Dicker Data Limited

ABN: 95 000 969 362

Appendix 4D and Interim Financial Report

Half Year Ended 30 June 2018

Appendix 4D
Results for announcement to the market

Dicker Data Limited
ABN 95 000 969 362

1. Reporting period: Half Year ended 30 June 2018
Previous Reporting Period: Half Year ended 30 June 2017

2. Results for announcement to the market

Operating and financial review on comparative period

Results		Movement		Jun-18 (six months) $'000	Jun-17 (six months) $'000
Revenues from ordinary activities	Up	13.5%	to	$717,564	$632,463
Net operating profit before tax*	Up	11.9%	to	$21,748	$19,437
Net profit before tax	Up	9.9%	to	$21,357	$19,437
Net profit after tax attributable to members	Up	21.9%	to	$15,798	$12,963

* *net operating profit before tax normalised excluding one off cost for Employee Share Scheme*

The six months to June 2018 has seen Dicker Data grow revenue at a rate of 13.5% through growth in both established vendors and new vendors. Profit margins are tracking slightly lower to comparative period last year at 8.9%, whilst operating costs as a percentage of sales have remained stable. Net profit before tax finalised at $21.4m, up 9.9%. Tax expense in the half year includes a credit for remission of a franking deficit amount which was provisioned for in FY17 accounts. The remission of the franking deficit tax has resulted in net profit after tax finalising at $15.8m, a growth of 21.9% on comparative period.

For more detailed explanation of the figures, please refer to the interim half year report under review of operations.

3. Net Tangible Assets

	Jun-18	Jun-17
Net tangible asset per ordinary share	0.30	0.28

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

There has been no additions or subtractions to the entity in the current reporting period.

5. Dividends paid

Record Date:	Payment Date:	Dividend/Share (in Cents)	Amount (in 000's)	Type	FY	Amount Franked
19-Feb-18	02-Mar-18	0.0480	$7,696	Final FY17	2017	100%
18-May-18	01-Jun-18	0.0440	$7,063	Interim 1 FY18	2018	100%
	Total	**0.0920**	**$14,760**			

The total dividends declared and paid during the half financial year were 9.2 cents per share or a total of $14.8m, fully franked.

6. Dividend Reinvestment Plans

The company continued to offer participation in the Dividend Reinvestment Plan (DRP) in the reporting period. Of the total $14.8m dividends paid in the period, $14.4m was paid as cash dividends and $348k participated in the DRP.

7. Details of Associates and Joint Venture Entities

Not Applicable

8. Audit Report

The financial statements were subject to review by the auditors and the review report is attached as part of the Interim Financial Report.

10. Attachments

The interim Financial Report of Dicker Data Limited for the half year ended 30 June 2018 is attached.

Signed:

David Dicker
CEO and Chairman
Sydney, 27 August 2018

Dicker Data Limited

ABN: 95 000 969 362

Interim Financial Report

Half Year Ended 30 June 2018

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Dicker Data Limited (referred to hereafter as the 'company' or 'parent company') and the entities it controlled at the end of, or during the half year ended 30 June 2018.

Directors

The following persons were directors of Dicker Data Limited for the entire half-year ended and up to the date of this report. Directors were in office for this entire period unless otherwise stated.

David J Dicker
Fiona T Brown
Mary Stojcevski
Michael Demetre
Vladimir Mitnovetski
Ian Welch

Principal activities

The principal activities of the company during the half-year were wholesale distribution of computer hardware, software and related products. No significant change occurred in the nature of these activities for the half-year.

Review of operations

Revenue

The revenue for the consolidated entity for the 6 months to 30 June 2018 was $717.6m (Jun17: $632.5m), up by $85.1m (+13.5%) on the previous corresponding period.

Over the course of FY17 and YTD FY18 there were 18 new vendors on-boarded and these new vendors have contributed an increase of $35.8m to revenue on a year on year basis in H1 2018. Revenue for existing vendors has grown $48.8m (+7.9%) on the previous corresponding period.

