



KAROO

Earnings Presentation Q3 FY23

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Forward-Looking Statements

The information in this presentation (which includes any oral statements made in connection therewith, as applicable) includes “forward-looking statements.” Forward-looking statements are based on our beliefs and assumptions and on information currently available to us, and include, without limitation, statements regarding our business, financial condition, strategy, results of operations, certain of our plans, objectives, assumptions, expectations, prospects and beliefs and statements regarding other future events or prospects. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “believe,” “expect,” “plan,” “intend,” “seek,” “anticipate,” “estimate,” “predict,” “potential,” “assume,” “continue,” “may,” “will,” “should,” “could,” “shall,” “risk” or the negative of these terms or similar expressions that are predictions of or indicate future events and future trends.

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This presentation includes certain non-IFRS financial measures, including adjusted EBITDA, adjusted EBITDA margin, free cash flow and free cash flow margin. These non-IFRS financial measures are not measures of financial performance in accordance with IFRS and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative or superior to IFRS measures. You should be aware that our presentation of these measures may not be comparable to similarly-titled measures used by other companies. Please see the reconciliations included in our earnings announcement dated July 27, 2022 (the “Earnings Announcement”).

Market and Industry Data

We include statements and information in this presentation concerning our industry ranking and the markets in which we operate, including our general expectations and market opportunity, which are based on information from independent industry organizations and other third-party sources (including a third-party market study, industry publications, surveys and forecasts). While Karoo000 believes these third-party sources to be reliable as of the date of this presentation, we have not independently verified any third-party information and such information is inherently imprecise. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of risks. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

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In our key markets, we have rights to use, or hold, certain trademarks relating to Cartrack, or the respective applications for trademark registration are underway. We do not hold or have rights to any other additional patents, trademarks or licenses, that, if absent, would have had a material adverse effect on our business operations. Solely for convenience, trademarks and trade names referred to in this presentation may appear without the “®” or “™” symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ tradenames, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this presentation is the property of its respective holder.



KAROO000

NASDAQ TICKER "KARO"
JSE TICKER "KRO"



Founded in South Africa, now headquartered in Singapore



MOBILITY IS CORE TO ALL OPERATIONS

**We think beyond connected vehicles &
equipment**



OUR MISSION

**To establish the leading
on-the-ground operations cloud**



WE SOLVE PROBLEMS BY DIGITALLY TRANSFORMING ON-THE-GROUND OPERATIONS



Fleet & Equipment Management



Logistics & Delivery Operations Management



Field Worker Management



Video Based Safety



ESG Compliance & Reporting



Risk Mitigation



Warehouse & Other Systems Integrations



Secure Vehicle Buying & Selling Platform



Competitively Priced Insurance Quotes

Growing demand by small to large enterprises wanting to digitally transform their businesses



WE ADD VALUE TO THE DAY-TO-DAY OPERATIONS OF OUR CUSTOMERS

KAROOOOO SERVICES SMALL TO LARGE ENTERPRISE CUSTOMERS ACROSS DIVERSE INDUSTRIES

South Africa



Rest of Africa



Europe



Asia



100,000+ Commercial Customers

(Q3 FY22: 87,000+)

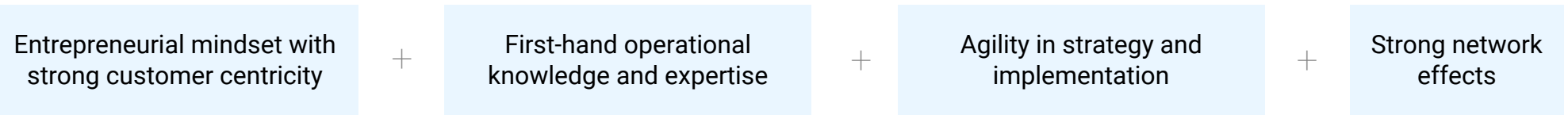
NO CUSTOMER OR INDUSTRY CONCENTRATION RISK



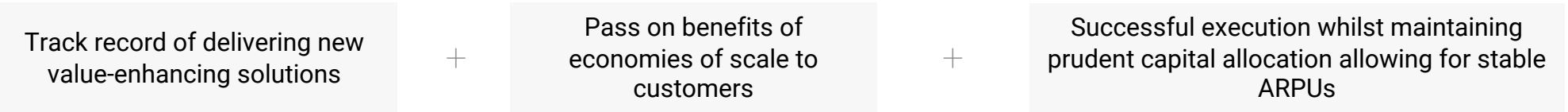
INVESTMENT HIGHLIGHTS

Our strong management, entrepreneurial culture and vertically integrated business model are core to our success. We have a proven track record of growth and profitability in varying macro-economic headwinds across regions.

