Q1

INTERIM REPORT

SEPTEMBER 1, 2019 – NOVEMBER 30, 2019

Dustin

Interim report September – November 2019

"Strengthened position in a challenging market"

First quarter

- Net sales rose 12.2 per cent to SEK 3,508 million (3,127).
- Organic growth was 6.1 per cent (5.9), of which SMB accounted for 0.3 per cent (7.8), LCP for 15.1 per cent (4.9) and B2C for negative 23.4 per cent (pos: 2.0). Growth has been affected by a continued cautious corporate market.
- The gross margin amounted to 16.0 per cent (17.4).
- Adjusted EBITA declined to SEK 156 million (162), corresponding to an adjusted EBITA margin of 4.5 per cent (5.2), as a result of continued investments and a changed sales mix.
- EBIT totalled SEK 118 million (149), including items affecting comparability of negative SEK 14 million (pos: 3).
- Profit for the quarter was SEK 86 million (111).
- Earnings per share before dilution totalled SEK 0.97 (1.38).
- Cash flow from operating activities amounted to SEK 225 million (neg: 51).
- At the end of the period, net debt in relation to adjusted EBITDA in the past 12-month period, excluding the effects of the implementation of IFRS 16 Leases, was 2.6 (2.9 at the end of 2018/19). Including the effects of IFRS 16, the figure was 3.0.

Financial key ratios

All amounts in SEK million, unless otherwise indicated	Q1 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
Net sales	3,508.3	3,126.7	12,917.2	12,535.7
Organic sales growth (%)	6.1	5.9	8.7	9.9
Gross margin (%)	16.0	17.4	16.3	16.7
Adjusted EBITA	156.4	162.3	553.8	559.7
Adjusted EBITA margin (%)	4.5	5.2	4.3	4.5
EBIT	118.3	149.3	458.1	489.1
Profit for the period	85.7	110.7	331.3	356.2
Items affecting comparability*	-14.2	3.2	-13.9	3.5
Earnings per share before dilution (SEK)	0.97	1.38	3.74	4.12
Cash flow from operating activities	224.7	-51.4	-259.2	264.0
Net debt/adjusted EBITDA (multiple) (excl. IFRS 16)	–	–	2.6	2.9
Net debt/adjusted EBITDA (multiple) (incl. IFRS 16)**	–	–	3.0	–
Return on equity (%)	–	–	13.0	14.5

For definitions, refer to page 25.

* Refer to Note 3 Items affecting comparability for more information.

** Comparative figures have not been recalculated, refer to the section on alternative performance measures for the source of the calculation.

Strengthened position in a challenging market

In the first quarter of the financial year, we further strengthened our market position. Sales rose more than 12 per cent, of which just over 6 per cent was organic. The adjusted EBITA margin declined compared with the year-earlier period, but improved compared with the two immediately preceding quarters. The adjusted EBITA margin continues to be impacted by a high percentage of sales deriving from public contracts with lower margins and a higher cost base due to our transformation toward increased service sales. We successfully launched our online platform and opened our new regional warehouse in the Netherlands. We are well-positioned for continued growth in our existing markets and have a clear plan for achieving our margin target.

Continued strong growth
Net sales for the first quarter rose 12.2 per cent to SEK 3,508 million (3,127), of which organic growth accounted for 6.1 per cent. The LCP segment reported growth of 18.7 per cent, of which 15.1 per cent was organic, mainly driven by a continued favourable volume trend in the public sector. The SMB segment demonstrated growth of 10.0 per cent, of which 0.3 per cent was organic. The development was characterised by a continued cautious market situation. Data from the market intelligence firm IDC shows that the hardware market in the Nordic region declined by between 6 and 7 per cent in volume and correspondingly between 2 and 3 per cent in value during the third quarter of 2019. The B2C segment displayed negative growth for the quarter, due to a continued focus on margin ahead of growth.

Sales mix and investments impact profitability
Adjusted EBITA amounted to SEK 156 million (162), while the adjusted EBITA margin declined to 4.5 per cent (5.2). As in the preceding quarter, the decline was mainly attributable to a changed sales mix with a high share of sales to the public sector with lower profitability. Our ongoing transformation is ensuring long-term growth and margin expansion, where activities to build up the capacity for services and solutions are having a short-term impact on the cost base. As a consequence, this impacted the margin trend compared with the year-earlier quarter. The adjusted EBITA margin improved compared with the two immediately preceding quarters, despite a cautious market climate. EBIT declined to SEK 118 million (149) and was impacted by items affecting comparability totalling a negative SEK 14.2 million (pos: 3.2).

Online launch in the Netherlands
We successfully launched our online platform under the Dustin brand in the Netherlands at the end of October and in conjunction with this, we opened our new regional warehouse in Veenendaal. With our extensive experience of e-commerce and knowledge of the IT requirements of small and medium-sized businesses, we can see that there is a given place for us in the Dutch market. We see major similarities with the Nordic region in terms of both market structure and customer needs and have the ambition to eventually become a leading partner for small and medium-sized businesses.

Well-attended Capital Markets Day
At the end of November, we held our second – and well-attended – Capital Markets Day, confirming our ambition for future growth and margin expansion. Our plan is, over time, to maintain an organic growth rate in line with our financial targets. We are benefiting from underlying trends, such as an increasing share of online retail and strong growth in mobility, security and cloud-based services. We are well placed to reach our margin target within three years through continued acquisitions, an accelerated rate of integration, a higher share of sales of managed services and private label products. In addition, we foresee extensive opportunities to further strengthen customer loyalty through a larger share of subscription services.

Sustainable business strategy
We strive to create a sustainable long-term business strategy by integrating sustainability aspects as a natural part of our activities across the operations. I am very proud of what we have achieved to date and of the level of ambition we are demonstrating. At the end of the first quarter, we had collected a total of more than 160,000 IT products as end-of-life returns within the framework of our "Responsible use of resources" focus area, of which nearly 95 per cent could be re-used in schools for example. In addition, we conducted nine factory audits in the first quarter to ensure that our suppliers comply with our Code of Conduct.

Summary of the quarter
To summarise, we performed well during the first quarter of the financial year and we have a positive view of our future, despite a somewhat cautious market in the short-term perspective. We are seeing clear signs of margin improvement in LCP in pace with the contract portfolio maturing and are convinced that we will see a higher level of efficiency in our service activities in the coming quarters through an accelerated rate of integration of acquired companies and increased business volumes. Our financial status is healthy and we are well positioned for continued profitable growth, supported by the prevailing market trends.

Nacka, January 2020

Thomas Ekman
President and CEO

Dustin in brief

Dustin is a leading online IT partner serving the Nordic region and the Netherlands, 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 to our customers. 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.

