

DICKER
D A T A

AGM

ANNUAL GENERAL MEETING 2023



WWW.DICKERDATA.COM.AU

AGENDA

1. Welcome Note
2. Chairman's Address
3. Full Year Results
4. Company Update
5. Questions
6. Voting





WELCOME & CHAIRMAN'S ADDRESS



BOARD OF DIRECTORS



David Dicker

Founder, Chairman and
Chief Executive Officer



Mary Stojcevski

Executive Director and
Chief Financial Officer



Vlad Mitnovetski

Executive Director and
Chief Operating Officer



Ian Welch

Executive Director, Chief Information
Officer and Director of Operations



Fiona Brown

Co-Founder and
Non-Executive Director



Kim Stewart-Smith

Non-executive Director



Leanne Ralph

Non-executive Director



FINANCIAL UPDATE

2022 HIGHLIGHTS

\$3.1b

Total Revenue

△ Up 25.0% YOY

\$129.8m

EBITDA

△ Up 9.4% YOY

\$743.9m

Recurring Revenue

△ Up +42.5% YOY

\$73.0m

Net Profit After Tax

▽ Down -0.7% YOY

54.0c

Dividends Paid Per Share

△ Up +44.0% YOY

Launched Dicker Access and Surveillance (DAS) in the Australian market



8,200
Active AU
Partners



2,000
Active NZ
Partners

Construction of warehouse expansion commenced in late FY22

ARN

Diversity & Inclusion
Champion

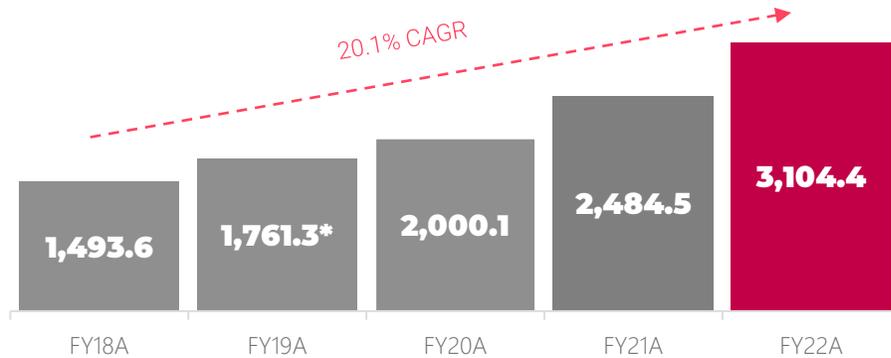
3RD CONSECUTIVE YEAR

Hardware
Distributor of
the Year

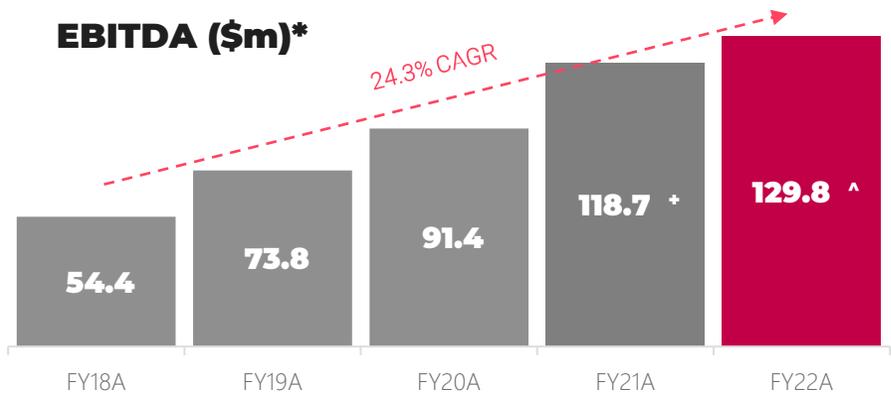
10TH CONSECUTIVE YEAR

FINANCIAL TRENDS – FY22

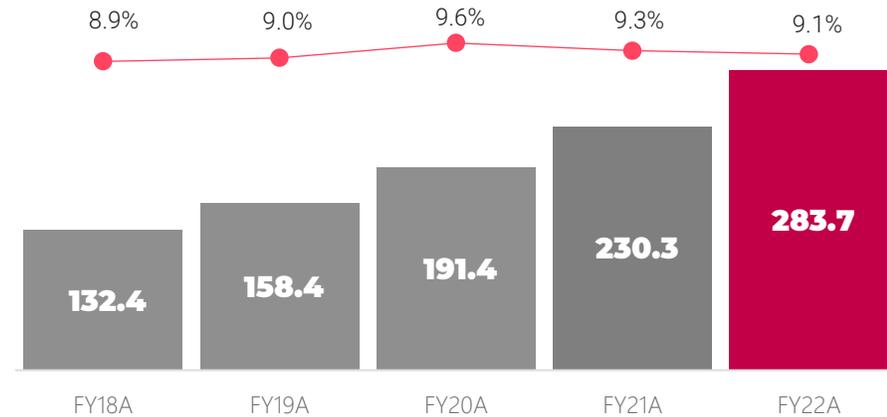
REVENUE (\$m)



