

# W.A.G payment solutions plc Interim results 2023

7 September 2023

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# Agenda



**1** Introduction and highlights

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**2** Financial results

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**3** Strategic update

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**4** Summary and priorities

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**5** Q&A

# Introduction and highlights

Martin Vohánka / Founder and CEO

# 2023 H1 highlights

## Strong financial performance

### Net revenue

**€119.1m**

+36.9% YoY  
organic growth +14.4% YoY

### Adjusted EBITDA

**€50.2m**

+43.5% YoY and 42.2% margin  
organic growth +21.6% YoY

### H1 23 net leverage

**2.9x**

- Robust organic double-digit growth; demonstrating resilience of our business model
- Macroeconomic headwinds impacted the CRT industry across Europe:
  - High inflation and interest rates
  - Slowdown of product manufacturing and freight demand= Less kilometres driven
- Adapting business operations beyond restrictions imposed by sanctions on Russia, impacting fuel pricing in some markets
- Growing customer base, geographic expansion and cross-sell opportunities underpin the progress we made in the first half of the year
- Successful completion of Inelo acquisition and rapid integration of Webeye underway

# Progress towards building our integrated end-to-end digital platform

To make commercial road transport clean, fair and efficient

## Attract



Be in every truck

- 3<sup>rd</sup> OEM deal signed, expanding our indirect partnership
- Webeye sales team integrated, one agile sales team

## Engage



Drive customer centricity

- Improving customer self-care portal; support end-to-end digital user experience
- Mobile payments roll-out doubled to 800 acceptance points

## Monetise



Grow core services

- EETS certification in the Czech Republic and Hungary
- Maintained strong net average revenue retention >110%

## Retain



Expand platform capability

- Continue to develop our financial platform capability, for e-wallet launch
- ERP implementation on track for Q1 24 launch

Continue to build and strengthen our people capabilities, supporting us on our digital journey

# Financial results

Oskar Zahn / CFO

# 2023 H1 financial highlights

€ million	H1 2023	H1 2023 organic	H1 2022	YoY%	YoY% organic
<b>Net revenue</b>	<b>119.1</b>	<b>98.3</b>	<b>87.0</b>	<b>+36.9%</b>	<b>+14.4%</b>
<i>Payment solutions</i>	72.4	71.4	63.5	+14.1%	+12.5%
<i>Mobility solutions</i>	46.7	26.9	23.5	+98.6%	+19.9%
<b>Adjusted EBITDA</b>	<b>50.2</b>	<b>42.6</b>	<b>35.0</b>	<b>+43.5%</b>	<b>+21.6%</b>
<b>Adjusted EBITDA margin</b>	<b>42.2%</b>	<b>43.3%</b>	<b>40.2%</b>	<b>+1.9pp</b>	<b>+2.5pp</b>

€ million	H1 2023	H1 2022
Investing activities: Capex and M&A <sup>1</sup>	297.0	47.5
<i>Transformational capex</i>	11.7	13.3
Net cash/debt	(300.9)	28.7
Net leverage <sup>2</sup>	2.9x	(0.15)

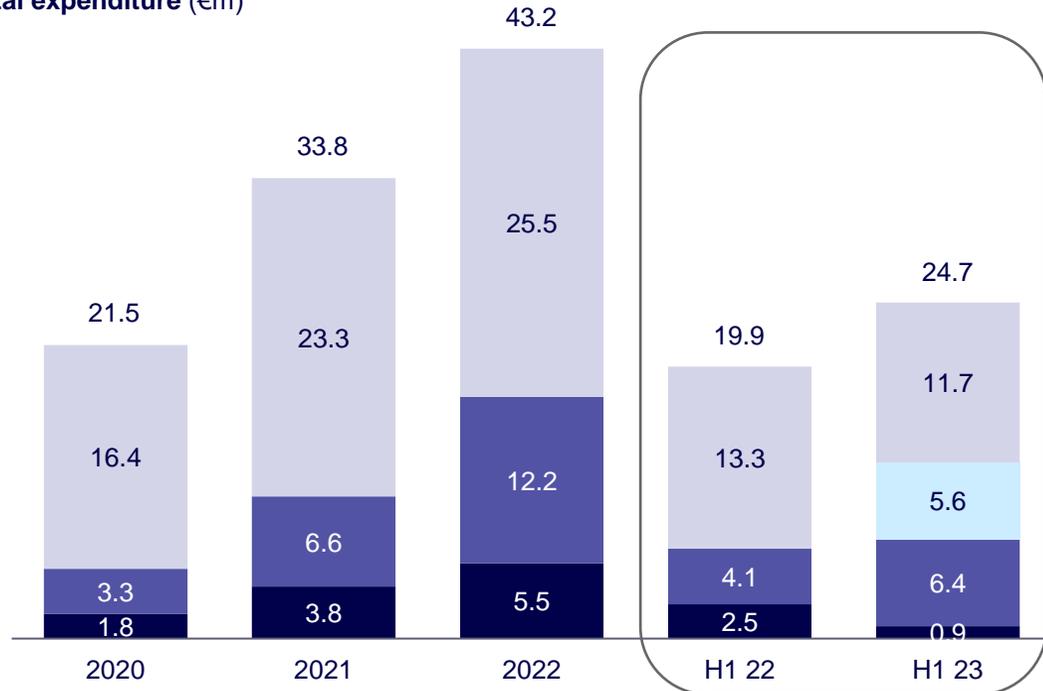
- Strong net revenue growth; robust underlying performance and contribution from acquisitions
- Organic revenue growth of 14.4%, driven by:
  - Strong organic growth in mobility solutions of 19.9%;
  - Offset by lower growth in active trucks and fewer kilometers driven.
- Excluding FX gain, organic adjusted EBITDA growth +4.6%, as result of organic costs increasing 21.2%
- Continued investment in digital transformation and acquisitions
- As expected, net leverage increased to 2.9x net debt to Adjusted EBITDA<sup>2</sup>