At a country level Australia grew $109.2m (+19.3%) and New Zealand contracted $24.7m (-39.0%) as the NZ operation ceased distribution of Cisco product. With the exit of Cisco in New Zealand we have reset our strategy to focus on growth in New Zealand with new vendor partners. Since the Cisco exit we have onboarded several new vendors including HPE, Seagate, APC and HDS. If we exclude the contraction of the Cisco revenue, overall growth in New Zealand was $2.0m (+5.5%).

At a sector level, we saw further continued growth in Hardware (+$70m,+14%), Software (+$15m,+11%), and Services (+$0.1m,+3.5%). Of the total group revenue, $184.7m was from recurring subscription revenue, up $20m, +12%).

Gross Profit

Total gross profit (excluding other revenue) was $63.6m (Jun17: $57.1m), an increase of $6.5m or 11.4%. Dicker Data's profit margins have remained stable in the current period at 8.9%, tracking slightly under from FY17 levels at 9.0% due to market competition.

Operating Expenses

Operating expenses have increased by $5.2m (+15.2%), and operating costs as a percentage of sales have increased slightly to 5.5% (Jun17: 5.4%). Salary related expenses accounted for the majority of the increase, up by $4.5m (+15.6%) due to increases in achievement-based commissions, increases in employee-related provisions and higher headcount. Average headcount has increased from 389 to 420 (+8%) as we continue to invest in growth portfolios as a result of new vendor additions, for which full value is yet to be realised.

Review of operations (continued)

Depreciation and Amortisation expense has remained flat at $1.3m compared to prior corresponding period. Included in the half year number is $0.7m for amortisation of customer contracts.

Financing costs have fallen by $0.1m despite an increase in working capital and debt, mainly as a result of lower interest rates.

Profit

Profit before tax finalised at $21.4m (Jun17: $19.4m) up by 9.9%. Included in this number is a one-off expense of $392k for the Employee Share Scheme announced in March 2018. On the 28th March 2018 a total of 130,144 shares were issued to staff at a market value of $392k.

Operating profit before tax, excluding the one-off cost of the Employee Share Scheme, finalised at $21.7m (Jun17: $19.4m) up by 11.9%.

Net Profit after tax increased to $15.8m (Jun17: $13m), up by 21.9%. Tax expense in the half year includes a credit for remission of a franking deficit tax which was provisioned for in FY17 financial statements.

Earnings per share increased to 9.84 cents (Jun17: 8.10 cents), up by 21.5%.

Statement of Financial Position

Total assets as at 30 June 2018 increased to $436.6m (Dec17: $384.3m). Total Liabilities were $359.9m up $50.5m from the prior period (Dec17: $309.4m).

Cash finalised at $6.2m down by $3.2m (Dec17: $9.4m).

The statement of financial position reflects an increased investment in working capital over the previous period, being $27.7m higher. Trade and other receivables were up from the previous period to $256m (Dec17: $207m) and inventories closed at $95.1m, up from $88.6m, reflecting investment in new portfolios. Trade and other payables were up to $226.7m (Dec17: $198.9m).

No material capital expenditure was incurred during the half year in respect of the new warehouse build, resulting in no material change in our investment in property, plant and equipment. The development application (DA) has been lodged for the new warehouse and office facility, and total capital expenditure in H218 will depend on timing of DA approval.

With the increased working capital investment current borrowings increased by $22.0m to $77.0m (Dec17: $55m).

With the credit to tax expense and dividend reinvestment plan, total equity was up by $1.8m at $76.7m (Dec17: $74.9m).

Cash Flow

With increased investment in working capital and payment of some suppliers early for early settlement discounts, net cash used in operations was higher than cash inflows. This increased investment was funded through an additional drawdown on our revolving working capital facility. Negative cash from operations is cyclical and represents additional investment in inventory and debtors as at the end of the period.

Outlook

We have seen increasing demand across 4 key pillars: Hybrid IT, IOT, Digital Transformation and Wireless Technology. The demand for As-a-Service offerings is driven by more partners transitioning their business models from transactional based sales to annuity based revenue streams, as their customers seek Opex based solutions instead of CAPEX commitments. Having said this, we have also seen strong growth for both on-premise and consumption-based offerings in H118.

