



KAROO0000

Earnings Presentation Q3 FY24

DISCLAIMER

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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 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"

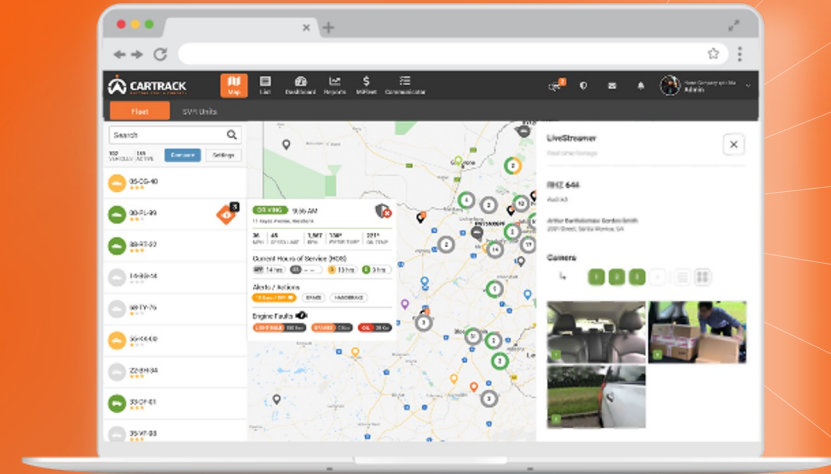


Founded in South Africa, now headquartered in Singapore



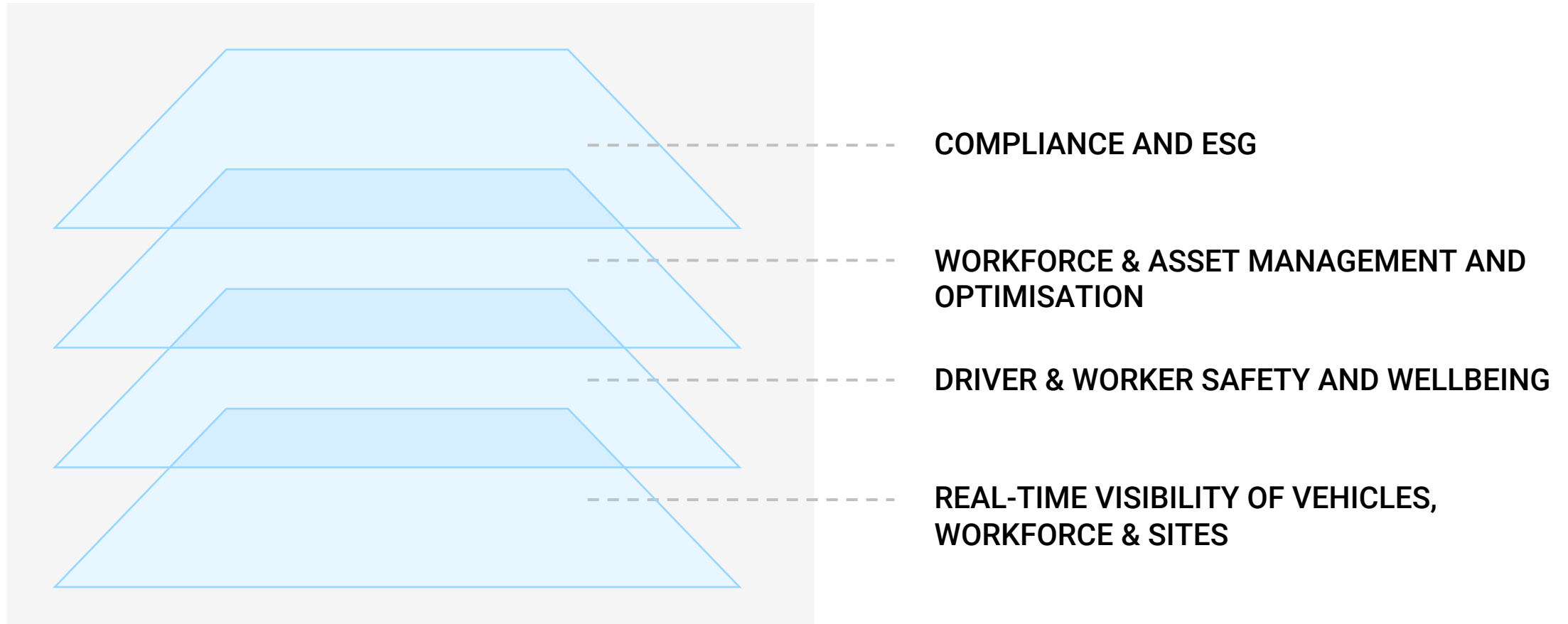
SETTING THE PATH FOR TOMORROW

THINKING BEYOND CONNECTED VEHICLES AND EQUIPMENT



KARO0000 IS A CONSTANT DRIVING FORCE FOR EVERY KM TRAVELLED, EVERY MINUTE WORKED

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



ROBUST AI CAMERAS PIONEER SAFETY & RISK MANAGEMENT IN EVERY OPERATION

MINING



-59% IN FATIGUE & DISTRACTION WITH OVER 1,400 HIGH-RISK SAFETY EVENTS COACHED ON IN REAL-TIME WITH 2 WAY IN-CAB COMMUNICATION VIA CONTROL ROOM

