



**Dicker Data Limited**

**ABN: 95 000 969 362**

**Appendix 4E  
Preliminary Final Report  
Year ended 31 December 2018**

# Results for announcement to the market

## 1. REPORTING PERIOD: YEAR ENDED 31 DECEMBER 2018

Previous Corresponding Period: Year ended 31 December 2017

## 2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Operating and financial review on comparative period

	Movement			12 Months Dec-18 \$'000	12 Months Dec-17 \$'000
Revenues from ordinary activities	Up	14.4%	to	\$1,493,561	\$1,305,972
Net operating profit before tax*	Up	16.0%	to	\$46,607	\$40,170
Net profit before tax	Up	15.0%	to	\$46,215	\$40,170
Net profit after tax attributable to members	Up	20.5%	to	\$32,467	\$26,942

\* net operating profit before tax excluding one off cost for Employee Share Scheme of \$392k

### 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	2017	100%
18-May-18	01-Jun-18	0.0440	\$7,064	Interim	2018	100%
20-Aug-18	03-Sep-18	0.0440	\$7,066	Interim	2018	100%
20-Nov-18	03-Dec-18	0.0440	\$7,068	Interim	2018	100%
<b>Total</b>		<b>0.1800</b>	<b>\$28,894</b>			

The total dividends declared and paid during the financial year were 18.0 cents per share or a total of \$28.9m fully franked.

A final dividend for FY18 of 7.0 cents per share was declared on 11 February 2019 with a record date of 15 February 2019 and a payment date of 1 March 2019.

### REVENUE

The revenue for the consolidated entity for the 12 months to 31 December 2018 was \$1,493.6m (2017: \$1,306.0m), up by \$187.6m (+14.4%).

Dicker Data has continued to add new vendors and increased the breadth of products offered by existing vendors whilst still driving growth.

In 2018 Dicker Data added a total of 6 new vendors, contributing an incremental \$12.3m. Of the existing vendors, we saw growth of \$174.3m (+13.4%). Other revenue also increased by \$1.0m

At a country level, Australia grew \$233.7m (+20.0%), New Zealand contracted \$47.1m (-36.0%) due to the full year effect of the loss of the Cisco business.

At a sector level, we maintained strong growth across all business units, with Hardware (+\$129.2m, +12.6%), Software (+\$56.8m, +20.9%), and Services (+\$0.6m, +8%).

### GROSS PROFIT

Despite a decrease in gross profit margin, gross profit for the reporting period was up 12.4% at \$132.4m (2017: \$117.8m). As expected, gross profit margins have abated slightly at 8.9% (2017: 9.0%) due to product mix and market competition.

# Results for announcement to the market

Continued

## OPERATING EXPENSES

### Operating Expenses

Operating costs for the reporting period were \$80.8m (2017: \$71.4m), an increase of \$9.4m (13.1%), falling slightly as a proportion to sales at 5.4% (2017: 5.5%).

The increase in costs is attributed to an increase in salary related expenses. Excluding value of Employee Share Scheme costs, salary costs were \$66.6m (2017: \$59.0m) an increase of \$7.6m, remaining flat as a proportion of sales at 4.5% (2017: 4.5%). The increase in salary costs is attributed to investment in additional headcount as a result of new vendor signings. Headcount across the group finished at 442 (2017: 410).

### Depreciation, Amortisation and Finance Costs

Depreciation and Amortisation for the reporting period was \$2.6m, flat to the prior period of \$2.6m.

Finance costs in the reporting period were \$5.7m, up \$0.2m from the prior year (2017: \$5.5m). The company continues to improve its working capital efficiencies, with net average debt increasing by just 1.6% over the course of the year.

## PROFIT

Profit before tax finalised at \$46.2m (2017: \$40.2m) up by 15.0%. Excluding one off costs relating to share issue for Employee Share Scheme operating profit before tax finalised at \$46.6m, up by 16.0%.

Net Profit after tax increased to \$32.5m (2017: \$26.9m), up by 20.5%. Tax expense in 2018 includes a credit for remission of a franking deficit tax which was provisioned for in the FY17 financial statements.

Weighted average earnings per share increased to 20.22 cents per share (2017: 16.82 cents), up by 20.2%.

## STATEMENT OF FINANCIAL POSITION

Total assets as at 31 December 2018 increased to \$429.0m (2017: \$384.3m).

The statement of financial position reflected an increase in working capital investment with working capital finishing higher than the previous period. Total investment in net working capital was \$121.2m, up by \$24.5m from previous year (2017: \$96.7m). Cash finalised at \$6.6m, down by \$2.8m (2017: \$9.4m). Trade and other receivables were up from the from the previous period to \$238.7m (2017: \$207.0m). The company showed a slight increase in inventory days with inventories finishing at \$105.5m (27.6 days), up from \$88.6m (26.5 days) in 2017. Trade and other payables were up to \$223.0m (2017: \$198.9m).

Property, plant and equipment increased to \$46.8m during the period (2017: \$45.9m) an increase of \$0.9m mainly related to preliminary capital expenditure in relation to demolition and site preparation for the property purchased last year for construction of the new distribution centre. We are still awaiting approval for our Development Application that was lodged with NSW Department of Planning and Environment this time last year. After much correspondence with the Department we expect this to be approved in the next few weeks and expect to commence construction shortly after that.

Total liabilities as at 31 December 2018 were \$349.0m, up from the prior period (2017: \$309.4m).

Current borrowings comprising a receivables purchase facility with Westpac was at \$70.0m as at 31 December 2018, \$15.0m higher than prior year (2017: \$55.0m) reflecting our increased working capital investment.

Equity has increased to \$80.0m during the period (2017: \$74.9m).

## 3. ANNUAL FINANCIAL REPORT

Refer to the attached Annual Report for the audited Financial Statements for the year ended 31 December 2018.

## 4. DIVIDENDS PAID

Security Type	Security	Dec-18	Dec-17
Final Dividend - Dec 2017	Ordinary	0.0480	0.0440
Interim Dividend - Dec 2018	Ordinary	0.1320	0.1200
<b>Total Dividends for all securities for the year</b>		<b>0.1800</b>	<b>0.1640</b>

# Results for announcement to the market

Continued

## 5. DIVIDEND REINVESTMENT PLANS

The Dividend Reinvestment Plan introduced in March 2014 has been retained for the 2018 year. Of the \$28.9m dividends paid, \$28.2m were paid as cash dividends, \$0.7m participated in the DRP. Total shares issued to staff in March 2018 under the Employee Share Scheme was 130,476 shares at a value of \$392k

## 6. NET TANGIBLE ASSETS

Net Tangible Assets	Dec-18 \$	Dec-17 \$
Net tangible asset per ordinary share	0.325	0.285

## 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:



David Dicker  
CEO and Chairman

Sydney, 28 February 2019