



EXPERIENCE
is the difference

PH: 1800 688 586
www.dickerdata.com.au
investors@dickerdata.com.au

ASX ANNOUNCEMENT

21 May 2021

2021 ANNUAL GENERAL MEETING – AGM PRESENTATION

Dicker Data Limited (**Dicker Data**) (ASX:DDR) provides the attached ASX presentation to be delivered at today's Annual General Meeting.

Authorised for release by the Board of Dicker Data Limited.

A handwritten signature in black ink, appearing to read "David Dicker".

David Dicker
Chairman and CEO

For further information please contact:

Investor Relations
1800 688 586
investors@dickerdata.com.au
<https://www.dickerdata.com.au/investor>



DICKER

D A T A

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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DICKER
DATA

Welcome to the

ANNUAL GENERAL MEETING



MAY 2021

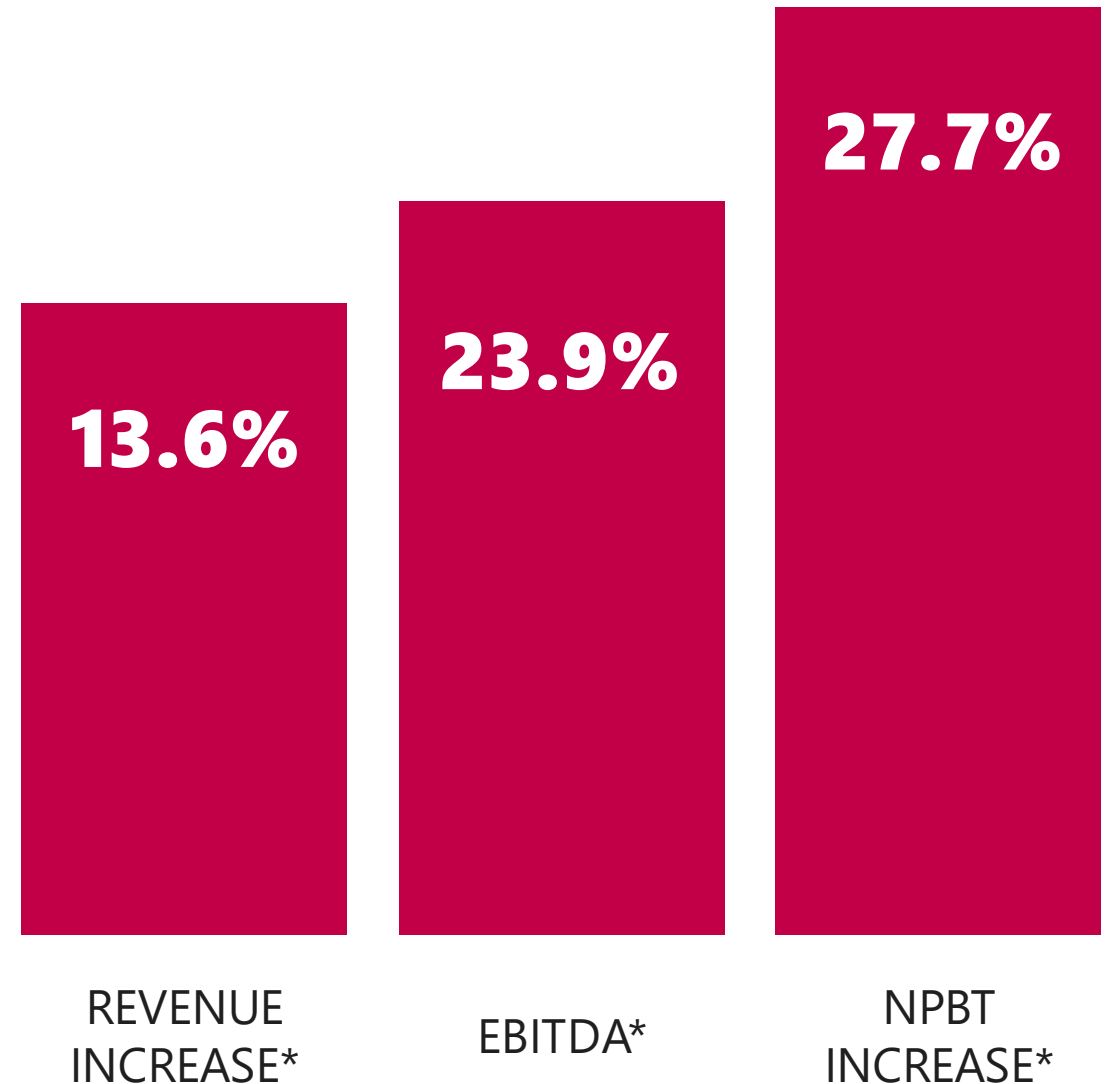


FINANCIAL RESULTS

FY 2020

RESULTS HIGHLIGHTS

- Strong revenue growth of 13.6%, with total revenue for the year breaking through the \$2 billion milestone and finishing at \$2,000.1m.
- At a country level, Australia grew revenues at 12.9% and New Zealand grew revenues at 23.3%.**
- The 8 new vendors added during FY20 accounted for incremental revenue of \$9.8m in FY20.
- Existing vendors (FY19 and prior) grew at 13.1% on pcp, driven by increase in demand for remote working solutions, surge in demand for virtual capabilities and accelerated digital transformation of businesses.



