



Letshego Africa Holdings Limited
Unaudited Group Financial Results
Full Year ending 31 December 2024
Results Presentation

Friday 07 March 2025

www.letshegoinvestor.com



01

Operational Review

Interim Group Chief Executive Officer
Brighton Banda



Our core products in our key markets saw good top-line growth
Overall performance continues to recover from prior strategic choices that did not yield envisioned results.



Macro Economic Environment

- ❖ **Lower than Expected GDP**
Growth of **3.2%** in SSA.

- ❖ **Varied Inflation Trends** Across the Region. Food price inflation remains high.

- ❖ Significant **Currency Depreciations** in larger economies.




Performance Highlights

- ❖ **Net Interest Income** improved by **32%**, owing to strong DAS and Mobile Loan demand.

- ❖ **Operating Income** increased by **26%**.

- ❖ **Profit before tax** improved by **91%**, halving prior year loss position to **P70m** in 2024.



Operations Summary

- ❖ **Operating Expenses** increased by **9%** overall, with scope to bring down unnecessary overheads.

- ❖ **Credit Impairment** charge grew to **P783m** due to adverse performance in Non-DAS lending.

- ❖ **Effective Tax Rate** at **>100%** for 2024 remains key focus area for the Group.

Progress Update



Growth in Core Lending Products

1

DAS Net Advances

P12.6b



3%

Mobile Loans Revenue

P501m



152%



Mobile Lending Growth

2

Total Partnerships

7



1

Gross Payouts

P6.4b



13%



Collections & Recoveries

3

Post Write-Off Recoveries

P228m



40%

PAR30

11.6%



14.4%

FY23



Macroeconomic Headwinds

4

- ❖ Botswana in economic recession.
- ❖ Naira depreciation.
- ❖ FX Liquidity shortage in Mozambique.

Operational Highlights



Improved Performance in underlying business

1

- ❖ *Sustained Growth in core markets of Botswana, Mozambique and Namibia*
-



Green Shoots product success in East & West

2

- ❖ *Strong Demand for Mobile Loan products in East & West Markets, especially in Ghana and Tanzania*
-



Prudent Provisioning building up portfolio health

3

- ❖ *Accelerated unwinding of challenged lending portfolios*
-



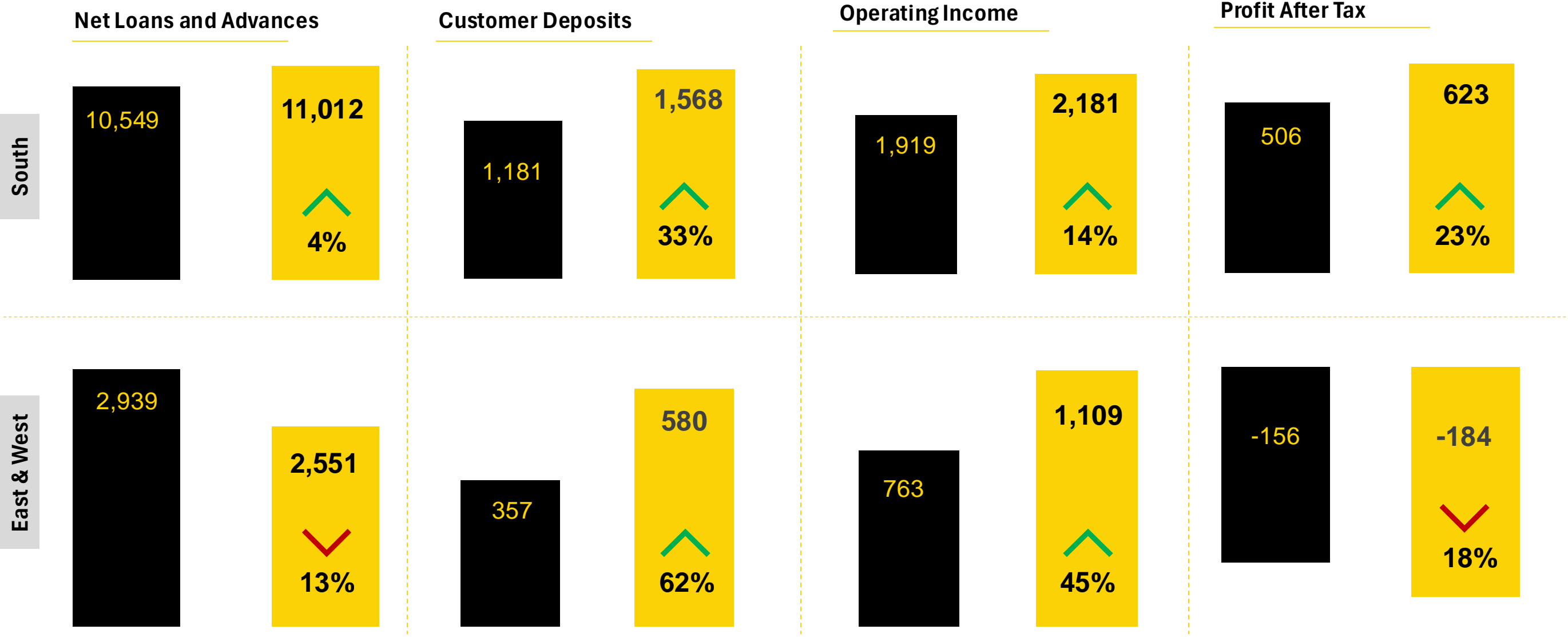
Preparatory effort to realise shareholder value

