Q1 2024/25

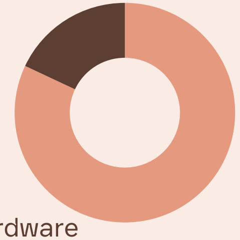
January, 2025
dustingroup.com

Dustin

Q1

Dustin at a glance

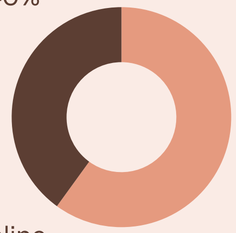
280,000 hardware and software products…



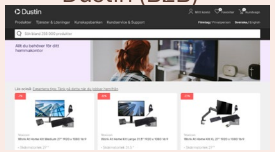
Hardware:	Clients	Servers
Software:	OS	SaaS
Services:	Financing	Cloud solutions

Refers to the financial year 2023/24

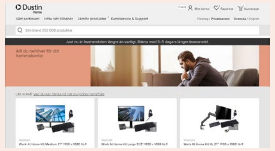
…primarily sold online…



Dustin (B2B)

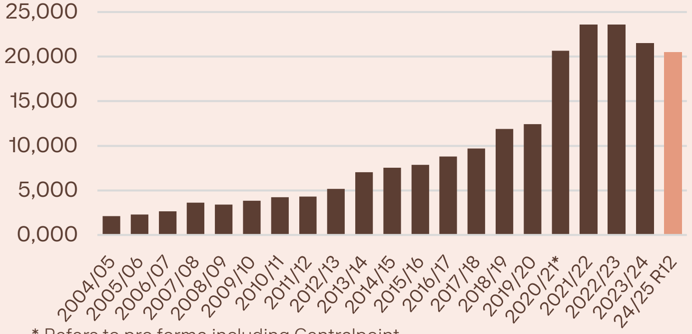


Dustin Home (B2C)



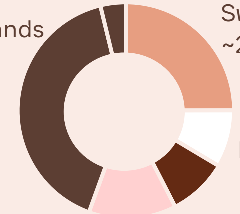
Refers to the financial year 2023/24

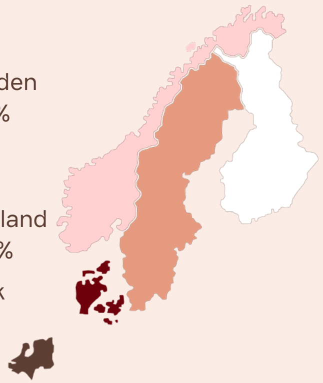
Net sales



* Refers to pro forma including Centralpoint

…across the Nordics and Benelux…





Refers to the financial year 2023/24

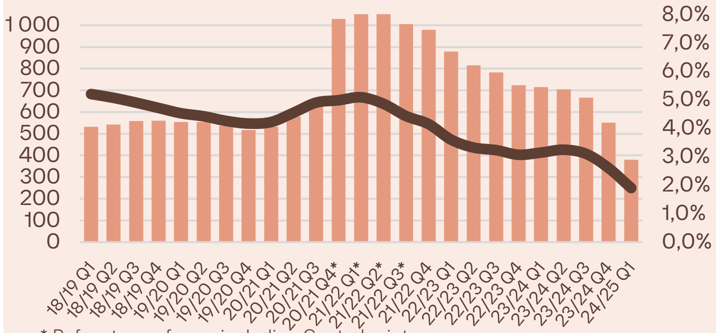
…to B2B customers

% net sales	Customers	Offering	Avg. order
98%	LCP	Large roll-outs, volume services, takeback	SEK 15,000
	SMB	Full assortment	SEK 10,000
2%	B2C	IT products	SEK 2,000

~ 2 million orders annually

Refers to the Nordics in the financial year 2023/24

Adjusted EBITA and margin, R12**



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** R12 refers to 12 month rolling

Challenging quarter with focus on adaptation and efficiency measures

Financial Highlights

Net sales was 4,782 (5,793) MSEK
- Organic growth was -16.2%, of which SMB -8.2% and LCP -19.5%
- Reported net sales growth was -17.5%
- Continued cautious market development
- Initial challenges in the implementation of shared IT platform affected sales

Gross profit was 683 (888) MSEK
- Gross margin amounted to 14.3% (15.3%)
- Impacted by high share of new framework agreements
- Unfavourable shift in product mix within LCP

Adjusted EBITA was 21 (192) MSEK
- Adjusted EBITA margin was 0.4% (3.3%)
- Negatively impacted by lower volumes and temporary costs related to the implementation of the shared IT platform

Items affecting comparability of -10 (-17) MSEK

EBIT was -52 (129) MSEK

EPS before and after dilution amounted to SEK -0.17 (0.15)

Cash flow from operating activities was -42 (250) MSEK

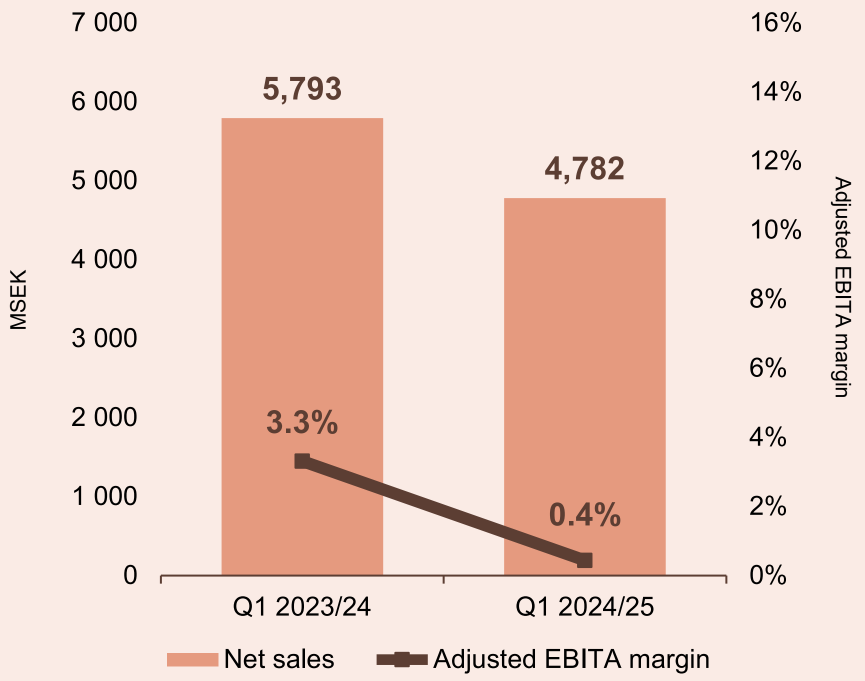
Leverage was 5.4x in the past 12-month period (4.0x FY 23/24)

