



**KAROO**

Earnings Presentation Q2 FY24

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# KAR00000

NASDAQ TICKER "KARO"  
JSE TICKER "KRO"

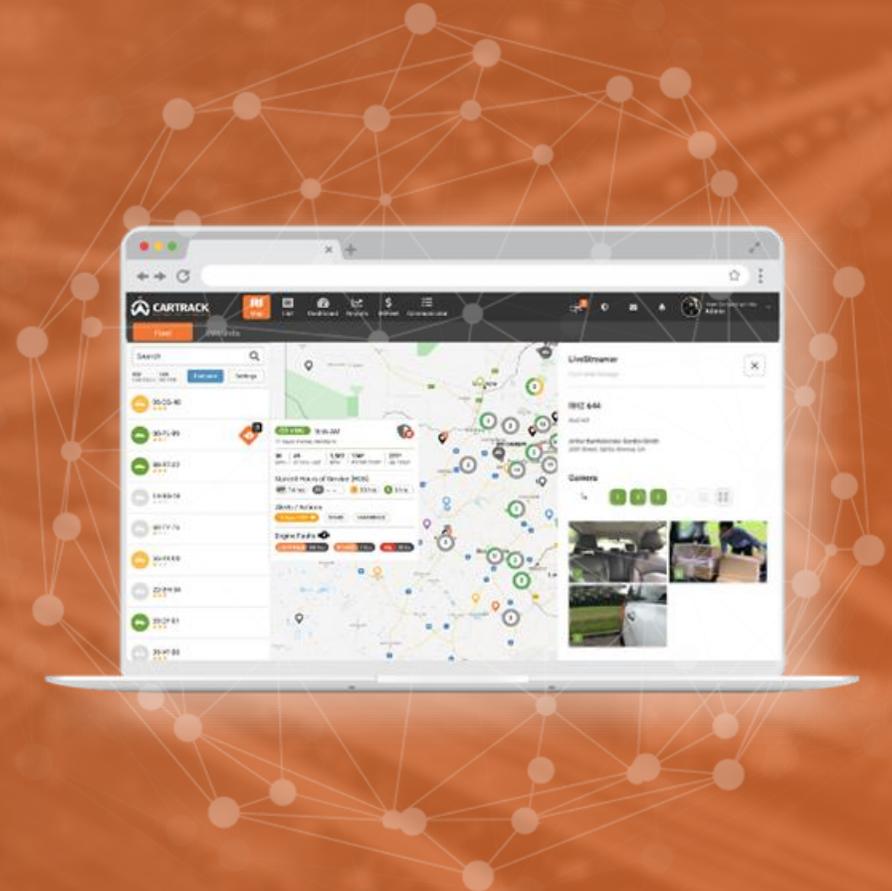


**Founded in South Africa, now headquartered in Singapore**



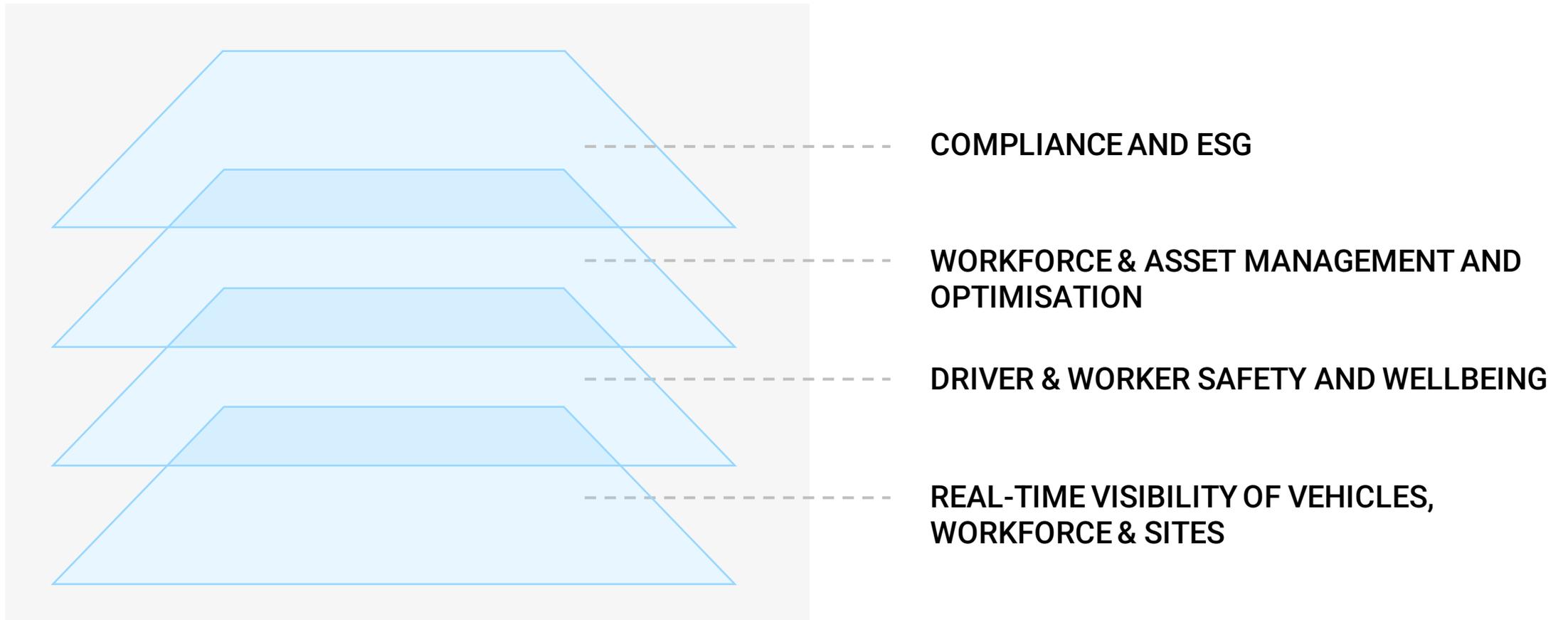
