

# BofA 25th Annual Financials CEO Conference



**1H 2020 Results**

**September 22<sup>nd</sup> – 24<sup>th</sup>, 2020**

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# Executive Summary

## Covid-19 update

- Covid-19 **health situation in Italy currently under control**, with around 200-300 new positives per day and less than 50 people still in intensive care across the Country
- After ~2 months of lockdown in Italy, one of the strictest in Western Countries, Phase 3 started in June with **gradual return to “normality”**. International travel recently reopened with some Country-specific restrictions
- 1H20 Transaction volumes (acquiring + issuing) at 186 €B, -16.9% y/y with a **gradual recovery across all components from May 2020**. Travel/tourism and International travelers contribution still behind last year although gradually recovering
- Acquiring volumes **in the last week rolling (7<sup>th</sup>-13<sup>th</sup> September)** at -4% y/y with a **strong recovery across categories<sup>1</sup>**. **Acquiring volumes on Italian cards now back to pre-Covid levels, while foreign cards still very much behind but recovering**
- Progressive reopening of commercial activities with **transacting merchants now similar to pre-Covid and 2019 levels**
- **E-commerce strong acceleration net of high impact consumption sectors** (e.g. travel/tourism related sectors and restaurants): +35% y/y in 1H20 and +43% y/y in 2Q20<sup>1</sup>. Overall 1H20 performance less impacted by Covid-19 compared to physical sales (-2.8% y/y transaction value)
- **Early signals of acceleration of the structural shift from cash to digital payments**

# Executive Summary

## 1H20 results highlights

- **ISP merchant book deal successfully completed on June 30<sup>th</sup>**
- **EBITDA** at 261.8 €M, **-3.9% y/y** including organic contribution from ISP merchant acquiring book. On a standalone basis EBITDA at 214.2 €M, -8.0% y/y
- **Revenues** at 478.7 €M, **-6.3% y/y** including organic contribution from ISP merchant acquiring book. On a standalone basis Revenues at 427.7 €M, -8.5% y/y

## Key business update

- **Merchant Services & Solutions** (51% of Revenues): commercial activity going back to pre-Covid levels, new “NexiGo” proposition to support SMEs’ sales digitalization across channels, accelerated pipeline of large merchants omnichannel projects and step up on e-commerce gateway activations
- **Cards and Digital Payments** (38% of Revenues): commercial activities from banks gradually recovering, acceleration of banks interest on International Debit and continued progress on YAP mobile payment app
- **Digital Banking Solutions** (11% of Revenues): Nexi Open ecosystem proposition fully launched, banks go-to-market progressing; continued roll out of new higher value advanced self banking and digital corporate banking solutions
- **Costs -9.1% y/y** including organic contribution from ISP merchant acquiring book thanks to the 100+ €M cash cost containment plan well in execution and the continued focus on efficiency
- **1H20 Net financial Debt/EBITDA 4.0x** pro-forma for ISP merchant acquiring book, 2.9x on a standalone basis

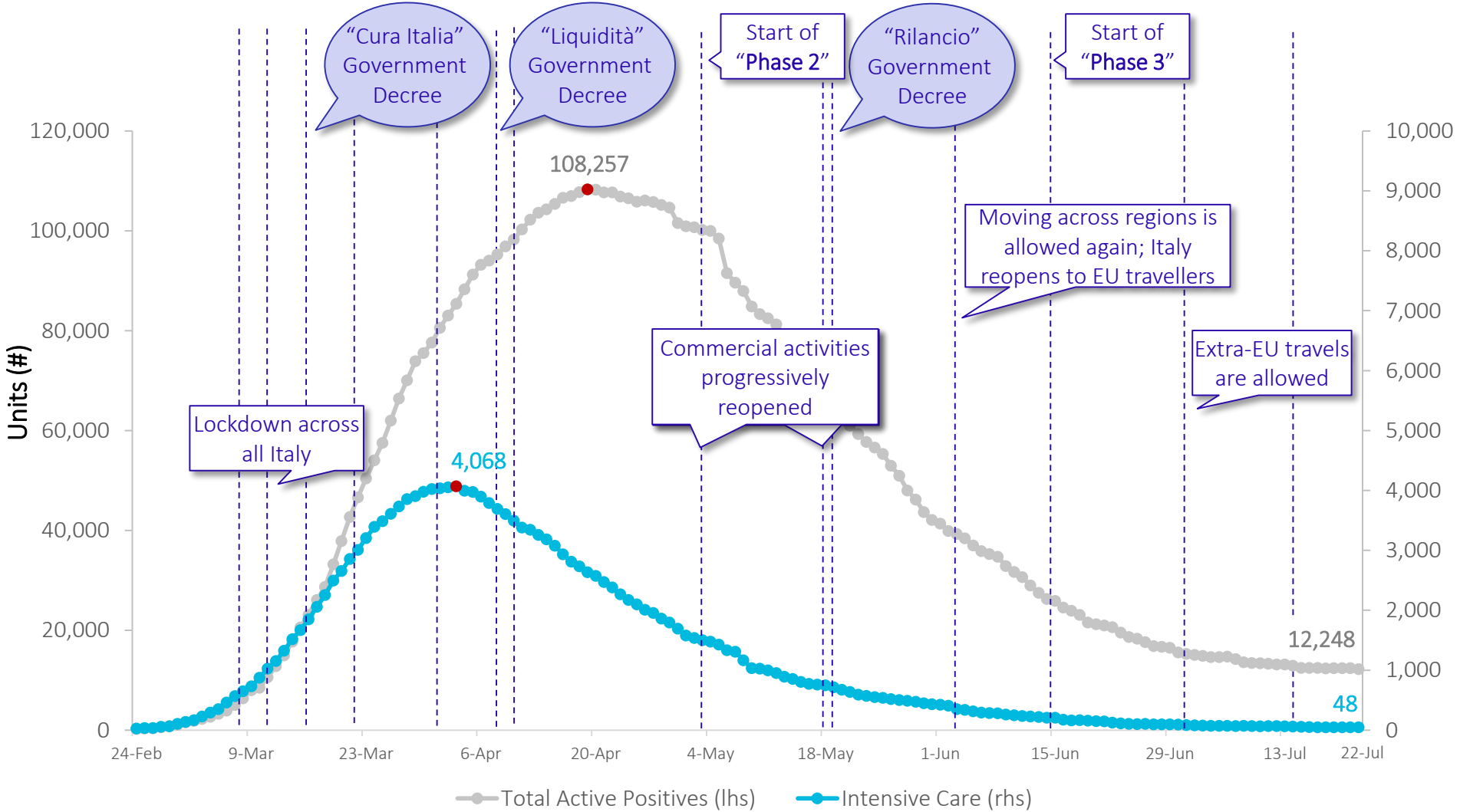
## Financial guidance

- Financial guidance conservatively suspended in April 2020
- Assuming continued path of recovery at current trajectory, **possible return to revenue growth by year-end**
- **Ambition to grow EBITDA vs 2019** including organic ISP book contribution (broadly in line without), with **FY2020 EBITDA close to ~600 €M; expected growth in EBITDA – Capex vs 2019** with and without ISP. **Strong cash position confirmed**

# Covid-19 emergency now under control.

## Phase 3 started in June with gradual return to “normality”

### Evolution of Active Positives and Intensive Care Cases in Italy



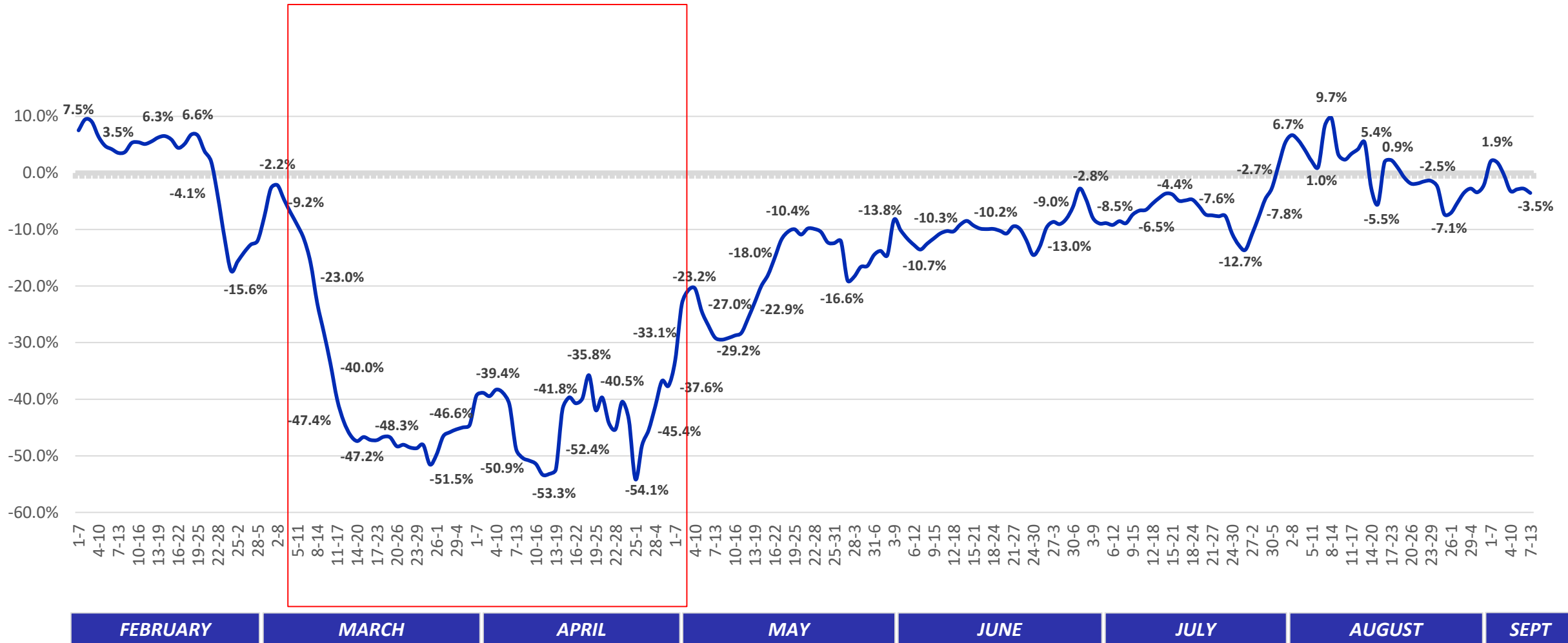
### “Phase 2 and 3” Key Dates

- 18-May**  
Re-opening of retail businesses and restaurants with certain restrictions
- 3-June**  
Free travel across Italian regions allowed again.  
Reopening to EU travellers
- 15-June (Phase 3)**  
Travel across EU frontiers reopened.  
Reopening of entertainment activities with certain restrictions
- 1-July**  
Extra-EU travel allowed with Country-specific restrictions
- 22-Jul**  
New additional 25 €B economy support government package under approval. 209 €B EU recovery fund support decided

# Transaction volumes recovering after the easing of lockdown measures

Updated as of Sep 13<sup>th</sup> 2020

## Total Acquiring and Issuing volumes - 7-days rolling % change Y/Y



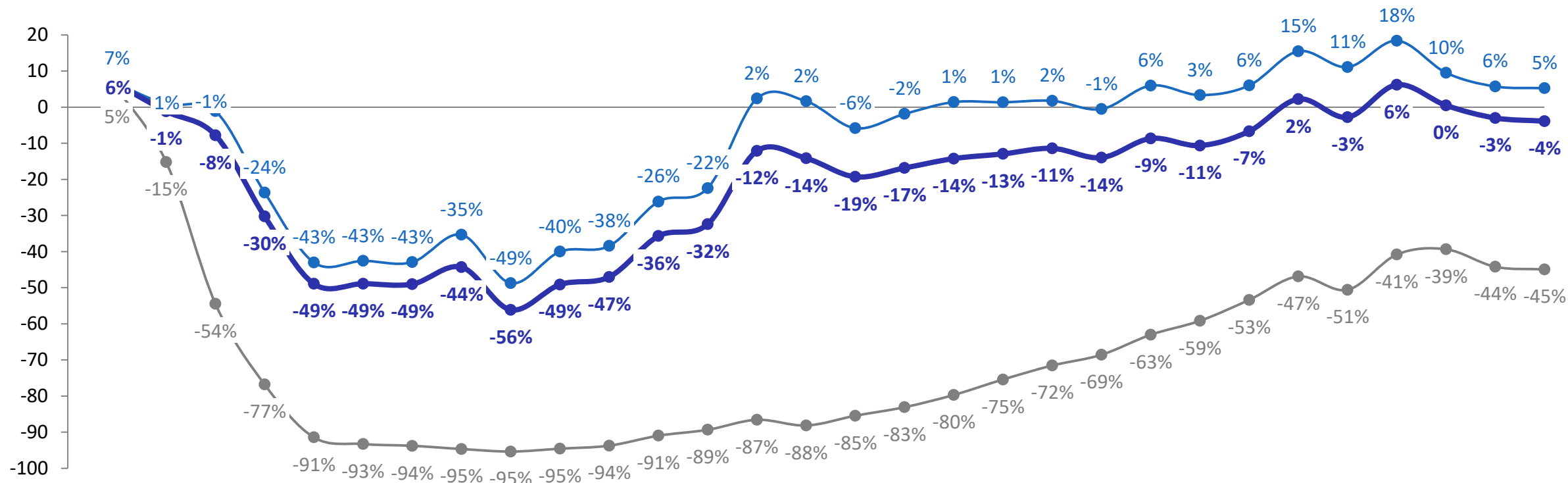
Covid-19 lockdown in Italy

# Acquiring volumes recovery driven by Italian Cards, now back to pre-Covid levels; Foreign Cards still negative but recovering

