EDISON

Datatec

FY26 trading update

Exceptional earnings growth in FY26

Software and comp services

7 May 2026

In advance of its full year results on 26 May, Datatec has published a trading statement confirming that underlying EPS was at least 31.7% higher y-o-y and at least 3.5% ahead of our forecast. The group benefited from exceptional performance in Logicalis International, very strong performance in Westcon and improved overall financial performance in Logicalis Latin America. Headline and reported EPS both exhibited strong growth (at least 51% and 48% y-o-y respectively) but are below our estimates. We maintain our forecasts.

Year end	Revenue ($m)	PBT ($m)	EPS (¢)	DPS (¢)	P/E (x)	Yield (%)
2/24	3,992.4	76.5	19.66	7.07	22.8	1.6
2/25	3,639.7	136.6	34.07	15.45	13.2	3.4
2/26e	3,759.9	176.8	44.43	22.71	10.1	5.1
2/27e	3,947.9	204.6	51.86	26.67	8.6	5.9

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

As FY26 results are likely to differ by at least 20% compared to FY25 results, the company has provided a trading statement. This follows on from the previous trading update published in March, which provided information on divisional gross profit performance. All EPS measures are basic.

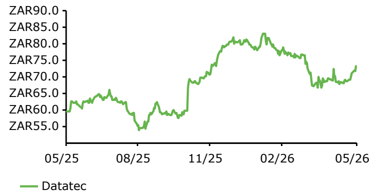
- **Underlying EPS** is expected to be 47.0–49.0c, 31.7% to 37.3% higher than the recalculated underlying EPS of 35.7c in FY25. This compares to our 45.4c forecast. During FY26, to align more closely with peers, the company decided to start excluding share-based payments from underlying EPS, hence the FY25 recalculation.
- **Headline EPS** is expected to be in the range 38.5–40.5c, up 51.0% to 58.8% versus FY25. This compares to our 45.7c forecast.
- **Reported EPS** is expected to be in the range 38.0–40.0c, up 47.9% to 55.6% versus FY25. This compares to our 45.5c forecast.

As the company had previously reported that FY26 gross profit was 10% higher than in FY25, the growth in earnings highlights the operational leverage of the group in FY26.

The company is scheduled to report full FY26 results on 26 May.

Price	**ZAR73.50**
Market cap	**ZAR17,541m**
Net cash/(debt) at end H126	$(54.4)m
Shares in issue	238.7m
Free float	60.7%
Code	DTCJ
Primary exchange	JSE
Secondary exchange	OTCQX

Share price performance



Business description

Datatec is a South African-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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