

## 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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## MiX TELEMATICS REPORTS FIRST HALF OF FISCAL YEAR 2024 IFRS FINANCIAL RESULTS

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### First Half of Fiscal Year 2024 Highlights:

- Net subscriber additions of 87,900, bringing the total base to over 1,089,000 subscribers
- Total revenue of R1,382 million, up 13% year-over-year (constant currency)
- Subscription revenue of R1,206 million, up 13% year-over-year (constant currency)
- Profit for the period of R38 million
- Adjusted EBITDA up 58% year-over-year to R343 million, at an adjusted EBITDA margin of 24.8% (up 580 basis points from the prior year)
- Net cash and cash equivalents of R237 million at period end
- Net cash provided by operating activities of R270 million during the period
- Free cash flow of R45 million generated during the period

**Midrand, South Africa and Boca Raton, November 8, 2023** – MiX Telematics Limited (NYSE: MIXT, JSE: MIX), a leading global Software-as-a-Service ("SaaS") provider of connected fleet management solutions, today announced financial results for its first half of fiscal year 2024, which ended on September 30, 2023.

### Management Commentary

"We delivered a strong first half result with record subscriber growth, increased profitability and solid free cash flow," said MiX Group CEO Stefan Joselowitz. "With the macro-environment remaining uncertain and volatility persisting across many of our markets, our model continues to be resilient, and our balance sheet remains a strategic asset. Our subscriber base is now well over the one million mark and Adjusted EBITDA has increased in line with our profitability objectives. We are making steady and sustainable progress towards achieving a Rule of 40 performance in the medium term."

Joselowitz continued, "On October 10, 2023, we announced a transformative business combination with Powerfleet (Nasdaq: PWFL). This merger will result in one of the largest global providers of connected vehicle SaaS solutions and I firmly believe that this is the ideal path forward for our organization and shareholders. Post close, we anticipate the direct Nasdaq listing will provide us with significantly increased market exposure and an expanded investor base. The combination is expected to unlock further shareholder value through its meaningfully increased scale, enhanced R&D activities, and leveraging our combined best-in-class SaaS solutions to further capitalize on the significant global market opportunity."

### Financial performance for the first half of fiscal year 2024

**Subscription revenue:** Subscription revenue increased to R1,205.7 million, an increase of 20.1% compared to R1,003.8 million for the first half of fiscal year 2023. The Field Service Management ("FSM") business acquired on September 2, 2022 contributed R74.4 million to the subscription revenue for the first half of fiscal year 2024, compared to R15.7 million for the first half of fiscal year 2023. Subscription revenue increased by 13.0%, on a constant currency basis, year over year, of which 4.9% is attributable to the FSM business acquisition. During the first half of fiscal year 2024, the Company's subscriber base increased by a net 87,900 subscribers, mainly due to the Africa segment. Subscription revenue represented 87.2% of total revenue during the first half of fiscal year 2024.

**Total revenue:** Total revenue was R1,382.2 million, an increase of 20.7% compared to R1,144.7 million for the first half of fiscal year 2023. Total revenue increased by 13.1% on a constant currency basis, year over year.

Hardware and other revenue increased to R176.5 million, an increase of 25.2%, compared to R140.9 million for the first half of fiscal year 2023. Hardware and other revenues increased by 13.8% on a constant currency basis.

**Gross margin:** Gross profit was R855.3 million, compared to R705.8 million for the first half of fiscal year 2023. Gross profit margin increased by 20 basis points to 61.9%, compared to 61.7% for the first half of fiscal year 2023. The subscription revenue margin during the first half of fiscal year 2024 was 66.4%, compared to 67.3% for the first half of fiscal year 2023.

**Operating profit:** Operating profit was R143.0 million, compared to R71.5 million in the first half of fiscal year 2023. The operating margin increased by 410 basis points to 10.3%, compared to 6.2% in the first half of fiscal year 2023. Operating expenses represented 52.3% of revenue compared to 55.6% in the first half of fiscal year 2023. Operating expenses in the first half of fiscal 2024 included R14.8 million in strategic costs related to the proposed Powerfleet transaction.

**Profit for the period and earnings per share:** Profit for the period was R37.7 million, compared to a loss of R2.2 million in the first half of fiscal year 2023. Profit for the period included a net foreign exchange loss of R15.9 million before tax, as well as a R10.0 million charge from the income tax effect of net foreign exchange losses (which includes a R15.8 million deferred tax charge on a U.S. Dollar intercompany loan between MiX Telematics and MiX Telematics Investments Proprietary Limited (“MiX Investments”), a wholly-owned subsidiary of the Company, offset by a R5.8 million deferred tax credits on other foreign exchange losses). During the first half of fiscal year 2023, a net foreign exchange gain of R24.4 million was recognized, as well as a R63.8 million charge from the income tax effect of net foreign exchange losses (which includes a R60.0 million deferred tax charge on a U.S. Dollar intercompany loan between MiX Telematics and MiX Investments and a R3.8 million deferred tax charge on other foreign exchange gains).

Earnings per diluted ordinary share was 6.8 South African cents, compared to negative 0.4 South African cents in the first half of fiscal year 2023. For the first half of fiscal year 2024, the calculation was based on diluted weighted average ordinary shares in issue of 554.4 million, compared to 556.2 million diluted weighted average ordinary shares in issue during the first half of fiscal year 2023.

**Adjusted EBITDA and Adjusted EBITDA margin:** Adjusted EBITDA, a non-IFRS measure, was R343.3 million compared to R217.1 million for the first half of fiscal year 2023. Adjusted EBITDA margin, a non-IFRS measure, increased 580 basis points to 24.8%, compared to 19.0% in the first half of fiscal year 2023.

