

DICKER
DATA

HY20 Business Update



HY 2020

Financial Results



HY
20

Results Highlights

18.1% REVENUE INCREASE

23.6% NPAT INCREASE

30.2% NPBT INCREASE

** In AUD equivalent.

HY20

Strong revenue growth of 18.1%, with total revenue for the half year breaking through the \$1 billion milestone and finishing at \$1,006.1m.

At a country level, Australia grew revenues at 17.2% and New Zealand grew revenues at 31.9%.^{**}

The new vendors added during the FY19 and HY20 accounted for incremental revenue of \$26.3m in HY20.

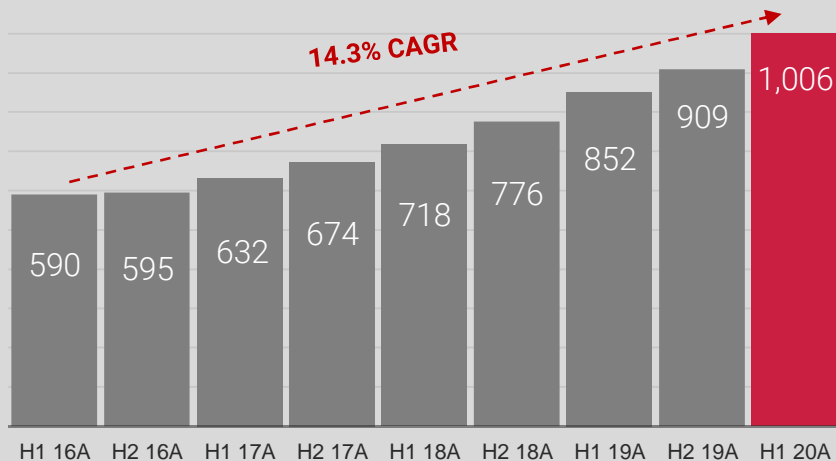
Existing vendors (FY18 and prior) grew at 15.1% on pcp, as existing vendor relationships were leveraged to gain access to new product lines or increased share.

Net profit after tax increased by 23.6% on pcp.