Operational highlights

Organisational change and efficiency measures according to plan

Shared IT platform implemented in Benelux

Net sales and adjusted EBITA margin



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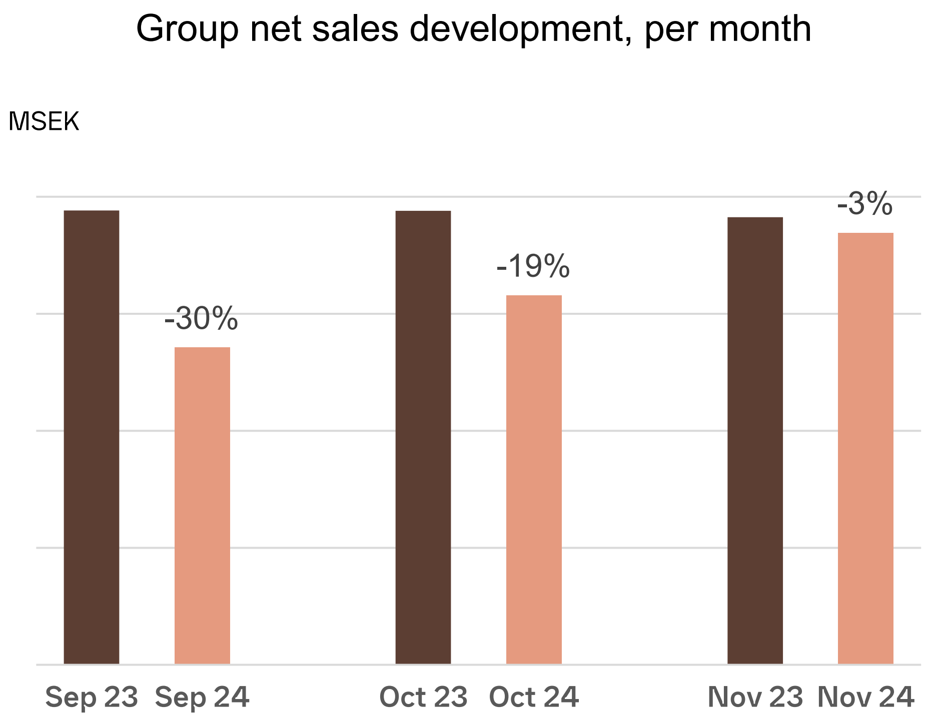
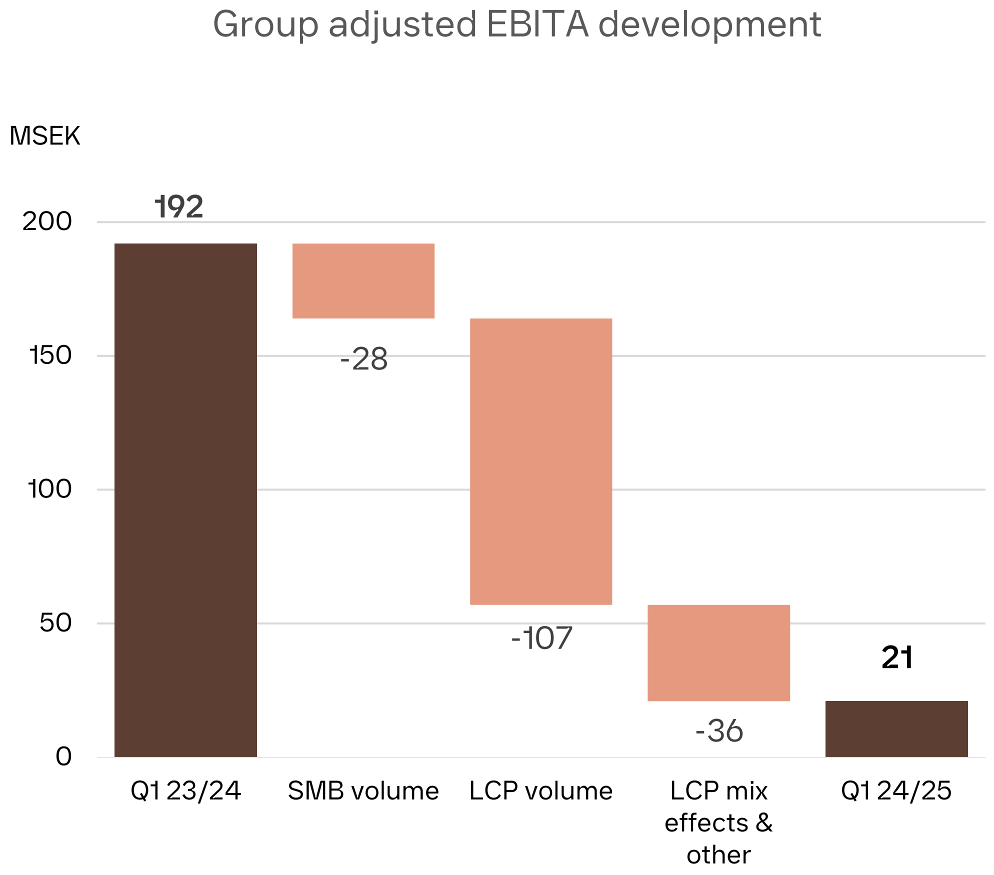
Sales performance burdened by implementation of shared IT platform

- Continued cuts in public sector spending, primarily in Finland, and lower demand among large companies due to postponed investment decisions impacted sales development within LCP by roughly 400 MSEK
- Challenges in the implementation of shared IT platform impacted sales development mainly in the LCP segment by roughly 400 MSEK in the quarter
- Negative effects from IT platform decreased throughout the quarter and sales picked up at the end when a large part of the back-log was shipped and invoiced
- The challenges experienced have been addressed, and no significant operational impact is expected in the second quarter
- Continued cautious market trend for SMBs, where demand was impacted by cost-cutting measures and thus delayed investment decisions



Weak adjusted EBITA development mainly due to lower volumes



- Lower volumes in SMB, albeit stable gross margin, affected the segment result negatively
- LCP segment result negatively affected by lower volumes due to initial challenges when implementing the shared IT platform (roughly 50 MSEK impact) in combination with budgetary cuts and postponed investment decisions (roughly 50 MSEK impact)
- Larger share of sales within new framework agreements with an initially lower margin and an unfavourable product mix in LCP had a negative impact on the gross margin
- Slightly lower SG&A compared to last year, where cost savings compensated for cost inflation and temporary costs related to IT platform implementation
- New organisation and efficiency measures according to plan and expected to have some impact in the second quarter and a clear effect in the third quarter. Majority of the estimated cost of 70-100 MSEK is expected to be charged in the second quarter

SMB - Continued cautious market development

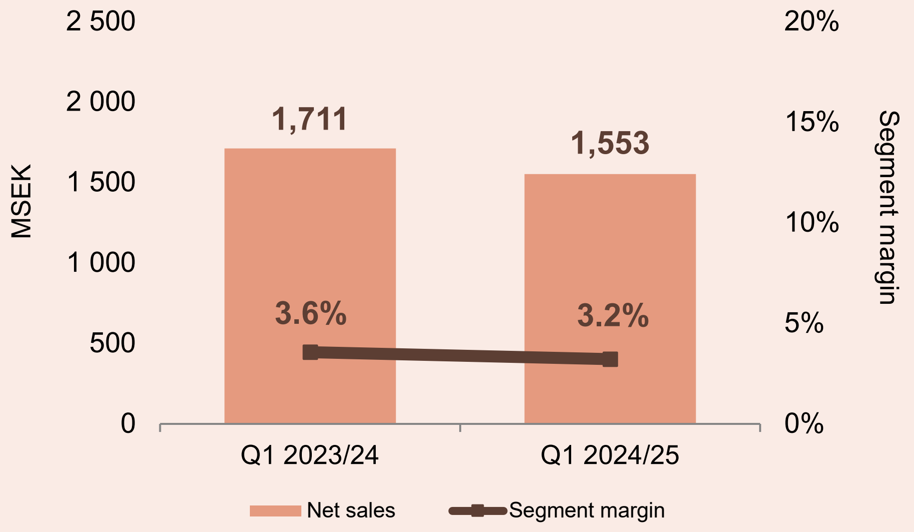
Net sales decline in SMB of 9.2% y/y
- Organic growth of -8.2%