# SETTING THE PATH FOR TOMORROW

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.

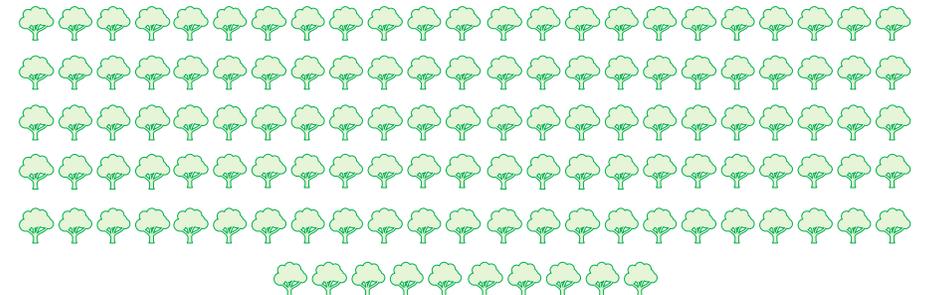
4 LITERS SAVED PER VEHICLE PER DAY<sup>1</sup>

PAYBACK PERIOD < 3 DAYS<sup>1</sup>

ROI OVER 700%<sup>1</sup>



SLASH CO2 EMISSIONS BY 2,840KG PER VEHICLE PER YEAR<sup>2</sup>  
~125 MATURE TREES<sup>3</sup>



