

DATATEC LIMITED  
 Incorporated in the Republic of South Africa  
 Registration number: 1994/005/004/06  
 Share code JSE: DTC  
 ISIN: ZAE000017745  
 Company tax reference number: 9999/493/71/2.  
 ("Datatec", the "Company" or the "Group")

## CONDENSED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2024 - CASH DIVIDEND WITH SCRIP ALTERNATIVE

Datatec Limited, the international information and communications technology (ICT) group, today publishes its condensed unaudited interim results for the six months ended 31 August 2024 ("the period" or "H1 FY25") on the Stock Exchange News Service ("SENS") which are available on: [www.datatec.com](http://www.datatec.com) and via the JSE link: <https://senspdf.jse.co.za/documents/2024/jse/isse/dtc/H1FY25.pdf>

### Highlights

	Unaudited six months to 31 August 2024 "H1 FY25"	Unaudited six months to 31 August 2023 "H1 FY24"	%
			movement
Revenue (US\$ million)	<b>2,612.1</b>	2,762.7	(5.5)
Gross profit (US\$ million)	<b>432.7</b>	417.9	3.5
EBITDA (US\$ million)	<b>102.5</b>	80.6	27.2
Underlying* earnings per share (US cents)	<b>11.4</b>	7.3	56.2
Earnings per share (US cents)	<b>11.3</b>	6.3	79.4
Headline earnings per share (US cents)	<b>10.5</b>	6.3	66.7
Net asset value (US\$ million)	<b>491.9</b>	476.4	3.3
Net debt (US\$ million)	<b>(108.4)</b>	(174.8)	(38.0)
Interim dividend per ordinary share (ZAR cents)	<b>75.0</b>	0.0	—

*\*Underlying earnings exclude normalisation adjustments: impairments of goodwill and intangible assets, profit or loss on sale of investments and assets, amortisation of acquired intangible assets, 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 on all of the aforementioned. Following a review of peer reporting and to more closely align the definition of underlying\* earnings per share to the Group's Adjusted EBITDA\*\* metric, the Group decided not to exclude unrealised foreign exchange gains or losses from underlying\* earnings from H1 FY25 onwards. The comparative figure for underlying\* earnings per share (which is a non- IFRS measure) for H1 FY24 has been recalculated in accordance with the revised definition.*

*\*\* Adjusted EBITDA excludes restructuring costs, share-based payments, one-off tax items impacting EBITDA and acquisition, integration and corporate actions costs.*

Excellent profit growth and margin expansion in Westcon International

Very strong result from Logicalis International

Improving performance in Logicalis Latin America

Robust operating cash generation

UEPS 11.4 US cents (H1 FY24: 7.3\* US cents)

FY25 interim dividend of ZAR 75 cents per share (approximately 4 US cents)

### **Jens Montanana, chief executive of Datatec, commented:**

“The Group’s much improved year-on-year financial performance was underpinned by Westcon maintaining its positive profit growth trajectory and Logicalis International increasing its profitability strongly. Logicalis Latin America’s overall performance also improved compared to H1 FY24.

Datatec significantly strengthened its operating cash generation and earnings at all levels and is paying an interim dividend of 75 ZAR cents per share.

We expect that all divisions will deliver a better full year over year performance despite some softening in certain European markets.

We continue to deliver on our strategy to enhance the competitiveness and profitability of our subsidiaries.”

### **Group results**

Group revenue was US\$2.61 billion in H1 FY25, down 5.5% compared to the US\$2.76 billion revenue recorded in H1 FY24.

The Group’s gross margin in H1 FY25 was 16.6% (H1 FY24: 15.1%). Gross profit increased by 3.5% to US\$432.7 million (H1 FY24: US\$417.9 million). EBITDA was US\$102.5 million (H1 FY24: US\$80.6 million) and EBITDA margin was 3.9% (H1 FY24: 2.9%).

