



# **THIRD QUARTER**

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MARCH 1, 2015 – MAY 31, 2015

**“Favourable trend in core operations  
amid a challenging market”**

**Dustin**

# Summary of third quarter of 2014/15

## Third quarter

- Net sales for the quarter increased 0.9 per cent to SEK 1,919 million (1,902). Organic growth in constant currency was negative 1.1 per cent (25,2).
- Gross margin rose to 14.2 per cent (13.6).
- Adjusted EBITA amounted to SEK 82 million (80). Items affecting comparability amounted to a negative SEK 15 million (100).
- Profit for the quarter amounted to 39 million (136).
- Earnings per share before dilution totalled SEK 0.51 (2.05).
- Earnings per share after dilution amounted to SEK 0.51 (2.05).
- Cash flow from operating activities totalled SEK 14 million (120).

## September 2014–May 2015

- Net sales for the period rose 7.7 per cent to 6,175 million (5,734). Organic growth in constant currency was 5.7 per cent (22.0).
- Gross margin was 14.0 per cent (14.3).
- Adjusted EBITA amounted to SEK 286 million (283). Items affecting comparability totalled a negative SEK 64 million (48).
- Profit for the period amounted to SEK 95 million (184).
- Earnings per share, before dilution, totalled SEK 1.36 (2.79).
- Earnings per share after dilution amounted to SEK 1.36 (2.79).
- Cash flow from operating activities totalled SEK 81 million (282).
- Net debt in relation to adjusted EBITDA in the past 12-month period was under 2.6 (3.2 for the full year, 13/14).

## Operations

All amounts in SEK million, unless otherwise indicated	Q3 14/15	Q3 13/14	Kv 1-Kv3 14/15	Q1-Q3 13/14	Q4 13/14– Q3 14/15	Full-year 13/14
Net sales	1,919	1,902	6,175	5,734	7,812	7,371
Organic sales growth (%)	-1.1	25.2	5.7	22.0	-	21.0
Gross margin (%)	14.2	13.6	14.0	14.3	14.2	14.4
Adjusted EBITA	82	80	286	283	356	353
Adjusted EBITA margin (%)	4.3	4.2	4.6	4.9	4.6	4.8
Profit for the period	39	136	95	184	75	164
Earnings per share before dilution *	0.51	2.05	1.36	2.79	1.09	2.48
Earnings per share after dilution *	0.51	2.05	1.36	2.79	1.09	2.48
Cash flow from operating activities	14	120	81	282	-	256
Net debt/adjusted EBITDA (multiple)	-	-	-	-	2.6	3.2
Return on equity (%)	-	-	-	-	9.6	22.0

\*To gain comparability among the periods, earnings per share have been recalculated, based on the number of shares.

# CEO's statement

## Continuing growth in the primary segment

Growth in our focus area of small and medium-sized companies remained positive in relation to the market during the third quarter and in line with the second quarter. This is primarily attributable to continuingly strong online sales, which represent the basis of our operations. Looking at the entire B2B segment, during the quarter we were more selective in regards to new business opportunities within large companies and the public sector. This has hampered our growth to a certain extent, but, on the other hand, has provided a superior sales mix and higher gross margin. During the first nine months of the year, organic growth in the B2B segment amounted to slightly more than 8 per cent, with an increase in earnings of a similar magnitude.

## Profitability rather than volume in the consumer segment

During the quarter, the consumer segment (B2C) accounted for 7 per cent of total sales and for Dustin this acts as a complement to our B2B core business. Our strategy of prioritising profitability ahead of volume remains in place. Although sales declined by 20 per cent relative to the preceding year, the margin fell a mere 1.0 percentage point to 4.5 per cent, which confirms flexibility and cost effectiveness.

## Strong position in a challenging market

Market data shows that client sales – computers and tablets – in the Nordic region were negative in terms of volume and value in early 2015. The decline is largely attributable to the considerable migration last year of Windows XP to Windows 8, and currency-related price hikes among major suppliers. Historically, we have seen similar market fluctuations between the quarters where Dustin over time has strengthened its position and delivered an average organic growth in line with the financial target of 8 percent. Given the slowdown in demand during the first six months of the year, our earnings during the third quarter is a confirmation of a robust business model and a continuing strong market position.

## New IT platform is increasingly efficient

During the third quarter, we continued with the optimisation of our new IT platform to gain full efficiency. We also commenced efforts to integrate Norwegian operations.

The new IT platform permits us to maximise the benefits of the experience and know-how at Dustin by being able to export new and existing offerings to all markets and attaining additional efficiency gains and economies of scale.

## Acquisition of the Finnish company Resolute

Our market position gains from three significant trends. The on-line shift in which an ever-greater share of purchases are moving over to the internet, stronger growth in the small and medium-sized corporates, compared with the market as a whole, and greater demand for advanced products and services. As a result of the acquisition of Resolute – one of Finland's leading suppliers of network solutions for companies and the public sector – our position is strengthened in more advanced products and services through the supply of new competence throughout the Group. In addition, we are further strengthening our position in Finland and create the conditions to grow with new and existing customers.