MASS BUS TRANSPORTATION



UP TO 41% REDUCTION IN FATIGUE AND DISTRACTION FOR LEADING BUS COMPANY TRANSPORTING AROUND 1 MILLION PASSENGERS DAILY SETS THE NEW INDUSTRY BENCHMARK

CORPORATE



INCREASED WORKER RETENTION WITH CLOUD-BASED ACCIDENT EVIDENCE TO EXONERATE DRIVERS, WHILST SLASHING UNWARRANTED INSURANCE & MAINTENANCE COSTS



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





KAROO0000

Financial Performance for Q3 FY24

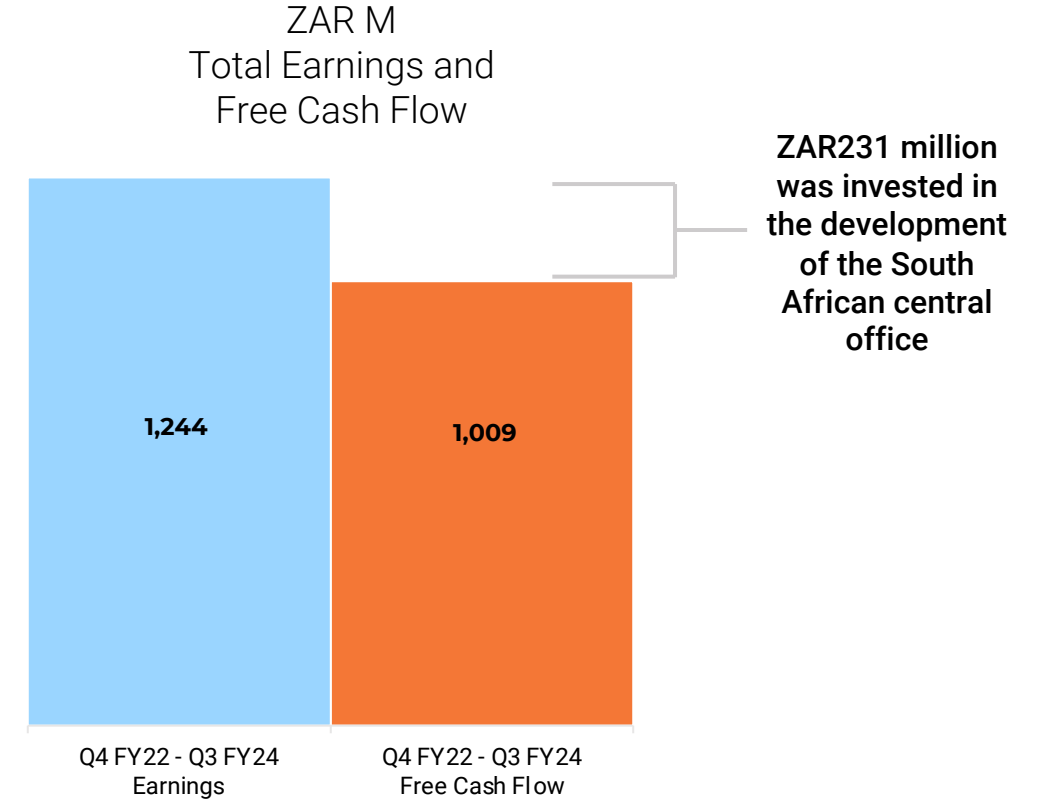
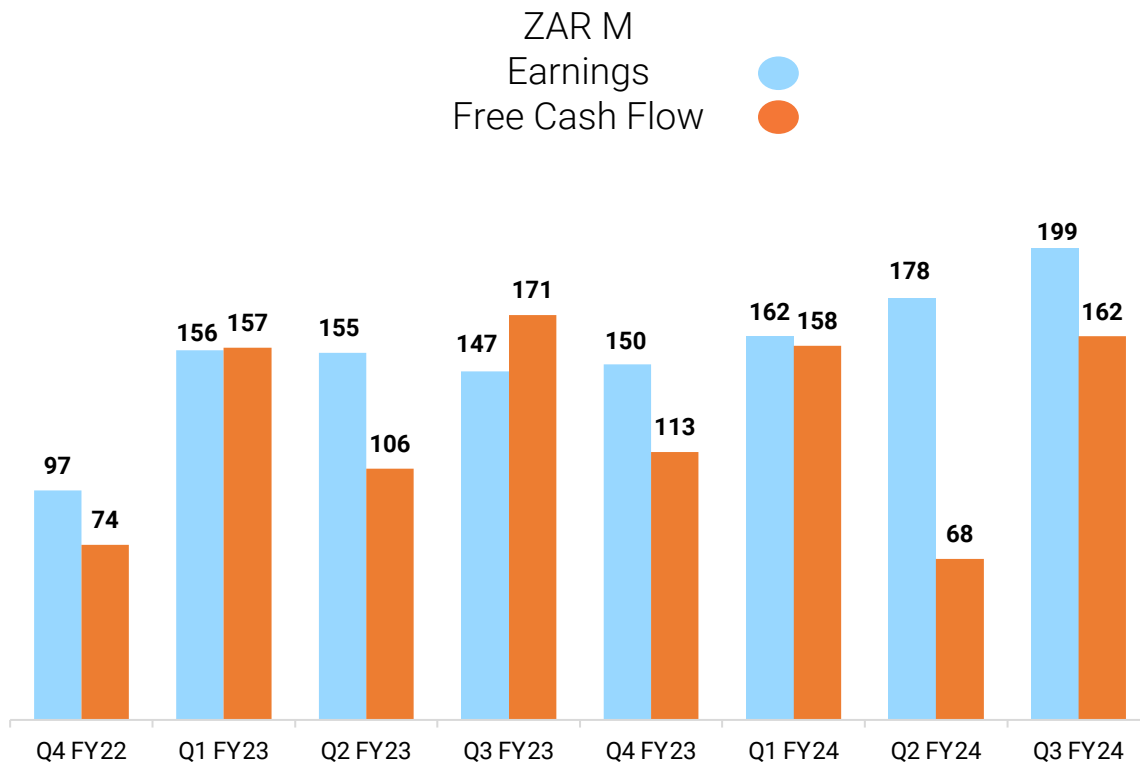
KAROOOOO HAS A DECADE-PLUS STRONG TRACK RECORD OF GROWTH AT SCALE

