

DICKER
D A T A

H1 2024 Interim Results Presentation

www.dickerdata.com.au



Agenda

- Welcome
- Interim financial Results
- Business Update
- Strategy and Outlook
- Questions





Interim Financial Results

H1 2024



H1 2024 Highlights

\$1.6b

Gross Revenue

▽ 0.4% YOY

8.3%

Q224 Sales Growth

\$68.9m

EBITDA

▽ 2.5% YOY

\$35.4m

Net Profit After Tax

▽ 5.7% YOY

19.65c

Earnings Per Share

▽ 5.8% YOY

ARN

Hardware Distributor of the Year - 11TH CONSECUTIVE YEAR
Diversity and Inclusion Champion - 2021, 2022 & 2023
Distributor Innovation Creativity Award - NZ

ARN

Channel Choice Distributor of the Year
Channel Champion – Sustainability
Large Distributor of the Year



10,000+

ACTIVE AU PARTNERS



2,300+

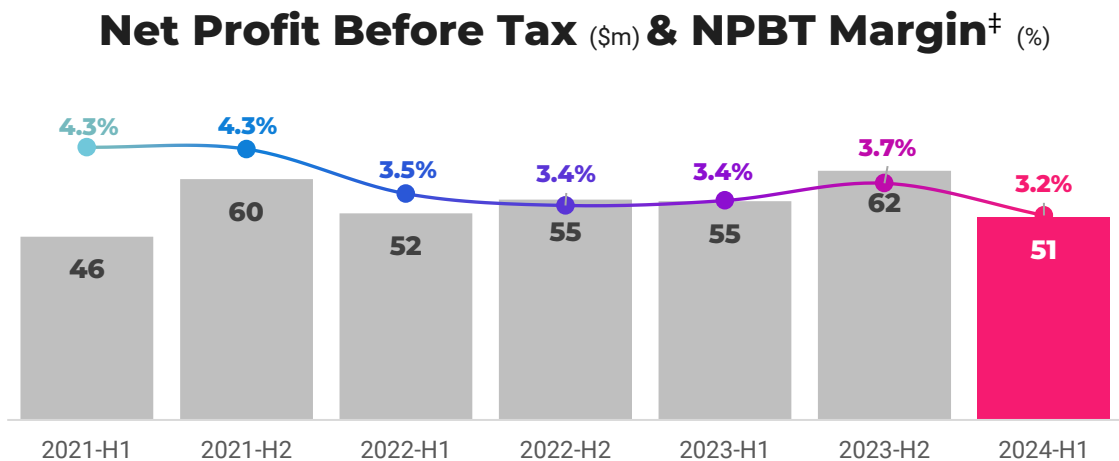
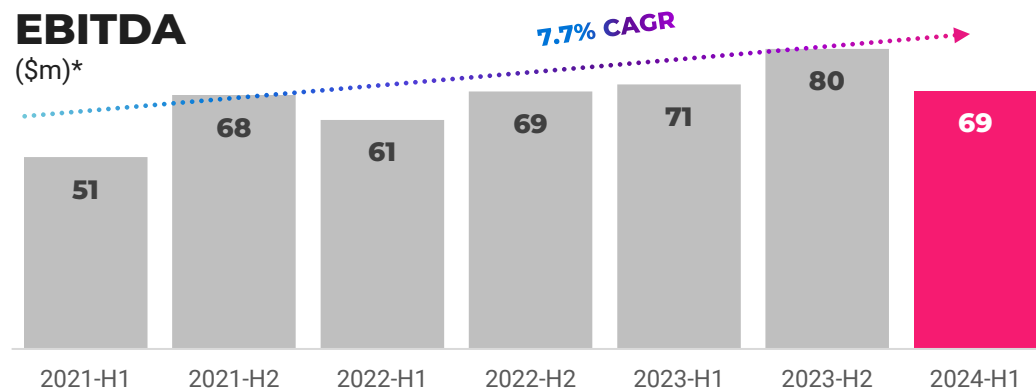
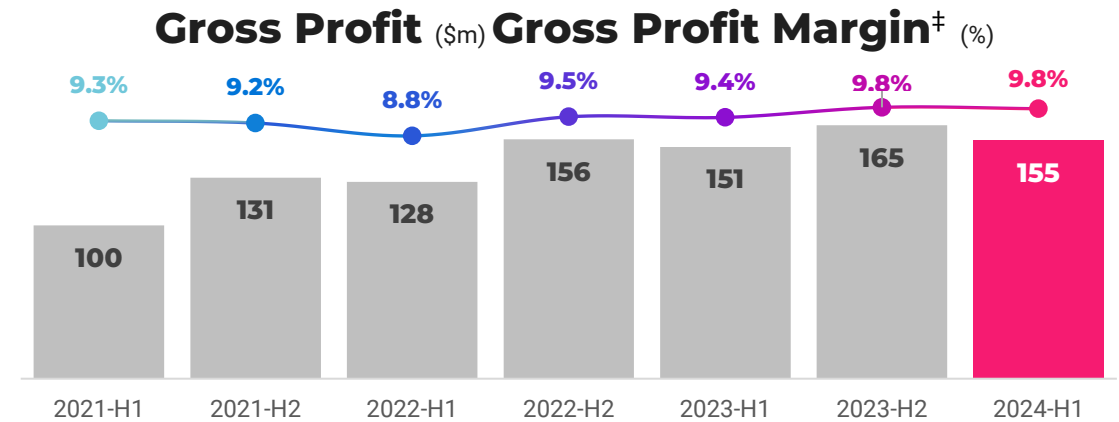
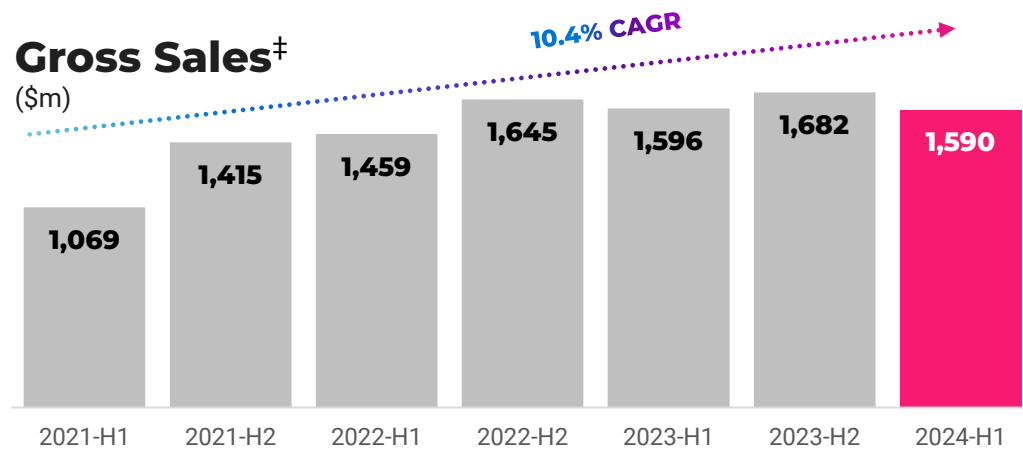
ACTIVE NZ PARTNERS



