Q1

INTERIM REPORT

SEPTEMBER 1, 2018 – NOVEMBER 30, 2018

Dustin

Interim Report September – November 2018

"Strong growth and improved margins"

First quarter

- Net sales rose 20.6 per cent to SEK 3,127 million (2,592).
- Organic growth was positive 5.9 per cent (8.8), of which SMB 7.8 per cent (9.5), LCP 4.9 per cent (8.3) and B2C 2.0 per cent (8.5).
- The gross margin rose to 17.4 per cent (15.6).
- Adjusted EBITA increased to SEK 162 million (131), corresponding to an adjusted EBITA margin of 5.2 per cent (5.1).
- EBIT totalled SEK 149 million (108) including items affecting comparability of SEK 3 million (neg: 3).
- Profit for the quarter amounted to SEK 111 million (76).
- Earnings per share before dilution totalled SEK 1.38 (0.98).
- Cash flow from operating activities amounted to SEK negative 51 million (453).
- At the end of the period, net debt in relation to adjusted EBITDA in the past 12-month period was 2.0 (3.3 at the end of 2017/18).

Financial key ratios

All amounts in SEK million, unless otherwise indicated	Q1 18/19	Q1 17/18	Rolling 12 months	Full-year 17/18
Net sales	3,126.7	2,591.8	10,835.4	10,300.5
Organic sales growth (%)	5.9	8.8	1.4	2.0
Gross margin (%)	17.4	15.6	16.4	15.9
Adjusted EBITA	162.3	130.9	532.1	500.6
Adjusted EBITA margin (%)	5.2	5.1	4.9	4.9
EBIT	149.3	108.5	484.6	443.8
Profit for the period	110.7	75.8	340.0	305.1
Items affecting comparability*	3.2	-3.5	7.7	1.0
Earnings per share, including discontinued operations, before dilution, (SEK)**	1.38	0.98	4.32	3.91
Cash flow from operating activities	-51.4	453.1	243.4	747.9
Net debt/adjusted EBITDA (multiple)	-	-	2.0	3.3
Return on equity (%)***	-	-	14.0	18.5

For definitions, refer to page 25.

* Refer to Note 3 Items affecting comparability for more information

** 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.

*** Net profit for the year in relation to equity at the end of the period.

Strong growth and improved margins

We started off the financial year by reporting strong sales growth and a sustained strengthening of our margins in the first quarter. Net sales increased 21 per cent, fuelled by completed acquisitions and organic growth in all segments, with LCP once again making a positive contribution and SMB developing in line with our financial targets. We reported a continued improvement in profitability with a sharp increase of nearly two percentage points in the gross margin and adjusted EBITA that rose to SEK 162 million (131).

Organic growth in all segments
Net sales for the quarter rose 21 per cent to SEK 3,127 million (2,592), of which organic growth of 6 per cent. The SMB segment demonstrated robust growth of 33 per cent, of which 8 per cent was organic. The LCP segment reported growth of 13 per cent, with organic growth accounting for 5 per cent, which was attributable to a continued strong trend for the Large Corporate customer group and newly signed framework agreements in the Public Sector customer group in Denmark and Sweden.

Sales mix supports stronger margins
The gross margin rose to 17.4 per cent (15.6) in the first quarter, mainly as a result of acquisitions carried out earlier. The cost structure of the acquired service companies is slightly different to that of hardware sales, and while the gross margin is generally higher, sales and administration costs related to the sale and delivery of the services are also higher.

Adjusted EBITA rose to SEK 162 million (131), equivalent to a margin of 5.2 per cent (5.1). The margin improvement is mainly due to acquisitions and a more favorable sales mix with an increased share of advanced products, services and solutions, and a relatively higher share of sales in the SMB segment. Private label sales, including cables and adapters, performed well and also made a positive contribution.

Rights issue for further growth
A rights issue of approximately SEK 695 million was carried out during the quarter in order to increase our financial flexibility so that we can pursue our growth strategy in existing markets in the Nordic region and in the Netherlands. The issue was oversubscribed and at the end of the quarter, net debt in relation to adjusted EBITDA had returned to 2.0 (2.0). We see increased transaction activity in the market and a steady inflow of acquisition candidates, which gives us good opportunities to continue strengthening our market position and broadening and developing our offering of advanced services and solutions.

New organisation for increased focus
During the quarter, we strengthened our organisation to facilitate continued profitable growth by creating greater clarity within the segments and further increasing the scalability of our support functions. With the new organisation we get the conditions to further strengthen our position and continue our expansion in both the Nordic region and the Netherlands and thus a greater opportunity to maximize the potential that exists within the company. By having the best offerings and creating clear support functions, we will be a strong IT partner for our customers, irrespective of market or segment.

Sustainable business strategy
We strive to create a sustainable long-term business strategy by integrating corporate responsibility aspects as a natural part of our activities across the company. I am proud of what we have achieved to date and of the level of ambition we have shown. During the first quarter, we collected more than 16,000 end-of-life IT products as part of our Responsible use of resources focus area and conducted five factory inspections to ensure that our suppliers comply with our Code of Conduct.

Summary of the quarter
To summarise, Dustin performed well during the first quarter of the financial year and our positive view of our future stands firm. Our expansion to the Netherlands through the acquisition of Vincere has increased our addressable market and provided us with a solid platform for further growth. We have got the similarities between markets in the Netherlands and the Nordics confirmed, both in terms of market structure and customer needs, and see great potential in the continued exchange of experience between the units.

The combination of a more advantageous sales mix with a higher value content, in the form of a larger share of advanced products and services, has enabled a sustained strengthening of our margins. Dustin is well positioned with a sustainable business strategy in a growing market and is benefiting from such trends as an increasing share of online spending and a rising demand for mobility and cloud-based services. We hold a strong financial position following the completed rights issue and are well positioned for continued profitable growth, both organic and via acquisitions.

Nacka, January 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.

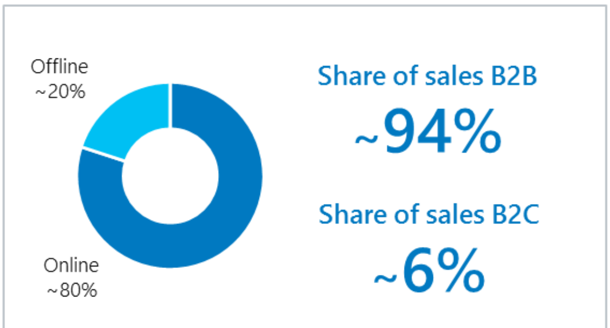
Dustin applies a multi-channel business model, where most sales are online, supplemented by relationship and consultative selling over the phone or through customer visits. Dustin conducts operations in Sweden, Denmark, Finland, Norway and the Netherlands through three business segments, SMB (Small and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

As the leading B2B e-retailer in the Nordic region and through our recently acquired operations in the Netherlands, Dustin has created a strong market position with our efficient online platform, 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.

