

**DICKER**  
D A T A

# FY22 RESULTS PRESENTATION



[WWW.DICKERDATA.COM.AU](http://WWW.DICKERDATA.COM.AU)

# 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

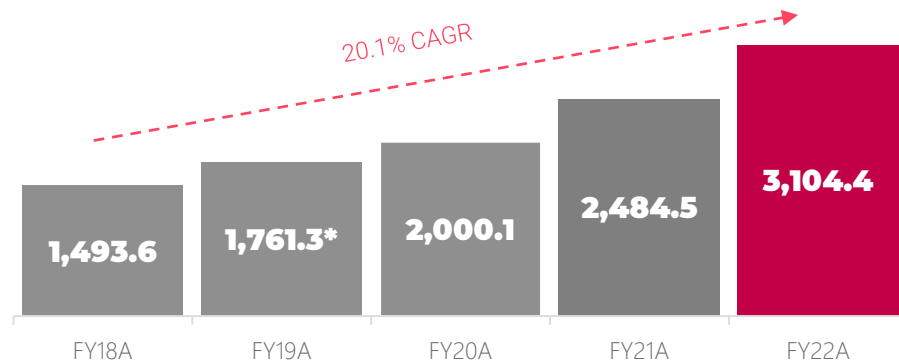
2021 & 2022

Hardware  
Distributor of  
the Year

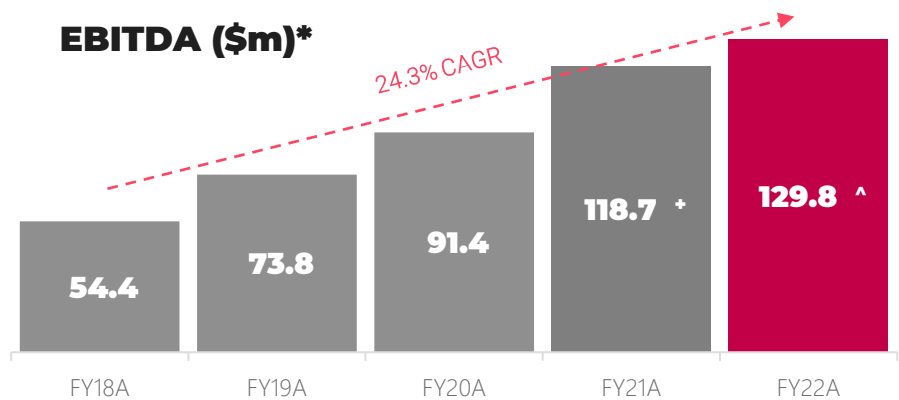
10TH CONSECUTIVE YEAR

# FINANCIAL TRENDS – FY22

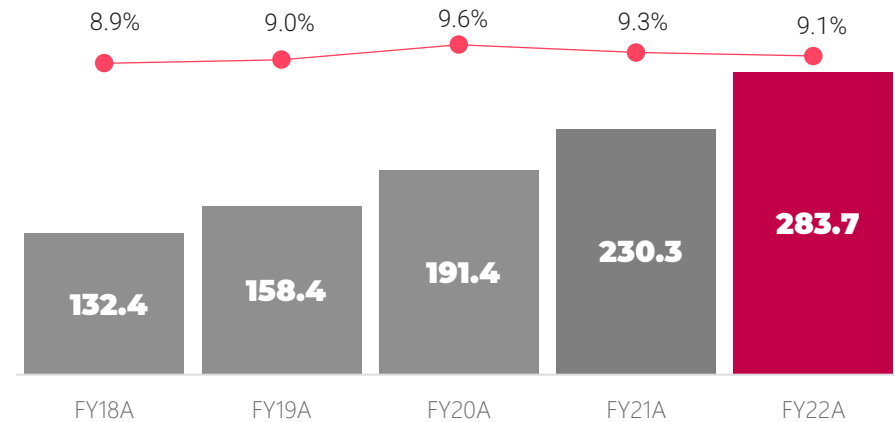
## REVENUE (\$m)



