ICT Solutions & Services • Technology Distribution • Management Consulting

DATATEC

Driving Technology

DATATEC GROUP RESULTS

For the year ended 28 February 2022

Agenda

- Summary
  - Overview
  - Current trading
- Financial results
- Operational review
- Prospects & outlook

Summary

Overview, Current trading

Datatec Group

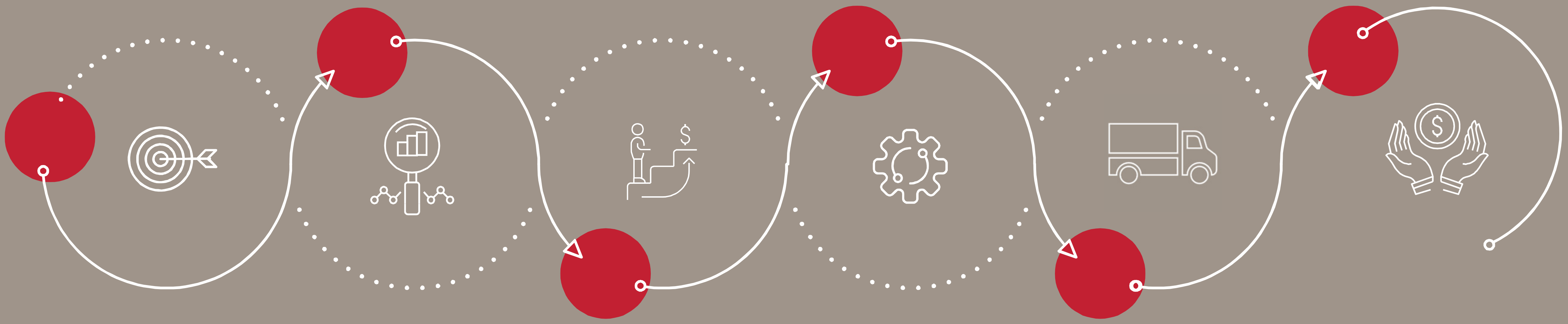
Financial results summary

	Revenue	Gross profit	Adjusted EBITDA*	Underlying EPS
FY 2022	$4.6b	$770.4m	$177.0m	18.7 US¢
FY 2021	$4.1b	$690.5m	$152.5m	13.6 US¢

** Excludes restructuring costs and share-based payments*

Datatec Group

Overview



Strong operational execution in all divisions

Growth in recurring software and services

Elevated demand for networking, cyber security and cloud infrastructure

Solid cost controls producing operating leverage

Supply chain constraints extending lead times and increasing backlog

Ordinary dividend $15m

Datatec Group

Current trading

Continued strong demand in all divisions but increasing backlog	Accelerating move to “aaS” for most cloud technologies & infrastructure	Acute supply chain constraints due to China lock downs and surging energy costs	Strong balance sheet to support growth and inorganic initiatives	Diversified business mix with broad international presence

Financial results

Datatec Group

Financial performance

US$m	FY 2022	FY 2021	% Movement
Revenue	**4,636.8**	4,109.5	13%
Gross profit	**770.4**	690.5	12%
Operating costs	**(615.9)**	(571.9)	8%
EBITDA	**154.5**	118.6	30%
EBITDA margin %	*3.3%*	*2.9%*	
Adjusted EBITDA*	**177.0**	152.5	16%
Adjusted EBITDA margin %*	*3.8%*	*3.7%*	
Depreciation & amortisation	(72.4)	(68.6)	6%
Operating profit	**82.1**	50.0	64%
Operating profit margin %	*1.8%*	*1.2%*	
Net finance costs	**(31.3)**	(25.7)	22%
Profit before tax	**50.9**	25.2	102%
Underlying EPS (US cents)	**18.7**	13.6	
HEPS (US cents)	**16.2**	1.8	

Very **strong** revenue **growth**

Increased share-based payment charge

No **restructuring costs** in FY22

Increased finance costs in Latin America

** Excludes restructuring costs and share-based payments*

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Financial performance - segmental

	ICT Solutions and Services		Technology Distribution~		Management Consulting	
US$m	**FY 2022**	FY 2021	**FY 2022**	FY 2021	**FY 2022**	FY 2021
Revenue	**1,656.0**	1,449.5	**2,890.4**	2,585.7	**90.4**	73.2
Gross profit	**410.8**	367.5	**319.0**	291.0	**40.6**	31.0
Operating costs	**(318.3)**	(285.6)	**(250.9)**	(246.2)	**(29.5)**	(20.8)
EBITDA	**92.5**	81.9	**68.1**	44.8	**11.1**	10.2
EBITDA margin %	*5.6%*	*5.7%*	*2.4%*	*1.7%*	*12.3%*	*13.9%*
Adjusted EBITDA*	**92.8**	96.2	**78.6**	55.2	**18.1**	14.3
Adjusted EBITDA margin %*	*5.6%*	*6.6%*	*2.7%*	*2.1%*	*20.0%*	*19.5%*
Operating profit	**48.9**	40.3	**43.6**	22.2	**7.2**	5.9
Operating profit margin %	*3.0%*	*2.8%*	*1.5%*	*0.9%*	*8.0%*	*8.1%*

** Excludes restructuring costs and share-based payments*
~ Datatec Financial Services has been included in the Technology Distribution segment in FY22

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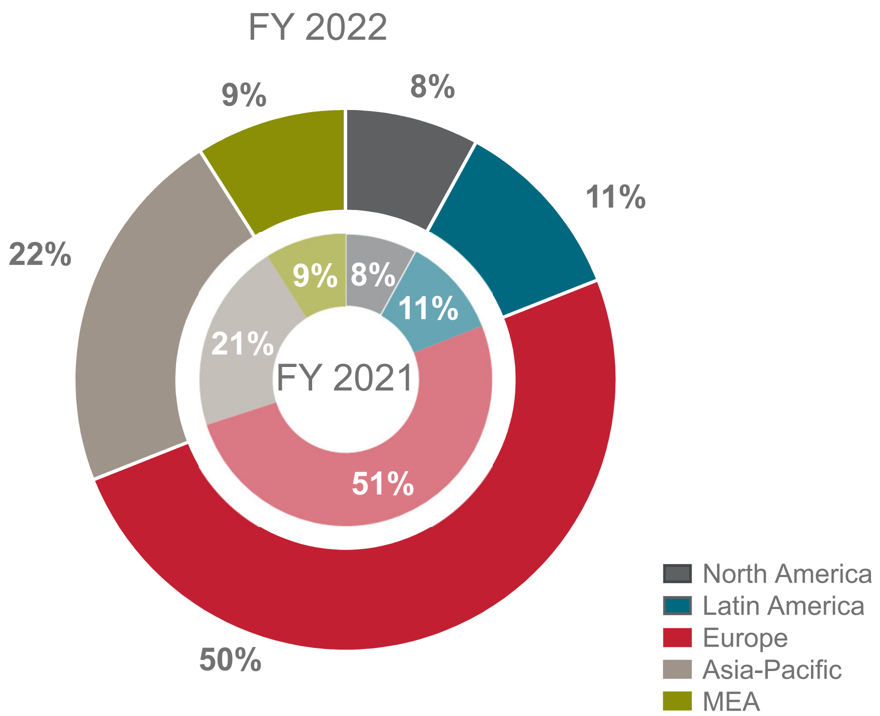
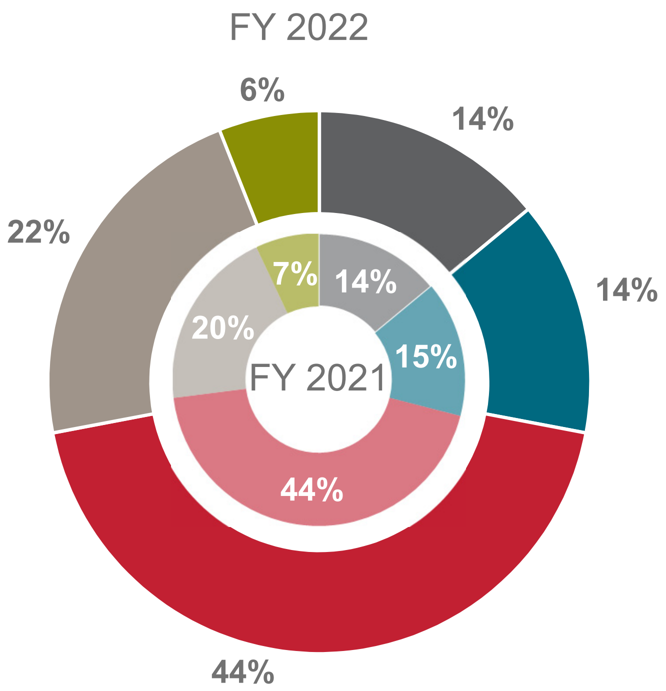
Revenue & gross profit % contribution by geography