Updated as of Sep 13<sup>th</sup> 2020

## Acquiring volumes – Italian Cards vs Foreign Cards – Y/Y trend

Italian Cards Foreign Cards Total



17-23 FEBRUARY 24-1 2-8 9-15 16-22 23-29 30-5 6-12 13-19 20-26 30-6 7-13 12-18 19-25 25-31 2-8 8-14 15-21 22-28 29-5 6-12 13-19 20-26 27-2 3-9 10-16 17-23 24-30 31-6 7-13

2019 monthly weight Foreign Cards on total volumes

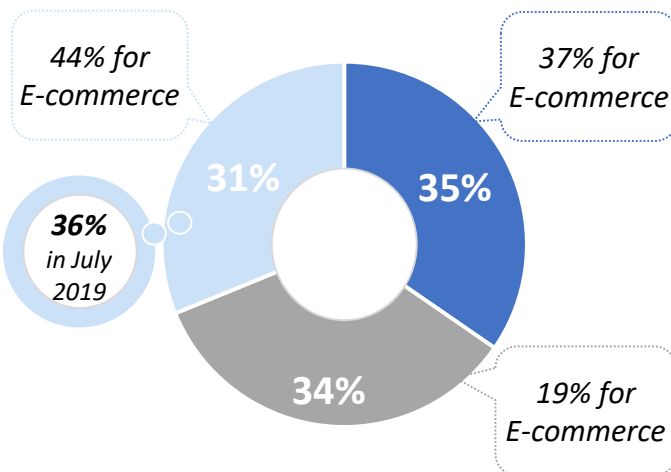
12% 12% 15% 16% 18% 21% 21%



# Volume recovery across categories starting from May after the easing of lockdown measures

Updated as of Sep 13<sup>th</sup> 2020

## Acquiring volumes by category<sup>1</sup>



### Basic consumption

Groceries, medical retail, utilities and services (e.g. insurance, bank services)

### Generic/discretionary consumption

Clothing, household, other non-alimentary retail and other services (e.g. laundries, beauty)

### High-impact consumption

Hotels and restaurants, travel and transports, entertainment, etc.

## Product category

### Basic consumption

of which Physical  
of which E-commerce

### Generic/discretionary consumption

of which Physical  
of which E-commerce

### High-impact consumption

of which Physical  
of which E-commerce

### Total

of which Physical  
of which E-commerce

## % change Y/Y

	Jan + Feb	March	April	May	June	July	August	LWR <sup>2</sup>
<b>Basic consumption</b>	<b>15%</b>	<b>13%</b>	<b>11%</b>	<b>13%</b>	<b>14%</b>	<b>12%</b>	<b>13%</b>	<b>11%</b> +12%
of which Physical	15%	12%	9%	12%	11%	10%	12%	10%
of which E-commerce	27%	31%	42%	29%	55%	44%	32%	24%
<b>Generic/discretionary consumption</b>	<b>6%</b>	<b>-62%</b>	<b>-77%</b>	<b>-33%</b>	<b>-11%</b>	<b>-13%</b>	<b>-1%</b>	<b>-7%</b> +4%
of which Physical	5%	-65%	-81%	-37%	-13%	-14%	-2%	-8%
of which E-commerce	25%	8%	47%	47%	51%	32%	36%	29%
<b>High-impact consumption</b>	<b>10%</b>	<b>-68%</b>	<b>-89%</b>	<b>-70%</b>	<b>-46%</b>	<b>-29%</b>	<b>-13%</b>	<b>-17%</b> -3%
of which Physical	10%	-67%	-89%	-69%	-46%	-29%	-12%	-15%
of which E-commerce	10%	-75%	-90%	-81%	-42%	-22%	-32%	-47%
<b>Total</b>	<b>11%</b>	<b>-35%</b>	<b>-48%</b>	<b>-27%</b>	<b>-14%</b>	<b>-10%</b>	<b>-1%</b>	<b>-4%</b> +5%
of which Physical	10%	-36%	-50%	-28%	-15%	-12%	-1%	-4%
of which E-commerce	19%	-21%	-17%	-14%	7%	11%	2%	-5%

○ % change Y/Y on Italian Cards

## 2020 Acquiring volumes: split between Physical and E-commerce

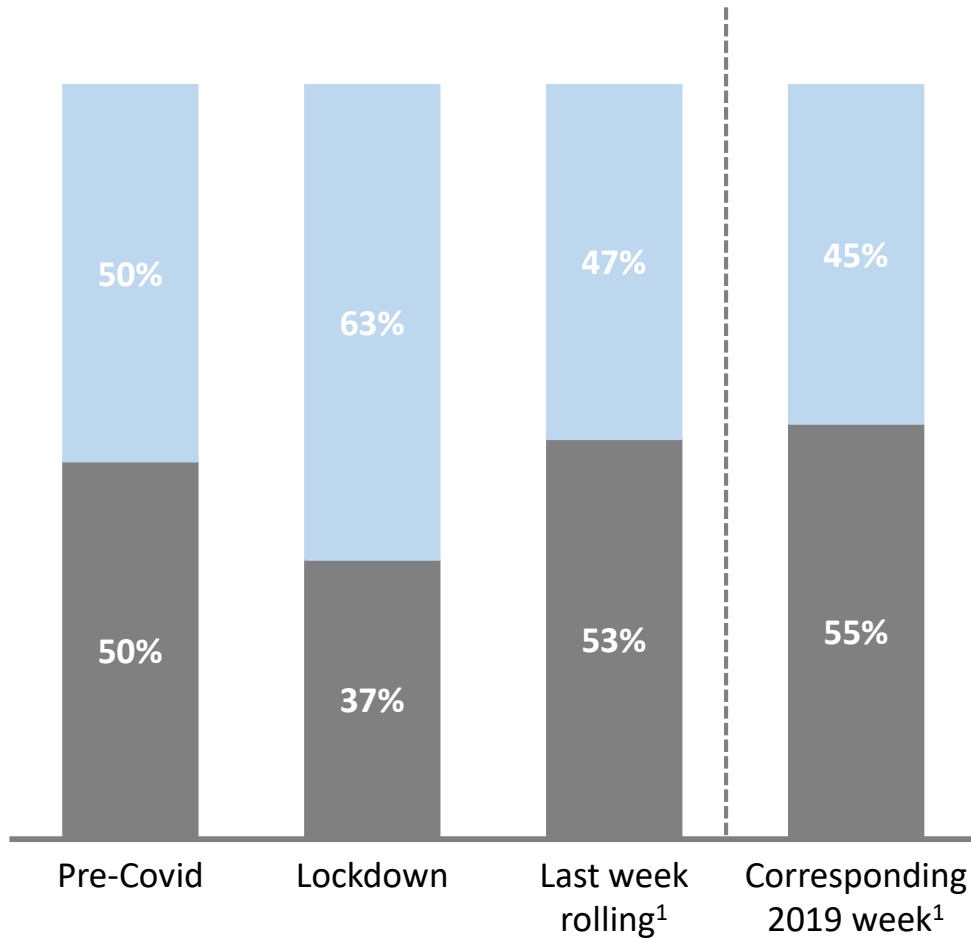
	Jan + Feb	March	April	May	June	July	August	LWR <sup>2</sup>
Physical	93%	92%	90%	92%	92%	93%	95%	94%
E-commerce	7%	8%	10%	8%	8%	7%	5%	6%



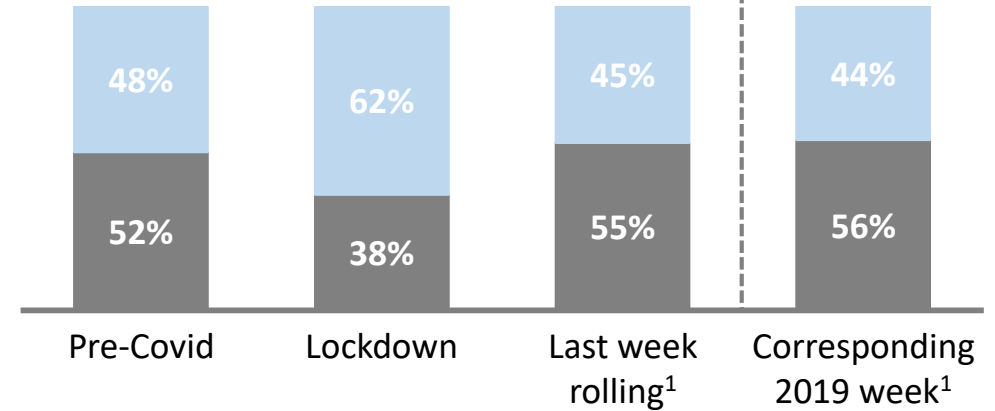
# SME volume share back to pre-Covid situation, broadly in line with 2019

