



Interim report

December 1, 2019 – February 29, 2020

Q2

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“Continued stable development despite increased market uncertainty”

Second quarter

- Net sales rose 10.2 per cent to SEK 3,543 million (3,215).
- Organic growth was 4.0 per cent (7.8), of which SMB accounted for 2.8 per cent (0.1), LCP for 4.1 per cent (16.1) and B2C for 12.5 per cent (neg: 13.5).
- The gross margin amounted to 15.7 per cent (16.3).
- Adjusted EBITA amounted to SEK 154 million (154), corresponding to an adjusted EBITA margin of 4.3 per cent (4.8).
- EBIT totalled SEK 133 million (160), including items affecting comparability of SEK 3 million (23).
- Profit for the quarter was SEK 92 million (124).
- Earnings per share before dilution totalled SEK 1.04 (1.41).
- Cash flow from operating activities amounted to SEK 155 million (144).
- The start of the third quarter has been characterised by increased demand for hardware in the form of monitors, web cameras, cables and accessories for home offices, combined with a stable trend in the public sector. At the same time, the market uncertainty regarding the effects of the coronavirus has increased significantly.

September 2019-February 2020

- Net sales rose 11.2 per cent to SEK 7,051 million (6,341).
- Organic growth was 5.0 per cent (6.9), of which SMB accounted for 1.4 per cent (3.9), LCP for 9.3 per cent (10.7) and B2C for negative 7.6 per cent (neg: 5.4).
- The gross margin amounted to 15.8 per cent (16.9).
- Adjusted EBITA declined to SEK 310 million (316), corresponding to an adjusted EBITA margin of 4.4 per cent (5.0).
- EBIT totalled SEK 251 million (309), including items affecting comparability of negative SEK 11 million (pos: 26).
- Profit for the period amounted to SEK 178 million (235).
- Earnings per share before dilution totalled SEK 2.00 (2.78).
- Cash flow from operating activities amounted to SEK 380 million (92).
- 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 3.1 (2.9 at the end of 2018/19). When calculated including these effects, the figure was 3.5 (-).

Financial key ratios

All amounts in SEK million, unless otherwise indicated	Q2	Q2	Q1-Q2	Q1-Q2	Rolling	Full-year
	19/20	18/19	19/20	18/19	12 months	18/19
Net sales	3,542.8	3,214.7	7,051.1	6,341.4	13,245.3	12,535.7
Organic sales growth (%)	4.0	7.8	5.0	6.9	8.0	9.9
Gross margin (%)	15.7	16.3	15.8	16.9	16.1	16.7
Adjusted EBITA	153.5	153.5	310.0	315.8	553.9	559.7
Adjusted EBITA margin (%)	4.3	4.8	4.4	5.0	4.2	4.5
EBIT	132.6	160.0	250.9	309.2	430.8	489.1
Profit for the period	92.0	124.1	177.7	234.8	290.7	356.2
Items affecting comparability*	3.0	23.2	-11.2	26.5	-34.2	3.5
Earnings per share before dilution (SEK)	1.04	1.41	2.00	2.78	3.66	4.12
Cash flow from operating activities	155.2	143.8	379.9	92.4	551.5	264.0
Net debt/adjusted EBITDA (multiple) (excl. IFRS 16)	-	-	-	-	3.1	2.9
Net debt/adjusted EBITDA (multiple) (incl. IFRS 16)**	-	-	-	-	3.5	-
Return on equity (%)	-	-	-	-	12.3	14.5

For definitions, refer to page 26.

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

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

Continued stable development despite increased market uncertainty

Our markets, like the world at large, are currently in a situation that is difficult to navigate and where the outlook is uncertain. Before I move on to the potential effects of the spread of the novel coronavirus, I want to report on our second quarter. We are reporting healthy sales growth of 10 per cent, of which 4 percent organic, in a continued cautious market. The adjusted EBITA result was unchanged compared with the year-earlier quarter and amounted to SEK 154 million. Our transformation toward a greater share of sales for services and solutions is proceeding according to plan. We successfully integrated Core Services and Purity IT, and in early March, we updated our brand position and our visual identity.

Continued healthy sales growth

Net sales for the second quarter rose 10.2 per cent to SEK 3,543 million (3,215), corresponding to organic growth of 4.0 per cent. The LCP segment reported growth of 8.4 per cent, of which 4.1 per cent was organic, mainly driven by strong sales to larger companies. The SMB segment reported growth of 12.2 per cent, of which 2.8 per cent was organic. The relatively weak organic growth was attributable to a continued cautious market during the quarter. The B2C segment demonstrated growth of 12.8 per cent, of which 12.5 per cent was organic, which was mainly attributable to a later scheduled Black Friday, with a large share of deliveries pushed to December. Furthermore, we have seen continued good customer inflow online in the Netherlands in the quarter.

Sales mix impacts profitability

Adjusted EBITA was unchanged compared with the preceding year and amounted to SEK 154 million (154), while the adjusted EBITA margin declined to 4.3 per cent (4.8). The margin decrease is primarily attributable to a changed sales mix, with a high share of sales of clients with lower margin and relatively higher costs compared with the year-earlier quarter, which is related to our transformation toward an expanded offering of services and solutions. EBIT declined to SEK 133 million (160), impacted by non-recurring items of SEK 3 million (23).

Expanded offering of services and solutions

Our current focus to build up the capacity for services and solutions is ensuring long-term growth and margin expansion. In order to fully benefit from our acquired expertise in services and solutions, we accelerated the pace of integration of our acquisitions during the year. During the quarter, we successfully integrated Norwegian Core Services and Purity IT. At the end of the quarter, the customer base for SaaS configurations in our integrated operations had increased to a total of 129,154 users (56,998) in the Nordic region and our contractual recurring revenues increased significantly.

Branding update

At the beginning of March, we took another step forward by clarifying our brand position and our visual identity. In this way, we want to make it clear to our customers that we can offer complete IT solutions for companies and thus help them to be at the leading edge. In conjunction with the brand launch, campaigns

were conducted in all our markets. The new communications concept connects well with our new brand promise, "We keep things moving".

Effects of the coronavirus

The rapid spread of the novel coronavirus will have an impact on our business in the short and probably the longer term. The health and safety of our employees and customers have the highest priority. The uncertainty has increased significantly regarding potential changes in customer behaviour and disruptions to the supply chain. The start of the third quarter has been characterised by increased demand for products in the form of monitors, web cameras, cables and accessories for home offices among our B2B customers in the Nordic countries. We can also see stable development in the public sector. The availability of products remains generally favourable and we made additional product purchases already when the first signs of the spread of the coronavirus appeared in China.

We have seen a more subdued demand trend for project-related services during the start of the quarter, given the closure of customer offices. We are also seeing a generally more cautious market situation in the Netherlands. Due to the generally uncertain situation in Europe, it is currently impossible to foresee the length or scope of the potential impact on Dustin. We are carefully following official advice and the developments in our markets. As a direct consequence of this, we decided at an early stage to postpone Dustin Expo until September. I am very proud of and feel confident about how quickly we have adjusted to the new way of working, with a continued high focus on our customers and the services and products that are now needed.

Summary

Overall, we performed well and according to plan during the second quarter. The start of the third quarter has shown high demand, while uncertainty in the short term has increased. We have a positive view of our strategy and long-term business, with an expanded service offering based on our strong e-commerce platform. The LCP segment continues to demonstrate margin improvement as its contract portfolio matures and we are convinced that we will see improved efficiency in our service sales in the SMB segment over time, as more acquired companies are integrated, and business volumes increase.

