

**Data#3**

# **FY12 PERFORMANCE**

*24<sup>TH</sup> August 2012*

**DATA#3 LIMITED (DTL)**

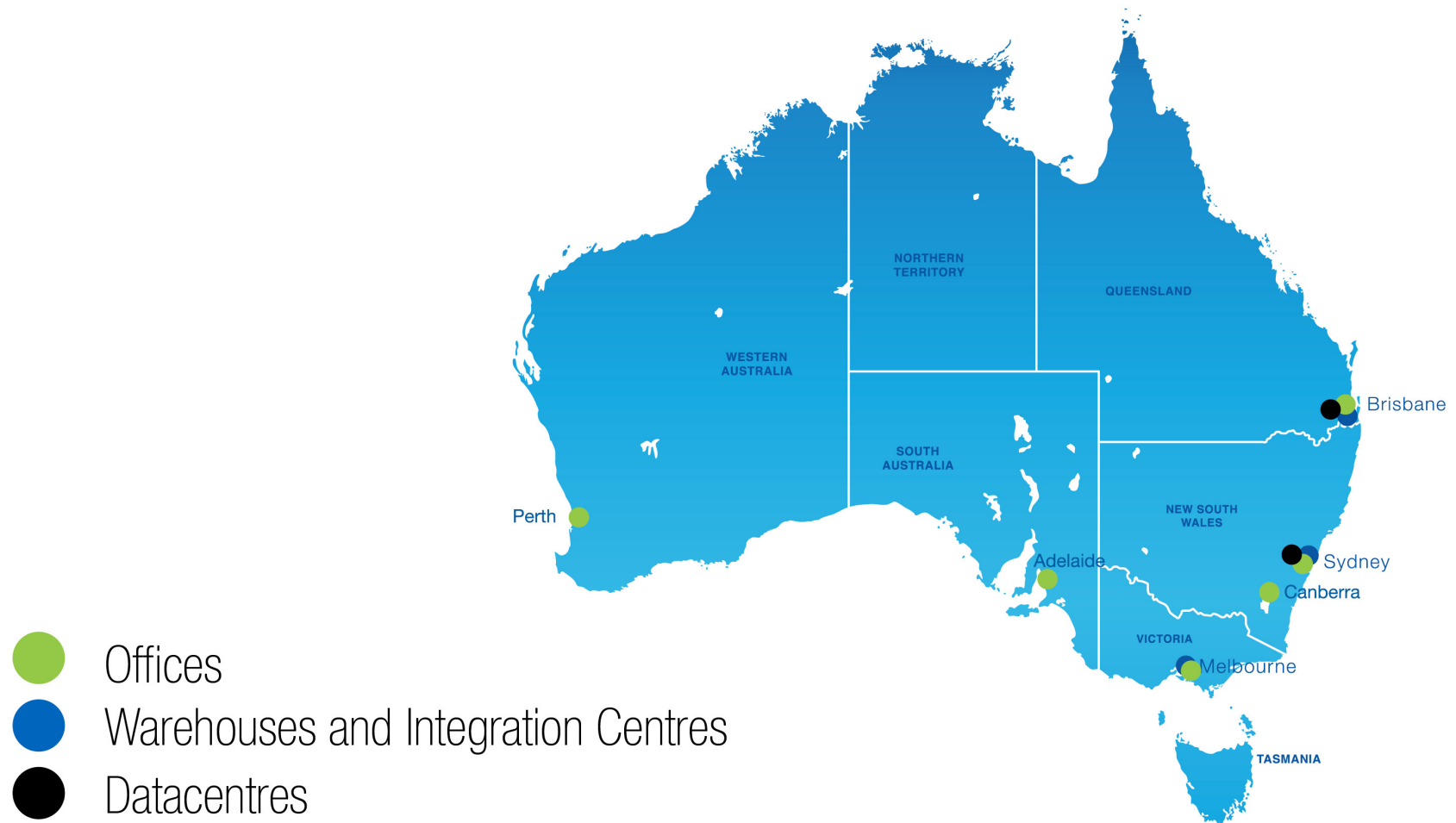
# STRONG TOP LINE GROWTH IN A DIFFICULT MARKET

- Record revenue, up 16.3% to \$811M
  - Product revenue up 17.5% to \$689M
  - Services revenue up 9.7% to \$120M
  - Other revenue up 16.7% to \$2M
- Sales gross margin down 1.3% to 14.8% due to shift in sales mix
- Expenses up 12.5% reflecting higher people expenses and continuing business reinvestment to drive growth
- Net profit after tax down 8.8% to \$13.7M
- Earnings per share down 8.8% to 8.88 cents
- Strong cash flows and balance sheet with no material debt
- Final fully franked dividend of 3.55 cents
- Full year dividend of 7.0 cents - consistent with FY11 payout ratio of 79%

