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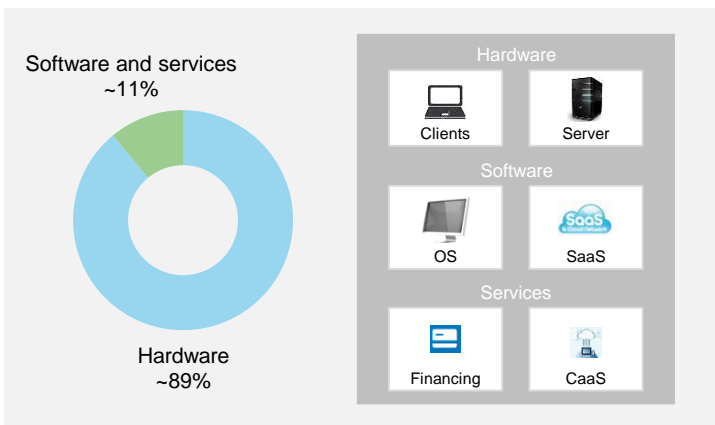
# Presentation – Q3 2016/17

July, 2017

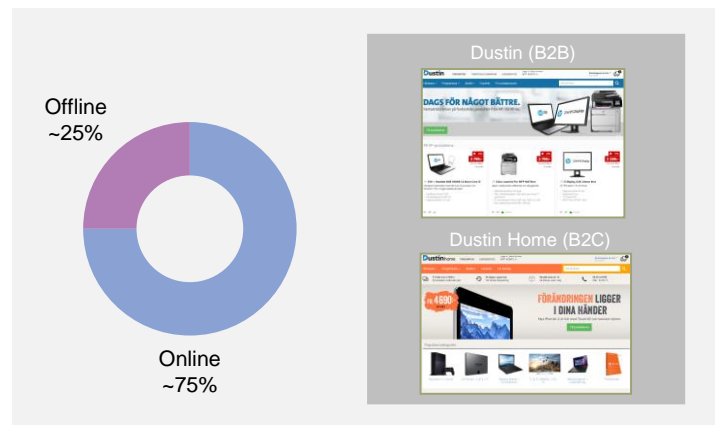


# Dustin at a Glance

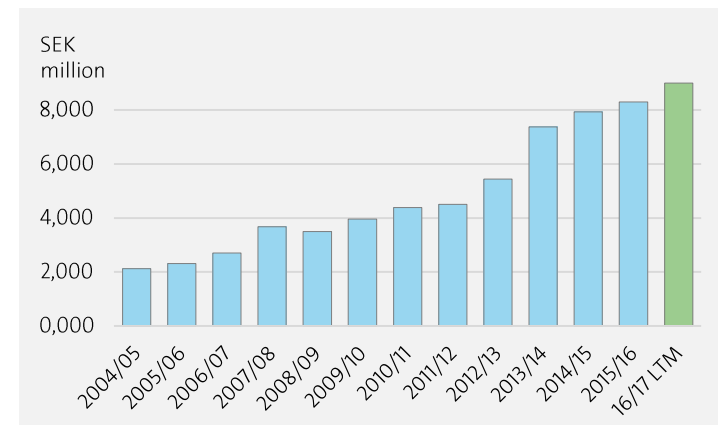
## 200,000 hardware and software products...



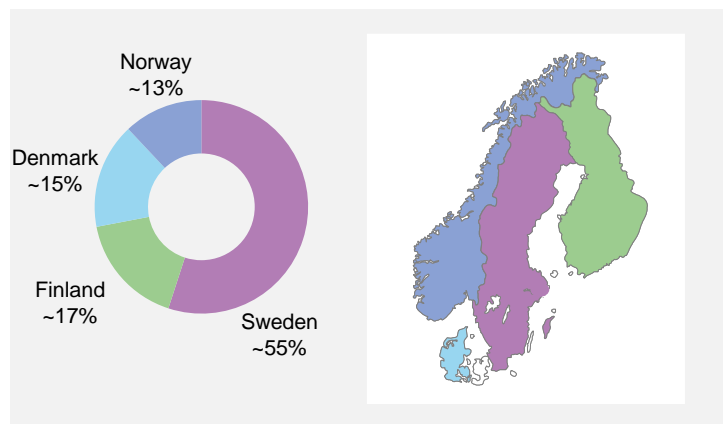
## ...sold online...



