



**KAROO0000**

Earnings Presentation Q1 FY25

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

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# KAR00000

NASDAQ TICKER "KARO"  
JSE TICKER "KRO"



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



# KAROOOOO SNAPSHOT

2,100,000+

Subscribers

124,000+

Commercial Customers

170bn+

Monthly data points

4,300+

Employees

23

📍 SINGAPORE (HQ)

Operating Countries

Rule of 60  
beaten<sup>1</sup>



(1) Cartrack revenue growth for the period of 12 months + adjusted EBITDA margin for the period of 12 months sum to greater than 60

# PHYSICAL OPERATIONS POWER WHAT WE DO



**\$88bn<sup>1</sup>**  
Automotive 2022

**\$321bn<sup>1</sup>**  
Automotive 2032

**>40% GDP<sup>2</sup>**  
Physical operations

(1) Allied Market Research  
(2) Management estimate

# A MASSIVE MARKET WITH TONS OF PROBLEMS TO SOLVE

ACCIDENTS, DAMAGED  
CARGO, OTHER SAFETY  
RELATED ISSUES

VEHICLE, MACHINERY &  
ASSET MAINTENANCE

RESOURCE SCHEDULING &  
SHARING

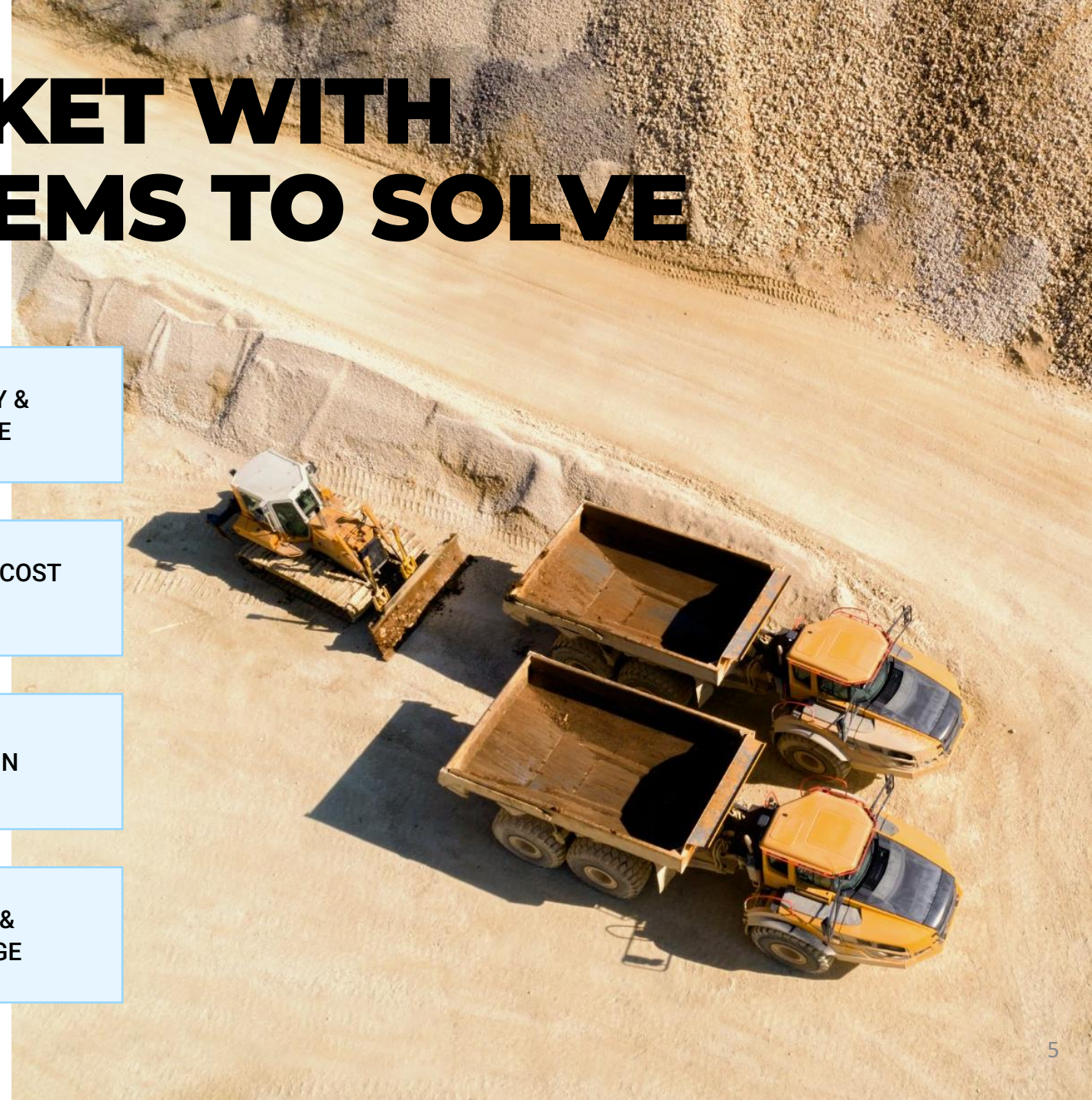
FUEL, TYRE & OTHER COST  
MANAGEMENT

CUSTOMER  
EXPECTATIONS, BILLING &  
TRANSPARENCY

COMPLIANCE & ADMIN

WORKER PRODUCTIVITY &  
RETENTION

DISPATCH, ROUTING &  
COLD CHAIN WASTAGE





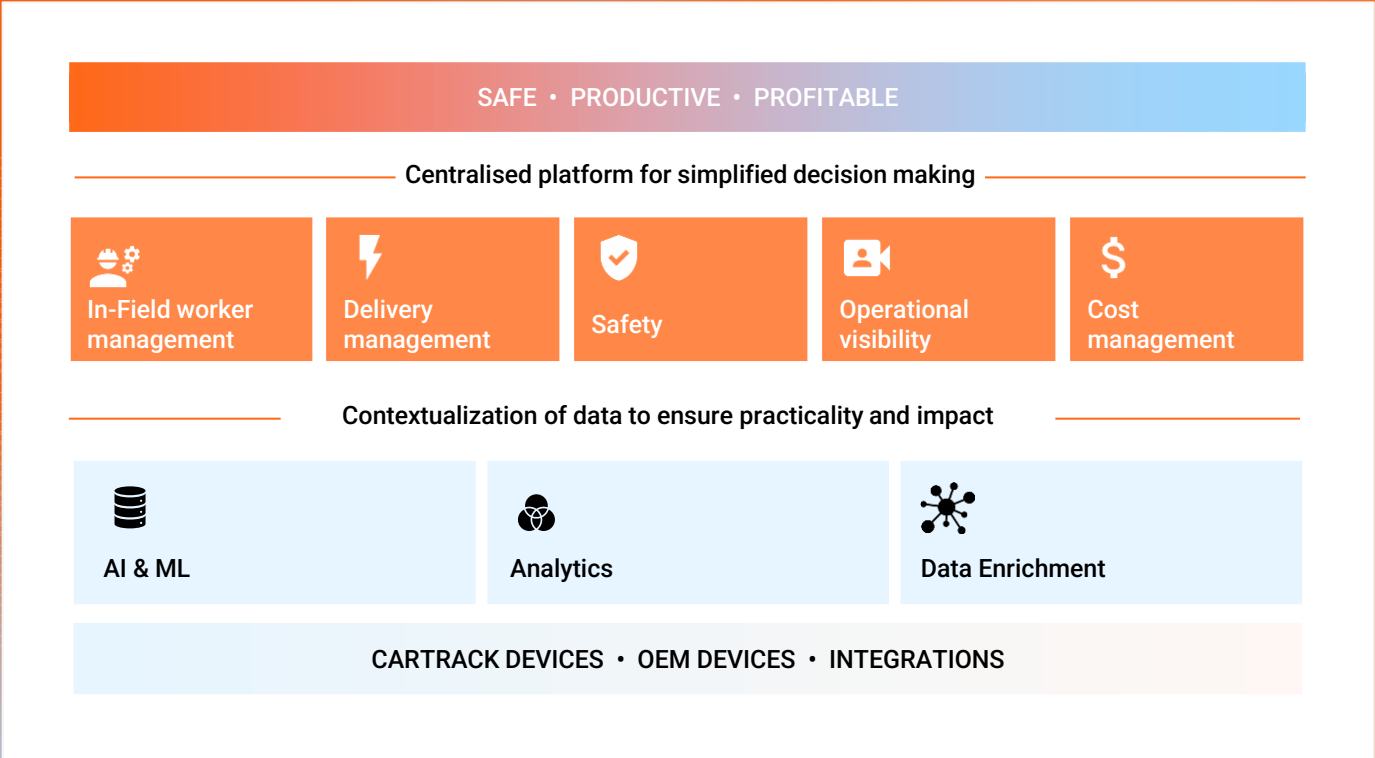
# **SIMPLIFY THE DECISION MAKING OF PHYSICAL OPERATIONS**

**WHERE DO I PLACE  
MY TIME, ENERGY &  
RESOURCES SO THAT  
I CAN \_\_\_\_\_?**

**SLASH FUEL COSTS**  
**EMPOWER WORKERS**  
**PREVENT ACCIDENTS**  
**REDUCE DOWNTIME**  
**EXTEND ASSET LIFESPANS**  
**EXONERATE DRIVERS**  
**INCREASE VISIBILITY**  
**INCREASE CONTROL**  
**INCREASE PRODUCTIVITY**  
**INCREASE PROFITABILITY**  
**SCALE MY OPERATIONS**  
**ENSURE COMPLIANCE**  
**REDUCE EMISSIONS**  
**OVERCOME MAINTENANCE**  
**DELIVER EXCEPTIONAL SERVICE**  
**BOOST DRIVER RETENTION**



# OUR PLATFORM BRINGS EVERYTHING INTO ONE PLACE TO TRANSFORM DECISION MAKING



# WE MAKE OUR CUSTOMERS' LIVES EASY



95% Commercial Customer Retention Rate