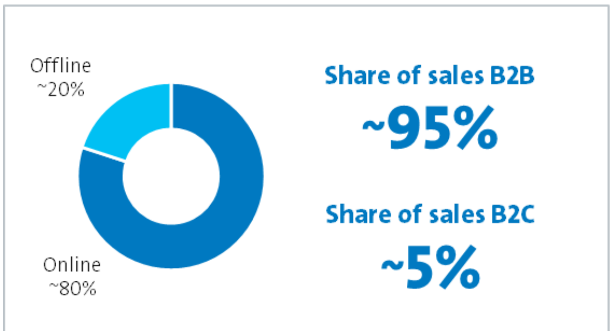
Dustin applies a multichannel model where most sales are online, supplemented by relationship and consultative selling over the phone or through customer visits. We conduct our operations through three business segments: SMB – Small and Medium-sized Businesses, LCP – Large Corporate and Public sector and B2C – Business to Consumer.

We have created a strong market position through our efficient online platform, since more and more sales of both products and core services are now taking place online. Dustin is now the Nordic region's largest e-retailer for the B2B segment and recently launched online shopping in the Netherlands. The operations are supported by scalable and shared central functions, including purchasing, warehousing and logistics, pricing, marketing, IT and HR.

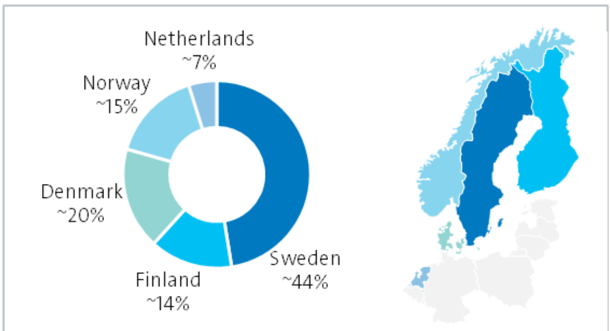
We see increasing demand for more advanced and managed services as requests for increased mobility and accessibility grow. We are continuously expanding our customer offering and our addressable market, by combining products and services into integrated solutions, and by adding more advanced services through acquisitions. This means we are able to solve more and more of our customers' IT needs.

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

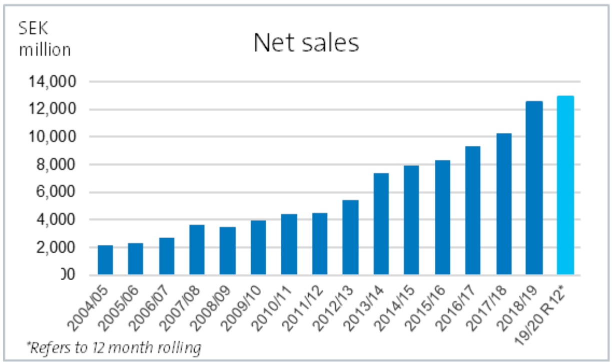
Dustin Group AB is a Swedish public limited company with its head office in Nacka Strand. The share was listed on Nasdaq Stockholm's Mid Cap Index in 2015.



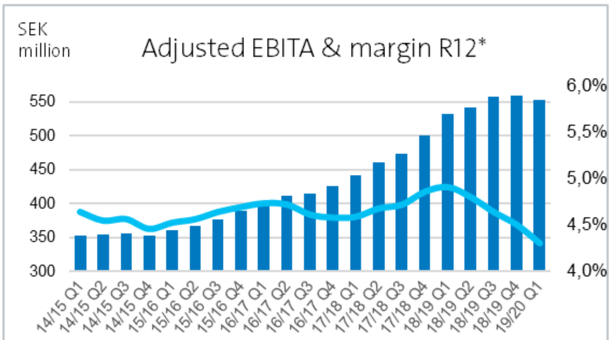
Distribution refers to integrated operations 2018/19.



Distribution refers to sales 2018/19.



*Refers to 12 month rolling



*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 between 5 and 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 future prospects should be taken into consideration.

Our corporate responsibility efforts

Dustin integrates sustainability 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 follow up 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
As part of its Responsible manufacturing focus area, Dustin performs regular factory audits. In the first quarter, 9 (5) audits 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 70,000 products as end-of-life returns during the 2019/20 financial year. During the first quarter, 16,160 products (16,603) were collected, of which 15,140 could be reused and the remaining 1,020 were recycled. At the end of the first quarter, a total of 163,988 products were collected as end-of-life returns since 2014/15.

The criteria applied in the preparation of this section are based on the information contained in the annual Sustainability Report published by Dustin Group, which is available on Dustin's website.

	Q1 19/20	Q1 18/19	Full-year 18/19
Share of suppliers* that have adopted the Code of Conduct	99.7%	99.7%	99.6%
Share of suppliers* that have completed a risk assessment	96.0%	95.5%	95.7%
Total number of end-of-life returns during the period	16,160	16,603	83,540

* 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 September – November 2019.

First quarter

Net sales

Net sales for the quarter rose 12.2 per cent to SEK 3,508 million (3,127). Organic growth was 6.1 per cent (5.9), of which SMB accounted for 0.3 per cent (7.8), LCP for 15.1 per cent (4.9) and B2C for a negative 23.4 per cent (pos: 2.0). Acquired growth was 5.2 percentage points (11.5) and exchange-rate differences had a positive impact of 1.0 percentage points (3.2).

Gross profit

During the quarter, gross profit rose SEK 15 million to SEK 560 million (545), corresponding to 2.8 per cent. The gross margin declined to 16.0 per cent (17.4), mainly the result of a changed sales mix in the LCP segment with a higher share of sales with lower margins to the public sector.

Adjusted EBITA

Adjusted EBITA declined 3.6 per cent during the quarter to SEK 156 million (162). The adjusted EBITA margin was 4.5 per cent (5.2), primarily due to a changed sales mix in the LCP segment. 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 negative SEK 14 million (pos: 3), which are specified in Note 3 Items affecting comparability. For a comparison of adjusted EBITA and EBIT, see Note 2 Segments

EBIT

Operating profit amounted to SEK 118 million (149). Operating profit includes items affecting comparability of negative SEK 14 million (pos: 3), which during the quarter mainly comprised integration costs of SEK 7 million (-) and SEK 8 million (-) pertaining to costs for the development of the IT platform ahead of the launch of online retail in the Netherlands at the end of October 2019. For more information, refer to Note 3 Items affecting comparability.

