



# Nayax Q3 2024 Earnings Presentation

Nov 12, 2024



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- In addition to various operational metrics and financial measures in accordance with accounting principles generally accepted under International Financial Reporting Standards, or IFRS, this presentation contains Adjusted EBITDA, a non-IFRS financial measure, as a measure to evaluate our past results and future prospects. Please refer to the Appendix for a definition of Adjusted EBITDA and for a reconciliation of Adjusted EBITDA to net income (loss).
- Unless noted otherwise, the financial information of the Company included in this presentation for Q4 2023 or any later period includes figures from Retail Pro. Unless noted otherwise, the financial information of the Company included in this presentation for the Q2 2024 or any later period includes figures from Roseman Engineering LTD ,Roseman Holdings (1985) LTD and Vmtecnologia LTDA.
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# Today's Presenters



Yair Nechmad  
CEO & Co-Founder



Sagit Manor  
CFO

# Company Overview

# Company Overview

Global offices	Countries with devices	Markets with distributors
11	120+	80+
No. of Employees	Payment Methods	Currencies
1,100+	80+	50+



# Nayax (Nasdaq & TASE: NYAX) Q3-24 at a Glance

## Scale

Managed & connected  
devices  
Sep. 2023: 874K ▲40%

1.23M

End customers  
Sep. 2023: 60k ▲52%

91k

Transactions value  
processed  
Sep. 2023: 989M ▲32%

\$1.3B

## Financials

Revenue  
Sep. 2023: \$60M ▲38%

\$83M

Gross Margins  
Sep. 2023: 38.1%

45.7%

Adj. EBITDA<sup>(1)</sup>  
Sep. 2023: \$3.5M ▲217%

\$11.1M

## Growth

YOY Recurring  
Revenues

49%

Dollar-based  
net retention rate

130%

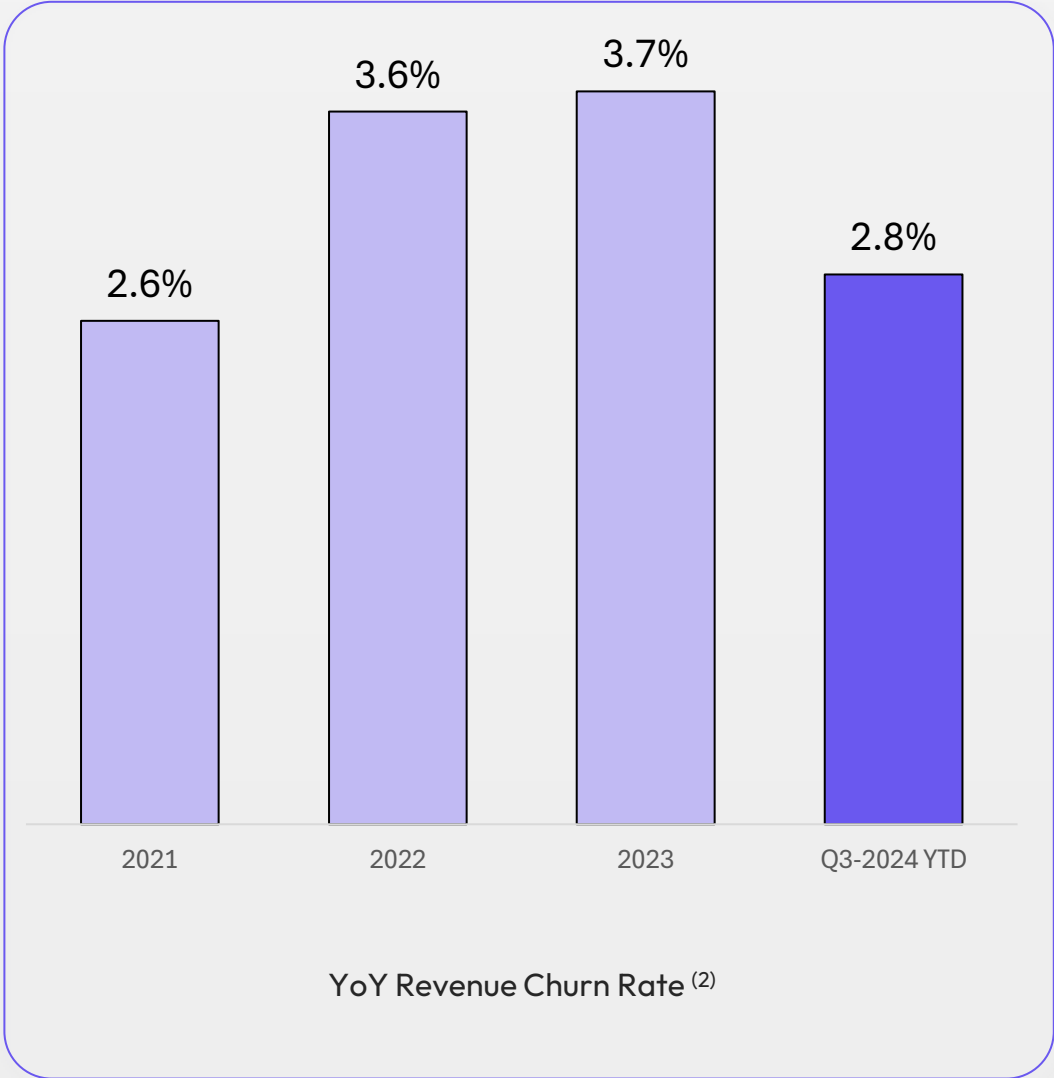
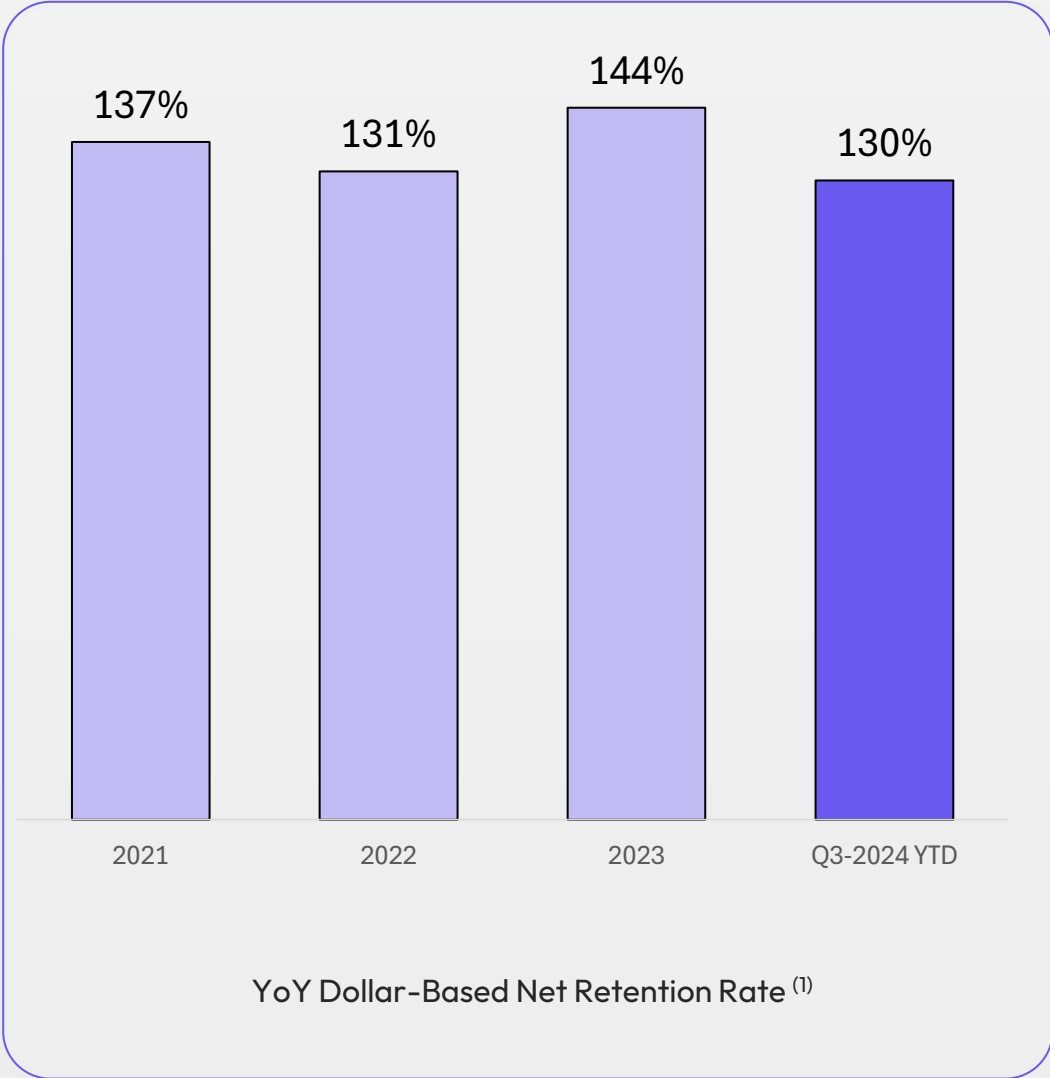
Revenue churn <sup>(2)</sup>

