



## **SECOND QUARTER**

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DECEMBER 1, 2014 – FEBRUARY 28, 2015

**“Continued growth and strong cash flow”**

**Dustin**

# Summary of second quarter of 2014/15

## Second quarter

- Net sales for the quarter increased 9.0 per cent to SEK 2,188 million (2,007). Organic growth in fixed exchange rates amounted to 7.0 per cent (15.4).
- Gross margin declined to 13.8 per cent (14.6).
- Adjusted EBITA amounted to SEK 108 million (106). Items affecting comparability totalled a negative SEK 38 million (neg: 5).
- Profit for the quarter amounted to SEK 25 million (45).
- Earnings per share, before and after dilution, totalled SEK 0.37 (0.68).
- Cash flow from operating activities increased to SEK 136 million (58).

## September 2014–February 2015

- Net sales for the period rose 11.1 per cent to SEK 4,256 million (3,831). Organic growth in fixed exchange rates amounted to 9.2 per cent (18.7).
- Gross margin declined to 14.0 per cent (14.6).
- Adjusted EBITA amounted to SEK 204 million (203). Items affecting comparability totalled a negative SEK 49 million (neg: 53).
- Profit for the period amounted to SEK 57 million (49).
- Earnings per share, before and after dilution, totalled SEK 0.85 (0.74).
- Cash flow from operating activities amounted to 67 MSEK (162).
- Net debt in relation to adjusted EBITDA in the past 12-month period was 2.4 (3.2).

## Operations

All amounts in SEK million, unless otherwise indicated	Q2 14/15	Q2 13/14	Q1-Q2 14/15	Q1-Q2 13/14	Q3 13/14– Q2 14/15	Full-year 13/14
Net sales	2,188	2,007	4,256	3,831	7,796	7,371
Organic sales growth (%)	7.0	15.4	9.2	18.7	-	21.0
Gross margin (%)	13.8	14.6	14.0	14.6	14.1	14.4
Adjusted EBITA	108	106	204	203	354	353
Adjusted EBITA margin (%)	4.9	5.3	4.8	5.3	4.5	4.8
Profit for the period	25	45	57	49	172	164
Earnings per share (SEK)*	0.37	0.68	0.85	0.74	2.22	2.48
Cash flow from operating activities	136	58	67	162	161	256
Net debt/adjusted EBITDA (multiple)	-	-	-	-	2.4	3.2
Return on equity (%)	-	-	-	-	13.7	22.0

\* Dustin was listed on the stock exchange during the quarter. No dilution has been calculated for earlier periods. There were no outstanding options as of February 28, 2015.

# CEO's statement

**Dustin can look back on yet another quarter with a positive trend in its main segments. Organic growth in the B2B segment totalled 11 per cent during the quarter and the company reported stable profitability. This shows that we have an attractive offering and a successful and efficient business model, and we expect our position in the B2B market to continue to strengthen.**

## Successful stock exchange listing

Firstly, I would like to take this opportunity to welcome all of shareholders – a group of approximately 6,650 at the end of the March – to Dustin. The company has attracted considerable interest and the offer was significantly oversubscribed. We now look forward to continuing to focus on our current strategy as a listed company in order to create both short and long-term shareholder value.

## Strong trend in B2B

Our favourable growth in the B2B segment during the second quarter was attributable to our continued strong online sales of IT products and service. Our online platform provides us with the necessary prerequisites to also serve the large companies segment and the public sector with efficient product deliveries. The segment displayed strong growth during the quarter, which was mainly due to the exchange of previously secured framework agreements in the public sector, and the fact that our current market share has been relatively low in this area.

## Consumer market to remain challenging

Competition in the B2C segment remained tough. For Dustin, the segment, which in the quarter accounted for 8 percentage points of total sales, represents a complement to our core operations and we prioritise profitability ahead of volume.

## Implementation of new IT platform

During the second quarter, we continued our efforts to optimise our new IT platform in order to achieve optimal efficiency. Although we have seen a positive trend, we chose to further intensify our efforts in order to achieve the highest possible performance, which resulted in non-recurring costs of SEK 16 million during the quarter. We expect that this work will result in an additional SEK 20 million in expenses during the current financial year, when the work is deemed completed. The plan is to commence the

integration of Dustin Norway during the fourth quarter. The new IT platform will provide us with the opportunity to maximise the advantages of the experience and expertise existing at Dustin by being able to export new and existing offerings to all markets in the Group and to leverage additional efficiency gains and economies of scale.

## Distinctions

During the period, Dustin was awarded a number of important distinctions by its partners, including “Partner of the Year” by HP and “Infrastructure Partner of the Year” by Dell. In March, we also received an award from Microsoft for our work to support our customers to become mobile and cloud based. This confirms that we play an important role in our partners’ ability to succeed in the B2B market.

## Dustin Expo

Together with 80 exhibitors and partners, we arranged the 14th Dustin Expo in late March. The trade fair, which was held at the Ericsson Globe in Stockholm, has grown to become the largest IT trade fair in the Nordic region. The fair included two company days and one consumer day and attracted a total of about 10,000 visitors. The event is an important opportunity for us to meet our customers and strengthen our customer relations. This year, we received more interest than ever before in the company days, during the event – in addition to the exhibition itself – we also arranged seminars to inspire and support our customers in their efforts to find optimal solutions to their IT challenges.

