

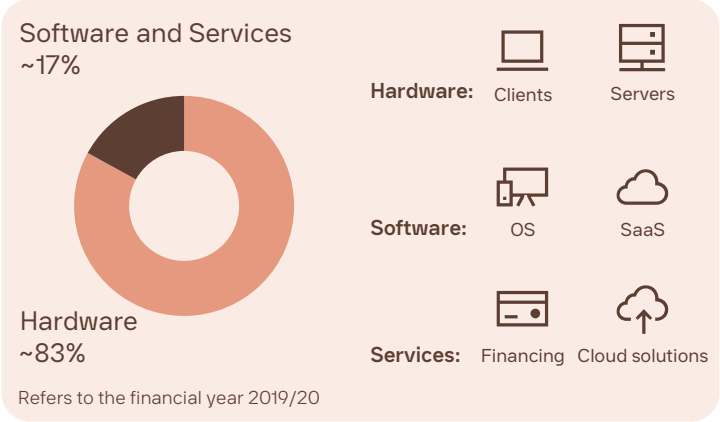
Q1 2020/21

January, 2021
dustingroup.com

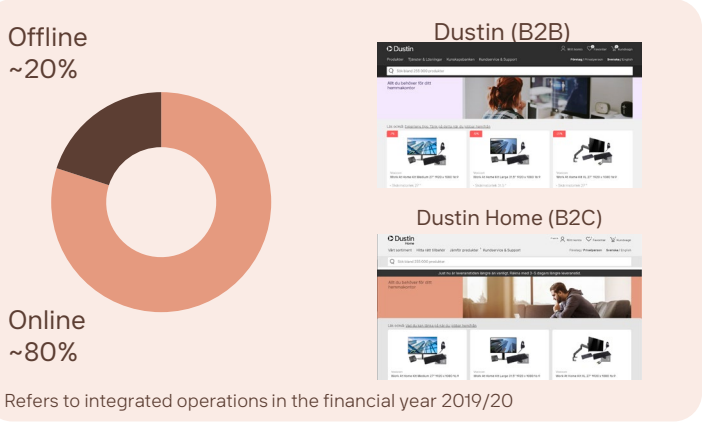
Q1

Dustin at a glance

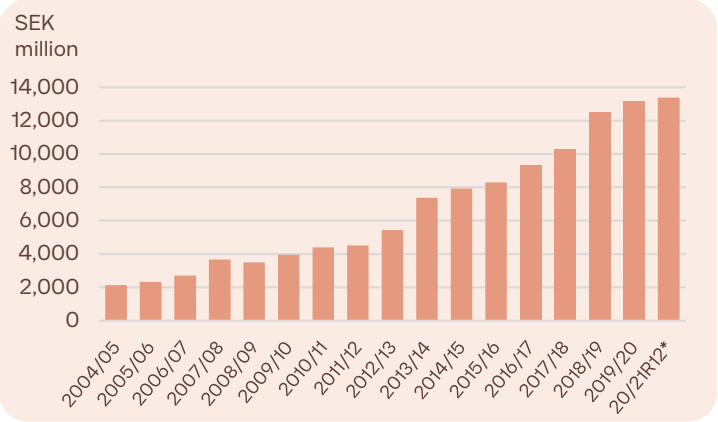
255,000 hardware and software products...



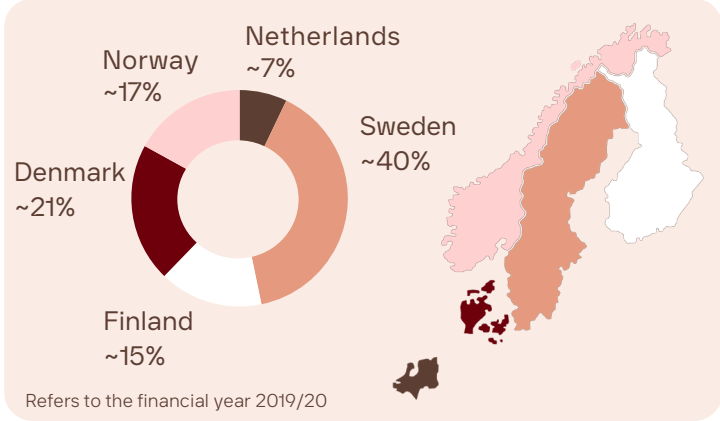
...sold online...



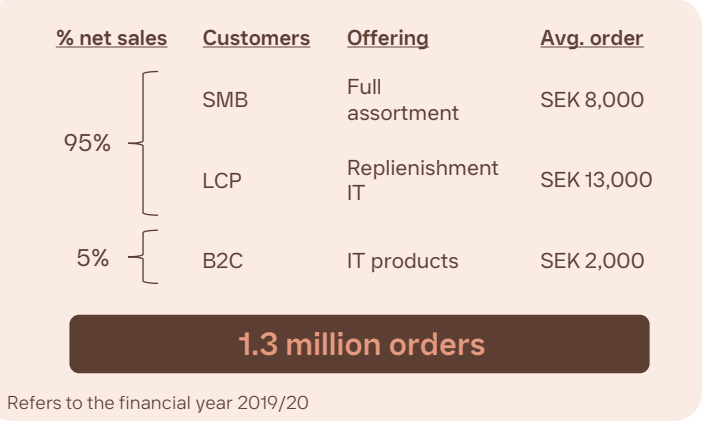
Net sales



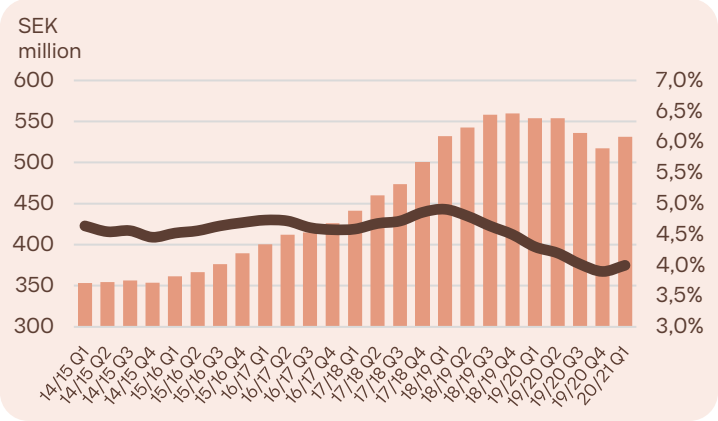
...across the Nordics and the Netherlands...



...to B2B customers



Adjusted EBITA and margin, R12*



* R12 refers to 12 month rolling

Strong organic growth and earnings trend mark beginning of the year

Financial Highlights

Net sales was 3,696 (3,508) MSEK

- Reported net sales grew by 5.3%
- Organic growth was 8.0%, of which SMB 7.1%, LCP 8.2% and B2C 16.0%

Gross profit was 577 (560) MSEK

- Gross margin of 15.6% (16.0%)

Adjusted EBITA was 171 (156) MSEK

- Adjusted EBITA margin of 4.6% (4.5%)

Items affecting comparability of -13.9 (-14.2) MSEK

EBIT was 132 (118) MSEK

Earnings per share of 1.02 (0.97) SEK

Cash flow from operating activities of 265 (225) MSEK

Leverage of 2.2x (2.6x) in the past 12-month period (excluding effects from IFRS 16)