Our financial position remains favourable and we are well positioned for the conditions in the prevailing business climate. We are actively following developments and are taking a proactive approach in preparing for various scenarios depending on development in the market. All of this is to enable us to act swiftly and to have activities and tools ready, from both a cost and risk perspective, but also to leverage the opportunities that our strong online position can offer us and our customers.

Nacka, April 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 in 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), LCP (Large Corporate and Public) and B2C (Business to Consumer). Our sales are mainly made online. For companies, we supplement this with relationship-based and 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 larger share of their IT needs.

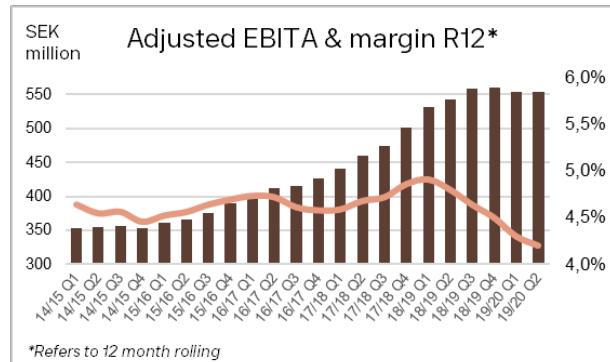
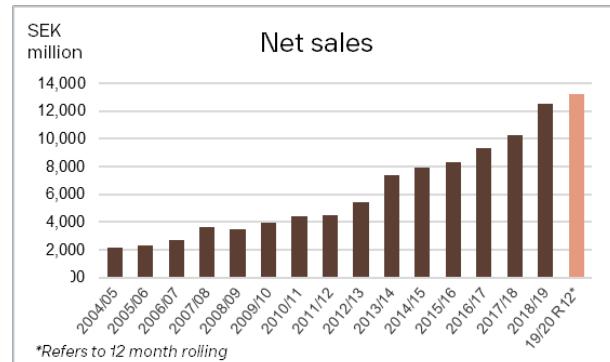
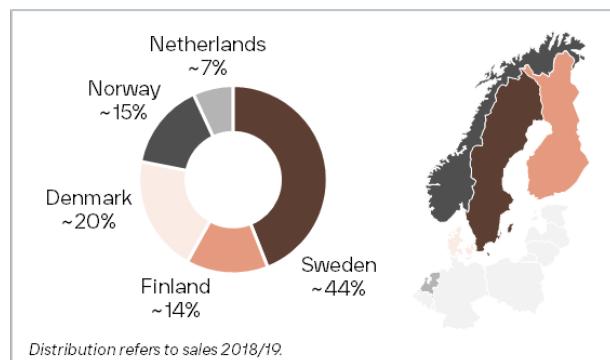
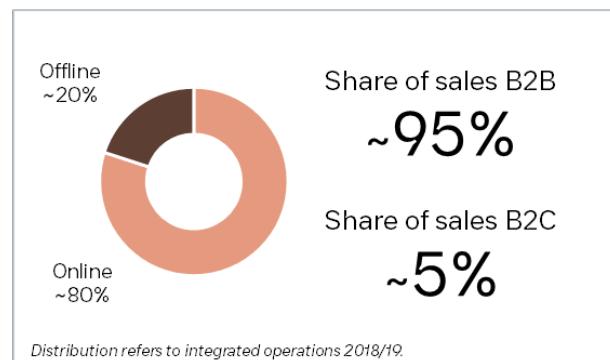
Leading online position

The share of products and services purchased online is growing. We have been online since 1995 and had 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 a 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 towards 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.



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 customer promise 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. 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 second quarter

As part of its Responsible manufacturing focus area, Dustin performs regular factory audits. In the second quarter, 0 (0) audits were carried out. The reason that no audits were carried out is related to the spread of the coronavirus during the time of the planned inspections. The seven audits scheduled for the second quarter are expected to be conducted in the third quarter, if the situation permits, together with the other

audits planned for the third quarter.

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 second quarter, 16,853 products (15,331) were collected, of which 15,651 could be reused and the remaining 1,202 were recycled. At the end of the second quarter, a total of 183,365 products were collected as end-of-life returns since 2014/15.

	Q2 19/20	Q2 18/19	Full-year 18/19
Share of suppliers* that have adopted the Code of Conduct	99.8%	99.6%	99.6%
Share of suppliers* that have completed a risk assessment	98.0%	95.3%	95.7%
Total number of end-of-life returns during the period	16,853	15,331	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 December 2019–February 2020.

Second quarter

Net sales

Net sales for the quarter rose 10.2 per cent to SEK 3,543 million (3,215). Organic growth amounted to 4.0 per cent (7.8), of which SMB accounted for 2.8 per cent (0.1), LCP for 4.1 per cent (16.1) and B2C for positive 12.5 per cent (neg: 13.5). Acquired growth was 5.6 percentage points (8.2) and exchange-rate differences had a positive impact of 0.6 percentage points (2.1).

Gross profit

During the quarter, gross profit rose SEK 33 million to SEK 557 million (524), corresponding to 6.3 per cent. The gross margin declined to 15.7 per cent (16.3), mainly the result of a changed sales mix within hardware with a higher share of client sales with lower margins.

Adjusted EBITA

Adjusted EBITA amounted to SEK 154 million (154). The adjusted EBITA margin amounted to 4.3 per cent (4.8), with the decrease primarily due to a lower gross margin, combined with a higher cost level related to investments in the sales and delivery organisation. Adjusted EBITA excluded items affecting comparability of SEK 3 million (23), 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 133 million (160). Operating profit included items affecting comparability of SEK 3 million (23) which, during the quarter, primarily pertained to integration costs of SEK 5 million (7). For more information, refer to Note 3 Items affecting comparability.

Financial items

Financial expenses amounted to SEK 14 million (12). During the quarter, expenses mainly pertained to external financing costs of SEK 11 million (10). The financial expenses were also impacted by interest expenses related to leasing in an amount of SEK 3 million in accordance with the new IFRS 16 accounting standard. Financial income amounted to SEK 0.3 million (0.2).

Tax

The tax expense for the quarter was SEK 27 million (24), corresponding to an effective tax rate of 22.5 per cent (16.3). Last year's lower effective tax rate is mainly attributable to non-taxable income effects from earn-out adjustments.

Profit for the quarter

Profit for the quarter was SEK 92 million (124). Earnings per share amounted to SEK 1.04 (1.41) before dilution and SEK 1.04 (1.41) after dilution.

Cash flow

Cash flow for the quarter was a negative SEK 9 million (neg: 98).

Cash flow from operating activities amounted to SEK 155 million (144). Cash flow from changes in working capital was negative SEK 4 million (neg: 11). The reduction in inventory made a positive contribution of SEK 65 million (neg: 49) to working capital. The decline in accounts receivable contributed a positive cash flow effect of SEK 299 million (72), but was offset by a negative effect from a decline in accounts payable during the quarter, totalling SEK 417 million (28). The lower level of accounts payable was mainly attributable to reduced purchasing in the latter part of the quarter, impacted by extended production time of private label products from China. The decline in accounts receivable was attributable to relatively high sales in the final month of the comparative period.

The introduction of IFRS 16 entails a shift between cash flow from operating activities, which increased SEK 34 million, and cash flow from financing activities, which declined SEK 34 million. For further information regarding working capital, refer to the Net working capital section.

Cash flow from investing activities amounted to a negative SEK 123 million (neg: 14). The change is mainly due to earn-outs of SEK 96 million paid for acquisitions completed earlier. Cash flow from investments in tangible and intangible assets was a negative SEK 27 million (neg: 19), of which a negative SEK 9 million (neg: 8) pertained to investments in the IT platform and a negative SEK 18 million (neg: 11) mainly pertained to investments in a new platform for customer and market information and the purchase of computers and telephones for internal use. Investments in hardware for the data centres and vehicles were also made during the quarter. Investments in assets financed through leasing amounted to SEK 188 million and were mainly attributable to extended leases, IT equipment for service provision and vehicles.