## Outlook

IDC’s preliminary figures regarding PC sales to the B2B segment in the Nordic region published recently show a slowdown lately. The main reason we judge to be last year’s migration of Windows XP to Windows 8, and the effect of an currency driven adjusted price level from the larger vendors.

Dustin has historically grown substantially faster than our addressable market thanks to a strong position among small- and medium-sized customers. We estimate Dustin’s prospects for continued growth premium relative to the market as well.

Nacka, April 2015  
Georgi Ganev, CEO

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Dustin Group is one of the leading Nordic resellers of IT solutions with associated services to companies, the public sector and private individuals. Having its core business within e-commerce, Dustin functions as is a bridge between the manufacturer’s large selection and the customer’s needs where Dustin’s employees help customers find the right solution for their needs. Dustin is a one-stop-shop that offers approximately 200,000 products with associated services, functions and solutions. The operation is conducted in Sweden, Denmark, Norway and Finland. Besides Dustin and Dustin Home, the Group also includes Businessforum (Finland) and IT-Hantverkarna (Sweden). The company has approximately 900 employees. Sales during the 2013/14 financial year amounted to approximately SEK 7.4 billion. About 90 per cent of Dustin’s income derives from the corporate market with a focus on small and medium companies. Dustin Group has been listed on Nasdaq Stockholm since 2015 and has its head office in Nacka in Stockholm.

# Financial overview

## Second quarter

### Net sales

Net sales for the quarter increased 9.0 per cent to SEK 2,188 million (2,007). Organic growth in fixed exchange rates amounted to 7.0 per cent (15.4). Growth in the B2B segment was 12.8 per cent, of which organic growth in fixed exchange rates accounted for 10.7 per cent. Net sales in the B2C customer segment declined by 21.1 per cent; measured in constant currency, the decline was 22.9 per cent.

### Gross profit

Gross profit for the IT products and services operations increased SEK 9 million to SEK 302 million (292). The gross margin declined with 0.8 percentage points to 13.8 per cent (14.6), mainly due to changes in the sales mix.

Adjusted EBITA and operating profit for the Group Adjusted EBITA amounted to SEK 108 million (106) during the quarter. The adjusted EBITA margin was 4.9 per cent (5.3). Items affecting comparability totalled a negative SEK 38 million (neg: 5). Expenses of SEK 22 million were attributable to the stock exchange listing and expenses of SEK 16 million pertained to the ongoing efforts to optimise the company's integrated IT platform. Items affecting comparability are specified on page 13.

Operating profit for the Group amounted to SEK 56 million (88).

### Financial items

Net financial income and expenses amounted to an expense of SEK 23 million (expense: 30). This decrease in expenses was mainly attributable to improved financing terms and, to a certain extent, new financing structure.

### Taxes

The Group's effective tax rate for the quarter was 23.5 per cent, compared with 22.2 per cent in the year-earlier period.

### Profit for the period

Profit for the period amounted to SEK 25 million (45). Earnings per share, before and after dilution, declined to SEK 0.37 (0.68).

### Net debt and cash and cash equivalents

Net debt includes current and non-current interest-bearing bank debts less cash and cash equivalents, as well as receivables from financial leasing. Net debt amounted to SEK 872 million (1,254).

Net debt in relation to the adjusted EBITDA was 2.4 (3.2 for full-year 2013/14) measured over the past 12-month period.

Total cash and equivalents amounted to SEK 227 million (94).

Dustin also has an unutilised overdraft facility totalling SEK 270 million.

### Cash flow

Cash flow from operating activities rose to SEK 136 million (58). This increase was attributable to release of working capital of SEK 109 million, primarily due to increased accounts payable that were partly offset by increased accounts receivable and higher inventories.

Cash flow from investment activities amounted to a negative SEK 77 million (neg: 26). The majority of this change was attributable to an unpaid purchase consideration to the former owner of Dustin AB, Stångsundet AB, in conjunction with the stock exchange listing.

Cash flow from financing activities rose by SEK 141 million to SEK 136 million (neg: 5), of which the main portion was attributable to changes in external financing. Most of this was derived through a new share issue in the amount of SEK 243 million (net proceeds of issue) and the remaining portion through external bank financing. During the quarter, SEK 256 million pertaining to capitalised interest was repaid. This capitalised interest pertained to loans to previous shareholders and shareholder loans. This was a non-recurring item since all capitalised interest is paid and loans repaid.

Cash flow for the quarter amounted to SEK 195 million (27).

## Significant events in the second quarter

### Listing on Nasdaq Stockholm

In an effort to broaden the company's shareholder base, the Board of Directors and owners of Dustin Group AB (publ) conducted a combined sale of its existing and newly issued shares. The offer was targeted toward the general public in Sweden and to institutional investors in Sweden and abroad. Dustin was listed on Nasdaq Stockholm on February 13, 2015. The price was set at SEK 50 per share.

### Changes in equity in connection with listing

In connection with the listing of Dustin shares on Nasdaq Stockholm, the company's former Series A, B and C shares were converted so that Dustin had only one type of share following the listing.

All warrants previously owned by Altor Fund II and a number of current and previous Board members, members of Senior Management and other key employees were used to subscribe for shares. This subscription supplied Dustin with approximately SEK 211 million. Of these funds 116 million has been used to solve the remaining amount of the shareholder loan that the company previously had with Altor Fund II.

The company also conducted a new share issues comprising 5,000,000 shares, which supplied Dustin with SEK 250 million before issue expenses.