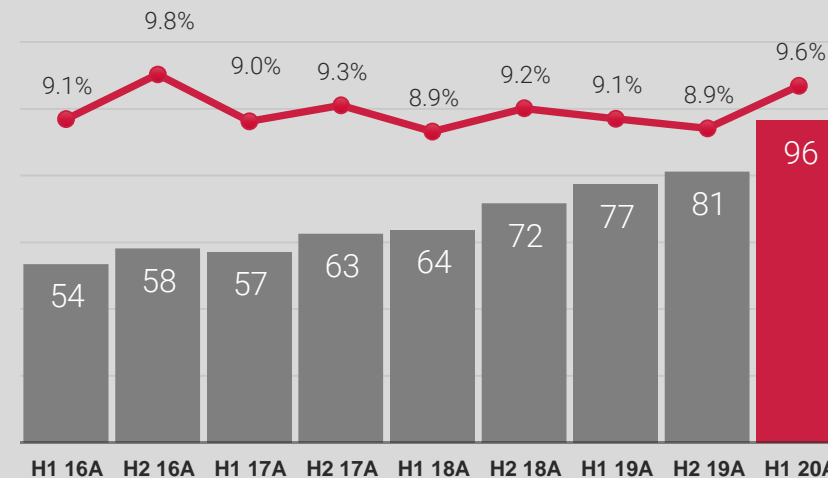
Financial Trends

Half Year 2020

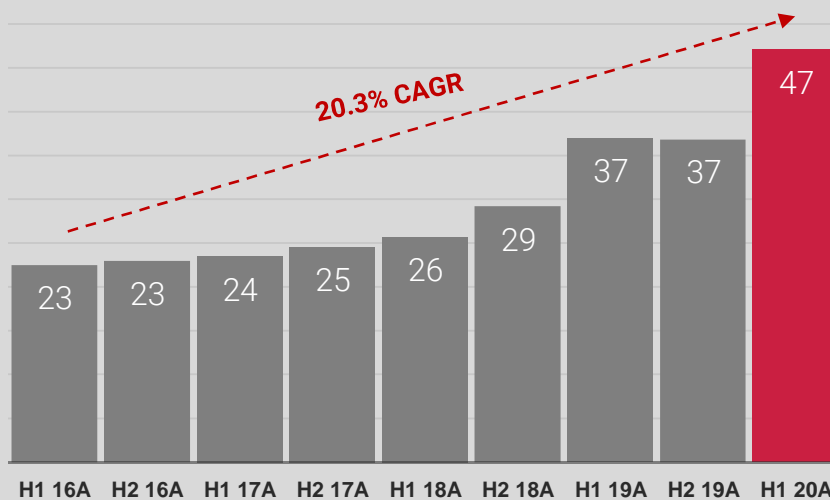
Revenue (\$m)*



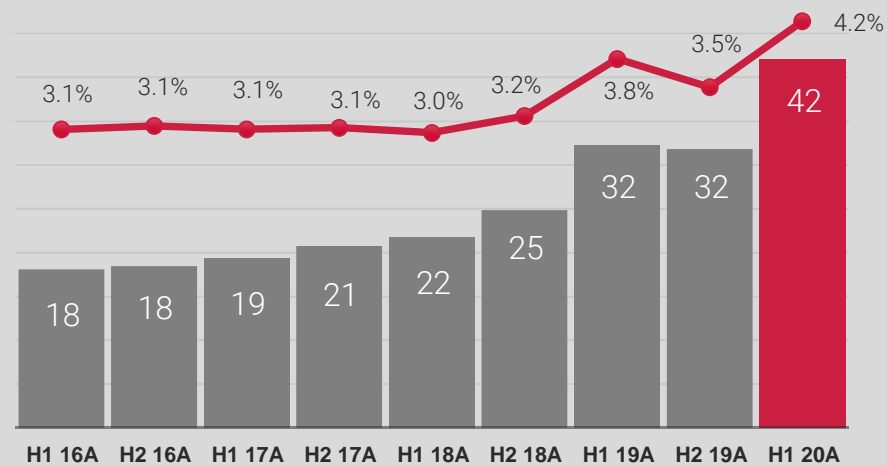
Gross Profit (\$m) and Gross Profit Margin (%)



EBITDA* (\$m)



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



*Excludes profit on sale of property

**Excludes profit on sale of property and cost of the employee share scheme

HY20 Group Results

6 months to (in \$m):	Jun-20	Jun-19	Increase
Total Revenue	1,006.1	852.0	18.1%
Gross Profit	96.5	77.3	24.8%
Gross Margin	9.6%	9.1%	
EBITDA	47.1	37.0	27.6%
Profit before tax	42.0	32.2	30.2%
PBT margin	4.2%	3.8%	
Net profit after tax	29.4	23.8	23.6%

HY20

Revenue growth for the group of 18.1%.

Recurring software revenue grew 53.1% to \$224m for the half year.

Gross profit increased by 24.8% driven by growth in revenue and improved margin as a result of increased focus on mid-market and SMB business.

