Datatec

FY26 results

AI demand drives strong performance

Software and comp services

26 May 2026

Datatec reported another year of strong performance in FY26, with gross profit and adjusted EBITDA growth across all divisions. Underlying EPS (uEPS) was 35.0% higher y-o-y supporting a 45.5% increase in the full year dividend. Despite the difficult geopolitical environment, the company continues to see good levels of demand, particularly for infrastructure that supports enterprise adoption of AI. For FY27, the company expects continued improved financial performance. We are reviewing 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	26.8	1.3
2/25	3,551.9	136.6	34.07	15.45	15.4	2.9
2/26	3,670.0	176.8	45.93	23.80	11.5	4.5
2/27e	3,947.9	204.6	51.86	26.67	10.1	5.1

Note: PBT and diluted EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. FY25 revenue restated.

At the group level, Datatec reported a 9.3% increase in gross invoiced income (GII), 9.6% growth in gross profit, 17.8% growth in adjusted EBITDA, 35.0% growth in uEPS and 56.5% growth in headline EPS.

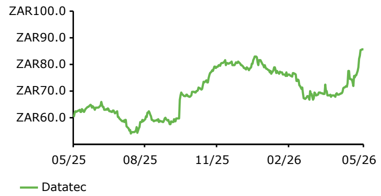
At a divisional level, Westcon saw a 9.6% increase in GII, a 13.1% increase in gross profit (9.6% underlying) and a 15.0% increase in adjusted EBITDA, with the adjusted EBITDA margin growing 0.9pp to 8.9%. Logicalis International saw GII growth of 11.8%, gross profit growth of 8.0% and adjusted EBITDA growth of 21.8%. The adjusted EBITDA margin increased 1.2pp to 9.2%. Logicalis Latin America saw a GII decline of 1.3%; despite this gross profit grew 1.4% and adjusted EBITDA grew 20.9%, with the adjusted EBITDA margin increasing 1.0pp to 5.4%. The rate of conversion of gross profit to EBITDA improved at a group level from 27.0% in FY25 to 29.1% in FY26, with improvements in each division: Westcon from 34.0% to 34.5%, Logicalis International from 26.3% to 29.7% and Logicalis Latin America from 19.4% to 23.1%.

Working capital requirements increased to support the higher level of demand; despite this net debt reduced 10.4% y-o-y to $46.7m.

The company declared a final dividend of 225 ZAR cents/14 US cents making a full year dividend of 400 ZAR cents/24 US cents (+45.5%).

Price	**ZAR85.82**
Market cap	**ZAR20,481m**
	ZAR16.3:US$1
Net cash/(debt) at end FY26 (update)	$(46.7)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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Edison profile page

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