



Press release Stockholm, April 13, 2021

## Dustin takes a leading position in the Benelux region by acquiring Centralpoint

Centralpoint Holding B.V. ("Centralpoint") is the leading IT value added reseller in the Benelux region. With the acquisition of Centralpoint Dustin expands its home market, paving the way for continued expansion in the Benelux region. Building on the current footprint in the Netherlands Dustin will now take a leading position in the Benelux region. Gaining a position similar to the one in the Nordics with an equally strong offering to the SMB and LCP segments.

### The acquisition in short:

- Acquisition of the leading value added reseller of hardware and software in the Benelux region. Centralpoint had a revenue of approximately SEK 7 billion and an EBITA of approximately SEK 280 million in 2020<sup>1</sup>.
- Complementing Dustin's current operations in the Netherlands, creating a market position similar to the one in the Nordics. Combining hardware and software sales to the SMB and LCP segment with strong service sales as a margin contributor.
- Dustin acquires Centralpoint for a total consideration of EUR 425 million (corresponding to SEK 4,326 million<sup>2</sup>) on a cash and debt free basis (Enterprise value) from Rotla B.V. (indirectly).
- The total consideration comprises 8,254,587 newly issued shares in Dustin and the remaining part in cash financed through increased credit facilities.
- Dustin intends to, as part of the long-term financing of the acquisition, propose a rights issue of approximately SEK 1,200 million expected to be carried out during the second half of 2021.
- Closing of the acquisition is subject to customary closing conditions, including clearance from the Dutch competition authorities.
- An extraordinary general meeting will be held to authorise the Board of Dustin to resolve on the issue of the consideration shares and the rights issue (the "EGM"). The EGM will be held on 18 May 2021 and the notice will be published later today.
- Dustin's two largest shareholders, Axel Johnson AB and AMF Fonder, representing in aggregate 40 per cent of the shares, have undertaken to vote in favour of the authorisations at the EGM. Axel Johnson AB and Rotla B.V. (indirectly) have undertaken to subscribe for their pro rata share in the rights issue, corresponding to

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<sup>1</sup> Applying EUR/SEK exchange rate of 10.1778, the exchange rate as of April 12, 2021

<sup>2</sup> Applying EUR/SEK exchange rate of 10.1778, the exchange rate as of April 12, 2021

36 per cent of the rights issue, and AMF Fonder has expressed their intention to subscribe for its pro rata share in the rights issue.

- With Centralpoint we become a leading IT-partner in the Benelux region, continuing to build on our strategy of combining hardware and software sales with an attractive service offering to offer complete IT solutions. We see great potential in building on Centralpoint's strong position within large corporate and public sales, combined with our current portfolio of offerings towards small and medium sized businesses and with that continuing to scale our online sales, says Thomas Ekman, President and CEO of Dustin.
- I'm proud of having led Centralpoint from its creation in 2017 and of the truly great company we have built. Through the hard work of our exceptional employees, we have solidified our position as the leading IT value added reseller in the Benelux region. In Dustin we have found a strong next owner with an ambition to further expand the offering to our customers and to accelerate growth in the Benelux region, organically and through acquisitions. The two companies complement each other perfectly and together we are ready to keep on building on our leading position. I'm excited to enter into the next phase of growth with Centralpoint, says Luuk Slaats, CEO of Centralpoint.

#### **Press and analyst teleconference**

Today at 09:00 CET

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The presentation can also be followed live via webcast [here](#)

#### **About Centralpoint**

Centralpoint is the market leading IT value added reseller with main focus on hardware and software to the SMB and LCP segments in the Benelux region. The company has approximately 600 employees and presence in three locations in the Netherlands and Belgium (Nijmegen, Wijchen and Aarschot).

Centralpoint had a revenue of approximately SEK 7 billion and an EBITA of approximately SEK 280 million in 2020, corresponding to an EBITA margin of 4 per cent<sup>3</sup>.

#### **Transaction rationale and financial impact**

Dustin has since its inception in 1984 consolidated the Nordic IT services market. In 2018, the geographical expansion continued by entering the Netherlands through the acquisition of Vincere. Since 2018, the operations in the Netherlands has grown through

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<sup>3</sup> Applying EUR/SEK exchange rate of 10.1778, the exchange rate as of April 12, 2021

organic growth and strategic initiatives such as the launch of our online platform as well as selective acquisitions.

The acquisition has great strategic value and Dustin's position in the market will be further strengthened. The key attractions include:

**1. Strengthened market position**

Combining Dustin's existing presence in the Benelux region with Centralpoint creates an IT powerhouse in the region with outstanding market positions in all customer segments; publicsector, large corporate and SMB customers. With critical mass in the market. The combined group will have a full offering including hardware, software, services and solutions to all customer segments and is positioned to enhance the local service offering and introduce additional value-added services in the market.