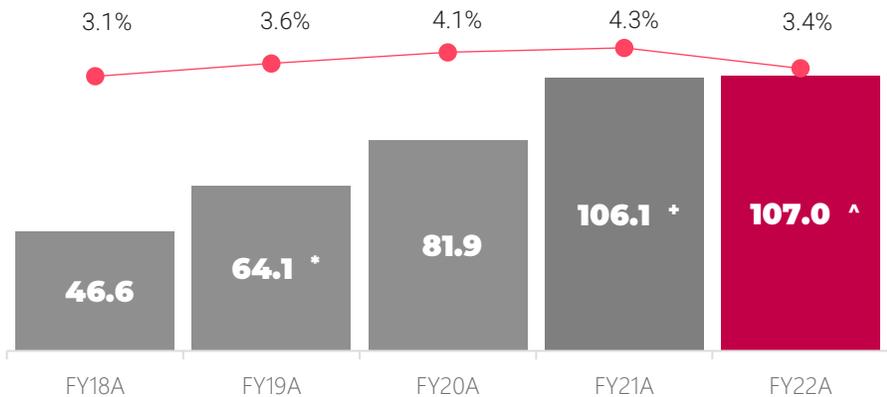
EBITDA (\$m)*



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



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



* FY19 – Revenue excludes profit on sale of property ** FY19- NPBT excludes profit on sale of property and cost of employee share scheme.

+ FY21 – NPBT excludes one off acquisition transaction costs of \$978k

^ FY22 – NPBT excludes one off integration and restructure costs of \$2.1m

FY22 RESULTS CONSOLIDATED GROUP

- Revenue growth for the Group of 25.0%.
- Recurring software revenue grew 42.5% to \$743.9m.
- Gross profit margin slightly abated to 9.1% with the overall result impacted by lower than expected margins in New Zealand
- Operating costs, excluding one off costs, increased by 32.4%, also increasing as a proportion of revenue to 5.0%, up from 4.7%, with the Company yet to fully synergise operating costs brought on by both the Exeed and Hills acquisitions.
- Operating profit before tax increased by 0.9%, excluding one-off integration and restructure costs of \$2.1m.

12 months (\$m)	Dec-22	Dec-21	Change
Total Revenue	3,104.4	2,484.5	+25.0%
Gross Profit	283.7	230.3	+23.2%
Gross Margin	9.1%	9.3%	
EBITDA*	129.8	118.7	+9.4%
Operating Profit Before Tax*	107.0	106.1	+0.9%
PBT Margin	3.4%	4.3%	
Net Profit After Tax	73.0	73.6	-0.7%

*Excluding one-off costs

FY22 RESULTS AUSTRALIA

- Revenue growth for Australia of 18.4%.
- Gross profit margins increased to 9.7% compared to FY21 with the early signs of supply normalisation and diversification of product mix.
- Operating costs increased by 28.6% and increasing as a proportion of revenue to 5.1%, up from 4.7% with the company taking on the operating costs of the Hills business and general inflationary impacts.
- Interest costs increased by 212.0% with impact of increased debt levels and rising interest rates.
- Operating profit before tax increased by 3.6%, excluding one-off costs related to integration and restructure cost with the recent acquisitions.

12 months (\$m)	Dec-22	Dec-21	Change
Total Revenue	2,554.7	2,157.4	+18.4%
Gross Profit	247.7	205.5	+20.5%
Gross Margin	9.7%	9.5%	
EBITDA*	119.2	109.4	+9.0%
Operating Profit Before Tax*	103.4	99.8	+3.6%
PBT Margin	4.0%	4.6%	
Net Profit After Tax	71.1	68.8	+3.3%

*Excluding one-off costs

FY22 RESULTS NEW ZEALAND

- Revenue growth of 74.1% with the full year contribution of the Exeed business, which was fully integrated by second half of FY22
- The introduction of the retail business in New Zealand has further eroded margins down to 6.5%
- Operating costs increased by 63.0% reflecting the Exeed full year contribution, with opex % falling to 4.5% from 4.8%.
- Included in operating costs is \$2.0m for amortisation of intangibles.
- Profit before tax decreased by 42.4% to \$3.8m or 0.6% net profit margin

Results are reflected in \$NZD.

12 months (\$NZD)	Dec-22	Dec-21	Change
Total Revenue	601.5	345.5	+74.1%
Gross Profit	39.3	26.3	+49.4%
Gross Margin	6.5%	7.6%	
EBITDA*	11.5	9.8	+17.3%
Operating Profit Before Tax*	3.8	6.6	-42.4%
PBT Margin	0.6%	1.9%	
Net Profit After Tax	2.1	5.0	-58.0%

* Excluding one off costs

FY22 BALANCE SHEET

The Company has increased its working capital investment as a result of both the Exeed and Hills acquisitions and continues to make further strategic inventory investments during this period of supply chain disruption.

In 2022 these investments have been funded by Equity increases through a Capital and SPP raising (+\$70.2m) and DRP (+\$3.0m), as well as an increase in debt of \$61.5m which has maintained the Company's leverage.

