



EROAD achieves positive free cash flow in FY24

AUCKLAND, 23 May 2024: Transportation technology services company EROAD Limited (NZX/ASX: ERD), with its purpose of 'delivering intelligence you can trust, for a better world tomorrow', today released its financial results for the 12 months ended 31 March 2024.

All numbers are stated in New Zealand dollars (NZ\$) and relate to the 12 months ended 31 March 2024 (FY24), unless stated otherwise. Comparisons relate to the twelve months ended 31 March 2023 (FY23).

Financial Highlights¹

- **Achieved positive Free Cash Flow (to the firm)** of \$1.3m in FY24 compared to negative free cash flow (to the firm) of \$29.9m in FY23. This improvement is the result of growth in units, price increases and cost control.
- **Revenue increased** to \$182.0m for FY24 from reported revenue of \$174.9m in FY23 and normalised revenue of \$165.3m in FY23. This represents a 10.1% increase against normalised revenue for the prior comparable period, normalising for the one-off acquisition accounting adjustment of \$9.6m in FY23 relating to the Coretex merger. Growth in revenue was delivered across all markets.
- **Annualised Monthly Recurring Revenue** increased by \$24.1m (15.7%) to \$177.8m in FY24 from \$153.7m in FY23, reflecting growth across all markets and support by favourable foreign exchange.
- **EBIT** of \$0.8m in FY24 compared to \$1.7m in FY23. Normalised² EBIT increased to \$4.4m in FY24 up from \$(4.5)m in FY23. Normalised for 4G hardware upgrade costs of \$3.6m in FY24 and integration costs of \$3.4m and one-off acquisition revenue of \$9.6m in FY23.

Operational Highlights

- **Customer Retention of Contracted Units remains high** at 94.8% in FY24 (NZ 95%; AU 96%; NA 95%), same as last year.
- **Key enterprise customer wins and expansions during the period.** Programmed in Australia (+3k connections), renewed and expanded Boral (+1.3k connections) and SkyBitz (+1.5k) in

¹ EROAD has presented certain non-GAAP financial measures as part of its FY24 results, which EROAD's directors and management believe provide useful information as they exclude any impacts of one-offs which can make it difficult to compare and assess EROAD's performance. The non-GAAP financial measures EROAD has used in this document are Annualised Monthly Recurring Revenue (AMRR), EBIT, Normalised EBIT, Normalised Revenue and Free Cash Flow. A detailed reconciliation of non-GAAP measures to EROAD's reported financial information is included on EROAD's website (<http://www.eroadglobal.com/global/investors/>). General information about EROAD's use of non-GAAP financial information is included on page 2 of the FY24 Investor Presentation.

² Normalised for the recognition of costs associated with the 4G hardware upgrade program in FY24 and costs associated with the 4G hardware upgrade program, one-off acquisition revenue, and integration costs in FY23.



Australia and Kinetic (owner of NZ Bus +1k connections) in New Zealand, and expanded US Foods (+1.3k connections) in North America. 68% of new enterprise units were expansions from existing customers, demonstrating strong customer value from EROAD.

- **250,000 units milestone passed.** Globally, EROAD has now hit the 250,000 unit milestone, driving operating scale.

Chair Susan Paterson said, "The FY24 financial and operational results demonstrate the company is on the right track and reinforces the Board's conviction in its strategic direction. The FY24 result met or exceeded all of the guidance metrics set at the start of the year, demonstrating the discipline and progress made as EROAD moves the business to consistently generating cash in the latter part of calendar year 2024."

"Today, EROAD is stronger, leaner, smarter and more sustainable. We believe it has the right skills, capital structure, cost-base, product-set and customer focus to capitalise on growth opportunities ahead to decarbonise transport as government look to sustainable revenue streams."

Co-CEO's Mark Heine and David Kenneson were pleased with the progress EROAD is making, "It's been a year of disciplined delivery. Last year, we made a commitment that we would return the focus of EROAD to our customers, remove non-essential costs, and put the foundations in place to take advantage of growth opportunities, including in our largest market in North America."

"This has provided us with a robust operating platform and the leverage to expand, diversify and grow in coming years. With a renewed focus on customer, in FY24 we have achieved global revenue of \$182m - ahead of guidance - with top line growth being delivered in all 3 markets."

Outlook & Guidance

Heine and Kenneson added, "Having executed the operational changes required to realign the business around our enterprise customers, and implement tighter cost controls, we have commenced FY25 with confidence in our strategy, and our ability to execute against our FY26 targets."

"For FY25 and beyond we will remain focused on fiscal and operational discipline, with considered investment in growth, through expansion within key markets, deepening engagement with existing customers, and partnering where appropriate to meet the evolving needs of the market."

"Our FY25 guidance acknowledges that while we have turned the corner on costs and productivity, we are now accelerating our new product introductions and go-to-market strategies in all markets. This work is well underway and expect this will be in-place in mid-to-late Q2."

- **FY25 Revenue guidance** of \$190m to \$195m
- **FY25 EBIT guidance** of \$5m to \$10m, normalised for the 4G hardware upgrade program
- **EROAD expects to be free cash flow positive in FY25**

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Authorised for release to the NZX and ASX by EROAD's Board of Directors.

Webinar details

EROAD's co-Chief Executive Officers, Mark Heine and David Kenneson, and Chief Financial Officer, Margaret Warrington will give a presentation on the company's financial and operational performance for FY24 via webinar, commencing on Thursday 23 May 2024 at 12:00pm NZT.

Register in advance for this webinar:

When:	Thursday 23 May 2024
Time:	12:00pm NZT
Topic:	EROAD FY24 Financial Results Announcement
Link:	https://www.eroad.co.nz/investor-presentation/

After registering, you will receive a confirmation email containing information about joining the webinar. A replay of this webinar will be available once it has been uploaded to the EROAD website under 'presentations' at <https://www.eroadglobal.com/global/investors/>

For Investor enquiries please contact: Jason Kepecs jason.kepecs@eroad.com NZ contact: +64 21 990 474 AU contact: +61 47 7711 136	For Media enquiries please contact: Richard Llewellyn richard@shanahan.nz +64 27 523 2362
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About EROAD

EROAD is a fully integrated technology, tolling and services provider, based in Auckland, New Zealand, and serving customers in New Zealand, Australia and North America. They were the first company in the world to implement a GNSS/cellular-based road charging solution across an entire country. They design and manufacture in-vehicle hardware, operate secure payment and merchant gateways and offer web based value-added services. EROAD modernises road charging and compliance for road transport by replacing paper-based systems with easy-to-use electronic systems. They are the largest provider of road user charges (RUC) compliance in New Zealand, and a leading provider of health and safety compliance and fleet management solutions. EROAD is listed on the New Zealand Stock Exchange (NZX) and Australian Stock Exchange (ASX) under the stock symbol of ERD.

www.eroad.co.nz