iOCO Limited (formerly EOH Holdings)

Profit rose much faster than revenue, but operating cash flow covered less than half of operating profit.

South African ICT services group. Revenue grew 2.7% while operating profit rose 14.8%, lifting operating margin to 8.4% from 7.5%. Net cash from operating activities was R239m, 49% of operating profit (FY25: 101%).

Revenue	Operating profit	Operating margin	Headline earnings per share
R5.73bn	**R483m**	**8.4%**	**57.0c**
▲ +2.7% vs FY25	▲ +14.8% vs FY25	▲ from 7.5% in FY25	▲ +42.5% vs FY25

Business health score

FY2022–FY2026 window

Total across four areas

17 / 40

Calculated from iOCO's published numbers using fixed thresholds. Not a rating. The previous window (FY21–FY25) scored 24/40.

How to read this

The score describes how the business has been run and funded, area by area. A higher or lower score is a point of comparison between companies, not a statement that one is better than another.

The fall from 24 comes from Liquidity (9 to 1): FY26 cash conversion was 49% against 101% in FY25, and working capital rose 2.5 points of revenue across the window. Three features of the rubric shape the total: iOCO pays no dividends, so two Qualitative rules score 0; the largest-segment rule depends on how iOCO groups its businesses; and the cash conversion test uses a single year. Net debt (0.58×) sits just above the 0.5× band edge for a higher Solvency sub-score. Every threshold is public in the scoring rubric.

Operations

5 / 10

Is the business making more from what it sells?

WHAT DRIVES THE SCORE

Operating margin **8.4%** in FY26 against **1.7%** in FY22 (+6.8 pts); revenue changed **−1.3%** a year.

COMMENT

Margin was 1.7% in FY22, 1.9% in FY24 and 7.5% in FY25, then 8.4%. The big step came in FY25, when operating costs fell 23% while revenue fell 7.5%. Revenue shrank over the window (R6,031m in FY22 to R5,733m in FY26), so the margin gain came from costs, not growth: operating costs fell from 26.4% to 19.3% of revenue while gross margin was broadly flat (28.0% to 27.7%).

Margin change +6.8 pts **5/5** | Revenue −1.3% a year **0/5**

Liquidity

1 / 10

Does profit turn into cash?

WHAT DRIVES THE SCORE

Cash conversion **49%** of operating profit in FY26 (101% in FY25); net working capital is **6.1%** of revenue, +2.5 pts since FY22.

COMMENT

Net cash from operating activities was R239m in FY26, 49% of operating profit (R483m), against R423m or 101% in FY25. Cash generated by operations fell from R567m to R368m, and net working capital rose R165m to R352m because trade payables fell R168m while receivables rose R24m. Operating cash flow was negative in FY23 and FY24. Cash conversion is a single-year test: it scored 5 on FY25 and 0 on FY26.

Cash conversion 49% **0/5** | Working capital +2.5 pts **1/5**

Solvency

7 / 10

How comfortable is the debt?

WHAT DRIVES THE SCORE

Net debt (borrowings and leases less cash) **0.58×** operating profit; interest cover **7.1×**. No trend deduction applies.

COMMENT

Debt is R698m (bank borrowings R619m and leases R79m) against R417m of cash, so net debt is R281m: 0.58× operating profit, 0.74× in FY25 and 34.5× in FY21. Interest cover improved from 4.4× to 7.1× as operating profit rose and finance costs fell from R96m to R68m. Total equity rose from R753m to R1,034m. Total debt has fallen from R2.7bn in FY21, helped by the sale of businesses.

Net debt ÷ profit 0.58× **4/5** | Interest cover 7.1× **3/5** | Trend deduction **0**

Qualitative

4 / 10

Are the habits and disclosures consistent?

WHAT DRIVES THE SCORE

Passed 2 of 5 rules (the two audit rules). iOCO pays no dividends, free cash flow was positive in only 3 of the last 5 years, and one segment is above 50% of revenue.

COMMENT

iOCO paid no dividends in any year of the window, so the two dividend rules score 0. IT Services is 75.6% of FY26 revenue on the three-segment structure iOCO now reports, so the segment rule scores 0; on the seven-segment structure used up to FY25 the largest segment was 30.9%. The audit opinion on the FY26 statements (Moore Johannesburg Inc., dated 12 October 2026) is unmodified with no going-concern uncertainty; the key audit matters were goodwill impairment and, in the separate company statements, expected credit losses on group loans. The restatements found are presentation or per-share adjustments (segments, deferred tax and lease disclosures, and per-share figures for the 2023 rights offer), not restated profit or equity. This area tests dividends, concentration and audit rules only; it is not an assessment of management quality, competitive position or governance.

