



EXPERIENCE
is the difference

PH: 1800 688 586
www.dickerdata.com.au
investors@dickerdata.com.au

ASX ANNOUNCEMENT

25 February 2021

INVESTOR PRESENTATION

Further to the Company's announcement to the market today on its results for the year ended 31 December 2020, please find attached the presentation to be delivered to investors and analysts this afternoon.

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:

Investor Relations
1800 688 586

investors@dickerdata.com.au

<https://www.dickerdata.com.au/investor>



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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DICKER
DATA

**FY20 RESULTS
PRESENTATION**

OVERVIEW

#1 Corporate and Commercial IT Distributor



**ASX
LISTED**

Dicker Data Limited listed on ASX in 2011



**REVENUE
\$2B**

Largest Australian owned distributor with \$2B revenue in 2020



**CONSISTENT
GROWTH**

Top and bottom-line growth consistently for over 20 years



**NIMBLE
& AGILE**

Our success is built on our ability to adapt & change quickly.



**525 STAFF
IN ANZ**

Strong focus on people, culture and diversity





FINANCIAL RESULTS

FY 2020

RESULTS HIGHLIGHTS

- Strong revenue growth of 13.6%, with total revenue for the year breaking through the \$2 billion milestone and finishing at \$2,000.1m.
- At a country level, Australia grew revenues at 12.9% and New Zealand grew revenues at 23.3%.**
- The 8 new vendors added during FY20 accounted for incremental revenue of \$9.8m in FY20.
- Existing vendors (FY19 and prior) grew at 13.1% on pcp, driven by increase in demand for remote working solutions, surge in demand for virtual capabilities and accelerated digital transformation of businesses.

13.6%

REVENUE INCREASE*

23.9%

EBITDA*

27.7%

NPBT INCREASE*

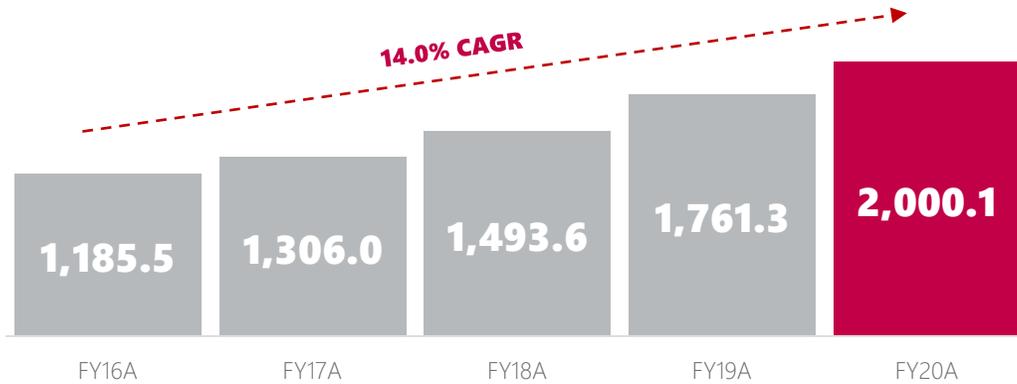
* Excluding the impact of the sale of property and cost for the employee share scheme in 2019.

