



KAROO0000

Earnings Presentation Q4 FY2021 and FY2021

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 F-1 filed on March 22, 2021.

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

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.

Market and Industry Data

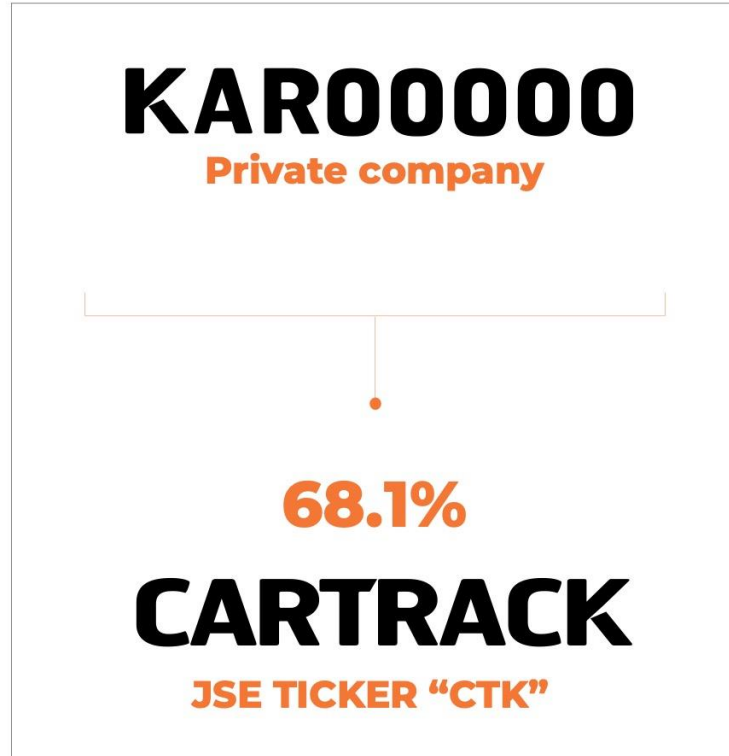
We include statements and information in this presentation concerning our industry ranking and the markets in which we operate, including our general expectations and market opportunity, which are based on information from independent industry organizations and other third-party sources (including a 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

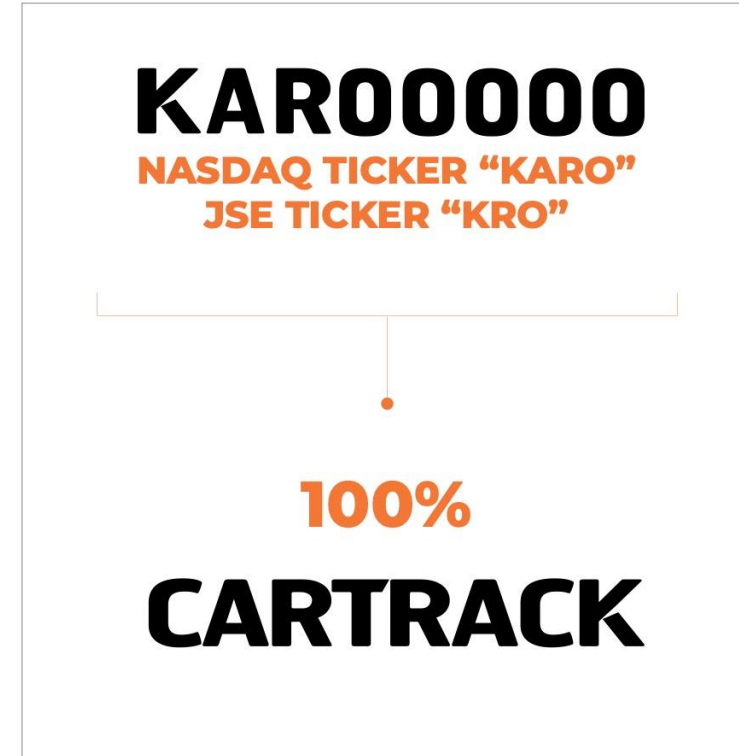
In our key markets, we have rights to use, or hold, certain trademarks relating to Cartrack, or the respective applications for trademark registration are underway. We do not hold or have rights to any other additional patents, trademarks or licenses, that, if absent, would have had a material adverse 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.



As at February 28, 2021



As at April 21, 2021



Founded in South Africa, now headquartered in Singapore



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

OUR MISSION

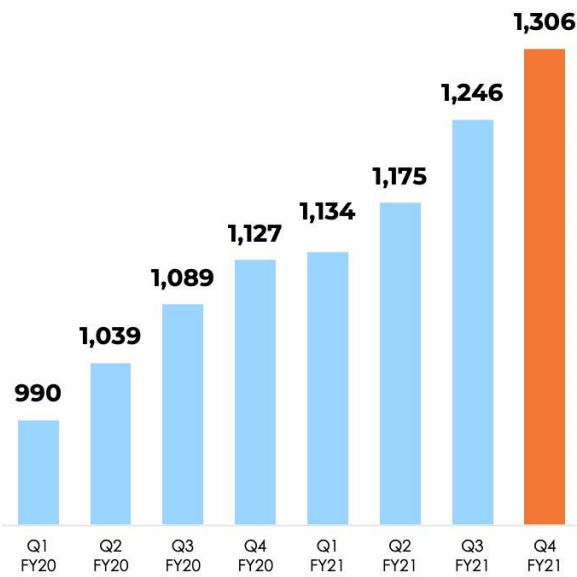
**To build the leading mobility SaaS
platform that maximizes the value of
data**