## Net sales



## ...across the Nordics...

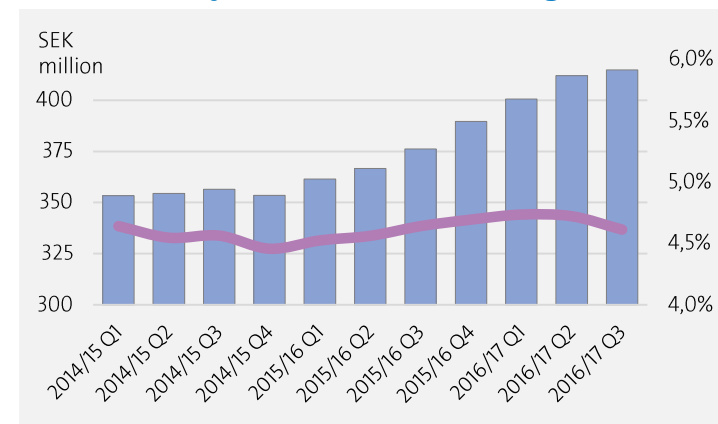


## ...to B2B customers

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

**1.4 million orders**

## Adjusted EBITA and margin



# Q3 16/17 Strong growth and increased focus on the service offering

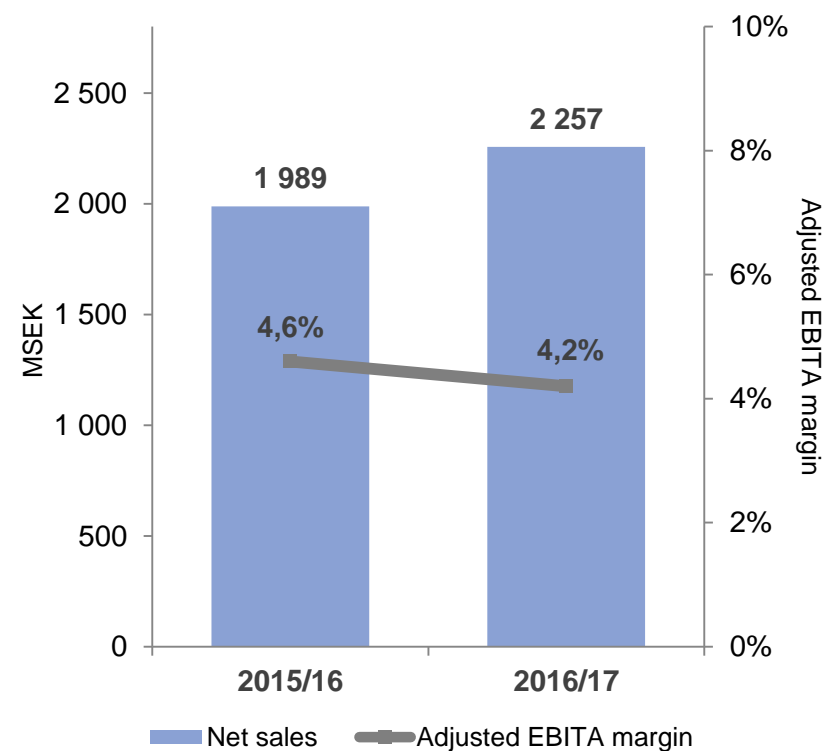
## Financial Highlights

- **Net sales grew by 13.5% to 2,257 (1,989) MSEK**
  - Organic growth of 9.2% in constant currency
- **Gross profit of 341 (305) MSEK**
  - Gross margin of 15.1% (15.4%)
- **Adjusted EBITA of 94 (91) MSEK**
  - Adjusted EBITA margin of 4.2% (4.6%)
- **Earnings per share amounted to 0.62 (0.65) SEK**
- **Operating cash flow of -23 (233) MSEK**
- **Net debt of 997 (710) MSEK**
  - Net debt/adjusted EBITDA of 2.3x, up from 2.1x at year end 2015/16

## Operational Highlights

- Acquisition of Purity IT and Saldab IT
- Ruling in Norwegian dispute
- Extended external funding for further acquisitions
- CEO of Dustin to leave position in 6 months

Net sales and adjusted EBITA margin



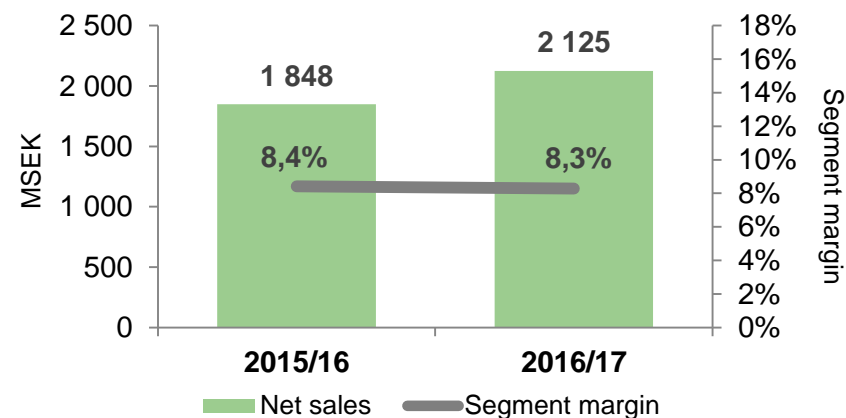
# Financial Development – B2B

## Strong growth in the B2B segment

- **Net sales growth in B2B of 15.0% y/y**
  - Organic growth of 10.5% in constant currency
- **Segment result increased 13.2% to 176 (156) MSEK**
  - Segment margin stable at 8.3% (8.4%)
- **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
  - Unfavorable customer mix with higher share of new sales within frame agreements as well as product mix with higher share of clients pressured margins
- **Continued strong online performance towards SMBs**
  - Nordic online platform effectively meeting high customer demand and continues to generate high sales growth
  - Positive product mix from advanced products and services mainly from acquisitions

MSEK	Q3 2016/17	Q3 2015/16	Organic growth	Q3 y/y growth
Net sales	2,125	1,848	10.5%	15.0%
Segment result	176	156	–	13.2%
Segment margin	8.3%	8.4%	–	–

