

# QUARTERLY REPORT



April – June 2020

## Second Quarter, Apr – Jun 2020

- Total revenue decreased by MSEK 27.3, or 5.1 per cent, to MSEK 505.4 (532.7). Behind this were sales declines in Aurora and Septon, and sales increases in Deltaco and Sominis.
- The sales reductions that have occurred are largely explained by store closures and event constraints related to government restrictions due to Covid-19.
- The gross margin reduced to 22.1 per cent (23.8).
- Operating result after depreciation/amortisation (EBIT) increased to MSEK 11.7 (-3.1). The operating result during the second quarter of 2019 was, however, burdened by restructuring costs of MSEK 15.6, which resulted in an adjusted EBIT of MSEK 12.5.
- Government support related to Covid-19 had a positive impact on EBIT during the quarter of MSEK 7.4, mostly in the form of furlough support, reported as other income. Other government support is reported as reduced operating costs.
- The results for the reporting period increased to MSEK 3.8 (-6.9).
- Earnings per share increased to SEK 0.26 (-0.66).
- Revenue from own branded products (Sw: *EMV*) for the entire DistIT Group increased to MSEK 136.4 (108.5).
- Liquid assets as of the end of June totalled MSEK 52.5 in cash and MSEK 102.3 in total unused overdraft facilities.

## Period Jan – Jun 2020

- Total revenue decreased by MSEK 17.9, or 1.6 per cent, to MSEK 1 070.3 (1 088.2).
- The gross margin reduced to 21.4 per cent (22.6).
- Operating result after depreciation/amortisation (EBIT) increased to MSEK 21.1 (1.7). The operating result during the period was, however, burdened by restructuring costs of MSEK 16.5, which resulted in an adjusted EBIT of MSEK 18.2.
- The results for the period increased to MSEK 8.1 (-5.8).
- Earnings per share increased to SEK 0.55 (-0.62).
- Revenue from own branded products (Sw: *EMV*) for the entire DistIT Group increased to MSEK 271.2 (234.5).

## Significant Events in Q2, 2020

- In light of the significant uncertainty as a result of the spread of Covid-19, the Annual General Meeting decided not to pay a dividend for 2019.
- To address the uncertainty and the negative development in the market, DistIT decided to implement short-term furloughs in most of the Group's subsidiaries. All furloughs were retracted, with a few exceptions, at various stages during the quarter due to increased activity, as a lower staffing was judged to have a negative effect on business development.

## Significant Events After the Reporting Period

- No significant events have occurred after the end of the period.

INDICATORS, MSEK <sup>1</sup>	APR-JUN		JAN-JUN		FULL YEAR
	2020	2019	2020	2019	2019
Total revenue	505.4	532.7	1 070.3	1 088.2	2 330.9
Operating result before depreciation/amortisation (EBITDA)	18.3	2.6	34.2	13.2	71.4
Operating result after depreciation/amortisation (EBIT)	11.7	-3.1	21.1	1.7	16.1
Result for the period	3.8	-6.9	8.1	-5.8	41.4
Gross margin, %	22.1	23.8	21.4	22.6	21.9
Operating margin after depreciation/amortisation (EBIT), %	2.3	-0.6	2.0	0.2	0.7
Number of employees at the end of the period	254	273	254	273	259
Earnings per share, SEK <sup>2</sup>	0.26	-0.66	0.55	-0.62	3.12

1) The figures include effects related to the introduction of IFRS 16, and include divested operations (DistIT Fastigheter AB) in the third quarter of 2019. For the second quarter of 2019, these were reported separately in the table.

2) Earnings per share for the period are calculated on the results attributable to the Parent Company shareholders.



## A WORD FROM OUR CEO

### THE QUARTER IN BRIEF

DistIT as a whole achieved a relatively strong quarter, despite the challenges with Covid-19. EBIT increased to MSEK 11.7 compared to MSEK -3.1 in the same period last year, despite the fact that total revenue for the group decreased by 5.1 per cent in the quarter. The second quarter of 2019 included restructuring costs of MSEK 15.6, which has now contributed to a lower cost structure.

A relevant inventory is key in our role as a profitable distributor, and we are constantly working to maintain a balanced line of products. However, the ongoing pandemic has given us reason to further adjust the inventory composition to provide liquidity, but also to ensure that our products are suited to new market conditions. In this context, we incurred operating expenses, of approximately MSEK 2.5, in the quarter to sell slow-moving inventory, which, however, gave us improved liquidity and, in the long run, lower inventory management costs. This has had a somewhat negative effect on gross margins, primarily in Deltaco but also in Aurora.

### COVID-19 – MEASURES AND IMPACTS

The Group's focus on cash flow, restructuring and improved processes during 2019 enabled us to efficiently manage Covid-19. With a stable management structure in the subsidiaries, we were able to implement a number of measures to mitigate the negative impacts of the pandemic, such as:

- Obtained extended supplier credits.
- Ensuring adequate furlough support, as well as other measures from authorities for the various parts of the business.
- Extended cost control.
- Prioritisation of development projects, despite the lower level of personnel due to furloughs.

During the pandemic, we have seen increased sales in digital channels, even among customers with omnichannel strategies. Pure physical store sales have been negatively affected. One consequence of this is that we have accelerated our work towards digitalisation and building our own brands during the crisis. As part of this, we have also carried out a number of recruitments of key competencies.

### STRATEGY

The Group's strategy is further based on:

- Concept with own-profiled brands.
- New sales channels, with a focus on digital.
- Increased marketing expertise in digital channels.
- Strengthened internal commercial processes.
- Continued integration of Aurora and Deltaco, with common processes to achieve economies of scale and a scalable IT and cost structure.

The strategy involves increasing our relevance to the end consumer, our customers and suppliers. A scalable platform with a common base plate enables growth to be converted into profit.