** In AUD equivalent.

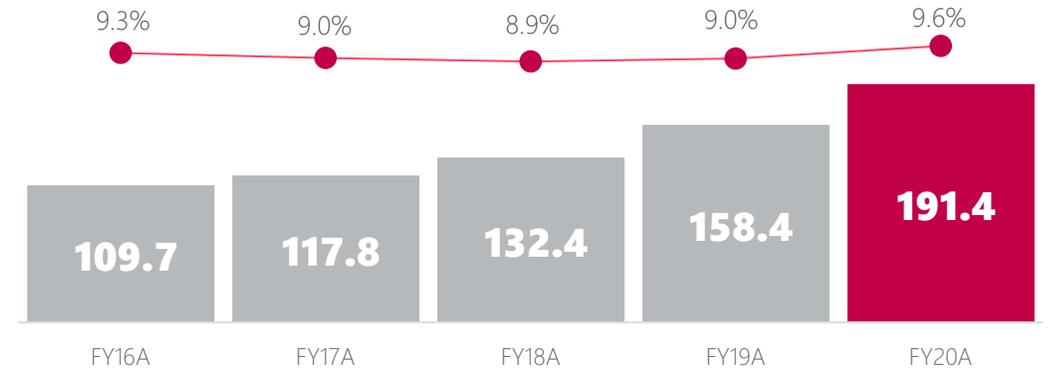
FINANCIAL TRENDS

FY 2020

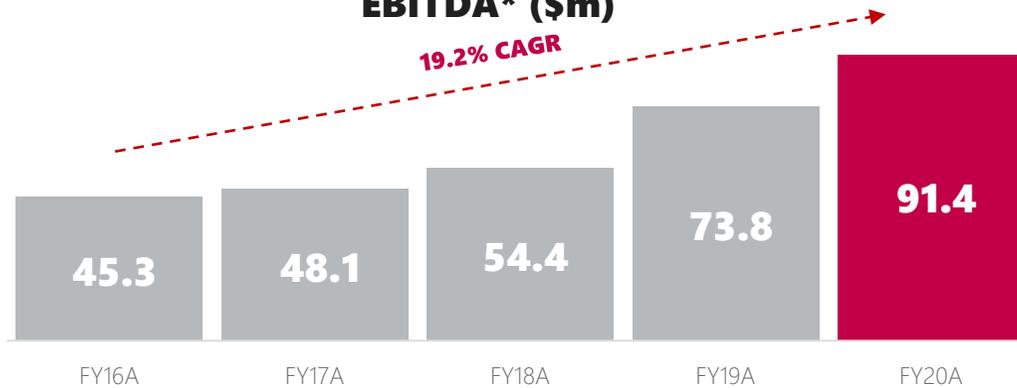
REVENUE (\$m)*



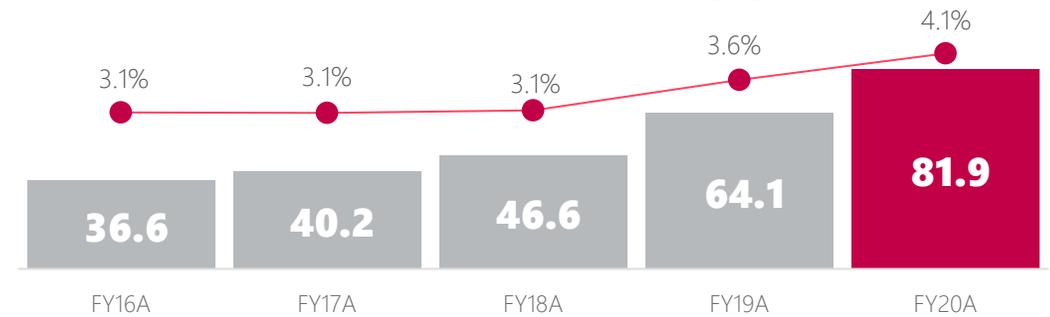
GROSS PROFIT (\$m) & GROSS PROFIT MARGIN (%)



EBITDA* (\$m)



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



*Excludes profit on sale of property in 2019

**Excludes profit on sale of property and cost of the employee share scheme in 2019

FY20 GROUP RESULTS

12 months (\$m)	Dec-20	Dec-19	Increase
Total Revenue	2,000.10	1,761.30	13.6%
Gross Profit	191.4	158.4	20.8%
Gross Margin	9.60%	9.00%	
EBITDA*	91.4	73.8	23.9%
Operating Profit before tax*	81.9	64.1	27.7%
PBT margin	4.10%	3.60%	
Net profit after tax	57.2	54.3	5.3%

- Revenue growth for the group of 13.6%.
- Recurring software revenue grew 18.7% to \$435m for the full year.
- Gross profit increased by 20.8% driven by growth in revenue and improved margin as a result of increased focus on mid-market and SMB business.
- Operating costs have increased as a proportion of revenue to 5.1%, up from 4.9% driven mainly by increased employee costs as a result of performance-based payments and investment in new headcount.
- Profit before tax increased by 27.7% over the FY19 result, excluding the impact of the sale of property and the costs of the employee share scheme.

*Excluding Profit on sale of property and the cost of the employee share scheme in 2019

FY20 RESULTS NZ

12 months (\$NZD)	Dec-20	Dec-19	Increase
Total Revenue	151.8	122.4	24.0%
Gross Profit	13.3	10.8	22.8%
Gross Margin	8.8%	8.9%	
EBITDA	3.1	1.9	63.4%
Profit before tax	2.1	1.2	70.4%
PBT margin	1.4%	1.0%	
Net profit after tax	1.4	0.9	65.4%

- Revenue growth of 24.0% as new vendor relationships continue to develop.
- Gross profit increased by 22.8% with margin quality being maintained.
- Operating costs have fallen as a proportion of revenue as the company shows the benefit of increased scale and improved operational efficiency.
- Profit before tax increased 70.4% to \$2.1m.

