

Data#3 confirms another record full year result

BRISBANE, Wednesday 19 August 2020: Australian business technology solutions leader Data#3 Limited (ASX: DTL) today announced its results for the year ended 30 June 2020 (FY20), which are consistent with the guidance provided on 16 July 2020.

FY20 – key metrics

- Revenue up 14.9% to \$1.6 billion
- NPBT up 28.2% to \$34.1 million
- NPAT (excluding minority interests) up 30.5% to \$23.6 million
- EPS up 30.5% to 15.35 cents per share
- Total fully franked dividend up 29.9% to 13.9 cents per share
- Strong balance sheet with minimal debt

Commenting on the FY20 result, Data#3 Chief Executive Officer and Managing Director Laurence Baynham said: “We are delighted with the performance of the consolidated Data#3 business, which delivered another record result in what has been an extraordinary year. The result demonstrates the inherent strength and relevance of our solution offerings in an evolving market, and the growth in public cloud was a particular highlight.”

Revenue and earnings growth in FY20

Total revenue increased by 14.9% to \$1,625.9 million. This included strong growth in public cloud revenues, which increased by 60.4% to \$581.0 million.

Total revenue (\$M)



Public cloud revenue (\$M)



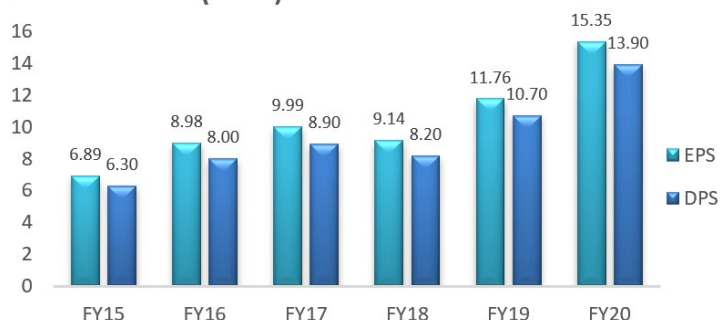
The consolidated NPBT increased by 28.2% to \$34.1 million, and NPAT (excluding minority interests) increased by 30.5% to \$23.6 million. Basic earnings per share also increased by 30.5% to 15.35 cents.

The directors declared a final dividend of 8.80 cents per share, bringing the total fully franked dividend for FY20 to 13.90 cents per share. This represents an increase of 29.9% and a payout ratio of 90.6%.

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The final dividend will be paid on 30 September 2020, with a record date of 16 September 2020.

Basic EPS & DPS (cents)



Data#3's Chairman Richard Anderson said: "Data#3's performance both in increased profit and solid underlying cash flow has delivered a significant increase in dividend. Combined with a very strong share price performance, this provides shareholders with an outstanding return for the year."

Delivering key operational milestones

Commenting on the company's FY20 performance, Mr Baynham said: "The non-financial measures indicate the underlying health of the business has continued to strengthen. Our staff and customer satisfaction surveys produced record high results; we succeeded in winning a cross-industry Employer of Choice award for the fifth year in a row; and we were recognised by many of our global partners with national and international awards. In addition, we made headway with a number of our strategic business improvement initiatives."

Long term objectives on track

Mr Baynham confirmed: "We remain confident in the company's longer-term strategy. We have a robust business, no material debt, solid long-term customer relationships, committed supplier partnerships, and a highly experienced and productive team."

Outlook

Mr Baynham added: "Our expectation is that technology will play a major role in Australia's economic recovery from the pandemic, and we remain well positioned to capitalise on those opportunities. The timing of the recovery is less certain, and consequently we are unable to provide meaningful commentary on our FY21 outlook at this stage. Our long-term financial goal remains to deliver sustainable earnings growth."

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	FY20 \$'000	% Change	FY19 \$'000
Sales revenue	1,623,841	+ 14.8%	1,414,352
Other revenue	2,100	+ 72.6%	1,217
Total revenue	1,625,941	+ 14.9%	1,415,569
Public cloud revenue included above	580,955	+ 60.4%	362,212
Total gross profit (excluding other revenue)	187,979	+ 8.1%	173,907
<i>Total gross margin %</i>	<i>11.6%</i>		<i>12.3%</i>
Total staff & operating expenses	156,013	+ 5.0%	148,560
EBIT	34,079	+ 32.3%	25,758
<i>EBIT margin %</i>	<i>2.10%</i>		<i>1.82%</i>
NPBT	34,066	+ 28.2%	26,564
NPAT (excluding minority interests)	23,636	+ 30.5%	18,112
Return on equity %	45.2%		38.5%
	FY20	% Change	FY19
Basic earnings per share	15.35 cents	+ 30.5%	11.76 cents
Dividend per share	13.90 cents	+ 29.9%	10.70 cents
Dividend payout ratio	90.6%		91.0%

This announcement is authorised for release by the Data#3 board.

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About Data#3

Data#3 Limited (ASX: DTL) is a leading Australian IT services and solutions provider, focused on helping its customers solve complex business challenges using innovative technology solutions.

Built on a foundation of more than 40 years' experience, combined with world-leading vendor technologies, Data#3 delivers an integrated array of solutions spanning cloud, modern workplace, security, data & analytics and connectivity. These technology solutions are delivered by combining Data#3's services across consulting, project services and support services.

Listed on the ASX in 1997, Data#3 reported revenues of \$1.6 billion in the 2020 financial year and has more than 1,200 staff. Headquartered in Brisbane, it has facilities across 12 locations in Australia and Fiji.

More information about Data#3 and its solution and service offerings is available at <http://www.data3.com.au>

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