

For personal use only



## **Dicker Data Limited**

ABN: 95 000 969 362

Appendix 4D and  
Interim Financial Report  
Half Year Ended 30 June 2023

## Appendix 4D

Half Year ended 30 June 2023

Current reporting period: Half Year ended 30 June 2023

Previous Reporting Period: Half Year ended 30 June 2022

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

Operating and financial review on comparative period

Results	Note	Movement			Jun-23 (6 months) \$'000	Jun-22 (6 months) \$'000
Revenues from ordinary activities	1	Up	5.3%	to	\$1,107,901	1,052,043
Net operating profit before tax <sup>1</sup>		Up	6.0%	to	\$54,858	\$51,763
Net profit before tax		Up	7.8%	to	\$54,098	\$50,163
Net profit after tax attributable to members		Up	9.4%	to	\$37,585	\$34,341
Gross sales and other revenue <sup>2</sup>	1	Up	9.4%	To	\$1,596,447	\$1,459,447

<sup>1</sup> - excludes one off acquisition and integration costs of \$0.8m (Jun22: \$1.6m)

<sup>2</sup> - Gross sales is non-IFRS financial information and does not represent revenue in accordance with Australian Accounting Standards. This represents gross proceeds from sale of goods and services, both as agent and principal and other revenue. Refer to table below for reconciliation of statutory to underlying results:

Gross Sales Non-IFRS	Note	Jun-23 (6 months) \$'000	Jun-22 (6 months) \$'000
Statutory revenue	1	\$1,107,901	1,052,043
Non-IFRS adjustment <sup>2</sup>		\$488,546	\$407,404
Gross sales and other revenue <sup>2</sup>	1	\$1,596,447	\$1,459,447

**Note 1** – Changes in presentation of revenue are detailed in Note 2 to the Interim Financial Report. The above results are based on restated H122 results and therefore revenue and gross margin outcomes vary to the prior year report.

#### Results Summary

The six months to June 2023 have seen Dicker Data increase revenue at a rate of 5.3% through growth in both established vendors and new vendors. Gross Profit (excluding other revenue) is tracking stronger against the comparative period last year at \$150.7m (Jun22: \$128.0m) with profit margins significantly improved against the comparative period at 13.6% (Jun22: 12.2%). Excluding one off acquisition and integrations costs, operating costs as a percentage of sales increased to 7.7% (Jun22: 6.6%). Net profit before tax finalised at \$54.1m, up by 7.8%. Net profit after tax finalised at \$37.6m, a growth of 9.4% on the comparative period.

For more detailed explanation of the figures, and the changes in presentation in respect of revenue from contracts with customers please refer to the Interim Financial Report under review of operations and Note 2.

#### Net Tangible Assets

	Jun-23	Jun-22
Net tangible asset per ordinary share	0.82	0.34

### Details of Entities Over Which Control Has Been Gained or Lost

There have been no additions or subtractions of new entities over which control has been gained or lost in the current reporting period. However, the Company acquired the business of Connect Security Products Ltd (CSP) in New Zealand.

### Dividends Paid

The total dividends declared and paid during the half financial year was 12.5 cents per share or a total of \$22.5m, fully franked.

Record Date:	Payment Date:	Dividend/Share (in Cents)	Amount (in 000's)	Type	FY	Amount Franked
14-Feb-23	1-Mar-23	2.50	\$4,503	Final	2022	100%
15-May-23	1-Jun-23	10.00	\$18,010	Interim	2023	100%
<b>Total</b>		<b>12.50</b>	<b>\$22,513</b>			

### Dividend Reinvestment Plans

The Company continued to offer participation in the Dividend Reinvestment Plan (DRP) in the reporting period. Of the total \$22.5m dividends paid in the period, \$21.9m was paid as cash dividends and \$0.6m participated in the DRP.

### Details of Associates and Joint Venture Entities

Not Applicable

### Review Report

The financial statements were subject to review by our external auditors, Ernst & Young (EY) and the review report is attached as part of the Interim Financial Report.

### Attachments

The interim Financial Report of Dicker Data Limited for the half year ended 30 June 2023 is attached.

Signed:



**David Dicker**

CEO and Chairman

Sydney, 30 August 2023

For personal use only



**Dicker Data Limited**

ABN: 95 000 969 362

Interim Financial Report  
Half Year Ended 30 June 2023

## Directors' Report

---

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Dicker Data Limited (referred to hereafter as the 'Company' or 'parent Company') and the entities it controlled at the end of, or during the half year ended 30 June 2023.

### Directors

The following persons were Directors of Dicker Data Limited for the entire half-year ended and up to the date of this report. Directors were in office for this entire period unless otherwise stated.

David J Dicker  
Fiona T Brown  
Mary Stojcevski  
Vladimir Mitnovetski  
Ian Welch  
Leanne Ralph  
Kim Stewart-Smith

### Principal activities

The principal activities of the Company during the half-year were wholesale value added distribution of IT hardware, software, cloud, access control, surveillance and emerging technology solutions for the corporate and commercial market. No significant change occurred in the nature of these activities for the half-year.

### Review of operations

#### Revenue

##### Change in presentation – revenue recognition for contracts with customers

The Company is a value-added distributor of IT hardware, software, cloud, access control, surveillance and emerging technology solutions for the corporate and commercial market. With changes to our vendor software programs overtime the Company undertook a detailed review of new and updated software agreements. The Company considered revenue recognition in respect of revenue from different contracts with our customers to reassess if the Company is acting as principal or agent in the resale of software licensing and warranty and maintenance products. It was concluded that the Company does not control the service before it is transferred to the customer, and therefore it has been determined that the Company is acting as an agent in respect of the sales. The Company has revised its accounting policy for the recognition of sales of virtual services and software to account for this revenue as agent and therefore recognises revenue as the agency fee made up of standard commission and other incentives driven by volume and other metrics. The prior period has been restated and detailed explanation of changes to revenue recognition is provide at Note 5 in the financial statements.