## Dustin Concept Store

During the autumn, we plan to open a concept store in Stockholm aimed at our corporate customers. The focus will be on consulting to assist customers in finding the appropriate combination of products and solutions. With this, we are introducing our e-trading concept into a physical store, which will represent an extension of our successful Dustin Expo concept, The Nordic region largest IT trade fair with 80 exhibitors and partners, albeit in a smaller format.

## Outlook

IDC predict that the weak market trend we noted during the beginning of 2015 will persist throughout our fourth quarter.

Dustin's attractive offer with a wide product range, fast delivery and high level of service delivered via a cost-efficient online platform will enable us to continue to gain market shares in our addressable market.

Nacka, July 2015  
Georgi Ganev, CEO

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Dustin is one of the leading Nordic resellers of IT products with associated services to companies, the public sector and individuals. With its core business in e-commerce, Dustin functions as a bridge between the manufacturers' wide-ranging offerings and customer requirements in which Dustin's employees support customers in finding the appropriate solution of them. Dustin is a one-stop shop offering some 200,000 products with related services, functions and solutions. Operations are conducted in Sweden, Denmark, Norway and Finland. In addition to Dustin and Dustin home, Businessforum and Resolute (Finland) and IT-Hantverkarna (Sweden) are part of the Group. The company has more than 900 employees. Sales during the 2013/14 financial year amounted to some SEK 7.4 billion. About 90 per cent of Dustin's sales derive from the corporate market, with the focus on small and mid-sized companies. The Dustin Group has been listed on the Nasdaq Stockholm exchange since 2015 and has its headquarters in Nacka, Stockholm.

# Financial overview

## Third quarter

### Net sales

Net sales increased 0.9 per cent during the quarter to SEK 1,919 million (1,902). Organic growth in constant currency was negative 1.1 per cent (25.2). Growth in the corporate segment (B2B) was 3.0 per cent, of which organic growth, in constant currency, was 0.8 per cent. Net sales in the (B2C) customer segment declined by 19.9 per cent and measured in constant currency, the decrease was 20.6 per cent.

### Gross profit

Gross profit for IT products and services rose by SEK 23 million to SEK 272 million (259). The gross margin increased by 0.6 percentage points to 14.2 percent (13.6), primarily attributable to changes in the sales mix.

### Adjusted EBITA and operating profit for the Group

Adjusted EBITA amounted to SEK 82 million (80) during the quarter. The adjusted EBITA margin totalled 4.3 per cent (4.2). Items affecting comparability amounted to a negative SEK 15 million (100), of which a negative SEK 11.7 million was related to continuing optimization work of the integrated IT platform. The company's management expect that this optimisation work will be finalised during the fourth quarter. Items affecting comparability also include costs of SEK 3.6 million, attributable to the acquisition of Resolute.

Consolidated operating profit totalled SEK 52 million (166). The change from the previous year is primarily attributable to a positive value change in the purchase consideration that was included in items affecting comparability and totalled SEK 112 million during the year.

Items affecting comparability are specified on page 14.

### Financial items

Financial expenses amounted to SEK 2.2 million (26.3) and financial income totalled SEK 0.3 million (2.0). The decrease in expenses is primarily attributable changes in financial structure, improved terms and conditions and a positive exchange rate effect of SEK 7.1 million.

### Taxes

The Group's effective tax rate was 22.4 per cent (4.1). Taxes paid in the preceding year were not affected by non-taxable items affecting comparability.

### Profit for the period

Profit for the period totalled SEK 39 million (136). Earnings per share before dilution amounted to SEK 0.51 (2.05) and earnings per share after dilution were SEK 0.5 (2.05).

### Net debt and cash and cash equivalents

Net debt encompasses long and short-term interest-bearing bank liabilities less cash and cash equivalents less cash and cash equivalents and receivables from financial leasing. Net debt amounted to SEK 972 million (1,231).

Net debt in relation to adjusted EBITDA increased during the quarter by 0.2 to a multiple of 2.6 (3.2 for the entire 2013/2014 financial year) measured over the most recent 12-month period. Adjusted for the acquisition of Resolute, net debt in relation to adjusted EBITDA was a multiple of 2.3.

Total cash and cash equivalents amounted to SEK 81 million (73).

In addition, Dustin has an unutilized overdraft facility of SEK 270 million.

### Cash flow

Cash flow from operating activities amounted to SEK 14 million (120), which is primarily attributable to a negative working capital development, caused mainly by a decrease in accounts receivable, which was partly offset by a planned reduction in inventories. Net working capital totaled SEK 88 million (negative 24). During the year, cash flow was positively affected by low working capital at the end of the quarter, primarily attributable to higher-than-normal accounts payable.

