

DICKER
DATA

FY23 Results Presentation

www.dickerdata.com.au



2023 Highlights

\$3.3b

Gross Revenue

▲ Up +5.6% YOY

\$150.7m

EBITDA

▲ Up +16.1% YOY

\$823.2m

Recurring Gross Revenue

▲ Up +10.7% YOY

\$82.1m

Net Profit After Tax

▲ Up +12.5% YOY

45.59c

Earnings Paid Per Share

▲ Up +9.1% 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+

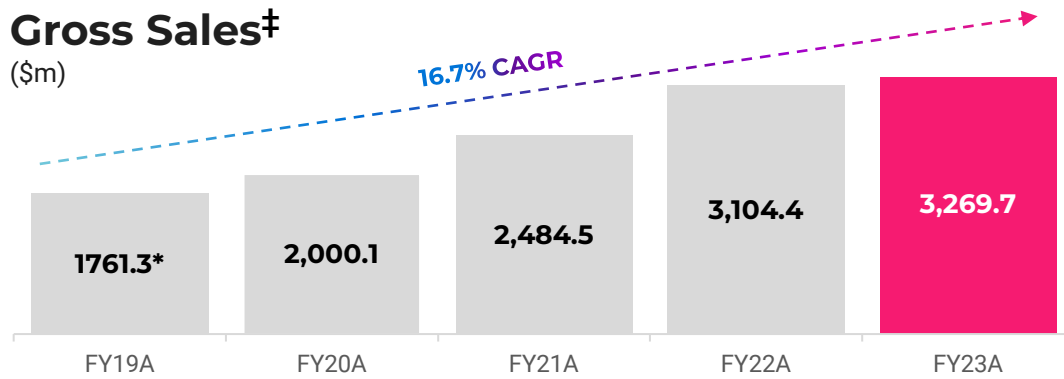
ACTIVE NZ PARTNERS



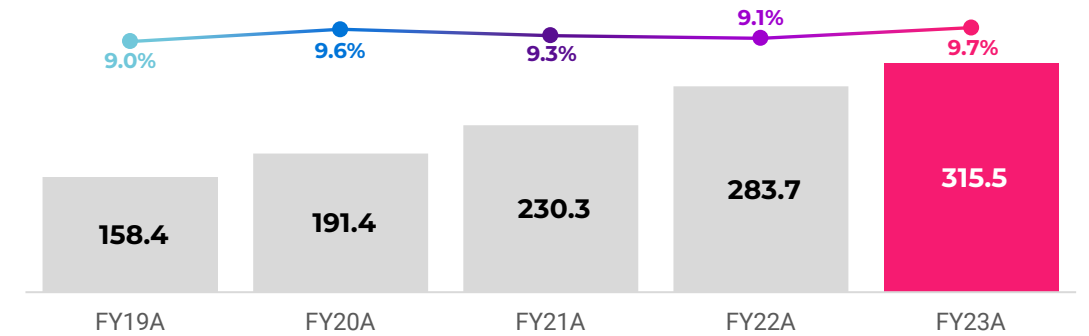
FY23 Financial Trends

- * FY19 Revenue excludes profit on sale of property of \$12.2m
- ** FY19 Operating profit excludes profit on sale of property and cost of employee share scheme.
- + FY21 Operating profit excludes one off acquisition transaction costs of \$1.0m
- ^ FY22 Operating profit excludes one off integration and restructure costs of \$2.1m.
- ^^ FY23 Operating Profit excludes one off integration and re-structure costs of \$0.9m.
- ‡ 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.

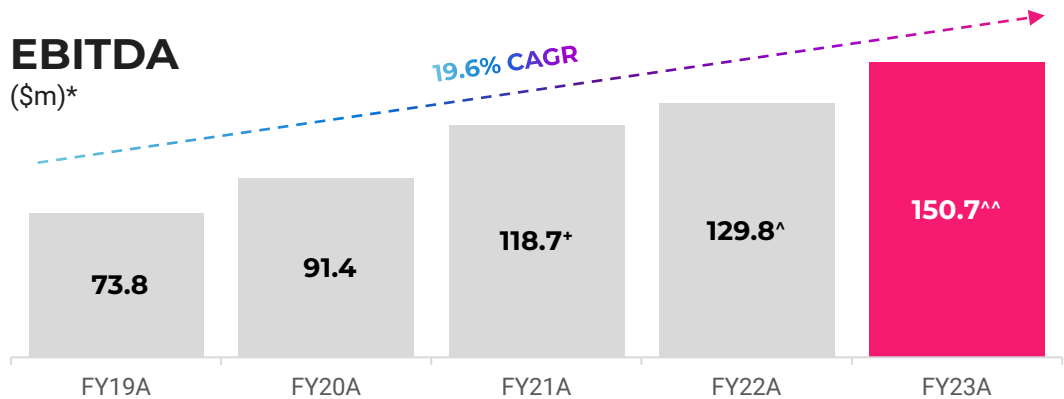
Gross Sales‡ (\$m)