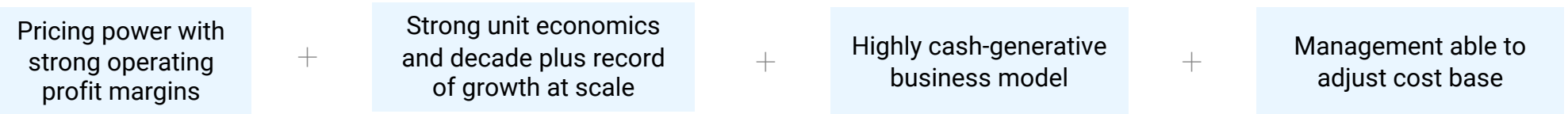
Innovation



Strong Value Proposition



Robust balance sheet & resilient business model



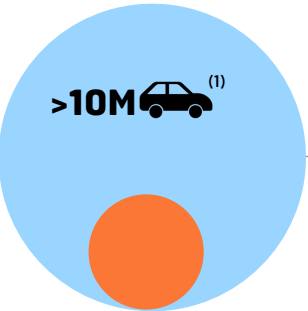
OUR STRONG PRINCIPLES ALONGSIDE A LARGE TAM GIVE AMPLE RUNWAY FOR FUTURE GROWTH



EARLY STAGE OF A LARGE & LONG-TERM GROWTH OPPORTUNITY

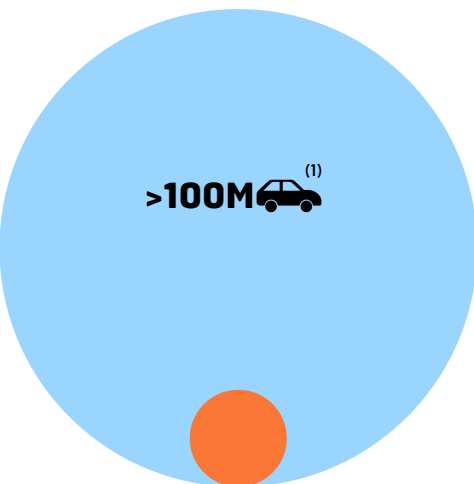
Mobility is core to all on-the-ground operations

South Africa



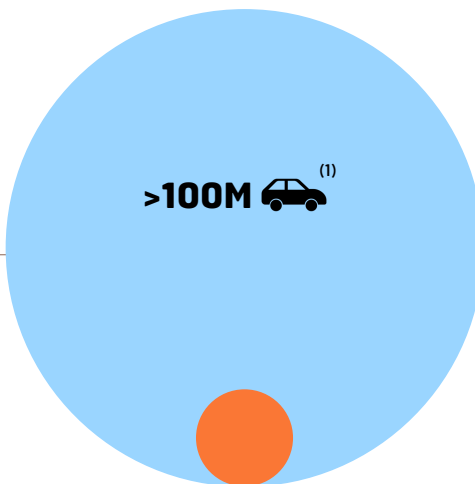
1,289,532
FY23 Q3

Southeast Asia



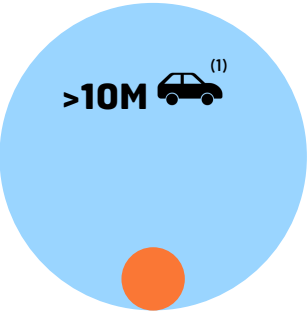
175,158
FY23 Q3

Europe



140,589
FY23 Q3

Africa- other



73,327
FY23 Q3

On-the-ground Operations
A massive opportunity

>40%
of global GDP ⁽²⁾

IoT DATA IS KEY TO IMPROVING OPERATIONS

⁽¹⁾Management's best estimate based on market research including <https://www.ceicdata.com/en/indicator>, https://www.news24.com/wheels/news/industry_news/youll-never-guess-how-many-vehicles-are-registered-in-sa-20170328