GEOGRAPHICALLY DISPERSED



ACROSS INDUSTRIES & SEGMENTS



AND BUSINESSES OF ALL SIZES



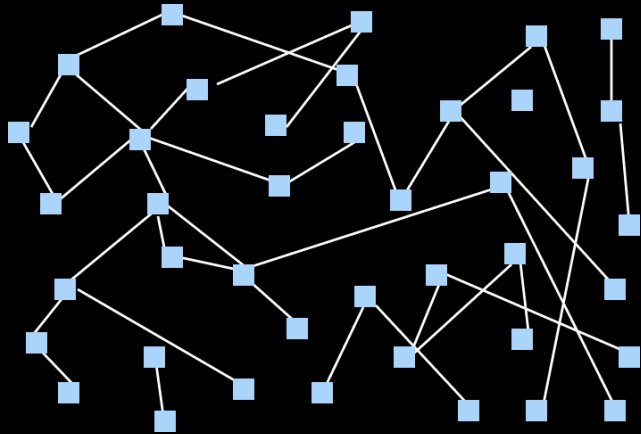
WITH VEHICLES, ASSETS, MACHINES & MOBILE TEAMS



# THE POWER OF DECLUTTERED DECISION MAKING

## BEFORE

Manual mapping, distance calculating, capacity, restraint and time matching, clustering, sequencing, tabling, assigning.



## AFTER

Importing jobs via API, selecting available drivers, reviewing optimized schedules and clicking send.

Driver 1	Driver 2	Driver 3
Job 1	Job 1	Job 1
Job 2	Job 2	Job 2
Job 3	Job 3	Job 3
Job 4	Job 4	Job 4
Job 5	Job 5	Job 5
		Job 6

Leading medical lab<sup>1</sup>

**1,200%**

increase in business scale

**-50%**

admin costs

**20 minute**

order collection SLA

**x10**

driver productivity

(1) Statistics reported by customer. Other customers may experience different results.

# THE POWER OF PROACTIVE DECISION MAKING

## BEFORE

No visibility of issue and magnitude.

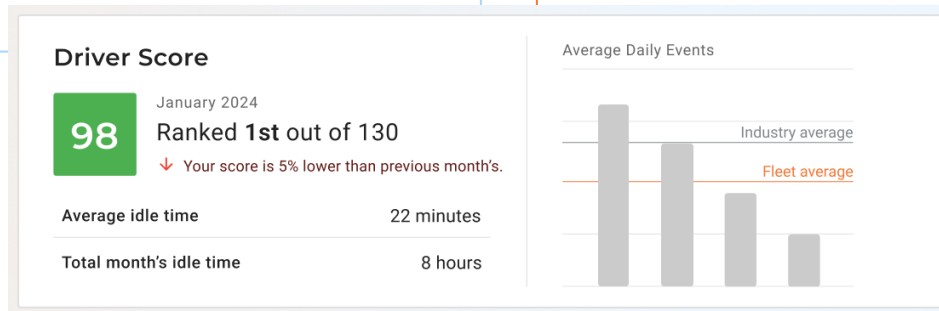
Low-impact education and coaching without scorecards.

## AFTER

In cabin buzzer activated once vehicle starts idling until no longer stationary.

Immediate action as action happens to prevent wastage.

Driver scorecards for effective coaching & improvement tracking.



Leading F&B company

**-42,000+**

Reduction in idling hours

**USD 300,000+**

Fuel cost savings over 1 year



# THE POWER OF AI-CHARGED DECISION MAKING

**-32%**

FATIGUED DRIVING



1. In-cabin audible alert so driver can correct their behavior in real-time

**-35%**

SEATBELT NOT ON



2. Video of event automatically uploaded to cloud for manager's review

**-13%**

MOBILE PHONE USAGE



3. Coaching completed and logged alongside behaviour trends

**-40%**

CAMERA OBSTRUCTING



# THE POWER OF FACTUAL DECISION MAKING

## BEFORE

He said, she said leading to drawn out investigations, unpaid claims, increased insurance premiums and demotivated drivers.



HE SAID

SHE SAID



## AFTER

Accident footage requests for evidence-based decisions.

