

# **W.A.G payment solutions plc** **Investor presentation**

March 2023



# Disclaimer

This presentation comprises certain written materials/slides prepared by W.A.G payment solutions plc (the Company) for the purposes of the Company's investor relations conference.

This document, its contents and the presentation may not be copied, distributed, published, reproduced or passed on, directly or indirectly, in whole or in part, for any purpose or under any circumstances.

This document is being provided to you solely for your information in connection with the Intended Use. This document and the related presentation do not constitute or form part of, and should not be construed as, any offer, invitation or recommendation to purchase or sell or subscribe for any securities in any jurisdiction and neither the issue of the information nor anything contained herein shall form the basis of or be relied upon in connection with, or act as an inducement to enter into, any investment activity whatsoever. This document and the related presentation are intended to present background information on the Company, its business and the industry in which it operates and are not intended to provide complete disclosure upon which an investment decision could be made. This document and the related presentation do not therefore purport to contain all of the information that may be required to evaluate any investment in the Company or any of its securities and should not be relied upon to form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. You are solely responsible for any assessment of the market and the market position of the Company and its group, and of its securities, assets and liabilities or any part thereof. The merit and suitability of an investment in the Company should be independently evaluated and any person considering such an investment in the Company is advised to obtain independent advice as to the legal, tax, accounting, financial, credit and other related advice prior to making an investment. This document is given in conjunction with an oral presentation and should not be taken out of context.

The information and opinions contained in this document and any information made available orally or in writing at the presentation are provided as at the date of such presentation and are subject to change without notice. The information set out herein and in any related materials and given at the presentation is subject to updating, completion, revision, verification and amendment, and such information may change materially. No representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its subsidiary undertakings, or any of their respective directors, officers, employees, agents, affiliates or advisers, as to, and no reliance should be placed on, the accuracy, completeness or fairness of the information or opinions contained in this document or the related presentation and such persons disclaim all and any responsibility and liability whatsoever, whether arising in tort, contract or otherwise, for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this presentation or its contents or otherwise in connection with this presentation. None of the Company or any of its subsidiary undertakings, or any of their respective directors, officers, employees, agents, affiliates or advisers, undertakes any obligation to amend, correct or update this document or the related presentation or to provide the recipient with access to any additional information that may arise in connection with them.

Certain information contained herein constitutes "forward-looking statements", which can be identified by the use of terms such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue," "target" or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or actual performance of the Company may differ materially from those reflected or contemplated in such forward-looking statements. As a result, you should not rely on such forward-looking statements in making your investment decision. No representation or warranty (express or implied) is made as to the achievement or reasonableness of and no reliance should be placed on such forward-looking statements, which speak only as of the date of the presentation. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance. The Company and its directors, officers, employees, agents, affiliates and advisers expressly disclaim any obligation or undertaking to release any updates or revisions to these forward-looking statements to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based after the date of the presentation or to update or to keep current any other information contained in this document or the related presentation.

Certain information contained herein is based on management estimates and the Company's own internal research. Management estimates have been made in good faith and represent the current beliefs of applicable members of the Company's management. While those management members believe that such estimates and research are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice, and, by their nature, estimates may not be correct or complete. Accordingly, no representation or warranty (express or implied) is given to any recipient of this document that such estimates are correct or complete.

By attending the presentation or reading or accepting a copy of this document, you agree to be bound by the foregoing limitations.

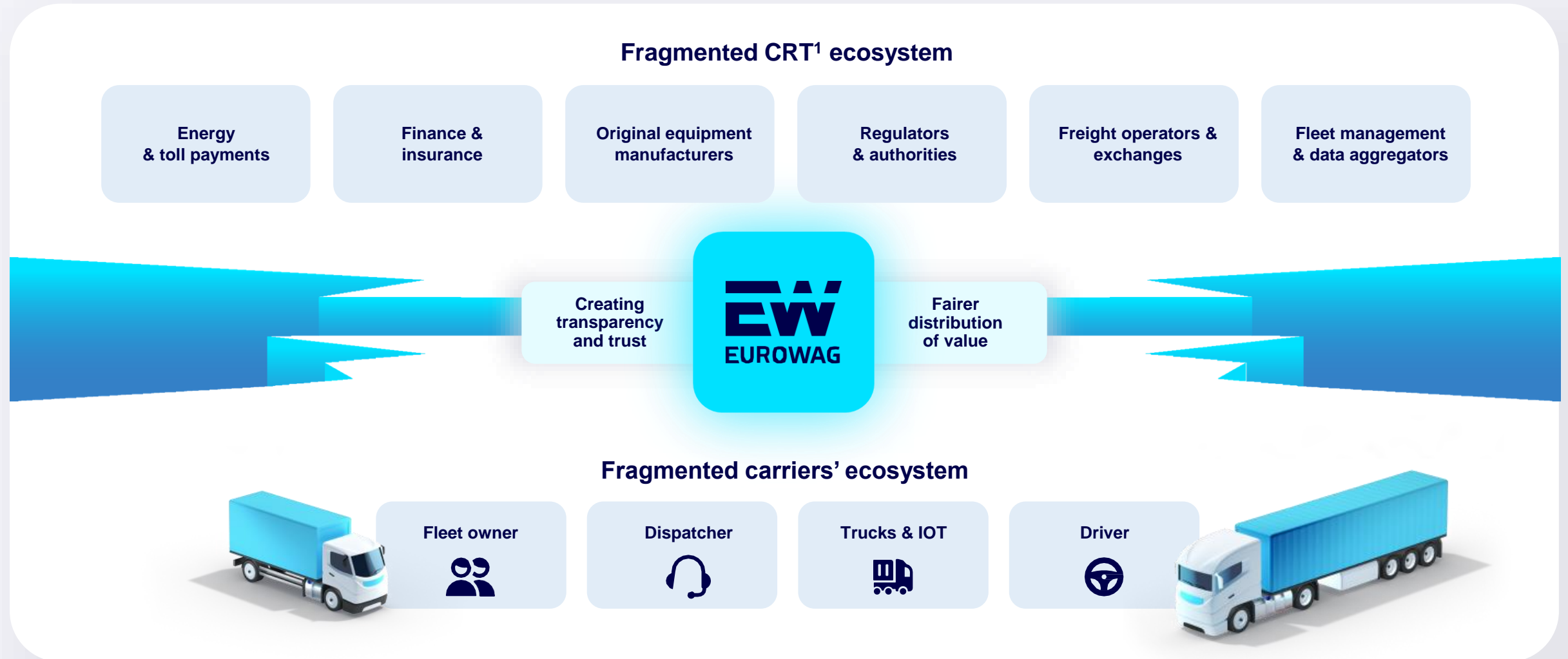
# Table of contents



- [Connecting the CRT industry](#)
- [CRT industry in need of transformation](#)
- [Supportive market trends](#)
- [Journey to an integrated end-to-end digital platform](#)
- [Unlocking further network potential through M&A](#)
- [Countries in which we operate](#)
- [Our unique suite of services and our customer's journey](#)
- [Highly attractive financial profile](#)
- [Updated strategic framework](#)
- [Building an integrated end-to-end digital platform](#)
- [Dynamic growth engine](#)
- [Unlocking further value for customers](#)
- [Differentiated integrated CRT offering](#)
- [Comprehensive go-to-market strategy](#)
- [ESG commitment](#)
- [Year-end 2022 highlights](#)
- [Revenue model](#)
- [Strong financial profile](#)
- [Financial guidance](#)
- [Summary](#)
- [Appendix](#)
- [Financial calendar](#)
- [Contact us](#)

# Introduction

# 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  
digitized<sup>1</sup>



## Fragmented

**>90%**

of operators are  
SMEs and lack  
access to technology  
& data insights<sup>2</sup>



## Constrained

**Limited**

access to finance  
restricts earnings  
potential



## Environmental impact

**9%**

of greenhouse gas  
emissions in Europe<sup>2</sup>

# Supportive market trends



## Digitalisation of the CRT industry

The digital adoption rate for logistics services providers is at 13%<sup>1</sup>

>90% of the industry's SMEs have less than 50 employees with limited resources and know-how to scale up

Eurowag provides digital solutions, driving efficiencies for customers



## Rise of integrated solutions

Businesses are looking for integrated solutions that improve operational efficiency and provide convenience through one platform or application

CRT businesses are also looking for easy, convenience access to financing

Our integrated payments and mobility platform is a long-term solution for CRT businesses