Cash flow from investment activities amounted to a shortfall of SEK 73 million (negative 122), of which the major portion is attributable to the acquisition of the Finnish company, Resolute.

Cash flow from financing activities decreased by SEK 65 million to a negative 86 (negative 21), primarily attributable to a decrease in external financing.

Cash flow for the quarter amounted to a negative SEK 145 million (negative 23).

### **Significant events during the third quarter**

#### **Acquisition of the Finnish company, Resolute**

Dustin acquired Resolute, one of Finland's leading suppliers of network solutions for companies and the public sector. During 2014, Resolute reported sales of EUR 12 million and a profit of EUR 0.9 million. As a result of the acquisition, Dustin will strengthen its position in the Finnish market and consolidate its offering throughout the entire Nordic region. The company will be integrated in Businessforum, Dustin's Finnish operations. Resolute offers comprehensive solutions that include everything from hardware, via the major manufacturers, to configuration and support of network solutions. The estimated purchase consideration of EUR 14 million consists of an initial consideration of EUR 5.5 million and an additional consideration based on future profits. Dustin reported the additional consideration as a liability in the balance sheet as of May 31. Residual value was allocated in its entirety to goodwill in the acquisition analysis. The acquisition is deemed to have a marginal impact on Dustin's earnings per share during the current financial year. Dustin does not assess acquisition significantly from a financial perspective, which explains why a full note, as IFRS 3 Business Combinations are not presented in this quarterly report.

#### **Dustin won Nordic agreements via Tradebroker**

Dustin Norge has won a tender for framework agreements for the Tradebroker purchasing organization, consisting of more than 50 member companies. The agreement, which covers Dustin's complete product offering via the web shop, extends for three years from May 2015 and entails a renewal of Dustin's previous agreement with Tradebroker. The value is estimated at approximately NOK 75 million per year.

#### **Dustin won a new framework agreement with the Norwegian company, HINAS**

Dustin Norway won a new framework agreement for servers from Helseforetakens Innkjøpsservice (HINAS), which is in charge of IT purchases for Norway's major health and medical-care regions. The agreement extends over a year and is expected to generate a value of NOK 35 million. Dustin had earlier signed a framework agreement for clients and

printers with a calculated annual value of NOK 100 million. The framework agreement for servers extends over a year, with the potential to extend it to a total of two years. This entails that Dustin has a total of three HINAS framework agreements in IT with a calculated total annual order value of NOK 135 million. The agreements may be called off from all four health and medical-care regions in Norway.

#### **Dustin recruited a new Sweden-based MD for IT-Hantverkarna**

Andreas Boo will be the Sweden-based MD for IT-Hantverkarna, which serves as an outsourced IT department for small and medium companies with regular and easily accessed IT assistance. Andreas was previously MD of Tele2 and Telenor's Internet Net4Mobility. Andreas will take up his appointment in August. IT-Hantverkarna is active in about 20 locations throughout Sweden. Andreas Boo succeeds IT-Hantverkarnas founder, Göran Hjelte.

#### **Dustin Expo**

At the end of March, and in cooperation with some exhibitors, the 14th edition of Dustin Expo was launched. The trade fair that is held in the Ericsson Globe in Stockholm, had grown to the largest IT fair in the Nordic region. The fair consist of two corporate days and a consumer day, with a total of some 10,000 visitors.

#### **Distinctions**

During the quarter, Dustin was appointed winner of the Microsoft EMEA Operations Licensing Solutions Partner Excellence Award for Dustin's work in supporting customers to be more mobile and cloud-based.

#### **Incentive program**

Senior management has signed and fully paid a total of 1,053,387 warrants at a market value of SEK 6 million, which increased equity during the quarter by a corresponding amount.

#### **Merger in Norway concluded**

During the quarter, a merger was concluded between Dustin Norway A/S and the former Norsk Data Senter A/S.

### **Period September 1, 2014 - May 31, 2015**

#### **Net sales**

Net sales for the period rose 7.7 per cent to SEK 6,175 million (5,734). Organic growth in constant currency amounted to 5.7 per cent (22.0). Growth in the B2B segment was 10.6 per cent, of which organic growth in constant

currency accounted for 8.5 per cent. Net sales in the B2C customer segment declined 18.3 per cent; measured in constant currency, the decline was 19.3 per cent.

### **Gross profit**

Gross profit for the IT products and services operations increased SEK 48 million to SEK 867 million (819). The gross margin declined 0.3 percentage points to 14.0 per cent (14.3), mainly due to a strong sales growth in the large companies and the public sector in the beginning of the financial year.

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

Adjusted EBITA amounted to SEK 286 million (283) during the period. The adjusted EBITA margin was 4.6 per cent (4.9). Items affecting comparability totalled a negative SEK 64 million (48). Expenses of SEK 33 million were attributable to the stock exchange listing and expenses of SEK 27 million pertained to the ongoing efforts to implement the company's common IT platform. Expenses attributable to the acquisition of Resolute amounted to SEK 4 million.