### Net sales and segment margin



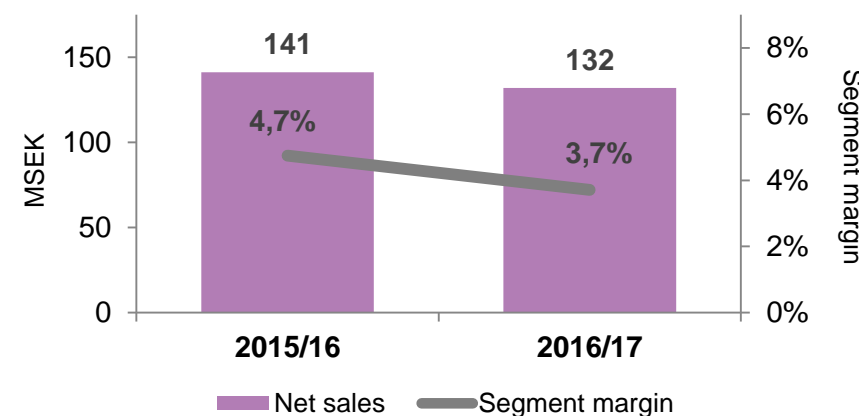
# Financial Development – B2C

## Negative quarterly growth – focus on margin

- **Net sales growth in B2C by -6.5% y/y**
  - Organic growth of -8.0% in constant currency
  - Positive sales development in Finland, while sales in Sweden, Norway and Denmark declined
  - B2C year-to-date growth of 0.8%
- **Continued focus on margin**
  - Segment margin declined to 3.7% (4.7%)
  - Pricing discipline and flexible cost base
- **Complement segment representing around 6% of total sales**
  - Valuable segment to understand market trends and to get access to consumer assortment

MSEK	Q3 2016/17	Q3 2015/16	Organic growth	Q3 y/y growth
Net sales	132	141	-8.0%	-6.5%
Segment result	4.9	6.7	–	-26.3%
Segment margin	3.7%	4.7%	–	–

### Net sales and segment margin



# Summary of the Third Quarter Results

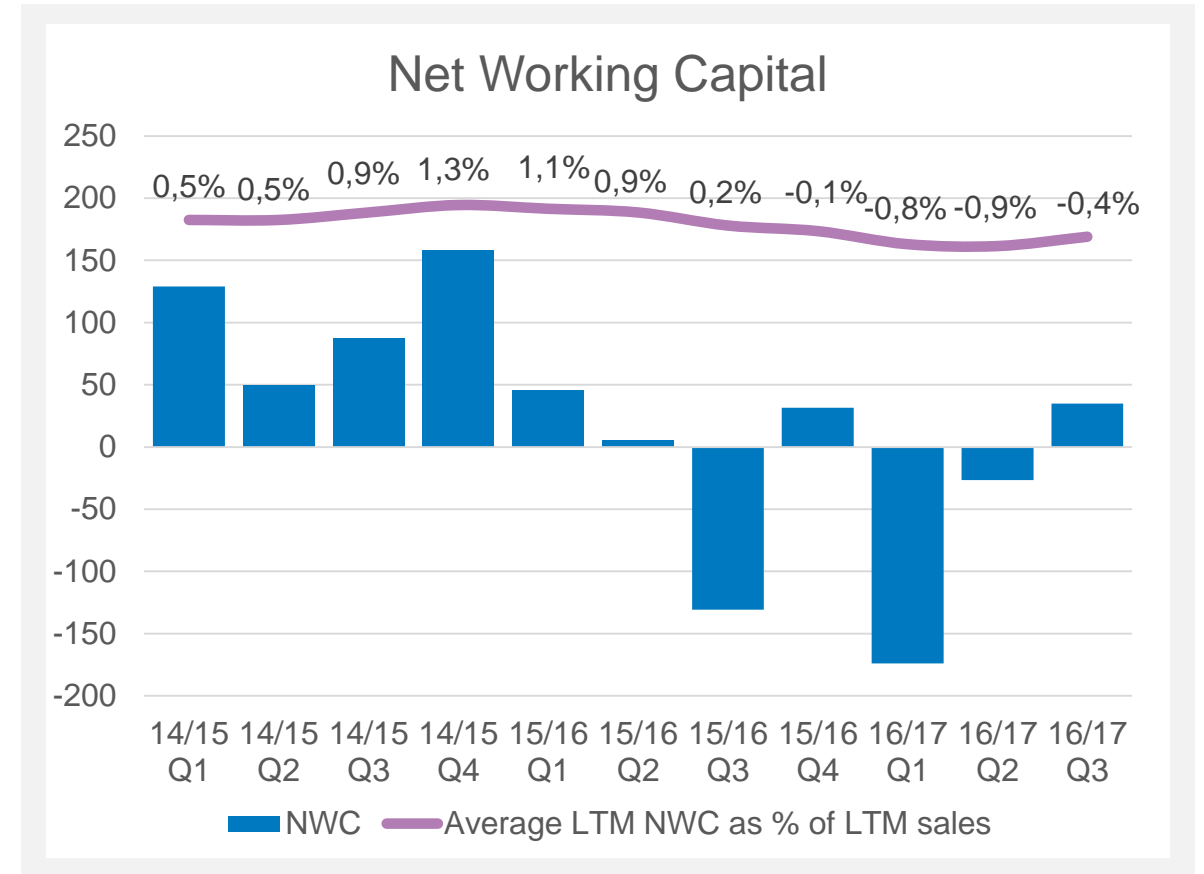
MSEK	Q3 2016/17	Q3 2015/16	YTD 2016/17	YTD 2015/16	LTM	FY 2015/16
Net sales	2,257	1,989	7,044	6,349	8,996	8,301
Reported net sales growth	13.5%	3.6%	10.9%	2.8%	10.8%	4.6%
Organic net sales growth	9.2%	3.6%	7.5%	2.8%	7.8%	4.4%
Items affecting comparability	-4	-3	-7	-5	-7	-5
Adjusted EBITDA	98	94	343	317	426	400
Adjusted EBITA	94	91	334	309	415	390
- Adjusted EBITA margin	4.2%	4.6%	4.7%	4.9%	4.6%	4.7%
Central costs as % of Net sales	-3.8%	-3.6%	-3.5%	-3.4%	-3.6%	-3.5%
Net debt	997	710	997	710	997	826
Net debt / Adjusted EBITDA*	2.3x	2.1x	2.3x	2.1x	2.3x	2.1x
Net working capital	35	-131	35	-131	35	32
Return on equity	-	-	-	-	15.0%	15.8%
Earnings per share (SEK)	0.62	0.65	2.50	2.62	2.83	2.95
Equity per share (SEK)	18.90	18.10	18.90	18.10	18.90	18.67
Cash flow from operating activities per share (SEK)	-0.30	3.06	2.98	6.85	2.00	5.87
Dividend per share (SEK)	-	-	-	-	-	2.40