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

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

<sup>(3)</sup>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

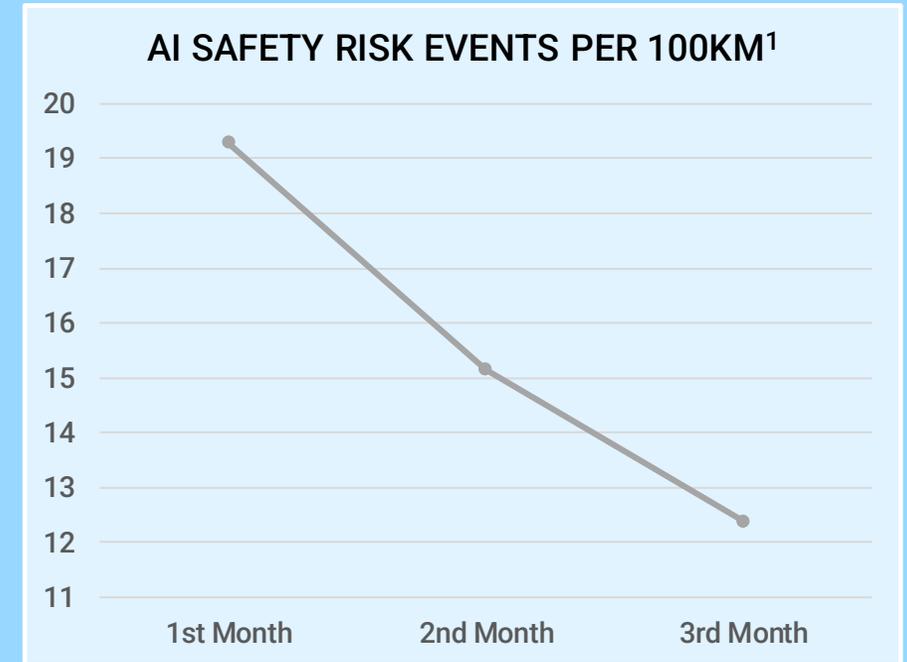


COACH



IMPROVE

## CUSTOMER SPOTLIGHT



46% DECREASE IN AI SAFETY RISK EVENTS<sup>1</sup>

DRIVERS FEEL SAFER ON THE ROAD  
TRANSPORTING HIGHLY FLAMMABLE FUEL

RISK MANAGEMENT HAS FUELED  
BUSINESS GROWTH

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



# 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

## WHY BEST-IN-CLASS TALENT CHOOSES US

INNOVATION & CREATIVITY

OWNERSHIP &  
ENTREPRENEURSHIP

AGILITY & ADAPTABLE

MERITOCRACY

RESOURCEFUL, RESILIENT  
PROBLEM SOLVING

**TEAM WITH A  
LONG-TERM  
MINDSET  
DESIGNED TO WIN**

## KEY DIFFERENTIATORS

UNIQUE CULTURE

VERTICAL INTEGRATION

ABILITY TO EXECUTE ON  
EASY-TO-USE SOLUTIONS

BUILD SCALABLE INTERNAL  