2.8%

(1) Adjusted EBITDA is a non-IFRS financial measure. Please refer to the Appendix for a definition of Adjusted EBITDA and for a reconciliation of Adjusted EBITDA to the most directly comparable IFRS measure.

(2) Revenue Churn is a non-IFRS financial measure. Please refer to the Appendix for a definition of Revenue Churn.

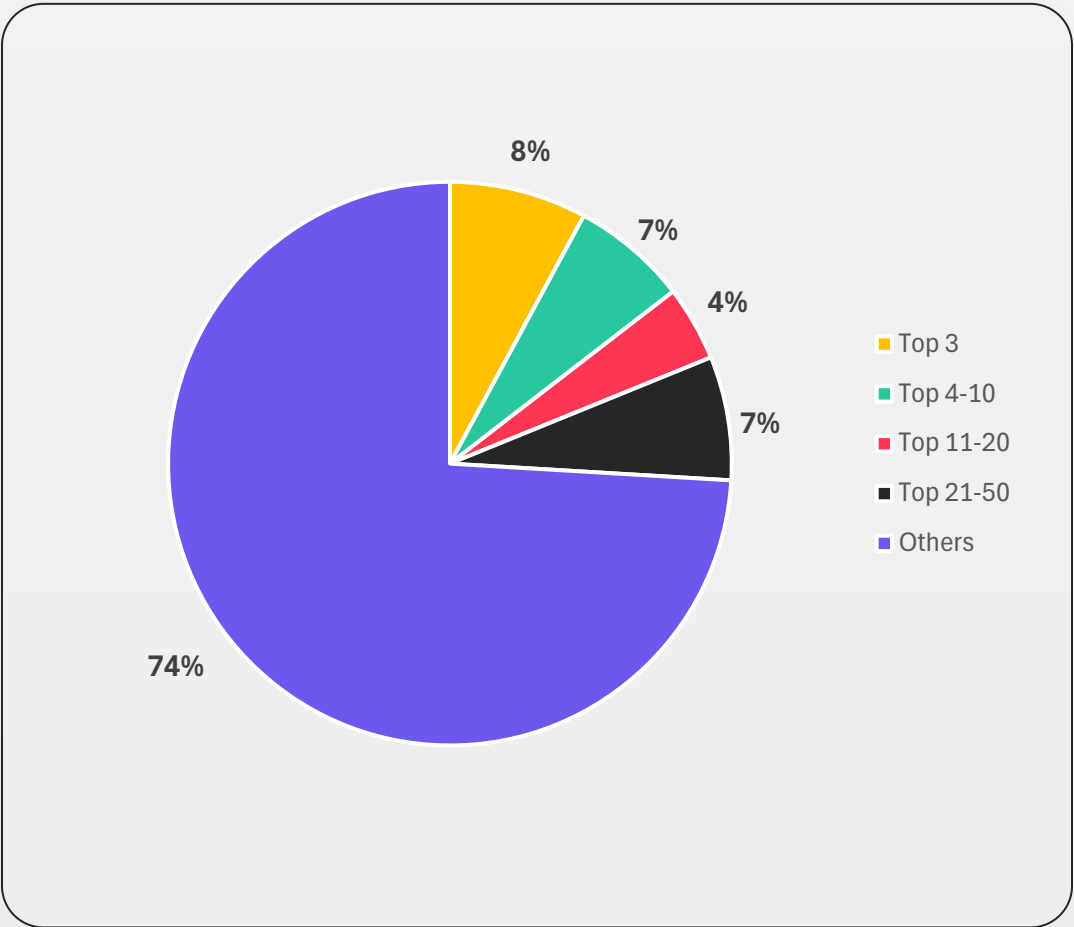
# Retaining and Growing Customers



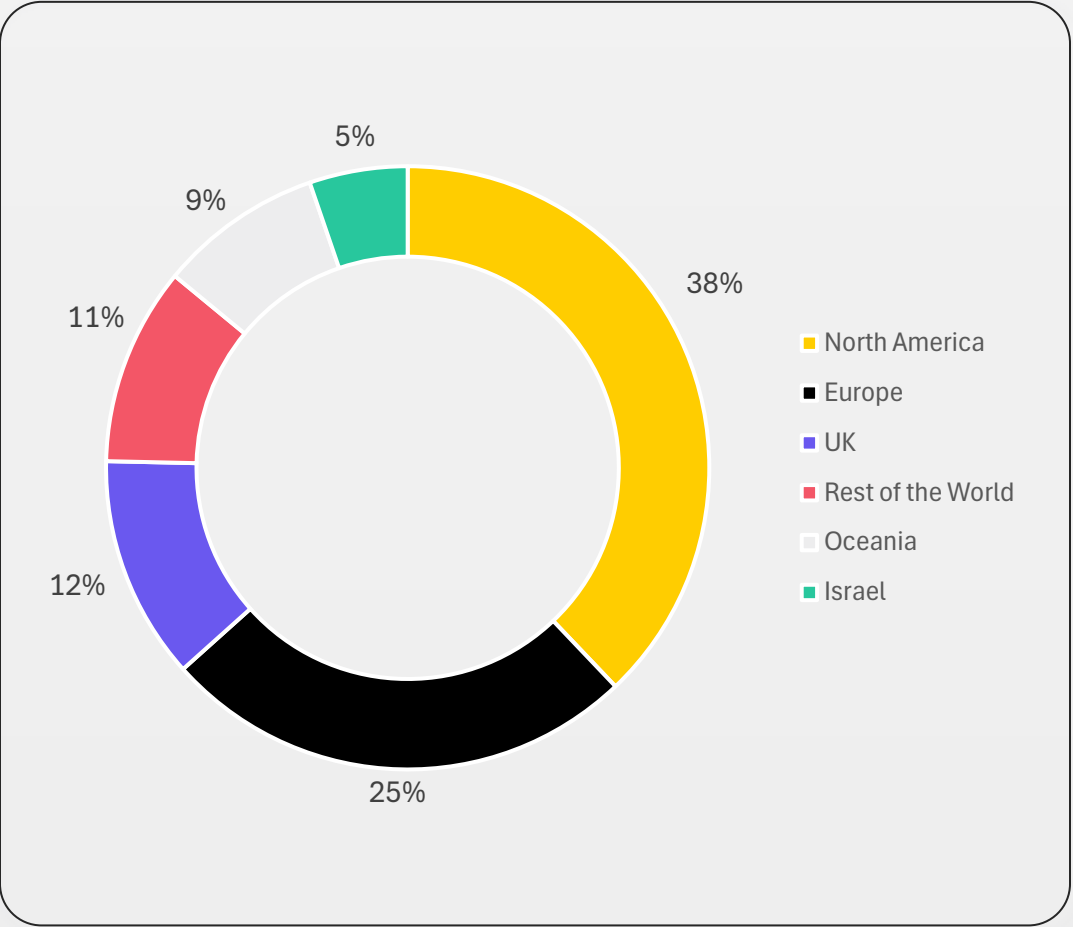
(1) Net retention rate based on SaaS revenue and payment processing fees  
(2) The percentage of revenue lost as a result of customers leaving our platform in the last 12 months.

