

MiX Telematics puts faith in new devices

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MiX Telematics is strengthening its international businesses with new products and potential acquisitions to improve their contribution to the group's earnings.

The company provides vehicle tracking and recovery products and services in seven countries, including Australia, the UK, US and the United Arab Emirates region.

Last year, the strong rand and lower unit sales from the Middle East and US hammered the group's international earnings. CEO Stefan Joselowitz said yesterday rand strength against major international currencies resulted in a decline in earnings.

"We estimate the adverse impact of the strong rand on our revenue to be about R63m and the subsequent negative impact on our earnings to be about R18m. This translates into about 3c per share," he said.

Mr Joselowitz said the pipeline of contracts and new products being launched internationally would lift earnings next year. "We are seeing exciting new developments and an upturn in certain key areas of the business, which should benefit MiX Telematics."

MIX TELEMATICS

Full Year	2010	2009
Revenue (Rm)	840,4	958,1
Pretax (Rm)	92,9	108,2
Net Income (Rm)	66,1	69,1
HEPS (c)	12,8	15,9
Dividend PS (c)	5	4

MiX was also on the prowl for acquisitions internationally but nothing had materialised yet.

Revenue for the year to March declined 12,3% to R840,4m. Profit declined 4,3% to R66,1m. The vehicle tracking and recovery business in Africa reported a marginal decline in revenue to R328,2m because of the decline in new car sales. Fleet management revenue grew to R160,5 from R156,1m.

UK revenue declined to R204,9m from R264,4m last year. Earnings before interest, tax, depreciation and amortisation (ebitda) increased to R6,4m from R5,4m. Middle East ebitda dropped to R9,5m from R17,8m. Ebitda losses in the North American businesses increased to R11m from R949 000.

"The US economy contracted significantly during the past year.... Not having a sizable annuity base to act as a shock absorber, this impacted adversely on results," Mr Joselowitz said.
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