



EXPERIENCE
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ASX ANNOUNCEMENT

25 February 2021

APPENDIX 4E

In accordance with ASX Listing Rule 4.3A, Dicker Data Limited (**Dicker Data**) (ASX:DDR) provides the attached Appendix 4E for the year ended 31 December 2020.

This document should read in conjunction with the Dicker Data 2020 Annual Report, released separately to the ASX and accessible in the Investor section of Dicker Data's website (www.dickerdata.com.au/investor).

Authorised for release by the Board of Dicker Data Limited.

A handwritten signature in black ink, appearing to read "David Dicker".

David Dicker

Chairman and CEO

For further information please contact:

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DICKER

D A T A

About Dicker Data

Dicker Data (ASX: DDR) is an Australian-owned and operated, ASX-listed technology hardware, software, and [cloud](#) distributor with over 42 years of experience. Our sales and [presales](#) teams are experienced product specialists who are dedicated to helping you tailor solutions to suit your client's needs.

As a distributor, we sell exclusively to our valued partner base of over 6,000 resellers. We pride ourselves on developing strong long-term relationships with our customers, and [helping them grow](#). This customer-first approach means we are proactive in engaging with our resellers and allows us to dynamically shift with changing market conditions, in turn helping to [increase profitability](#).

Dicker Data distributes a [wide portfolio of products](#) from the world's leading technology vendors, including [Cisco](#), [Citrix](#), [Dell Technologies](#), [Hewlett Packard Enterprise](#), [HP](#), [Lenovo](#), [Microsoft](#), and other Tier 1 global brands. As the leading Australian distributor for many of these vendors, Dicker Data is dedicated to helping our partners deliver industry-leading [solutions](#) built on the world's best technologies. <https://www.dickerdata.com.au/>

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APPENDIX 4E

2020

Preliminary Final Report

Dicker Data Limited ABN 95 000 969 362



DICKER
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RESULTS FOR ANNOUNCEMENT TO THE MARKET

1. Reporting Period: Year ended 31 December 2020
 Previous Corresponding Period: Year ended 31 December 2019

2. Results for announcement to the market

Operating and financial review on comparative period

RESULTS:	Movement			12 Months Dec-20 ('000)	12 Months Dec-19 ('000)
Total revenue	Up	12.8%	to	\$2,000,112	\$1,773,516
Revenues from ordinary activities *	Up	13.6%	to	\$2,000,112	\$1,761,295
Net operating profit before tax **	Up	27.7%	to	\$81,859	\$64,104
Net profit before tax	Up	7.9%	to	\$81,859	\$75,873
Net profit after tax attributable to members	Up	5.3%	to	\$57,182	\$54,311

* FY19 Comparative - Excludes profit on sale of property of \$12.2m

** FY19 Comparative - Excludes profit on sale of property of \$12.2m and cost for Employee Share Scheme of \$450k

Dividends Paid

RECORD DATE:	PAYMENT DATE:	DIVIDEND/ SHARE (IN CENTS)	AMOUNT (in '000)	TYPE	FY	AMOUNT FRANKED
14-Feb-20	02-Mar-20	0.1300	\$21,010	Final	2019	100%
14-May-20	01-Jun-20	0.0750	\$12,727	Interim	2020	100%
14-Aug-20	01-Sep-20	0.0750	\$12,902	Interim	2020	100%
16-Nov-20	01-Dec-20	0.0750	\$12,907	Interim	2020	100%
Total		0.3550	\$59,546			

The total dividends declared and paid during the financial year were 35.5 cents per share or a total of \$59.5m, fully franked.

A final dividend for FY20 of 10.5 cents per share was declared on 9 February 2021 with a record date of 15 February 2021 and a payment date of 1 March 2021.

Brief Explanation Of The Figures Reported

Revenue

The revenue for the consolidated entity for the 12 months to 31 December 2020 was \$2,000.1m (2019: \$1,773.5m), up by \$226.6m (+12.8%). Revenue from ordinary activities was \$2,000.1m, (2019: \$1,761.3m - excluding the profit on the sale property), an increase of \$238.8m or 13.6%. At a country level, Australia grew \$211.8m (+12.9%) and New Zealand grew \$27.0m (+23.3%).

Total revenue from sales of goods and services, excluding other revenue was \$1,998.8m (2019: \$1,758.5m) up by \$240.3m representing increase of 13.7%. Dicker Data has continued to add new vendors and increased the breadth of products offered by existing vendors whilst still driving growth. In 2020 a total of 8 new vendors were added, contributing incremental revenue of \$9.8m. Existing vendors grew \$230.5m (+13.1%) as vendor consolidation continues to provide access to new product sets or as full value was achieved from vendors added to the portfolio over the previous years with vendors onboarded in 2018 and 2019 adding \$52.7m in YoY growth. Growth of existing vendors was also driven by the increase in demand for remote working solutions, surge in demand for virtual capabilities and accelerated digital transformation of businesses as a result of the COVID-19 pandemic.

At a sector level, the Company maintained strong growth across all business units, with hardware and support sales up \$170.3m (+12.9%), software sales up \$66.8m (+15.6%) and the services business unit up \$3.1m (+38.7%). Within our software business the strongest growth came from our recurring revenue products increasing to \$434.9m (2019: \$366.5m) an increase of 18.7%.

Gross Profit

Gross profit for the reporting period was up 20.8% at \$191.4m (2019: \$158.4m). Gross profit margins improved significantly in the current year at 9.6% (2019: 9.0%). The increase in profit margins is largely attributable to the increased focus on mid-market and SMB business and partly to some strategic buying decisions early on in the year.

