

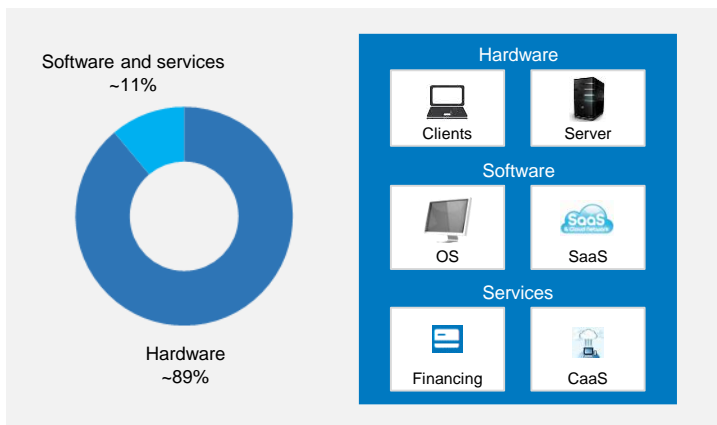
# Presentation – Q2 2016/17

April, 2017

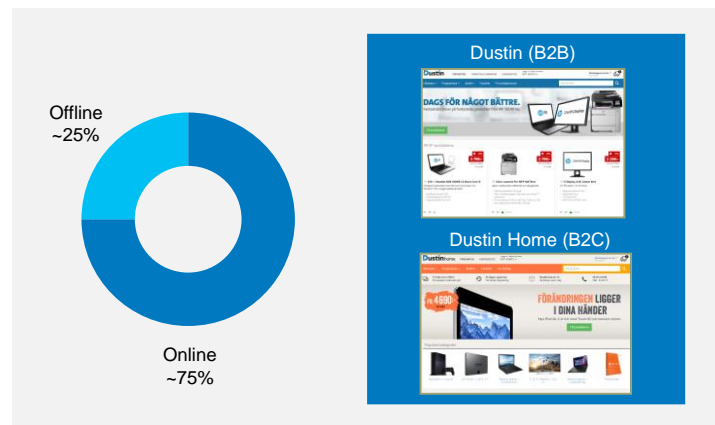


# Dustin at a Glance

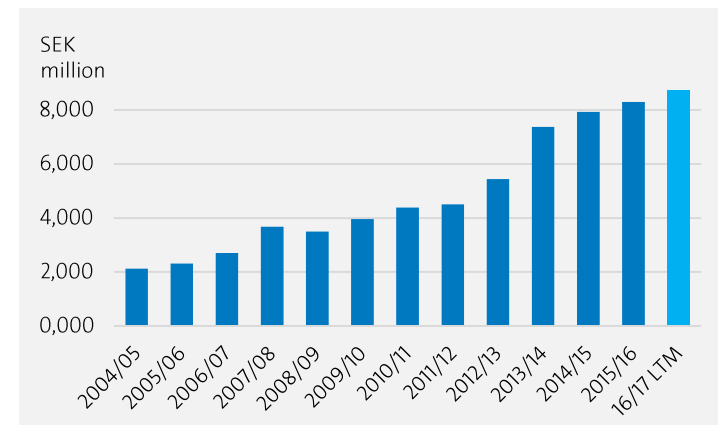
## 200,000 hardware and software products...



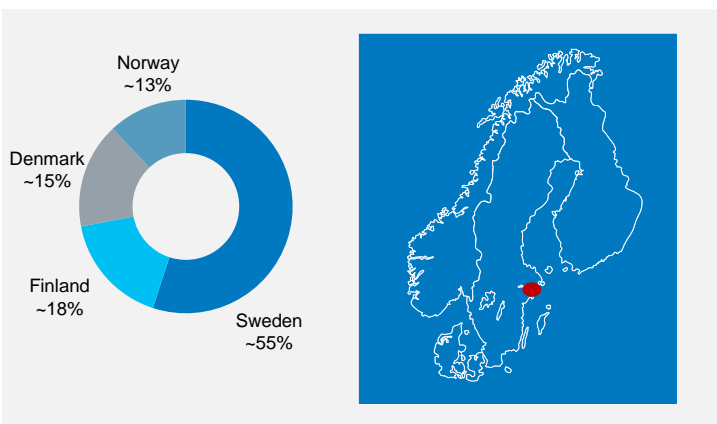
## ...sold online...



## Net sales



## ...across the Nordics...

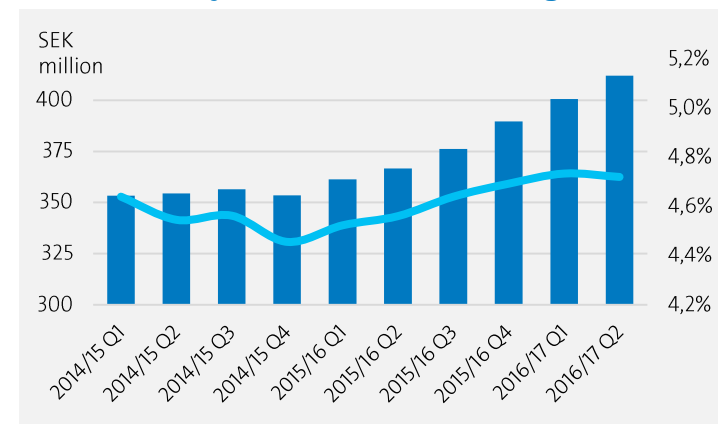


## ...to B2B customers

% net sales	Customers	Offering	Avg. order
93%	SMB	Full assortment	SEK 6,000
	Public/Large	Replishment IT	SEK 7,000
7%	B2C	IT products	SEK 2,000