Operating profit for the Group amounted to SEK 179 million (289).

Items affecting comparability are specified on page 14.

### **Financial items**

Net financial expenses amounted SEK 57 million (expense: 88) and net financial income amounted to SEK 1.0 million (2.9). This decrease in expenses was mainly attributable to changes in the financing structure, improved terms and positive currency effects of SEK 4.3 million.

### **Taxes**

The Group's effective tax rate was 22.8 per cent (9.6). The tax rate for the preceding year was impacted by non-taxable items affecting comparability.

### **Profit for the period**

Profit for the period amounted to SEK 95 million (184). Earnings per share before dilution totalled SEK 1.36 (2.79). Earnings per share after dilution totalled SEK 1.36 (2.79).

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

Net debt includes long-term and current interest-bearing bank debts, as well as liabilities for purchase considerations less receivables from financial leasing and cash and cash receivables. Net debt amounted to SEK 972 million (1,231).

### **Cash Flow**

Cash flow from operating activities amounted to SEK 81 million (282), which was primarily attributable to changes in working capital. Net working capital amounted to SEK 88 million (7). During the preceding year, the cash flow was positively impacted by low working capital at the end of the period, primarily due to higher accounts payable than normal.

Cash flow from investing activities amounted to a negative SEK 184 million (negative 172). This increase included payments of performance-based purchase considerations amounting to a negative SEK 89 million (negative 88), mainly to the original shareholders in connection with the stock market listing, payments totalling approximately SEK 50 million attributable to the acquisition of the Finnish company, Resolute, during the quarter, as well as an increase in the financial lease portfolio in the amount of a negative SEK 25 million (negative 56).

Cash flow from financing activities rose SEK 89 million to SEK 49 million (negative 41), 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 period, 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 has been repaid.

Cash flow for the first nine months of the year amounted to a negative SEK 53 million (69).

### **Employees**

The average number of full-time employees for the period was 930 (880). The number of full-time employees has increased in line with the Group's overall growth, both organically and through acquisitions.

### **Events after balance-sheet date**

#### **Dustin opens concept store**

During autumn Dustin plans to open a concept store in Stockholm where the focus will be on consulting to assist customers in finding the appropriate combination of products and solutions.

#### **Continued rollout of the new IT platform**

During the fourth quarter, the Norwegian operation will be integrated into the new IT platform.

### Seasonal variations

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

### Dustin Financial Services

Receivables pertaining to financial leasing rose SEK 53 million to SEK 243 million (190). Dustin Financial Services AB's equity/assets ratio increased 10 percentage points to 25 per cent (15).

### Parent Company

Dustin Group AB (Corporate Reg. No. 556703-3062), which is domiciled in Stockholm, Sweden, only conducts holding operations. Net sales for the quarter amounted to SEK 0.1 million (0.1) and SEK 0.3 million (0.3) for the period. A loss of SEK 6 million (loss: 20) was posted for the quarter and a loss of SEK 54 million (loss: 56) for the first nine months of the financial year.

### Accounting policies

Financial reporting for the Dustin Group has been prepared in accordance with International Financial Reporting Standards (IFRS) 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

At the end of the period, the company had a total of 5,622 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	5,199,688	6.8
CBNY-Norges bank	2,191,374	2.9
Swedbank Robur Småbolagsfond Sverige	2,164,237	2.8
Handelsbanken fonder AB	2,162,598	2.8
Investeringsällskapet	1,862,838	2.5
Swedbank Robur Småbolagsfond Norden	1,644,419	2.2
Nordea Bank Norway	1,558,648	2.1
Catella Småbolagsfond	1,475,000	1.9
<b>Total ten largest owners</b>	<b>51,748,304</b>	<b>68.0</b>
Other shareholders	24,424,811	32.0
<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 private customers, such as similar product range, limited additional costs, as well as new 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 third quarter increased 3.0 per cent to SEK 1,779 million (1,728). Organic growth in constant currency was 0.8 per cent. Growth was due to a positive trend in small and medium companies mainly in Sweden. Growth was strong in Norway in large companies and the public sector, while in other markets the focus was on a higher gross margin, which had a slightly negative impact on the sales trend.

Net interest income for Dustin Financial Services rose 4.8 per cent during the quarter to SEK 4.4 million (4.2) and was impacted by a larger proportion of framework agreements and a favourable customer mix with respect to small and medium-size companies.

Net sales for the period rose 10.6 per cent to SEK 5,706 million (5,160). Organic growth in constant currency was 8.5 per cent.

### Segment results

The segment results rose SEK 6 million in the third quarter to SEK 142 million (136). The earnings increase was the result of the sales trend in small and medium companies and a positive margin trend in mainly large companies and the public sector.

The segment margin for the quarter was 8.0 per cent (7.8).