# Bringing a Global Solution to the Local Market

Low Customer Concentration



Global Revenue Diversification





# Bringing Scaled Solutions to Large TAM



Vending



Micro Markets



Hotels and Hospitality



Transportation



Office Coffee Service



Kiddie & Amusement Rides



Beauty Professionals



EV Charging



Car Wash



Massage Chair



Food Truck



Parking



Special Retail



Family Entertainment Centers



Cafeterias and Canteens



Forecourt



Laundry



Amusement

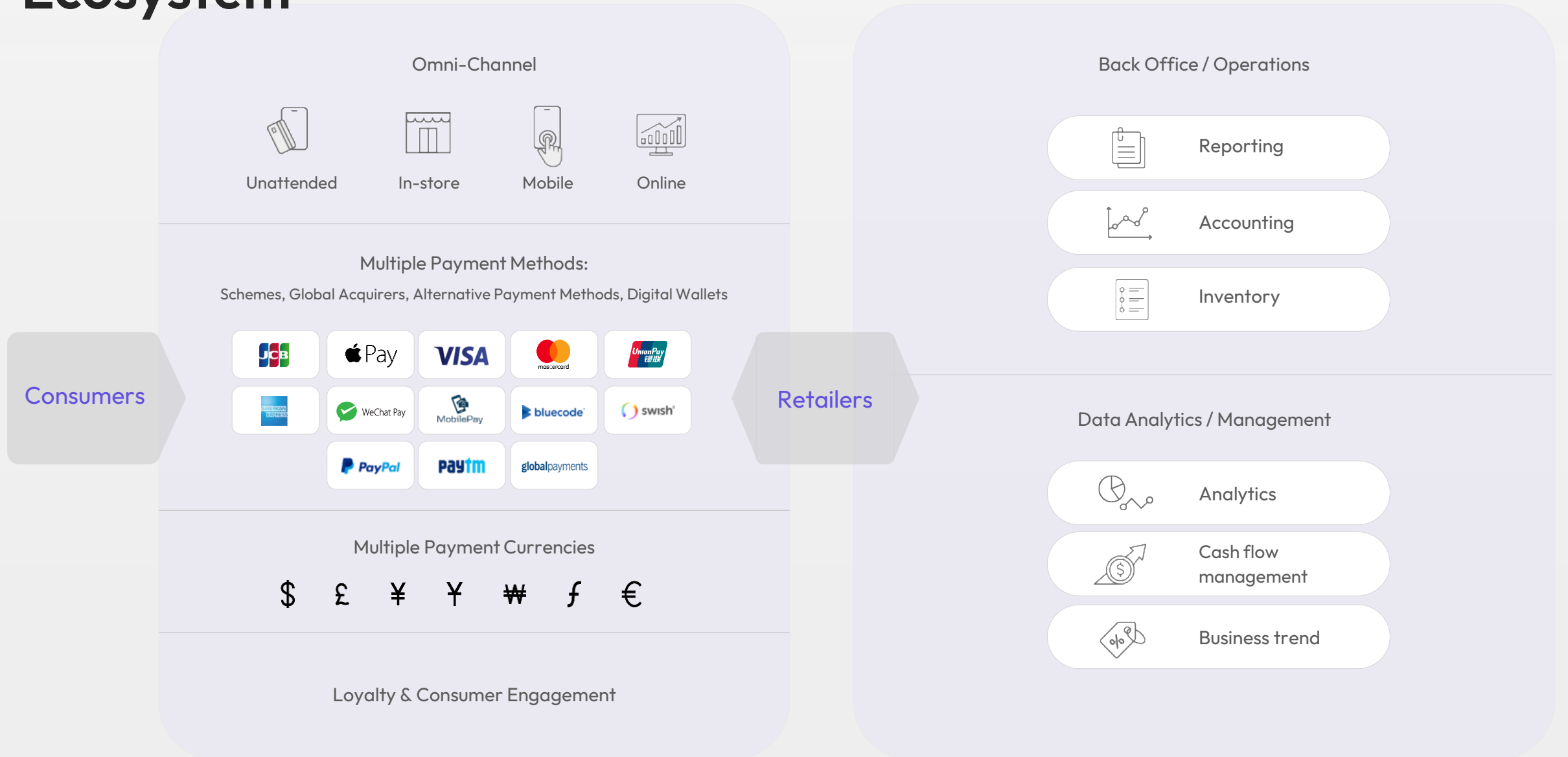


Food Events and Catering



Fuel

# Nayax Solves Multi-Dimensional Challenges Across the Ecosystem



# Driving Growth with One Complete Solution for all Retailers

## Integrated POS



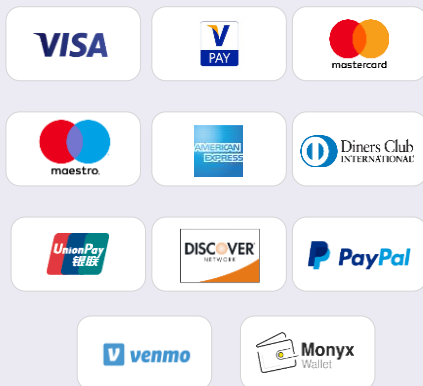
VPOS Touch



Nova Market

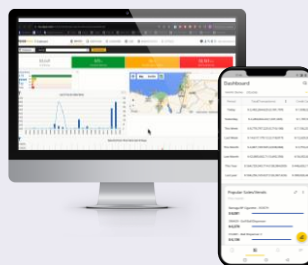
Multiple POS options

## Cashless Payments



Global acceptance of local payment options

## Actionable Management Platform



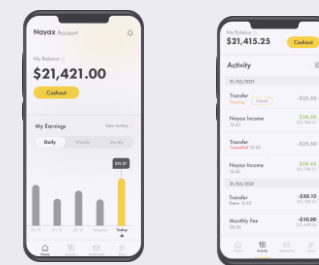
Manage everything for every retailers' needs

## Loyalty & Marketing



Loyalty out of the box

## Finance



Financing, payout and banking capabilities

## Automated & Self Service

Multiple unattended retail verticals

## Energy & Mobility

Complete electric vehicle charging & payment solutions

## Hospitality & Retail

Robust solution for numerous retail verticals

# Recent Key Business Highlights

## Smart cart integration with Cust2Mate

Nayax and A2Z Cust2Mate Solutions Corp. have announced a strategic partnership to integrate Nayax's automated self-service mobile payment system with A2Z Cust2Mate's cart platform for smart retail stores. This collaboration will enable customers to complete their shopping journey directly from their smart cart, eliminating the need for checkout lines, with a seamless "pick-and-go" experience.