51H-9XXXX

2024/03/14, 13:09:27 – 2023/03/14, 13:15:08

Event Type: **Accident Request**



**R1,105,560**

In savings in 5 months

**~\$61,000**

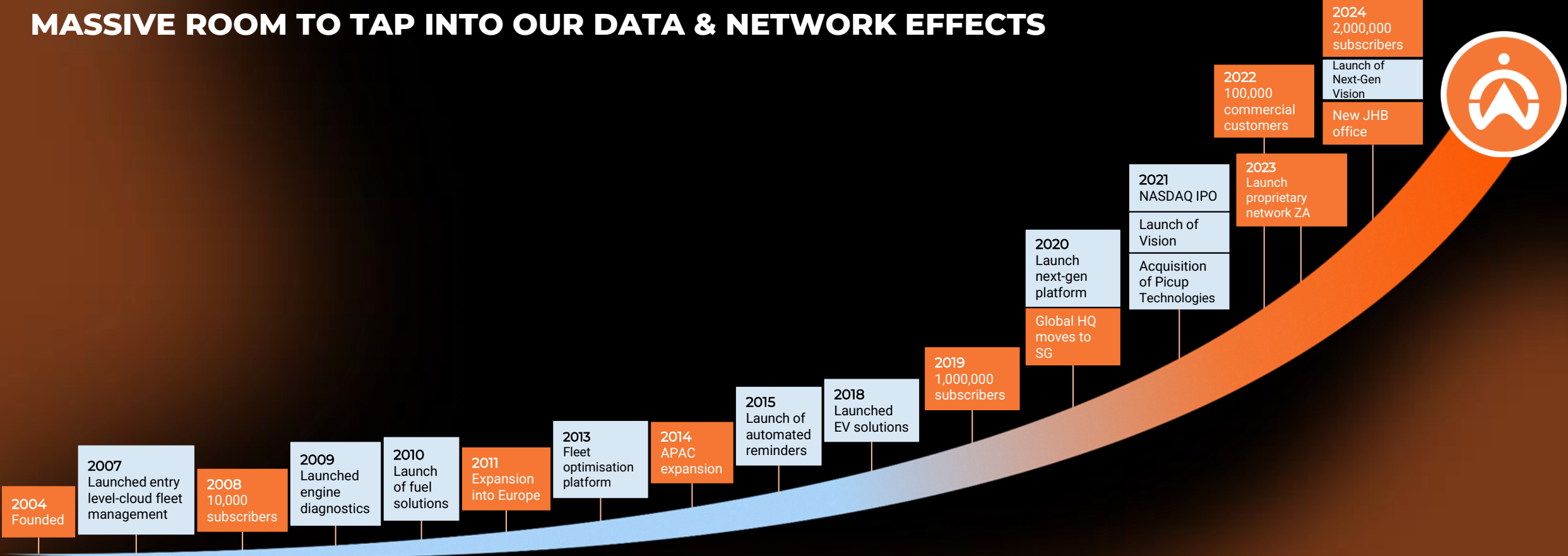
In 5 months

- ✓ Huge insurance savings
- ✓ Increased driver retention
- ✓ Reduced manager-worker tensions
- ✓ Faster claim turnarounds



# STRONG TRACK RECORD OF SUCCESSFUL BIG BETS WITH DISCIPLINED CAPITAL ALLOCATION

MASSIVE ROOM TO TAP INTO OUR DATA & NETWORK EFFECTS



# WHY KAROOOOO

## FOUNDER-LED BUSINESS

- Shareholder gains and losses are in direct proportion to the Founder/CEO
- Management have an owner-oriented mindset and listed company experience

## GEARED FOR ORGANIC GROWTH

- Customer-centric culture with 95% commercial customer net retention
- Strong implementation and execution mindset with high staff retention
- Evolving distribution model with a proven track record and 9x+ LTV/CAC<sup>1</sup>
- 15% CAGR Subscriber Growth from FY19 through FY24

## DIFFERENTIATED TECHNOLOGY PLATFORM

- Vertically integrated business model
- Proprietary software and systems
- Highly scalable business and technology platform
- 170bn+ data points processed monthly

## INNOVATIVE CULTURE

- High speed innovation
- Strong ability to adapt and set market trends
- Vibrant entrepreneurial environment

## COMPELLING FINANCIALS

- The Cartrack EBIT and EBITDA margin of 24%+ and 40%+ respectively over last 5 years<sup>2</sup>
- Cartrack is a strong rule of 60 company<sup>3</sup>
- Consistent Balance Sheet and Capital Structure

## FINANCIAL & CAPITAL ALLOCATION DISCIPLINE

- Strategic capex for expansion initiatives with stable capex over time
- De-levered balance sheet with positive net cash over past 5 years<sup>2</sup>
- 29+ debtor's day over last 3 years<sup>2</sup>



Notes: CAGRs are from FY20-FY24. Retention, LTV, Subscriber data from Q4 2024 Earnings Presentation

(1) LTM LTV calculated as LTM subscription revenue gross margin x (Current SaaS ARR - LTM SaaS ARR) / Churn. CAC calculated as LTM S&M expense

(2) Latest year as of FY24

(3) Calculated as adj. EBITDA margin + revenue growth. Adj. EBITDA excludes capitalized sales commissions





