



KAROO0000

Earnings Presentation Q1 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.

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 09, 2022.

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 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.

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%
CARZUKA

100%
CARTRACK

70.1%
KAR00000
LOGISTICS

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

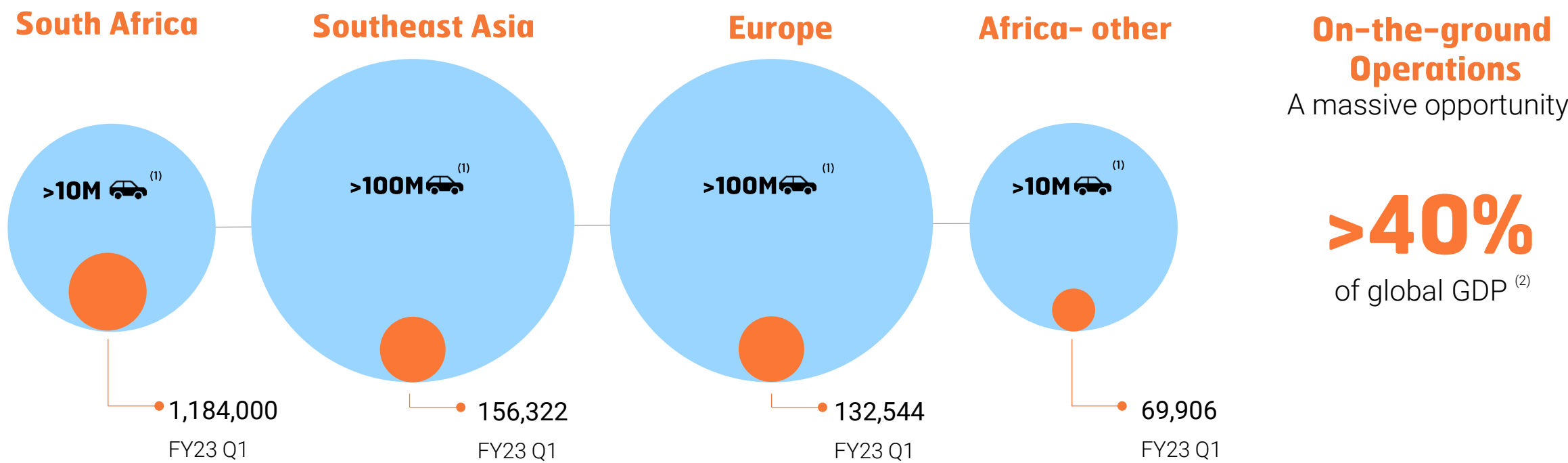
- Track record of delivering new applications as we partner our customers to transform their businesses & operations
- Founder-led management team with agile & entrepreneurial mindset

DRIVING SHAREHOLDER VALUE



EARLY STAGE OF A LARGE & LONG-TERM GROWTH OPPORTUNITY

Mobility is core to all on-the-ground operations



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

90Bn+ valuable data points monthly⁽¹⁾



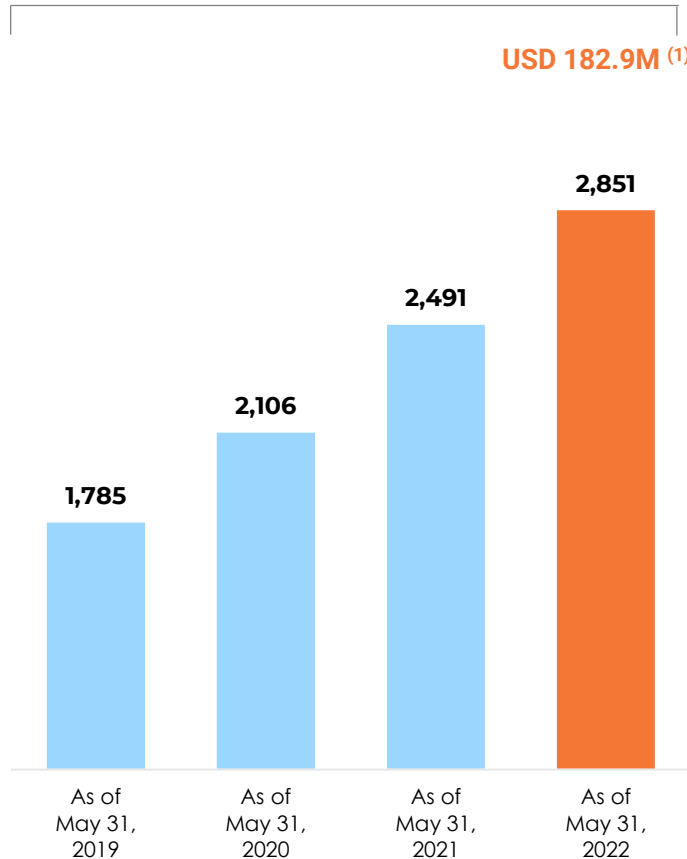
ROBUST & CONSISTENTLY PROFITABLE BUSINESS MODEL

