



KAROO

Earnings Presentation Q2 FY23

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.

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Non-IFRS Financial Measures

This presentation includes certain non-IFRS financial measures, including adjusted EBITDA, adjusted EBITDA margin, free cash flow and free cash flow margin. 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 reconciliations included in our earnings announcement dated July 27, 2022 (the “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.

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KAROO000

NASDAQ TICKER "KARO"
JSE TICKER "KRO"



Founded in South Africa, now headquartered in Singapore



MOBILITY IS CORE TO ALL OPERATIONS

**We think beyond connected vehicles &
equipment**



OUR MISSION

**To establish the leading
on-the-ground operations cloud**



WE SOLVE PROBLEMS BY DIGITALLY TRANSFORMING ON-THE-GROUND OPERATIONS



Fleet & Equipment Management



Logistics & Delivery Operations Management



Field Worker Management



Video Based Safety



ESG Compliance & Reporting



Risk Mitigation



Warehouse & Other Systems Integrations



Secure Vehicle Buying & Selling Platform



Competitively Priced Insurance Quotes

Growing demand by small to large enterprises wanting to digitally transform their businesses



WE ADD VALUE TO THE DAY-TO-DAY OPERATIONS OF OUR CUSTOMERS

INVESTMENT HIGHLIGHTS

Early stage of a large & growing addressable market

- Mobility is core to all operations
- IoT data is key to improving operations

Multiple levers for expansion

- Transformative products enhancing customer acquisition
- Untapped network effect of our platform given our large data pool
- International expansion opportunities across 23 countries

Decade-plus track record of profit & growth at scale

- Strong customer acquisition consistently growing our subscriber base
- Consistently growing revenues & Adjusted EBITDA
- Robust & consistently profitable business model despite capital allocation for accelerated growth in the future

Safety in a long term track record of a robust balance sheet & strong cash flow generation

- Highly cash-generative business model
- Track record of disciplined & successful capital allocation
- Strong cash position despite capital allocation for future growth

Well positioned for accelerated growth

- Track record of strong unit economics
- Track record of strong operating profits
- Track record of leading EBITDA margins

Culture of continuous innovation

- Track record of delivering new applications as we partner our customers to transform their businesses & operations
- Founder-led management team with agile & entrepreneurial mindset

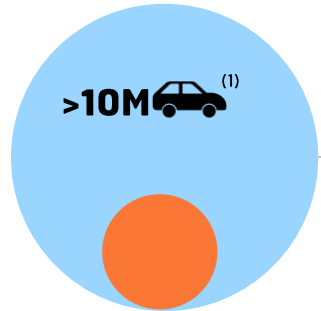
DRIVING SHAREHOLDER VALUE



EARLY STAGE OF A LARGE & LONG-TERM GROWTH OPPORTUNITY

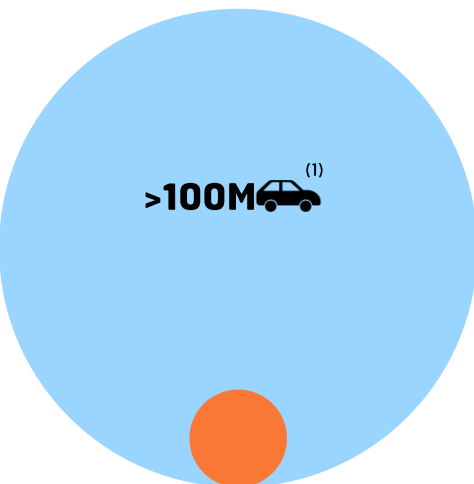
Mobility is core to all on-the-ground operations