**1.4 million orders**

## Adjusted EBITA and margin



# Q2 2016/17: Strong sales growth in all markets

## Net sales growth during Q2 2016/17

### Group

- Strong organic growth
- Online platform effectively meeting high customer demand
- Continued gross margin improvement
- All time high sales and EBITA in absolute terms

### B2B

- Strong growth in all customer groups
- Increased sales within new frame agreements to larger corporates and the public sector
- Online sales supporting SMB growth

### B2C

- Negative sales growth in the quarter
- Improved segment margin
- Prioritize profitability before volume

## Adjusted EBITA margin during Q2 2016/17

### Group

- Adjusted EBITA margin stable at 5.0% (5.0%)
- Margin positively impacted by favorable product mix, counteracted by higher share of sales within new frame agreements

## Operational highlights during Q2 2016/17

### Group

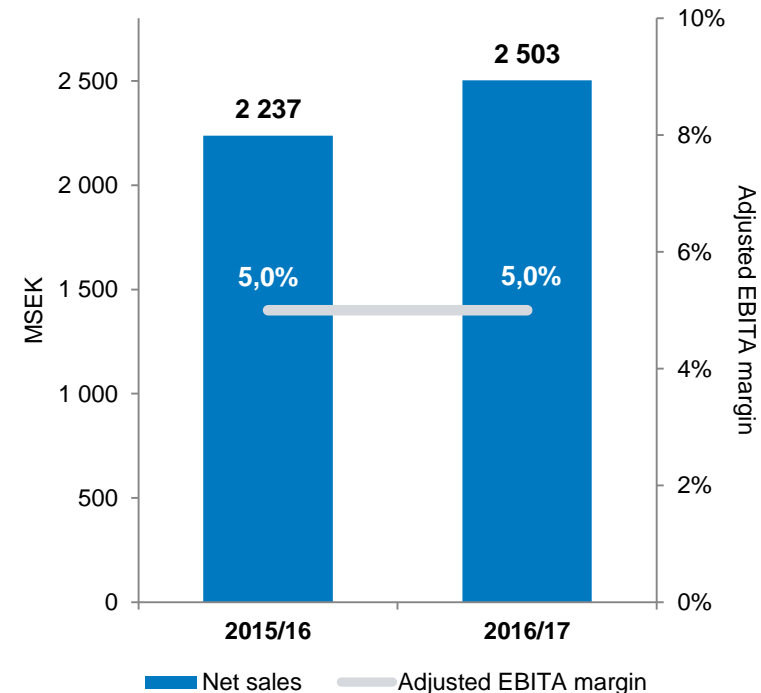
- Acquisition of Purity IT in Norway
- New unit Operations - strengthened Nordic organization
- Finnish organization fully integrated
- Dustin Expo with more than 10,000 visitors

# Q2 2016/17 Financial Highlights

## A Proven Business Model

- **Net sales grew by 11.9% to 2,503 (2,237) MSEK**
  - Organic growth of 8.7% in constant currency
- **Gross profit of 373 (328) MSEK**
  - Gross margin increased to 14.9% (14.7%)
- **Adjusted EBITA of 124 (113) MSEK**
  - Adjusted EBITA margin stable at 5.0% (5.0%)
- **Earnings per share amounted to 0.99 (0.96) SEK**
- **Operating cash flow of -55 (90) MSEK**
- **Net debt of 812 (808) MSEK**
  - Net debt/adjusted EBITDA of 1.9x, down from 2.1x at year end 2015/16

Net sales and adjusted EBITA margin



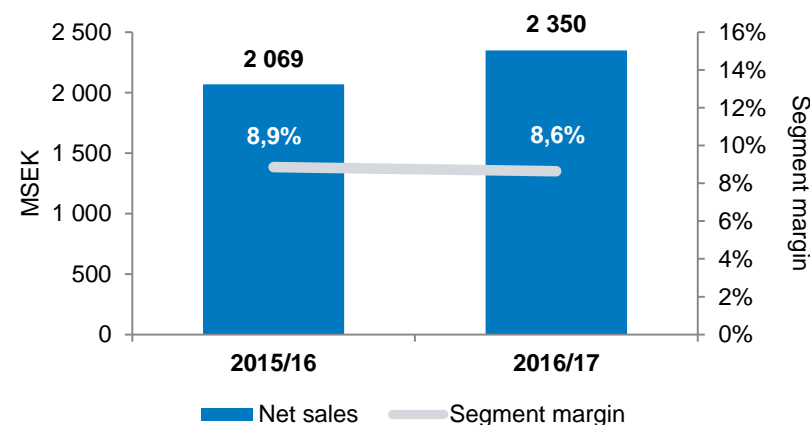
# Financial Development – B2B

## Strong growth across the B2B segment

- **Net sales growth in B2B of 13.6% y/y**
  - Organic growth of 10.3% in constant currency
- **Continued strong online performance**
  - Nordic online platform effectively meeting high customer demand and continues to generate high sales growth in all customer groups
  - Increased RoI on online marketing investments generating high sales growth and customer intake
  - Leverage on recent acquisitions with higher share of advanced products and services to further improve margins
- **Substantial growth within large corporates and the public sector**
  - Larger deals within existing frame agreements boosted quarterly sales towards large corporates and the public sector, especially in Denmark and Finland
  - Positive product mix from advanced products and services coming from acquisitions
  - Somewhat negative customer mix and higher share of new sales towards larger corporates and the public sector muted further margin expansion

MSEK	Q2 2016/17	Q2 2015/16	Organic growth const. currency	Q2 y/y growth
<b>Net sales</b>	2,350	2,069	10.3%	13.6%
Segment result	203	183	–	10.8%
<i>Segment margin</i>	8.6%	8.9%	–	–