## Acquiring volumes – Large merchants vs SME

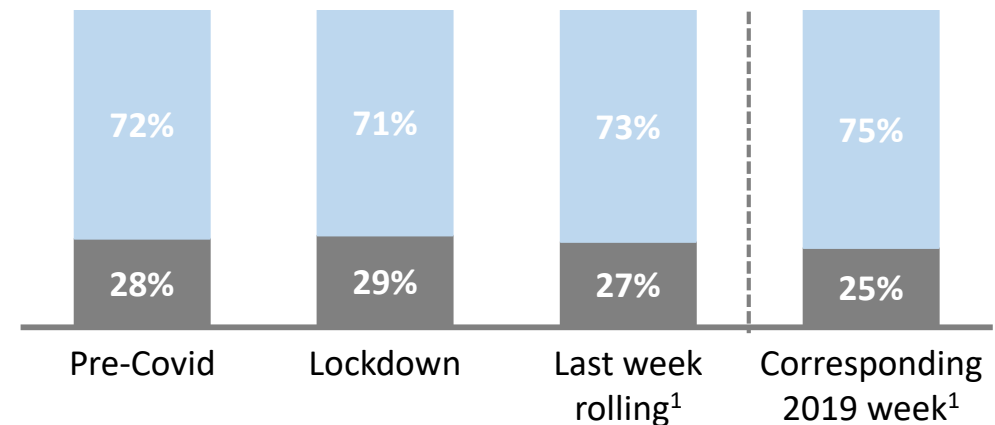
Large merchants SME



### Physical volumes



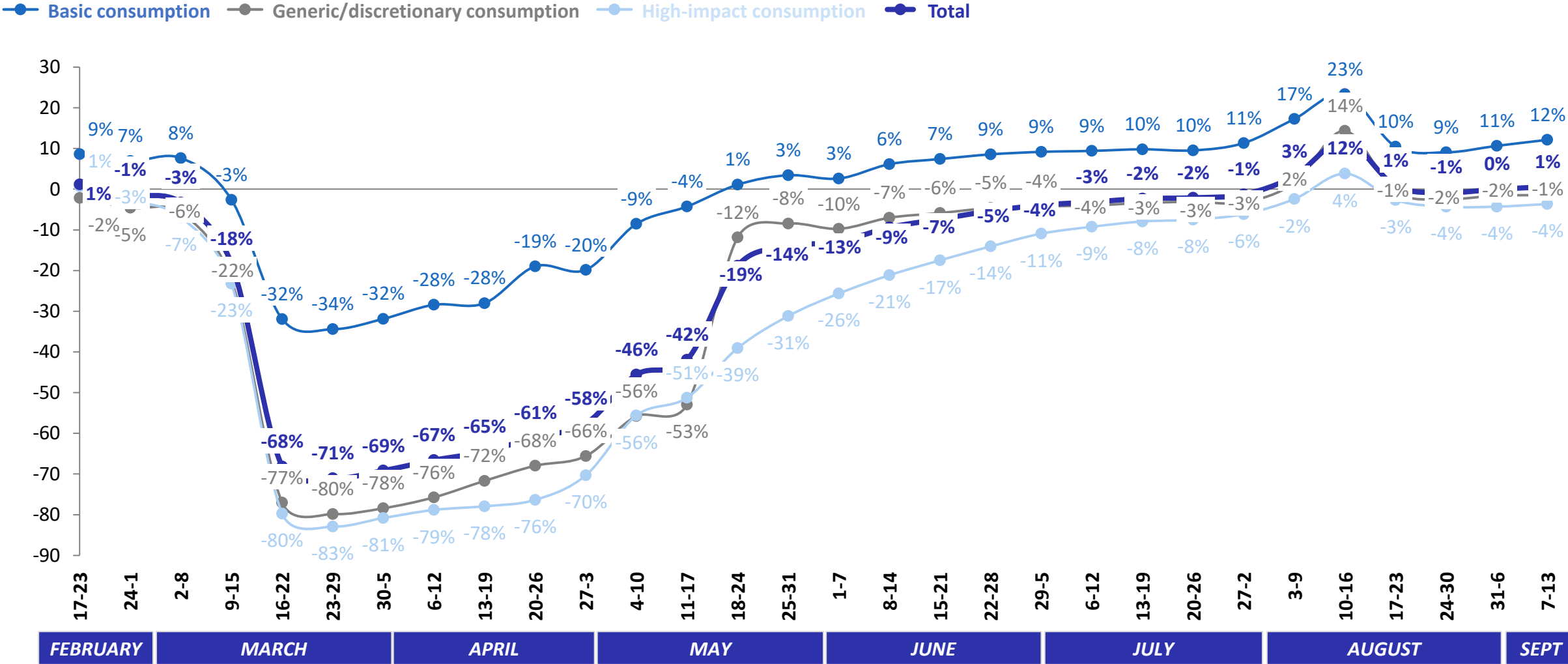
### E-commerce volumes



# Progressive recovery of transacting merchants across all categories, now similar to 2019 levels

Updated as of Sep 13<sup>th</sup> 2020

## Weekly transacting merchants – Y/Y trend



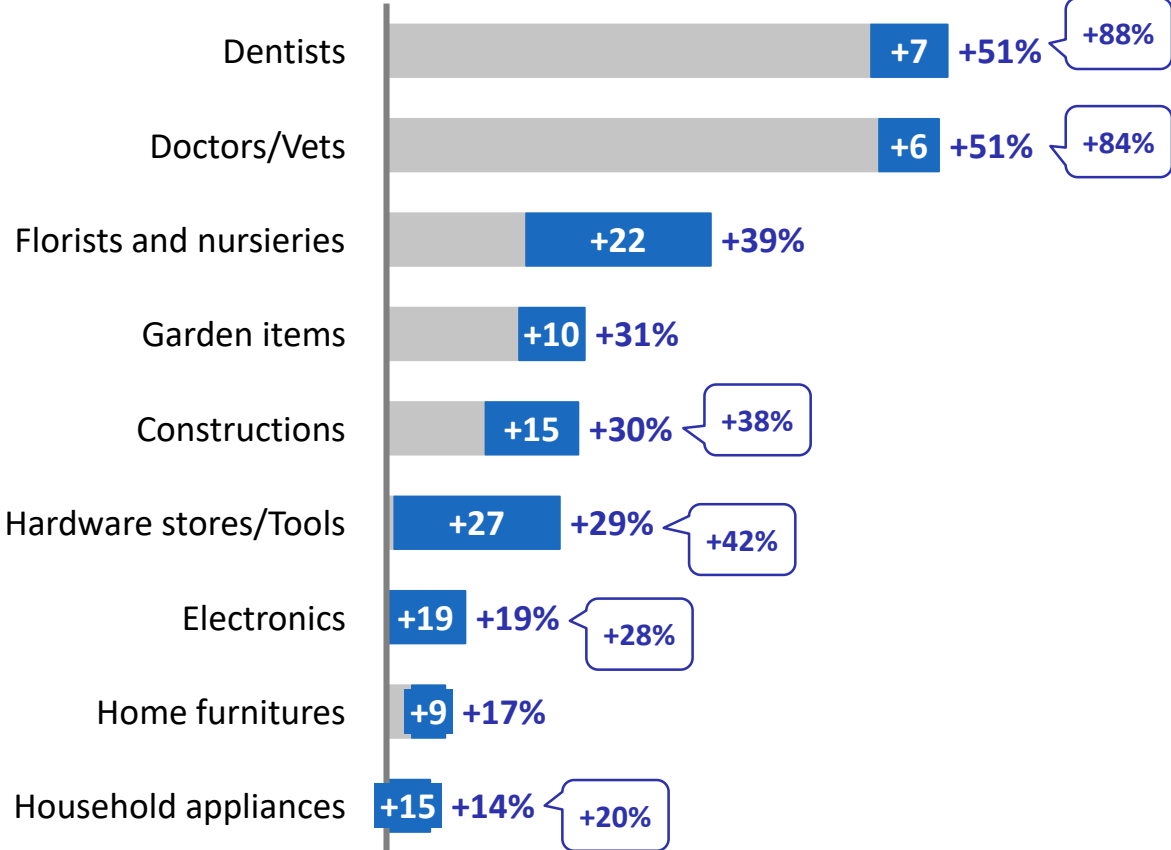
# Consumer habits: acceleration of digital payments in less affected categories

Updated as of Aug 30<sup>th</sup> 2020

## Acceleration in digital payments volumes: specific industries trend (y/y last four weeks rolling)<sup>1</sup>

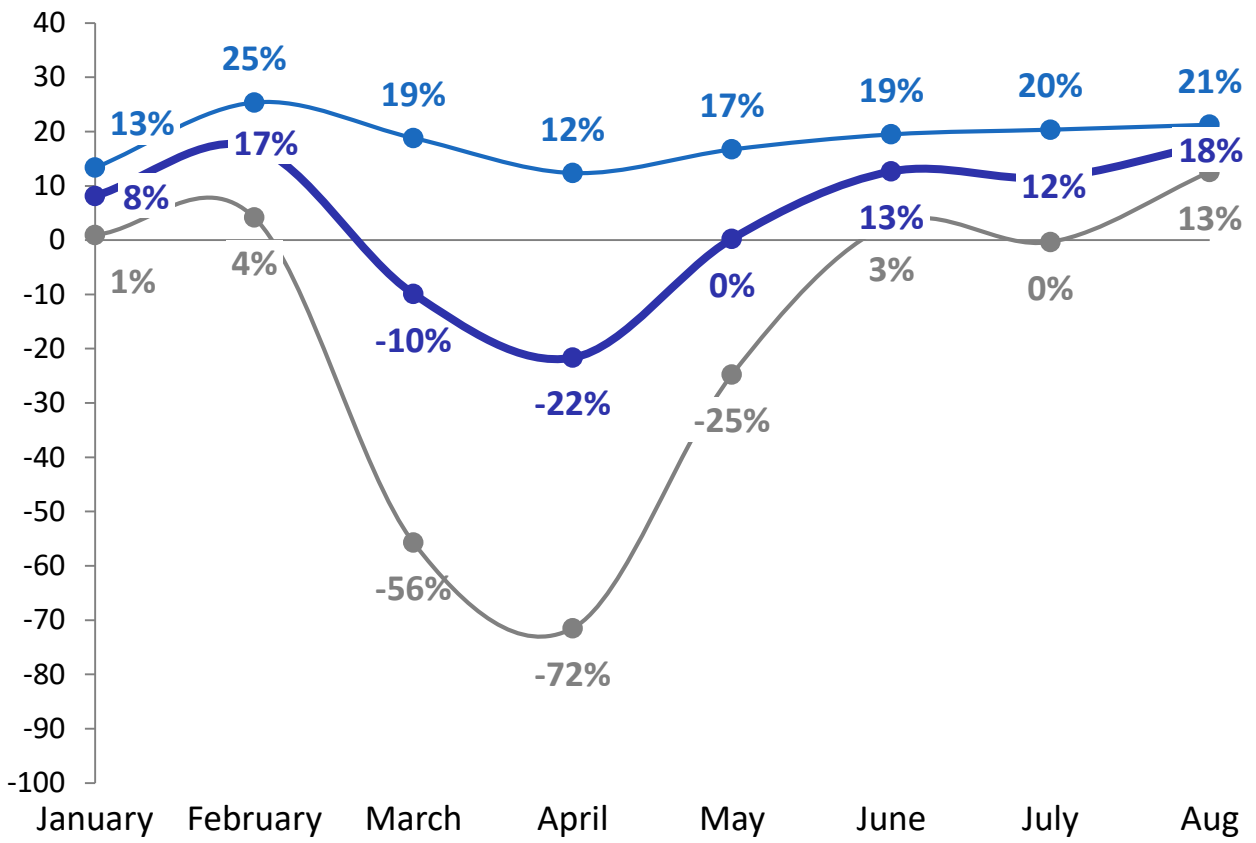
y/y Pre-Covid  
 additional p.p. growth - last four weeks rolling

y/y last four weeks rolling: from 3-9 August to 24-30 August



## Digital payments volumes for Italian consumer cards net of high impact consumption<sup>2</sup>

● Basic consumption   
 ● Generic/discretionary consumption   
 ● Total



# 1H Business update: commercial activities back to more normal levels with Covid-19 related accelerations

## Merchant Services & Solutions

- Commercial activity going **back to “normal” pre-Covid levels**
- **Growth of POS installations** after the slowdown experienced during lockdown (+23% y/y in June)
- **Strong mPOS demand** for small/micro merchants
- Launch of new **“NexiGo” proposition to support SMEs’ sales digitalization**, packaging omnichannel acceptance, Pay-by-link and e-/social commerce capabilities
- Accelerated pipeline of **large merchants omnichannel projects**
- **Step up on E-commerce** with gateway activations (x2 2Q20 vs 2Q19, x9 including Pay-by-link)
- **Nexi Business app** reaching almost 50% penetration on enabled merchants (+60% y/y active users in June 2020)

## Cards & Digital Payments

- **Commercial activities from banks gradually recovering**, also supported by Nexi specific campaigns
- Renewed bank interest on **International Debit** as a mass market ecommerce-enabled product
- **Continued evolution on National Debit digital capabilities**; Next generation platform tender ongoing
- Strong demand for **commercial cards and corporate payments products**
- **Continued ‘natural organic growth’ on YAP mobile payment app** (no marketing push in the quarter), now at ca. 850k enrolled clients
- **Acceleration of digital onboarding/digital issuing projects** for banks
- **Extension of no-PIN contactless limits** from 25€ to 50€ - live from 2021

## Digital Banking Solutions






- Progress on advanced ATMs (+4.2% 2Q20 vs 2Q19). Continued **New ATM front-end rollout**, with new customer wins
- **Continued growth of Digital Corporate Banking installed workstations** (+6.8% 2Q20 vs 2Q19)
- **Instant Payments** progress continuing despite lockdown, with new relevant players adopting Nexi platform
- **Nexi Open ecosystem proposition fully launched**, banks go-to-market progressing. **CBI Globe open banking gateway activity-based accelerated**
- Robust commercial pipeline for innovative **corporate payments** solutions (insurance, utilities,..)

