

## QUARTERLY UPDATE

# Lesaka Technologies narrows net loss

**Andries Mahlangu**  
Markets Reporter

Technology and financial services group Lesaka Technologies narrowed its net loss by 42% in the three months ended September, boosted in part by its fintech business while cost-cutting initiatives in the consumer segment also paid off.

Lesaka, which has a primary listing on Nasdaq and secondary listing on the JSE, provides informal retail merchants with a point-of-sale device with which they can pay their suppliers and sell many products, including airtime and electricity.

More than 72,000 informal retail merchants use its cash management solutions, bill payment technologies, value-added services, business funding and card acquiring solutions.

Lesaka also provides unsecured credit, transactional banking and microinsurance to customers through its EasyPay Everywhere brand.

Group revenue rose 19% to R2.5bn year on year, driven by an increase in low-margin prepaid airtime sales and other value-added services, as well as higher transaction, insurance and lending revenues.

Its operating income was R4.2m during the review quar-



**19%**  
rise in group revenue year on year was driven by an increase in low-margin prepaid airtime sales and other value-added services

**Innovative:** Lesaka provides informal retail merchants with point-of-sale devices with which they can pay suppliers and sell airtime and electricity. /123RF/gearstd

ter, swinging from operating loss of R80m reported in the comparative period a year ago. However, its net loss narrowed to R105.6m versus R183.2m.

"It has been yet another encouraging quarter for us. We achieved a major milestone by returning to profitability at an operating level for the quarter," CEO Chris Meyer said in a

statement on Wednesday.

"We will continue to innovate and extend the positive impact we are having on the lives of SA's small merchants and grant beneficiaries as the digitalisation trend in the informal economy continues," he said.

The company also benefited from a higher interest-rate environment in SA. However, the

weaker rand against the dollar affected translated earnings.

For the current quarter to end-December, Lesaka projects revenue growth of R2.65bn-R2.75bn, while adjusted core profit is forecast to be R170m-R180m. Its shares were little changed in Wednesday trade at R84.50 on the JSE.

mahlangua@businesslive.co.za