

5 May 2021

Q121 Market Update

Dicker Data Limited (**ASX: DDR**) (Company), today provides an update on the Company's Q1 2021 earning result, interim dividends and operational trading update.

Q1 2021 Results

Summary of results and highlights for Q1 2021 are as follows:

- Net profit before tax for the first quarter was \$19.4m, an increase of 5.7% on the prior corresponding period (pcp)
- The increase in profit for the first quarter FY21 is a significant achievement following a very strong Q1 2020 which saw profit increase by 36.3% on the pcp
- Following a record Q1 2020, driven by the remote work movement as a result of COVID-19 the company is pleased to report Q1 2021 revenue was relatively flat, finalising at \$447.7m and just short of the pcp by only 3.5%
- This follows a very strong Q1 2020 where the company delivered revenue growth of 19.9% on the pcp
- Revenue in Q1 2021 was impacted by the global computer chip shortage, affecting the ability of our vendors to supply sufficient stock to meet local market demand
- As a result of the supply constraints and sustained demand, gross profit margin finalised at 10.0% in Q121, up from 9.7% in Q120, resulting in profit growth despite relatively flat revenue for the quarter
- In addition to increase in margin, increase in fx gains and other income contributed to the increase in profit for the quarter
- As a result of the supply constraints in Q121, there is a significant backlog of orders that we expect to fulfil in the coming quarters

3 months to:	\$m Mar-21	\$m Mar-20	\$m Mar-19	Change Q121	Change Q120
Total Revenue	447.7	463.9	386.9	-3.5%	19.9%
Profit Before Tax	19.4	18.4	13.5	5.7%	36.3%



Interim Dividends

In line with the Company's dividend policy to pay out 100% of after-tax profits, the Company will retain the current policy of paying quarterly dividends. To provide consistency and certainty for investors the Company proposes that each interim dividend will be at an equal rate.

The proposed rate for the interim dividends for FY21 will be 9.0 cents per share fully franked. This would bring total proposed dividend to be paid for the full FY21 year to 37.5 cents per share, an increase of 5.6% from FY20 of 35.5 cents per share.

Operational Update

Dicker Data has weathered the impacts COVID-19 lockdowns and related work from home movement strongly. We outperformed the market yet again in Q1 2021, delivering an increase of 5.7% profit before tax to \$19.4m on a relatively flat revenue base. When factoring in the 36.3% growth the company experienced in Q1 2020 and the global chip shortage that is impacting our industry in 2021, the latest performance underpins the strength and resilience of our teams and operating model.

The global chip shortage is expected to continue for the foreseeable future and manufacturers are currently working at a global level to manage the inventory available. Larger markets, such as the US and Europe, are experiencing higher allocations than many countries across the APAC region. Each vendor is executing a slightly different strategy, and Dicker Data is extremely well placed to capitalise on the opportunities this unique market dynamic is creating. As an authorised distributor of a diversified range of technology brands for devices, servers, storage and networking solutions, Dicker Data is leveraging its supply chain to meet the current and growing market demand.

Despite current shortages, we are experiencing strong demand with a backlog of orders to fulfil and as supply improves, we expect to meet this demand in the coming quarters. There continues to be significant opportunities for the technology sector with digital transformation accelerating, businesses becoming digital natives and the evolving hybrid and modern workforce becoming dependent on smarter, faster and collaborative technology solutions.

As part of our commitment and role in supporting the Australian and New Zealand (ANZ) technology channel, including our vendors and reseller partner community, Dicker Data will continue to evolve and differentiate its offerings and be the catalyst for the adoption of new, cutting edge technologies.

There is no doubt cybersecurity will continue to be a key focus for all sectors in 2021, with intelligent solutions like Zero Trust enabling secure, compliant, and protected technology environments. We experienced an unprecedented spike in demand for devices throughout 2020 and expect this to continue in 2021. We are anticipating a high level of growth in the adoption of automation, machine learning and data capture and analysis tools as businesses and governments prioritise efficiency and productivity within their operations.

Another key catalyst for growth in the next 12 months, is the Company's recent partnership with VMware (NYSE: VMW). Not only will this unlock the direct VMware business, but an entire ecosystem of market-leading technology solutions through the large number of VMware's strategic and technology alliance vendors we already work with.

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Working with over 6,900 resellers and managed service providers across ANZ and global vendors we support hundreds of thousands of businesses – large and small. We see 5G connectivity playing a tremendous role across Governments, Enterprise, and Education sectors, as well as communities and individuals as we move into an always-on, connect-from-anywhere society. We are seeing Everything-as-a-Service (XaaS) gain commercial confidence in the adoption of technology via subscription models, an area that supported many businesses throughout the pandemic as they scaled their subscription commitments to meet the changing needs of their business.

Governance Update

Following the appointment of Ms Kim Stewart-Smith as an independent non-executive director, the Company advises it has renewed its Board committee structure to be as follows:

Audit and Risk Committee:

Kim Stewart-Smith (Chair)
Fiona Brown
Leanne Ralph

Nomination and Remuneration Committee:

Leanne Ralph (Chair)
Fiona Brown
Kim Stewart-Smith

The Audit and Risk Committee now has a majority of independent non-executive directors, and the Nomination and Remuneration Committee is comprised solely of non-executive directors.

Annual General Meeting

The 2021 Annual General Meeting (AGM) of Dicker Data will be held on Friday 21 May 2021 commencing at 1.30pm (AEST) at 238 Captain Cook Drive, Kurnell or virtually at <https://agmlive.link/DDR21>.

The meeting will be held as a hybrid event to make it as accessible as possible for all shareholders, and to enable shareholders to participate in the AGM in a variety of ways. While shareholders can attend the AGM in person, we encourage shareholders to participate online in support of a COVID safe event. If State or Federal Governments provide guidance that a physical meeting cannot be held, we will adopt a virtual AGM format and advise shareholders via an announcement to the Australian Securities Exchange.

Authorised for release by the Board of Dicker Data Limited.



David Dicker
Chairman & CEO

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ABOUT DICKER DATA

Dicker Data (ASX: DDR) is an Australian-owned and operated, ASX-listed technology hardware, software, and [cloud](#) distributor with over 42 years of experience. Our sales and [presales](#) teams are experienced product specialists who are dedicated to helping you tailor solutions to suit your client's needs.

As a distributor, we sell exclusively to our valued partner base of over 6,000 resellers. We pride ourselves on developing strong long-term relationships with our customers, and [helping them grow](#). This customer-first approach means we are proactive in engaging with our resellers and allows us to dynamically shift with changing market conditions, in turn helping to [increase profitability](#).

Dicker Data distributes a [wide portfolio of products](#) from the world's leading technology vendors, including [Cisco](#), [Citrix](#), [Dell Technologies](#), [Hewlett Packard Enterprise](#), [HP](#), [Lenovo](#), [Microsoft](#), and other Tier 1 global brands. As the leading Australian distributor for many of these vendors, Dicker Data is dedicated to helping our partners deliver industry-leading [solutions](#) built on the world's best technologies. <https://www.dickerdata.com.au/>

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