



# 2018 ANNUAL RESULTS PRESENTATION

April 2018

#### ABOUT CARTRACK

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BUSINESS UPDATE

FINANCIAL PERFORMANCE

SEGMENT PERFORMANCE

OUTLOOK AND QUESTIONS

ANNEXURES





PROVEN TECHNOLOGY

Mobile asset management solutions

Asset recovery

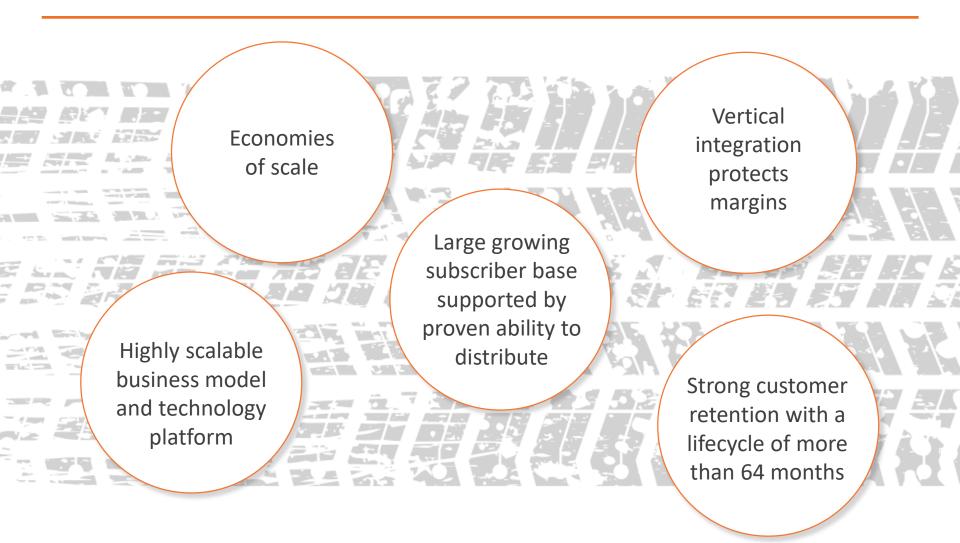
Workforce optimisation

Telematics and data analytics

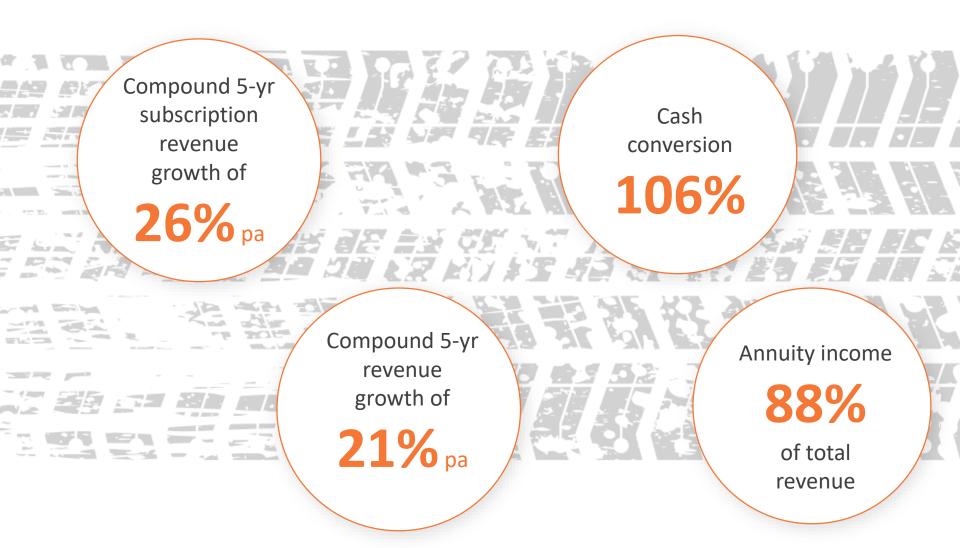
#### AMONG THE LARGEST TELEMATICS COMPANIES GLOBALLY



