

Data#3 reports continued growth in line with expectations

BRISBANE, Monday 23 February 2026: Australian business technology solutions leader **Data#3 Limited (ASX: DTL)** today announces its results for the half year ended 31 December 2025 (1H FY26).

1H FY26 Highlights

- **Gross Sales up 9.2% to \$1.5 billion**
- **Statutory revenue up 8.1% to \$423.1 million**
- **Gross Profit up 0.3% to \$144.0 million**
- **EBIT up 6.2% to \$27.6 million**
- **NPBT up 4.5% to \$33.5 million**
- **NPAT up 3.7% to \$23.2 million**
- **Basic EPS up 3.6% to 14.95 cents per share**
- **Fully franked interim dividend up 3.1% to 13.50 cents per share**
- **Strong balance sheet with no borrowings**

Commenting on the 1H FY26 result, Data#3 Managing Director and Chief Executive Officer Brad Colledge said: “We are pleased to report gross sales growth of 9.2% to \$1.5 billion for the first half of FY26, and above the Australian IT market growth rate of 8.7%¹. As anticipated, the gross profit contribution from our Software Solutions business was most impacted this half by the Microsoft incentive changes, however, strong growth achieved by our Infrastructure business pleasingly saw us deliver gross profit slightly up on the prior comparative period.

“Our Net Profit Before Tax (NPBT) of \$33.5 million is up 4.5%, in line with the \$32 million to \$34 million guidance range for 1H FY26 provided at the 2025 Annual General Meeting. The growth in net profit demonstrates our ongoing focus on effective cost management and the internal operating efficiencies gained from various automation and restructuring initiatives implemented in recent years.

“Our Services business performance was mixed across business units, delivering gross sales slightly up on the previous corresponding period, underpinned by solid growth in our Managed Services business unit, which benefitted from a number of significant contract renewals and further large contract wins. This was offset by an underperformance by our Project Services and People Solutions recruitment businesses, as they continue to face challenging market conditions. Software Solutions delivered record gross sales of \$1.1 billion for the first half, up 8.9% and boosted by demand for security products and cloud subscriptions. Infrastructure Solutions gross sales increased almost 18%, boosted by growth in sales of end user devices of over 30% this half and strong momentum in sales of data centre solutions.

“The resilience of our business continues to be driven by the strength of our customer relationships and our diverse offerings across Infrastructure, Software and Services. The strong performance in our Infrastructure business and continued topline growth in Software Solutions has offset more challenging conditions in parts of our Services business.”

¹ Gartner Forecasts IT Spending in Australia to Grow 8.7% in (Calendar Year) 2025.

Financial results summary

	1H FY26 \$'000	1H FY25 \$'000	% Change
Gross Sales	1,542,301	1,412,764	+9.2%
IFRS adjustments	(1,119,365)	(1,021,581)	
Other revenue	141	139	
Total statutory revenue¹	423,077	391,322	+8.1%
Total gross profit	144,005	143,589	+0.3%
<i>Total margin on gross sales</i>	<i>9.3%</i>	<i>10.2%</i>	
Net finance income	5,831	6,006	-2.9%
NPBT	33,473	32,025	+4.5%
NPAT	23,171	22,350	+3.7%
<i>Return on equity</i>	<i>27.5%</i>	<i>28.5%</i>	
Basic earnings per share	14.95 cents	14.43 cents	+3.6%
Dividend per share	13.50 cents	13.10 cents	+3.1%
<i>Dividend payout ratio</i>	<i>90.3%</i>	<i>90.8%</i>	

Dividend

The directors have declared an interim fully franked dividend of 13.50 cents per share. This represents an increase of 3.1% on the previous corresponding period and a payout ratio of 90.3%.

The interim dividend will be paid on 31 March 2026, with a record date of 17 March 2026.

Outlook

Data#3 Managing Director and Chief Executive Officer Mr Colledge said: "Data#3 is well positioned to deliver sustainable growth through FY26, supported by the resilience of our core business and strength of our customer relationships.

"We expect our Infrastructure Solutions business to continue to perform strongly, capitalising on the Windows 11 refresh cycle and increasing adoption of AI-enabled devices, while growing demand for multi-cloud and AI solutions is in turn driving demand for data centre and network capabilities.

"AI is now a core operating capability throughout our business, embedded across our digital platforms. It is supporting scalable, cost-efficient growth and improving customer service. Our customers are benefiting from AI solutions on the PC, Network and in the Data Centre. Software solutions such as Microsoft Copilot and Azure AI are redefining how customers engage with their data and business processes. AI continues to be a significant opportunity for Data#3 across Software, Infrastructure and Services."

The rapid growth in demand for AI infrastructure has led large AI developers and hyperscale data centre operators to consume a disproportionate share of global memory chip supply. This has reduced availability for personal computers, network equipment, and servers, contributing to sharp price increases and early signs of supply constraints across these markets. These shortages are expected to persist through calendar year 2026 and potentially into 2027. In the near term, this environment may provide a tailwind for Data#3 as customers bring forward orders in anticipation of tighter supply.

Cisco has recently updated its 360 Partner Program, which redeploys incentives to preferred partners across its networking, security, services, collaboration, cloud and AI solutions, and aligns with Data#3's ongoing focus on driving greater value across the customer lifecycle. The company doesn't currently expect these changes to have a material impact on the group's FY26 financial performance.

Mr Colledge said: "We have successfully implemented a range of strategic initiatives to mitigate the impact of the Microsoft incentive program changes on our Software Solutions business, which took effect from 1 January 2025, with 1H FY26, as anticipated, the most impacted period. We expect the Software business to return to gross profit growth in 2H FY26, resulting in a full year contribution to gross profit for Software consistent with FY25.

"Within Services, Managed Services is expected to continue performing well, supported by a solid pipeline across both Enterprise and Onsite offerings. Maintenance Services is expected to improve in the second half and Consulting is gaining momentum through opportunities in Cyber Security and Analytics. Project Services and People Solutions are expected to remain challenged in the near term, as customers continue to delay larger projects and reduce contractor numbers in response to softer labour market conditions and economic sentiment."

Mr Colledge said: "Consistent with previous practice, we are not providing specific FY26 guidance. In line with previous years, we continue to expect a sales peak in the months of May and June and earnings skewed to the second half. Our goal remains to deliver sustainable earnings growth for our shareholders, consistent with our long term strategy."

Investor briefing

The company will present a market briefing on the results starting at 10:00am (AEST) / 11:00am (AEDT) today, 23 February 2026.

The following URL will provide access to the live event, and to an archived webcast following the event:

<https://webcast.openbriefing.com/dtl-hyr-2026/>.

Approved for distribution by the Data#3 Limited board.

ENDS

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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 48 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 \$3.0 billion in FY25. 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>