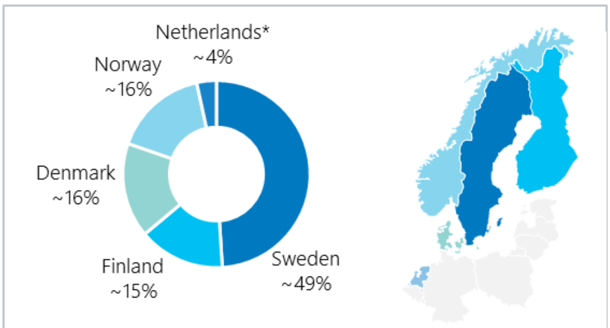
We see increasing demand for more advanced and managed services as demand on mobility and accessibility grow. By combining products and services into integrated solutions, and by adding more advanced services through acquisitions, we are continuously expanding our customer offering and our market. We 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 will now focus on making sustainable IT more accessible to our customers.

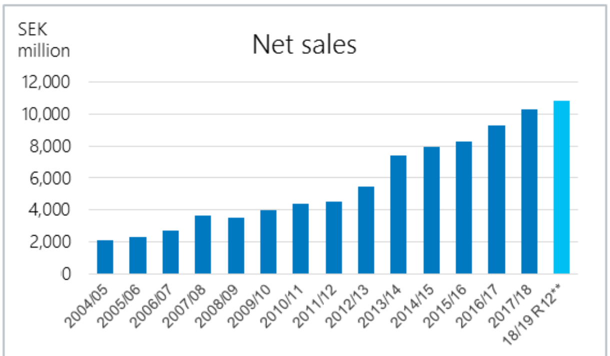
Dustin Group AB is a Swedish public limited company with its head office in Nacka Strand. The share was listed on Nasdaq Stockholm's Mid Cap Index in 2015.

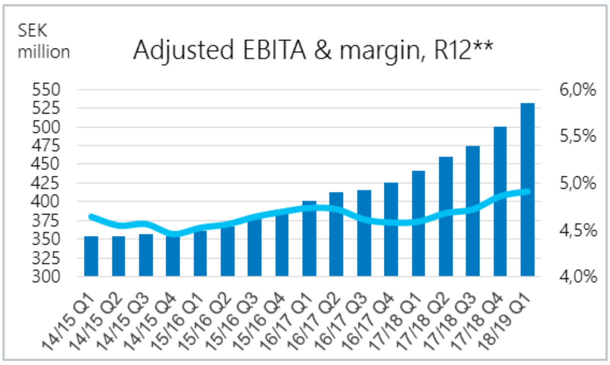


Distribution refers to integrated operations, 12 month rolling as of Q1 2018/19.



Distribution refers to sales, 12 month rolling as of Q1 2018/19.





*Consolidated as of July 4, 2018 **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. We made good progress during the quarter within the scope of our corporate responsibility programme.

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 first quarter

Dustin performed five (five) factory inspections in China during the first quarter as part of the Responsible manufacturing focus area. All of the audits were led by Dustin's corporate responsibility team together with local experts trained in our Supplier Code of Conduct. The audits identified discrepancies, which are being systematically corrected and followed up. Most of the non-conformance was minor, and no "zero-tolerance" discrepancies were revealed as part of 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.

For our Responsible use of resources focus area, we have an interim target to collect 38,000 products as end-of-life returns during the 2018/19 financial year. During the first quarter, we collected 16,603 products (6,122), of which 15,868 could be reused and the remaining 735 were recycled. At the end of the first quarter, Dustin had collected a total of 80,891 products as end-of-life returns since 2014/15.

	Q1 18/19	Q1 17/18	Full-year 17/18
Share of suppliers* that have adopted the Code of Conduct	99.5%	99.9%	99.8%
Share of suppliers* that have completed a risk assessment	99.5%	78.6%	96.0%
Number of end-of-life returns since 2014/15	16,603	6,122	64,288

* 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 refers to September – November 2018.

First quarter

Net sales

Net sales for the quarter increased 20.6 per cent to SEK 3,127 million (2,592). Organic growth amounted to 5.9 per cent (8.8), of which SMB 7.8 per cent (9.5), LCP 4.9 per cent (8.3) and B2C 2.0 per cent (8.5). Acquired growth was 11.5 percentage points (5.4) and exchange-rate differences had a positive impact of 3.2 percentage points (-0.7).

Gross profit

During the quarter, gross profit rose SEK 141 million, corresponding to 34,9 per cent, to SEK 545 million (404). The gross margin rose to 17.4 per cent (15.6), mainly attributable to a more advantageous sales mix with a higher share of services and solutions, primarily due to implemented acquisitions.

Adjusted EBITA

Adjusted EBITA for the quarter increased 24.0 per cent to SEK 162 million (131). The adjusted EBITA margin rose to 5.2 per cent (5.1). Adjusted EBITA excludes items affecting comparability of SEK 3 million (neg: 3), which are specified in Note 3 Items affecting comparability. For a comparison of adjusted EBITA and EBIT, see Note 2 Segments.

Operating profit

Operating profit amounted to SEK 149 million (108). Operating profit includes items affecting comparability of SEK 3 million (neg: 3), which during the quarter mainly comprised acquisition-related expenses of SEK 1 million and a positive effect from a change in acquisition-related liabilities of SEK 5 million. For more information, refer to Note 3 Items affecting comparability.

Financial items

Financial expenses amounted to SEK 10 million (11), with the costs for the quarter primarily pertaining to costs of SEK 9 million (10) for external financing.

A new bank agreement was concluded in the preceding quarter entailing a reduction in interest expenses compared with the year-earlier period despite a higher level of debt. Other financial expenses relate primarily to discounting of acquisition-related liabilities of SEK 1.3 million (0.9). Financial income amounted to SEK 0.1 million (0.3).

Tax

The tax expense for the quarter was SEK 29 million (22), corresponding to an effective tax rate of 20.5 per cent (22.3). The low effective tax rate is mainly due to deductible issue costs that are recognised in equity and non-taxable items related to the adjustment of earn-outs during the quarter.