On this basis the statutory revenue for the consolidated entity for the 6 months to June was \$1,107.9m (Jun22: \$1,052.0m) up by \$55.9m, or 5.3%.

Whilst there is a change in presentation of statutory revenue the underlying gross sales as reported in previous years for the consolidated entity for the 6 months to 30 June 2023 were \$1,590.9m (Jun22: \$1,457.0m), up by \$133.9m (+9.2%). Gross sales represent the gross proceeds from sale of goods and services. Underlying sales growth, as reported in previous years, for the half year is attributed to a full six-month contribution from the Hills acquisition, which was completed on 1 May 2022, with the balance attributable to organic growth from existing and new vendors. Having only two months contribution in the comparative period, for the half year the underlying gross sales as reported in previous years, the contribution from the acquired Hills business was \$73m (Jun22: \$18m) which included the addition of new vendors in this business unit.

For personal use only

At a country level, in Australia sales grew by \$127.5m (+10.7%) and in New Zealand sales revenue grew by \$9.5m (+3.5%).

At a sector level, we experienced growth across all product segments, with hardware and virtual services sales at \$1,142.0m (+\$57.0m, +5.2%), software sales at \$442.9m (+\$77.4m, +21.2%) and now representing 27.8% of our underlying gross sales as reported in previous years, with our services revenue declining to \$6.1m (-\$0.4m, -6.5%). We saw very strong growth in both subscription and recurring revenue software businesses (+20.8%), reflecting the ongoing trend toward recursive revenue models by vendors, as well as Dicker Data's increased market share.

### Gross Profit

Gross profit (excluding other revenue) was \$150.7m (Jun22: \$128.0m), an increase of \$22.7m, representing growth of 17.7%. Based on the changed presentation in recognising some of our revenue as agent, statutory gross profit margin for the half year was 13.6% (Jun22: 12.2%).

Based on underlying gross sales as reported in previous years the gross profit margin was 9.4% (Jun22: 8.8%), representing a strong increase attributable to increases in front end margins driven by product mix including the impact of the higher margin Dicker Access and Surveillance (DAS) business.

### Operating Expenses

Operating expenses have increased by \$15.2m, an increase of 21.6% on the previous corresponding period. Excluding one-off acquisition and restructure costs of \$0.8m (Jun22: \$1.6m), operating costs have increased by \$16.1m (+23.3%). The largest increase in expenses related to increased salary costs with the full half year effect of the Hills SIT acquisition. Salary related expenses were up by \$10.2m (+17.3%), to \$69.5m being 6.3% of revenue (Jun22: 5.6%). The company has continued to synergise and realign headcount with the number of staff increasing to 883 (Jun22: 858) (+2.9%).

Other operating costs (excluding one-off costs) have increased by \$5.8m (+60.0%) including increases in bad debt and related provisions. Our workforce has re-mobilised to increase engagement with our partner base resulting in increased travel related costs. The expansion of our branch networks in Australia to cater for the new DAS division, as well as the distribution centre expansion in New Zealand have increased property related expenses. Overall, our operating expenses have increased as a percentage of revenue at 7.7%, comparable to 6.6% for Jun22.

Depreciation and amortisation expense increased by \$1.1m to \$6.8m compared to the prior corresponding period (Jun22: \$5.7m). Included in the half year number is \$2.3m (Jun22: \$2.3m) for amortisation of intangible assets related to identifiable intangibles from acquisitions. Total depreciation expense was \$4.5m which included \$0.5m (Jun22: \$0.7m) for equipment under lease through Dicker Data Financial Services. Also included in depreciation expense is depreciation on the Right to Use Assets (ROUA) for the capitalised leases to the value of \$2.0m (Jun22: \$1.2m).

Finance costs in the reporting period were \$9.4m, up \$5.4m from the prior year (Jun22: \$4.0m) driven predominantly by increases in the cost of borrowing and to a lesser extent by an increase in working capital levels. Net working capital investment was up to \$363.5m (Jun22: \$276.2m), an increase of \$87.3m.

### Profit

Operating profit before tax excluding one-off costs finalised at \$54.9m (Jun22: \$51.8m) up by 6.0%. The profit growth is attributable to an increase in revenue growth and improved profit margins than the comparative period at 9.4% (Jun22: 8.8%) on underlying gross sales basis as reported in previous years or 13.6% (Jun22: 12.2%) on net revenue basis. Gross profit (excluding other revenue) increased to \$150.7m (Jun22: \$128.0m), an increase of \$22.7m or 17.7%. Statutory net profit before tax finalised at \$54.1m including one-off acquisition and integration costs of \$0.8m compared to (Jun22: \$50.2m) which included one-off acquisition and integration costs of \$1.6m, representing increase of 7.8%.

Net Profit after tax increased to \$37.6m (Jun22: \$34.3m), up by 9.4%. This represents basic earnings per share of 20.86 cents, an increase of 5.1% (Jun22: 19.85 cents).

## Statement of Financial Position

Total assets as at 30 June 2023 decreased to \$1,063.5m (Dec22: \$1,066.7), with cash finalising at \$29.2m up by \$17.0m (Dec22: \$12.3m).

The statement of financial position reflected a slight increase in working capital investment since the last balance date. Total investment in net working capital was \$363.5m, up by \$4.4m from the previous balance date (Dec22: \$359.1m). Supply chain disruptions have begun to ease and with recent acquisitions further bedding down, total inventory holdings decreased from the prior balance date to \$252.2m (Dec22: \$261.7m), a decrease of \$9.5m. Trade and other receivables finalised at \$562.6m (Dec22: \$581.8m) a decrease of \$19.2m, with improvement in collections days. This was offset by trade and other payables also decreasing to \$451.3m (Dec22: \$484.4m), down \$33.1m.

Property, plant and equipment increased to \$93.4m (Dec22: \$87.6m), an increase of \$5.7m relating to building costs for the new distribution centre in Kurnell.