## Expanding road mobility market

Total transaction value of energy payments forecast to grow to €361bn<sup>2</sup> by 2027<sup>1</sup>

Total transaction value of toll payments to grow to €33bn<sup>2</sup> by 2027<sup>1</sup>

We are building share in a market which is itself growing significantly



## Push towards net zero

There is increasing pressure from investors as well as consumers for businesses to set out and implement strategies to shift towards net zero

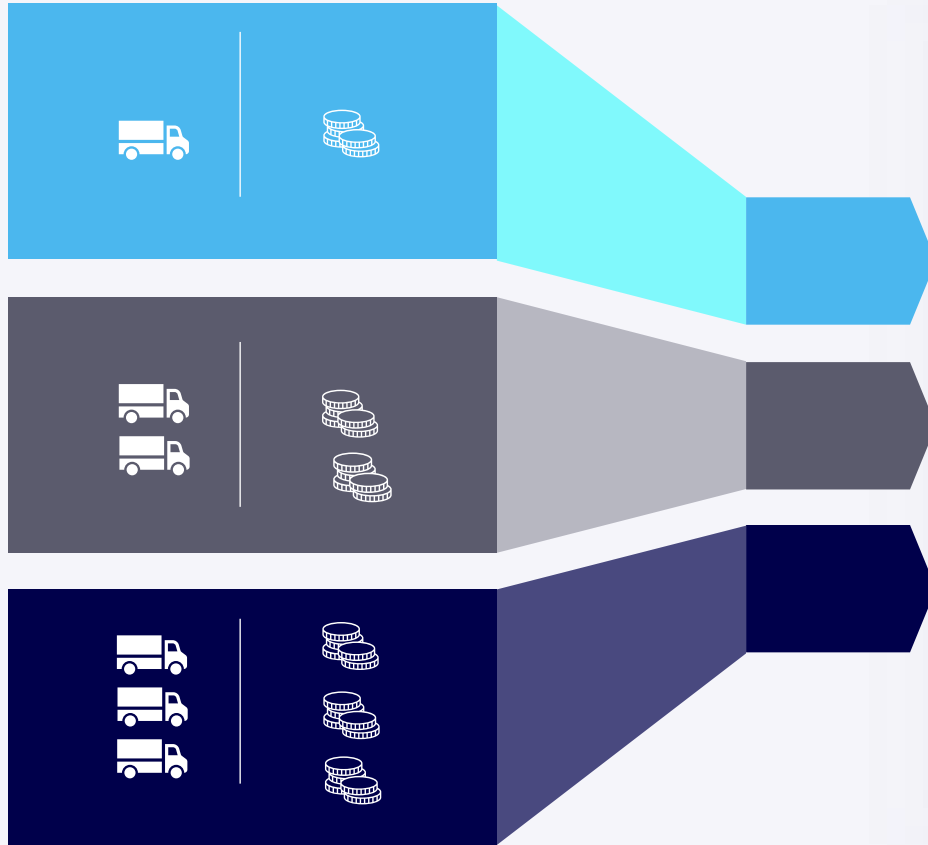
Eurowag is innovating solutions to empower the CRT industry's transition to a low-carbon future

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



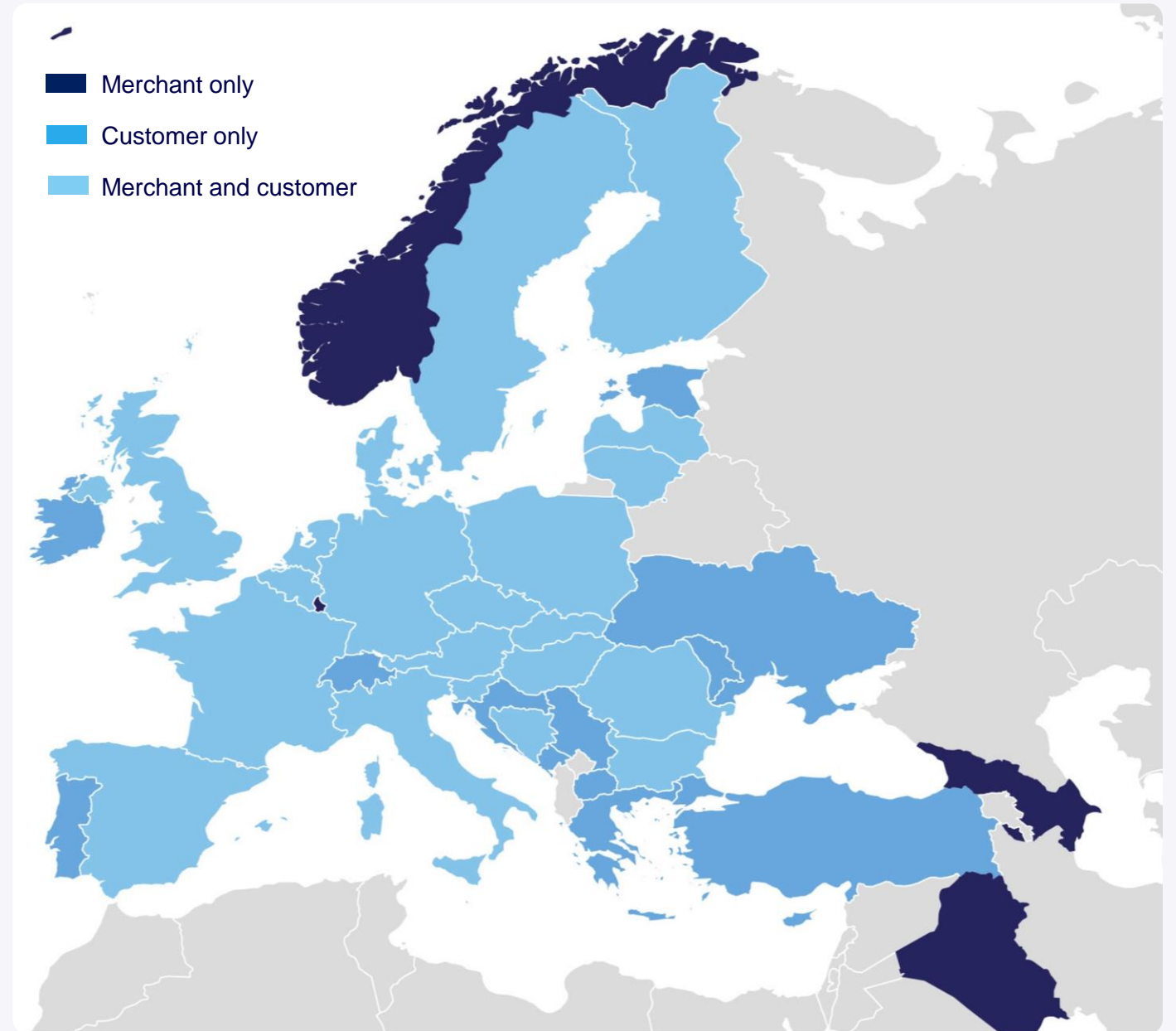


# Unlocking further network potential through M&A



- **Network expansion:** Inelo adds approximately 87,000 connected trucks accelerating network expansion and geographical reach
- **Growing network economic potential** adding Inelo's offering and truck base to Eurowag's platform further increases the combined network potential
  - **Cross-selling opportunities:** significant headroom for growth of average revenue per truck from the acquired customer base once integrated in Eurowag's platform
  - **Offering expansion:** new WTM solutions acquired with Inelo enable customers to further digitise their operations
  - **Additional network effects:** more services per customer leads to higher retention rate resulting in lower churn and higher lifetime value

