Q4 2022 Earnings

February 9, 2023

Forward Looking Statements

These materials contain forward-looking statements, including statements regarding: expectations of the Company's future financial performance, assumptions underlying such expectations; future operations; future growth opportunities and expectations; expectations for future revenue performance, future impacts from areas of investment, expectations for the macro environment; expectations for volumes; and assumptions regarding the future number of outstanding diluted shares. Any statements that are not statements of historical facts may be deemed to be forward-looking statements. When used in these materials, the words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "project," "will" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially, including: the impact of fluctuations in demand for fuel and volatility of fuel prices, including fuel spreads in the Company's international markets, and the resulting impact on the Company's revenues and net income; the effects of general economic conditions, including a decline in demand for fuel, travel related services, or healthcare services, and payment and transaction processing activity; the impact and size of credit losses, including fraud losses, and other adverse effects if the Company fails to adequately assess and monitor credit risk or fraudulent use of our payment cards or systems; failure to implement new technology and products; breaches of, or other issues with, the Company's technology systems or those of its third-party service providers and any resulting negative impact on its reputation, liabilities or relationships with customers or merchants; the actions of regulatory bodies, including banking and securities regulators, or possible changes in banking or financial regulations impacting the Company's industrial bank, the Company as the corporate parent or other subsidiaries or affiliates; the failure to maintain or renew key customer and partner agreements and relationships, or to maintain volumes under such agreements; the failure of corporate investments to result in anticipated strategic value; the extent to which unpredictable events in the locations in which the Company or the Company's customers operate or elsewhere may adversely affect the Company's employees, ability to conduct business, results of operations and financial condition; the failure to comply with the applicable requirements of Mastercard or Visa contracts and rules; the failure to comply with the Treasury Regulations applicable to non-bank custodians; changes in interest rates and the rate of inflation; the ability to attract and retain employees; limitations on or compression of interchange fees; the effects of the Company's business expansion and acquisition efforts; the impact of changes to the Company's credit standards; the impact of foreign currency exchange rates on the Company's operations, revenue and income; the impact of the Company's debt instruments on the Company's operations; the impact of leverage on the Company's operations, results or borrowing capacity generally, and as a result of acquisitions specifically; the impact of sales or dispositions of significant amounts of the Company's outstanding common stock into the public market, or the perception that such sales or dispositions could occur; the possible dilution to the Company's stockholders caused by the issuance of additional shares of common stock or equity-linked securities, whether as result of the Company's convertible notes or otherwise; the incurrence of impairment charges if the Company's assessment of the fair value of certain of its reporting units changes; the uncertainties of litigation; as well as other risks and uncertainties identified in Item 1A of our annual report for the year ended December 31, 2021, filed on Form 10-K with the Securities and Exchange Commission on March 1, 2022. The Company's forward-looking statements do not reflect the potential future impact of any alliance, merger, acquisition, disposition or stock repurchases. The forward-looking statements speak only as of the date of these materials and undue reliance should not be placed on these statements. The Company disclaims any obligation to update any forward-looking statements as a result of new information, future events or otherwise.

Non-GAAP Information:

For additional important information and disclosure regarding our use of non-GAAP metrics, specifically, adjusted net income adjusted net income per diluted share, adjusted operating income/margin and adjusted free cash flows, please see our most recent earnings release issued on February 9, 2023. See the Appendix to this presentation for an explanation and reconciliation of (i) GAAP operating income to non-GAAP total segment adjusted operating income, (ii) GAAP operating income to non-GAAP adjusted operating income to GAAP operating income, (iii) non-GAAP adjusted net income attributable to shareholders (or "adjusted net income" or "ANI") to GAAP net income attributable to shareholders. (iv) ANI per diluted share to GAAP net income per diluted share, and (v) non-GAAP adjusted free cash flows to GAAP operating cash flows.

Note:

The Company rounds amounts in the consolidated financial statements to thousands and calculates all percentages and per-share data from underlying whole-dollar amounts. Thus, certain amounts may not foot, crossfoot, or recalculate exactly based on reported numbers due to rounding.

Quarter Highlights

$619M

+24%

Revenue
Percent change from prior year quarter

$3.44

+33%

Adjusted Net Income Per Diluted Share
Percent change from prior year quarter

Key Takeaways

- Delivered record quarterly revenue
- Q4 revenue and adjusted net income above quarterly guidance ranges and above long term targets
- Executed $141M of share repurchases in Q4 bringing the year to date total to $291M

See appendix for a reconciliation of adjusted net income and adjusted net income per diluted share to GAAP Net Income and GAAP earnings per diluted share.

Annual Highlights

$2.4B

+27%

Revenue
Percent change from prior year

$13.53

+48%

Adjusted Net Income Per Diluted Share
Percent change from prior year

Key Takeaways

- Delivered record full year revenue and adjusted net income
- Launched EV focused product in Europe and US as part of mixed fleet strategy
- Strong new sales across the business setting up for a positive start to 2023
- Strong adjusted free cash flow generation of $782 million

See appendix for a reconciliation of adjusted net income and adjusted net income per diluted share to GAAP Net Income and GAAP earnings per diluted share.
Approximately 6% of the revenue increase was due to higher fuel prices, the impact of foreign exchange rates, and an accounting presentation change for one customer. This leaves 21% growth excluding these macro factors.

