

W.A.G payment solutions plc Full year results 2023

26 March 2024

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Agenda



1 Introduction and highlights

2 Financial results

3 Strategic update

4 Summary and priorities

5 Q&A

EW EUROWAG

Introduction and highlights

Martin Vohánka
CEO and Founder



FY 2023 highlights

Robust results; significant progress towards integrated platform

FY 23 financial performance

Net revenue

€256.5m

+34.4% YoY
organic +14.5% YoY

Adjusted EBITDA

€108.7m

+33.2% YoY and 42.4% margin
organic +12.2% YoY

Cash conversion¹

83%

Strategic progress

Attract



- Three OEM deals signed, expanding our indirect partnership
- Webeye and Inelo sales teams fully integrated, one agile sales team

Engage



- Improved Eurowag app and client portal, monthly active users +58% year on year to c.32k
- Mobile payment app available in 13 countries, >800 acceptance points where app can unlock fuel pump

Monetise



- Received EETS certification in CZ, SK, SP and PT, licences in 10 EU countries, toll coverage 23 EU countries
- EVA OBU sales increased c.6x due to cross-sell opportunities

Retain



- Developing financial platform capability, in preparation for e-wallet launch in FY24
- Implementing new SAP system, launched Q1 24

Strategic priorities aligned with development and launch of integrated platform, Q4 24

Financial results

Oskar Zahn
CFO



FY23 financial highlights

Robust performance; completed intensive investment phase

Net revenue

€256.5m

+34.4% / organic +14.5%

Adj. EBITDA

€108.7m

+33.2% / organic +12.2%

Adj. EBITDA margins

42.4%

-40bps

Adj. EPS

6.49p

+12.8%

Capex

€50.9m

*Of which €21.7m is our
transformational programme*

Net debt leverage¹

2.9x

2022: 0.1x

Strong organic growth despite challenging macro backdrop

(€m)	FY 2023	FY 2022	YoY%	Organic FY 2023	Organic YoY%
Net revenue	256.5	190.9	+34.4%	218.6	+14.5%
<i>Payment solutions</i>	147.0	134.8	+9.0%	146.7	+8.8%
<i>Mobility solutions</i>	109.5	56.0	+95.6%	71.8	+28.3%
Adjusted EBITDA¹	108.7	81.6	+33.2%	91.5	+12.2%
Adjusted EBITDA margin	42.4%	42.8%	(0.4)pp	41.9%	(0.9)pp
Adjusted Profit before tax¹	56.7	54.9	3.4%		
<i>Goodwill impairment¹</i>	(56.7)	-	-		
<i>Adjusting items¹</i>	(39.3)	-	-		
Loss/Profit before tax	(39.3)	28.0	n/a		
Adjusted EPS¹ (cents/share)	6.49	5.75	12.8%		

- Strong net revenue growth; robust underlying performance and good contribution from acquisitions
- Organic net revenue growth of 14.5%, driven by:
 - Payments grew 8.8%, supported by growth in toll revenue and +8.4% active customers
 - Strong growth in mobility solutions of 28.3%; driven by strategic OEM partnerships, which are an important new sales channel.
- Adjusted EBITDA margins impacted by higher operating costs, partially offset by FX gains
- Adjusted PBT +3.4%; impacted by higher interest costs
- Impairment mostly Fleet management solution CGU, which includes Inelo

Balance sheet movements following significant acquisitions

(€m)	FY 2023	FY 2022
Assets		
Intangible assets	532.4	268.2
PPE	55.8	39.8
ROU asset	22.2	13.3
Financial assets of fair value	-	14.4
Trade and other receivables	396.9	378.2
Cash and cash equivalents	90.3	146.0
Other assets	46.7	55.5
Total assets	1,144.3	915.4
Total equity	262.8	316.6
Liabilities		
Loans and borrowings (non-current)	293.8	121.3
Lease liabilities (non-current)	17.4	9.5
Deferred tax liabilities	28.9	8.7
Other non-current liabilities	9.2	27.4
Trade and other payables	402.8	398.2
Loans and borrowings (current)	113.3	21.9
Other liabilities	16.1	11.9
Total liabilities	881.5	598.8

Significant acquisitions and investment in subsidiaries

- Strengthening balance sheet with additional intangible assets +€301.0m YoY (FY22: +€22.1m)
- Higher charges to the income statement relating to the amortisation of intangibles FY23: €43.4m (FY22: €22.2m)
- Goodwill arising from Inelo acquisition of €171.8m with €266.1m remaining at the end of the period; impairment of €56.7m following annual test
- Net debt increased to €316.8m following Inelo acquisition
 - Leverage¹ at 2.9x
 - Interest expense + €14.0m YoY

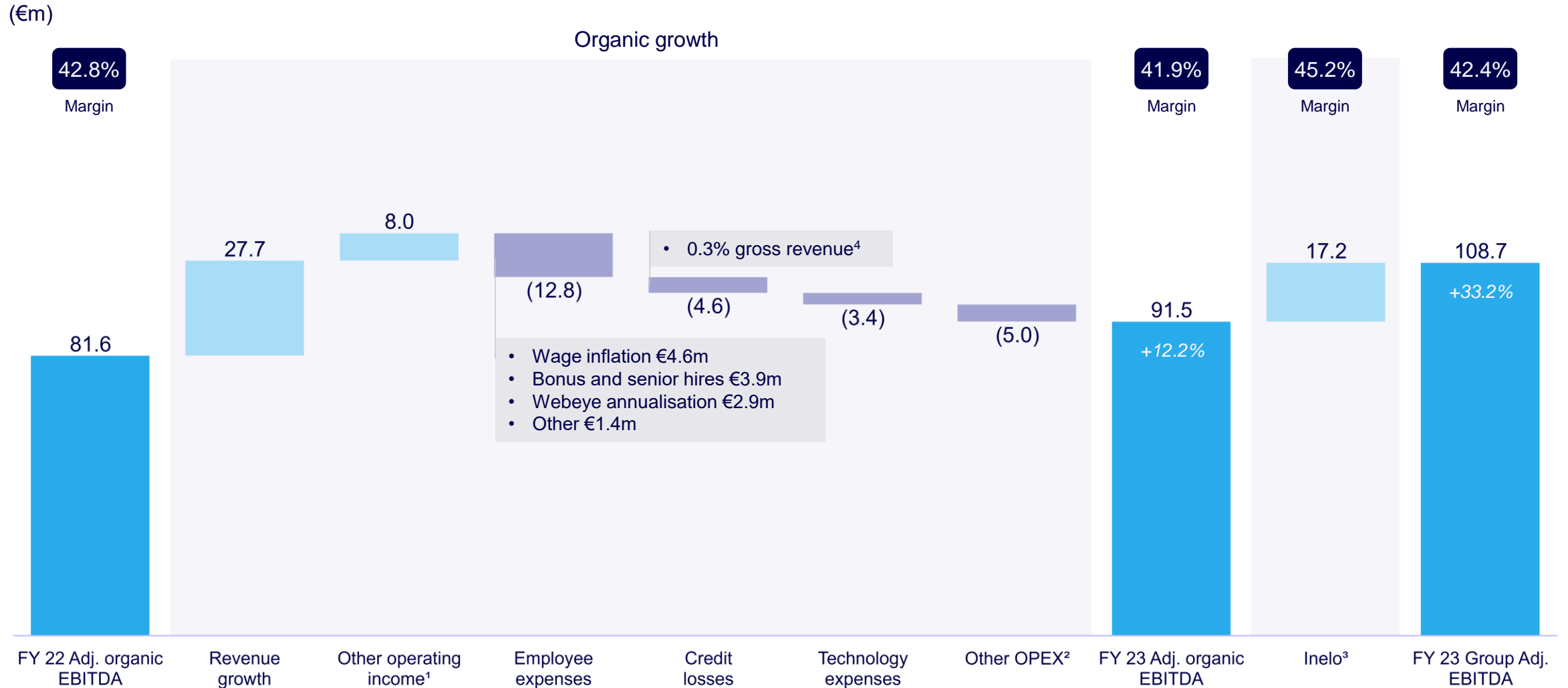
JITpay, written down fair value in 2023, from €14.4m to €0m (no impact to income statement)

Diversifying our revenue mix



Note: (1) Inelo for 9 months and includes €0.3m synergies.

EBITDA growth; organic and through acquisitions



Notes: (1) Other operating income represents a benefit from the foreign exchange gain as a result of our prudent currency risk management. (2) Other OPEX consists of costs of services provided by third parties, facilities maintenance costs, raw materials and energy consumed, consultancy (or professional services), marketing expenses, travel costs and other. (3) Inelo for 9 months and includes integration costs and synergies (4) Credit losses of €8.9m for the year divided by gross revenue from contracts with fuel customers plus toll volume.

