



FY20 Financial Results

We will officially be live at 2.10pm SA time (GMT +2)



Morné Grundlingh
Group CFO



Zak Calisto
Group CEO



Richard Schubert
Group COO

The Cartrack Advantage

A Strong Ability to Adapt and Innovate with a Proven Track Record



Founder-Led Business

- Shareholder gains and losses are in direct proportion to the Founder/CEO
- Management have an owner-orientated mindset



Geared for Organic Growth

- Customer-centric culture with high customer retention
- High staff loyalty and retention
- Strong implementation and execution mindset
- Evolving distribution model with a proven track record
- 21% 5-year CAGR Subscriber Growth



Differentiated Technology Platform

- Vertically integrated business model
- Proprietary software and systems
- Highly scalable business and technology platform
- 40 billion data points processed monthly



Innovative Culture

- High speed innovation
- Strong ability to adapt and set market trends
- Vibrant entrepreneurial environment



Compelling Financials

- 28% 5-year CAGR Cash Generation
- EBITDA Margin consistently above 45%
- Consistent Balance Sheet and Capital Structure

A Proven Distribution Model with a Long Runway for Growth



Global Addressable Market remains Materially Underpenetrated

Telematics market expected to register a CAGR of 20.7% from 2020-2025 (Research and Markets, 2020)

USD49.5 billion expected market value for the commercial opportunity in the global transportation mobility technology space in 2020, exceeding USD100 billion by 2025 (Allied Market Research, 2019)

Totally Organically Grown

Business expansion and Subscriber Acquisition has been internally driven

A Continuously Evolving Marketing and Sales Strategy

Robust historical Customer Acquisition performance

Best-in-Class Software and Engineering Teams

Innovation backed by 900+ mobile workshops



Streamlining and Aligning Business Functions

Understanding our Customer Needs and Creating Real Solutions



A Single Integrated Platform

- Increased data reliability and usability
- Reduced manual inputs
- Connect operational and financial activities



Scalable Platform

- Seamless performance for fleets of any size
- Easy integration of additional fleet management features
- Stable platform that can be accessed by multiple users simultaneously
- Simple and cost-effective pricing model



Intuitive and Powerful

- A strong focus on user experience and interface design to ensure that our platform is easy-to-use
- Smart business insights and contextualised data for easy business decision making
- Sophisticated in-house technology yielding actionable data in areas where management typically have limited visibility



Cartrack is a Next Generation Vertical SaaS Platform

New Transformational Software Initiatives being added to the Cartrack Comprehensive Fleet Management Platform



LiveVision real-time video streaming



MiFleet advanced fleet administration & business intelligence



Communicator mobile workforce management & routing



CRM customer relationship management



OEM Data Switch OEM & 3rd party integration



Buy and Sell Cars trading platform



Insurance Aggregator insurance multi-quote platform



Tailored Solutions for Unique Challenges in Different Industries

Cartrack is a Long-Term Technology Partner with an Unquestionable Value Proposition



	MAN Truck and Bus	Undisclosed Banks and Finance Houses
Industry	Logistics	Small and Medium Enterprise Borrowing
Size	Over 6,000	Over 50,000
Pain point	<ul style="list-style-type: none"> • Provide MAN customers with a solution for optimising vehicle and driver performance. • Generate revenue for MAN while ensuring a positive customer experience. 	<ul style="list-style-type: none"> • Poor visibility on the high risk associated with asset financing in a market segment characterised by high fraud and loan default rates.
Profiled product	Cartrack Fleet	Cartrack Credit Management
Solution	<ul style="list-style-type: none"> • OEM telematics platform used for driver management with actionable data on a digestible dashboard. • Integrated CAN bus data has allowed MAN to digitalise their Service Care, in turn increasing customer service and maintenance revenue. 	<ul style="list-style-type: none"> • Processing datapoints from over 1 million daily trips to predict payment cycles based on vehicle productivity. • Accident reconstruction and driving behaviour reports used for maintenance services and fraud detection. • Real-time alerts of security threats and fraud, which are attended to by our 24/7/365 Emergency Control Centre.
Results	20% increase in payload productivity and 10% reduction in fuel consumption.	Best-in-Class credit control, real-time risk profiling and debt collection and a significant reduction in theft and fraud.

Tailored Solutions for Unique Challenges in Different Industries

Cartrack is a Long-Term Technology Partner with an Unquestionable Value Proposition



	AngloAmerican	Singapore Ministry of Home Affairs
Industry	Mining	Correctional Services
Size	Over 350	Private and confidential
Pain point	<ul style="list-style-type: none">• Meet the stringent health and safety regulations of the mining industry with a system that enables proactive and preventative actions rather than reactive.	<ul style="list-style-type: none">• Compliance monitoring of persons of interest on correctional reform programs.
Profiled product	Cartrack Fleet	Cartrack Electronic Monitoring
Solution	<ul style="list-style-type: none">• A bespoke integration for the Cartrack platform to receive raw data from specialised third-party equipment to augment intelligent and actionable data for our safety solutions.• Driver behaviour, fatigue, seat belt usage and alcohol consumption monitoring, along with collision avoidance software and accident reporting with live video streaming.	<ul style="list-style-type: none">• Curfew and proximity monitoring, incident reporting, stock control and a control room shared with the policing authorities.
Results	Safer environment and improved driving behaviour and fewer accidents.	Total live visibility of persons of interest and compliance policing of individual court orders.

