



Press release Stockholm, 2 February 2015

## **Initial public offering of Dustin Group on Nasdaq Stockholm**

**The Board of Directors and the owners of Dustin Group AB (publ) ("Dustin" or the "Company") have decided to diversify the Company's ownership base through a combined sale of existing and newly issued shares in an initial public offering of its shares on Nasdaq Stockholm (the "Offering").**

Dustin is a leading online based reseller of IT products and services in the Nordic countries. With a particular focus on small and medium-sized businesses, Dustin offers a wide product and service range, high IT knowledge and fast and reliable deliveries. For the fiscal year ended August 31, 2014, Dustin reported net sales of SEK 7.4 billion and adjusted EBITA of SEK 353 million, corresponding to an adjusted EBITA margin of 4.8 per cent. Over the last ten fiscal years, Dustin has reported an average annual net sales growth rate (CAGR) of 15 per cent (2004/2005-2013/2014), of which the organic growth amounted to 8 per cent.

### **The Offering in brief**

- The Offering is made to the general public in Sweden as well as to institutional investors in Sweden and internationally.
- The Offering comprises up to 29,331,828 existing shares offered by the Principal Shareholder and up to 5,555,555 newly issued shares offered by the Company, corresponding in total to 45 per cent of the total number of shares outstanding.
- The Principal Shareholder has committed to sell additional shares corresponding to up to 15 per cent of the total number of shares in the Offering, corresponding to up to 5,179,182 existing shares, in order to cover potential over allotments (the "Over-allotment option").
- If the Over-allotment option is fully exercised, the Offering will comprise up to 39,707,088 shares, corresponding in total to approximately 51.75 per cent of the total number of shares outstanding.
- The final offering price (the "Offering Price") will be determined within the range of SEK 45 - 51 per share, which will result in an equity value of all issued shares in Dustin of approximately SEK 3,453 - 3,880 million. The final price in the Offering is expected to be announced on 13 February 2015.
- The Company is expected to obtain gross proceeds of SEK 250 million through the rights issue that is part of the Offering.

- Leading institutional investors Axel Johnson AB, The Fourth Swedish National Pension Fund (AP4) and Swedbank Robur Funds have committed, subject to certain conditions, to subscribe for shares in the Offering corresponding to 10, 5 and 5 per cent of the Company's total number of shares outstanding following the Offering, respectively.
  - A prospectus including full terms and instructions was published today, 2 February 2015, on the Company's website ([www.dustingroup.com](http://www.dustingroup.com)).
- *During our 30 years we have grown to become one of the leading online based Nordic resellers of IT products with related services. Dustin's employees create strong relationships with our Nordic customers and we are very proud of our business. We are well positioned to, through our unique business model and efficient and scalable platform, continue to capitalise on favourable market trends, says Georgi Ganey, CEO Dustin.*
- *Dustin is a market leader with a history of strong growth, stable profitability and strong cash conversion ability. Dustin has a significant opportunity to continue this successful journey. The Board of Directors believes that the timing for a listing of Dustin is right and looks forward to continue developing the Company in a public environment, says Fredrik Cappelen, Chairman of Dustin's Board of Directors.*
- *Altor is very pleased with the successful partnership with the founders, the management team and the Board of Directors of Dustin, as well as the transformation Dustin has gone through – from a local Swedish business to a leading Nordic player. Following Altor's investment in Dustin in 2006, the Company has widened the product and service offering and built scalable centralised functions to support this. We are all very pleased that Axel Johnson AB has expressed their intention to invest in the Company and we believe that their significant experience from Nordic reseller businesses will be valuable to the future development of Dustin, says Stefan Linder, partner, Altor Equity Partner AB and member of Dustin's Board of Directors.*

**For additional information, please visit [www.dustingroup.com](http://www.dustingroup.com) or contact:**

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#### **The Offering<sup>1</sup>**

- The Offering is made to the general public in Sweden as well as to institutional investors in Sweden and internationally.
- The Offering comprises up to 29,331,828 existing shares offered by Altor Fund II GP Limited<sup>2</sup> ("Altor" or the "Principal Shareholder") and up to 5,555,555 newly issued shares offered by the Company, corresponding in total 45 per cent of the total number of shares outstanding. Current institutional owners in Dustin will reduce their ownership proportionally with the Principal Shareholder by selling shares to Altor.