South Africa



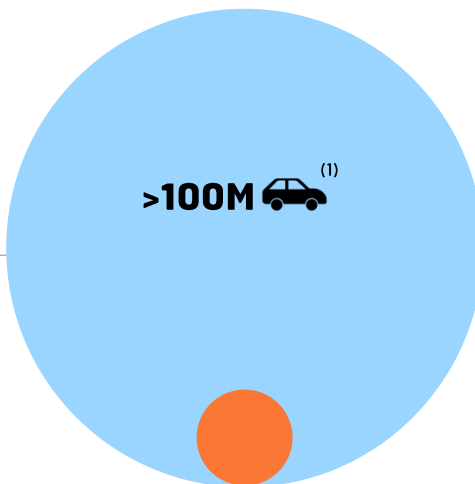
1,227,586
FY23 Q2

Southeast Asia



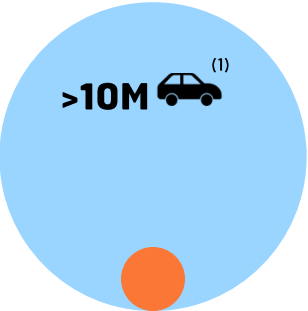
164,791
FY23 Q2

Europe



136,483
FY23 Q2

Africa- other



71,153
FY23 Q2

On-the-ground Operations
A massive opportunity

>40%
of global GDP ⁽²⁾

Over 10% of vehicle population

IoT DATA IS KEY TO IMPROVING OPERATIONS

⁽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> .



UNTAPPED NETWORK EFFECT OF OUR PLATFORM

We are aware of the much needed related services given our large data pool

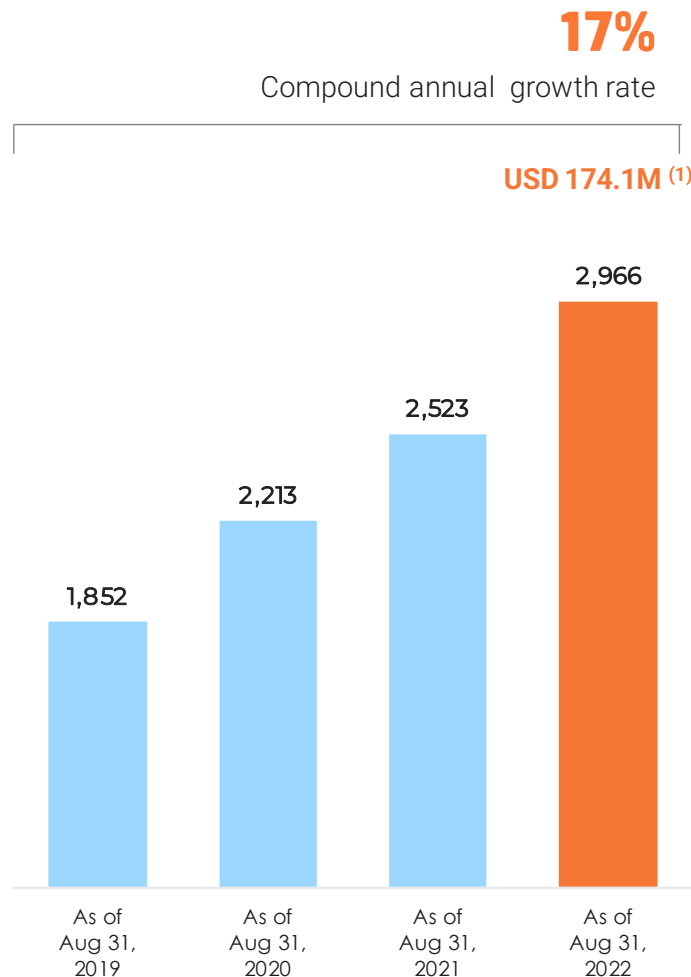
THE SCALE OF DATA ON OUR CLOUD IS VAST & GROWING

100Bn+ valuable data points monthly⁽¹⁾



ROBUST & CONSISTENTLY PROFITABLE BUSINESS MODEL

SaaS ARR growth ZAR M



WHY WE WIN



End-to-end all inclusive IoT cloud software platform

Relevant, up-to-date, continuous improvements, seamless integrations, easy-to-use, customer facing technology



Expanding distribution network

Vast geographical presence, ability to service customers in field with our own technicians, minimizing lead times



Operational technology partner, customer-centric culture, high customer ROI

In depth knowledge of day-to-day challenges our customers face



Vertically integrated business model

Closed loop system, do it all ourselves, employ more people relative to subscriber base than most in industry



Established infrastructure

Proper coordination of all human resources, processes & other operational tools required for scale



Proven ability to execute & achieve strong growth at scale

Decade-plus track record of profit



Innovative culture

Entrepreneurial, agile, resilient, transparent

95,000+

Commercial customers

(Q2 FY22: 83,000+)