SaaS ARR growth ZAR M

17%

Compound annual growth rate

USD 182.9M ⁽¹⁾



As of
May 31,
2019

As of
May 31,
2020

As of
May 31,
2021

As of
May 31,
2022

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



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

90,000+

Commercial customers

(Q1 FY22: 76,000+)



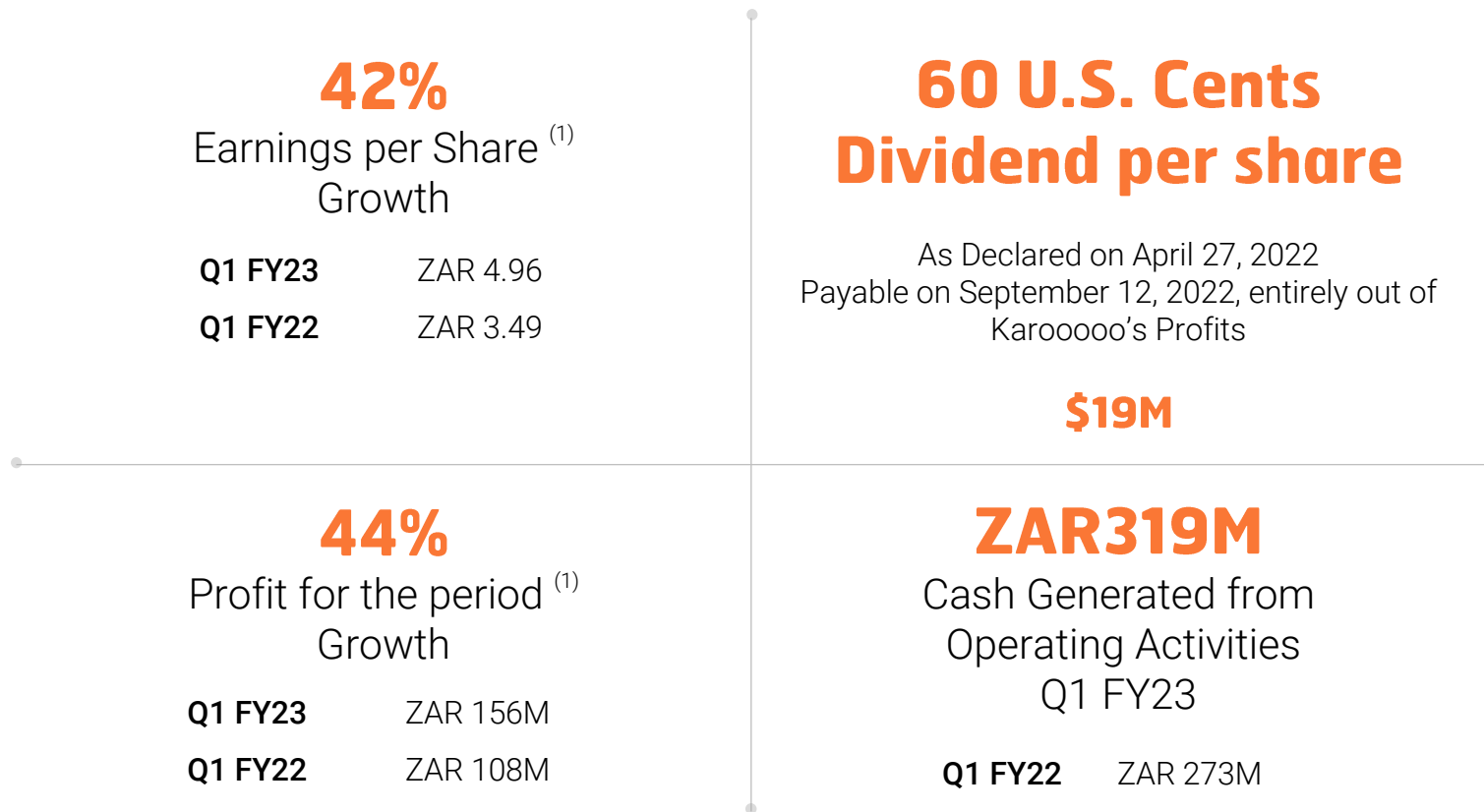
⁽¹⁾ Exchange rate of 15.59 ZAR:USD as of May 31, 2022