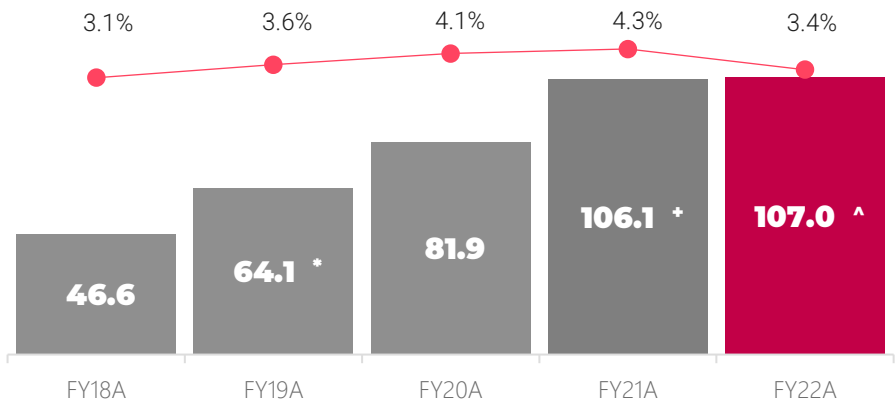
## EBITDA (\$m)\*



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



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



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

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

^ FY22 – Operating profit 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 synergize 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 normalization 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 amortization 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%

\* Excludes 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
<b>TOTAL NET ASSETS</b>	230.1	178.3
Shareholders' Equity		
Share Capital	212.7	139.5
Reserves	0.2	0.3
Retained earnings	17.2	38.4
<b>TOTAL EQUITY</b>	230.1	178.3