Total liabilities as at 30 June 2023 were \$818.1m, down by \$18.5m from the prior period (Dec 2022: \$836.6m). Total borrowings increased to \$308.3m (Dec22: \$291.7m), however net debt position finalising at \$279.1m, flat against last balance date. Total borrowings increased by \$16.6m comprising of an increase in the drawn balance of the Westpac Receivables Facility increasing to \$200m from \$185m as at Dec22. This was aided with an increase in the limit on this facility from \$220m to \$270m in June 2023. The increase in borrowings is also attributable to an increase in the BNZ Cash Advance Facility in January 2023 with an increased limit to \$53.3m up from \$46.7m (\$NZD: Jun23 - \$58m; Dec22 - \$50m).

## Cash Flow

Net cash generated from operating activities was \$36.6m (Jun22: \$34.81m), an increase of \$1.8m. Net cash used in investing activities related to cash outflow for increase in property plant and equipment mainly related to new warehouse build, and payment for the acquisition of the business of Connect Security Products Ltd in New Zealand that was accounted for as a business combination.

## Outlook

Following almost three years of continuous supply chain disruption and chip shortages, H123 exhibited the strongest signals yet of a normalising supply-side market. Demand from the Company's base of over 10,200 partners across Australia and New Zealand (ANZ) has remained strong, however, the performance of certain technology segments, such as devices, continued to be impacted by accelerated technology refresh cycles undertaken by businesses and governments in recent years to enable hybrid work. Due to the Company's highly diversified portfolio and range of technologies represented, the Company was able to offset the decline in certain technology segments and meet the emerging needs of the ANZ market with growth in others, such as networking, datacentre infrastructure and software. Software continues to outperform expectations, delivering 21% growth in underlying gross sales on basis previously reported for the half year.

The Company marked its first full year of operating in the access and surveillance market in May, under the DAS banner. The DAS business across ANZ delivered \$73m in the first half and, as forecasted, yielded a profitable result in Q223. Following a period of focus on operational improvements and the business realising the full potential of the shared services model offered within the Dicker Data business, DAS is now in acceleration mode and is expected to continue delivering top and bottom-line growth.

The appetite for digital transformation amongst Australian and New Zealand businesses remains strong and the Company stands to continue benefitting from the demand. The investment into building a highly diversified range of technologies and brands underpinned the Company's resiliency in the first half and has solidified the Company's position as the leading technology distributor in both Australia and New Zealand. The Company also continues to benefit from market convergence as the role of technology in helping businesses and governments achieve their goals grows.

Cybersecurity continues to be a key focus for all sectors in 2023, with intelligent solutions such as Zero Trust and Secure Access Service Edge (SASE) enabling secure, compliant, and protected technology environments. Cyber-attacks continue to increase as businesses and consumers centre more of their lives around technology, in turn driving awareness and demand for modern cybersecurity solutions. We are anticipating a high level of growth in the adoption of automation, machine learning and data capture and analysis tools as businesses and governments prioritise efficiency and productivity within their operations. The Company is in a strong position to continue to leverage local knowledge and portfolio diversification to address the next phase of digital transformation.

### Business Risks

Whilst our outlook for H223 and the future is optimistic we outline the principal risks that may impact future financial performance of the Company as follows:

- **Macroeconomic and competitor landscape:** The external risk environment continues to be influenced by uncertainties in the macroeconomic and geopolitical landscape, including international disputes and trade tensions, and broader environmental threats including extreme weather events and continued pandemic-induced slowdowns. Dicker Data's competitive markets can also be impacted by local forces such as a slowing economy, disruptive product innovation, increased competitor activity, new entrants, and changes in customer strategies and preferences.
- **Supply chain and transportation disruption:** Dicker Data operates within and relies on a global supply chain, which requires the ability to access, and transport products to our customers. Intrinsic dependencies on suppliers or regions can result in the risk of disruption to our supply chain, including shortages or delays associated with geopolitical uncertainty, extreme weather, or pandemic induced slowdowns.
- **IT resilience and cyber security:** Dicker Data recognises the importance of protecting its systems, applications and data, and maximising its ability to recover rapidly in the event of a disruption. In particular, cyber security risks continue to pose an increased threat to all organisations, including risks associated with major 'denial of service' type attacks, ransomware, malware and other malicious hacking activities, all of which can lead to a significant disruption to operations.
- **Legal and compliance risk:** Dicker Data must comply with a broad range of laws and regulations, as well as its legally binding contracts and agreements, whilst also ensuring that any breaches (potential or actual) are identified and handled in a timely and proactive manner. The ever expanding complexity of regulatory and contractual obligations is also growing as the Dicker Data business evolves.
- **Refinance risk:** Dicker Data currently has in place a working capital facility with the Westpac Banking Corporation in Australia and Bank of New Zealand (BNZ) in New Zealand and both facilities are to be renewed in May 2024. Whilst the Board is confident on the Company's ability to refinance these facilities there is no guarantee that in the future Dicker Data will be able to extend, renew or refinance its existing bank facilities at the required time, or access additional debt facilities if desired. Any new debt may also be available on terms that are less favourable to Dicker Data. If Dicker Data is unable to access adequate debt financing when desired, or debt that is provided is on commercially less favourable terms, this may affect its financing costs, or its ability to fund its operations, meet its growth aspirations or respond to competitive pressures. This in turn may affect Dicker Data's financial performance. The Company is currently reviewing its refinance options for renewal or replacement of current facilities upon the end of their term.
- **People and talent:** Dicker Data requires highly skilled talent to continue to ensure we have the right expertise to continue to drive growth in the business. Retention and recruiting are expected to remain challenging due to low unemployment rates, as a result we need to actively manage key talent risks within the business.
- **Health, safety and well-being:** The health and safety of the Dicker Data team and customers is a central focus, and remains fundamental to the daily and weekly routines of our teams. Dicker Data is committed to creating a safe working environment where people are protected from both physical and psychological harm.

- **Environmental, social, and corporate governance (ESG):** Dicker Data's operations must continue to progress our journey to reducing our impact on the environment and respond to legislative requirements in this area. We also recognise the reputational risk associated with any failure against ESG reporting or disclosure obligations.