Segment result was 50 (61) MSEK
- Segment margin decreased slightly to 3.2% (3.6%)

Cautious sales development
- Continued uncertainty surrounding the economic trend, affecting demand in all markets and within most customer groups
- The share of software and services sales increased to 12.4% (12.2%), due to a healthy trend for contracted recurring services in the Nordics

Stable gross margin but segment margin affected by lower sales volumes
- Continued good price discipline had a positive impact on gross margin
- Lower sales volumes resulting in negative operational leverage
- A somewhat lower cost base had a positive impact on the segment margin

Net sales and segment margin



MSEK	Q1 2024/25	Q1 2023/24	Organic growth	Q1 y/y growth
Net sales	1,553	1,711	-8.2%	-9.2%
Segment result	50	61	–	-17.8%
Segment margin	*3.2%*	*3.6%*	–	–

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LCP – Sales impacted by weak demand and IT platform implementation

Net sales growth in LCP of -20.9% y/y

- Organic growth was -19.5%

Segment result was 11 (162) MSEK

- Segment margin decreased to 0.3% (4.0%)

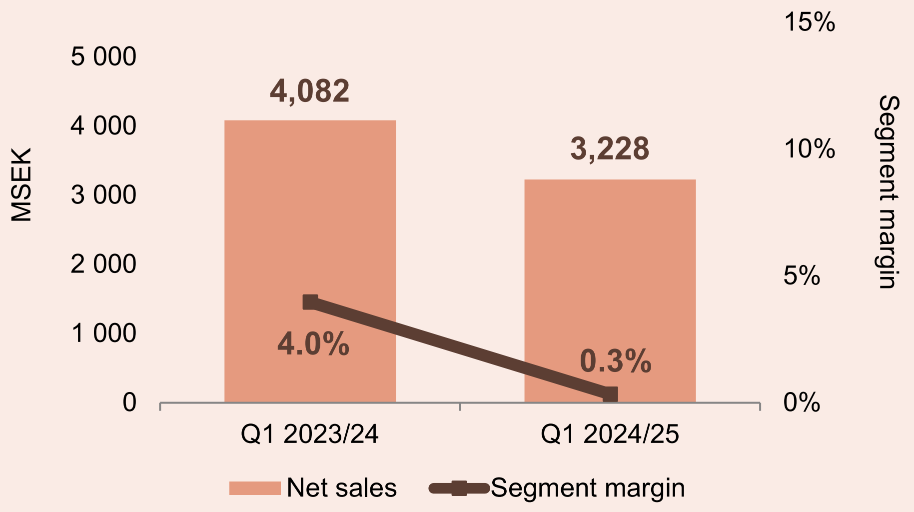
Challenges in implementing the shared IT platform affected sales development

- Continued cuts in public sector budgets, primarily in Finland but also in the Netherlands to some extent, and lower demand among large companies due to postponed investment decisions
- Around half of the drop in volume is related to initial challenges with the implementation of the shared IT platform in the Benelux
- Continued volatility in order placements between quarters
- Geographically, Sweden, Norway and Denmark posted positive organic growth

Segment margin impacted by lower volumes and product mix

- Lower volumes affecting gross profit
- High share of sales within new framework agreements with initially lower margin had a negative gross margin impact
- Changes in the product mix had a negative impact on the gross margin
- Temporary costs related to the implementation of the IT platform had a negative impact on earnings
- Increase in take-back had a positive margin impact

Net sales and segment margin



MSEK	Q1 2024/25	Q1 2023/24	Organic growth	Q1 y/y growth
Net sales	3,228	4,082	-19.5%	-20.9%
Segment result	11	162	–	-93.2%
Segment margin	*0.3%*	*4.0%*	–	–

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Cash flow burdened by temporary changes in net working capital

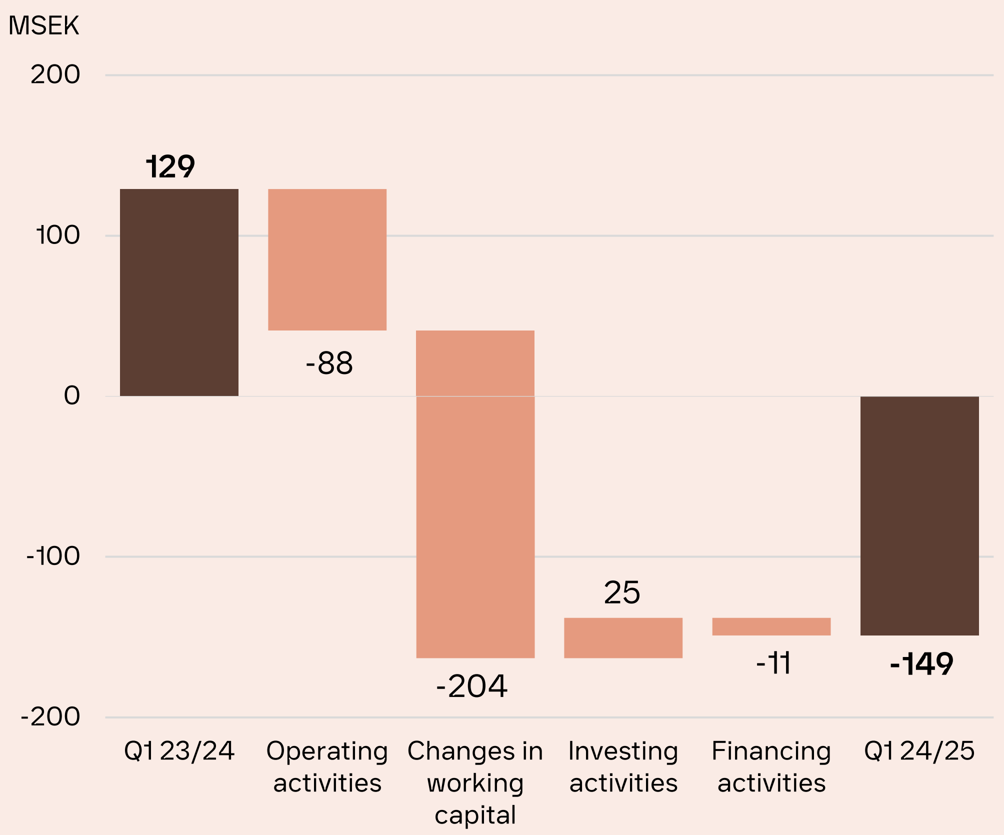
Cash flow affected by lower operational result and negatve changes in working capital

