27 February 2025

FY 2024 Results

SYDNEY, AUSTRALIA – 27 February 2025: Dicker Data (ASX: DDR) (Company) is pleased to release the Company's financial results for the full financial year ended 31 December 2024 (FY24).

FY24 Highlights

- Gross Revenue increased 2.9% on prior corresponding period (pcp) to $3,373.1 million, supported by an increase in subscription revenues and market share gains
- EBITDA in line with pcp at $150.4 million
- Net Profit Before Tax declined 2.8% versus pcp, to $113.2 million
- Final quarterly dividend declared of 11 cents per share (cps), bringing dividends for FY24 to 44 cps
- Strong December quarter (Q424) with revenue up 9.9% on pcp, setting a positive tone for FY25 with robust performance continuing into January 2025

Gross revenue for the full year finalised at $3.4 billion, up by $95 million or 2.9%, driven by a significant improvement in the December quarter (Q424). Specifically, Q424 gross sales grew $86 million, or +9.9%, versus the prior corresponding period. Full year gross margin (as a percentage of gross sales) was maintained at 9.6%, resulting in a gross profit increase of 2.8% to $324 million.

Despite a challenging financial year, EBITDA was in line with the prior year at $150.4 million. This was a positive outcome following impact of increased bad debt provisioning and write-off during the year. Net profit before tax was $3.2 million lower to $113.2 million, down 2.8% on pcp.

Summary of audited FY24 results:

12 months to:	$m Dec-24	$m Dec-23	$m Change	% Change
Non-IFRS				
Gross Revenue[2]	3,373.1	3,278.1	95.0	2.9%
Statutory Results				
Statutory Revenue	2,283.0	2,267.7	15.3	0.7%
Gross Profit	324.2	315.5	8.6	2.7%
EBITDA[1]	150.4	150.7	0.3	0.0%
Net Profit Before Tax	113.2	116.4	-3.2	-2.8%
Net Profit After Tax	78.7	82.1	-3.4	-4.2%

1 Excludes one-off cost of $nil (2023: $0.9m)

2 Gross revenue is non-IFRS unaudited 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.

Commenting on the Company's performance in the FY24 period, Chairman and CEO, David Dicker, said: "*As I said last year, the last few years have been difficult. We have been adversely affected by events completely out of our control. We may have been guilty of not adjusting as quickly as we should have. However, in 2025 we are fully focused on returning to sold growth in both Sales and Profits. We will be making some aggressive changes to achieve these goals. I want to assure all shareholders that I am firmly focused on achieving the targets we have set for this year."*

Q424 Performance

As anticipated, the Company saw gross sales return to growth in the fourth quarter, totalling $949 million, 10% higher on the pcp. The result follows the reported decline in sales in H124 and modest growth in sales during Q324. Profitability also improved in the fourth quarter, with profit before tax of $39.5 million, resulting in quarter-on-quarter growth of 21.0%. The profit improvement for the quarter was also attributable to costs relating to bad debt provisioning being posted in the prior quarters.

	$m Q4-24	$m Q4-23	$m Change	% Change
Gross Sales[2]	949.0	863.4	85.6	9.9%
Gross Profit	91.3	84.8	6.5	7.7%
EBITDA[1]	45.5	41.7	7.4	17.5%
Net Profit Before Tax[1]	39.5	32.6	6.9	21.0%

[2] Gross sales is non-IFRS unaudited financial information and does not represent revenue in accordance with Australian Accounting Standards

FY24 Revenue

Gross sales (excluding other revenue) during FY24 totalled $3,362.8 million, up 2.8% on pcp (FY23: $3,269.7 million). This result was underpinned by continued growth the Company's subscription and recurring revenues, rising 7.5%, as well as market share gains experienced broadly across the Company's vendor portfolio.

At a sector level, hardware and virtual services gross sales totalled $2,387.5 million, representing an increase of 1.9% on the pcp. Software performed well, growing gross sales by 5.3% to $963.8 million, now representing approximately 29% of Group gross sales (+1.3% on pcp). The Company also delivered strong growth in its retail business of 27.8%, followed by 7.9% growth in access and surveillance and 4.0% in professional audio visual (ProAV). Finally, the markets for both end points and advanced solutions remained soft, declining 2.8% and 3.3% on the pcp respectively.