Revenue contribution by geography



Gross profit contribution by geography



Revenue and gross profit **mix similar** to prior year

Latin America has been the **most challenged** region

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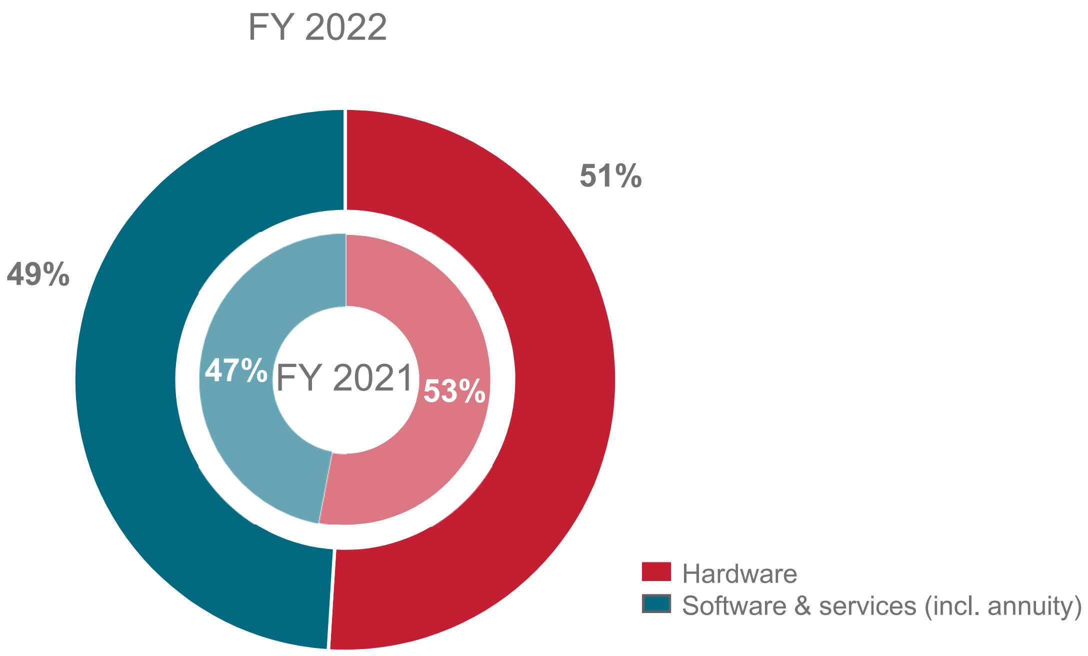
Revenue analysis: hardware vs software & services

Revenue by segment



Strong growth in software and services

Business becoming **less asset intensive**

Hardware impacted by supply chain constraints

Hardware trending to **below 50%** of the revenue mix

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Balance sheet summary

US$m	FY 2022	FY 2021
Assets	**3,012.2**	**2,797.3**
Non-current assets		
Goodwill	262.6	255.5
Acquired intangible assets & software	28.1	33.9
Other non-current assets	322.4	265.3
Current assets	2,399.1	2,242.6
Equity & Liabilities	**3,012.2**	**2,797.3**
Shareholders' funds	563.4	583.2
Non-controlling interests	67.5	57.5
Long-term liabilities	225.1	172.2
Acquisition-related liabilities	4.1	2.6
Current liabilities	2,152.1	1,981.8
Net debt	**(130.1)**	**(60.9)**
Net (debt)/cash excluding lease liabilities	**(35.7)**	**53.4**

Increased net debt due to strong trading and higher inventory

$83m of **dividends** during the year, of which $43m was paid in cash

Structural working capital **improvements**

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Balance sheet summary - segmental

	ICT Solutions and Services		Technology Distribution~		Management Consulting	
US$m	**FY 2022**	FY 2021	**FY 2022**	FY 2021	**FY 2022**	FY 2021
Assets	**1,368.7**	**1,296.8**	**1,443.3**	**1,336.1**	**90.9**	**82.7**
Non-current assets						
Goodwill	239.4	230.8	-	-	23.2	24.7
Acquired intangible assets & software	24.6	27.1	-	2.2	3.5	4.6
Other non-current assets	149.2	143.6	157.1	106.4	11.0	11.9
Current assets	955.5	895.3	1,286.2	1,227.5	53.2	41.5
Liabilities	**986.7**	**935.5**	**1,325.8**	**1,170.4**	**53.3**	**35.7**
Long-term liabilities	109.1	111.4	97.6	47.8	15.1	10.5
Acquisition-related liabilities	4.1	2.6	-	-	-	-
Current liabilities	873.5	821.5	1,228.2	1,122.6	38.2	25.2
Net (debt)/cash	**(151.2)**	**(123.4)**	**(85.0)**	**(19.0)**	**3.7**	**8.8**
Net (debt)/cash excluding lease liabilities	**(97.2)**	**(60.7)**	**(51.3)**	**24.2**	**9.7**	**16.5**

~ Datatec Financial Services has been included in the Technology Distribution segment in FY22

Datatec Group

Cash flow

US$m	FY 2022	FY 2021
EBITDA	**154.5**	**118.6**
Working capital changes	(83.8)	78.2
Other working capital changes	(7.0)	1.7
Other movements	33.0	35.8
Cash generated from operations	**96.7**	**234.3**
Net finance costs paid	(31.2)	(25.7)
Taxation paid	(26.3)	(36.6)
Net cash inflow from operating activities	**39.2**	**172.0**
Net cash outflow for acquisitions	(6.6)	(5.5)
Settlement of acquisition-related option	(5.9)	-
Settlement of acquisition-related liabilities	(2.0)	-
Net cash outflow from other investing activities	(27.1)	(28.7)
Dividend paid to shareholders	(43.1)	-
Net cash (outflow)/inflow from other financing activities	(20.6)	15.0
(Decrease)/increase in cash & cash equivalents	**(66.1)**	**152.8**
Cash & cash equivalents at beginning of year	478.8	332.3
Translation difference on cash & cash equivalents	3.3	(6.3)
Cash & cash equivalents at end of year	**416.0**	**478.8**

Working capital cash flows **impacted** by strong growth and supply chain delays

Positive operating cash generated

$43m dividends paid in cash

Operational review

Logicalis Group

LOGICALIS
Architects of Change

Logicalis Group

Highlights

Strong growth momentum in order intake

Increase in software revenues during FY22

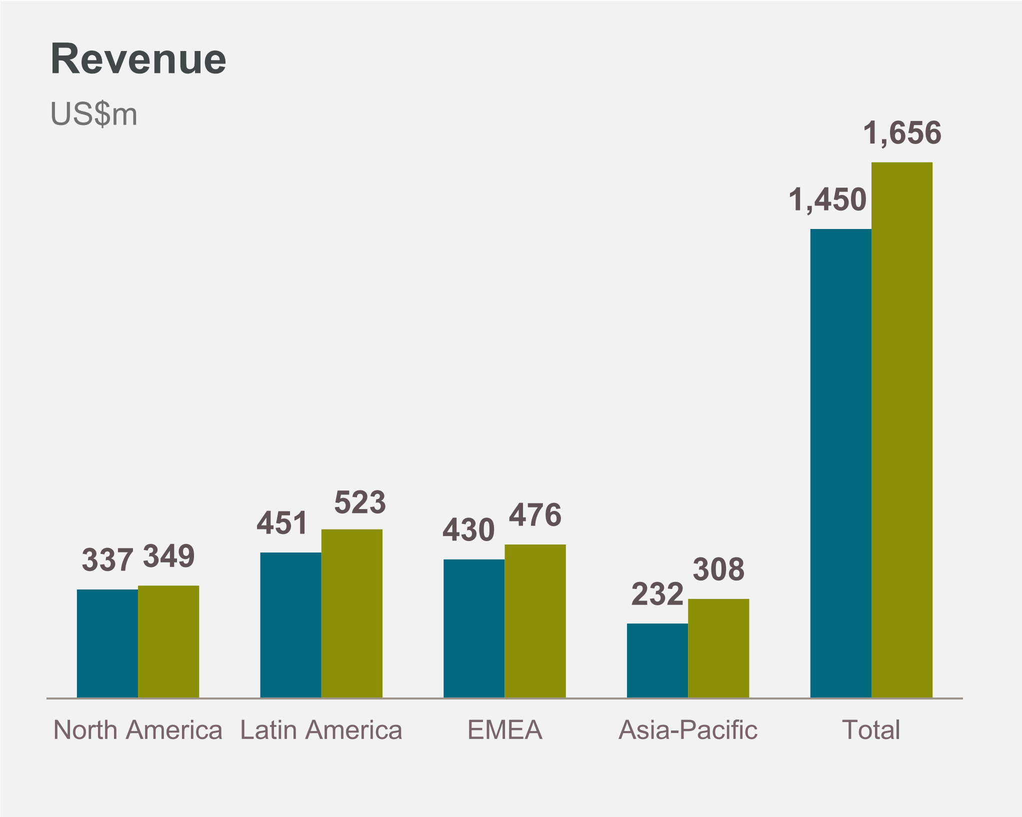
Investments in modern technology capabilities