UP 17% Subscription Revenue		UP 20% ARR ⁽¹⁾	
Q3 FY24	ZAR 904M	Q3 FY24	ZAR 3,711M
Q3 FY23	ZAR 772M	Q3 FY23	ZAR 3,097M
UP 31% Operating Profit		UP 35% Earnings Per Share	
Q3 FY24	ZAR 275M	Q3 FY24	6.34
Q3 FY23	ZAR 209M	Q3 FY23	4.70

⁽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 HIGH CASH CONVERSION AND STRONG FINANCIAL DISCIPLINE



FREE CASH FLOW OVER 8 QUARTERS



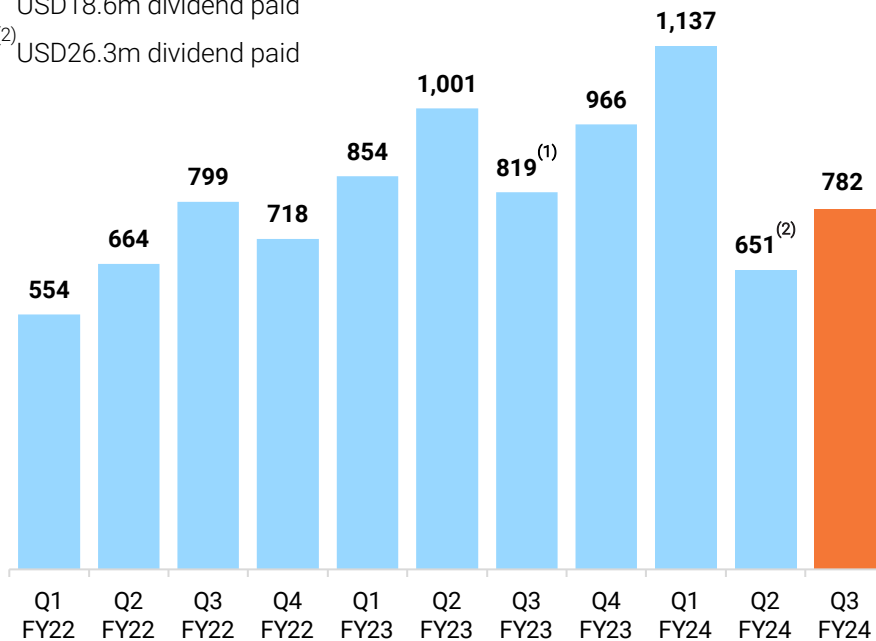
KAROOOOO HAS A ROBUST BUSINESS MODEL BACKED BY A STRONG AND CLEAN BALANCE SHEET

Net Cash on hand

ZAR M

⁽¹⁾ USD18.6m dividend paid

⁽²⁾ USD26.3m dividend paid



Healthy
Debtor's Days

30

Q3 FY24

Q3 FY23: 31 days

Strong unit economics

Robust operating margins

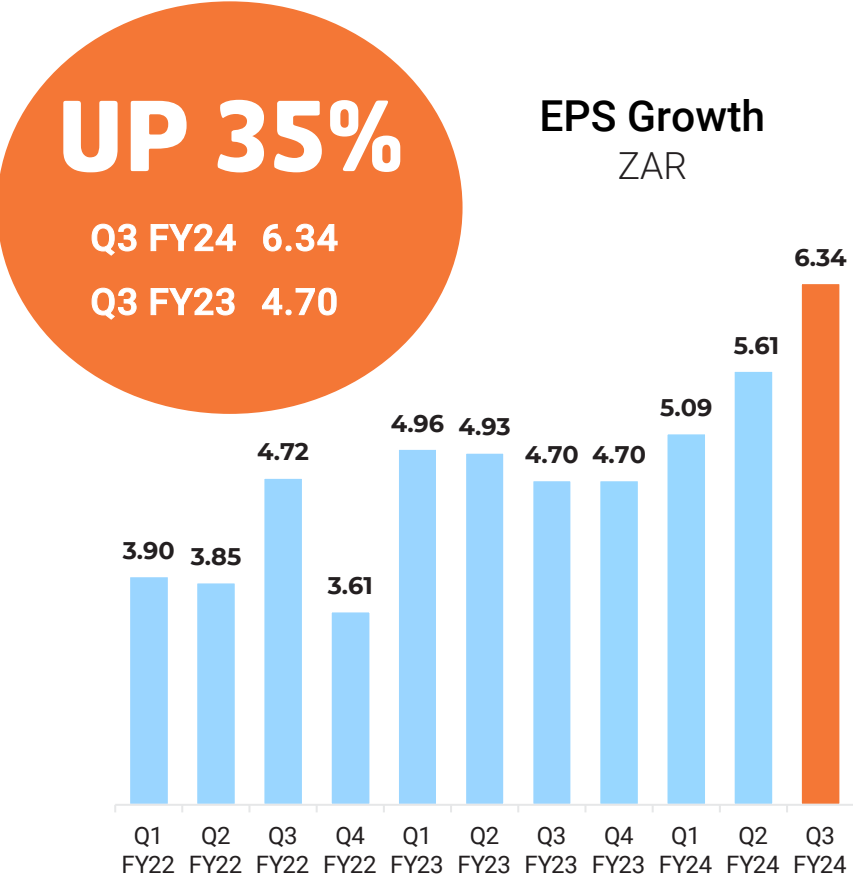
Unleveraged balance sheet