\* Adjusted EBITDA refers to rolling 12 months

# Net working capital

## Low net working capital

- Net working capital was 35 MSEK (-131)
- Inventory level affected by special customer agreements, larger roll-outs 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 stable, but still affected by favorable credit terms from one distributor and valid until further notice
- Normalized level of net working capital at approximately 1 percent of net sales



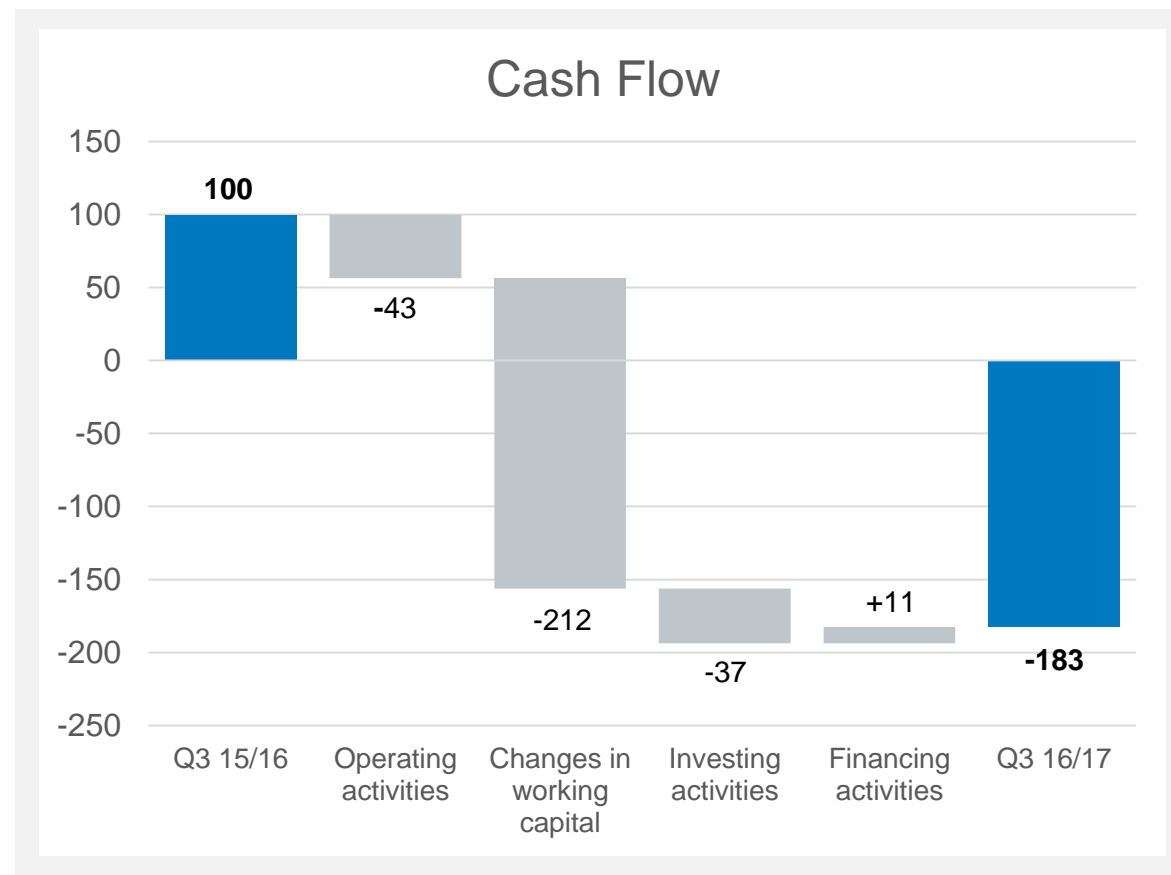
# Cash flow

## Negative cash flow due to changes in working capital

- Cash flow for the quarter was -183 (100) MSEK
- Operating cash flow was -23 (233) MSEK
- Cash flow from operating activities decreased mainly due to paid taxes and the impairment of a performance-based earn-out
- Changes in working capital affected cash flow by -212 MSEK, mainly due to account payables as a result of high impact from favorable credit terms last year.

