Adjusted EBITA	Q4 18/19	Q4 17/18	Full-year 18/19	Full-year 17/18
Operating profit	101.6	107.3	489.1	443.8
Amortisation and impairment of intangible assets	21.8	15.1	74.1	57.8
Items affecting comparability	-3.2	-3.6	-3.5	-1.0
Adjusted EBITA	**120.1**	**118.8**	**559.7**	**500.6**

Adjusted EBITDA	Q4 18/19	Q4 17/18	Full-year 18/19	Full-year 17/18
Operating profit	101.6	107.3	489.1	443.8
Depreciation and impairment of tangible assets	10.9	8.5	41.5	20.5
Amortisation and impairment of intangible assets	21.8	15.1	74.1	57.8
Items affecting comparability	-3.2	-3.6	-3.5	-1.0
Adjusted EBITDA	**131.0**	**127.3**	**601.1**	**521.2**

Segment information by quarter

All amounts in SEK million, unless otherwise indicated	Q4 18/19	Q3 18/19	Q2 18/19	Q1 18/19	Q4 17/18	Q3 17/18	Q2 17/18	Q1 17/18	Q4 16/17
Net sales	3,025.7	3,168.5	3,214.7	3,126.7	2,524.2	2,461.7	2,722.9	2,591.8	2,262.4
Organic sales growth (%)	11.2	15.3	7.8	5.9	-4.7	1.6	1.7	8.8	12.2
Gross margin (%)	16.2	16.8	16.3	17.4	16.5	16.1	15.4	15.6	14.3
Adjusted EBITA	120.1	123.8	153.5	162.3	118.8	107.9	143.1	130.9	91.9
Adjusted EBITA margin (%)	4.0	3.9	4.8	5.2	4.7	4.4	5.3	5.1	4.1
Net sales per segment:									
LCP	1,530.8	1,606.1	1,718.3	1,521.7	1,230.1	1,261.5	1,444.1	1,348.4	1,296.1
SMB	1,353.4	1,419.6	1,346.5	1,413.4	1,154.4	1,051.3	1,109.6	1,059.8	831.1
B2C	141.6	142.8	149.8	191.7	139.6	148.9	169.2	183.5	135.2
Segment results:									
LCP	79.6	79.6	100.9	99.3	74.1	74.3	93.4	88.8	76.5
SMB	134.7	142.4	146.7	160.5	131.7	118.9	135.7	121.8	90.6
B2C	7.1	8.8	9.4	11.5	7.2	7.9	8.4	7.9	8.1
Segment margin (%):									
LCP	5.2	5.0	5.9	6.5	6.0	5.9	6.5	6.6	5.9
SMB	10.0	10.0	10.9	11.4	11.4	11.3	12.2	11.5	10.9
B2C	5.0	6.2	6.3	6.0	5.2	5.3	5.0	4.3	6.0
Central functions									
Central functions	-101.3	-107.0	-103.5	-109.0	-94.3	-93.2	-94.4	-87.5	-83.3
Percentage of net sales	-3.3	-3.4	-3.2	-3.5	-3.7	-3.8	-3.5	-3.4	-3.7

Definitions

IFRS measures:	Definition/Calculation
Earnings per share	Net profit/loss in SEK in relation to average number of shares, according to IAS 33.

Alternative performance measures:	Definition/Calculation	Purpose
Acquired growth	Net sales for the relevant period attributable to acquired and divested companies in relation to net sales for the comparable period.	Acquired growth is eliminated in the calculation of organic growth.
Adjusted EBITA	EBIT according to the income statement before items affecting comparability and amortisation and impairment of intangible assets.	Dustin believes that this performance measure shows the underlying earnings capacity and facilitates comparisons between quarters.
Adjusted EBITA margin	Adjusted EBITA in relation to net sales.	This performance measure is used to measure the profitability level of the operations.
Adjusted EBITDA	EBIT according to the income statement before items affecting comparability and amortisation/depreciation and impairment of intangible and tangible assets.	Dustin believes that this performance measure shows the underlying earnings capacity and facilitates comparisons between quarters.
Capital employed	Working capital plus total assets, excluding goodwill and other intangible assets attributable to acquisitions, and interest-bearing receivables pertaining to finance leasing, at the end of the period.	Capital employed measures utilisation of capital and efficiency.
Cash flow from operating activities	Cash flow from operating activities, after changes in working capital.	Used to show the amount of cash flow generated from operating activities.
Cash flow from operating activities per share	Cash flow from operating activities as a percentage of the average number of shares outstanding.	Used to show the amount of cash flow generated from operating activities per share.
Currency effects	The difference between net sales in SEK for the comparative period and net sales in local currencies for the comparative period converted to SEK using the average exchange rate for the relevant period.	Currency effects are eliminated in the calculation of organic growth.
EBIT	EBIT is a measurement of the company's earnings before income tax and financial items.	This measure shows Dustin's profitability from operations.