- Cash flow from operating activities, before changes in working capital, was 20 (108) MSEK, mainly due to lower EBIT
- Cash flow from changes in working capital was -62 (142) MSEK, affected by large share of deliveries late in the quarter and higher inventory
- Cash flow from operating activities, after changes in working capital, was -42 (250) MSEK
- Cash flow from investing activities was -45 (-70) MSEK
- Cash flow from financing activities was -62 (-51) MSEK
- Cash flow for the quarter was -149 (129) MSEK

Lower capex in the quarter

- Total investments amounted to 73 (119) MSEK, of which 45 (70) MSEK affecting cash flow
- Capex related to IT development, including the new IT platform, was 29 (55) MSEK, and affecting cash flow. The new IT platform is a key lever for future operational efficiency including synergy potential
- Investments in tangible and intangible assets was 29 (40) MSEK, of which 16 (15) MSEK affecting cash flow
- Investments in assets related to service provision, mainly related to data center capacity, was 16 (24) MSEK of which 0 (0) MSEK affecting cash flow,

Changes in Cash Flow Y/Y



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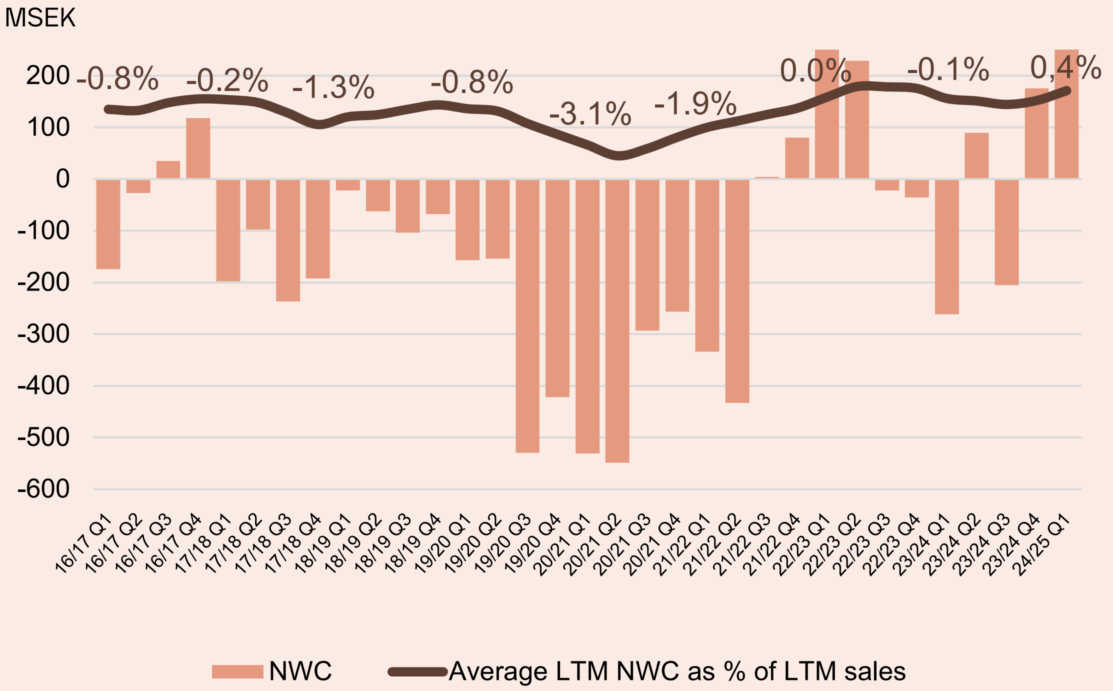
Temporary higher net working capital affecting leverage

Higher net working capital due to low volumes and late invoicing

- Net working capital was 267 MSEK (-261), an increase y/y mainly due to temporary lower sales combined with a large proportion of the deliveries at the end of the quarter
- Inventory increased by 221 MSEK to 1,160 MSEK (939), where the larger part of the increase relates to customer-specific inventory in Benelux due to lower sales than expected
- Accounts receivable increased by 535 MSEK compared to last year, mainly due to a large proportion of deliveries at the end of the quarter
- Accounts payable decreased slightly y/y, while tax liabilities and other current liabilities increased by 267 MSEK, mainly due to goods received but not invoiced by suppliers
- Long-term target level for net working capital of around -100 MSEK

Leverage negatively affected by higher net working capital

- Net debt in relation to adjusted EBITDA increased to 5.4 times at the end of the first quarter (4.6), compared with 4.0 in the fourth quarter
- Adjusted for estimated temporary effects in working capital, associated with the IT platform, the leverage was 4.8 times
- Ongoing and good dialogue with our banks and during the quarter we adjusted the financial terms in the bank agreement to reflect the current market conditions.



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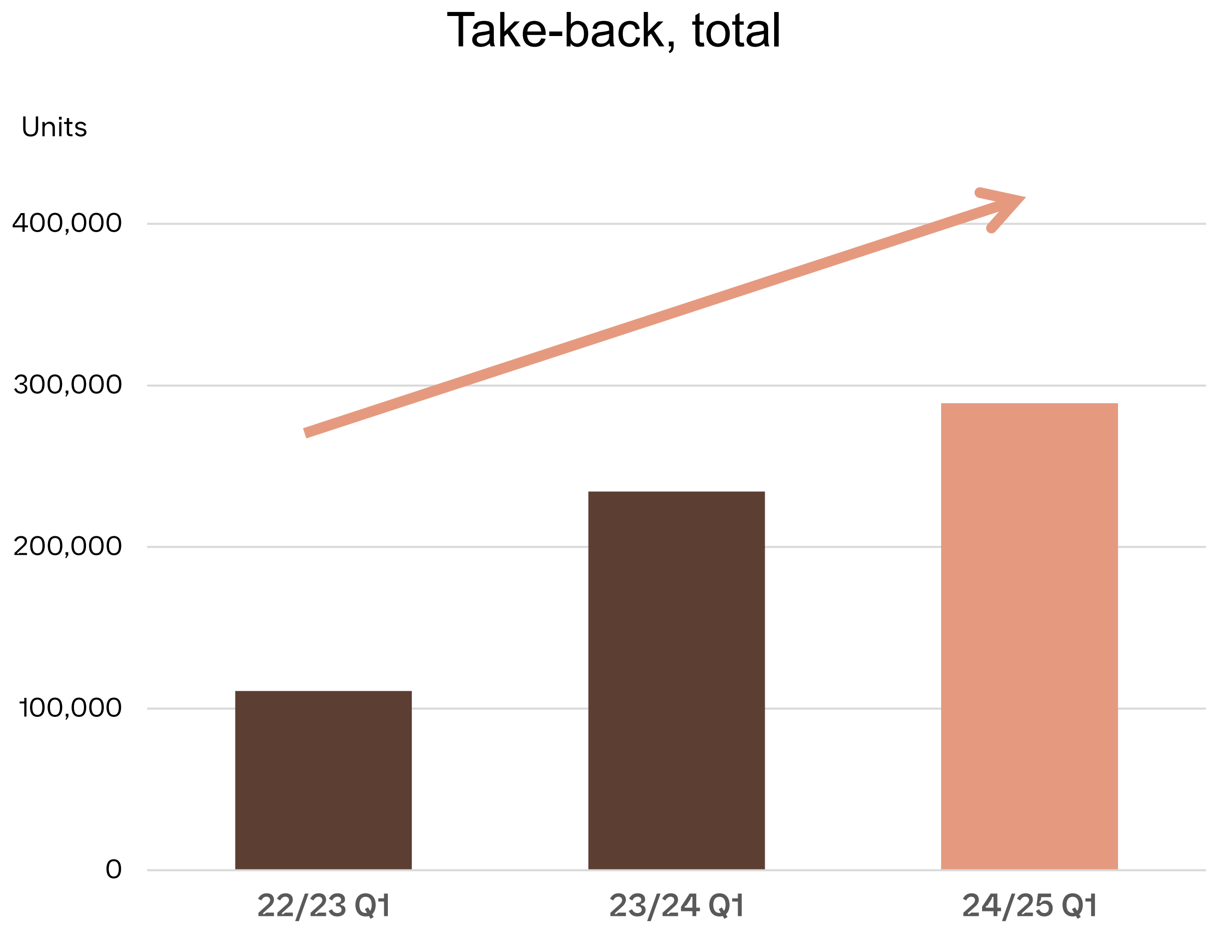
Continued strong development in take-back



