



**KAROO0000**

**Earnings Presentation Q3 FY22**

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## 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 January 18, 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.

## 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

NASDAQ TICKER "KARO"  
JSE TICKER "KRO"



100%

# CARTRACK

**Founded in South Africa, now headquartered in Singapore**



TODAY WE ARE INVESTING FOR DECADES TO COME

**Mobility is core to all on-the-ground operations**

As customer needs evolve at pace,  
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**



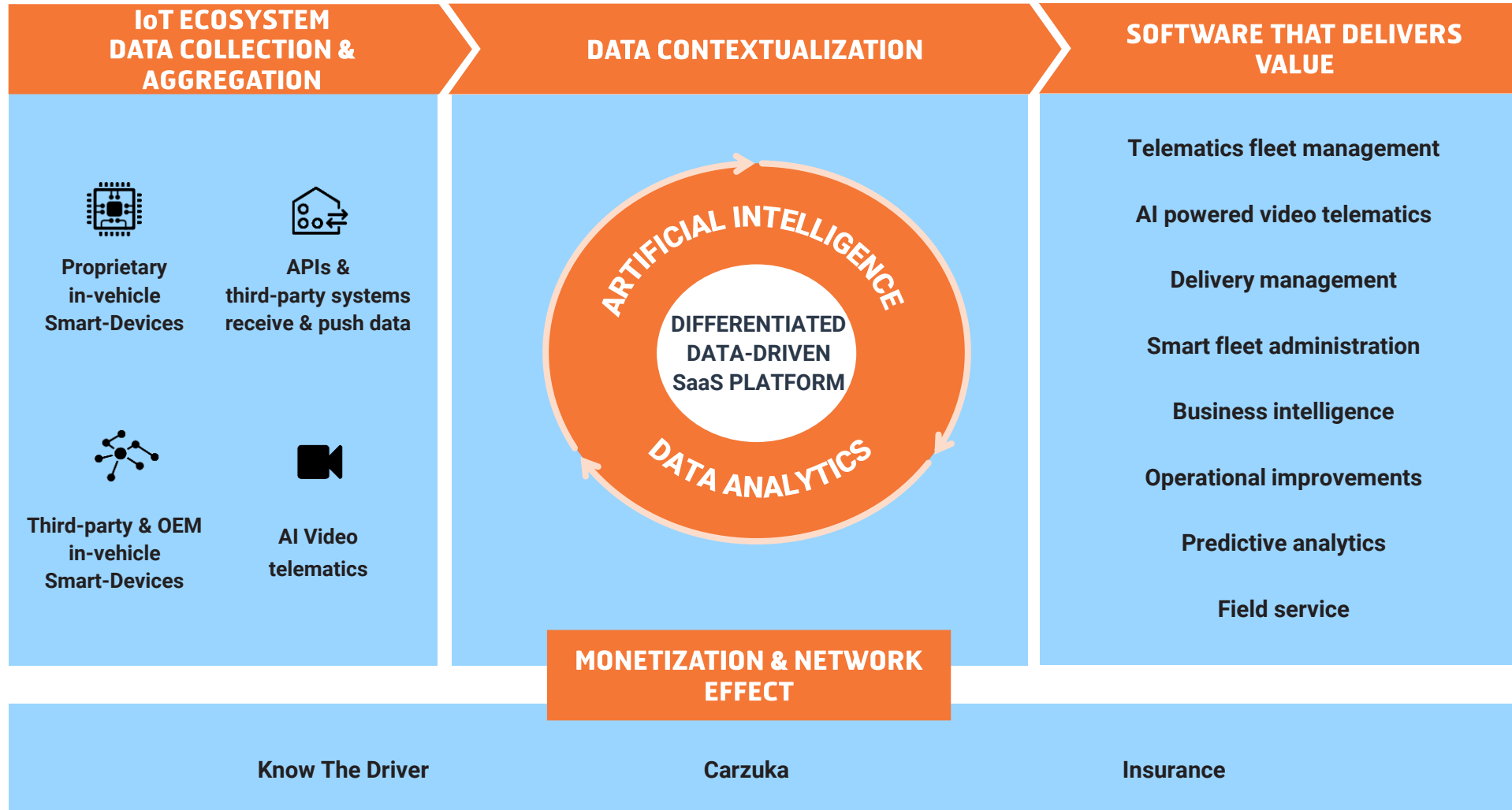
**Competitively  
Priced  
Insurance  
Quotes**

**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**

# OPEN OPERATIONS CLOUD WITH SEAMLESS INTEGRATIONS



# UNTAPPED NETWORK EFFECT OF OUR PLATFORM

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



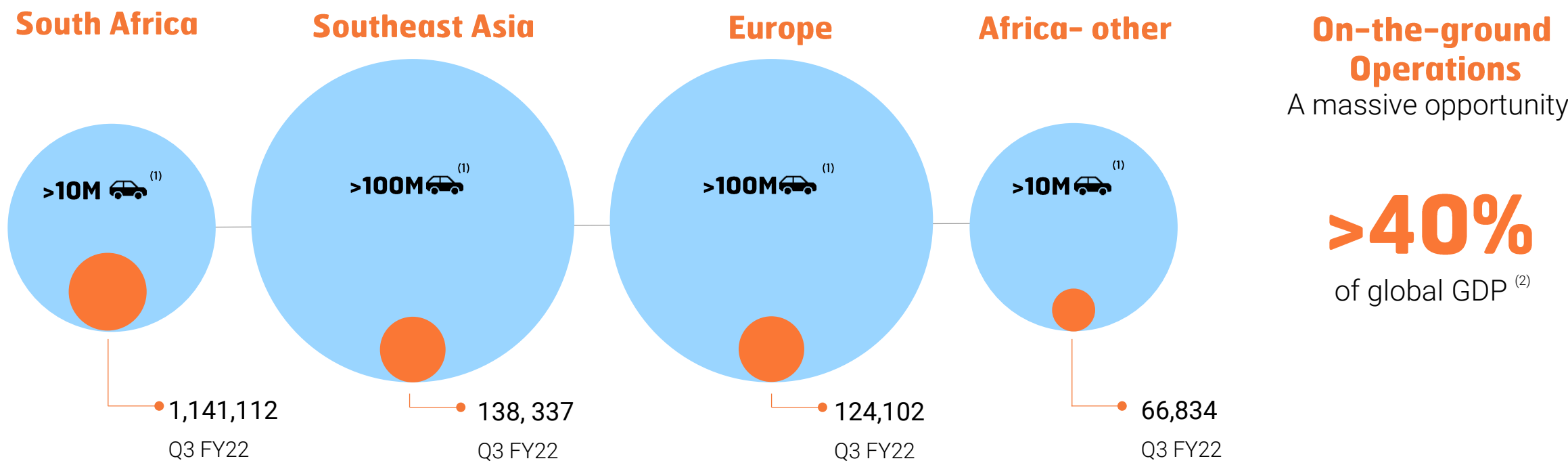
**THE SCALE OF DATA ON OUR CLOUD IS VAST & GROWING**

**70Bn+ valuable data points monthly<sup>(1)</sup>**

<sup>(1)</sup>For the month of November 2021

# EARLY STAGE OF A LARGE & LONG-TERM GROWTH OPPORTUNITY

Mobility is core to all on-the-ground operations



## IoT DATA IS KEY TO IMPROVING OPERATIONS



<sup>(1)</sup>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](https://www.news24.com/wheels/news/industry_news/youll-never-guess-how-many-vehicles-are-registered-in-sa-20170328)  
<sup>(2)</sup>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> .

