



DICKER

D A T A

Investor Presentation – July 2015

...experience is the difference

Corporate Snapshot

Capital Structure

Share Price (20 July 2015)	\$1.91
Fully paid ordinary shares	133.1m
Options	0.0m
Market Capitalisation	\$254.2m
Cash (30 June 2015)	\$11.3m
Drawn Debt (30 June 2015)	\$150.1m

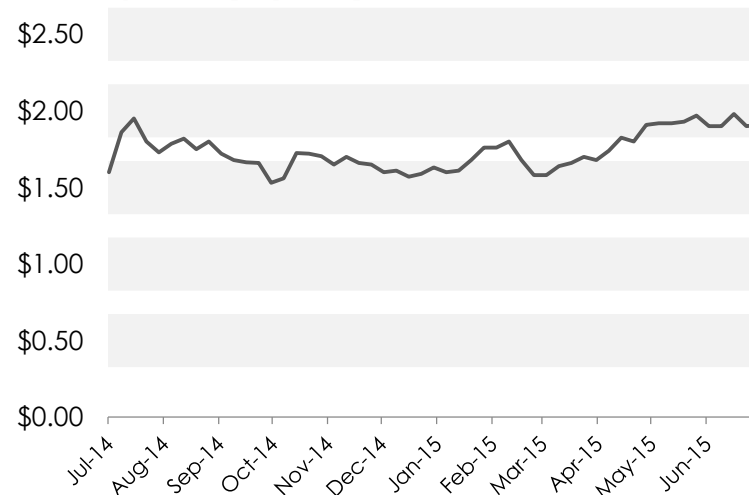
Directors & Senior Management

David Dicker	Chairman & CEO
Fiona Brown	Non Exec Director
Mary Stojcevski	CFO & Director
Vlad Mitnovetski	Executive Director
Michael Demetre	Executive Director

Shareholders

David Dicker	63.5m
Fiona Brown	55.7m

Share price (1 year)



Company Background

- Dicker Data Ltd (ASX: DDR) is a leading Australian wholesale distributor of computer hardware, software and related products, and also offering related technical services to the reseller community.
- The company has been operating for 37 years and listed on the ASX in January 2011 at a share price of \$0.20.
- Our core function is to provide a vital link in the technology supply chain by bringing products from the world's leading technology vendors to market. To achieve this we provide our customers with credit facilities, advanced logistic capabilities and value – added services.
- We distribute to over 5,000 resellers across Australia and New Zealand.
- Our key distribution centres are a 15,000 sqm custom built warehouse and office site in Kurnell NSW, and a 2,900 sqm site in Auckland New Zealand.
- Following the recent acquisition of Express Data, Dicker Data is one of the top three IT distribution companies in Australia and New Zealand. We are achieving annual revenues of over \$1 billion.
- Dicker Data's product portfolio comprises of leading technology vendors including HP, Cisco, Toshiba, Lenovo, Microsoft, Symantec and other tier 1 global brands.
- The acquisition of Express Data in April 2014 increased the group's vendor partners to over 40, more than doubling group revenue and giving access to the New Zealand market.

