# EROAD

Providing technology solutions
to solve customer problems

# Bell Potter Conference

15 September 2022

**Safer and more sustainable roads**

# IN CAB PROFESSIONAL TRANSPORT

# CORETEX

The Coretex merger completed on 30 November 2021. All finanicals include 4 months of Coretex.

# WE ARE
# EROAD

**SAFER AND MORE SUSTAINABLE ROADS**

**REGULATORY AND SPECIALISED TELEMATIC SOLUTIONS**

**OVER 200,000 CONNECTED VEHICLES**

**STABLE ASSET RETENTION RATE**

**GROWING AMRR**

**TARGETING STRONG GROWTH OF AT LEAST $250M REVENUE BY FY25**

# BROADER AND IMPROVED PRODUCT OFFERING TO ENTERPRISE CUSTOMERS AND CUSTOMERS FROM DIFFERENT INDUSTRIES

## Hardware Solutions

### EROAD

Ehubo

Clarity Solo Dashcam

### CORETEX

TMU1500

CoreHub
Next Generation

## Add on Products and Services

### EROAD
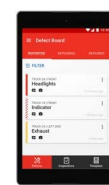
Clarity Dashcam

Philips Connect

Logbook

Inspect

EROAD Where

Minitags

### CORETEX
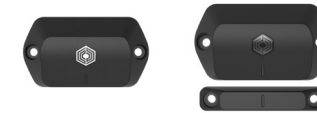
IOT sensors and tag

Coretemp

Corevision camera
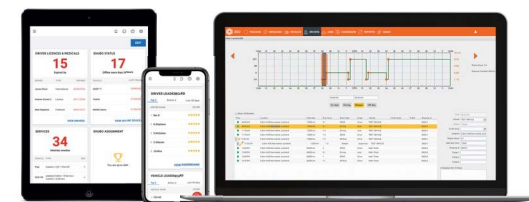
MyEROAD / 360 Hub

## All Vehicles. All Assets. One Platform

Hardware enabling delivery of SaaS subscriptions to solve customers problems

* EROAD's Ehubo1, Coretex's V301 , TMU750 and Gen-x are all included in unit numbers however come to the end of supply during FY23

## Solving Customers Problems

- Productivity
- Regulatory Compliance
- Road Safety
- Food Safety
- Proof of Service
- Certification of quality

## Industries

- Professional Transport
- Refrigerated Transport
- Construction & Civils
- Waste & Recycling

# OUR NEXT GENERATION OFFERING

## ALL VEHICLES. ALL ASSETS. ONE PLATFORM

**A complete, connected network that works with customers' systems**

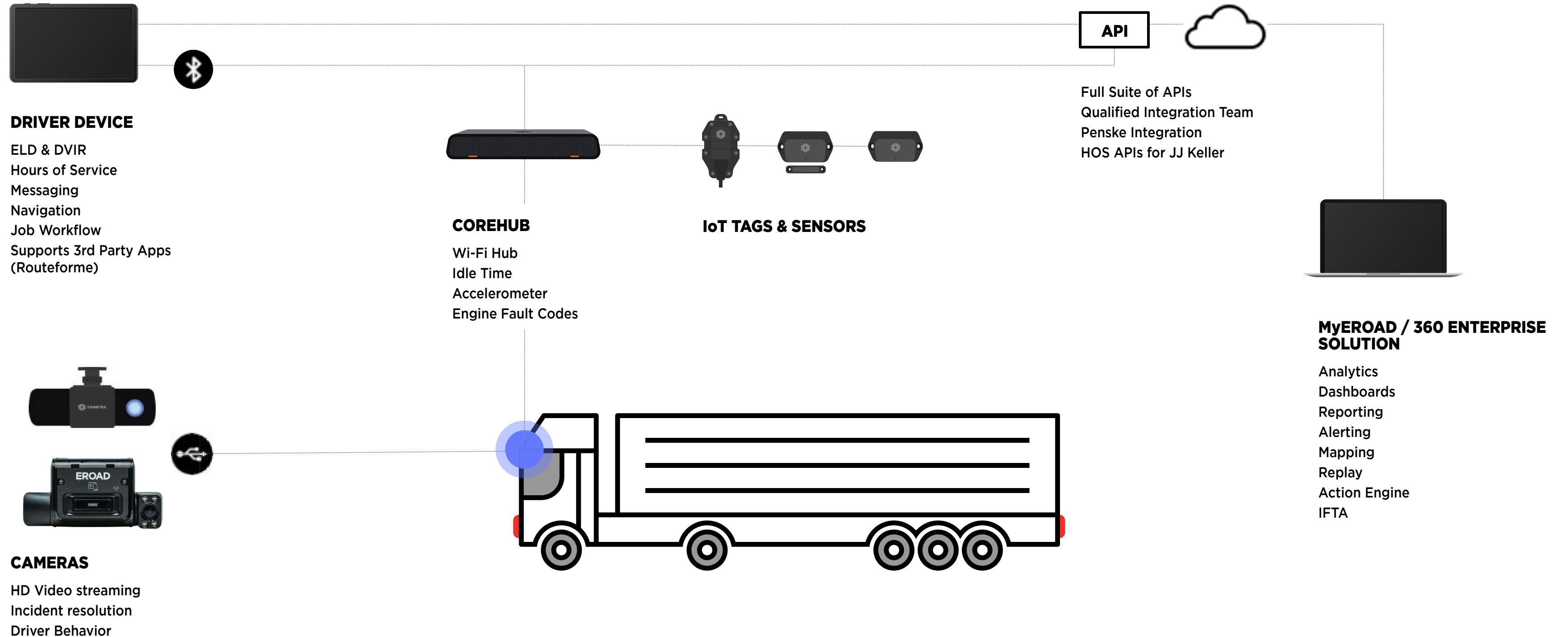Hardware and software alike, design of products focused on ease of use, safety, flexibility and quality - to deliver accurate insights for customers

**API**

Full Suite of APIs
Qualified Integration Team
Penske Integration
HOS APIs for JJ Keller

**DRIVER DEVICE**

ELD & DVIR
Hours of Service
Messaging
Navigation
Job Workflow
Supports 3rd Party Apps
(Routeforme)