The segment results for the period rose SEK 35 million to SEK 472 million (437). The segment margin for the period was 8.3 per cent (8.5).

## B2C segment

### Net sales

Net sales declined 19.9 per cent in the third quarter to SEK 139 million (174). Organic growth in constant currency was a negative 20.6 per cent, which was due to tougher competition and major focus on the online offering from traditional chains in capital goods.

Net sales for the period declined 18.3 per cent to SEK 468 million (573). Organic growth in constant currency was a negative 19.3 per cent.

### Segment results

The segment results in the third quarter declined SEK 4 million to SEK 6 million (10) and were adversely impacted by the decline in sales and a slightly lower gross margin. The segment margin for the quarter was 4.5 per cent (5.5).

The segment results for the period declined SEK 16 million to SEK 14 million (30). The segment margin for the period was 3.0 per cent (5.2).

## 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>Q3</b>	<b>Q3</b>	<b>Q1–Q3</b>	<b>Q1–Q3</b>	<b>Q4 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>Q 3 14/15</b>	<b>2013/14</b>
<b>Net sales</b>						
B2B	1,779,431	1,728,436	5,706,373	5,160,506	7,163,779	6,617,911
B2C	139,398	174,016	468,370	573,080	648,271	752,982
<b>Total</b>	<b>1,918,829</b>	<b>1,902,452</b>	<b>6,174,743</b>	<b>5,733,586</b>	<b>7,812,050</b>	<b>7,370,893</b>
<b>Segment results</b>						
B2B	141,575	135,618	471,505	437,029	587,686	553,210
B2B, segment margin (%)	8.0	7.8	8.3	8.5	8.2	8.4
B2C	6,228	9,559	14,105	29,956	22,289	38,140
B2C, segment margin (%)	4.5	5.5	3.0	5.2	3.4	5.1
Central functions	-66,048	-65,461	-199,416	-183,799	-253,479	-237,862
Cost for central functions, excluding items affecting comparability, in relation to net sales (%)	-3.4	-3.4	-3.2	-3.2	-3.2	-3.2
<b>Adjusted EBITA</b>	<b>81,775</b>	<b>79,716</b>	<b>286,194</b>	<b>283,185</b>	<b>356,497</b>	<b>353,488</b>
<b>Reconciliation with operating income</b>						
Items affecting comparability	-15,344	100,073	-64,009	47,559	-110,440	1,128
Amortisation and impairment of intangible assets	-14,377	-14,214	-42,925	-41,608	-54,941	-53,624
<b>Group operating profit</b>	<b>52,054</b>	<b>165,575</b>	<b>179,260</b>	<b>289,136</b>	<b>191,116</b>	<b>300,992</b>

The undersigned certify that this quarterly 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, July 6, 2015

Georgi Ganev, CEO  
by authorisation from the board

This report has been reviewed by the company's auditors.

# Review report

**Dustin Group AB (publ), Corp. Reg. No. 556703-3062**

## **Introduction**

We have conducted a review of the interim report for Dustin Group AB (publ) as at May 31, 2015 and for the nine-month period ending on that date. The Board of Directors and the President are responsible for preparing this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

## **Focus and scope of the review**

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of interim financial information performed by the independent auditor of the entity. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different direction and is substantially more limited in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing practices.