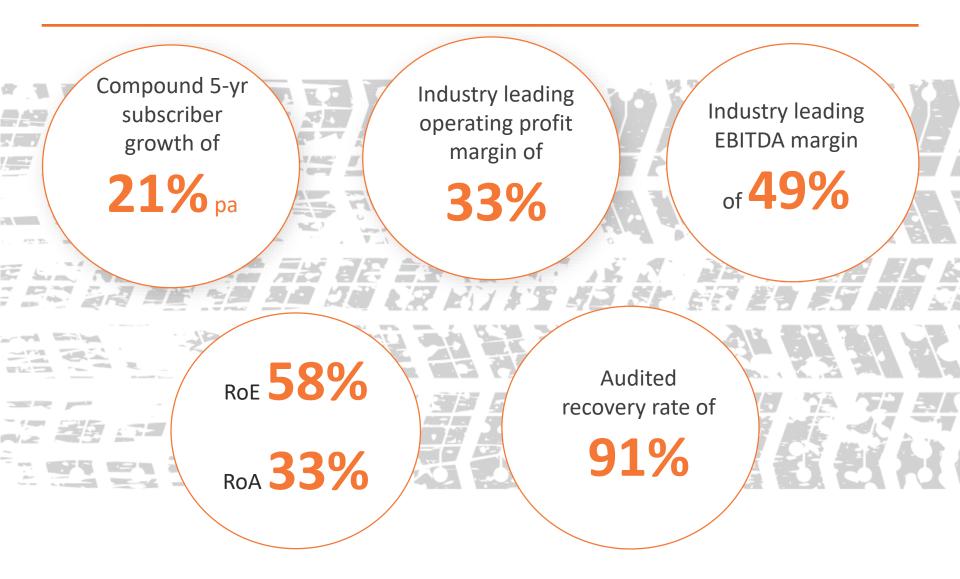
#### A ROBUST OPERATING MODEL



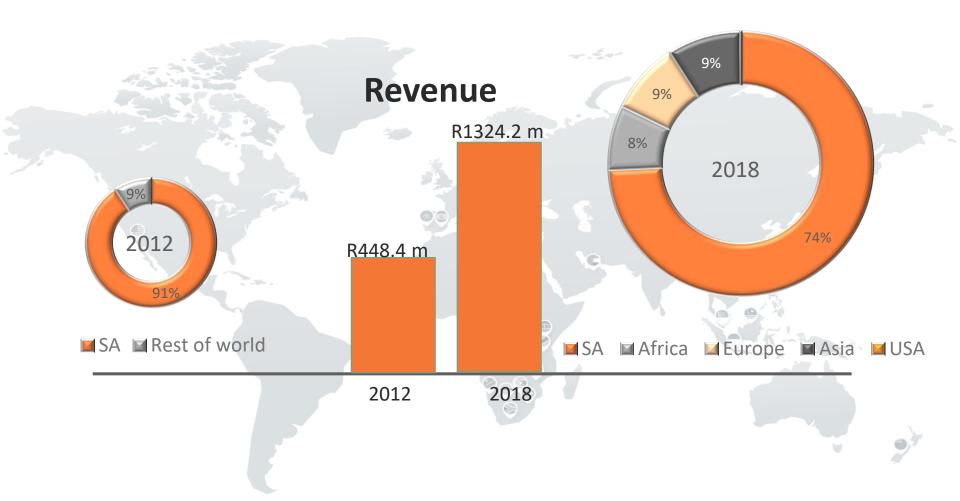
#### A LOW-RISK FINANCIAL MODEL



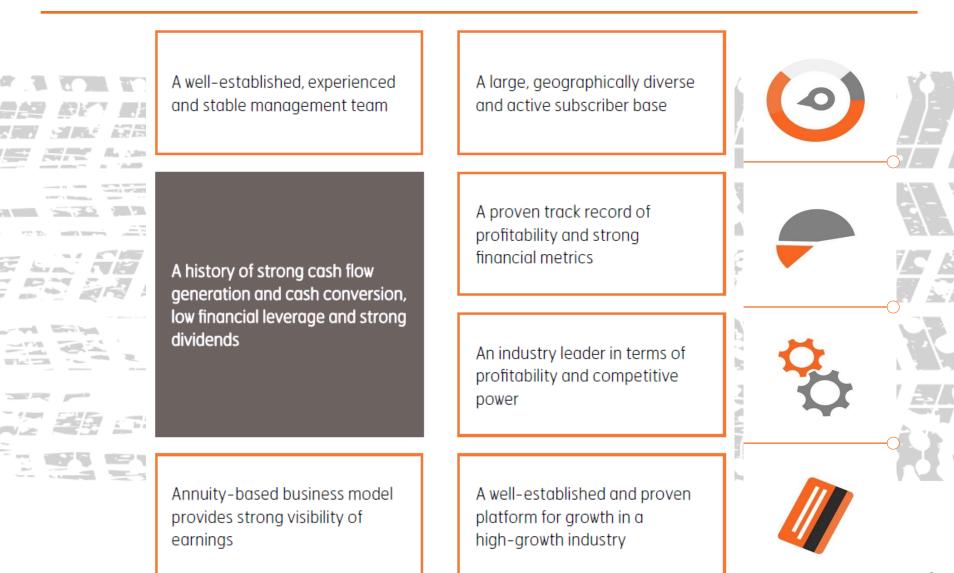
## A PROVEN TRACK RECORD



#### A GROWING REGIONAL CONTRIBUTION



# WHAT WE OFFER INVESTORS

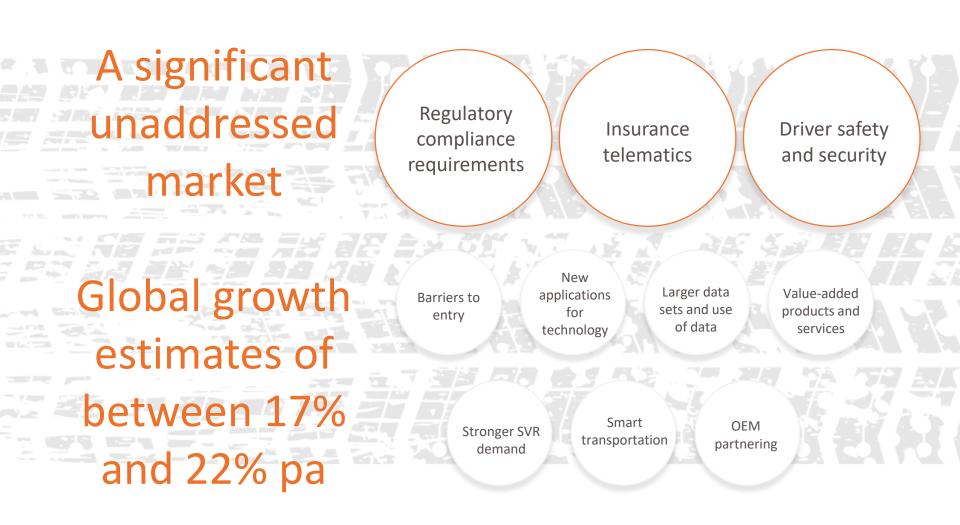




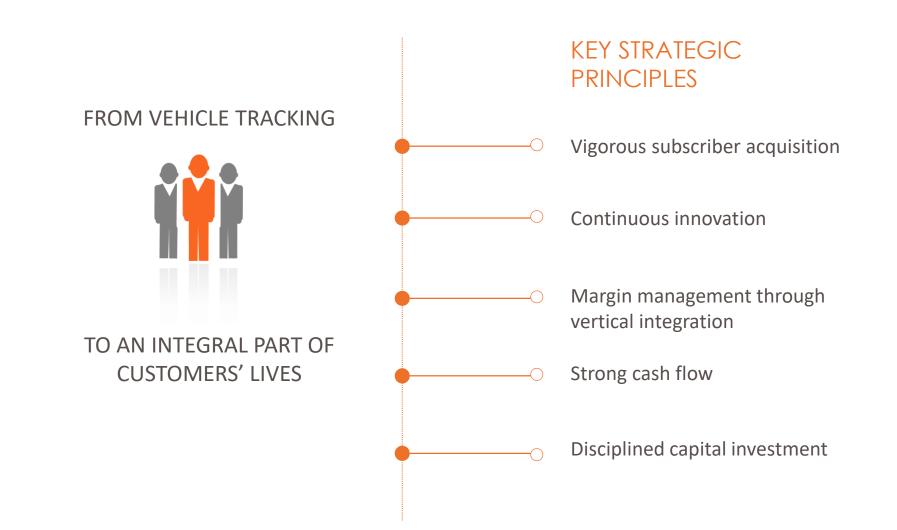
# STRATEGY **REVIEW**



#### MULTIPLE GROWTH DRIVERS



# A CONSISTENT STRATEGY





#### CURRENT FOCUS AREAS

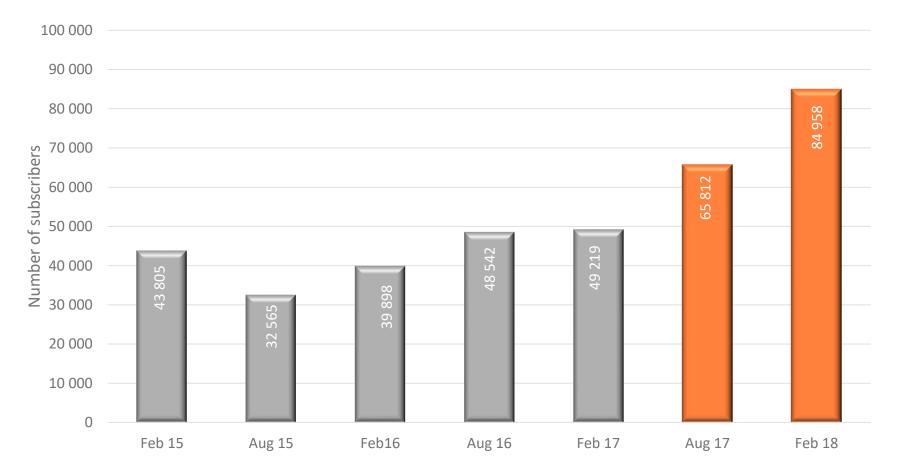
#### Building capacity in infrastructure and distribution

New revenue streams

