



Financial Year 2019 Results Presentation

Long Runway for Growth

A proven distribution model

- Global market remains materially underpenetrated
- Highest organic net adds in the world
- Totally 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



Leading Financial Model

Fit for future sustainable growth

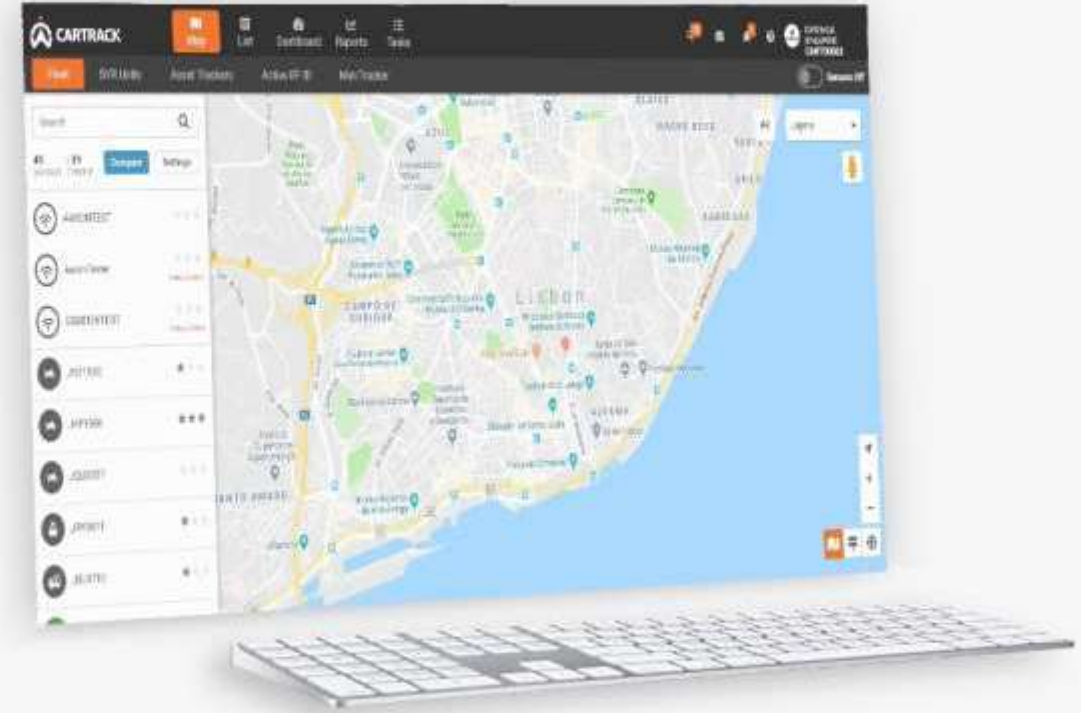
- Low cost per acquisition relative to our peers
- Average Revenue per Unit (ARPU) is geared to cannibalise competitors when market matures
- Industry leading margins despite lower ARPU's
- Prudent cash allocation with proven distribution model
- Industry-leading cash generation



Next Generation IoT SaaS Platform

Coming in FY20

- OEM Integrator
- Customer Relationship Management (CRM)
- Communicator and Routing
- Insurance Aggregator
- Vehicle Trader
- SOS
- Mi Fleet – Advanced Fleet Administration
- Real Time AI enabled Video Streaming



Proven Business Model with a Track Record of Growth

The Cartrack Advantage

- Founder-led business with a growth and entrepreneurial mindset
- High performance track record
- Innovation and execution happens fast
- Strong ability to adapt to changing industry trends
- Highly scalable business and technology platform