Profit for the quarter

Profit for the quarter totalled SEK 111 million (76). Earnings per share amounted to SEK 1.38 (0.98) before dilution and SEK 1.37 (0.97) after dilution.

Cash flow

Cash flow for the quarter was SEK 563 million (117).

Cash flow from operating activities amounted to a negative SEK 51 million (pos: 453). The change from the preceding year is mainly related to cash flow from working capital, with last year's positive effect from higher accounts payable larger than the corresponding figure this year. For further information regarding working capital, refer to the Net working capital section.

Cash flow from investing activities amounted to a negative SEK 53 million (neg: 336). During the quarter, contingent earn-out payments were made relating to JML (SEK 20 million), Core (SEK 6 million) and IKT (SEK 5 million). Investments in tangible and intangible assets amounted to a negative SEK 22 million (neg: 8), of which a negative SEK 9 million (neg: 4) related to IT development and SEK 13 million related primarily to investments in hardware for the data centre and the purchase of computers for internal use and cars.

Cash flow from financing activities amounted to SEK 668 million (neg: 0.5) and consists mainly of the new share issue of SEK 681 million and the repayment of a utilised credit facility of negative SEK 12 million.

Net working capital

Net working capital amounted to a negative SEK 22 million (neg: 198) at the end of the quarter. 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 implemented acquisitions in addition to higher inventories on account of a broader private label range and customer-specific buffer stock.

SEK million	**Nov 30, 2018**	**Nov 30, 2017**	**Aug 31, 2018**
Inventories	480.3	356.1	395.8
Accounts receivable	1,446.3	1,180.0	1,272.6
Tax assets and other current receivables	239.6	248.5	191.8
Accounts payable	-1,695.0	-1,522.6	-1,568.5
Tax liabilities and other current liabilities	-493.2	-459.5	-483.6
Net working capital	**-22.0**	**-197.5**	**-192.0**

Net debt and cash and cash equivalents

At the end of the period, net debt amounted to SEK 1,092 million (920). In total, cash and cash equivalents amounted to SEK 850 million (181), up SEK 669 million, mainly due to the rights issue which generated proceeds of SEK 695 million, before deductions for issue costs. At the end of the financial year, there was also an unutilised overdraft facility of SEK 270 million (270) and an unutilised credit facility of EUR 5 million (-) in the Dutch subsidiary.

At the end of the period, net debt in relation to adjusted EBITDA in the past 12-month period was 2.0 (2.0).

SEK million	Nov 30, 2018	Nov 30, 2017	Aug 31, 2018
Non-current liabilities	1,932.5	1,092.3	1,984.8
Current liabilities to credit institutions	-	-	12.6
Finance lease liabilities	10.0	8.4	10.9
Cash and cash equivalents	-850.3	-181.2	-277.6
Net debt	**1,092.3**	**919.5**	**1,730.6**

Employees

The average number of full-time employees was 1,536 during the quarter, compared with 1,063 in the year-earlier period. The increase was primarily attributable to acquisitions.

Significant events in the first quarter

Changes to Dustin's Group Management

Dustin carried out organisational changes during the quarter to create greater clarity within the segments and further increase the scalability of its support functions. The organisation was also adapted to the expansion in the Netherlands. As a result, changes were made to Dustin's Group Management whereby new roles were added while other functions were removed. The changes were implemented as of October 1, 2018. For further information, refer to the presentation of the new Executive Management Team on Dustin's website.

Rights issue

During the quarter, Dustin Group AB carried out a rights issue to enable the company to continue pursuing its acquisition ambitions in its existing markets in the Nordic region and the Netherlands. In the final result of the rights issue, which ended on November 7, 2018, 10,846,232 shares, corresponding to 98.3 per cent of the final shares, were subscribed for with subscription rights. In addition, subscription applications were received corresponding to 4,548,204 shares for subscription without subscription rights, which were allocated 186,125 shares. The rights issue generated proceeds of approximately SEK 695 million for Dustin Group AB before deductions for issue costs. The rights issue increased Dustin Group AB's share capital by SEK 55,161,786 to SEK 441,294,304. The number of shares rose by 11,032,357 shares to a total of 88,258,859 shares.

Extraordinary General Meeting

Dustin Group AB gave notice of an Extraordinary General Meeting on account of the announced rights issue. This Meeting took place on October 10, 2018 at 1:00 p.m. at the office of Gernandt & Danielsson Advokatbyrå KB, Hamngatan 2, Stockholm, Sweden.

Events after the balance-sheet date

Annual General Meeting

Dustin's Annual General Meeting was held on December 11, 2018. The Annual General Meeting re-elected Board members Mia Brunell Livfors, Caroline Berg, Gunnel Duveblad, Johan Fant, Tomas Franzén, Mattias Miksche and Morten Strand for the period until the next Annual General Meeting. The Annual General Meeting resolved to re-elect the registered auditors Ernst & Young AB as the company's auditor for the period until the end of the 2018/19 Annual General Meeting. Jennifer Rock-Baley will remain as Auditor in Charge. The Annual General Meeting also resolved to approve the guidelines for remuneration of senior executives.

At the Annual General Meeting, the shareholders resolved to adopt a long-term incentive programme for 2019 that encompasses Group Management and other key individuals at Dustin. The issue comprises a maximum of 1,323,882 warrants.

The Annual General Meeting approved the Annual Report for 2017/18 and decided on a dividend of a total of SEK 239,181,508, corresponding to SEK 2.71 kronor per share, after required recalculation for execution.

Recruitment to Group Management

On December 13, it was announced that Alexandra Fürst had been recruited as the new EVP IT & Digitalisation (CIO) and Jenny Ring as EVP Supply Chain, both of whom will be included in Dustin's Group Management. Jenny Ring will begin in her new role immediately and Alexandra Fürst will take office on April 1, 2019.

Parent Company

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

Net sales for the quarter amounted to SEK 0.1 million (0.1) and profit for the quarter totalled SEK 37 million (loss: 24) due to a net currency position during the period of SEK 54 million (neg: 22). The net currency position is attributable to the external financing.
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.

- Strategic risks are normally identified in conjunction with risk discussions connected 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 comprise changes in regulations or altered 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.