Tailored Solutions for Unique Challenges in Different Industries

Cartrack is a Technology Partner with an Evolving Value Proposition



	Grupo Visabeira	NETCARE 911
Industry	Telecommunications, energy, construction and real-estate	Healthcare
Size	Over 1,700	Over 350
Pain point	<ul style="list-style-type: none"> Drivers use company issued fuel cards, however Visabeira had limited visibility on their usage leading to high fraudulent fuel costs. 	<ul style="list-style-type: none"> Reducing the response times of ambulances and having evidence of activities. Further, preventing vehicle theft for expensive medical equipment.
Profiled product	Cartrack MiFleet	Cartrack Communicator
Solution	<ul style="list-style-type: none"> Our 3-step fuel validation process using vehicle GPS location at the time of fueling, along with fuel tank measurements and capacity. Upon a suspicion of a fraudulent claim, Visabeira is alerted and has the ability to review the situation. Increased driver and vehicle safety with crash alert detection, as well as vehicle battery theft alerts. 	<ul style="list-style-type: none"> Route the optimum vehicle to the incident, which may not necessarily be the nearest response vehicle. Telematics data and video footage used to reconstruct accidents, arrivals and monitor driving behaviour. Real-time alerts of security threats are attended to by our 24/7/365 Emergency Control Centre.
Results	22% ROI solely on fraudulent fuel expenses (720% ROI on MiFleet). Plus a significant increase in productivity and safety on the back of much needed actionable data.	Improved levels of service to its patients and driver behaviour.

Industry Agnostic Platform with Accelerating International Adoption

Indexed Total Revenue



A Leading Financial Model positioned for Sustainable Growth

SaaS model with stable Average Revenue Per Subscriber

Geared to increase market share once the market matures

Strong Comparative Benefits from Economies of Scale

$(\text{Costs of Servicing a Subscriber} + \text{Fixed Costs}) / \text{Number of Subscribers}$

Industry low Cost of Acquiring a Subscriber

$\text{Total Capitalised Costs of Acquiring Subscribers} / \text{New Gross Add Subscribers}$

Industry-leading Margins and Cash Generation

On the back of rigorous monitoring and control systems



Proven Business Model on the back of 100% Organic Growth with a Consistent Track Record



