

Data#3

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FY20 Results Briefing

19th August, 2020

BUSINESS
ASPECT

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FY20 Summary

“We are very pleased with the full year performance, delivered another record result despite the particularly challenging second half. The result clearly demonstrates the inherent strength and relevance of our solution offerings in an evolving market. We are also delighted to achieve further extensive growth in our cloud-based business.”

Total revenue increased by **14.9%** to **\$1.6 billion**.

Earnings per share increased by **30.5%** to **15.35 cents**.

The board declared total dividends of **13.9 cents per share**, up **29.9%** on PCP and representing a **90.6%** payout ratio for the full year”



Data#3

Our Business

BUSINESS
ASPECT

Our **vision** is to harness the power of people and technology for a better future.

Data#3 in FY20



1,200+
staff



Founded
in **1977**



Listed on the
ASX in 1997



\$1.6 Billion
in revenue in **FY20**



9 offices across Australia and Fiji
3 integration centres



Approx. 60% revenue under contract



Target market enterprise and government



Largest enterprise software supplier in Asia Pacific



Over 2,000 services projects per year

Our Solutions



Cloud



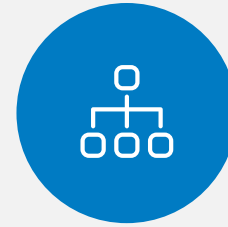
Modern Workplace



Security



Data & Analytics



Connectivity

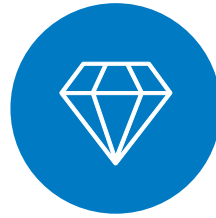
Consulting

Project Services

Support Services

A hand in a dark suit sleeve is shown from the bottom left, holding a glowing, interconnected network of binary code (0s and 1s) that fills the frame. The background is a dark blue with a grid of light blue lines and floating binary digits. A white rectangular box is centered in the middle of the image, containing the text "Digital Transformation".

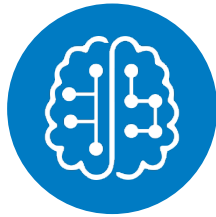
Digital Transformation



Digital Transformation



Blockchain



Artificial Intelligence



Internet of Things



3D Printing

FOUNDATION LAYER



Connectivity



**Cloud
(Public & Private)**



Modern Workplace



Security

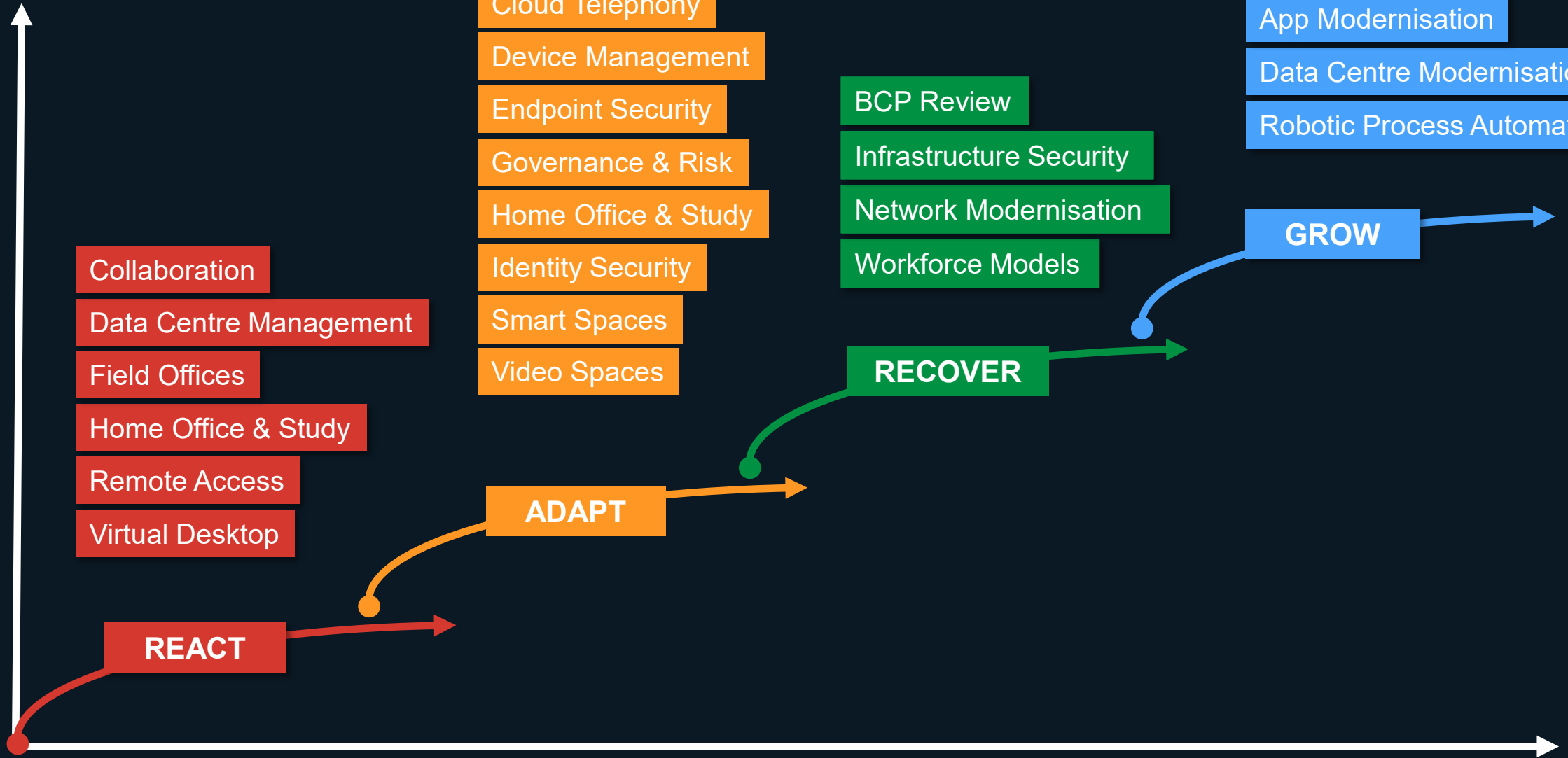
Partnering with leading global suppliers



