



KAROO0000

Earnings Presentation Q3 FY25



Today's Presenters



Zak Calisto
Group CEO
& Founder



Goy Hoeshin
Group CFO



Carmen Calisto
Group Chief
Strategy &
Marketing Officer



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 13, 2024 and our Form 6-K filed on January 14, 2025.

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.

All information provided in this presentation is as of the date of this presentation, and we do not undertake any duty to update such information, except as required under applicable law.

Non-IFRS Financial Measures

This presentation includes certain non-IFRS financial measures, including ARR, ARPU, adjusted EBITDA margin, free cash flow and adjusted EPS. 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”).

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.

Trademarks and Trade Names

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.

KAR00000

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

100%

Ownership

CARTRACK

Operations Management Platform

ZAR

2,972_M

Subscription Revenue

FY25 YTD

↑15%

Y-o-Y Subscription Revenue Growth

Subscription Revenue is 98% of
Revenue as of Q3 FY25

30%

FY25 YTD Operating Profit Margin

74.8%

Ownership

KAR00000 Logistics

Delivery-as-a-Service

ZAR

310_M

B2B Delivery-as-a-Service Revenue

FY25 YTD

↑38%

Y-o-Y DaaS Revenue Growth

10%

FY25 YTD Operating Profit Margin

USD

17_M

↑45%

Y-o-Y DaaS Revenue Growth



¹ For convenience purposes only, amounts in South African rand as at November 30, 2024 have been translated to U.S. dollars using an exchange rate of ZAR 18.0405 to U.S.\$1.00 (November 30, 2023: ZAR 18.8689), as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. These translations should not be considered representations that any such amounts have been, could have been or could be converted at that or any other exchange rate.

KAROO GROUP SNAPSHOT Q3 FY25

Total Revenue¹

**UP
15%**

ZAR 1,159M
Q3 FY24: ZAR 1,010M

Subscription Revenue

**UP
14%**

ZAR 1,032M
Q3 FY24: ZAR 904M

Adjusted Earnings Per Share²

**UP
21%**

ZAR 7.67
Q3 FY24: ZAR 6.34

Subscribers

**UP
17%**

2,223,227
Q3 FY24: 1,908,192

28%

Operating Profit Margin

125,000+

Commercial Customers

5,300+

Employees³

180bn+

Monthly Data Points

95%

Commercial Customer Retention Rate⁴

25

SINGAPORE (HQ)

Operating Countries



1 Excludes Carzuka revenue in Q3 FY24.

2 Adjusted earnings per share, (a non-IFRS measure) is defined as, earnings per share defined by IFRS excluding the impact of specific non-recurring operational expenses as outlined in the reconciliation.

3 As of end of Q3 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.

RARE FINANCIAL PROFILE

Large Cap SaaS GAAP Rule of 50+



Mid-Cap SaaS GAAP Rule of 50+



Small Cap SaaS GAAP Rule of 50+



Source: FactSet as of 12/13/2024

Note: "Rule of 50+" analysis utilizes Street 2025E Revenue and 2025E GAAP EBITDA Margin (ie. including SBC) for a select group of ~180 U.S listed SaaS companies. Small Cap is below \$5B market cap, Mid Cap is \$5B-\$20B and Large Cap is \$20B+. Karoo reports in accordance with IFRS; Karoo's Adj. EBITDA margin definition equates to sample companies' GAAP EBITDA margin in this analysis.

Q3 FY25 BUSINESS AND OPERATIONAL HIGHLIGHTS



Cartrack **subscribers increased 17% Y/Y** to 2.22 million.

European **subscriber growth accelerated** 200bps Q/Q to 19% Y/Y.



Continued investment in Sales and Marketing in Southeast Asia to capitalize on the **compelling opportunity** in the region.



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



Cartrack Q3 FY25 subscription revenue **gross margin of 74%**.



LTV/CAC remains greater than 9x.



95% Commercial Customer Retention Rate.

Q3 FY25 UNIT ECONOMICS REMAIN STRONG



Q3 FY25 FINANCIAL HIGHLIGHTS

UP 20%

Cartrack YTD subscription revenue increased 20% Y/Y to \$165 million

Cartrack subscription revenue increased 19% Y/Y to \$57 million.



Cartrack surpassed ZAR1 billion in quarterly subscription revenue.

“Rule of 60”¹ company in Q3 FY25:
Cartrack Subscription Rev. Growth – 14%
Cartrack EBITDA Margin – 47%

UP 21%

Karoo Adjusted Earnings Per Share of ZAR7.67 increased 21% Y/Y.



Strong and unleveraged balance sheet with net cash and cash equivalents of ZAR856 million as of November 30, 2024.

Reaffirmed FY 2025 Outlook



¹ The sum of revenue growth and adjusted EBITDA margin for a reporting period sum to greater than 60.

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 180bn+ valuable data points processed monthly as of Q3 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
- Strong track record of returning excess cash to shareholders via a dividend

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.