Dividend paid every year, none cut ×

Dividends covered by free cash flow (3 of 5 years) ×

No segment above 50% of revenue (largest 76%) ×

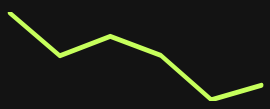
Audit opinion unmodified (FY26 audited) ✓

No restatement (FY26 audited) ✓

Six-year trend

FY21 → FY26, R million unless noted

Revenue



R5,733m

down 11% since FY21

Operating profit



R483m

up R428m since FY21

Operating margin



8.4%

0.9% in FY21

Net profit (continuing)



R357m

first profit in FY25 (R258m)

Operating cash flow



R239m

49% of operating profit (FY25: 101%)

Free cash flow



R157m

after capex; FY25 R369m

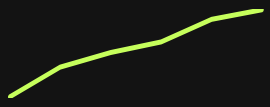
Net debt (incl. leases)



R281m

0.58× operating profit (FY21: 34.5×)

Headline EPS (cents)

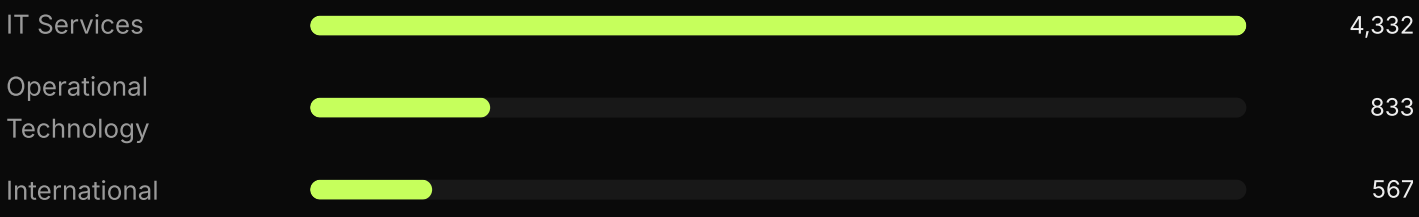


57.0c

FY25 40.0c; FY21 −98.0c

Revenue mix

FY2026, R million



iOCO reports three segments from FY26: IT Services (75.6% of revenue), Operational Technology and International. It reported seven segments up to FY25, so segment shares are not comparable year to year. Segment adjusted EBITDA margins, the company's own measure before corporate overheads: IT Services 16.4%, Operational Technology 17.1%, International 10.0%.

What sits behind the scores

Direction of travel, not a rating

Operations

▲ Margin much higher

- Operating margin was **0.9%** in FY21, **7.5%** in FY25 and **8.4%** in FY26.
- FY26 operating costs fell **6.4%** to R1,104m while gross profit slipped 0.8%, so operating profit rose 14.8%.
- Net profit from continuing operations was **R357m** (FY25: R258m) after four loss-making years; headline EPS rose 42.5% to **57.0c**.

Liquidity

▼ Cash conversion down

- Net cash from operating activities was **49%** of operating profit (FY25: 101%); it was negative in FY23 and FY24.
- Net working capital rose to **R352m** (6.1% of revenue) as payables fell 13%; payable days eased to 97 from 117.
- Cash was **R417m**, up R18m, after R69m of share buybacks and R28m of lease payments.

Solvency

▲ Debt much lower

- Total debt fell from R2.73bn in FY21 to **R698m**; net debt is **R281m**, 0.58× operating profit.
- Interest cover is **7.1×**, up from 4.4× in FY25 and 0.2× in FY21.
- Total equity is R1,034m (R178m in FY21), helped by the 2023 rights offer (R557m net) and the last two years' profits; accumulated losses are still R3.70bn.

Bottom line

iOCO has moved from losses and heavy debt to profit and a much lighter balance sheet: net debt of R281m is 0.58× operating profit, against 34.5× in FY21. Operating margin has risen from 0.9% to 8.4%, almost all from lower costs rather than higher sales, since revenue is 11% lower than in FY21. The gap between profit and cash is the point to read alongside: in FY26 operating cash flow was 49% of operating profit.

iOCO paid no dividends but bought back R69m of its shares in FY26 (about 2.6% of shares in issue), 53% of the free cash flow left after lease payments. Management guides to FY27 EBITDA of at least R680m. Whether any of this suits a given portfolio is a question of individual goals and risk appetite, which this scorecard does not address.

What to watch next

18 Nov 2026	Annual general meeting.
FY27	Management's own guidance is EBITDA of at least R680m (FY26 EBITDA: R610m; adjusted EBITDA R624m), improved cash generation and conversion, and recurring revenue above 60%. The guidance assumes no major disruption to South African or global conditions. These are the company's statements, quoted for information only.
Mar 2027	Interim results for the six months to 31 January 2027. The date had not been announced when this was written (the FY26 interim results were on 18 March 2026).
~Oct 2027	FY27 annual results and audited statements; the audit-opinion and restatement checks in this score will be re-tested on them.

This scorecard presents a descriptive summary of iOCO Limited's published financial results for FY2021–FY2026 (years to 31 July, IFRS, South African rand). FY26 figures are from the audited annual financial statements (audit report dated 12 October 2026) and the results announcement of 13 October 2026. FY2021 is the comparative in the FY2022 statements, restated to continuing operations. The business health score is a description of the business based on fixed, published thresholds; it is not a rating, and a higher or lower score does not mean one company is better than another. It does not constitute financial, investment or tax advice, a recommendation to buy, hold or sell any security, or a valuation or price target. Clearview Financial (Pty) Ltd is not a licensed financial services provider.

Holdings: the author holds shares in iOCO Limited in his personal portfolio.

Source: iOCO Limited annual financial statements FY2022–FY2026 and results announcements (JSE SENS) · ioco.tech

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