Total subscribers
960,798

Net additional subscribers
209,418

Annuity revenue growth of
30% pa

Annuity revenue
90%
of total revenue

Industry leading EBITDA margin
45% pa

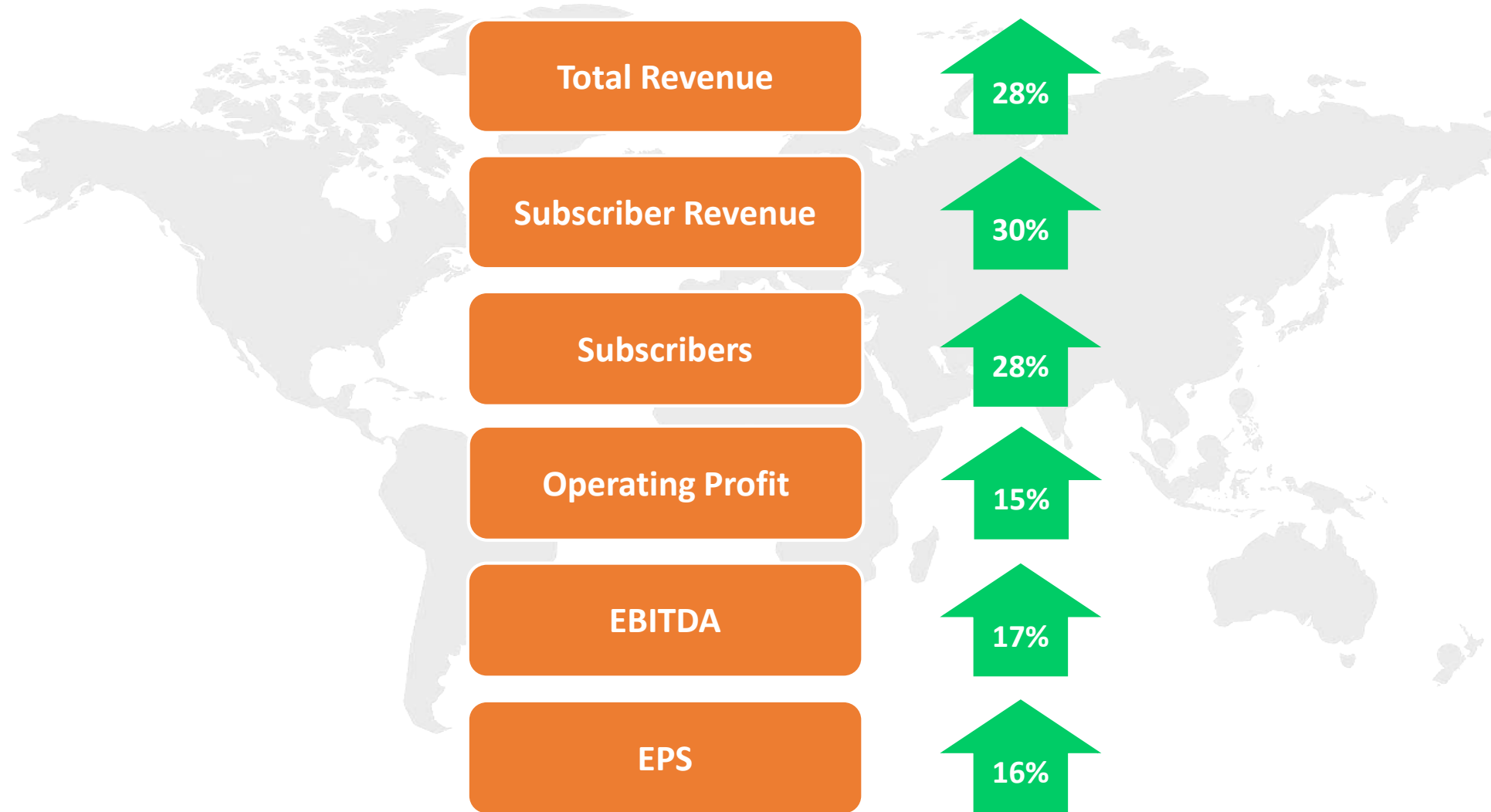
Operating profit margin
30% pa

Earnings per Share
116c

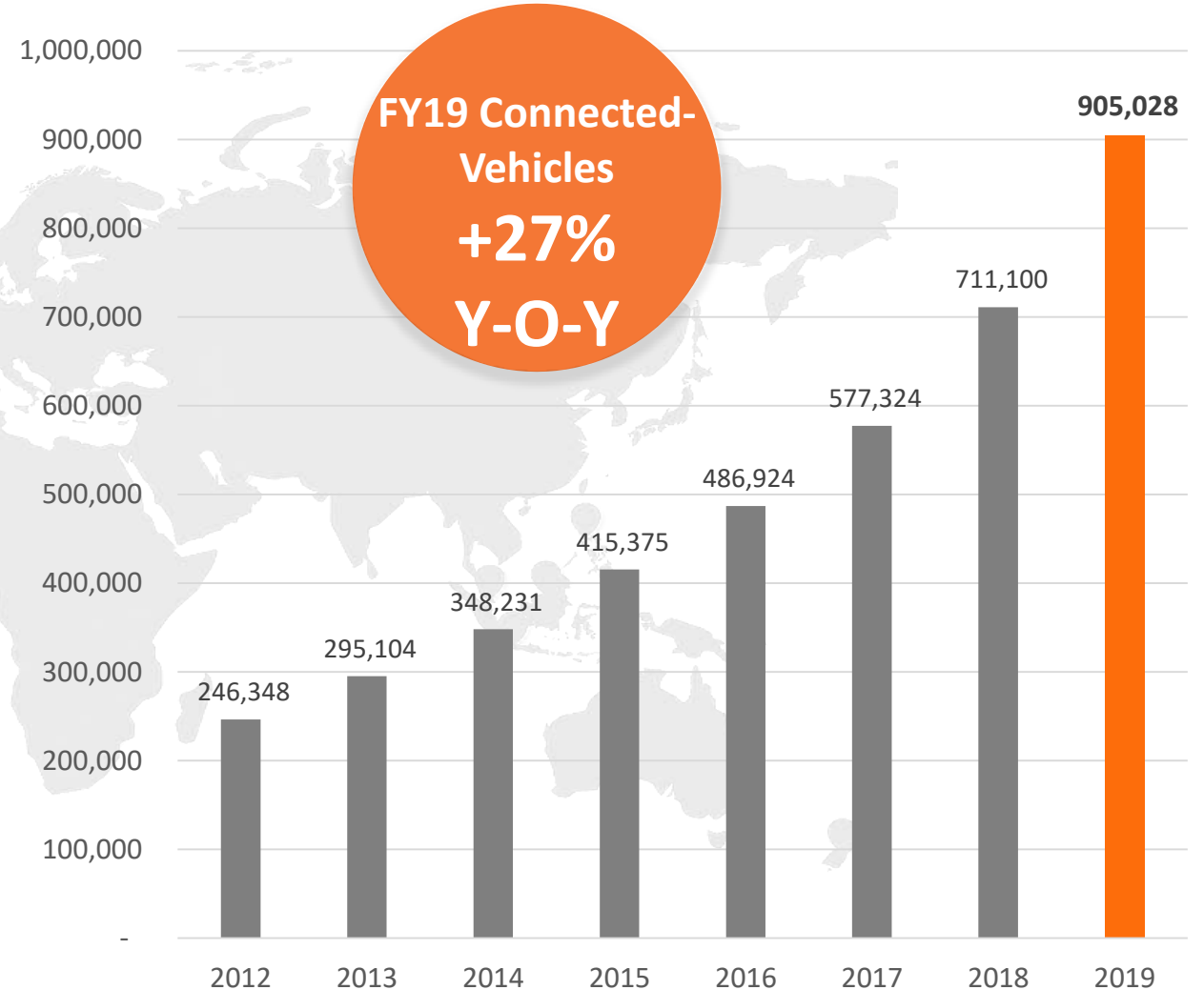
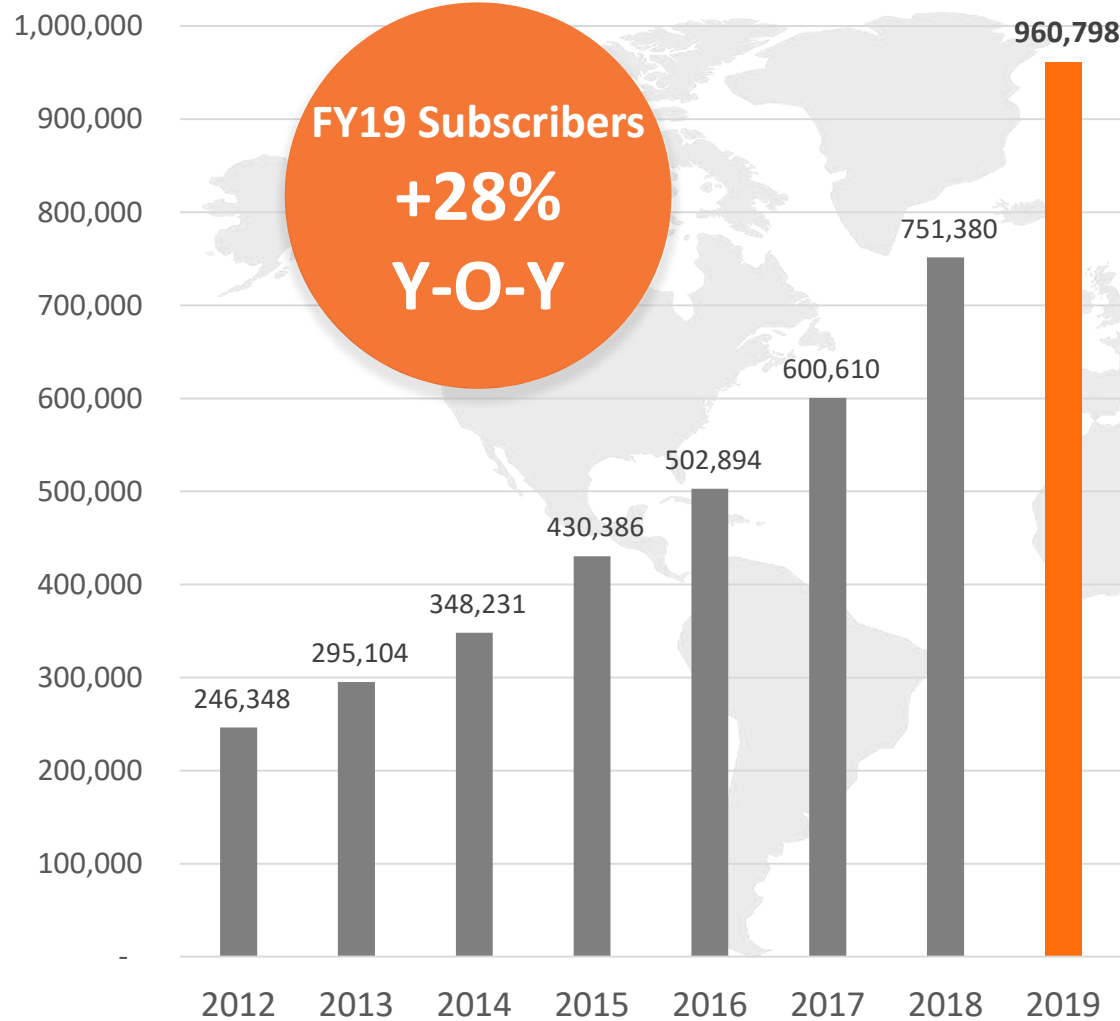
Strong customer retention with a life cycle of more than
60 months

