



# EROAD

## Investor Presentation

23 June 2021

Please find attached the presentation to be given by Steven Newman, CEO at EROAD, to investors and shareholders via a live webinar hosted by Reach Markets at 12 p.m (AEST) on Wednesday, 23 June 2021. To participate, please register at: <https://reachmarkets.com.au/the-insider-mtc/>

### Ends

### About EROAD

EROAD Limited (ASX: ERD; NZX: ERD) ("EROAD") purpose is safer, more productive roads. EROAD develops and markets technology solutions to manage vehicle fleets, support regulatory compliance, improve driver safety and reduce the costs associated with operating a fleet of vehicles and inventory of assets. EROAD has a proven SaaS business model and is experiencing continuing growth in installed units and revenue. EROAD has operations in New Zealand, North America and Australia with customers ranging in size from small fleets through to large enterprise customers. For more information visit <https://www.eroadglobal.com/global/investors/>.

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**EROAD**

**THE INSIDER: MEET THE CEO'S LIVE WEBCAST**

**23 JUNE 2021 | STEVEN NEWMAN**

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# EROAD IS A HARDWARE ENABLED SAAS COMPANY WHO PIONEERED REGULATORY TELEMATICS

Purpose is **SAFER AND MORE SUSTAINABLE ROADS**

Provides **REGULATORY COMPLIANCE AND TELEMATICS SOFTWARE** to heavy and light vehicle fleets in New Zealand, North America and Australia

Develops **TECHNOLOGY SOLUTIONS** to manage vehicle fleets, support regulatory compliance, improve driver safety and reduce costs of operating a fleet of vehicles and assets

**126,203**  
CONTRACTED UNITS

**94.9%**  
ASSET RETENTION RATE

**\$58.30**  
MONTHLY SAAS ARPU

**CLARITY DASHCAM**



**EHUBO2**



**IN-VEHICLE HARDWARE**

**SAAS PRODUCTS**



**MyEROAD**



# THE GLOBAL TELEMATICS INDUSTRY POISED FOR SIGNIFICANT GROWTH

**THE GLOBAL TELEMATICS INDUSTRY IS ESTIMATED TO GROW TO US\$750B BY 2030<sup>1</sup>**

- Digital Transformation of the Transportation industry
- Acceleration towards road pricing
- Health & Safety focus continues to increase
- Government supported/mandated regulatory telematics solutions forecast to drive telematics adoption
- Number of post COVID-19 trends emerging

<sup>1</sup>Source McKinsey & Company (2018). Relates to global telematics plus the monetary value of the global ecosystem developing around monetizing vehicle data—including consumer vehicles.

# EROAD TODAY

## NEW ZEALAND

**↑9%**  
GROWTH IN UNITS  
(FY21: 87,892 FY20: 80,366)

**95.8%**  
ASSET RETENTION RATE  
(FY20: 96.1%)

**\$56.18**  
NZ MONTHLY SAAS ARPU  
(FY20: \$55.78)

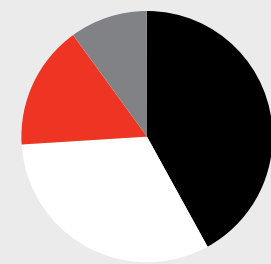
**\$38.8m**  
EBITDA  
(FY20: \$34.9m)

**87,892**

CONTRACTED UNITS

**45%<sup>4</sup>**

ENTERPRISE CUSTOMERS



**32%** CONSTRUCTION & CIVIL ENGINEERING  
**16%** FREIGHT & ROAD TRANSPORT  
**10%** AGRICULTURE/ FORESTRY  
**42%** OTHER