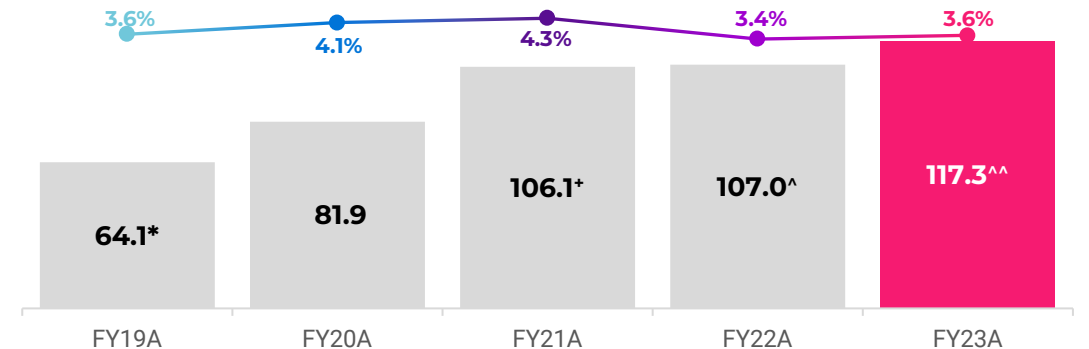
Gross Profit (\$m) Gross Profit Margin‡ (%)



EBITDA (\$m)*



Net Profit Before Tax (\$m) & NPBT Margin‡ (%)



FY23 Change in Revenue Presentation

- The Company undertook a detailed review of new and updated software agreements to reassess if the Company is acting as principal or agent in the resale of software licensing, warranty and maintenance products.
- It has been determined that the Company is acting as an agent in respect of these sales and has revised its revenue presentation policy for the recognition of revenue being agency fee for the sale of these products. The prior period has been restated.
- As a result of this change in revenue recognition statutory revenue for the year was \$2,267.7m, up 2.5%.
- Underlying gross revenue (as previously presented) was \$3,278.1m, increasing by 5.6%.
- Gross sales finalised at \$3,269.7m, up by 5.4%.
- Other income predominantly relates to realised and unrealised FX gains of \$3.4m for the year. In the previous year this was a loss of \$3.3m.

| 12 months (\$m) | Dec-23 | Dec-22 | Change |
|-------------------------------|---------|---------|--------|
| Statutory revenue | 2,267.7 | 2,213.2 | +2.5% |
| Non-IFRS adjustment | 1,010.4 | 891.3 | |
| Gross sales and other revenue | 3,278.1 | 3,104.4 | +5.6% |
| Other income | 8.3 | 0.7 | |
| Gross sales | 3,269.7 | 3,103.7 | +5.4% |

*Excluding one-off costs

FY23 Results Consolidated Group Statutory Revenue

- Gross profit finalised at \$315.5m, increasing 11.2%.
- Gross profit margin, as measured against net revenue improved to 13.9% from 12.8%.
- Operating costs, excluding one off costs, increased by 11.8%, also increasing as a proportion of net revenue to 7.6%, up from 7.0%.
- Operating profit before tax increased by 9.7%, excluding one-off integration and restructure costs of \$0.9m.

| 12 months (\$m) | Dec-23 | Dec-22 | Change |
|------------------------------|---------|---------|--------|
| Total Revenue | 2,267.7 | 2,213.1 | +2.5% |
| Gross Profit | 315.5 | 283.7 | +11.2% |
| Gross Margin | 13.9% | 12.8% | |
| EBITDA* | 150.7 | 129.8 | +16.1% |
| Operating Profit Before Tax* | 117.3 | 107.0 | +9.7% |
| PBT Margin | 5.2% | 4.8% | |
| Net Profit After Tax | 82.1 | 73.0 | +12.5% |

*Excluding one-off costs

FY23 Results Consolidated Group Gross Revenue

- Gross revenue growth for the Group of 5.6%.
- Recurring software gross revenue grew 10.7% to \$823.2m.
- Gross profit margin measured against gross revenue increased to 9.6% from 9.1%
- Operating costs, excluding one off costs, increased by 11.8%, also increasing as a proportion of revenue to 5.3%, up from 5.0%.
- Operating profit before tax increased by 9.7%, excluding one-off integration and restructure costs of \$0.9m.

| 12 months (\$m) | Dec-23 | Dec-22 | Change |
|------------------------------|---------|---------|--------|
| Gross Revenue | 3,278.1 | 3,104.4 | +5.6% |
| Gross Profit | 315.5 | 283.7 | +11.2% |
| Gross Margin | 9.6% | 9.1% | |
| EBITDA* | 150.7 | 129.8 | +16.1% |
| Operating Profit Before Tax* | 117.3 | 107.0 | +9.7% |
| PBT Margin | 3.6% | 3.4% | |
| Net Profit After Tax | 82.1 | 73.0 | +12.5% |

*Excluding one-off costs

FY23 Results Australia

- Revenue growth for Australia of 6.7%.
- Gross profit margins increased to 10.0% compared to FY22 (9.7%) mainly due to product mix diversification.
- Operating costs increased by 11.8% and increasing as a proportion of revenue to 5.3%, up from 5.1% as the company continued to restructure the business following the Hills acquisition in FY22.
- Interest costs increased by 107.0% predominantly driven by the increased cost of debt and marginally higher borrowings.
- Operating profit before tax increased by 8.1%, excluding one-off restructure costs related to recent acquisitions.

