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## FY2020 INTERIM RESULTS PRESENTATION

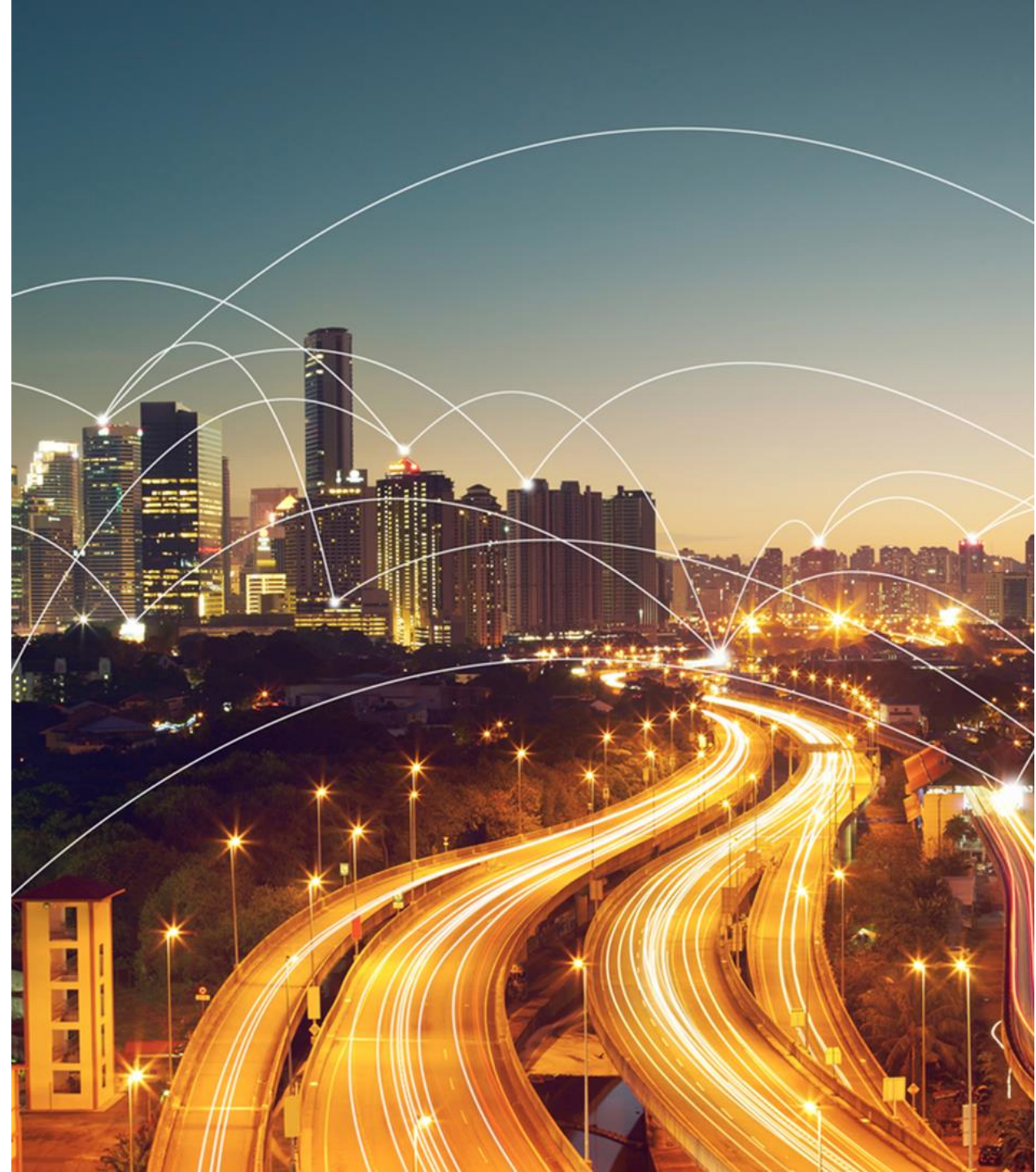


# Leading Financial Model

Positioned for sustainable growth

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- Subscription based business model
- Low cost of acquisition relative to our peers
- Average Revenue per Unit (ARPU) is geared to cannibalise competitors when market matures
- Industry-leading margins despite lower ARPUs
- Industry-leading cash generation
- Prudent cash allocation with proven distribution model
- Model scales with increased profitability





# Long Runway for Growth

A proven distribution model

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- Global addressable market remains materially underpenetrated

“Expected to register a CAGR of 20.7% from 2019-2024” [www.prnewswire.com](http://www.prnewswire.com)

- High rate of organic net adds
- Vertically integrated and customer-centric culture
- Proven track record of customer acquisition and retention
- Highest audited recovery rate, a barrier to entry in high crime regions
- Long-standing relationships with large and medium-sized enterprise fleets



# Next Generation IoT SaaS Platform

Mobility solutions currently being launched

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- Business Intelligence and OEM Integration Platform
- Mi Fleet – Advanced Fleet Administration
- Customer Relationship Management (CRM)
- Communicator and Routing
- Real Time AI enabled Video Streaming
- Insurance Aggregator
- Buy and Sell Cars / Vehicle Trader
- Additional transformational platforms will be delivered by Q3 of FY21