## Continued low levels of capex

- **Capex at 0.4% (0.3%) of net sales**
  - Capex related to IT development (integrated IT-platform and other long term strategic IT-systems) of SEK 5 (5) million
  - Other capex of SEK 5 (2) million.





# Several focus areas for future margin expansion

## Private Label Products

- Basic products in categories with limited brand recognition
- Targeting 25% of sales in each of the selected categories
- Incremental EBITA margin of around 10 percentage points on average

To reach annual private label sales of 400 MSEK within 3 years

## Value accretive M&A

- Cross-selling opportunities to over 100,000 B2B customers
- Higher share of advanced products and services
- Supporting customer journey driving both margin and loyalty

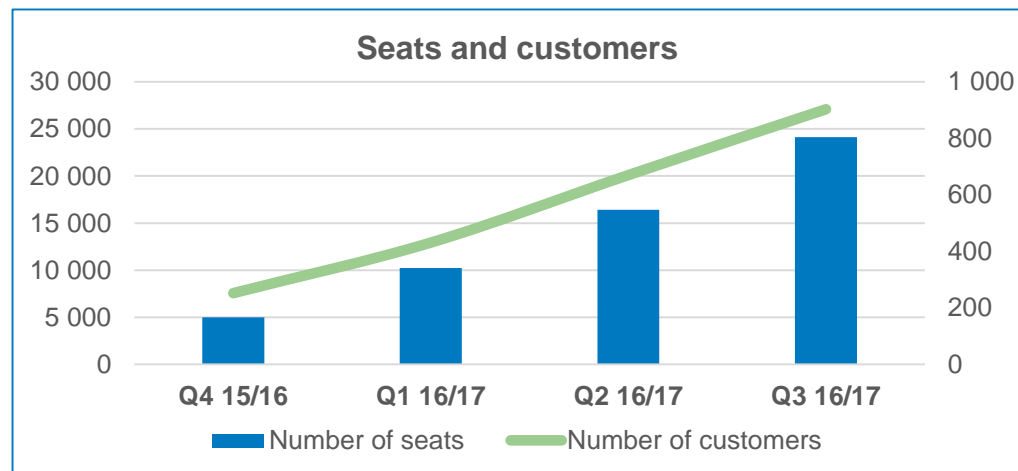
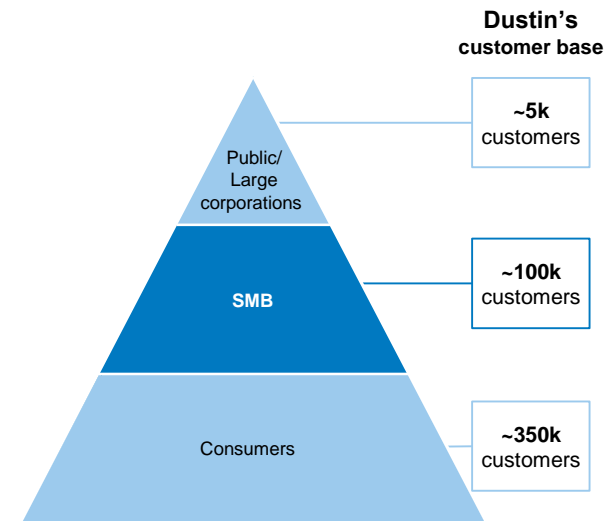
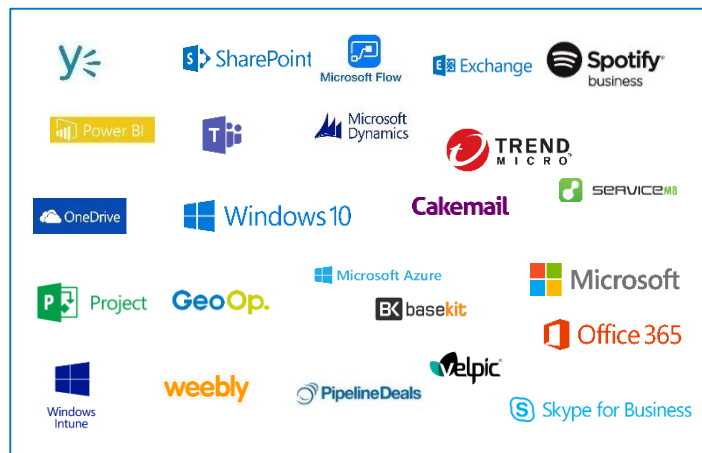
To add 3-5 bolt-on acquisitions per annum

## Dustin Cloud Platform

- Scalable platform to aggregate a wide portfolio of SaaS to B2B market
- Fast growth and huge cross-selling opportunities
- 20-50% gross margin on incremental SaaS sales and attached services

To reach 10,000 customers adding 300 MSEK in sales within 3 years

# Dustin Cloud Platform - The one-stop-shop targeting SMBs



## Increasing share of high-margin recurring revenue

- Scalable platform aggregating a wide portfolio of SaaS to the Nordic B2B market
- Launch being Microsoft centric due to strong legacy and cloud services brand recognition
- Fast growth within Dustin's SMB customer base and significant cross-selling opportunities
- SaaS bundled with in-house Dustin solutions. e.g. Office 365 migration and Helpdesk
- Ease of use to order and manage subscriptions
- Dustin's multi-channel sales model ideal to convert and migrate transactional HW customers