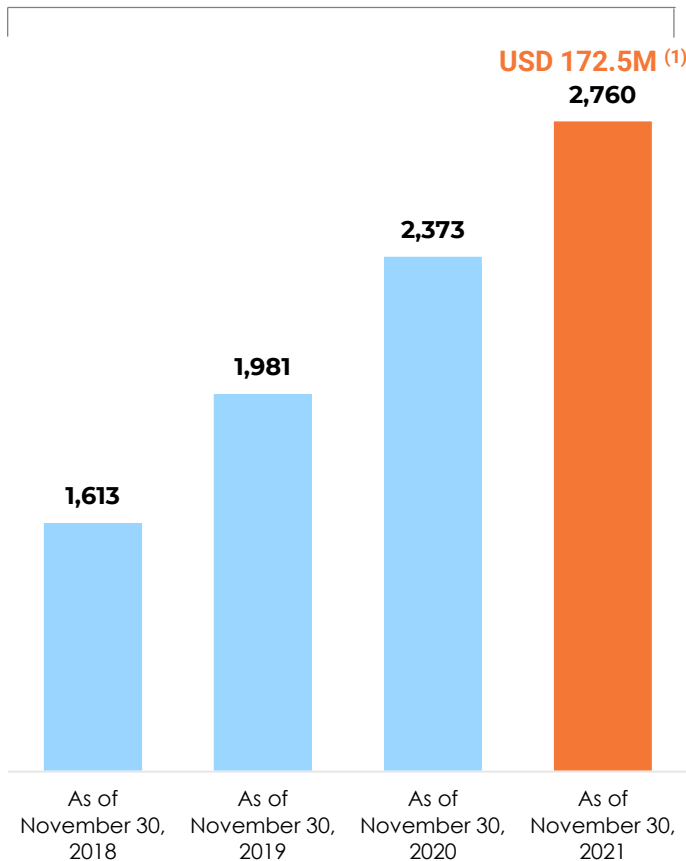


# ROBUST & CONSISTENTLY PROFITABLE BUSINESS MODEL

SaaS ARR growth  
ZAR M

20%

Compound annual growth rate



USD 172.5M <sup>(1)</sup>

2,760



**Vertically integrated** business model



**End-to-end all inclusive IoT** cloud software platform



**Established** infrastructure



**Expanding** distribution network



**Ability to execute & scale**

**78,000+**

Commercial customers



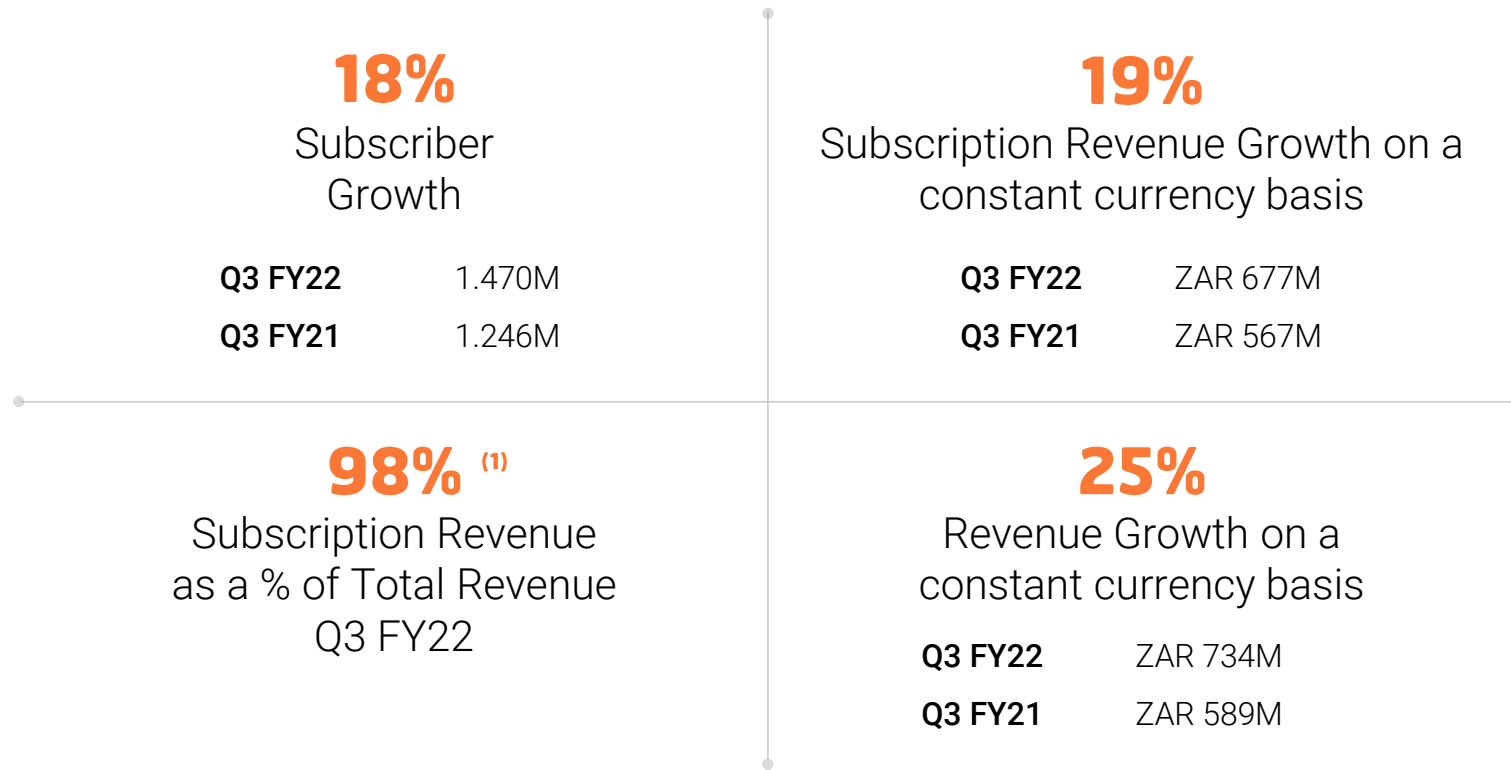
<sup>(1)</sup> Exchange rate of 16.00 ZAR:USD as of November 30, 2021