| 12 months (\$m) | Dec-23 | Dec-22 | Change |
|------------------------------|---------|---------|--------|
| Gross Revenue | 2,726.0 | 2,554.7 | +6.7% |
| Gross Profit | 273.6 | 247.7 | +10.4% |
| Gross Margin | 10.0% | 9.7% | |
| EBITDA* | 136.1 | 118.7 | +14.7% |
| Operating Profit Before Tax* | 111.8 | 103.4 | +8.1% |
| PBT Margin | 4.0% | 4.0% | |
| Net Profit After Tax | 78.3 | 71.1 | +10.1% |

*Excluding one-off costs

FY23 Results New Zealand

- Revenue growth remained flat with increases in software revenues offset by a slowdown in hardware.
- Gross margins significantly improved across the board finalising at 7.6%, up from 6.5% prior year.
- Operating costs increased by 13.1% to be 6.9% of revenues.
- EBITDA before one off costs increased by 39.0% to \$14.6m
- Profit before tax increased by 57.1% to \$5.5m delivering 1.0% net profit margin

** Results are reflected in \$AUD.

| 12 months (\$m)** | Dec-23 | Dec-22 | Change |
|------------------------------|--------|--------|--------|
| Gross Revenue | 552.1 | 549.7 | +0.4% |
| Gross Profit | 41.9 | 36.0 | +16.4% |
| Gross Margin | 7.6% | 6.5% | |
| EBITDA* | 14.6 | 10.5 | +39.0% |
| Operating Profit Before Tax* | 5.5 | 3.5 | +57.1% |
| PBT Margin | 1.0% | 0.6% | |
| Net Profit After Tax | 3.8 | 2.0 | +90.0% |

*Excluding one-off costs

FY23 Balance Sheet

The Company has increased working capital investment by \$25.4m. Whilst both receivables and inventory balances reduced, trade and other payables reduced by a greater value as a result of taking advantage of early settlement discounts and favourable extended supplier terms returning to standard terms.

Total debt has only increased marginally (+\$9.2m), with the balance of the working capital investment funded by operating surpluses.

Increased debt levels and increasing interest rates through FY23 have impacted the Company's debt servicing ratio compared to last year's levels.

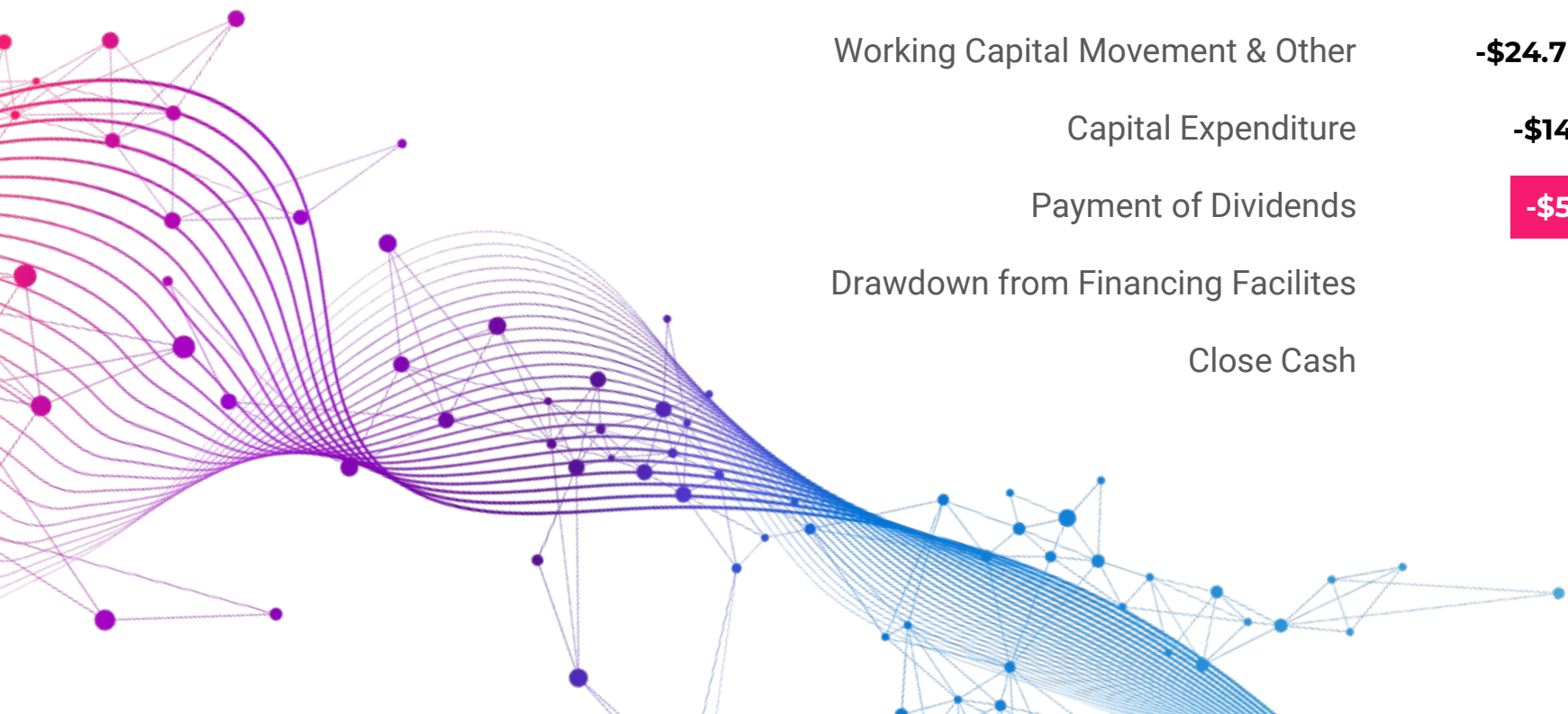
| 12 months (\$m) | Dec-23 | Dec-22 |
|---------------------------|--------|--------|
| Net Working Capital (\$m) | 384.5 | 359.1 |
| Net Working Capital Days | 41.6 | 40.2 |
| Debt to Equity | 1.18 | 1.27 |
| Debt Service Cover Ratio | 7.56 | 12.13 |
| Net Tangible Assets (\$m) | 160.9 | 134.2 |

