Q2 2024/25

April, 2025
dustingroup.com

Q2

Today´s agenda

- **The second quarter 2024/25**
- **Strategic focus - Our way forward**
- **Fully guaranteed rights issue with preferential rights for existing shareholders**

High pace of change for improved profitability – positive organic growth in the quarter

Financial Highlights

Net sales was 5,480 (5,246) MSEK, corresponding to a growth of 4.5%

- Organic growth was 3.7%, of which SMB -2.6% and LCP 6.4%
- Positively impacted by recovered sales from the first quarter
- Several new and renewed framework agreements
- Signs of market stabilization, but continued cautious development

Gross profit was 762 (856) MSEK

- Gross margin amounted to 13.9% (16.3%)
- Strong comparable quarter, impacted by one-off high margin roll-outs
- Margin impacted by high share of new framework agreements

Adjusted EBITA was 110 (201) MSEK

- Adjusted EBITA margin was 2.0% (3.8%)

Items affecting comparability of -55 (-16) MSEK

Non-cash impairment of primarily goodwill of SEK -2,500 million (-)

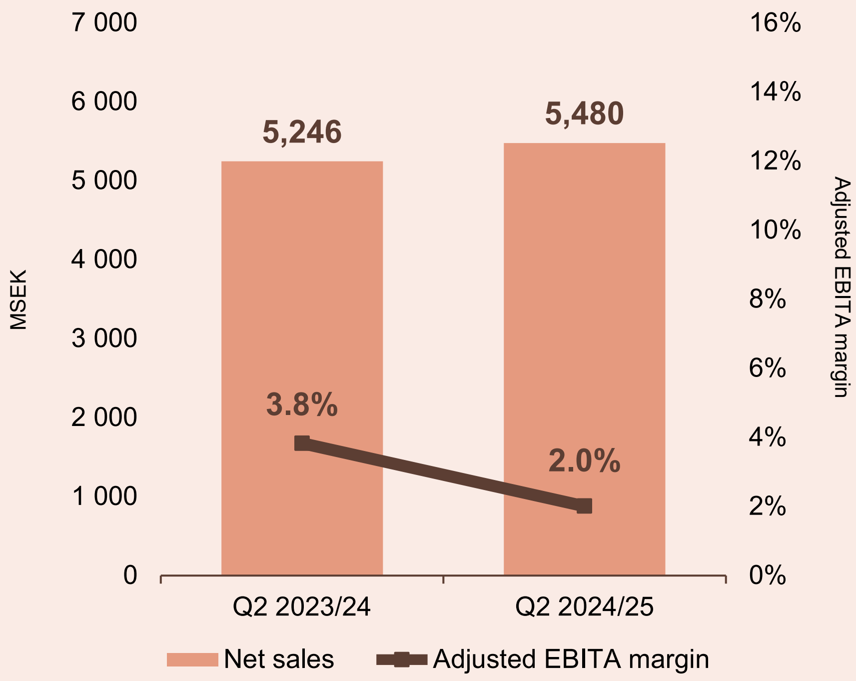
EBIT was -2,503 (142) MSEK

EPS before and after dilution amounted to SEK -5.59 (0.18), or -0.06 excluding impairment

Cash flow from operating activities was 180 (-202) MSEK

Leverage was 6.0x in the past 12-month period (4.0x FY 23/24)

Net sales and adjusted EBITA margin



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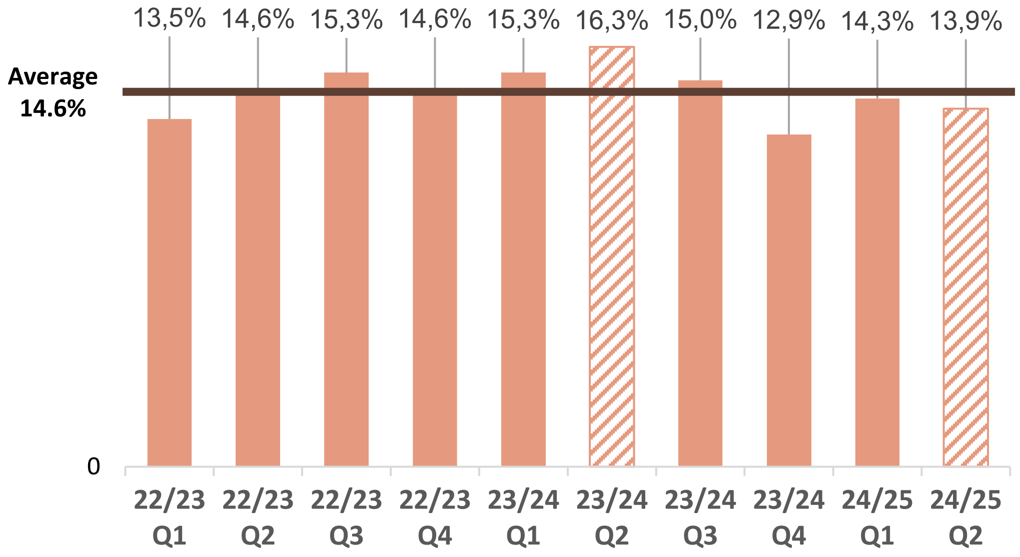
Gross margin decline primarily explained by high comparison quarter and new contracts

Gross margin volatility

- Q2 gross margin was 13.9 per cent (16.3), where the decline was primarily explained by a strong margin in the comparative quarter, driven by one-off high margin roll-outs
- The lower margin in comparison with 10 quarter average of is mainly due to a higher share of sales in new public sector agreements, with initially lower margins
- The year-on-year gross margin decline of 2.4% corresponds to approximately 130 MSEK in gross profit, explaining the adjusted EBITA decline in full (110 vs 201 MSEK)

Group gross margin, per quarter



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SMB – Signs of stabilisation, but continued cautious market development

Net sales decline in SMB of 2.2% y/y

- Organic growth of -2.6%

Segment result was 46 (66) MSEK

- Segment margin decreased to 3.0% (4.2%)