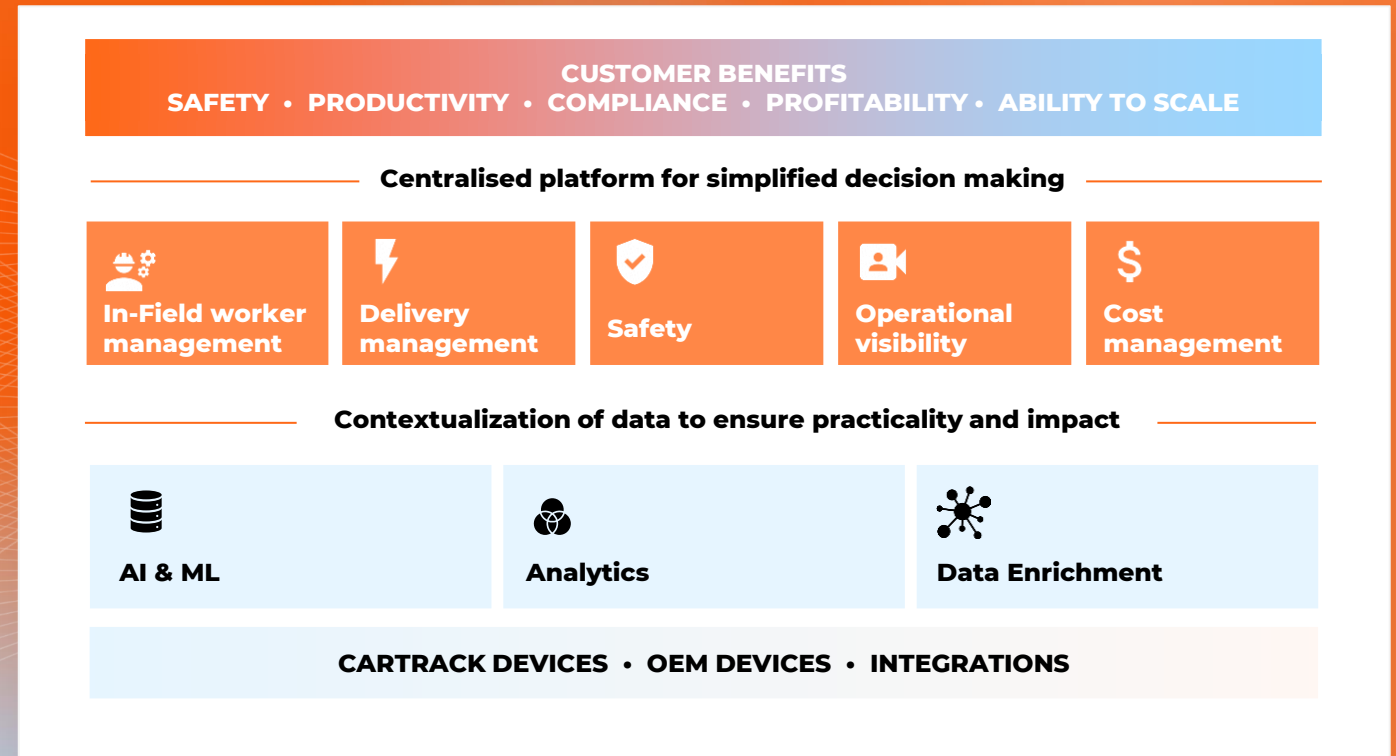


KAR00000

**SIMPLIFIES
DECISION MAKING
OF PHYSICAL
OPERATIONS**



OUR PLATFORM TRANSFORMS DECISION MAKING BY UNIFYING DATA AND INFORMATION



END TO END OPERATIONS CLOUD

We go far beyond telematics.

1	AI cameras to enhance safety and mitigate risk
2	Field service management including scheduling, dispatch management and work order management
3	Delivery management and route optimisations
4	Proprietary network asset tags that extend platform to any mobile asset
5	Outsourcing and scaling of eCommerce delivery and logistics
6	Rules based cargo offloading to prevent fraud
7	Fuel claim validation to prevent fraud
8	Management of vehicle sharing and scheduling
9	Keyless vehicle access
10	Know your driver risk analysis



ENHANCING EMERGENCY SERVICES WITH END-TO-END OPERATIONS CLOUD

01 Minimise dispatch time

- Integration with control room via APIs
- Automated dispatch of nearest ambulance
- App for first responders

02 Patient peace of mind

- Faster time to arrive on scene
- Live tracking of ambulance sent to patient

03 Improve time to arrive on scene

- Route optimisation
- Analytics to enforce “home zones” for and number of ambulance per zone
- Real-time dashboard and alerts for non-compliance integrated into control and messaging platforms

04 Enhance patient care

- AI cameras to improve safety and mitigate risk
- Integrated daily medical inventory checklist
- One button click for route optimisation that includes real-time traffic
- Digital vehicle inspections and preventative maintenance

05 Maintain Brand Reputation

- Control room integration that ensures emergency lights only used in emergencies
- Remote video access for training, risk mitigation and employee exoneration
- Incident management reporting and analytics to surface weaknesses in end-to-end and care delivery

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 behaviour 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.



