

W.A.G payment solutions plc

Full year 2022 results

16th March 2023

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Agenda



1 Introduction and highlights

2 Financial results

3 Strategic update

4 Summary and FY23 priorities

5 Q&A

Introduction and highlights

Martin Vohánka / Founder and CEO

2022 Highlights

Strong financial performance

Net energy and services sales

€190.9m

+24.6% YoY

Adjusted EBITDA

€81.6m

+17.0% YoY & 42.8% margin

FY 22 gross cash position

€146.0m

Good progress on strategic priorities

Growth from existing customers

- Implementing agile sales team model
- Maintained strong net average revenue retention >110%.

Geographic expansion & penetration

- Expanded into Germany with an experienced sales team
- Active payment solution solutions customers +12.9%

Go-to market channel expansion

- Launched a fully automated digital customer acquisition journey
- Signed two leading EU OEMs deals

Digital platform development

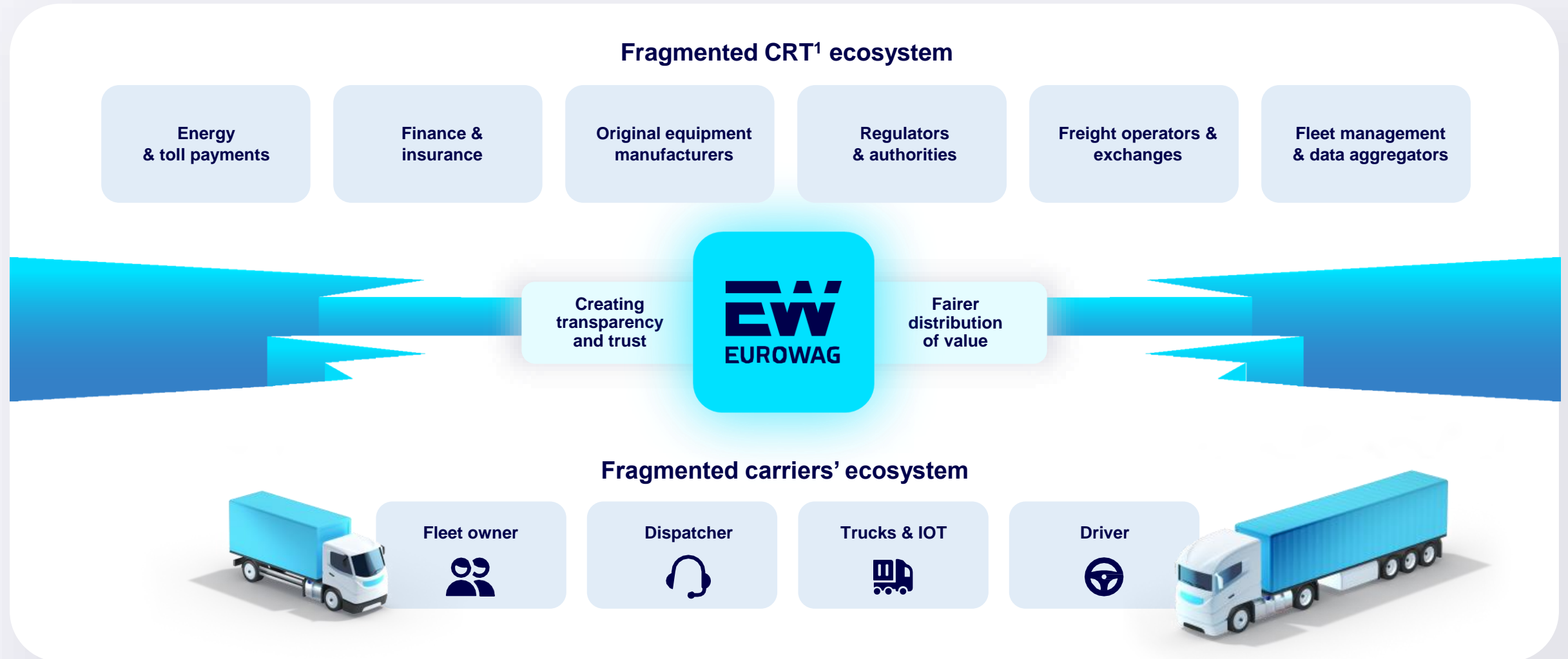
- Mobile payment roll-out
- Building essential tech and data infrastructure

Accretive M&A

- Acquired new critical capabilities for the platform
- New strategic partnership to enhance our product offering

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

Connecting the CRT industry together into one transparent ecosystem



The CRT industry needs a digital and operational transformation



Complex

30+
administrative
tasks for every
journey



Analogue

< 13%
of road transport
companies are
digitized¹



Fragmented

>90%
of operators are
SMEs and lack
access to technology
& data insights²



Constrained

Limited
access to finance
restricts earnings
potential



Environmental impact

9%
of greenhouse gas
emissions in Europe²

Our journey to an integrated end-to-end digital platform

1995

1. Expansion

Building customer loyalty as fuel card provider and toll payments

- From regional to leading CEE player
- Pan-European fuel and toll proprietary network
- Payments with credit provisioning



2016

2017

2. Accumulation

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

- Evolving strategy to address key CRT challenges
- Focused on mission critical products for the customer
- One-stop-shop for mobility solutions
- Piloting system integrations



2022

2023+

3. Integration

Delivering integrated end-to-end platform, driving efficiency and supporting decarbonisation

- AI, data and connectivity at the heart of value creation
- Cross-sell centric design
- Scalability via strong digital and indirect (OEMs) channels