In addition, emerging markets like IOT and Digital Transformation, whilst having their own challenges, represents huge opportunities for both Dicker Data and our customers, as we create solutions to cater for all market verticals, to address their challenges and deliver the desired outcomes. Dicker Data is playing a pivotal role as the aggregator, bringing together the right technologies available in the market today, delivering robust solutions for our customers across these emerging and fast growing markets.

Dicker Data's commitment is to invest in our technical capabilities and cloud platform to ensure our partners have the right support and technical advice to deliver appropriate solutions to their customers in a seamless and efficient way.

In summary our H218 outlook is positive, as we continue to play to our strengths and drive strong profitable revenue across the key pillars outlined above. Based on results to date and execution of above initiatives Dicker Data expects to achieve its previous guidance of $42.5m in pre-tax operating profit for FY18.

Significant changes in the state of affairs

New Distribution Centre

On the 28th February 2018 we lodged our State Significant Development Application with the Department of Planning. After responding to a number of their enquiries regarding the development they confirmed acceptance of our application on 16th May 2018. We anticipate that approval for our development application to take up to 6 months. Therefore we do not anticipate any material construction costs to be incurred in H218. We are concurrently working on tender documentation for the construction.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed:

David Dicker
CEO and Chairman
Sydney, 27 August 2018

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Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF DICKER DATA LIMITED

As lead auditor for the review of Dicker Data Limited for the half-year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. **No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and**
2. **No contraventions of any applicable code of professional conduct in relation to the review.**

This declaration is in respect of Dicker Data Limited and the entities it controlled during the period.

Tim Aman

Tim Aman
Partner

BDO East Coast Partnership

Sydney, 27 August 2018

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2018

		Consolidated	
		30-Jun-18	**30-Jun-17**
	Note	**$'000**	**$'000**
REVENUE			
Sales revenue		716,361	631,744
Other revenue:			
Interest received		61	66
Recoveries		48	-
Other revenue		1,094	653
		717,564	**632,463**
EXPENSES			
Changes in inventories		6,525	(26,497)
Purchases of inventories		(659,251)	(548,131)
Employee benefits expense		(32,973)	(28,512)
Depreciation and amortisation		(1,262)	(1,252)
Finance costs		(2,733)	(2,865)
Other expenses		(6,513)	(5,770)
		(696,207)	**(613,026)**
Profit before income tax expense		**21,357**	**19,437**
Income tax expense		(5,559)	(6,473)
Profit after income tax expense for the year		**15,798**	**12,963**
Profit attributable to members of the company		**15,798**	**12,963**
Other comprehensive income/(loss), net of tax			
Items that may be reclassified subsequently to profit or loss			
Foreign Currency Translation gain/(loss)		68	(98)
Total comprehensive income for the year		**15,866**	**12,866**
Total comprehensive income attributable to members of the company		**15,866**	**12,866**
Earnings per share		**Cents**	**Cents**
Basic earnings per share		9.84	8.10
Diluted earnings per share		9.84	8.10

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

		Consolidated	
		30-Jun-18	31-Dec-17
	Note	$'000	$'000
ASSETS			
Current Assets			
Cash and cash equivalents		6,162	9,394
Trade and other receivables		255,966	206,993
Inventories		95,090	88,565
Total Current Assets		**357,218**	**304,952**
Non-Current Assets			
Property, plant and equipment		46,311	45,895
Intangible assets		28,420	29,129
Deferred tax assets		4,647	4,320
Total Non-Current Assets		**79,378**	**79,344**
TOTAL ASSETS		**436,596**	**384,296**
LIABILITIES			
Current Liabilities			
Trade and other payables		226,699	198,887
Borrowings		77,000	55,000
Current tax liabilities		1,860	2,138
Short-term provisions		8,695	7,881
Total Current Liabilities		**314,254**	**263,906**
Non-Current Liabilities			
Borrowings		39,501	39,360
Deferred tax liabilities		4,811	4,846
Long-term provisions		1,301	1,301
Total Non-Current Liabilities		**45,613**	**45,507**
TOTAL LIABILITIES		**359,867**	**309,413**
NET ASSETS		**76,729**	**74,883**
EQUITY			
Equity attributable to Equity Holders			
Issued capital		57,608	56,868
Reserves		203	135
Retained profits		18,918	17,880
TOTAL EQUITY		**76,729**	**74,883**

