

Datatec

Upgrading on strong performance

FY25 results

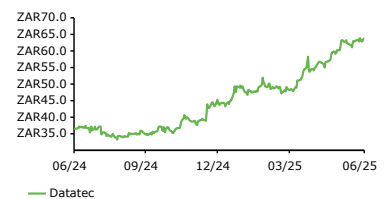
Software and comp services

12 June 2025

Price **ZAR63.76**
Market cap **ZAR15,059m**
 ZAR17.85/US\$

Net cash/(debt) at end FY25 \$(52.1)m
 Shares in issue 236.2m
 Free float 81.0%
 Code DTCJ
 Primary exchange JSE
 Secondary exchange OTCQX

Share price performance



% 1m 3m 12m
 Abs 9.1 32.0 80.1
 52-week high/low ZAR64.3 ZAR32.6

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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AGM 31 July 2025

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Datatec reported strong growth in gross profit, adjusted EBITDA, underlying EPS (uEPS) and cash generation in FY25. Restructuring in prior years has improved the operational efficiency of each division and the supply chain has normalised, allowing customer demand to be met on a timely basis. As digital transformation specialists, the group continues to benefit from strong demand for cybersecurity solutions, hybrid infrastructure and cloud-based solutions, and expects the growing adoption of AI to prompt enterprises to upgrade their IT infrastructure. Increasing confidence in the group's ability to generate cash supports the ongoing share buyback programme and raised dividend payout target. We have upgraded our FY26 and FY27 estimates to reflect better performance, which in turn lifts our valuation.

Year end	Revenue (\$m)	PBT (\$m)	EPS (¢)	DPS (¢)	P/E (x)	Yield (%)
2/24	3,992.4	76.5	19.66	7.07	18.3	2.0
2/25	3,639.7	136.6	34.07	15.45	10.6	4.3
2/26e	3,778.4	164.7	41.77	19.21	8.6	5.3
2/27e	3,912.4	184.1	46.92	21.88	7.7	6.1

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

Underlying EPS growth of 78% in FY25

Datatec reported gross profit growth of 6%, adjusted EBITDA growth of 28% and uEPS growth of 78% in FY25. All divisions reported growth in adjusted EBITDA (Westcon +25%, Logicalis International +27%, Logicalis Latin America +60%). Net debt at year-end was reduced by 58% to \$52m, reflecting strong working capital management in all divisions.

Outlook and estimate upgrades

Management expects the trend towards higher software sales and annuity services will continue and sees continued strong demand for its products and solutions. It expects all divisions will continue to improve their financial performance in FY26. We have upgraded our estimates for FY26 and FY27, with better adjusted EBITDA forecasts for Westcon and Logicalis International. This drives upgrades to uEPS of 14% in FY26 and 17% in FY27 and, factoring in the higher payout ratio, dividend upgrades of 72% and 76%, respectively.

Valuation: More to go for

Despite a 66% increase in the share price over the last year, Datatec currently trades on EV/adjusted EBITDA multiples of 3.7x in FY26e and 3.5x in FY27e, well below its peer group (average of 8.9x across both years). On a conservative sum-of-the-parts (SOTP) valuation using peer group averages, we estimate that Datatec could be worth 54% more than the current share price. This factors in rolling the valuation forward by a year and upgrades to our forecasts. Sustained recovery in trading in Logicalis Latam, gross profit growth and improving the conversion of gross profit to EBITDA across the group will be key to reducing the discount to peers. Management continues to focus on unlocking shareholder value through its ongoing strategic review.

**Datatec is a research client of
 Edison Investment Research
 Limited**

Review of FY25 results

In Exhibit 1, we summarise Datatec's FY25 performance. For the first time, the company disclosed gross invoiced income (GII), which increased 1.5% y-o-y. It also changed the policy for revenue recognition in Westcon, treating software sales as made on an agency rather than principal basis. This means that only commission earned on the sale of the software is recognised as revenue rather than the full value of the software sold. The company restated Westcon revenue for FY24 and applied the new policy for FY25. Based on the new revenue recognition policy, group revenue declined 8.8% y-o-y. Conversely, gross profit increased 5.6% y-o-y and adjusted EBITDA increased 28.2% y-o-y. After share-based payments of \$15.8m, restructuring charges of \$10.8m, one-off tax credits in EBITDA of \$3.3m and acquisition-related costs of \$1.6m, EBITDA increased 24.6% y-o-y. Net finance costs increased 4% to \$56.9m reflecting higher interest rates and higher utilisation of debt facilities, resulting in profit before tax of \$104.0m on a reported basis and \$136.6m on a normalised basis. With an effective tax rate of 33.4%, reported net income after minority interests was 29.2% higher year-on-year and normalised net income 76.6% higher year-on-year. Basic EPS increased 26.4% to 25.7 cents and headline basic EPS increased 79.9% to 25.5 cents. Company adjusted underlying EPS (uEPS) increased 78% y-o-y to 30.5 cents. This adds back the adjustments described above, apart from share-based payments.