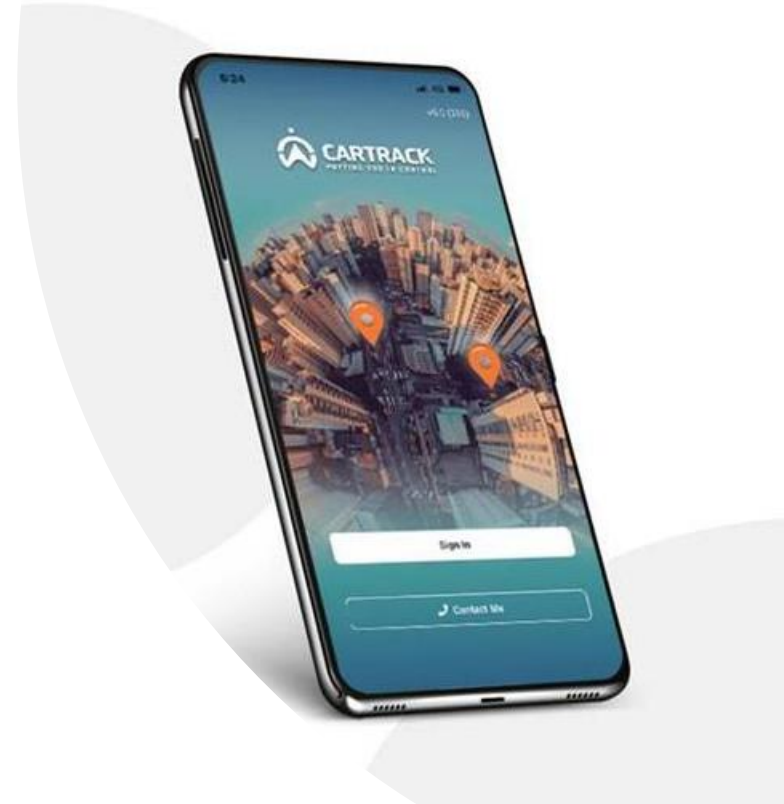


# The Cartrack Advantage

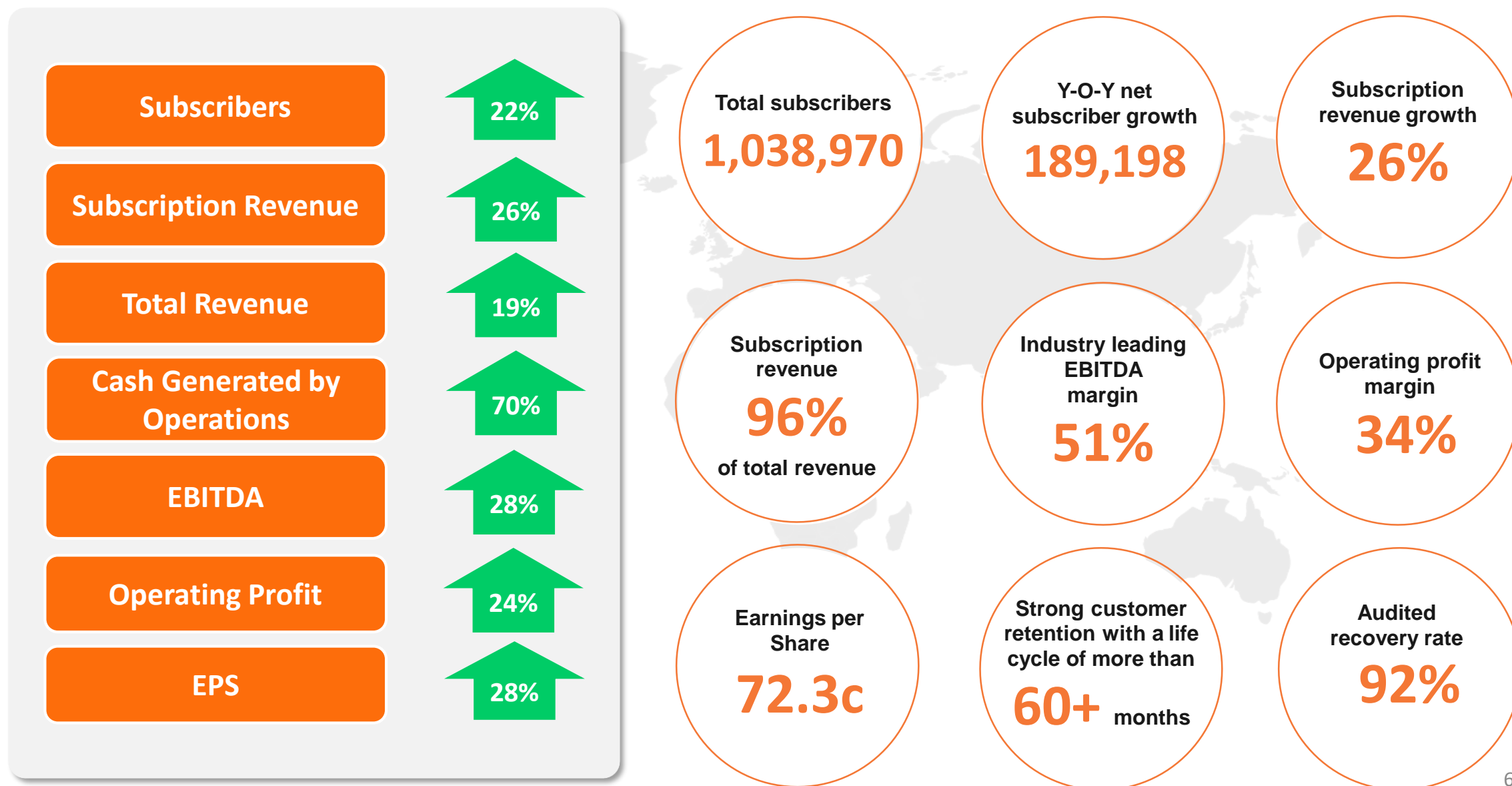
A proven business model

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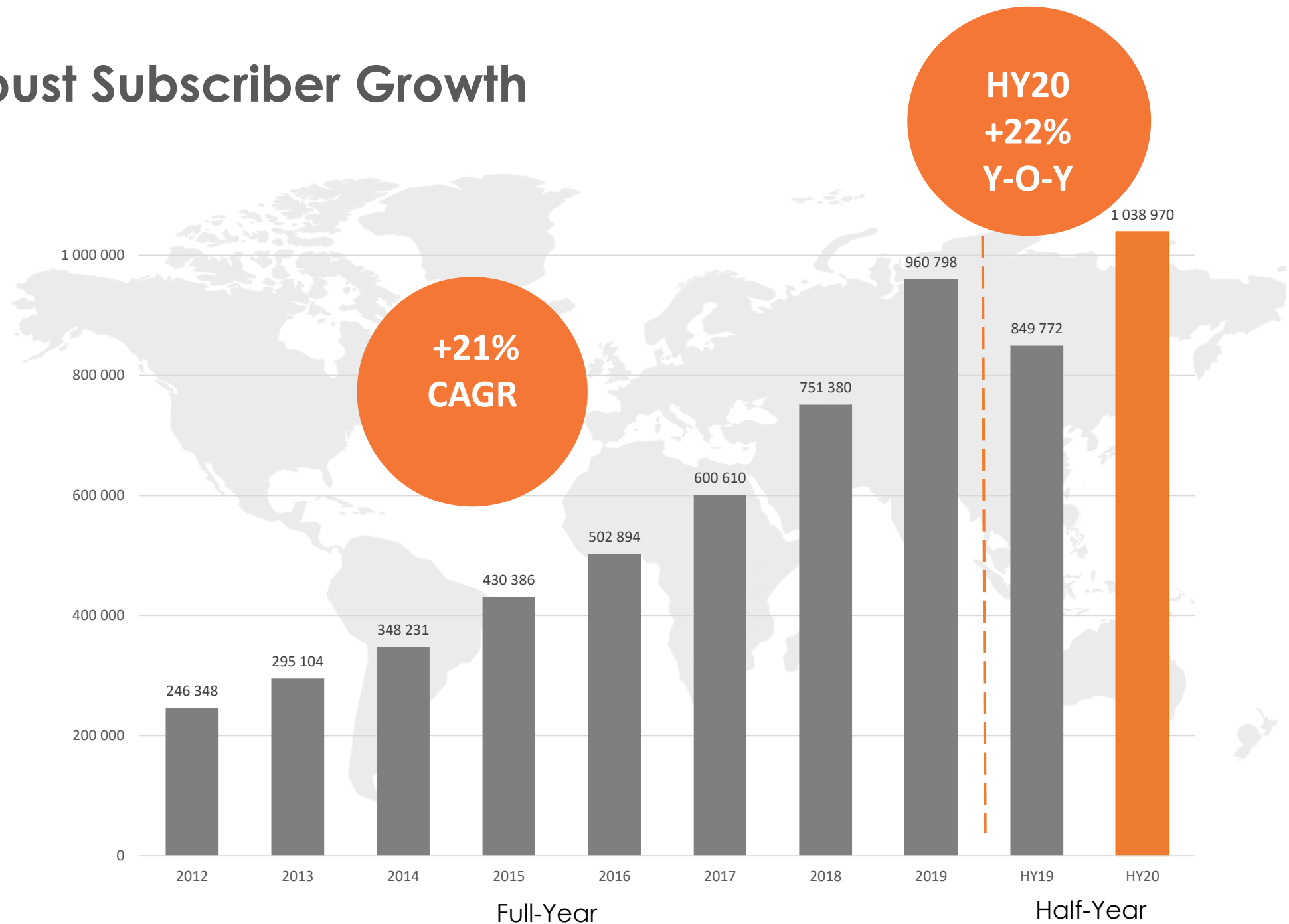
- Founder-led business with an entrepreneurial and growth mindset
- Vibrant customer-centric sales culture
- High performance track record
- High speed innovation and execution
- Strong ability to innovate and set market trends
- Highly scalable business and technology platform