KAROO0000

Performance for Q1 FY23

KAROOOOO's RECORD EARNINGS & CASH GENERATION FROM OPERATING ACTIVITIES

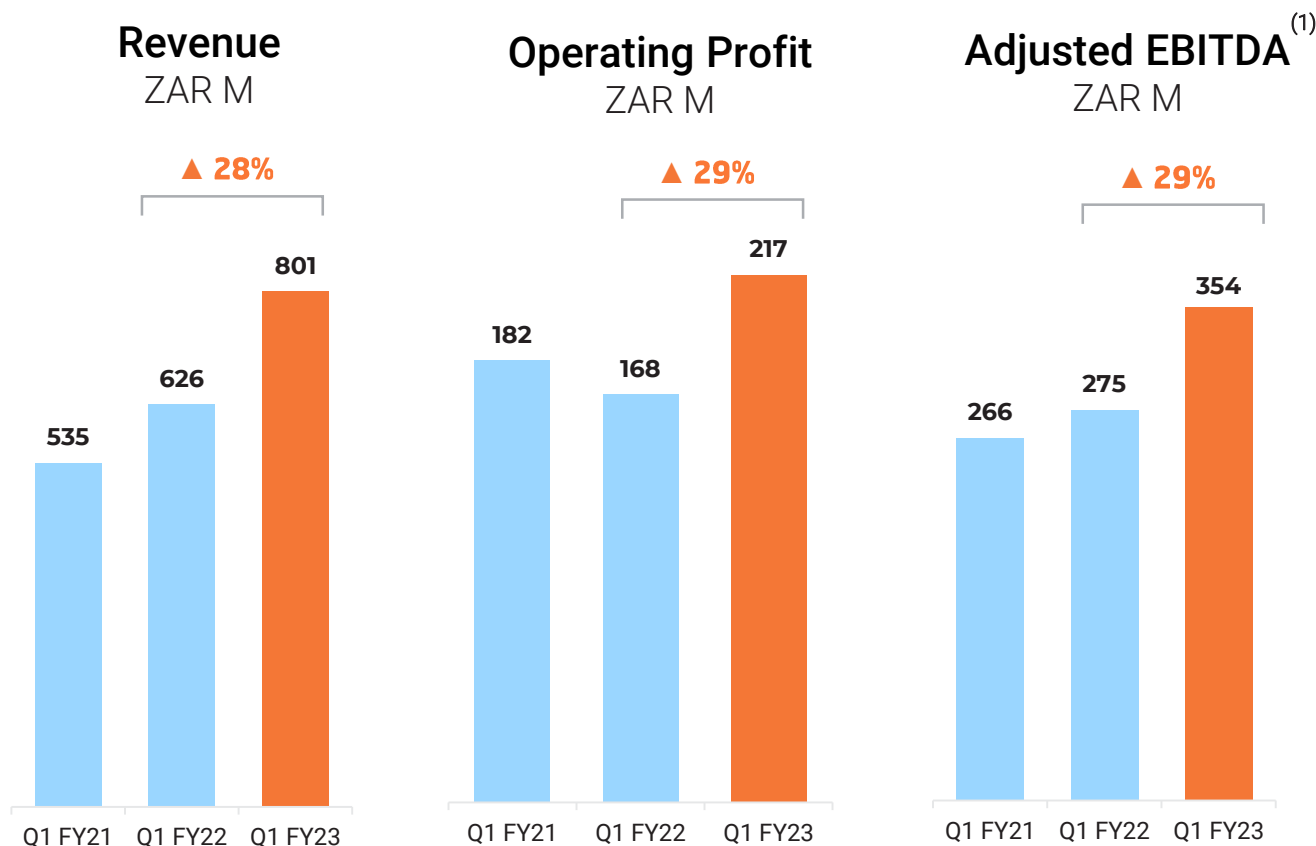


RESILIENT BUSINESS MODEL THAT IS HIGHLY CASH GENERATIVE



(1) Adjusted earnings per share (a non-IFRS measure) increased 27% to ZAR4.96 in Q1 FY23 (Q1 FY22: ZAR3.90). The difference between profit & adjusted profit in the period (the first quarter of 2022) is attributable to ZAR10 million once-off IPO