Financial results

Magdalena Bartoś / CFO

Strong financial profile



**Large scale
and network**

16,950

Active payment
solutions customers

88,189

Active payment
solutions trucks



**Proven growth
track record**

13.4%

CAGR 20-22
Active payment solutions
customer growth

21.8%

CAGR 20-22
Net energy and services
sales growth



**High revenue
retention**

>110%

Average net
revenue retention
2018-2022

2.9

Average number
of products used
by our customers



**Highly profitable
and cash
generative**

42.8%

Adjusted EBITDA
margin

€146m

FY22 gross cash
position

2022 Financial highlights

€ million	FY 2022	FY 2021	YoY%
Net energy and services sales	190.9	153.1	+24.6%
<i>Payment solutions</i>	134.8	113.1	+19.2%
<i>Mobility solutions</i>	56.0	40.0	+39.8%
Adjusted EBITDA	81.6	69.7	+17.0%
Adjusted EBITDA margin	42.8%	45.5%	(2.7)pp
Investing Activities: Capex and M&A	104.3	43.1	
<i>Transformational capex</i>	25.5	23.3	
Net cash	2.8	61.7	
Net Leverage	(0.0)	(0.9)	

- Organic revenue growth of 19.4%, driven by:
 - Growth from existing customers through strong average net revenue retention (>110%)
 - Effective cross-selling of our mobility solutions
 - +12.9% growth in active payment solution customers; and
 - Sales to automotive partners
- Adjusted EBITDA margin impacted by a full year of PLC costs related to governance and communications and Webeye consolidation
- Continued investment in digital transformation and acquisitions
- Net cash position provides leverage headroom ahead of completing our Inelo acquisition in Q1 2023

Investment in talent and technology capabilities

Corporate expenses ¹	Adjusted		
€ million	2022	2021	YoY%
Employee expenses	(59.8)	(47.1)	26.9%
Impairment losses of financial assets	(3.9)	(3.1)	26.2%
Technology expenses	(9.5)	(6.2)	53.1%
Other net operating expenses	(36.1)	(27.0)	33.7%
Depreciation and amortisation	(22.0)	(14.8)	48.4%
Total	(131.2)	(98.2)	33.7%

Employee expenses:

- Costs related to changes in management structure and strengthening talent
- Implementing remuneration schemes appropriate for a PLC company

Technology expenses:

- Cloud transition
- Expenses related to the new generation ERP system

Other operating expenses:

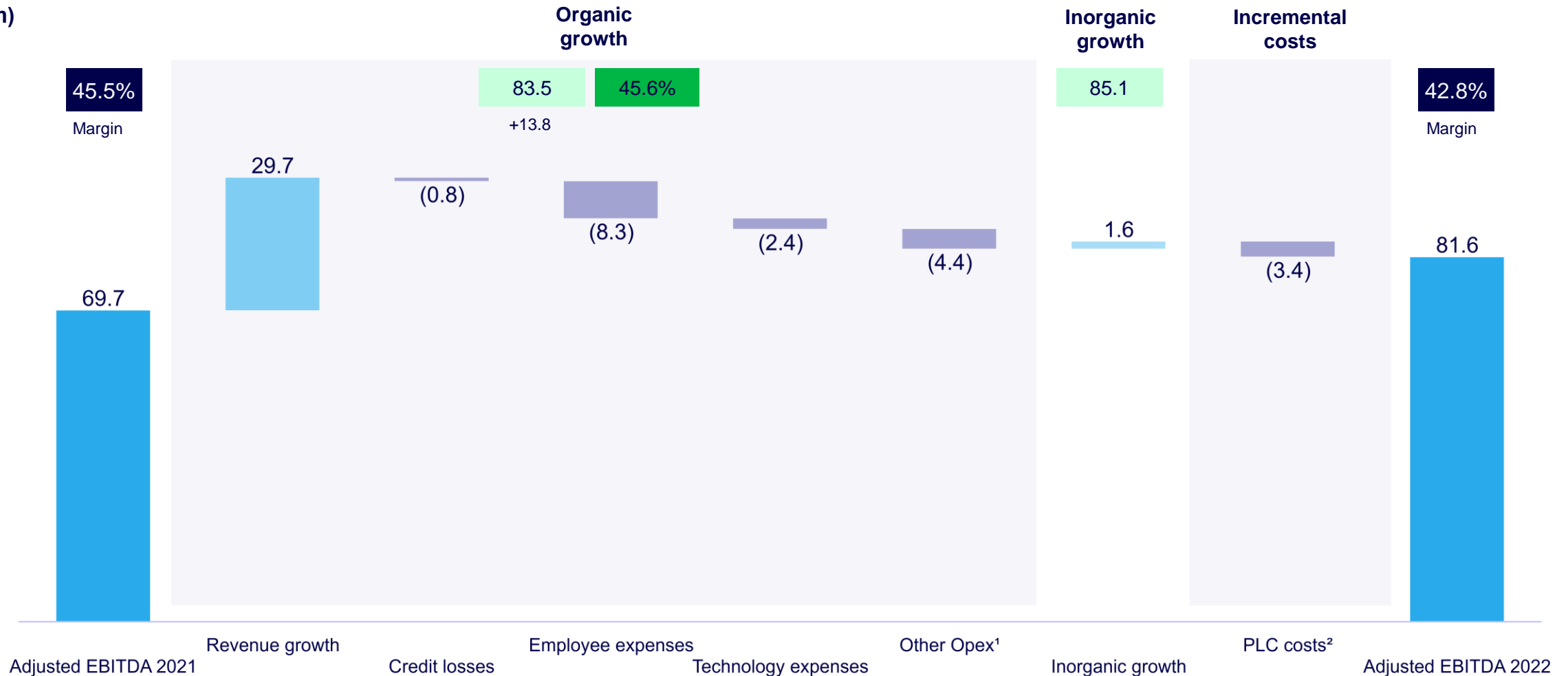
- PLC-related costs
- Return to travel and other costs post-Covid-19 and inflation

Depreciation and amortisation:

