Q3 2023 Earnings

October 26, 2023

Forward Looking Statements

These materials include forward-looking statements including, but not limited to, statements about management's plans, goals, and guidance and assumptions with respect to future financial performance of the Company. Any statements in this presentation that are not statements of historical facts are forward-looking statements. When used in this presentation, 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. Forward-looking statements relate to our future plans, objectives, expectations and intentions and are not historical facts and accordingly involve known and unknown risks and uncertainties and other factors that may cause the actual results or performance to be materially different from future results or performance expressed or implied by these forward-looking statements. The following factors, among others, could cause actual results to differ materially from those contained in forward-looking statements made in this presentation and in oral statements made by our authorized officers: the impact of fluctuations in demand for fuel and the volatility, and prices, of fuel, including fuel spreads in the Company's international markets, and the resulting impact on the Company's margins, revenues and net income; the effects of general economic conditions, including a decline in demand for fuel, corporate payment services, travel related services, or healthcare related products and services; failure to implement new technologies 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 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; changes in interest rates, including those which we must pay for our deposits, and the rate of inflation; the effect of adverse financial conditions affecting the banking system; the failure to adequately safeguard custodial HSA assets; the failure of corporate investments to result in any anticipated economic or 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; the ability to attract and retain employees; the ability of the Company to protect its proprietary rights; the ability to incorporate artificial intelligence in our business successfully and ethically; limitations on or compression of interchange fees; the effects of the Company's business expansion and acquisition efforts; the failure to achieve commercial and financial benefits as a result of our strategic minority equity investments; 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 and other risks associated with operations outside the United States; 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 impact of regulatory capital requirements and other regulatory requirements on the operations of WEX Bank or its ability to make payments to WEX Inc.; the possible dilution to the Company's stockholders caused by the issuance of additional shares of common stock or equity-linked securities; 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 the Company's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission on February 28, 2023 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023, filed with the Securities and Exchange Commission on April 27, 2023 and July 27, 2023, respectively, and subsequent filings with the Securities and Exchange Commission. The forward-looking statements speak only as of the date of this presentation 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 and segment adjusted operating income and margin, please see our most recent earnings release issued on October 26, 2023. In addition, 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, (iii) GAAP net income attributable to shareholders to non-GAAP adjusted net income attributable to shareholders (or "adjusted net income" or "ANI"), (iv) GAAP net income per diluted share to ANI per diluted share, and (v) GAAP cash flows from operating activities to non-GAAP adjusted free cash flows.

Note:

The Company rounds amounts in the condensed consolidated financial statements to millions 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

$651.4M

+6%

Revenue
Percent change from prior year quarter

$4.05

+15%

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

Key Takeaways

- Delivered record third quarter revenue and adjusted net income per diluted share
- Year over year revenue growth despite significant fuel price decline
- Revenue and adjusted net income EPS exceeded top end of guidance range
- Increase to full year 2023 revenue and adjusted net income guidance

Topic Updates

Strong performance across growth drivers

Average YoY SaaS account growth of 9% and growth of 23% in average HSA custodial cash assets in Benefits segment

Purchase volume growth of 35% in Corporate Payments segment

Added approximately 270 thousand new vehicles compared to Q2

Capital allocation

Signed agreement to purchase Payzer, expanding reach into field service management

Closed Ascensus deal on September 1

Will remove approximately 1.8 million shares from adjusted EPS calculation through the repurchase of convertible notes and shares; maintained low leverage

Resiliency in our model

HSA deposits buffer against interest rate movements

In strong position to remove $100M of operating costs on run rate basis by the end of 2024

80%+ of revenue recurring in nature

Q3 2023
Financial Results

Company Results

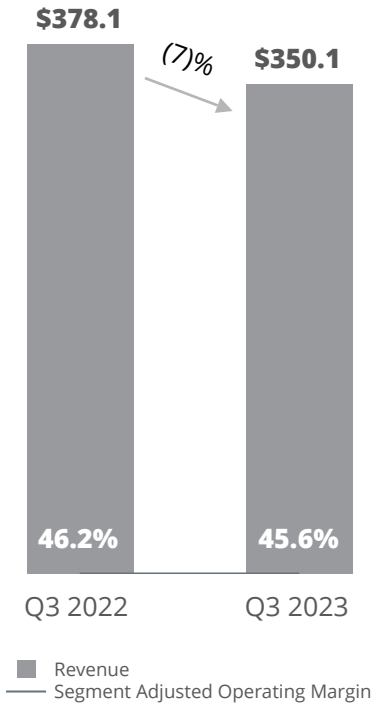
(In millions except per share data)	Q3 23	Q3 22	$ Δ Yr/Yr	% Δ Yr/Yr
Total Revenue	**$651.4**	**$616.1**	**$35.3**	**6 %**
US GAAP net income (loss) attributable to shareholders	$18.4	$(44.1)	$62.5	NM
US GAAP net income (loss) attributable to shareholders per diluted share	$0.42	$(1.00)	$1.42	NM
Adjusted net income attributable to shareholders	$176.8	$157.8	$19.0	12 %
Adjusted net income attributable to shareholders per diluted share	$4.05	$3.51	$0.54	15 %

