

Dicker Data Limited

ABN: 95 000 969 362

Appendix 4E
Preliminary Final Report
Year ended 31 December 2016

Results for announcement to the market

Dicker Data Limited

ABN 95 000 969 362

1. **Reporting period:** **Year ended 31 December 2016**
Previous Corresponding Period: Year ended 31 December 2015

2. Results for announcement to the market

Operating and financial review on comparative period

RESULTS:	Movement			12 Months Dec-16 \$'000	12 Months Dec-15 \$'000
Revenues from ordinary activities	Up	10.0%	to	\$1,185,543	\$1,077,556
Net operating profit before tax*	Up	15.6%	to	\$36,568	\$31,628
Net profit before tax	Up	24.5%	to	\$36,568	\$29,379
Net profit after tax attributable to members	Up	25.0%	to	\$25,624	\$20,499

* excludes one off integration and restructuring costs

Dividends Paid

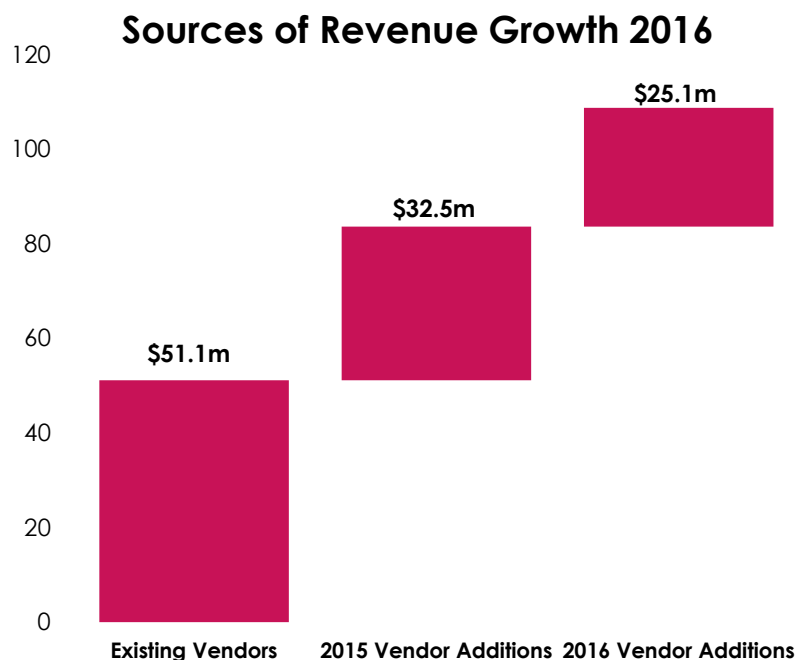
Record Date:	Payment Date:	Dividend (in dollars)	Amount (\$'000)	Type	FY	Amount Franked
9-Mar-16	16-Mar-16	0.0400	\$6,378	Final	2015	100%
8-Jun-16	16-Jun-16	0.0385	\$6,146	Interim	2016	100%
7-Sep-16	16-Sep-16	0.0385	\$6,152	Interim	2016	100%
7-Dec-16	15-Dec-16	0.0385	\$6,157	Interim	2016	100%
Total		0.1555	\$24,833			

The total dividends declared and/or paid during the financial year were 15.55 cents per share or a total of \$24.833 million, fully franked.

BRIEF EXPLANATION OF THE FIGURES REPORTED ABOVE

REVENUE

The revenue for the consolidated entity for the 12 months to 31 December 2016 was \$1,185.5m (2015: \$1077.6m), up by \$108m (+10.0%) and in line with our expectations.



Since completion of the Express Data Holdings acquisition and integration in 2014, Dicker Data has continued to add new vendors and increased the breadth of products offered by existing vendors, whilst still driving growth and market share in its existing vendor portfolios.

Of the existing vendors, we saw growth of \$51.1m (+4.8%), with new vendors added during 2015 contributing growth \$32.5m (+173.5%) after their first full year of trade.

A total of 8 new vendors were on-boarded during 2016 and contributed an incremental \$25.1m.

