



Investor Presentation

September 2018

DICKER
D A T A

40
1978-2018



Company Overview



Company Snapshot

Dicker Data is the largest Australian owned ICT distributor in Australia and New Zealand



ASX Listed

Listed in 2011 on the ASX with a current market cap of \$506m



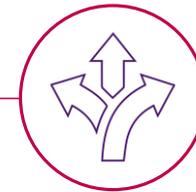
AUD \$1.3B

Largest Australian owned ICT distributor with \$1.3B revenue in 2017



Consistent Growth

Dicker Data has achieved consistent top and bottom line growth for 15+ years



Nimble and Agile

Dicker Data's success is built on its ability to adapt and change quickly



400+ Staff in ANZ

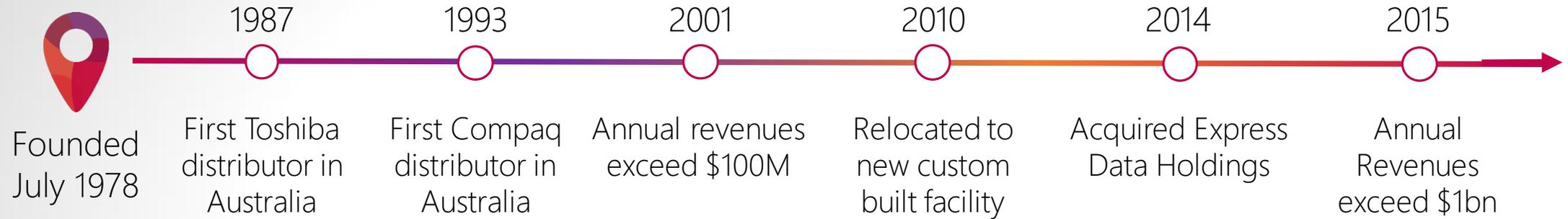
Strong focus on people, culture and diversity



No. 1 Distributor



Company History



- In its **40 year history**, Dicker Data has evolved from a small family run business to a multidimensional, Trans-Tasman, publicly listed business with strong links to the IT Reseller and Vendor communities
- Dicker Data completed a **business transforming acquisition** in 2014 when it purchased competitor Express Data Holdings
- The company has been at the **forefront of emerging technologies** and has expanded its vendor alliances and capabilities to provide an evolving product and services platform from which its reseller partners can grow their business
- Dicker Data's management and product teams comprise a **depth of experience**, a close connection to the business and the flexibility to uniquely cater for the continuously evolving channel's needs

Proven and Stable Board and Management Team



David Dicker
Chairman and Chief Executive Officer



Ian Welch
Chief Information Officer, Director of
Operations and Executive Director



Vlad Mitnovetski
Chief Operating Officer and
Executive Director



Michael Demetre
Logistics Director and
Executive Director



Mary Stojcevski
Chief Financial Officer and
Executive Director



Fiona Brown
Non-Executive Director

Corporate Headlines

Capital Structure

Share Price (5 September 2018)	\$3.15
Fully paid ordinary shares	160.6m
Options	0.0m
Market Capitalisation	\$505.9m
Cash (30 June 2018)	\$6.2m
Drawn Debt (30 June 2018)	\$116.5m

Directors & Senior Management

David Dicker	Chairman & CEO
Fiona Brown	Non Exec Director
Mary Stojcevski	CFO & Director
Vlad Mitnovetski	Executive Director
Michael Demetre	Executive Director
Ian Welch	Executive Director

Shareholders

Founder -David Dicker	60.6m	38%
Founder -Fiona Brown	54.0m	34%
Free Float	46.0m	29%





Financial Results

Half Year Results Highlights

- Revenue for the half year at \$717.5m, a growth of 13.5%
- More than 7 consecutive halves of continued revenue growth representing a 9% CAGR
- A total of 18 new vendors were added during FY17 and YTD FY18 accounting for incremental revenue of \$35.8m for half.
- Existing vendors continued to grow at 7.9%
- Net profit after tax increased by 24.9%
- Earnings per share for the half year increased to 9.84 cents, a growth of 21.5%