NM - Not meaningful

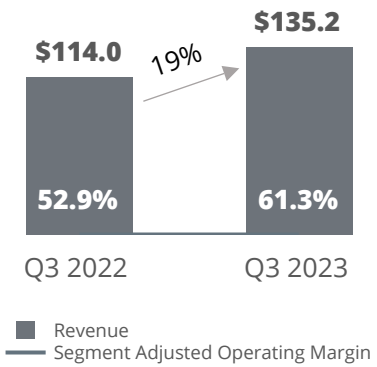
Please see appendix for a reconciliation of GAAP net income attributable to shareholders to non-GAAP adjusted net income attributable to shareholders

Revenue and Adjusted Operating Income Margin by Segment

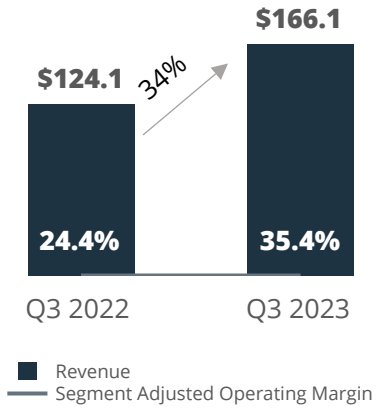
Mobility



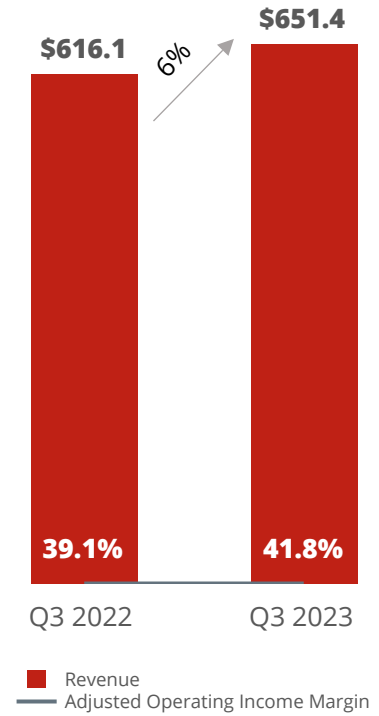
Corporate Payments



Benefits



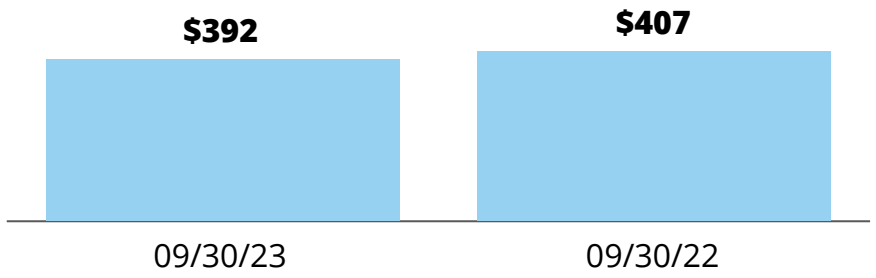
WEX



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). See appendix for a reconciliation of GAAP operating income to total segment adjusted operating income. Segment Adjusted Operating Income can be found in the press release announcing Q3 23 financial results.

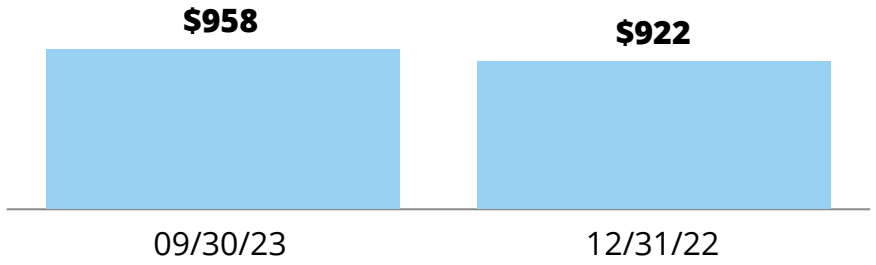
Adjusted Free Cash Flow & Balance Sheet

Adjusted Free Cash Flow, Q3 YTD ($ Millions)