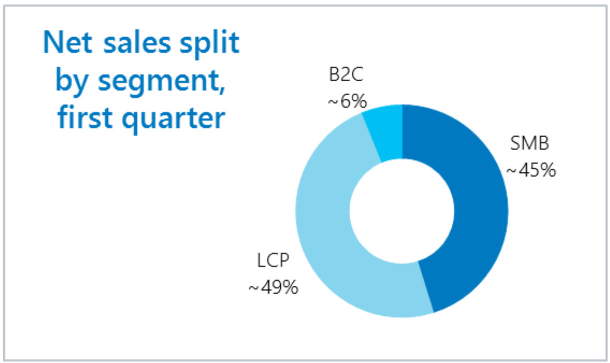
The share

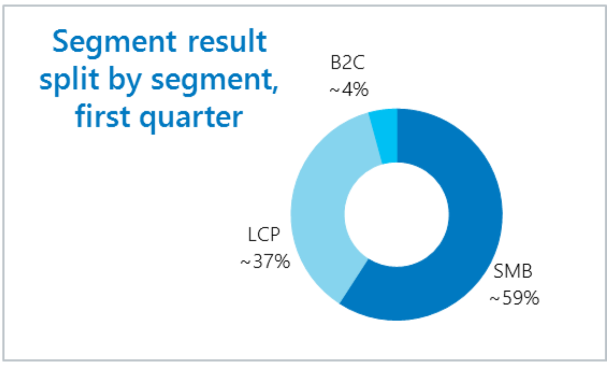
The Parent Company's share has been listed on Nasdaq Stockholm since February 13, 2015, and is included in the Mid Cap index. At November 30, 2018, the price was SEK 81.20 per share (75.75), representing a total market capitalisation of SEK 7,167 million (5,770). At November 30, the company had a total of 7,135 shareholders (6,384). The company's three largest shareholders were Axel Johnson AB with 26.0 per cent, Swedbank Robur Fonder with 11.0 per cent and Capital Group with 5.5 per cent. Dustin's shareholder register with the largest shareholders is presented on the company's website.

The rights issue carried out during the period increased Dustin's share capital by SEK 55,161,786 to SEK 441,294,305. The number of shares rose by 11,032,357 shares to a total of 88,258,859 shares.

Review of 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.





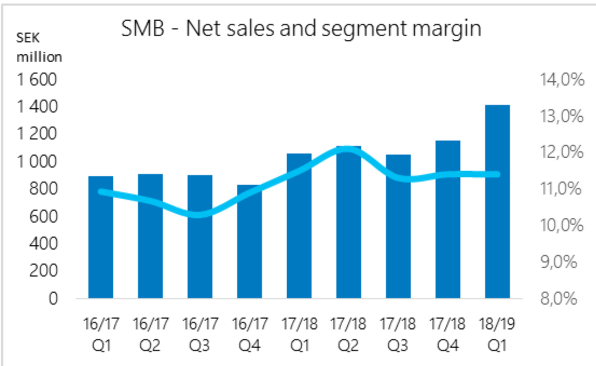
SMB - Small and Medium-sized Businesses

SEK million	Q1 18/19	Q1 17/18	Change %	Rolling 12 months	Full-year 17/18	Change %
Net sales	1,413.4	1,059.8	33.4	4,728.7	4,375.1	8.1
Segment results	160.5	121.8	31.8	546.9	508.2	7.6
Segment margin (%)	11.4	11.5	-	11.6	11.6	-

Net sales
Net sales rose 33.4 per cent during the quarter to SEK 1,413 million (1,060), with 23.4 percentage points of this increase attributable to acquisitions and divestments conducted in the preceding year and 2.2 percentage points to exchange-rate differences compared with the year-earlier quarter. Organic growth was 7.8 per cent (9.5) during the quarter, with all Nordic countries making a positive contribution.

Segment results
During the quarter, profit for the segment rose 31.8 per cent, corresponding to nearly SEK 39 million, to SEK 161 million (122). The improved earnings were the result of higher sales, a better product mix with a higher share of software and services (refer to Note 2 Segments), largely due to acquisitions and increased sales of private label goods. The segment margin was 11.4 per cent (11.5), with the weakening attributable to acquired but not yet fully integrated companies.

Investments in advanced products and services continued, with software and services as a share of sales growing to 20 per cent (14) for the segment and the customer base for SaaS configurations via the cloud platform increasing to a total of 55,615 active customers (33,400) in the Nordic region at the end of the first quarter.



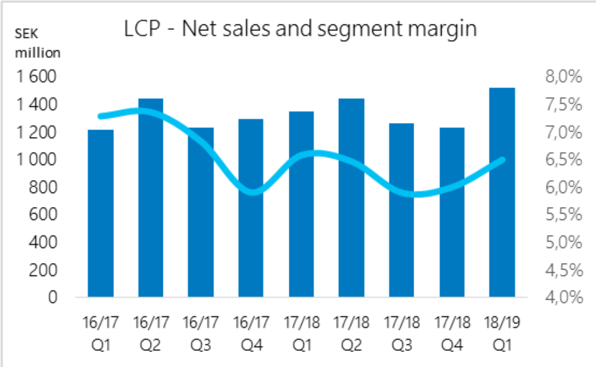
LCP - Large Corporate and Public sector

SEK million	Q1 18/19	Q1 17/18	Change %	Rolling 12 months	Full-year 17/18	Change %
Net sales	1,521.7	1,348.4	12.8	5,457.4	5,284.1	3.3
Segment results	99.3	88.8	11.9	341.1	330.5	3.2
Segment margin (%)	6.5	6.6	-	6.2	6.3	-

Net sales
Net sales for the quarter increased 12.8 per cent to SEK 1,522 million (1,348), positively impacted by acquisitions corresponding to 3.8 percentage points and exchange-rate differences to 4.1 percentage points. Organic growth was 4.9 per cent (8.3) and was largely attributable to new framework agreements in Denmark and Sweden in the Public Sector customer group. The challenging competitive situation within certain framework agreements in Finland persisted during the quarter, which negatively impacted sales due to Dustin's decision to prioritize profitability over volume. The Large Corporate customer group performed strongly in all markets and reported total growth of slightly more than 16 per cent.

Segment results
Profit for the segment was SEK 99 million (89), up 11.9 per cent compared with the corresponding quarter in the preceding year.

The segment margin deteriorated somewhat to 6.5 per cent (6.6), with an improved product mix (refer to Note 2 Segments) unable to fully offset a higher share of newly signed framework agreements with lower initial margins.

