

Datatec

FY25 underlying EPS beat

Datatec previously issued a trading update for FY25 confirming that both Westcon and Logicalis International continued to deliver excellent financial performances in H225, and despite generating lower gross profits year-on-year in FY25, Logicalis Latin America delivered an overall increase in financial performance. Management has now confirmed the ranges it expects to report for EPS, with underlying EPS of 30.0–31.0 cents ahead of our 27.9 cents forecast. We maintain our forecasts pending results on 27 May.

Year end	Revenue (\$m)	PBT (\$m)	EPS (¢)	DPS (¢)	P/E (x)	Yield (%)
2/23	5,143.1	86.5	24.06	77.68	13.5	23.9
2/24	5,457.9	76.5	19.66	7.05	16.6	2.2
2/25e	5,303.6	122.8	30.50	9.30	10.7	2.9
2/26e	5,509.0	141.5	35.27	11.20	9.2	3.4

Note: PBT and diluted EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Datatec expects to report underlying EPS of 30.0–31.0 cents, up from 17.1 cents in FY24 and 7.5–11.1% ahead of our 27.9 cents forecast. It noted that its calculation of underlying earnings no longer excludes unrealised foreign exchange gains or losses, but continues to exclude amortisation of acquired intangibles, impairments of intangibles, gain/loss on sale of assets, restructuring costs relating to fundamental reorganisations, acquisition-related adjustments and costs, one-off tax items impacting EBITDA and the tax effect of all adjustments. We note that Edison normalised profit measures exclude share-based payments, whereas all EPS measures reported by Datatec include share-based payments.

Headline EPS is expected to be 25.0–26.0 cents, up from 14.2 cents in FY24 and compares to our 26.0 cents forecast.

Reported EPS is expected to be 25.0–26.0 cents, up from 20.4 cents in FY24 and slightly below our 26.8 cents forecast.

Trading update

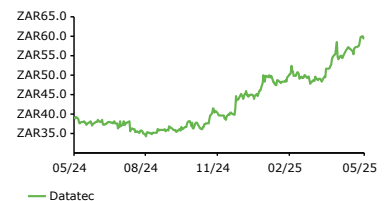
Software and comp services

7 May 2025

Price **ZAR59.34**
Market cap **ZAR14,147m**

Net cash/(debt) at end H125 \$(108.4)m
 Shares in issue 236.2m
 Free float 81.0%
 Code DTCJ
 Primary exchange JSE
 Secondary exchange OTCQX

Share price performance



Business description

Datatec is a South Africa-listed multinational ICT business, serving clients globally, predominantly in the networking and telecoms sectors. The group operates through three main divisions: Westcon International (distribution); Logicalis International (IT services); and Logicalis Latam (IT services in Latin America).

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