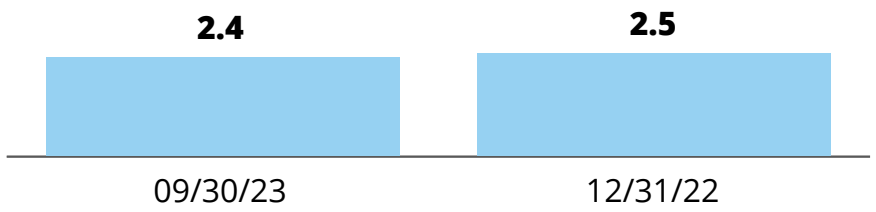
- Adjusted free cash flow of $392 million year to date
- Trailing twelve months adjusted free cash flow of $767 million

Cash balance ($ Millions)



- Corporate cash[1] balance was approximately $170 million
- Borrowing capacity of $925 million on credit facility

Leverage ratio



- Leverage ratio, as defined in the credit agreement, slightly below long term range of 2.5-3.5X
- BTFP borrowings no longer included in leverage calculation

[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 cash flows from operating activities to adjusted free cash flow.

Updated Guidance

	Q4 2023 Outlook	% Change YoY	FY 2023 Outlook	% Change YoY	Change vs Prior FY Guidance at Midpoint
Revenue (in millions)	**$650 - $660**	**5% - 7%**	**$2,535 - $2,545**	**8% - 8%**	**$35**
Adjusted Net Income per Diluted Share [1]	**$3.65 - $3.75**	**6% - 9%**	**$14.64 - $14.74**	**8% - 9%**	**$0.44**
Assumed Average Domestic Fuel Price ($/Gallon)	$3.80	-12%	$3.83	-14%	$0.11
Mobility Credit Loss (Basis Points)	12 - 17		17 - 18		(2)
Assumed Number of Diluted Shares Outstanding	43.3 million		44.4 million		(0.8)

[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, debt restructuring and debt issuance cost amortization 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

- Exchange rates are as of the end of September 2023
- Domestic fuel prices estimated at $3.80 per gallon for the fourth quarter and $3.83 for the full year, based on NYMEX futures price from week of October 16, 2023
- Adjusted net income tax rate is expected to be between 25.0% and 26.0% for the fourth quarter and the full year
- Approximately 43.3 million and 44.4 million weighted average shares outstanding for Q4 2023 and FY2023, respectively