Impact of the COVID-19 pandemic

- Safeguarding the well-being of our staff.
- Ensuring continuity of service to our customers.
- 97% of our staff worked from home.
- The pandemic caused shifts in our customers' projects and investment priorities.
- Our core business includes connectivity, collaboration, modern workplace, end user computing, cloud and enterprise security.
- Supply chain risk has been mitigated.
- Pre-packaged pandemic technology solutions.
- Excellent customer satisfaction feedback.

Normality



Collaboration

Data Centre Management

Field Offices

Home Office & Study

Remote Access

Virtual Desktop

REACT

Change Management

Cloud Backup

Cloud Telephony

Device Management

Endpoint Security

Governance & Risk

Home Office & Study

Identity Security

Smart Spaces

Video Spaces

ADAPT

BCP Review

Infrastructure Security

Network Modernisation

Workforce Models

RECOVER

App Modernisation

Data Centre Modernisation

Robotic Process Automation

GROW

Time

Data#3



FY20 Financial Performance

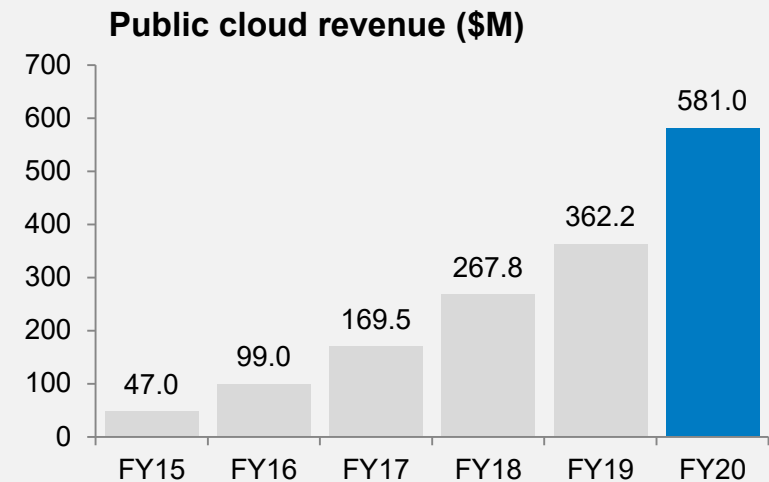
FY20 financial results

Total Revenue	Up 14.9%	\$1,625.9M
Sales revenue	Up 14.8%	\$1,623.8M
Public cloud revenue (included above)	Up 60.4%	\$581.0M
Other revenue		\$2.1M
<hr/>		
Gross Profit (excluding Other revenue)	Up 8.1%	\$188.0M
Gross margin %	Down 0.7 pp	11.6%
<hr/>		
EBIT	Up 32.3%	\$34.1M
EBIT margin %	Up 0.3 pp	2.1%
NPBT	Up 28.2%	\$34.1M
NPAT (excluding minority interests)	Up 30.5%	\$23.6M
Basic earnings per share	Up 30.5%	15.35 cents
Dividend per share	Up 29.9%	13.90 cents

