

# ANNUAL GENERAL MEETING

MAY 2022



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**DICKER**  
DATA



# FINANCIAL UPDATE

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# 2021 HIGHLIGHTS

**\$2.5b**

Total Revenue

▲ Up 24.2% YOY

**\$118.7m**

EBITDA

▲ Up 29.9% YOY

**\$520m**

Recurring Revenue

▲ Up +19.7% YOY

**\$73.6m**

Net Profit After Tax

▲ Up 28.6% YOY

**42.6c**

Earnings Per Share

▲ Up 25.6% YOY

Dicker Data acquired Exeed to create New Zealand's 2nd largest technology distributor



**6,200**

Active AU Partners



**2,000**

Active NZ Partners

**ARN**  
FROM IDG

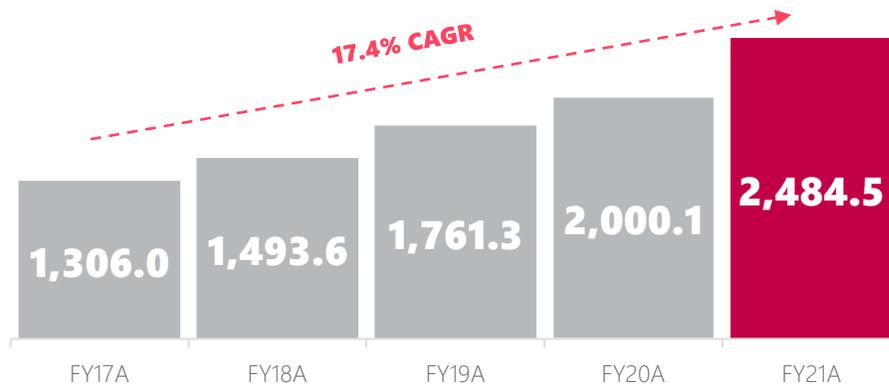
We were named ARN's **Diversity & Inclusion Champion**

December 2021 was our **largest revenue month** ever at \$300M

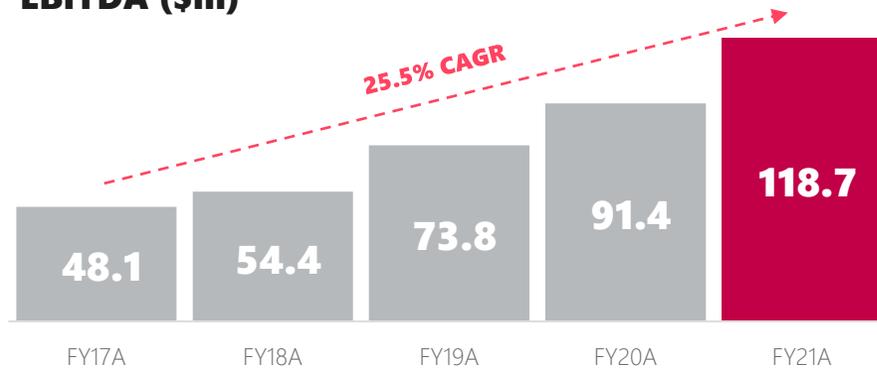
Australia relocated to new custom built facility