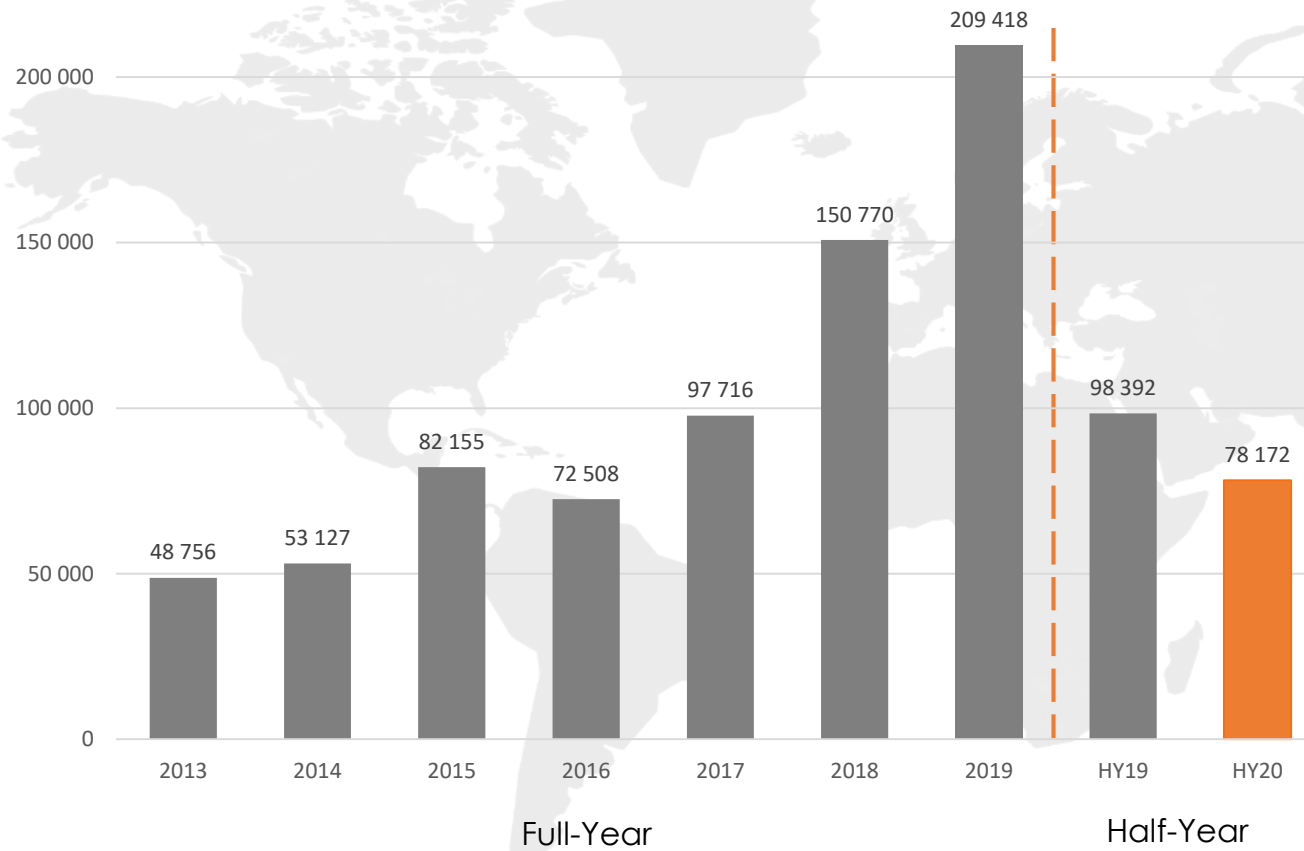
# Proven Business Model with a Track Record of Growth



# Robust Subscriber Growth



# Net Subscriber Additions



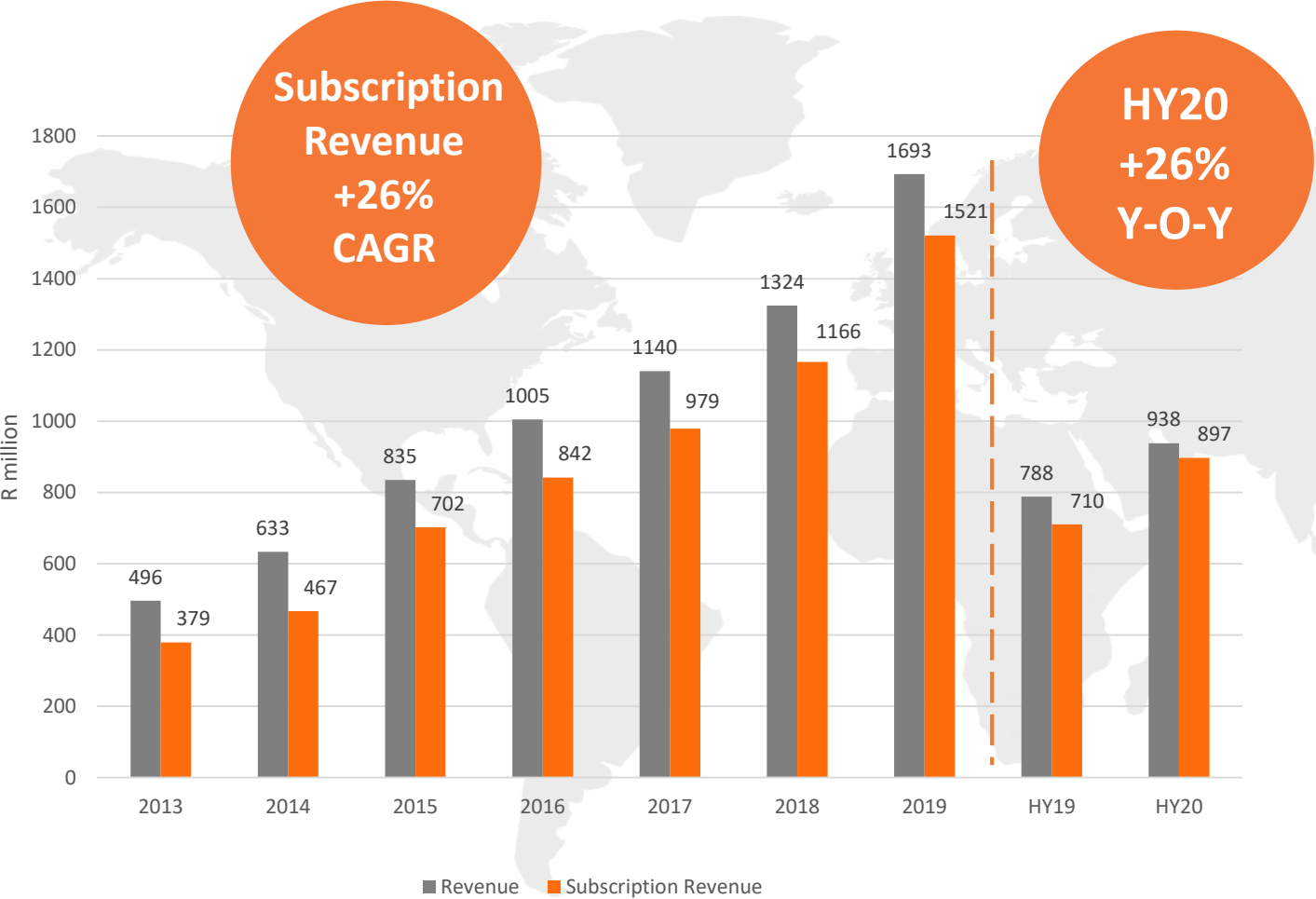
The increase in net adds is in line with our exponential growth strategy

Cost of subscriber acquisition is down 15% on the back of new generation technology and tighter operational controls

We have budgeted to ramp up new sales in second-half of HY20



# Total Revenue and Subscription Revenue Growth



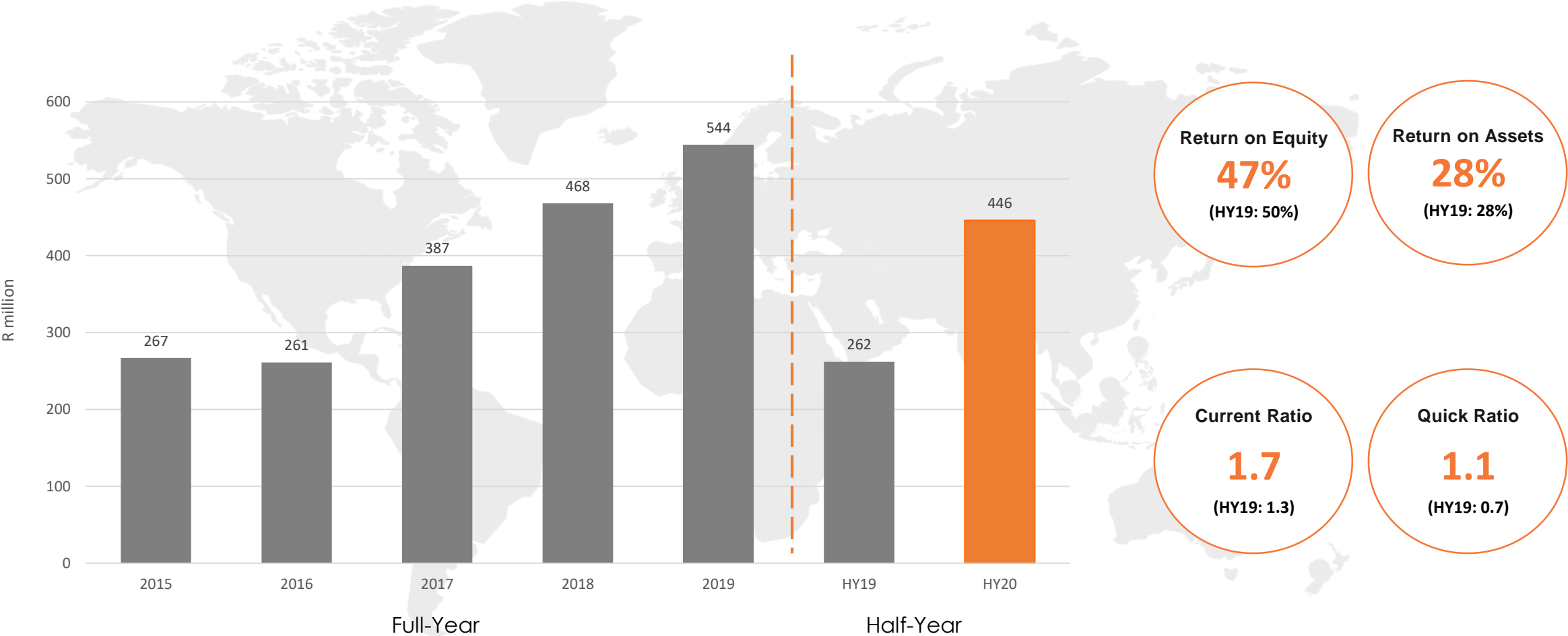
## Highlights

- Y-O-Y subscription revenue growth of 26%
- Subscription revenue as a percentage of total revenue reached a peak of 96%