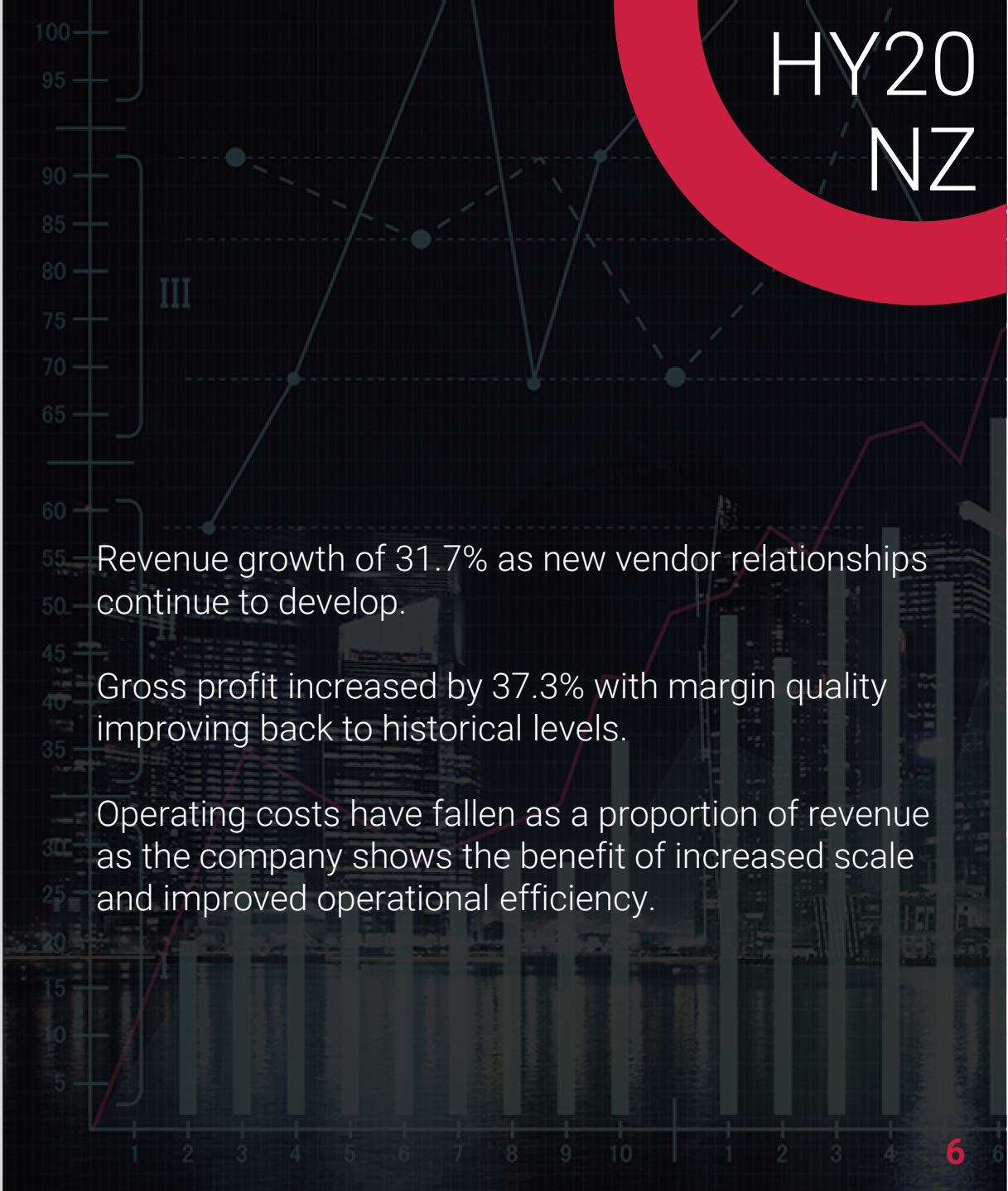
Operating costs have been maintained as a proportion of revenue driven mainly by increased employee costs as a result of performance based payments.

Profit before tax increased by 30.2% over H1 FY19 result.

Net profit after tax increased by 23.6%

HY20 Results NZ

6 months to (in NZD\$m):	Jun-20	Jun-19	Increase
Total Revenue	72.9	55.3	31.7%
Gross Profit	6.8	4.9	37.3%
Gross Margin	9.3%	8.9%	
EBITDA	1.5	0.9	66.7%
Profit before tax	1.1	0.5	95.4%
PBT margin	1.4%	1.0%	
Net profit after tax	0.8	0.4	92.3%



Revenue growth of 31.7% as new vendor relationships continue to develop.

Gross profit increased by 37.3% with margin quality improving back to historical levels.

Operating costs have fallen as a proportion of revenue as the company shows the benefit of increased scale and improved operational efficiency.

HY20 Balance Sheet

Ratio	Jun-20	Dec-19
Net Working Capital (\$m)	162.1	165.4
Net Working Capital Days	27.6	31.3
Debt to Equity	0.57x	1.37x
Debt Service Cover Ratio	17.03x	12.59x
Net Tangible Assets (\$m)	133.0	68.8

Net Assets (in \$m)	Jun-20	Dec-19
Cash and equivalents	17.4	22.6
Accounts receivable	326.7	295.9
Inventory	138.6	120.4
Total current assets	482.7	438.9
PP&E, net	59.4	32.0
Goodwill & Intangibles	25.6	26.3
Other assets	9.9	10.3
Total assets	577.6	507.5
Accounts payable	303.3	250.9
Borrowings	90.0	129.9
Other current liabilities	17.6	22.0
Total current liabilities	410.9	402.9
Other long-term liabilities	8.1	9.6
Total Liabilities	419.0	412.5
TOTAL NET ASSETS	158.6	95.1
Shareholders' Equity		
Share Capital	130.8	62.5
Reserves	0.2	0.6
Retained earnings	27.6	31.9
TOTAL EQUITY	158.6	95.1

HY20

The company has maintained strict working capital discipline through this growth phase whilst it onboards new vendors and develops new business.

