

OVER
500 000
HAPPY
ACTIVE
SUBSCRIBERS



FY16 RESULTS PRESENTATION



TABLE OF CONTENTS

- Overview
- Financial review
- Strategic review
- Outlook
- Annexures

HIGHLIGHTS

A top global
telematics
company

Consistent
growth in
profitability

> R1 billion in
revenue

Annuity based
business

> 500 000
subscribers

Highest cash
generator in its
class

CARTRACK'S VALUE PROPOSITION TO CUSTOMERS

**EVEN MORE BENEFICIAL IN
CHALLENGING TIMES**



Increase fleet
productivity



Increase workforce
efficiency



Reduce operational
costs



Increase customer
service



Increase safety
and security



Increase revenue

OUR CUSTOMERS' CHALLENGES



High Fuel Costs



Wasteful Vehicle Idling



Timecard Falsification



Excessive Overtime



Excessive Maintenance Costs



Excessive Mileage



Poor Driver Behaviour



Unproductive Drivers



Unauthorised Vehicle Use



Vehicle Theft

CARTRACK CORE SOLUTIONS PER PRODUCT



CARTRACK – SOUTH AFRICA ROI CUSTOMER CALCULATOR

FLEET MANAGEMENT



Total Expected Saving = R3 265

Total Cost = R280

KEY SECURITY SERVICES AND FEATURES



Advanced Fitment Techniques



Ground & Air Recovery Response



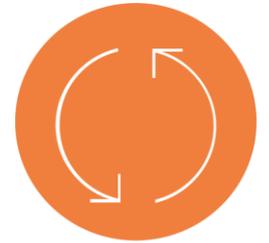
Instant Positioning via Control Room



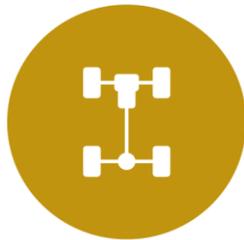