# Adjusted EBITDA growth supported by M&A; investing in business transformation



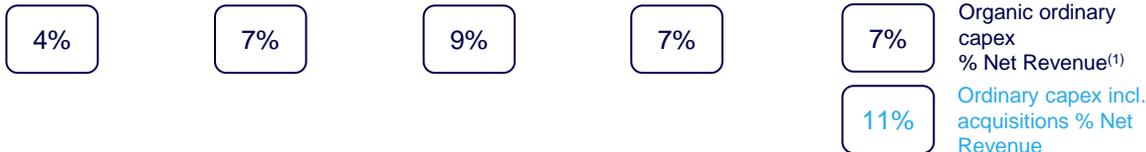
# Technology transformation programme on track to complete end of FY23

Capital expenditure (€m)



■ Infrastructure Capex  
■ Ordinary Capex (inorganic)

■ Ordinary Capex (organic)  
■ Transformational Capex



## Change in capex mix following acquisitions

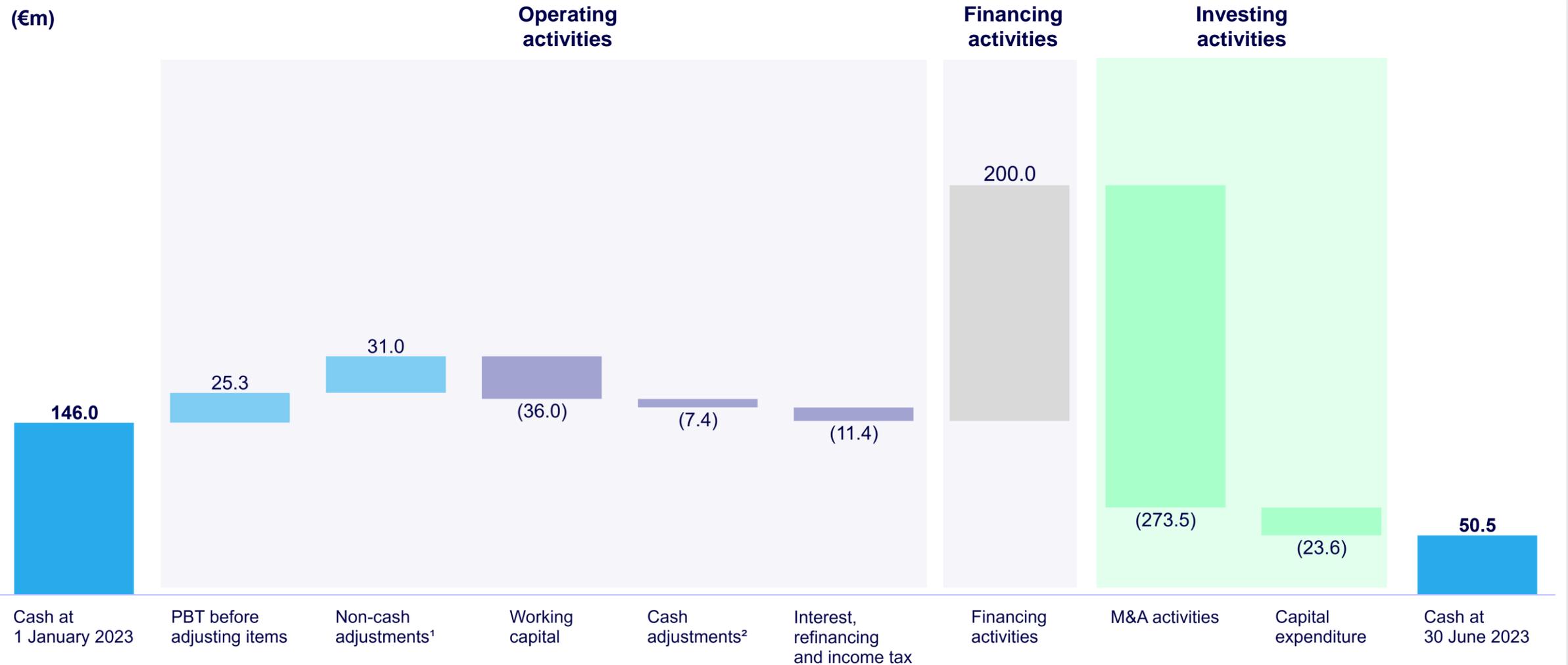
- H1 23 €5.6m ordinary capex spend on Inelo and Webeye
  - ~ 40% is spent on onboard units (OBUs)
- Capex mix change; ~26% of ordinary capex spend on OBUs
- Ordinary capex excluding OBU investment is ~8%