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

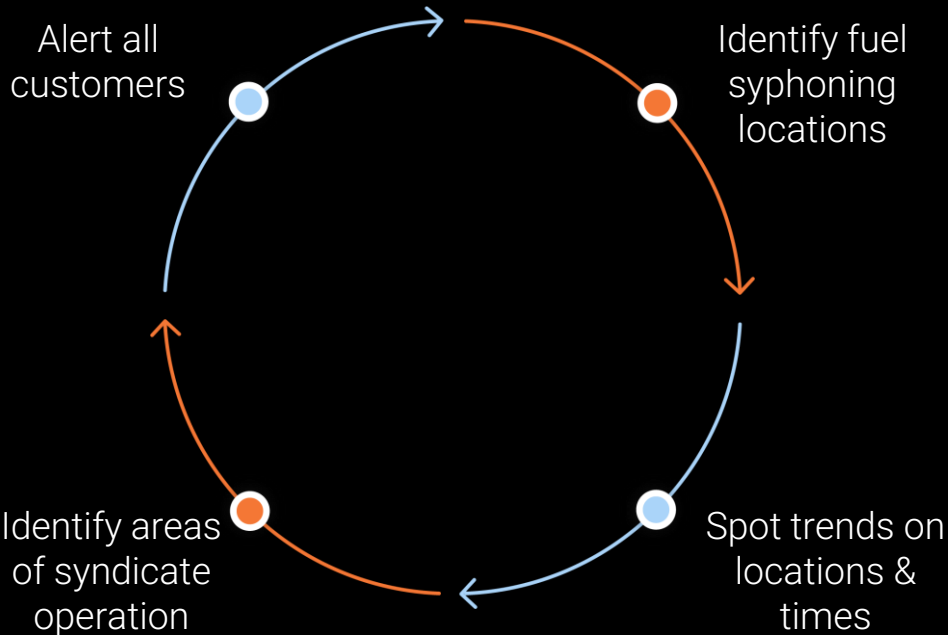
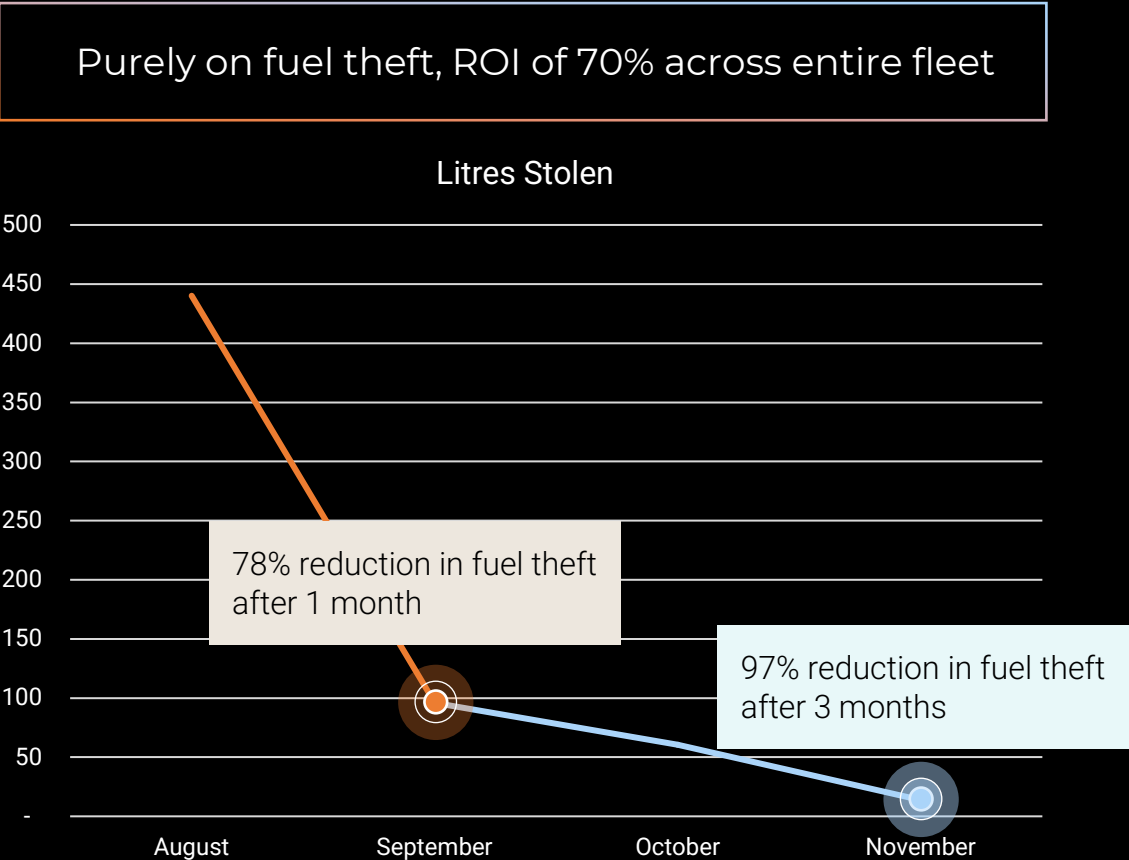
User-friendly platform supported by best-in-class service team with advanced process automation capability

IMPROVED SAFETY

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



COMBATTING FUEL THEFT DRIVES HIGH ROI



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

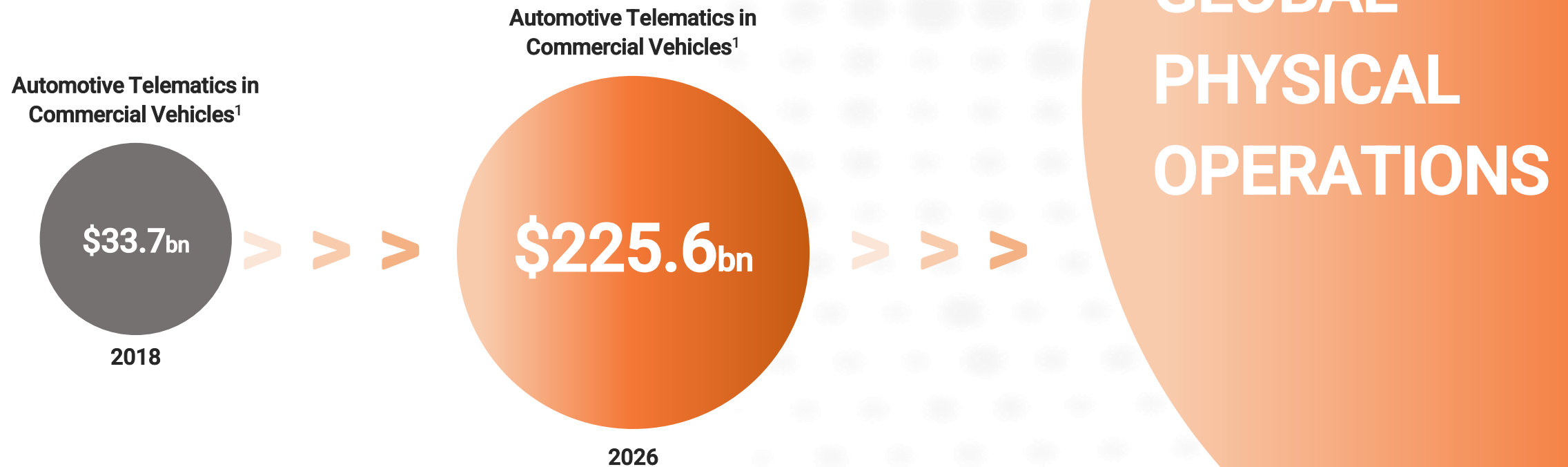
FOCUSED ON LAST-MILE DELIVERY

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

**EXPAND OUR
CUSTOMER BASE**

**EXPAND SCOPE OF
OPERATIONS IN NEWER
GEOGRAPHIES**

**INCREASE SUBSCRIPTION
SALES TO EXISTING
CUSTOMERS**

**EXPAND OUR
OPERATIONS
PLATFORM AND
SERVICES**



THE EXPANSIVE SOUTHEAST ASIA OPPORTUNITY

Increasing demand for commercial vehicles to efficiently transport people and goods.

