

The nexi logo is displayed in white lowercase letters on a dark blue background. The background of the entire slide features a photograph of modern glass skyscrapers under a blue sky with light clouds. A large, semi-transparent blue circle is positioned on the left side, and two smaller teal circles are located in the upper right quadrant.

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# **1Q22 Results Presentation**

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Goldman Sachs 26th Annual European Financials Conference

June 7<sup>th</sup>, 2022

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# Key messages

## Accelerated volume growth in 1Q22 across all geographies

- **Continued volume acceleration in Italy**, up double-digit Y/Y and vs 2019
- **Double-digit volume growth Y/Y both in Nordics and DACH**
- **1Q22 Travel recovering to ~80% of 2019 Group level in May**
- **SMEs accelerating faster than LAKAs**
- **Continued shift from cash to digital payments** visible across geographies

## Strong financial performance in 1Q22

- **Revenue** growth at **+7%** vs 1Q21, **>+9% Y/Y** excluding exceptional 1Q21 projects related to banks' M&A, despite slower reopening in Italy
- **MS&S revenues** strongly up **+13%** vs 1Q21. Nets MS&S up **+19%**
- **EBITDA** growth of **+17%** vs 1Q21, **~+4 p.p. EBITDA margin expansion**

## Continued progress in creating the European PayTech leader

- Integration workstreams fully on track with **confirmed ~100€M cash synergies to be delivered in 2022**
- Continued **strengthening and focusing of business portfolio**:
  - Acquisition of full ownership of Orderbird, the German-based leading merchant SW solution for the hospitality sector
  - Sale of non-SEPA clearing in Italy signed (Antitrust remedy)

## Confirmed 2022 Ambition

- **Revenues +7% to +9% y/y**
- **EBITDA +13% to +16% y/y**

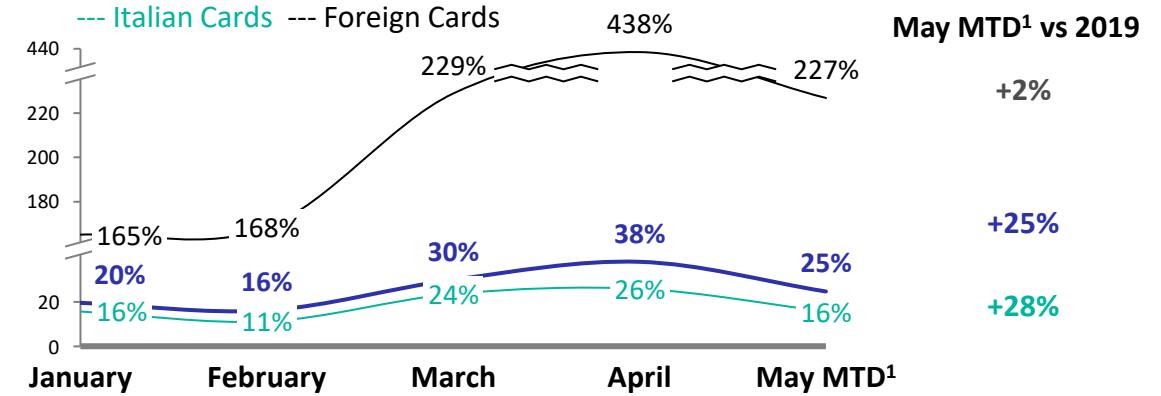
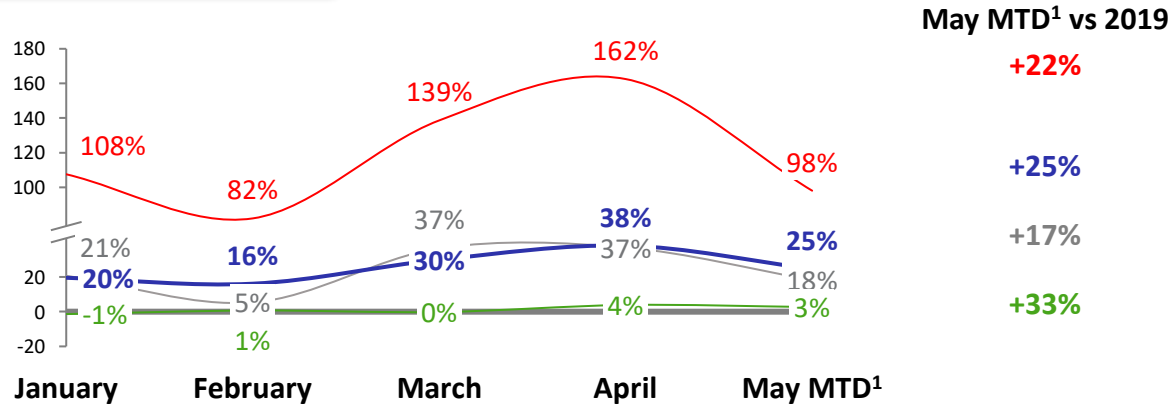
# Strong double-digit Y/Y growth in all geographies, driven by fast recovery in high impact consumptions

Y/Y performance

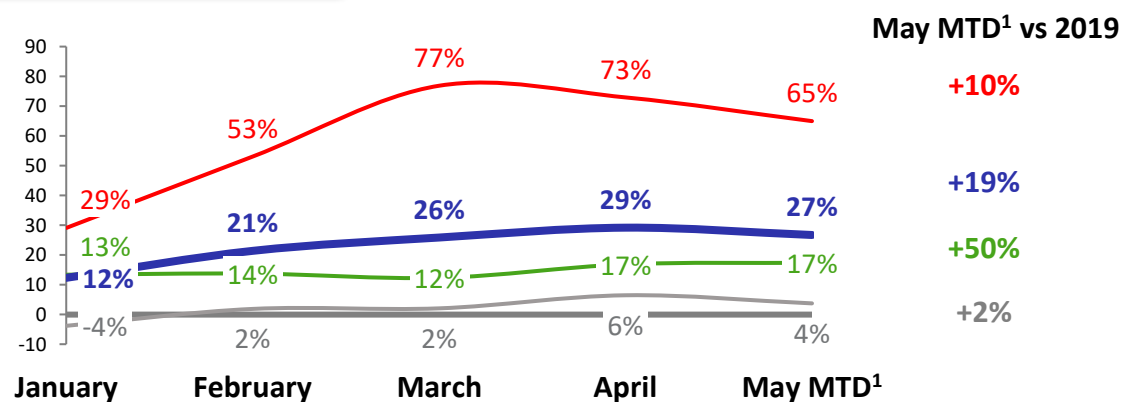
— High impact consumption — Basic consumption — Discretionary consumption — Total