## Launch of Energy EV Kiosk

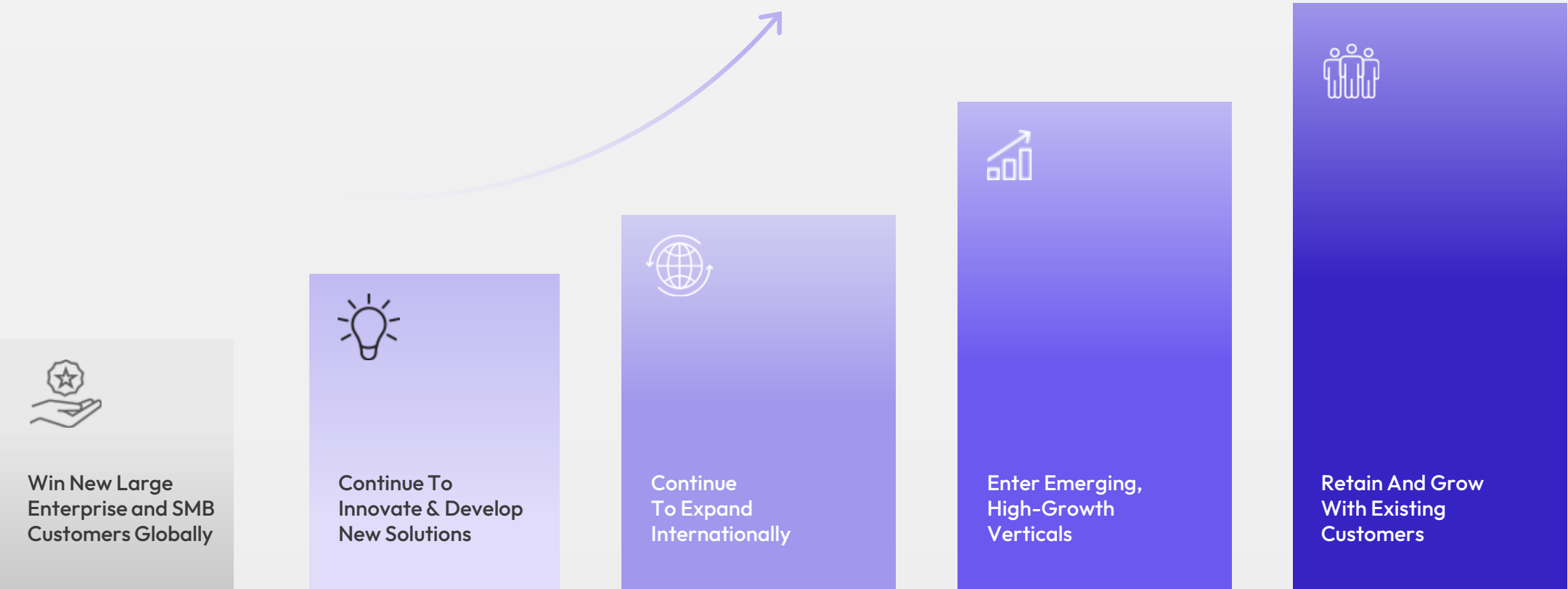
Nayax has launched the Nayax Energy EV Kiosk, a payment processing solution for electric vehicle (EV) charging stations. This kiosk allows drivers to have a seamless and fast payment experience while charging their vehicles using credit cards, debit cards, or mobile wallets without needing individual payment devices on each charger. It is part of Nayax Energy's broader offerings for various locations, such as parking garages, gas stations, and shopping centers.

## Strategically Partnered with Adyen Globally

This partnership introduces the world's first global omnichannel payment service provider solution for EV charging, integrating Nayax's payment and loyalty platform into Adyen's international platform. Additionally, this global partnership enables Nayax to expand into new regions, such as Latin America and APAC, while reducing operational costs.

# Organic Growth Strategy for Sustained Long-term Profitable Growth

Continued Execution on Strategic Growth Plan While Remaining Focused on Balancing Top Line Growth





3rd Party Integrations  
Age-verification  
Deferred Online

3rd Party Integrations  
Age-verification  
Deferred Online

Geographic areas  
of interest include  
LATAM and APAC

EV Charging Parking  
Mass Transit

130% Dollar-Based  
Net Retention Rate  
In Q3 24

# Inorganic Growth: Three Pillars of M&A

- Adding key technologies to the platform to accelerate development in key strategic verticals
- Focus on "tuck-in" M&As with synergistic technologies



- A focus on strategically leveraging channel
- Acquires distributors and payment solution providers to bring the capabilities in-house



- Accelerates entry into new markets



**Technological Upgrade**

**Leveraging Channels**

**Geographic Expansion**

# Financial Overview

# Complete End-To-End Solution Locks in Customers to Secure Solid Recurring Revenue

## “Customer Lock In”

### 1. Hardware



VPOS Touch



Onyx



VPOS Media



Nova Market

- All-in-one cashless card reader and telemetry device
- Purchase fee per sold connected POS

**Competitive Price to Attract Customers**

## Recurring Revenue

### 2. SaaS



- SaaS management system for enhanced business optimization and customer satisfaction
- Monthly subscription fee (SaaS) per connected POS

**72%  
Recurring Revenue**

### 3. Processing Fee



- Global, localized cashless payment acceptance for maximized conversion
- Full payment suite – EMV Payments, Prepaid System, Payments I API APMs | Licensed financial institution
- Processing fee as % of transaction volume

**2.75%  
Payment  
Take Rate<sup>(1)</sup>**

**130%  
Dollar Based Net  
Retention Rate**

(1) Fee charged per payment transaction.

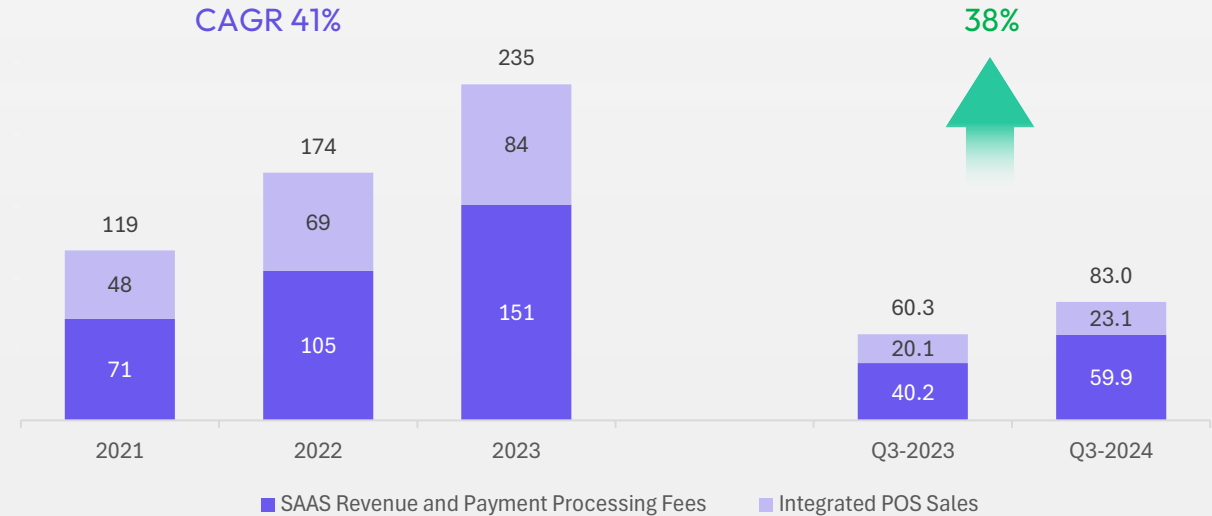


## Our Business Model is Working

### Highlights

- Q3 revenue grew **38% YoY**
- Benefited from faster growing recurring revenues, growth in sold units and contribution from our recent Vmtecnologia, Roseman and Retail Pro acquisitions.