Audited recovery rate
92%

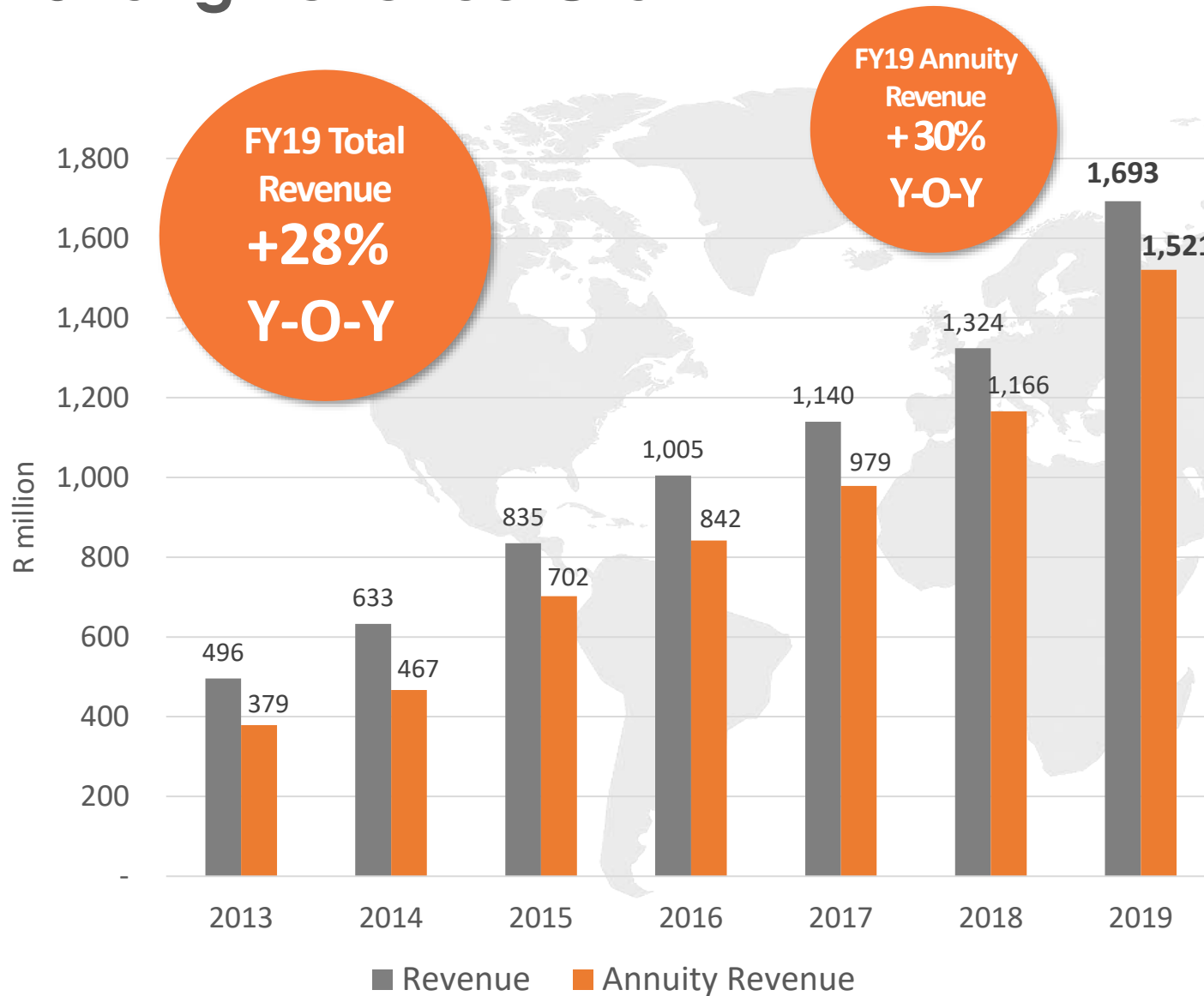
Financial Results and Highlights



Robust Subscriber and Connected Vehicle Growth



Strong Revenue Growth



Revenue Highlights:

- Record subscription revenue growth of 30%
- Subscription revenue as a percentage of total revenue reached a peak of 90%

Revenue Growth Drivers:

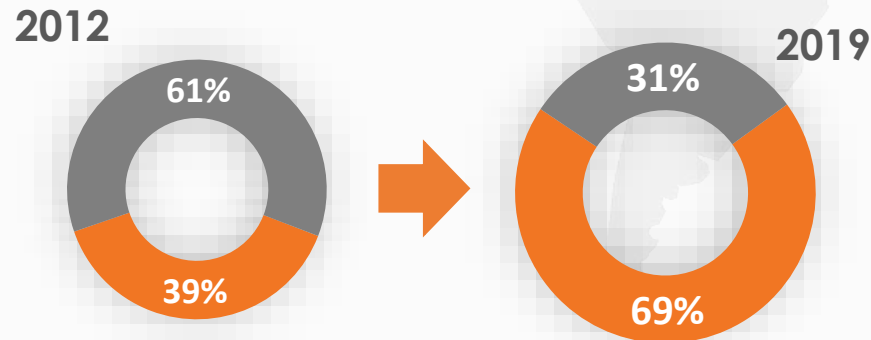
- Strong subscriber growth
- Realisation of previous investment in distribution
- Investment in client acquisition

Customer Landscape

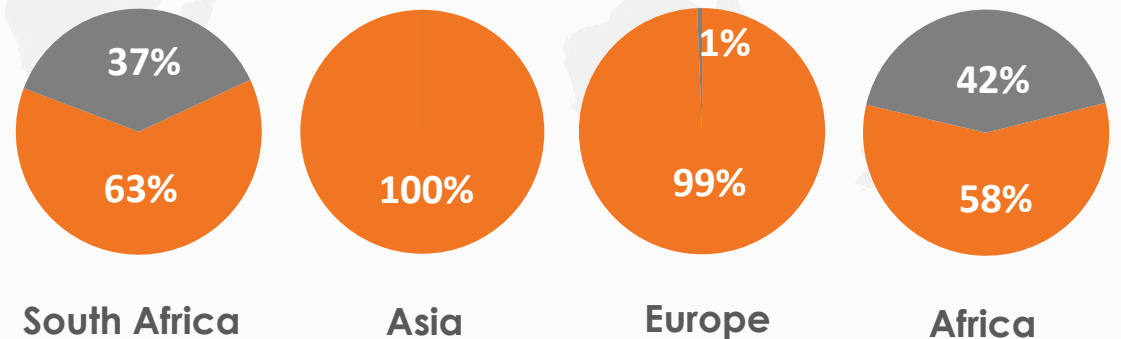
Customer Fleet Sizes by Region

Customers With Fleet Size	≤5	6-24	25-99	100-499	500-1499	≥1500	Total
South Africa	451,464	4,623	705	128	16	8	456,944
Asia	3,582	1,312	311	55	6	2	5,268
Europe	5,188	2,390	439	69	8	3	8,097
Africa	15,733	951	245	45	1	0	16,975
Total	475,967	9,276	1,700	297	31	13	487,284

