

**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")



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**SHORT-FORM ANNOUNCEMENT: MiX TELEMATICS REPORTS FULL FISCAL YEAR 2023 IFRS FINANCIAL RESULTS**

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**Full Fiscal Year 2023 Highlights:**

- Net subscriber additions of 186,700, bringing the total base to over a million subscribers
- Total revenue of R2,463 million, up 10% year-over-year (constant currency)
- Subscription revenue of R2,151 million, up 12% year-over-year (constant currency)
- Annual recurring revenue ("ARR") of R2,359 million, up 15% year-over-year (constant currency)
- Concluded the acquisition of Trimble's Field Service Management business ("FSM")
- Profit for the year of R74 million
- Adjusted EBITDA of R547 million, at an Adjusted EBITDA margin of 22.2%
- Net cash and cash equivalents of R263 million at period end
- Board increases quarterly dividend by 12.5%

*Midrand, South Africa and Boca Raton, May 25, 2023* - MiX Telematics Limited (NYSE: MIXT, JSE: MIX), a leading global Software-as-a-Service ("SaaS") provider of connected fleet management solutions, today announced preliminary financial results for its full fiscal year 2023, which ended March 31, 2023.

"Closing out the fiscal year, we are proud to have surpassed the one million subscriber milestone," said CEO Stefan Joselowitz. "In addition during the second half of the fiscal year, we expanded our adjusted EBITDA to 25% and generated strong, positive free cash flow. Throughout the second half of the fiscal year, we executed well against our plan and finished the year in-line with our expectations.

"As we move into fiscal year 2024, despite general uncertainties in the macro-economic environment, we remain confident that we have the necessary levers within our operational structure to maintain our balanced approach to growth, while delivering strong free cash flow and profitability. Our team continues to work towards delivering consistent 'rule of 40' performance in the medium-term. M&A still remains a key component of our long-term objectives, and our corporate development team is actively evaluating a range of potential prospects."

**Financial performance for the fiscal year ended March 31, 2023**

**Subscription revenue:** Subscription revenue increased to R2,151.3 million, an increase of 17.2% compared to R1,836.1 million for fiscal year 2022. The FSM business acquired on September 2, 2022 contributed R94.3 million to the subscription revenue during fiscal year 2023. Subscription revenue increased by 11.9% on a constant currency basis, of which 4.5% is attributable to the FSM business acquisition. During fiscal year 2023, the Company's subscriber base grew by a net 186,700 subscribers. Subscription revenue represented 87.4% of total revenue during fiscal year 2023.

**Total revenue:** Total revenue was R2,462.8 million, an increase of 15.7% compared to R2,129.1 million for fiscal year 2022. On a constant currency basis, total revenue increased by 10.3%. Hardware and other revenue was R311.5 million, an increase of 6.3%, compared to R293.0 million for fiscal year 2022. Hardware and other revenue increased by 0.3% on a constant currency basis.

**Gross margin:** Gross profit was R1,526.6 million, an increase of 13.6% compared to R1,343.8 million for fiscal year 2022. Gross profit margin decreased 110 basis points to 62.0%, compared to 63.1% for fiscal year 2022. The subscription revenue margin during fiscal year 2023 was 67.9%, compared to 69.9% for fiscal year 2022.

**Operating margin:** Operating profit was R217.1 million, compared to R227.2 million for fiscal year 2023. The operating margin decreased 190 basis points to 8.8%, compared to the 10.7% for fiscal year 2022. Operating

expenses represented 53.6% of revenue compared to 52.6% of revenue for fiscal year 2022. The increase in operating expenses was mainly due to an increase in restructuring costs of R15.0 million as a result of restructuring plans implemented and acquisition-related costs of R13.3 million. The Company expects the related cost savings and resultant operating margin improvement as a result of restructuring plans implemented to take effect during fiscal year 2024.