A HISTORY OF CONSISTENT ORGANIC GROWTH

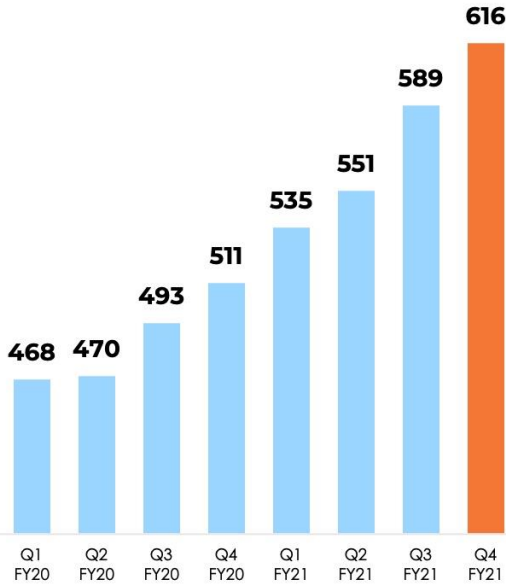
Scale

Subscribers
000s



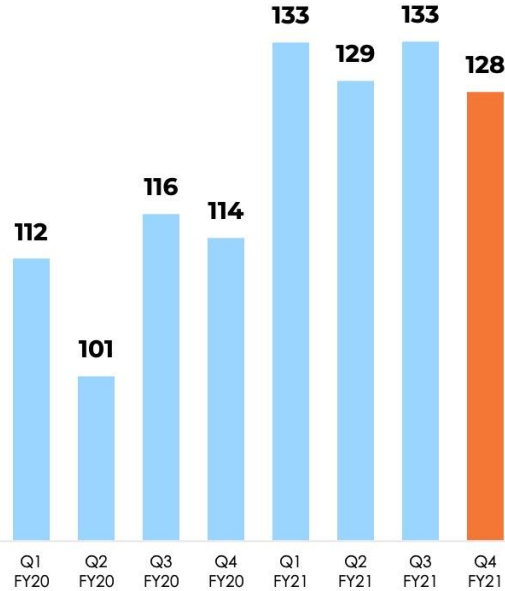
Growth

Revenue
ZAR M



Profitability

Adj. Net Income⁽¹⁾
ZAR M

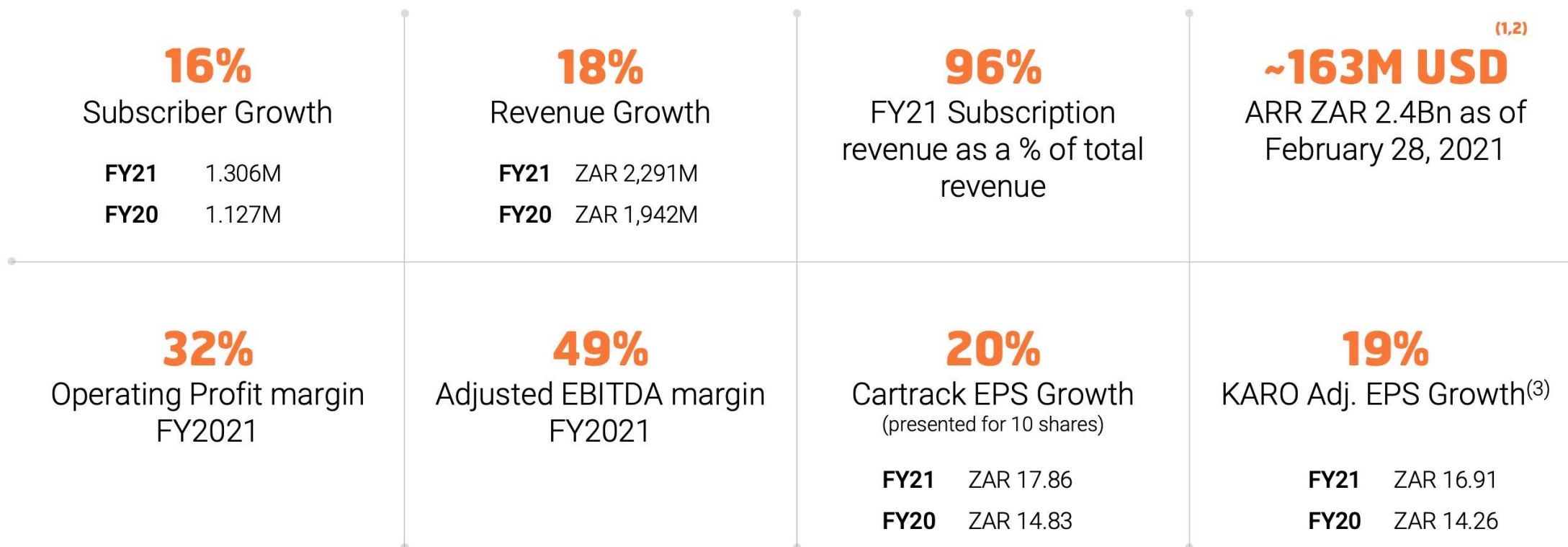


WITH STRONG FINANCIAL DISCIPLINE



⁽¹⁾ Adjusted Net Income is defined as the profit after tax for the year excluding IPO costs. Adjusted Net Income is a non-IFRS metric, please see our Earnings Announcement for reconciliation to closest metric calculated in accordance with IFRS.

