



KAROO0000

Earnings Presentation Q2 FY22

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.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if our results of operations, financial condition and liquidity, the development of the industry in which we operate and the effect of acquisitions on us are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements are disclosed under the “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” sections of the Registration Statement on Form 20-F filed on June 28, 2021.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this presentation. We disclaim any duty to update and do not intend to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation.

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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 October 14 2021 (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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In our key markets, we have rights to use, or hold, certain trademarks relating to Cartrack, or the respective applications for trademark registration are underway. We do not hold or have rights to any other additional patents, trademarks or licenses, that, if absent, would have had a material adverse effect on our business operations. Solely for convenience, trademarks and trade names referred to in this presentation may appear without the “®” or “™” symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ tradenames, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this presentation is the property of its respective holder.



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NASDAQ TICKER "KARO"
JSE TICKER "KRO"



100%

CARTRACK

Founded in South Africa, now headquartered in Singapore



In our view, all vehicles will be
connected & data will drive all aspects
of mobility in the future

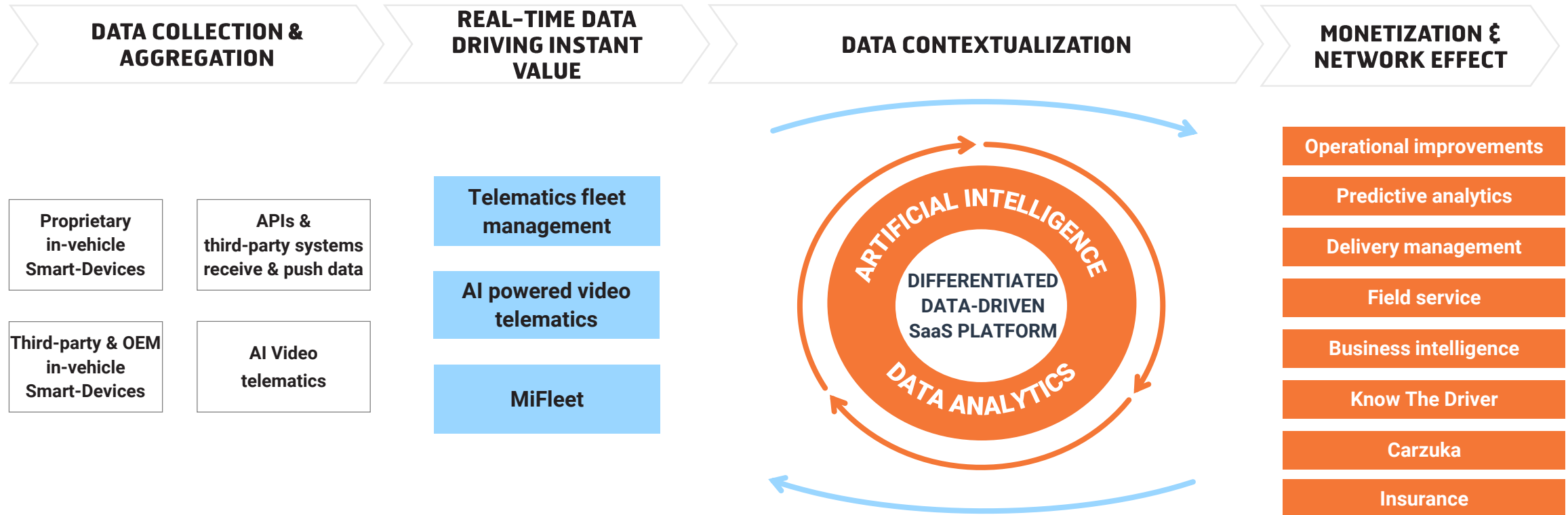
OUR MISSION

**To build the leading mobility SaaS
platform that maximizes the value of
data**



WE CONTEXTUALIZE BILLIONS OF DATA POINTS & DRIVE CONNECTIVITY FOR OUR CUSTOMERS

65Bn+ data points monthly⁽¹⁾



OPEN ECO SYSTEM & PLATFORM WITH SEAMLESS INTEGRATIONS



⁽¹⁾For the month of August 2021

WE SOLVE MOBILITY PROBLEMS



High
Operating
Costs



Fragmented
& Inefficient
Workflows



Unproductive
Use of
Resources



Safety & Eco
Compliance



Logistics
Operational
Management



Scaling
Delivery
Operations



Digitalizing
In Field
Operations



Secure Vehicle
Buying &
Selling
Platform



Competitively
Priced
Insurance
Quotes

**Growing vehicle population with an increasing
demand for digitalization**



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



UNTAPPED NETWORK EFFECT OF OUR PLATFORM

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

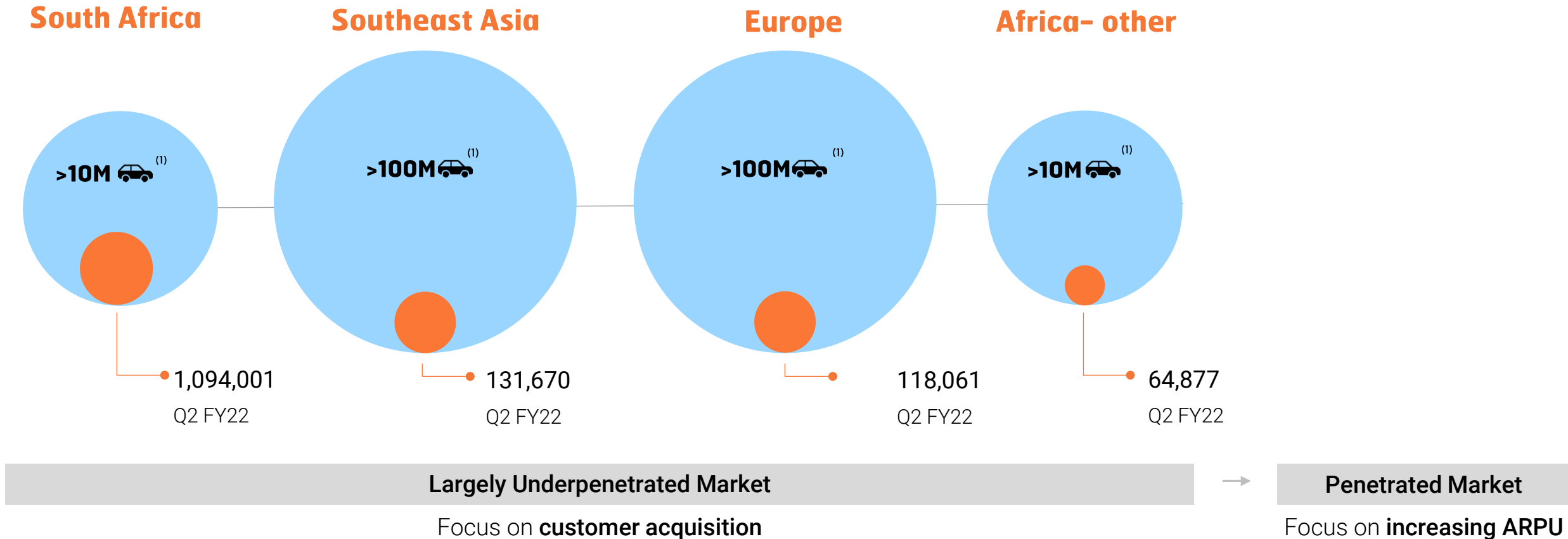


WE ENRICH THE DAY-TO-DAY OPERATIONS OF OUR CUSTOMERS



A LARGE, UNDERPENETRATED MARKET

In our view, all vehicles will be connected & data will drive all aspects of mobility in the future



⁽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



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Performance for Q2 FY22 & HY22