H1 2024 Financial Trends

‡ Gross sales is non-IFRS financial information and does not represent revenue in accordance with Australian Accounting Standards. This represents gross proceeds from sale of goods and services, both as agent and principal. Gross profit and net profit margins are represented as % of gross sales.

* Excludes one off costs



H1 2024 Results

Consolidated Group

Gross Revenue

- Total gross revenue, including other income was \$1,590.1m, marginally down for the half year, down by 0.4%
- Strong Q224 sales growth, up by 8.3% resulted in gross sales (excluding other income) finalising at \$1,584.7m.
- Gross profit margin measured against gross revenue increased to 9.8% from 9.4%, driven by improved gross margins in our NZ business.
- EBITDA finalised at \$68.9m, down by \$1.7m or 2.4%, driven mainly by increases in employee costs and provision for bad debts, offset by higher gross margins.

6 months (\$m)	Jun-24	Jun-23	Change
Gross Revenue	1,590.1	1,596.4	-0.4%
Gross Profit	155.0	150.7	+2.9%
Gross Margin	9.8%	9.4%	
EBITDA*	68.9	70.6	-2.4%
Profit Before Tax	50.8	54.1	-6.1%
PBT Margin	3.2%	3.4%	
Net Profit After Tax	35.4	37.6	-5.7%

*Excluding one-off costs

H1 2024 Profit and Loss

- Statutory revenue finalised at \$1,084.5m, down by 2.1%
- Gross profit margin, as measured against net revenue improved to 14.3% from 13.6%
- Total operating expenses of \$90.4m were up 5.4% with increase in employee costs, and other expenses higher with increase in bad debt provisioning.
- Finance costs were \$12.1m, up \$2.7m for the half year.

6 months	Jun-24	Jun-23
Gross Profit Margin	14.3%	13.6%
Net Profit Margin	4.7%	4.9%
Earnings per share (cps)	19.65	20.86

(in \$m)	Jun-24	Jun-23
Revenue		
Sales Revenue	1,079.1	1,102.4
Interest	1.2	0.5
Other Revenue	4.2	5.0
Total Revenue	1,084.5	1,107.9
Expenses		
Cost of Goods	924.1	951.8
Employee Costs	72.9	69.5
Other Expenses	17.5	16.3
Depn and Amort	7.1	6.8
Finance costs	12.1	9.4
Total Expenses	1,033.7	1,053.8
NPBT	50.8	54.1
Tax	15.4	16.5
NPAT	35.4	37.6

H1 2024 Balance Sheet

- Since last balance date both receivables and inventory balances increased significantly, offset by trade and other payables also increasing, resulting in net incremental investment in working capital of \$18.0m.
- Whilst total debt increased by \$30.2m, net debt was \$314.6m increasing by \$25.4m.
- All the finance facilities have now been renewed with the primary facility renewed for 3 years and now classified as non-current. The limit on the facility was increased to \$320m and was drawn at \$233m at balance date.

6 months (\$m)	Jun-24	Dec-23
Net Working Capital (\$m)	402.5	384.5
Net Working Capital Days	44.2	41.6
Debt to Equity	1.35x	1.18x
Debt Service Cover Ratio	6.45x	7.38x
Net Tangible Assets (\$m)	153.0	160.8

Net Assets (in \$m)	Jun-24	Dec-23
Cash and equivalents	16.4	11.6
Accounts receivable	548.2	485.7
Inventory	296.1	218.9
Other current assets	1.4	0.0
Total current assets	862.1	716.2
PP&E	96.5	96.7
Goodwill & intangibles	92.3	94.4
Other assets	17.5	19.7
Total assets	1,068.4	927.0
Accounts payable	441.8	320.0
Borrowings	98.1	300.9
Other current liabilities	27.3	26.6
Total current liabilities	567.2	647.5
Borrowings	233.0	0.0
Other long-term liabilities	23.0	24.2
Total liabilities	823.3	671.7
TOTAL NET ASSETS	245.1	255.3
Shareholders' equity		
Share capital	215.9	214.5
Retained earnings	29.2	40.8
TOTAL EQUITY	245.1	255.3