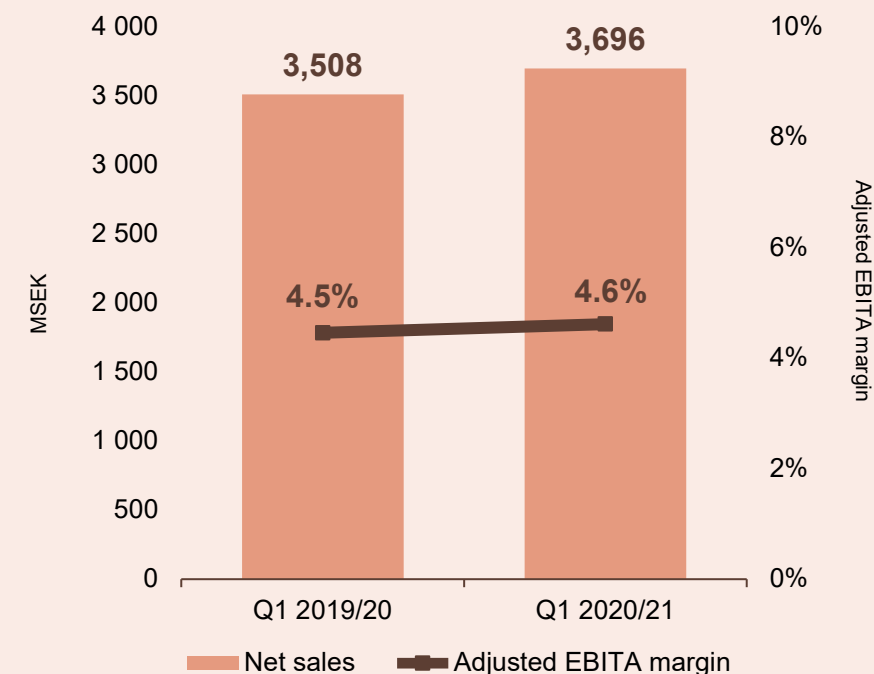
Operational Highlights

Acquisition of Danish Exato

- Specialised in standardised services, such as security and infrastructure
- Roughly half of income is from subscription services, primarily from SMBs
- Complements our service portfolio and strengthens our capacity in managed services, primarily in the Danish market and further in all our markets over time

Closure of Dustin Business Center in Stockholm

Net sales and adjusted EBITA margin



Financial development – SMB

Healthy hardware demand throughout the quarter

Net sales growth in SMB of 4.3% y/y

- Organic growth of 7.1%

Segment result increased to 162 (157) MSEK

- Segment margin of 10.0% (10.1%)

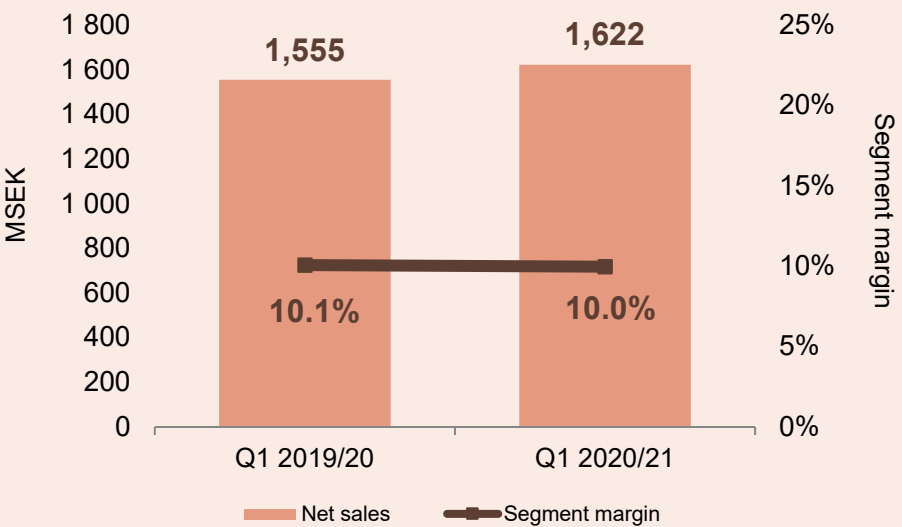
Stable development in online core business

- Continued healthy development in hardware sales
- Solid demand in all customer groups within the segment
- Contractual recurring revenues from subscription-based services stable
- Positive sales development in all markets, with Norway leading the way
- Continued weak development for project-related installation and services

Solid sequential margin improvement

- Temporary and long-term cost reductions generates clear profitability improvement
- Impacted by lower share of high margin project-related income and advanced hardware
- Low utilization of production and delivery capacity in services and solutions
- Share of software and services sales declined to 21% (24%) for the segment

Net sales and segment margin



MSEK	Q1 2020/21	Q1 2019/20	Organic growth	Q1 y/y growth
Net sales	1,622	1,555	7.1%	4.3%
Segment result	162	157	–	3.3%
Segment margin	10.0%	10.1%	–	–

Financial development – LCP

Stable development despite a cautious market

Net sales growth in LCP of 5.6% y/y

- Organic growth of 8.2%

Segment result increased to 127 (100) MSEK

- Segment margin increased to 6.7% (5.5%)

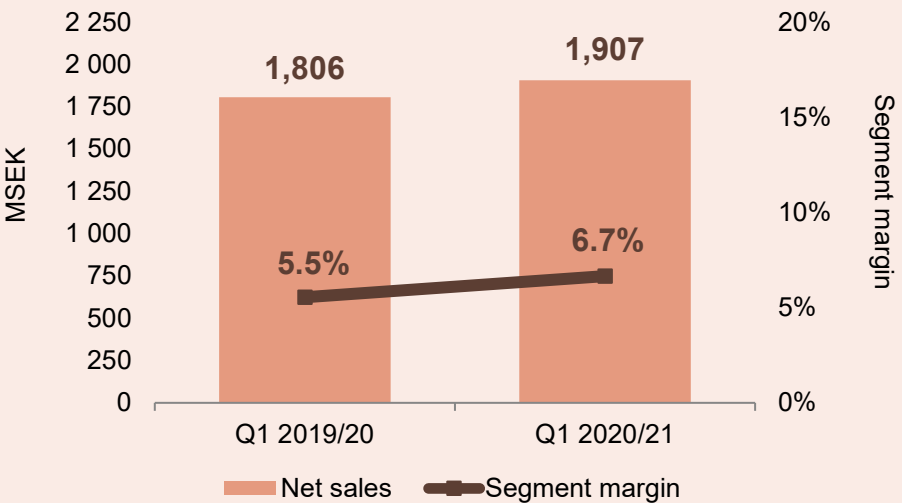
Stable public sector growth

- Sales to the public sector remained favourable
- Sales to large companies increased significantly compared with the preceding quarter, but activity remained slow
- Strong sales development in Denmark, Norway and Finland

Maturing portfolio lift margins

- Improved margin within larger public sector framework agreements, as contract portfolio matures
- Good cost control
- Economies of scale due to higher volumes

Net sales and segment margin



MSEK	Q1 2020/21	Q1 2019/20	Organic growth	Q1 y/y growth
Net sales	1,907	1,806	8.2%	5.6%
Segment result	127	100	–	27.0%
Segment margin	6.7%	5.5%	–	–

Financial development – B2C

Strong sales development in the consumer segment

Net sales growth in B2C of 13.4% y/y

- Organic growth of 16.0%

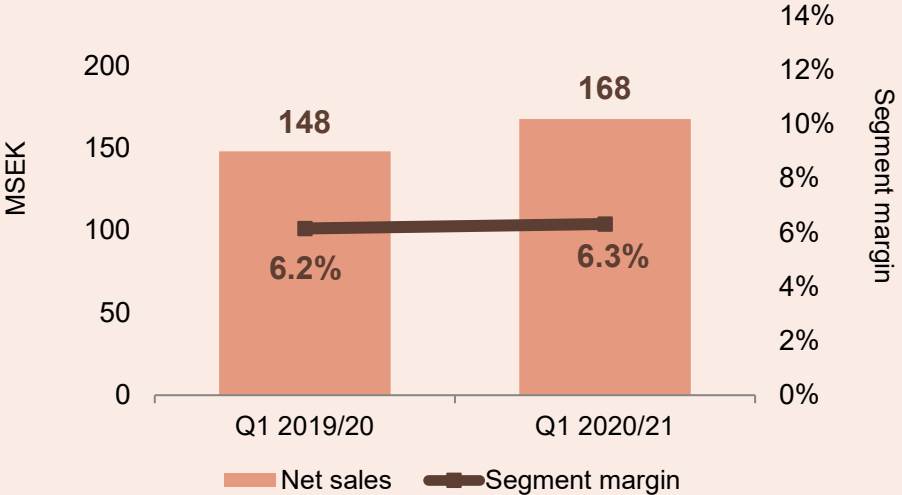
Segment result improved to 10.6 (9.1) MSEK

