



KAROO0000

Earnings Presentation Q1 FY24

DISCLAIMER

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.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if our results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements are disclosed under the “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” sections of the Registration Statement on Form 20-F filed on June 13, 2023.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this presentation. We disclaim any duty to update and do not intend to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation.

All information provided in this presentation is as of the date of this presentation, and we do not undertake any duty to update such information, except as required under applicable law.

Non-IFRS Financial Measures

This presentation includes certain non-IFRS financial measures, including ARR, ARPU, adjusted EBITDA, adjusted EBITDA margin and free cash flow. 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 definitions and/or reconciliations included in our earnings announcement (“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 Karooooo 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.

Trademarks and Trade Names

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.



KAR00000

NASDAQ TICKER "KARO"
JSE TICKER "KRO"



Founded in South Africa, now headquartered in Singapore





We think beyond connected
vehicles & equipment

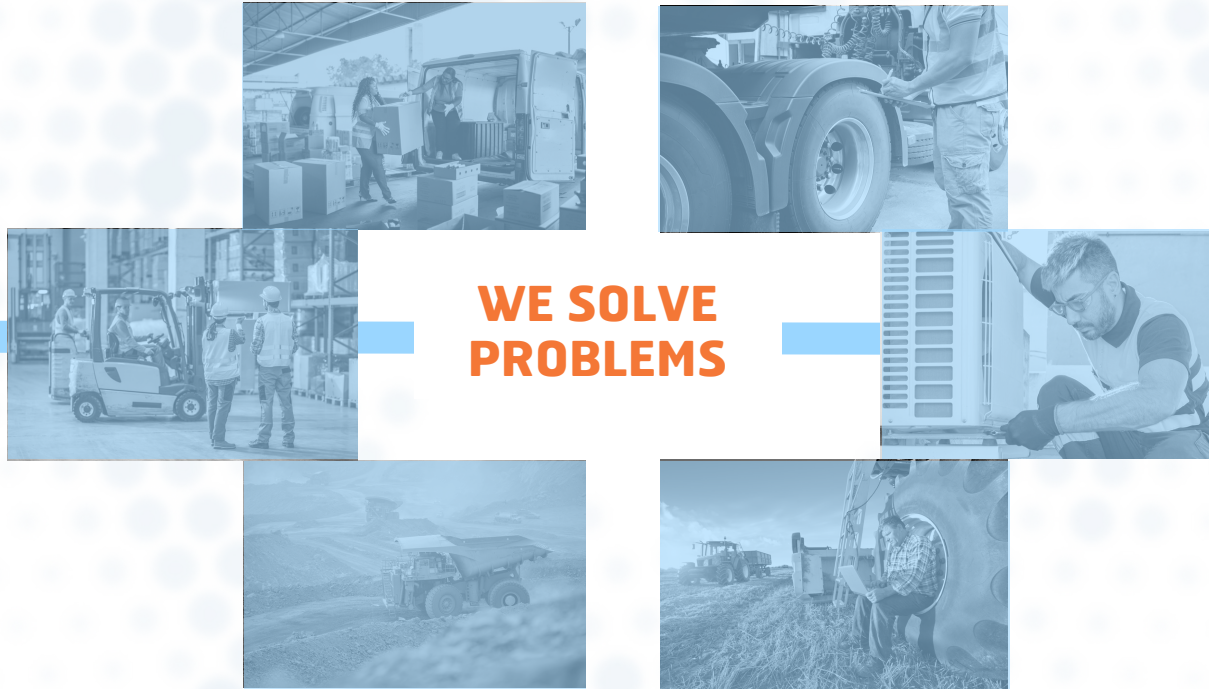
**WE ARE ON A MISSION TO BE THE LEADING
OPERATIONS CLOUD**