# FINANCIAL TRENDS – FY21

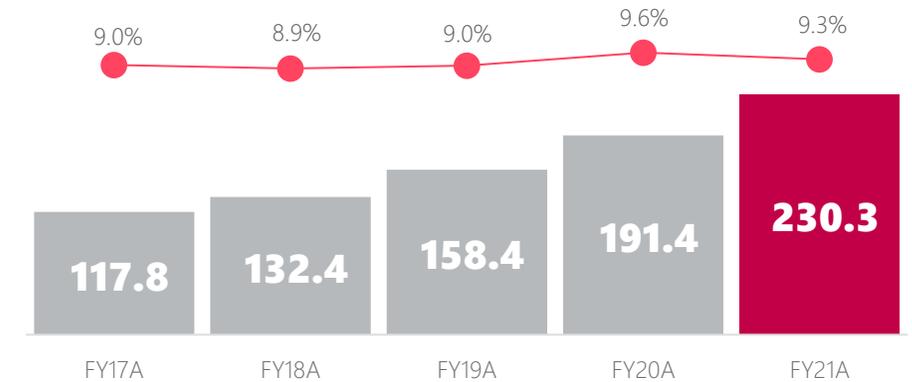
## REVENUE (\$m)\*



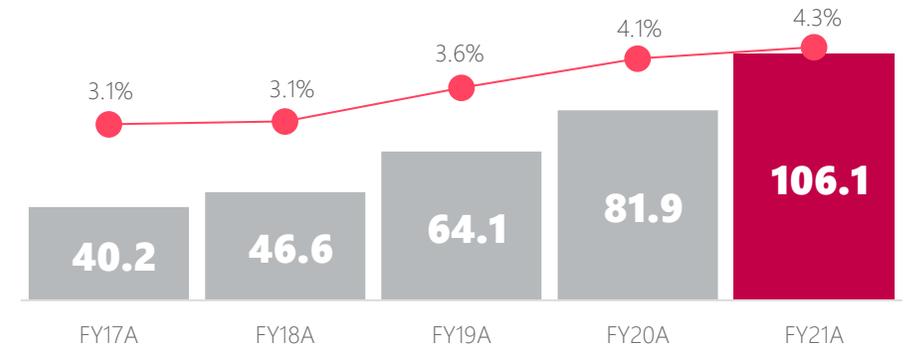
## EBITDA (\$m)\*



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



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



\*Excludes profit on sale of property in 2019 and in 2021 excludes one-off acquisition transaction costs. \*\*Excludes profit on sale of property and cost of the employee share scheme in 2019 and in 2021 excludes one-off acquisition costs

# FY21 GROUP RESULTS

- Revenue growth for the Group of 24.2%.
- Recurring software revenue grew 19.7% to \$520m.
- Gross profit margin slightly abated to 9.3% compared to FY20 as the market normalised following the opportunities created by the pandemic and supply chain disruption.
- Operating costs increased by 15.2% on FY20 but declined as a proportion of revenue to 4.7% (down from 5.1%) as the Company continues to benefit from scale.
- Operating profit before tax increased by 29.6%, excluding one-off transactions costs related to the acquisition of the Exeed business.

12 months (\$m)	Dec-21	Dec-20	Increase
Total Revenue	2,484.5	2,000.1	24.2%
Gross Profit	230.3	191.4	20.3%
Gross Margin	9.3%	9.6%	
EBITDA*	118.7	91.4	29.9%
Operating Profit Before Tax*	106.1	81.9	29.6%
PBT Margin	4.3%	4.1%	
Net Profit After Tax	73.6	57.2	28.6%

\*Excluding one-off acquisition transaction costs

# FY21 RESULTS NZ

- Revenue growth of 127.6% with 5 months contribution of Exeed business.
- Exeed revenue contribution was \$152.1m.
- Excluding Exeed contribution, New Zealand revenue grew 27.3%.
- Whilst gross profit margin was down to 7.6% with introduction of the retail business, gross profit increased by 97.9%.
- Profit before tax increased 221.6% to \$6.6m.

12 months (nz\$m)	Dec-21	Dec-20	Increase
Total Revenue	345.3	151.8	127.6%
Gross Profit	26.3	13.3	97.9%
Gross Margin	7.6%	8.8%	
EBITDA	9.8	3.1	218.4%
Operating Profit Before Tax	6.6	2.1	221.6%
PBT Margin	1.9%	1.4%	
Net Profit After Tax	5.0	1.4	248.8%