- Segment margin at 6.3% (6.2%)

Strong growth and slightly improved margin

- High volumes in conjunction with the earlier date this year for Black Friday, last year, the volumes were divided between November and December
- Strong sales performance in the Norwegian and the Swedish market
Continued focus on margin ahead of volume
- Pricing discipline and flexible cost base

Net sales and segment margin



MSEK	Q1 2020/21	Q1 2019/20	Organic growth	Q1 y/y growth
Net sales	168	148	16.0%	13.4%
Segment result	10.6	9.1	-	17.0%
Segment margin	6.3%	6.2%	-	-

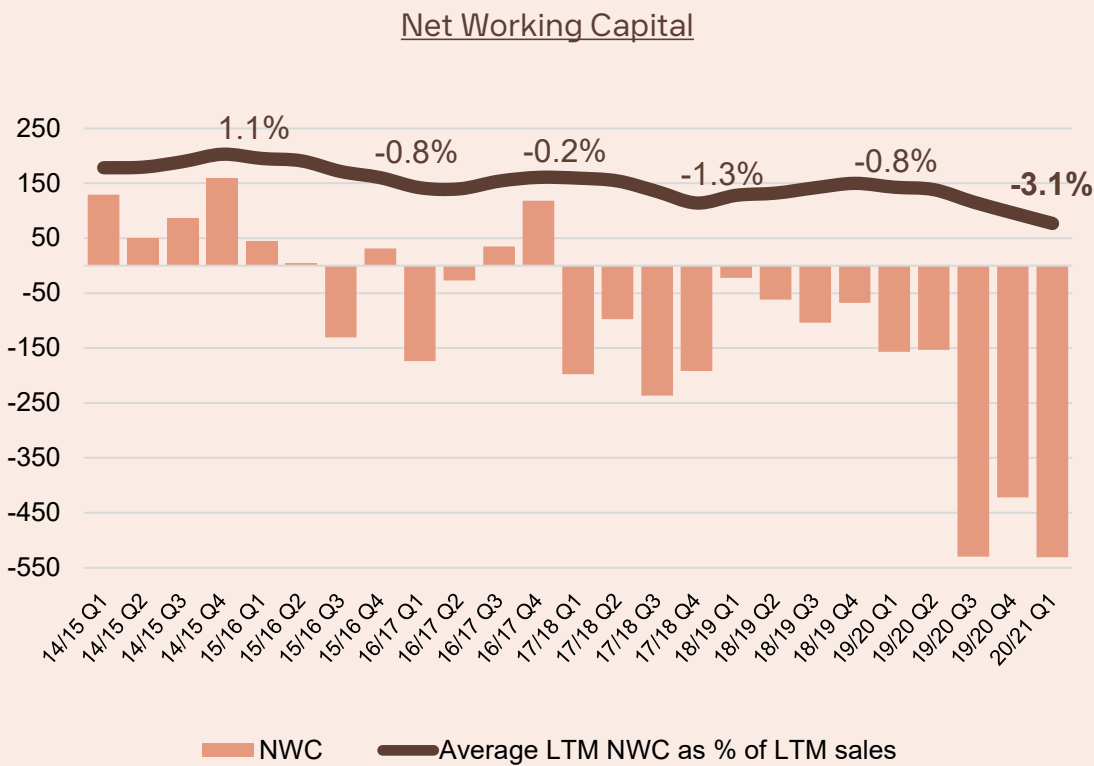
Net working capital and Leverage

Low net working capital

- Net working capital was -531 MSEK (-157)
- Inventory increased slightly sequentially, but decreased y/y
- Accounts receivable lower than last year, mainly attributable to customer mix and continued high payment discipline
- Accounts payable higher, mainly as a result of temporary effects at the end of the year-earlier quarter
- Tax liabilities and other current liabilities lower, due to exercised tax credits offered as a result of the pandemic
- Robust business model – even tighter relationship in turbulent times

Leverage in the lower end of the target range

- Net debt in relation to adjusted EBITDA in the past 12-month period (excluding effects from IFRS 16), was 2.2x (2.6x at the end of 2019/20)



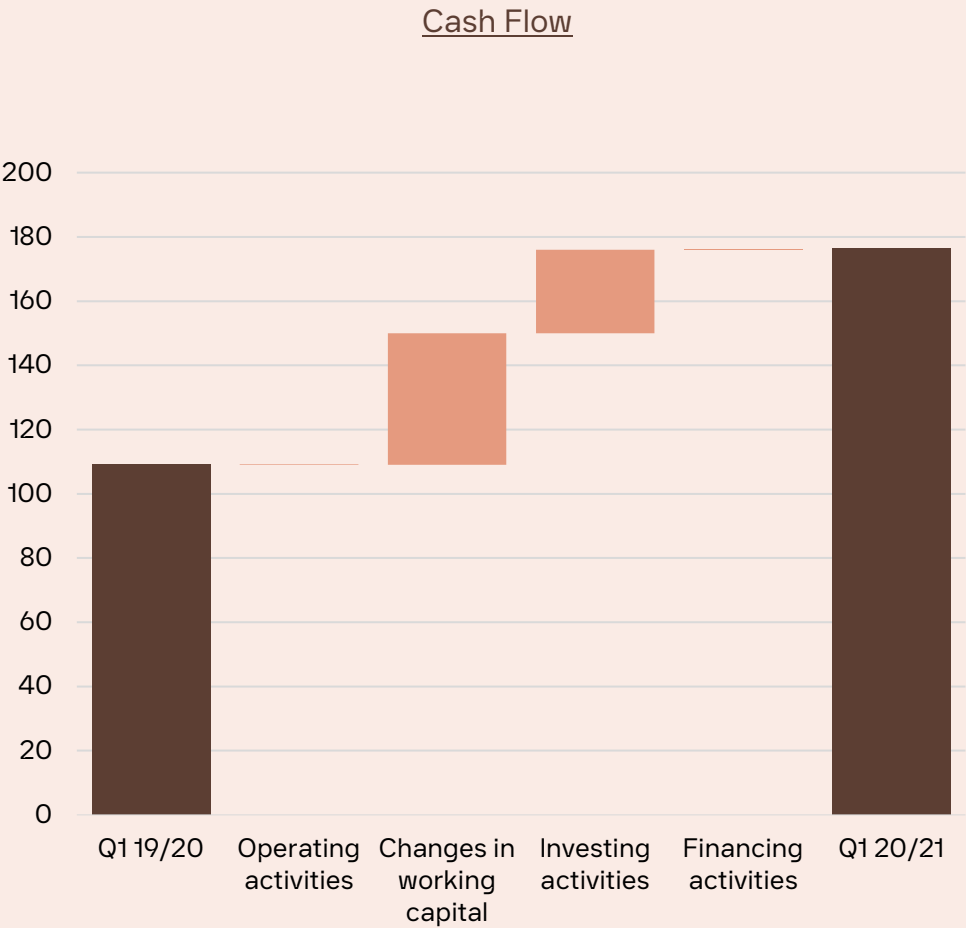
Cash flow and Investments

Strong underlying cash flow generation

- Cash flow for the quarter was 176 (109) MSEK
- Cash flow from operating activities, before changes in working capital, was 169 (170) MSEK
- Cash flow from changes in working capital was 96 (55) MSEK, mainly as a result of changes in inventory and current liabilities
- Cash flow from investing activities was -52 (-78) MSEK, mainly due to the acquisition of Danish company Exato
- Cash flow from financing activities was -37 (-37) MSEK, mainly comprised the repayment of lease liabilities primarily attributable to IFRS 16

