

A hand is shown pointing towards a white dot on a red background. The background features a faint grid pattern. The text 'ANNUAL GENERAL MEETING 2019' is displayed in large, bold, white and red letters on the right side of the image.

ANNUAL GENERAL MEETING 2019

May 2019

DICKER
DATA

The background features a dark grey grid pattern. On the left, there is a 3D pie chart with several segments, a 3D bar chart with four bars of increasing height, and a hand holding a white pen. Dotted lines with arrows point upwards from the bars. A red horizontal line with a dot is on the right side.

FINANCIAL RESULTS FY 2018

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RESULTS HIGHLIGHTS

14.4%
REVENUE INCREASE

16.0%
NPBT INCREASE

20.5%
NPAT INCREASE

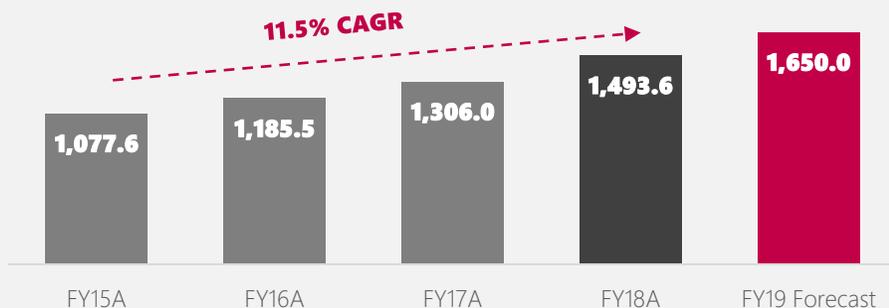
20.2%
EPS INCREASE

- Revenue for FY18 at \$1,493.6m, a growth of 14.4%
- Revenue CAGR at 11.5% and EBTIDA CAGR at 8.8% in the last 4 years since the Express Data acquisition
- The 18 new vendors added during the FY17 and FY18 accounted for incremental revenue of \$66.4m in FY18
- Existing vendors grew at 9.5% as existing vendor relationships were leveraged to gain access to new product lines or increased share
- Net profit after tax increased by 20.5%
- Earnings per share for the year grew 20.2%

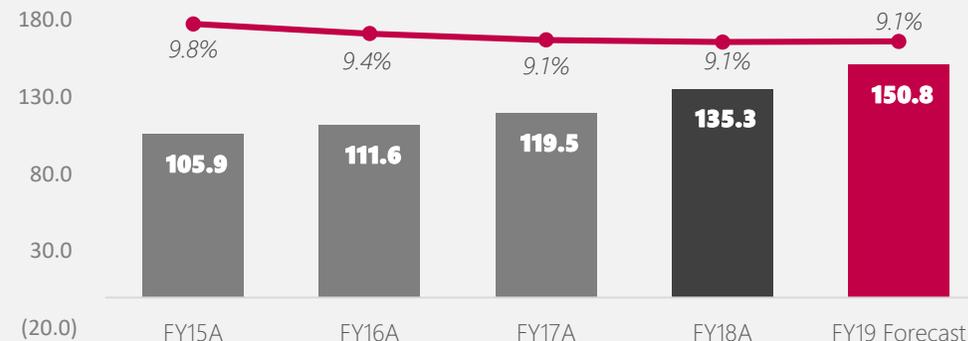
FINANCIAL TRENDS **FULL YEAR**



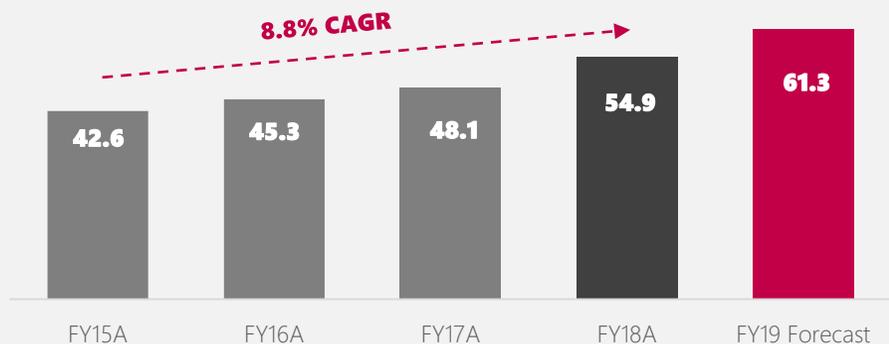
REVENUE (\$M)



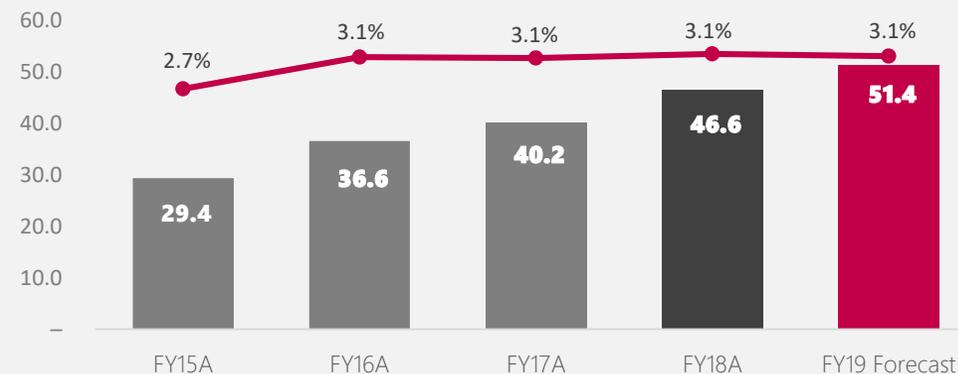
GROSS PROFIT (\$M) AND GROSS PROFIT MARGIN (%)