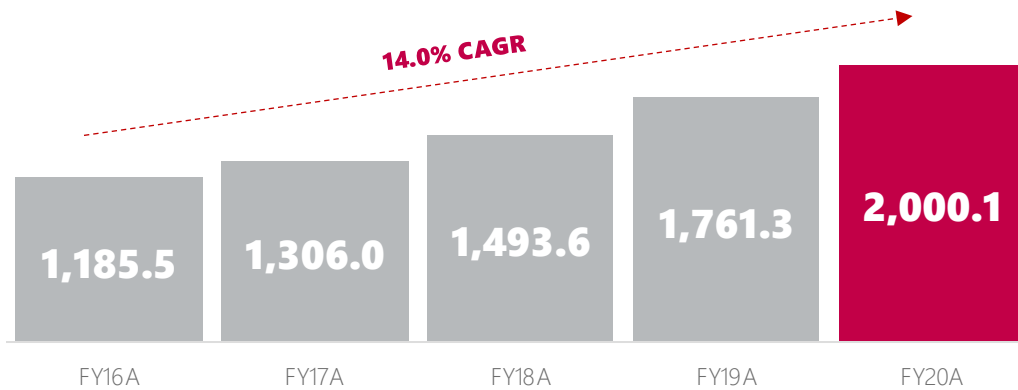
*Excluding the impact of the sale of property & cost for the employee share scheme in 2019.

** In AUD equivalent.

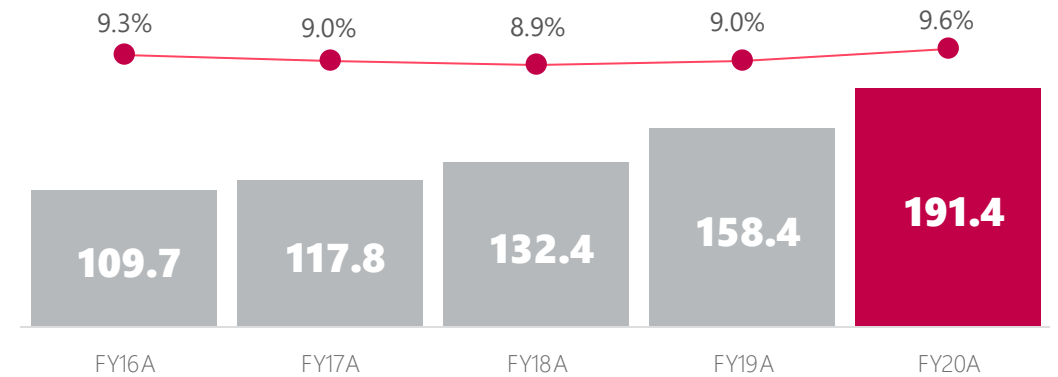
FINANCIAL TRENDS

FY 2020

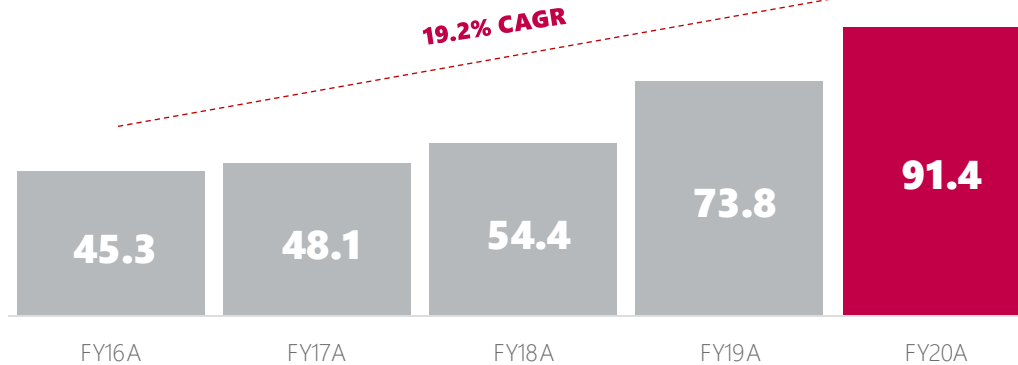
REVENUE (\$m)*



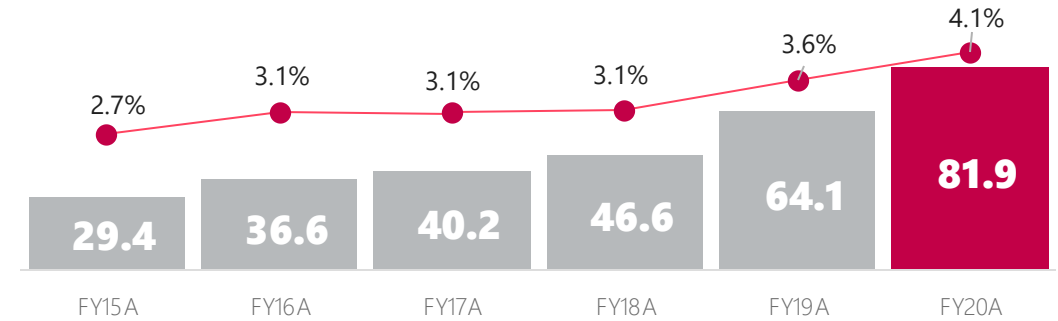
GROSS PROFIT (\$m) & GROSS PROFIT MARGIN (%)