## NORTH AMERICA

**↑4%**  
GROWTH IN UNITS  
(FY21: 35,437 FY20: 34,002)

**92.8%**  
ASSET RETENTION RATE  
(FY20: 95.2%)

**US\$42.95**  
MONTHLY SAAS ARPU<sup>2</sup>  
(FY20: US\$41.94)

**\$10.0m**  
EBITDA  
(FY20: \$7.5m)

**35,437**

CONTRACTED UNITS

**30%<sup>4</sup>**

ENTERPRISE CUSTOMERS



**47%** FREIGHT & ROAD TRANSPORT  
**24%** CONSTRUCTION & CIVIL ENGINEERING  
**8%** SERVICES & TRADE  
**21%** OTHER

## AUSTRALIA

**745**  
UNITS ADDED IN FY21  
(FY21: 2,874 FY20: 2,120)

**\$(0.9)m**  
EBITDA  
(FY20: \$(1.3)m)

**AU\$33.16**  
MONTHLY SAAS ARPU<sup>3</sup>  
(FY20: AU\$35.86)

**VENTIA**  
LARGEST ENTERPRISE CUSTOMER SIGNED

**2,874**

CONTRACTED UNITS

**32%<sup>4</sup>**

ENTERPRISE CUSTOMERS

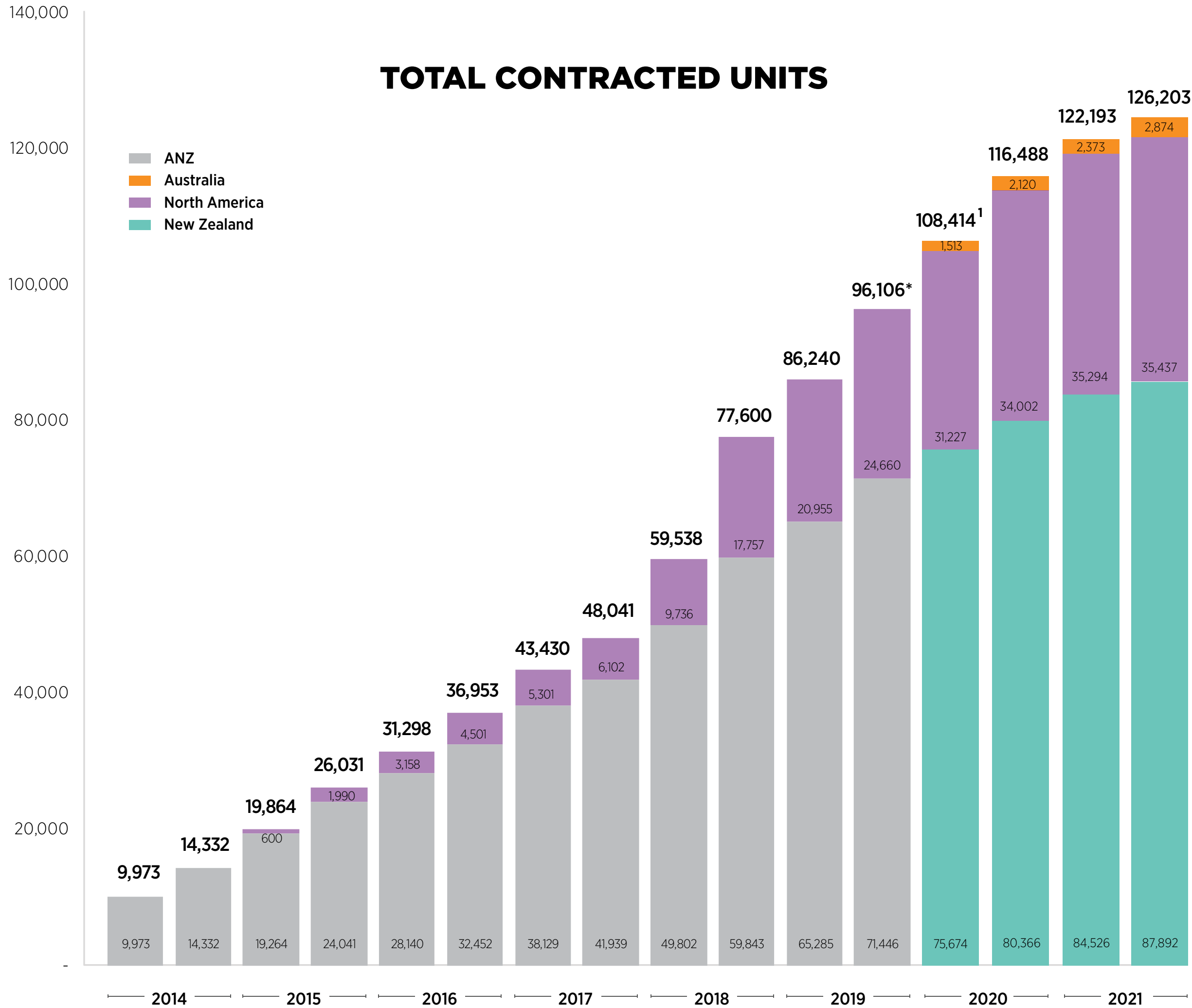


**44%** SERVICES & TRADE  
**16%** FREIGHT & ROAD TRANSPORT  
**15%** CONSTRUCTION & CIVIL ENGINEERING  
**25%** OTHER

<sup>2</sup>In NZ\$ ARPU fell from NZ\$65.73 to NZ\$65.03 reflecting FX impacts. <sup>3</sup>In NZ\$ ARPU fell from NZ\$37.28 to NZ\$35.50 reflecting a high proportion of trailer solutions sold in AU. <sup>4</sup>Enterprise customers is defined as fleet sizes of over 500 for North America and over 150 for New Zealand and Australia

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## TOTAL CONTRACTED UNITS



# 8% GROWTH SINCE FY20, DESPITE COVID-19

- Contracted units continued to grow across all regions
- However, slower growth rates across all markets, reflecting longer sales lead times

<sup>1</sup> North America units for FY19 are restated for data cleansing adjustments identified as part of the new business systems implementation