Impairment of goodwill as a result of annual test

Inelo acquisition

- Consideration paid €279.0m
- New product capability, Fleet Management Solutions (“FMS”) and Work-time management; key additions to our new platform
- Over 600 people with tech and product experience; strengthening our talent and senior leadership

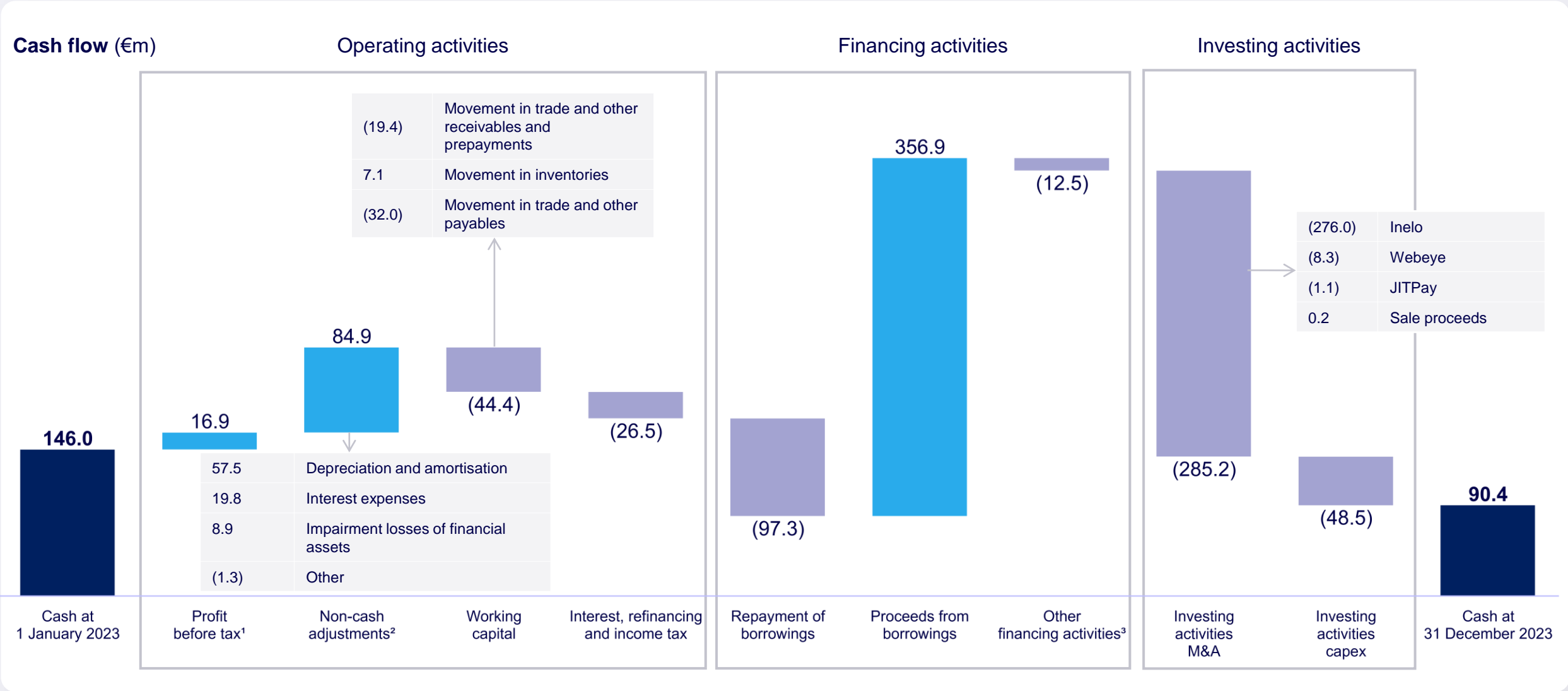
Carrying amount of Goodwill allocated to CGUs¹

(€m)	2023	2022
Energy	94.0	40.1
Navigation	33.6	34.6
Fleet management solutions	138.5	58.0
Tax refund	-	2.4
Toll	-	2.1
Total	266.1	137.2

Annual impairment test

- Annual impairment review on Group’s goodwill of €322.7m; €171.8m from Inelo on acquisition
- Five year cash flow projections forecast for each CGU. Significant changes in FMS assumptions impacted by:
 1. Current market conditions, particularly Poland, where the majority of Inelo’s revenues are delivered,
 2. Progress of integration into Group,
 3. Expected revenues from cross-sell
- This resulted in an impairment of €52.2m for the FMS CGU
- There was also an impairment charge of €4.5m relating to Tax refund and Toll CGU

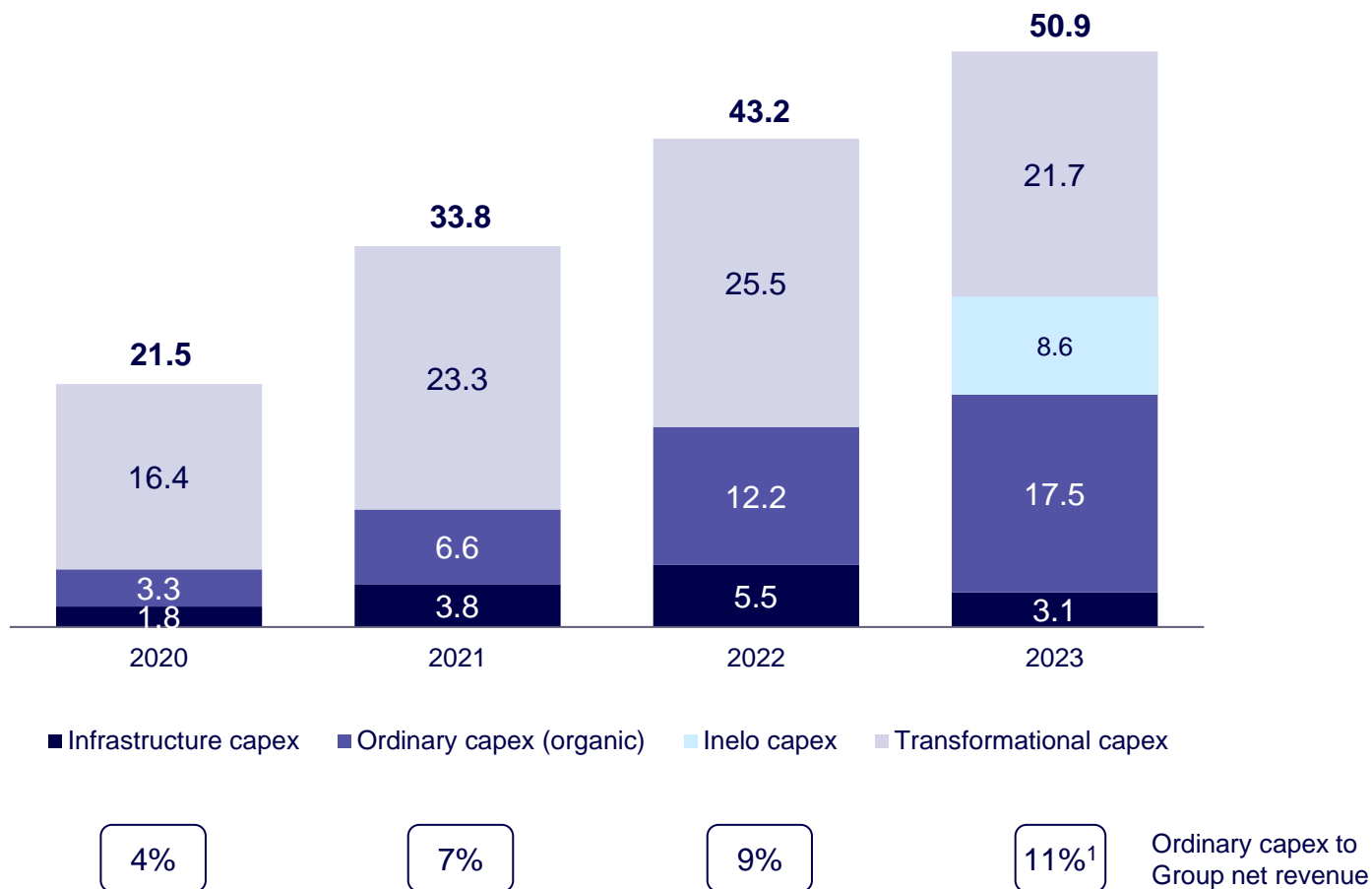
Record investment year; in M&A and capex



Notes: (1) Profit before tax in 2023 excludes the non-cash goodwill impairment of €56.7m and before share of net loss from associates (2) Non-cash adjustments include primarily depreciation and amortisation, interest expenses and impairment losses of financial assets (3) In 2023, other financing activities include €7.0m from acquisition in non-controlling interest and €4.8m on lease payments (4) Working capital excluding acquisition related payables

Significant progress made on building our integrated platform

Capital expenditure (€m)



Change in capex mix following acquisitions

- Transformational capex programme largely complete, within €50m cumulative guidance
- Organic ordinary capex ~9%, ex. Inelo
- Inelo higher capex to net revenue ratio c23%

Transformational capex programme

Building a new platform – EW office

- 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 single data lake

Note: (1) FY23 ordinary capex includes ordinary capex, Inelo capex and infrastructure capex.