Financial items

Financial expenses amounted to SEK 13 million (10). During the quarter, expenses mainly pertained to external financing costs of SEK 10 million (9). The financial expenses were also impacted by discount rates related to leasing in an amount of SEK 3 million in accordance with the new IFRS 16 accounting standard. Financial income amounted to SEK 0.2 million (0.1).

Tax

The tax expense for the quarter was SEK 20 million (29), corresponding to an effective tax rate of 19.0 per cent (20.5).

Profit for the quarter

Profit for the quarter was SEK 86 million (111). Earnings per share amounted to SEK 0.97 (1.38) before dilution and SEK 0.97 (1.37) after dilution.

Cash flow

Cash flow for the quarter was SEK 109 million (563). The year-on-year decrease is mainly attributable to the preceding year's new share issue of SEK 682 million.

Cash flow from operating activities amounted to SEK 225 million (neg: 51). Cash flow from changes in working capital was SEK 55 million (neg: 158). The positive change compared with the preceding year was largely attributable to the increase in accounts payable during the quarter, with the increase for the current quarter amounting to SEK 517 million (190).

The introduction of IFRS 16 entails a shift between the reported cash flow from operating activities, which increased SEK 37 million, and cash flow from financing activities, which declined SEK 37 million. For further information regarding working capital, refer to the Net working capital section.

Cash flow from investing activities amounted to negative SEK 78 million (neg: 53). The change was mainly attributable to increased investments in intangible assets. Cash flow from investments in tangible and intangible assets was a negative SEK 36 million (neg: 22), of which a negative SEK 12 million (neg: 9) pertained to investments in the IT platform and a negative SEK 23 million (pos: 13) mainly pertained to investments in an e-commerce domain in the Netherlands and a new platform for customer and market information. Investments in hardware for the data centres and vehicles were also made during the quarter. Investments in assets financed through leasing amounted to SEK 26 million and were mainly attributable to IT equipment for service provision and vehicles.

Cash flow from financing activities amounted to a negative SEK 37 million (pos: 668) and comprised the repayment of lease liabilities, mainly attributable to the new IFRS 16 accounting standard. The year-on-year change was mainly attributable to the new share issue of SEK 682 million conducted during the first quarter of 2018/19.

Significant events in the first quarter

During the first quarter, Dustin launched e-commerce in the Netherlands and now offers products, services and solutions over the internet. Dustin's e-commerce in the Netherlands, dustin.com, is targeted at companies and private individuals, with a focus on small and medium-sized businesses.

Net working capital

At year-end, net working capital amounted to a negative SEK 157 million (neg: 22). The change in net working capital compared with the preceding year is mainly the result of higher accounts receivable due to increased business volumes. In addition, the inventory increased slightly, mainly attributable to a higher proportion of private label goods and accounts payable, which increased as a result of higher business volumes and temporarily extended credit periods at the close of the quarter.

SEK million	Nov 30, 2019	Nov 30, 2018	Aug 31, 2019
Inventories	558.7	480.3	465.7
Accounts receivable	1,700.3	1,446.3	1,460.4
Tax assets and other current receivables	404.4	239.6	313.9
Accounts payable	-2,212.1	-1,695.0	-1,712.3
Tax liabilities and other current liabilities	-608.0	-493.2	-595.3
Net working capital	**-156.7**	**-22.0**	**-67.6**

Net debt and cash and cash equivalents

At the end of the period, net debt amounted to SEK 1,872 million (1,092). The change was attributable to higher lease liabilities combined with reduced cash and cash equivalents. The increased lease liability is attributable to the implementation of IFRS 16 Leases. In total, cash and cash equivalents amounted to SEK 414 million (850). The decline was attributable to the rights issue, which increased cash and cash equivalents by SEK 682 million in the preceding year. At the end of the period, there was also an unutilised overdraft facility of SEK 270 million (270). There was also a credit facility of EUR 5 million (5) in the Dutch operations, of which EUR 2 million had been utilised at the end of the period.

At the end of the period, net debt in relation to adjusted EBITDA in the past 12-month period, excluding the effects of IFRS 16 Leases, was 2.6 (2.0). When calculated including these effects, the net debt ratio would have amounted to 3.0. For calculation, see source of alternative performance measures.

SEK million	Nov 30, 2019	Nov 30, 2018	Aug 31, 2019
Liabilities to credit institutions	1,952.4	1,932.5	2,006.1
Current liabilities to credit institutions	–	–	–
Lease liabilities	334.2	10.0	11.5
Cash and cash equivalents	-414.2	-850.3	-281.3
Net debt	**1,872.4**	**1,092.3**	**1,736.4**

Employees

The average number of full-time employees during the period was 1,790, compared with 1,536 in the year-earlier period. The increase was primarily attributable to acquisitions during the period.

Events after the balance-sheet date

Annual General Meeting

Dustin's Annual General Meeting was held on December 11, 2019. 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 2019/20 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 2020 that encompasses Group Management and other key individuals at Dustin. The issue comprises a maximum of 1,329,710 warrants. The Annual General Meeting approved the Annual Report for 2018/19 and decided on a dividend of a total of SEK 265,942,017 corresponding to SEK 3.00 per share.

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.

Net sales for the period amounted to SEK 0.1 million (0.1) and profit totalled SEK 43 million (37). The change was mainly attributable to the net currency position due to external financing, which amounted to SEK 54 million (54) 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.

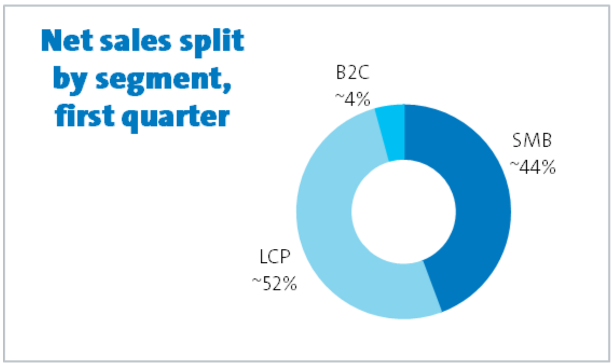
For a detailed description of the risks that are expected to be particularly significant for the future development of the Group, refer to pages 76-87 of Dustin's 2018/19 Annual Report.