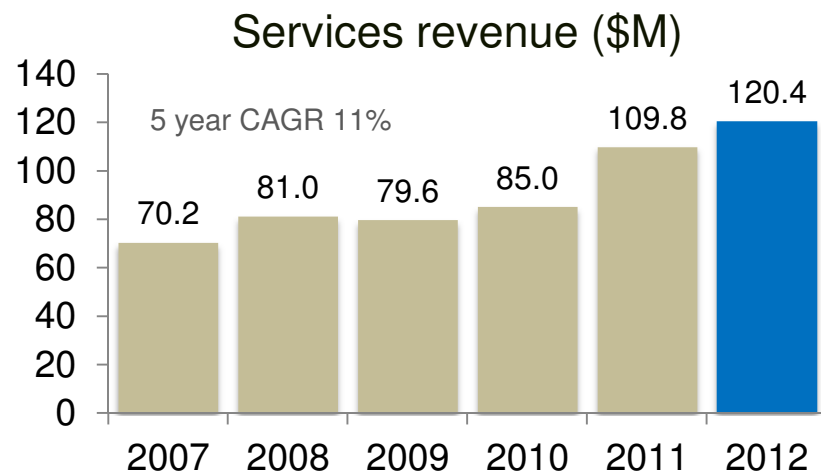
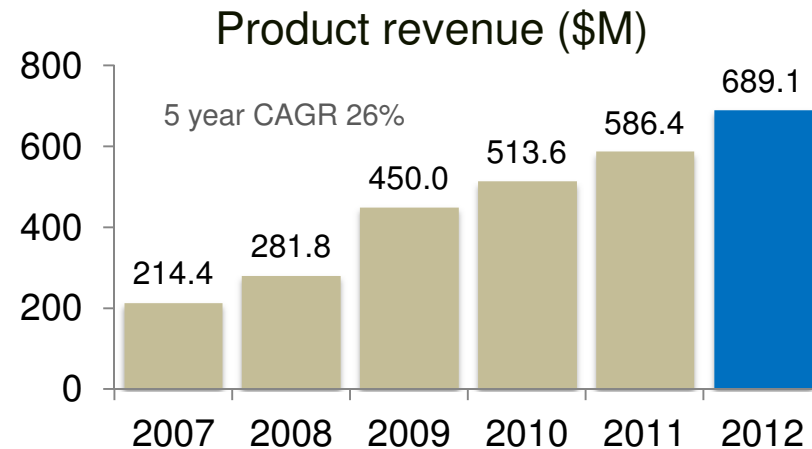
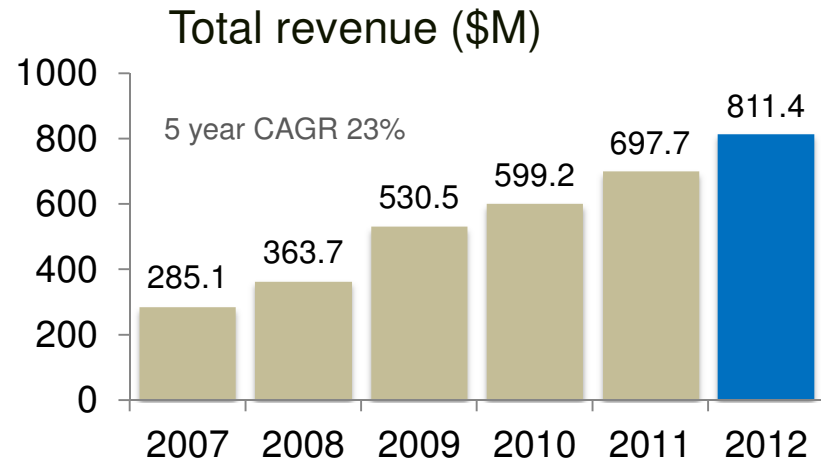
**OUR BUSINESS**



# OUR NATIONAL FOOTPRINT



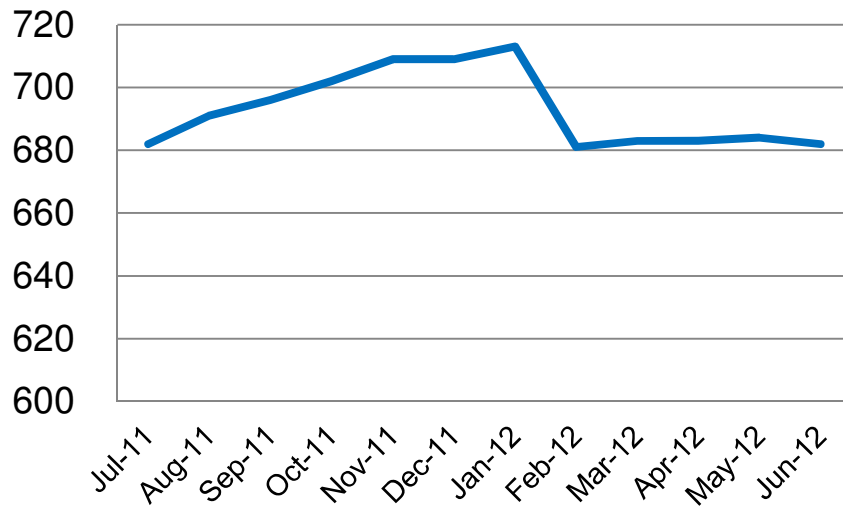
# STRONG TOP LINE GROWTH



- Solid overall growth, well ahead of market
- Shift in sales mix towards software product
- Slow-down in project-related hardware and services