# Summary

## Strong growth and increased focus on service offering

### Net sales increased by 13.5%

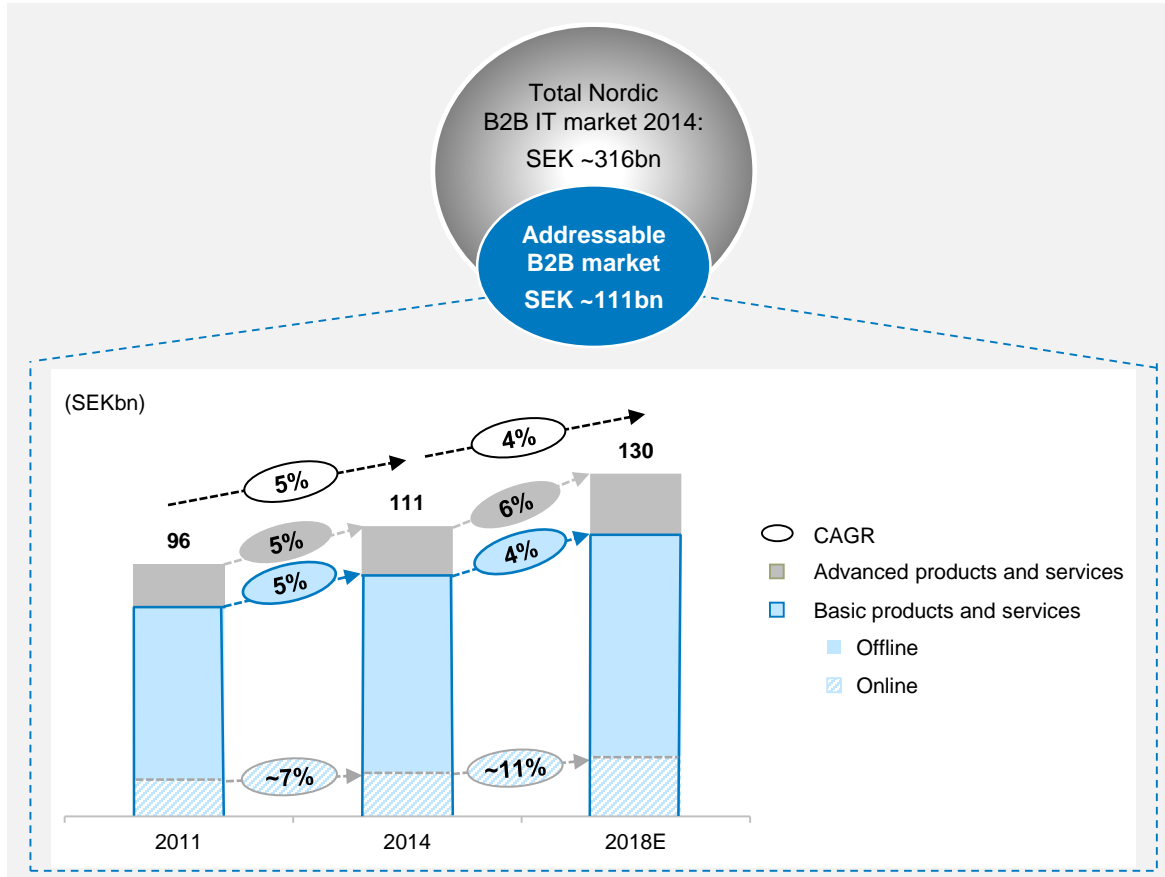
- Organic net sales growth of 9.2% in constant currency
- Substantial growth within large corporates and the public sector and continued strong online performance towards SMBs
- **Gross margin at 15.1% (15.4%)**
  - Unfavorable customer mix with higher share of new sales within frame agreements
  - Unfavorable product mix with higher share of computers
- **Adjusted EBITA margin of 4.2% (4.6%)**
  - Fast growth within recurring revenue due to increased focus on Dustin Cloud Platform, affecting both sales and central cost
- **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