# 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



# Highly attractive 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

# Strategy

# 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

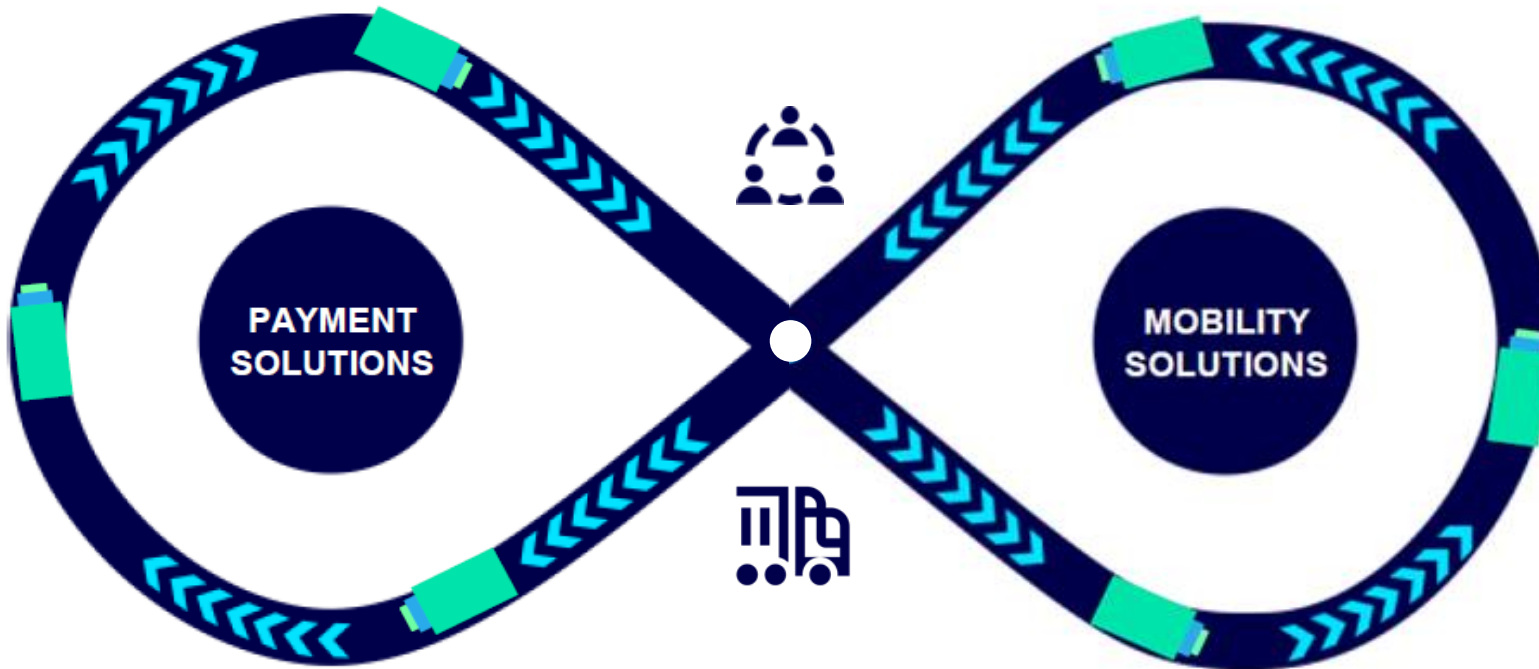
### Expanding product and services capabilities

- 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-base 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

# Dynamic growth engine



Customer / Driver information  
Trucks and trailer information  
Payments and transaction data  
Destination and routing info  
Geo-localization  
Tax refund  
Behaviours data

Powerful cross-selling platform driven by data and customer-centricity

# 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**



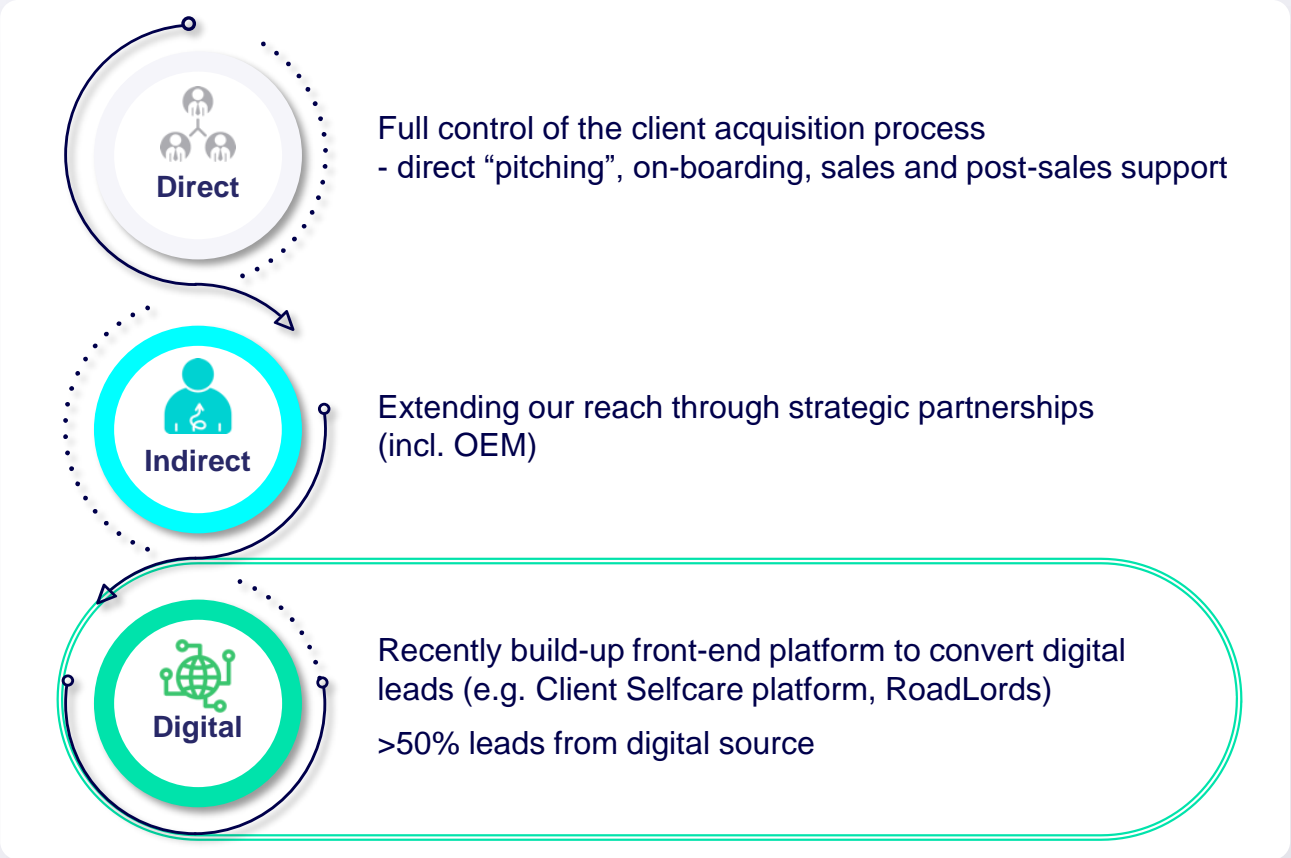
# Differentiated integrated CRT offering

Eurowag is a comprehensive platform built to serve the CRT industry		<div><div><div><div><div></div><div></div><div></div></div></div><div>International oil companies and single product providers</div></div><div><div><div><div></div><div></div><div></div><div></div></div></div><div>Fuel card issuers and other truck service providers</div></div><div><div><div><div></div><div></div><div></div><div></div><div></div></div></div><div>Telematics and Fleet Management providers</div></div><div><div><div><div></div><div></div><div></div><div></div><div></div><div></div></div></div><div>Logistics brokers / DFF</div></div></div> <tr><td>Integrated - bind customers</td><td>INTEGRATION</td><td>✗</td><td>✗</td><td>✗</td><td>✗</td></tr> <tr><td>Advanced - monetize data</td><td>FLEET MANAGEMENT SYSTEM NAVIGATION</td><td>✗</td><td>✗</td><td>✓</td><td>✓</td></tr> <tr><td>Relationships - build loyalty</td><td>SELF CARE AND APPS RELATIONSHIP ASM AND CUSTOMER CARE COMMUNITY</td><td>✗</td><td>✓</td><td>✗</td><td>✓</td></tr> <tr><td>Basic - up-sell</td><td>ENERGY TOLL TAX REFUND FINANCING</td><td>✓</td><td>✓</td><td>✗</td><td>✗</td></tr>					Integrated - bind customers	INTEGRATION	✗	✗	✗	✗	Advanced - monetize data	FLEET MANAGEMENT SYSTEM NAVIGATION	✗	✗	✓	✓	Relationships - build loyalty	SELF CARE AND APPS RELATIONSHIP ASM AND CUSTOMER CARE COMMUNITY	✗	✓	✗	✓	Basic - up-sell	ENERGY TOLL TAX REFUND FINANCING	✓	✓	✗	✗
Integrated - bind customers	INTEGRATION	✗	✗	✗	✗																									
Advanced - monetize data	FLEET MANAGEMENT SYSTEM NAVIGATION	✗	✗	✓	✓																									
Relationships - build loyalty	SELF CARE AND APPS RELATIONSHIP ASM AND CUSTOMER CARE COMMUNITY	✗	✓	✗	✓																									
Basic - up-sell	ENERGY TOLL TAX REFUND FINANCING	✓	✓	✗	✗																									