### THE WAY FORWARD

Going forward, we see continued challenges in A-brands, with natural losses of suppliers for the industry. This is offset, among other things, by life cycle management of products and suppliers, and focus on building brands, both in-store and digitally.

We see good growth in the concepts of gaming and smart homes, where we continue to launch new products in the range. We are expanding our marketing to establish the concepts as own brands. For example, the gaming concept L33T will be more strongly profiled during the autumn, and even focused on new channels. Deltaco's range of electric car charging has started to be sold within retail and is processed in new channels. The launch of the new Deltaco Office concept is going according to plan, and had an initial launch in May.

In the coming quarters, we will continue to strengthen the organisation with key competencies and allocate resources for digital brand building. The ability to help online retailers and omnichannel customers by building digital traffic will increasingly be a success factor.

Finally, we are stably financially equipped with liquid assets of MSEK 52.5, and a net debt that has decreased to MSEK 137.3. This enables an acceleration of our strategy plan and provides scope for potential acquisitions.

Robert Rosenzweig

## FINANCIAL INFORMATION

### SECOND QUARTER 2020

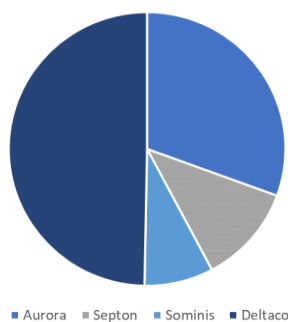
Revenue for the quarter decreased to MSEK 505.4 (532.7) compared with the corresponding period last year, which is attributable to sales reductions in Aurora and Septon but is partly offset by revenue increases in Deltaco and Sominis. Covid-19 affected the market conditions for all subsidiaries to varying degrees, as a result of various government restrictions in geographic markets. Aurora's sales decreased by MSEK 17.8 and were negatively affected by the high exposure to traditional trade, which was significantly impacted by the restrictions. Aurora's sales against the comparable period continued to be affected by suppliers who, in part, chose alternative sales channels during the third quarter of 2019. In addition, certain A-brands with a low margin were discontinued. Septon, with product sales intended for events, reduced its sales by MSEK 33.3 in the wake of the pandemic. Deltaco's sales increased by MSEK 22.4, driven by sales to e-commerce, network products and home offices. Sominis had favourable market conditions and increased sales by MSEK 16.9.

The gross margin decreased to 22.1 per cent (23.8) for the DistIT Group, mainly due to a larger share of revenue from Deltaco, with a lower gross margin, and a reduced volume in Septon, with a relatively high gross margin.

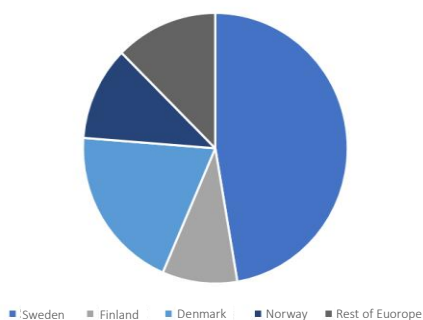
The operating result after depreciation/amortisation (EBIT) increased to MSEK 11.7 (-3.1). The operating result during the second quarter of 2019 was burdened by restructuring costs of MSEK 15.6, which resulted in an adjusted EBIT of MSEK 12.5.

The result for the period increased to MSEK 3.8 (-6.9).

### NET REVENUE PER SUBSIDIARY



### NET REVENUE PER COUNTRY



### CASH FLOW AND WORKING CAPITAL

Cash flow from operating activities totalled MSEK 10.4 (-29.9). In comparison with the end of March 2020, receivables decreased by MSEK 11.7, accounts payable decreased by MSEK 87.7 and inventories decreased by MSEK 76.6. In total, the change in working capital contributed to a positive cash flow from working capital of MSEK 8.3.

Working capital at the end of the quarter amounted to MSEK 503.0 (486.2) for the Group as a whole. Working capital as a percentage of 12-month rolling sales at the end of June 2020 amounted to 21.7 per cent (20.4).

### COVID-19

The Group's operating result was positively affected by government support of MSEK 7.4 related to Covid-19, of which MSEK 1.9 was attributable to lower employer contributions and rents. The remaining part was related to furlough support, which was reported as other income. The furloughs were retracted, with a few exceptions, at various stages during the quarter due to increased activity, as a lower staffing was judged to have a negative effect on business development.

### NET LIABILITIES, LIQUID ASSETS AND INVESTMENTS

Interest-bearing net liabilities, excluding leasing liability in accordance with IFRS 16, totalled MSEK 137.3 (230.7) at the end of June 2020. The effect of IFRS 16 constitutes MSEK 38.0 (44.7) for short- and long-term liabilities.

In the fourth quarter of 2019, DistIT changed the accounting principle, where assets and overdraft liabilities are now recognised net, from previously having been recognised gross. Net cash for the Group at the end of June 2020 totalled MSEK 52.5 (30.5) according to the same accounting principle.

The DistIT Group has a so-called cash pool with a credit capacity of MSEK 89.3, of which MSEK 0.0 was used as of the end of June 2020. In addition, the Group has access to MSEK 17.8 in other overdraft facilities, of which MSEK 4.8 was used as of the end of June 2020.

Available liquid assets at the end of June 2020 thereby totalled MSEK 52.5 net cash, and MSEK 102.3 in unused overdraft facilities.

### RELATED PARTY TRANSACTIONS

The Group did not conduct any material transactions with related parties during the second quarter of 2020.

### SUBSCRIPTION WARRANTS

The 2020 Annual General Meeting approved an offer to senior executives of a maximum of 379 854 subscription warrants, with the accompanying right to subscribe for a maximum of 379 854 new shares in DistIT AB. The warrant programme was fully subscribed and all participants, nine senior executives in DistIT, Aurora, Deltaco and Septon, took their full allocation.