Topic Updates

Growth Drivers

Net new customers contributed 4% revenue growth in 2022

Executed on cross-sell with wins; ~100 new cross-sell customers signed

Continued to expand SaaS fee model through HSA account growth

Capital Allocation

Continuing to balance organic investment, opportunistic return to shareholders and M&A

Returned $291M through share repurchases in 2022

Current share repurchase authorization has nearly $500M remaining

Resiliency in our Model

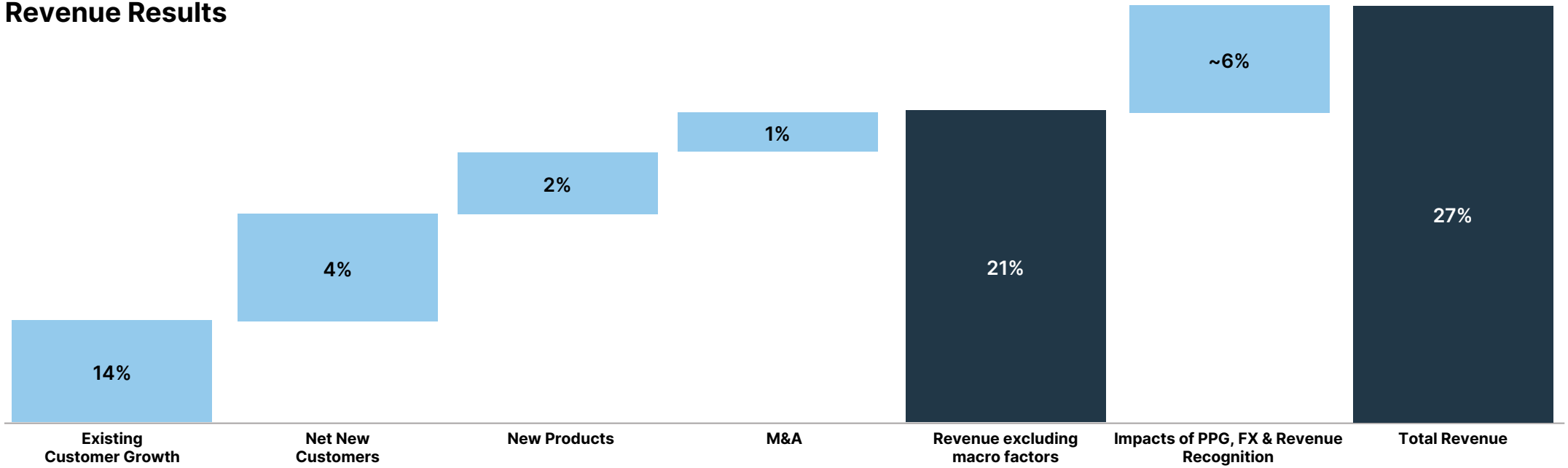
HSA deposits buffer against interest rate movements

On track to remove $100M of operating costs on run rate basis by the end of 2024

>80% of revenue recurring in nature

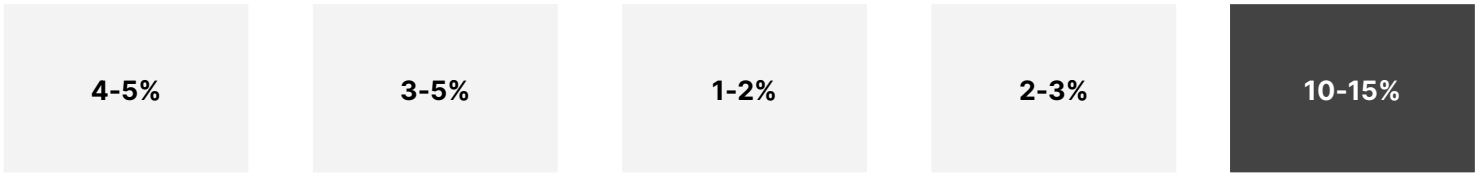
Growth Framework | Ahead of our targets in 2022

2022 Revenue Results



Investor Day Revenue Growth Framework

(5-YR CAGR)



NOTE: Net New Customers is inclusive of prior year sales tail, in year sales, and net of existing customer attrition

Q4 2022
Financial Results

Company Results

(In thousands except per share data)	4Q22	4Q21	$ Δ Yr/Yr	% Δ Yr/Yr
Total Revenue	**$618,610**	**$497,538**	**$121,072**	**24 %**
Net income (loss) attributable to shareholders	$88,691	$(11,760)	$100,451	NM
Net income (loss) attributable to shareholders per diluted share	$2.02	$(0.26)	$2.28	NM
Adjusted net income attributable to shareholders	$152,808	$116,773	$36,035	31 %
Adjusted net income attributable to shareholders per diluted share	$3.44	$2.58	$0.86	33 %

See appendix for a reconciliation of adjusted net income and adjusted net income per diluted share to GAAP Net Income and GAAP earnings per diluted share.

