

# W.A.G payment solutions plc Half year results 2024

5 September 2024

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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

**EW EUROWAG**

# Introduction and highlights

**Martin Vohánka**  
CEO and Founder



# H1 2024 highlights

## Strong results; significant progress towards phased rollout of Eurowag Office

### H1 24 financial performance

Net revenue

**€141.0m**

+18.4% YoY

Adjusted  
EBITDA

**€59.4m**

+18.2% YoY and 42.1% margin

Net debt  
leverage<sup>1</sup>

**2.6x**

### Strategic progress

Attract



- Launched omnichannel pilot in Poland, including digital onboarding.
- Accelerated active payment solutions trucks growth +11.8%, to 102,667. Total number of active trucks ~280,000<sup>2</sup>.

Engage



- Eurowag app evolving as part of the new platform, monthly active users +12% to c.36k (FY23: c.32k).
- Mobile payments acceptance points increased to 1,500.

Monetise



- Tolls: OBU growth +137%; EETS certification now 11 EU countries.
- Created first HVO corridor in Central and Eastern Europe and first e-Mobility Service Provider for CRT industry.

Retain



- E-wallet development on track to launch in Q4 2024.
- Phased user migration onto new digital platform; RoadLords ~200k, FMS~7,000 and Fuel card migration started.

Early adopters of Eurowag Office already onboarded; phased rollout on track Q4 2024

Note: (1) Net leverage covenant calculation as per bank definition using Adjusted EBITDA for the last twelve months. Net debt includes lease liabilities and derivative liabilities, (2) Estimate.

# Financial results

Oskar Zahn  
CFO



# H1 24 financial highlights

Continued strong performance; improvement in net leverage

**Net revenue**

**€141.0m**

+18.4%

**Adj. EBITDA**

**€59.4m**

+18.2%

**Adj. EBITDA margin**

**42.1%**

(0.1)pp

**Adj. EPS**

**2.51p**

(13.4)%

**Capex**

**€20.5m**

H1 2023: 24.7m

**Net leverage<sup>1</sup>**

**2.6x**

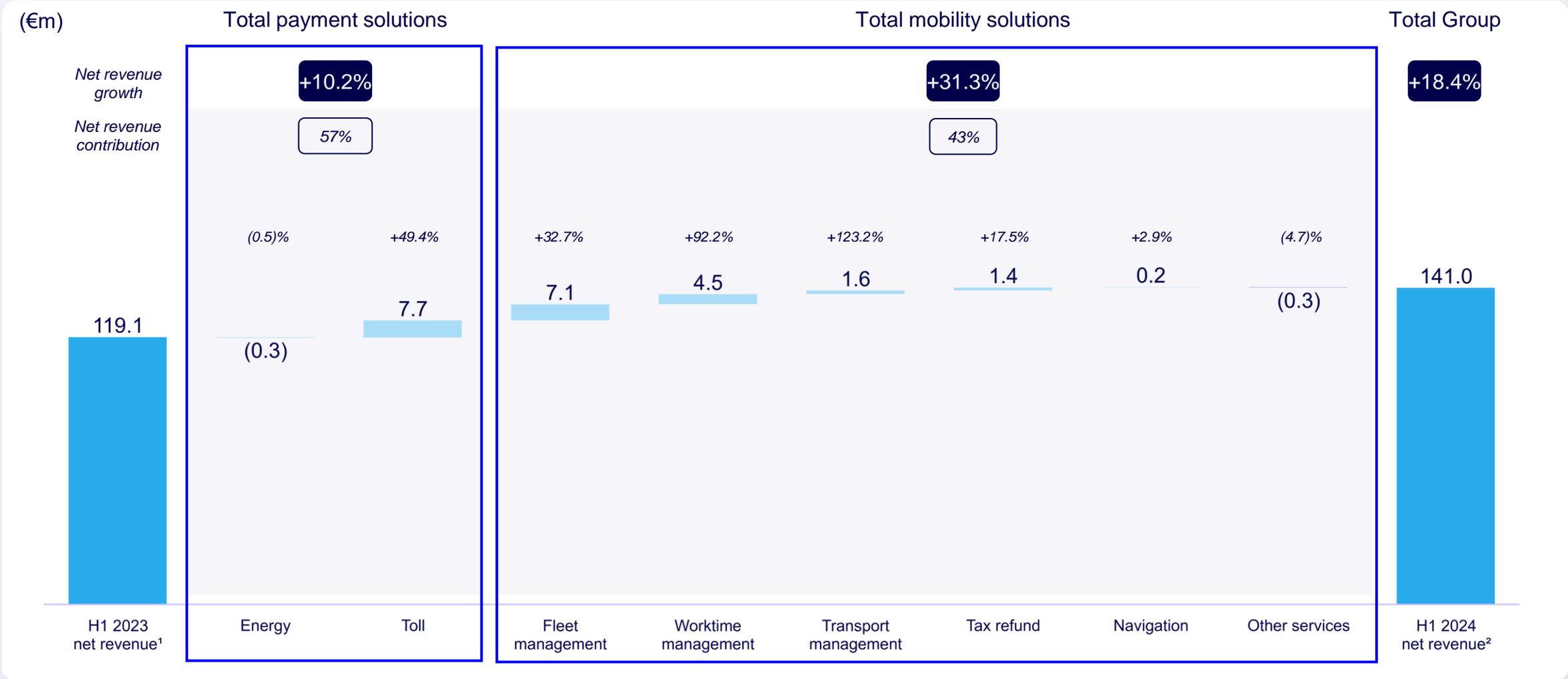
FY 2023: 2.9x

# Consistently delivering strong revenue and EBITDA growth

(€m)	H1 2024	H1 2023	YoY%
<b>Net revenue<sup>1</sup></b>	<b>141.0</b>	<b>119.1</b>	<b>18.4%</b>
<i>Payment solutions</i>	79.8	72.4	10.2%
<i>Mobility solutions</i>	61.3	46.7	31.3%
<b>Adjusted EBITDA<sup>2</sup></b>	<b>59.4</b>	<b>50.2</b>	<b>18.2%</b>
<b>Adjusted EBITDA margin<sup>2</sup></b>	<b>42.1%</b>	<b>42.2%</b>	<b>(0.1)pp</b>
<b>Adjusted Profit before tax<sup>2</sup></b>	<b>21.6</b>	<b>25.3</b>	<b>(14.6)%</b>
<i>Adjusting items<sup>2</sup></i>	17.4	16.8	3.6%
<b>(Loss)/Profit before tax</b>	<b>4.2</b>	<b>8.5</b>	<b>(50.6)%</b>
<b>Adjusted EPS<sup>2</sup> (cents/share)</b>	<b>2.51</b>	<b>2.90</b>	<b>(13.4)%</b>