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

## **Conclusion**

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

Stockholm, July 6, 2015  
Ernst & Young AB

Jennifer Rock-Baley  
Authorised Public Accountant

# Consolidated statement of comprehensive income

All amounts in SEK 000s	Q3 14/15	Q3 13/14	Q1-Q3 14/15	Q1-Q3 13/14	Q4 13/14– Q3 14/15	Full-year 13/14
<b>IT products and services</b>						
Net sales	1,918,829	1,902,452	6,174,743	5,733,586	7,812,050	7,370,893
Cost of goods sold	-1,647,161	-1,643,942	-5,307,427	-4,914,414	-6,705,781	-6,312,768
<b>Gross profit</b>	<b>271,668</b>	<b>258,510</b>	<b>867,316</b>	<b>819,172</b>	<b>1,106,269</b>	<b>1,058,125</b>
Selling and admin expenses	-205,820	-197,082	-626,091	-589,184	-811,507	-774,600
Items affecting comparability	-15,344	100,073	-64,009	47,559	-110,440	1,128
Other operating income	2,702	4,234	13,009	13,470	17,740	18,201
Other operating expenses	-3,999	-2,045	-17,844	-7,068	-18,682	-7,906
<b>Operating profit, IT products and services</b>	<b>49,207</b>	<b>163,690</b>	<b>172,381</b>	<b>283,949</b>	<b>183,380</b>	<b>294,948</b>
<b>Financial services</b>						
Interest income	5,002	5,310	14,689	14,393	18,627	18,331
Interest expense	-574	-1,158	-2,773	-2,993	-3,749	-3,969
<b>Net interest income</b>	<b>4,428</b>	<b>4,152</b>	<b>11,916</b>	<b>11,400</b>	<b>14,878</b>	<b>14,362</b>
Selling and admin expenses	-1,581	-2,267	-5,037	-6,213	-7,142	-8,318
<b>Operating profit, financial services</b>	<b>2,847</b>	<b>1,885</b>	<b>6,879</b>	<b>5,187</b>	<b>7,736</b>	<b>6,044</b>
<b>Group operating profit</b>	<b>52,054</b>	<b>165,575</b>	<b>179,260</b>	<b>289,136</b>	<b>191,116</b>	<b>300,992</b>
Financial income and other financial items	274	2,027	962	2,871	193	2,102
Financial expenses and other financial items	-2,247	-26,285	-56,596	-88,256	-86,545	-118,205
<b>Profit after financial items</b>	<b>50,081</b>	<b>141,317</b>	<b>123,626</b>	<b>203,750</b>	<b>104,765</b>	<b>184,889</b>
Tax	-11,210	-5,743	-28,196	-19,584	-29,771	-21,159
<b>Profit for the period*</b>	<b>38,871</b>	<b>135,574</b>	<b>95,430</b>	<b>184,166</b>	<b>74,994</b>	<b>163,730</b>
<b>Other comprehensive income</b> (all items that will be transferred to the income statement)						
Exchange-rate differences	-6,458	29,809	-1,308	42,218	-	30,823
Cash-flow hedging	-106	-	150	-708	-	-12,323
Tax	23	-	-33	156	-	2,711
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>32,330</b>	<b>165,383</b>	<b>94,239</b>	<b>225,832</b>	<b>-</b>	<b>184,941</b>
Earnings per share (SEK)	0.51	2.05	1.36	2.79	1.09	2.48
Earnings per share after dilution	0.51	2.05	1.36	2.79	1.09	2.48

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

# Consolidated statement of financial position

All amounts in SEK 000s	May 31, 2015	May 31, 2014	August 31, 2014
<b>Assets</b>			
Goodwill and other surplus values	2,192,040	2,120,850	2,120,856
Other intangible assets	95,962	94,697	97,789
Tangible fixed assets	20,341	20,576	18,378
Deferred tax assets and other fixed assets	17,815	25,873	21,795
Receivables pertaining to financial leasing	184,710	185,687	165,385
<b>Total fixed assets</b>	<b>2,510,868</b>	<b>2,447,683</b>	<b>2,424,203</b>
Inventories	269,711	216,214	217,590
Receivables, tax assets, other receivables, prepaid expenses and accrued income	1,024,154	872,609	808,263
Receivables pertaining to financial leasing	58,330	4,572	52,227
Cash and cash equivalents	80,967	72,715	133,607
<b>Total current assets</b>	<b>1,433,162</b>	<b>1,166,110</b>	<b>1,211,687</b>
<b>Total assets</b>	<b>3,944,030</b>	<b>3,613,793</b>	<b>3,635,890</b>
<b>Equity and liabilities</b>			
Equity attributable to Parent Company shareholders	1,297,309	783,924	743,033
<b>Total equity</b>	<b>1,297,309</b>	<b>783,924</b>	<b>743,033</b>
Long-term liabilities	1,144,433	1,136,037	1,242,643
Subordinated shareholder loans	-	199,468	203,227
Deferred tax and other long-term provisions	133,190	141,726	141,977
<b>Total long-term liabilities</b>	<b>1,277,623</b>	<b>1,477,231</b>	<b>1,587,847</b>
Current liabilities	86,356	151,253	185,319
Acquisition-related liabilities	64,963	88,961	89,252
Accounts payable, tax liabilities, other liabilities, accrued expenses and deferred income	1,217,779	1,112,424	1,030,439
<b>Total current liabilities</b>	<b>1,369,098</b>	<b>1,352,638</b>	<b>1,305,010</b>
<b>Total equity and liabilities</b>	<b>3,944,030</b>	<b>3,613,793</b>	<b>3,635,890</b>

# Consolidated statement of changes in equity, summary

All amounts in SEK 000s	May 31, 2015	May 31, 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	216,862	-	-
New share issue	243,175	2,250	2,250
Comprehensive income	94,239	225,832	184,941
<b>Closing balance</b>	<b>1,297,309</b>	<b>783,924</b>	<b>743,033</b>

