

Datatec Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1994/005004/06)
ISIN: ZAE000017745
Share Code: DTC
("Datatec" or "the Group")

BUSINESS UPDATE

Introduction and background

Datatec, the international Information and Communications Technology (ICT) group, is today publishing a business update for the four months ended 30 June 2020 ("4M FY21").

When Datatec issued its results for the financial year ended 28 February 2020 ("FY20") on 27 May 2020, the Group indicated that trading subsequent to FY20 had remained steady and that Westcon International revenues and order intake for the first quarter of FY21 ("Q1 FY21") were similar to the same period in the prior financial year ("Q1 FY20"). For Logicalis, order intake for Q1 FY21 was similar to Q1 FY20, with revenues for Q1 FY21 slightly lower than Q1 FY20. The Group also indicated that cash collections from customers during the first few months of FY21 have remained in line with historic norms.

4M FY21 update (March to June 2020):

Group revenues for 4M FY21 were slightly lower than revenues for the four months ended 30 June 2019 ("4M FY20"). Operating costs were much lower than in 4M FY20, resulting in meaningful operating leverage and improved EBITDA for the Group.

Westcon International revenues for 4M FY21 were slightly higher compared to 4M FY20 with improved EBITDA. Demand was strong for networked cloud computing, remote access solutions for home working and virtual office environments, unified communications and enhanced network security.

Logicalis revenues for 4M FY21 were modestly lower compared to 4M FY20, but with much improved EBITDA, driven mainly by Europe and the US, while Latin America and Asia Pacific continued to be impacted by currency translation. Services revenues were strong.

Given the uncertain operating environment, the Group continues with its policy of not issuing any forward-looking guidance. Our focus remains on optimising our business in the current environment, which includes cost and liquidity management.

The financial information on which this statement is based has not been reviewed or reported on by the Group's external auditors.

Johannesburg
21 July 2020

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