SaaS Increasing vs Vehicle-Tracking



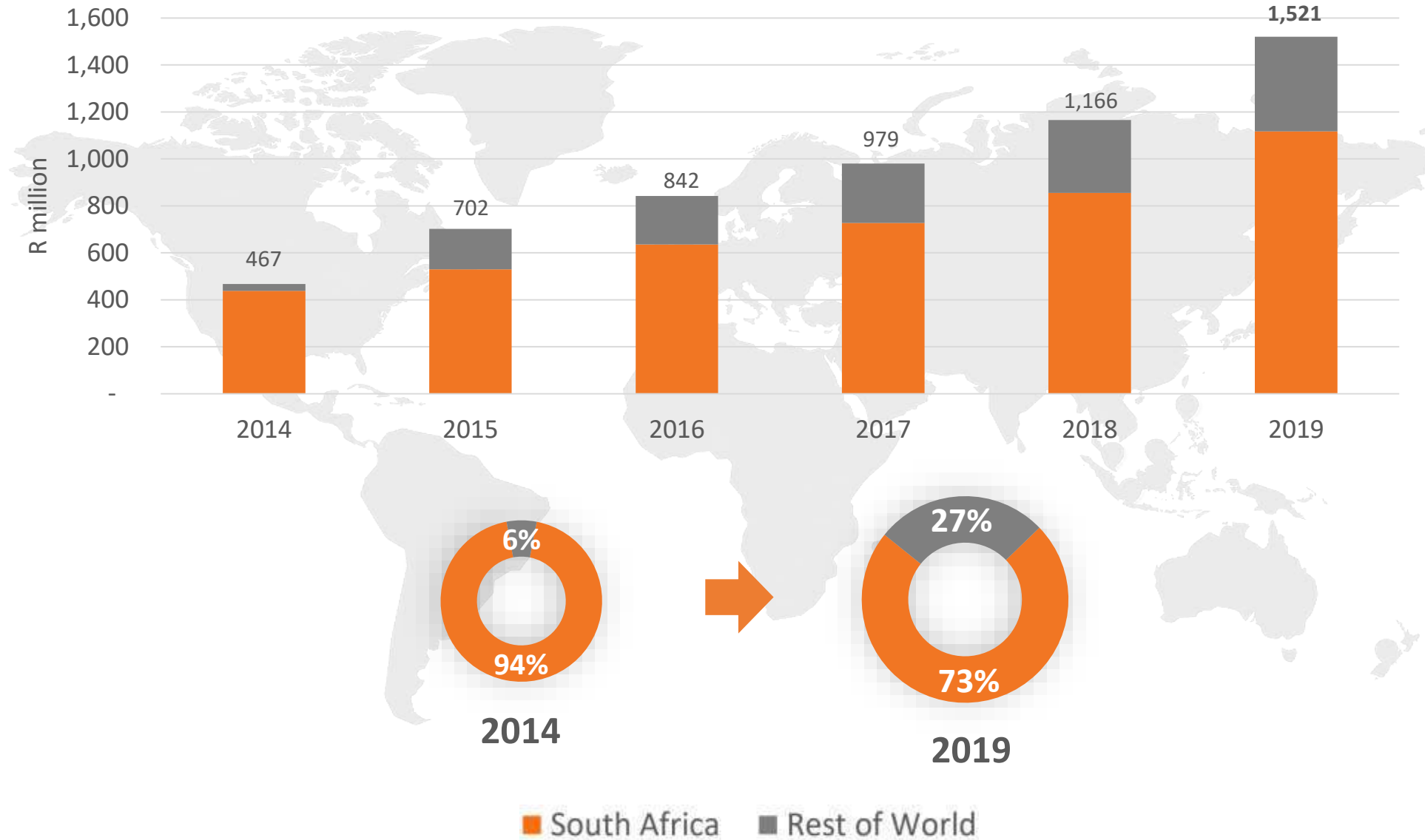
SaaS vs Vehicle-Tracking 2019



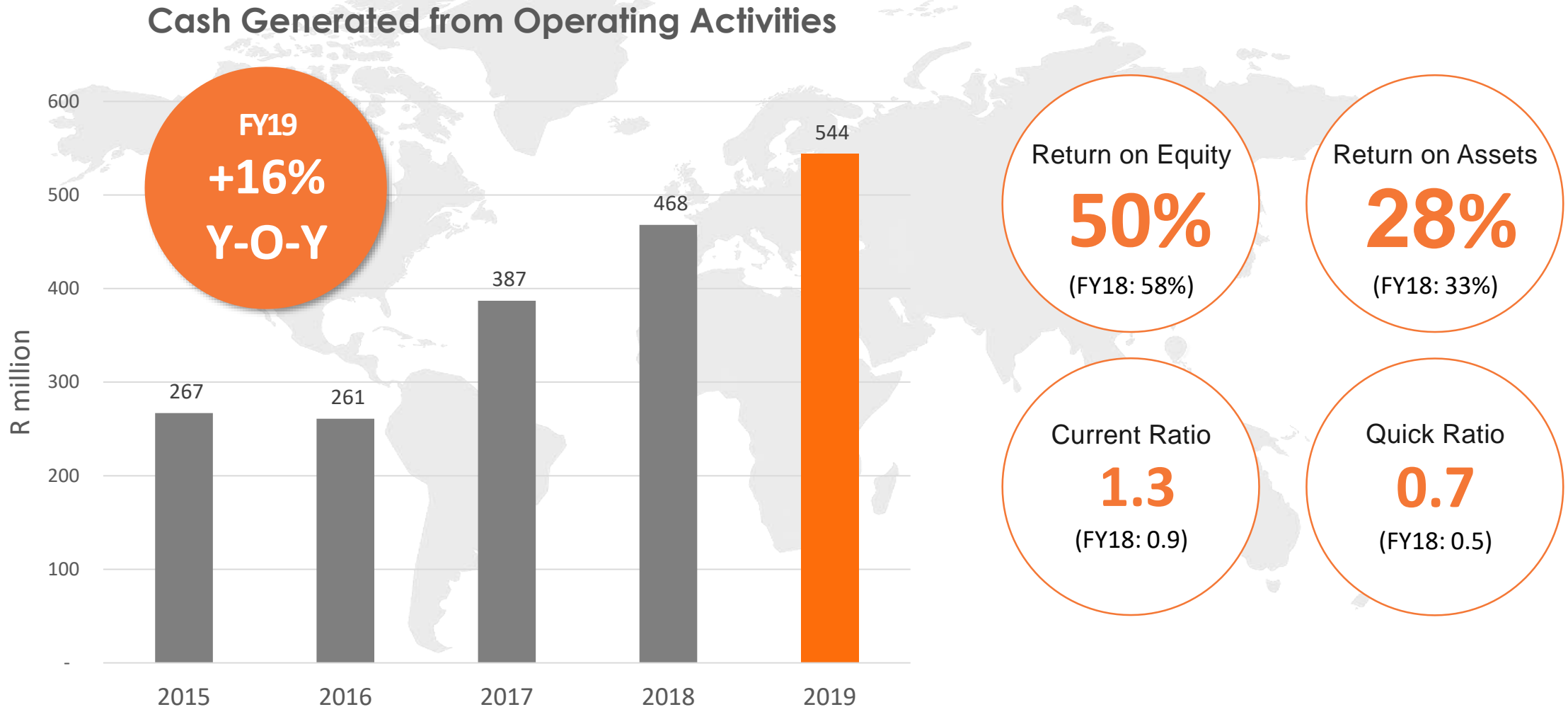
■ Software-as-a-Service ■ Vehicle-Tracking