Travel recovering to ~80% of 2019 Group level in May<sup>1</sup>

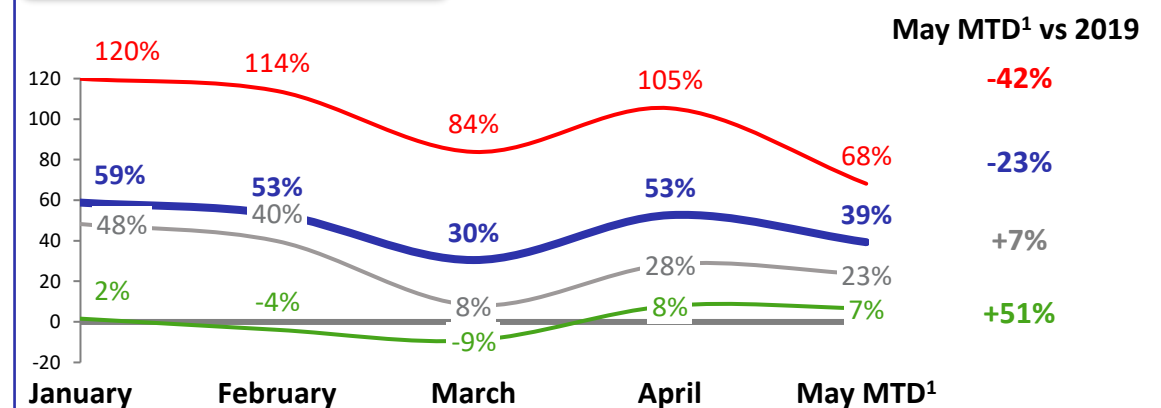
## ITALY



## NORDICS



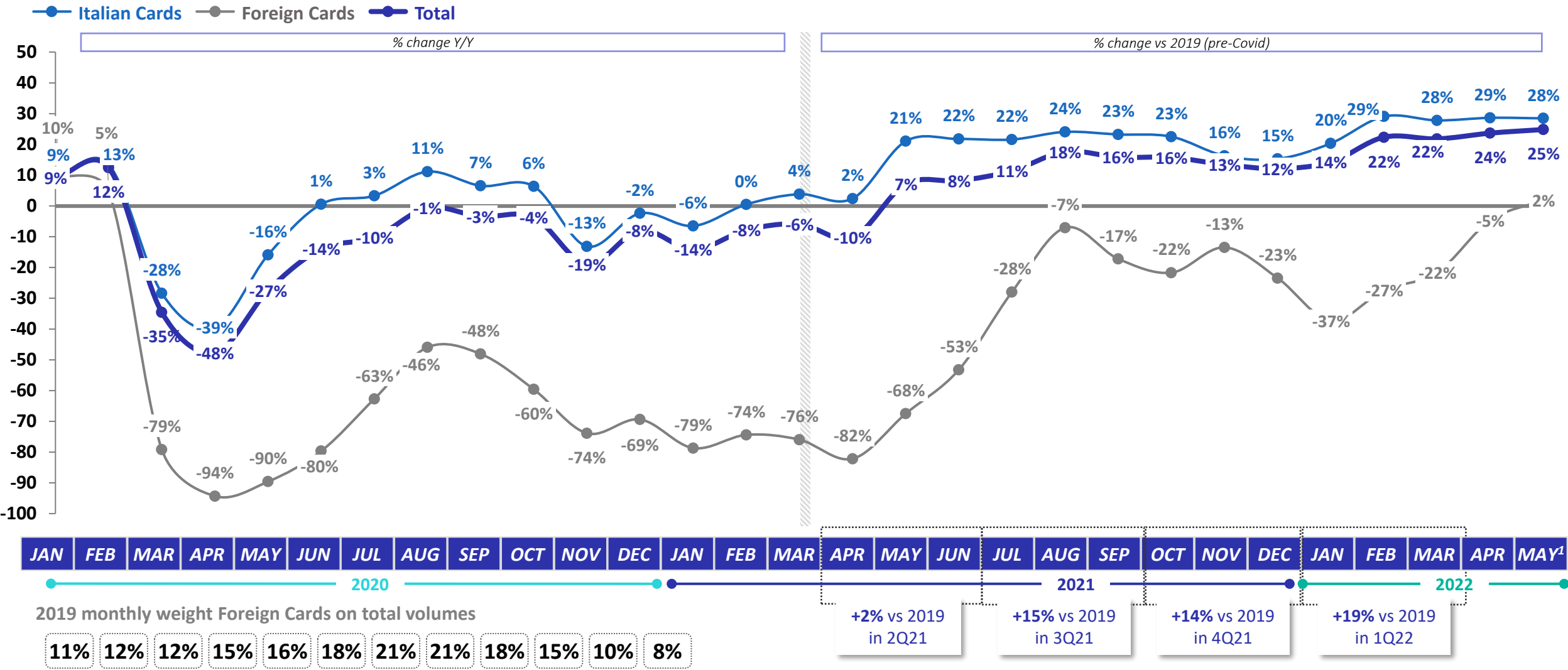
## DACH



# Confirmed strong volume performance in Italy growing double-digit vs pre-Covid driven by Italian Cards; Foreign Cards back to positive in May