⁽¹⁾ Exchange rate of 17.04 ZAR:USD as of August 31, 2022



KAROO0000

Performance for Q2 FY23

KAROOOOO's RECORD EARNINGS & CASH GENERATION

UP 28%

Earnings per Share

Q2 FY23	ZAR 4.93
Q2 FY22	ZAR 3.85

UP 26%

Profit for the period

Q2 FY23	ZAR 155M
Q2 FY22	ZAR 123M

UP 42%

Cash Generated from
Operating Activities

Q2 FY23	ZAR 240M
Q2 FY22	ZAR 169M

UP >100%

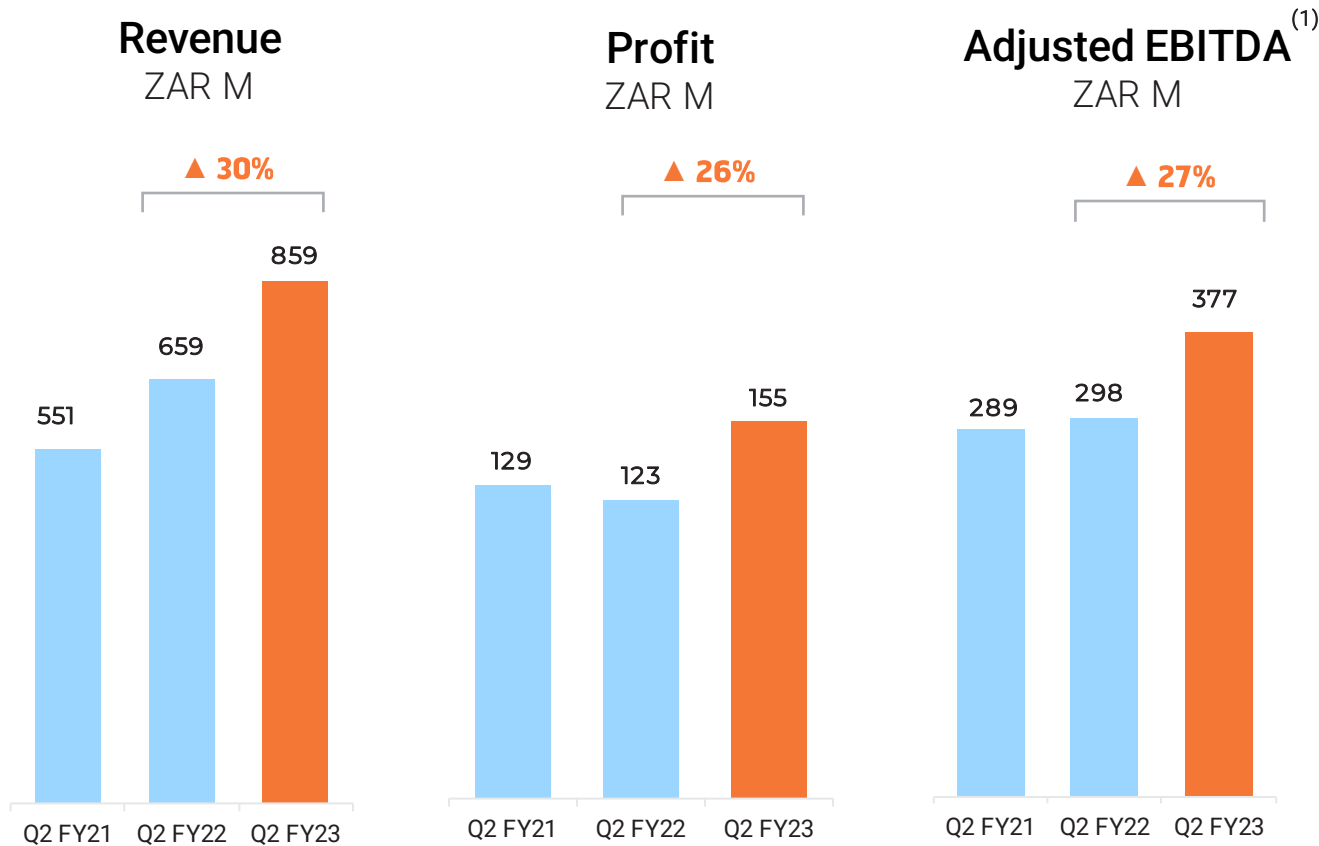
Free Cash Flow

Q2 FY23	ZAR 106M
Q2 FY22	ZAR 17M

RESILIENT BUSINESS MODEL THAT IS HIGHLY CASH GENERATIVE



KAROOOOO's STRONG GROWTH AT SCALE



Strong unit economics

Robust operating margins

Consistently beaten Rule of 40⁽²⁾

Strong balance sheet

