



KAROOO00

Earnings Presentation Q2 FY24

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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”).

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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.

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NASDAQ TICKER "KARO"
JSE TICKER "KRO"



Founded in South Africa, now headquartered in Singapore



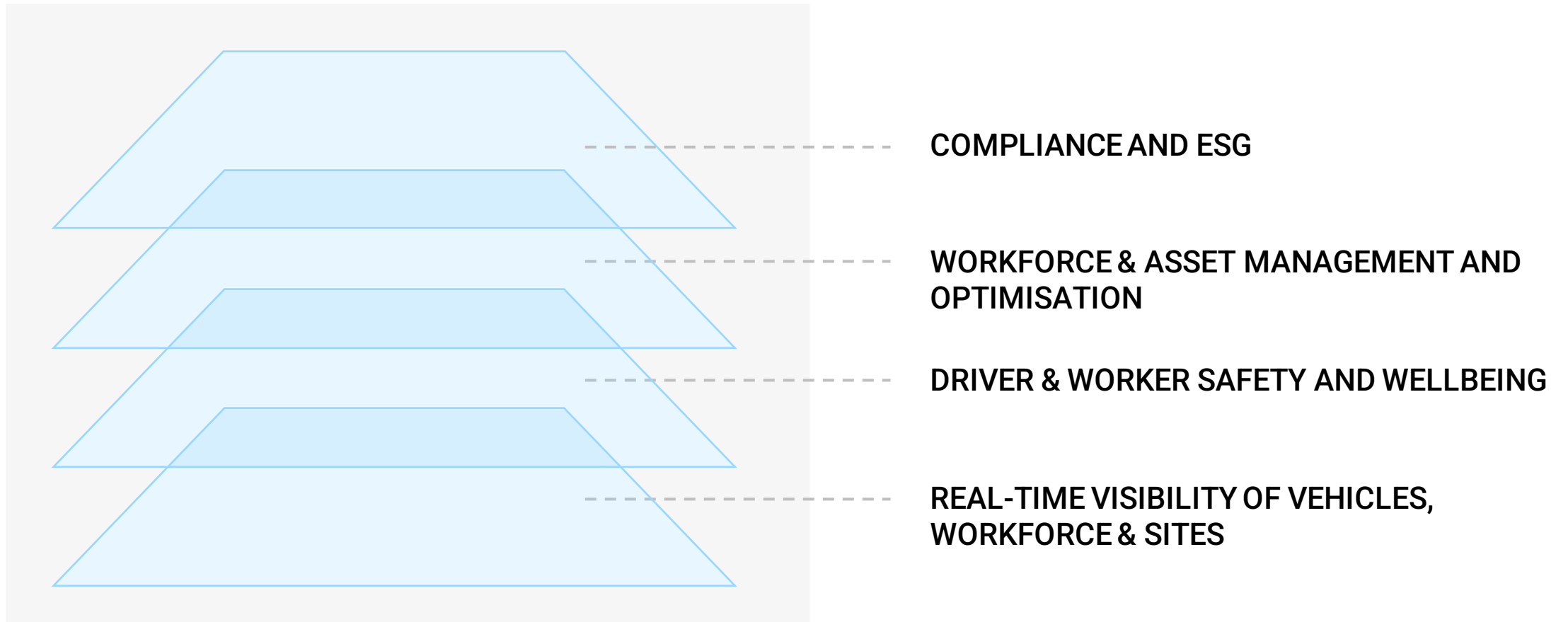
SETTING THE PATH FOR TOMORROW

THINKING BEYOND CONNECTED VEHICLES AND EQUIPMENT



WE DIGITALLY TRANSFORM OPERATIONS WITH OUR FULLY-INTEGRATED CLOUD PLATFORM

WE CONTINUE DRIVING STRONG VALUE-ADDING PRODUCT INNOVATION AND ENHANCEMENT QUARTERLY



CUSTOMER SPOTLIGHT

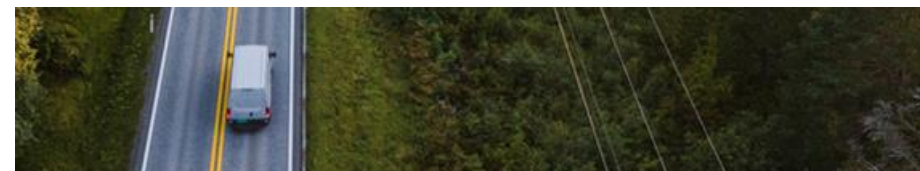
“EASY-TO-USE SOLUTION THAT SHOWS A MASSIVE ROI”

A large furniture manufacturer transformed operations to further delight customers with digital dispatching and productivity monitoring, automated route optimisation and reporting, and electronic proof of deliveries.