Free 24-Hour Unit Testing Service



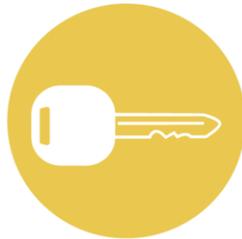
Lifetime Warranty



De-Installation & Re-Installation Service



Strip Warning



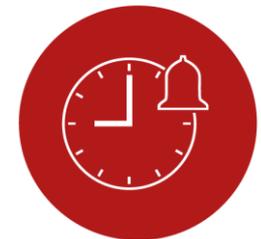
Ignition Sensor



Remote Immobilisation



Wireless Panic Button

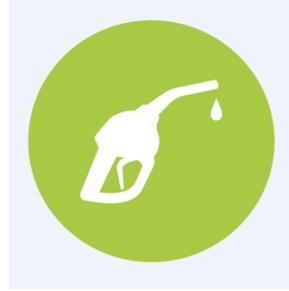


Early Theft Alert

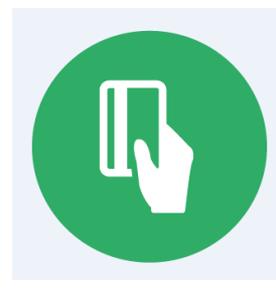
KEY CARTRACK FLEET MANAGEMENT REPORTS



Trip Reports



Fuel Efficiency Report



Fuel Card Management



Geo-fence Reports



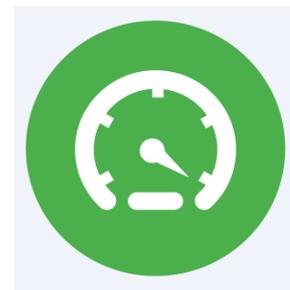
Operating Hours



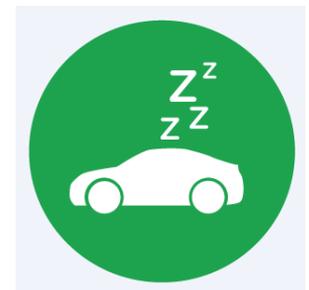
Toll road Management



Driver Scorecard



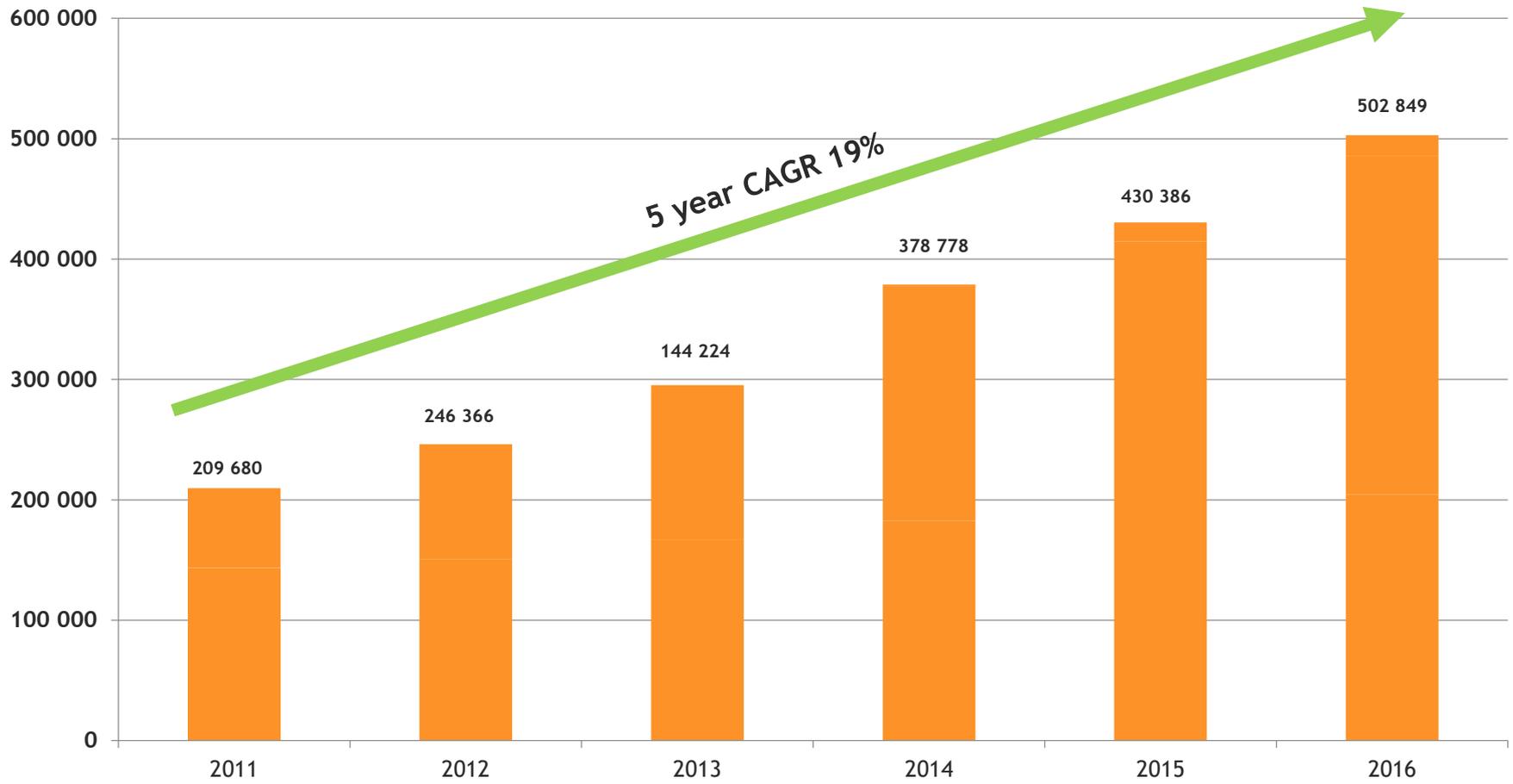
Speeding Report



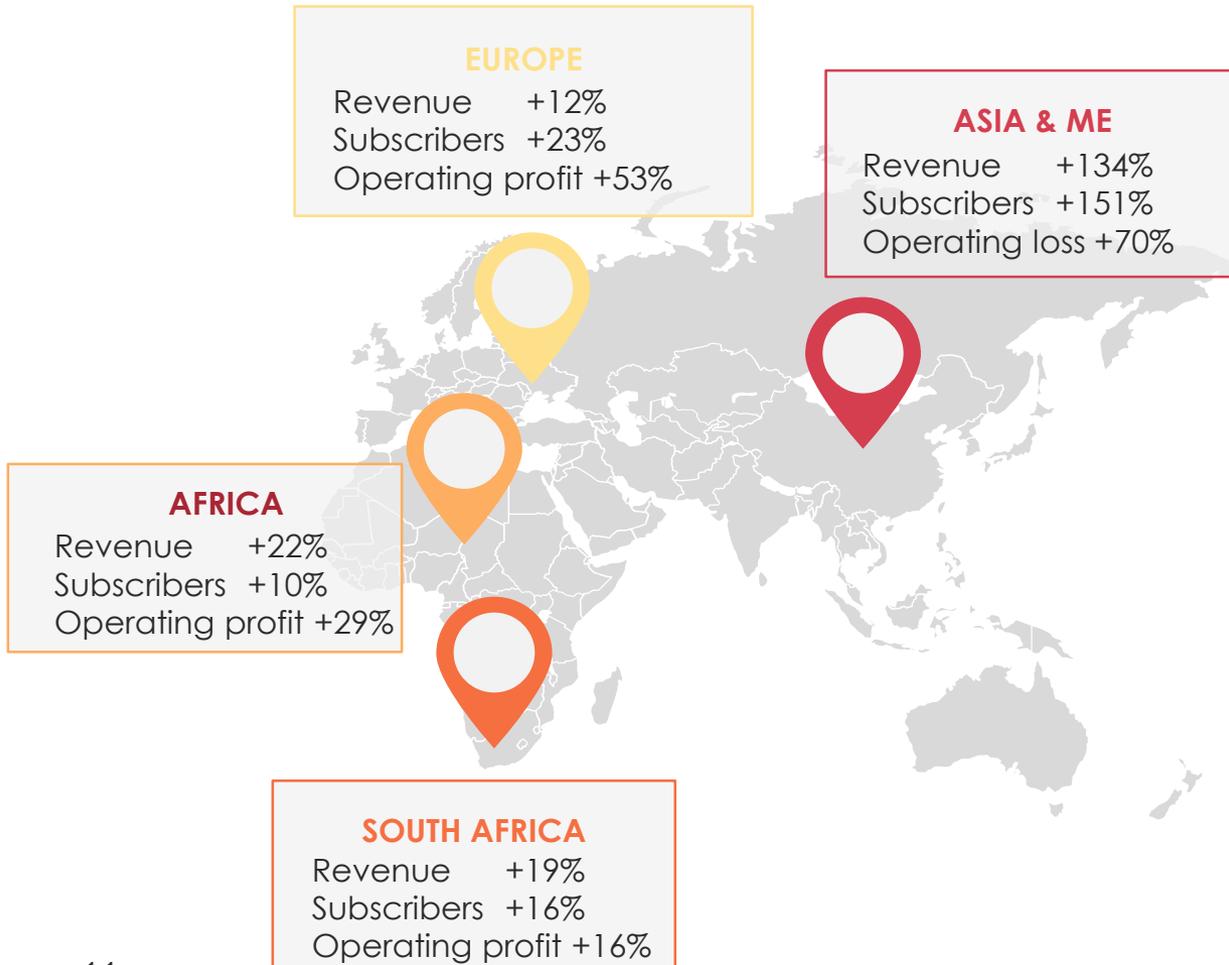
Idling Report

STRONG MOMENTUM IN SUBSCRIBER GROWTH

TOTAL ACTIVE UNITS



PLATFORM FOR GROWTH



EUROPE

- Slow economic recovery
- Telemetry communication costs significantly reduced
- Increased efficiencies have led to reduced overhead expenses

AFRICA – OTHER

- Commodity cycle and forex issues provide short term challenges
- Substantial growth opportunities remain in the longer term
- Significant churn in subscribers contracted to services in lower end of the price spectrum
- We believe the market remains unpenetrated