FY20 BALANCE SHEET

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.

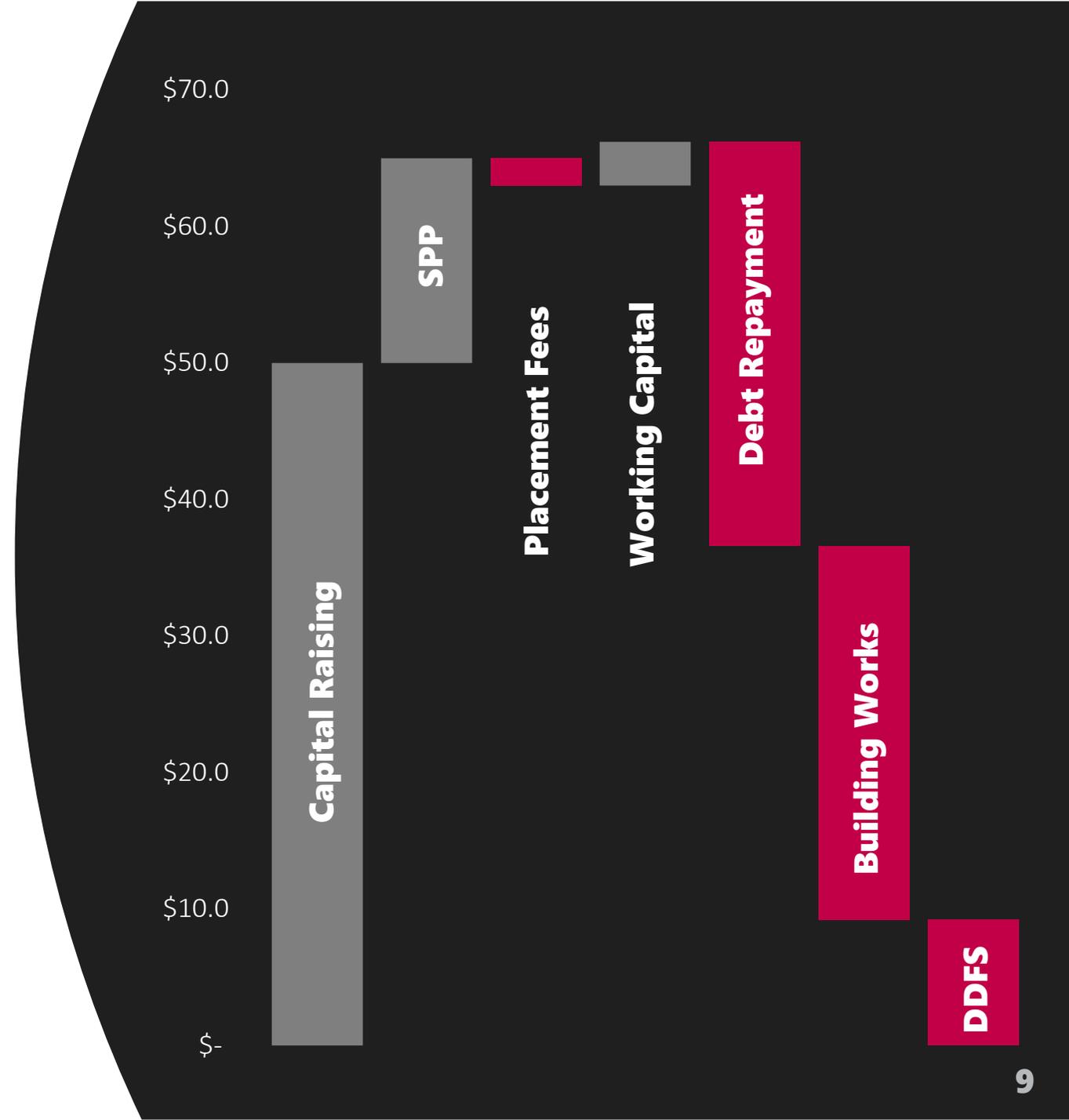
12 months (\$m)	Dec-20	Dec-19
Net Working Capital (\$m)	167.0	165.4
Net Working Capital Days	27.3	31.3
Debt to Equity	0.74x	1.37x
Debt Service Cover Ratio	27.09x	12.59x
Net Tangible Assets (\$m)	136.7	68.8