The company's leverage has improved markedly as a result of the recent capital raising allowing further improvement to the company's capital structure and capacity.

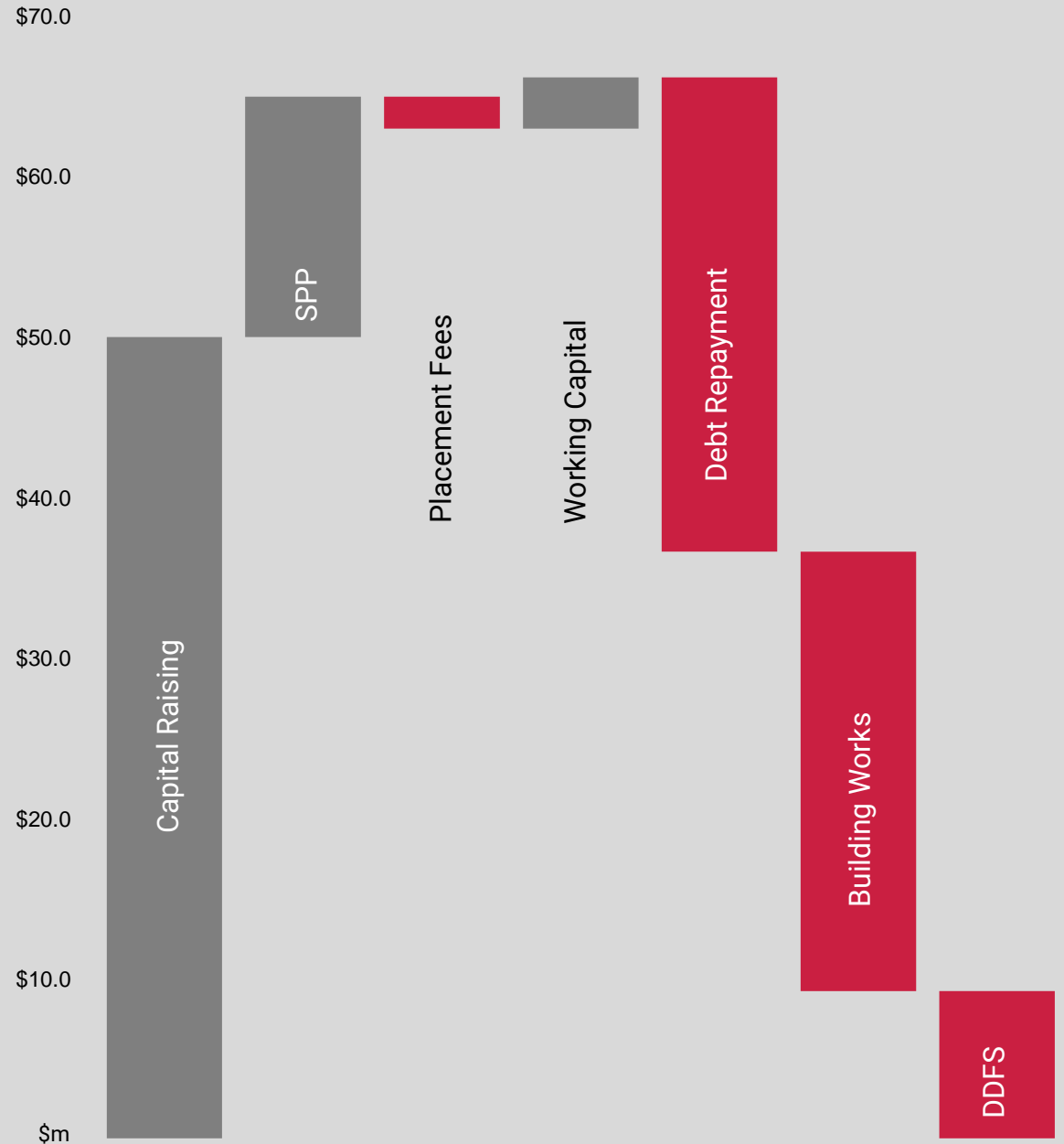
Capital Structure

On 8 May 2020 the company completed a \$50m share placement, followed by a further \$15m in a share purchase plan (SPP) on 5 June 2020.