### Net sales and segment margin

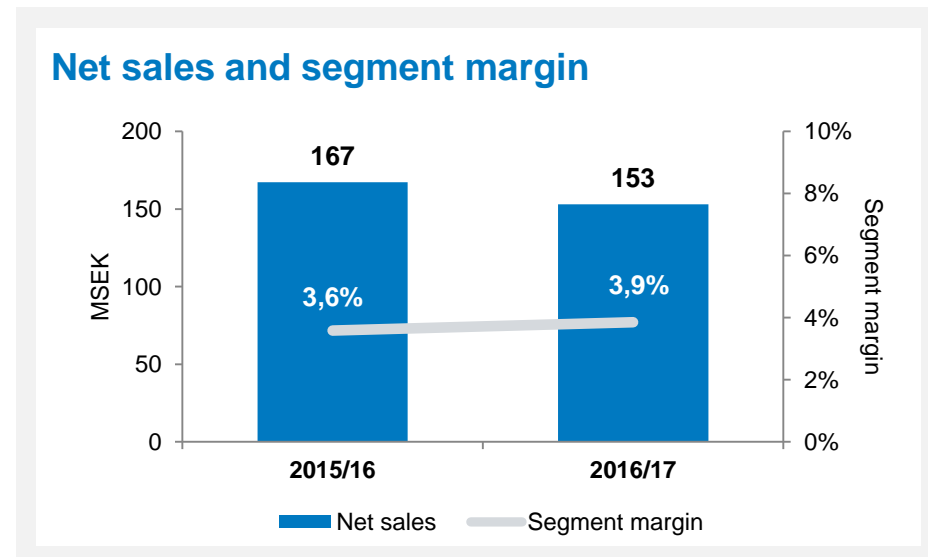


# Financial Development – B2C

## Negative quarterly growth – focus on margin

- **Net sales growth in B2C by -8.5% y/y**
  - Organic growth of -10.4% in constant currency
  - Positive sales development in Finland and Norway, while sales in Sweden and Denmark declined
  - B2C year-to-date growth of 4.1%
- **Continued focus on margin**
  - Segment margin improved to 3.9% (3.6%)
  - Pricing discipline and flexible cost base
- **Complement segment representing just over 6% of total sales**
  - Valuable segment to understand market trends and to get access to consumer assortment

MSEK	Q1 2016/17	Q1 2015/16	Organic growth const. currency	Q1 y/y growth
Net sales	153	167	-10.4%	-8.5%
Segment result	5.9	6.0	–	-0.8%
Segment margin	3.9%	3.6%	–	–



# Summary of the Second Quarter Results

MSEK	Q2 2016/17	Q2 2015/16	FY 2015/16	FY 2014/15
Net sales	2,503	2,237	8,301	7,933
Organic net sales growth	8.7%	2.4%	4.4%	5.7%
Items affecting comparability	-	-	-5	-69
Adjusted EBITDA	127	116	400	364
Adjusted EBITA	124	113	390	354
- Adjusted EBITA margin	5.0%	5.0%	4.7%	4.5%
Central costs as % of Net sales	-3.4%	-3.4%	-3.5%	-3.2%
Net debt	812	808	826	937
Net debt / Adjusted EBITDA*	1.9x	2.4x	2.1x	2.6x
Net working capital	-27	5	32	158
Return on equity	-	-	15.8%	9.4%
Earnings per share (SEK)	0.99	0.96	2.95	1.75
Equity per share (SEK)	18.27	17.45	18.67	17.38
Cash flow from operating activities per share (SEK)	-0.72	1.18	5.87	0.82
Dividend per share (SEK)	-	-	2.40	1.70

\* Adjusted EBITDA refers to rolling 12 months

# Net working capital

## Low net working capital

- Net working capital was -27 MSEK (5)
- Inventory level affected by special customer agreements and launch of Dustin private label
- Account receivables higher than last year primarily as a result of strong sales growth within large corporates and the public sector
- Account payables increased due to favorable credit terms from one distributor and valid until further notice
- Normalized level of net working capital at approximately 0.5 percent of net sales

MSEK	Q2 2016/17	Q2 2015/16	Q2 y/y growth
Inventories	301	236	27.4%
Account receivables	1,082	859	25.9%
Current tax assets, prepaid expenses and accrued income and other receivables	185	185	0.1%
<b>Current non-interest bearing assets</b>	<b>1,568</b>	<b>1,280</b>	<b>22.5%</b>
Account payables	1,257	937	34.2%
Current tax liabilities, accrued expenses and deferred income and other liabilities	338	338	-0.1%
<b>Current non-interest bearing liabilities</b>	<b>1,595</b>	<b>1,275</b>	<b>25.1%</b>
<b>Net working capital</b>	<b>-27</b>	<b>5</b>	<b>nm</b>
<i>Net working capital as % of net sales, LTM</i>	<i>-0.3%</i>	<i>0.1%</i>	<i>-</i>



# Investments

## Continued low levels of capex

- **Capex at 0.3% (0.5%) of net sales**

- Capex related to IT development (integrated IT-platform and other long term strategic IT-systems) of SEK 4 (5) million
- Other capex of SEK 3 (6) million.