EBITDA (\$M)



NET PROFIT BEFORE TAX (\$M) AND NPBT MARGIN (%)

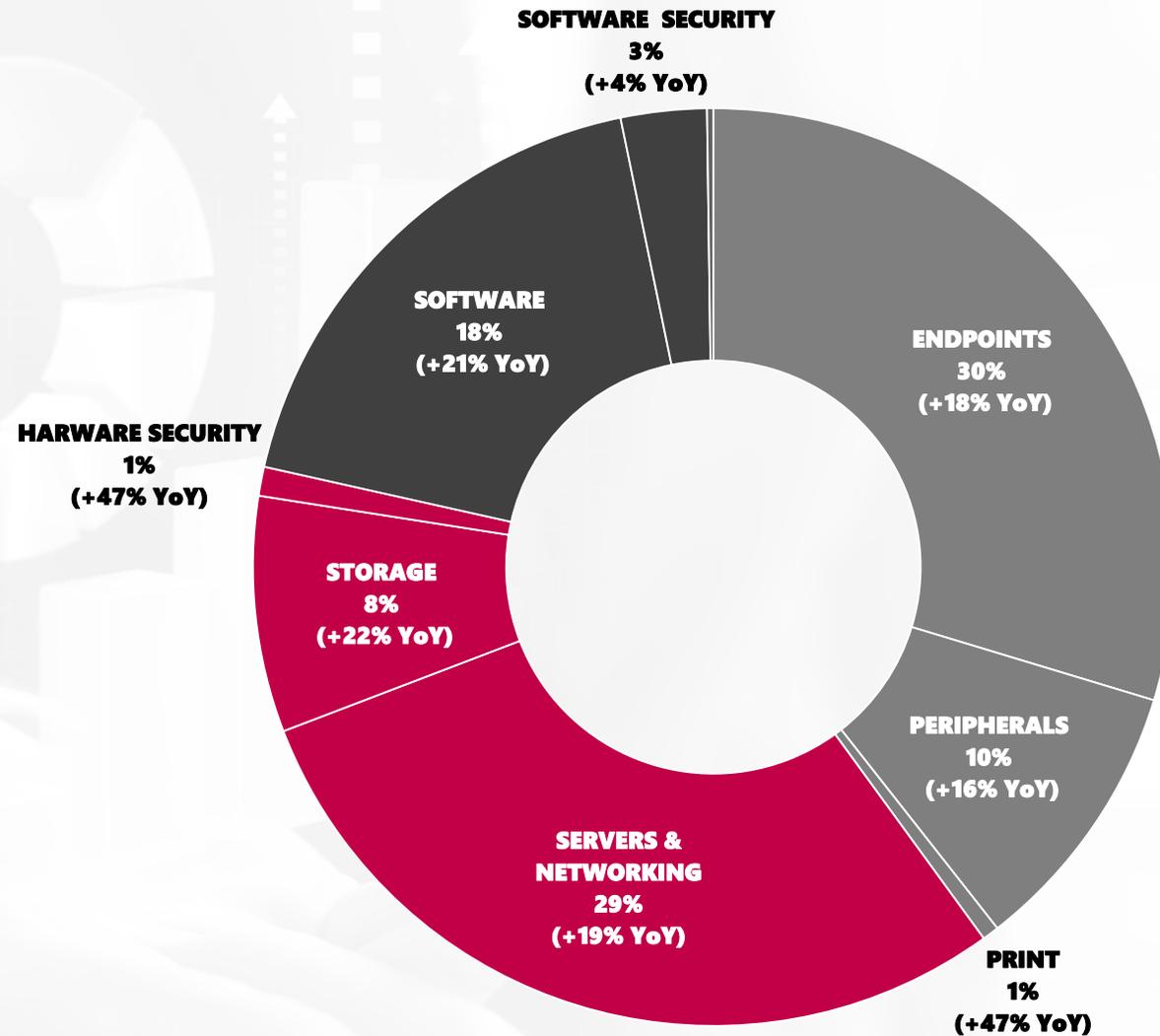


FY18 RESULTS **GROUP**

12 MONTHS TO:	DEC-18	DEC-17	VARIANCE
Total Revenue	1,493.6	1,306.0	14.4%
Gross Profit	132.4	117.8	12.4%
Gross Margin	8.9%	9.0%	
EBITDA	54.7	48.1	13.9%
Profit before tax	46.6	40.2	16.0%
PBT margin	3.1%	3.1%	
Net profit after tax	32.5	26.9	20.5%