More complete information on all outstanding subscription warrant programmes can be found on DistIT's website.

#### **ACQUISITION AND GOODWILL**

Goodwill is tested on an ongoing basis to identify any impairment needs, and is recognised at cost less accumulated impairment losses. Impairment tests conducted at year-end showed that there was no need for impairment. As of 30 June 2020, goodwill totalled MSEK 89.4 (90.0).

#### **PERSONNEL**

The number of employees totalled 254 (273) at the end of the reporting period.

#### **SIGNIFICANT EVENTS AND UNCERTAINTY FACTORS**

The risks and uncertainty factors applicable to DistIT are described on pages 23 to 27 of the 2019 Annual Report. They can also be found on the Company's website, [www.distit.se](http://www.distit.se), in the Corporate Governance Report for 2019. Apart from the situation regarding Covid-19, which is described in this report, as well as in the Annual Report and Q1 Report 2020, no significant changes have occurred which would give rise to a change in these descriptions.

#### **PARENT COMPANY**

Operations in the Parent Company comprise group management, finance and IR/PR. The Parent Company's revenue, which as a whole is intra-group, totalled MSEK 2.6 (2.5) for the second quarter of 2020. The operating result totalled MSEK -3.7 (-6.1). At the end of the period, the number of employees in the Parent Company totalled 2 (2).

#### **AUDITOR'S REVIEW**

This report has not been reviewed by the Company's Auditor.

#### **DIVIDEND**

In light of the significant uncertainty as a result of the spread of Covid-19, the Annual General Meeting decided not to pay a dividend for 2019.

#### **NOMINATION PREPARATION PRIOR TO THE 2021 AGM**

In accordance with guidelines for the Nomination Committee's work in DistIT AB, decided at the Annual General Meeting on 20 April 2020, the Nomination Committee will be constituted on the basis of known ownership in the company as of 31 August 2020. The Nomination Committee's composition will be announced no later than six months before the 2021 Annual General Meeting.

## SUBSIDIARIES

### AURORA

Aurora provides added value for Nordic retail trade, e-commerce and B2B by way of EMV distribution and branded products within consumer electronics. Aurora's customers include Clas Ohlson, Mediamarkt, Elgiganten and Salling group.

Revenue during the second quarter of 2020 decreased by 9.9 per cent to MSEK 162.9 (180.7). The decline in Aurora's business volume against the previous period is partly as a consequence of some suppliers choosing alternative sales channels, as well as certain low-margin A-brands being discontinued. Furthermore, Covid-19 affected Aurora's business conditions, which are largely focused on sales to traditional retailers. EBIT for the quarter increased to MSEK 4.5 (-7.7). The increase, despite the fall in volume, is mainly due to the effects of the restructuring work carried out in the company, and that the comparable period was burdened with costs for this work.

AURORA <sup>1</sup>	APR-JUN		JAN-JUN		FULL YEAR
	2020	2019	2020	2019	2019
Net revenue, MSEK	162.9	180.7	325.4	378.2	818.6
Operating result before depreciation/amortisation (EBITDA), MSEK	4.9	-7.5	6.4	-9.1	11.1
Operating result after depreciation/amortisation (EBIT), MSEK	4.5	-7.7	5.8	-9.7	9.9
Gross margin, %	23.3	23.5	22.8	22.8	23.0
Operating margin after depreciation/amortisation (EBIT), %	2.8	-4.3	1.8	-2.6	1.2

### DELTACO

Deltaco supply quality products within the IT and consumer electronic industry. Deltaco manufactures and markets its own-brands Street™, DELTACO™, Nordic Home™ and DELTACO Gaming™. The customer base consists of, among others, ATEA, Kjell & Company, Dustin, Mediamarkt and OKQ8.

Revenue during the second quarter of 2020 increased by 9.4 per cent to MSEK 259.9 (237.5). The gross margin in the quarter decreased to 19.5 per cent (20.6), driven by a volume increase in memory and network products with a significantly lower margin. EBIT for the quarter increased to MSEK 11.3 (8.6).

DELCATO <sup>1</sup>	APR-JUN		JAN-JUN		FULL YEAR
	2020	2019	2020	2019	2019
Net revenue, MSEK	259.9	237.5	529.2	476.7	1 036.4
Operating result before depreciation/amortisation (EBITDA), MSEK	9.5	9.3	22.9	19.8	45.5
Operating result after depreciation/amortisation (EBIT), MSEK	7.6	7.4	18.9	16.1	7.4
Gross margin, %	19.5	20.6	19.9	21.1	20.4
Operating margin after depreciation/amortisation (EBIT), %	3.0	3.1	3.6	3.4	0.7

1) An organisational merger between Aurora and Deltaco was completed during the third quarter of 2019 and further integration of the subsidiaries is ongoing.

### SEPTON

Septon is a distributor of high-quality audio and video equipment (AV products) intended for the professional market and consumers. The company represents well-known brands, such as Harman Pro, Klipsch and Marantz on the Swedish market. Customers include Dustin, Effektgruppen, SCAN AV and CDON.COM.

Revenue in the second quarter of 2020 decreased by 36.3 per cent to MSEK 58.4 (91.7). Significantly altered market conditions as a result of Covid-19, primarily for product sales intended for events, contributed to the decrease in revenue. Vigorous measures and a focus on costs, however, compensated for this, which led to an operating profit (EBIT) of MSEK 3.7 (4.8) in the quarter.