AND EXTERNAL SOLUTIONS

WORLD-CLASS CUSTOMER  
SERVICE

DEEP INDUSTRY KNOWLEDGE





**KAROO0000**

Financial Performance for Q2 FY24

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

## **UP 17%** Subscription Revenue

Q2 FY24	ZAR 860M
Q2 FY23	ZAR 734M

## **UP 26%** Net Cash from Operating Activities

Q2 FY24	ZAR 304M
Q2 FY23	ZAR 240M

## **UP 13%** Operating Profit

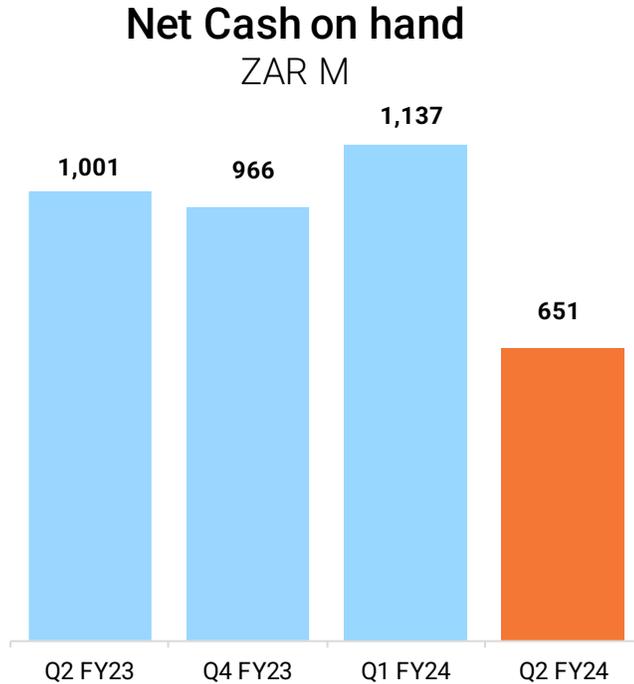
Q2 FY24	ZAR 247M
Q2 FY23	ZAR 218M

## **UP 14%** Earnings Per Share

Q2 FY24	5.61
Q2 FY23	4.93



# KAROO000 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**



# KAROOOO'S EARNINGS PER SHARE

EPS Growth  
ZAR M



EPS Reconciliation

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

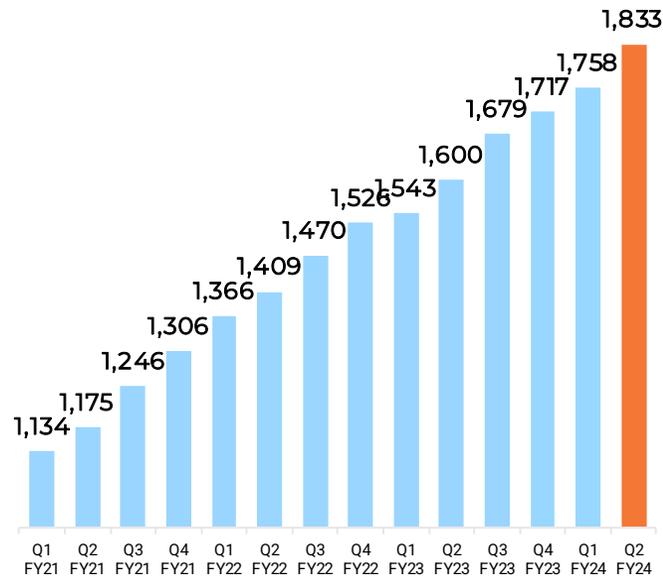


<sup>(1)</sup> Adjusted earnings per share (a non-IFRS measure). Earnings per share excluding the impact of once-off exceptional item expensed off in 2022.

