



FY 2020 Preliminary Results Presentation

February 11th, 2021



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Key messages from today

Strong overall performance, despite Covid, better than anticipated ambition

- EBITDA at 601.4 €M, +2.5% y/y
- EBITDA – Capex at 466.2 €M, +11.2% y/y
- Revenues at 1,043.9 €M, -2.8% y/y, positive in Q3 and -0.7% in Q4
- Very resilient operating performance

Visible signals of possible digital payments acceleration

- Visible customer habits acceleration towards digital payments during Covid-19
- Growing interest for more advanced digital/omnichannel solutions
- Good traction of Government “cashless” initiatives

Accelerated transformation into European PayTech leadership

- ISP merchant book acquisition completed. Integration executed since Q3
- Nexi-Nets merger signed. Antitrust filing completed
- Nexi-SIA merger signed

Positive mid-long term outlook as society and economy gradually recovers from Covid-19

Executive Summary

Covid-19 update

- **Transaction volumes** (acquiring + issuing) at 417 €B in FY20, **-11.4% y/y**, and 113 €B in 4Q20, **-8.6% y/y** due to Covid-19 second wave
- **Due to Covid-19 second wave restrictions, progressive slowdown on acquiring volumes from late October.** Second wave impact (-20% during the peak) materially lower than first wave (-50%). Compared to last Spring first wave:
 - **More selective soft lockdown:** industrial production and B2B activities open, only selected retail businesses closed
 - **Regions segmented in three risk tiers** based on Covid-19 situation, reviewed periodically, and characterized by different soft lockdown measures
- **Rapid volume recovery starting from mid-January 2021 after the easing of restrictions with material growth in Basic consumption** and fast recovery in Discretionary spending. **Acquiring volumes on Italian cards back to visible growth since end of January** while overall Acquiring volumes at -2% y/y¹ in the last week rolling (1st- 7th February), still affected by weakness in Foreign cards¹
- **Strong E-commerce acceleration in 2020** net of high impact consumption sectors: +37% y/y in FY20 and +42% y/y in 4Q20¹. Overall FY20 E-commerce performance less impacted by Covid-19 compared to physical sales (-2.1% y/y transaction value)
- **Continued signs of acceleration from cash to digital transactions. Good traction of Government cashless initiatives, cashback in particular**

Executive Summary

Results highlights

- **EBITDA** at 601.4 €M, **+2.5% y/y in FY20**. EBITDA at 172.5 €M, **+8.3% y/y in 4Q20**
- **EBITDA – Capex** at 466.2 €M, **+11.2% y/y in FY20**
- **Revenues** at 1,043.9 €M, **-2.8% y/y in FY20**. Revenues at 290.3 €M, **-0.7% y/y in 4Q20**

Key business update

- **Merchant Services & Solutions** (53% of Revenues): continued growth of POS customer base driven by vertical industry propositions, significant acceleration on omni-channel and mobility solutions and strong e-commerce sales results across segments
- **Cards and Digital Payments** (36% of Revenues): sustained growth of cards customer base, accelerated bank interest on International Debit and step up growth in c-less transactions and mobile payments transaction volumes
- **Digital Banking Solutions** (11% of Revenues): increasing demand for advanced Self, Remote and Open Banking solutions and further improvements to Nexi innovative Digital Banking offer
- **Costs -9.2% y/y in FY20** thanks to the continued focus on efficiency and 100+ €M cash cost containment plan over achievement
- **FY20 Net financial Debt/EBITDA down at 3.5x**; net of ISP merchant book acquisition down to 2.5x