Following the consolidation of shares (5:1) and conversion of all outstanding shares to ordinary shares, the subscription of new shares with the support. Of these funds 116 million has been used to solve the remaining amount of the shareholder loan that the company previously had with Altor Fund II.

### Refinancing

On January 29, 2015, Dustin entered into a new loan agreement with two banks. The facilities thus made available comprise a loan facility of SEK 1,100 million and a guarantee facility of SEK 30 million. On January 29, 2015, Dustin also entered into an overdraft facility totalling SEK 270 million. On the same date, Dustin Financial Services AB entered into loan facility totalling SEK 200 million.

The new financing was used to refinance loans, which also resulted in lower financing costs.

### New integrated IT platform

In the first quarter of 2014/15, Dustin launched a new integrated IT platform including a Group-wide ERP system,

as well as a new web-based customer interface. The launch included the entire Group, with the exception of the acquired companies IT-Hantverkarna, Businessforum and Dustin Norway (formerly Norsk Data Senter). The new integrated IT platform is intended to contribute to increasing internal efficiency, facilitating the integration of acquired operations, as well as facilitating the export of new and existing offerings to all markets within the Group.

During the quarter, the Group continued its work to optimise the new IT platform and associated changes in process. This work resulted in expenses of SEK 16 million for the second quarter, which were recognised under the item "Items affecting comparability." Dustin's current assessment is that the initiative will continuously be scaled back and be concluded during the fourth quarter of the current financial year.

### Norsk Data Senter changes name to Dustin Norway

The integration of Norsk Data Senter A/S, which was acquired in 2012, into the Dustin Group began during the quarter. The change of name to Dustin Norway A/S was a first, important step toward full integration and will advance the company's service offering in the Norwegian market. During the quarter, Dustin began work on the merger of its two Norwegian subsidiaries and the integration of the entire Norwegian operation into the shared IT platform.

### New Country Manager in Finland

During the quarter, Juha Kivikoski was recruited as the new Country Manager for Dustin in Finland and head of Businessforum's Finnish operations. Juha Kivikoski is a member of Group Management.

### New Board member

At annual general meeting in December 2014, Risto Siivonen was elected as a new Board member of Dustin Group AB.

### Distinctions

Dustin was awarded two major distinctions from its partners during the period. In Sweden, the company was named "Partner of the Year" by HP and "Infrastructure Partner of the Year" by Dell.

## Period September 1, 2014–February 28, 2015

### Net sales

Net sales for the period rose 11.1 per cent to SEK 4,256 million (3,831). Organic growth in fixed exchange rates amounted to 9.2 per cent (18.7). Growth in the B2B seg-

ment was 14.4 per cent, of which organic growth in fixed exchange rates accounted for 12.4 per cent. Net sales in the B2C customer segment declined 17.6 per cent; measured in constant currency, the decline was 18.6 per cent.

### **Gross profit**

Gross profit for the IT products and services operations increased SEK 35 million to SEK 596 million (561). The gross margin declined 0.6 percentage points to 14.0 per cent (14.6), mainly due to changes in the sales mix.

### **Adjusted EBITA and operating profit for the Group**

Adjusted EBITA amounted to SEK 204 million (203) during the quarter. The adjusted EBITA margin was 4.8 per cent (5.3). Items affecting comparability totalled a negative SEK 49 million (neg: 53). Expenses of SEK 33 million were attributable to the stock exchange listing and expenses of SEK 16 million pertained to the ongoing implementation of the company's shared IT platform. Items affecting comparability are specified on page 13.

Operating profit for the Group amounted to SEK 127 million (124).

### **Financial items**

Net financial income and expenses amounted to SEK 54 million (61). This decrease in expenses was mainly attributable to improved financing terms, and a change in the financing structure that will give full effect from the third quarter.

### **Taxes**

The Group's effective tax rate for the quarter was 23.1 per cent, compared with 22.2 per cent in the year-earlier period.

### **Profit for the period**

Profit for the period amounted to SEK 57 million (49). Earnings per share, before and after dilution, increased to SEK 0.85 (0.74).

### **Net debt and cash and cash equivalents**

Net debt includes current and non-current interest-bearing bank debts, as well as liabilities from earlier periods for purchase considerations less receivables from financial leasing and cash and cash equivalents. Net debt amounted to SEK 872 million (1,254).

### **Cash flow**

Cash flow from operating activities amounted to 67 MSEK (162) and was attributable to a increase in working capital of SEK 43 million during the period.

Cash flow from investing activities amounted to a negative SEK 111 million (neg: 50). This increase included payments of performance-based purchase considerations amounting to a negative SEK 89 million (neg: 1), mainly to the former owner of Dustin AB, Stångsundet AB, in connection with the stock market listing, as well as an increase of the financial lease portfolio in the amount of SEK 13 million (33).

Cash flow from financing activities rose SEK 156 million to SEK 136 million (neg: 20), of which the main portion was attributable to changes in external financing. Most of this was derived through a new share issue in the amount of SEK 243 million (net proceeds of issue). During the quarter, SEK 256 million pertaining to capitalised interest was repaid. This capitalised interest pertained to loans to previous shareholders and shareholder loans. This was a non-recurring item since all capitalised interest is paid and loans repaid.

Cash flow for the first six months of the year amounted to SEK 92 million (91).

### **Employees**

The average number of full-time employees for the quarter was 946 (891). The number of full-time employees has increased in line with the Group's overall growth, both organically and through acquisitions.

