

25 July 2022

## H1 FY22 Market Update

AUSTRALIA, Sydney – 25 July 2022: Dicker Data (ASX: DDR) (Company) today announces an update on its earnings result and operational trading performance for the half year ended 30 June 2022 (H122).

### H1 2022 Results

Summary of results and highlights for H1 2022 are as follows:

Unaudited Results 6 months to:	\$m Jun-22	\$m Jun-21	\$m Increase	% Increase
Revenue	1,459	1,069	390	36%
EBITDA	61	51	10	20%
Operating Profit Before Tax*	51	46	5	11%

\*Excluding one-off costs of \$1.6m relating to Hills acquisition

- Strong revenue growth for the half year with unaudited revenue finalising at approximately \$1,459m, an increase of about 36% on the prior corresponding period
- The increase in revenue is partly attributed to a full six-month contribution from the Exeed acquisition, which was completed on 6 August 2021, with the balance attributable to organic growth from existing and new vendors
- The revenue contribution from the Exeed business for H122 across Australia and New Zealand was \$192m
- The first half result also includes two months contribution from the Dicker Data Access and Surveillance (DAS) business following the acquisition of the Hills Security and IT (SIT) division, accounting for \$18m in revenue
- Excluding the contribution from Exeed and DAS, underlying organic revenue growth was at approximately 17%
- In line with our Q1 FY22 update, supply chain disruptions have continued and together with the introduction of the Exeed retail business and increased freight costs, gross margins were 8.8% for H122
- The Company continues to expect gross margins of approximately 9.0% for the full year ending 31 December 2022
- Operating Profit Before Tax was a record \$51m for H122, an increase of 11% (\$5m) on the prior corresponding period. This includes \$1.6m of acquisition related amortisation that was not included in H122



## Operational Update

The Company delivered strong growth in H122 as a result of the continued digital transformation of the corporate, commercial and Government sectors in Australia and New Zealand. Demand remains strong across the Company's product portfolio highlighting IT distribution's essential role in enabling access to technology and the appetite of the local market for technology services and products. This trend shows no signs of slowing as the digital transformation continues. Advanced solutions, such as infrastructure, networking, security and software have returned high levels of growth as business confidence also edges higher. Demand for end-user computing and devices has normalised, while the Company's Professional AV division continues to grow above expectations.

Stock and logistical challenges remain constant and are forecast to continue into 2023. However, the Company is fulfilling more orders and shipping more stock than in previous years, demonstrating a significant shift from supply-driven constraints to demand outstripping supply. The Company has a wealth of knowledge in managing these challenges and is proactively working with its customers to manage expectations and reduce the impact of the supply chain on their businesses.

As anticipated, The Exeed acquisition was a significant contributor to revenue growth in the first half accounting for \$192m. The integration of the New Zealand business is well advanced with the operations of both Dicker Data New Zealand and Exeed now functioning out of one distribution centre location, with a city fringe office. The integration of the Exeed business across Australia and New Zealand will be fully completed in the second half of 2022.

For the half year, the two-month revenue contribution from the newly created Dicker Data Access and Surveillance (DAS) business, following the acquisition of the Hills Security and IT (SIT) division, accounted for \$18m. The acquisition was completed on 2 May 2022 providing Dicker Data with our first concerted attempt to capitalise on the access control and surveillance market in FY22. From this date, Dicker Data transitioned more than 100 of the Hills team members and novated over 50 vendor contracts. The purchase price, based on a premium to the net assets sold, was estimated at \$19.4m. A final adjustment for net assets acquired was settled on 20 June 2022 resulting in additional payment of \$1.9m bringing the total purchase price to \$21.3m.

The acquisition of the Hills SIT division provides access to a new market segment in access control and surveillance, such as security cameras, network video recorders (NVRs) and many more technologies that represent a significant untapped opportunity for the Company. This market, similarly to Professional AV two years ago, is converging with the traditional IT channel that we service, presenting an opportunity to not only capture new customers in the access control and surveillance markets, but to open these security solutions to our extensive existing partner network across Australia and New Zealand and offer our partners a full range of market leading security solutions.

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Cybersecurity continues to be a key focus for all sectors in 2022, with intelligent solutions such as Zero Trust enabling secure, compliant, and protected technology environments. Cyber-attacks continue to increase as businesses and consumers centre more of their lives around technology, in turn driving awareness and demand for modern cybersecurity solutions. We are anticipating a high level of growth in the adoption of automation, machine learning and data capture and analysis tools as businesses and governments prioritise efficiency and productivity within their operations.

## Interim Financial Report

The audited Appendix 4D and Interim Financial Report for FY22 will be released on Tuesday, 30 August 2022 where full details of the FY22 half year results will be provided.

## Webcast

The Company will host a teleconference and webcast of its FY22 half year results on Tuesday, 30 August 2022 at 2:00pm AEST. The teleconference and webcast will be hosted by the following members of the Dicker Data Board:

- David Dicker, Chairman and Chief Executive Officer
- Mary Stojcevski, Executive Director and Chief Financial Officer
- Vlad Mitnovetski, Executive Director and Chief Operating Officer

Shareholders can register for the conference call with the below links:

Conference Call Registration: <https://s1.c-conf.com/DiamondPass/10023447-uy867h.html>

Audio Webcast with synchronised slides: <https://webcast.openbriefing.com/8925/>

Authorised for release by the Board of Dicker Data Ltd.

David Dicker  
Chairman & CEO

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## ABOUT DICKER DATA

Dicker Data (ASX: DDR) is an Australian-owned and operated, ASX-listed technology hardware, software, [cloud](#), cybersecurity, [access control and surveillance](#) distributor with over 44 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 8,200 resellers across ANZ. 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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