WE DIGITALLY TRANSFORM OPERATIONS

**WE IDENTIFY
TRENDS AND
DEVELOP
SOLUTIONS**

**WE SOLVE
PROBLEMS**

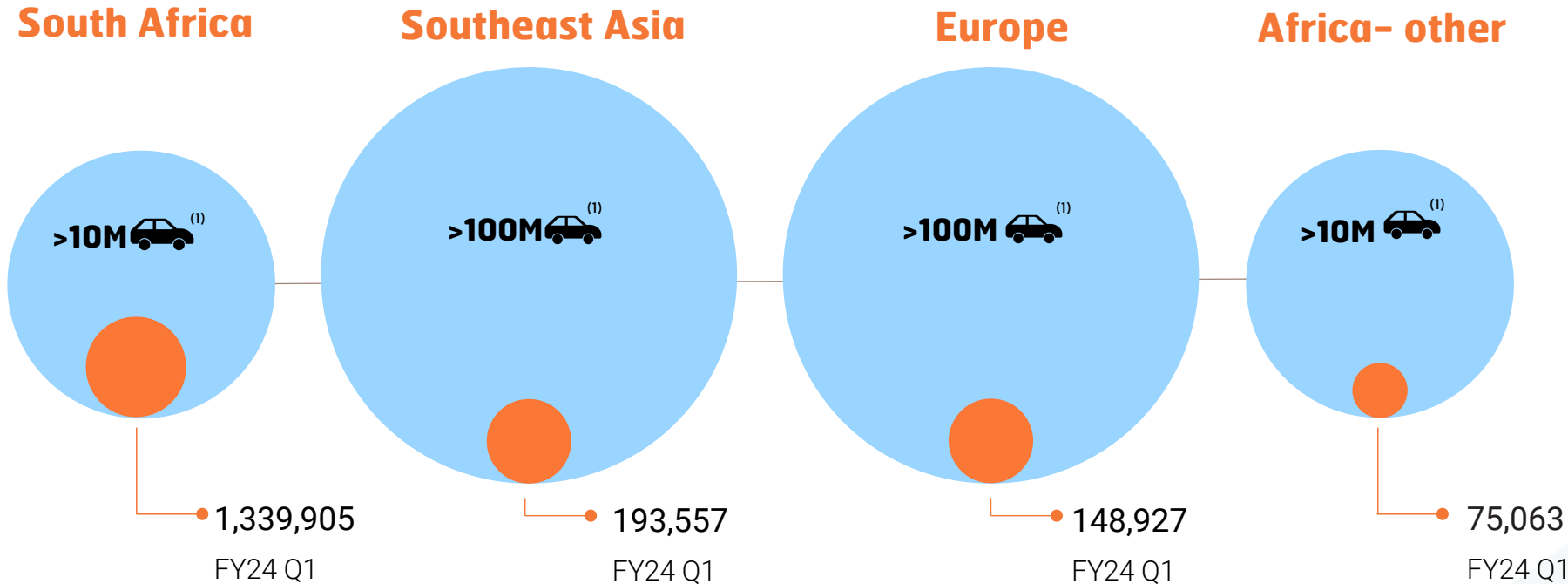
**WE ADD HUGE
VALUE TO THE DAILY
OPERATIONS OF
OUR CUSTOMERS**



Fleet & equipment management · Maintenance · Resource scheduling
· Logistics & delivery operations management · Field worker
management · Driver & vehicle safety · ESG & compliance · Risk
management · Buying & selling cars · Procuring vehicle add-ons



EARLY START OF A LARGE & LONG-TERM GROWTH OPPORTUNITY



On-the-ground operations are a massive opportunity and account for

>40%
of global GDP ⁽²⁾

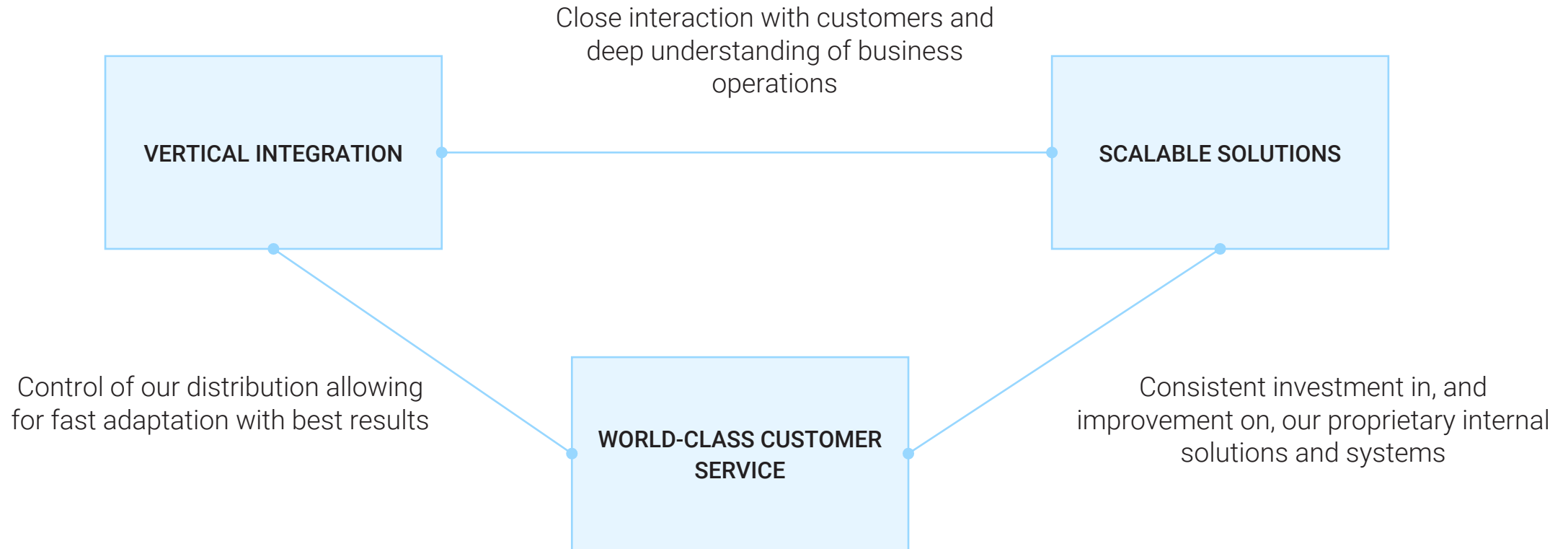
⁽¹⁾Management's best estimate based on market research including <https://www.ceicdata.com/en/indicator>, https://www.news24.com/wheels/news/industry_news/youll-never-guess-how-many-vehicles-are-registered-in-sa-20170328

