



KAROO0000

Earnings Presentation Q2 FY25



Today's Presenters



Zak Calisto
Group CEO
& Founder



Goy Hoeshin
Group CFO



Carmen Calisto
Group Chief
Strategy &
Marketing Officer

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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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KAR000000

LEADING PHYSICAL OPERATIONS MANAGEMENT
PLATFORM, FOCUSED ON AFRICA, ASIA AND EUROPE

100%

Ownership

CARTRACK

Operations Management Platform

ZAR

3,990_M

Annual Recurring Revenue

As at August 2024

↑15%

Y-o-Y ARR Growth

Subscription Revenue is 98% of
Revenue as of Q2 FY25

29%

Q2 FY25 Operating Profit Margin

USD

224_M

↑22%

Y-o-Y ARR Growth

74.8%

Ownership

KAR000000 Logistics

Delivery-as-a-Service

ZAR

419_M

Annualised B2B

Delivery-as-a-Service Revenue¹

As at August 2024

↑40%

Y-o-Y DaaS Revenue Growth

USD

24_M

↑50%

Y-o-Y DaaS Revenue Growth

9%

Q2 FY25 Operating Profit Margin



1 DaaS Revenue (a non-IFRS measure) is defined as the annualized business to business (B2B) Delivery-as-a-Service revenue during the month and multiplying by 12.

KAROO GROUP SNAPSHOT Q2 FY25

Total Revenue¹
UP 16% **ZAR 1,107M**
Q2 FY24: ZAR 956M

Subscription Revenue
UP 15% **ZAR 986M**
Q2 FY24: ZAR 860M

Adjusted Earnings Per Share²
UP 31% **ZAR 7.35**
Q2 FY24: ZAR 5.61

Subscribers
UP 17% **2,136,610**
Q2 FY24: 1,832,708

27%
Operating Profit Margin

125,000+
Commercial Customers

4,300+
Employees³

180bn+
Monthly Data Points

95%
Commercial Customer Retention Rate⁴

25 📍 **SINGAPORE (HQ)**
Operating Countries



1 Excludes Carzuka revenue in Q2 FY24.

2 Adjusted earnings per share (a non-IFRS measure). Earnings per share excluding the impact of once-off costs of secondary offering to market.

3 As of end of Q2 FY25.

4 Calculated over a 3-year average ended FY24 by comparing the number of customers at the end of a year vs. at the start of that year.

Q2 FY25 BUSINESS AND OPERATIONAL HIGHLIGHTS



Completed building central office in South Africa, which positions us to support higher organic growth in South Africa.



Increased investment in Sales and Marketing in Southeast Asia beginning in August to capitalize on the compelling opportunity in the region.



Cartrack net subscriber additions increased 18% to a record 89,168.



Cartrack Q2 FY25 subscription revenue gross margin of 75%.



LTV/CAC remains greater than 9x.



95% Commercial Customer Retention Rate.

Q2 FY25 UNIT ECONOMICS REMAIN STRONG



Q2 FY25 FINANCIAL HIGHLIGHTS

UP 15%

Cartrack subscription revenue of ZAR983 million increased 15% Y/Y.



Cartrack gross margin improved approximately 300bps Y/Y to 74%.

Karoo0000 subscribers increased 17% Y/Y to 2.14 million

UP 31%

Karoo0000 Adjusted Earnings Per Share of ZAR7.35 increased 31% Y/Y.



Strong and unleveraged balance sheet with net cash and cash equivalents of ZAR674 million as of August 31, 2024.

Raising FY25 outlook for Subscribers and Cartrack Subscription Revenue at Midpoint.



INVESTMENT HIGHLIGHTS

WELL POSITIONED TO DRIVE PROFITABLE GROWTH

- Attractive FY19-FY24 subscriber growth of 15% CAGR
- Proven track record of profitable growth and high margins
- Efficient unit economics and go-to-market strategy as evidenced by 9x+ LTV/CAC
- Customer-centric culture with 95% commercial retention rate

DIFFERENTIATED TECHNOLOGY PLATFORM

- Proprietary and easy-to-use enterprise grade SaaS platform
- Vertically integrated, highly scalable platform serving diverse industries
- Vast data asset with 170bn+ valuable data points processed monthly as of Q2 FY25