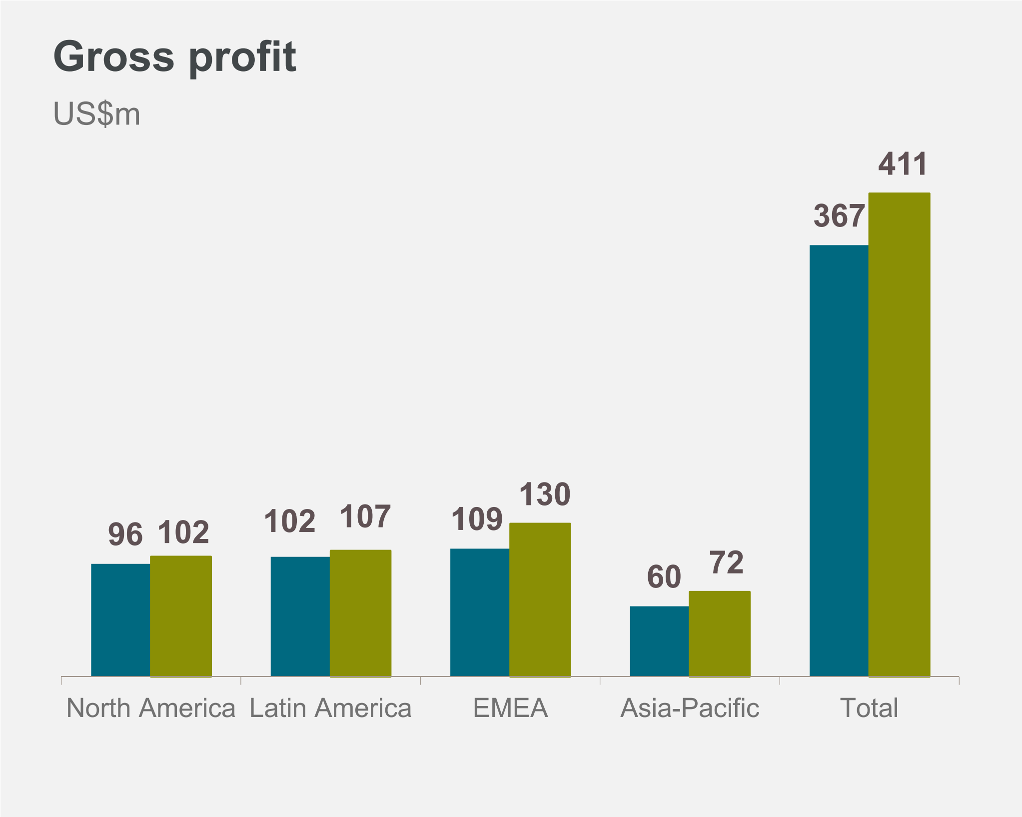
Supply chain delays negatively impacting business

Continuing monthly record new highs for order backlog

Logicalis Group

Revenue & gross profit by geography

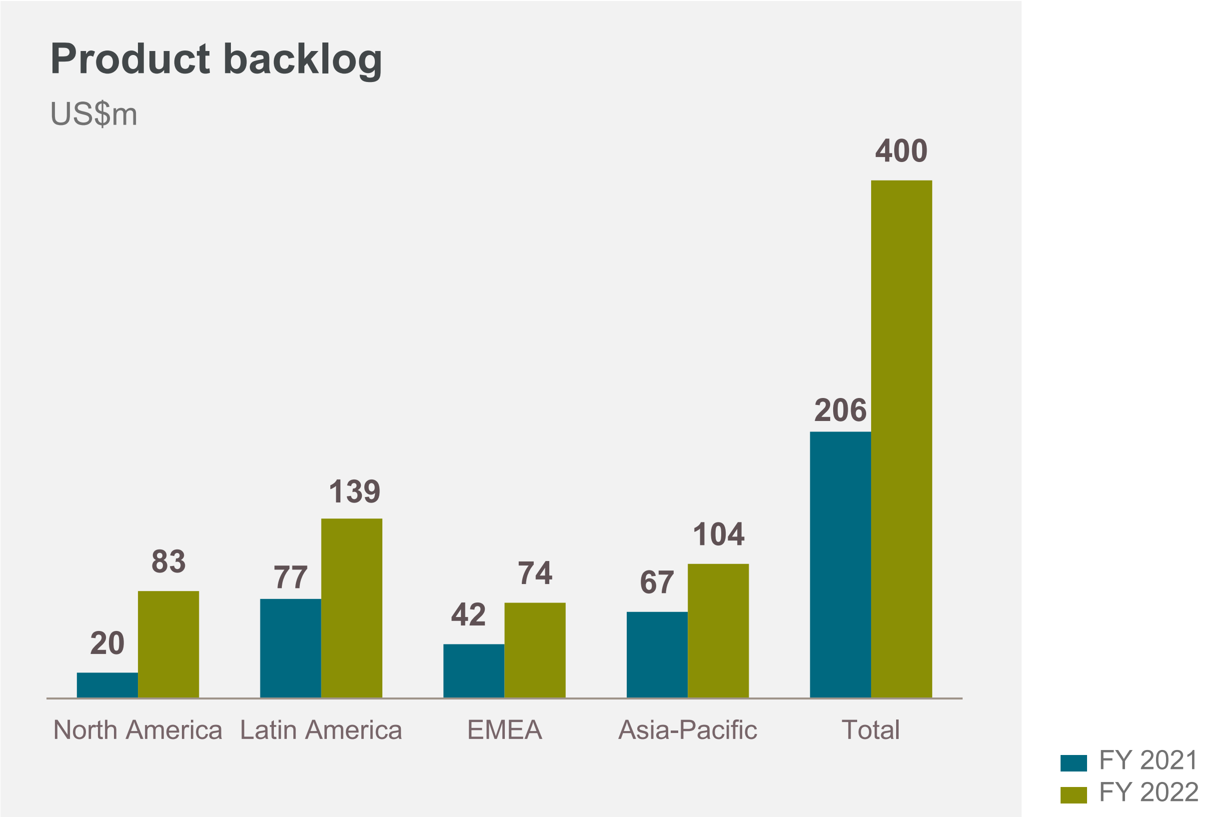




FY 2021
FY 2022

Logicalis Group

Product backlog (on a net revenue basis)

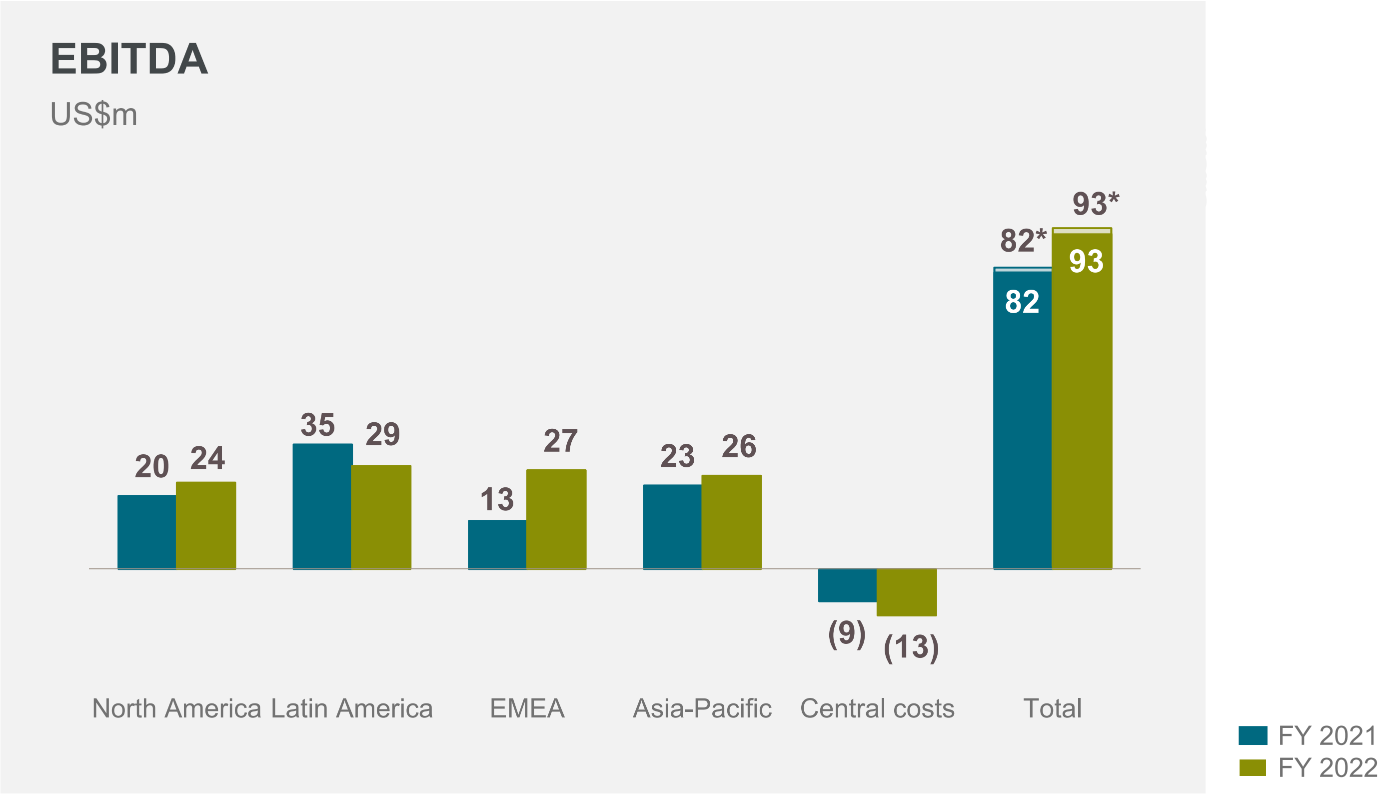


Significant increase in backlog from shipment delays due to **global supply chain issues**