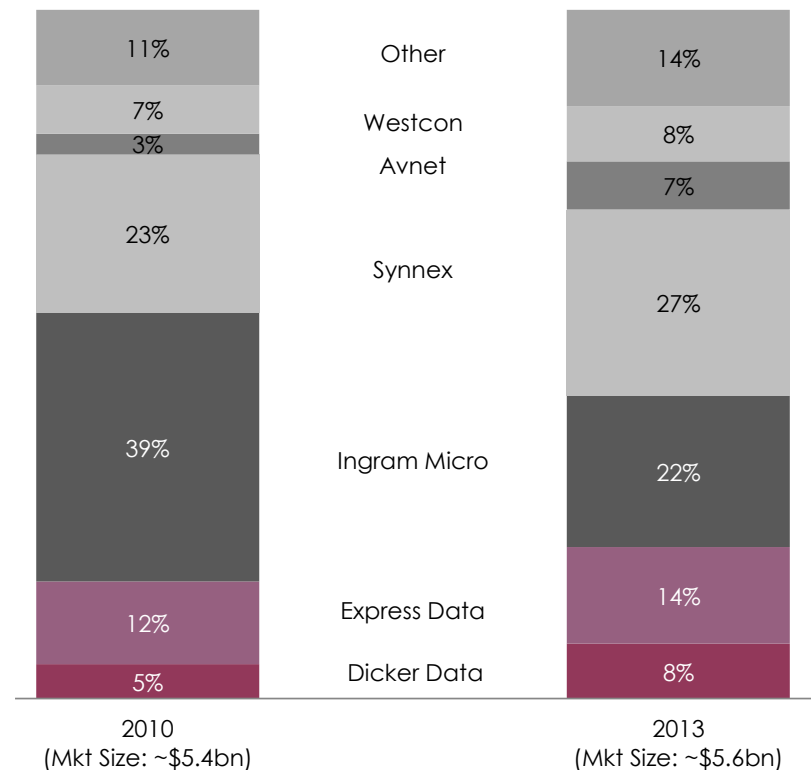
Our Vendor Brands



IT market and strategy

- Our strategy has been to focus on delivering excellent service through technical sales expertise.
- This focus and an aligned employee incentives programme, has delivered industry leading sales per employee rates (over \$4m per head historically).
- In recent years, the Company has targeted distribution agreements in software, high-end products and those that address the cloud computing environment.
- The acquisition of Express Data was core to this strategy.
- We will shortly be launching our Cloud Marketplace to provide a comprehensive portfolio of best in breed cloud services technology and capability for our resellers.
- We are also introducing a components division, with some advanced discussions with new vendors and recently announced Intel as a new vendor.

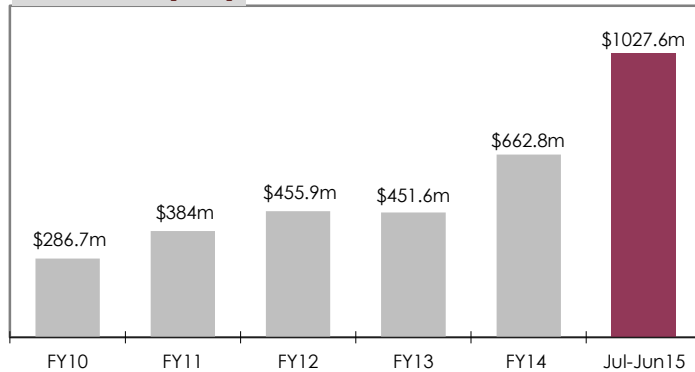
Market share 2010 versus 2013



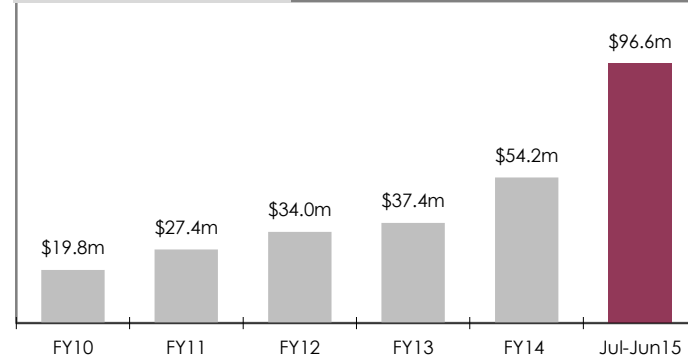
Financial Track Record

- We expect to report substantial growth in sales and profitability in FY15 through the full year contribution from Express Data and from merger cost savings.
- In FY14 the Company changed its year end to December, prior years reflect the June year end.

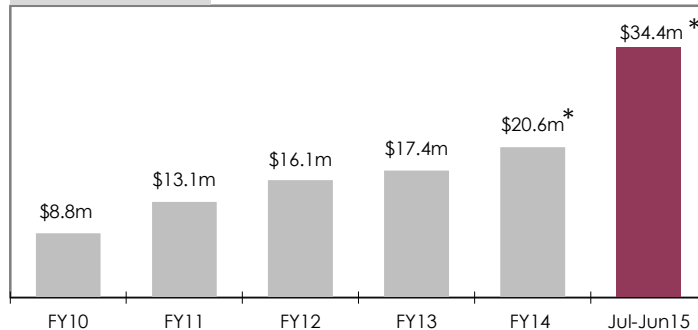
Revenue (\$m)



Gross Profit (\$m)