*FY22 numbers restated after balance sheet reclassifications

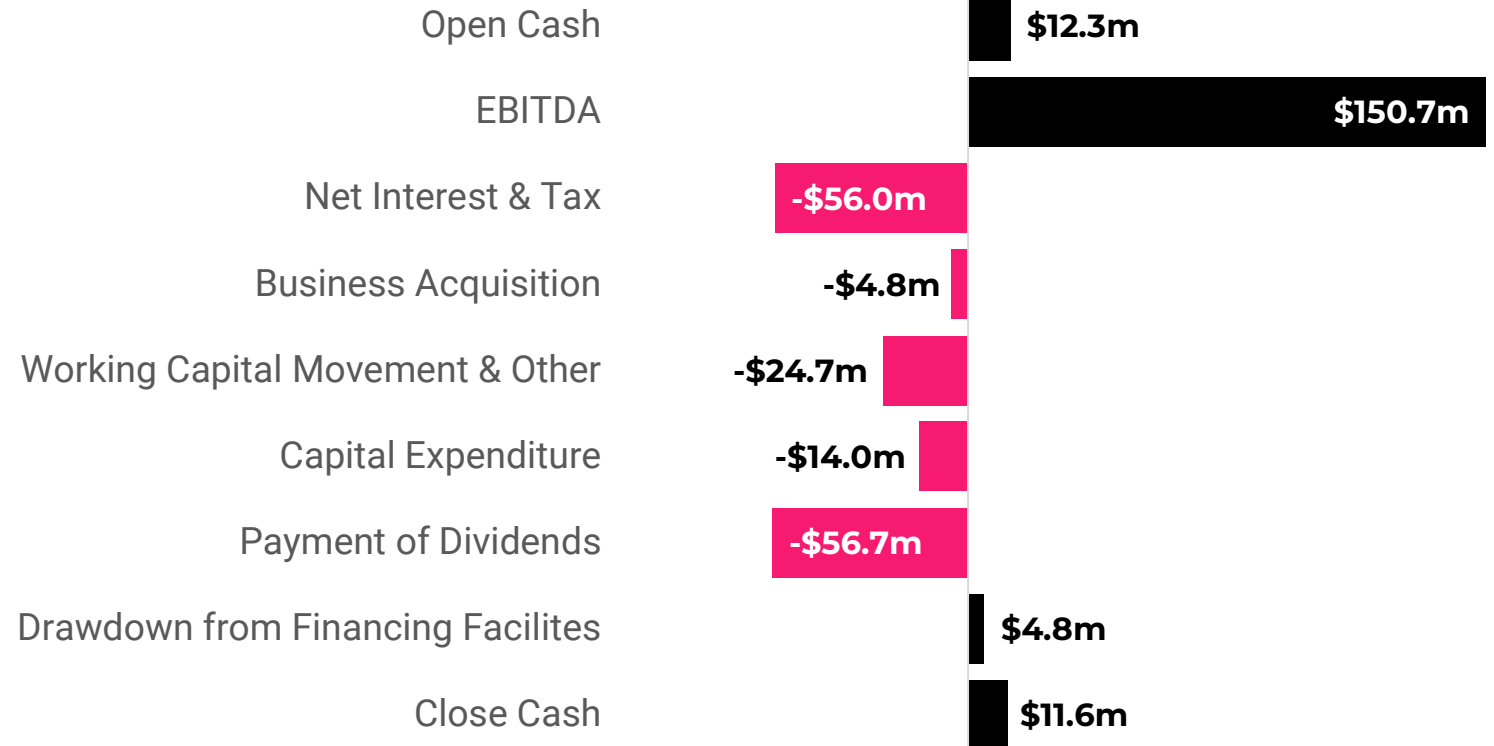
| Net Assets (in \$m) | Dec-23 | Restated Dec-22* |
|-----------------------------|--------------|------------------|
| Cash and equivalents | 11.6 | 12.3 |
| Accounts receivable | 485.7 | 525.6 |
| Inventory | 218.9 | 261.7 |
| Total current assets | 716.2 | 799.6 |
| PP&E | 96.7 | 87.6 |
| Goodwill & intangibles | 94.4 | 96.0 |
| Other assets | 19.7 | 19.7 |
| Total assets | 927.0 | 1002.9 |
| Accounts payable | 320.0 | 428.2 |
| Borrowings | 300.9 | 291.7 |
| Other current liabilities | 26.6 | 26.5 |
| Total current liabilities | 647.5 | 746.4 |
| Other long-term liabilities | 24.2 | 26.4 |
| Total liabilities | 671.7 | 772.8 |
| TOTAL NET ASSETS | 255.3 | 230.1 |
| Shareholders' equity | | |
| Share capital | 214.5 | 212.7 |
| Reserves | 0.0 | 0.2 |
| Retained earnings | 40.8 | 17.2 |
| TOTAL EQUITY | 255.3 | 230.1 |