Sustained revenue growth, boosted by cloud

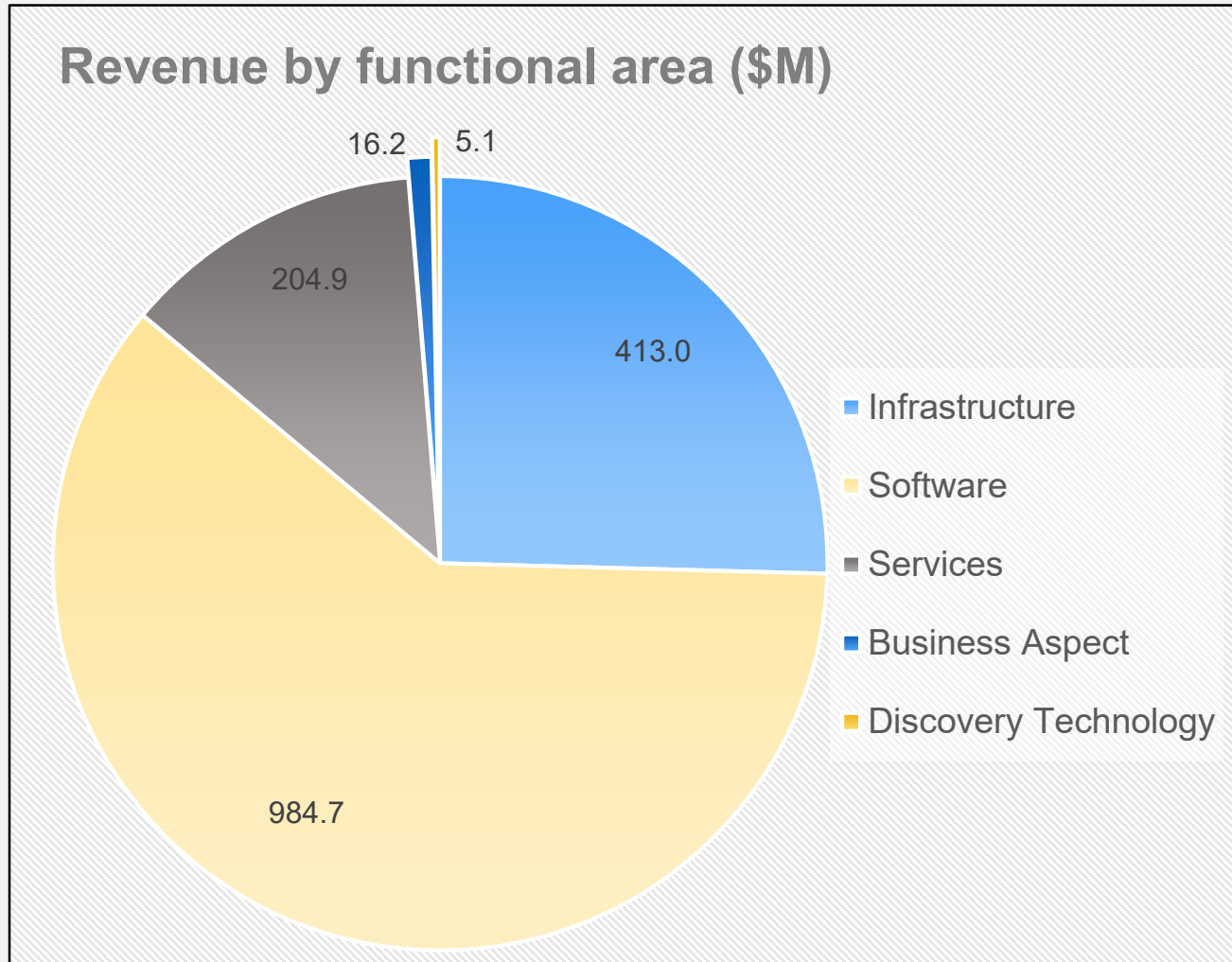


Total revenue includes \$581.0M of public cloud revenues, up 60.4% on PCP.



Approximately 60% of revenue is under contract.