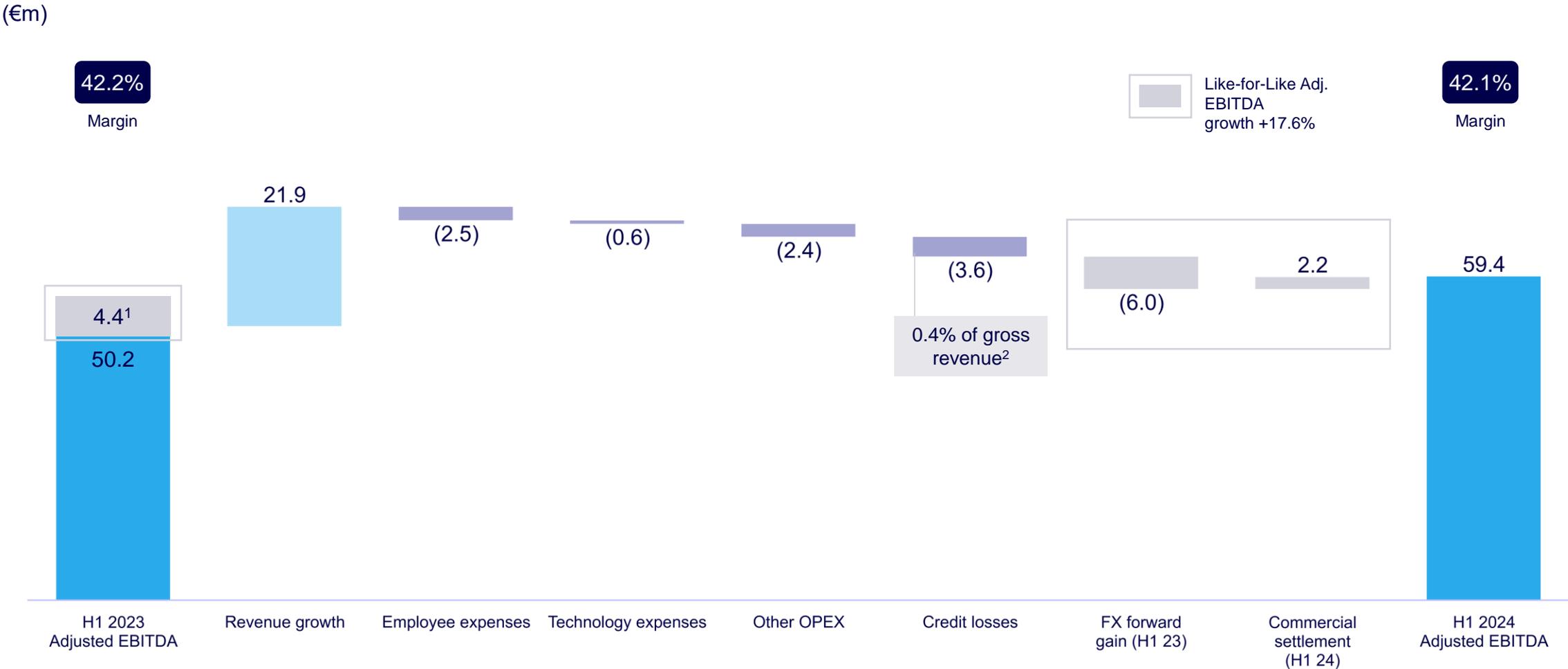
- Strong net revenue growth +18.4%, driven by strong growth across all products and the contribution from Inelo.
  - Payments +10.2%, supported by growth in toll revenue and +11.8% growth in active payment solutions trucks.
  - Mobility solutions +31.3%; driven by the annualisation of Inelo and strong growth across all mobility products.
- Adjusted EBITDA grew in-line with revenue growth.
- Adjusted PBT impacted by higher interest costs.

# Growing revenue contribution from mobility solutions



Notes: (1) If Inelo had been acquired 1 Jan 2023, Net revenues would have been €9.6m higher. Reported H1 2023 net revenue from Inelo was €13.3m, (2) H1 2024 Total Group net revenue includes €25.7m contribution from Inelo.

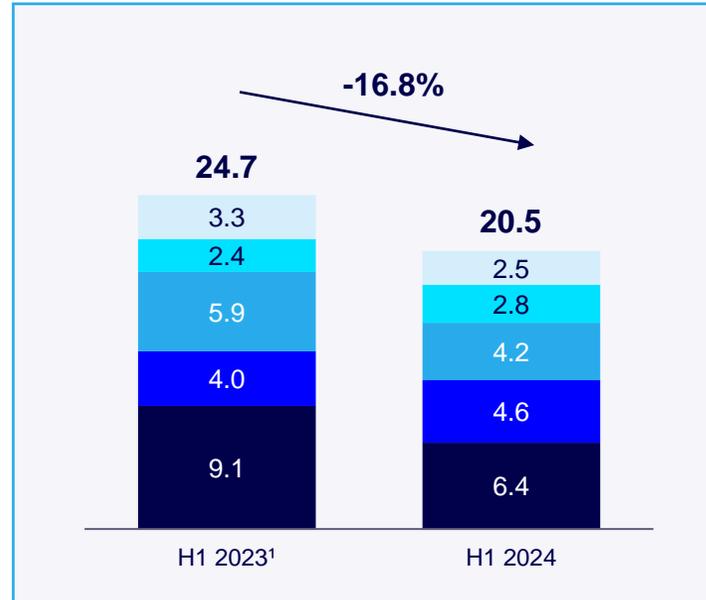
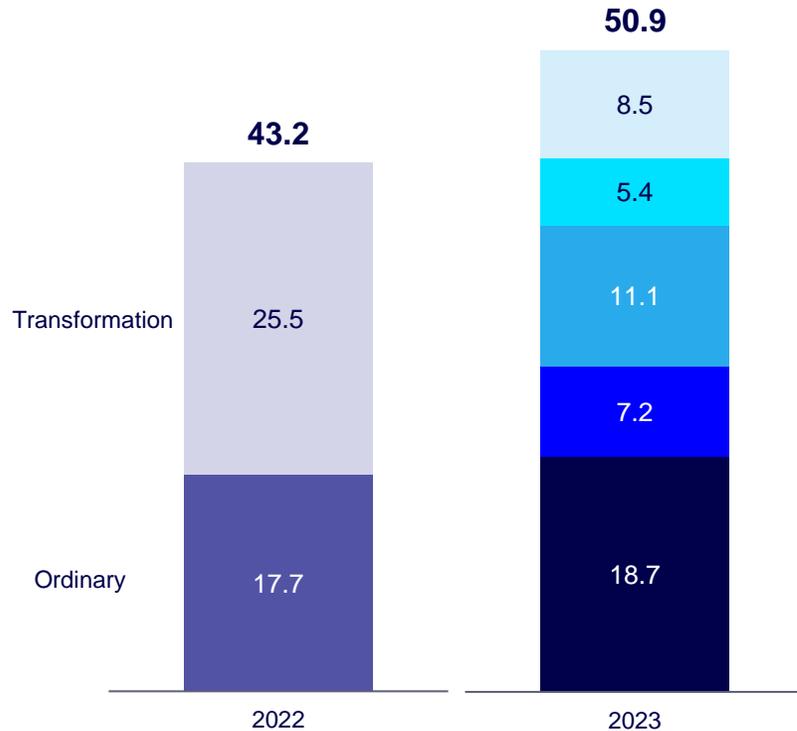
# Strong EBITDA growth despite higher credit losses



Note: (1) Annualisation of Inelo, (2) Credit losses of €7.8m for the first six months of the year, divided by gross revenue from contracts with customers plus toll volume.

# Capex reduction aligning with integration phase

Capital expenditure (€m)