⁽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> .



OUR CULTURE

WE TAKE OWNERSHIP



KEY DIFFERENTIATORS

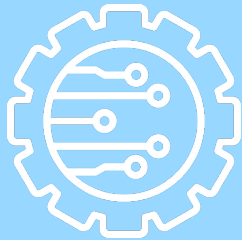


108,000+ Commercial Customers

(Q1 FY23: 90,000+)

NO CUSTOMER OR INDUSTRY CONCENTRATION RISK

GLOBAL TRENDS DRIVING INCREASED DEMAND & ADOPTION FOR OUR PLATFORM



DIGITALISATION

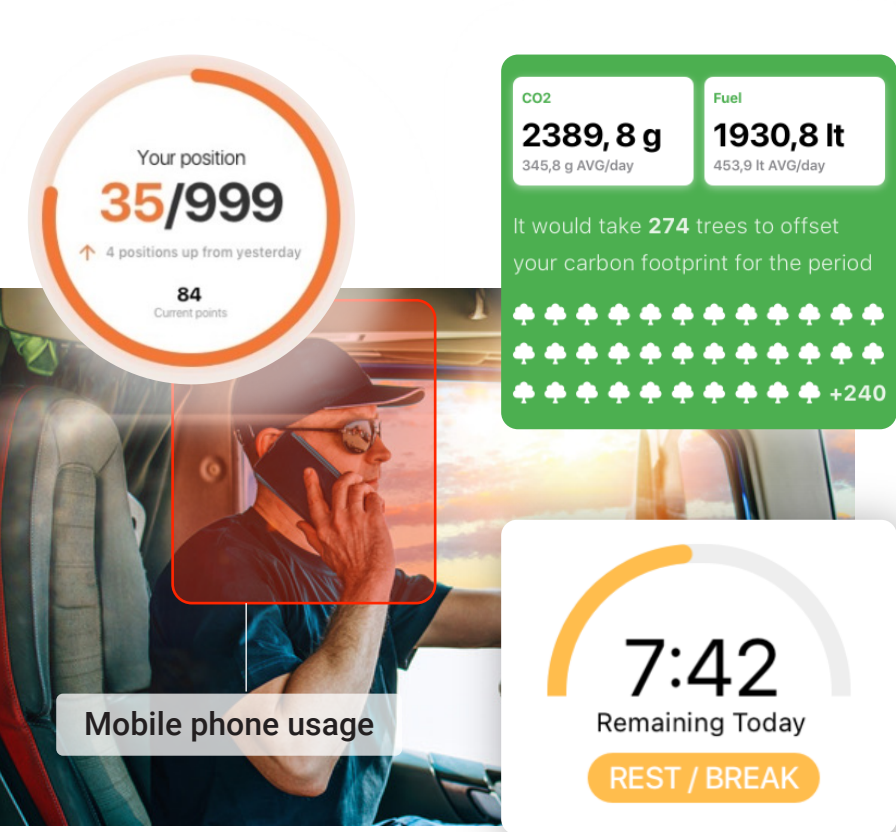


ESG



COMPLIANCE

OUR APPROACH TO ESG ALLOWS CUSTOMERS TO EFFORTLESSLY REMAIN COMPLIANT WHILST BENEFITING OPERATIONALLY FROM THEIR ESG EFFORTS



Reduced carbon footprint

- Reducing fuel consumption
- Transitioning to electric vehicles
- Reducing cargo wastage
- Carbon footprint reporting



Robust compliance with rapidly expanding & increasingly sophisticated government mandates

- Accurate work and rest logging
- Reduced speeding
- Regulatory contracts & paperwork
- Risk management
- Privacy and data protection



Safety-first cultures and community wellbeing

- Driver and worksite safety
- Reduced accidents
- Employee wellbeing & retention
- Trust and quality of service