MSEK	Q2 2016/17	Q2 2015/16
Capitalized expenditure for IT development	4.1	5.0
- as % of net sales	0.2%	0.2%
Other capex	3.2	5.7
- as % of net sales	0.1%	0.3%
<b>Capex</b>	<b>7.3</b>	<b>10.7</b>
- as % of net sales	0.3%	0.5%

# Nordic strategy enables profitable growth

## Harmonized offerings across the Nordics

- Managed Services offerings (XaaS) centrally produced for all markets
- Sold via online platform and local relation sales force

## Common standardized IT-platform

- IT-platform fully integrated across the Nordics, launched in Sweden and Denmark 2014, Norway 2015 and Finland 2016
- Standardized and scalable, tailored for the B2B segment using best of breed components
- Online platform launched in all markets and offers a material long-term growth opportunity

## Strengthened Nordic organization

- Shared service center supporting all markets in areas such as purchasing, customer service, logistics, sales operations
- Potential to increase both efficiency and customer satisfaction across all markets
- Local sales unit in Finland merged with Nordic sales organization



# Value enhancing acquisition strategy

## Value accretive

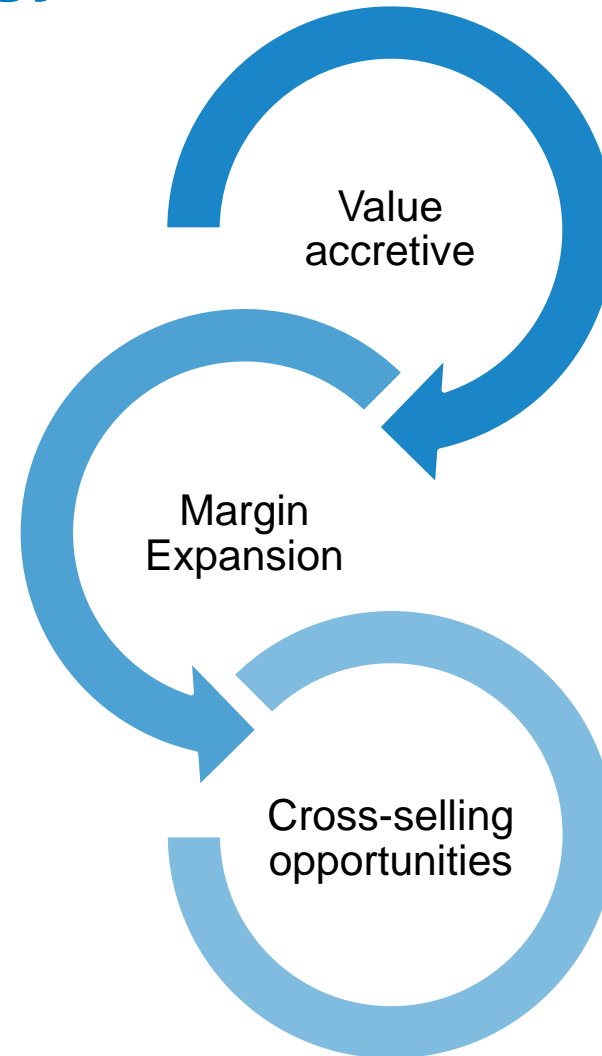
- Target smaller businesses with limited stand-alone expansion ability with a turnover of SEK 50-200 million
- Acquired at an EV/EBITDA multiple of 4-6 times

## Margin expansion

- Higher share of advanced products and services or a specific IT solution renders stronger margins

## Cross-selling opportunities

- Possibility for Dustin to cross-sell acquired products, services and/or solutions to +100,000 B2B customers
- Supporting customer journey driving both margin and loyalty



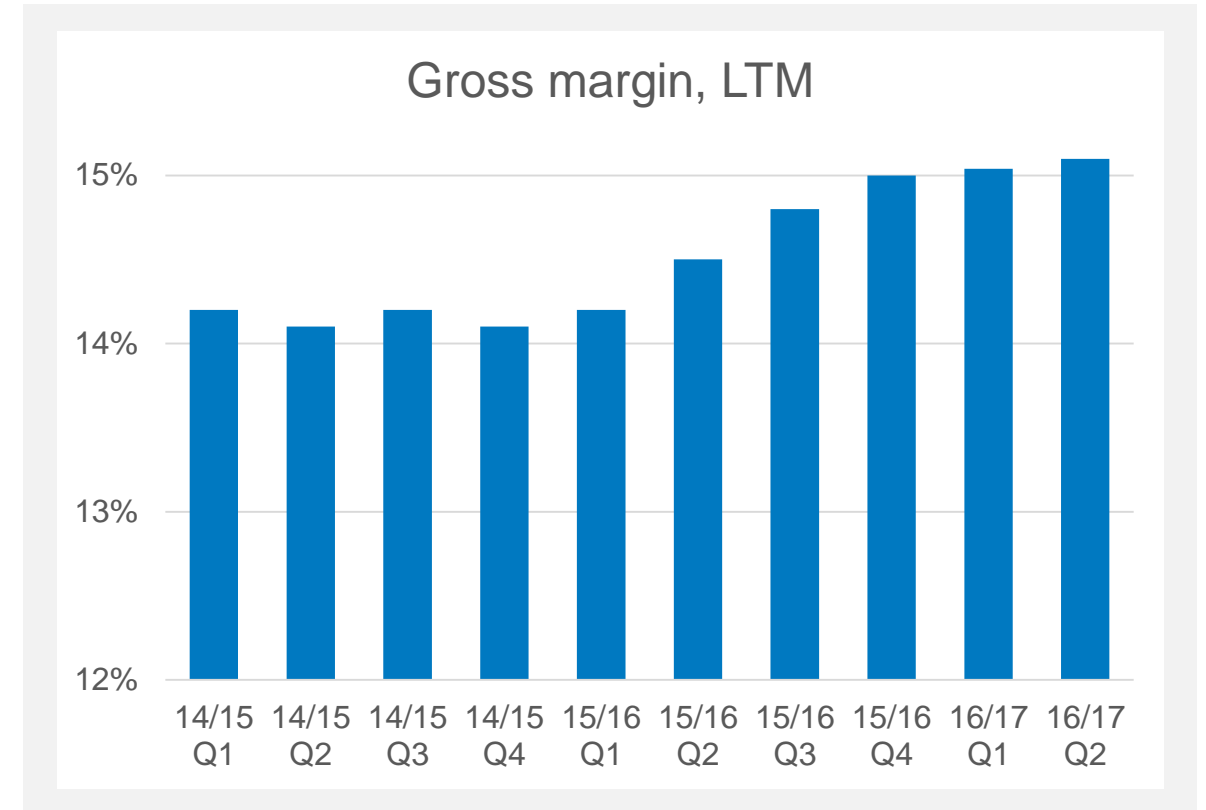
# Improved gross margin through transformation