## Significant changes in the state of affairs

### Acquisition of Connect Security Products Ltd in New Zealand

On 9<sup>th</sup> February 2023 the Company entered into a binding Sale and Purchase Agreement (SPA) to acquire the business of Connect Security Products Limited (CSP), New Zealand's leading distributor of access control, surveillance and fire products. The acquisition completed on 28 February 2023 and the purchase price was NZD\$5.0m comprising of \$3.5m for goodwill with the balance for net business assets of \$1.5m being predominantly for inventory.

CSP represents a highly strategic acquisition and a valuable addition to our DAS platform as it will accelerate the launch of the DAS business in the New Zealand market with key brands Bosch, Sony, Assa Abloy, HID, Motorola and more. The combination of Dicker Data and CSP is expected to deliver compelling growth opportunities for both businesses through the combined Trans-Tasman network and expanded capabilities. Similar to DAS in Australia, CSP operates in parallel to Dicker Data's existing New Zealand operation and leverages shared services such as finance, warehousing, logistics and marketing, with the product and sales functions operating independently.

Dicker Data is constantly examining adjacent sectors to identify the next opportunity for growth and market share. This addition to Dicker Data's portfolio is in line with the Company's commitment to offer its partners access to a complete security solution from a range of market leading vendors. Convergence of physical and digital security is a natural progression to protecting the entire business value chain to ensure a stronger security posture.

### Westpac Receivables Facility

In June 2023 the limit on the Westpac Receivables Facility was increased from \$220m to \$270m, an increase of \$50m. This increase in limit will help support the ongoing growth and working capital requirements of the business. The Receivables Facility is to be renewed in May 2024.

There were no other significant changes in the state of affairs of the consolidated entity during half-year ended 30 June 2023.

### Subsequent Events

Other than the variation and waiver include in Note 8, there have been no other material events occur subsequent to reporting date.

### Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed:



**David Dicker**  
CEO and Chairman  
30 August 2023

For personal use only



**Building a better  
working world**

Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

## Auditor's Independence Declaration to the Directors of Dicker Data Limited

As lead auditor for the review of the interim financial report of Dicker Data Limited for the half-year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Dicker Data Limited and the entities it controlled during the financial period.

Ernst & Young

Graham Leonard  
Partner  
30 August 2023

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2023

	Note	30-Jun-23 \$'000	30-Jun-22 Restated \$'000
<b>REVENUE</b>			
Sales revenue	5	1,102,403	1,049,637
<i>Other revenue:</i>			
Interest received		493	270
Other revenue		5,005	2,136
		<b>1,107,901</b>	<b>1,052,043</b>
<b>EXPENSES</b>			
Purchases of inventories		(951,717)	(921,619)
Employee benefits expense		(69,513)	(59,278)
Depreciation and amortisation		(6,836)	(5,695)
Finance costs		(9,428)	(3,973)
Other expenses		(16,309)	(11,315)
		<b>(1,053,803)</b>	<b>(1,001,880)</b>
<b>Profit before income tax expense</b>		<b>54,098</b>	<b>50,163</b>
Income tax expense		(16,513)	(15,822)
<b>Profit after income tax expense for the year</b>		<b>37,585</b>	<b>34,341</b>
Profit attributable to members of the Company		<b>37,585</b>	<b>34,341</b>
<b>Other comprehensive income, net of tax</b>			
Foreign Currency Translation		(422)	(769)
<b>Total comprehensive income for the year</b>		<b>37,163</b>	<b>33,572</b>
<b>Total comprehensive income attributable to members of the Company</b>		<b>37,163</b>	<b>33,572</b>
<b>Weighted Earnings per share</b>			
Basic earnings per share		20.86	19.85
Diluted earnings per share		20.86	19.85

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

For personal use only

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	30-Jun-23 \$'000	31-Dec-22 Restated \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		29,238	12,263
Trade and other receivables		562,567	581,780
Inventories		252,168	261,703
Current Tax Asset		1,317	-
<b>Total Current Assets</b>		<b>845,290</b>	<b>855,746</b>
<b>Non-Current Assets</b>			
Right of Use Asset	9	19,594	19,748
Property, plant and equipment		93,361	87,623
Intangible assets		96,815	95,968
Deferred tax assets		8,452	7,664
<b>Total Non-Current Assets</b>		<b>218,222</b>	<b>211,003</b>
<b>TOTAL ASSETS</b>		<b>1,063,512</b>	<b>1,066,749</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		451,255	484,370
Lease Liabilities	9	3,436	2,794
Borrowings	8	308,294	291,681
Current tax liabilities		-	1,867
Short-term provisions		21,922	21,849
<b>Total Current Liabilities</b>		<b>784,907</b>	<b>802,561</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	9	16,086	16,401
Deferred tax liabilities		13,270	13,738
Long-term provisions		3,814	3,904
<b>Total Non-Current Liabilities</b>		<b>33,170</b>	<b>34,043</b>
<b>TOTAL LIABILITIES</b>		<b>818,077</b>	<b>836,604</b>
<b>NET ASSETS</b>		<b>245,435</b>	<b>230,145</b>
<b>EQUITY</b>			
<b>Equity attributable to Equity Holders</b>			
Issued capital		213,382	212,742
Reserves		(193)	229
Retained profits		32,246	17,174
<b>TOTAL EQUITY</b>		<b>245,435</b>	<b>230,145</b>

The consolidated statement of financial position is to be read in conjunction with the attached notes