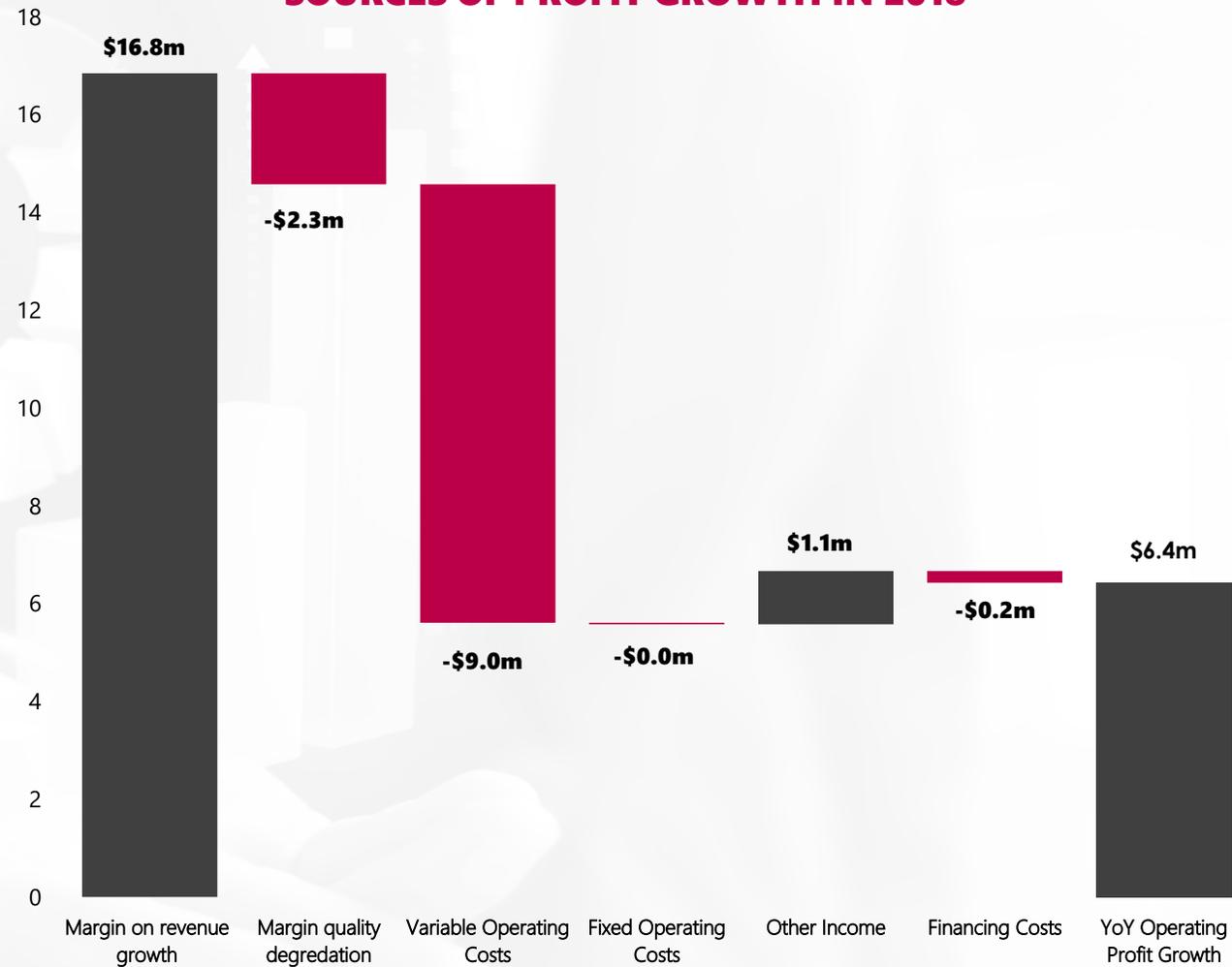
- Revenue growth of 14.4% and in line with our guidance
- Gross profit increased by 12.4% as we experienced a slight softening in margin quality due to product mix
- Operating costs have decreased marginally as a proportion of revenue but the company continues to invest in headcount to facilitate growth
- Profit before tax increased by 16.0% over the 2017 FY result
- Net profit after tax increased by 20.5%