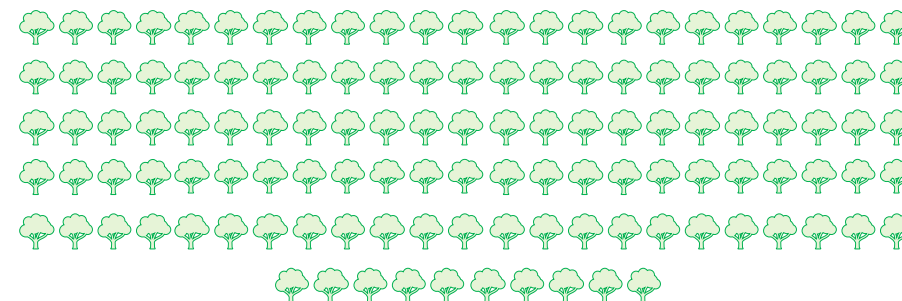
4 LITERS SAVED PER VEHICLE PER DAY¹

PAYBACK PERIOD < 3 DAYS¹

ROI OVER 700%¹



SLASH CO2 EMISSIONS BY 2,840KG PER VEHICLE PER YEAR²
~125 MATURE TREES³



⁽¹⁾Statistic reported by customer and payback period & ROI calculated using diesel costs over the period.

⁽²⁾Statistic calculated based on 22 working days per month and diesel to CO2 data from United States Environmental Protection Agency

⁽³⁾Statistic calculated using data from European Environment Agency



PRODUCT INSIGHTS

AI VIDEO PROVIDES CRITICAL INSIGHTS TO ESTABLISH A SAFETY FIRST CULTURE

- Drivers are not aware of their behaviour
- Managers had no visibility into the severity and frequency of high risk driver behaviour
- Coaching and education are important, but real-time alerts are fundamental



ALERT



COACH

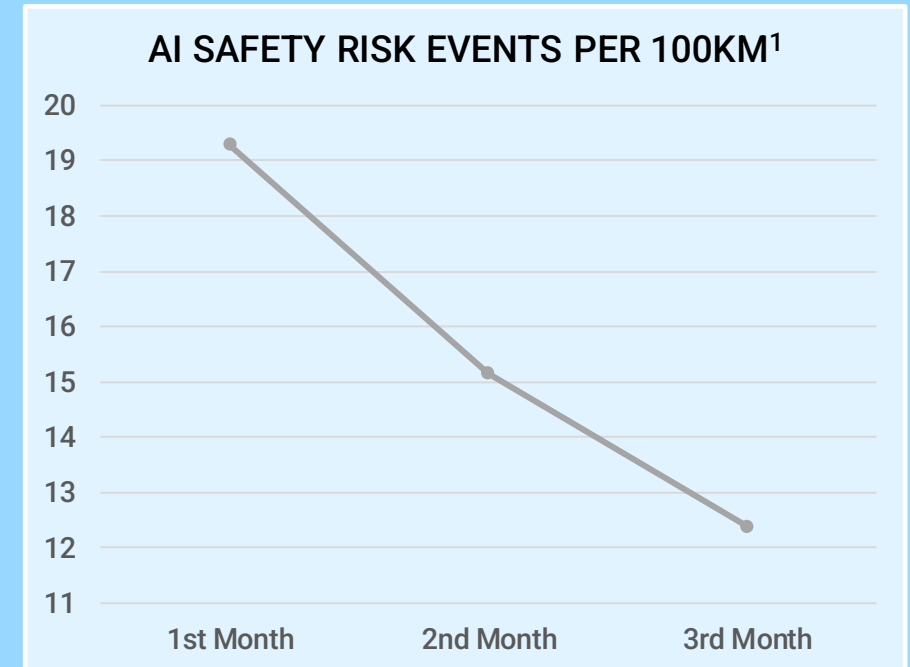


IMPROVE



⁽¹⁾ Statistics reported by customer based on AI events received in first 3 calendar months of installation