New capex definition

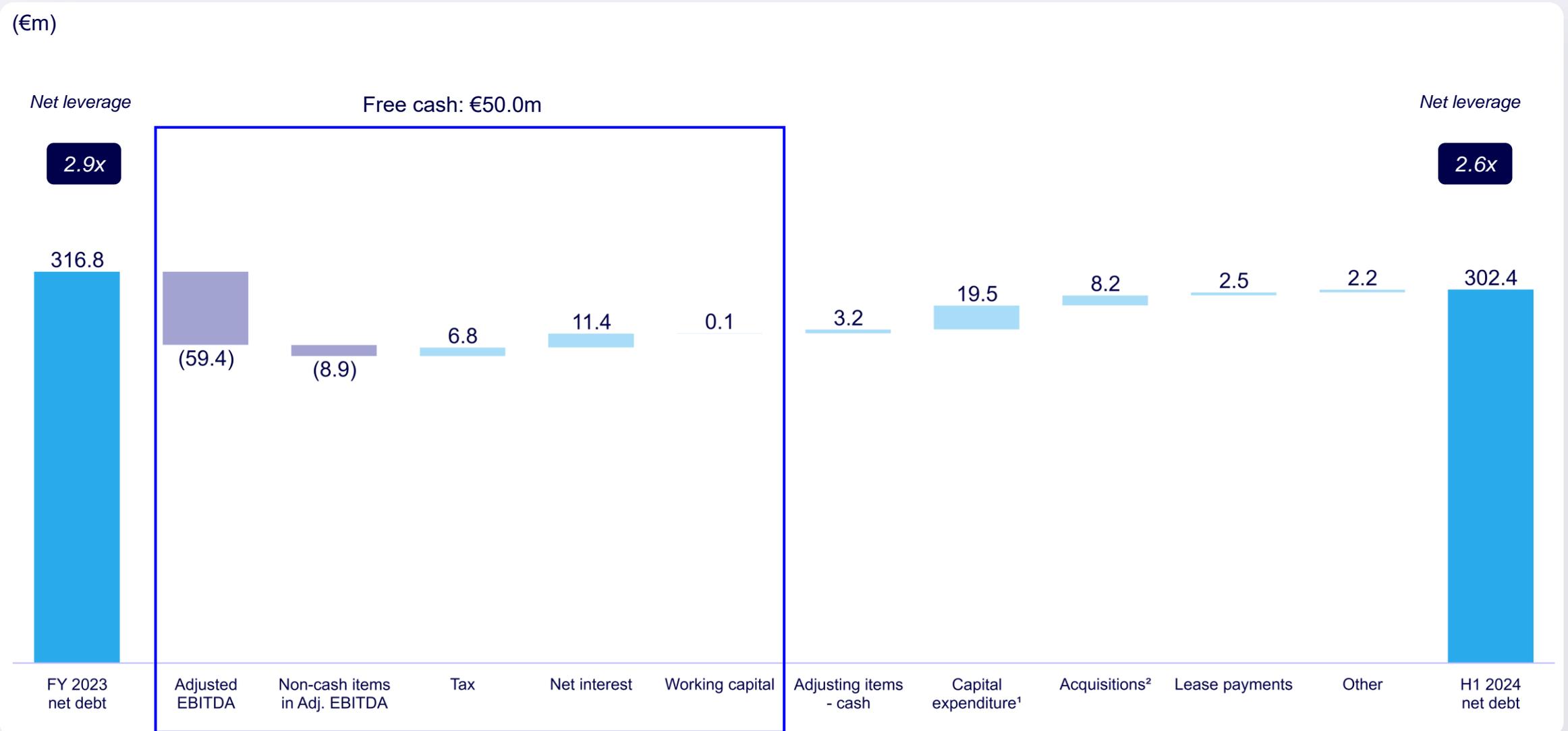
- Existing products
- Tech & data
- EW Office
- Inelo
- OBU

## Continue to invest in the integration of products, data and platforms

- €3m of transformational capex carried over from last year; excluding this, the capex to net revenue ratio is 12.5%.
- Capex focused on:
  - Maintaining and enhancing existing products; gradually available in new platform;
  - Development and implementation of technology and data systems;
  - Development of integrated platform, Eurowag Office; and
  - Continued investment in Inelo's products and OBUs.
- Ordinary capex to move to around 10% of net revenues in the medium term.

Note: (1) H1 2023 only includes 3.5 months of Inelo.

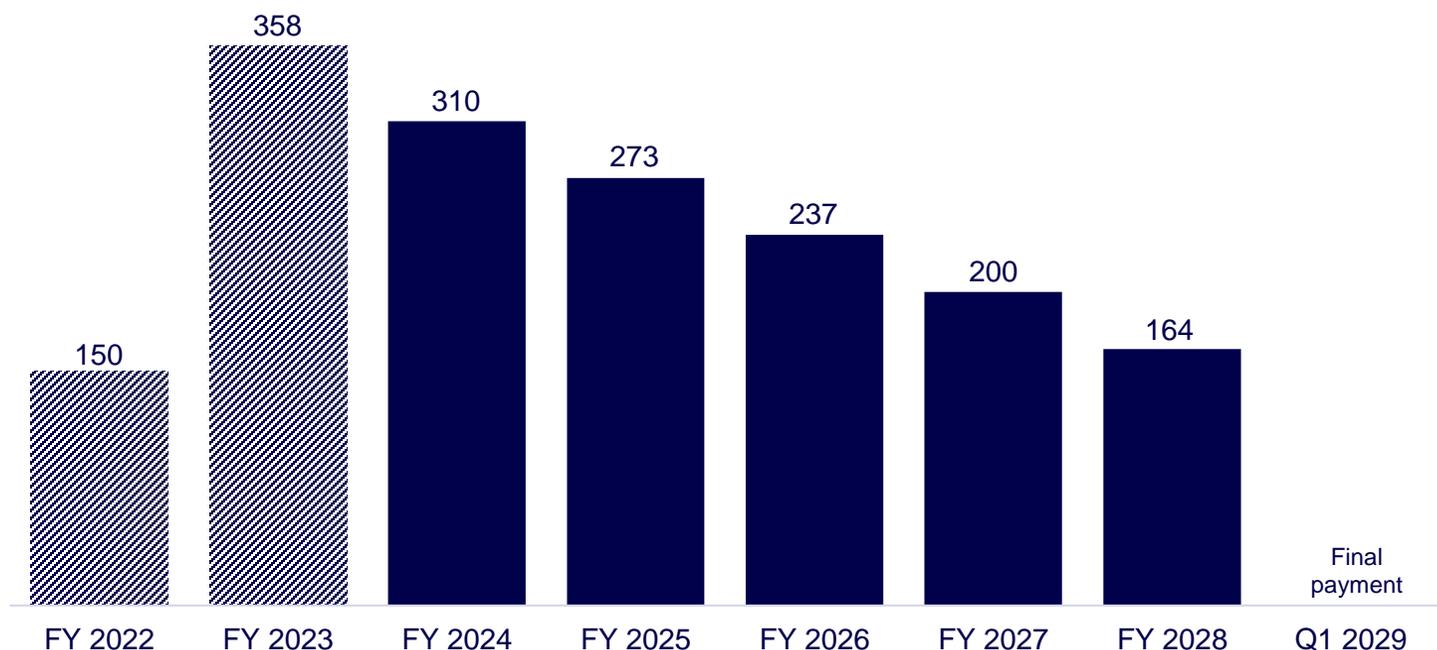
# Focused on deleveraging



Note: (1) Capex includes proceeds from sales of assets, (2) Deferred considerations of €5.7m and acquired non-controlling interests for a consideration of €2.5m.

# Finance agreement amended; supporting scaled business

Updated debt amortisation profile<sup>1</sup> (€m)



- Extended maturity of our loans from 2027 to 2029; quarterly repayments reduced.
- Extended share of revolving loan from up to €25m to up to €40m.
- Additional €40m of revolving loan and €10m bank guarantees; supporting working capital requirements of enhanced size of business post acquisitions.
- Factoring facility; H1 2024: 74% utilisation at €138.7m (H1 2023: 72% at €124m).

# Medium-term financial guidance unchanged



## 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 %

- FY24 margin levels expected to be in-line with FY 2023 at around 43%.

- Medium-term Adjusted EBITDA margins to move to high 40's.

## Capex

Ordinary capex to move to around 10% of net revenues, given higher contribution from Inelo and Webeye.

## Leverage target

- FY24 c.€35m deferred consideration.
- FY24 leverage moderately above target range.

- Committed to return to within leverage target range of 1.5x–2.5x in FY25.