OUR TRACK RECORD OF EXECUTION



75,000+ COMMERCIAL CUSTOMERS

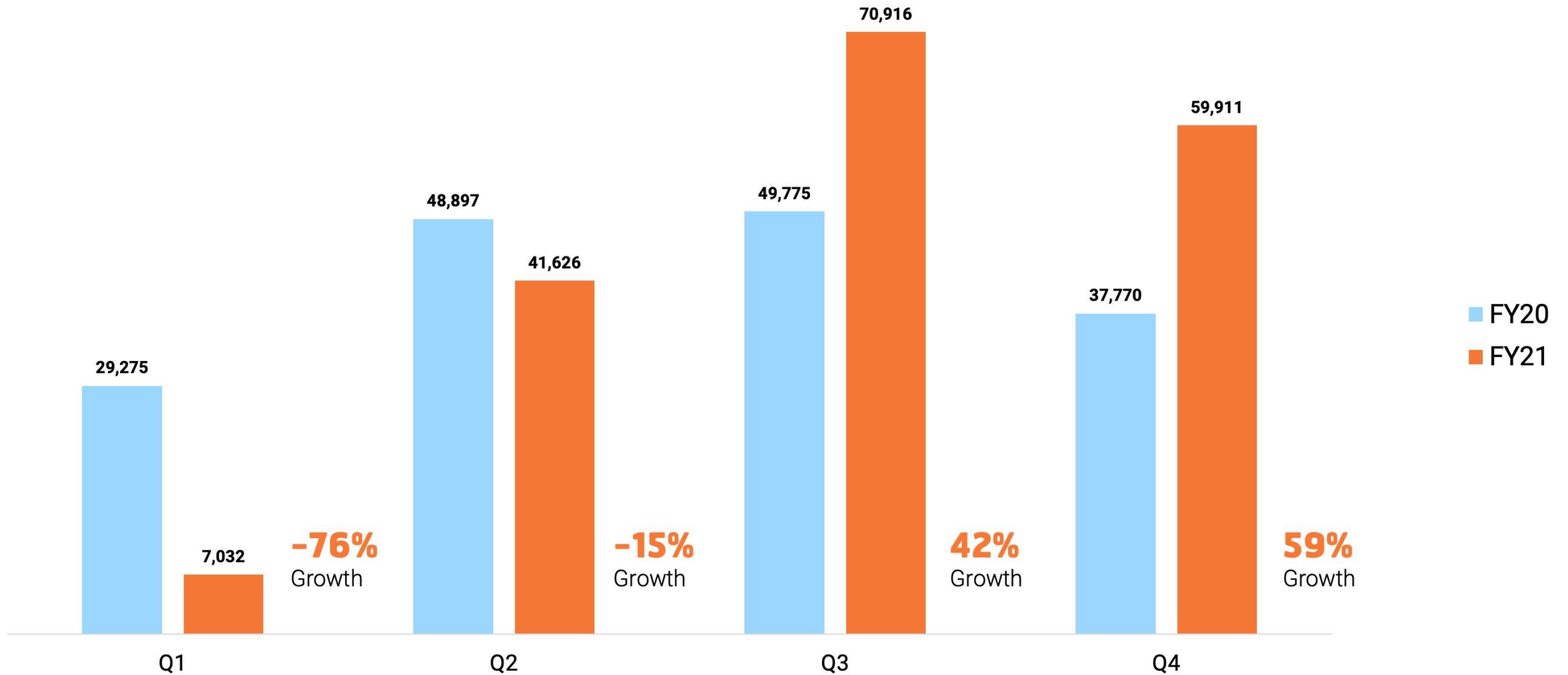


⁽¹⁾Exchange rate of 14.6250 ZAR (South African Rand):USD as of February 28,2021

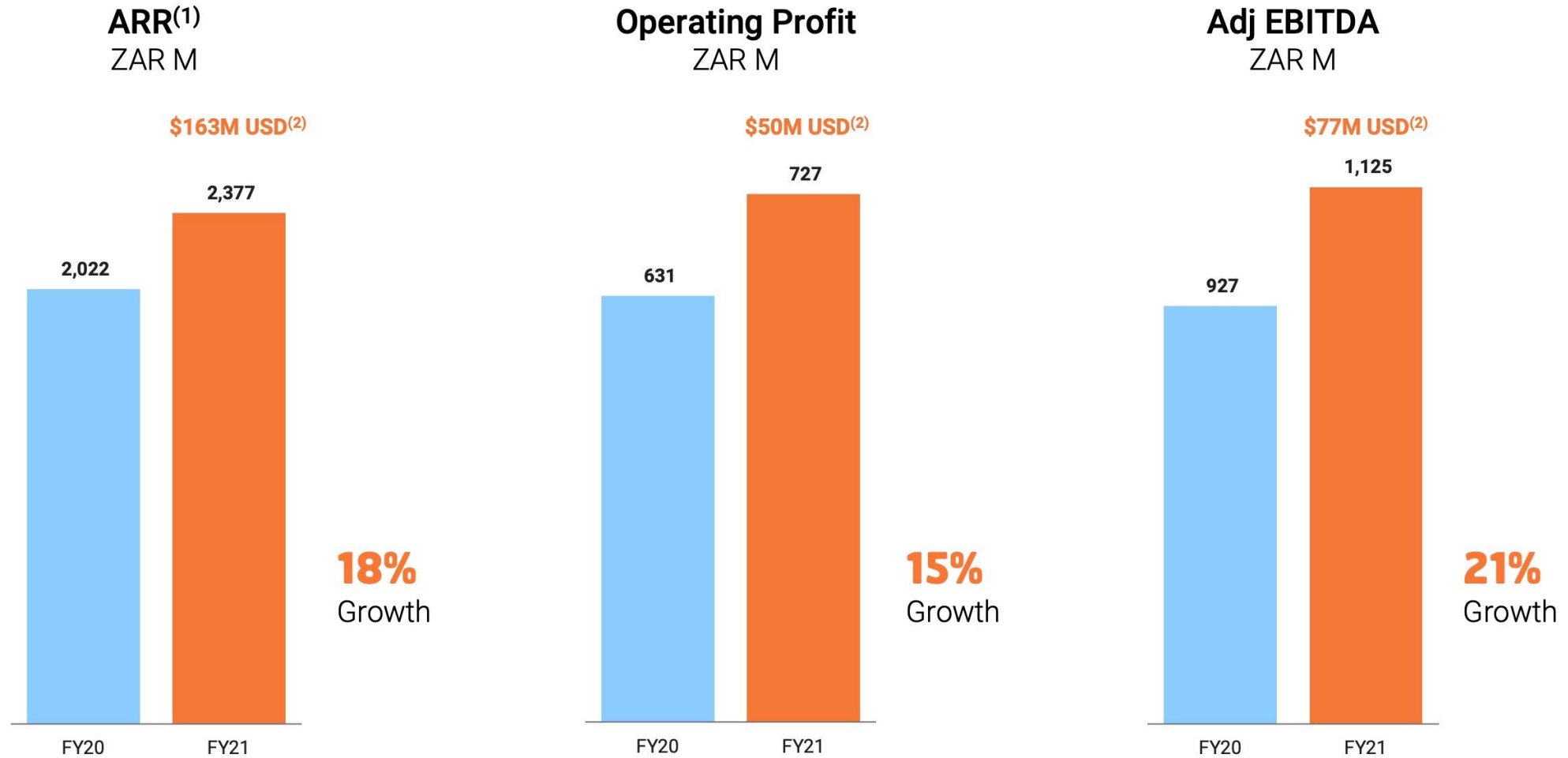
⁽²⁾ARR is defined as the annual run-rate subscription revenue of subscription agreements from all customers at a point in time, calculated by taking the monthly subscription revenue for all customers during that month and multiplying by 12

