

MiX TELEMATICS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1995/013858/06)

JSE share code: MIX ISIN: ZAE000125316

NYSE share code: MIXT

(“MiX Telematics” or “the Company” or “the Group”)



SHORT-FORM ANNOUNCEMENT: MiX TELEMATICS REPORTS FULL FISCAL YEAR 2021 IFRS FINANCIAL RESULTS

MiX Telematics changed from being a foreign private issuer to a U.S. domestic issuer, with effect from April 1, 2020. As a result of the change in status, the Company is required to comply with and report its financial results in accordance with accounting principles generally accepted in the United States (“GAAP”) in U.S. Dollars from a Securities and Exchange Commission (“SEC”) perspective as well as International Financial Reporting Standards (“IFRS”) in Rands from a South African Companies Act 71 of 2008 and JSE Listings Requirements perspective. Therefore, this press release is being distributed in South Africa and the Company is also releasing a press release in the United States in order to meet the above requirements.

Full Fiscal Year 2021 Highlights:

- **Subscription revenue of R1,856 million, representing 89% of revenue**
- **Net subscriber base of over 744,000 subscribers**
- **Profit for the year of R239 million**
- **Adjusted EBITDA of R654 million, representing a 31.5% Adjusted EBITDA margin**
- **Net cash generated from operating activities of R666 million leading to positive free cash flow of R506 million**
- **Cash and cash equivalents of R679 million at period end**

“MiX’s fourth quarter performance demonstrated continued success against our key initiatives for fiscal 2021, particularly profitability and cash generation. We continued to see modest improvements in many of our key end markets and business metrics,” said Stefan Joselowitz, Chief Executive Officer of MiX Telematics.

Joselowitz continued, “We enter fiscal 2022 a stronger, more resilient company with a focus on returning the business to growth. We believe the strategic value we delivered to customers during challenging times and the investments we are making across the business position us well to meet our long-term financial targets.”

Financial performance for the fiscal year ended March 31, 2021

Subscription revenue: Subscription revenue decreased to R1,855.8 million, a decrease of 1.5% compared to R1,884.9 million for fiscal 2020. Subscription revenue represented 89.3% of total revenue during fiscal 2021. On a constant currency basis, subscription revenue decreased by 6.1%. The decline in constant currency subscription revenue was primarily due to the contraction in the Company’s subscriber base as a result of economic conditions attributable to the COVID-19 pandemic. During fiscal 2021, the Company’s subscriber base contracted by a net 73,800 subscribers.

Total revenue: Total revenue was R2,077.6 million, a decrease of 3.5% compared to R2,152.0 million for fiscal 2020. On a constant currency basis, total revenue decreased by 8.3%. Hardware and other revenue was R221.7 million, a decrease of 17%, compared to R267.1 million for fiscal 2020 as a result of a global economic slowdown following the disruption caused by the COVID-19 pandemic.

Gross margin: Gross profit was R1,344.5 million, a decrease of 0.8% compared to R1,355.2 million for fiscal 2020. Gross profit margin was 64.7%, compared to 63.0% for fiscal 2020.

Operating margin: Operating profit was R305.0 million, compared to R311.3 million for fiscal 2020. The operating margin was 14.7%, compared to the 14.5% for fiscal 2020. Operating expenses represented 50.1% of revenue compared to 48.5% of revenue for fiscal 2020.

Adjusted EBITDA: Adjusted EBITDA was R653.8 million, compared to R663.9 million for fiscal 2020. The Adjusted EBITDA margin for fiscal 2021 was 31.5%, compared to 30.8% for fiscal 2020.

Profit for the year and earnings per share: Profit for fiscal 2021 was R239.0 million, compared to R145.0 million for fiscal 2020. Profit for the year included a net foreign exchange loss of R15.7 million before tax, as well as a R56.5 million deferred tax credit on the U.S. Dollar intercompany loan between MiX Telematics and MiX Telematics Investments Proprietary Limited (“MiX Investments”), a wholly-owned subsidiary of the Company. During fiscal 2020, a net foreign exchange loss of R9.0 million was recognized and a R63.1 million deferred tax charge on a U.S. Dollar intercompany loan between MiX Limited and MiX Investments.

Earnings per diluted ordinary share were 43 South African cents, compared to 26 South African cents for fiscal 2020. For fiscal 2021, the calculation was based on diluted weighted average ordinary shares in issue of 560.5 million, compared to 568.0 million diluted weighted average ordinary shares in issue during fiscal 2020.

The Group’s effective tax rate was 14.8%, compared to 51.2% for fiscal 2020. Ignoring the impact of net foreign exchange gains and losses net of tax and share-based compensation costs related to Performance Share Awards, net of tax, the effective tax rate, which was used in calculating adjusted earnings, was 33.9% compared to 28.8% in fiscal 2020.

Adjusted earnings for the year and adjusted earnings per share: Adjusted earnings for fiscal 2021 were R197.9 million, compared to R227.8 million for fiscal 2020. Adjusted earnings per diluted ordinary share were 35 South African cents, compared to 40 South African cents for fiscal 2020.

Statement of Financial Position and Cash Flow: At March 31, 2021, the Company had R653.6 million of net cash and cash equivalents, compared to R275.7 million at March 31, 2020.

The Group generated R665.6 million in net cash from operating activities for fiscal 2021 and invested R159.9 million in capital expenditures during the year (including investments in in-vehicle devices of R69.3 million), leading to free cash flow of R505.7 million, compared to free cash flow of R132.2 million for fiscal 2020. Capital expenditures in fiscal 2020 were R321.1 million and included in-vehicle devices of R200.6 million.