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 around 1.2 million units annually
- Positive operating margin in recent quarters
- Part of HP Approved Selection programme and certified within HP Amplify Impact

Potential

- Sell refurbished products online
- Offer circular options that add clear customer value
- LCP customer expectations driving change within SMB
- Scalable operations with strong margin improvement potential

Summary of the first quarter 2024/25

Net sales declined 17.5%

- Continued cautious market – no signs of market recovery in the quarter
- Initial challenges in implementation of shared platform
- Organic sales growth of -16.2%

Gross margin lower at 14.3% (15.3%)

- High share of sales within new framework agreements
- Changed product mix within LCP

Adjusted EBITA margin of 0.4% (3.3%)

- Low gross profit, mainly due to low volumes

Organisational change and efficiency measures according to plan with expected savings of 150-200 MSEK annually

Shared IT platform implemented in Benelux

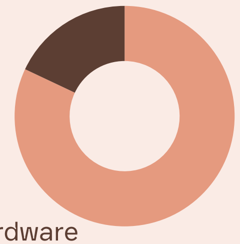
No significant operational impact from IT platform implementation expected in the second quarter

Market outlook

Global PC market expected to grow in 2025, driven by recent launches of AI compatible computers, post pandemic replacement cycle and roll-out of Windows 11 (Source: Canalys, Gartner and IDC)

Dustin at a glance

280,000 hardware and software products…



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Software: OS, SaaS

Services: Financing, Cloud solutions

Refers to the financial year 2023/24

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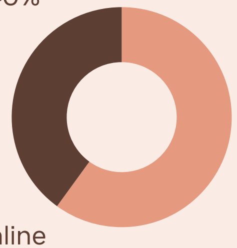
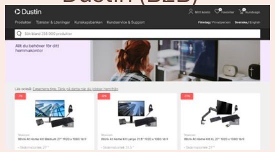
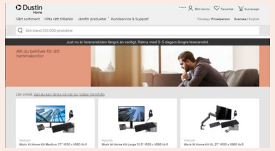


Dustin (B2B)



Dustin Home (B2C)



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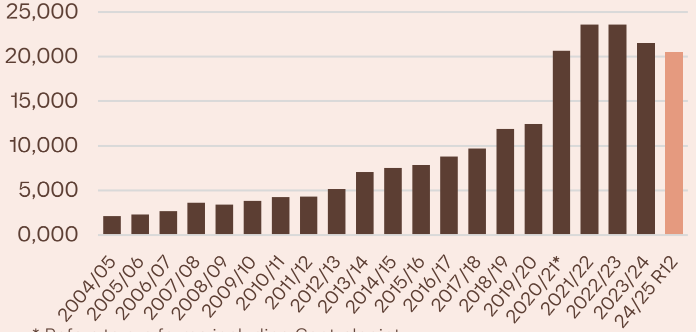
Net sales



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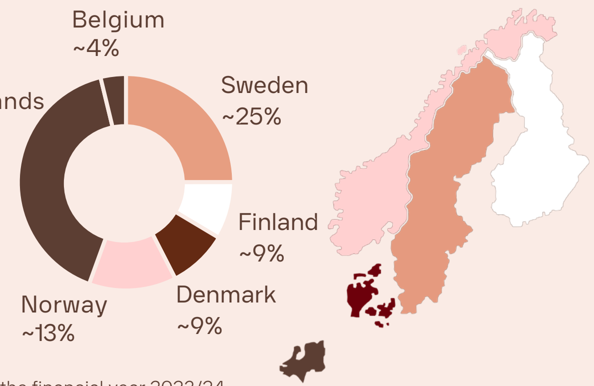

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…to B2B customers

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~ 2 million orders annually

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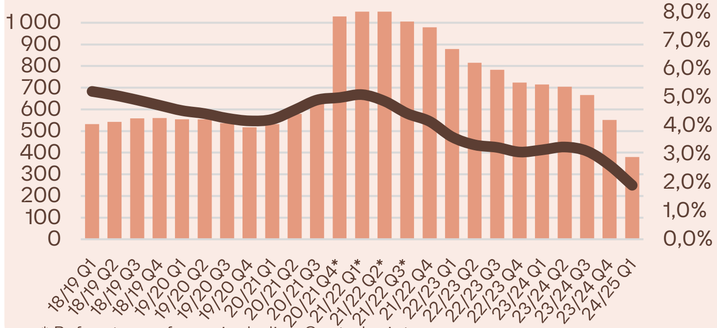