# FY22 CASH FLOW

Open Cash

EBITDA

Net Interest & Tax

Hills Acquisition

Working Capital Movement

Capital Expenditure

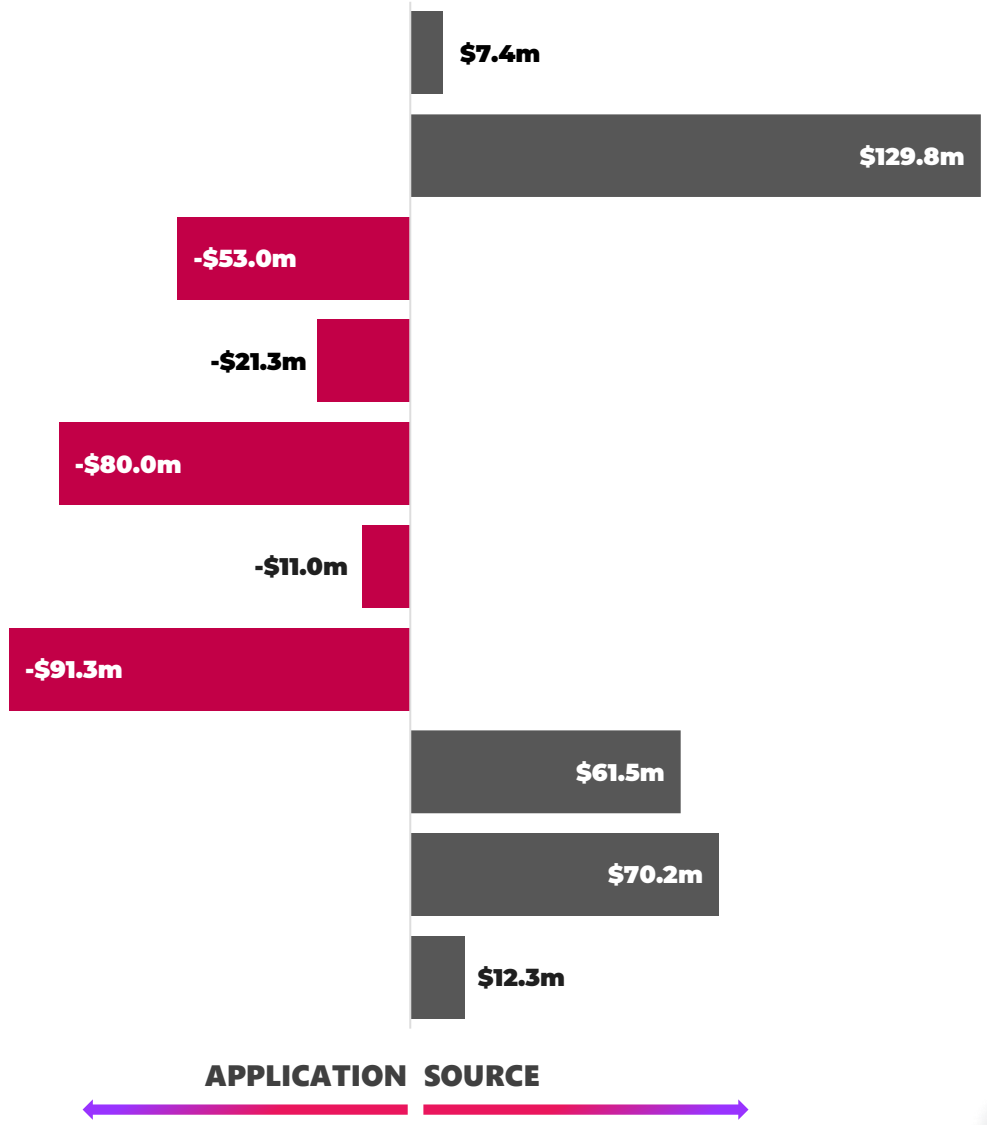
Payment of Dividends

Drawdown from Financing Facilities

Share Issue

Close Cash

Source and Application of Cash





# FY22 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 to be 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 DRP will be retained for FY23.

<b>Payment Date</b>	<b>Dividend (CPS)</b>	<b>Type</b>	<b>Amount Franked</b>
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		

# KURNELL WAREHOUSE EXTENSION

- New facility at 238 Captain Cook Drive, Kurnell NSW was completed in February 2021 and officially opened in April 2021
- Warehouse space increased by over 80% at the time, to 22,965 sqm, providing space for increased inventory holding and future technology portfolio diversification
- Stage 2 warehouse expansion works commenced in Q4 2022 and is expected to be completed in the first 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 16,636m<sup>2</sup>
- Approximately 8,500 additional pallet spaces will 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
- 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 UPDATE

- Acquisition of Hills Security and IT division completed May 2022
- The business was fully integrated in FY22 and is now focused on deriving maximum growth and profitability from the new division.
- The integration, leveraging of shared services and the various site moves has reduced the branch network operating costs significantly, with the benefit to be realised in FY23
- Growth velocity began in Q422, with 16% YoY growth in revenue and margins reaching levels approximately 50% higher than the IT side of the Dicker Data business
- 3,244 partners purchased from our DAS division in 2H22
  - 2,595 net new partners who migrated from Hills
  - 649 partners with existing Dicker Data accounts have entered the security market with DAS
- A strong mix of access, surveillance and IT vendors are now established in the DAS division, enabling the Company to offer 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
- DAS is expected to operate at double the gross margin of our IT business in FY23





# BUSINESS UPDATE



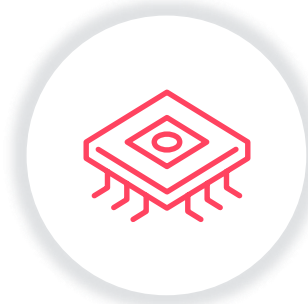
# MARKET CHALLENGES

Macroeconomic volatility impacted the Company's overall performance in FY22, however, we are well-positioned to increase profitability in FY23.



## 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 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
- Expected to normalise in 2H23.