ITALY

## Italian Cards vs Foreign Cards



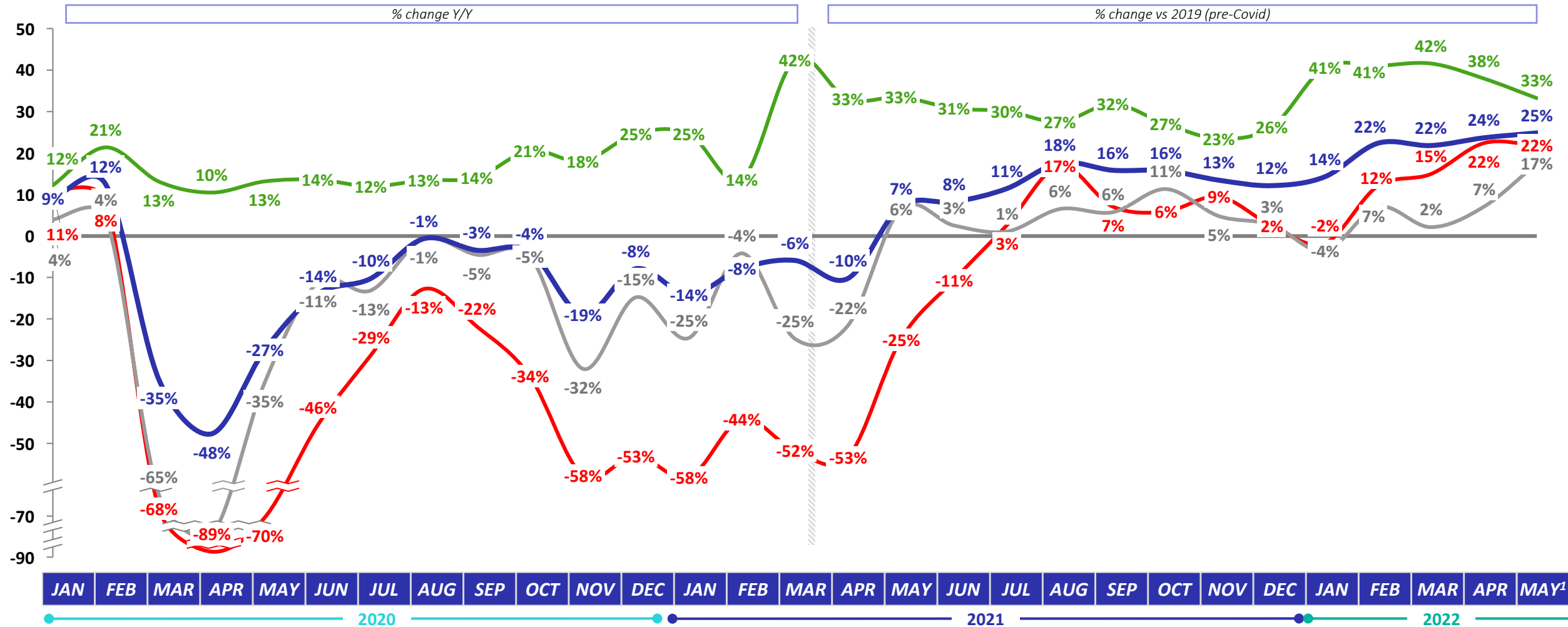


# Strong growth across categories, with high impact and discretionary consumption accelerating after 1Q22

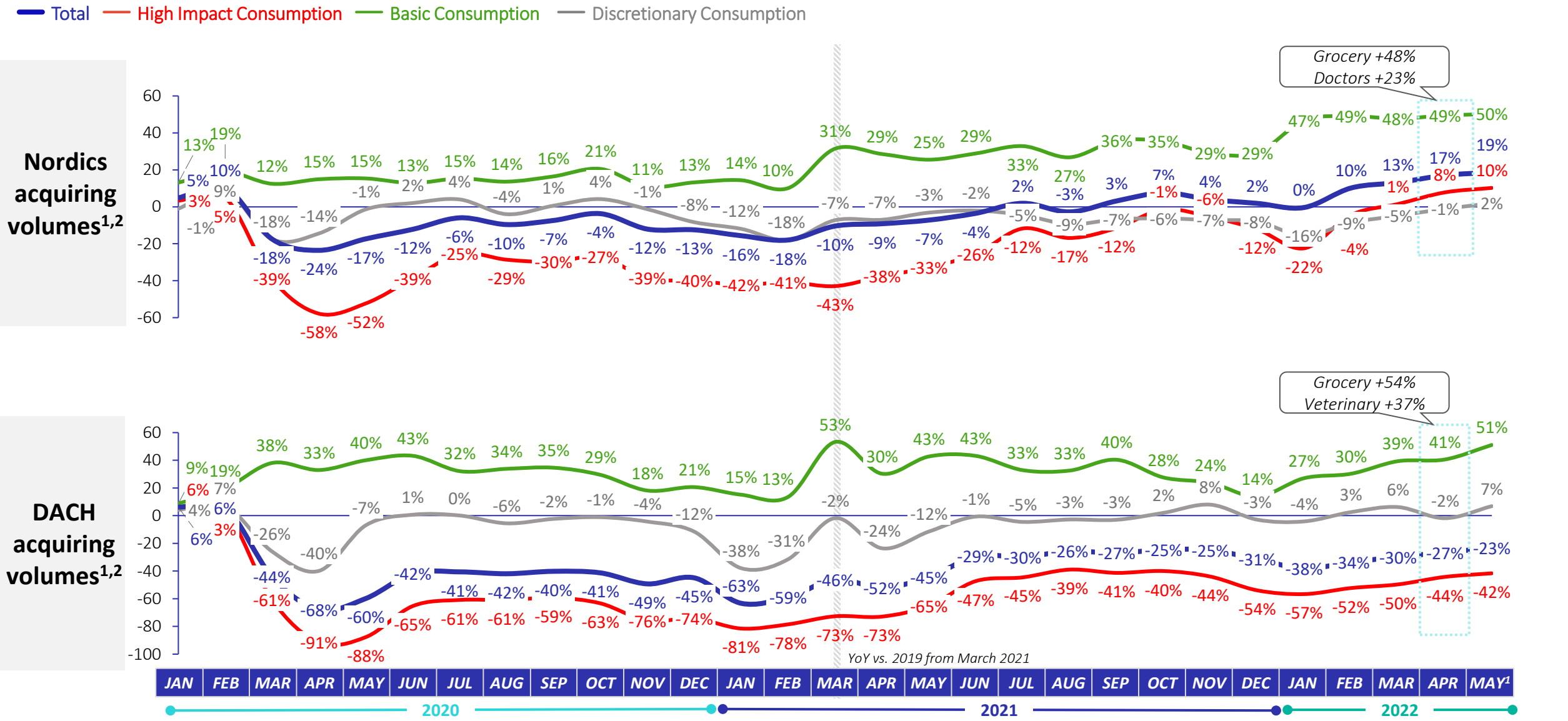
## Breakdown by consumption category

ITALY

High impact consumption Basic consumption Discretionary consumption Total



# Continued volume acceleration in the Nordics driven by high impact consumption, DACH still recovering due to exposure to travel



# Merchant Services & Solutions: key business update

## 1Q22 TRX Value Key Business Highlights

54%<sup>1</sup>

SME

**+36%**  
vs. 1Q21

- **Strong and accelerated sales performance across all geographies** vs last year, especially in DACH and Poland
- **Continued acceleration** of digital propositions **SmartPay** in Germany and **SmartPOS** in Italy
- Launched **SoftPOS tap-on-phone proposition** in Nordics and Hungary; preparing Italian and German launch
- Continued progress of **ISV partnerships** with market leaders and vertical specialists; full **acquisition of Orderbird**, reinforcing focus on integrated software & payments proposition for **hospitality**

20%<sup>1</sup>

Ecomm

**+24%**  
vs. 1Q21

- Continued **strong performance on Easy collecting PSP proposition** in the Nordics; accelerating in Germany after 3Q21 launch
- **Strong growth of owned A2A in Poland & Finland**; extending PSP partnerships
- Exclusive partnership b/w **RatePay & PayPal** to provide white-label invoice payments in **Germany**
- **Continuing proposition evolution in Italy**, with new dedicated features for hospitality and Ho.Re.Ca

10%<sup>1</sup>

LAKA

**+19%**  
vs. 1Q21

- **Continued success with large domestic/regional omnichannel merchants** with particular focus on apparel and retail; key wins with **cross-border merchants**
- **Integrated Nexi/SIA capabilities showing positive commercial traction in key verticals** such as Petrol & Mobility
- Entrenching further with **enabling platforms** via partnership integrations

## Examples of recent customer wins & upsells



## ISV Partnerships





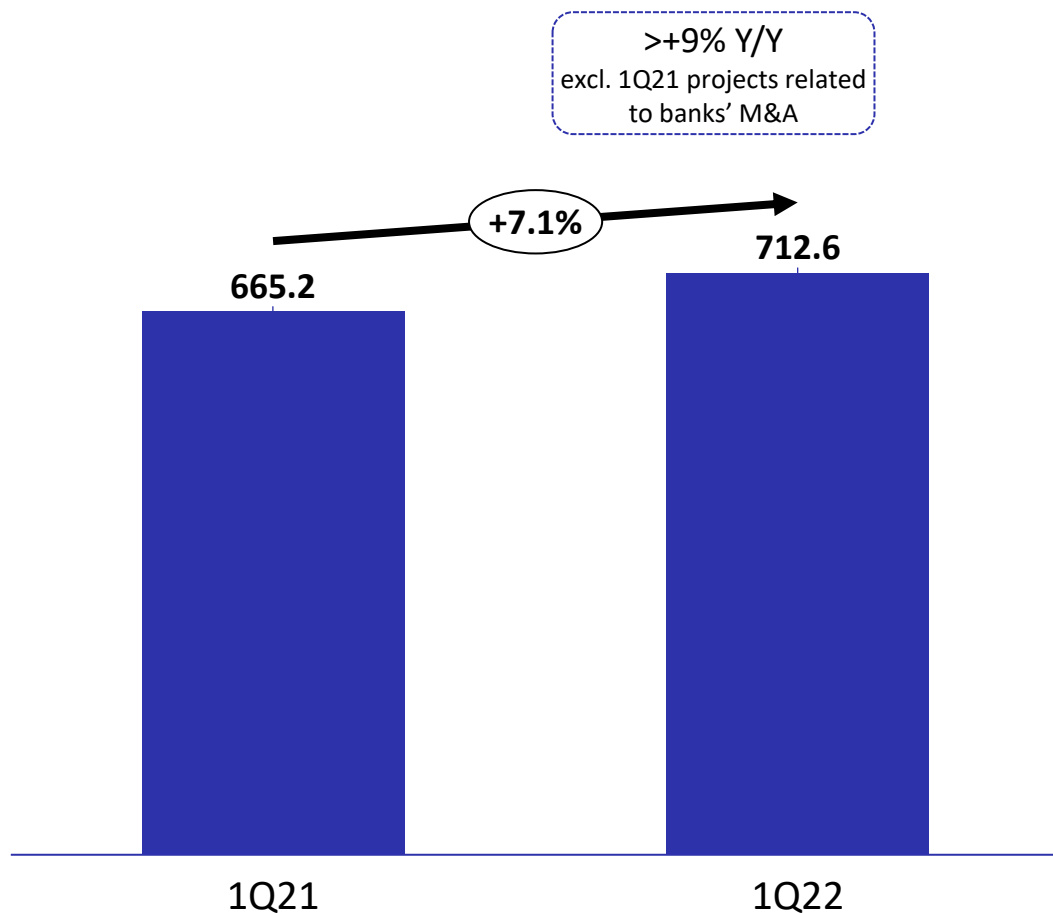
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**Focus on 1Q22 results**