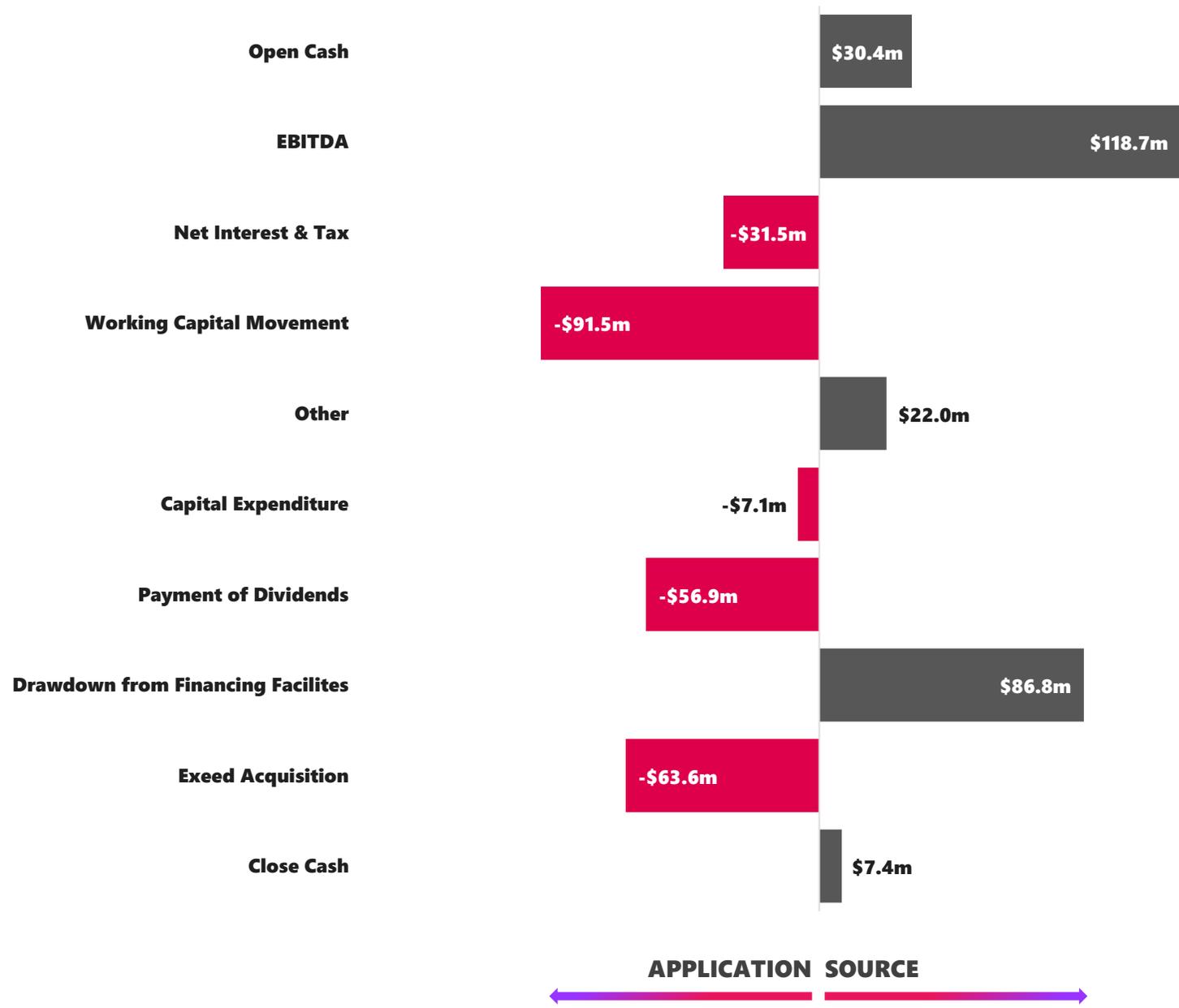
# FY21 BALANCE SHEET

- The Company has increased its working capital investment as a result of the Exeed acquisition and has made further strategic inventory investments during this period of supply chain disruption.
- These investments have been funded by debt which has increased the Company's leverage. The Company's ability to service that debt has continued to improve.

12 months (\$m)	Dec-21	Dec-20
Net Working Capital (\$m)	258.6	167.0
Net Working Capital Days	35.0	27.3
Debt to Equity	1.3x	0.7x
Debt Service Cover Ratio	28.4x	27.1x
Net Tangible Assets (\$m)	79.7	136.7

Net Assets (in \$m)	Dec-21	Dec-20
Cash and equivalents	7.4	30.4
Accounts receivable	455.5	327.0
Inventory	201.3	113.2
Total current assets	664.2	470.6
PP&E, net	82.3	78.0
Goodwill & Intangibles	98.6	24.9
Other assets	9.0	8.4
Total assets	854.1	581.9
Accounts payable	398.2	273.2
Borrowings	170.2	120.0
Other current liabilities	31.2	20.6
Total current liabilities	599.6	413.8
Borrowings	60.0	0.0
Other long-term liabilities	16.3	6.5
Total Liabilities	675.8	420.3
<b>TOTAL NET ASSETS</b>	178.3	161.6
Shareholders' Equity		
Share Capital	139.5	131.8
Reserves	0.3	0.3
Retained earnings	38.4	29.6
<b>TOTAL EQUITY</b>	178.3	161.6

# FY21 CASH FLOW



# FY21 DIVIDENDS

- The FY21 dividend of 42.0 cps represents an increase of 27.3% up from 33.0 cps in FY20.
- Dividends include a final dividend for FY21 paid on 1 March 2022 at 15.0 cps.
- In FY22 the Company intends to maintain its 100% dividend policy and to continue paying interim dividends in quarterly instalments.
- The proposed interim dividends for FY22 will be at 13.0 cps with first interim dividend declared 11 May 2022, to be paid 1 June 2022.
- Including the final dividend for FY21 paid in March 2022 and the 3 interim dividends of 13.0cps, total dividends that are expected to be paid during the year are 54.0cps, an increase of 44.0%
- The DRP will be retained for FY22.

Payment Date	Dividend (CPS)	Type	Amount Franked
01-Jun-21	0.090	Interim	100%
01-Sep-21	0.090	Interim	100%
01-Dec-21	0.090	Interim	100%
01-Mar-22	0.150	Final	100%
Total	0.420		

# Q122 GROUP RESULTS

- With the addition of the Exeed business not in comparable quarter, revenue growth for the Group of 50.5%.
- The revenue split between Australia and New Zealand (ANZ) was \$534.9m and \$138.7m respectively, with Exeed contributing \$90.3m to the ANZ total.
- Gross profit margin finalised lower for the quarter, down from unusually high Q1 21 levels, impacted by product mix and lower margin retail business in NZ.
- Operating costs increased by 17.5% on Q1 21 but declined as a proportion of revenue to 4.4% (down from 5.1%) as the Company continues to benefit from top line scale both organically and via acquisition.
- Operating profit before tax increased by 22.4%.