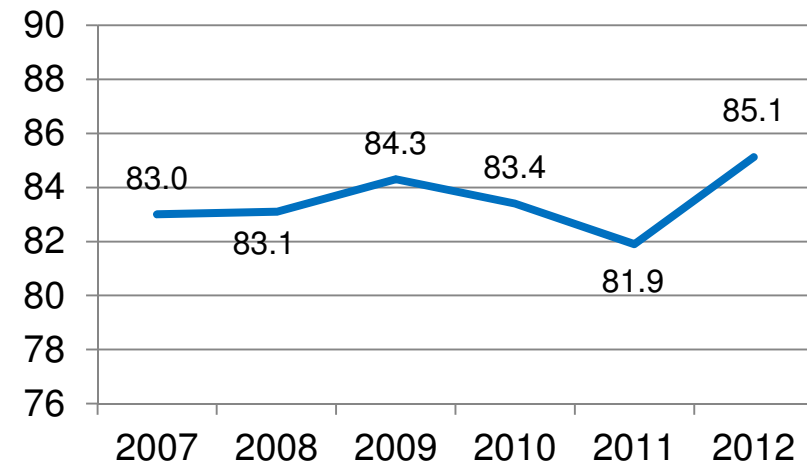
# COSTS ADJUSTED IN 2H

Permanent + casual staff  
headcount trend



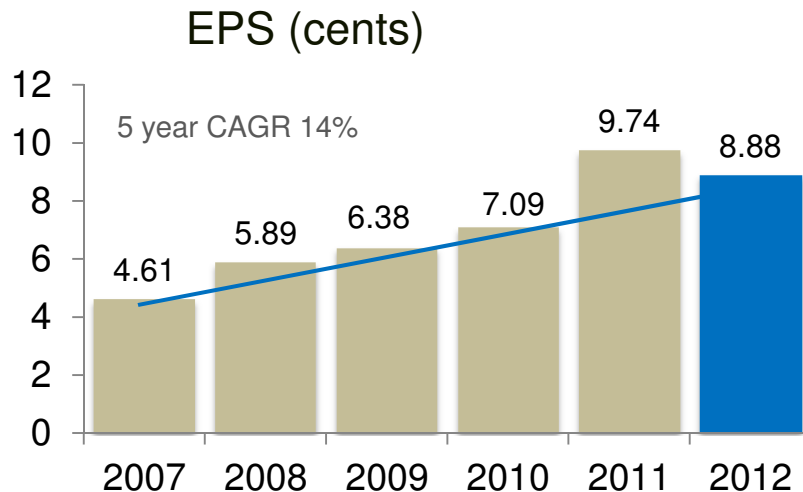
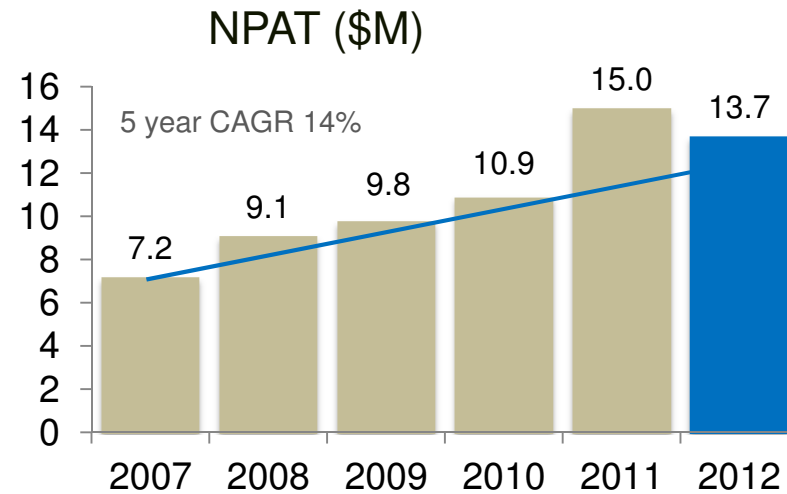
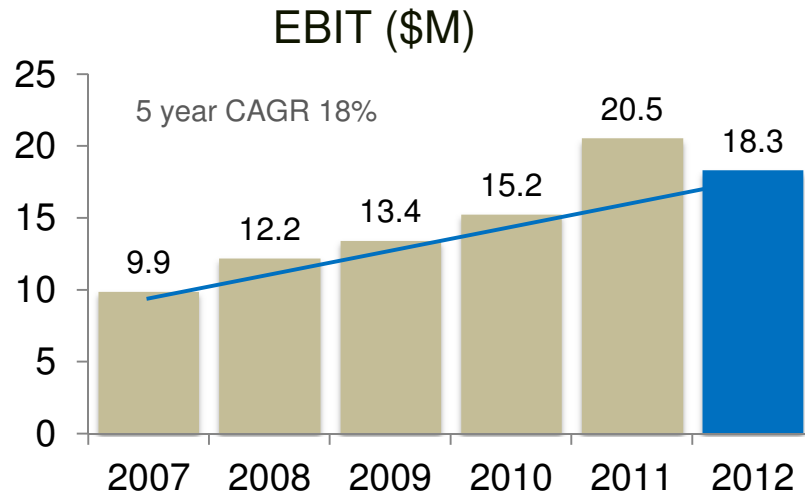
- Headcount increase in 1H in anticipation of active market
- Headcount reduction in Q3
- Enter FY13 at lower cost base

Internal cost ratio (%)



- Internal cost ratio [internal staff & operating costs as % of gross profit] increased on pcp
- People costs up 14%
- Operating costs down 2%