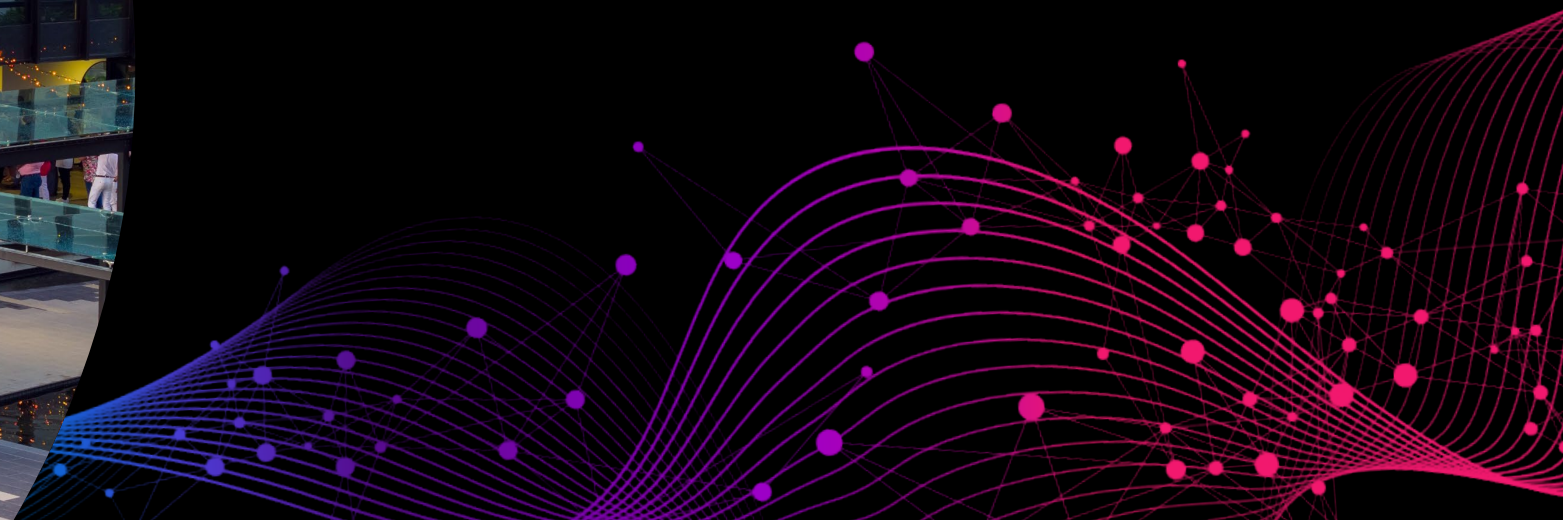
H1 2024 Dividends

- The H1 2024 dividend of 26.0 cps represents an increase of 108%, up from 12.50 cps in H1 2023.
- In FY24 the Company intends to maintain its 100% dividend policy and to continue paying interim dividends in quarterly instalments.
- The Company has advised that the first three interim dividends will be paid at 11.0c, with the second interim dividend declared 12 August 2024, to be paid on 2nd September 2024.
- The DRP will be retained for FY24.

Payment Date	Dividend (CPS)	Type	Amount Franked
01-Mar-24	15.0	Final	100%
03-Jun-24	11.0	Interim	100%
Total	26.0		