Latin America most impacted

Logicalis Group

EBITDA by geography



Positive **EBITDA growth** across all regions except Latin America

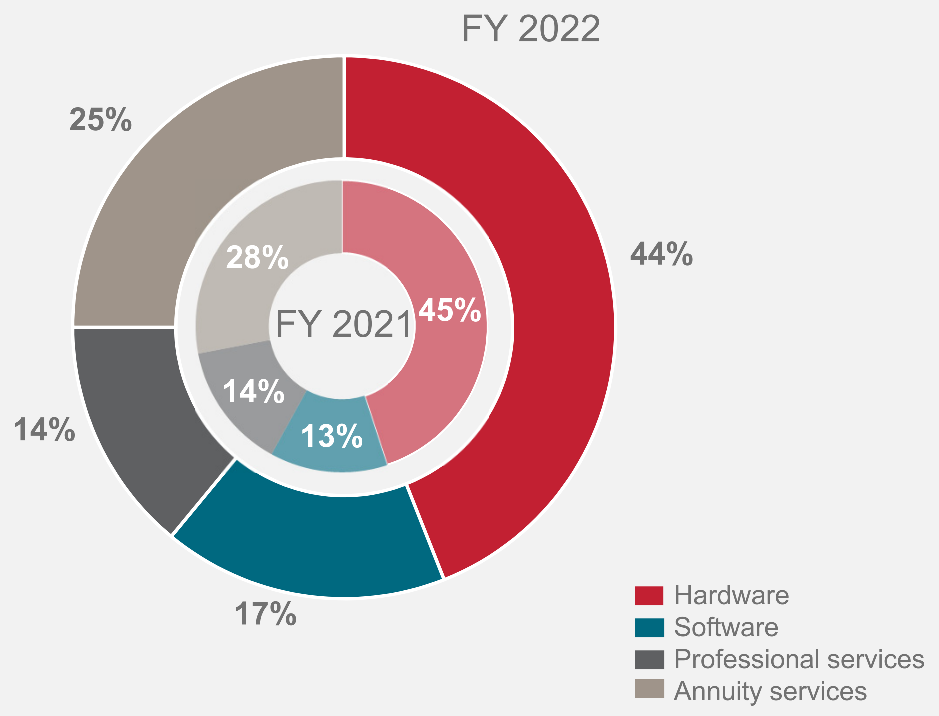
Investments in Global Services and Operations has led to **increased central costs**

** Excluding share-based payment charges*

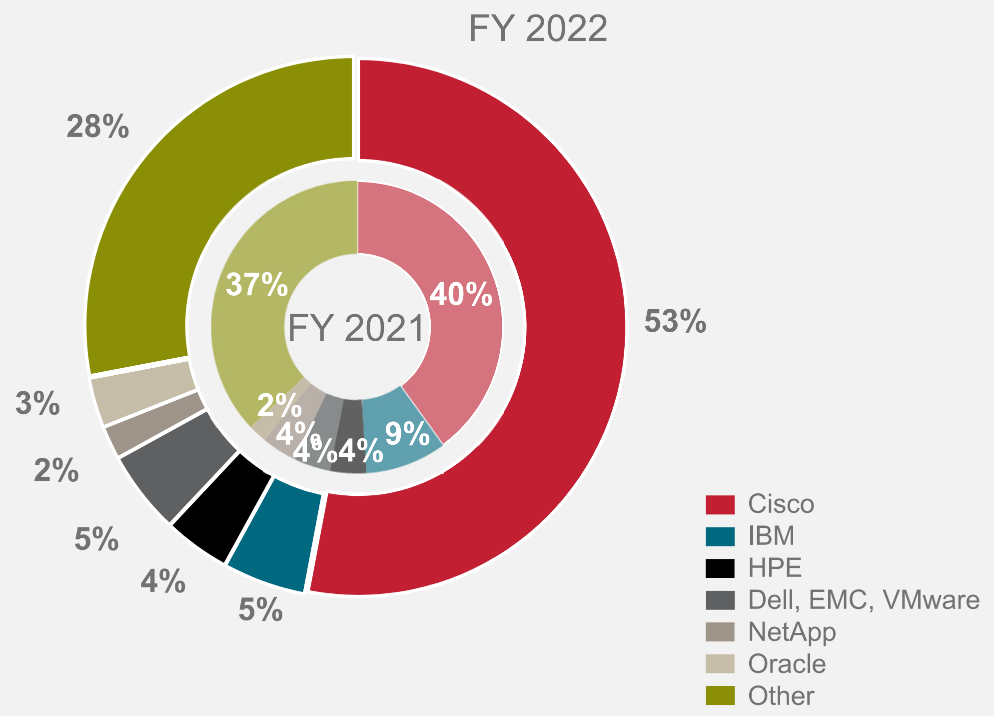
Logicalis Group

Revenue by segment & product revenue by vendor

Revenue by segment



Product revenue by vendor



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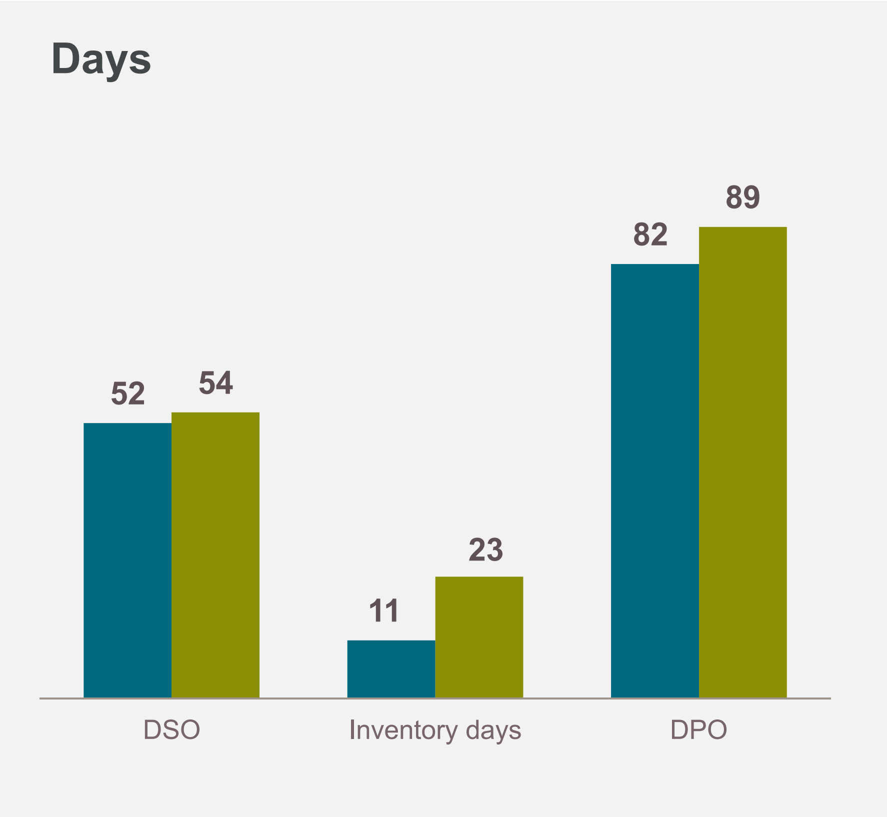
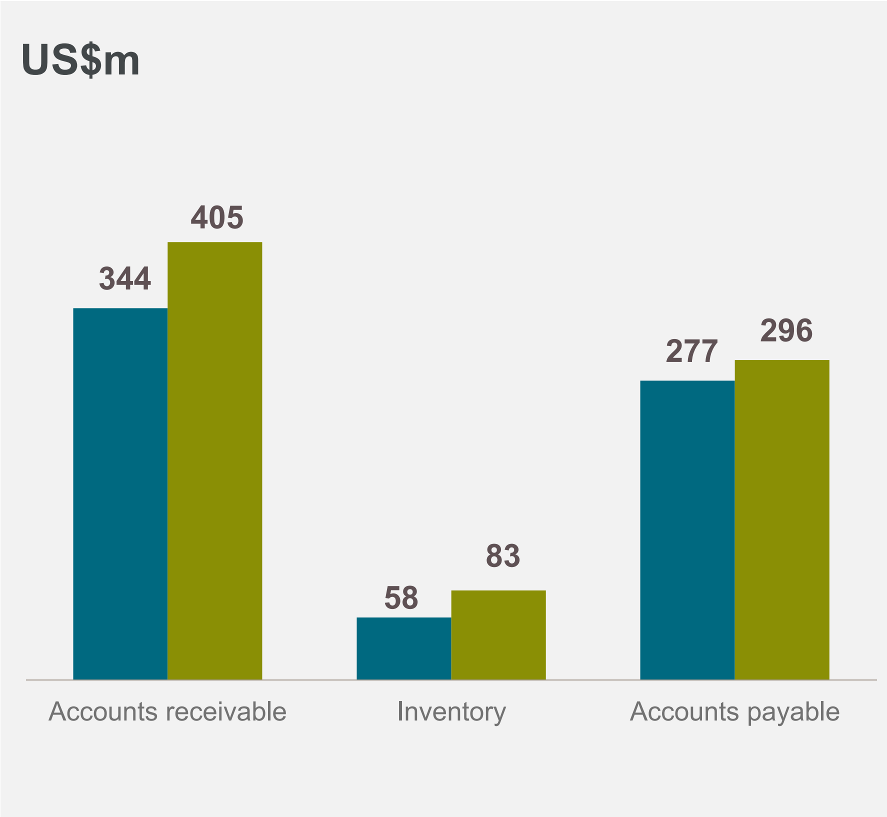
Working capital