⁽³⁾KARO adjusted EPS is defined as EPS excluding IPO costs. KARO Adjusted EPS is a non-IFRS metric, please see our Earnings Announcement for reconciliation to closest metric calculated in accordance with IFRS.

QUARTERLY NET SUBSCRIBER ADDITIONS



GEARED FOR GROWTH



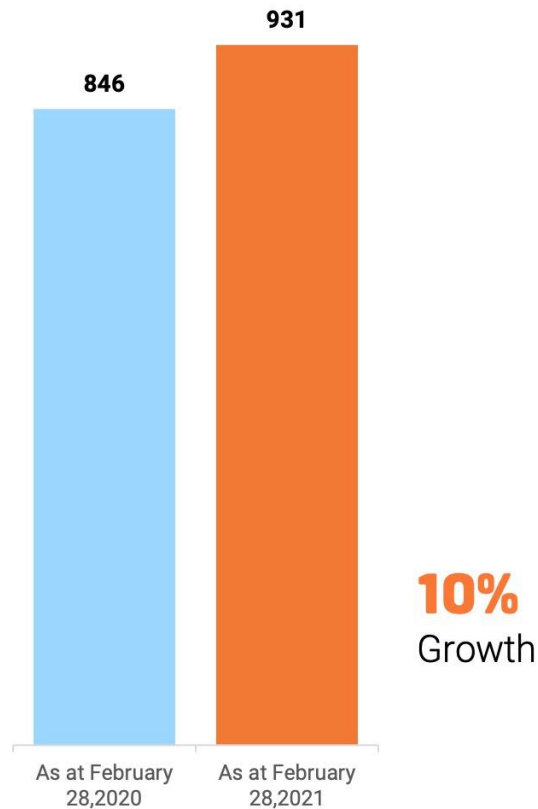
⁽¹⁾ ARR is defined as the annual run-rate subscription revenue of subscription agreements from all customers at a point in time, calculated by taking the monthly subscription revenue for all customers during that month and multiplying by 12