# Comprehensive go-to-market strategy

## Multi-channel sales strategy

## Focus on cross sell and up sell



Average net revenue retention

**>110%**

2018-2022

Our payments customers use

**2.9**

products on average

# 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



# Financial profile

# Year-end 2022 highlights

Net energy and services sales

**€190.9m**

**24.6%** YoY growth

Payment solutions net revenue

**€134.8**

**19.2%** YoY growth

Mobility solutions net revenue

**€56.0**

**39.8%** YoY growth

Active payment solutions trucks

**88,189**

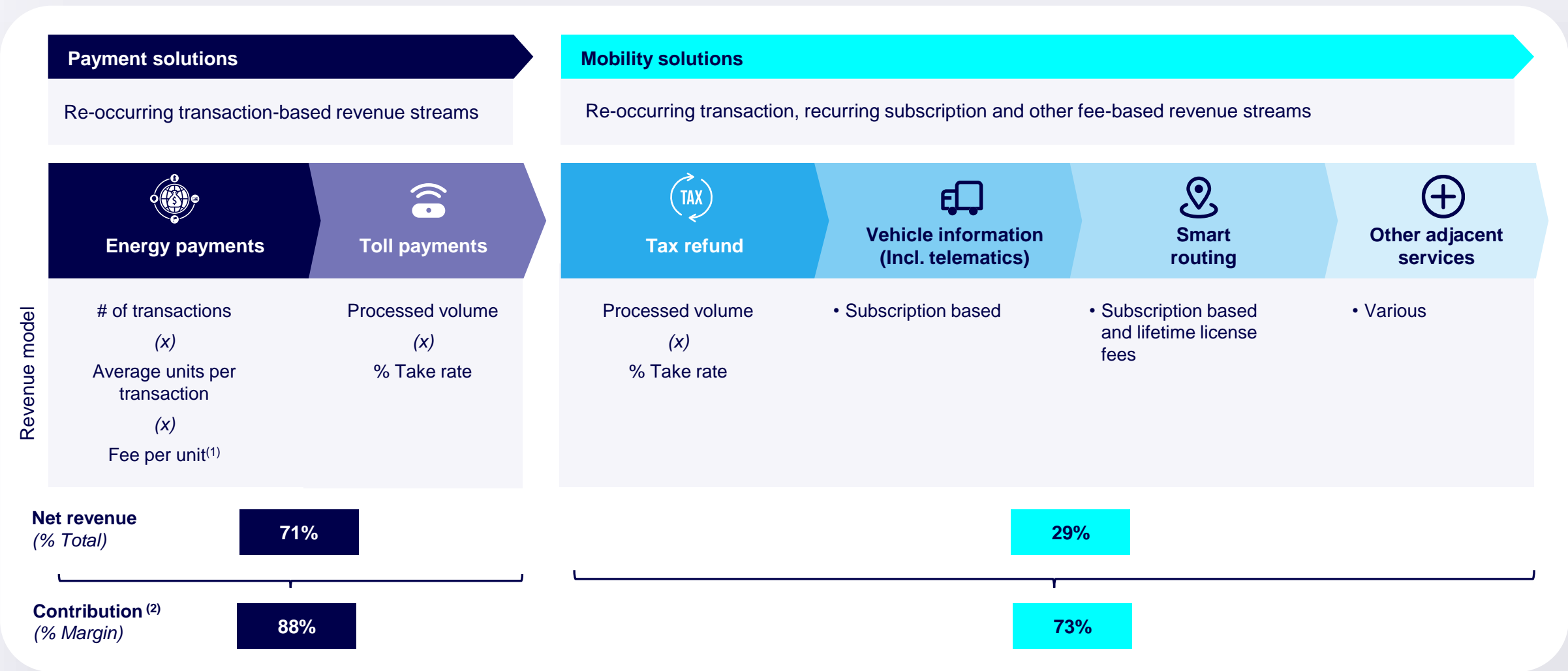
**6.7%** YoY growth

Active payment solutions customers

**16,950**

**12.9%** YoY growth

# Revenue model



# 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



# Summary

# 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

# Appendix

# 2022 Financial highlights

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

- 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 <sup>1</sup>	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%
<b>Total</b>	<b>(131.2)</b>	<b>(98.2)</b>	<b>33.7%</b>

## 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:

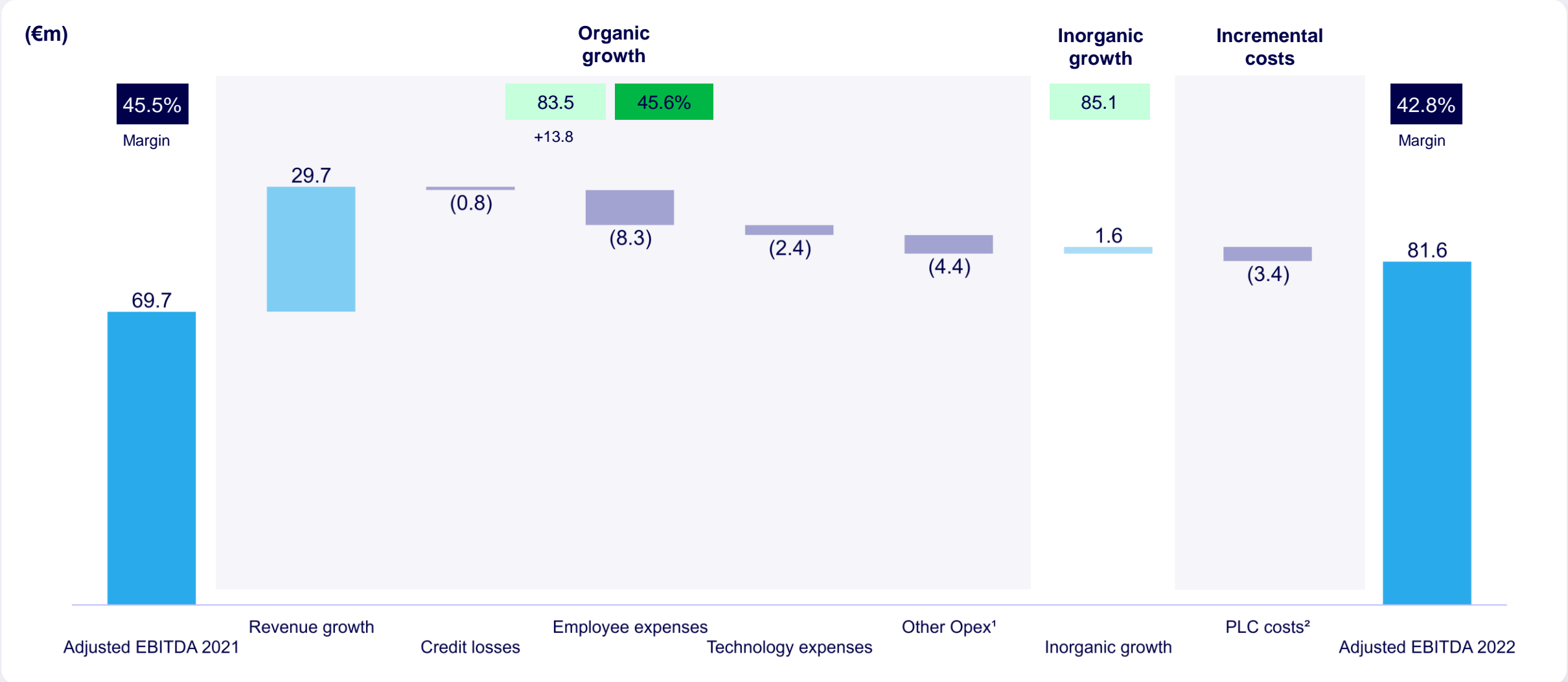
- PLC-related costs
- Return to travel and other costs post-Covid-19 and inflation