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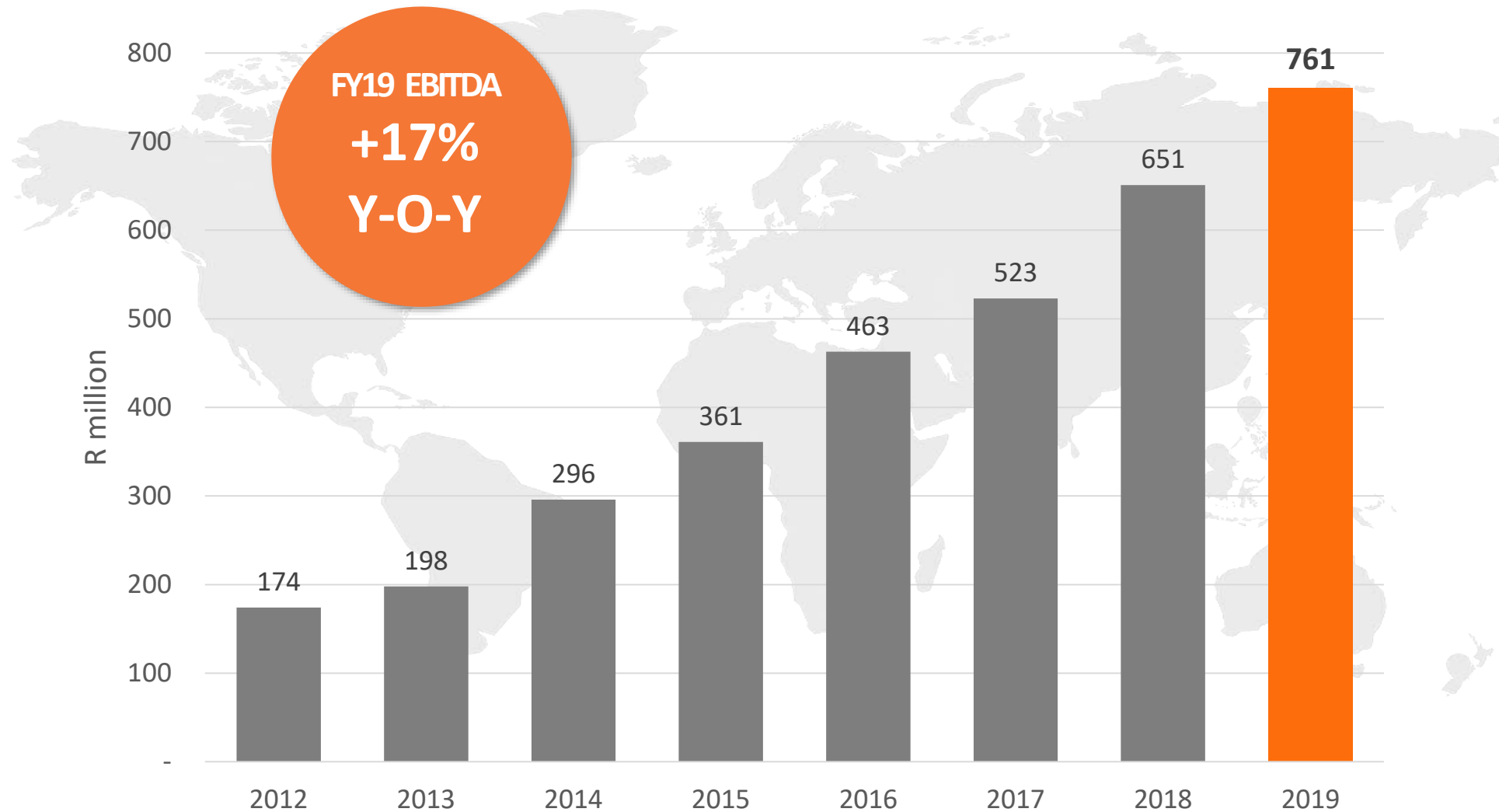
Annuity Revenue Growth Growing Globally