HEALTHY SUBSCRIPTION REVENUE GROWTH

20%

Subscriber
Growth

Q2 FY22	1.409M
Q2 FY21	1.175M

21%

Subscription Revenue Growth on a
constant currency basis

Q2 FY22	ZAR 654M
Q2 FY21	ZAR 542M

16%

Subscription Revenue
Growth

Q2 FY22	ZAR 628M
Q2 FY21	ZAR 542M

97% ⁽¹⁾

Subscription Revenue
as a % of Total Revenue
Q2 FY22

24%

Revenue Growth on a
constant currency basis

Q2 FY22	ZAR 681M
Q2 FY21	ZAR 551M

20%

Revenue
Growth

Q2 FY22	ZAR 659M
Q2 FY21	ZAR 551M

STRONG CUSTOMER ACQUISITION

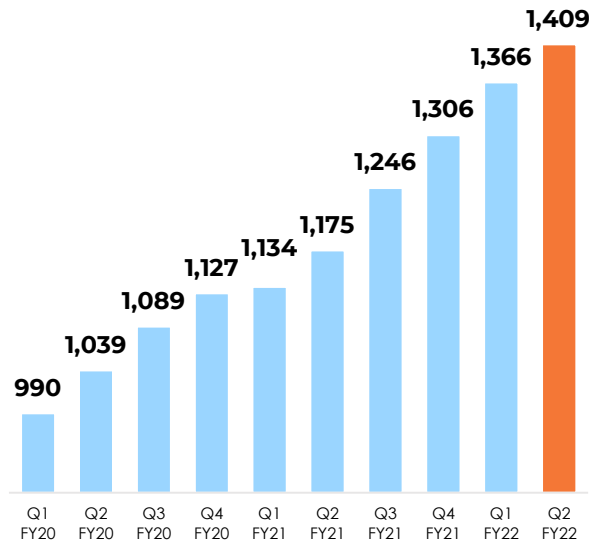


⁽¹⁾Total revenue excluding revenue earned from Karoo's Carzuka Platform

A HISTORY OF CONSISTENT EXECUTION

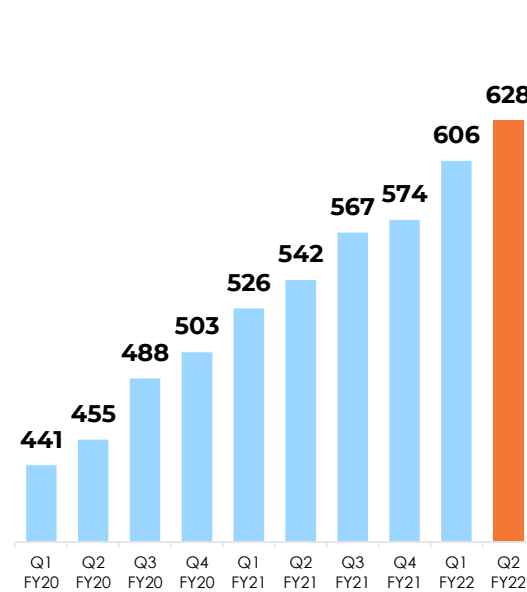
Scale

Subscribers
000s



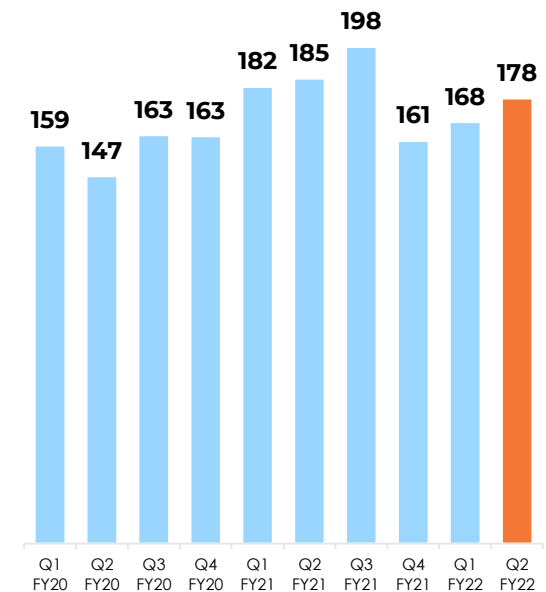
Growth

Subscription Revenue
ZAR M



Profitability

Operating Profit
ZAR M



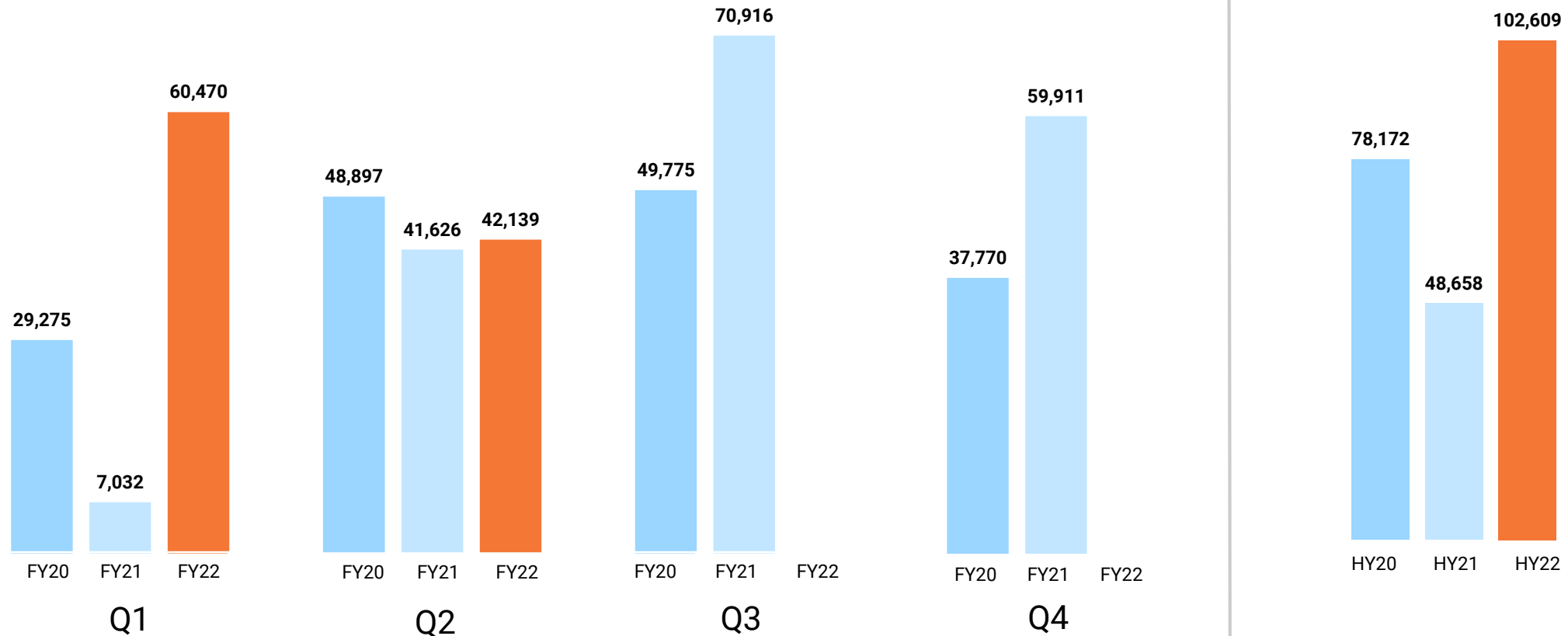
WITH STRONG FINANCIAL DISCIPLINE



NET SUBSCRIBER ADDITIONS

Quarter

Half-year

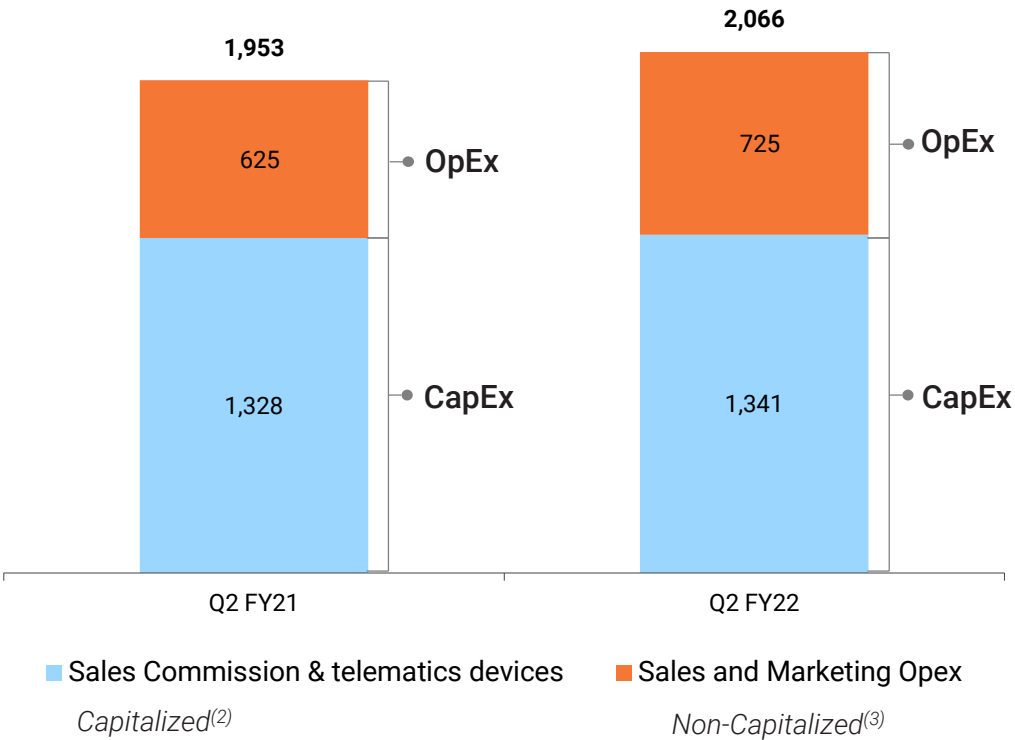


CONSISTENTLY GROWING OUR SUBSCRIBER BASE



OUR LOW COST OF ACQUIRING A SUBSCRIBER

Total Unit Cost of Acquiring a Subscriber⁽¹⁾
ZAR



Subscriber Contract Life Cycle	Q2 FY21	Q2 FY22
ARPU (ZAR)	156	151
Subscriber contract life cycle (Months)	60	60
Subscription revenue gross profit margin	72%	70%
Life cycle contribution per subscriber ⁽⁴⁾ (ZAR)	6,739	6,342