Medium-term financial guidance unchanged



Net revenue



Adjusted
EBITDA %



Capex



Leverage target

FY24

- Near term, market headwinds expect growth rates to be around mid-teens %

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

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

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

Medium-term

- Medium-term, value creation from platform and acquisition synergies extracted, return to high-teens %

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

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

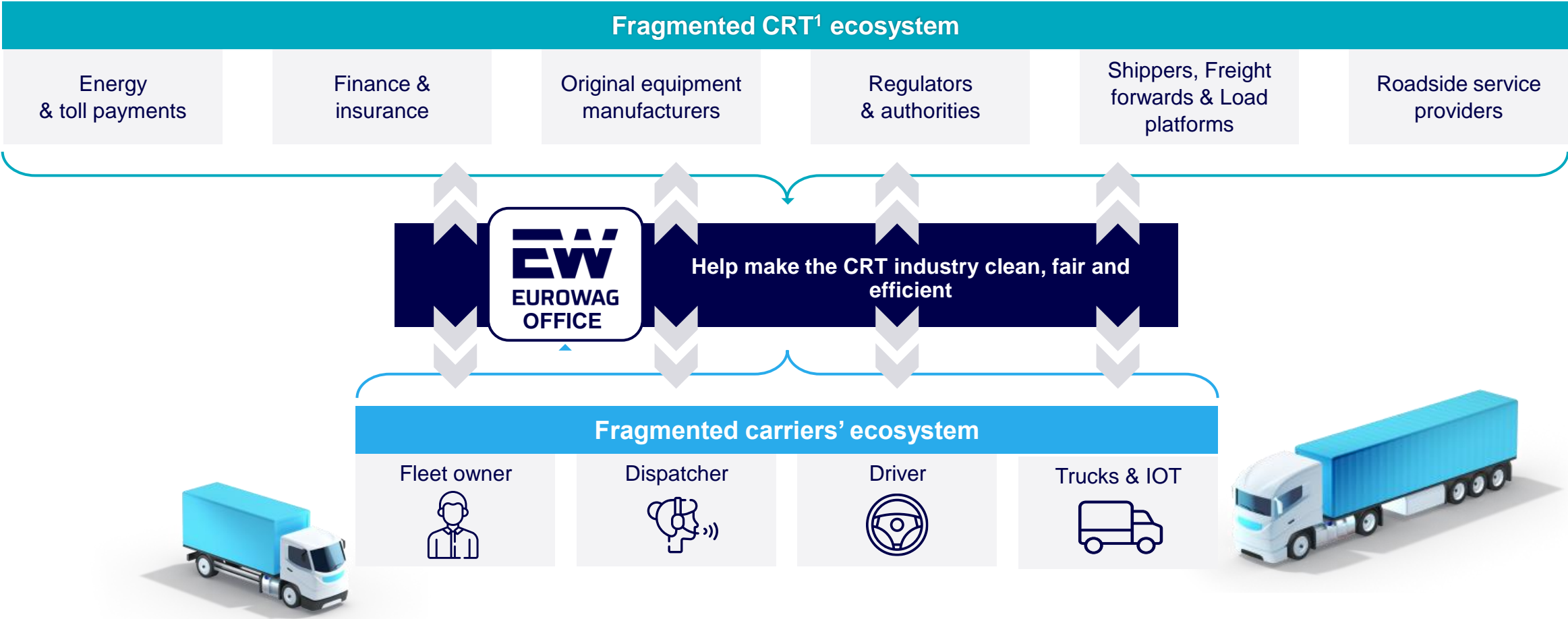
EW EUROWAG

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  2022

Accumulation


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



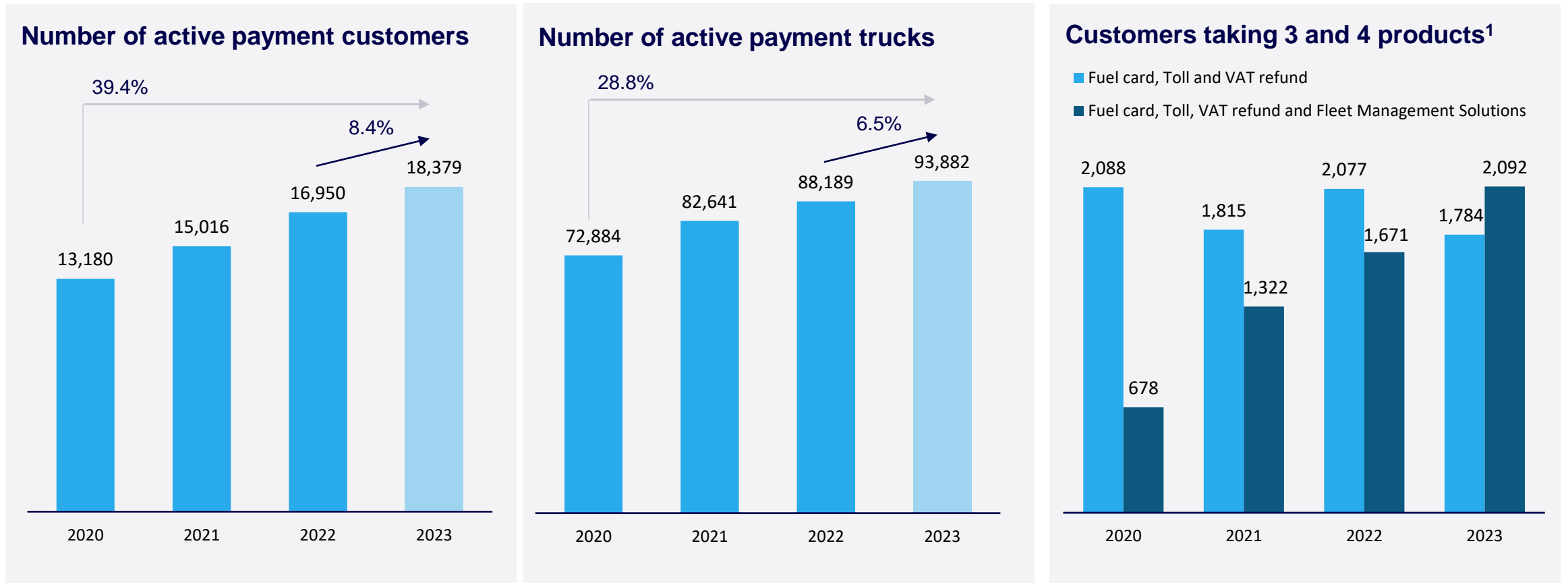
2023+ 

Integration and transformation

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

- Largest acquisition completed   
- Webeye and Inelo people and business integration underway
- Focused on building a digital and indirect sales channels
- Continued to invest in and build our core products
- Completed capex transformational programme
- **Strong progress on building new digital platform, launch still on track for Q4 FY24**

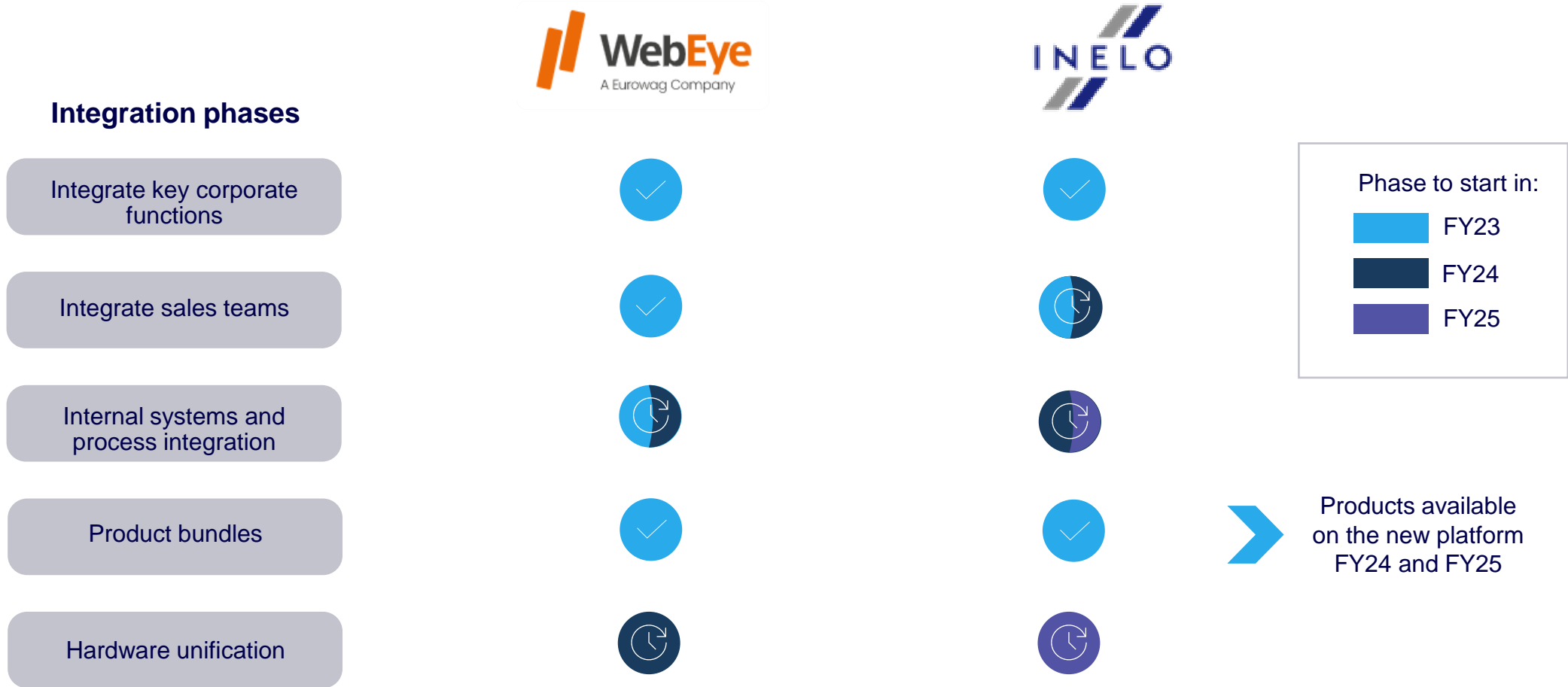
Gaining market share in our most developed markets, with further cross-sell opportunities