### **Events after balance date**

#### **CSR**

Dustin's CSR efforts have been intensified and a significant portion of the Group's main suppliers have agreed to comply with the CSR requirements identified and imposed by Dustin.

#### **Incentive programme**

At an extraordinary general meeting on January 30, 2015, it was decided that a new incentive programme was to be introduced for members of Senior Management. The programme encompasses a total of 1,053,387 issued warrants, acquired to a market value of approximately SEK 6 million. These warrants were paid in full after the balance date.

#### **Distinctions**

In March, Dustin won the Microsoft EMEA Operations Licensing Solutions Partner Excellence Award for its work to support customers in their efforts to become mobile and cloud based.

### Dustin Expo

Together with 80 exhibitors and partners, Dustin arranged the 14th Dustin Expo in late March. The trade fair, which was held at the Ericsson Globe in Stockholm, has grown to become the largest IT trade fair in the Nordic region. The fair included two company days and one consumer day and attracted a total of about 10,000 visitors.

### Seasonal variations

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

### Dustin Financial Services

Dustin Financial Services AB's equity/assets ratio increased 11 percentage points to 26 per cent (15). Receivables pertaining to financial leasing rose SEK 64 million to SEK 230 million (166).

### Parent Company

Dustin Group AB (Corporate Reg. No. 556703-3062), domiciled in Stockholm, Sweden, only conducts holding operations. Net sales amounted to SEK 0.1 million (0.1). A loss of SEK 26 million (loss: 20) was posted for the quarter.

### Accounting policies

Financial reporting for the Dustin Group has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. The financial statements of the Parent Company, Dustin Group AB, have been prepared in accordance with 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 accordance with IFRS applying IAS 34

Interim Financial Reporting and the Annual Accounts Act. The accounting policies are consistent with those presented in the Group's annual report for the 2013/14 financial year. The new and revised IFRS standards that came into force in 2014 had no impact on this interim report.

In connection with various transaction that changed the number of shares outstanding, the number of shares was restated for earlier period in order to enable a comparison between the periods.

### Risks and uncertainties

Dustin has established a framework for risk management in order to regularly identify, analyse, assess and report business, financial, ethical and sustainability risks and uncertainties, and to mitigate such risks when appropriate. The results of this risk management process are described in the Group's most recent annual report.

### Ownership structure

Dustin was listed on Nasdaq Stockholm on February 13, 2015. Following the consolidation of shares (5:1) and conversion of all outstanding shares to ordinary shares, the subscription of new shares with the support of warrants, and the new share issue in connection with the stock market listing, the total number outstanding shares amounted 76,173,115 (all ordinary shares), which is also equivalent to the number of shares at the end of the quarter.

Prior to the listing, Altor Fund II GP Limited was the majority shareholder in the company. At the end of the period, Altor Fund II controlled 34.0 per cent of the capital and voting rights. The company had a total of 6,649 shareholders.

Dustin's shareholder register at the end of the period is presented in the following table.

	Number	Per cent
Altor Fund II GP Limited	25,872,190	34.0
Axmedia AB	7,617,312	10.0
The Fourth Swedish Pension Insurance Fund	4,342,047	5.7
Nordea, on behalf of issuers	4,139,846	5.4
Swedbank Robur Småbolagsfond Sverige	2,164,237	2.8
Swedbank Robur Småbolagsfond Norden	1,644,419	2.2
Catella Småbolagsfond	1,500,000	2.0
Handelsbankens Fonder	1,433,234	1.9
The Second Swedish Pension Insurance Fund	1,000,000	1.3
Nordea Swedish Ideas Equity Fund	972,534	1.3
<b>Total ten largest owners</b>	<b>50,685,819</b>	<b>66.5</b>
Other shareholders	25,487,296	33.5
<b>Total</b>	<b>76,173,115</b>	<b>100.0</b>

# Review of business segments

Dustin's operations are divided into two business areas: B2B (including Dustin Financial Services) and B2C.

Within B2B, customers are served through both the online platform and relationship selling.

Dustin's sales model has been adapted to meet customers' needs and potential as efficiently as possible. Although B2B is Dustin's core segment, there are several advantages to also serving B2C customers, such as similar product range, limited additional costs, as well as insight into trends and pricing. In the B2C segment, customers are only served through the online platform.

## B2B segment

### Net sales

Net sales for the second quarter increased 12.8 per cent to SEK 2,012 million (1,784). Organic growth in constant currency was 10.7 per cent. Growth was primarily attributable to a strong trend in large companies and the public sector, particularly in Norway and Denmark. In small and medium companies, growth was slightly weaker than in the first quarter, partly due to lower sales with a service content. Net interest income for Dustin Financial Services rose 25.7 per cent during the quarter to SEK 4.1 million (3.3) and was impacted by a larger proportion of framework agreements and a favourable customer mix with respect to small and medium companies.

Net sales for the period rose 14.4 per cent to SEK 3,927 million (3,432). Organic growth in constant currency was 12.4 per cent.

### Segment results

The segment results for the second quarter rose SEK 15 million to SEK 170 million (155). This earnings increase was the result of the strong sales trend, while the margin was adversely impacted by a higher proportion attributable to large companies and the public sector. The segment margin for the quarter was 8.5 per cent (8.7).

The segment results for the period rose SEK 28 million to SEK 330 million (302). The segment margin for the period was 8.4 per cent (8.8).

