Datatec

FY26 trading update

Software and comp services

FY26 gross profit growth of 10%

31 March 2026

Datatec has provided a trading update for FY26, which confirms that group gross margin grew 10% y-o-y (1.1% ahead of our forecast), as the company continued to benefit from demand for its technology solutions and services. Financial performance for H226 was characterised as strong for Weston and exceptional for Logicalis International, with Logicalis Latin America showing continued improvement in FY26 versus FY25. We maintain our forecasts pending full FY26 results on 26 May.

Year end	Revenue ($m)	PBT ($m)	EPS (¢)	DPS (¢)	P/E (x)	Yield (%)
2/24	3,992.4	76.5	19.66	7.07	20.5	1.8
2/25	3,639.7	136.6	34.07	15.45	11.8	3.8
2/26e	3,759.9	176.8	44.43	22.71	9.1	5.6
2/27e	3,947.9	204.6	51.86	26.67	7.8	6.6

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

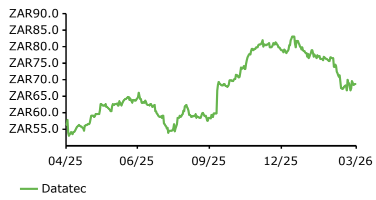
As an increasing proportion of software and services is accounted for on a net basis, reported revenue comparability is low. Instead, the company disclosed gross profit performance by division for FY26 as this represents a more accurate reflection of underlying performance and growth.

- **Westcon**: gross profit increased 13% to $499m, 1.8% ahead of our $490m forecast. The company noted that financial performance in H226 was very strong.
- **Logicalis International:** gross profit increased 8% to $386m, 1.6% ahead of our $380m forecast. Financial performance in H226 was exceptional.
- **Logicalis Latin America:** gross profit increased 1% to $105m, 3.6% below our $109m forecast. Overall financial performance in FY26 continued to improve compared to FY25.
- **Corporate and Management Consulting:** gross profit was flat at $8m and in line with our forecast.

Group gross profit of $998m was 10% higher y-o-y and 1.1% ahead of our $987m forecast.

Price	**ZAR69.21**
Market cap	**ZAR16,455m**
	ZAR17.2:$1
Net cash/(debt) at end H126	$(54.4)m
Shares in issue	238.7m
Free float	81.0%
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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