COMPELLING FINANCIALS

- Cartrack: Operating Profit and Adj. EBITDA margins of no less than 27% and 47% respectively over last 5 years¹
- Karoo Logistics: FY24 Operating Profit and Adj. EBITDA margins of 8% and 9%, respectively
- Rule of 60 company²
- Strong balance sheet with minimal debt and stable capital structure

FINANCIAL & CAPITAL ALLOCATION DISCIPLINE

- Strong free cash flow generation provides capital allocation flexibility/optionality
- Strategic capex for expansion initiatives with stable capex over time
- De-levered balance sheet with positive net cash over past 5 years¹
- 35 or less debtor days or days sales outstanding

FOUNDER-LED BUSINESS OPERATING IN A LARGE TAM

- Founder led company with entrepreneurial management team, strong operational experience and extensive domain expertise
- Agile culture focused on rapid speed of innovation, proven ability to adapt and set market trends
- Well positioned to capitalize on a large \$226B telematics in commercial vehicle TAM



Note: Retention, LTV, Subscriber data from Company data. Financial metrics from FY24 20-F.

¹ Latest year as of FY24.

² Calculated as Adj. EBITDA margin + revenue growth summing to greater than 60, achieved FY19-FY24.

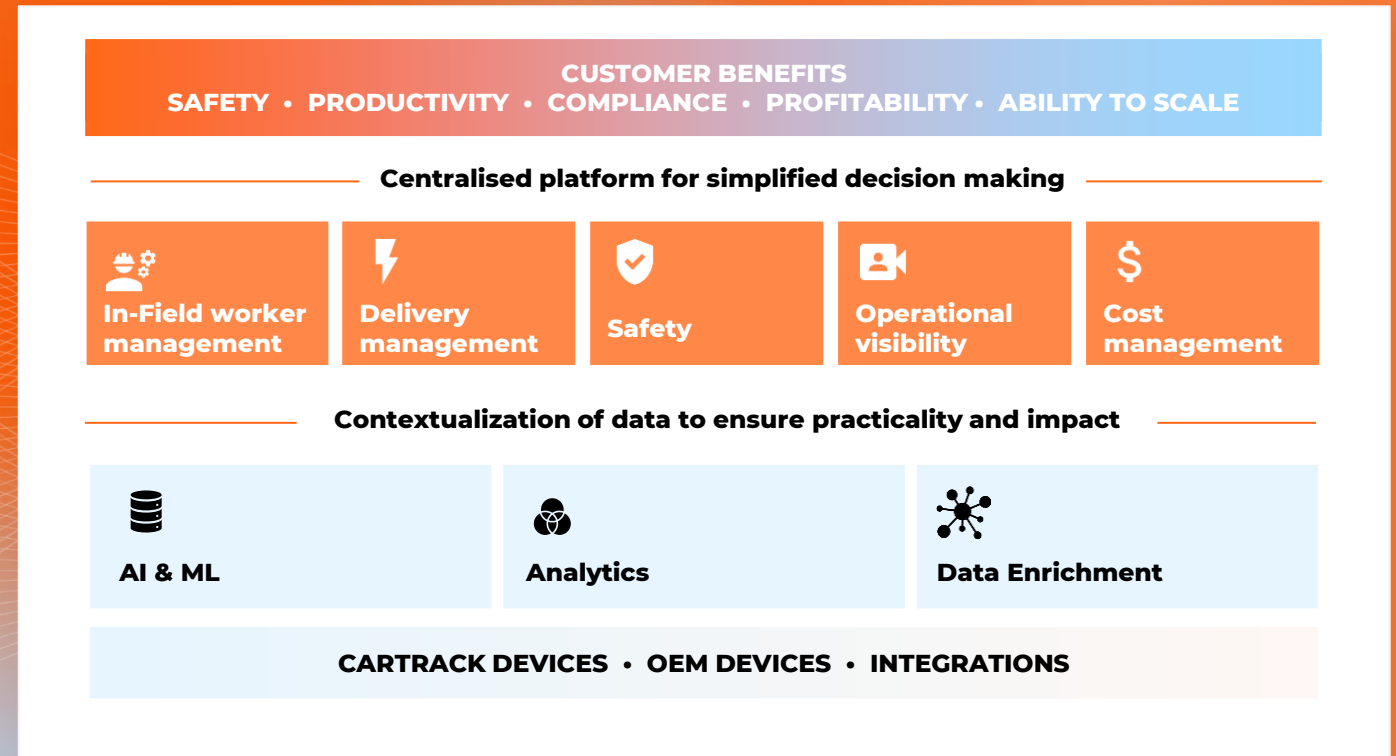


KAR00000

**SIMPLIFIES
DECISION MAKING
OF PHYSICAL
OPERATIONS**



OUR PLATFORM TRANSFORMS DECISION MAKING BY UNIFYING DATA AND INFORMATION



WHY 125,000+ CUSTOMERS CHOOSE OUR PLATFORM

REDUCED COSTS

Commercial fleet telematics can reduce unsafe driving by 60%, translating to **profit margin increases of 30%¹**