The net proceeds have been invested in the construction of our new facility, to support the growth of Dicker Data Financial Services, and to paydown short term debt.

The capital raising increases the public float in the company to approximately 33% and creates financing headroom to facilitate the future growth of the company.

Fully paid ordinary shares		172.0m
Founder - David Dicker	35%	60.7m
Founder - Fiona Brown	32%	55.1m
Free Float	33%	56.2m



New Building Update

A builder was appointed at the end of 2019 and construction has now commenced.

The project is approximately 75% complete and is currently at fitout stage and is expected to be completed by the end of this year.

The expected cost for the total build with the fit out is estimated to be approximately \$55m.

Warehouse space will increase from the current 13,000 sqm to 23,500 sqm – almost 80% increase in the first stage, with a further 20,000 sqm warehouse space approved in the DA to be built as part of a second stage providing future expansion options.





Business Update

IT Market and our Strategy

Dicker Data is a leading Value Added Technology Distributor

Our specialty 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

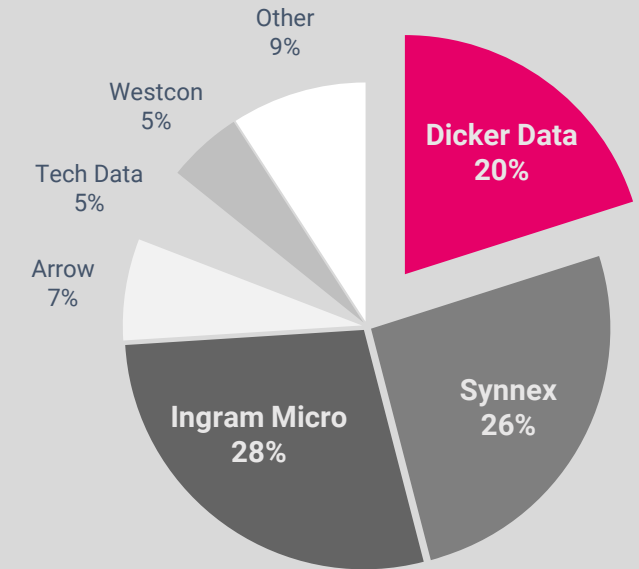
The industry is going through major transformation and evolving faster than ever, and we need to keep evolving to differentiate and offer a unique value proposition to both vendors and reseller partners

Dicker Data is perfectly positioned to assist all of its partners through the journey of digital transformation

Source: Publicly available financial statements and company estimates.

