



Dicker Data Limited

ABN: 95 000 969 362

Appendix 4E
Preliminary Final Report
Year ended 31 December 2021

Results for announcement to the market

Dicker Data Limited

ABN 95 000 969 362

1. **Reporting period:** **Year ended 31 December 2021**
Previous Corresponding Period: Year ended 31 December 2020

2. **Results for announcement to the market**

Operating and financial review on comparative period

| RESULTS: | Movement | | | 12 Months Dec-21 \$'000 | 12 Months Dec-20 \$'000 |
|--|-----------------|-------|----|--|--|
| Revenues from ordinary activities | Up | 24.2% | to | \$2,484,459 | \$2,000,112 |
| Net operating profit before tax* | Up | 29.6% | to | \$106,075 | \$81,859 |
| Net profit before tax | Up | 28.4% | to | \$105,097 | \$81,859 |
| Net profit after tax attributable to members | Up | 28.6% | to | \$73,562 | \$57,182 |

* excludes one off acquisition transaction costs

Dividends Paid

| Record Date: | Payment Date: | Dividend/Share (in Cents) | Amount (in 000's) | Type | FY | Amount Franked |
|---------------------|----------------------|--------------------------------------|------------------------------|-------------|-----------|---------------------------|
| 15-Feb-21 | 01-Mar-21 | 0.105 | \$18,074 | Final | 2020 | 100% |
| 15-May-21 | 01-Jun-21 | 0.090 | \$15,497 | Interim | 2021 | 100% |
| 18-Aug-21 | 01-Sep-21 | 0.090 | \$15,550 | Interim | 2021 | 100% |
| 15-Nov-21 | 01-Dec-21 | 0.090 | \$15,555 | Interim | 2021 | 100% |
| Total | | 0.375 | \$64,676 | | | |

The total dividends declared and paid during the financial year were 37.5 cents per share or a total of \$64.7m, fully franked.

A final dividend for FY21 of 15.0 cents per share was declared on 9 February 2022 with a record date of 15 February 2022 and a payment date of 01 March 2022. With the three interim dividends paid during FY21, this will bring total dividends paid for the FY21 year to 42.0 cents per share, an increase of 27.3%, up from 33.0 cents paid for FY20.

| Type | FY | Payment Date: | Dividend/ Share (in Cents) | FY | Payment Date: | Dividend/Share (in Cents) |
|--------------|-------------|----------------------|---|-------------|----------------------|--------------------------------------|
| Interim | 2021 | 01-Jun-21 | 0.090 | 2020 | 01-Jun-20 | 0.075 |
| Interim | 2021 | 01-Sep-21 | 0.090 | 2020 | 01-Sep-20 | 0.075 |
| Interim | 2021 | 01-Dec-21 | 0.090 | 2020 | 01-Dec-20 | 0.075 |
| Final | 2021 | 01-Mar-22 | 0.150 | 2020 | 01-Mar-21 | 0.105 |
| TOTAL | 2021 | | 0.420 | 2020 | | 0.330 |

BRIEF EXPLANATION OF THE FIGURES REPORTED ABOVE

REVENUE

The revenue for the consolidated entity for the 12 months to 31 December 2021 was \$2,484.5m (2020: \$2,000.1m), up by \$484.3m (+24.2%). At a country level, Australia grew \$300.3m (+16.3%) and New Zealand grew \$184.1m (+128.7%). The addition of the Exeed business represented incremental revenue of \$183.1m

Total revenue from sales of goods and services, excluding other revenue, was \$2,479.4m (2020: \$1,998.8m), up by \$480.6m, representing increase of 24.0%. On 6 August 2021 Dicker Data completed the acquisition of the Exeed business which contributed five months of revenue for the financial year. The revenue contribution from the Exeed business was \$144.9m in New Zealand and \$38.2m in Australia.

Dicker Data has continued to add new vendors and increased the breadth of products offered by existing vendors whilst still driving growth. In 2021 a total of 9 new vendors were added (excluding Exeed), contributing incremental revenue of \$54.7m. Existing vendors grew \$240.6m (+12.0%) as vendor consolidation continues to provide access to new product sets or as full value was achieved from vendors added in 2020 (+\$20.2m YoY). The growth of existing vendors continues to be 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 product related business units, with hardware and support sales up \$382m (+25.6%) and software sales up \$99m (+20.0%). Lockdowns and product availability impacted our services business unit, slightly down -\$0.4m (-3.2%). Within our software business the strongest growth came from our recurring revenue products increasing to \$520m (+19.7%).

GROSS PROFIT

Gross profit for the reporting period was up 20.3% at \$230.3m (2020: \$191.4m). Gross profit margins abated in the current year at 9.3% (2020: 9.6%). The decrease in profit margins is largely a normalisation from last year's opportunities caused by disruption in the supply chain, although these challenges remain.

EXPENSES

Operating Expenses

Operating costs for the reporting period were \$116.3m (2020: \$101.0m), up by 15.2%, but decreasing as a proportion to revenue at 4.7% (2020: 5.1%), as the company continues to benefit from scale.

