INTERIM RESULTS PRESENTATION

FOR THE SIX MONTHS ENDED
31 AUGUST 2017

CARTRACK
PUTTING YOU IN CONTROL

AGENDA

BUSINESS TRENDS AND STRATEGY

Zak Calisto

SEGMENTAL PERFORMANCE

Zak Calisto

FINANCIAL REVIEW

John Edmeston

OUTLOOK AND QUESTIONS

Zak Calisto

WE ARE
CARTRACK

TECHNOLOGY

Mobile asset management solutions

Asset recovery

Workforce optimisation

Telematics and data analytics

Proven global platform

AMONG THE LARGEST TELEMATICS COMPANIES GLOBALLY

666 422
subscribers

24
countries

5
continents

A ROBUST OPERATING MODEL

Economies of scale

Vertical integration protects margins

Highly scalable business model and technology platform

Strong customer retention

A LOW-RISK FINANCIAL MODEL

Compound 5-yr revenue growth

of **20%** pa

Cash conversion

91%

Annuity income

88%

of total revenue

A RAPIDLY EXPANDING INDUSTRY

A significant addressable market

Global fleet telematics revenue estimated to reach

US$55 billion

by 2021, almost

double the current market

revenue

Gartner Inc. estimate

MULTIPLE GROWTH DRIVERS

Global growth of 20% p.a.

- Regulatory compliance
- Barriers to entry
- New applications
- Insurance telematics
- Access to larger data sets
- Value-added products and services
- Stronger SVR demand
- Smart transportation
- OEM partnering
- Driver safety and security

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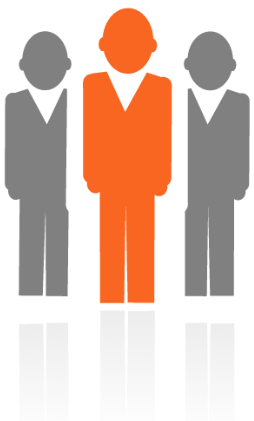
STRATEGY REVIEW

A CONSISTENT STRATEGY

FROM VEHICLE TRACKING

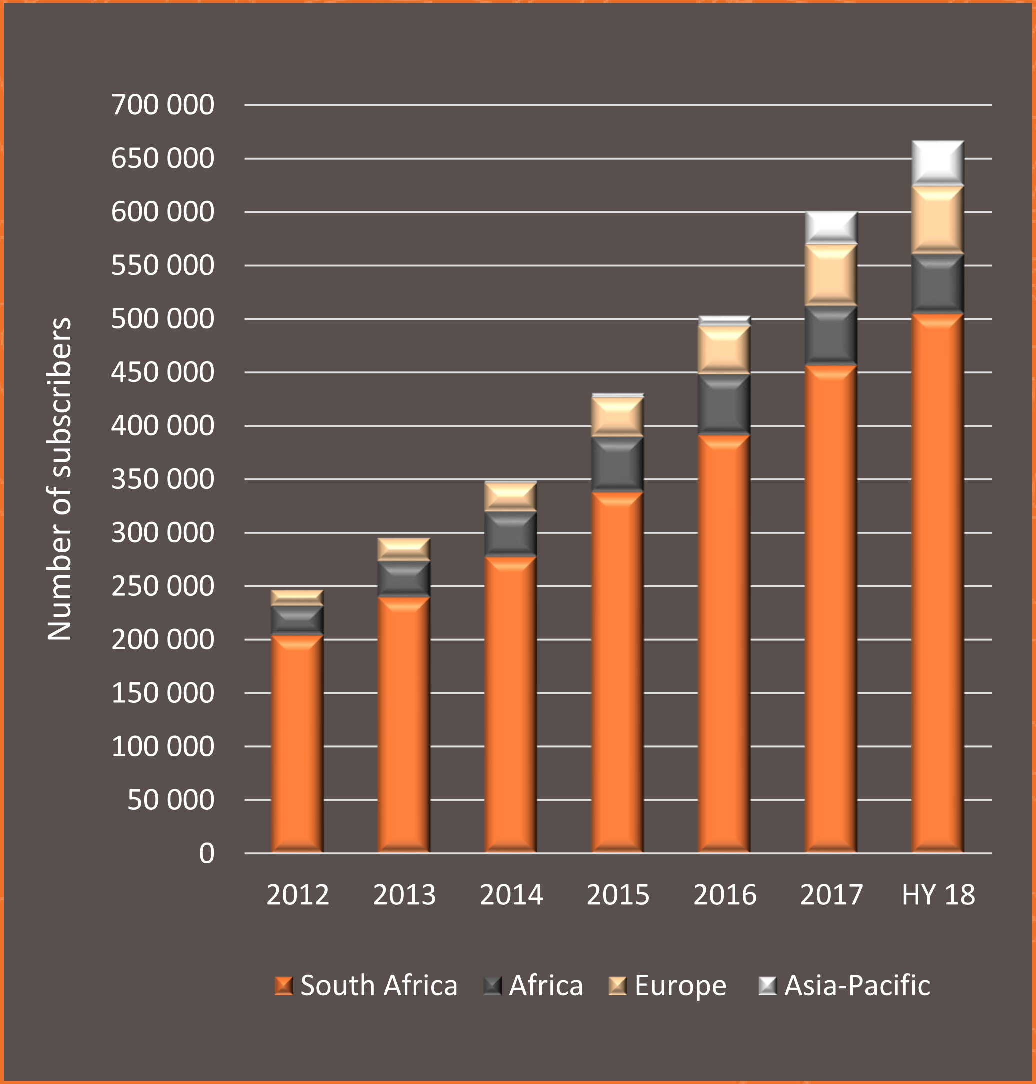


TO AN INTEGRAL PART OF CUSTOMERS' LIVES

KEY STRATEGIC PRINCIPLES

- Vigorous subscriber acquisition
- Continuous innovation
- Margin management through vertical integration
- Strong cash flow
- Disciplined capital investment