costs that are not tax deductible, which were expensed in the first quarter of 2022.

KAROOOOO's STRONG GROWTH AT SCALE



Strong unit economics

Robust operating margins

Consistently beaten Rule of 40⁽²⁾

Strong balance sheet

Strong cash position

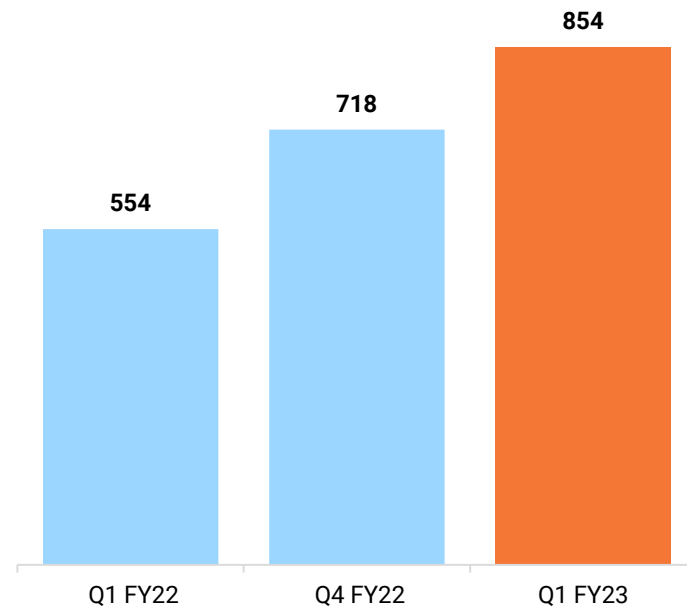
SUPPORTED BY HIGH CUSTOMER RETENTION RATE



(1) Karooooo's adjusted EBITDA (a non-IFRS measure) increased 29% 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