Very strong operating cash inflow of \$246.5m helped the company reduce net debt by 58% y-o-y to \$52.1m at year-end.

As operating profitability and working capital management have improved on a consistent basis, the company decided to revise up its dividend payout policy, now aiming to pay out 50% of uEPS compared to the previous target of 33%. Consequently, a final dividend of 200 ZAR cents was announced, which, when added to the 75 ZAR cents interim dividend, makes a full year dividend of 275 ZAR cents or c 15.5 cents.

Exhibit 1: FY25 results highlights

\$m	FY24a	FY25e	FY25a	y-o-y	Diff
Revenue	3,992	5,304	3,640	-9%	-31%
Gross Profit	862	900	910	6%	1%
Adjusted EBITDA	192	234	246	28%	5%
EBITDA	178	226	221	25%	-2%
Normalised operating profit	131	177	194	48%	9%
Profit before tax (normalised)	76	123	137	79%	11%
Net income (normalised)	46	73	81	77%	11%
EPS – diluted normalised (c)	19.7	30.5	34.1	73%	12%
EPS – basic reported (c)	20.4	26.8	25.7	26%	-4%
Headline EPS – basic continuing ©	14.2	26.0	25.5	80%	-2%
Company basic underlying uEPS (c)	17.1	27.9	30.5	77.9%	9%
Dividend (c)	7.1	9.3	15.5	119%	66%
<i>Revenue growth (%)</i>	<i>N/A</i>	<i>(2.8)</i>	<i>(8.8)</i>		<i>-6pp</i>
<i>Gross Margin (%)</i>	<i>21.6</i>	<i>17.0</i>	<i>25.0</i>	<i>3pp</i>	<i>8pp</i>
<i>Adjusted EBITDA Margin (%)</i>	<i>4.8</i>	<i>4.4</i>	<i>6.8</i>	<i>2pp</i>	<i>2pp</i>
<i>Normalised Operating Margin (%)</i>	<i>3.3</i>	<i>3.3</i>	<i>5.3</i>	<i>2pp</i>	<i>2pp</i>
Operating cash flow	148	87	246		
Net debt/(cash)	123	181	52	-58%	-71%

Source: Datatec, Edison Investment Research

Trend towards higher contribution from software and services continues

In FY25, 69% of gross invoiced income was from software and services (including annuity revenues), while 31% was from hardware. This compared to a 64%/36% split in FY24.

Divisional performance

Exhibit 2 summarises Datatec's performance on a divisional basis. As noted above, Westcon revenue was forecast on the previous basis, with software revenue accounted for on a gross basis. On the new basis, Westcon's gross and

EBITDA margins are higher than previously reported/forecast as software-related revenue now drops through at a close to 100% gross margin.

Exhibit 2: Datatec divisional performance

\$m	FY24a	FY25e	FY25a	diff	y-o-y					
Gross invoiced income										
Westcon	5,076	N/A	5,242	N/A	3.3%					
Logicalis International	1,936	N/A	1,922	N/A	-0.7%					
Logicalis Latin America	599	N/A	532	N/A	-11.3%					
Corporate & Management Consulting	10	N/A	39	N/A	309.4%					
Total	7,621	N/A	7,735	N/A	1.5%					
Revenue										
Westcon	2,220	3,630	1,969	N/A	-11.3%					
Logicalis International	1,250	1,175	1,176	0.1%	-5.9%					
Logicalis Latin America	513	456	455	-0.3%	-11.3%					
Corporate & Management Consulting	10	42	39	-6.4%	307.9%					
Total	3,992	5,304	3,640	N/A	-8.8%					
Gross profit										
						FY24a	FY25e	FY25a	diff pp	y-o-y pp
Westcon	403	437	441	0.9%	9.4%	18.2%	12.0%	22.4%	10.4	4.2
Logicalis International	339	350	357	2.2%	5.5%	27.1%	29.7%	30.4%	0.6	3.3
Logicalis Latin America	118	104	104	-0.4%	-12.1%	23.0%	22.8%	22.8%	(0.0)	(0.2)
Corporate & Management Consulting	2	9	8	-5.9%	249.6%	24.6%	21.0%	21.1%	0.1	(3.5)
Total	862	900	910	1.2%	5.6%	21.6%	17.0%	25.0%	8.0	3.4
EBITDA										
						EBITDA margin				
Westcon	121	144	136	-5.0%	12.7%	5.4%	4.0%	6.9%	3.0	1.5
Logicalis International	67	86	90	5.1%	35.3%	5.3%	7.3%	7.7%	0.4	2.3
Logicalis Latin America	12	21	19	-8.3%	68.7%	2.2%	4.6%	4.3%	(0.4)	2.0
Corporate & Management Consulting	(21)	(24)	(24)	1.7%	13.9%	-22.3%	-57.2%	-62.1%	N/A	N/A
Total	178	226	221	-2.2%	24.6%	4.4%	4.3%	6.1%	1.8	1.6
Adjusted EBITDA										
						Adjusted EBITDA margin				
Westcon	120	146	150	3.0%	24.7%	5.4%	4.0%	7.6%	3.6	2.2
Logicalis International	74	88	94	6.8%	26.9%	5.9%	7.5%	8.0%	0.5	2.1
Logicalis Latin America	13	19	20	7.1%	59.8%	2.5%	4.1%	4.4%	0.3	2.0
Corporate & Management Consulting	(15)	(19)	(18)	-5.0%	20.0%	-153.7%	-44.6%	-45.2%	N/A	N/A
Total	192	234	246	5.4%	28.2%	4.8%	4.4%	6.8%	2.4	2.0