Appendix

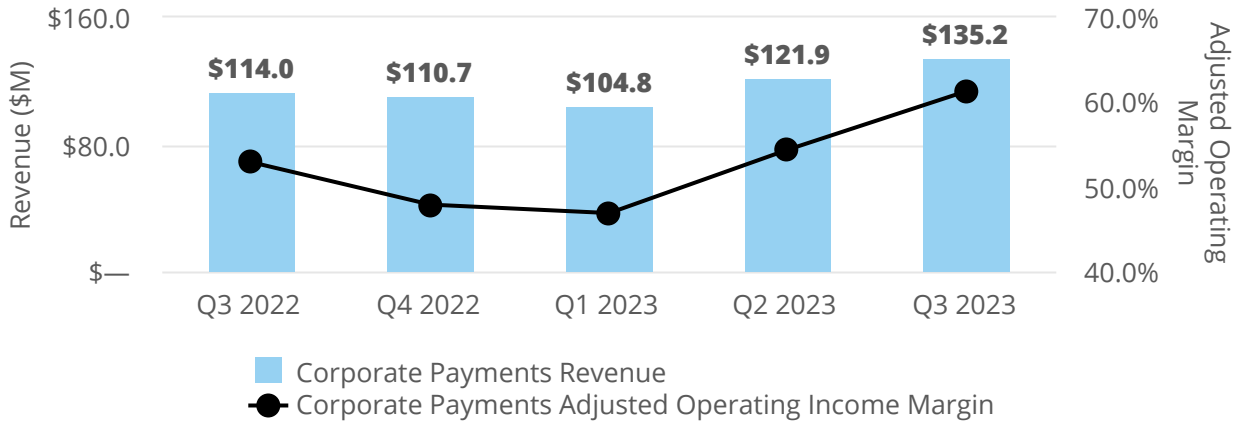
Key Performance Indicators

(In millions unless otherwise noted)	Q3 23	Q3 22	$ Δ Yr/Yr	% Δ Yr/Yr
Mobility segment				
Total Volume ($)*	22,220	25,386	(3,166)	(12)%
Payment Processing Transactions	144.6	145.3	(0.7)	— %
Payment Processing $ of Fuel	14,945	17,205	(2,260)	(13)%
Net Payment Processing Rate (%)	1.18 %	1.10 %	8 bps	7 %
Average US Fuel Price ($/gallon)	3.97	4.54	(0.57)	(13)%
Net Late Fee Rate (%)	0.44 %	0.48 %	-4 bps	(7)%
Corporate Payments segment				
Total Volume ($)*	36,780	29,508	7,272	25 %
Purchase Volume ($)	27,860	20,657	7,203	35 %
Net Interchange Rate (%)	0.42 %	0.49 %	-7 bps	(15)%
Benefits segment				
Total Volume ($)*	2,880	2,634	246	9 %
Purchase Volume ($)	1,501	1,350	151	11 %
Average Number of SaaS Accounts	19.9	18.2	1.7	9 %
Average HSA custodial cash assets ($)	3,909	3,178	731	23 %

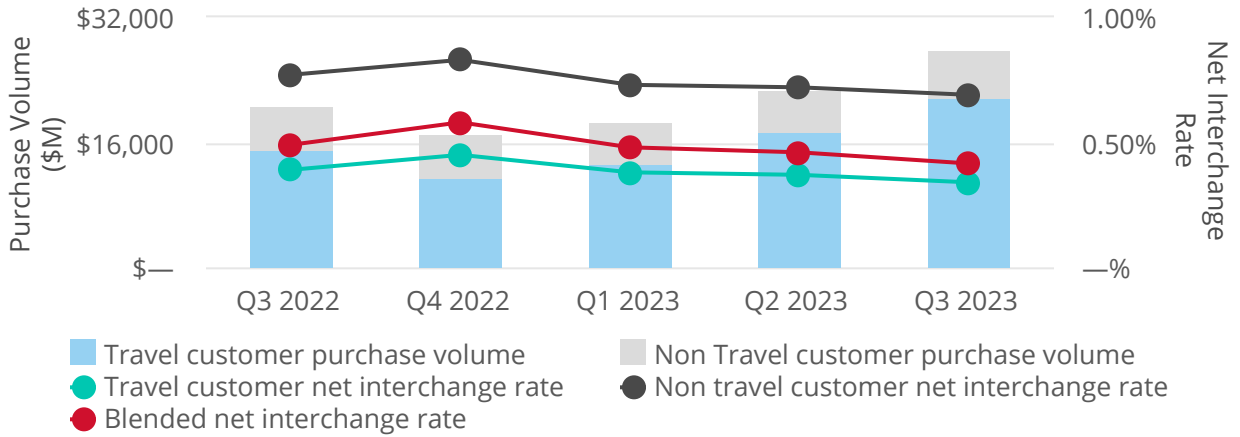
* Total Volume includes purchases on WEX issued accounts as well as purchases issued by others, but using the WEX platform.

Corporate Payments Segment Revenue, Adjusted Margin, Volume, and Net Interchange Rate

Corporate Payments Revenue and Adjusted Operating Income Margin



Corporate Payments Volume and Net Interchange Rate



Key Takeaways

- Segment adjusted operating income margin in Q3 2023 was 61.3%, up from 52.9% a year ago
- Segment revenue increased significantly with strong global travel volumes
- Q3 2023 increase in adjusted operating income margin due primarily to revenue increases

Non-GAAP Reconciliation

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

	Three months ended September 30,	
In millions	**2023**	2022
Operating income	**$ 174.9**	$ 21.3
Unallocated corporate expenses	**29.1**	23.9
Acquisition-related intangible amortization	**45.2**	42.5
Other acquisition and divestiture related items	**5.1**	4.1
Impairment charges	**—**	136.5
Stock-based compensation	**31.9**	27.9
Other costs	**15.1**	8.9
Total segment adjusted operating income	**$ 301.3**	$ 265.1
Unallocated corporate expenses	**(29.1)**	(23.9)
Adjusted operating income	**$ 272.2**	$ 241.2

Non-GAAP Reconciliation

Reconciliation of GAAP Net Income to Adjusted Net Income and Adjusted Net Income per Share