- Transformational technology being put in production

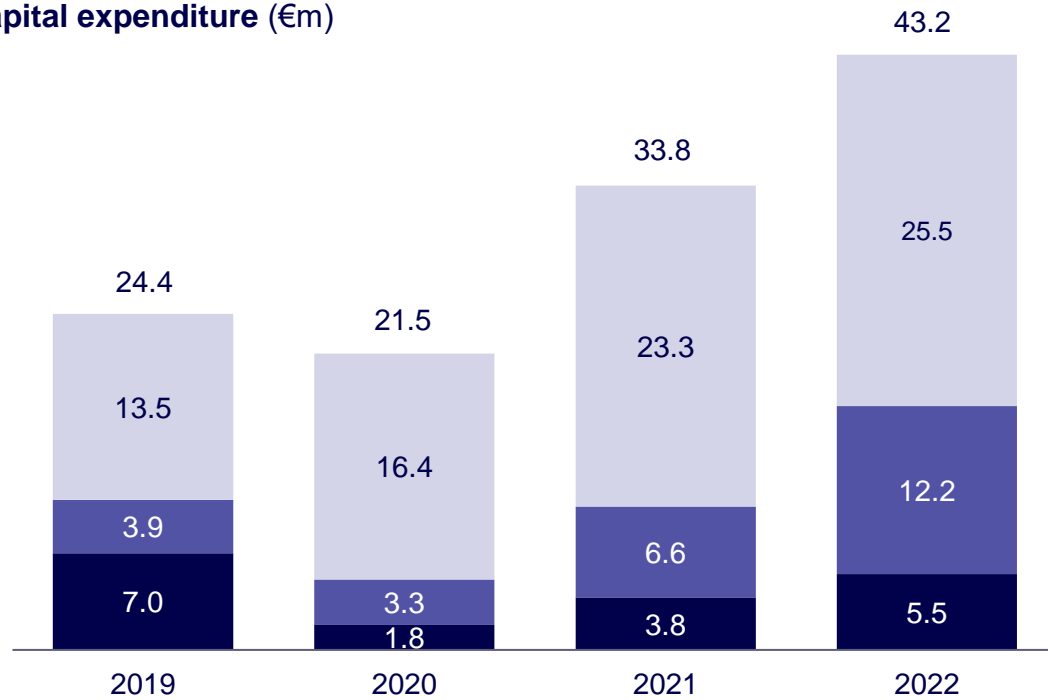
Adjusted EBITDA profitability sustained

(€m)



On-track with our technology transformation programme

Capital expenditure (€m)



■ Ordinary Infrastructure Capex ■ Ordinary Capex ■ Transformational Capex



Transformational capex
€50m cumulative for 2022-2023

High single digit % of net revenue

Ordinary Capex % Net Revenue⁽¹⁾

2022 progress on transformational capex

Enhancing our sales channels

- Developing social truck navigation (e.g RoadLords)
- Building indirect channel product, focusing on automotive OEMs

Expanding product and services capabilities

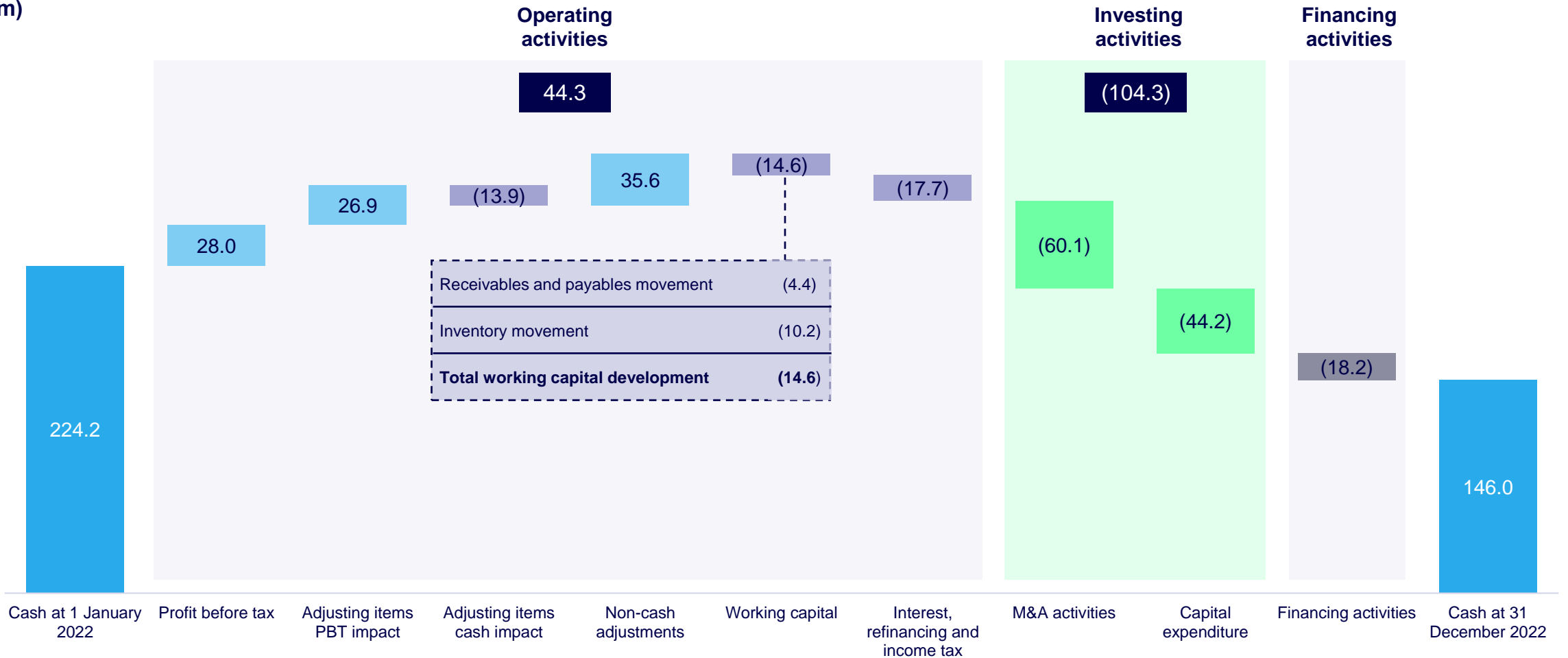
- Scaling and expanding our Toll / EETS product and services
- Investing in our financing capabilities to enable further automation and real-time management