- ✓ ~600M people and ~\$4 trillion in GDP
- ✓ Expanding middle class
- ✓ Growing urbanization
- ✓ Logistics accounts for higher share of GDP vs. U.S & Europe
- ✓ Vast market of mobile assets
- ✓ Low penetration of fleet management
- ✓ Fragmented competitive landscape

Source: World Bank, Berg Insight



CARTRACK'S LEADING UNIT ECONOMICS

Lifetime Value of
Customer Relationships¹



Low Cost of Acquiring a
Customer²

Strong Benefits from
Economies of Scale

Q3 FY25
**Gross Profit Margin based only
on Subscription Revenue**

74%

Q3 FY24: 75%

>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.

DISCIPLINED CAPITAL ALLOCATION FRAMEWORK

Organic Growth and Product Innovation are our Priority

Organic Growth and Product Innovation

Allocating capital to organic growth and product innovation is our paramount priority given our attractive unit economics, profitability and expansive market opportunity.

Disciplined approach to unit economics by country and customer acquisition channel.

Evaluate return on incrementally invested capital by country.

Return Capital to Shareholders

Given our current strong balance sheet and net cash position, our preference is to return free cash flow to shareholders via dividend.

Dividend is an attractive vehicle to return excess cash to shareholders.

Shareholder approval to repurchase up to 10% of shares in place.

Focused on driving liquidity over the near-medium term¹

Strategic M&A

Prudent approach to M&A.

Leverage M&A to accelerate time to market in a specific geography or augment our service offering and capabilities.

High bar for M&A given attractive organic unit economics & profitability

Potential M&A would need to provide strategic value and/or optionality.

¹ See Form F-3 filed on July 11, 2024





KAROO0000

Financial Performance for Q3 FY25

KAROOOOO CONTINUES TO DELIVER ON ITS STRONG TRACK RECORD OF SUBSCRIPTION REVENUE & EARNINGS GROWTH

UP 14% Subscription Revenue		UP 18% Operating Profit		UP 21% Adjusted Earnings Per Share ¹	
Q3 FY25	ZAR 1,032M	Q3 FY25	ZAR 325M	Q3 FY25	ZAR 7.67
Q3 FY24	ZAR 904M	Q3 FY24	ZAR 275M	Q3 FY24	ZAR 6.34

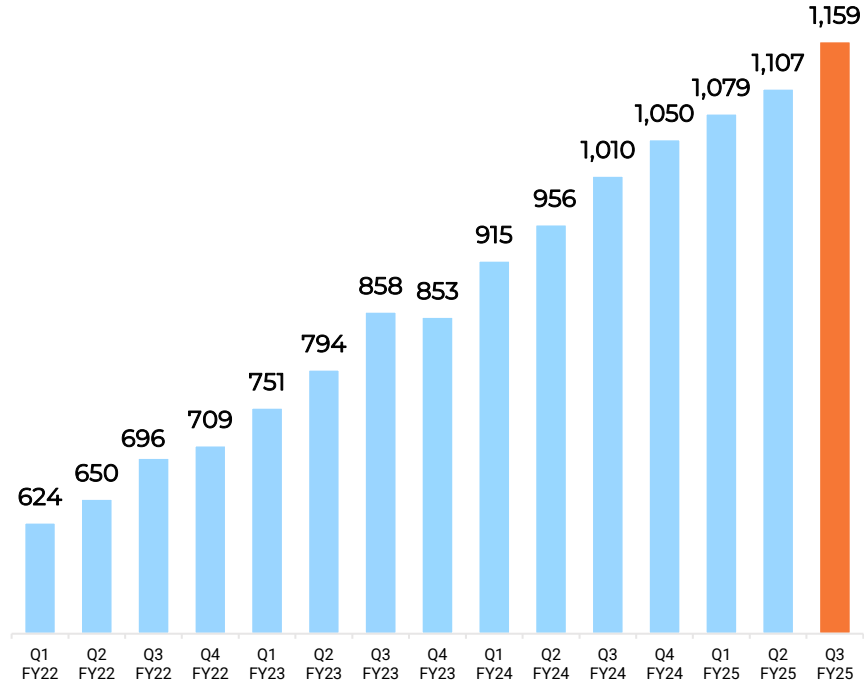
ON A U.S. DOLLAR BASIS, SUBSCRIPTION REVENUE INCREASED 19% Y-ON-Y²

¹ Adjusted earnings per share, (a non-IFRS measure) is defined as, earnings per share defined by IFRS excluding the impact of specific non-recurring operational expenses as outlined in the reconciliation.
² For convenience purposes only, amounts in South African rand as at November 30, 2024 have been translated to U.S. dollars using an exchange rate of ZAR 18.0405 to U.S.\$1.00 (November 30, 2023: ZAR 18.8689), as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. These translations should not be considered representations that any such amounts have been, could have been or could be converted at that or any other exchange rate.