Strong cash position

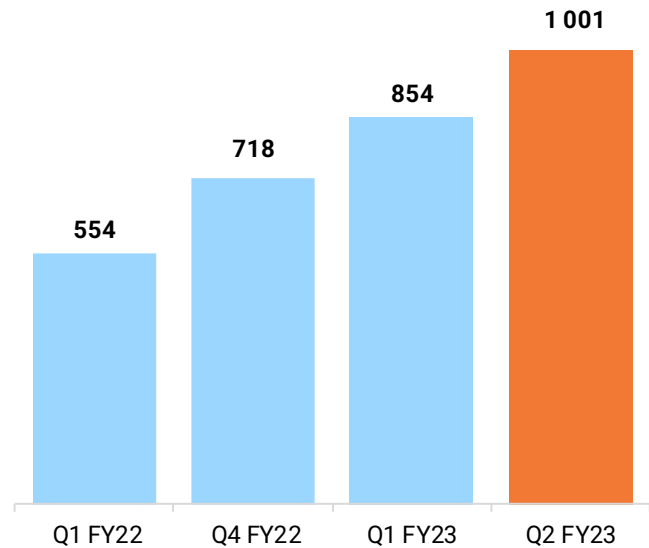
SUPPORTED BY HIGH CUSTOMER RETENTION RATE



(1) Karooooo's adjusted EBITDA (a non-IFRS measure) increased 27% despite the continued build for scale in Carzuka & Karooooo Logistics
 (2) Revenue growth for the period of 12 months + operating margin for the period of 12 months sum to greater than 40

KAROOOO's ROBUST CASH POSITION

Net Cash on hand
ZAR M



Cartrack's
Debtor's Days ⁽¹⁾

33

Q2 FY23

Q2 FY22: 34 days

**BOLSTERED BY STRONG FREE CASH FLOW GENERATION
NOTWITHSTANDING INVESTMENT FOR SUSTAINABLE GROWTH**



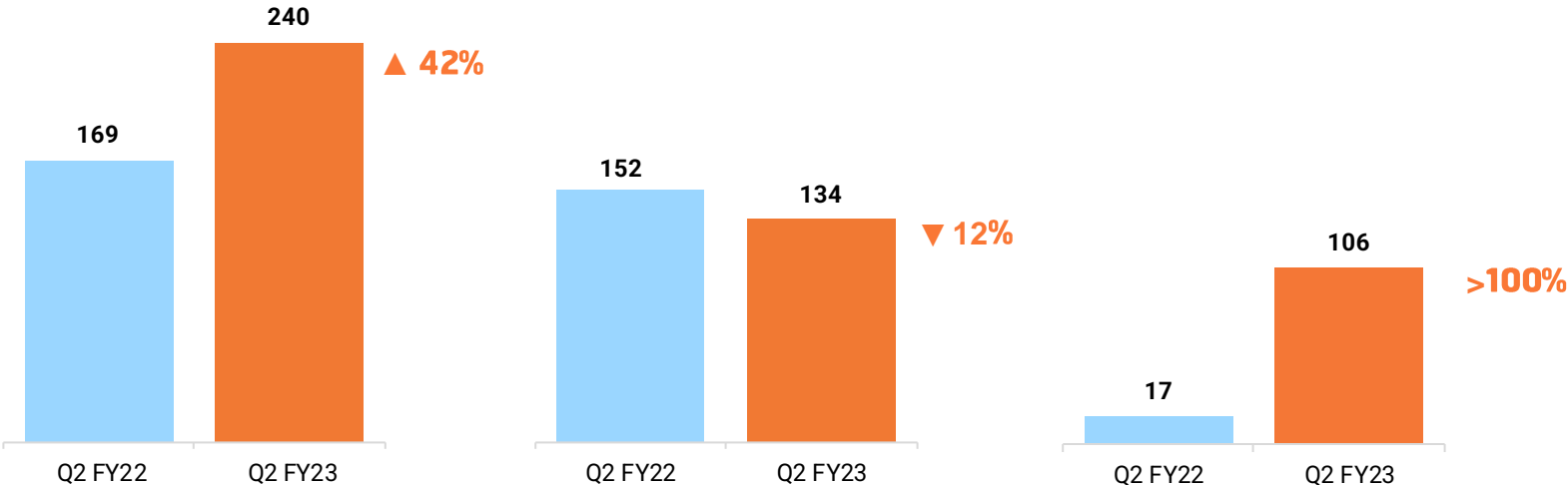
SAFETY IN KAROOOOO's CASH FLOW GENERATION