Low investment need

- Total investments amounted to 53.3 (62.0) MSEK
- Capex related to IT development was slightly lower at 8.0 (12.4) MSEK
- Investments in tangible and intangible assets decreased to 33.5 (43.1) MSEK, of which leased assets amounted to 30.9 (21.5) MSEK
- Investments in assets related to service provision increased to 11.7 (6.5) MSEK, of which leased assets amounted to 9.3 (5.0) MSEK



Implemented structural initiatives for long term profitability improvement

Increased pace in implementation of strategy in services and solutions

- Closing of 14 smaller and local offices and reduced workforce by approximately 50 positions
- Expected to generate annual saving of SEK 40 million
- Full effect in the quarter

Warehouse automation in operation

- Robot solution in operation as of June, now handling more than 80% of the order lines
- Expected to generate annual saving of SEK 10 million
- Full effect in the quarter

Consolidation of Nordic data centre structure

- All 4 data centres completed and operational, migration of customers is ongoing
- To be finalized at the end of the second quarter 20/21, expected to generate annual saving of SEK 10 million
- Full effect expected as of the third quarter 20/21



Our 2030 commitments and initial focus

Climate

- Initial focus to expand our partnerships with strategic suppliers, distributors and freight carriers
- Integration of the long-term commitments into our business
- Target for the year to complete transition to electricity from renewable sources at all of our premises, that 28 per cent of our sold products must carry an eco-label, and to establish a plan to reduce our total emissions in the value chain

Circularity

- Initial focus to broaden our partnerships in all of our markets to promote increased collection of end-of-life returns for reuse and recycling

Social equality

- Continue to conduct regular factory audits among our manufacturers
- Continuously work to ensure that new suppliers adopt our Supplier Code of Conduct and conduct a risk assessment to evaluate their ability to comply with the Code



Climate impact
Zero carbon emissions
across the value chain

0 CO₂



Circularity
A fully circular customer
offering

100%



Social Equality
With our colleagues, customer,
partners and suppliers

100#

Summary of the first quarter 2020/21

Strong organic growth and earnings trend mark beginning of the year

Net sales grew 5.3% to 3,696 (3,508) MSEK

Group organic net sales grew 8.0% in constant currency

Organic growth in SMB of 7.1%, LCP of 8.2% and B2C of 16.0%

Gross margin at 15.6% (16.0%)

Weaker due to negative mix effects with higher share of basic hardware sales and lower share of project-related services income

Adjusted EBITA increased to 171 (156) MSEK

Adjusted EBITA margin of 4.6% (4.5%)

EBIT was 132 (118) MSEK

Earnings per share before dilution at SEK 1.02 (0.97)

Cash flow from operating activities of 265 (225) MSEK

Leverage of 2.2x (2.6x) in the past 12-month period (excl IFRS 16)

Acquisition of Danish Exato

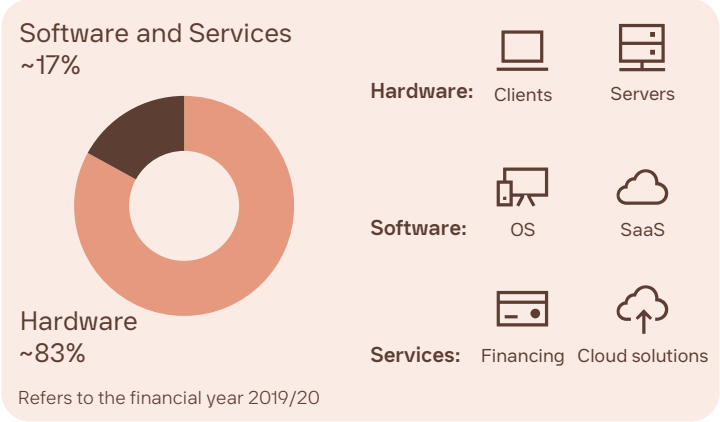
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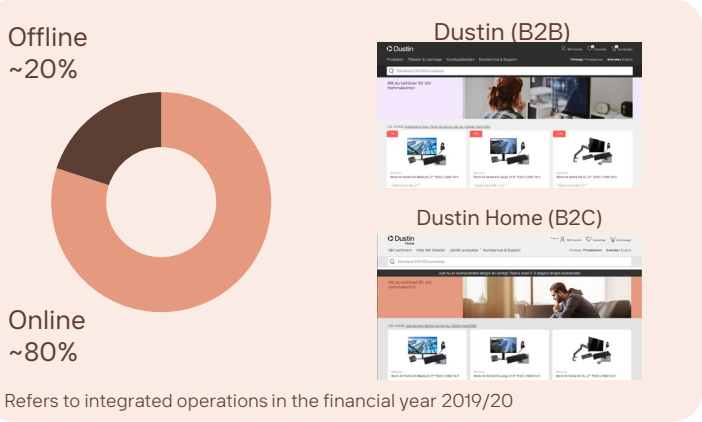
Corporate presentation