## Growth Drivers

- Strong customer-centric sales culture
- Positive realisation of investment in distribution

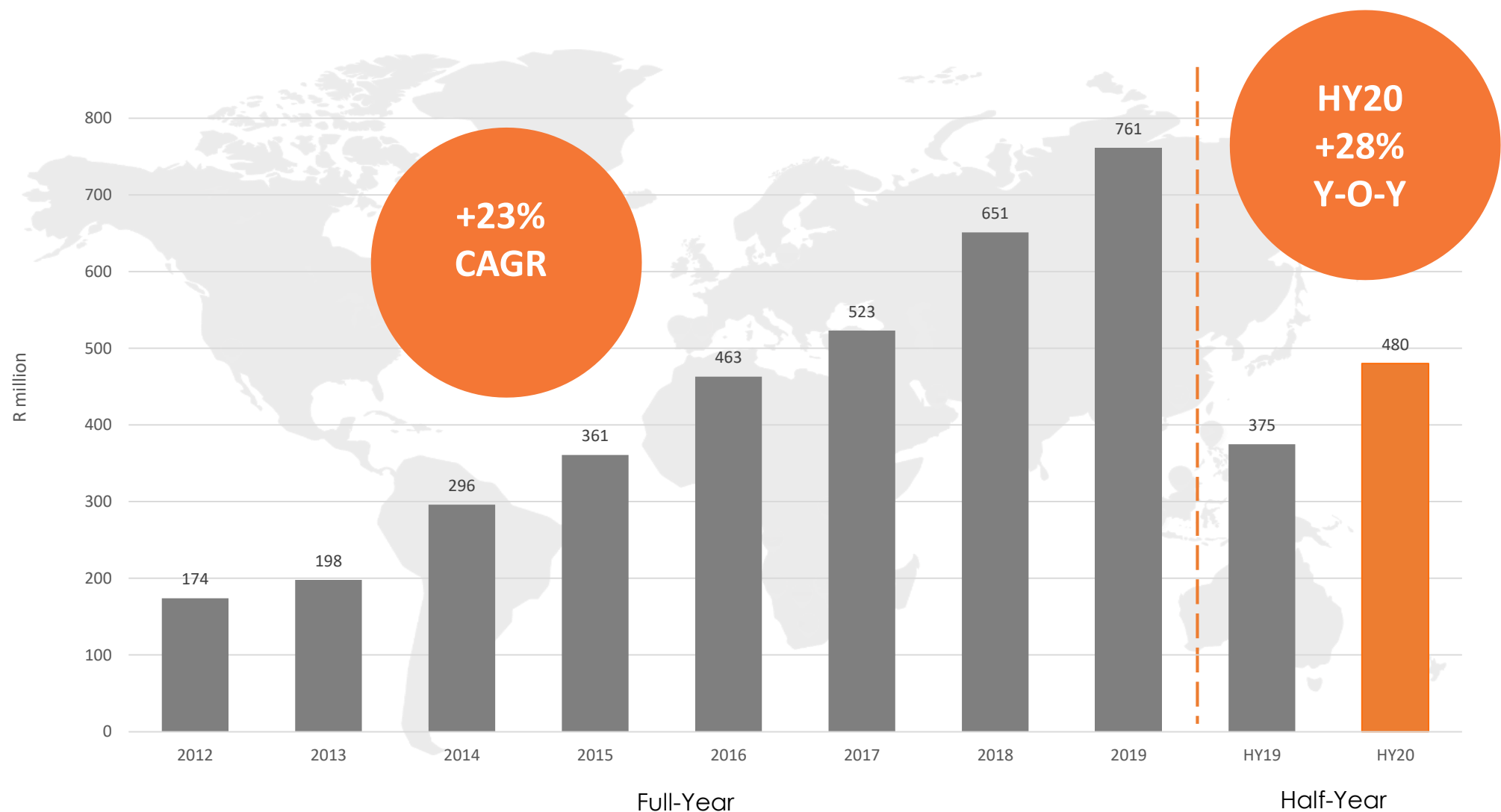
# Strong Cash Generation



# Net Cash from Operating Activities

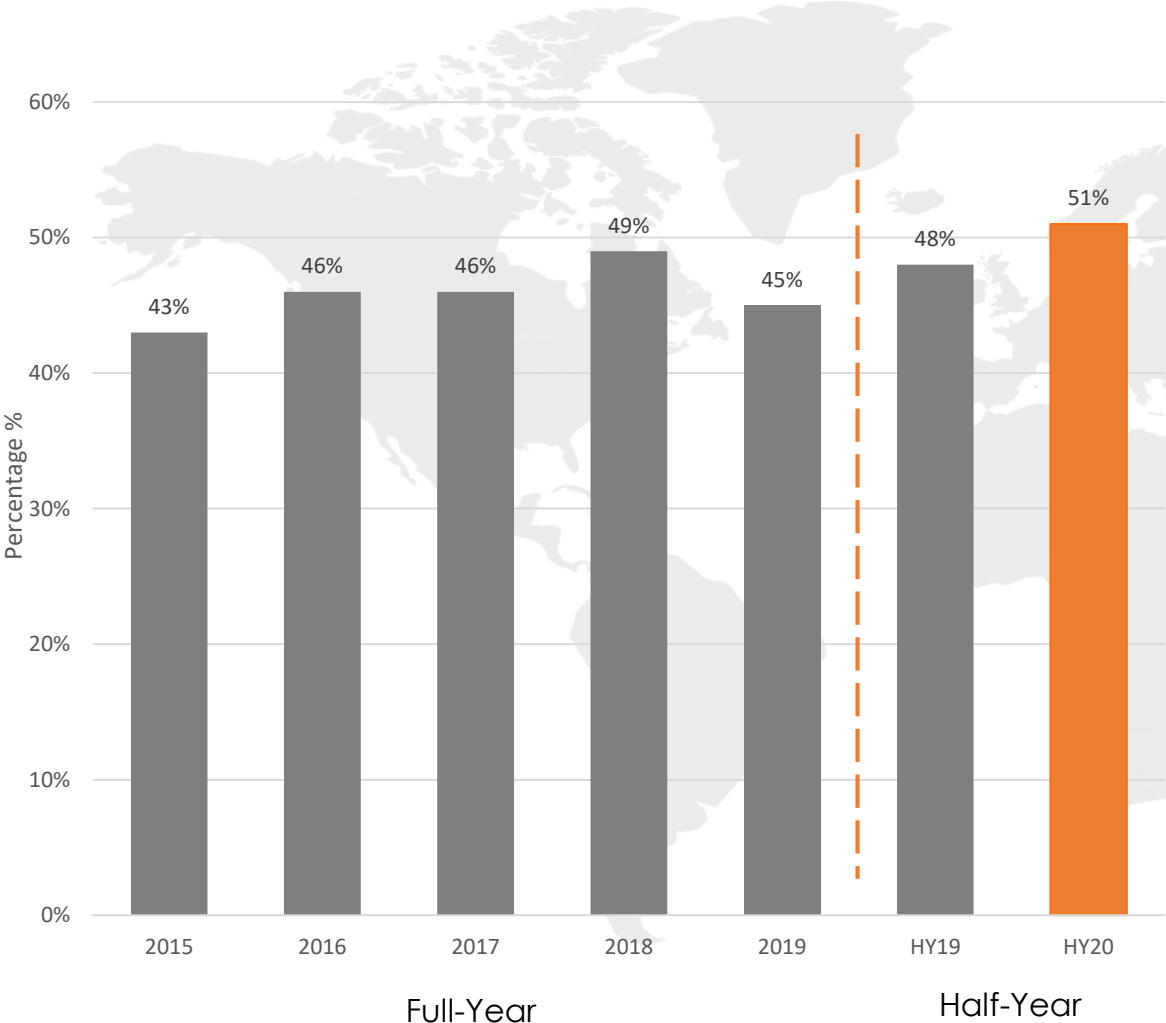
(All amounts in R000's)	Aug-19 Actual	Aug-18 Restated	Difference
<b>Cash generated from operations</b>			
Profit before taxation	306 020	244 185	61 835
Adjustments for:			
Depreciation and amortisation	193 829	133 164	60 665
Finance costs	4 035	4 616	(581)
Other movement	(495)	(4 623)	4 128
Changes in working capital	24 844	(43 678)	68 522
Tax paid	(82 697)	(71 463)	(11 234)
<b>Net cash from operating activities</b>	<b>445 536</b>	<b>262 201</b>	<b>183 335</b>

