



EROAD on track to meet FY25 financial guidance

AUCKLAND, 25 November 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 6 months ended 30 September 2024.

All numbers are stated in New Zealand dollars (NZ\$) and relate to the six months ended 30 September 2024 (H1 FY25), unless stated otherwise. Comparisons relate to the six months ended 30 September 2023 (H1 FY24).

Financial Highlights¹

- **Positive Free Cash Flow (to the firm)** of \$0.1m in H1 FY25 compared to negative free cash flow (to the firm) \$0.2m in H1 FY24. The company is now consistently free cash flow positive. This is the result of growth in units, price increases and cost control. When normalised for the temporary impact of the 4G upgrade program, free cash flow (to the firm) was \$6.2m in H1 FY25 compared to \$2.8m in H1 FY24.
- **Revenue increased** to \$95.9m for H1 FY25 from \$88.9m in H1 FY24. This represents a 8% increase against the prior comparable period. Growth in revenue was delivered across all markets.
- **Annualised Recurring Revenue** increased by \$8.8m (+5%) to \$177.9m in H1 FY25 from \$169.1m in H1 FY24, reflecting growth across all markets. On a constant currency basis, ARR increased \$13.0m (+8%).
- **EBIT** of \$2.4m in H1 FY25 compared to \$0.1m in H1 FY24². Normalised³ EBIT increased to \$4.7m in H1 FY25 up from \$1.6m in H1 FY24². Normalised for 4G hardware upgrade costs of \$2.3m and \$1.5m in H1 FY25 and H1 FY24, respectively.

Operational Highlights

- **Customer Retention of Contracted Units remains high** at 92.8% in H1 FY25 (NZ 94%; AU 88%; NA 92%), compared to 94.2% in H1 FY24.
- **Key enterprise customer wins and expansions during the period.** A large Australasian customer renewed (+6k connections) their New Zealand fleet and expanded their Australian

¹ EROAD has presented certain non-GAAP financial measures as part of its H1 FY25 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 Recurring Revenue (ARR), 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 H1 FY25 Investor Presentation.

² Restated. Refer to Summary of Significant Accounting Policies (e) in the 30 September 2024 audited financial statements.

³ Normalised for the recognition of costs associated with the 4G hardware upgrade program in H1 FY25 and H1 FY24.



fleet (+5k connections). In North America, secured renewals and expanded services to Medline, ABC Trucking and US Foods generating \$1.8m of new incremental total contract revenue.

- **Partnership with Geotab to expand product offering.** Integration of global telematics leader Geotab's affordable hardware with EROAD's advanced fleet management platform allows EROAD to tap into a largely underserved segment of the market.

Chair Susan Paterson said, "The half year results confirm that, despite macro-economic headwinds in New Zealand, Australia and the US, EROAD has now established a track record of disciplined operational cost management and consistent free cash flow generation. This provides a strong and sustainable foundation to expand the services we provide to new and existing customers.

"We remain on track to meet guidance on the key financial measures, and are updating the forecast R&D spend to \$35m (from \$32m). We are working to achieve our long-term targets particularly as economic conditions improve and as the rebuilt sales pipeline in North America begins to develop further."

Co-CEO's Mark Heine and David Kenneson were pleased with the progress EROAD is making, "It's been another six months of solid execution against our strategy, with the core business in Australia and New Zealand delivering excellent free cash flow, costs well managed, and significant work put into strengthening the North America sales pipeline.

"We've expanded our product suite, including the new and innovative AI dashcam. Our recent strategic partnership with Geotab also illustrates how we can grow our addressable market by partnering to augment our product solutions and meet diverse fleet needs.

"While pleased, we have a long way to go to meet our ambitions for sustainable, long-term growth in shareholder value. For the remainder of the FY25 year, we will be maintaining our focus on customers, on disciplined execution, on cost control, on targeting sustainable growth opportunities and on building out the sales and conversion pipeline."

Outlook & Guidance

Heine and Kenneson added, "As we enter the second half of FY25, we remain confident in EROAD's clear focus on complex fleet operations, disciplined growth, and commitment to delivering value through innovation. We are firmly on track to deliver against our full-year financial guidance, supported by a strategy that prioritises high-quality revenue and effective execution."

- **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**
- **Forecast R&D spend** increased to \$35m, from \$32m previously



ENDS

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 financial and operational performance for H1 FY25 via webinar on Monday 25 November 2024 at 12:00pm NZT / 10am AEDT.

Register in advance for this webinar:

When:	Monday 25 November 2024
Time:	12:00pm NZT / 10am AEDT
Topic:	EROAD H1 FY25 Financial Results
Link:	www.eroad.co.nz/investor-presentation/

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

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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