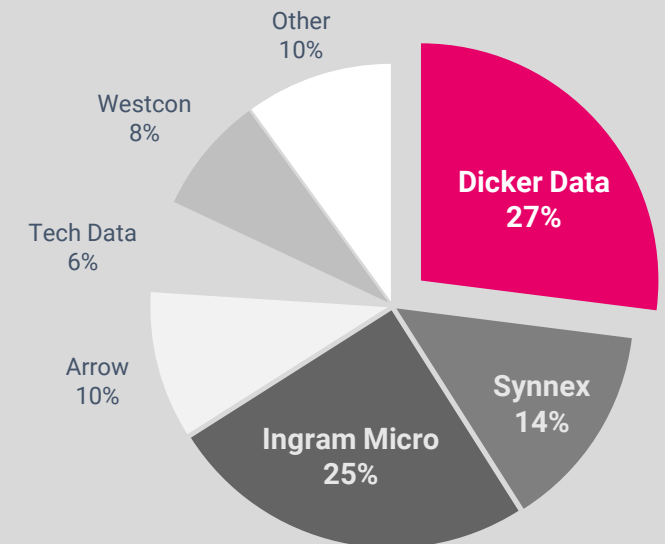
Australian IT Distribution Market Share

Consumer, Large National Retail, Corporate, Commercial, Enterprise



Australian IT Distribution Market Share

Corporate, Commercial, Enterprise only



DICKER DATA

VENDORS

ANKER

Life is On | APC
by Schneider Electric

aruba
a Hewlett Packard
Enterprise company

ASUS®
Inspiring Innovation • Persistent Perfection

AudioCodes

AUTODESK

ATDEC
Infinite Mounting Possibilities

belkin

BitTitan

BLUPEAK

Check Point
SOFTWARE TECHNOLOGIES LTD

CISCO

CITRIX®

COHESITY

COMBOBOX

COMMAULT

COOLER MASTER

alhua
TECHNOLOGY

DICKER
DATA
SERVICES

DICKER
DATA
FINANCIAL SERVICES

digital
matter

DELL Technologies
AUTHORIZED DISTRIBUTOR

dynabook

ekahau
WIRELESS DESIGN

ezviz
Security Video For Smart Life

5 Faces

FUJIFILM

FUJITSU

GIGABYTE™

HEIMDAL™
SECURITY

HITACHI
Inspire the Next

hp

Hewlett Packard
Enterprise

Honeywell

imation

intel

Interactive®

JUNIPER
NETWORKS

kaspersky

Kensington

KOFAX

kontakt.io

KYOCERA
Document Solutions

LACIE

LASER

Lenovo

LG

LINKSYS

logitech

Micron®

Microsoft

Mist
AI is in the AIR™

NN
NATIONAL
NARROWBAND
NETWORK
Co.

NUANCE

NUTANIX

opentext™

poly

printix

PURESTORAGE®

QNAP

Quest

RSA

SAMSUNG

SAP
Distributor

SEAGATE

sinefa

signagelive

skykick

smartoptics

SONY
make.believe

StarWind

StorageCraft
Authorized Distributor

STM

SUPERMICR®

Symantec.
A Division of Broadcom

Synology®

Targus®

T