KAROOOOO'S STRONG GROWTH

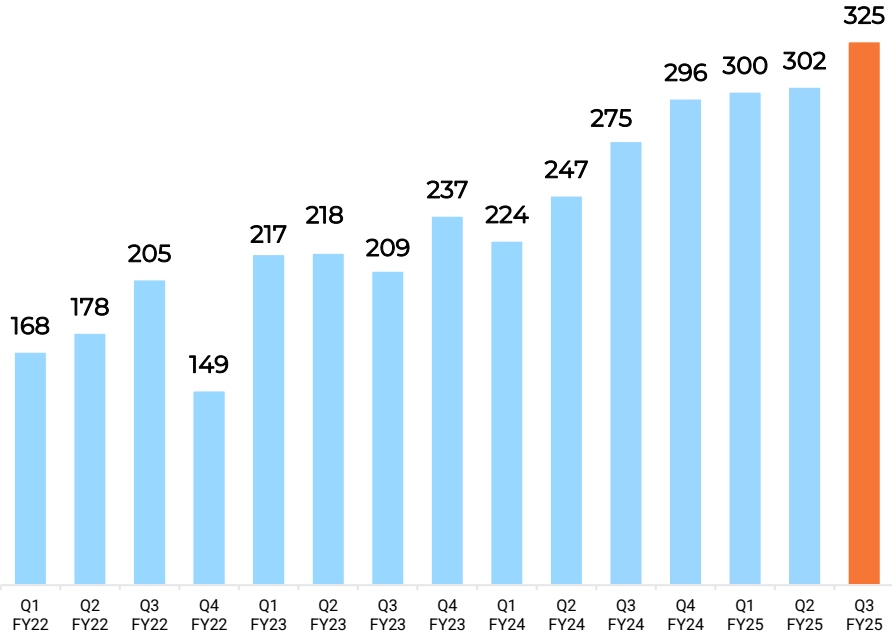
Growth

Revenue¹
ZAR M



Profitability

Operating Profit
ZAR M



KAROOOOO LOGISTICS SUPPORTS OUR STRONG FINANCIAL PERFORMANCE BY IMMERSING OUR PLATFORM INTO LARGE CUSTOMERS' OPERATIONS, CONTRIBUTING TO STRONG CUSTOMER RETENTION

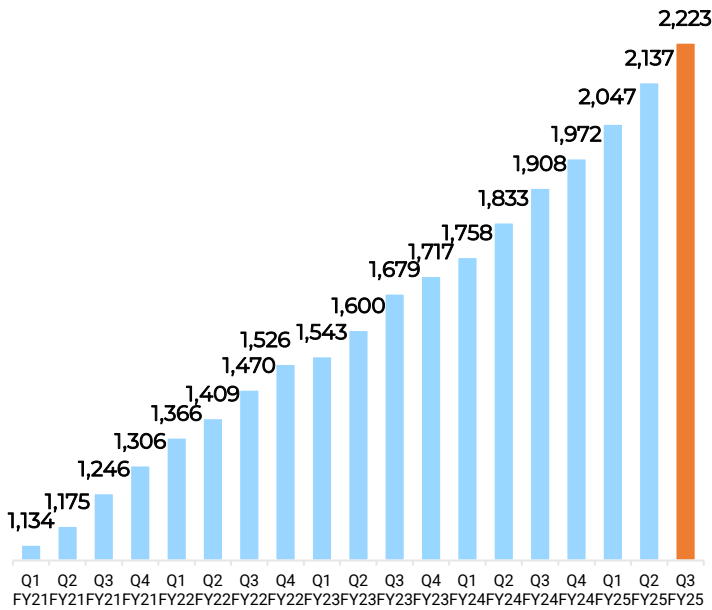
1 Karooooo's revenue, excluding Carzuka.