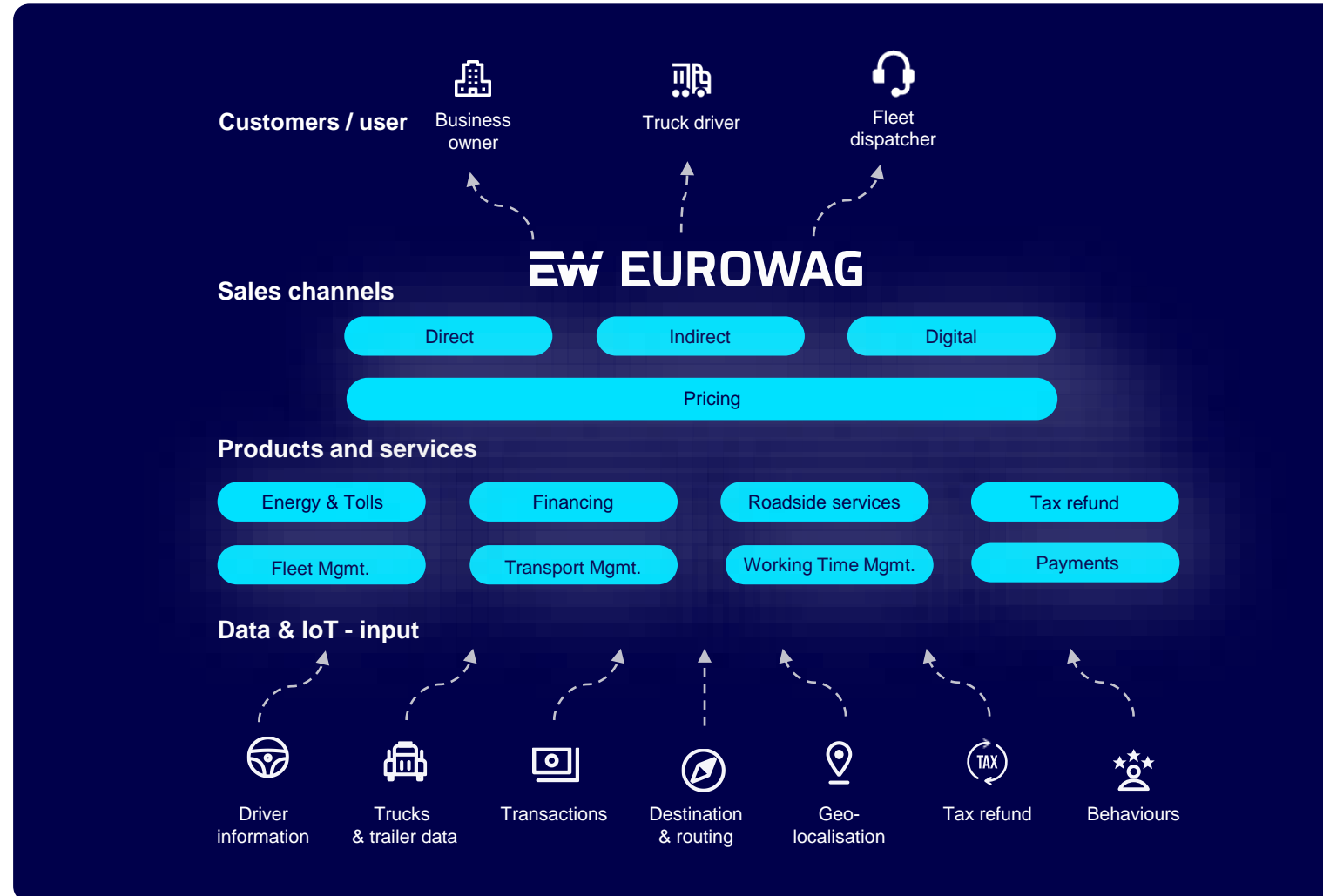
Notes: (1) Numbers relate to BG, CZ, HU, PL, PT, RO and SK, and include Webeye and Inelo.