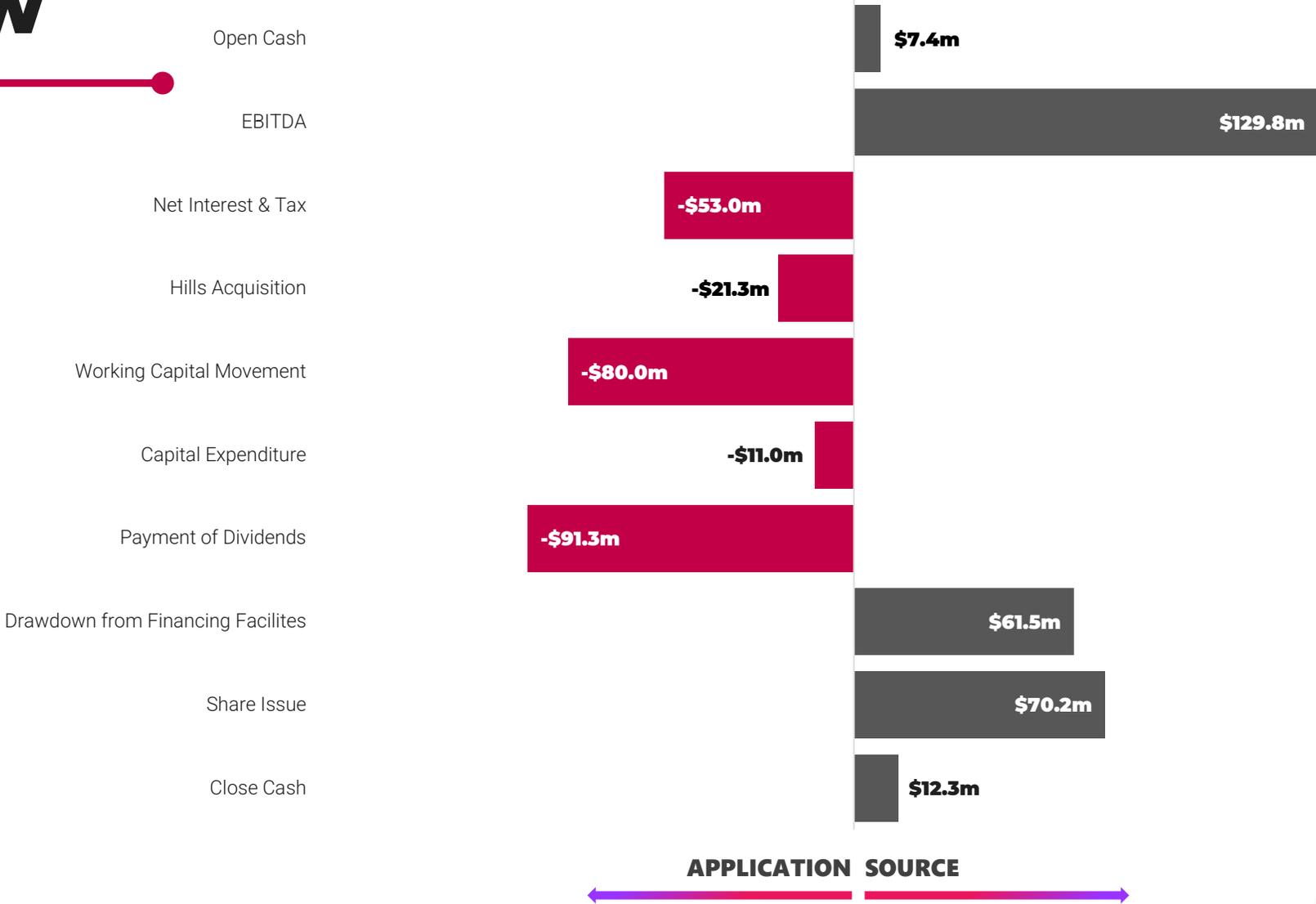
Increased debt levels and recent interest rate increases have impacted the Company's debt servicing index compared to last years levels.

12 months (\$m)	Dec-22	Dec-21
Net Working Capital (\$m)	359.1	258.6
Net Working Capital Days	39.7	35.0
Debt to Equity	1.27x	1.29x
Debt Service Cover Ratio	12.13x	28.37x
Net Tangible Assets (\$m)	133.9	79.7

Net Assets (in \$m)	Dec-22	Dec-21
Cash and equivalents	12.3	7.4
Accounts receivable	581.8	455.5
Inventory	261.7	201.3
Total current assets	855.7	664.2
PP&E, net	87.6	82.3
Goodwill & Intangibles	96.0	98.6
Other assets	27.4	9.0
Total assets	1066.7	854.1
Accounts payable	484.4	398.2
Borrowings	241.7	170.2
Other current liabilities	26.5	31.2
Total current liabilities	752.6	599.6
Borrowings	50.0	60.0
Other long-term liabilities	34.0	16.3
Total Liabilities	836.6	675.8
TOTAL NET ASSETS	230.1	178.3
Shareholders' Equity		
Share Capital	212.7	139.5
Reserves	0.2	0.3
Retained earnings	17.2	38.4
TOTAL EQUITY	230.1	178.3

FY22 CASH FLOW

Source and Application of Cash



DIVIDENDS

- The FY22 dividend of 41.5 cps presents a decrease of 1.2% down from 42.0 cps in FY21.
- Dividends include a final dividend for FY22 that was paid on 1 March 2023 at 2.5 cps.
- In FY23 the Company intends to maintain its 100% dividend policy and to continue paying interim dividends in quarterly instalments.
- The proposed interim dividends for FY23 will be at 10.0 cps with the first interim dividend declared 11 May 2023, to be paid 1 June 2023.