**Customer partnerships** 

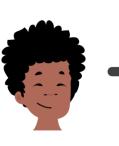
**Product development** 

#### ACCELERATING GROWTH IN SUBSCRIBERS Net additional subscribers for every six months since listing



# REVENUE LAGS SUBSCRIBER GROWTH – THE FULL BENEFIT FOLLOWS IN THE FINANCIAL YEAR AFTER THE INITIAL SALE





#### Anonymous

26 yr old Income pa RXXX XXX Car value RXXX XXX Parks mostly in Midrand Drives XXXX km pm Drives X% at night Driver Score X ....

#### A minimum of 6 months anonymous telematic data goes to the Insurance Companies every 12 months



#### Bongani recieves the 3 best offers for fully comprehensive and third party insurance





Offer #1

Offer #3

Bongani chooses offer #3 third party insurance

**DRIVE+SAVE** issues 12 month insurance policy with the underwriter of offer #3



#### DRIVE + SAVE

#### ANOTHER CARTRACK INNOVATIVE FIRST-TO-MARKET PRODUCT Initial launch in South Africa

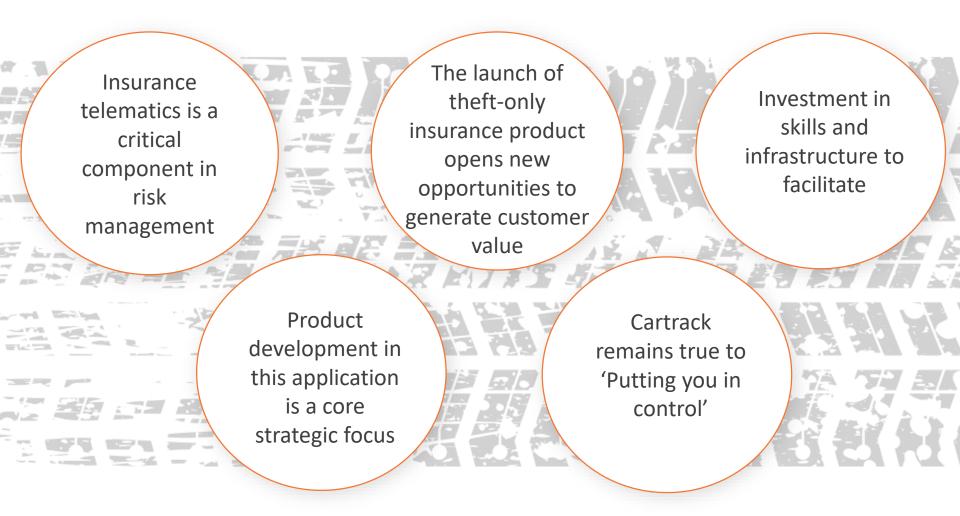
R9.99 theft-only insurance product launched in February 2018 aimed at the SA uninsured market

The Automobile Association of SA estimates that 70% of the 12 million vehicles on SA roads are uninsured Limited to R150 000 – terms and conditions apply