Cash flow from financing activities amounted to a negative SEK 42 million (neg: 228). The year-on-year change was mainly attributable to a new bank loan raised during the quarter corresponding to SEK 317 million, in combination with the repayment of an external loan of SEK 61 million. The repayment of lease liabilities increased by SEK 34 million and was mainly attributable to the new IFRS 16 accounting standard. The quarter was also impacted by a dividend to shareholders of SEK 266 million (239) and SEK 4 million (13) attributable to positive cash flow effects from long-term incentive (LTI) programmes relating to the payment of warrants issued.

Significant events in the second quarter

Introduction of long-term incentive programme

At the Annual General Meeting on December 11, 2019, it was resolved to adopt a long-term incentive programme in the form of not more than 1,329,710 warrants which, after the three-year vesting period, will confer entitlement to the subscription of one share, as well as the issuance of not more than 290,875 synthetic options which, after the three-year vesting period, will confer entitlement to a cash payment.

Offer for the repurchase of warrants

The Board of Directors resolved to issue an offer to shareholders for the repurchase of all outstanding warrants of the 2017/2020 series at market price. The resolution comprises only how the redemption of the warrants is to be managed and does not entail a change to the terms of the warrants or the programme. No new shares are issued on utilisation of the offer and it therefore does not result in any dilution effect.

Merger of subsidiary

During the quarter, the Norwegian subsidiaries Core Services AS and Purity IT AS were merged with Dustin Norway AS. The merger is a step in further integration of the businesses into the shared IT platform. After the merger, the companies will operate under the Dustin brand.

Extension of the lease in Rosersberg

During the quarter, it was decided to renew the lease on the logistics facility in Rosersberg. A ten-year contract was signed and in 2020, investments in automation have begun, which are expected to be completed during the financial year. For more information, refer to Note 4 Investments.

September 1, 2019 – February 29, 2020

Net sales

Net sales for the period rose 11.2 per cent to SEK 7,051 million (6,341). Organic growth was 5.0 per cent (6.9), of which SMB accounted for 1.4 per cent (3.9), LCP for 9.3 per cent (10.7) and B2C for a negative 7.6 per cent (neg: 5.4). Acquired growth was 5.4 percentage points (9.8) and exchange-rate differences had a positive impact of 0.8 percentage points (2.6).

Gross profit

During the period, gross profit rose SEK 48 million, corresponding to 4.4 per cent, to SEK 1,117 million (1,069). The gross margin declined to 15.8 per cent (16.9), mainly the result of a changed sales mix within hardware with a higher share of client sales and sales to the public sector in the LCP segment.

Adjusted EBITA

Adjusted EBITA declined 1.9 per cent during the quarter to SEK 310 million (316). The adjusted EBITA margin declined to 4.4 per cent (5.0). Adjusted EBITA excluded items affecting comparability of negative SEK 11 million (pos: 27), 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 251 million (309). Operating profit includes items affecting comparability of negative SEK 11 million (pos: 27), which during the period mainly comprised positive effects of SEK 8 million (35) from a change in acquisition-related liabilities and integration costs of SEK 12 million (7). SEK 8 million (-) pertained 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 27 million (22), with the costs for the period primarily pertaining to costs of SEK 20 million (19) for external financing. The financial expenses were also impacted by interest expenses related to leasing in an amount of SEK 6 million in accordance with the new IFRS 16 accounting standard. Financial income amounted to SEK 0.5 million (0.3).

Tax

The tax expense for the period was SEK 47 million (53), corresponding to an effective tax rate of 20.8 per cent (18.3).

Profit for the period

Profit for the period amounted to SEK 178 million (235). Earnings per share amounted to SEK 2.00 (2.78) before dilution and SEK 2.00 (2.77) after dilution.

Cash flow

Cash flow for the period was SEK 100 million (465). The year-on-year change was mainly attributable to the preceding year's positive effect from a new share issue conducted of SEK 681 million.

Cash flow from operating activities was SEK 380 million (92), 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 51 million (neg: 169), with the positive year-on-year change primarily due to a lower level of accounts receivable at the end of the period and lower inventory levels. The comparative period was impacted by a relatively high share of sales in the last month of the period and increased inventories due to a higher share of private label purchases. For further information regarding working capital, refer to the Net working capital section.

Cash flow from investing activities amounted to a negative SEK 201 million (neg: 67). The change is mainly due to earn-outs of SEK 138 million paid for acquisitions completed earlier. Investments in tangible and intangible assets amounted to a negative SEK 62 million (neg: 41), of which a negative SEK 21 million (neg: 17) pertained to investments in the IT platform and a negative SEK 41 million (neg: 24) mainly pertained to investments in a new platform for customer and market information for e-commerce in the Netherlands. Purchases of computers and

telephones for internal use and vehicles were also made during the quarter. Investments in assets financed through leasing amounted to SEK 215 million and were mainly attributable to extended leasing, IT equipment for service provision and vehicles.

Cash flow from financing activities amounted to a negative SEK 79 million (neg: 439). 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 increased by SEK 72 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 (13) 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 154 million (neg: 62) at the end of the period. The year-on-year change in net working capital was attributable to higher accounts payable as a result of increased business volumes and temporarily extended credit periods, as well as reduced inventories. The reduction in the inventory volumes was attributable to improved inventory planning and the temporary postponement of private label purchasing. Higher accounts receivable due to increased business volumes had a somewhat negative impact on working capital.

SEK million	29 Feb, 2020	28 Feb, 2019	31 Aug, 2019
Inventories	495.3	530.8	465.7
Accounts receivable	1,401.8	1,374.7	1,460.4
Tax assets and other current receivables	372.3	283.5	313.9
Accounts payable	-1,795.5	-1,723.0	-1,712.3
Tax liabilities and other current liabilities	-627.5	-527.9	-595.3
Net working capital	-153.6	-61.9	-67.6

Net debt and cash and cash equivalents

At the end of the period, net debt amounted to SEK 2,322 million (1,230). 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 398 million (746). The decline was attributable to the rights issue, which increased cash and cash equivalents by SEK 695 million in the preceding year. During the quarter, a new bank loan was raised corresponding to SEK 317 million, in combination with a repayment of SEK 61 million, which contributed to a net increase in liabilities to credit institutions of SEK 256 million. At the end of the period, there was also an unutilised overdraft facility of SEK 270 million (270) and an

unutilised credit facility of EUR 5 million (5) in the Dutch operations.

At the end of the period, net debt in relation to adjusted EBITDA in the past 12-month period, excluding the effects of IFRS 16 Leases, was 3.1 (2.1). When calculated including these effects, the net debt ratio would have amounted to 3.5. For calculation, see source of alternative performance measures.

SEK million	29 Feb, 2020	28 Feb, 2019	31 Aug, 2019
Liabilities to credit institutions	2,230.5	1,964.9	2,006.1
Current liabilities to credit institutions	-	-	-
Lease liabilities	489.5	10.8	11.5
Cash and cash equivalents	-397.6	-746.2	-281.3
Net debt	2,322.4	1,229.5	1,736.4

Employees

The average number of full-time employees during the period was 1,811, compared with 1,557 in the year-earlier period. The increase was primarily attributable to acquisitions during the period.