## Several factors behind margin expansion

- Increasing share of advanced products and services
- Higher share of recurring revenues
- Efficient pricing platform

## Acquisitions empowers transformation

- New bolt-on acquisition of Purity IT
  - Backup, storage and disaster recovery
  - Growth supported by positive market trends around security
- Several acquisitions within advanced products and services
  - IKT-Gruppen (cloud solutions sales)
  - Idenet (cloud and hosting)
  - Commsec (networking)
  - Resolute (networking)



# Summary

## Strong sales growth in all markets

### Net sales increased by 11.9%

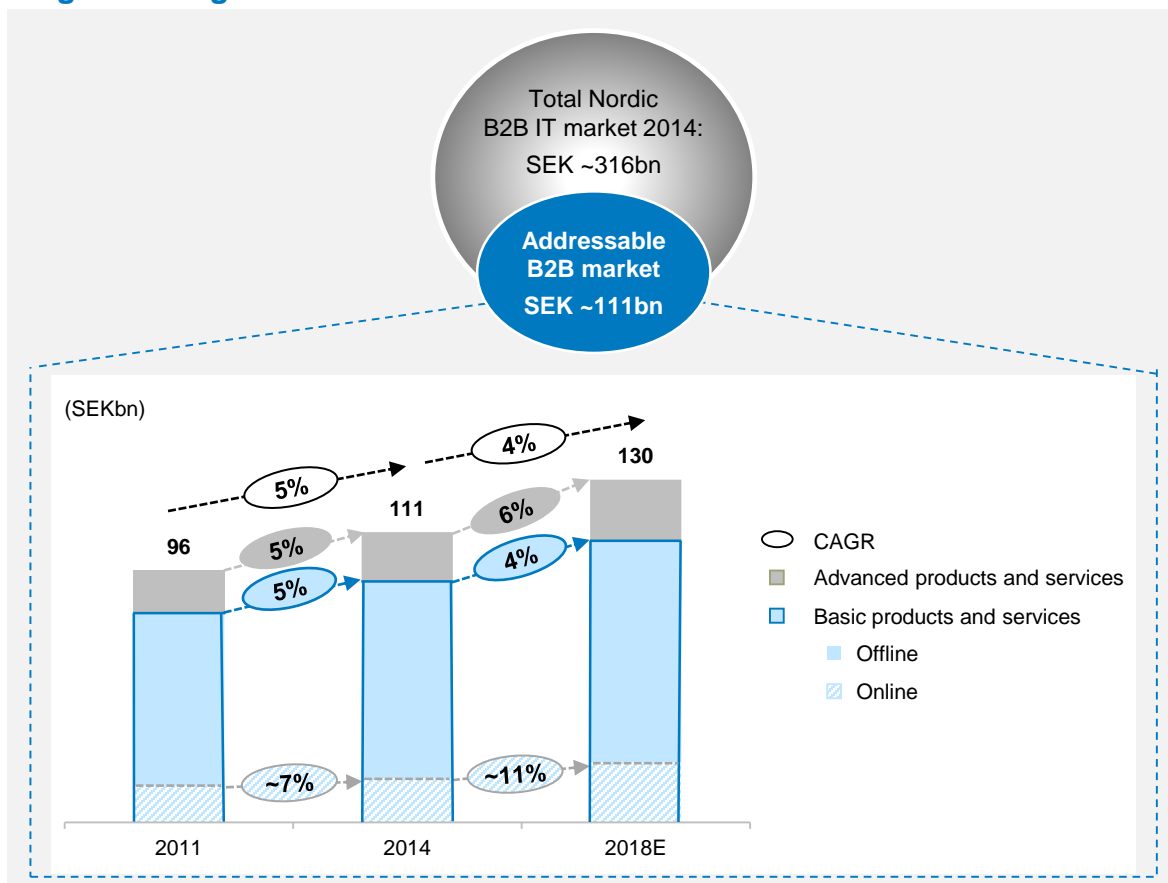
- Organic net sales growth of 8.7% in constant currency
- Strong growth across the B2B segment
- **Gross margin increased to 14.9% (14.7%)**
  - Favourable product mix from acquisitions, e.g. networking solutions
  - Strong online sales supporting SMB growth
  - Increased sales within new frame agreements to larger corporates and the public sector, mitigated further margin expansion
- **Increased adjusted EBITA by 10%**
- **Strong financial position enables further acquisitions**



# Corporate presentation

# High growth position in a large market

## Large and fragmented addressable market



Note: Market data based on calendar years. Addressable market includes all B2B hardware and selected SMB specific software and services.  
Source: Dustin estimates based on market analysis from a leading professional advisor including market information from IDC.