CUSTOMER SPOTLIGHT



46% DECREASE IN AI SAFETY RISK EVENTS¹

DRIVERS FEEL SAFER ON THE ROAD
TRANSPORTING HIGHLY FLAMMABLE FUEL

RISK MANAGEMENT HAS FUELED
BUSINESS GROWTH

OVER 113,000 CUSTOMERS POWER THEIR OPERATIONS USING OUR CLOUD PLATFORM

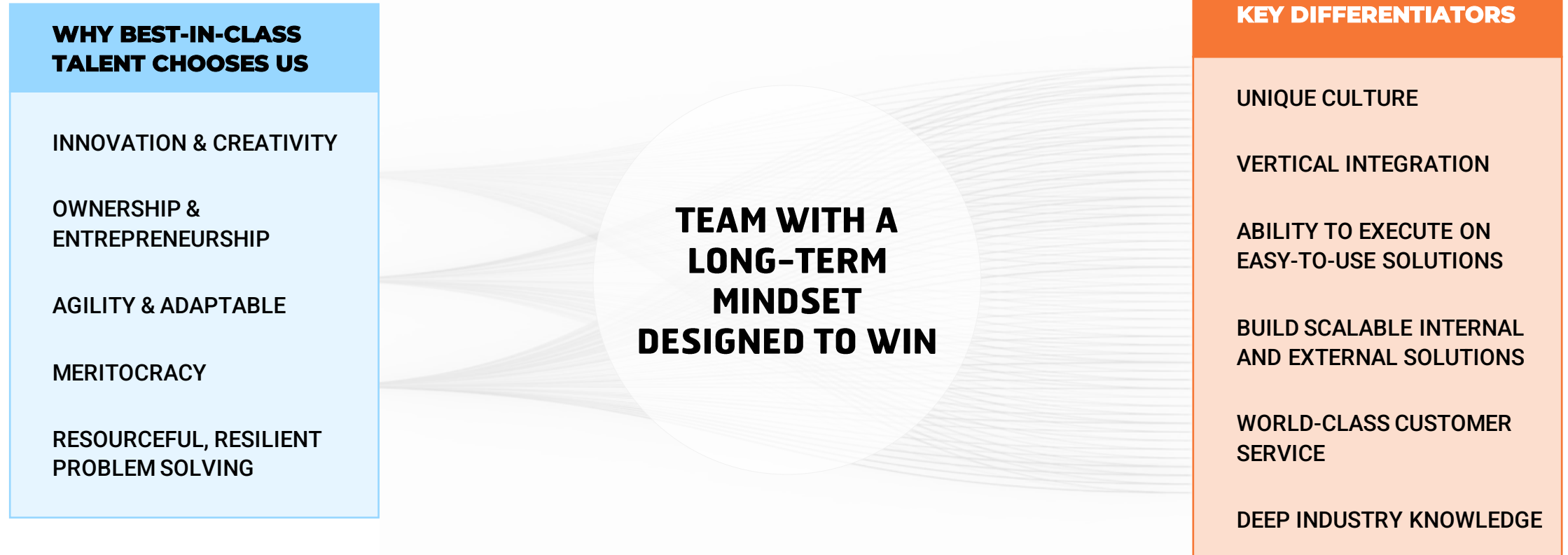
NO INDUSTRY OR CUSTOMER CONCENTRATION RISK

AI AND MACHINE LEARNING ENHANCED

170 BN+ VALUABLE DATA POINTS COLLECTED MONTHLY
WITH STRONG NETWORK EFFECTS



THE CARTRACK DNA FUELS HARD-TO-REPLICATE DIFFERENTIATORS





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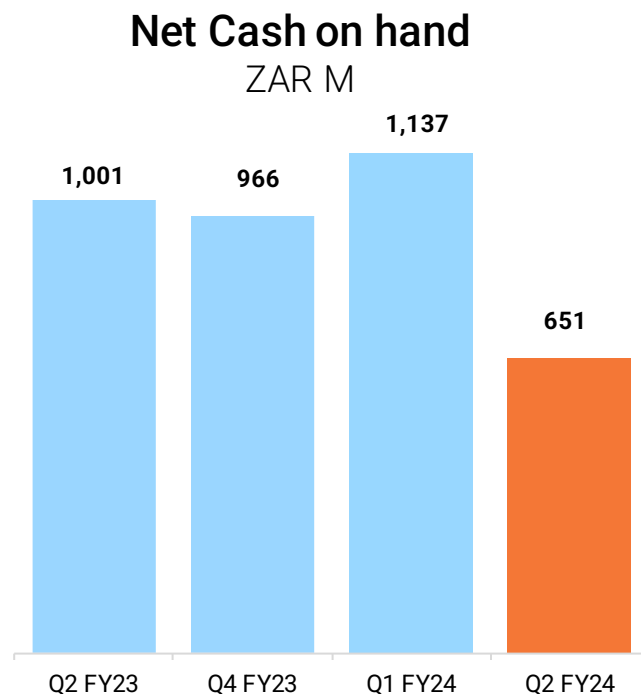
Financial Performance for Q2 FY24