Net Assets (in \$m)	Dec-20	Dec-19
Cash and equivalents	30.4	22.6
Accounts receivable	327.0	295.9
Inventory	113.2	120.4
Total current assets	470.6	438.9
PP&E, net	78.0	32.0
Goodwill & Intangibles	24.9	26.3
Other assets	8.4	10.3
Total assets	581.9	507.5
Accounts payable	273.2	250.9
Borrowings	120.0	129.9
Other current liabilities	20.6	22.0
Total current liabilities	413.8	402.9
Other long-term liabilities	6.5	9.6
Total Liabilities	420.3	412.5
TOTAL NET ASSETS	161.6	95.1
Shareholders' Equity		
Share Capital	131.8	62.5
Reserves	0.3	0.6
Retained earnings	29.6	31.9
TOTAL EQUITY	161.6	95.1

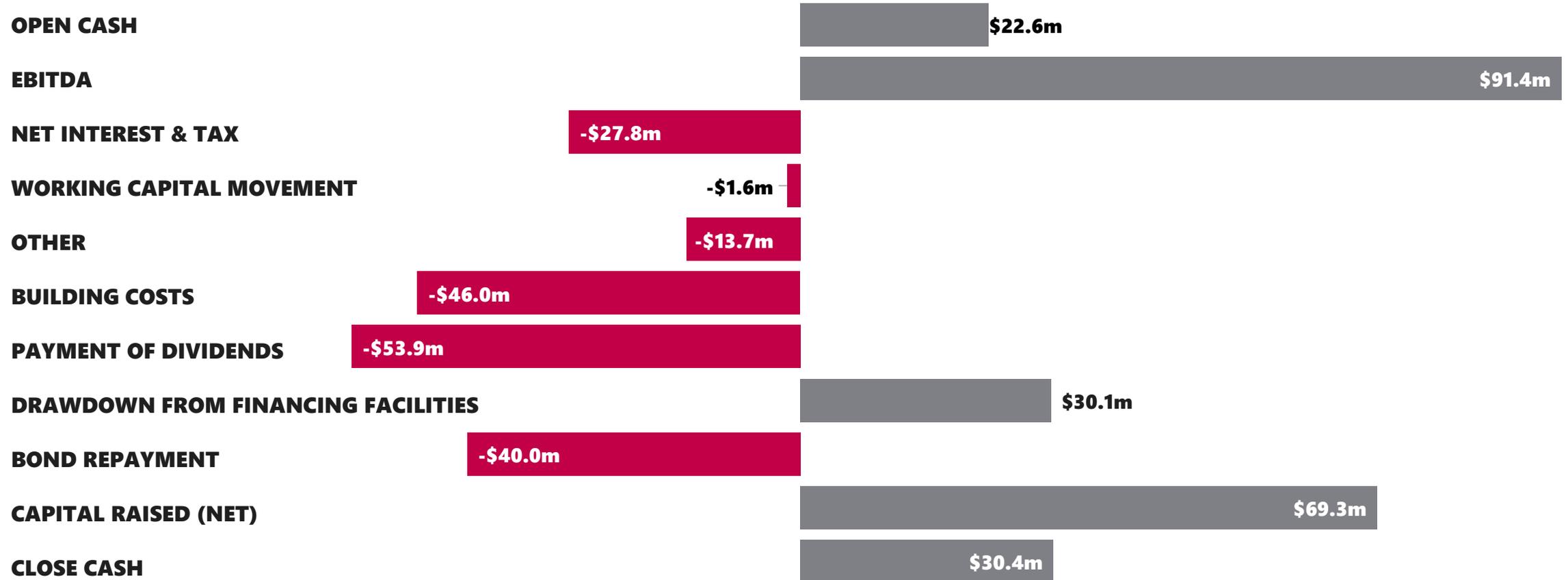
CAPITAL RAISING

- On 7 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 increased the public float in the company to approximately 33% and provides 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%	55.2m
Free Float	33%	56.1m