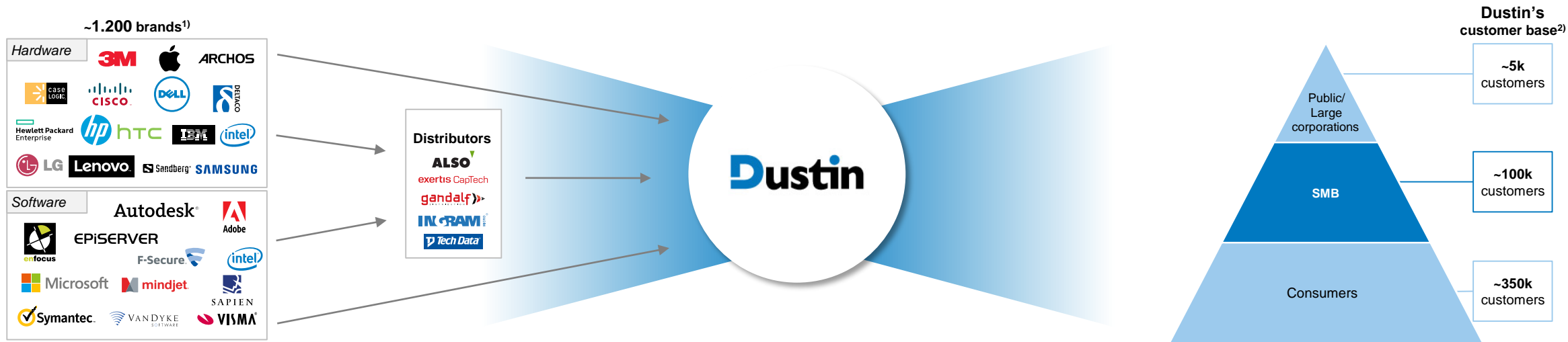


Growth pockets within advanced products and services



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

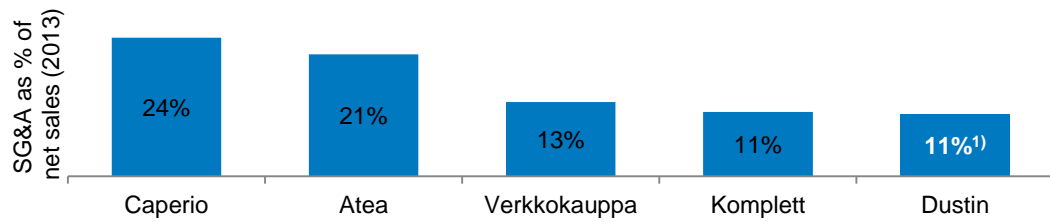
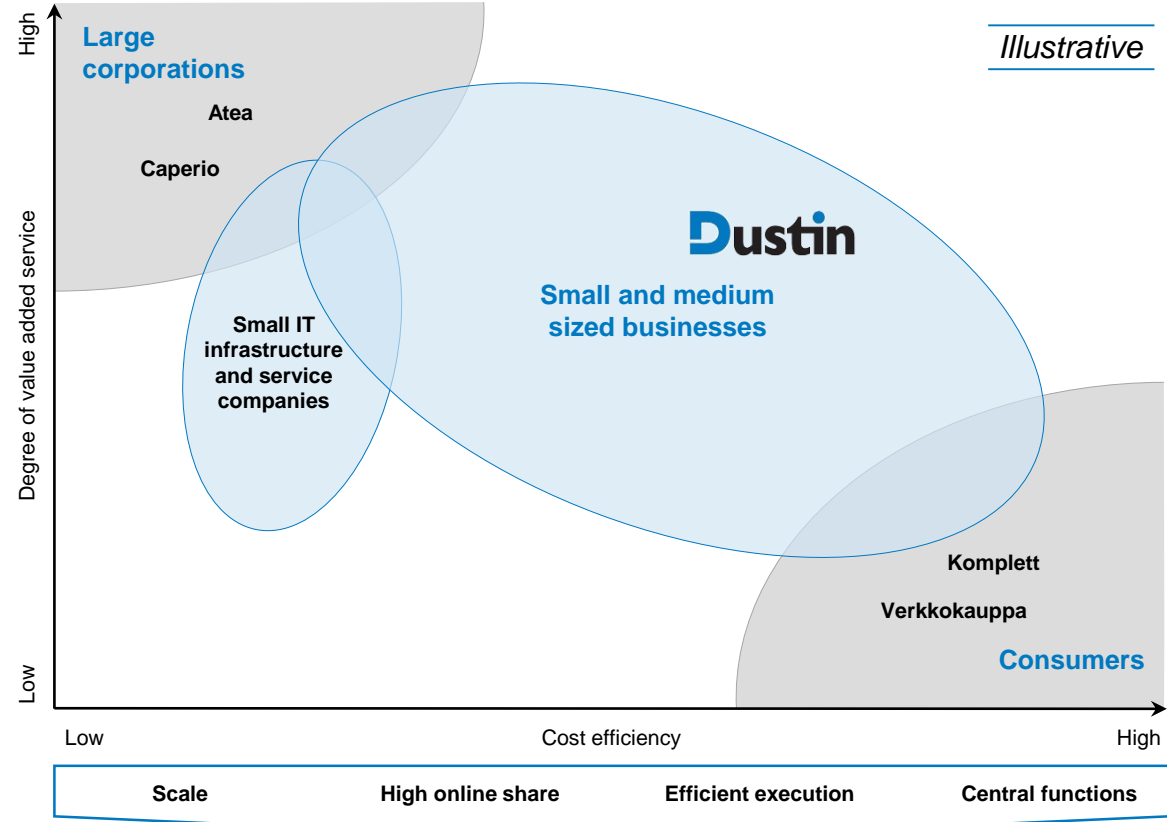
ERP implementation  
Strategic IT consultancy