Building a cloud-base data system

- Building our tech foundation through ERP implementation
- Consolidating data into a data lake
- Building customer insights tools for sales channels

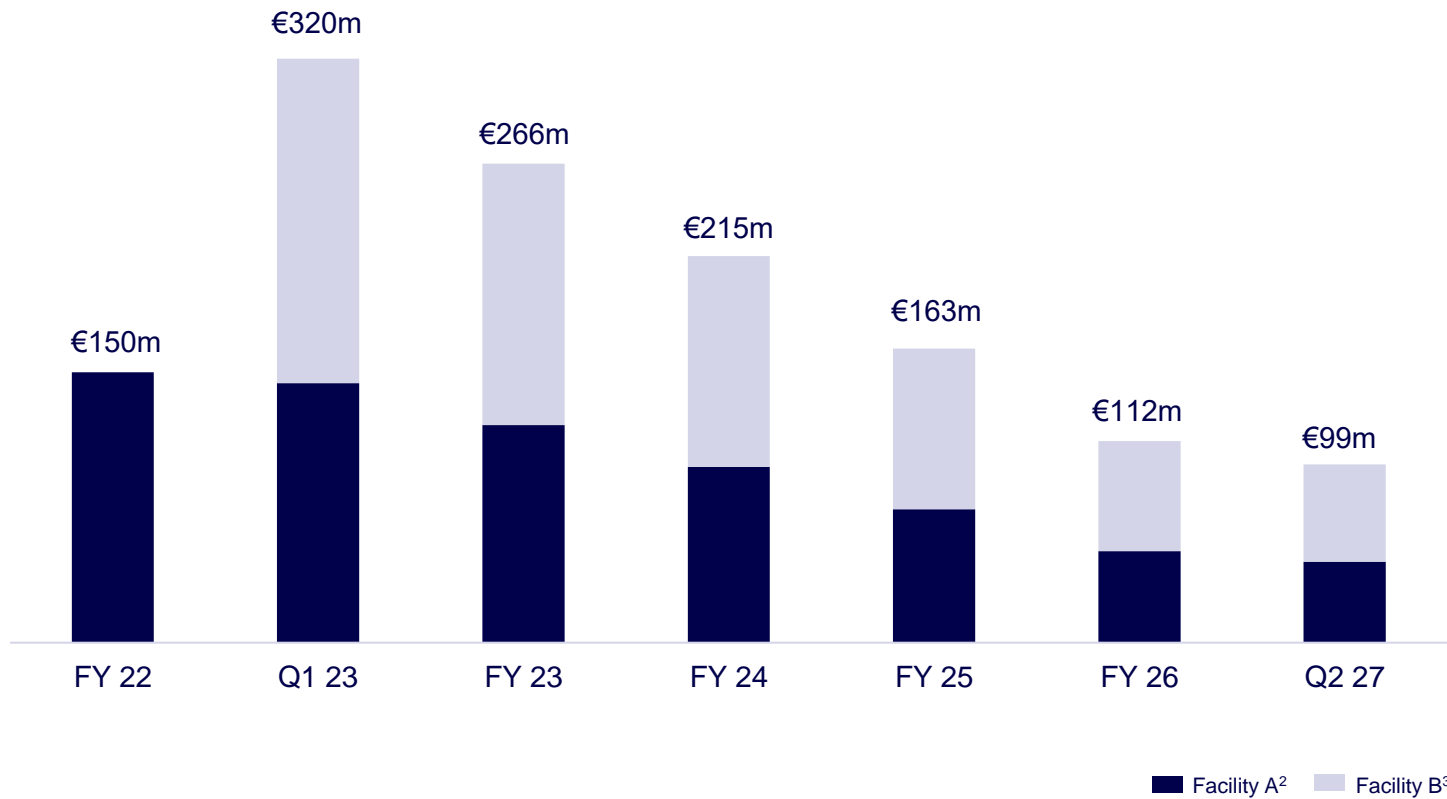
Strong cash flow generation

(€m)



Disciplined debt management

Committed debt¹ 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 hedged by interest rate swaps

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
- Post Inelo acquisition, net debt to adjusted EBITDA around half turn above 2.5x
- Committed to deleverage back within target in the near-term

Strong financial profile



Capital allocation principles

Integrated end-to-end digital platform

Investments in technology

Expanding capabilities



Robust Balance Sheet

Focus on deleverage in near-term

Financial strength providing strategic flexibility



Disciplined Strategic M&A

Accretive M&A to strengthen our platform

Maintain financial discipline whilst pursuing attractive growth opportunities

Focused on delivering synergies and integration



Prioritise growth over dividends

No intention to declare a dividend in the near term

Prioritise growth opportunities

Medium-term financial guidance unchanged



Net revenue

- Organic net revenue growth between high-teens and low-twenties
- Expect both payment solutions and mobility solutions to grow at a similar pace over the medium term



Adjusted EBITDA %

- Adjusted EBITDA margin from mid-forties trending to high forties
- Change of revenue mix from Inelo acquisition will impact the pace of margin expansion



Capex

- Ordinary capex at around high single digit % of net revenue
- Transformational capex €50m cumulative for 2022–2023



Leverage target

- Leverage target of 1.5x–2.5x over the medium term
- Expect to exceed top end of range by around half a turn of adjusted EBITDA on completion of Inelo
- Return to within target range in near term

Entering 2023 with strong momentum

Strategic update

Martin Vohánka / Founder and CEO

Our updated strategic framework; 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

