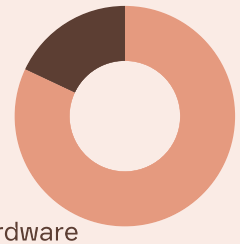
Q1 2023/24

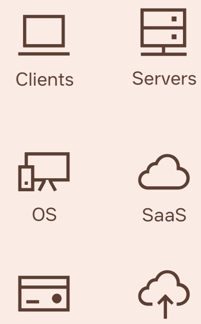
January, 2024
dustingroup.com

Q1

Dustin at a glance

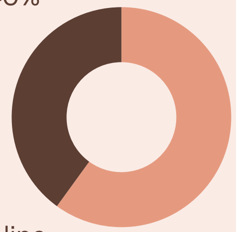
280,000 hardware and software products…

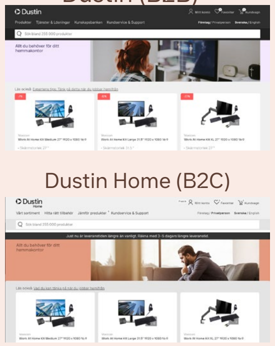




Refers to the financial year 2022/23

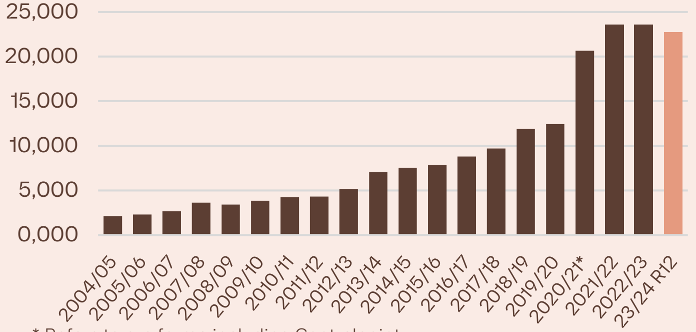
…primarily sold online…





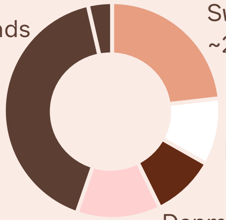
Refers to the financial year 2022/23

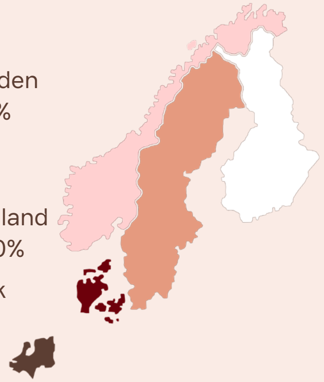
Net sales



* Refers to pro forma including Centralpoint

…across the Nordics and Benelux…





Refers to the financial year 2022/23

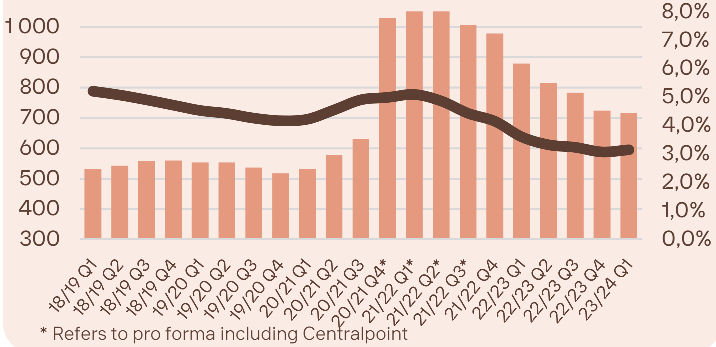
…to B2B customers

% net sales	Customers	Offering	Avg. order
98%	LCP	Large roll-outs, volume services, takeback	SEK 26,000
	SMB	Full assortment	SEK 9,000
2%	B2C	IT products	SEK 2,000

~ 2 million orders annually

Refers to the financial year 2022/23

Adjusted EBITA and margin, R12**



* Refers to pro forma including Centralpoint

** R12 refers to 12 month rolling

Dustin

Improved margins and strengthened financial position in a continued weak market

Financial Highlights

Net sales was 5,793 (6,636) MSEK

- Organic growth was -16.2%, of which SMB -9.3% and LCP -18.8%
- Reported net sales growth was -12.7%
- Sales growth burdened by approximately 9% due to a major contract now recognised on a net basis and the expired Danish contract

Gross profit was stable at 888 (893) MSEK

- Gross margin improved to 15.3 % (13.5 %)

Adjusted EBITA was 192 (201) MSEK

- Adjusted EBITA margin rose to 3.3% (3.0%)

Items affecting comparability of -17 (-19) MSEK

EBIT was 129 (138) MSEK

EPS before and after dilution amounted to SEK 0.29 (0.59)

Cash flow from operating activities of 250 (-85) MSEK

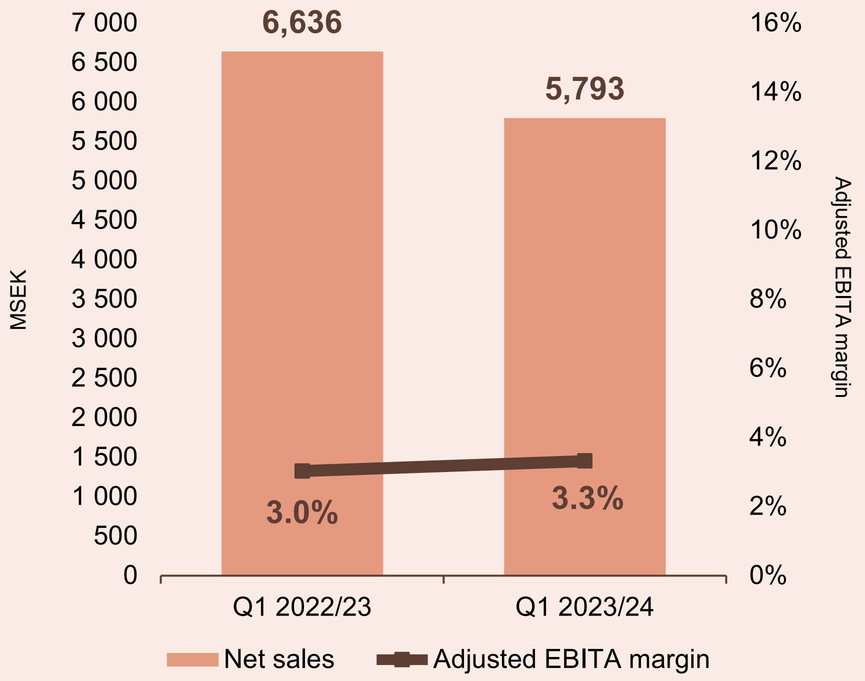
Leverage of 4.6x in the past 12-month period (5.0x FY 22/23). Adjusted for rights issue proceeds, leverage was 2.8x.

Operational highlights

Oversubscribed rights issue generated approximately SEK 1,710 million in net proceeds

Continued cost focus to compensate for slow market, currency effects and inflation

Net sales and adjusted EBITA margin



Dustin

SMB - Continued cautious development in price-sensitive market

Net sales decline in SMB of 10.4% y/y

- Organic growth of -9.3%
- Continued cautious market development due to general economic uncertainty

Segment result was 61 (104) MSEK

- Segment margin decreased to 3.6% (5.5%)

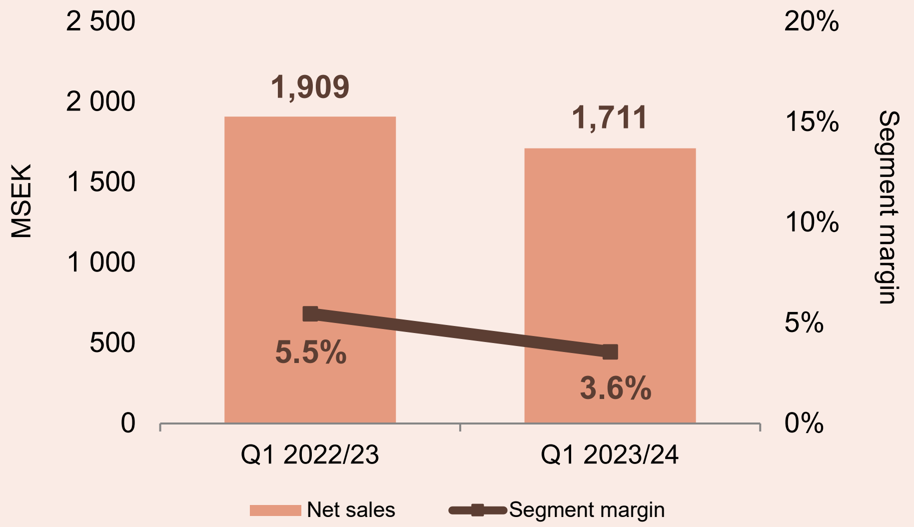
Cautious sales development

- Continued uncertainty surrounding the economic trend, affecting demand in all markets and within most customer groups
- Lower demand primarily related to computers and mobile phones
- The share of software and services sales increased to 12.2% (11.6%), due to a healthy trend for contracted recurring services in the Nordics combined with weak hardware sales