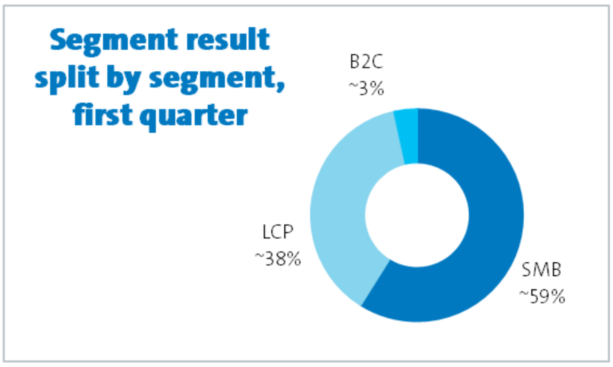
The share

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 29, 2019, the price was SEK 76.15 per share (81.20), representing a total market capitalisation of SEK 6,750 million (7,167). At November 29, the company had a total of 9,345 shareholders (7,135). The company's three largest shareholders were Axmedia AB (Axel Johnson Gruppen) with 29.8 per cent, AMF Försäkring & Fonder with 9.8 per cent and Franklin Templeton with 6.1 per cent. Dustin's shareholder register with the largest shareholders is presented on the company's website.

Review of business segments

Dustin operates through 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 only served through the online platform.





SMB - Small and Medium-sized Businesses

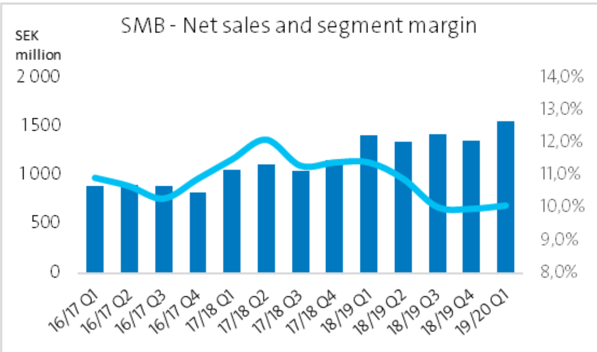
SEK million	Q1 19/20	Q1 18/19	Change %	Rolling 12 months	Full-year 18/19	Change %
Net sales	1,554.9	1,413.4	10.0	5,674.4	5,532.9	2.6
Segment results	156.7	160.5	-2.4	580.5	584.4	-0.7
Segment margin (%)	10.1	11.4	–	10.2	10.6	–

Net sales
Net sales for the quarter rose 10.0 per cent to SEK 1,555 million (1,413), with 8.7 percentage points of the increase compared with the year-earlier quarter attributable to completed acquisitions and divestments, and 1.0 percentage points to exchange-rate differences. Organic growth was dampened by a cautious market climate and amounted to 0.3 per cent during the quarter (7.8). Data from IDC shows that the PC market in the Nordic region declined by between 6 and 7 per cent in volume and correspondingly between 2 and 3 per cent in value during the third quarter of 2019, partly as a result of limited access to computers and processors from Intel during the quarter.

Segment results
Profit for the segment declined 2.4 per cent to SEK 157 million (161). The segment margin improved slightly compared with the preceding quarter, but declined to 10.1 per cent (11.4) compared with the year-earlier quarter. The change was largely due to higher costs in the form of investments made earlier in the organisation for services and solutions, as well as the somewhat weaker market and a strong comparative quarter.

Invoicing of a number of major customer installations had a positive impact in the comparative quarter.

During the first quarter, software and services as a percentage of sales increased to 23.6 per cent (20.3) in the segment (see Note 2 Segments). At the end of the first quarter, the customer base for SaaS configurations in integrated operations had increased to a total of 85,536 users (55,615) in the Nordic region.

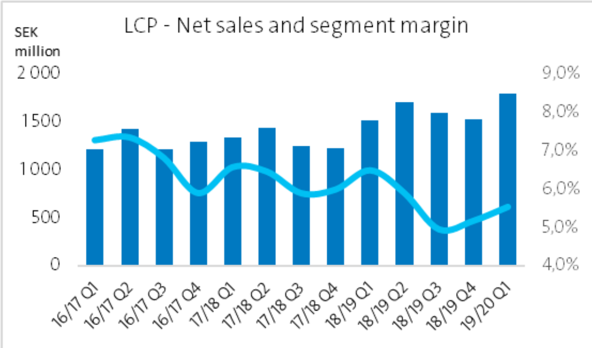


LCP – Large Corporate and Public sector

SEK million	Q1 19/20	Q1 18/19	Change %	Rolling 12 months	Full-year 18/19	Change %
Net sales	1,805.5	1,521.7	18.7	6,660.6	6,376.8	4.5
Segment results	100.1	99.3	0.7	360.1	359.4	0.2
Segment margin, %	5.5	6.5	–	5.4	5.6	–

Net sales
During the quarter, net sales rose 18.7 per cent to SEK 1,806 million (1,522), positively impacted by completed acquisitions of 2.5 percentage points and exchange-rate differences of 1.0 percentage point. Organic growth amounted to 15.1 per cent (4.9) and was mainly attributable to large volumes under the framework agreements in the public sector in Denmark, Norway and Sweden. Sales to large companies decreased somewhat compared with the year-earlier quarter, as a result of a continued cautious market climate and weak PC sales combined with a number of major one-off deliveries in the comparative quarter.

Segment results
Profit for the segment increased to SEK 100 million (99). The segment margin improved compared with the two immediately preceding quarters, but declined to 5.5 per cent (6.5) compared with the year-earlier quarter. The change was attributable in its entirety to a higher share of sales with a lower margin under framework agreements with the public sector and a generally less favourable product mix.

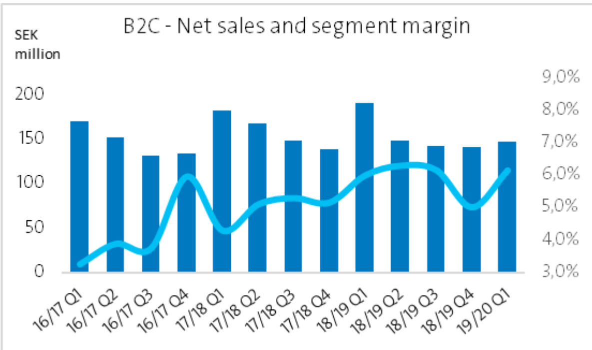


B2C – Business to Consumer

SEK million	Q1 19/20	Q1 18/19	Change %	Rolling 12 months	Full-year 18/19	Change %
Net sales	147.9	191.7	-22.8	582.2	625.9	-7.0
Segment results	9.1	11.5	-20.6	34.4	36.7	-6.4
Segment margin, %	6.2	6.0	–	5.9	5.9	–

Net sales
Net sales for the quarter declined 22.8 per cent to SEK 148 million (192). Organic growth was negative 23.4 per cent (pos: 2.0). The decrease is mainly attributable to continued focus on margin over volume combined with sales on Black Friday, which was later in 2019 compared with 2018, being distributed across both November and December.

Segment results
Profit for the segment for the quarter declined somewhat compared with the preceding year and amounted to SEK 9 million (12). The segment margin improved somewhat to 6.2 per cent (6.0).