CARTRACK EXTENDS DECADE-PLUS TRACK RECORD OF EXECUTION EXCELLENCE

Scale

Subscribers

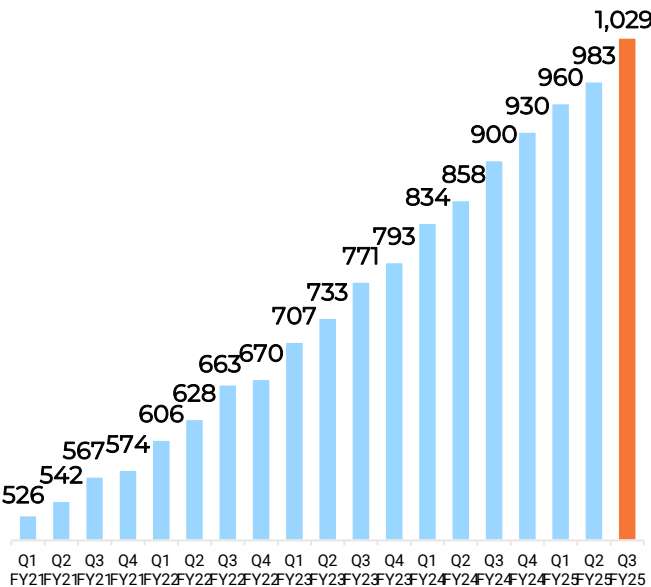
000s



Growth

Subscription Revenue

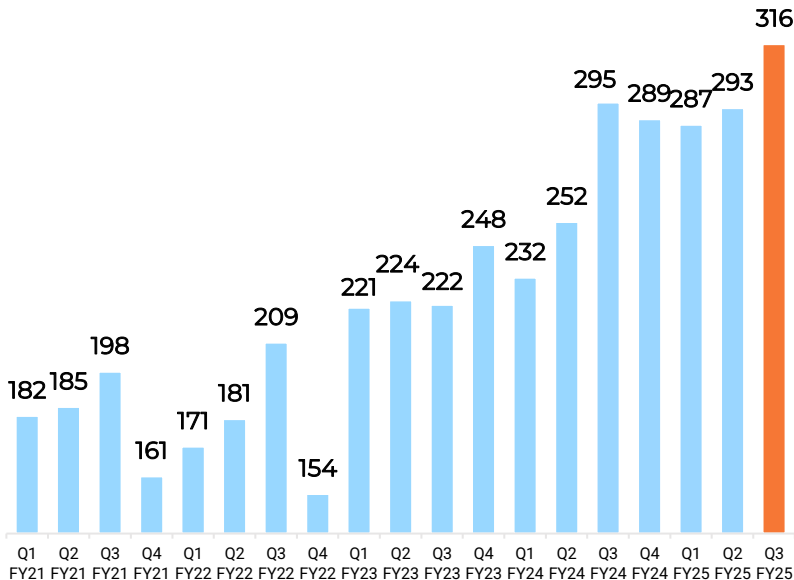
ZAR M



Profitability

Operating Profit

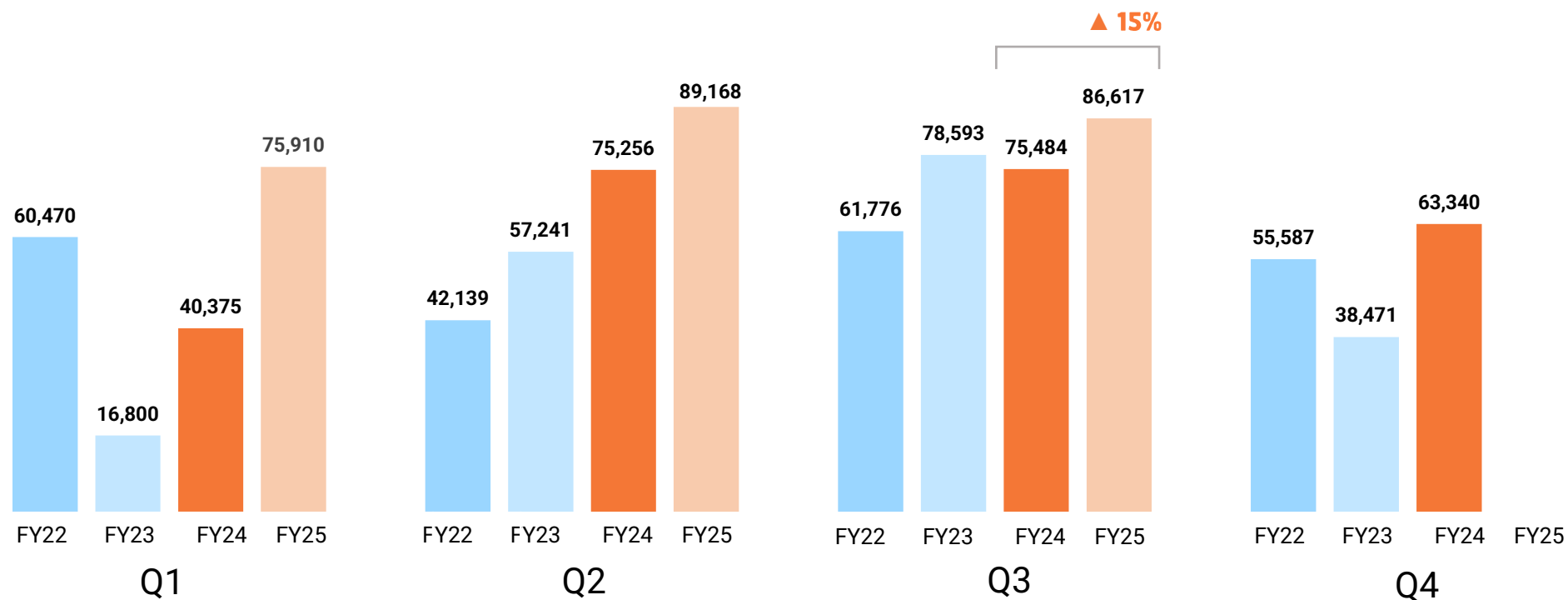
ZAR M



PROVEN ABILITY TO SCALE IN VARYING MACRO ECONOMIC CONDITIONS AND CONSISTENTLY BEATING THE RULE OF 60¹

¹ The sum of revenue growth and adjusted EBITDA margin for a reporting period sum to greater than 60.

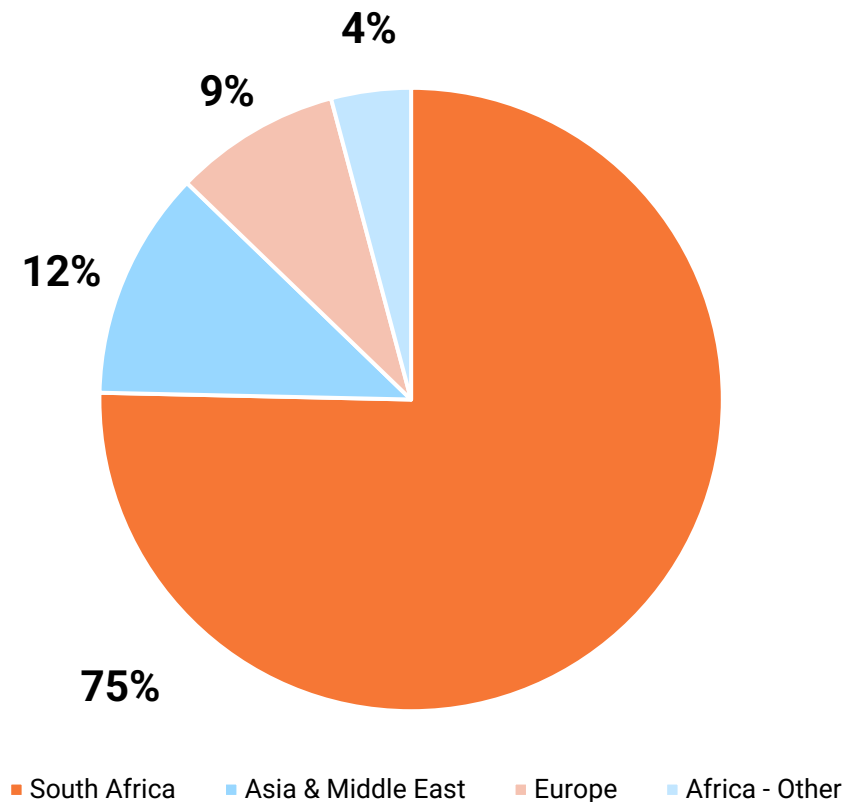
CARTRACK DELIVERED STRONG NET SUBSCRIBER ADDITIONS



**WE ARE PRIORITISING CAPITAL ALLOCATION TO
SALES AND MARKETING**

SUBSCRIBER MIX AND GROWTH¹

Cartrack Geographic Subscriber Mix



Cartrack Geographic Subscriber Growth

South Africa:	16% Y-on-Y
Asia & ME:	20% Y-on-Y
Europe:	19% Y-on-Y
Africa Other:	16% Y-on-Y

WELL POSITIONED FOR GEOGRAPHICAL EXPANSION

¹ As at Q3 FY25.