Events after the balance-sheet date

Effects of the spread of coronavirus

The prevailing situation, with the rapid spread of the coronavirus, has considerably increased uncertainty. Currently, no significant events have occurred since the balance-sheet date that are not reflected in the financial statements. Extra measures are being employed to continuously monitor developments and to manage any financial effects relating to the situation.

Brand launch

On March 3, Dustin continued its transformation with the launch of its updated brand. The updated brand and service offering is clarified through, for example, new service offerings, such as Network and Modern Workplace. In conjunction with the brand launch, a brand campaign was conducted in all of the Nordic countries and in the Netherlands.

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 0.2 million (0.2) and profit for the period totalled SEK 129 million (49). The change was mainly attributable to the net currency position due to external financing, which amounted to SEK 31 million (20) during the period. The Group applies hedge accounting, whereby the net currency position is recognised against equity.

Risks and uncertainties

The rapid spread of the coronavirus is having a long and short-term impact on our business. The company assesses that the risks have increased significantly regarding changes in customer behaviour and potential disruptions to the supply chain. The start of the third quarter has characterised by increased demand for hardware products for home offices among companies, combined with a stable trend in the public sector. The availability of products remains good. At the same time, uncertainty regarding the third quarter in its entirety has grown significantly. Due to the changeable situation, it is currently impossible to foresee the length or scope and, by extension, the potential impact this could have on Dustin.

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.

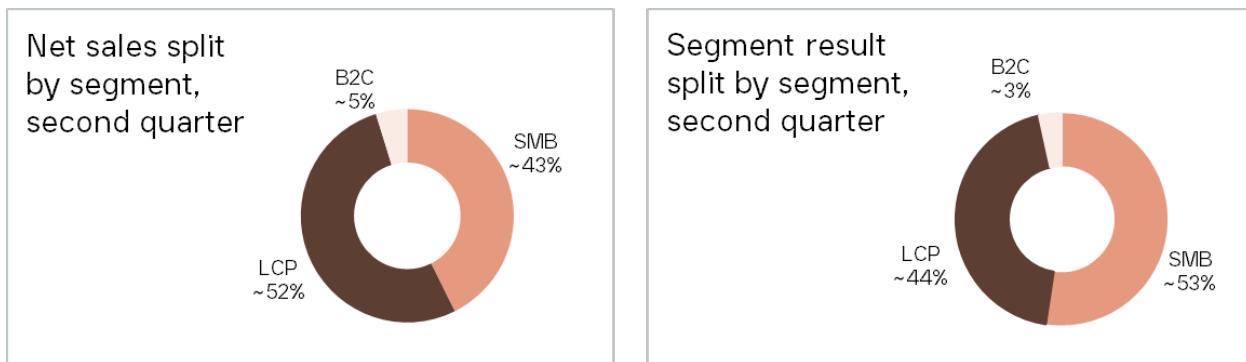
For a detailed description of the risks that are expected to be particularly significant for the future development of the Group, refer to pages 76-87 of Dustin's 2018/19 Annual Report.

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 February 29, 2020, the price was SEK 62.90 per share (87.40), representing a total market capitalisation of SEK 5,576 million (7,727). At February 29, the company had a total of 9,970 shareholders (7,017). 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.

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	Q2	Q2	Change	Q1-Q2	Q1-Q2	Change	Rolling	Full-year	Change
	19/20	18/19	%		19/20	18/19	12 months	18/19	%
Net sales	1,510.7	1,346.5	12.2	3,065.6	2,759.9	11.1	5,838.6	5,532.9	5.5
Segment results	140.1	146.7	-4.5	296.8	307.4	-3.4	573.8	584.4	-1.8
Segment margin (%)	9.3	10.9	-	9.7	11.1	-	9.8	10.6	-

Net sales

Net sales for the quarter rose 12.2 per cent to SEK 1,511 million (1,347), with 8.7 percentage points of the increase compared with the year-earlier quarter attributable to completed acquisitions and divestments and 0.6 percentage points to exchange-rate differences. Organic growth improved somewhat compared with the first quarter and amounted to 2.8 per cent (0.1), despite a continued cautious market climate.

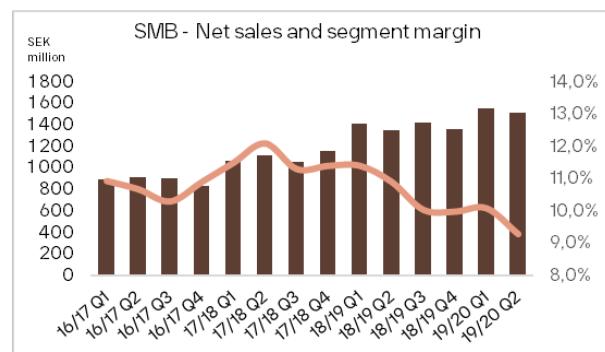
The start of the third quarter has in the Nordic region been characterised by increased demand for such hardware as monitors, web cameras, cables and accessories for home offices. The development for example customer onboarding to new services and conference room installation was weak and the market situation in the Netherlands was generally more cautious. Uncertainty regarding the third quarter overall has increased significantly.

Segment results

Profit for the segment declined 4.5 per cent to SEK 140 million (147) and the segment margin declined to 9.3 per cent (10.9) compared with the year-earlier quarter. The change was primarily attributable to:

- higher costs in the form of earlier investments in the organisation for services and solutions
- changes in the sales mix within hardware, with a higher share of clients with lower margin
- a low share of project-related income with a high margin
- a continued cautious market climate

During the second quarter, software and services as a percentage of sales increased to 22.8 per cent (21.3) in the segment (see Note 2 Segments). At the end of the second quarter, the customer base for SaaS configurations in integrated operations had increased to a total of 129,154 users (56,998) in the Nordic region.



LCP – Large Corporate and Public sector

SEK million	Q2	Q2	Change	Q1-Q2	Q1-Q2	Change	Rolling	Full-year	Change
	19/20	18/19	%	19/20	18/19	%	12 months	18/19	%
Net sales	1,863.1	1,718.3	8.4	3,668.6	3,240.0	13.2	6,805.4	6 376.8	6.7
Segment results	118.1	100.9	17.0	218.1	200.0	9.0	377.5	359.4	5.0
Segment margin (%)	6.3	5.9	-	5.9	6.2	-	5.5	5.6	-

Net sales

During the quarter, net sales rose 8.4 per cent to SEK 1,863 million (1,718), positively impacted by completed acquisitions of 3.7 percentage points and exchange-rate differences of 0.6 of a percentage point. Organic growth amounted to 4.1 per cent (16.1) and was mainly attributable to strong sales to large companies and continued growth in sales to the public sector. Sales developed strongly in, primarily, Denmark, Norway and Finland, despite a continued cautious market climate.

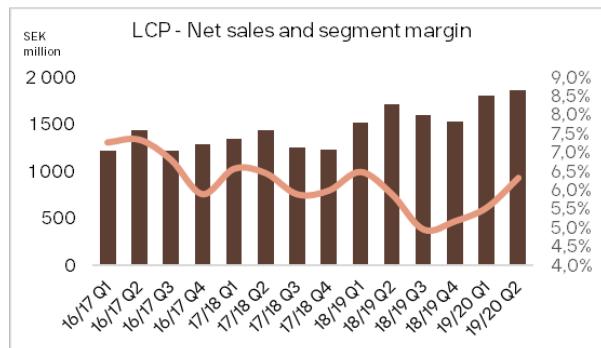
The start of the third quarter has been characterised by increased demand for such hardware as monitors, web cameras, cables and accessories for home offices among our large company customers and a continued stable trend in the public sector. As for the SMB segment, uncertainty regarding the third quarter overall has increased significantly.

