Interim report

March 1, 2020 – May 31, 2020

Q3

dustingroup.com

Interim report March 2020 – May 2020

"Dustin draws strength from increased digitalisation and a high pace of change"

Third quarter

- Net sales rose 3.2 per cent to SEK 3,271 million (3,169).
- Organic sales growth was 1.3 per cent (15.3), of which SMB accounted for negative 5.7 per cent (6.6), LCP for 6.6 per cent (25.0) and B2C for 9.7 per cent (neg: 5.0).
- The gross margin amounted to 15.1 per cent (16.8).
- Adjusted EBITA amounted to SEK 106 million (124), corresponding to an adjusted EBITA margin of 3.2 per cent (3.9).
- EBIT totalled SEK 52 million (78), including items affecting comparability of a negative SEK 29 million (neg: 26.2).
- Profit for the quarter was SEK 31 million (48).
- Earnings per share before dilution totalled SEK 0.35 (0.54).
- Cash flow from operating activities amounted to SEK 468 million (101).
- The short-term market trend is difficult to assess. Our assessment is that we will see a return to a more stable and normal market situation in the latter part of 2020.

September 2019 – May 2020

- Net sales rose 8.5 per cent to SEK 10,322 million (9,510).
- Organic sales growth was 3.8 per cent (9.5), of which SMB accounted for negative 1.0 per cent (4.6), LCP for 8.5 per cent (15.3) and B2C for negative 2.5 per cent (neg: 5.2).
- The gross margin amounted to 15.6 per cent (16.8).
- Adjusted EBITA declined to SEK 416 million (440), corresponding to an adjusted EBITA margin of 4.0 per cent (4.6).
- EBIT totalled SEK 303 million (388), including items affecting comparability of negative SEK 40 million (pos: 0.2).
- Profit for the period amounted to SEK 209 million (283).
- Earnings per share before dilution totalled SEK 2.36 (3.30).
- Cash flow from operating activities amounted to SEK 848 million (193).
- 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 2.5 (2.9 at the end of 2018/19). When calculated including these effects, the figure was 2.9 (-).

Financial key ratios

All amounts in SEK million, unless otherwise indicated	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
Net sales	3,270.6	3,168.5	10,321.6	9,509.9	13,347.4	12,535.7
Organic sales growth (%)	1.3	15.3	3.8	9.5	4.8	9.9
Gross margin (%)	15.1	16.8	15.6	16.8	15.7	16.7
Adjusted EBITA	106.0	123.8	416.0	439.5	536.2	559.7
Adjusted EBITA margin (%)	3.2	3.9	4.0	4.6	4.0	4.5
EBIT	51.8	78.3	302.7	387.5	404.3	489.1
Profit for the period	31.1	48.0	208.8	282.8	276.1	356.2
Items affecting comparability*	-28.7	-26.2	-39.8	0.2	-36.6	3.5
Earnings per share before dilution (SEK)	0.35	0.54	2.36	3.30	3.83	4.12
Cash flow from operating activities	467.6	100.6	847.5	192.8	918.7	264.0
Net debt/adjusted EBITDA (multiple) (excl. IFRS 16)	–	–	–	–	2.5	2.9
Net debt/adjusted EBITDA (multiple) (incl. IFRS 16)**	–	–	–	–	2.9	–
Return on equity (%)	–	–	–	–	11.6	14.5

For definitions, refer to page 29.

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

** Refer to the section on alternative performance measures for the source of the calculation.

Dustin draws strength from increased digitalisation and a high pace of change

The corona pandemic has affected and will affect us all in different ways. The market is difficult to assess in the short term, but we have a long-term attractive position. The pace of digitalisation in society, with increasing online sales and a greater need for mobility, has accelerated, driven by the pandemic. We are well-positioned for these trends, which has made it possible for us to raise the pace of our transformation. In the third quarter, we further improved our working capital, thereby strengthening our balance sheet and reducing our debt/equity ratio. We reported positive sales growth of 3.2 per cent for the quarter, of which more than 1.3 per cent was organic. Adjusted EBITA declined compared with the year-earlier quarter to SEK 106 million. Furthermore, based on the prevailing market situation, we have implemented measures to adapt the organisation and reduce our costs.

Uncertain short-term market trend
The corona pandemic is not over and restrictions remain in many of our markets. The short-term market trend is difficult to assess. We are able to discern a better market as the official restrictions are eased. Our assessment is that we will see a return to a more stable and normal market situation in the latter part of 2020.

We are strengthening our leading position
During the quarter, market trends accelerated in strength. We are seeing increased digitalisation in society and distinct changes in customer behaviour. Our business model responds very well to these changes for the long term, despite short-term challenges, in that we address the trends toward increased online sales and the demand for mobility and cloud services. The strength of our model also shows that our suppliers want to become more closely connected with us by offering extended credit terms. This provides us with improved working capital and thereby strengthens our balance sheet and reduces our debt/equity ratio. In addition, we have implemented measures to more rapidly adapt the organisation to our strategy and reduce our costs.

Increased pace of transformation
A rapidly changing market generates the conditions for increasing the pace of the implementation of our strategy for standardised services and solutions. We are closing 14 smaller and local offices and reducing our workforce by approximately 50 positions. The initiative was charged to earnings as a cost affecting comparability of SEK 27 million, which is estimated to generate an annual saving of SEK 40 million, with a distinct impact as of the month of July. The transformation toward standardised online services and solutions is securing our long-term growth and margin expansion. At the beginning of March, this was made clearer by our updated branding position and visual identity.

Fragmented performances of the segments
Net sales for the third quarter rose 3.2 per cent to SEK 3,271 million (3,169). Organic growth was 1.3 per cent. The LCP segment reported growth of 7.7 per cent, of which 6.6 per cent was organic, due to continued strong sales to the public sector. The SMB segment reported growth of 2.3 per cent, of which negative 5.7 per cent was organic. Following a positive start to the quarter, the market became more cautious, particularly among the slightly larger companies in the segment. The B2C segment grew 8.2 per cent, of which 9.7 per cent was organic, which was mainly attributable to continued home office upgrades.

Mix changes and restrictions pressures profitability
Adjusted EBITA declined to SEK 106 million (124) and the adjusted EBITA margin fell to 3.1 per cent (3.9). This margin decline was mainly attributable to a changed sales mix and lower growth. Profitability was negatively impacted by a higher share of sales within public contracts and a higher share of computer hardware with a low margin. Sales of project-related services and customer connections of new services with a high margin have been weak, given that the customers' offices have been closed. EBIT declined to SEK 52 million (78), impacted by items affecting comparability totalling negative SEK 29 million (neg: 26).

Automation using new robot solution
To enhance efficiency and further digitalise the operations, a decision was made at the beginning of the financial year to invest in automation of the central warehouse in Rosersberg. The robot solution is now in operation and enhances the level of service for our customers through shorter handling times in the warehouse and, consequently, shorter delivery times for Nordic customers. Efficiency was enhanced by approximately 25 per cent and 15 per cent of the warehouse space was freed up.

Changes to Executive Management
We are now taking our next step in the Netherlands, with Morten Jakobi, EVP People & Culture, taking up the role of EVP Netherlands. Morten will be responsible for the coordination and integration of the operations. In addition, Martin Lindecrantz has been recruited to the role of EVP HR. Stephanie Forsblom will assume the position of EVP Marketing & Communication, with overall responsibility for external and internal communication. They will take up their positions in August and will be members of the Executive Management.

Summary
Overall, we performed well during the third quarter, given the circumstances. Our completed and planned cost savings and investments will make a positive contribution to earnings. We are well positioned for the market trends featuring a greater proportion of sales online and an increased need for mobility and cloud services, and have a strengthened view of our strategy and long-term business. Our financial position is favourable and we stand well-equipped for the challenges and opportunities that the prevailing business climate can offer us and our customers.

Nacka, July 2020

Thomas Ekman
President and CEO

Dustin at a glance

Dustin is a leading online IT partner serving the Nordic region and the Netherlands. We help our customers to stay at the forefront by providing them with the right IT solution at the right time and at the right price. With our high-level IT expertise, broad offering and pragmatic attitude, 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.

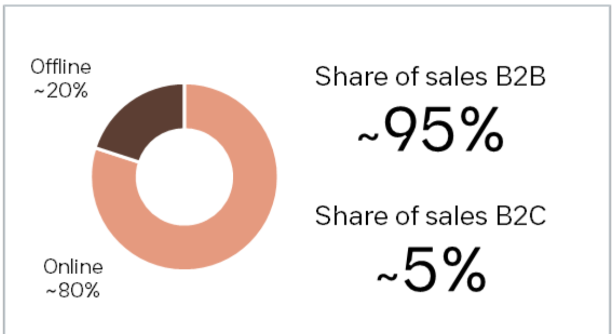
Focus on business customers
We have a total of three business segments: SMB (Small and Medium Sized Businesses) with a sales share of about 44 per cent, LCP (Large, Corporate and Public) with a sales share of about 51 per cent and B2C (Business to Consumer) with a sales share of about 5 per cent. Our sales are mainly made online and a complemented by consultative selling.