**COREHUB**

Wi-Fi Hub
Idle Time
Accelerometer
Engine Fault Codes

**IoT TAGS & SENSORS**

**MyEROAD / 360 ENTERPRISE SOLUTION**

Analytics
Dashboards
Reporting
Alerting
Mapping
Replay
Action Engine
IFTA

**CAMERAS**

HD Video streaming
Incident resolution
Driver Behavior

# THE NEXT GENERATION SOLUTION MEETS THE NEEDS OF PROFESSIONAL TRANSPORT, REFRIGERATED TRANSPORT, CONSTRUCTION AND WASTE INDUSTRIES

## In CAB Professional Transport

CoreHub can easily connect and integrate with AI Cameras, combining with driver data and behaviour to give an indepth look into the drivers performance. CoreHub also meets ELD certification and has a rule set engine built in, ensuring drivers' safety and compliance.
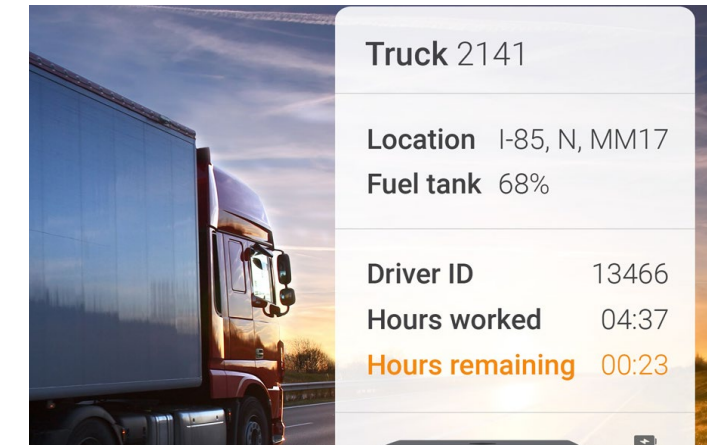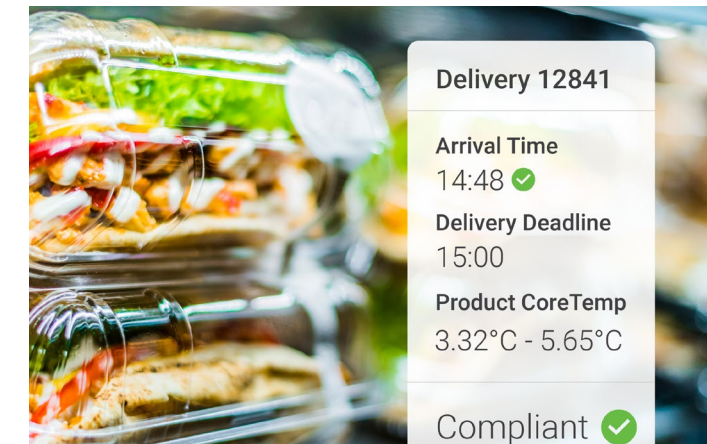


**North American Addressable Market***
**3,050,000 units**

**North American serviceable market****
**760,000 units**

## Refrigerated Transport

Combine door, temperature and humidity sensors with geofences and custom alerting to create a comprehensive view of reefer units, ensuring compliance and safety across all loads.
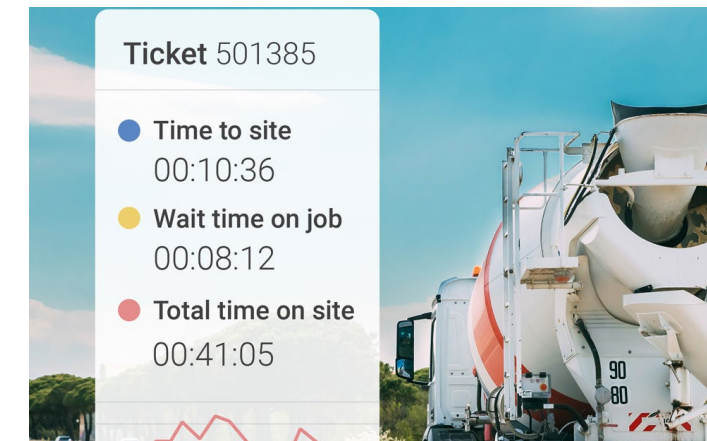


**North American Addressable Market***
**650,000 units**

**North American Serviceable Market****
**650,000 units**

## Construction

Using the drum rotation sensor and water add meter, collect detailed job data. Easily integrate this data to dispatch systems and automated job workflows to streamline complex supply chain processes.
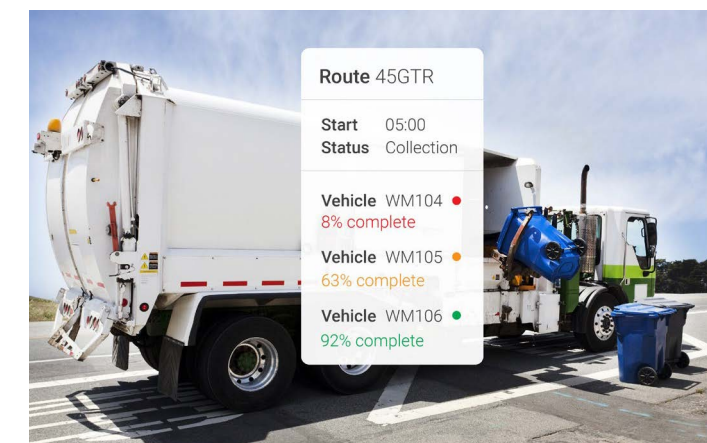


**North American Addressable Market***
**130,000 units**

**North American Serviceable Market****
**30,000 units**

## Waste and recycling

By installing bin sensors on the arms of the truck, receive specific and detailed data on exactly the customers the drivers have visited. By combining this information with specific routes, easily see in real time route compliance and optimization.
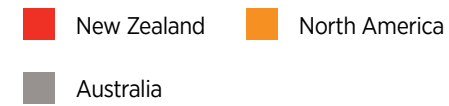