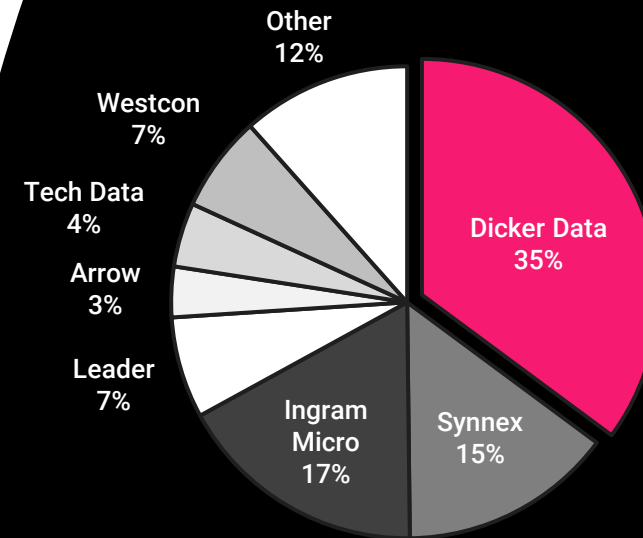


Business Update



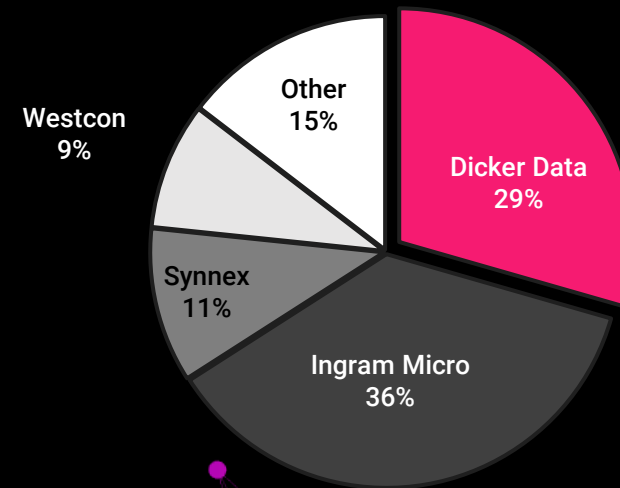
IT Market and Our Strategy

- Despite the challenging market conditions, we have maintained our dominant leadership position in the Australian market.
- Our New Zealand business has continued to grow, closing the gap to the number one distributor whilst improving profitability across the operation.
- Broader economic conditions have weighed on the budgets and confidence of the enterprise, corporate and commercial segments, creating an environment with increased competitive headwinds.
- Our strategy of bringing a highly relevant yet diverse range of technologies to the market continues to work in the Company's favour as partners increasingly rely on us as their technology enabler.
- Our active partner base continues to grow across both Australia and New Zealand.
- The Company is using its ANZ technology roadshow, TechX, to help its partner community uncover areas of opportunity and achieve accelerated success in 2H24 and FY25.



AUSTRALIA
Corporate, Commercial
and Enterprise only

IT DISTRIBUTION MARKET SHARE



NEW ZEALAND
Consumer, Large
National Retail,
Corporate,
Commercial
and Enterprise

Source: Publicly available ASIC and market information

Industry Recognition



Distributor of the Year
- AU



Best in Marketing
Campaigns - AU



Networking Distributor -
NZ



Oceania Distributor
of the Year - AU



Distributor of the Year
- APAC



Distributor of
the Year - NZ



Outstanding Distribution Partner
- NZ



Distributor of
the Year - AU



Distributor of
the Year - AU



Top Value-Added
Distributor of
the Year - AU



Distributor of
the Year - ANZ



Distributor Partner of
the Year - AU



Distributor of the
Year - AU



Distributor
Partner Award - AU



Distributor/Aggregator
of the Year - AU



Distributor of the
Year - AU



Distributor Innovation Creativity Award
NEW ZEALAND

Hardware Distributor of the Year
11TH CONSECUTIVE YEAR

Diversity & Inclusion Champion Company
AU - 3RD CONSECUTIVE YEAR NZ - HIGHLY COMMENDED

National Exhibition of the Year – TechX
NSW Exhibition of the Year – TechX

ESG Distributor of the Year - 23/24
Channel's Choice Distributor of the Year - 23/24
Modernising Infrastructure
Distributor of the Year - 2024