STRATEGIC DRIVER – diversified subscriber base



20% CAGR subscriber growth over five years

Spread across a range of economic regions

STRATEGIC DRIVER – data and technology

Scalable proprietary SaaS platform

- Mobile apps
- 3G to 4G
- Software integration
- New front end
- Platform improvements

DATA SHARING

- Stolen Vehicle Recovery
- Fleet Management
- Insurance Telematics
- Mobile asset solutions
- Workforce optimisation
- Regulatory compliance
- Driver safety

STRATEGIC DRIVER – customer retention

Customer lifecycle of **64** months vs contractual commitment of 36 months

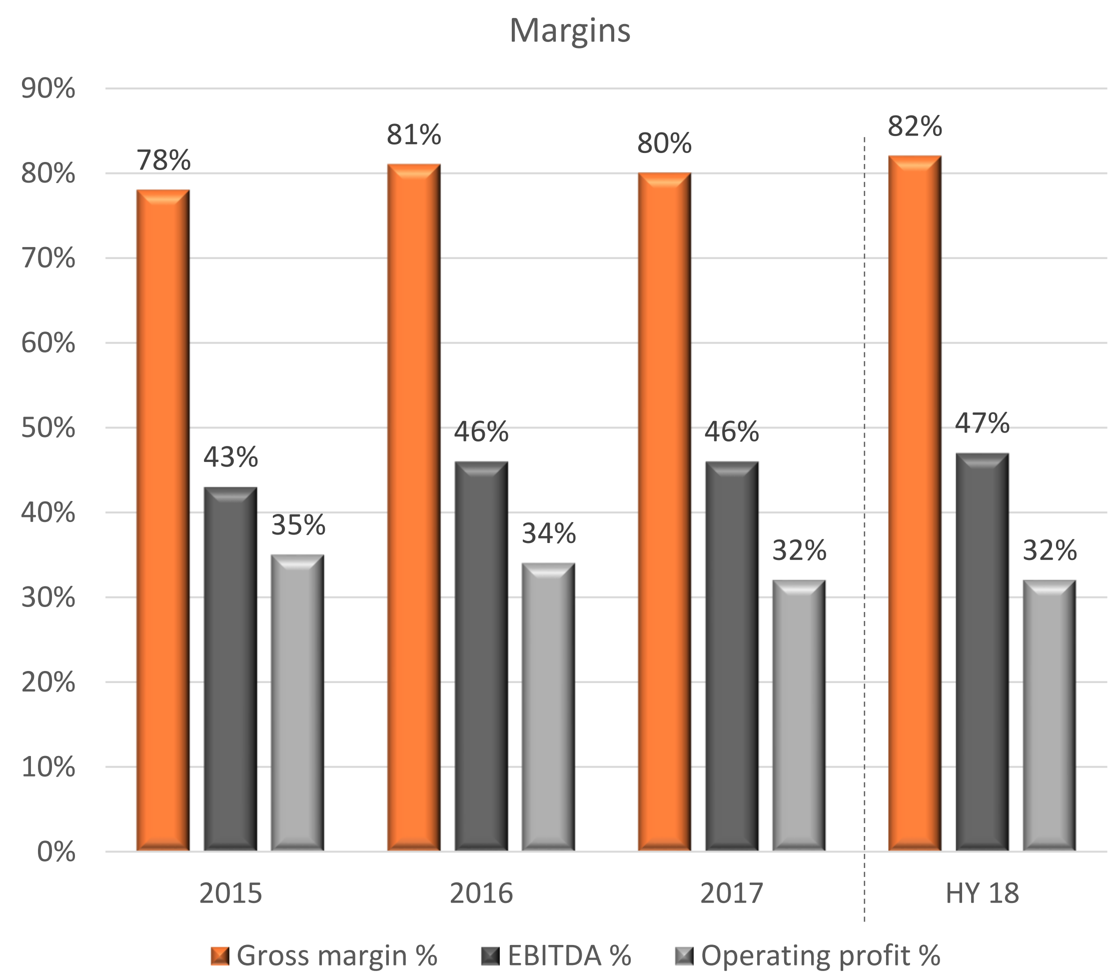
Capitalised rental units depreciated over **36** months