**North American Addressable Market***
**150,000 units**

# INCREASED SCALE AND BROADER CUSTOMER BASE GIVING US BETTER REFERENCES TO WIN NEW BUSINESS

## Increased Scale in North America and Australia

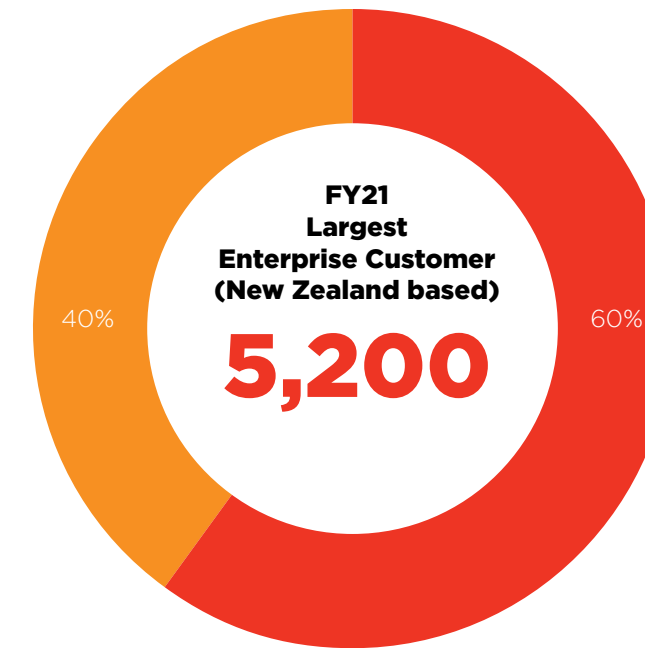- New Zealand
- North America
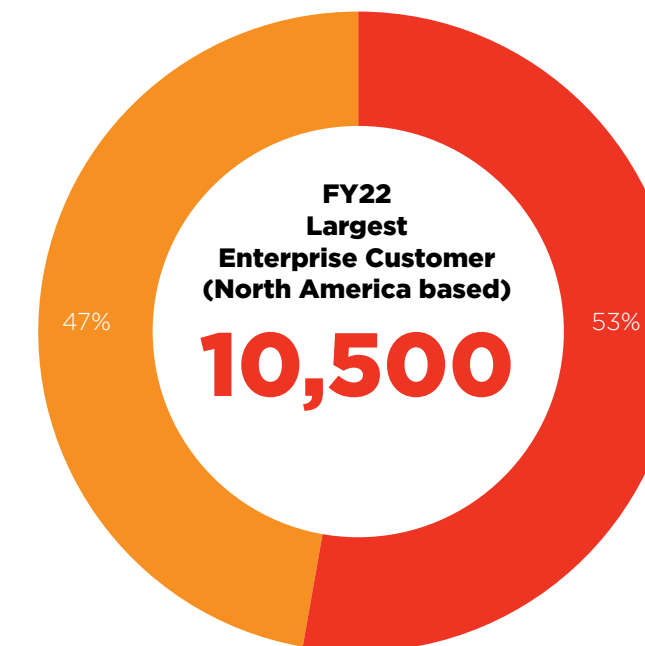- Australia

UNITS BY MARKET

FY21
North American Revenue
**$30.6m**

- 2%
- 29%
- 69%

UNITS BY MARKET

FY22
North American Revenue
**$40.3m**

- 7%
- 42%
- 51%
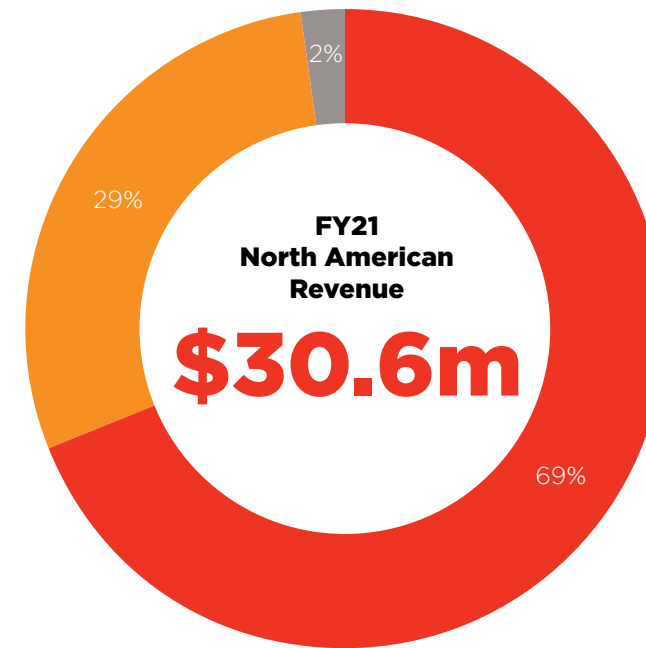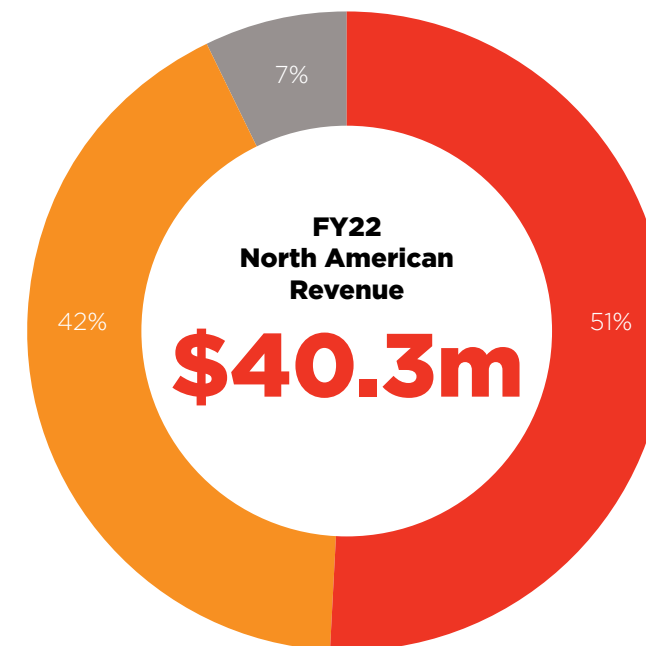
## Increase in Enterprise Customers

- SMB
- Enteprise

UNITS BY CUSTOMER SIZE

FY21
Largest Enterprise Customer (New Zealand based)
**5,200**

- 40%
- 60%

UNITS BY CUSTOMER SIZE

FY22
Largest Enterprise Customer (North America based)
**10,500**

- 47%
- 53%

## Entry into key strategic verticals

- Construction & Civil Engineering
- Other
- Services & Trade
- Freight & Road Transport
- Agriculture/Forestry
- Refrigerated Transport