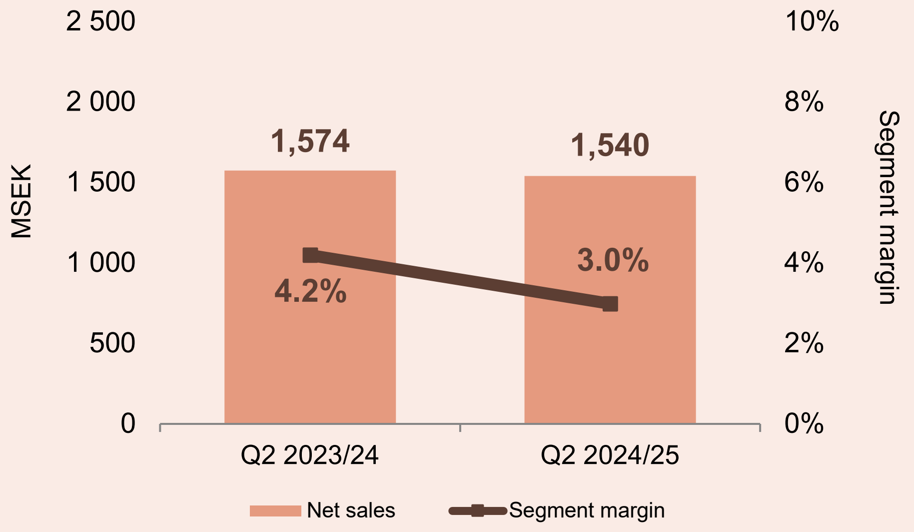
Continued cautious sales development

- Signs of some stabilisation, but market development remain cautious due to the ongoing economic uncertainty
- Slight increase in demand among consumers and smaller companies, mainly in the Nordics
- The share of software and services sales declined to 11.6% (13.6%), primarily due to a greater strategic focus on the standardised service portfolio

Segment margin affected by slightly lower gross margin

- Slightly lower gross margin and lower volumes had a negative impact on the segment margin
- Efficiency measures contributed to a lower cost base and had some positive impact on the segment margin

Net sales and segment margin



MSEK	Q2 2024/25	Q2 2023/24	Organic growth	Q2 y/y growth
Net sales	1,540	1,574	-2.6%	-2.2%
Segment result	46	66	–	-31.0%
Segment margin	*3.0%*	*4.2%*	–	–

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LCP – Growth driven by public sector through recovered sales and new agreements

Net sales growth in LCP of 7.3% y/y

- Organic growth was 6.4%

Segment result was 99 (164) MSEK

- Segment margin decreased to 2.5% (4.5%)

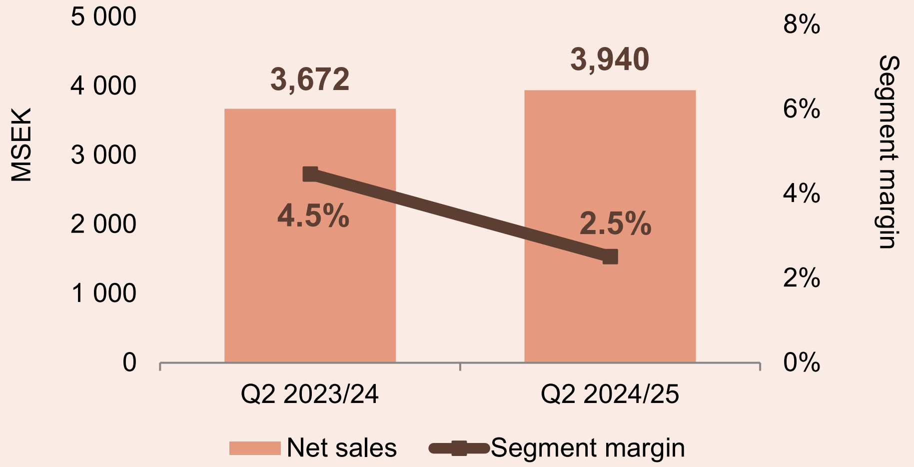
Recovered sales and new framework agreements drive growth

- Growth in the quarter was primarily driven by the public sector, through recovered sales from delayed orders in Benelux in the first quarter and several new and renewed framework agreements
- Continued cautious demand among the large corporates
- Geographically, all the Nordic countries posted positive organic growth with the exception of Finland, which was negatively affected by budget constraints

Segment margin impacted by lower gross margin

- The gross margin weakened year-on-year, mainly due to a strong margin in the comparative quarter, driven by one-off high margin roll-outs
- High share of sales within new framework agreements with initially lower margin had a negative gross margin impact
- Weak development in the large corporate customer group, with generally higher margins, negatively impacted segment gross margin
- Increase in take-back had a positive margin impact

Net sales and segment margin



MSEK	Q2 2024/25	Q2 2023/24	Organic growth	Q2 y/y growth
Net sales	3,940	3,672	6.4%	7.3%
Segment result	99	164	–	-39.3%
Segment margin	*2.5%*	*4.5%*	–	–

Positive cash flow driven by changes in net working capital

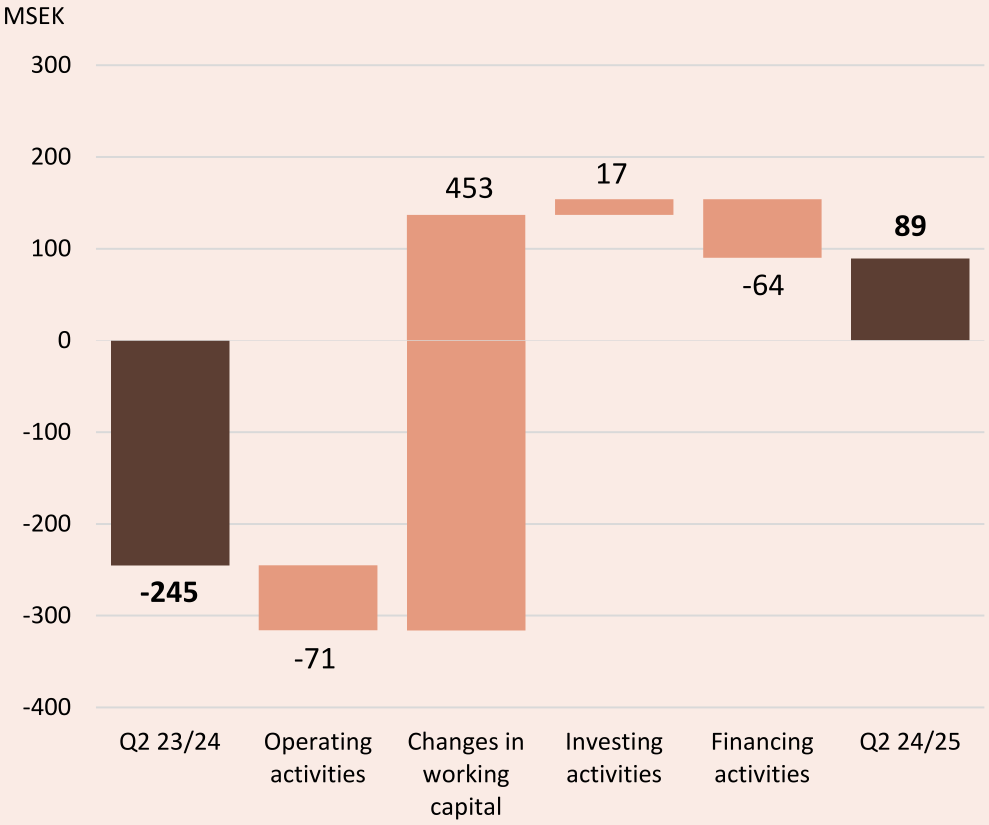
Cash flow improvement driven by positive changes in working capital