# Solid Revenue growth, despite challenging Y/Y comparison in Italy.

## >+17% Y/Y EBITDA growth leading to strong EBITDA margin expansion

### Net Revenues (€M)

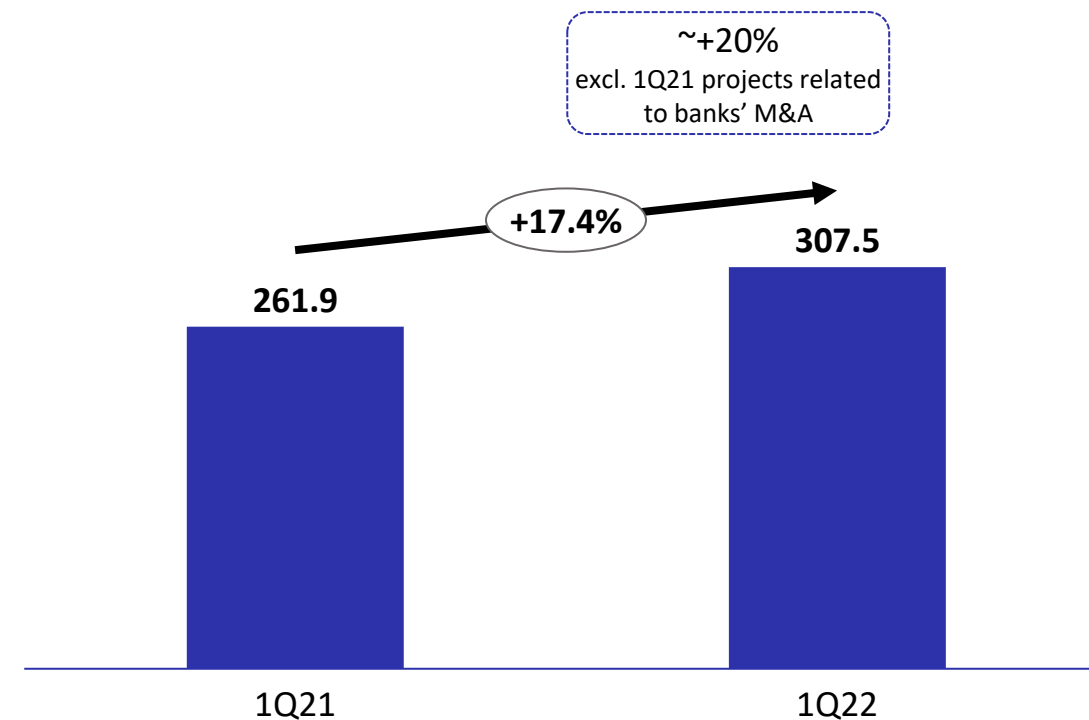


### EBITDA (€M)

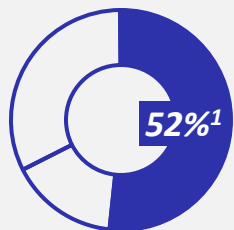
EBITDA margin

39%

43%



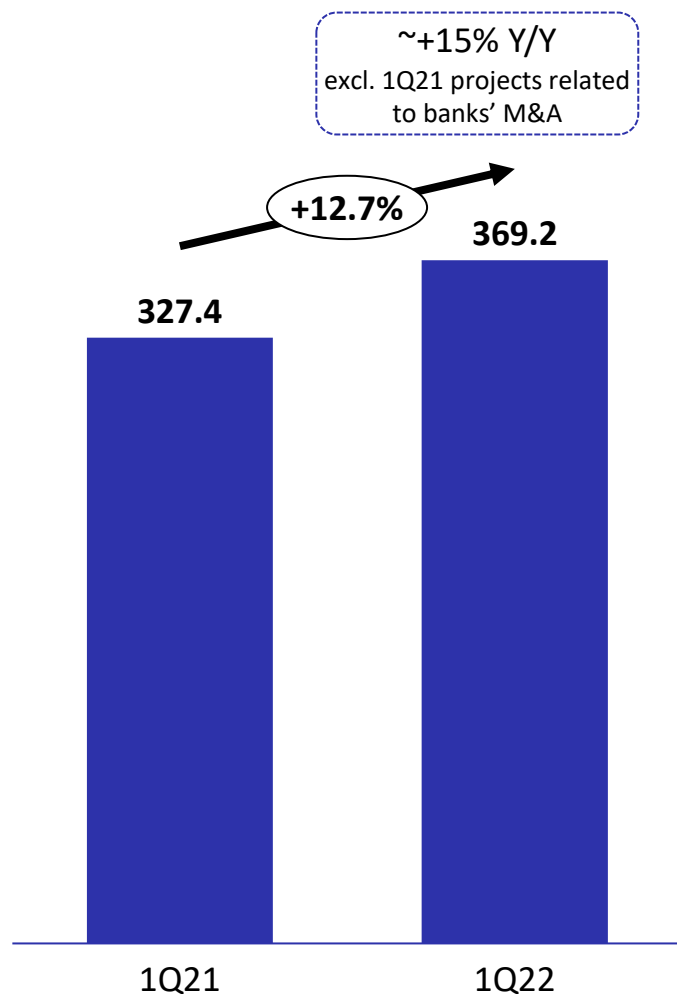
# Merchant Services & Solutions: strong volume acceleration driving double-digit revenue growth



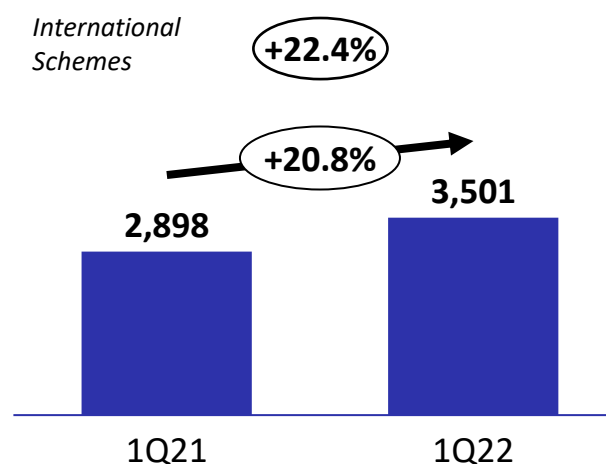
## Merchant Services & Solutions



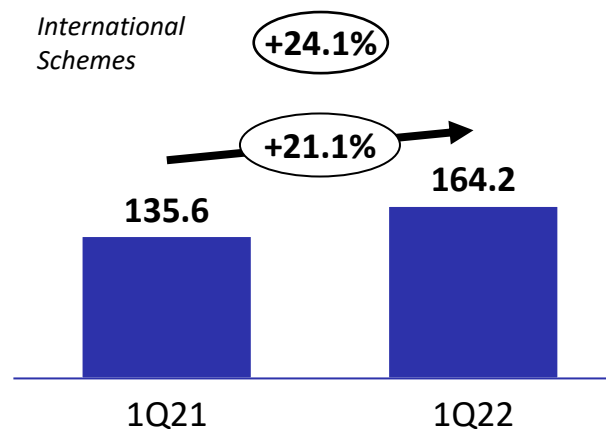
### Net Revenues (€M)



### Managed Transactions (#M)



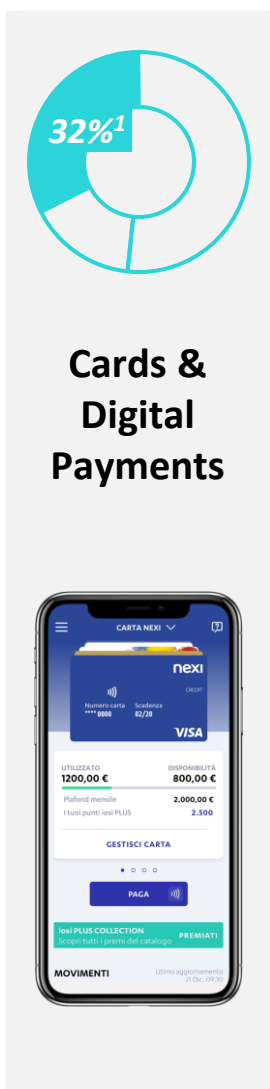
### Value of Managed Transactions (€B)



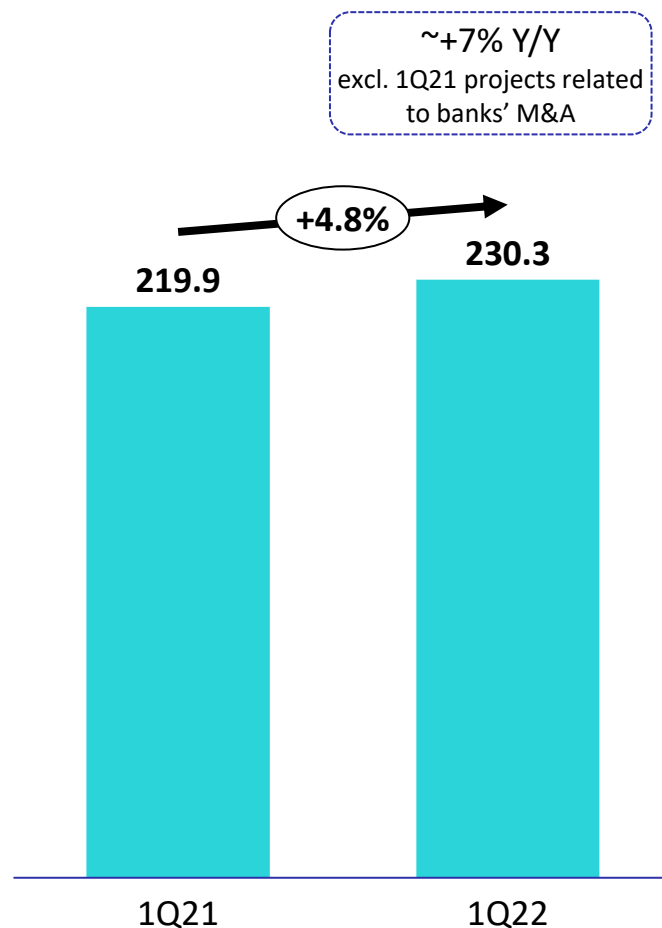
### Key Highlights

- **Continued revenue growth in 1Q22** despite tough Y/Y comparison in Italy due to 1Q21 extraordinary projects related to banks' M&A and different degree of reopening post pandemic compared to other geographies; **Nets up +19% vs 1Q21**
- **Accelerated value of transactions performance across the Group**, driven by International schemes
- **SME value of transactions accelerating faster than large merchants**, positively contributing to revenue growth
- **Strong acceleration in physical channel vs ecommerce** on the wave of easing of restrictions versus 1Q21