UNITS BY INDUSTRY

FY21

- 24%
- 30%
- 9%
- 9%
- 28%

UNITS BY INDUSTRY

FY22

- 38%
- 21%
- 21%
- 7%
- 7%
- 6%
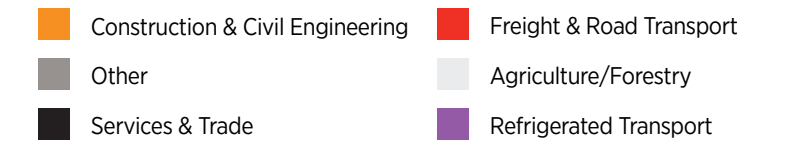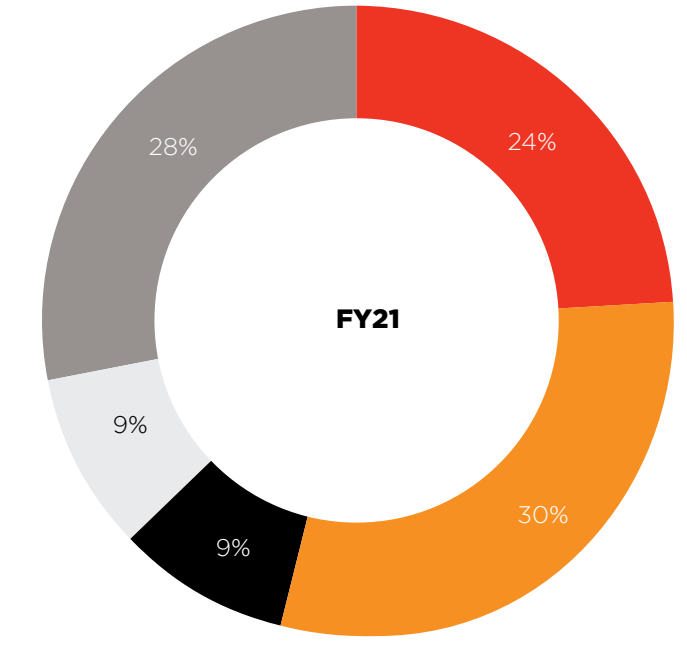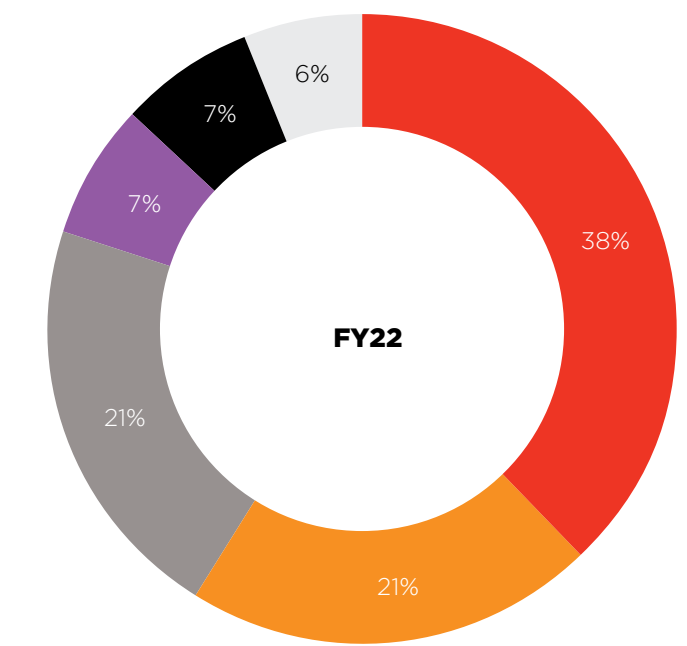
# RECURRING SAAS REVENUE MODEL

## EROAD GENERATES SAAS REVENUE THROUGH:

- sale and rental of hardware
- the licensing of its software on a monthly subscription basis
- the installation of hardware devices

## EROAD driven by recurring SAAS revenue

FY22

**SaaS Revenue**
**91%**
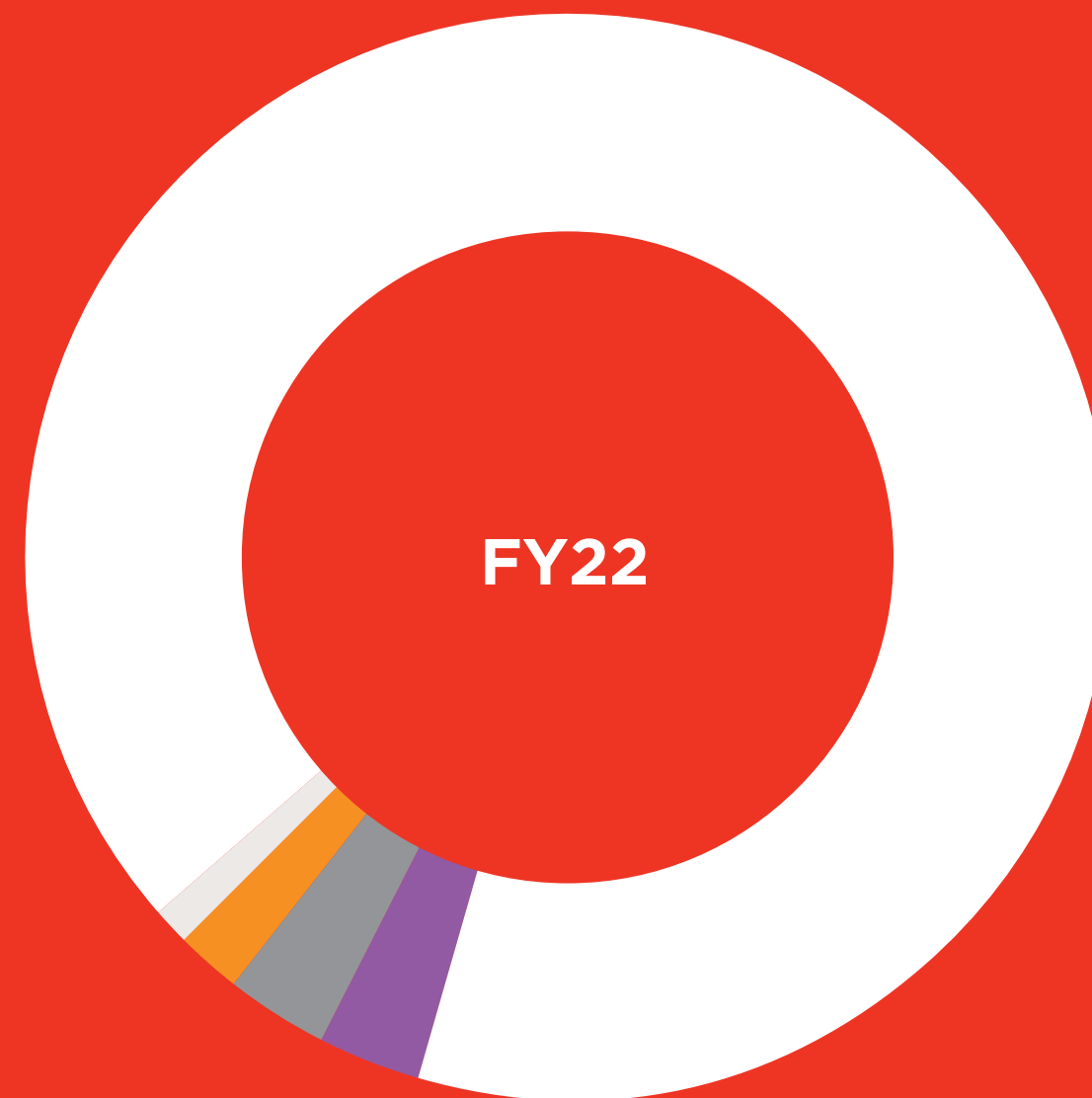Software as a service (SaaS) revenue represents revenue earned from customer contracts for the sale or rental of hardware, installation services and provision of software services.

