



NET1 UEPS TECHNOLOGIES INC.
net1.com

SEP
27 2018

SIDOTI & COMPANY
FALL 2018 CONFERENCE

HERMAN KOTZE, CHIEF EXECUTIVE OFFICER

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for certain forward-looking statements so long as such information is identified as forward-looking and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in the information.

The use of words such as “may”, “might”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “project”, “intend”, “future”, “potential” or “continue”, and other similar expressions are intended to identify forward-looking statements.

All of these forward-looking statements are based on estimates and assumptions by our management that, although we believe to be reasonable, are inherently uncertain. Forward-looking statements involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, industry, strategy or actual results to differ materially from the forward-looking statements.

These risks and uncertainties may include those discussed in the Company’s annual report on Form 10-K for the year ended June 30, 2018, on file with the Securities and Exchange Commission, and other factors which may not be known to us. Any forward-looking statement speaks only as of its date. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.



Net1 is a fintech leader in payments, financial services and processing for the unbanked

SOUTH AFRICAN FINTECH LEADER

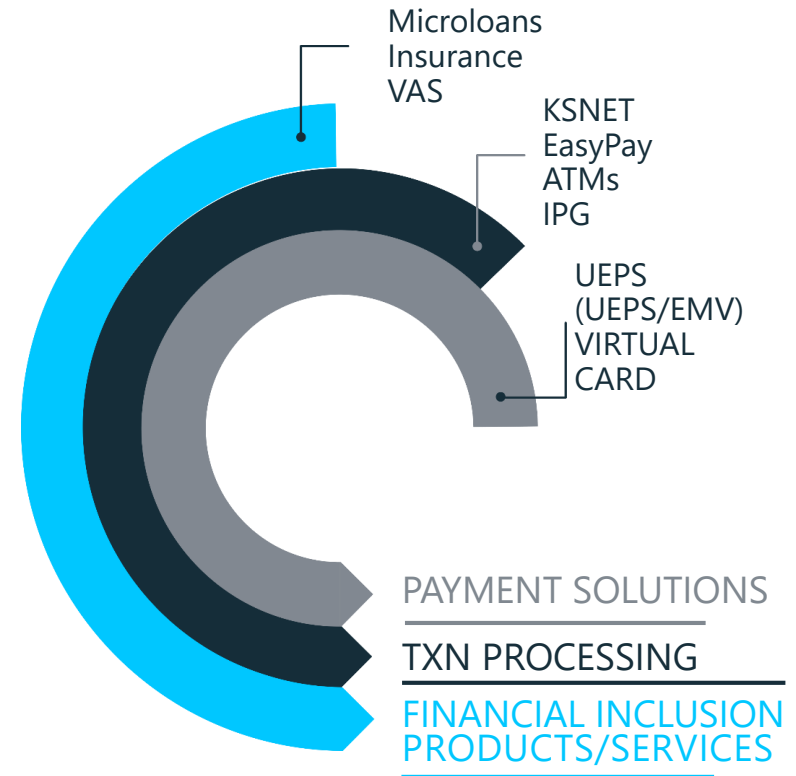
- >2 million banking customers
- Leader in microloans+insurance to unbanked
- Last mile national distribution

TOP 3 PROCESSOR IN S. KOREA & SA

- KSNET – >240,000 merchants
- EasyPay – >70,000 merchants
- ATMs - ~2,000 fixed and mobile ATMs

INTERNATIONAL PROCESSING

- X-border issuing, acquiring for SMEs
- Blockchain & crypto expansion



The market has overreacted to our South African prospects:
EV = \$370m; FY18 Group EBITDA* and FCF ~\$125m

Our transaction processing & DNI businesses alone had **>\$80m EBITDA*** in FY 2018

NOTE: Excludes core SA ops (EPE, CPS, financial services, hardware), and IPG

**Adjusted EBITDA is a non-GAAP measure and excludes non-recurring items, transaction related costs and certain other items detailed in the reconciliation to GAAP in our earnings release*

SOTP (Excl. core SA ops)	MKT CAP	LOW	MID	HIGH
	\$ m	\$ m	\$ m	\$ m
<u>KSNET, EasyPay, ATMs, and DNI = EBITDA* >\$80 million</u>				
EV/EBITDA Multiple		6x	9x	12x
Valuation		480	720	960
<u>Investments</u>				
Cell C		173	173	200
OneFi		8	25	35
Finbond		31	74	74
Bank Frick		48	52	55
MobiKwik		27	35	40
Investments:		287	359	404
Net cash		40	40	40
Valuation	\$410	\$807	\$1,119	\$1,404
Value/share (\$)	\$7.23	\$14.21	\$19.70	\$24.72

KEY INVESTMENTS

	% Held	Balance Sheet (06/30/18)	Value
Equity Accounted			
Bank Frick	35%	\$48 million	>\$52 million (1)
Finbond (JSE listed)	28.5%	\$31 million	\$74 million (2)
OneFi	25%	\$8 million	\$25-\$35 million (3)
Investments			
Cell C	15%	\$173 million	>\$173 million (4)
MobiKwik	12%	\$27 million	\$35 million (5)
TOTAL		\$287 million	>\$359 million (6)

1) Based on latest trading results

2) 260m shares at R3.55 at \$1/R12.4

3) Based on peer analysis of other neobanks

4) EV/ EBITDA model: \$284M EBITDA; 6.75x multiple; \$641M net debt, 10% marketability discount

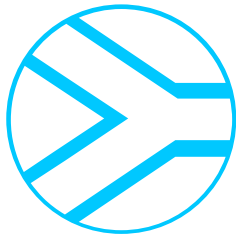
5) 12% of \$290m (recent MobiKwik valuation at Bajaj investment)