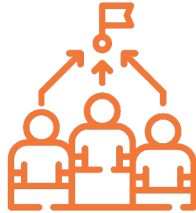


ASIA: AN UNDERPENETRATED, FRAGMENTED MARKET WITH A MASSIVE TAM

Our advanced cloud platform and robust service delivery positions us well to compete favourably in Asia



Rapidly growing



Many small competitors



Digitally savvy customers



Strong cultures

ASIA: ALSO A MARKET WITH FORWARD THINKING COMPANIES DRIVING CHANGE



Service delivery as a key differentiator

- Significant reduction in speeding events
- Sophisticated route deviation alerts
- Improved customer experience, reviews and referrals



Pioneering EV adoption

- Data integrations for platform development
- In depth reporting for maintenance and costs of EV vehicles



Data-driven supply chain management

- 10,000 daily deliveries successfully managed
- Huge reduction in downtime and increased warehouse efficiency
- ERP integrations for end-to-end supply chain management



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

155Bn⁽¹⁾ + valuable data points monthly



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

Entrepreneurial mindset with strong customer centricity

+

First-hand operational knowledge and expertise

+

Agility in strategy and implementation

+

Strong network effects

Strong Value Proposition

Track record of delivering new value-enhancing solutions

+

Pass on benefits of economies of scale to customers

+

Successful execution whilst maintaining prudent capital allocation allowing for stable ARPUs

Robust balance sheet & resilient business model

Pricing power with strong operating profit margins

+

Strong unit economics and decade plus record of growth at scale

+

Highly cash-generative business model

+

Management able to adjust cost base

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





KAROO0000

Financial performance for Q1 FY24

KAROOOOO HAS A DECADE-PLUS TRACK RECORD OF STRONG REVENUE GROWTH & ROBUST EARNINGS

UP 20%
ARR⁽¹⁾

Q1 FY24	ZAR 3,409M
Q1 FY23	ZAR 2,851M

UP 24%
Revenue

Q1 FY24	ZAR 997M
Q1 FY23	ZAR 801M

UP 3%
Operating Profit

Q1 FY24	ZAR 224M
Q1 FY23	ZAR 217M

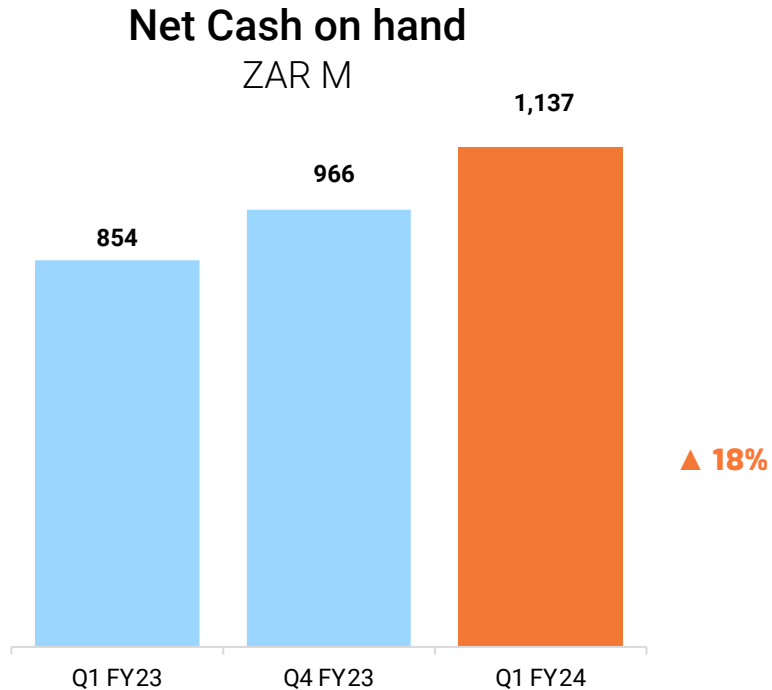
UP 3%
Earnings Per Share

Q1 FY24	5.09
Q1 FY23	4.96



⁽¹⁾ARR is a non-IFRS measure defined as the annual run-rate subscription revenue of subscription agreements from all customers at a point in time, calculated by taking the monthly subscription revenue for all customers during that month and multiplying by 12.