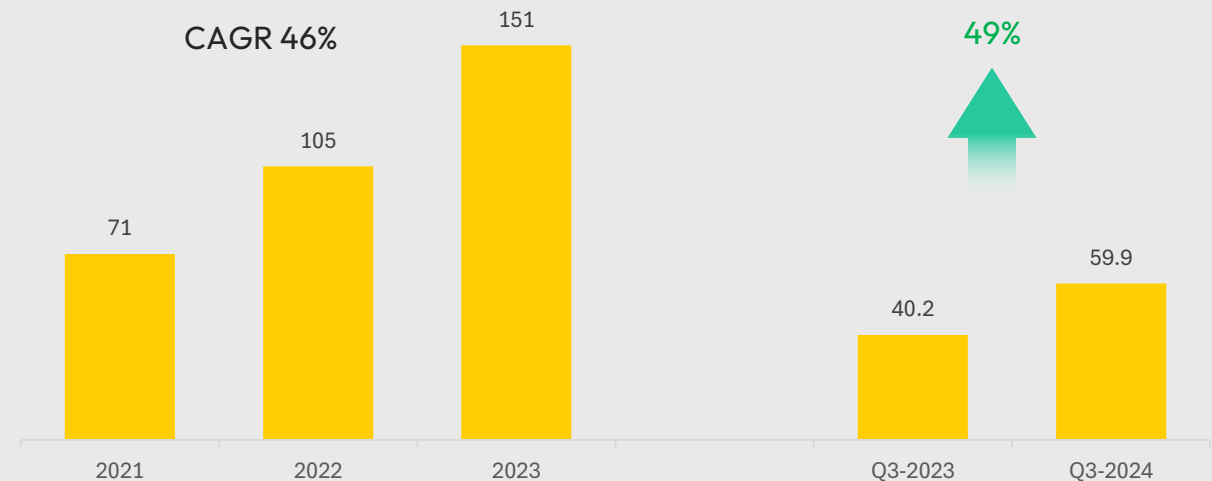
### Strong Revenue Growth (\$m)



### Highlights

- Q3 Recurring revenues grew **49% YoY**
- Continued strong growth in payment processing fees up 44% YoY; SaaS revenue grew 57% YoY, including contribution from our recent Vmtecnologia and Retail Pro acquisitions.

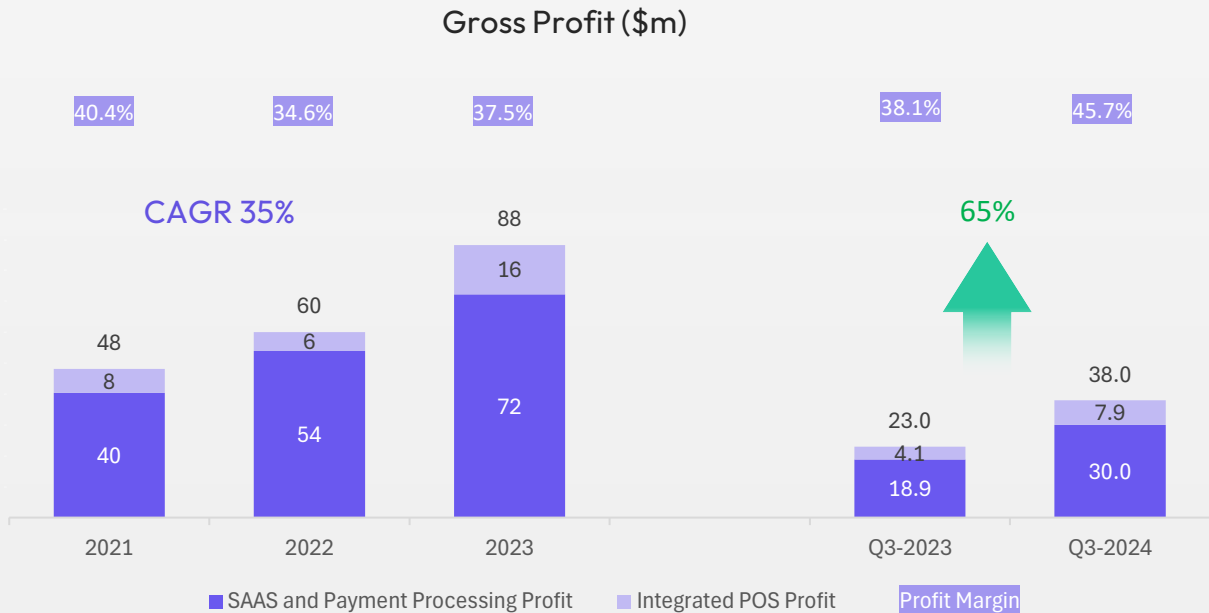
### High Recurring Revenues (\$m)



# Significant Improvements In Gross Margin

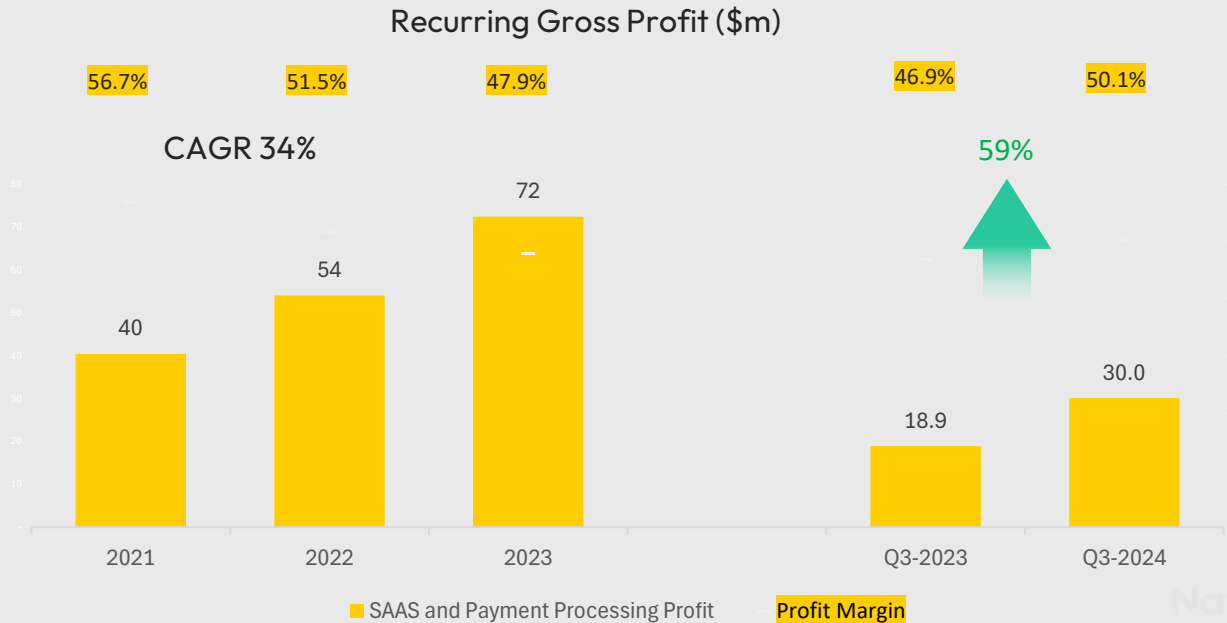
## Highlights

- Q3 gross profit grew **65% YoY**
- Significant reduction in processing costs and improvement in HW gross margin reflecting the positive impact of strategic efforts to enhance operational efficiencies and streamline our supply chain in recent quarters.



## Highlights

- Q3 recurring gross profit **59% YoY**
- Significant reduction in processing costs improving our overall recurring gross margin.