Changing sales mix



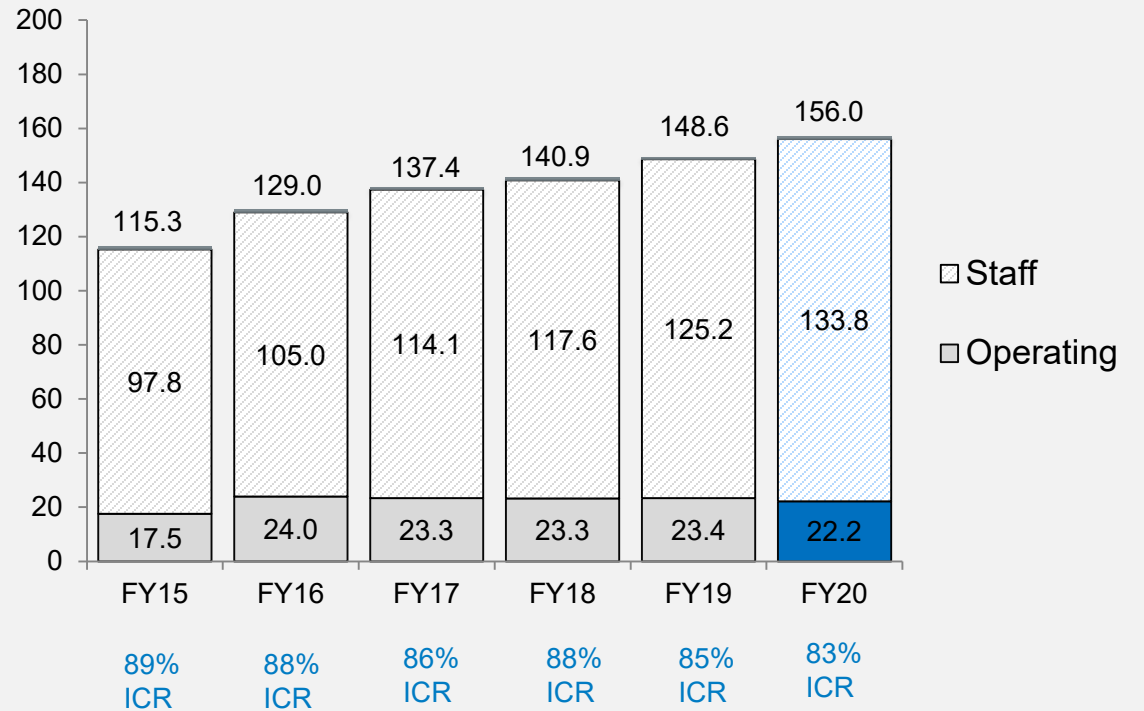
Business unit	FY20 revenue	Change vs. FY19
Infrastructure Solutions	\$413.0M	+ 8.7%
Software Solutions	\$984.7M	+ 25.0%
Project Services	\$59.4M	+ 8.8%
Support Services	\$86.6M	- 19.6%
Recruitment & contracting	\$58.9M	+ 10.2%
Business Aspect (consulting)	\$16.2M	- 38.6%
Discovery Technology	\$5.1M	+ 12.0%

Steady improvement in operating leverage

Total gross profit (\$M)



Internal expenses (\$M)

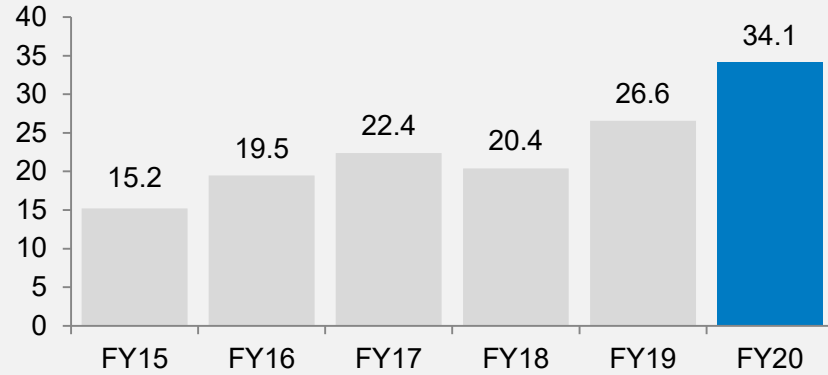


Gross margin % has varied with changing sales mix.

