



## Quarterly Operational Update

11 July 2019

### EROAD delivers good start to FY20

Transport technology services company EROAD today released its quarterly update for the three months ended 30 June 2019.

EROAD has delivered a good start to the new financial year. The company has an encouraging pipeline that has delivered solid growth and achievements. First quarter highlights include:

- 24% annualised growth in total contracted units
- Strong growth of 12% in North America, demonstrating the solid pipeline
- Continued growth of 4% across Australia and New Zealand, reflecting the addressable market of both enterprise and small to medium business
- EROAD's delivery of net return to the NZ economy was recognized with the company chosen as Best Large Business (Services) in the Air New Zealand Cargo Export NZ 2019 Awards
- Installation of the 100,000<sup>th</sup> unit, with the company taking less time to reach this milestone than other global telematics industry giants.

Quarterly Units	Total at 31 Mar-19	Total at 30 June-19	Units added in quarter	% Growth in quarter	% Growth annualised
<b>Total Contracted Units*</b>	<b>96,390</b>	<b>102,202</b>	<b>5,812</b>	<b>6%</b>	<b>24%</b>
Australia & New Zealand	71,446	74,354	2,908	4%	16%
North America	24,944	27,848	2,904	12%	47%
YTD Units	Total at 30 June-18	Total at 30 June-19	Units added in 12 months	% Growth in 12 months	% Growth annualised
<b>Total Contracted Units*</b>	<b>81,272</b>	<b>102,202</b>	<b>20,930</b>	<b>26%</b>	<b>26%</b>
Australia & New Zealand	61,934	74,354	12,420	20%	20%
North America	19,338	27,848	8,510	44%	44%

\* Total Contracted Units is a non-GAAP measure used by EROAD which represents the total units subject to a customer contract and includes both Units on Depot and units pending instalment.

EROAD's growth in New Zealand met the company's expectations for this quarter, with consistent pricing, attracting both enterprise and small to medium businesses.

The North American market for EROAD continued to deliver as anticipated with Total Contracted Units up 44% on Q1FY19. Installations have commenced for the enterprise fleet customer announced in Q4FY19 and the pipeline for enterprise remains strong and there is a solid run rate for small to medium businesses.



The small to medium businesses run rate in Australia has yet to reach EROAD's expectations however an encouraging enterprise pipeline has been established and, as we saw in North America, larger enterprise accounts generally involve a longer sales lead time.

### **Ends**

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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.