## B2C segment

### Net sales

Net sales declined 21.1 per cent in the second quarter to SEK 176 million (233). Organic growth in constant currency was a negative 22.3 per cent. This decrease was partly attributable to negative effects during the start-up phase of the implementation of the new customer interface launched during the first quarter, as well as more intense competition and a greater focus on the online offering among traditional players in capital goods.

Net sales for the period declined 17.6 per cent to SEK 329 million (399). Organic growth in constant currency was a negative 18.7 per cent.

### Segment results

The segment results in the second quarter declined SEK 6 million to SEK 6 million (12) and were adversely impacted by the decline in sales. The segment margin for the quarter was 3.7 per cent (5.6).

The segment results for the period declined SEK 12 million to SEK 8 million (20). The segment margin for the period was 2.4 per cent (5.1).

### Central functions

The central functions are key to Dustin's ability to deliver its offerings more efficiently in all markets. In recent years, the company made significant investments in the central functions to realise economies of scale and manage the integration of acquired operations.

Costs for central functions, excluding items affecting comparability, in relation to sales amounted to 3.2 per cent for the past 12-month period, compared with 3.2 per cent for the full 2013/14 financial year.



<b>Segment summary</b>	<b>Q2</b>	<b>Q2</b>	<b>Q1–Q2</b>	<b>Q1–Q2</b>	<b>Q3 13/14–</b>	<b>Full-year</b>
All amounts in SEK 000s	<b>14/15</b>	<b>13/14</b>	<b>14/15</b>	<b>13/14</b>	<b>Q2 14/15</b>	<b>2013/14</b>
<b>Net sales</b>						
B2B	2,012,371	1,784,097	3,926,942	3,432,124	7,112,729	6,617,911
B2C	176,001	223,105	328,972	399,010	682,944	752,982
<b>Total</b>	<b>2,188,372</b>	<b>2,007,202</b>	<b>4,255,914</b>	<b>3,831,134</b>	<b>7,795,673</b>	<b>7,370,893</b>
<b>Segment results</b>						
B2B	170,195	155,047	329,930	301,611	581,529	553,210
B2B, segment margin (%)	8.5	8.7	8.4	8.8	8.2	8.4
B2C	6,510	12,496	7,876	20,169	25,848	38,140
B2C, segment margin (%)	3.7	5.6	2.4	5.1	3.8	5.1
Central functions	-69,197	-61,089	-133,388	-118,311	-252,938	-237,862
Cost for central functions, excluding items affecting comparability, in relation to net sales (%)	-3.2	-3.0	-3.1	-3.1	-3.2	-3.2
<b>Adjusted EBITA</b>	<b>107,508</b>	<b>106,454</b>	<b>204,418</b>	<b>203,469</b>	<b>354,439</b>	<b>353,488</b>
<b>Reconciliation with operating income</b>						
Items affecting comparability	-37,770	-5,336	-48,665	-52,514	4,977	1,128
Amortisation and impairment of intangible assets	-13,896	-13,600	-28,549	-27,394	-54,780	-53,624
<b>Group operating profit</b>	<b>55,842</b>	<b>87,517</b>	<b>127,204</b>	<b>123,561</b>	<b>304,636</b>	<b>300,992</b>

The undersigned certify that this six-month 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.

Stockholm, April 21, 2015

Fredrik Cappelen  
Chairman of the Board

Tomas Franzén

Stefan Linder

Mattias Miksche

Risto Siivonen

Maija Strandberg

Georgi Ganey  
CEO

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

# Consolidated statement of comprehensive income

All amounts in SEK 000s	Q2 14/15	Q2 13/14	Q1–Q2 14/15	Q1–Q2 13/14	Q3 13/14– Q2 14/15	Full-year 2013/14
<b>IT products and services</b>						
Net sales	2,188,372	2,007,202	4,255,914	3,831,134	7,795,673	7,370,893
Cost of goods sold	-1,886,610	-1,714,885	-3,660,266	-3,270,472	-6,702,562	-6,312,768
<b>Gross profit</b>	<b>301,762</b>	<b>292,317</b>	<b>595,648</b>	<b>560,662</b>	<b>1,093,111</b>	<b>1,058,125</b>
Selling and admin expenses	-208,141	-201,598	-420,272	-392,102	-802,770	-774,600
Items affecting comparability	-37,770	-5,336	-48,665	-52,514	4,977	1,128
Other operating income and expenses, net	-1,458	1,087	-3,539	4,213	2,544	10,296
<b>Operating profit, IT products and services</b>	<b>54,393</b>	<b>86,470</b>	<b>123,172</b>	<b>120,259</b>	<b>297,862</b>	<b>294,949</b>
<b>Financial services</b>						
Interest income	5,215	4,210	9,686	9,083	18,934	18,331
Interest expense	-1,123	-956	-2,198	-1,835	-4,332	-3,969
<b>Net interest income</b>	<b>4,092</b>	<b>3,254</b>	<b>7,488</b>	<b>7,248</b>	<b>14,602</b>	<b>14,362</b>
Selling and admin expenses	-2,643	-2,207	-3,456	-3,946	-7,828	-8,318
<b>Operating profit, financial services</b>	<b>1,449</b>	<b>1,047</b>	<b>4,032</b>	<b>3,302</b>	<b>6,774</b>	<b>6,044</b>
<b>Group operating profit</b>	<b>55,842</b>	<b>87,517</b>	<b>127,204</b>	<b>123,561</b>	<b>304,636</b>	<b>300,992</b>
Financial expenses and other financial items	-23,032	-30,143	-53,661	-61,128	-108,635	-116,102
<b>Profit after financial items</b>	<b>32,810</b>	<b>57,374</b>	<b>73,543</b>	<b>62,433</b>	<b>196,001</b>	<b>184,890</b>
Tax	-7,710	-12,728	-16,984	-13,841	-24,302	-21,159
<b>Profit for the period*</b>	<b>25,100</b>	<b>44,646</b>	<b>56,559</b>	<b>48,592</b>	<b>171,699</b>	<b>163,731</b>
<b>Other comprehensive income</b>						
Exchange-rate differences	8,315	-2,273	5,150	11,857	-	30,822
Cash-flow hedging	535	6,596	256	-	-	-12,323
Tax	-118	-1,396	-56	-	-	2,711
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>33,832</b>	<b>47,573</b>	<b>61,909</b>	<b>60,449</b>	<b>-</b>	<b>184,941</b>
Earnings per share (SEK)	0.37	0.68	0.85	0.74	2.58	2.48