4

- ❖ *Exploring opportunities to redefine our participation model in East and West markets*
-

Operational Highlights: Geographic Performance

BWP millions



2023 2024



02

Financial Performance

Group Chief Financial Officer
Gwen Muteiwa

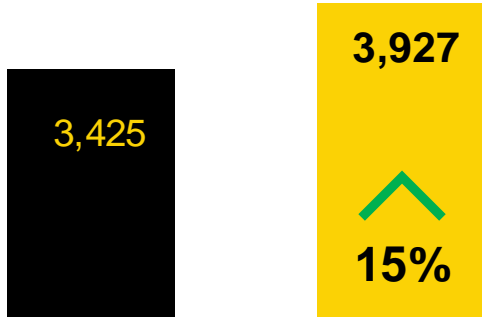


Key Performance Highlights: Income Statement

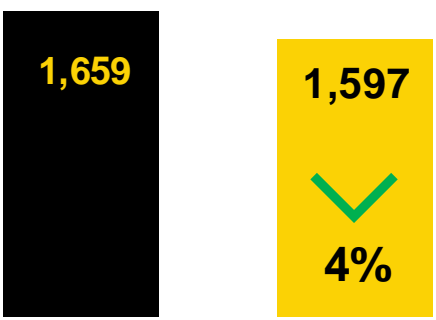


BWP millions

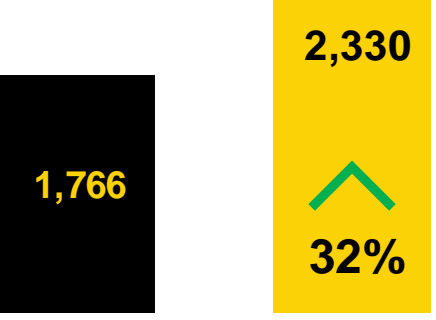
Interest Income



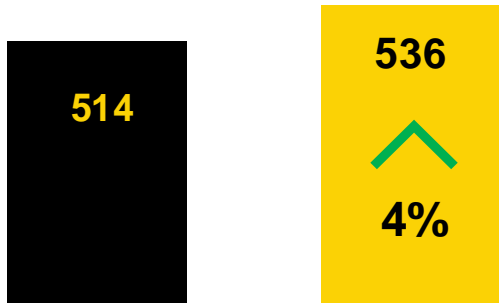
Interest Expense