Central functions

SEK million	Q1 19/20	Q1 18/19	Change %	Rolling 12 months	Full-year 18/19	Change
Cost for central functions	-109.4	-109.0	0.4	-421.2	-420.7	0.1
Costs for central functions in relation to net sales (%)	-3.1	-3.5	–	-3.3	-3.4	–

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 first quarter, costs for central functions amounted to 3.1 per cent (3.5) in relation to sales. The costs for the central functions were in line with the year-earlier quarter and amounted to SEK 109 million (109).

The earnings effect of IFRS 16 of SEK 1 million is included in the costs for central functions. 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 8, 2020

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 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
Net sales	2	3,508.3	3,126.7	12,917.2	12,535.7
Cost of goods and services sold		-2,948.3	-2,582.1	-10,812.5	-10,446.3
Gross profit		**560.0**	**544.6**	**2,104.7**	**2,089.3**
Selling and administrative expenses		-425.8	-396.9	-1,623.2	-1,594.3
Items affecting comparability	3	-14.2	3.2	-13.9	3.5
Other operating income		2.5	1.8	8.3	7.6
Other operating expenses		-4.1	-3.4	-17.8	-17.1
EBIT	2	**118.3**	**149.3**	**458.1**	**489.1**
Financial income and other similar income-statement items		0.2	0.1	0.9	0.8
Financial expenses and other similar income-statement items		-12.7	-10.2	-47.5	-45.0
Profit after financial items		**105.8**	**139.2**	**411.5**	**444.9**
Tax		-20.0	-28.5	-80.2	-88.7
Profit or loss for the period, attributable in its entirety to Parent Company shareholders		**85.7**	**110.7**	**331.3**	**356.2**
Other comprehensive income (all items that will be transferred to the income statement)					
Translation differences		-53.1	-47.3	-49.3	-43.4
Cash-flow hedging		62.7	53.2	48.5	39.0
Tax attributable to cash-flow hedges		-13.4	-11.7	-10.3	-8.6
Other comprehensive income		**-3.9**	**-5.8**	**-11.0**	**-13.0**
Comprehensive income for the period, attributable in its entirety to Parent Company shareholders		**81.9**	**104.9**	**320.2**	**343.2**
Earnings per share before dilution (SEK)		0.97	1.38	3.74	4.12
Earnings per share after dilution (SEK)		0.97	1.37	3.73	4.11

Condensed consolidated balance sheet

SEK million	Note	Nov 30, 2019	Nov 30, 2018	Aug 31, 2019
ASSETS				
Non-current assets				
Goodwill		3,770.0	3,172.1	3,839.8
Other intangible assets attributable to acquisitions		625.4	556.4	641.5
Other intangible assets	4	142.9	129.5	133.0
Tangible assets	4	98.7	90.9	105.7
Right-of-use assets	4	329.9	–	–
Divestment-related receivables	5	–	1.6	1.6
Deferred tax assets		4.4	1.8	5.5
Derivative instruments	5	0.5	1.7	0.6
Other non-current assets		17.4	16.3	17.9
Total non-current assets		**4,989.1**	**3,970.3**	**4,745.6**
Current assets				
Inventories		558.7	480.3	465.7
Accounts receivable		1,700.3	1,446.3	1,460.4
Derivative instruments	5	0.0	0.3	1.4
Tax assets		39.8	9.4	45.8
Other receivables		364.6	230.2	268.1
Divestment-related receivables	5	–	5.0	–
Cash and cash equivalents		414.2	850.3	281.3
Total current assets		**3,077.7**	**3,021.8**	**2,522.7**
TOTAL ASSETS		**8,066.8**	**6,992.1**	**7,268.3**
EQUITY AND LIABILITIES				
Equity				
Equity attributable to Parent Company shareholders		2,542.2	2,432.9	2,460.3
Total equity		**2,542.2**	**2,432.9**	**2,460.3**
Non-current liabilities				
Deferred tax and other long-term provisions		206.9	185.3	235.6
Liabilities to credit institutions		1,952.4	1,932.5	2,006.1
Non-current lease liabilities		203.2	–	–
Acquisition-related liabilities	5	–	149.5	–
Derivative instruments	5	13.7	6.8	24.1
Total non-current liabilities		**2,376.2**	**2,274.1**	**2,265.8**
Current liabilities				
Current lease liabilities		131.0	–	–
Accounts payable		2,212.1	1,695.0	1,712.3
Tax liabilities		32.5	2.8	10.2
Derivative instruments	5	0.4	–	0.7
Other current liabilities		575.5	500.5	574.2
Acquisition-related liabilities	5	196.9	86.9	244.8
Total current liabilities		**3,148.4**	**2,285.1**	**2,542.3**
TOTAL EQUITY AND LIABILITIES		**8,066.8**	**6,992.1**	**7,268.3**

Condensed consolidated statement of changes in equity

SEK million	Nov 30, 2019	Nov 30, 2018	Aug 31, 2019
Balance as at September 1	**2,460.3**	**1,646.6**	**1,646.6**
Profit for the period	85.7	110.7	356.2
Other comprehensive income			
Translation difference	-53.1	-47.3	-43.4
Cash-flow hedging	62.7	53.2	39.0
Tax attributable to cash-flow hedges	-13.4	-11.7	-8.6
Total other comprehensive income	**-3.9**	**-5.8**	**-13.0**
Total comprehensive income	**81.9**	**104.9**	**343.2**
Dividends	–	–	-239.2
Holdings of own warrants	–	–	–
New share issue	–	695.0	720.4
Issue costs	–	-13.6	-14.2
Subscription with the support of warrants	–	–	3.5
Total transactions with shareholders	**–**	**681.5**	**470.5**
Closing equity as per the balance-sheet date, attributable to Parent Company shareholders in its entirety	**2,542.2**	**2,432.9**	**2,460.3**