# Accelerating EBITDA Growth





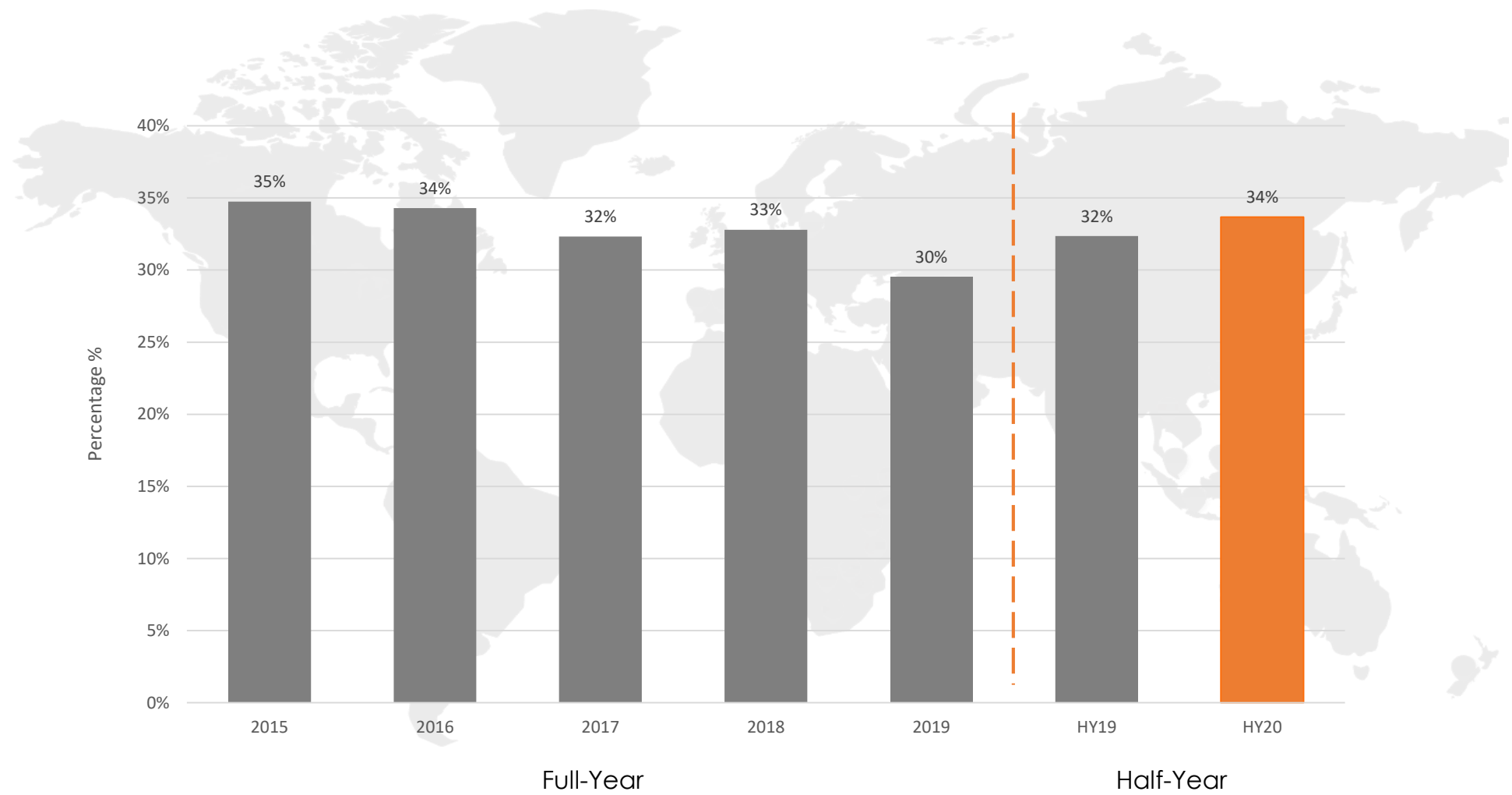
# Leading EBITDA Margin



**EBITDA Margin Analysis**

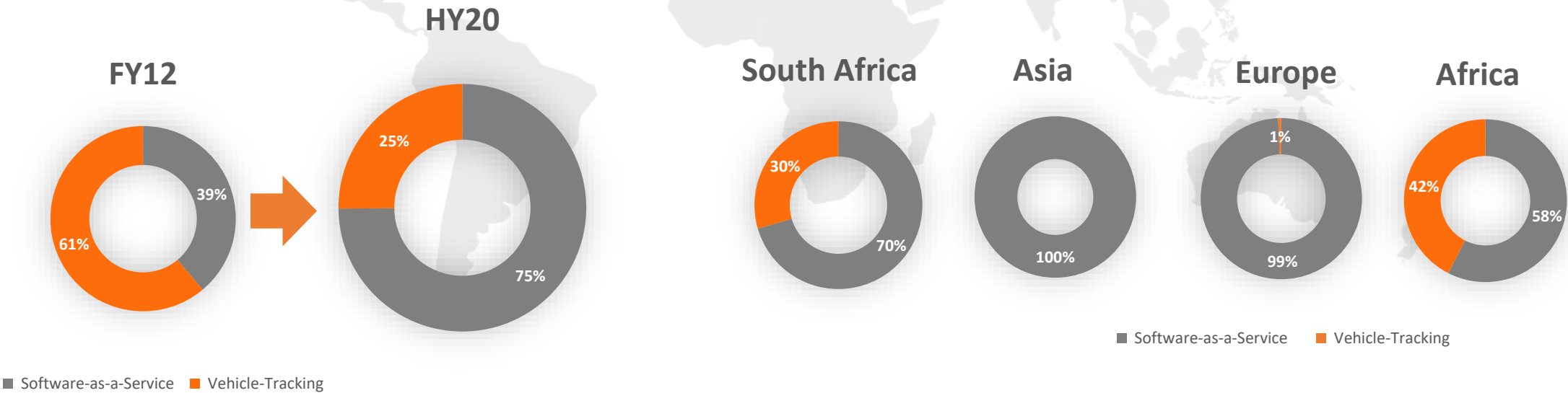
EBITDA margin increase in line with expectation