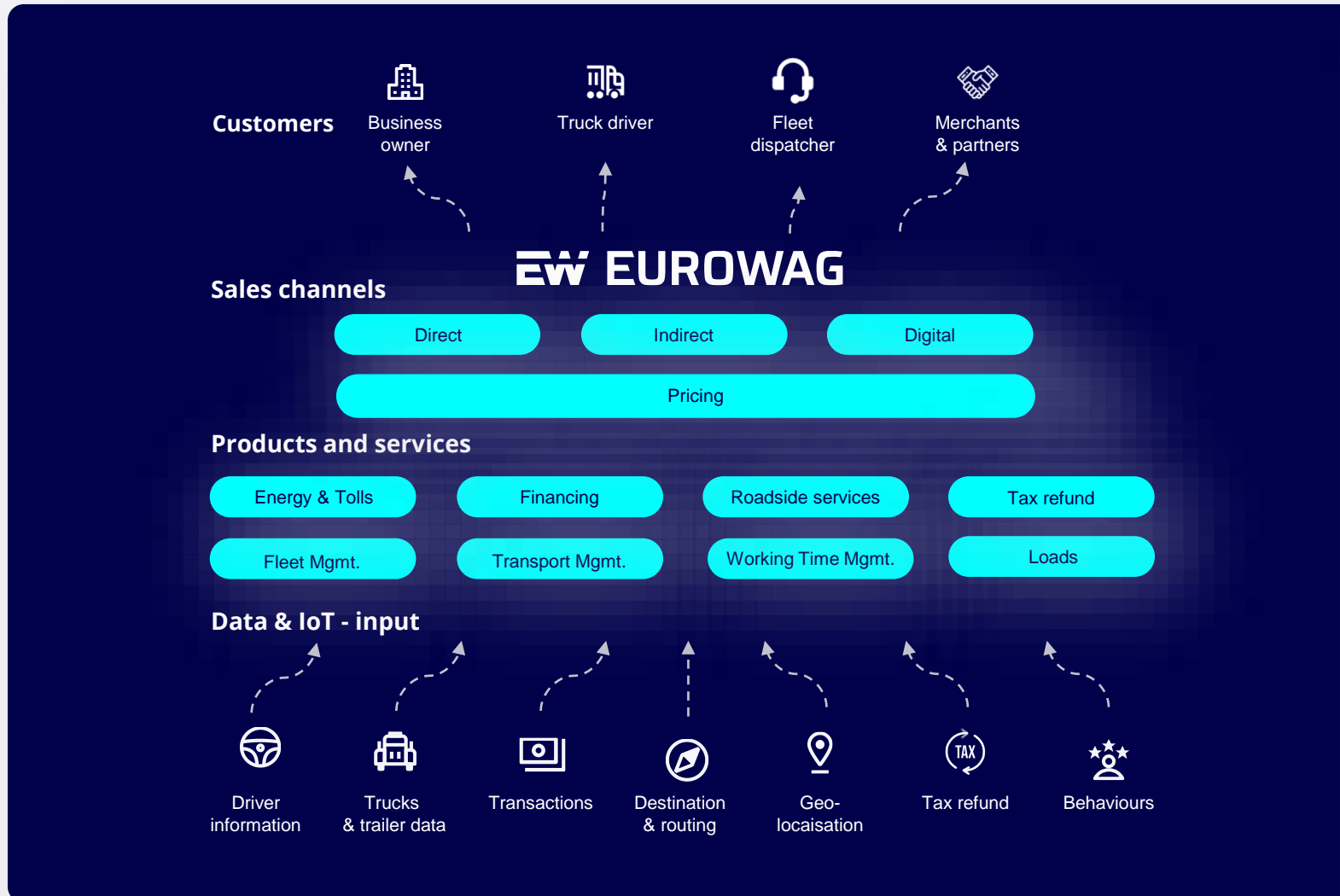
Embedded sustainability

Data-driven decisions

Capability focused organization

Delivery on M&A strategy

Building an integrated end-to-end digital platform



2023 product and tech priorities

Enhancing our sales channels

- Integrate digital front end
- Focus on enhancing customer's digital journey

Expanding product and services capabilities

- Continue to build and pilot our Loads platform
- Continue to enhance our Financing services, adding further optionality for customers
- Enhancing Fleet Management services through acquired capabilities

Building a cloud-based data system

- Continue to integrate internal data sources into data lake
- Continue to build customer insight tools to support sales teams with cross-sell opportunities

Our platform will unlock 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

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 operations¹ 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

Summary and Priorities for 2023



Summary

- Achieved strong revenue and EBITDA growth, in line with medium-term guidance
- Continue to expand our geographical footprint and acquired customer portfolios, with large potential to cross-sell our products
- Delivering on technology transformation with disciplined execution of capex plan

Priorities for 2023

- Integrating businesses acquired
- Drive scale through customer acquisition and cross sell
- 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 in near-term