PRODUCT CATEGORY SPLITS AND GROWTH



FY18 RESULTS PBT WATERFALL

SOURCES OF PROFIT GROWTH IN 2018



FY18 BALANCE SHEET

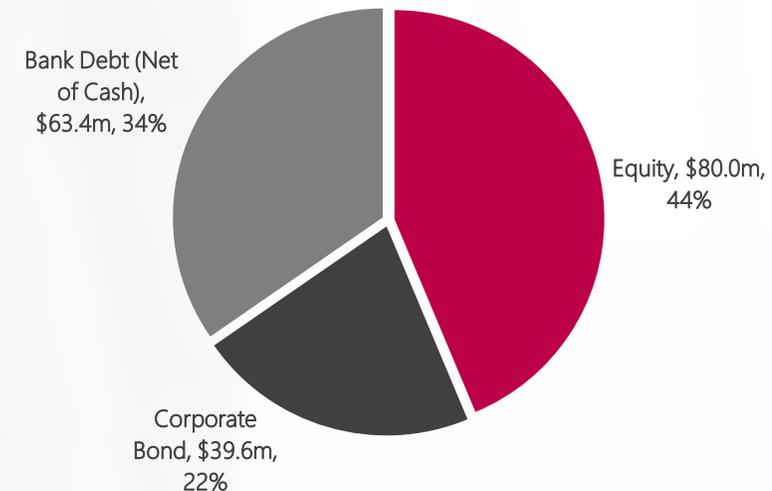
NET ASSETS (IN \$M)	DEC-18	DEC-17
Cash and equivalents	6.6	9.4
Other current assets	344.2	295.6
Goodwill & Intangibles	27.7	29.1
Other assets	50.3	50.2
Total Assets	428.8	384.3
Borrowings	70.0	55.0
Other current liabilities	233.0	208.9
Borrowings	39.6	39.4
Other long-term liabilities	6.3	6.1
Total liabilities	348.9	309.4
TOTAL NET ASSETS	80.0	74.9
Shareholders' Equity		
Share Capital	58.0	56.9
Reserves	0.5	0.1
Retained earnings	21.5	17.9
TOTAL EQUITY	80.0	74.9

RATIOS

Net Working Capital (\$m)	121.4	96.7
Debt to Equity	1.37x	1.26x
Debt Service Cover Ratio	9.41x	8.57x
Net Tangible Assets (\$m)	52.3	45.7

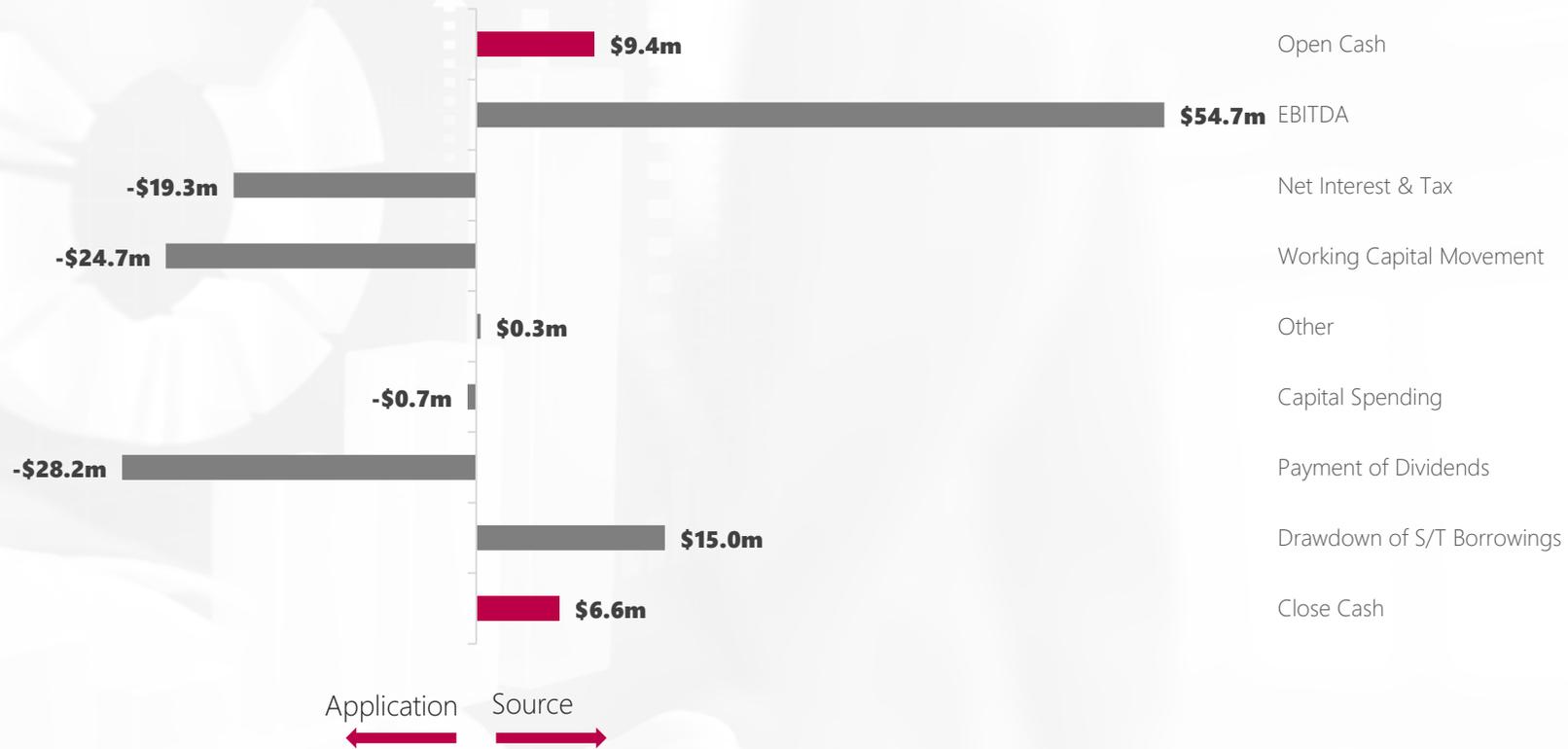
- The company has significantly increased working capital investment as it onboards new vendors
- This has resulted in a cyclical increase in net debt
- As a result the company's leverage has increased slightly, whilst continuing to improve ability to service that debt