Somewhat weaker gross margin development

- Price-conscious market shifting to more basic alternatives and campaign goods with lower margin, negatively affecting the product mix
- Lower sales volumes combined with current cost base leading to negative operational leverage
- Generally higher inflation-driven cost level has had a negative impact
- Price discipline had a positive impact on gross margin but impacted sales

Net sales and segment margin



MSEK	Q1 2023/24	Q1 2022/23	Organic growth	Q1 y/y growth
Net sales	1,711	1,909	-9.3%	-10.4%
Segment result	61	104	–	-41.5%
Segment margin	*3.6%*	*5.5%*	–	–

Dustin

LCP - Stable underlying demand and strong margin development

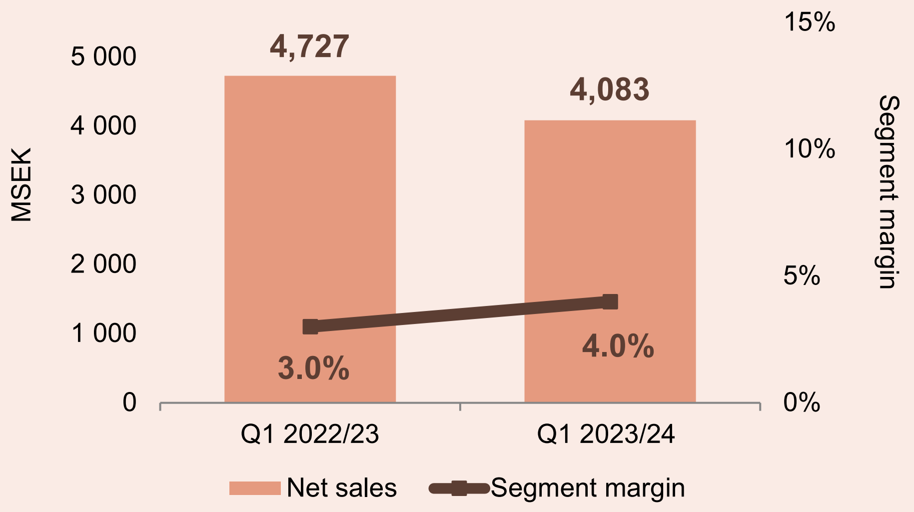
Net sales growth in LCP of -13.6% y/y
- Sales growth negatively affected by approximately 13% related to a major contract now recognised on a net basis and the expired Danish contract
- Organic growth was -18.8%

Segment result grew to 163 (142) MSEK
- Segment margin increased to 4.0% (3.0%)

Slower growth due to accounting and expired Danish contract
- Stable underlying demand in both the Public Sector customer group and the Large Corporate customer group

Improved gross margin development
- Larger high margin deliveries had a positive impact on margin development
- Framework agreement with Danish SKI expired during the first quarter last year, which affected the gross margin positively
- Improved customer and product mix with a lower proportion of client sales
- Sharp increase in take-back had a positive margin impact
- Generally higher inflation-driven cost level has had a negative impact

Net sales and segment margin

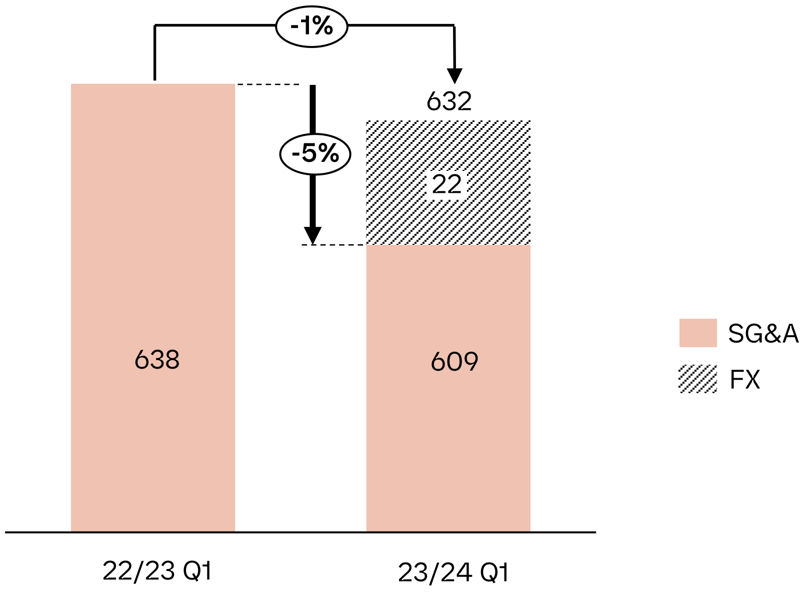


MSEK	Q1 2023/24	Q1 2022/23	Organic growth	Q1 y/y growth
Net sales	4,083	4,727	-18.8%	-13.6%
Segment result	163	142	–	14.5%
Segment margin	*4.0%*	*3.0%*	–	–

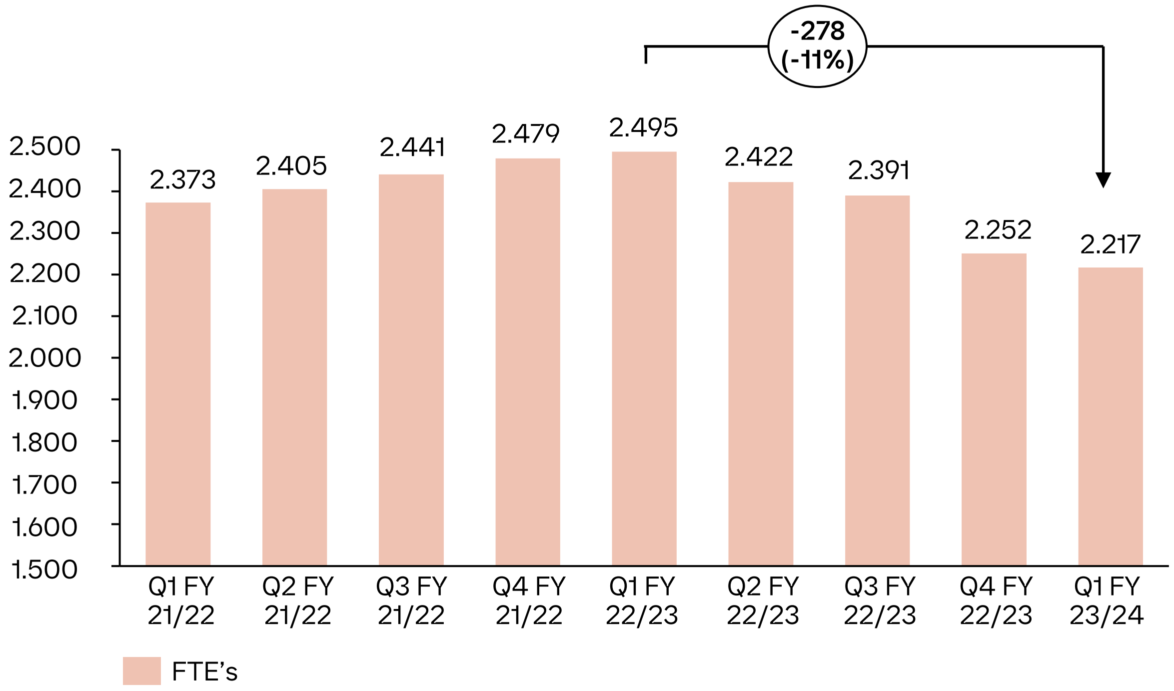
Dustin

Continued cost focus to compensate for slow market, currency effects and inflation

Total SG&A Q1



Average FTE's per Quarter



Currency fluctuations affecting cost level

- First quarter SG&A 5% lower year on year, adjusted for currency fluctuations
- Underlying cost level negatively affected by cost inflation