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2023

Consolidated	Note	Issued Capital \$'000	Reserves \$'000	Retained Profits \$'000	Total Equity \$'000
<b>Balance at 1 January 2022</b>		<b>139,527</b>	<b>332</b>	<b>38,439</b>	<b>178,297</b>
Profit after income tax for the year		-	-	34,341	<b>34,341</b>
Other comprehensive income for the year net of tax		-	(769)	-	(769)
Total comprehensive income for the year		-	<b>(769)</b>	<b>34,341</b>	<b>33,572</b>
<i>Transactions with the owners in their capacity as owners:</i>					
Share Issue (DRP)		1,631	-	-	<b>1,631</b>
Dividends Paid		-	-	(48,417)	<b>(48,417)</b>
<b>Balance at 30 June 2022</b>		<b>141,157</b>	<b>(437)</b>	<b>24,363</b>	<b>165,084</b>
<b>Balance at 1 January 2023</b>		<b>212,742</b>	<b>229</b>	<b>17,174</b>	<b>230,145</b>
Profit after income tax for the year		-	-	37,585	<b>37,585</b>
Other comprehensive income for the year net of tax		-	(422)	-	(422)
Total comprehensive income for the year		-	<b>(422)</b>	<b>37,585</b>	<b>37,163</b>
<i>Transactions with the owners in their capacity as owners:</i>					
Share Issue (DRP)		640	-	-	<b>640</b>
Dividends Paid		-	-	(22,513)	<b>(22,513)</b>
<b>Balance at 30 June 2023</b>		<b>213,382</b>	<b>(193)</b>	<b>32,246</b>	<b>245,435</b>

The consolidated statement of changes in equity is to be read in conjunction with the attached notes.

For personal use only

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 June 2023

	Note	30-Jun-23 \$'000	30-Jun-22 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and agency arrangements (inclusive of GST)		1,254,228	1,537,479
Payments to suppliers, agency arrangements and employees (inclusive of GST)		(1,187,702)	(1,472,599)
Interest received		493	270
Interest and other finance costs paid		(8,868)	(3,626)
Interest paid on lease liabilities		(559)	(347)
Income tax paid		(20,954)	(26,388)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>36,638</b>	<b>34,789</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(8,140)	(5,906)
Proceeds from sale of property plant and equipment		62	106
Payment for purchase of business, net of cash acquired	10	(4,741)	(21,267)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(12,819)</b>	<b>(27,067)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Drawdown of borrowings		16,613	59,925
Principal paid on lease liabilities		(1,585)	(1,493)
Payment of dividends		(21,872)	(46,786)
<b>NET CASH FROM /(USED) IN FINANCING ACTIVITIES</b>		<b>(6,844)</b>	<b>11,646</b>
<b>NET CASH FLOWS</b>		<b>16,975</b>	<b>19,368</b>
Cash and cash equivalents at the beginning of the period		12,263	7,413
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>		<b>29,238</b>	<b>26,781</b>

The consolidated statement of cash flows is to be read in conjunction with the attached notes.

For personal use only

# DICKER DATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Half year ended 30 June 2023

---

### Note 1. Significant accounting policies

These general purpose interim financial statements for the half-year reporting period ended 30 June 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

#### **New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

### Note 2. Changes in accounting policies

#### **Revenue Recognition**

The Company is a value-added distributor of IT hardware, software, cloud, access control, surveillance and emerging technology solutions for the corporate and commercial market. With changes to our vendor software programs over time the Company undertook a detailed review of new and updated software agreements. The Company considered revenue recognition in respect of revenue from different contracts with our customers to reassess if the Company is acting as principal or agent in the resale of software licensing and warranty and maintenance products. It was concluded that the Company does not control the service before it is transferred to the customer, and therefore it has been determined that the Company is acting as an agent in respect of the sales. The Company has revised its accounting policy for the recognition of sales of virtual services and software to account for this revenue as agent and therefore recognises revenue as the agency fee made up of standard commission and other incentives driven by volume and other metrics. The prior period has been restated and detailed explanation of changes to revenue recognition is provide at Note 5 in the financial statements. This change has impacted the Income Statement, Note 4 and Note 5.

For personal use only

## Restatement of Financial Statements

### Effects of restated Income Statement

	30-Jun-22 Reported \$'000	Restatement \$'000	30-Jun-22 Restated \$'000
<b>REVENUE</b>			
Sales revenue	1,457,041	(407,404)	1,049,637
<i>Other revenue:</i>			
Interest received	270	-	270
Other revenue	2,136	-	2,136
	<b>1,459,447</b>	<b>(407,404)</b>	<b>1,052,043</b>
<b>EXPENSES</b>			
Changes in inventories	35,345	(35,345)	-
Purchases of inventories	(1,364,368)	442,749	(921,619)
Employee benefits expense	(59,278)	-	(59,278)
Depreciation and amortisation	(5,695)	-	(5,695)
Finance costs	(3,973)	-	(3,973)
Other expenses	(11,315)	-	(11,315)
	<b>(1,409,284)</b>	<b>407,404</b>	<b>(1,001,880)</b>
<b>Profit before income tax expense</b>	<b>50,163</b>	-	<b>50,163</b>
Income tax expense	(15,822)	-	(15,822)
<b>Profit after income tax expense for the year</b>	<b>34,341</b>		<b>34,341</b>
Profit attributable to members of the company	<b>34,341</b>	-	<b>34,341</b>
<b>Other comprehensive income, net of tax</b>			
Foreign Currency Translation	(769)	-	(769)
<b>Total comprehensive income for the year</b>	<b>33,572</b>	-	<b>33,572</b>
<b>Total comprehensive income attributable to members of the Company</b>	<b>33,572</b>	-	<b>33,572</b>

### Note 3. Critical Accounting Judgements, Estimates and Assumptions

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed with the following notes; Note 5 – Revenue and Note 10 – Business Combinations.

## Note 4. Operating Segments

### Identification of Reportable Operating Segments

The consolidated entity is organised into two operating segments: Australia and New Zealand. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). Reportable revenue is for only the product being the sale of IT goods and services, and agency commission earned. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The information reported to the CODM is on at least a monthly basis.

### Intersegment Transactions

There were also some immaterial inventory purchasing transactions during the period. All intersegment transactions are at market rates and have been eliminated on consolidation.

### Intersegment Receivables, Payables and Loans

Intersegment loans are initially recognised at the consideration received. Interest on intersegment loans is calculated at market rates. Intersegment loans are eliminated on consolidation.