FY20 snapshot



Total Subscribers

1,126,515

YoY Net Subscriber Growth

165,717

Strong Customer Retention

60+ months Subscriber Life Expectancy



Subscription Revenue

97% of Total Revenue

Operating Profit Margin

33%

Industry leading EBITDA Margin

50%

YoY comparison

+24% Subscription Revenue

+28% Operating Profit

+27% EBITDA

+27% EPS

+28% HEPS

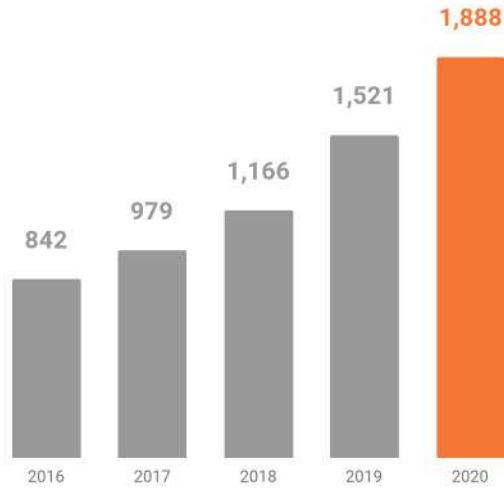
+94% Net Cash from Operations

+147% Dividend in respect of FY20

Consistent Double Digit Growth on Key Metrics

Subscription Revenue

R million

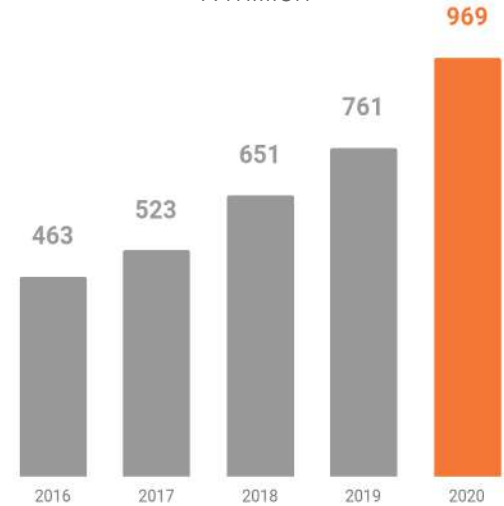


24%

YoY growth rate

EBITDA

R million



27%

YoY growth rate

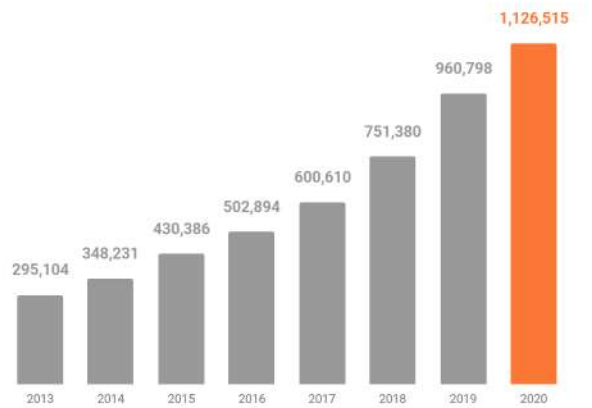


A Subscriber Base Driven by Digitalisation

21% 5-year CAGR



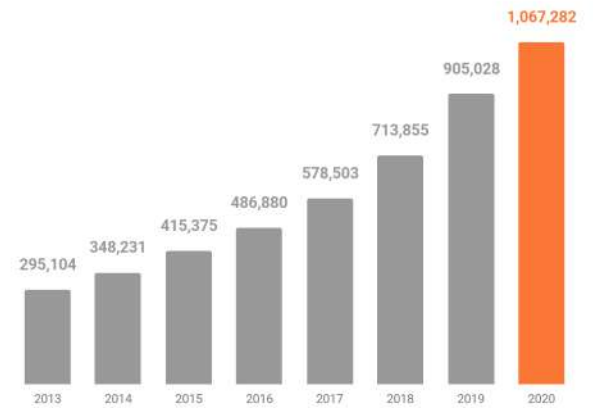
Total Subscribers



17%

YoY growth rate

Connected Vehicles



18%

YoY growth rate

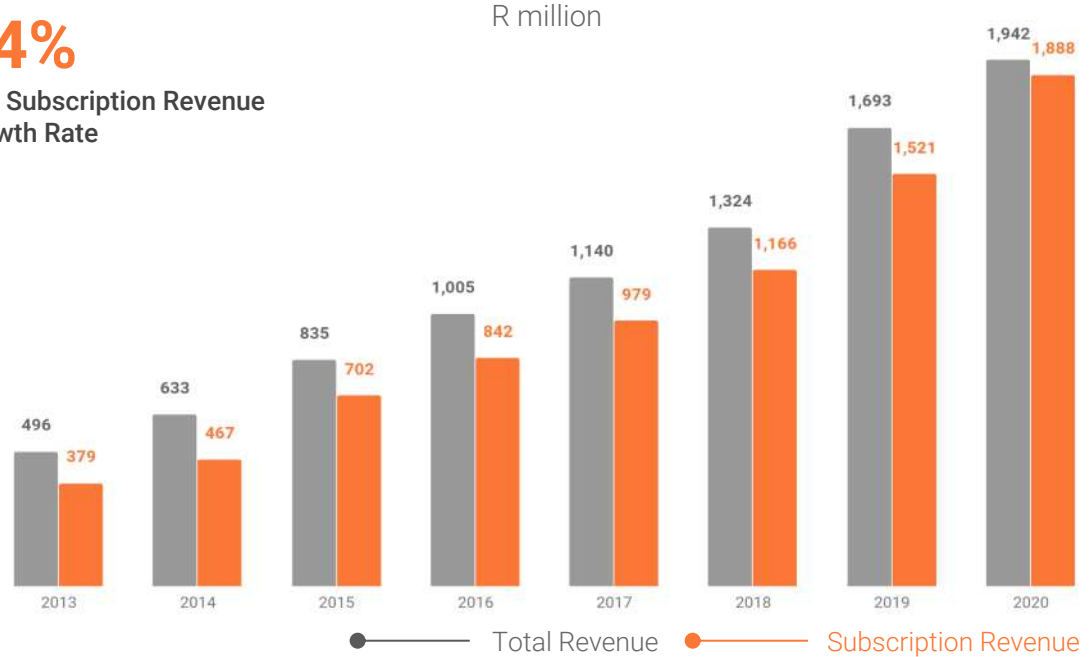
Total Revenue and Subscription Revenue Growth

22% 5-year CAGR for Subscription Revenue



24%

YoY Subscription Revenue Growth Rate



Highlight

- Subscription Revenue as a percentage of Total Revenue reached a new high of 97%



Commentary

- Strong customer-centric sales culture
- Disciplined capital allocation to sales and marketing
- Strong demand for the Cartrack services from business, consumers, insurance and regulators

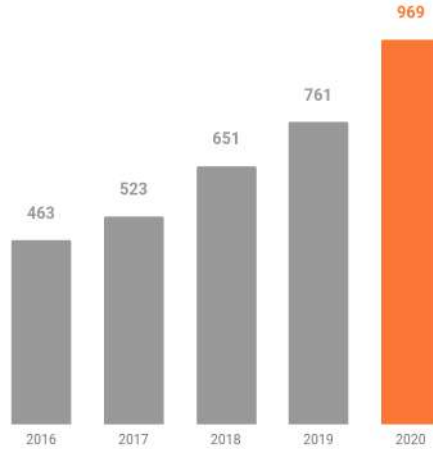
Accelerating EBITDA and Margin Expansion

Industry Leading EBITDA
Margins

22% 5-year CAGR



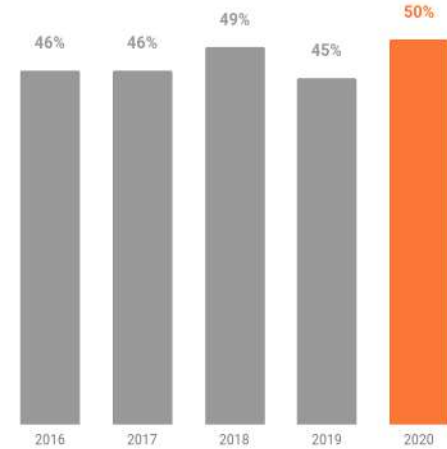
EBITDA
R million



27%

YoY growth rate

EBITDA Profit Margin



Commentary

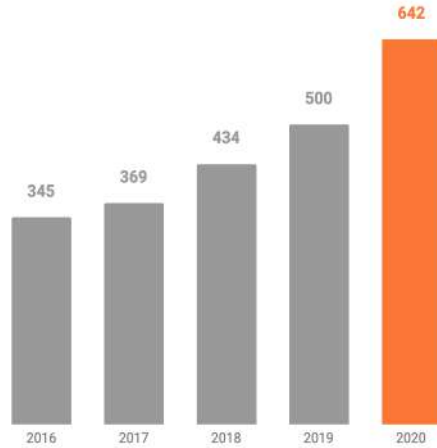
EBITDA Margin expansion in line with management expectations