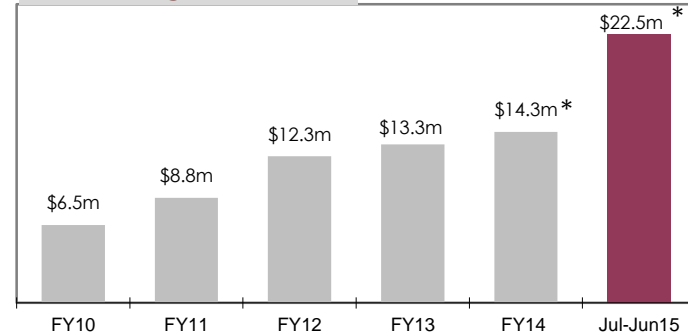


EBITDA (\$m)



* Before tax and one-off integration and share acquisition costs

Operating Profit (\$m)



* Before tax and one-off integration and share acquisition costs

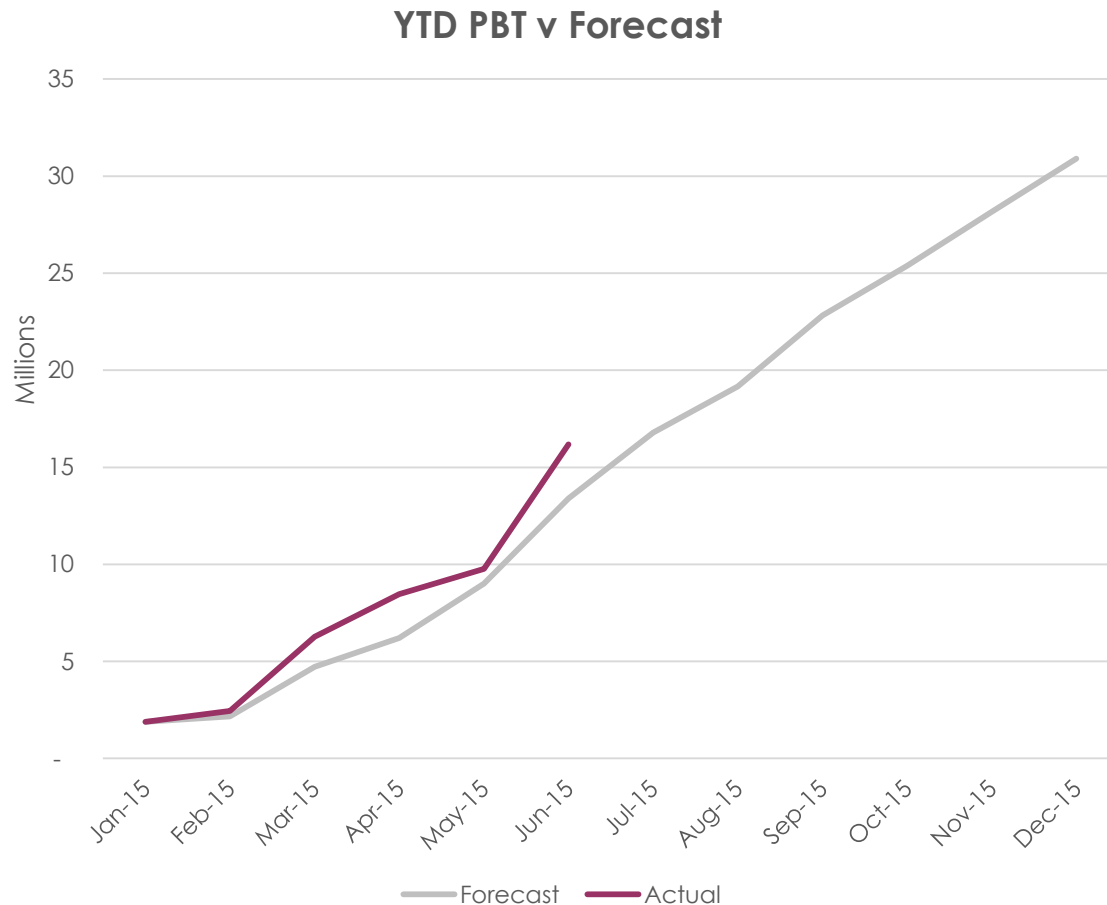
Half Year Results – June 2015

Key Financial Data (in \$m)