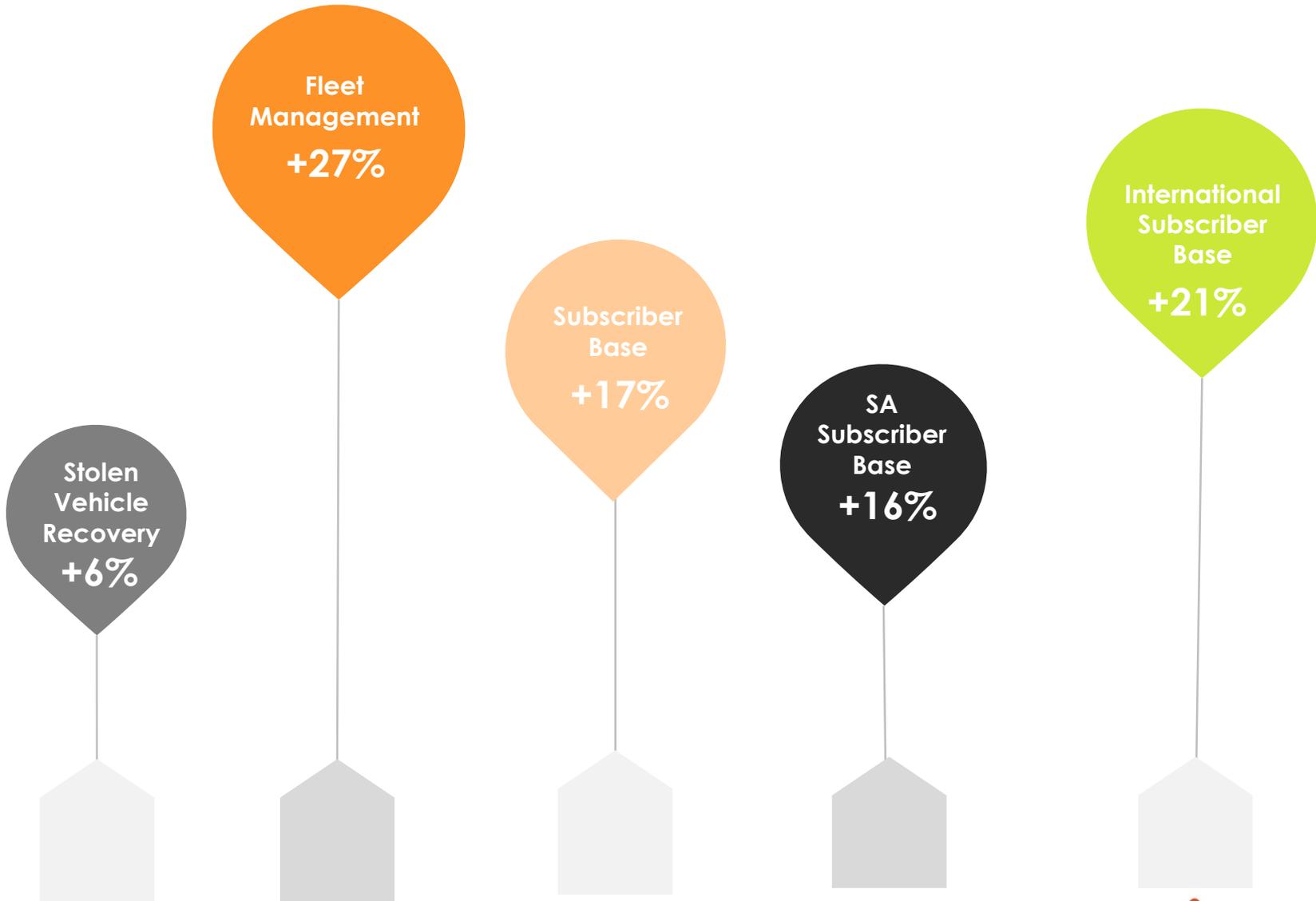
SOUTH AFRICA

- Significant investment in distribution yielding dividends
- We believe that growth in this market remains strong

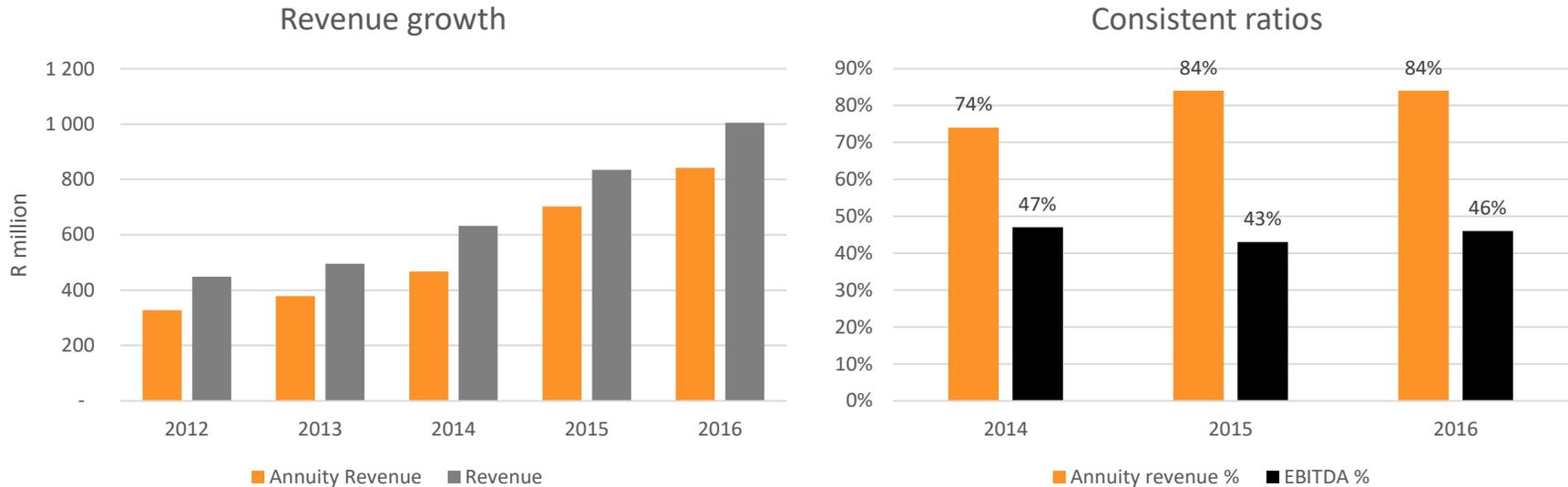
ASIA AND MIDDLE EAST

- We continue to invest in the brand and distribution
- Starting to see some traction