(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, multiplied by the subscription revenue gross margin percentage which is defined as gross profit as a percentage of subscription revenue.

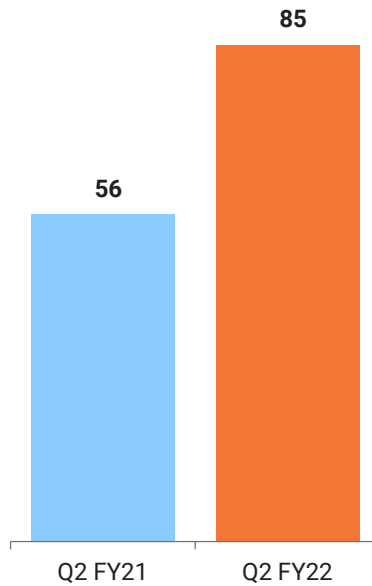
CONTINUED EXPANSION DESPITE COVID-19

'000s Subscribers	HY20	HY21	HY22	HY-o-HY change
SOUTH AFRICA				
Subscribers	802	903	1,094	21%
ASIA, MIDDLE EAST, USA				
Subscribers	86	110	132	20%
EUROPE				
Subscribers	91	102	118	16%
AFRICA- OTHER				
Subscribers	59	60	65	7%

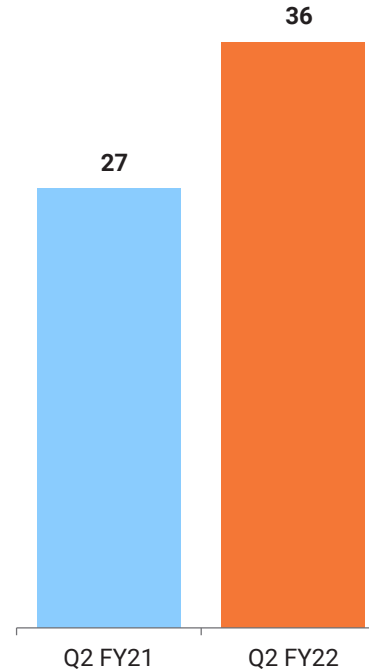


INVESTING FOR FUTURE GROWTH

Sales & marketing
ZAR M



R&D
ZAR M



G&A
ZAR M



STRATEGIC & DISCIPLINED CAPITAL ALLOCATION



ROBUST OPERATING METRICS

Investing for the future

	Q2 FY21	Q2 FY22	HY21	HY22
Research & Development as a % of Subscription Revenue	5%	6%	5%	6%
Sales & Marketing as a % of Subscription Revenue	10%	14%	10%	14%
General & Administration as a % of Subscription Revenue	22%	21%	21%	21%
Adjusted EBITDA margin (Excluding Carzuka) ⁽¹⁾	52%	47%	51%	45%

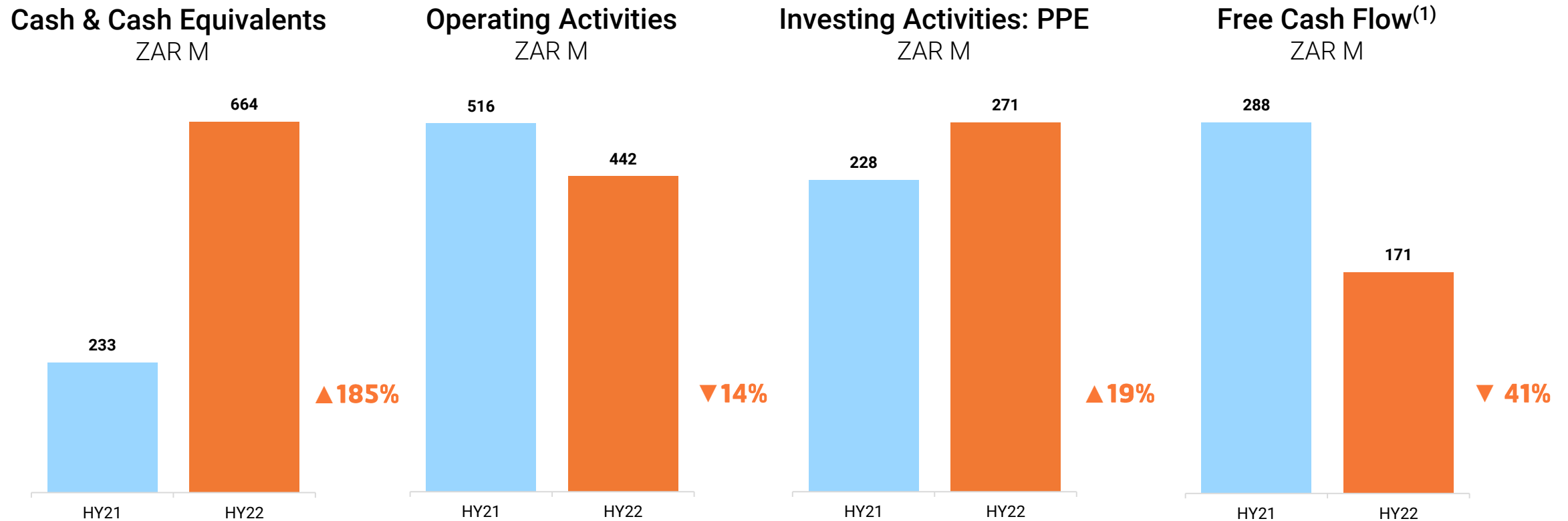
RULE OF 40 BEATEN⁽²⁾



- (1) 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.
- (2) Revenue growth for the period (excluding Carzuka) + operating margin for the period (excluding Carzuka) sum to greater than 40 in Q2 FY21, Q2 FY22, HY21 and HY22.