## Updated capex guidance

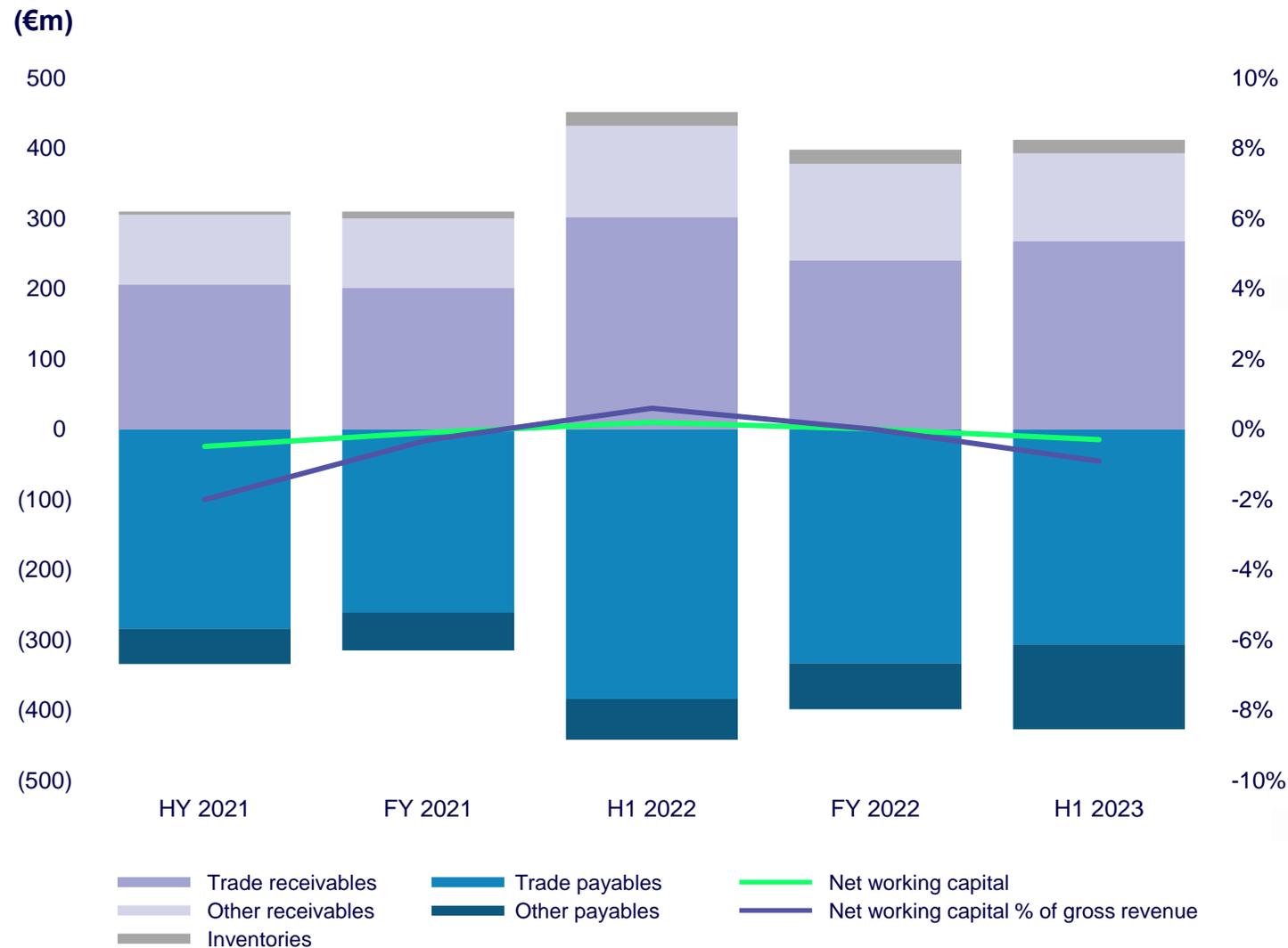
- €50m cumulative transformational capex programme for 2022-2023 on-track to complete end of FY23
- Ordinary capex guidance to move to around 10% of net revenues
- Through integrations and move to single platform, duplications across IT, hardware, and technology will reduce over time

# Record investment year

(€m)



# Stable net working capital despite growth of business



- As a percentage of gross revenue<sup>1</sup>, net working capital is small
- Remained stable despite growth of business
- Trade receivables increased in H1 23 due to seasonality, with December being our quietest month
- Trade payable movements in the H1:
  - Reduction in trade payables due to fuel price -18%
  - Other payables increased mainly due to Inelo deferred consideration

# Increase in net debt driven by acquisitions and business transformation investment



## Net debt movements in the first half of the year

- Acquisitions relate to payments made to Inelo on completion and payments related to Webeye
- As expected, net leverage increased to 2.9x