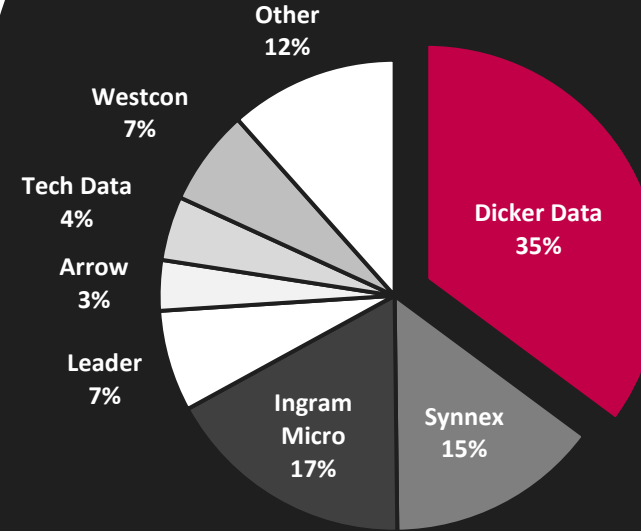
## LOGISTICS CONSTRAINTS

- 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

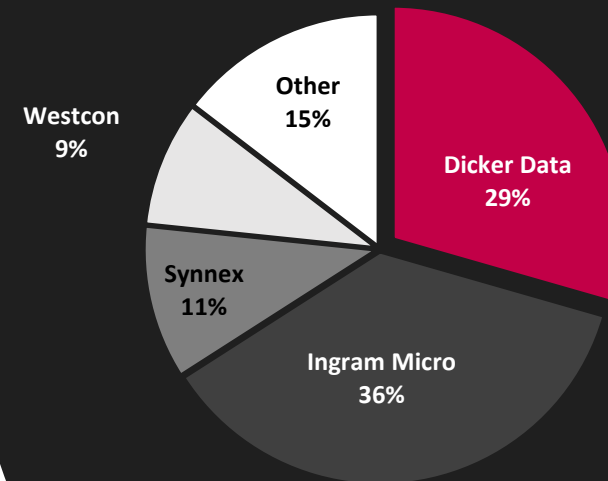
- We have continued to grow our share of both the Australian and New Zealand IT market, commanding a dominant number one position in Australia and with the platform to become number one in New Zealand following the Company's acquisition of Exeed.
- Our focus on the corporate, commercial and enterprise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

## 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

**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

**ITengine**

**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

**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
- The Company introduced a small number of other new vendor relationships that contributed \$22.2m during the year