# Closing of ISP Merchant Book deal successfully executed at the end of 2Q, despite Covid-19 emergency

## Key components of the transaction

- Transaction completed on June 30<sup>th</sup>, 2020 with clean EU Antitrust approval
- ~180k merchants and ~€68bn of transaction volumes in 2019
- Marketing and distribution agreement for merchant acquiring. Extension of remaining existing processing contract related to issuing and ATM acquiring services until 2044
- 1 €B cash consideration (plus potential earn-out payable in 2025)
- Implied multiples: 10.5x EV/EBITDA 2020E, 16.4x P/E 2020E
- 60+ €M cash flows generated by the acquiring book in 1H20 and transferred to Nexi

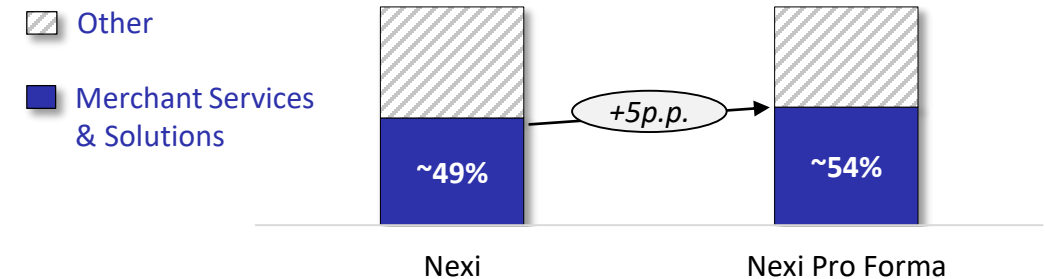
## A strategic transaction

-  Enhanced platform and positioning in the acquiring segment
-  Greater coverage of the acquiring value chain and enhanced ability to drive further innovation and value for merchants
-  Increased scale with diversification of revenue streams
-  Value enhancing transaction with cash EPS accretion in the high teens from 2020E
-  Deepening of partnership across businesses with the largest bank in Italy

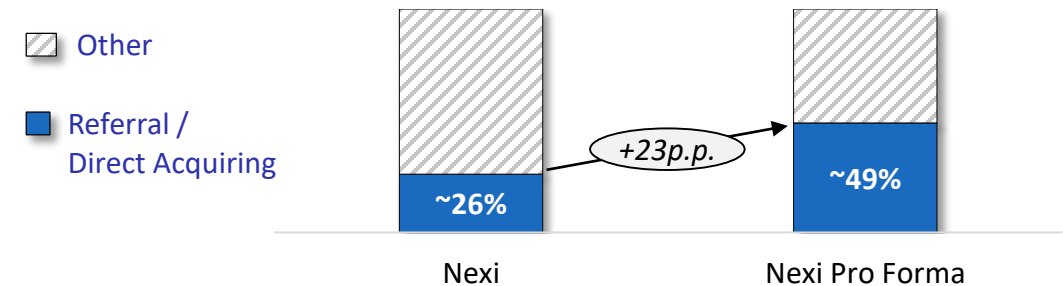
## Key 2020 P&L Figures<sup>1</sup>: Incremental economics for Nexi



## Nexi Net Revenues Mix 2020<sup>3</sup>



## Merchant Services & Solutions Net Revenues Mix 2020<sup>3</sup>

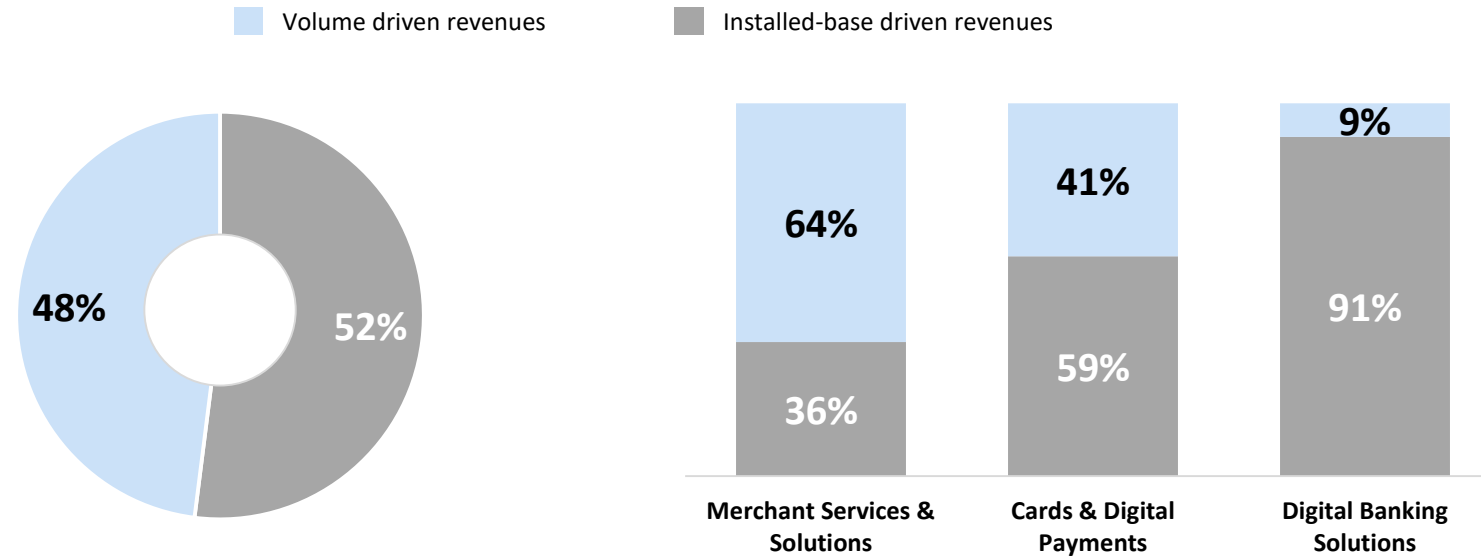


# Focus on 1H20 Results

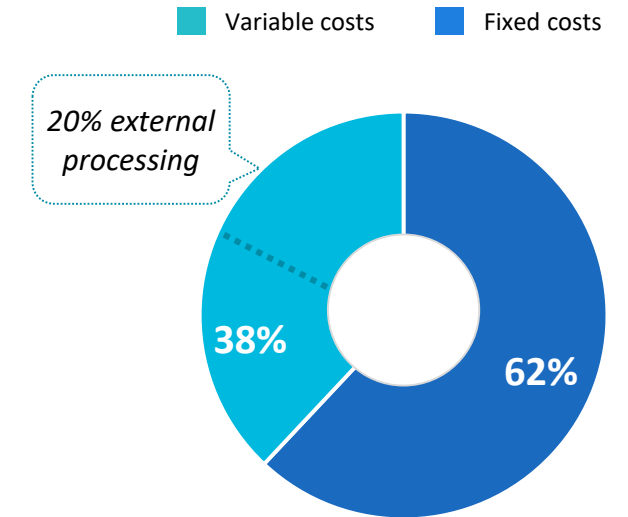


# Resilient business model with 50+% revenues not impacted by volumes and 38% variable and semi-variable costs

## Revenues breakdown<sup>1</sup>



## Operating costs breakdown<sup>1</sup>



- **Installed Base Driven revenues** are subscription-like and linked to n. of POS terminals, n. of merchants, managed cards, n. of ATMs, etc.
  - No material expected impacts in the short term.
  - Closely monitoring the evolution to confirm the expected limited medium/long term impact due to POS installation slowdown and SMEs potential distress
  - Possible rephasing of certain projects
- **Volume Driven revenues** driven by n. of transactions and value of transactions
  - Direct impact from volume contraction due to Covid-19

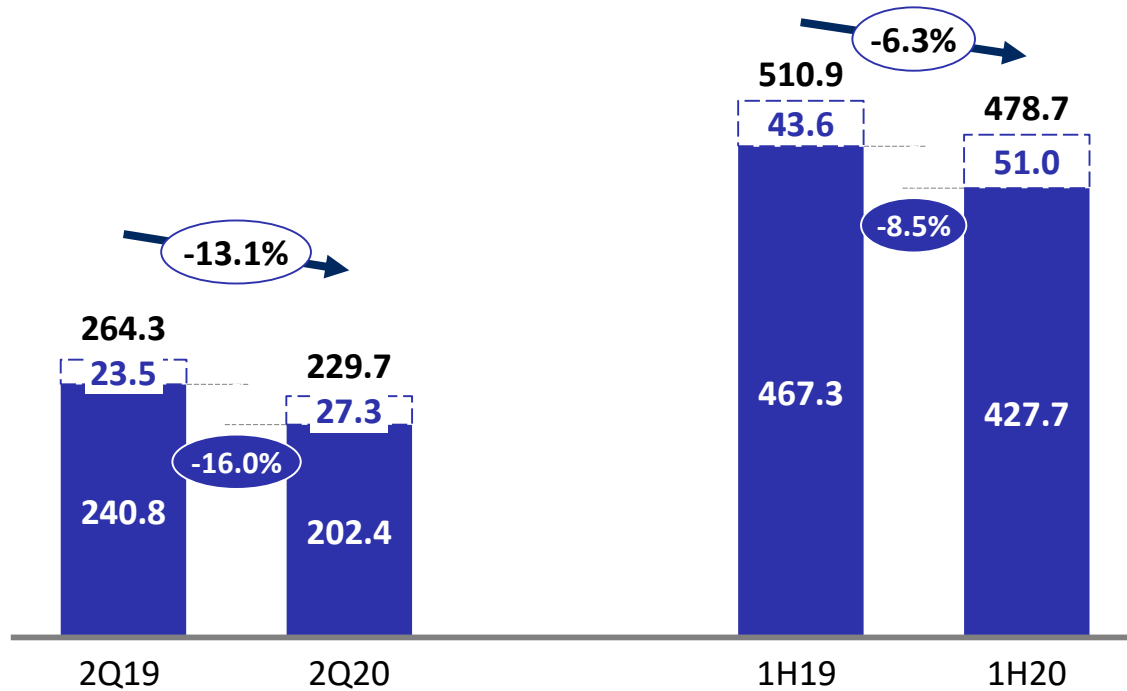
- **Variable costs** linked to:
  - Volumes of transactions (e.g. external and internal processing)
  - Level of activities (e.g. variable compensation, external contact center, POS and ATM management, operations,..);
- **Fixed costs**  
(e.g. personnel, running IT costs, g&a,..)



# Net Revenues affected by Covid-19 lockdown measures in 2Q. Strong organic ISP deal contribution and cash cost containment plan support to EBITDA margin

## Net Revenues (€M)

■ Nexi standalone  
 □ ISP contribution



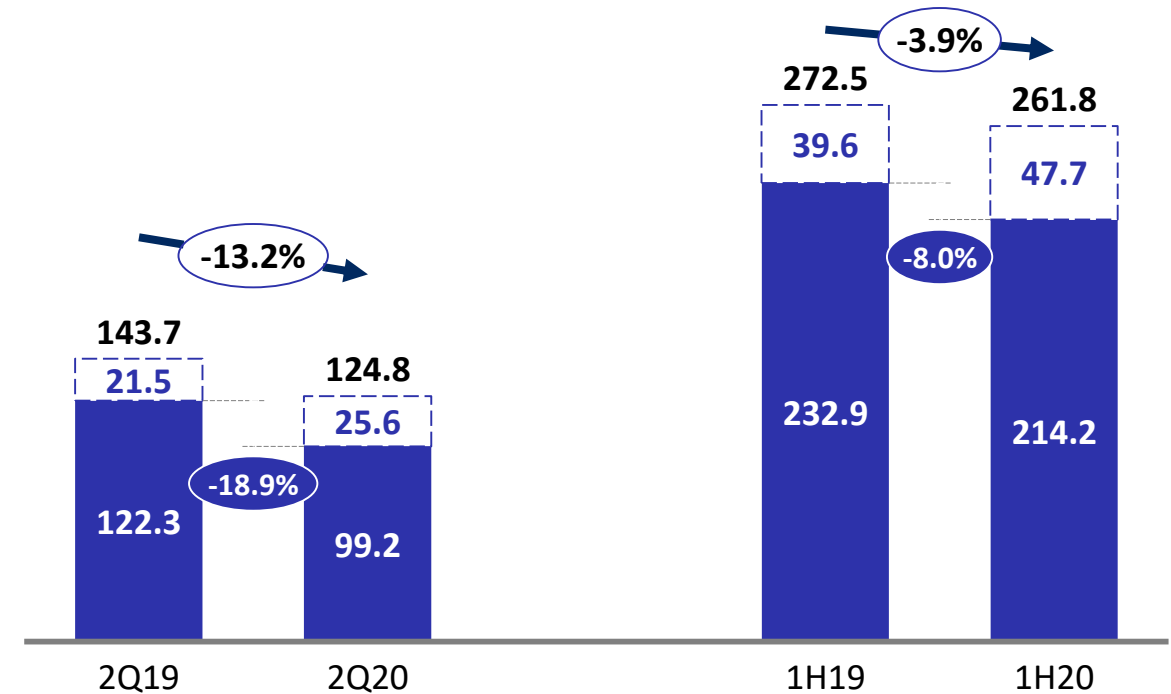
## EBITDA (€M)

