



Interim Results Press Release

CARTRACK DELIVERS ANOTHER STRONG PERFORMANCE

- Robust subscriber growth of 22% to 1,038,970
- Subscription revenue up 26% to R897 million
- Total revenue up 19% to R938 million
- EBITDA of R480 million, up 28%
- Cash generated from operating activities of R446 million, up 70%
- Operating profit of R316 million, up 24%
- Basic earnings per share ('EPS') of 72.3 cents, up 28%
- Headline EPS ('HEPS') of 72.2 cents, up 28%
- Interim dividend per share of 20 cents, an increase of 11%

23 October 2019: Cartrack Holdings Limited (Cartrack), a leading global provider of mobility solutions for mobile asset management, asset recovery and workforce optimisation, reported another strong set of results for the six months ended 31 August 2019.

Zak Calisto, Group CEO, commented: *"We are pleased with our interim results which show a continued demand for our technology platforms and the growing trust our customers place in Cartrack. Our international business is growing faster than our South African business, but despite South Africa facing significant challenges, it is still a country with many untapped opportunities.*

During the reporting period, we surpassed one million subscribers, a significant milestone which places us among a select group of global leaders in mobility solutions. We have consistently delivered double-digit revenue growth and our subscription revenue has now reached a record level of 96% of total revenue. This growth is driven by a vibrant customer-centric sales culture and the increased adoption of our platforms. Our performance in Asia and Europe has augmented the consistent growth and performance of our South African business in delivering this expected result. Regions outside of South Africa now account for 27% of the Group's revenue, showing increased appetite for sophisticated data and business mobility solutions.

We remain firmly committed to long-term profitability by diversifying our customer base, innovating our technology platforms, and scaling international operations."

Cartrack's sterling performance across its key-growth-metrics is attributable to subscription revenue growing by 26% from R710 million (HY19) to R897 million. The number of total subscribers increased by 22% over a one-year period, from 849,772 (HY19) to 1,038,970. The Group continues to maintain a strong pipeline order book while focusing on fully utilising its expanding distribution footprint.

The Group reported EBITDA of R480 million (HY19: R376 million), up 28% culminating in an industry-leading EBITDA margin of 51% (HY19: 48%). Operating profit increased by 24% to R315 million from R255 million at HY19, resulting in an operating profit margin of 34% (HY19: 32%). Cartrack's margin expansion is in line with management's expectations and objectives.

The **South African** segment delivered strong subscription revenue growth of 26%, while subscribers grew by 23%. This was partially offset by hardware revenue decreasing by 56%, resulting in total revenue growth of 16% from R587 million (HY19) to R682 million. EBITDA of R386 million was recorded with growth of 18%, which was in line with revenue growth.

Asia Pacific is the second largest revenue contributor and the fastest growing segment in the Group, with subscription revenue up by 46% from R72 million (HY19) to R105 million after an increase of 39% in subscribers. Strong EBITDA growth of 139% from R14 million (HY19) to R33 million was achieved.

The **European** segment delivered subscriber growth of 16% and subscription revenue growth of 20% from R67 million (HY19) to R80 million. The region recorded an EBITDA of R42 million with growth of 98%, at an EBITDA margin of 50%.

The **African** segment (excluding South Africa) delivered an improved performance after a restructuring process that led to increased operational efficiencies and an improvement in the costs of acquiring subscribers. The subscriber base in Africa increased by 9% and subscription revenue grew by 7%, while total revenue increased by 10% from R54 million (HY19) to R59 million, driven by an improvement in sales. EBITDA increased by 43% to R22 million with an EBITDA margin of 37%.

Cartrack's investment in the **United States** continues to yield many key insights that have positively contributed to the Group and remains strategic in nature.

EPS and HEPS both increased by 28% to 72.3 cents and 72.2 cents, respectively. The interim dividend increased by 11% from 18 cents (HY19) to 20 cents, equating to a 3.6 dividend cover ratio.

Cash generated from operating activities is up 70% to R446 million, reinforcing the Group's highly cash-generative business model.

Cartrack's high return on equity of 47% and return on assets of 28% indicates that capital was efficiently applied across the Group and that Cartrack's business model delivers very attractive returns on capital employed for shareholders.

Zak Calisto concludes: *"Cartrack remains focused on smart mobility, actionable business intelligence and the expansion of the Internet of Things. The Group will continue to drive innovation through interaction with customers as well as strategic research activities. Management expect the second-half 2020 subscription revenue, subscriber growth and earnings to be in line with our first-half 2020 performance and foresee double-digit subscription revenue growth in the foreseeable future."*