Operating margin increases significantly post depreciation period

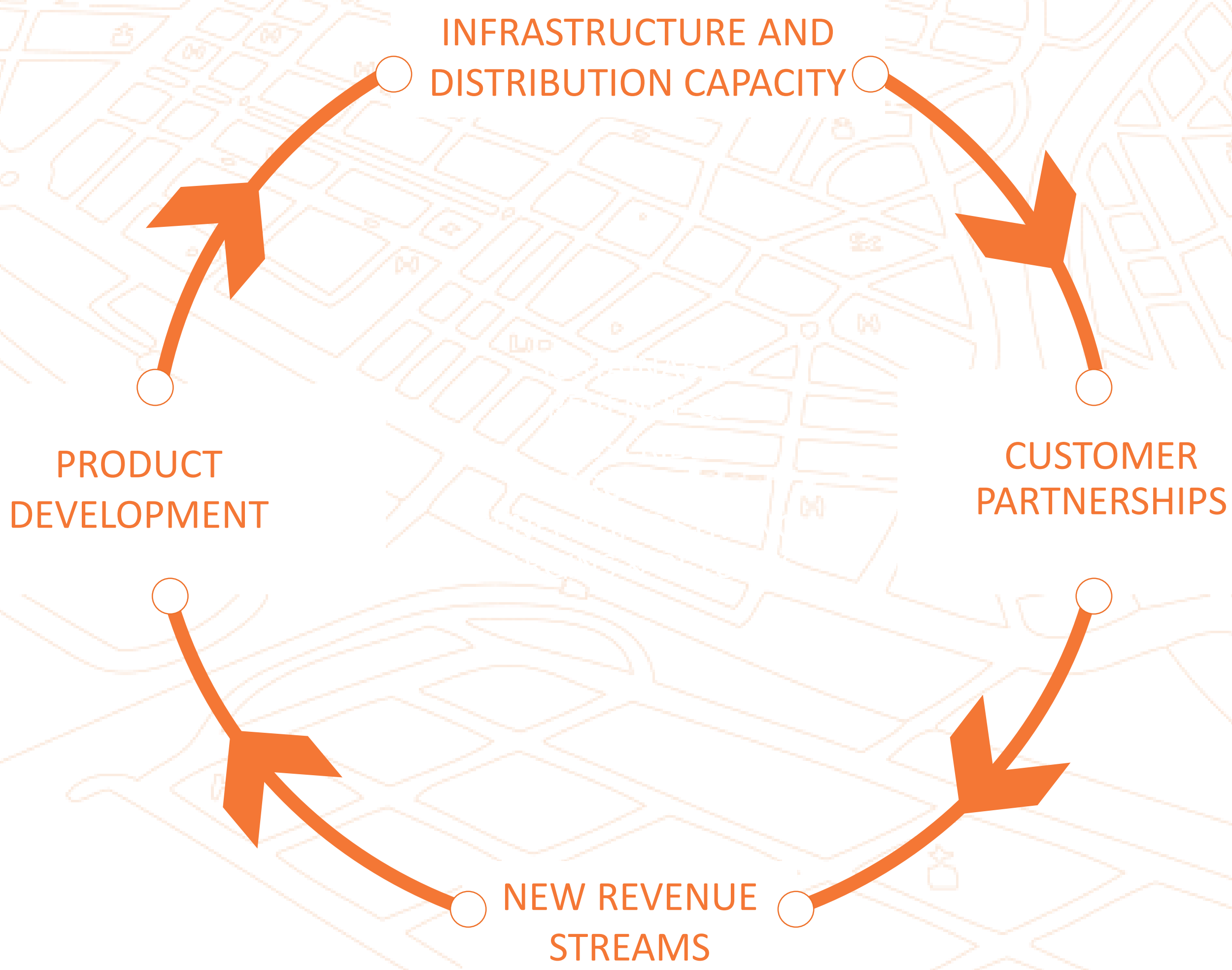
FUTURE SALES LIKELY TO BE PREDOMINANTLY RENTAL-BASED

STRATEGIC DRIVER – integrated business model

Generating industry-leading margins



CURRENT STRATEGIC INITIATIVES



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SEGMENTAL PERFORMANCE

A GREAT START TO 2018

Subscriber base up 21%

HEPS up 20%

Interim dividend of 18 cps

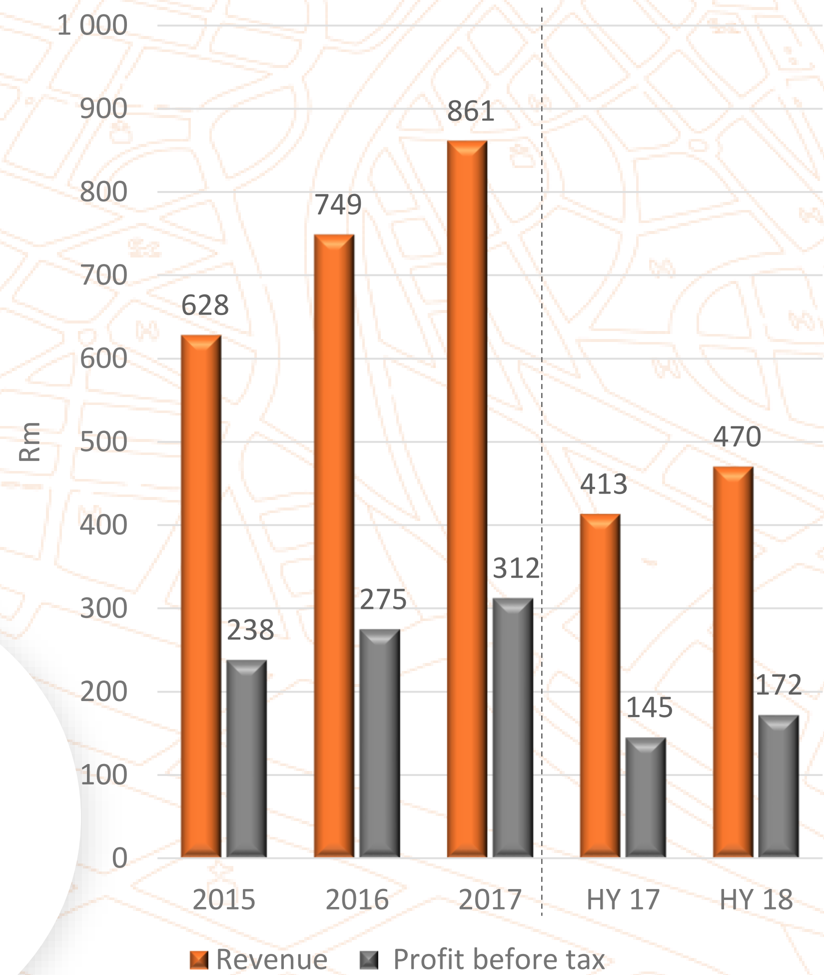
Lucrative growth opportunities
across all regions

SEGMENTAL PERFORMANCE

SOUTH AFRICA

Revenue	↑ 14%
Subscription revenue	↑ 19%
Subscribers	↑ 19%
Operating profit	↑ 22%

Economies of scale and operating efficiencies



SEGMENTAL PERFORMANCE

Africa-Other

	PERFORMANCE IN RAND	PERFORMANCE IN CONSTANT CURRENCY
Subscription revenue	Down 6%	Up 10%
Subscribers	Down 3%	Down 3%
Operating profit	Down 3%	Up 14%