KAROOOOO HAS A DECADE-PLUS STRONG TRACK RECORD OF GROWTH AT SCALE

<p>UP 17%</p> <p>Subscription Revenue</p> <table><tr><td>Q2 FY24</td><td>ZAR 860M</td></tr><tr><td>Q2 FY23</td><td>ZAR 734M</td></tr></table>	Q2 FY24	ZAR 860M	Q2 FY23	ZAR 734M	<p>UP 26%</p> <p>Net Cash from Operating Activities</p> <table><tr><td>Q2 FY24</td><td>ZAR 304M</td></tr><tr><td>Q2 FY23</td><td>ZAR 240M</td></tr></table>	Q2 FY24	ZAR 304M	Q2 FY23	ZAR 240M
Q2 FY24	ZAR 860M								
Q2 FY23	ZAR 734M								
Q2 FY24	ZAR 304M								
Q2 FY23	ZAR 240M								
<p>UP 13%</p> <p>Operating Profit</p> <table><tr><td>Q2 FY24</td><td>ZAR 247M</td></tr><tr><td>Q2 FY23</td><td>ZAR 218M</td></tr></table>	Q2 FY24	ZAR 247M	Q2 FY23	ZAR 218M	<p>UP 14%</p> <p>Earnings Per Share</p> <table><tr><td>Q2 FY24</td><td>5.61</td></tr><tr><td>Q2 FY23</td><td>4.93</td></tr></table>	Q2 FY24	5.61	Q2 FY23	4.93
Q2 FY24	ZAR 247M								
Q2 FY23	ZAR 218M								
Q2 FY24	5.61								
Q2 FY23	4.93								



KAROOOOO HAS A ROBUST BUSINESS MODEL BACKED BY A STRONG AND CLEAN BALANCE SHEET



Healthy
Debtor's Days

29

Q2 FY24

Q2 FY23: 33 days

Strong unit economics

Robust operating margins

Unleveraged balance sheet

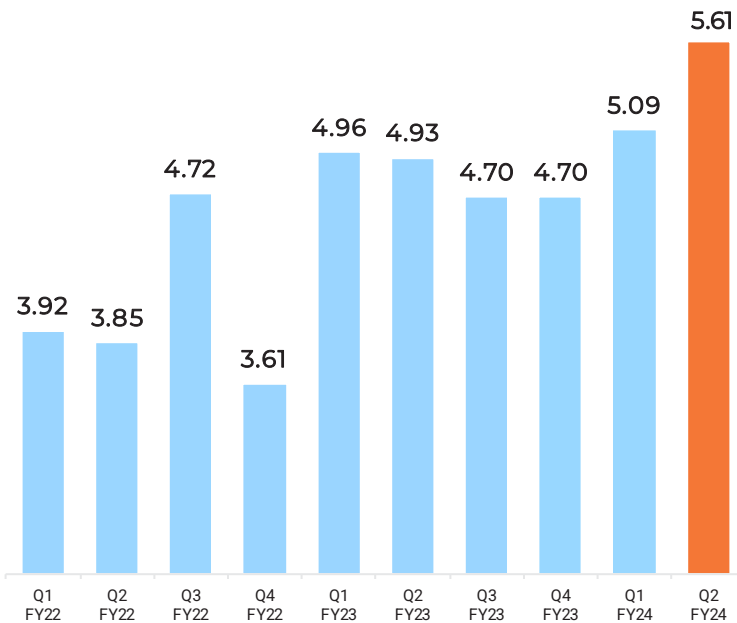
Strong cash conversion

**A CASH DIVIDEND OF USD26.3 MILLION
WAS PAID IN Q2 FY24**



KAROOOOO'S EARNINGS PER SHARE

EPS Growth
ZAR M



EPS Reconciliation

	FY22 ⁽¹⁾	FY23	Q1 FY24	Q2 FY24
CARTRACK	16.57	20.61	5.40	5.89
CARZUKA	(0.40)	(1.42)	(0.39)	(0.42)
KAROOOOO LOGISTICS	(0.07)	0.10	0.08	0.14
TOTAL	16.10	19.29	5.09	5.61

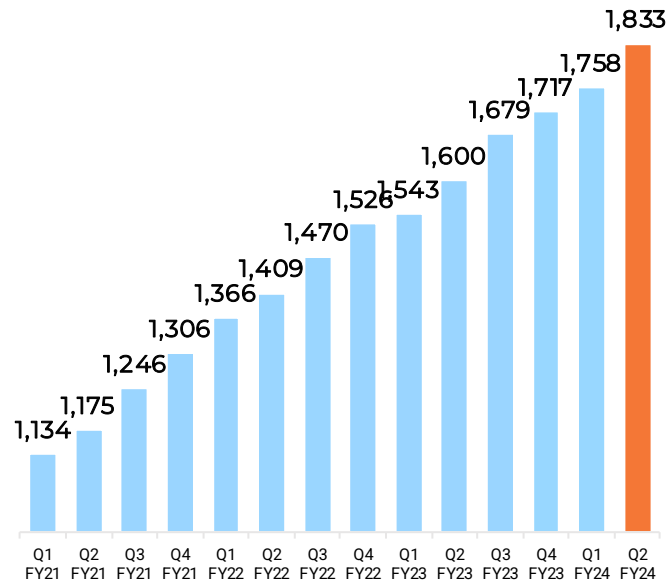


⁽¹⁾ Adjusted earnings per share (a non-IFRS measure). Earnings per share excluding the impact of once-off exceptional item expensed off in 2022.