## Depreciation and amortisation:

- Transformational technology being put in production

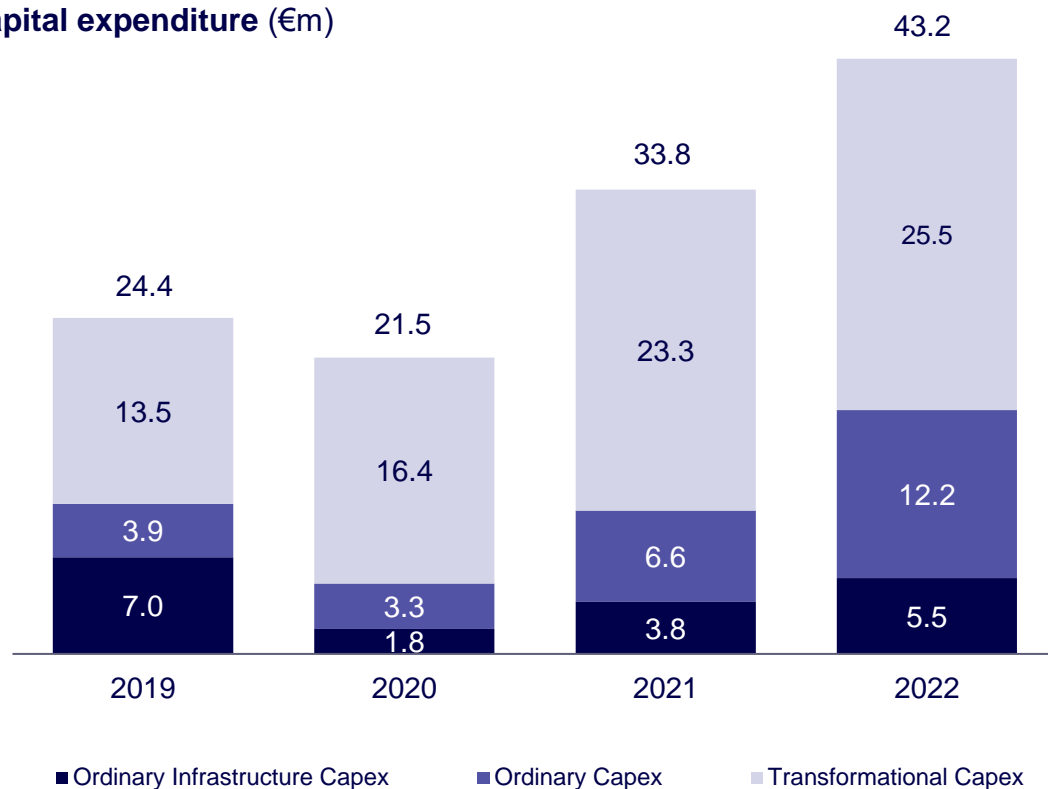


# Adjusted EBITDA profitability sustained



# On-track with our technology transformation programme

## Capital expenditure (€m)



**Transformational capex**  
€50m cumulative for 2022-2023

High single digit % of net revenue

Ordinary Capex % Net Revenue<sup>(1)</sup>

9%

4%

7%

9%

## 2022 progress on transformational capex

### Enhancing our sales channels

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

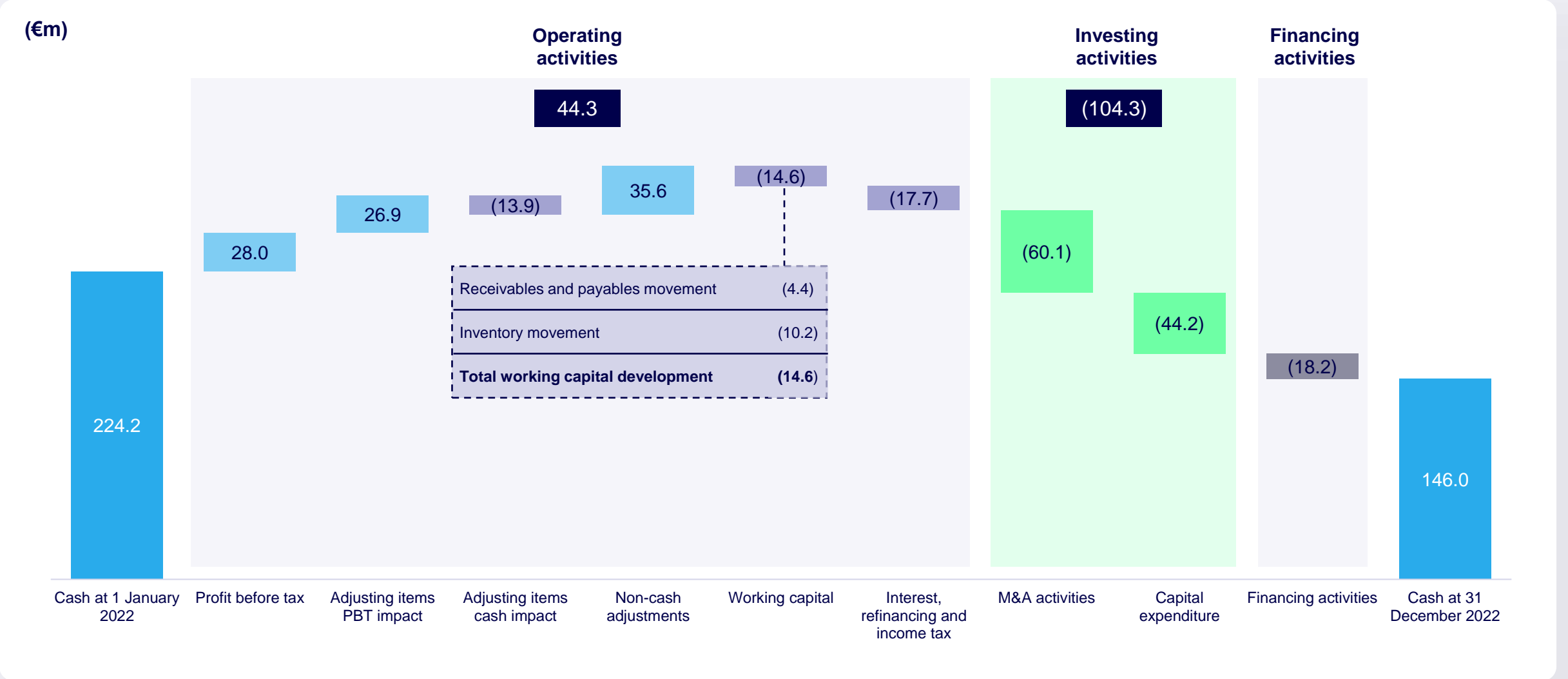
### Expanding product and services capabilities

- 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

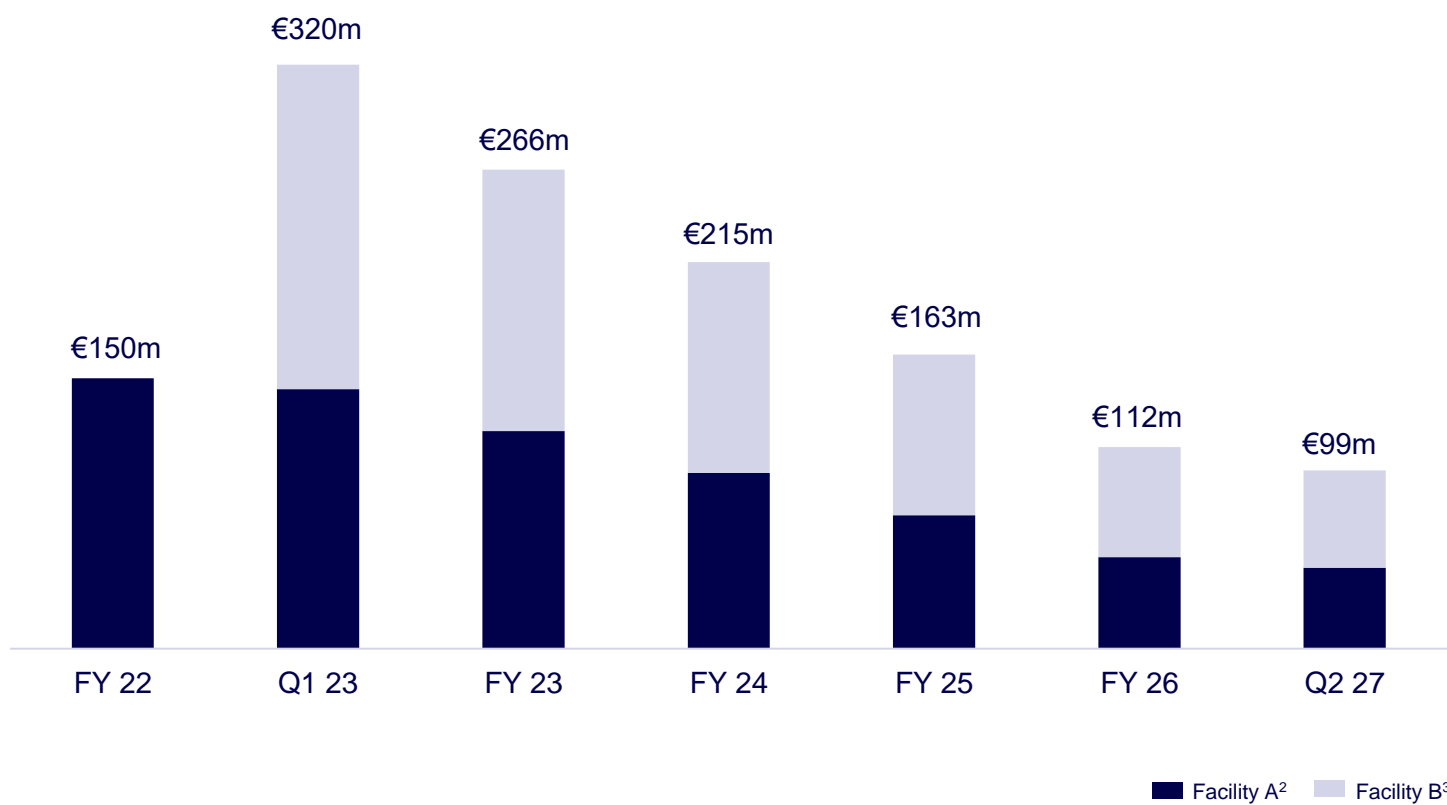
- Building our tech foundation through ERP implementation
- Consolidating data into a data lake
- Building customer insights tools for sales channels

