



EROAD

EROAD (NZX: ERD ASX: ERD) FY24 RECONCILIATION OF GAAP AND NON-GAAP MEASURES

2024

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)	31-Mar-2024	31-Mar-2023
Cash flows from operating activities		
Cash received from customers	186.3	165.2
Payments to suppliers and employees	(117.0)	(128.9)
Payments for contract fulfilment assets	(10.0)	(7.6)
Interest received	0.7	0.3
Interest paid	(6.5)	(4.9)
Income taxes paid	(0.6)	-
Net cash inflow from operating activities	52.9	24.1
Payments for investment in property, plant and equipment	(32.2)	(27.5)
Payments for investment in intangible assets	(21.3)	(28.2)
Payments for investment in costs to obtain contracts	(3.9)	(2.9)
Payments for investment in subsidiary, net of cash acquired	-	(8.5)
Net cash outflow from investing activities	(57.4)	(67.1)
Free cash flow	(4.5)	(43.0)

RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

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

EBITDA		
(\$m)	31-Mar-2024	31-Mar-2023
Total comprehensive income for the period	2.8	(0.3)
(Deduct)/Add back:		
Items that are or may be reclassified subsequent to profit or loss	(3.1)	(2.7)
Income tax benefit	(6.7)	(2.1)
Net financing costs	7.8	6.8
Depreciation of property, plant and equipment	23.2	17.2
Amortisation of intangible assets	19.0	17.9
Amortisation of contract and customer acquisition assets	10.3	8.4
Earnings before interest, taxation, depreciation, and amortisation (EBITDA)	53.3	45.2

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)	31-Mar-2024	31-Mar-2023
Cash flows from operating activities		
Cash received from customers	186.3	165.2
Payments to suppliers and employees	(117.0)	(128.9)
Payments for contract fulfilment assets	(10.0)	(7.6)
Interest received	0.7	0.3
Interest paid	(6.5)	(4.9)
Income taxes paid	(0.6)	-
Net cash inflow from operating activities	52.9	24.1
Payments for investment in property, plant and equipment	(32.2)	(27.5)
Payments for investment in intangible assets	(21.3)	(28.2)
Payments for investment in costs to obtain contracts	(3.9)	(2.9)
Payments for investment in subsidiary, net of cash acquired	-	(8.5)
Net cash outflow from investing activities	(57.4)	(67.1)
(Deduct) / Add back:		
Payments for investment in subsidiary, net of cash acquired	-	8.5
Interest received	(0.7)	(0.3)
Interest paid	6.5	4.9
Free cash flow to the firm	1.3	(29.9)

RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

- FY24 EBIT is normalized for:
 - non-recurring 3G replacement related costs of \$3.6m.
- FY23 EBIT is normalized for:
 - a one-off acquisition accounting adjustment of \$9.6m relating to the Coretex merger, and
 - non-recurring integration costs of \$3.4m relating to the Coretex merger

Normalised EBIT		
(\$m)	31-Mar-2024	31-Mar-2023
Revenue	182.0	174.9
Operating expenses	(128.7)	(129.7)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	53.3	45.2
Depreciation of property, plant, and equipment	(23.2)	(17.2)
Amortisation of intangible assets	(19.0)	(17.9)
Amortisation of contract and customer acquisition assets	(10.3)	(8.4)
Earnings/(loss) before interest and taxation (EBIT)	0.8	1.7
Deduct:		
Acquisition accounting revenue	-	(9.6)
Add back:		
Integration costs	-	3.4
3G replacement costs	3.6	-
Normalised EBIT	4.4	(4.5)

RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

- FY23 revenue is normalized for a one-off acquisition accounting adjustment of \$9.6m relating to the Coretex merger.

Normalised revenue		
(\$m)	31-Mar-2024	31-Mar-2023
Revenue	182.0	174.9
Deduct:		
Acquisition accounting revenue	-	(9.6)
Normalised revenue	182.0	165.3