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<sup>1</sup> Please refer to the prospectus for further details regarding the Offering.

<sup>2</sup> In its capacity as general partner and investment manager to Altor Fund II.

- Other shareholders, primarily senior managers and employees who have significant ownership in the Company through holdings of shares and warrants, have been given the option to sell parts of their holdings to the Principal Shareholder in order finance reinvestment in previously issued warrants and also to reduce their ownership by approximately 25<sup>3</sup> per cent primarily to cover tax and other costs associated with the Offering as well as for some persons to reinvest in a new long term incentive program.
- The Principal Shareholder has committed to sell additional shares corresponding to up to 15 per cent of the total number of shares in the Offering, corresponding to up to 5,179,182 existing shares, in order to cover potential over allotment.
- Assuming that the Over-allotment option is fully exercised, the Offering will comprise up to 39,707,088 shares, corresponding to approximately 51.75 per cent of the total number of shares outstanding.
- The Offering is expected to provide the Company with gross proceeds of SEK 250 million before issue costs through the rights issue that is part of the Offering. The Company intends to use the proceeds in order to reach a net debt leverage that corresponds to the financial targets regarding capital structure adopted by the Board of Directors.
- The Offering Price will be determined through a bookbuilding procedure and will consequently be based on demand and overall market conditions.
- The Offering Price will be determined within the range of SEK 45 - 51 per share and is expected to be announced on 13 February 2015.
- The total value of the Offering based on the Offering Price range amount to approximately SEK 1,787 - 2,008 million if the Over-allotment option is fully exercised. The equity value of all issued shares in Dustin is expected to amount to SEK 3,453 - 3,880 million.
- Leading institutional investors Axel Johnson AB, The Fourth Swedish National Pension Fund (AP4) and Swedbank Robur Funds have committed to, under certain conditions, subscribe for shares in the Offering corresponding to 10, 5 and 5 per cent of the Company's total number of shares outstanding following the Offering, respectively.
- The application period for the Offering to the public in Sweden is expected to start on 3 February 2015 and to close on 11 February 2015.
- The bookbuilding period for institutional investors is expected to start on 3 February 2015 and close on 12 February 2015.
- The first day of trading on Nasdaq Stockholm is expected to be 13 February 2015 and the shares will trade under the symbol "DUST".
- A prospectus including full terms and instructions was published today 2 February 2015 on the Company's website ([www.dustingroup.com](http://www.dustingroup.com)).
- Carnegie Investment Bank AB (publ) ("Carnegie") and Nordea Bank AB (publ) ("Nordea") are acting as Joint Global Coordinators and Joint Bookrunners in the Offering and ABG Sundal Collier AB ("ABGSC") and Skandinaviska Enskilda Banken AB (publ) ("SEB") are acting as Joint Bookrunners.

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<sup>3</sup> Three current shareholders have been given an opportunity to sell shares corresponding to 50 per cent of the net value of their shares and warrants.

### **Background and reasons**

Dustin is a leading online based reseller of IT products and services in the Nordic countries. With a particular focus on small and medium-sized businesses, Dustin offers a wide product and service range, high IT knowledge and fast and reliable deliveries.

Dustin was founded in 1984 by Bo and Ulla Lundevall with a business model focused on selling computer accessories by mail order and using a catalogue as the primary marketing tool. Dustin was an early adopter of e-commerce as a sales channel and launched its web shop in 1995.

Over the course of the last eight years, Dustin has broadened its geographical footprint from Sweden to Norway, Denmark and Finland, widened the product and service offering partly through acquisitions, expanded the distribution centre and built robust central functions to enable scalability. Over the last ten fiscal years, Dustin has reported an average annual net sales growth rate (CAGR) of 15 per cent (2004/2005-2013/2014), of which the organic growth amounted to 8 per cent.

Altor's investment strategy is focused on investing in and developing medium sized companies with a Nordic origin and creating long-term enduring values. The investment strategy also entails a subsequent divestment of every acquired company within a certain period. Altor acquired Dustin in 2006. The board of directors and executive management of Dustin now are of the opinion that the time is appropriate for a listing of Dustin. Dustin has established a Nordic platform and Dustin has further potential for substantial future growth and improved results during the coming years.