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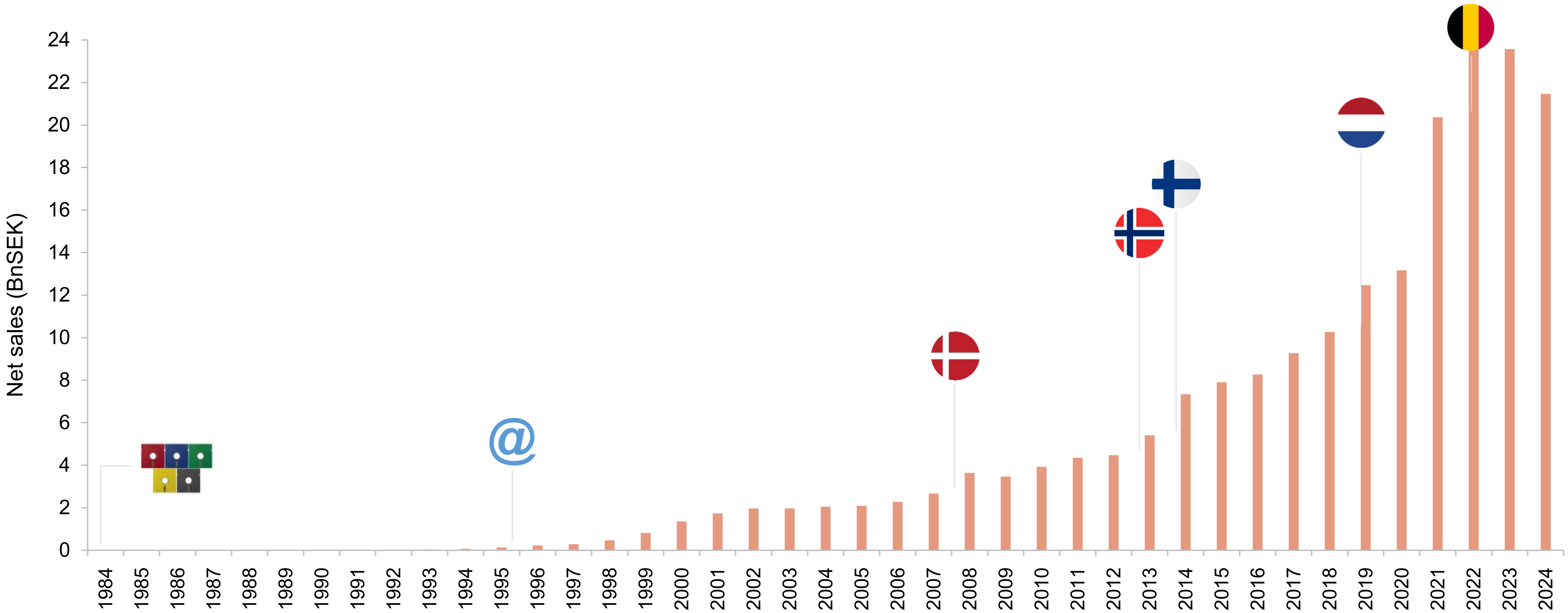
** R12 refers to 12 month rolling

Dustin

Long and strong history of profitable growth

1984 – 2006	2007 – 2014	2015 - 2020	2021 →
Founders phase - mail order sales of B2B hardware and development of online platform	Nordic expansion and additional services	IPO and Strategy for continued growth	European expansion



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Dustin – the aggregator and destination

Hardware, software & services

acer, Adobe, APC, Apple, aruba, ASUS, cisco, Contour, DELL Technologies, EPSON, hp, Hewlett Packard Enterprise, Jabra, Lenovo, LG Electronics, logitech, Microsoft, ORACLE, Panasonic, PHILIPS, poly, SAMSUNG, SONY, UBIQUITI, vmware, ZEBRA, + 3.500

Dustin services

Distributors

ALSO, INGRAM MICRO, exertis, Gandalf (PART OF ELKO GROUP), TD SYNNEX

Dustin products

cirafon, GILFORD, TRANZIP, voxicon, PROKORD

LCP (Large Corporate and Public)

~10,000

SMB (Small and Medium Sized Businesses)

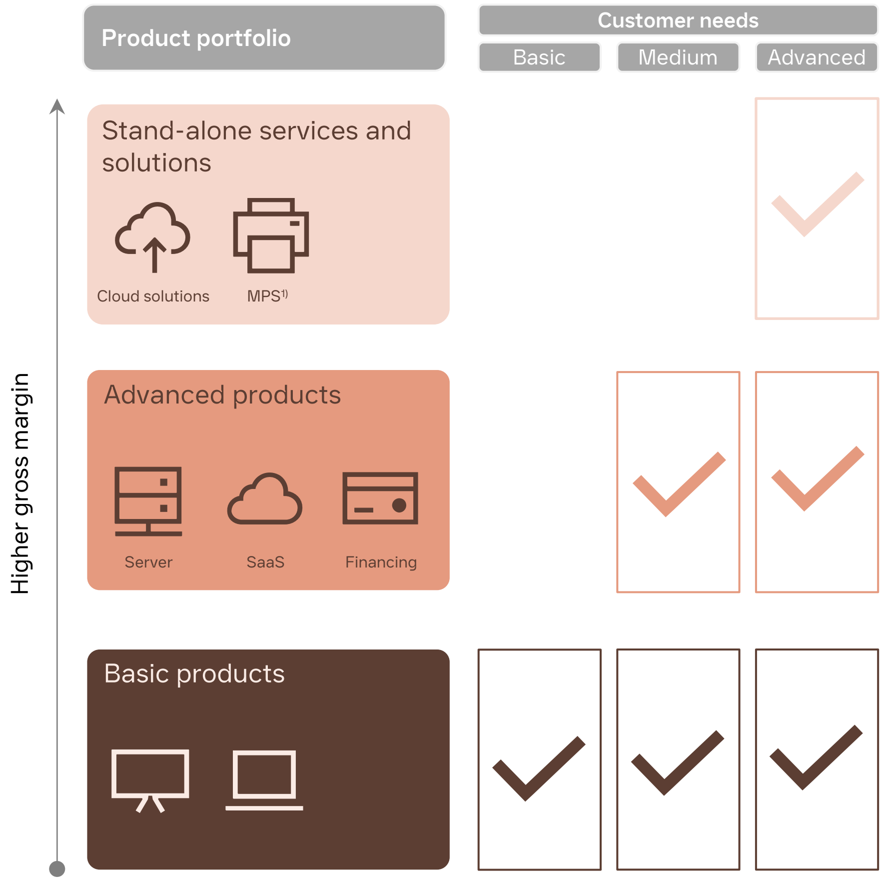
~100,000

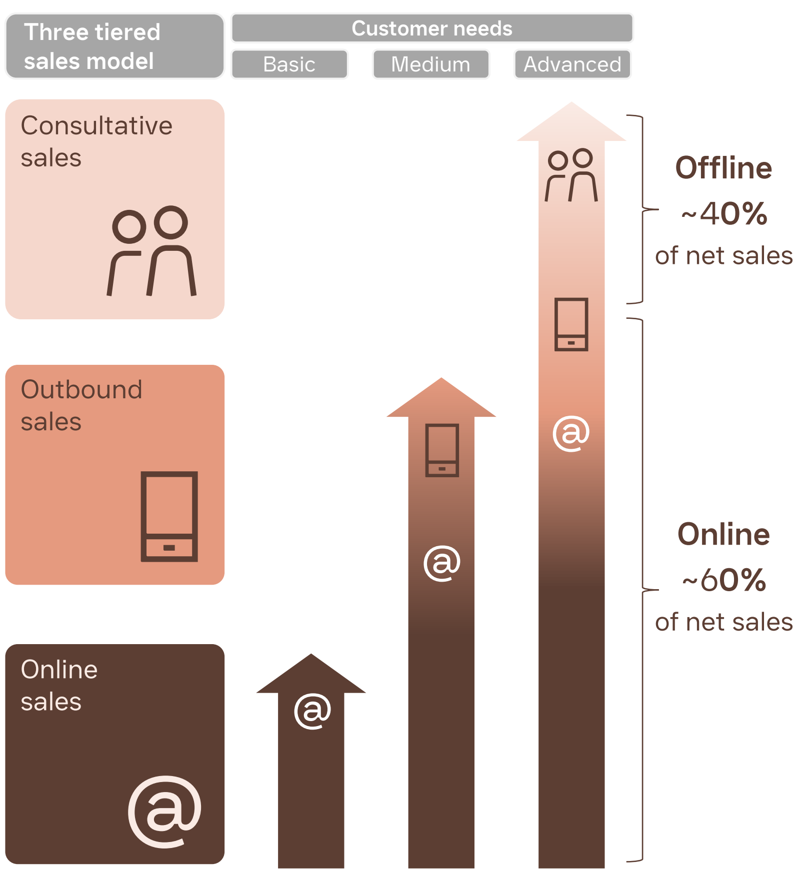
B2C (Business to Consumer)

