



Lesaka Reports FY23 Q2 Results Outperforming Upper End of Guidance

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JOHANNESBURG--(BUSINESS WIRE)--Feb. 7, 2023-- Lesaka Technologies, Inc. (Nasdaq: LSAK; JSE: LSK) today released results for the second quarter ended December 31, 2022 ("Q2 2023").

Successful execution against a carefully crafted transformation strategy

Performance highlights for Q2 2023:

- Group Adjusted EBITDA of \$7.4 million (ZAR 130.4 million) exceeds the upper end of guidance of ZAR 123 million in Q2 2023 by 6%. This represents a 77% increase compared to the prior quarter (Q1 2023: \$4.2 million; ZAR 71.9 million) and significant improvement compared to Q2 2022 when Lesaka reported a Group Adjusted EBITDA loss of \$5.4 million (ZAR 83.6 million).
- Revenue of \$136.1 million (ZAR 2.4 billion)¹ in Q2 2023, compared to \$31.1 million (ZAR 478.5 million)¹ for the quarter ended December 31, 2021 ("Q2 2022"), exceeding the upper end of guidance by 4%, driven predominantly by strong outperformance in the Merchant Division.
- Major milestone in achieving positive net cash provided by operating activities of \$3.4 million (ZAR 59.9 million) in Q2 2023, compared to an outflow of \$13.8 million (ZAR 212.0 million) in Q2 2022.
- Lesaka re-affirms previous guidance provided for fiscal 2023.

Lesaka Group CEO Chris Meyer said: "We are proud of our performance in the second quarter of our financial year. We have made significant progress in our transformation strategy, a process that commenced in earnest at the beginning of fiscal 2022. The Merchant Division has delivered excellent growth across all products, particularly in our card acquiring and credit businesses, in particular Kazang Pay and Kazang Advance. This result was achieved despite a challenging operating environment with increased loadshedding impacting our MSME customer's ability to operate. The integration of the Connect Group has expanded our Merchant business significantly and continues to create new opportunities for the growth of our ecosystem in Southern Africa.

"We are also delighted with the performance of our Consumer Division where we have achieved our goal of returning the business to profitability at a Segment Adjusted EBITDA level, providing tangible evidence of the turnaround in this segment of our business.

"We are seeing excellent momentum across our group, driven by clear secular trends underpinning the themes of financial inclusion, cash management and digitization, which is core to our value proposition to merchants and consumers in Southern Africa."

Lesaka CEO Southern Africa Lincoln Mali said: "This quarter is a watershed moment for Lesaka. In reflecting on the work of the last 18 months, where we were very clear on how we planned to return the Consumer business to profitability, we view this set of results as testament to the successful implementation of a rigorous plan that was based on the complete transformation and optimization of our branch and distribution footprint, coupled with a clear focus on delivering financial inclusion to our customers across Southern Africa."

¹ Translated at an average exchange rate of ZAR 17.52 to \$1 for Q2 2023, ZAR 15.38 to \$1 for Q2 2022 and ZAR 17.13 to \$1 for Q1 2023. The ZAR weakened 14% against the U.S. dollar during Q2 2023 when compared to Q2 2022 and 2% when compared to the prior sequential quarter (Q1 2023).

Full release and webcast details at [Investor Relations | Lesaka Technologies](#).

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