Source: Datatec, Edison Investment Research

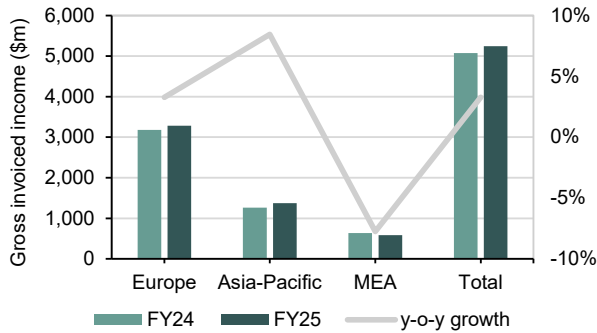
Westcon: Strong volume and profit growth

The business reported 3.3% growth in GII; within that, recurring GII made up 66% and was 14% higher year-on-year. The revenue accounting policy change removed \$1.465m from FY24 revenue and the same amount from cost of sales. On the new basis, revenue declined 11.3%, reflecting the increased proportion of software in the revenue mix, while gross profit increased 9.4% y-o-y. Reported EBITDA increased 12.7% y-o-y and adjusted EBITDA increased 24.7% y-o-y after adding back share-based payments of \$7.2m and restructuring charges of \$6.3m. Gross profit to adjusted EBITDA conversion increased from 29.8% in FY24 to 34.0% in FY25.

The business saw strong order intake, up \$700m or 15% compared to FY24. Westcon saw good demand for cybersecurity, a rebound in networking demand and customers looking to upgrade their infrastructure for AI applications. Exhibit 3 shows GII growth in Europe and Asia-Pacific with a decline in MEA. Reflecting the increasing proportion of net accounted software sales (Exhibit 7), revenue declined in all regions (Exhibit 4).

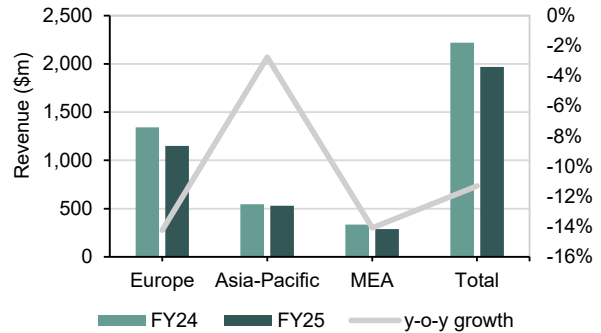
Year-end net debt including leases reduced to \$30.1m from \$88.9m a year ago, due to lower days sales outstanding and higher inventory turns.

Exhibit 3: Westcon GII by geography



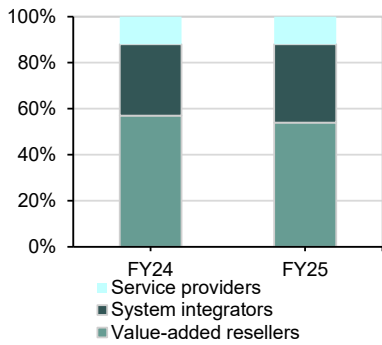
Source: Datatec

Exhibit 4: Westcon revenue by geography



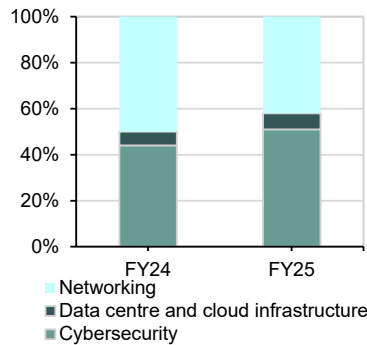
Source: Datatec

Exhibit 5: Westcon GII by customer type



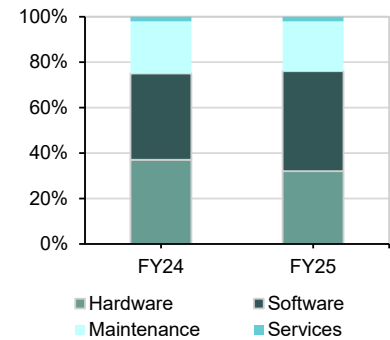
Source: Datatec

Exhibit 6: Westcon GII by technology



Source: Datatec

Exhibit 7: Westcon GII by segment



Source: Datatec

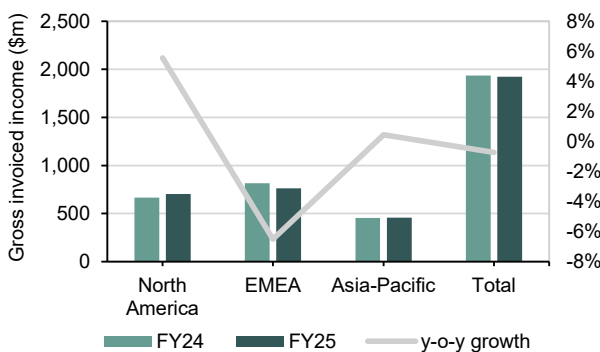
Logicalis International: Solid performance