**Transaction Fee Revenue**
**3%**
Transaction fee revenue relates to the collection of Road User Charges (RUC) fees and weight-mile tax in North America.
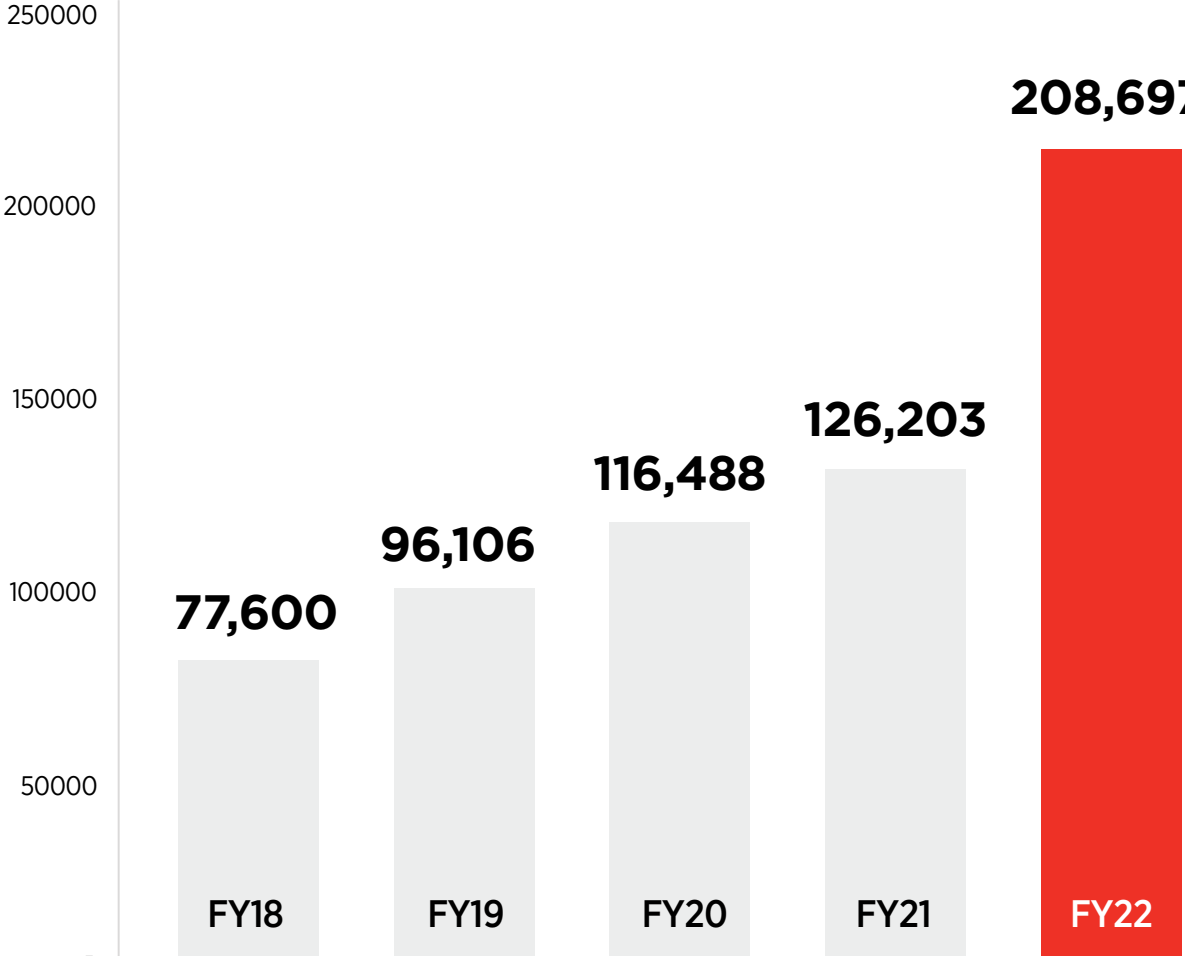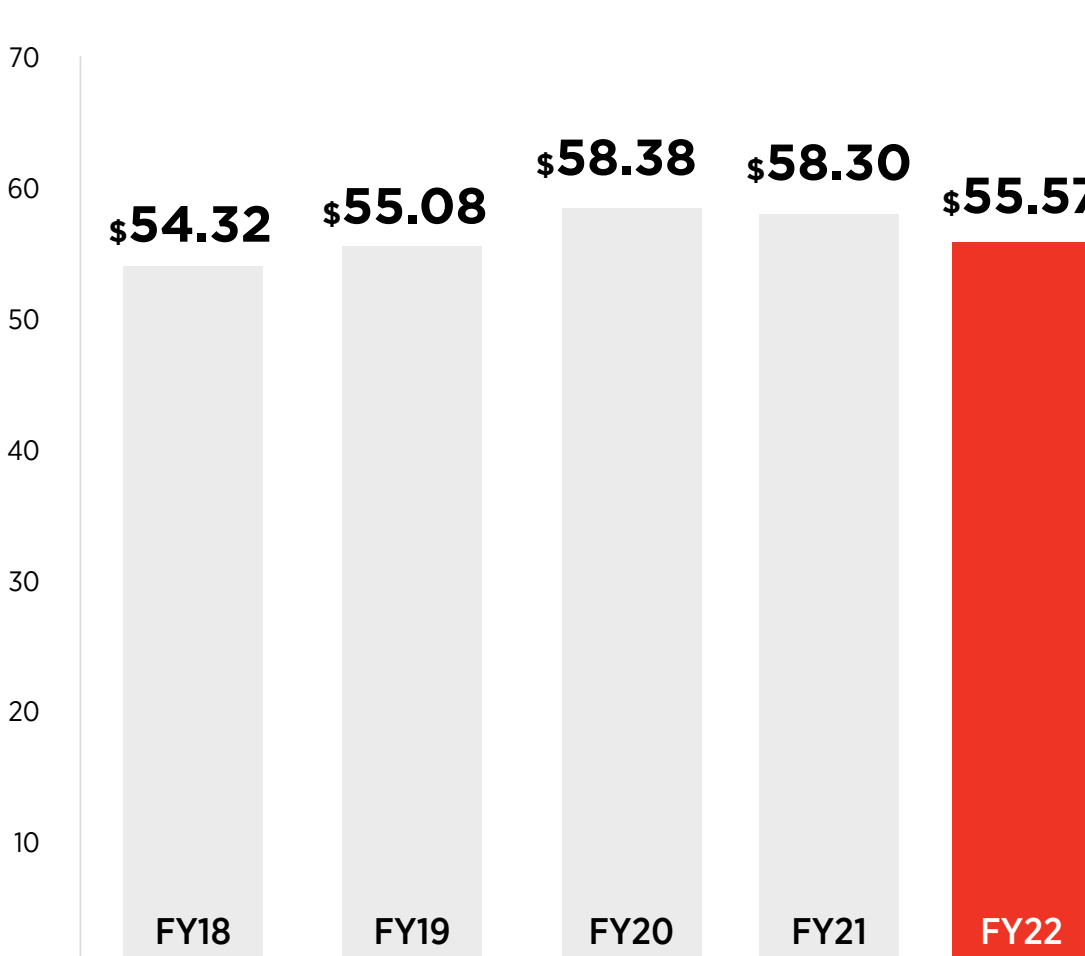
**Other Revenue**
**3%**