⁽²⁾ Exchange rate of 14.6250 ZAR (South African Rand):USD as of February 28, 2021

CASH FLOW

Net Cash Flow from Operating Activities⁽¹⁾

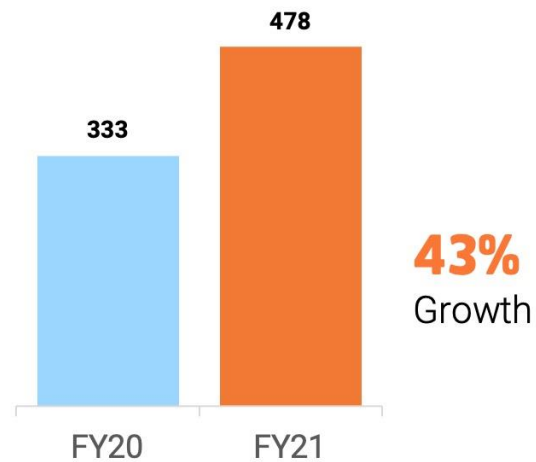
ZAR M



Cash Flow from Investing Activities:

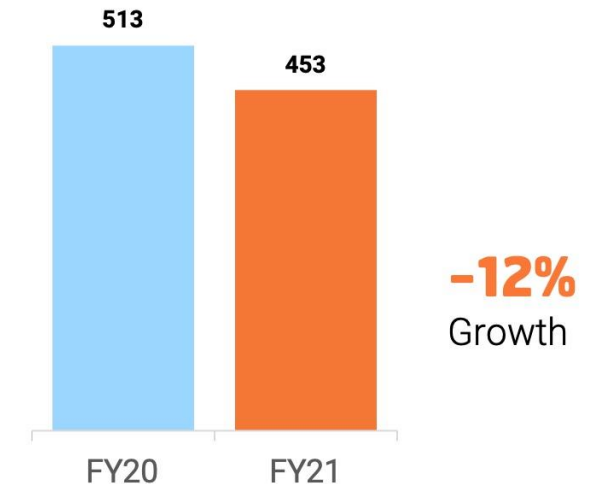
PPE

ZAR M



Free Cash Flow⁽²⁾

ZAR M

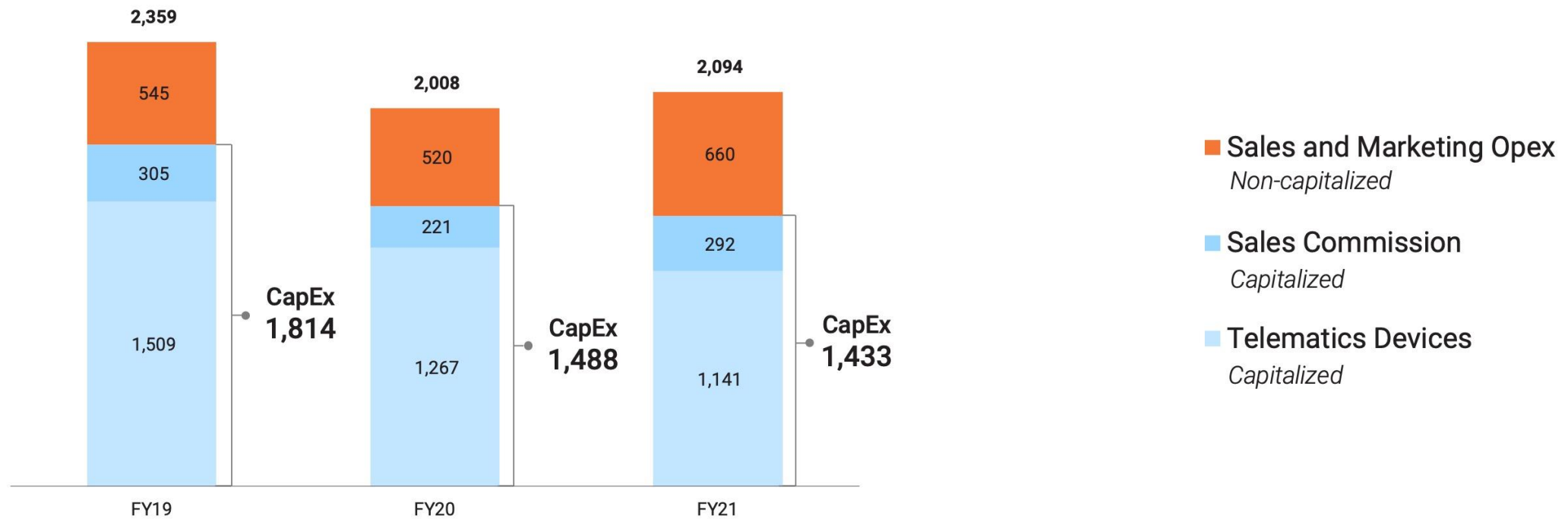


⁽¹⁾ Net Cash Flow from Operating Activities for FY20 has been adjusted to reflect an inventory reclass to PPE resulting in a decrease of ZAR 55.4M. Please see our Earnings Announcement for more details.