CARTRACK EXTENDS DECADE-PLUS TRACK RECORD OF EXECUTION EXCELLENCE

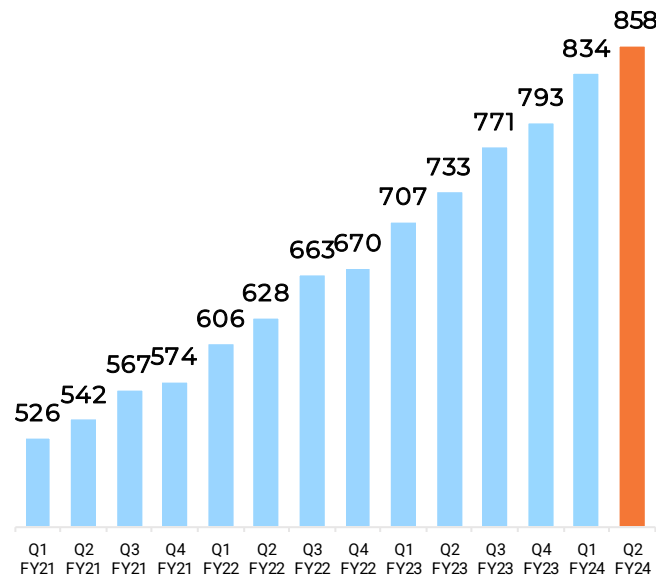
Scale

Subscribers
000s



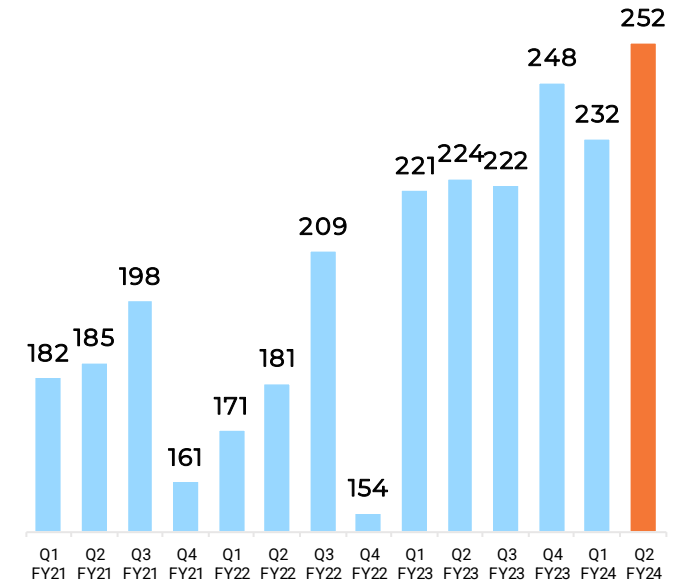
Growth

Subscription Revenue
ZAR M



Profitability

Operating Profit
ZAR M

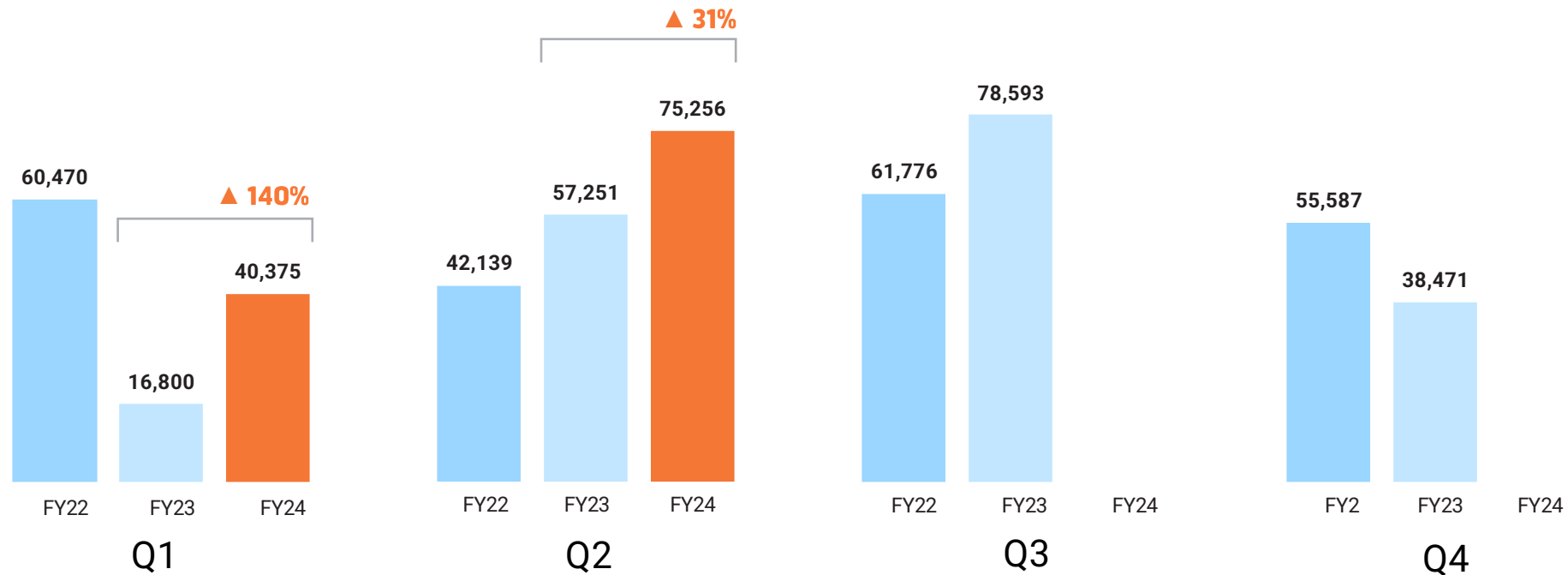


PROVEN ABILITY TO SCALE IN VARYING MACRO ECONOMIC CONDITIONS
CONSISTENTLY BEATEN RULE OF 40⁽¹⁾



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

CARTRACK STARTS TO GAIN MOMENTUM WITH RECORD Q2 NET SUBSCRIBER ADDITIONS



CARTRACK CONTINUES WITH DECADE-PLUS TRACK RECORD OF GROWTH

<div>UP 17%</div> <div>Subscription Revenue</div> <div>Q2 FY24 ZAR 858M</div> <div>Q2 FY23 ZAR 733M</div>	<div>UP 17%</div> <div>Revenue</div> <div>Q2 FY24 ZAR 884M</div> <div>Q2 FY23 ZAR 752M</div>	<div>UP 17%</div> <div>ARR⁽¹⁾</div> <div>Q2 FY24 ZAR 3,475M</div> <div>Q2 FY23 ZAR 2,960M</div>