## Key trends driving Dustin's underlying growth



Channel shift from offline to online

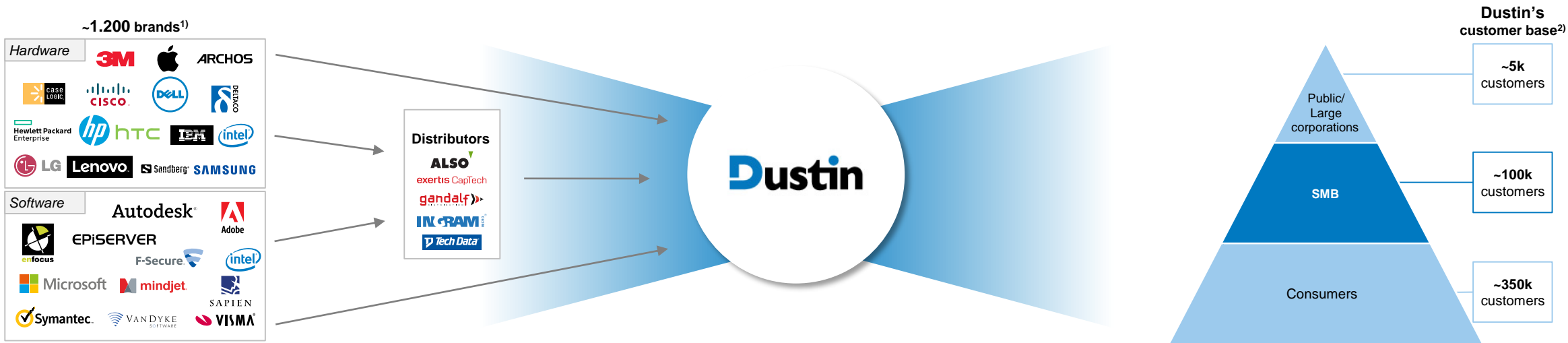


Growth pockets within advanced products and services



Higher growth for smaller companies

# Dustin has a strong position in the value chain



Value proposition to OEMs and distributors	High barriers to entry	Value proposition to customers
<ul style="list-style-type: none"> <li>▪ Distribution to customers that are difficult to serve</li> <li>▪ &gt;100k loyal B2B customers</li> <li>▪ Unique partner for campaigns / product launches</li> </ul>	<ul style="list-style-type: none"> <li>▪ Significant scale</li> <li>▪ Long term experience</li> <li>▪ Market leading brand</li> </ul>	<ul style="list-style-type: none"> <li>▪ Wide product and service offering</li> <li>▪ High IT knowledge</li> <li>▪ Fast and reliable delivery</li> </ul>
A LARGE NUMBER OF SUPPLIERS...	...NEED AGGREGATOR TO INTERACT WITH...	...A LARGE NUMBER OF CUSTOMERS

1) Purchased from ~350 suppliers (OEMs or distributors). 2) Defined as customers that have made at least one purchase during last 18 months. For consumers, the unique identifier is account number rather than personal identification number.



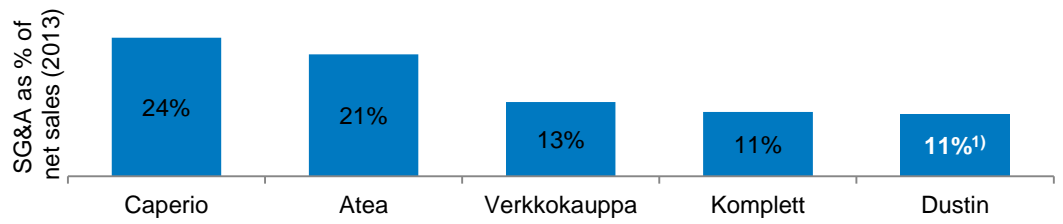
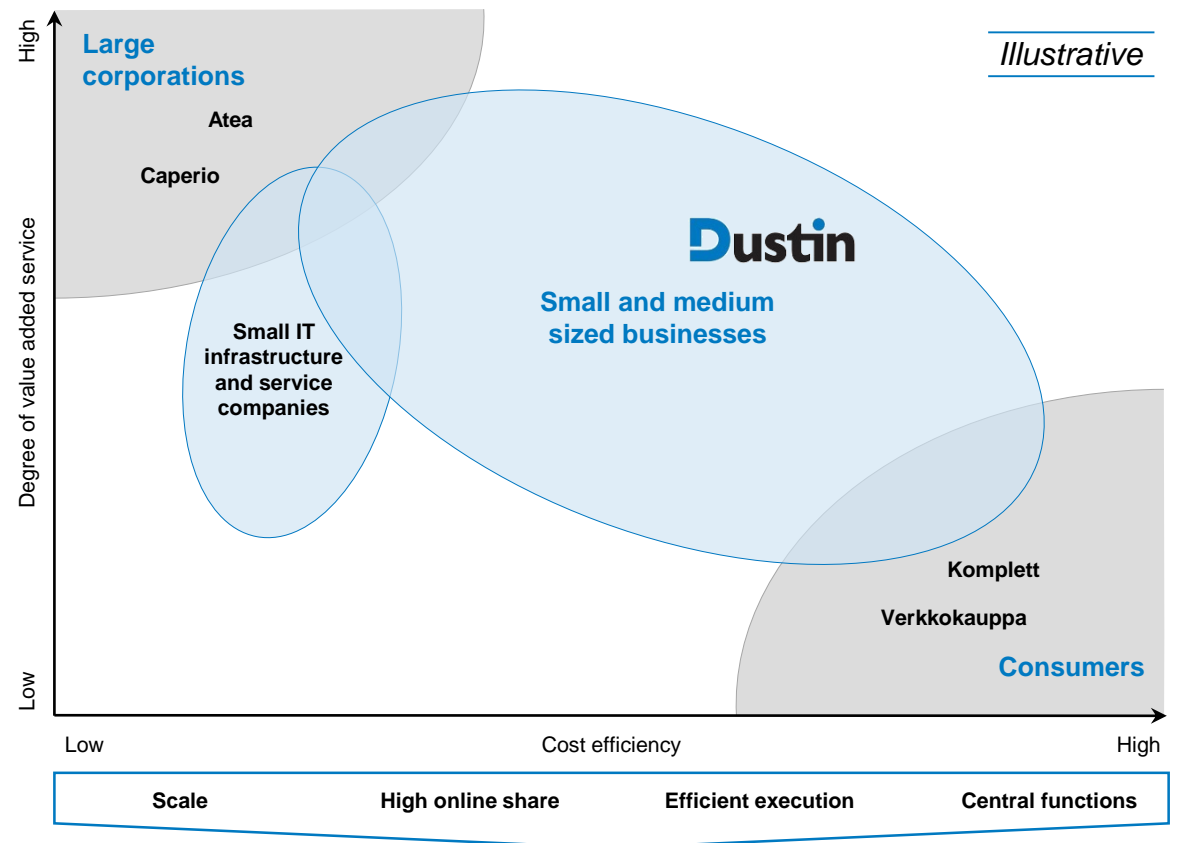
# Unique position combining cost efficiency with high service level