6-months to:	Jun-15	Dec-14	Jun-14
	Unaudited		
Total Revenue	529.3	498.3	438.2
Gross Profit	51.1	45.5	36.6
Gross Margin	9.7%	9.1%	8.4%
EBITDA	20.5	8.3	6.8
One off costs	1.5	4.0	6.3
EBITDA (underlying)	22.1	12.3	13.1
Profit before tax (underlying)	16.2	6.3	9.1
PBT margin	3.1%	1.3%	2.1%
Net profit after tax (underlying)	9.7	4.4	6.3

- Revenues have grown 6.2% over the previous half and 20.8% over the corresponding half in 2014.
- Gross profit has grown 12.3% over the previous half and 39.6% over the corresponding half in 2014. Margin quality has improved in each half.
- One off costs include acquisition and restructuring costs and non-recurring costs.
- Group underlying EBITDA was \$22.1m for the period, up by 80%.

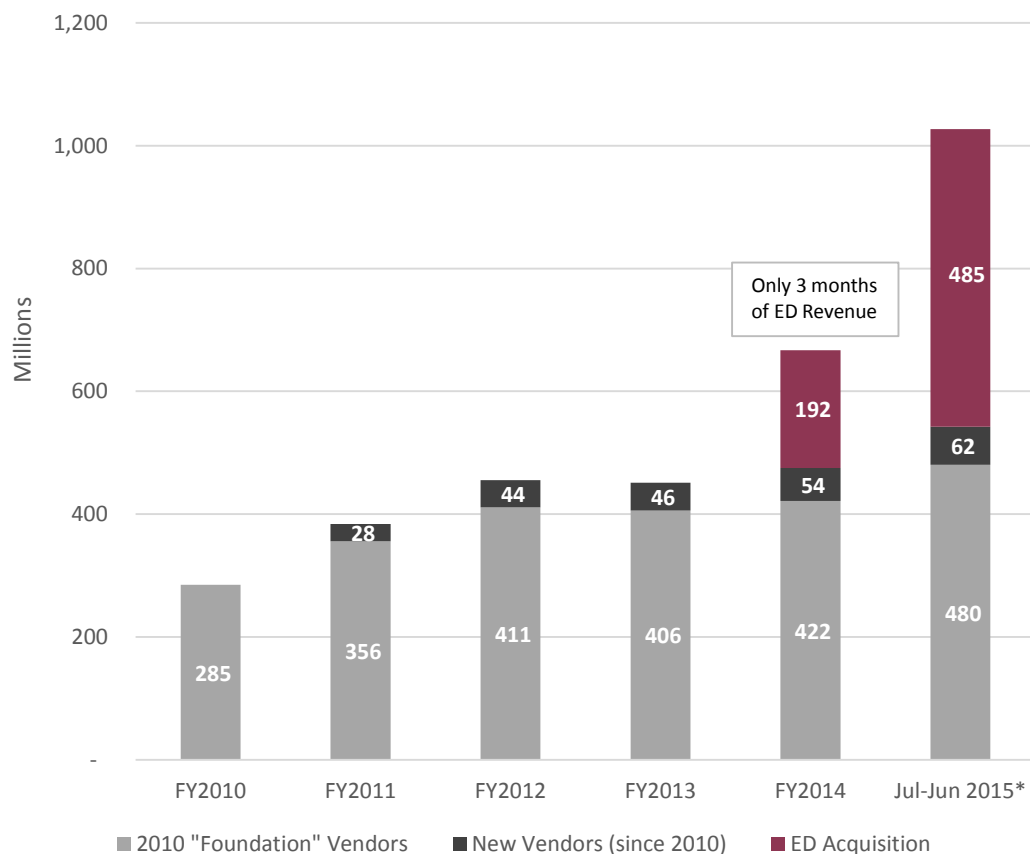
YTD Tracking



- In the six months to June Pre-tax Profit is tracking ahead of forecast.
- YTD June reported Pre-tax Profit includes over \$1.5m of employee overhead costs which have now been rationalised.
- Historically the H1/H2 revenue split has been weighted toward H1, but the ED vendor mix and recent vendor additions will re-balance revenues 50/50.
- Full year forecast for \$30.9m Pre-tax Profit is expected to be achieved.