KAROOOOO'S ROBUST BUSINESS MODEL AND STRONG BALANCE SHEET



Healthy
Debtor's Days

28

Q1 FY24

Q1 FY23: 33 days

Strong unit economics

Robust operating margins

Unleveraged balance sheet

Strong cash conversion

FREE CASH FLOW GENERATED ZAR158 MILLION
EARNINGS ZAR157 MILLION



KAROOOOO'S EPS RECONCILIATION

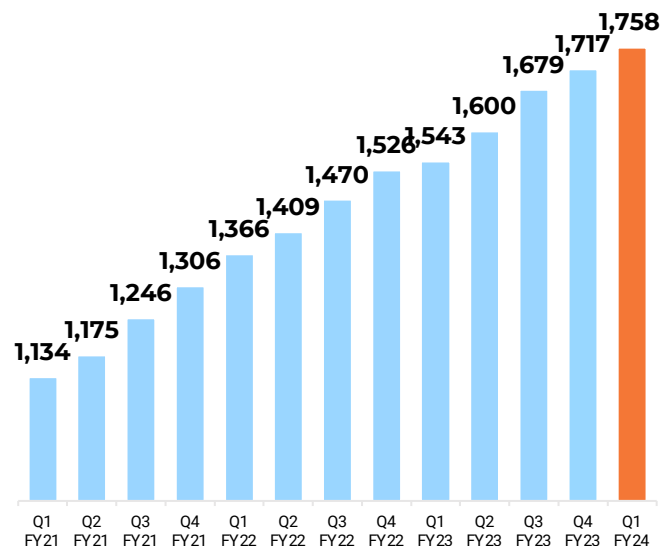
	FY21	FY22	FY23	Q1 FY24
CARTRACK	16.91	16.57	20.61	5.40
CARZUKA	0	(0.40)	(1.42)	(0.39)
KAROOOOO LOGISTICS	0	(0.07)	0.10	0.08
TOTAL	16.91	16.10	19.29	5.09



CARTRACK EXTENDING DECADE-PLUS TRACK RECORD OF EXECUTION EXCELLENCE

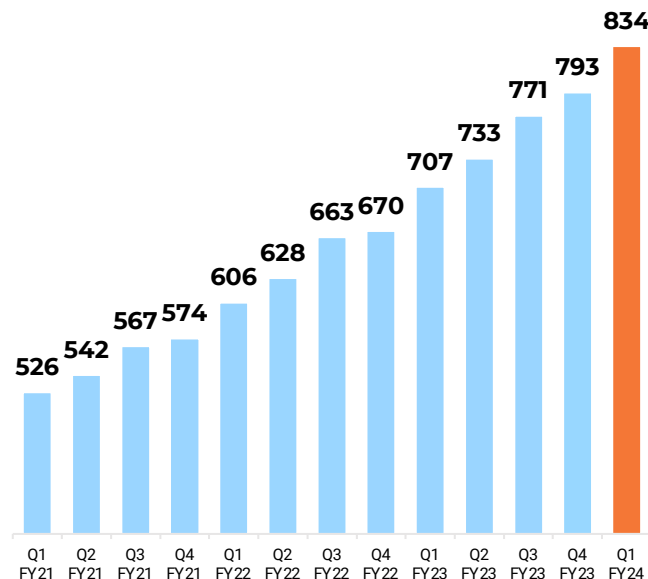
Scale

Subscribers
000s



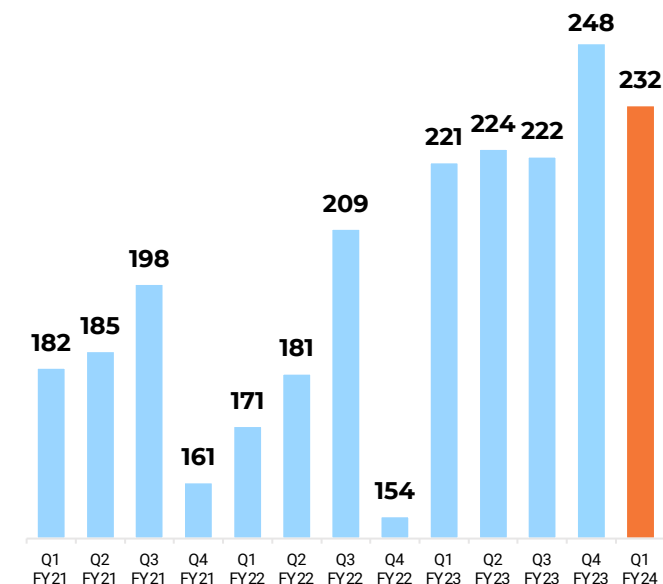
Growth

Subscription Revenue
ZAR M



Profitability

Operating Profit
ZAR M



PROVEN ABILITY TO SCALE IN VARYING MACRO ECONOMIC CONDITIONS
CONSISTENTLY BEATEN RULE OF 40⁽¹⁾



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

CARTRACK CONTINUES WITH DECADE-PLUS TRACK RECORD OF STRONG SaaS REVENUE GROWTH

UP 18% Subscription Revenue		UP 18% Revenue		UP 20% ARR ⁽¹⁾	
Q1 FY24	ZAR 834M	Q1 FY24	ZAR 853M	Q1 FY24	ZAR 3,401M
Q1 FY23	ZAR 707M	Q1 FY23	ZAR 724M	Q1 FY23	ZAR 2,845M

98% OF CARTRACK’S REVENUE IS
SUBSCRIPTION REVENUE



⁽¹⁾ARR is a non-IFRS measure defined as the annual run-rate subscription revenue of subscription agreements from all customers at a point in time, calculated by taking the monthly subscription revenue for all customers during that month and multiplying by 12.