Dustin at a glance

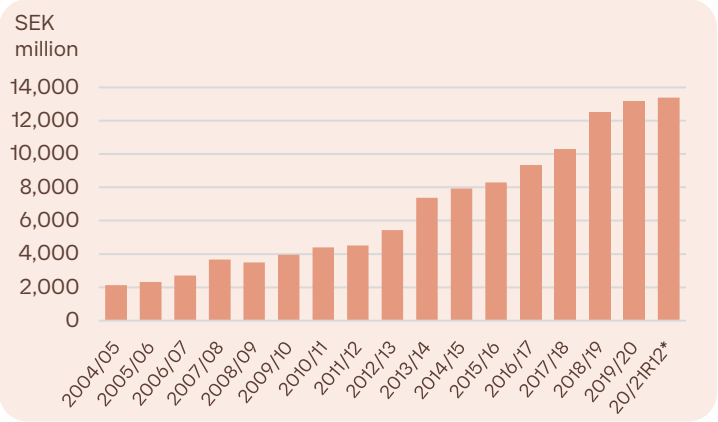
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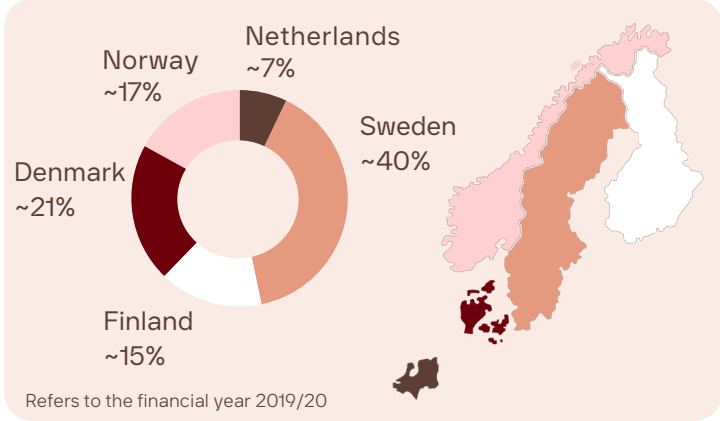
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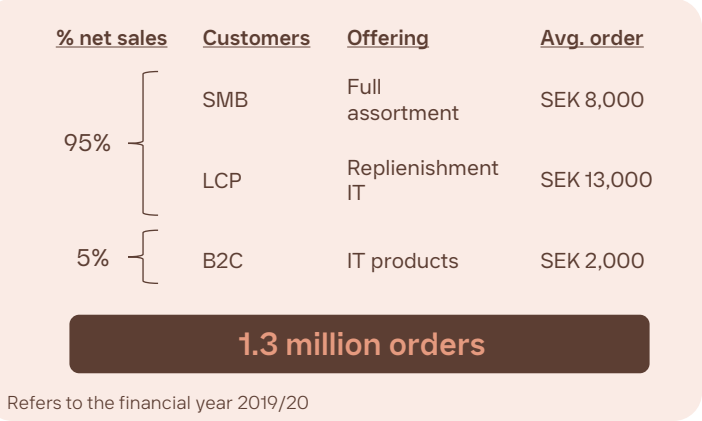
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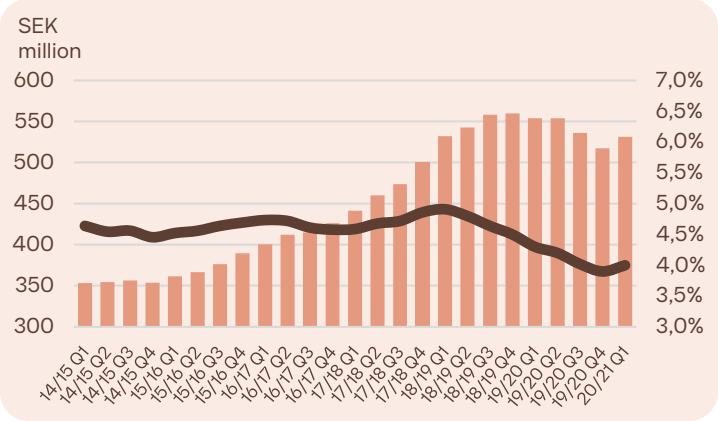
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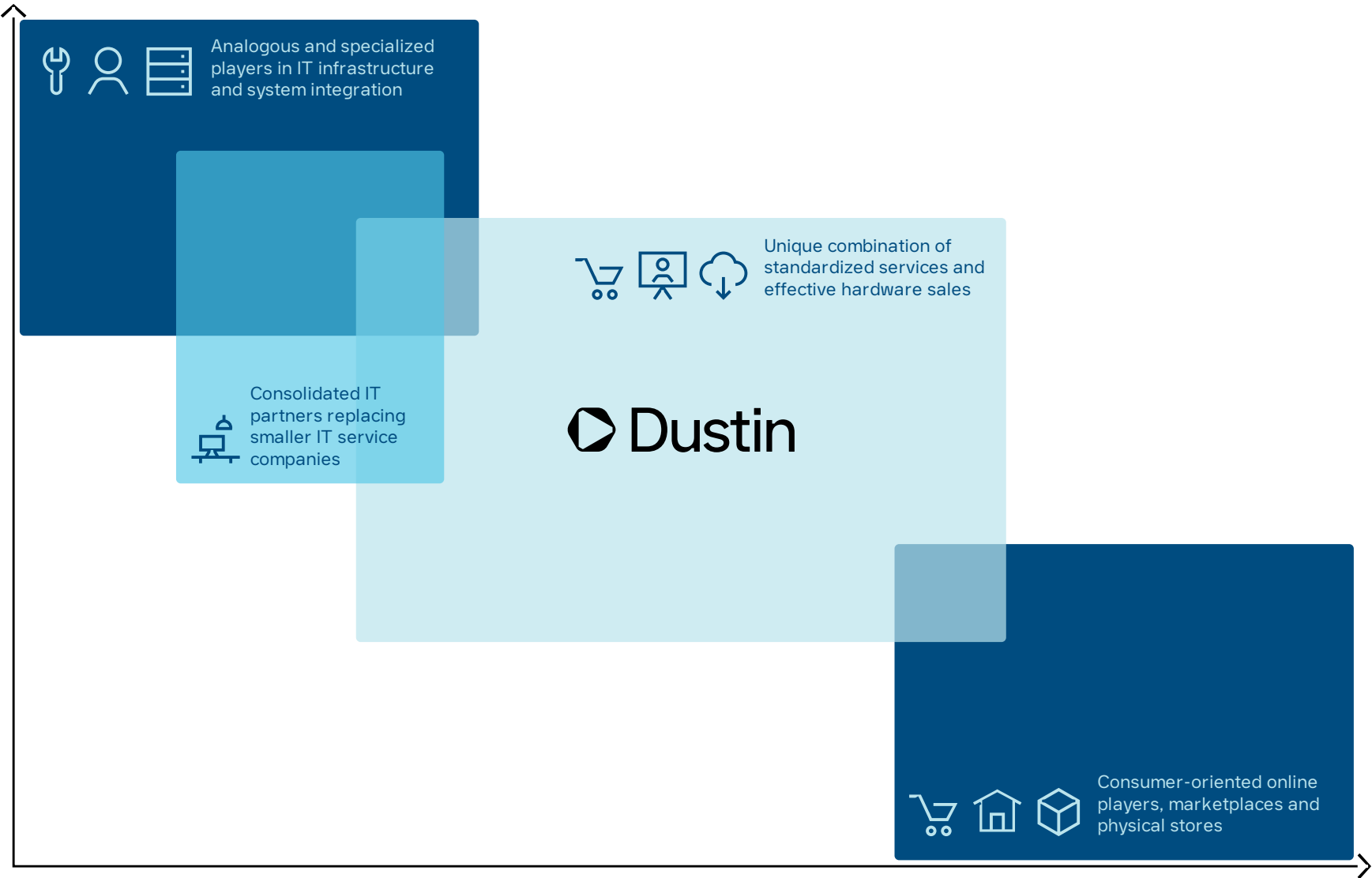
Adjusted EBITA and margin, R12*



* R12 refers to 12 month rolling

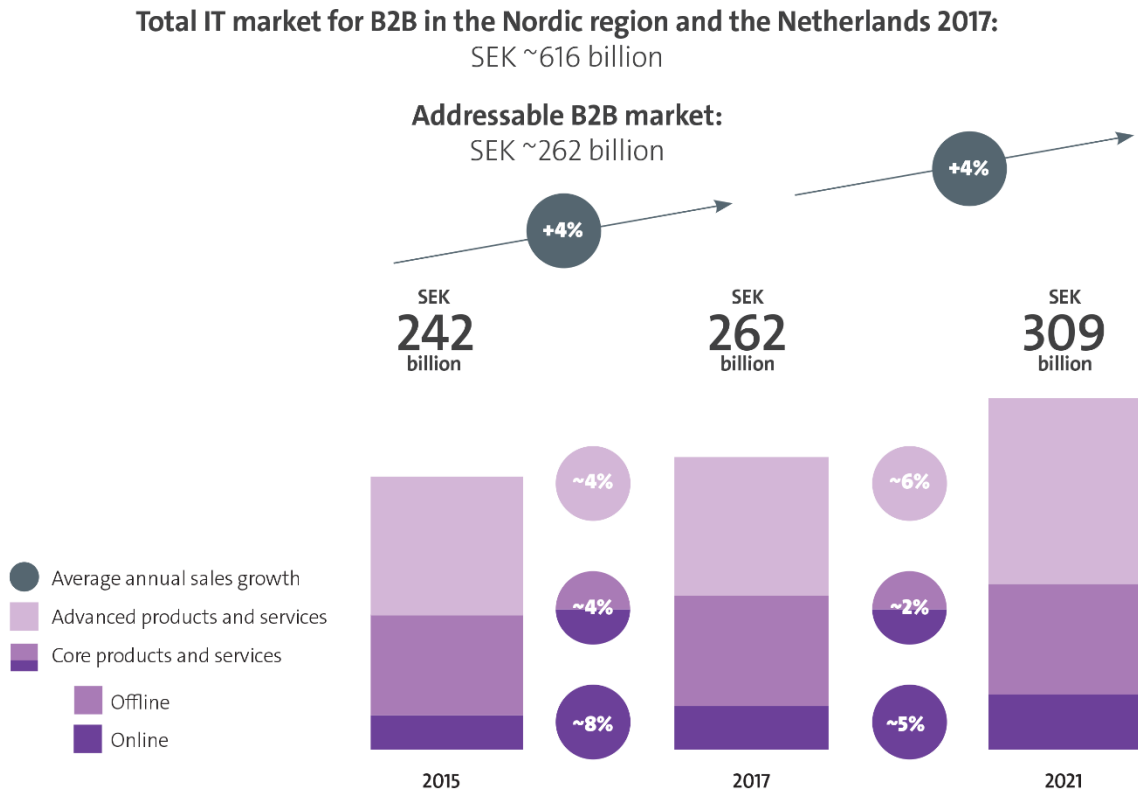
A unique position in the SMB segment

Dustin offers a high degree of knowledge and added value through a cost-efficient business model.