FY 2021
FY 2022

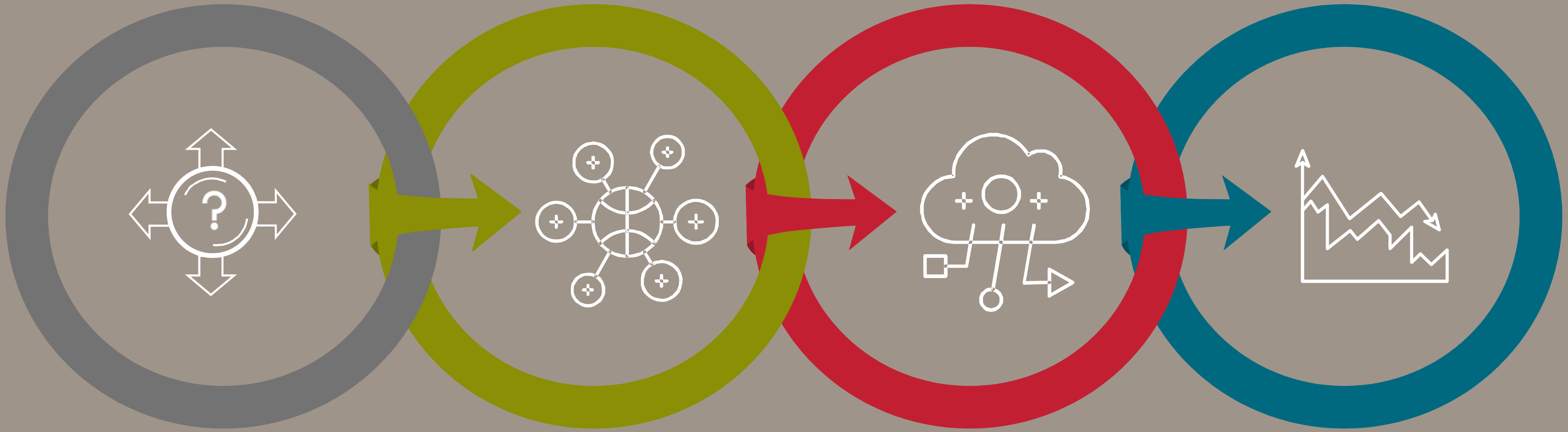
Increase in net working capital **of $67m**

Growth in working capital driven by product sales

Partial shipments **increasing inventories**

Logicalis Group

Outlook



Very uncertain global macroeconomic conditions

Acceleration in the use of digital technologies

Cloud-based digital transformation driving shift to hybrid working

Worsening supply chains set to continue in the near term

Westcon International

Westcon Comstor
Delivering Results Together

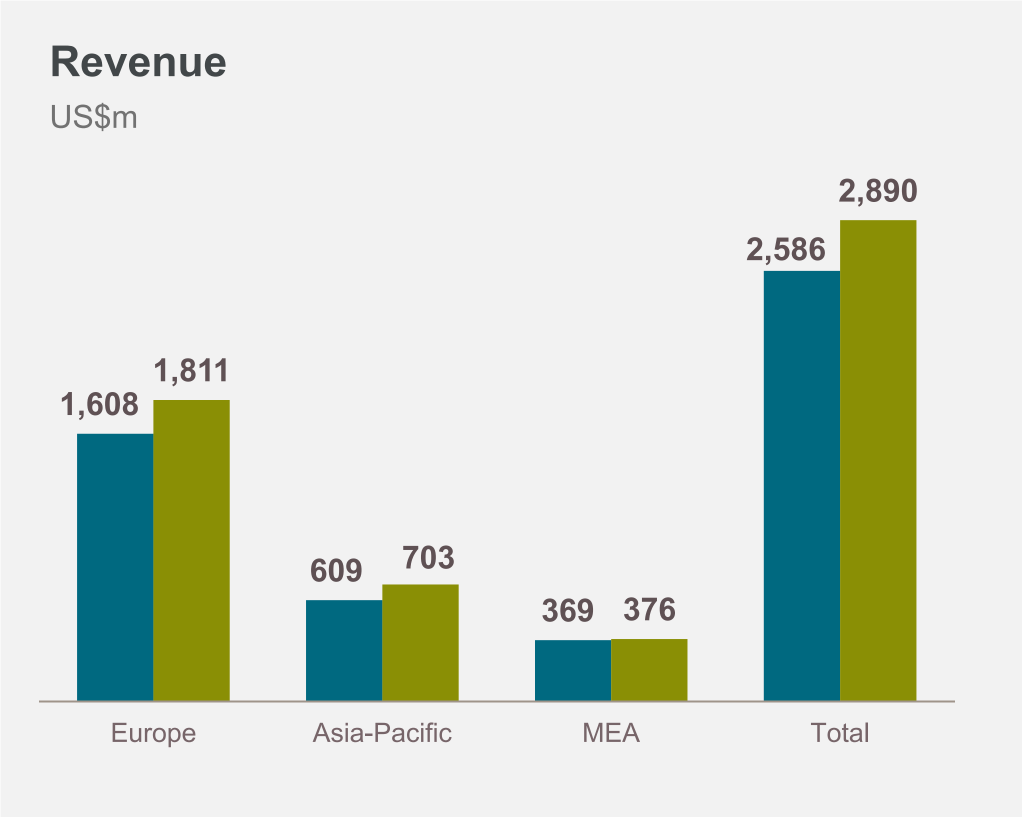
Westcon International

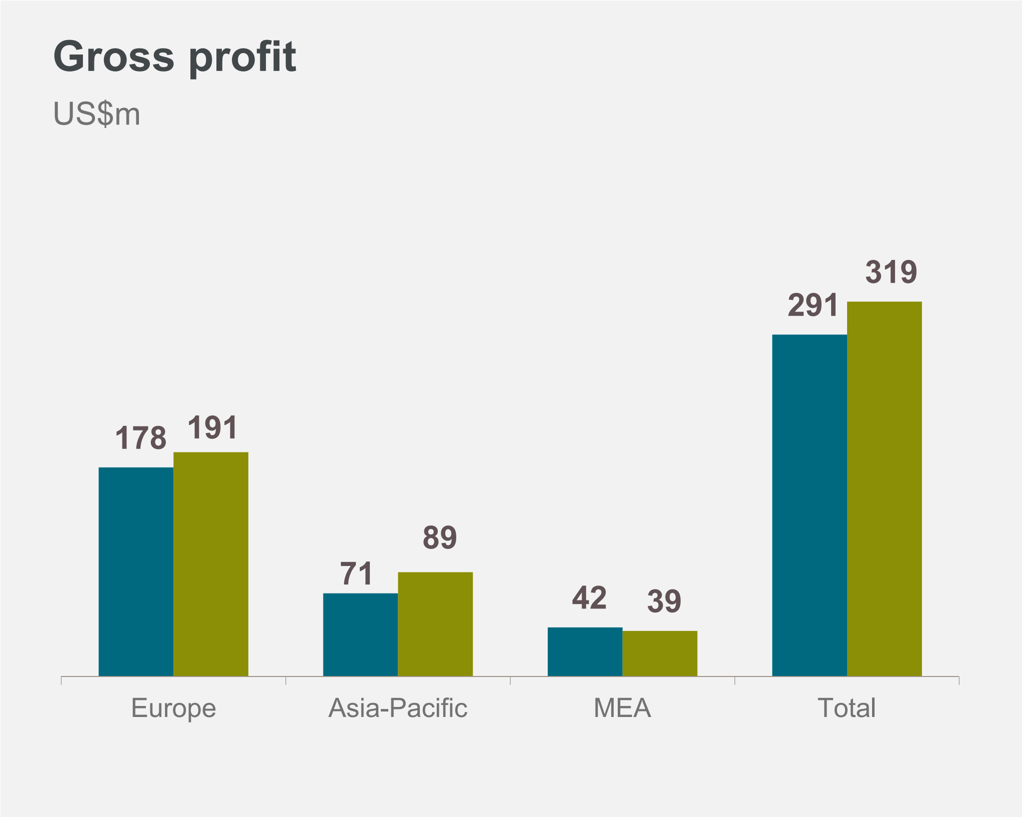
Highlights

- Revenue up 12% and EBITDA up 52%
- Semiconductor shortages impacting product supply
- Significantly improving operating leverage
- Record order intake levels across all product lines
- Strong cash collections throughout the period