SOURCE OF CAPITAL DECEMBER 2018



FY18 CASH FLOW

SOURCE AND APPLICATION OF CASH



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FINANCIAL RESULTS

Q1 2019

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Q1 FY19 RESULTS **GROUP**

3 months to:	Mar-19	Mar-18	Variance
Total Revenue	386.9	319.6	21.1%
Gross Profit	35.3	29.2	20.6%
Gross Margin	9.1%	9.1%	
EBITDA	15.7	11.1	41.4%
Profit before tax	13.5	9.2	46.7%
PBT margin	3.5%	2.9%	
Net profit after tax	10.7	6.5	64.3%

- Revenue growth of 21.1% tracking ahead of our guidance
- Gross profit increased by 20.6% with margin quality maintained
- **Operating costs have fallen** as a proportion of revenue but the company continues to invest in headcount to facilitate growth
- Profit before tax increased by 46.7% over Q1 FY18 result
- Net profit after tax increased by 64.3%

Q1 FY19 RESULTS **NEW ZEALAND**

Key Financial Data (in \$NZm)

3 months to:	Mar-19	Mar-18	Variance
Total Revenue	25.9	19.7	31.9%
Gross Profit	2.1	1.9	9.1%
Gross Margin	8.1%	9.8%	
EBITDA	0.1	0.1	-36.6%
Profit before tax	0.0	0.1	-65.3%
PBT margin	0.2%	0.7%	
Net profit after tax	0.0	0.1	-75.5%

- Revenue growth of 31.9% in our first comparative quarter that excludes the impact of the loss of the Cisco business in 2017
- **Gross profit increased by 9.1%** with margin quality declining due to product mix
- **Operating costs have fallen** as a proportion of revenue with costs remaining steady and the company maintaining its cost structure investment to facilitate revenue growth

Q1 FY19 **BALANCE SHEET**

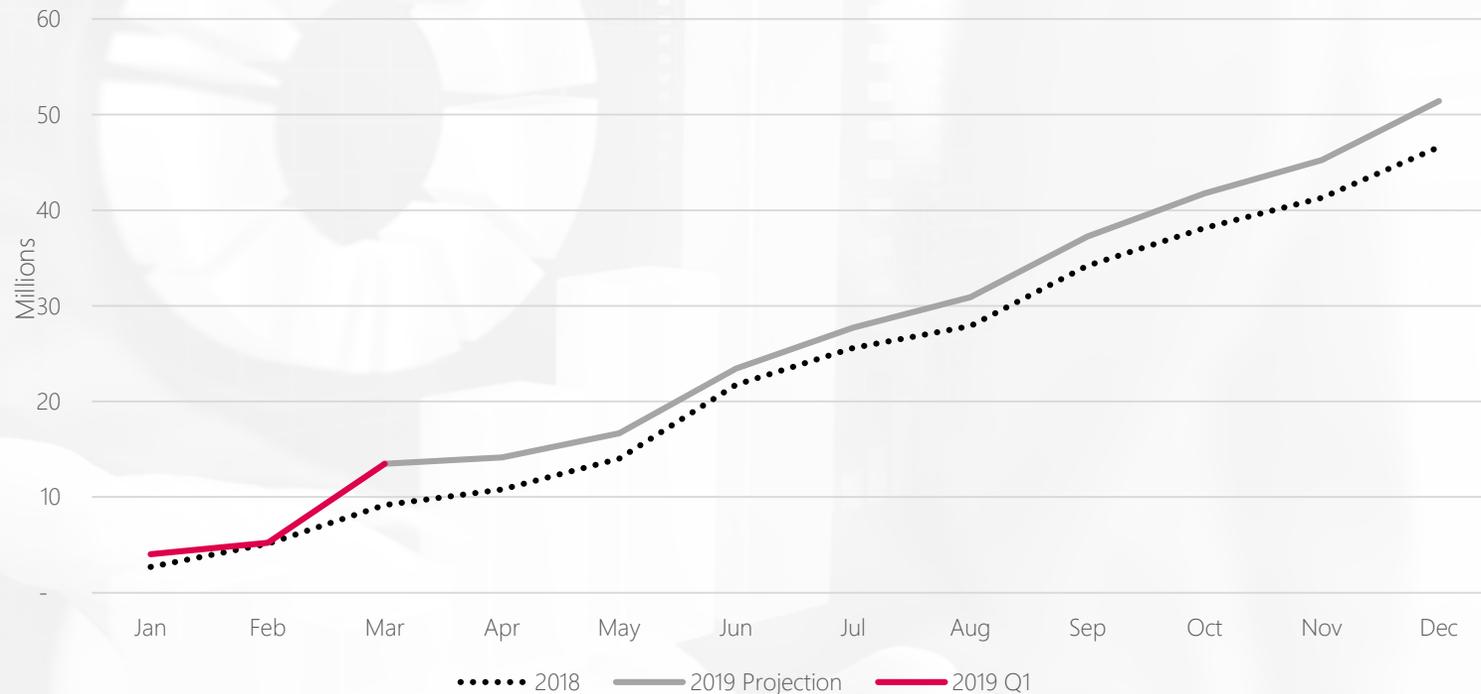
NET ASSETS (in \$m)	Mar-19	Dec-18
Cash and equivalents	3.5	6.6
Other current assets	332.9	344.2
Goodwill & Intangibles	27.4	27.7
Other assets	51.1	50.3
Total Assets	414.9	428.8
Borrowings	120.0	70.0
Other current liabilities	169.1	233.0
Borrowings	39.7	39.6
Other long-term liabilities	6.3	6.3
Total liabilities	335.1	348.9
TOTAL NET ASSETS	79.8	80.0
Shareholders' Equity		
Share Capital	58.3	58.0
Reserves	0.6	0.5
Retained earnings	20.9	21.5
TOTAL EQUITY	79.8	80.0