KAROOOOO's ROBUST CASH POSITION

Net Cash on hand
ZAR M



Cartrack's
Debtor's Days ⁽¹⁾

33

Q1 FY23

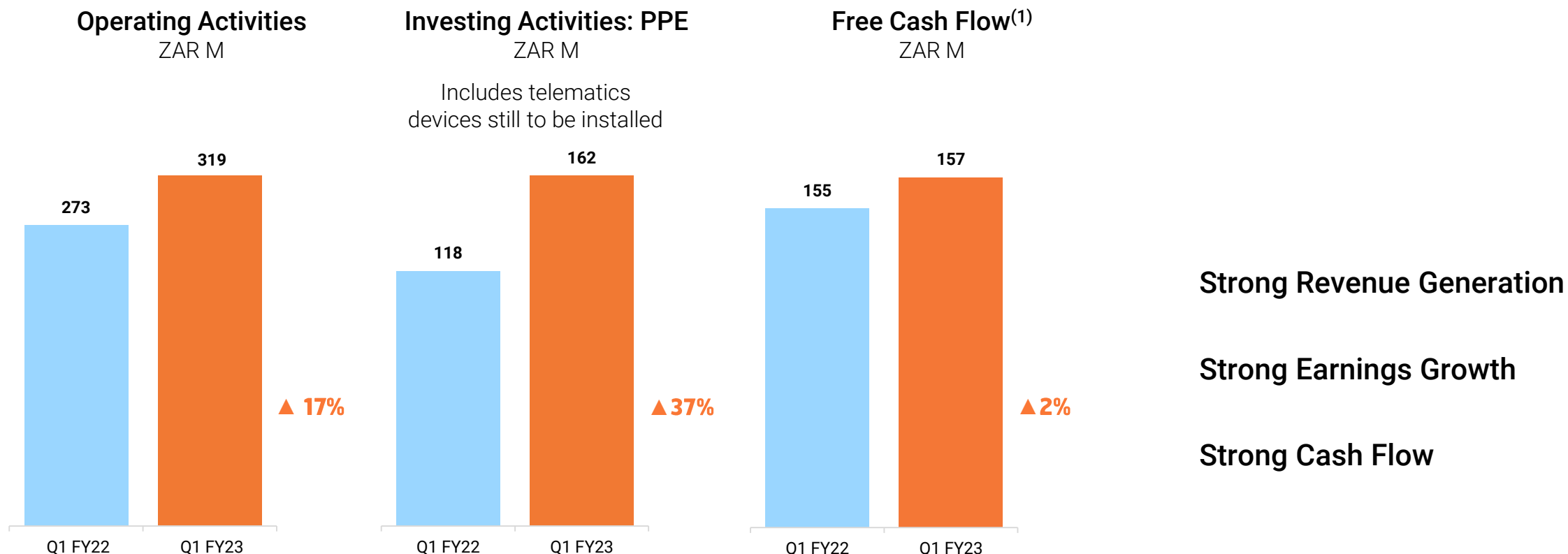
Q1 FY22: 33 days | Q4 FY22: 34 days

**BOLSTERED BY STRONG FREE CASHFLOW GENERATION
NOTWITHSTANDING INVESTMENT FOR FUTURE GROWTH**



(1) A non-IFRS measure & is after provisioning for expected credit losses due to COVID-19

SAFETY IN KAROOOOO's CASH FLOW GENERATION



STRONG 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.

INCREASING KAROOOOO's PRESENCE ACROSS INDUSTRIES

South Africa



Rest of Africa



Europe



Asia



SERVICING SMALL TO LARGE ENTERPRISE CUSTOMERS



PERFORMANCE BY BUSINESS SEGMENT

Q1 FY23		Composition of Total Revenue →			
		KAROOOOO NASDAQ “KARO” JSE “KRO”	100% CARTRACK	100% CARZUKA	70.1% KAROOOOO LOGISTICS
			90%	6%	4%
Revenue (ZAR M)	801	724	50	28	
Revenue Growth (%)	28%	16%	>100%	n/a ¹	
Operating Profit/(Loss) (ZAR M)	217	221	(4)	(<1)	
Operating Profit Growth (%)	29%	29%	(17%)	n/a ¹	
Adjusted EBITDA (ZAR M) (a non-IFRS measure)	354	357	(3)	<1	
Adjusted EBITDA Growth (%)	29%	28%	(9%)	n/a ¹	
Adjusted EBITDA Margin (%) (a non-IFRS measure)	44%	49%	(7%)	1%	



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

CONSISTENTLY GROWING CARTRACK’S SUBSCRIPTION REVENUE

17%
Subscription Revenue
Growth

Q1 FY23	ZAR 707M
Q1 FY22	ZAR 606 M

16%
Revenue
Growth

Q1 FY23	ZAR 724M
Q1 FY22	ZAR 624 M

98%
Cartrack’s Subscription
Revenue
as a % of Total Revenue
Q1 FY23

Q1 FY22	97%
----------------	-----

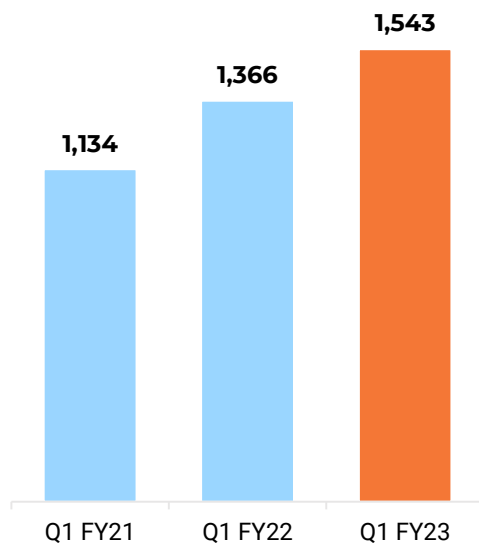
CARTRACK’S OUTLOOK FOR 2023 REMAINS UNCHANGED