**KAROO0000**

Financial Performance for Q1 FY25

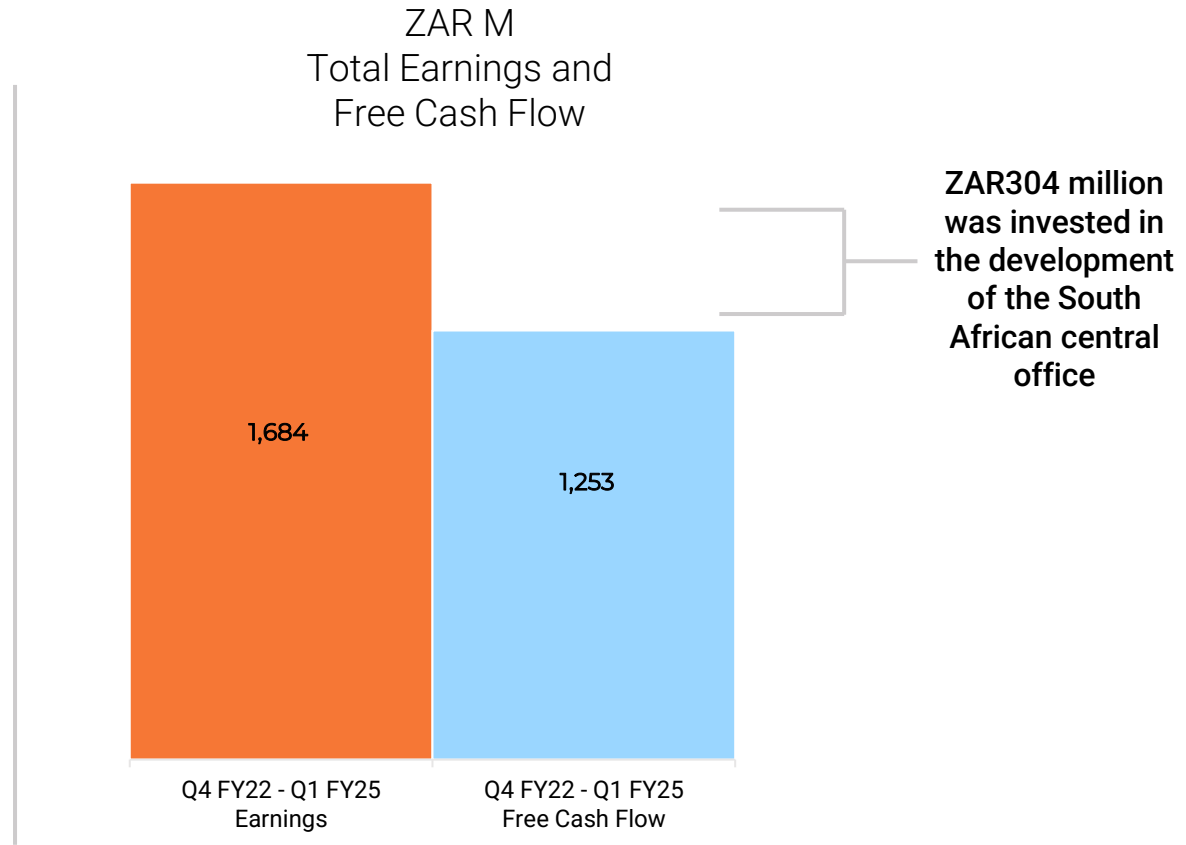
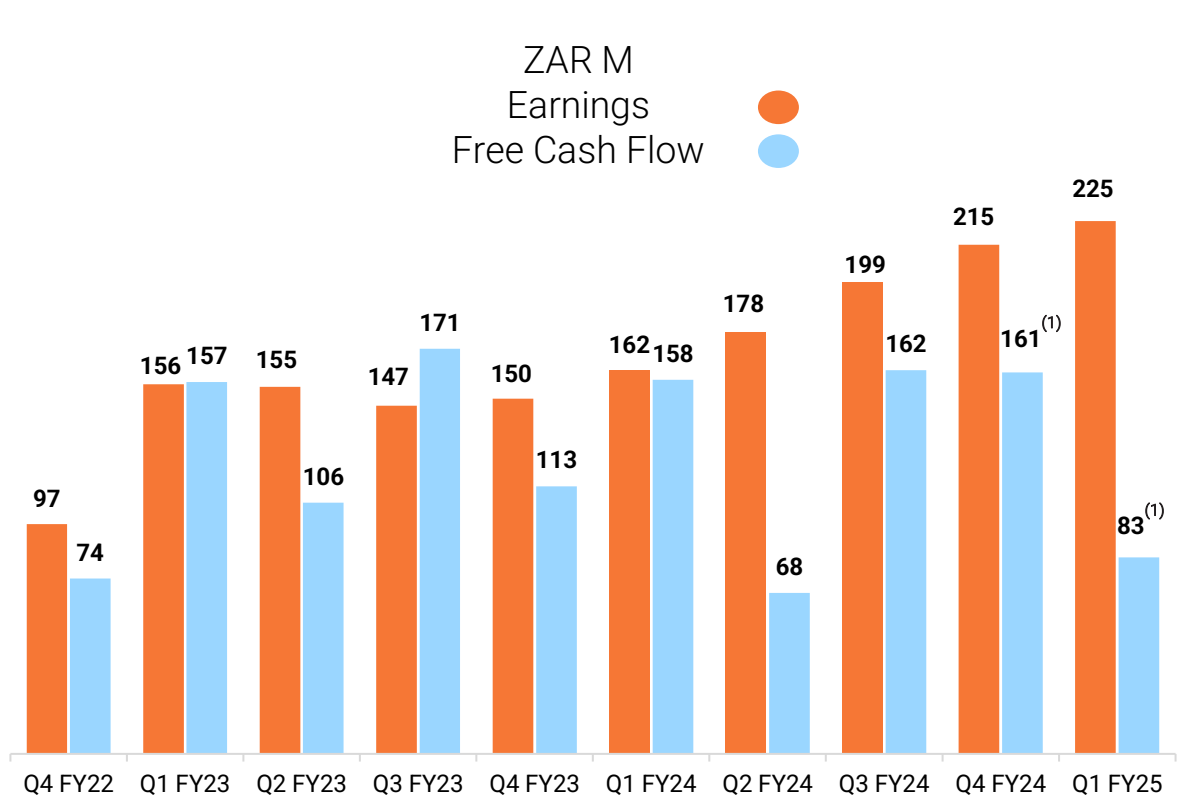
# KAROOOOO CONTINUES DELIVER ON ITS STRONG TRACK RECORD OF SUBSCRIPTION REVENUE & EARNINGS GROWTH

<b>UP 15%</b> Subscription Revenue		<b>UP 34%</b> Operating Profit		<b>UP 41%</b> Earnings Per Share	
Q1 FY25	ZAR 964M	Q1 FY25	ZAR 300M	Q1 FY25	ZAR 7.17
Q1 FY24	ZAR 836M	Q1 FY24	ZAR 224M	Q1 FY24	ZAR 5.09

## STRONG CUSTOMER ACQUISITION EXPERIENCED IN Q1 FY25



# DECADE-PLUS TRACK RECORD OF HIGH CASH CONVERSION



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

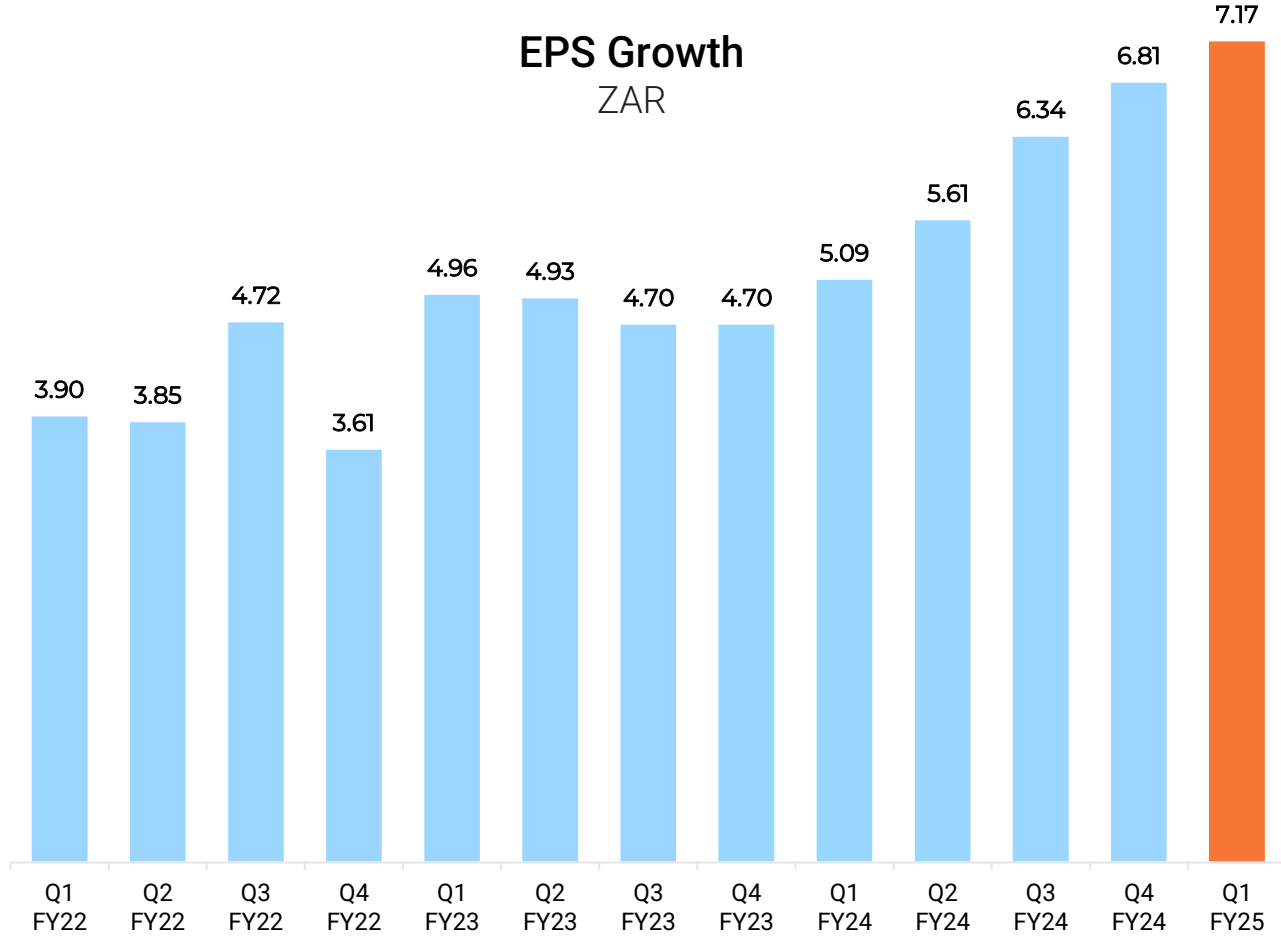
(1) As at February 29, 2024, there were bank fixed deposits of USD25.2 million maturing more than 3 months after year end that were included in "Trade and other receivables and prepayments" on the balance sheet. The same bank fixed deposits maturing less than 3 months are now presented as "Cash and cash 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 this quarter (Q1 2024: ZAR158 million).