A DIVERSIFIED SUBSCRIBER GROWTH



A HIGHLY SUSTAINABLE AND PREDICTABLE MODEL

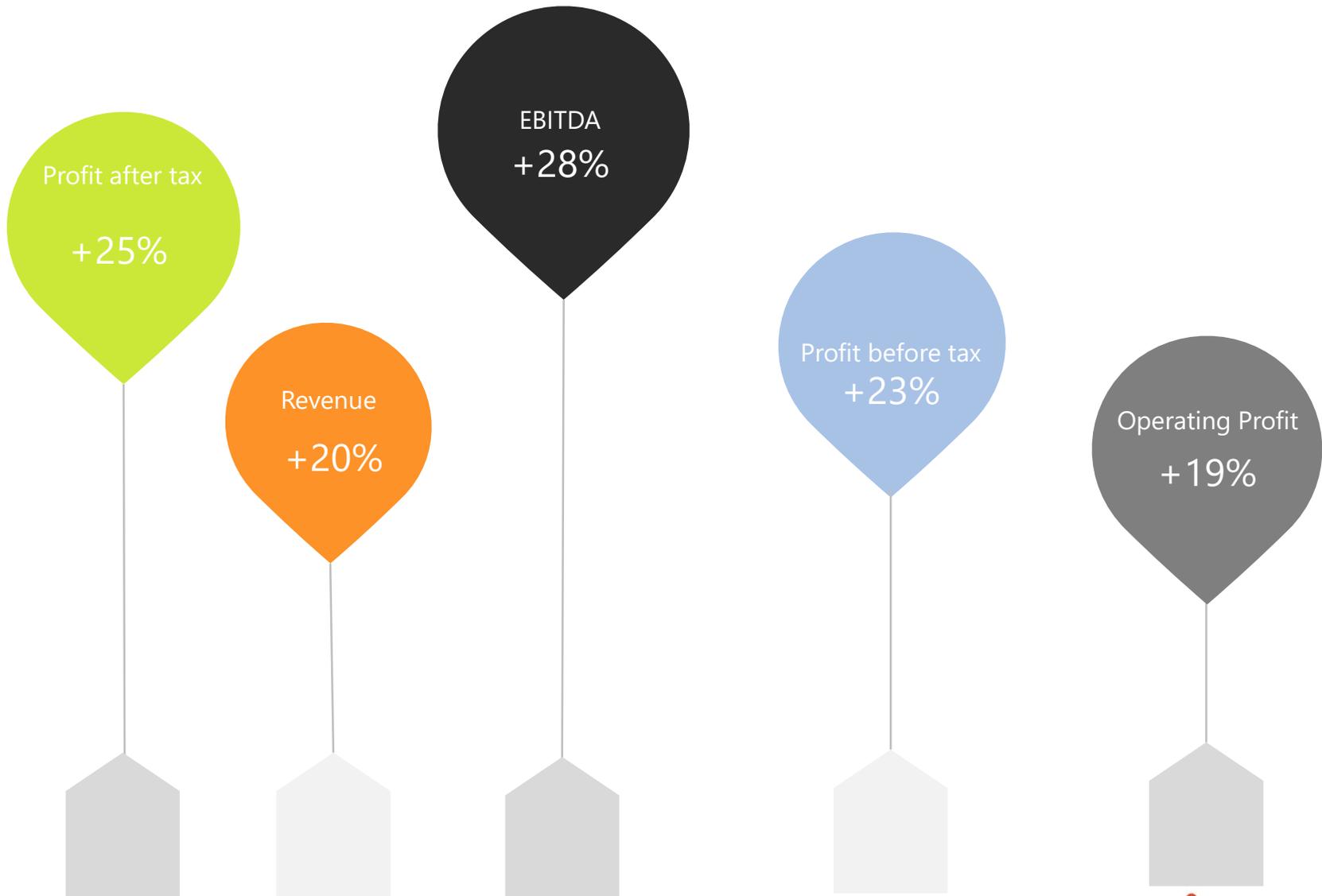


- Diversified base – present in 21 countries, fleet management as well as SVR product offerings
- Secure annuity-based model – 84% of revenue
- Longevity and predictability - average customer lifecycle approximately 62 months
- Scale – few companies globally have a subscriber base > 500 000 contracts
- Highest margins in its class