13.5% revenue increase



9% increase in 3 year revenue CAGR



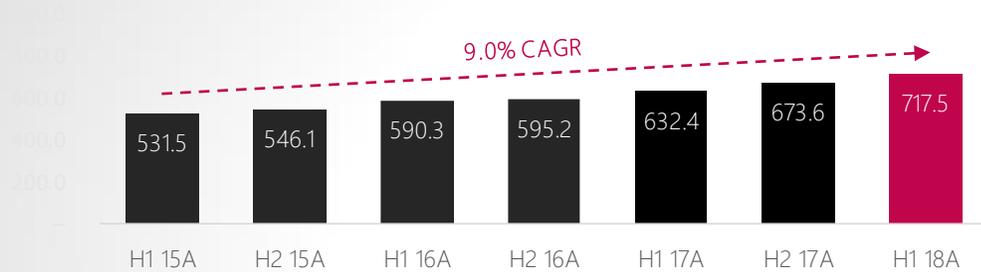
21.9% NPAT increase



21.5% EPS increase

Financial Trends – Half Year

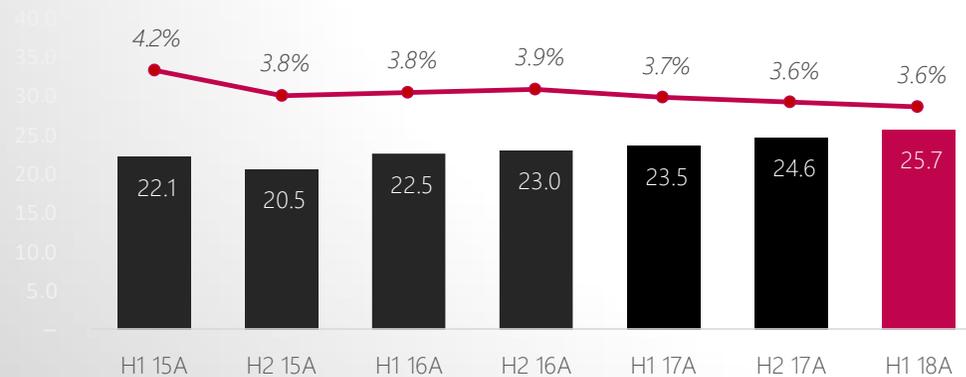
Revenue (\$M)



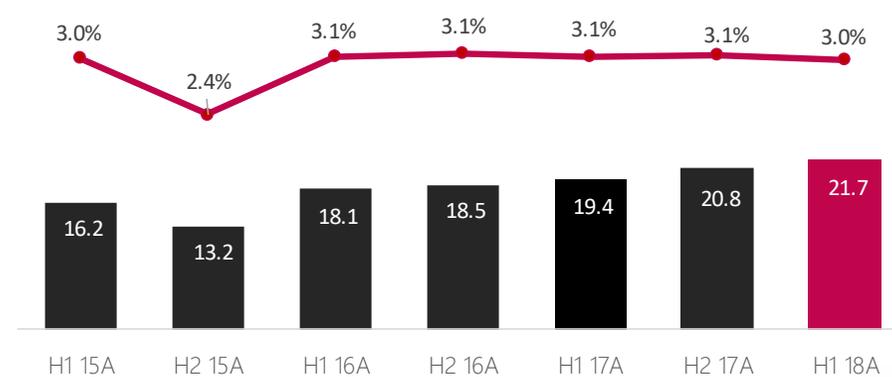
Gross Profit (\$m) and Gross Profit Margin (%)



EBITDA (\$m) and EBITDA Margin (%)



Net Profit before Tax (\$m) and NPBT Margin (%)



HY18 Results - Group

<u>6 months to:</u>	<u>Jun-18</u>	<u>Jun-17</u>	<u>Variance</u>
Total Revenue	717.5	632.4	13.5%
Gross Profit	63.6	57.1	11.4%
Gross Margin	8.9%	9.0%	
EBITDA	25.7	23.5	9.3%
Profit before tax	21.7	19.4	11.9%
PBT margin	3.0%	3.1%	
Net profit after tax	16.2	13.0	24.9%

- Revenue growth of 13.5% and in line with our guidance.
- Gross profit increased by 11.4% as we experienced a slight softening in margin quality due to product mix.
- Operating costs have increased slightly as a proportion of revenue as the company continues to invest in headcount to facilitate growth.
- Profit before tax increased by 11.9% over the 2017 HY result.
- Net profit after tax increased by 24.9%