CASH FLOW

Continued strategic investment into customer acquisition & long-term growth



STRONG BALANCE SHEET



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

OUTLOOK REMAINS UNCHANGED

Geared for growth and scalability with strong financial discipline and earnings

	FY20	FY21	HY22	FY22 Outlook
Number of subscribers (000s)	1,127	1,306	1,409	1,500 – 1,600
Subscription Revenue (ZAR M)	1,888	2,209	1,234	2,500 – 2,700
Adjusted EBITDA margin (Excluding Carzuka & Picup)	48%	49%	45%	45% -50%

ARR⁽¹⁾ as at August 31, 2021

ZAR 2,540 million ▲15% **USD 175.1 million ▲34%**

⁽¹⁾ARR should not be viewed as a substitute for, or indicative of, Karoo's financial results for any future period

ARR, a non-IFRS measure, is the annual run-rate subscription revenue at a point in time, calculated by taking the monthly subscription revenue for all customers during that month (August 2021) & multiplying by 12.

ZAR to USD exchange rate of ZAR14.51 at the end of August 2021 compared to ZAR16.92 at the end of August 2020. Amounts in ZAR have been translated to USD using exchange rates as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System on August 31, 2021.

Actual results may differ materially from Karoo's Financial Outlook as a result of the pandemic and currency exchange rates, among other factors described under "Forward-Looking Statements" on slide 2





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Thank You



KAROO

Appendix

REFER TO Q2 FY22 EARNINGS MEDIA RELEASE FOR DETAILED FINANCIAL TABLES & RECONCILIATIONS

OUR SUCCESS ACROSS INDUSTRIES

South Africa



Rest of Africa



Europe



Asia



FLEET OWNERS AND DRIVERS LOVE US



Driving OEM Customer Service



CHALLENGE:

Optimizing vehicle maintenance & driver performance

SOLUTION:

- Digitalized MAN Service Care & streamlined maintenance
- Real-time information about deviations, unsafe driving & unproductive use of resources
- Powerful dashboards
- Clear return on investment for customers

+20% Payload productivity

-10% Fuel consumption

80% Adoption rate



Last Mile Delivery



UCCOOK

CHALLENGE:

Acceleration of e-commerce transactions & demand to digitalize logistics

SOLUTION:

- Integrated logistics offering
- Manage fleet & workflows on one platform
 - Plan & allocate loads
 - Real-time tracking
 - Proof of delivery
 - Automated payments
- Mitigates risk of non-delivery
- Allows customers to efficiently scale their e-commerce businesses



FLEET OWNERS AND DRIVERS LOVE US



Mining Safety & Compliance



ANGLO
AMERICAN

DE BEERS

CHALLENGE:

Compliance with health, safety & environmental regulations & accident prevention

SOLUTION:

- Comprehensive safety of personnel
- Integrated cameras, anti-collision technology & driver prevention lock
- Driver behavior management towards zero harm in road transportation



Credit Underwriting & Asset Management



INDUSTRY:

- Transporting 15M+ people daily
- 250,000+ minibus taxis
- Dominant mode of public transport in South Africa
- 80,000+ active minibus taxi subscribers on our base

CHALLENGE:

- Financing perceived high risk small entrepreneurs

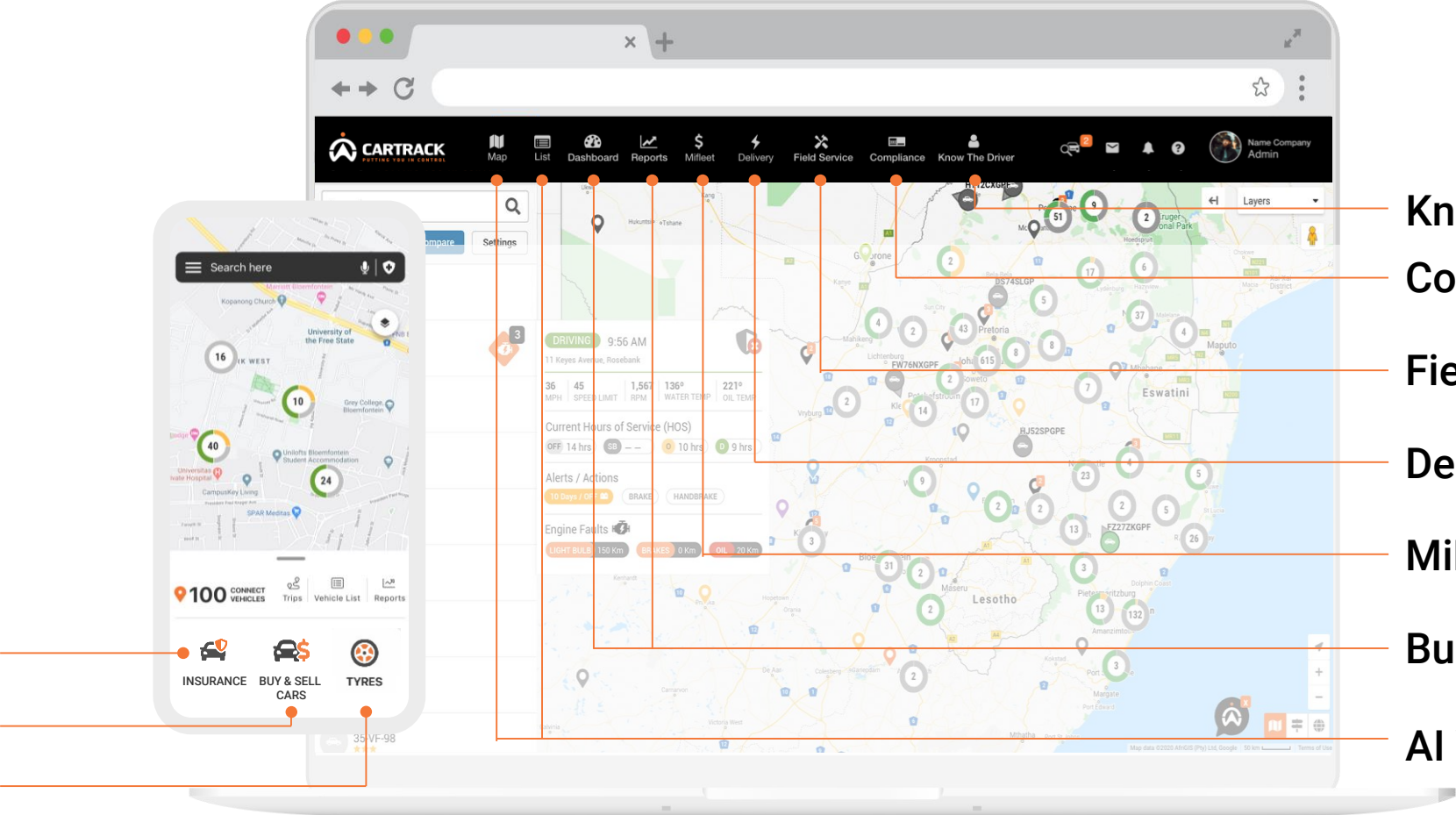
SOLUTION:

- Visibility on affordability based on productivity & route tariffs
- Analytical reports allow us to predict vehicle life expectancy & condition of vehicle
- Real-time emergency alerts



ONE DIFFERENTIATED & POWERFUL PLATFORM

Insurance
Carzuka
Tyres



- Know The Driver
- Compliance
- Field Service
- Delivery
- MiFleet
- Business Intelligence
- AI Video and Fleet Telematics

Feature-rich & vertically integrated



Refer to the Appendix for Platform Overview

OUR PLATFORM ADVANTAGES



Easy-to-use & implement



Seamless unified platform



Massive data scale



Rapid innovation



Strong customer success helpdesks



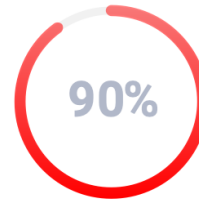
Reliable & secure





MIFLEET

Integrate, digitalize and automate
fleet admin, maintenance, cost
analysis and compliance