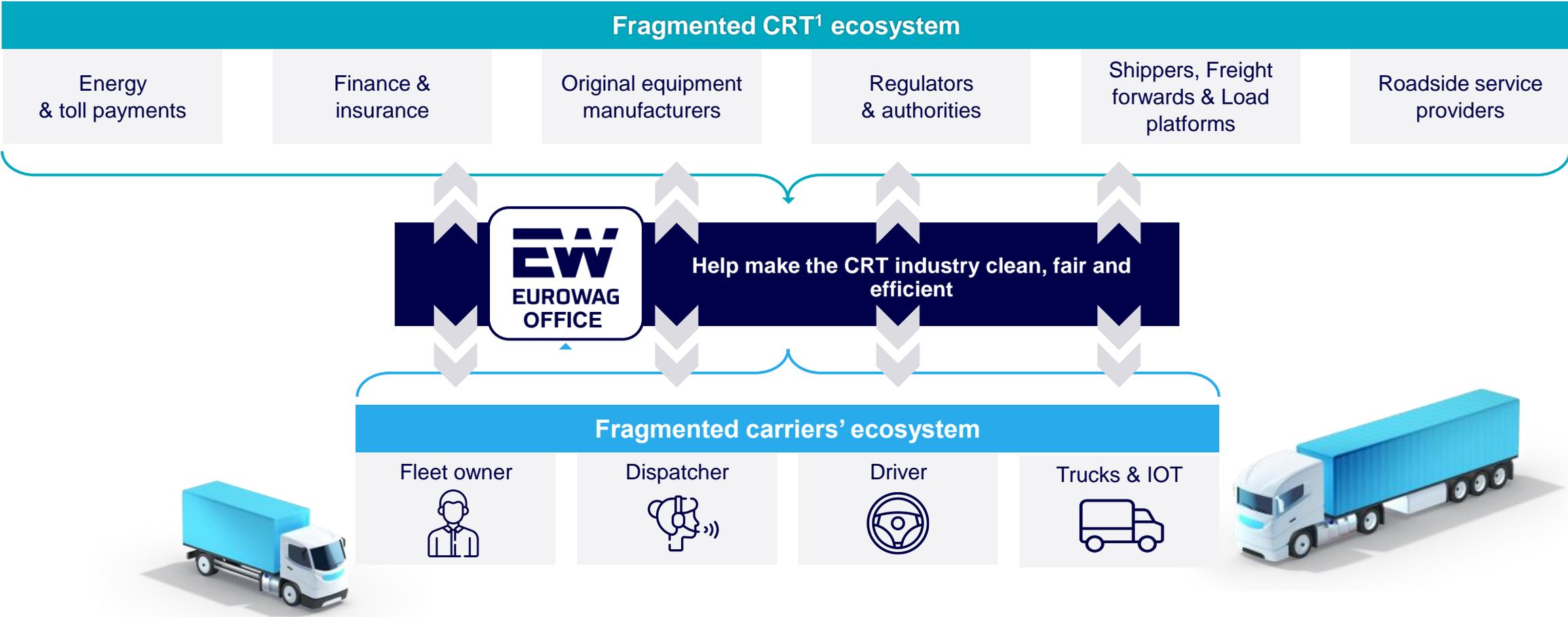
**EW EUROWAG**

# Strategic update

**Martin Vohánka**  
CEO and Founder



# Eurowag connecting the CRT through a single data-driven digital ecosystem



Note: (1) Commercial Road Transport.

# Good progress made on our strategic priorities; integration and transformation

2017  2023

## Accumulation

Acquiring and developing a broader suite of services, with data at the core



2023 

2024+ 

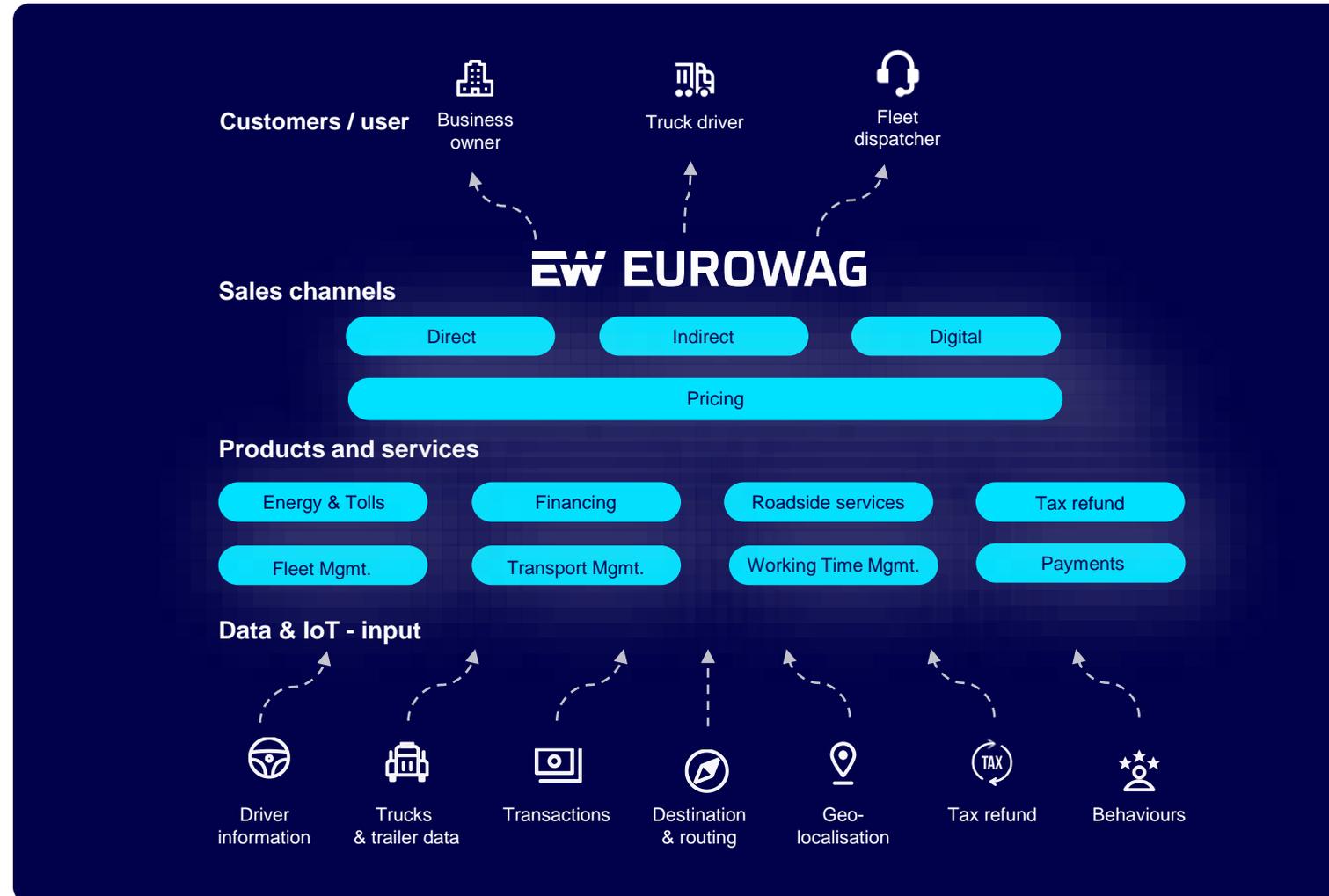
## Integration and transformation

Delivering industry first integrated digital platform, driving efficiency and supporting decarbonisation

H1 2024

- Sales omnichannel pilot launched; onboarded new CCO.
- Good progress made in integrating Sales, Technology and Product teams from recent acquisitions.
- Continue to develop our core products in parallel with preparation of new platform.
- New operating model project launched, following onboarding of new COO.
- Introduced first dedicated EV charging service for the CRT industry, leading the way to decarbonisation as a service.