■ Nexi standalone  
 □ ISP contribution

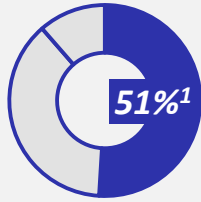
Margin – incl. ISP contribution

53%

55%



# Merchant Services & Solutions: ~40% of revenues not impacted by Covid-19

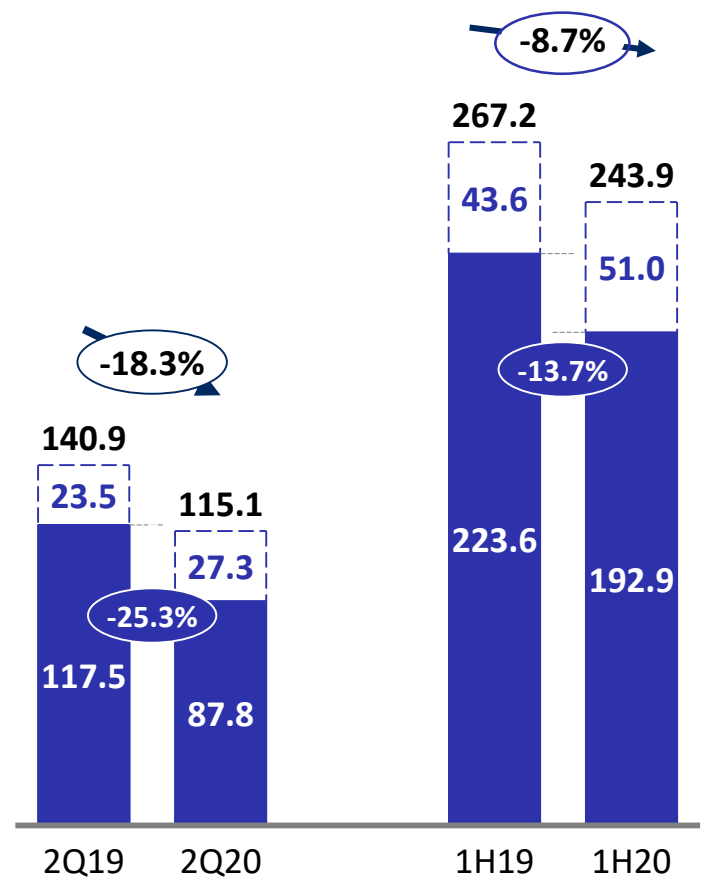


## Merchant Services & Solutions



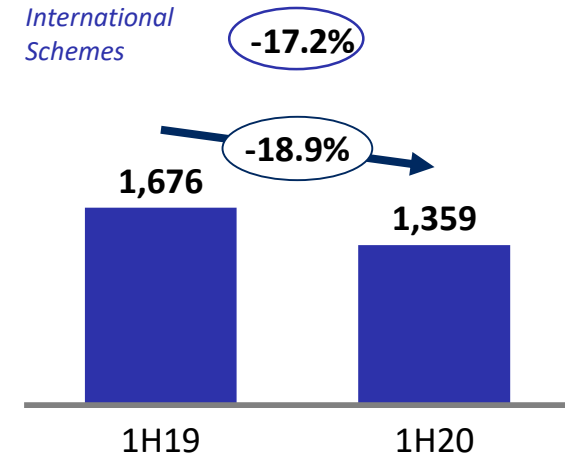
### Net Revenues (€M)

■ Nexi standalone  
 □ ISP contribution



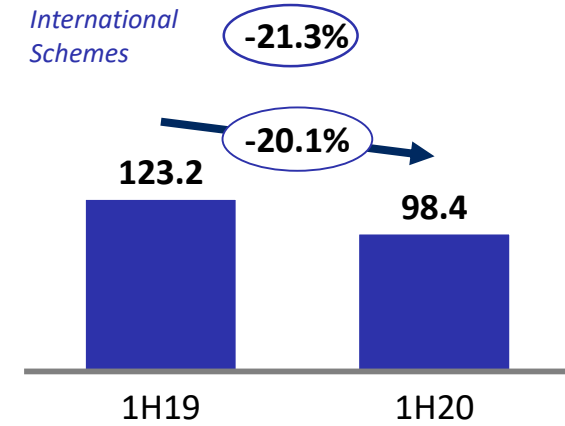
### Managed Transactions (#M)

*International Schemes*



### Value of Managed Transactions (€B)

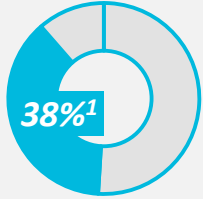
*International Schemes*



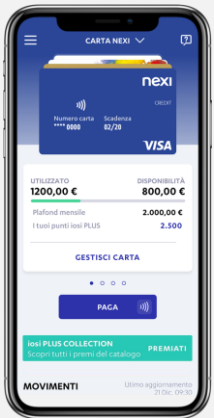
### Key Highlights

- Managed transactions and Value of managed transactions affected by extensive lockdown measures. Progressive recovery starting from May
- E-commerce performance well supported by non travel/tourism related sectors (+35% y/y in 1H20 and +43% y/y in 2Q20)<sup>2</sup>; overall 1H20 performance less impacted by Covid-19 compared to physical sales (-2.8% y/y transaction value)
- Net Revenues affected by volume mix more skewed towards large merchants than SMEs during lockdown and weak contribution from International travellers.

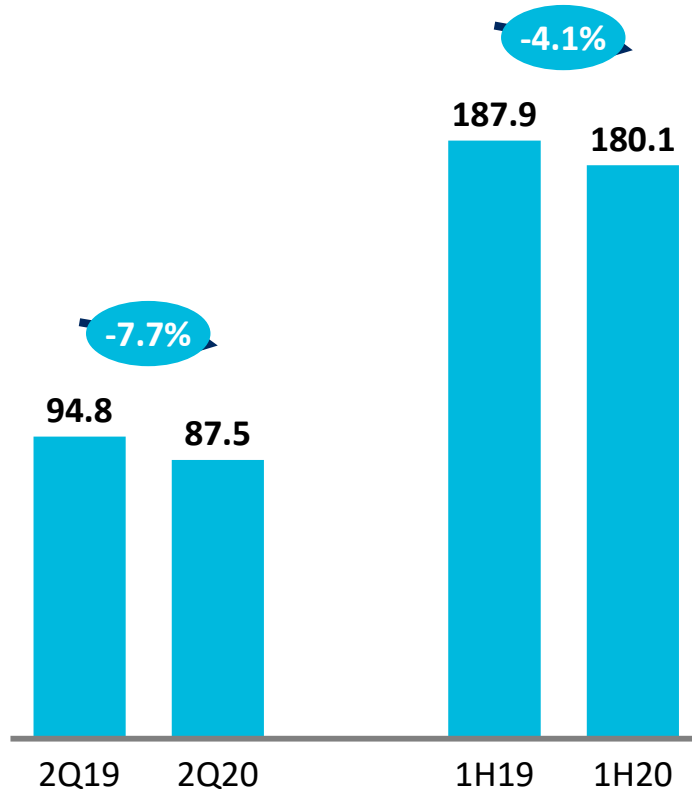
# Cards & Digital Payments: ~60% of revenues not impacted by Covid-19



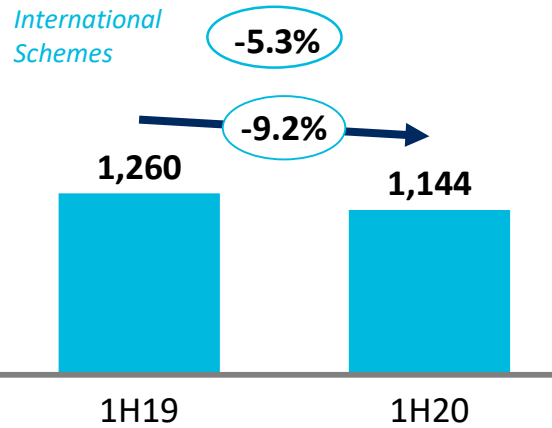
## Cards & Digital Payments



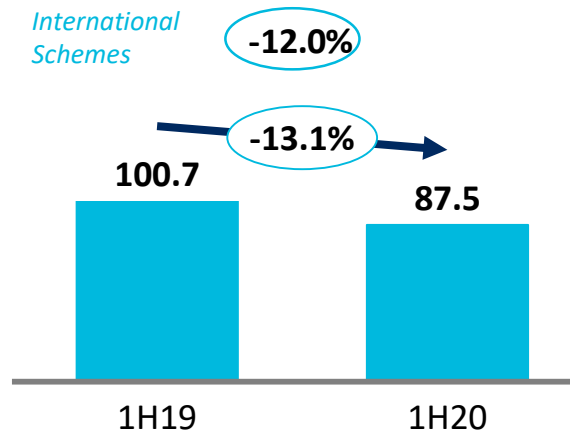
### Net Revenues (€M)



### Managed Transactions (#M)



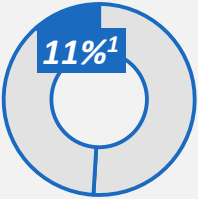
### Value of Managed Transactions (€B)



### Key Highlights

- Managed transactions and Value of managed transactions affected by extensive lockdown measures. Progressive recovery starting from May
- Managed transactions on international schemes back to growth in June 2020
- Continued push on international debit, with increasing cards stock and Value of managed transactions (+10% y/y in June)
- Net Revenues affected by lower domestic travellers spending extra EU and lower commercial cards volumes

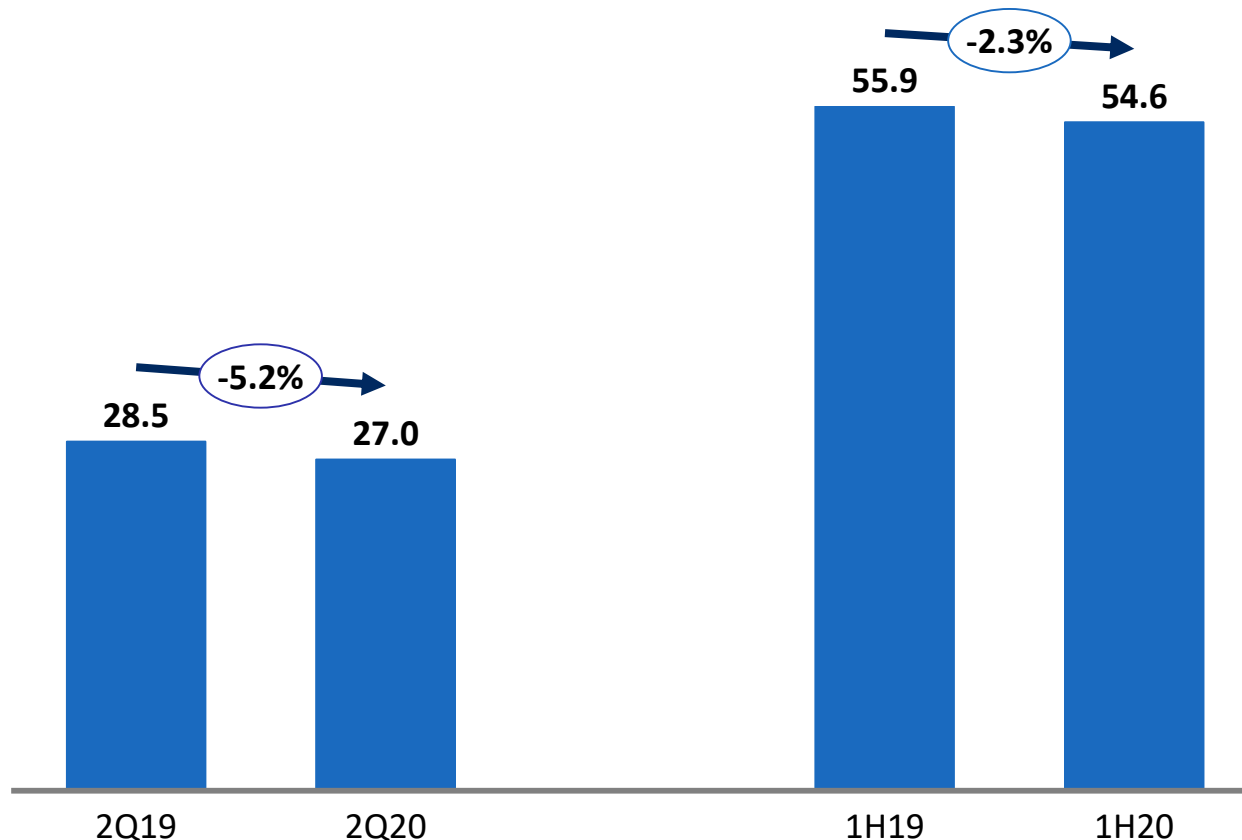
# Digital Banking Solutions: marginally impacted by Covid-19 lockdown