# KAROOOOO ACCELERATES EARNINGS PER SHARE

**UP 41%**

Q1 FY25	7.17
Q1 FY24	5.09



## CARTRACK UP 29%

Q1 FY25 6.94

Q1 FY24 5.40

## KAROOOOO LOGISTICS UP 188%

Q1 FY25 0.23

Q1 FY24 0.08

# KAROOOO'S EPS RECONCILIATION

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

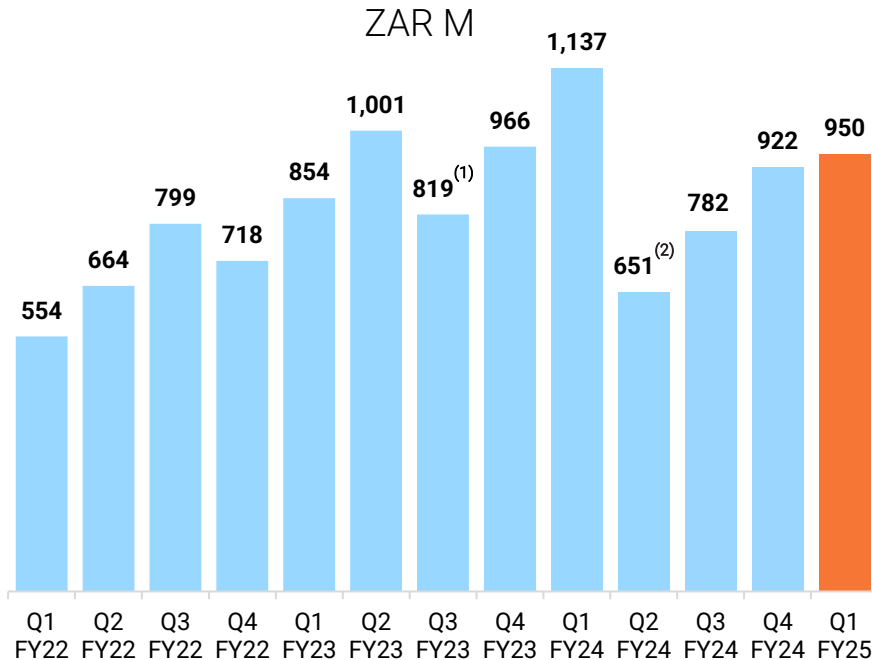
**KAROOOOO CONTINUES TO SCALE, GROW AND INCREASE EARNINGS**



<sup>(1)</sup> Adjusted earnings per share (a non-IFRS measure). Earnings per share excluding the impact of once-off exceptional item expensed off in 2022,