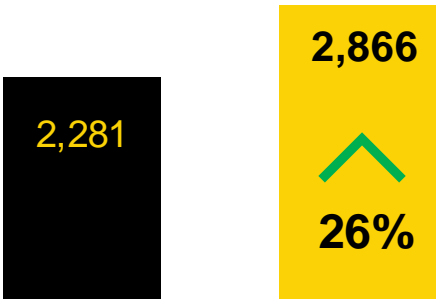
Net Interest Income



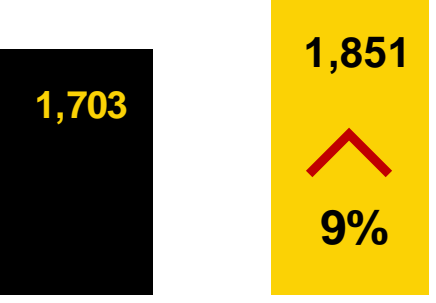
Non-Funded Income



Operating Income



Total Operating Expense



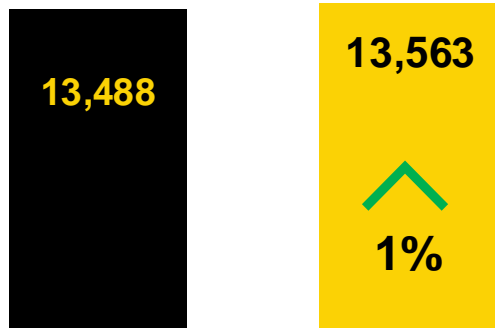
2023 2024

Key Performance Highlights: Balance Sheet

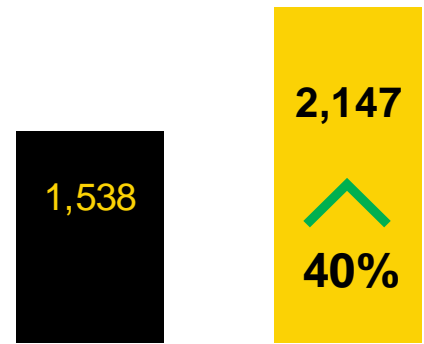


BWP millions

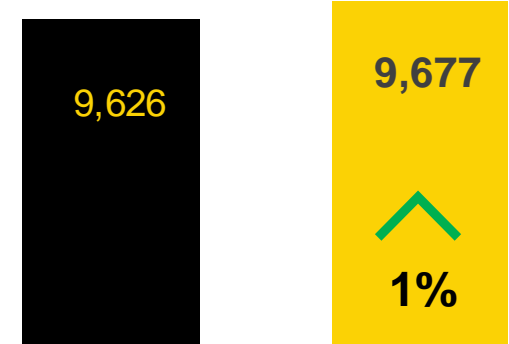
Net Advances



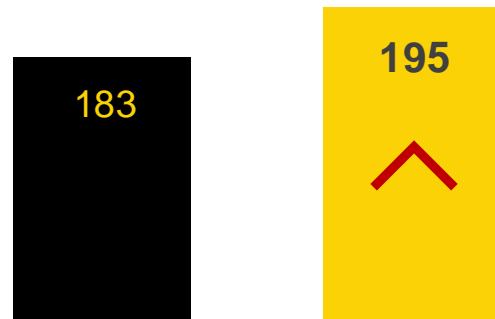
Customer Deposits



Borrowings



Debt-to-Equity Ratio (%)



Return on Equity (%)



Capitalisation Ratio (%)

