



EROAD

EROAD (NZX: ERD ASX: ERD)

HY25 RECONCILIATION OF GAAP AND NON-GAAP MEASURES

25 November 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)	30-Sep-2024 Unaudited	30-Sep-2023 Unaudited
Cash flows from operating activities		
Cash received from customers	96.1	88.5
Payments to suppliers and employees	(71.4)	(58.4)
Payments for contract fulfilment assets	(5.1)	(5.6)
Interest received	0.4	0.2
Interest paid	(2.6)	(4.0)
Income taxes paid	(0.1)	-
Net cash inflow from operating activities	17.3	20.7
Payments for investment in property, plant and equipment	(9.1)	(12.8)
Payments for investment in intangible assets	(8.8)	(9.8)
Payments for investment in costs to obtain contracts	(1.5)	(2.1)
Net cash outflow from investing activities	(19.4)	(24.7)
Free cash flow	(2.1)	(4.0)

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-2024 Unaudited	Restated* 30-Sep-2023 Unaudited
Total comprehensive income for the period	(11.0)	7.4
Add back/(deduct):		
Items that are or may be reclassified subsequent to profit or loss		
Cash flow hedges	(0.8)	0.5
Currency translation differences	10.3	(9.3)
Income tax benefit/expense	1.4	(3.2)
Net financing costs	2.5	4.7
Depreciation of property, plant and equipment	11.0	11.0
Amortisation of intangible assets	10.4	9.6
Amortisation of contract and customer acquisition assets	5.4	4.9
Earnings before interest, taxation, depreciation, and amortisation (EBITDA)	29.2	25.6

* Refer to the Retrospective Restatement note (e) in the Interim accounts for further details.

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-2024 Unaudited	30-Sep-2023 Unaudited
Cash flows from operating activities		
Cash received from customers	96.1	88.5
Payments to suppliers and employees	(71.4)	(58.4)
Payments for contract fulfilment assets	(5.1)	(5.6)
Interest received	0.4	0.2
Interest paid	(2.6)	(4.0)
Income taxes paid	(0.1)	-
Net cash inflow from operating activities	17.3	20.7
Payments for investment in property, plant and equipment	(9.1)	(12.8)
Payments for investment in intangible assets	(8.8)	(9.8)
Payments for investment in costs to obtain contracts	(1.5)	(2.1)
Net cash outflow from investing activities	(19.4)	(24.7)
(Deduct) / Add back:		
Interest received	(0.4)	(0.2)
Interest paid	2.6	4.0
Free cash flow to the firm	0.1	(0.2)
Add back:		
3 G replacement costs	6.1	3.0
Normalised free cash flow to the firm	6.2	2.8

RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

- H1 FY25 EBIT is normalised for:
 - non-recurring 3G replacement related costs of \$2.3m.
- H1 FY24 EBIT is normalized for:
 - non-recurring 3G replacement related costs of \$1.5m.

Normalised EBIT		
	30-Sep-2024	Restated*
(\$m)	Unaudited	30-Sep-2023 Unaudited
Revenue	95.9	88.9
Operating expenses	(66.7)	(63.3)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	29.2	25.6
Depreciation of property, plant, and equipment	(11.0)	(11.0)
Amortisation of intangible assets	(10.4)	(9.6)
Amortisation of contract and customer acquisition assets	(5.4)	(4.9)
Earnings/(loss) before interest and taxation (EBIT)	2.4	0.1
Add back:		
3 G replacement costs	2.3	1.5
Normalised EBIT	4.7	1.6

* Refer to the Retrospective Restatement note (e) in the Interim accounts for further details.



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