# KAROOOOO HAS A ROBUST BUSINESS MODEL BACKED BY A STRONG AND CLEAN BALANCE SHEET

Net cash on hand plus cash in bank fixed deposits



Healthy Debtor's Days

30

Q1 FY25

Q1 FY24: 29 days

Strong unit economics

Robust operating margins

Unleveraged balance sheet

Strong cash conversion

**A CASH DIVIDEND OF USD33.4 MILLION WILL BE PAID TO SHAREHOLDERS IN AUGUST 2024 (USD1.08 PER SHARE)**

<sup>(1)</sup> USD18.6m dividend paid

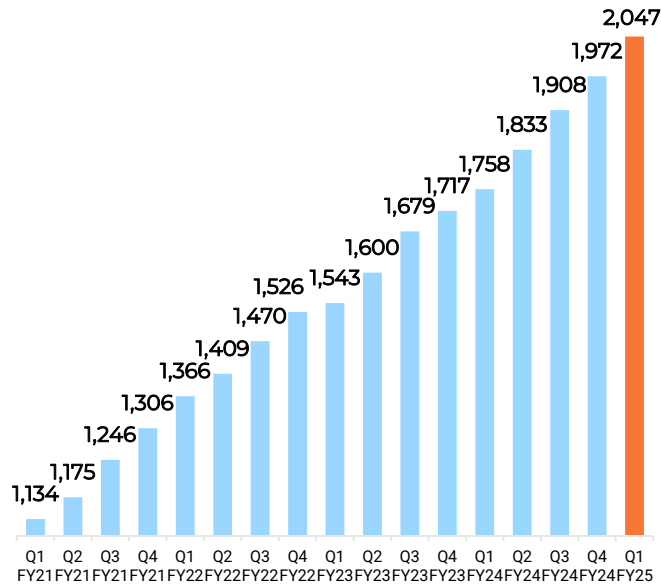
<sup>(2)</sup> USD26.3m dividend paid



# CARTRACK EXTENDS DECADE-PLUS TRACK RECORD OF EXECUTION EXCELLENCE

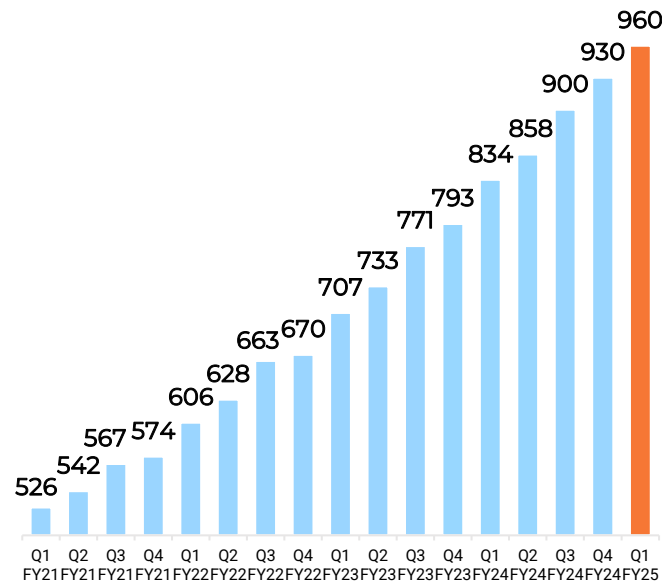
## Scale

Subscribers  
000s



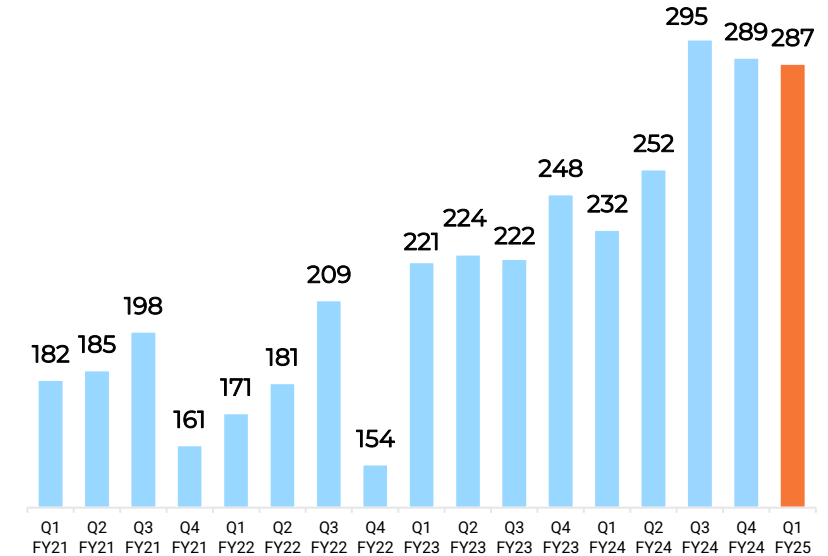
## Growth

Subscription Revenue  
ZAR M



## Profitability

Operating Profit  
ZAR M



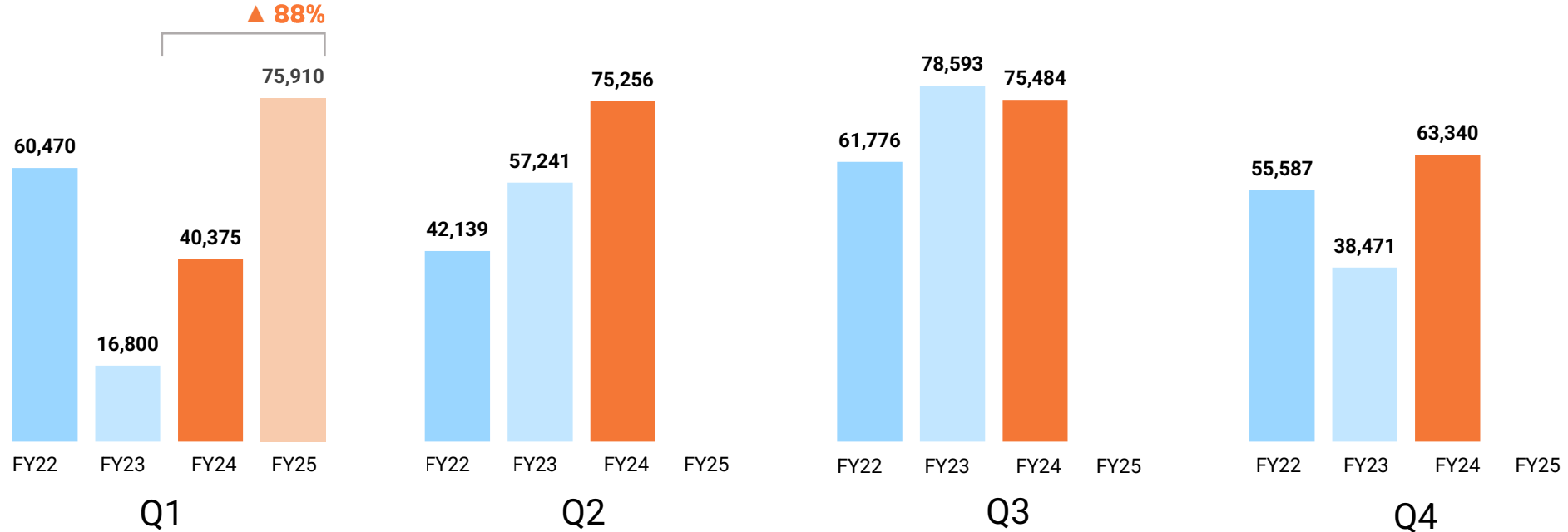
**PROVEN ABILITY TO SCALE IN VARYING MACRO ECONOMIC CONDITIONS AND CONSISTENTLY BEATING THE RULE OF 60<sup>(1)</sup>**



<sup>(1)</sup>Cartrack revenue growth for the period of 12 months + adjusted EBITDA margin for the period of 12 months sum to greater than 60.

# CARTRACK EXPERIENCES

## RECORD Q1 NET SUBSCRIBER ADDITIONS





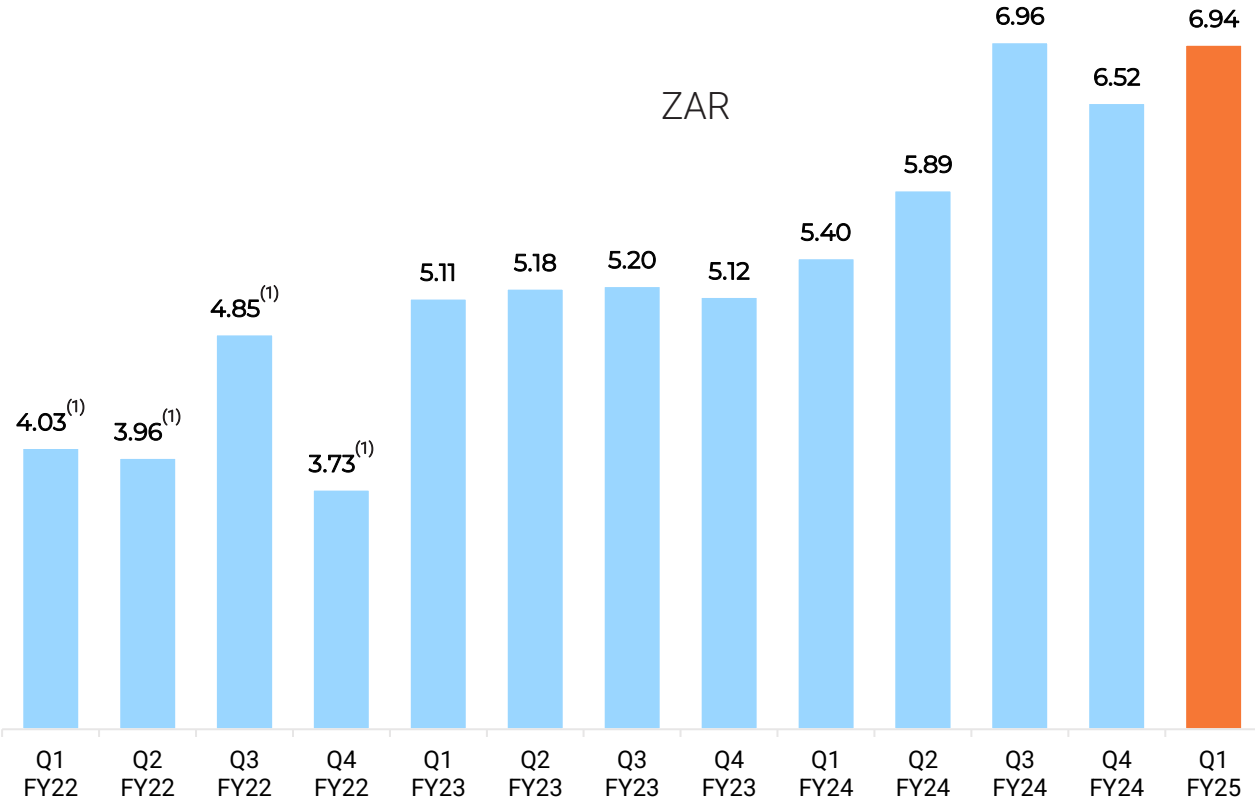
# CARTRACK CONTINUES WITH DECADE-PLUS TRACK RECORD OF STRONG SaaS REVENUE GROWTH