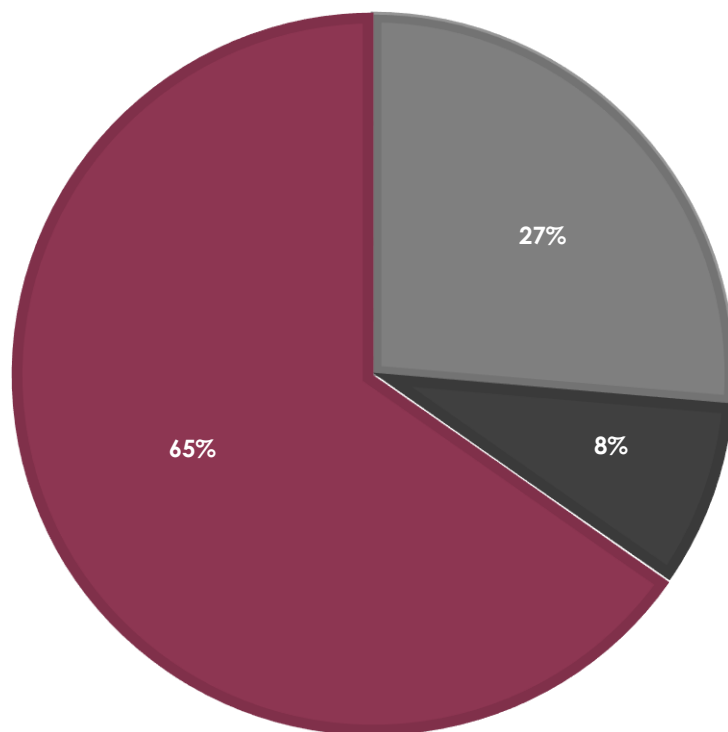
Growth Profile

REVENUE GROWTH 2010-2015



- Continuing to grow market share with "Foundation vendors" (Vendor list as at 2010).
- Developing profitable new vendor relationships.
- Express Data acquisition providing scale.

REVENUE GROWTH 2010-2015



■ 2010 "Foundation" Vendors ■ New Vendors (since 2010)
■ ED Acquisition

- “Foundation” vendor revenues have grown 68% and represent 27% of the total growth since FY2010.
- Profitable new vendor relationships include Western Digital, Asus, Fujitsu and Belkin –represent 8% of the growth since FY2010.
- Express Data acquisition provides immediate scale with +25 additional vendor relationships.