Equity per share	Equity at the end of the period in relation to the number of shares at the end of the period.	Shows Dustin's equity per share.
Equity/assets ratio	Equity at the end of the period in relation to total assets at the end of the period.	Dustin believes that this measure provides an accurate view of the company's long-term solvency.
Gross margin	Gross profit in relation to net sales.	Used to measure product and service profitability.
Items affecting comparability	Items affecting comparability relate to material income and expense items recognised separately due to the significance of their nature and amounts.	Dustin believes that separate recognition of items affecting comparability increases comparability of EBIT over time.
Maintenance investments	Investments required to maintain current operations excluding financial leasing.	Used to calculate operating cash flow.
Net debt	Current and non-current interest-bearing liabilities, excluding acquisition-related liabilities and shareholder loans, less cash and cash equivalents and receivables from finance leasing, at the end of the period.	This performance measure shows Dustin's total liabilities adjusted for cash and cash equivalents.
Net debt/EBITDA	Net debt in relation to EBITDA.	This performance measure shows the company's ability to pay its debt.
Net working capital	Total current assets less cash and cash equivalents, current financial lease assets and current non-interest-bearing liabilities, at the end of the period.	This performance measure shows Dustin's efficiency and capital tied up.
Operating cash flow	Adjusted EBITDA less maintenance investments plus cash flow from changes in working capital.	Used to show the amount of cash flow generated from operating activities and available for payments in connection with dividends, interest and tax.
Organic growth	Growth in net sales for the relevant period adjusted for acquired and divested growth and currency effects.	Provides a measure of the growth achieved by Dustin in its own right.
Return on equity	Net profit for the year in relation to equity at the end of the period.	Dustin believes that this performance measure shows how profitable the company is for its shareholders.
Sales growth	Net sales for the relevant period in relation to net sales for the comparable period.	Used to show the development of net sales.
Segment results	The segment's operating profit excluding amortisation/depreciation and items affecting comparability.	Dustin believes that this performance measure shows the earnings capacity of the segment.

Glossary

Word/Term	Definition/Calculation
B2B	Pertains to all sales to companies and organisations.
B2C	Pertains to all sales to consumers.
Central functions	Includes all non-allocated central expenses, including amortisation and depreciation, and excluding items affecting comparability.
Clients	Umbrella term for the product categories computers, mobile phones and tablets.
Contracted recurring revenues	Subscription-like and recurring revenue that is assumed to have a maturity of several years.
Integration costs	Integration costs comprise costs for integrating acquired companies into the Dustin platform. The Dustin platform is defined as integration of e-commerce into the IT platform combined with organisational integration.
IDC	International Data Corporation
Launch costs	Launch costs consist of costs related to the launch of the online platform in the Netherlands.
LCP	Pertains to all sales to large corporate and public sector. As a general rule, this segment is defined as companies and organisations with more than 500 employees or public sector operations.
LTI	Long-term incentive programme that includes Group management and other key employees within Dustin.
SaaS	Software as a service (SaaS) is a type of cloud service that provides software over the Internet.
SMB	Pertains to all sales to small and medium-sized businesses.

Financial calendar

November 14, 2019
2018/19 Annual Report

December 11, 2019
2018/19 Annual General Meeting

Jan 8, 2020
Interim report for the first quarter,
September 1, 2019-November 30, 2019

Apr 1, 2020
Interim report for the second quarter,
December 1, 2019-February 29, 2020

Jul 1, 2020
Interim report for the third quarter,
March 1, 2020-May 31, 2020

Oct 7, 2020
Year-end report,
September 1, 2019-August 31, 2020

Nov 17, 2020
2019/20 Annual Report

Dec 14, 2020
2019/20 Annual General Meeting

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