The Group utilized R89.2 million in financing activities, compared to R249.8 million utilized during fiscal 2020. The cash utilized in financing activities in fiscal 2021 mainly consisted of dividends paid of R87.7 million and the repayment of lease liabilities of R15.9 million, offset by the exercise of share options of R14.4 million. The cash utilized in financing activities in fiscal 2020 included the repurchase of 16.9 million ordinary shares, which resulted in a cash outflow of R144.3 million, dividends paid of R88.6 million and the repayment of lease liabilities of R16.9 million.

Business Outlook

Due to the uncertainty surrounding the level of business disruption as a result of the spread of COVID-19, the Company has suspended its practice of issuing financial guidance and as a consequence no guidance has been issued for the full 2022 fiscal year and the first quarter of fiscal 2022.

**SUMMARIZED CONSOLIDATED INCOME
STATEMENT**

	Year ended March 31, 2021	Year ended March 31, 2020
Figures are in thousands unless otherwise stated		
Revenue	2,077,560	2,151,997
Operating profit	304,989	311,278
Adjusted EBITDA	653,784	663,884
Profit for the period attributable to owners of the parent	239,043	145,022
Adjusted earnings attributable to owners of the parent ¹	197,891	227,837
Headline earnings attributable to owners of the parent	239,313	147,826
Basic earnings per share - (R)	0.44	0.26
Basic adjusted earnings per share - (R) ¹	0.36	0.41
Basic headline earnings per share - (R)	0.44	0.27
Dividends per share - (R)	0.16	0.16
Ordinary shares ('000) ²		
-in issue at March 31	551,762	547,117
-weighted average	549,415	553,653
-diluted weighted average	560,519	568,037

¹ Adjusted earnings per share is defined as profit attributable to owners of the parent, MiX Telematics Limited, excluding net foreign exchange gains/(losses) net of tax and share based compensation costs related to performance share awards net of tax, divided by the weighted average number of ordinary shares in issue during the period.

² March 31, 2021 figure excludes 53,816,750 (March 31, 2020: 53,816,750) treasury shares held by MiX Investments, a wholly owned subsidiary of the Group.

**SUMMARIZED CONSOLIDATED
STATEMENT OF FINANCIAL
POSITION**

March 31, March 31,
2021 2020

Figures are in thousands unless
otherwise stated

ASSETS		
Non-current assets	1,470,120	1,686,866
Current assets	1,149,456	951,254
Total assets	2,619,576	2,638,120
EQUITY AND LIABILITIES		
Equity	1,892,178	1,817,545
Non-current liabilities	239,606	327,117
Current liabilities	487,792	493,458
Total equity and liabilities	2,619,576	2,638,120
Net cash	653,571	275,655
Cash and cash equivalents	678,546	318,071
Net asset value per share (R)	3.43	3.32

Dividend declared

The Board of Directors declared in respect of the fourth quarter of fiscal 2021 which ended on March 31, 2021, a dividend of 4 South African cents per ordinary share to be paid on June 21, 2021.

The details with respect to the dividends declared for ordinary shareholders are as follows:

Last day to trade cum dividend	Monday, June 14, 2021
Securities trade ex dividend	Tuesday, June 15, 2021
Record date	Friday, June 18, 2021
Payment date	Monday, June 21, 2021

Share certificates may not be dematerialized or rematerialized between Tuesday, June 15, 2021 and Friday, June 18, 2021, both days inclusive.

Shareholders are advised of the following additional information:

- the dividend has been declared out of income reserves;
- the local dividends tax rate is 20%;
- the gross local dividend amounts to 4 South African cents per ordinary share;
- the net local dividend amount is 3.2 South African cents per ordinary share for shareholders liable to pay dividends tax;
- the issued ordinary share capital of MiX Telematics is 605,578,516 ordinary shares of no par value; and
- the Company's tax reference number is 9155/661/84/7.

The details with respect to the dividends declared for holders of our ADSs are as follows:

Ex dividend on New York Stock Exchange (NYSE)	Thursday, June 17, 2021
Record date	Friday, June 18, 2021
Approximate date of currency conversion	Monday, June 21, 2021
Approximate dividend payment date	Thursday, July 1, 2021

Short-form announcement

This short-form announcement is the responsibility of the Board of Directors and the contents have been approved by the Board of Directors on May 25, 2021. This short-form announcement is a summary of the full announcement

released on SENS and published on the Group's website (<https://www.mixtelematics.com/investor-relations/sens>) on May 27, 2021. This short-form announcement does not contain the complete or full announcement details. Any investment decision by investors and/or shareholders should be based on consideration of the full announcement. The short-form announcement has not been audited or reviewed by the Group's external auditors. A copy of the full announcement may be requested from the Company Secretary at CelesteS@statucor.co.za or the sponsor, Java Capital at sponsor@javacapital.co.za. Any investment decision should be based on the full announcement available on the Company's website.

The full announcement is available at <https://senspdf.jse.co.za/documents/2021/jse/isse/MIX/FY-Q42021.pdf>.

Directors

RA Frew* (Chairman), SB Joselowitz (CEO), SR Bruyns*# (Lead Independent Director), JR Granara (CFO), F Futwa*#,

IV Jacobs*#, F Roji Maplanka*#, CWR Tasker

* Non-executive

Independent

Company secretary

Statucor Proprietary Limited

Registered office

Matrix Corner, Howick Close, Waterfall Park, Midrand

Auditors

Deloitte & Touche

Sponsor

Java Capital

May 27, 2021

Sponsor

The logo for Java Capital, featuring the word "JAVA" in a bold, sans-serif font, followed by "CAPITAL" in a lighter, all-caps sans-serif font. A stylized blue swoosh underline is positioned beneath the "A" in "JAVA".