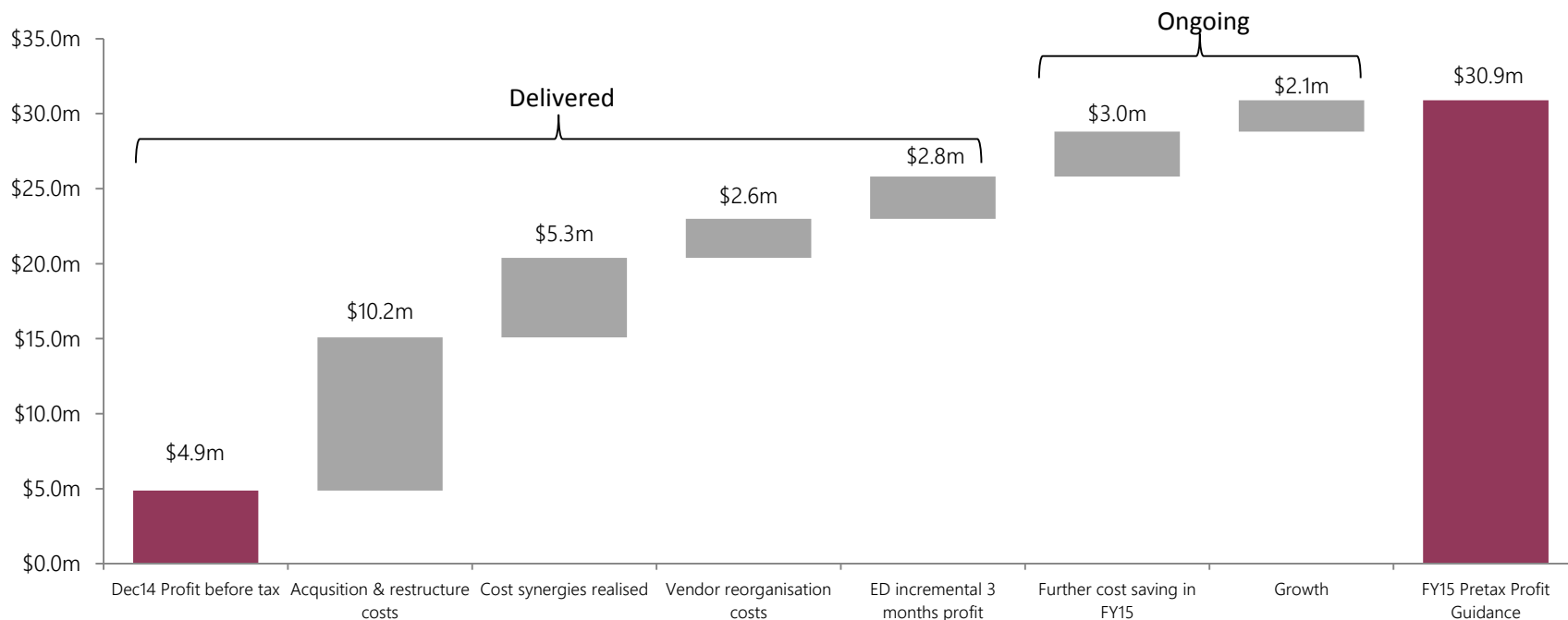
Balance Sheet

Net Assets (in \$m)	Jun-15 Unaudited	Dec-14	Jun-14
Cash and equivalents	11.3	3.7	18.2
Accounts receivable	172.6	146.1	161.2
Inventory	109.6	84.6	85.1
Other current assets	0.0	1.8	0.0
Total current assets	293.5	236.2	264.5
PP&E, net	26.7	26.8	23.0
Goodwill & Intangibles	32.8	34.0	35.1
Other assets	4.8	4.5	4.9
Total assets	357.8	301.5	327.5
Accounts payable	170.2	145.4	174.9
Borrowings	110.0	122.7	118.4
Other current liabilities	2.9	4.5	5.1
Total current liabilities	283.1	272.6	298.4
Borrowings	40.0	0.0	0.3
Other long-term liabilities	7.0	7.2	8.4
Total liabilities	330.1	279.8	307.1
TOTAL NET ASSETS	27.7	21.7	20.4
Shareholders' Equity			
Share Capital	10.3	6.9	2.0
Reserves	-0.2	0.7	0.3
Retained earnings	17.6	14.1	18.1
TOTAL EQUITY	27.7	21.7	20.4

- The Company finished June 2015 with \$11.3m in cash.
- The drawn group debt was \$150.0m. With the issue of a \$40m Corporate Bond in March 2015, current debt reduced by \$12.7m to \$110.0m.
- Secured debt includes the Westpac Receivable Purchase facility with a limit of \$119.6m which was used to fund the purchase of Express Data.
- No changes to PP&E and no further material capital expenditure is expected.
- Share capital has increased through the participation of shareholders in the dividend reinvestment plan.