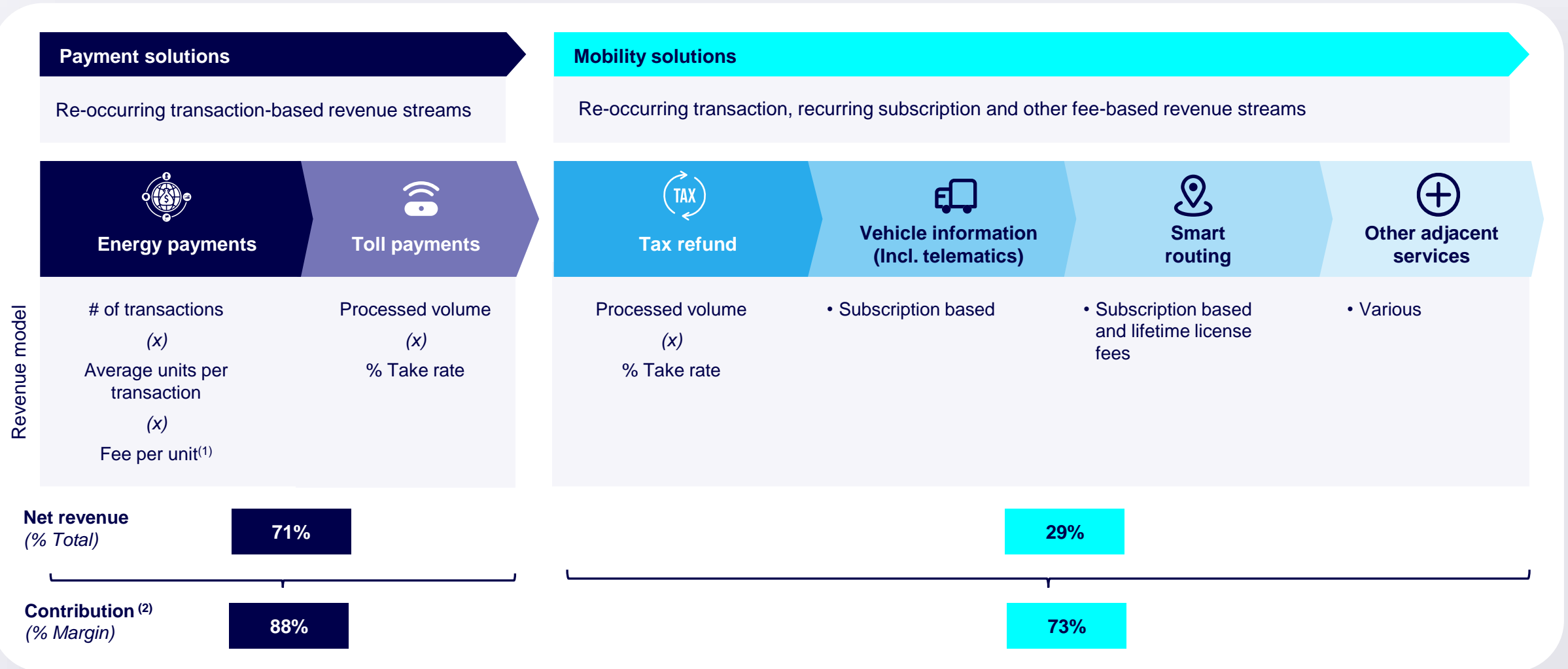
Well placed to deliver strong growth for FY23 and further progress towards delivering our integrated end-to-end digital platform

Q&A

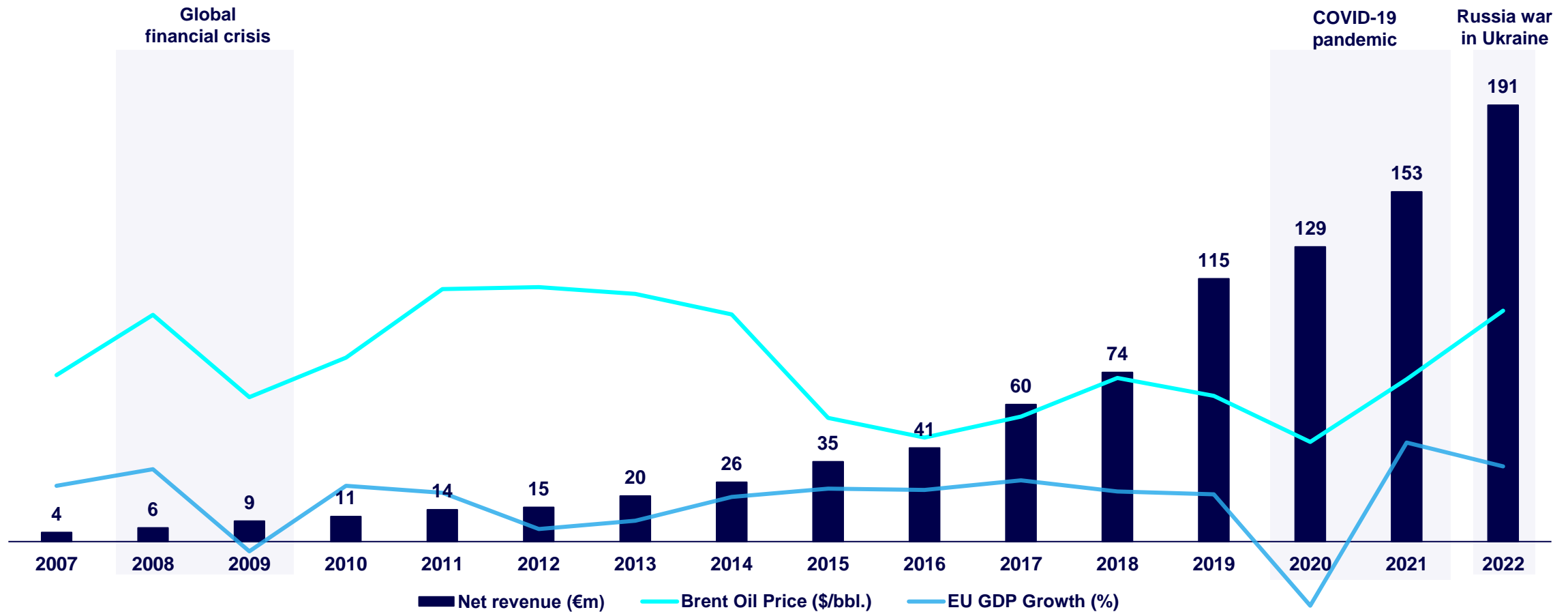
investors@eurowag.com

Appendix

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

Inelo at a glance

One-stop-shop integrated mobility solutions platform for heavy fleet transportation companies

Overview

~54%

Fleet Management Systems (FMS)