Logicalis International saw a small decline in GII of 0.7%, driven by a decline in EMEA, Germany in particular (Exhibit 8), partially offset by strong growth in the US. Revenue declined by 5.9% through a combination of slightly weaker GII and a higher proportion of net revenue accounted software (Exhibit 10). Despite the revenue decline, gross profit increased by 5.5% and the gross margin increased 3.3pp to 30.4%. Reported EBITDA increased 35.3% y-o-y and adjusted EBITDA increased 26.9% y-o-y after adding back share-based payments of \$2.4m and acquisition-related costs of \$1.6m. Gross profit to adjusted EBITDA conversion increased from 21.9% in FY24 to 26.3% in FY25.

The business saw solid order intake during the year and continued growth in cloud-based sales (Exhibit 11).

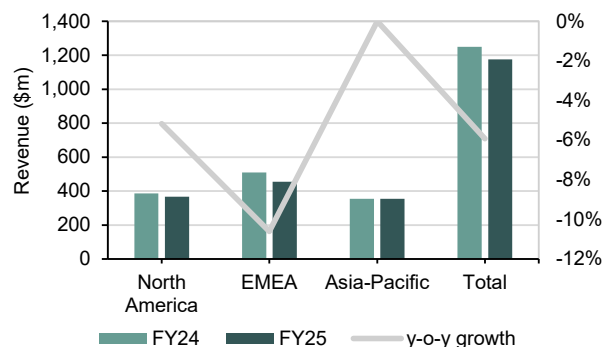
Year-end net debt including leases reduced to \$71.6m from \$79.3m a year ago, due to working capital improvements.

Exhibit 8: Logicalis International GII by geography



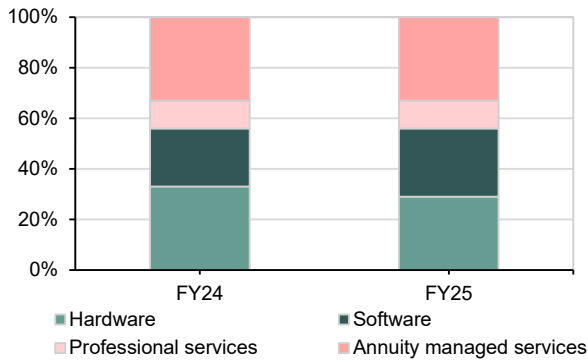
Source: Datatec

Exhibit 9: Logicalis International revenue by geography



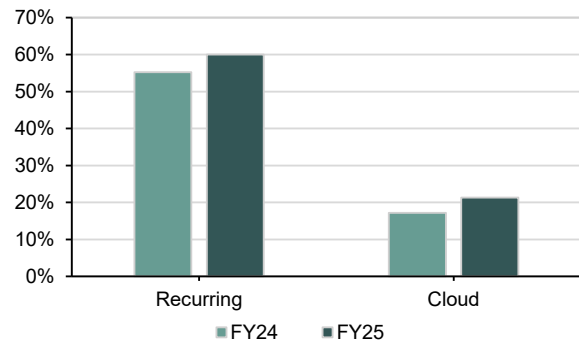
Source: Datatec

Exhibit 10: Logicalis International GII by segment



Source: Datatec

Exhibit 11: Logicalis International recurring and cloud contribution to GII



Source: Datatec

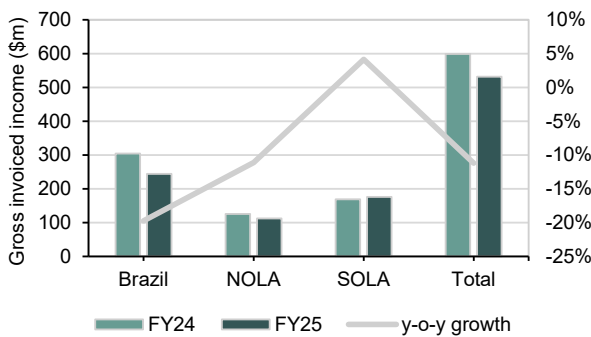
Logicalis Latin America: Reduced cost base drives profit growth

Logicalis Latin America saw an 11.3% decline in GII, mainly due to a lower backlog at the start of the year. Brazil was the weakest country, reflecting the recent loss of the telco business (Exhibit 12), while Argentina saw improvement (in the SOLA region) helped by the easing of currency controls. Revenue also declined by 11.3% (Exhibit 13). Gross profit declined by 12.1%, while the gross margin was down only 0.2pp to 22.8%. Reduced operating expenditure resulted in reported EBITDA increasing 68.7% y-o-y and adjusted EBITDA increasing 59.8% y-o-y after adding back share-based payments of \$0.5m and net one-off costs of \$0.3m. Gross profit to adjusted EBITDA conversion increased from 10.7% in FY24 to 19.4% in FY25.