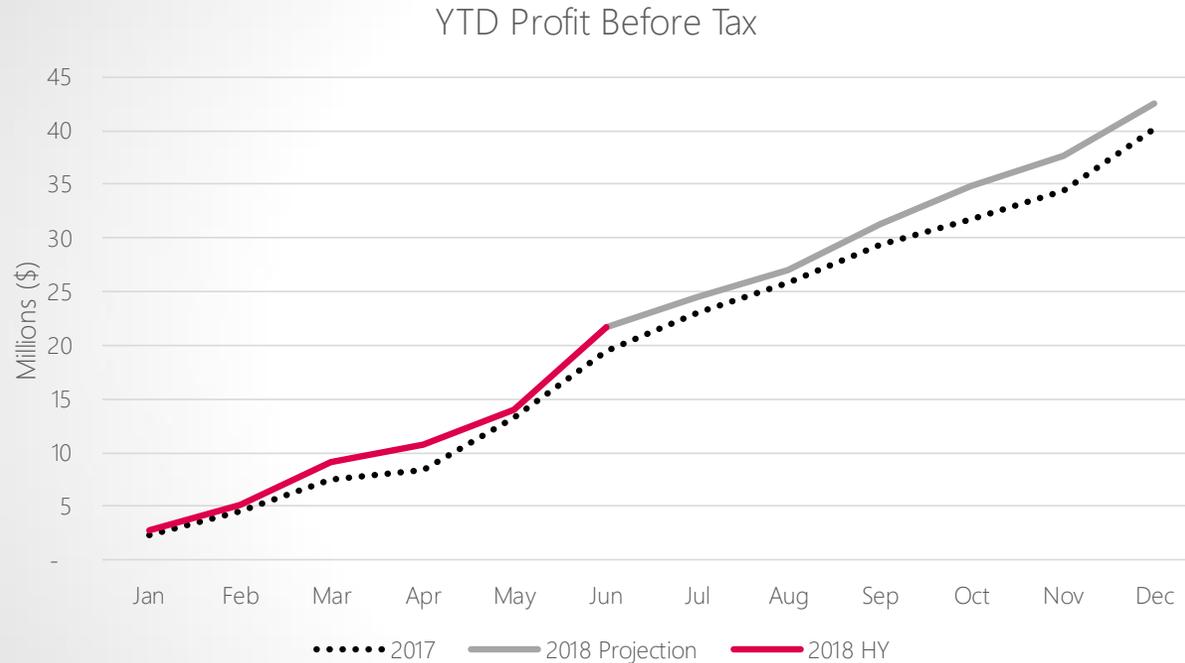
HY18 Balance Sheet

<u>Net Assets (in \$m)</u>	<u>Jun-18</u>	<u>Jun-17</u>
Cash and equivalents	6.2	27.4
Other current assets	356.4	283.7
Goodwill & Intangibles	28.4	29.8
Other assets	51.0	48.2
Total Assets	442.0	389.0
Borrowings	77.0	60.0
Other current liabilities	242.6	209.1
Borrowings	39.5	39.2
Other long-term liabilities	6.1	6.8
Total liabilities	365.2	315.1
TOTAL NET ASSETS	76.7	73.9
Shareholders' Equity		
Share Capital	57.6	56.6
Reserves	0.2	0.6
Retained earnings	18.9	16.8
TOTAL EQUITY	76.7	73.9

<u>Ratios</u>	<u>Jun-18</u>	<u>Jun-17</u>
Net Working Capital (\$m)	124.4	83.0
Debt to Equity	1.52x	1.34x
Debt Service Cover Ratio	7.50x	7.20x
Net Tangible Assets (\$m)	48.3	44.1

- The company has significantly **increased working capital investment** as it onboards new vendors.
- This has resulted in a **cyclical increase in net debt** YoY.
- As a result the company's leverage has increased slightly, whilst **continuing to improve ability to service that debt**.

HY18 Results



- In the 6 months to June pretax **profit is tracking to forecast** and ahead of the corresponding half last year.
- Full year **profit before tax forecast** remains at **\$42.5m.**