Growing service sales
The demand for standardised and managed services is increasing as the companies' needs for mobility and accessibility grow. We are broadening our already extensive product offering with services to help our customers with a large share of their IT needs.

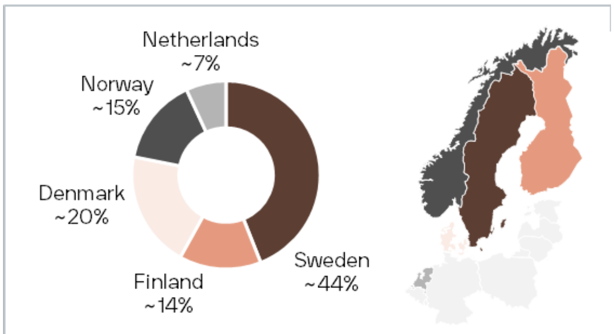
Leading online position
The share of products and services purchased online is growing. We have been online since 1995 and have built a strong position, making us the Nordic region's largest e-retailer for the B2B segment.

Focus on sustainability
The future is circular. Responsible business is a prerequisite for modern, sound and successful operations. For us, this entails that we assume responsibility across the value chain. This involves everything from how we compose our offering to how we make it possible for our customers to make more sustainable choices and move toward more circular business models.

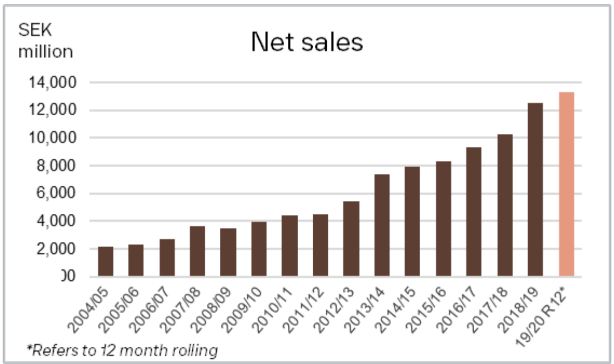
Dustin Group AB is a Swedish public limited company with its head office in Nacka Strand.
The share was listed on Nasdaq Stockholm's Mid Cap Index in 2015.



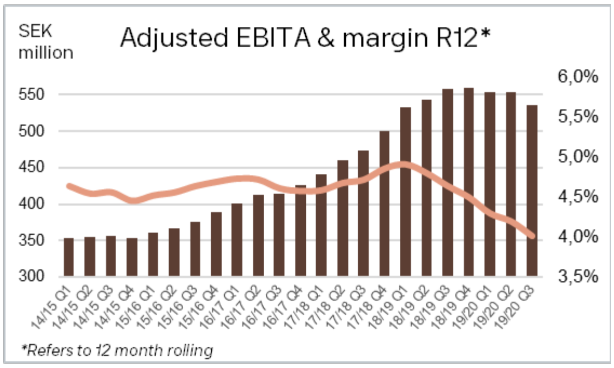
Distribution refers to integrated operations 2018/19.



Distribution refers to sales 2018/19.



*Refers to 12 month rolling



*Refers to 12 month rolling

Vision

Our vision is to help our customers to be at the forefront. We achieve this by providing the right IT solution to the right customer and user. At the right time and the right price. That's why our promise to our customers is – "We keep things moving."

Our vision and our customer promise were updated in conjunction with our new profile and brand platform launched on March 3.

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 for the year. 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 third quarter
As part of its Responsible manufacturing focus area, Dustin performs regular factory audits. In the third quarter, 7 (8) audits were carried out. The seven audits scheduled for the second quarter were conducted in the third quarter due to the pandemic. We expect to conduct the remaining factory audits scheduled for the financial year during the fourth quarter. Most of the deviations identified in the third quarter were of a minor nature and no zero-tolerance deviations were observed.

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 third quarter, we collected 10,131 products (15,576), of which 9,276 could be reused and the remaining 856 were recycled. During the first three quarters of the 2019/20 financial year, 43,144 products (47,510) were collected. At the end of the third quarter, a total of 193,496 products were collected as end-of-life returns since 2014/15.

	Q3 19/20	Q3 18/19	Full-year 18/19
Share of suppliers* that have adopted the Code of Conduct	99.8%	99.7%	99.6%
Share of suppliers* that have completed a risk assessment	98.0%	96.0%	95.7%
Total number of end-of-life returns during the period	10,131	15,576	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 refers to March-May 2020.

Third quarter
Net sales
Net sales for the quarter rose 3.2 per cent to SEK 3,271 million (3,169). Organic growth amounted to 1.3 per cent (15.3), of which SMB accounted for negative 5.7 per cent (6.6), LCP for 6.6 per cent (25.0) and B2C for 9.7 per cent (neg: 5.0). Acquired growth was 2.7 percentage points (12.3) and exchange-rate differences had a negative impact of 0.8 percentage points (1.1).

Gross profit
During the quarter, gross profit declined SEK 38 million to SEK 493 million (531), corresponding to 7.2 per cent. The gross margin declined to 15.1 per cent (16.8), primarily due to a changed sales mix with a high proportion of sales within public contracts and a high share of computer hardware with a low margin. Furthermore, a strong decline in project-related income with a high margin and lower volume-based discounts from suppliers had a negative impact.

Adjusted EBITA
Adjusted EBITA amounted to SEK 106 million (124). The adjusted EBITA margin amounted to 3.2 per cent (3.9). A lower gross margin is the main explanation for the decline, which was partly offset by cost savings. Adjusted EBITA excluded items affecting comparability of negative SEK 29 million (neg: 26), which for the quarter mainly pertained to a restructuring reserve of SEK 27 million (-) related to the consolidation of a small office and a reduction in the workforce. For more information, refer to Note 3 Items affecting comparability. For a comparison of adjusted EBITA and EBIT, see Note 2 Segments.

EBIT
Operating profit amounted to SEK 52 million (78). Operating profit included items affecting comparability amounting to a negative SEK 29 million (neg: 26).

Financial items
Financial expenses amounted to SEK 12 million (12). During the quarter, expenses mainly pertained to external financing costs of SEK 10 million (10). The financial expenses were also impacted by interest expenses related to leasing in an amount of SEK 4 million in accordance with the new IFRS 16 accounting standard. The remeasurement of synthetic options was positively affected by SEK 2 million. Financial income amounted to SEK 0.5 million (0.3).

Tax
The tax expense for the quarter was SEK 9 million (19), corresponding to an effective tax rate of 22.9 per cent (28.1). The higher effective tax rate in the preceding year was mainly due to non-deductible expenses related to acquisitions made during the quarter.

Profit for the quarter
Profit for the quarter was SEK 31 million (48). Earnings per share amounted to SEK 0.35 (0.54) before dilution and SEK 0.35 (0.54) after dilution.

Cash flow
Cash flow for the quarter was SEK 334 million (neg: 504).

Cash flow from operating activities amounted to SEK 468 million (101). Cash flow from changes in working capital was SEK 359 million (neg: 35). An increase in inventory of SEK 44 million (64) made a negative contribution to working capital. The decline in accounts receivable contributed to a positive cash flow effect of SEK 168 million (neg: 87), combined with an increase in accounts payable during the quarter, totalling SEK 74 million (116). The higher level of accounts payable was mainly attributable to extended credit terms. The decline in accounts receivable was attributable to lower sales in the final month of the period.

The introduction of IFRS 16 entails a shift between cash flow from operating activities, which increased SEK 35 million, and cash flow from financing activities, which declined SEK 35 million. For further information regarding working capital, refer to the Net working capital section.

Cash flow from investing activities amounted to a negative
SEK 96 million (neg: 559). The change was mainly due to acquisitions of SEK 536 million conducted in the preceding year. During the period, earn-outs of SEK 67 million were paid for acquisitions completed earlier. Cash flow from investments in tangible and intangible assets was a negative SEK 28 million (neg: 22), of which a negative SEK 10 million (neg: 9) pertained to investments in the IT platform and a negative SEK 18 million (neg: 13) mainly pertained to investments in a new platform for customer and market information and the purchase of hardware for a data centre and improvement costs for another property. Investments in assets financed through leasing amounted to SEK 97 million and were mainly attributable to IT equipment for service provision, such as servers and network solutions, vehicles, and an investment in enhanced automation of the central warehouse in Rosersberg.

Cash flow from financing activities amounted to a negative SEK 38 million (neg: 45) and mainly comprised the repayment of lease liabilities of SEK 38 million and was primarily attributable to the new IFRS 16 accounting standard.

Significant events in the third quarter

Increased pace of change in services and solutions

Dustin is increasing the pace of the implementation of the strategy in services and solutions by consolidating offices and reducing its workforce. The change entails that 14 smaller and local offices will be closed and the workforce will be reduced by approximately 50 positions. These changes affect Sweden, Denmark, Finland and Norway. The cost will be recognised as an item affecting comparability of approximately SEK 27 million. The initiative is expected to generate an annual cost saving of SEK 40 million, with clear effects as of the month of July.

Investments in automation

At the end of the 2018/19 financial year, a decision was made to invest in increased automation of the central warehouse in Rosersberg. The robot solution is now in operation, which enables an enhanced level of service through shorter processing times and increased area efficiency in the warehouse. It will be possible to process orders later in the day and thereby shorten delivery times to Nordic customers.