FY20 CASH FLOW



APPLICATION SOURCE



FY20 DIVIDENDS

Record Date	Payment Date	Dividend (CPS)	Type	Amount Franked
15-May-20	1-Jun-20	0.0750	Interim	100%
17-Aug-20	1-Sep-20	0.0750	Interim	100%
16-Nov-20	1-Dec-20	0.0750	Interim	100%
15-Feb-21	1-Mar-21	0.1050	Final	100%
	Total	0.3300		

- Excluding the special dividend paid in FY19, the FY20 dividend paid of 33 cps represents an increase from 28 cps in FY19, an increase of 17.9%
- Dividends include a final dividend for FY20 to be paid on 1 March 2021 at 10.5cps.
- In FY21 the company intends maintain its 100% dividend policy and to continue paying interim dividends in quarterly instalments
- The DRP will be retained for FY21.

NEW BUILDING UPDATE

- New facility at 238 Captain Cook Drive, Kurnell NSW was completed in February 2021.
- Warehouse space increased by over 80% to 22,965 sqm, providing space for increased inventory holding and future technology portfolio diversification.
- Office, amenities and circulating space doubled to over 5,960 sqm.
- Dedicated configuration and staging rooms for Dicker Data's resellers to hire.
- Dedicated training rooms and collaboration zones for use by staff, vendors and partners.
- Dedicated spaces for showcasing our vendor technologies.
- Sustainability items include solar panels, 8 electric vehicle chargers, recycled water systems, 30,000 new seedlings and trees planted, and large concrete structures found during excavation have been repurposed into large outdoor planters, adding to the overall landscaping.
- Stage two warehouse and office expansion is approved for development.





BUSINESS UPDATE

COVID-19 IMPACT



RESPOND

- World's biggest WFH movement.
- Short term panic buying.
- 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.



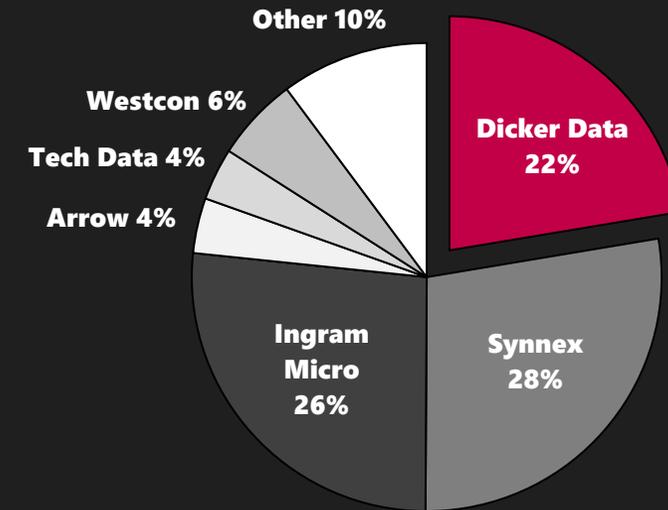
IT MARKET AND OUR STRATEGY

- Dicker Data is the leading Value-Added Technology Distributor, selling to over 6,900 active reseller partners and MSPs who supported hundreds of thousands of Australian businesses in FY20.
- Our specialty is servicing the mid-market and SMB communities with a specific focus on pre-sales capabilities, value-added services and emerging hybrid end-to-end technology solutions.
- In recent years the company has targeted distribution agreements in software, high-end enterprise products and those that address the cloud computing environment.
- The industry is going through major transformation and evolving faster than ever. We are 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.

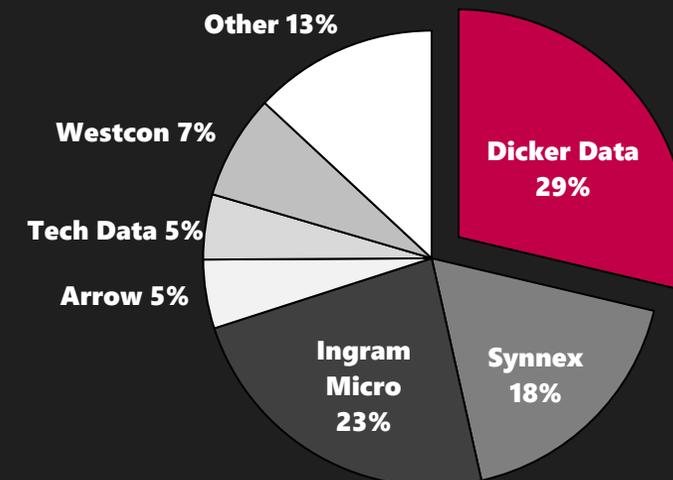
Source: Publicly available 2019 financial statements and company estimates.