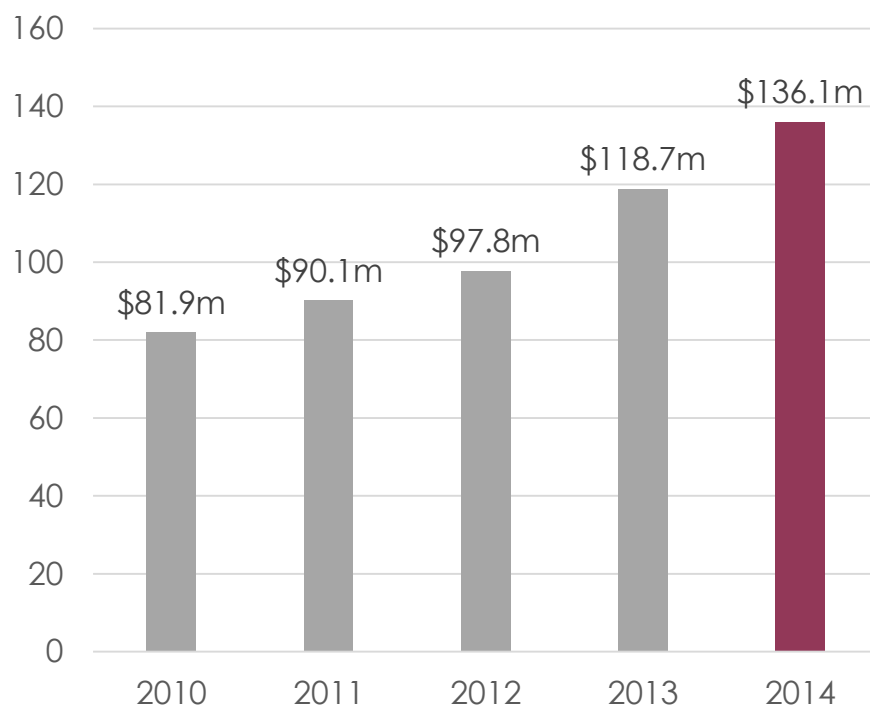
Guidance Update

- We have previously provided guidance for NPBT for FY15 at \$30.9m, and the Company is on track to achieve this.
- As per graph below this is expected to be reached through a combination of cost synergies, incremental contribution from acquisition, further costs savings and general growth.



New Zealand Update

EDNZ Revenue in AUD(\$m)



- The acquisition of Express Data has provided us an entry into the New Zealand market.
- NZ revenue for the 12 months to Dec 14 was A\$136m. There has been organic year on year growth in NZ for the last 5 years.
- Dicker Data NZ holds dominant share in its two key partners Cisco and Microsoft and currently has over 90% share in selected software vendors who are moving to a cloud sales model.
- We launched our first volume vendors in April 15, starting with Toshiba, Kingston and subsequently Motion. Ramp-up has been slower than expected.
- Focus for 2H 2015 to bed down new vendor launches and to leverage our volume teams experience in AU to drive market penetration in NZ.

New Zealand – Half Year Results

Dicker Data NZ

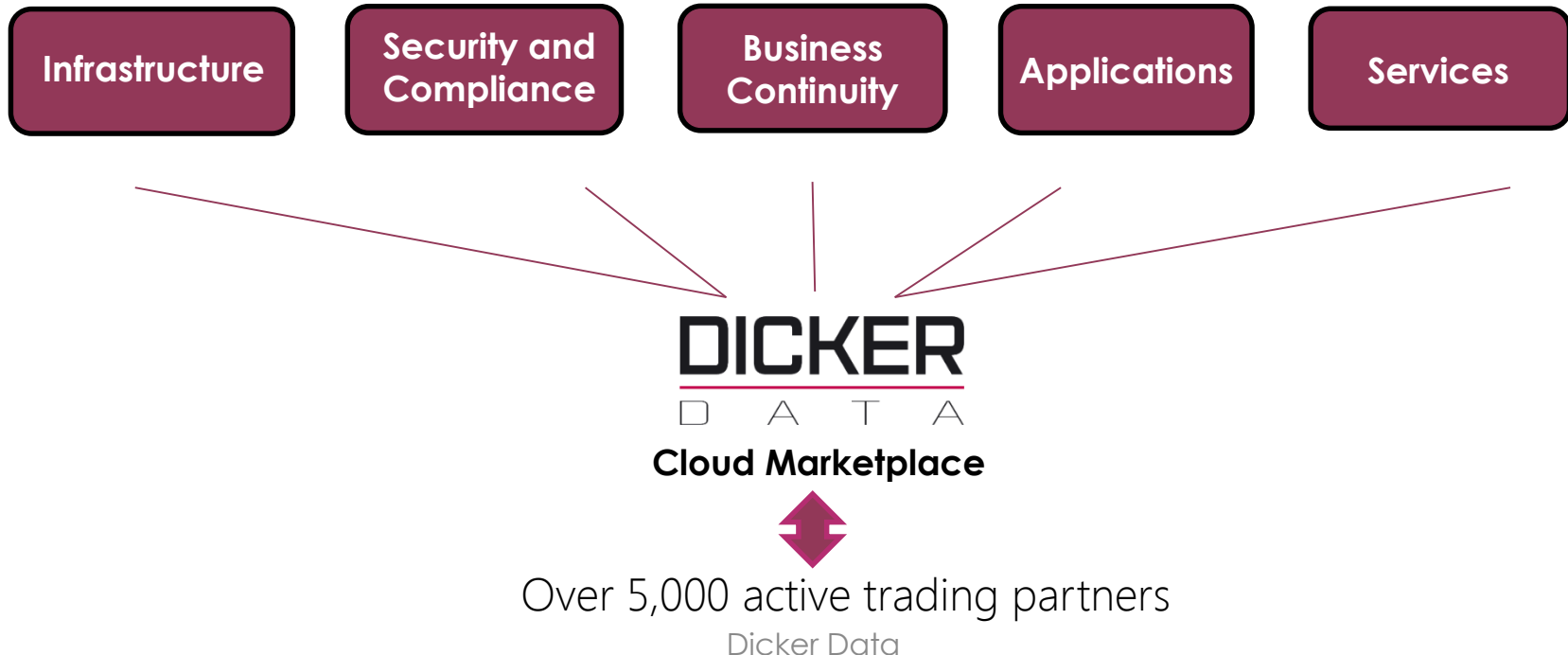
Key Financial Data (in A\$m)