Strong cash conversion

- **FREE CASH FLOW GENERATED ZAR162 MILLION**
 - **EARNINGS ZAR199 MILLION**



KAROOOOO'S EARNINGS PER SHARE AFTER MAKING PROVISIONS FOR CARZUKA



	EPS Reconciliation				
	FY22 ⁽¹⁾	FY23	Q1 FY24	Q2 FY24	Q3 FY24
CARTRACK	16.57	20.61	5.40	5.89	6.96
CARZUKA ⁽²⁾	(0.40)	(1.42)	(0.39)	(0.42)	(0.75)
KAROOOOO LOGISTICS	(0.07)	0.10	0.08	0.14	0.13
TOTAL	16.10	19.29	5.09	5.61	6.34

GOING FORWARD WE NO LONGER EXPECT CARZUKA TO NEGATIVELY IMPACT EPS

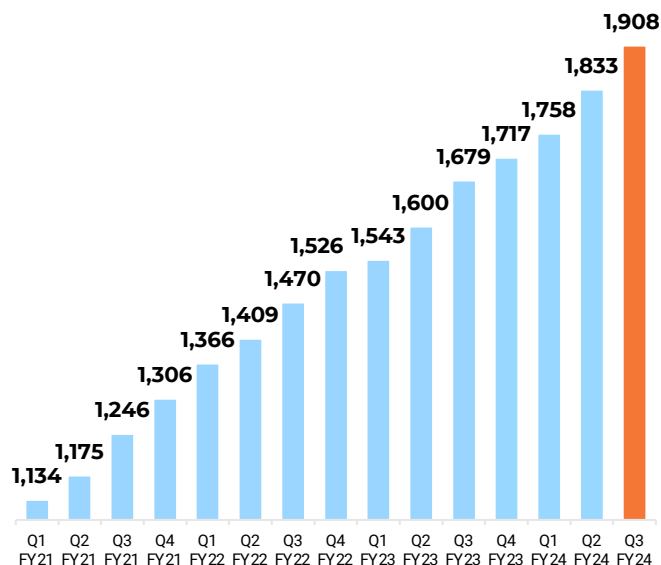


(1) Adjusted earnings per share (a non-IFRS measure). Earnings per share excluding the impact of once-off exceptional item expensed off in 2022.
 (2) As Carzuka reduces its operations, based on our estimates, we believe we have made adequate provision.