RATIOS	Mar-19	Dec-18
Net Working Capital (\$m)	174.6	121.4
Debt to Equity	2.00	1.37
Debt Service Cover Ratio	9.87	9.41
Net Tangible Assets (\$m)	52.43	52.25

- The company continues to significantly **increase working capital investment** as it onboards new vendors and develops new business
- This has resulted in a **cyclical increase in net debt**
- The company's leverage has increased slightly, but we **continue to improve our ability to service that debt**

FY19 GUIDANCE

YTD PROFIT BEFORE TAX



- For FY19 profit before tax is forecast at \$51.4m.
- Maintaining our recent track record of +10% growth

FY18 **DIVIDENDS**

Record Date	Payment Date	Dividend (CPS)	Type	Amount Franked
18-May-18	1-Jun-18	0.0440	Interim	100%
20-Aug-18	3-Sep-18	0.0440	Interim	100%
19-Nov-18	3-Dec-18	0.0440	Interim	100%
15-Feb-19	1-Mar-19	0.0700	Final	100%
	Total	0.2020		

- Total dividends paid for FY18 were 20.2cps with a final dividend for FY18 paid on 1 March 2019 at 7.0cps
- In FY19 the company intends to continue paying interim dividends in quarterly installments of 5.0cps per quarter, subject to the company tracking to forecast
- The first interim dividend for FY19 was declared on 14 May 2019, payable on 3 June 2019
- Including the final FY18 dividend paid in March 2019, the total proposed dividend to be paid in FY19 will be 22.0cps
- The DRP will be retained for FY19

CORPORATE HEADLINES

CAPITAL STRUCTURE

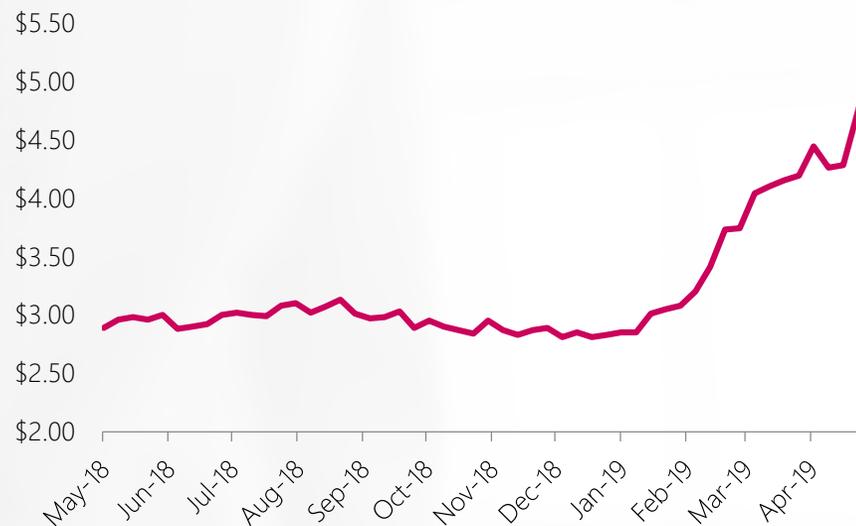
Share Price (16 May 2019)	\$5.23
Fully paid ordinary shares	160.8m
Options	0.0m
Market Capitalisation	\$841.1m
Cash (31 Dec 2018)	\$3.5m
Drawn Debt (31 Dec 2018)	\$159.7m

SHAREHOLDERS

Founder -David Dicker	60.6m	38%
Founder -Fiona Brown	54.0m	34%
Free Float	46.2m	29%

1 YEAR SHARE PRICE

ASX: DDR





BUSINESS

UPDATE

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COMPANY OVERVIEW

NUMBER 1 DISTRIBUTOR



ASX Listed

Dicker Data listed on the ASX in 2011.



AUD \$1.4b

Dicker Data is the largest Australian owned distributor with over \$1.4B revenue in 2018



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 our ability to adapt and change quickly.