**KAROO0000**

**Performance for Q3 FY22**

# CONSISTENTLY GROWING SUBSCRIPTION REVENUE



## STRONG CUSTOMER ACQUISITION

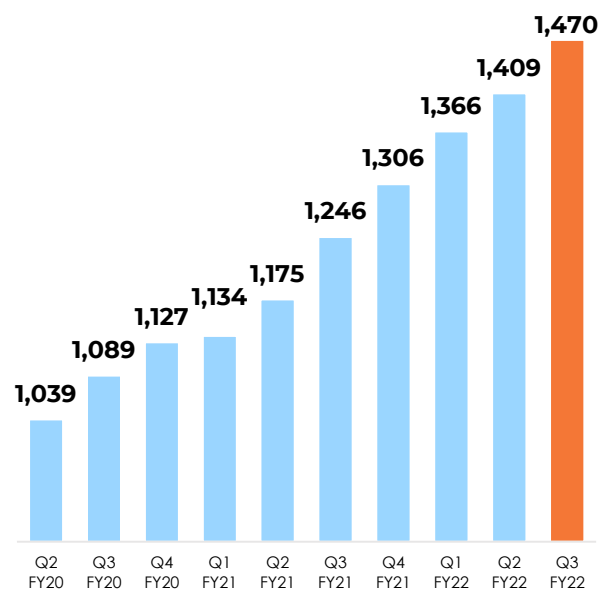


<sup>(1)</sup>Total revenue excluding revenue earned from Carzuka & Picup

# A HISTORY OF CONSISTENT EXECUTION

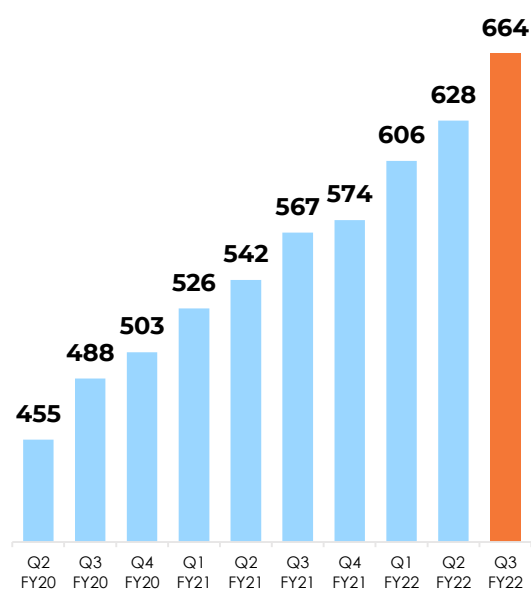
## Scale

Subscribers  
000s



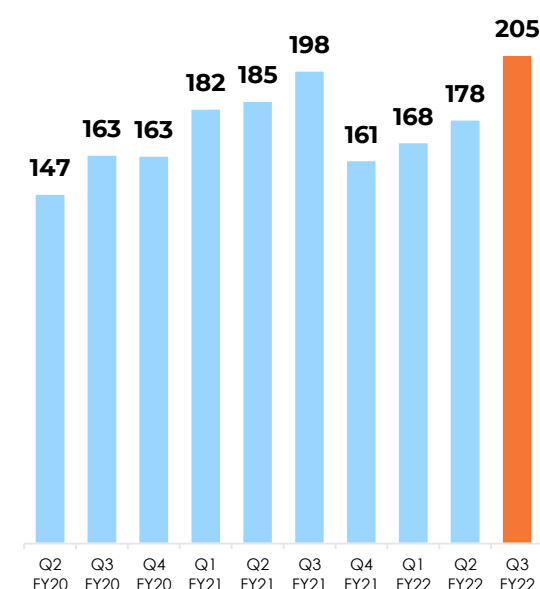
## Growth

Subscription Revenue  
ZAR M



## Profitability

Operating Profit  
ZAR M



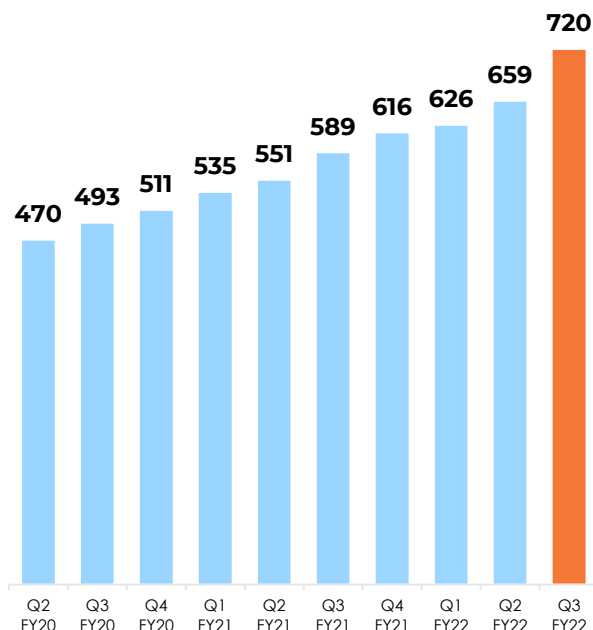
**WITH STRONG FINANCIAL DISCIPLINE**



# STRONG GROWTH WITH CAGR OF >20%

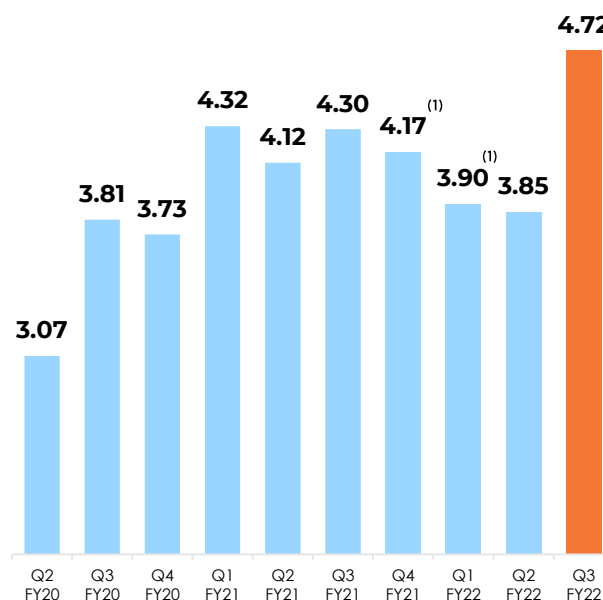
## Growth

Revenue  
ZAR M



## Profitability

Earnings per share  
ZAR



Strong unit economics

Robust operating margins

Consistently beaten Rule of 40<sup>(2)</sup>

Unlevered balance sheet

Strong cash position

## AMPLE CAPACITY TO INCREASE INVESTMENT IN SALES & MARKETING



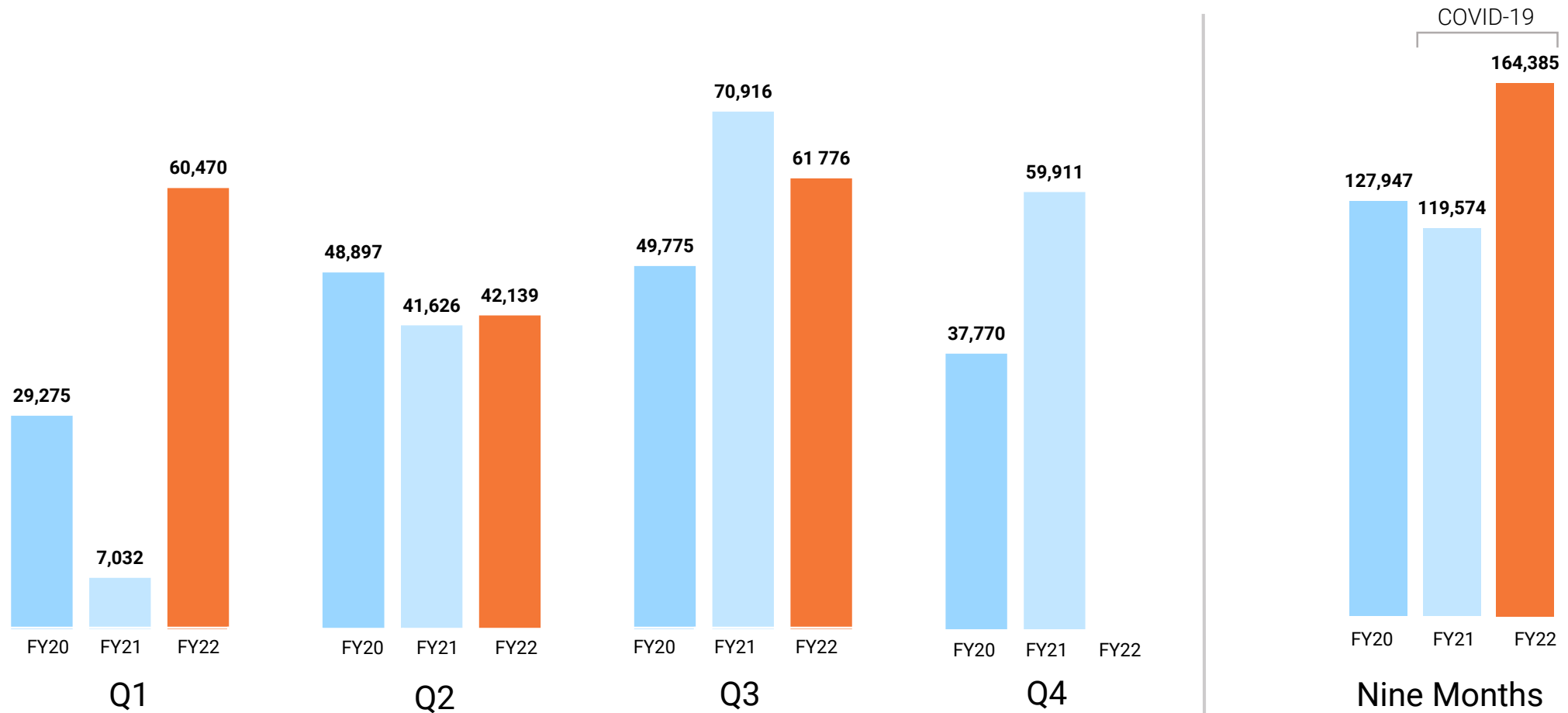
(1) Adjusted Earnings per share being Earnings per share defined by IFRS excluding the impact of once-off non-recurring operational expenses: IPO costs of ZAR26 million were expensed in Q4 of FY21 & IPO costs of ZAR10 million were expensed in Q1 of FY22.

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

# NET SUBSCRIBER ADDITIONS

## Quarter

## Nine Months ended November



**CONSISTENTLY GROWING OUR SUBSCRIBER BASE**



# STRONG UNIT ECONOMICS

Constantly evaluate trade-off  
Unit Economics vs. Accelerated Growth

Lifetime Value of  
Customer Relationships<sup>(1)</sup>



Low Cost of Acquiring a  
Customer<sup>(2)</sup>



Strong Comparative  
Benefits from  
Economies of Scale

>9x

LTV to CAC

**WELL POSITIONED TO MATERIALLY INCREASE INVESTMENT FOR GROWTH**



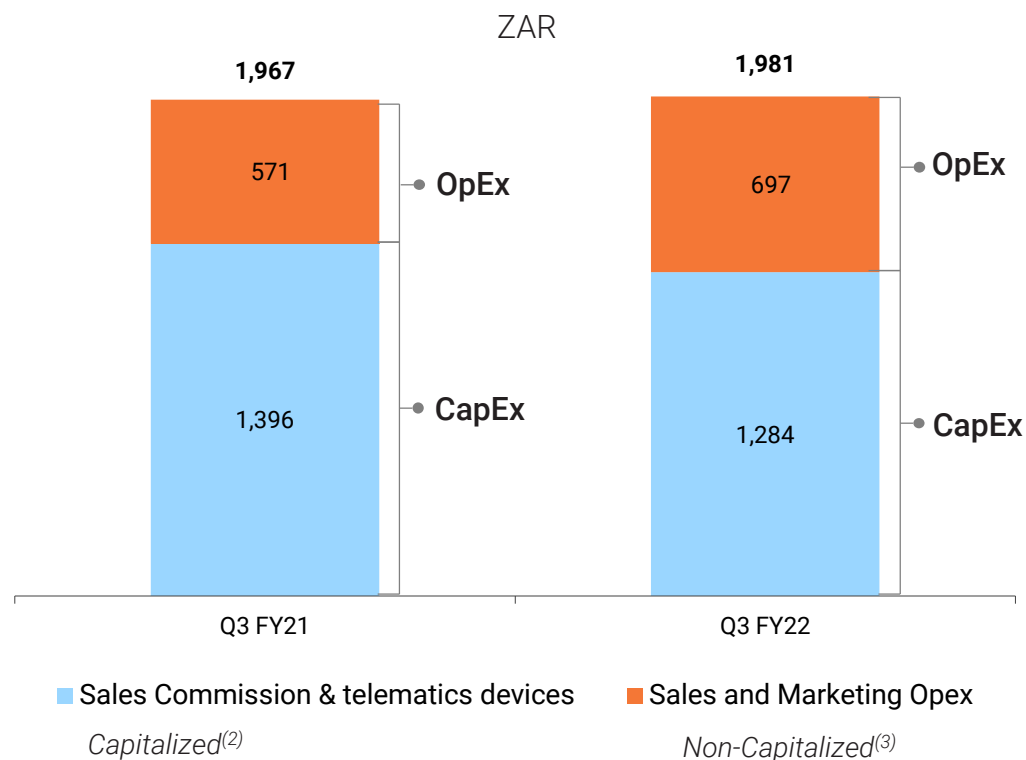
(1) The product of our subscription revenue gross margin measured over the past twelve months, and the difference between our current period SaaS ARR and prior comparative period (twelve months) SaaS ARR divided by the percentage of SaaS ARR lost as a result of customer churn over the past 12 months.