Digital  
Banking  
Solutions



## Net Revenues (€M)



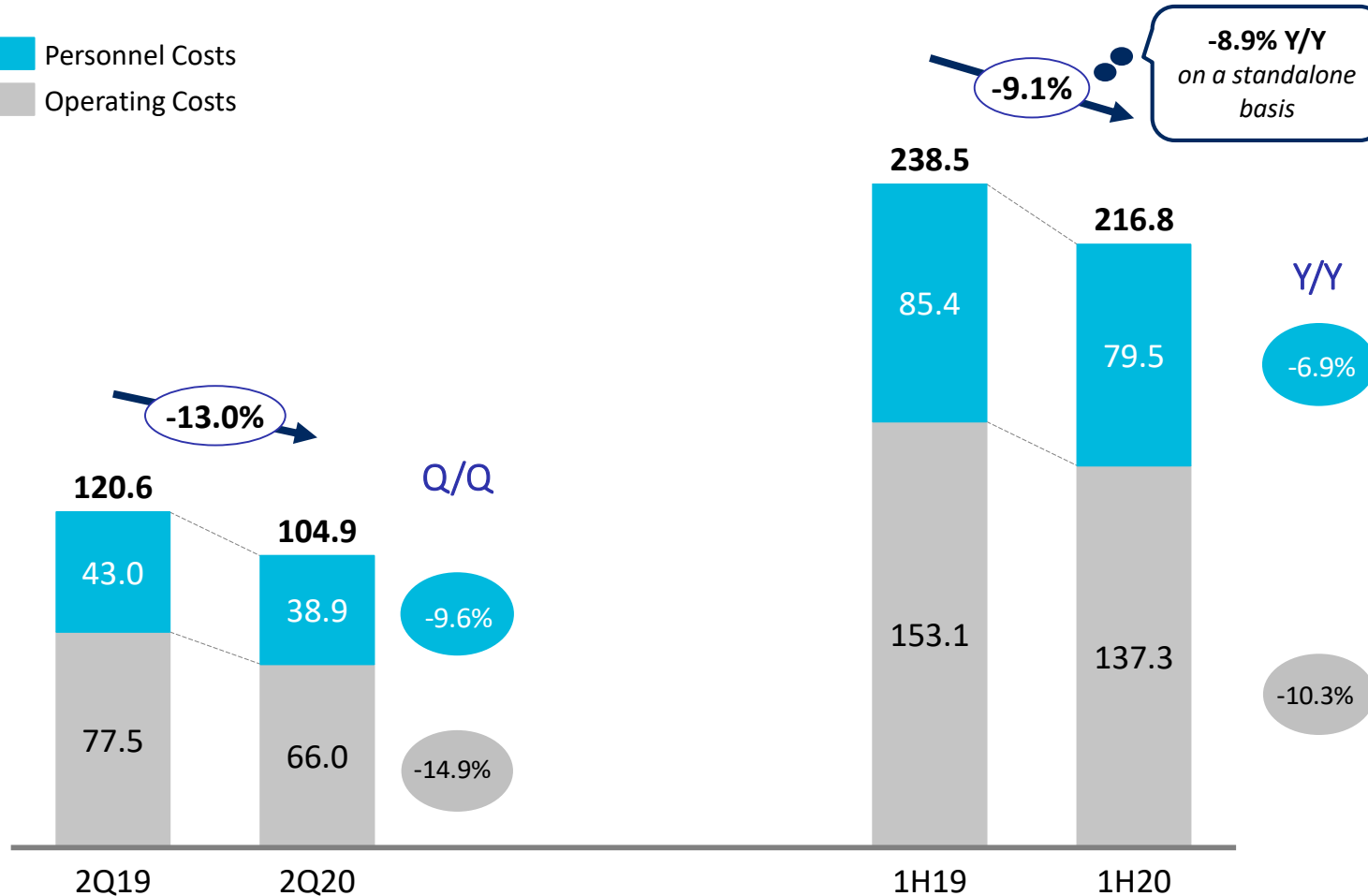
## Key Highlights

- 2Q performance mainly affected by phasing of certain low margin banks-related projects. Expected return to growth in 2H
- Continued roll out of new higher value advanced self banking products/solutions and continued growth of advanced ATMs
- Completed the first wave of the new advanced Digital Corporate Banking platform with partner banks. Live with mobile app
- Nexi Open ecosystem proposition fully launched, banks go-to-market progressing

# Strong costs reduction in the quarter to mitigate the financial impact of Covid-19

## Total Costs (€M)

Personnel Costs  
Operating Costs



## Key Highlights

Decrease in total costs (-21.7 €M) mainly driven by:

- well progression on the announced 100+ €M cash cost containment plan
- continued focus on efficiency
- early impacts from implementation of IT strategy

**Limited credit risk exposure** (1H20 LLPs: 2.1 €M acquiring and 2.4 €M issuing, not Covid-19 related)

- **Merchant Services & Solutions:**  
Diversified exposure across sectors and no direct exposure to riskier sectors (e.g. airlines)
- **Cards & Digital Payments:**  
Credit risk limited to direct issuing model (~48k cards, equal to ~0.1% of Group total cards) and corporate cards

# Well progressing on 100+ €M cash cost containment plan to mitigate EBITDA and cash flow impact. 27% already delivered in 1H

% % realized in 1H20



## Cost containment plan

### Volume-base costs

55%

- Personnel expenses (variable compensation, other related costs)
- Processing: reduction in line with volume trends
- External contact center calls

### Discretionary spending

#### Operating Expenses

- Hiring
- Consulting expenses
- Internal and external events, travels, etc..
- Voluntary waiver by Top management of their 2020 short term variable compensation

#### Transformation Costs

Postponement of few activities:

- YAP development
- Other transformation projects

46%

#### Capex

In 2H20

- Postponement of non strategic project spending (e.g. IT systems optimization)
- Limited re-phasing of IT strategy
- Postponement of real-estate investments

**Confirmed continued focus and investments on key initiatives to drive future growth and efficiency**

# Continued investments to support quality, innovation and IT transformation

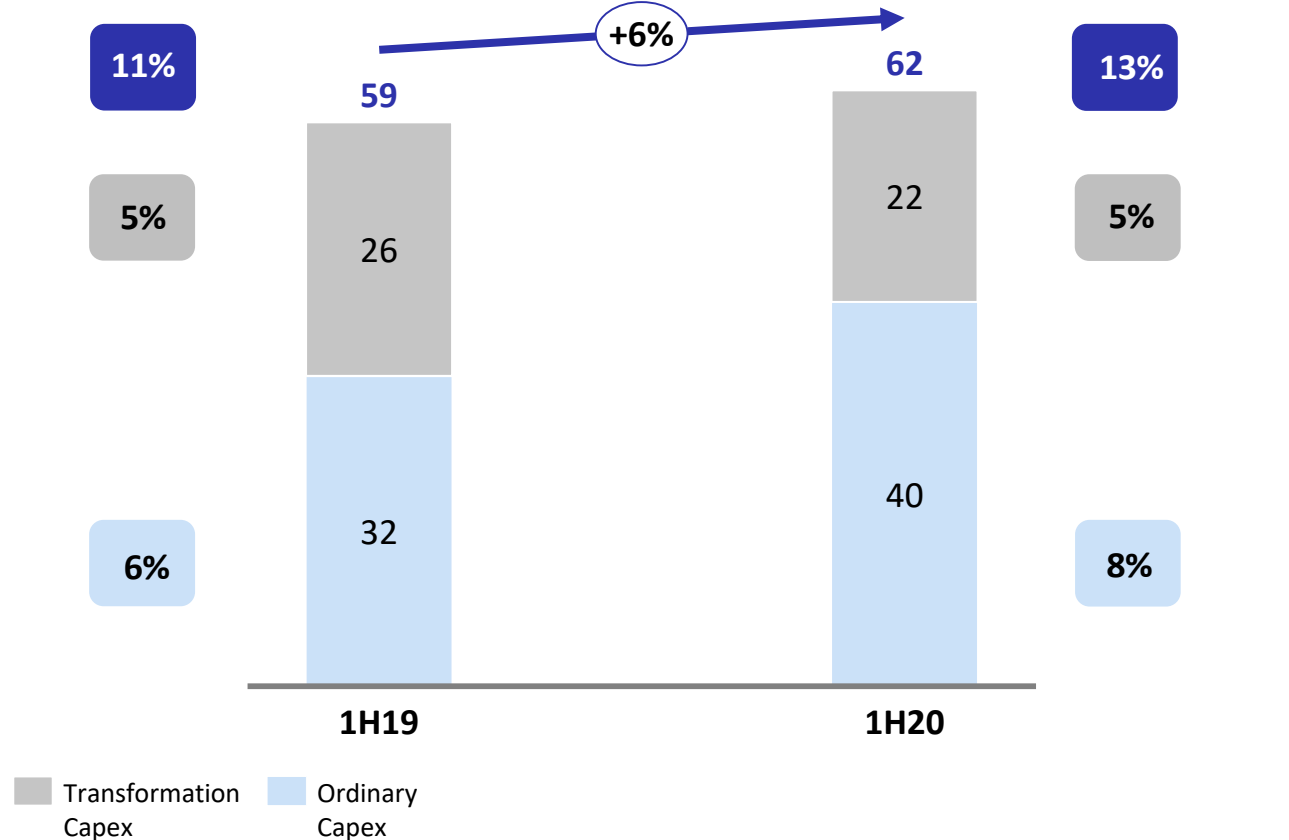
## Capital Expenditure (€M)

**FY19** Total Capex: 167€M

**FY20 Current Plan**  
Total Capex: 125-135 €M

% of 1H19 net revenues

% of 1H20 net revenues



## Ongoing investments (1H 2020): key examples

### Transformation Capex 22

#### Extraordinary Innovation:

- ✓ Open Banking Gateway & Corporate Banking
- ✓ Next generation omni-channel payment gateway

#### Next Generation Platform:

- ✓ Network infrastructure completion
- ✓ New GT POS Platform completion
- ✓ New CRM and channel management platforms
- ✓ New Acquiring Core Platform – 1<sup>st</sup> release
- ✓ New Data Lake infrastructure & analytics

### Ordinary Capex 40

#### Continuous Innovation and Delivery:

- ✓ Digital properties evolution
- ✓ SMEs digitalization
- ✓ POS ecosystem evolution
- ✓ Cards and digital payments new VAS
- ✓ Banks migrations/integrations
- ✓ PSD2 compliance, AML & GDPR