## Medium-term guidance

- Committed to deleverage back within target
- Medium-term net debt to adjusted EBITDA guidance remains at 1.5x–2.5x

# Updated medium-term financial guidance



## Net revenue

- Near term, market headwinds expect growth rates to be around mid-teens %
- Medium-term, value creation from platform and acquisition synergies extracted, return to high-teens %



## Adjusted EBITDA %

- FY23 margin levels expected to be in-line with FY 2022 at around 43%
- Medium-term guidance unchanged



## Capex

- €50m transformational programme to complete this year
- Ordinary capex to move to around 10% of net revenues, given higher contribution from Inelo and Webeye



## Leverage target

- Committed to return to within leverage target range of 1.5x–2.5x

# Strategic update

Martin Vohánka / Founder and CEO

# Good progress made on our strategic priorities; integration and platform delivery

Our purpose

To make commercial road transport clean, fair and efficient

Strategic pillars

Attract



Be in every truck

Multi-channel sales model

Engage



Drive customer centricity

Integrated digital customer experience

Monetise



Grow core services

Cross-sell and drive sustainability

Retain



Expand platform capability

Building load and financing platforms

Enabled by

Digital transformation

Embedded sustainability

Data-driven decisions

Capability focused organization

Delivery on M&A strategy

# Post merger integration roadmap

## Integration phases

Integrate key corporate functions

Integrate sales teams

Internal systems and process integration

Product bundles

Hardware unification



Migration onto new platform

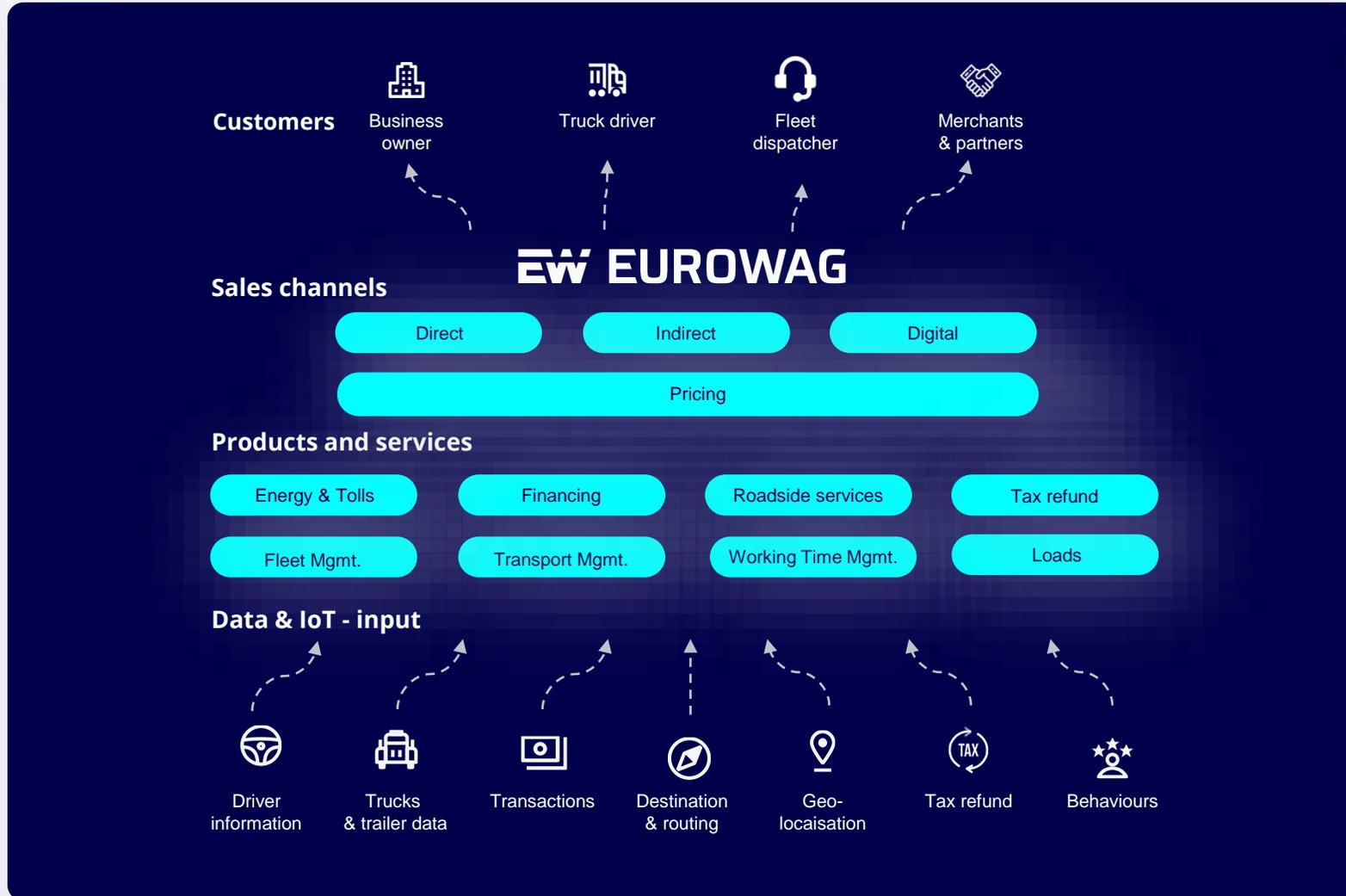
Phase to start in:

 FY23

 FY24

 FY25

# Investing in our integrated end-to-end digital platform



## Enhancing our sales channels

- Enhancing our customer self-care portal to support our digital sales channel
- Customer journey mapping for new platform

## Expanding product and services capabilities

- Scaling and expanding our Toll / EETS product
- Investing in our financial platform for the launch of our e-wallet

## Building a cloud-based data system

- Building our tech foundation through ERP implementation
- Consolidating data into a data lake

# Creation of an industry-unique data platform



# Unlocking further value for customers

Continue to grow



Current solutions

**Efficiency, savings & convenience**



With new capabilities



Finance solutions

**Cashflow improvements**



Loads solutions

**Revenue increase**



All solutions

**Carbon reduction**

**Integrated end-to-end digital platform**

# H1 summary and priorities



## H1 23 summary

- Delivered robust double-digit organic growth, despite the macroeconomic headwinds
- Made good progress on building our integrated end-to-end digital platform
- Integration of our newly acquired businesses underway

## Priorities for H2 23

- Integrate acquired businesses, extract synergies through cross-sell opportunities
- Finalise our transformational capex programme
- Continue on our journey towards a digitally integrated end-to-end platform
- Focus on deleveraging, return to within guidance range 1.5x-2.5x net debt to adj. EBITDA

Board's expectations for the full year remain unchanged

# Q&A

[investors@eurowag.com](mailto:investors@eurowag.com)

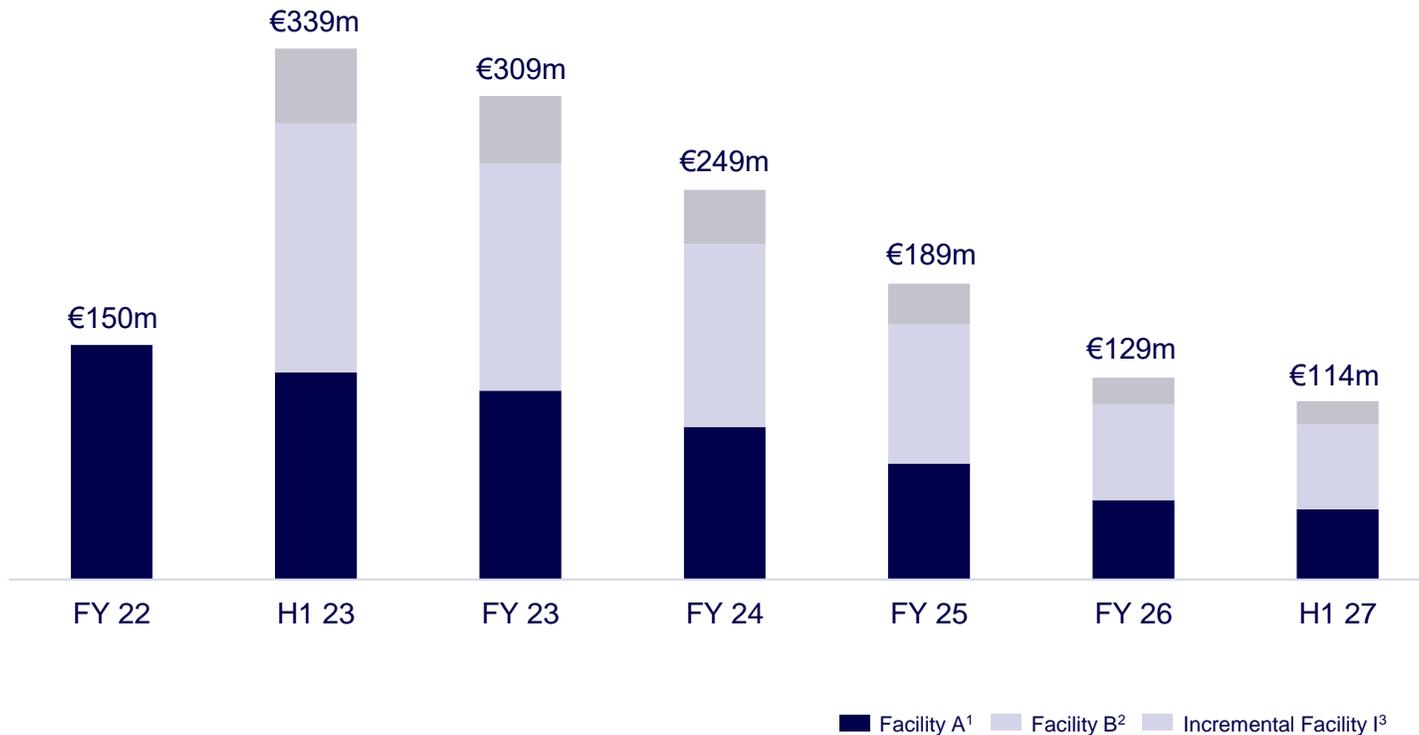
**Eurowag  
Capital Markets Day  
11 October 2023  
Contact us for further details**