⁽²⁾Management's best estimate based on market research & analysis from multiple third-party sources including Berg Insight, Trailer and Cargo Container Tracking, 2020 <https://www.berginsight.com/trailer-and-cargo-container-tracking> ; IDC, Worldwide Video Surveillance Camera Forecast, 2021-2025, July 2021 <https://www.idc.com/getdoc.jsp?containerId=US46354621> ; IDC, Worldwide Global DataSphere IoT Device and Data Forecast, 2020-2024 <https://www.idc.com/getdoc.jsp?containerId=US46718220> .



UNTAPPED NETWORK EFFECT OF OUR PLATFORM

**We are aware of the much needed related services
given our large data pool**

THE SCALE OF DATA ON OUR CLOUD IS VAST & GROWING

120Bn⁽¹⁾ valuable data points monthly





KAROO

Financial performance for Q3 FY23

KAROOOOO's CASH GENERATION & ROBUST EARNINGS

COMPARABLY UNALTERED

Earnings per Share

Q3 FY23	ZAR 4.70
Q3 FY22	ZAR 4.72

UP 27%

Free Cash Flow

Q3 FY23	ZAR 171M
Q3 FY22	ZAR 134M

UP 20%

Earnings per Share

YTD Q3 FY23	ZAR 14.59
YTD Q3 FY22	ZAR 12.17

UP 42%

Free Cash Flow

YTD Q3 FY23	ZAR 434M
YTD Q3 FY22	ZAR 306M

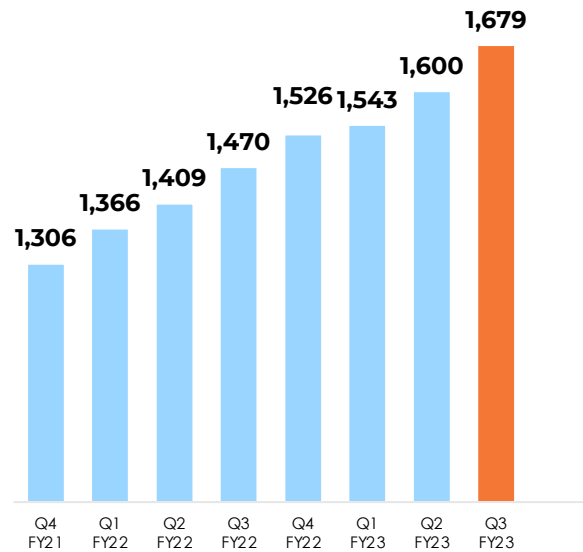
RESILIENT BUSINESS MODEL THAT IS HIGHLY CASH GENERATIVE



KAROOOOO's HISTORY OF CONSISTENTLY STRONG ORGANIC GROWTH WITH PRUDENT CAPITAL ALLOCATION DISCIPLINE

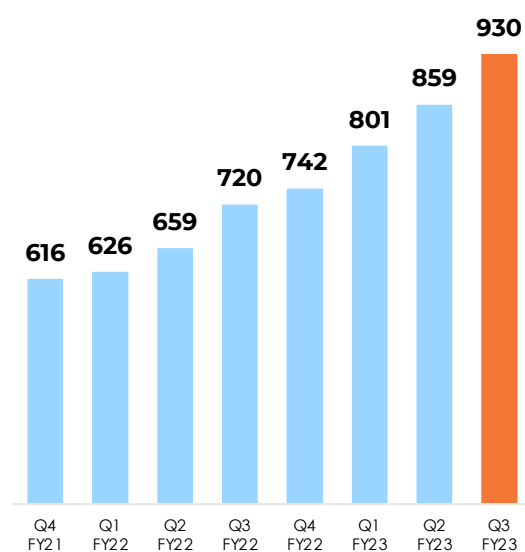
Scale

Subscribers
000s



Growth

Revenue
ZAR M

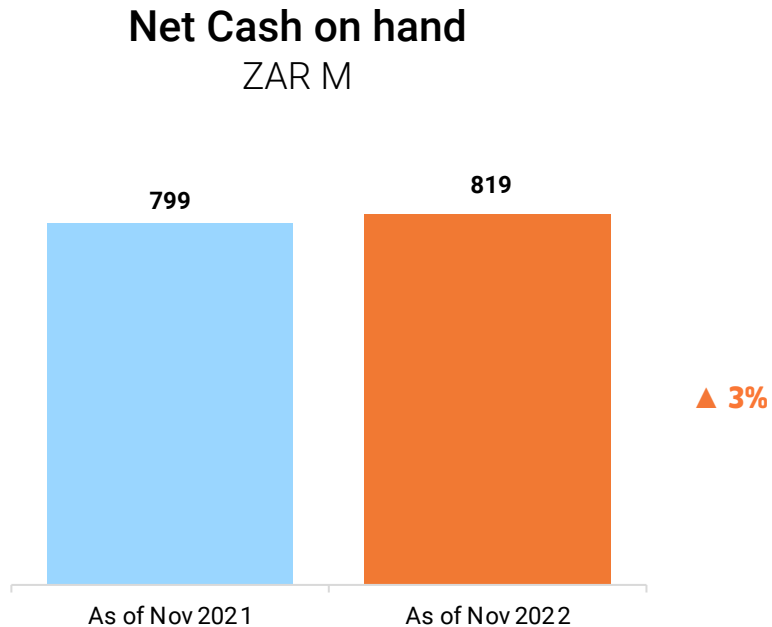


WHY WE WIN

- End-to-end all inclusive IoT Operations Cloud
- Operational **technology partner** with **high customer ROI**