KAROO000 CONTINUES TO DELIVER STRONG EARNINGS PER SHARE GROWTH

UP 21%

KAROO000 ADJUSTED EARNINGS PER SHARE

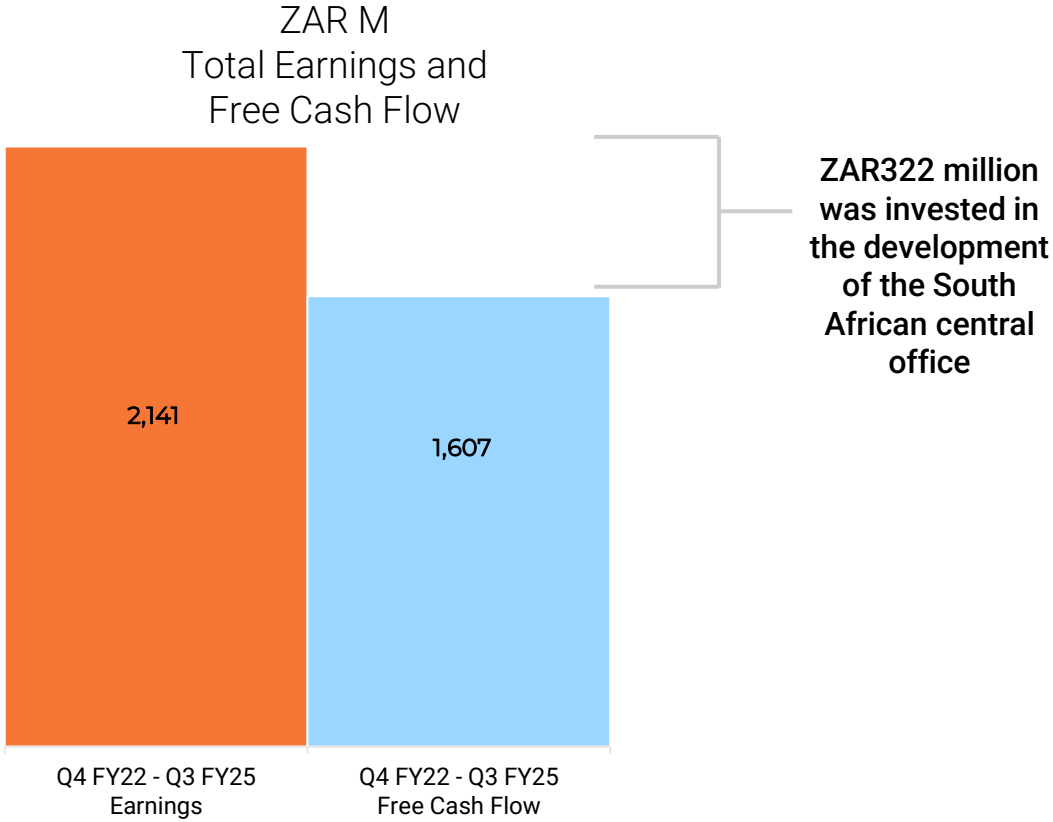
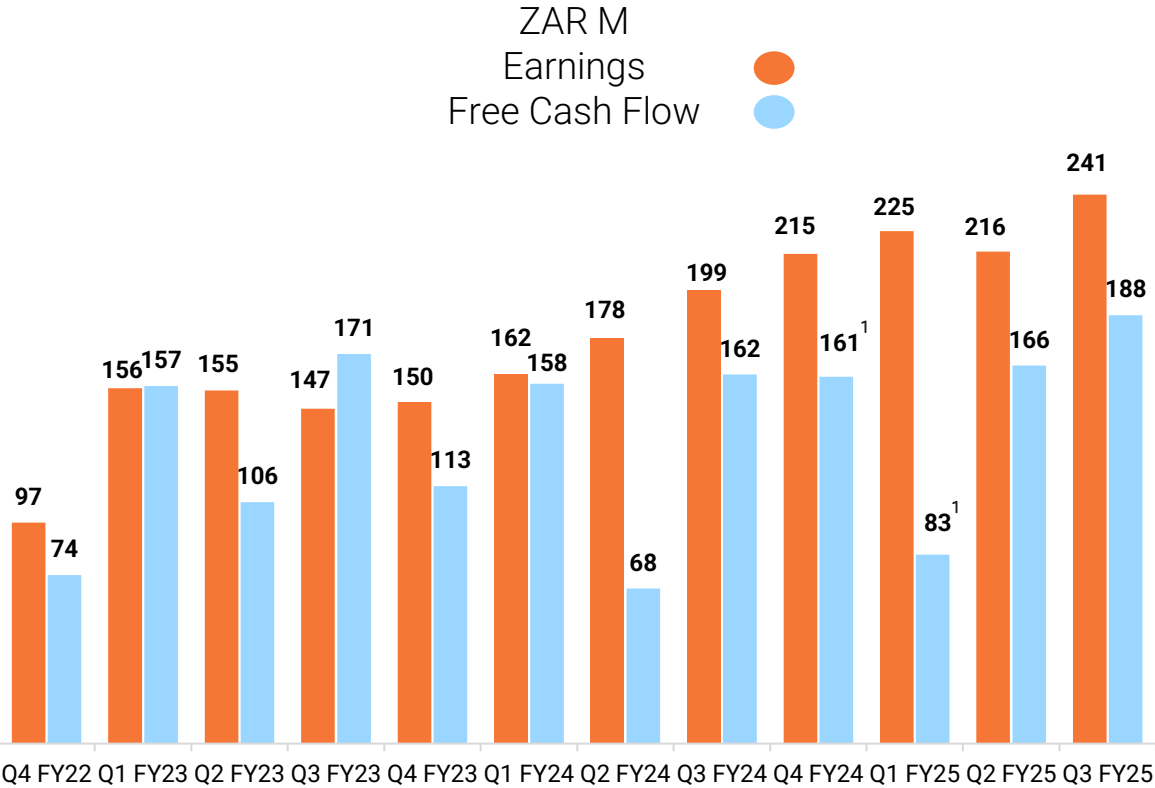
Q3 FY25 7.67