EBITDA* (\$m)



NET PROFIT BEFORE TAX** (\$M) & NPBT MARGIN (%)



*Excludes profit on sale of property in 2019

**Excludes profit on sale of property and cost of the employee share scheme in 2019

FY20 GROUP RESULTS

12 months (\$m)	Dec-20	Dec-19	Increase
Total Revenue	2,000.1	1,761.3	13.6%
Gross Profit	191.4	158.4	20.8%
Gross Margin	9.60%	9.00%	
EBITDA*	91.4	73.8	23.9%
Operating Profit before tax*	81.9	64.1	27.7%
PBT Margin	4.1%	3.6%	
Net Profit after tax	57.2	54.3	5.3%

- Revenue growth for the group of 13.6%.
- Recurring software revenue grew 18.7% to \$435m for the full year.
- Gross profit increased by 20.8% driven by growth in revenue and improved margin as a result of increased focus on mid-market and SMB business.
- Operating costs have increased as a proportion of revenue to 5.1%, up from 4.9% driven mainly by increased employee costs as a result of performance-based payments and investment in new headcount.
- Profit before tax increased by 27.7% over the FY19 result, excluding the impact of the sale of property and the costs of the employee share scheme.

*Excluding Profit on sale of property and the cost of the employee share scheme in 2019

FY20 RESULTS NZ

12 months (\$NZD)	Dec-20	Dec-19	Increase
Total Revenue	151.8	122.4	24.0%
Gross Profit	13.3	10.8	22.8%
Gross Margin	8.8%	8.9%	
EBITDA	3.1	1.9	63.4%
Profit before tax	2.1	1.2	70.4%
PBT Margin	1.4%	1.0%	
Net Profit after tax	1.4	0.9	65.4%

- Revenue growth of 24.0% as new vendor relationships continue to develop.
- Gross profit increased by 22.8% with margin quality being maintained.
- Operating costs have fallen as a proportion of revenue as the company shows the benefit of increased scale and improved operational efficiency.
- Profit before tax increased 70.4% to \$2.1m.

FY20 BALANCE SHEET

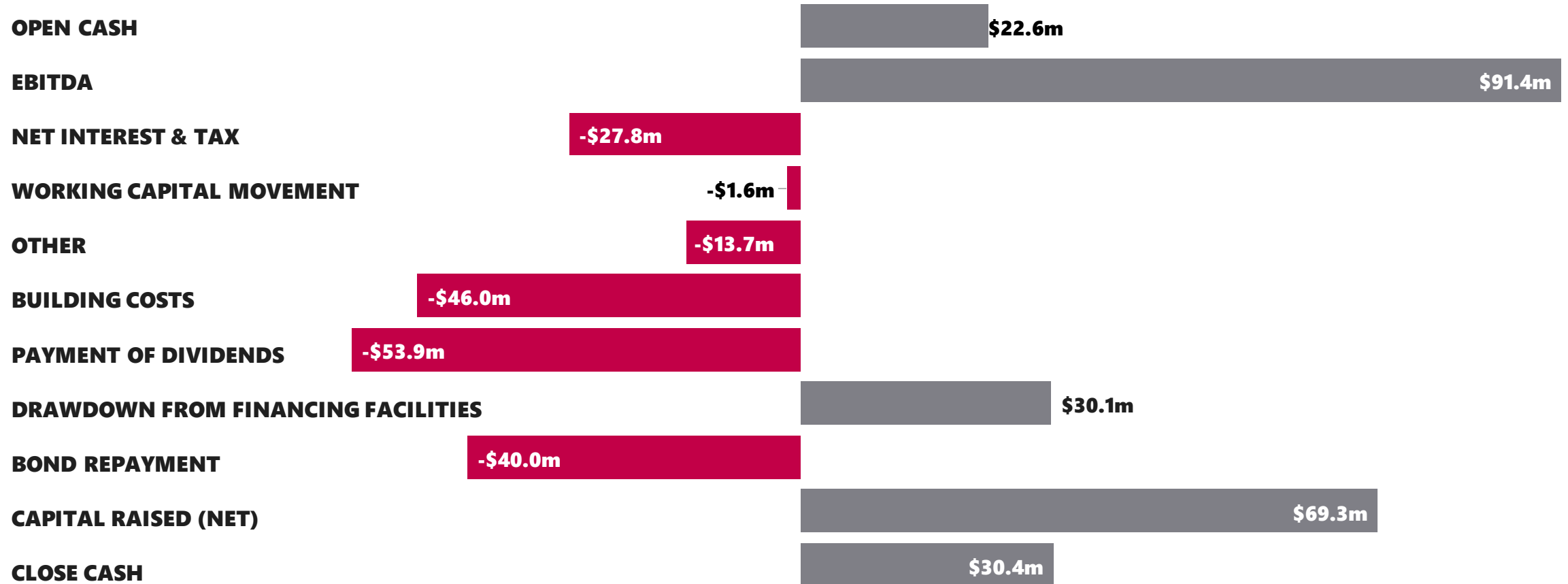
The company has maintained strict working capital discipline through this growth phase whilst it onboards new vendors and develops new business.