3 months (\$m)	Mar-22	Mar-21	Increase
Total Revenue	673.6	447.7	50.5%
Gross Profit	57.7	44.8	28.8%
Gross Margin	8.6%	10.0%	
EBITDA	28.2	21.6	30.6%
Operating Profit Before Tax	23.8	19.4	22.4%
PBT Margin	3.5%	4.3%	
Net Profit After Tax	17.6	13.6	29.4%

# WAREHOUSE EXPANSION

- With the completion of new Kurnell distribution facility in February 2021, warehouse space increased by over 80% to 22,965 sqm, and office, amenities and circulating space doubled to over 5,960 sqm.
- Increased inventory holdings and continued technology portfolio diversification has resulted in near capacity utilisation of the new warehouse in just over 12 months.
- Planning for stage two of the warehouse expansion has commenced. Building plans are expected to be finalised in the coming weeks and the building project will go to tender in June 2022.
- Stage two of the warehouse provides an increase of 16,636 sqm and further cements the Company's ability to continue to expand operations and meet market demand.





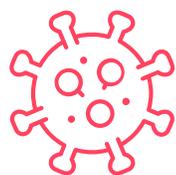
# **BUSINESS UPDATE**

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# MARKET CHALLENGES

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Despite the top three market challenges faced in 2021, Dicker Data has successfully navigated the changing dynamics



## COVID-19 PANDEMIC

- Demand for end-user compute products remains strong as more companies embrace long-term work from anywhere arrangement.
- Return to the office in 2022 is driving demand for smart office and Pro AV equipment.



## CHIP SHORTAGES

- Strategic investment into holding the right stock mix to service demand.
- Long-range forecasting to ensure as predictable supply as possible.
- Leveraging our ecosystem to fulfil demand.



## LOGISTICS CONSTRAINTS

- Increased breadth and depth of partnerships with logistics provider.
- Further investment into automation and efficiency gains to increase transparency to partners and create more predictable delivery windows.

# UPDATE ON EXEED

## OPERATIONAL UPDATE

- \$90.3M revenue contribution in Q1 22.
- Full integration of the ANZ business operations expected in June 2022.
- Well-positioned to capitalise on upcoming Australian end of Financial Year with both commercial and retail offerings.

## NZ OFFICE AND WAREHOUSE RELOCATION

- Office facilities are being relocated to Parnell, Auckland, which is located in close proximity to a number of key vendor partner head offices and will enable the Company to have all office-based staff operating out of a single 880m<sup>2</sup> location with over 100 desks.
- Easy access to public transport for staff and visitors.
- The new warehouse location is in the Manukau industrial precinct. Strategically positioned close to key arterial routes and motorways, the new warehouse significantly increases capacity by 128% to 9,159m<sup>2</sup>.

9,159m<sup>2</sup>  
Warehouse  
**128%**  
increase



# INTRODUCING

**DICKER**  
D A T A



## ACCESS AND SURVEILLANCE

- Acquisition of Hills Security and IT division completed on 2 May 2022.
- Launched new Dicker Data Access and Surveillance (DAS) division with a nationwide network of nine trade centers, marking the dawn of a new era in security, access control and surveillance distribution.
- Over 4,500 new customer accounts created.
- Over 2,400 accounts with credit terms novated in first 14 days.
- Over 1,000 partners have transacted DAS products with the Company in the first 14 days.
- Over 100 staff transitioned to form the DAS team.

## OPPORTUNITIES

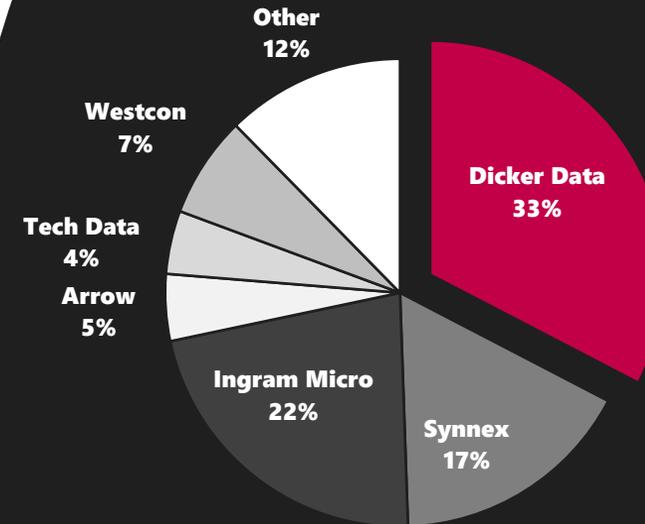
- The Access Control and Surveillance markets are converging with the traditional IT channel.
- Proactively introducing Dicker Data's extensive existing partners base to this new range of technology and solutions, unlocking new revenue streams.
- Opportunity to leverage synergies between the two businesses to accelerate growth.
- Significant opportunity to modernise Security, Access Control and Surveillance distribution by leveraging Dicker Data's best-in-class finance, marketing, IT and operations capabilities.



