



Dicker Data Limited

ABN: 95 000 969 362

Appendix 4E
Preliminary Final Report
Year ended 31 December 2022

Results for announcement to the market

Dicker Data Limited

ABN 95 000 969 362

1. **Reporting period:** **Year ended 31 December 2022**
 Previous Corresponding Period: Year ended 31 December 2021

2. **Results for announcement to the market**

Operating and financial review on comparative period

| RESULTS: | Movement | 12 Months Dec-22 \$'000 | 12 Months Dec-21 \$'000 |
|--|---------------|-------------------------------|-------------------------------|
| Revenues from ordinary activities | Up 25% to | \$3,104,408 | \$2,484,459 |
| Net operating profit before tax* | Up 0.9% to | \$106,977 | \$106,075 |
| Net profit before tax | Down -0.2% to | \$104,853 | \$105,097 |
| Net profit after tax attributable to members | Down -0.7% to | \$73,047 | \$73,562 |

* excludes one off acquisition integration and restructure costs

Dividends Paid

| Record Date: | Payment Date: | Dividend/Share (in Cents) | Amount (in 000's) | Type | FY | Amount Franked |
|--------------|---------------|------------------------------|----------------------|---------|------|-------------------|
| 15-Feb-22 | 01-Mar-22 | 15.00 | \$25,933 | Final | 2021 | 100% |
| 17-May-22 | 01-Jun-22 | 13.00 | \$22,484 | Interim | 2022 | 100% |
| 17-Aug-22 | 01-Sep-22 | 13.00 | \$22,491 | Interim | 2022 | 100% |
| 13-Nov-22 | 01-Dec-22 | 13.00 | \$23,403 | Interim | 2022 | 100% |
| Total | | 54.00 | \$94,311 | | | |

The total dividends declared and paid during the financial year were 54.0 cents per share or a total of \$94.3m, fully franked.

A final dividend for FY22 of 2.5 cents per share was declared on 8 February 2023 with a record date of 14 February 2023 and a payment date of 1 March 2023. With the three interim dividends paid during FY22, this will bring total dividends paid for the FY22 year to 41.5 cents per share. The FY22 dividend paid represents a decrease of 1.2%, down from 42.0 cents paid for FY21.

| Type | FY | Payment Date: | Dividend/ Share (in Cents) | FY | Payment Date: | Dividend/Share (in Cents) |
|--------------|-------------|---------------|----------------------------------|-------------|---------------|------------------------------|
| Interim | 2022 | 01-Jun-22 | 13.00 | 2021 | 01-Jun-21 | 9.00 |
| Interim | 2022 | 01-Sep-22 | 13.00 | 2021 | 01-Sep-21 | 9.00 |
| Interim | 2022 | 01-Dec-22 | 13.00 | 2021 | 01-Dec-21 | 9.00 |
| Final | 2022 | 01-Mar-23 | 2.50 | 2021 | 01-Mar-22 | 15.00 |
| TOTAL | 2022 | | 41.50 | 2021 | | 42.00 |

BRIEF EXPLANATION OF THE FIGURES REPORTED ABOVE

REVENUE

The revenue for the consolidated entity for the 12 months to 31 December 2022 was \$3,104.4m (2021: \$2,484.5m), up by \$619.9m (+25.0%). At a country level, Australia grew \$397.3m (+18.4%) and New Zealand grew \$222.6m (+68.1%).

Total revenue from sales of goods and services, excluding other revenue, was \$3,103.7m (2021: \$2,479.4m), up by \$624.2m, representing increase of 25.2%.

At a sector level, the Company maintained strong growth across all product related business units, with hardware and support sales up \$404.7m (+21.6%) and software sales up \$218.7m (+36.7%), and our Dicker Data Services business expanding by \$0.9m (+8.3%). Within our software business the strongest growth came from our recurring revenue products increasing to \$743.9 (+42.5%). In May 2022, Dicker Data acquired the IT and Security division of Hills Limited and formed a new business unit Dicker Access and Surveillance (DAS). This new business unit contributed \$73.3m in the 8 months since acquisition.

GROSS PROFIT

Gross profit for the reporting period was up 23.2% at \$283.7m (2021: \$230.3m). Gross profit margins abated in the FY22 year at 9.1% (2021: 9.3%) but finalising within expectation. The decrease in profit margins is largely driven by lower than expected margins in the New Zealand business finishing at 6.5% (2021: 7.6%). Australia's gross profit margin finished higher at 9.7% (2021: 9.5%).

EXPENSES

Operating Expenses

Operating costs, excluding one-off costs were \$154.0m (2021: \$116.3m), up by 32.4%, also increasing as a proportion to revenue at 5.0% (2021: 4.7%), as the company continues to invest in servicing the customer and vendor relationships it has added as a result of the acquisition of the Exeed and Hills businesses.

The increase in costs is attributed primarily to an increase in salary related expenses. Salary costs were \$130.6m (2021: \$101.0m) an increase of \$29.6m (+29.3%), and increasing as a proportion of revenue to 4.2% (2021: 4.1%). The increase in salary and headcount is attributed mainly to the full year impact of the Exeed acquisition and the 8 months impact of the addition of the Hills business, adding over 110 people. The Company continues to maintain strong performance based remuneration packages and the increase in salary costs is also driven by the increase in revenue and achievement of key performance metrics. Headcount across the group finished at 859 (2021: 694), an increase of 23.8%.