Let's Talk

Universal Docking
Solutions

USB

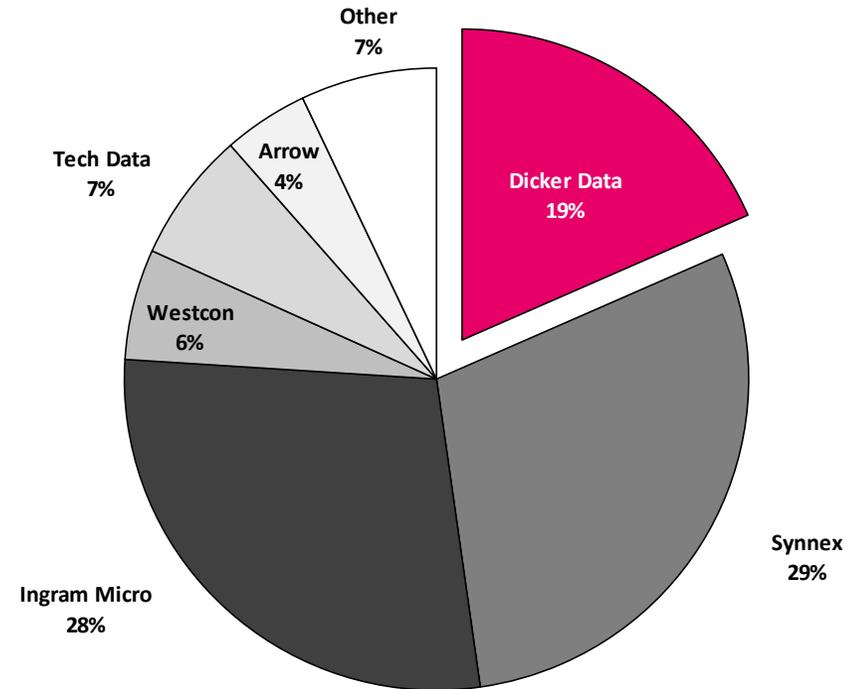


Business Update

IT Market and Our Strategy

- Dicker Data is a **leading Value Added Distributor**
- Our **speciality is servicing the mid-market and SMB** communities with specific focus on pre-sales capabilities, value added services and emerging hybrid end to end technology solutions.
- In recent years **targeting distribution agreements in software and high-end enterprise products** and those that address the cloud computing environment.
- The **industry is going through major transformation** and evolving faster than ever, and we need to keep evolving to differentiate and offer a unique value proposition to both vendors and reseller partners.

Australian IT Distribution Market Share



Our Opportunities



IoT

Our Australian-first IoT Community now has 150+ members.



Security

Continuing to capitalise on the security opportunity e.g. NDBS.



Physical Security

Moving into the surveillance camera market which aligns to electrical market play.



Electrical Trade

Continuing to build new channels – e.g. electricians becoming partners.



Data Management

Helping our partners analyse and get the most out of the data their customers generate.



Datacentre

Continuing our push to distribute top to bottom of rack solutions.



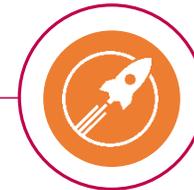
Networking

Driving continued growth in the wireless and enterprise networking markets.



Client Computing

Driving continued growth in our devices business across all market segments.



Automated Cloud

Delivering pre-packaged cloud based solutions to enable ease of deployment.



Services

Continued focus in driving our Services business into as many opportunities as we can.

Our Vendors



Vendor Additions 2017

	Access to BenQ's LCD Monitor product range		Access to the complete range of Dell EMC storage products in the Australian market		Access to the Aruba Datacentre Networking and Nimble Storage portfolios in the New Zealand market
	Access to the entire Juniper product portfolio in Australia	 	Extension of our existing strong relationships with these brands into the New Zealand market		Access to Pure Storage's All-Flash Arrays in the Australian market
	Access to all Seagate high capacity drives and best-in-class storage solutions.		Access to the complete range of Network Security Products in the Australian market		Access to the complete range of Trend Micro security products in the Australian market

Vendor Additions 2018



Appointed as Sole Distributor for Citrix Reseller Business (AU)
Appointed as a distributor for Citrix CSP (ANZ)



Appointed as distributor for the entire Commvault portfolio (AU)



Appointed as distributor for the entire Dell EMC product portfolio (NZ)



Appointed as distributor for the Kyocera A3 and A4 Ecosys Print and Consumables



Appointed as a distributor for LG Commercial Displays (AU)



Appointed as a distributor for the entire Micron Technology range (AU)