## Number of shares issued in Dustin Group AB

May 31, 2015: 76,173,115 shares issued

August 31, 2014: 66,095,090 shares issued

# Consolidated statement of cash flow, summary

All amounts in SEK 000s	Q3 14/15	Q3 13/14	Q1-Q3 14/15	Q1-Q3 13/14	Full-year 2013/14
<b>Cash flow from operating activities</b>					
Cash flow from operating activities before changes in working capital	59,681	31,810	129,755	128,648	150,670
Changes in working capital	-45,319	88,137	-48,421	152,962	105,078
<b>Cash flow from operating activities</b>	<b>14,362</b>	<b>119,947</b>	<b>81,334</b>	<b>281,610</b>	<b>255,748</b>
<b>Cash flow from investing activities</b>					
Acquisition of tangible and intangible assets, net	-11,192	-11,505	-20,100	-27,519	-32,080
Cash flow from acquisitions of subsidiaries	-49,690	-87,249	-138,578	-88,342	-99,087
Cash flow from leasing activities, financial services	-12,589	-23,346	-25,428	-56,070	-83,206
<b>Cash flow from investing activities</b>	<b>-73,471</b>	<b>-122,100</b>	<b>-184,106</b>	<b>-171,931</b>	<b>-214,373</b>
<b>Financing activities</b>					
Cash flow from external financing activities, net	-97,734	-22,121	-86,840	-65,529	31,305
Cash flow from issues	6,237	-	366,932	2,250	2,250
Cash flow from repayment of capitalised interest	-	-	-255,573	-	-
Cash flow from leasing activities, financial services	5,341	1,293	24,977	22,108	52,141
<b>Cash flow from financing activities</b>	<b>-86,156</b>	<b>-20,828</b>	<b>49,496</b>	<b>-41,171</b>	<b>85,696</b>
<b>Cash flow for the period</b>	<b>-145,265</b>	<b>-22,981</b>	<b>-53,276</b>	<b>68,508</b>	<b>127,071</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>226,897</b>	<b>94,339</b>	<b>133,607</b>	<b>2,419</b>	<b>2,419</b>
Cash flow for the period	-145,265	-22,981	-53,275	68,508	127,071
Exchange-rate differences in cash and cash equivalents	-665	1,357	636	1,788	4,117
<b>Cash and cash equivalents at the close of the period</b>	<b>80,967</b>	<b>72,715</b>	<b>80,967</b>	<b>72,715</b>	<b>133,607</b>

## Net debt calculation

	May 31, 2015	May 31, 2014	August 31, 2014
Long-term bank debts	1,058,077	1,136,037	1,168,932
Current bank debts	-	151,253	111,608
Liabilities pertaining to financial leasing (short-term and long-term)	172,712	117,832	147,422
Acquisition-related liabilities	64,963	88,961	89,252
Cash and cash equivalents	-80,967	-72,715	-133,607
Receivables pertaining to financial leasing (short-term and long-term)	-243,040	-190,259	-217,612
<b>Net debt</b>	<b>971,744</b>	<b>1,231,109</b>	<b>1,165,995</b>

## Items affecting comparability

All amounts in SEK 000s	Q3 14/15	Q3 13/14	Q1-Q3 14/15	Q1-Q3 13/14	Q4 13/14- Q3 14/15	Full-year 2013/14
<b>Included in operating profit</b>						
Acquisition-related expenses	-3,614	-1,255	-3,614	-1,255	-12,366	-10,007
Costs for integrated IT platform	-11,730	-10,199	-27,357	-62,713	-52,544	-87,900
Change in value and currency translation difference of debt for supplementary purchase consideration	-	111,527	-	111,527	-12,492	99,035
IPO-related expenses	-	-	-33,038	-	-33,038	-
<b>Total</b>	<b>-15,344</b>	<b>100,073</b>	<b>-64,009</b>	<b>47,559</b>	<b>-110,440</b>	<b>1,128</b>

# Investments

All amounts in SEK 000s	Q3 14/15	Q3 13/14	Q1–Q3 14/15	Q1–Q3 13/14	Full-year 2013/14
<b>Investments</b>					
Capitalised expenditure for IT development attributable to integrated IT platform	-8,072	-9,079	-9,044	-23,528	-25,493
Equipment and leasehold improvements	-2,495	-2,426	-11,406	-3,991	-6,585
<b>Total</b>	<b>-10,567</b>	<b>-11,505</b>	<b>-20,450</b>	<b>-27,519</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	May 31, 2015	May 31, 2014	August 31, 2014
Inventories	269,711	216,214	217,590
Accounts receivable	854,558	760,063	689,190
Tax assets, other current receivables, as well as prepaid expenses and accrued income	169,596	112,546	119,073
Accounts payable	-937,835	-930,592	-772,234
Tax liabilities, accrued expenses and deferred income, as well as other current liabilities	-268,510	-181,831	-246,505
<b>Total</b>	<b>87,520</b>	<b>-23,600</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, which means that the remaining financing is entirely external and on market terms.

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. The valuation level is unchanged compared with August 31, 2014. The fair value of the derivative instrument amounted to SEK 11 million as at May 31, 2015.