> Cover to R300 000, R500 000 and R1 million to be implemented soon

THIS INITIATIVE IS AIMED AT THE UNTAPPED UNINSURED MARKET

#### INSURANCE TELEMATICS CONTINUOUS INNOVATIVE PRODUCT DEVELOPMENT





# FINANCIAL **PERFORMANCE**



## ROBUST 2018 PERFORMANCE GEARED FOR GROWTH



Subscription revenue up 19%

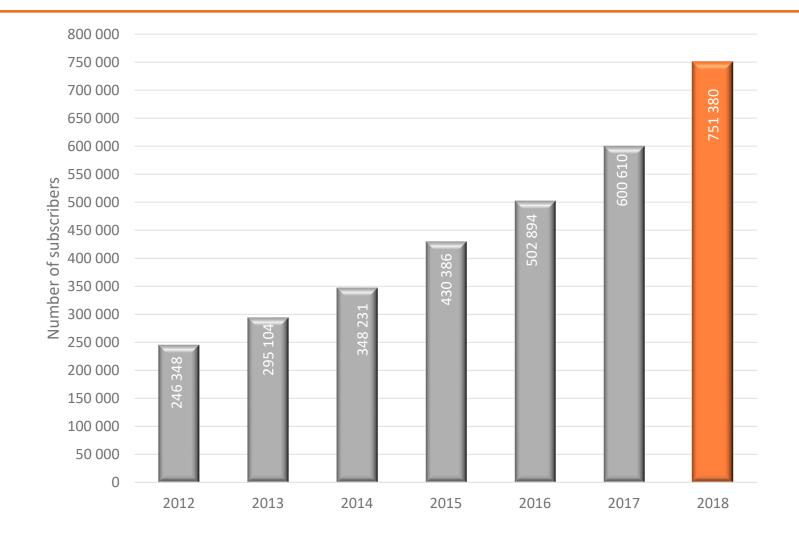
Operating profit up **18%** 

EPS of 100.5cps up **17%** 

Total dividend of 46 cps

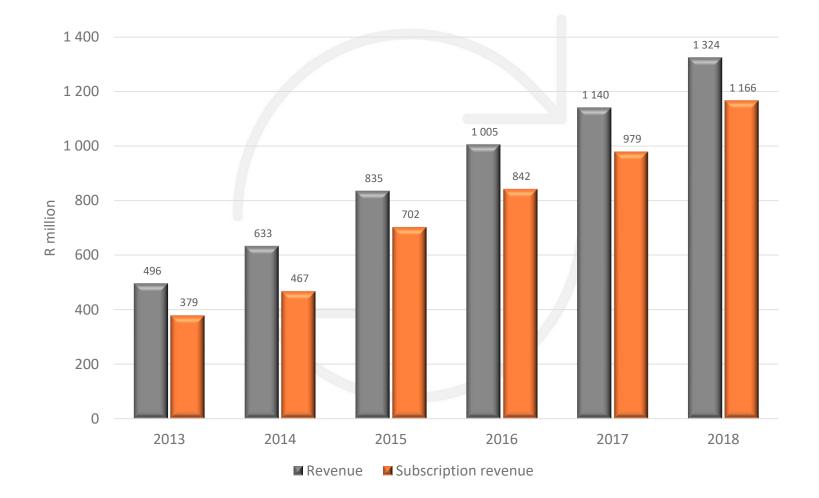
Lucrative growth opportunities across all regions