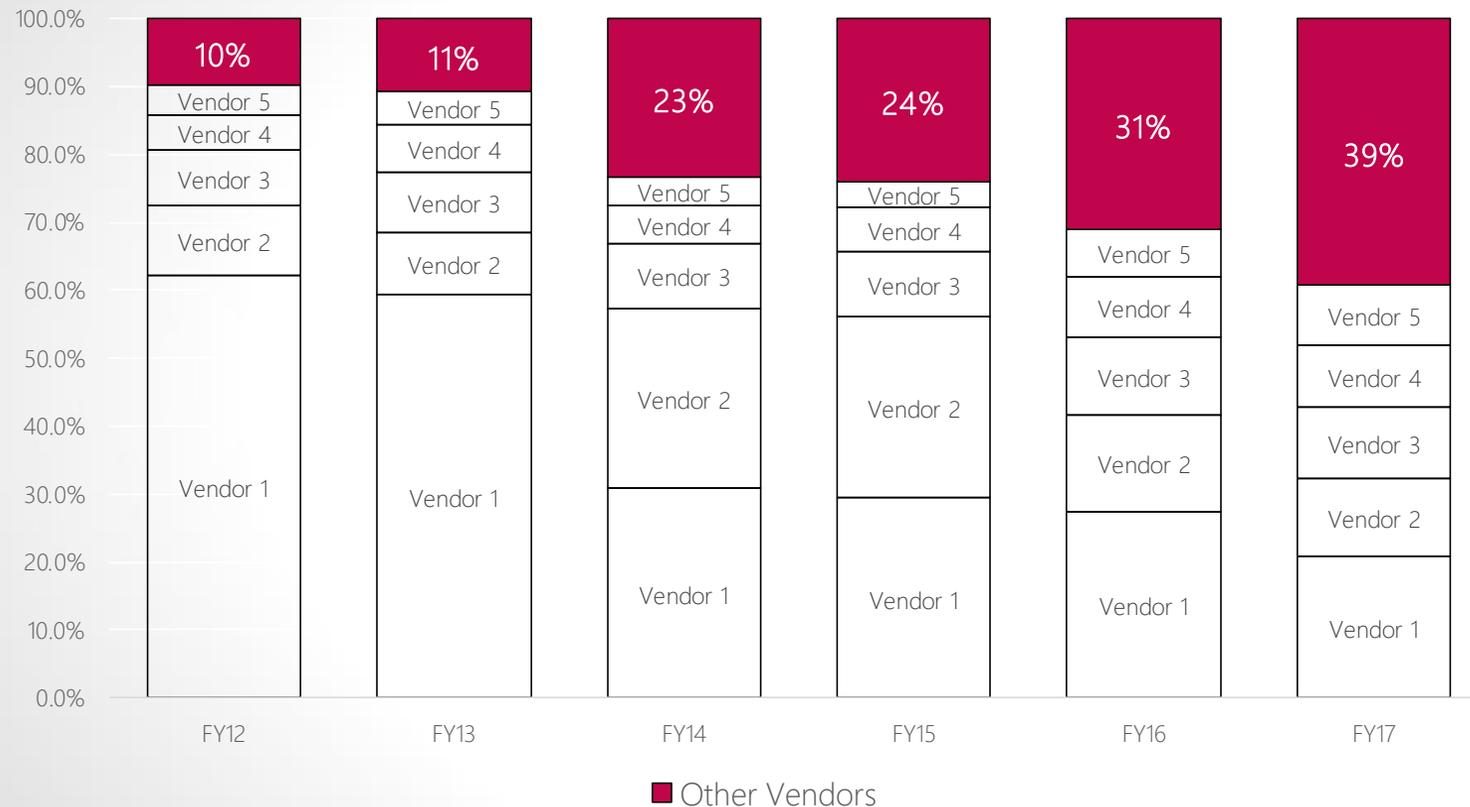


Launched our strategic partnership with the NBN Co to acceleration the digital transformation of Australian businesses