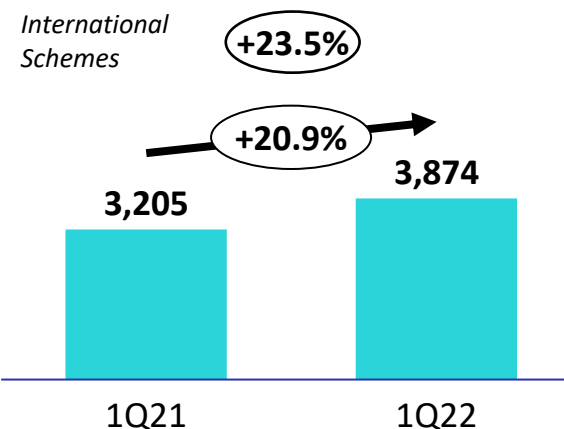
# Cards & Digital Payments: positive revenue growth supported by sustained volume dynamics



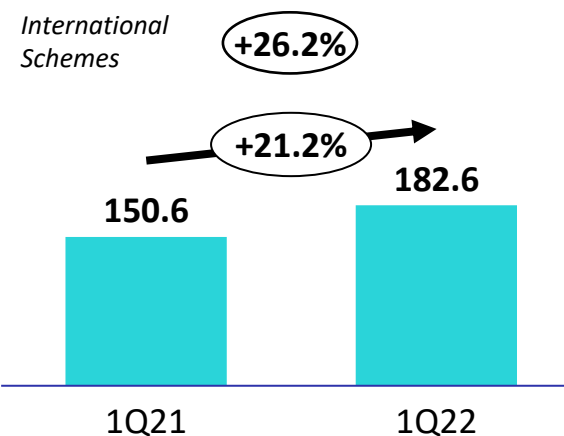
## Net Revenues (€M)



## Managed Transactions (#M)



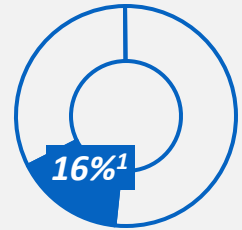
## Value of Managed Transactions (€B)



## Key Highlights

- **Positive revenue growth**, led by Italy
- **Accelerated volume performance across the Group** primarily from International schemes
- **Solid growth of International debit in Italy** with increasing card stock (+1.2M cards y/y)
- **New upsells with Nordic customers and new wins in rest of Europe**; attractive pipeline to drive future growth
- **Strong focus on up-selling Nexi value propositions** (e.g. CVM) to bank customer base in the rest of Europe

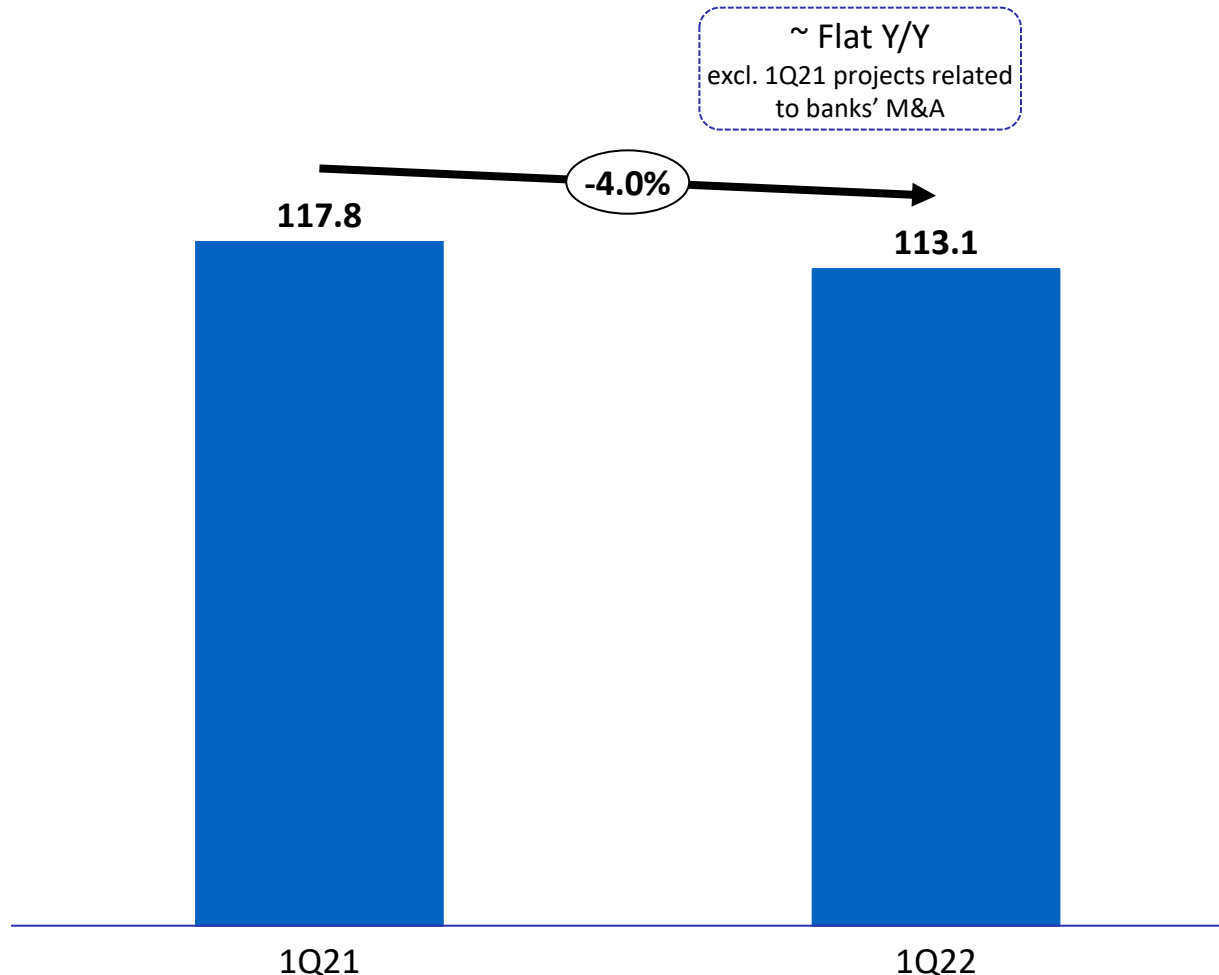
# Digital Banking & Corporate Solutions: revenue performance affected by extraordinary projects in 1Q21



