

Dicker Data Limited

ABN: 95 000 969 362

Appendix 4E
Preliminary Final Report
Year ended 30 June 2014

Results for announcement to the market

Dicker Data Limited

ABN 95 000 969 362

1. **Reporting period:** **Year ended 30 June 2014**
Previous Corresponding Period: Year ended 30 June 2013

2. **Results for announcement to the market**

Operating and financial review

	Movement			Jun-14 (in 000's)
Revenues from ordinary activities	Up	46.8%	to	\$662,765
Net operating profit before tax	Up	7.94%	to	\$14,313
Net profit before tax	Down	-41.2%	to	\$7,793
Net profit after tax attributable to members	Down	-43.9%	to	\$5,186

Dividends paid

Record Date:	Payment Date:	Dividend (in Cents)	Amount (in 000's)	Type	FY	Amount Franked
01-Oct-13	10-Oct-13	0.0275	\$3,512	Final	2013	100%
06-Jan-14	17-Jan-14	0.0100	\$1,277	Interim	2014	100%
23-May-14	02-Jun-14	0.0070	\$ 894	Interim	2014	100%
Total		0.0445	\$5,683			

The total dividends declared and/or paid during the financial year were 4.45 cents per share or a total of \$5.683 million, fully franked.

Brief explanation of the figures reported above

Revenue

The revenue for the consolidated entity for the full year was \$662.8m (2013: \$452m), up by 46.8% on the same period last year.

On 1 April, 2014 Dicker Data acquired Express Data Holdings Pty Limited and its controlled entities (Express Data). The increase in revenue includes \$186m contributed by Express Data for the three months to June. Excluding those revenues from Express Data, revenues from ordinary activities by Dicker Data Ltd finalised at \$476m, up by \$24.4m (+5.4%) compared to same time last year. At the end of June 2013 we were offered the full range of HP printing and supplies product helping our product revenues, up by \$16m in FY14. We also experienced strong growth in the second half of FY14 on Lenovo, up by \$15m from previous year in servicing the small-medium sized businesses and education sectors. This has helped recover some of the shortfall on other product revenues due to a declining PC market and exit on some of these vendors, down by \$9.3m in FY14. Also to facilitate and execute the acquisition of Express Data there were some strategic vendor reorganisation costs that impacted

revenue and forgone margin. Had we not undertaken the acquisition of Express Data, these would not have been incurred and Dicker Data revenue on standalone basis should have exceeded \$476m.

With the acquisition of the Express Data business together with the extension of our warehouse and expansion of offices we expect to be well placed for continued revenue growth in the coming year.

Gross Profit

Gross profit for the full year was \$54.2m (2013: \$37.3m) an increase of 45.1%, of which \$15m was contributed by Express Data group for the three months to June. Despite higher revenues in the current year, gross profits for Dicker Data Ltd were only marginally better than previous year (\$39m v \$37m). In the first half of FY14, we saw lower upfront margins due to competition and lower sell price on clearing some of our larger stock holdings, this was offset by benefits in higher vendor rebate on Lenovo (due to higher sales volume in FY14) and higher discounts received on HP purchases with finance facility with Macquarie Bank in place for the whole of the financial year. However as stated above, in order to facilitate and execute the acquisition of Express Data some margin costs were incurred as we underwent some strategic vendor reorganisation in the second half of the financial year.

Operating Expenses

Operating costs for the 2014 financial year increased by \$23m. Acquisition related costs of approximately \$6.5m accounted for a material part of this increase. Share acquisition, borrowing costs and restructure and integration costs were incurred in FY14 which are all one-off non-recurring expenses.

Excluding the non-recurring expense, total operating expenses finalised at \$34.3m an increase of \$14m from last year. Majority of this increase related to operating costs of the Express Data group, with employment costs accounting for the most part of this increase. Total employee costs increased by \$11m with \$9m increase accounted by employment expenses of Express Data and some increase in headcount in Dicker Data to support the anticipated growth.

Profit

Excluding one-off acquisition and integration costs operating profit before tax increased to \$14.3m (2013: \$13.2m) up by 7.9%

Taking into account \$6.5m of one-off acquisition and integration costs net profit before tax decreased to \$7.8m (2013: \$13.2m) down by 41.2%

Net Profit after tax decreased to \$5.2m (2013: \$9.2m), down by 43.9%

Earnings per share decreased to 4.06 cents per share, down by 44.2%.

3. Annual Financial Report

Please refer to the attached audited Annual Financial Report for the year ended 30 June 2014 for the following information:

- Statement of profit or loss and other comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cashflows
- Notes to the financial statements

4. Dividends

	Jun-14	Jun-13
	\$	\$
<i>Amount Per Security</i>		
Final Dividend 2013 - Ordinary Shares	0.0275	0.0200
Interim Dividends 2014 - Ordinary Shares	0.0170	0.0425
<i>Total Dividends on all securities for the year</i>		
Ordinary Shares	5,682,650	7,946,250

5. Dividend Reinvestment Plans

On 10th March 2014, Dicker Data was pleased to announce that as part of its capital management strategy the introduction of a Dividend Reinvestment Plan that allows eligible shareholders to reinvest all or part of their dividends into ordinary shares.

6. Net Tangible Assets

	Jun-14	Jun-13
	\$	\$
Net tangible asset per ordinary share	(0.073)	0.156

7. Details of entities over which control has been gained or lost

During the year Dicker Data announced the acquisition of Express Data Holdings Pty Ltd. The transaction completed on 01 April 2014 on which date Dicker Data acquired 100% of the issued capital of Express Data Holdings Pty Ltd. The transaction included the New Zealand operations of Express Data, where Express Data Holdings Pty Ltd owns 100% of the issued capital of Express Data New Zealand Ltd.

8. Details of associates and joint venture entities

Not applicable

9. Any other significant information

Not applicable

10. Accounting Standards

The attached Annual Financial Report has been prepared in accordance with the recognition and measurement aspects of Australian Accounting Standards (AASB's) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and Appendix 4E of the Australian Securities Exchange listing rules.

It is recommended that this Preliminary Final Report be read in conjunction with the attached Annual Financial Report for the year ended 30 June 2014 and any public announcements made by Dicker Data Limited during the year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

11. Audit

This report is based on financial statements that have been audited.

Signed:

A handwritten signature in black ink, appearing to read "David Dicker". The signature is written in a cursive style with a large initial 'D'.

David Dicker
CEO and Chairman
Sydney, 29 August, 2014