**Profit for the year and earnings per share:** Profit for fiscal year 2023 was R74.5 million, compared to R134.2 million for fiscal year 2022. Profit for the year included a net foreign exchange gain of R18.9 million before tax, as well as a R62.4 million charge from the income tax effect of net foreign exchange gains (which includes a R59.8 million deferred tax charge 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, and a R2.6 million deferred tax charge on other foreign exchange gains). During fiscal year 2022, a net foreign exchange loss of R9.6 million was recognized and a R11.2 million credit from income tax effect of net foreign exchange losses (which includes R9.3 million deferred tax credit on a U.S. Dollar intercompany loan between MiX Telematics and MiX Investments, and a R1.9 million deferred tax credit on other foreign exchange losses).

Earnings per diluted ordinary share were 13 South African cents, compared to 24 South African cents for fiscal year 2022. For fiscal 2023, the calculation was based on diluted weighted average ordinary shares in issue of 556.1 million, compared to 564.4 million diluted weighted average ordinary shares in issue during fiscal year 2022.

**Adjusted EBITDA:** Adjusted EBITDA, a non-IFRS measure, was R547.3 million, compared to R513.0 million for fiscal year 2022. The Adjusted EBITDA margin, a non-IFRS measure, for fiscal year 2023 decreased 190 basis points to 22.2%, compared to 24.1% for fiscal year 2022.

**Adjusted earnings for the year and adjusted earnings per share:** Adjusted earnings, a non-IFRS measure, for fiscal year 2023 were R136.2 million, compared to R134.7 million for fiscal year 2022. Adjusted earnings per diluted ordinary share, a non-IFRS measure, were 24 South African cents, compared to 24 South African cents for fiscal year 2022.

**Adjusted Effective Tax Rate:** The Company’s effective tax rate was 67.0%, compared to 34.0% for fiscal year 2022. Adjusted effective tax rate, a non-IFRS measure, which excludes the impact of net foreign exchange gains and losses, acquisition-related costs, contingent consideration remeasurement and restructuring costs, net of tax, is the tax rate, which is used in calculating adjusted earnings above. Adjusted effective tax rate was 40.6% compared to 37.5% in fiscal year 2022.

**Statement of Financial Position and Cash Flow:** At March 31, 2023, the Company had R262.9 million of net cash and cash equivalents, compared to R407.8 million at March 31, 2022.

The Group generated R412.9 million in net cash from operating activities for fiscal year 2023 and invested R449.3 million in capital expenditures during the year (including investments in in-vehicle devices of R320.5 million), leading to negative free cash flow, a non-IFRS measure, of R36.3 million, compared to negative free cash flow, a non-IFRS measure of R85.7 million for fiscal year 2022. Capital expenditures in fiscal year 2022 were R409.6 million and included in-vehicle devices of R272.4 million.

The Group utilized R112.5 million in financing activities, compared to R148.3 million utilized during fiscal year 2022. The cash utilized in financing activities in fiscal year 2023 mainly consisted of dividends paid of R88.3 million, the repayment of lease liabilities of R17.6 million, and the repurchase of shares of R6.6 million. The cash utilized in financing activities in fiscal year 2022 mainly consisted of dividends paid of R88.1 million, the repayment of lease liabilities of R15.5 million, and the repurchase of shares of R44.7 million.

## SUMMARIZED CONSOLIDATED INCOME STATEMENT

	Year ended March 31, 2023	Year ended March 31, 2022
Figures are in thousands unless otherwise stated		
Revenue	2,462,754	2,129,100
Operating profit	217,136	227,191
Adjusted EBITDA	547,251	513,013
Profit for the period attributable to owners of the parent	74,494	134,224
Adjusted earnings attributable to owners of the parent <sup>1</sup>	136,183	134,726
Headline earnings attributable to owners of the parent	75,430	134,404
Basic earnings per share - (R)	0.13	0.24
Basic adjusted earnings per share - (R) <sup>1</sup>	0.25	0.24
Basic headline earnings per share - (R)	0.14	0.24
Dividends per share - (R)	0.165	0.16
Ordinary shares ('000) <sup>2</sup>		
-in issue at March 31	554,937	551,360
-weighted average	552,603	551,923
-diluted weighted average	556,144	564,372

<sup>1</sup> 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, acquisition-related costs net of tax, contingent consideration remeasurement net of tax and restructuring costs net of tax. The total of this is divided by the weighted average number of ordinary shares in issue during the period.

