

# ORCODA Limited (ASX:ODA) acquires Future Fleet

*Future Fleet is Australia's leading GPS fleet management solution provider*

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## Highlights

- [ORCODA](#) Limited has entered into a share purchase agreement to purchase 100% of the shares in [Future Fleet International Pty Ltd.](#)

- Future Fleet, established in 2003 and based in Brisbane, is a world-class provider and innovator of advanced fleet management systems. The company, which has their devices and services in over 6,400 vehicles nationwide, boasts a ~A\$3.5 revenue in FY22 and will substantially increase ORCODA's recurring revenue.



ORCODA acquires Future Fleet, who are Australia's leading GPS fleet management solution provider



Future Fleet is a perfect fit into ORCODA as we integrate our technology with Future Fleet's telematics devices to provide optimisation and real-time management capabilities to our customers."

*Geoff Jamieson, Managing Director of Orcoda*

- The total purchase price for the acquisition is A\$1.39m plus stock at value, which includes a A\$600k cash element, A\$500k share issue of ODA ordinary shares, and a A\$290k earn out clause tied to Future Fleet's EBIDTA.
- Substantial sales opportunity in the 3G migration project and cross-selling with ORCODA and The Betta Group for existing and new customers
- ORCODA intends to fund the cash components of the purchase from its existing cash reserves without new equity or debt financings.

ORCODA (ASX:ODA), a leading provider of transport logistics management solutions, is excited to announce the

acquisition of Future Fleet, a globally recognised innovator in advanced fleet management systems. This strategic move marks a significant expansion of ORCODA's Healthcare & Transport Logistics division and reinforces its commitment to delivering cutting-edge solutions to

customers worldwide.

## Future Fleet

Future Fleet, established in 2003 and based in Brisbane, has established itself as a key player in the fleet management industry, boasting an impressive 250+ customers that run over 6,400 vehicles. The company has generated approximately A\$3.5 million in revenue during the fiscal year 2022, solidifying its position as a market leader in Australia.

Future Fleet caters to various industries, including transport, mining, services, government, farming, and private sectors. Its comprehensive suite of products and services includes vehicle tracking devices, telematics, cold chain temperature monitoring and control solutions, driver safety monitoring solutions powered by AI for fatigue and distraction detection, and car-pooling management solutions.

## Synergy

With this acquisition, ORCODA aims to leverage Future Fleet's expertise and combine it with their own ORCODA Logistics Management System (OLMS) to offer customers optimised and real-time management capabilities. By integrating Future Fleet's telematics devices and ORCODA's advanced software solutions, the company will unlock new opportunities to accelerate customers' digital transformation journey. There is also a substantial sales opportunity in the 3G migration project and cross-selling with ORCODA and its subsidiary - The Beta Group - for existing and new customers.

Geoff Jamieson, the Managing Director of ORCODA, expressed his enthusiasm about the acquisition, stating, "Future Fleet is a perfect fit into our Healthcare & Transport Logistics division as we integrate and combine our proprietary ORCODA Logistics Management System (OLMS) with Future Fleet's telematics devices to provide optimisation and real-time management capabilities to its customers. I expect significant cross-selling opportunities as we serve similar market segments, and our combined hardware and software offerings will be welcome by our target customers as they seek to accelerate their digital transformation journey."

The infographic is divided into two main sections. The top section, titled 'FUTURE FLEET PRODUCT SOLUTIONS', features a central image of a white truck. Surrounding the truck are various icons and labels representing different services: 'Solar Powered Tracking', 'Telematic Sensors including open/close door, additional temperature zones etc', 'Temp Probes', 'Smart DVR Control Unit', 'Driver Coaching', 'Side and Trailer Cameras Up to 8', 'SX-01', 'Cold Chain Telematics with optional Iridium Satellite Connectivity', 'Carrier', 'In-Cab Command Tablet', 'Pedestrian Vision Alerting', 'Fit for Duty', 'Fatigue & Distracted Driver Camera Monitoring', 'Driver & Roadside Facing', and '4G and satellite services'. The bottom section, titled 'FUTURE FLEET SELECTED CUSTOMERS', shows a map of Australia with a network of yellow dots representing vehicle locations. To the left of the map are logos for various companies: ALSCO, pacificnational, TOLL Operations Australia and NZ, TRANSLink, Keolis Downer, NORTHERN BEACHES, HORNBERGER, Clarks, Kangaroo Bus Lines, and Bluebird. Text at the bottom of the map reads 'Real-Time Tracking Map. Customer vehicles (including toll) using Future Fleet's software platform'.

## The Purchase

The acquisition was finalised through a share purchase agreement, with ORCODA purchasing 100% of the shares in Future Fleet International Pty Ltd. The total purchase price for the acquisition amounts to A\$1.39 million, comprising a cash element of A\$600,000, a share issue of ODA ordinary shares valued at A\$500,000, and an earn-out clause of A\$290,000 tied to Future Fleet's EBITDA performance.

ORCODA intends to fund the cash components of the purchase from its existing cash reserves, eliminating the need for new equity or debt financing. This highlights the company's strong financial position and its commitment to executing strategic acquisitions to drive growth.

Financially, Future Fleet achieved approximately \$3.5 million in revenue and \$0.5 million in EBITDA for the fiscal year 2022, with a significant portion of its income coming from recurring monthly software fees.

The purchase price for the acquisition amounts to \$1,390,000, which includes the estimated stock at the closing, valued at approximately \$210,000. The settlement will be conducted in multiple components, including \$600,000 in cash, to be funded from ORCODA's existing cash reserves, and \$500,000 worth of new ORCODA ordinary shares issued at \$0.25 per share, subject to a 12-month escrow period. Additionally, an earn-out of \$290,000 will be paid in two instalments based on Future Fleet's EBITDA performance.

The acquisition is subject to satisfactory due diligence and is expected to be completed in July 2023.

Susan Dobell

Orcoda

0404988860

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