

28 August 2020

## Interim Financial Results

Dicker Data Limited (**ASX: DDR**) (Company), is pleased to release its Interim Financial Report. The Company delivered strong growth across all key metrics for the half year to 30 June 2020.

Building on the long history of strong performance, Dicker Data recorded profit growth attributable to a combination of revenue growth, increase in gross profit margins and maintenance and control of operational leverage. Key highlights are:

### Profit and Loss

- Total revenue was \$1,006.1m, up 18.1%
- Of the total revenue recurring software revenue was \$224m, up 53.1%
- Gross profit was \$96.5m, an increase of 24.8%
- Gross profit margins improved to 9.6% largely driven by increased focus on mid-market and SMB business
- Operating expenses increased by \$7.9m, up by 19.1% but were maintained as a percentage of sales at 4.9%
- Depreciation and amortisation expense increased by \$1.3m to \$3.2m which included amortisation of intangible customer contracts of \$700k as well as depreciation of \$700k from equipment under finance leases in Dicker Data Financial Services (DDFS)
- Finance costs were down \$770k to \$2.2m attributable to the lower interest rate environment and the payout of the corporate bond in March 2020
- Net Profit before tax was \$42.0m, up 30.2%
- Net Profit after tax finalised at \$29.4m, up 23.6%
- Earnings per share increased to 17.08 cents, up by 16.0%

### Balance Sheet

- Total investment in working capital was \$162.1m, down by \$3.3m
- Fixed asset investment increased by \$27.4m predominantly relating to capital expenditure for the construction of the new distribution centre
- Borrowings decreased by \$39.9m with the repayment of the corporate bond in March 2020
- Equity increased to \$158.6m, an increase of \$63.6m attributable to the net proceeds from the share placement in May 2020 and share purchase plan proceeds in June 2020

### Cashflow

- Net cash generated from operating activities was \$30.3m, an increase of \$14.6m



## Outlook

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The business to date has proved resilient to the negative economic impact of COVID-19.

As the leading value added distributor of hardware, software, cloud and emerging technologies in Australia, one of Dicker Data's key priorities over the last few months has been to ensure continuity of service to our customers and be a reliable partner to our suppliers amid the global pandemic. With the recent surge in remote work, the Company experienced a surge in demand for remote and virtual working solutions across our hardware and software portfolios, highlighting IT distribution's essential role in enabling business continuity.

As we move into H2 2020 the demand continues to be very strong with customers concentrating heavily on business growth strategies during and post COVID-19. The greatest opportunity for Dicker Data over the next 6-12 months is supporting business with their return to work strategies in a post COVID-19 environment.

Looking forward 12-24 months, the rollout of 5G connectivity is going to have a revolutionary effect within our industry driving the explosion of data and strong acceleration of AI and machine learning technologies. Through our speciality in servicing the mid-market and SMB communities, we see tremendous opportunity with all our hardware and software vendors as we continue assisting and supporting our customers and strengthening relationships with new and existing vendors. The Company will continue to evolve to differentiate its offerings and value proposition to both vendors and reseller partners. Dicker Data is well positioned to assist all partners through this ongoing wave of digital transformation.

Another key catalyst for growth in the next 12 months is our investment in the construction of the new distribution centre at 238 Captain Cook Drive Kurnell, on track to be completed by the end of the year. The new distribution centre represents an increase in capacity of almost 80 percent and there is a further 20,000 sqm warehouse space approved as part of the Development Application to be built as part of a second stage providing future expansion options.

For and on behalf of the Board,

David Dicker



Chairman & CEO

## ABOUT DICKER DATA LIMITED

Dicker Data (ASX: DDR) is an Australian-owned and operated, ASX-listed technology hardware, software and cloud distributor with over 41 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 5,500 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/>