# IT MARKET AND OUR STRATEGY

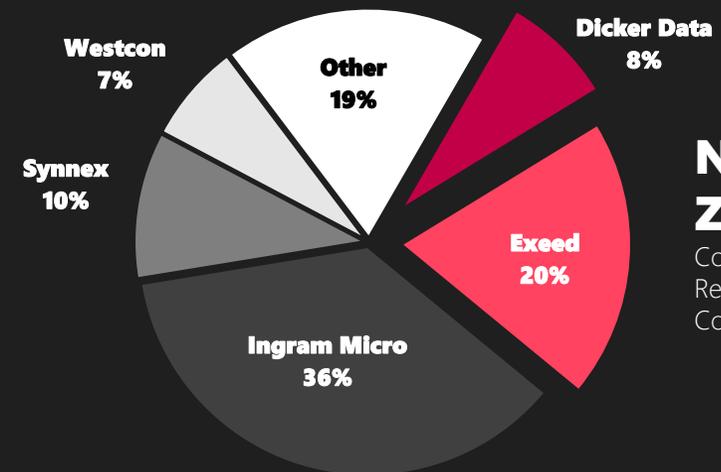
- We have continued to grow our share of both the Australian and New Zealand IT market, commanding a dominant number one position in Australia and with the platform to become number one in New Zealand following the Company's acquisition of Exeed.
- Our focus on the corporate, commercial and enterprise sector has delivered material growth as businesses across ANZ continue to accelerate their digital transformations.
- We are constantly evaluating the technology landscape for opportunities to accelerate our growth, as exemplified by the Company's recent acquisition of the Exeed Group and the Hills Security and IT division.
- Our focus on growing our active partner base has seen the Company trade with over 8,200 reseller partners in 2021.
- The Company will benefit from an entry into the Retail distribution market via the Exeed business in 2022. This represents a significant untapped market opportunity in ANZ for the Company.

## IT DISTRIBUTION MARKET SHARE



### AUSTRALIA

Corporate, Commercial and Enterprise only



### NEW ZEALAND

Consumer, Large National Retail, Corporate, Commercial and Enterprise

# ANZ VENDOR PORTFOLIO



# INDUSTRY RECOGNITION

Australia and New Zealand in 2021



**ASUS NZ**  
Motherboard  
Distributor of the  
Year



**Checkpoint**  
Top Cloud  
Distribution  
Partner of the Year



**Cisco**  
APJC SB Marketing  
Innovation &  
Excellence



**Dell  
Technologies**  
Distributor of  
the Year



**Honeywell NZ**  
Distributor of  
the Year



**HP**  
PC Distributor of  
the Year - AU



**Intel**  
Highest DCG  
Revenue  
Growth - APJ



**Juniper**  
Distribution  
Partner  
of the Year



**Lenovo NZ**  
IDG Distributor of  
the Year



**Microsoft**  
#1 Fastest Growing  
Teams Distributor  
in APJ



**Microsoft NZ**  
Global Runner Up  
Indirect Provider  
Partner of the  
Year!



**Poly**  
Distributor  
of the Year



**SecurID – RSA**  
outstanding  
commitment,  
dedication &  
support



**Seagate**  
APAC Distributor  
of the Year



**Seagate**  
Highest Growth  
Distributor



**Trend Micro**  
Distributor of  
the Year



**Veritas**  
Distributor of  
the Year - APJ



**ARN**  
Hardware  
Distributor of the  
Year



**ARN**  
Diversity and  
Inclusion  
Champion

# 2021 & 2022 VENDOR ADDITIONS

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vmware®

**VMware**



Jabra<sup>GN</sup>

**Jabra**



Forcepoint

**ForcePoint**



COMMSCOPE<sup>®</sup>  
RUCKUS<sup>®</sup>

**Commscope Ruckus**



NVIDIA<sup>®</sup>

**NVIDIA Mellanox**



PHILIPS  
Monitors

**Philips**



StarTech.com<sup>®</sup>

**StarTech**



inseego

**Inseego**



neat.

**Neat**



zoom

**Zoom**

Excluding new vendor agreements from the acquisition of the Exeed group.