The business saw a strong recovery in orders through the year and an improving trading environment in its Argentina operations. Restructuring has right-sized the cost base post the loss of the Brazilian telco contracts and the business now has lower customer concentration.

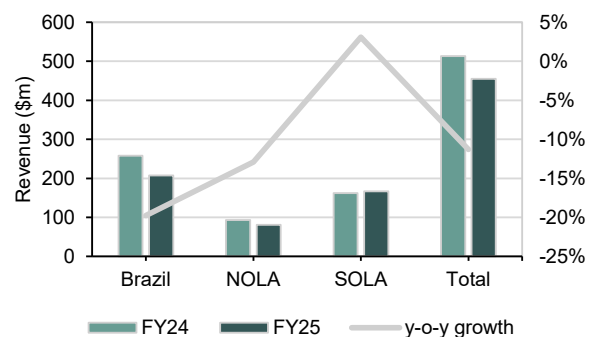
Year-end net cash including leases increased slightly to \$7.6m from \$5.2m a year ago as better import conditions in Argentina reduced inventory requirements.

Exhibit 12: Logicalis Latam GII by geography



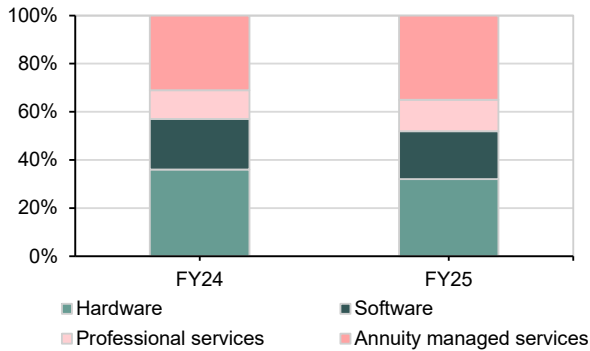
Source: Datatec

Exhibit 13: Logicalis Latam revenue by geography



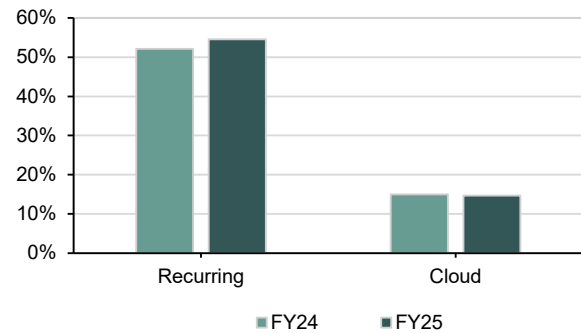
Source: Datatec

Exhibit 14: Logicalis Latam GII by segment



Source: Datatec

Exhibit 15: Logicalis Latam recurring and cloud contribution to GII



Source: Datatec

Management consulting and corporate

This division includes the Mason Advisory consulting business and head office costs. Revenue increased significantly as the company reported a full year of Mason Advisory (fully consolidated from December 2023). Mason Advisory generated a gross margin of 21.1%. Taking account of Mason Advisory opex and head office costs, the reported EBITDA loss of \$24.4m increased 13.9% y-o-y and adjusted EBITDA loss of \$17.8m increased 20.0%, after adding back share-based payments of \$5.6m and one-off costs of \$1.0m.

Outlook and changes to forecasts

At a group level, the company looks set to benefit from enterprise adoption of AI as this will require customers to prepare their IT infrastructure for the implementation of AI applications using specialists in digital transformation and cybersecurity. The growing proportion of software and services should improve cash flow and working capital. On a divisional basis:

- **Westcon:** the division should benefit from lower interest rates, but uncertainty around tariffs could affect customer demand. We forecast 5.0% growth in gross profit in FY26 and, with underlying opex growth of 2.5%, we forecast a 9.8% increase in adjusted EBITDA to \$164.6m (5.7% higher than previously forecast).
- **Logicalis International:** the division is controlling opex and capex tightly and making increasing use of digital technologies internally to improve efficiency. Growing use of hybrid infrastructure should increase demand for cloud solutions, and AI and cybersecurity should drive growth in core solutions. We forecast gross profit growth of 4.7% in FY26 and underlying opex growth of 2.3%, resulting in adjusted EBITDA growth of 11.3% to \$104.7m (13.3% higher than our previous forecast).
- **Logicalis Latin America:** the division now has a better business mix and a more diversified customer base. Recovery in Argentina and improving market share in its main markets should drive demand in FY26. We forecast gross profit growth of 5.0% and a 3.5% increase in underlying opex, resulting in adjusted EBITDA growth of 11.1% to \$22.4m, slightly below our previous \$23.8m forecast.