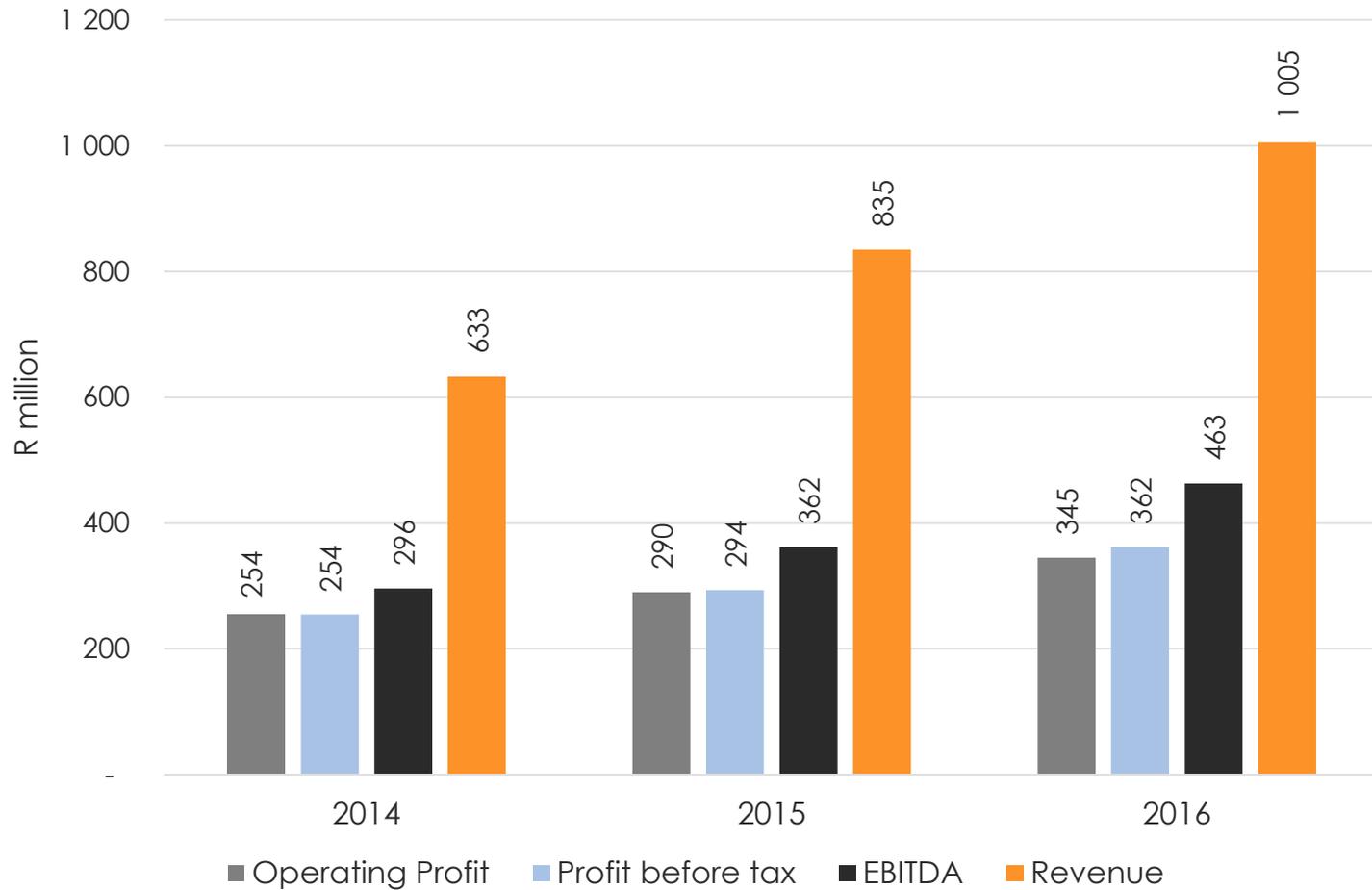


Financial Review

STRONG YEAR-ON-YEAR GROWTH



STRONG PROFITABILITY

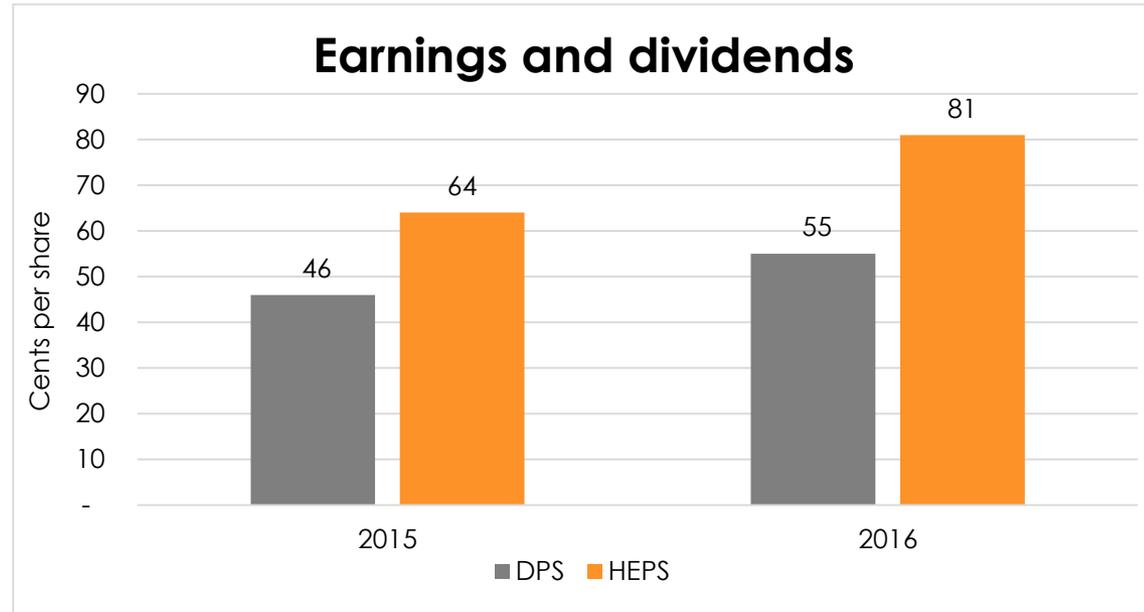


FOREIGN EXCHANGE IMPACTS ON FINANCIAL RESULTS

Despite the sharp decline in the South African Rand, the net effect of currency fluctuations on Cartrack's global business over the past year has impacted positively on the consolidated profit before tax by an estimated R13 million. The main contributing factors are :

	<u>R millions</u>
➤ non operating foreign exchange gain	+15,5
➤ operating foreign exchange gain	+11,5
➤ hardware costs in cost of sales	- 11,0
➤ the fluctuation in the Rand against other Group trading currencies had a net negative impact on consolidation	<u>- 3,0</u>
	<u>R13,0</u>

EARNING AND DIVIDENDS



- Final dividend of 35 cents per share
- Total dividend for FY16 of 55 cents per share
- Dividend cover of 1.45 times
- Dividend cover target - 1.25 to 1.55 times

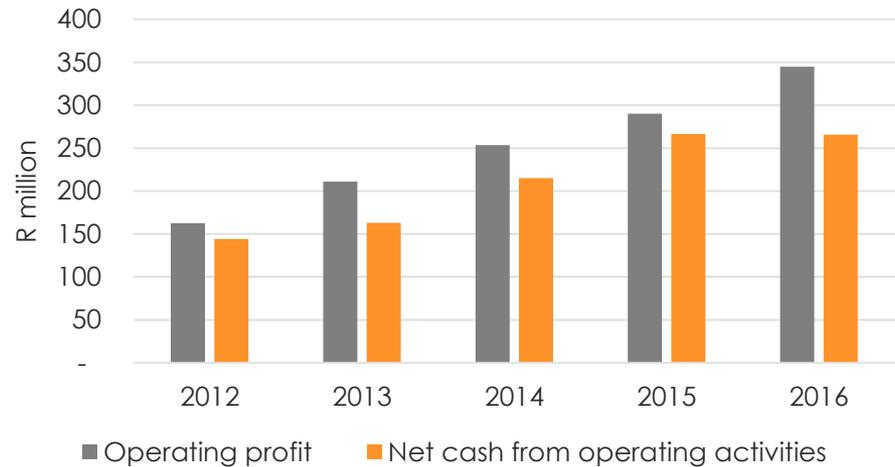
STRONG BALANCE SHEET POSITIONED FOR GROWTH