Consolidation of data centres

During the quarter, two out of four data centres were completed and put into operation. The migration of customers is ongoing and the project is expected to be completed and put into operation in the autumn of 2020. The total cost of the initiative is SEK 20 million is expected to generate an annual cost saving of SEK 10 million.

Changes to Dustin's Executive Management

Dustin has recruited Martin Lindecrantz as the new EVP HR. He most recently served as Acting Head of HR and a member of the Group Management of AFRY. He takes over from Morten Jakobi, who becomes EVP Netherlands responsible for coordinating Dustin's operations in the Netherlands and commencing the integration of Vincere with Dustin. This entails that Henk Makaske, the current EVP SMB & LCP Netherlands will continue as CEO of Vincere, but will leave Executive Management. Martin and Morten will assume their new positions in August 2020 and will be members of Dustin Executive Management.

Effects of the corona pandemic

The prevailing situation with the ongoing pandemic has resulted in a considerable increase in uncertainty and Dustin has taken several measures to mitigate the future effects on its operations.

During the period, measures were taken to reduce costs, such as changed bonus structure and voluntary short-time working for employees. An investment and recruitment freeze until further notice, which has reduced the share of consultants. Ongoing probationary employment was also terminated during the quarter. Travel restrictions and reduced marketing activity had a positive impact during the quarter. In total, these measures resulted in savings of approximately SEK 20 million during the quarter.

During the quarter, two of the Dutch units in the Group applied for government grants for the remuneration of salary-related costs. The government grants were recognised as a reduction in selling and administrative expenses. The grants pertain to a period of three months and the effects of one month are included in earnings, corresponding to SEK 1 million. Total remuneration is expected to amount to SEK 2 million.

During the period, impairment testing of goodwill, non-financial assets and financial assets was established. The current financial situation was assessed in relation to the measurement. Alternative scenarios and sensitivity analyses were conducted to ensure that there was no impairment requirement at the end of the reporting period. The impairment test has shown a continued significant margin in valuations. Dustin will continue to carefully monitor developments to assess any effects on the measurement of the assets.

The uncertain market situation contributed to an increased risk of future credit losses. To address this increased risk, extra measures have been deployed and Dustin has reviewed its provision of credit for certain industries, which has resulted in a positive structure and reduced exposure to credit losses. It has therefore not been considered necessary to make further assessments or adjustment of the model applied for provisions for bad debt losses, but this is something that Dustin is continuously assessing. Customer payment discipline remains high and credit losses are at a stable low level.

In addition to the measures mentioned, Dustin has been offered extended credit terms by suppliers, which is indicative of a strong market position. Dustin has also exercised the tax credits that the authorities offered in Denmark and Norway.

September 1, 2019 – May 31, 2020

Net sales

Net sales for the period rose 8.5 per cent to SEK 10,322 million (9,510). Organic growth was 3.8 per cent (9.5), of which SMB accounted for a negative 1.0 per cent (4.6), LCP for 8.5 per cent (15.3) and B2C for a negative 2.5 per cent (neg: 5.2). Acquired growth was 4.5 percentage points (10.6) and exchange-rate differences had a positive impact of 0.2 percentage points (2.2).

Gross profit

During the period, gross profit rose SEK 9 million, corresponding to 0.6 per cent, to SEK 1,609 million (1,600). The gross margin declined to 15.6 per cent (16.8), primarily due to a changed sales mix with a high proportion of sales within public contracts and a high share of computer hardware with a low margin. Furthermore, a strong decline in project-related income with a high margin and lower volume-based discounts from suppliers had a negative impact.

Adjusted EBITA

Adjusted EBITA declined 5.5 per cent during the quarter to SEK 416 million (440). The adjusted EBITA margin declined to 4.0 per cent (4.6). A lower gross margin is the main explaination for the decline, which was partly offset by cost savings. Adjusted EBITA excludes items affecting comparability of negative SEK 40 million (0.2), 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 303 million (388). Operating profit includes items affecting comparability of negative SEK 40 million (pos: 0.2), which during the period mainly comprised restructuring costs of SEK 27 million, a positive effect of SEK 11 million (35) from a change in acquisition-related liabilities and integration costs of SEK 16 million (7). SEK 8 million (14) pertained to costs for the development of the IT platform for online sales in the Netherlands, which was launched at the end of October 2019. For more information, refer to Note 3 Items affecting comparability.

Financial items

Financial expenses amounted to SEK 39 million (34), with the costs for the period primarily pertaining to costs of SEK 30 million (29) for external financing. The financial expenses were also impacted by interest expenses related to leasing in an amount of SEK 9 million in accordance with the new IFRS 16 accounting standard. Financial income amounted to SEK 1 million (1).

Tax

The tax expense for the period was SEK 56 million (72), corresponding to an effective tax rate of 21.1 per cent (20.2).

Profit for the period

Profit for the period amounted to SEK 209 million (283). Earnings per share amounted to SEK 2.36 (3.30) before dilution and SEK 2.36 (3.28) after dilution.

Cash flow

Cash flow for the period was SEK 434 million (neg: 38). The year-on-year change was mainly attributable to cash flow from changes in working capital.

Cash flow from operating activities was SEK 848 million (193), with the year-on-year increase mainly attributable to changes in working capital. The period's impact from changes in working capital amounted to a negative SEK 411 million (neg: 104), with the positive year-on-year change primarily due to a lower level of accounts receivable, combined with higher accounts payable, at the end of the period. The period was impacted by a lower share of sales in the final month of the period and the higher share of accounts payable is mainly attributable to extended credit terms. For further information regarding working capital, refer to the Net working capital section.

Cash flow from investing activities amounted to a negative SEK -296 million (neg: 626). The change was mainly due to acquisitions made in the preceding year. During the period, earn-outs of SEK 206 million were paid that were attributable to acquisitions completed earlier. Investments in tangible and intangible assets amounted to a negative SEK 90 million (neg: 63), of which a negative SEK 31 million (neg: 26) pertained to IT development and a negative SEK 59 million (neg: 37) mainly pertained to investments in a new platform for customer and market information and a domain for e-commerce in the Netherlands. Investments in assets financed through leasing amounted to SEK 312 million and were mainly attributable to extended leases, IT equipment for service provision, such as servers and network solutions, vehicles, and an investment in enhanced automation of the central warehouse in Rosersberg.

Cash flow from financing activities amounted to a negative SEK 117 million (neg: 394). The decrease was mainly attributable to the new share issue of SEK 681 million conducted during the preceding year. The period was positively impacted by a new bank loan raised corresponding to SEK 317 million, in combination with a repayment of SEK 61 million. The repayment of lease liabilities amounted to SEK 110 million and was mainly attributable to the new IFRS 16 accounting standard. The period was also negatively impacted by a dividend to shareholders of SEK 266 million (239) and positively by SEK 4 million (29) attributable to cash flow effects from long-term incentive (LTI) programmes relating to the payment of warrants issued.

Net working capital

Net working capital amounted to a negative SEK 530 million (neg: 104) at the end of the period. The year-on-year change in net working capital was mainly attributable to higher accounts payable as a result of extended credit terms from a number of major suppliers and larger inventories. The increase in inventory volume is attributable to temporary larger purchases to avoid any extended delivery times and temporarily higher levels of customer-specific inventory. The decline in accounts receivable was attributable to lower sales in the final month of the period. Dustin also exercised the tax credits offered in Norway and Denmark, which increases current liabilities year-on-year by approximately SEK 65 million.

SEK million	May 31, 2020	May 31, 2019	Aug 31, 2019
Inventories	536.7	473.4	465.7
Accounts receivable	1,234.2	1,461.4	1,460.4
Tax assets and other current receivables	326.0	288.7	313.9
Accounts payable	-1,869.7	-1,679.7	-1,712.3
Tax liabilities and other current liabilities	-756.7	-647.8	-595.3
Net working capital	**-529.5**	**-103.9**	**-67.6**

Net debt and cash and cash equivalents

At the end of the period, net debt amounted to SEK 1,986 million (1,759). The change was attributable to higher lease liabilities that were offset by higher 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 753 million (237). The increase is mainly attributable to extended credit terms with suppliers and expanded tax credits. At the end of the period, there was also an unutilised overdraft facility of SEK 100 million (270) and an unutilised credit facility of EUR 5 million (5) in the Dutch operations.

At the end of the period, net debt in relation to adjusted EBITDA in the past 12-month period, excluding the effects of IFRS 16 Leases, was 2.5 (2.9), which is in the middle of the range for the financial target. When calculated including these effects, the net debt ratio would have amounted to 2.9. For calculation, see source of alternative performance measures.

SEK million	May 31, 2020	May 31, 2019	Aug 31, 2019
Liabilities to credit institutions	2,194.7	1,983.1	2,006.1
Lease liabilities	544.4	13.0	11.5
Cash and cash equivalents	-752.9	-236.9	-281.3
Net debt	**1,986.2**	**1,759.2**	**1,736.4**

Employees
The average number of full-time employees during the period was 1,774, compared with 1,593 in the year-earlier period. The increase was primarily attributable to acquisitions in the preceding year, which, accordingly, were not included for the full quarter.