**Hardware Revenue**
**2%**

**Grant Revenue**
**1%**

# KEY PERFORMANCE METRICS

## CONTRACTED UNITS

| FY | Units |
|---|---|
| FY18 | 77,600 |
| FY19 | 96,106 |
| FY20 | 116,488 |
| FY21 | 126,203 |
| FY22 | 208,697 |

## ARPU

| FY | ARPU |
|---|---|
| FY18 | $54.32 |
| FY19 | $55.08 |
| FY20 | $58.38 |
| FY21 | $58.30 |
| FY22 | $55.57 |

## EROAD STAND ALONE ASSET RETENTION RATE

| FY | Rate |
|---|---|
| FY18 | 95.8% |
| FY19 | 94.4% |
| FY20 | 95.2% |
| FY21 | 94.9% |
| FY22 | 93.4% |
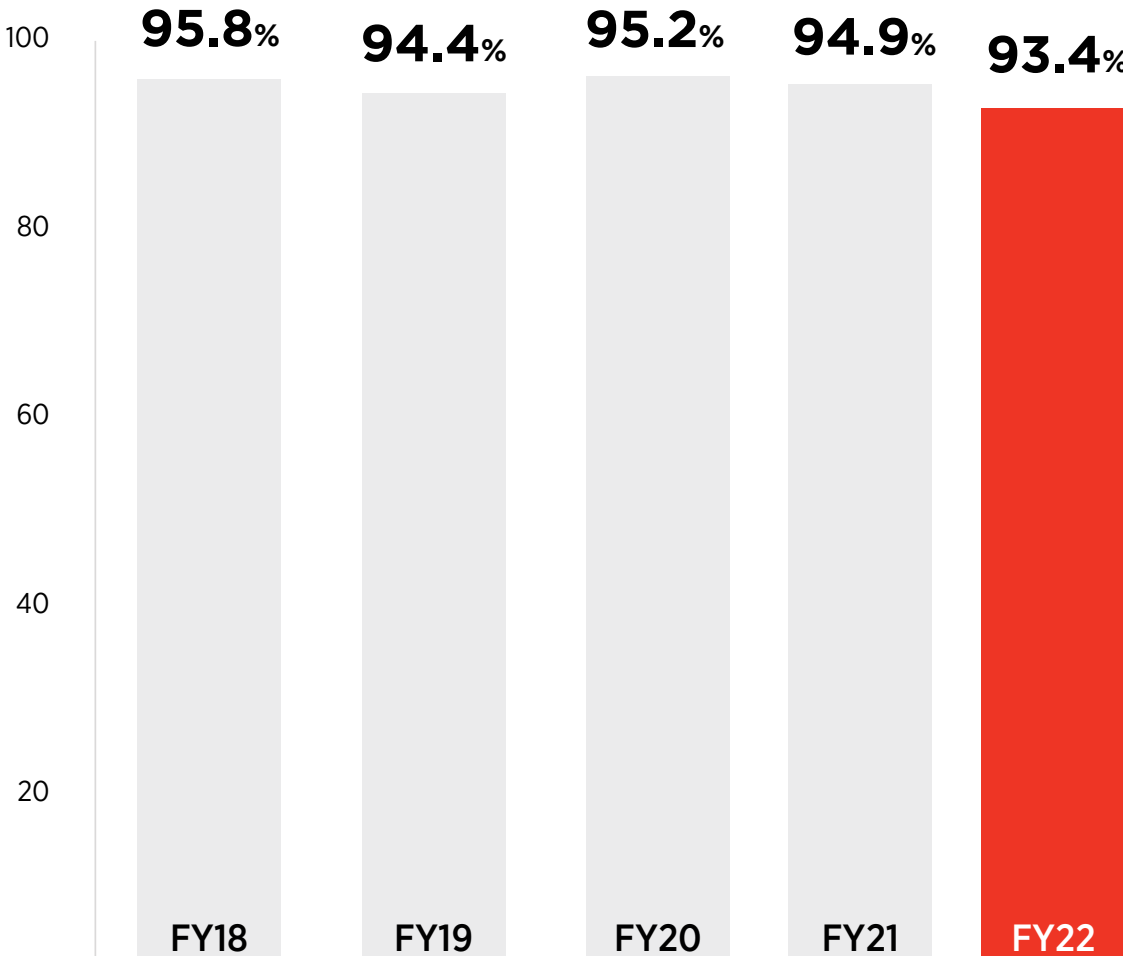
# FY22 FINANCIAL PERFORMANCE