INCREASED PRODUCTIVITY

Real-time fleet data means **efficient route and maintenance planning**, as well as utilization and service interval **KPI insights**

EASE OF USE

User-friendly platform supported by best-in-class service team with advanced process automation capability

IMPROVED SAFETY

AI-powered driver monitoring enables safer driving. In-vehicle telematics sensors provide performance insights and collision data



AI-POWERED DECISION-MAKING SAVES LIVES

Customer in South Africa made huge strides in safety in just one month with our fully digitalized coaching platform, AI event-based footage and actionable analytics.

DECISIONS

Alert

In-cabin sound alert prompts the driver to modify their behavior in the moment

Review

Video of event automatically uploaded to cloud for manager's review

Remediate

Coaching completed and logged alongside behaviour trends

RESULTS

-32%

FATIGUED DRIVING

-13%

MOBILE PHONE USAGE

-35%

SEATBELT NOT ON



Note: Other customers may experience different results.



KAROO LOGISTICS

B2B DELIVERY AS A SERVICE PLATFORM

Connects customers to a network of vetted 3rd party drivers and specialist couriers

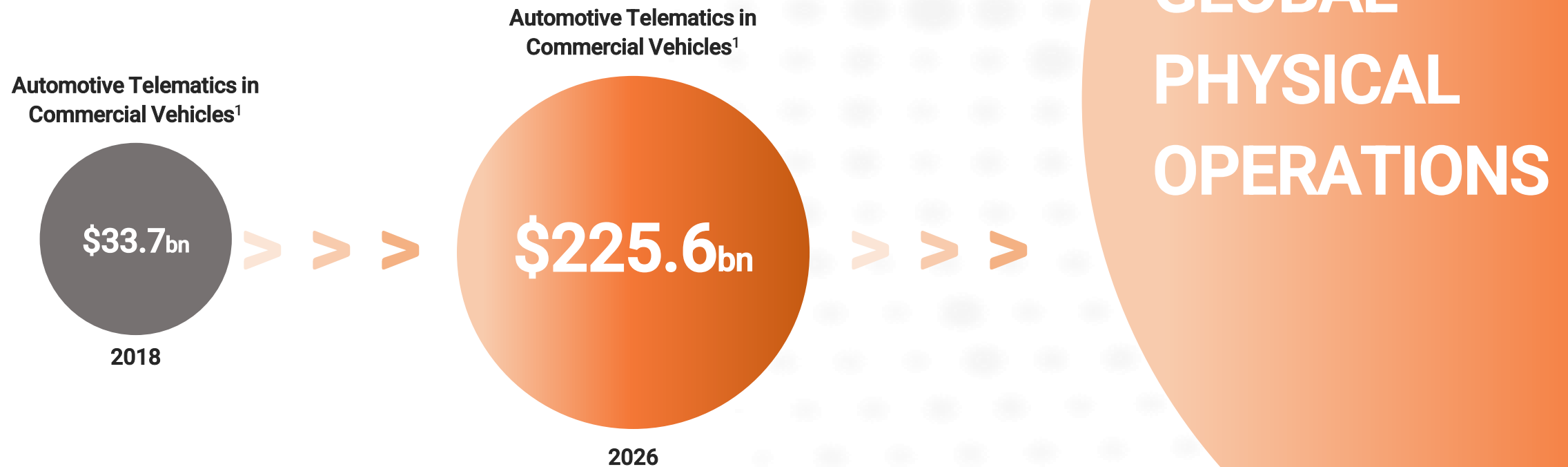
FOCUSED ON LAST-MILE DELIVERY

Enables customers to scale their e-commerce business, deliveries and logistics needs efficiently

