



Dicker Data Limited

ABN: 95 000 969 362

Appendix 4E
Preliminary Final Report
Year ended 31 December 2017

Results for announcement to the market

Dicker Data Limited

ABN 95 000 969 362

1. **Reporting period:** **Year ended 31 December 2017**
Previous Corresponding Period: Year ended 31 December 2016

2. Results for announcement to the market

Operating and financial review on comparative period

RESULTS:	Movement			12 Months	12 Months
				Dec-17	Dec-16
				\$'000	\$'000
Revenues from ordinary activities	Up	10.2%	to	\$1,305,972	\$1,185,543
Net profit before tax	Up	9.9%	to	\$40,170	\$36,568
Net profit after tax attributable to members	Up	5.1%	to	\$26,942	\$25,624

Dividends Paid

Record Date:	Payment Date:	Dividend (in dollars)	Amount (\$'000)	Type	FY	Amount Franked
7-Mar-17	20-Mar-17	0.0440	\$7,040	Final	2016	100%
26-May-17	9-Jun-17	0.0400	\$6,404	Interim	2017	100%
15-Aug-17	1-Sep-17	0.0400	\$6,409	Interim	2017	100%
20-Nov-17	1-Dec-17	0.0400	\$6,412	Interim	2017	100%
Total		0.1640	\$26,265			

The total dividends declared and/or paid during the financial year were 16.40 cents per share or a total of \$26,265 million, fully franked.

A final dividend for FY17 of 4.8 cents per share was declared on 13 February 2018 with a record date of 19 February 2018 and a payment date of 2 March 2018.

BRIEF EXPLANATION OF THE FIGURES REPORTED ABOVE

REVENUE

The revenue for the consolidated entity for the 12 months to 31 December 2017 was \$1,305.9m (2016: \$1,185.5m), up by \$120.4m (+10.2%) and in line with our expectations.

Dicker Data has continued to add new vendors and increased the breadth of products offered by existing vendors whilst still driving growth.

In 2017 Dicker Data added a total of 18 new vendors, contributing an incremental \$87m. Of the existing vendors, we saw growth of \$33.8m (+2.9%).

At a country level, Australia grew \$116.1m (+11.1%), New Zealand grew \$3.8m (+3.0%).

At a sector level, we maintained strong growth across all business units, with Hardware (+\$71m, +7%), Software (+\$49m, +22%), Services (+\$1m, +15%), and Storage (+\$3m, +23%).

GROSS PROFIT

Despite a decrease in gross profit margin, gross profit for the reporting period was up 7.4% at \$117.8m (2016: \$109.7m). As expected gross profit margins have abated slightly at 9.0% (2016: 9.3%) due to product mix and market competition.

OPERATING EXPENSES

Operating Expenses

Operating costs for the reporting period were \$71.4m (2016: \$66.3m), an increase of \$5.1m (7.8%), falling slightly as a proportion to sales at 5.5% (2016: 5.6%).

The increase in costs is attributed to an increase in salary related expenses. Salary costs were \$59.0m (2016: \$53.6m) an increase of \$5.4m, remaining flat as a proportion of sales at 4.5% (2016: 4.5%). The increase in salary costs is attributed to investment in additional headcount as a result of new vendor signings. Headcount across the group finished at 410 (2016: 374).

Depreciation, Amortisation and Finance Costs

Depreciation and Amortisation for the reporting period was \$2.6m, down from the prior period of \$2.9m.

Finance costs in the reporting period were \$5.5m, down \$0.8m from the prior year (2016: \$6.3m). The company continues to improve its working capital efficiencies, providing for a reduction in net average debt over the course of the year.

PROFIT

Profit before tax finalised at \$40.2m (2016: \$36.6m) up by 9.9%.

Net Profit after tax increased to \$26.9m (2016: \$25.6m), up by 5.1%.

Weighted average earnings per share increased to 16.82 cents per share (2016: 16.04 cents), up by 4.8%.

STATEMENT OF FINANCIAL POSITION

Total assets as at 31 December 2017 increased to \$384.3m (2016: \$365.7m).

The statement of financial position reflected a reduction in working capital investment with working capital finishing lower than the previous period. This continues the improvement in our working capital efficiencies from the previous year. Total investment in net working capital was \$96.7m, down by \$17.9m from previous year (2016: \$114.6m). Cash finalised at \$9.4m, down by \$8.1m (2016: \$17.5m). Trade and other receivables were up from the from the previous period to \$207.0m (2016: \$162.7m). The company showed a significant improvement in inventory days with Inventories finishing at \$88.6m (27.2 days), down from \$107.0m (36.3 days) in 2016. Trade and other payables were up to \$199.0m (2016: \$155.1m).

Property, plant and equipment increased to \$45.9m during the period (2016: \$43.9m) an increase of \$2.0m mainly related to preliminary capital expenditure in relation to demolition and site preparation for the property purchased last year for construction of the new distribution centre. Regarding the new distribution centre, plans are underway to be lodged for DA approval. We expect this to be approved for construction in H2 '18 and do not expect to have any major capital expenditure until later in H2 '18.

Total liabilities as at 31 December 2017 were \$309.4m, up from the prior period (2016: \$291.7m).

Current borrowings comprising a receivables purchase facility with Westpac was at \$55.0m as at 31 December 2017, \$20.0m lower than prior year (2016: \$75.0m) reflecting our improved working capital efficiencies.

Equity has increased to \$74.8m during the period (2016: \$74.0m).

3. Annual Financial Report

Refer to the attached Annual Report for the audited Financial Statements for the year ended 31 December 2017.

4. Dividends Paid

Amount Per Security	Security	Dec-17	Dec-16
		\$	\$
Final Dividend -Dec 2016	Ordinary Shares	0.0440	0.0400
Interim Dividend -Dec 2017	Ordinary Shares	0.1200	0.1155
Total Dividends for all securities for the year	Ordinary Shares	0.1640	0.1555

5. Dividend Reinvestment Plans

The Dividend Reinvestment Plan introduced in March 2014 has been retained for the 2017 year. Of the \$26.3m dividends paid, \$25.5m was paid as cash dividends and \$0.8m participated in the DRP.

6. Net Tangible Assets

Net tangible asset per ordinary share

Dec-17	Dec-16
\$	\$
0.285	0.272

7. Details of entities over which control has been gained or lost

Not Applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Any other significant information

Not applicable.

10. Audit

This report is based on the audited financial statements.

Signed:

A handwritten signature in black ink, appearing to read 'David Dicker', written in a cursive style.

David Dicker
CEO and Chairman
Sydney, 28 February 2018