442 Staff in ANZ

Dicker Data has a strong focus on people, culture and diversity

COMPANY HISTORY



**FOUNDED
JULY 1978**

1987

First Toshiba distributor in Australia

1993

First Compaq distributor in Australia

2000

Annual revenues exceed \$100M

2010

Relocated to new custom built facility

2011

Listed on the ASX (ASX: DDR)

2014

Acquired Express Data Holdings

2015

Ann. revenue exceeds \$1B
CloudPortal Launched

2017

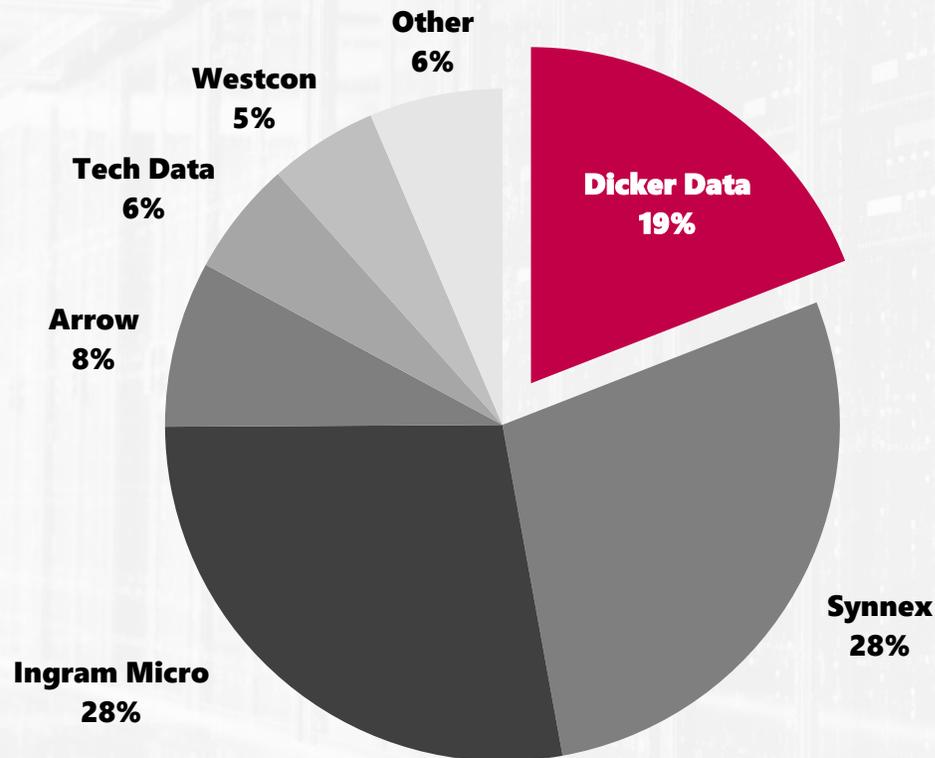
Launched Australia's first IoT Community

20 YEARS OF PROFITABLE GROWTH



IT MARKET AND OUR STRATEGY

AUSTRALIAN IT DISTRIBUTION MARKET SHARE



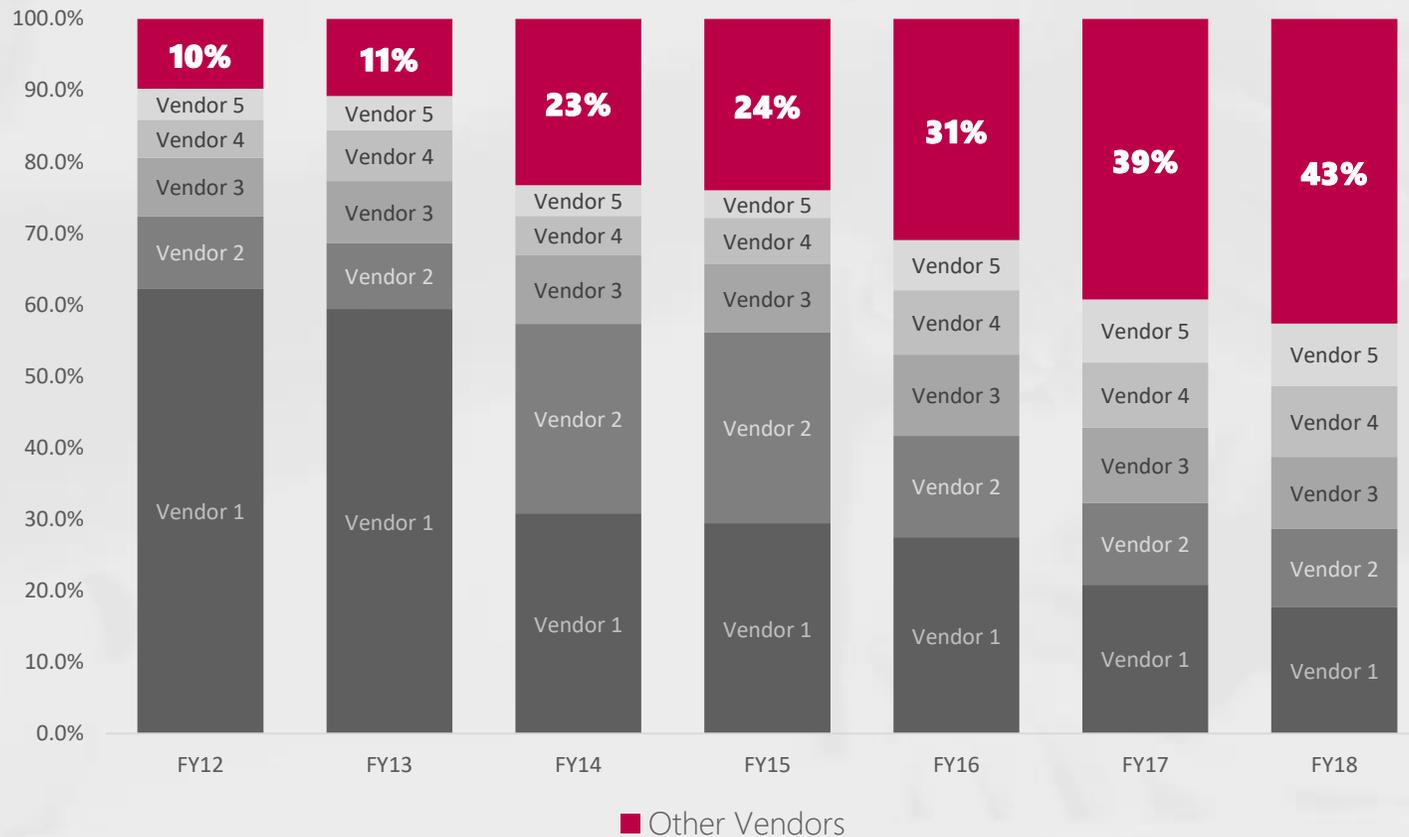
- Dicker Data is a leading Value Added Distributor
- Our speciality is servicing the mid-market and SMB communities with specific focus on pre-sales capabilities, value added services and emerging hybrid end to end technology solutions
- In recent years targeting distribution agreements in software and 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
- Dicker Data is perfectly positioned to assist all of its partners through the journey of digital transformation

