

Data#3 reports record gross sales for FY24

BRISBANE, Wednesday 21 August 2024: Australian business technology solutions leader Data#3 Limited (ASX: DTL) today announces its results for the financial year ended 30 June 2024 (FY24).

FY24 Highlights

- **Gross Sales up 7.6% to \$2.8 billion**
- **Statutory revenue up 0.4% to \$815.7 million**
- **Gross profit up 7.8% to \$270.1 million**
- **EBIT up 5% to \$53.5 million**
- **NPBT up 16.6% to \$62.1 million**
- **NPAT up 17.0% to \$43.3 million**
- **Basic EPS up 16.9% to 28.00 cents per share**
- **Total fully franked dividend up 16.4% to 25.50 cents per share**
- **Strong balance sheet with no borrowings**

Commenting on the FY24 result, Data#3 Chief Executive Officer and Managing Director Brad Colledge said: “We are pleased to report record gross sales of \$2.8 billion and gross profit growth of 7.8% to \$270.1 million for FY24. Gross sales growth of 7.6% and EBIT growth of 5% in a challenging economic environment and without compromising gross margins, was a considerable achievement for our Company.

“Our Software Solutions and Services businesses continued to perform strongly, up 11.0% and 9.6% respectively, and recurring gross sales increased to 67%. Sales growth was impacted by delayed customer decision making across some areas of our business this financial year, and our Infrastructure Solutions business was down 3.6% on the prior period as customers consumed orders made in advance of requirements following pandemic related supply chain challenges in the preceding years. Infrastructure Solutions when combined with its related maintenance services grew by 2%, reflecting customers renewing support contracts on existing equipment and an increase in software related to the management of infrastructure.

“Our core business remains sound, as we continue to align with our customers’ priorities, such as security, multi-cloud and connectivity, and strengthen our partnerships with world-leading vendors.”

The FY24 result was underpinned by Data#3’s long-standing supplier relationships and customer base, as demonstrated by national and international awards from several of its vendor partners.

We have seen continued improvements in staff and customer satisfaction surveys. Data#3 also succeeded in winning a cross-industry Employer of Choice award for the ninth year in a row, in addition to being recognised as one of Australia’s best technology workplaces. The Company has continued to be recognised by many of its global partners with national and international awards.

Financial results summary

	FY24 \$'000	FY23 \$'000	% Change
Gross Sales	2,754,181	2,560,700	+7.6%
Non-IFRS adjustments	(1,948,435)	(1,752,075)	
Other revenue	9,937	3,870	
Total statutory revenue¹	815,683	812,495	+0.4%
Total gross profit (excluding other revenue)	270,086	250,651	+7.8%
<i>Total margin on gross sales</i>	<i>9.8%</i>	<i>9.8%</i>	
EBIT	53,497	50,973	+5.0%
NPBT	62,073	53,234	+16.6%
NPAT	43,311	37,030	+17.0%
<i>Return on equity</i>	<i>58.0%</i>	<i>54.2%</i>	
Basic earnings per share	28.00 cents	23.96 cents	+16.9%
Dividend per share	25.50 cents	21.90 cents	+16.4%
<i>Dividend payout ratio</i>	<i>91.1%</i>	<i>91.4%</i>	

Dividend

The directors have declared a final dividend of 12.90 cents per share, bringing the total fully franked dividend for FY24 to 25.50 cents per share. This represents an increase of 16.4% on the previous corresponding period and a payout ratio of 91.1%.

The final dividend will be paid on 30 September 2024, with a record date of 16 September 2024.

Outlook

The group's performance continues to be underpinned by its leading market position, unrivalled vendor relationships, large and long-term customer base serviced by a highly experienced and skilled Data#3 team.

Data#3 Chief Executive Officer and Managing Director Mr Colledge said: "Data#3 is well placed to continue to deliver sustainable growth as it leverages the adoption of Generative AI and the flow-on opportunities for both devices and services. Following the launch of ChatGPT in FY23 and Microsoft

¹ Change to revenue accounting policy

Effective 1 July 2023, software licensing and vendor delivered maintenance support revenues will be presented on a net agency basis, with comparatives restated. This was in response to updated guidance released for software resellers in 2022 on the application of the revenue accounting standard (AASB 15) and is a statutory presentation change only. The Company will continue to measure its operational performance in terms of Gross Sales, with both Gross Sales and statutory revenue to be reported to ensure comparability with historical reporting and to align with how the company internally measures performance.

Copilot in FY24, we have seen the recent release of AI enabled PCs, with device and server technology now designed to enhance AI performance.

“Our pipeline at the start of FY25 is strong, sales activity is increasing, and we are well placed to capitalise on the market growth opportunities including in the areas of security, cloud and data centre. Investments by the public sector in new infrastructure projects should also help to grow our pipeline across all lines of business.”

Mr Colledge said: “Consistent with previous practice, we won’t be providing specific FY25 guidance at this stage. In line with previous years, we continue to expect a sales peak in the months of May and June, and our goal remains to continue to deliver sustainable earnings growth.”

Investor briefing

The company will present a market briefing on the results starting at 10:00am (AEST) today, 21 August 2024.

The following URL will provide access to the live event, and to an archived webcast following the event: <https://webcast.openbriefing.com/dtl-fyr-2024/>.

Approved for distribution by the Data#3 Limited board.

ENDS

For additional information contact:

Brad Colledge Chief Executive Officer & Managing Director Tel: 1300 23 28 23 Email: investors@data3.com.au	Cherie O’Riordan Chief Financial Officer Tel: 1300 23 28 23 Email: investors@data3.com.au
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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 more than 45 years’ experience, combined with world-leading vendor technologies, Data#3 delivers an integrated array of solutions spanning cloud, modern workplace, security, data & analytics and connectivity. 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 \$2.8 billion in FY24. Headquartered in Brisbane, it has more than 1,400 staff, and facilities across 12 locations in Australia and Fiji.

For more information about Data#3 visit <http://www.data3.com.au>