FY23 Cash Flow

Source and Application of Cash



Application Source



FY23 Dividends

- The FY23 dividend of 45.0 cps represents an increase of 8.4%, up from 41.5 cps in FY22.
- Dividends include a final dividend for FY23 to be paid on 1 March 2024 at 15.0 cps.
- In FY24 the Company intends to maintain its 100% dividend policy and to continue paying interim dividends in quarterly instalments.
- The DRP will be retained for FY24.

| Payment Date | Dividend (CPS) | Type | Amount Franked |
|--------------|----------------|---------|----------------|
| 01-Jun-23 | 10.0 | Interim | 100% |
| 01-Sep-23 | 10.0 | Interim | 100% |
| 01-Dec-23 | 10.0 | Interim | 100% |
| 01-Mar-24 | 15.0 | Final | 100% |
| Total | 45.0 | | |

Kurnell Warehouse Extension

- New facility at 238 Captain Cook Drive, Kurnell NSW was completed in February 2021 and officially opened in April 2021.
- Warehouse space increased by over 80% at the time, to 22,965 sqm, providing space for increased inventory holding and future technology portfolio diversification.
- Stage 2 warehouse expansion works commenced in Q4 2022 and has reached practical completion, representing a further 70% increase on Stage 1 in warehouse capacity.
- The new warehouse is internally connected to the existing warehouse, enabling the Company to scale its operations across an additional 16,636m².
- Thousands of new pallet spaces have been added in the new expanded section of warehouse, with additional racking capacity available when the Company needs it in the future.
- Cost of construction, including fit out, finalised at \$13.2m with construction and fit out now completed.
- Over 900 new solar panels have been added to the roof of the new warehouse extension to increase the Company's ability to capture solar energy.



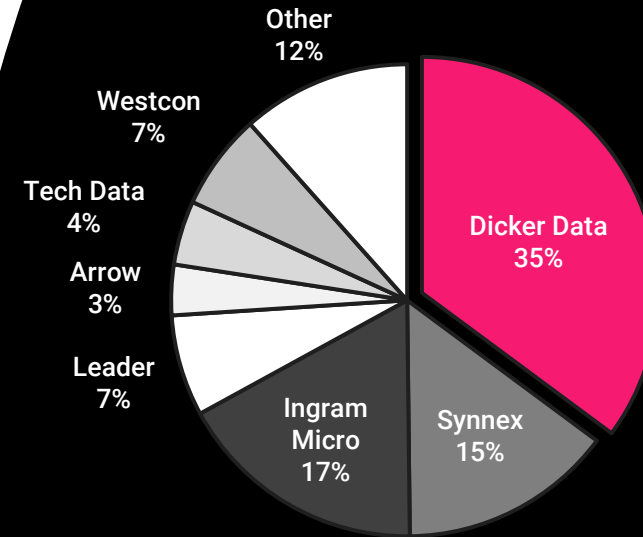


Business Update



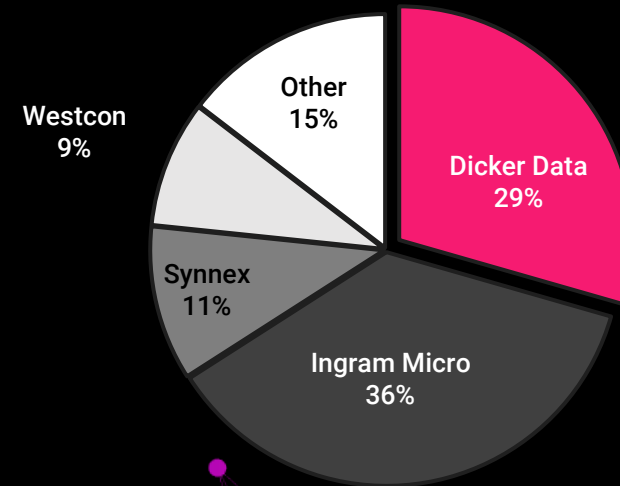
IT Market and Our Strategy

- We have continued to grow our share of both the Australian and New Zealand IT market, commanding a dominant number one position in Australia and making significant progress towards becoming number one in New Zealand.
- Our focus on the corporate, commercial and enterprise sector has delivered material growth as businesses across ANZ continue to accelerate their digital transformations.
- We are constantly evaluating the technology landscape for opportunities to accelerate our growth, as exemplified by the Company's acquisitions of the Exeed Group and Hills Security and IT division in recent years and Connect Security Products Ltd in NZ this year.
- Our focus on growing our active partner base has seen the Company trade with over 12,000 reseller partners in 2023.
- Our focus on recruiting and expanding vendor partnerships has positioned the Company well to capitalise on the growing opportunities surrounding new technologies, such as AI.