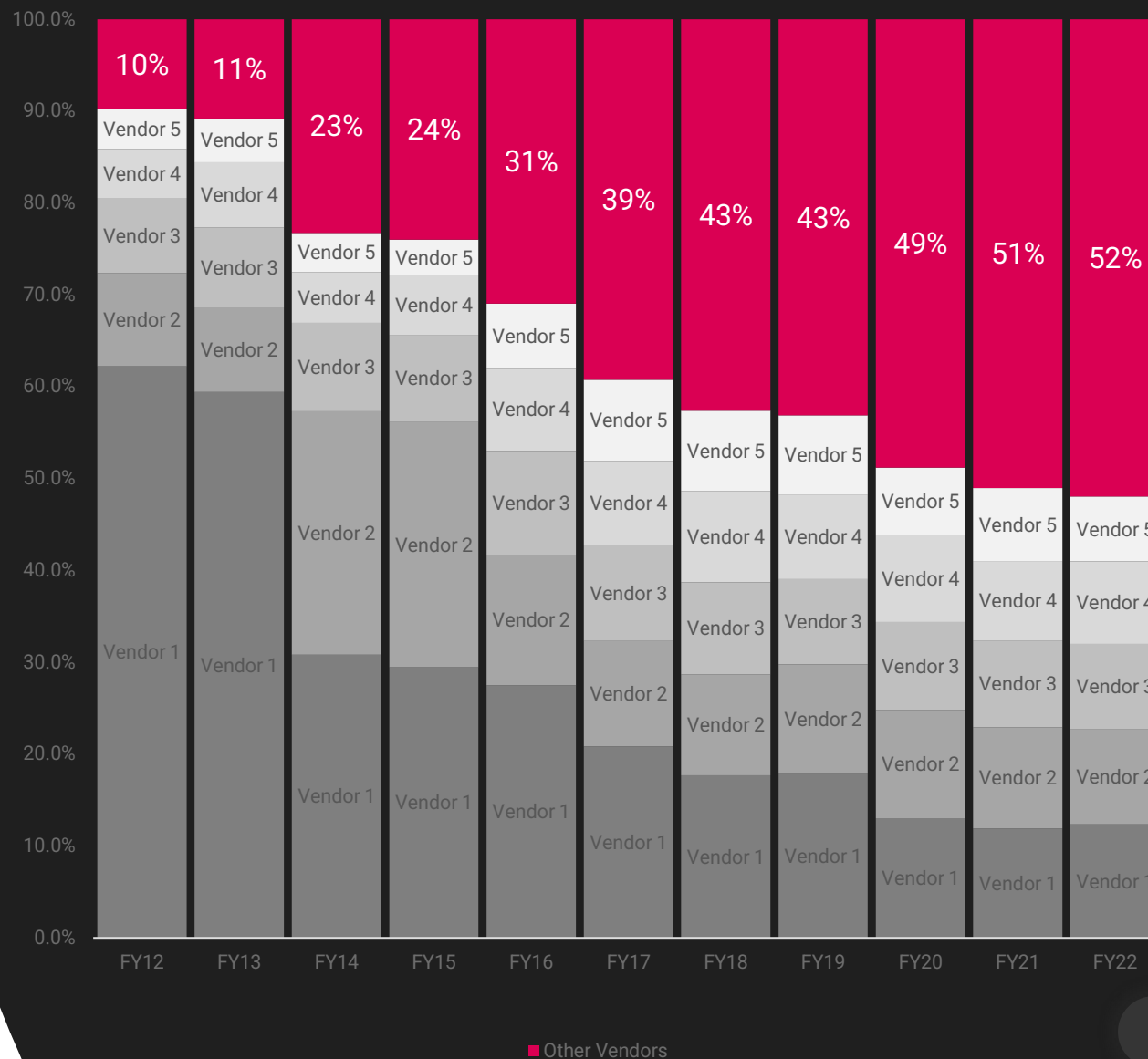


# LONG-TERM VENDOR RELATIONSHIPS

- 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

## MAJOR VENDOR CONCENTRATION