# DAS VENDOR ADDITIONS

Plus over  
**30**  
ECOSYSTEM  
VENDORS

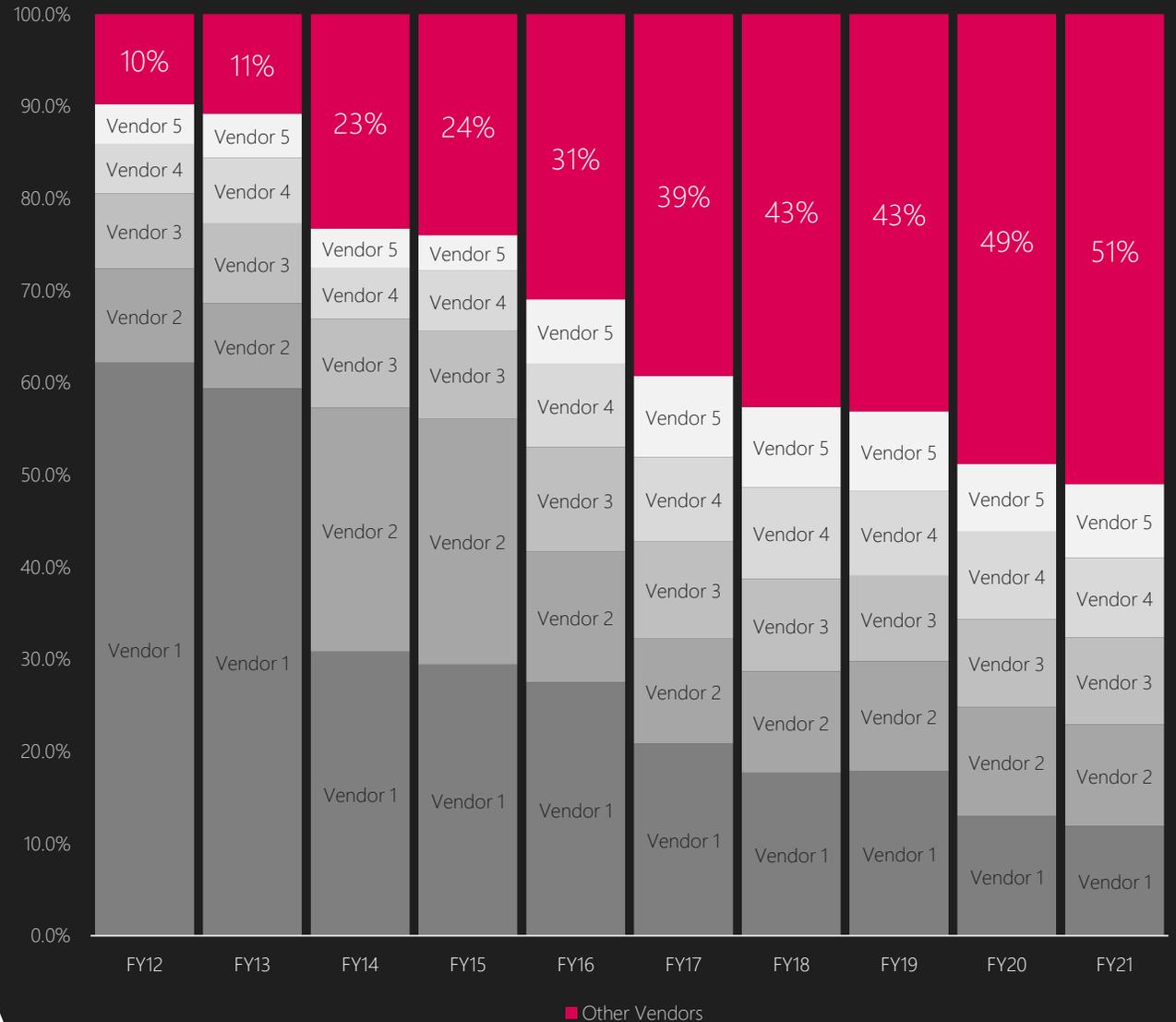


# LONG-TERM VENDOR RELATIONSHIPS

- Dicker Data has continued to introduce new vendors to reduce reliance on any single vendor.
- 9 new vendors in key strategic segments were added in FY21.
- Top 5 vendors overall contribution has reduced from 90% in FY12 to 49% in FY21.
- The recent acquisitions of the Exeed and Hills SIT businesses highlights and reaffirms this strategy and will continue to dilute concentrations.