Adapting number of FTE's to market situation

- Average number of FTE's reduced by 11% over the past year

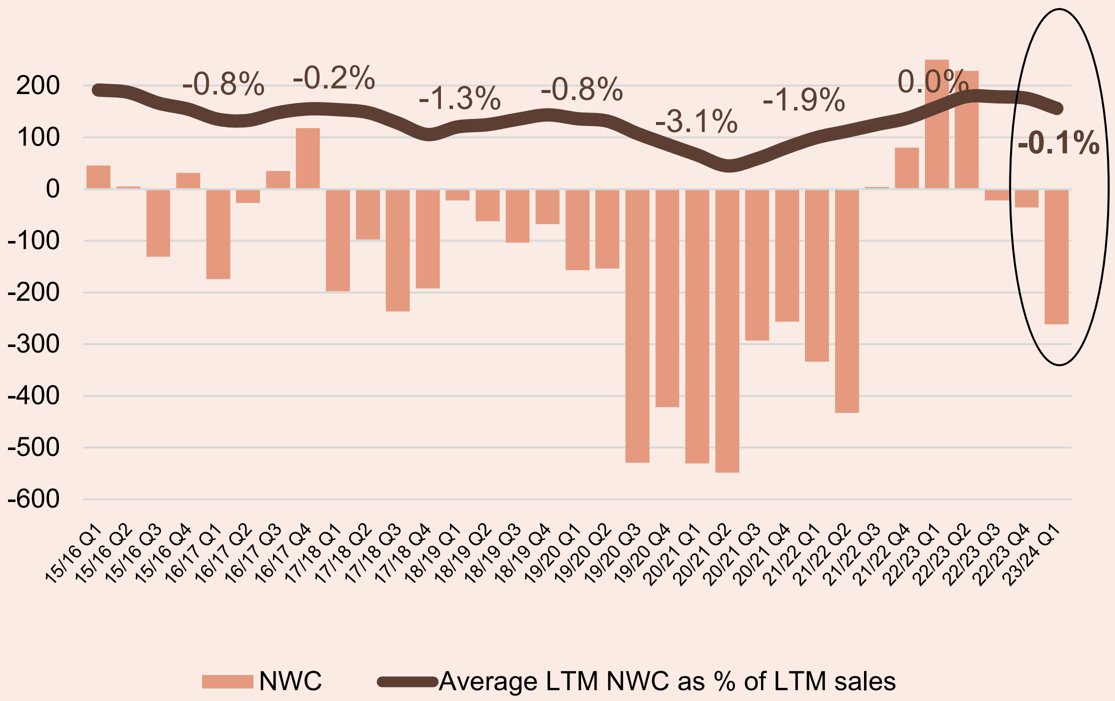
Dustin

Improved net working capital

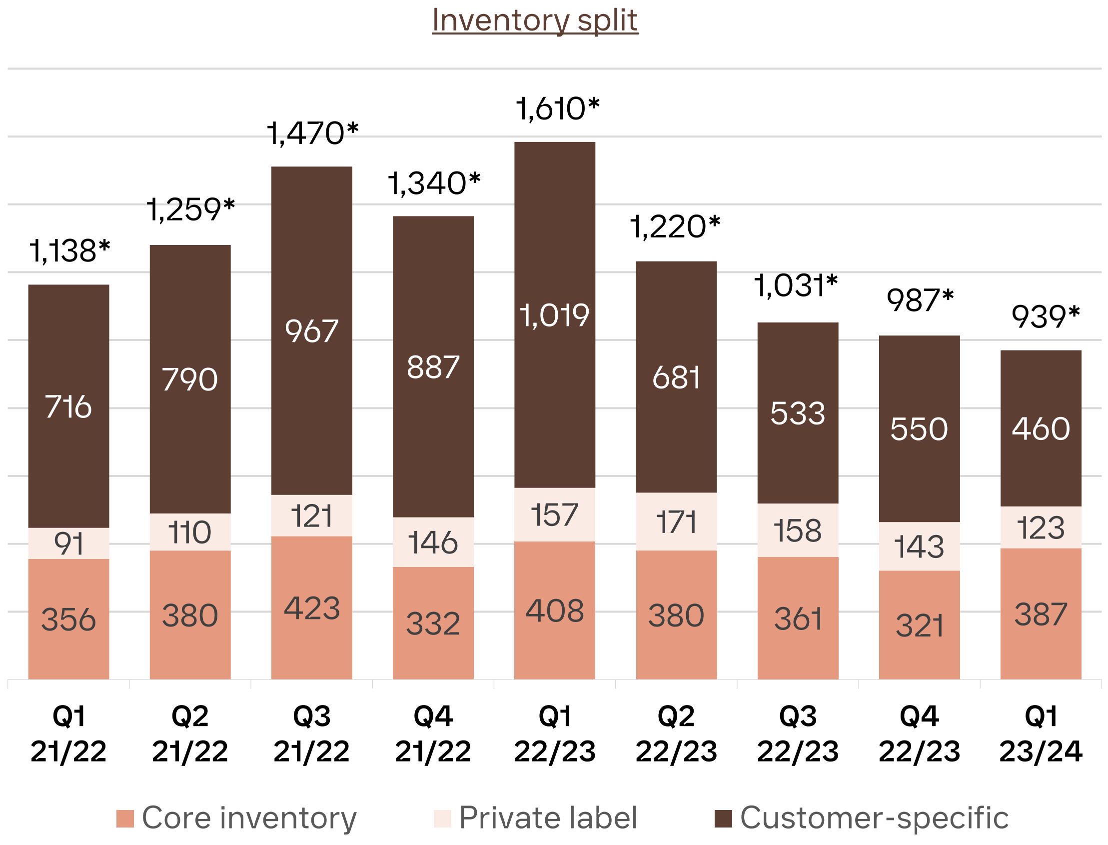
Improved net working capital due to reduced inventory

- Net working capital was -261 MSEK (336), mainly due to lower inventory
- Inventory decreased by 671 MSEK to 939 MSEK (1,610), where the larger part of the decrease relates to pre-ordered customer-specific inventory
- Accounts receivable decreased by 332 MSEK compared to last year, mainly related to lower business volumes
- Lower accounts payable of 233 MSEK, mainly due to lower business volumes and reduction in inventory
- Tax liabilities and other current liabilities decreased by 208 MSEK
- Long-term target level for net working capital of around -100 MSEK

Net Working Capital



Inventory on a normalised level



Reduced customer-specific inventory

- Inventory decreased further in the first quarter, compared to the fourth quarter
- Total inventory on a balanced and normalised level
- Core inventory increased versus the fourth quarter and decreased slightly compared to the first quarter last year
- Inventory of private label products decreased slightly compared to the fourth quarter and the first quarter last year
- Customer-specific inventory decreased to the lowest level in nine quarters
- Achievement made possible by active collaboration with customers and partners through our strong position in the market, and by changes within procurement foremost in the Benelux region

*Including Group eliminations

Cash flow and Capex

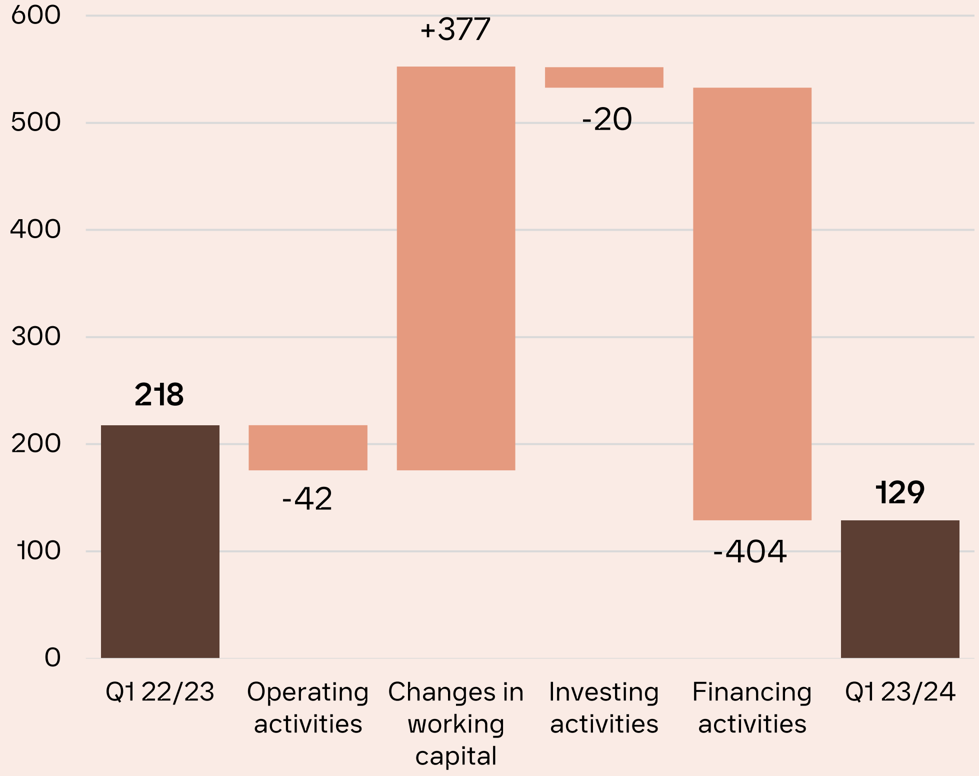
Strong cash flow from operating activities

