

Managing the impact of COVID-19

BRISBANE, Thursday 2 April 2020: Australian business technology solutions leader Data#3 Limited (ASX: DTL) provides the following update on the effect that the COVID-19 pandemic is having on business operations, and the actions Data#3 is taking in response to the rapidly evolving set of circumstances.

- Our highest priority is safeguarding the well-being of our staff and customers, as well as ensuring continuity of service for our customers.
- We are carefully monitoring the unfolding developments and ensuring full compliance with the latest guidelines issued by state and federal governments and health authorities.
- As part of our business continuity plan, we have put in place a pandemic response plan and implemented remote working models across our business, with the vast majority of our staff working, and supporting customers, remotely.
- Data#3's core business includes connectivity, collaboration, modern workplace, end user computing, cloud and enterprise security. These solutions are now a priority for our customers.
- In response to significant and immediate demand from our government and corporate customers, we have accelerated delivery of remote working solutions, and we are committed to supporting our customers changing requirements as they adapt to new ways of working.
- The risk of any material supply chain impact on our hardware vendors partners has been managed effectively to date, and the risk to operations is currently considered low with infrastructure availability generally improving.
- To-date there has been no material change to our overall sales pipeline, however customers have shifted their priorities to address immediate remote working, cloud and security requirements, and our forecasts indicate the typical peak in demand during the fourth quarter.
- Despite the challenges with sales forecasting in the current environment, our performance to-date and the current pipeline of opportunities for the balance of the year will help us achieve our full year financial objective, being to deliver sustainable earnings growth over time.
- Our full year result remains reliant on significant earnings in the fourth quarter, which is typical of any year, and at this stage it is simply too early to provide more specific guidance. It is reassuring that approximately 60% of our revenue is recurring, derived from contracts with government and large corporate customers, fulfilling their essential IT requirements.

Data#3 CEO and Managing Director Laurence Baynham said: "We have invoked company-wide and specific business continuity plans in response to COVID-19, aimed at protecting our people and addressing the continuation of operations to provide our customers with the best possible customer service. We are taking all actions necessary to support our customers' rapidly changing needs during these very challenging times, by swiftly deploying proven solutions.

We are in unprecedented times and Australia needs businesses to keep operating efficiently and effectively, irrespective of their place of work. As the leading Australian IT solution provider, Data#3 is in the prime position to help public sector and large commercial enterprises through these massive and immediate changes.

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We have the skills and experience to transform the way organisations work, and with the backing of world-leading technology suppliers like Microsoft, Cisco, HP and Dell, we are confident we can help our customers transition efficiently into new operating models. IT infrastructure, software and services will form an essential part of the economic recovery," Baynham concluded.

Data#3's Chairman Richard Anderson said: "Having completed our payment of the first half dividend, our financial position and cash flow remain very strong, with surplus cash reserves, no debt and undrawn bank facilities."

This announcement is authorised for release by the Data#3 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, mobility, security, data & analytics and IT lifecycle management. 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 \$1.4 billion in the 2019 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>