# CARTRACK EXTENDS DECADE-PLUS TRACK RECORD OF EXECUTION EXCELLENCE

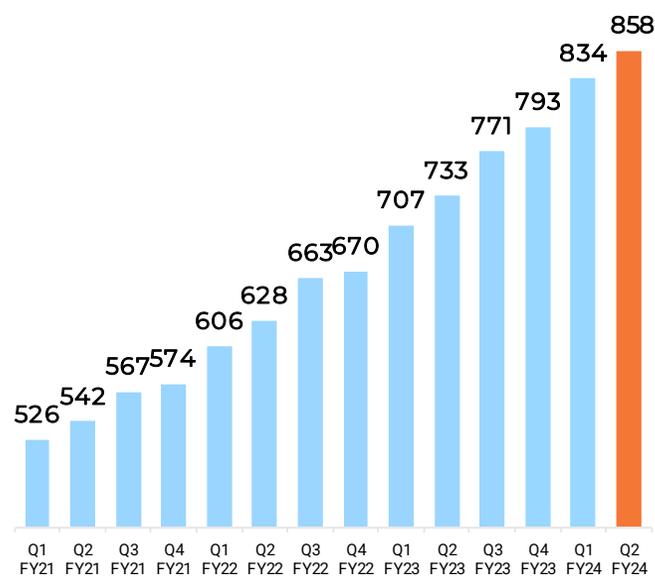
## Scale

Subscribers  
000s



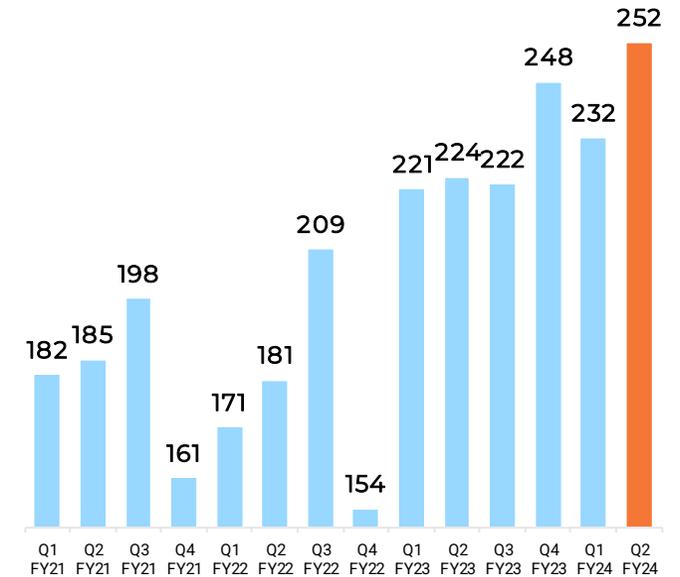
## Growth

Subscription Revenue  
ZAR M



## Profitability

Operating Profit  
ZAR M

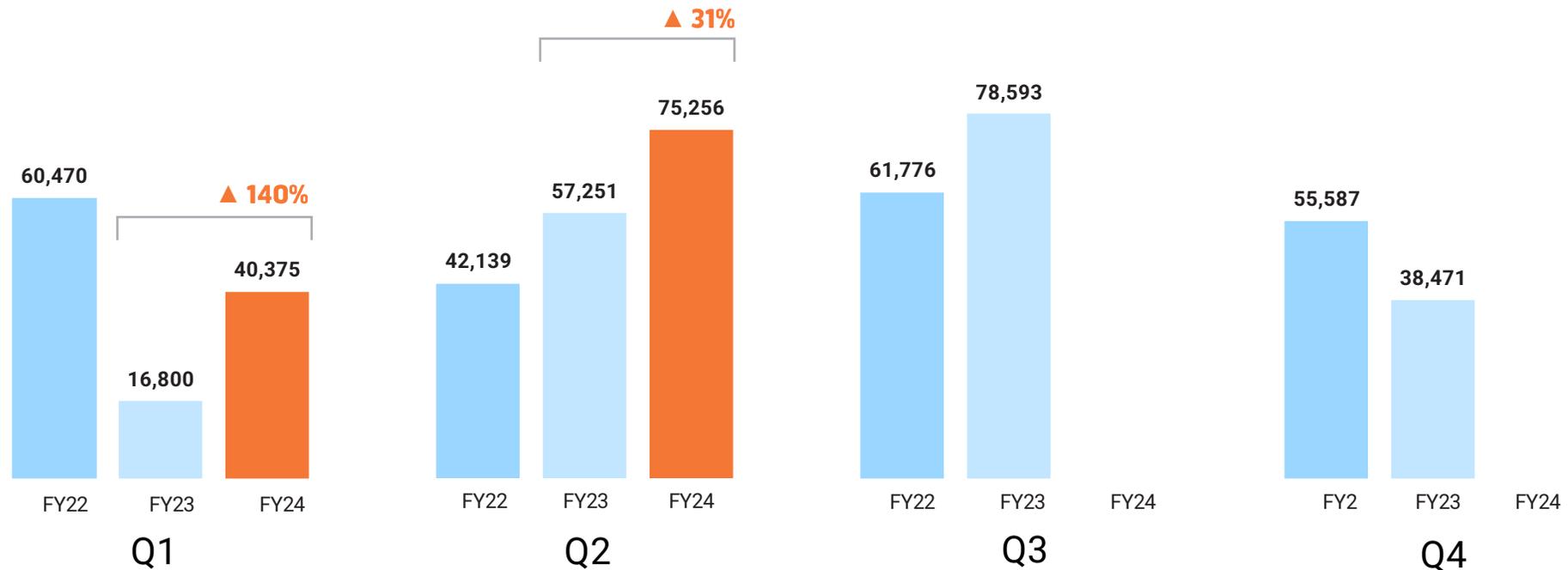


**PROVEN ABILITY TO SCALE IN VARYING MACRO ECONOMIC CONDITIONS  
CONSISTENTLY BEATEN RULE OF 40<sup>(1)</sup>**



<sup>(1)</sup> 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

<p style="text-align: center;"><b>UP 17%</b> Subscription Revenue</p> <p>Q2 FY24      ZAR 858M Q2 FY23      ZAR 733M</p>	<p style="text-align: center;"><b>UP 17%</b> Revenue</p> <p>Q2 FY24      ZAR 884M Q2 FY23      ZAR 752M</p>	<p style="text-align: center;"><b>UP 17%</b> ARR<sup>(1)</sup></p> <p>Q2 FY24      ZAR 3,475M Q2 FY23      ZAR 2,960M</p>