- Cash flow from operating activities, before changes in working capital, was 108 (150) MSEK, mainly due to higher paid interest and tax
- Cash flow from changes in working capital was 142 (-235) MSEK, affected by reduced inventory and accounts receivables, offset by reduced accounts payable
- Cash flow from operating activities increased to 250 (-85) MSEK
- Cash flow from investing activities was -70 (-51) MSEK, where the difference mainly relates to investments in the IT platform
- Cash flow from financing activities was -51 (353) MSEK, where the difference mainly relates to new loans raised of 400 MSEK in the comparable period
- Cash flow for the quarter was 129 (218) MSEK

Higher capex to capture further synergies

- Total investments amounted to 119 (63) MSEK, of which 70 (51) MSEK affecting cash flow
- Capex related to IT development, including the new IT platform, increased to 55 (40) MSEK. The new IT platform is a key lever for future operational efficiency including synergy potential
- Investments in tangible and intangible assets was 40 (17) MSEK, of which 15 (11) MSEK affecting cash flow
- Investments in assets related to service provision was 24 (7) MSEK, of which 0 (0) MSEK affecting cash flow, mainly related to data center capacity

Changes in Cash Flow Y/Y



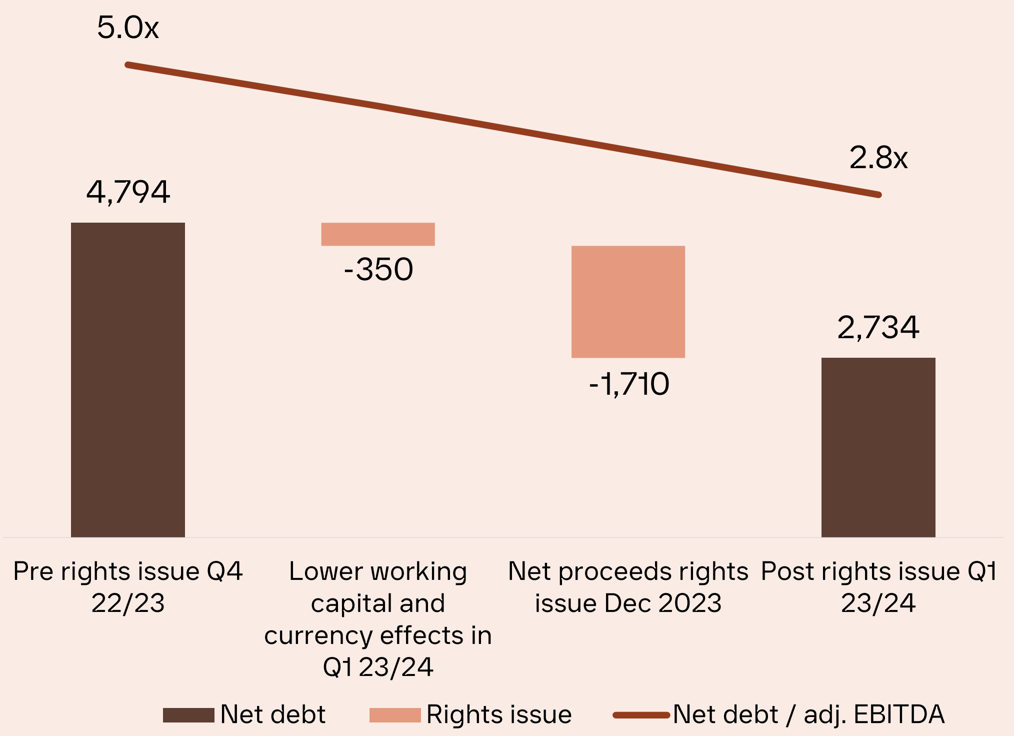
Dustin

Reduced working capital and rights issue has secured leverage within target range

Right conditions for intensified focus on our strategic plan

- Reduced debt of 350 MSEK during Q1 through lower working capital and currency effects
- Successfully completed rights issue has ensured a flexible and optimised capital structure and a strengthened balance sheet
- Improved conditions for intensified focus on our strategic plan, to accelerate synergy effects, enable investments in several growth initiatives such as further improving the customer offering and over time carry out add-on acquisitions and continue the expansion in Europe
- Strong financial position and well positioned for profitable growth when the market returns to normalised levels
- Continued work towards a leverage at the lower end of our financial target range of 2.0-3.0x through our strong operating cash flow

Change in leverage from Q4 22/23 to Q1 23/24 and post rights issue



Dustin

Re-focus on business operations and strategy to improve margins and growth

1 Deleverage

- Deleverage is of highest focus
- Strong cash-flow and net working capital development during the past quarters (Dustin model works)
- Inventory level well within target range
- Clear plan in place to improve business results

2 Margin

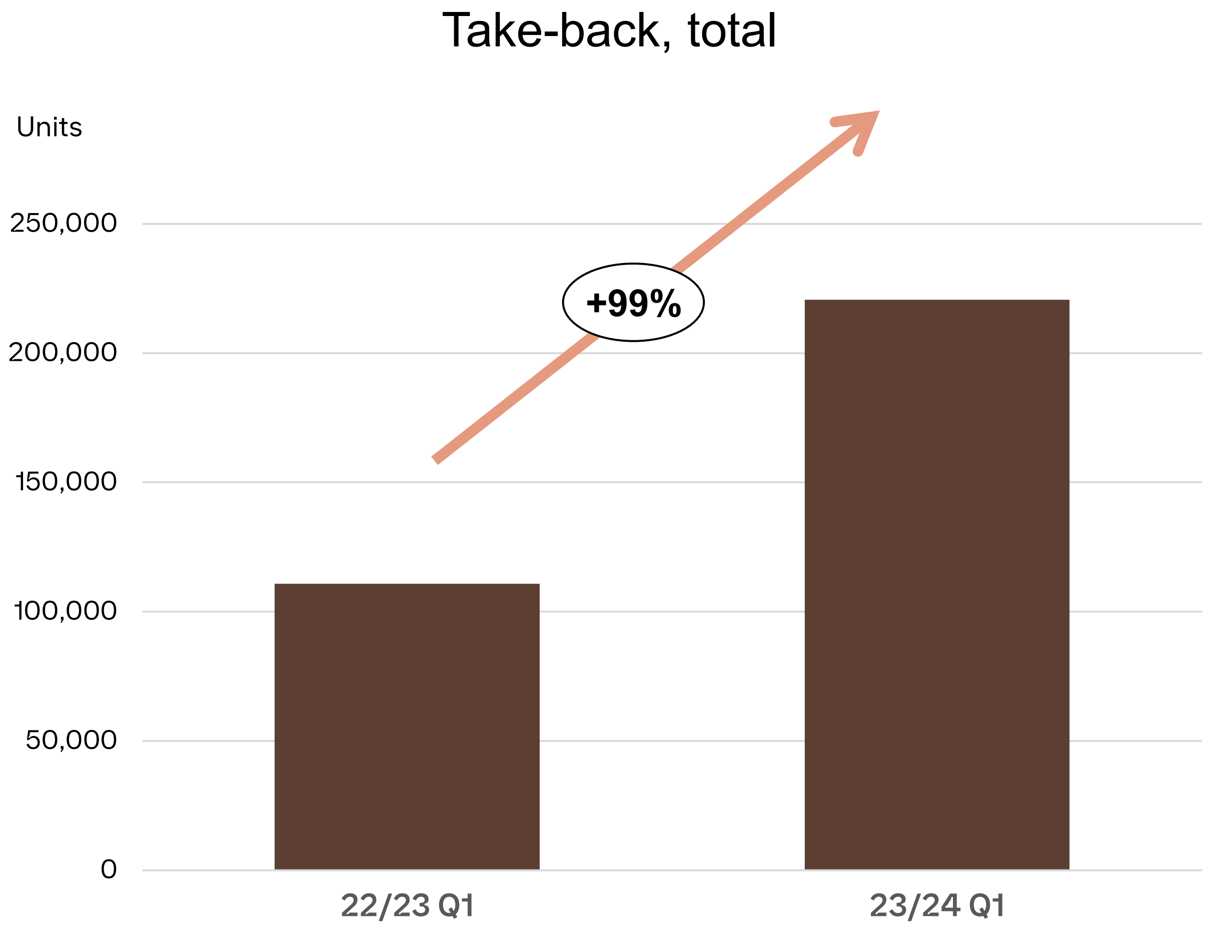
- Cost focus and synergy extractions according to plan
- Cost focus and synergy extraction from private label in Benelux, procurements, back office, processes, quality improvements and efficiency gains on track – with full effect expected at ERP launch
- Strong progress seen in take-back and private label
- Strong and stable gross margin as a result of internal discipline and price leadership