Operating Profit supported by Margin Expansion

17% 5-year CAGR



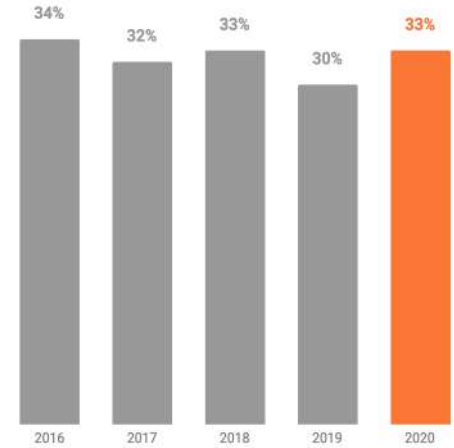
Operating Profit
R million



28%

YoY growth rate

Operating Profit Margin



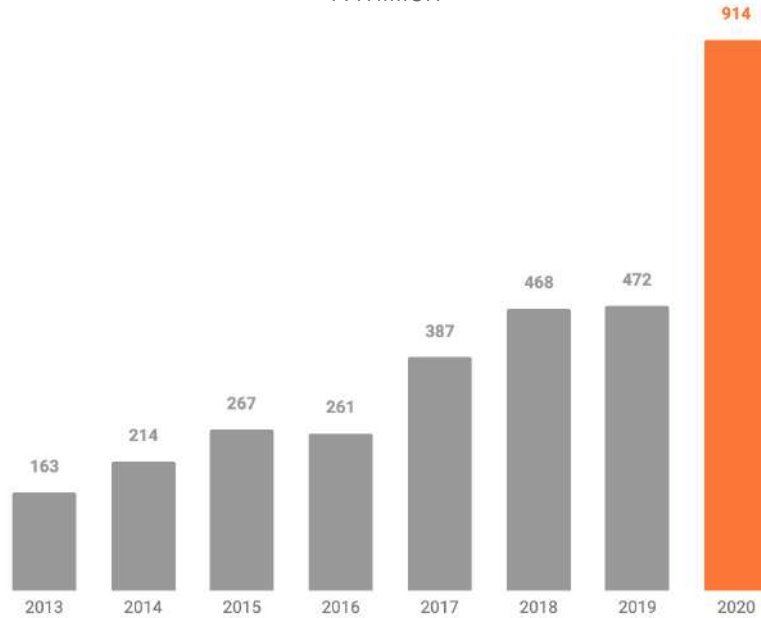
Commentary

- Economies of Scale requiring fewer back office staff per subscriber
- Decrease in Fixed Sales and Marketing Costs per Subscriber Acquired

Strong Cash Generation from Operating Activities



R million



94%

YoY Cash Generation Growth Rate

YoY comparison

- +28% 5-year CAGR
- 44% Return on Equity
FY19: 50%
- 27% Return on Assets
FY19: 28%
- 1.4 Current Ratio
FY19: 1.3
- 1.0 Quick Ratio
FY19: 0.7

Strategic Capital Allocation yielding Expected Results for Shareholders



(all amounts are in R'000s)

	FY18	FY19	FY20
Profit before Taxation	422,208	471,230	627,483
Depreciation and Amortisation	216,505	261,511	327,024
Increase in Capitalised Commission Assets under IFRS15		(71,454)	(64,437)
Other Adjustments	(170,899)	(189,029)	24,050
Net Cash Flow from Operating Activities	467,814	472,258	914,120
Purchase of Property, Plant & Equipment (excl. Commissions)	(356,264)	(353,655)	(369,156)
Other CapEx	(63,803)	(82,042)	(53,812)
Investment CapEx	(420,067)	(435,697)	(422,968)
Free Cash Flow	47,747	36,561	491,152



Highlight

- 94% increase in Operating Cash Flow on the back of 28% growth in Operating Profit and tight capital management
- Gross sales are now 85% Bundled (FY19 72%), however Capitalised Subscriber Acquisition Costs benefited from our next generation technology and substantially improved internal systems and proprietary software



Commentary

- Other Adjustments improvement as a result of:
- Improved inventory efficiency – our next generation hardware has a lower manufactured cost allowing us to hold an optimal level at lower cost
 - Payments Received in advance from customers (deferred Revenue)

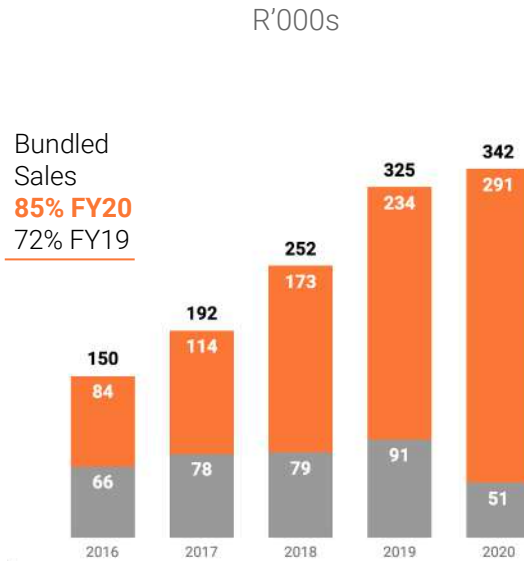
Driving Down Costs of Acquiring Subscribers on Bundled Contracts

