

29 April 2020

## Q120 Market Update

Dicker Data Limited (ASX: DDR) (Company), today provides an update on the Company's Q120 results, interim dividends and operational trading update in the context of current COVID-19 situation.

### Q120 Results

The Company achieved the following results for Q120:

3 months to:	\$m Mar-20	\$m Mar-19	Increase
Total Revenue	463.9	386.9	19.9%
Profit Before Tax	18.4	13.5	36.3%

- Total revenue for the quarter was \$463.9m, up 19.9%
- Net profit before tax for the quarter was \$18.4m, up 36.3%
- Off the back of a significant mobilisation to remote working solutions during the quarter (which was experienced across many sectors including education) the Company had its highest ever revenue month in March 2020
- With increased sales operating cost leverage was achieved. There were also some savings in finance costs as a result of the lower interest rate environment
- The Company paid out the \$40m Corporate Bond on 26 March 2020

### Interim Dividends

In line with the Company's dividend policy to pay out 100% of after-tax profits, the Company will retain the current dividend policy of paying quarterly dividends. To provide consistency and certainty for investors the Company proposes that each interim dividend will be at an equal rate.

The proposed rate for the interim dividends for FY20 will be 7.5 cents per share fully franked. This would bring total proposed dividend to be paid in the FY20 year to 35.5 cents per share, an increase of 31.5% from FY19 of 27.00 cents per share. This increase is despite the total dividend from FY19 including a one-off special dividend of 5.0 cps.



## Outlook

The Board of Directors recognise that with a strong start to FY20 in Q1, and to date there being no material change to our overall sales pipeline, the proposed interim dividend would be on the basis that there is no overall downturn experienced in H220.

Should any of the circumstances change and the Board deems it prudent to alter the interim dividend amount, an update will be provided to the market. As we are in unprecedented times, at this stage it is too early to determine the market conditions for the second half of the year, and as such the Company will not be providing guidance in respect of annual earnings.

## Operational Trading Update

The Company provides the following business operational update in the context of the current COVID-19 pandemic and effect on operations:

- The Company's key priority during the last few months has been to ensure it remains fully operational at all times to provide continuity of service to our customers and be a reliable partner to our suppliers
- Of highest priority has been safeguarding the wellbeing of all our staff and customers. Following guidelines introduced by the State and Federal government a number of measures were introduced to ensure the safety of our staff:
  - All office-based staff that can perform their roles remotely have been working from home for over four weeks now and will continue to do so until government guidelines advise otherwise
  - Our warehouse remains fully operational, the safety and wellbeing of staff being addressed by introducing additional hygiene and sanitisation measures, thermal body temperature monitoring and with operational redundancy being addressed by introducing split shifts and extended hours
- With many organisations enabling their workforces to work remotely we have seen a surge in demand for remote working solutions across both our hardware and software portfolios, highlighting IT distribution's role as an essential component for business continuity
- Whilst there were some supply constraints at the start of the quarter, this has been managed effectively and vigilantly by the Company having made some early stocking decisions in respect of hardware stock which ensured a significant amount of orders could be fulfilled
- We are also starting to see supply open as factories become fully operational and expect to be able to complete balance of backorders in coming weeks
- We are continuing active discussions with new and existing vendors regarding further expansion and emerging opportunities for our business portfolio. During the quarter we have onboarded the following new vendors:
  - Heimdal Security – cyber security software vendor
  - Blupeak – cabling and power solutions complementing a range of technologies in our portfolio
  - Veeam - backup solutions and cloud data management vendor

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## Annual General Meeting

On 20<sup>th</sup> March 2020, Australian Securities and Investments Commission (ASIC) announced that due to COVID-19 pandemic, any companies that are required to hold their AGM by 31<sup>st</sup> May 2020:

- No action will be taken if the AGM is postponed to two months being the end of July 2020; or
- Supports the holding of a virtual AGM using appropriate technology.

The Board has agreed that the most suitable course of action would be to postpone the AGM until July 2020, with a date yet to be confirmed.

For and on behalf of the Board,

David Dicker



Chairman & CEO

### ABOUT DICKER DATA LIMITED

Dicker Data Limited was listed on the Australian Stock Exchange on January 24, 2011. Since its listing, the company has achieved record trading results. The Company is Australia's largest and longest established Australian owned distributor of information technology products. Its vendors include Hewlett-Packard, Cisco, Microsoft, Lenovo, Symantec, RSA, Toshiba, Samsung, ASUS and other major brands. The Company's clients include over 5,000 value added resellers. For more information, [click here](#).

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