



**EROAD**

**Market Release**

**27 February 2023**

### **Investor Day and Guidance Update**

Transportation technology services company EROAD Limited (NZX/ASX: ERD), with its purpose of safer and more sustainable roads, today provides the details of its Investor Day along with an update on its business performance and FY23 guidance.

#### **Investor Day**

CEO Mark Heine, CFO Margaret Warrington, President of North American business Akinyemi Koyi, and members of the EROAD operational management team will host an Investor Day on 21 March 2023 in Sydney, Australia from 1pm – 3pm AEDT. This will be a hybrid event for institutional investors and analysts, with further details to follow in due course.

Materials relating to the Investor Day will be posted on the NZX and ASX platforms and EROAD website on 20 March 2023.

The program will incorporate presentations on the Company's ongoing cost cutting program and pathway to positive Free Cash Flow, as well as the outcomes of its recent strategic review. This includes rationalising products and a more focused North America strategy.

Previously announced cost-cutting initiatives which commenced in August 2022 have so far reduced EROAD's operating costs by approximately \$10 million on an annualised basis. The Investor Day materials will provide an update on additional cost reduction initiatives targeting a further \$10 million, in addition to refocusing its Research & Development program.

#### **Update on FY23 Guidance**

Following recent trading performance, EROAD narrows its FY23 revenue guidance to between \$159m - \$164m (from \$154m - \$164m previously). Normalised EBIT is now expected to be between negative \$3m and negative \$6m (from between negative \$5m and breakeven previously). This is due to a combination of factors including a delay in the Sysco roll-out, increased one-off and inflationary costs, and the refocusing of the Research and Development program.

The Company's New Zealand and Australian businesses continue to deliver solid growth. This was evidenced by the recent signing of a five-year agreement with new Enterprise client, The Fonterra Co-operative Group Limited (Fonterra). EROAD has commenced equipping Fonterra's fleet of more than 500 milk tankers with fleet management solutions including telematics, eRUC, dual-facing dash cams, roll-over alert technology, and satellite communications.

EROAD will provide a further update on FY23 trading in the market release and at the Investor Day on 21 March 2023.

**ENDS**

Authorised for release to the NZX and ASX by Margaret Warrington, Chief Financial Officer.

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