No gearing	
Clean debtors book – debtors days	33 days
Adequate stock levels of 6 to 9 months trading	
Current ratio	1,4
Quick ratio	0,9

A HIGH CASH GENERATOR

- Annuity business with strong revenue visibility into FY17
- We have, since inception, financed our own growth in both existing and new markets
- Strong track record of returning excess cash to the shareholders
- Cartrack senior management involved in all expansions to minimise risk

Cash conversion





Strategic Review



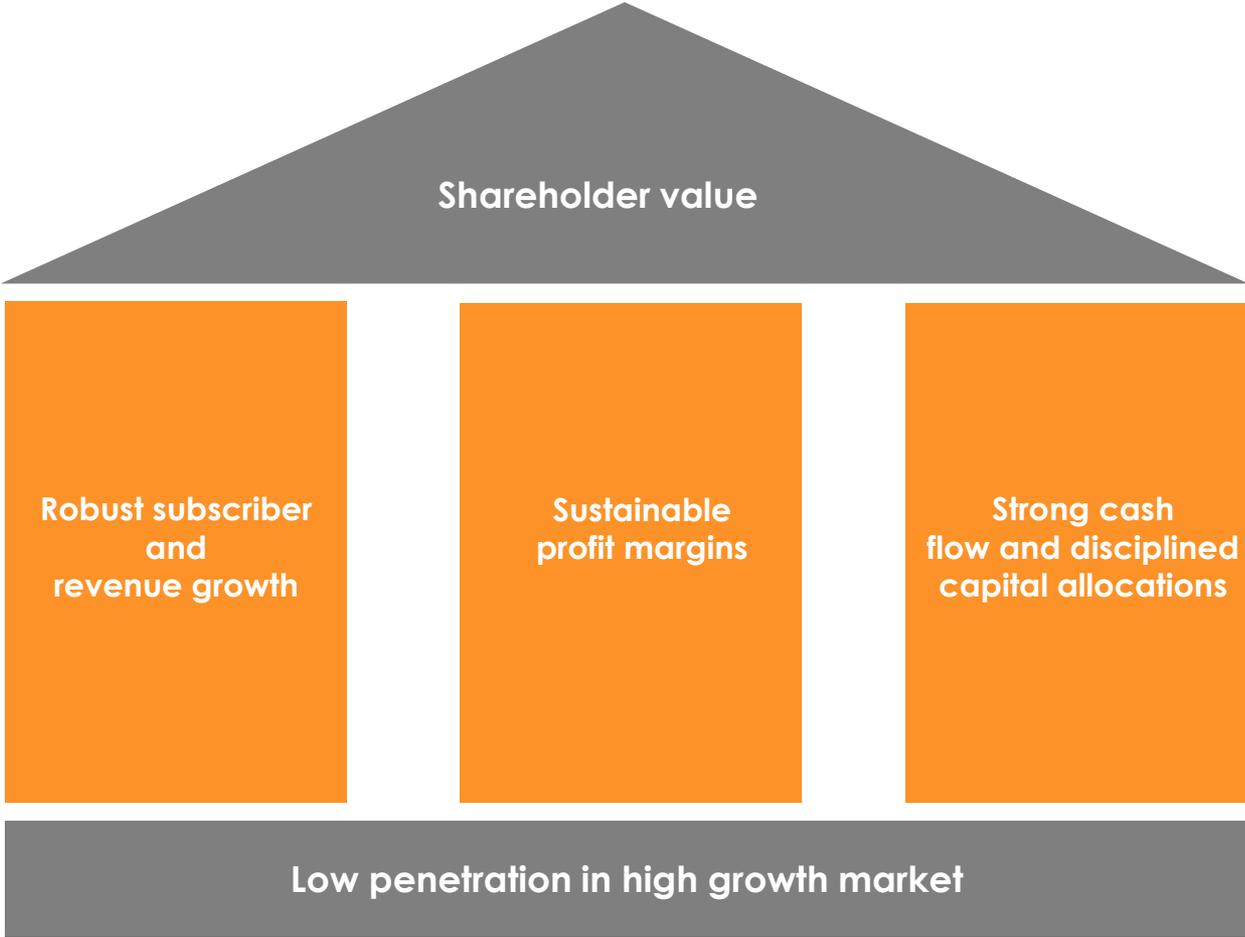


MARKET DRIVERS INDICATE ABUNDANT GROWTH POTENTIAL

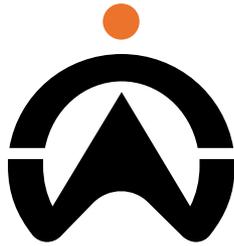
Consistent with prior years:

- **Increasing demand for big data** using Software-as-a-Service (SaaS) to **optimise both fleets and workforce**
- Berg Insight states the global market size is **94 million vehicles** with only a **14% penetration** as at end of 2015
- Global commercial telematics market is expected to reach \$41 billion by 2020 - **compounded growth rate of 16% p.a.** for the next five years
- Increase in **demand for safety and security** by governments, business and individuals due to the increase in crime rates, the need to improve road safety and the need to decrease pollution
- Strong **increase in vehicle populations**
- Large and **underpenetrated** markets

OUR STRATEGY – DRIVING SHAREHOLDER VALUE



A WELL DEFINED AND ALIGNED OPERATIONAL STRATEGY



Global brand

- Strengthen brand awareness and market share in existing markets
- Build brand and trust in new markets



Distribution

- Tested expansion model with prudent organic growth
- Conservative allocation of funds into new geographies
- Increased sales capabilities in existing and new markets
- Improved installation management and job scheduling



Quality service

- Staying ahead of technological trends to enhance customer experience
- Continuous improvements of our internal systems and software to allow our staff to make quicker and more informed decisions