High growth position in a large market

Large and fragmented addressable market



Key market trends

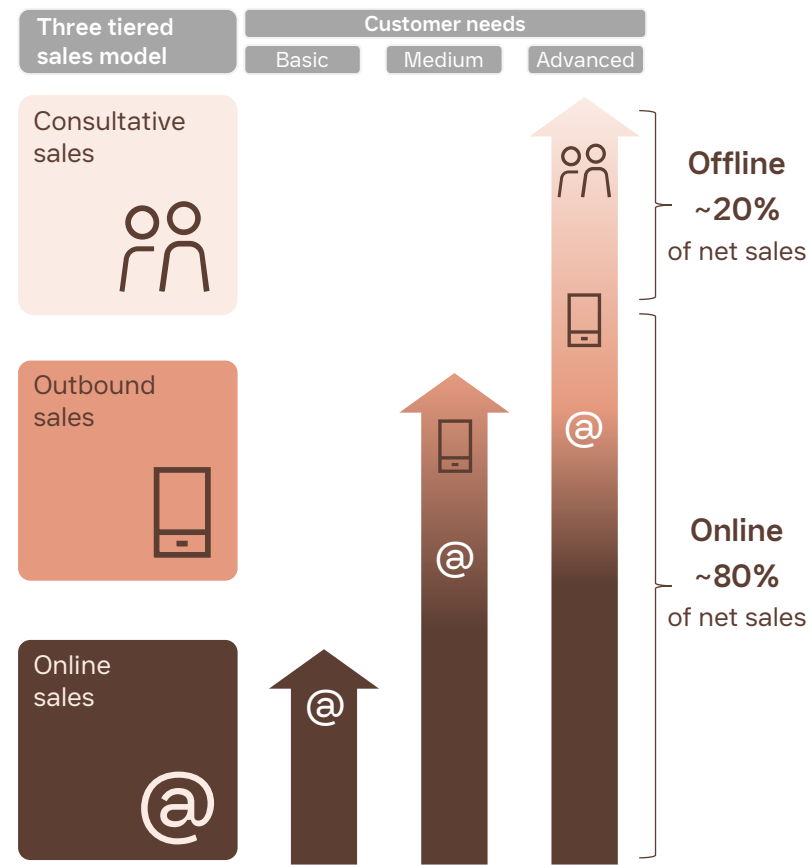
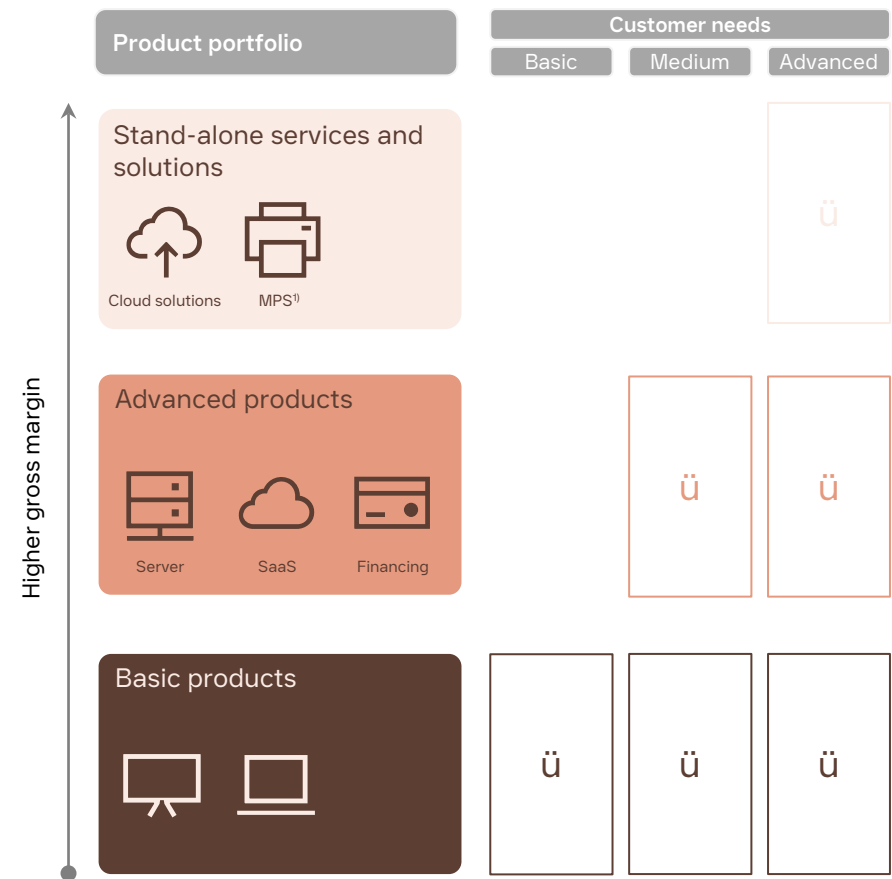
- ✓ Increased share of sales online
- ✓ Increased demand in mobility, cloud and security
- ✓ Rising demand for sustainable IT
- ✓ Digitalisation increases importance of IT in organisations

Dustin share of addressable market

- ✓ Market share Nordics ~7%
- ✓ Market share Netherlands ~1%

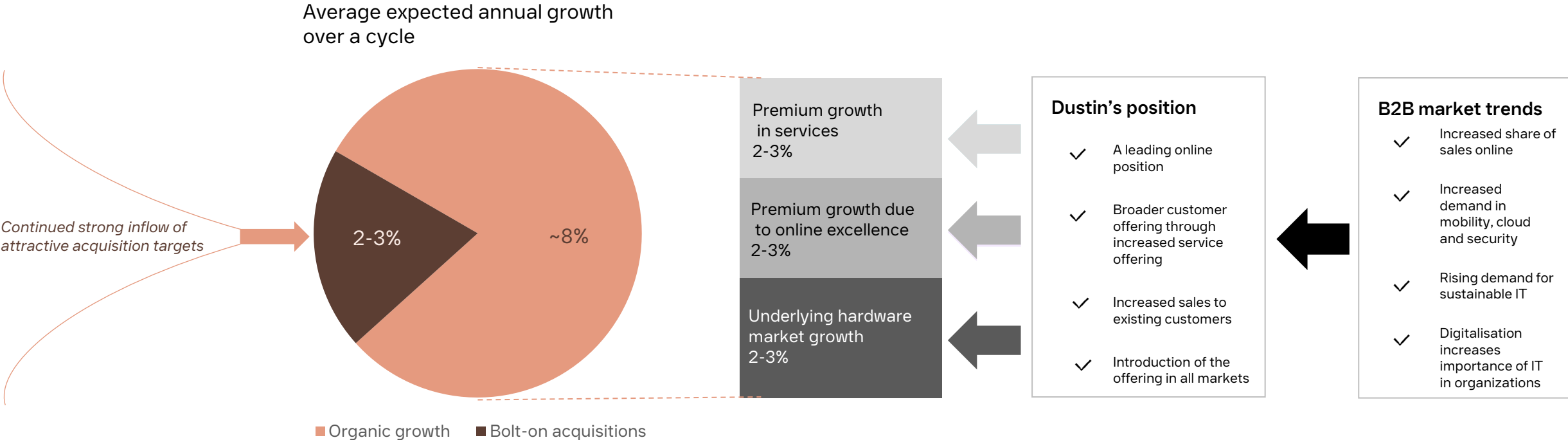
*Compound Annual Growth Rate
Note: Market data based on calendar year. The addressable market refers to hardware sales to the B2B segment and selected parts of software and services to the customer group small and medium enterprises.
Source: Dustin's estimates based on market data from IDC and market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