2024 ANZ Vendor Additions



Adobe



Duress



Equinix



Hikvision



Jabra Retail



Moochies



Nothing



Powershield

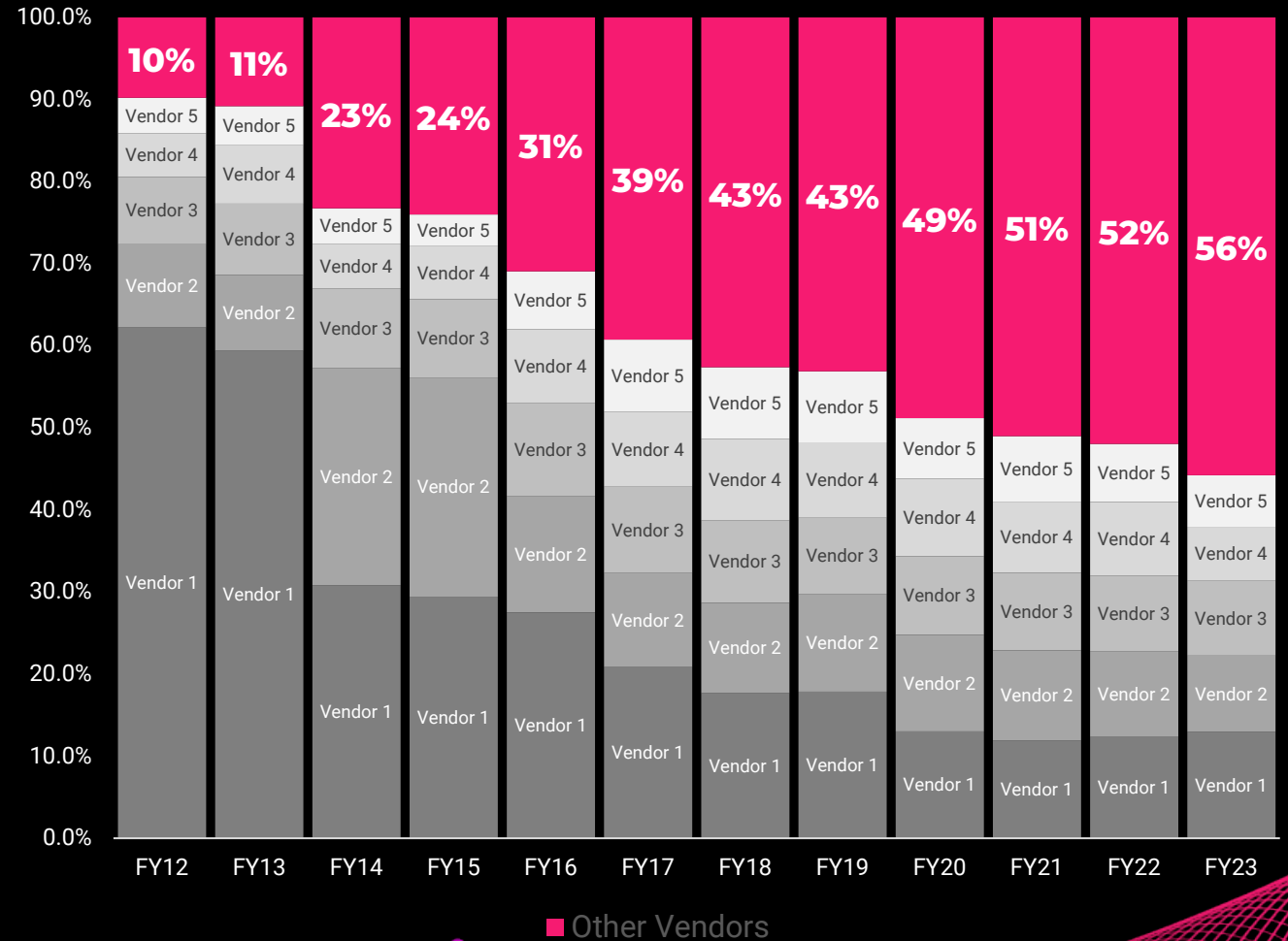


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Long-Term Vendor Relationships

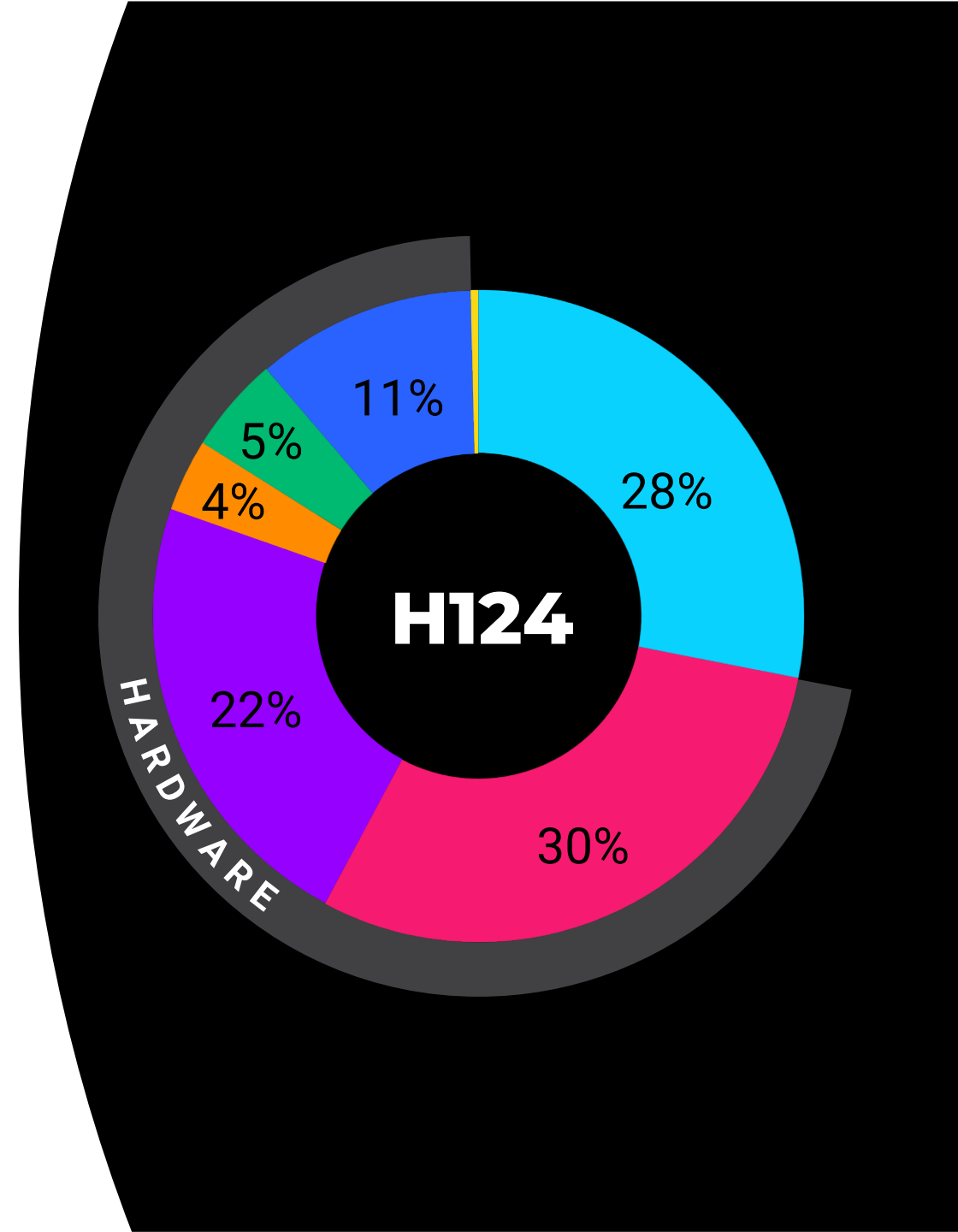
- Dicker Data continues to expand into emerging and converging markets, introducing new vendors either organically or via acquisition to reduce reliance on any single vendor and to expand markets we are servicing
- Top 5 vendors overall contribution has reduced from 90% in FY12 to 44% in FY23
- The recent acquisitions of the Exeed, Hills SIT and Connect businesses highlights and reaffirms this strategy and will continue to dilute concentrations