⁽²⁾ Free cash flow is defined as net cash generated from operating activities less purchase of property, plant & equipment. Free cash flow & free cash flow margin are non-IFRS metrics. Please see our Earnings Announcement for reconciliation to closest metric calculated in accordance with IFRS.

OUR LOW COST OF ACQUIRING A SUBSCRIBER

Total Unit Cost of Acquiring a Subscriber⁽¹⁾
ZAR



⁽¹⁾For bundled sales which contribute to Subscription Revenue

ROBUST OPERATING METRICS

Investing for growth

	FY20	FY21
Annual Subscription Revenue (ZAR M)	1,888	2,209
YoY Subscription Revenue Growth	24%	17%
ARPU (ZAR)	151	154
Gross Margin	70%	71%
Research & Development as a % of Subscription Revenue ⁽¹⁾	2%	5%
Sales & Marketing as a % of Subscription Revenue ⁽²⁾	9%	11%
General & Administrative as a % of Subscription Revenue ⁽³⁾	24%	22%
Operating Profit Margin	32%	32%
Adjusted EBITDA margin	48%	49%

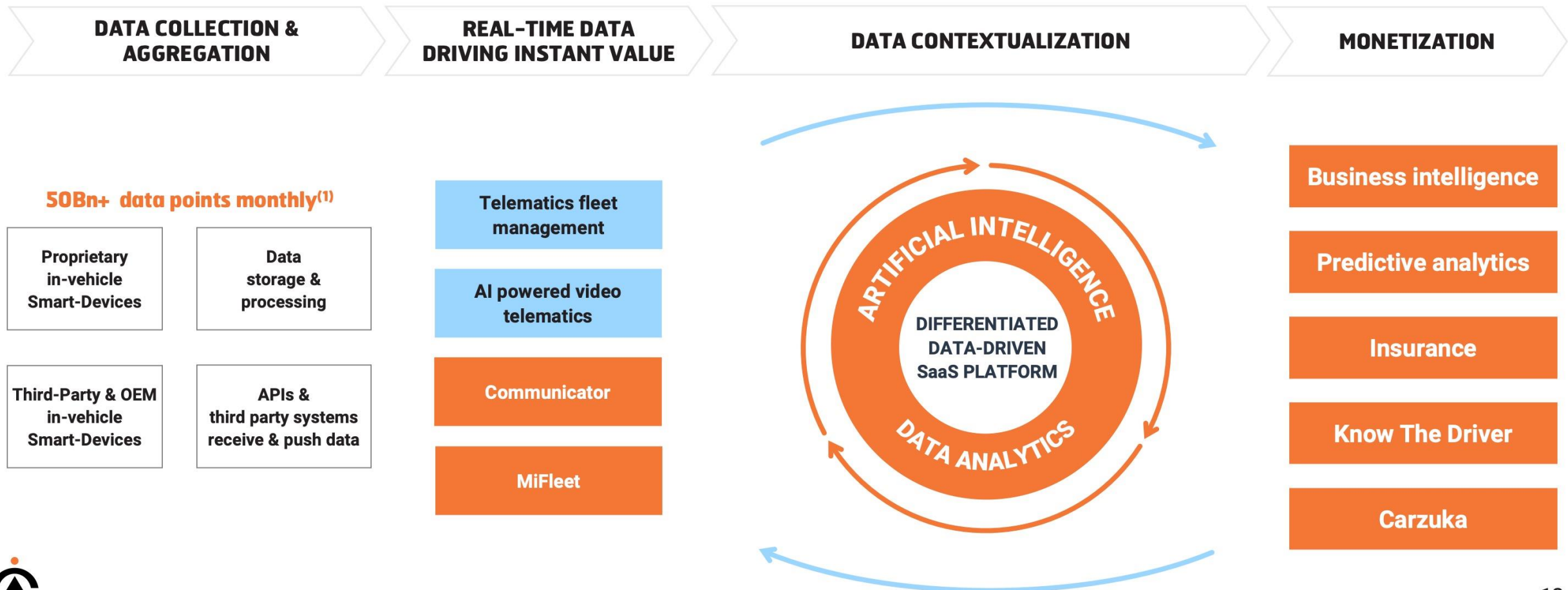
⁽¹⁾ FY21 includes the amortization of capitalized R&D which was previously included in general & administration costs. If included in full year 2020 the comparative would have been 3%.

⁽²⁾ FY21 includes the direct costs for provision of motor vehicles to sales staff which was previously included in general & administration costs. If included in full year 2020 the comparative would have been 10%.