<div>UP 13%</div> <div>Operating Profit</div> <div>Q2 FY24 ZAR 252M</div> <div>Q2 FY23 ZAR 224M</div>	<div>UP 9%</div> <div>Adjusted EBITDA⁽²⁾</div> <div>Q2 FY24 ZAR 417M</div> <div>Q2 FY23 ZAR 382M</div>	<div>UP 31%</div> <div>Subscriber Growth</div> <div>Q2 FY24 75,256</div> <div>Q2 FY23 57,251</div>

97% OF CARTRACK’S REVENUE IS SUBSCRIPTION REVENUE



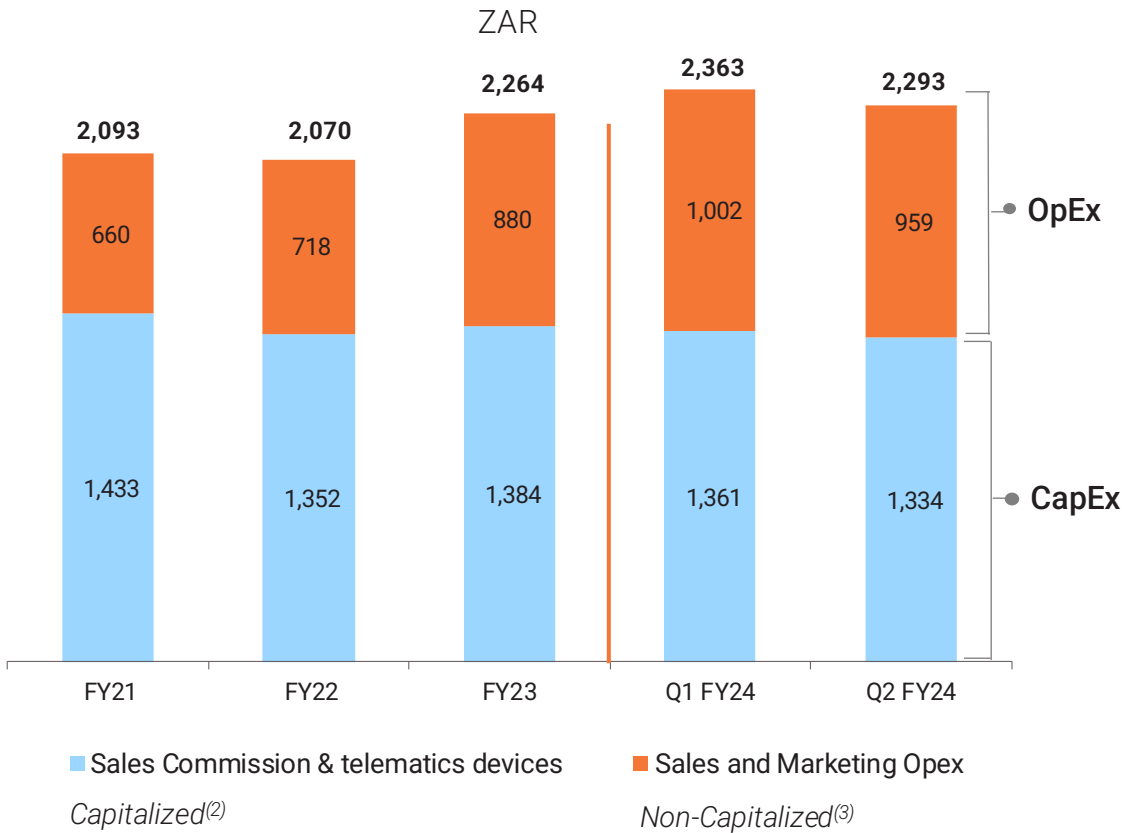
⁽¹⁾ARR is a non-IFRS measure defined as the annual run-rate subscription revenue of subscription agreements from all customers at a point in time, calculated by taking the monthly subscription revenue for all customers during that month and multiplying by 12.