## REVENUE

+25%

- FY18: $43.8m
- FY19: $61.4m
- FY20: $81.2m
- FY21: $91.6m
- FY22: $114.9m

## EBITDA

-32%

- FY18: $10.5m
- FY19: $15.6m
- FY20: $27.1m
- FY21: $30.4m
- FY22: $21.0m
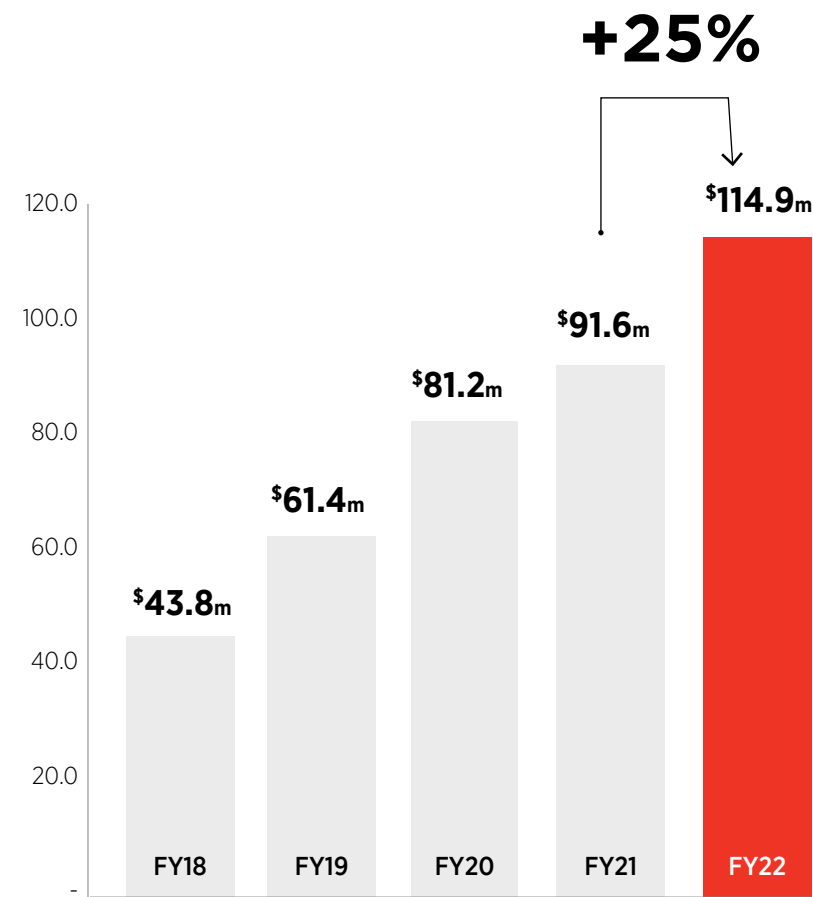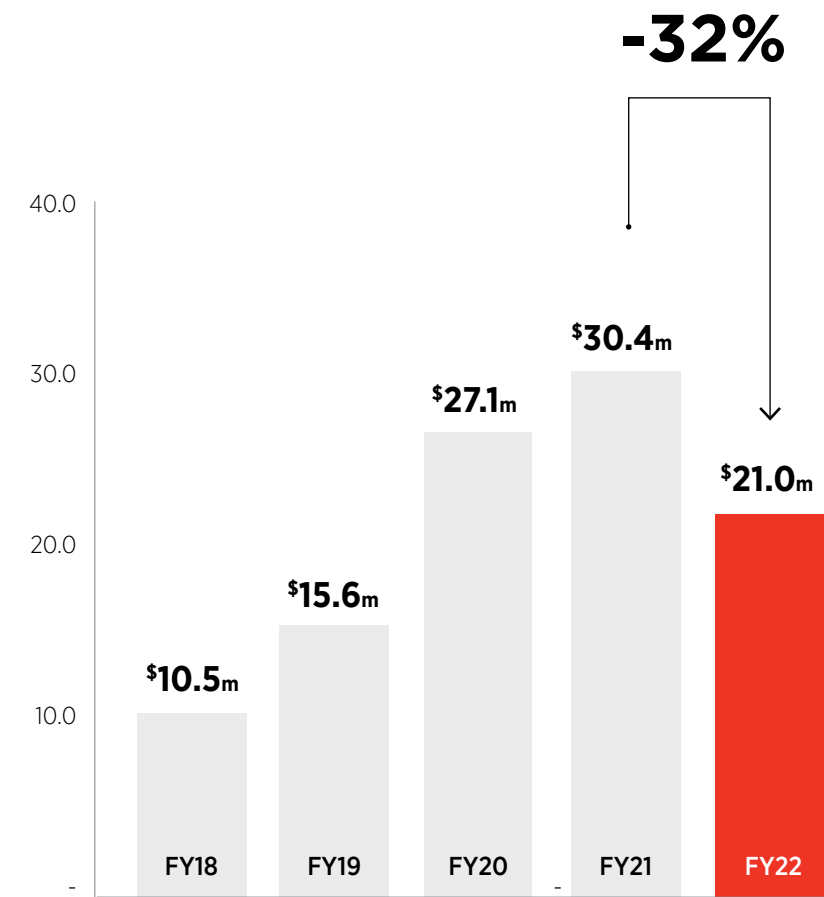
## ANNUALISED MONTHLY RECURRING REVENUE ($M)

