Annual Results Media Release

CARTRACK DEMONSTRATES CONSISTENT GROWTH WITH ANOTHER STRONG SET OF RESULTS

FINANCIAL RESULTS FOR THE YEAR ENDED 29 FEBRUARY 2020

HIGHLIGHTS

- Robust subscriber growth of 17% to 1,126,515 (FY19: 960,798)
- Subscription revenue up by 24% to R1,888 million (FY19: R1,521 million)
- Subscription revenue is 97% of the total revenue and growing (FY19: 90%)
- Total revenue up by 15% to R1,942 million (FY19: R1,693 million)
- Operating profit of R642 million (FY19: R500 million), up 28%
- Operating profit margin of 33% (FY19: 30%)
- EBITDA increased by 27% to R969 million (FY19: R761 million)
- EBITDA margin of 50% (FY19: 45%)
- EPS up by 27% to 148.3 cents
- HEPS up by 28% to 148.1 cents
- Cash generated from operating activities of R914 million (FY19:R472 million), up 94%
- Final cash dividend per share of 54 cents (FY19: 12 cents), with full year dividend of 74 cents (FY19: 30 cents)

13 May 2020: **Cartrack Holdings Limited** (Cartrack), a leading global provider of mobility solutions for asset management, asset recovery and workforce optimisation, today reported a solid set of results for the year ended 29 February 2020, demonstrating the continued demand for its essential services and advanced technology platform. The company, which operates in 23 countries and 5 continents, increased Headline Earnings Per Share (HEPS) by 28%.

Cartrack grew its subscriber base by 17% to 1,126,515, surpassing the milestone 1,1 million mark this year. In addition to this highlight, the Group delivered a strong performance across all of its key-growth-metrics, with subscription revenue growing by 24%, from R1,521 million to R1,888 million and total revenue up by 15% to R1,942 million (FY19: R1,693 million). Regions outside Africa grew subscription revenue by 30% year-on-year, showing increased appetite for sophisticated data and business mobility solutions.

Cartrack stated that it achieved further improvements in its industry-leading margins despite significant investment in the past year. As the subscriber base grows, Cartrack continues to identify and seize opportunities to realise economies of scale and maximise operating efficiencies. The company's operating profit margin increased by 33% (FY19: 30%) and the EBITDA margin rose to 50% (FY19: 45%). The high return on equity of 44% and the return on assets of 27% indicate that capital was deployed efficiently across Cartrack's business.

Zak Calisto, Group CEO, commented on these results: *"We are extremely pleased with our performance which shows a continued demand for and trust in the Cartrack platform. Since listing in 2014, we have consistently delivered double-digit subscription revenue growth, which now makes up 97% of total revenue. This growth is driven by our vibrant customer-centric service culture, technological advancement and the increased adoption of our platform.*

We have been able to deliver a high level of service to all our customers despite the economic disruptions caused by COVID-19. With an unleveraged balance sheet, we believe that we are well positioned to weather the COVID-19 storm. Since our financial year end in February, our subscriber base has increased to over 1,145,000, with all the growth coming from Asia and Europe.

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

REGIONAL OVERVIEW

The ***South African*** segment remains the prominent revenue contributor and, in line with management expectations, delivered solid revenue growth of 14% from R1,246 million to R1,418 million with a subscriber growth of 17%.

The investment in proprietary back-office systems in the South Africa business has yielded positive results, reducing operating expenses by 0.4% year-on-year. Despite the significant headwinds in South Africa and other African countries, the debtors' days are marginally above that of last year at 34 days (FY19: 33 days). This is a key metric indicating the consistency and quality of sales, operational effectiveness and strong credit management.

The ***African segment*** (excluding South Africa) delivered a consistent performance after a restructuring process which led to increased operational efficiencies and an improvement in the costs of acquiring subscribers. Africa continues to play a critical role in ensuring a high level of service to South African customers that are increasingly doing cross-border business.

Asia Pacific has, in a short space of time, become the second largest revenue contributor and the fastest growing segment in the Group. This region delivered an EBITDA of R74 million and strong EBITDA growth of 94%, from R38 million in the prior period.

The ***European*** segment delivered strong subscriber growth of 20% and subscription revenue increased by 18% to R142 million. This achievement is as a result of Cartrack's proprietary systems which have increased productivity and reduced operational costs. Cartrack continues to evaluate its strategy to expand into the rest of Europe.

The investment to date in the ***United States*** has largely been in research and development, which is pivotal to Cartrack's rapid expansion in the telematics industry.

MANAGEMENT'S ASSESSMENT OF THE IMPACT OF COVID-19 ON FY21

Like many global companies, we believe our FY21 results will be impacted by the global slowdown in economic activity due to the COVID-19 lockdowns.

The current disruption caused by COVID-19 will impact our Q1 FY21 new subscriber additions (a 35% decline in March and April 2020 compared to the same period in FY20) and we plan for no growth in subscription revenue compared to Q4 of the prior year. We also plan for weaker new subscriber additions for the first half of the year. We have, however, seen no spike in subscriber cancellations and as at the end of April we have 14,659 additional subscribers, underpinning the thesis that our high level of service remains essential to our customers.

We have a clean balance sheet, generate strong cash flows and operate with industry leading margins, giving us a level of operating safety.

The situation regarding COVID-19 is continuously evolving and we will diligently evaluate its potential impact on our business. In the circumstances we believe it to be prudent and responsible not to share a firm FY21 outlook.

Ends