**2. Significant sales and efficiency synergies**

Dustin expects sales and efficiency synergies in areas such as procurement, increased private label penetration, IT and technical platform, knowledge sharing and SMB sales. The acquisition is expected to generate annual synergies of approximately SEK 150 million, fully implemented by 2023/24. Upon closing, Dustin expects to invest approximately SEK 50 million to accelerate extraction of synergies. A majority of the one-off integration costs are estimated to occur during 2021/22.

**3. Base for future expansion**

The acquisition creates a new home market for Dustin paving the way for continued expansion in the region organically and via bolt-on acquisitions.

The combined revenue the past 12-month period ("LTM") for Dustin and Centralpoint is approximately SEK 20.4 billion and the combined adjusted EBITA amounts to approximately SEK 800 million. Together, Dustin and Centralpoint will have approximately 2,300 employees.

The acquisition multiple corresponds to an EV/EBITA (adjusted) LTM multiple of approximately 15x excluding synergies and approximately 10x assuming full impact of synergies. Dustin estimates that the acquisition, including full effect from the cost synergies, would have had an EPS accretive effect of more than 50 per cent for the financial year 2019/20 on a proforma basis<sup>4</sup>. The acquisition will not have an impact on the financial targets.

**Financing of the acquisition**

*Issue in kind and short-term financing*

The acquisition will be financed through a combination of issue of new shares, cash and debt facilities. A new issue of 8,254,587 shares to the sellers as part of the purchase price (the "Issue in Kind") will be resolved by the board in connection with closing of the acquisition, subject to the EGM authorising the board to resolve on the Issue in Kind. The

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<sup>4</sup> Assuming financed by a rights issue of approximately SEK 1,200 million priced at closing price as of April 12, 2021, and credit facilities in line with expectations.

subscription price in the Issue in Kind will be SEK 92.57 per share, corresponding to a total value of approximately SEK 764 million<sup>5</sup>.

Dustin has secured bridge financing with Swedbank with a maturity of 24 months (the "Bridge Financing"), in addition to its existing facilities with the same bank, to finance the cash consideration.

#### *Rights issue and long-term financing*

To cover longer-term financing of the acquisition, the Board of Dustin intends to propose that the EGM authorises the Board to resolve on a new issue of approximately SEK 1,200 million with preferential rights for existing shareholders (the "**Rights Issue**"). If the EGM authorises the Board to resolve on the Rights Issue it will be launched following completion of the acquisition of Centralpoint. A detailed time plan and conditions for the Rights Issue will be announced at a later stage.

In addition, the Board will explore options regarding increased long-term debt financing in the form of increased bank loan and/or a bond issue (the "Debt Financing"). The Debt Financing process is expected to conclude during the second half of 2021.

Dustin has a financial target to maintain a net debt of 2–3x adjusted EBITDA LTM. Immediately following the closing of the acquisition and the Issue in Kind, Dustin expects its proforma net debt/EBITDA LTM to be approximately 4.5x. Following the intended Rights Issue, Dustin expects its proforma net debt/EBITDA LTM to be approximately 3.3x.

#### **Extraordinary General Meeting**

The EGM to resolve upon the authorisations for the Board to resolve upon the Issue in Kind and the Rights Issue will be held on 18 May 2021. The notice to the EGM will be published separately today and will be made available at [www.dustingroup.com](http://www.dustingroup.com).

Dustin's two largest shareholders, Axel Johnson AB and AMF Fonder, representing in aggregate 40 per cent of the shares, have undertaken to vote in favour of the authorisations at the EGM. Axel Johnson AB and Rotla B.V. (indirectly) have undertaken to subscribe for their pro rata share in the rights issue, corresponding to 36 per cent of the rights issue, and AMF Fonder has expressed their intention to subscribe for its pro rata share in the rights issue.

#### **Regulatory approval**

Closing of the acquisition is subject to compliance with works council proceedings and customary closing conditions, including merger control clearance from the Dutch competition authority.

#### **Advisors**

Carnegie Investment Bank AB (publ) is financial adviser to Dustin in connection to the acquisition and Joint Lead Managers with Swedbank in the Rights Issue. Cederquist is legal adviser to Dustin.

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<sup>5</sup> Determined as the volume weighted average price of Dustin's share during the ten latest trading days.

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### **Contact person:**

Eva Ernfors, Head of Communication

eva.ernfors@dustin.se, +46 70 258 62 94

*This information is information that Dustin Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07:55 CET on April 13, 2021.*

### **About Dustin**

Dustin is a leading online IT partner with operations in the Nordics and the Netherlands. We help our customers to stay in the forefront by providing them with the right IT solution, at the right time and at the right price.

We offer approximately 255,000 products with related services to companies, the public sector and private individuals. The main focus is on SMEs. Sales for the financial year 2019/20 amounted to approximately SEK 13.2 billion and just over 90 per cent of the revenues came from the corporate market.

Dustin Group has more than 1,700 employees and has been listed on Nasdaq Stockholm since 2015 with headquarters in Nacka Strand just outside central Stockholm.