~200,000

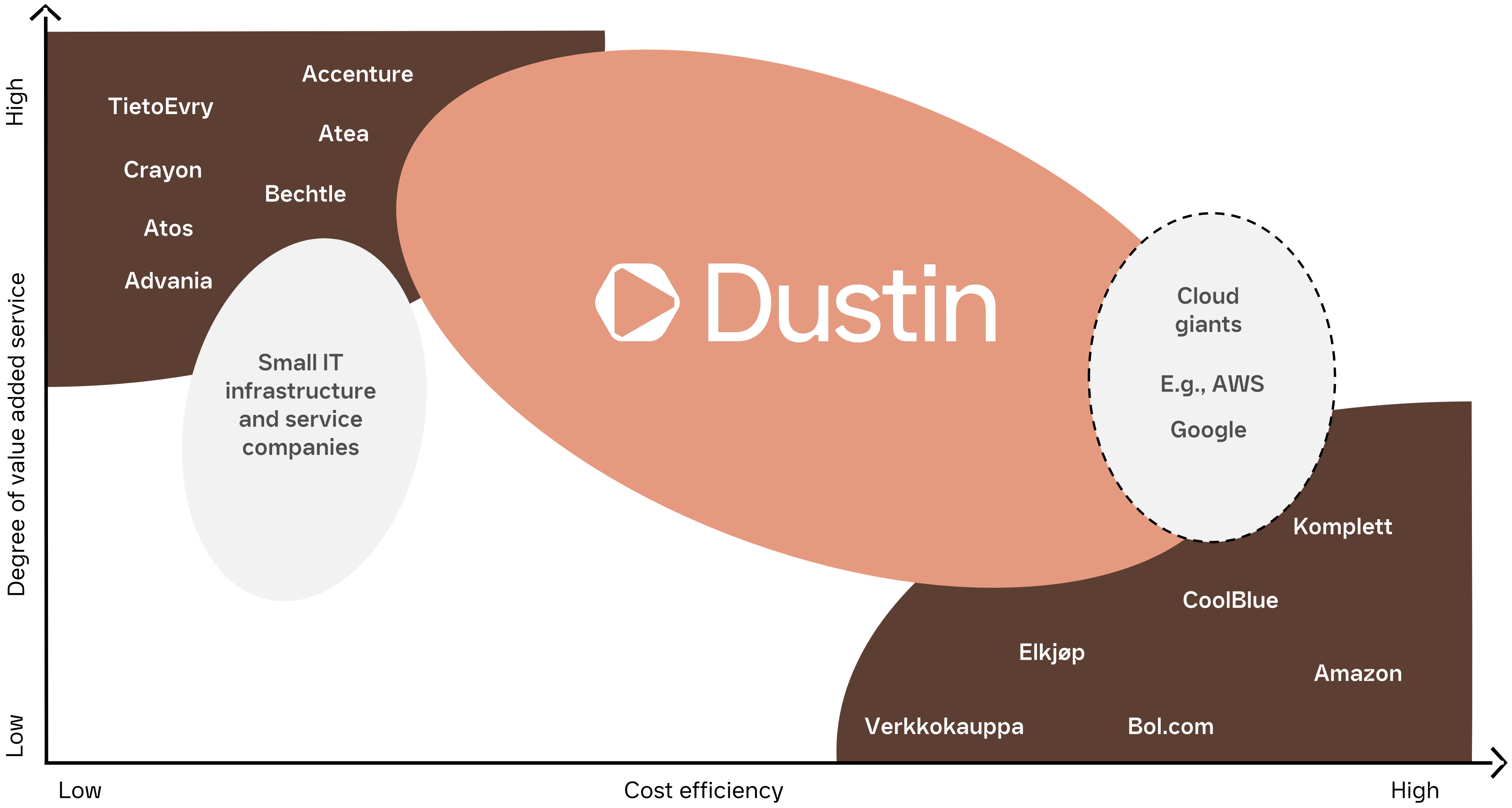
A large number of suppliers… needs an aggregator with a strong brand to interact with… a large number of customers.

Multi-channel approach to drive growth and margins





We are well positioned to cater for both SMB and LCP customers



Comments

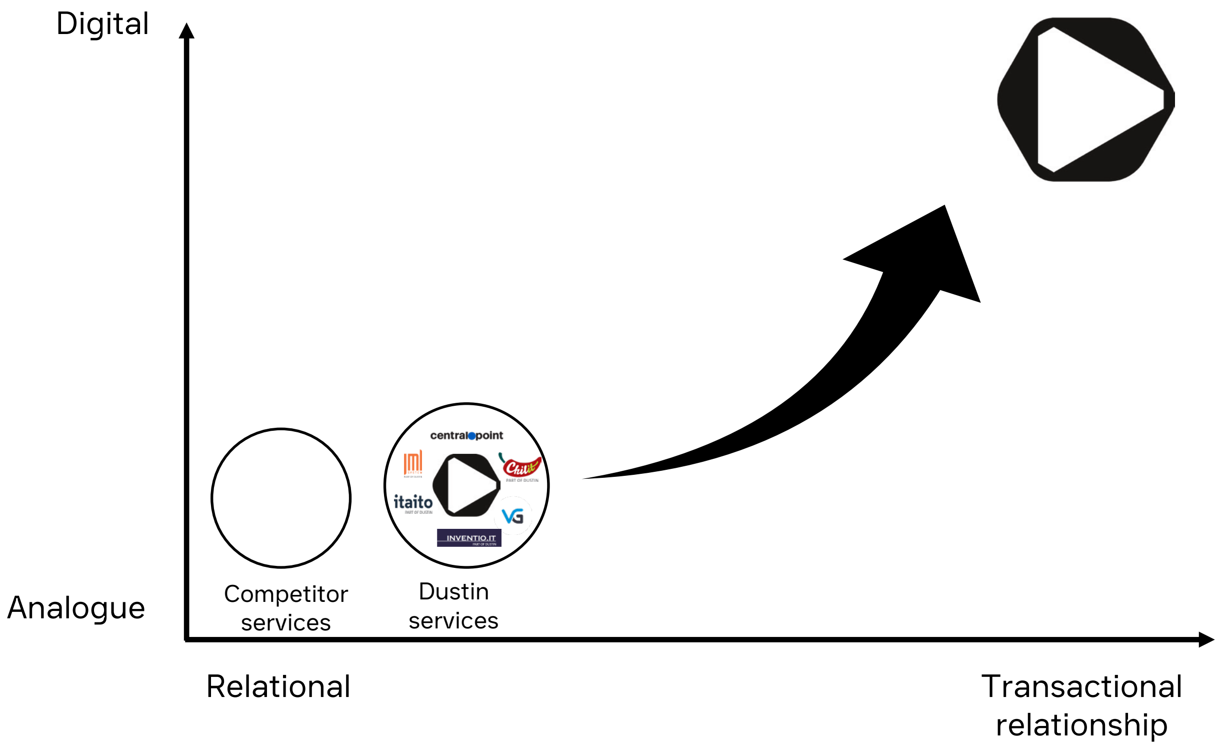
- Starting from hardware box moving to adding services as customer expectations move to want more around HW
- Low cost / efficient backbone and origin
- IT focused with high competence and high touch where needed
- European and standardised but local presence