Segment results

Profit for the segment increased to SEK 118 million (101)

and the segment margin improved to 6.3 per cent (5.9) compared with the year-earlier quarter. The change was primarily attributable to:

- improved margins in major framework agreements for the public sector
- higher share of sales to large companies
- a generally more advantageous sales mix.



B2C – Business to Consumer

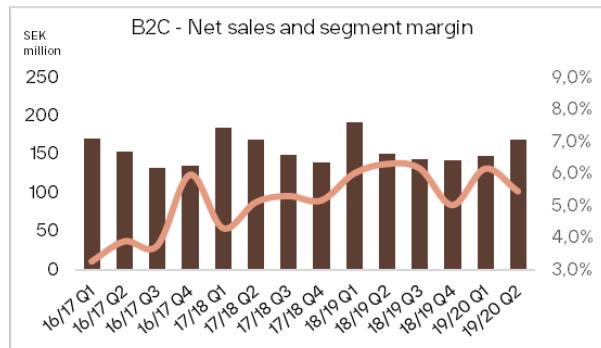
SEK million	Q2	Q2	Change	Q1-Q2	Q1-Q2	Change	Rolling	Full-year	Change
	19/20	18/19	%	19/20	18/19	%	12 months	18/19	%
Net sales	169.0	149.8	12.8	316.9	341.5	-7.2	601.4	625.9	-3.9
Segment results	9.2	9.4	-2.1	18.3	20.9	-12.6	34.1	36.7	-7.1
Segment margin (%)	5.4	6.3	-	5.8	6.1	-	5.7	5.9	-

Net sales

During the quarter, net sales increased 12.8 per cent to SEK 169 million (150). Organic growth was 12.5 per cent (neg: 13.5). The improvement was mainly attributable to sales on Black Friday, which was scheduled later, being distributed across both November and December.

Segment results

During the quarter, profit for the segment was largely unchanged compared with the year-earlier quarter and amounted to SEK 9 million (9). The segment margin declined to 5.4 per cent (6.3), as a result of the Black Friday that was scheduled later, with a large amount of deliveries being postponed until December.



Central functions

SEK million	Q2	Q2	Change	Q1-Q2	Q1-Q2	Change	Rolling	Full-year	Change
	19/20	18/19	%	19/20	18/19	%	12 months	18/19	
Cost for central functions	-113.8	-103.5	10.0	-223.3	-212.5	5.1	-431.5	-420.7	2.6
Costs for central functions in relation to net sales (%)	-3.2	-3.2	-	-3.2	-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 second quarter, costs for central functions amounted to 3.2 per cent (3.2) 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 114 million (104).

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, April 1, 2020

Mia Brunell Livfors
Chairman of the board

Caroline Berg

Gunnel Duveblad

Johan Fant

Mattias Miksche

Morten Strand

Tomas Franzén

Thomas Ekman
President and CEO

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

Consolidated income statement

SEK million	Note	Q2	Q2	Q1-Q2	Q1-Q2	Rolling	Full-year
		19/20	18/19	19/20	18/19	12 months	18/19
Net sales	2	3,542.8	3,214.7	7,051.1	6,341.4	13,245.3	12,535.7
Cost of goods and services sold		-2,986.3	-2,690.3	-5,934.6	-5,272.4	-11,108.5	-10,446.3
Gross profit		556.5	524.3	1116.5	1,068.9	2,136.9	2,089.3
Selling and administrative expenses		-424.2	-384.1	-850.1	-781.0	-1,663.3	-1,594.3
Items affecting comparability	3	3.0	23.2	-11.2	26.5	-34.2	3.5
Other operating income		1.4	1.8	3.8	3.6	7.9	7.6
Other operating expenses		-4.0	-5.3	-8.2	-8.7	-16.5	-17.1
EBIT	2	132.6	160.0	250.9	309.2	430.8	489.1
Financial income and other similar income-statement items		0.3	0.2	0.5	0.3	1.0	0.8
Financial expenses and other similar income-statement items		-14.3	-11.8	-27.0	-22.1	-49.9	-45.0
Profit after financial items		118.6	148.3	224.4	287.5	381.8	444.9
Tax		-26.6	-24.2	-46.7	-52.7	-91.1	-88.7
Profit or loss for the period, attributable in its entirety to Parent Company shareholders		92.0	124.1	177.7	234.8	290.7	356.2
Other comprehensive income (all items will be transferred to the income statement)							
Translation differences		16.1	25.8	-37.0	-21.4	-59.0	-43.4
Cash-flow hedging		-36.1	-33.6	26.6	19.6	46.1	39.0
Tax attributable to cash-flow hedges		7.7	7.2	-5.7	-4.5	-9.7	-8.6
Other comprehensive income		-12.2	-0.6	-16.1	-6.4	-22.6	-13.0
Comprehensive income for the period is attributable in its entirety to Parent Company shareholders		79.8	123.5	161.6	228.4	268.0	343.2
Earnings per share before dilution (SEK)*		1.04	1.41	2.00	2.78	3.66	4.12
Earnings per share after dilution (SEK)*		1.04	1.41	2.00	2.77	3.64	4.11

Condensed consolidated balance sheet

SEK million	Note	29 Feb, 2020	28 Feb, 2019	31 Aug, 2019
ASSETS				
Non-current assets				
Goodwill		3,790.6	3,203.4	3,839.8
Other intangible assets attributable to acquisitions		618.5	551.3	641.5
Other intangible assets	4	142.9	131.9	133.0
Tangible assets	4	102.1	90.9	105.7
Right-of-use assets	4	483.9	-	-
Divestment-related receivables	5	-	1.6	1.6
Deferred tax assets		5.2	3.7	5.5
Derivative instruments	5	0.3	0.8	0.6
Other non-current assets		6.8	16.3	17.9
Total non-current assets		5,150.3	3,999.9	4,745.6
Current assets				
Inventories		495.3	530.8	465.7
Accounts receivable		1,401.8	1,374.7	1,460.4
Derivative instruments	5	0.5	0.6	1.4
Tax assets		52.0	10.7	45.8
Other receivables		320.4	272.8	268.1
Cash and cash equivalents		397.6	746.2	281.3
Total current assets		2,667.5	2,935.8	2,522.7
TOTAL ASSETS		7,817.8	6,935.7	7,268.3
EQUITY AND LIABILITIES				
Equity				
Equity attributable to Parent Company shareholders		2,360.2	2,330.2	2,460.3
Total equity		2,360.2	2,330.2	2,460.3
Non-current liabilities				
Deferred tax and other long-term provisions		205.0	204.8	235.6
Liabilities to credit institutions		2,230.5	1,964.9	2,006.1
Non-current lease liabilities		353.2	-	-
Acquisition-related liabilities	5	-	81.8	-
Derivative instruments	5	25.6	5.8	24.1
Total non-current liabilities		2,814.2	2,257.3	2,265.8
Current liabilities				
Current lease liabilities		136.4	-	-
Accounts payable		1,795.5	1,723.0	1,712.3
Tax liabilities		35.4	2.0	10.2
Derivative instruments	5	0.1	0.8	0.7
Other current liabilities		591.9	516.3	574.2
Acquisition-related liabilities	5	84.1	106.1	244.8
Total current liabilities		2,643.5	2,348.2	2,542.3
TOTAL EQUITY AND LIABILITIES		7,817.8	6,935.7	7,268.3

