

# **Dicker Data Limited**

ABN: 95 000 969 362

Appendix 4E  
Preliminary Final Report  
Year ended 31 December 2015

# Results for announcement to the market

## Dicker Data Limited

ABN 95 000 969 362

1. **Reporting period:** **Year ended 31 December 2015**  
Previous Corresponding Period: 12 months ended 31 December 2014

### CHANGE OF FINANCIAL YEAR

On February 2, 2015 it was decided by the Board of Dicker Data Limited to change the Company's financial year end date from 30 June to 31 December. Previously, the Company's financial year commenced on 1 July and ended on 30 June. The change has been made in order to more closely align the financial year with the Company's trading year.

The comparative period represented is based on the comparable 12 month period as it was considered to be most appropriate.

## 2. Results for announcement to the market

### Operating and financial review on comparative period

RESULTS:	Movement	12 Months	12 Months
		Dec-15 \$'000	Dec-14 \$'000
Revenues from ordinary activities	Up 15.1% to	\$1,077,556	\$936,492
Net operating profit before tax*	Up 105.7% to	\$31,628	\$15,374
Net profit before tax	Up 501.9% to	\$29,379	\$4,881
Net profit after tax attributable to members	Up 570.6% to	\$20,499	\$3,057

\* excludes one off integration and restructuring costs

### Dividends Paid

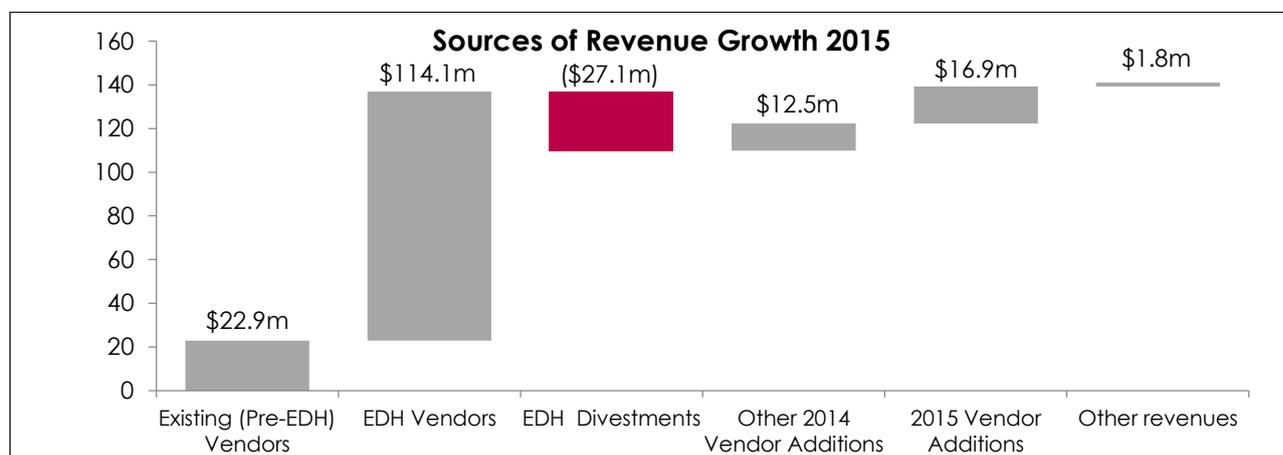
Record Date:	Payment Date:	Dividend (in dollars)	Amount (\$'000)	Type	FY	Amount Franked
25-Mar-15	2-Apr-15	0.020	\$2,623	Final	2014	100%
17-Jun-15	26-Jun-15	0.027	\$3,566	Interim	2015	100%
1-Sep-15	11-Sep-15	0.040	\$6,363	Interim	2015	100%
9-Dec-15	16-Dec-15	0.035	\$5,575	Interim	2015	100%
<b>Total</b>		<b>0.122</b>	<b>\$18,127</b>			

The total dividends declared and/or paid during the financial year were 12.2 cents per share or a total of \$18.127 million, fully franked.

## BRIEF EXPLANATION OF THE FIGURES REPORTED ABOVE

### REVENUE

The revenue for the consolidated entity for the 12 months to 31 December 2015 was \$1,077.6m (pcp: \$936.5m), up by \$141m (+15.1%) on the previous corresponding period. A company milestone was achieved this year with revenue for the consolidated entity, for the full financial year finalising in excess of \$1 billion and in line with our expectations.



A portion of the revenue increase from the previous corresponding period was due to the acquisition of Express Data Holdings Pty Ltd (EDH) on April 1, 2014 – the previous corresponding period only contains 9 months of the EDH trading. There were a handful of vendors that were part of the EDH acquisition that were not aligned with our core vendor strategy, and were subsequently divested and discontinued during 2014 and early 2015. These divestments represented a reduction in revenue of \$27.1m from the previous corresponding period.

Of the vendors that were retained as part of the EDH acquisition, 2015 saw growth of 33% over the previous corresponding period.

Of the existing (or pre-acquisition) vendors, we saw growth of 6.4% over the previous corresponding period, and new vendors (other than the EDH acquisition) added during 2014 contributed \$12.5m over the previous corresponding period after their first full year of trade.

A total of 11 new vendors were on-boarded during 2015 and contributed an incremental \$16.9m.

At a country level, Australia grew \$116m (+15%), New Zealand grew \$21m (+20%), and our Services division grew \$2m (81%).

At a sector level, we saw strong growth in Hardware (+13%,+\$99m), Software (+22%,+\$38m), and Services (+81%,+\$2m).

### GROSS PROFIT

Gross profit for the reporting period was \$103.5m (pcp: \$82.0m) an increase of 26.1%. Dicker Data was able to increase gross profit margins to 9.6% (pcp: 8.7%) on the back of our enhanced value add proposition, and strong revenue growth resulting increased vendor rebate target achievement.