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

# CARTRACK'S LOW COST OF ACQUIRING A SUBSCRIBER

## Average Cost of adding a Subscriber to our cloud <sup>(1)</sup>

Average Cost of Acquiring a Subscriber takes into account vehicles for new & existing customers



## Cartrack's Operating Profit Margin <sup>(4)</sup>

31%

FY22 Q3

Despite continued strategic investment for long-term growth

| Lifetime value of a subscriber                      | Q3 FY21 | Q3 FY22 |
|-----------------------------------------------------|---------|---------|
| ARPU (ZAR)                                          | 156     | 153     |
| Subscriber contract life cycle (Months)             | 60      | 60      |
| Subscription revenue gross profit margin            | 72%     | 69%     |
| Lifetime value of a subscriber <sup>(5)</sup> (ZAR) | 6,739   | 6,334   |

(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) Excluding Carzuka & Picup

(5) 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.





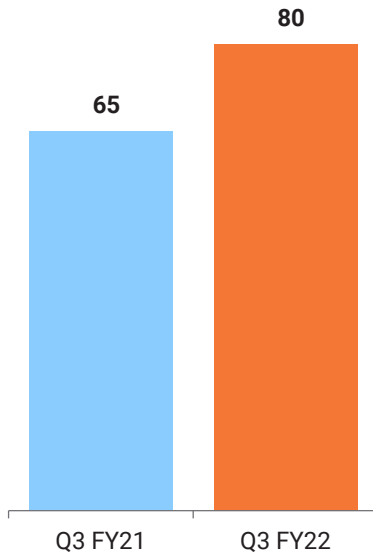
# CONTINUED EXPANSION DESPITE COVID-19

| '000s Subscribers             | Q3<br>FY20 | Q3<br>FY21 | Q3<br>FY22 | Q3-o-Q3<br>change |
|-------------------------------|------------|------------|------------|-------------------|
| <b>SOUTH AFRICA</b>           |            |            |            |                   |
| Subscribers                   | 841        | 962        | 1,141      | 19%               |
| <b>ASIA, MIDDLE EAST, USA</b> |            |            |            |                   |
| Subscribers                   | 92         | 115        | 138        | 20%               |
| <b>EUROPE</b>                 |            |            |            |                   |
| Subscribers                   | 95         | 108        | 124        | 15%               |
| <b>AFRICA- OTHER</b>          |            |            |            |                   |
| Subscribers                   | 60         | 62         | 67         | 8%                |

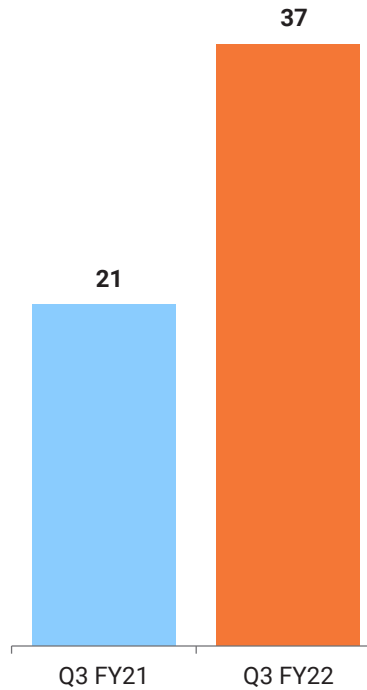


# BUILDING FOR THE FUTURE

Sales & Marketing  
ZAR M



R&D  
ZAR M



G&A  
ZAR M



## STRATEGIC & DISCIPLINED CAPITAL ALLOCATION



# ROBUST OPERATING METRICS

Investing for the future

|                                                               | Q3 FY21 | Q3 FY22 | Long-term<br>Targets <sup>(1)</sup> |
|---------------------------------------------------------------|---------|---------|-------------------------------------|
| Research & Development as a % of Subscription Revenue         | 4%      | 6%      | 4-6%                                |
| Sales & Marketing as a % of Subscription Revenue              | 12%     | 12%     | 17-19%                              |
| General & Administration as a % of Subscription Revenue       | 21%     | 20%     | 12-16%                              |
| Adjusted EBITDA <sup>(2)</sup> as a % of Subscription Revenue | 53%     | 52%     | 50-55%                              |

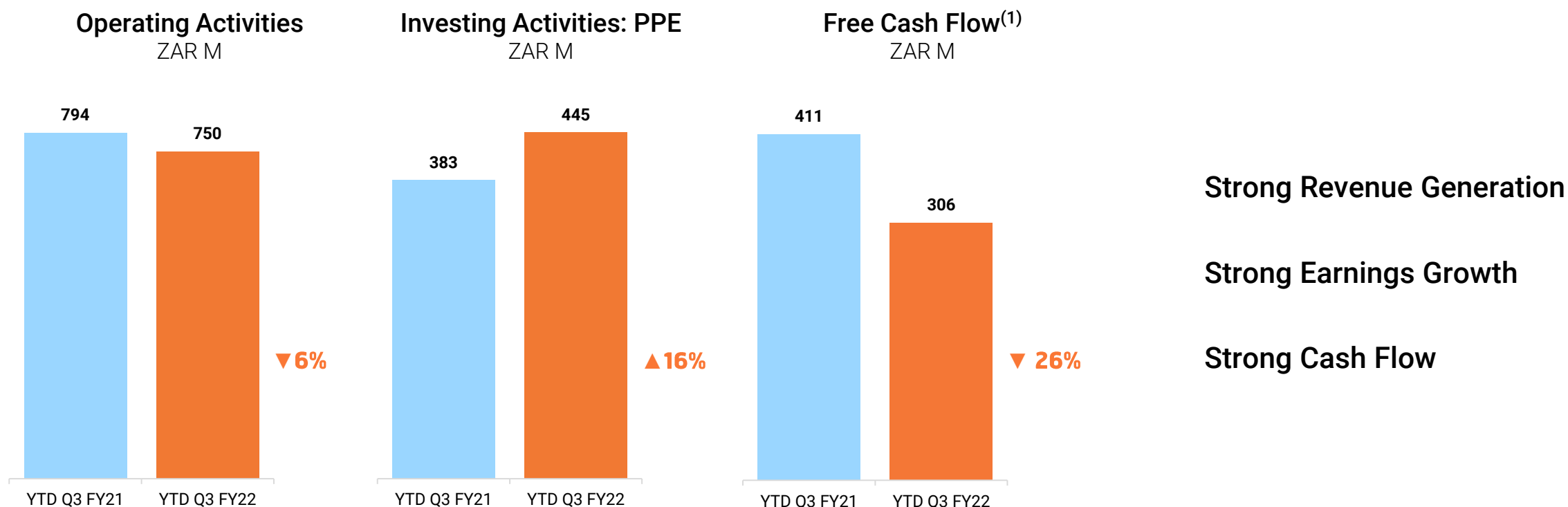
## TRENDS IN LINE WITH LONG-TERM FINANCIAL GOALS SET OUT UPON LISTING



- (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.

# FREE CASH FLOW

Balancing our significant & continued strategic investment into customer acquisition & long-term growth whilst exercising caution in allocating capital during the pandemic



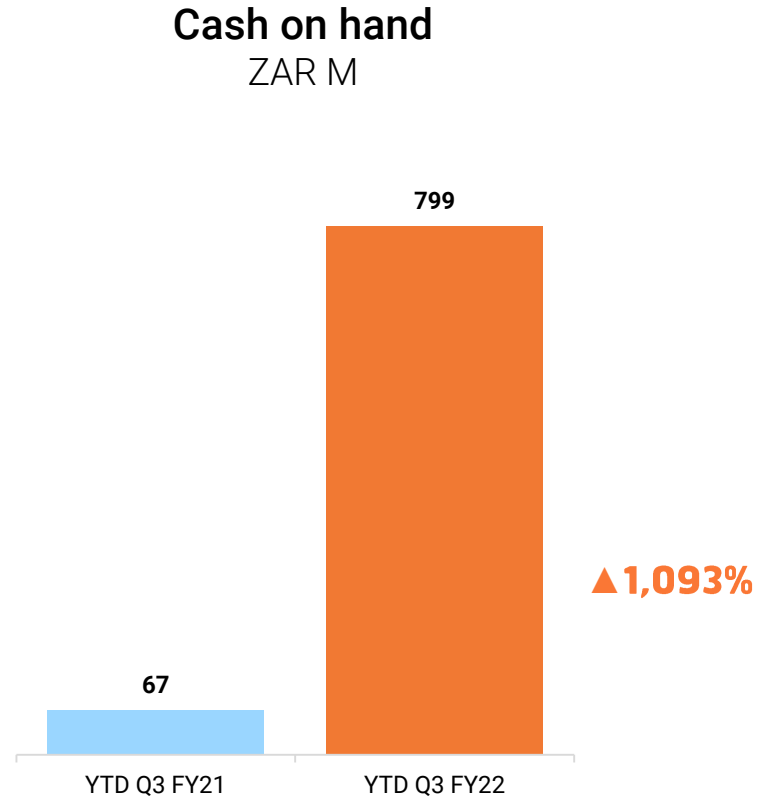
## UNLEVERED BALANCE SHEET & AMPLE CAPACITY TO FUND GROWTH



(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.