# Operating Profit Margin Improves

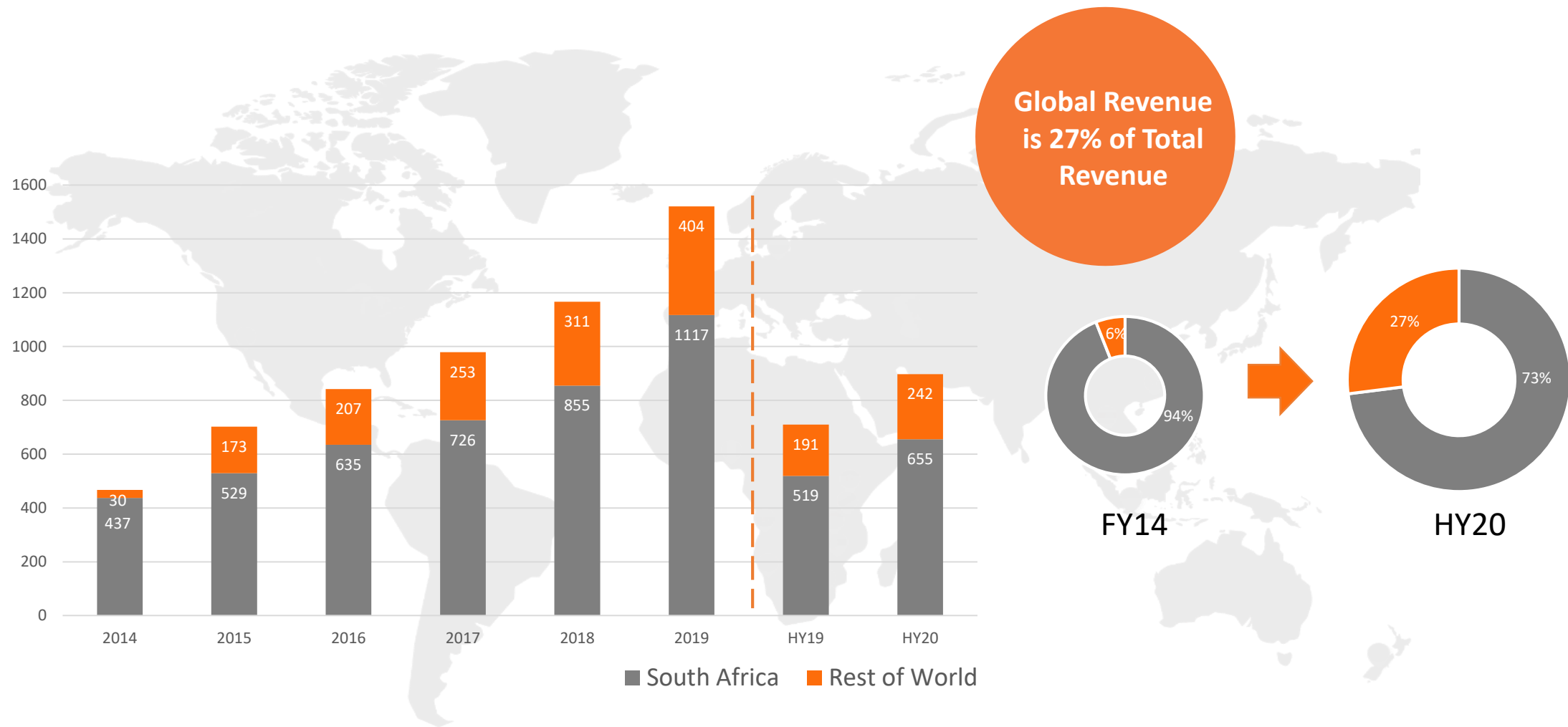


# Diversified Customer Landscape

Customers Fleet Size by Region	≤5	6-24	25-99	100-499	500-1499	≥1500	Total
South Africa	500 662	6 904	842	157	16	8	508 589
Asia-Pacific	5 232	1 591	397	66	4	2	7 292
Europe	5 545	2 591	559	82	8	3	8 788
Africa	19 495	1 131	315	55	5	0	21 001
<b>Total</b>	<b>530 934</b>	<b>12 217</b>	<b>2 113</b>	<b>360</b>	<b>33</b>	<b>13</b>	<b>545 670</b>