Multi-channel approach to drive growth and margins



Positioned to outgrow the market supported by strong market trends

Total growth over a cycle of ~10% of which organic ~8% and bolt-on acquisitions 2-3%

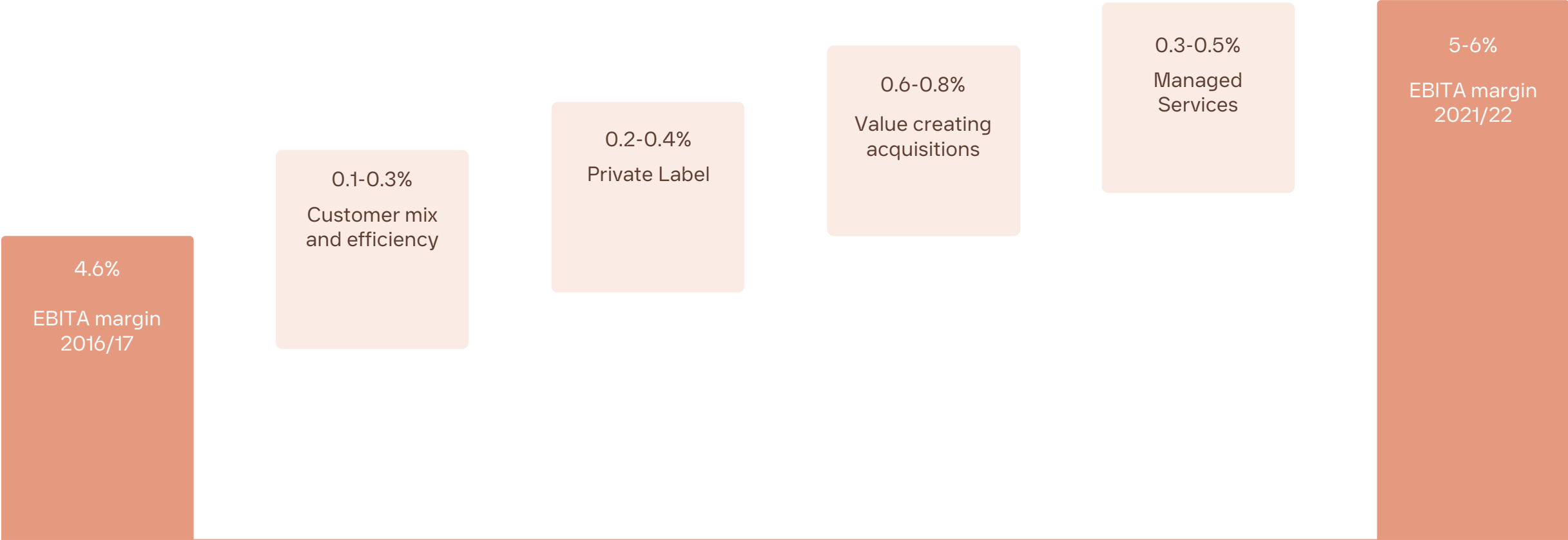


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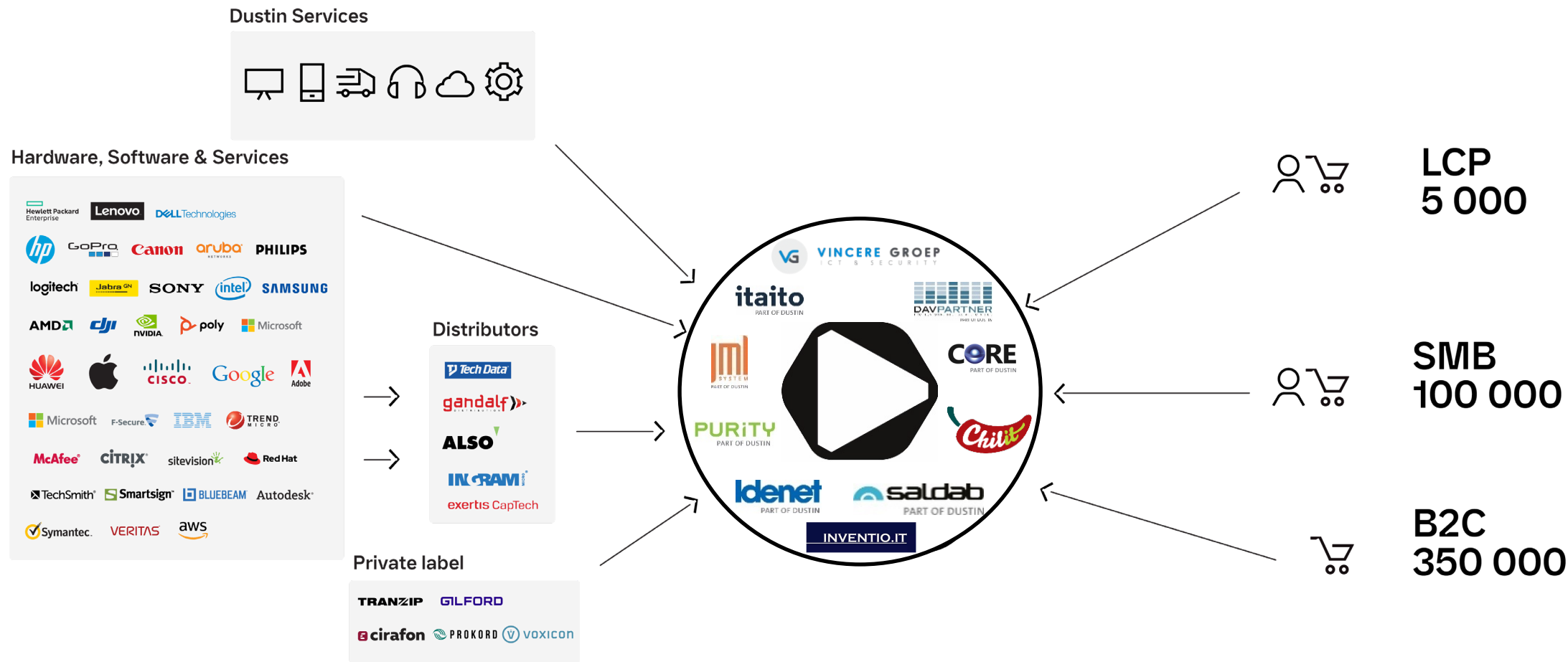
Our five-year plan to increase growth