Westcon International

Revenue & gross profit by geography

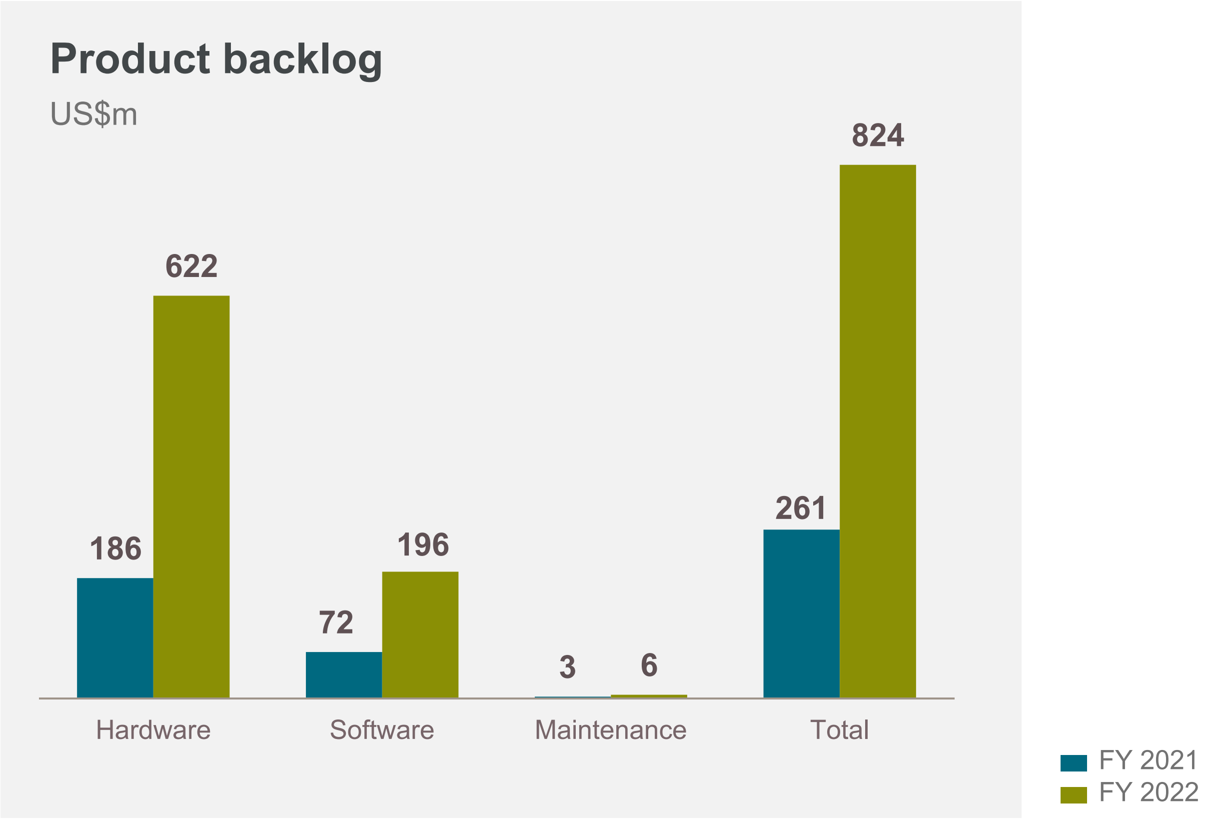




~ Datatec Financial Services has been included in the Westcon International segment in FY22

Westcon International

Product backlog (on a net revenue basis)

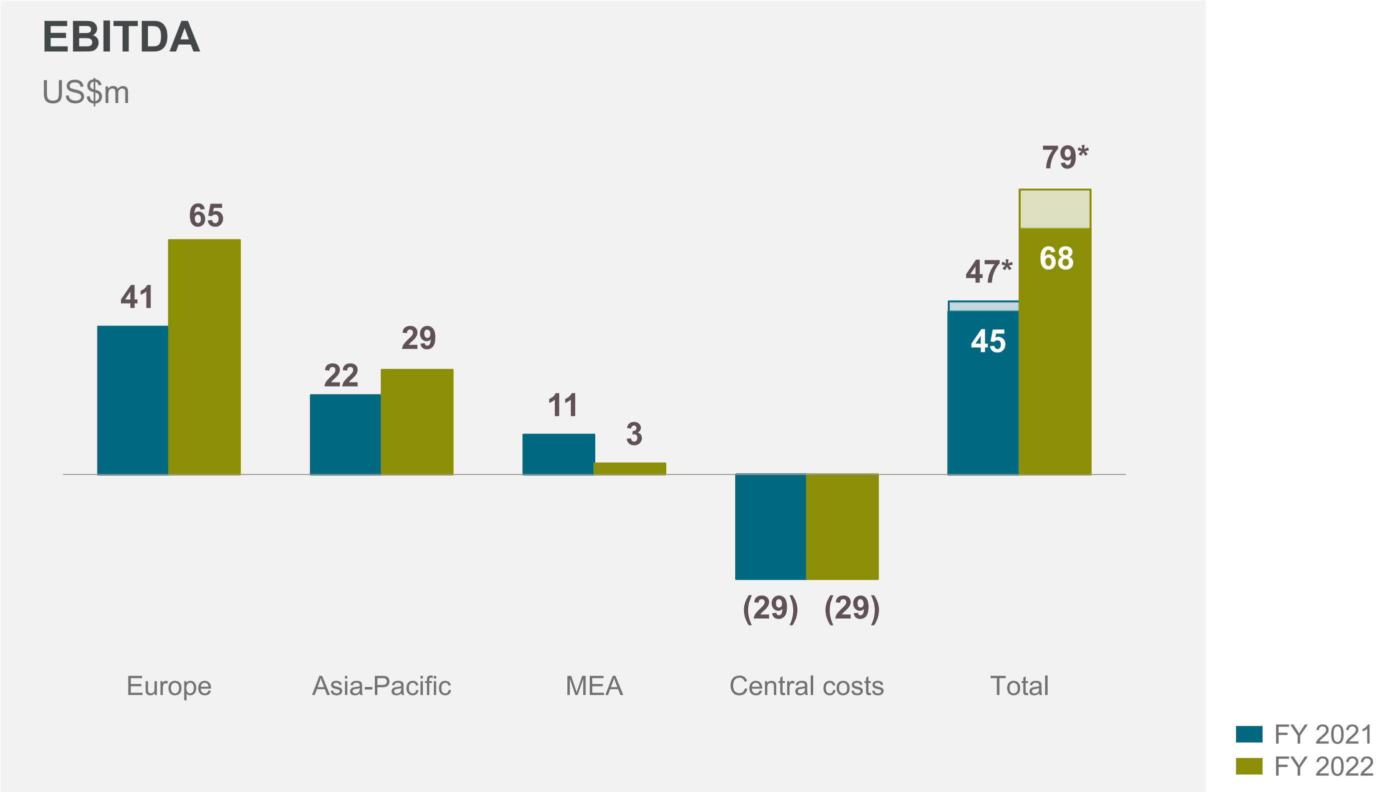


Significant increase in backlog from shipment delays due to **global supply chain issues**

Hardware most impacted

Westcon International

EBITDA by geography



EBITDA increase of 52%

Significant growth in Europe and Asia-Pacific but MEA includes withholding tax reserve

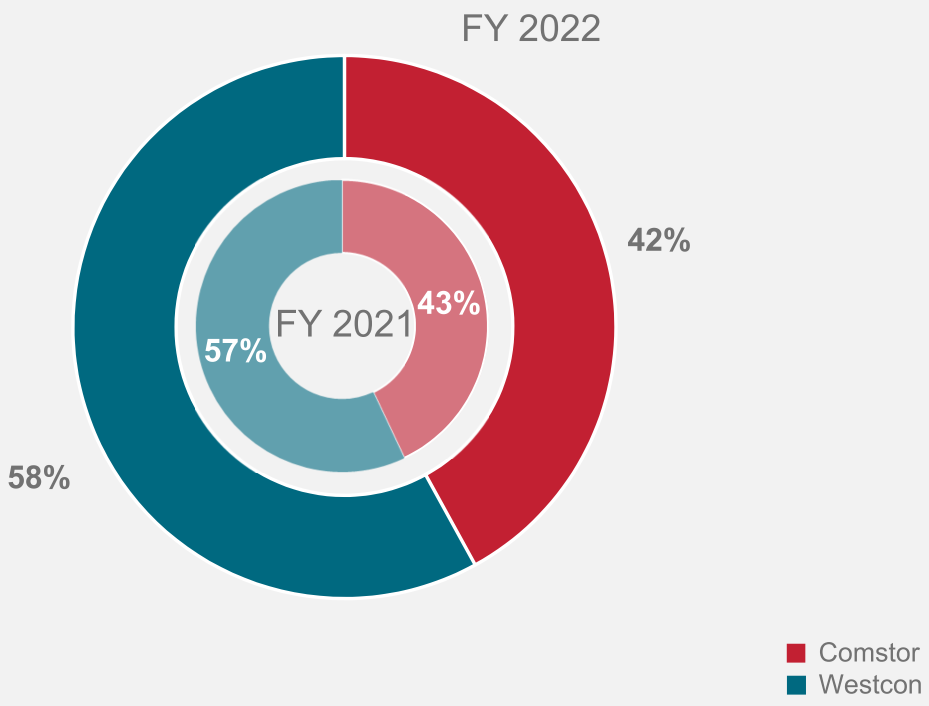
Central costs now at **sustainable levels** in current configuration

* *Excluding share-based payment charges*
~ *Datatec Financial Services has been included in the Westcon International segment in FY22*

