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AoFrio 3Q26–Performance Update

AoFrio Limited (AOF), the global leader in hardware-enabled insights for the commercial refrigeration industry, today announced its results for the nine months ended 30 September 2026, including the third quarter (3Q26). All figures are in New Zealand (NZD) dollars, unless otherwise stated.

Key 3Q26 Highlights

- The company received its first purchase orders from major US bottlers for SCS 800 and AoFrio iQ.
- Nine-month revenue fell -20% to \$50.3 million, and EBITDA was \$0.8 million, compared with \$2.7 million in the corresponding 2025 period.
- 3Q26 revenue was \$16.6 million, down -17% on 3Q25.
- IoT revenue for the nine-month period was largely consistent with last year, up \$0.2 million at \$33.8 million.
- The 70-store Food Retail roll-out in Latin America is progressing well, with the customer discussing expansion to additional stores.
- AoFrio expects FY26 revenue of around \$73 million and EBITDA of around \$3 million.

Financial Performance

Year to date revenue for the nine months ended 30 September was \$50.3 million, -\$12.6 million lower than the same period last year. Motors revenue fell 43.7% (\$12.8 million) to \$16.5 million, accounting for the decline. IoT revenue was \$33.8 million, compared with \$33.6 million in 2025.

Revenue for 3Q26 was \$16.6 million, down -17% on 3Q25. IoT revenue was \$10.6 million (3Q25: \$11.9 million) and motors revenue was \$6.0 million (3Q25: \$8.1 million).

As previously disclosed, AoFrio's largest US motor customer moved to local sourcing due to higher tariffs, and other motor customers shifted towards lower-specification, lower-cost motors. AoFrio is responding by sourcing lower-cost components for its existing motor specification and developing a new lower-cost motor. Both initiatives are expected to take effect in early 2027.

EBITDA for the nine months was \$0.8 million, compared with \$2.7 million in 2025. The reduction was driven by lower motors gross profit, which fell to \$3.3 million from \$5.5 million. Gross margin increased to 34.4% from 31.3% as the revenue mix shifted towards higher-margin IoT. Operating expenses were flat with the prior period at \$23.6 million.

"AoFrio is a business in transition, as reflected in the year-to-date results. Motors revenue continues to disappoint as US tariff policy weighs on demand. Year-to-date IoT revenue is slightly ahead of the corresponding period last year, and gross margin is up as our revenue mix shifts," says AoFrio Chair John Scott.



Growing Leadership Position in Cold Drink Equipment (CDE)

The SCS 800 cellular "Always On" controller and the AoFrio iQ Insights platform launched commercially in June 2026. Together they give customers the data and workflows to manage their cooler fleets more effectively and are positioned to support AoFrio's growth in all markets.

AoFrio received its first SCS 800 and AoFrio iQ purchase orders from major US bottlers in 3Q26 and expects cellular revenue to increase significantly in 2027 as current proof-of-concept trials are completed and, where successful, convert to commercial orders.

The Total Addressable Market for SCS 800 and AoFrio iQ across the US and Europe is estimated at 700,000 units per annum.

AoFrio has finalised commercial pricing for AoFrio iQ, including additional tiers that give customers more functionality and greater value. In October 2026, the company launched Ask iQ, an AI-enabled feature that lets customers ask questions of their fleet data in plain language.

"Revenue from SCS 800 and Gateway products, our cellular connectivity devices, amounted to \$3.2 million, or around 9.5% of total IoT revenue for the first nine months of the year. More than thirty customers have been onboarded to AoFrio iQ through early pilots. We've worked hard to add more value to the platform, and with the launch of Ask iQ, we're first to market with AI-enabled fleet insights for commercial refrigeration," says AoFrio CEO Greg Balla.

Diversification Strategy: Food Retail

AoFrio iQ for Food Retail is a food safety and compliance solution, providing temperature monitoring, automated alerts and digital compliance records for supermarket and convenience store operators. In April, the company secured its first Food Retail order from a leading Latin American supermarket chain. The 70-store roll-out is progressing well, and the customer is discussing extending the solution to more of its stores. Genevieve Clark, who held the role of Vice President Product & Marketing, has been appointed Interim General Manager, Food, and recruitment of sales specialists is underway, with Food Retail to operate as a stand-alone business unit once revenue supports it.

Outlook

AoFrio expects full-year 2026 revenue of around \$73 million, \$10 million lower than 2025, and EBITDA of around \$3 million. This implies fourth-quarter revenue of approximately \$22.7 million and EBITDA of \$2.2 million. Demand in the final quarter is harder to forecast, as major bottlers typically finalise cooler purchase budgets and select OEM suppliers late in the year. Selected OEMs must then secure components for 1Q27 production around the Chinese and Vietnamese New Year holidays. The company expects IoT hardware revenue to lift in 2027 as SCS 800 expands into new geographies, with additional recurring software revenue as the AoFrio iQ platform deploys and scales.

"Following strong shareholder support for AoFrio's growth strategy, the company has begun carefully deploying the capital raised to accelerate growth in Cold Drink Equipment and to implement the go-to-market plan for Food Retail. These initiatives are progressing well, and we expect to see these contribute to sustainable growth in 2027," says Scott.

**EBITDA (i.e., Earnings before interest, taxation, depreciation, amortisation, and impairment) is a non-GAAP earnings figure that equity analysts tend to focus on for comparable company performance analysis. AoFrio considers it a valuable financial indicator because it avoids the distortions caused by differences in amortisation and impairment policies.*

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