Digital  
Banking &  
Corporate  
Solutions



## Net Revenues (€M)

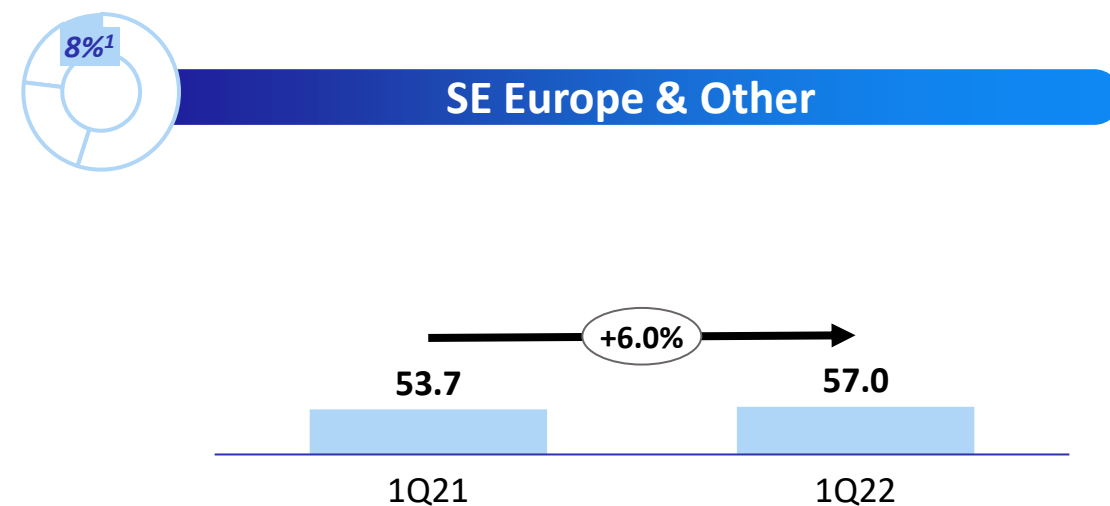
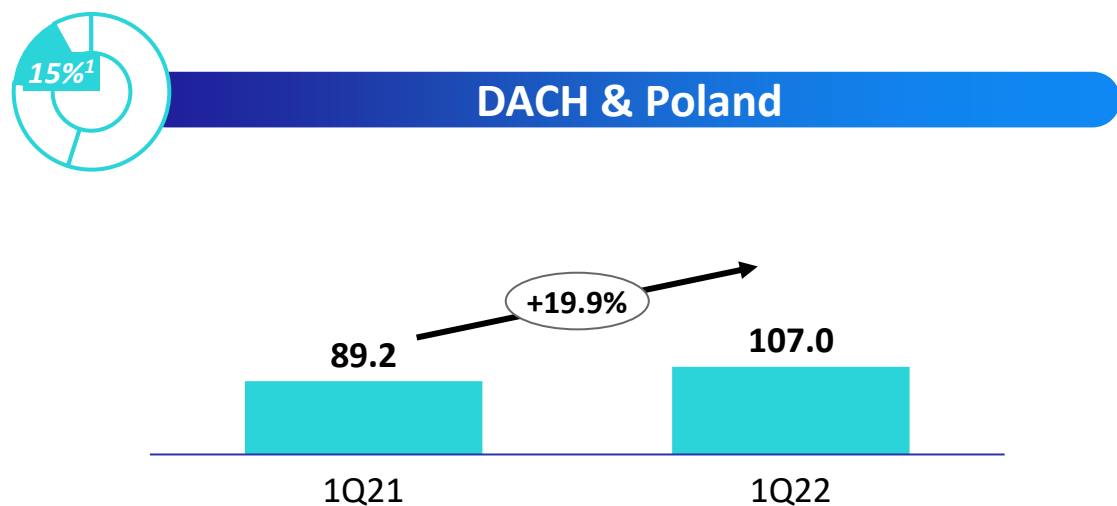
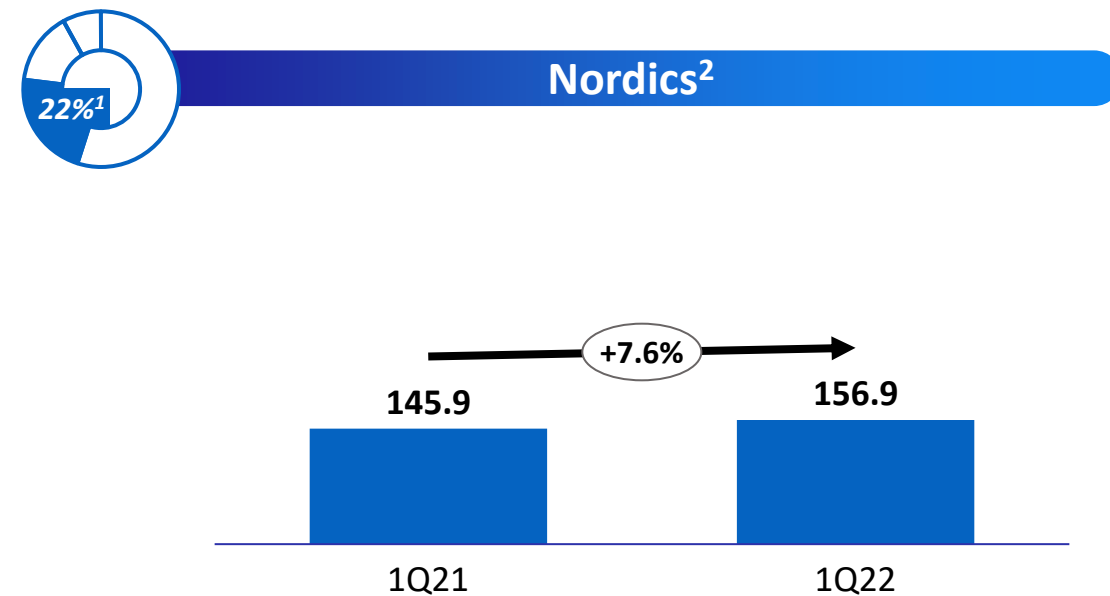
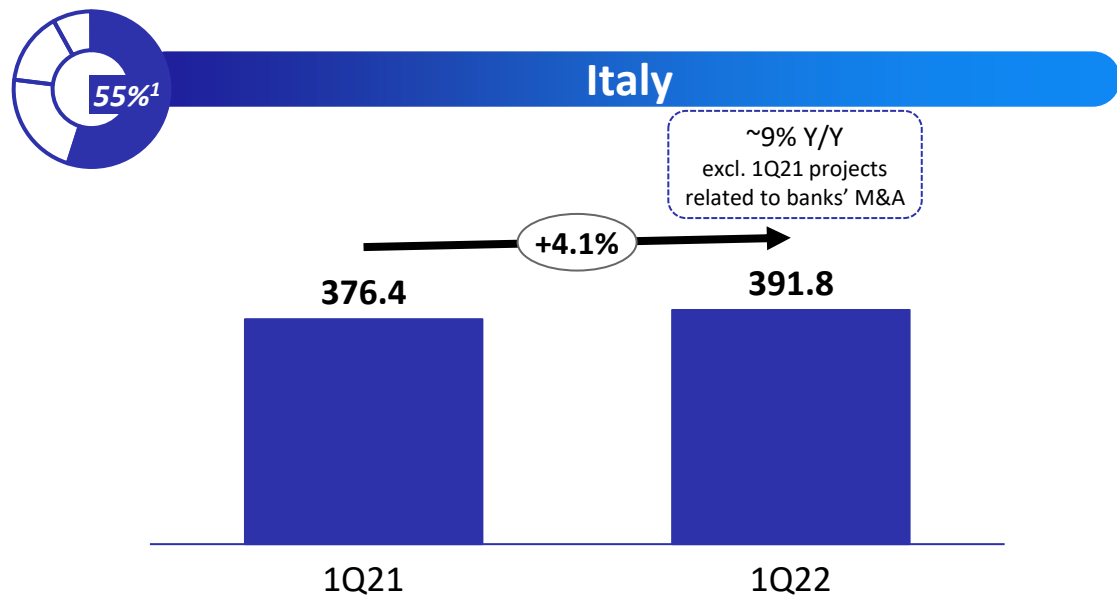


## Key Highlights

- **Flat Revenue performance in 1Q22** excluding 1Q21 extraordinary projects related to banks' M&A
- **Digital Corporate Banking:** good progress on VAS. Performance affected by **business discontinuity related to banks' M&A**
- **Open Banking:** positive performance driven by Globe API usage and good progress on new services to Corporates
- **Self-banking:** sound revenue growth on ATMs driven by DCC and penetration of advanced ATMs
- **B2B/Corporate Payments:** good traction in Instant payments
- **eSecurity and Digitisation:** ramp-up of next-generation-eID. Performance affected by **planned migration from legacy platforms**



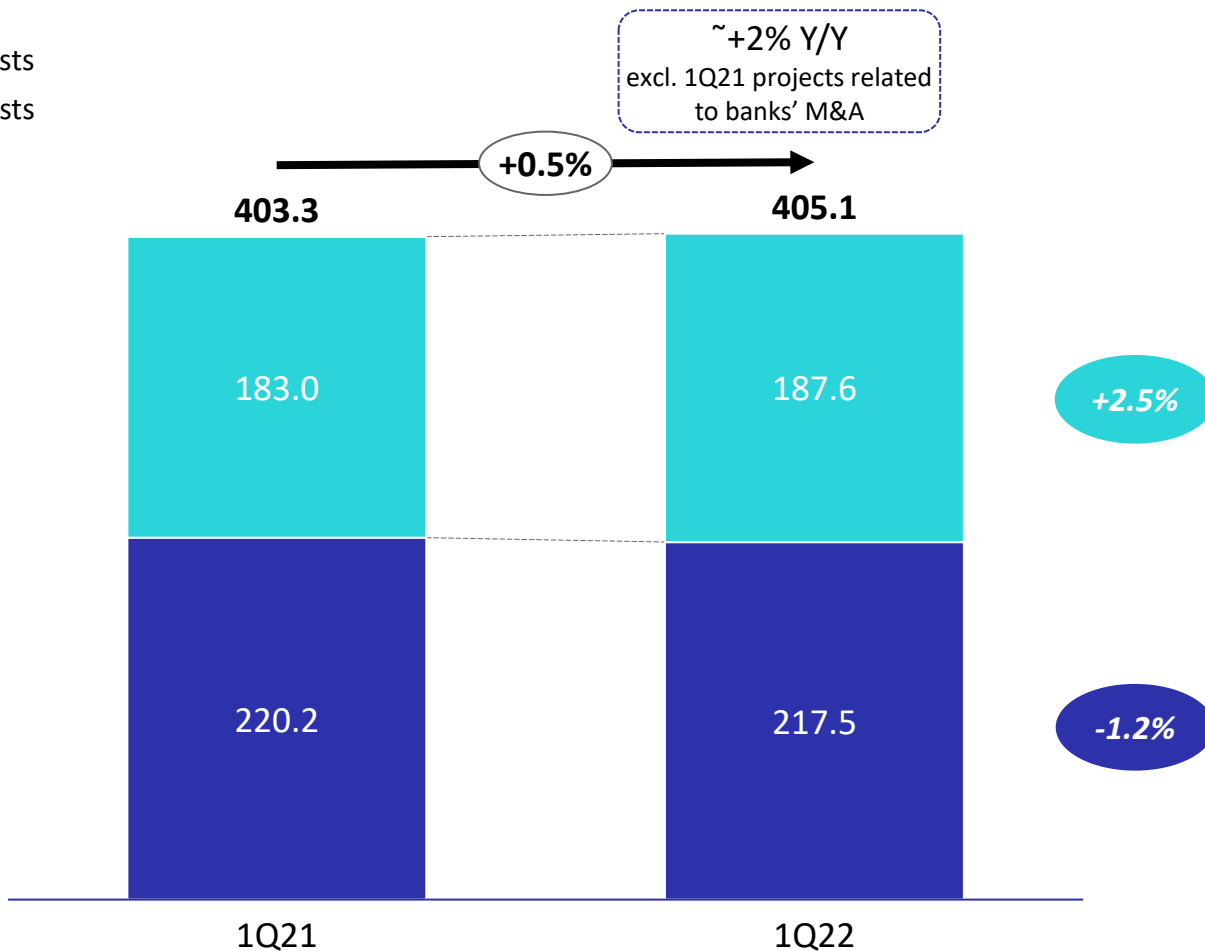
# Strong revenue performance across geographies, with DACH & Poland growing high-teens in 1Q22