The company's leverage has improved markedly as a result of the capital raise in FY20, providing further improvement to the company's capital structure and capacity.

12 months (\$m)	Dec-20	Dec-19
Net Working Capital (\$m)	167.0	165.4
Net Working Capital Days	27.3	31.3
Debt to Equity	0.74x	1.37x
Debt Service Cover Ratio	27.09x	12.59x
Net Tangible Assets (\$m)	136.7	68.8

Net Assets (in \$m)	Dec-20	Dec-19
Cash and equivalents	30.4	22.6
Accounts receivable	327.0	295.9
Inventory	113.2	120.4
Total current assets	470.6	438.9
PP&E, net	78.0	32.0
Goodwill & intangibles	24.9	26.3
Other assets	8.4	10.3
Total assets	581.9	507.5
Accounts payable	273.2	250.9
Borrowings	120.0	129.9
Other current liabilities	20.6	22.0
Total current liabilities	413.8	402.9
Other long-term liabilities	6.5	9.6
Total Liabilities	420.3	412.5
TOTAL NET ASSETS	161.6	95.1
Shareholders' Equity		
Share capital	131.8	62.5
Reserves	0.3	0.6
Retained earnings	29.6	31.9
TOTAL EQUITY	161.6	95.1

FY20 CASH FLOW



APPLICATION SOURCE



FY20 DIVIDENDS

Record Date	Payment Date	Dividend (CPS)	Type	Amount Franked
15-May-20	1-Jun-20	0.0750	Interim	100%
17-Aug-20	1-Sep-20	0.0750	Interim	100%
16-Nov-20	1-Dec-20	0.0750	Interim	100%
15-Feb-21	1-Mar-21	0.1050	Final	100%
	Total	0.3300		

- Excluding the special dividend paid in FY19, the FY20 dividend paid of 33cps represents an increase from 28cps for FY19, an increase of 17.9%.
- Dividends include a final dividend for FY20, paid on 1 March 2021 at 10.5cps.
- In FY21 the company intends to maintain its 100% dividend policy and continue paying interim dividends in quarterly instalments.
- Interim dividends for 2021 will be at 9.0cps.
- The DRP will be retained for FY21.

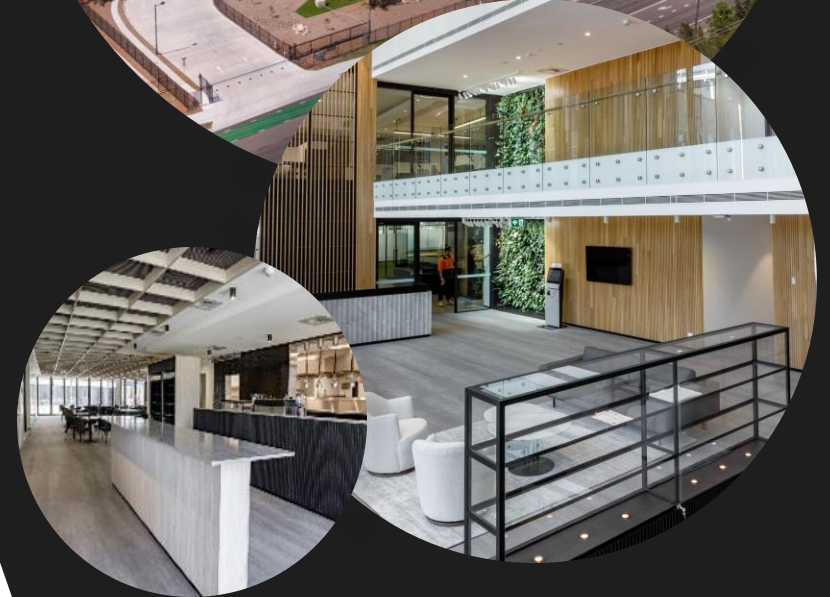
Q1 21 GROUP RESULTS

3 months to (in \$m):	Mar-21	Mar-20	YoY	Mar-19	YoY
Total Revenue	447.7	463.9	-3.5%	386.9	19.9%
Gross Profit	44.8	45.1	-0.7%	35.3	27.9%
Gross Margin	10.0%	9.7%		9.1%	
EBITDA	21.6	20.5	5.5%	15.7	30.5%
Profit before tax	19.4	18.4	5.7%	13.5	36.3%
PBT margin	4.3%	4.0%		3.5%	
Net profit after tax	13.6	12.7	7.2%	10.7	18.7%

- Revenue contracted by 3.5% YoY in comparison to Q1 2020 where the Company enjoyed the benefits of the demand spike created by the WFH movement (Q1 20 v Q1 19, YoY 19.9%).
- There is a larger than normal amount of backordered demand driven by global micro-chip shortages, that we expect to be remedied in H2 2021.
- Gross profit margins have continued to strengthen as the company takes advantage of strategic inventory investment.
- Operating costs have increased as a proportion of revenue to 5.6%, up from 5.4%, but have remained flat in \$ terms.
- Profit before tax increased by 5.7% over the FY20 result.