OUR VENDORS



DIVERSE LONG-TERM **VENDOR RELATIONSHIPS**

MAJOR VENDORS OVER TIME (% OF SALES)



- Dicker Data has continued to introduce new vendors to **reduce reliance on any single vendor**
- **6 new vendors** in key strategic segments were added in FY18
- Top 5 vendors overall contribution has reduced from 90% in FY12 to 57% in FY18
- A key objective for FY19 is to **continue to diversify vendor concentration.**

2018 VENDOR **ADDITIONS**



Appointed as Sole Distributor for Citrix Reseller Business (AU)

Appointed as a distributor for Citrix CSP (ANZ)



COMMVault™

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

• 2019 VENDOR **ADDITIONS**



Appointed as Kaspersky Lab distributor across ANZ

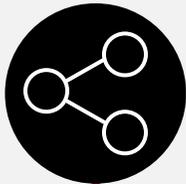


Appointed as the exclusive distributor for the Lenovo Datacentre Group (DCG) in New Zealand



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

OPPORTUNITIES 2019



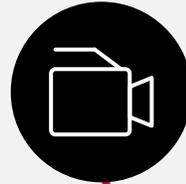
INTERNET OF THINGS

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



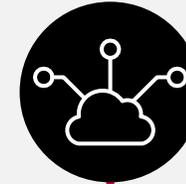
SECURITY

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



PHYSICAL SECURITY

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



EDGE COMPUTING

Delivering technologies that enable intelligent edge computing.



DATA MANAGEMENT

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



DATA CENTRE

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



NETWORKING

Driving continued growth in the wireless and enterprise networking markets.



NEW WEBSITE

Launching a completely new online experience for our partners.



AUTOMATED CLOUD

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



FINANCIAL SERVICES

Introducing Dicker Data Financial Services – our in-house finance company to support DaaS and IaaS.

INDUSTRY RECOGNITION



APC by Schneider
Electric Distributor of
the Year 2019



ARN Hardware
Distributor of the Year



ARN Homegrown
Distributor of the Year



Aruba Top Distributor
Asia Pacific
FY16, FY17 and FY18



Cisco ANZ
Distributor of the
Year 2018



Citrix APJ and ANZ
Distributor of the Year

Citrix APJ Operational
Excellence & Partnership



Dell EMC APJ
Distributor of the
Year 2019



HPE APAC Top
SMB/Mid-Market
Growth Distributor



Fujitsu Distributor
Of the Year 2018



Intel APJ Partner
of the Year
Best Collaboration



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



Symantec
Distributor of the
Year 2019



Veritas Pacific
Distributor of the Year

BUILDING UPDATE



- DA lodged as a State Significant Development last year with NSW Department of Planning
- **DA has now been approved** and the tender process has begun with view to appointing a builder in the coming weeks.
- Early works on the site have commenced to prepare the site for construction.
- Expected cost for the build is estimated to be approximately \$55m.
- Size of distribution centre will increase from 15,000 sqm to 29,000 sqm once the facility has been completed
- Estimated completion date is expected to be end of 2020





THANK YOU

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Contact Information:

CEO: David Dicker – David.Dicker@dickerdata.com.au

CFO: Mary Stojcevski – Mary.Stojcevski@dickerdata.com.au

COO: Vladimir Mitnovetski – Vlad.Mitnovetski@dickerdata.com.au