

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

TRADING STATEMENT

Datatec, the international Information and Communications Technology (ICT) company, is publishing a trading statement for the financial year ended 28 February 2023 ("FY23"). The comparative year ended 28 February 2022 is referred to as FY22 throughout this announcement.

The Group delivered a strong operational performance during FY23 benefiting from continuing strong trends in networking and cyber security. Westcon International delivered another excellent financial performance. Logicalis International achieved a solid result and Logicalis Latin America had a much improved second half, with signs of supply chain improvements materialising.

During FY23, Datatec also successfully concluded the disposal of Analysys Mason and the US\$109.9 million profit on sale of the division is reflected in the basic earnings per share metric but not the headline or underlying* earnings per share metrics below.

Further to the trading update on 27 March 2023, Group revenue for FY23 is expected to be approximately US\$5.14 billion, representing a 13% increase on the US\$4.55 billion generated in FY22 from continuing operations following the disposal of Analysys Mason.

The excellent performance of Westcon International in recent years has driven an increase in the valuation of the division resulting in an exceptionally high IFRS 2 charge for the Group of US\$52.6 million from continuing operations and US\$2.6 million from discontinued operations in FY23 relating to its share-based remuneration plans which materially impacted all of the earnings metrics noted below.

If underlying* earnings per share was normalised to exclude the IFRS 2 charge from continuing and discontinued operations, FY23 underlying* earnings per share would be 29.5 US cents (FY22: 27.4 US cents). The board intends to use this normalised earnings metric as a reference point when considering any final dividend declaration for FY23.

In terms of paragraph 3.4(b)(i) 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 FY22.

The preparation of the FY23 results has reached the stage where the Group has such a reasonable degree of certainty and advises shareholders as follows:

- **Earnings per share** is expected to be 36.9 US cents (FY22: 16.7 US cents) being 20.2 US cents (more than 100%) higher than FY22;

- **Headline loss per share** is expected to be 9.3 US cents (FY22 headline earnings per share: 16.2 US cents) being 25.5 US cents (more than 100%) lower than FY22, mostly impacted by the once-off IFRS 2 charge;
- **Underlying* earnings per share** is expected to be 7.9 US cents (FY22: 18.7 US cents), being 10.8 US cents (58%) lower than FY22.

The financial information on which this trading statement is based has not been reviewed nor reported on by the Group's external auditors.

The Company intends to release its FY23 results on SENS on or about 23 May 2023.

** underlying earnings per share excludes the following: 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, integration and corporate actions and the taxation effect of all of the aforementioned.*

Johannesburg
18 May 2023

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