The consolidated statement of financial position is to be read in conjunction with the attached notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2018

Consolidated	Note	Issued Capital $'000	Retained Profits $'000	Reserves $'000	Total Equity $'000
Balance at 1 January 2017		**56,046**	**17,248**	**665**	**73,959**
Profit after income tax for the year			12,963		**12,963**
Other comprehensive income for year net of tax				(98)	**(98)**
Total comprehensive income for the year			12,963	**(98)**	**12,866**
Transactions with the owners in their capacity as owners:					
Share Issue (DRP)		529			**529**
Dividends Paid			(13,445)		**(13,445)**
Balance at 30 June 2017		**56,575**	**16,767**	**567**	**73,908**
Balance at 1 January 2018		**56,868**	**17,880**	**135**	**74,883**
Profit after income tax for the year			15,798		**15,798**
Other comprehensive income for the year net of tax				68	**68**
Total comprehensive income for the year			**15,798**	**68**	**15,866**
Transactions with the owners in their capacity as owners:					
Share Issue *(DRP)*		348			**348**
Share Issue - Employee Share Scheme *(ESS)*		392			**392**
Dividends Paid			(14,760)		**(14,760)**
Balance at 30 June 2018		**57,608**	**18,918**	**203**	**76,729**

The consolidated statement of changes in equity is to be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 June 2018

	Note	30-Jun-18 $'000	30-Jun-17 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		742,591	656,694
Payments to suppliers and employees (inclusive of GST)		(743,964)	(599,817)
Interest received		61	66
Interest and other finance costs paid		(2,733)	(2,865)
Income tax paid		(6,199)	(15,622)
NET CASH FROM (USED IN) OPERATING ACTIVITIES		**(10,244)**	**38,456**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(968)	(599)
Payments for intangibles			(16)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**(968)**	**(615)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown/(Repayments of borrowings)		22,000	(15,000)
Payment of dividends		(14,020)	(12,916)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		**7,980**	**(27,916)**
NET CASH FLOWS		(3,232)	9,925
Cash and cash equivalents at the beginning of the period		9,394	17,458
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		**6,162**	**27,383**

The consolidated statement of cash flows is to be read in conjunction with the attached notes.

Note 1. Significant accounting policies

These general purpose interim financial statements for the half-year reporting period ended 30 June 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amended Accounting Standards and Interpretations adopted

This is the first set of the Company's financial statements where AASB9 Financial Instruments and AASB15 Revenue from Contracts with Customers have been adopted. The company has reviewed these standards and the impact they have had on the financial statements as detailed below:

AASB 9 – This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The key change that affects the company on initial application of AASB 9 relates to the requirement to recognise impairment of financial assets carried at amortised cost based on an expected credit loss approach. The new impairment model uses a forward looking expected loss model whereby credit losses will be recognised when expected rather than when lossess are incurred. The company has insurance cover for the large part of the credit risk associated with its' receivables and in addition has historically experienced low levels of bad debts. Therefore the adoption of AASB 9 has not had a material impact on the entity's financial statements.

AASB 15 – This standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard requires:

- contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract;
- determine the transaction price, adjusted for the time value of money excluding credit risk;
- allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist;
- and recognition of revenue when each performance obligation is satisfied.

Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. Management has carried out a detailed analysis of the impact this standard will have on the recognition of revenue. Based on analysis done to date, this standard has not had a material impact on our financial statements as it is not significantly different to our current method of recognising revenue for the largest categories of our revenue and customer contracts.

Revenue for the half year has been recognised in accordance with the new standard and is consistent with previous financial years. Management will continue to review and analyse all our revenue categories and will update the financial statements for the full year if it is determined an alternate approach to revenue recognition is required.

Note 2. Critical Accounting Judgements, Estimates and Assumptions

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

Note 3. Operating Segments

Identification of Reportable Operating Segments

The consolidated entity is organised into two operating segments: Australia and New Zealand. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). Reportable revenue is for only the one product being the sale of IT goods. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The information reported to the CODM is on at least a monthly basis.

Intersegment Transactions

There were also some immaterial inventory purchasing transactions during the period. All intersegment transactions are at market rates and have been eliminated on consolidation.