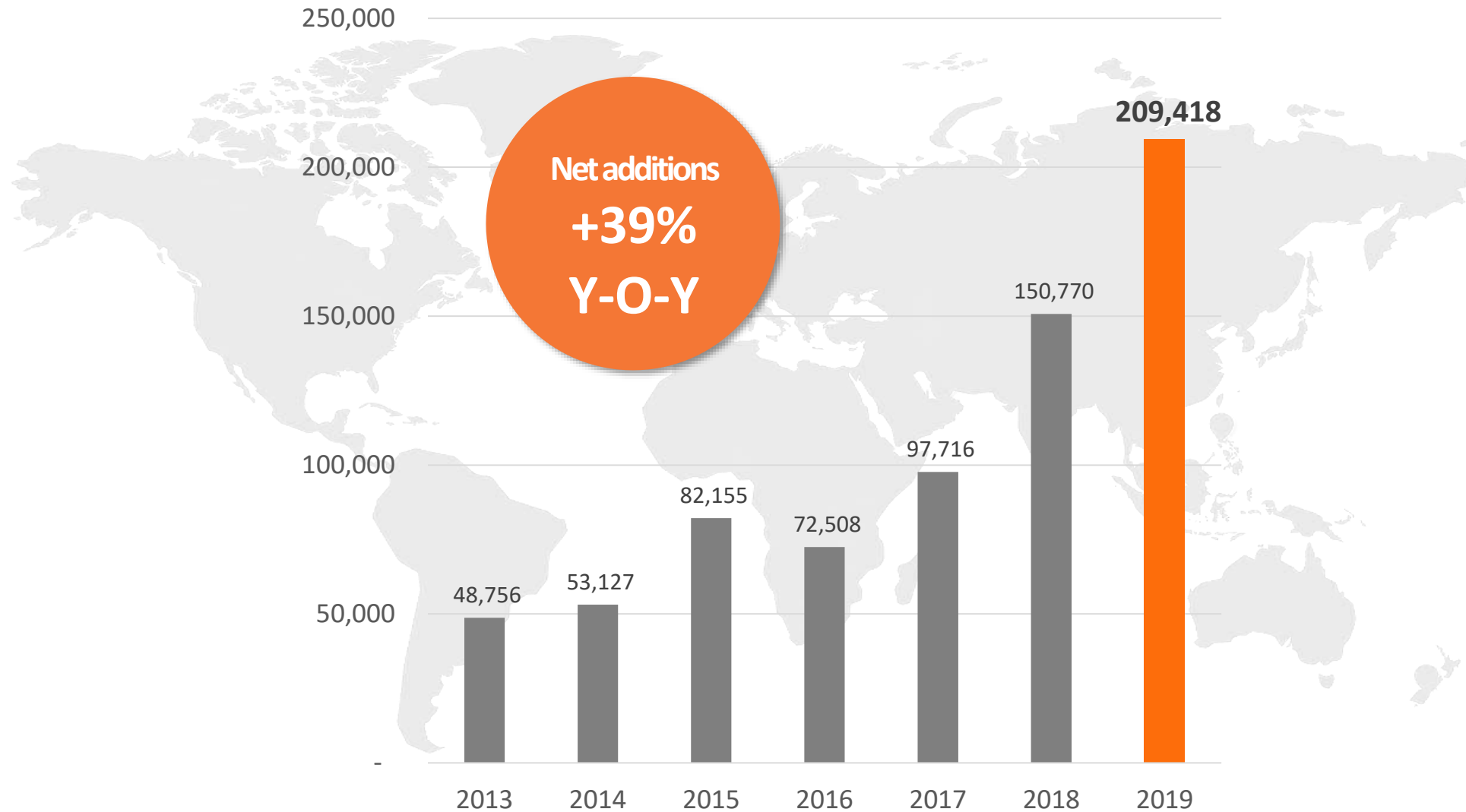
Robust Cash Generation



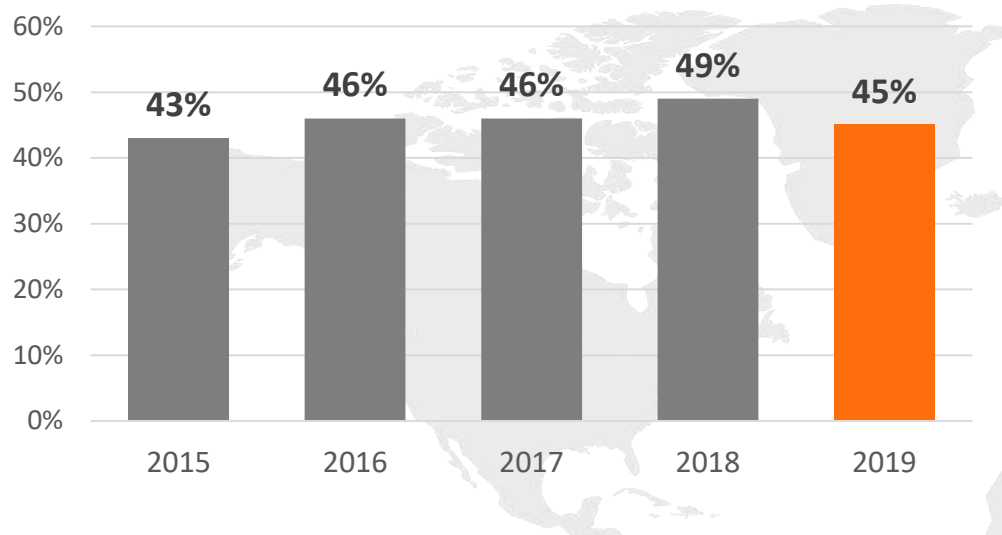
Robust EBITDA Growth



Net Subscriber Additions



Industry Leading EBITDA Margins



EBITDA Margin Analysis

1. **Pre-fitted vehicle contractual wording implication**
 - i. Cartrack pre-fits devices in new vehicles prior to the customer taking ownership of the vehicle and subscribing to the Cartrack services. These pre-fit in-vehicle devices were expensed.
 - ii. We have subsequently amended the terms of our agreements with the motor dealers to ensure there is better matching of the revenues and costs with regard to pre-fit in-vehicle inventory.
2. **Focused growth investment for subscriber acquisition**
 - i. Increased marketing expenditure
 - ii. Increased sales staff headcount
3. **An increase in the provisions for bad debts** owing to the adoption IFRS 9 and the headwinds in the South African economy. Without factoring the positive upside to the election results in South Africa, we have budgeted for similar headwinds in FY20.

Analysis Impact	FY18	FY19
Operating Expenses	541,947	714,368
1. Admin & Other	418,590	491,846
2. Sales & Marketing	99,023	177,351
3. Bad Debts	24,334	45,171

Change in Accounting Policy and Estimates

Revenue and Acquisition Costs (1)	<p>Annuity revenue is now aligned to the costs of delivering the service. This is after a detailed actuarial assessment.</p> <p><i>(earnings are no longer negatively impacted)</i></p>
Capitalisation of costs to acquire a customer (2)	<p>Previously all directly attributable costs to acquire a customer were capitalised. The new accounting standard does not allow the productive portion of sales staff salary to be capitalised.</p> <p><i>(this has a negative impact on the FY19 earnings)</i></p>
Adoption of new accounting standards (3)	<p>The Group adopted IFRS 9 - Financial instruments, IFRS 15 - Revenue from contracts with customers and IFRS 16 - Leases in the current year.</p> <p><i>(this has a negative impact on the FY19 earnings)</i></p>
Reclassification of costs	<p>Certain costs related to customer acquisition were reclassified from operating expenses to cost of sales.</p> <p><i>(this has no impact on earnings)</i></p>

Adjusted FY18 EPS for Comparison Purposes with FY19 EPS

Assuming accounting standards and estimates were implemented from FY18

	FY18	FY19
EPS	100.5	
Decrease in depreciation ⁽¹⁾	+13.0	
Increase in expenses ⁽²⁾	-7.3	
Adoption of new IFRS standards ⁽³⁾	-1.1	
Adjusted FY18 EPS vs FY19 EPS	105.1	116.4

Adjusted FY 18 EPS
to FY19 EPS

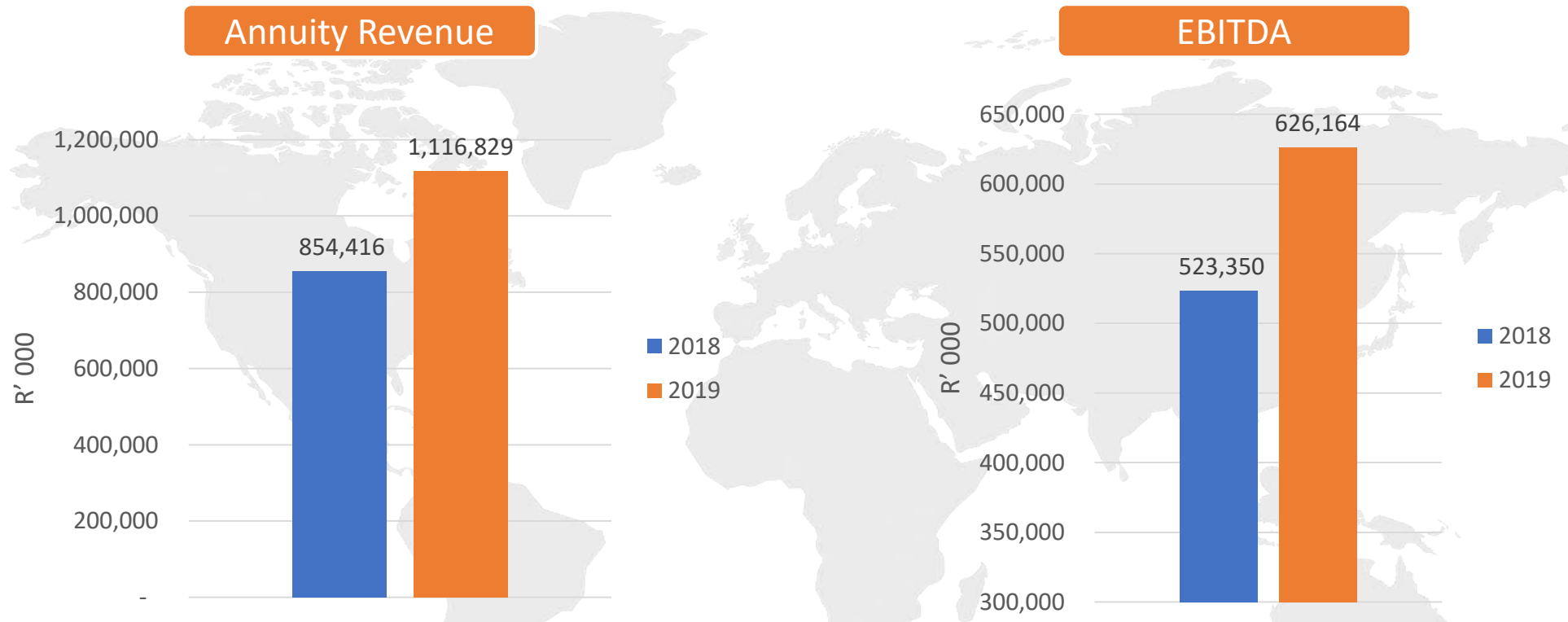
+11%

Y-O-Y

1. Please refer to slide 15 (1)
2. Please refer to slide 15 (2)
3. Please refer to slide 15 (3)

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FY 2019 Segment Performance: South Africa