- Cash flow from operating activities, before changes in working capital, was 94 (165) MSEK, mainly due to lower EBIT
- Cash flow from changes in working capital was 86 (-367) MSEK, mainly affected by lower inventories
- Cash flow from operating activities, after changes in working capital, was 180 (-202) MSEK
- Cash flow from investing activities was -41 (-58) MSEK
- Cash flow from financing activities was -50 (14) MSEK
- Cash flow for the quarter was 89 (-245) MSEK

Stable level of capex in the quarter

- Total investments amounted to 127 (132) MSEK, of which 41 (58) MSEK affecting cash flow
- Capex related to IT development, including the new IT platform, was 39 (51) MSEK, and affecting cash flow. The new IT platform is a key lever for future operational efficiency
- Investments in tangible and intangible assets was 63 (53) MSEK, of which 2 (8) MSEK affecting cash flow
- Investments in assets related to service provision, mainly related to data center capacity, was 25 (29) MSEK of which 0 (0) MSEK affecting cash flow

Changes in Cash Flow Y/Y



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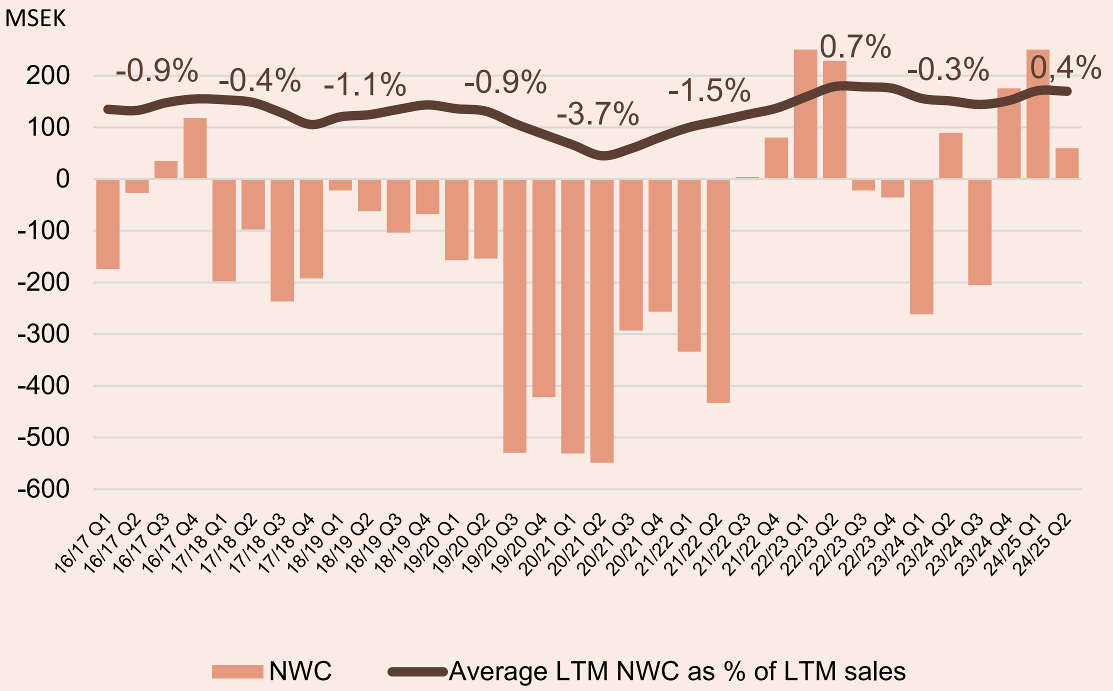
Slightly improved net working capital

Net working capital more normalised relative to the previous quarter

- Net working capital was 60 MSEK (90), a slight decrease year-on-year, and clear improvement versus the previous quarter
- Inventory increased by 168 MSEK to 1,063 MSEK (895) year-on-year, but decreased versus the preceding quarter
- Accounts receivable increased by 869 MSEK compared to last year, mainly due to a large proportion of invoicing at the end of the quarter
- Accounts payable increased by 903 MSEK compared to last year, mainly due to improved payment terms in relation to suppliers and a large proportion of purchases at the end of the quarter
- Tax liabilities and other current liabilities increased by 279 MSEK, mainly due to goods received but not invoiced by suppliers
- Long-term target level for net working capital of around -100 MSEK

Net Working Capital



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Strategic focus – a clear plan to increase profitability