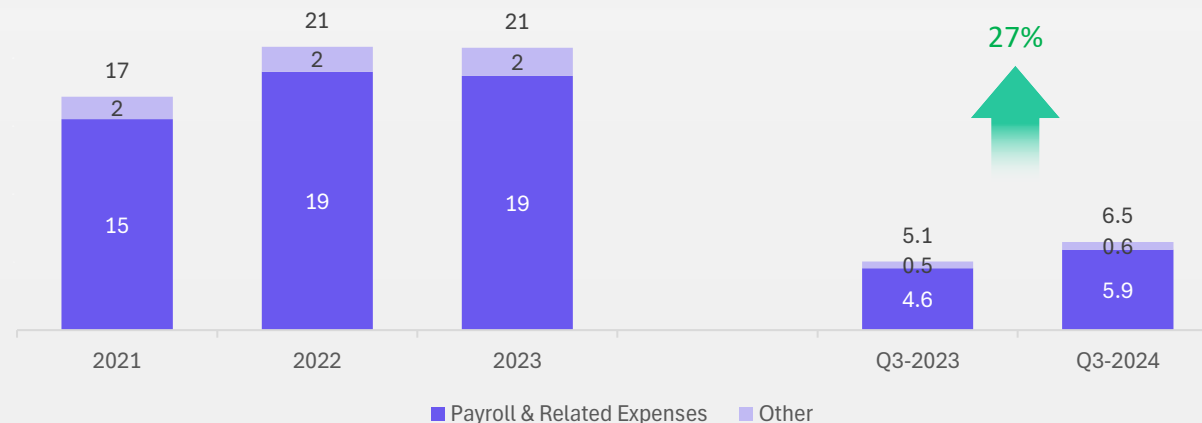


## Moderating Expenses & Higher Operating Efficiencies

### Highlights

- Q3 R&D grew **27% YoY**
- Primarily due to investment in talent acquisitions as well as additional costs related to our recent VMtecnologia and Roseman acquisitions.

R&D Expense (\$m) <sup>(1)</sup>

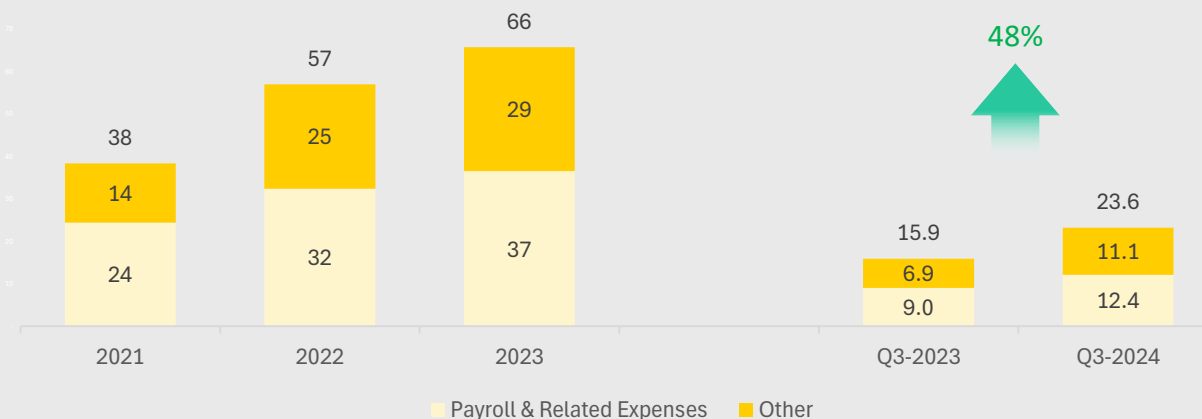


(1) Excluding share-based compensation and Amortization

### Highlights

- Q3 SG&A grew **48% YoY**
- Reflects investment in talent acquisition, customer base expansion, and higher go-to-market expenses as well as additional costs related to our recent VMtecnologia and Roseman acquisitions.

SG&A Expense (\$m) <sup>(1)</sup>



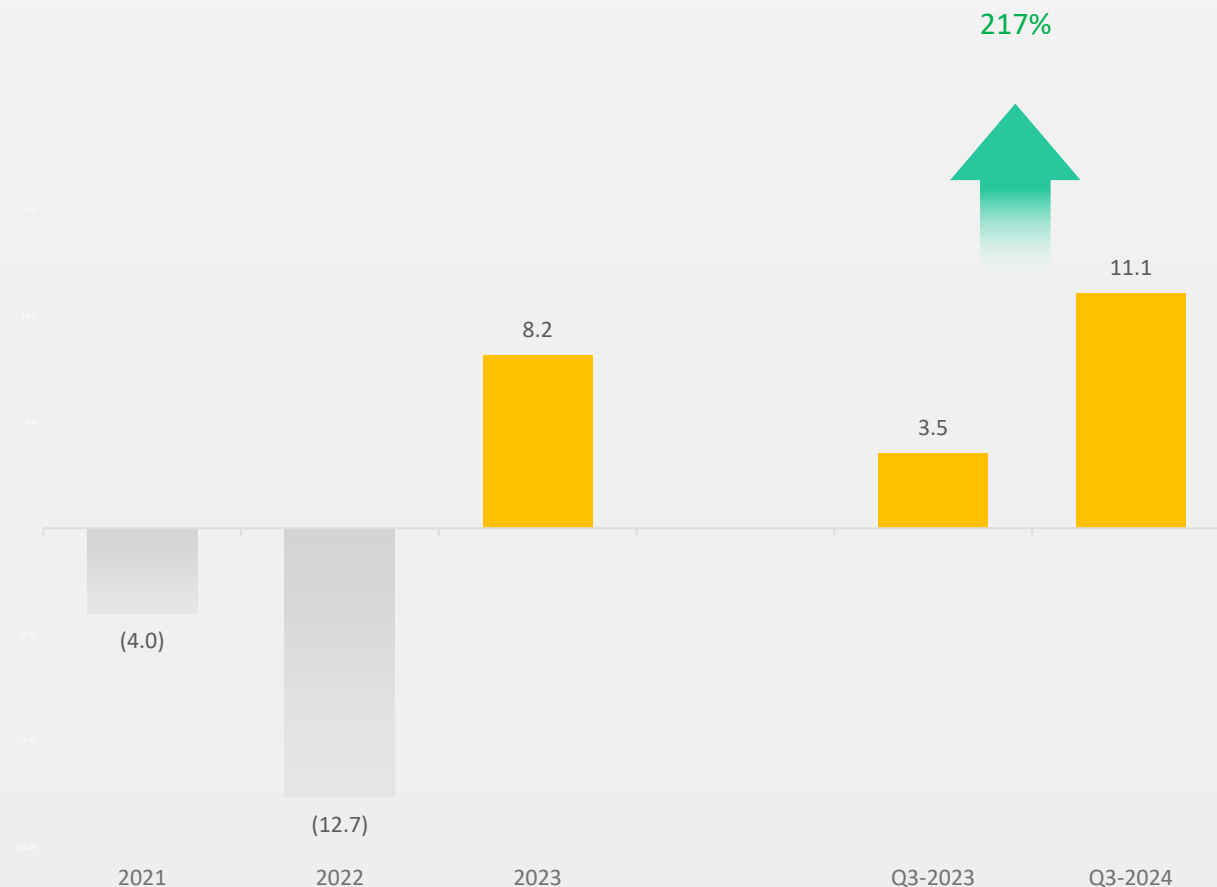
(1) Excluding share-based compensation and Amortization

## Improved Profitability From Margins Expansion And Higher Operating Efficiencies

### Highlights

- Q3 Adj. EBITDA grew strongly **217% YoY**
- Positive \$11.1 million in Q3 2024, a marked improvement of \$7.6 million from Q3 2023. This impressive growth demonstrates our ability to drive profitable expansion while improving margins, managing costs, and strategically investing in growth opportunities.