Condensed consolidated statement of changes in equity

SEK million	29 Feb, 2020	28 Feb, 2019	31 Aug, 2019
Balance as at September 1	2,460.3	1,646.6	1,646.6
Profit for the period	177.7	234.8	356.2
Other comprehensive income			
Translation difference	-37.0	-21.4	-43.4
Cash-flow hedging	26.6	19.6	39.0
Tax attributable to cash-flow hedges	-5.7	-4.5	-8.6
Total other comprehensive income	-16.1	-6.4	-13.0
Total comprehensive income	161.6	228.4	343.2
Dividends	-265.9	-239.2	-239.2
New share issue	-	704.9	720.4
Issue costs	-	-13.8	-14.2
Subscription with the support of warrants	4.2	3.3	3.5
Total transactions with shareholders	-261.7	455.2	470.5
Closing equity as per the balance-sheet date, attributable to Parent Company shareholders in its entirety	2,360.2	2,330.2	2,460.3

Consolidated statement of cash flow

SEK million	Note	Q2	Q2	Q1-Q2	Q1-Q2	Full-year
		19/20	18/19	19/20	18/19	18/19
Operating activities						
EBIT		132.6	160.0	250.9	309.2	489.1
Adjustment for non-cash items		69.1	28.9	151.7	50.8	66.9
Interest received		0.3	0.2	0.5	0.3	0.8
Interest paid		-10.6	-10.5	-20.5	-18.7	-38.8
Income tax paid		-32.4	-23.3	-54.1	-80.0	-127.7
		159.0	155.2	328.5	261.7	390.2
Cash flow from operating activities before changes in working capital						
Decrease (+)/increase (-) in inventories		65.0	-48.9	-30.7	-135.7	-62.2
Decrease (+)/increase (-) in receivables		357.3	43.6	-14.0	-199.4	-199.5
Decrease (-)/increase (+) in current liabilities		-426.1	-6.2	96.1	165.9	135.5
Cash flow from changes in working capital		-3.8	-11.4	51.4	-169.3	-126.2
Cash flow from operating activities		155.2	143.8	379.9	92.4	264.0
Investing activities						
Acquisition of intangible assets	4	-12.2	-8.8	-39.9	-19.1	-37.3
Acquisition of tangible assets	4	-14.5	-9.9	-22.4	-21.5	-42.1
Acquisition of operations		-	-	-	-	-536.1
Divestment of operations		-	5.0	-	5.0	5.0
Earn-out paid		-95.8	-	-138.3	-31.2	-31.2
Cash flow from investing activities		-122.5	-13.7	-200.6	-66.8	-641.8
Financing activities						
New share issue		-	-	-	681.2	680.8
Cash flow from LTI programme		4.2	13.2	4.2	13.2	28.9
Dividends		-265.9	-239.2	-265.9	-239.2	-239.2
New loans raised		316.7	-	316.7	-	-
Repayment of loans		-61.4	-1.3	-61.4	-13.4	-71.9
Paid borrowing expenses		-0.9	-	-0.9	-	-0.6
Repayment of lease liabilities		-34.4	-1.2	-71.8	-2.4	-4.8
Cash flow from financing activities		-41.7	-228.5	-79.1	439.4	393.2
Cash flow for the period		-9.1	-98.3	100.2	465.0	15.5
Cash and cash equivalents at beginning of period		414.2	850.3	281.3	277.6	277.6
Cash flow for the period		-9.1	-98.3	100.2	465.0	15.5
Exchange-rate differences in cash and cash equivalents		-7.6	-5.7	16.1	3.5	-11.8
Cash and cash equivalents at end of period		397.6	746.2	397.6	746.2	281.3

Condensed Parent Company income statement

SEK million	Q2	Q2	Q1-Q2	Q1-Q2	Rolling	Full-year
	19/20	18/19	19/20	18/19	12 months	18/19
Net sales	0.1	0.1	0.2	0.2	0.4	0.4
Selling and administrative expenses	-1.7	-1.9	-3.3	-3.8	-6.2	-6.7
Other operating expenses	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-1.6	-1.8	-3.1	-3.6	-6.1	-6.3
Financial income and other similar income-statement items	92.0	14.4	157.6	67.9	137.3	47.7
Financial expenses and other similar income-statement items	-10.4	-10.0	-19.7	-18.6	-60.7	-59.5
Profit/loss after financial items	80.0	2.6	134.7	45.7	59.3	-18.1
Appropriations	-	-	-	-	213.5	213.5
Tax	5.6	9.8	-6.1	3.3	-39.2	-29.8
Profit for the period	85.6	12.4	128.6	49.0	233.6	165.6

Parent Company statement of comprehensive income

SEK million	Q2	Q2	Q1-Q2	Q1-Q2	Rolling	Full-year
	19/20	18/19	19/20	18/19	12 months	18/19
Profit for the period	85.6	12.4	128.6	49.0	233.6	165.6
Other comprehensive income	-	-	-	-	-	-
Comprehensive income for the period	85.6	12.4	128.6	49.0	233.6	165.6

Condensed Parent Company balance sheet

SEK million	29 Feb, 2020	28 Feb, 2019	31 Aug, 2019
ASSETS			
Non-current assets	1,211.6	1,211.6	1,211.6
Current assets	2,582.8	2,270.2	2,490.4
TOTAL ASSETS	3,794.4	3,481.8	3,702.0
EQUITY AND LIABILITIES			
Restricted equity			
Share capital	443.2	442.1	443.2
Total restricted equity	443.2	442.1	443.2
Non-restricted equity			
Share premium reserve	1,087.3	1,073.1	1,087.3
Retained earnings	-288.0	-192.0	-191.8
Profit for the period	128.6	49.0	165.6
Total non-restricted equity	928.0	930.0	1,061.1
Total equity	1,371.2	1,372.1	1,504.3
Untaxed reserves			
Non-current liabilities	182.8	137.7	182.8
Current liabilities	2,230.5	1,964.9	2,006.1
TOTAL EQUITY AND LIABILITIES	3,794.4	3,481.8	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, 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

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 38 million and were offset by depreciation of SEK 37 million, generating a positive effect on EBITA of SEK 1 million. Financial expenses increased SEK 3 million attributable to

interest expenses for leases and the quarter's earnings were negatively impacted by SEK 3 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.

	Incl. IFRS 16	Effect IFRS 16	Excl. IFRS 16
	29 Feb, 2020	29 Feb, 2020	29 Feb, 2020
Consolidated balance sheet			
Right-of-use assets	483.9	483.9	-
Non-current assets	5,150.3	483.9	4,666.4
Prepaid expenses, accrued income	300.7	-5.9	306.7
Current assets	2,667.5	-5.9	2,673.4
Retained earnings	177.7	-3.9	181.6
Equity	2,360.2	-3.9	2,364.1
Lease liabilities, non-current	353.2	353.2	-
Non-current liabilities	2,814.2	353.2	2,461.0
Lease liabilities, current	136.4	128.7	7.7
Current liabilities	2,643.5	128.7	2,514.8

Period impacts, IFRS 16

The lease liability at February 29, 2020 amounted to SEK 489 million, of which SEK 482 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 77 million and were offset by depreciation of SEK 75 million, generating a positive net effect on EBITA of SEK 2 million. Financial expenses increased SEK 6 million and the period's earnings were negatively impacted by SEK 4 million.

