



Corpay's Alpha Group Acquisition Conference Call - Prepared Remarks

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Ron Clarke

Chief Executive Officer

Mark Frey

Group President, Corpay Cross Border Solutions

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Today's press release and deal supplement can be found under the Investor Relations section on our website at Corpay.com. It's important to understand that our comments may include forward-looking statements, which reflect the information we have currently. All statements about our outlook, expected macro environment, new products, and expectations regarding the acquisition, and acquisition synergies are based on that information. They are not guarantees of future performance and you should not put undue reliance upon them. We undertake no obligation to update any of these statements. These expected results are subject to numerous uncertainties and risks, which could cause actual results to differ materially from what we expect. Some of those risks are mentioned in today's press release.

Ron Clarke, Chief Executive Officer

We're delighted to announce that we've reached an agreement to acquire Alpha, it's a super successful European B2B cross border company. We've known the company for quite some time, and are very excited about the prospect of being in business together.

Upfront here, I'll describe the Alpha group a bit more, and lay out the transaction details and rationale for the deal. Mark Frey, our Group President in charge of the Cross Border business, is with me today. He'll run through how Alpha will fit into our "overall CB business", along with the progress we're making in the digital currencies / stablecoin space.



Alpha Description

Alpha is a publicly traded B2B cross border business predominantly serving UK and European customers.

Alpha serves 2 distinct types of clients: corporate accounts, and institutional managers (think PE firms). Its core products are FX (mainly spot and forwards), and alternative bank accounts.

Alpha's been on a real tear the last 3-4 years, tripling revenue from 2021 to 2024. Really impressive growth. We believe Alpha's forward prospects are terrific. Alpha's well underway expanding in new geographic markets throughout Europe, and making heavy investments in sales headcount that's just beginning to ramp / produce new business.

Lastly, the Company's got a great group of people, super energized to win.

Transaction Details and Rationale

Ok, let me transition to the transaction details, along with our rationale for the deal.

- We offered £42.50 GBP per share, equivalent to a roughly \$2.2B USD enterprise value, so this is a pretty big deal for us.
- We plan to finance the deal through a combination of cash, debt, improved bank margin arrangements, and non-core divestitures.
- We expect pro-forma leverage in the range of 2.2-2.8x, depending on the success of our divestiture efforts.



- We expect the deal to close some time in Q4, post shareholder and regulatory approvals.
- The reasons for this deal are 5-fold:
 - First, Alpha's a strong performing business right in our wheelhouse
 - Second, it accelerates our entry + position in the investment manager segment. A super attractive category.
 - Third, Alpha gives us a couple "new solutions" – alternative bank accounts + bank account consolidation software – that we intend to cross sell to our Corporate + FI clients.
 - Fourth, we expect the deal; to be highly accretive, at least 50c accretive in 2026.
 - Lastly, this transaction will push our corporate payments revenue north of \$2B in 2026, representing over 40% of the overall company.

So, lots of reasons to like this deal.

Mark Frey, Group President Corpay Cross Border Solutions

I'd just like to reiterate my own excitement about this deal. We think that Alpha is a great fit for the CB business in terms of its high-quality team, track record of sales success and the two really key pieces of banking technology they've developed that we plan to incorporate into our tech stack going forward.

We also really like the overall attractiveness of the market segments they serve, particularly their Private Markets, Institutional Funds vertical. We see this as materially accelerating a segment that we've already been focused on.

Alpha fit with Cross Border

In terms of fit with CB, we really like how Alpha strengthens our presence in the UK and Europe and opens new markets for us that are highly attractive in Germany, Malta and the Netherlands that we feel we can grow significantly.



As Ron mentioned, roughly two-thirds of Alpha's revenue comes from the Private Markets, Institutional Funds vertical. We really like this segment based on the huge TAM and the fact that it continues to grow much faster than the broader economy.

The credit profile of this segment is also highly attractive, and we see the Private Markets vertical as a significant driver of sales and top-line revenue growth for us over the mid-term.

What's most exciting in terms of combining these businesses is how we can extend Alpha's existing customer relationships with global funds and fund administrators into North America and APAC. Given our existing licensing footprint and significant sales resource in these regions, we believe we can achieve material sales acceleration over the mid-term.

Broader Strategy

In March of this year, Ron announced a minority investment and partnership deal with Mastercard focused on our FI business. We're now implementing this partnership and are moving into execution mode.

Digital Currency Strategy

The other new segment that we've been working on is our Digital Currency client segment, focused on stablecoins, crypto and the use of blockchain networks.

We've seen this customer segment take off in the past couple of months given some significant developments with our own product capabilities and some big new client wins.



It's worth keeping in mind that every stablecoin provider, crypto exchange and digital wallet firm is that they are still heavily reliant on fiat currency payments via traditional rails and FX liquidity to support their business.

We've been very focused on being the "bridge" if you will, between the worlds of Traditional rails and Blockchain. We see tremendous growth in this segment by leveraging our capabilities to provide on-ramp and off-ramp services across the sector, working with many of the leading names in this space.

We're also aiming to leverage blockchain networks more extensively across our own business. We've been using blockchain to make third-party payments for our clients to the emerging market world and are actively growing this channel. We're now aiming to provide our customers with the ability to send and receive stablecoins as part of our service, something that's in development now and will likely go live across our platform in Q4.

Finally, we're aiming to connect our Multi-Currency Account product with companion digital wallets capable of holding, sending and receiving stablecoins as well. We expect to go live with this capability in Q4 of this year.

Conclusion

As a reminder, we essentially do three things today across our four customer segments. ONE, we provide FX spot liquidity and payments. TWO we provide currency risk management services and THREE, we provide access to transactional, multi-currency bank accounts. Going forward, our vision is to be able to provide these capabilities both through the traditional fiat world via our proprietary networks, as well as in the digital



blockchain world as well. Alpha represents an exciting opportunity to accelerate the revenue growth of our Corporate and Institutional segments over the mid-term, and we couldn't be more excited.

About Corpay

Corpay (NYSE: CPAY), the Corporate Payments Company, is a global S&P 500 provider of commercial cards (e.g, business cards, fleet cards, virtual cards) and AP automation solutions (e.g., invoice and payments automation, cross border payments) to businesses worldwide. We help businesses buy things and pay for things. Our solutions “keep business moving” and result in our customers better controlling purchases, mitigating fraud, and ultimately spending less. To learn more visit www.corpay.com.