**Adjusted earnings for the period and adjusted earnings per share:** Adjusted earnings, a non-IFRS measure, for the period were R71.1 million, compared to R47.0 million in the first half of fiscal year 2023. Adjusted earnings per diluted ordinary share, a non-IFRS measure, were 13 South African cents, compared to 8 South African cents for the first half of fiscal year 2023.

**Adjusted Effective Tax Rate:** The Company’s effective tax rate was 66.8%, compared to 102.3% for the first half of fiscal year 2023. Adjusted effective tax rate, a non-IFRS measure, which excludes the impact of net foreign exchange gains and losses, acquisition-related costs, non-recurring transitional service agreement costs, strategic 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 48.2% compared to 45.4% in the first half of fiscal year 2023.

**Cash and Cash Equivalents and Cash Flow:** At September 30, 2023, the Company had R236.7 million of net cash and cash equivalents, compared to R262.9 million at March 31, 2023.

The Company generated R270.0 million in net cash from operating activities for the first half of fiscal year 2024 and invested R224.8 million in capital expenditures during the period (including investments in in-vehicle devices of R148.7 million), leading to a positive free cash flow of R45.3 million, compared to a negative free cash flow of R192.2 million for the first half of fiscal year 2023. Capital expenditures in the first half of fiscal year 2023 were R240.1 million and included in-vehicle devices of R173.2 million.

Net cash used in investing activities for the first half of fiscal year 2024 was R229.5 million, compared to R302.3 million net cash used in investing activities for the first half of fiscal year 2023, which included R64.6 million paid by MiX Telematics North America for the acquisition of the FSM business.

The Company utilized R66.9 million in financing activities, compared to R56.8 million utilized during the first half of fiscal year 2023. The cash utilized in financing activities during the first half of fiscal year 2024 mainly consisted of dividends paid of R49.9 million, the payment of lease liabilities of R6.8 million, and the repurchase of shares of R10.2 million. The cash utilized during the first half of fiscal year 2023 consisted primarily of dividends paid of R44.1 million, the payment of lease liabilities of R10.9 million, and the repurchase of shares of R1.7 million.

## SUMMARIZED CONSOLIDATED INCOME STATEMENT

	Six months ended September 30, 2023	Six months ended September 30, 2022
Figures are in thousands unless otherwise stated		
Revenue	1,382,209	1,144,747
Operating profit	143,015	71,498
Adjusted EBITDA	343,336	217,112
Profit/(loss) for the period attributable to owners of the parent	37,695	(2,214)
Adjusted earnings attributable to owners of the parent <sup>1</sup>	71,054	46,961
Headline earnings/(loss) attributable to owners of the parent	37,640	(2,656)
Basic earnings/(loss) per share - (R)	0.07	(0.004)
Basic adjusted earnings per share - (R) <sup>1</sup>	0.13	0.09
Basic headline earnings/(loss) per share - (R)	0.07	(0.005)
Dividends per share - (R)	0.09	0.08
Ordinary shares ('000) <sup>2</sup>		
-in issue at September 30	554,021	552,086
-weighted average	554,119	551,792
-diluted weighted average	554,438	556,206

<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, non-recurring transitional service agreement costs, contingent consideration remeasurement, strategic costs and the restructuring costs net of tax, divided by the weighted average number of ordinary shares in issue during the period.

<sup>2</sup> September 30, 2023 figure excludes 53,816,750 (September 30, 2022: 53,816,750) treasury shares held by MiX Investments, a wholly owned subsidiary of the Group.

**SUMMARIZED CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION**

September 30,  
2023

March 31,  
2023

Figures are in thousands unless otherwise stated

<b>ASSETS</b>		
Non-current assets	2,121,885	1,999,560
Current assets	1,285,731	1,251,984
<b>Total assets</b>	<b>3,407,616</b>	<b>3,251,544</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	2,036,533	2,013,331
Non-current liabilities	324,813	302,995
Current liabilities	1,046,270	935,218
<b>Total equity and liabilities</b>	<b>3,407,616</b>	<b>3,251,544</b>
Net cash	236,668	262,886
Cash and cash equivalents	556,652	537,094
Net asset value per share (R)	3.68	3.53

**Dividend declared**

The Board of Directors declared in respect of the second quarter of fiscal year 2024, which ended on September 30, 2023, a dividend of 4.50000 South African cents per ordinary share to be paid on Monday, December 4, 2023.

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

Last day to trade cum dividend	Tuesday, November 28, 2023
Securities trade ex dividend	Wednesday, November 29, 2023
Record date	Friday, December 1, 2023
Payment date	Monday, December 4, 2023

Share certificates may not be dematerialized or rematerialized between Wednesday, November 29, 2023 and Friday, December 1, 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 607,837,362 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, November 30, 2023
Record date	Friday, December 1, 2023
Approximate date of currency conversion	Monday, December 4, 2023
Approximate dividend payment date	Thursday, December 14, 2023

The results announcement is the responsibility of the Board of Directors and the contents have been approved by the Board of Directors on October 31, 2023. The results announcement is a summary of the first half of fiscal year 2024 IFRS financial results (“**full announcement**”) released on SENS and published on the Group's website

(<https://www.mixtelematics.com/investor-relations/sens>) on November 8, 2023. The results 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 results 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 available on the Company's website.

The full announcement is available at <https://senspdf.jse.co.za/documents/2023/jse/isse/MIX/FY-Q22024.pdf>.

#### **Directors**

IV Jacobs\*# (Chairman), SB Joselowitz (CEO), SR Bruyns\*# (Lead Independent Director), P 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

November 8, 2023

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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 line graphic is positioned between the two words.