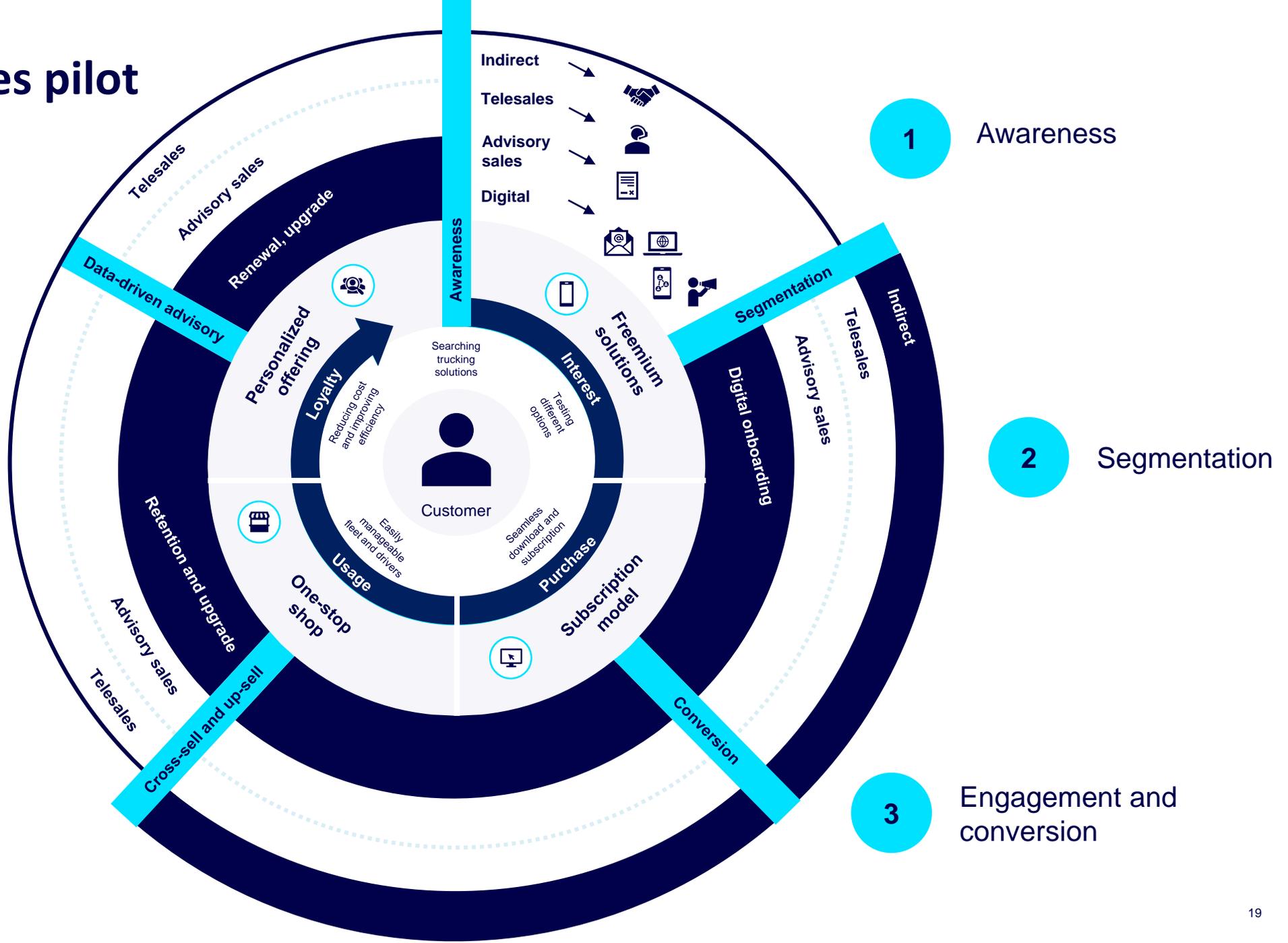
# Design of Eurowag's integrated end-to-end digital platform



# Omnichannel sales pilot launched

Engagement and data-driven advisory

Engagement and cross-sell and up-sell



# EW office roadmap; phased migration of existing customers

H1 2024

H2 2024

FY 2025

Web

App



New customers; phased rollout starting Q4 24

### EW Fleet Management Solutions migration

- Re-used all EW telematics features
- New trucking maps and routing
- Driver behavior with coach functionality
- CO2 calculation
- Redirect to old EW TLM portal possible

“Menu is friendlier, more intuitive, big plus for driver behaviour report”  
 “Got used to new interface very quickly”  
 “Better visibility, easier to use, more user friendly”

### EW Fuel migration

- Eurowag acceptance network with fuel prices & planner
- Close loop cards management
- Account Balance, Billing documents & Transactions
- User management

### eWallet launch

### EVA EETS migration



App for Dispatcher/Owner

### EW Fleet Management Solutions app



App for driver

### RoadLords migration

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Navigation</li> <li>• Log in with EW credentials</li> <li>• User profile</li> </ul> | <ul style="list-style-type: none"> <li>• Eurowag Pay</li> <li>• Acceptance network</li> <li>• OEM roll-out started</li> </ul> |
|--|---|

Pilot > Feedback > Phased migration > Test and monitor

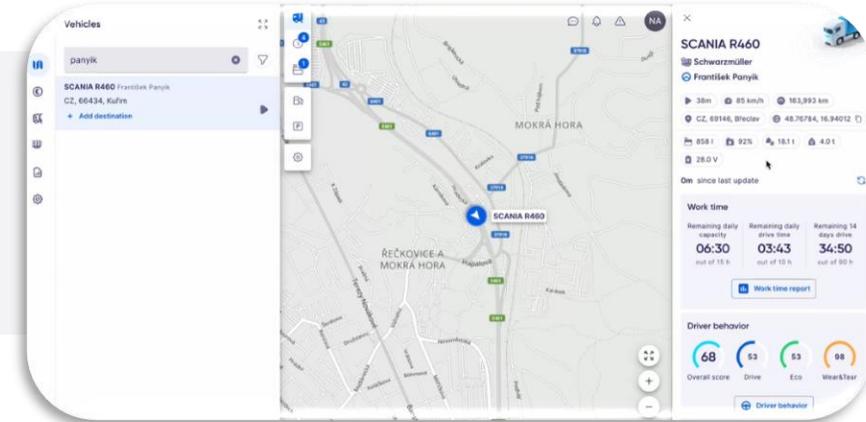
# Eurowag Office; industry-first digital platform



Dispatcher



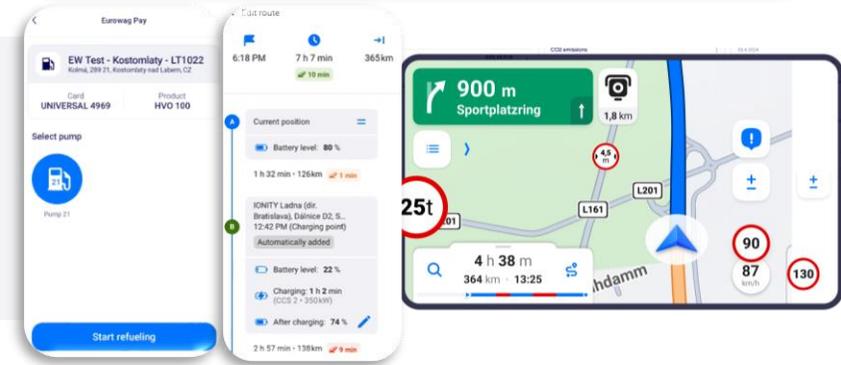
- Real-time monitoring of vehicles, transport and route planning from one app.
- Access to data without switching systems or paper.
- Few manual processes and real-time decision making through AI and data insight tools.



Driver



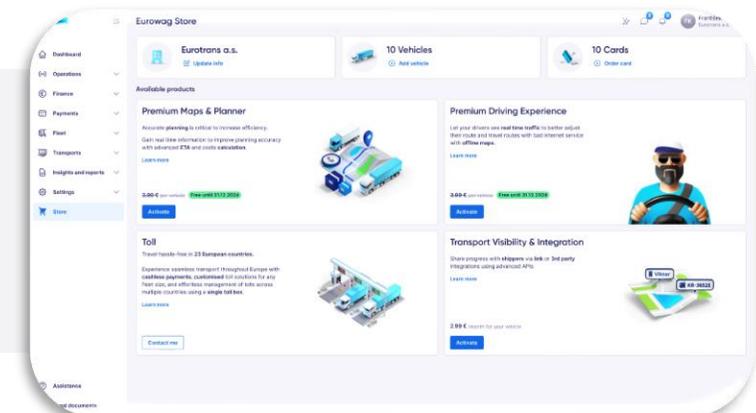
- Improve driving behaviour and time, through better navigation and truck utilisation.
- Less administrative tasks.
- Better visibility of regulatory obligations.
- Be part of a community.