#### Running and Maintenance/ Quality/ Security:

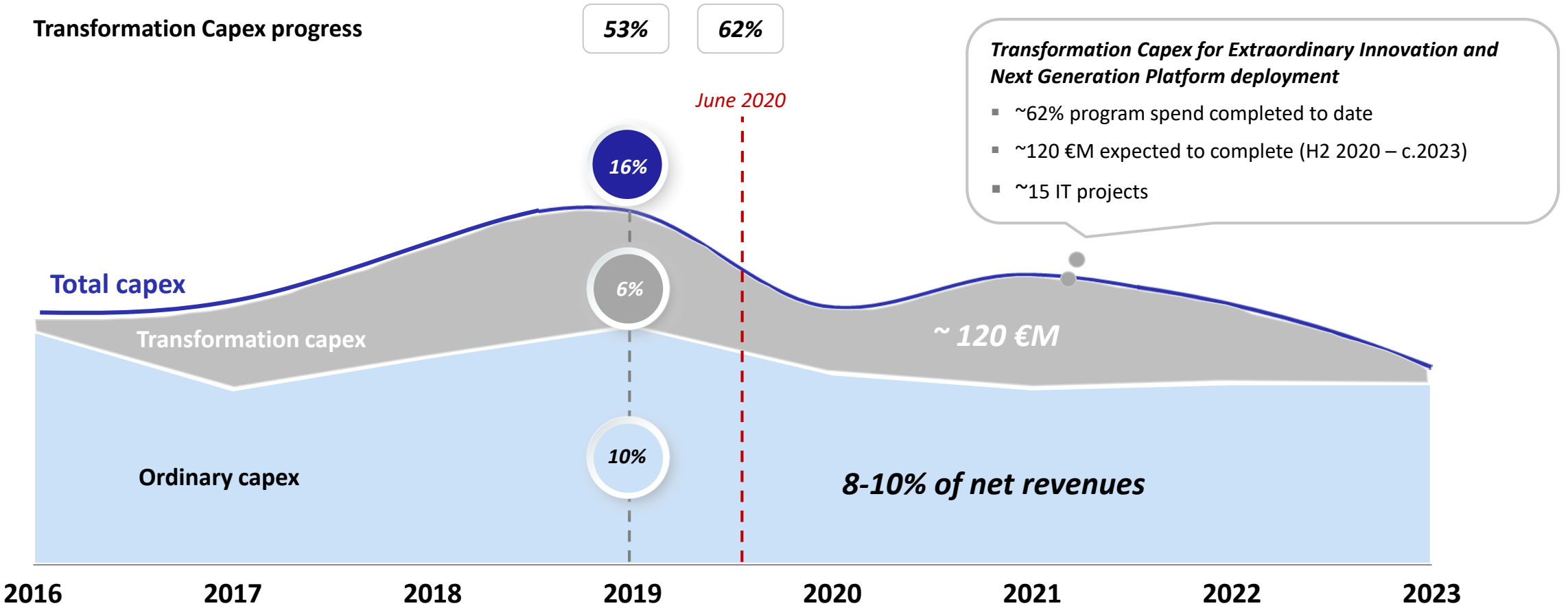
- ✓ Cyber security continuous improvement
- ✓ Hardware upgrade/refresh
- ✓ Acquisition & Enterprise software licences agreement
- ✓ Facility investments and other assets

POS and ATM purchase



# IT strategy progress now above 60%. ~120 €M expected to completion

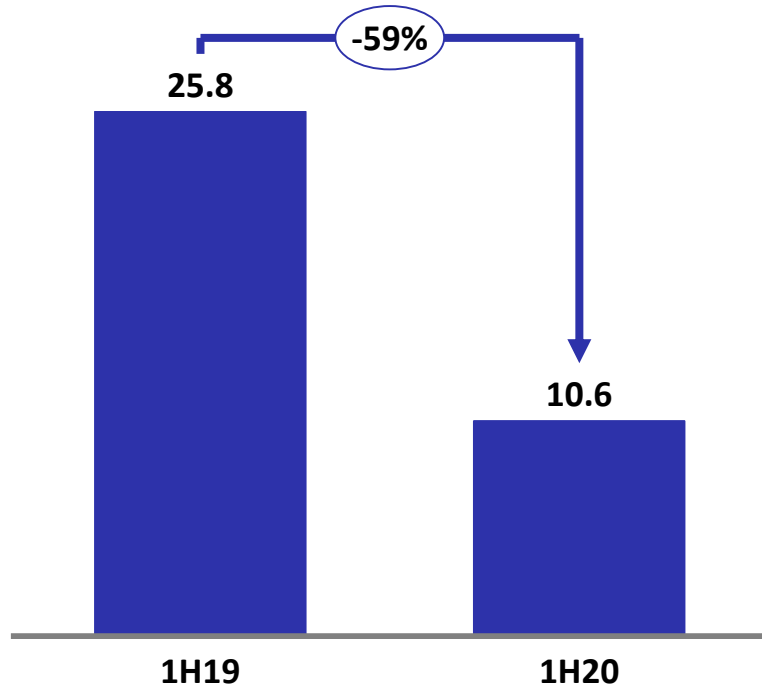
## Capital Expenditure (€M)



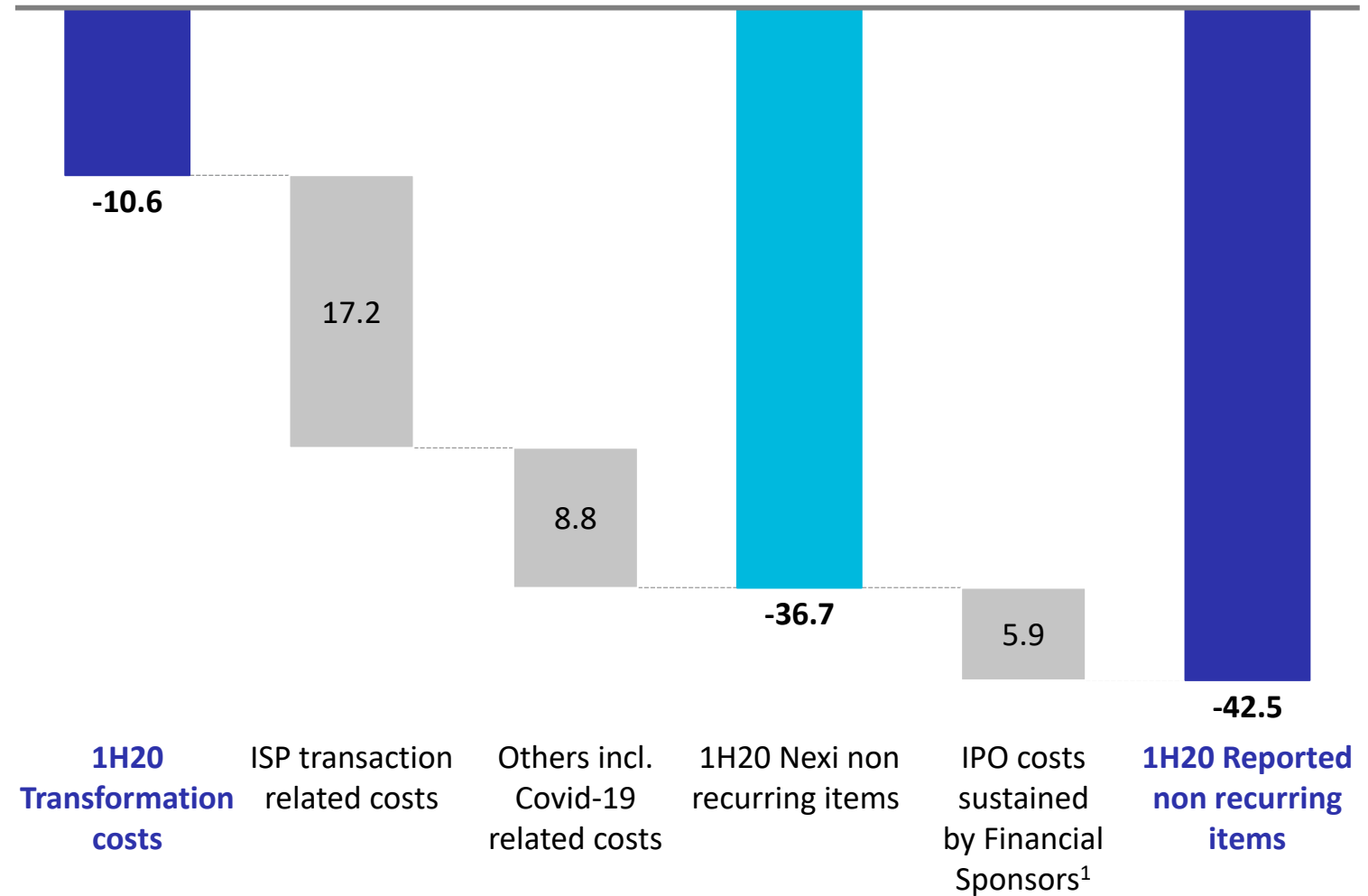
% Capex in % of net revenues

# Transformation Costs down by 59% Y/Y in 1H20

Transformation Costs (€M)

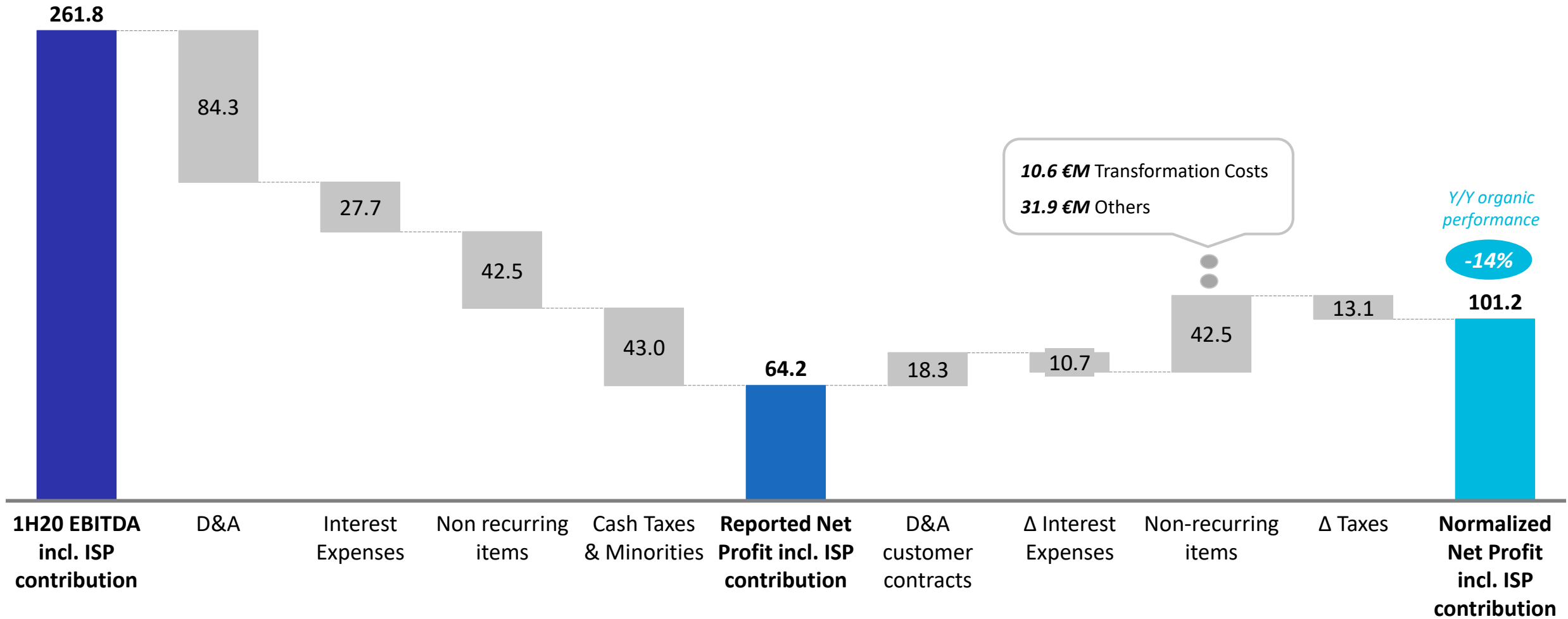


Bridge from 1H 2020 Transformation Costs to Reported non recurring items (€M)