Vehicle Registration: XX-11-XX

Mileage until next service:
6,300/7,000km

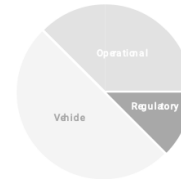


Soon due for maintenance

Mark Barnes

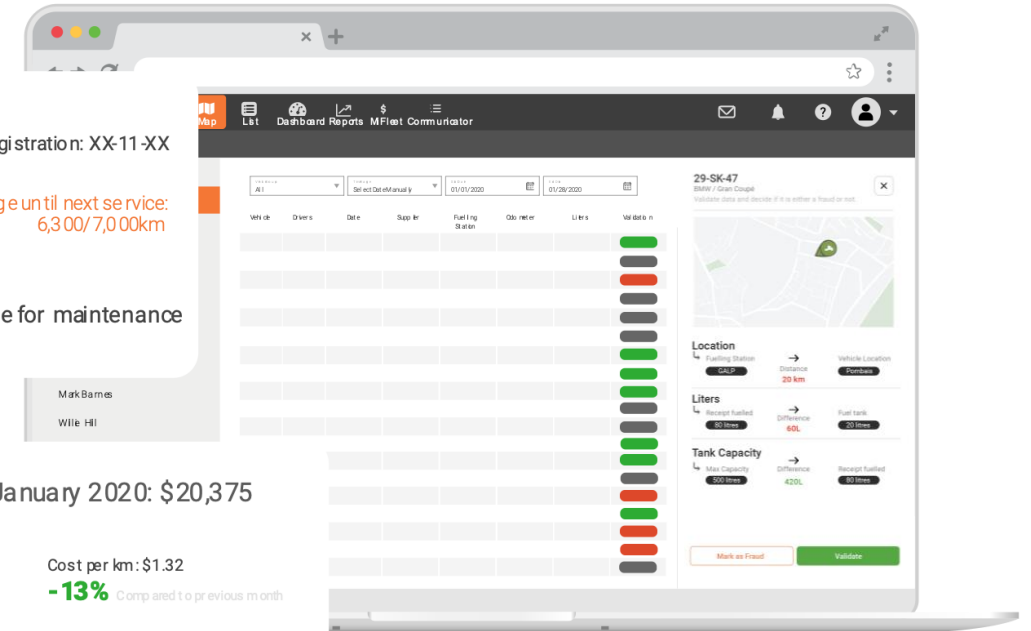
Wile Hill

Total costs in January 2020: \$20,375



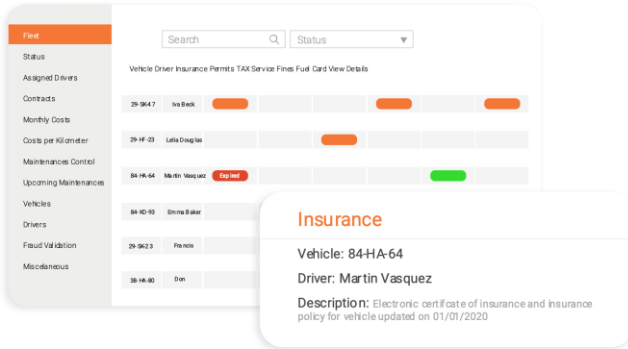
Cost per km: \$1.32
-13% Compared to previous month

Cost per job: \$10.46
-10% Compared to previous month



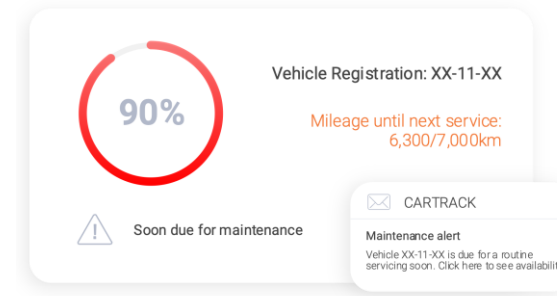
Easy admin

Get reminders to renew any important contracts or update regulatory documents in advance to avoid extra penalties or downtime.



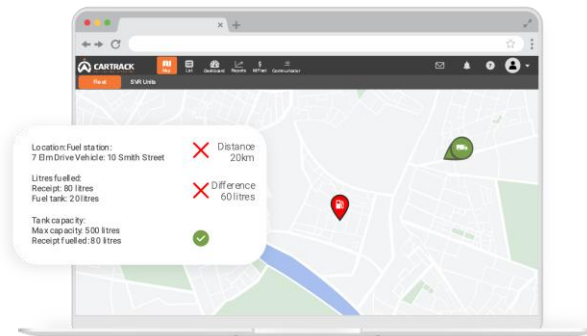
Preventative maintenance

Automate your maintenance plans based on usage and diagnostics to avoid unnecessary breakdowns or downtime.



Fuel fraud detection

Get automatically alerted of potential fraud when a vehicle's location, fuel data and fuel card data do not match.



Automated cost analysis

Integrate with your bank and ERP to eliminate manual entries and receive detailed insights that help you understand your full business picture and bottom line.

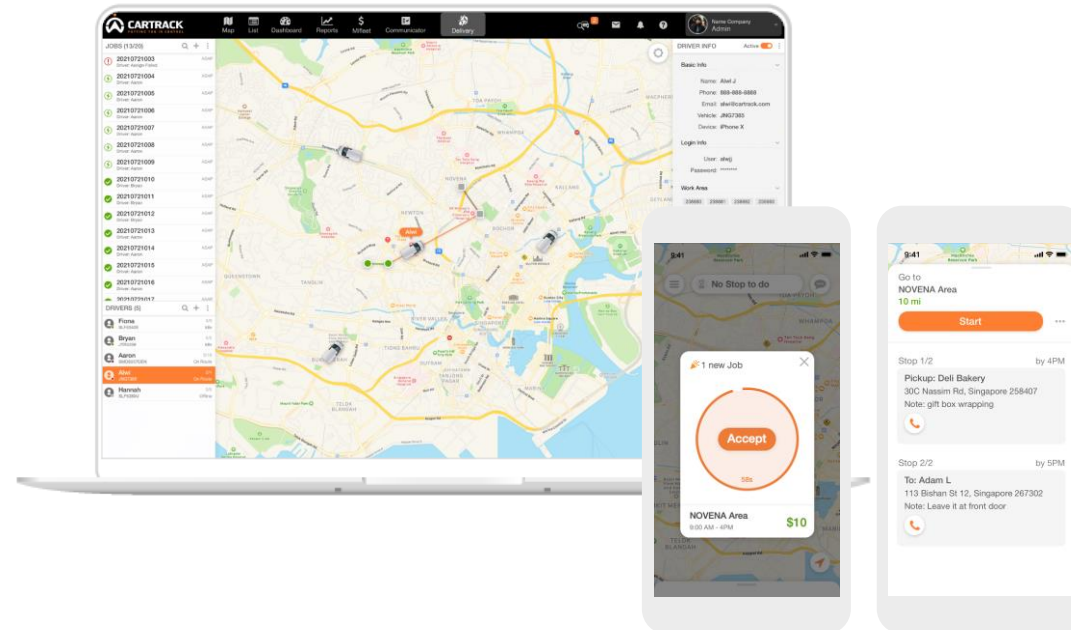
Last 60 days			
Driver	John Smith	Mike Roberts	Fleet average
Cost per km	\$1.32	\$1.98	\$1.76
Cost per job	\$12.32	\$11.03	\$11.67
Driver safety scarecard	65%	87%	78%
Total maintenance costs	\$110	\$150	\$124





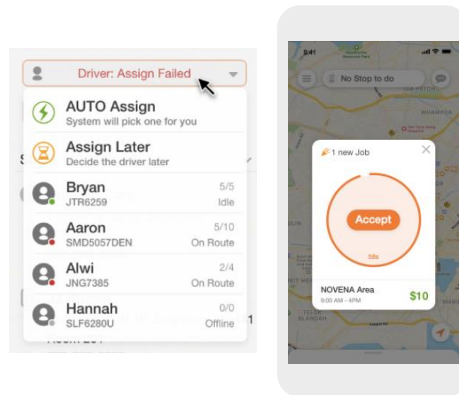
DELIVERY

Empower drivers, automate processes, boost efficiency and scale operations to offer fast and affordable deliveries that exceed customer expectations.



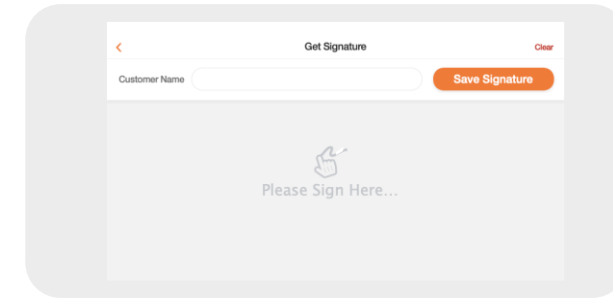
Efficient dispatching

Auto-dispatch your nearest optimal drivers or allow a pool of drivers accept on-demand deliveries based on their availability.