[investors@eurowag.com](mailto:investors@eurowag.com)

# Appendix

# Disciplined debt management

## Committed debt amortisation profile



## Interest rate swaps

Facility A of €150m:

- €120m effective payable interest rate of 0.1%, expires 2024
- €30m effective payable interest rate of 2.7%, expires 2027

Facility B of €180m:

- Effective payable interest rate between 3.2% and 3.5%, expires 2027

## Interest rate margins

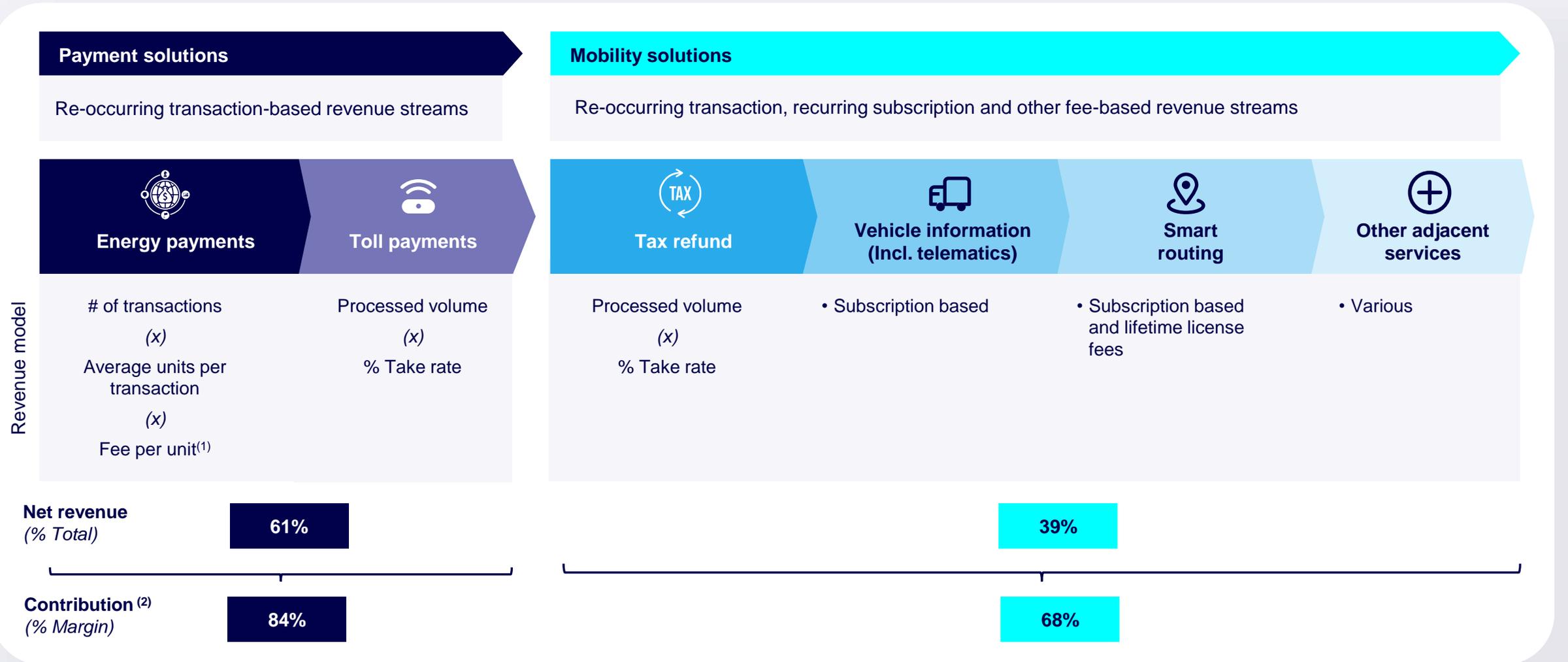
Facility A and B:

- 2.10% pa for net leverage between  $\leq 3.2 \geq 2.5$

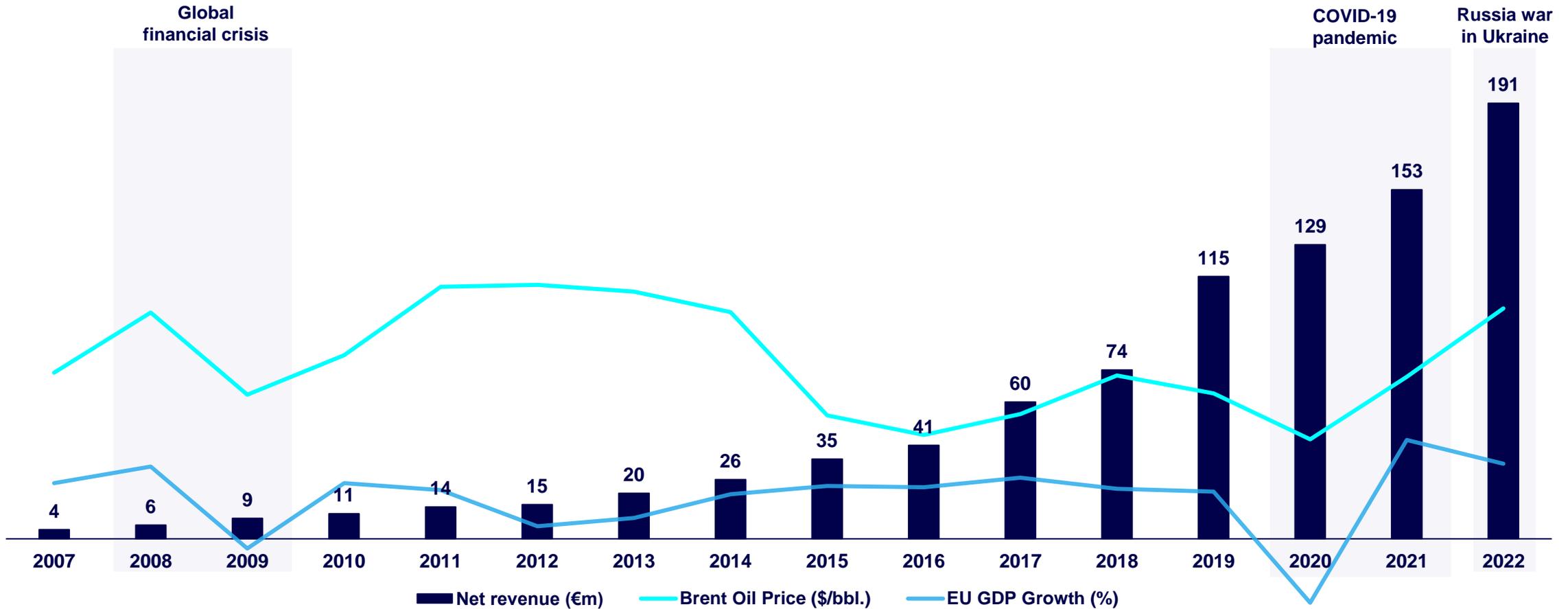
## Medium-term guidance

- Medium-term net debt to adjusted EBITDA guidance remains at 1.5x–2.5x
- Committed to deleverage back within target in the near-term

# Revenue model



# Proven resilience through the cycle



- Proven track record of resilience in crises, with growth during both GFC and Covid-19 pandemic
- Energy price agnostic revenue model, unaffected by volatility