Payment Date	Dividend (CPS)	Type	Amount Franked
01-Jun-22	13.0	Interim	100%
01-Sep-22	13.0	Interim	100%
01-Dec-22	13.0	Interim	100%
01-Mar-23	2.5	Final	100%
Total	41.5		

Q123 GROUP RESULTS

- The increase in revenue is partially attributed to full quarter contribution of the Hills acquisition (now DAS Division) not being in the comparative period, with the balance of growth (+9.7%) coming organically from existing and new vendors.
- The DAS division contributed \$33.4m in growth.
- Gross profit margin improved sharply back toward longer-term normal levels at 9.2%.
- Operating costs increased to 5.2% of revenues versus the comparative period at 4.4% as the company continues to work through operational refinements after recent acquisitions.
- Operating profit before tax and one-off costs increased by 8.8%.

3 months (\$m)	Mar-23	Mar-22	Increase
Total Revenue	772.3	673.6	14.7%
Gross Profit	70.9	57.7	22.8%
Gross Margin	9.2%	8.6%	
EBITDA*	34.0	28.2	20.5%
Operating Profit Before Tax*	25.9	23.8	8.8%
PBT Margin*	3.4%	3.5%	

* Excludes one off costs

KURNELL WAREHOUSE EXTENSION

- Stage 2 warehouse expansion works commenced in Q4 2022 and is expected to be completed in the second half of 2023, representing a further 70% increase on Stage 1 in warehouse capacity.
- The new warehouse will be internally connected to the existing warehouse, enabling the Company to scale its operations across an additional 16,636m².
- This brings total warehouse capacity to over 39,000 m² with approximately 8,500 additional pallet spaces to be added in the new expanded section of warehouse.
- Cost of construction, including fitout is estimated to be \$15.0m and construction is currently on time and on budget to be complete end of June 2023.
- Almost 1,000 new solar panels are being added to the roof of the new warehouse to increase the Company's ability to capture solar energy.



DAS ACQUISITION UPDATE

- Acquisition of Hills Security and IT division completed May 2022 and was re-branded as Dicker Data Access and Surveillance (DAS).
- The business was fully integrated in FY22 and is now focused on deriving maximum growth and profitability from the new division, delivering \$33.4m revenue in Q123.
- DAS is expected to operate at double the gross margin of our IT business in FY23, and whilst the business unit is yet to be profitable it is now well placed to deliver profits from Q223.
- A strong mix of access, surveillance and IT vendors are now established in the DAS division, enabling the Company to offer a complete ecosystem solutions.
- The convergence of the IT and security markets will accelerate in FY23 as the Company incorporates more infrastructure, cybersecurity, cloud storage and AI compute into DAS solutions.



CONNECT ACQUISITION UPDATE

- Capitalising on the security market convergence, we completed the acquisition of Connect Security Products Ltd in New Zealand in March 2023. This acquisition provides entry into the access and surveillance market in New Zealand.
- The business has been rebranded Connect and is now fully integrated into our New Zealand business.
- 548 new incremental reseller partners added in New Zealand.
- Expected to deliver double digit growth in H223
- 14 staff transitioned with the acquisition, with the previous owner appointed to run the business unit locally.





BUSINESS UPDATE

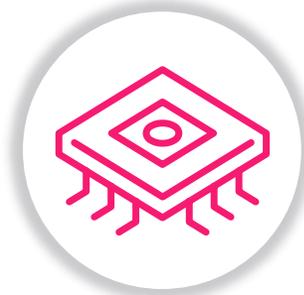
MARKET CHALLENGES

Despite the top three market challenges faced in 2022, Dicker Data has successfully navigated the changing dynamics.



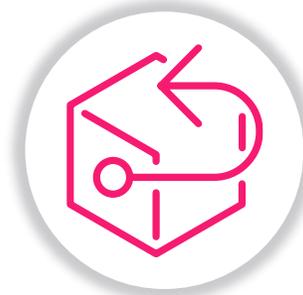
INCREASED PRESSURE ON WORKING CAPITAL

- Rising interest rates.
- Significant inventory holdings due to unpredictable shipments.
- Increased debtor days supporting credit in the channel.



CHIP SHORTAGES

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

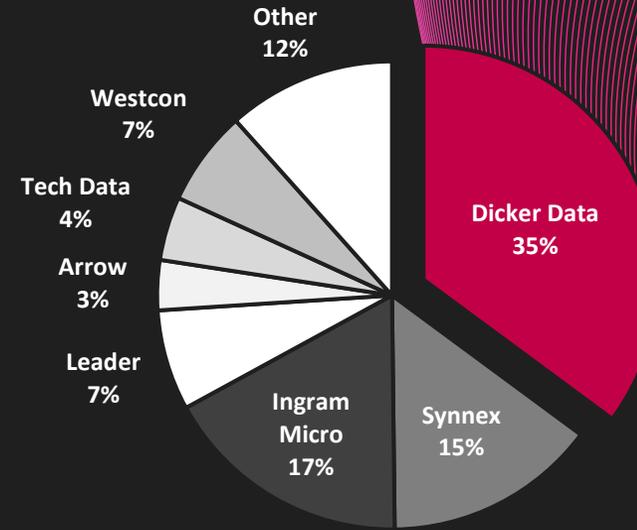


LOGISTICS CONSTRAINTS

- 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.

