

Data#3 improves on previous 1H record result

BRISBANE, Thursday 18 February 2021: Australian business technology solutions leader Data#3 Limited (ASX: DTL) today announced its results for the six months ended 31 December 2020 (1H FY21). These results saw the company deliver sustained earnings growth, consistent with its long-term strategy.

1H FY21 – growth across all key metrics:

- Total revenue up 19.2% to \$856.7 million, including \$346.1 million of public cloud revenues
- NPBT up 10.2% to \$13.9 million
- NPAT (excluding minority interests) up 7.9% to \$9.4 million
- EPS up 7.9% to 6.09 cents per share
- Interim fully franked dividend up 7.8% to 5.5 cents per share
- Strong balance sheet with no debt

Commenting on the 1H FY21 result, Data#3 Chief Executive Officer & Managing Director Laurence Baynham said: “We are pleased with the first half performance, delivering another record result despite the challenging environment and changing market conditions. Once again, this result clearly demonstrates the inherent strength and relevance of our solution offerings in an evolving market. It is also reassuring that approximately 62% of our total revenue is recurring, derived from contracts with government and large corporate customers, fulfilling their essential IT requirements.”

Total revenue was up 19.2% to \$856.7 million, and included \$346.1 million of public cloud-based revenues, up 37.4%.

Total gross profit increased by 1.2% to \$89.7 million, and total gross margin decreased from 12.3% to 10.5% reflecting a shift in sales mix, with very strong growth in Software Licensing & public cloud revenues.

Staff costs increased by 2.5% to \$66.7 million, solely reflecting headcount growth. Operating expenses decreased by 18.4% to \$9.7 million, with a large reduction in travel costs as a result of the pandemic, rent savings from the decommissioning of the Data#3 Cloud platform and a concerted effort to contain costs generally.

Net profit before tax increased by 10.2% to \$13.9 million, and net profit after tax (excluding minority interests) increased by 7.9% to \$9.4 million. Earnings per share also increased by 7.9% to 6.09 cents.

Reflecting the company’s financial performance and strong balance sheet, Data#3’s directors declared an interim fully franked dividend of 5.50 cents per share, a 7.8% increase on the prior corresponding period. This represents a payout ratio of 90.3%. The record and payment dates for the interim dividend are 17 March 2021 and 31 March 2021, respectively.

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Data#3's Chairman Richard Anderson said: "The results reflect the ongoing successful implementation of the company's strategies over a number of years, and the company's resilience to the challenges of the current environment."

Mr Baynham added: "We continue to see growth in the Australian IT market, and believe we are well positioned to capitalise on that opportunity as we continue to develop and offer solutions for our customers' changing requirements. The solid first half performance and pipeline of opportunities for the second half give us confidence that we will achieve our full year financial objective, being to deliver sustainable earnings growth."

	1H FY21 \$'000	% Change	1H FY20 \$'000
Sales revenue	856,145	+ 19.2	717,960
Other revenue	593	- 34.8%	909
Total revenue	856,738	+ 19.2%	718,869
Public cloud revenue included above	346,082	+ 37.4%	251,853
Total gross profit (excluding other revenue)	89,711	+ 1.2%	88,648
<i>Total gross margin %</i>	<i>10.5%</i>		<i>12.3%</i>
Total expenses	76,361	- 0.7%	76,899
EBIT	14,062	+ 14.0%	12,335
<i>EBIT margin %</i>	<i>1.6%</i>		<i>1.7%</i>
NPBT	13,943	+ 10.2%	12,658
NPAT (excluding minority interests)	9,379	+ 7.9%	8,695
	1H FY20	% Change	1H FY20
Basic earnings per share	6.09 cents	+ 7.9%	5.65 cents
Dividend per share	5.50 cents	+ 7.8%	5.10 cents
Dividend payout ratio	90.3%		90.3%

Approved for distribution by the Data#3 Limited 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>