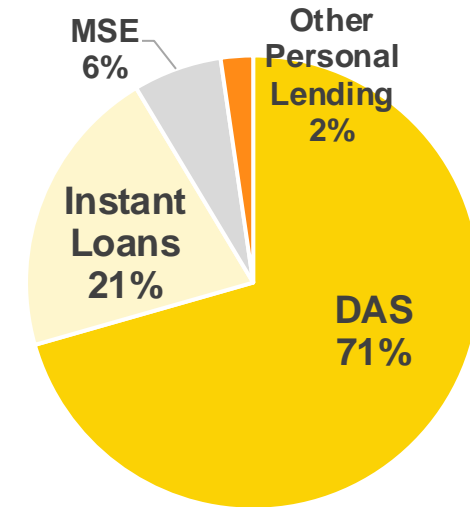


2023 2024

Income Statement Summary

Income Statement (BWP'000s)	FY 2024	FY 2023	Y-o-Y Δ%
Interest Income	3,927,066	3,424,947	15%
Interest Expense	(1,596,775)	(1,658,512)	-4%
Net Interest Income	2,330,291	1,766,435	32%
Net Fee and Commission Income	317,238	258,231	23%
Other Operating Income	218,900	256,141	-15%
Operating Income	2,866,429	2,280,807	26%
Expected Credit Losses	(783,053)	(456,591)	-71%
Net Operating Income	2,083,376	1,824,216	14%
Employee Costs	(518,403)	(611,604)	15%
Other Operating Expenses	(1,332,497)	(1,091,151)	-22%
Total Operating Expenses	(1,850,900)	(1,702,755)	9%
Profit before Taxation	232,476	121,461	91%
Taxation	(302,619)	(270,260)	12%
Loss for the Year	(70,143)	(148,799)	53%

Interest Income Contribution by Product



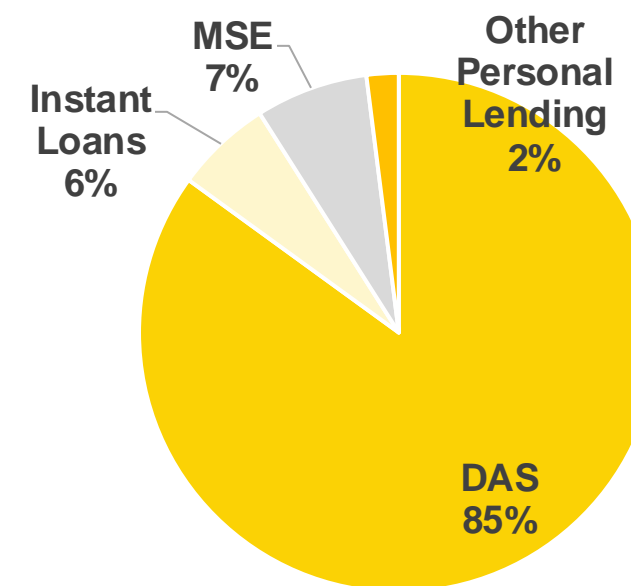
Key Ratios

Loan Loss Ratio	5.4%	↗	3.3% (FY23)
Cost-to-Income Ratio	64%	↘	74% (FY23)
Effective Tax Rate	130%	↘	223% (FY23)

Balance Sheet Summary

Assets (BWP'000s)	FY 2024	FY 2023	Δ%
Cash and Similar instruments	1,658,667	1,401,824	18%
Investment Securities	651,371	866,718	-25%
Financial Assets at Fair Value	725,957	952,610	-24%
Advances to Customers	13,563,164	13,487,892	1%
Other Assets	1,387,584	1,401,049	-1%
Total Assets	17,986,743	18,110,093	-1%
Liabilities	FY 2024	FY 2023	Δ%
Financial Liabilities at Fair Value	661,386	980,519	-33%
Customer Deposits	2,147,299	1,537,984	40%
Borrowings	9,676,565	9,626,301	1%
Other Liabilities	517,184	1,045,402	-51%
Total Liabilities	13,002,434	13,190,206	-1%
Equity	FY 2024	FY 2023	Δ%
Stated Capital	897,909	917,909	
Hyperinflation translation adjustment	217,905	83,920	
Retained Earnings	3,549,807	3,725,824	
Total Shareholders' Equity	4,531,310	4,477,056	
Total Liabilities and Equity	17,986,743	18,110,093	-1%