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

arcserve

Distributor of the Year - NZ

HPE aruba networking

Distributor of the Year - NZ

HPE aruba networking

Aruba Instant On Distributor of the Year - AU

APC

Distributor of the Year - AU

APC

Best in Marketing Campaigns

ASUS
Inspiring Innovation • Persistent Perfection

Distributor of the Year - AU

CHECK POINT

Growth Distributor of the Year - AU

DELL
Technologies

Distributor of the Year - ANZ
7th Consecutive Year

Harvey Norman

Distributor of the Year - NZ
3rd Consecutive Year

Hewlett Packard Enterprise

Partner Growth & Reactivation Distributor of the Year

Lenovo

ISG New Zealand Technical Excellence Partner of the Year

RUCKUS
COMMSCOPE

Distributor of the Year - ANZ

veeam

Distributor of the Year - AU



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

Distributor Innovation Creativity Award
NEW ZEALAND
Hardware Distributor of the Year
11TH CONSECUTIVE YEAR

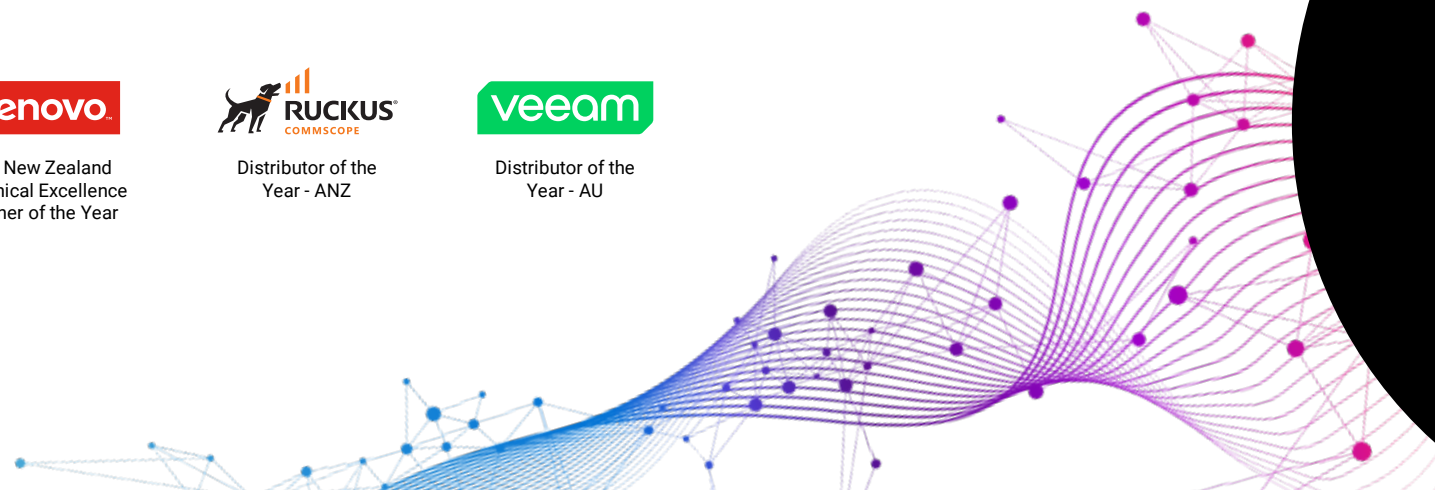
Diversity & Inclusion Champion Company
AU - 3RD CONSECUTIVE YEAR NZ - HIGHLY COMMENDED