24% increase in new Bundled Contracts against a 2% increase in CapEx for Bundled Sales



Gross Total Sales Mix

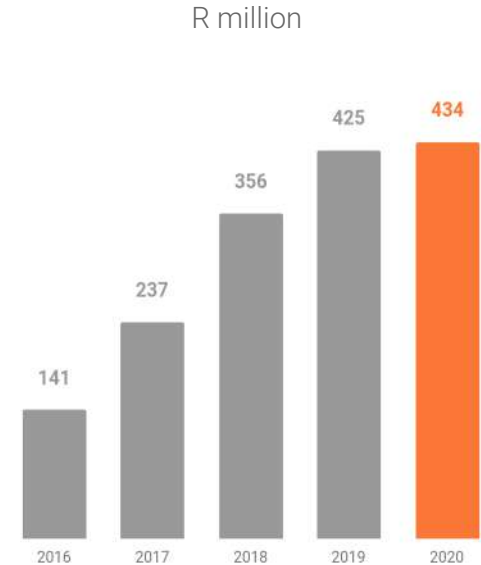
Standard (up-front + SaaS) vs. Bundled (SaaS)



Bundled Sales
85% FY20
72% FY19

- Standard (up-front + SaaS)
- Bundled (SaaS)

Total CapEx for Bundled Sales



Capital Allocated by Function

(all amounts are in R'000s)

	FY18	FY19	FY20
Admin & Other	388,451	488,733	504,474
Admin & Other as a % of Subscription Revenue	33%	31%	27%
Year-on-Year Growth		26%	3%
Sales & Marketing	121,591	177,351	177,870
Sales & Marketing as a % of Subscription Revenue	10%	12%	9%
Year-on-Year Growth		46%	0%
R&D	54,473	61,920	76,102
R&D as a % of Subscription Revenue	5%	4%	4%
Year-on-Year Growth		14%	23%
Total	564,515	728,004	758,446



Highlight

- Economies of Scale and Headcount consolidation led to lower YoY headcount growth
- Improved internal systems yielded positive results in staff productivity
- A planned consolidation in FY20 of sales headcount on the back of a strong investment in FY19 led to a 5% increase in Gross Sales YoY, while keeping costs flat



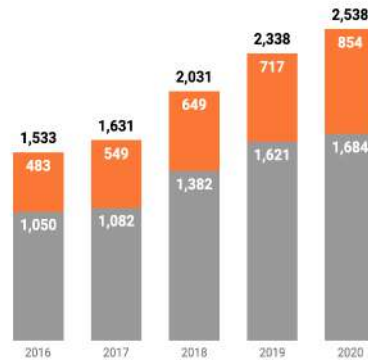
Commentary

- Admin & Other reducing as a relative % of Revenue due to Economies of Scale
- Increase R&D spend is in line with the innovation of our platform



