

# Results Presentation

27 February 2013



David Dicker – Chairman & CEO

Mary Stojcevski – CFO

...experience is the difference

# Chairman's Message



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present you the FY2013 half-yearly results of Dicker Data. Although revenue and profit were lower in the first six months of this financial year than in the previous corresponding period, the Board remains positive about the company's outlook for the second half and the full 2013 financial year. Following continuous assessment of the company's operational and financial performance, Dicker Data declared dividends of 3.0c per share in the first six months and the Board left the previously announced dividend policy in place.

We look forward to working with all our stakeholders in the second half that is historically the better performing period for Dicker Data.

David Dicker  
Chairman & CEO

- Revenues are slightly down as a result of new strategy to focus on higher margin product groups.
- Operating profit for the period is lower than in the previous corresponding period mainly due to increased expense provisions.
- 3.0c dividend declared per share during the reporting period. Previously announced dividend policy remains in place.
- 5,000 sqm Warehouse extension is now completed as announced on 20<sup>th</sup> February 2013.
- New \$20 million purchase finance facility signed with Macquarie Bank in February 2013 to ensure adequate working capital funding.
- Full year profits are expected to exceed FY2012 levels.

## Premises

1,000 sqm of office space and 9,000 sqm of warehouse space on a 2.6 hectare site in Kurnell

## Employees

93 FTEs

## Active Reseller Accounts

3,800+ across Australia

## Market Capitalisation

\$104.7 million as at 26 February 2013

## Major vendors



# Financial Highlights

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- Revenue down 3.6% to \$213.9 million
- Gross profit margin increased from 7.3% to 7.6%
- EBITDA declined 7.8% to \$6.5 million
- NPAT down 10.8% to \$3.3 million
- Operating cash flow increased by \$27.3 million to \$13.8 million
- Dividend payments up from 2.93c per share to 3.0c per share

# Half-yearly P&L

- Reported revenues are slightly ahead of management's budget. Modest decline in revenues was expected as strategy is changing from prioritising high volume low margin PC sales.
- Gross profit margin increased due to favourable shift in product mix towards higher margin product groups.
- Operating profit margins were negatively impacted by the increased level of provisions related to annual leave and long service leave (up \$172k) and sales commissions (up \$180k).

<i>\$ million</i>	<b>1H FY2013</b>	<b>1H FY2012</b>	<i>Change</i>
Revenue	213.9	221.7	-3.6%
Gross profit	16.2	16.2	-0.5%
EBITDA	6.5	7.0	-7.8%
PBT	4.7	5.2	-9.9%
Profit after tax	3.3	3.7	-10.8%
Earnings per share	2.6c	2.9c	-10.9%

# Balance Sheet



- Improved working capital position due to more effective receivables collection
- All short-term borrowings are asset backed and fluctuate along the working capital cycle. End of December is considered to be a mid-point in this cycle.

<i>\$ million</i>	31 December 2012	30 June 2012
Cash	1.9	0.2
Receivables	54.4	68.7
Inventory	44.1	41.3
PP&E	19.4	16.6
Other non-current assets	0.7	0.6
<b>Total Assets</b>	<b>120.4</b>	<b>127.5</b>

Trade Creditors	56.9	58.5
Short-term borrowings	41.8	46.1
Other short-term liabilities	1.2	1.9
Long-term Borrowings	0.7	1.0
Other long-term liabilities	1.8	1.4
<b>Total Liabilities</b>	<b>102.4</b>	<b>108.9</b>

<b>Shareholders' equity</b>	<b>18.0</b>	<b>18.5</b>
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- Substantially improved operating cash flow position. Operating cash flow in PCP includes the one-off negative impact of switching to the new banking facility in December 2011.
- \$3 million investment in warehouse extension was funded from cash flow and Dicker Data's existing finance facilities. Investing cash flow in PCP includes the proceeds from the sale of the old warehouse for approximately \$2 million.
- Dividend payments and net reduction in the amount drawn from the debtor finance facility resulted in financing cash outflows.

<i>\$ million</i>	H1 FY2013	H1 FY2012
Operating Cash Flow	13.8	(13.6)
Investing Cash Flow	(3.1)	1.7
Financing Cash Flow	(9.0)	12.0
Change in Cash	1.7	0.1