Net Advances Contribution by Product





03

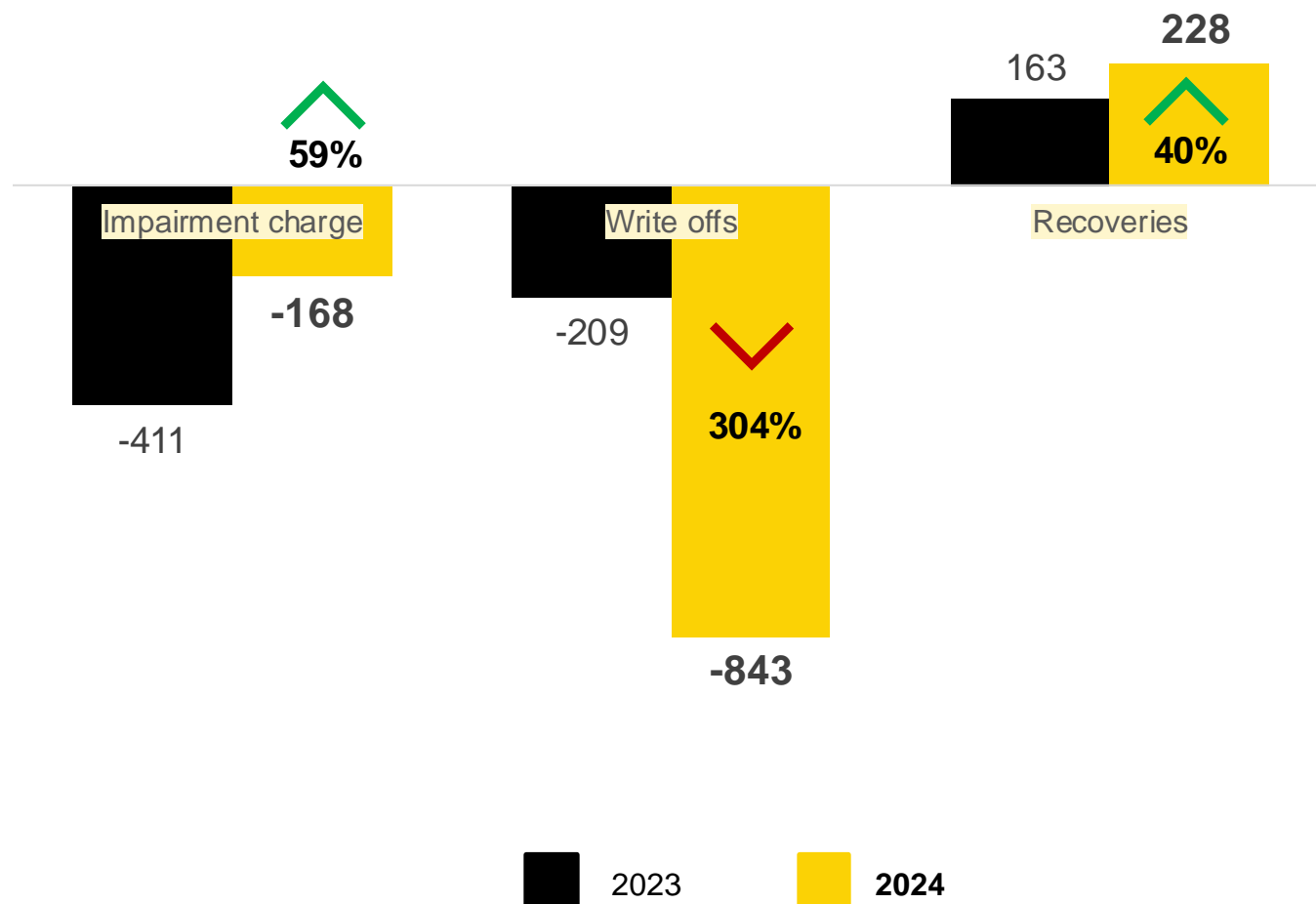
Credit Portfolio

Group Chief Risk & Compliance Officer
Richard Ochieng



Credit Quality: Breakdown of Net Impairment Expense

YoY Net Impairment Breakdown (BWP'm)



Commentary

Impairment Charge

- Current year includes TID impact for Mobile loans across the group, Ghana DAS and Kenya MSE which had dispensations in prior year. This resulted in increased coverage in response to market and macro conditions.