- **Vertically integrated** business model
- **Innovative** and **customer-centric** culture
- **Proven ability to execute** & achieve **strong growth at scale**
- **Agility & adaptability** to continuously **expand distribution network**
- **Established infrastructure & advanced internal systems**



KAROOOOO's ROBUST BUSINESS MODEL AND CASH POSITION



Cartrack's Debtor's Days

31

Q3 FY23

Q3 FY22: 34 days

Strong unit economics

Robust operating margins

Consistently beaten Rule of 40⁽¹⁾

Quality balance sheet

Strong cash position

**A CASH DIVIDEND OF USD18.6 MILLION (USD0.60 PER SHARE)
WAS PAID TO SHAREHOLDERS IN Q3 FY23**



(1) Revenue growth for the period of 12 months + operating margin for the period of 12 months sum to greater than 40

PERFORMANCE BY BUSINESS SEGMENT

KAROOOOO
NASDAQ “KARO”
JSE “KRO”

100%

CARTRACK

100%

CARZUKA

70.1%

KAROOOOO
LOGISTICS

	Q3 FY23	YTD FY23	Q3 FY23	YTD FY23	Q3 FY23	YTD FY23	Q3 FY23	YTD FY23
Composition of Total Revenue			86%	88%	8%	7%	6%	5%
Revenue (ZAR M)	930	2,591	804	2,280	72	187	54	124
Revenue Growth (%)	29%	29%	19%	17%	>100%	>100%	>100%	>100%
Operating Profit/(Loss) (ZAR M)	209	645	222	667	(15)	(25)	2	3
Operating Profit Growth (%)	2%	17%	7%	19%	n/a	n/a	>100%	>100%
Adjusted EBITDA (ZAR M) <i>(a non-IFRS measure)</i>	334	1,065	346	1,085	(15)	(24)	3	4
Adjusted EBITDA Growth (%)	(2%)	18%	0%	17%	n/a	n/a	>100%	>100%
Adjusted EBITDA Margin (%) <i>(a non-IFRS measure)</i>	36%	41%	43%	48%	(20%)	(13%)	5%	3%