SIA and Nets transaction update

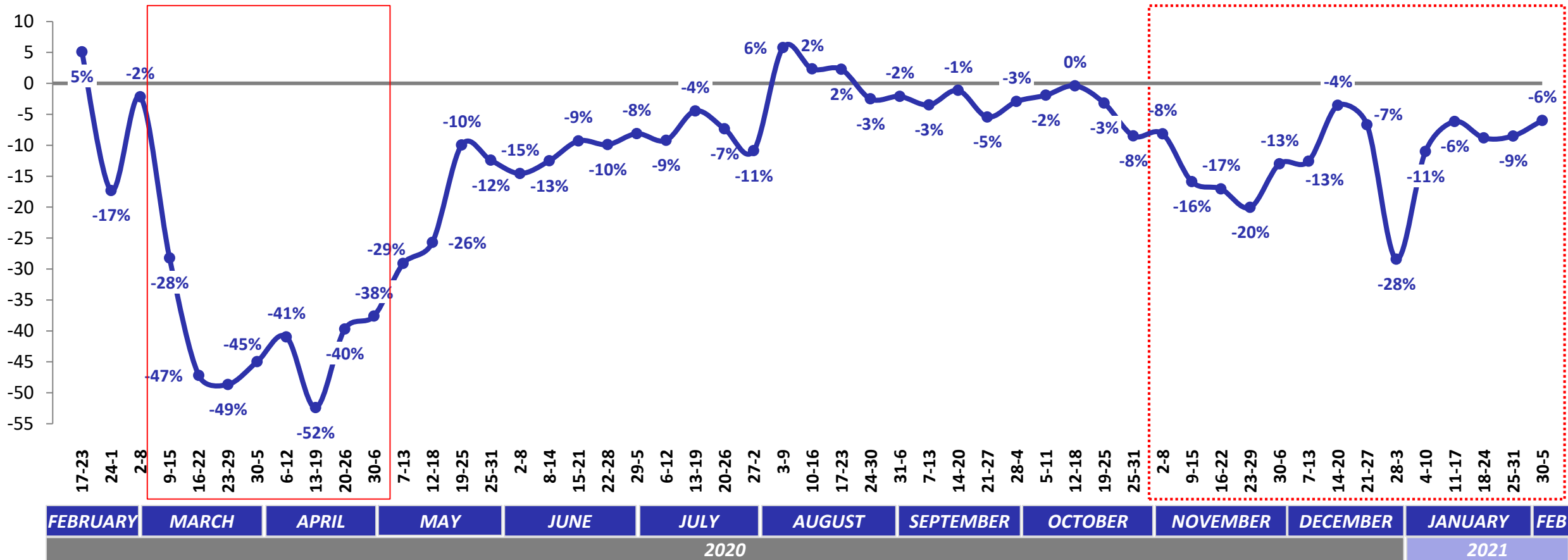
- Journey for creating the European PayTech Leader progressing as planned. SIA transaction: binding documentation signed. Nets transaction: filing of the cross-border merger plan to European Antitrust done. Closing expected in 2Q21 for Nets and 3Q21 for SIA
- **SIA results**: EBITDA at 285 €M, +3% y/y in FY20 and EBITDA at 89 €M, +13% y/y in 4Q20. Revenues at 748 €M, +2% y/y in FY20 and Revenues at 222 €M, +7% y/y in 4Q20
- **Nets results¹**: EBITDA at 360 €M, +4.1% y/y in FY20 and EBITDA at 109 €M, +21.5% y/y in 4Q20. Revenues at 976 €M, -1.2% y/y in FY20 and Revenues at 254 €M, -1.9% y/y in 4Q20

Covid-19 second wave impacting volumes less than first wave.