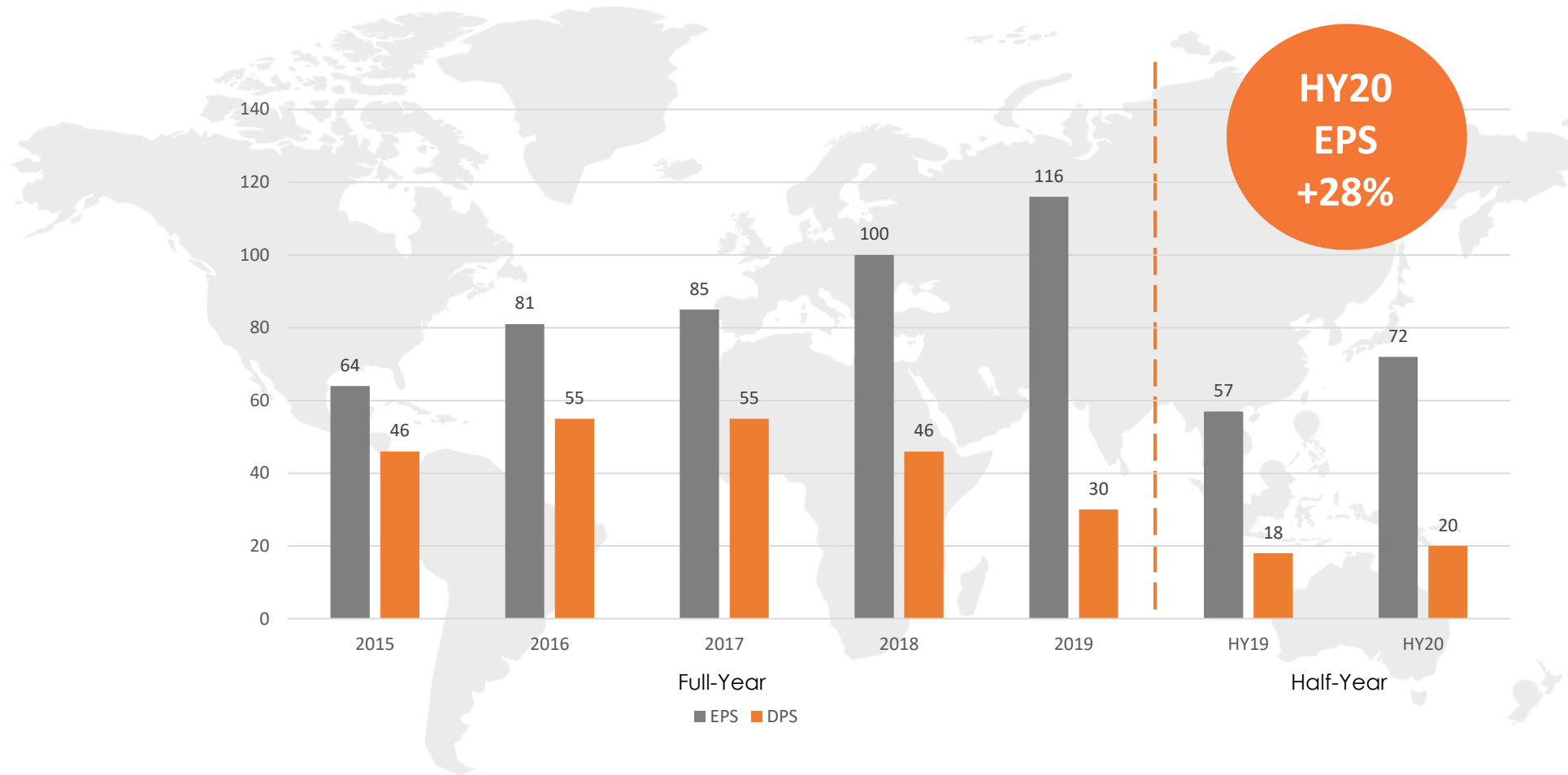


# Global Subscription Revenue Continues to Grow

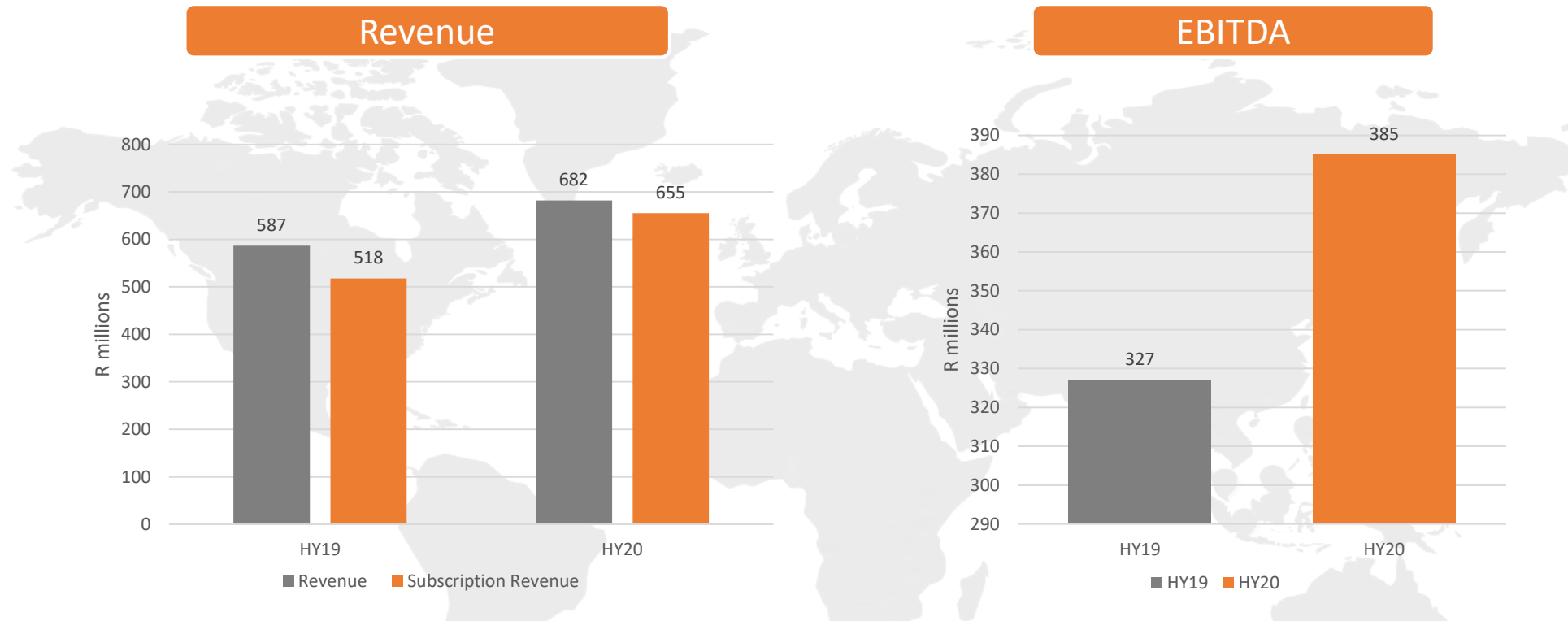




# Earnings and Dividends



# HY 2020 Segment Performance: South Africa



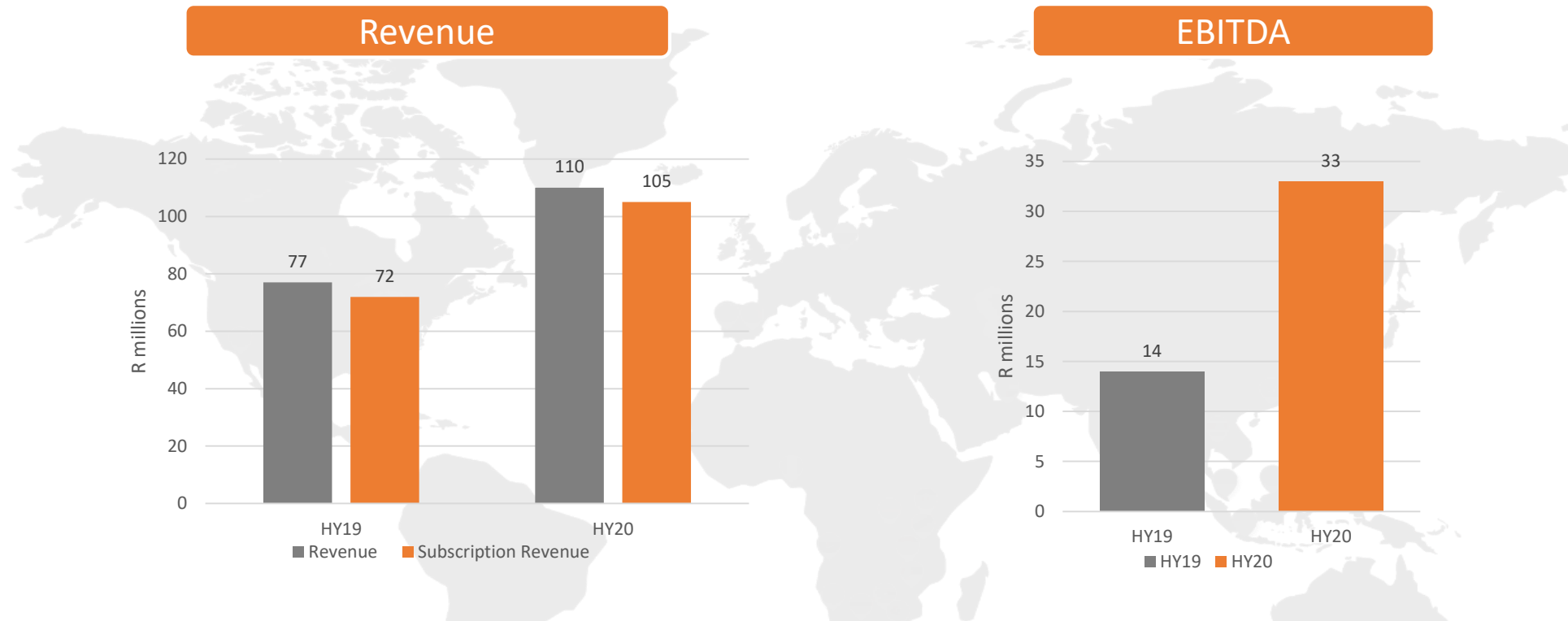
**26%** Increase in subscription revenue growth

**23%** Increase in subscriber growth

**18%** EBITDA growth

**56%** EBITDA margin

# HY 2020 Segment Performance: **Asia Pacific**



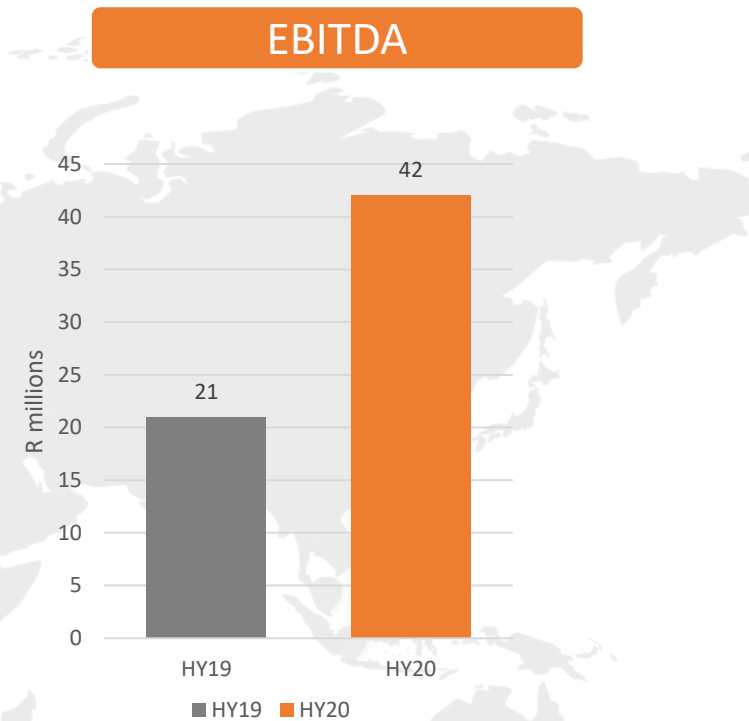
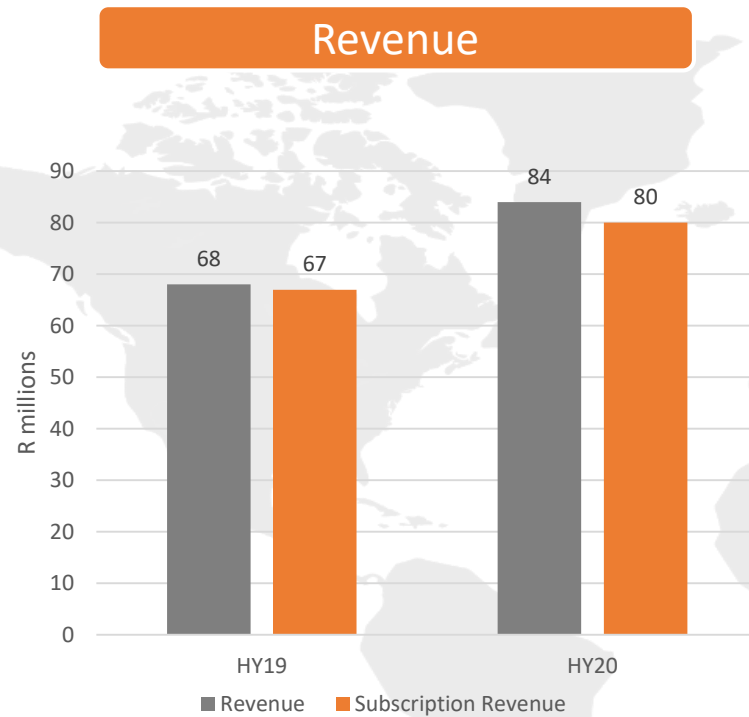
**46%** Increase in subscription revenue growth