CARTRACK

ATTRACTIVE UNIT ECONOMICS

Lifetime Value of
Customer Relationships⁽¹⁾



Low Cost of Acquiring a
Customer⁽²⁾

Strong Comparative
Benefits from
Economies of Scale

Q3 FY23
Gross Profit Margin on
Subscription Revenue

72%

Q3 FY22: 69%

>9x

LTV to CAC

Q3 FY23
Operating
Profit Margin

28%

Q3 FY22: 31%

WELL POSITIONED TO MATERIALLY INCREASE INVESTMENT FOR GROWTH

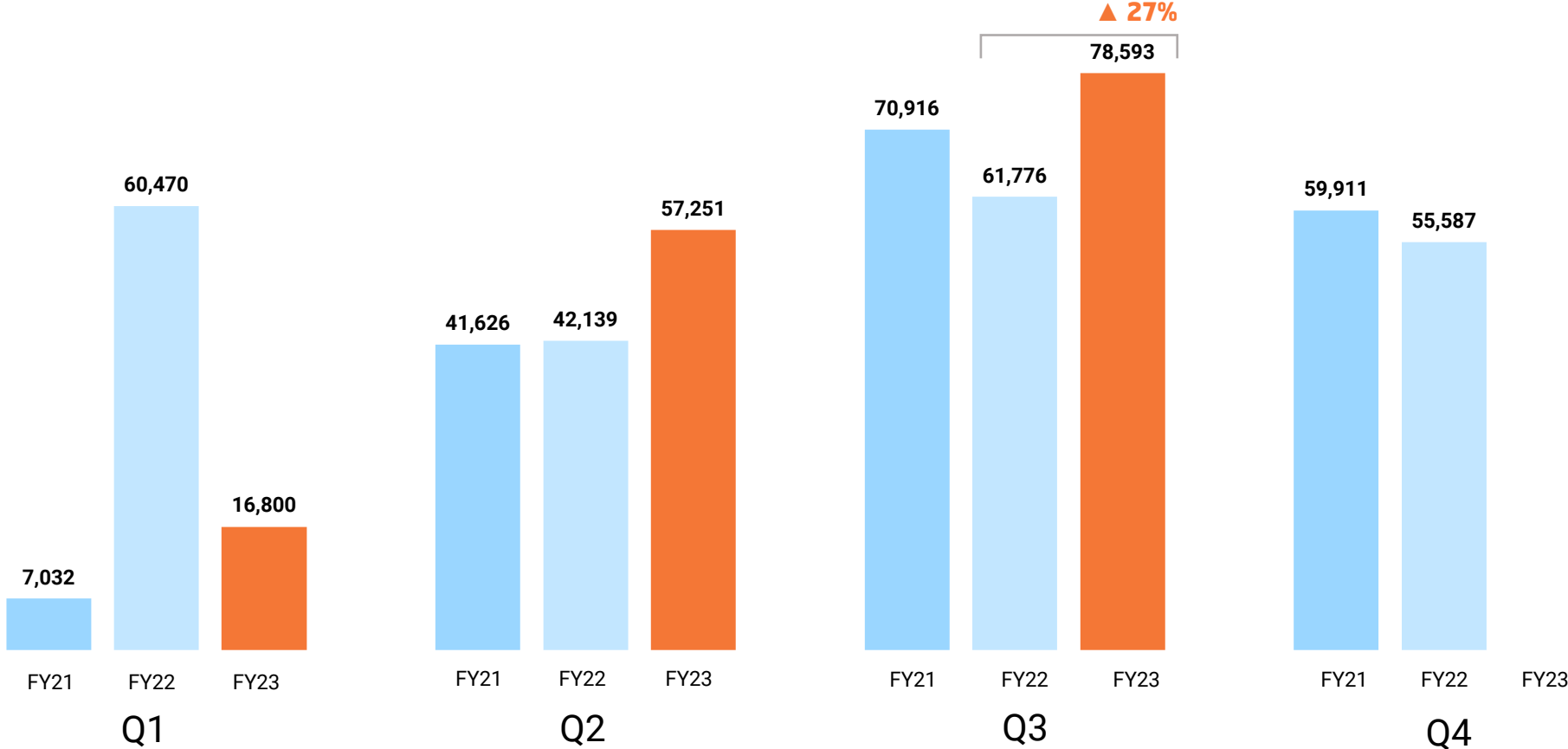


(1) The product of our subscription revenue gross margin measured over the past twelve months, and the difference between our current period SaaS ARR and prior comparative period (twelve months) SaaS ARR divided by the percentage of SaaS ARR lost as a result of customer churn over the past 12 months.