⁽³⁾ FY21 excludes the amortization of capitalized R&D & the direct costs for provision of motor vehicles to sales staff which was previously included. If excluded in full year 2020 the comparative would have been 23%.



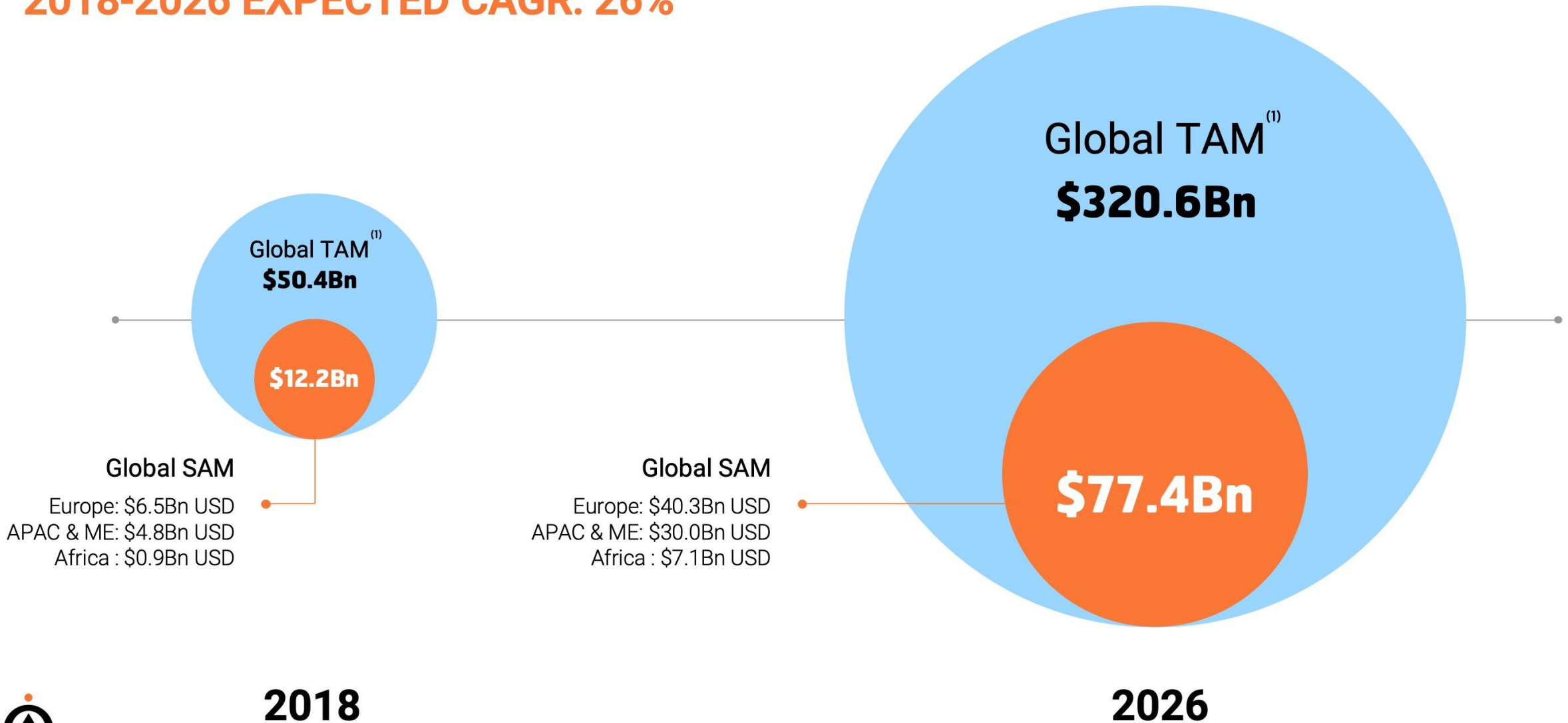
WE CONTEXTUALIZE BILLIONS OF DATA POINTS & DRIVE EXCEPTIONAL VALUE FOR CUSTOMERS