### Operating Segment Information

	Australia \$'000	New Zealand \$'000	Eliminations / Unallocated \$'000	TOTAL \$'000
<b>Consolidated - 30 June 2023</b>				
Revenue				
Sale of goods and services	908,128	194,275	-	<b>1,102,403</b>
<i>Other revenue:</i>				
Other revenue	3,783	1,222	-	<b>5,005</b>
Interest revenue	253	240	-	<b>493</b>
<b>Total Revenue</b>	<b>912,164</b>	<b>195,737</b>	<b>-</b>	<b>1,107,901</b>
EBITDA	62,516	7,353	-	<b>69,869</b>
Depreciation & Amortisation	(4,421)	(2,415)	-	<b>(6,836)</b>
Interest revenue	465	240	(212)	<b>493</b>
Finance costs	(7,476)	(2,164)	212	<b>(9,428)</b>
Profit before income tax	51,084	3,013	-	<b>54,098</b>
Income tax expense	(15,587)	(926)	-	<b>(16,513)</b>
Profit after income tax expense	35,498	2,087	-	<b>37,585</b>
Segment Current Assets	712,565	132,726	-	<b>845,291</b>
Segment Non Current Assets	150,454	67,769	-	<b>218,222</b>
<b>Segment Assets</b>	<b>863,019</b>	<b>200,494</b>	<b>-</b>	<b>1,063,513</b>
Segment Current Liabilities	668,466	116,441	-	<b>784,908</b>
Segment Non Current Liabilities	11,531	21,640	-	<b>33,170</b>
<b>Segment Liabilities</b>	<b>679,997</b>	<b>138,081</b>	<b>-</b>	<b>818,078</b>

## Restated

Consolidated - 30 June 2022	Australia \$'000	New Zealand \$'000	Eliminations / Unallocated \$'000	TOTAL \$'000
Revenue				
Sale of goods and services	845,547	204,090	-	1,049,637
<i>Other revenue:</i>				
Other revenue	1,884	252	-	2,136
Interest revenue	198	72	-	270
<b>Total Revenue</b>	<b>847,629</b>	<b>204,414</b>	<b>-</b>	<b>1,052,043</b>
EBITDA	55,013	4,549	-	59,562
Depreciation & Amortisation	(3,521)	(2,175)	-	(5,696)
Interest revenue	258	72	(60)	270
Finance costs	(2,745)	(1,288)	60	(3,973)
Profit before income tax	49,005	1,158	-	50,163
Income tax expense	(15,432)	(390)	-	(15,822)
<b>Profit after income tax expense</b>	<b>33,573</b>	<b>768</b>	<b>-</b>	<b>34,341</b>
Segment Current Assets	715,726	79,796	-	795,522
Segment Non Current Assets	144,432	66,674	-	211,106
<b>Segment Assets</b>	<b>860,158</b>	<b>146,470</b>	<b>-</b>	<b>1,006,628</b>
Segment Current Liabilities	643,845	109,210	-	753,055
Segment Non Current Liabilities	66,509	21,980	-	88,489
<b>Segment Liabilities</b>	<b>710,354</b>	<b>131,190</b>	<b>-</b>	<b>841,544</b>

## Note 5. Revenue

### Sales from contracts with customers

The Company sells hardware (including access control and surveillance), software (including software licensing), warranties, logistics and configuration services. Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For contracts with customers the Company identifies the contract with the customer, the performance obligation in the contract and recognises revenue when or as each performance obligation is satisfied when there is a transfer to the customer of the goods or services promised. The types of revenue the Company earns is detailed as follows:

**Hardware sales:** The performance promise that is the responsibility of the company is to procure and supply IT hardware and related products and revenue is recognised at the point of sale. The performance obligation that is created is to deliver these goods and services hence the entity has determined point of sale as the most relevant way to recognise revenue per performance obligation. The company bears the inventory and credit risk and has pricing control for the products and services supplied. Amounts disclosed as revenue are net of sales returns and any customer rebates. Returns and customer rebates represent a variable consideration but do not represent a judgement by management. There is no constraint on the amount of revenue recognised.

**Virtual services:** Virtual services refers to warranty and maintenance contracts that are sold on behalf of our suppliers. The Company's performance obligation is to arrange for the provision of the specified service by the manufacturer

and then in turn it is the manufacturer who performs the warranty and maintenance services. Once the sale has been made the Company has no further obligation to the customer in terms of the service or maintenance and revenue is recognised on a net basis as it is considered the Company is acting as agent.

**Software sales:** The Company sells software licences and upon review of new and changing supplier agreements it has been determined that for most license reseller contracts we act as agent. Our performance obligation is to arrange for the licences to be provided by the software supplier. Change in revenue recognition from principal to agent means the software supplier is our customer rather than the software reseller partner. Our software revenue will no longer be based on the gross amount invoiced to our reseller partner. Incentives from vendors previously recognised as a reduction in cost of sales will be recognised as revenue being agency fee which is made up of standard commission and other incentives driven by volume and other metrics.

**Services:** The Company provides third party logistics and configuration services as value added services to our customers. The revenue earned for these services is based on fixed fee income or time and materials basis. Revenue is recognised at a point in time or when the service is complete.

**Partner Services:** The Company acts as an agent and earns commission in respect of telecommunications complex data sales and as such the revenue is recognised on a net basis.