Post merger integration in progress; aligning people, products and culture

Integration phases

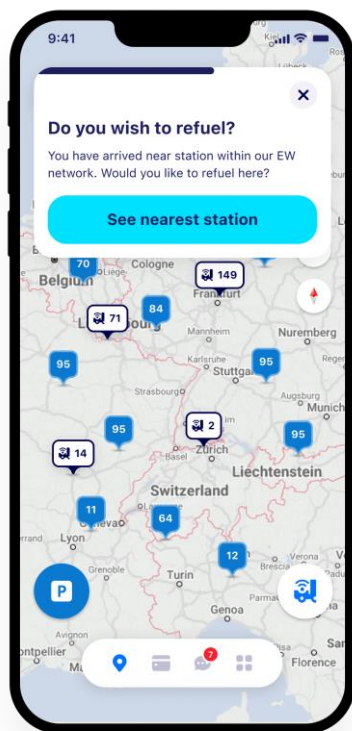


Design of Eurowag's integrated end-to-end digital platform

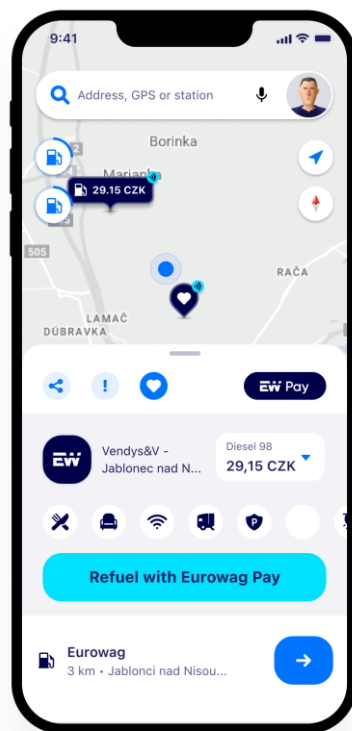


Consolidating customer data into one mobile and web application

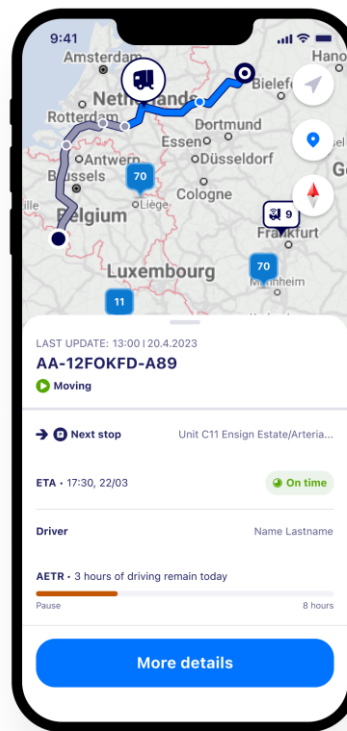
EW mobile app today EUROWAG



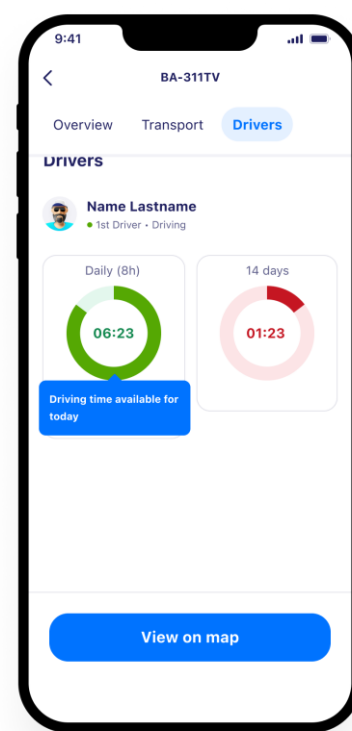
Mobile fuel



Payments

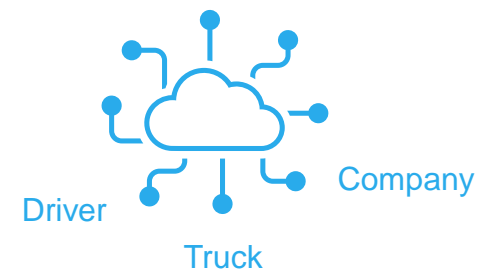


Fleet management

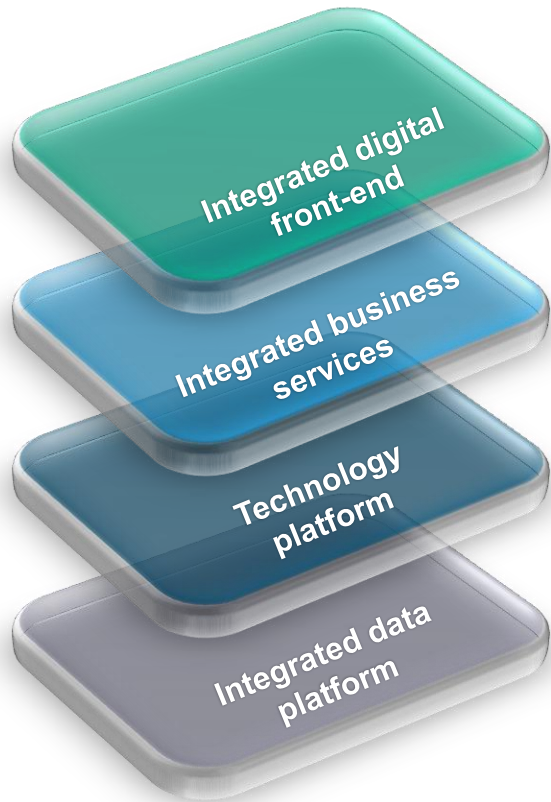


Work-time management

- Significant progress made in development of EW app
- EW mobile app monthly users +58% yoy to 31.8k; 80% drivers
- +800 stations across EU unlock fuel via app



Digital platform roadmap, launch on track for Q4 24



Our new platform will unlock significant value for our customers and industry

Continue to grow



Efficiency and convenience

Today:
cost savings

**up to 10%
or €12,000**

Annual cost saving
per truck



With new capabilities



Cashflow improvements

Financing:
working capital

**up to 50 days
and €15,000**

One-off working capital
improvement per truck



Revenue improvements

Loads:
improved fleet utilisation

**up to 20%
or €24,000**

Annual revenue growth
per truck



Carbon reduction

Decarbonisation:
better life for all

**up to 20 tonnes
CO₂ saved**

Annually
per truck

Delivering on our promise; to make the CRT industry clean, efficient and fair

Our sustainability strategy

Climate action

Customer success and wellbeing

Community impact

Responsible business practice

Making the industry clean and efficient...



- Direct GHG emissions¹: down 11% from baseline 2019²
- Customers' GHG emissions: down 0.5% from baseline year 2019
- Active alternatively fuelled commercial vehicles: +121%³



...whilst also keeping it fair



- Over 1,000 customers surveyed
 - 69% agreed Eurowag supports their business success
 - 74% agreed Eurowag supports their wellbeing and safety



- 79% of employees took part in the Philanthropy & You employee-led charity donation programme
- 1.5% of EBIT donated, including through employee-led philanthropy, volunteering, charity partnerships and disaster-relief



- Women in leadership roles: 35%
- Employee engagement score: 60%

2030 Targets

- 50% reduction in GHG emissions from own operations
- 20% reduction in GHG emissions intensity per tkm from our customers
- 80,000 alternatively fuelled commercial vehicles actively using our product and services

FY23 summary and FY 24 priorities



FY 23 summary

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

Priorities for FY 24

- Continued integration of acquired businesses, extract synergies through cross-sell opportunities
- Successful soft launch of platform Q4 24
- Become a tech-enabled business
- Focus on deleveraging, move back towards guidance range 1.5x-2.5x net debt to adj. EBITDA

Well placed to deliver strong growth for FY24 and medium-term guidance unchanged

Q&A

investors@eurowag.com

Contact us for further details

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⁽²⁾
(% Margin)

84%

70%

Alternative measures

	Adjusted (€m)	Adjusting items (€m)	FY 2023 (€m)	Adjusted (€m)	Adjusting Items (€m)	FY 2022 (€m)
Net revenue	256.5	-	256.5	190.9	-	190.9
EBITDA	108.7	78.9	29.8	81.6	18.5	63.1
EBITDA margin (%)	42.4%	-	-	42.8%	-	-
Depreciation, amortisation and impairments	(40.4)	17.1	(57.5)	(22.0)	8.4	(30.4)
Operating profit/ (loss)	68.3	96.0	(27.7)	59.6	26.9	32.7
Finance income	14.7	-	14.7	4.8	-	4.8
Finance costs and share of net loss of associates	(26.3)	-	(26.3)	(9.5)	-	(9.5)
(Loss) / Profit before tax	56.7	96.0	(39.3)	54.9	26.9	28.0
Income tax	(10.0)	(5.8)	(4.2)	(13.3)	(3.0)	(10.3)
Loss from discontinued operations	-	0.5	(0.5)	-	-	-
(Loss) / Profit after tax	46.7	90.7	(44.0)	41.6	23.9	17.7
Basic earnings per share	6.49		(6.62)	5.75		2.41