During fiscal year 2023, the Company incurred significant restructuring costs due to restructuring plans implemented as part of a cost saving initiative during the fourth quarter of fiscal year 2023. The Company does not believe that such costs relate to ongoing, core operations. Therefore, the Adjusted Earnings definition has been updated in the current period to exclude restructuring costs, thereby allowing investors and others to understand and evaluate the Company's operating results. The comparative period in the above table has been re-presented to conform to the updated definition. This resulted in an immaterial increase of R2.1 million in Adjusted Earnings and an increase of 0.4 cents in basic adjusted earnings per share for fiscal year 2022.

<sup>2</sup> March 31, 2023 figure excludes 53,816,750 (March 31, 2022: 53,816,750) treasury shares held by MiX Investments, a wholly owned subsidiary of the Group.

**SUMMARIZED CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION**

March 31,  
2023

March 31,  
2022

Figures are in thousands unless otherwise stated

<b>ASSETS</b>		
Non-current assets	1,999,560	1,606,775
Current assets	1,251,984	1,082,141
<b>Total assets</b>	<b>3,251,544</b>	<b>2,688,916</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	2,013,331	1,898,283
Non-current liabilities	302,995	203,001
Current liabilities	935,218	587,632
<b>Total equity and liabilities</b>	<b>3,251,544</b>	<b>2,688,916</b>
Net cash	262,886	407,805
Cash and cash equivalents	537,094	488,921
Net asset value per share (R)	3.63	3.44

**Dividend declared**

The board of directors declared in respect of the fourth quarter of fiscal 2023 which ended on March 31, 2023, a dividend of 4.50000 South African cents per ordinary share to be paid on June 19, 2023.

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

Last day to trade cum dividend	Monday, June 12, 2023
Securities trade ex dividend	Tuesday, June 13, 2023
Record date	Thursday, June 15, 2023
Payment date	Monday, June 19, 2023

Share certificates may not be dematerialized or rematerialized between Tuesday, June 13, 2023 and Thursday, June 15, 2023, 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 4.50000 South African cents per ordinary share;
- the net local dividend amount is 3.60000 South African cents per ordinary share for shareholders liable to pay dividends tax;
- the issued ordinary share capital of MiX Telematics is 608,753,569 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 15, 2023
Record date	Friday, June 16, 2023
Approximate date of currency conversion	Monday, June 19, 2023
Approximate dividend payment date	Thursday, June 29, 2023

**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 23, 2023. 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 25, 2023. The preliminary condensed consolidated financial statements for the year ended March 31, 2023 have been reviewed by Deloitte & Touche, who expressed an unmodified review conclusion thereon. The review conclusion is included in the full announcement published on the Group's website and a copy of the auditor's review report is also available for inspection at the Company's registered office together with accompanying financial information. 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 [Herman@statucor.co.za](mailto:Herman@statucor.co.za) or the sponsor, Java Capital at [sponsor@javacapital.co.za](mailto:sponsor@javacapital.co.za). Any investment decision should be based on the full announcement which is available for inspection at the Company's registered office and on the Company's website.

The full announcement is available at <https://senspdf.jse.co.za/documents/2023/jse/isse/MIX/FY-Q42023.pdf>.

#### **Directors**

IV Jacobs\* (Chairman), SB Joselowitz (CEO), SR Bruyns\*# (Lead Independent Director), PM Dell (CFO), F Futwa\*#, CD Flemming\*#, 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 25, 2023

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Sponsor

**JAVACAPITAL**