CARTRACK IMPROVES OPERATING PROFIT DESPITE STRONG INVESTMENT FOR GROWTH

UP 16%	UP 5%	UP 10%
Gross Profit	Operating Profit	Adjusted EBITDA
Q1 FY24 ZAR 600M	Q1 FY24 ZAR 232M	Q1 FY24 ZAR 392M
Q1 FY23 ZAR 517M	Q1 FY23 ZAR 221M	Q1 FY23 ZAR 357M

CARTRACK HAS STRONG VISIBILITY OF FUTURE SaaS REVENUE



CARTRACK'S CUSTOMER ACQUISITION UNIT ECONOMICS

Lifetime Value of
Customer Relationships⁽¹⁾



Low Cost of Acquiring a
Customer⁽²⁾

Strong Benefits from
Economies of Scale

Q1 FY24
**Gross Profit Margin based only
on Subscription Revenue**

71%

Q1 FY23: 72%

>9x

LTV to CAC

95%⁽³⁾

Commercial Customer
Retention Rate

HIRING DRIVE STARTED IN Q1 FY24

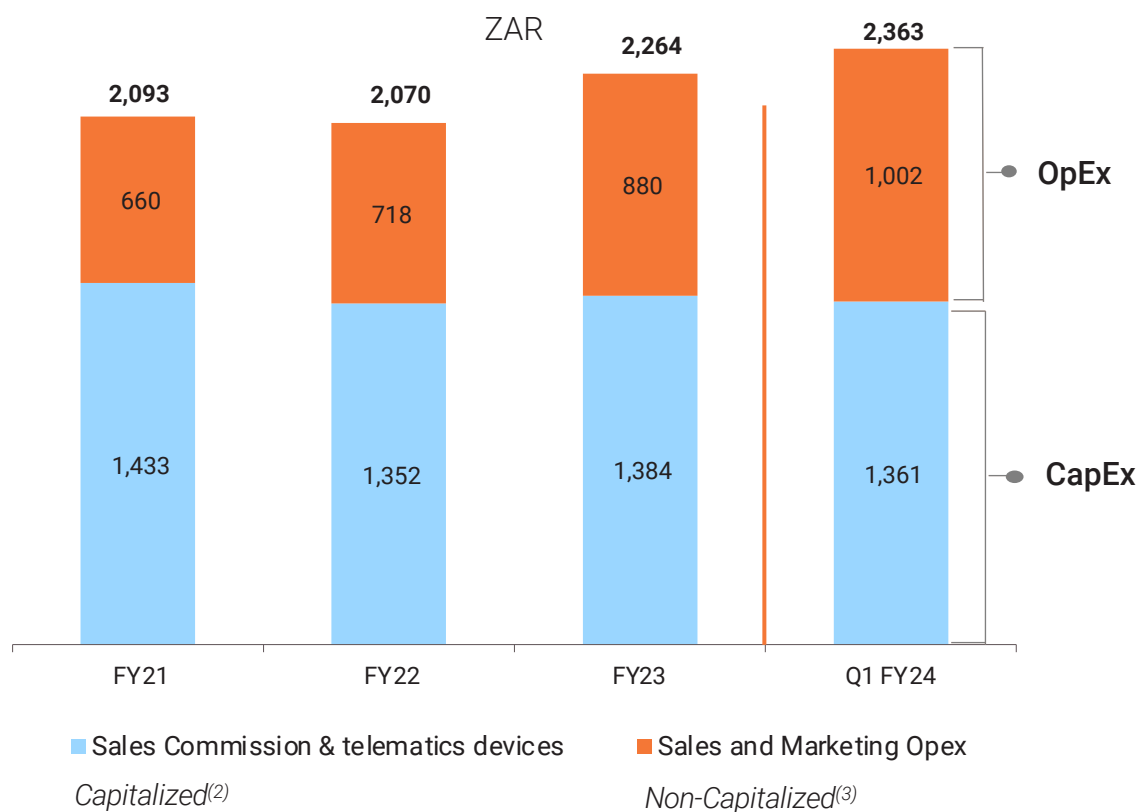
- (1) The product of our subscription revenue gross margin measured over the past twelve months, and the difference between our current period SaaS ARR and prior comparative period (twelve months) SaaS ARR divided by the percentage of SaaS ARR lost as a result of customer churn over the past 12 months.
- (2) Annual sales and marketing expense measured over the past 12 months.
- (3) Customer retention rate for commercial customers is calculated by comparing the number of customers on our cloud at the end of a quarter that were on our cloud at the start of the same quarter in the previous year.