CARTRACK EXTENDS DECADE-PLUS TRACK RECORD OF EXECUTION EXCELLENCE

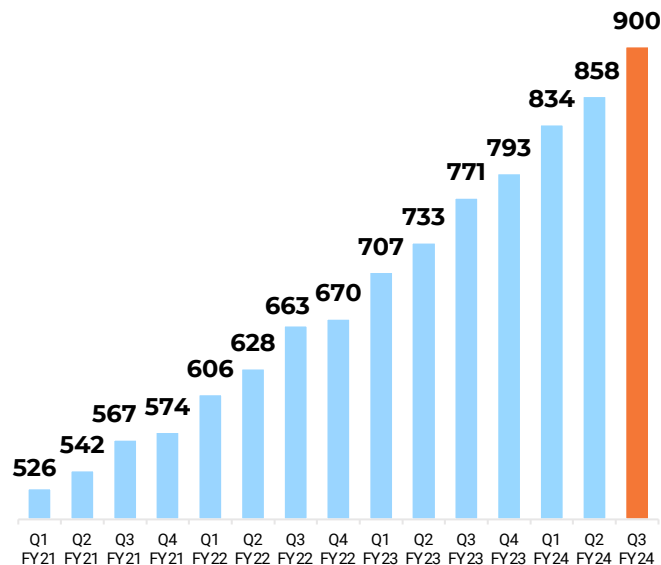
Scale

Subscribers
000s



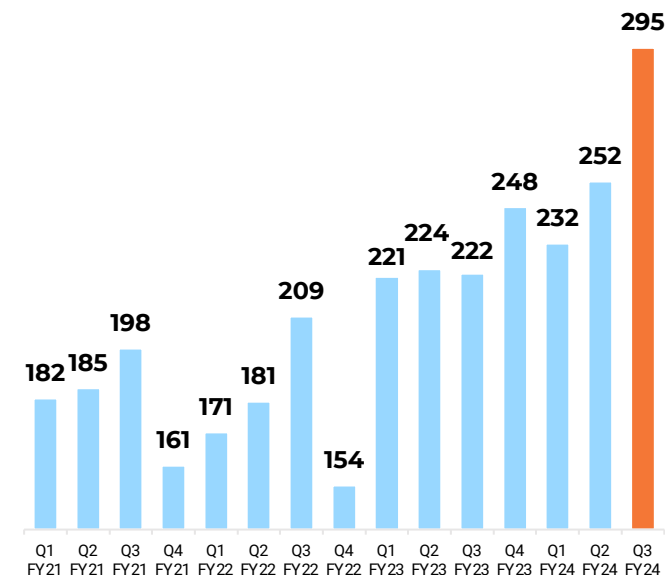
Growth

Subscription Revenue
ZAR M



Profitability

Operating Profit
ZAR M

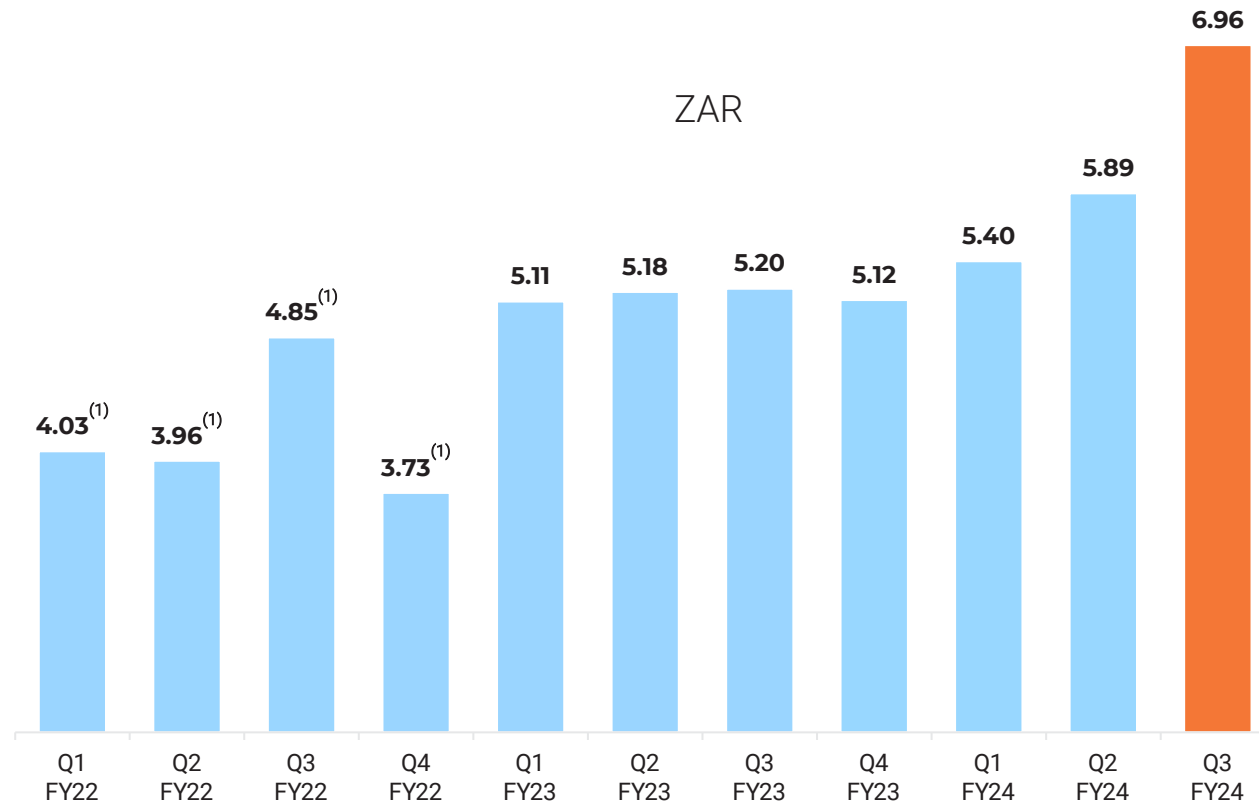


PROVEN ABILITY TO SCALE IN VARYING MACRO ECONOMIC CONDITIONS
CONSISTENTLY BEATEN RULE OF 40⁽¹⁾



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

CARTRACK EXTENDS DECADE-PLUS TRACK RECORD OF EPS GROWTH



UP 34%

Q3 FY24	6.96
Q3 FY23	5.20

EARNINGS BENEFITTING FROM STRONG ECONOMIES OF SCALE



(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 CONTINUES WITH DECADE-PLUS TRACK RECORD OF TOP AND BOTTOM LINE GROWTH

<p>UP 17%</p> <p>Subscription Revenue</p> <p>Q3 FY24 ZAR 900M</p> <p>Q3 FY23 ZAR 771M</p>	<p>UP 14%</p> <p>Revenue</p> <p>Q3 FY24 ZAR 919M</p> <p>Q3 FY23 ZAR 804M</p>	<p>UP 20%</p> <p>ARR⁽¹⁾</p> <p>Q3 FY24 ZAR 3,695M</p> <p>Q3 FY23 ZAR 3,090M</p>