<b>UP 15%</b> Subscription Revenue		<b>UP 15%</b> Revenue	
Q1 FY25	ZAR 960M	Q1 FY24	ZAR 981M
Q1 FY24	ZAR 834M	Q1 FY23	ZAR 853M

**98% OF CARTRACK'S REVENUE IS SUBSCRIPTION REVENUE**



# CARTRACK EXTENDS DECADE-PLUS TRACK RECORD OF EPS GROWTH AT SCALE



**UP 29%**

Q1 FY25	6.94
Q1 FY24	5.40

## EARNINGS CONTINUE TO BENEFIT FROM STRONG ECONOMIES OF SCALE



(1) Adjusted earnings per share (a non-IFRS measure). Earnings per share excluding the impact of once-off exceptional item expensed off in 2022.

# CARTRACK DEMONSTRATES ITS ABILITY TO MAINTAIN HIGH MARGINS AND WIN

Gross Profit	Operating Profit	Adjusted EBITDA <sup>(1)</sup>
<b>UP 19%</b>	<b>UP 24%</b>	<b>UP 16%</b>
Q1 FY25    ZAR 713M Q1 FY24    ZAR 600M	Q1 FY25    ZAR 287M Q1 FY24    ZAR 232M	Q1 FY25    ZAR 453M Q1 FY24    ZAR 392M
Gross Profit Margin	Operating Profit Margin	Adjusted EBITDA Margin <sup>(1)</sup>
<b>IMPROVED</b>	<b>IMPROVED</b>	<b>CONSISTENT</b>
Q1 FY25    73% Q1 FY24    70%	Q1 FY25    29% Q1 FY24    27%	Q1 FY25    46% Q1 FY24    46%

## CARTRACK HAS STRONG VISIBILITY OF FUTURE SaaS REVENUE

<sup>(1)</sup> Adjusted EBITDA is a non-IFRS measure, defined as profit less finance income, plus finance costs, taxation, depreciation and amortization, plus any impact of non-recurring operational expenses. Please see our Earnings announcement for reconciliation to closest metric calculated in accordance with IFRS.



# CARTRACK'S LEADING UNIT ECONOMICS

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



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

Strong Benefits from  
Economies of Scale

**Q1 FY25**  
Gross Profit Margin based only  
on Subscription Revenue

**74%**

Q1 FY24: 71%

**>9x**

LTV to CAC

**95%**

Commercial Customer  
Retention Rate

## WELL POSITIONED TO CONTINUE SCALING



(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.

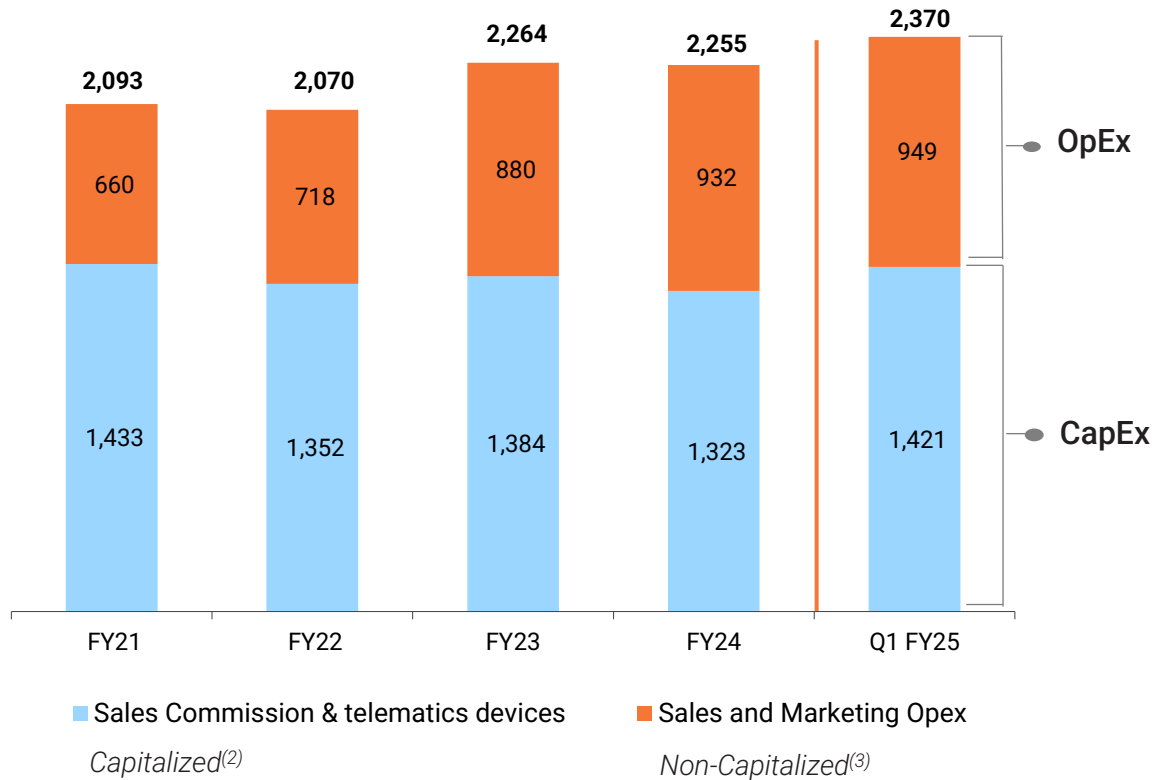
(2) Annual sales and marketing expense measured over the past 12 months

# CARTRACK'S STRONG TRACK RECORD OF SUBSCRIBER UNIT ECONOMICS CONTINUES

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

ZAR



	FY21	FY22	FY23	FY24	Q1 FY25
ARPU (ZAR)	154	151	155	160	159
Subscriber contract life cycle (Months)	60	60	60	60	60
Average life cycle revenue per subscriber <sup>(4)</sup> (A)	9,266	9,065	9,323	9,595	9,551
Average cost of adding a subscriber to our cloud (B)	(2,093)	(2,070)	(2,264)	(2,254)	(2,370)
<b>(A) – (B)</b>	<b>7,173</b>	<b>6,995</b>	<b>7,059</b>	<b>7,341</b>	<b>7,181</b>

(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

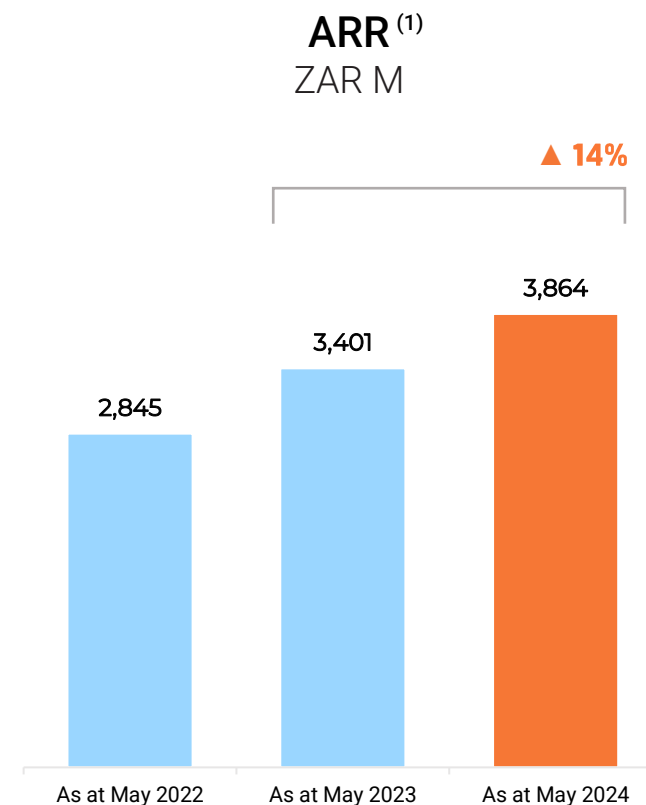
(4) ARPU multiplied by the contract life cycle months.