Rapid recovery visible from mid-January

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

Total Acquiring and Issuing volumes¹
-11.4% in FY20

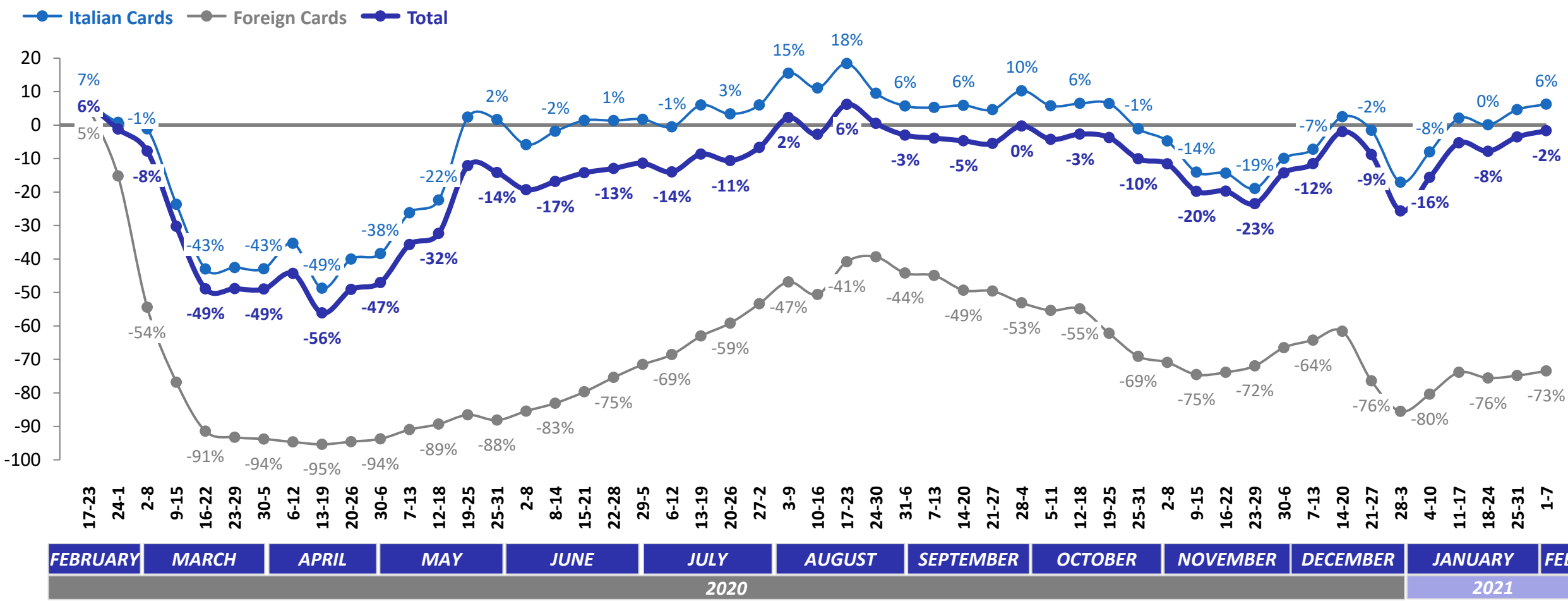


Covid-19 lockdown in Italy

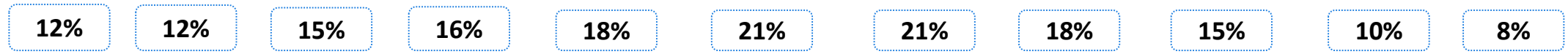
Covid-19 second wave in Italy

Acquiring volume recent recovery driven by Italian customers spending, now back to growth Y/Y. Foreign customers volume trend still negative

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

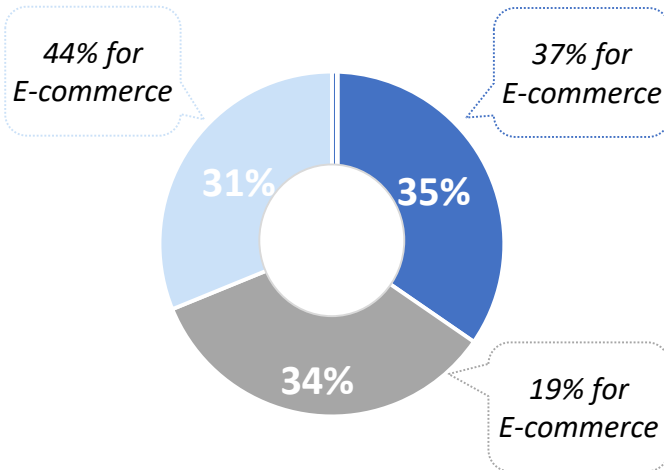


2019 monthly weight Foreign Cards on total volumes



Double digit growth and acceleration in Basic consumption and fast recovery in Discretionary spending. Strong E-Commerce growth net of high impact category

Acquiring volumes by category¹



Basic consumption

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

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

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

	Q120	Q220	Q320	Oct	Nov	Dec	FY20	Jan	LWR ²
Basic consumption	15%	12%	13%	21%	18%	25%	16%	25%	24% +26%
of which Physical	14%	11%	12%	20%	16%	24%	14%	24%	23%
of which E-commerce	29%	37%	36%	31%	43%	46%	36%	29%	35%
Discretionary consumption	-19%	-41%	-7%	-5%	-32%	-15%	-21%	-25%	3% +12%
of which Physical	-21%	-44%	-8%	-6%	-35%	-16%	-23%	-26%	2%
of which E-commerce	15%	62%	34%	31%	71%	36%	39%	26%	20%
High-impact consumption	-19%	-67%	-21%	-34%	-58%	-53%	-38%	-58%	-45% -35%
of which Physical	-18%	-67%	-20%	-30%	-55%	-51%	-37%	-56%	-41%
of which E-commerce	-23%	-69%	-33%	-66%	-78%	-71%	-50%	-73%	-71%
Total	-5%	-29%	-5%	-4%	-19%	-8%	-12%	-14%	-2% +6%
of which Physical	-6%	-31%	-6%	-3%	-20%	-8%	-13%	-14%	-1%
of which E-commerce	4%	-8%	4%	-10%	-3%	0%	-1%	-12%	-12%

