

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

TRADING STATEMENT FOR THE SIX MONTHS ENDED 31 AUGUST 2022

Datatec Limited (JSE: DTC, "Datatec" or "the Group" or "the Company"), the international Information and Communications Technology (ICT) company is publishing a trading statement for the six months ended 31 August 2022 ("H1 FY23"). The comparative six months ended 31 August 2021 is referred to as "H1 FY22" throughout this announcement.

As indicated in the annual results for the year ended 28 February 2022 released on 24 May 2022, headwinds resulting from semiconductor shortages, compounded by various factors, including the war in Ukraine, Covid-19 lockdowns in China and global inflationary pressures, would continue to disrupt global supply chains for the foreseeable future. Latin America in particular was expected to be impacted during H1 FY23 as macroeconomic challenges across much of the region added to the severe supply chain constraints. In addition, the material strengthening of the US Dollar affected all divisions.

Against this backdrop, Westcon had a strong financial performance during H1 FY23. As expected, Logicalis Latin America had a challenging first half but early signs of an easing of supply chain constraints have appeared in the region. The rest of Logicalis had a relatively more resilient performance in H1 FY23. Backlog in both Westcon and Logicalis remains high and order intake remains strong, despite persisting overall supply chain pressures.

From H1 FY23 onwards, Logicalis will be reported as two segments: Logicalis Latin America and Logicalis International (representing the Logicalis business outside of Latin America). This new presentation will give investors a better picture of the factors affecting the underlying performance of the respective businesses and is also aligned with the Group's strategic objectives.

Analysys Mason's result is still consolidated for H1 FY23, as the disposal transaction only concluded during H2 FY23. The earnings figures below therefore include the performance of Analysys Mason which will be presented as a disposal group and shown separately as discontinued operations in the H1 FY23 interim financial statements.

In terms of the JSE Limited Listings Requirements, companies are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported on next will differ by at least 20% from the previous corresponding reporting period.

Datatec now expects the following earnings per share ranges for H1 FY23:

- **Earnings per share** of between 4.5 to 5.5 US cents (H1 FY22: 6.3 US cents), being 1.8 to 0.8 US cents (28.6% to 12.7%) lower than H1 FY22.
- **Headline earnings per share** of between 4.0 and 5.0 US cents (H1 FY22: 6.3 US cents), being 2.3 to 1.3 US cents (36.5% to 20.6%) lower than H1 FY22.
- **Underlying* earnings per share** of between 3.0 and 4.0 US cents (H1 FY22: 8.3 US cents), being 5.3 to 4.3 US cents (63.9% to 51.8%) lower than H1 FY22.

Forecast information

The estimated financial information contained in this trading statement has not been reviewed nor reported on by the Group's external auditors.

The Company expects to release its interim results for H1 FY23 on or about 3 November 2022.

** underlying earnings per share excludes normalisation adjustments: impairments of goodwill and intangible assets, profit or loss on sale of investments and assets, amortisation of acquired intangible assets, unrealised foreign exchange movements, acquisition-related adjustments, fair value movements on acquisition-related financial instruments, restructuring costs relating to fundamental reorganisations, one-off tax items impacting EBITDA, costs relating to acquisitions, integrations and corporate actions and the taxation effect of all of the aforementioned.*

Please note that the definition of underlying earnings per share has been changed prospectively from H1 FY23 to better align with international peer reporting. The calculation now excludes normalisation adjustments relating to one-off tax items impacting EBITDA, costs relating to acquisitions, integrations and corporate actions.

Sandton
11 October 2022

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