- FY19: 66.5
- FY20: 84.0
- FY21: 88.4
- FY22: 134.6
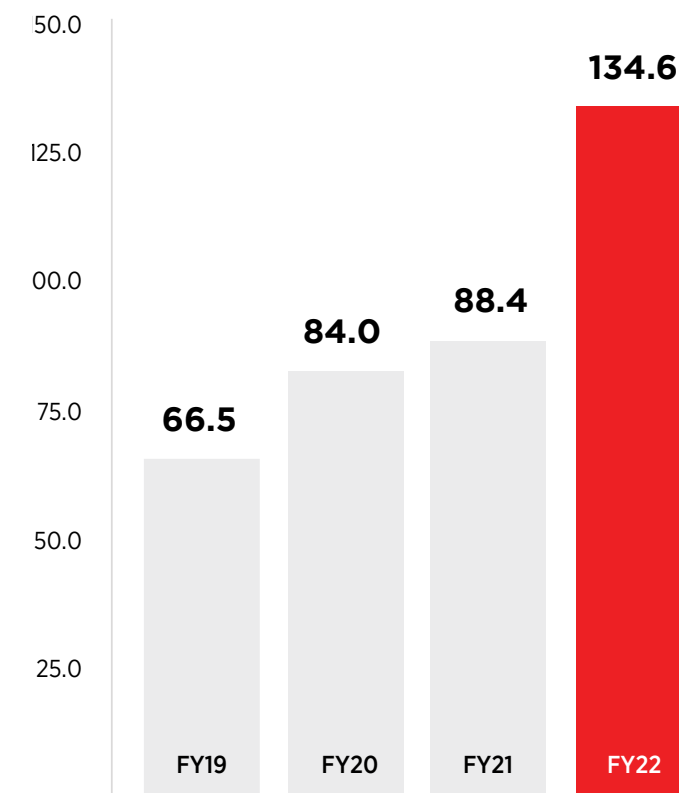
## FREE CASH FLOWS EXCLUDING MERGER

-$53.2

- FY18: $(18.6)m
- FY19: $(13.1)m
- FY20: $(12.8)m
- FY21: $5.3m
- FY22: $(47.9)m
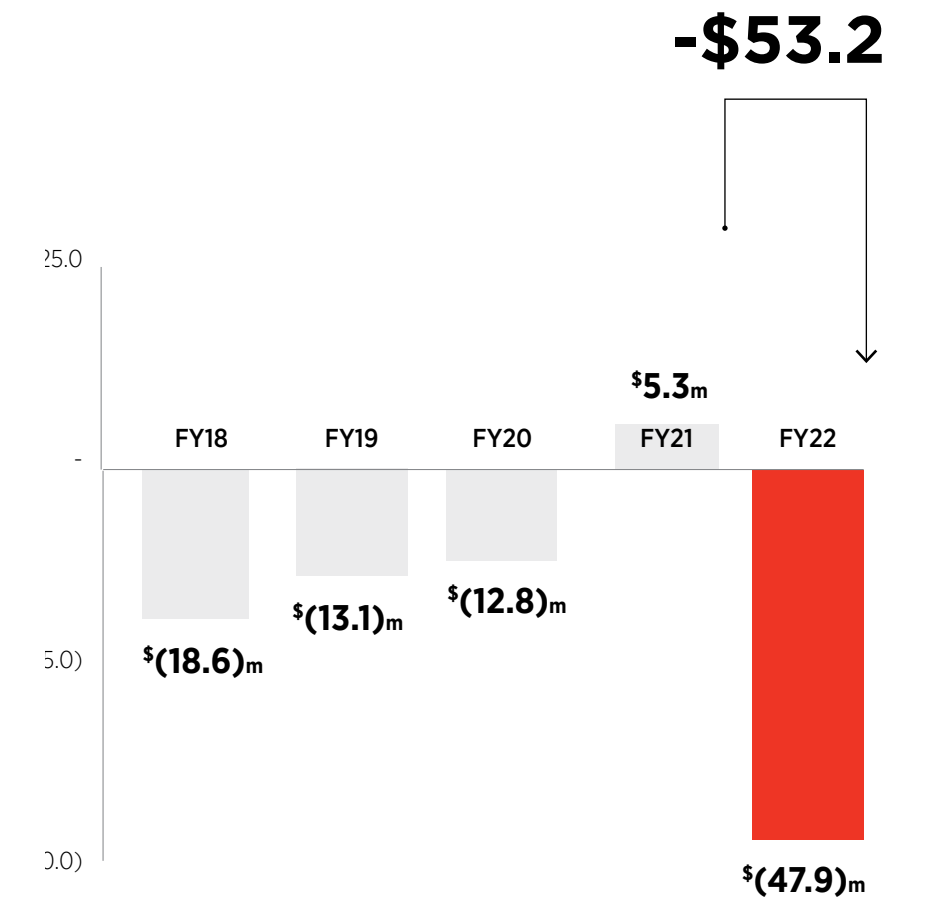
# OUR FY23 PRIORITIES

**Revenue growth momentum in New Zealand and North America**

- focused on Enterprise accounts in professional transport, refrigeration, construction and Waste & Recycling
- providing ESG solutions to customers to help them decarbonise and convert to EV fleets

**Maintain an engaged culture aligned to the vision of the merged company**

- position EROAD as an employer of choice
- continue to increase capability of leaders

**Deliver key product and platform integration by the end of CY2022 to enable delivery of enhanced SaaS products to build growth momentum further and support retention**

# FY23
# OUTLOOK

**Growth momentum expected to build with successful conversion of North American enterprise pipeline opportunities**

**Targeting Revenue of at least $250m by FY25**

**Anticipate Revenue between $150m - $170m in FY23**

**Expect improved operating leverage from FY24**

**Targeting normalised EBIT of between -$5m to breakeven**

# QUESTIONS