# Strong cash flow generation



# Disciplined debt management

## Committed debt<sup>1</sup> 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

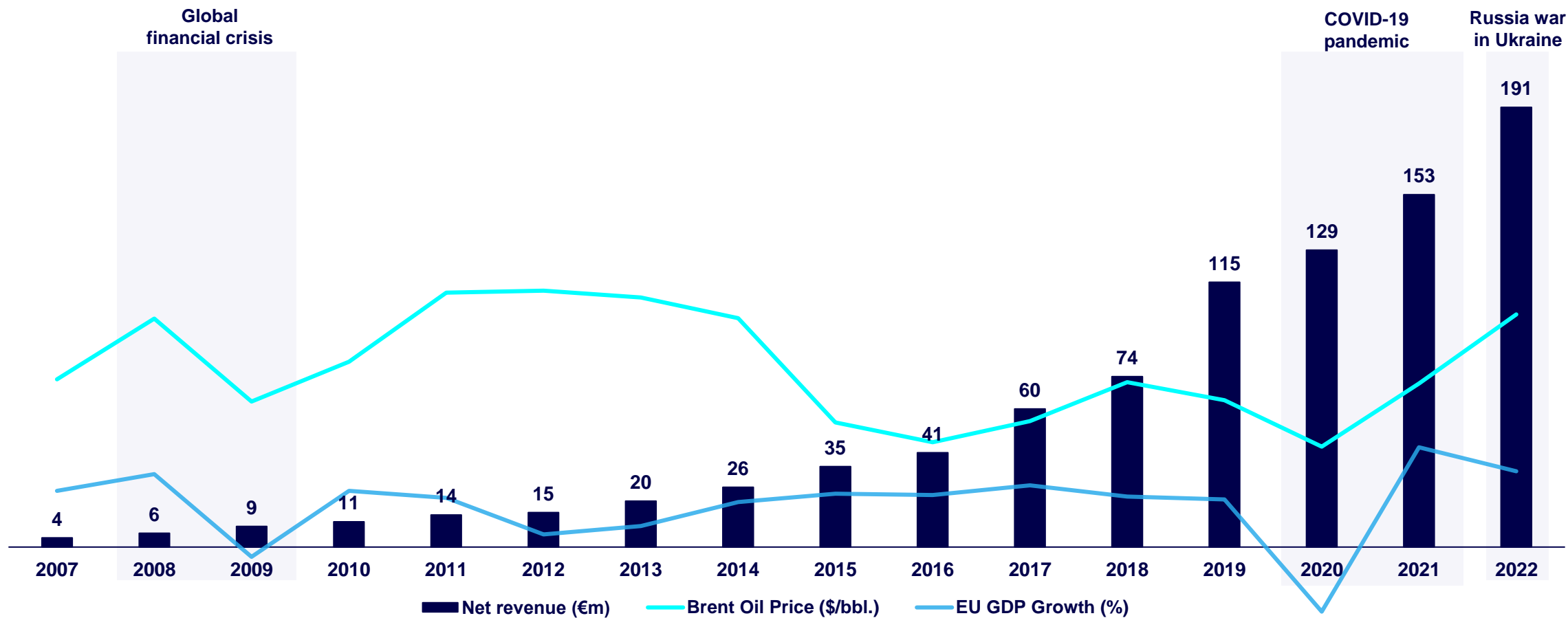
Facility A and B:

- 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

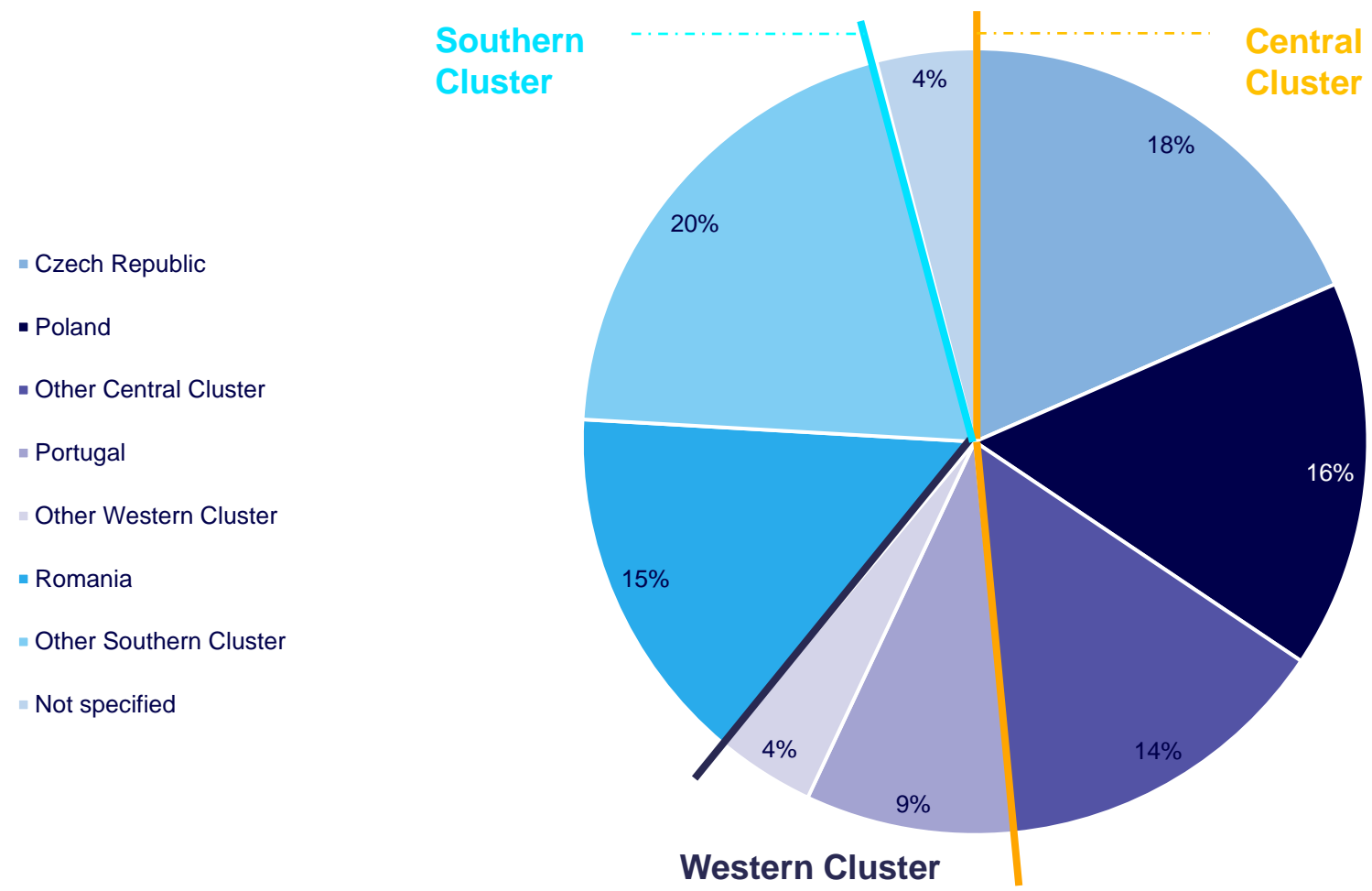
# Proven resilience through the cycle



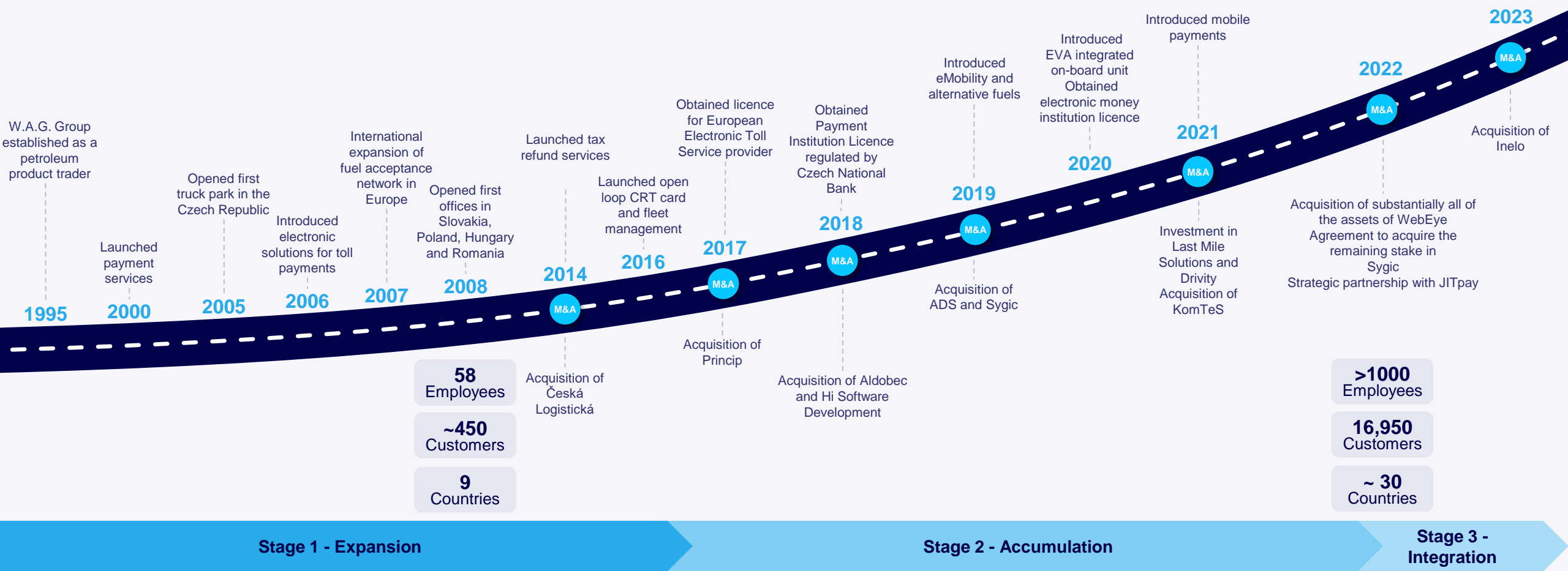
- **Proven track record of resilience in crises**, with growth during both GFC and Covid-19 pandemic
- **Energy price agnostic revenue model**, unaffected by volatility



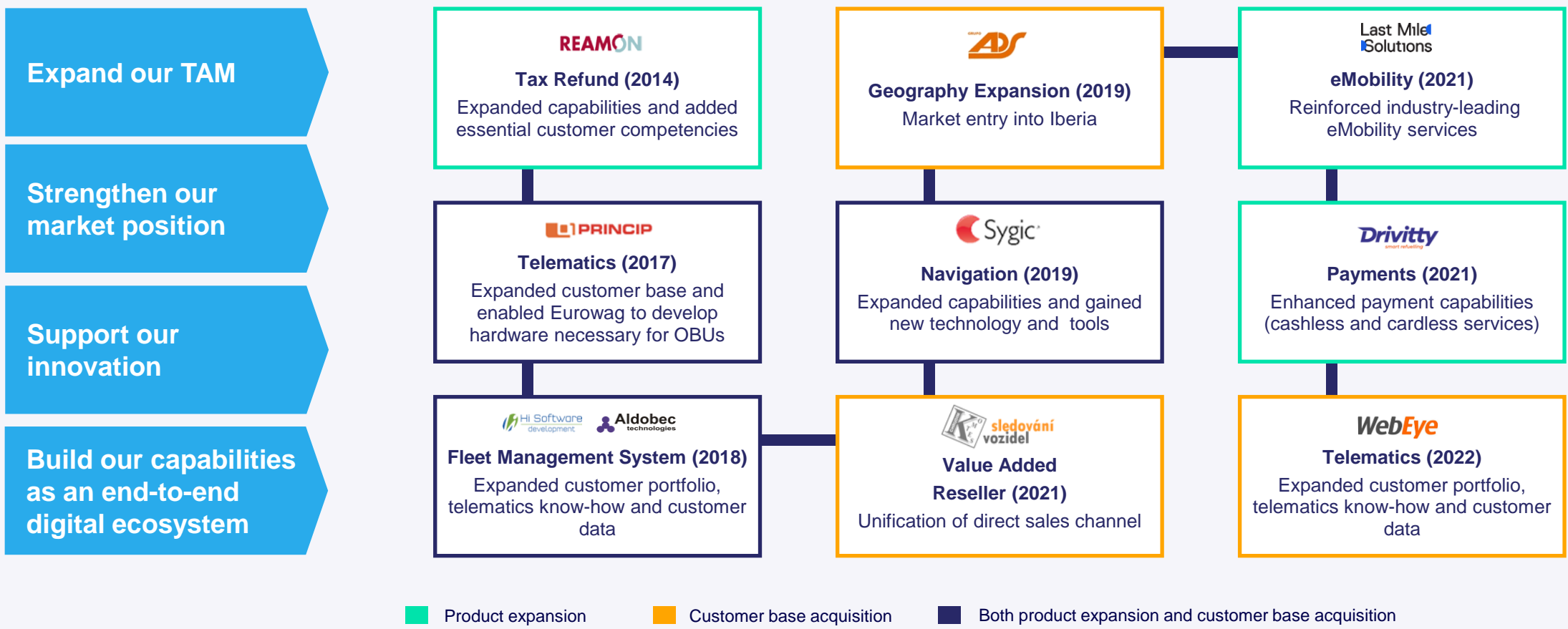
# Net revenue geographical split



# Maximising returns through M&A and innovation



# Proven M&A track record and integration capabilities



# Acquisition of WebEye



Leader in  
**CRT Fleet  
Management  
Solutions**

Over  
**58,000**  
connected trucks

Strong presence in  
core markets  
**Hungary and  
Romania**

More than  
**5,000**  
customers

Revenue of  
**€16.4m**  
for FY2021

Normalised adjusted  
EBITDA of  
**€5.6m**  
for FY 2021

WebEye's FY2021 financials are based on unaudited consolidated management accounts prepared under Hungarian GAAP

- A highly strategic and accretive acquisition, completed on 1 Jul 2022
- Expands the customer base on our payments and mobility platform, with significant opportunities for cross-sell and up-sell
- Provides access to a new pool of data with more insights for the development of solutions to improve the efficiency of our customers' operations...
- ...while addressing key challenges such as reducing energy intensity and improving road safety
- Active in 12 countries including the Czech Republic, Poland, Portugal and Germany, with the strongest presence in Hungary and Romania
- Increasing penetration in our core markets and providing an opportunity for further market expansion