NM = Not meaningful

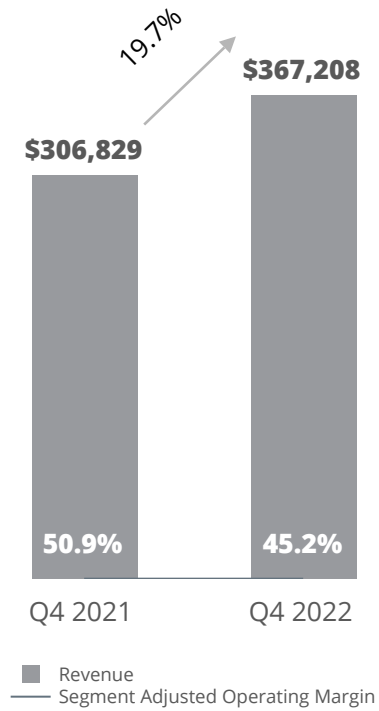
Company Results

(In thousands except per share data)	2022	2021	$ Δ Yr/Yr	% Δ Yr/Yr
Total Revenue	**$2,350,511**	**$1,850,542**	**$499,969**	**27 %**
Net income attributable to shareholders	$201,438	$137	$201,301	NM
Net income attributable to shareholders per diluted share	$4.50	$0.00	$4.50	NM
Adjusted net income attributable to shareholders	$610,997	$414,057	$196,940	48 %
Adjusted net income attributable to shareholders per diluted share	$13.53	$9.14	$4.39	48 %

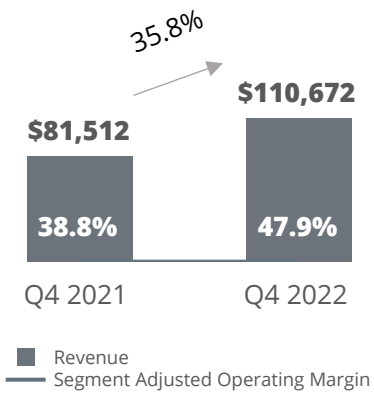
NM = Not meaningful

Revenue and Adjusted Operating Income Margin by Segment - Q4

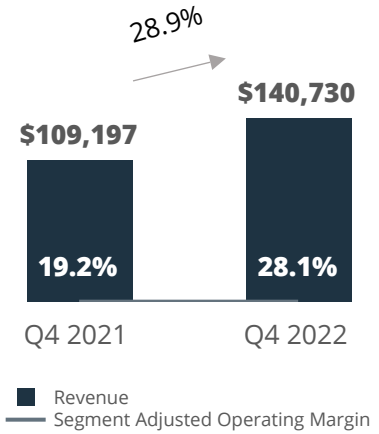
Fleet Solutions



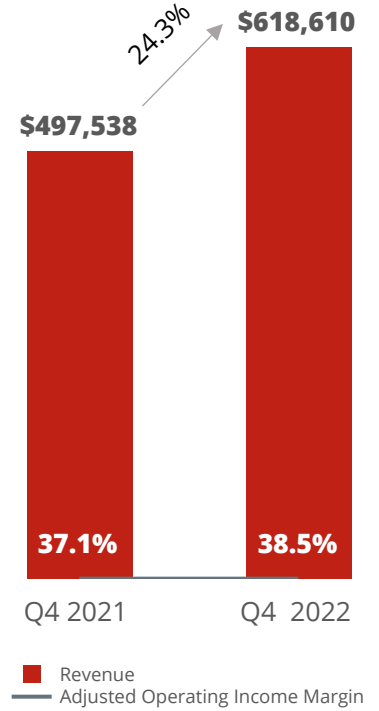
Travel & Corporate Solutions



Health & Employee Benefit Solutions



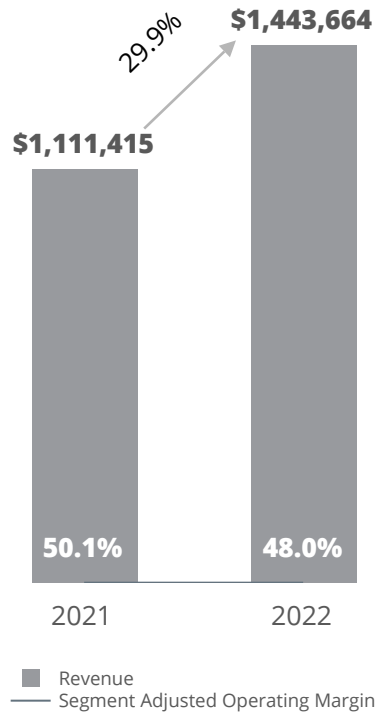
WEX



See appendix for a reconciliation of adjusted operating income to GAAP Operating Income.

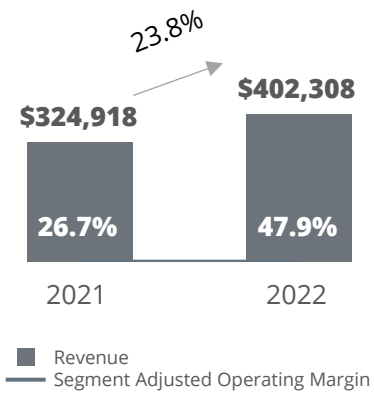
Revenue and Adjusted Operating Income Margin by Segment - Full year