**CONNECTING BUSINESS DEMAND FOR
LAST-MILE DELIVERY WITH
AN ELASTIC SUPPLY OF VETTED
3rd PARTY DELIVERY DRIVERS**



GROWING PHYSICAL OPERATIONS MARKET OPPORTUNITY



OUR **GROWTH** STRATEGY

**INCREASE
SUBSCRIPTION SALES
TO EXISTING
CUSTOMERS**

**EXPAND SCOPE OF
OPERATIONS IN NEWER
GEOGRAPHIES**

**EXPAND OUR
CUSTOMER
BASE**

**EXPAND OUR
OPERATIONS
PLATFORM AND
SERVICES**



KEY DIFFERENTIATORS



CARTRACK'S LEADING UNIT ECONOMICS

Lifetime Value of
Customer Relationships⁽¹⁾



Low Cost of Acquiring a
Customer⁽²⁾

Strong Benefits from
Economies of Scale

Q2 FY25
**Gross Profit Margin based only
on Subscription Revenue**

75%

Q2 FY24: 72%

>9x

LTV to CAC

95%

Commercial Customer
Retention Rate

COMMITTED TO EFFICIENT AND PROFITABLE 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.



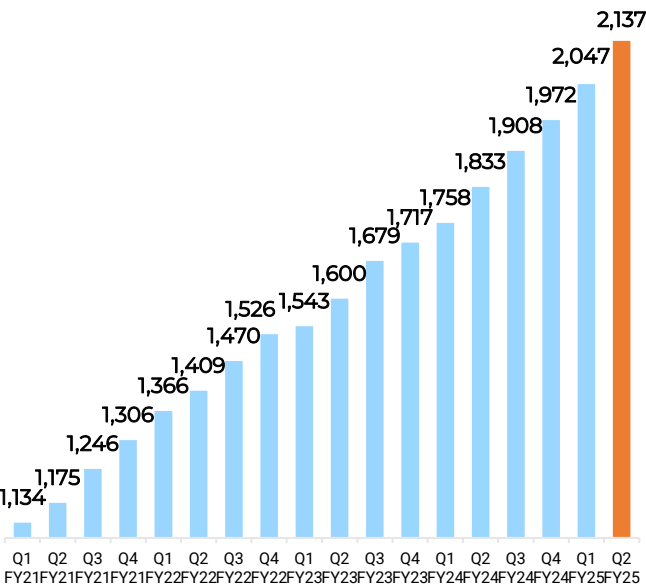
KAROO0000

Financial Performance for Q2 FY25

CARTRACK EXTENDS DECADE-PLUS TRACK RECORD OF EXECUTION EXCELLENCE

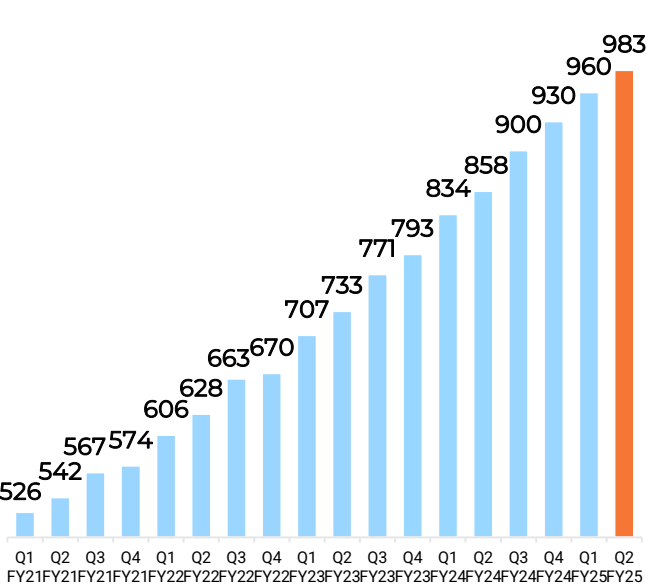
Scale

Subscribers
000s



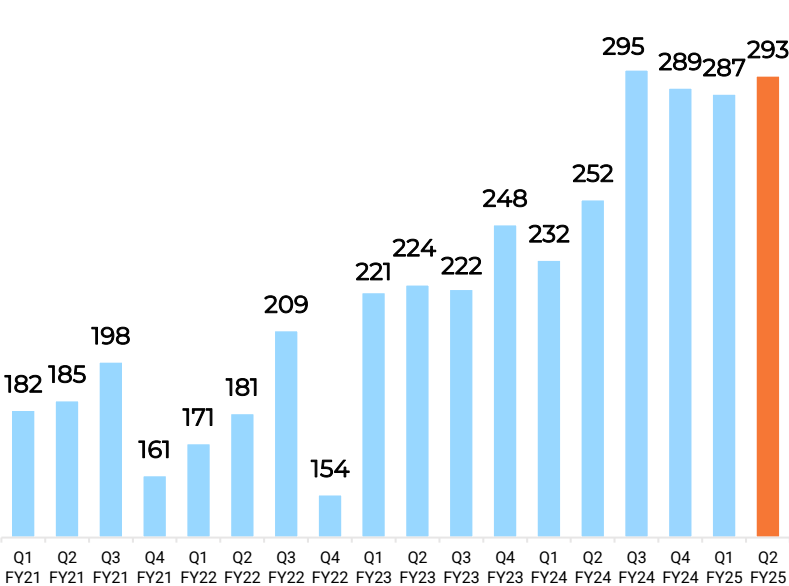
Growth

Subscription Revenue
ZAR M



Profitability

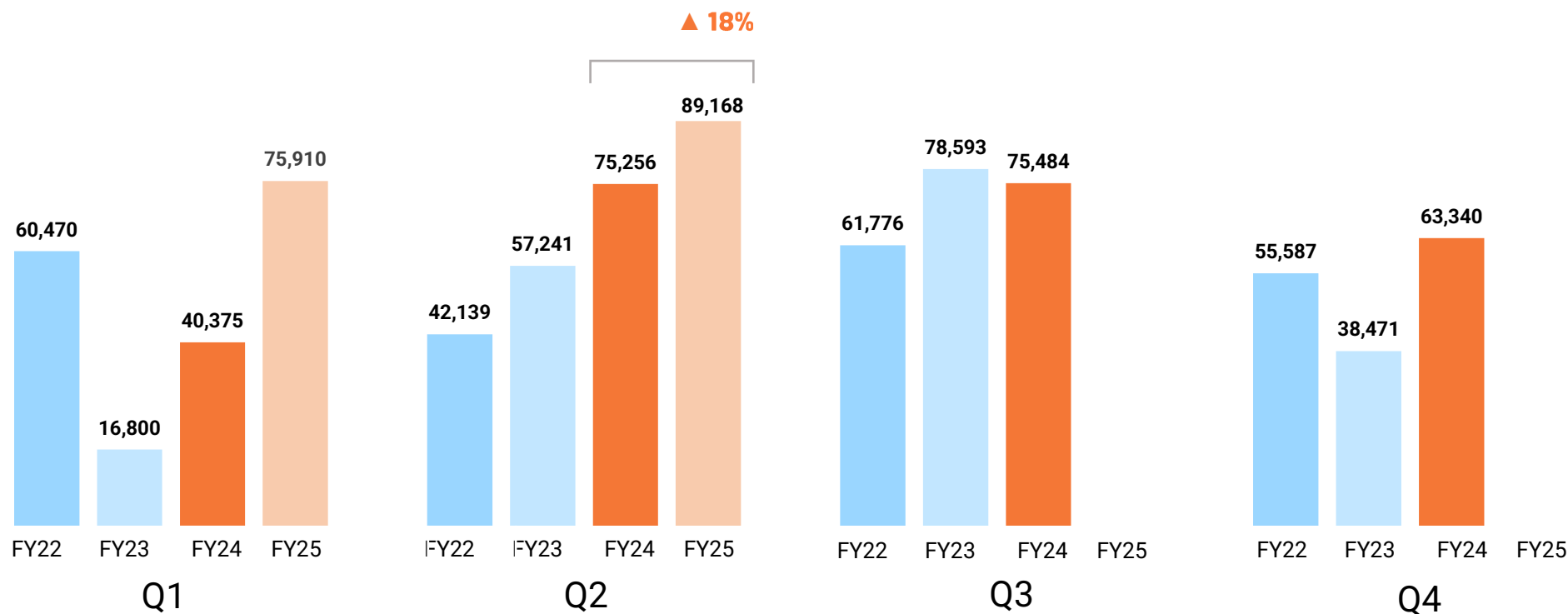
Operating Profit
ZAR M



PROVEN ABILITY TO SCALE IN VARYING MACRO ECONOMIC CONDITIONS AND CONSISTENTLY BEATING THE RULE OF 60⁽¹⁾

⁽¹⁾Cartrack revenue growth for the period of 12 months + adjusted EBITDA margin for the period of 12 months sum to greater than 60.