<p>UP 33%</p> <p>Operating Profit</p> <p>Q3 FY24 ZAR 295M</p> <p>Q3 FY23 ZAR 222M</p>	<p>UP 29%</p> <p>Adjusted EBITDA⁽²⁾</p> <p>Q3 FY24 ZAR 447M</p> <p>Q3 FY23 ZAR 346M</p>	<p>UP 14%</p> <p>Subscriber Growth</p> <p>Q3 FY24 1,908,192</p> <p>Q3 FY23 1,678,606</p>

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.

⁽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 DEMONSTRATES ITS ABILITY TO EXPAND MARGINS

UP 19% Gross Profit		UP 33% Operating Profit		UP 29% Adjusted EBITDA⁽¹⁾	
Q3 FY24	ZAR 672M	Q3 FY24	ZAR 295M	Q3 FY24	ZAR 447M
Q3 FY23	ZAR 564M	Q3 FY23	ZAR 222M	Q3 FY23	ZAR 346M
UP 3% Gross Profit Margin		UP 4% Operating Profit Margin		UP 6% Adjusted EBITDA⁽¹⁾ Margin	
Q3 FY24	73%	Q3 FY24	32%	Q3 FY24	49%
Q3 FY23	70%	Q3 FY23	28%	Q3 FY23	43%