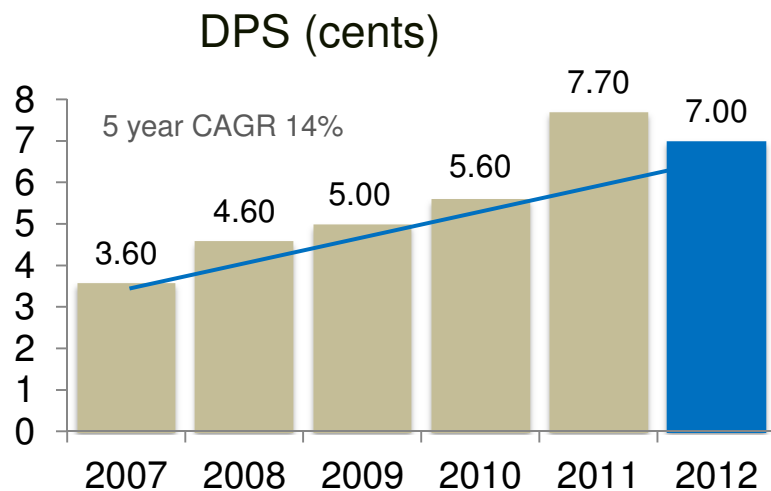
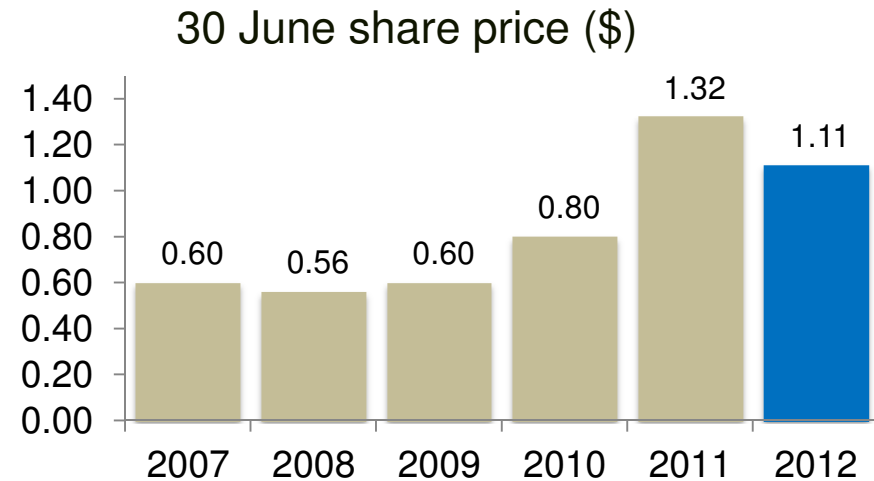
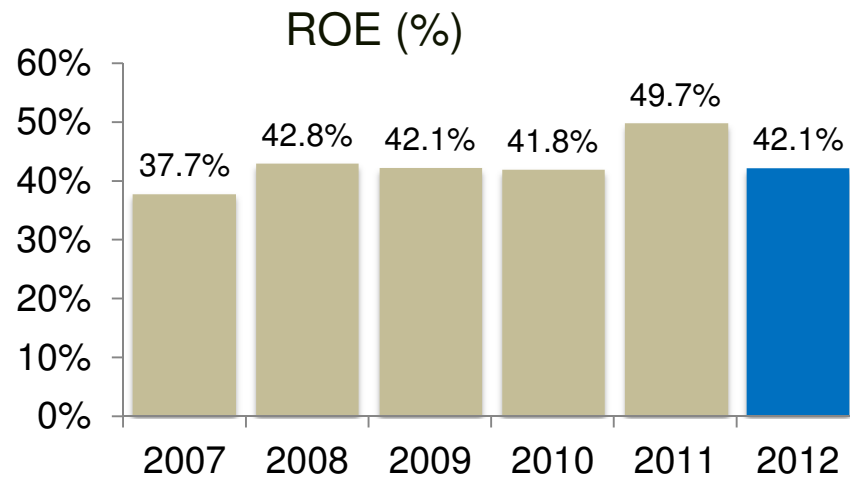
# EARNINGS AHEAD OF LONG TERM TREND



- Earnings ahead of long run trend but down on exceptionally high FY11
- 5 year profit compound annual growth rate (CAGR) of 14%