Europe

	PERFORMANCE IN RAND	PERFORMANCE IN CONSTANT CURRENCY
Subscription revenue	Up 3%	Up 14%
Subscribers	Up 24%	Up 24%
Operating profit	Down 6%	Up 2%

Asia-Pacific and ME

	PERFORMANCE IN RAND	PERFORMANCE IN CONSTANT CURRENCY
Subscription revenue	Up 112%	Up 140%
Subscribers	Up 122%	Up 122%
Operating profit	Up 99%	Up 129%

SEGMENTAL PERFORMANCE

USA

- **3,1 million vehicles** still require ELD telematics
- Cartrack will benefit from operating in a highly technology-driven society
- In-field testing expanded in the past six months
- Further hardware and software adaptions implemented
- Sales activities have now commenced

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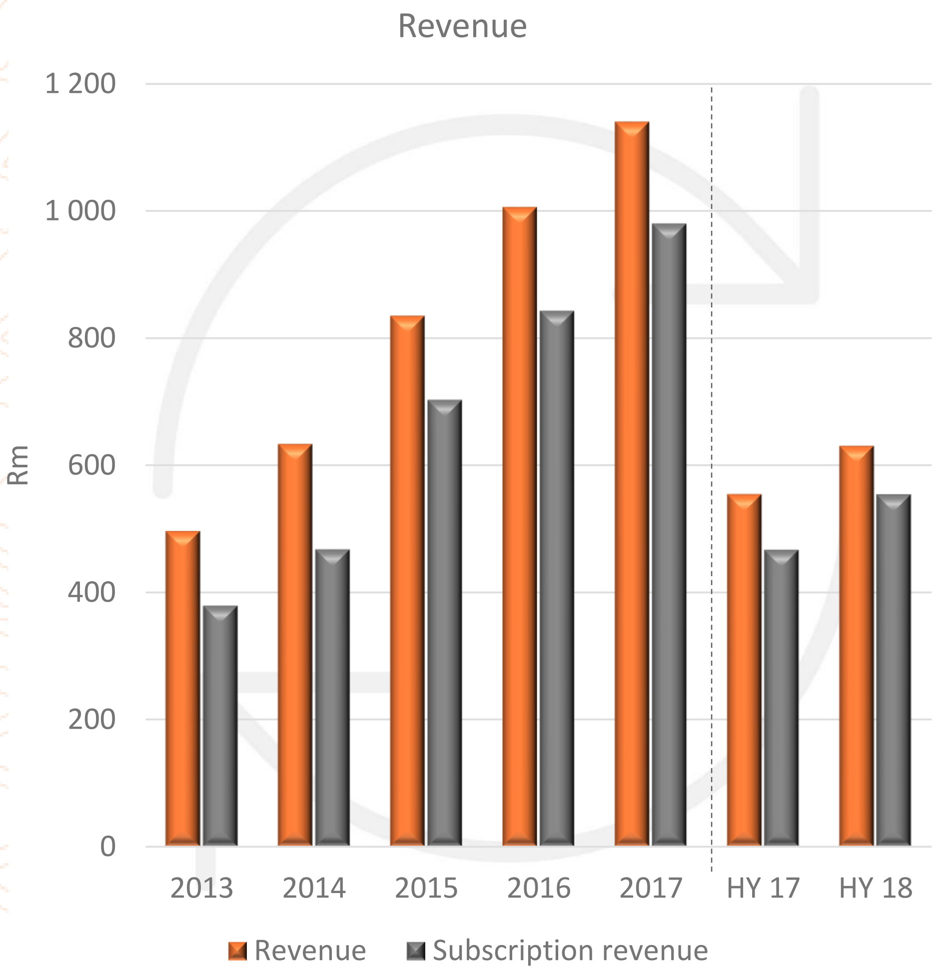
FINANCIAL REVIEW