Events after the balance-sheet date
Changes to Dustin's Executive Management
Stephanie Forsblom is to become the new EVP Marketing & Communication and a member of Dustin Executive Management. This is a newly created role that combines the responsibility for all external and internal communication to further increase the focus on strengthening Dustin's position in the market. Stephanie Forsblom will take up her new role on August 1.

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 0.3 million (0.3) and profit for the period totalled SEK 157 million (26). The change is the result of the receipt of a dividend of SEK 106 million (47) from Group companies during the period and intra-Group interest income of SEK 33 million (1). The net currency position during the period was SEK 64 million (2) and was mainly attributable to the external financing. The Group applies hedge accounting, whereby the net currency position is recognised against equity.

Risks and uncertainties
The corona pandemic is having a long and short-term impact on our business. The company assesses that the risks have increased regarding changes in customer behaviour and potential disruptions to the supply chain.

The short-term market trend is difficult to assess. We are able to discern a better market as the official restrictions are eased. Our assessment is that we will see a return to a more stable and normal market situation in the latter part of 2020.

Extra measures are being employed to continuously monitor developments and to manage any financial effects relating to the situation.

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 May 29, 2020, the price was SEK 53.60 per share (81.35), representing a total market capitalisation of SEK 4,751 million (7,211). At May 31, the company had a total of 11,749 shareholders (6,461). The company's three largest shareholders were Axmedia AB (Axel Johnson Gruppen) with 29.8 per cent, AMF Försäkring & Fonder with 10.0 per cent and Franklin Templeton with 5.9 per cent. Dustin's shareholder register with the largest shareholders is presented on the company's website.

2019/20 Annual General Meeting
Dustin's Annual General Meeting (AGM) will be held in Nacka on December 14, 2020. Shareholders who wish to have matters considered should submit a written request to the Board by October 26, 2020 to ensure that the matter is included in the notice convening the AGM. Requests by mail should be addressed to: Dustin Group AB (publ), Att: Sara Edlund, Box 1194, SE-131 27 Nacka Strand or by e-mail to: sara.edlund@dustin.se.

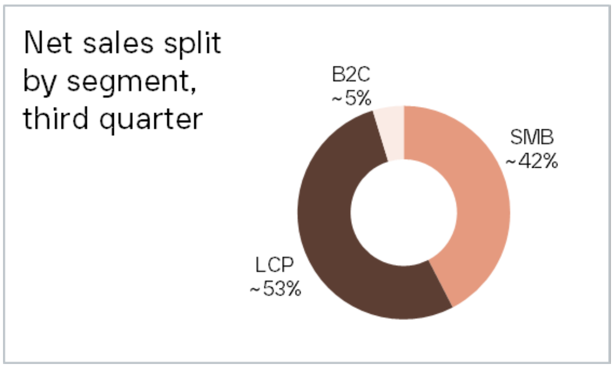
2019/20 Nomination Committee
In accordance with Dustin's General Meeting in December 2019, the following individuals were appointed as members of the nomination committee based on the ownership structure as of March 31, 2020:

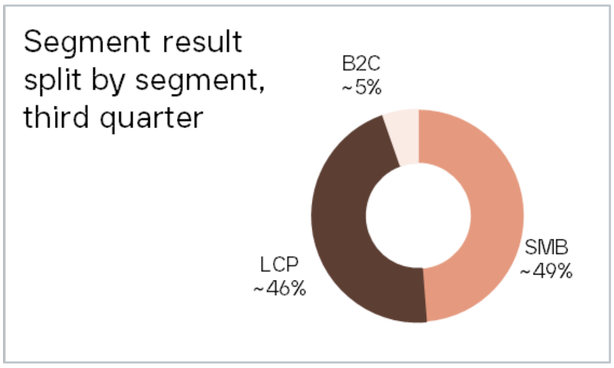
- Caroline Berg, Axel Johnson AB/Axmedia AB, Chairman of the Nomination Committee
- Tomas Risbecker, AMF Försäkring & Fonder
- Suzanne Sandler, Handelsbanken Fonder
- Lennart Francke, Swedbank Robur Fonder
- Mia Brunell Livfors, Chairman of Dustin's Board of Directors (co-opted)

Shareholders wishing to submit proposals to the Nomination Committee can do so by mail at the following address: Dustin Group AB (publ), Attn Sabina Kihlberg, Box 1194, SE-131 27 Nacka Strand or by e-mail to: sabina.kihlberg@dustin.se.

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 served through the online platform.





SMB - Small and Medium-sized Businesses

SEK million	Q3 19/20	Q3 18/19	Change %	Q1-Q3 19/20	Q1-Q3 18/19	Change %	Rolling 12 months	Full-year 18/19	Change %
Net sales	1,386.6	1,419.6	-2.3	4,452.2	4,179.6	6.5	5,805.6	5,532.9	4.9
Segment results	108.8	142.4	-23.6	405.6	449.8	-9.8	540.2	584.4	-7.6
Segment margin (%)	7.8	10.0	–	9.1	10.8	–	9.3	10.6	–

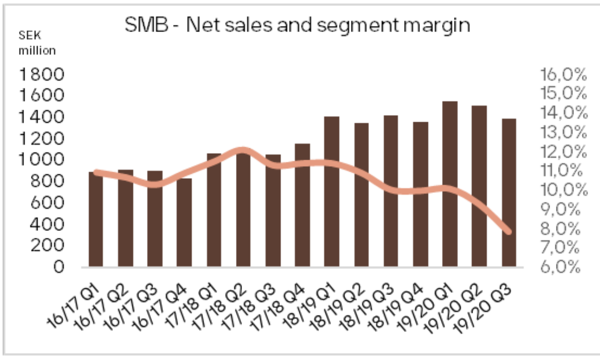
Net sales
Net sales for the quarter declined by 2.3 per cent to SEK 1,387 million (1,420), due to a more cautious market situation. Organic growth was negative 5.7 per cent (pos: 6.6). Acquired growth amounted to 3.6 and negative exchange-rate differences accounted for 0.2 of a percentage point.

The start of the third quarter was positive in the Nordic region, as a result of increased demand for such hardware as monitors, web cameras, cables and accessories for home offices. The positive trend decreased in the latter part of the quarter, mainly among the larger SMB companies. The development of project-related services, such as customers signing up to new services and the installation of conference rooms, was weak. The market situation for large companies in the segment and in the Netherlands in general was more cautious. The trend for the smaller SMB companies, as with consumers, was positive.

Segment results
Profit for the segment declined 24 per cent to SEK 109 million (142) and the segment margin declined to 7.8 per cent (10.0), compared with the year-earlier quarter. The change was primarily attributable to:

- a cautious market climate due to the pandemic, mainly among the larger SMB companies
- changes in the sales mix, with a higher share of basic hardware at a lower margin
- a significantly lower share of project-related income and advanced hardware with a high margin
- higher costs in the form of investments made earlier in the organisation for services and solutions

During the third quarter, software and services as a percentage of sales remained unchanged at 24 per cent (24) in the segment (see Note 2 Segments). At the end of the third quarter, the customer base for SaaS configurations in integrated operations had increased to a total of 138,552 users (65,666) in the Nordic region.



LCP – Large Corporate and Public sector

SEK million	Q3 19/20	Q3 18/19	Change %	Q1-Q3 19/20	Q1-Q3 18/19	Change %	Rolling 12 months	Full-year 18/19	Change %
Net sales	1,729.4	1,606.1	7.7	5,398.0	4,846.1	11.4	6,928.7	6,376.8	8.7
Segment results	102.4	79.6	28.7	320.5	279.6	14.6	400.3	359.4	11.4
Segment margin (%)	5.9	5.0	–	5.9	5.8	–	5.8	5.6	–

Net sales

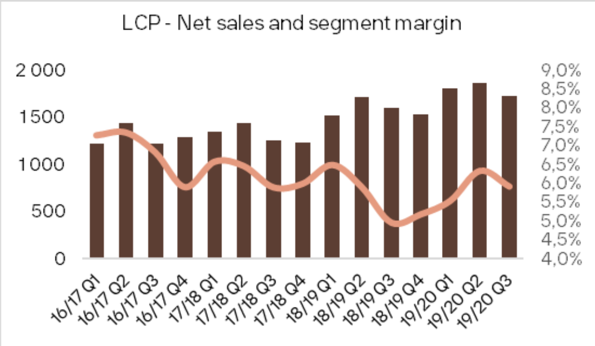
During the quarter, net sales rose 7.7 per cent to SEK 1,729 million (1,606), positively impacted by completed acquisitions of 2.4 percentage points and negatively impacted by exchange-rate differences of 1.3 of a percentage point. Organic growth amounted to 6.6 per cent (25.0) and was mainly attributable to continued growth in sales to the public sector. Sales developed strongly in, primarily, Norway, Denmark and Finland.

The trend for sales to the public sector remained favourable and were less affected to date by the ongoing pandemic. The market for larger companies was challenging during the third quarter due to the official restrictions.