Adjusting items

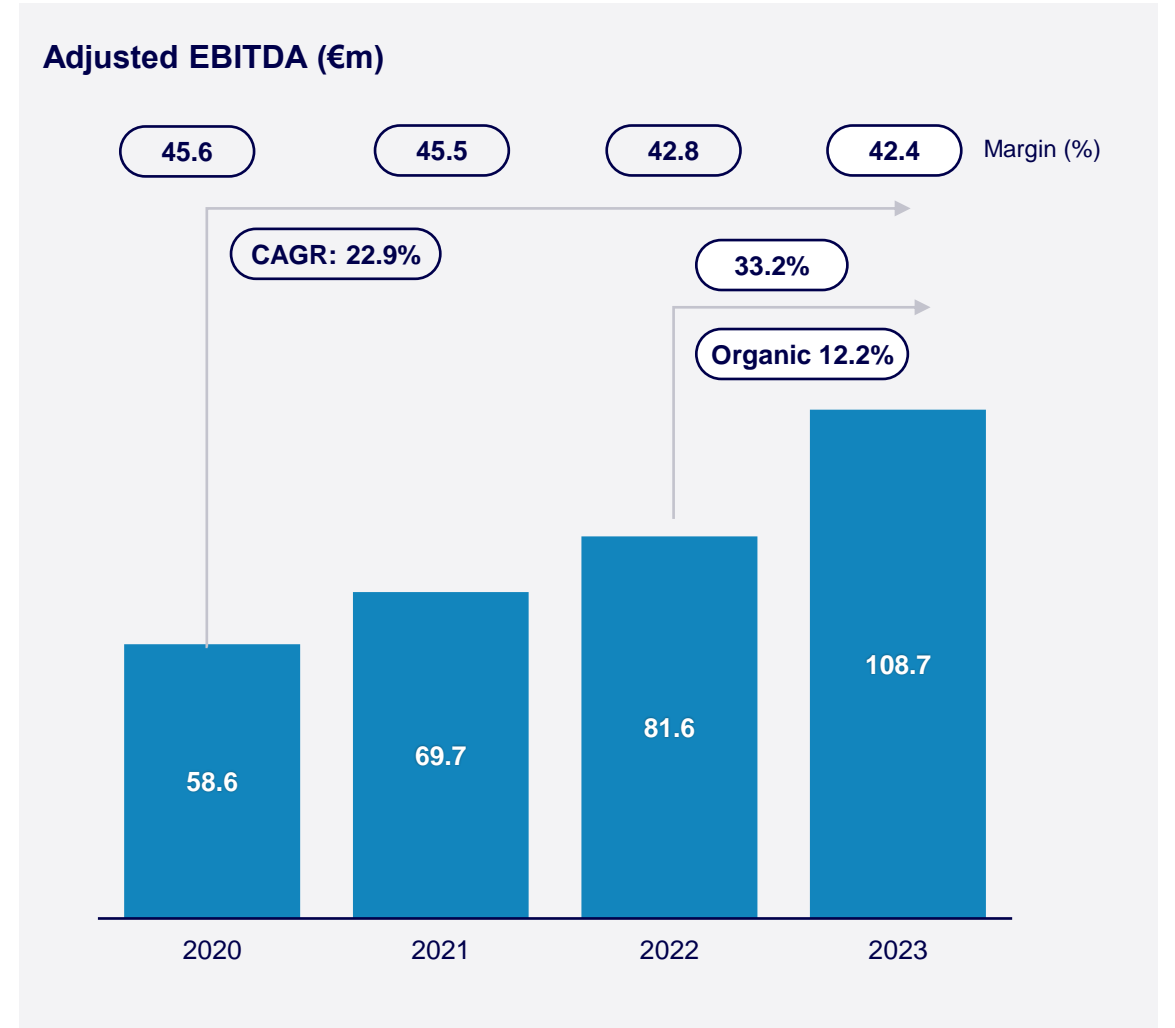
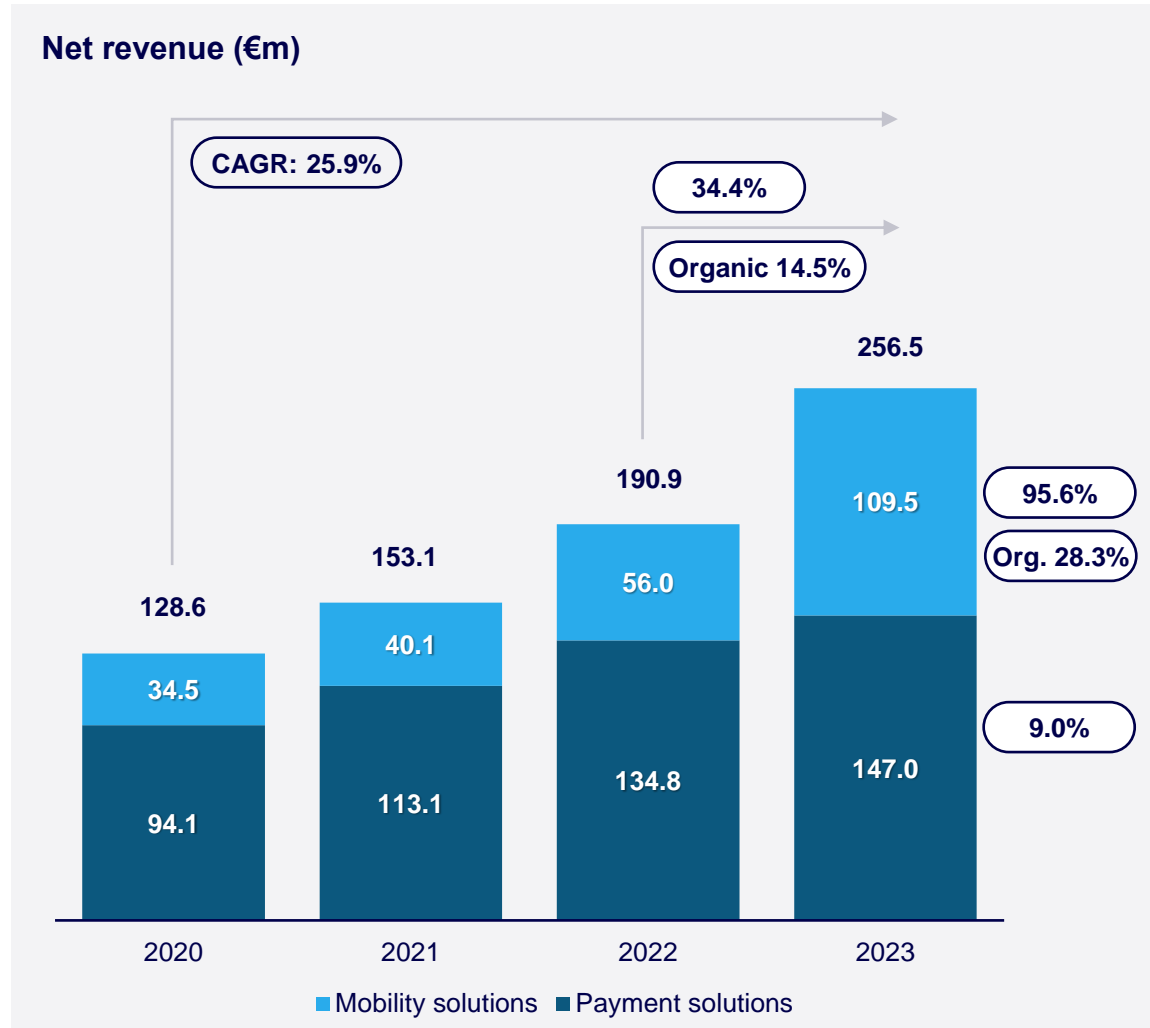
Adjusting items

	FY 2023 (€m)	FY2022 (€m)
M&A related expenses	4.4	8.0
Strategic transformation expenses	7.1	5.2
Share-based compensation	6.5	5.3
Impairment losses of non-financial assets	56.7	-
Restructuring costs	4.2	-
Adjusting items in operating expenses	78.9	18.5
Adjusting Items in depreciation and amortisation	17.1	8.4
Total adjusting items	96.0	26.9

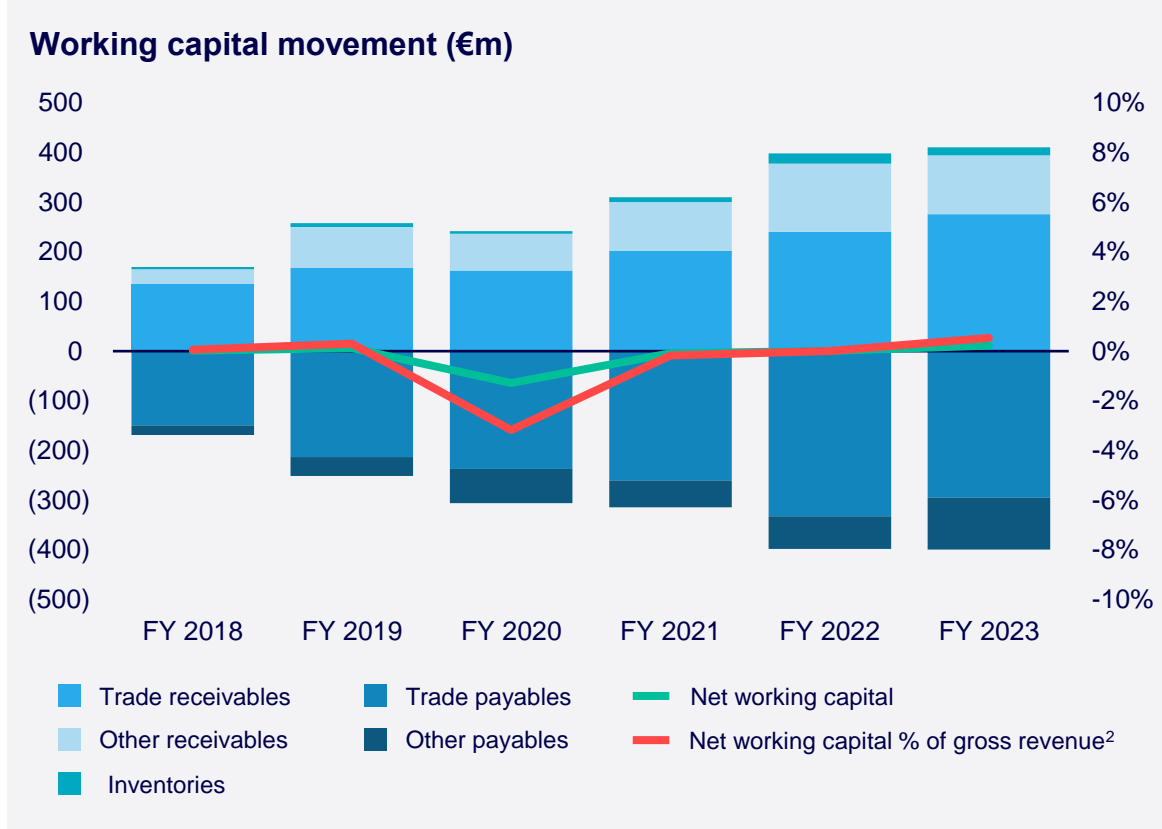
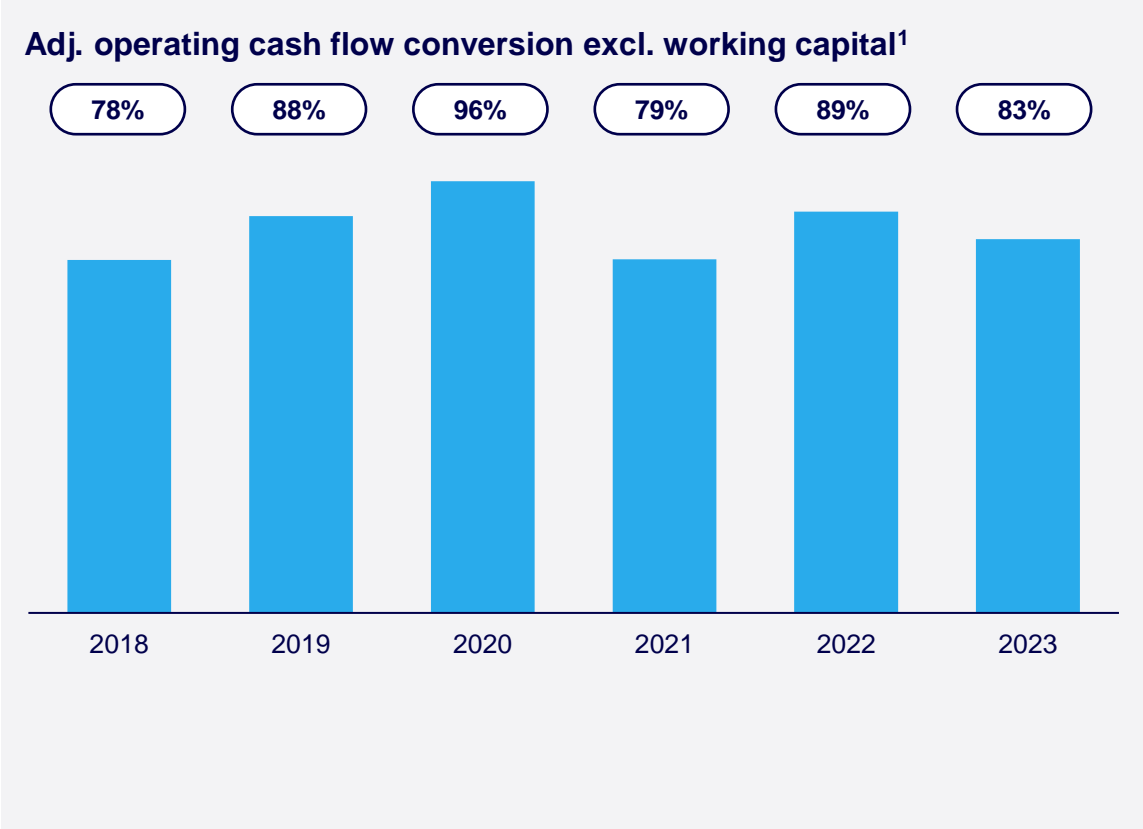
Adjusted EBITDA reconciliation