Ongoing activities

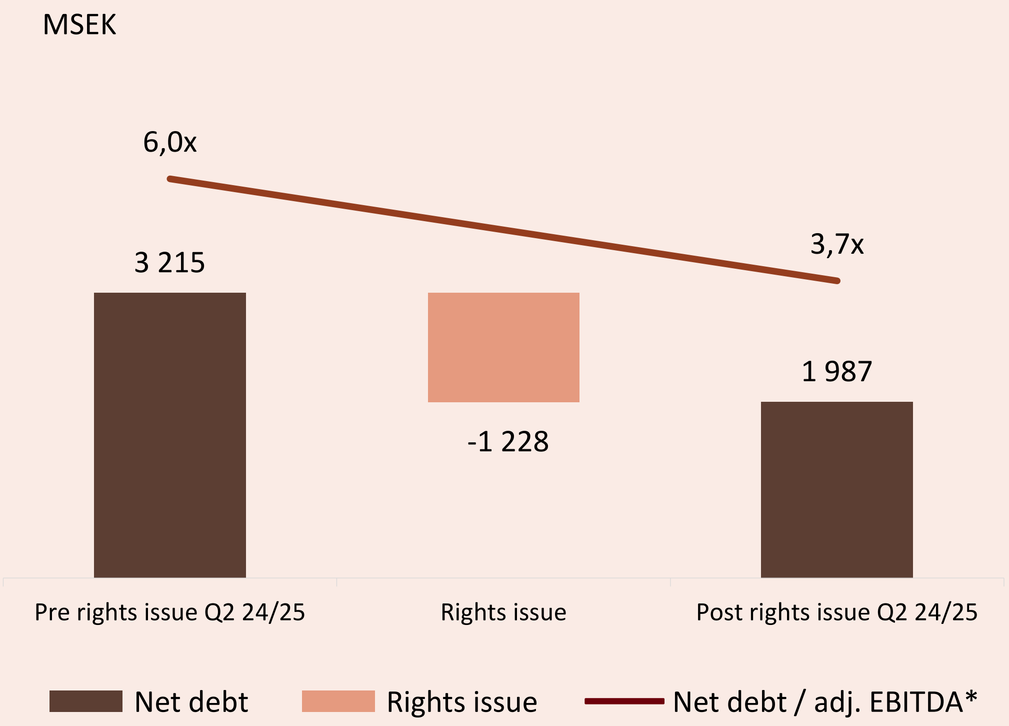
- Greater strategic focus on our standardised services
- Implemented a new organisation, structured around the offering, the sales channels, delivery and support functions, enabling a higher pace of execution of the company's strategy
- The communicated efficiency measures are progressing according to plan, with the full expected impact of SEK 150–200 million annually from the first quarter of 2025/26
- Process improvements and increased automation as a result of the completed implementation of the common IT platform in Benelux
- In addition, and as a result of the continued uncertain and challenging market conditions as well as our greater strategic focus on standardised services, a non-cash impairment of primarily goodwill of 2,500 MSEK was recognised during the quarter

Rights issue to reduce net debt and enabling a high pace of change for profitability improvement

Use of proceeds

- The net proceeds from the rights issue are intended to be used in their entirety to strengthen the balance sheet by reducing net debt
- Establishing financial stability to support a high pace of change according to our plan to improve profitability over time
- The rights issue would, all else equal, decrease current leverage from 6.0x net debt/adjusted EBITDA* as of Q2 24/25 to approximately 3.7x post rights issue**, still affected by challenges from the previous two quarters
- We continue to work towards a leverage within our financial target range of 2.0-3.0x through improved profitability and thereby strengthen operating cash flow

Change in leverage post rights issue, illustrative example



* Excluding items affecting comparability
** Including issue costs of approximately 22 MSEK

Overview of the contemplated rights issue

Summary

- Fully guaranteed rights issue with preferential rights for existing shareholders, conditional upon approval by an Extraordinary General Meeting intended to be held on 5 May 2025
- Size: approximately 1,250 MSEK, excluding issue costs
- The majority owner, Axel Johnson, with an ownership corresponding to 50.1 percent of the shares and votes, has committed to subscribe for its pro rata share of the rights issue. Further, Axel Johnson has undertaken to guarantee the remainder of the rights issue
- In addition, DnB Asset Management holding shares comprising 10.9 per cent of the total number of shares and votes, have communicated that they are in favour of the rights issue
- The complete terms and conditions, including the subscription price and the number of new ordinary shares, will be announced no later than 28 April 2025

Preliminary timetable

28 April 2025	Announcement of complete terms and conditions
5 May 2025	Extraordinary General Meeting to resolve to amend the Articles of Association and to approve the Board of Directors' resolution
5 May 2025	Last day of trading in shares including the right to receive subscription rights in the rights issue
6 May 2025	First day of trading in shares excluding the right to receive subscription rights in the rights issue
6 May 2025	Publication of Annex IX
7 May 2025	Record date
9 May 2025 – 20 May 2025	Trading in subscription rights
9 May 2025 – 23 May 2025	Subscription period
9 May 2025 – 30 May 2025	Trading with BTA
27 May 2025	Announcement of outcome

Summary of the second quarter 2024/25

Net sales growth of 4.5%

- Organic sales growth of 3.7%
- Continued cautious market –signs of stabilisation
- Growth impacted by recovery of delayed sales in the first quarter

Gross margin at 13.9% (16.3%)

- Strong comparable quarter, driven by large-scale high margin roll-outs
- High share of sales within new framework agreements

Adjusted EBITA margin of 2.0% (3.8%)

- Decline due to lower gross margin

The Board of Directors has resolved on a fully guaranteed rights issue of approximately SEK 1,250 million, subject to approval by an Extraordinary General Meeting, to strengthen the financial position and ensure a high pace of change to improve profitability

Efficiency measures are proceeding according to plan

Greater strategic focus on standardized services

Market outlook

Global PC market expected to grow in 2025, driven by end of support for Windows 10, adoption of AI compatible computers and post pandemic replacement cycle

(Source: Canalys, Gartner and IDC)

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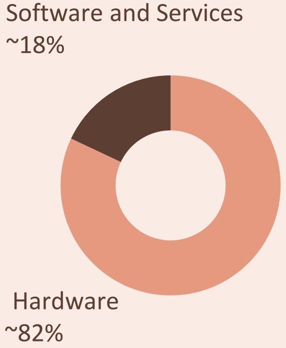
Corporate presentation

Dustin at a glance

280,000 hardware and software products...



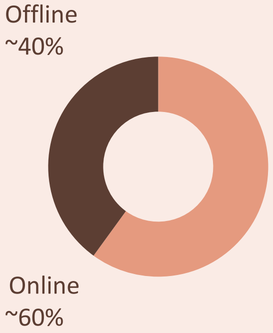
Hardware: Clients, Servers

Software: OS, SaaS

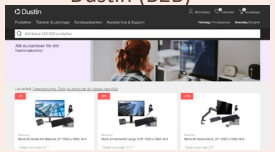
Services: Financing, Cloud solutions

Refers to the financial year 2023/24

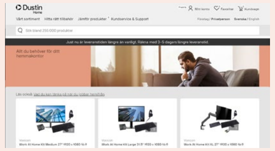
...primarily sold online...



