

Data#3 reports solid result in line with guidance

BRISBANE, Wednesday 19 February 2025: Australian business technology solutions leader Data#3 Limited (ASX: DTL) today announces its results for the half year ended 31 December 2024 (1H FY25).

1H FY25 Highlights

- Gross Sales up 7.4% to \$1.4 billion
- Statutory revenue down 1.9% to \$397.9 million
- Gross Profit up 10.0% to \$143.6 million
- EBIT up 4.6% to \$26.0 million
- NPBT up 4.1% to \$32.0 million (up 7.0% before one-off redundancy costs)
- NPAT up 4.3% to \$22.4 million
- Basic EPS up 4.2% to 14.43 cents per share
- Fully franked interim dividend up 4.0% to 13.10 cents per share
- Strong balance sheet with no borrowings

Commenting on the 1H FY25 result, Data#3 Managing Director and Chief Executive Officer Brad Colledge said: “We are pleased to report gross sales growth of 7.4% to \$1.4 billion, and gross profit growth of 10.0% to \$143.6 million for the first half of FY25. We also successfully improved overall gross margin and maintained underlying operating leverage, despite ongoing challenging economic conditions.

“Our Net Profit Before Tax (NPBT) of \$32.0 million is up 4.1%, in line with guidance for the first half of \$31 million to \$33 million provided at the 2024 Annual General Meeting. Before \$0.9 million in one-off redundancy costs incurred in the first half relating to restructuring initiatives, this represents growth in underlying NPBT of 7.0%.

“Our Services business performed strongly, with gross sales from services up 19.3% on the previous corresponding period, predominately driven by solid growth in our Managed and Maintenance Services business units which benefitted from a number of significant contract renewals and some large contract wins. Software Solutions delivered record gross sales of \$975.6 million for the first half, boosted by demand for security products and cloud subscriptions. Both these high growth areas positively contributed to an increase in our recurring revenue from 67% in FY24 to 70% this half. Infrastructure Solutions gross sales declined 12.9% on the prior period, predominately impacted by ongoing delayed decision making by customers.

“Our core business remains resilient as we continue to align with our customers’ priorities, such as security, multi-cloud and connectivity, and evolve our strategy with our world-leading vendor partners.”

Our staff and customer satisfaction survey results remain strong. In addition to being recognised as an Employer of Choice and recertified as one of Australia’s best technology workplaces, the Company has been recertified as a Family Inclusive workplace.

Financial results summary

	1H FY25 \$'000	1H FY24 ¹ \$'000	% Change
Gross Sales	1,412,764	1,315,274	+7.4%
IFRS adjustments	(1,021,581)	(916,398)	
Other revenue	6,671	6,584	
Total statutory revenue¹	397,854	405,460	-1.9%
Total gross profit (excluding interest income)	143,589	130,555	+10.0%
<i>Total margin on gross sales</i>	<i>10.2%</i>	<i>9.9%</i>	
NPBT	32,025	30,761	+4.1%
NPAT	22,350	21,421	+4.3%
<i>Return on equity</i>	<i>28.5%</i>	<i>29.9%</i>	
Basic earnings per share	14.43 cents	13.85 cents	+4.2%
Dividend per share	13.10 cents	12.60 cents	+4.0%
<i>Dividend payout ratio</i>	<i>90.8%</i>	<i>91.0%</i>	

Dividend

The directors have declared an interim fully franked dividend of 13.10 cents per share. This represents an increase of 4.0% on the previous corresponding period and a payout ratio of 90.8%.

The interim dividend will be paid on 31 March 2025, with a record date of 17 March 2025.

Outlook

The group's performance is underpinned by its leading market position, unrivalled vendor relationships, large and long-standing customer base serviced by a highly experienced and skilled Data#3 team.

Data#3 Managing Director and Chief Executive Officer Mr Colledge said: "Data#3 is well placed to continue to deliver sustainable growth in FY25. We have a growing market, pent up demand for devices based on the Windows 11 opportunity and the AI PC, and we are also seeing increased interest in multicloud solutions and AI. Our Services businesses continue to grow faster than the market with security solutions leading the way. Security solutions remain our customers' number one priority, and

¹ **Change to revenue accounting policy**

Effective 1 July 2023, software licensing and vendor delivered maintenance support revenues are presented on a net agency basis, with comparatives restated. This was in response to updated guidance released for software resellers in 2022 on the application of the revenue accounting standard (AASB 15) and is a statutory presentation change only. The Company will continue to measure its operational performance in terms of Gross Sales, with both Gross Sales and statutory revenue to be reported to ensure comparability with historical reporting and to align with how the company internally measures performance.

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demand is strong across the solutions lifecycle from consulting and procurement to adoption and management.”

“We have been actively implementing a range of strategic initiatives to mitigate the financial impact on our Software Solutions business of the Microsoft incentive changes starting 1 January 2025¹. We have a proven track record of adapting to changes in vendor incentive programs with speed and agility, and have already increased our focus on the Small, Medium and Corporate (SMC) customer segments and are well advanced with Cloud Solution Provider (CSP), Copilot , and security solutions, and Azure cloud migrations. The FY25 financial impact of the Microsoft incentive changes is expected to be immaterial.”

Mr Colledge said: “Consistent with previous practice, we do not intend to provide specific FY25 guidance at this stage. In line with previous years, we continue to expect a sales peak in the months of May and June, and to deliver sustainable earnings growth for our shareholders.”

Investor briefing

The company will present a market briefing on the results starting at 10:00am (AEST) / 11:00am (AEDT) today, 19 February 2025.

The following URL will provide access to the live event, and to an archived webcast following the event: <https://webcast.openbriefing.com/dtl-hyr-2025/>.

Approved for distribution by the Data#3 Limited board.

ENDS

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¹ Refer to ASX announcement dated [16 December 2024](#).

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About Data#3

Data#3 Limited (ASX: DTL) is a leading Australian IT services and solutions provider, focused on helping its customers solve complex business challenges using innovative technology solutions.

Built on a foundation of more than 47 years' experience, combined with world-leading vendor technologies, Data#3 delivers an integrated array of solutions spanning cloud, modern workplace, security, data & analytics and connectivity. These technology solutions are delivered by combining Data#3's services across consulting, project services and support services.

Listed on the ASX in 1997, Data#3 reported revenues of \$2.8 billion in FY24. Headquartered in Brisbane, it has more than 1,400 staff, and facilities across 12 locations in Australia and Fiji.

For more information about Data#3 visit <http://www.data3.com.au>

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