IT MARKET AND OUR STRATEGY

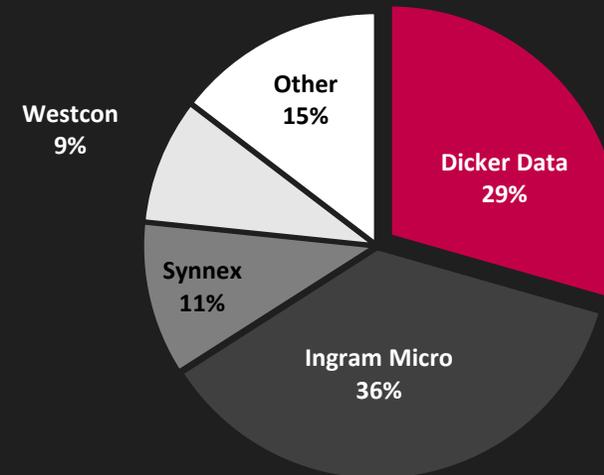
- We have continued to grow our share of both the Australian and New Zealand IT market, commanding a dominant number one position in Australia and with the platform to become number one in New Zealand following the Company's acquisition of Exeed.
- Our focus on the corporate, commercial and enterprise 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 10,200 reseller partners in 2022.



AUSTRALIA

Corporate, Commercial and Enterprise only

IT DISTRIBUTION MARKET SHARE



NEW ZEALAND

Consumer, Large National Retail, Corporate, Commercial and Enterprise

ANZ VENDOR PORTFOLIO



INDUSTRY RECOGNITION

APC

APC
Distributor of the
Year - NZ

DELL
Technologies

**DELL
TECHNOLOGIES**
Distributor of the
Year - APJ

Harvey Norman

**HARVEY
NORMAN'S**
Distributor of the
Year - NZ

IT-engine

**IT ENGINE
LIMITED**
Supplier of the
Year - NZ

JUNIPER
NETWORKS

**JUNIPER
NETWORKS**
Partner of the Year
- APAC

Lenovo

LENOVO
Top Distribution
Growth of the Year
- Asia Pacific

Lenovo

LENOVO IDG
Distributor of the
Year - AU

Lenovo

LENOVO IDG
Distributor of the
Year - NZ

Lenovo

LENOVO ISG
Distributor of the
Year - NZ

RUCKUS
COMMSCOPE

RUCKUS
Distributor of the
Year - NZ

SONICWALL

SONIC WALL
Best Performing
Distributor of the
Year- ANZ

VEEAM

VEEAM
Software
Distributor of the
Year- ANZ

VERITAS

VERITAS
Value Added
Distributor Award-
APJ

ARN

ARN
Diversity & Inclusion
Champion
WIICTA
3 CONSECUTIVE YEARS

ARN

ARN
Hardware
Distributor of
the Year - AU
10 CONSECUTIVE YEARS

RESELLERNEWS

**RESELLER
NEWS**
Software
Distributor of the
Year - NZ



2022 VENDOR ADDITIONS

- The Company focused much of 2022 consolidating the customer and vendor relationships it acquired through the addition of the Exeed and Hills businesses.
- The former Exeed business added 60+ vendors that were integrated across various business units and made a full year contribution of \$398.0m in 2022.
- The acquisition of the Hills IT and Security division and a number of related subsequent vendor additions added 50 new vendors and contributed \$73.3m in the 8 months since purchase date for FY22 and \$33.4m for Q123.
- The Company introduced a small number of other new vendor relationships that contributed \$22.2m during the year.