AUSTRALIAN IT DISTRIBUTION MARKET SHARE

Consumer, Large National Retail, Corporate, Commercial, Enterprise



Corporate, Commercial, Enterprise only



Dicker Data

ANZ VENDOR PORTFOLIO



INDUSTRY RECOGNITION

Distributor of the year 2020

Life Is On | **APC**
by Schneider Electric

APC
Australia & NZ

aruba
a Hewlett Packard
Enterprise company

Aruba
Australia

CISCO

Cisco
Australia & NZ

DELL
Technologies

Dell Technologies
Australia

hp

HP Print
Australia

Lenovo

Lenovo DCG
Australia

Lenovo

Lenovo PCG
Australia

T

Telstra
Australia

TREND
MICRO

Trend Micro
APAC

INDUSTRY RECOGNITION



ARN
FROM IDG

Homegrown
Distributor
of the Year



ARN
FROM IDG

Hardware
Distributor
of the Year



ARN
FROM IDG

Software
Distributor
of the Year



CISCOTM

Cisco Global
Distributor
of the Year

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



Heimdal 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



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.
- 8 new vendors in key strategic segments were added in FY20.
- Top 5 vendors overall contribution has reduced from 90% in FY12 to 51% in FY20.
- Dicker Data will continue to assess technology channel market trends and derive growth through strategic partnerships with new and existing vendors.

Major Vendor Concentration % of Sales

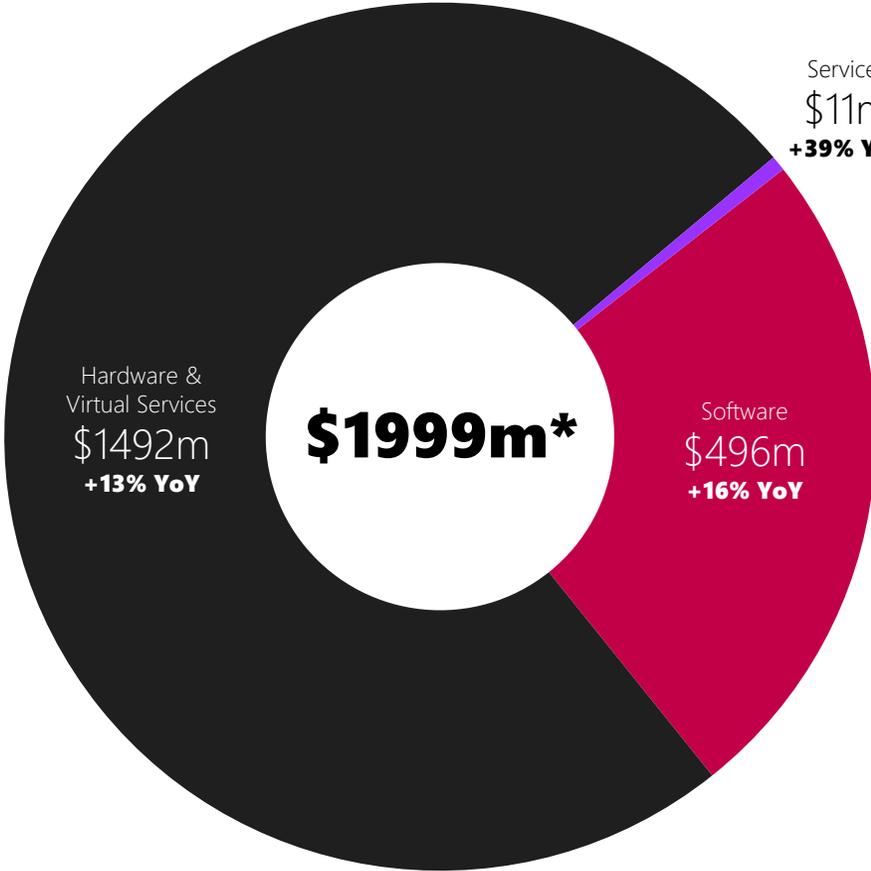
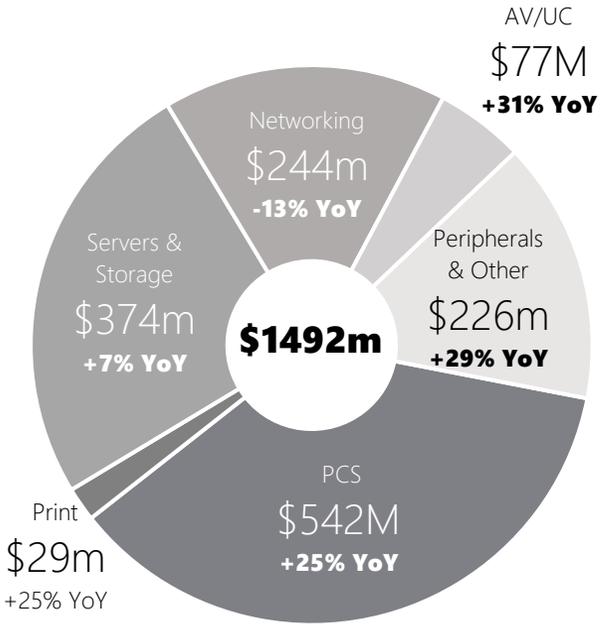