We forecast an increase in FY26 group adjusted EBITDA of 10.6% to \$272m, 7.8% ahead of our previous forecast. We have reduced our forecast for tax rates from 33% to 31.5%, reflecting the geographic spread of profits. This results in a 26.2% upgrade to uEPS in FY26 and 13.9% in FY27. We introduce estimates for FY28, forecasting uEPS growth of 11.8%. Our dividend forecasts reflect the new target payout ratio of 50% of uEPS, up from 33%.

Exhibit 16: Changes to forecasts

\$m	FY26e		Growth		FY27e		Growth		FY28e	
	Old	New	y-o-y	Change	Old	New	y-o-y	Change	New	y-o-y
Revenue	5,509	3,778	3.8%	-31.4%	5,704	3,912	3.5%	-31.4%	4,051	3.5%
Gross Profit	933	955	4.9%	2.3%	966	988	3.5%	2.3%	1,023	3.5%
Adjusted EBITDA	253	272	10.6%	7.8%	268	288	5.7%	7.5%	304	5.6%
EBITDA	243	257	16.0%	5.7%	258	272	6.1%	5.6%	288	6.0%
Normalised operating profit	191	217	12.2%	13.5%	205	232	6.8%	13.0%	248	6.7%
Profit before tax (normalised)	142	165	20.6%	16.4%	156	184	11.8%	18.4%	203	10.2%
Net income (normalised)	85	100	23.9%	18.1%	94	113	12.3%	20.1%	125	10.7%
EPS – diluted normalised (c)	35.3	41.8	22.6%	18.5%	38.9	46.9	12.3%	20.5%	51.9	10.7%
EPS – basic reported (c)	32.0	36.9	43.3%	15.1%	36.3	42.6	15.6%	17.5%	47.8	12.1%
Headline EPS – basic continuing ©	32.0	36.9	44.4%	15.1%	36.3	42.6	15.6%	17.5%	47.8	12.1%
Company basic underlying uEPS (c)	33.6	38.4	26.2%	14.4%	37.4	43.8	13.9%	17.0%	48.9	11.8%
Dividend (c)	11.2	19.2	24.3%	71.6%	12.5	21.9	13.9%	75.5%	24.5	11.8%
Revenue growth (%)	3.9	3.8		-0.1pp	3.5	3.5		0.0pp	3.5	0.0pp
Gross Margin (%)	16.9	25.3	0.3pp	8.3pp	16.9	25.3	0.0pp	8.3pp	25.2	0.0pp
Adjusted EBITDA Margin (%)	4.6	7.2	0.4pp	2.6pp	4.7	7.4	0.2pp	2.7pp	7.5	0.1pp
Normalised Operating Margin (%)	3.5	5.7	0.4pp	2.3pp	3.6	5.9	0.2pp	2.3pp	6.1	0.2pp
Operating cash flow	162	133	-46%	-18%	168	207	56%	23%	215	4%
Net debt/(cash)	160	61	17%	-62%	140	1	-99%	-100%	(63)	N/A

Source: Edison Investment Research

Exhibit 17: Changes to divisional forecasts

Revenue	FY26e		Growth		FY27e		Growth		FY28e	
	Old	New	y-o-y	Change	Old	New	y-o-y	Change	New	
Westcon	3,775	2,048	4.0%	-45.8%	3,907	2,120	3.5%	-45.8%	2,194	
Logicalis	1,690	1,689	3.6%	0.0%	1,750	1,749	3.6%	0.0%	1,812	
Logicalis International	1,210	1,211	3.0%	0.1%	1,247	1,248	3.0%	0.1%	1,285	
Logicalis Latam	479	478	5.0%	-0.3%	503	502	5.0%	-0.3%	527	
Corporate & Management Consulting	44	41	N/A	N/A	46	43	N/A	N/A	45	
Total	5,509	3,778	3.8%	-31.4%	5,704	3,912	3.5%	-31.4%	4,051	
EBITDA										
Westcon	154	157	15.4%	2.4%	162	166	5.4%	2.4%	175	
Logicalis	113	124	13.5%	9.4%	120	131	5.9%	9.1%	139	
Logicalis International	90	102	13.6%	13.6%	95	107	4.9%	13.3%	112	
Logicalis Latam	23	22	12.9%	-6.7%	26	24	11.0%	-6.3%	27	
Corporate & Management Consulting	(24)	(25)	1.8%	1.8%	(25)	(25)	1.6%	1.9%	(26)	
Total	243	257	16.0%	5.7%	258	272	6.1%	5.6%	288	
Adjusted EBITDA										
Westcon	156	165	9.8%	5.7%	164	173	5.2%	5.5%	182	
Logicalis	116	127	11.3%	9.4%	123	134	5.8%	9.1%	142	
Logicalis International	92	105	11.3%	13.3%	97	110	4.7%	13.0%	115	
Logicalis Latam	24	22	11.1%	-5.9%	26	25	10.7%	-5.6%	27	
Corporate & Management Consulting	(19)	(19)	8.0%	0.5%	(19)	(20)	2.1%	0.7%	(20)	
Total	253	272	10.6%	7.8%	268	288	5.7%	7.5%	304	
Adjusted EBITDA margin										
Westcon	4.1%	8.0%	0.4pp	3.9pp	4.2%	8.2%	0.1pp	4.0pp	8.3%	
Logicalis International	7.6%	7.5%	-0.5pp	-0.1pp	7.8%	8.8%	1.3pp	1.0pp	8.9%	
Logicalis Latam	5.0%	8.6%	4.2pp	3.7pp	5.2%	4.9%	-3.7pp	-0.3pp	5.2%	