# Strong operating leverage leading to substantially flat cost evolution vs 1Q21

## Total Costs (€M)

■ Personnel Costs  
■ Operating Costs



## Key Highlights

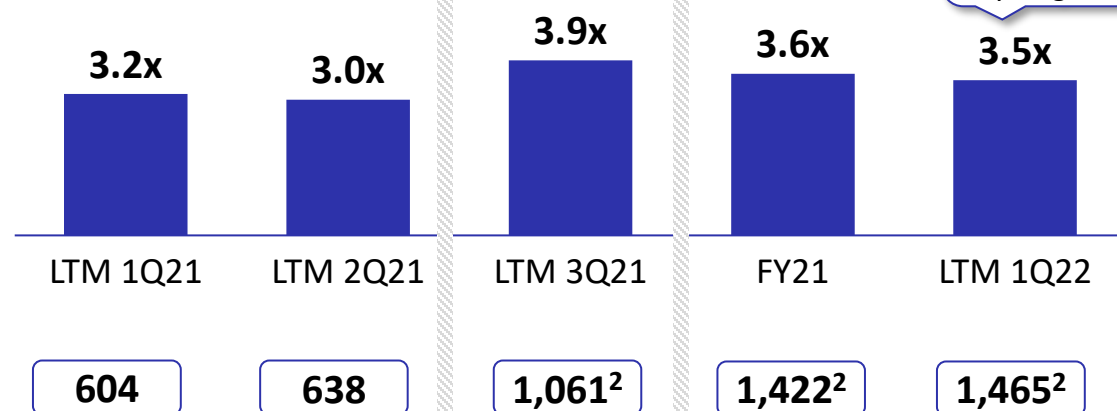
- **1Q22 total costs substantially flat vs last year** (~+2% excluding 1Q21 projects related to banks' M&A) **notwithstanding transaction value and business growth**, thanks to operating leverage and continued focus on cost control
- Personnel costs trend affected by variable compensation accruals and people investments in high-growth areas

# Net Financial Debt / EBITDA in line with plan, at ~3x including run-rate synergies

## Net Financial Debt (€M)

	<i>Nets closing</i>		<i>SIA closing</i>		
	Mar 21	June 21	Sept 21	Dec 21	Mar 22
<b>Gross Financial Debt</b>	3,648	5,721	6,376	7,474	6,584
<b>Cash</b>	1,591	3,727	2,168	2,230	1,449
<b>Cash Equivalents<sup>1</sup></b>	154	67	65	71	67
<b>Net Financial Debt</b>	<b>1,904</b>	<b>1,928</b>	<b>4,142</b>	<b>5,174</b>	<b>5,068</b>

## Net Financial Debt / EBITDA (€M)



LTM EBITDA (€M)

604

638

1,061<sup>2</sup>

1,422<sup>2</sup>

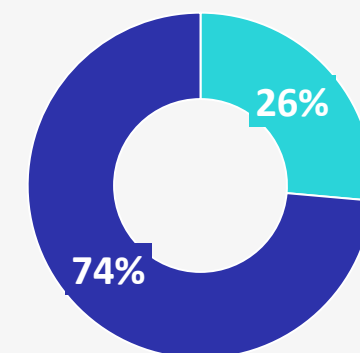
1,465<sup>2</sup>

## Key Highlights

- SIA bank debt reimbursed on January 3<sup>rd</sup>, 2022 for a notional amount of ~873€M by using available cash
- One notch **rating upgrade** to “BB” from “BB-” by both S&P and Fitch in 1Q22
- No debt maturities until 2024

## Interest rate mix

- Floating rate (zero-floored)
- Fixed rate



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**Closing remarks**

# Confirmed 2022 Ambition

Assuming exit from Covid-19 from the beginning of 2Q22 and no further escalation from Ukraine crisis:

<b>Net Revenues</b>	<ul style="list-style-type: none"><li>▪ 7-9% net revenue growth</li><li>▪ Double-digit growth in Merchant Services &amp; Solutions</li></ul>
<b>EBITDA</b>	<ul style="list-style-type: none"><li>▪ 13-16% EBITDA growth, +2 p.p. EBITDA margin expansion</li><li>▪ Delivered synergies partially reinvested in E-commerce and Germany acceleration</li></ul>
<b>Capex</b>	<ul style="list-style-type: none"><li>▪ 8-10% ordinary capex as % of net revenues</li></ul>
<b>Non recurring Items</b>	<ul style="list-style-type: none"><li>▪ Transformation and integration costs rapidly decreasing. 2022 almost halved compared to 2021 combined Group level</li><li>▪ ~300 €M Transformation and integration Capex by 2024-2025</li></ul>
<b>Leverage</b>	<ul style="list-style-type: none"><li>▪ Continued organic de-leverage with target net debt of ~2.5x EBITDA including run-rate synergies at current perimeter</li></ul>



# Key messages

Capital Markets Day scheduled  
for September 2022

## Accelerated volume growth in 1Q22 across all geographies

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Annex

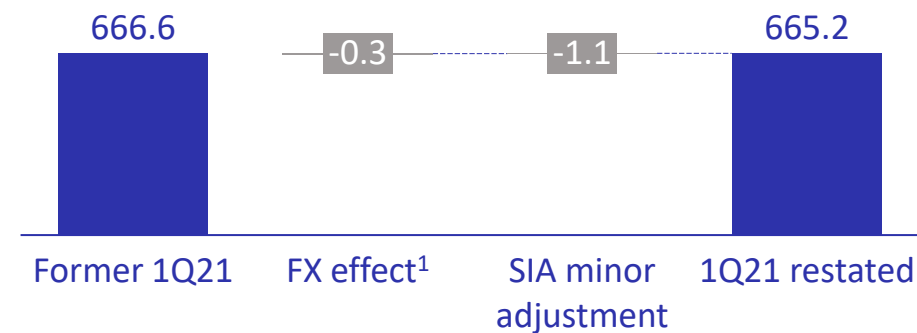
# Group P&L

## Group P&L

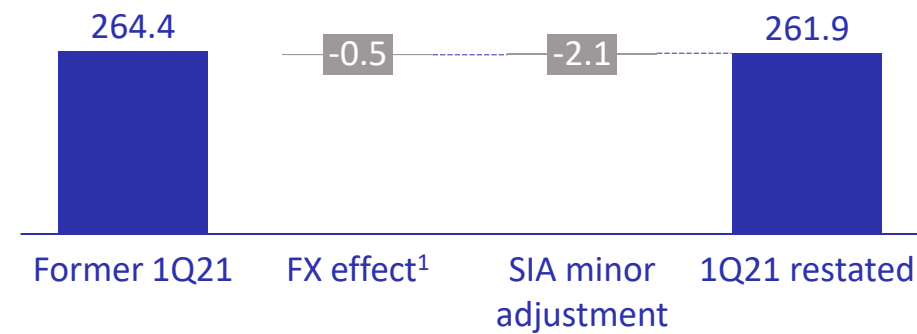
€M	1Q21	1Q22	Δ% vs. 1Q21
Merchant Services & Solutions	327.4	369.2	+12.7%
Cards & Digital Payments	219.9	230.3	+4.8%
Digital Banking & Corporate Solutions	117.8	113.1	-4.0%
<b>Operating revenue</b>	<b>665.2</b>	<b>712.6</b>	<b>+7.1%</b>
Personnel Costs	(183.0)	(187.6)	+2.5%
Operating Costs	(220.2)	(217.5)	-1.2%
<b>Total Costs</b>	<b>(403.3)</b>	<b>(405.1)</b>	<b>+0.5%</b>
<b>EBITDA</b>	<b>261.9</b>	<b>307.5</b>	<b>+17.4%</b>