Dustin (B2B)

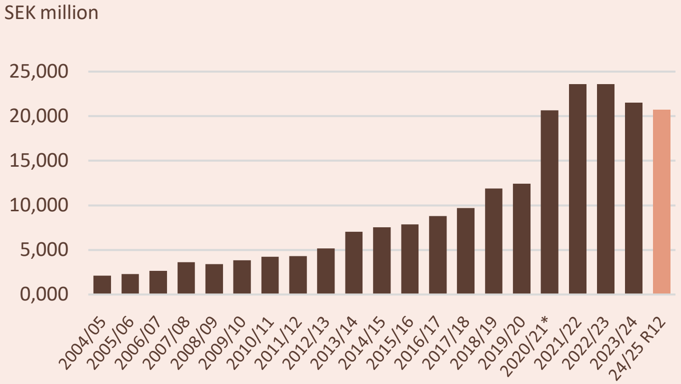


Dustin Home (B2C)



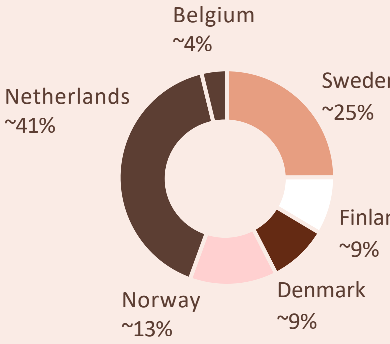
Refers to the financial year 2023/24

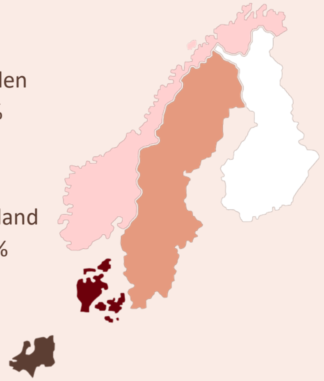
Net sales



* Refers to pro forma including Centralpoint

...across the Nordics and Benelux...





Refers to the financial year 2023/24

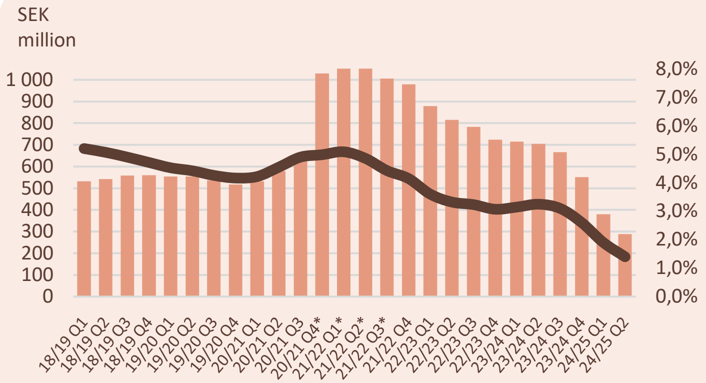
...to B2B customers

% 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**

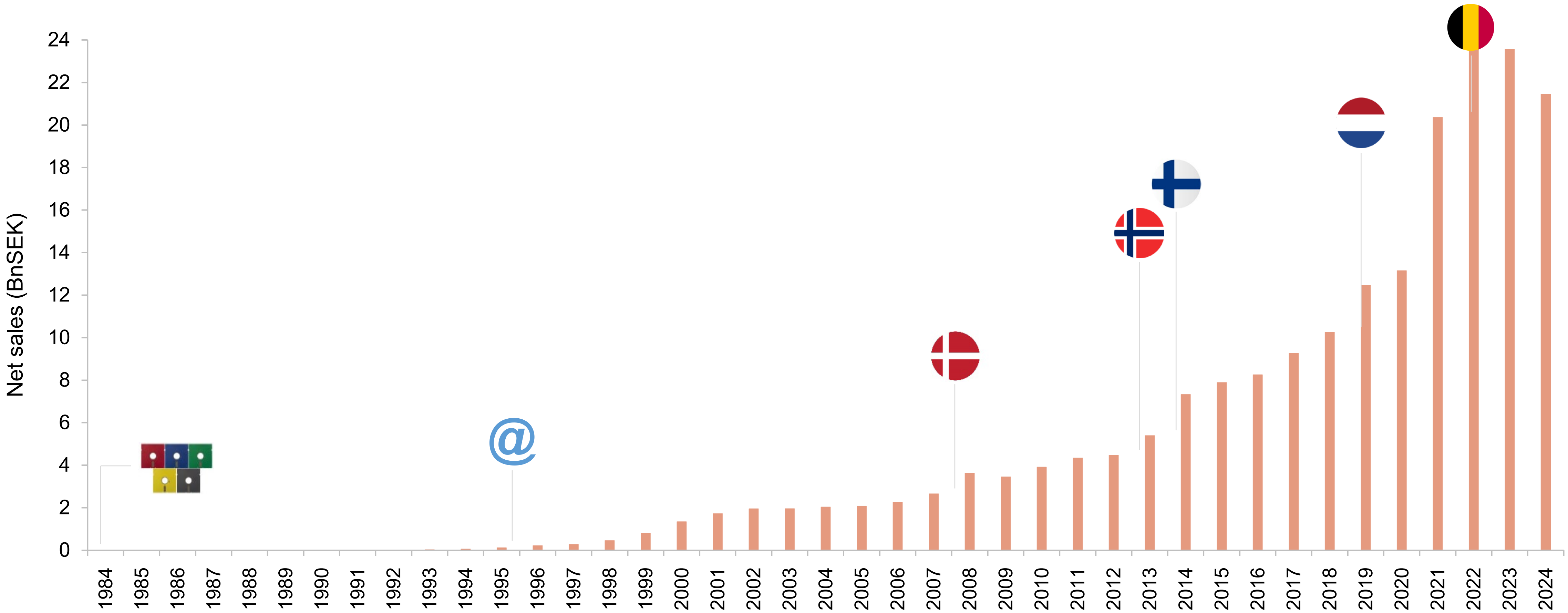


* Refers to pro forma including Centralpoint

** R12 refers to 12 month rolling

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



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.