CARTRACK'S STRONG SUBSCRIBER UNIT ECONOMICS

Average Cost of adding a Subscriber to our cloud ⁽¹⁾

Average Cost of Acquiring a Subscriber takes into account vehicles for new & existing customers



		FY21	FY22	FY23	Q1 FY24
ARPU (ZAR)		154	151	155	160
Subscriber contract life cycle (Months)		60	60	60	60
Average life cycle revenue per subscriber ⁽⁴⁾	(A)	9,266	9,065	9,323	9,604
Average cost of adding a subscriber to our cloud	(B)	(2,093)	(2,070)	(2,264)	(2,363)
(A) – (B)		7,173	6,995	7,059	7,241

(1) Management's assessment of cost of acquiring a subscriber. For bundled sales which contribute to subscription revenue.

(2) Costs capitalized and depreciated through cost of sales over the expected useful life of the subscriber (60 months)

(3) Costs expensed through operating expenses when incurred

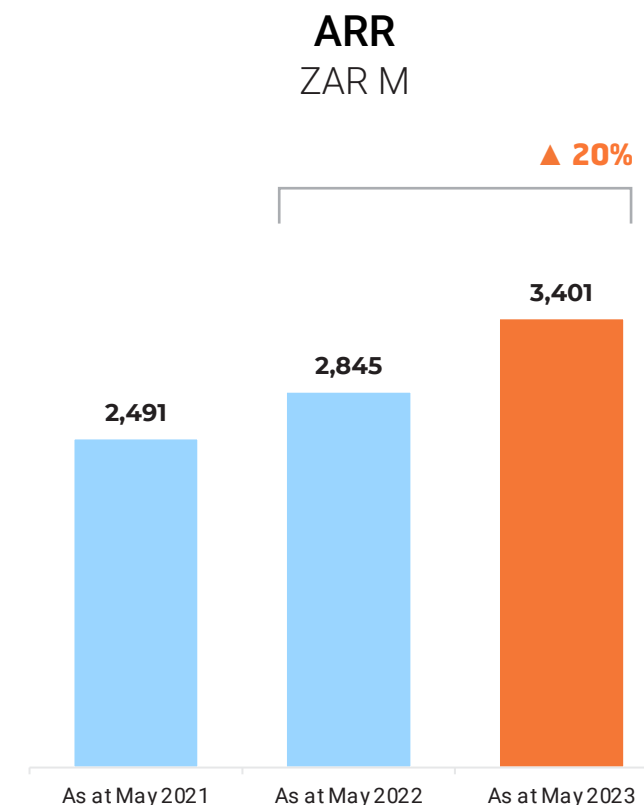
(4) ARPU multiplied by the contract life cycle months.



CARTRACK

CONTINUES TO GROW SUBSCRIBER BASE & ARR WITH ENCOURAGING TRACTION IN SOUTHEAST ASIA

'000s Subscribers	Q1 FY22	Q1 FY23	Q1 FY24	Q-on-Q Change
SOUTH AFRICA	1,064	1,184	1,340	13%
ASIA, MIDDLE EAST, USA	125	156	194	24%
EUROPE	114	133	149	12%
AFRICA- OTHER	63	70	75	7%
TOTAL	1,366	1,543	1,758	14%



CARTRACK

OPERATING METRICS

	FY21	FY22	FY23	Q1 FY24
Subscription Revenue Gross Profit Margin	72%	70%	73%	71%
Research & Development as a % of Subscription Revenue	5%	6%	6%	6%
Sales & Marketing as a % of Subscription Revenue	11%	13%	13%	14%
General & Administration as a % of Subscription Revenue	22%	21%	22%	21%
Operating Profit as a % of Subscription Revenue	33%	28%	30%	28%
Adjusted EBITDA ⁽²⁾ as a % of Subscription Revenue	51%	48%	48%	47%

(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 and amortization, plus any impact of non-recurring operational expenses. Please see our Earnings announcement for reconciliation to closest metric calculated in accordance with IFRS.