Intersegment Receivables, Payables and Loans

Intersegment loans are initially recognised at the consideration received. Interest on intersegment loans is calculated at market rates. Intersegment loans are eliminated on consolidation.

Note 3. Operating Segments (continued)

Operating Segment Information

	Australia	New Zealand	Eliminations / Unallocated	TOTAL
Consolidated - 30 June 2018	**$'000**	**$'000**	**$'000**	**$'000**
Revenue				
Sale of goods	677,706	38,655		**716,361**
Other revenue:				
Recoveries	48	-		**48**
Other revenue	1,041	53		**1,094**
Interest revenue	29	32		**61**
Total Revenue	678,825	38,739	-	**717,564**

EBITDA	24,726	565		**25,291**
Depreciation & Amortisation	(1,217)	(46)		**(1,262)**
Interest revenue	29	32		**61**
Finance costs	(2,733)			**(2,733)**
Profit before income tax	20,805	551	-	**21,357**
Income tax expense	(5,473)	(86)		**(5,559)**
Profit after income tax expense	15,333	465	-	**15,798**
Segment Current Assets	336,935	20,319	(36)	**357,218**
Segment Non Current Assets	78,758	620		**79,378**
Segment Assets	**415,693**	**20,939**	**(36)**	**436,596**
Segment Current Liabilities	302,422	11,868	(36)	**314,254**
Segment Non Current Liabilities	45,613	-		**45,613**
Segment Liabilities	**348,035**	**11,868**	**(36)**	**359,867**

Consolidated - 30 June 2017	**Australia** **$'000**	**New Zealand** **$'000**	**Eliminations / Unallocated** **$'000**	**TOTAL** **$'000**
Revenue				
Sale of goods	568,361	63,382	-	**631,744**
Other revenue:				
Other revenue	1,315	293	(954)	**653**
Interest revenue	29	37	-	**66**
Total Revenue	569,705	63,712	(954)	**632,463**
EBITDA	22,091	2,351	(954)	**23,488**
Depreciation & Amortisation	(1,191)	(61)	-	**(1,252)**
Interest revenue	29	37	-	**66**
Finance costs	(2,865)	-	-	**(2,865)**
Profit before income tax	18,063	2,327	(954)	**19,437**
Income tax expense	(5,727)	(746)	-	**(6,473)**
Profit after income tax expense	12,336	1,581	(954)	**12,963**
Segment Current Assets	275,738	35,315	-	**311,053**
Segment Non Current Assets	77,253	716	-	**77,969**
Segment Assets	**352,991**	**36,031**	**-**	**389,022**
Segment Current Liabilities	243,496	25,586	-	**269,083**
Segment Non Current Liabilities	46,031	-	-	**46,031**
Segment Liabilities	**289,527**	**25,586**	**-**	**315,114**

Note 4. Dividends

Record Date:	Payment Date:	Dividend/Share (in Cents)	Amount (in 000's)	Type	FY	Amount Franked
19-Feb-18	02-Mar-18	0.0480	$7,696	Final FY17	2017	100%
18-May-18	01-Jun-18	0.0440	$7,063	Interim 1 FY18	2018	100%
	Total	**0.0920**	**$14,760**			

The total dividends declared and paid during the half financial year were 9.2 cents per share or a total of $14.8m, fully franked.

Note 5. Fair Value Measurement

The company has a number of financial instruments which are not measured at fair value in the statement of financial position, including cash, receivables, payables and current borrowings. The fair value of these financial assets and financial liabilities approximates their carrying amount due to their short-term nature. The fair value of the corporate bond is estimated at the face value of the bond.

Note 6. Contingent Liabilities

The directors are not aware of any contingent liabilities related to the consolidated entity as at the report date.

Note 7. Events after the reporting period

No other material events have occurred subsequent to reporting date.

DIRECTOR'S DECLARATION

In the directors' opinion:

- The attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- The attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial half-year ended on that date; and

- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

Signed

David Dicker
CEO
27 August 2018

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Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dicker Data Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Dicker Data Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards

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and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

BDO

Tim Aman

Tim Aman
Partner

Sydney, 27 August 2018