3 Growth

- Continued growth ambitions in line with financial targets
- Strengthen customer offerings, grow customer base and increase share of wallet
- Affected by challenging market environment as a combination of weaker demand and post-covid comparables
- We continue to invest in the future Dustin, transformative steps taken with one culture, one brand, one customer offering and one IT-platform

One culture | One way of working | **One Dustin** | One brand | One IT platform

Strong development in take-back in the quarter



Today

- In-house takeback operations in the Nordics and in Benelux
- Increased demand and greater efficiency in our take-back processes
- Advantage in tenders
- Current run rate of ~1 million units annually

Potential

- Sell refurbished products online
- Offer circular options that add clear customer value
- LCP customer expectations driving change within SMB

Dustin

Summary of the first quarter 2023/24

<u>Improved margins and strengthened financial position</u>

Net sales declined 12.7%

- Continued cautious market
- Major contract now recognised on a net basis and expired Danish contract

Gross margin higher at 15.3% (13.5%)

- Larger high margin deliveries within LCP and phase-out of Danish framework agreement
- Strong price discipline

Adjusted EBITA margin of 3.3% (3.0%)

- Strengthened gross margin, synergy effects and effects of the cost reductions implemented

Strong cash flow generation through improved working capital

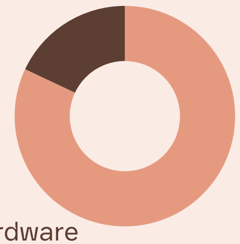
Oversubscribed rights issue generated approximately SEK 1,710 million in net proceeds, bringing leverage to 2.8x

Continued cost focus to compensate for slow market, currency effects and inflation

Current market indicators support belief in gradual market improvement during the first half of 2024

Dustin at a glance

280,000 hardware and software products…



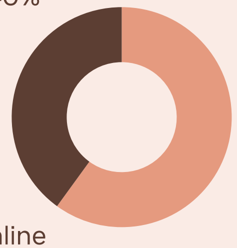
Hardware: Clients, Servers

Software: OS, SaaS

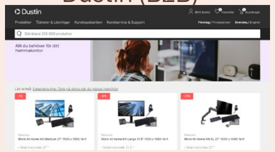
Services: Financing, Cloud solutions

Refers to the financial year 2022/23

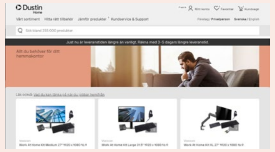
…primarily sold online…



Dustin (B2B)

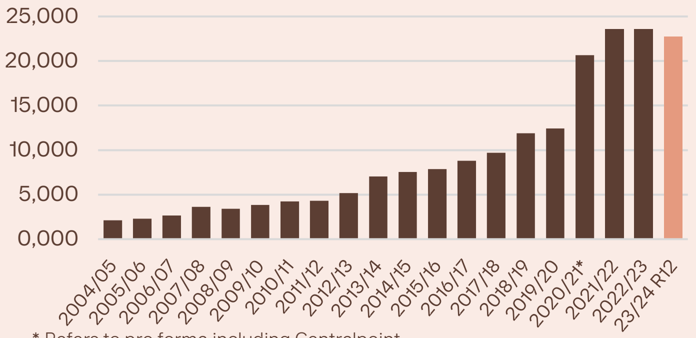


Dustin Home (B2C)



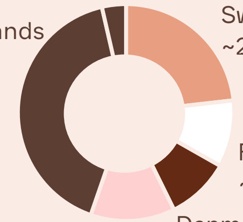
Refers to the financial year 2022/23

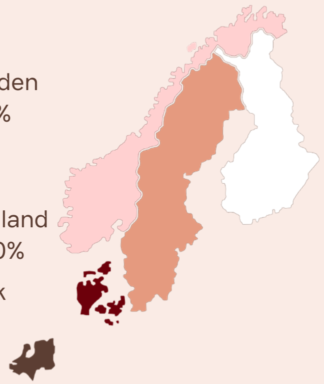
Net sales



* Refers to pro forma including Centralpoint

…across the Nordics and Benelux…





Refers to the financial year 2022/23

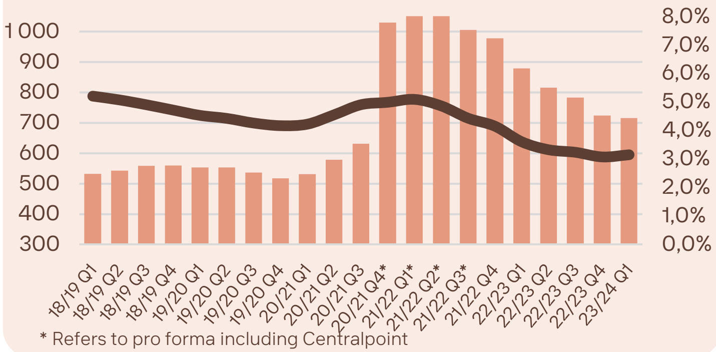
…to B2B customers

% net sales	Customers	Offering	Avg. order
98%	LCP	Large roll-outs, volume services, takeback	SEK 26,000
	SMB	Full assortment	SEK 9,000
2%	B2C	IT products	SEK 2,000

~ 2 million orders annually

Refers to the financial year 2022/23

Adjusted EBITA and margin, R12**

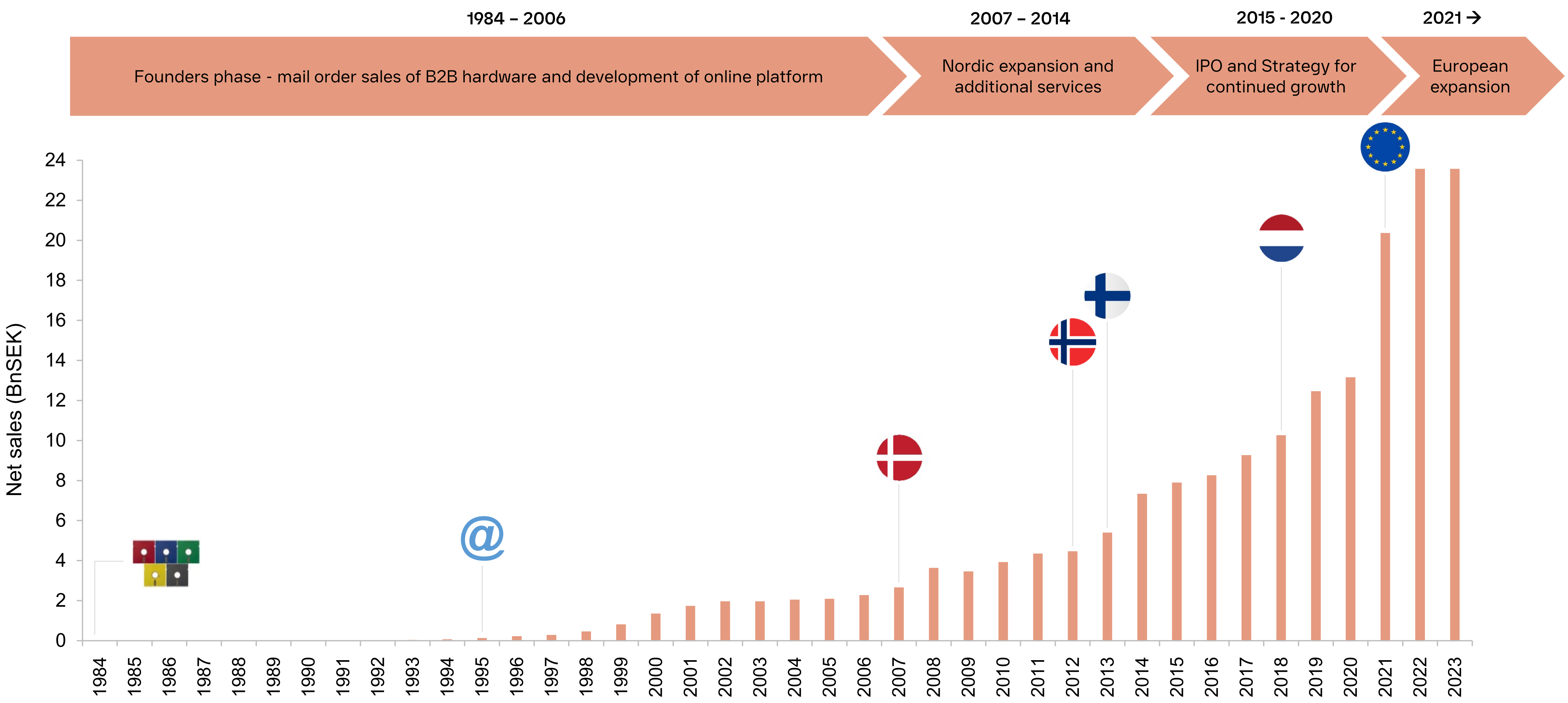


* Refers to pro forma including Centralpoint

** R12 refers to 12 month rolling

Dustin

Long and strong history of profitable growth



Dustin – the aggregator and destination

Hardware, software & services

Autodesk, aws, hp, NVIDIA, SONY, DELL Technologies, Canon, Lenovo, McAfee, SAMSUNG, CITRIX, PHILIPS, logitech, aruba, cisco, intel, Adobe, Microsoft, Hewlett Packard Enterprise, F-Secure, AMD, IBM, sitevision, BLUEBEAM, vmware, Google