The Offering and the IPO will expand the shareholder base and enable Dustin to access the Swedish and international capital markets, which will support the continued growth and development of the Company. The Board of Directors and executive management of Dustin consider the Offering and the IPO to be a logical and important step in the development of the Company, which will increase the awareness of Dustin and its operations among current and potential customers and suppliers. For these reasons, the Board of Directors has applied for listing on Nasdaq Stockholm.

### **Prospectus**

Prospectuses and application forms will be made available on Dustin's website ([www.dustingroup.com](http://www.dustingroup.com)), Carnegie's website ([www.carnegie.se](http://www.carnegie.se)), Nordea's website ([www.nordea.se](http://www.nordea.se)). Prospectuses will be made available at ABGSC's website ([www.abgsc.com](http://www.abgsc.com)) and SEB's website ([www.sebgroup.com/prospectuses](http://www.sebgroup.com/prospectuses)). An application can also be made through Avanza ([www.avanza.se](http://www.avanza.se)). The prospectus and application forms can also be obtained from Carnegie, Nordea, and Dustin.

### **Preliminary timetable**

- Publication of the prospectus: 2 February 2015
- Subscription period for the general public in Sweden: 3 - 11 February 2015
- Bookbuilding for institutional investors: 3 - 12 February 2015
- Announcement of the final selling price: 13 February 2015
- First day of trading of Dustin's shares: 13 February 2015
- Settlement date: 17 February 2015

### **Advisors**

Carnegie and Nordea are acting as Joint Global Coordinators and Joint Bookrunners in the Offering and ABGSC and SEB are acting as Joint Bookrunners. Advokatfirman Vinge is legal adviser to the Company and the Principal Shareholder as to Swedish law and Shearman & Sterling (London) LLP as to US law. Mannheimer Swartling Advokatbyrå AB is legal adviser to the Joint Global Coordinators and Joint Bookrunners.

### **About Dustin**

Dustin is a leading online based reseller of IT products and services in the Nordics. Dustin offers a wide product and service range to businesses, public organisations and consumers, primarily through its online platform. For the fiscal year ended August 31, 2014, Dustin reported net sales of SEK 7.4 billion and adjusted EBITA of SEK 353 million, corresponding to an adjusted EBITA margin of 4.8 per cent.

Dustin was founded in 1984 and has its headquarters in Nacka, outside Stockholm, Sweden. Dustin has operations in Sweden, Denmark, Finland and Norway. As of 30 November, 2014 the Company had 964 employees.

Dustin's customer offering is characterised by a wide product and service offering, high IT knowledge as well as fast and reliable delivery. The customer offering is designed to cater to small and medium-sized businesses, which are characterised by purchases on an immediate "when needed" basis and small order sizes. The customer offering is also directed to public organisations and large corporations that carry out on-going replenishment purchases, as well as to consumers who seek a competitive price and high service level. In the fiscal year 2013/2014, the B2B segment and B2C segment represented 90 and 10 per cent of net sales, respectively.

Dustin continuously strives to improve its operational efficiency and leverage its scalable operations. A large share of Dustin's sales is made through Dustin's online platform. In the fiscal year 2013/2014 approximately 75 per cent of net sales and approximately 90 per cent of orders were executed online.

### **About Altor**

Since inception, Altor's four funds have raised EUR 5.8 billion in total commitments and have invested in excess of EUR 3.1 billion in more than 40 companies. The investments have been made in medium sized Nordic companies with the aim to create value through growth initiatives and operational improvements. Among current and past investments are Apotek Hjärtat, Carnegie, EWOS, Helly Hansen, Dustin and Byggmax.

### **About Axel Johnson**

Axel Johnson is one of the leading trading groups in the Nordics. In 2013, the fully and partly owned companies of the Axel Johnson group had revenues amount to approximately SEK 71 billion and 22,000 employees

**Important information**

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by Dustin in the United States or any jurisdiction where such offer or sale would be unlawful.

In any EEA Member State, other than Sweden, that has implemented Directive 2003/71/EC as amended (together with any applicable implementing measures in any member State, the “Prospectus Directive”), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

The securities have not been registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or applicable state securities laws. Accordingly, the Notes will be offered only to qualified institutional buyers and to persons outside the United States in reliance on Rule 144A and Regulation S under the Securities Act, respectively. Unless so registered, the Notes may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

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