<p style="text-align: center;"><b>UP 13%</b> Operating Profit</p> <p>Q2 FY24      ZAR 252M Q2 FY23      ZAR 224M</p>	<p style="text-align: center;"><b>UP 9%</b> Adjusted EBITDA<sup>(2)</sup></p> <p>Q2 FY24      ZAR 417M Q2 FY23      ZAR 382M</p>	<p style="text-align: center;"><b>UP 31%</b> Subscriber Growth</p> <p>Q2 FY24      75,256 Q2 FY23      57,251</p>

## 97% OF CARTRACK'S REVENUE IS SUBSCRIPTION REVENUE

<sup>(1)</sup>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.

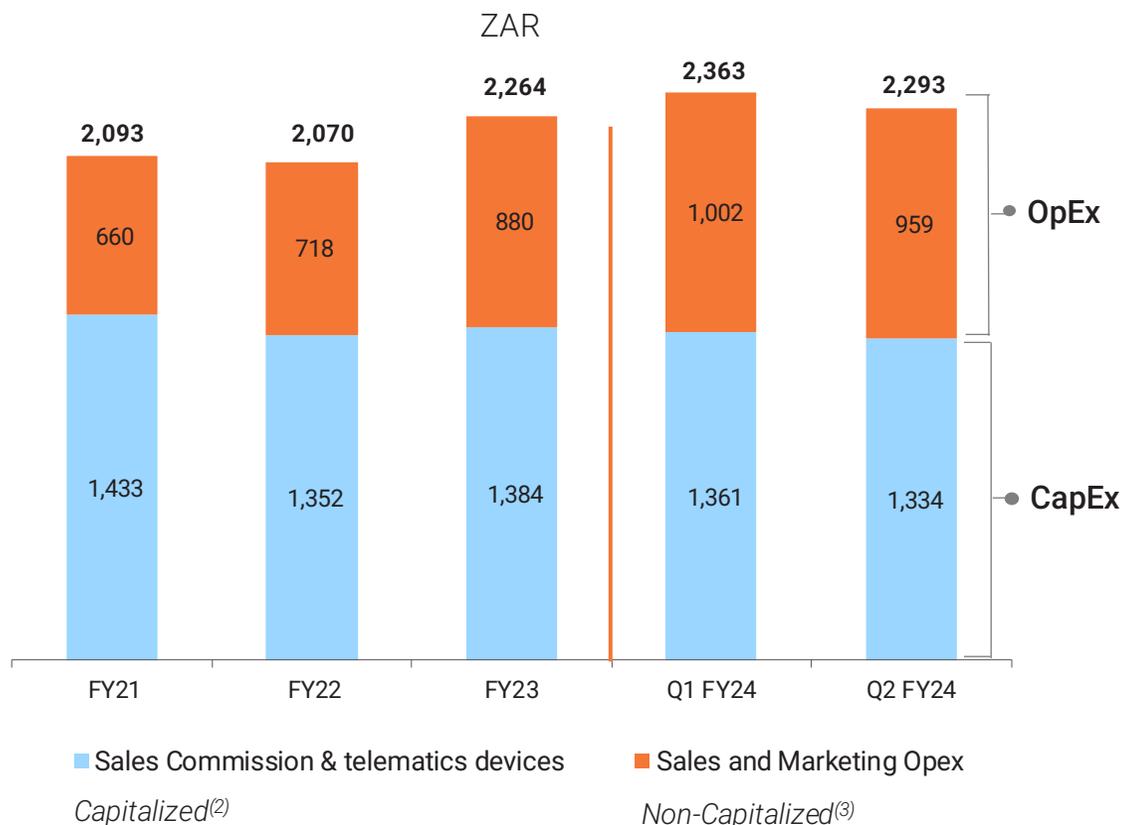
<sup>(2)</sup> Adjusted EBITDA is a non-IFRS measure, defined as profit less finance income, plus finance costs, taxation, depreciation and amortization, plus any impact of non-recurring operational expenses. Please see our Earnings announcement for reconciliation to closest metric calculated in accordance with IFRS.