Write-Offs

- Legacy write offs qualifiers in Ghana and Eswatini Mobile portfolios written off at the back of increase of provisions to 100%.
 - Unsuccessful portfolios originated in 2022 /2023 qualified for write offs in 2024 on the back of the tighter write off policy implemented in the year.

Recoveries

- Post write off recoveries increased 40% YoY and remains a key focus area.

We de-risked challenged businesses. New originations performing well

2024 Vintages performing inline with Risk Appetite, originations was refocused on the core DAS and mature mobile lending.

	Total Portfolio	2024 Booking	2023 Booking
Gross Loan Balance	14,542	7,065	3,501
PAR 30%	11.6%	2.7%	14.7%
PAR 90%	8.4%	1.1%	10.4%



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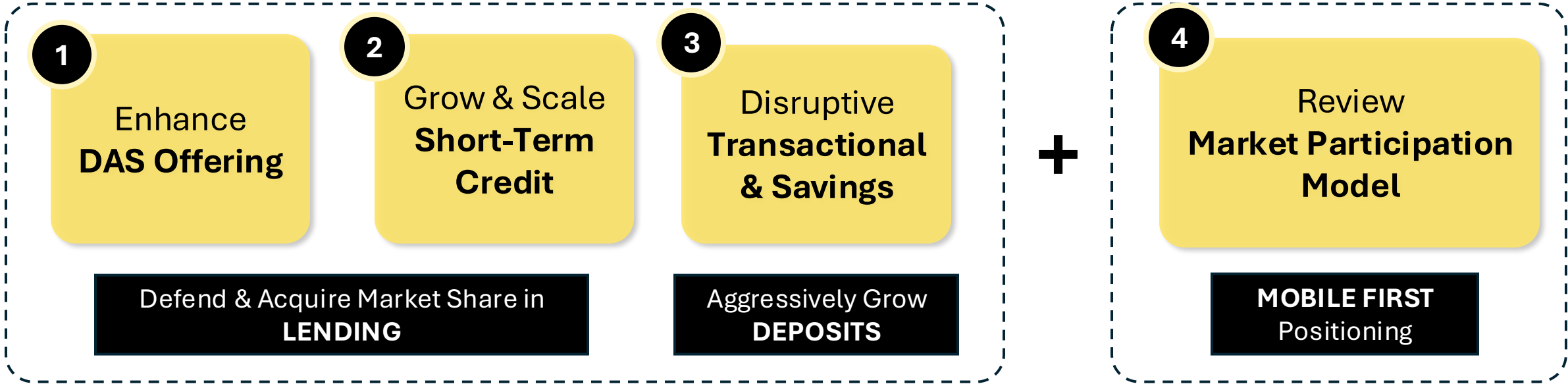
Outlook & Strategy Update

Interim Group Chief Executive Officer
Brighton Banda



Leveraging
Strategic Partnerships & Collaborations

to



Underpinned by

World-Class
Operational Efficiency

- Cost Management
- Credit Origination
- People & Culture
- Capital Management
- Tax Efficiency
- ESG

Simplicity **Focus** Discipline

Looking Ahead



Cost Rationalisation

1

- ❖ *Groupwide operating model refresh to bring down total operating expenses*



Delivery on Strategic Outcomes

2

- ❖ *Focused discipline and execution of key strategic pillars*



Accelerate Process on Market Participation

3

- ❖ *Accelerated unwinding of challenged lending portfolio*



Group-wide Funding Approach

4

- ❖ *Empowering subsidiaries to become self-sustaining, targeting more diversified local funding mix*



Implement Tax Efficiency Actions

5

- ❖ *Rigorous implementation of multiple actions to reduce high effective tax rate*

Thank you

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