\* Earnings are attributable in their entirety to the Parent Company shareholders

# Consolidated statement of financial position

All amounts in SEK 000s	February 28, 2015	February 28, 2014	August 31, 2014
<b>Assets</b>			
Goodwill and other surplus values	2,098,727	2,006,408	2,120,856
Other intangible assets	90,866	140,422	97,789
Tangible fixed assets	21,324	19,177	18,378
Deferred tax assets and other fixed assets	18,286	12,333	21,795
Receivables pertaining to financial leasing	175,143	162,451	165,385
<b>Total fixed assets</b>	<b>2,404,346</b>	<b>2,340,791</b>	<b>2,424,203</b>
Inventories	341,526	212,744	217,590
Receivables, tax assets, other receivables, prepaid expenses and accrued income	1,034,739	858,779	808,263
Receivables pertaining to financial leasing	55,308	4,002	52,227
Cash and cash equivalents	226,897	94,339	133,607
<b>Total current assets</b>	<b>1,658,470</b>	<b>1,169,864</b>	<b>1,211,687</b>
<b>Total assets</b>	<b>4,062,816</b>	<b>3,510,655</b>	<b>3,635,890</b>
<b>Equity and liabilities</b>			
Equity attributable to Parent Company shareholders	1,258,817	618,541	743,033
<b>Total equity</b>	<b>1,258,817</b>	<b>618,541</b>	<b>743,033</b>
Long-term liabilities	1,155,839	1,141,509	1,242,643
Subordinated shareholder loans	-	195,710	203,227
Deferred tax and other long-term provisions	136,313	144,951	141,977
<b>Total long-term liabilities</b>	<b>1,292,152</b>	<b>1,482,170</b>	<b>1,587,847</b>
Current liabilities	173,919	150,589	185,319
Acquisition-related liabilities	-	222,539	89,252
Accounts payable, tax liabilities, other current liabilities, accrued expenses and deferred income	1,337,928	1,036,816	1,030,439
<b>Total current liabilities</b>	<b>1,511,847</b>	<b>1,409,944</b>	<b>1,305,010</b>
<b>Total equity and liabilities</b>	<b>4,062,816</b>	<b>3,510,655</b>	<b>3,635,890</b>

# Consolidated statement of cash flow

All amounts in SEK 000s	Q2 14/15	Q2 13/14	Q1-Q2 14/15	Q1-Q2 13/14	Full-year 2013/14
<b>Cash flow from operating activities</b>					
Cash flow from operating activities before changes in working capital	30,811	62,603	70,074	96,838	150,670
Changes in working capital	105,620	-4,911	-3,102	64,825	105,078
<b>Cash flow from operating activities</b>	<b>136,431</b>	<b>57,692</b>	<b>66,972</b>	<b>161,663</b>	<b>255,748</b>
<b>Cash flow from investing activities</b>					
Acquisition of tangible and intangible assets, net	-4,990	-11,687	-8,908	-16,014	-32,080
Cash flow from acquisitions of subsidiaries	-63,000	-	-88,888	-1,093	-99,087
Cash flow from leasing activities, financial services	-9,330	-14,152	-12,839	-32,724	-83,206
<b>Cash flow from investing activities</b>	<b>-77,320</b>	<b>-25,839</b>	<b>-110,635</b>	<b>-49,831</b>	<b>-214,373</b>
<b>Financing activities</b>					
Cash flow from external financing activities, net	22,463	-21,590	10,894	-43,408	31,305
Cash flow from issues	360,695	-	360,695	2,250	2,250
Cash flow from repayment of capitalised interest	-255,573	-	-255,573	-	-
Cash flow from leasing activities, financial services	8,586	16,572	19,635	20,815	52,141
<b>Cash flow from financing activities</b>	<b>136,171</b>	<b>-5,018</b>	<b>135,651</b>	<b>-20,343</b>	<b>85,696</b>
<b>Cash flow for the period</b>	<b>195,282</b>	<b>26,835</b>	<b>91,988</b>	<b>91,489</b>	<b>127,071</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>31,310</b>	<b>68,315</b>	<b>133,607</b>	<b>2,419</b>	<b>2,419</b>
Cash flow for the period	195,282	26,835	91,988	91,489	127,071
Exchange-rate differences in cash and cash equivalents	305	-811	1,302	431	4,117
<b>Cash and cash equivalents at the close of the period</b>	<b>226,897</b>	<b>94,339</b>	<b>226,897</b>	<b>94,339</b>	<b>133,607</b>