SEPTON <sup>1</sup>	APR-JUN		JAN-JUN		FULL YEAR
	2020	2019	2020	2019	2019
Net revenue, MSEK	58.4	91.7	145.3	176.6	351.3
Operating result before depreciation/amortisation (EBITDA), MSEK	3.9	5.0	6.1	7.5	19.9
Operating result after depreciation/amortisation (EBIT), MSEK	3.7	4.8	5.7	7.2	19.3
Gross margin, %	33.0	33.5	27.8	29.7	28.1
Operating margin after depreciation/amortisation (EBIT), %	6.3	5.2	3.9	4.1	5.5

### SOMINIS

Sominis Technology UAB, Lithuania, currently acts as a sales partner (B2B) of surplus stock across Europe. Customers are international companies, hardware retailers, the retail trade, online stores, telecommunication companies, and hotel chains.

Revenue during the second quarter of 2020 increased by 65.8 per cent to MSEK 42.6 (25.7). EBIT for the quarter increased to MSEK 2.8 (0.8), due to favourable market conditions, among other things, as a result of Covid-19, and successful recruitments within the sales organisation.

SOMNIS <sup>1</sup>	APR-JUN		JAN-JUN		FULL YEAR
	2020	2019	2020	2019	2019
Net revenue, MSEK	42.6	25.7	85.9	60.7	133.8
Operating result before depreciation/amortisation (EBITDA), MSEK	2.9	0.8	4.2	2.3	4.6
Operating result after depreciation/amortisation (EBIT), MSEK	2.8	0.8	3.9	2.2	4.0
Gross margin, %	13.1	9.4	11.1	9.8	9.4
Operating margin after depreciation/amortisation (EBIT), %	6.5	3.0	4.5	3.7	3.0

## DISTITS SHARE AND OWNERSHIP

### PLACE OF LISTING

DistIT's share has been listed on NASDAQ OMX First North since 19 April 2011, and on Nasdaq First North Premier Growth Market ("First North Premier"), previously Nasdaq OMX First North Premier, since 28 April 2015. Companies affiliated with First North Premier are required to have a Certified Adviser, who shall, among other things, be responsible for supervision. Erik Penser Bank AB is DistIT's Certified Adviser.

Share information	
Ticker symbol	DIST
ISIN code	SE0003883800
Number of shares	12 281 961
Trading item	1 share
Voting rights	1 vote per share

### SUBSCRIPTION WARRANTS

DistIT AB has issued two subscription warrants programmes for senior executives, comprising a total of 679 854 warrants with the right to subscribe for the same number of shares. Complete information about these warrants is available on DistIT's website.

### BOND LOANS

On 3 May 2018, DistIT AB issued a four-year senior unsecured bond loan of MSEK 240 within a framework of MSEK 500. The bond loan matures on 16 May 2022. The bond loan carries a coupon rate of a 3-months' *STIBOR* (Stockholm Interbank Offered Rate) plus 5.0 per cent. The bonds were registered for trading on Nasdaq Stockholm on 6 July 2018. As of 30 June 2020, DistIT AB owns a nominal MSEK 56.4 of its own bond loan.

### SHARE DATA

Share data as of the record date	Q1 2020	Q2 2020
	2020-03-31	2020-06-30
Share price (SEK)	30.00	34.60
Market value (MSEK)	368.5	425.0
Number of shares (pcs.)	12 281 961	12 281 961
Average number of trades per day during the quarter	44	28
Average trading volume per day during the quarter (shares/day)	18 181	17 620
Average revenue per day during the quarter (SEK/day)	695 329	554 348

### SHARE FACTS

The closing share price during the second quarter of 2020 varied from SEK 28.60 (37.60) at its lowest, to SEK 35.90 (50.00) at its highest. The closing share price on 30 June 2020 was SEK 34.60 (44.20), corresponding to a decrease of 16.63 per cent compared with the closing share price on the last day of trading in 2019. As of 30 June 2020, DistIT's market capitalisation totalled MSEK 425 (542). The number of DistIT shareholders totalled 6 029 on 30 June 2020. Of these, 397 had more than 1 000 shares each. On average, 17 620 shares (29 718) were traded per trading day during April - June. On 30 June 2020, DistIT's share capital totalled SEK 24 563 922, distributed across 12 281 961 shares.

### SHARE DISTRIBUTION, 30 JUNE 2020

Shareholding	Shareholders	Number of shares
1-500	5 340	408 946
501-1000	292	236 425
1001-5000	278	621 239
5001-10000	42	294 894
10001-15000	22	277 175
15001-20000	9	157 367
20001-	46	10 285 915
Total -	6 029	12 281 961

## 10 LARGEST SHAREHOLDERS – 31 MARCH 2020

NAME	NUMBER OF SHARES	SHARE OF CAPITAL AND VOTES, %
Athanase Industrial Partner	3 211 193	26.1%
Ribbskottet AB	1 541 146	12.5%
Försäkringsaktiebolaget, Avanza Pension	1 005 601	8,.%
Humle Kapitalförvaltning AB	848 307	6,.%
Theodor Jeansson	515 000	4,.%
Hajskäret Invest AB	358 459	2.9%
TAMT AB	292 051	2.4%
Måns Ola Flodberg	208 000	1.7%
Jonas Mårtensson	200 092	1.6%
Kristoffer Jeansson	200 000	1.6%
Total 10 largest owners	8 379 849	68.2%
<b>Total other owners</b>	<b>3 902 112</b>	<b>31.8%</b>
<b>Total</b>	<b>12 281 961</b>	<b>100.0%</b>

## CEO'S SIGNATURE

I, the undersigned, confirm that this interim report provides a true and fair view of the Parent Company and the Group's operations, position and performance, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

19 August 2020, Älvsjö

Robert Rosenzweig  
President and CEO

The report has been signed by the President and CEO, following authorisation of the Board of Directors.