6) Compared with Net1 market cap of \$410 million (56.8M shares x \$7.23)

Values at carrying value unless stated otherwise



We are focused on **three** key strategic areas to drive long term growth and profitability

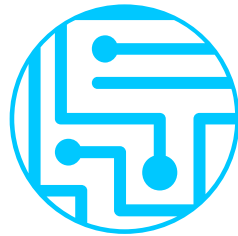


SOUTH AFRICA

Financial Inclusion
(Individuals)

Synergies with Cell C, DNI,
Finbond

STS-6 prepaid utility vending



INT'L PAYMENTS GROUP

Issuing, Acquiring, Processing
(SMEs)

Blockchain and
Cryptocurrencies

Synergies with Bank Frick



UEPS & INTERNATIONAL

UEPS/EMV International
deployments

India, Nigeria
and S. Korea

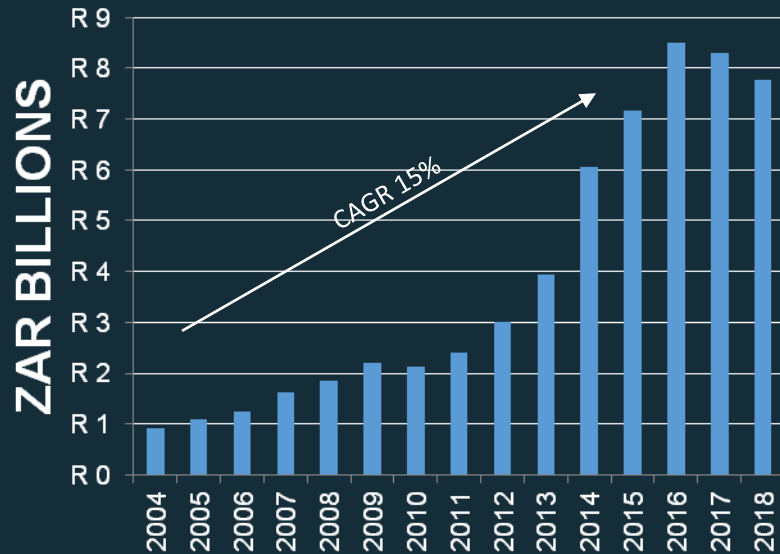
Leverage global partnerships

SUPPORTED BY STRATEGIC INVESTMENTS



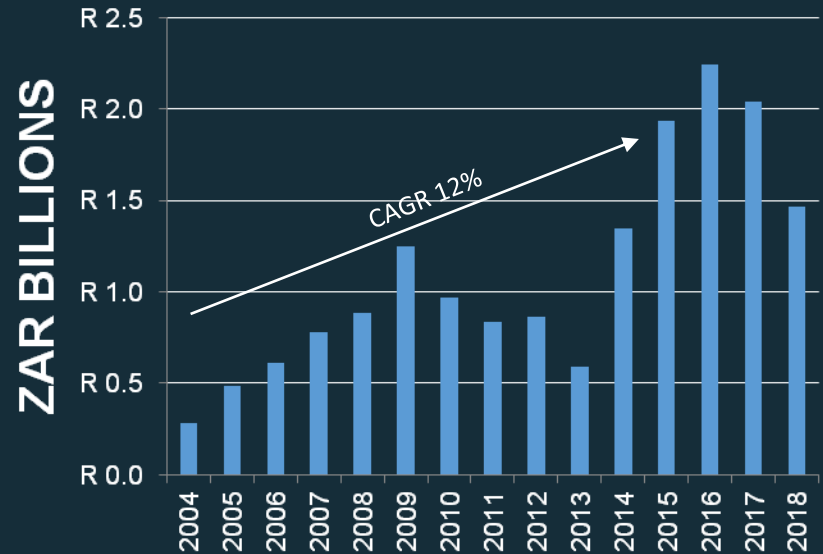
NET1 has a long-term track record of sustainable growth and profitability

REVENUE



Net1 has grown ZAR-based revenue at a 15% CAGR over the past 14 years.

EBITDA



Adjusted EBITDA* has grown at 12% CAGR over the past 14 years.

* Adjusted EBITDA is a non-GAAP measure and excludes non-recurring items, transaction related costs and certain other items detailed in the reconciliation to GAAP in our earnings release



Full Year Fiscal 2018 highlights :

- Revenue of \$613 million and Fundamental EPS of \$2.00 (\$1.56 excl. fair value adjustment)
- Adjusted EBITDA* of \$127 million; Free Cash Flow of \$123 million
- Added 0.9 million new EPE accounts. At June 30, 2018, we had 2.9 million EPE accounts
- \$292 million – strategic investments and acquisitions including DNI, Cell C and Bank Frick

Q4 2018 company highlights:

- Revenue of \$149 million and Fundamental EPS of \$0.22 (\$0.29 excluding fair value adjustment)
- Adjusted EBITDA* of \$24 million; Free Cash Flow of \$33 million
- Added 0.4 million new EPE accounts
- Progress on turning Korea around and repositioning of the International Payments Group

Investment Portfolio performance:

- DNI F2018 net income of ZAR 280 million, ahead of budget and prior guidance
- Cell C – double-digit service revenue and EBITDA growth in CY 1H 2018
- Bank Frick – double-digit top-line growth
- Finbond revenue and net income of \$162 million (66% increase) and \$19 million (98% increase) for its fiscal year ended February 2018

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THANK YOU



UEPS TECHNOLOGIES INC.
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