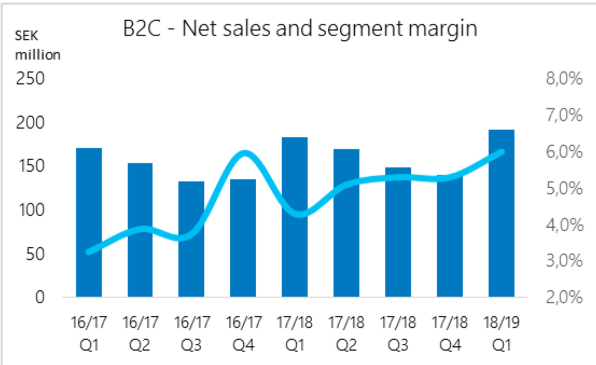


B2C – Business to Consumer

SEK million	Q1 18/19	Q1 17/18	Change %	Rolling 12 months	Full-year 17/18	Change %
Net sales	191.7	183.5	4.4	649.4	641.2	1.3
Segment results	11.5	7.9	45.4	35.1	31.5	11.4
Segment margin (%)	6.0	4.3	-	5.4	4.9	-

Net sales
Net sales for the quarter increased 4.4 per cent to SEK 192 million (184). Organic growth was 2.0 per cent (8.5). Sales for the quarter were positively impacted by a strong performance in conjunction with Black Friday and a favourable sales trend in Denmark and Norway.

Segment results
Profit for the segment for the quarter improved compared with the preceding year and amounted to SEK 12 million (8), while the segment margin rose to 6.0 per cent (4.3).



Central functions

SEK million	Q1 18/19	Q1 17/18	Change %	Rolling 12 months	Full-year 17/18	Change %
Costs for central functions	-109.0	-87.5	24.5	-391.0	-369.5	5.8
Costs for central functions in relation to net sales (%)	-3.5	-3.4	-	-3.6	-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. Costs in the first quarter for central functions amounted to 3.5 (3.4) of sales. Costs for central functions amounted to SEK 109 million (88), 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 18, and to Segment information by quarter on page 24.

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, January 9, 2019

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

This report has not been reviewed by the company's auditors.

Consolidated income statement

SEK million	Note	Q1 18/19	Q1 17/18	Rolling 12 months	Full-year 17/18
Net sales	2	3,126.7	2,591.8	10,835.4	10,300.5
Cost of goods and services sold		-2,582.1	-2,188.1	-9,057.7	-8,663.7
Gross profit		**544.6**	**403.6**	**1,777.8**	**1,636.8**
Selling and administrative expenses		-396.9	-288.6	-1,291.6	-1,183.3
Items affecting comparability	3	3.2	-3.5	7.7	1.0
Other operating income		1.8	0.9	7.7	6.8
Other operating expenses		-3.4	-4.0	-17.0	-17.5
EBIT	2	**149.3**	**108.5**	**484.6**	**443.8**
Financial income and other similar income-statement items		0.1	0.3	0.9	1.1
Financial expenses and other similar income-statement items		-10.2	-11.3	-59.3	-60.3
Profit after financial items		**139.2**	**97.5**	**426.3**	**384.6**
Tax attributable to continuing operations		-28.5	-21.7	-86.2	-79.4
Comprehensive income for the period is attributable in its entirety to Parent Company shareholders		**110.7**	**75.8**	**340.0**	**305.1**
Other comprehensive income (all items that will be transferred to the income statement)					
Translation differences		-47.3	23.6	44.4	115.3
Change in hedging reserves		53.2	-20.1	-55.2	-128.5
Tax attributable to change in hedging reserves		-11.7	4.4	12.1	28.2
Other comprehensive income		**-5.8**	**8.0**	**1.3**	**15.0**
Comprehensive income for the period is attributable in its entirety to Parent Company shareholders		**104.9**	**83.8**	**341.3**	**320.1**
Earnings for continuing operations per share (SEK)*		1.38	0.98	4.32	3.91
Earnings for continuing operations per share after dilution (SEK)*		1.37	0.97	4.29	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	Nov 30, 2018	Nov 30, 2017	Aug 31, 2018
ASSETS				
Non-current assets				
Goodwill		3,172.1	2,564.0	3,221.7
Other intangible assets attributable to acquisitions		556.4	390.4	572.0
Other intangible assets	4	129.5	112.3	127.0
Tangible assets	4	90.9	34.2	91.7
Divestment-related receivables	7	1.6	-	1.6
Deferred tax assets		1.8	9.2	2.1
Derivative instruments	7	1.7	-	2.0
Other non-current assets		16.3	3.3	16.2
Total non-current assets		**3,970.3**	**3,113.4**	**4,034.1**
Current assets				
Inventories		480.3	356.1	395.8
Accounts receivable		1,446.3	1,180.0	1,272.6
Derivative instruments	7	0.3	0.2	0.2
Tax assets		9.4	4.5	9.0
Other receivables		230.2	244.1	182.7
Divestment-related receivables	7	5.0	-	5.0
Cash and cash equivalents		850.3	181.2	277.6
Total current assets		**3,021.8**	**1,966.0**	**2,143.0**
TOTAL ASSETS		**6,992.1**	**5,079.4**	**6,177.1**
EQUITY AND LIABILITIES				
Equity				
Equity attributable to Parent Company shareholders		2,432.9	1,568.9	1,646.6
Total equity		**2,432.9**	**1,568.9**	**1,646.6**
Non-current liabilities				
Deferred tax and other long-term provisions		185.3	138.4	186.5
Liabilities to credit institutions		1,932.5	1,092.3	1,984.8
Acquisition-related liabilities	7	149.5	223.5	202.5
Derivative instruments	7	6.8	6.9	7.3
Total non-current liabilities		**2,274.1**	**1,461.0**	**2,381.1**
Current liabilities				
Liabilities to credit institutions		-	-	12.6
Accounts payable		1,695.0	1,522.6	1,568.5
Tax liabilities		2.8	47.2	20.0
Derivative instruments	7	-	-	0.1
Other current liabilities		500.5	420.7	474.5
Acquisition-related liabilities	7	86.9	59.0	73.9
Total current liabilities		**2,285.1**	**2,049.5**	**2,149.5**
TOTAL EQUITY AND LIABILITIES		**6,992.1**	**5,079.4**	**6,177.1**

Condensed consolidated statement of changes in equity

SEK million	Nov 30, 2018	Nov 30, 2017	Aug 31, 2018
Opening balance, September 1	**1,646.6**	**1,485.1**	**1,485.1**
Profit for the period	110.7	75.8	305.1
Other comprehensive income			
Translation differences	-47.3	23.6	115.3
Change in hedging reserves	53.2	-20.1	-128.5
Tax attributable to change in hedging reserves	-11.7	4.4	28.2
Total other comprehensive income	**-5.8**	**8.0**	**15.0**
Total comprehensive income	**104.9**	**83.8**	**320.1**
Dividends	-	-	-213.3
Holding of own warrants	-	-	-5.9
New share issue	695.0	-	55.4
Issue costs	-13.6	-	-
Subscription with the support of warrants	-	-	5.1
Total transactions with shareholders	**681.5**	-	**-158.7**
Closing equity as per the balance-sheet date, attributable to Parent Company shareholders in its entirety	**2,432.9**	**1,568.9**	**1,646.6**