# CARTRACK'S STRONG SUBSCRIBER UNIT ECONOMICS CONTINUE

Average Cost of adding a Subscriber to our cloud <sup>(1)</sup>

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 <sup>(4)</sup> (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)
<b>(A) - (B)</b>	<b>7,173</b>	<b>6,995</b>	<b>7,059</b>	<b>7,241</b>	<b>7,263</b>

(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)

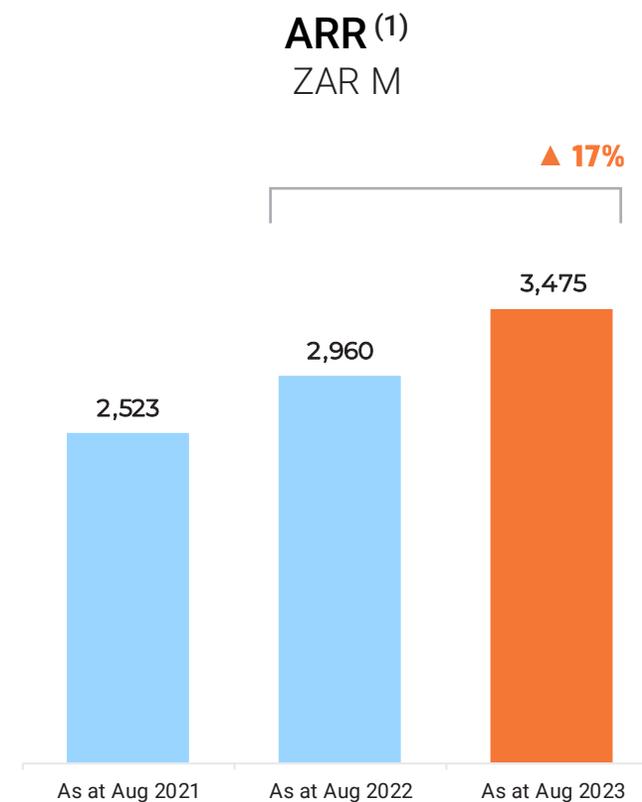
(3) Costs expensed through operating expenses when incurred

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



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

	Q2 FY22	Q2 FY23	Q2 FY24	Q-on-Q Change
'000s Subscribers				
<b>SOUTH AFRICA</b>	1,094	1,228	1,393	14%
<b>ASIA, MIDDLE EAST, USA</b>	132	165	207	26%
<b>EUROPE</b>	118	136	156	14%
<b>AFRICA- OTHER</b>	65	71	77	8%
<b>TOTAL</b>	<b>1,409</b>	<b>1,600</b>	<b>1,833</b>	<b>15%</b>



<sup>(1)</sup>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 <sup>(1)</sup> as a % of Subscription Revenue	51%	48%	48%	49%



<sup>(1)</sup> 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%

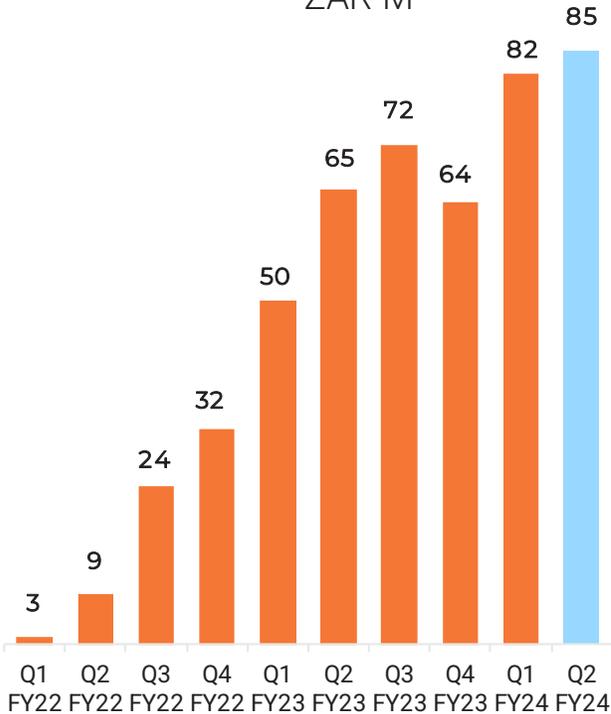
## SOLID START TO OUR 2024 FINANCIAL YEAR