EXTENDING CARTRACK'S DECADE-PLUS TRACK RECORD OF EXECUTION

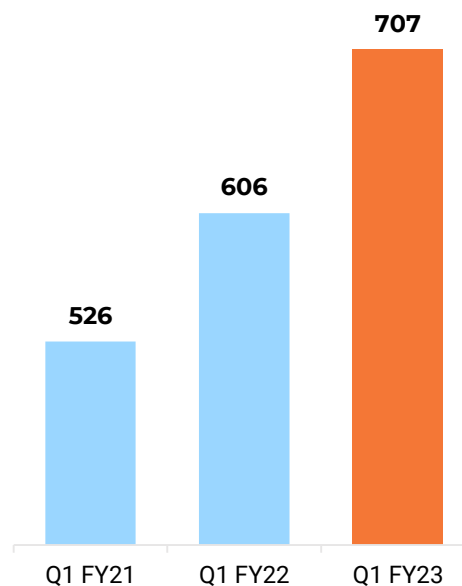
Scale

Subscribers
000s



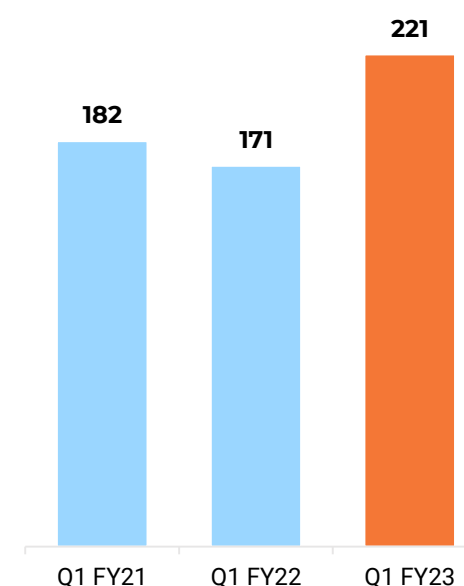
Growth

Subscription Revenue
ZAR M



Profitability

Operating Profit
ZAR M

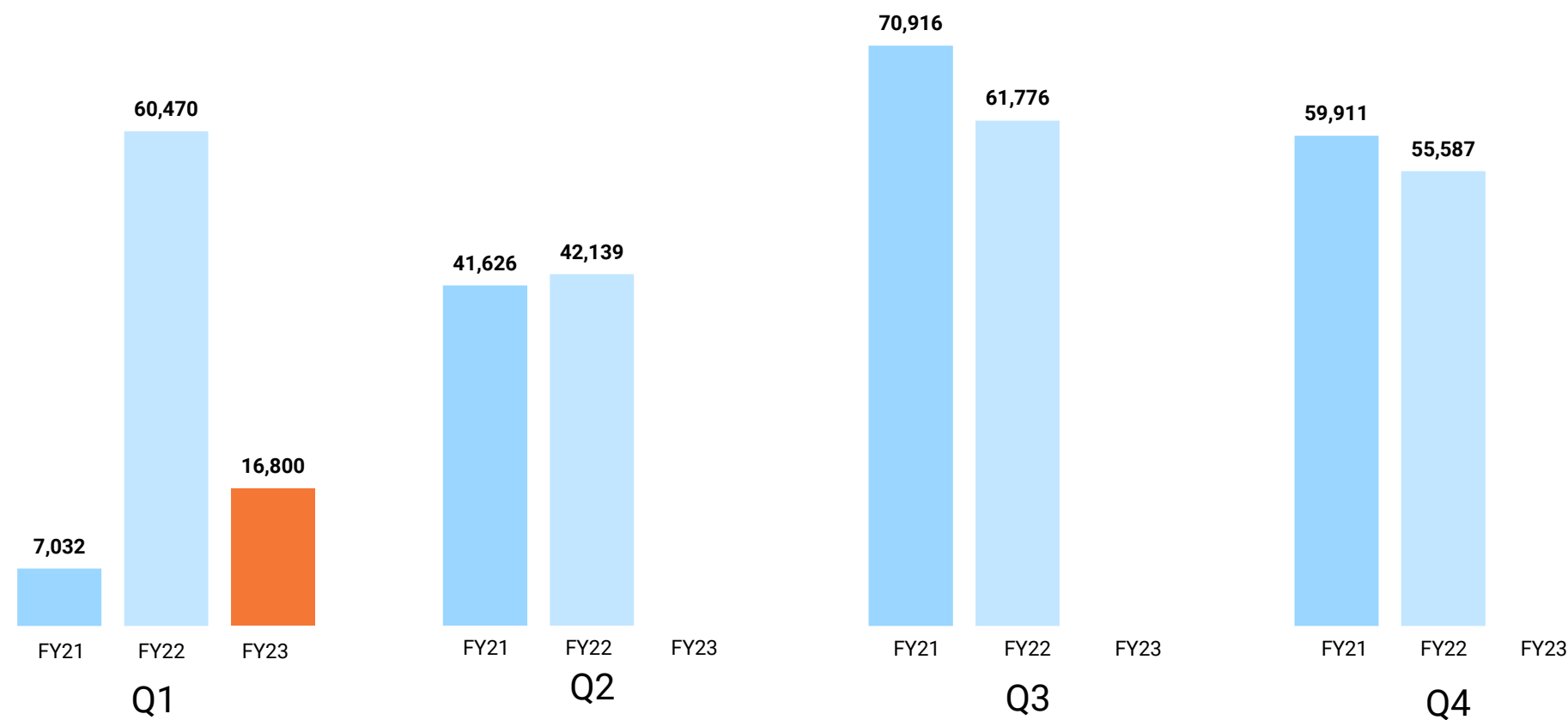


STRONG FINANCIAL DISCIPLINE & ABILITY TO SCALE IN VARYING MARKET CONDITIONS



CARTRACK's SUBSCRIBER ADDITIONS

Global Inflation & Flooding in KwaZulu Natal Province in South Africa during Q1 2023



NET SUBSCRIBER ADDITIONS NORMALIZED IN JUNE 2022, > 18,000



CARTRACK's CONTINUED EXPANSION

'000s Subscribers	Q1 FY21	Q1 FY22	Q1 FY23	Q-on-Q Change
SOUTH AFRICA				
Subscribers	866	1,064	1,184	11%
ASIA, MIDDLE EAST, USA				
Subscribers	106	125	156	25%
EUROPE				
Subscribers	101	115	133	15%
AFRICA- OTHER				
Subscribers	60	63	70	11%

TRACTION IN SOUTHEAST ASIA ENCOURAGING



CARTRACK's ATTRACTIVE UNIT ECONOMICS

Lifetime Value of
Customer Relationships⁽¹⁾



Low Cost of Acquiring a
Customer⁽²⁾

Strong Comparative
Benefits from
Economies of Scale

Q1 FY23
Cartrack's Subscription
Revenue Gross Profit Margin

72%

Q1 FY22: 72%

>9x

LTV to CAC

Q1 FY23
Cartrack's Operating
Profit Margin

31%

Q1 FY22: 27%

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 ROBUST OPERATING METRICS

Investing for the future

	Q1 FY21	Q1 FY22	Q1 FY23	Long-term Targets ⁽¹⁾
Research & Development as a % of Subscription Revenue	4%	5%	6%	4-6%
Sales & Marketing as a % of Subscription Revenue	10%	14%	13%	17-19%
General & Administration as a % of Subscription Revenue	20%	21%	21%	12-16%
Adjusted EBITDA ⁽²⁾ as a % of Subscription Revenue	51%	46%	50%	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'S OUTLOOK FOR 2023 REMAINS UNCHANGED