Operating Activities
ZAR M

Investing Activities: PPE
ZAR M

Free Cash Flow⁽¹⁾
ZAR M

Includes telematics devices still to be installed



Strong Revenue Generation
Strong Earnings Growth
Strong Cash Flow

STRONG BALANCE SHEET WITH AMPLE CAPACITY TO FUND GROWTH



(1) Free cash flow, a non-IFRS measure, is defined as net cash generated from operating activities less purchase of property, plant & equipment. Please see our Earnings Announcement for reconciliation to closest metric calculated in accordance with IFRS.

INCREASING KAROOOO's PRESENCE ACROSS INDUSTRIES

South Africa



Rest of Africa



Europe



Asia



SERVICING SMALL TO LARGE ENTERPRISE CUSTOMERS



PERFORMANCE BY BUSINESS SEGMENT

Q2 FY23	Composition of Total Revenue			
	KAROOOOO NASDAQ "KARO" JSE "KRO"	100% CARTRACK	100% CARZUKA	70.1% KAROOOOO LOGISTICS
		90%	6%	4%
Revenue (ZAR M)	859	753	65	41
Revenue Growth (%)	30%	16%	>100%	n/a ¹
Operating Profit/(Loss) (ZAR M)	218	223	(6)	1
Operating Profit Growth (%)	23%	24%	(76%)	n/a ¹
Adjusted EBITDA (ZAR M) <i>(a non-IFRS measure)</i>	377	382	(6)	1
Adjusted EBITDA Growth (%)	27%	27%	(67%)	n/a ¹
Adjusted EBITDA Margin (%) <i>(a non-IFRS measure)</i>	44%	51%	(9%)	2%