# 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<sup>(3)</sup>

**~87,000**

**Connected trucks  
in FMS<sup>(1)</sup>**

**~160,000**

**Drivers settled monthly**

**Poland**

**Leadership position**

**Slovenia, Croatia and  
Serbia**

**Critical mass**

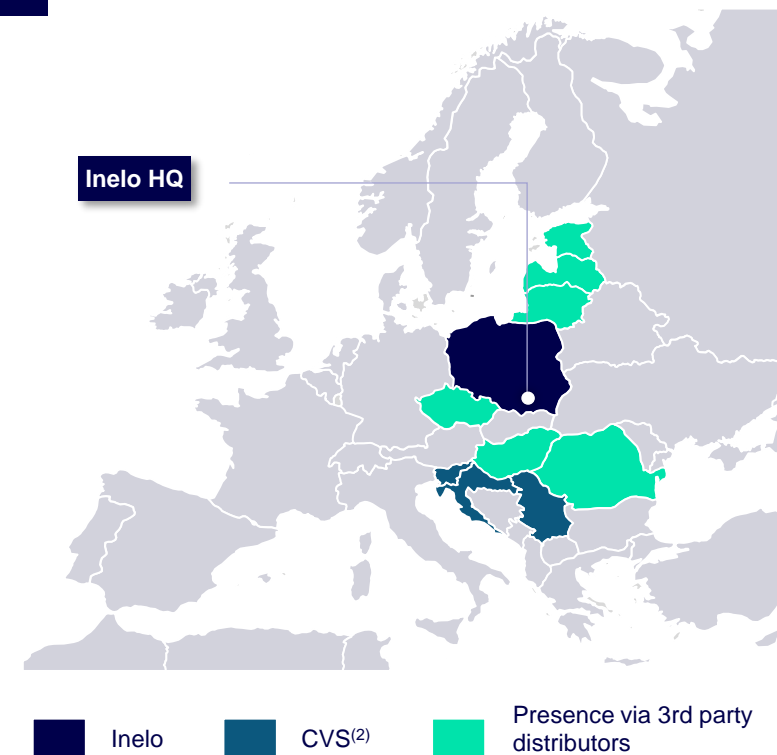
## Technology

**Proprietary technology  
solution**

**Adds mission critical  
product**

**Increases digitisation  
and efficiency of  
operations**

**Easy integration with  
external systems**





# Inelo's complementary financial profile

## Inelo

**€26.4m**

FY2021 Revenue<sup>(1)</sup>  
with 38.5% y-o-y growth

**€10.9m**

FY2021 Adjusted EBITDA<sup>(1) (2)</sup>

**41.4%**

FY2021 Adjusted EBITDA margin<sup>(1)</sup>

**€20.6m**

HY2022 Revenue<sup>(3)</sup>

**€9.0m**

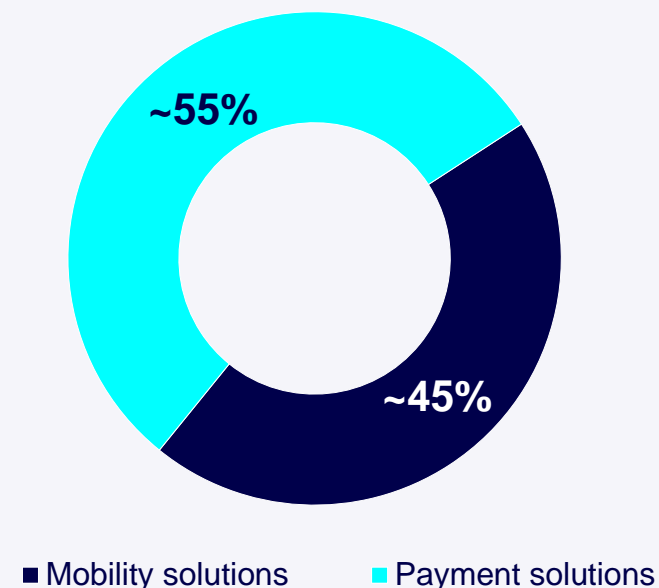
HY2022 Adjusted EBITDA<sup>(2)(3)</sup>

**43.8%**

HY2022 Adjusted EBITDA margin<sup>(3)</sup>

## Enlarged Group

Near-term enlarged  
Group Net Revenue split



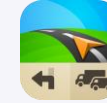
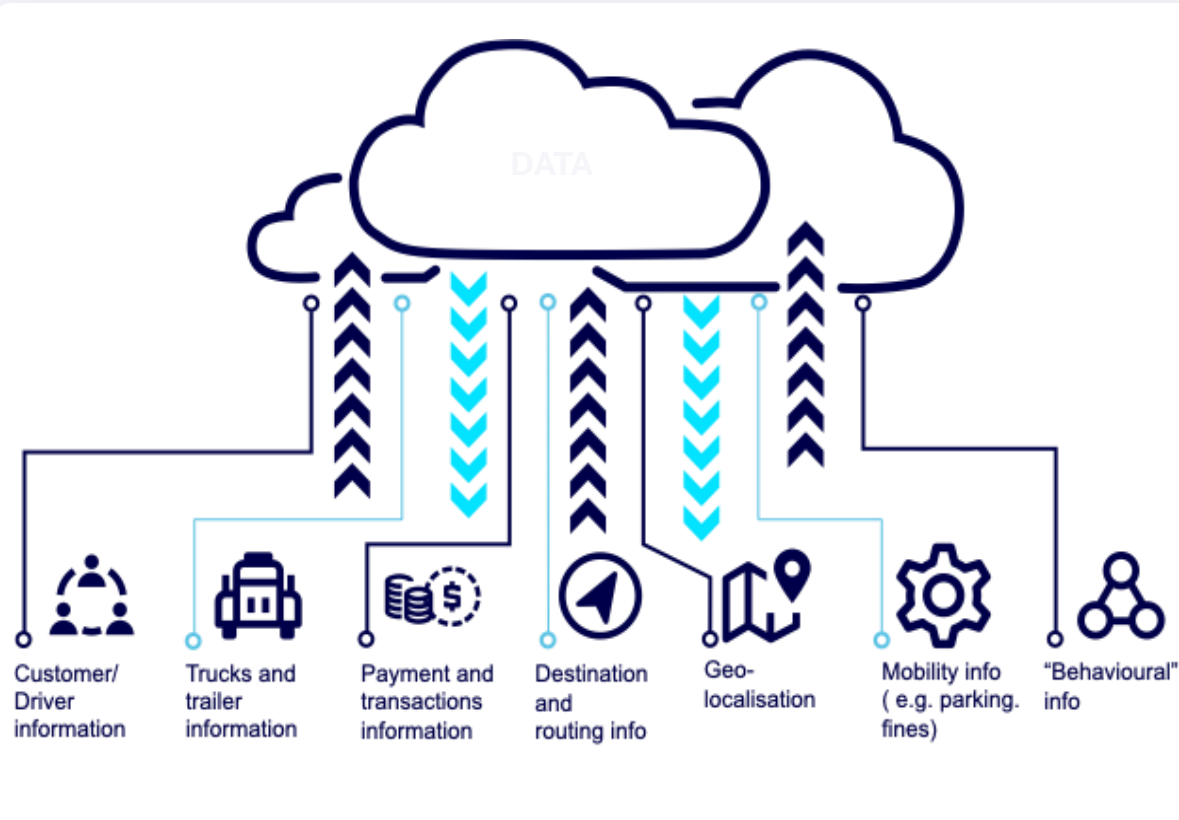
# Strategic rationale



# Millions of Data Points

A tech platform leveraging data will underpin growth and industry innovation

Deep and detailed customer data creates further sales opportunities, increasing the lifetime value of each customer and bringing economies of scale.



- **Credit-risk management**
  - Data sources optimized per country (ACAS)
- **Tax refund**
  - Simplify the processing of refund applications
- **Pricing**
  - Multiple parameters driving price (spot prices, exchange rates, relationship history)
- **Cross-sell and up-sell**
  - Digital applications (Eurowag Application)
- **Digital channel expansion**
  - Launch of digital customer journey supporting growth in Western Europe
- **Actionable insights driving efficiency**
  - Match available capacity and suitable loads
  - Optimise route and manage traffic (Road Lords for Drivers) and calculate ETA (Road Lords for Dispatchers)
  - Monitor driver behavior (Sygic Truck)

# 2023 financial calendar



**25 April 2023** – Trading update for Q1 2023

**7 September 2023** – Interim results for H1 2023

**24 October 2023** – Trading update for Q3 2023

# Contact us

[investors.eurowag.com](https://investors.eurowag.com)