**Operating Expenses excluding integration and restructuring costs,**

Operating costs for the reporting period were \$63.2m (pcp: \$56.7m), an increase of \$6.5m (11.5%). As a proportion of sales, operating costs fell to 5.9% (from 6.1%), with salary related expenses remaining stable at 4.6% of sales, and other operating expenses falling to 1.3% of sales (pcp: 1.5%). Headcount across the group finished FY15 at 360. The prior period included the business combination of the Express Data Holding acquisition on 1 April, 2014. Following the acquisition, headcount increased to 460 staff across Australia and New Zealand, and during the ensuing 9 months there was a progressive reduction in headcount, with gradual redundancies associated with a duplication of functions. The headcount at the end of the previous corresponding period was 367. Whilst duplicated roles were further rationalised during 2015, there was also a continued investment in new headcount for targeted growth areas of the business.

**Depreciation, Amortisation and Interest**

Depreciation and Amortisation for the reporting period was \$4.0m, up from the prior period of \$3.1m due to the full year impact of an increase in capital expenditure in office and equipment fit out (to cater for the inclusion of the Express Data staff at our Kurnell facility), and amortisation of customer contracts to the value of \$2.0m.

Interest in the reporting period was \$7.5m (pcp: \$7.1m) as a result of the increased working capital requirement, but offset by the impact of the share capital raising in August 2015.

**Integration and Restructuring**

During the reporting period and separate to the operating costs outlined above, there were integration and restructuring costs incurred totalling \$2.2m, made up largely of redundancy costs. In the previous corresponding period, there were \$10.5m in share acquisition, integration and restructuring costs relating to the Express Data acquisition.

**PROFIT**

Excluding one-off integration and restructuring costs operating profit before tax finalised at \$31.6m (pcp: \$15.4m) up by 105.7%.

Net Profit after tax increased to \$20.4m (pcp: \$3.1m), up by 570.6%.

Earnings per share increased to 14.39 cents per share (pcp: 2.36 cents), up by 509.7%.

**STATEMENT OF FINANCIAL POSITION**

Total assets as at 31 December 2015 increased to \$358.3m (pcp: \$301.5m).

The company balance sheet reflected an increased investment in working capital over the previous period. Cash finalised at \$15.8m up by \$12.1m (pcp: \$3.7m). Trade receivables were also up from the previous period to \$164m (pcp: \$146.2m). Inventories at period end were \$116.3m, up from \$84.6m in the prior period. Trade and other payables were down to \$142.6m (pcp: \$145.4m). Working capital days increased by 15 days. The increase in working capital days was a result of selected working capital investments to take advantage of enhanced margin opportunities.

Property, plant and equipment was marginally down at \$26.1m from \$26.8m in the prior period. With the completion of the warehouse and office expansion we don't anticipate any major capital expenditure for the FY16 year for the current trading operations. We do expect however to incur planning and design costs for the design and DA application for a new warehouse facility following the purchase of the adjacent land for this purpose.

Total liabilities as at 31 December 2015 \$286.4m up from the prior period (pcp: \$279.8m).

Current Borrowings comprising a receivables purchase facility with Westpac finished \$32.7m lower, at \$90.0m versus the prior period \$122.7m. Part of the current debt reduction was funded by the proceeds from the share issue in August 2015 and part was converted to non-current debt with a 5 year corporate bond issued in

March 2015 for a net \$38.8m. The balance of proceeds from both the capital raising and corporate bond were invested into working capital.

Equity has increased to \$71.8m during the period, an increase from the prior period of \$50.1m. This increase is represented by:

<b>Equity Movement</b>	<b>\$'000</b>
<b>Equity 31 Dec 2014</b>	<b>21,701</b>
Comprehensive Income for FY2015	20,146
Dividends Paid	(18,127)
Share Issue (DRP)	4,123
Share Issue (Capital Raising)	43,989
<b>Equity 31 Dec 2015</b>	<b>71,832</b>

The increase in equity has significantly improved both the Balance Sheet leverage (FY15 - 1.8x v FY14 - 5.65x) and Net Tangible Assets position (FY15 - \$39.7m v FY14 - \$12.2m).

### 3. Annual Financial Report

Refer to the attached Annual Report for the audited Financial Statements for the year ended 31 December 2015.

### 4. Dividends Paid

<b>Amount Per Security</b>	<b>Security</b>	<b>Dec-15</b>	<b>Dec-14</b>
Final Dividend – Dec 2014	Ordinary Shares	0.0200	0.0185
Interim Dividend – Dec 2015	Ordinary Shares	0.1020	0.0420
<b>Total Dividends for all securities for the year</b>	<b>Ordinary Shares</b>	<b>0.1220</b>	<b>0.0605</b>

### 5. Dividend Reinvestment Plans

The Dividend Reinvestment Plan introduced in March 2014 has been retained for the 2015 year. Of the \$18.1m dividends paid, \$14.0m was paid as cash dividends and \$4.1m participated in the DRP.

### 6. Net Tangible Assets

	<b>Dec-15</b>	<b>Dec-14</b>
Net tangible asset per ordinary share	\$ 0.250	\$ (0.094)

### 7. Details of entities over which control has been gained or lost

Not Applicable.

### 8. Details of associates and joint venture entities

Not applicable.

## 9. Any other significant information

Not applicable.

## 10. Audit

This report is based on the audited financial statements.

Signed:

A handwritten signature in black ink, appearing to read 'David Dicker', written in a cursive style.

**David Dicker**  
CEO and Chairman  
Sydney, 29 February 2016