

Altron

Strong results from continuing operations

Following on from its 24 February trading update for FY25, Altron has provided more specific guidance for its FY25 results. Headline and reported EPS from continuing operations as well as group headline EPS are well ahead of our forecasts. Reported group EPS is lower than we forecast, we estimate due to higher than expected losses from discontinued operations (now only the Nexus business). We maintain our forecasts pending full results on 26 May.

Year end	Revenue (ZARm)	PBT (ZARm)	EPS (ZAR)	HEPS (ZAR)	DPS (ZAR)	P/E (x)	Yield (%)
2/23	8,445.0	482.0	0.88	0.85	0.35	25.1	1.6
2/24	9,603.0	570.0	1.04	1.03	0.58	21.4	2.6
2/25e	9,770.5	821.1	1.45	1.45	0.70	15.2	3.2
2/26e	10,518.9	960.0	1.72	1.75	0.85	12.9	3.8

Note: Revenue is for continuing operations. PBT and EPS are normalised, excluding amortisation of acquired intangibles and exceptional items, and are for continuing operations. HEPS, basic continuing headline EPS. FY24 has been restated to include ADS.

Altron expects to report the following EPS measures for FY25. Headline EPS for continuing operations of 173–180 cents is 19–24% ahead of our 145 cents forecast and 68–75% higher year-on-year. Group headline EPS of 131–136 cents is 10–14% ahead of our 119 cents forecast and compares to a loss of 29 cents in FY24. This implies headline EPS from discontinued operations of -42 to -44 cents, which compares to our -26 cents forecast (62–69% larger loss), although it is a substantially smaller loss than the -132 cents reported for FY24.

Reported EPS for continuing operations of 151–158 cents is 8–13% ahead of our 140 cents forecast and 59–66% higher year-on-year. Reported group EPS of 100–105 cents is 6–11% below our 112 cents forecast and compares to -45 cents in FY24. We estimate that the reported EPS from discontinued operations was -51 to -53 cents, 82–89% larger than we had forecast but again substantially smaller than the -140 cents reported for FY24.

The guidance confirms that continuing operations have performed well in FY25, with earnings well ahead of our expectations. Conversely, the Nexus business has made a larger loss than anticipated, but overall, headline group EPS is at least 10% ahead of our forecasts.

FY25 trading update

Software and comp services

14 May 2025

Price **ZAR22.11**
Market cap **ZAR8,900m**

Net cash/(debt) at end H125 ZAR(312.0)m
 Shares in issue 412.1m
 Free float 35.7%
 Code AEL
 Primary exchange JSE
 Secondary exchange N/A

Share price performance



Business description

Altron is a South African provider of platforms and IT services. The company operates via three divisions: IT Services, Platforms and Altron Arrow. In FY24, 89% of revenue was generated in South Africa and annuity revenue made up 60% of total revenue.

Analyst

Katherine Thompson +44 (0)20 3077 5700

tmt@edisongroup.com
[Edison profile page](#)

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