Expenses

Operating Expenses

Operating costs for the reporting period were \$101.0m (2019: \$86.8m), an increase of \$14.2m, up by 16.4%, and increasing as a proportion to revenue at 5.1% (2019: 4.9%).

The increase in costs is attributed primarily to an increase in salary related expenses. Excluding value of Employee Share Scheme costs in the previous year, salary costs were \$86.2m (2019: \$73.0m) an increase of \$13.2m (+18.1%), increasing as a proportion of revenue to 4.3% (2019: 4.1%). The increase in salary costs is attributed to investment in additional headcount as a result of new vendor signings and growth in existing vendors. With strong performance based remuneration packages the increase in salary costs is driven by the increase in revenue and operating profit growth experienced. Headcount across the group finished at 525 (+8.2%) (2019: 485).

Other operating expenses increased by \$1.3m but fell as a proportion of sales to 0.7% (2019: 0.8%).

Depreciation, Amortisation and Interest

Depreciation and amortisation for the reporting period was \$6.4m, an increase of \$1.8m. Included in this number is \$1.4m for amortisation of customer contracts. The increase is also attributable to the growth in the Dicker Data Financial Services business and depreciation of equipment under operating leases of \$1.4m. There was also some increases in plant and equipment depreciation with additional PP&E purchases an increase of additional headcount in the financial year. With the adoption of the new accounting standard AASB16, depreciation on the Right of Use Assets (ROUA) for capitalised leases amounted to \$3.1m.

Finance costs in the reporting period were \$3.5m, significantly down from the prior year (2019: \$5.7m), mainly attributed to the payout of a \$40m corporate bond in March 2020. This was replaced with an increase in the Company's Westpac receivables facility to \$180m limit, also providing participation in the lower variable interest rate environment. There was also a partial debt reduction throughout the year after raising \$65m (before costs) in a share issue in May and June 2020.

Profit

Profit before tax finalised at \$81.9m (2019: \$75.9m) up by 7.9%. However in FY19 profit before tax included profit on sale of property of \$12.2m and costs relating to share issue for Employee Share Scheme of \$450k. On a comparable basis operating profit before tax in FY19 finalised at \$64.1m, representing a 27.7% increase for FY20.

Net profit after tax increased to \$57.2m (2019: \$54.3m), up by 5.3%.

Weighted average earnings per share increased to 33.95 cents per share (2019: 33.69 cents), up by 0.8%. Earnings in FY19 included the profit on the sale of the building which was over and above operational earnings in the comparative period, as well as the impact of the incremental 10.5m shares issued during FY20. Underlying weighted average earnings per share, adjusted for the profit on the sale of the property in FY19 increased from 28.38 cents per share to 33.95 cents per share for FY20, representing an increase of 19.6%.

Statement of Financial Position

Total assets as at 31 December 2020 increased to \$581.9m (2019: \$507.5).

The statement of financial position reflected a very marginal increase in working capital investment as the company maintained very cautious working capital disciplines. Total investment in net working capital was \$167.0m, up by \$1.6m from previous year (2019: \$165.4m). Cash finalised at \$30.4m, up by \$7.8m (2019: \$22.6m). Trade and other receivables were up from the previous year to \$327.0m (2019: \$295.9m). The company showed a measured decrease in inventory with inventories finishing at \$113.2m (2019: \$120.4m), with inventory days down to 22.8 days (2019: 27.4 days). Trade and other payables were up to \$273.2m (2019: \$250.9m).

Property, plant and equipment increased to \$78.0m during the period (2019: \$32.0m) an increase of \$46.0m as the company completed works on the new distribution centre and office complex.

Total liabilities as at 31 December 2020 were \$420.3m, up from the prior period (2019: \$412.5m).

Current borrowings comprising the drawn amount on the receivables purchase facility with Westpac was at \$120.0m as at 31 December 2020, \$30.0m higher than prior year (2019: \$90.0m). However overall total borrowings were lower than FY19, with total debt in FY19 at \$129.9m, reflecting the impact of the \$40m corporate bond repayment and overall debt reduction.

Equity has increased to \$161.6m during the year (2019: \$95.1m) primarily due to the impact of the capital raising in May and Share Purchase Plan in June, with some contribution from DRP.

EQUITY MOVEMENT	\$'000
Equity 31 Dec 2019	95,067
Comprehensive Income for FY2020	56,818
Dividends Paid	(59,546)
Share Issue (DRP)	5,656
Share Capital Raising and SPP	63,618
Equity 31 Dec 2020	161,613

3. Annual Financial Report

Refer to the attached Annual Report for the audited Financial Statements for the year ended 31 December 2020.

4. Dividends Paid

SECURITY TYPE	SECURITY	DEC-20	DEC-19
Final Dividend - Dec 2020	Ordinary	0.1050	0.0700
Interim Dividend - Dec 2020	Ordinary	0.2250	0.2000
Total Dividends for all securities for the year		0.3300	0.270

5. Dividend Reinvestment Plans

The Dividend Reinvestment Plan introduced in March 2014 has been retained for the 2020 year. Of the \$59.5m dividends paid, \$53.9m were paid as cash dividends, \$5.6m participated in the DRP.

6. Net Tangible Assets

NET TANGIBLE ASSETS	DEC-20 \$	DEC-19 \$
Net tangible asset per ordinary share	0.764	0.394

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.

On behalf of the directors,



David Dicker
CEO and Chairman
Sydney, 25 February 2021



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