Segment results

Profit for the segment increased to SEK 102 million (80) and the segment margin improved to 5.9 per cent (5.0) compared with the year-earlier quarter. The change was primarily attributable to:

- improved margins in major framework agreements for the public sector as the contracts mature
- economies of scale due to higher volumes



B2C – Business to Consumer

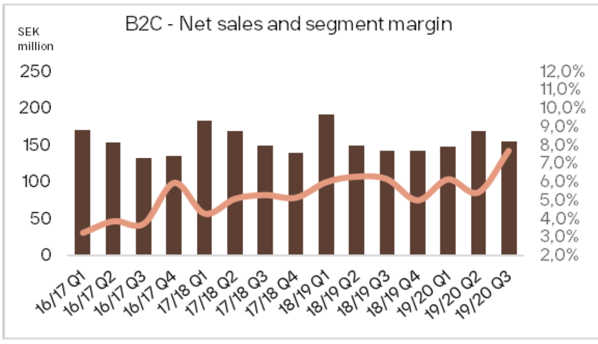
SEK million	Q3 19/20	Q3 18/19	Change %	Q1-Q3 19/20	Q1-Q3 18/19	Change %	Rolling 12 months	Full-year 18/19	Change %
Net sales	154.6	142.8	8.2	471.5	484.3	-2.7	613.1	625.9	-2.1
Segment results	11.9	8.8	34.3	30.2	29.8	1.4	37.1	36.7	1.1
Segment margin (%)	7.7	6.2	–	6.4	6.1	–	6.1	5.9	–

Net sales

During the quarter, net sales increased 8.2 per cent to SEK 155 million (143). Organic growth was 9.7 per cent (neg: 5.0). This growth was primarily due to continued healthy demand for such hardware as monitors, web cameras, cables and accessories for home offices.

Segment results

Profit for the segment for the quarter increased compared with the year-earlier quarter and amounted to SEK 12 million (9). The segment margin increased to 7.7 per cent (6.2), due to the continued focus on margin ahead of volume in the consumer business.



Central functions

SEK million	Q3 19/20	Q3 18/19	Change %	Q1-Q3 19/20	Q1-Q3 18/19	Change %	Rolling 12 months	Full-year 18/19	Change %
Cost for central functions	-117.0	-107.0	9.3	-340.3	-319.6	6.5	-441.4	-420.7	4.9
Costs for central functions in relation to net sales (%)	-3.6	-3.4	–	-3.3	-3.4	–	-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 third quarter, costs for central functions amounted to 3.6 per cent (3.4) in relation to sales. The costs for the central functions increased year-on-year as a result of the integration of Core Services and Purity IT, and amounted to SEK 117 million (107).

The earnings effect of IFRS 16 of SEK 3 million is included in the costs for central functions. For additional financial data on the segments, refer to Note 2 Segments on page 22, and to Segment information by quarter on page 28.

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, July 1, 2020

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

Auditors´ review report

Auditors' report for Dustin, Corp. Reg. No. 556703-3062

Introduction
We have reviewed the summary of the interim financial information of Dustin Group AB as per May 31, 2020 and the nine-month period that ended on that date. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and other generally accepted auditing practices.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, July 1, 2020

Ernst & Young AB

Jennifer Rock-Baley,
Authorised Public Accountant

Consolidated income statement

SEK million	Note	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
Net sales	2	3,270.6	3,168.5	10,321.6	9,509.9	13,347.4	12,535.7
Cost of goods and services sold		-2,777.8	-2,637.6	-8,712.4	-7,910.0	-11,248.7	-10,446.3
Gross profit		**492.8**	**531.0**	**1,609.3**	**1,599.9**	**2,098.7**	**2,089.3**
Selling and administrative expenses		-410.5	-424.3	-1,260.5	-1,205.4	-1,649.4	-1,594.3
Items affecting comparability	3	-28.7	-26.2	-39.8	0.2	-36.6	3.5
Other operating income		7.1	2.2	11.0	5.8	12.8	7.6
Other operating expenses		-9.0	-4.3	-17.1	-13.0	-21.2	-17.1
EBIT	**2**	**51.8**	**78.3**	**302.7**	**387.5**	**404.3**	**489.1**
Financial income and other similar income-statement items		0.5	0.3	1.0	0.6	1.1	0.8
Financial expenses and other similar income-statement items		-11.9	-11.8	-39.0	-33.8	-50.1	-45.0
Profit after financial items		**40.3**	**66.8**	**264.7**	**354.3**	**355.3**	**444.9**
Tax		-9.2	-18.7	-55.9	-71.5	-79.2	-88.7
Profit for the period, attributable in its entirety to Parent Company shareholders		**31.1**	**48.0**	**208.8**	**282.8**	**276.1**	**356.2**
Other comprehensive income (all items will be transferred to the income statement)							
Translation differences		-29.6	16.6	-66.6	-4.9	-105.1	-43.4
Cash-flow hedging		33.0	-24.8	59.6	-5.2	103.8	39.0
Tax attributable to cash-flow hedges		-7.1	5.7	-12.8	1.1	-22.5	-8.6
Other comprehensive income		**-3.7**	**-2.5**	**-19.7**	**-8.9**	**-23.8**	**-13.0**
Comprehensive income for the period is attributable in its entirety to Parent Company shareholders		**27.4**	**45.5**	**189.1**	**273.9**	**252.4**	**343.2**
Earnings per share before dilution (SEK)		0.35	0.54	2.36	3.30	3.83	4.12
Earnings per share after dilution (SEK)		0.35	0.54	2.36	3.28	3.83	4.11

Condensed consolidated balance sheet

SEK million	Note	May 31, 2020	May 31, 2019	Aug 31, 2019
ASSETS				
Non-current assets				
Goodwill		3,743.2	3,812.6	3,839.8
Other intangible assets attributable to acquisitions		604.0	649.5	641.5
Other intangible assets	4	145.7	134.5	133.0
Tangible assets	4	102.1	105.6	105.7
Right-of-use assets	4	536.2	–	–
Divestment-related receivables	5	–	1.8	1.6
Deferred tax assets		10.6	5.3	5.5
Derivative instruments	5	0.2	0.4	0.6
Other non-current assets		8.0	17.7	17.9
Total non-current assets		**5,149.9**	**4,727.5**	**4,745.6**
Current assets				
Inventories		536.7	473.4	465.7
Accounts receivable		1,234.2	1,461.4	1,460.4
Derivative instruments	5	0.0	1.0	1.4
Tax assets		81.1	41.9	45.8
Other receivables		244.9	246.8	268.1
Cash and cash equivalents		752.9	236.9	281.3
Total current assets		**2,849.8**	**2,461.5**	**2,522.7**
TOTAL ASSETS		**7,999.7**	**7,189.1**	**7,268.3**
EQUITY AND LIABILITIES				
Equity				
Equity attributable to Parent Company shareholders		2,387.4	2,391.2	2,460.3
Total equity		**2,387.4**	**2,391.2**	**2,460.3**
Non-current liabilities				
Deferred tax and other long-term provisions		207.4	227.0	235.6
Liabilities to credit institutions		2,194.7	1,983.1	2,006.1
Non-current lease liabilities		393.3	–	–
Acquisition-related liabilities	5	–	83.0	–
Derivative instruments	5	26.1	12.1	24.1
Total non-current liabilities		**2,821.5**	**2,305.2**	**2,265.8**
Current liabilities				
Current lease liabilities		151.1	–	–
Accounts payable		1,869.7	1,679.7	1,712.3
Tax liabilities		52.8	18.9	10.2
Derivative instruments	5	1.3	1.0	0.7
Other current liabilities		703.9	621.0	574.2
Acquisition-related liabilities	5	12.1	172.1	244.8
Total current liabilities		**2,790.9**	**2,492.7**	**2,542.3**
TOTAL EQUITY AND LIABILITIES		**7,999.7**	**7,189.1**	**7,268.3**

Condensed consolidated statement of changes in equity

SEK million	May 31, 2020	May 31, 2019	Aug 31, 2019
Balance as at September 1	2,460.3	1,646.6	1,646.6
Profit for the period	208.8	282.8	356.2
Other comprehensive income			
Translation difference	-66.6	-4.9	-43.4
Cash-flow hedging	59.6	-5.2	39.0
Tax attributable to cash-flow hedges	-12.8	1.1	-8.6
Total other comprehensive income	**-19.7**	**-8.9**	**-13.0**
Total comprehensive income	**189.1**	**273.9**	**343.2**
Dividends	-265.9	-239.2	-239.2
Holdings of own warrants	–	–	–
New share issue	–	720.4	720.4
Issue costs	–	-13.8	-14.2
Subscription with the support of warrants	3.9	3.3	3.5
Total transactions with shareholders	**-262.0**	**470.7**	**470.5**
Closing equity as per the balance-sheet date, attributable to Parent Company shareholders in its entirety	**2,387.4**	**2,391.2**	**2,460.3**