#### Disaggregation of revenue

The group has disaggregated the revenue from customer contracts into various categories in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data; and
- enable users to understand the relationship with revenue segment information provided in Note 5

#### Half Year to 30 June 2023

Product Type	Description	Revenue recognition	Agent/ Principal	\$'000 AU	\$'000 NZ	\$'000 Consolidated
Infrastructure	Hardware products	Point in time	Principal	867,609	186,951	1,054,560
Virtual Services	Sales of 3rd party warranties and services	Point in time	Agent	8,009	708	8,717
Software	Software Licensing	Point in time	Agent	26,450	6,570	33,020
Dicker Data Services	3rd party logistics and configuration services	Point in time	Principal	2,919	46	2,965
Partner Services	Agent commission	Point in time	Agent	3,141	-	3,141
				<b>908,128</b>	<b>194,275</b>	<b>1,102,403</b>

#### Half Year to 30 June 2022 - Restated

Product Type	Description	Revenue recognition	Agent/ Principal	\$'000 AU	\$'000 NZ	\$'000 Consolidated
Infrastructure	Hardware products	Point in time	Principal	813,227	194,511	1,007,738
Virtual Services	Sales of 3rd party warranties and services	Point in time	Agent	6,812	1,086	7,898
Software	Software Licensing	Point in time	Agent	19,040	8,433	27,473
Dicker Data Services	3rd party logistics and configuration services	Point in time	Principal	2,930	60	2,990
Partner Services	Agent commission	Point in time	Agent	3,538	-	3,538
				<b>845,547</b>	<b>204,090</b>	<b>1,049,637</b>

### Revenue Recognition Critical Judgements

For the reporting period there was a change in accounting reporting in respect of sales of software licenses and virtual services where the Company is considered to be acting as an agent of the supplier. Principal versus agent assessments depend on the specific facts and circumstances in the agreements with suppliers and customers and can be complex and require a high degree of judgement.

### Note 6. Dividends

The total dividends declared and paid during the half financial year were 12.5 cents per share or a total of \$22.5m, fully franked.

Record Date:	Payment Date:	Dividend/Share (in Cents)	Amount (in 000's)	Type	FY	Amount Franked
14-Feb-23	1-Mar-23	2.50	\$4,503	Final	2022	100%
15-May-23	1-Jun-23	10.00	\$18,010	Interim	2023	100%
	<b>Total</b>	<b>12.50</b>	<b>\$22,513</b>			

### Note 7. Fair Value Measurement

The Company has a number of financial instruments which are not measured at fair value in the statement of financial position, including cash, receivables, payables and current borrowings. The fair value of these financial assets and financial liabilities approximates their carrying amount due to their short-term nature.

	Jun-23 \$'000	Dec-22 \$'000
<b>Financial Assets</b>		
Cash and cash equivalents	29,238	12,263
Trade and other receivables	562,567	581,780
<b>Total Financial Assets</b>	<b>591,805</b>	<b>594,043</b>
<b>Financial Liabilities</b>		
Trade and other payables	451,255	484,370
Borrowings	308,294	291,681
<b>Total Financial Liabilities</b>	<b>759,549</b>	<b>776,051</b>

### Note 8. Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

	Jun-23 \$'000	Dec-22 Restated \$'000
<b>Current</b>		
Westpac Receivables Facility	200,000	185,000
Westpac Cash Advance Facility	55,000	60,000
BNZ Cash Advance Facility	53,294	46,681
<b>Total current borrowings</b>	<b>308,294</b>	<b>291,681</b>

<b>Non-Current</b>		
Westpac Cash Advance Facility	-	-
<hr/>		
(a) Total current and non-current secured liabilities:		
Westpac Receivables Facility	200,000	185,000
Westpac Cash Advance Facility	55,000	60,000
BNZ Cash Advance Facility	53,294	46,681
<b>Total Borrowings</b>	<b>308,294</b>	<b>291,681</b>

(b) The Westpac receivables facility is secured by a fixed charge over all the Australian trade receivables and the Westpac Cash Advance Facility is secured by a General Security Agreement over the assets of the Company.

The BNZ Cash Advance Facility is secured by a General Security Agreement over the Assets of Dicker Data NZ Limited, and a Specific Security Deed over the Assets of Express Data Holdings Pty Limited.

(c) Facility limits		
Westpac Receivables Facility	270,000	220,000
Westpac Cash Advance Facility	55,000	60,000
BNZ Cash Advance Facility	53,294	46,681
<b>Total Facility Limits</b>	<b>378,294</b>	<b>326,681</b>

#### Westpac Receivables Facility

The limit on the Westpac Receivables Facility increased from \$220m to \$270m in June 2023, supported by the increase in receivables balance. The renewal of the facility and increase in limit ensures the ongoing funding to continue to support working capital investments and the growth of the business. This facility is secured by a fixed charge over the Australian receivables and is to be renewed in May 2024.

#### Westpac Cash Advance Facility

The cash advance facility was entered into with Westpac in August 2021 to fund the acquisition of the Exeed group and corresponding transaction costs. The original amount drawn down was \$70m, which includes repayments of \$10m per annum over the 3 year life of the facility. Management regularly review key contract terms and as part of this process identified that a clause in the Westpac Cash Advance Facility Agreement gave the bank the legal right to recall the drawn down amount at any time. As such, the drawn down amount of the facility at 30 June 2023 of \$55m has been presented as a current liability and the comparative at 31 December 2022 of \$60m has been restated accordingly. On 16<sup>th</sup> August 2023 a variation to the Facility Agreement has been signed by Dicker Data and Westpac which amends this term and removes this right. As a result, the facility will be available to Dicker Data for the remainder of the contracted term, which is to August 2024.

#### BNZ Cash Advance Facility

In June 2022 Dicker Data NZ Ltd entered into a new cash advance facility with BNZ Bank. This facility replaced the Exeed Ltd invoice finance and cash advance facilities assumed on the acquisition of Exeed Ltd. This facility, expiring May 2024 is for a limit of \$58m NZD and was fully drawn in June 2023. The facility also includes a stand-by letter of credit facility for \$21.1m NZD to support supplier trade credit arrangements. The facility is secured by a General Security Deed over the assets of the New Zealand Group supported by a guarantee and indemnity from the parent entity. This facility will help support the ongoing growth and working capital requirements of our growing New Zealand business

### Refinance risk

Dicker Data currently has in place a working capital facility with the Westpac Banking Corporation in Australia and Bank of New Zealand (BNZ) in New Zealand and both facilities are to be renewed in May 2024. Whilst the Board is confident on the Company's ability to refinance these facilities there is no guarantee that in the future Dicker Data will be able to extend, renew or refinance its existing bank facilities at the required time, or access additional debt facilities if desired. Any new debt may also be available on terms that are less favourable to Dicker Data. If Dicker Data is unable to access adequate debt financing when desired, or debt that is provided is on commercially less favourable terms, this may affect its financing costs, or its ability to fund its operations, meet its growth aspirations or respond to competitive pressures. This in turn may affect Dicker Data's financial performance. The Company is currently reviewing its refinance options for renewal or replacement of current facilities upon the end of their term.