FY2021 Revenue

~40%

Working Time Management (WTM) software and outsourcing

FY2021 Revenue

23

EU Public Authorities using WTM software

Network & Scale⁽³⁾

~87,000

Connected trucks in FMS⁽¹⁾

~160,000

Drivers settled monthly

Poland

Leadership position

Slovenia, Croatia and Serbia

Critical mass

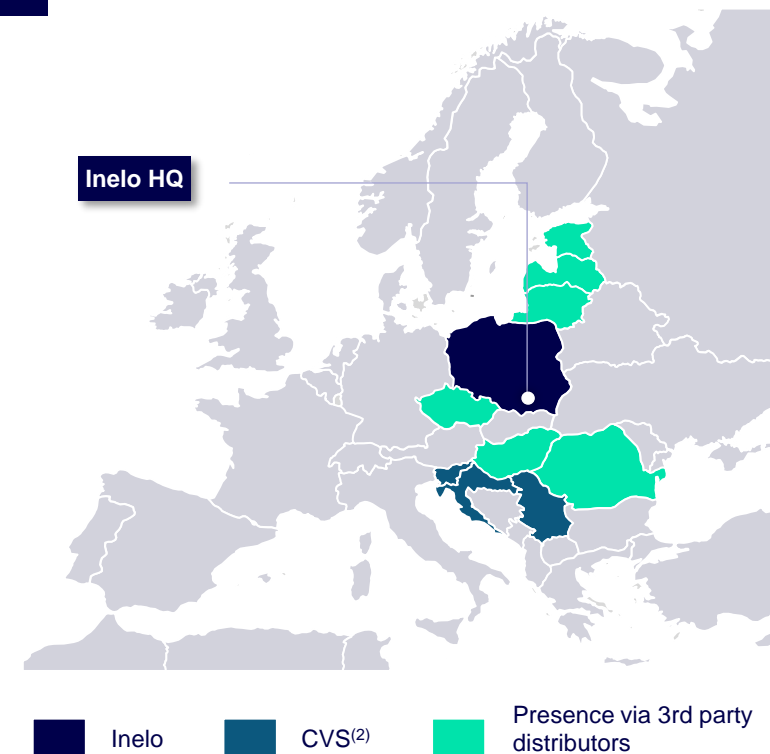
Technology

Proprietary technology solution

Adds mission critical product

Increases digitisation and efficiency of operations

Easy integration with external systems



Strategic rationale



Inelo's complementary financial profile

Inelo

Enlarged Group