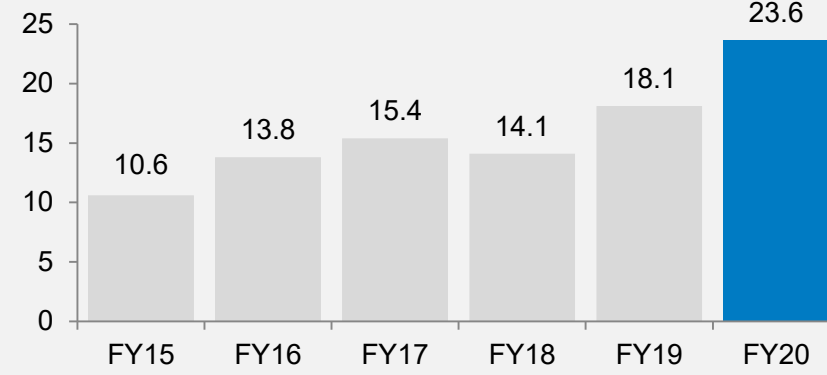
Internal Cost Ratio (ICR) = Internal expenses / Gross profit.
The ratio has improved from 89% to 83% over this period.

Sustained earnings growth

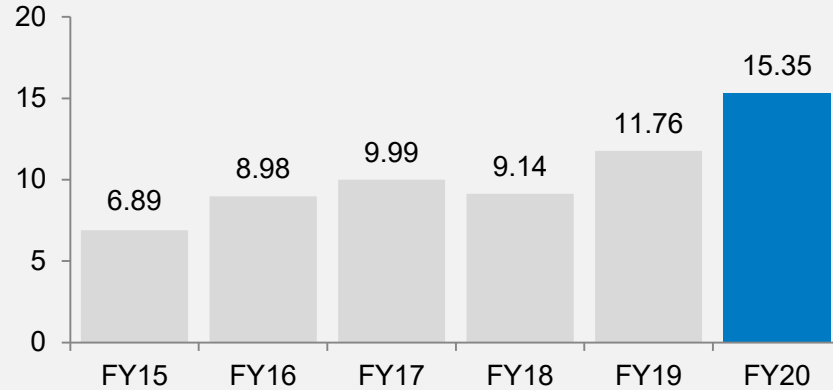
NPBT (\$M)



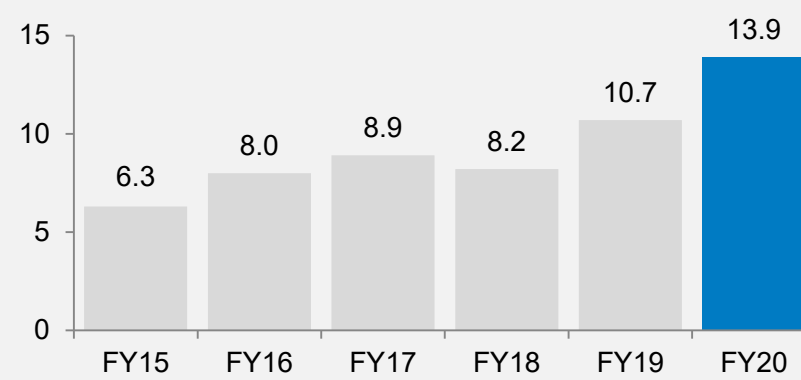
NPAT (\$M) – excl. minority interests



Basic EPS (cents)



Dividends per share (cents)



Solid balance sheet & cash flow








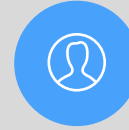

- Strong balance sheet with no material borrowings
- Any borrowings are back-to-back with customer contracts
- Cash flow 'seasonality' consistent with previous years
- Inflated temporary cash surplus at 30 June 2020
- Average DSOS of 29.7 days – ahead of target and industry best practice



A blue-tinted background image showing a group of business professionals in a meeting. Overlaid on the image is a network of glowing blue lines and nodes, symbolizing technology and connectivity. The word "Trends" is centered in a white box.

Trends

Market trends (with or without COVID-19)

-  **Digital transformation** remains a high priority in business strategy
-  The overall **IT market** is fuelled by digital transformation
-  A convergence of **Information Technology (IT) & Operational Technology (OT)** is creating opportunity
-  **Cybersecurity** poses increasingly larger threats and continues to grow
-  **Artificial intelligence & robotics** are in early adoption phase
-  **Data analytics** are increasingly mainstream
-  Superior **customer service** remains a key differentiator
-  Attracting and retaining **skilled resources** is increasingly competitive
-  **Vendor channel models** are changing with a greater emphasis on adoption and **customer experience**

Key priorities in FY21



Solutions –
promote lifecycle solution
engagement, and improve
services profitability