Fleet Solutions

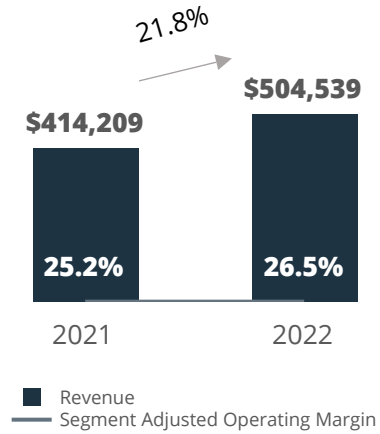


Travel & Corporate Solutions

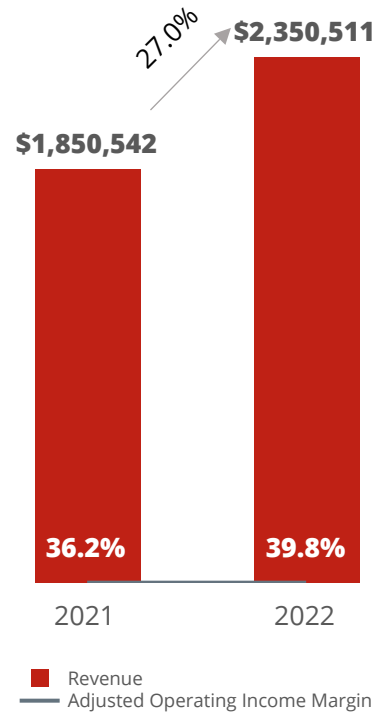
48% excluding impact of accounting presentation change



Health & Employee Benefit Solutions

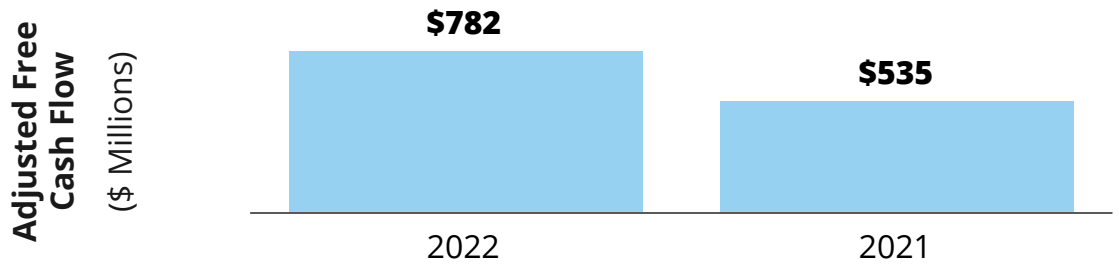


WEX

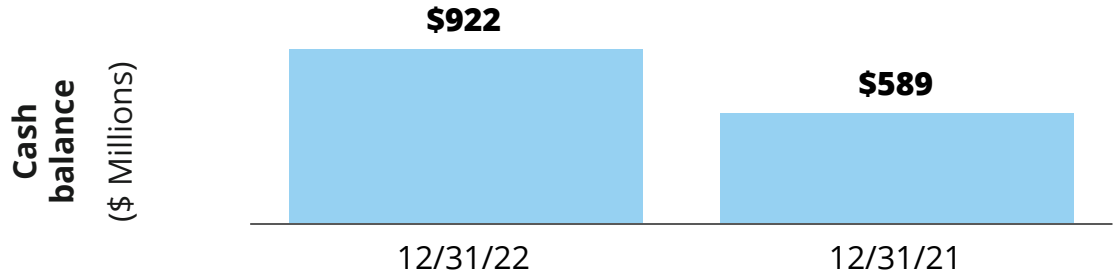


See appendix for a reconciliation of adjusted operating income to GAAP Operating Income.

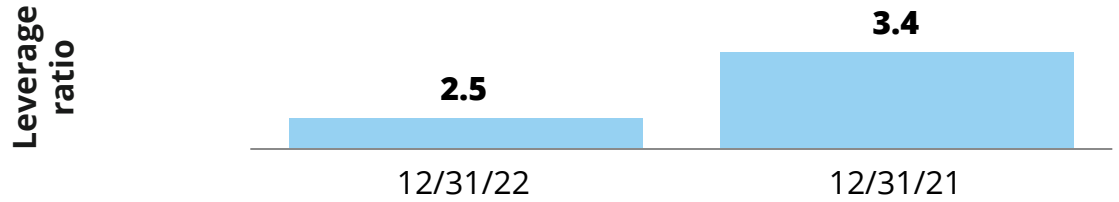
Cash Flow and Balance Sheet



- Adjusted free cash flow, a non-GAAP measure, is defined as GAAP operating cash flow adjusted for changes in deposits and investments at WEX Bank (operational in nature), and capex



- Corporate cash[1] balance was approximately $171 million
- Borrowing capacity of $899 million on credit facility



- Leverage ratio, as defined in the credit agreement, at the bottom end of the long term range of 2.5-3.5X

[1] Corporate cash is calculated in accordance with the terms of our consolidated leverage ratio in the Company's Amended and Restated Credit Agreement as filed with the SEC. Please see appendix for a reconciliation of GAAP operating cash flow to adjusted free cash flow.

Guidance

	Q1 2023 Outlook	% Change YoY	FY 2023 Outlook	% Change YoY
Revenue (in millions)	**$600 - $610**	**16% - 18%**	**$2,430 - $2,470**	**3% - 5%**
Adjusted Net Income per Diluted Share [1]	**$3.15 - $3.25**	**9% - 13%**	**$13.55 - $14.05**	**0% - 4%**
Assumed Average Domestic Fuel Price ($/Gallon)	$3.86	(2)%	$3.83	(14)%
Fleet Credit Loss (Basis Points)	28 - 34		22 - 32	
Assumed Number of Diluted Shares Outstanding	45.7 million		45.7 million	

1 The Company's adjusted net income guidance, which is a non-GAAP measure, excludes unrealized gains and losses on financial instruments, net foreign currency gains and losses, changes in fair value of contingent consideration, acquisition related intangible amortization, other acquisition and divestiture related items, stock-based compensation, other costs, impairment charges, debt restructuring and debt issuance cost amortization, adjustments attributable to our non-controlling interests and certain tax related items. We are unable to reconcile our adjusted net income guidance to the comparable GAAP measure without unreasonable effort because of the difficulty in predicting the amounts to be adjusted, including but not limited to, foreign currency exchange rates, unrealized gains and losses on financial instruments, and acquisition and divestiture related items, which may have a significant impact on our financial results.