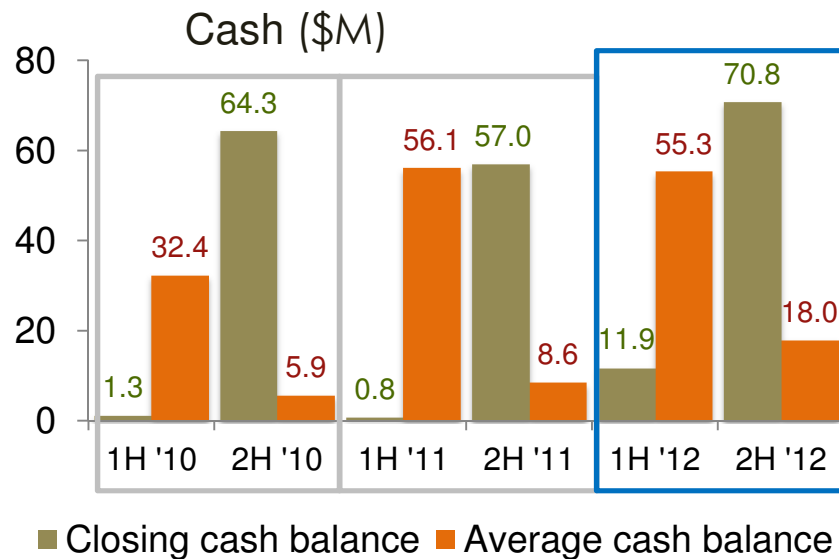
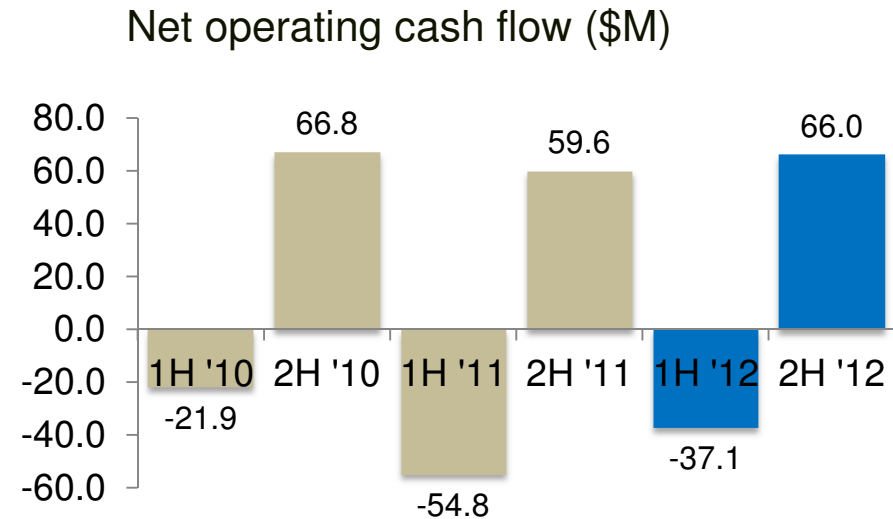
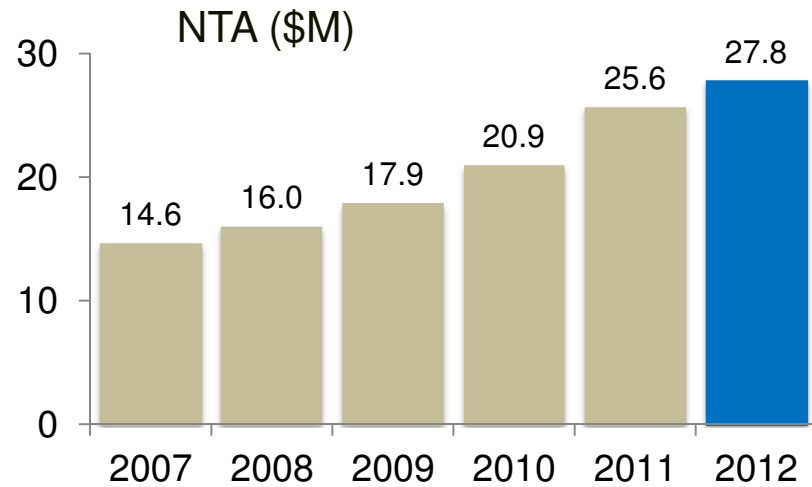


# SHAREHOLDER RETURNS



- Sector leading ROE
- Share price has recovered in second half
- Dividend payout ratio of 79%, consistent with FY11 payout

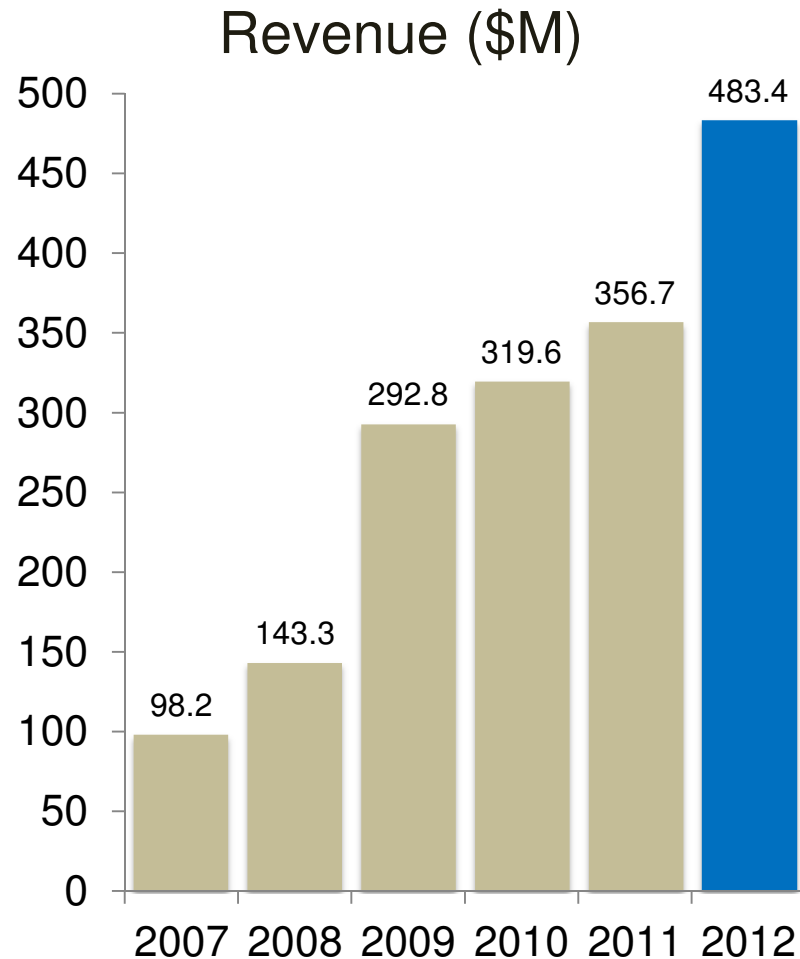
# STRONG BALANCE SHEET AND CASH FLOW



- Strong balance sheet with no material debt
- NTA up 8.5%
- Cash flow 'seasonality' in line with trend with full year average cash balance of \$36.7M, up from \$32.5M