⁽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 STRONG SUBSCRIBER UNIT ECONOMICS CONTINUE

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

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



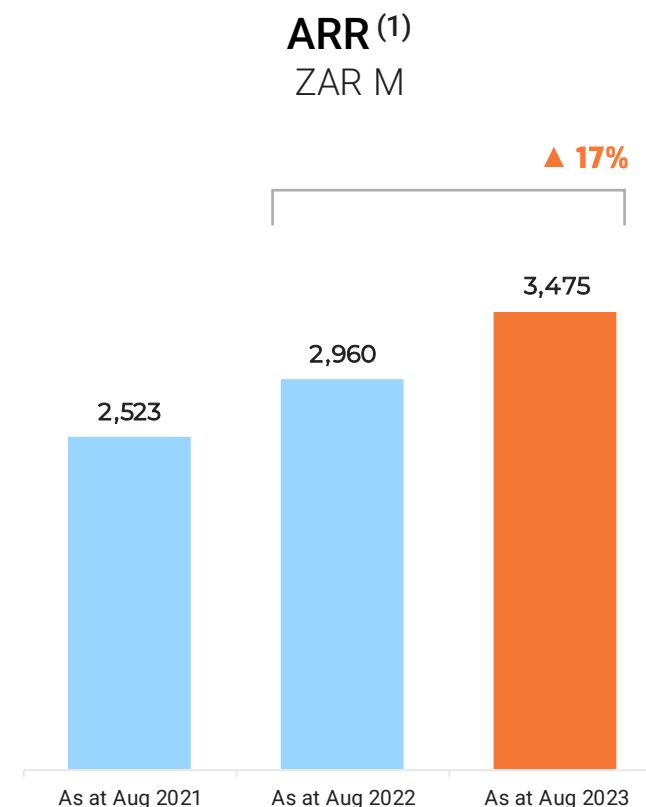
	FY21	FY22	FY23	Q1 FY24	Q2 FY24
ARPU (ZAR)	154	151	155	160	159
Subscriber contract life cycle (Months)	60	60	60	60	60
Average life cycle revenue per subscriber ⁽⁴⁾	(A) 9,266	9,065	9,323	9,604	9,556
Average cost of adding a subscriber to our cloud	(B) (2,093)	(2,070)	(2,264)	(2,363)	(2,293)
(A) – (B)	7,173	6,995	7,059	7,241	7,263

(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	Q2 FY22	Q2 FY23	Q2 FY24	Q-on-Q Change
SOUTH AFRICA	1,094	1,228	1,393	14%
ASIA, MIDDLE EAST, USA	132	165	207	26%
EUROPE	118	136	156	14%
AFRICA- OTHER	65	71	77	8%
TOTAL	1,409	1,600	1,833	15%



⁽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

OPERATING METRICS

	FY21	FY22	FY23	Q2 FY24
Subscription Revenue Gross Profit Margin	72%	70%	73%	72%
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%	22%
Operating Profit as a % of Subscription Revenue	33%	28%	30%	29%
Adjusted EBITDA ⁽¹⁾ as a % of Subscription Revenue	51%	48%	48%	49%



⁽¹⁾ 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	HY24	FY24 Outlook
Number of Subscribers (000s)	1,306	1,526	1,717	1,833	1,900 – 2,100
Cartrack's Subscription Revenue (ZAR M)	2,209	2,566	3,004	1,692	3,400 – 3,600
Cartrack's Operating Profit Margin	32%	27%	30%	28%	28% – 31%

