

Data#3 confirms record full year result

BRISBANE, Wednesday 21 August 2019: Australian business technology solutions leader Data#3 Limited (ASX: DTL) today announced its results for the year ended 30 June 2019 (FY19), which are consistent with the guidance provided on 11 July 2019.

FY19 – key metrics

- Revenue up 19.8% to \$1.4 billion
- NPBT up 30.2% to \$26.6 million
- NPAT (excluding minority interests) up 28.7% to \$18.1 million
- EPS up 28.7% to 11.76 cents per share
- Total fully franked dividend up 30.5% to 10.70 cents per share
- Strong balance sheet with minimal debt

The full year revenue represents solid growth in Data#3's core business and significant growth in public cloud-based revenues.

Commenting on the FY19 result, Data#3 Chief Executive Officer and Managing Director Laurence Baynham said: "We are delighted with the performance of the consolidated Data#3 business, which delivered a record result. Market conditions remained relatively stable in FY19, with digital transformation projects continuing to drive growth in our core infrastructure, software and services businesses. The growth in public cloud was a particular highlight."

Revenue and earnings growth in FY19

Total revenue increased by 19.8% to \$1,415.6 million, with product revenue up 21.3% to \$1,167.4 million and services revenue up 13.3% to \$246.9 million. This included strong growth in public cloud revenues, which increased by 35.3% to \$362.2 million.

The consolidated NPBT increased by 30.2% to \$26.6 million, and NPAT (excluding minority interests) increased by 28.7% to \$18.1 million.

The directors declared a final fully franked dividend of 7.10 cents per share, bringing the total dividend for FY19 to 10.70 cents per share fully franked. This represents an increase of 30.5% and a payout ratio of 91.0%. The final dividend will be paid on 30 September 2019, with a record date of 16 September 2019.

Data#3's Chairman Richard Anderson said: "Data#3's performance both in increased profit and solid underlying cash flow has delivered a significant increase in dividend. Combined with a very strong share price performance, this provides shareholders with an outstanding return for the year."

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Delivering key operational milestones

Commenting on the company's FY19 performance, Mr Baynham said: "The non-financial measures indicate the underlying health of the business has continued to strengthen. Our staff and customer satisfaction surveys produced record high results; we succeeded in winning a cross-industry Employer of Choice award for the fourth year in a row; and we were recognised by many of our global partners with national and international awards. In addition we made headway with a number of our strategic business improvement initiatives."

Long term objectives on track

Mr Baynham confirmed: "We are confident about delivery of the company's longer-term strategy. We have a robust business, no material debt, solid long-term customer relationships, committed supplier partnerships, and a highly experienced and productive team."

Outlook for FY20

Mr Baynham added: "We see ongoing growth in the Australian IT market, and believe we remain well positioned to capitalise on those opportunities. We will continue to build on our strengths and enhance shareholder value. Our overall financial goal remains to deliver sustainable earnings growth."

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	FY19 \$'000	FY18 \$'000	% Change
Revenue by segment:			
Product	1,167,446	962,336	+ 21.3%
Services	246,906	217,965	+ 13.3%
Other revenue	1,217	1,110	
Total revenue	1,415,569	1,181,411	+ 19.8%
Total public cloud revenues included above	362,212	267,780	+ 35.3%
Total gross profit (excluding Other revenue)	173,907	160,112	+ 8.6%
Total gross margin %	12.3%	13.6%	
Product gross profit	90,232	76,965	+ 17.2%
Product gross margin %	7.7%	8.0%	
Services gross profit	83,675	83,147	+ 0.6%
Services gross margin %	33.9%	38.1%	
Total staff & operating expenses	148,560	140,823	+ 5.5%
EBITDA	28,285	22,492	+ 25.8%
EBIT	25,758	19,498	+ 32.1%
EBIT margin %	1.82%	1.65%	
NPBT	26,564	20,399	+ 30.2%
NPAT (excluding minority interests)	18,112	14,078	+ 28.7%
Return on equity %	38.5%	31.6%	
	FY19	FY18	% Change
Earnings per share	11.76 cents	9.14 cents	+ 28.7%
Dividend per share	10.70 cents	8.20 cents	+ 30.5%
Dividend payout ratio	91.0%	89.7%	

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About Data#3

Data#3 Limited (ASX: DTL) is a leading Australian IT services and solutions provider, focused on helping its customers solve complex business challenges using innovative technology solutions.

Built on a foundation of over 40 years' experience, combined with world-leading vendor technologies, Data#3 delivers an integrated array of solutions spanning cloud, mobility, security, data & analytics and IT lifecycle management. These technology solutions are delivered by combining Data#3's services across consulting, project services and support services.

Listed on the ASX in 1997, Data#3 reported revenues of \$1.4 billion in the 2019 financial year and has more than 1,200 staff. Headquartered in Brisbane, it has facilities across 12 locations in Australia and Fiji.

More information about Data#3 and its solution and service offerings is available at <http://www.data3.com.au>