Dustin services

Distributors

ALSO, INGRAM MICRO, exertis CapTech, gandalf, Tech Data

Dustin products

cirafon, GILFORD, TRANZIP, voxicon, PROKORD

LCP (Large Corporate and Public)

~10,000

SMB (Small and Medium Sized Businesses)

~100,000

B2C (Business to Consumer)

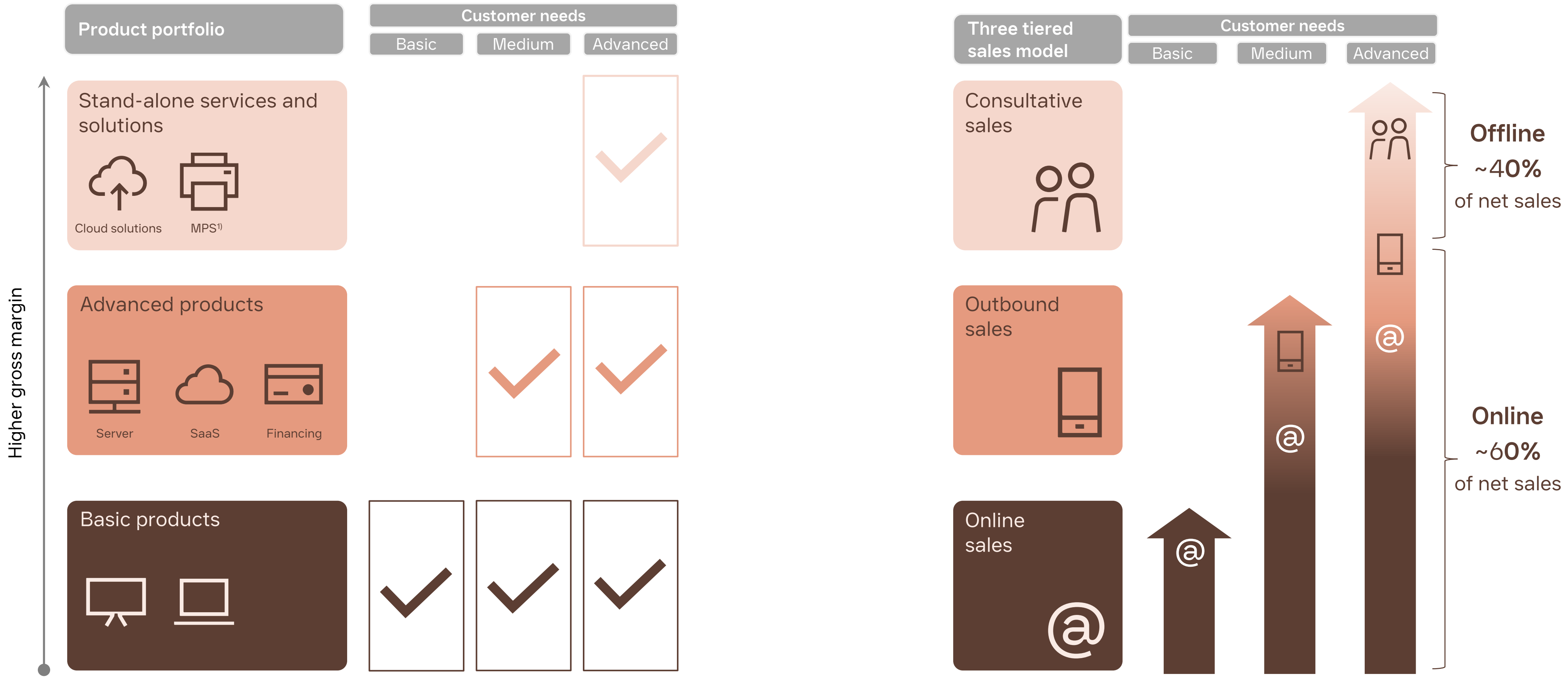
~250,000

A large number of suppliers…

needs an aggregator with a strong brand to interact with…

a large number of customers.