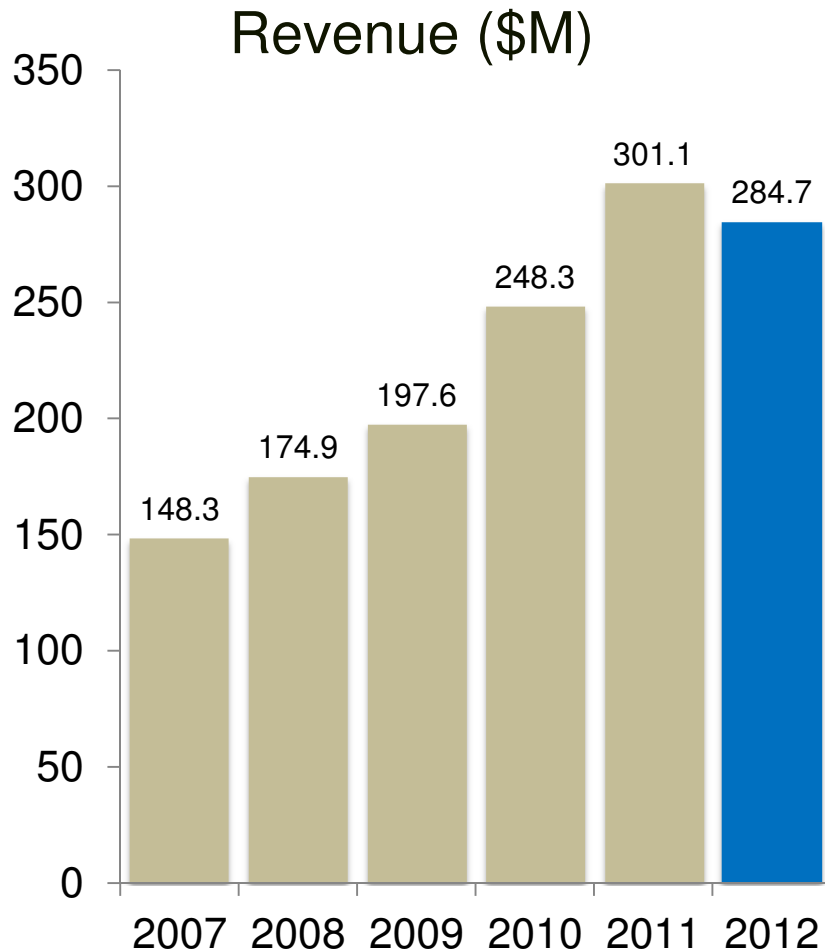
# **OPERATIONAL PERFORMANCE**

# SOFTWARE LICENSING TRACK RECORD OF STRONG GROWTH



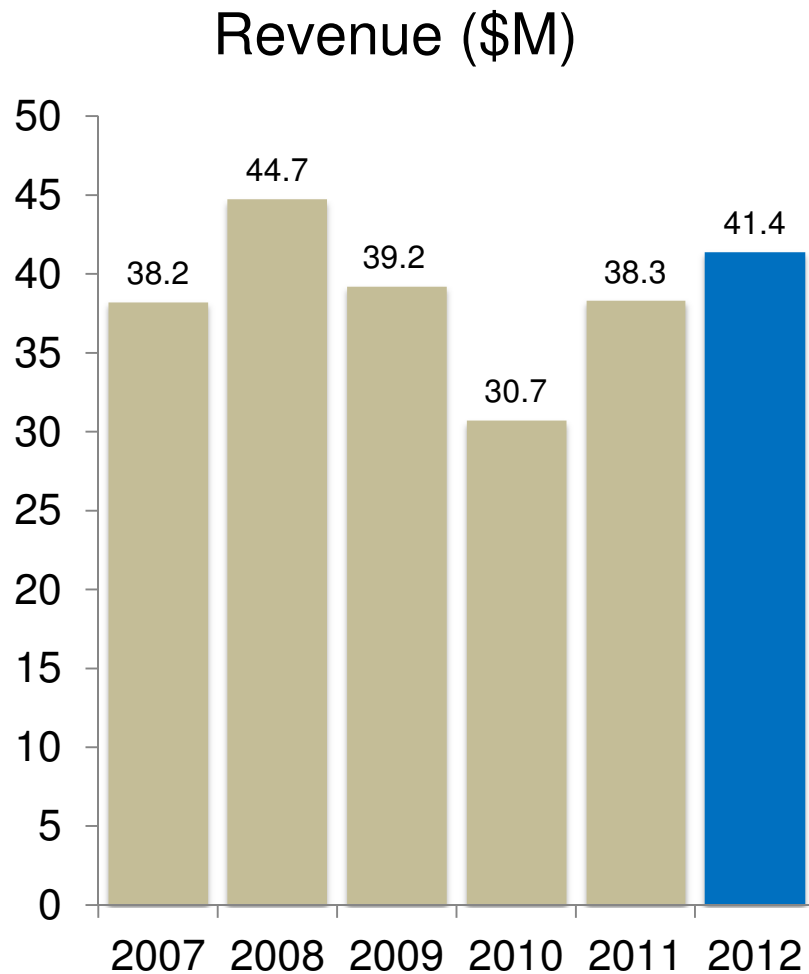
- Revenue up 35.5% to \$483.4M
- 5 year CAGR of 37%
- 17<sup>th</sup> year of consecutive growth
- On Microsoft's worldwide partner engagement board
- Secured renewal of Federal Government contract
- Strong market acceptance of new business productivity practice