Adjusted EBITDA (\$m) <sup>(1)</sup>

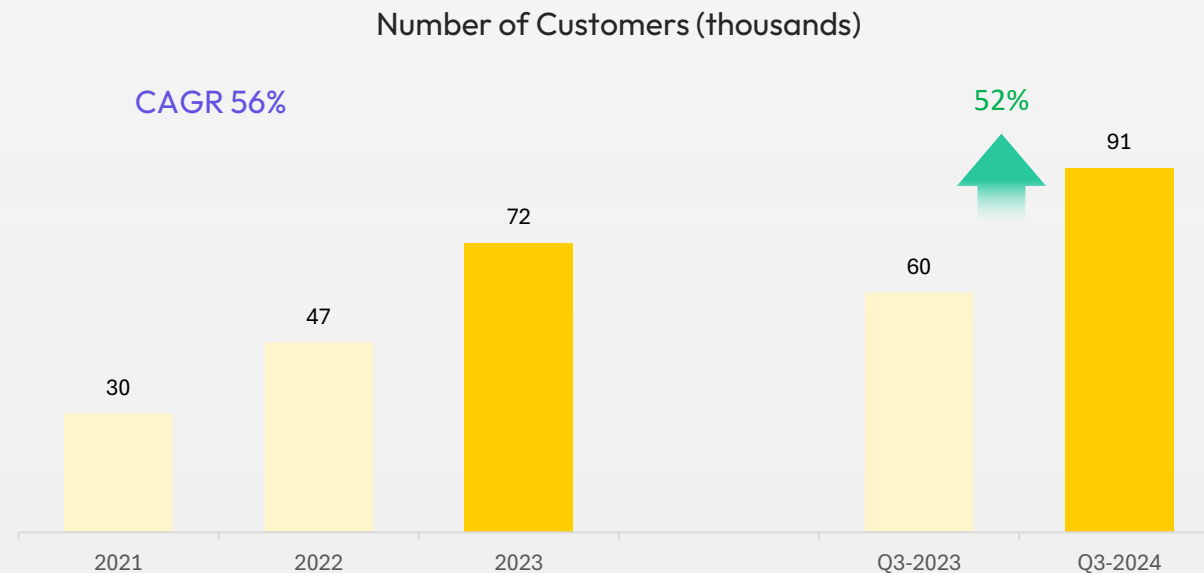


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## Consistent Track Record Of Expanding Footprint

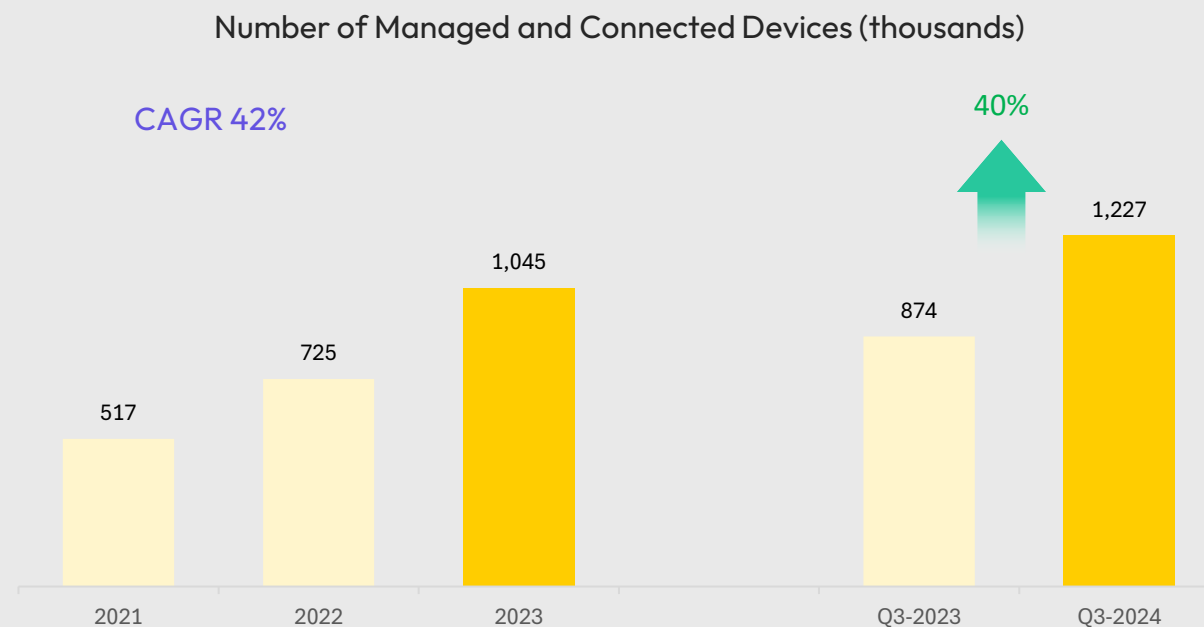
### Highlights

- Q3 2024 reflects momentum in customer base expansion, with YoY growth of **52%**, across all geographies
- Significant increase in customer base with high net retention rate at **130%** and low churn rate at **2.8%**



### Highlights

- Reached another record number of nearly **1,230,000** managed and connected devices across all geographies
- Grew by **40%** YoY



# Global Cashless Payment Trends Driving Transactions

## Highlights

**32%** Growth in Q3 2024 YoY

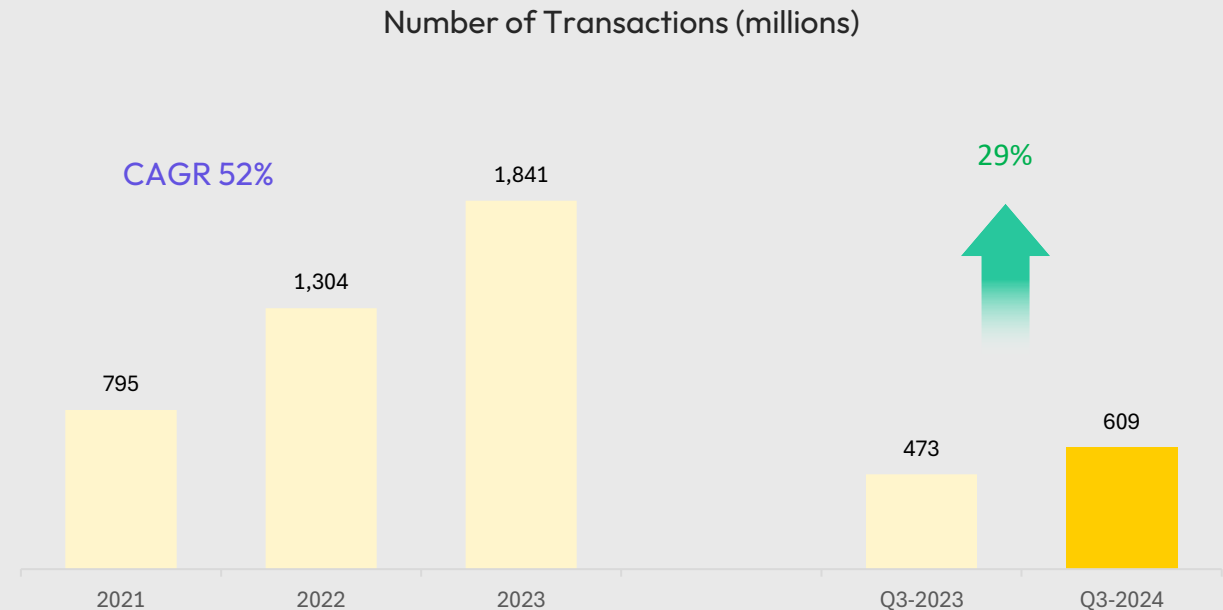
- Growth across all geographies driven by trends in consumer behavior and increased transactions processed



## Highlights

**29%** Growth in Q3 2024 YoY

- Growth across all geographies with strong customer expansion as well as shift in customer behavior toward cashless payments



# 2024 Outlook<sup>(1)</sup>

Metric	FY 2024
Revenue expectations	\$315m - \$320m
Revenue growth YoY	35% at Mid-Point
Hardware margins	Above 30%
Adjusted EBITDA (Expected to be at higher end of the range)	\$30m - \$35m
Free Cash Flow	Positive

Guidance Assumptions
<ul style="list-style-type: none"><li>• Customer demand continues to be strong</li><li>• Assumes no material changes in macroeconomic conditions</li></ul>

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# Mid-Term and Long-Term Outlook<sup>(1)</sup>

- Looking ahead, we remain excited about our strong long-term growth drivers and the large market opportunities ahead of us.
- Our durable business model is demonstrated by our diverse customers, verticals and geographies. With strong secular tailwinds and with our high net revenue retention rate, we believe we have a clear opportunity to drive revenue growth in the future.

