



EROAD

PRESS RELEASE

EROAD's win signals market leadership

1 July 2019

EROAD has been chosen Best Large Business (Services) in the Air New Zealand Cargo Export NZ 2019 Awards. This annual award ceremony was held in Auckland late last week and recognizes success by net return to the New Zealand economy.

This accolade comes just a few weeks after EROAD installed its 100,000th unit, taking less time to reach six figure unit sales than other global telematics industry giants like Teletrac Navman or PeopleNet.

This is a clear indication of EROAD's capability of remaining a significant player within a global industry anticipated to be worth US\$750 billion by 2030, according to a report by McKinsey and Company. This report identified the willingness of governments to mandate regulatory telematics services because of the potential to increase road safety, improve driving behavior and align insurance premiums with actual need.

Although many commercial vehicle operators have been early to recognize the improved fuel economy, efficient regulatory compliance and more effective management of vehicle fleets delivered through telematics, the report also outlines the low penetration of telematic services within each country.

While the total addressable market is sizeable, this is not an industry where many providers survive. Few companies can self-fund the R&D investment to maximise advancements in technology and survive the rigors of scalability. It is also an industry where New Zealand is overly represented. Navman, Telogis, EROAD, International Telematics Holdings Limited/Imarda (now merged forming Coretex) are all successful global telematic companies originating from these remote southern isles.

For many years Navman was the technology poster child grown by Steven Newman and Sir Peter Maire into four business units (Marine Electronics, Telematics, Navigation and Precision GPS Systems), developing more than 400 products - many of which were world firsts. Starved of funding for future growth led to Navman selling to Brunswick. Telogis joined forces with US-based companies before being acquired. International Telematics Holdings Limited (ITHL) merged with Imarda to form Coretex. EROAD (led by Steven Newman) solved this problem by becoming listed on NZX providing access to capital for fund future growth.

EROAD's business model has been disruptive from the start, pioneering regulatory telematics. Entering new markets on the back of transportation regulatory reform, simultaneously delivering benefits to transport businesses. The company implemented the world's first GPS based nationwide Road User Charging system; North America's first independently verified Electronic Logging Device; collaborated with Australasia's largest general insurer on an award-winning insurance waiver program. Then achieving six figure unit sales earlier than the industry norm and shortly after announcing financial year results that included a healthy 40% increase in revenue, 48% increase in EBITDA and an increase of 24% in total contracted units.

In addition to the learnings carried forward from Navman days, the company has been investing in scalable systems and processes to ensure it is well positioned for future growth. This includes strategic initiatives that consider inorganic expansion through acquisition, whilst maintaining focus on customer and regulatory requirements.

The judging panel for the ExportNZ awards acknowledged the solid historic export revenue growth performance of EROAD, adding that the company had a great business model, with a sustainable innovation machine and committed development team.

As well as receiving the award for Best Large Business, EROAD was also a finalist in the Innovation Category. The judging panel noted EROAD's robust development approach and the benefits achieved from an aligned and committed team commenting "We were able to clearly see that systematic innovation was an ingrained method of work for EROAD, with all staff given the scope, support and environment to succeed."

"Receiving this acknowledgement is just awesome and a reflection of our talented staff and strengthened leadership team. Together, they've enabled us to maintain double digit growth while making the changes required to deliver a scalable business" said Steven Newman, CEO EROAD.

EROAD now operates across three markets – New Zealand, North America and Australia, under an expansion plan carefully executed alongside regulatory reform. The company's technology platform, originally built for regulatory compliance, delivers bank-grade security, accuracy and reliability. While the company has expanded into fleet management and other commercial telematic services, this unique and secure foundation remains valued by customers, evermore so in this age of data privacy and cyber-security.

The future for global telematics is expansive and one does not need to look far to find examples where Kiwis disrupt and then lead an industry.

ENDS

This release has sourced information from:

From McKinsey & Company: [Telematics poised for strong global growth](#)

From CJ Driscoll & Associates: [Trends in commercial telematics](#)

From EROAD: [2019 Annual Report](#)

For further information please contact:

Sue-Ellen Craig
Director of Communications
ph: +64 21 577 685
sueellen.craig@eroad.com

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, employs over 250 staff located across NZ, Australia and North America.



Photo 1: Steven Newman, CEO EROAD



Photo2: EROAD staff on stage accepting the 2019 Best Large Business in the Air New Zealand Cargo ExportNZ Awards.