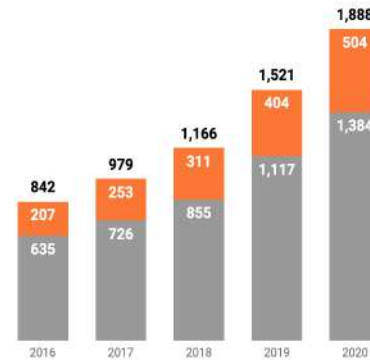
Strategic International Expansion

Global Headcount



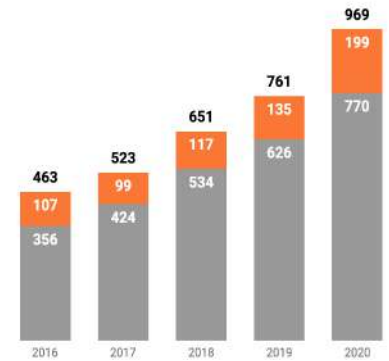
Global Subscription Revenue

R million



Global EBITDA

R million

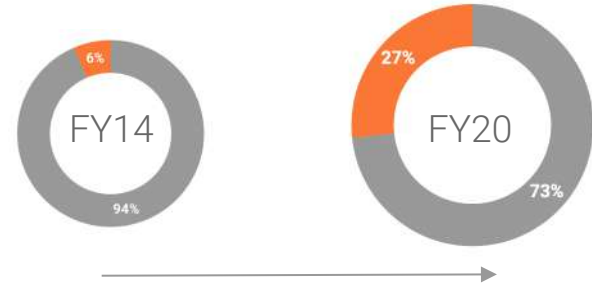


● South Africa ● Rest of the world

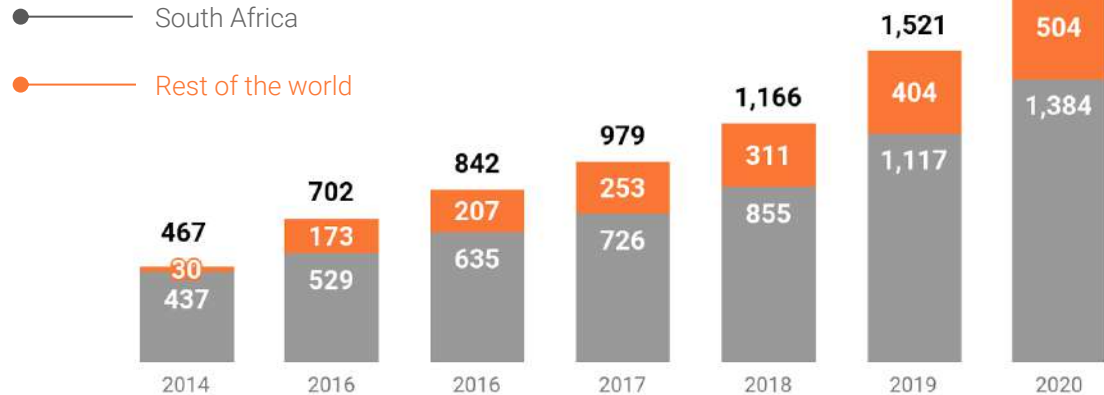


Non-South African Subscription Revenue continues to Grow

Global Subscription Revenue
now accounts for 27% of
Total Revenue



Global Subscription Revenue
R million



South Africa

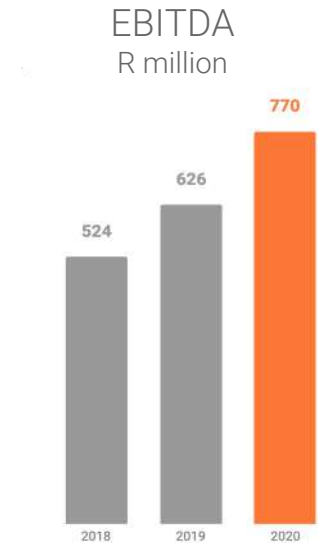
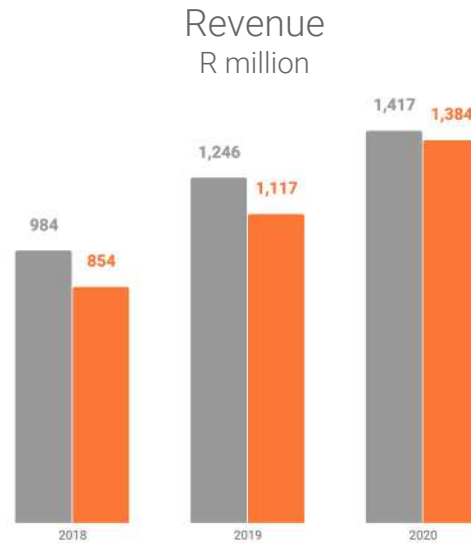
FY20 segment performance

+17% Increase in Subscribers

+24% Increase in Subscription Revenue

+23% EBITDA Growth

54% EBITDA Margin



● Total Revenue

● Subscription Revenue



Asia Pacific

FY20 segment performance

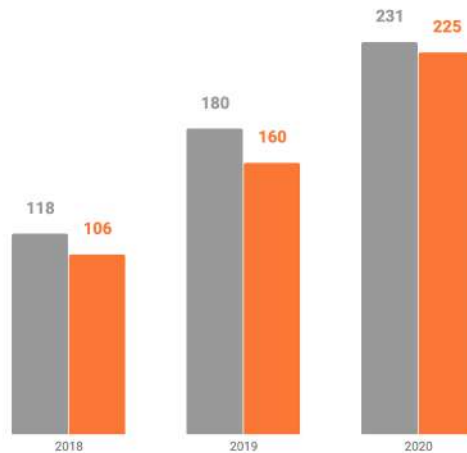
+30% Increase in Subscribers

+40% Increase in Subscription Revenue

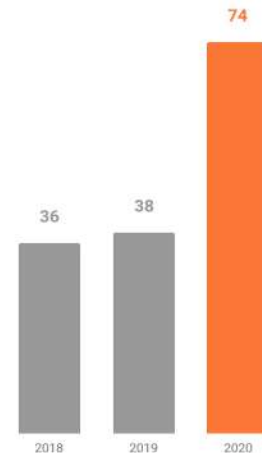
+94% EBITDA Growth

32% EBITDA Margin

Revenue
R million



EBITDA
R million



● Total Revenue

● Subscription Revenue



Europe

FY20 segment performance

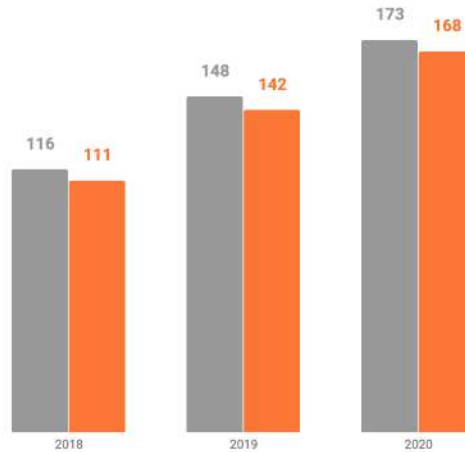
+20% Increase in Subscribers

+18% Increase in Subscription Revenue

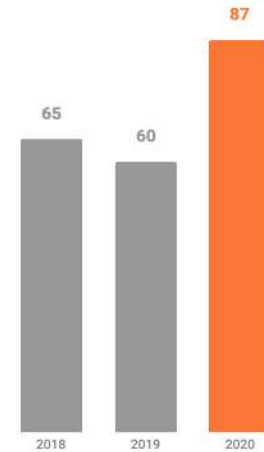
+45% EBITDA Growth

50% EBITDA Margin

Revenue
R million



EBITDA
R million



● Total Revenue

● Subscription Revenue



Africa (excluding South Africa)