NEW BUILDING UPDATE

- New facility at 238 Captain Cook Drive, Kurnell NSW was completed in February 2021.
- Warehouse space increased by over 80% to 22,965 sqm, providing space for increased inventory holding and future technology portfolio diversification.
- Office, amenities and circulating space doubled to over 5,960 sqm.
- Dedicated configuration and staging rooms for Dicker Data's resellers to hire.
- Dedicated training rooms and collaboration zones for use by staff, vendors and partners.
- Dedicated spaces for showcasing our vendor technologies.
- Sustainability items include solar panels, 8 electric vehicle chargers, recycled water systems, 30,000 new seedlings and trees planted, and large concrete structures found during excavation have been repurposed into large outdoor planters, adding to the overall landscaping.
- Stage two warehouse and office expansion is DA approved for future development.





BUSINESS UPDATE

OVERVIEW

#1 Corporate and Commercial IT Distributor



**ASX
LISTED**

Dicker Data Limited listed on ASX in 2011



**REVENUE
\$2B**

Largest Australian owned distributor with \$2B revenue in 2020



**CONSISTENT
GROWTH**

Top and bottom-line growth consistently for over 20 years



**NIMBLE
& AGILE**

Success is built on our ability to adapt & change quickly



**525 STAFF
IN ANZ**

Strong focus on people, culture and diversity

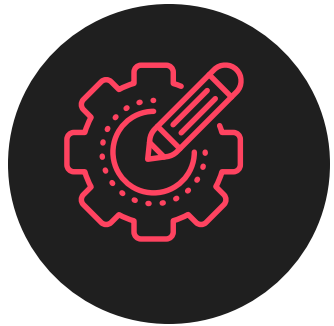


COVID-19 IMPACT



RESPOND

- World's biggest WFH movement
- Short term panic buying
- Internet serving humanity – personal and business



RECOVER

- Assessing and evaluating
- Mid-term – planning for potential 2nd wave



MOVING INTO NEW WORLD

- Hybrid world
- Long term sustainability and predictability



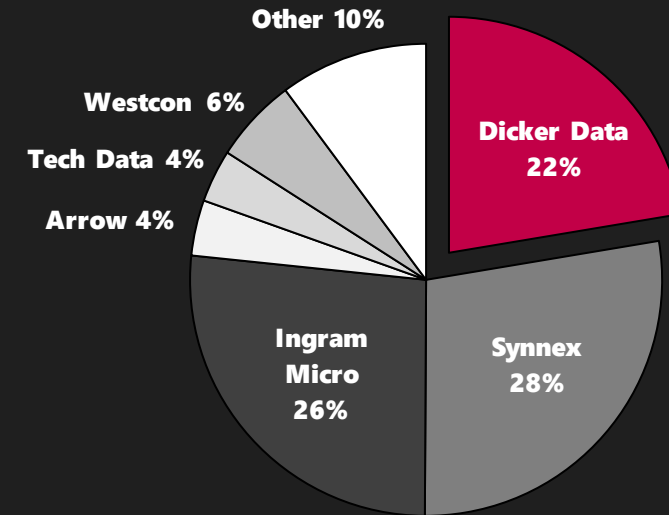
IT MARKET AND OUR STRATEGY

- Dicker Data is the leading Value-Added Technology Distributor, selling to over 6,900 active reseller partners and MSPs who supported hundreds of thousands of Australian businesses in FY20.
- Our specialty is servicing the mid-market and SMB communities with a specific focus on pre-sales capabilities, value-added services and emerging hybrid end-to-end technology solutions.
- In recent years the company has targeted distribution agreements in software, high-end enterprise products and those that address the cloud computing environment.
- The industry is going through major transformation and evolving faster than ever. We are evolving to differentiate and offer a unique value proposition to both vendors and reseller partners.
- Dicker Data is perfectly positioned to assist all of our partners through the journey of digital transformation.

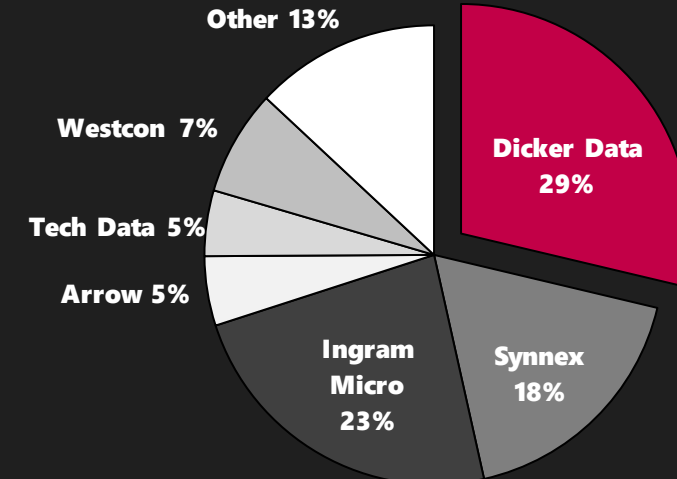
Source: Publicly available 2019 financial statements and company estimates.