(2) Annual sales and marketing expense measured over the past 12 months

CARTRACK

RECORD Q3 NET SUBSCRIBER ADDITIONS



100,000+ COMMERCIAL CUSTOMERS
120BN+ DATA POINTS COLLECTED MONTHLY



CARTRACK

CONSISTENTLY GROWING QUALITY REVENUE

UP 16%

SaaS Subscription Revenue Growth

Q3 FY23	ZAR 771M
Q3 FY22	ZAR 663M

UP 19%

Revenue Growth

Q3 FY23	ZAR 804M
Q3 FY22	ZAR 677M

UP 17%

SaaS Subscription Revenue Growth

YTD Q3 FY23	ZAR 2.211M
YTD Q3 FY22	ZAR 1.896M

UP 17%

Revenue Growth

YTD Q3 FY23	ZAR 2.280M
YTD Q3 FY22	ZAR 1.951M

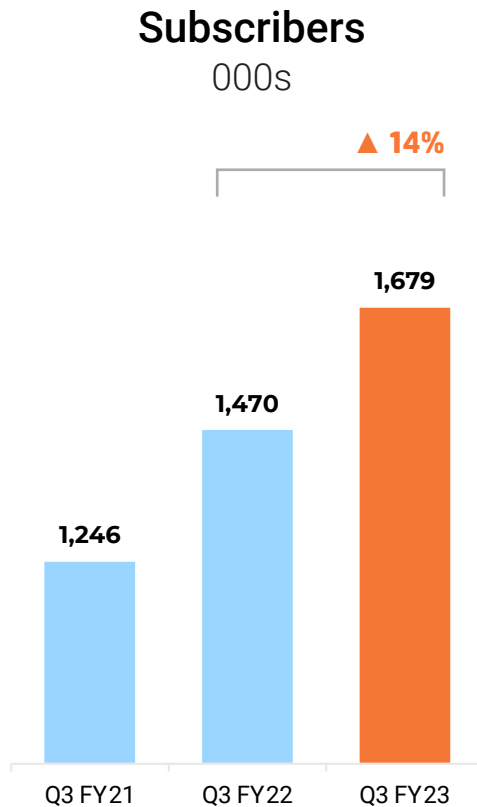
CARTRACK HAS GREAT VISIBILITY OF FUTURE SaaS REVENUE