Source: Edison Investment Research

Valuation

On a group basis, Datatec is valued on minority-adjusted EV/adjusted EBITDA multiples of 3.7x in FY26e and 3.5x in FY27e and on a normalised P/E basis of 8.6x in FY26e and 7.7x in FY27e. To more accurately reflect the dynamics of the different divisions, we continue to value Datatec on a sum-of-the-parts basis.

We use the EV/EBITDA peer multiples in Exhibit 18, FY26e net debt (we add \$150m to this as the group typically operates at a higher level of net debt across the year) and we have left the South Africa sovereign risk and holding company discount unchanged at 30%, but we will reassess this discount going forward. This results in a per-share valuation of ZAR98.32 (up from ZAR77.0), which implies 54% upside from the current share price. The increase in valuation is due to upgrades (we have lifted group adjusted EBITDA by 8% for FY26 and FY27), the rollover by one year,

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Exhibit 19: Financial summary

Year end 28 February	\$'k	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e
INCOME STATEMENT		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Revenue		4,214,421	4,109,463	4,546,398	5,143,125	3,992,400	3,639,673	3,778,443	3,912,419	4,051,292
Cost of Sales		(3,472,843)	(3,418,939)	(3,816,630)	(4,398,618)	(3,130,164)	(2,729,354)	(2,823,630)	(2,924,295)	(3,028,659)
Gross Profit		741,578	690,524	729,768	744,507	862,236	910,319	954,813	988,124	1,022,633
Adjusted EBITDA		166,280	152,490	158,922	180,182	192,085	246,229	272,393	287,924	304,189
EBITDA		158,657	118,619	143,457	98,246	177,589	221,309	256,628	272,159	288,424
Normalised operating profit		105,157	97,859	100,540	123,677	131,186	193,556	217,127	231,923	247,508
Amortisation of acquired intangibles		(11,297)	(8,635)	(10,100)	(11,629)	(3,599)	(7,064)	(5,500)	(4,000)	(4,000)
Exceptionals		(3,700)	(27,771)	0	(40,915)	(2,950)	(11,497)	0	0	0
Share-based payments		(7,623)	(11,493)	(15,465)	(52,641)	(8,277)	(15,765)	(15,765)	(15,765)	(15,765)
Reported operating profit		82,537	49,960	74,975	18,492	116,360	159,230	195,862	212,158	227,743
Net Interest		(25,874)	(25,692)	(31,051)	(38,090)	(54,966)	(56,932)	(52,421)	(47,842)	(44,661)
Joint ventures & associates (post tax)		(204)	908	(427)	882	251	0	0	0	0
Exceptionals		2,029	59	540	(1,333)	14,820	1,704	0	0	0
Profit Before Tax (norm)		79,079	73,075	69,062	86,469	76,471	136,624	164,705	184,081	202,847
Profit Before Tax (reported)		58,488	25,235	44,037	(20,049)	76,465	104,002	143,440	164,316	183,082
Reported tax		(31,809)	(19,540)	(9,470)	(13,375)	(25,527)	(34,720)	(45,184)	(51,759)	(57,671)
Profit After Tax (norm)		34,615	30,034	36,179	56,205	50,942	91,013	112,823	126,095	138,950
Profit After Tax (reported)		26,679	5,695	34,567	(33,424)	50,938	69,282	98,257	112,556	125,411
Minority interests		(13,772)	(3,103)	(6,431)	(3,209)	(5,137)	(10,103)	(12,539)	(13,465)	(14,297)
Discontinued operations		1,332	0	5,766	116,967	0	0	0	0	0
Net income (normalised)		20,843	26,938	29,748	52,996	45,805	80,910	100,284	112,630	124,653
Net income (reported)		14,239	2,592	33,902	80,334	45,801	59,179	85,718	99,091	111,114
Average number of shares outstanding (m)		210.5	198.8	203.2	218.0	224.8	229.9	232.4	232.4	232.4
EPS - diluted normalised (c)		9.7	13.2	14.2	24.1	19.7	34.1	41.8	46.9	51.9
EPS - basic reported (c)		6.8	1.3	16.7	36.9	20.4	25.7	36.9	42.6	47.8
EPS - Company underlying uEPS (c)		9.9	13.5	16.0	6.1	17.1	30.5	38.4	43.8	48.9
Dividend (c)		7.0	6.6	39.3	77.7	7.1	15.5	19.2	21.9	24.5
Revenue growth (%)		(2.7)	(2.5)	10.6	13.1	(22.4)	(8.8)	3.8	3.5	3.5
Gross margin (%)		17.6	16.8	16.1	14.5	21.6	25.0	25.3	25.3	25.2