TOSIBOX®

tp-link

TREND
MICRO®

Trustwave®
Smart security on demand

veeAM

VERITAS®

2020 Vendor Additions



Blu Peak

Manufacturer of premium mobile accessories including powerbanks, IT peripherals and cabling solutions



Cohesity

Developer of back up, data management and analytics software



Commbox

Manufacturer of commercial displays for use in a variety of business environments



5 Faces

Developer of digital content management software that enables business to control messaging on multiple commercial displays in multiple locations



Heimdall Security

Unified cyber security software solutions for small, medium and large organisations



Signage Live

Developer of digital signage management software and services to enable businesses to get the most out of their digital display investments



Sinefa

Developer of digital experience management software designed to improve the way users interact with networks, applications and the cloud



Synology

Manufacturer of specialised Network Attached Storage (NAS) appliances



Tosibox

Manufacturer of solutions for secure OT networks, remote maintenance and network management



Veeam

Developer of back up, disaster recovery and intelligent data management software for virtual, physical and multi-cloud environments

Long-term Vendor Relationships

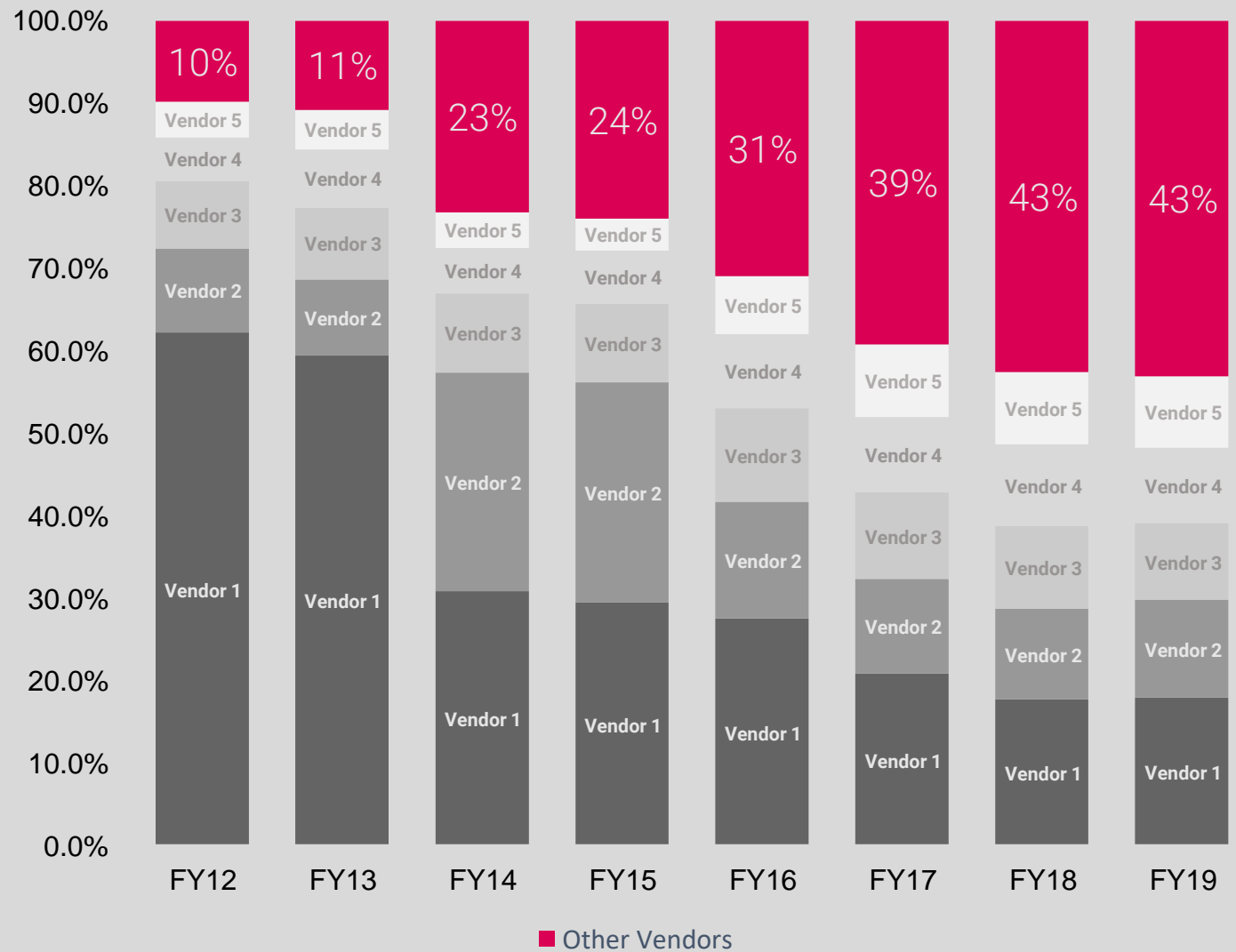
Dicker Data has continued to introduce new vendors to reduce reliance on any single vendor.