GROWTH STRATEGY 2016 STRATEGIC INITIATIVES

- Start to **cross sell** additional features and value added services to our existing customer base
- Continue to **organically grow** in the countries where we already established
- Deliver more software and services to our customers as to be the intimate technology partner – we will focus on **increasing adoption and usage of the Cartrack applications**
- **Continue to enhance** our already differentiated modus operandi

USA OFFICE OPENING IMMINENT

- The USA market has a **15% to 30% penetration rate** of fleets (few conflicting reports)
- With the **mandatory requirement** for commercial drivers to keep a Record of Duty Status (RODS) using Electronic Driver Logs by December 2017, there are still over **3.1 million vehicles** that require vehicle telematics (Driscoll & Associates 2016)
- The unit monthly selling price of existing providers in the USA reflects a significant opportunity for Cartrack to enter the market and **compete aggressively**
- Cartrack's software and hardware has **highly competitive technological features**, cost pricing and reliability.
- **Cartrack's strong sales and modus operandi track record**, in highly competitive and diverse markets, is well suited for the USA market.
- Cartrack has a proven hands on track record in **customer service** which is fundamental pillar to a successful USA operation

SYSTEMS ARE BUILT ON THE MOST ADVANCED TECHNOLOGIES AVAILABLE



Considerable focus and effort was placed on technology development and upgrades in 2016

- Next generation Telematics units at an advanced stage of completion
- Will provide enhanced performance and additional features
- Substantially aligned the Cartrack technology to country specific mandatory requirements
- Will cater for connectivity to networks globally
- Additional products were added to Cartrack's range
- A unit developed to allow continuous and cost effective global roaming ability for tracking assets that travel internationally
- New mobile applications are being developed for continuous connectivity and convenience
- Project initiated for data analytics and commercial uses of the vast volumes of Telematics data stored
- Supply of non-personalised data for traffic flow and navigation services



Outlook



OUR INVESTMENT CASE



A ROBUST OUTLOOK FOR 2017

Strong profit and cash flow expected, consistent with our track record

- Substantial growth opportunities in the telematics industry remains
- Continued global economic and foreign exchange uncertainties expected
- Opportunities in our current footprint remain and are being actively pursued
- Continued sustainable growth in South Africa is expected despite the economic pressures
- Good growth expected in Asia and ME, coming off a low base
- Releasing complimentary application software lending to stronger demand for our services

THE NEXT GENERATION OF COMPLIMENTARY TECHNOLOGY

**WORKFORCE
OPTIMISATION**

**SALES
FORCE
OPTIMISATION**



International Offices

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

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



CARTRACK
PUTTING YOU IN CONTROL



Annexures

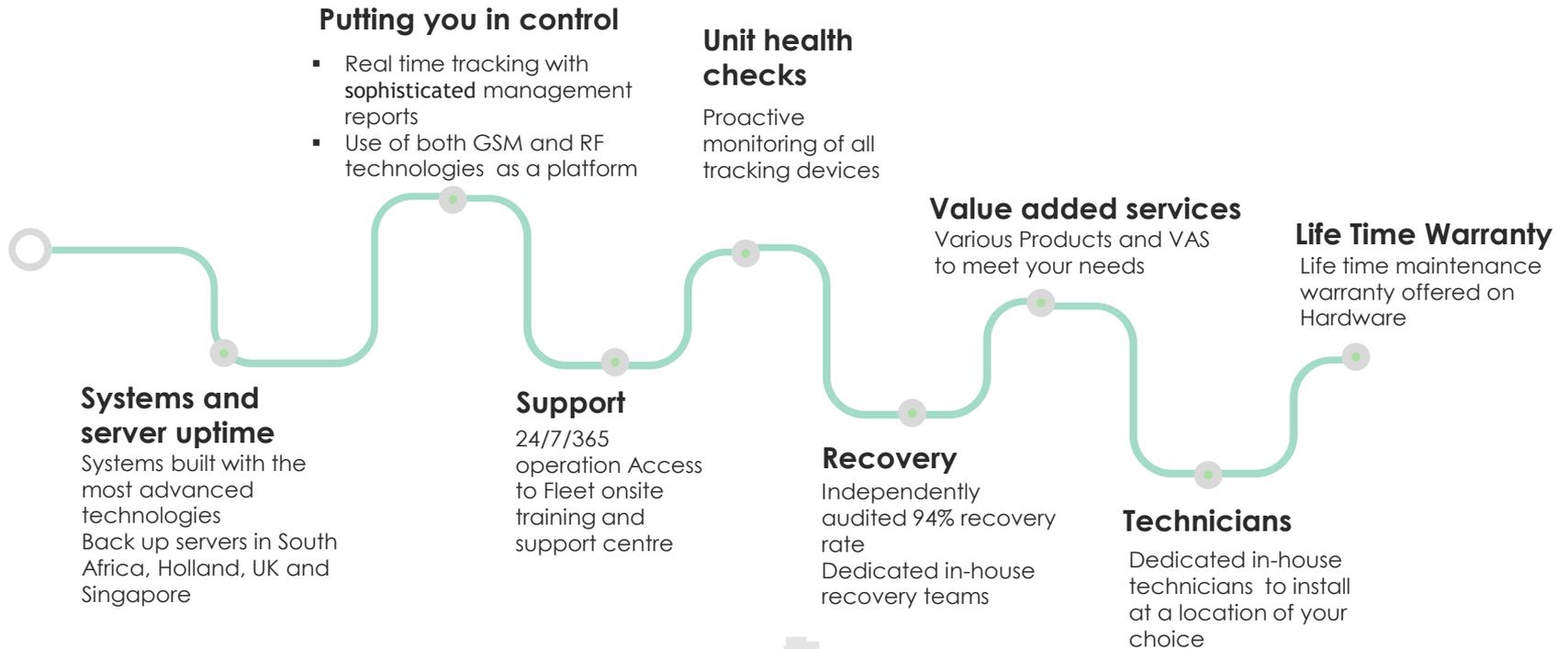
CARTRACK AT A GLANCE

- A **leading global provider** of Fleet Management, Stolen Vehicle Recovery and Insurance Telematics
- A diversified subscriber base with **503 000** active subscribers as at FY16 and offices in **21** countries
- Amongst the **top** telematics companies globally
- A leader in a very large and underpenetrated global market
- A trusted leader in the stolen vehicle and recovery industry with an audited **recovery rate of 94%**
- Recovered in excess of **18 000** stolen vehicles since inception
- **Strong visibility of earnings** due to the annuity based business model
- A **benchmark and consistent leader** in the global Telematics industry