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

CRN

ARN

MEA
Meetings & Events Australia



2023 ANZ Vendor Additions



AJAX



Blancco



Bosch



Cloudally



Cloudflare



Cyberaware



Eaton



Ecoflow



Fournines



Halo



Imou



I-Pro



Jackfuse



Jumpcloud



NetApp



Panasonic



Radwin



Riverbed



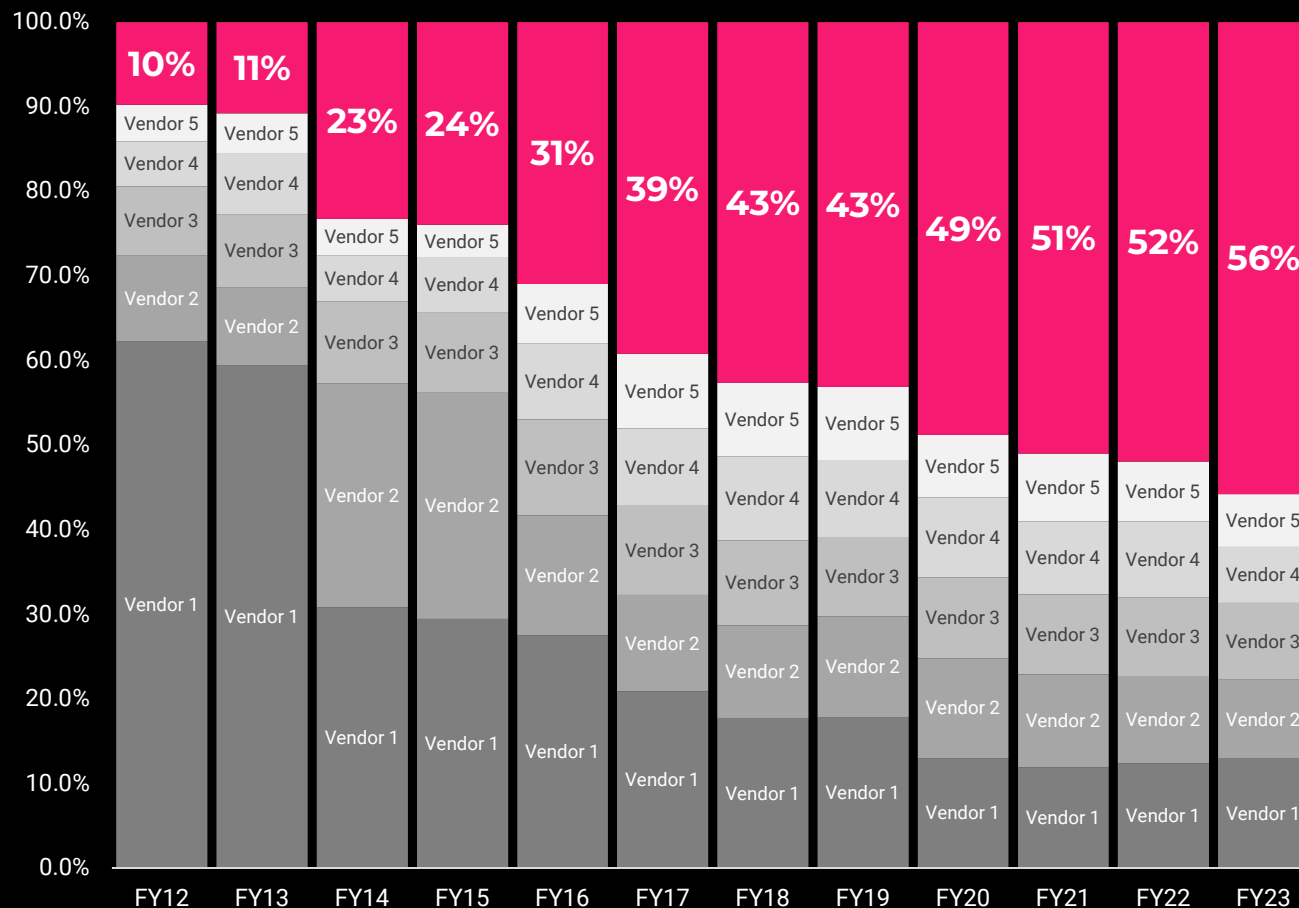
Watchguard

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

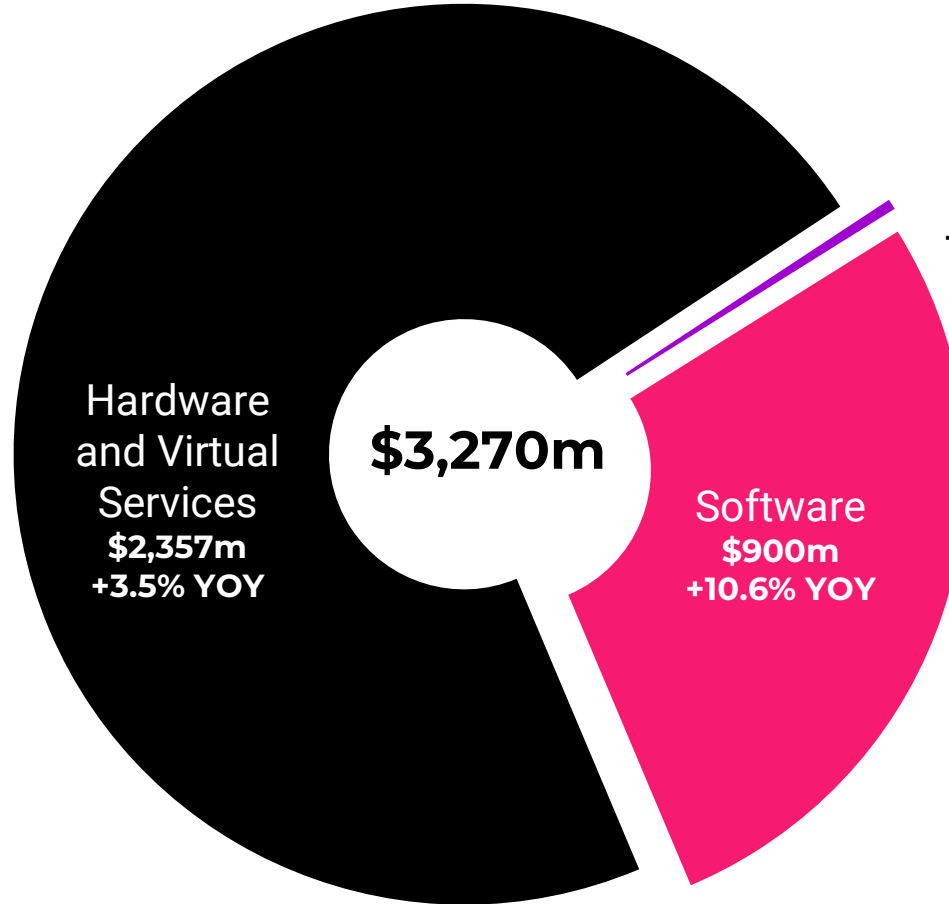
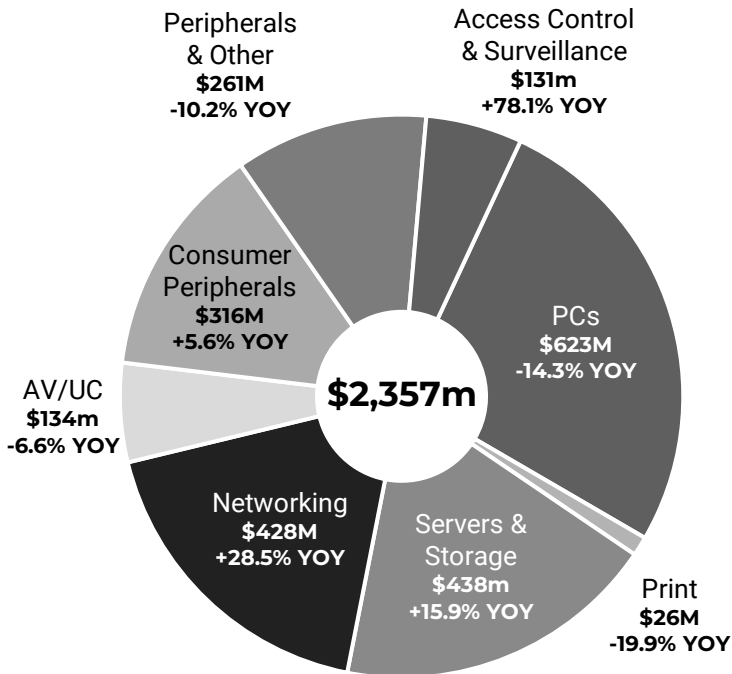
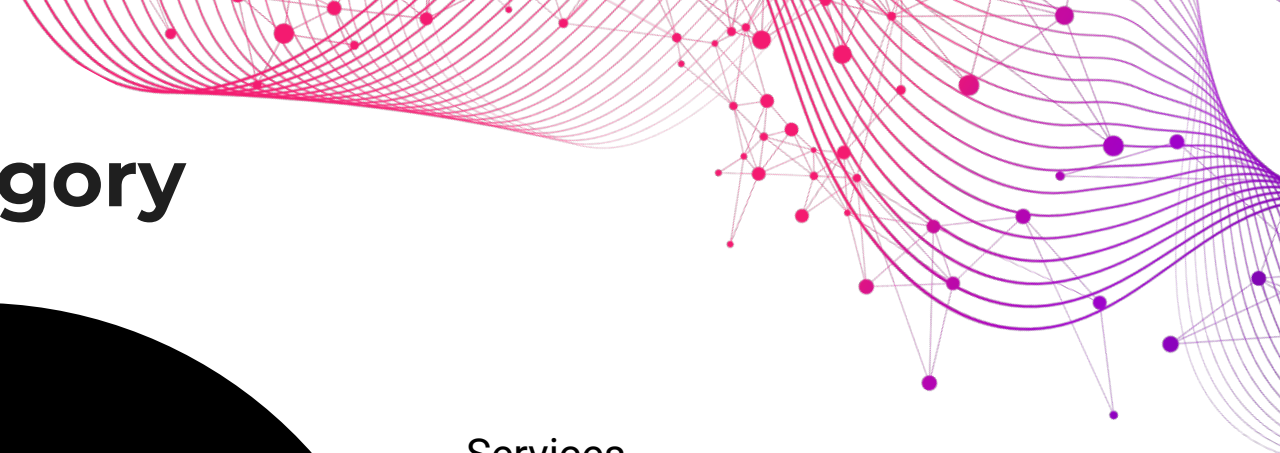
% of sales