ERP implementation  
Strategic IT consultancy

- Integrated solutions
- On-site services
- Product-near services
- High IT knowledge
- Fast delivery
- Wide offering of ~200k IT products
- Strong brand name

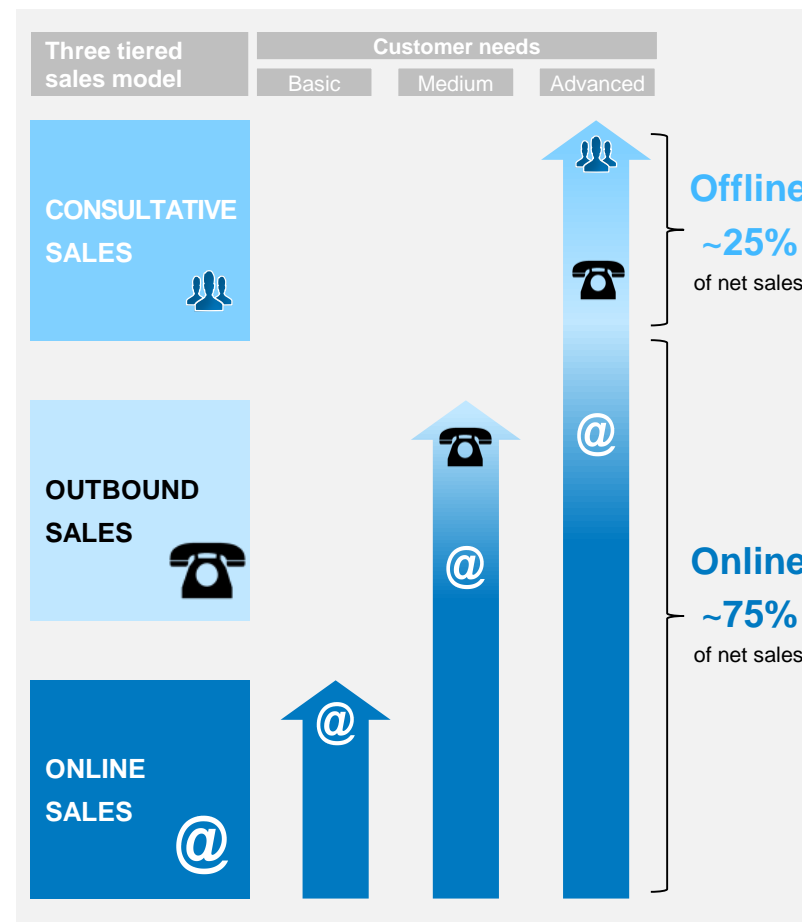
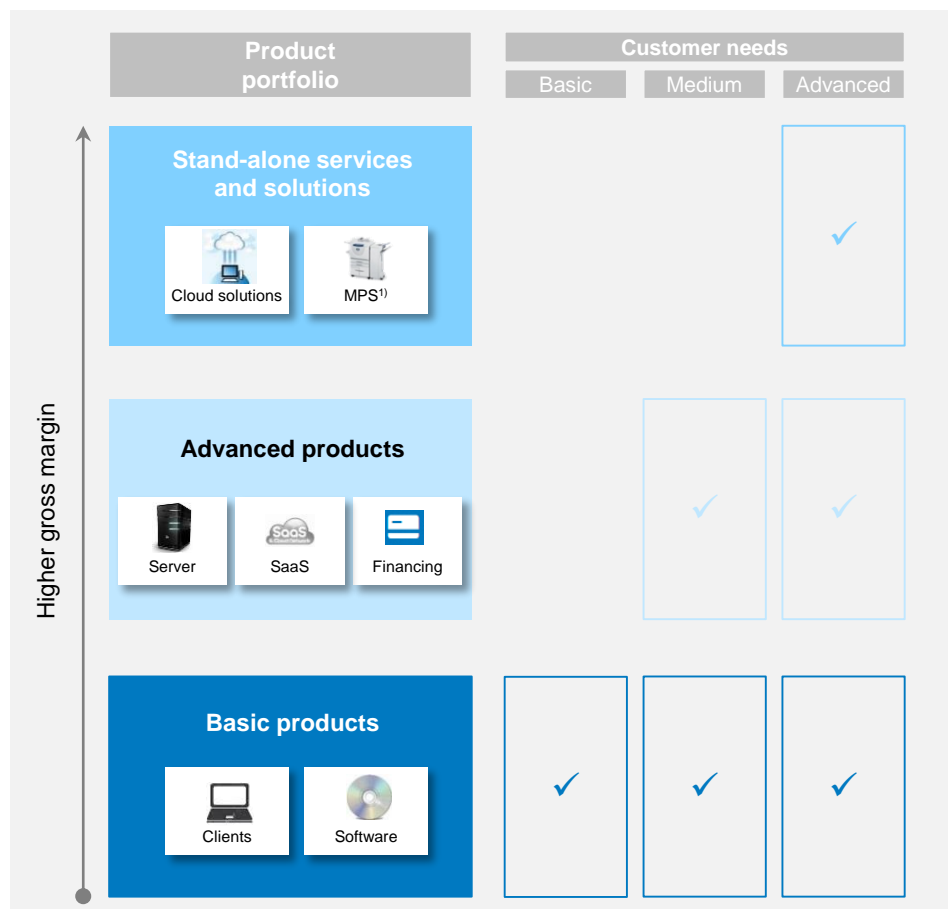
Non-IT related consumer products

- Dustin's focus areas
- Non SMB related services



1) 2014. Refer to the financial year ended 31 August, 2014.  
Source: Annual reports, industry analysis and management analysis.