CARTRACK HAS STRONG VISIBILITY OF FUTURE SaaS REVENUE



⁽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

LEADING UNIT ECONOMICS

Lifetime Value of
Customer Relationships⁽¹⁾



Low Cost of Acquiring a
Customer⁽²⁾

Strong Benefits from
Economies of Scale

Q3 FY24
**Gross Profit Margin based only
on Subscription Revenue**

75%

Q3 FY23: 72%

>9x

LTV to CAC

95%

Commercial Customer
Retention Rate

WELL POSITIONED TO CONTINUE TO INCREASE MARKET SHARE



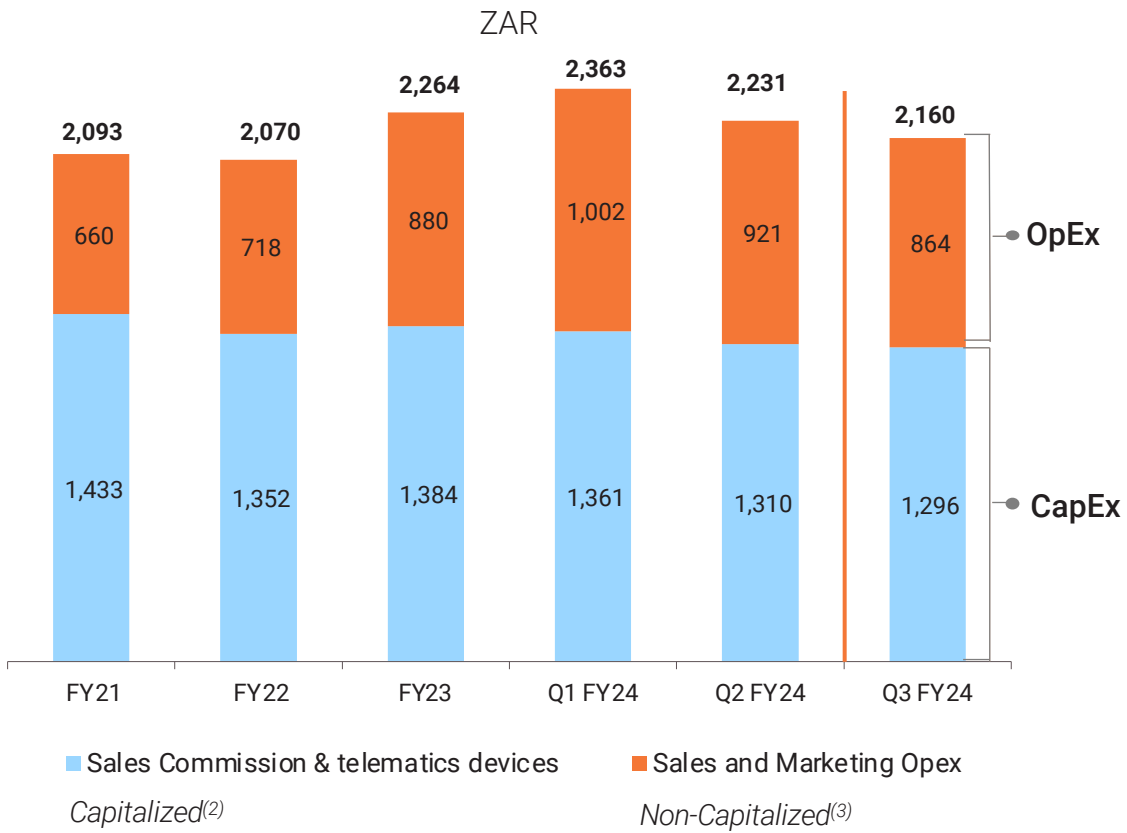
(1) The product of our subscription revenue gross margin measured over the past twelve months, and the difference between our current period SaaS ARR and prior comparative period (twelve months) SaaS ARR divided by the percentage of SaaS ARR lost as a result of customer churn over the past 12 months.

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


CARTRACK'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	Q3 FY24
ARPU (ZAR)	154	151	155	160	159	160
Subscriber contract life cycle (Months)	60	60	60	60	60	60
Average life cycle revenue per subscriber ⁽⁴⁾	(A) 9,266	9,065	9,323	9,604	9,556	9,629
Average cost of adding a subscriber to our cloud	(B) (2,093)	(2,070)	(2,264)	(2,363)	(2,231)	(2,160)
(A) – (B)	7,173	6,995	7,059	7,241	7,325	7,469



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

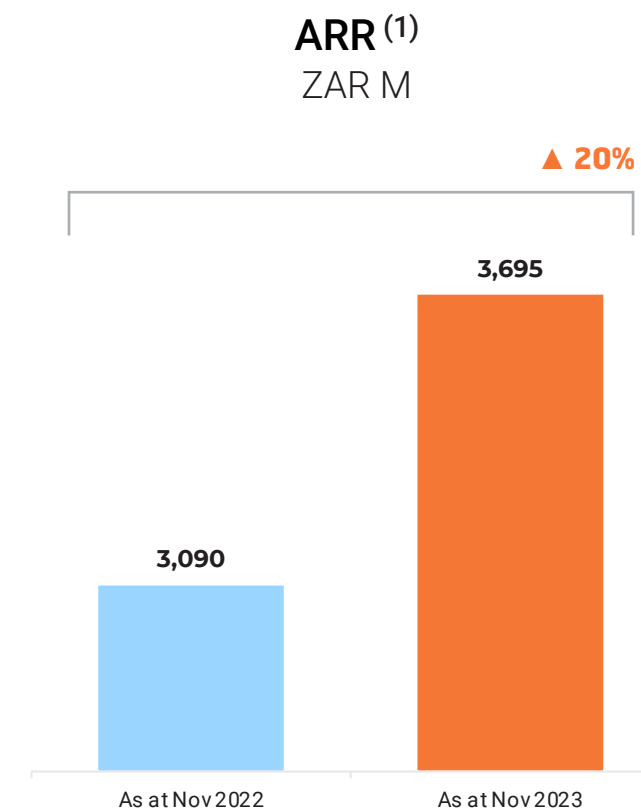
(2) Costs capitalized and depreciated through cost of sales over the expected useful life of the subscriber (60 months)