### **Divisional summary**

#### **Westcon International**

Westcon International’s revenue decreased by 2.9% to US\$1.80 billion (H1 FY24: US\$1.85 billion) due to a change in product mix with more net accounted revenues, as well as a reduction in demand for Cisco product.

Westcon International’s gross profit increased by 6.1% to US\$216.1 million (H1 FY24: US\$203.7 million) and gross margins increased to 12.0% (H1 FY24: 11.0%).

EBITDA increased by 16.5% to US\$69.5 million (H1 FY24: US\$59.7 million) driven by higher gross profits.

## Logicalis International

Logicalis International's revenue decreased by 10.9% to US\$575.0 million (H1 FY24: US\$645.4 million), due to more software and services revenue being net accounted. Gross margin was 28.5% (H1 FY24: 24.4%). Logicalis International's gross profit was US\$164.0 million (H1 FY24: US\$157.5 million).

EBITDA increased by 44.2% to US\$37.2 million (H1 FY24: US\$25.8 million), with a corresponding EBITDA margin of 6.5% (H1 FY24: 4.0%).

## Logicalis Latin America

Logicalis Latin America generated revenue of US\$215.4 million (H1 FY24: US\$262.9 million). The decrease was mainly due to currency translation. Logicalis Latin America's gross margin was 22.4% (H1 FY24: 21.6%). Logicalis Latin America's gross profit was down 14.8% to US\$48.3 million (H1 FY24: US\$56.7 million). EBITDA increased to US\$8.0 million (H1 FY24: US\$5.8 million), with a corresponding EBITDA margin of 3.7%.

## Current trading and outlook

We expect that all divisions will deliver a better full year-over-year performance, despite some softening in certain European markets. The US remains robust, while Latin America appears to be recovering. Overall, sectors such as cyber security and cloud infrastructure remain strong, whilst the networking industry is experiencing a period of slower demand. The Board remains focused on driving shareholder value in the context of its Strategic Review.

The following changes to the Board and Board Committees have taken place as previously announced on SENS:

- Mr C Jones joined the Board as an independent non-executive director and member of the Audit, Risk, and Compliance Committee on 4 June 2024.
- Mr S Davidson retired from the Board on 31 July 2024.
- Mr R Medlock retired from the Board on 31 July 2024.
- Ms S Everaet stood down from the ARCC on 3 June 2024 and took over as Chair of the Social and Ethics Committee on 31 July 2024.

## Cash Dividend and Scrip Distribution alternative

Notice is hereby given that the Board of Datatec has declared an interim distribution for the six months ended 31 August 2024, by way of an interim cash dividend of 75 ZAR cents per Datatec ordinary share ("Cash Dividend") payable to the ordinary shareholders (the "Shareholders"), which will be in proportion to a Shareholder's ordinary shareholding in Datatec at the close of business on the Record Date, being Friday, 6 December 2024.

Shareholders will be entitled, in respect of all or part of their shareholding, to elect to receive new, fully paid ordinary Datatec shares ("Shares") in proportion to their ordinary shareholding on the Record Date as an alternative to the Cash Dividend (the "Scrip Distribution"). The Cash Dividend has been declared and paid out of Datatec's distributable retained profits. A dividend withholding tax of 20% will be applicable in respect of the Cash Dividend to all shareholders not exempt therefrom after deduction of which, the net Cash Dividend is 60 ZAR cents per share. The new Shares issued pursuant to the Scrip Distribution, will not be subject to a dividend withholding tax, and the issue price of the Scrip Distribution (which will equal the volume-weighted average price ("VWAP") of Datatec's shares traded on the JSE for the 30-day trading day period ending on Friday, 22 November 2024 less the amount of the Cash Dividend), will be settled by way of a capitalisation of Datatec's distributable retained profits.

The Company's total number of Shares as at Thursday, 24 October 2024 is 233 219 441. Datatec's income tax reference number is 9999/493/71/2.