Guidance Assumptions

- Guidance is based on a slow growth environment in the US
- Guidance does not assume any benefits from future M&A or additional share repurchases beyond those already completed
- One to two additional interest rate increases included in the first half of the year
- Exchange rates are as of the end of January 2023
- Domestic fuel prices estimated at $3.86 per gallon for the first quarter and $3.83 for the full year, based on NYMEX futures price
- Fleet segment credit losses are expected to be 28 - 34 basis points for Q1 and 22 - 32 basis points for the year
- Adjusted net income tax rate is expected to be between 25.0% and 26.0% for the first quarter and the full year
- Approximately 45.7 million weighted average shares outstanding, including the assumption that the share count will continue to include 1.6 million shares associated with the convertible notes
- As a result of including shares related to the convertible notes, approximately $3.8 million of interest expense each quarter, net of tax, will be added back to net income to calculate ANI per diluted share

Appendix

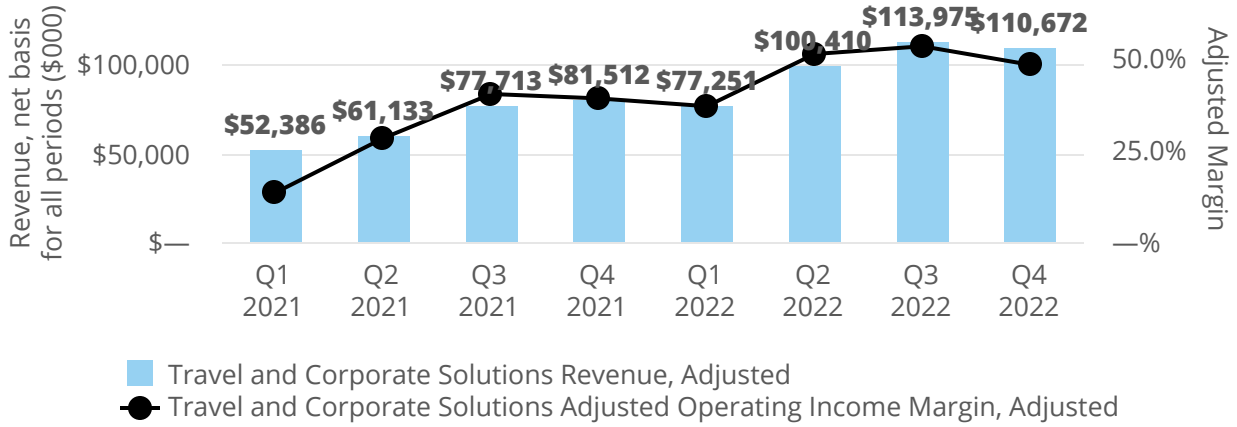
Key Performance Indicators

(In thousands unless otherwise noted)	4Q22	4Q21	$ Δ Yr/Yr	% Δ Yr/Yr
Fleet segment				
Total Volume ($)*	23,994,570	18,165,852	5,828,718	32 %
Payment Processing Transactions	139,156	132,894	6,262	5 %
Payment Processing $ of Fuel	15,936,630	12,600,745	3,335,885	26 %
Net Payment Processing Rate (%)	1.11 %	1.16 %	-5 bps	(4)%
Average US Fuel Price ($/gallon)	4.34	3.42	0.92	27 %
Net Late Fee Rate (%)	0.56 %	0.48 %	8 bps	17 %
Travel and Corporate Solutions segment				
Total Volume ($)*	26,208,498	19,821,447	6,387,051	32 %
Purchase Volume ($)	17,085,097	10,916,015	6,169,082	57 %
Net Interchange Rate (%)	0.58 %	0.63 %	-5 bps	(8)%
Health and Employee Benefit Solutions Segment				
Total Volume ($)*	2,597,875	2,323,486	274,389	12 %
Purchase Volume ($)	1,374,373	1,146,436	227,937	20 %
Average Number of SaaS Accounts	18,549	16,222	2,327	14 %
Custodial HSA cash assets	3,469,780	** 2,813,537	** 656,243	** 23%