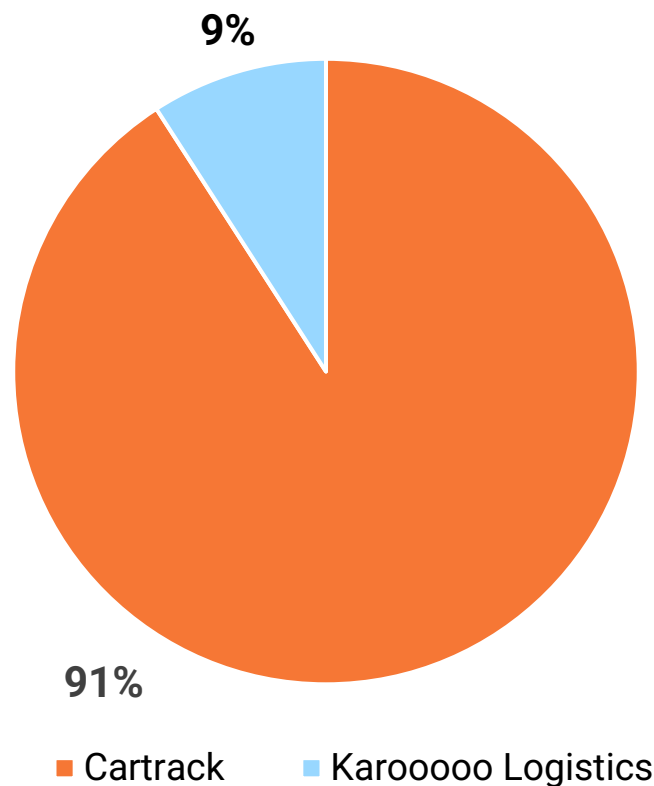
CARTRACK DELIVERED RECORD NET SUBSCRIBER ADDITIONS



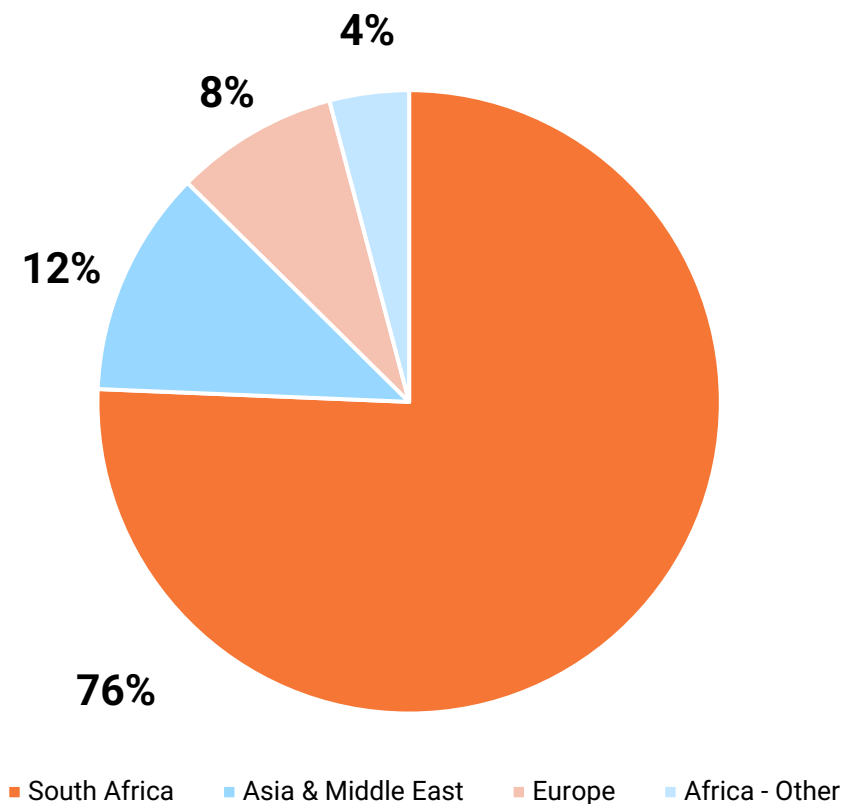
**ACCELERATED CAPITAL ALLOCATION TO SALES AND
MARKETING STARTED IN AUGUST 2024**

REVENUE AND SUBSCRIBER MIX¹

Karoo0000 Revenue Mix²



Cartrack Subscriber Mix



WELL POSITIONED FOR GEOGRAPHICAL EXPANSION

¹ As at Q2 FY25.

