EROAD

24 November 2026

EROAD Reports H1 FY27 Result
Meaningful progress on transformation to restore performance and deliver value

Leading transportation technology services company EROAD Limited (NZX/ASX: ERD), today released its results for the six months ended 30 September 2026 (H1 FY27), as it continues to execute on its transformation strategy.

The first half has focused on addressing core operational fundamentals, with initiatives underway across operations, product, customer experience, AI capability and eRUC expansion. H1 FY27 financial results are in line with Board and management expectations, with the benefits of current transformation initiatives expected to be realised from FY28.

EROAD Chair, John Scott, commented: "EROAD is continuing a significant reset of its business with our transformation strategy focused on restoring performance and delivering sustainable value for shareholders.

"We are prioritising growth in our core New Zealand and Australian markets, while improving performance and cash generation in North America. At the same time, we are positioning EROAD to capitalise on significant longer-term opportunities including electronic road user charging (eRUC).

"With David Leach joining as CEO in October, we have strengthened the leadership of the business as we move into this next phase. The Board is confident in the direction of the business and the team's ability to execute, while recognising that delivering the full benefits of the transformation will take time. We still have work to do but we are making real progress."

H1 FY27 Summary

All numbers are stated in New Zealand dollars (NZ$). Comparisons relate to the prior comparative period (pcp) being six months ended 30 September 2025 (H1 FY26) unless otherwise stated.

- Revenue of $98.1m was down 1.0% on pcp, with 66.3% growth in Australia and 1.5% growth in New Zealand, offset by a decline in North America due to the annualised impact of a large customer non-renewal as previously advised. A/NZ markets contributed approx. 67% of group revenue.
- Annualised Recurring Revenue (ARR) was $171.7m, down 3.6% on pcp, with strong growth in Australia (+59.4% YoY) offset by revenue contraction in North America as the business focuses on targeted sectors (down 20.2%) and a small YoY reduction in New Zealand.
- Normalised Free Cash Flow (to the firm) (FCFF) was $0.8m (H1 FY26: $16.7m), with the YoY decrease driven by investment supporting a large enterprise customer rollout and the non-repeat of certain prior-year cash timing benefits. Second half FCFF is expected to improve on the first half, as the benefit of annual customer payments are received.

- Normalised EBIT[1] remained positive at $2.1m (H1 FY26: $2.5m), with a 7.0% increase in operating costs reflecting targeted investment, transformation activity and increased provisioning. Reported EBIT was $(8.7)m compared to $(133.9)m in pcp which included a $134.7m non-cash impairment. Net Loss After Tax was $(12.1)m (H1 FY26: $(144.2)m).
- Strategic initiatives in H1 FY27: embedded regional operating model, refocus on core ANZ markets, refreshed board, and David Leach appointed new CEO from October 2026 to support recently established leadership team.
- Customer initiatives in H1 FY27: delivery of large enterprise customer rollout in Australia; appointment of new Chief Customer Officer to lead customer excellence programme; work underway to deliver better quality billing; and faster customer setup.
- EROAD is pleased to reaffirm its commitment to delivering positive reported FCFF for FY27 whilst continuing to invest in transformation initiatives and a large enterprise customer rollout, with FY27 reported FCFF guidance of $1m–$8m**.**

Regional performance

New Zealand remains a strategically important, cash-generative market for EROAD, with significant platform value and further long-term growth potential. Performance was stable during the six months, with revenue growth of 1.5% to $52.9m and ARR of $91.9m. Second half priorities remain cashflow generation, customer focus, operating leverage and disciplined capital management.

Australia is the growth engine for EROAD and delivered a 66.3% increase in revenue to $13.3m, and ARR of $24.2m, a significant uplift on pcp. A key achievement has been the delivery of a large customer rollout, demonstrating EROAD's capability at enterprise scale. Second half priorities are to expand the sales presence and drive momentum. The company has identified multiple product expansion opportunities to support continued growth.

North America remains challenging, however the reset has resulted in a smaller, focused model in segments where EROAD has a genuine advantage, such as cold chain. Revenue declined 18.2% to $31.9m and ARR declined 20.2% to $55.6m. Integration of the Coretex business is progressing as part of the wider transformation programme. Second half priorities for North America are to continue to rebuild customer relationships and win share in targeted segments, and resolving legacy issues.

Outlook and FY27 Guidance

EROAD will continue to execute on its transformation plan, with the benefits of current initiatives to be realised in FY28. In particular, the company expects to see a steady performance in New Zealand, continued growth in Australia driven by the increased sales presence, and stabilisation in North America as the customer base is rebuilt.

[1]EROAD presents certain non-GAAP financial measures, including ARR, EBIT, normalised EBIT and free cash flow (to the firm). Normalised EBIT excludes non-cash changes in accounting estimates of $7.8m (capitalisation policy $1.2m; shortened useful lives of intangibles $6.6m) and one-off transformation and eRUC costs of $3.0m. Normalised free cash flow (to the firm) excludes one-off transformation and eRUC investment of $3.9m. A reconciliation of non-GAAP measures to reported results is included in the H1 FY27 investor presentation.

The Board has reaffirmed its commitment to positive FCFF for FY27, whilst continuing to invest in transformation initiatives and a large enterprise customer rollout. FY27 guidance is for revenue of $192m–$196m, ARR of $165m–$171m and reported FCFF of $1m–$8m.

CEO, David Leach, said: "EROAD is at a turning point as we transform the company to deliver on its potential. Better and faster businesses can win against global giants, and EROAD has the foundations and a credible pathway to become a stronger, more competitive business.

"While our immediate focus is on executing the transformation plan, over time these changes will become part of how we operate every day. Continuous innovation and evolution are in the DNA of successful technology businesses, and we need to embed that mindset across EROAD.

"Our people will be critical to our success. We are building a culture of accountability, with clearer priorities, stronger performance measures and a sharper focus on delivering results for customers and shareholders. We have the ambition to compete with the best, and our focus is on turning that ambition into consistent execution and sustainable long-term value."

H1 FY27 results investor webinar:

EROAD will be hosting an investor webinar today at 12.00pm NZT / 10.00am AEDT. Details for the webinar can be viewed here: https://www.nzx.com/companies/ERD/announcements?year=2026.

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Authorised for release to the NZX and ASX by EROAD's Board of Directors.

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