MAJOR VENDOR CONCENTRATION % of sales



Category Performance

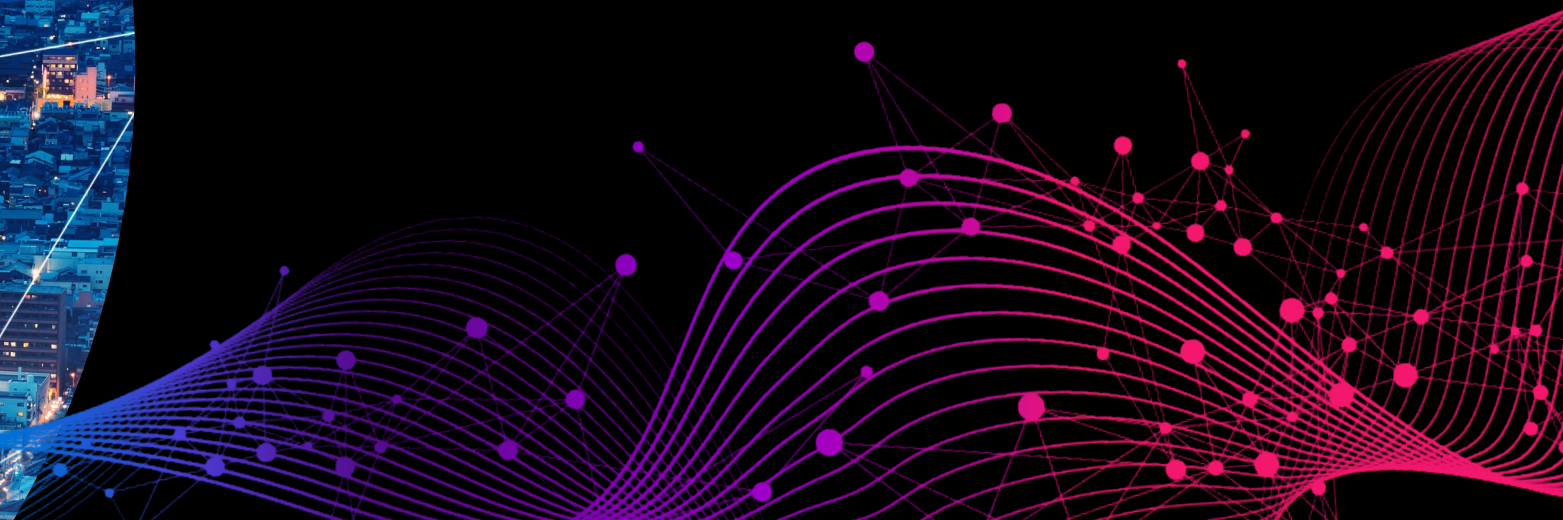
Gross sales	H124 (\$m)	H123 (\$m)	Change (%)
Software	444.9	442.8	+0.5%
End Point Solutions	471.2	503.1	-6.3%
Advanced Solutions	357.1	367.7	-2.9%
Access and Surveillance	57.1	54.3	+4.6%
Audio Visual	75.6	78.3	-3.6%
Retail	172.8	138.6	+24.7%
Services	6.0	6.1	-1.6%
Total Gross Sales	1,584.7	1,590.9	-0.4%