At a country level, Australia grew \$105.5m (+11.1%) and New Zealand grew \$3m (+3%).

At a sector level, we maintained our strong growth in Hardware (+\$86m, +10%), Software (+\$10m, +5%) and Services (+\$1m, +26%), and have added the Storage business unit which contributed +\$11m to our growth.

GROSS PROFIT

Gross profit for the reporting period was \$109.7m (2015: \$103.5m) an increase of 6.0%. Gross profit margins have abated slightly 9.3% (2015: 9.6%) due to product mix and market competition.

OPERATING EXPENSES

Operating Expenses excluding integration and restructuring costs,

Operating costs for the reporting period were \$66.3m (2015: \$63.2m), an increase of \$3.1m or 4.8%. As a proportion of sales, operating costs fell to 5.6% from 5.9%, with salary related expenses falling slightly to 4.5% of sales (2015: 4.6%), and other operating expenses falling to 1.1% of sales (2015: 1.3%). Headcount across the group finished FY16 at 374 reflecting investment in new vendors and portfolios.

Depreciation, Amortisation and Interest

Depreciation and Amortisation for the reporting period was \$2.9m, down from the prior period of \$4.0m.

Interest in the reporting period reduced to \$6.3m (2015: \$7.5m) as the company has improved its working capital efficiencies, and taken advantage of the first full year's inclusion of the impact of the share capital raising in August 2015.

PROFIT

Profit before tax finalised at \$36.5m (2015: \$29.4m) up by 24.5%.

Net Profit after tax increased to \$25.6m (2015: \$20.5m), up by 25.0%.

Weighted average earnings per share increased to 16.04 cents per share (2015: 14.39 cents), up by 11.5%.

STATEMENT OF FINANCIAL POSITION

Total assets as at 31 December 2016 increased to \$365.7m (2015: \$358.3m).

The company balance sheet reflected an increase in working capital efficiency with working capital lower than the previous period. Cash finalised at \$17.5m up by \$1.7m (2015: \$15.8m). Trade receivables were slightly down from the previous period to \$162.7m (2015: \$164.0m). Inventories at period end were \$107.0m, down from \$116.3m in 2015. Trade and other payables were up to \$155.1m (2015: \$142.6m). Net working capital decreased by \$23.1m, or 12 days.

Property, plant and equipment increased to \$43.9m during the period (2015: \$26.1m), as a result of the purchase of the adjacent land (\$18.4m) in preparation for expansion. With regard to the planned expansion we don't anticipate any major capital expenditure for the FY17 year for the current trading operations. We do expect however to incur planning and design costs for the design and DA application for a new warehouse facility.

Total liabilities as at 31 December 2016 were \$291.7m, up from the prior period (2015: \$286.4m).

Current borrowings comprising a receivables purchase facility with Westpac finished \$15.0m lower, at \$75.0m versus the prior period \$90.0m, reflecting the improved working capital efficiencies.

Equity has increased to \$74.0m during the period (2015: \$71.8m).

3. Annual Financial Report

Refer to the attached Annual Report for the audited Financial Statements for the year ended 31 December 2016.

4. Dividends Paid

Amount Per Security	Security	Dec-16	Dec-15
Final Dividend – Dec 2015	Ordinary Shares	0.0400	0.0200
Interim Dividend – Dec 2016	Ordinary Shares	0.1155	0.1020
Total Dividends for all securities for the year	Ordinary Shares	0.1555	0.1220

5. Dividend Reinvestment Plans

The Dividend Reinvestment Plan introduced in March 2014 has been retained for the 2016 year. Of the \$24.8m dividends paid, \$23.8m was paid as cash dividends and \$1.0m participated in the DRP.

6. Net Tangible Assets

	Dec-16	Dec-15
	\$	\$
Net tangible asset per ordinary share	0.272	0.250

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

Not Applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Any other significant information

Not applicable.

10. Audit

This report is based on the audited financial statements.

Signed:



David Dicker
CEO and Chairman
Sydney, 27 February 2017