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

CARTRACK

CONSISTENTLY GROWING QUALITY REVENUE

17%
Subscription Revenue
Growth

Q2 FY23	ZAR 733M
Q2 FY22	ZAR 628 M

16%
Revenue
Growth

Q2 FY23	ZAR 753M
Q2 FY22	ZAR 650M

Subscription
Revenue
as a % of Total Revenue

Q2 FY23	97%
Q2 FY22	97%

CARTRACK HAS GREAT VISIBILITY OF FUTURE REVENUE



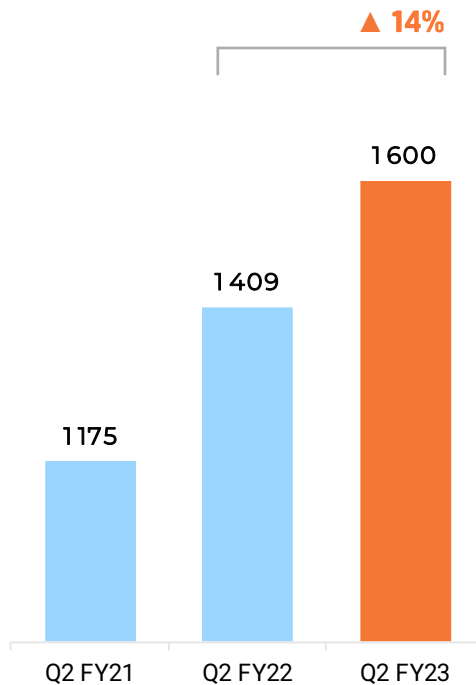
CARTRACK

EXTENDING DECADE-PLUS TRACK RECORD OF EXECUTION

Scale

Subscribers

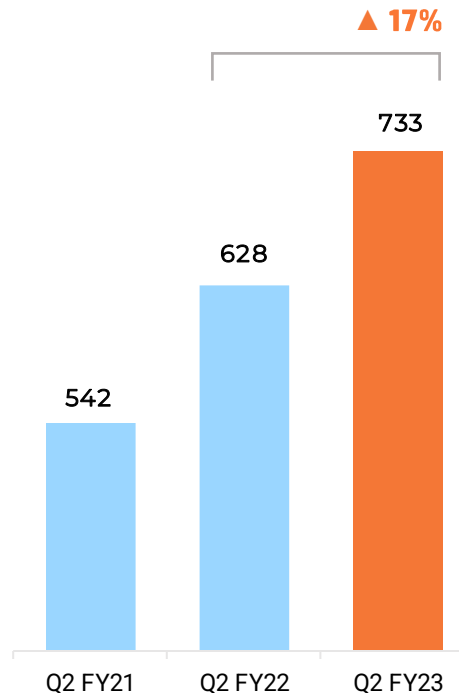
000s



Growth

Subscription Revenue

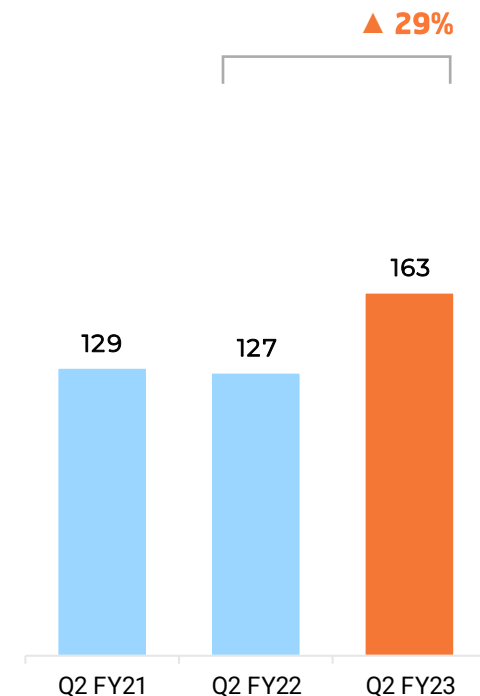
ZAR M



Profitability

Profit

ZAR M

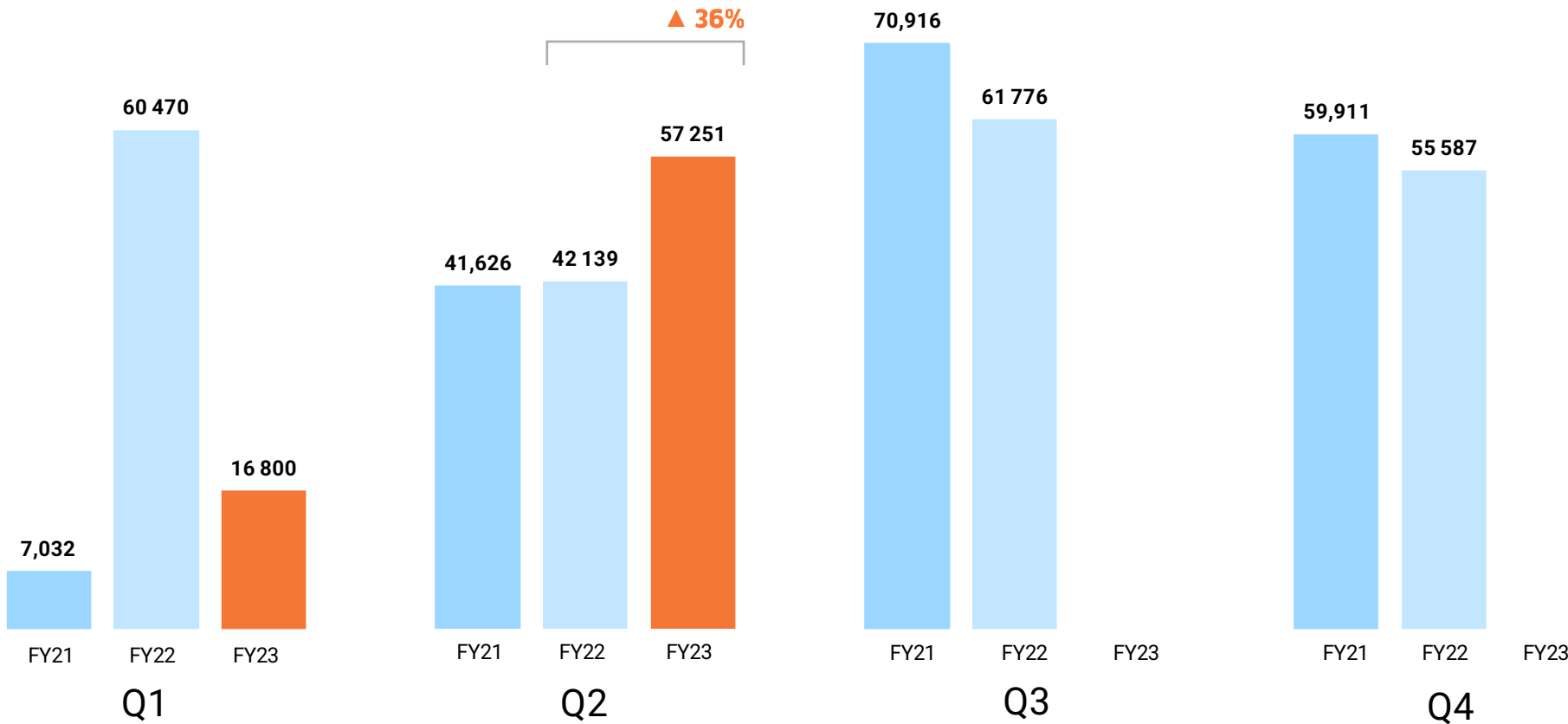


PROVEN ABILITY TO SCALE IN VARYING MARKET CONDITIONS



CARTRACK

RECORD Q2 NET SUBSCRIBER ADDITIONS



CARTRACK CONTINUES TO EXPAND

'000s Subscribers	Q2 FY21	Q2 FY22	Q2 FY23	Q-on-Q Change
SOUTH AFRICA				
Subscribers	903	1,094	1,228	12%
ASIA, MIDDLE EAST, USA				
Subscribers	110	132	165	25%
EUROPE				
Subscribers	102	118	136	16%
AFRICA- OTHER				
Subscribers	60	65	71	10%

POSITIVE TRACTION IN SOUTHEAST ASIA