Multi-channel approach to drive growth and margins



Dustin

A unique space

ERP implementation

Strategic IT consultancy

Integrated solutions

On-site services

Product-near services

High IT knowledge

Fast and reliable delivery

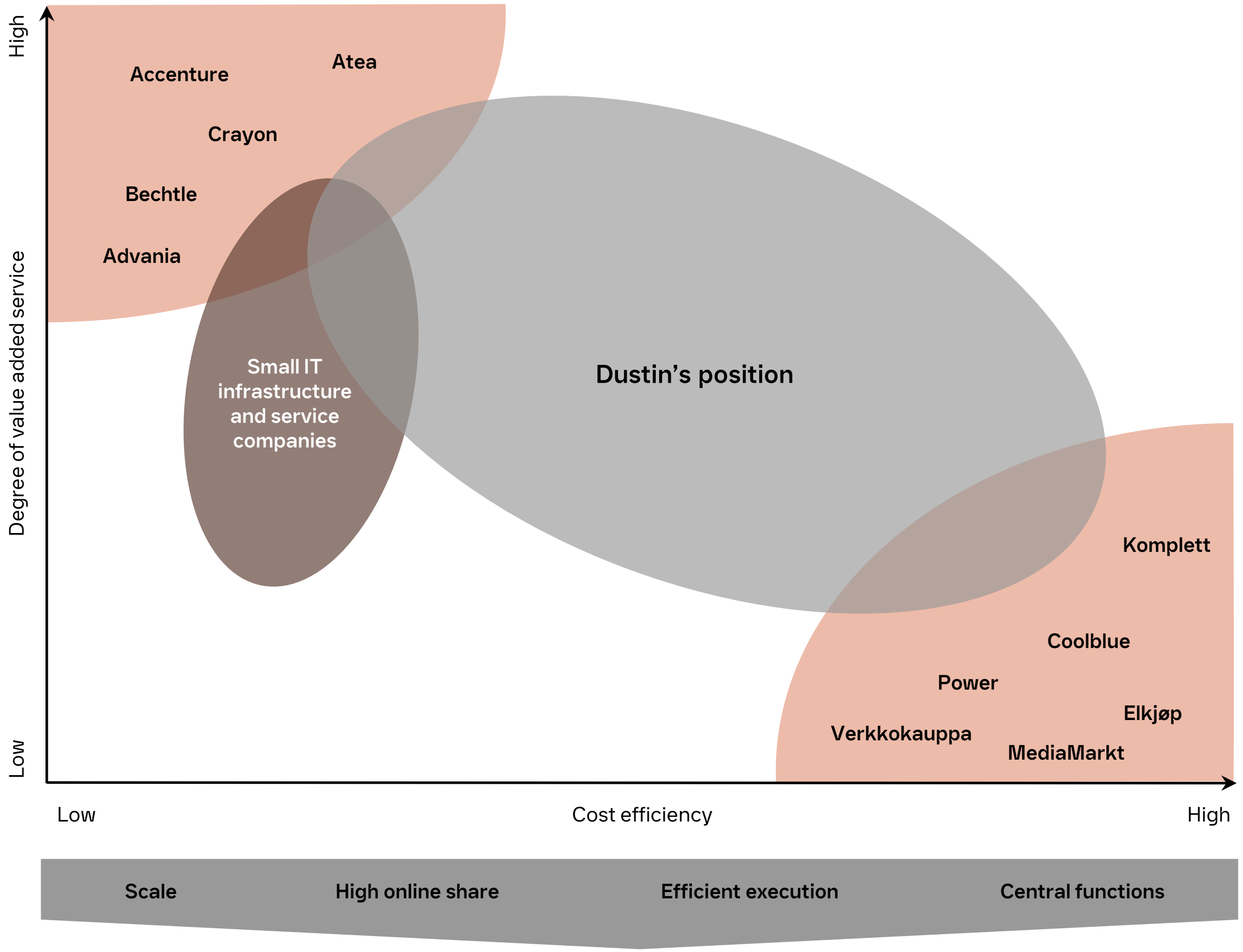
Wide offering of ~255k IT products

Strong brand name

Non-IT related consumer products

Dustin's focus areas

Non SMB related services

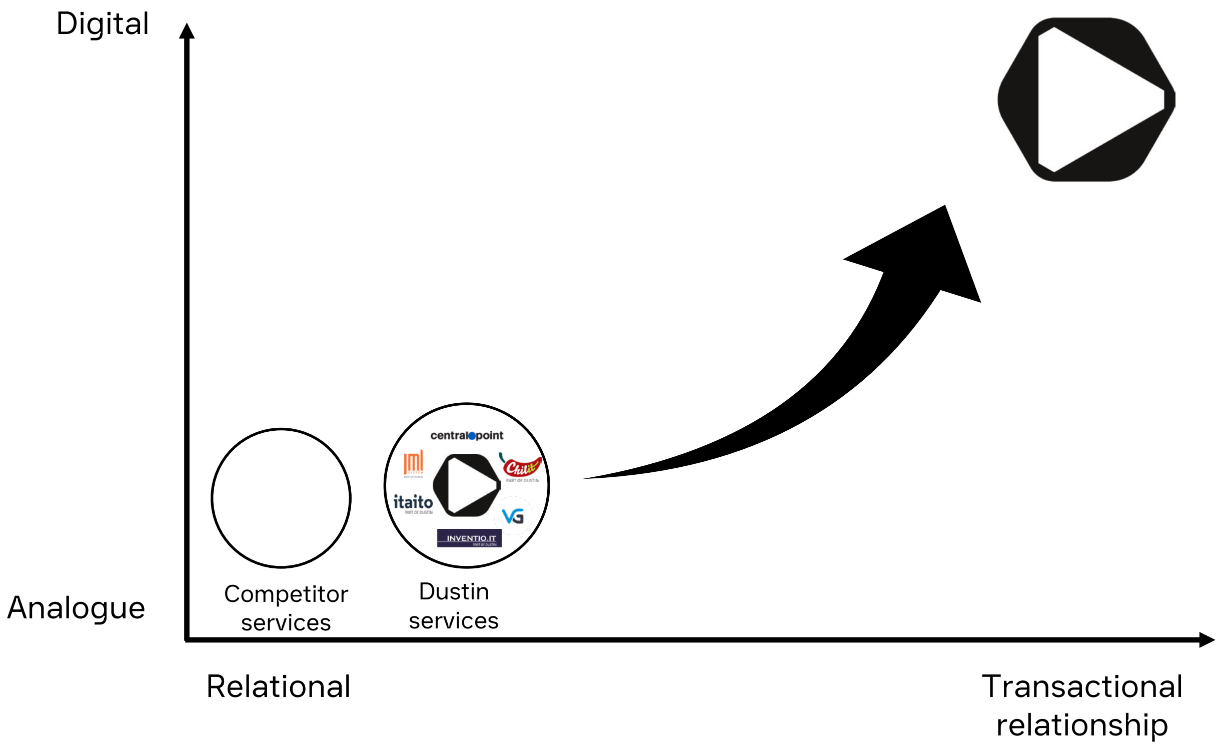


Dustin

Our opportunity in services

Opportunities and strengths

- Services are primarily sold in a relational, analogue, non-standardised and non-scalable way
- Strong demand in access anytime and anywhere is pushing digital and online behaviour - accelerated by rapid change in behaviour due to the coronavirus
- Opportunity to utilise our strong digital and low cost sales model to sell and deliver services online
- Trusted partner with strong reputation and strong online presence
- A unique - digital - relationship to 100,000+ customers

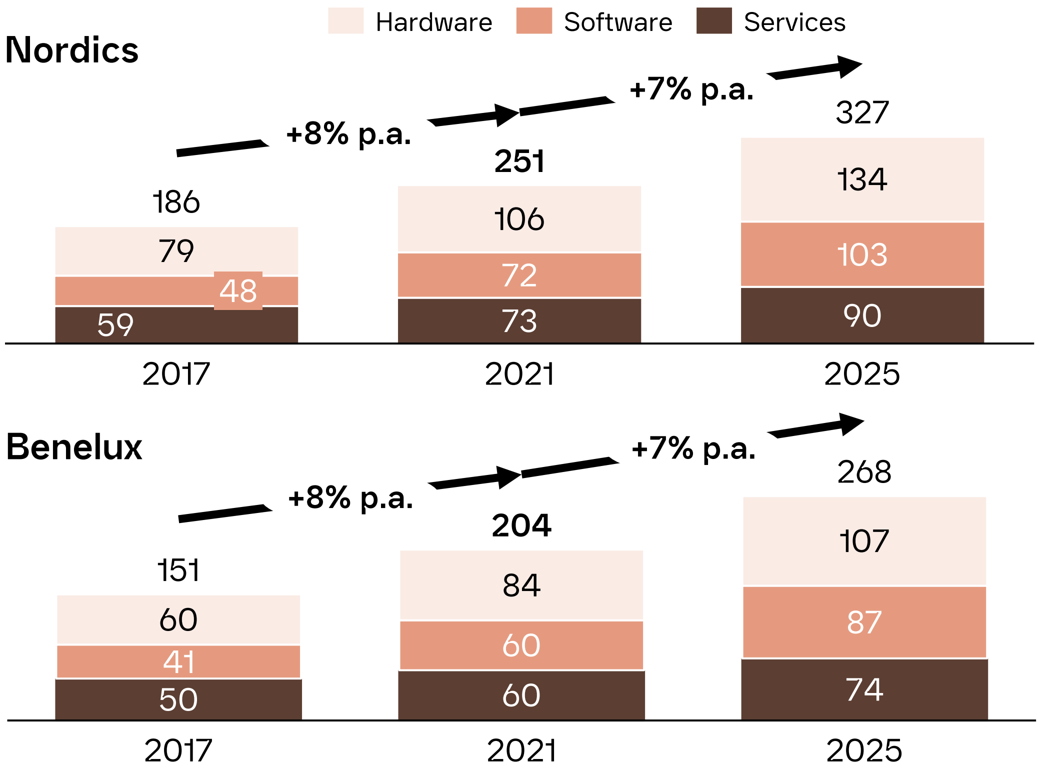


Our way forward

- The standardisation of our service offering creates an opportunity for economies of scale through central and efficient production, distribution, operation and monitoring and support as volumes increase
- Integration of acquired companies enable cross-selling opportunities through Dustin sales force and customer base
- Recurring revenues will exceed growth in ordinary business due to market dynamics and low market penetration
- Services enables long term customer relationship, and the recurring and scalable nature allows strong focus on winning new business

High growth position in a large market

B2B addressable market size by segment, bnSEK



Dustin share of addressable market

~ 6% Nordics

~ 5% Benelux

Market trends that define how we work

- Increasing online sales
- Growth of mobility and cloud services
- Demand for predictable IT costs
- Focus on security and integrity
- Sustainability

Note: Market data based on calendar year. The addressable market refers to hardware sales to the B2B segment and selected parts of software and services to the customer group small and medium enterprises.
Source: Dustin's estimates based on market data from IDC and market analysis from a senior advisor.

Updated financial targets

EPS Growth

>10%

3-year average annual growth rate

Leverage

2.0-3.0 Net debt/EBITDA

Unchanged

CO_2 emission

25% reduction

in CO_2e/MSEK Net Sales in the coming 3-year period.

Towards the unchanged 2030 commitment of being fully climate neutral*

Dividend Policy

>70%

Dividend policy pay out of net profit depending on the financial position

Unchanged

Supporting targets for EPS growth

Organic net sales growth

SMB: 8% 3-year avg
LCP: 5% 3-year avg

Segment margin

SMB >6.5% FY25/26
LCP >4.5% FY25/26

*Describing one of Dustin's three 2030 commitments – the others are Fully Circular and Social Equality

Integration and synergy extraction on track with full effect expected in FY23/24

		Executed	Current status: Activities	Current status: Financial	Plan	Expected financial status	
Revenue Synergies	SMB Benelux (EBITA 40-60 MSEK)	One way of working Launch of Dustin web store			Online excellence and branding Hassle free customer journey		~70 MSEK/Year Sales synergies
	LCP Tender (EBITA 15-35 MSEK)	Best practices shared x-regions Pilots in Swedish customer cases	~3 M		Scaling across the Nordics European offering		
Cost Synergies	Private Label Benelux (EBITA 30-50 MSEK)	Strong demand ramp up in LCP FY run rate ~25MSEK			Broaden offering Increase availability		~150 MSEK/Year Cost synergies
	Procurement (EBITA 10-30 MSEK)	Nordics renegotiated ~17MSEK Benelux renegotiated ~13MSEK			Renegotiate payment terms		
	Back office (EBITA 10-20 MSEK)	Integration of companies in progress			Wow harmonisation enabled by integration of companies		
	Processes, Quality Improvements & Efficiency Gains (EBITA 50-70 MSEK)	Run rate savings from global org and one IT platform of ~35 MSEK	~90 M		Capture further synergies from scale and consolidation		

FY21/22 › FY22/23 › FY23/24

Platform investments in IT and organisational changes enabling synergy capture

Dustin

Synergies drive SMB margin development

Average FY19/20-21/22

Segment margin

~6.0%

Strong performance boosted by COVID – normalised segment margin

General scalability and efficiency

~0.3% p.p. of margin expansion

- Secure cost synergies from scale/growth
- Leverage automation and promote more self-service
- Increase efficiency in managed service operations - scalable, standardised and remotely managed services

Strengthen sales mix

~0.3 p.p. of margin expansion

- Leverage share of wallet potential (e.g., infrastructure in Benelux, managed services across)
- Continue private label, product near and take back expansion

Pricing excellence & global procurement

~0.2% p.p. of margin expansion

- Improve data driven proprietary pricing
- Global procurement scaling on higher purchasing volumes and better certification levels on top vendors

Invest in growth

Negative impact of ~-0.3 p.p.