(2) YTD refers to the nine months ended November

# OUR STRONG CASH POSITION



Debtor's Days <sup>(1)</sup>

34

FY22 Q3

## SUPPORTED BY PROPRIETARY COLLECTION MANAGEMENT SOFTWARE



(1) A non-IFRS measure & is after provisioning for expected credit losses due to COVID-19  
(2) YTD refers to the nine months ended November

# OUTLOOK FOR FY22 REMAINS UNCHANGED DESPITE PANDEMIC

Geared for growth and scalability with strong financial discipline and earnings

|                                                    | FY20  | FY21  | Year-to-date<br>(Q3) FY22 | FY22 Outlook  |
|----------------------------------------------------|-------|-------|---------------------------|---------------|
| Number of subscribers (000s)                       | 1,127 | 1,306 | 1,470                     | 1,500 – 1,600 |
| Subscription Revenue (ZAR M)                       | 1,888 | 2,209 | 1,897                     | 2,500 – 2,700 |
| Adjusted EBITDA margin (excluding Carzuka & Picup) | 48%   | 49%   | 47%                       | 45% -50%      |

**SaaS ARR<sup>(1)</sup> as at November 30, 2021**  
**ZAR 2,760 million**



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

SaaS 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 (November 2021) & multiplying by 12. 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



# KAROO

## **Appendix | Case Studies & Platform**

REFER TO Q3 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



### 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

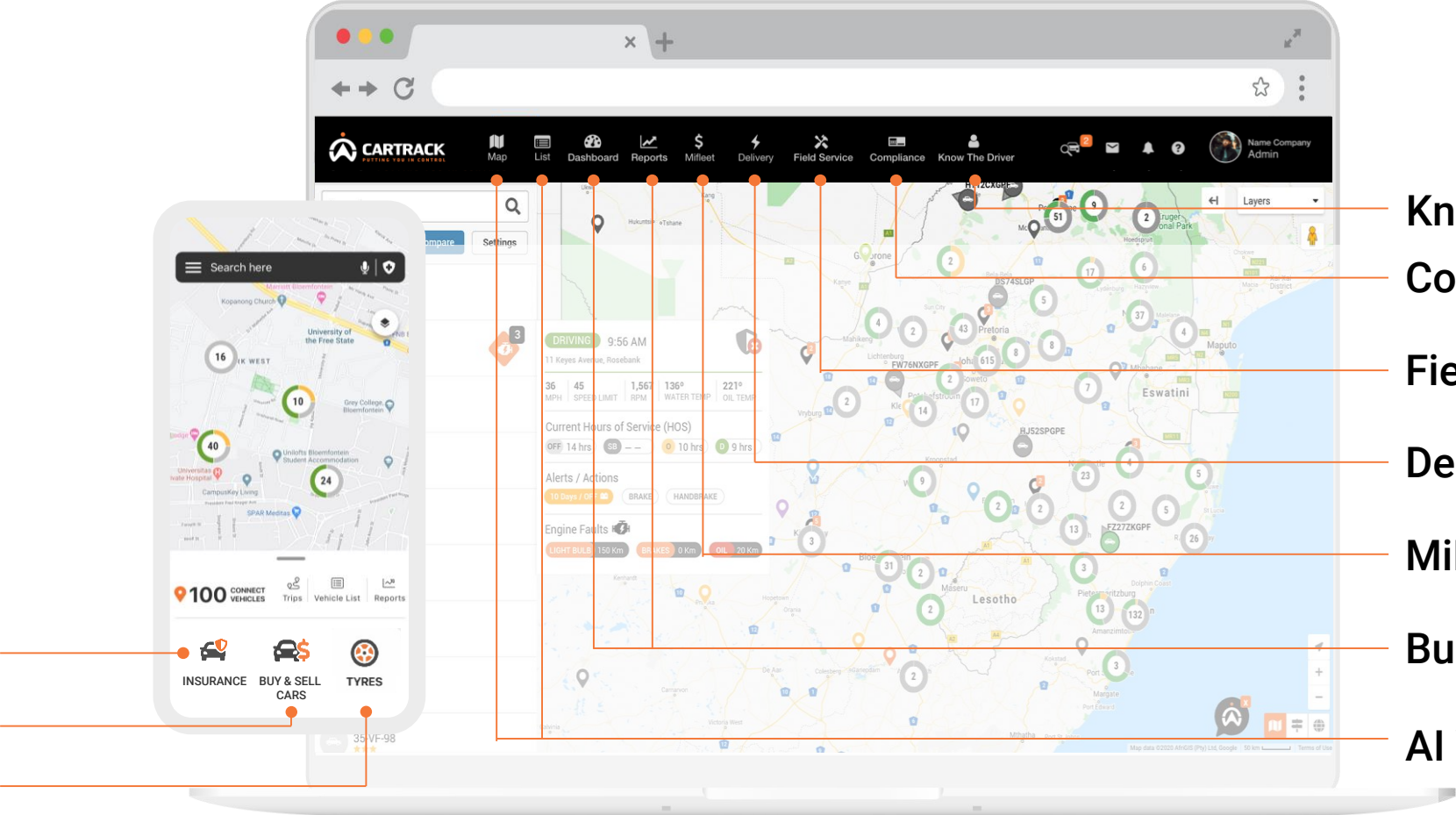
### SOLUTION:

- 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



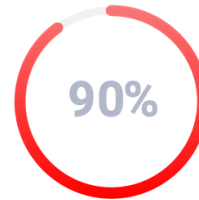
Reliable & secure





# 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

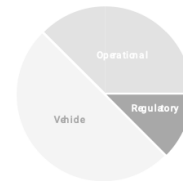


Soon due for maintenance

Mark Barnes

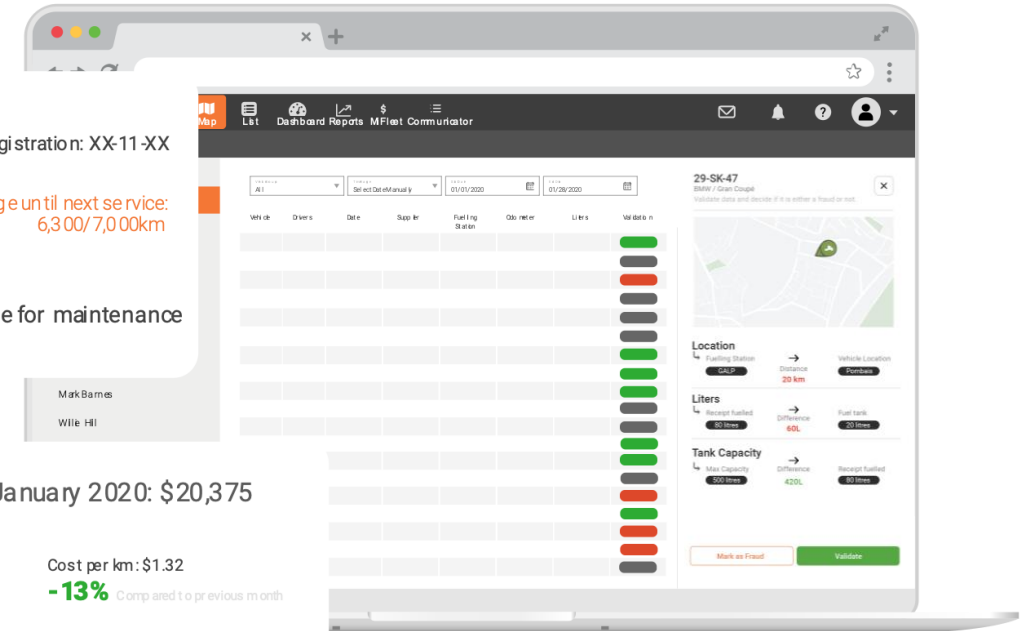
Wile Hill

Total costs in January 2020: \$20,375



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

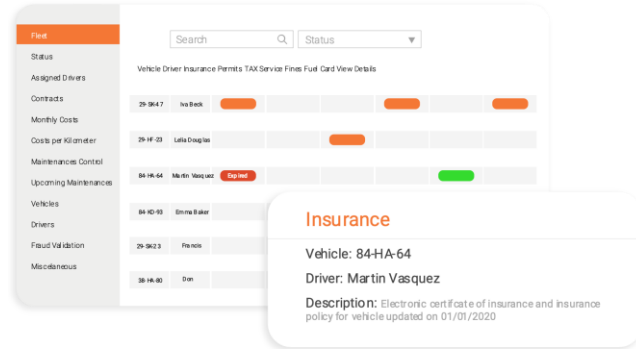
Cost per job: \$10.46  
**-10%** Compared to previous month