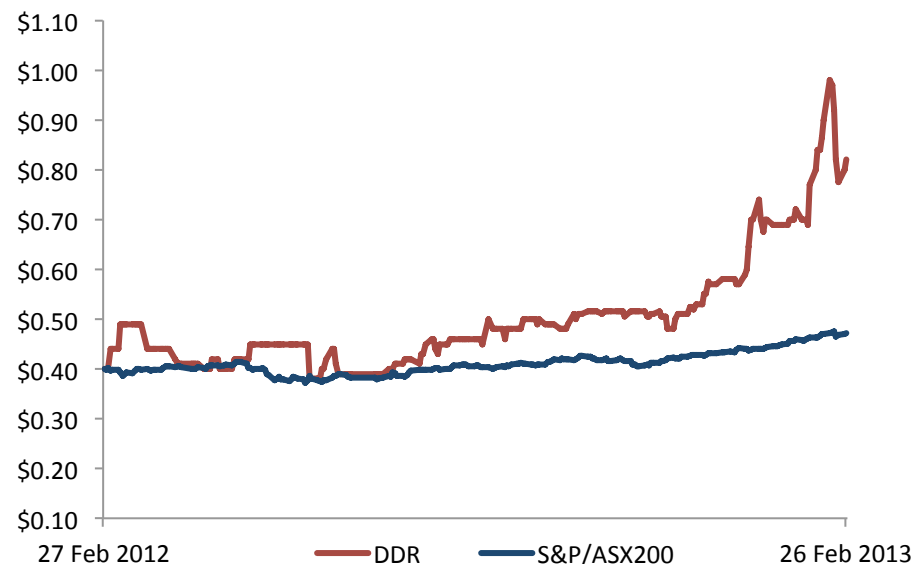
- The new 5,000 sqm extension of the warehouse provides the company with more efficient inventory logistics.
- Strategy to focus on higher margin product groups expected to deliver further gross margin improvement.
- The new \$20m inventory purchase finance facility with Macquarie Bank enables Dicker Data to further improve profit margins by taking greater advantage of the early settlement discounts available from HP.
- Continuous review of product and vendor mix may result in terminating existing vendor relationships or signing up new brands to fuel growth.
- Slightly improving market outlook, however, recovery in SMEs IT spend remains fragile.
- 2013 started strong and Dicker Data is on track to achieve higher full year profits than in FY2012.

## HISTORICAL RETURNS

	12-month	Since 1 July
Share price appreciation	105%	110%
Dividend yield	7%	4%
<b>Total return</b>	<b>112%</b>	<b>114%</b>

	As at 26/02/2013
Share price	82c
Shares on issue	127.7m
<b>Market cap</b>	<b>\$104.7m</b>

## Relative Performance – 12 months



**Rare combination of high growth and high yield**

Previously announced dividend policy remains unchanged:

- Quarterly dividend payments up to 100% of underlying after tax profits
- Final amount of dividend is determined based on capital needs of the company

## DIVIDENDS IN FY2013

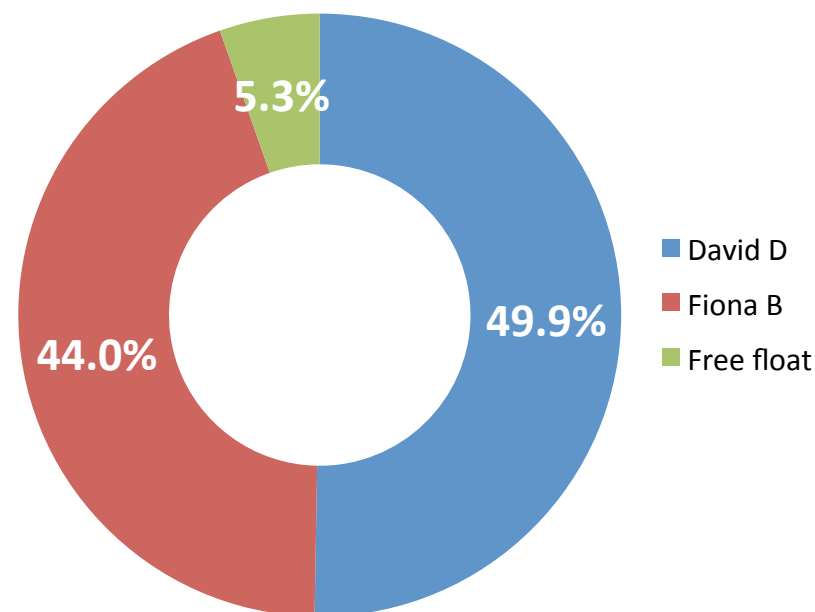
Payment Date	Dividend/Share	Amount	Type	Amount Franked
8 Oct 12	2.0c	\$2.53 m	Final	100%
11 Jan 13	1.0c	\$1.27m	Interim	100%
<b>Total</b>	<b>3.0c</b>	<b>\$3.80m</b>	-	<b>100%</b>

## TOP 5 SHAREHOLDERS

Shareholder	Shares	Holding
David Dicker	63.75m	49.92%
Fiona Brown	56.25m	44.05%
Denman Income	0.51m	0.40%
Zhen Li	0.20m	0.16%
Ian Davies	0.18m	0.14%
<b>Total</b>	<b>120.89m</b>	<b>94.67%</b>

As at 25<sup>th</sup> February 2013

## SHAREHOLDER STRUCTURE



**THANK YOU**