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



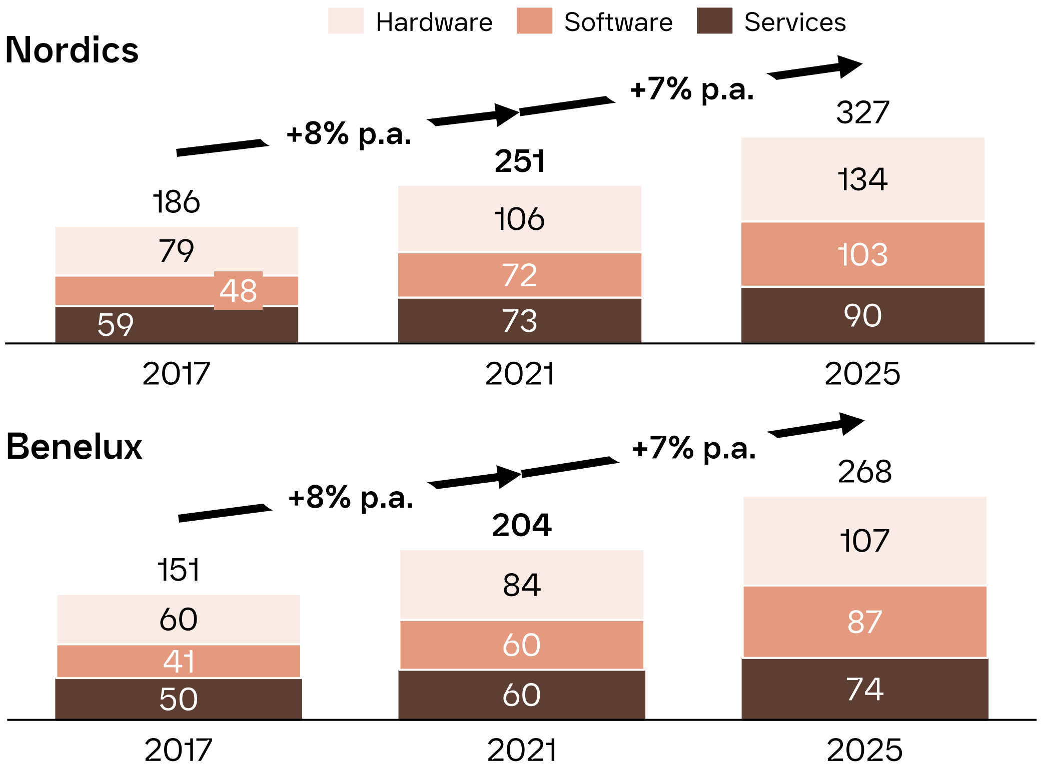
Our way forward

- 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

Dustin

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.

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

Medium-term 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

Dustin

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

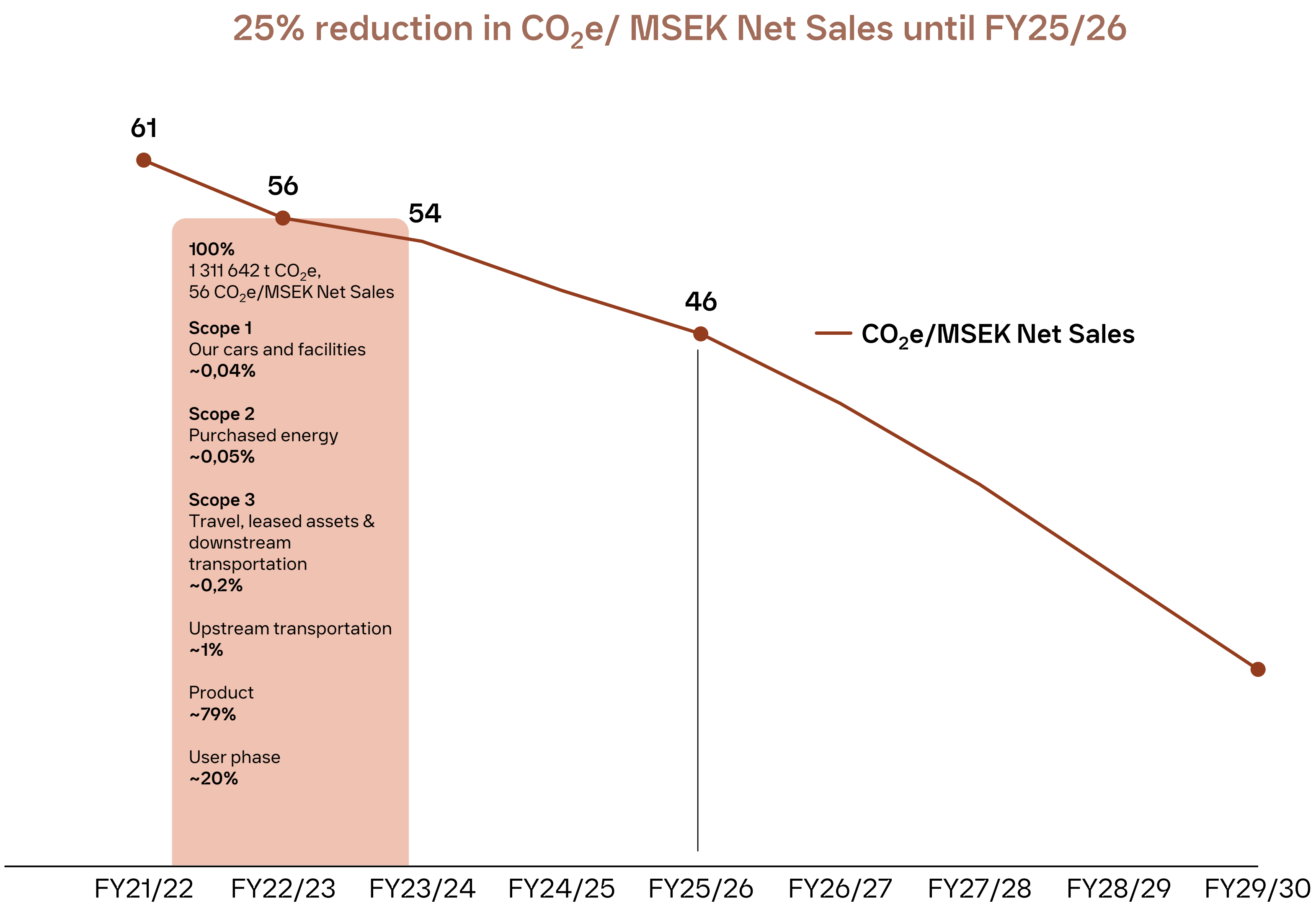
Strong ambitions with tangible steps towards the 2030 commitments

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



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

Dustin

Thank you

Dustin