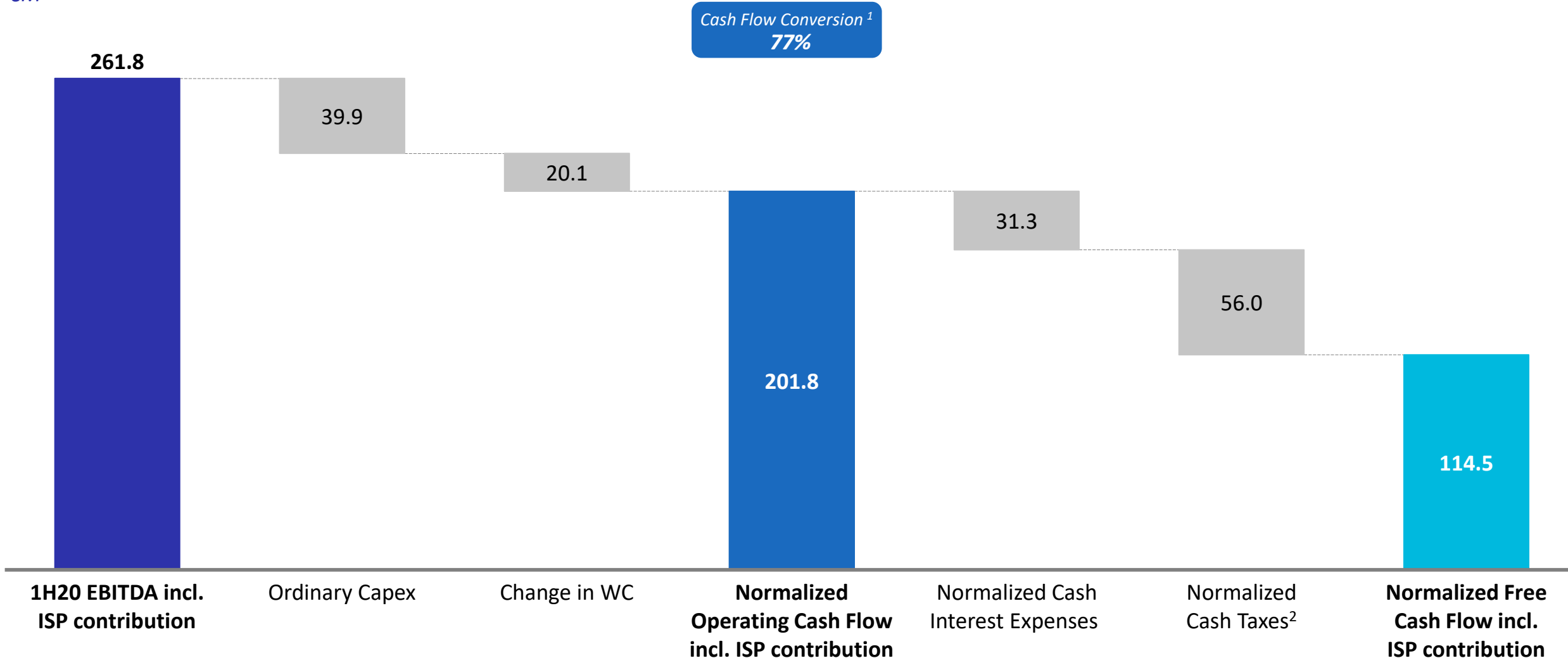
# Normalized Net Profit at 101.2 €M including ISP merchant acquiring book contribution, down by 14% Y/Y

€M



# Cash Flow conversion at 77% including ISP merchant acquiring book contribution

€M

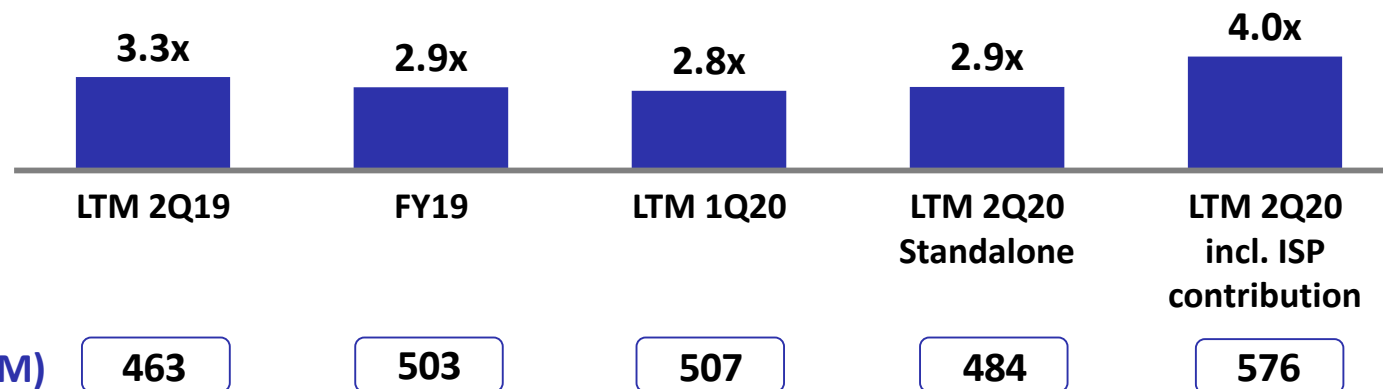


# Strong cash position. Net Financial Debt / EBITDA temporarily affected by Covid-19

## Net Financial Debt (€M)

	June 19	Dec 19	Mar 20	June 20 Standalone	June 20 incl. ISP contribution
<b>Gross Financial Debt</b>	1,845	1,840	1,843	1,838	2,741
<b>Cash</b>	(231)	(248)	(307)	(297)	(316)
<b>Cash Equivalents<sup>1</sup></b>	(92)	(123)	(116)	(118)	(118)
<b>Net Financial Debt</b>	<b>1,523</b>	<b>1,470</b>	<b>1,420</b>	<b>1,423</b>	<b>2,307</b>

## Net Financial Debt / EBITDA (€M)



## Key Highlights

Acquisition of the merchant acquiring business of ISP successfully financed by:

- 500 €M equity-linked bond placed in April 2020 (maturity April 2027) and 466.5 €M term loan, granted on June 30th 2020 by a pool of banks (maturity June 2025), which replaced the original 1 €B bridge loan
- Nexi's own cash for the difference

Current Debt structure also includes:

- 1 €B Term Loan due 2024
- 825 €M Fixed-Rate Note due 2024
- Other residual debt (mainly IFRS 16)

Nexi benefits of an **undrawn** 350 €M Revolving Credit Facility, committed to 2024, that further supports its liquidity profile

Weighted average pre-tax cash coupon per annum stable at 1.9%, still well below 3.8% post reorganization in July 2018 and 3.1% post IPO

# 2020 Guidance suspended. Ambition to grow EBITDA and EBITDA - Capex vs 2019, including ISP book organic contribution

## Previous Guidance<sup>1</sup>: suspended

Net Revenues	5-7% annual net revenue growth over medium term, targeting higher end of the range
EBITDA	<ul style="list-style-type: none"> <li>13-16% annual EBITDA growth over medium term</li> <li>Continued strong operating leverage</li> </ul>
Non-recurring Items	Rapid further decrease of non-recurring items affecting reported EBITDA
Capex	<ul style="list-style-type: none"> <li>8-10% ordinary capex as % of net revenues over long term</li> <li>Transformation capex on top of ordinary capex of 142 €M cumulative (2020 – c.2023)</li> </ul>
Capital Structure & Capital Allocation	<ul style="list-style-type: none"> <li>Organic de-leveraging with target net debt of ~2.0-2.5x EBITDA over medium to long term</li> <li>Progressive moderate dividend policy, targeting pay-out ratio of 20-30% of distributable profits in medium to long term</li> </ul>

## 2020 Ambition

- 2020 volume-driven revenues depending on speed of recovery and dynamics by sector



- **Possible return to revenue growth by year-end assuming continued path of recovery at current trajectory**

- 100+ €M cash cost (Opex/Capex) containment plan to mitigate the impact on EBITDA and cash flow targeting:



- **EBITDA growth vs 2019 including organic ISP book contribution, broadly in line without. FY2020 EBITDA close to ~600 €M.**

- **Material growth in EBITDA – Capex with and without ISP contribution**

- Strong cash position

**Annex**





## Including organic contribution from ISP

€M	1H19	1H20	Δ% vs. 1H19	2Q19	2Q20	Δ% vs. 2Q19
Merchant Services & Solutions	267.2	243.9	-8.7%	140.9	115.1	-18.3%
Cards & Digital Payments	187.9	180.1	-4.1%	94.8	87.5	-7.7%
Digital Banking Solutions	55.9	54.6	-2.3%	28.5	27.0	-5.2%
<b>Operating revenue</b>	<b>510.9</b>	<b>478.7</b>	<b>-6.3%</b>	<b>264.3</b>	<b>229.7</b>	<b>-13.1%</b>
Personnel & related expenses	(85.4)	(79.5)	-6.9%	(43.0)	(38.9)	-9.6%
Operating Costs	(153.1)	(137.3)	-10.3%	(77.5)	(66.0)	-14.9%
<b>Total Costs</b>	<b>(238.5)</b>	<b>(216.8)</b>	<b>-9.1%</b>	<b>(120.6)</b>	<b>(104.9)</b>	<b>-13.0%</b>
<b>EBITDA</b>	<b>272.5</b>	<b>261.8</b>	<b>-3.9%</b>	<b>143.7</b>	<b>124.8</b>	<b>-13.2%</b>
D&A	(52.8)	(66.1)	+25.1%			
Interests & financing costs	(38.4)	(38.4)	+0.0%			
<b>Normalized Pre-tax Profit</b>	<b>181.2</b>	<b>157.3</b>	<b>-13.2%</b>			
Income taxes	(63.3)	(55.4)	-12.5%			
Minorities	(0.3)	(0.8)	<i>n.m.</i>			
<b>Normalized Net Profit</b>	<b>117.6</b>	<b>101.2</b>	<b>-14.0%</b>			

## Nexi standalone

€M	1H19	1H20	Δ% vs. 1H19	2Q19	2Q20	Δ% vs. 2Q19
Merchant Services & Solutions	223.6	192.9	-13.7%	117.5	87.8	-25.3%
Cards & Digital Payments	187.9	180.1	-4.1%	94.8	87.5	-7.7%
Digital Banking Solutions	55.9	54.6	-2.3%	28.5	27.0	-5.2%
<b>Operating revenue</b>	<b>467.3</b>	<b>427.7</b>	<b>-8.5%</b>	<b>240.8</b>	<b>202.4</b>	<b>-16.0%</b>
Personnel & related expenses	(84.1)	(78.3)	-7.0%	(42.4)	(38.3)	-9.8%
Operating Costs	(150.3)	(135.2)	-10.1%	(76.1)	(64.9)	-14.8%
<b>Total Costs</b>	<b>(234.5)</b>	<b>(213.5)</b>	<b>-8.9%</b>	<b>(118.6)</b>	<b>(103.1)</b>	<b>-13.0%</b>
<b>EBITDA</b>	<b>232.9</b>	<b>214.2</b>	<b>-8.0%</b>	<b>122.3</b>	<b>99.2</b>	<b>-18.9%</b>
D&A	(52.8)	(66.1)	+25.1%			
Interests & financing costs	(32.8)	(20.8)	-36.7%			
<b>Normalized Pre-tax Profit</b>	<b>147.3</b>	<b>127.3</b>	<b>-13.5%</b>			
Income taxes	(51.5)	(43.9)	-14.9%			
Minorities	(0.0)	(0.4)	<i>n.m.</i>			
<b>Normalized Net Profit</b>	<b>95.7</b>	<b>83.0</b>	<b>-13.3%</b>			

### Methodological note

- **Including organic contribution from ISP:** reported P&L excluding one-offs and including ISP merchant acquiring book and assuming the current debt structure since January 1<sup>st</sup>, 2020. Delta y/y: organic delta, i.e. including ISP contribution also in 2019
- **Nexi standalone:** reported P&L excluding one-offs

# Reported P&L vs Normalized P&L

€M	Reported 1H20	Delta	Normalized 1H20	ISP merchant book contribution	Normalized 1H20 incl. ISP
Merchant Services & Solutions	192.9		192.9	51.0	243.9
Cards & Digital Payments	180.1		180.1		180.1
Digital Banking Solutions	54.6		54.6		54.6
<b>Revenues</b>	<b>427.7</b>		<b>427.7</b>	<b>51.0</b>	<b>478.7</b>
Personnel & related expenses	(78.3)		(78.3)	(1.3)	(79.5)
Operating Costs	(135.2)		(135.2)	(2.1)	(137.3)
<b>Total Costs</b>	<b>(213.5)</b>		<b>(213.5)</b>	<b>(3.3)</b>	<b>(216.8)</b>
<b>EBITDA</b>	<b>214.2</b>		<b>214.2</b>	<b>47.7</b>	<b>261.8</b>
D&A	(84.3)	18.3	(66.1)		(66.1)
Interests & financing costs	(27.7)	7.0	(20.8)	(17.7)	(38.4)
Non recurring items	(42.5)	42.5	-		-
<b>Pre-tax Profit</b>	<b>59.6</b>	<b>67.7</b>	<b>127.3</b>	<b>30.0</b>	<b>157.3</b>
Income taxes	(26.5)	(17.4)	(43.9)	(11.5)	(55.4)
Minorities	(0.4)		(0.4)	(0.3)	(0.8)
<b>Net Profit</b>	<b>32.6</b>	<b>50.4</b>	<b>83.0</b>	<b>18.2</b>	<b>101.2</b>

*Transformation costs*<sup>1</sup> (10.6) (10.6) (10.6)

## Delta Reported vs Normalized

*D&A: D&A customer contracts*

*Interests & financing costs: ~3 €M interest expenses on ISP convertible bond (April-June) and ~4 €M bridge facility*

*Non recurring items: detailed bridge on slide 24*



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