(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	Q3 FY22	Q3 FY23	Q3 FY24	Q-on-Q Change
SOUTH AFRICA	1,141	1,290	1,447	12%
ASIA, MIDDLE EAST, USA	138	175	221	26%
EUROPE	124	141	161	15%
AFRICA- OTHER	67	73	79	8%
TOTAL	1,470	1,679	1,908	14%



⁽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	YTD Q3 2024
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%	21%
Operating Profit as a % of Subscription Revenue	33%	28%	30%	30%
Adjusted EBITDA ⁽¹⁾ as a % of Subscription Revenue	51%	48%	48%	48%



⁽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 REMAINS UNCHANGED

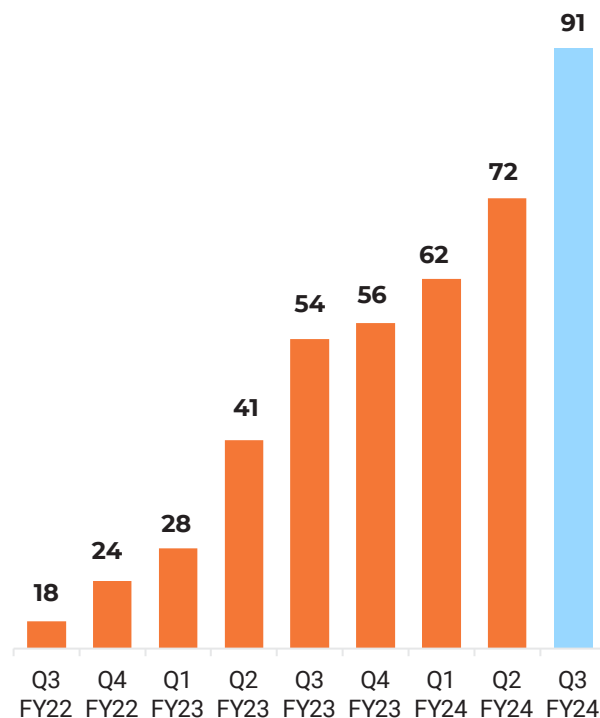
	FY21	FY22	FY23	YTD Q3 2024	FY24 Outlook
Number of Subscribers (000s)	1,306	1,526	1,717	1,908	1,900 – 2,100
Cartrack's Subscription Revenue (ZAR M)	2,209	2,566	3,004	2,592	3,400 – 3,600
Cartrack's Operating Profit Margin	32%	27%	30%	29%	28% – 31%

YTD Q3 2024 NET SUBSCRIBER ADDITIONS 191,115 (YTD Q3 2023: 152,634)

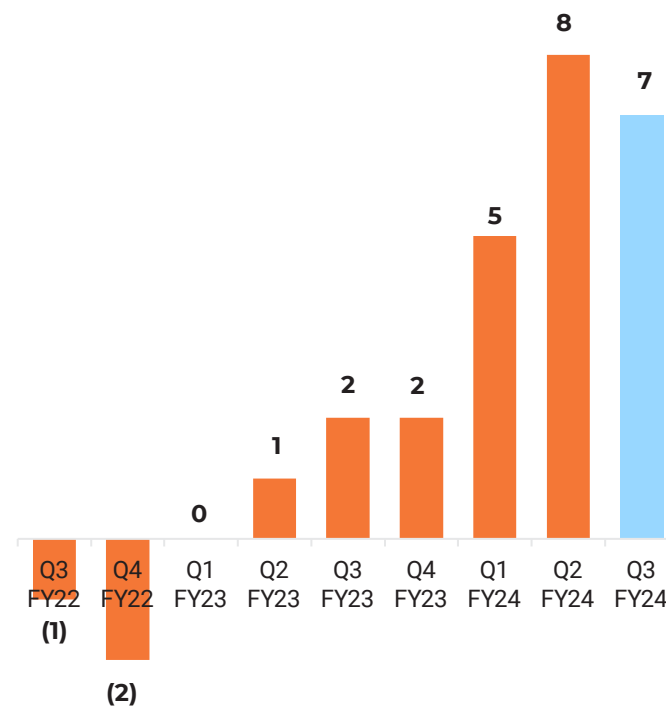


KARO0000 LOGISTICS CONTINUES TO GAIN TRACTION

Karooooo Logistics ⁽¹⁾
Revenue
ZAR M



Karooooo Logistics ⁽¹⁾
Operating Profit
ZAR M



WITH STRONG QUARTER-ON-QUARTER REVENUE GROWTH



⁽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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Thank You