	FY 2023 (€m)	FY2022 (€m)
Intangible assets amortisation	43.4	22.2
Tangible assets depreciation	8.9	4.8
Right-of-use depreciation	5.3	3.4
Depreciation and amortisation	57.5	30.4
Net finance costs and share of net loss of associates	11.6	4.8
(Loss)/profit before income tax	(39.3)	28.0
EBITDA	29.8	63.1
Adjusting Items	78.9	18.4
Adjusted EBITDA	108.7	81.6

Strong growth through organic and inorganic investment

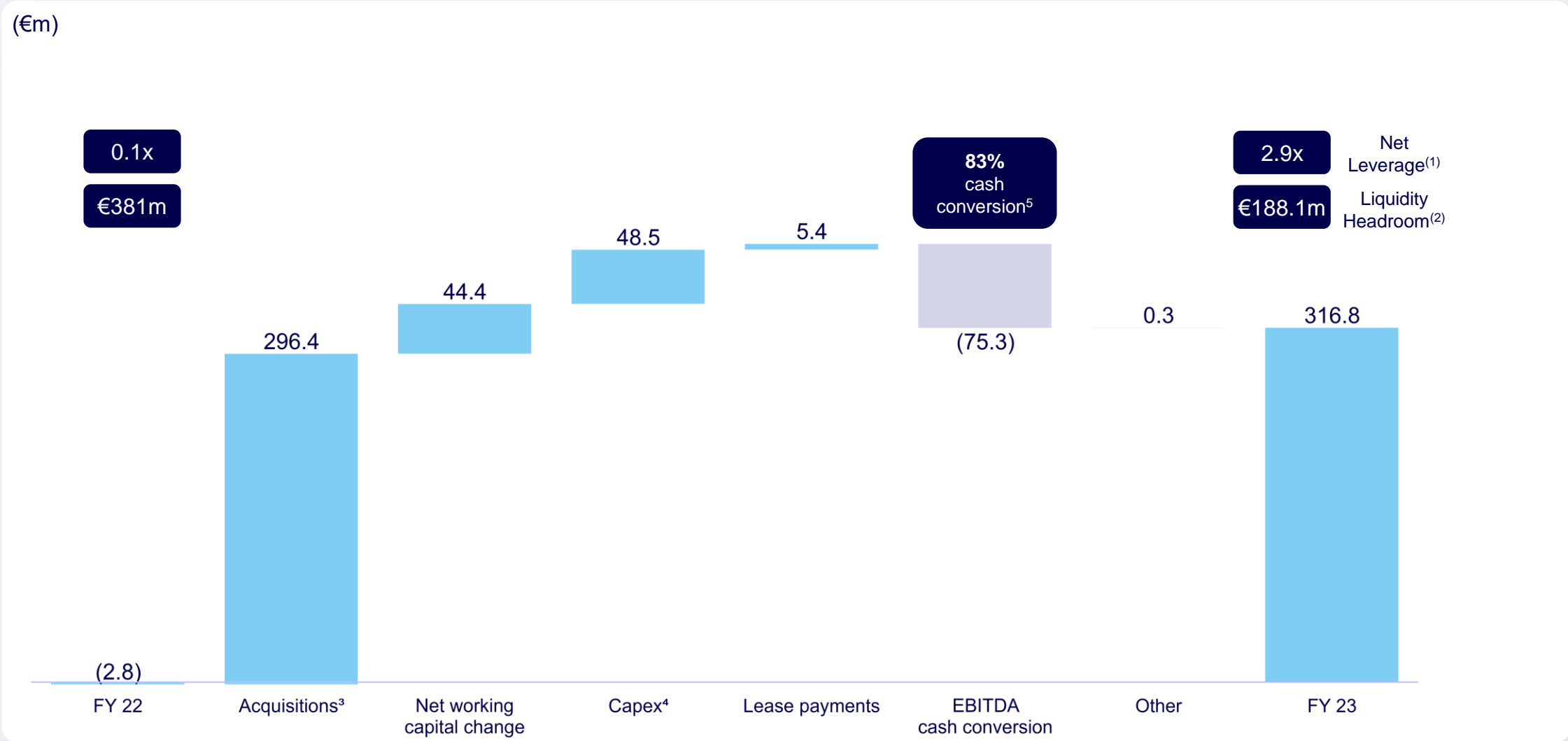


Strong cash flow conversion, stable working capital



Notes: (1) includes ordinary capex. (2) Gross revenue calculated as revenue from contracts with customers plus toll volume.

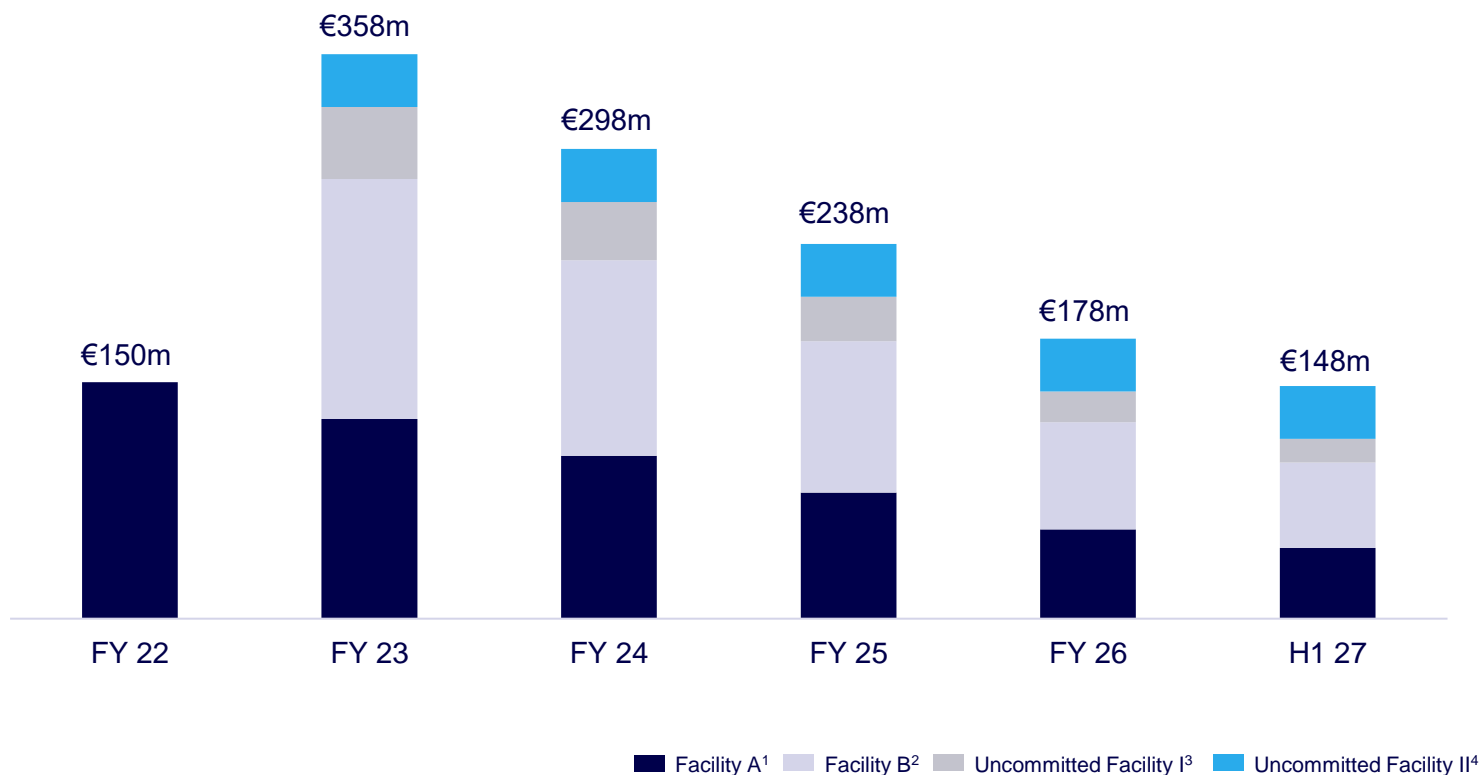
Net debt increase driven by acquisitions and business transformation investment