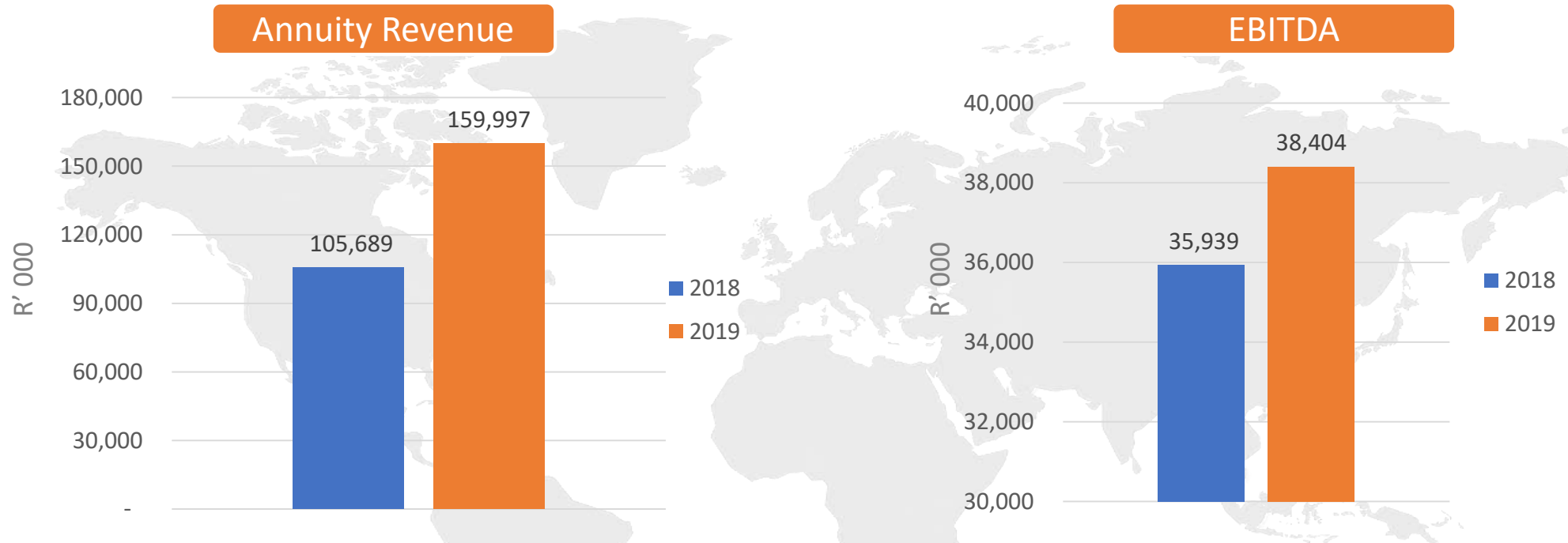
31% Strong subscription (annuity) revenue growth

30% Strong subscriber growth

20% EBITDA growth

50% EBITDA margin

FY 2019 Segment Performance: **Asia Pacific**



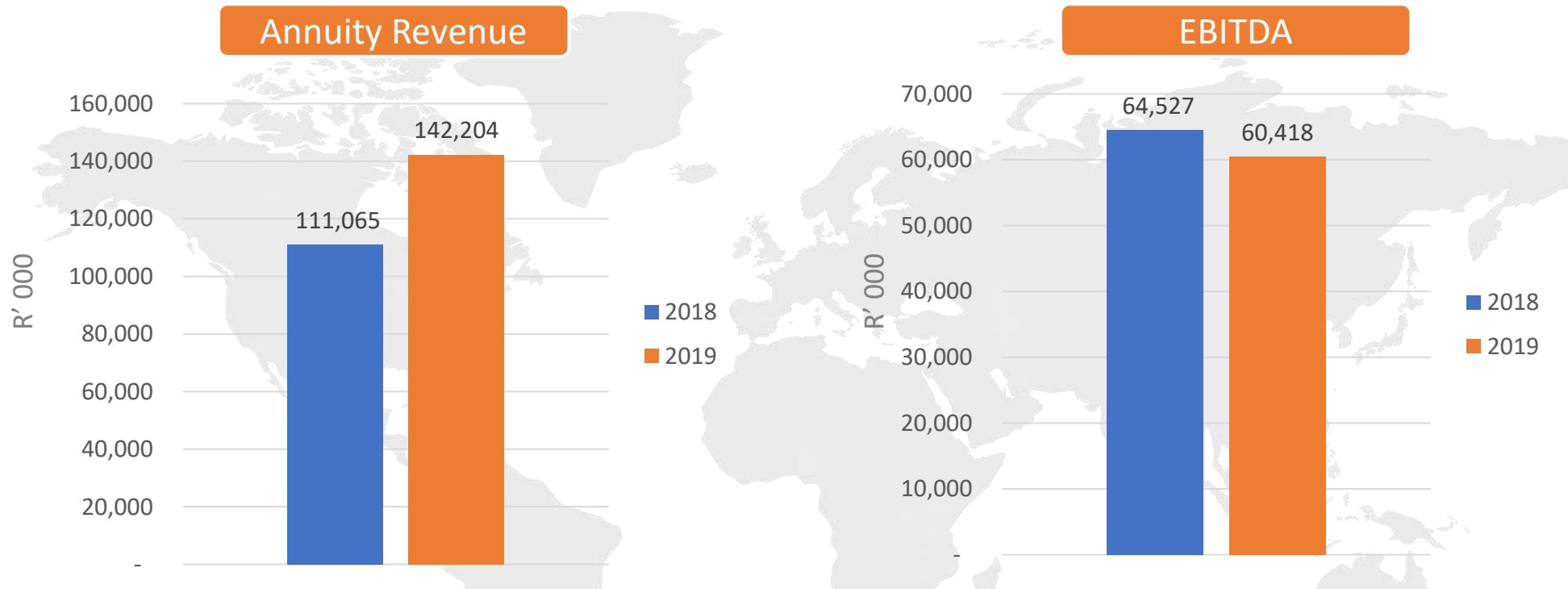
51% Subscription (annuity) revenue growth

53% Strong subscriber growth

7% EBITDA increased after substantial investment in distribution for future growth