Consolidated statement of cash flow

SEK million	Note	Q1 19/20	Q1 18/19	Full-year 18/19
Operating activities				
EBIT		118.3	149.3	489.1
Adjustment for non-cash items		82.6	21.9	66.9
Interest received		0.2	0.1	0.8
Interest paid		-9.9	-8.2	-38.8
Income tax paid		-21.7	-56.7	-127.7
Cash flow from operating activities before changes in working capital		**169.6**	**106.4**	**390.2**
Decrease (+)/increase (-) in inventories		-95.7	-86.8	-62.2
Decrease (+)/increase (-) in receivables		-371.3	-243.1	-199.5
Decrease (-)/increase (+) in current liabilities		522.1	172.1	135.5
Cash flow from changes in working capital		**55.2**	**-157.8**	**-126.2**
Cash flow from operating activities		**224.7**	**-51.4**	**264.0**
Investing activities				
Acquisition of intangible assets	4	-27.7	-10.3	-37.3
Acquisition of tangible assets	4	-7.9	-11.6	-42.1
Acquisition of operations		–	–	-536.1
Divestment of operations		–	–	5.0
Earn-out paid		-42.5	-31.2	-31.2
Cash flow from investing activities		**-78.1**	**-53.1**	**-641.8**
Financing activities				
New share issue		–	681.5	680.8
Cash flow from LTI programme		–	–	28.9
Dividends		–	–	-239.2
New loans raised		–	–	–
Repayment of loans		–	-12.3	-71.9
Paid borrowing expenses		–	–	-0.6
Repayment of lease liabilities		-37.3	-1.2	-4.8
Cash flow from financing activities		**-37.3**	**668.0**	**393.2**
Cash flow for the period		**109.3**	**563.4**	**15.5**
Cash and cash equivalents at beginning of period		**281.3**	**277.6**	**277.6**
Cash flow for the period		109.3	563.4	15.5
Exchange-rate differences in cash and cash equivalents		23.6	9.2	-11.8
Cash and cash equivalents at the end of period		**414.2**	**850.3**	**281.3**

Condensed Parent Company income statement

SEK million	Q1 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
Net sales	0.1	0.1	0.4	0.4
Selling and administrative expenses	-1.6	-2.0	-6.3	-6.7
Other operating expenses	–	–	0.0	0.0
EBIT	**-1.5**	**-1.9**	-5.9	**-6.3**
Financial income and other similar income-statement items	65.6	53.5	59.7	47.7
Financial expenses and other similar income-statement items	-9.3	-8.6	-60.3	-59.5
Profit after financial items	**54.7**	**43.1**	-6.5	**-18.1**
Appropriations	–	–	213.5	213.5
Tax	-11.7	-6.5	-35.0	-29.8
Profit for the period	**43.0**	**36.6**	**172.0**	**165.6**

Parent Company statement of comprehensive income

SEK million	Q1 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
Profit for the period	43.0	36.6	172.0	165.6
Other comprehensive income	–	–	–	–
Comprehensive income for the period	**43.0**	**36.6**	**172.0**	**165.6**

Parent Company balance sheet

SEK million	Nov 30, 2019	Nov 30, 2018	Aug 31, 2019
ASSETS			
Non-current assets	1,211.6	1,211.6	1,211.6
Current assets	2,479.2	2,457.3	2,490.4
TOTAL ASSETS	**3,690.8**	**3,668.8**	**3,702.0**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	443.2	441.3	443.2
Total restricted equity	**443.2**	**441.3**	**443.2**
Non-restricted equity			
Share premium reserve	1,087.3	1,064.6	1,087.3
Retained earnings	-26.2	43.8	-191.8
Profit for the period	43.0	36.6	165.6
Total non-restricted equity	**1,104.1**	**1,145.0**	**1,061.1**
Total equity	**1,547.3**	**1,586.3**	**1,504.3**
Untaxed reserves	182.8	137.7	182.8
Non-current liabilities	1,952.4	1,932.5	2,006.1
Current liabilities	8.2	12.4	8.7
TOTAL EQUITY AND LIABILITIES	**3,690.8**	**3,668.8**	**3,702.0**

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 2018/19 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.

New accounting policies 2019/20 and onward

IFRS 16 Leases

The Group has applied IFRS 16 Leases as of September 1, 2019. The standard entails that all leases for which Dustin is the lessee recognise a right-of-use asset that represents a right to use the underlying asset and a lease liability that represents an obligation to pay lease fees. Leases of low value and with a term of not more than 12 months are not included in the right-of-use assets or lease liabilities.

The Group applied the modified retrospective transition method. That means that the cumulative effect of adopting IFRS 16 is recognised in the opening balance on September 1, 2019 with no restatement of comparative figures. The lease liability was measured at the present value of the remaining lease fees and rights-of-use at an amount corresponding to the lease liability, adjusted for any prepaid or accrued lease fees. Identified leases under IFRS 16 mainly relate to buildings (offices and warehouses), transportation (vehicles and forklifts) and IT equipment. The interest rate applied is set by currency and in respect of each agreement's lease period.

Quarter impacts, IFRS 16

Operating leases were formerly recognised as operating expenses under EBITA. The effect of the quarter after the introduction of IFRS 16 entailed that operating expenses declined SEK 40 million and were offset by depreciation of SEK 39 million, generating a positive effect on EBITA of SEK 1 million. Financial expenses increased SEK 2 million and on November 30, 2019, earnings were negatively impacted by SEK 1 million. Dustin has chosen not to allocate the earnings effect of the new standard per segment, meaning the segment result is unchanged as a result of IFRS 16.

Consolidated income statement	Incl. IFRS 16 Q1 19/20	Effect IFRS 16 Q1 19/20	Excl. IFRS 16 Q1 19/20
Cost of goods and services sold	-2,948.3	0.2	-2,948.5
Selling and administrative expenses	-440.0	0.9	-440.9
EBIT	**118.3**	**1.1**	**117.2**
Financial expenses and other similar income-statement	-12.7	-2.4	-10.3
Profit/loss after financial items	**105.8**	**-2.4**	**108.2**
Tax	-20.0	–	-20.0
Profit/loss for the period	85.7	-1.4	87.1

Adjusted EBITDA	Incl. IFRS 16 Q1 19/20	Effect IFRS 16 Q1 19/20	Excl. IFRS 16 Q1 19/20
EBIT	118.3	1.1	117.2
Depreciation and impairment of tangible assets	49.1	38.5	10.6
Amortisation and impairment of intangible assets	23.9	–	23.9
Items affecting comparability	14.2	–	14.2
Adjusted EBITDA	205.5	39.6	165.9

On September 1, 2019, the Group recognised consolidated lease liabilities of SEK 341 million. The lease liability at November 30, 2019 amounted to SEK 334 million, of which SEK 326 million is attributable to the introduction of IFRS 16. The cash-flow for the period is not affected, the impact from IFRS 16 is only a reclassification between the cash flow from operating activities, which increased as a result of the repayment of lease liabilities, and financing activities. Dustin's financial covenants related to external financing were not impacted by the introduction of the new standard.