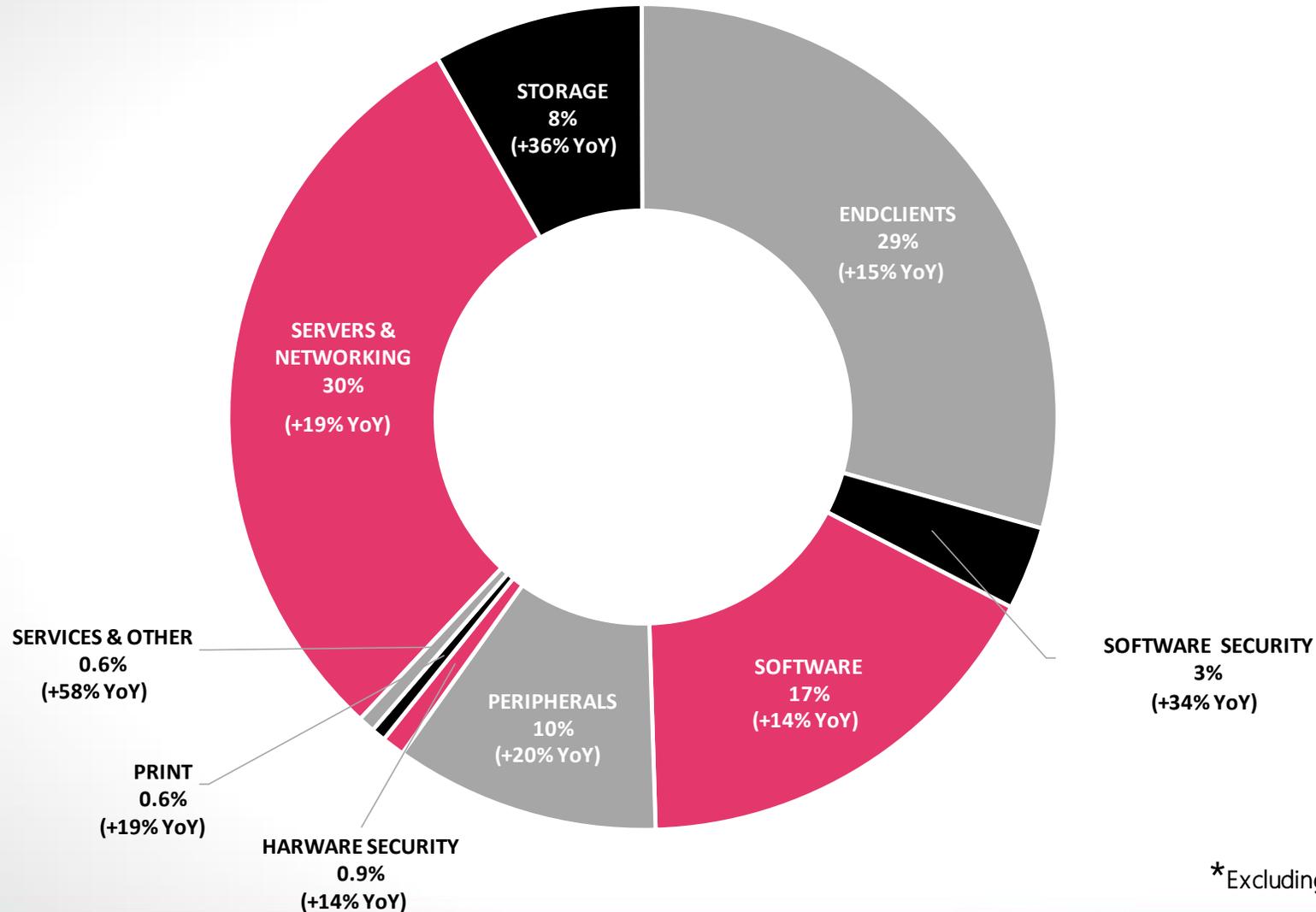
Appointed as a distributor of the NNN Co to bolster our IoT offerings

Diverse Long-Term Vendor Relationships



- Dicker Data has continued to introduce new vendors to **reduce reliance on any single vendor**
- **18 new vendors** in key strategic segments were added in FY17 & YTD FY18
- Top 5 vendors overall contribution has reduced from 90% in FY12 to 61% in FY17
- A key objective for FY18 is to **continue to diversify vendor concentration.**

Product Category Splits and Growth



*Excluding the impact of Cisco in New Zealand

Industry Recognition



ARN Hardware
Distributor of the Year



ARN Homegrown
Distributor of the Year



Aruba Top Distributor
Asia Pacific
FY16, FY17 and FY18



Citrix APJ and ANZ
Distributor of the Year



Citrix APJ Operational
Excellence & Partnership



Dell EMC
Distributor of the Year
& Special Contribution



HPE APAC Top
SMB/Mid-Market
Growth Distributor



Intel Distributor
of the Year



Lenovo PCG
Lenovo DCG
Distributor of the Year



Microsoft NZ Channel
Develop. Partner 2018



Reseller News
Software
Distributor of the Year



RSA APJ
Distributor of the Year



Storagecraft ANZ
Distributor of the Year



Veritas Pacific
Distributor of the Year



WatchGuard
Distributor of the Year

Thank You!



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