REVENUE CATEGORY

Splits and growth

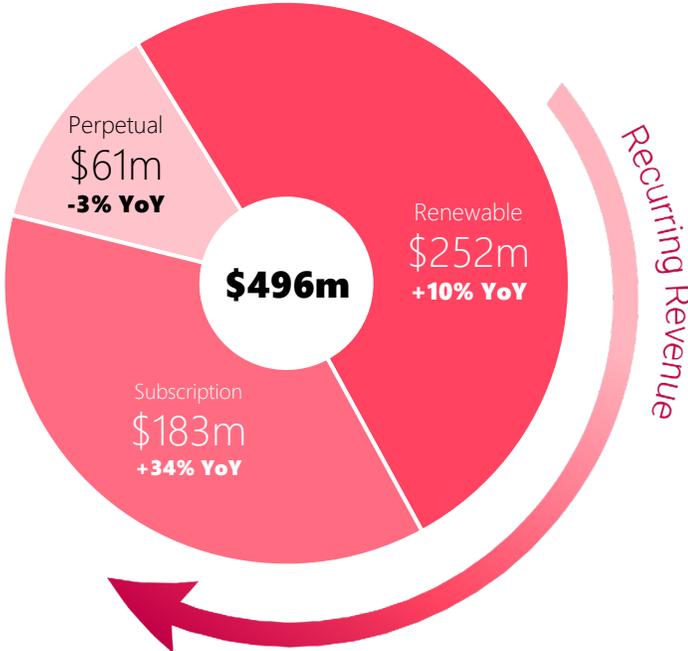
HARDWARE

by product category



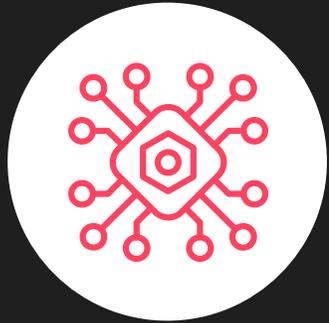
SOFTWARE

by billing method



*Revenue from the sale of goods and services

2021 OPPORTUNITIES



**INTERNET
OF THINGS**



**DATA
MANAGEMENT**



**DATA
SECURITY**



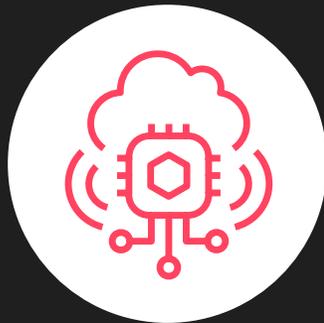
DATA CENTRE



**PHYSICAL
SECURITY**



NETWORKING



**EDGE
COMPUTING**



PRO AV



**AUTOMATED
CLOUD**



**FINANCIAL
SERVICES**



**WFH
MOVEMENT**

2021 FOCUS



DICKER DATA FINANCIAL SERVICES (DDFS)

Launched in H119 to address the growing demand for as-a-Service solutions. In FY21 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 \$14m in originations across 112 transactions to date, comprised of PC (44%), Server & Storage (22%), Networking (19%) and Software and Other (15%).



WORK FROM HOME MOVEMENT

The shift to working from home as a result of COVID-19 has seen the digital transformation of businesses rapidly accelerate. There is a 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.

2021 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.

2021 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.





QUESTIONS?

DICKER
DATA

**THANK
YOU**



DISCLAIMER

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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