Consolidated statement of cash flow

SEK million	Note	Q1 18/19	Q1 17/18	Full-year 17/18
Operating activities				
Profit before financial items		149.3	108.5	443.8
Adjustment for non-cash items		21.9	23.3	51.7
Interest received		0.1	0.3	1.1
Interest paid		-8.2	-9.1	-34.6
Income tax paid		-56.7	-41.6	-99.8
Cash flow from operating activities before changes in working capital		**106.4**	**81.4**	**362.3**
Decrease (+)/increase (-) in inventories		-86.8	-84.9	-87.1
Decrease (+)/increase (-) in receivables		-243.1	-101.1	21.8
Decrease (-)/increase (+) in current liabilities		172.1	557.7	451.0
Cash flow from changes in working capital		**-157.8**	**371.8**	**385.7**
Cash flow from operating activities		**-51.4**	**453.1**	**747.9**
Investing activities				
Acquisition of intangible assets	4	-10.3	-4.4	-27.2
Acquisition of tangible assets	4	-11.6	-3.1	-24.9
Acquisition of operations		-	-328.2	-1,023.0
Divestment of operations		-	-	1.5
Contingent consideration paid		-31.2	-	-53.7
Cash flow from investing activities		**-53.1**	**-335.7**	**-1,127.4**
Financing activities				
New share issue		681.5	-	-
Cash flow from LTI programme		-	-	54.6
Dividend		-	-	-213.3
New loans raised		-	-	2,165.0
Repayment of loans		-12.3	-	-1,383.6
Paid bank arrangement fees		-	-	-8.4
Paid financial leasing liability		-1.2	-0.5	-3.6
Cash flow from financing activities		**668.0**	**-0.5**	**610.8**
Cash flow for the period		**563.4**	**116.9**	**231.3**
Cash and cash equivalents at beginning of period		**277.6**	**71.5**	**71.5**
Cash flow for the period		563.4	116.9	231.3
Exchange-rate differences in cash and cash equivalents		9.2	-7.3	-25.1
Cash and cash equivalents at the close of the period		**850.3**	**181.1**	**277.6**

Condensed Parent Company income statement

SEK million	Q1 18/19	Q1 17/18	Rolling 12 months	Full-year 17/18
Net sales	0.1	0.1	0.4	0.4
Selling and administrative expenses	-2.0	-1.8	-11.9	-11.8
Other operating expenses	0.0	-0.1	0.0	-0.1
EBIT	**-1.9**	**-1.8**	**-11.5**	**-11.5**
Financial income and other similar income-statement items	53.5	3.7	364.0	314.2
Financial expenses and other similar income-statement items	-8.6	-32.1	-164.1	-187.6
Profit/Loss after financial items	**43.1**	**-30.2**	**188.4**	**115.1**
Appropriations	-	-	269.4	269.4
Tax	-6.5	6.6	-31.8	-18.7
Profit/Loss for the period	**36.6**	**-23.5**	**426.0**	**365.9**

Parent Company statement of comprehensive income

SEK million	Q1 18/19	Q1 17/18	Rolling 12 months	Full-year 17/18
Profit/Loss for the period	36.6	-23.5	426.0	365.9
Other comprehensive income	-	-	-	-
Comprehensive income for the period	**36.6**	**-23.5**	**426.0**	**365.9**

Parent Company balance sheet

SEK million	Nov 30, 2018	Nov 30, 2017	Aug 31, 2018
ASSETS			
Non-current assets	1,211.6	1,211.6	1,211.6
Current assets	2,457.3	635.0	1,791.1
TOTAL ASSETS	**3,668.8**	**1,846.6**	**3,002.7**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	441.3	380.9	386.1
Total restricted equity	**441.3**	**380.9**	**386.1**
Non-restricted equity			
Share premium reserve	1,064.6	388.1	438.3
Retained earnings	43.8	-113.8	-322.0
Profit/Loss for the year	36.6	-23.5	365.9
Total non-restricted equity	**1,145.0**	**250.8**	**482.1**
Total equity	**1,586.3**	**631.6**	**868.2**
Untaxed reserves	137,7	109,4	137,7
Non-current liabilities	1,932.5	1,092.3	1,984.8
Current liabilities	12,4	13,3	12,0
TOTAL EQUITY AND LIABILITIES	**3,668.8**	**1,846.6**	**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 is effective for financial years beginning on or after January 1, 2018 (the 2018/19 financial year for Dustin) and replaces IAS 39 Financial Instruments: Recognition and Measurement. Applying the new standard has not implied any significant effects on the valuation of financial assets and liabilities. Accounts receivable and other receivables still meets the criteria to be accounted for as amortised costs. Dustin will utilise the exemption to restate comparable information for prior periods with respect to changes in classification and measurement. The new standard entails a change in principle to impairment of anticipated credit losses, the changed principle does not have any material impact on the financial statements. Furthermore, Dustin has deemed that the types of hedge relationships for hedge accounting fulfil the requirements of IFRS 9.

IFRS 15 Revenue from Contracts with Customers

The standard deals with the recognition of revenue from contracts with customers. The new standard replaces IAS 11 Construction Contracts and IAS 18 Revenue and related interpretations. The standard became effective for financial years beginning on or after January 1, 2018, which for Dustin means the financial year that began on September 1, 2018.

Dustin's assessment is that the Group's revenue recognition is in line with IFRS 15 and therefore the new standard will not have any material impact on the Group's financial statements aside from expanded disclosure requirements. For an overview of the various revenue flows, refer to the Annual Report for 2017/18.

In addition to segment reporting, Dustin has chosen to provide information regarding the Group's revenue on the basis of the following division: hardware; and software, services and solutions. The purpose of the division is to provide increased insight into the breakdown between Dustin's largest revenue stream, hardware, and other sales.