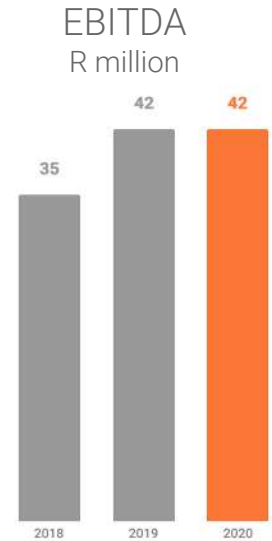
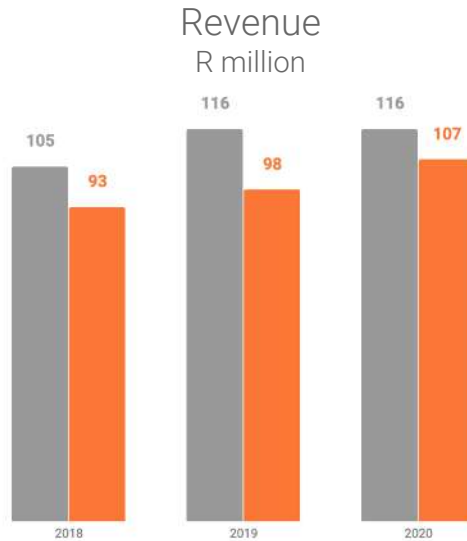
FY20 segment performance

+7% Increase in Subscribers

+10% Increase in Subscription Revenue

+1% EBITDA Growth

36% EBITDA Margin



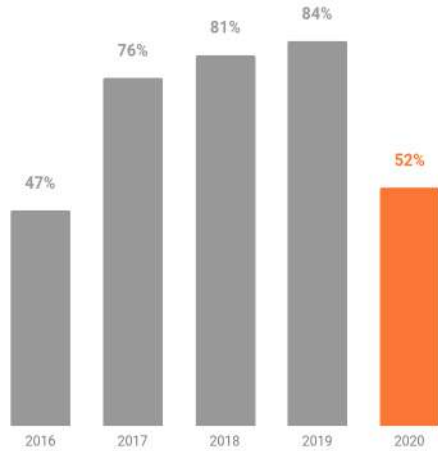
● Total Revenue

● Subscription Revenue

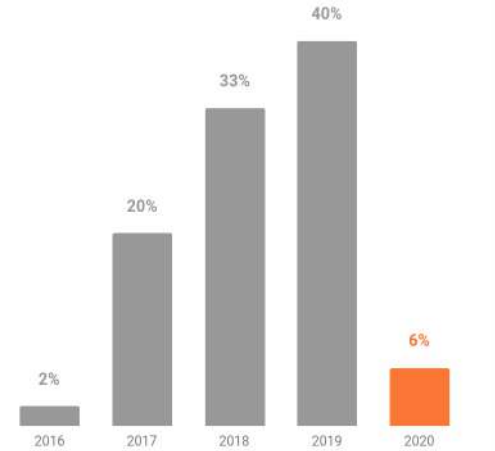


Strong Balance Sheet backed by Prudent Capital Allocation and Industry Leading Margins

Total Liabilities/Equity



Bank Debt/Equity



Commentary

Prudent balance sheet management with strong Equity Cover and low Debt to Equity Ratios



Clean Balance Sheet and Capital Structure

25% CapEx as a percentage of Revenue

Majority of CapEx is Subscriber Acquisition Costs which is directly linked and expensed against Subscription Revenue

Inventory levels optimised to meet growth forecasts

Disciplined Capital Allocation Committee

46% FCF conversion rate¹

Strong Cash Flow forecast for the foreseeable future

34 days average debtors days

Strong indicator of:

- Customer satisfaction
- Collection systems
- Trading environment

¹ FCF conversion rate defined as (EBITDA-CapEx)/EBITDA

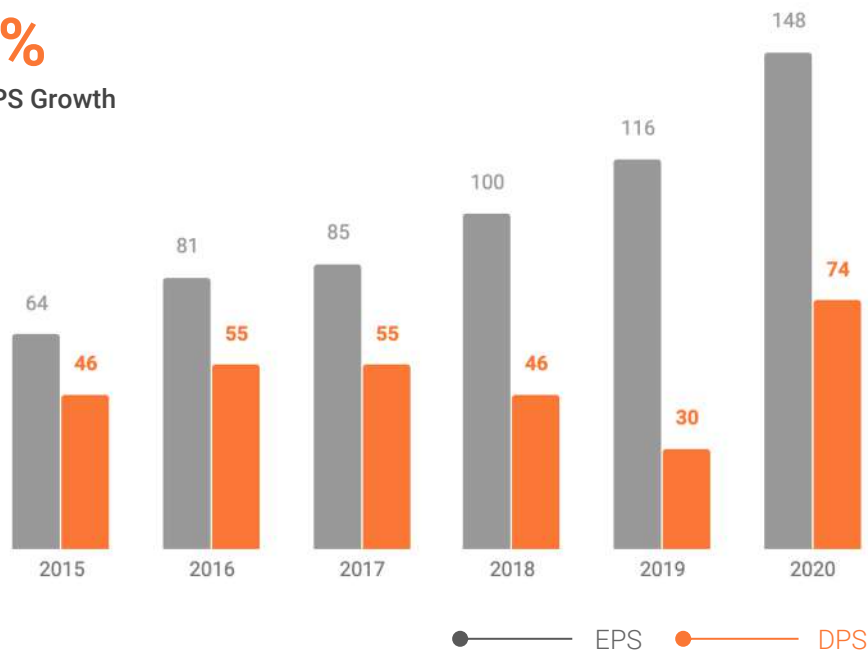


Earnings and Full Year Dividends

Strong Free Cash Flows and a Clean Balance Sheet resulting in an Increased Dividend for Shareholders

27%

YoY EPS Growth



Highlights

- 18% EPS CAGR 5-year since listing
- 147% increase in Full Year Dividend on the back of strong Free Cash Flow and improved Earnings
- Interim Dividend of 20c
- Final Dividend of 54c on the back of a significantly strengthened and a Clean Balance Sheet



Management's Assessment of the Impact of COVID-19 on FY21



Like many global companies, we believe that our FY21 results will be impacted by the global slowdown in economic activity that is occurring due to the COVID-19 lockdowns. Despite the disruption, our operations have continued to support our customers with our high level of service during this time.