# CARTRACK

## CONTINUES TO GROW SUBSCRIBER BASE & ARR WITH SOLID TRACTION IN SOUTHEAST ASIA

'000s Subscribers	Q1 FY23	Q1 FY24	Q1 FY25	Q-on-Q Change
<b>SOUTH AFRICA</b>	1,184	1,340	1,550	16%
<b>ASIA, MIDDLE EAST, USA</b>	156	194	238	23%
<b>EUROPE</b>	133	149	174	17%
<b>AFRICA- OTHER</b>	70	75	85	14%
<b>TOTAL</b>	<b>1,543</b>	<b>1,758</b>	<b>2,047</b>	<b>17%</b>



<sup>(1)</sup>ARR is a non-IFRS measure defined as the annual run-rate subscription revenue of subscription agreements from all customers at a point in time, calculated by taking the monthly subscription revenue for all customers during that month and multiplying by 12.



# CARTRACK'S CONSISTENT OPERATING METRICS

	Q1 FY22	Q1 FY23	Q1 FY24	Q1 FY25
Subscription Revenue Gross Profit Margin	72%	72%	71%	74%
Research & Development as a % of Subscription Revenue	5%	6%	6%	6%
Sales & Marketing as a % of Subscription Revenue	14%	13%	14%	15%
General & Administration as a % of Subscription Revenue	21%	21%	21%	21%
Operating Profit as a % of Subscription Revenue	28%	31%	28%	30%
Adjusted EBITDA <sup>(1)</sup> as a % of Subscription Revenue	46%	50%	47%	47%

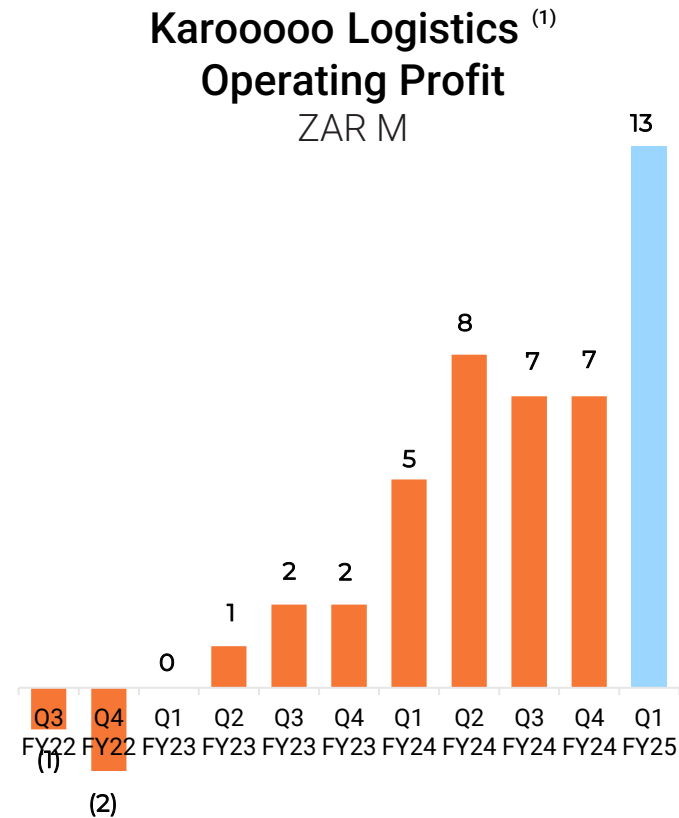
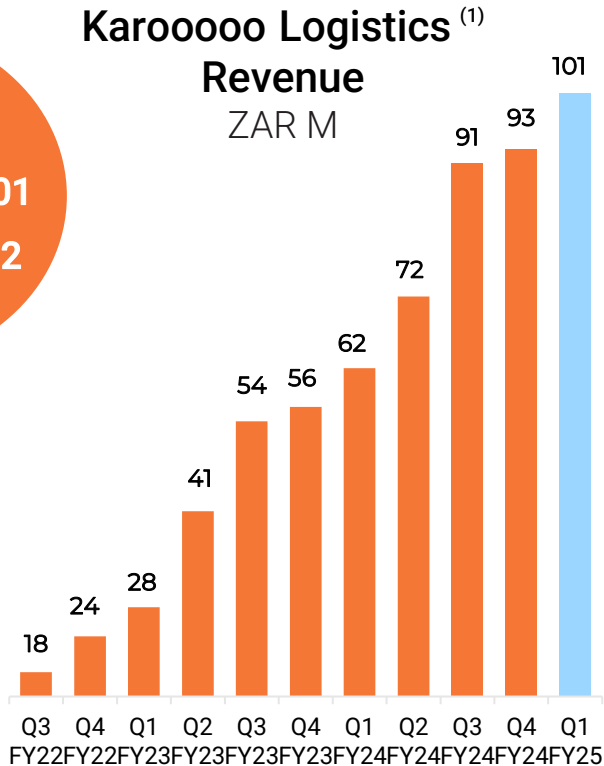


<sup>(1)</sup> Adjusted EBITDA is a non-IFRS measure, defined as profit less finance income, plus finance costs, taxation, depreciation and amortization, plus any impact of non-recurring operational expenses. Please see our Earnings announcement for reconciliation to closest metric calculated in accordance with IFRS.

# KAROOOOO LOGISTICS CONTINUES TO GAIN ADOPTION BY OUR LARGE ENTERPRISE CUSTOMERS SEEKING TO SCALE THEIR E-COMMERCE OPERATIONS

**UP 63%**

Q1 FY25	101
Q1 FY24	62



**UP 177%**

Q1 FY25	13
Q1 FY24	5

## STRONG Q-ON-Q DaaS REVENUE GROWTH



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



# KAROOOOO'S OUTLOOK FOR 2025 REMAINS UNCHANGED

	FY22	FY23	FY24	Q1 FY25	FY25 Outlook
Number of Subscribers (000s)	1,526	1,717	1,972	2,047	2,200 – 2,400
Cartrack's Subscription Revenue (ZAR M)	2,566	3,004	3,523	960	3,900 – 4,150
Cartrack's Operating Profit Margin	27%	30%	30%	29%	27% – 31%
Karoooooo's Earnings Per Share (ZAR)	16.10	19.29	23.85	7.17	27.50 – 31.00



# DRIVERS LOVE US

Q&A



KAROOOO