Notes: (1) Net leverage covenant calculation as per bank definition, considering GROUP Adjusted EBITDA for the last twelve months. Net debt includes lease liabilities and derivative liabilities. (2) Calculated as a sum of Cash, available committed Revolving Facility and uncommitted Incremental Facility. (3) Acquisitions include acquired debt (incl. lease liabilities). (4) Capex includes proceeds from sales of assets (5) Adjusted operating cash flow conversion excl. working capital, includes ordinary capex.

Finance facilities maturing 2027

Committed debt amortisation profile



Club finance credit facilities matures 2027

- Facility A of €150m
- Facility B of €180m
- 235m revolving facility, of which €85 may be used revolving loans, €150m as bank guarantees or letters of credit and €25m as overdraft.
- €150m uncommitted facility for permitted acquisitions, capital expenditure and revolving facility of up to €50m

Interest rate swaps

Facility A:

- €120m effective payable interest rate of 0.1%, expires 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 $\leq 3.2 \geq 2.5$

Creation of an industry-unique data platform



- Industry first data platform
- Data covers every touch point for a customer journey
- Supporting the digitisation of the industry
- Further unlocks the value of our digital platform

Capturing all our customers data
 =
 Enables customers to drive process and operational efficiencies

Our platform will help make the CRT industry 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 operations¹ by

50%
by 2030

Customers

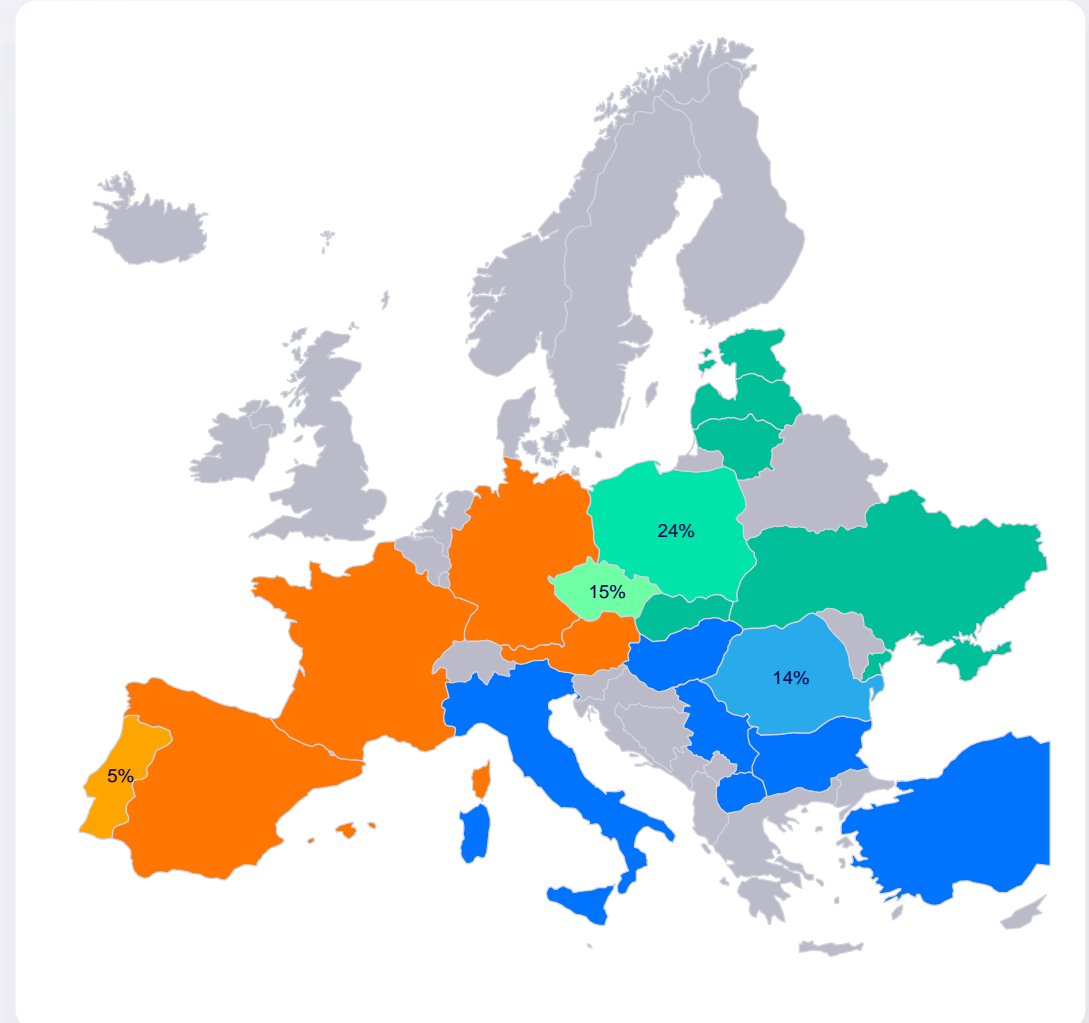
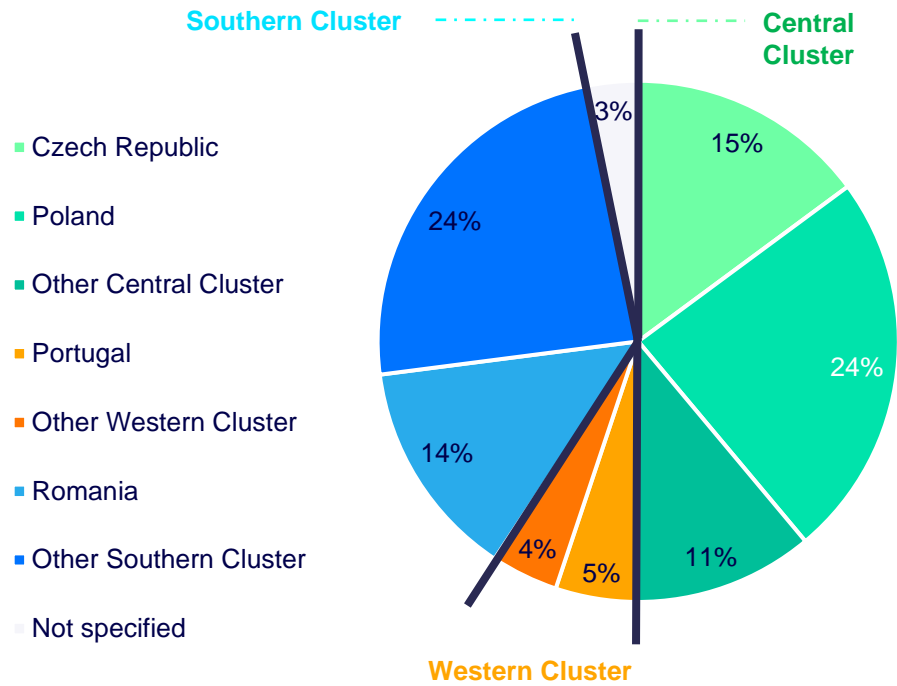
Reduce our customers GHG
emissions intensity per tkm by

20%
by 2030

80,000

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

Net revenue geographical split



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