# Consolidated statements of change in equity

All amounts in SEK 000s	February 28, 2015	February 28, 2014	August 31, 2014
<b>Opening balance</b>	<b>743,033</b>	<b>555,842</b>	<b>555,842</b>
Subscription with the support of warrants	210,700	-	-
New share issue	243,175	2,250	2,250
Comprehensive income	61,909	60,449	184,941
<b>Closing balance</b>	<b>1,258,817</b>	<b>618,541</b>	<b>743,033</b>

## Number of shares issued in Dustin Group AB

February 28, 2015: 76,173,115 shares issued

August 31, 2014: 161,601,214 shares issued

## Net debt calculation

	February 28, 2015	February 28, 2014	August 31, 2014
Long-term bank debts	1,072,205	1,083,240	1,168,932
Current bank debts	90,284	92,320	111,608
Liabilities pertaining to financial leasing (short-term and long-term)	167,268	116,539	147,422
Acquisition-related liabilities	-	222,539	89,252
Cash and cash equivalents	-226,897	-94,339	-133,607
Receivables pertaining to financial leasing (short-term and long-term)	-230,452	-166,452	-217,612
<b>Net debt</b>	<b>872,408</b>	<b>1,253,847</b>	<b>1,165,995</b>

## Items affecting comparability

All amounts in SEK 000s	Q2 14/15	Q2 13/14	Q1-Q2 14/15	Q1-Q2 13/14	Q3 13/14- Q2 14/15	Full-year 2013/14
<b>Included in operating profit</b>						
Acquisition-related expenses	-	-	-	-	-10,007	-10,007
Costs for integrated IT platform	-15,627	-5,336	-15,627	-52,514	-51,013	-87,900
Change in value and currency translation difference of debt for supplementary purchase consideration	-	-	-	-	99,035	99,035
IPO-related expenses	-22,143	-	-33,038	-	-33,038	-
<b>Total</b>	<b>-37,770</b>	<b>-5,336</b>	<b>-48,665</b>	<b>-52,514</b>	<b>4,977</b>	<b>1,128</b>

# Investments

All amounts in SEK 000s	Q2 14/15	Q2 13/14	Q1-Q2 14/15	Q1-Q2 13/14	Full-year 2013/14
<b>Investments</b>					
Capitalised expenditure for IT development attributable to integrated IT platform	-972	-10,445	-972	-14,449	-25,493
Equipment and leasehold improvements	-4,993	-1,242	-8,911	-1,565	-6,585
<b>Total</b>	<b>-5,965</b>	<b>-11,687</b>	<b>-9,883</b>	<b>-16,014</b>	<b>-32,078</b>

The differences between investments in the cash-flow statement and total investments in intangible assets, tangible assets according to the above specifications pertain to the disposal of tangible assets.

# Calculation of net working capital

All amounts in SEK 000s	February 28, 2015	February 28, 2014	August 31, 2014
Inventories	341,526	212,744	217,590
Accounts receivable	848,716	724,845	689,190
Tax assets, prepaid expenses and accrued income, as well as other current receivables	186,023	133,934	119,073
Accounts payable	-1,070,189	-859,022	-772,234
Tax liabilities, accrued expenses and deferred income, as well as other current liabilities	-256,380	-177,794	-246,505
<b>Total</b>	<b>49,696</b>	<b>34,707</b>	<b>7,114</b>

# Liabilities and related-party transactions

In conjunction with the stock market listing, all liabilities to former shareholders were settled.

Transactions with customers and suppliers owned by the current shareholders are not reported since these transactions are normal business transactions and not significant in scope.

# Financial instruments

Liabilities to former shareholders were in conjunction with the company's new bank financing. The new funding is on market conditions.

Derivative instruments are designated as hedging instruments for external bank loans. The Group applies hedge accounting for derivatives and the fair value is measured within level 2 according to the definition in IFRS 13.

## Financial key ratios

	Q2 14/15	Q2 13/14	Q1-Q2 14/15	Q1-Q2 13/14	Q3 13/14- Q2 14/15	Full-year 2013/14
Organic sales growth (%)	7.0	15.4	9.2	18.7	-	21.0
Gross margin (%)	13.8	14.6	14.0	14.6	14.1	14.4
Adjusted EBITA (SEK million)	108	106	204	203	354	353
Adjusted EBITA margin (%)	4.9	5.3	4.8	5.3	4.5	4.8
Operating cash flow	212	103	198	266	391	459
Cash generating (%)	191	94	94	129	107	127
Net debt (SEK million)	872	1,254	872	1,254	872	1,166
Net debt/adjusted EBITDA (multiple)	-	-	-	-	2.4	3.2
Net working capital (SEK million)	50	35	50	35	50	7
Capital employed	182	207	182	207	182	145
Return on equity (%)	-	-	-	-	13.7	22.0
Equity/assets ratio (%)	31.0	17.6	31.0	17.6	31.0	20.4