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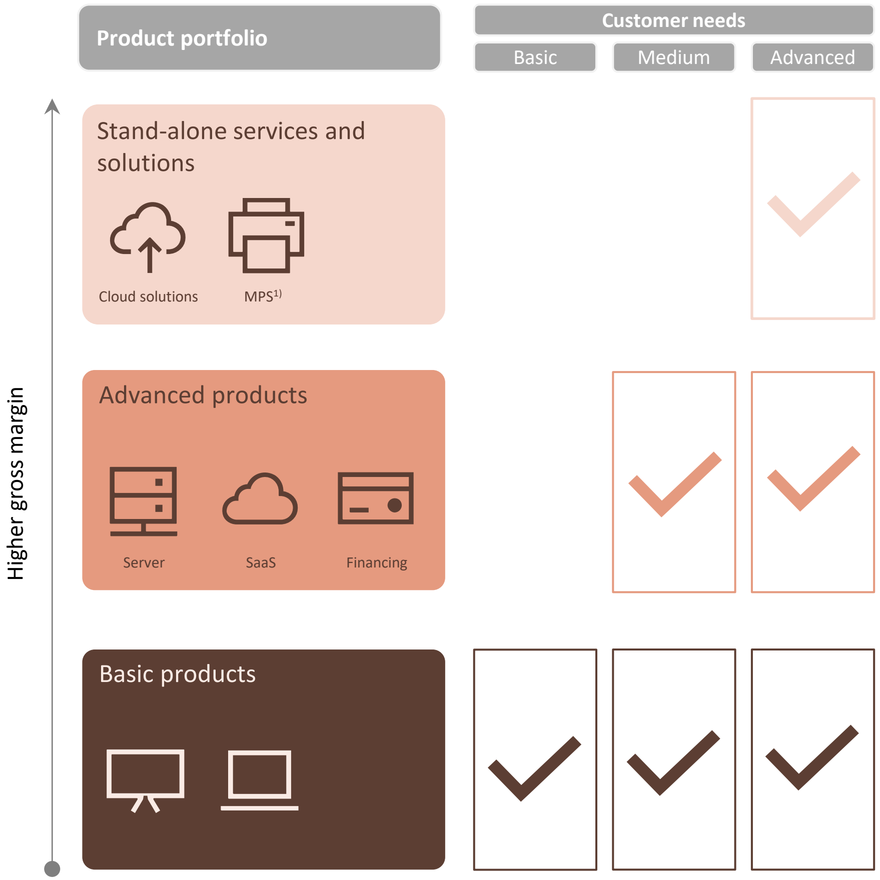
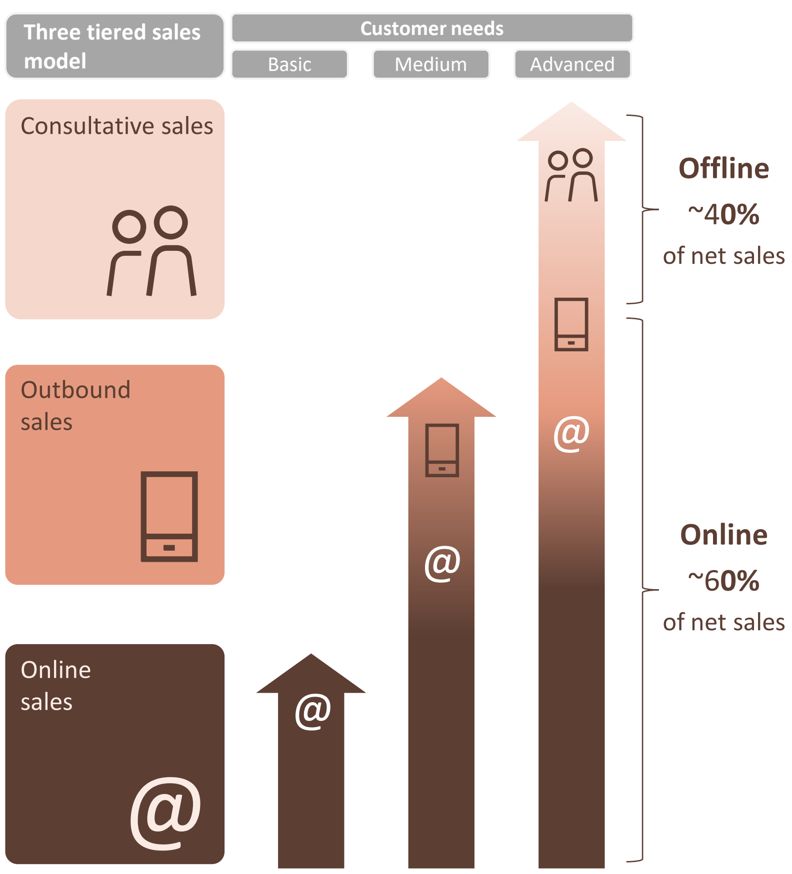
Multi-channel approach to drive growth and margins