SOLID REVENUE GROWTH

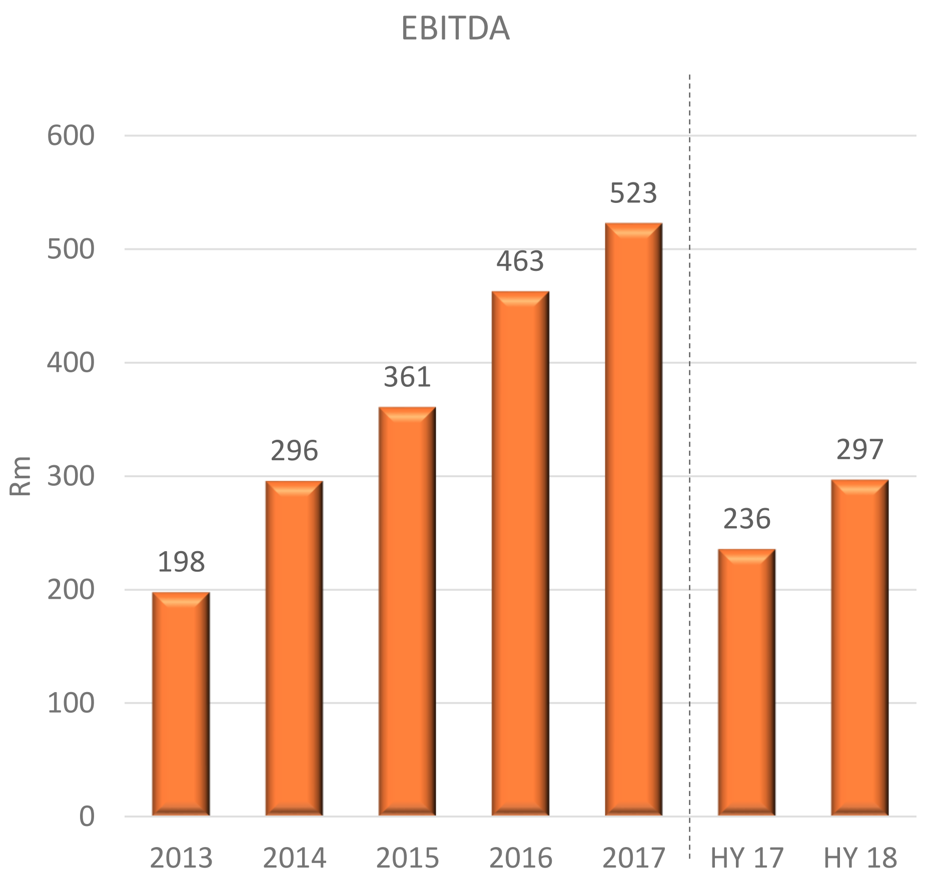
115 000 new subscribers year-on-year

- Revenue up **14%** to **R629,9 million**
- Revenue up **18%,** when excluding exchange rate effects on consolidation
- Subscription revenue up **19%** to **R557,2 million**
- Subscription revenue is now **88%** of total revenue

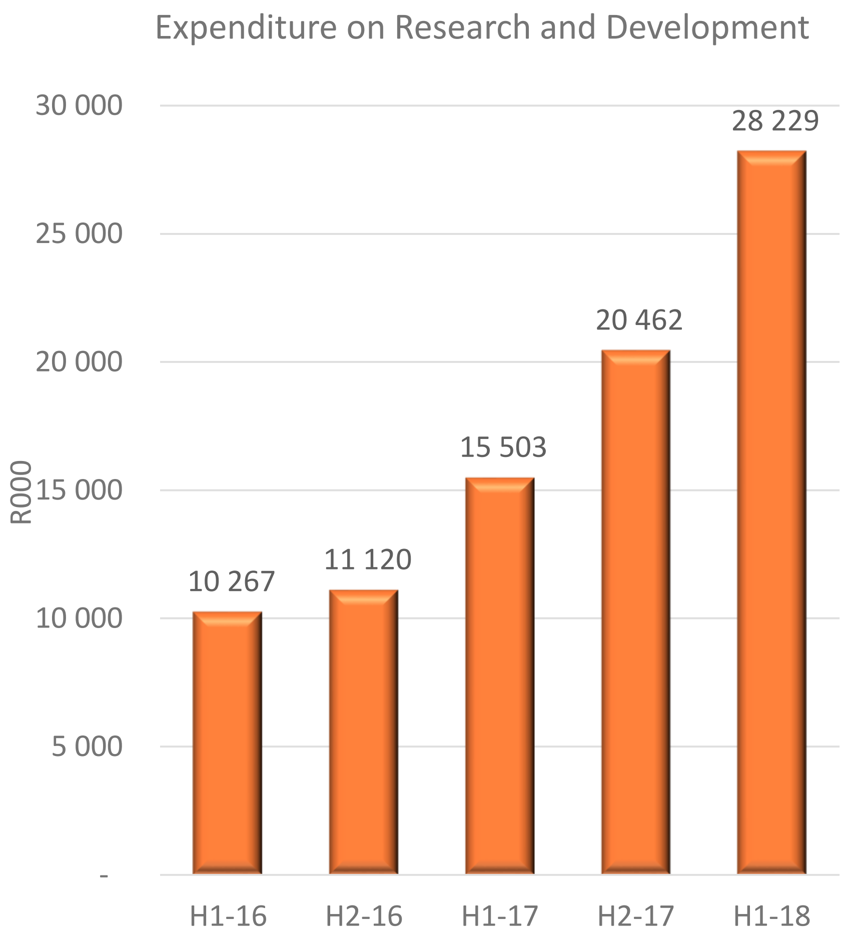


ROBUST PROFITABILITY

- EBITDA of **R297,1 million**, up **26%**
- EBITDA margin of **47%**
- **R5,3 million** negative impact from currency fluctuations

