

Data#3 delivers another record full year result

BRISBANE, Thursday 19 August 2021: Australia's leading IT services and solutions provider, Data#3 Limited (ASX: DTL) today announces its results for the financial year ended 30 June 2021 (FY21).

FY21 Highlights

- Revenue up 20.3% to \$1.96 billion, with public cloud up 36.2 % to \$791.6 million
- NPBT up 8.4% to \$36.9 million
- NPAT up 7.5% to \$25.4 million
- Basic EPS up 7.5% to 16.51 cents per share
- Total fully franked dividend up 7.9% to 15.0 cents per share
- Strong balance sheet with no borrowings

Commenting on the FY21 result, Data#3 Chief Executive Officer and Managing Director Laurence Baynham said: "We knew that FY21 would be challenging after a record profit performance in FY20. Our goal is to provide our shareholders with sustainable earnings growth, and we are pleased to announce that we delivered another record result. The result reflects improving services profitability and demonstrates the inherent strength and relevance of our solution offerings in a rapidly evolving market. Our pre-tax profit would have been approximately \$3 million higher if it was not for the global supply delays in computer chips. The large backlog underpins a fast start to FY22."

Revenue and earnings growth in FY21

Total revenue increased by 20.3% to \$1,956.2 million reflecting growing demand for Data#3's solutions in a rapidly evolving market. This included strong growth in public cloud revenues, up 36.2% to \$791.6 million as major organisations and Government departments accelerate migration to cloud-based infrastructure. The consolidated net profit before tax (NPBT) increased by 8.4% to \$36.9 million, consistent with the guidance provided on 19 July 2021.

The FY21 result was impacted by increased product delivery delays in the second half, related to the global computer chip shortage. This resulted in a significant backlog of orders that could not be delivered or invoiced at year end. The pre-tax profit associated with this backlog is approximately \$3 million, which will be realised in FY22.

Through excellent working relationships with its global vendor partners, Data#3 has been able to secure critical deliveries for customers, thereby mitigating some of the supply chain delays. Supply constraints for various product sets are expected to continue in FY22, and Data#3 is well placed to manage the best possible outcome for its customers.

The consolidated NPAT (excluding minority interests) increased by 7.5% to \$25.4 million. Basic earnings per share also increased by 7.5% to 16.51 cents.

The non-financial measures indicate the underlying health of the business has continued to strengthen. Staff and customer satisfaction surveys produced record high results, and Data#3 succeeded in winning a

cross-industry Employer of Choice award for the sixth year in a row. The company has continued to be recognised by many of its global partners with national and international awards.

Dividend

The directors declared a final dividend of 9.50 cents per share, bringing the total fully franked dividend for FY21 to 15.00 cents per share. This represents an increase of 7.9% and a payout ratio of 90.9%. The final dividend will be paid on 30 September 2021, with a record date of 16 September 2021.

Outlook

The group's performance continues to be underpinned by its leading market position, unrivalled vendor relationships, long-term customer base and highly experienced and committed team.

Mr Baynham added: "We expect technology, and specifically digital transformation, to play the leading role in Australia's economic future, irrespective of any ongoing impacts of the pandemic. We are already seeing a return of larger infrastructure projects across our corporate and public sector customers.

The Australian IT market is predicted to grow at a record rate this year, and this will allow us to accelerate growth of our services businesses and further cement our leadership position. We are experiencing a steady increase in the pipeline of large integration project opportunities, and our services growth strategy will continue to improve our margins and complement our growing software and infrastructure business units.

The backlog from FY21 has provided a fast start to FY22 and we are well positioned to capitalise on a growing market. At this stage we are unable to provide specific guidance or commentary on the FY22 outlook, however our goal remains to deliver sustainable earnings growth."

	FY21 \$'000	% Change	FY20 \$'000
Sales revenue	1,955,247	+ 20.4%	1,623,841
Other revenue	941	- 55.2%	2,100
Total revenue	1,956,188	+ 20.3%	1,625,941
Public cloud revenue included above	791,586	+ 36.2%	580,955
Total gross profit (excluding other revenue)	194,746	+ 3.6%	187,979
<i>Total gross margin</i>	<i>10.0%</i>		<i>11.6%</i>
Total staff & operating expenses	158,744	+ 1.8%	156,013
NPBT	36,943	+ 8.4%	34,066
NPAT (excluding minority interests)	25,414	+ 7.5%	23,636
<i>Return on equity</i>	<i>45.1%</i>		<i>45.2%</i>

	FY21	% Change	FY20
Basic earnings per share	16.51 cents	+ 7.5%	15.35 cents
Dividend per share	15.00 cents	+ 7.9%	13.90 cents
<i>Dividend payout ratio</i>	<i>90.9%</i>		<i>90.6%</i>

Approved for distribution by the Data#3 Limited board.

ENDS

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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 \$1.96 billion in FY21. Headquartered in Brisbane, it has more than 1,200 staff, and facilities across 12 locations in Australia and Fiji.

For more information about Data#3 visit <http://www.data3.com.au>