IFRS 16 Leases

This standard, which encompasses the recognition of lease agreements, comes into effect on January 1, 2019, which for Dustin means the financial year beginning September 1, 2019. The financial statements will be affected by this standard, partly as a result of the current value of the future leasing payments being recognised as an asset and interest-bearing liability in the balance sheet, and by the fact that the current lease expenses in the income statement will be replaced by the recognition of depreciation and an interest expense in net financial items. The contracts that will be recognised in Dustin's balance sheet relate mainly to buildings (offices and warehouses), transportation (vehicles and forklifts) and other equipment (e.g. IT and machinery). Dustin has commenced a project to address IFRS 16 Leases and system implementation is in progress. The selection of transitional method has not yet been made. The standard will not be applied prospectively. A project to evaluate the effects is in progress and Dustin has not yet completed its quantification of the impact of the new standard on the consolidated financial statements.

Note 2 Segments

SEK million	Q1 18/19	Q1 17/18	Rolling 12 months	Full-year 17/18
Net sales				
LCP	**1,521.7**	**1,348.4**	**5,457.4**	**5,284.1**
of which, hardware	1,381.4	1,236.6	4,827.9	4,683.1
of which, software and services	140.3	111.8	629.5	601.0
SMB	**1,413.4**	**1,059.8**	**4,728.7**	**4,375.1**
of which, hardware	1,126.5	908.2	3,920.1	3,701.8
of which, software and services	286.9	151.6	808.5	673.2
B2C	**191.7**	**183.5**	**649.4**	**641.2**
of which, hardware	190.3	181.7	644.2	635.6
of which, software and services	1.3	1.8	5.2	5.7
Total	**3,126.7**	**2,591.8**	**10,835.4**	**10,300.5**
of which, hardware	2,698.2	2,326.6	9,392.2	9,020.5
of which, software and services	428.5	265.2	1,443.2	1,279.9
Segment results				
LCP	99.3	88.8	341.1	330.5
SMB	160.5	121.8	546.9	508.2
B2C	11.5	7.9	35.1	31.5
Total	**271.3**	**218.5**	**923.1**	**870.2**
Central functions	-109.0	-87.5	-391.0	-369.5
Adjusted EBITA	**162.3**	**130.9**	**532.1**	**500.6**
Segment margin				
LCP, segment margin (%)	6.5	6.6	6.2	6.3
SMB, segment margin (%)	11.4	11.5	11.6	11.6
B2C, segment margin (%)	6.0	4.3	5.4	4.9
Total, segment margin (%)	8.7	8.4	8.5	8.4
Costs for central functions, excluding items affecting comparability in relation to net sales (%)	-3.5	-3.4	-3.6	-3.6
Reconciliation with profit after financial items				
Items affecting comparability	3.2	-3.5	7.7	1.0
Amortisation and impairment of intangible assets	-16.2	-18.9	-55.2	-57.8
EBIT	**149.3**	**108.5**	**484.6**	**443.8**
Financial income and other similar income-statement items	0.1	0.3	0.9	1.1
Financial expenses and other similar income-statement items	-10.2	-11.3	-59.3	-60.3
Profit after financial items	**139.2**	**97.5**	**426.3**	**384.6**

Note 3 Items affecting comparability

Items affecting comparability for the full-year amounted to SEK 3 (neg: 4) and mainly comprised acquisition costs of SEK neg 1.4 million (neg 3.5) and positive effects from the adjustment of performance-based earn-outs of SEK 4.6 million (0). Costs for acquisitions and divestments primarily pertained to remuneration to consultants and attorneys for financial and legal advisory services in conjunction with acquisitions and divestments.

The change in value of acquisition-related liabilities for the period is related to the previous acquisition of JML-System AB and Core Services AS.

SEK million	Q1 18/19	Q1 17/18	Rolling 12 months	Full-year 17/18
Acquisition and divestment-related expenses	-1.4	-3.5	-18.1	-20.2
Recruitment costs, senior executives	-	-	-2.9	-2.9
Change in value of acquisition-related liabilities	4.6	-	28.3	23.7
Gain attributable to divestment of operations	-	-	0.4	0.4
Total	**3.2**	**-3.5**	**7.7**	**1.0**

Note 4 Investments

SEK million	Q1 18/19	Q1 17/18	Rolling 12 months	Full-year 17/18
Capitalised expenditure for IT development (integrated IT-platform and other long term strategic IT-systems)	9.0	3.8	28.1	22.9
Other investments in tangible and intangible assets	12.9	3.8	38.3	29.2
Investments in financial lease assets	0.6	0.8	3.8	4.0
Total	**22.5**	**8.4**	**70.2**	**56.1**

Note 5 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 6 Related-party transactions

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

Note 7 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 hedging for USD purchases from China and hedging investment of foreign subsidiaries. The Group applies hedge accounting for derivatives and currency futures, and the fair value measurement is Level 2, according to the definition in IFRS 13. The valuation level is unchanged compared with August 31, 2018.

At November 30, 2018, the fair value of liabilities for derivative instruments was SEK 5 million (7).

Acquisition and divestment-related assets and liabilities

Acquisition-related liabilities pertain to contingent earn-outs. Measurement is carried out on a continuous basis at fair value and the liability is settled as required via profit or loss. If a change in value occurs prior to the preparation of the purchase price allocation and is not the result of events following 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 Sweden AB. The fair value is calculated as defined for Level 3 in IFRS 13, meaning according to inputs that are not based on observable market data. The calculation of the contingent earn-out liability is based on the parameters of each 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.

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)	**Nov 30, 2018**	**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	-4.6	-23.7
Discount of contingent earn-out recognised under Financial expenses and other similar income-statement items	1.3	4.3
Remeasurements recognised under other comprehensive income:		
Unrealised exchange-rate differences recognised under Translation differences	-5.9	12.2
Changes recognised via the balance sheet:		
Payments attributable to previous acquisitions	-30.8	-53.7
Acquisitions	-	227.7
Closing balance	**236.3**	**276.3**

Change in acquisition-related liabilities measured at fair value based on inputs that are not based on observative market date (Level 3)	**Nov 30, 2018**	**Aug 31, 2018**
Opening balance	**6.6**	**-**
Remeasurements recognised in profit or loss:		
Estimated purchase consideration, divestment of subsidiary, long and short term	-	6.6
Closing balance	**6.6**	6.6