CARTRACK AT A GLANCE (continued)

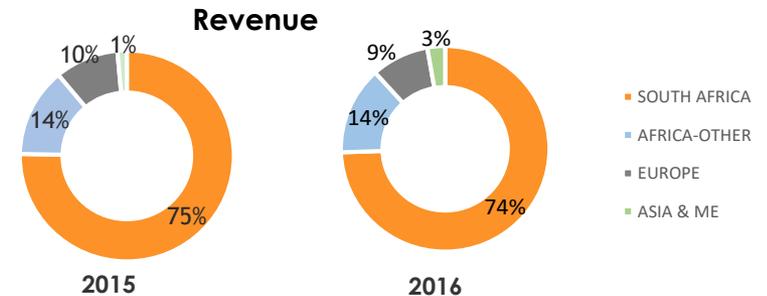
- **Free regular platform upgrades** for all the customers
- **Free data storage** for up to 5 years
- **Free on-site and on-line training** provided with a **24/7 help desk**
- **Free routine unit health checks**
- **Mobile fitment teams** – installation at location of your choice
- Audited **recovery rate of over 94%**; own **recovery infrastructure**; **24/7** control room
- First company in the world to provide a **R150k recovery warranty** in the unlikely event of a stolen vehicle not being recovered

OUR PROMISE TO CUSTOMERS

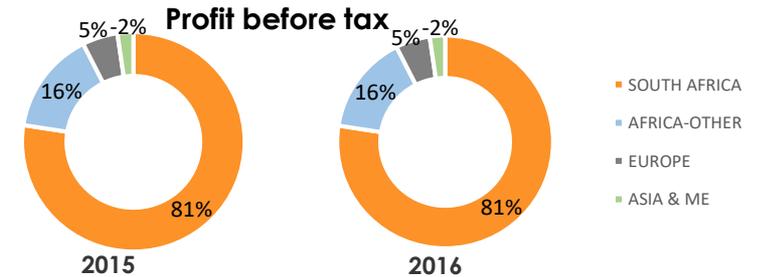


SEGMENTAL GROWTH FOR 2015 AND 2016

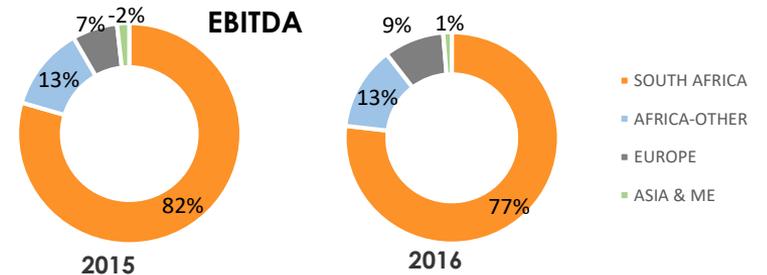
R'000	2015	2016	% change
Revenue			
South Africa	628 547	748 600	19
Africa – other	114 002	139 198	22
Europe	80 422	90 037	12
Asia and Middle East	11 824	27 647	134
Total	834 795	1 005 481	20



R'000	2015	2016	% change
Profit before tax			
South Africa	238 358	274 711	15
Africa – other	46 499	60 110	29
Europe	15 835	23 477	45
Asia and Middle East	(7 078)	6 968	n/a
Total	293 614	362 266	25



R'000	2015	2016	% change
EBITDA			
South Africa	298 058	355 777	20
Africa – other	45 710	59 168	30
Europe	24 420	42 212	71
Asia and Middle East	(6 586)	5 977	n/a
Total	361 602	463 134	29



STRONG FINANCIAL GROWTH

		2012	2013	2014	2015	2016
Revenue	R million	448	496	633	835	1005
Gross profit	R million	348	404	503	649	819
Operating profit	R million	162	211	254	290	345
EBITDA	R million	16	211	296	362	463
Headline earnings	R million	103	137	167	191	242
Headling earnings per share	Cents	-	-	58	64	81
Earnings per share excl non operational forex losses/gains	Cents	-	-	58	64	75
Net cash from operating activities	R million	144	163	215	267	261
Margins and ratios						
Gross profit margin	%	78%	82%	79%	78%	81%
Overheads as a % of sales	%	43%	40%	41%	44%	48%
Operating profit margin	%	36%	43%	40%	35%	34%
EBITDA margin	%	-	-	47%	43%	46%
Annuity revenue as % of total revenue	%	73%	76%	74%	84%	84%

OUR VALUE TO CUSTOMERS

Fact 1

Cartrack has developed technology locally for the transport industry in **Indonesia**. Buses are fitted with a telematics unit that relays real time information to consumers. This technology provides operators with full control over bus routes, as it alerts them to any deviations on the route and most importantly optimises the service for the end user – the customer. This information includes the estimated time of arrival of the next vehicle to bus terminals throughout the country as well as stations of information located in malls throughout the country.

Fact 2

Cartrack made its international debut of INTEGRATE - an end-to-end managed Electronic Monitoring Services (EMS) solution at the INTERPOL WORLD 2015 exhibition in **Singapore** in May 2015. INTEGRATE allows law enforcement agencies to effectively monitor persons-of-interest, such as offenders on extended supervision, parole, home detention or community detention. They can also be prison inmates going through halfway care and who are in the process of reintegrating into society. INTEGRATE is already in use in Singapore - one of the safest cities in the world according to The Economist's Intelligence Unit Report 2015.

Fact 3

Cartrack has recently been appointed the preferred telematics and stolen vehicle recovery (SVR) provider for MAN Truck & Bus in **South Africa**. Cartrack has a long association with MAN, initially selected as an exclusive supplier of SVR products and services to MAN by virtue of Cartrack's service record and consistently high recovery rate. This relationship has now been extended to incorporate a full fleet telematics product and service for use by MAN clients. The agreement includes the fitment of a Cartrack Fleet Management product to all MAN TG trucks assembled daily at the Truck & Bus Chassis Plant in Pinetown, KwaZulu-Natal.