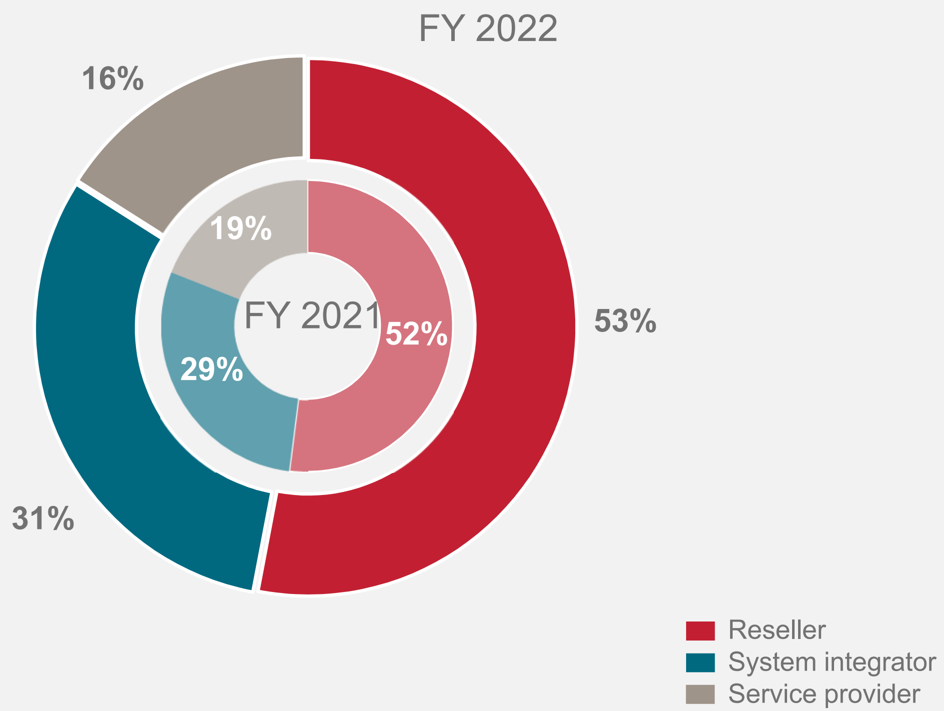
Westcon International

Revenue % by business unit & customer

Revenue by business unit



Revenue by customer

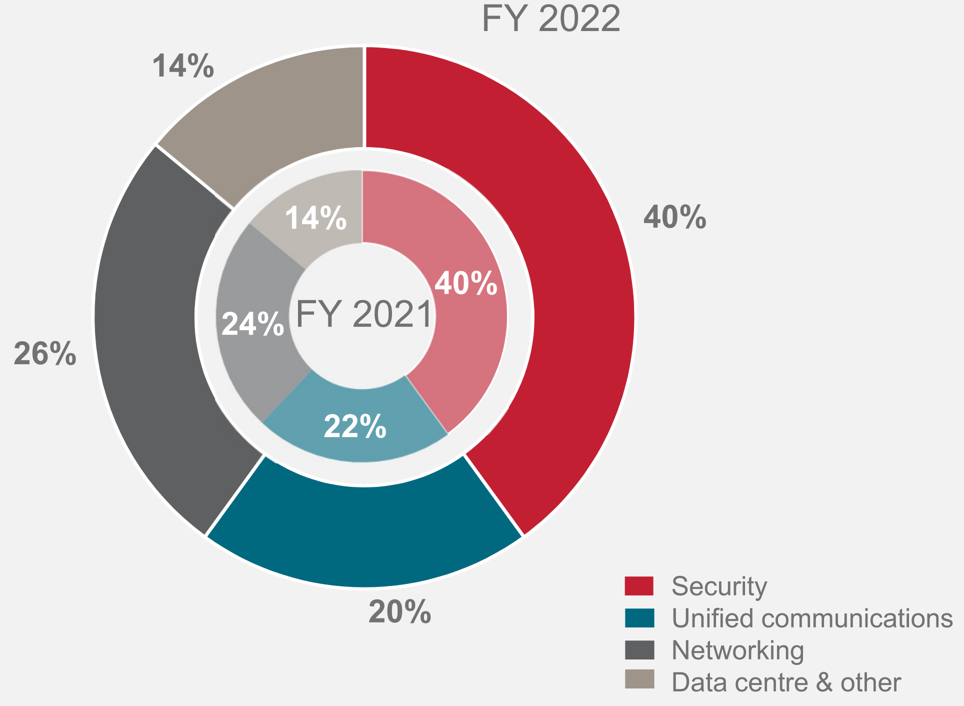


~ *Datatec Financial Services has been included in the Westcon International segment in FY22*