Other operating expenses, excluding one-off costs increased by \$8.1m to \$23.4m, increasing as a proportion of sales to 0.8% (2021: 0.6%).

Depreciation, Amortisation and Interest

Depreciation and amortisation for the reporting period was \$12.3m (2021: \$9.1m), an increase of \$3.2m. Included in this number is \$4.5m for amortisation of identifiable intangibles, of which \$1.9m related to New Zealand and \$2.6m to Australia. There was also some increases in plant and equipment associated with the Exeed acquisition and depreciation with additional PP&E purchases in line with increase of additional headcount in the financial year. Depreciation on the Right of Use Assets (ROUA) for capitalised leases amounted to \$3.1m.

Finance costs in the reporting period were \$11.1m, up by \$7.2m from the prior year (2021: \$3.9m), attributed to the full year effect of incremental debt associated with the Exeed acquisition and its ongoing working capital requirements as well as the acquisition of the Hills IT and Security business, predominantly attributed to working capital. Recent interest rate rises are also significantly increasing the Company's cost of debt.

NET PROFIT

Operating profit before tax finalised at \$107.0m (2021: \$106.1m) up by 0.9%, after adding back one off costs of \$2.1m related to integration and restructure costs associated with the acquisition of the Exeed and Hills businesses. Of the \$2.1m, \$1.2m related to Hills integration costs with the balance being restructure costs..

Statutory profit before tax finalised at \$104.9m (2021: \$105.1m) down by 0.2%. Net profit after tax decreased to \$73.0m (2021: \$73.6m), down by 0.7%.

Weighted average earnings per share decreased to 41.80 cents per share (2021: 42.63 cents), down by 1.9%.

STATEMENT OF FINANCIAL POSITION

Total assets as at 31 December 2022 increased to \$1,066.8m (2021: \$854.1m).

The statement of financial position reflects a substantial increase in working capital investment, mainly driven by the incremental working capital attached to the Exeed and DAS businesses, however the existing business has also made strategic increases in working capital to facilitate ongoing growth and to maintain supply in a sometimes disjointed supply chain.

Total investment in net working capital was \$359.1m up by \$100.6m from previous year (2021: \$258.6m). Cash finalised at \$12.3m, up by \$4.9m (2021: \$7.4m). Trade and other receivables were up from the previous year to \$581.8m (2021: \$455.5m), an increase of \$126.3m. The company also continued to invest in inventory with inventories finishing at \$261.7m (2021: \$201.3m), up by \$60.4m. Inventory days increased to 33.8 days (2021: 32.6 days). Trade and other payables finalised at \$484.4m (2021: \$398.2m).

Property, plant and equipment increased to \$87.6m during the period (2021: \$82.3m) an increase of \$5.3m with the Company beginning works on the expansion of the warehouse, as well as bringing on the assets to support the DAS business unit.

Total liabilities as at 31 December 2022 were \$836.6m, up from the prior period (2021: \$675.8m). Current borrowings comprising the drawn amount on the receivables purchase facility with Westpac was at \$185.0m as at 31 December 2022, \$45.0m higher than the prior year (2021: \$140.0m). A \$60.0m acquisition facility remains for the Exeed acquisition of which \$10.0m is current and \$50.0m non-current. The balance of drawn debt of \$46.7m relates to a Bank of New Zealand (BNZ) cash advance facility, which replaced the Exeed BNZ invoice finance facility in New Zealand. Overall borrowings are \$291.7m, up \$61.5m (2021: \$230.2m).

Equity has increased to \$230.1m during the year (2021: 178.3m) due to the impact of Capital Raising and Share Purchase Plan activities during 2022 contributing \$70.2m and the contribution from the Dividend Reinvestment Plan (DRP) adding \$3.0m, offset by timing differences in dividends paid.

| Equity Movement | \$'000 |
|-------------------------------|----------------|
| Equity 31 Dec 2021 | 178,297 |
| Comprehensive Income for FY22 | 72,944 |
| Share Issue – Capital Raising | 70,228 |
| Share Issue - DRP | 2,987 |
| Dividends Paid | (94,311) |
| Equity 31 Dec 2022 | 230,145 |

3. Annual Financial Report

Refer to the attached Annual Report for the audited Financial Statements for the year ended 31 December 2022..

4. Dividends Paid

| Security Type | Security | Dec-22 | Dec-21 |
|--|----------|--------------|--------------|
| Final Dividend – FY22 | Ordinary | 2.50 | 15.00 |
| Interim Dividends – FY22 | Ordinary | 39.00 | 27.00 |
| Total Dividends for all securities for the year | | 41.50 | 42.00 |

5. Dividend Reinvestment Plans

The Dividend Reinvestment Plan introduced in March 2014 has been retained for the 2022 year. Of the \$94.3m dividends paid, \$91.3m were paid as cash dividends, \$3.0m participated in the DRP.

6. Net Tangible Assets

| Net Tangible Assets | Dec-22 \$ | Dec-21 \$ |
|---------------------------------------|-----------|-----------|
| Net tangible asset per ordinary share | 0.745 | 0.461 |

7. Details of entities over which control has been gained or lost

| Entity | Principal Place of Business | Ownership Interest Dec-22 | Ownership Interest Dec-21 |
|---------------------------------------|-----------------------------|---------------------------|---------------------------|
| Dicker Data Financial Services NZ Ltd | New Zealand | 100% | - |

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, 27 February 2023