Consolidated statement of cash flow

SEK million	Note	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Full-year 18/19
Operating activities						
EBIT		51.8	78.3	302.7	387.5	489.1
Adjustment for non-cash items		89.8	28.4	241.5	48.4	66.9
Interest received		0.5	0.3	1.0	0.6	0.8
Interest paid		-9.2	-10.4	-29.7	-29.1	-38.8
Income tax paid		-24.3	-30.8	-78.4	-110.8	-127.7
Cash flow from operating activities before changes in working capital		**108.5**	**65.7**	**437.1**	**296.6**	**390.2**
Decrease (+)/increase (-) in inventories		-44.2	64.2	-74.9	-71.5	-62.2
Decrease (+)/increase (-) in receivables		220.1	11.4	206.1	-188.1	-199.5
Decrease (-)/increase (+) in current liabilities		183.2	-40.7	279.3	155.8	135.5
Cash flow from changes in working capital		**359.1**	**34.8**	**410.5**	**-103.8**	**-126.2**
Cash flow from operating activities		**467.6**	**100.6**	**847.5**	**192.8**	**264.0**
Investing activities						
Acquisition of intangible assets	4	-18.4	-10.5	-58.4	-29.6	-37.3
Acquisition of tangible assets	4	-9.5	-11.8	-31.9	-33.1	-42.1
Acquisition of operations		–	-536.3	–	-536.3	-536.1
Divestment of operations		–	–	–	5.0	5.0
Earn-out paid		-67.8	–	-206.0	-31.2	-31.2
Cash flow from investing activities		**-95.7**	**-558.6**	**-296.3**	**-625.3**	**-641.8**
Financing activities						
New share issue		–	–	–	681.2	680.8
Cash flow from LTI programme		–	15.5	4.2	28.7	28.9
Dividends		–	–	-265.9	-239.2	-239.2
New loans raised		–	–	316.7	–	–
Repayment of loans		–	-58.6	-61.4	-72.0	-71.9
Paid borrowing expenses		-0.6	-0.6	-1.5	-0.6	-0.6
Repayment of lease liabilities		-37.7	-1.8	-109.4	-4.2	-4.8
Cash flow from financing activities		**-38.2**	**-45.4**	**-117.3**	**394.0**	**393.2**
Cash flow for the period		**333.7**	**-503.5**	**434.0**	**-38.4**	**15.5**
Cash and cash equivalents at beginning of period		**397.6**	**746.2**	**281.3**	**277.6**	**277.6**
Cash flow for the period		333.7	-503.5	434.0	-38.4	15.5
Exchange-rate differences in cash and cash equivalents		21.6	-5.8	37.7	-2.3	-11.8
Cash and cash equivalents at end of period		**752.9**	**236.9**	**752.9**	**236.9**	**281.3**

Condensed Parent Company income statement

SEK million	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
Net sales	0.1	0.1	0.3	0.3	0.4	0.4
Selling and administrative expenses	-1.5	-0.8	-4.9	-4.7	-6.9	-6.7
Other operating expenses	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**-1.4**	**-0.7**	**-4.6**	**-4.4**	**-6.9**	**-6.3**
Financial income and other similar income-statement items	45.6	0.0	203.2	47.7	203.2	47.7
Financial expenses and other similar income-statement items	-7.9	-28.8	-27.6	-27.1	-60.0	-59.5
Profit/loss after financial items	**36.3**	**-29.5**	**171.0**	**16.2**	**47.7**	**-18.1**
Appropriations	–	–	–	–	213.5	213.5
Tax	-7.8	6.5	-13.9	9.8	-53.5	-29.8
Profit/loss for the period	**28.5**	**-23.0**	**157.1**	**26.0**	**207.7**	**165.6**

Parent Company statement of comprehensive income

SEK million	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
Profit for the period	28.5	-23.0	157.1	26.0	207.7	165.6
Other comprehensive income	–	–	–	–	–	–
Comprehensive income for the period	**28.5**	**-23.0**	**157.1**	**26.0**	**207.7**	**165.6**

Condensed Parent Company balance sheet

SEK million	May 31, 2020	May 31, 2019	Aug 31, 2019
ASSETS			
Non-current assets	1,211.6	1,211.6	1,211.6
Current assets	2,571.8	2,281.0	2,490.4
TOTAL ASSETS	**3,783.3**	**3,492.6**	**3,702.0**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	443.2	443.2	443.2
Total restricted equity	**443.2**	**443.2**	**443.2**
Non-restricted equity			
Share premium reserve	1,087.3	1,087.3	1,087.3
Retained earnings	-288.3	-192.0	-191.8
Profit for the period	157.1	26.0	165.6
Total non-restricted equity	**956.1**	**921.3**	**1,061.1**
Total equity	**1,399.4**	**1,364.5**	**1,504.3**
Untaxed reserves	182.8	137.7	182.8
Non-current liabilities	2,194.7	1,983.1	2,006.1
Current liabilities	6.4	7.3	8.7
TOTAL EQUITY AND LIABILITIES	**3,783.3**	**3,492.6**	**3,702.0**

Dustin

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, corresponding to a value of SEK 341 million. 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
Impact of the quarter IFRS 16
Operating leases were formerly recognised as operating expenses under EBITA. As an effect of the introduction of IFRS 16, operating expenses declined SEK 42 million and were offset by depreciation of SEK 39 million, generating a positive effect on EBITA of SEK 3 million. Financial expenses increased SEK 4 million attributable to interest expenses for leases and the quarter's 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 Q3 19/20**	**Effect IFRS 16 Q3 19/20**	**Excl. IFRS 16 Q3 19/20**
Cost of goods and services sold	-2,777.8	0.2	-2,778.0
Selling and administrative expenses	-410.5	2.8	-413.3
EBITA	**51.8**	**3.0**	**48.8**
Financial expenses and other similar income-statement items	-11.9	-3.7	-8.2
Profit/loss after financial items	**40.3**	**-0.7**	**41.0**
Tax	-9.2	–	-9.2
Profit/loss for the period	**31.1**	**-0.7**	**31.8**

Consolidated balance sheet	**Incl. IFRS 16 May 31, 2020**	**Effect IFRS 16 May 31, 2020**	**Excl. IFRS 16 May 31, 2020**
Right-of-use assets	536.2	536.2	–
Non-current assets	**5,149.9**	**536.2**	**4,613.7**
Prepaid expenses, accrued income	221.3	-5.3	226.6
Current assets	**2,849.8**	**-5.3**	**2,855.1**
Retained earnings	208.8	-4.6	213.5
Equity	**2,387.4**	**-4.6**	**2,392.0**
Lease liabilities, non-current	393.3	393.3	-,
Non-current liabilities	**2,821.5**	**393.3**	**2,428.2**
Lease liabilities, current	151.1	142.3	8.8
Current liabilities	**2,790.9**	**142.3**	**2,648.6**

Dustin

Period impacts, IFRS 16
The lease liability at May 31, 2020 amounted to SEK 544 million, of which SEK 536 million is attributable to the introduction of IFRS 16.

Cash flow for the period was not affected, the effects of IFRS 16 only entailed a reclassification between cash flow from operating activities, which increases 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.

The effect of the quarter after the introduction of IFRS 16 entailed that operating expenses declined SEK 119 million and were offset by depreciation of SEK 114 million, generating a positive net effect on EBITA of SEK 4.7 million. Financial expenses increased SEK 9 million and the period's earnings were negatively impacted by SEK 5 million.

Consolidated income statement	Incl. IFRS 16 Q1-Q3 19/20	Effect IFRS 16 Q1-Q3 19/20	Excl. IFRS 16 Q1-Q3 19/20
Cost of goods and services sold	-8,712.4	0.6	-8,713.0
Selling and administrative expenses	-1,260.5	4.0	-1,264.6
EBITA	**302.7**	**4.7**	**298.0**
Financial expenses and other similar income-statement items	-39.0	-9.3	-29.6
Profit/loss after financial items	**264.7**	**-4.6**	**269.4**
Tax	-55.9	–	-55.9
Profit/loss for the period	**208.8**	**-4.6**	**213.5**

Government grants
During the quarter, two of the Dutch units in the Dustin Group applied for support for the payment of salary-related costs. In accordance with IAS 20, government grants are recognised in the income statement when there is reasonable assurance that the company will comply with the conditions attached to them and the grants will be received. The government grants were recognised as a reduction in selling and administrative expenses for the period that the grants are intended to compensate. The grants pertain to a period of three months and the effects of one month are included in earnings, corresponding to SEK 0.8 million. Total remuneration is expected to amount to SEK 2.3 million.