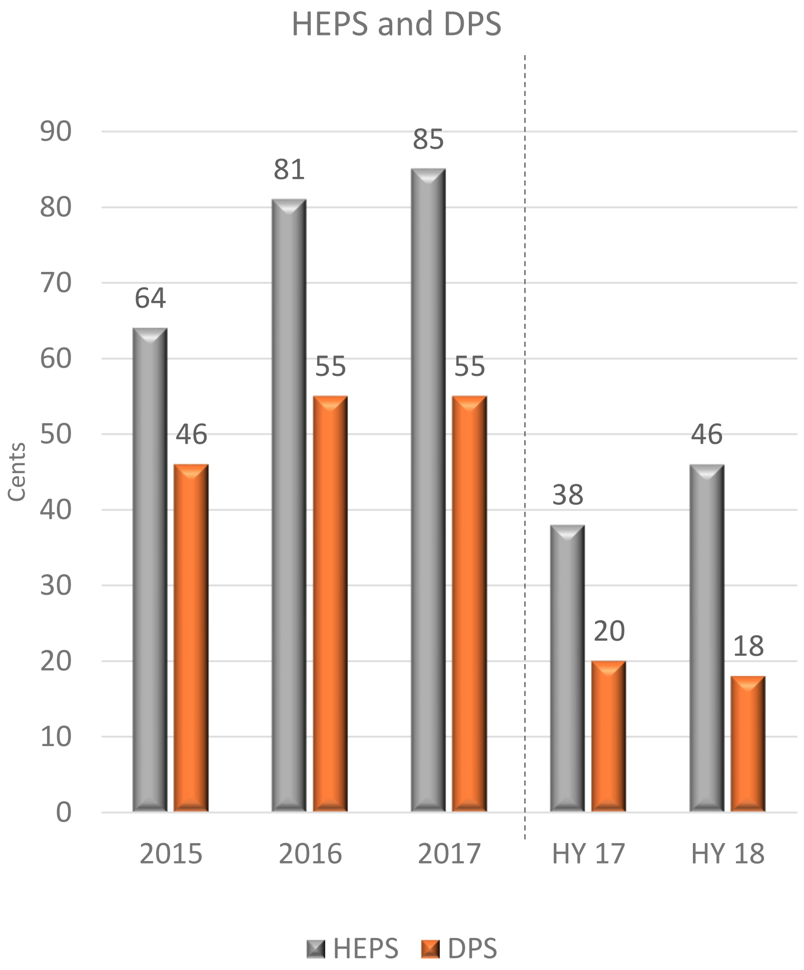


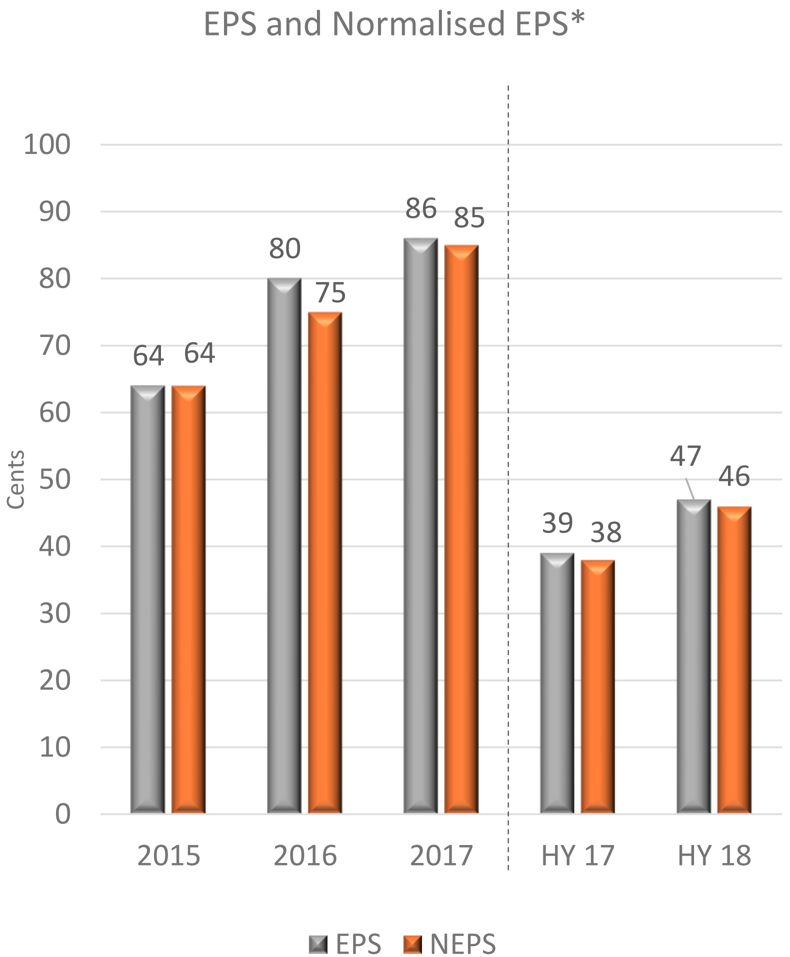
INVESTING IN THE FUTURE



Significant investment in distribution over the past three years

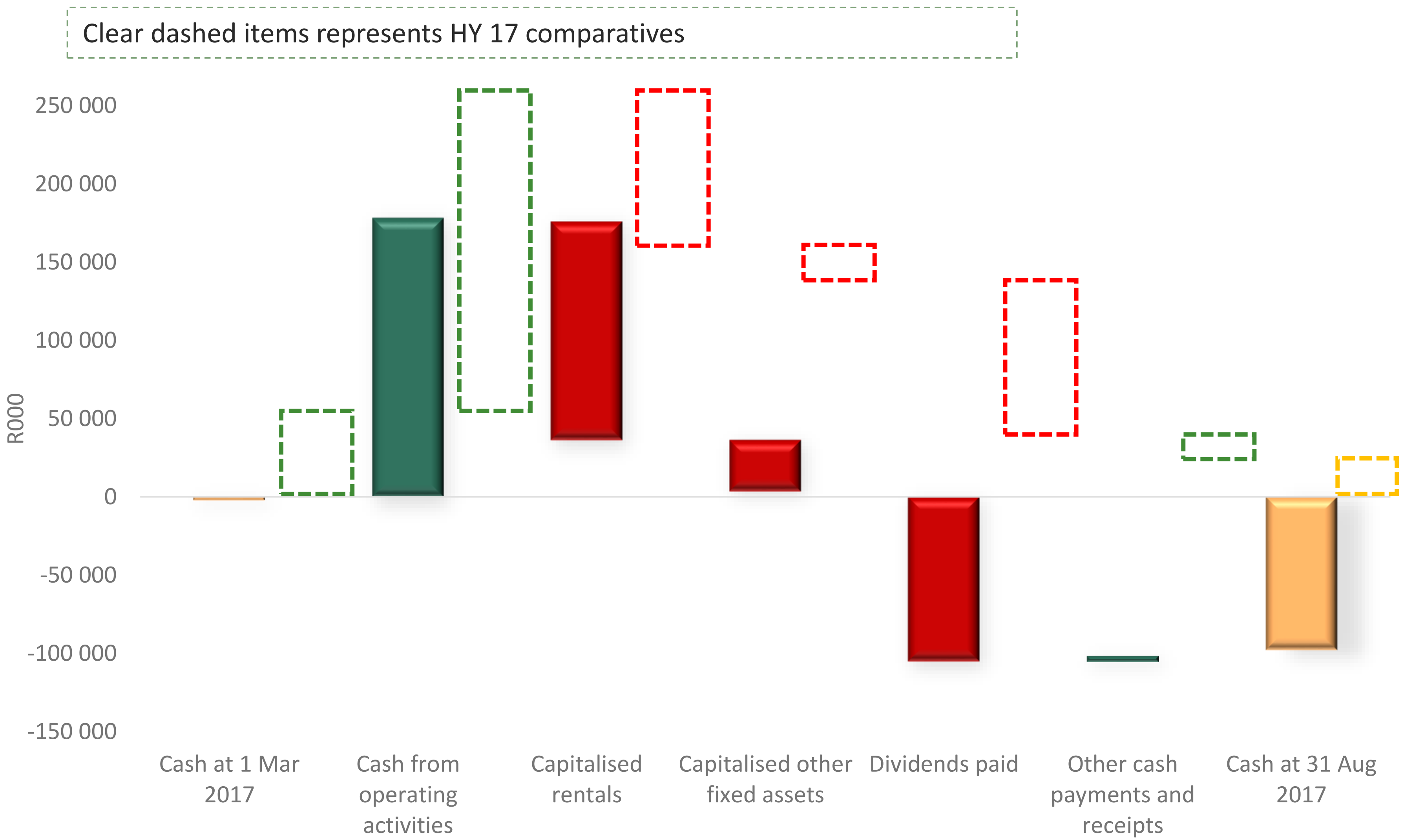
EARNINGS AND DIVIDENDS





*Normalised EPS removes non-operational forex gains/losses

CASH GENERATION AND UTILISATION



STRONG BALANCE SHEET POSITIONED FOR GROWTH

ROE **59%**

ROA **33%**

Clean debtors book
– debtors days **30**

Stock levels increased to accommodate growth expectations

Current ratio
0,9

Quick ratio
0,5

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OUTLOOK

A ROBUST OUTLOOK

Well-positioned for growth and strong operating results