The Shareholders will be entitled to receive the Cash Dividend of 75 ZAR cents per share in respect of their shareholding as at the close of trading on the JSE at the close of business on the Record Date, being Friday, 6 December 2024, in proportion to their ordinary shareholding in Datatec and to the extent that such Shareholders have not elected to receive the Scrip Distribution alternative in respect of all or a part of their shareholding.

However, Shareholders will be entitled to elect to receive a Scrip Distribution of new, fully paid Shares in respect of their shareholding in Datatec as at the Record Date, in respect of all or part of their ordinary shareholding, instead of the Cash Dividend.

The number of Scrip Distribution shares to which each of the Shareholders will become entitled pursuant to the Scrip Distribution (subject to their election thereto) will be determined by reference to such Shareholder's ordinary shareholding in Datatec (at the close of business on the Record Date, being Friday, 6 December 2024) in relation to the ratio that 75 ZAR cents bears to the VWAP of a Datatec ordinary share traded on the JSE during the 30-day trading period ending on Friday, 22 November 2024 less the amount of the Cash Dividend (75 ZAR cents), provided that, where the application of this ratio gives rise to a fraction of a share, the rounding principles will be applied. Where a Shareholder's entitlement to new Shares calculated in accordance with the above formula gives rise to a fraction of a new share, such fraction of a new share will be rounded down to the nearest whole number, resulting in allocations of whole Shares and a cash payment for the fraction. The applicable cash payment will be determined with reference to the VWAP of a share traded on the JSE on Wednesday, 4 December 2024, (being the day on which Datatec ordinary shares begin trading 'ex' the entitlement to receive the Cash Dividend or the Scrip Distribution alternative), discounted by 10%.

Details of the ratio and the fractional entitlement will be announced on the Stock Exchange News Service ("SENS") of the JSE in accordance with the timetable below.

A circular providing Shareholders with full information on the Cash Dividend or Scrip Distribution alternative, including a Form of Election to elect to receive the Scrip Distribution alternative will be distributed to Shareholders on or about Wednesday, 6 November 2024 ("the Circular"). The salient dates of events thereafter are as follows:

#### Event

Record date for Shareholders to be registered in the Company's securities register in order to be entitled to receive the Circular	<b>Friday, 1 November</b>
Distribution of Circular announced on SENS on	<b>Wednesday, 6 November</b>
Circular and Form of Election distributed on	<b>Wednesday, 6 November</b>
Finalisation announcement released on SENS in respect of the ratio applicable to the Scrip Distribution Alternative, based on the 30-day VWAP "ex" the Cash Dividend ending on Friday, 22 November 2024, by 11h00 on	<b>Monday, 25 November</b>
Last day to trade in order to be eligible for the Cash Dividend and the Scrip Distribution Alternative	<b>Tuesday, 3 December</b>
Shares trade "ex" the Cash Dividend and the Scrip Distribution Alternative on	<b>Wednesday, 4 December</b>
Listing and trading of maximum possible number of Shares on the JSE in terms of the Scrip Distribution Alternative from the commencement of trading on	<b>Wednesday, 4 December</b>
Announcement released on SENS in respect of the cash payment applicable to fractional entitlements, based on the VWAP of a share traded on the JSE on Wednesday, 4 December 2024, discounted by 10%, by 11h00 on	<b>Thursday, 5 December</b>
Last day to elect to receive the Scrip Distribution Alternative instead of the Cash Dividend, Forms of Election to reach Computershare Investor Services Proprietary Limited, the transfer secretaries of the Company by 12h00 on	<b>Friday, 6 December</b>
Record date in respect of the Cash Dividend and the Scrip Distribution Alternative	<b>Friday, 6 December</b>
Cash Dividend payments made, and CSDP/broker accounts credited/updated with Scrip Distribution Shares on	<b>Monday, 9 December</b>
Announcement relating to the results of the Cash Dividend and the Scrip Distribution Alternative released on SENS on	<b>Monday, 9 December</b>
JSE listing of Shares in respect of the Scrip Distribution Alternative adjusted to reflect the actual number of Shares issued in terms of the Scrip Distribution Alternative at the commencement of trading on or about	<b>Tuesday, 10 December</b>

All times provided are South African local times. The above dates and times are subject to change. Any material change will be announced on SENS.