	Three Months Ended September 30,			
	2023		2022	
In millions except per diluted share data		**per diluted share**		per diluted share
Net income (loss) attributable to shareholders	**$ 18.4**	**$ 0.42**	$ (44.1)	$ (1.00)
Unrealized loss (gain) on financial instruments	**7.8**	**0.18**	(23.5)	(0.53)
Net foreign currency loss	**7.8**	**0.18**	23.4	0.53
Change in fair value of contingent consideration	**3.2**	**0.07**	30.3	0.69
Acquisition-related intangible amortization	**45.2**	**1.04**	42.5	0.96
Other acquisition and divestiture related items	**5.1**	**0.12**	4.1	0.09
Stock-based compensation	**31.9**	**0.74**	27.9	0.63
Other costs	**15.1**	**0.35**	8.8	0.20
Impairment charges	**—**	**—**	136.5	3.09
Debt restructuring and debt issuance cost amortization	**74.4**	**1.71**	4.7	0.11
Tax related items	**(32.1)**	**(0.74)**	(52.8)	(1.19)
Dilutive impact of stock awards[1]	**—**	**—**	—	(0.02)
Dilutive impact of convertible debt[2]	**—**	**(0.02)**	—	(0.05)
Adjusted net income attributable to shareholders	**$ 176.8**	**$ 4.05**	$ 157.8	$ 3.51

[1] As the Company reported a net loss for the three months ended September 30, 2022 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 September 30, 2022. 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 three months ended September 30, 2023 and 2022, the dilutive impact of the Convertible Notes has been calculated under the 'if-converted' method. For the three month periods ended September 30, 2023 and 2022, $1.8 million and $3.8 million, respectively, of interest expense, net of tax, associated with our Convertible Notes was added back to adjusted net income attributable to shareholders. For the three months ended September 30, 2023 and 2022, approximately 0.7 million and 1.6 million shares, respectively, of the Company's common stock associated with the assumed conversion of the Convertible Notes were included in the calculation of adjusted net income attributable to shareholders per diluted share, as the effect of including such adjustments was dilutive. The total number of shares used in calculating adjusted net income attributable to shareholders per diluted share for the three months ended September 30, 2023 and 2022 is 44.1 million and 46.0 million, respectively.

Non-GAAP Reconciliation

The Company's non-GAAP adjusted net income attributable to shareholders excludes unrealized gains and losses on financial instruments, net foreign currency gains and losses, changes in fair value of contingent consideration, impairment charges, acquisition-related intangible amortization, other acquisition and divestiture related items, stock-based compensation, 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 and other costs. Total segment adjusted operating income incorporates these same adjustments and further excludes unallocated corporate expenses.

Although adjusted net income attributable to shareholders, 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 non-GAAP basis that excludes the items specified above for the reasons discussed below:

- 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 periods 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 economic 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 HSAs, 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 periods 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;
- 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.
- 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;
- Debt restructuring and debt issuance cost amortization, which for the three and nine months ended September 30, 2023 includes the loss on extinguishment of Convertible Notes, 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 attributable to shareholders tax provision is the same methodology utilized in calculating the Company's GAAP tax provision; and
- 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 attributable to shareholders, 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 attributable to shareholders, 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 Cash Flows from Operating Activities to Adjusted Free Cash Flow

The Company's non-GAAP adjusted free cash flow is calculated as cash flows from operating activities, adjusted for net purchases of current investment securities, capital expenditures, the change in net deposits, changes in borrowings under the BTFP and borrowed federal funds and certain other adjustments which, for the nine months ended September 30, 2023, reflects an adjustment for contingent consideration paid to sellers in excess of acquisition-date fair value. 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, which excludes consideration paid on acquisitions, 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; (iii) borrowings under the BTFP and borrowed federal funds are primarily used as a replacement for brokered deposits as part of our accounts receivable funding strategy; and (iv) 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. Refer to our reconciliation below for our calculation of adjusted free cash flow for the nine months ended September 30, 2023 and 2022, twelve months ended December 31, 2022, and the trailing twelve months ended September 30, 2023.

	Nine Months Ended September 30,		Year ended December 31,	Trailing twelve months, ended September 30
(in millions)	**2023**	2022	2022	**2023**
Cash flows from operating activities, as reported	**$ 146.0**	$ 106.6	$ 679.4	**$ 718.8**
Adjustments to cash flows from operating activities:				
Other	**1.5**	—	—	**1.5**
Adjusted for certain investing and financing activities:				
Increases in net deposits	**889.9**	960.6	801.6	**730.9**
Increases in borrowings under the BTFP	**500.0**	—	—	**500.0**
Increases in borrowed federal funds	**260.1**	—	—	**260.1**
Less: Purchases of current investment securities, net of sales and maturities	**(1,304.2)**	(584.8)	(585.8)	**(1,305.2)**
Less: Capital expenditures	**(101.7)**	(75.5)	(112.9)	**(139.1)**
Adjusted free cash flow	**391.6**	406.8	782.3	**767.0**