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

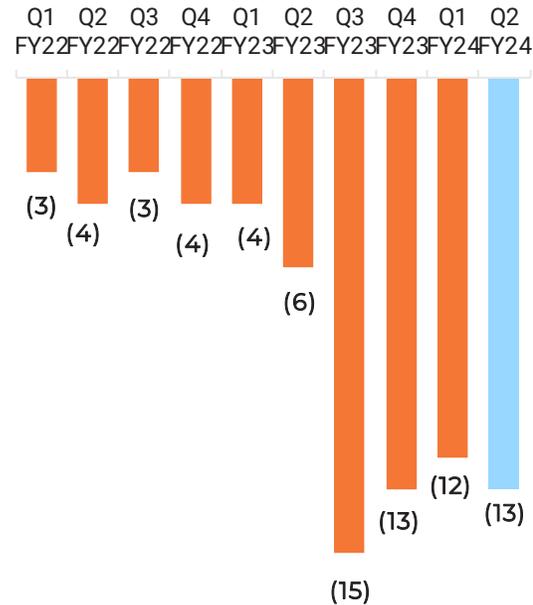


# CARZUKA & KAROOOOO LOGISTICS CONTINUE TO GAIN TRACTION

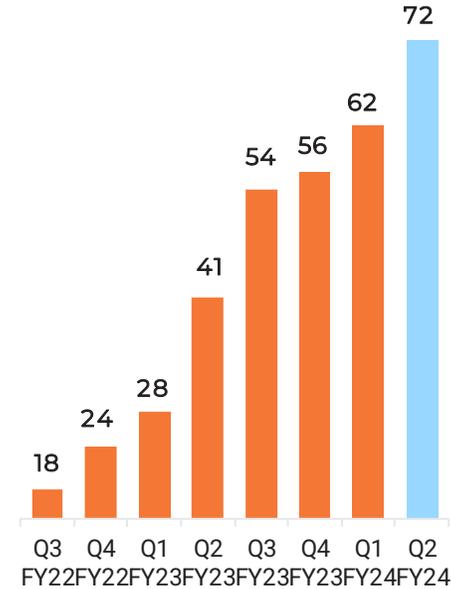
**Carzuka Revenue**  
ZAR M



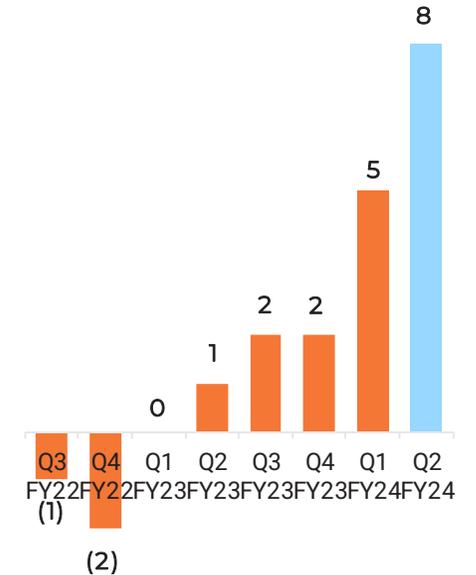
**Carzuka Operating Profit**  
ZAR M



**Karooooo Logistics<sup>(1)</sup> Revenue**  
ZAR M



**Karooooo Logistics<sup>(1)</sup> Operating Profit**  
ZAR M



## STRONG ANNUAL GROWTH CONTINUES



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



**KAROOO**

Questions