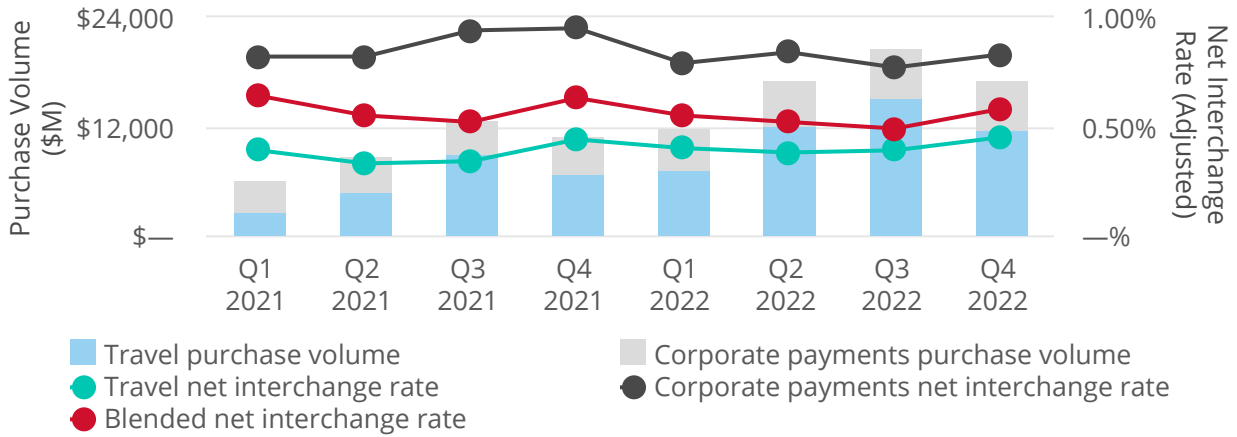
* Total Volume includes purchases on WEX issued accounts as well as purchases issued by others, but using the WEX platform.
** The data points presented were corrected from $2,468,585, $1,001,195 and 41% respectively, which were the numbers presented in the original posted version of these materials. This correction has no effect on the Company's reported financial performance. These incorrect data points appear in the earnings release issued by the Company, which was also included as an exhibit to a Current Report on Form 8-K filed on February 9, 2023.

Travel and Corporate Solutions Segment Revenue, Margin, Volume and Net Interchange Rate - Adjusted

Travel and Corporate Solutions Adjusted Revenue and Operating Income Margin



Travel and Corporate Payments Volume and Adjusted Net Interchange Rate



Key Takeaways

- For comparative purposes, graphs show revenue, net interchange rate and adjusted operating income margin in all periods as if a specific customer contract was reported on a net basis to reflect accounting change implemented in Q4 2021
- Segment revenue increased significantly with the rebound in global travel volumes and strong growth in corporate payments volume
- Segment adjusted operating income margin in Q4 2022 was 47.9%, up from 38.8% a year ago
- Q4 2022 increase in adjusted operating income margin due primarily to revenue increases and synergy benefits from eNett / Optal acquisition

Impacts of Amended Contract on Travel and Corporate Solutions Segment

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Reported:						
Volume	$ 12,799,555	$ 10,916,015	$ 11,809,450	$ 17,119,962	$ 20,656,953	$ 17,085,097
Net interchange rate**	0.62 %	0.63 %	0.55 %	0.52 %	0.49 %	0.58 %
Revenue	$ 91,002	$ 81,512	$ 77,251	$ 100,410	$ 113,975	$ 110,672
Adjusted operating expenses	$ 59,945	$ 49,881	$ 48,921	$ 49,394	$ 53,686	$ 57,642
Adjusted operating income	$ 31,057	$ 31,631	$ 28,330	$ 51,016	$ 60,289	$ 53,030
% margin**	34.1 %	38.8 %	36.7 %	50.8 %	52.9 %	47.9 %
Adjusted:						
Volume	$ 12,799,555	$ 10,916,015	$ 11,809,450	$ 17,119,962	$ 20,656,953	$ 17,085,097
Net interchange rate**	0.52 %	0.63 %	0.55 %	0.52 %	0.49 %	0.58 %
Revenue	$ 77,713	$ 81,512	$ 77,251	$ 100,410	$ 113,975	$ 110,672
Adjusted operating expenses	$ 46,656	$ 49,881	$ 48,921	$ 49,394	$ 53,686	$ 57,642
Adjusted operating income	$ 31,057	$ 31,631	$ 28,330	$ 51,016	$ 60,289	$ 53,030
% margin**	40.0 %	38.8 %	36.7 %	50.8 %	52.9 %	47.9 %

** Accounting presentation changed in Q4 2021 from gross revenue recognition to net, with a corresponding change in sales and marketing costs for one significant customer. This table reflects the contract calculated under both accounting presentations. To make the adjusted calculation, the following numbers, which represent the effect of the accounting presentation change, were subtracted from both the Revenue and Adjusted operating expenses line items in the Reported table to arrive at the numbers in the same line items on the Adjusted table: $13,289 in Q3 2021.

Key Takeaways

- Accounting presentation changed in Q4 2021 from gross revenue recognition to net, with a corresponding change in sales and marketing costs for one significant customer
- There is no impact on earnings from this change
- After this quarter, we will no longer provide this slide

Non-GAAP Reconciliation

Reconciliation of GAAP Operating Income to Total Segment Adjusted Operating Income and Adjusted Operating Income

	Three months ended December 31,		Year Ended December 31,	
In thousands	2022	2021	2022	2021
Operating income	$ 155,149	$ 108,359	$ 469,842	$ 342,000
Unallocated corporate expenses	20,569	23,858	84,484	78,218
Acquisition-related intangible amortization	42,757	46,981	170,500	181,694
Other acquisition and divestiture related items	2,731	8,035	17,874	40,533
Impairment charge	—	—	136,486	—
Stock-based compensation	22,334	13,779	100,694	76,550
Other costs	14,952	7,518	39,863	23,171
Debt restructuring costs	—	129	43	6,185
Total segment adjusted operating income:	$ 258,492	$ 208,659	$ 1,019,786	$ 748,351
Unallocated corporate expenses	(20,569)	(23,858)	(84,484)	(78,218)
Adjusted operating income	$ 237,923	$ 184,801	$ 935,302	$ 670,133

Segment adjusted operating income margin is derived by dividing segment adjusted operating income by the revenue of the corresponding segment (or the entire Company in the case of total segment adjusted operating income).