## 1Q21 restatement

### Net Revenues (€M)



### EBITDA (€M)

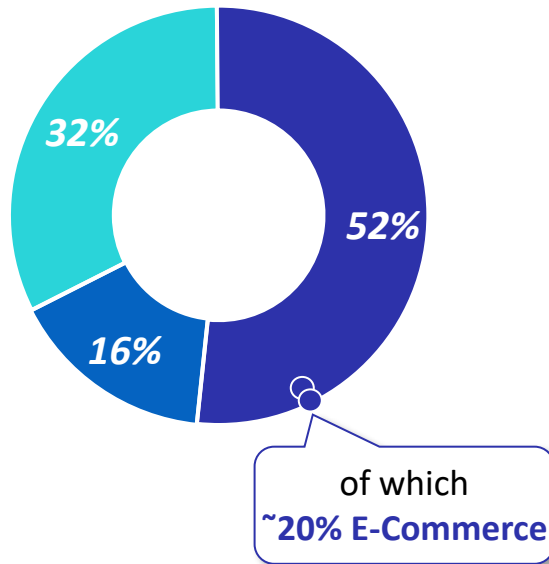


# Well diversified revenue base both in terms of business and geography at scale, with exposure to fast growing European markets

## 1Q22 Revenues breakdown

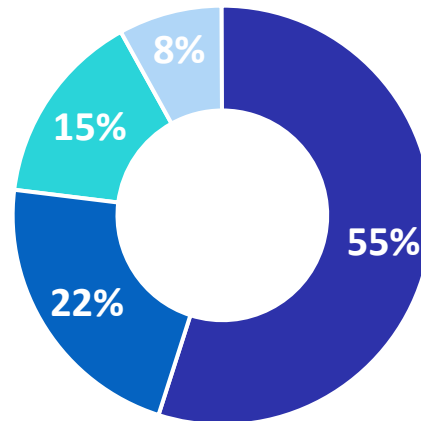
### By business

- Merchant Services & Solutions
- Cards & Digital Payments
- Digital Banking & Corporate Solutions



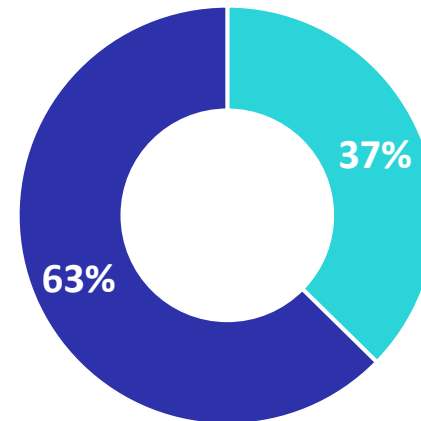
### By geography

- Italy
- DACH & Poland
- Nordics<sup>1</sup>
- SE Europe & Other



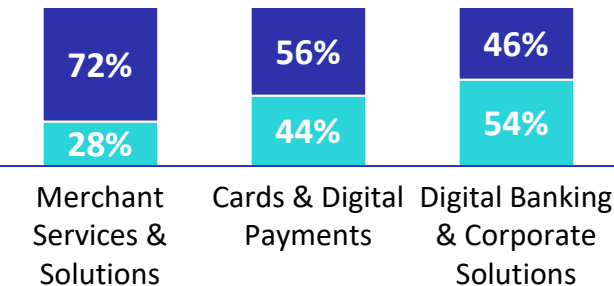
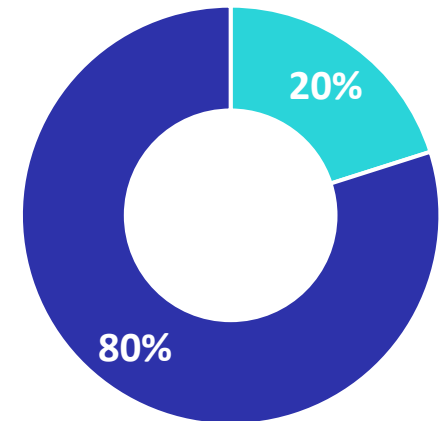
### By type

- Installed based
- Volume driven

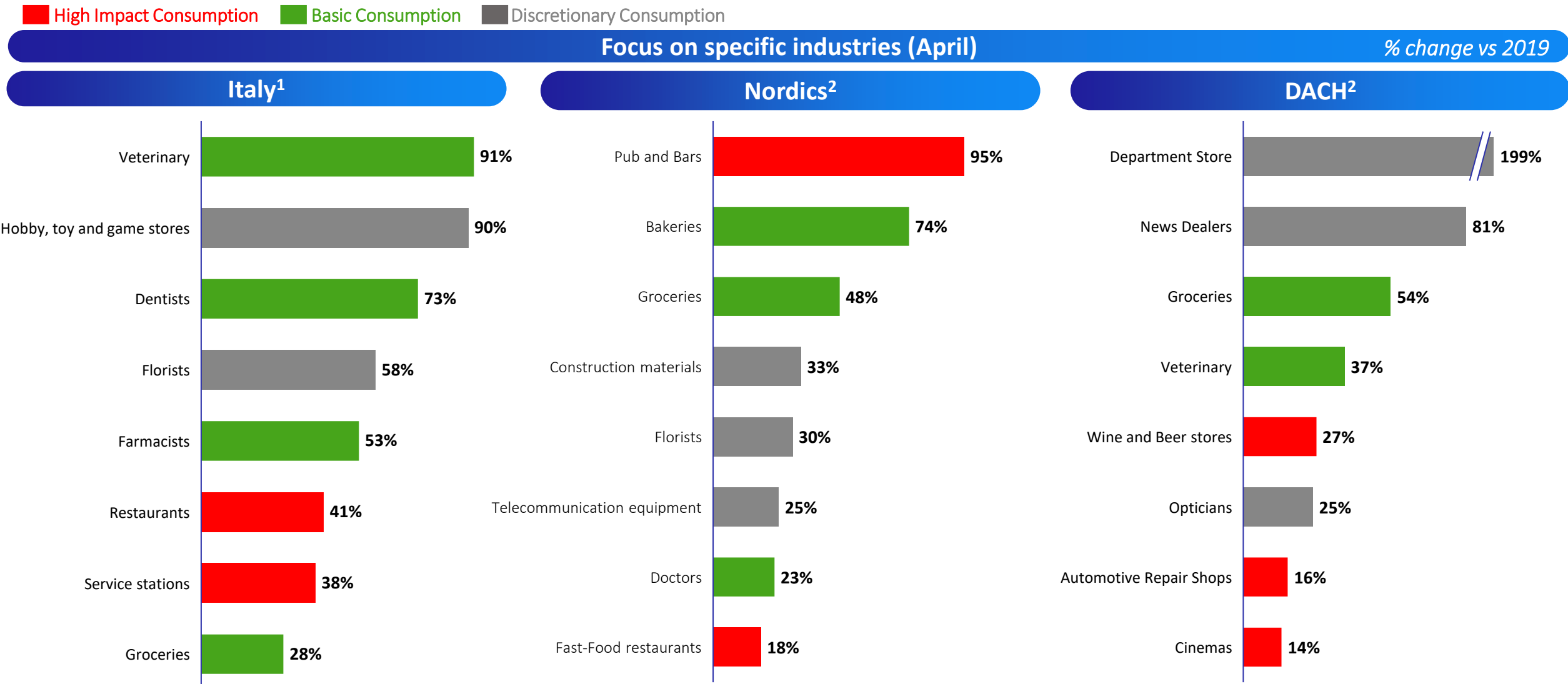


## 1Q22 Costs breakdown by type

- Variable costs
- Fixed Costs



# Continued acceleration of cash to digital payments shift across sectors







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