CARTRACK

ATTRACTIVE UNIT ECONOMICS

Lifetime Value of
Customer Relationships⁽¹⁾



Low Cost of Acquiring a
Customer⁽²⁾

Strong Comparative
Benefits from
Economies of Scale

Q2 FY23
Gross Profit Margin on
Subscription Revenue

75%

Q2 FY22: 72%

>9x

LTV to CAC

Q2 FY23
Operating
Profit Margin

30%

Q2 FY22: 28%

WELL POSITIONED TO MATERIALLY INCREASE INVESTMENT FOR 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

CARTRACK

ROBUST OPERATING METRICS

INVESTING FOR FUTURE GROWTH

	Q2 FY21	Q2 FY22	Q2 FY23	Long-term Targets ⁽¹⁾
Research & Development as a % of Subscription Revenue	5%	6%	6%	4-6%
Sales & Marketing as a % of Subscription Revenue	10%	13%	14%	17-19%
General & Administration as a % of Subscription Revenue	22%	21%	23%	12-16%
Adjusted EBITDA ⁽²⁾ as a % of Subscription Revenue	53%	48%	52%	50-55%

TRENDS IN LINE WITH LONG-TERM FINANCIAL GOALS SET OUT UPON LISTING

(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 & amortization, plus once-off IPO costs. Please see our Earnings announcement for reconciliation to closest metric calculated in accordance with IFRS.