Q3 FY24 6.34

ZAR	FY22 ¹	FY23	FY24	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 ¹ FY25	Q3 ¹ FY25
CARTRACK	16.59	20.61	24.77	5.40	5.89	6.96	6.52	6.94	7.17	7.51
CARZUKA	(0.42)	(1.42)	(1.40)	(0.39)	(0.42)	(0.75)	0.16	0	0	0
KAROO000 LOGISTICS	(0.07)	0.10	0.48	0.08	0.14	0.13	0.13	0.23	0.18	0.16
TOTAL	16.10	19.29	23.85	5.09	5.61	6.34	6.81	7.17	7.35	7.67

¹ Adjusted earnings per share, (a non-IFRS measure) is defined as, earnings per share defined by IFRS excluding the impact of specific non-recurring operational expenses as outlined in the reconciliation.

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

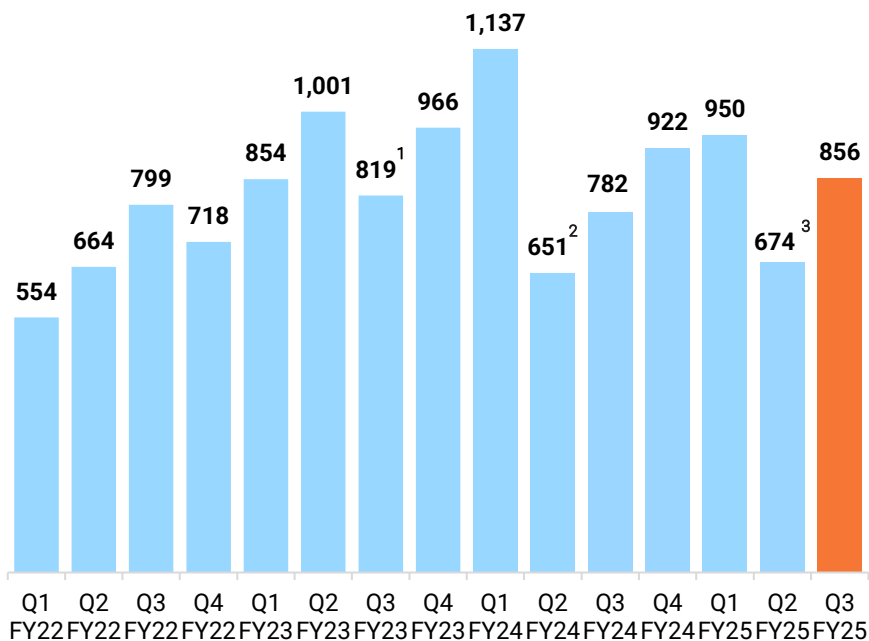


STRONG TRACK RECORD OF DISCIPLINED CAPITAL ALLOCATION, EARNINGS AND FREE CASH FLOW

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
ZAR M



Healthy
Debtor's Days

27

Q3 FY25

Q3 FY24: 30 days

Attractive growth with strong unit economics

Robust operating margins

Unleveraged balance sheet

Strong cash conversion

Healthy dividend growth and 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.

REAFFIRMING FY25 OUTLOOK

	FY22	FY23	FY24	YTD FY25	FY25 Outlook
Number of Subscribers (000s)	1,526	1,717	1,972	2,223	2,300 – 2,400
Cartrack's Subscription Revenue (ZAR M)	2,566	3,004	3,523	2,972	3,950 – 4,150
Cartrack's Operating Profit Margin	27%	30%	30%	30%	27% - 31%
Karoo's Adjusted Earnings Per Share (ZAR)	16.10 ¹	19.29	23.85	22.19 ¹	27.50 – 31.00

¹ Adjusted earnings per share, (a non-IFRS measure) is defined as, earnings per share defined by IFRS excluding the impact of specific non-recurring operational expenses as outlined in the reconciliation.

Q3 FY25 KEY EARNINGS AND INVESTMENT HIGHLIGHTS

Q3 FY25 Earnings Highlights

- Cartrack **subscription revenue increased 19% Y/Y in USD**; YTD Cartrack **Subscription revenue increased 20% Y/Y in USD**
- **Well positioned for future growth** following move to new central office in South Africa and continued investment in sales and marketing in SE Asia
- Rare financial profile: **Rule of 60² company in Q3**
- **Record adjusted EPS¹ of ZAR7.67, an increase of 21% Y/Y**
- **Reaffirmed FY25 Outlook**

Key Investment Highlights

- Well positioned to drive **profitable growth** given efficient unit economics and expansive TAM
- Strong FCF generation provides capital allocation flexibility and optionality: **Growth is #1 priority**
- **Compelling and rare financial profile; Rule of 60² company** with strong and unlevered balance sheet
- Differentiated **enterprise-grade technology platform** that serves diverse industries enabled by our **vast data asset**
- **Founder-led business operating in a large TAM** with agile culture focused on rapid speed of innovation



¹ Adjusted earnings per share, (a non-IFRS measure) is defined as, earnings per share defined by IFRS excluding the impact of specific non-recurring operational expenses as outlined in the reconciliation.
² The sum of revenue growth and adjusted EBITDA margin for a reporting period sum to greater than 60.



KAROO0000