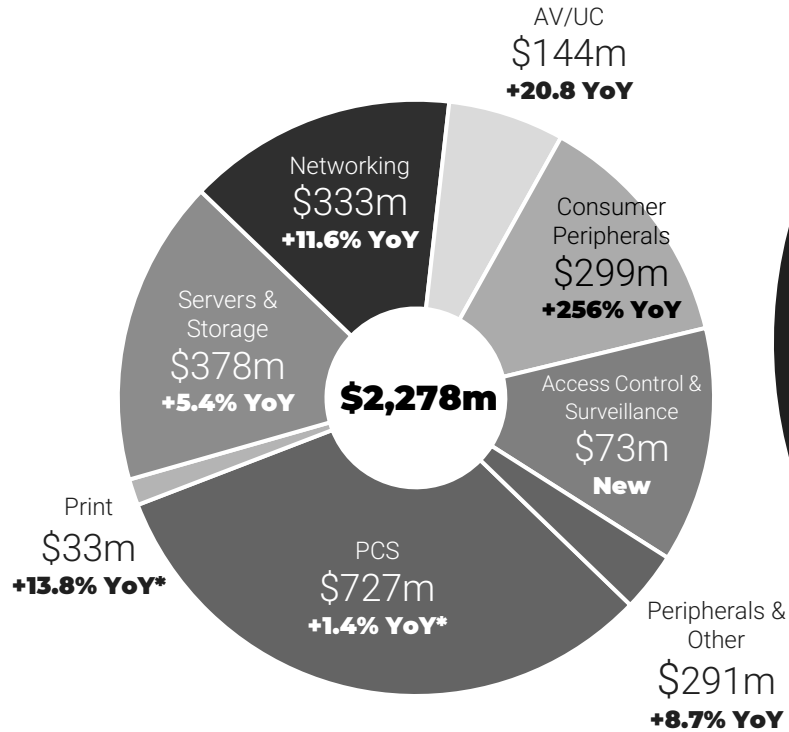
% of sales



# REVENUE CATEGORY

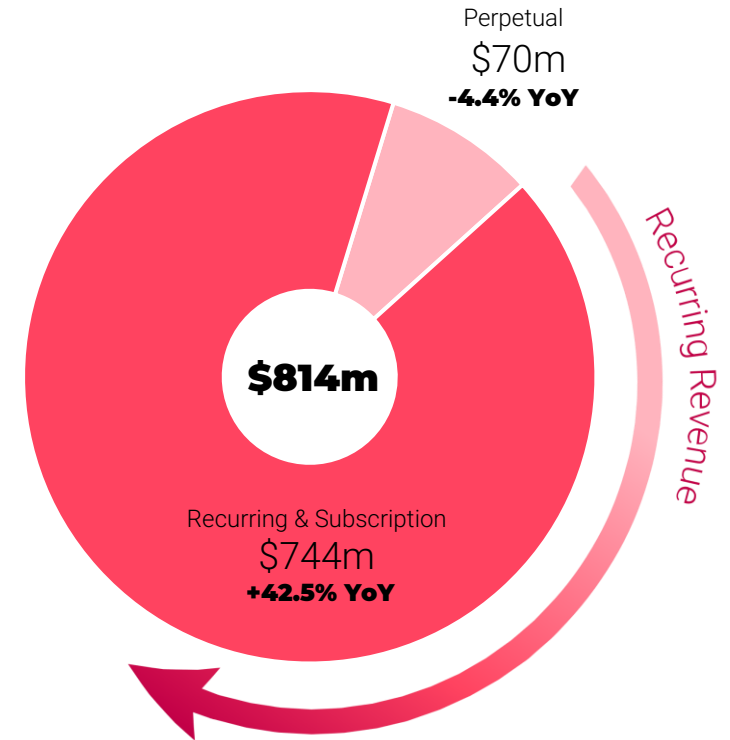
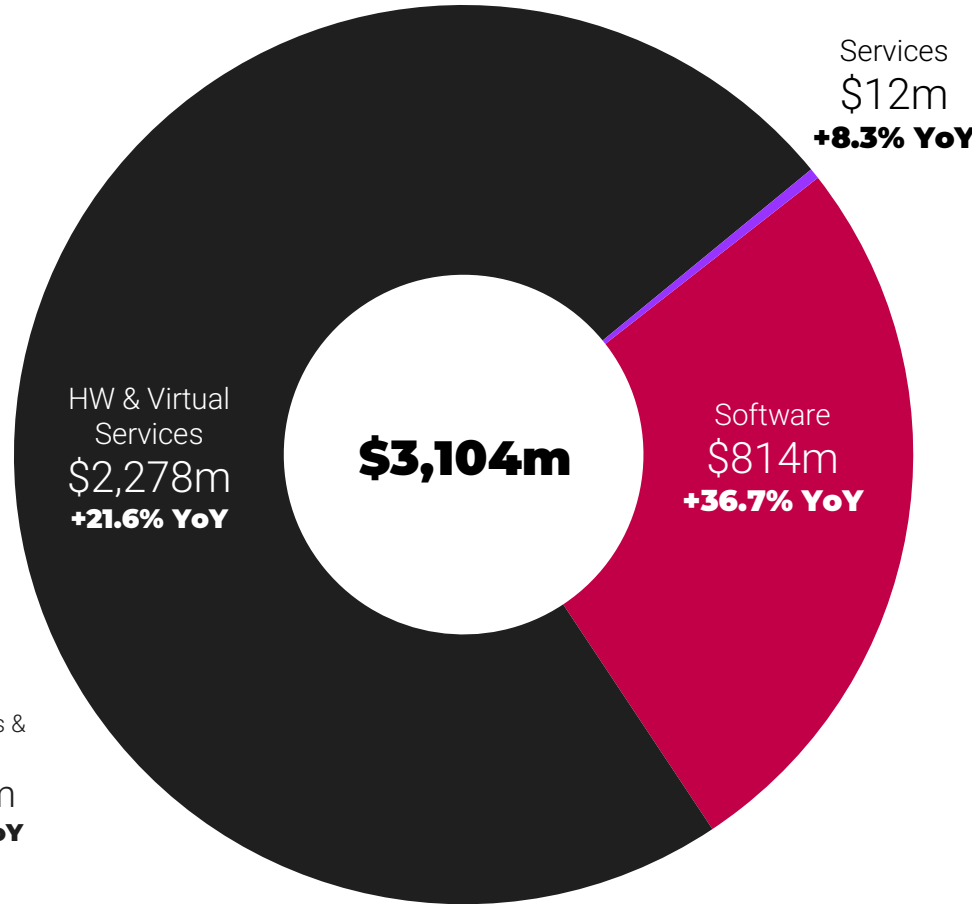
Splits and growth