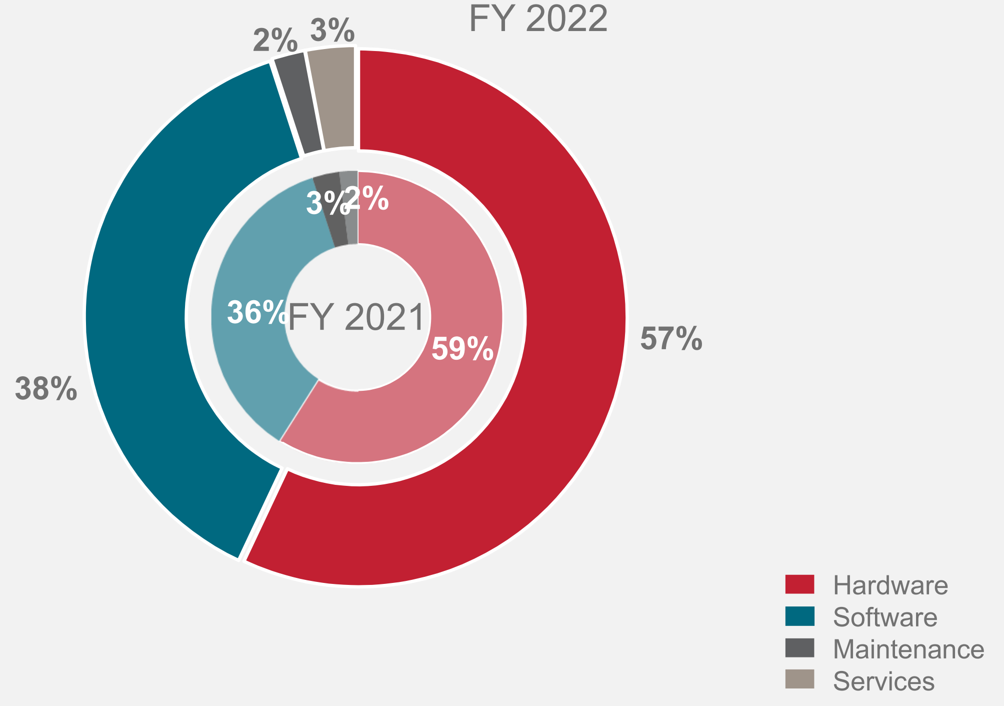
Westcon International

Revenue % by technology category & segment

Revenue by technology category



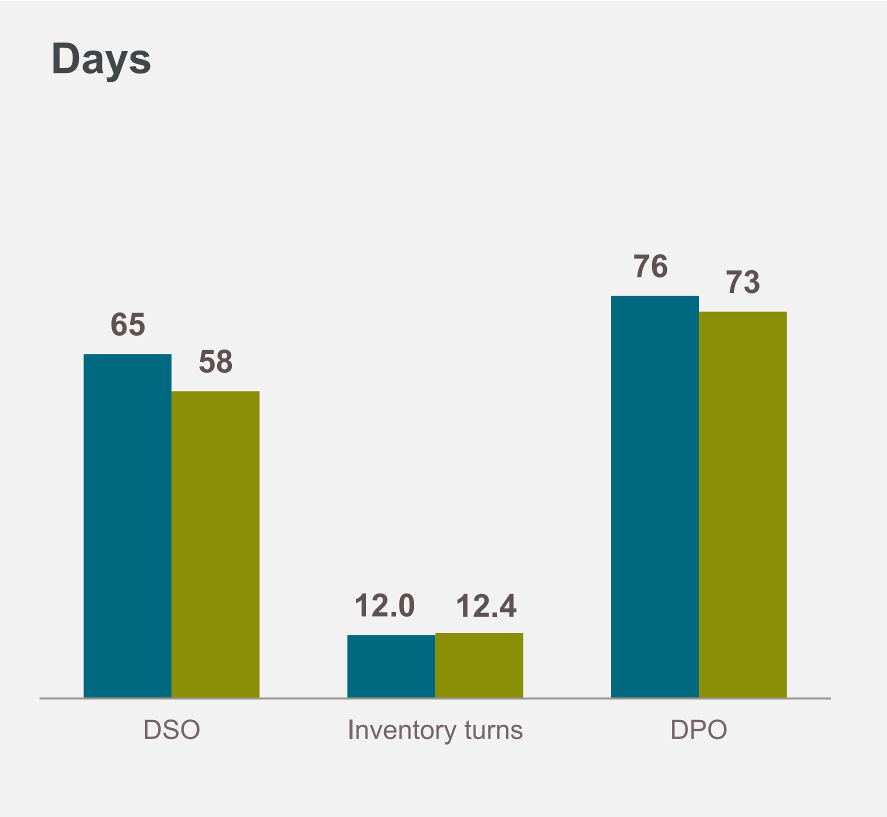
Revenue by segment

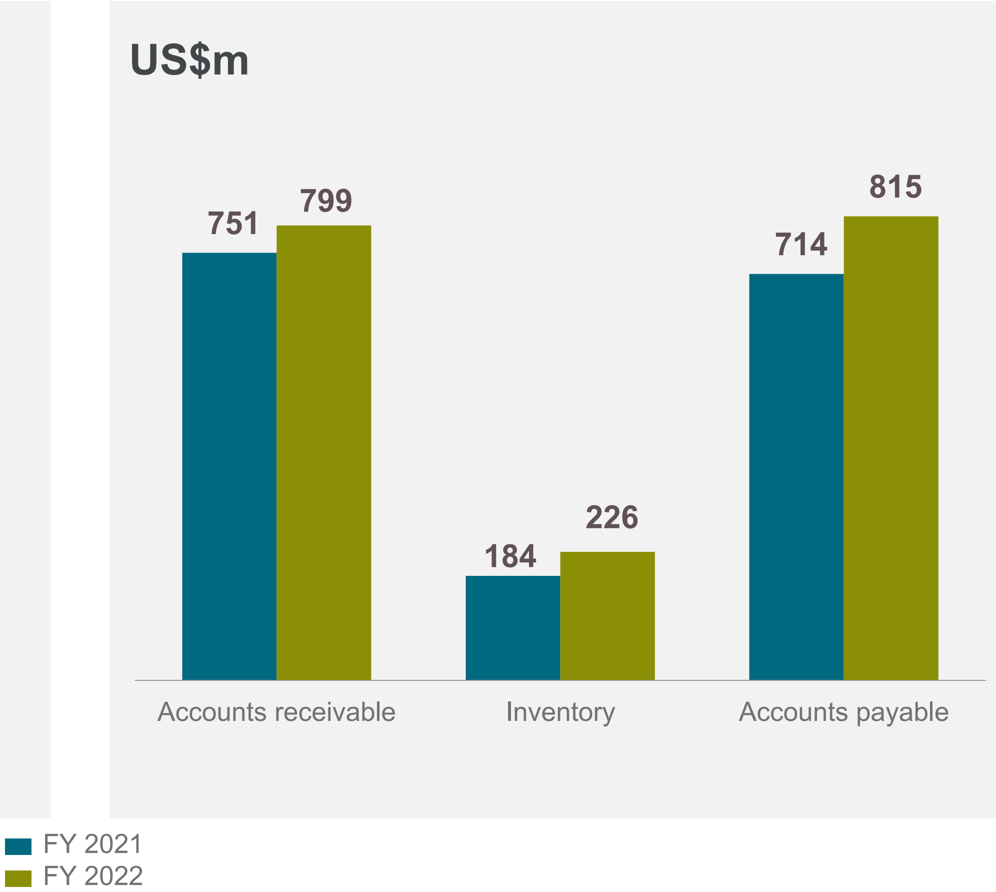


~ Datatec Financial Services has been included in the Westcon International segment in FY22

Westcon International

Working capital





Overall 5 day **improvement** in NWC days

Significant improvement in DSO

Overall net working capital **decrease of $11m**

~ Datatec Financial Services has been included in the Westcon International segment in FY22

Westcon International

Outlook

Return-to-the-office, hybrid-working and security threats continue to fuel demand

Expecting backlog levels to remain high in the mid-term

Geopolitical tension in Europe at an all time high

Semiconductor shortages and supply chain disruption continuing to impact

Analysys Mason

Analysys Mason

Highlights

Strong revenue growth with improving gross margins

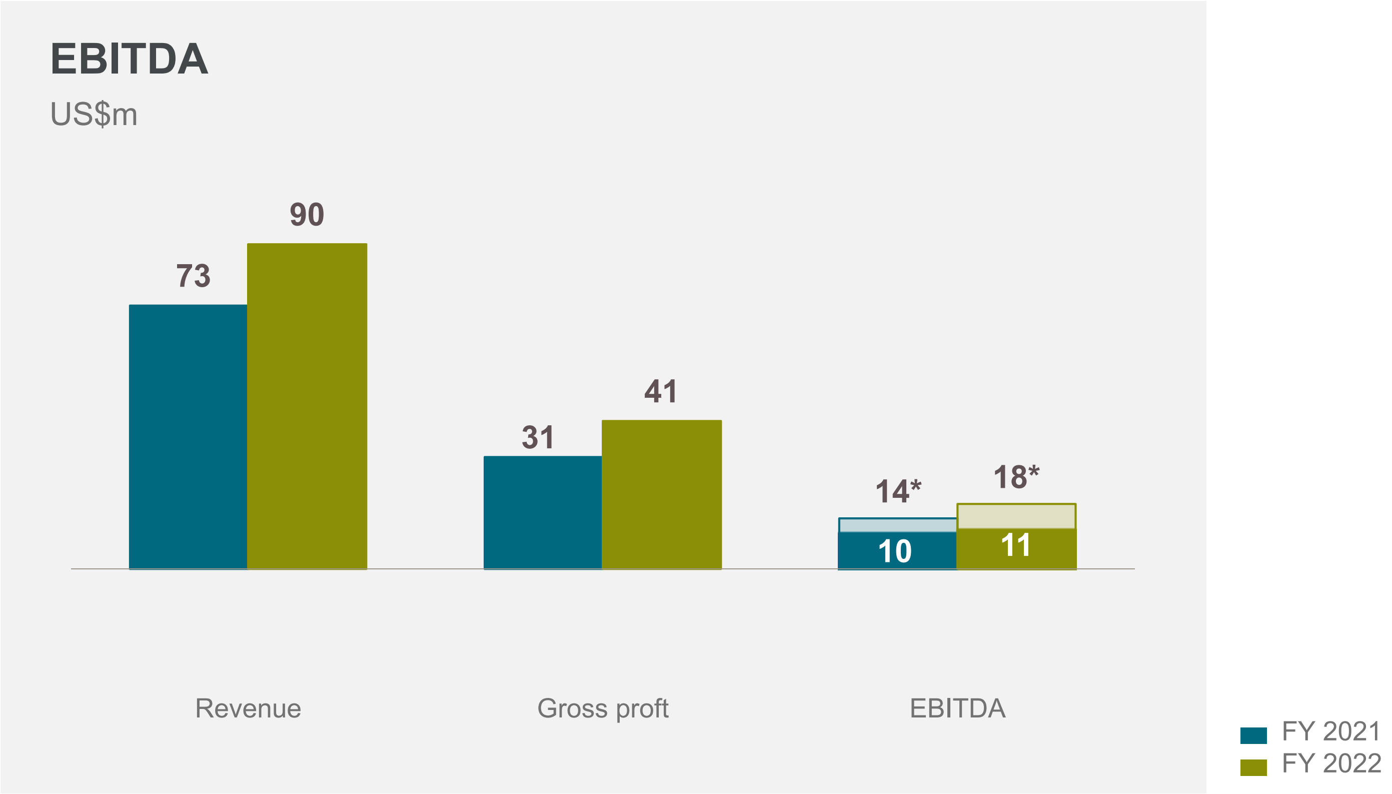
Increased scale combined with operational efficiency driving better P&L

Continued strong performance from Europe with improvement in Asia and US

Strengthening position in Satellite and move into space-based networking with acquisition of NSR

Analysys Mason

Financial performance



Revenue **23% growth** due to increasing scale and utilising resources

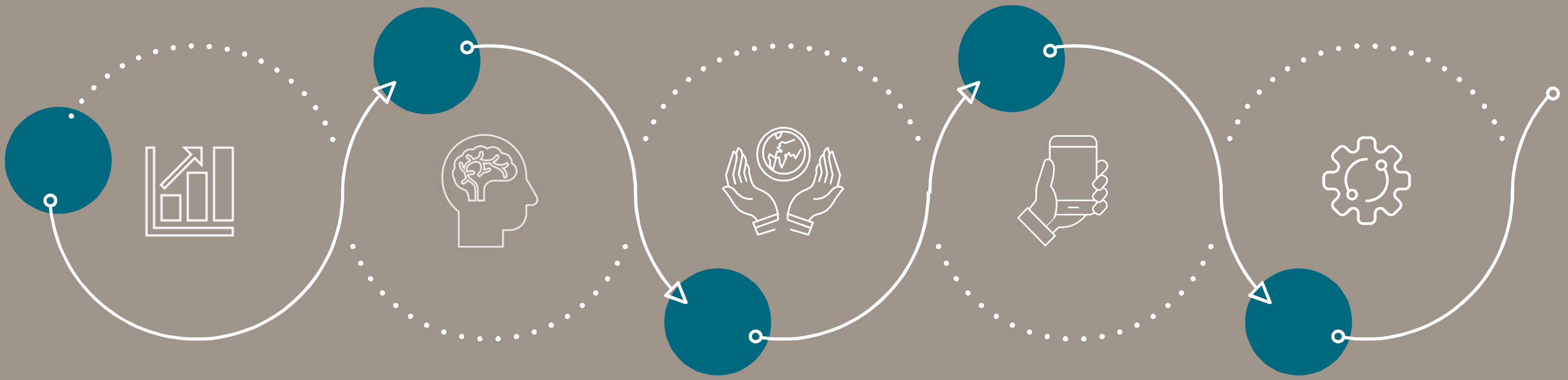
31% gross profit growth and **margin improvement**

EBITDA growth of 9%, impacted by IFRS2 charge

** Excluding share-based payment charges*

Analysys Mason

Outlook



Strong TMT sector demand continues

Attraction, retention and wellbeing of employees remains a priority

Focus on key clients and harmonising propositions across all geographies

Accelerating demand for fibre networks and 5G expertise

Scale through M&A has created better operating leverage and efficiencies

Prospects & Outlook

Datatec Group

Prospects & Outlook

Strong demand for the Group's technology solutions and services

Semiconductor shortages and supply chain issues challenging

Economic uncertainty from Ukraine, soaring fuel, Covid lockdowns

Strategic review focused on value creation

DATATEC

Driving Technology

Questions?

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