AUSTRALIAN IT DISTRIBUTION MARKET SHARE

Consumer, Large National Retail, Corporate, Commercial, Enterprise



Corporate, Commercial, Enterprise only



Dicker Data ANZ VENDOR PORTFOLIO



INDUSTRY RECOGNITION

Distributor of the year 2020



APC
Australia & New Zealand



Aruba
APAC



Cisco
Australia



Dell Technologies
Australia



HP Print
Australia



Lenovo DCG
Australia & New Zealand



Lenovo PCSD
Australia



Telstra
Australia

INDUSTRY RECOGNITION

A circular logo with a dark background and a glowing red border. The text 'ARN' is in large, bold, white letters, with 'FROM IDG' in smaller white letters below it.

ARN
FROM IDG

Homegrown
Distributor
of the Year

A circular logo with a dark background and a glowing red border. The text 'ARN' is in large, bold, white letters, with 'FROM IDG' in smaller white letters below it.

ARN
FROM IDG

Hardware
Distributor
of the Year

A circular logo with a dark background and a glowing red border. The text 'ARN' is in large, bold, white letters, with 'FROM IDG' in smaller white letters below it.

ARN
FROM IDG

Software
Distributor
of the Year

2021 VENDOR ADDITIONS



Forcepoint

ForcePoint



HP Large Format Print



NVIDIA



ONE IDENTITY
by Quest

One Identity



StarTech.com

StarTech.com



vmware

Vmware

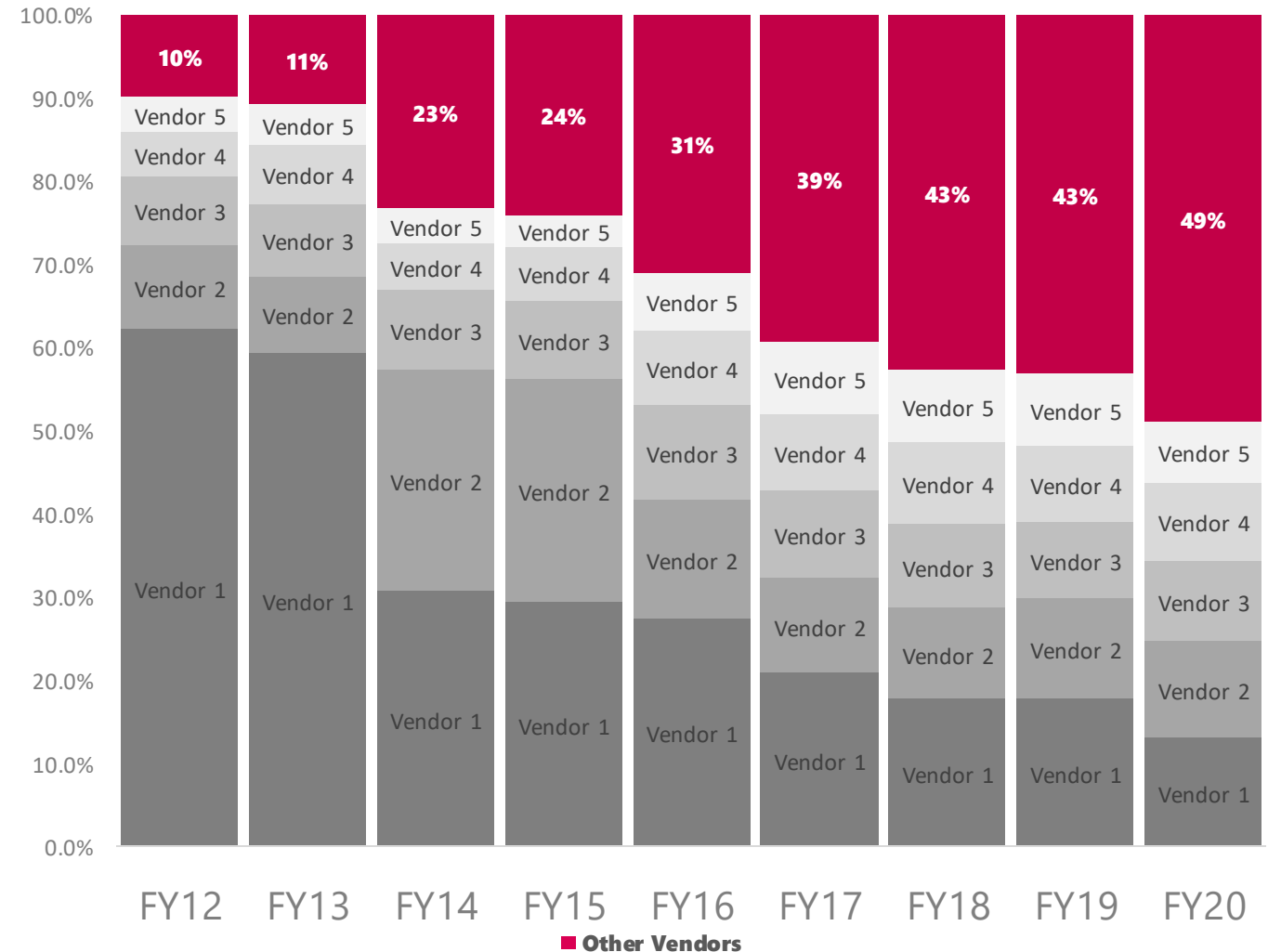


zoom

Zoom

LONG-TERM VENDOR RELATIONSHIPS

- Dicker Data has continued to introduce new vendors to reduce reliance on any single vendor.
- 8 new vendors in key strategic segments were added in FY20.
- Top 5 vendors overall contribution has reduced from 90% in FY12 to 51% in FY20.
- Dicker Data will continue to assess technology channel market trends and derive growth through strategic partnerships with new and existing vendors.