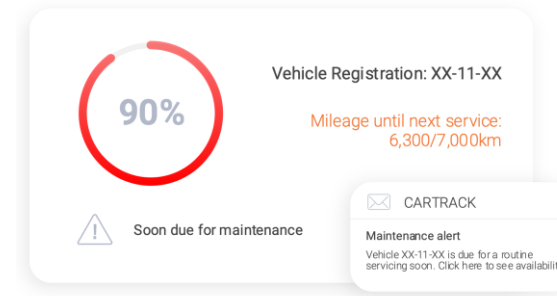
## Easy admin

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



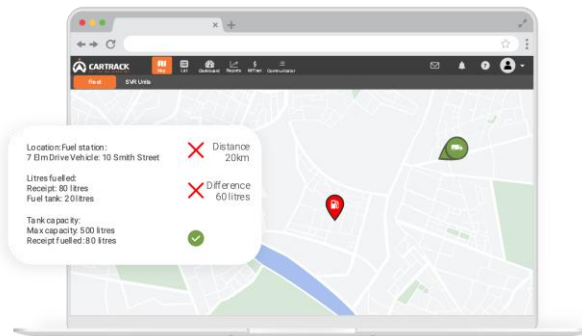
## Preventative maintenance

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.

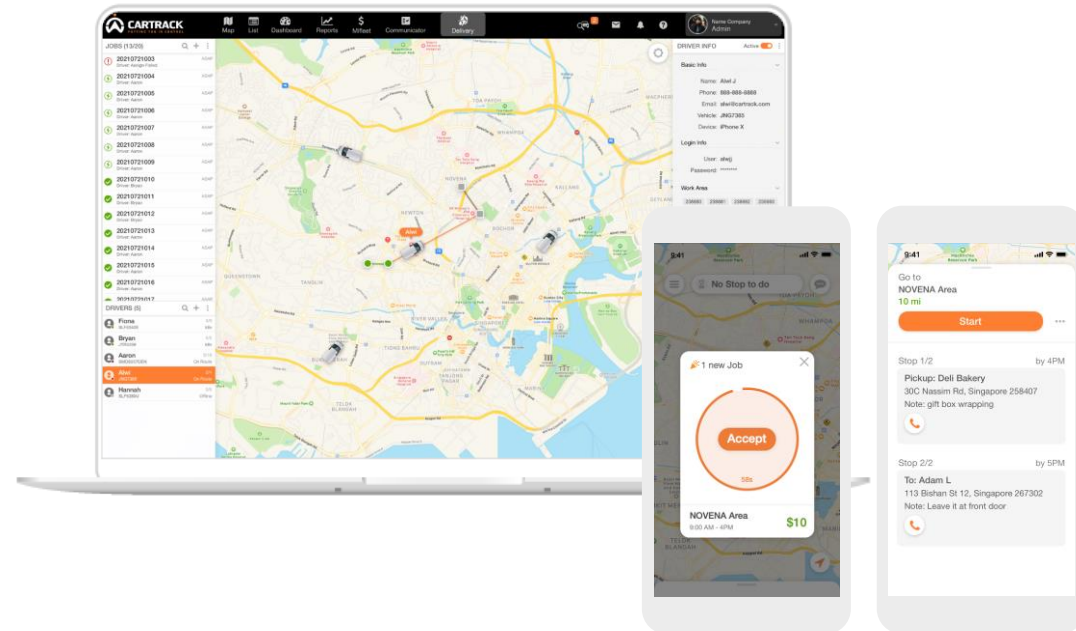
| Last 60 days            |            |              |               |
|-------------------------|------------|--------------|---------------|
| Driver                  | John Smith | Mike Roberts | Fleet average |
| Cost per km             | \$1.32     | \$1.98       | \$1.76        |
| Cost per job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





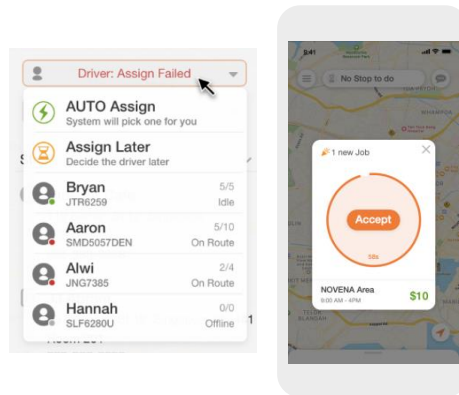
# DELIVERY

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



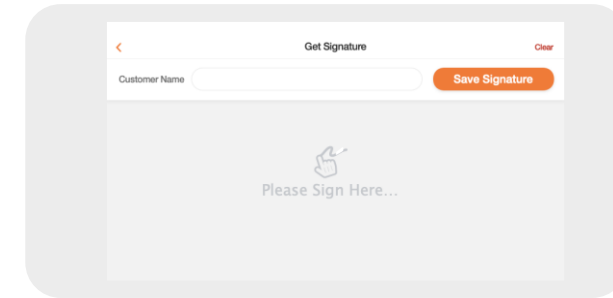
## Efficient dispatching

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



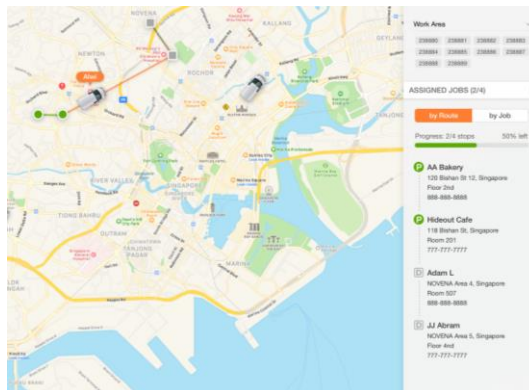
## Electronic proof of delivery

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



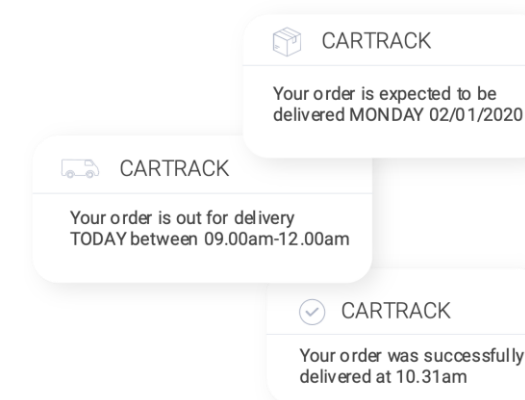
## Route optimization

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.

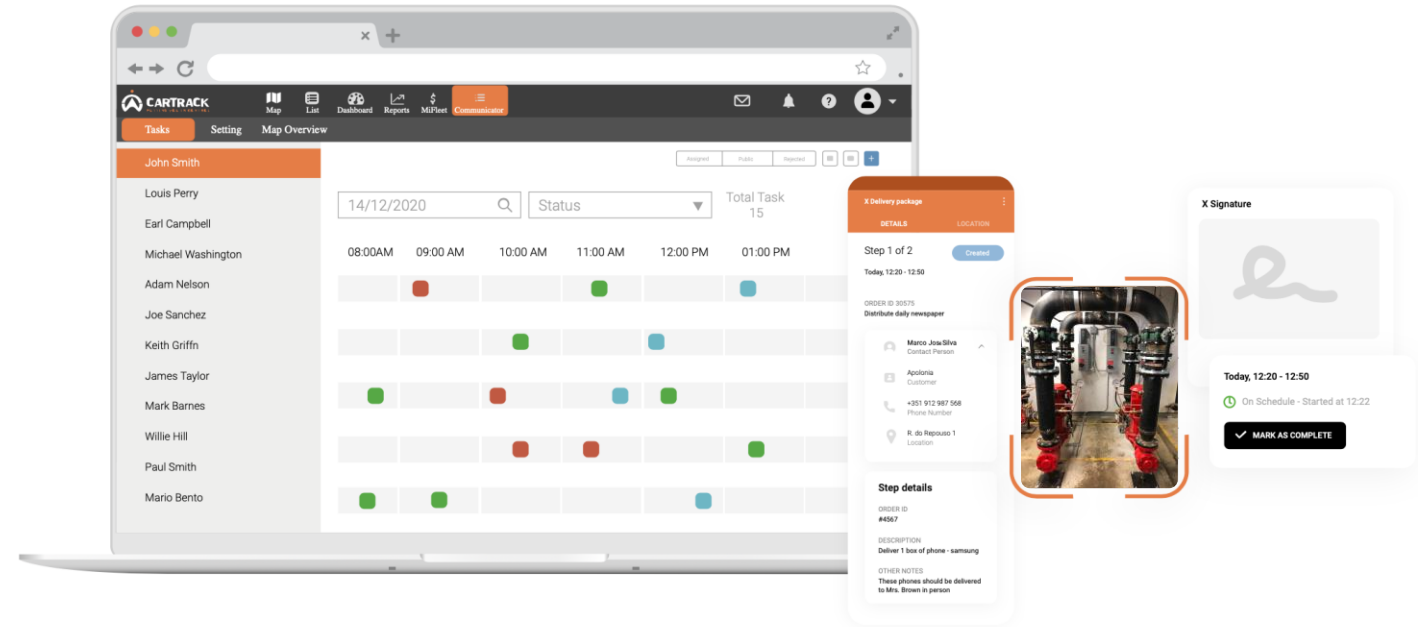








# FIELD SERVICE

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



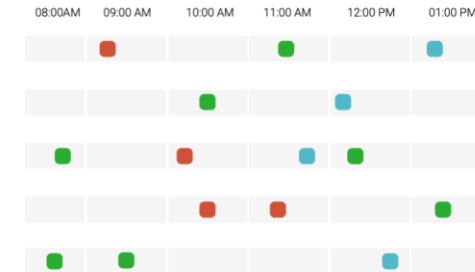
## Quality control

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                                                                      |   |