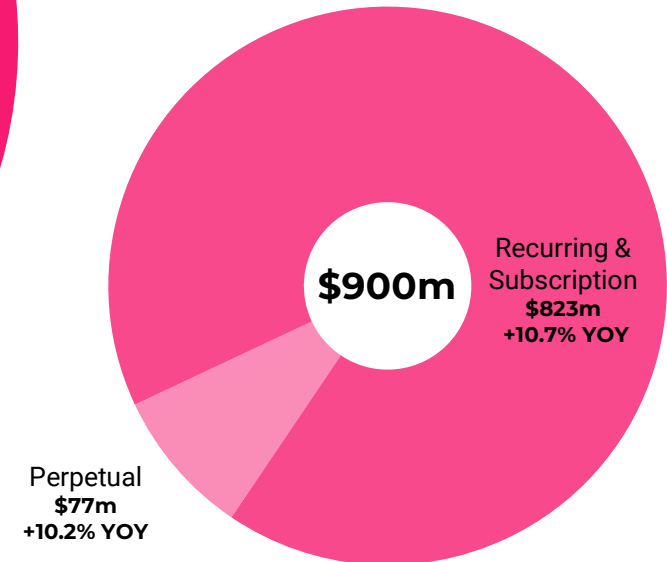
Other Vendors

FY23 Product Revenue Category

SPLITS AND GROWTH



Services
\$12m
+4.0% YOY





2024 Outlook



2024 Opportunities:

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 eventually locally on their devices.

- Microsoft Copilot
- Chat GPT
- Siri



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



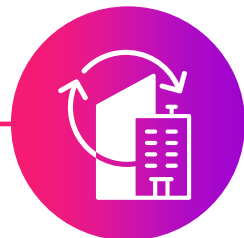
FOUNDATIONAL Full Stack AI

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

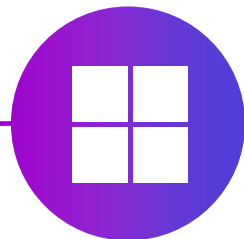
- NVIDIA
- Microsoft Azure

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



AI PCs are expected to launch during our FY24 period

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

2024 Focus



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 2024, we aim to accelerate the convergence of the Physical Security market with the traditional 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?





Thank You



Disclaimer

DICKER

D A T A

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