### 2018 SUBSCRIBER GROWTH ACCELERATING TO 25%

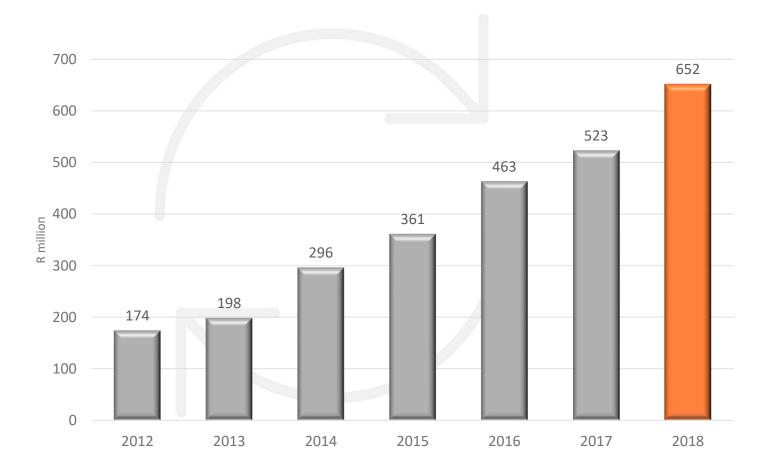


COMPOUND 5-YR SUBSCRIBER GROWTH OF 21% pa

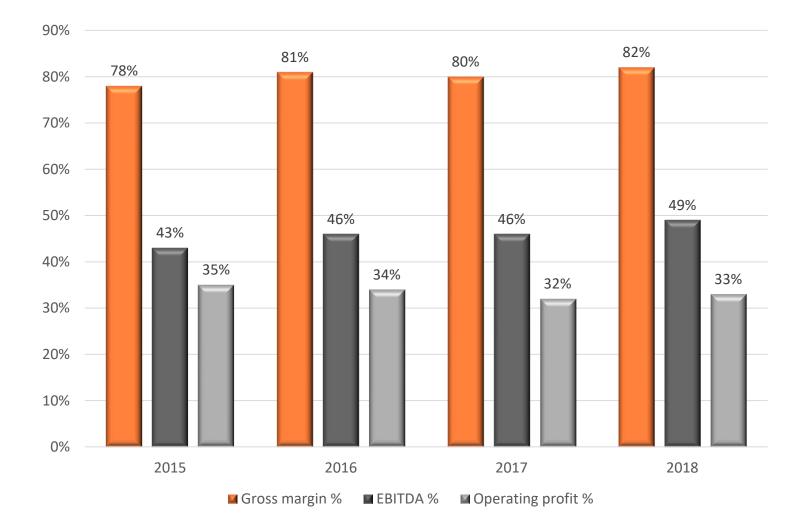
#### 2018 SUBSCRIPTION REVENUE GROWTH OF 19%



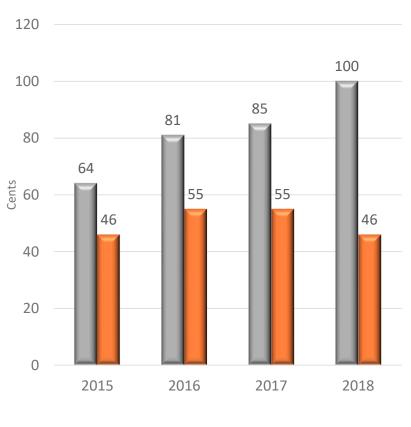
#### 2018 EBITDA GROWTH OF 25%



#### CONSISTENT INDUSTRY LEADING MARGINS

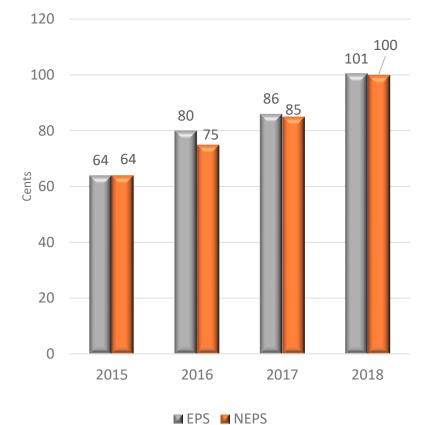


#### EARNINGS AND DIVIDENDS



#### **HEPS UP 17%**

#### EPS UP 17% NORMALISED EPS\* UP 18%



🖬 HEPS 🛛 DPS

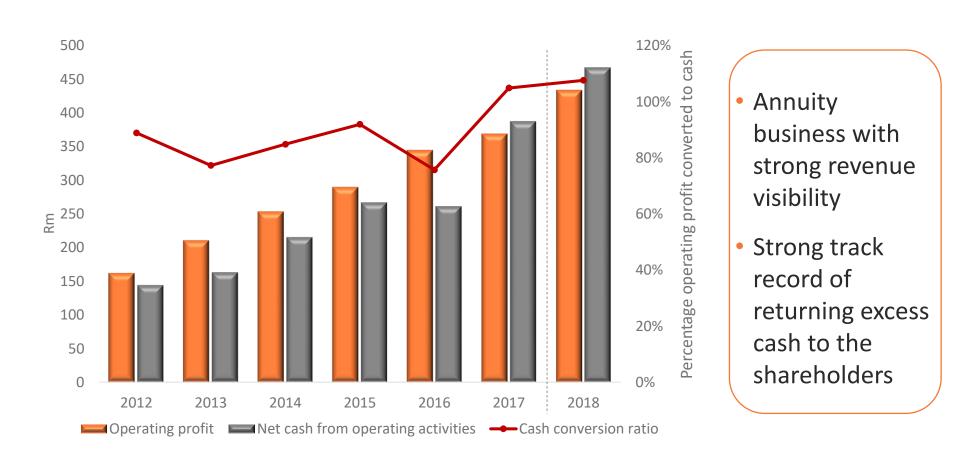
\*Normalised EPS removes non-operational forex gains/losses