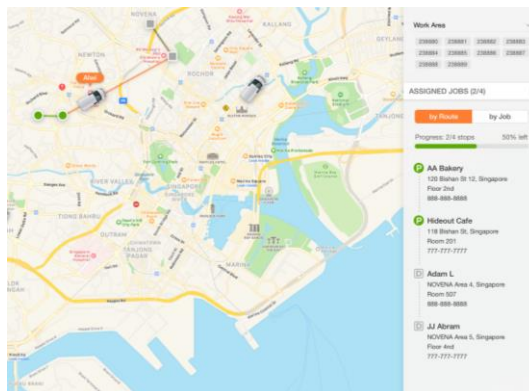
Electronic proof of delivery

Streamlined customer service processing with electronic proof of delivery and delivery timestamps.



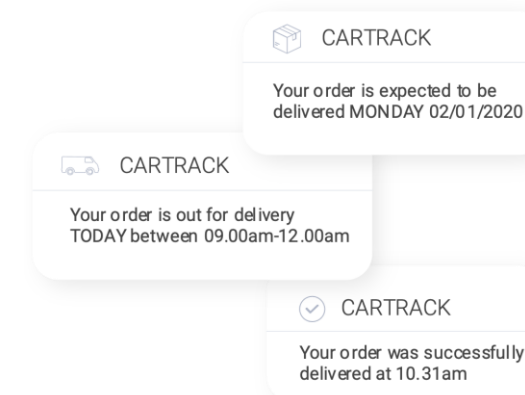
Route optimization

Integrated routing that accounts for location, time, capacity and traffic to eliminate inefficient use of resources.



Integrated customer communication

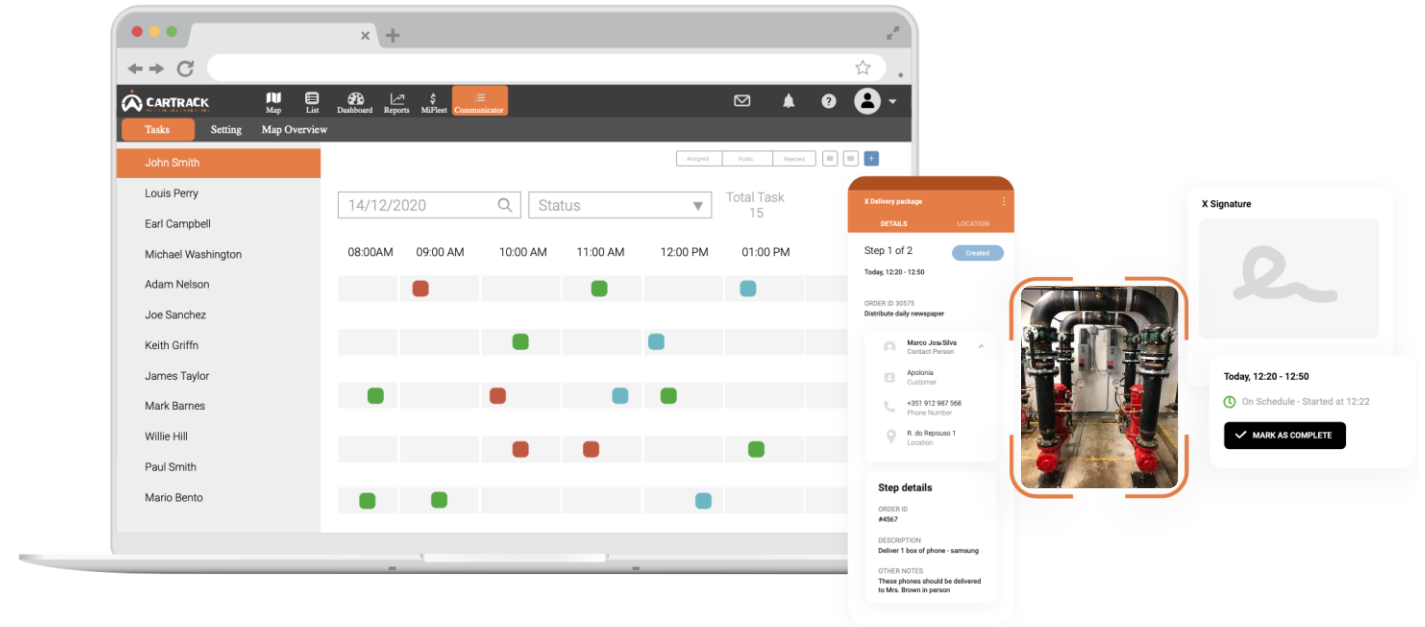
Real-time driver tracking and status alerts at all stages of the delivery process.







FIELD SERVICE

Effortlessly plan, create and manage on-site jobs and field workers to deliver the best customer service



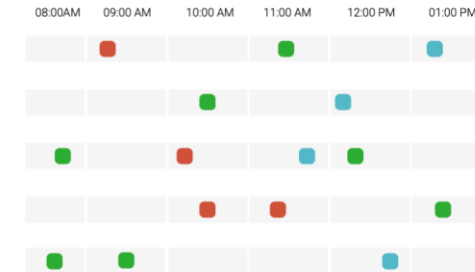
Quality control

Ensure a strong customer satisfaction and service quality with photos of the completed jobs and a customer signature upon completion.

✓ Get Signature		⋮
✓ Take Photo (POD)		⋮
Status	Completed OK	

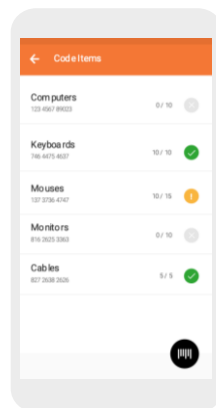
Resource scheduling

With everything in one place and accessible by all teams double bookings are eliminated and resource management can be effortlessly optimized.



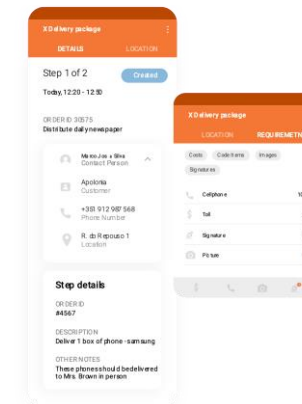
Stock control

Keep track of all your inventory between vehicles and your store, and know which clients required which parts for accurate billing.



Streamlined workflows

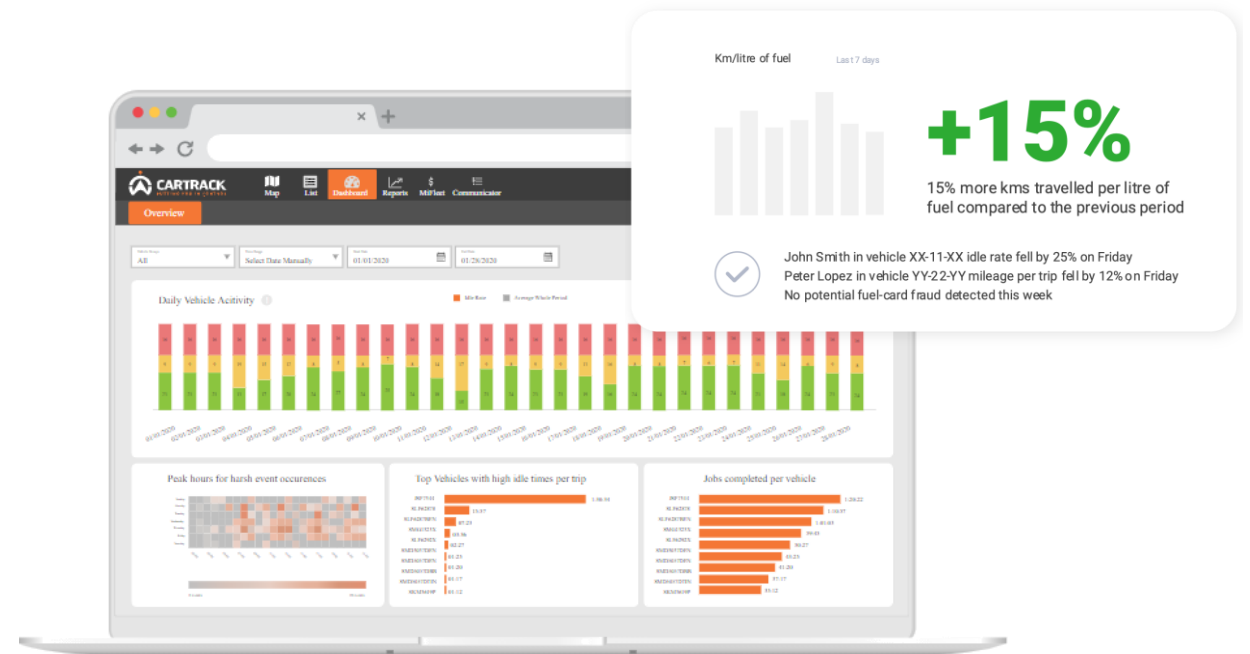
Break jobs into steps and guarantee your team knows everything they need to complete work smoothly with real-time communication and paperless documentation.