Non-GAAP Reconciliation

	Three Months Ended December 31,				Year Ended December 31,			
	2022		2021		**2022**		2021	
(In thousands except per share data)		**per diluted share**		per diluted share		**per diluted share**		per diluted share
Net income (loss) attributable to shareholders	**$ 88,691**	**$ 2.02**	$ (11,760)	$ (0.26)	**$ 201,438**	**$ 4.50**	$ 137	$ —
Unrealized loss (gain) on financial instruments	**7,077**	**0.16**	(19,720)	(0.44)	**(83,184)**	**(1.86)**	(39,190)	(0.86)
Net foreign currency (gain) loss	**(15,145)**	**(0.34)**	964	0.02	**22,702**	**0.51**	12,339	0.27
Change in fair value of contingent consideration	**3,988**	**0.09**	(4,800)	(0.11)	**139,088**	**3.11**	40,100	0.88
Acquisition–related intangible amortization	**42,757**	**0.97**	46,981	1.05	**170,500**	**3.81**	181,694	4.01
Other acquisition and divestiture related items	**2,731**	**0.06**	8,035	0.18	**17,874**	**0.40**	36,916	0.81
Stock–based compensation	**22,334**	**0.51**	13,779	0.31	**100,694**	**2.25**	76,550	1.70
Other costs	**13,523**	**0.31**	7,518	0.17	**38,434**	**0.86**	23,171	0.52
Impairment charges	**—**	**—**	—	—	**136,486**	**3.05**	—	—
Debt restructuring and debt issuance cost amortization	**4,656**	**0.10**	2,336	0.05	**17,333**	**0.39**	21,768	0.48
ANI adjustments attributable to non–controlling interests	**—**	**—**	62,176	1.39	**(34,587)**	**(0.77)**	132,030	2.91
Tax related items	**(17,804)**	**(0.41)**	11,264	0.25	**(115,781)**	**(2.59)**	(71,458)	(1.58)
Dilutive impact of share awards [1]	**—**	**—**	—	(0.03)	**—**	**—**	—	—
Dilutive impact of convertible debt [2]	**—**	**(0.03)**	—	—		**(0.13)**	—	—
Adjusted net income attributable to shareholders	**$ 152,808**	**$ 3.44**	$ 116,773	$ 2.58	**$ 610,997**	**$ 13.53**	$ 414,057	$ 9.14

[1] As the Company reported a net loss for the three months ended December 31, 2021 under U.S. Generally Accepted Accounting Principles ("GAAP"), the diluted weighted average shares outstanding equals the basic weighted average shares outstanding for that period. The non-GAAP adjustments described above resulted in adjusted net income attributable to shareholders (versus a loss on a GAAP basis) for the three months ended December 31, 2021. Therefore, dilutive common stock equivalents have been included in the calculation of adjusted diluted weighted average shares outstanding to arrive at adjusted per share data.

[2] During the quarter and year ended December 31, 2022, the dilutive impact of convertible notes has been calculated under the 'if-converted' method. Under such method, $3.8 million and $15.1 million of interest expense associated with our convertible notes, net of tax, was added back to adjusted net income for the three and twelve months ended December 31, 2022, respectively, and approximately 1.6 million shares of the Company's common stock associated with the assumed conversion of the convertible notes as of the beginning of the periods were included in the calculations of adjusted net income per diluted share, as the effect of including such adjustments was dilutive. The total number of share used in calculating Adjusted Net Income per diluted shares for the three and twelve months ended December 31, 2022 is 45.5 million and 46.3 million, respectively.

Non-GAAP Reconciliation

The Company's non-GAAP adjusted net income excludes unrealized gains and losses on financial instruments, net foreign currency gains and losses, changes in fair value of contingent consideration, acquisition-related intangible amortization, other acquisition and divestiture related items, stock-based compensation, impairment charges, other costs, debt restructuring and debt issuance cost amortization, adjustments attributable to our non-controlling interests and certain tax related items.

The Company's non-GAAP adjusted operating income excludes acquisition-related intangible amortization, other acquisition and divestiture related items, stock-based compensation, other costs, debt restructuring costs and impairment charges. Total segment adjusted operating income incorporates these same adjustments and further excludes unallocated corporate expenses.

Although adjusted net income, adjusted operating income and total segment adjusted operating income are not calculated in accordance with GAAP, these non-GAAP measures are integral to the Company's reporting and planning processes and the chief operating decision maker of the Company uses segment adjusted operating income to allocate resources among our operating segments. The Company considers these measures integral because they exclude the above specified items that the Company's management excludes in evaluating the Company's performance. Specifically, in addition to evaluating the Company's performance on a GAAP basis, management evaluates the Company's performance on a basis that excludes the above items because:

- Exclusion of the non-cash, mark-to-market adjustments on financial instruments, including interest rate swap agreements and investment securities, helps management identify and assess trends in the Company's underlying business that might otherwise be obscured due to quarterly non-cash earnings fluctuations associated with these financial instruments. Additionally, the non-cash mark-to-market adjustments on financial instruments are difficult to forecast accurately, making comparisons across historical and future quarters difficult to evaluate.
- Net foreign currency gains and losses primarily result from the remeasurement to functional currency of cash, accounts receivable and accounts payable balances, certain intercompany notes denominated in foreign currencies and any gain or loss on foreign currency hedges relating to these items. The exclusion of these items helps management compare changes in operating results between periods that might otherwise be obscured due to currency fluctuations.
- The change in fair value of contingent consideration, which is related to the acquisition of certain contractual rights to serve as custodian or sub-custodian to health savings accounts, is dependent upon changes in future interest rate assumptions and has no significant impact on the ongoing operations of the Company. Additionally, the non-cash, mark-to-market adjustments on financial instruments are difficult to forecast accurately, making comparisons across historical and future quarters difficult to evaluate.
- The Company considers certain acquisition-related costs, including certain financing costs, investment banking fees, warranty and indemnity insurance, certain integration-related expenses and amortization of acquired intangibles, as well as gains and losses from divestitures to be unpredictable, dependent on factors that may be outside of our control and unrelated to the continuing operations of the acquired or divested business or the Company. In addition, the size and complexity of an acquisition, which often drives the magnitude of acquisition-related costs, may not be indicative of such future costs. The Company believes that excluding acquisition-related costs and gains or losses on divestitures facilitates the comparison of our financial results to the Company's historical operating results and to other companies in our industry.
- Stock-based compensation is different from other forms of compensation as it is a non-cash expense. For example, a cash salary generally has a fixed and unvarying cash cost. In contrast, the expense associated with an equity-based award is generally unrelated to the amount of cash ultimately received by the employee, and the cost to the Company is based on a stock-based compensation valuation methodology and underlying assumptions that may vary over time.
- Impairment charges represent non-cash asset write-offs, which do not reflect recurring costs that would be relevant to the Company’s continuing operations. The Company believes that excluding these nonrecurring expenses facilitates the comparison of our financial results to the Company’s historical operating results and to other companies in its industry;
- Other costs are not consistently occurring and do not reflect expected future operating expense, nor do they provide insight into the fundamentals of current or past operations of our business. This also includes non-recurring professional service costs, costs related to certain identified initiatives, including restructuring and technology initiatives, to further streamline the business, improve the Company’s efficiency, create synergies and globalize the Company’s operations, all with an objective to improve scale and efficiency and increase profitability going forward. For the year ended December 31, 2021, other costs additionally include a penalty incurred on a vendor contract termination;
- Debt restructuring and debt issuance cost amortization are unrelated to the continuing operations of the Company. Debt restructuring costs are not consistently occurring and do not reflect expected future operating expense, nor do they provide insight into the fundamentals of current or past operations of our business. In addition, since debt issuance cost amortization is dependent upon the financing method, which can vary widely company to company, we believe that excluding these costs helps to facilitate comparison to historical results as well as to other companies within our industry.
- The adjustments attributable to non-controlling interests, including adjustments to the redemption value of a non-controlling interest, have no significant impact on the ongoing operations of the business.
- The tax related items are the difference between the Company’s GAAP tax provision and a pro forma tax provision based upon the Company’s adjusted net income before taxes as well as the impact from certain discrete tax items. The methodology utilized for calculating the Company’s adjusted net income tax provision is the same methodology utilized in calculating the Company’s GAAP tax provision.
- The Company does not allocate certain corporate expenses to our operating segments, as these items are centrally controlled and are not directly attributable to any reportable segment.

For the same reasons, WEX believes that adjusted net income, adjusted operating income and total segment adjusted operating income may also be useful to investors when evaluating the Company's performance. However, because adjusted net income, adjusted operating income and total segment adjusted operating income are non-GAAP measures, they should not be considered as a substitute for, or superior to, net income, operating income or cash flows from operating activities as determined in accordance with GAAP. In addition, adjusted net income, adjusted operating income and total segment adjusted operating income as used by WEX may not be comparable to similarly titled measures employed by other companies.

Non-GAAP Reconciliation

Reconciliation of GAAP Operating Cash Flow to Adjusted Free Cash Flow

The Company's non-GAAP adjusted free cash flow is calculated as cash generated from operations, less net purchases of current investment securities and capital expenditures plus the change in net deposits. Although non-GAAP adjusted free cash flow is not calculated in accordance with GAAP, WEX believes that adjusted free cash flow is a useful measure for investors to further evaluate our results of operations because (i) adjusted free cash flow indicates the level of cash generated by the operations of the business after appropriate reinvestment for recurring investments in property, equipment and capitalized software that are required to operate the business; (ii) changes in net deposits occur on a daily basis as a regular part of operations; and (iii) purchases of current investment securities are made as a result of deposits gathered operationally. However, because adjusted free cash flow is a non-GAAP measure, it should not be considered as a substitute for, or superior to, operating cash flow as determined in accordance with GAAP. In addition, adjusted free cash flow as used by WEX may not be comparable to similarly titled measures employed by other companies. The following table reconciles GAAP operating cash flow to adjusted free cash flow for the year ended December 31, 2022 and 2021.

	Year ended December 31,	
	2022	2021
Operating cash flow, as reported	$ 679,425	$ (42,579)
Adjusted for certain investing and financing activities:		
Increases in net deposits	801,592	1,620,284
Less: Purchases of current available-for-sale debt securities, net of sales and maturities	(585,754)	(956,221)
Less: Capital expenditures	(112,875)	(86,041)
Adjusted free cash flow	$ 782,388	$ 535,443