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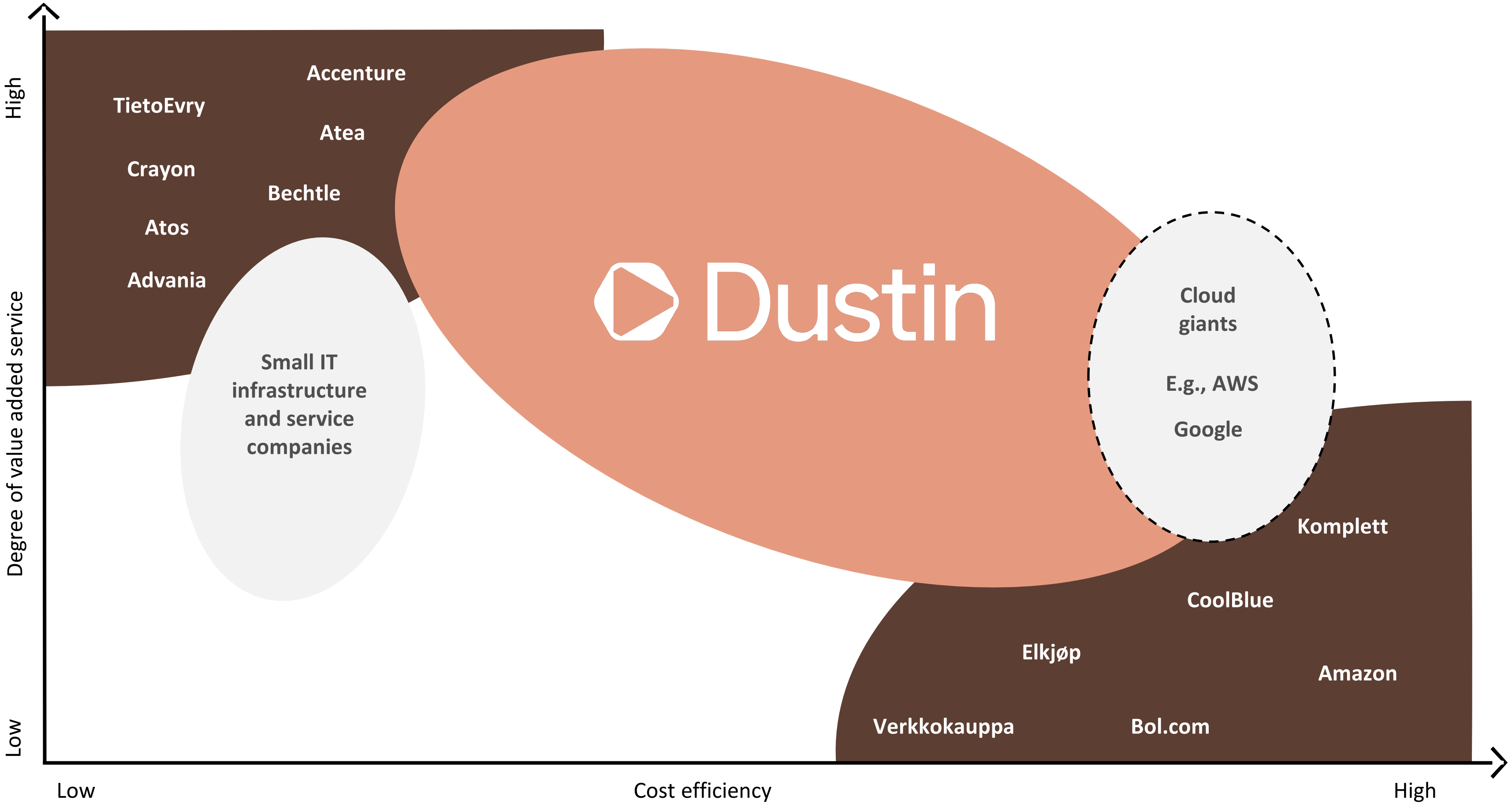
We are well positioned to cater for both SMB and LCP customers



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

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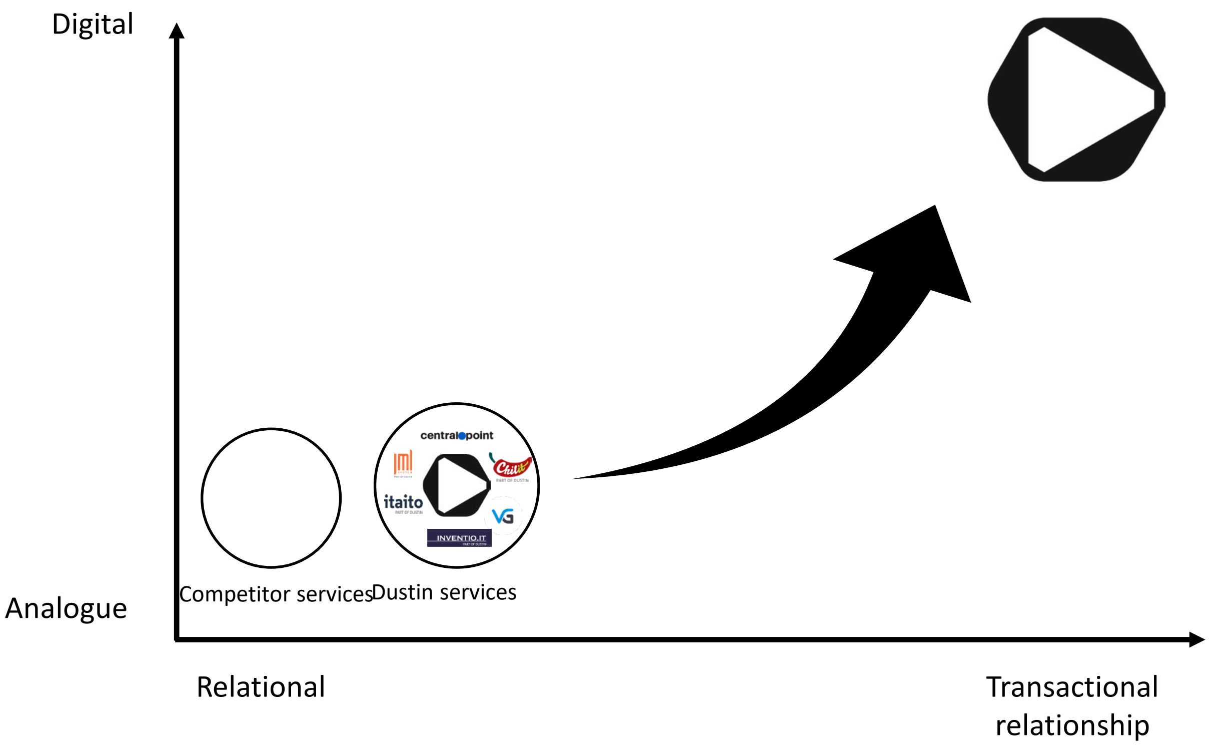
Our opportunity in services