2022 & 2023 ANZ VENDOR ADDITIONS

VERITAS[™]
Sole distributor in
Australia

AUTODESK
Sole distributor in
Australia & NZ



ARMIS



BLANCCO



CLOUDFLARE



CYBERAWARE



**DRAGONFLY
TECHNOLOGIES**



EATON



ECOFLOW



IMOOU



NETGEAR



PHILIPS MONITORS



WATCHGUARD



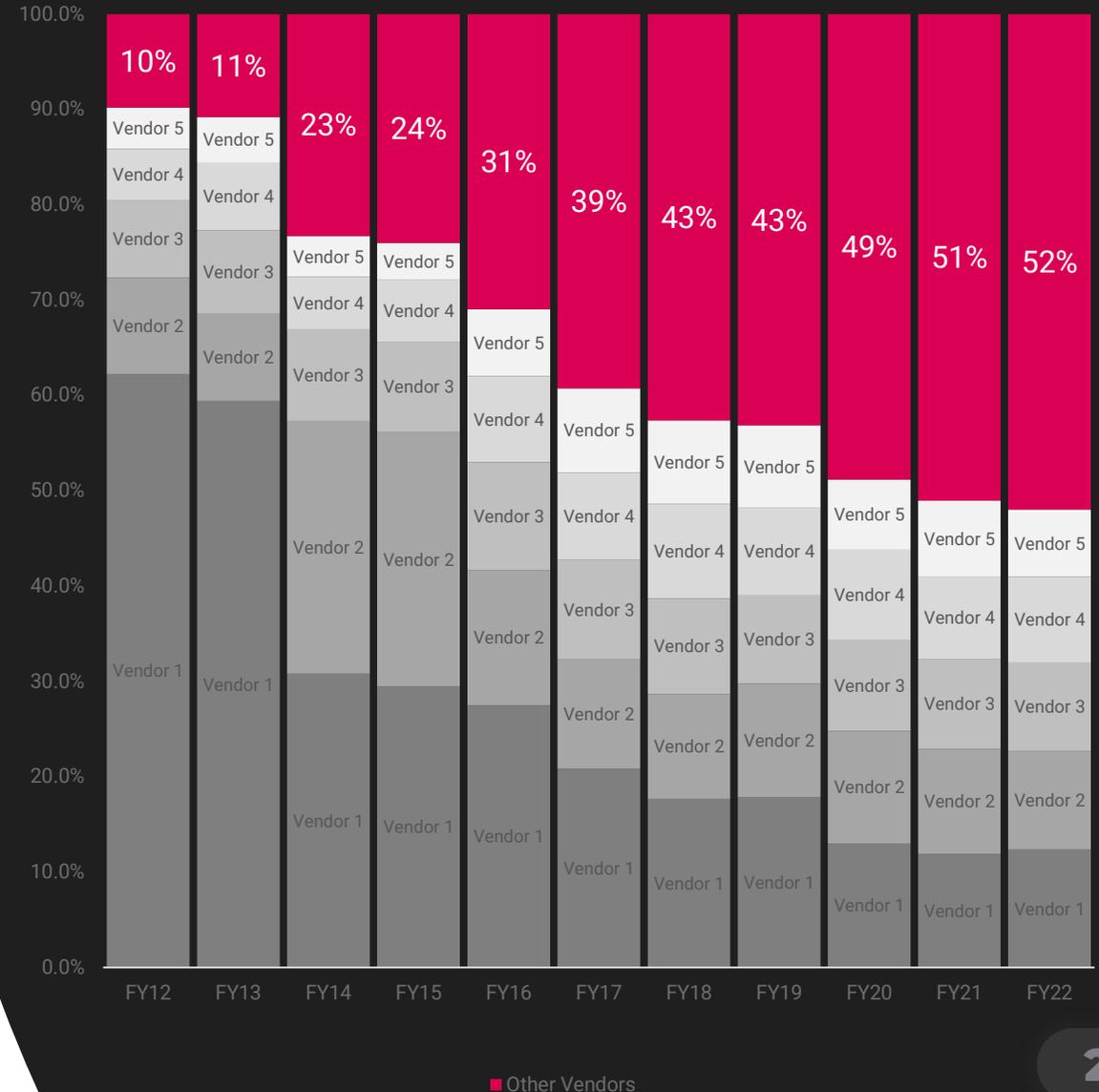
YEALINK

LONG-TERM VENDOR RELATIONSHIPS

- Dicker Data has continued to introduce new vendors either organically or via acquisition to reduce reliance on any single vendor and to expand markets we are servicing.
- Top 5 vendors overall contribution has reduced from 90% in FY12 to 48% in FY22.
- The recent acquisitions of the Exeed and Hills SIT businesses highlights and reaffirms this strategy and will continue to dilute concentrations.
- Celebrating 30 years of partnership with HP and Hewlett Packard Enterprise in 2023.