## FINANCIAL CALENDER 2020

Q3 report January - September 2020, 23 October 2020

Year-end report 2020, 23 February 2021

Q1 report January - March 2021, April 22, 2021

The Annual General Meeting will take place in Stockholm on April 22, 2021

## CONTACTS

Robert Rosenzweig, Group CEO, robert.rosenzweig@distit.se

Philip Gunnarsson, Group CFO, philip.gunnarsson@distit.se

## THE GROUP

INCOME STATEMENT - THE GROUP, MSEK	APR-JUN		JAN-JUN		FULL YEAR
	2020	2019	2020	2019	2019
Net revenue	501.6	529.1	1 062.8	1 081.0	2 320.6
Other operating income	3.8	3.6	7.5	7.2	10.3
<b>Total revenue</b>	<b>505.4</b>	<b>532.7</b>	<b>1 070.3</b>	<b>1 088.2</b>	<b>2 330.9</b>
Cost of sold goods	-393.6	-405.7	-841.5	-841.8	-1 820.1
<b>Gross result</b>	<b>111.8</b>	<b>127.0</b>	<b>228.8</b>	<b>246.4</b>	<b>510.8</b>
Operating costs	-93.5	-124.4	-194.6	-233.2	-439.4
<b>Operating result before depreciation/amortisation</b>	<b>18.3</b>	<b>2.6</b>	<b>34.2</b>	<b>13.2</b>	<b>71.4</b>
Depreciation tangible assets	-4.5	-4.0	-8.9	-8.0	-17.7
Amortisation intangible assets	-2.1	-1.7	-4.2	-3.5	-37.6
<b>Operating result</b>	<b>11.7</b>	<b>-3.1</b>	<b>21.1</b>	<b>1.7</b>	<b>16.1</b>
Net financial result	-5.5	-3.3	-9.4	-6.8	-12.0
<b>Result after financial items</b>	<b>6.2</b>	<b>-6.4</b>	<b>11.7</b>	<b>-5.1</b>	<b>4.1</b>
Deferred tax liabilities	0.0	0.0	0.0	0.0	-1.5
Tax on profit for the year	-2.4	-0.1	-3.6	-0.3	-5.7
<b>Profit from continued operations for the period</b>	<b>3.8</b>	<b>-6.5</b>	<b>8.1</b>	<b>-5.4</b>	<b>-3.1</b>
Results from divested operations	0.0	-0.4	0.0	-0.4	44.5
<b>Results for the period</b>	<b>3.8</b>	<b>-6.9</b>	<b>8.1</b>	<b>-5.8</b>	<b>41.4</b>
<i>Attributable to:</i>					
Parent company's shareholders	3.1	-8.1	6.7	-7.6	38.3
Non-controlling interests	0.7	1.2	1.4	1.8	3.1
<b>Results for the period</b>	<b>3.8</b>	<b>-6.9</b>	<b>8.1</b>	<b>-5.8</b>	<b>41.4</b>
<b>Other comprehensive income</b>					
Translation differences for the period due to conversion of foreign subsidiaries	-7.5	2.9	-2.1	4.2	4.4
<b>Total comprehensive income for the period</b>	<b>-3.7</b>	<b>-4.0</b>	<b>6.0</b>	<b>-1.6</b>	<b>45.8</b>
<i>Total comprehensive income attributable to:</i>					
Parent company shareholders	-4.9	-4.7	4.1	-2.9	42.7
Non-controlling interests	1.2	0.7	1.9	1.3	3.1

DATA PER SHARE	APR-JUN		JAN-JUN		FULL YEAR
	2020	2019	2020	2019	2019
<b>Number of shares</b>					
Number of shares at the end of the period	12 281 961	12 281 961	12 281 961	12 281 961	12 281 961
Average number of shares (before dilution)	12 281 961	12 281 961	12 281 961	12 281 961	12 281 961
Average number of shares (after dilution)	12 281 961	12 281 961	12 281 961	12 281 961	12 281 961
<b>Earnings per share</b>					
Earnings per share for the period (before dilution) <sup>1</sup> , SEK	0.26	-0.66	0.55	-0.62	3.12
Earnings per share for the period (after dilution) <sup>1</sup> , SEK	0.26	-0.66	0.55	-0.62	3.12
Earnings per share for the period from continued operations <sup>2</sup> , SEK	0.31	-0.53	0.66	-0.44	-0.25
Earnings per share for the period from divested operations, SEK	0.00	-0.03	0.00	-0.03	3.62
<b>Equity per share</b>					
Equity per share at the end of the period, SEK	32.64	28.52	32.64	28.52	32.19

1) The key figure refers to the Parent Company's shareholders earnings per share

2) The key figure refers to the Parent Company's and non-controlling interests' earnings per share



## THE GROUP

BALANCE SHEET - THE GROUP, MSEK	JAN-JUN		FULL YEAR
	2020	2019	2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
Goodwill	89.4	90.0	89.8
Other intangible fixed assets	23.6	51.8	24.4
Tangible fixed assets	5.7	7.2	6.2
Right-of-use assets	37.5	44.5	41.4
Financial fixed assets	10.0	9.8	10.2
<b>Total fixed assets</b>	<b>166.2</b>	<b>203.3</b>	<b>172.0</b>
<b>Current assets</b>			
Inventories	361.4	468.1	432.2
Accounts receivable	331.0	305.6	412.6
Other current assets	54.6	50.0	49.0
Cash and bank balances <i>Note 6</i>	52.5	30.5	10.7
<b>Total current assets</b>	<b>799.5</b>	<b>854.2</b>	<b>904.5</b>
Assets held for sale		64.5	
<b>TOTAL ASSETS</b>	<b>965.7</b>	<b>1 122.0</b>	<b>1 076.5</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	24.6	24.6	24.6
Other contributed capital	166.7	163.9	165.8
Retained earnings including results for the period	209.6	161.8	205.0
<b>Total attributable to parent company shareholders</b>	<b>400.9</b>	<b>350.3</b>	<b>395.4</b>
Non-controlling interests	12.3	11.0	12.1
<b>Total equity</b>	<b>413.2</b>	<b>361.3</b>	<b>407.5</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	0.0	0.0	0.0
Lease liability	22.0	31.0	26.7
Bond loans <i>Note 3</i>	183.6	183.6	183.6
Deferred tax liability	6.4	7.3	6.3
Other long-term liabilities	0.3	0.4	1.1
<b>Total long-term liabilities</b>	<b>212.3</b>	<b>222.3</b>	<b>217.7</b>
<b>Short-term liabilities</b>			
Liabilities to credit institutions <i>Note 6</i>	6.2	76.8	20.1
Lease liability	16.0	13.7	15.0
Other interest-bearing liabilities	0.0	0.8	0.0
Accounts payable	189.4	287.5	283.0
Accrued expenses and deferred income	44.2	48.0	48.5
Other short-term liabilities	84.4	64.9	84.4
<b>Total short-term liabilities</b>	<b>340.2</b>	<b>491.7</b>	<b>451.3</b>
Liabilities held for sale		46.7	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>965.7</b>	<b>1 122.0</b>	<b>1 076.5</b>