Consolidated balance sheet	Incl. IFRS 16 Nov 30, 2019	Effect IFRS 16	Excl. IFRS 16
Right-of-use assets	367.7	367.7	–
Right-of-use assets, accumulated depreciation	-37.8	-37.8	–
Non-current assets	4,989.1	329.9	4,658.8
Prepaid expenses, accrued income	294.2	-5.3	299.5
Current assets	3,077.7	-5.3	3,083.0
Retained earnings	2,098.3	-1.4	2,099.7
Equity	2,542.2	-1.4	2,543.5
Lease liabilities, non-current	203.2	203.2	–
Non-current liabilities	2,376.2	203.2	2,173.1
Leasing liabilities, current	131.0	122.8	8.2
Current liabilities	3,148.4	122.8	3,025.6

Note 2 Segments

All amounts in SEK million, unless otherwise indicated	Q1 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
Net sales				
LCP	**1,805.5**	**1,521.7**	**6,660.6**	**6,376.8**
of which, hardware	1,617.6	1,381.4	5,935.4	5,699.2
of which, software and services	188.0	140.3	725.3	677.6
SMB	**1,554.9**	**1,413.4**	**5,674.4**	**5,532.9**
of which, hardware	1,187.6	1,126.5	4,287.0	4,225.9
of which, software and services	367.3	286.9	1,387.4	1,307.0
B2C	**147.9**	**191.7**	**582.2**	**625.9**
of which, hardware	146.8	190.3	578.8	622.3
of which, software and services	1.0	1.3	3.3	3.6
Total	**3,508.3**	**3,126.7**	**12,917.2**	**12,535.7**
of which, hardware	2,952.0	2,698.2	10,801.2	10,547.4
of which, software and services	556.3	428.5	2,116.0	1,988.2
Segment results				
LCP	100.1	99.3	360.1	359.4
SMB	156.7	160.5	580.5	584.4
B2C	9.1	11.5	34.4	36.7
Total	**265.8**	**271.3**	**975.0**	**980.5**
Central functions	-109.4	-109.0	-421.2	-420.7
Of which, effects related to IFRS 16	1.1	–	–	–
Adjusted EBITA	**156.4**	**162.3**	**553.8**	**559.7**
Segment margin				
LCP, segment margin (%)	5.5	6.5	5.4	5.6
SMB, segment margin (%)	10.1	11.4	10.2	10.6
B2C, segment margin (%)	6.2	6.0	5.9	5.9
Segment margin	7.6	8.7	7.5	7.8
Costs for central functions, excluding items affecting comparability in relation to net sales (%)	-3.1	-3.5	-3.3	-3.4
Reconciliation with profit after financial items				
Items affecting comparability	-14.2	3.2	-13.9	3.5
Amortisation and impairment of intangible assets	-23.9	-16.2	-81.8	-74.1
EBIT, Group	**118.3**	**149.3**	**458.1**	**489.1**
Financial income and other similar income-statement items	0.2	0.1	0.9	0.8
Financial expenses related to IFRS 16	-2.4	–	–	–
Financial expenses and other similar income-statement items	-10.3	-10.2	-45.0	-45.0
Profit after financial items, Group	**105.8**	**139.2**	**414.0**	**445.0**

Note 3 Items affecting comparability

Items affecting comparability amounted to negative SEK 14 million (pos: 3) for the quarter and pertained to integration costs of SEK 7 million (-) and expenses of SEK 8 million (-) for the development of the IT platform to support online retail in the Netherlands. Online retail was launched at the end of October 2019.

SEK million	Q1 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
Acquisition and divestment-related expenses	0.2	-1.4	-24.6	-26.2
Integration costs	-6.5	–	-6.5	–
Change in value of acquisition-related liabilities	–	4.6	43.5	48.1
Costs for launch of online retail	-7.9	–	-26.3	-18.4
Total	**-14.2**	**3.2**	**-13.9**	**3.5**

Note 4 Investments

SEK million	Q1 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
Capitalised expenditure for IT development (integrated IT platform and other long-term strategic IT systems)	12.4	9.0	35.7	32.3
Other investments in tangible and intangible assets	23.1	12.9	57.4	47.2
Cash flow from acquisitions and divestment of operations	42.5	31.2	573.6	562.3
Cash flow from investing activities	**78.1**	53.1	**666.7**	641.8
Net investment in finance lease assets	–	0.6	7.0	7.5
Net investment in lease assets	26.5	–	–	–
Total	104.6	53.7	700.3	649.3

IFRS 16

The Group has applied IFRS 16 Leases as of September 1, 2019. The standard entails that all leases for which Dustin is the lessee recognise a right-of-use asset that represents a right to use the underlying asset. Dustin's right-of-use assets mainly relate to buildings and IT equipment. During the quarter, new agreements of SEK 26 million were added, mainly attributable to cars and IT equipment related to service provision.

SEK million	Q1 19/20
Buildings	161.5
Vehicles	47.0
IT equipment for internal use	68.1
IT equipment related to service provision	51.9
Other items	1.4
Right-of-use assets Nov 30, 2019	**329.9**

Not 5 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 measurement level remains unchanged compared with August 31, 2018.

At Nov 30, 2019, the fair value of derivative instruments amounted to SEK 14 million (5).

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 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, which was settled during the quarter. The calculation of the contingent earn-out liability 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 Saldab AB and Norriq 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 observable market data (Level 3)	Nov 30, 2019	Aug 31, 2019
Opening balance	**244.8**	**276.3**
Remeasurements recognised in profit or loss:		
Unrealised revaluation of contingent earn-out recognised under Items affecting comparability	–	-70.2
Discount of contingent earn-out recognised under Financial expenses and other similar income-statement items	0.3	3.9
Remeasurements recognised under other comprehensive income:		
Unrealised exchange-rate differences recognised under Translation differences	-5.7	1.7
Changes recognised via the balance sheet:		
Payments attributable to previous acquisitions	-42.5	-37.3
Acquisitions	–	70.4
Closing balance	**196.9**	**244.8**

Change in divestment-related receivables measured at fair value based on inputs that are not based on observable market data (Level 3)	Nov 30, 2019	Aug 31, 2019
Opening balance	**1.6**	6.6
Changes recognised via the balance sheet:		
Settlement of receivable for previously divested operations	-1.6	-5.0
Estimated purchase consideration, divestment of subsidiary, long and short term	–	–
Closing balance	**–**	**1.6**