Share certificates may not be dematerialised or rematerialised between Wednesday, 4 December 2024 and Friday, 6 December 2024, both days inclusive. If Datatec maintains a certificated register, then the register will be closed from Wednesday, 4 December 2024 and Friday, 6 December 2024, both days inclusive.

Payment of the Cash Dividend and the Scrip Distribution alternative is subject to approval by the Financial Surveillance Department of the South African Reserve Bank as noted above.

## **Tax implications**

The Cash Dividend is likely to have tax implications for both resident and non-resident Shareholders. Shareholders are therefore encouraged to consult their professional tax advisers, should they be in any doubt as to the appropriate action to take. In terms of the Income Tax Act 58 of 1962 ("the Income Tax Act"), the Cash Dividend will, unless exempt, be subject to Dividend Withholding Tax ("DWT").

South African resident Shareholders that are liable for DWT will be subject to DWT at a rate of 20% of the Cash Dividend and this amount will be withheld from the Cash Dividend with the result that they will receive a net amount of 60 ZAR cents per share.

## **Other information**

This announcement may contain statements regarding the future financial performance of the Group which may be considered to be forward looking statements. By their nature, forward looking statements involve risk and uncertainty, and although the Group has taken reasonable care to ensure the accuracy of the information presented, no assurance can be given that such expectations will prove to have been correct.

The Group has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements and there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. It is important to note, that:

- i. unless otherwise indicated, forward looking statements indicate the Group's expectations and have not been reviewed or reported on by the Group's external auditors;
- ii. actual results may differ materially from the Group's expectations if known and unknown risks or uncertainties affect its business, or if estimates or assumptions prove inaccurate;
- iii. the Group cannot guarantee that any forward looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these forward looking statements; and
- iv. the Group disclaims any intention and assumes no obligation to update or revise any forward looking statement even if new information becomes available, as a result of future events or for any other reason, other than as required by the JSE Limited Listings Requirements.

The contents of this short form announcement are the responsibility of the Board of Directors of the Company. Shareholders are advised that this short form announcement represents a summary of the information contained in the full announcement, published on SENS via the JSE link <https://senspdf.jse.co.za/documents/2024/jse/isse/dtc/H1FY25.pdf> and on Datatec's website <https://www.datatec.com/interim-results.php> on 24 October 2024, and does not contain full or complete details of the financial results.

Any investment decisions by investors and/or Shareholders should be based on consideration of the full announcement as a whole and Shareholders are encouraged to review the full announcement, which is available as set out above. Copies of the full announcement may be requested from [ir@datatec.com](mailto:ir@datatec.com).

On behalf of the Board

**M Mankanjee**  
Chair

**JP Montanana**  
Chief Executive Officer

**IP Dittrich**  
Chief Financial Officer

24 October 2024

## **Directors**

M Makanjee (Chair)<sup>+</sup>, # JP Montanana (CEO), ≈ IP Dittrich (CFO), # CR Jones<sup>+</sup>, ~ SJ Everaet<sup>+</sup>, MJN Njeke<sup>+</sup>, ^ LC Rapparini<sup>+</sup>, DS Sita<sup>+</sup>

# *British*

^ *Brazilian*

~ *Belgian*

≈ *American*

+ *Non-Executive*

## **Registered office**

3rd Floor, Sandown Chambers, Sandown Village Office Park, 81 Maude Street, Sandton

## **Sponsor**

Pallidus Exchange Services Proprietary Limited

## **Transfer secretaries**

Computershare Investor Services Proprietary Limited