# INFRASTRUCTURE SOLUTIONS SLOW DOWN IN PROJECT REVENUES



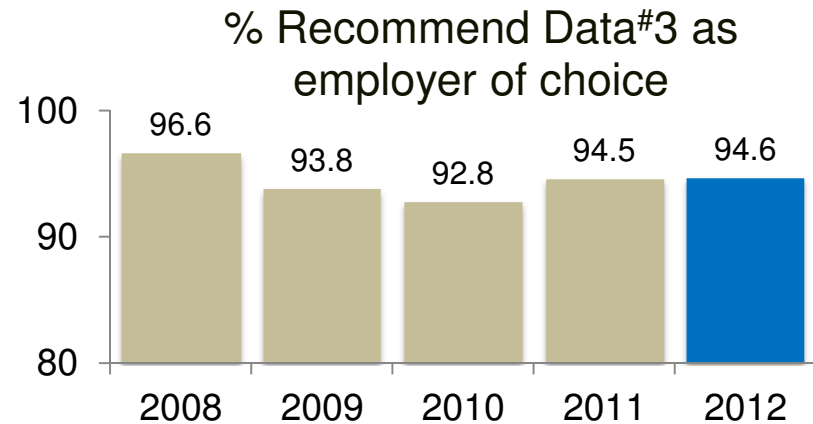
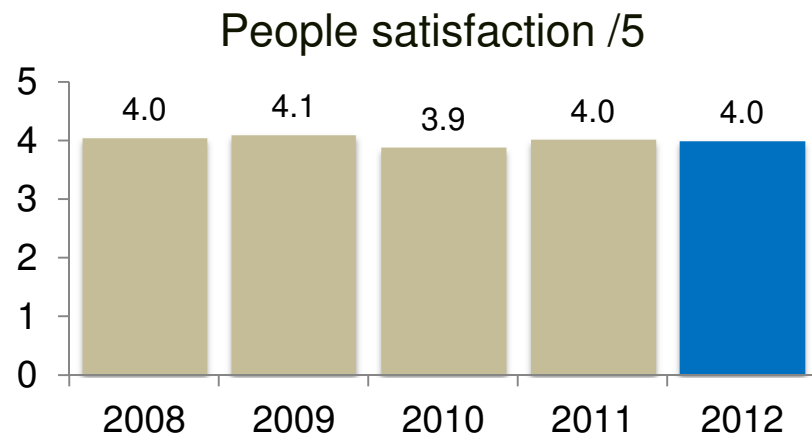
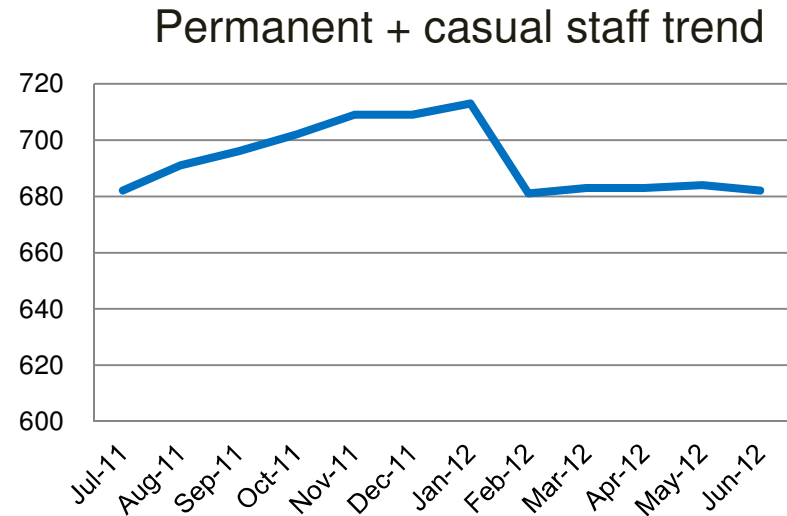
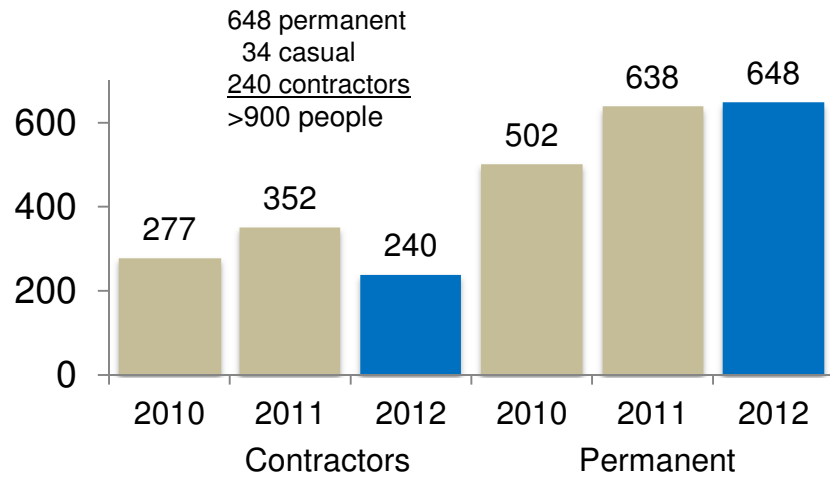
- Total revenue down 5.5% to \$284.7M
  - Products down 9.9% to \$208.3M
  - Project services down 11.3% to \$30.7M
  - Managed services up 30.1% to \$45.7M
- 5 year CAGR of 14%
- Difficult market impacted product sales and project services
- Strong growth in managed services reflects increase in maintenance services