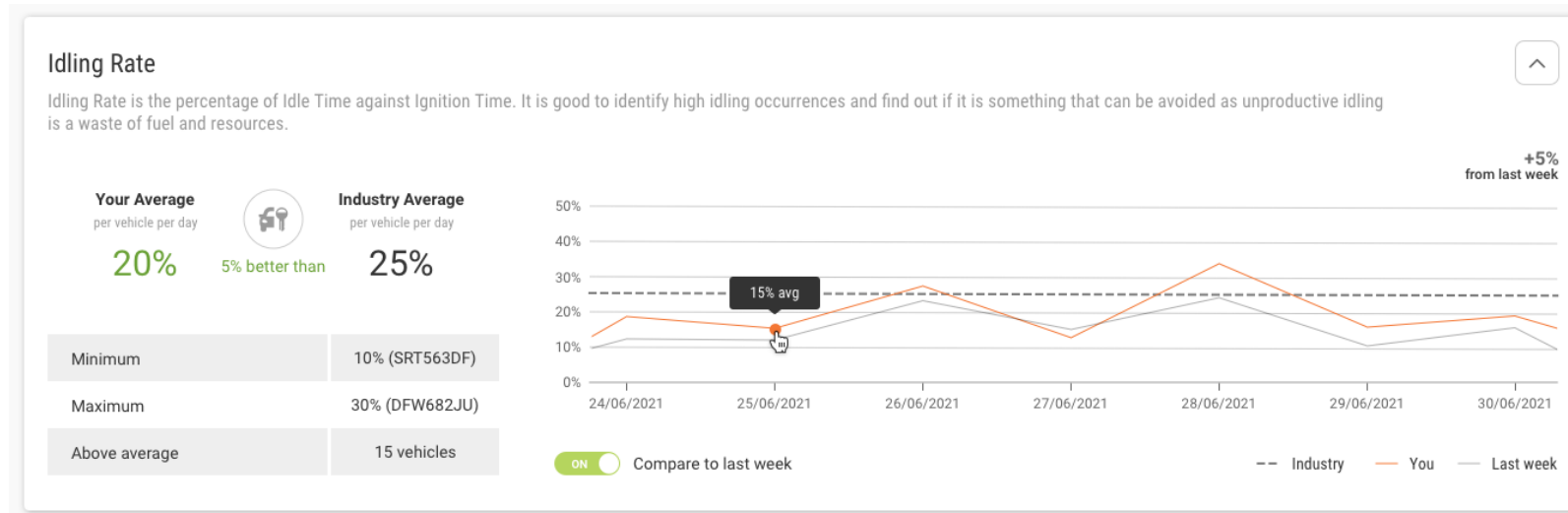
BUSINESS INTELLIGENCE

Track trends, compare vehicles and drivers, pinpoint inefficiencies and benchmark your fleet against your industry to make data-driven business decisions



Industry benchmarks

Accurate fleet and industry benchmarks generated using billions of data points from over 1.4m subscribers allow fleet managers to understand their relative performance internally and externally.



Guided analysis

AI powered help guides and introductory data analysis tours with recommendations for fleet manager training.

SMN3702KCAN 8:34:17

Analyze

Is Harsh Event consistently high or only on certain days?
Is the vehicle shared by multiple drivers?

Only certain days
Yes, shared

Consistently High
No, only one driver

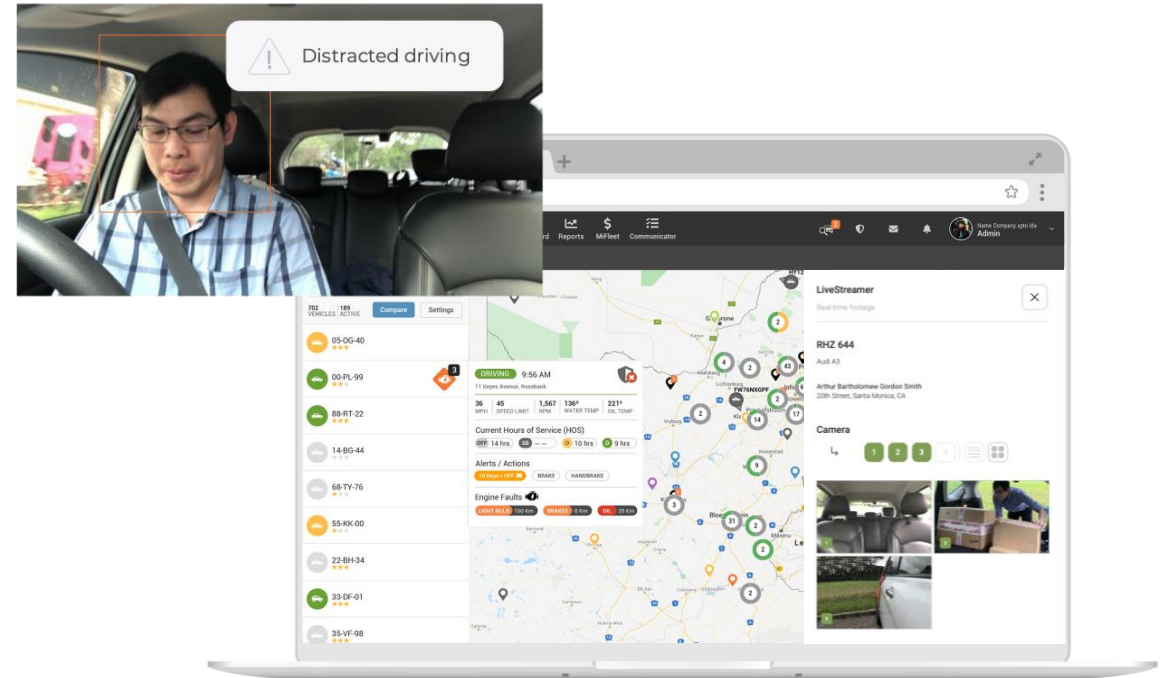
Recommended Course of Action:





AI VIDEO TELEMATICS & LIVEVISION

Prevent incidents and establish a safety first culture with in-cab audible alerts and effective footage based driver coaching



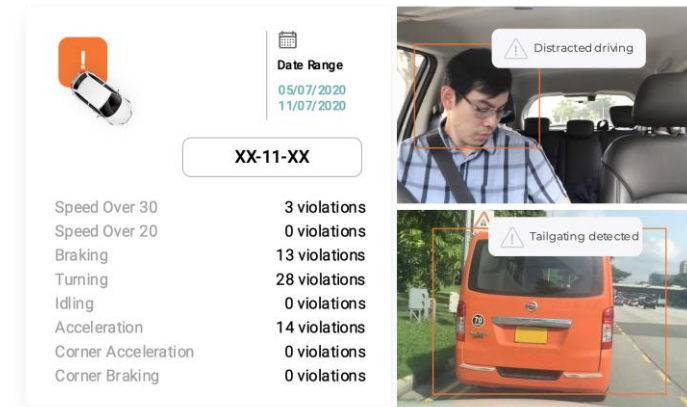
AI detected behavioural events

Dangerous events such as drowsiness, distracted driving or tailgating are proactively detected using AI, and drivers are alerted in real-time to prevent accidents.