	Incl. IFRS 16	Effect IFRS 16	Excl. IFRS 16	Incl. IFRS 16	Effect IFRS 16	Excl. IFRS 16
	Q2 19/20	Q2 19/20	Q2 19/20	Q1-Q2 19/20	Q1-Q2 19/20	Q1-Q2 19/20
Consolidated income statement						
Cost of goods and services sold	-2,986.3	0.2	-2,986.5	-5,934.6	0.4	-5,935.0
Selling and administrative expenses	-424.2	0.4	-424.6	-850.1	1.3	-851.3
EBITA	132.6	0.6	132.0	250.9	1.7	249.2
Financial expenses and other similar income-statement items	-14.3	-3.2	-11.1	-27.0	-5.6	-21.4
Profit/loss after financial items	118.6	-2.6	121.2	224.4	-3.9	228.3
Tax	-26.6	-	-26.6	-46.7	-	-46.7
Profit/loss for the period	92.0	-2.6	94.6	177.7	-3.9	181.6

Note 2 Segments

All amounts in SEK million, unless otherwise indicated	Q2	Q2	Q1-Q2	Q1-Q2	Rolling	Full-year
	19/20	18/19	19/20	18/19	12 months	18/19
Net sales						
LCP	1,863.1	1,718.3	3,668.6	3,240.0	6,805.4	6,376.8
of which, hardware	1,603.1	1,475.9	3,220.7	2,857.3	6,062.6	5,699.2
of which, software and services	259.9	242.4	447.9	382.7	742.8	677.6
SMB	1,510.7	1,346.5	3,065.6	2,759.9	5,838.6	5,532.9
of which, hardware	1,166.3	1,059.5	2,353.9	2,186.0	4,393.8	4,225.9
of which, software and services	344.4	287.0	711.7	573.9	1,444.8	1,307.0
B2C	169.0	149.8	316.9	341.5	601.4	625.9
of which, hardware	167.8	148.8	314.6	339.2	597.8	622.3
of which, software and services	1.2	1.0	2.3	2.3	3.6	3.6
Total	3,542.8	3,214.7	7,051.1	6,341.4	13,245.3	12,535.7
of which, hardware	2,937.2	2,684.2	5,889.2	5,382.5	11,054.2	10,547.4
of which, software and services	605.6	530.4	1,161.9	958.9	2,191.2	1,988.2
Segment results						
LCP	118.1	100.9	218.1	200.0	377.5	359.4
SMB	140.1	146.7	296.8	307.4	573.8	584.4
B2C	9.2	9.4	18.3	20.9	34.1	36.7
Total	267.4	257.0	533.2	528.3	985.4	980.5
Central functions	-113.8	-103.5	-223.3	-212.5	-431.5	-420.7
<i>Of which, effects related to IFRS 16</i>	0.6	-	1.7	-	1.7	-
Adjusted EBITA	153.5	153.5	310.0	315.8	553.9	559.7
Segment margin						
LCP, segment margin (%)	6.3	5.9	5.9	6.2	5.5	5.6
SMB, segment margin (%)	9.3	10.9	9.7	11.1	9.8	10.6
B2C, segment margin (%)	5.4	6.3	5.8	6.1	5.7	5.9
Segment margin	7.5	8.0	7.6	8.3	7.4	7.8
Costs for central functions, excluding items affecting comparability in relation to net sales (%)	-3.2	-3.2	-3.2	-3.4	-3.3	-3.4
Reconciliation with profit after financial items						
Items affecting comparability	3.0	23.2	-11.2	26.5	-34.2	3.5
Amortisation and impairment of intangible assets	-23.9	-16.8	-47.9	-33.0	-88.9	-74.1
EBIT, Group	132.6	160.0	250.9	309.2	430.8	489.1
Financial income and other similar income-statement items	0.3	0.2	0.5	0.3	1.0	0.8
Financial expenses related to IFRS 16	-3.2	-	-5.6	-	-5.6	-
Financial expenses and other similar income-statement items	-11.1	-11.8	-21.4	-22.1	-44.3	-45.0
Profit after financial items, Group	118.6	148.3	224.4	287.5	381.8	445.0

Note 3 Items affecting comparability

Items affecting comparability amounted to SEK 3 million (23) for the quarter and pertained to integration costs of SEK 5 million (costs: 7) and a positive effect

from the final settlement of acquisition-related liabilities pertaining to acquisitions made earlier in an amount of SEK 8 million (31).

SEK million	Q2	Q2	Q1-Q2	Q1-Q2	Rolling	Full-year
	19/20	18/19	19/20	18/19	12 months	18/19
Acquisition and divestment-related expenses	0.5	-0.2	0.7	-1.6	-23.9	-26.2
Integration costs	-5.1	-	-11.6	-	-11.6	-
Change in value of acquisition-related liabilities	7.6	30.6	7.6	35.2	20.4	48.1
Costs for launch of online retail	-	-7.2	-7.9	-7.2	-19.1	-18.4
Total	3.0	23.2	-11.2	26.5	-34.2	3.5

Note 4 Investments

SEK million	Q2	Q2	Q1-Q2	Q1-Q2	Rolling	Full-year
	19/20	18/19	19/20	18/19	12 months	18/19
Capitalised expenditure for IT development (integrated IT platform and other long-term strategic IT systems)	8.9	7.7	21.3	16.6	37.0	32.3
Other investments in tangible and intangible assets	17.9	11.0	41.0	24.0	64.3	47.2
Cash flow from acquisitions and divestment of operations	95.8	-5.0	138.3	26.2	674.3	562.3
Cash flow from investing activities	122.5	13.7	200.6	66.8	775.6	641.8
Net investment in finance lease assets	0.5	1.9	0.5	2.5	5.1	7.5
Net investment in lease assets	188.3	-	214.8	-	207.3	-
Total	311.3	15.6	415.4	76.9	987.9	649.3

Right-of-use assets

On September 1, 2019, the Group recognised right-of-use assets of SEK 350 million. At February 29, 2020, the asset amounted to SEK 484 million. Dustin's right-of-use assets mainly relate to buildings and IT equipment. During the quarter, new agreements of SEK 188 million were added, mainly attributable to

extended lease for the logistics facility in Rosersberg, and cars and IT equipment related to service provision. The remeasurement of the lease liability relating to the Rosersberg contract was made by discounting the changed lease payments using an increased discount rate. The corresponding adjustment was made for rights-of-use.

SEK million	29 Feb, 2020	1 Sep, 2019
Buildings	316.4	182.4
Vehicles	49.8	45.0
IT equipment for internal use	61.5	66.8
IT equipment related to service provision	54.9	54.7
Other items	1.3	1.6
Right-of-use assets	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 Feb 29, 2019, the fair value of derivative instruments amounted to SEK 25 million (5).