# Quarterly financial information

	Q2 14/15	Q1 14/15	Q4 13/14	Q3 13/14	Q2 13/14	Q1 13/14	Q4 12/13	Q3 12/13
Net sales	2,188	2,068	1,637	1,902	2,007	1,824	1,406	1,413
Adjusted EBITA (SEK million)	108	97	70	80	106	97	59	69
Adjusted EBITA margin (%)	4.9	4.7	4.3	4.2	5.3	5.3	4.2	4.9
<b>B2B segment</b>								
Net sales	2,012	1,915	1,457	1,728	1,784	1,648	1,251	1,270
Segment results	170	160	116	136	155	147	95	113
Segment margin (%)	8.5	8.3	8.0	7.8	8.7	8.9	7.6	8.9
<b>B2C segment</b>								
Net sales	176	153	180	174	223	176	154	143
Segment results	6.5	1.4	8.4	9.6	12.5	7.7	8.9	6.3
Segment margin (%)	3.7	0.9	4.7	5.5	5.6	4.4	5.8	4.4
<b>Central functions</b>								
Central functions	-69	-61	-54	-66	-61	-57	-45	-50
Percentage of net sales	-3.2	-3.0	-3.3	-3.4	-3.0	-3.1	-3.2	-3.6

## Share-related key ratios

	Q2 14/15	Q2 13/14	Q1–Q2 14/15	Q1–Q2 13/14	Q3 13/14– Q2 14/15	Full-year 2013/14
Earnings per share (SEK)*	0.37	0.68	0.85	0.74	2.58	2.48
Equity per share (SEK)*	16.56	19.36	16.56	19.39	16.56	22.99
Cash flow from operating activities per share (SEK)*	2.02	0.87	1.00	2.45	2.42	3.87
Average number of shares*	67,596,505	66,095,090	66,841,650	66,095,090	66,465,302	66,095,090

\* Dustin was listed on the stock exchange during the quarter. No dilution has been calculated for earlier periods. There were no outstanding options as of February 28, 2015.



# Condensed income statement

## Parent Company

All amounts in SEK 000s	Q2 14/15	Q2 13/14	Q1–Q2 14/15	Q1–Q2 13/14	Q3 13/14– Q2 14/15	Full-year 2013/14
Net sales	99	99	198	199	396	397
Operating loss	-12,669	-1,272	-16,810	-1,873	-19,004	-4,067
Loss after financial items	-33,304	-25,162	-61,377	-46,274	-111,799	-96,696
Earnings before tax*	-33,304	-25,162	-61,377	-46,274	-24,255	-9,152
<b>Profit for the period</b>	<b>-25,977</b>	<b>-19,844</b>	<b>-47,874</b>	<b>-40,956</b>	<b>-14,216</b>	<b>-7,298</b>

\*Group contributions affecting the net results amount to:  
September 1, 2013–August 31, 2014: 87,545

# Condensed balance sheet

## Parent Company

All amounts in SEK 000s	February 28, 2015	February 28, 2014	August 31, 2014
Fixed assets	1,223,572	1,161,663	1,223,572
Current assets	527,022	75,952	181,010
<b>Total assets</b>	<b>1,750,594</b>	<b>1,237,615</b>	<b>1,404,582</b>
Equity	603,467	169,590	198,386
Untaxed reserves	7,793	7,793	7,793
Long-term liabilities	1,072,306	958,075	1,052,938
Current liabilities	64,261	65,726	84,337
Other current liabilities	2,767	36,431	61,128
<b>Total equity and liabilities</b>	<b>1,750,594</b>	<b>1,237,615</b>	<b>1,404,582</b>

# Definitioner

**Avkastning på eget kapital:** Årets resultat i relation till eget kapital vid periodens slut.

**Return on equity:** Profit for the year as a percentage of equity at the close of the period.

**B2B** Pertains to all sales to companies and organisations.

**B2C** Pertains to all sales to consumers.

**Gross margin:** Gross profit as a percentage of net sales (%)

**Central functions:** Includes all non-allocated central expenses, including depreciation/amortisation.

**Equity per share:** Equity at the close of the period as a percentage of the number of shares at the close of the period.

**Adjusted EBITA:** EBIT before items affecting comparability, and amortisation and impairment of intangible assets.

**Adjusted EBITDA:** Operating profit before depreciation/amortisation and impairment and items affecting comparability.

**Adjusted EBITA margin:** EBITA as a percentage of net sales.

**Adjusted EBITDA margin:** EBITDA as a percentage of net sales.

**Cash flow from operating activities:** Cash flow from operating activities, after changes in working capital.

**Cash flow from operating activities per share:** Cash flow from operating activities as a percentage of the average number of shares outstanding.

**Cash generating:** Operating cash flow as a percentage of adjusted EBITDA.

**Net working capital:** Total current assets less cash and cash equivalents, current financial lease assets and current non-interest-bearing liabilities.

**Net debt:** Long-term and current bank debts less cash and cash equivalents and receivables from financial leasing.

**Organic growth:** Change in net sales for comparable units adjusted for currency effects.

**Operating cash flow:** Adjusted EBITDA less maintenance investments and cash flow from changes in working capital.

**Earnings per share:** Net profit in SEK as a percentage of the average number of shares.

**Equity/assets ratio:** Equity at the close of the period as a percentage of total assets at the close of the period.

**Segment results:** The segment's operating profit excluding amortisation/depreciation and items affecting comparability.

**Capital employed:** Working capital plus total fixed assets, excluding goodwill and other surplus values and receivables pertaining to financial leasing (interest-bearing).

## Calendar

**2015-07-07** Interim report for the period Sep 1, 2014 – May 31, 2015, Q3

**2015-10-14** Year-end report for the period Sep 1, 2014 – Aug 31, 2015

**2015-11-27** Annual report 2014/2015

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