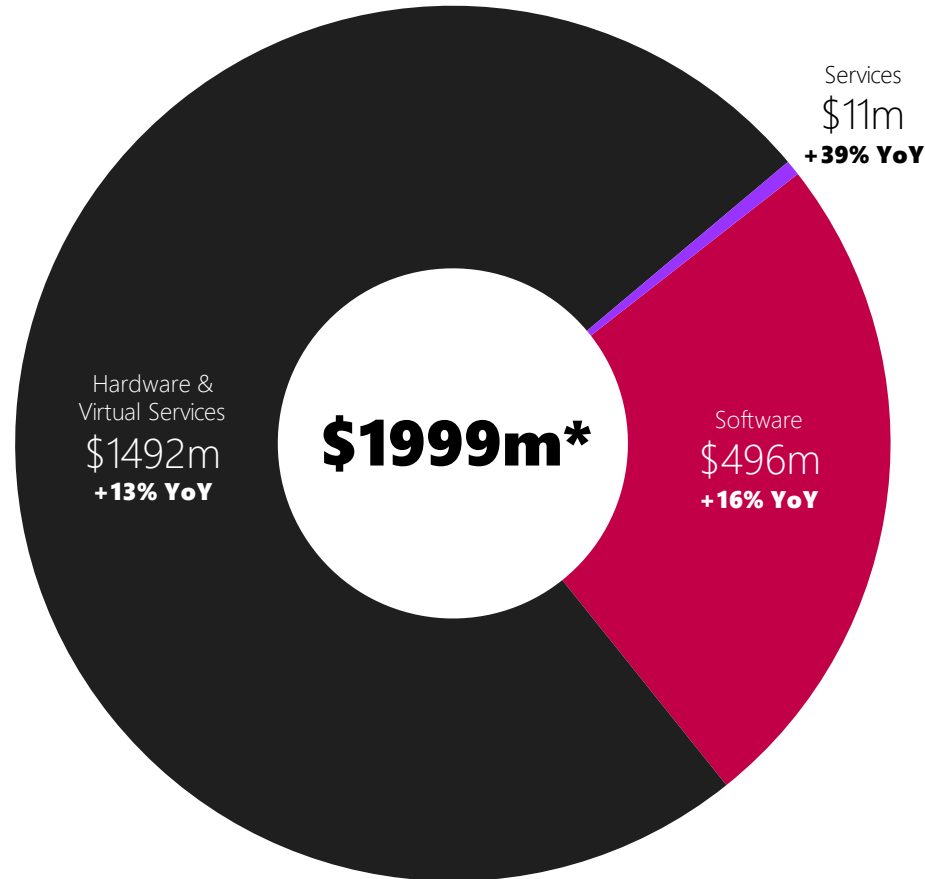
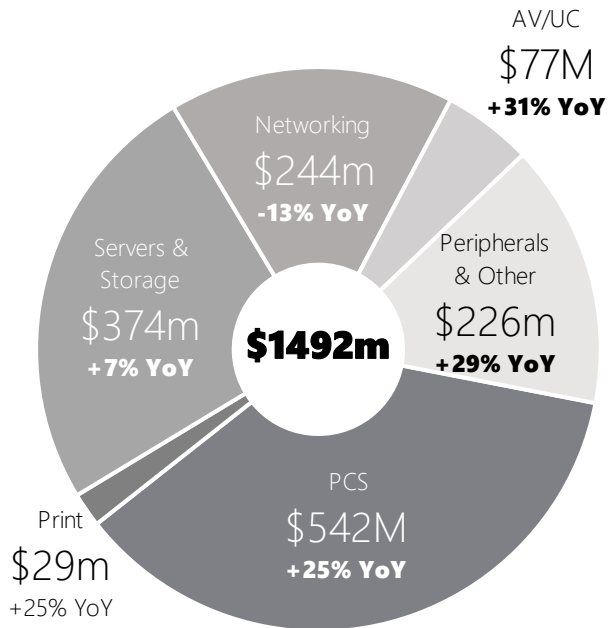