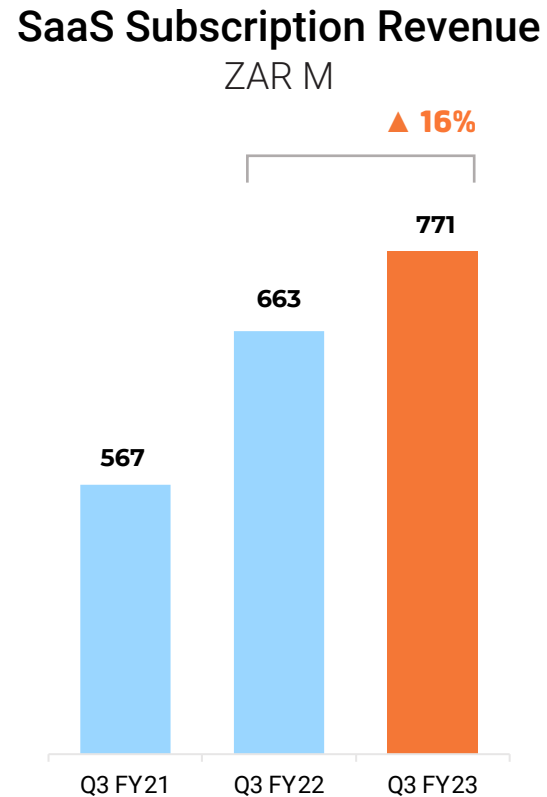
CARTRACK

EXTENDING DECADE-PLUS TRACK RECORD OF EXECUTION

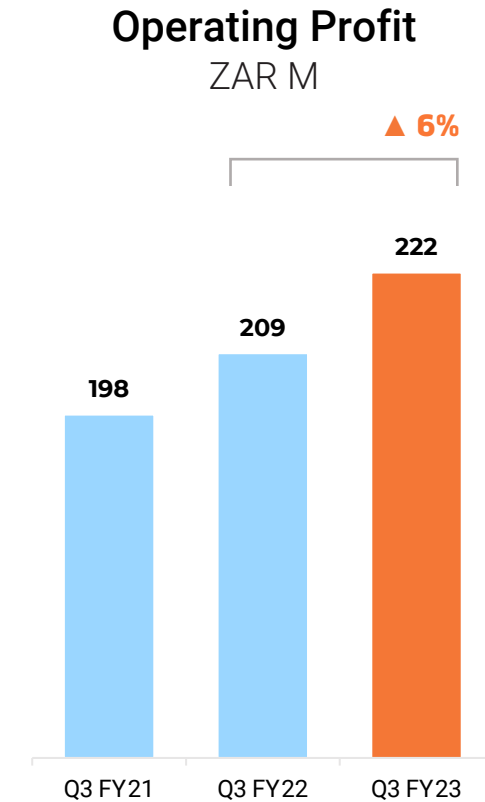
Scale



Growth



Profitability ⁽¹⁾



PROVEN ABILITY TO SCALE IN VARYING MARKET CONDITIONS



(1) Operating profit for the period.

CARTRACK

CONTINUES TO GROW SUBSCRIBER BASE WITH POSITIVE TRACTION IN SOUTH EAST ASIA

'000s Subscribers	Q3 FY21	Q3 FY22	Q3 FY23	Q3-on-Q3 Change
SOUTH AFRICA	962	1,141	1,290	13%
ASIA, MIDDLE EAST, USA	115	138	175	27%
EUROPE	108	124	141	14%
AFRICA- OTHER	62	67	73	9%
TOTAL	1,246	1,470	1,679	14%

Q3 FY23 ARPU: ZAR157
(Q3 FY22: ZAR153)



CARTRACK

ROBUST OPERATING METRICS

INVESTING FOR FUTURE GROWTH

	Q3 FY21	Q3 FY22	Q3 FY23	Long-term Targets ⁽¹⁾
Research & Development as a % of SaaS Subscription Revenue	4%	5%	6%	4-6%
Sales & Marketing as a % of SaaS Subscription Revenue	12%	12%	14%	17-19%
General & Administration as a % of SaaS Subscription Revenue	21%	19%	22%	12-16%
Adjusted EBITDA ⁽²⁾ as a % of SaaS Subscription Revenue	53%	52%	45%	50-55%

TRENDS IN LINE WITH LONG-TERM FINANCIAL GOALS SET OUT UPON LISTING

- (1) The long-term targets on this slide reflect the company's long-term goals and are not projections or estimates of future results. The company's ability to achieve any such long-term targets is subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from these targets, and there can be no assurance that the company will achieve any such targets within any particular timeframe, or at all. See slide 2 for further information on forward-looking statements
- (2) Adjusted EBITDA is a non-IFRS measure, defined as profit less finance income, plus finance costs, taxation, depreciation & amortization, plus once-off IPO costs. Please see our Earnings announcement for reconciliation to closest metric calculated in accordance with IFRS.