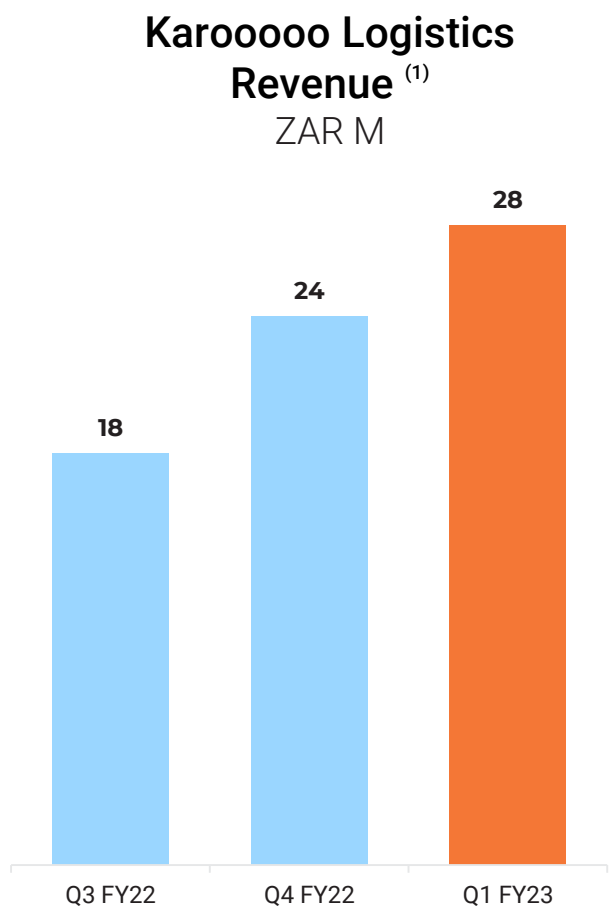
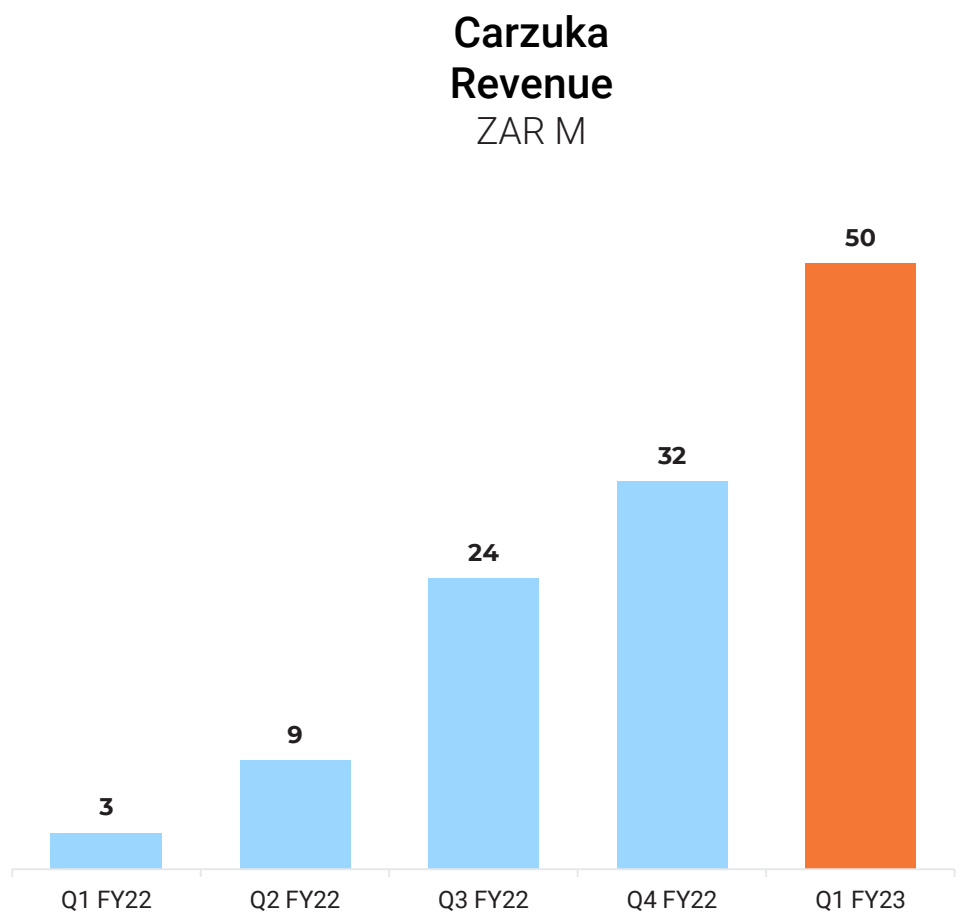
	FY21	FY22	FY23 Outlook
Number of subscribers (000s)	1,306	1,526	1,700 – 1,900
Cartrack's Subscription Revenue (ZAR M)	2,209	2,566	2,950 – 3,100
Cartrack's Adjusted EBITDA margin ⁽¹⁾	49%	47%	45% – 50%

SOLID START TO OUR 2023 FINANCIAL YEAR
NET SUBSCRIBER ADDITIONS IN JUNE 2022 > 18,000

⁽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 PROMISING TRACTION



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



KAROO0000

Questions