Key ratios

All amounts in SEK million, unless otherwise indicated	Q1 18/19	Q1 17/18	Rolling 12 months	Full-year 17/18
Income statement				
Organic sales growth (%)	5.9	8.8	1.4	2.0
Gross margin (%)	17.4	15.6	16.4	15.9
EBIT	149.3	108.5	484.6	443.8
Adjusted EBITDA	172.4	134.4	559.2	521.2
Adjusted EBITA	162.3	130.9	532.1	500.6
Adjusted EBITA margin (%)	5.2	5.1	4.9	4.9
Return on equity (%)	-	-	14.0	18.5
Balance sheet				
Net working capital	-22.0	-197.5	-22.0	-192.0
Capital employed	219.8	-38.5	219.8	48.5
Net debt	1,092.3	919.5	1,092.3	1,730.6
Net debt/adjusted EBITDA (multiple)	-	-	2.0	3.3
Maintenance investments	-21.9	-4.6	-66.4	-52.1
Equity/assets ratio (%)	-	-	34.8	26.7
Cash flow				
Operating cash flow	-7.3	501.6	335.0	854.8
Cash flow from operating activities	-51.4	453.1	243.4	747.9
Data per share				
Earnings per share before dilution (SEK)*	1.38	0.98	4.32	3.91
Earnings per share after dilution (SEK)*	1.37	0.97	4.29	3.89
Equity per share before dilution (SEK)	27.57	20.60	27.57	21.32
Cash flow from operating activities per share before dilution (SEK)*	-0.64	5.83	3.09	9.58
Cash flow from operating activities per share after dilution (SEK)*	-0.63	5.81	3.07	9.53
Average number of shares*	80,439,221	77,696,577	78,762,774	78,078,991
Average number of shares after dilution*	81,006,254	77,937,346	79,343,647	78,449,771
Number of shares issued at end of period	88,258,859	76,173,115	88,258,859	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 25 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 6-7.

Total	Q1 18/19	Q1 17/18	Rolling 12 months	Full-year 17/18
Organic growth				
Sales growth (%)	20.6	13.5	12.7	10.7
Acquired growth (%)	-11.5	-5.4	-8.9	-7.3
Currency effects in sales growth (%)	-3.2	0.7	-2.4	-1.4
Organic sales growth (%)	**5.9**	**8.8**	**1.4**	**2.0**

SMB	Q1 18/19	Q1 17/18	Rolling 12 months	Full-year 17/18
Organic growth				
Sales growth (%)	33.4	18.6	27.9	23.9
Acquired growth (%)	-23.4	-9.6	-17.1	-13.3
Currency effects in sales growth (%)	-2.2	0.5	-1.7	-1.0
Organic sales growth (%)	**7.8**	**9.5**	**9.1**	**9.6**

LCP	Q1 18/19	Q1 17/18	Rolling 12 months	Full-year 17/18
Organic growth				
Sales growth (%)	12.8	10.5	2.7	1.9
Acquired growth (%)	-3.8	-3.0	-4.2	-4.0
Currency effects in sales growth (%)	-4.1	0.8	-3.0	-1.7
Organic sales growth (%)	**4.9**	**8.3**	**-4.5**	**-3.8**

B2C	Q1 18/19	Q1 17/18	Rolling 12 months	Full-year 17/18
Organic growth				
Sales growth (%)	4.4	7.7	7.6	8.6
Acquired growth (%)	-	-	-	-
Currency effects in sales growth (%)	-2.4	0.9	-1.6	-0.7
Organic sales growth (%)	**2.0**	**8.5**	**6.0**	**7.9**

Adjusted EBITA	Q1 18/19	Q1 17/18	Rolling 12 months	Full-year 17/18
Operating profit	149.3	108.5	484.6	443.8
Amortisation and impairment of intangible assets	16.2	18.9	55.2	57.8
Items affecting comparability	-3.2	3.5	-7.7	-1.0
Adjusted EBITA	**162.3**	**130.9**	**532.1**	**500.6**

Adjusted EBITDA	Q1 18/19	Q1 17/18	Rolling 12 months	Full-year 17/18
Operating profit	149.3	108.5	484.6	443.8
Depreciation and impairment of tangible assets	10.1	3.5	27.2	20.5
Amortisation and impairment of intangible assets	16.2	18.9	55.2	57.8
Items affecting comparability	-3.2	3.5	-7.7	-1.0
Adjusted EBITDA	**172.4**	**134.4**	**559.2**	**521.2**

Segment information by quarter

All amounts in SEK million, unless otherwise indicated	Q1 18/19	Q4 17/18	Q3 17/18	Q2 17/18	Q1 17/18	Q4 16/17	Q3 16/17	Q2 16/17	Q1 16/17
Net sales	3,126.7	2,524.2	2,461.7	2,722.9	2,591.8	2,262.4	2,257.4	2,502.9	2,283.6
Organic sales growth (%)	5.9	-4.7	1.6	1.7	8.8	12.2	9.2	8.7	4.4
Gross margin (%)	17.4	16.5	16.1	15.4	15.6	14.3	15.1	14.9	14.9
Adjusted EBITA	162.3	118.8	107.9	143.1	130.9	91.9	94.3	124.1	115.8
Adjusted EBITA margin (%)	5.2	4.7	4.4	5.3	5.1	4.1	4.2	5.0	5.1
Net sales per segment									
LCP	1,521.7	1,230.1	1,261.5	1,444.1	1,348.4	1,296.1	1,228.0	1,440.7	1,219.8
SMB	1,413.4	1,154.4	1,051.3	1,109.6	1,059.8	831.1	897.2	909.2	893.2
B2C	191.7	139.6	148.9	169.2	183.5	135.2	132.0	153.0	170.6
Segment results									
LCP	99.3	74.1	74.3	93.4	88.8	76.5	83.9	106.1	88.9
SMB	160.5	131.7	118.9	135.7	121.8	90.6	92.3	97.0	97.6
B2C	11.5	7.2	7.9	8.4	7.9	8.1	4.9	5.9	5.5
Segment margin (%)									
LCP	6.5	6.0	5.9	6.5	6.6	5.9	6.8	7.4	7.3
SMB	11.4	11.4	11.3	12.2	11.5	10.9	10.3	10.7	10.9
B2C	6.0	5.2	5.3	5.0	4.3	6.0	3.7	3.9	3.3
Central functions									
Central functions	-109.0	-94.3	-93.2	-94.4	-87.5	-83.3	-86.8	-84.9	-76.2
Percentage of net sales	-3.5	-3.7	-3.8	-3.5	-3.4	-3.7	-3.8	-3.4	-3.3

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.
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

April 10, 2019
Interim report for the second quarter
December 1, 2018 – February 28, 2019

July 3, 2019
Interim report for the third quarter
March 1, 2019 – May 31, 2019

October 9, 2019
Year-end report
September 1, 2018 – August 31, 2019

November 14, 2019
2018/19 Annual Report

December 11, 2019
2018/19 Annual General Meeting

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