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Q3 2021 Market Update

Dicker Data Limited (**ASX: DDR**) (Company), today provides an update on the Company's Q3 2021 earnings result, and an operational trading update for the quarter ended 30 September 2021.

Q3 YTD 2021 Results

Summary of results and highlights as at the end of Q3 2021 are as follows:

9 months to:	$m Sep-21	$m Sep-20	Increase
Total Revenue	1,720.4	1,481.5	16.1%
Profit Before Tax	76.6	60.8	26.0%

- With two months contribution from Exeed Group business, total revenue YTD to September 2021 was $1,720.4m, an increase of 16.1% on the prior corresponding period (PCP)
- Net profit before tax YTD to September 2021 was $76.6m, an increase of 26.0% on the PCP
- Excluding the contribution from Exeed business total revenue was $1.655.2m, up 11.7% on PCP and net profit before tax at $74.7m, up 22.9% on PCP
- A strong result despite ongoing supply constraints being experienced during the year
- Supply constraints are predicted to continue for the foreseeable future, however, our ability to forecast and manage allocation of stock continues to strengthen each quarter
- Despite the global chip shortages, we are experiencing increased stock allocations across a large number of categories, improving the overall health of the supply chain
- There is still a significant backlog of orders that we expect to fulfil in the last quarter of 2021

Exeed Acquisition

Following the acquisition of the Exeed Group on 30 July 2021 a significant amount of work has been undertaken towards integrating the operations of both the Australian and New Zealand Exeed businesses into the Dicker Data operation. The year-to-date results in this announcement reflect 2 months contribution across Australia and New Zealand from the Exeed business of $65.2m revenue and $1.9m net profit for the reporting period to 30 September 2021.



The acquisition represents a significant increase to our New Zealand business, which is expected to more than double in size to over NZD $500m in annual revenue for FY22. The integration will bring 1,200 resellers under one roof, provide growth in market share and see Dicker Data immediately gain skilled and specialist experts and a cultural synergy between the two companies. For the first time, Dicker Data will also have operational expertise in servicing the retail sector across Australia and New Zealand, representing a significant untapped revenue opportunity for the Company.

Operational Update

Dicker Data continues to perform strongly in FY21, delivering an increase of 16.1% revenue growth year-to-date. Excluding the contribution from the Exeed business, the Company recorded revenue growth of 11.7% across ANZ. Profit growth was also strong, finalising for the 9 months at $76.6m, an increase of 26.0%, off the back of stronger margins at 9.6% year-to-date, up from the June 2021 quarter. Without the Exeed contribution, profit growth also reflected strong increase at 22.9% across ANZ. The continued global chip shortage and consequent supply constraints have contributed to an overall improvement in margin quality.

As previously advised, the global chip shortage is expected to continue for the foreseeable future as manufacturers work at a global level to manage the available inventory. Larger international markets, such as the US and Europe are experiencing higher allocations than many countries across the APAC region, although the situation is improving with time. Each vendor is executing a slightly different strategy, and Dicker Data continues to demonstrate its strength and resilience as it continues to be extremely well placed to capitalise on the opportunities this unique market dynamic is creating. Over the course of 2021 Dicker Data has been able to adapt to the changing supply chain challenges and have improved our ability to forecast and work with our vendors to secure stock allocations whilst managing customer expectations.

Despite the current shortages, we are experiencing strong demand with a backlog of orders to fulfil and as supply improves, we expect to continue to meet this demand in the final quarter of 2021. Having a significant place in the IT supply chain, as an essential component for broader business continuity and digital transformation, we are also identifying significant future opportunities within the technology sector. As digital transformation continues to accelerate, the role of technology in business success continues to proliferate and the evolving hybrid and modern workforce becomes increasingly dependent on more intelligent, faster and collaborative technology solutions.

Cybersecurity will continue to be high on the business continuity agenda and a key focus for all sectors in the remainder of 2021, with intelligent solutions like Zero Trust enabling secure, compliant, and protected technology environments. We experienced an unprecedented spike in demand for devices throughout 2020, with no signs of demand abating in the last quarter of 2021. We are anticipating a high level of growth in the adoption of automation, machine learning and data capture and analysis tools as businesses and governments prioritise efficiency and productivity within their operations.

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Working with over 7,000 active reseller partners and managed service providers across ANZ, the Company supports hundreds of thousands of end-user businesses, large and small via this extensive network. We are seeing 5G connectivity play a significant role across Governments, Enterprise, and Education sectors. Communities and individuals also stand to benefit from 5G as we move toward an always-on, connect-from-anywhere society. Everything-as-a-Service (XaaS) continues to gain commercial confidence as demand for subscription models continues to boom. Businesses are demanding scalable access to technology solutions that meet the changing needs of their workforce as they navigate the uncertainty caused by the global pandemic and more recently, their return to office strategies.

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 with over 43 years of experience. Our sales and presales teams are experienced product specialists who are dedicated to helping you tailor solutions to suit your client's needs.

As a distributor, we sell exclusively to our valued partner base of over 7,000 resellers across ANZ. 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/