€26.4m

FY2021 Revenue⁽¹⁾
with 38.5% y-o-y growth

€20.6m

HY2022 Revenue⁽³⁾

€10.9m

FY2021 Adjusted EBITDA^{(1) (2)}

€9.0m

HY2022 Adjusted EBITDA⁽²⁾⁽³⁾

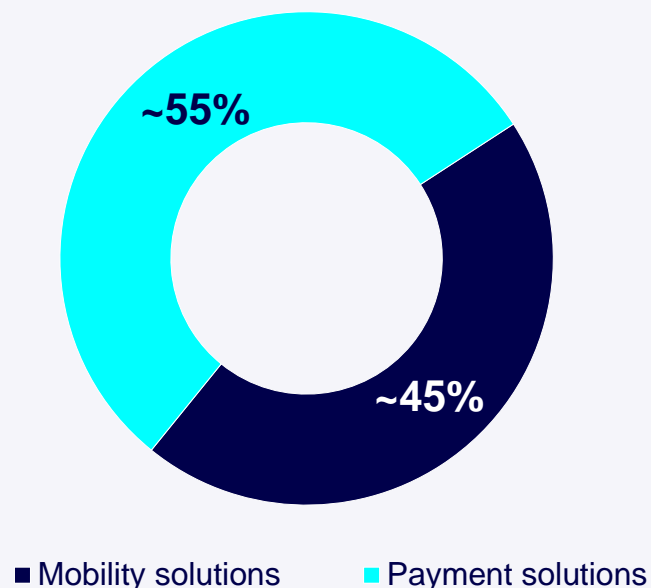
41.4%

FY2021 Adjusted EBITDA margin⁽¹⁾

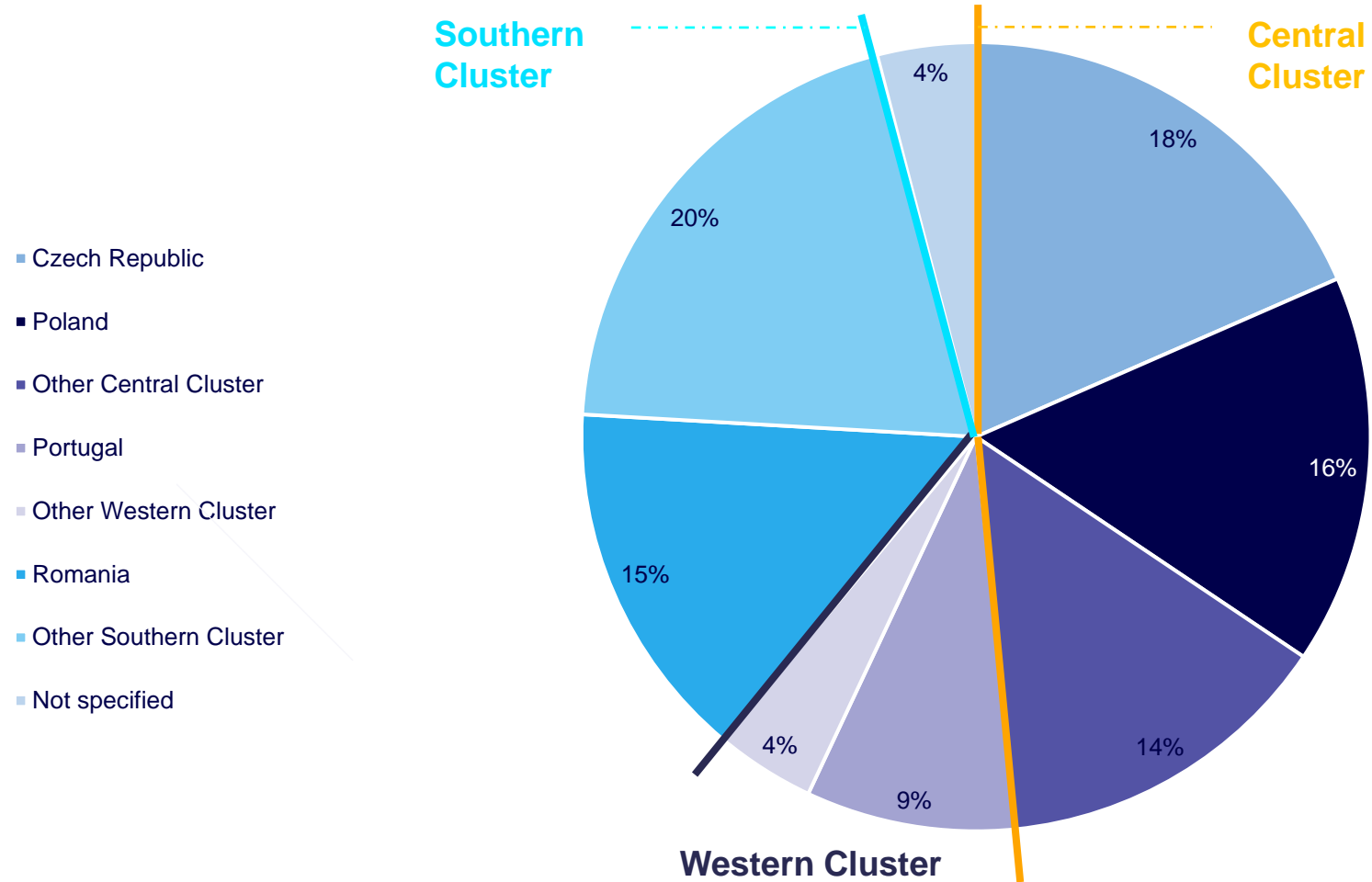
43.8%

HY2022 Adjusted EBITDA margin⁽³⁾

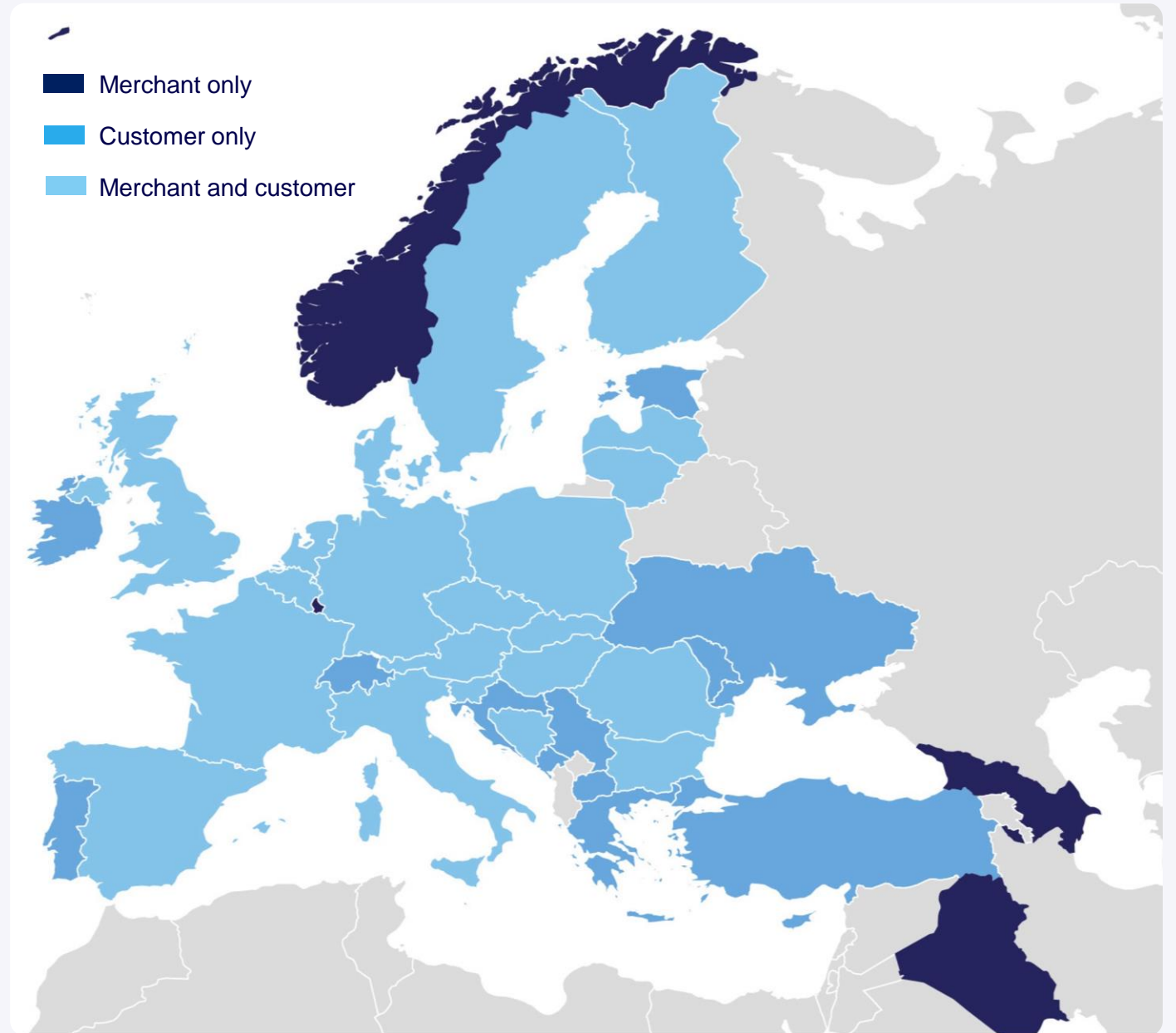
Near-term enlarged
Group Net Revenue split



Net revenue geographical split



Countries in which we operate



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



Contact us

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