MAJOR VENDOR CONCENTRATION

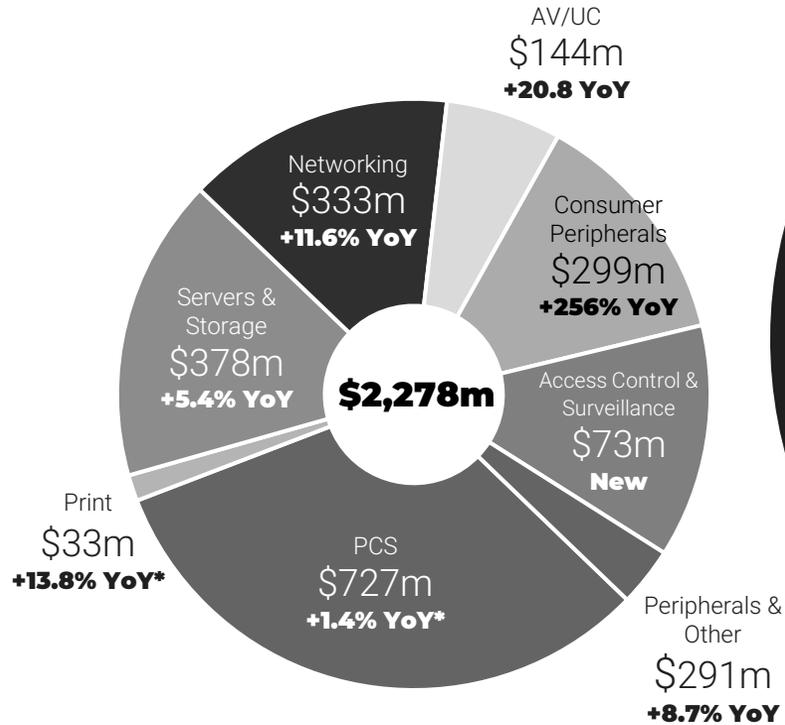
% of sales



REVENUE CATEGORY

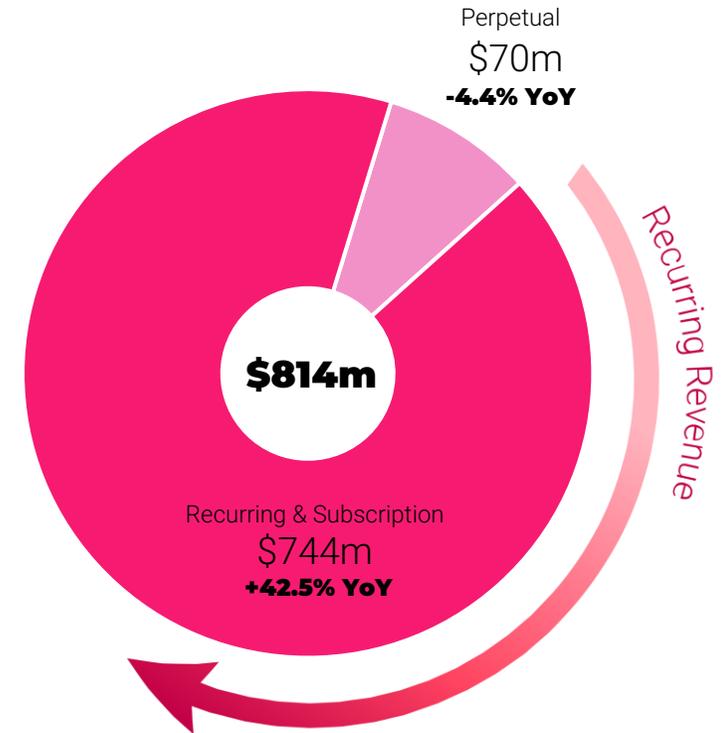
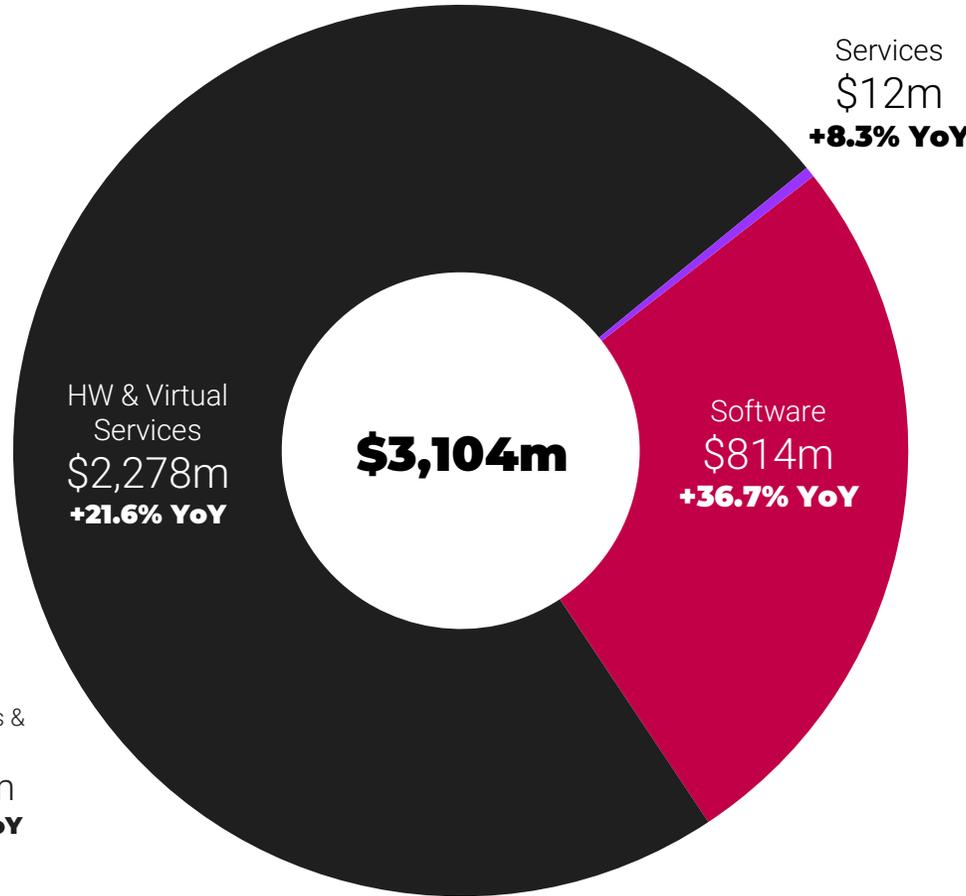
Splits and growth

*YoY comparative includes \$34m Revenue reclassified as PC'S (from Print) in prior year number.



HARDWARE

by product category



SOFTWARE

by billing method

2023 OPPORTUNITIES



CYBERSECURITY



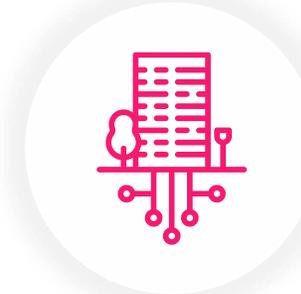
SOFTWARE



MULTICLOUD



HYBRID IT



SMART OFFICE



PRO AV & UNIFIED COMMUNICATIONS



DATACENTRE INFRASTRUCTURE



ENTERPRISE NETWORKING



ACCESS AND SURVEILLANCE



MARKET CONVERGENCE TRENDS

2023 FOCUS



NEW ZEALAND

Leveraging the relationships and strengths of the Australian operation to introduce more brands and technologies to our New Zealand business. Accelerating the Company's growth in the New Zealand market through a strategic focus on expanding our lines of business with existing reseller partners and establishing new relationships with the large and geographically dispersed number of partners who do not already work with us today.

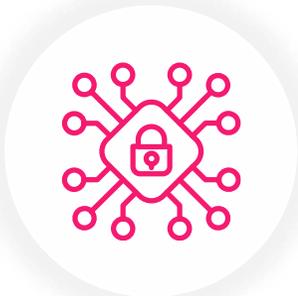


DICKER ACCESS AND SURVEILLANCE (DAS)

The Physical Security market has 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's acquisition of the Hills Security and IT division has accelerated our entry into this market, bringing with it over 50 new vendor partnerships and thousands of customers. Furthermore, the acquisition of Connected Security Products in March 2023 will launch the company's access and surveillance efforts into New Zealand. The DAS business is expected to operate with margins double that of the IT business in FY23.