## MAJOR VENDOR CONCENTRATION

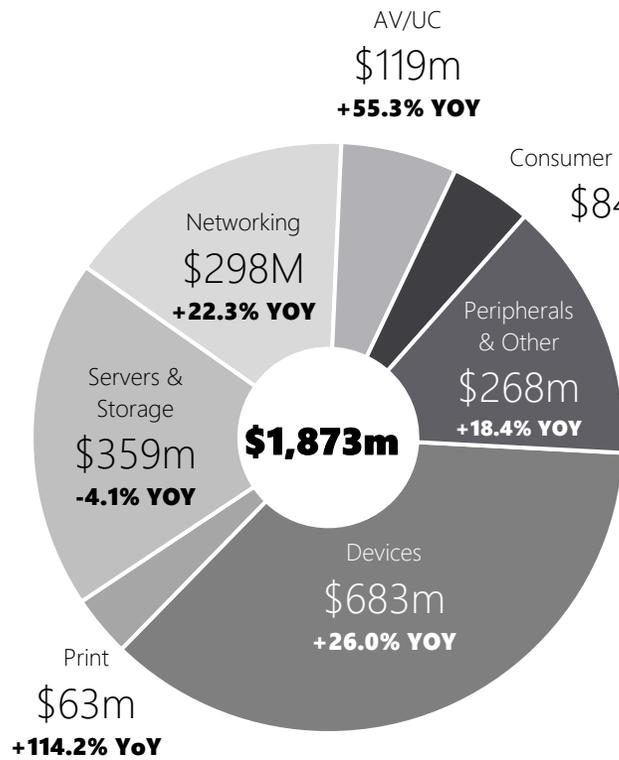
% of sales



# REVENUE CATEGORY

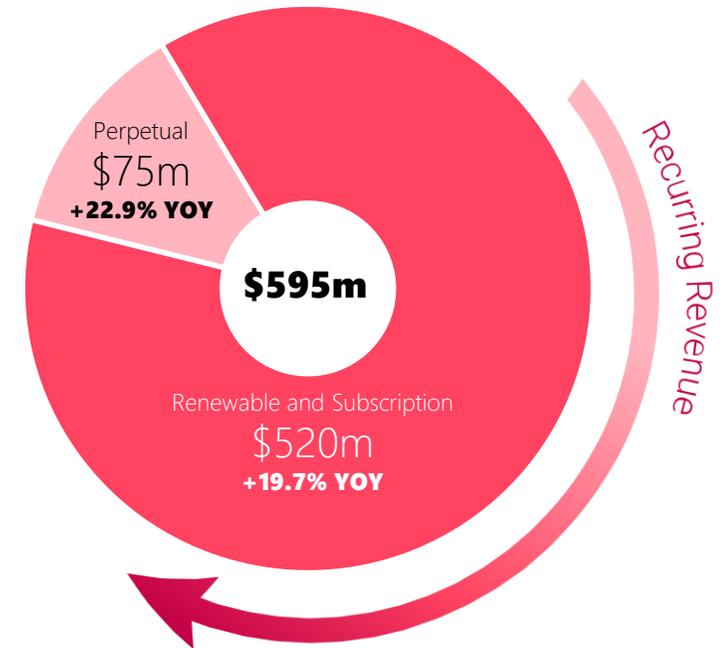
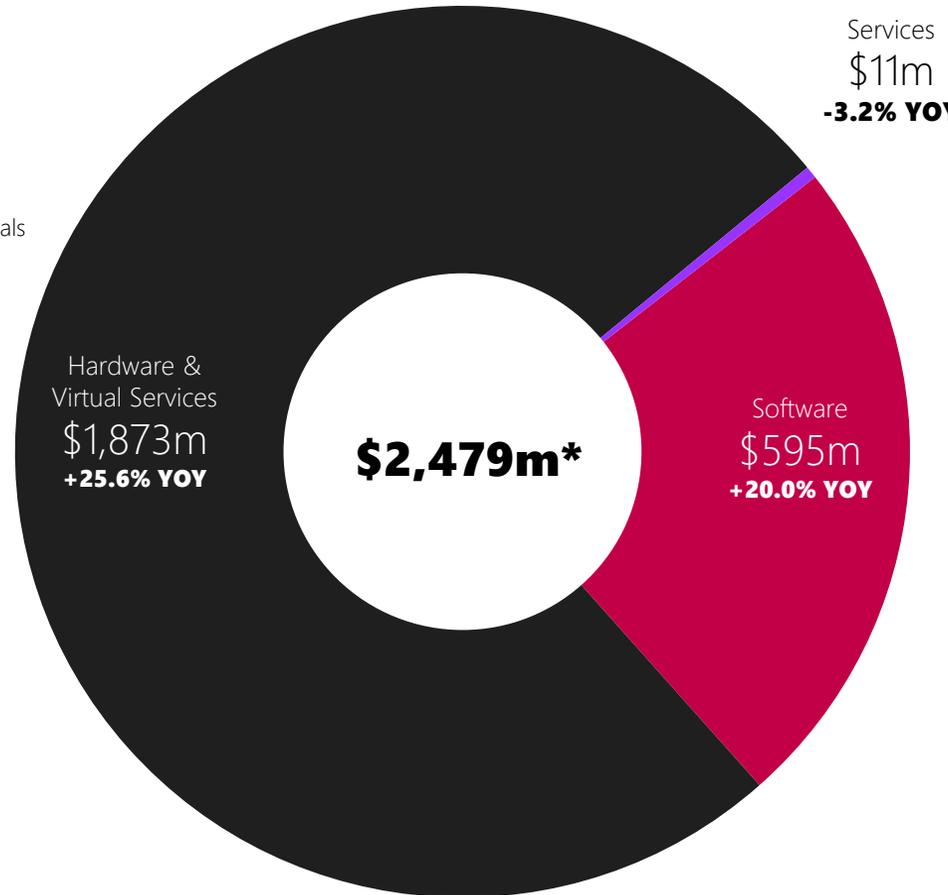
Splits and growth