**39%** Increase in subscriber growth

**139%** EBITDA growth

**30%** EBITDA margin

# HY 2020 Segment Performance: Europe



**20%** Increase in subscription revenue growth

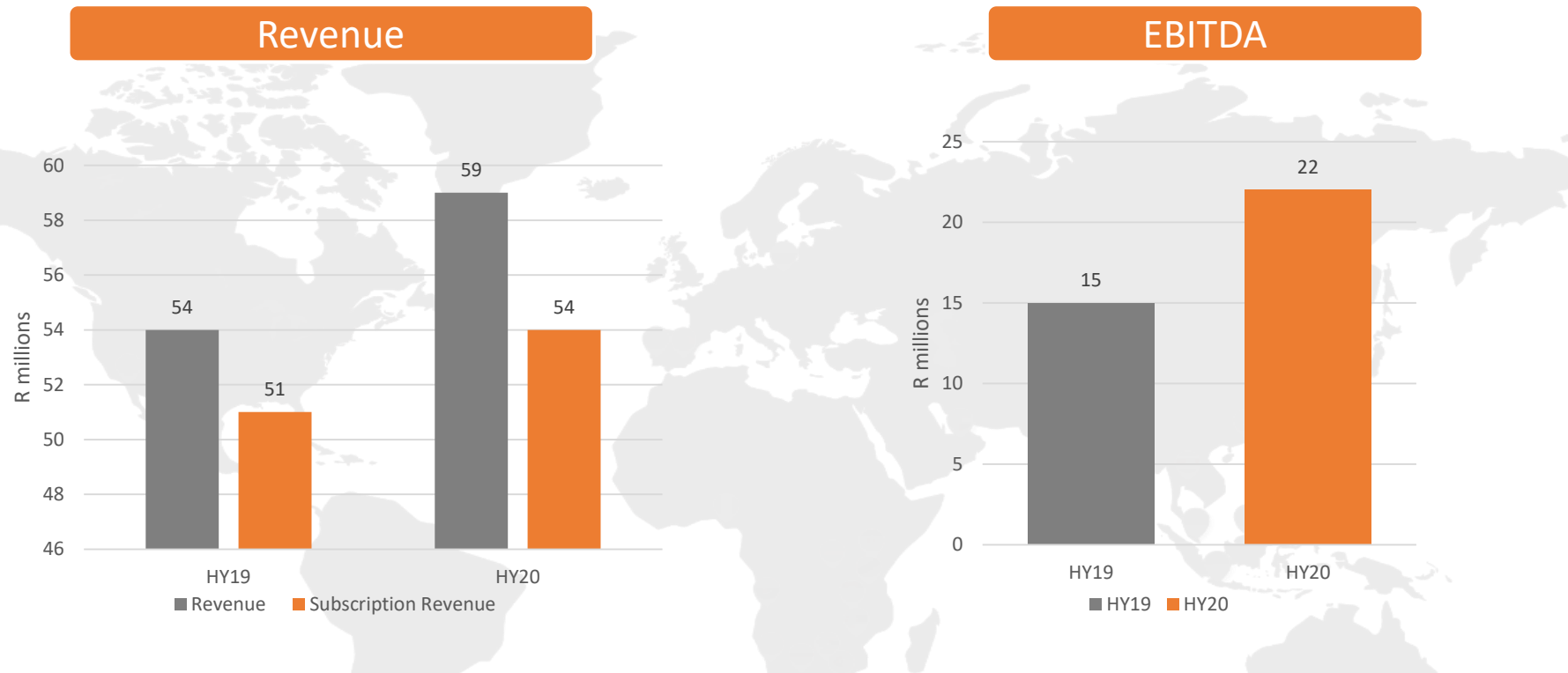
**16%** Increase in subscriber growth

**98%** EBITDA growth

**50%** EBITDA margin



# HY 2020 Segment Performance: Africa (excluding South Africa)



**7%** Increase in subscription revenue growth

**9%** Increase in subscriber growth

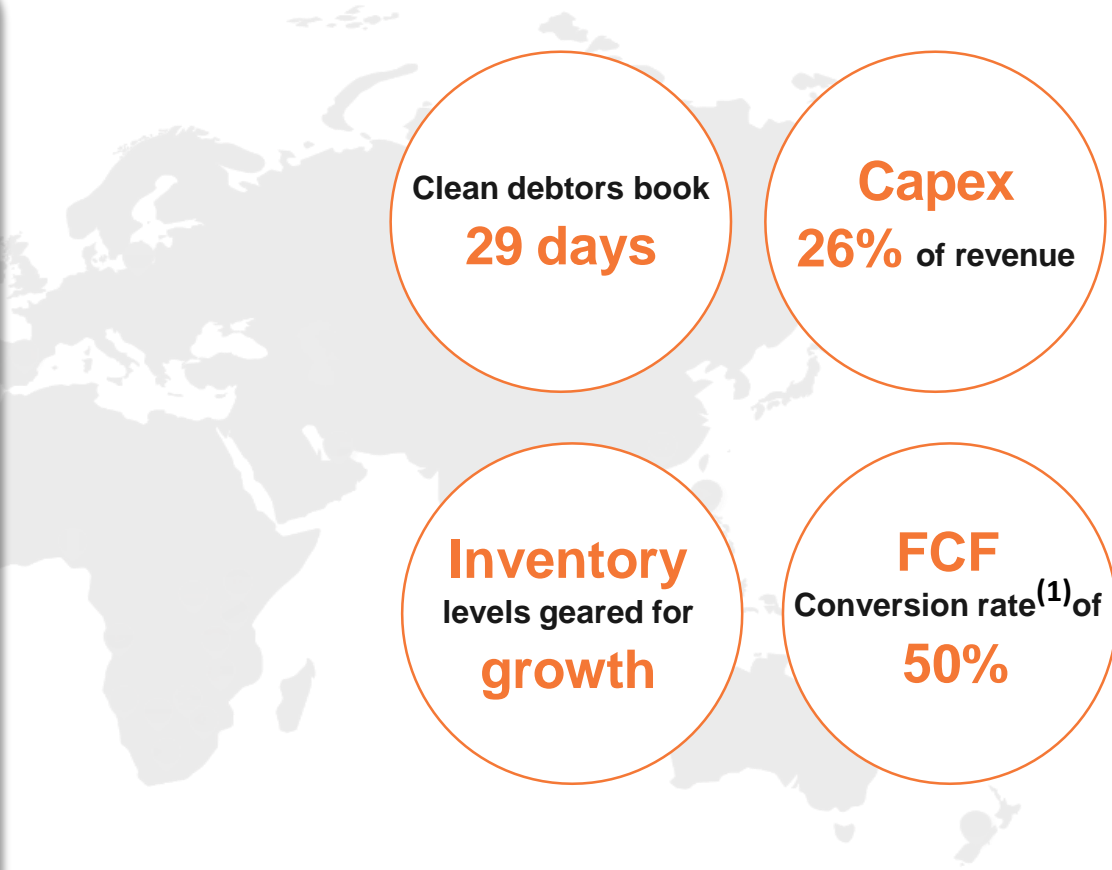
**43%** EBITDA growth

**37%** EBITDA margin

# Balance Sheet Management and Capital Structure

## Uncomplicated, clean balance sheet funds strategic objectives

- High-growth phase with accelerated investment in customer acquisition
- Capex directly linked with revenue
- Strong cash flow forecast for the foreseeable future
- Debtors days - key metric indicating
  - quality of sales;
  - operational effectiveness;
  - a strong focus on credit management;
  - improved collections processes; and
  - prudent provisioning practices that will be maintained



Clean debtors book  
**29 days**

**Capex**  
**26%** of revenue

**Inventory**  
levels geared for  
**growth**

**FCF**  
Conversion rate<sup>(1)</sup> of  
**50%**

<sup>(1)</sup> FCF conversion rate defined as (EBITDA – Capex)/ EBITDA

# Outlook

## Management expectations

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- Subscription revenue and earnings in the second-half of FY20 to be in line with the trend of the first-half of FY20
- Subscription revenue will continue to experience double digit growth in the foreseeable future
- Innovative smart transportation platforms will drive long-term growth
- Innovative safety and security platforms will drive long-term growth





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## QUESTIONS & ANSWERS