Owner



- Manage business more efficiently.
- Fast access to financing, working capital and tax refund services.
- Reporting in one-place.
- Platform to help make timely decisions.



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

## Our sustainability strategy...

Climate action

Customer success  
and wellbeing

Community impact

Responsible business



## Initiatives implemented, which will help us reach our climate targets

### Enhancing Eurowag's alternative fuel offers, with access to over 1,500 alternative fuel stations across our network:

- First CRT-focused eMobility Service Provider offering Charging as a Service.
  - ✓ Charging as a Service (cost control, 24/7 support)
  - ✓ Best CPO network and pricing for CRT
  - ✓ Fully integrated with other CRT services
  - ✓ Access to more than 600,000 charging points across Europe
- Largest LNG acceptance network in Europe, with over 420 stations (60% of the EU network).
- Opened the first HVO fuel corridor in Central Eastern Europe, with access to over 310 locations in the EU.

# H1 24 summary and H2 priorities



## New strategic KPIs

- ~280,000 total number of active trucks<sup>1</sup>.
- 2-3 no. of products per truck<sup>1</sup>.
- 40 points<sup>2</sup> customer NPS.
- ~28% of subscription net revenue<sup>3</sup>.



## H1 24 summary

- Delivered strong double-digit growth, despite macro headwinds.
- Phased migration of customers underway onto our integrated digital platform.
- Good progress on integration of acquired businesses.



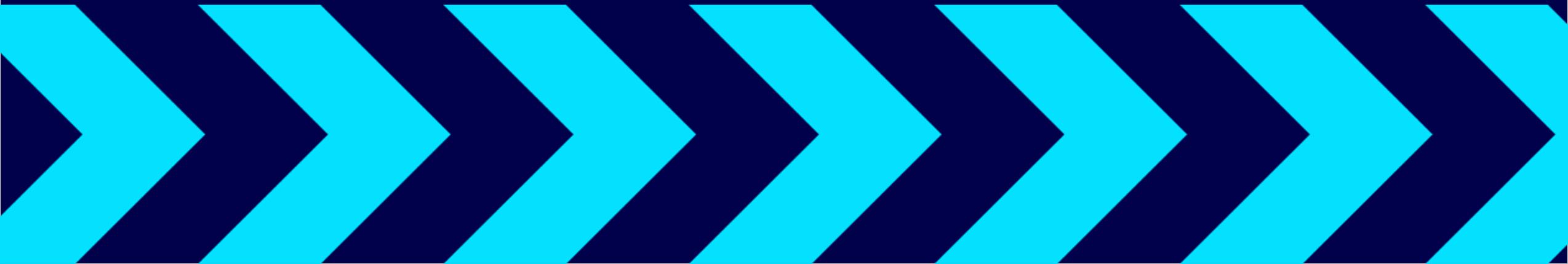
## H2 24 priorities

- New customers introduced to the new platform in Q4 24.
- Continued integration of acquired businesses, extract synergies.
- Continued focus on deleveraging, move back within guidance range 1.5x-2.5x in FY25.

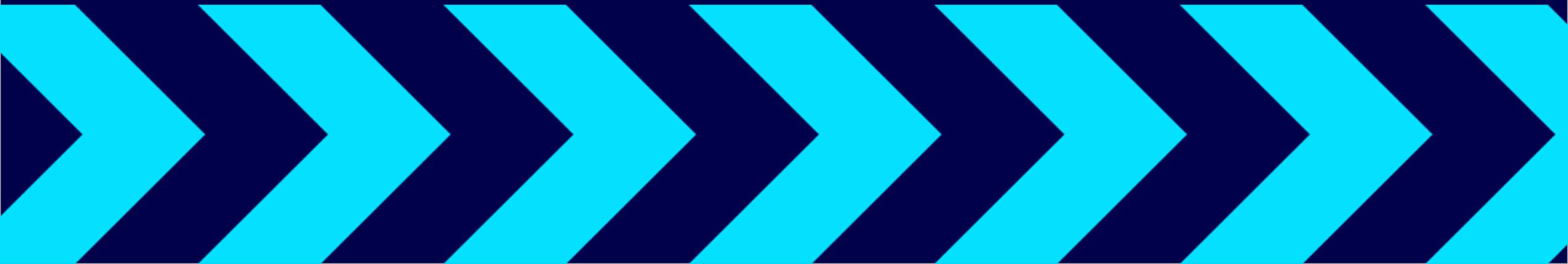
# Q&A

**Contact us for further details**

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



# Appendix



# Revenue model

## Payment solutions

## Mobility solutions

### Re-occurring transaction-based revenue streams

#### Energy payments



# of transactions  
(x)  
average units per transaction  
(x)  
fee per unit



#### Toll payments

processed volume  
(x)  
% take rate

### Recurring subscription and other fee-based revenue streams



#### Transport management

Subscription based



#### Fleet management

Subscription based



#### Work time management

Subscription based



#### Tax refund

processed volume  
(x)  
% take rate



#### Smart routing

Subscription based and  
lifetime license fees



#### Other adjacent services

Various

**Net revenue**  
(% Total)

**57%**

**43%**

**Contribution<sup>(2)</sup>**  
(% Margin)

**82%**

**69%**

# Alternative measures

	Adjusted (€m)	Adjusting items (€m)	H1 2024 (€m)	Adjusted (€m)	Adjusting Items (€m)	H1 2023 (€m)
Net revenue	141.0	0.0	141.0	119.1	0.0	119.1
EBITDA	59.4	7.4	52.0	50.2	10.0	40.2
EBITDA margin (%)	42.1%	5.2%	36.9%	42.1%	8.4%	33.7%
Depreciation, amortisation and impairments	22.7	10.0	32.7	18.9	6.8	25.7
Operating profit/ (loss)	36.7	17.4	19.3	31.1	16.8	14.5
Finance income	1.9	0.0	1.9	5.3	0.0	5.3
Finance costs and share of net loss of associates	(17.0)	0.0	(17.0)	(11.3)	0.0	(11.3)
(Loss) / Profit before tax	21.6	17.4	4.2	(8.3)	16.8	8.5
Income tax	(4.2)	(2.5)	(1.7)	(4.6)	(1.7)	(2.9)
Loss from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
(Loss) / Profit after tax	17.4	14.9	2.5	20.7	15.1	5.6
Basic earnings per share	2.51	2.16	0.35	2.90	2.14	0.76