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# GROWTH THROUGH RETENTION AND ACCOUNT UPGRADES DESPITE UNCERTAINTY FOR OUR CUSTOMERS



**94.9%**

**ASSET  
RETENTION RATE**

**640**

**CUSTOMERS RENEWED  
THEIR EROAD PLAN**

(13,821 contracted units)



# GROWTH THROUGH ACCOUNT EXPANSION



Increases addressable market



Improved ARPU



Retention Tool

## EROAD CLARITY DASHCAM

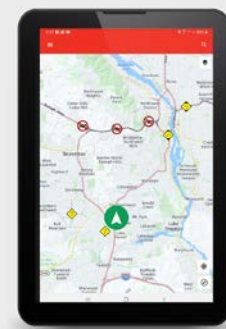
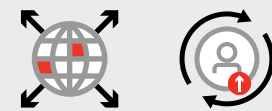
Dual facing dashcam. Integration of dashcam while Ehubo data and other key driver and vehicle statistics supports advanced driver coaching and accident exoneration in MyEROAD Replay



**1,054**  
SOLD IN MARCH  
(86 WHICH WERE  
NEW EROAD CUSTOMERS)

## EROAD GO

A workflow application that connects with the transport management system



**OPENS UP  
ADDRESSABLE  
MARKET**  
LONG SALES LEAD-IN TIMES

## EROAD DAY LOGBOOK

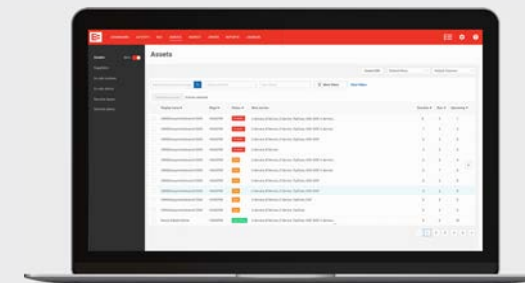
Simplifies fatigue management by enabling drivers to capture work and rest hours via a smart phone or tablet



**6,407**  
DRIVERS SUBSCRIPTIONS  
(515 WHICH ARE  
STANDALONE)

## MyEROAD FLEET MAINTENANCE

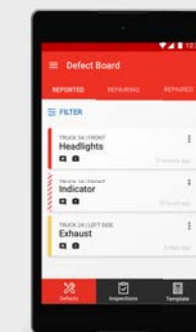
Simplifies vehicle maintenance with automated service schedule based on time lapsed, distance travelled or engine hours, plus a full service history archive



**5,647**  
IN-CAB SERVICE ALERTS  
**5,818**  
PRE-TRIP COMMS

## EROAD INSPECT

Makes vehicle inspections easy, capturing defects with your mobile device, and providing transparent and traceable inspection information



**10,490**  
DRIVERS SUBSCRIPTIONS  
**OVER 306**  
CUSTOMERS

## EROAD WHERE

Affordable Asset Tracking



**5,060**  
SOLD TO  
**OVER 164**  
CUSTOMERS

# STRATEGIC PRIORITIES ACROSS OUR MARKETS

## STILL SIGNIFICANT GROWTH OPPORTUNITIES IN NEW ZEALAND

- Grow connected units to 100,000 over the next 18 months
- Extend product offering in Civil Engineering, Government fleets, Health & Safety, Electric vehicles, carbon footprint reduction initiatives and ESG reporting
- Increase APRU by selling additional SaaS and mobile services to existing customers
- Extend the range of telematics solutions beyond trucks and commercial light vehicles into off road vehicles and small assets
- Leverage EROAD's customer ecosystem to create new value

## FOCUSED ON INCREASING THE ADDRESSABLE MARKET IN NORTH AMERICA

- Grow connected units to 50,000 over the next 18 months
- Extend product offering in the freight, road transportation fleets and the areas of health & safety
- Extend the range of telematics solutions beyond trucks into trailers and associated light duty vehicles and large assets
- Pursue Enterprise opportunities
- Grow monthly run rate business in small to medium sized fleets
- Support National Road User Charging pilot for heavy vehicles

## BUILDING BRAND IN AUSTRALIA

- Grow number of connected units to 10,000 over the next 18 months
- Extend product offering in the Civil Engineering, Government fleets, areas of driver fatigue, health & safety and vehicle service & maintenance
- Establish AU based leadership team to support Enterprise and market development activities
- Pursue Enterprise opportunities
- Grow monthly run rate business in small to medium sized fleets
- Increase EROAD's Brand awareness using targeted digital marketing
- Support National Road User Charging pilots and transport regulatory development using telematics technology

**CONTINUED R&D AND STRATEGIC PARTNERSHIPS TO EXTEND PLATFORM AND FILL ANY PRODUCT GAPS**

**ENHANCED SALES AND MARKETING DELIVERY**

**CONSIDER STRATEGIC INORGANIC GROWTH OPPORTUNITIES**

# QUESTIONS & ANSWERS