Commenting on the result, Executive Director and Chief Operating Officer, Vlad Mitnovetski, said: *"Our team performed exceptionally well in FY24, overcoming a wider market downturn to deliver top line growth, whilst keeping returns for our shareholders consistent.*

The strength of our performance in Q424 highlights the anticipated improvement in overall market conditions. Furthermore, we have commenced 2025 with an optimistic outlook, especially as macroeconomic conditions improve and market initiatives accelerate, such as the uptake of Artificial Intelligence and the Windows 10 end of support opportunity."

FY24 Profitability

As outlined, gross profit for the reporting period was up 2.8% at $324.2 million (2023: $315.5 million). The 30 basis point improvement in gross margin to 14.2% in the period (2023: 13.9%), was attributable to improvement in gross margins in the Company's New Zealand business, coupled with increased sales of higher margin vendors within Australia. Australian gross profit margin finalised in line with the pcp at 14.6%, with New Zealand gross profit improving 150 basis points to 12.1% (2023: 10.6%).

Operating expenses (excluding one-off costs) were 6.0% higher year on year at $182.4 million (2023: $172.1 million), attributable to additional costs being incurred in respect of bad debts written off and increases in bad debt provisioning. As a result, operating expenses as a proportion of revenue increased to 8.0% (2023: 7.6%).

Salary costs also grew 3.6% throughout the year to $147.0 million (2023: $141.9 million), an increase of $5.1 million. Although headcount across the Group remained relatively stable year on year, the increase was largely attributable to the increase in superannuation guarantee rates and employee provisions. Salary costs as a proportion of revenue grew slightly during the period to 6.4% (2023: 6.3%).

Other operating expenses (excluding one-off costs) increased 17% to $35.4 million (2023: $30.2 million), increasing as a proportion of revenue to 1.6% (2023: 1.3%). This change was largely driven as stated by increases in bad debts as well as increases in travel for vendor related events.

Commenting on the profit results, Executive Director and Chief Financial Officer, Mary Stojcevski, said: *"The Company remained in a strong financial position at the close of the FY24 period. Despite increases in costs, gross profit finalised 2.8% higher. We have a positive outlook for FY25, with inflation appearing to have stabilised and the potential for additional decreases in interest rates on the horizon. Furthermore, the Company continues to be selected by its expanding list of vendors for incremental investment opportunities which are designed to accelerate our success and offset some costs."*

Statement of Financial Position
Cash as at 31 December 2024 was $45.8 million, up by $34.2 million (2023: $11.6 million), with strong end of year collections. Trade and other receivables were also higher than the prior year at $519.5 million (2023: $485.7 million). Inventory levels increased to $286.7 million (2023: $218.9 million), expanding inventory days to 34 days (2023: 27 days). Trade and other payables finalised at $406.9 million (2023: $320.0 million).

Total investment in net working capital was $397.4 million (2023: $384.5 million) increasing by $12.9 million from the prior year. The increase in working capital is attributed to an increase in both debtor and inventory days, although moderated with increases in payables days with less opportunity to take advantage of supplier settlement discounts.

Operational Update
The Company faced a challenging market in FY24, as the Australian and New Zealand economies continued to grapple with high inflation and high interest rates, coupled with depressed levels of business and consumer confidence. As a result, competitive pressures for the available business increased, and the Company's traditionally strong performing small and mid-market segments reduced their transactional spending. In response to these conditions, the Company pivoted its focus towards enterprise accounts who were somewhat insulated from the broader economic conditions due to the size and scale of the end-customer businesses they manage.

Top performing technologies in FY24 included cybersecurity, data management and those associated with Artificial Intelligence (AI) deployments. Growth in these segments is reflective of the 'must-have' nature of these technologies, particularly as businesses continue to face a rapidly evolving cybersecurity landscape. Costs associated with data breaches and data loss continue to increase, demonstrating the need for businesses to be proactive in their approaches to keep ahead of bad actors. Furthermore, growth in the cybersecurity category was strong across the small, medium and large market segments, as even companies with restricted budgets acknowledged the need for continuous investment into fortifying their digital assets and operations.