## STRONG BALANCE SHEET

#### **POSITIONED FOR GROWTH**

- Minimal gearing
- Strong performing debtors book
  - debtors' days FY18: 29 days FY17: 31 days
- Stock levels positioned for growth
  - inventory days FY18: 271 days-FY17: 197 days
- Strong cash generation
- Clean, uncomplicated Balance Sheet

#### CONSISTENTLY HIGH CASH CONVERSION





#### SEGMENT PERFORMANCE



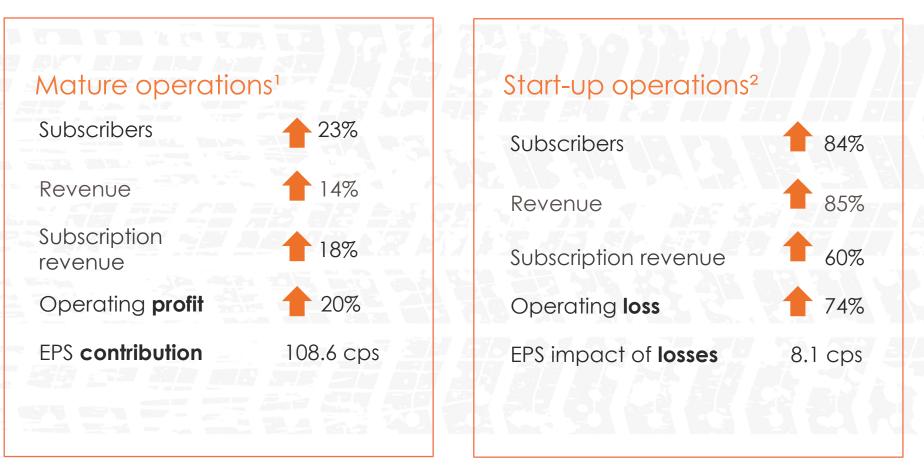
#### SEGMENT PERFORMANCE SUMMARY



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– Kev	y metrics	and a	growth	percent	ages
			,		

			-	U	_	U				
	South Africa		Africa – Other		Europe		Asia Pacific & ME		United States	
ZAR	R'000	Change	R'000	Change	R'000	Change	R'000	Change	R'000	Change
Subscribers	575 052	26%	54 262	(2%)	71 783	26%	48 969	59%	1 314	-
Revenue	983 690	14%	104 664	(4%)	116 263	13%	118 256	73%	1 392	-
Subscription revenue	854 416	18%	92 618	(4%)	111 065	14%	105 689	80%	1 392	-
Operating Profit	376 156	20%	31 809	(20%)	18 994	(3%)	15 300	3205%	(7 912)	84%
EBITDA	523 838	24%	34 672	(18%)	64 527	26%	35 938	257%	(7 687)	81%
EBITDA margin	53%	8%	33%	(15%)	56%	11%	30%	106%	-	-

# SEGMENTAL PERFORMANCE



<sup>1</sup> includes South Africa, Europe, Africa Other and Singapore <sup>2</sup>includes Asia (excluding Singapore), USA



#### **OUTLOOK** & QUESTIONS



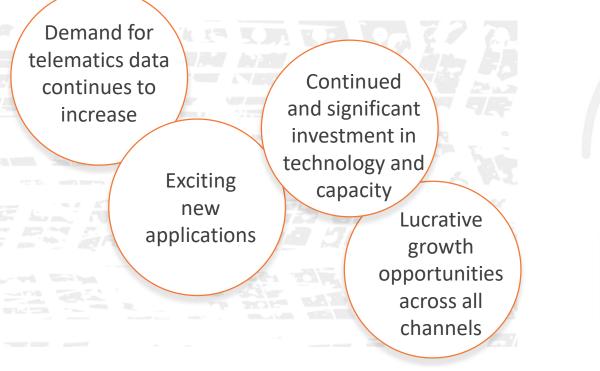
# CONNECTED AND AUTONOMOUS CARS

#### **DYNAMIC SOFTWARE PLATFORM**

- Smart mobility is gaining momentum despite being in its infancy stage
- Cartrack has established relationships with two major global players
- Affirms the applicability of a universal platform for connected-vehicles regardless of the vehicle brand
- This is a further strengthening of the value proposition of telematics companies and particularly those with stable, proven and dynamic platforms, such as Cartrack
- This will in future leverage both OEM and third-party telematics devices to provide decision-useful information