# Adjusting items

## Adjusting items

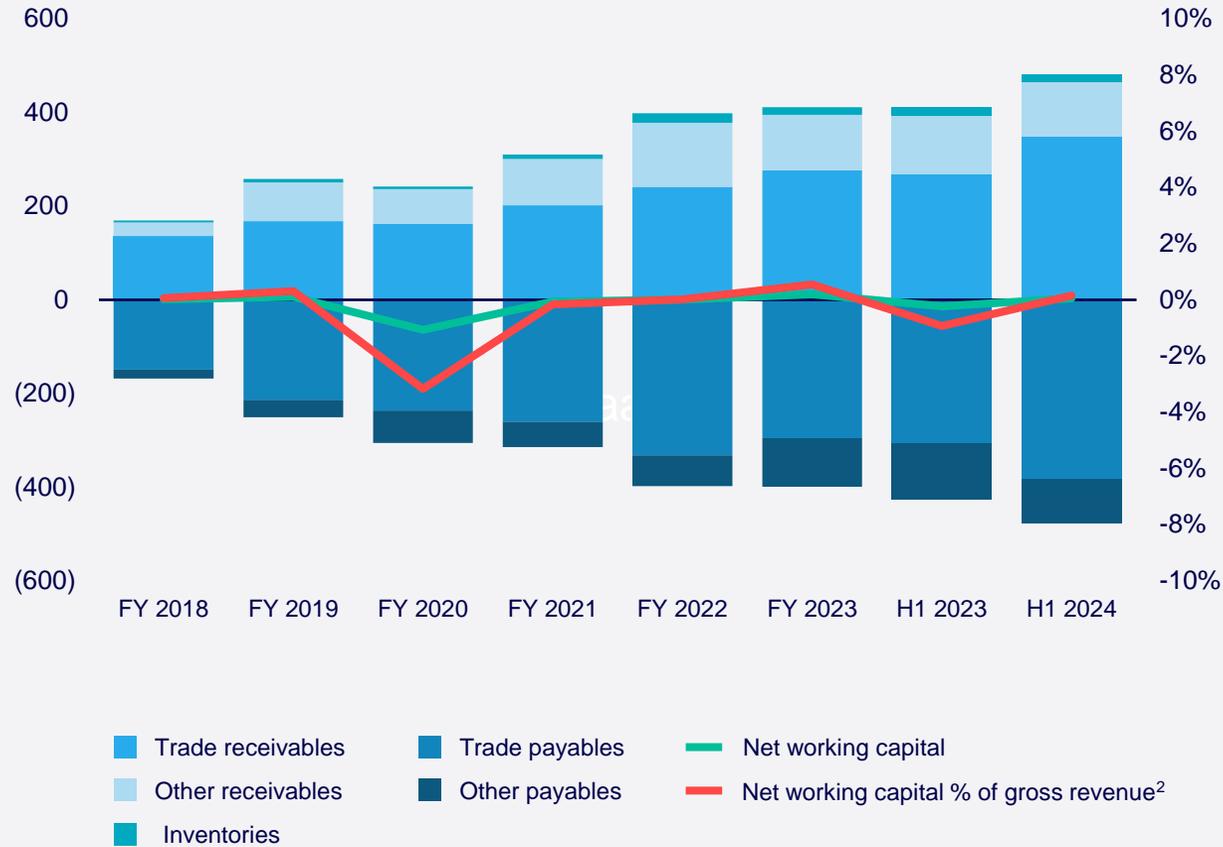
	H1 2024 (€m)	H1 2023 (€m)
M&A related expenses	2.2	2.7
Strategic transformation expenses	3.0	3.6
Share-based compensation	2.2	3.7
<b>Adjusting items in operating expenses</b>	<b>7.4</b>	<b>10.0</b>
<b>Adjusting Items in depreciation and amortisation</b>	<b>10.0</b>	<b>6.8</b>
<b>Total adjusting items</b>	<b>17.4</b>	<b>16.8</b>

## Adjusted EBITDA reconciliation

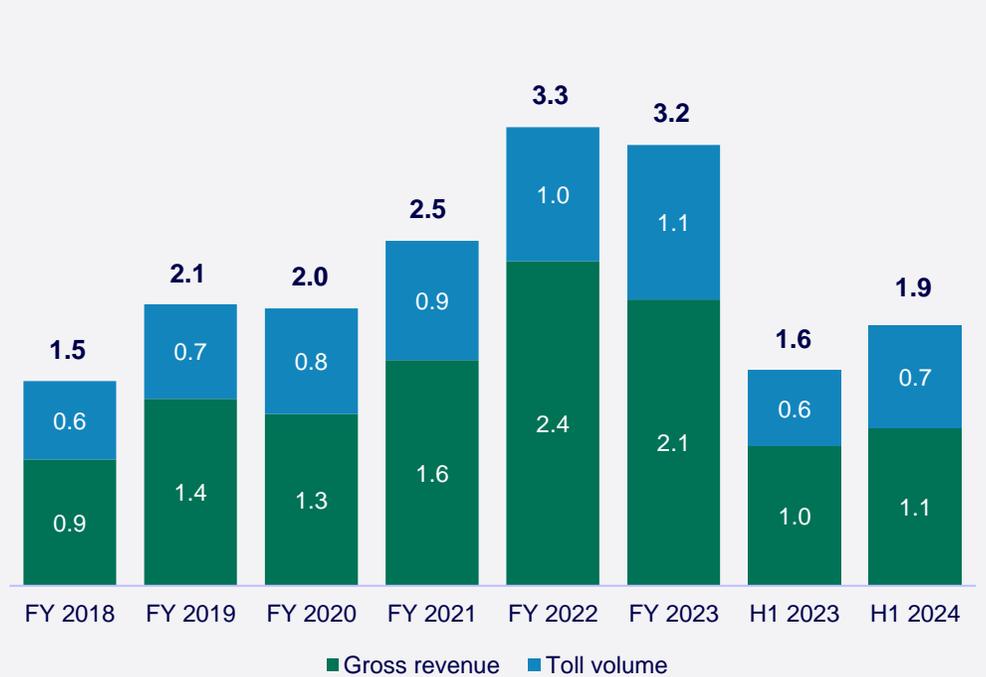
	H1 2024 (€m)	H1 2023 (€m)
Intangible assets amortisation	24.6	19.3
Tangible assets depreciation	5.2	3.9
Right-of-use depreciation	2.8	2.4
Depreciation and amortisation	32.7	25.7
Net finance costs and share of net loss of associates	15.1	6.0
(Loss)/profit before income tax	4.2	8.5
<b>EBITDA</b>	<b>52.0</b>	<b>40.2</b>
<b>Adjusting Items</b>	<b>7.4</b>	<b>10.0</b>
<b>Adjusted EBITDA</b>	<b>59.4</b>	<b>50.2</b>

# Well managed working capital

Working capital movement<sup>1</sup> (€m)



