



EROAD

EROAD Continues Transformation, Reports FY26 Results

25 May 2026

Leading transportation technology services company EROAD Limited (NZX/ASX: ERD), today released its financial performance for the 12 months ended 31 March 2026 as it executes on its transformation plan to restore performance and deliver value.

The results reflect the group-wide transformation plan currently underway to address legacy operational and product challenges, a refocus on EROAD's core ANZ markets, and a reset of operations under a regional operating model.

Good progress is being made on all strategic priorities with significant improvement being targeted for FY28.

All numbers are stated in New Zealand dollars (NZ\$) and relate to the 12 months ended 31 March 2026 (FY26), unless stated otherwise. Comparisons relate to the twelve months ended 31 March 2025 (FY25).

FY26 Summary¹

- **Revenue** of \$195.2m, up 0.4% reflecting strong growth in Australia, steady growth in New Zealand and a decline in North America as the result of previously disclosed customer non-renewal.
- **Annualised Recurring Revenue** was \$174.3m in FY26, down 0.5%, with good ARR growth in New Zealand and Australia offset by a decline in North America.
- **Free Cash Flow (to the firm)** of \$0.1m reflecting the temporary impact of the 4G upgrade program. When normalized for this, free cash flow (to the firm) was \$14.4m (margin of 7.4%).
- **Normalised EBIT²** was \$2.9m, reflecting higher operating costs, non-recurring expenses and lower capitalisation of R&D partially related to accounting policy adjustments.
- **EBIT** of negative \$155.9m includes a non-cash impairment to the North American assets of \$134.7m previously reported in October 2025. Net Loss After Tax was negative \$161.1m.
- **Liquidity** remains strong at \$49m with a \$65m of credit facility limit against \$16m of net debt to support growth and fund large enterprise deployments.

¹ EROAD has presented certain non-GAAP financial measures as part of its FY26 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 FY26 Investor Presentation.

² Normalised for impairment to North American goodwill, intangible and other assets, an adjustment to accounting estimates, and one-off costs related to the 4G hardware upgrade program, patent litigation and transformation (net of savings).

- Completed the **4G hardware upgrade** program replacing 73k units in New Zealand over the last 3 years. This is expected to free up cash, sales and customer service capacity, enabling greater focus on delivering higher-value solutions to New Zealand transport operators.
- **Cleanaway** rollout progressed through FY26 and remains on track for completion November 2026, adding A\$5m ARR fully deployed.
- **New executive leadership team** and appointment of John Scott as a director in March 2025, Executive Chair in October 2025 to lead the transformation program.

Executive Chair John Scott said, "Although our performance remained strong in our core markets of New Zealand and Australia with year-on-year ARR growing 5% and 73%, respectively, the group results reflect the legacy issues and challenges we have been managing."

"We have taken decisive action to reset the business and position it for sustainable growth over the medium to long-term."

"The transformation program commenced mid-year, with a focus on five strategic priorities - Operational Excellence, Product Excellence, Customer Service, becoming AI Native, and Winning eRUC. All of this is supported by a new executive management team with the clarity and energy required to execute."

"Recruitment for a CEO is well progressed and a number of major customer-focused programmes are already underway."

Regional Performance

New Zealand remains a strategically important, cash-generative market for EROAD, with increasing platform value and significant long-term growth potential through the expansion of eRUC. EROAD has a strong presence in the market, underpinned by deep customer relationships, high operational integration, and further opportunities to expand platform capability over time. The 4G hardware upgrade across New Zealand is now complete, freeing up cash, sales and customer service capacity.

Australia is a significant long-term growth opportunity for EROAD. Enterprise momentum and platform expansion continued in FY26, driving a 40% increase in revenue and a 73% increase in ARR. A particular highlight is the Cleanaway deployment to over 3,000 heavy vehicles, which is due to complete in November 2026. This will add A\$5m ARR once fully deployed. Growth in the region continues to support improving operating leverage as enterprise scale and platform adoption increase.

North America has presented challenges including previously disclosed customer non-renewals and broader softness across the US freight market. However, it still contributed \$74.4m in revenue, with an 80% asset retention rate. The region is being repositioned around a more focused operating model to [protect this revenue base and better serve our customers](#). New regional leadership is in place and reviewing customer execution, service capability and go-to-market approach across the region.

Outlook

EROAD's core markets of New Zealand and Australia are expected to continue to drive performance, while North America is being managed with a disciplined, cash-focused approach, focused on improving customer outcomes and protecting the existing revenue base.

The Company remains focused on executing its transformation strategy and, strict financial discipline to

deliver positive free cash flow to support sustainable growth over the medium to long-term.

John Scott added, "We are continuing to actively address legacy issues and have a clear plan to regain momentum and strengthen the trust of our customers and shareholders alike."

"In the first half of FY27, we are focused on addressing the core fundamentals of our business, improving the platform experience for customers, lifting service levels and laying the groundwork for AI-enabled operations. From that base, we intend to scale our core New Zealand business, continue building on enterprise momentum in Australia, and reposition North America.

"While we expect the next six months to be challenging and we have more work to do, I'm also excited about the opportunities ahead of us."

"We are committed to being transparent with our shareholders and will provide a trading update to the market in September."

ENDS

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

Webinar details

Register in advance for this webinar:

Date:	Monday 25 May 2026
Time:	12:00pm NZT
Topic:	EROAD FY26 Financial Results Announcement
Registration Link:	EROAD FY26 Financial Results Presentation EROAD New Zealand

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: Jackie Ellis jackie@ellisandco.co.nz +64 27 246 2505
---	--

About EROAD

EROAD (NZX/ASX: ERD) is a hardware-enabled SaaS company delivering safety, compliance, sustainability and efficiency solutions for complex vehicles fleets. Its connected platform is used by commercial and government operators across New Zealand, Australia and North America to manage vehicles, assets and drivers with greater visibility and control. EROAD supports demanding, highly regulated fleet operations, including those moving food, concrete and aggregates, enabling them to operate smarter, safer and more sustainably. EROAD's platform is built on a foundation of regulatory expertise, having delivered the world's first GPS-based road user charging system in New Zealand, where it remains the market leader today. www.eroad.co.nz