From H124 onwards the Company will display its sources of revenue in line with the Company's go to market strategy and existing engagement framework with its stakeholders. Advanced solutions encompasses server, storage, networking, power management and all other products associated to datacentre infrastructure. Endpoint solutions encompasses devices, peripherals and accessories required to deliver end client computing.



Outlook



Outlining the AI Opportunity

DICKER DATA'S AI LANDSCAPE VIEW



USER FOCUSED Generative AI

Capable of generating text, images and other media using generative models. Easily accessible via conversational language by any user anywhere with an internet connection, and now also locally on devices.

- Microsoft Copilot
- Adobe Firefly



ORGANISATION FOCUSED Embedded AI

AI technology that's built into products to provide common model management, data collection and preprocessing to enable real-time decision making by AI to deliver better outcomes.

- Cybersecurity
- Wireless Networking
- Security Cameras
- Microsoft Azure
- AI PC



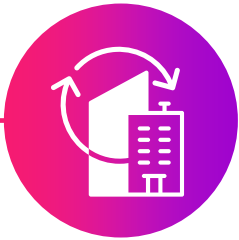
FOUNDATIONAL Full Stack AI

Integrated, interconnected components in a cohesive platform to collect, analyse and supply business data. Includes guardrails, easy to use interfaces and ensures security, privacy and governance.

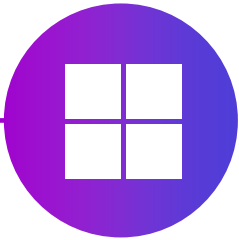
- NVIDIA
- Microsoft Azure
- Datacentre Infrastructure

2024 Opportunities

DEVICE REFRESH



Cyclical refresh for organisations who renewed their devices during the pandemic or before



Windows 10 will reach end of support in October 2025



Copilot+ PCs and AI PCs are in stock and available to partners, unlocking the next era of computing

- AI
- Cybersecurity
- Data and Analytics
- Collaboration
- Digital Transformation
- Diversification
- Warehouse Expansion

Business Opportunities



NEW ZEALAND

Leveraging the relationships and strengths of the Australian operation to introduce more brands and technologies to our New Zealand business, as well as accelerating the Company's growth in the New Zealand market through a strategic focus on expanding our lines of business with existing reseller partners and establishing new relationships with the large and geographically dispersed number of partners who do not already work with us today.



DICKER ACCESS AND SURVEILLANCE (DAS)

In the second half we aim to continue accelerating the convergence of the Physical Security market with the IT channel. This strategic move will help Dicker Data and its partners to capitalise on the opportunity of this segment, in turn increasing the value our partners bring to their end-customers and increasing the Company's share of their wallet.



DIVERSIFICATION & CONVERGENCE

Several markets related to IT are converging with Dicker Data's IT channel, opening avenues for our partners to diversify their businesses and grow new lines of revenue. This convergence has also led to a surge in partners seeking Dicker Data's digital transformation services and technical expertise. Our growing relevance is impacting various sectors, from security to electrical trade and professional AV. As a result, the ANZ market's dependence on our capabilities continues to escalate.



Questions



Disclaimer

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