REVENUE CATEGORY

Splits and growth

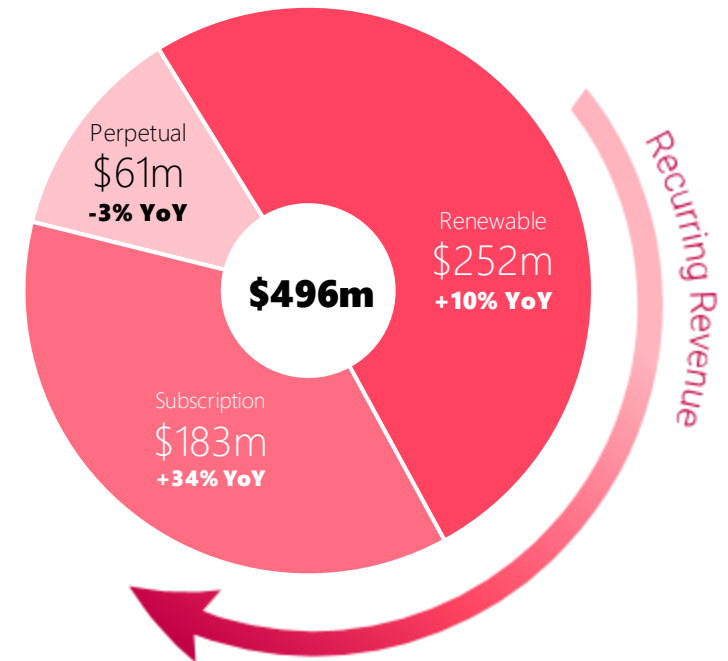
HARDWARE

by product category



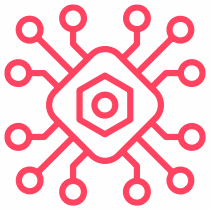
SOFTWARE

by billing method



*Revenue from the sale of goods and services

2021 OPPORTUNITIES



**INTERNET
OF THINGS**



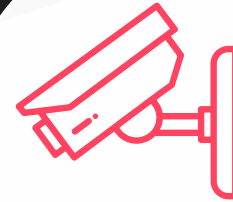
**DATA
MANAGEMENT**



**DATA
SECURITY**



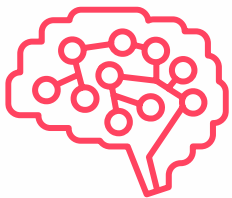
DATACENTRE



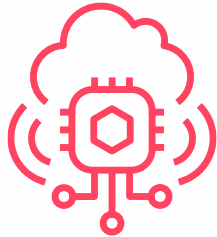
**PHYSICAL
SECURITY**



**WFH
MOVEMENT**



NETWORKING



EDGE COMPUTING



PRO AV



AUTOMATED CLOUD



FINANCIAL SERVICES



**QANTAS BUSINESS
REWARDS PARTNERSHIP**

2021 FOCUS



DICKER DATA FINANCIAL SERVICES (DDFS)

Launched in H119 to address the growing demand for as-a-Service solutions. In FY21 we are working to accelerate the uptake of our DDFS offerings and in turn create long-term renewable contract-based revenues. We are assisting our partners to win more business by differentiating their offerings through financial services. DDFS has supported the business with \$14m in originations across 112 transactions to date, comprised of PC (44%), Server & Storage (22%), Networking (19%) and Software and Other (15%).



WORK FROM HOME MOVEMENT

The shift to working from home as a result of COVID-19 has seen the digital transformation of businesses rapidly accelerate. There is now a large opportunity as IT departments no longer have to secure just office environments, but home user environments as well. These opportunities were always on the horizon but have been brought forward as businesses seek to digitally thrive in the new world.

2021 FOCUS



5G

The rollout of 5G networking is accelerating the proliferation of compute technology at the Edge, or endpoint. This is driving the next wave of data creation and presents an opportunity for the company to capitalise on the new devices and infrastructure required. The company is also well-positioned to assist its customers in managing, protecting and analysing this data. 5G will usher in the next era of cloud solutions that enable real-time decision making at the Edge, further driving the consumption of cloud and the company's recurring revenues.



Hybrid Cloud

Organisations are adapting multi-cloud and embracing hybrid IT strategies to enable them to move applications between public, private and on-premise environments to increase scalability and resiliency. However, multi-cloud, automation and AI are complex and many of our customers will leverage our expertise to support their projects.

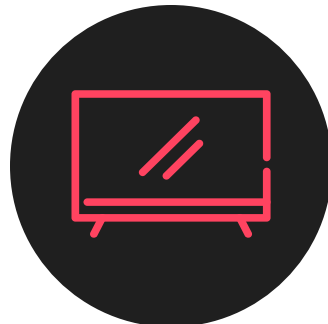


2021 FOCUS



Managed Service Providers (MSPs)

MSPs are our fastest growing partner segment. We will continue to work with our vendors to address the needs of these partners through the delivery of cloud, storage, infrastructure, migration, analytics and backup solutions that suit their cyclical billing arrangements. Our role is to enable them to own more of their customers' IT environment and deliver tangible business outcomes through digital transformation.



Unified Communication/Audio Visual

Establishing a new division to become the leading distributor for the unified communications (UC), audio visual (AV), automatic identification and data capture (AIDC), electrical and physical security markets. Digital signage, digital workspaces, smart offices, collaboration and video conferencing solutions are all areas that intersect with IT, presenting cross-selling opportunities into these markets.

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THANK YOU

 [linkedin.com/company/dicker-data](https://www.linkedin.com/company/dicker-data)

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Contact Information:

CEO: David Dicker David.Dicker@dickerdata.com.au

CFO: Mary Stojcevski Mary.Stojcevski@dickerdata.com.au

COO: Vladimir Mitnovetski Vlad.Mitnovetski@dickerdata.com.au