\*Revenue from the sale of goods and services.



## HARDWARE

by product category



## SOFTWARE

by billing method

# 2022 OPPORTUNITIES

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**SECURITY**



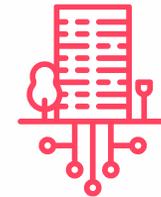
**SOFTWARE**



**DEVICES**



**HYBRID CLOUD**



**SMART OFFICE**



**PRO AV & UNIFIED  
COMMUNICATIONS**



**DATACENTRE  
INFRASTRUCTURE**



**NETWORKING  
INCLUDING 5G**



**RETAIL MARKET**



**MARKET  
CONVERGENCE  
TRENDS**

# 2022 FOCUS

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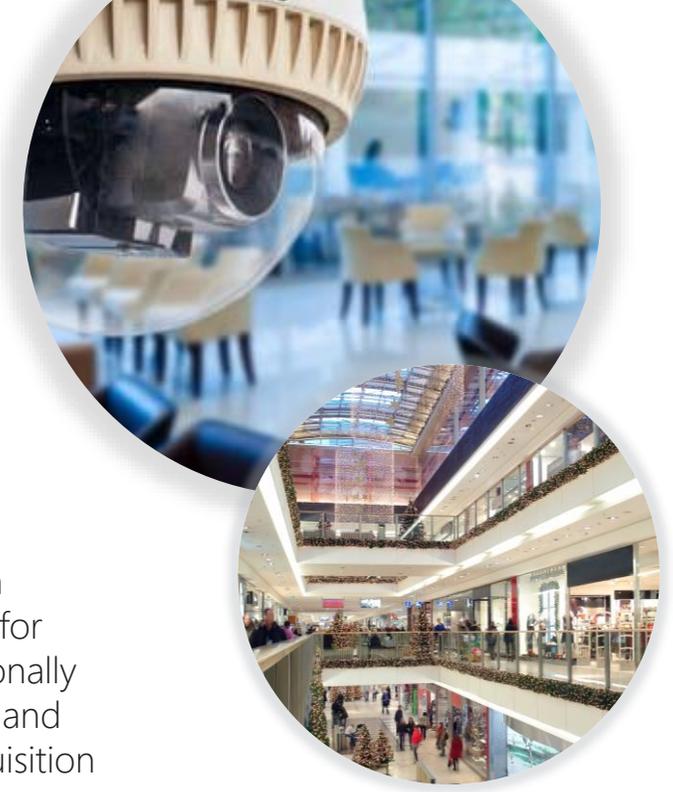
## **ACCESS CONTROL AND SURVEILLANCE**

The Access Control and Surveillance (Security) markets have begun converging with the traditional IT channel, creating an opportunity for Dicker Data to capitalise on an entirely new market that was traditionally adjacent to IT. The Company recently launched Dicker Data Access and Surveillance (DAS) following the completion of the Company's acquisition of the Hills Security and IT division.



## **RETAIL MARKET**

Following the successful acquisition and integration of the Exeed business in Australia, we are focused on leveraging the expertise, partnerships and access we now have to grow our presence in the retail market. With the total integration of the Exeed ANZ operations expected to be complete in June 2022, we also expect our New Zealand business to accelerate its entry into the retail market with a number of vendor partnerships.



# 2022 FOCUS

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## 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.

## UNIFIED COMMUNICATIONS (UC) / AUDIO AND VISUAL (AV)

Dicker Data has grown to become the leading distributor for the unified communications (UC), audio visual (AV), automatic identification and data capture (AIDC) and electrical 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. Continued growth in this area will come from the return to the office trend coupled with workers being granted long-term flexible working arrangements.



# 2022 FOCUS

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## **WORK FROM ANYWHERE (WFA)**

Devices, peripherals, networking and many more IT products underpin the success of the work from anywhere (WFA) movement. We expect to see continued growth across our entire product portfolio that supports the work from anywhere movement. Furthermore, the release of Windows 11 and the ongoing concerns around cybersecurity will drive device refresh and growth in our software portfolio.





**THANK YOU**

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