- Growth in new market requires initial investment to get traction

FY25/26

Segment margin

>6.5%

Including the synergies such as SMB Benelux expansion

Dustin

LCP margin development drivers

Average FY19/20-21/22

Segment margin

~4.0%

High volume in basic HW boosted by COVID disrupted mix

General scalability and efficiency

~0.2 p.p. of margin expansion

Utilising standard building blocks for services

Optimising cost of sales by pushing online purchasing platforms

API connections to enhance value and secure customer stickiness

Implementing “best practices” across all countries

Contract optimisation

~0.2 p.p.of margin expansion

Prioritise contracts where we contribute with more value and thereby receive a higher margin over the contract period

Mix of sales

~0.1 p.p. of margin expansion

Increase customer margin through:

Cross sell / upsell with Private label focus

Increase takeback and other LCS services

Unlock Share of Wallet potential (e.g. AV)

Increase share of SW

Utilising inhouse capabilities

Global procurement

~0.1 p.p. of margin expansion

Global procurement scaling on higher purchasing volumes and better certification levels on top vendors

FY25/26

Segment margin

>4.5%

Including synergies such as LCP Tender

Dustin

One IT Platform enables cost synergies and is key for building the European IT powerhouse

One IT Platform

One Dynamics	One Web Experience	One Service Management	One Data Platform
ERP & CRM	Portals & Open Web	ConnectWise & Service Management	Business Intelligence & Data Innovation

Our future platform is:

- Geographically scalable
- Aligning our ways of working
- Leveraging from standard processes
- Digitalising our customer journey
- Catering for efficiency and automation

We will be able to:

- Be more efficient in many of our core processes
- Increase our level of automation
- Reduce integration time of acquired companies
- Quicker implement new functions thanks to one development process
- Communicate internally and externally as One Dustin

Continued investments of 100-150 MSEK annually related to the IT transformation, enabling synergies of 60-90 MSEK annually

Our 2030 commitments

Commitments are designed to redefine the impact of our business, how we behave and how we act.

To find new radical ideas, innovations and solutions we promise to collaborate with those around us, work together and bring in different perspectives.

An action to enable responsible, circular and climate neutral IT solutions in a collaborative and transparent manner. Making an impact at scale.

A commitment to keep things moving.

Climate impact Zero carbon emissions across the value chain	0 CO_2
Circularity To be fully circular	100%
Social Equality With our colleagues, customer, partners and suppliers	100#

Committed to long-term sustainable growth

Trends

- Climate reduction increasingly important in procurement
- Demand for circular products and solutions
- Responsibility and transparency in supply chain management

Sustainability is becoming an integral part of buying IT

Today

- Launch of in-house takeback
- Advantage in tenders
- Sustainability linked loan connected to two KPIs: CO_2e per shipment and number of takebacks. Discount of -2,5 bps on margin if the two KPIs are reached
- Full value chain approach, including Scope 3
- Compliant with TCFD
- External integrated reporting, same level for sustainability as financial auditing

Strong ambitions with tangible steps towards the 2030 commitments

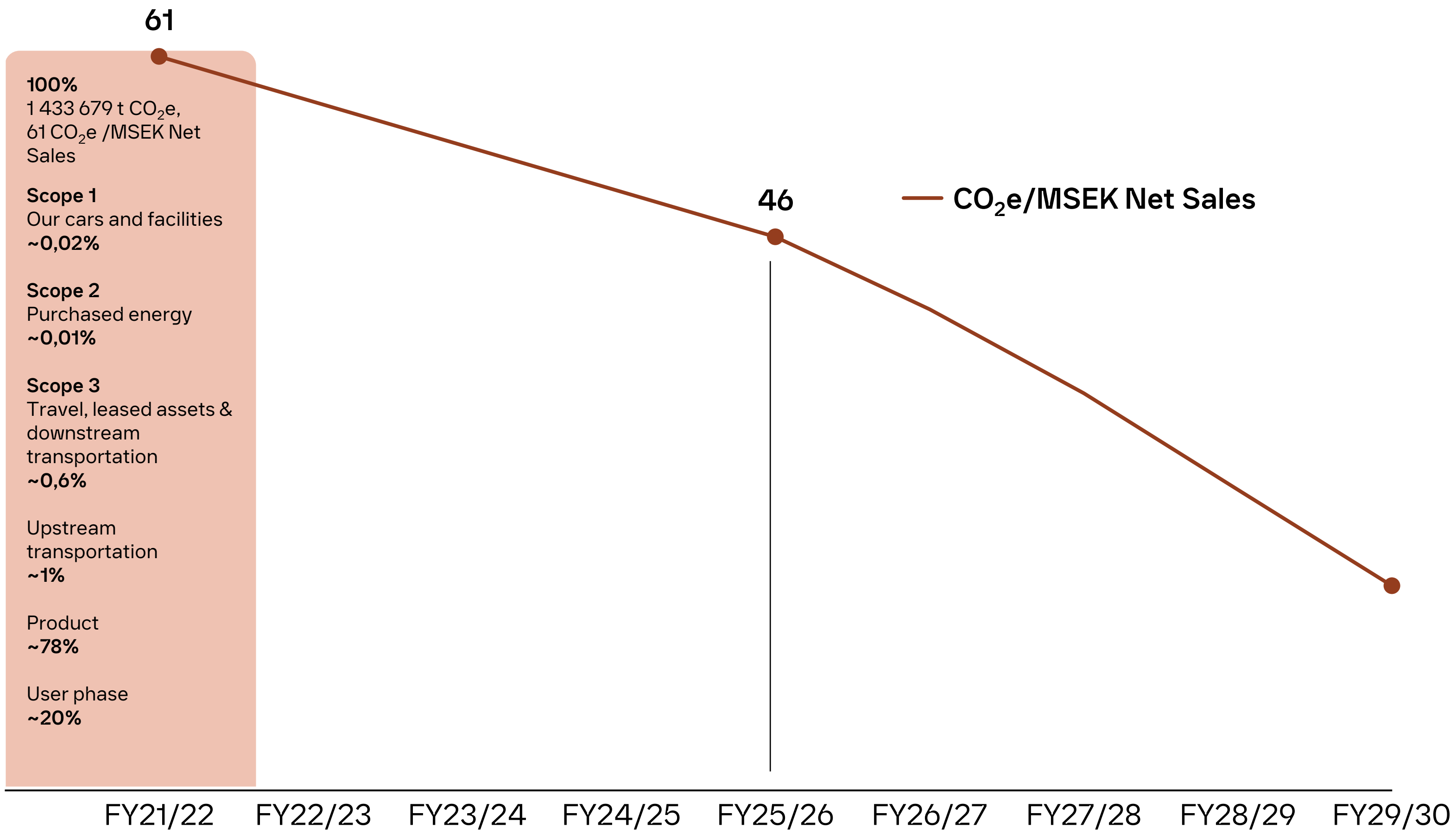
Potential

- Sell refurbished products online
- Use data to help customers make sustainable choices
- Offer circular options that add clear customer value
- LCP customer expectations driving change within SMB
- Given our position and size in our market we can have a positive impact in the entire value chain

Making sustainable IT easy for our customers and contributing to margin development

Our path to decrease our CO2 impact

25% reduction in CO_2e/ MSEK Net Sales until FY25/26



Our main levers – share of total improvement

Expanding services such as managed services and takeback.

~25%

Promoting solutions and products with lower negative environmental impact to actively support customers reduction.

~20%

Co-operate with committed vendors to reduce CO_2e.

~25%

Partnering with stakeholders towards climate action.

~10%

Carbon neutral in own operations.

~5%

Residual - Certified off-setting.

~15%

Dustin

Our mission, vision, guiding direction and promise

Mission	To provide the right IT solution, to the right customer and user. At the right time. At the right price.
Vision	To help our customers stay in the forefront
Guiding direction	Enabling the circularity movement
Promise	We keep things moving

Thank you

Dustin