² Carzuka segment revenues consolidated into Cartrack and Karoo0000 Logistics beginning Q1 FY25. Was reported as a separate unit prior.

KAROO0000 CONTINUES TO DELIVER STRONG EARNINGS PER SHARE GROWTH

UP 31%

**KAROO0000 EARNINGS
PER SHARE**

Q2 FY25 7.35

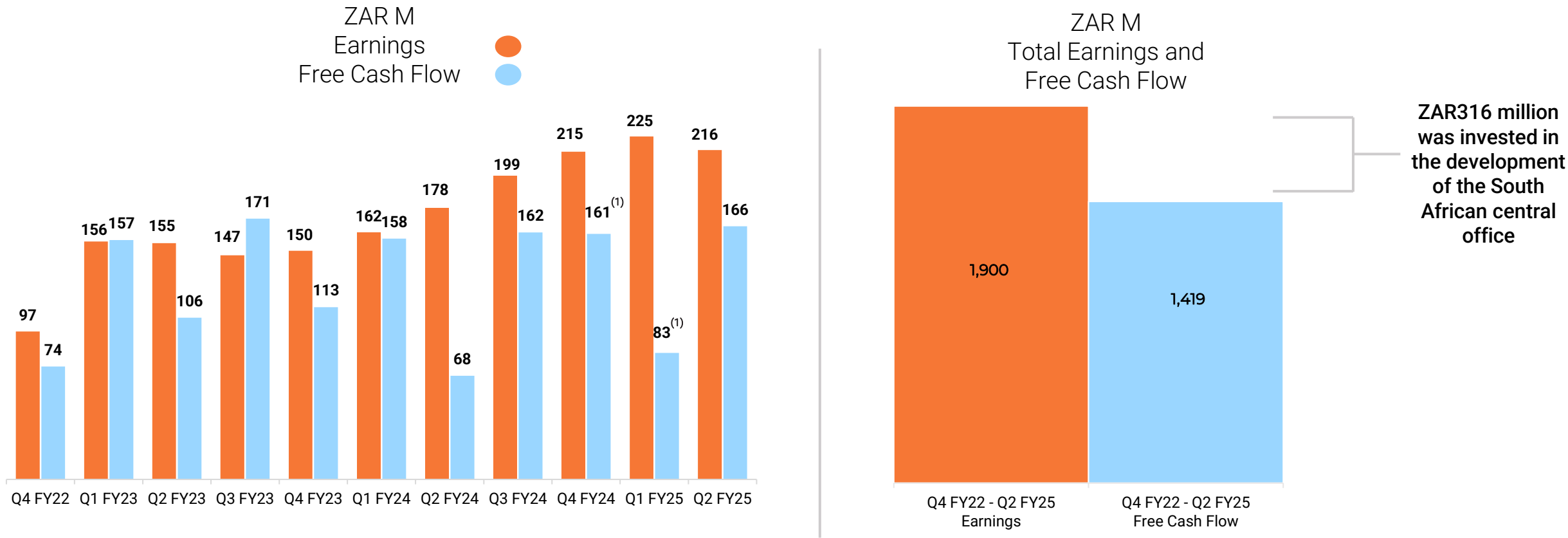
Q2 FY24 5.61

ZAR	FY22 ⁽¹⁾	FY23	FY24	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 ⁽²⁾ FY25
CARTRACK	16.59	20.61	24.77	5.40	5.89	6.96	6.52	6.94	7.17
CARZUKA	(0.42)	(1.42)	(1.40)	(0.39)	(0.42)	(0.75)	0.16	0	0
KAROO0000 LOGISTICS	(0.07)	0.10	0.48	0.08	0.14	0.13	0.13	0.23	0.18
TOTAL	16.10	19.29	23.85	5.09	5.61	6.34	6.81	7.17	7.35

(1) Adjusted earnings per share (a non-IFRS measure). Earnings per share excluding the impact of once-off costs of primary offering to market.

(2) Adjusted earnings per share (a non-IFRS measure). Earnings per share excluding the impact of once-off costs of secondary offering to market.