The increase in costs is attributed primarily to an increase in salary related expenses. salary costs were \$101.0m (2020: \$86.2m) an increase of \$14.8m (+17.1%), but decreasing as a proportion of revenue to 4.0% (2020: 4.3%). The increase in salary and headcount is attributed mainly to the Exeed acquisition, but also 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 694 (2020: 525), an increase of 32.2%.

Other operating expenses, excluding one-off costs increased by \$0.6m to \$15.3m but fell as a proportion of sales to 0.6% (2020: 0.7%).

Depreciation, Amortisation and Interest

Depreciation and amortisation for the reporting period was \$9.1m, an increase of \$2.7m. Included in this number is \$2.7m for amortisation of identifiable intangibles. There was also some increases in plant and equipment associated with the Exeed acquisition and depreciation with additional PP&E purchases inline with 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 \$2.4m.

Finance costs in the reporting period were \$3.9m, up from the prior year (2020: \$3.5m), mainly attributed to incremental debt associated with the Exeed acquisition and its ongoing working capital requirements.

NET PROFIT

Operating profit before tax finalised at \$106.1m (2020: \$81.9m) up by 29.6%, after adding back one off transactions costs of \$977.9k related to the acquisition of the Exeed business.

Statutory profit before tax finalised at \$105.1m (2020: \$81.9m) up by 28.4%. Net profit after tax increased to \$73.6m (2020: \$57.2m), up by 29.6%.

Weighted average earnings per share increased to 42.63 cents per share (2020: 33.95 cents), up by 25.6%.

STATEMENT OF FINANCIAL POSITION

Total assets as at 31 December 2021 increased to \$854.1m (2020: \$581.9m).

The statement of financial position reflects a substantial increase in working capital investment, mainly driven by the incremental working capital attached to the Exeed business, however the existing business has also made strategic increases in working capital to facilitate ongoing growth and to maintain supply in a sometimes disjointed supply chain.

Total investment in net working capital was \$258.6m up by \$91.5m from previous year (2020: \$167.0m). Cash finalised at \$7.4m, down by \$23.0m (2020: 30.4m). Trade and other receivables were up from the previous year to \$455.5 (2020: \$327.0m). The company increased inventory investment significantly, with inventories finishing at \$201.3m (2020: \$113.2m). Inventory days increased to 32.6 days (2020: 22.8 days). Trade and other payables were up to \$398.2m (2020:\$273.2m).

Property, plant and equipment increased to \$82.3m during the period (2020: \$78.0m) an increase of \$4.3m as the company completed works on the new distribution centre and office complex, and brought the Exeed assets onto the balance sheet.

Total liabilities as at 31 December 2021 were \$675.8m, up from the prior period (2020: \$420.3m). Current borrowings comprising the drawn amount on the receivables purchase facility with Westpac was at \$140.0m as at 31 December 2021, \$20.0m higher than the prior year (2020: \$120.0m). A \$70.0m acquisition facility was established for the Exeed acquisition of which \$10.0m is current and \$60m non-current. The Exeed business combination also added \$20.2m in debt, funding Exeed's working capital. Overall borrowings are \$230.2m, up \$110.2m (2020: \$120m).

Equity has increased to \$178.3m during the year (2020: 161.6m) due to the impact of timing differences in dividend flows (+\$8.8m) and the contribution from the DRP (+\$7.7m).

| Equity Movement | \$'000 |
|---------------------------------|----------------|
| Equity 31 Dec 2020 | 161,613 |
| Comprehensive Income for FY2021 | 73,624 |
| Share Issue (DRP) | 7,737 |
| Dividends Paid | (64,676) |
| Equity 31 Dec 2021 | 178,297 |

3. Annual Financial Report

Refer to the attached Annual Report for the audited Financial Statements for the year ended 31 December 2021.

4. Dividends Paid

| Security Type | Security | Dec-21 | Dec-20 |
|--|----------|--------------|--------------|
| Final Dividend – Dec 2021 | Ordinary | 0.150 | 0.105 |
| Interim Dividends - Dec 2021 | Ordinary | 0.270 | 0.225 |
| Total Dividends for all securities for the year | | 0.420 | 0.330 |

5. Dividend Reinvestment Plans

The Dividend Reinvestment Plan introduced in March 2014 has been retained for the 2021 year. Of the \$64.7m dividends paid, \$56.9m were paid as cash dividends, \$7.8m participated in the DRP.

6. Net Tangible Assets

| Net Tangible Assets | Dec-21 \$ | Dec-20 \$ |
|---------------------------------------|-----------|-----------|
| Net tangible asset per ordinary share | 0.461 | 0.764 |

7. Details of entities over which control has been gained or lost

| Entity | Principal Place of Business | Ownership Interest Dec-21 | Ownership Interest Dec-20 |
|--|-----------------------------|---------------------------|---------------------------|
| Exeed Ltd | New Zealand | 100% | - |
| Dicker Data GP Pty Ltd (newly incorporated in the financial year as General Partner of Exeed Australia Limited Partnership) | Australia | 100% | - |

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.

Signed:



David Dicker
CEO and Chairman
Sydney, 28 February 2022