People & community –
attract, develop and retain
the best talent, and
promote CSR &
community initiatives



Customer experience –
implement a customer
success program, and
improve customer
engagement



Operational excellence –
improve operational
performance with system
enhancements, and
optimise returns from
vendor programs



Outlook

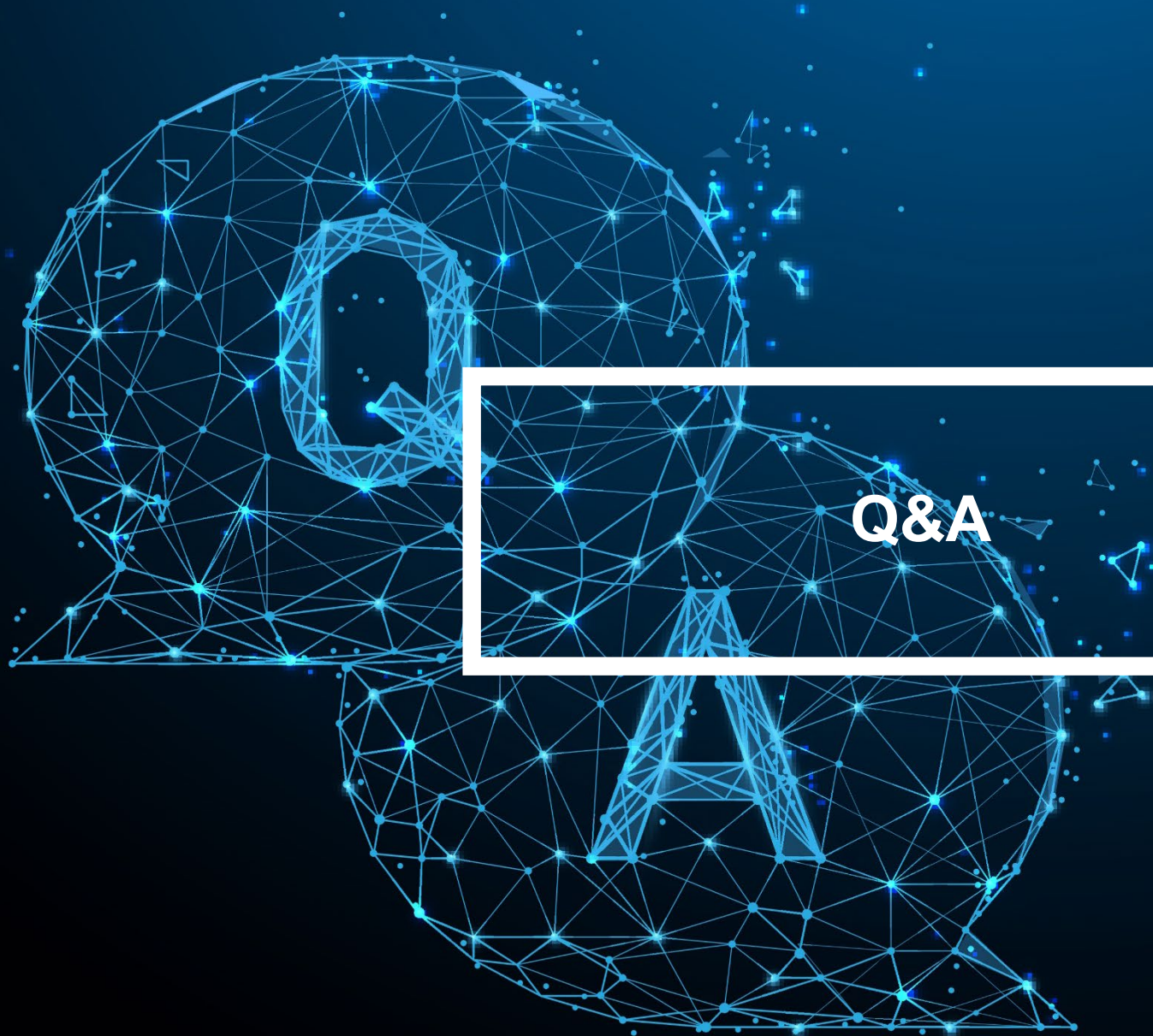


Outlook

Our expectation is that technology will play a major role in Australia's economic recovery from the pandemic, and we remain well positioned to capitalise on those opportunities.

The timing of the recovery is less certain, and consequently we are unable to provide meaningful commentary on our FY21 outlook at this stage.

Our long-term financial goal remains to deliver sustainable earnings growth



Q&A

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