KAROOOOO HAS A DECADE-PLUS TRACK RECORD OF HIGH CASH CONVERSION

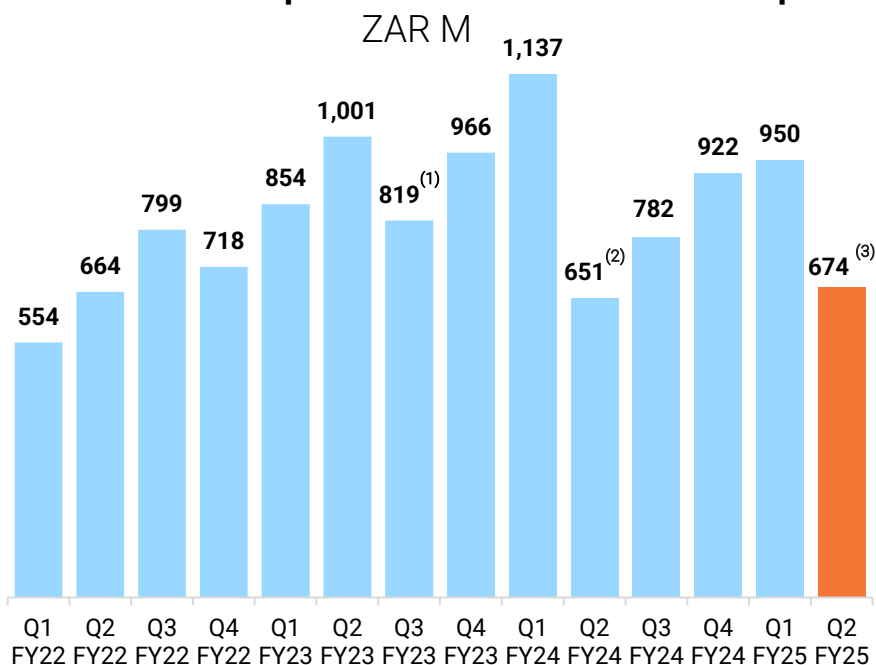


STRONG TRACK RECORD OF DISCIPLINED CAPITAL ALLOCATION, EARNINGS AND FREE CASH FLOW

(1) As at February 29, 2024, there were bank fixed deposits of USD25.2 million maturing more than 3 months after year end that were included in "Trade and other receivables and prepayments" on the balance sheet. The same bank fixed deposits maturing less than 3 months are now presented as "Cash and cash equivalents" in the May 31, 2024 balance sheet. Hence, the group generated Free Cash Flow (a non-IFRS measure) of ZAR569 million for the quarter ended May 31, 2024. Excluding the effect of the bank fixed deposits of USD25.2 million, Free Cash Flow (a non-IFRS measure) was ZAR83 million for quarter 1(Q1 2024: ZAR158 million).

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

Net cash on hand plus cash in bank fixed deposits



Healthy
Debtor's Days

27

Q2 FY25

Q2 FY24: 29 days

Strong unit economics

Robust operating margins

Unleveraged balance sheet

Strong cash conversion

Strong growth with healthy
dividend yield

**A CASH DIVIDEND OF USD33.4 MILLION WAS PAID TO SHAREHOLDERS
IN AUGUST 2024 (USD1.08 PER SHARE)**



⁽¹⁾ USD18.6m dividend paid.

⁽²⁾ USD26.3m dividend paid.

⁽³⁾ USD33.4m dividend paid.

RAISING FY25 OUTLOOK FOR SUBSCRIBERS AND CARTRACK SUBSCRIPTION REVENUE AT MIDPOINT

	FY22	FY23	FY24	YTD FY25	Previous FY25 Outlook	Revised FY25 Outlook
Number of Subscribers (000s)	1,526	1,717	1,972	2,137	2,200 – 2,400	2,300 – 2,400
Cartrack's Subscription Revenue (ZAR M)	2,566	3,004	3,523	1,943	3,900 – 4,150	3,950 – 4,150
Cartrack's Operating Profit Margin	27%	30%	30%	29%	27% - 31%	27% – 31%
Karoo's Adjusted Earnings Per Share (ZAR)	16.10 ⁽¹⁾	19.29	23.85	14.52 ⁽²⁾	27.50 – 31.00	27.50 – 31.00

(1) Adjusted earnings per share (a non-IFRS measure). Earnings per share excluding the impact of once-off costs of primary offering to market.

(2) Adjusted earnings per share (a non-IFRS measure). Earnings per share excluding the impact of once-off costs of secondary offering to market.



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