6-months to:	Jun-15 Unaudited	Dec-14	Jun-14
Total Revenue	57.1	67.7	68.3
Gross Profit	6.0	6.7	7.0
Gross Margin	10.5%	9.9%	10.3%
EBITDA	2.7	2.5	3.3
One off costs	0.0	-	-
EBITDA (underlying)	2.7	2.5	3.3
Profit before tax (underlying)	2.6	2.5	3.2
PBT margin	4.6%	3.6%	4.7%
Net profit after tax (underlying)	1.9	1.7	2.4

- Revenues declined since the December half year due to a market decline (predominantly in Cisco).
- Decline in Cisco H1 revenues are a result of change in NZ Govt. IT procurement regulation.
- DDNZ has maintained it's market share in Cisco.
- Going forward our strategy to build the volume business will reduce vendor concentrations and the impact of such a decline.
- Gross margin quality has improved to partially bridge the \$ margin contribution gap as a result of the revenue decline.
- EBITDA has benefitted from foreign exchange gains.

Opportunities: Cloud Computing

- One of Dicker Data's top initiatives in 2015 is the launch of our **Cloud Marketplace**.
- Cloud distribution is increasing for end users considering an IT refresh or accessing new applications.
- We are working on a 'market place' portal scheduled to be launched in H2 2015, to provide a comprehensive portfolio of best in breed cloud services technology and capability for our resellers.
- Our proposed service offering includes an aggregator model where we provide a services catalogue from several different cloud and application vendors, incorporating monthly and annual billing.



Benefits of a Cloud Strategy

- Businesses are moving towards recurring consumption based models to lower their capex costs and convert to variable costs.
- Vendor partners are now driving end-user purchasing behaviour towards consumption based products to secure long-term, recurring revenue for their businesses.
- We are expanding our capabilities to support offerings in the cloud space due to market and vendor demand. As vendors continue to move their products to subscription/consumption models, we must have a platform to sell these products.
- With over 5000 reseller partners we are uniquely placed to address the needs of the SMB market.
- We see a significant opportunity to secure long-term customers based on the sale of contractually based products. We believe that customers who are on our platform will be less likely to move due to its convenience and ease of management.

Existing Capabilities

- We have substantial existing capabilities and demand to support a **Cloud Marketplace** strategy.
- Existing vendor distribution agreements are over 40 vendors, with currently 13 vendors where we are distributing cloud-based solutions.

Existing Capabilities Supporting Cloud Market Place Strategy

Vendor distribution agreements for hardware and software	Over 40
Vendor partners currently distributing via the Cloud with DDR	13
Existing vendor partners with products to distribute via the Cloud	Microsoft, Citrix, HP, Trustwave, Arcserve, SAP and ShoreTel
Number of global tier-one vendors represented	Over 40
Dedicated vendor sales specialists	✓
Certified end-to-end solution architects	✓
Over 5,000 active trading partners in 12 months	✓
Over 3,600 active trading partners each month	✓

Cloud Subscription Aggregator

- We are developing the infrastructure to both sell and aggregate subscription licensing to service providers for global vendors and leverage our position as one of the largest regional IT distributors to rapidly grow.
- Key vendor relationships underwriting the launch will include Microsoft, HP, Cisco and Citrix.

Competency

Online ordering	
Platform to support recursive billing	In development for 2H/15
Automated invoicing based on commitments	In development for 2H/15
Platform to track historical orders for trends	
Live pricing and stock availability online	
Customer engagement and enablement events	

Thank you

Questions?

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