Note 6 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 7 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	Q1 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
Income statement				
Organic sales growth (%)	6.1	5.9	8.7	9.9
Gross margin (%)	16.0	17.4	16.3	16.7
EBIT	118.3	149.3	458.1	489.1
Adjusted EBITDA (excl. IFRS 16)	165.9	172.4	594.6	601.1
Adjusted EBITDA (incl. IFRS 16)	205.5	–	634.2	–
Adjusted EBITA	156.4	162.3	553.8	559.7
Adjusted EBITA margin (%)	4.5	5.2	4.3	4.5
Return on equity (%)	–	–	13.0	14.5
Balance sheet				
Net working capital	-156.7	-22.0	-156.7	-67.6
Capital employed	437.1	219.8	437.1	197.0
Net debt	1,872.4	1,092.3	1,872.4	1,736.4
Net debt/adjusted EBITDA (multiple) (excl. IFRS 16)	–	–	2.6	2.9
Net debt/adjusted EBITDA (multiple) (incl. IFRS 16)	–	–	3.0	–
Maintenance investments	-35.6	-21.9	-93.2	-79.5
Equity/assets ratio (%)	–	–	31.5	33.8
Cash flow				
Operating cash flow	225.1	-7.3	627.9	395.5
Cash flow from operating activities	224.7	-51.4	540.2	264.0
Data per share				
Earnings per share before dilution (SEK)	0.97	1.38	3.74	4.12
Earnings per share after dilution (SEK)	0.97	1.37	3.73	4.11
Equity per share before dilution (SEK)	28.68	27.57	28.68	27.75
Cash flow from operating activities per share before dilution (SEK)	2.54	-0.64	6.10	3.05
Cash flow from operating activities per share after dilution (SEK)	2.53	-0.63	6.08	3.04
Average number of shares	88,647,339	80,439,221	88,519,019	86,472,611
Average number of shares after dilution	88,788,952	81,006,254	88,822,651	86,766,793
Number of shares issued at end of period	88,647,339	88,258,859	88,647,339	88,647,339

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 7.

Total	Q1 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
Organic growth				
Sales growth (%)	12.2	20.6	19.2	21.7
Acquired growth (%)	-5.2	-11.5	-9.3	-9.9
Currency effects in sales growth (%)	-1.0	-3.2	-1.2	-1.9
Organic sales growth (%)	**6.1**	**5.9**	**8.7**	**9.9**

SMB	Q1 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
Organic growth				
Sales growth (%)	10.0	33.4	20.1	26.5
Acquired growth (%)	-8.7	-23.4	-19.5	-21.1
Currency effects in sales growth (%)	-1.0	-2.2	-1.0	-1.3
Organic sales growth (%)	**0.3**	**7.8**	**-0.4**	**4.0**

LCP	Q1 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
Organic growth				
Sales growth (%)	18.7	12.8	22.0	20.7
Acquired growth (%)	-2.5	-3.8	-1.5	-1.8
Currency effects in sales growth (%)	-1.0	-4.1	-1.5	-2.3
Organic sales growth (%)	**15.1**	**4.9**	**19.0**	**16.5**

B2C	Q1 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
Organic growth				
Sales growth (%)	-22.8	4.4	-10.4	-2.4
Currency effects in sales growth (%)	-0.6	-2.4	-1.0	-1.6
Organic sales growth (%)	**-23.4**	**2.0**	**-11.4**	**-3.9**

Adjusted EBITA	Q1 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
EBIT	118.3	149.3	458.1	489.1
Amortisation and impairment of intangible assets	23.9	16.2	81.8	74.1
Items affecting comparability	14.2	-3.2	13.9	-3.5
Adjusted EBITA	**156.4**	**162.3**	**553.8**	**559.7**

Adjusted EBITDA (excl. IFRS 16)	Q1 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
EBIT	117.2	149.3	457.1	489.1
Depreciation and impairment of tangible assets	10.6	10.1	41.9	41.5
Amortisation and impairment of intangible assets	23.9	16.2	81.8	74.1
Items affecting comparability	14.2	-3.2	13.9	-3.5
Adjusted EBITDA (excl. IFRS 16)	**165.9**	**172.4**	**594.6**	**601.1**

Adjusted EBITDA (incl. IFRS 16)	Q1 19/20	Q1 18/19	Rolling 12 months	Full-year 18/19
EBIT	118.3	149.3	458.1	489.1
Depreciation and impairment of tangible assets	49.1	10.1	80.5	41.5
Amortisation and impairment of intangible assets	23.9	16.2	81.8	74.1
Items affecting comparability	14.2	-3.2	13.9	-3.5
Adjusted EBITDA (incl. IFRS 16)	**205.5**	**172.4**	**634.2**	**601.1**

Segment information by quarter

All amounts in SEK million, unless otherwise indicated	Q1 19/20	Q4 18/19	Q3 18/19	Q2 18/19	Q1 18/19	Q4 17/18	Q3 17/18	Q2 17/18	Q1 17/18
Net sales	3,508.3	3,025.7	3,168.5	3,214.7	3,126.7	2,524.2	2,461.7	2,722.9	2,591.8
Organic sales growth (%)	6.1	11.2	15.3	7.8	5.9	-4.7	1.6	1.7	8.8
Gross margin (%)	16.0	16.2	16.8	16.3	17.4	16.5	16.1	15.4	15.6
Adjusted EBITA	156.4	120.1	123.8	153.5	162.3	118.8	107.9	143.1	130.9
Adjusted EBITA margin (%)	4.5	4.0	3.9	4.8	5.2	4.7	4.4	5.3	5.1
Net sales per segment:									
LCP	1,805.5	1,530.8	1,606.1	1,718.3	1,521.7	1,230.1	1,261.5	1,444.1	1,348.4
SMB	1,554.9	1,353.4	1,419.6	1,346.5	1,413.4	1,154.4	1,051.3	1,109.6	1,059.8
B2C	147.9	141.6	142.8	149.8	191.7	139.6	148.9	169.2	183.5
Segment results:									
LCP	100.1	79.6	79.6	100.9	99.3	74.1	74.3	93.4	88.8
SMB	156.7	134.7	142.4	146.7	160.5	131.7	118.9	135.7	121.8
B2C	9.1	7.1	8.8	9.4	11.5	7.2	7.9	8.4	7.9
Segment margin (%):									
LCP	5.5	5.2	5.0	5.9	6.5	6.0	5.9	6.5	6.6
SMB	10.1	10.0	10.0	10.9	11.4	11.4	11.3	12.2	11.5
B2C	6.2	5.0	6.2	6.3	6.0	5.2	5.3	5.0	4.3
Central functions									
Central functions	-109.4	-101.3	-107.0	-103.5	-109.0	-94.3	-93.2	-94.4	-87.5
Percentage of net sales	-3.1	-3.3	-3.4	-3.2	-3.5	-3.7	-3.8	-3.5	-3.4

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

July 1, 2020
Interim report for the third quarter
March 1, 2020 – May 31, 2020

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

Nov 17, 2020
2019/20 Annual Report

December 14, 2020
2019/20 Annual General Meeting

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This information is information that Dustin Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication at 8:00 a.m. CET on January 8, 2020.