The anticipated PC Refresh, triggered by the impending end of support for Windows 10 in October 2025 also began to drive some demand in FY24, although not yet to the levels anticipated by the industry. Company feedback suggests the macroeconomic conditions weighing on Australia and New Zealand impacted the refresh rate, with many end-customers expected to now upgrade their device fleets throughout the 2025 calendar year. Interestingly, despite industry predictions that AI-enabled devices would make up a high single-digit percentage of the overall refresh opportunity, the Company has been selling these devices at nearly triple the expected rate. This trend highlights the early-adopter mentality among Australian and New Zealand businesses and indicates the device mix needed to support the Windows 10 end-of-support refresh in FY25.

The Company also successfully delivered its TechX event series in FY24, visiting Sydney, Melbourne, Brisbane, Perth and Auckland and attracting over 5,500 attendees across all five events. TechX brings over 60 of the Company's world-leading technology vendors together for each event, providing a platform to educate thousands of the Company's partners on how to capitalise on current trends utilising the latest technology from Dicker Data.

The Company remains committed to its strategy of growing its vendor portfolio and mix to meet the needs of its partner community. Consistent with this strategy, the Company added 12 new vendors throughout FY24, delivering an incremental $81.8 million in revenue. New vendors included Adobe, Hikvision, SMART Technologies, Blackberry, retail brand Nothing, among others.

Following several changes to streamline the Company's newly formed access and surveillance business during FY23, the business unit performed well during FY24. Revenue increased by 7.9% to $118.3 million, coupled with an uplift in profitability. The Company is now the leading distributor for the world's number one and number two surveillance vendors, Axis and Hikvision, extending its market share throughout FY24.

The number of partners purchasing from the Company remained steady in FY24, at approximately 10,000 in Australia and 2,300 in New Zealand. However, the percentage of the Company's total revenue generated by the marketplace platform declined in Australia year on year, largely as a result of the Company's strategy to pursue increased engagement with enterprise reseller partners to offset the disruption and depressed conditions in the traditionally strong small and medium market segments. Pleasingly, the Company saw 19% growth in the number of partners transacting via its marketplace, an increase of approximately 1,000 partners on FY23. This increase is attributable to growth in the Company's cloud and software programs, as well as increased investment into deploying new features and accelerating the uptake of additional lines of business with our partners who are already engaged on the marketplace platform.

Investor Conference Call
An investor conference call and webcast will be hosted on Thursday 27 February 2025 at 11:00am (AEDT) by the following members of the Dicker Data Board:

- David Dicker, Chairman and Chief Executive Officer
- Mary Stojcevski, Executive Director and Chief Financial Officer
- Vlad Mitnovetski, Executive Director and Chief Operating Officer

Option 1 – View the webcast
Option 1 is most suitable if you do not wish to ask a verbal question during the Q&A session. The presentation will be streamed live at: https://webcast.openbriefing.com/ddr-fyr-24/

Option 2 – Participate in the teleconference
Option 2 is most suitable if you wish to actively participate in the teleconference and ask verbal questions during the Q&A session. All participants wishing to use this option must pre-register at the link provided below. Once registered, participants will receive a calendar invitation that includes dial-in details, the required passcode and a unique access PIN. On the day, dial the number provided and follow the prompts to enter your passcode and PIN and you will immediately join the conference with no need to wait for an operator.

To ask a question during the Q&A session, participants will need to dial "*1" (star, 1) on their telephone pad. To cancel
your question, participants will need to dial "#" (hash) on their telephone pad. For help during the teleconference, participants will need to dial "*0" (star, 0) on their telephone pad.

Conference call pre-registration link: https://s1.c-conf.com/diamondpass/10044038-jh7y6t.html

For further information please contact:

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Authorised for release by the Board of Dicker Data Ltd.

David Dicker
Chairman & CEO

About Dicker Data

Dicker Data (ASX: DDR) is an Australian-owned and operated, ASX-listed technology hardware, software, and cloud distributor in business since 1978. Our sales and presales teams are experienced product specialists who are dedicated to helping our partners tailor solutions to suit their client's needs.

As a distributor, we sell exclusively to our valued partner base. 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/