



EROAD

Delivering on strategy with sustainable, profitable growth

AUCKLAND, 26 May 2025: Leading transportation technology services company EROAD Limited (NZX/ASX: ERD), today released another strong financial performance for the 12 months ended 31 March 2025.

All numbers are stated in New Zealand dollars (NZ\$) and relate to the 12 months ended 31 March 2025 (FY25), unless stated otherwise. Comparisons relate to the twelve months ended 31 March 2024 (FY24).

Financial Highlights¹

- **Substantial improvement in Free Cash Flow position (to the firm)** rose to \$16.0m in FY25 compared to \$1.3m in FY24. This improvement is the result of the expansion of existing customer contracts, ongoing new customer wins, price increases and continued cost management discipline. When normalised for the temporary impact of the 4G upgrade program, free cash flow (to the firm) was \$23.6m.
- **Revenue** climbed to \$194.4m for FY25 from reported revenue of \$182.0m in FY24. This represents a 6.8% increase against the prior comparable period. Growth in revenue was delivered across all markets.
- **Annualised Recurring Revenue** (restated)² increased by \$10.1m (6.1%) to \$175.1m in FY25 from \$165.0m in FY24, reflecting growth across markets and supported by favourable foreign exchange rates.
- **EBIT** climbed to \$5.9m in FY25 compared to \$0.2m in FY24. Normalised³ EBIT increased to \$9.9m in FY25 up from \$3.8m in FY24. Normalised for 4G hardware upgrade costs of \$4.0m and \$3.6m in FY25 and FY24, respectively.
- **NPAT** increased by \$2.2m to \$1.4m in FY25 from negative \$0.8m in FY24.

Operational Highlights

- **Asset retention remains high** at 92.5% in FY25 (NZ 93.6%; AU 89.0%; NA 92.0%).

¹ EROAD has presented certain non-GAAP financial measures as part of its 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 FY25 Investor Presentation.

² Annual recurring revenue from subscriptions only. Excludes uncontracted hardware sales and non-recurring revenue

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



- **Key enterprise customer wins and expansions during the period.** A large New Zealand customer renewed and expanded into their Australian business adding \$1.1m of ARR in the period, with 3-4 months remaining on the rollout. In New Zealand, expansions and upsell of existing customers added ARR by \$7.2m. In North America, customer expansion added \$4.9m of ARR.
- **Enterprise customers (>\$100k ARR) represent 54% of ARR.** The number of customers with greater than \$100k of ARR increased by 7%.

Chair Susan Paterson said, "EROAD once again increased revenue, delivered to the top end of financial guidance on all measures, and significantly exceeded free cash flow expectations with \$16m free cash flow to the firm – a standout achievement compared to the negative \$29.9m FCF reported just two years ago.

EROAD's advantage lies in the tangible value provided to customers. Through consistent delivery of measurable savings for fleet operations, EROAD is positioned as a long-term investment even in constrained markets."

Co-CEOs Mark Heine and David Kenneson are confident in the financial and operational progress EROAD is making, "FY25 has been a year of strong performance and strategic progress for EROAD. We have delivered against our financial guidance, expanded our market opportunity, and strengthened our customer relationships."

"As we look ahead to FY26, EROAD, under its current reset strategy has gained real traction against its core growth metrics, has the potential to ignite further value for shareholders as momentum in what we are building here continues.

"We have the ambition and determination, grounded in the fact the EROAD technology stack really does deliver for our growing customer base. We will continue to seize market opportunities, leverage strategic partnerships and cutting-edge tech integrations to provide customers with innovative solutions for navigating the challenges of the transportation industry."

Outlook

Heine and Kenneson added, "Despite facing sustained macroeconomic headwinds in the freight and transport sectors across all our operating regions, we have delivered strong financial results which is expected to continue in FY26 – our strategy is designed to deliver sustainable, profitable growth and that is exactly what we are doing here, with the potential for more where we remain focussed and disciplined."

"We continue to adhere to the principles of our strategic plan, which has delivered a substantial improvement to free cash flow to the firm this year, by growing the business through a focus on enterprise fleets and maintaining cost discipline."

"Our FY26 guidance acknowledges recent economic uncertainty related to global trade and business spending, and its impact on deal timing."



- **FY26 Revenue guidance** of a minimum \$205m
- **FY26 ARR guidance** of a minimum \$188m, equating to 7.5% growth
Revenue and ARR growth in excess of this guidance is subject to timing of closing large deals in the pipeline, foreign exchange and stable economic conditions
- **FY26 free cash flow yield** of 8% - 10%, normalised for the 4G hardware upgrade program
- **Medium-term ARR growth CAGR** of 11% - 13%

Investor Day

EROAD plans to hold an Investor Day in the upcoming months to provide deeper insight into EROAD's product roadmap and long-term strategic and financial targets.

We will provide notice to the market about how to participate in the near future.

CFO Update

EROAD is advanced in its search for a permanent CFO. Interim CFO Rebecca Lineham will be concluding her EROAD role in mid-June 2025 as she moves to a new permanent CFO role.

Tracey Herman, who was previously CFO of Coretex for 11 years and has been in senior finance roles at EROAD since its merger with Coretex in 2021, will step into the role of interim CFO until a permanent appointment is announced.

Heine and Kenneson stated that "Rebecca has made an excellent contribution to the finance function and EROAD over the last few months. We wish Rebecca all the best for the future."

ENDS

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

Webcast details

EROAD's Co-Chief Executive Officers, Mark Heine and David Kenneson, and interim Chief Financial Officer, Rebecca Lineham will give a presentation on the company's financial and operational performance for FY25 via webcast, commencing on Monday 26 May 2025 at 12:00pm NZT.

Register in advance for this webcast:

Date:	Monday 26 May 2025
Time:	12:00pm NZT
Topic:	EROAD FY25 Financial Results Announcement
Registration Link:	https://www.eroad.co.nz/investor-presentation/



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

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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