



23 September 2019

EROAD INVESTOR DAY

EROAD will today host its Investor Day, beginning at 12:30pm NZST. Investors will hear from members of the Executive Leadership Team who will present an update on the Company's growth strategy, the progress achieved to date and the path to reaching the next milestone of 250,000+ subscribers.

"EROAD has many exciting opportunities ahead with the business having invested to scale-up for the next phase. Organic expansion will continue to play an important role in the Company's growth however we are also seeking opportunities to acquire complementary businesses to accelerate our growth trajectory. We are confident and ambitious about the future prospects for EROAD" said Steven Newman, Chief Executive.

"The business is continuing to increase rapidly. Our New Zealand business is market leading, however there is still significant room to expand our customer base and service offering. North America is now a developed market for EROAD, contributing strongly to EBITDA in FY20 and expected to reach positive EBIT by the end of FY20. Our more recent expansion into Australia has great potential and is expected to deliver positive EBITDA in the next 3-4 years at lower sales levels than was required for North America, reflecting its lower cost to serve. We expect to deliver further operating leverage from FY21 onwards."

EROAD Chair Graham Stuart said: "Our investment in scaling the business has established a solid platform for future growth. While we continue to see strong growth opportunities ahead, we will re-invest to maximise long-term shareholder value. This will include continued investment of 18-22% of revenue in R&D and investment in building acquisition capability to support our future growth objectives.

"EROAD's existing cashflow and funding channels will be deployed to capture organic growth opportunities and to build capability in FY20 so we are ready to look to acquire complementary businesses in late FY20 or FY21 as the right opportunities are identified. Any medium and large acquisitions will be equity funded" said Mr Stuart.

ENDS

A copy of the Investor Day presentation material is attached, and will be available on the [EROAD website](#). Following the event, a video of the presentations will also be available on this website.

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About EROAD



- EROAD believes every community deserves safer roads that can be sustainably funded. This is why EROAD develops technology solutions (products and services) that manage vehicle fleets, support regulatory compliance, improve driver safety and reduce the costs associated with driving. EROAD also provides valuable insights and data analytics to universities, government agencies and others who research, trial and evaluate future transport networks. This data enables those who use the roads to influence the design, management and funding of future transport networks.
- EROAD launched with the purpose of modernizing New Zealand's paper-based road user charging system. By 2009 EROAD had introduced the world's first nationwide electronic road user charging system and now around 46% of collected heavy vehicle road user charges in New Zealand are being collected using EROAD technology. By March 2019, this had delivered NZ\$2.5B to NZTA for the sustainability of the NZ transport network. In the USA, EROAD introduced the first electronic Weight Mile Tax service (2014) and the first independently verified Electronic Logging Device service (2017).
- EROAD (ERD) is listed on the NZX, and employs over 250 staff located across NZ, Australia and North America.