## THE GROUP

CHANGES IN EQUITY - THE GROUP, MSEK	APR-JUN		JAN-JUN		FULL YEAR
	2020		2020		2019
Opening balance equity	416.8		407.5		374.8
Effect of transition to IFRS 16	0.0		0.0		-0.3
Issue of warrants	0.9		0.9		1.4
Dividend	-0.6		-0.6		-12.5
Non-controlling interests	1.0		1.3		1.0
Total result for the period attributable to parent company shareholders	-4.9		4.1		43.1
<b>Closing balance equity</b>	<b>413.2</b>		<b>413.2</b>		<b>407.5</b>

CASH FLOW STATEMENT SUMMARY - THE GROUP, MSEK	APR-JUN		JAN-JUN		FULL YEAR
	2020	2019	2020	2019	2019
Operating result	11.7	-3.1	21.1	1.7	16.1
Adjustment for items not included in the cash flow	-0.2	2.9	11.2	9.2	55.8
Net financial result	-5.5	-3.4	-9.4	-6.9	-12.2
Paid tax	-3.9	-4.0	-10.3	-10.5	-9.6
Change in total working capital	8.3	-22.3	54.7	17.3	-59.9
<b>Cash flow from operating activities</b>	<b>10.4</b>	<b>-29.9</b>	<b>67.3</b>	<b>10.8</b>	<b>-9.8</b>
Change in tangible and intangible fixed assets	-1.5	-27.2	-11.5	-29.7	-19.0
Change in financial fixed assets	3.4	-0.5	3.8	-0.6	1.5
Acquisition of subsidiaries/non-controlling interests	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investment activities</b>	<b>1.9</b>	<b>-27.7</b>	<b>-7.7</b>	<b>-30.3</b>	<b>-17.5</b>
Loan change <i>Note 6</i>	-16.4	65.9	-17.6	30.7	-50.5
Dividend to shareholder without controlling interest	-0.6	-0.2	-0.6	-0.2	-0.2
Dividend/options	0.9	-12.1	0.9	-10.8	-12.2
<b>Cash flow from financing activities</b>	<b>-16.1</b>	<b>53.6</b>	<b>-17.3</b>	<b>19.7</b>	<b>-62.9</b>
<b>Cash flow for the year continued operations</b>	<b>-3.8</b>	<b>-4.0</b>	<b>42.3</b>	<b>0.2</b>	<b>-90.2</b>
<b>Cash flow for the year from divested operations</b>	<b>0.0</b>	<b>-1.7</b>	<b>0.0</b>	<b>-13.8</b>	<b>58.4</b>
<b>Cash flow for the year</b>	<b>-3.8</b>	<b>-5.7</b>	<b>42.3</b>	<b>-13.6</b>	<b>-31.8</b>
Exchange rate difference in liquid assets	-0.9	0.2	-0.7	1.2	-0.4
Change of liquid assets	-4.7	-5.5	41.6	-12.4	-32.2
<b>Reconciliation of change in liquid assets</b>					
Opening balance liquid assets <i>Note 6</i>	57.0	36.0	10.7	42.9	42.9
Closing balance liquid assets <i>Note 6</i>	52.3	30.5	52.3	30.5	10.7
<b>Change of liquid assets</b>	<b>-4.7</b>	<b>-5.5</b>	<b>41.6</b>	<b>-12.4</b>	<b>-32.2</b>

## THE PARENT COMPANY

INCOME STATEMENT - THE PARENT COMPANY, MSEK	APR-JUN		JAN-JUN		HELÅR
	2020	2019	2020	2019	2019
Net revenue	6.1	2.5	8.7	5.0	15.1
<b>Total income</b>	<b>6.1</b>	<b>2.5</b>	<b>8.7</b>	<b>5.0</b>	<b>15.1</b>
Operating costs	-6.3	-8.6	-12.4	-14.6	-24.4
<b>Operating result before depreciation/amortisation</b>	<b>-0.2</b>	<b>-6.1</b>	<b>-3.7</b>	<b>-9.5</b>	<b>-9.3</b>
Amortisation intangible assets	-0.1	0.0	-0.3	0.0	-0.4
<b>Operating result</b>	<b>-0.3</b>	<b>-6.1</b>	<b>-4.0</b>	<b>-9.5</b>	<b>-9.7</b>
Net financial result	1.6	-1.4	0.9	-2.4	8.9
<b>Result after financial items</b>	<b>1.3</b>	<b>-7.5</b>	<b>-3.1</b>	<b>-12.0</b>	<b>-0.8</b>
Year-end appropriations	0.0	0.0	0.0	0.0	2.0
<b>Result before tax</b>	<b>1.3</b>	<b>-7.5</b>	<b>-3.1</b>	<b>-12.0</b>	<b>1.2</b>
Tax on profit for the year	0.0	0.0	0.0	0.0	0.0
<b>Result for the period</b>	<b>1.3</b>	<b>-7.5</b>	<b>-3.1</b>	<b>-12.0</b>	<b>1.2</b>