# PEOPLE SOLUTIONS GROWTH IN A DIFFICULT MARKET



- Revenue up 8.0% to \$41.4M
- 5 year CAGR of 2%
- Permanent placement revenues up 54%
- Contractor numbers down 32%
- Placement rate down 2%

# PEOPLE SATISFACTION HELD IN DIFFICULT CIRCUMSTANCES



# STRONG PARTNERSHIPS WITH GLOBAL VENDORS



Premier Business Partner





# SIGNIFICANT CONVERSION OF 'UNDECIDED BIDS' IN Q4

	FY10	FY11	1H FY12	March 2012	FY12
<b>Submitted bids</b>	<b>357</b>	<b>345</b>	<b>207</b>	<b>286</b>	<b>386</b>
<b>Decided bids</b>	<b>271</b>	<b>238</b>	<b>69</b>	<b>127</b>	<b>249</b>
<b>Won</b>	<b>126</b>	<b>119</b>	<b>42</b>	<b>72</b>	<b>121</b>
<b>% won</b>	<b>46%</b>	<b>50%</b>	<b>61%</b>	<b>57%</b>	<b>49%</b>
<b>Undecided</b>			<b>138</b>	<b>159</b>	<b>137</b>
<b>% undecided</b>			<b>67%</b>	<b>56%</b>	<b>36%</b>

# ALL STRATEGIC INITIATIVES ON TRACK

- **Solutions**
  - Strong acceptance of Strategic Consulting practice
  - Strong acceptance of Business Productivity practice
  - Trusted Cloud for Infrastructure as a Service built out and ready to market
  - New strategic supplier relationship with EMC<sup>2</sup>
- **Supply chain automation**
  - Back-end EDI and pricing complete
  - New quotation system and online portal under development

# FY12 SUMMARY

- Strong revenue growth in a difficult market
- Earnings & dividends in line with long term trend
- Very strong performance from 3/5 businesses
- Decline in project revenues was not anticipated
- NSW market most challenging
- Investment delivering productivity gains
- All strategic initiatives on track

**FY 2013**

# PLANNING ASSUMPTIONS

## MARKETS

- Global economic conditions will remain volatile
- 2013 will be similar to 2012

## PEOPLE

- Aggressive competition for the best people will continue

## CUSTOMERS

- Strong references & platform for growth
- Increasingly consume technology 'as a service'

# PLANNING ASSUMPTIONS

## SOLUTIONS

- Our Solutions Framework and Technology Consumption Model provides differentiation
- Global vendors continue to use partners as their primary sales channel

## TECHNOLOGIES

- Mobile including 'BYOD' (bring your own device)
- Cloud computing – software and infrastructure as a service (SaaS and IaaS)
- System & service management
- Collaboration

# KEY IMPERATIVES FOR 2013

## LICENSING SOLUTIONS

- Customers to extract more value from licensed software
- Accelerate growth in Services

## PRODUCT SOLUTIONS

- Migrate product sales to online portal
- Renew Qld Government procurement contract

## INTEGRATED SOLUTIONS

- Offset slow market for enterprise infrastructure investment by accelerating growth in Project Services (Microsoft / Cisco) and Consulting Services

# KEY IMPERATIVES FOR 2013

## MANAGED SERVICES

- Extend Trusted Cloud infrastructure and Service Desk
- Build out sales team for 'as a service' offerings
- Extend Maintenance offerings

## PEOPLE SOLUTIONS

- Accelerate growth outside Queensland
- Minimise implications of Qld Government cuts



# FY13 OUTLOOK SUMMARY

“We see the uncertain market conditions in FY12 continuing throughout FY13.

We are as well positioned as possible whatever the market.

We remain watchful for non-organic growth options.

Our financial objective for FY13 is to improve on the performance of FY12.”

**Q & A**

# APPENDIX 1 – FINANCIAL SUMMARY

	FY12 \$'000	FY11 \$'000	% Change
Revenue by segment:			
Product	689,060	586,354	+17.5%
Services	120,427	109,804	+9.7%
Other revenue	1,903	1,630	
Total Revenue	811,390	697,788	+16.3%
Revenue by area of specialisation:			
Software Licensing	483,427	356,709	+35.5%
Infrastructure Solutions (project services, hardware product & managed services)	284,678	301,110	-5.5%
People Solutions	41,420	38,339	+8.0%
Total gross profit	119,957	111,745	+7.4%
Total gross margin %	14.8%	16.1%	
Total expenses	102,122	91,548	+11.6%
EBITDA	19,430	21,189	-8.3%
EBIT	18,302	20,514	-10.8%
EBIT margin %	2.3%	2.9%	
NPBT	19,738	21,827	-9.6%
NPAT	13,679	14,999	-8.8%
	FY12	FY11	% Change
Earnings per share	8.88 cents	9.74 cents	-8.8%
Dividend per share	7.00 cents	7.70 cents	-9.1%
Dividend payout ratio	79%	79%	
Return on equity %	42.1%	49.7%	

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