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 when compared to Q4 of the prior year. We also plan for weaker new subscriber additions for the first half of the year. Positively, we have 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. Cash collections were largely unaffected in March but as anticipated, have declined by 9% in April, mostly due to corporate customers being closed as a result of regulations. We will continue to work closely with our customers facing headwinds.

We have a clean balance sheet, generate strong cash flows and operate with industry leading margins, giving us a level of operating safety. Further, Cartrack has access to an unutilised R600 million term facility provided by Rand Merchant Bank, of which R50 million is committed and R550 million is currently uncommitted.

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

Medium and Long Term Targets

Geared for a World Facing Digitalisation

Subscription Revenue to continue to experience Double Digit Growth

EBITDA to continue to experience Double Digit Growth

Innovative Smart Transportation Platform to continue to Drive Demand



Disclaimer

These materials may contain forward-looking statements. These statements include, but are not limited to, discussions regarding industry outlook, the Company's expectations regarding the performance of its business, its liquidity and capital resources, and the other non-historical statements. These statements can be identified by the use of words such as "believes" "anticipates," "expects," "intends," "plans," "continues," "estimates," "predicts," "projects," "forecasts," , "targets" and similar expressions. All forward-looking statements are based on the Company's current expectations and beliefs only as of the date of these materials and there are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including factors relating to our ability to acquire new subscribers and retain existing subscribers; our anticipated growth strategies, including our ability to increase sales to existing customers and the introduction of new solutions; the effects of a pandemic or widespread outbreak of an illness, such as the novel coronavirus (COVID-19) pandemic; our ability to adapt to rapid technological change in our industry; competition from industry consolidation; our ability to expand into new geographies or integrate any businesses we acquire; market adoption of fleet management solutions; automotive market conditions and the evolving nature of the automotive industry towards autonomous vehicles; changes in operating expenses; our ability to maintain or enhance our brand recognition; our ability to maintain our key personnel or attract, train and retain other highly qualified personnel; the impact of laws and regulations relating to the internet and data privacy; our ability to protect our intellectual property and proprietary technologies and address any infringement claims; significant disruption in service on, or security breaches of, our websites or computer systems; dependence on third-party technology; fluctuations in inflation and exchange rates, general economic, social, political conditions and developments in South Africa and globally, and other factors that may affect our financial condition, liquidity and results of operations. Should one or more of these risks or uncertainties materialise or the consequences of such a development worsen, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those forecasted or expected. The Company disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

Market data and other statistical information used throughout this presentation are based on industry publications and surveys, reports by market research firms or other published independent sources. Some data is based on the Company's internal estimates which are derived from the review of internal surveys, as well as the independent sources. The Company's estimates, in particular as they relate to the Company's general expectations, involve risks and uncertainties and are subject to change based on various factors. Although the Company believes these sources are reliable, it has not independently verified the information and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions expressed herein. The Company and its subsidiaries, managers, directors, officers, agents or advisors shall have no liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information and opinions contained in this presentation do not purport to be comprehensive, are provided as at the date of this presentation and are subject to change without notice.

In presenting the Company's results, management has included and discussed certain non-IFRS measures. Management believes that these non-IFRS measures, which may be defined differently by other companies, better explain the Company's results of operations in a manner that allows for a more complete understanding of the underlying trends in the Company's business. However, these measures should not be viewed as a substitute for those determined in accordance with IFRS.





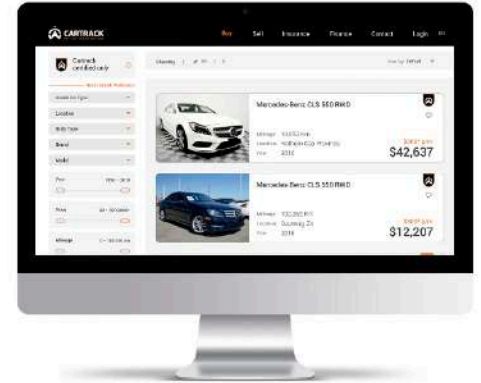
Thank You
Q&A



Cartrack Fleet



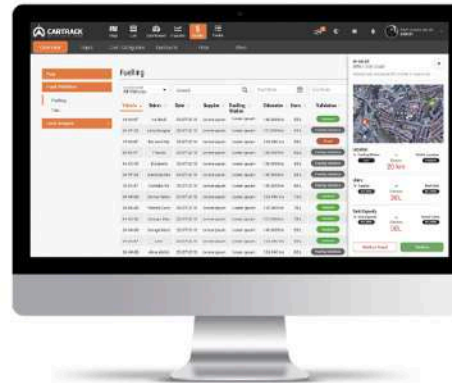
Cartrack CRM



Buy and Sell Cars



Cartrack LiveVision



Cartrack MiFleet



Cartrack Communicator