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

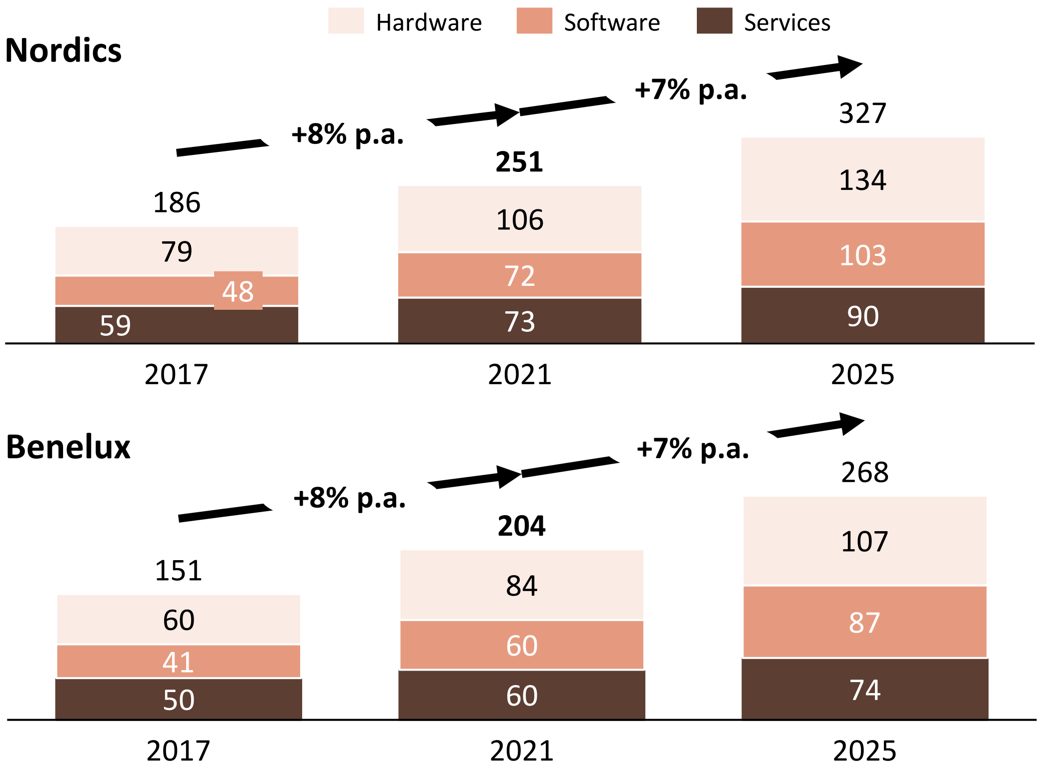


Our way forward

- 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.

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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 $C0_2e$/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

Our 2030 commitments

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#

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.

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

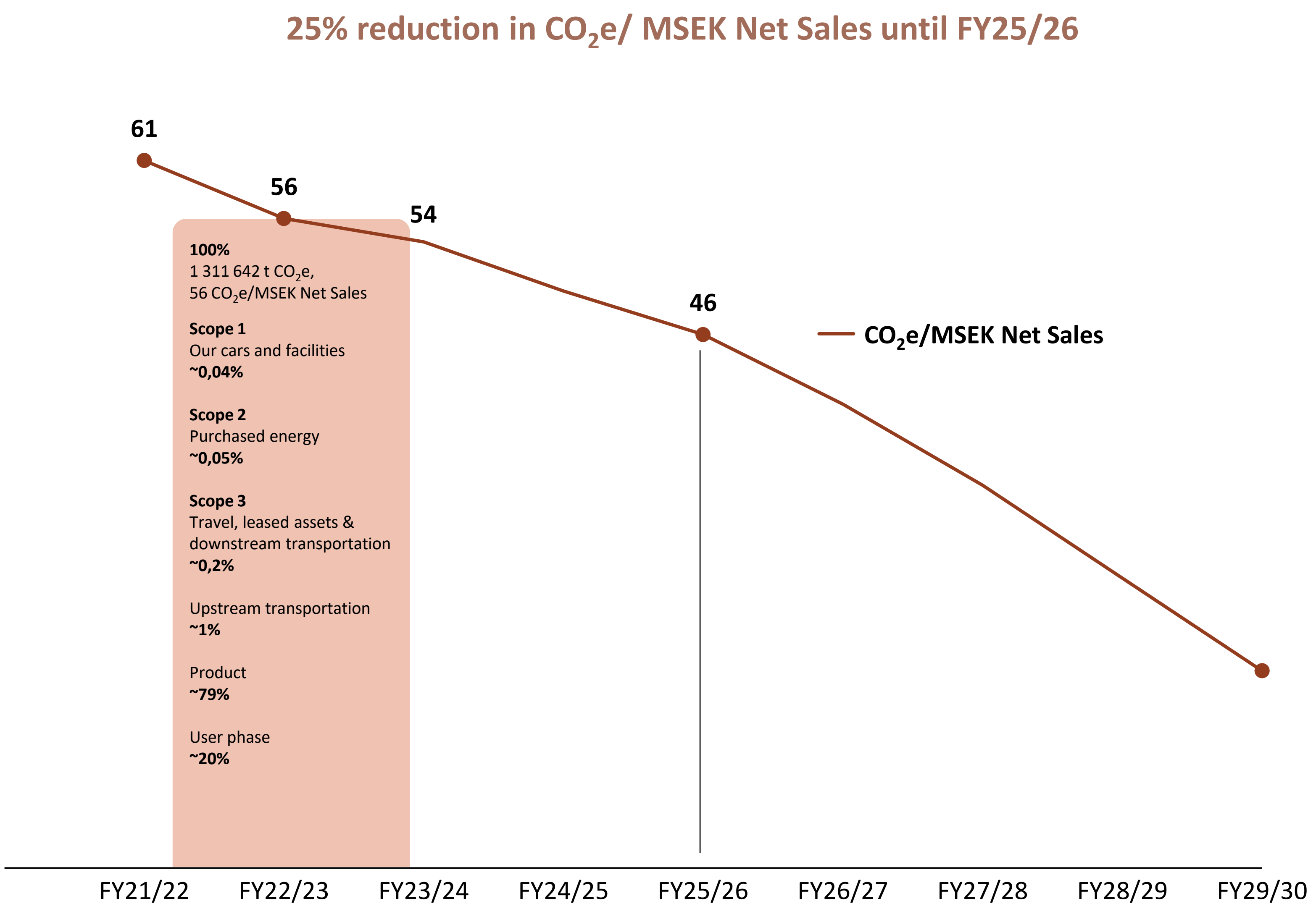
Strong ambitions with tangible steps towards the 2030 commitments

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%

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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

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