- 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

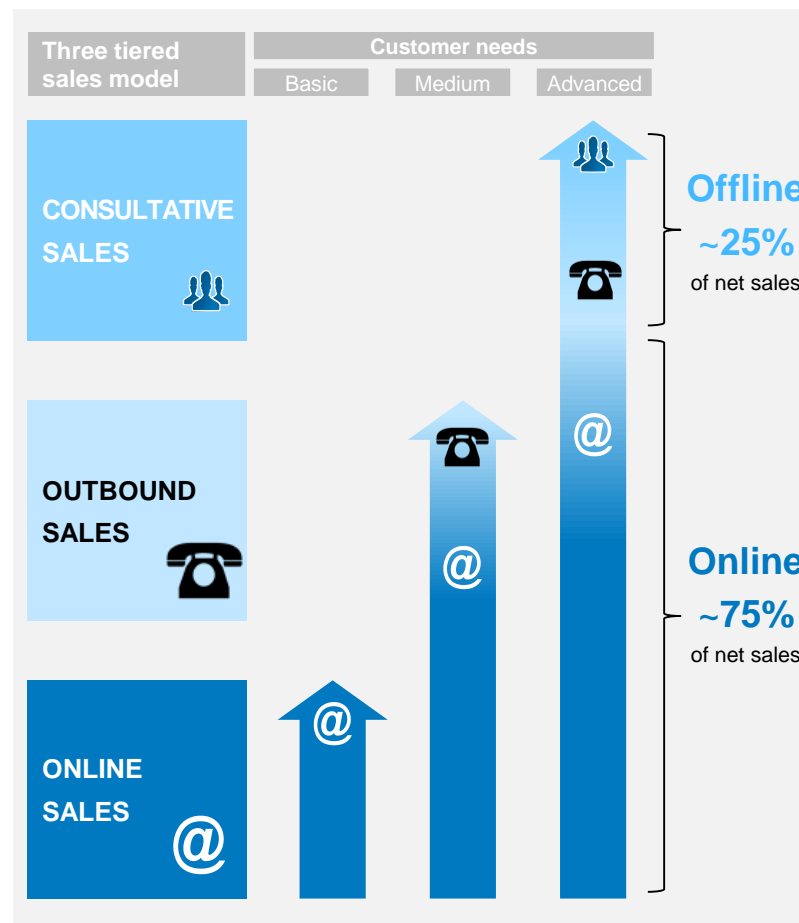
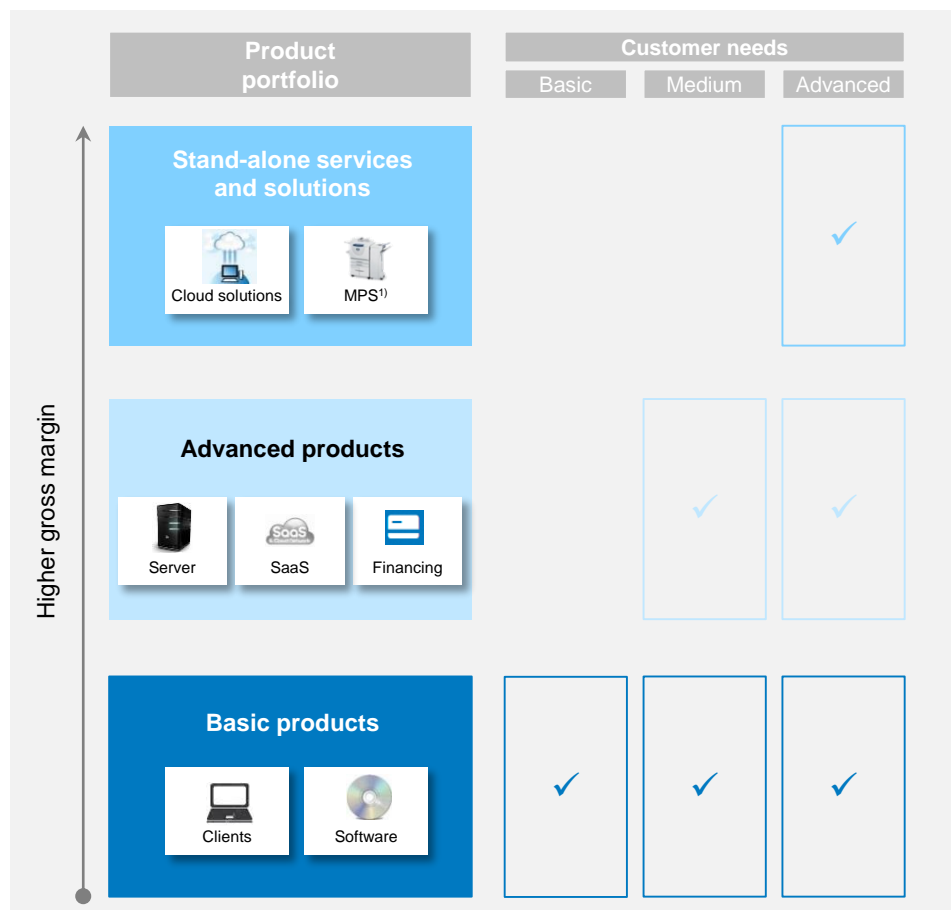
Dustin's focus areas

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	Q3/17
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	2,257
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%	14%
Adjusted EBITA	63	63	69	59	97	106	80	70	97	108	82	67	105	113	91	81	116	124	94
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%	4.2%
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	2,125
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%	15%
Segment result	107	109	113	95	147	155	136	116	160	170	142	118	171	183	156	150	186	203	176
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%	8.3%
<b>B2C segment</b>																			
Net sales	162	192	143	154	176	223	174	180	153	176	139	138	143	167	141	146	171	153	132
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%	-7%
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	4.9
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%	3.7%
<b>Central functions</b>																			
Central functions	54	55	50	45	57	61	66	54	64	69	66	55	70	77	71	75	76	85	87
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%	3.8%
<b>Items affecting comparability</b>																			
Items affecting comparability	-2	0	0	-1	-47	-5	100	-46	-11	-38	-15	-5	-2	-	-3	-	-2	-	-4