

A Scania concrete mixer truck is driving on a dirt road in a rural landscape. The truck is white with green accents and has 'SCANIA' written on the front. The background shows rolling green hills under a cloudy sky.

EROAD (NZX: ERD ASX: ERD) RECONCILIATION OF GAAP & NON-GAAP MEASURES

For the 6 months ended 30 September 2023 (HY24)

29 November 2023

RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

- Free cash flow is a non-GAAP measure representing operating cash flow and investing cash flow reported in the Statement of Cash Flows.

Free cash flow

(\$m)	30-Sep-2023	30-Sep-2022
Cash flows from operating activities		
Cash received from customers	88.5	78.0
Payments to suppliers and employees	(58.4)	(64.4)
Payments for contract fulfilment assets	(5.6)	(3.6)
Interest received	0.2	-
Interest paid	(4.0)	(1.7)
Income taxes paid	-	-
Net cash inflow from operating activities	20.7	8.3
Payments for investment in property, plant and equipment	(12.8)	(14.3)
Payments for investment in intangible assets	(9.8)	(16.1)
Payments for investment in costs to obtain contracts	(2.1)	(1.3)
Net cash outflow from investing activities	(24.7)	(31.7)
Add back:	-	-
Free cash flow	(4.0)	(23.4)

RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

- EBITDA is a non-GAAP measure representing Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA).

EBITDA

(\$m)	30-Sep-2023	30-Sep-2022
Total comprehensive income for the period	1.5	5.6
Add back:		
Items that are or may be reclassified subsequent to profit or loss	(2.7)	(5.0)
Income tax benefit	(3.1)	(3.3)
Net financing costs	4.7	3.7
Depreciation of property, plant and equipment	11.0	8.0
Amortisation of intangible assets	9.3	8.1
Amortisation of contract and customer acquisition assets	4.9	3.7
Earnings before interest, taxation, depreciation, and amortisation (EBITDA)	25.6	20.8

RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

- Free cash flow to the firm is a non-GAAP measure representing operating cash flow and investing cash flow net of interest paid and received.

Free cash flow to the firm

(\$m)	30-Sep-2023	30-Sep-2022
Cash flows from operating activities		
Cash received from customers	88.5	78.0
Payments to suppliers and employees	(58.4)	(64.4)
Payments for contract fulfilment assets	(5.6)	(3.6)
Interest received	0.2	-
Interest paid	(4.0)	(1.7)
Income taxes paid	-	-
Net cash inflow from operating activities	20.7	8.3
Payments for investment in property, plant and equipment		
Payments for investment in property, plant and equipment	(12.8)	(14.3)
Payments for investment in intangible assets	(9.8)	(16.1)
Payments for investment in costs to obtain contracts	(2.1)	(1.3)
Net cash outflow from investing activities	(24.7)	(31.7)
(Deduct) / Add back:		
Interest received	(0.2)	-
Interest paid	4.0	1.7
Free cash flow to the firm	(0.2)	(21.7)

RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

- H1 FY24 EBIT is normalized for:
 - non-recurring 3G replacement related costs of \$1.5m.
- H1 FY23 EBIT is normalized for:
 - a one-off acquisition accounting adjustment of \$7.0m relating to the Coretex merger, and
 - non-recurring integration costs of \$2.6m relating to the Coretex merger

Normalised EBIT		
(\$m)	30-Sep-2023	30-Sep-2022
Revenue	88.9	85.4
Operating expenses	(63.3)	(64.6)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	25.6	20.8
Depreciation of property, plant, and equipment	(11.0)	(8.0)
Amortisation of intangible assets	(9.3)	(8.1)
Amortisation of contract and customer acquisition assets	(4.9)	(3.7)
Earnings/(loss) before interest and taxation (EBIT)	0.4	(1.0)
Deduct:		
Acquisition accounting revenue	-	(7.0)
Add back:		
Integration costs	-	2.6
3 G replacement costs	1.5	-
Normalised EBIT	1.9	(3.4)

RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

- H1 FY23 revenue is normalized for a one-off acquisition accounting adjustment of \$7.0m relating to the Coretex merger.

Normalised revenue		
(\$m)	30-Sep-2023	30-Sep-2022
Revenue	88.9	85.4
Deduct:		
Acquisition accounting revenue	-	(7.0)
Normalised revenue	88.9	78.4

EROAD acknowledges the Indigenous Nations, First Peoples, Tangata Whenua and Custodians of the lands and waterways on which our offices reside in New Zealand, Australia and the United States of America. We express gratitude and appreciation to these peoples for sharing their culture and traditions and stewarding these lands. We recognise and pay respect to their elders, past, present and emerging.

ASX & NZX: ERD
investors@eroad.com | eroadglobal.com/investors



EROAD