\*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**



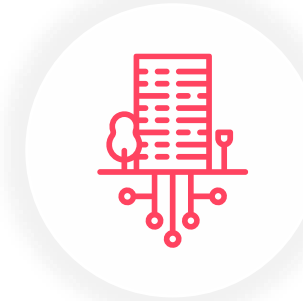
**SOFTWARE**



**MULTICLOUD**



**HYBRID IT**



**SMART OFFICE**



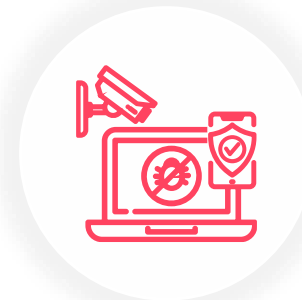
**PRO AV & UNIFIED COMMUNICATIONS**



**DATACENTRE INFRASTRUCTURE**



**ENTERPRISE NETWORKING**



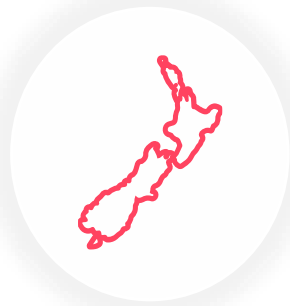
**ACCESS AND SURVEILLANCE**



**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, as well as 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 February 2023 will launch the DAS brand 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.







# QUESTIONS?



**THANK  
YOU**



# DISCLAIMER

# DICKER

D A T A

This presentation has been prepared by Dicker Data Ltd (ACN 000 969 362). All information and statistics in this presentation are current as of 27 February 2023 unless otherwise specified. It contains selected summary information and does not purport to be all-inclusive or to contain all of the information that may be relevant, or which a prospective investor may require in evaluations for a possible investment in Dicker Data Ltd. It should be read in conjunction with Dicker Data's other periodic and continuous disclosure announcements which are available at [www.dickerdata.com.au](http://www.dickerdata.com.au). The recipient acknowledges that circumstances may change, and that this presentation may become outdated as a result. This presentation and the information in it are subject to change without notice and Dicker Data is not obliged to update this presentation. This presentation is provided for general information purposes only. It is not a product disclosure statement, pathfinder document or any other disclosure document for the purposes of the Corporations Act and has not been, and is not required to be, lodged with the Australian Securities & Investments Commission. It should not be relied upon by the recipient in considering the merits of Dicker Data Ltd or the acquisition of securities in Dicker Data Ltd. Nothing in this presentation constitutes investment, legal, tax, accounting or other advice and it is not to be relied upon in substitution for the recipient's own exercise of independent judgment with regard to the operations, financial condition and prospects of Dicker Data. The information contained in this presentation does not constitute financial product advice. Before making an investment decision, the recipient should consider its own financial situation, objectives and needs, and conduct its own independent investigation and assessment of the contents of this presentation, including obtaining investment, legal, tax, accounting and such other advice as it considers necessary or appropriate. This presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. It is not an invitation or offer to buy or sell, or a solicitation to invest in or refrain from investing in, securities in Dicker Data Ltd or any other investment product. The information in this presentation has been obtained from and based on sources believed by Dicker Data to be reliable. To the maximum extent permitted by law, Dicker Data Ltd makes no representation or warranty, express or implied, as to the accuracy, completeness, timeliness or reliability of the contents of this presentation. To the maximum extent permitted by law, Dicker Data does not accept any liability (including, without limitation, any liability arising from fault or negligence) for any loss whatsoever arising from the use of this presentation or its contents or otherwise arising in connection with it. This presentation may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters ('Forward Statements'). Forward Statements can generally be identified by the use of forward-looking words such as "anticipate", "estimates", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions. Forward Statements including indications, guidance or outlook on future revenues, distributions or financial position and performance or return or growth in underlying investments are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No independent third party has reviewed the reasonableness of any such statements or assumptions. No member of Dicker Data Ltd warrants that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this presentation. Except as required by law or regulation, Dicker Data assumes no obligation to release updates or revisions to Forward Statements to reflect any changes. All dollar values are in Australian dollars (\$) unless stated otherwise. The recipient should note that this presentation contains pro forma financial information, including a pro forma balance sheet.

[www.DickerData.com.au](http://www.DickerData.com.au)



David Dicker - CEO  
Mary Stojcevski - CFO  
Vladimir Mitnovetski COO

[David.Dicker@dickerdata.com.au](mailto:David.Dicker@dickerdata.com.au)  
[Mary.Stojcevski@dickerdata.com.au](mailto:Mary.Stojcevski@dickerdata.com.au)  
[Vlad.Mitnovetski@dickerdata.com.au](mailto:Vlad.Mitnovetski@dickerdata.com.au)