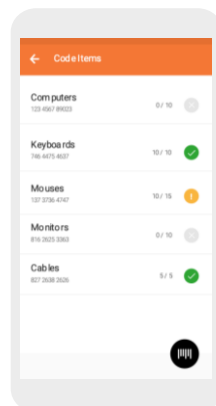
## Resource scheduling

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



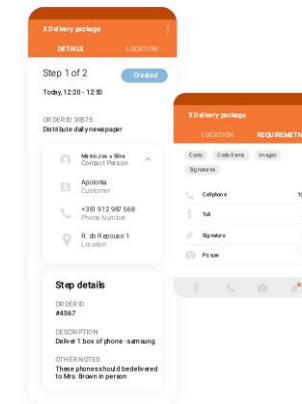
## Stock control

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



## Streamlined workflows

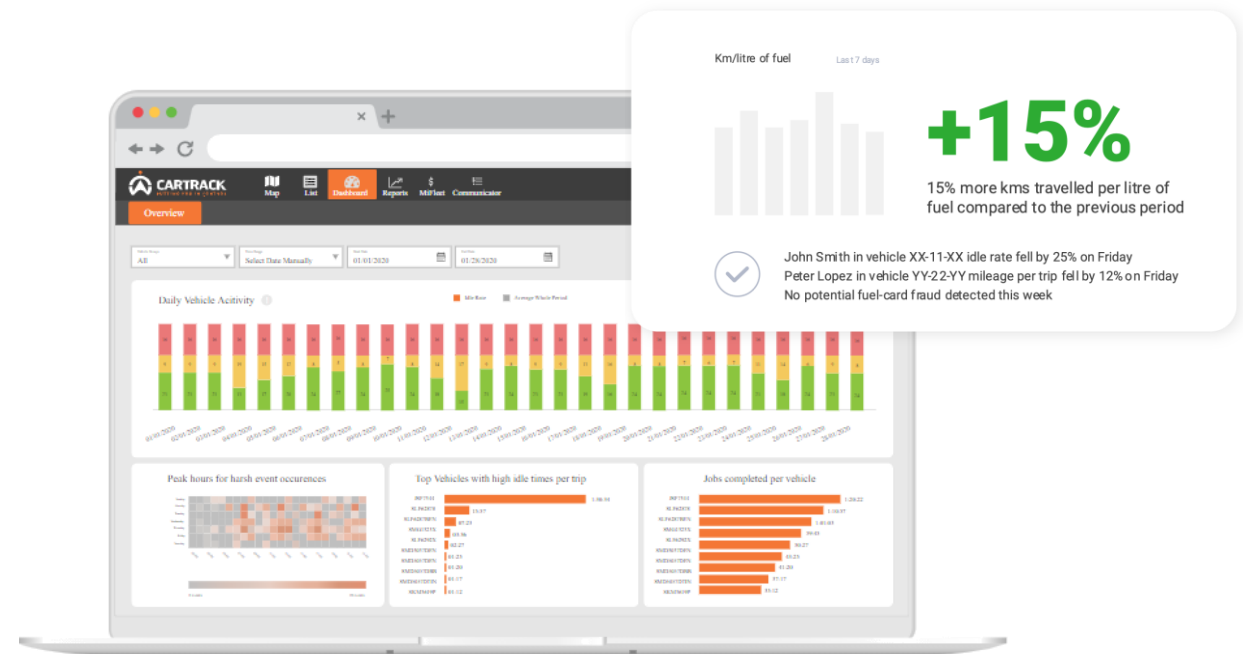
Break jobs into steps and guarantee your team knows everything they need to complete work smoothly with real-time communication and paperless documentation.





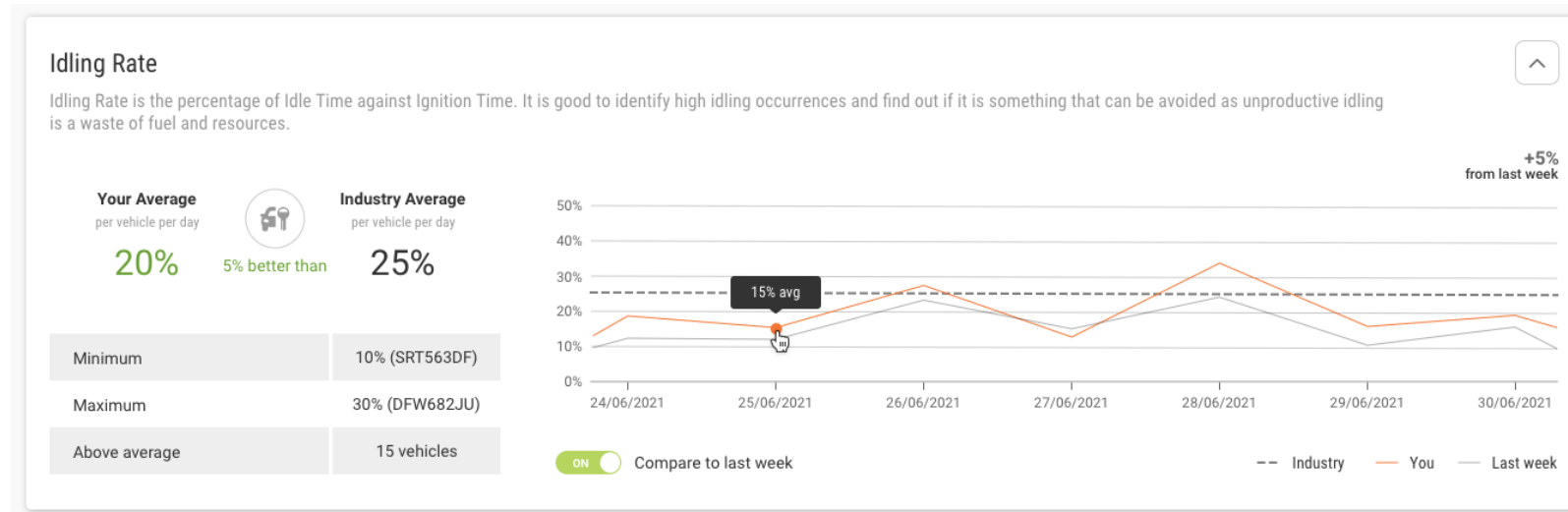
# BUSINESS INTELLIGENCE

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

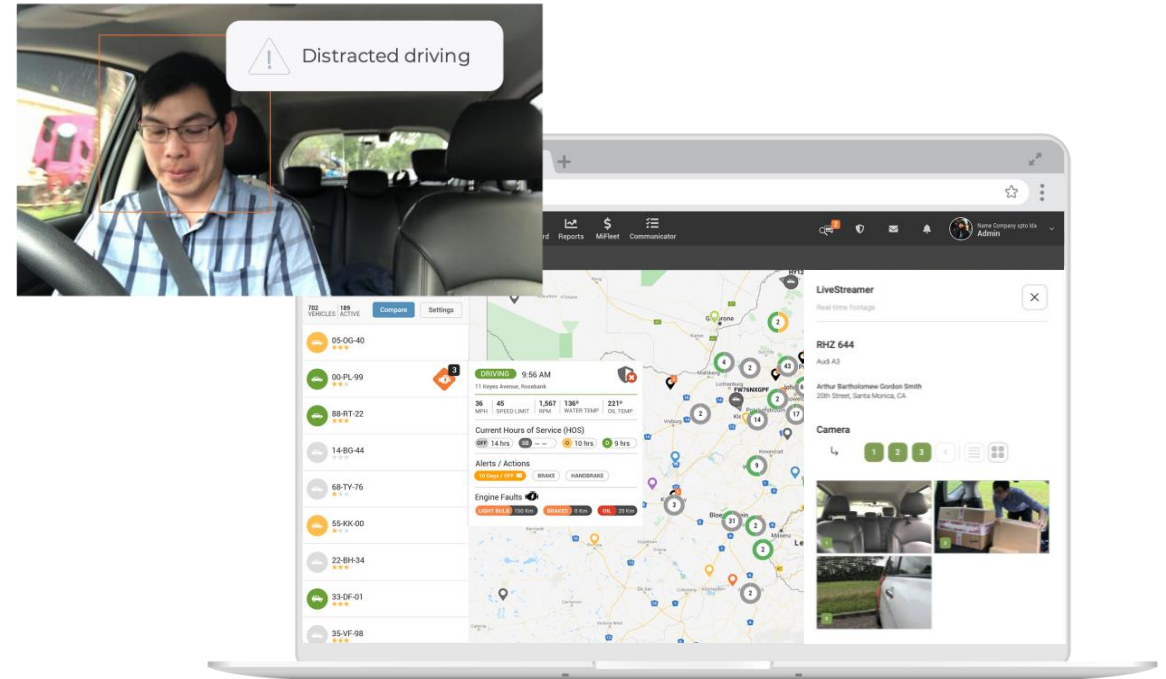
Recommended Course of Action:





# AI VIDEO TELEMATICS & LIVEVISION

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



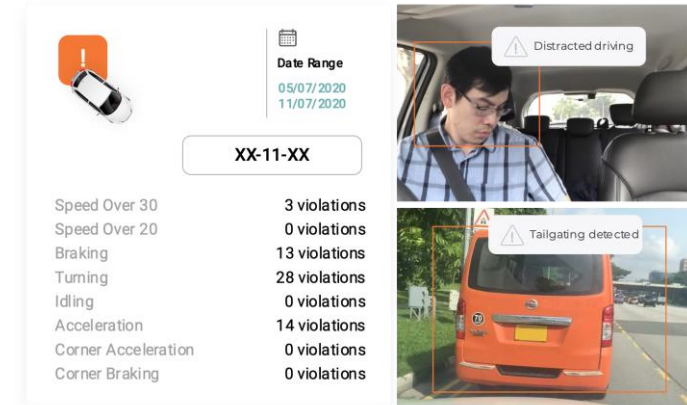
## AI detected behavioural events

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



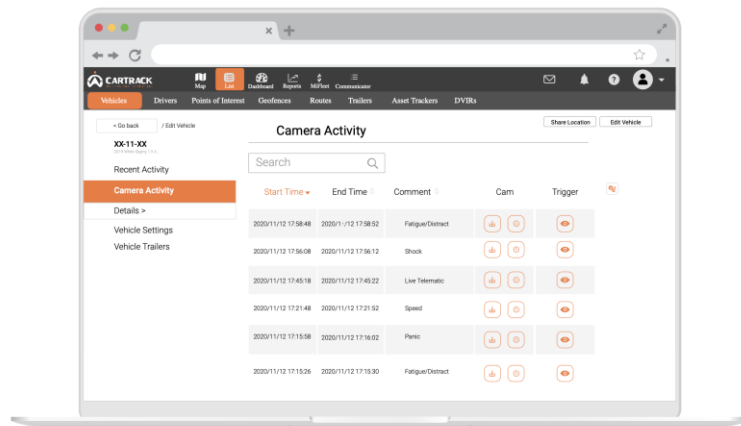
## Driver scorecards

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



## On-demand cloud storage

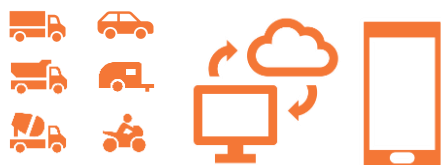
Footage is segmented by time and event to eliminate wasted hours of filtering footage and available via platform from anywhere.



## High-resolution live streaming

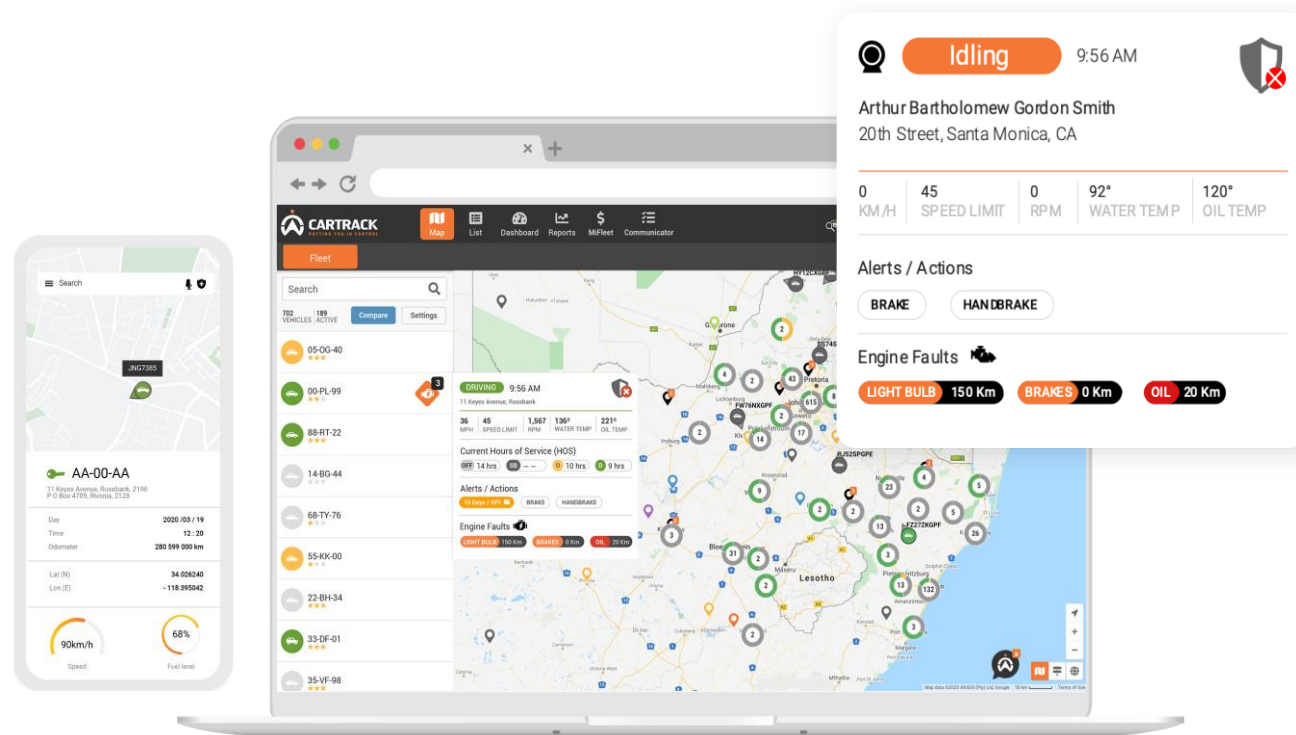
Gain full visibility of cargo, secure sensitive goods and have continuous footage to exonerate drivers.





# FLEET TELEMATICS

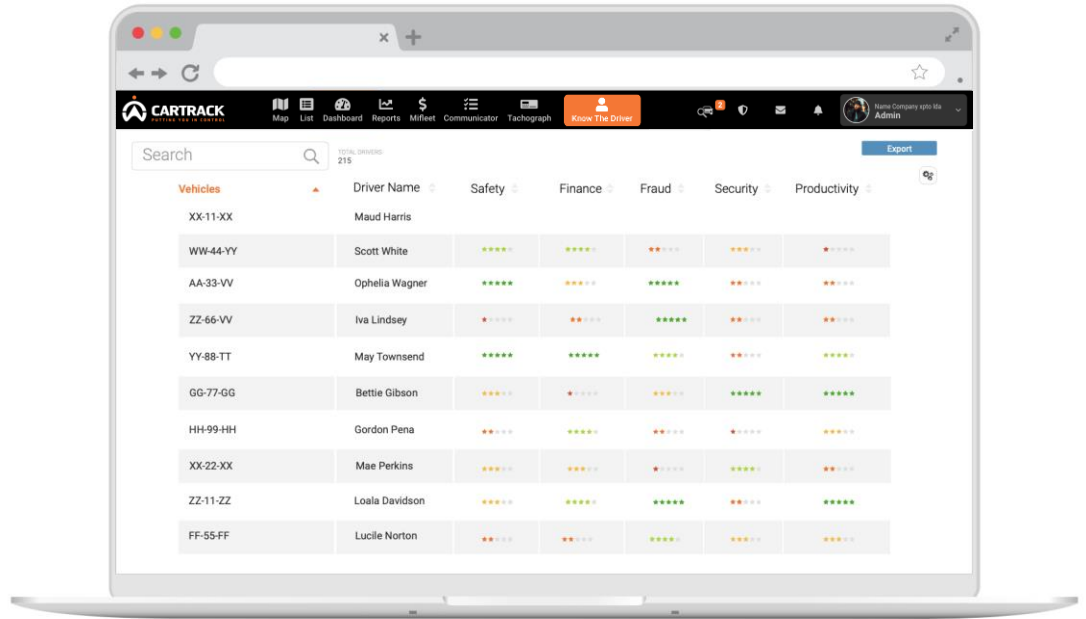
Gain total control of vehicles, drivers and cargo with real-time visibility and alerts to plan and optimize fleet utilization





# 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