CARTRACK'S OUTLOOK FOR 2024

	FY21	FY22	FY23	Q1 FY24	FY24 Outlook
Number of Subscribers (000s)	1,306	1,526	1,717	1,758	1,900 – 2,100
Cartrack's Subscription Revenue (ZAR M)	2,209	2,566	3,004	834	3,400 – 3,600
Cartrack's Operating Profit Margin	32%	27%	30%	27%	28% – 31%

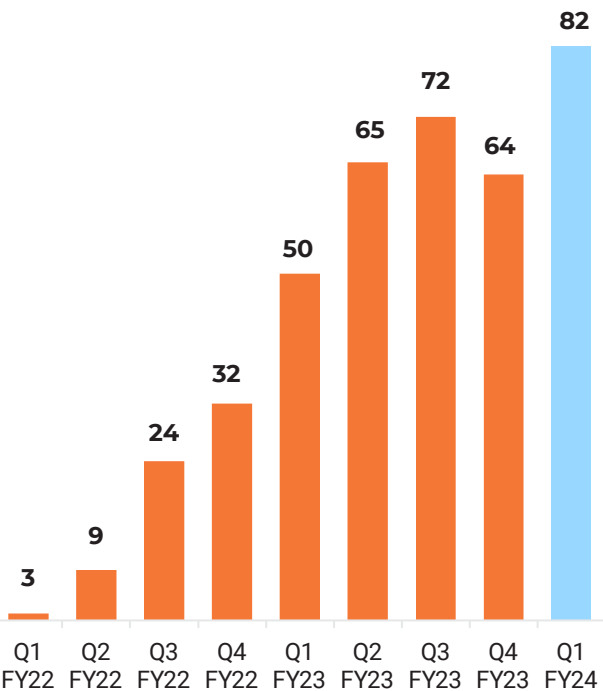
SOLID START TO OUR 2024 FINANCIAL YEAR

NET SUBSCRIBER ADDITIONS 40,375 (Q1 FY23: 16,800)

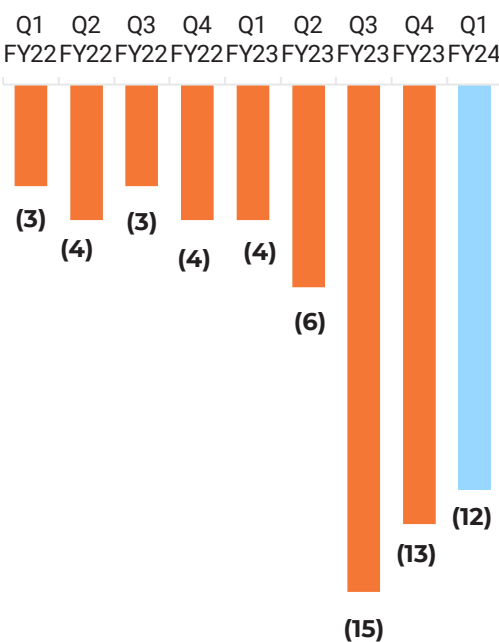


CARZUKA & KAROOOOO LOGISTICS CONTINUE TO GAIN TRACTION

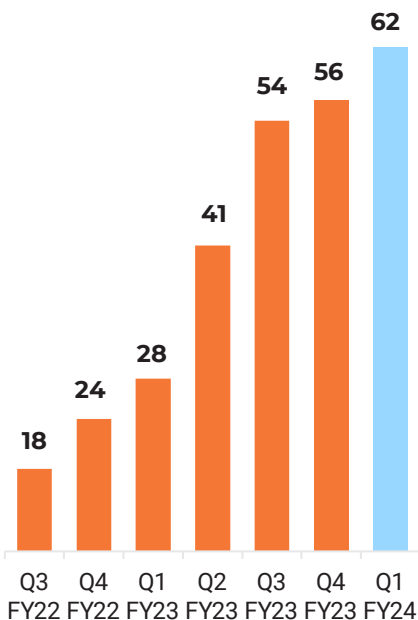
Carzuka
Revenue
ZAR M



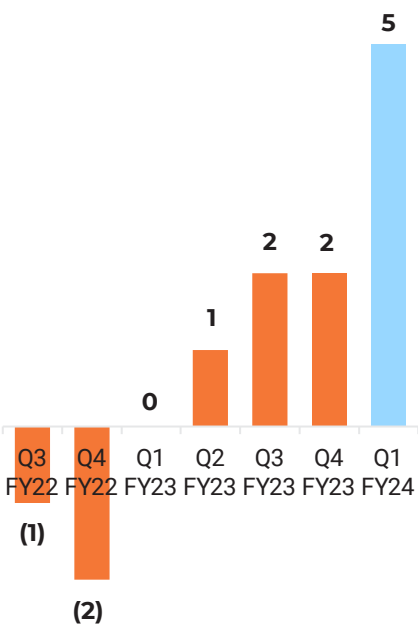
Carzuka
Operating Profit
ZAR M



Karooooo Logistics⁽¹⁾
Revenue
ZAR M



Karooooo Logistics⁽¹⁾
Operating Profit
ZAR M



STRONG ANNUAL GROWTH CONTINUES



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



KAROO0000

Questions