Demand for telematics data continues to increase

Lucrative growth opportunities across all channels

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

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

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ANNEXURES

WHAT WE OFFER INVESTORS

A well-established, experienced and stable management team

A large, geographically diverse and active subscriber base

A history of strong cash flow generation and cash conversion, low financial leverage and strong dividends

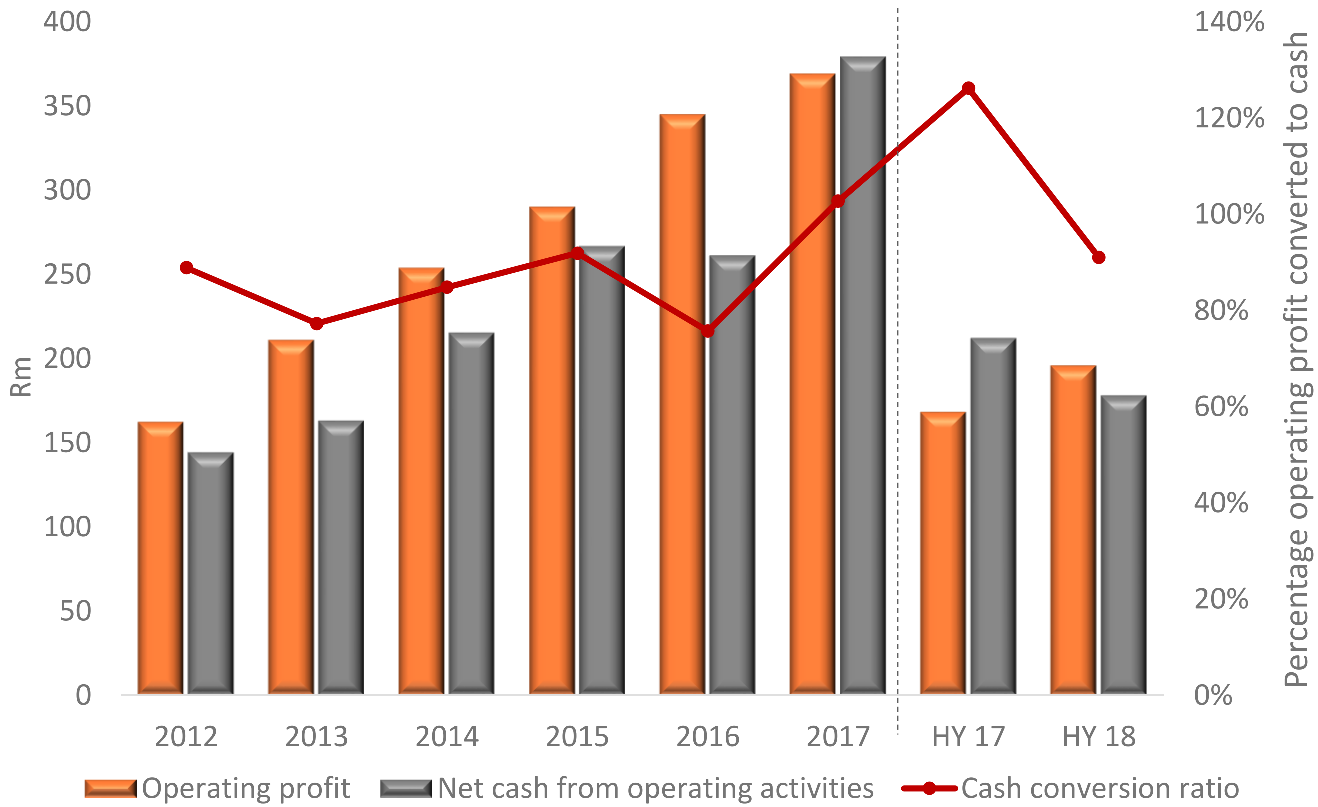
A proven track record of profitability and strong financial metrics