BALANCE SHEET - THE PARENT COMPANY, MSEK	JAN-JUN		FULL YEAR
	2020	2019	2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
Shares in subsidiaries	206.1	255.7	206.1
Other intangible fixed assets	1.4	1.0	1.8
Other fixed assets	7.5	7.5	7.5
<b>Total fixed assets</b>	<b>215.0</b>	<b>264.2</b>	<b>215.4</b>
<b>Current assets</b>			
Receivables from group companies	266.2	234.1	295.8
Other receivables	19.2	10.0	7.1
Cash and bank balances	14.2	0.0	1.2
<b>Total current assets</b>	<b>299.6</b>	<b>244.1</b>	<b>304.1</b>
<b>TOTAL ASSETS</b>	<b>514.6</b>	<b>508.3</b>	<b>519.5</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	24.6	24.6	24.6
Free reserves	305.5	303.4	303.3
Result for the period	-3.1	-12.0	1.2
<b>Total equity</b>	<b>327.0</b>	<b>316.0</b>	<b>329.1</b>
<b>Long-term liabilities</b>			
Bond loans	183.6	183.6	183.6
<b>Total long-term liabilities</b>	<b>183.6</b>	<b>183.6</b>	<b>183.6</b>
<b>Short-term liabilities</b>			
Accounts payable	0.3	0.9	0.6
Liabilities to group companies	0.0	0.4	0.0
Accrued expenses and deferred income	2.6	7.2	5.3
Other short-term liabilities	1.1	0.2	0.9
<b>Total short-term liabilities</b>	<b>4.0</b>	<b>8.7</b>	<b>6.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>514.6</b>	<b>508.3</b>	<b>519.5</b>

## FINANCIAL INFORMATION SUMMARY

	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
INCOME STATEMENT (MSEK)	2020	2020	2019	2019	2019	2019	2018	2018
Total revenue	505.4	564.9	706.8	535.8	532.7	555.5	723.6	570.2
<b>Result</b>								
Gross result	111.8	117.0	157.4	107.0	127.0	119.4	157.1	124.0
Operating result before depreciation/amortisation (EBITDA)	18.3	15.9	45.1	13.1	2.6	10.6	35.0	28.5
Operating result after depreciation/amortisation (EBIT)	11.7	9.4	38.0	-23.6	-3.1	4.8	31.9	25.7
Result for the period continued operations	3.8	4.3	29.5	-27.2	-6.5	1.1	21.9	15.2
Result for the period operations under sale	0.0	0.0	0.0	44.9	-0.4	0.0	0.0	0.0
Earnings per share	0.26	0.29	2.34	1.40	-0.66	0.04	1.69	1.16
<b>Margin and return measurements in %</b>								
Gross margin, %	22.1	20.7	22.3	20.0	23.8	21.5	21.7	21.7
EBIT margin, %	2.3	1.7	5.4	-4.4	-0.6	0.9	4.4	4.5
ROCE, %	1.8	1.4	5.8	-3.8	-0.5	0.8	4.9	3.9
ROE, %	0.9	1.0	7.2	-7.2	-1.8	0.3	5.8	4.3
<b>BALANCE SHEET (MSEK)</b>								
<b>Assets</b>								
Total fixed assets	166.2	174.8	172.0	178.7	203.3	197.3	194.3	191.9
Total current assets	799.5	892.9	904.5	886.3	854.2	886.9	1 015.9	863.4
Assets in operations under sale	0.0	0.0	0.0	0.0	64.5	65.6	0.0	0.0
<b>Total assets</b>	<b>965.7</b>	<b>1 067.7</b>	<b>1 076.5</b>	<b>1 065.0</b>	<b>1 120.0</b>	<b>1 149.8</b>	<b>1 210.2</b>	<b>1 055.3</b>
<b>Equities and liabilities</b>								
Total equity	413.2	416.7	407.5	379.7	361.3	378.4	374.8	352.3
Total long-term liabilities	212.3	216.1	217.7	220.7	222.3	224.0	238.9	236.9
Total short-term liabilities	340.2	434.9	451.3	464.6	491.7	498.1	596.5	466.1
Liabilities in operations under sale	0.0	0.0	0.0	0.0	46.7	49.3	0.0	0.0
<b>Total equities and liabilities</b>	<b>965.7</b>	<b>1 067.7</b>	<b>1 076.5</b>	<b>1 065.0</b>	<b>1 122.0</b>	<b>1 149.8</b>	<b>1 210.2</b>	<b>1 055.3</b>
<b>CASH FLOW</b>								
Net from continued operations	10.4	56.9	-11.4	-9.2	-29.9	40.7	55.5	34.4
Investment operations	1.9	-9.6	3.7	9.1	-27.7	-2.6	-2.9	-1.2
Financial operations	-16.1	-1.2	11.5	-88.7	53.6	-33.9	-12.1	-22.6
Cash flow from divested operations	0.0	0.0	0.0	72.2	-1.7	-12.1	0.0	0.0
<b>Cash flow for the period</b>	<b>-3.8</b>	<b>46.1</b>	<b>3.8</b>	<b>-16.6</b>	<b>-5.7</b>	<b>-7.9</b>	<b>40.5</b>	<b>10.6</b>