Our five-year plan for margin expansion

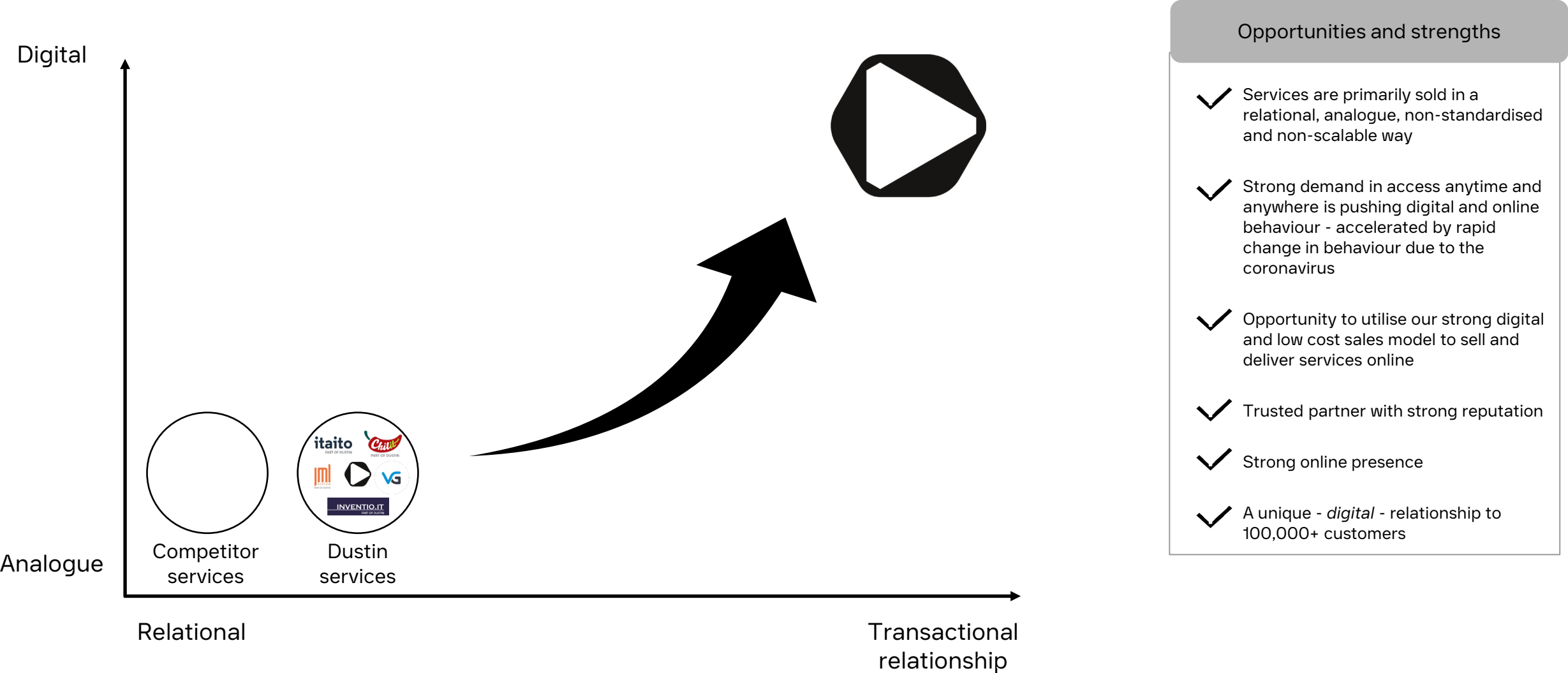


Our position in the value chain

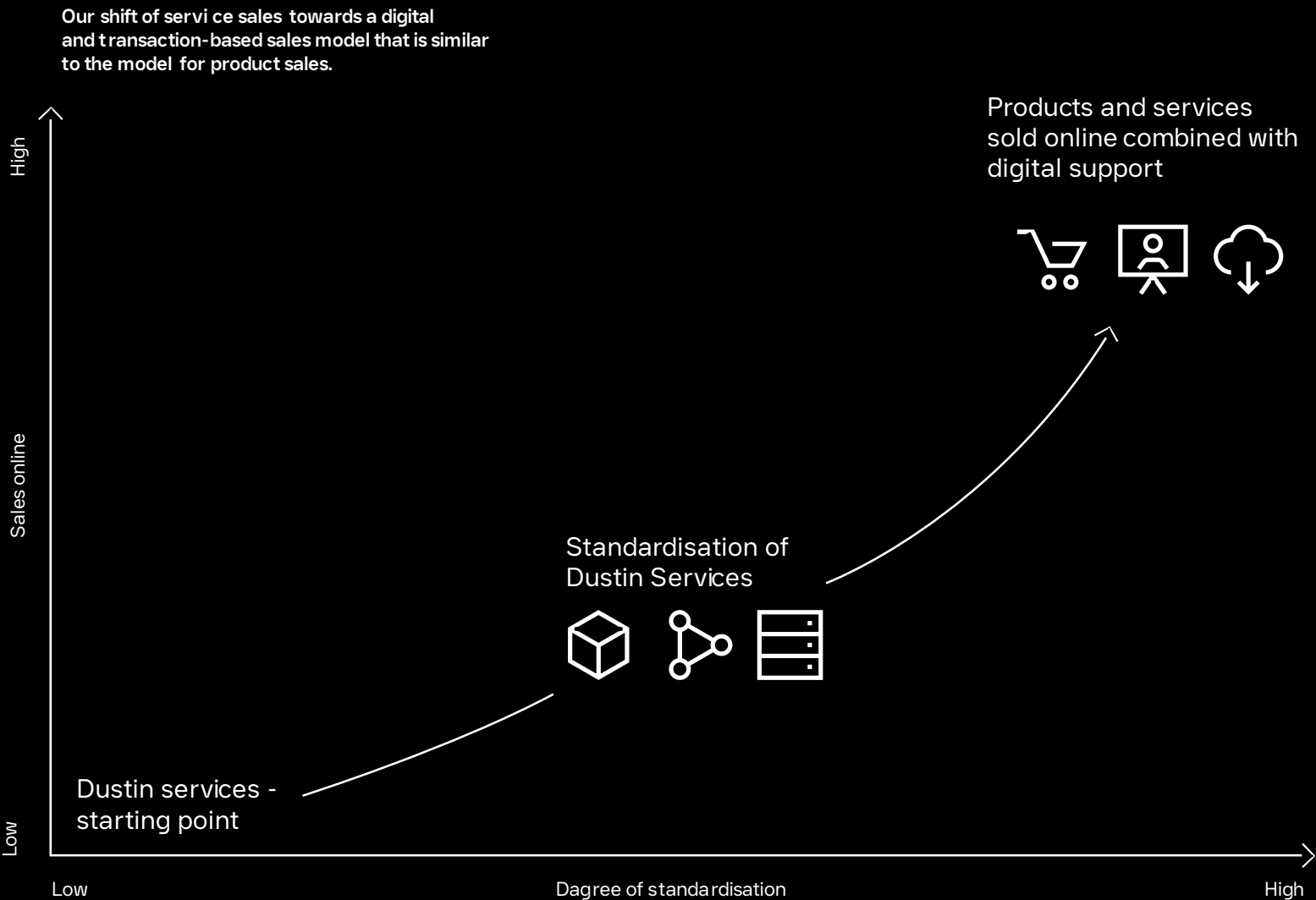


A large number of suppliers ... > ... need an aggregator to interact with ... < ... a large number of customers

Our position



Our way forward



Our delivery model

Our delivery model for cost-effective production, delivery and operation

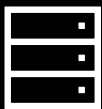
Central service production



Standardised services



Harmonised processes



Uniform data centre structure

Central logistics centre



Close collaboration with distributors



Wide offering



Automated warehouse robot solution



Digital presence



Digital delivery



Physical delivery

Products and standardised services provided
on our strong online platform



Updated brand platform

Our promise

We keep things
moving

Our vision

To help our
customers stay in
the forefront

Our mission

To provide the right
IT solution, to the
right customer and
user.

At the right time.
At the right price

Our guiding direction

Enabling the
circularity
movement

Financial targets

Growth

Dustin's target is an average annual organic growth rate of 8 per cent over a business cycle. In addition to this, Dustin intends to grow through acquisitions.

Margin

Dustin's target is to increase the adjusted EBITA margin over time, and to achieve an adjusted EBITA margin of between 5 and 6 per cent in the medium term.

Capital Structure

Dustin's capital structure should enable a high degree of financial flexibility and provide scope for acquisitions. The company's net debt target is a 2.0-3.0 multiple of adjusted EBITDA for the past 12-month period.

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

Thank you

 Dustin