### Note 9. Leases

The company leases eighteen properties both in Australia and New Zealand.

	30-Jun-23 \$'000	31-Dec-22 \$'000
<b>Right of Use Asset</b>		
Opening Balance	19,748	2,709
Addition through business combination	702	2,235
Additions	1,470	19,007
Amortisation	(2,071)	(3,103)
Disposal	-	(1,466)
Effect of modification to lease terms	-	-
Variable lease payment adjustment	-	5
Effect of movements in exchange rate	(255)	361
<b>Closing Balance</b>	<b>19,594</b>	<b>19,748</b>
<b>Lease Liability</b>		
Opening Balance	19,195	3,154
Addition through business combination	702	2,235
Addition	1,468	18,114
Interest expense	560	857
Disposal	-	(1,982)
Effect of modification to lease terms	-	-
Variable lease payment adjustment	-	5
Lease payments	(2,144)	(3,543)
Effects of movement in exchange rate	(259)	355
<b>Closing Balance</b>	<b>19,522</b>	<b>19,195</b>
<b>Maturity Analysis</b>		
Less than one year	3,436	2,794
One to five years	16,086	16,401
<b>Total discounted lease liabilities</b>	<b>19,522</b>	<b>19,195</b>

Future cash flows to which the Company is potentially exposed that are not reflected in the measurement of the right of use and lease liabilities are related to extension options for which the Company is uncertain to exercise.

### Note 10. Business Combinations

#### Acquisitions

On 9<sup>th</sup> February 2023 the Company entered into a binding Sale and Purchase Agreement (SPA) to acquire the business of Connect Security Products Limited (CSP), New Zealand's leading distributor of access control, surveillance and fire products. The acquisition completed on 28 February 2023 and the purchase price was NZD\$5.0m comprising of \$3.5m for goodwill with balance for net business assets of \$1.5m being predominantly for inventory.

CSP represents a highly strategic acquisition and a valuable addition to Dicker Data's Access and Surveillance (DAS) platform as it will accelerate the launch of the DAS business in the New Zealand market with key brands Bosch, Sony, Assa Abloy, HID, Motorola and more. The combination of Dicker Data and CSP is expected to deliver compelling growth opportunities for both businesses through the combined Trans-Tasman network and expanded capabilities. Similar to DAS in Australia, CSP operates in parallel to Dicker Data's existing New Zealand operation and leverages shared services such as finance, warehousing, logistics and marketing, with the product and sales functions operating independently.

The half year revenue contribution from the Connect business was \$2.2m. Had the business been acquired for the full reporting period, assuming the average revenue contribution for the 4 months trading, the total revenue contribution for the reporting period would have been \$3.2m. It is impractical to disclose the profit and loss impact for the reporting period whilst the business was being integrated and restructured as only the key net assets to run the business were acquired, and historical earnings can't be relied on.

The accounting for this acquisition is provisional at the date of this report and, in accordance with AASB 3 *Business Combinations*, will be finalised within 12 months of acquisition date.

**Details of the net assets acquired, goodwill and purchase consideration are as follows:**

	Fair Value \$'000
Inventory	1,439
Property Plant and Equipment	143
Employee Provisions	(60)
Right of Use Asset	702
Lease Liability	(702)
<b>Net identifiable assets and liabilities</b>	<b>1,522</b>
Goodwill	3,219
<b>Net Assets Acquired</b>	<b>4,741</b>
<b>Purchase Consideration Comprises:</b>	
Cash Paid	<b>4,741</b>

#### Hills Acquisition

On 2 May 2022 the Company announced the completion of the acquisition of the Hills (ASX: HIL) Security and IT (SIT) division. The valuation of the fair value of the acquired assets and liabilities at acquisition date was finalised and completed at 30 June 2023. There has been no change to the provisional amounts presented in the 2022 annual report.

#### Business Combinations Critical Judgements

A certain degree of judgement and estimation is required to determine fair value of assets acquired as part of a business combination. Further judgement is required in assessing whether any premium paid over fair value of assets relates to any identifiable intangibles and calculation of the goodwill acquired.

#### Note 11. Transactions with Related Parties

There were a number of related party transactions during the year with the entity Rodin Cars Ltd, a New Zealand based entity owned by David Dicker. The transactions included sales of goods and services which are billed to Rodin

Cars Ltd at an arm's length commercial basis both in Australia and New Zealand. The total amount billed to Rodin Cars Ltd for the interim reporting period was \$19,660.

In addition to these transactions there were also payments made on behalf of shareholders David Dicker and Rodin Ventures Ltd throughout the half year that were subsequently reimbursed, or funds were deposited in advance to cover these expenses. As at 30 June 2023 there was \$44.3k owed by David Dicker to the Company and there were no amounts owing to or from Rodin Ventures Ltd as at 30 June 2023.

### **Note 12. Contingent Liabilities**

The directors are not aware of any contingent liabilities related to the consolidated entity as at the report date.

### **Note 13. Subsequent Events**

Other than the variation and waiver include in Note 8, there have been no other material events occur subsequent to reporting date.

For personal use only

## DIRECTOR'S DECLARATION

---

In the directors' opinion:

- The attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial half-year ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

**Signed**



**David Dicker**  
CEO  
30 August 2023

For personal use only



Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

## Independent Auditor's Review Report to the Members of Dicker Data Limited

### Conclusion

We have reviewed the accompanying interim financial report of Dicker Data Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' responsibilities for the interim financial report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities for the review of the interim financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Ernst &amp; Young logo, featuring the company name in a stylized, cursive script.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Graham Leonard'.

Graham Leonard  
Partner  
Sydney  
30 August 2023