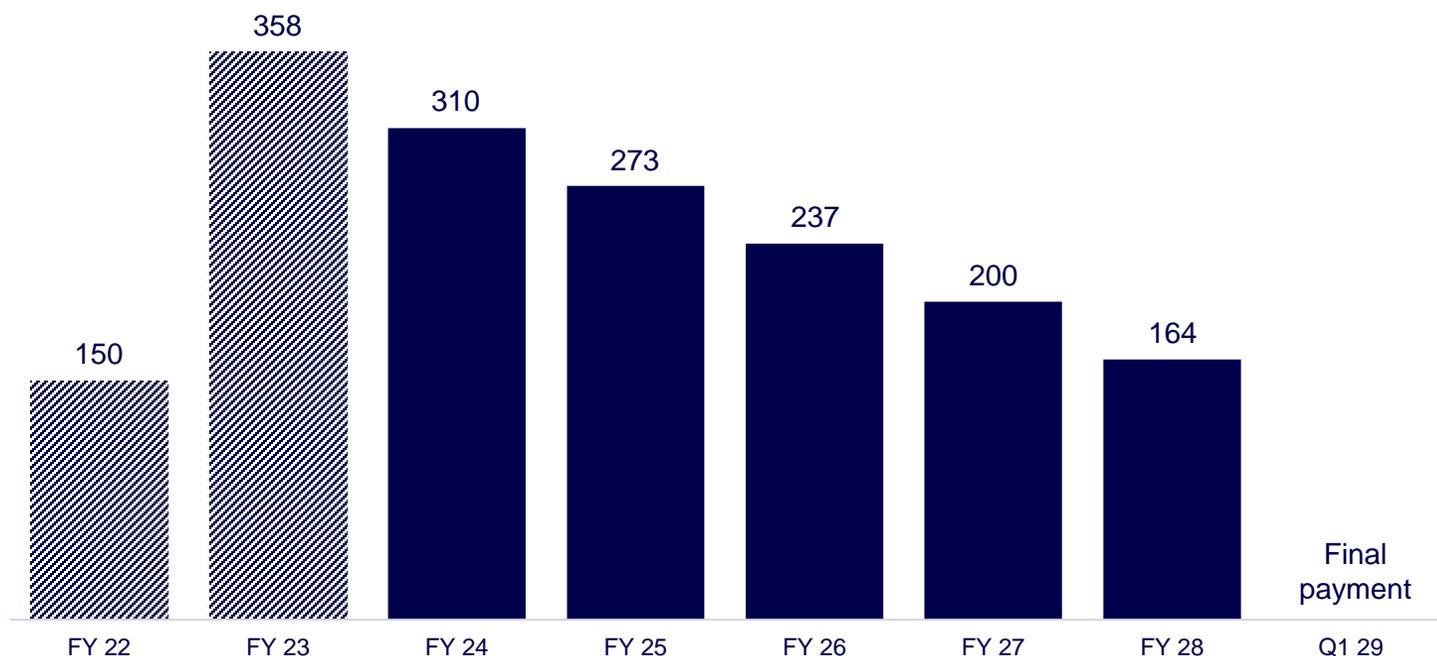
Gross revenue (€bn)<sup>3</sup>



Notes: (1) Trade payables and receivables include AP/AR related to the core business. Other payables include employee related liabilities from social and health insurance, liabilities payable to employees for salaries and accrued vacations, advances around customer deposits related to OBUs and prepaid cards, as well as deferred acquisition considerations for Webeye and Aldobec. Other receivables include receivables from foreign tax authorities and financing of tax refund customers, advances related to the production of OBU units and other business-related advances. (2) Gross revenue calculated as revenue from contracts with customers plus toll volume, (3) Gross toll volume not included in external reporting as Eurowag is acting as agent.

# Renegotiated facilities; extended maturity, reduced amortisation and extended RCF

Updated debt amortisation profile (€m)



## Club finance agreement<sup>1</sup> amended to extend maturity to 2029 and reduce term loan amortisation

- Facility A of €150m
- Facility B of €180m
- Revolving Credit Facility of €235m for revolving loans (up to €85m) and ancillary facilities (up to €150m)
- €150m uncommitted Incremental Facility for acquisitions, capex and additional revolving credit facilities up to €50m

## Interest rate swaps

### Facility A:

- €120m effective payable interest rate of 0.1%, expire in the second half of 2024
- €30m effective payable interest rate of 2.7%, expires 2027

### Facility B:

- 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  $\leq 3.2 \geq 2.5$

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

## Our sustainability strategy...

Climate action

Customer success  
and wellbeing

Community impact

Responsible business



## ... 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

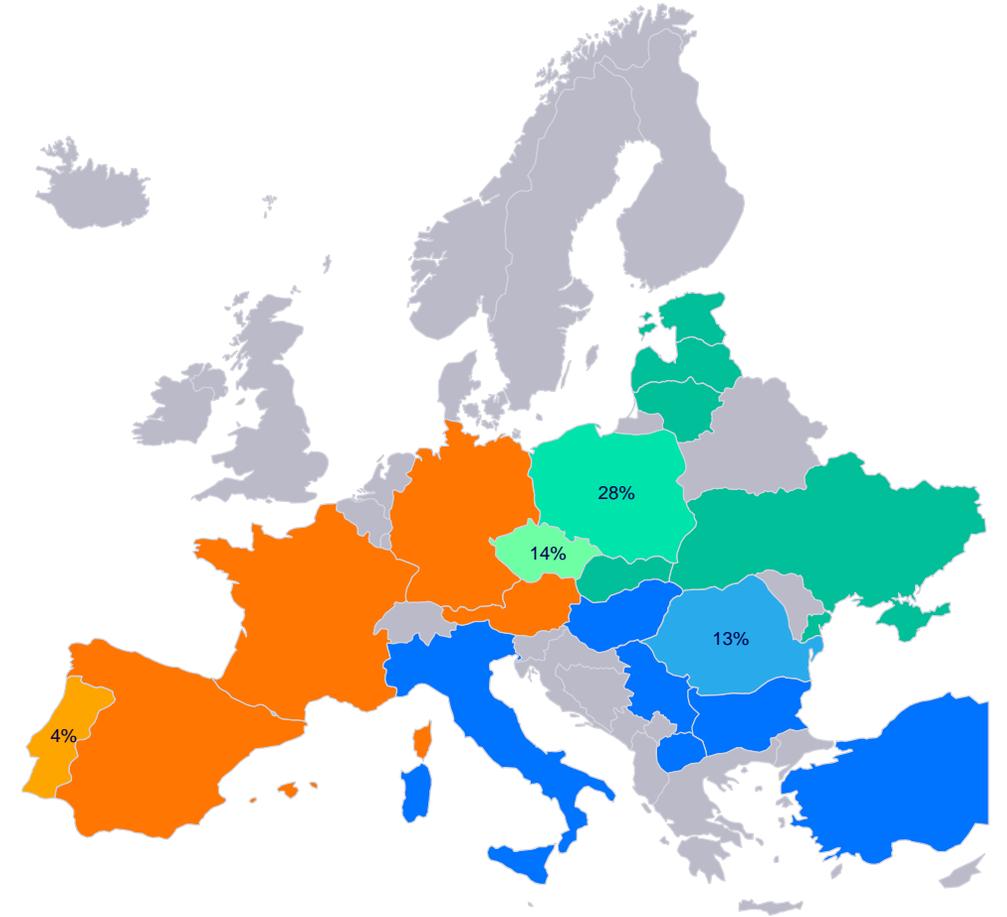
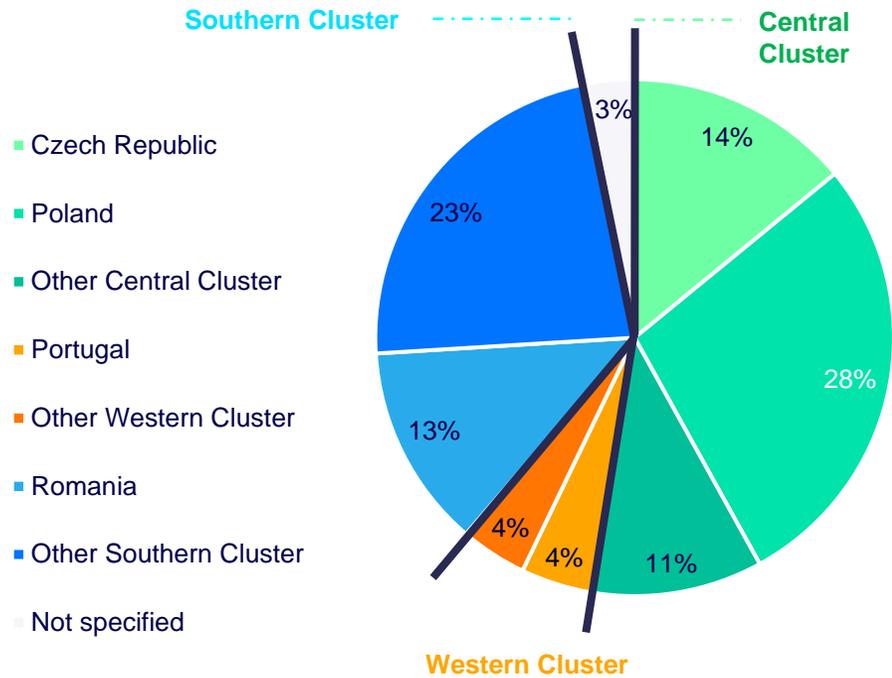
Reduce our customers GHG  
emissions intensity per tkm by

**20%**  
by 2030

**80,000**

Alternatively fuelled  
commercial vehicles actively  
using our products and  
services by 2030

# Net revenue geographical split



Note: Percentage represents proportion from total Group net revenue.