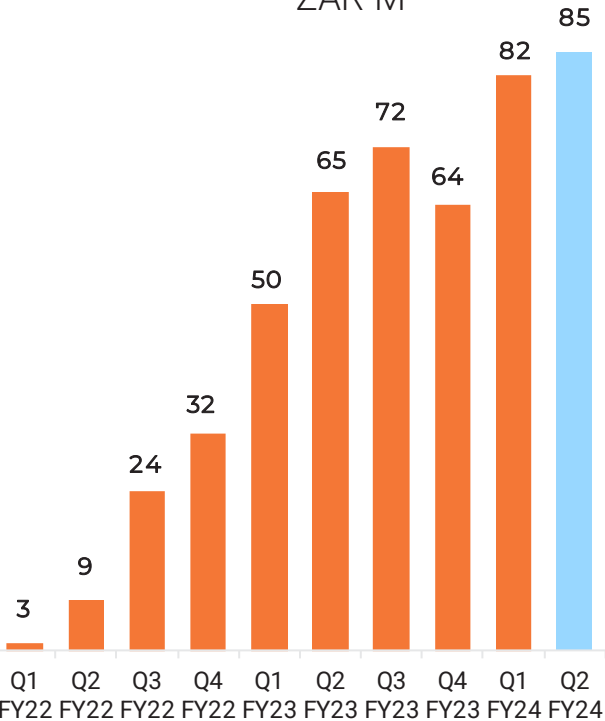
SOLID START TO OUR 2024 FINANCIAL YEAR

NET SUBSCRIBER ADDITIONS 115,631 (HY23: 74,041)

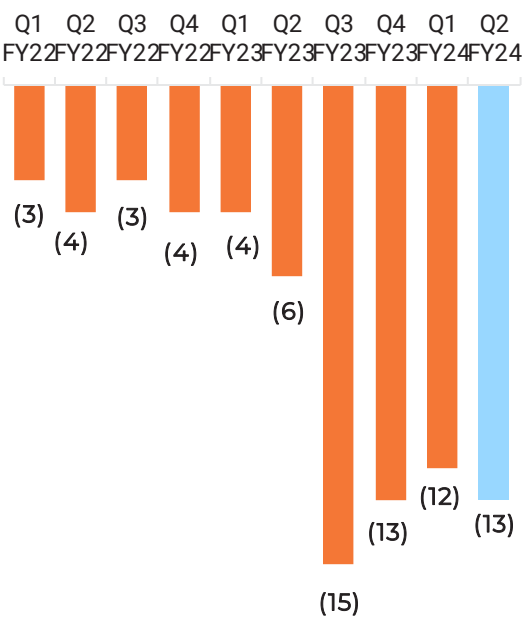


CARZUKA & KAROOOOO LOGISTICS CONTINUE TO GAIN TRACTION

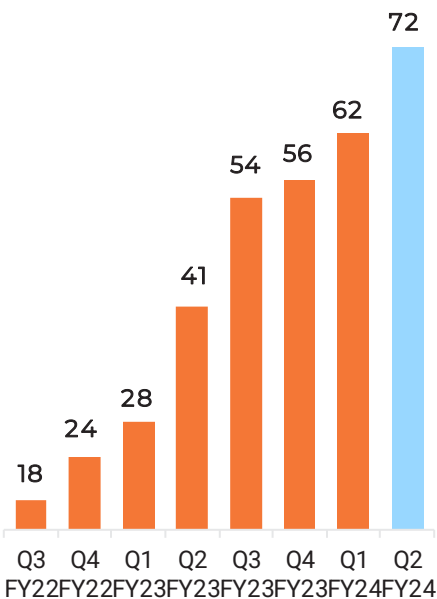
Carzuka
Revenue
ZAR M



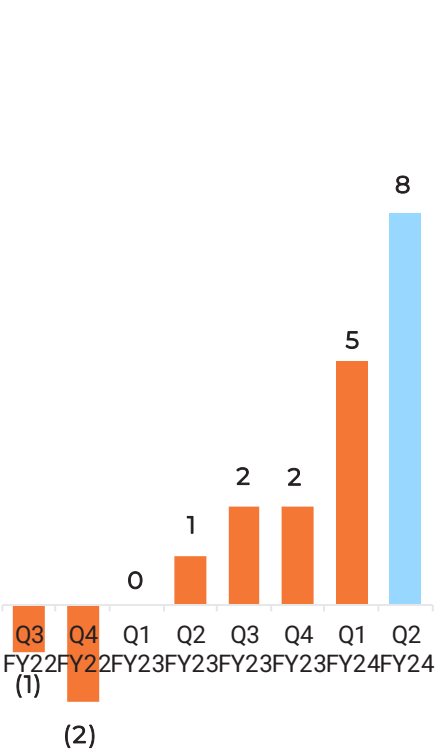
Carzuka
Operating Profit
ZAR M



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.



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Questions