

25 April 2023

## EUROWAG

### Trading Update

#### A strong first quarter, with the integration of Inelo underway

W.A.G payment solutions plc ("Eurowag", or the "Group") a leading pan-European integrated payments and mobility platform focused on the Commercial Road Transportation ("CRT") industry, today announces its trading update for the three-month period ending 31 March 2023.

#### Martin Vohánka, CEO and Founder said:

*"Eurowag has delivered a strong first quarter, maintaining the momentum we saw at the start of 2023. These results further highlight the resilience of our business model and the importance of our solutions to our customers. In-line with our strategy, we continue to focus on growing our footprint and services through organic and selective inorganic opportunities. With the completion of Inelo we have expanded into important new geographies and brought leading fleet management solutions and Working Time Management software into our product suite.*

*We have a lot to do this year and our focus remains on integrating the businesses we acquired over the last twelve months so we can capture the expected revenue and cost synergies and deliver our vision of providing a fully integrated end-to-end platform. We are also committed to reducing our leverage to within the 1.5x-2.5x net debt to adjusted EBITDA guidance range in the near term. Our platform continues to be enhanced through our transformational capex programme, which is on track to finish at the end of the year. All this alongside a strong first quarter, continues to give me confidence in delivering the medium term-guidance."*

#### Financial highlights

- First quarter net revenue grew 30.7%, to €52.2<sup>1</sup> million, which was supported by continued organic growth driven by our resilient business model and our mission critical services and attractive contributions from acquisitions.
- First quarter organic net revenue grew 16.6% to €46.5 million, in-line with management expectations.
- If we had acquired Inelo at the start of the year, first quarter net revenue contribution to the Group would have been €11.1 million.
- Last twelve months organic net revenue grew 19.7% to €189.4 million.

	Net revenue (€m)		Year-on-year growth (%)	Organic revenue (€m) <sup>2</sup>	Organic year-on-year growth (%)
	Q1 2023 <sup>1</sup>	Q1 2022			
Payment solutions	35.9	30.1	19.4	35.4	17.8
Mobility solutions	16.2	9.8	65.1	11.1	12.8
<b>Total</b>	<b>52.2</b>	<b>39.9</b>	<b>30.7</b>	<b>46.5</b>	<b>16.6</b>

	Net revenue (€m)		Year-on-year growth (%)	Organic revenue (€m) <sup>2</sup>	Organic year-on-year growth (%)
	12 months to 31 March 2023	12 months to 31 March 2022			
Payment solutions	140.7	116.6	20.7	139.2	19.3
Mobility solutions	62.4	41.7	49.7	50.3	20.5
<b>Total</b>	<b>203.1</b>	<b>158.3</b>	<b>28.3</b>	<b>189.4</b>	<b>19.7</b>

Notes: 1. Net revenues include 15 days contribution from Inelo following the completion of the acquisition.

2. Organic revenues exclude the contribution from Webeye and Inelo.

## Operational highlights

- Revenue growth continues to be supported by strong non-financial KPI performance:
  - The average number of payment solutions active customers rose from 16,221 in Q1 2022 to 17,843 in Q1 2023, representing 10.0% year on year growth.
  - The average number of payment solutions active trucks rose from 87,085 in Q1 2022 to 91,288 in Q1 2023, representing 4.8% year on year growth.

## Strategic highlights

### Completion of Inelo

On the 15<sup>th</sup> of March, following receipt of Eurowag shareholder approval, the Group completed the acquisition of Inelo and the integration of the company commenced. Following a significant planning exercise prior to closing, the Group has focused on welcoming our new colleagues and customers, integrating our commercial teams and started actioning on our detailed roadmaps. At completion Inelo had around 87,000 connected trucks<sup>3</sup>. The Group remains on track to extract the synergies anticipated from the acquisition and deliver double-digit adjusted earnings accretion in the first full year of ownership.

3. Inelo's connected trucks represent the number of medium and heavy commercial vehicles over 3.5 tonnes that have an Inelo on-board unit installed within the vehicle.

### Sustainability

As part of the refinancing project last September for our new Multicurrency Term and Revolving Facilities Agreement, we have been negotiating with the lenders to include some of our medium term ESG targets within the KPIs. These ESG targets include reduction of GHG emissions for us as a business and our customers and female leadership in the organisation. The agreement, which is soon to conclude, will include applicable margin adjustments relating to our committed facilities, should we meet or not meet our ESG targets. The first applicable year will be from FY 2024, based on FY 2023 results. This commitment will further drive incentivization across our organization to ensure we meet our targets and shows our commitment to making the industry clean, fair and efficient.

## Outlook

There has not been any significant deterioration in the economic and macro environment since the Group confirmed its medium-term guidance at the year-end results on the 16 March 2023. As a result, with Eurowag's strong first quarter performance, the Board have confirmed the Group's medium-term guidance.

## **Directorate changes**

The Group is pleased to announce the appointment of Steve Dryden, as an Independent Non-Executive Director of the Company with effect from 1 June 2023. He will also be appointed as the Chairman of the Audit and Risk Committee, and as a member of both the Remuneration Committee and the Nomination Committee, with effect from the same date.

Steve is a highly regarded and experienced business leader who brings significant financial and audit leadership experience and business acumen to the Board. Most recently, he served as Chief Executive Officer of Flint Group Holdings SARL and has previously held the position of Group Finance Director of DS Smith plc. Steve achieved his professional accountancy qualifications with PriceWaterhouse and holds a degree in chemical engineering from Leeds University.

The Group further announces that Caroline Brown does not intend to seek re-election to the Board at the Company's Annual General Meeting ('AGM') on 11 May 2023. Caroline will formally retire from the Board at the conclusion of the AGM to pursue other business interests.

You can find the full press release on the directorate changes on the corporate website <https://investors.eurowag.com/investors/regulatory-news/>

## **ENQUIRIES**

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## **About Eurowag**

Eurowag was founded in 1995 and is a leading pan-European integrated payments & mobility platform focused on the commercial road transportation industry. Eurowag's innovative solutions makes life simpler for small and medium businesses in the Commercial Road Transportation industry across Europe through its unique combination of payments solutions, seamless technology, a data-driven digital eco-system and high-quality customer service. [www.eurowag.com](http://www.eurowag.com)