Note 2 Segments

All amounts in SEK million, unless otherwise indicated	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
Net sales						
LCP	**1,729.4**	**1,606.1**	**5,398.0**	**4,846.1**	**6,928.7**	**6,376.8**
of which, hardware	1,554.5	1,485.9	4,775.2	4,343.1	6,131.3	5,699.2
of which, software and services	174.8	120.2	622.7	502.9	797.4	677.6
SMB	**1,386.6**	**1,419.6**	**4,452.2**	**4,179.6**	**5,805.6**	**5,532.9**
of which, hardware	1,058.2	1,078.4	3,412.1	3,264.4	4,373.5	4,225.9
of which, software and services	328.4	341.2	1,040.1	915.1	1,432.0	1,307.0
B2C	**154.6**	**142.8**	**471.5**	**484.3**	**613.1**	**625.9**
of which, hardware	154.1	142.1	468.7	481.2	609.8	622.3
of which, software and services	0.5	0.8	2.8	3.1	3.3	3.6
Total	**3,270.6**	**3,168.5**	**10,321.6**	**9,509.9**	**13,347.3**	**12,535.7**
of which, hardware	2,766.8	2,706.3	8,656.0	8,088.8	11,114.6	10,547.4
of which, software and services	503.8	462.2	1,665.6	1,421.1	2,232.8	1,988.2
Segment results						
LCP	102.4	79.6	320.5	279.6	400.3	359.4
SMB	108.8	142.4	405.6	449.8	540.2	584.4
B2C	11.9	8.8	30.2	29.8	37.1	36.7
Total	**223.0**	**230.8**	**756.2**	**759.1**	**977.6**	**980.5**
Central functions	-117.0	-107.0	-340.3	-319.6	-441.4	-420.7
Of which, effects related to IFRS 16	3.0	–	4.7	–	4.7	–
Adjusted EBITA	**106.0**	**123.8**	**416.0**	**439.5**	**536.2**	**559.7**
Segment margin						
LCP, segment margin (%)	5.9	5.0	5.9	5.8	5.8	5.6
SMB, segment margin (%)	7.8	10.0	9.1	10.8	9.3	10.6
B2C, segment margin (%)	7.7	6.2	6.4	6.1	6.1	5.9
Segment margin	**6.8**	**7.3**	**7.3**	**8.0**	**7.3**	**7.8**
Costs for central functions, excluding items affecting comparability in relation to net sales (%)	-3.6	-3.4	-3.3	-3.4	-3.3	-3.4
Reconciliation with profit after financial items						
Items affecting comparability	-28.7	-26.2	-39.8	0.2	-36.6	3.5
Amortisation and impairment of intangible assets	-25.5	-19.3	-73.4	-52.3	-95.2	-74.1
EBIT, Group	**51.8**	**78.3**	**302.7**	**387.5**	**404.4**	**489.1**
Financial income and other similar income-statement items	0.5	0.3	1.0	0.6	1.1	0.8
Financial expenses related to IFRS 16	-3.7	–	-9.3	–	-9.3	–
Financial expenses and other similar income-statement items	-8.2	-11.8	-29.6	-33.8	-40.8	-45.0
Profit after financial items, Group	40.3	66.8	264.7	354.3	355.4	445.0

Note 3 Items affecting comparability

Items affecting comparability amounted to negative SEK 29 million (neg: 26) for the quarter and pertained to a restructuring reserve of SEK 27 million (-) and integration costs of SEK 4 million (-). The final settlement of acquisition-related liabilities pertaining to acquisitions made earlier in an amount of SEK 3 million (neg: 0.5) had a positive effect.

SEK million	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
Acquisition and divestment-related expenses	-1.2	-18.5	-0.4	-20.1	-6.6	-26.2
Integration costs	-4.0	–	-15.6	–	-15.6	–
Restructuring reserve	-26.9	–	-26.9	–	-26.9	–
Change in value of acquisition-related liabilities	3.3	-0.5	10.9	34.7	24.3	48.1
Costs for launch of online sales	–	-7.2	-7.9	-14.4	-11.9	-18.4
Total	**-28.7**	**-26.2**	**-39.8**	**0.2**	**-36.6**	**3.5**

Note 4 Investments

SEK million	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
Capitalised expenditure for IT development (integrated IT platform and other long-term strategic IT systems)	10.0	9.1	31.3	25.8	37.8	32.3
Other investments in tangible and intangible assets	17.9	13.2	58.9	37.0	69.1	47.2
Cash flow from acquisitions and divestment of operations	67.8	536.3	206.0	562.5	205.8	562.3
Cash flow from investing activities	**95.7**	**558.6**	**296.3**	**625.3**	**312.8**	**641.8**
Net investment in finance lease assets	2.2	2.9	2.7	5.4	4.9	7.5
Net investment in lease assets	94.8	–	309.7	–	302.1	–
Total	**192.8**	**561.5**	**608.7**	**638.2**	**619.9**	**649.3**

Right-of-use assets
On September 1, 2019, the Group recognised right-of-use assets of SEK 350 million. At May 31, 2020, the asset amounted to SEK 536 million. Dustin's right-of-use assets mainly relate to buildings and IT equipment. During the quarter, new agreements of SEK 95 million were added, mainly attributable to the automation of the logistics facility in Rosersberg, and cars and IT equipment related to service provision.

SEK million	May 31, 2020	Feb 29, 2020	Sept 1, 2019
Buildings	304.9	316.4	182.4
Vehicles	55.8	49.8	45.0
IT equipment for internal use	106.8	61.5	66.8
IT equipment related to service provision	67.7	54.9	54.7
Other items	1.1	1.3	1.6
Right-of-use assets	**536.2**	**483.9**	**350.5**

Note 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, 2019.

At May 31, 2020, the fair value of derivative instruments amounted to SEK 27 million (12).

Acquisition-related liabilities
Acquisition-related liabilities pertain to contingent earn-outs. Measurement is carried out on a continuous basis at fair value through profit or loss and the liability is settled if necessary. However, if a change in value occurs before the acquisition analysis has been determined, and is not the result of events after the acquisition date, measurement is carried out via the balance sheet. Divestment-related receivables pertain to contingent earn-outs for the divestment of IT-Hantverkarna i Sverige AB. The 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.

The disbursements during the period pertain to the previous acquisitions of Inventio A/S, Saldab AB, Norriq A/S, JML AB, Core Services AS, IKT Gruppen AS and Itaito Oy.

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)	**May 31, 2020**	**May 31, 2019**	**Aug 31, 2019**
Opening balance	244.8	276.3	276.3
Remeasurements recognised in profit or loss:			
Unrealised revaluation of contingent earn-out recognised under Items affecting comparability	-10.9	-56.9	-70.2
Discount of contingent earn-out recognised under Financial expenses and other similar income-statement items	0.3	3.2	3.9
Remeasurements recognised under other comprehensive income:			
Unrealised exchange-rate differences recognised under Translation differences	-5.6	-0.7	1.7
Changes recognised via the balance sheet:			
Payment of deposit related to contingent earn-out	-10.5	–	–
Payments attributable to previous acquisitions	-206.0	-37.3	-37.3
Acquisitions	–	70.4	70.4
Closing balance	**12.1**	**255.1**	**244.8**

Change in divestment-related receivables measured at fair value based on inputs that are not based on observable market data (Level 3)	**May 31, 2020**	**May 31, 2019**	**Aug 31, 2019**
Opening balance	1.6	6.6	6.6
Changes recognised via the balance sheet:			
Settlement of receivable for previously divested operations	-1.6	-5.0	-5.0
Estimated purchase consideration, divestment of subsidiary, long and short term	–	–	–
Closing balance	**–**	**1.6**	**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	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
Income statement						
Organic sales growth (%)	1.3	15.3	3.8	9.5	4.8	9.9
Gross margin (%)	15.1	16.8	15.6	16.8	15.7	16.7
EBIT	51.8	78.3	302.7	387.5	404.3	489.1
Adjusted EBITDA (excl. IFRS 16)	112.8	134.6	442.3	470.0	573.5	601.1
Adjusted EBITDA (incl. IFRS 16)	154.5	–	561.4	–	692.5	–
Adjusted EBITA	106.0	123.8	416.0	439.5	536.2	559.7
Adjusted EBITA margin (%)	3.2	3.9	4.0	4.6	4.0	4.5
Return on equity (%)	–	–	–	–	11.6	14.5
Balance sheet						
Net working capital	-529.5	-103.9	-529.5	-103.9	-529.5	-67.6
Capital employed	273.3	161.5	273.3	161.5	273.3	197.0
Net debt	1,986.2	1,759.2	1,986.2	1759.2	1,986.2	1,736.4
Net debt/adjusted EBITDA (multiple) (excl. IFRS 16)	–	–	–	–	2.5	2.9
Net debt/adjusted EBITDA (multiple) (incl. IFRS 16)	–	–	–	–	2.9	–
Maintenance investments	-27.9	-22.4	-90.3	-62.8	-107.0	-79.5
Equity/assets ratio (%)	–	–	–	–	29.8	33.8
Cash flow						
Operating cash flow	485.7	147.1	882.1	303.4	973.6	395.5
Cash flow from operating activities	467.6	100.6	847.5	192.8	918.7	264.0
Data per share						
Earnings per share before dilution (SEK)	0.35	0.54	2.36	3.30	3.83	4.12
Earnings per share after dilution (SEK)	0.35	0.54	2.36	3.28	3.83	4.11
Equity per share before dilution (SEK)	26.93	26.97	26.93	26.97	26.93	27.75
Cash flow from operating activities per share before dilution (SEK)	5.28	1.14	9.56	2.25	10.36	3.05
Cash flow from operating activities per share after dilution (SEK)	5.28	1.13	9.56	2.24	10.36	3.04
Average number of shares	88,647,339	88,506,769	88,647,339	85,739,736	88,647,339	86,472,611
Average number of shares after dilution	88,647,339	88,975,531	88,647,339	86,144,999	88,679,930	86,766,793
Number of shares issued at end of period	88,647,339	88,647,339	88,647,339	88,647,339	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 29 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 8-9.