## Financial key ratios

	Q3 14/15	Q3 13/14	Q1-Q3 14/15	Q1-Q3 13/14	Q4 13/14- Q3 14/15	Full-year 2013/14
Organic sales growth (%)	-1.1	25.2	5.7	22.0	-	21.0
Gross margin (%)	14.2	13.6	14.0	14.3	14.2	14.4
Adjusted EBITA (SEK million)	82	80	286	283	356	353
Adjusted EBITA margin (%)	4.3	4.2	4.6	4.9	4.6	4.8
Operating cash flow	37	167	235	435	259	459
Cash generating (%)	44	205	80	150	71	127
Net debt (SEK million)	972	1,231	972	1,231	972	1,166
Net debt/adjusted EBITDA (multiple)	-	-	-	-	2.6	3.2
Net working capital (SEK million)	88	-24	88	-24	88	7
Capital employed	222	118	222	118	222	145
Return on equity (%)	-	-	-	-	9.6	22.0
Equity/assets ratio (%)	32.9	20.9	32.9	20.9	32.9	20.4



# Quarterly financial information

All amounts in SEK 000s	Q3 14/15	Q2 14/15	Q1 14/15	Q4 13/14	Q3 13/14	Q2 13/14	Q1 13/14
Net sales	1,919	2,188	2,068	1,637	1,902	2,007	1,824
Gross margin (%)	14.2	13.8	14.2	14.6	13.6	14.6	14.7
Adjusted EBITA (SEK million)	82	108	97	70	80	106	97
Adjusted EBITA margin (%)	4.3	4.9	4.7	4.3	4.2	5.3	5.3
<b>B2B segment</b>							
Net sales	1,779	2,012	1,915	1,457	1,728	1,784	1,648
Segment results	142	170	160	116	136	155	147
Segment margin (%)	8.0	8.5	8.3	8.0	7.8	8.7	8.9
<b>B2C segment</b>							
Net sales	139	176	153	180	174	223	176
Segment results	6.2	6.5	1.4	8.4	9.6	12.5	7.7
Segment margin (%)	4.5	3.7	0.9	4.7	5.5	5.6	4.4
<b>Central functions</b>							
Central functions	-66	-69	-61	-54	-66	-61	-57
Percentage of net sales	-3.4	-3.2	-3.0	-3.3	-3.4	-3.0	-3.1

## Share-related key ratios

	Q3 14/15	Q3 13/14	Q1-Q3 14/15	Q1-Q3 13/14	Q4 13/14- Q3 14/15	Full-year 2013/14
Earnings per share (SEK)	0.51	2.05	1.36	2.79	1.09	2.48
Earnings per share after dilution (SEK)	0.51	2.05	1.36	2.79	1.09	2.48
Equity per share (SEK)	17.03	11.44	17.03	11.44	17.03	11.24
Equity per share after dilution (SEK)	17.02	11.44	17.02	11.44	17.02	11.24
Cash flow from operating activities per share before dilution (SEK)	0.11	1.85	1.08	4.29	-	3.87
Cash flow from operating activities per share after dilution (SEK)	0.11	1.85	1.08	4.29	-	3.87
Average number of shares	76,173,115	66,095,090	69,986,319	66,095,090	69,005,516	66,095,090
Average number of shares after dilution	76,219,650	66,095,090	70,032,855	66,095,090	69,052,052	66,095,090

In order to obtain comparability between the periods, the average number of shares has been recalculated.

## Condensed income statement, Parent Company

All amounts in SEK 000s	Q3 14/15	Q3 13/14	Q1–Q3 14/15	Q1–Q3 13/14	Q4 13/14– Q3 14/15	Full-year 2013/14
Net sales	99	99	289	298	397	397
Operating loss	-7,306	-,3,557	-24,117	-3,788	-24,396	-4,067
Loss after financial items	-7,527	-25,403	-68,904	-71,676	-93,924	-96,696
Earnings before tax*	-7,527	-25,403	-68,904	-71,676	-6,380	-9,152
<b>Profit/loss for the period</b>	<b>-5,871</b>	<b>-19,814</b>	<b>-53,745</b>	<b>-55,722</b>	<b>-5,321</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	May 31, 2015	May 31, 2014	August 31, 2014
Fixed assets	1,223,572	1,161,663	1,223,572
Current assets	532,118	83,159	181,010
<b>Total assets</b>	<b>1,755,690</b>	<b>1,244,822</b>	<b>1,404,582</b>
Equity	604,677	149,776	198,386
Untaxed reserves	7,793	7,793	7,793
Long-term liabilities	1,058,240	947,341	1,052,938
Current liabilities	79,272	73,045	84,337
Other current liabilities	5,708	66,867	61,128
<b>Total equity and liabilities</b>	<b>1,755,690</b>	<b>1,244,822</b>	<b>1,404,582</b>

# Definitions

**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).

## For further questions, please contact:

### Dustin Group AB

Johan Karlsson, CFO  
johan.karlsson@dustin.se  
+46 (0)708 67 79 97

Niklas Alm, IR Manager  
niklas.alm@dustin.se  
+46 (0)708 24 40 88