21% EBITDA margin

FY 2019 Segment Performance: Europe



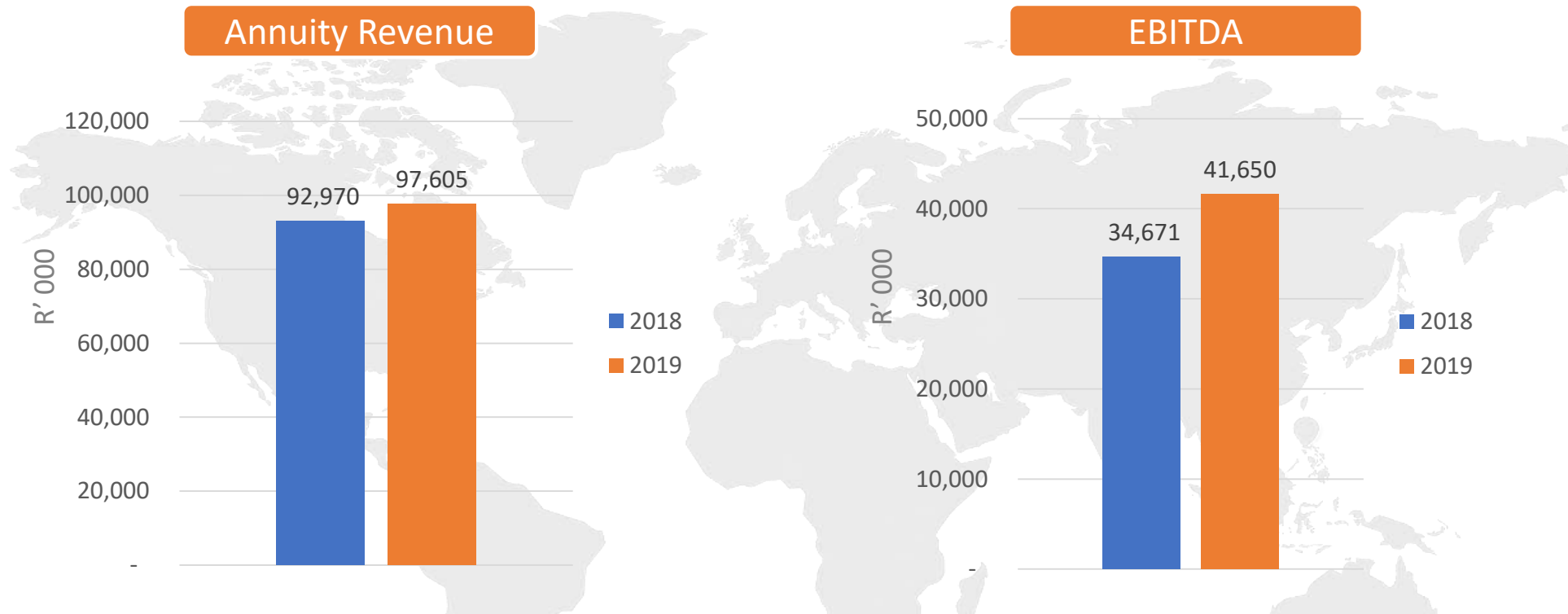
28% Strong subscription (annuity) revenue growth

15% Strong subscriber growth

(6%) EBITDA declined owing to substantial investment in distribution for future growth

41% EBITDA margin

FY 2019 Segment Performance: Africa (excluding South Africa)



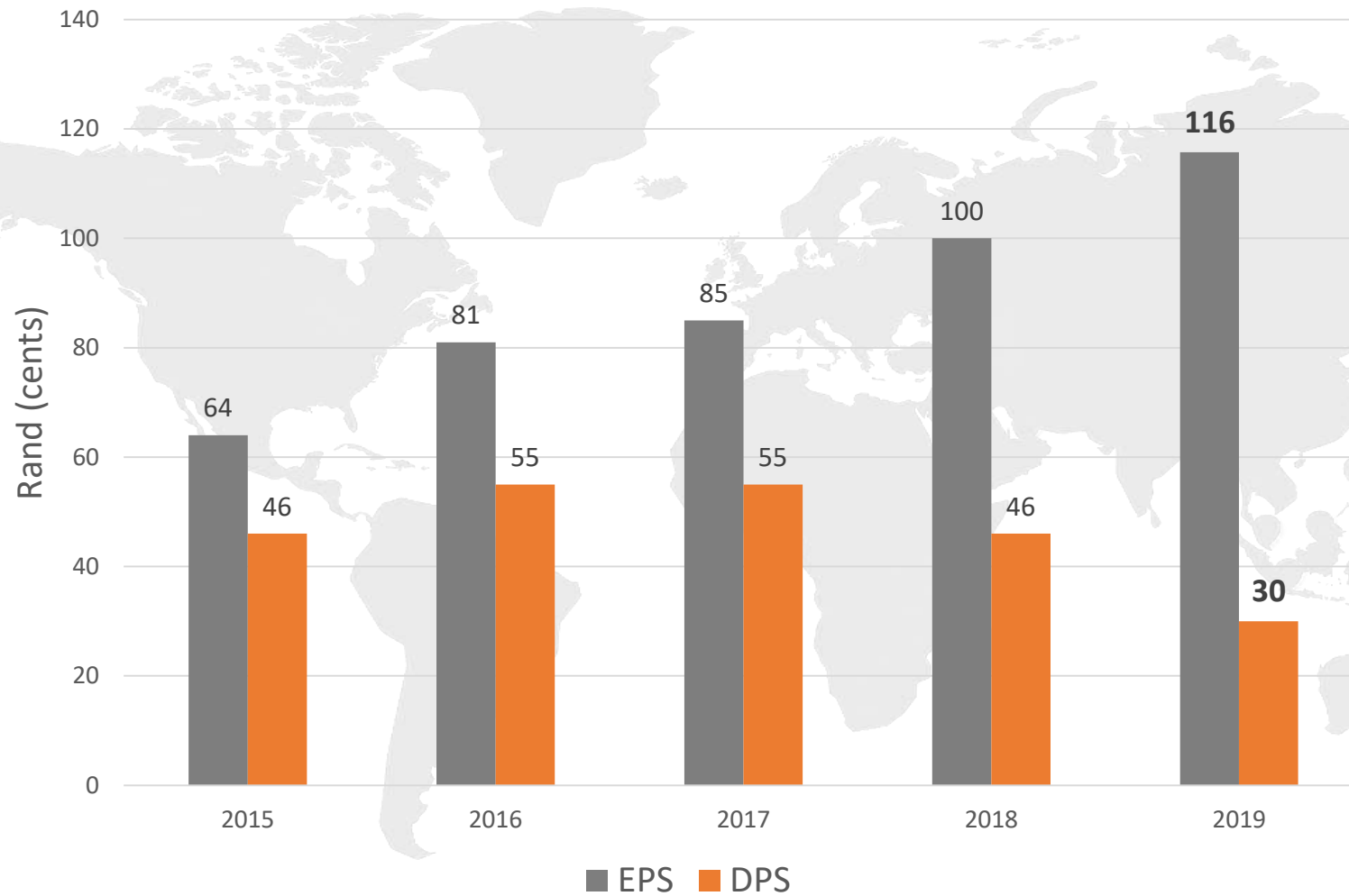
5% Modest subscription (annuity) revenue growth

4% Modest subscriber growth

20% EBITDA growth

36% EBITDA margin

Earnings and Dividends



FY19
Earnings
+16%
Y-O-Y

Strong Balance Sheet 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 the:
 - 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
33 days

Capex
29% of
revenue

New asset class
**Contract
asset**

Inventory
levels geared for
growth

FCF
Conversion rate⁽¹⁾ of
35%

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

Outlook

Demand for telematics data continues to increase

Continued and significant investment in technology and capacity

Exciting new services on the back of our SaaS platform

Reaping the benefits of scale

1. Double-digit subscription revenue growth
2. Earnings and EBITDA margin expansion
3. New generation hardware and software platform

Double-digit annuity revenue and subscriber growth expected for the foreseeable future

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Q&A