CARTRACK

OUTLOOK FOR 2023 REMAINS UNCHANGED

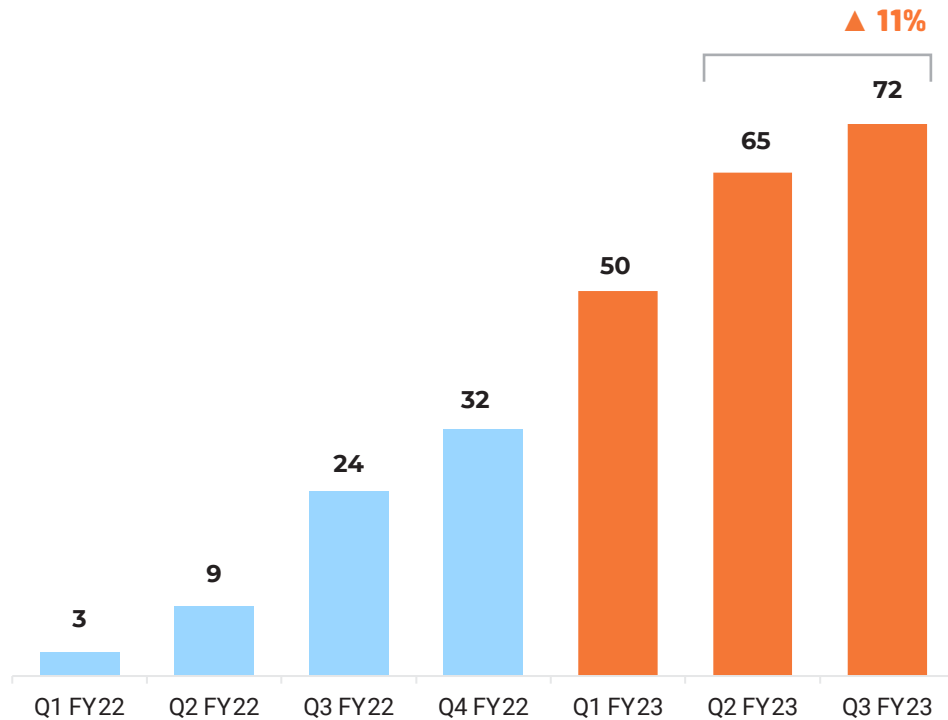
	FY21	FY22	YTD Q3 FY23	FY23 Outlook
Number of subscribers (000s)	1,306	1,526	1,679	1,700 – 1,900
Cartrack's SaaS Subscription Revenue (ZAR M)	2,209	2,566	2,211	2,950 – 3,100
Cartrack's Adjusted EBITDA margin ⁽¹⁾	49%	47%	48%	45% – 50%

⁽¹⁾ Adjusted EBITDA margin is a non-IFRS measure. Please see our Earnings announcement for reconciliation to closest metric calculated in accordance with IFRS.

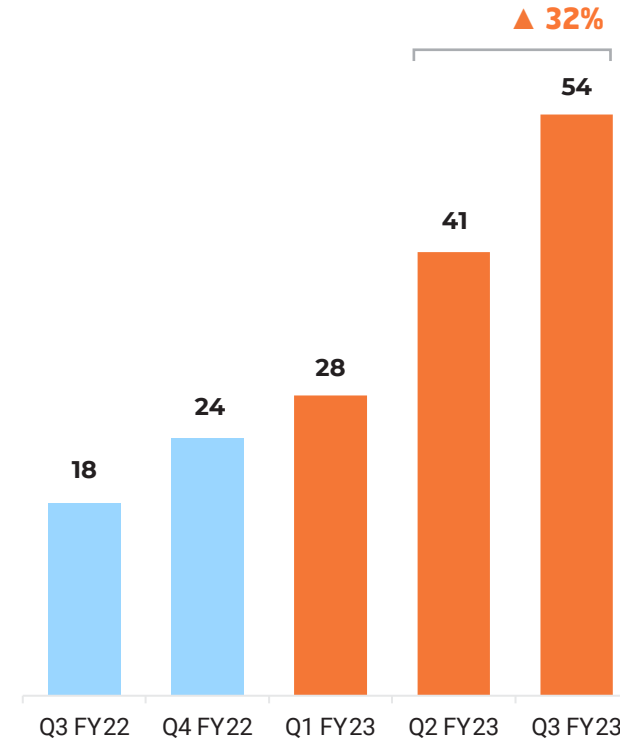


CARZUKA & KAROOOOO LOGISTICS CONTINUE TO GAIN TRACTION

Carzuka
Revenue
ZAR M



Karooooo Logistics
Revenue ⁽¹⁾
ZAR M



ROBUST QUARTER-ON-QUARTER GROWTH



(1) Karooooo acquired 70.1% of Picup in September 2021. Picup was subsequently re-named as Karooooo Logistics, given the consolidation of platforms

EPS RECONCILIATION

	Q1 FY23	Q2 FY23	Q3 FY23	YTD FY23
CARTRACK	5.13	5.18	5.19	15.50
CARZUKA	(0.15)	(0.26)	(0.54)	(0.95)
KAROOO LOGISTICS	(0.02)	0.01	0.05	0.04
TOTAL	4.96	4.93	4.70	14.59





KAROOOOO

Questions