An industry leader in terms of profitability and competitive power

Annuity-based business model provides strong visibility of earnings

A well-established and proven platform for growth in a high-growth industry

A CONSISTENTLY HIGH CASH CONVERTER

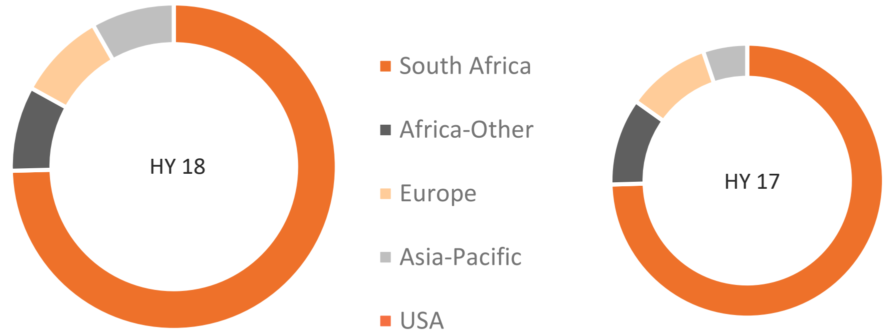


- Annuity business with strong revenue visibility
- Strong track record of returning excess cash to the shareholders

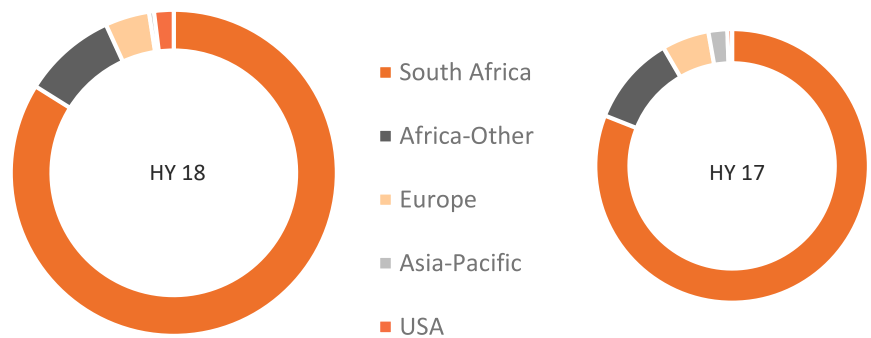
SEGMENTAL GROWTH

R million

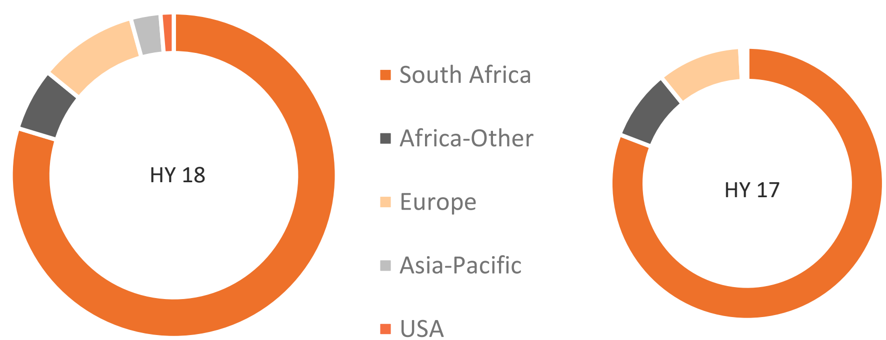
Revenue	HY 18	HY 17	Change
South Africa	470	413	14%
Africa-Other	53	57	-7%
Europe	55	55	-1%
Asia-Pacific	52	29	80%
USA			
Total	**630**	**554**	**14%**



Profit before tax			
South Africa	172	145	19%
Africa-Other	19	19	1%
Europe	9	10	-8%
Asia-Pacific	-1	-4	85%
USA	-4	-1	>100%
Total	**196**	**168**	**17%**



EBITDA			
South Africa	243	194	25%
Africa-Other	19	20	-2%
Europe	30	24	23%
Asia-Pacific	9	-1	>100%
USA	-4	-1	>100%
Total	**297**	**236**	**26%**



SOUTH AFRICA – A SOLID PERFORMER

REPRESENTATION

Operations across South Africa

CURRENT RESULTS

- Investment in distribution resulting in market penetration
- Strong sales pipeline
- Single-digit operating expense growth reflects economies of scale and operating efficiency

OUTLOOK AND INITIATIVES

- Market remains underpenetrated with significant opportunity for further growth
- Lower value vehicle segment offers attractive opportunities

AFRICA-OTHER – OPERATIONALLY SOUND

REPRESENTATION

Angola	Botswana	Kenya	Malawi	Mozambique
Namibia	Nigeria	Rwanda	Swaziland	Tanzania
Zimbabwe				

CURRENT RESULTS

- Resilient performance despite challenging economic conditions
- Subscriber base maintained and constant currency revenue increased by 9%
- Highly profitable in local currency and positive cash flows
- Operating costs decreased by 6%

OUTLOOK AND INITIATIVES

- New management structure implemented
- Sales and distribution strategy refreshed
- Changes expected to impact positively over the next 6-18 months

EUROPE – STRONG GROWTH IN COMPETITIVE ENVIRONMENT

REPRESENTATION

Poland | Portugal | Spain

CURRENT RESULTS

- Strong subscriber growth
- Revenue unchanged due to exchange rate effects and competitive pricing
- Continued investment in distribution and operating capacity
- EBITDA increased by 23% - significant impact from capitalised rentals and related depreciation

OUTLOOK AND INITIATIVES

- Continued strong subscriber growth
- Lucrative growth opportunities evident
- Competition remains strong
- Insurance telematics and individual retail markets remain underpenetrated

ASIA-PACIFIC– BUSINESS CASE PROVEN

REPRESENTATION

Hong Kong
New Zealand
Thailand
Indonesia
Philippines
UAE
Malaysia
Singapore

CURRENT RESULTS

- Continued investment in distribution and operating capacity
- Start-up entities deliver strong growth
- Singapore acts as strategic hub
- EBITDA turns positive as subscriber base starts to achieve scale

OUTLOOK AND INITIATIVES

- Startups in Thailand, Malaysia, Philippines and Indonesia now 18-30 months into establishment cycle
- Strong sales pipeline
- Significant cross-border opportunities
- Cartrack's sophisticated and reliable products ideally positioned to take advantage of considerably underpenetrated and fragmented market