# Our platform will help make the CRT clean, fair and efficient

## Our sustainability strategy...

Climate action

Customer success  
and well-being

Company governance  
and culture

Community impact



## ... will help us reach our environmental targets

### Business operations

**By 2040**

Achieve zero  
direct GHGs

**By 2050**

Net zero emissions  
business and no longer offer  
fossil fuel energy

Reduce GHG emissions  
from own operations<sup>1</sup> by

**50%**

by 2030

### Customers

Reduce our customers GHG  
emissions intensity per tkm by

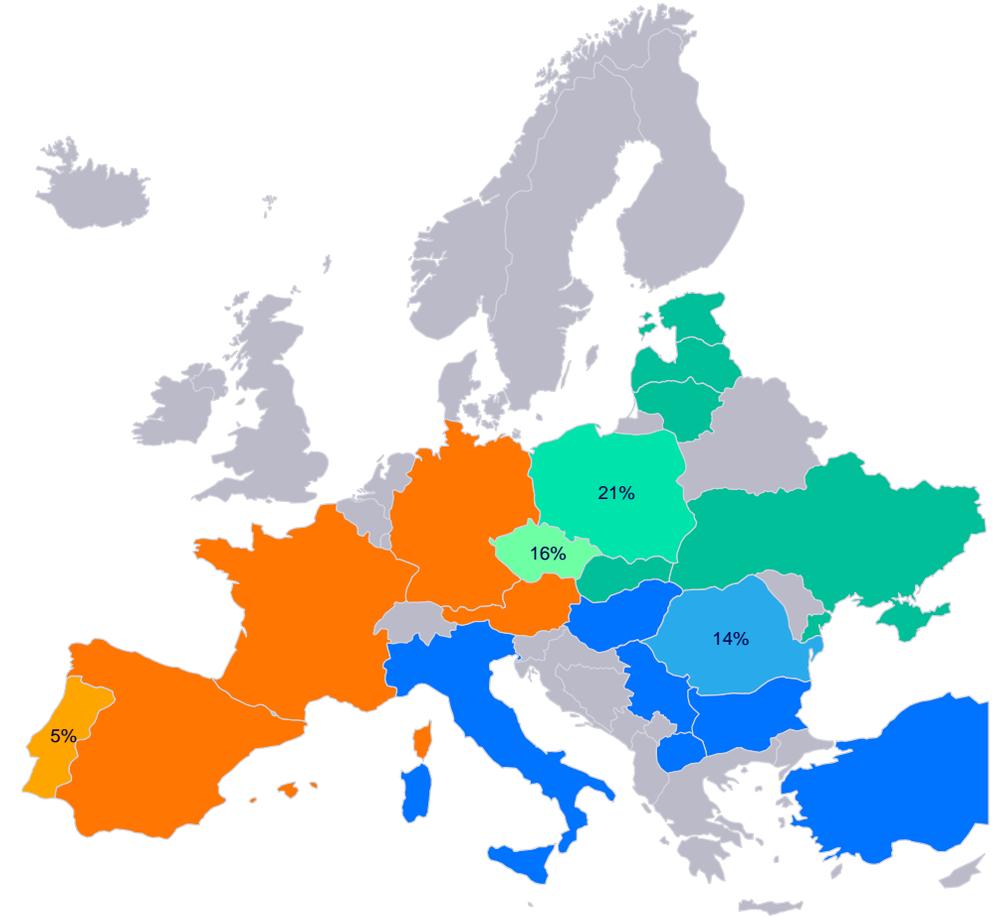
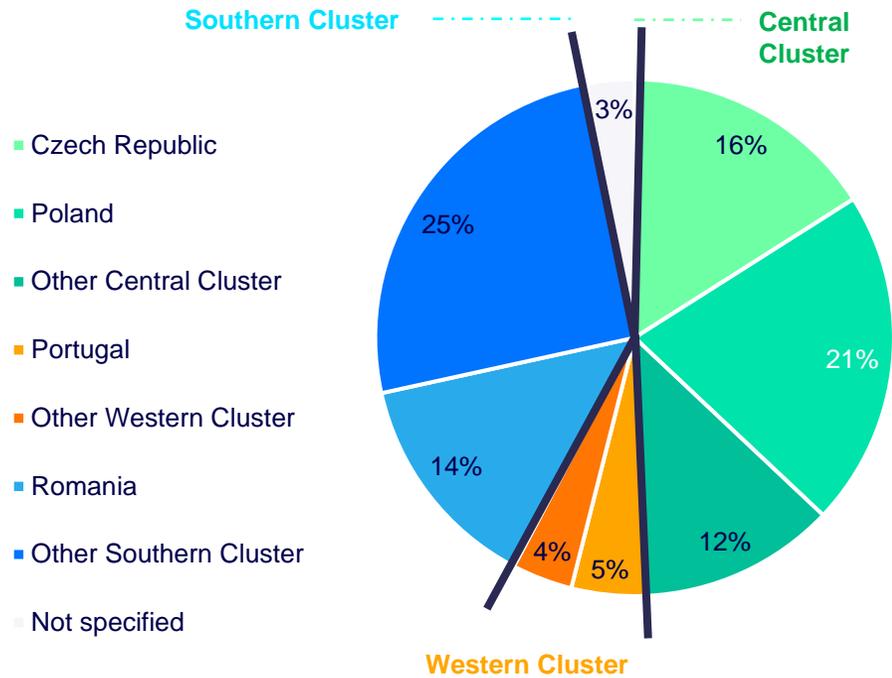
**20%**

by 2030

**80,000**

Alternative fuel trucks  
actively using our products  
and services by 2030

# Net revenue geographical split



# Our unique suite of services and our customer's journey

## Our unique suite of services

### 1 Before the journey

- Plan the route
- Calculate expected costs
- Insure the trip
- Book freight ferries

### 2 On the road

- Pay for traditional and alternative energy
- Pay for tolls
- Navigate safely
- Communicate on the road
- Optimise fuel consumption

- Locate charging points
- Parking, washing, truck repairs
- Roadside assistance
- Incidental cost coverage (towing, fines, tyres)

### 3 After the journey

- Process tax refunds
- Perform cross-border currency exchange
- Use financial restructuring and factoring
- Increase cost-effectiveness

#### Key

#### Mobility solutions

- Fleet management services
- Location-based products and services
- Other adjacent services
- Tax refund

#### Payment solutions

- Energy payments
- Toll payments

## Our customer's journey

### 1 Before the journey

Fleet dispatcher Hanna planned the optimal route for Johann to get to his destination. By using Eurowag's data, acquired from Johann's previous trips, she calculated indicative costs, secured the best insurance rate for this journey, and was also able to book Johann freight ferry transportation.

### 2 On the road

Johann did not have to worry about looking for a fuel station. He stopped at the station suggested by Eurowag, refuelled, and had a rest. Since he drove across multiple countries, Johann took advantage of Eurowag's simplified toll payment system, and paid for services with Eurowag's closed loop card.

On his journey, he was in constant communication with Hanna and other drivers. When he needed to replace a tyre, Eurowag helped Johann find a repair station quickly.

### 3 Post delivery

After Johann completed his journey, his company took advantage of Eurowag's tax refund service and did not have to wait to receive refund payments. They were also pleased to see the cost-effectiveness that Eurowag's solutions provided, from better price of fuel and other services, lower fuel usage, to tax refund and cheaper insurance costs.

Clean, fair, and efficient from start to finish

## Johann

"Eurowag's solutions helped me realise maximum efficiencies."

Driver