#### A ROBUST OUTLOOK

#### Well-positioned for growth and strong operating results



Double digit revenue and subscriber growth expected for the foreseeable future

- Present dividend policy targeted cover of between 1.25 and 2.5 times HEPS
- Significant growth opportunities require a revised dividend policy target cover of between 2 and 4 times HEPS, to be effective for FY19



# International Offices

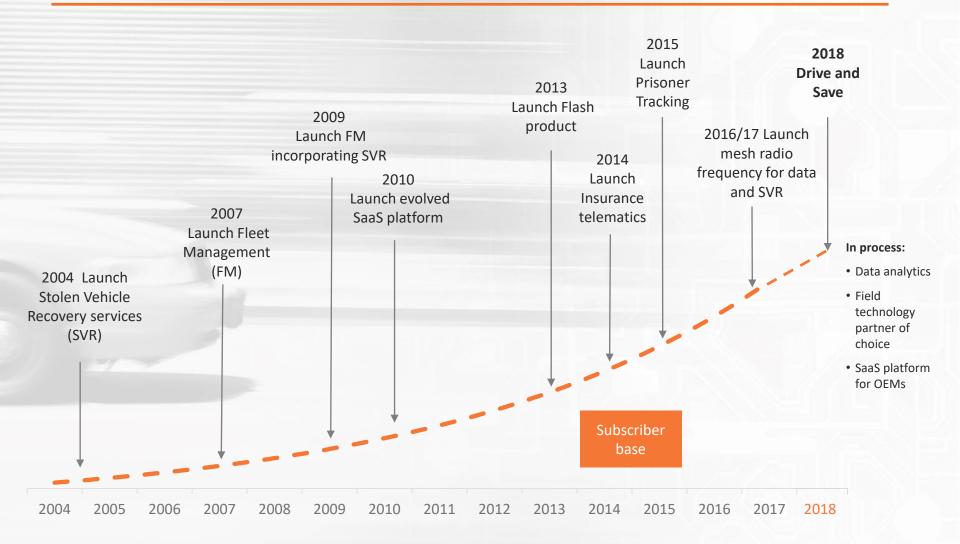
Angola Botswana Hong Kong Indonesia Kenya Malaysia Malawi Mozambique Namibia New Zealand Nigeria Philippines

Poland Portugal Rwanda Singapore South Africa Spain Swaziland Thailand Tanzania UAE USA Zimbabwe





#### CARTRACK'S TECHNOLOGY HISTORY

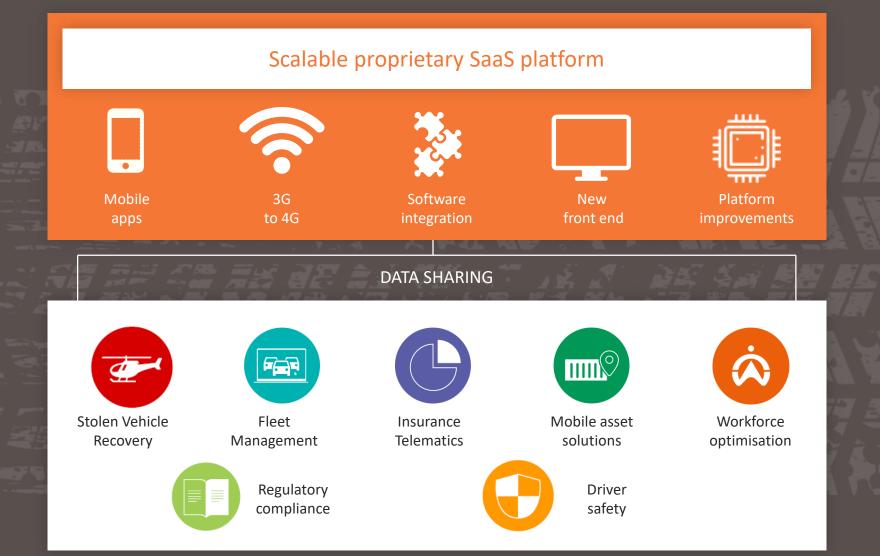


#### STRATEGIC DRIVER – diversified subscriber base



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## STRATEGIC DRIVER – data and technology



#### STRATEGIC DRIVER – customer retention



FUTURE SALES LIKELY TO BE PREDOMINANTLY RENTAL-BASED