CARTRACK

OUTLOOK FOR 2023 REMAINS UNCHANGED

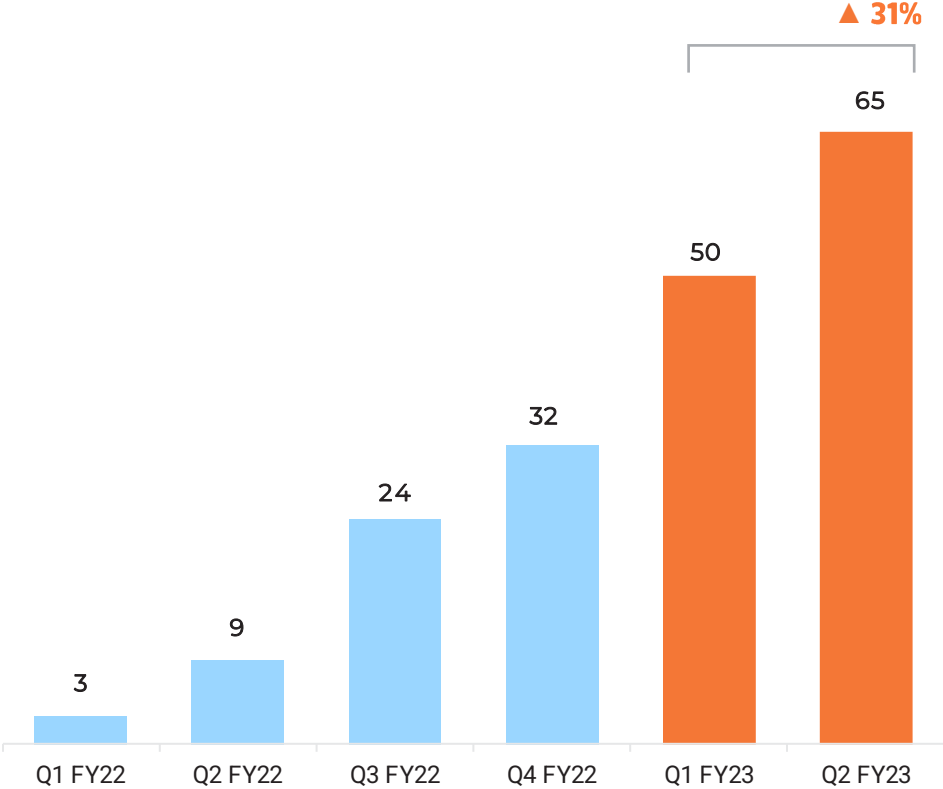
	FY21	FY22	HY23	FY23 Outlook
Number of subscribers (000s)	1,306	1,526	1,600	1,700 – 1,900
Cartrack's Subscription Revenue (ZAR M)	2,209	2,566	1,440	2,950 – 3,100
Cartrack's Adjusted EBITDA margin ⁽¹⁾	49%	47%	50%	45% – 50%

⁽¹⁾Adjusted EBITDA margin is a non-IFRS measure. Please see our Earnings announcement for reconciliation to closest metric calculated in accordance with IFRS.

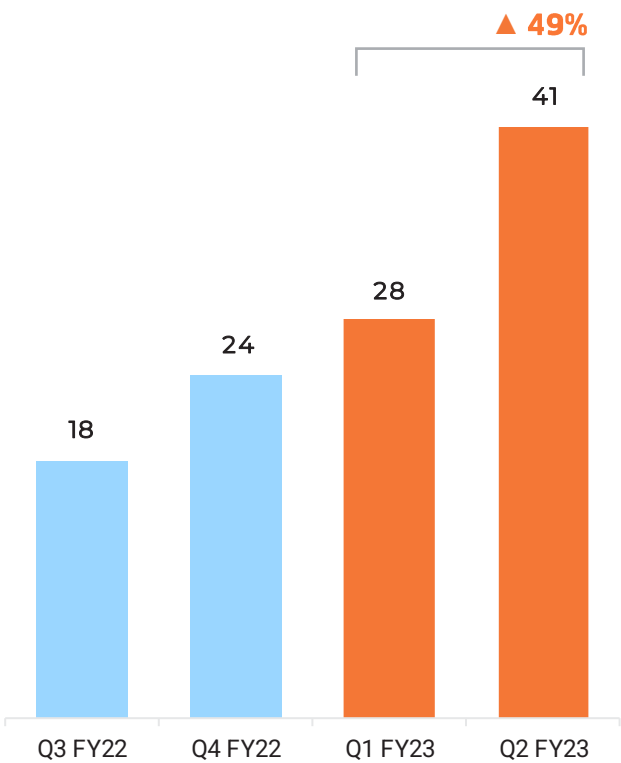


CARZUKA & KAROOOOO LOGISTICS GAINING MOMENTUM

Carzuka
Revenue
ZAR M



Karooooo Logistics
Revenue ⁽¹⁾
ZAR M



STRONG QUARTER-ON-QUARTER GROWTH



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



KAROOO

Questions