⁽¹⁾For the 6 month period ended January 30, 2021

A LARGE, UNDERPENETRATED MARKET

2018-2026 EXPECTED CAGR: 26%

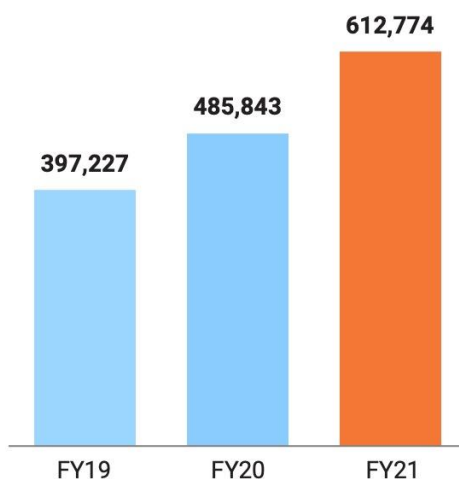


⁽¹⁾The Global Automotive Telematics Market. Source: Allied Market Research. 2019

ORGANIC CUSTOMER GROWTH

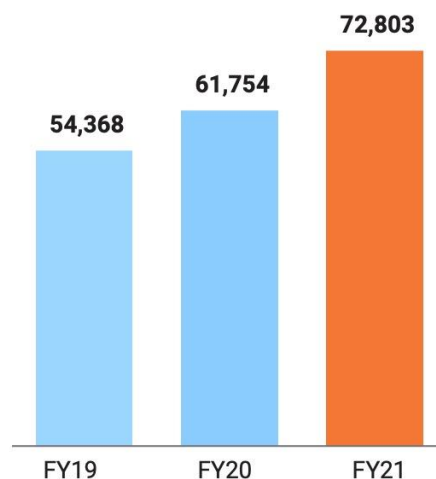
Consumers & Sole Proprietors

1 - 5 vehicles



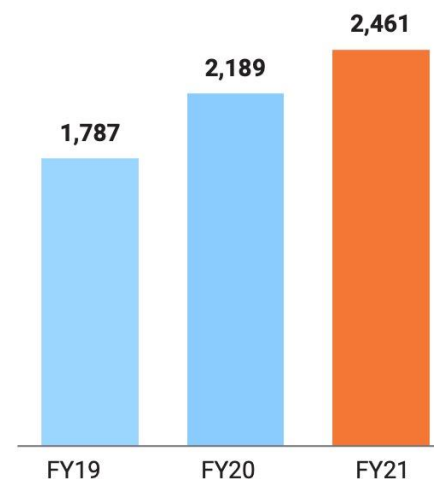
Small Enterprises

1 – 24 vehicles



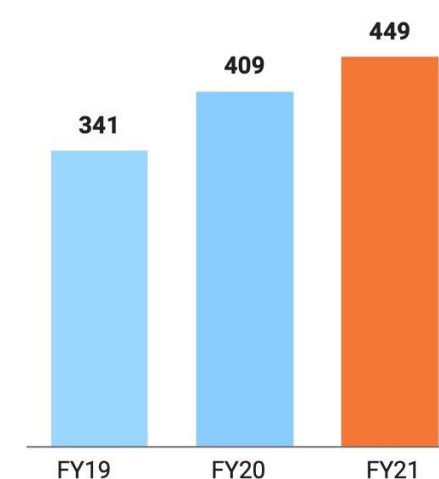
Medium-Sized Enterprises

25 - 99 vehicles



Large Enterprises

100+ vehicles



Low industry & customer concentration risk

	Revenue
Car Rental Industry	<1.15% ⁽¹⁾
Largest Customer	<2.25% ⁽¹⁾

95%

Commercial Customer Retention Rate⁽²⁾



⁽¹⁾As of February 28, 2021

⁽²⁾ Customer retention rate for small, medium and large enterprises calculated over a 3-year average as of November 30, 2020 by comparing the number of customers at the end of a year that had been with us at the start of that year

OUR SUCCESS ACROSS INDUSTRIES

South Africa



Rest of Africa



Europe



Asia



CONTINUED INTERNATIONAL EXPANSION UNDER COVID

'000s Subscribers / ZAR M	FY19	FY20	FY21	YoY change
SOUTH AFRICA				
Subscribers	746	869	1,014	17%
Subscription Revenue	1,117	1,384	1,622	17%
AFRICA- OTHER				
Subscribers	56	60	62	3%
Subscription Revenue	98	107	94	-12%
EUROPE				
Subscribers	83	99	111	12%
Subscription Revenue	142	168	214	27%
ASIA, MIDDLE EAST, USA				
Subscribers	76	99	119	20%
Subscription Revenue	164	228	279	22%



OUTLOOK

Geared for growth and scalability with strong financial discipline and earnings

	FY20	FY21	FY22 Expected
Number of subscribers (000s)	1,127	1,306	1,500 – 1,600
Subscription Revenue (ZAR M)	1,888	2,209	2,500 – 2,700
Adjusted EBITDA margin	48%	49%	45% – 50%



RECONCILIATION OF KAROOOOO & CARTRACK EBITDA & NET INCOME

Net Income Karooooo vs. Cartrack

ZAR (000s)	FY2020	FY2021
Net Income Cartrack	456,422	542,338
IPO costs expensed	-	(25,570)
Corporate and other Karooooo expenses	(10,801)	(4,392)
Taxation	(2,095)	(14,956)
Net Income Karooooo	443,526	497,420
Exclude IPO costs expensed	-	25,570
Adjusted Net Income Karooooo	443,526	522,990

EBITDA Karooooo vs. Cartrack

ZAR (000s)	FY2020	FY2021
Adjusted EBITDA Cartrack	937,485	1,127,700
Corporate and other Karooooo expenses	(10,801)	(2,346)
Adjusted EBITDA Karooooo	926,684	1,125,354





CARTRACK

Thank You



Appendix

REFER TO Q4 & FY 2021 EARNINGS MEDIA RELEASE FOR DETAILED FINANCIAL TABLES & RECONCILIATIONS