## 2025 Preliminary Outlook

Adjusted EBITDA	At least 15%
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## Mid-Term Outlook

### Revenue Growth

Reaffirming mid-term outlook of 35% annual growth, driven by organic growth initiatives and strategic M&A.

### Growth Drivers

Customer growth, market penetration, continued expansion of our integrated payments platform as well as our growth engines.

## Long-Term Outlook

### Revenue Growth

Reaffirming long-term outlook of 35% annual growth, driven by organic growth initiatives and strategic M&A.

### Gross Margins

Target of 50%.  
Main drivers: New strategic growth initiatives, more rental and leasing options, loyalty products, and embedded finance solutions.

### Adjusted EBITDA

Target of 30%

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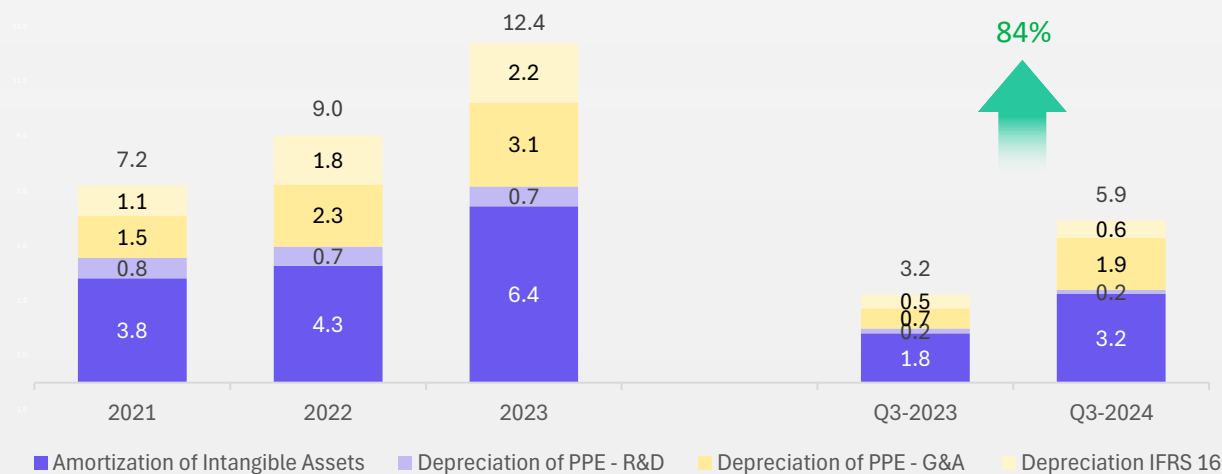
# Appendix

## Higher Operating Efficiencies

### Highlights

- Q3 D&A grew **84% YoY**
- Increase in Q3 2024 YoY primarily due to investment in automation as well as PPA amortization.

Depreciation and Amortization (\$m)

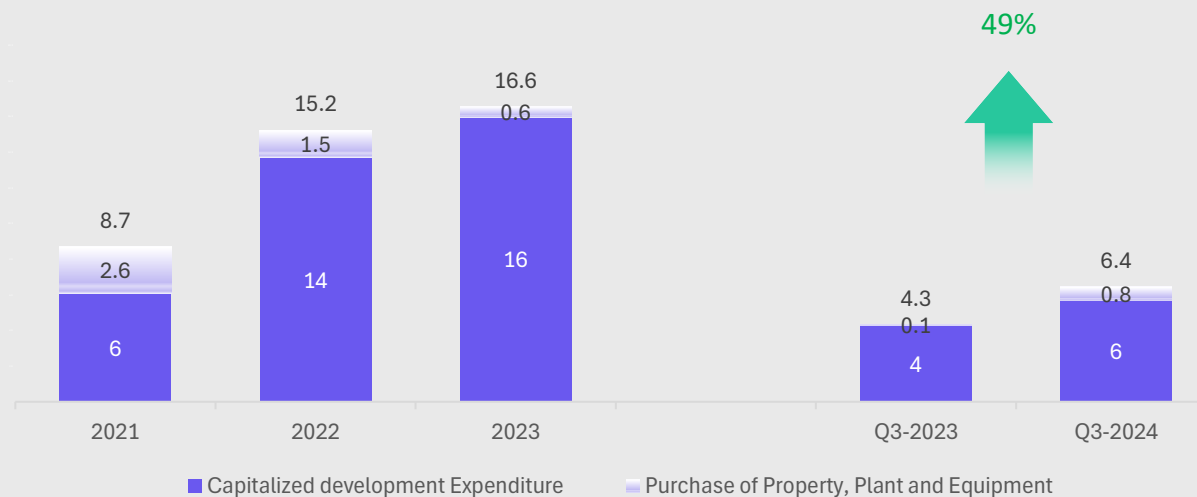


### Highlights

**49%** Increase YOY in Q2 2024

- Primarily due to an increase in capitalized development expenditure and VMtecnologia rental equipment

Capex (\$m)



# IFRS to Non-IFRS Reconciliation

Quarter ended as of (U.S. dollars in thousands)		
	Sep 30, 2024	Sep 30, 2023
Net Profit/Loss for the period	692	(3,094)
Finance expense, net	329	1,237
Income tax expense	431	384
Depreciation and amortization	5,934	3,219
<b>EBITDA</b>	<b>7,386</b>	<b>1,746</b>
Expenses in respect of share-based compensation	2,997	1,279
Expenses in respect of long-term employee benefits <sup>(1)</sup>	338	-
Share of loss of equity method investee <sup>(2)</sup>	347	503
<b>ADJUSTED EBITDA</b>	<b>11,068</b>	<b>3,528</b>

(1) Other compensation arrangements provided to the shareholders of the acquiree in conjunction with a business combination

(2) Share of loss of equity method investee is related to our 2021 investment in Tigapo

# Key Definitions

<b>Managed &amp; Connected</b> Devices that are operated by our customers.	<b>End Customers</b> Customers that contributed to Nayax revenue in the last 12 months.	<b>Recurring Revenue</b> SAAS revenue and payment processing fees.	<b>Revenue Churn</b> The percentage of revenue lost as a result of customers leaving our platform in the last 12 months.	<b>Existing Customer Expansion</b> Revenue generated within a given cohort over the years presented. Each cohort represents customers from whom we received revenue for the first time, in a given year.	<b>Free Cash Flow</b> Net cash provided from operating activities minus capitalized development costs and acquisition of property and equipment
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## Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure that we define as profit or loss for the period plus finance expenses, tax expense, depreciation and amortization, share-based compensation costs, non-recurring issuance and acquisition related costs and our share in losses of associates accounted for by the equity method.

## Dollar-based net retention rate

Measured as a percentage of Recurring Revenue from returning customers in a given period as compared to the Recurring Revenue from such customers in the prior period, which reflects the increase in revenue and the rate of losses from customer churn.

## Constant Currency

Nayax presents **constant** currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. Future expected results for transactions in currencies other than United States dollars are converted into United States dollars using the exchange rates in effect in the last month of the reporting period. Nayax provides this financial information to aid investors in better understanding our performance. These constant currency financial measures presented in this release should not be considered as a substitute for, or superior to, the measures of financial performance prepared in accordance with IFRS.



# Thank You!

**IR Contact**

Aaron Greenberg  
Chief Strategy Officer  
IR@nayax.com

**Website**

[ir.nayax.com](https://ir.nayax.com)

