



Final Results Press Release

CARTRACK REPORTS STRONG DOUBLE-DIGIT GROWTH FOR ITS 6TH CONSECUTIVE YEAR

- Total revenue up by 28% to R1 693 million
- Robust subscriber growth of 28% to 960,798
- EBITDA increased by 17% to R761 million
- EPS up by 16% to 116 cents
- HEPS up by 15% to 116 cents
- Cash generated from operating activities up 16% to R544 million

28 May 2019: Cartrack Holdings Limited (Cartrack), a leading global provider of data analytics solutions for mobile asset management, asset recovery and workforce optimisation, reported another solid set of results for the year ended 28 February 2019. Zak Calisto, founder and Global Chief Executive Officer, commented: *“This year marks the sixth year of consecutive double-digit total company revenue and subscription revenue growth. Added to that, subscription revenue as a percentage of total revenue reached peak levels of 90% this year. We are equally excited about the continued growth and adoption of our advanced fleet management platform by a number of large corporate fleets in both Asia Pacific and mainland Europe. In South Africa, our industry-leading audited recovery rate of 92% at year-end underpins the superior specialised quality of the security technology required for the recovery of stolen vehicles.”*

Total revenue increased by 28% to R1 693 million from R1 324 million reported in the prior year on the back of robust subscriber growth at the same level to 960,798 subscribers (Feb 2018: 751,380 subscribers) and a strong performance across its key-growth-metrics. Net subscriber additions grew by an impressive 39% from 150,770 in 2018 to 209,418. Cartrack’s subscription revenue is currently at 90% (Feb 2018: 88%) of total revenue, increasing subscription revenue by 30% to R1 521 million (Feb 2018: R1 166 million). The Group continues to maintain a strong pipeline and order book while focusing on maximising the distribution footprint it has expanded in the current financial year.

Despite the significant increase in investments to grow distribution capacity and the headwinds in the South African economy, EBITDA grew by 17% from R651 million in the prior year to R761 million in this year. The EBITDA margin of 45% (Feb 2018: 49%) continues to be the highest in the industry.

Cash generated from operating activities remained strong, increasing by 16% to R544 million from R468 million (Feb 2018). Cartrack is a highly cash generative business with a strong cash flow forecast for the foreseeable future, the cash is being reinvested to support the accelerated growth strategy of the Group with upgrades to proprietary customer-centric platforms that will enhance operational efficiencies. It is also being utilised to continue to significantly increase Cartrack’s global distribution footprint to support the Group’s strategy.

The high return on equity of 50% and the return on assets of 28% indicate that capital was efficiently applied across the Group and that Cartrack’s business model delivers very attractive returns on capital employed for its shareholders. During the year, Cartrack invested into back-

office business systems with the aim of improving the operational and financial control environment. This will drive efficiency as well as allow economies of scale to the business in its expansion strategy.

Cartrack's global management capacity has been increased during the year with the appointment of a Chief Information Officer, Jesse Young, an industry professional with 15 years of experience in fleet telematics. He will be based at Cartrack's R&D hub in Singapore. Jesse Young's appointment makes room for a strategic split of the Chief Operating Officer (COO) role at Cartrack into a focused operational delivery and product innovation function with Richard Schubert at the helm of the operational delivery function as COO. In addition, Cartrack's pool of industry experience continues to expand with the appointment of Harry Louw and Brendan Horan. These highly respected industry professionals have a combined 35 years of solid telematics experience in Africa and abroad. Harry Louw joined as CEO of the South African region and Brendan Horan takes on the role of Chief Strategy Officer and Investor Relations.

Zak Calisto concludes: *"Cartrack is gathering significant momentum in its efforts to capitalise on the increase in global trends of artificial intelligence and data analytics and tangible results are already becoming evident from these efforts. Our vision remains to achieve global leadership in the telematics industry as we strive to be the technology leader, providing transformational solutions to manage fleets, workforces, and other non-powered assets, and help clients move their business operations into the digital age. As we focus on a highly underpenetrated market, Cartrack's goal is to provide our customers and partners with real-time, actionable business intelligence, based on advanced technology and reliable data."*

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Contact: **Cartrack Holdings Limited**
Zak Calisto (Global CEO), or
Brendan Horan (Chief Strategy Officer and Investor Relations)
Tel : (011) 250-3180

**PR contact for all
media interview requests : Lauren Human (078) 253 9160**

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Company background

Cartrack is a leading global provider of data analytics solutions for mobile asset management, asset recovery and workforce optimisation based on a proven Software-as-a-Service platform. Fleet management, Stolen Vehicle Recovery and insurance telematics services remain its core business, with a focus on technology development to enhance customer experience. The company is a service-centric organisation focusing on the in-house design, development and installation of telematics technology and data analytics.

Cartrack's technology is widely accepted by motor manufacturers and insurers. Its customer telematics web interface provides a comprehensive set of features ensuring the optimisation of both fleet and human resources. As an expansion of its integrated service offering, Cartrack also provides driver risk assessment offerings in the insurance telematics field.