## DEFINITIONS

<b>Total revenue and Revenue:</b>	Net revenue, including currency effects and other operating income.
<b>Gross margin:</b>	The gross result as a percentage of the net revenue for the period.
<b>EBITDA:</b>	The operating result after depreciation and amortisation.
<b>Net liabilities:</b>	Liabilities to credit institutions, bond loans and other interest-bearing liabilities, less cash and bank balances.
<b>EBIT margin:</b>	The operating result after depreciation/amortisation as a percentage of the net revenue for the period.
<b>ROCE:</b>	The operating result after depreciation/amortisation divided by employed capital
<b>ROE:</b>	The net result for the period after tax divided by equity
<b>Earnings per share:</b>	The net result for the period divided by the average number of shares during the period.
<b>Other comprehensive income:</b>	Translation differences for the period due to conversion of foreign subsidiaries.
<b>Working capital as a percentage of a 12-month rolling revenue:</b>	Total of inventories, accounts receivable and accounts payable as a percentage a 12-month rolling revenue.
<b>Total working capital:</b>	Total of inventories, accounts receivable and accounts payable, as well as other current assets and other short- term liabilities.

## NOTES

### NOTE 1 - ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of the IFRS Interpretations Committee (IFRS IC) as endorsed by the EU. The Group has also applied the Swedish Financial Reporting Board recommendation RFR 1, Supplementary Accounting Rules for Groups. This interim report has been prepared in accordance with the Swedish Annual Accounts Act (ÅRL), and IAS 34, Interim Financial Reporting, for the Group, and in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendations RFR 2, Accounting for Legal Entities, for the Parent Company. The accounting principles applied for the Group and the Parent Company are consistent with those used in the preparation of the latest Annual Report.

DistIT applies IFRS 16 according to the simplified transition method from the transition date 1 January 2019. In accordance with the standard, comparative figures have not been recalculated, but rather the accumulated effect of the transition is reported as an opening balance adjustment on 1 January 2019.

New or revised IFRS standards and interpretative statements for 2020 have had no material effect on the Group's financial position, results or disclosures.

### NOTE 2 - PLEDGED COLLATERAL FOR OWN PROVISIONS AND LIABILITIES, MSEK:

LIABILITIES TO CREDIT INSTITUTIONS	GROUP		PARENT COMPANY	
	2020-06-30	2019-12-31	2020-06-30	2019-12-31
Company mortgages	69.7	73.0	5.0	5.0
Shares in subsidiaries	242.5	232.8	180.6	180.6
Assets pledged as collateral security	15.3	28.6	0.0	0.0
Other guarantees	21.3	4.7	0.0	0.0

### NOTE 3 - BOND LOAN

On 3 May 2018, DistIT AB issued a four-year senior unsecured bond loan of MSEK 240 within a framework of MSEK 500. The bond loan matures on 16 May 2022. The bond loan carries a coupon rate of three months' *STIBOR* (Stockholm Interbank Offered Rate) plus 5.0 per cent. The bonds were registered for trading at Nasdaq Stockholm on 6 July 2018. As of 30 June 2020, DistIT AB nominally owns MSEK 56.4 of its own bond loans. The loan is reported net of SEK 183.6 million in the balance sheet.

### NOTE 4 - SEGMENTS AND LAND, MSEK

#### Sales per segment

	APR-JUN		JAN-JUN		FULL YEAR
	2020	2019	2020	2019	2019
Aurora	162.9	180.7	325.4	378.2	818.6
Deltaco	259.9	237.5	529.2	476.7	1 036.4
Septon	58.4	91.7	145.3	176.6	351.3
Sominis	42.6	25.7	85.9	60.7	133.8
Other/eliminations	-18.4	-2.9	-15.5	-4.0	-9.2
<b>Total</b>	<b>505.4</b>	<b>532.7</b>	<b>1 070.3</b>	<b>1 088.2</b>	<b>2 330.9</b>

#### Sales per country

	APR-JUN		JAN-JUN		FULL YEAR
	2020	2019	2020	2019	2019
Sweden	237.0	276.2	510.9	557.1	1 138.4
Finland	46.1	45.2	97.3	95.1	205.6
Denmark	102.9	97.7	209.6	205.0	464.7
Norway	51.3	67.2	119.4	132.3	302.3
The rest of Europe	68.1	46.4	133.1	98.7	219.9
<b>Total</b>	<b>505.4</b>	<b>532.7</b>	<b>1 070.3</b>	<b>1 088.2</b>	<b>2 330.9</b>

### NOTE 5 - EXCHANGE RATE DIFFERENCES

Exchange rate differences of an operating nature are reported in accordance with IFRS in operating income as other operating income/expenses. This refers to all currency differences that arise as a result of commitments to customers and suppliers. Other exchange rate differences are classified as financials, which include, among other things, exchange rate differences on loans and bank balances in foreign currencies.

Currency adjustments due to the conversion of foreign operations are reported in "Other comprehensive income".

### NOTE 6 - ADJUSTMENT TO RECOGNISING LIQUID ASSETS

The DistIT Group has previously recognised liquid assets in accordance with the principle that bank accounts within the cash pool of subsidiaries have been reported with their gross values, i.e. a positive account has been reported as current assets and negative accounts as current liabilities. As of the fourth quarter 2019, the Group has changed the accounting principle so that the Group's cash pool is reported in its entirety as liquid assets in the Parent Company. The subsidiaries' share of the cash pool accounts is recognised as a short-term receivable or liability in relation to the Parent Company.

The amounts previously recognised as of the end of June 2019 for liquid assets and short-term liabilities to credit institutions were MSEK 83.8 and MSEK 166.5 respectively.

The amounts previously reported in the cash flow statement were as follows; Q2 2019: loan change MSEK -96.2, opening balance liquid assets MSEK 177.8, closing balance liquid assets MSEK 83.7.

### ENGLISH VERSION

This English version of the Q2 report is provided as a service, and is therefore superseded by the original publication in Swedish in the event of any discrepancies.