Adjusted EBITDA margin (%)		3.9	3.7	3.5	3.5	4.8	6.8	7.2	7.4	7.5
Normalised operating margin (%)		2.5	2.4	2.2	2.4	3.3	5.3	5.7	5.9	6.1
BALANCE SHEET										
Non-Current Assets		512,598	554,690	613,155	621,117	748,153	926,418	918,700	912,907	907,645
Intangible Assets		291,279	314,486	320,089	293,184	335,621	334,188	328,779	325,160	321,905
Tangible Assets		43,300	39,987	32,517	33,054	35,823	31,587	29,278	27,104	25,096
Right-of-use assets		83,953	94,837	80,639	56,248	55,991	70,711	70,711	70,711	70,711
Investments & other		94,066	105,380	179,910	238,631	320,718	489,932	489,932	489,932	489,932
Current Assets		2,083,928	2,242,568	2,399,078	3,005,148	2,885,183	3,046,870	3,167,492	3,319,456	3,479,106
Stocks		253,271	242,005	309,227	411,059	324,868	269,788	294,579	313,093	332,564
Debtors		1,110,510	1,108,105	1,223,824	1,508,470	1,488,867	1,632,973	1,736,641	1,808,938	1,884,246
Cash & cash equivalents		347,189	488,632	453,926	584,683	569,035	584,113	575,410	635,612	699,434
Other		372,958	403,826	412,101	500,936	502,413	559,996	560,862	561,814	562,862
Current Liabilities		(1,765,823)	(1,980,013)	(2,152,175)	(2,838,892)	(2,795,606)	(2,940,545)	(2,973,387)	(3,033,992)	(3,096,088)
Creditors		(1,275,690)	(1,401,804)	(1,544,198)	(2,058,150)	(2,014,909)	(2,222,026)	(2,249,046)	(2,304,029)	(2,360,298)
Short term borrowings		(338,945)	(392,877)	(433,176)	(577,224)	(581,233)	(501,381)	(501,381)	(501,381)	(501,381)
Lease liabilities		(34,325)	(36,398)	(32,870)	(27,005)	(26,243)	(29,255)	(29,255)	(29,255)	(29,255)
Other		(116,863)	(148,934)	(141,931)	(176,513)	(173,221)	(187,883)	(193,705)	(199,327)	(205,153)
Long-Term Liabilities		(187,610)	(176,624)	(229,112)	(255,033)	(268,586)	(438,136)	(440,095)	(441,986)	(443,947)
Long-term borrowings		(18,638)	(42,371)	(56,440)	(41,624)	(39,138)	(36,369)	(36,369)	(36,369)	(36,369)
Lease liabilities		(95,148)	(77,847)	(61,523)	(45,412)	(45,548)	(53,363)	(53,363)	(53,363)	(53,363)
Other long-term liabilities		(73,824)	(56,406)	(111,149)	(167,997)	(183,900)	(348,404)	(350,363)	(352,254)	(354,215)
Net Assets		643,093	640,621	630,946	532,340	569,144	594,607	672,711	756,386	846,716
Minority interests		(70,778)	(57,465)	(67,516)	(60,331)	(67,911)	(73,669)	(86,208)	(99,673)	(113,970)
Shareholders' equity		572,315	583,156	563,430	472,009	501,233	520,938	586,503	656,712	732,746
CASH FLOW										
Op Cash Flow before WC and tax		169,980	157,888	162,842	191,840	188,816	248,571	272,393	287,924	304,189
Working capital		57,231	79,903	(76,807)	(18,203)	29,583	81,612	(93,658)	(28,314)	(30,724)
Exceptional & other		19,330	(3,453)	10,677	(231)	(42,829)	(43,370)	(866)	(952)	(1,048)
Tax		(36,941)	(36,597)	(26,282)	(24,182)	(27,108)	(40,338)	(45,184)	(51,759)	(57,671)
Operating cash flow		209,600	197,741	70,430	149,224	148,462	246,475	132,686	206,898	214,747
Capex		(28,036)	(35,145)	(24,841)	(36,669)	(39,511)	(26,371)	(27,481)	(28,640)	(29,851)
Acquisitions/disposals		(9,179)	(3,694)	(16,424)	114,821	(15,645)	690	0	0	0
Net interest		(30,972)	(25,745)	(31,265)	(38,596)	(55,465)	(56,770)	(52,421)	(47,842)	(44,661)
Equity financing		(51,683)	(2,808)	(6,150)	(7,725)	6,633	(12,657)	0	0	0
Dividends		(15,137)	(4,905)	(43,136)	(154,399)	(13,925)	(12,421)	(35,918)	(44,646)	(50,845)
Other		20,019	1,880	(2,034)	(2,914)	(13,161)	(3,767)	(25,568)	(25,568)	(25,568)
Net Cash Flow		94,612	127,324	(53,420)	23,742	17,388	135,179	(8,703)	60,201	63,822

Source: Edison Investment Research. Note: FY24 revenue restated to reflect new revenue recognition policy implemented in Westcon from FY25.

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