2023 FOCUS



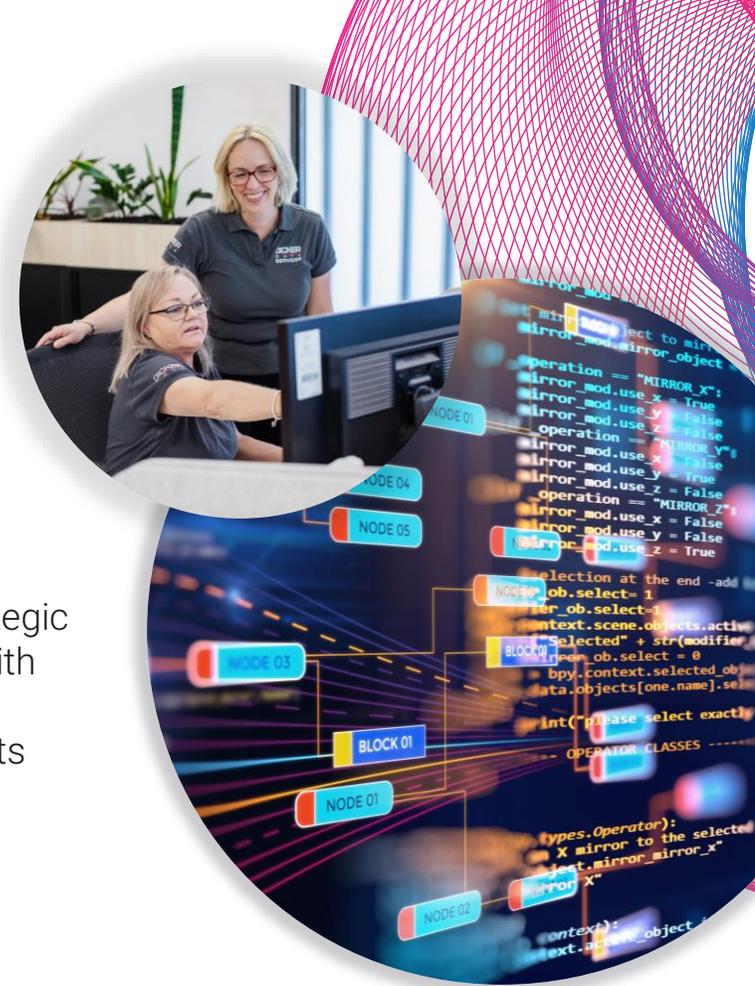
CYBERSECURITY

Cybersecurity is at the top of the agenda for every organisation in Australia and New Zealand. The Company has made several strategic vendor appointments to address the cybersecurity opportunity, with plans to further expand our range in FY23. The complexity of cybersecurity is creating a large opportunity for the Company as its partner community increase their reliance on Dicker Data to help them solve their end-customer challenges and vulnerabilities.



MARKET CONVERGENCE

A number of the markets adjacent to technology are converging with Dicker Data's IT channel, creating opportunities for the Company's partners to expand into new lines of business and creating a need for thousands more businesses to engage with Dicker Data for digital transformation services and access to technical expertise. From security to electrical trade, professional AV to onsite installers, the Company's relevance is growing and the market's reliance on our capabilities is increasing.

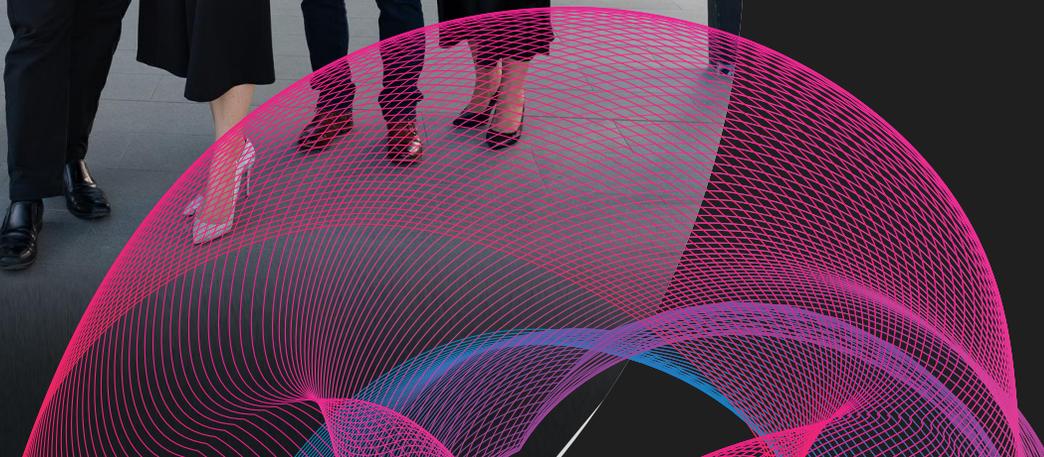


The background features a dark gradient with a large semi-circular area on the left containing blurred question marks in shades of blue and purple. In the foreground, there are two overlapping wireframe spheres, one in red and one in blue, creating a sense of depth and complexity.

QUESTIONS?



THANK YOU



DISCLAIMER

DICKER

D A T A

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