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 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)	29 Feb, 2020	28 Feb, 2019	31 Aug, 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	-7.6	-57.4	-70.2
Discount of contingent earn-out recognised under Financial expenses and other similar income-statement items	0.3	2.4	3.9
Remeasurements recognised under other comprehensive income:			
Unrealised exchange-rate differences recognised under Translation differences	-4.7	-2.7	1.7
Changes recognised via the balance sheet:			
Payment of deposit related to contingent earn-out	-10.5	-	-
Payments attributable to previous acquisitions	-138.2	-30.8	-37.3
Acquisitions	-	-	70.4
Closing balance	84.1	187.9	244.8
Change in divestment-related receivables measured at fair value based on inputs that are not based on observable market data (Level 3)	29 Feb, 2020	28 Feb, 2019	31 Aug, 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	Q2 19/20	Q2 18/19	Q1-Q2 19/20	Q1-Q2 18/19	Rolling 12 months	Full-year 18/19
Income statement						
Organic sales growth (%)	4.0	7.8	5.0	6.9	8.0	9.9
Gross margin (%)	15.7	16.3	15.8	16.9	16.1	16.7
EBIT	132.6	160.0	250.9	309.2	430.8	489.1
Adjusted EBITDA (excl. IFRS 16)	163.6	163.0	329.5	335.4	595.3	601.1
Adjusted EBITDA (incl. IFRS 16)	201.3	-	406.9	-	672.6	-
Adjusted EBITA	153.5	153.5	310.0	315.8	553.9	559.7
Adjusted EBITA margin (%)	4.3	4.8	4.4	5.0	4.2	4.5
Return on equity (%)	-	-	-	-	12.3	14.5
Balance sheet						
Net working capital	-153.6	-61.9	-153.6	-61.9	-153.6	-67.6
Capital employed	587.7	183.3	587.7	183.3	587.7	197.0
Net debt	2,322.4	1,229.5	2,322.4	1,229.5	2,322.4	1,736.4
Net debt/adjusted EBITDA (multiple) (excl. IFRS 16)	-	-	-	-	3.1	2.9
Net debt/adjusted EBITDA (multiple) (incl. IFRS 16)	-	-	-	-	3.5	-
Maintenance investments	-26.8	-18.7	-62.3	-40.6	-101.2	-79.5
Equity/assets ratio (%)	-	-	-	-	30.2	33.8
Cash flow						
Operating cash flow	170.7	132.8	396.2	125.5	665.8	395.5
Cash flow from operating activities	155.2	143.8	379.9	92.4	551.5	264.0
Data per share						
Earnings per share before dilution (SEK)	1.04	1.41	2.00	2.78	3.66	4.12
Earnings per share after dilution (SEK)	1.04	1.41	2.00	2.77	3.64	4.11
Equity per share before dilution (SEK)	26.62	26.36	26.62	26.36	26.62	27.75
Cash flow from operating activities per share before dilution (SEK)	1.75	1.63	4.29	1.10	3.11	3.05
Cash flow from operating activities per share after dilution (SEK)	1.75	1.63	4.27	1.09	3.10	3.04
Average number of shares	88,647,339	88,270,622	88,647,339	84,333,288	88,612,004	86,472,611
Average number of shares after dilution	88,713,664	88,454,371	88,951,135	84,706,469	88,947,551	86,766,793
Number of shares issued at end of period	88,647,339	88,410,100	88,647,339	88,410,100	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 26 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.

	Q2 19/20	Q2 18/19	Q1-Q2 19/20	Q1-Q2 18/19	Rolling 12 months	Full-year 18/19
Total						
Organic growth						
Sales growth (%)	10.2	18.1	11.2	19.3	16.9	21.7
Acquired growth (%)	-5.6	-8.2	-5.4	-9.8	-8.1	-9.9
Currency effects in sales growth (%)	-0.6	-2.1	-0.8	-2.6	-0.9	-1.9
Organic sales growth (%)	4.0	7.8	5.0	6.9	8.0	9.9
SMB						
Organic growth						
Sales growth (%)	12.2	21.4	11.1	27.2	17.6	26.5
Acquired growth (%)	-8.7	-20.2	-8.8	-21.8	-16.3	-21.1
Currency effects in sales growth (%)	-0.6	-1.0	-0.9	-1.5	-0.8	-1.3
Organic sales growth (%)	2.8	0.1	1.4	3.9	0.5	4.0
LCP						
Organic growth						
Sales growth (%)	8.4	19.0	13.2	16.0	18.7	20.7
Acquired growth (%)	-3.7	-	-3.1	-1.8	-1.9	-1.8
Currency effects in sales growth (%)	-0.6	-2.9	-0.8	-3.5	-1.0	-2.3
Organic sales growth (%)	4.1	16.1	9.3	10.7	15.8	16.5
B2C						
Organic growth						
Sales growth (%)	12.8	-11.4	-7.2	-3.2	-4.5	-2.4
Currency effects in sales growth (%)	-0.3	-2.0	-0.4	-2.3	-0.6	-1.6
Organic sales growth (%)	12.5	-13.5	-7.6	-5.4	-5.2	-3.9
Adjusted EBITA						
EBIT	132.6	160.0	250.9	309.2	430.8	489.1
Amortisation and impairment of intangible assets	23.9	16.8	47.9	33.0	88.9	74.1
Items affecting comparability	-3.0	-23.2	11.2	-26.5	34.2	-3.5
Adjusted EBITA	153.5	153.5	310.0	315.8	553.8	559.7

	Q2 19/20	Q2 18/19	Q1-Q2 19/20	Q1-Q2 18/19	Rolling 12 months	Full-year 18/19
Adjusted EBITDA (excl. IFRS 16)						
EBIT	132.0	160.0	249.2	309.2	429.0	489.1
Depreciation and impairment of tangible assets	10.7	9.4	21.3	19.6	43.2	41.5
Amortisation and impairment of intangible assets	23.9	16.8	47.9	33.0	88.9	74.1
Items affecting comparability	-3.0	-23.2	11.2	-26.5	34.2	-3.5
Adjusted EBITDA (excl. IFRS 16)	163.6	163.0	329.5	335.4	595.3	601.1
	Q2 19/20	Q2 18/19	Q1-Q2 19/20	Q1-Q2 18/19	Rolling	Full-year
Adjusted EBITDA (incl. IFRS 16)						
EBIT	132.6	160.0	250.9	309.2	430.7	489.1
Depreciation and impairment of tangible assets	47.8	9.4	96.9	19.6	118.8	41.5
Amortisation and impairment of intangible assets	23.9	16.8	47.9	33.0	88.9	74.1
Items affecting comparability	-3.0	-23.2	11.2	-26.5	34.2	-3.5
Adjusted EBITDA (incl. IFRS 16)	201.3	163.0	406.9	335.4	672.6	601.1

Segment information by quarter

All amounts in SEK million, unless otherwise indicated	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	Q1 17/18
	19/20	19/20	18/19	18/19	18/19	18/19	17/18	17/18	17/18	17/18
Net sales	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	2,591.8
Organic sales growth (%)	4.0	6.1	11.2	15.3	7.8	5.9	-4.7	1.6	1.7	8.8
Gross margin (%)	15.7	16.0	16.2	16.8	16.3	17.4	16.5	16.1	15.4	15.6
Adjusted EBITA	153.5	156.4	120.1	123.8	153.5	162.3	118.8	107.9	143.1	130.9
Adjusted EBITA margin (%)	4.3	4.5	4.0	3.9	4.8	5.2	4.7	4.4	5.3	5.1
Net sales per segment:										
LCP	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	1,348.4
SMB	1,510.7	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	169.0	147.9	141.6	142.8	149.8	191.7	139.6	148.9	169.2	183.5
Segment results:										
LCP	118.1	100.1	79.6	79.6	100.9	99.3	74.1	74.3	93.4	88.8
SMB	140.1	156.7	134.7	142.4	146.7	160.5	131.7	118.9	135.7	121.8
B2C	9.2	9.1	7.1	8.8	9.4	11.5	7.2	7.9	8.4	7.9
Segment margin (%):										
LCP	6.3	5.5	5.2	5.0	5.9	6.5	6.0	5.9	6.5	6.6
SMB	9.3	10.1	10.0	10.0	10.9	11.4	11.4	11.3	12.2	11.5
B2C	5.4	6.2	5.0	6.2	6.3	6.0	5.2	5.3	5.0	4.3
Central functions										
Central functions	-113.8	-109.4	-101.3	-107.0	-103.5	-109.0	-94.3	-93.2	-94.4	-87.5
Percentage of net sales	-3.2	-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:		
Return on equity	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.
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 retail 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 employees within Dustin.
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.

Financial calendar

April 1, 2020	For more information, please contact:
Interim report for the second quarter, December 1, 2019–February 29, 2020	Dustin Group AB Johan Karlsson, CFO johan.karlsson@dustin.se +46 708 67 79 97
July 1, 2020	Fredrik Sätterström, Head of Investor Relations fredrik.satterstrom@dustin.se +46 (0)705-10 10 22
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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