6 new vendors in key strategic segments were added in FY19.

Top 5 vendors overall contribution has reduced from 90% in FY12 to 57% in FY19.

A key objective for FY20 is to continue to diversify vendor concentration.

Major Vendor Concentration % of Sales

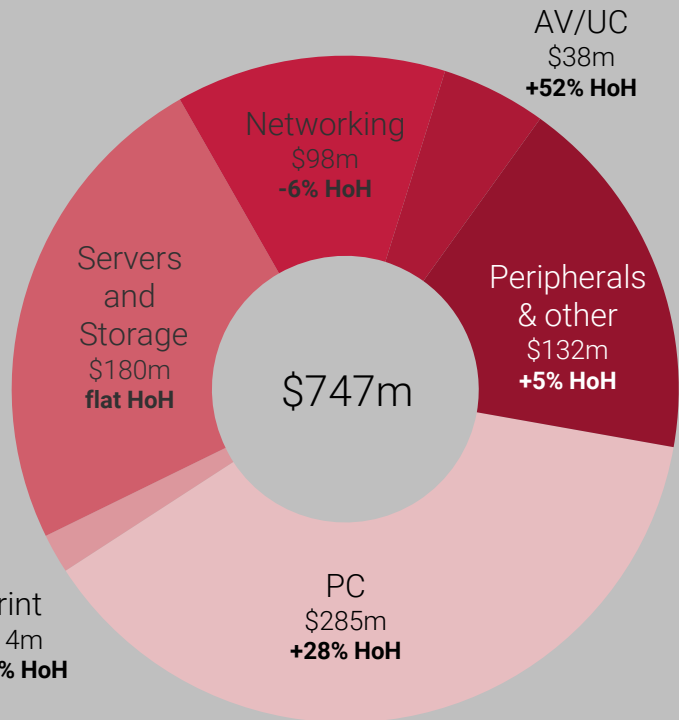


Revenue category – splits and growth

HY20

Hardware

By product category



Hardware & Virtual Services

\$747m
+11% HoH

Services

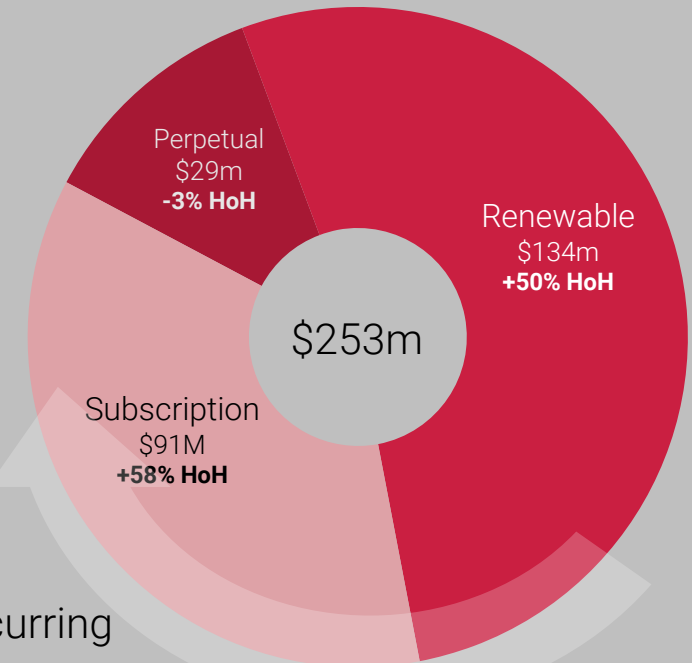
\$6m
+39% HoH

Software

\$253m
+44% HoH

Software

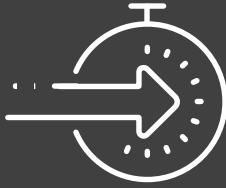
by billing method



\$1,006m*

*Revenue from the sale of goods and services

Covid-19 Impact



RESPOND

- World's biggest WFH movement
- Short term panic buy
- Internet serving humanity – personal and business



RECOVER

- Assessing and Evaluating
- Mid term – planning for potential 2nd wave




MOVING INTO NEW WORLD

- Hybrid world
- Long term sustainability and predictability

Opportunities 2020



**FINANCIAL
SERVICES**



**INTERNET
OF THINGS**



**DATA
MANAGEMENT**



**AUTOMATED
CLOUD**



**WFH
MOVEMENT**



SECURITY



PRO AV



**WFH
MOVEMENT**



DATACENTRE



**EDGE
COMPUTING**



NETWORKING



**PHYSICAL
SECURITY**

2020 Focus



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FINANCIAL SERVICES

Dicker Data Financial Services (DDFS)

Launched in H119 to address the growing demand for as-a-Service solutions. In FY20 we are working to accelerate the uptake of our DDFS offerings and in turn create long-term renewable contract-based revenues. We are assisting our partners to win more business by differentiating their offerings through financial services. DDFS has supported the business with \$13m in originations across 87 transactions to date, comprised mainly of PC (40%), Server & Storage (24%) and Networking (18%).



Work from Home Movement

The shift to working from home as a result of COVID-19 has seen the digital transformation of Australian businesses rapidly accelerate. There is now a large opportunity as IT departments no longer have to secure just office environments, but home user environments as well. These opportunities were always on the horizon but have been brought forward as businesses seek to thrive in the new world.

2020 Focus



5G

The rollout of 5G networking is accelerating the proliferation of compute technology at the Edge, or endpoint. This is in turn driving the next wave of data creation and presents an opportunity for the company to capitalise on the new devices and infrastructure required. The company is also well-positioned to assist its customers in managing, protecting and analysing this data. 5G will also usher in the next era of cloud solutions that enable real-time decision making at the Edge, further driving the consumption of cloud and the company's recurring revenues.



Hybrid Cloud

Organisations are adapting multi-cloud and embracing hybrid IT strategies to enable them to move applications between public, private and on-premise environments to increase scalability and resiliency. However, multi-cloud, automation and AI are complex and many of our customers will leverage our expertise to support their projects.

2020 Focus



Managed Service Providers (MSP)

MSP's are our fastest growing partner segment. We will continue to work with our vendors to address the needs of these partners through the delivery of cloud, storage, infrastructure, migration, analytics and backup solutions that suit their cyclical billing arrangements. Our role is to enable them to own more of their customers' IT environment and deliver tangible business outcomes through digital transformation.



UC/AV

Establishing a new division to become the leading distributor for the unified communications (UC), audio visual (AV), automatic identification and data capture (AIDC), electrical and physical security markets. Digital signage, digital workspaces, smart offices, collaboration and video conferencing solutions are all areas that intersect with IT, presenting cross-selling opportunities into these markets.

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