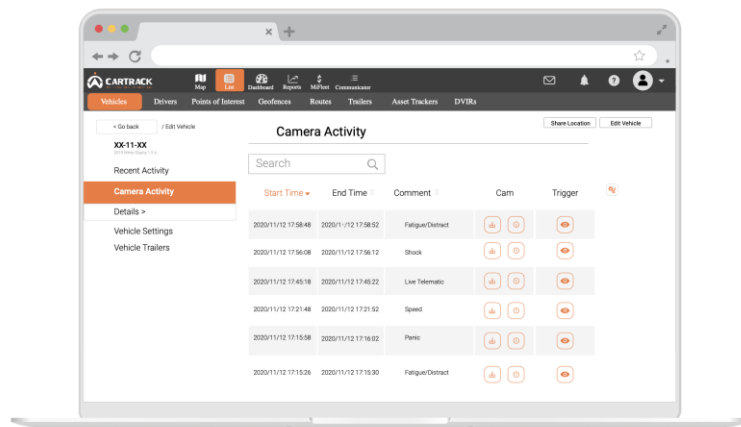
Driver scorecards

Driver scorecards are used alongside footage highlighting all areas for improvement for drivers to ensure effective coaching.



On-demand cloud storage

Footage is segmented by time and event to eliminate wasted hours of filtering footage and available via platform from anywhere.



High-resolution live streaming

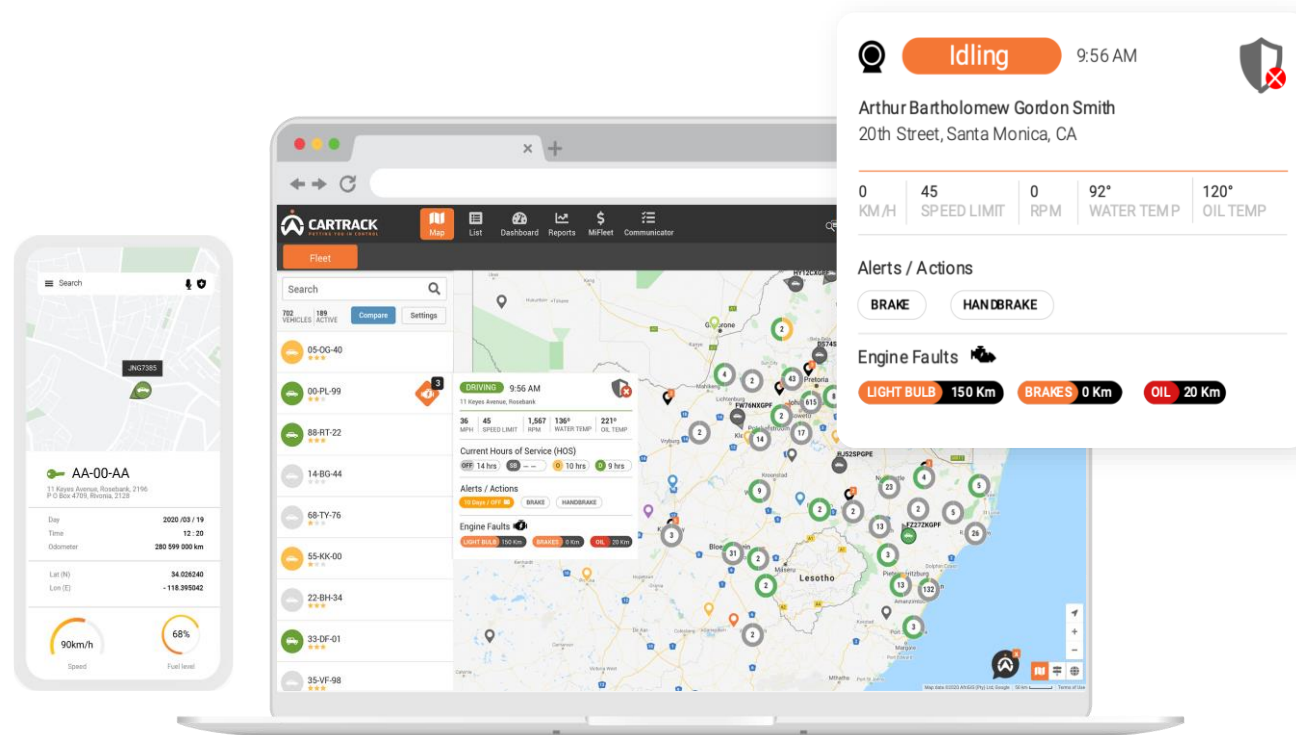
Gain full visibility of cargo, secure sensitive goods and have continuous footage to exonerate drivers.





FLEET TELEMATICS

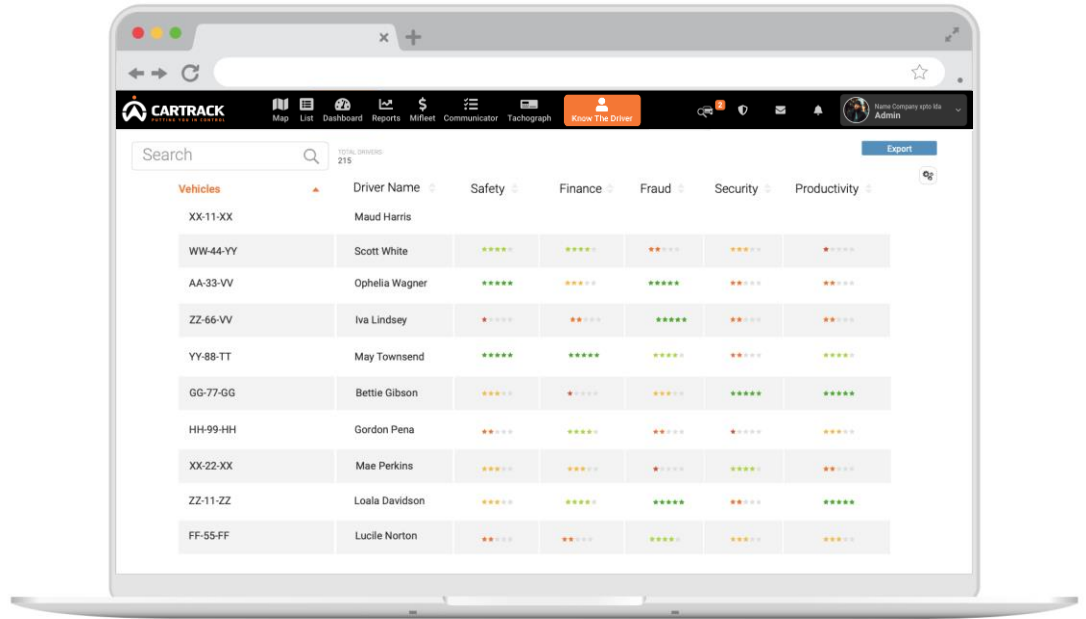
Gain total control of vehicles, drivers and cargo with real-time visibility and alerts to plan and optimize fleet utilization





KNOW THE DRIVER

Holistic risk management solution driving increased compliance and enabling developmental finance, insurance and other services





ECO & COMPLIANCE

Effortless compliance, improved fuel economy, reduced food spoilage and actionable fleet eco-efficiency scoring



CARTRACK

Temperature range throughout entire delivery 23°F to 25°F

C02 Emission Overview (in Tons)

Total Emission
In Last 30 Days

592.1


Same Period Last Year : 360.7

-6.2%
% Change YOY

 Emitted During Driving
588.0

 Emitted During Idling
4.0 (0.7%)

It is important to keep track of your carbon footprint to understand how you can offset it. Based on the total carbon emitted from your vehicles

 38,839
Trees required to offset your annual carbon emissions

 24
Hectares of land required to plant these trees





CARZUKA

A seamless, personalized and secure
end-to-end vehicle buying and selling
experience