# Multi-channel approach to drive growth and margins



# Financial targets

## Financial targets

## Historical performance

### Net sales growth

Dustin's target is to achieve average annual organic net sales growth amounting to 8 percent over an economic cycle

In addition, Dustin targets to grow through acquisitions

### 8% organic growth

Average per year over a cycle

Period: 2011/12 – 2015/16

Average: ~8% organic growth per year

### Profitability

Dustin's target is to increase adjusted EBITA margin over time and in the medium term achieve 5–6 percent adjusted EBITA margin

### 5–6%

Adj. EBITA margin

Period: 2011/12 – 2015/16

Average: 4.7%

### Capital structure

Dustin's capital structure shall provide a high degree of financial flexibility and allow for acquisitions

Dustin targets to have financial debt, over time, amounting to a multiple of 2–3 times adjusted EBITDA for the last twelve months

### 2.0–3.0x

Net debt to adj. EBITDA

Period: 2015/16

Actual: 2.1x adjusted EBITDA

### Dividend policy

Dustin's target is to pay a dividend corresponding to more than 70 percent of net profit

The dividend shall take into account acquisitions, the company's financial position, cash flow and future growth opportunities

### >70%

Pay-out ratio

Period: 2015/16

Actual: 81 percent, corresponding to SEK 2.40 per share

# Growth and margin expansion all about continuation of successful strategy



Customer acquisition

Increase sales and profitability with existing customers

Harmonised offering across geographies

Realise efficiency improvements and scalability

Selective M&A to support growth and broaden customer offering

# Appendix

# Quarterly information

## Quarterly sales and segment results

SEK million	2012/13				2013/14				2014/15				2015/16				2016/17	
	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17
Net sales	1,186	1,433	1,413	1,406	1,824	2,007	1,902	1,637	2,068	2,188	1,919	1,759	2,124	2,237	1,989	1,952	2,284	2,503
Share of net sales for the year (%)	21.8%	26.3%	26.0%	25.8%	24.7%	27.2%	25.8%	22.2%	26.1%	27.6%	24.2%	22.2%	25.6%	26.9%	24.0%	23.5%	-	-
y/y growth	-2%	14%	29%	47%	54%	40%	35%	16%	13%	9%	1%	7%	3%	2%	4%	11%	8%	12%
Adjusted EBITA	63	63	69	59	97	106	80	70	97	108	82	67	105	113	91	81	116	124
Adjusted EBITA margin(%)	5.3%	4.4%	4.9%	4.2%	5.3%	5.3%	4.2%	4.3%	4.7%	4.9%	4.3%	3.8%	4.9%	5.0%	4.6%	4.1%	5.1%	5.0%
Share of adjusted EBITA for the year (%)	28.1%	23.3%	26.1%	22.5%	27.8%	27.7%	21.9%	22.5%	27.4%	30.5%	23.2%	18.9%	26.9%	28.9%	23.5%	20.7%	-	-
<b>B2B segment</b>																		
Net sales	1,025	1,240	1,270	1,251	1,648	1,784	1,728	1,457	1,915	2,012	1,779	1,621	1,980	2,069	1,848	1,806	2,113	2,350
Share of net sales for the year (%)	21%	26%	27%	26%	25%	27%	26%	22%	26.1%	27.5%	24.3%	22.1%	25.7%	26.9%	24.0%	23.4%	-	-
y/y growth	0%	16%	34%	58%	61%	44%	36%	16%	16%	13%	3%	11%	3%	3%	4%	11%	7%	14%
Segment result	107	109	113	95	147	155	136	116	160	170	142	118	171	183	156	150	186	203
Segment margin (%)	10.4%	8.8%	8.9%	7.6%	8.9%	8.7%	7.8%	8.0%	8.3%	8.5%	8.0%	7.3%	8.6%	8.9%	8.4%	8.3%	8.8%	8.6%
<b>B2C segment</b>																		
Net sales	162	192	143	154	176	223	174	180	153	176	139	138	143	167	141	146	171	153
Share of net sales for the year (%)	25%	30%	22%	24%	23%	30%	23%	24%	25%	29%	23%	23%	24.0%	28.0%	23.6%	24.4%	-	-
y/y growth	-12%	5%	0%	-6%	9%	16%	21%	17%	-13%	-21%	-20%	-23%	-6%	-5%	1%	5%	19%	-8%
Segment result	9.1	8.7	6.3	8.9	7.7	12.5	9.6	8.4	1.4	6.5	6.2	4.8	4.1	6.0	6.7	5.6	5.5	5.9
Segment margin (%)	5.6%	4.5%	4.4%	5.8%	4.4%	5.6%	5.5%	4.7%	0.9%	3.7%	4.5%	3.4%	2.9%	3.6%	4.7%	3.8%	3.3%	3.9%
<b>Central functions</b>																		
Central functions	54	55	50	45	57	61	66	54	64	69	66	55	70	77	71	75	76	85
Share of full year (%)	26%	27%	25%	22%	24%	26%	28%	23%	25%	27%	26%	22%	24.0%	26.1%	24.2%	25.7%	-	-
As % of net sales	4.5%	3.8%	3.6%	3.2%	3.1%	3.0%	3.4%	3.3%	3.1%	3.2%	3.4%	3.1%	3.3%	3.4%	3.6%	3.9%	3.3%	3.4%
<b>Items affecting comparability</b>																		
Items affecting comparability	-2	0	0	-1	-47	-5	100	-46	-11	-38	-15	-5	-2	-	-3	-	-2	-