Total	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
Organic growth						
Sales growth (%)	3.2	28.7	8.5	22.3	10.9	21.7
Acquired growth (%)	-2.7	-12.3	-4.5	-10.6	-5.8	-9.9
Currency effects in sales growth (%)	0.8	-1.1	-0.2	-2.2	-0.3	-1.9
Organic sales growth (%)	**1.3**	**15.3**	**3.8**	**9.5**	**4.8**	**9.9**

SMB	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
Organic growth						
Sales growth (%)	-2.3	35.0	6.5	29.8	8.8	26.5
Acquired growth (%)	-3.6	-27.7	-7.0	-23.6	-10.4	-21.1
Currency effects in sales growth (%)	0.2	-0.8	-0.5	-1.5	-0.6	-1.3
Organic sales growth (%)	**-5.7**	**6.6**	**-1.0**	**4.6**	**-2.1**	**4.0**

LCP	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
Organic growth						
Sales growth (%)	7.7	27.3	11.4	19.5	14.0	20.7
Acquired growth (%)	-2.4	-0.9	-2.9	-1.6	-2.4	-1.8
Currency effects in sales growth (%)	1.3	-1.4	0.0	-2.7	-0.2	-2.3
Organic sales growth (%)	**6.6**	**25.0**	**8.5**	**15.3**	**11.4**	**16.5**

B2C	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
Organic growth						
Sales growth (%)	8.2	-4.1	-2.7	-3.4	-1.7	-2.4
Currency effects in sales growth (%)	1.5	-1.0	0.2	-1.8	0.0	-1.6
Organic sales growth (%)	**9.7**	**-5.0**	**-2.5**	**-5.2**	**-1.8**	**-3.9**

Adjusted EBITA	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
EBIT	51.8	78.3	302.7	387.5	404.3	489.1
Amortisation and impairment of intangible assets	25.5	19.3	73.4	52.3	95.2	74.1
Items affecting comparability	28.7	26.2	39.8	-0.2	36.6	-3.5
Adjusted EBITA	**106.0**	**123.8**	**416.0**	**439.6**	**536.2**	**559.7**

Adjusted EBITDA (excl. IFRS 16)	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
EBIT	48.8	78.3	298.0	387.5	399.6	489.1
Depreciation and impairment of tangible assets	9.8	10.9	31.0	30.4	42.1	41.5
Amortisation and impairment of intangible assets	25.5	19.3	73.4	52.3	95.2	74.1
Items affecting comparability	28.7	26.2	39.8	-0.2	36.6	-3.5
Adjusted EBITDA (excl. IFRS 16)	**112.8**	**134.6**	**442.3**	**470.0**	**573.5**	**601.1**

Adjusted EBITDA (incl. IFRS 16)	Q3 19/20	Q3 18/19	Q1-Q3 19/20	Q1-Q3 18/19	Rolling 12 months	Full-year 18/19
EBIT	51.8	78.3	302.7	387.5	404.2	489.1
Depreciation and impairment of tangible assets	48.5	10.9	145.4	30.4	156.5	41.5
Amortisation and impairment of intangible assets	25.5	19.3	73.4	52.3	95.2	74.1
Items affecting comparability	28.7	26.2	39.8	-0.2	36.6	-3.5
Adjusted EBITDA (incl. IFRS 16)	**154.5**	**134.6**	**561.4**	**470.0**	**692.5**	**601.1**

Segment information by quarter

All amounts in SEK million, unless otherwise indicated	Q3 19/20	Q2 19/20	Q1 19/20	Q4 18/19	Q3 18/19	Q2 18/19	Q1 18/19	Q4 17/18	Q3 17/18	Q2 17/18
Net sales	3,270.6	3,542.8	3,508.3	3,025.7	3,168.5	3,214.7	3,126.7	2,524.2	2,461.7	2,722.9
Organic sales growth (%)	1.3	4.0	6.1	11.2	15.3	7.8	5.9	-4.7	1.6	1.7
Gross margin (%)	15.1	15.7	16.0	16.2	16.8	16.3	17.4	16.5	16.1	15.4
Adjusted EBITA	106.0	153.5	156.4	120.1	123.8	153.5	162.3	118.8	107.9	143.1
Adjusted EBITA margin (%)	3.2	4.3	4.5	4.0	3.9	4.8	5.2	4.7	4.4	5.3
Net sales per segment:										
LCP	1,729.4	1,863.1	1,805.5	1,530.8	1,606.1	1,718.3	1,521.7	1,230.1	1,261.5	1,444.1
SMB	1,386.6	1,510.7	1,554.9	1,353.4	1,419.6	1,346.5	1413.4	1154.4	1051.3	1109.6
B2C	154.6	169.0	147.9	141.6	142.8	149.8	191.7	139.6	148.9	169.2
Segment results:										
LCP	102.4	118.1	100.1	79.6	79.6	100.9	99.3	74.1	74.3	93.4
SMB	108.8	140.1	156.7	134.7	142.4	146.7	160.5	131.7	118.9	135.7
B2C	11.9	9.2	9.1	7.1	8.8	9.4	11.5	7.2	7.9	8.4
Segment margin (%):										
LCP	5.9	6.3	5.5	5.2	5.0	5.9	6.5	6.0	5.9	6.5
SMB	7.8	9.3	10.1	10.0	10.0	10.9	11.4	11.4	11.3	12.2
B2C	7.7	5.4	6.2	5.0	6.2	6.3	6.0	5.2	5.3	5.0
Central functions										
Central functions	-117.0	-113.8	-109.4	-101.3	-107.0	-103.5	-109.0	-94.3	-93.2	-94.4
Percentage of net sales	-3.6	-3.2	-3.1	-3.3	-3.4	-3.2	-3.5	-3.7	-3.8	-3.5

Definitions

IFRS measures:	Definition/Calculation
Earnings per share	Net profit/loss in SEK in relation to average number of shares, according to IAS 33.
Net debt/net receivable, excl. IFRS 16	Interest-bearing non-current and current receivables and liabilities, excluding lease liabilities, including cash and cash equivalents and the interest-bearing portion of financial assets.

Alternative performance measures:	Definition/Calculation	Purpose
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.
Gross margin	Gross profit in relation to net sales.	Used to measure product and service profitability.
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.
Acquired growth	Net sales for the relevant period attributable to acquired and divested companies in relation to net sales for the comparative 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 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.
Adjusted EBITA margin	Adjusted EBITA in relation to net sales.	This performance measure is used to measure the profitability level of the operations.
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.
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.
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.
Net debt	Non-current and current interest-bearing liabilities, excluding acquisition-related liabilities, less cash and cash equivalents 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.
Organic growth	Growth in net sales for the relevant period adjusted for acquired and divested growth, customer transfers between segments, and currency effects.	Provides a measure of the growth achieved by Dustin in its own right.
Sales growth	Net sales for the relevant period in relation to net sales for the comparative period.	Used to show the development of net sales.
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.
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/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.
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.
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.
Maintenance investments	Investments required to maintain current operations excluding financial leasing.	Used to calculate operating cash flow.
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.

Glossary

Word/Term	Definition/Calculation
B2B	Pertains to sales to companies and organisations, divided into LCP and SMB according to the definition below.
B2C	Pertains to all sales to consumers.
Central functions	Includes all non-allocated central expenses, including amortisation and depreciation, and excluding items affecting comparability.
Integration costs	Integration costs comprise costs for integrating acquired companies into the Dustin platform. The Dustin platform is defined as integration of e-commerce into the IT platform combined with organisational integration.
Clients	Umbrella term for the product categories computers, mobile phones and tablets.
IDC	International Data Corporation
Contractual recurring revenues	Recurring revenues, such as subscriptions, that are likely to have a duration of several years.
Launch costs	Launch costs comprise the costs for the launch of online sales in the Netherlands.
LCP	Pertains to all sales to large corporate and public sector. As a general rule, this segment is defined as companies and organisations with more than 500 employees or public sector operations.
LTI	Long-term incentive programme that encompasses Group Management and other key individuals at Dustin.
LTM	Last twelve months, also known as rolling 12 months. Refers to going back 12 months regardless of financial year.
Onboarding	Refers to the process of integrating a customer into the Company's products or services.
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.

Dustin

Financial calendar

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

November 17, 2020
2019/20 Annual Report

December 14, 2020
2019/20 Annual General Meeting

January 12, 2021
Interim report for the first quarter,
September 1, 2020 – November 30, 2020

April 13, 2021
Interim report for the second quarter,
December 1, 2020 – February 28, 2021

June 30, 2021
Interim report for the third quarter,
March 1, 2021 – May 31, 2021

October 6, 2021
Year-end report,
September 1, 2020 – August 31, 2021

November 17, 2021
2020/21 Annual Report

December 15, 2021
2020/21 Annual General Meeting

For more information, please contact:

Johan Karlsson, CFO
johan.karlsson@dustin.se
+46 708 67 79 97

Fredrik Sätterström, Head of Investor Relations
fredrik.satterstrom@dustin.se
+46 705 10 10 22

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 July 1, 2020.