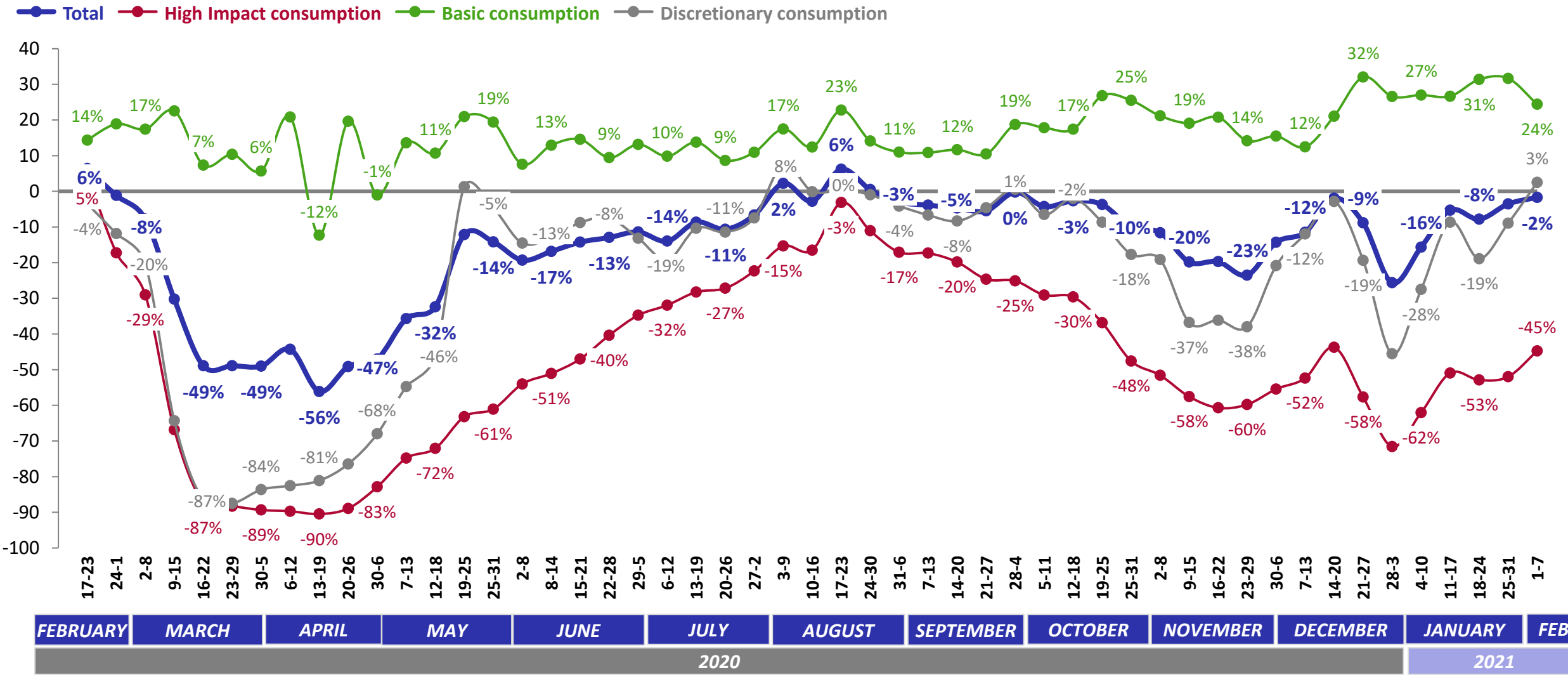
% change Y/Y on Italian Cards

2020 Acquiring volumes: split between Physical and E-commerce

	Q1	Q2	Q3	Oct	Nov	Dec	FY	Jan	LWR ²
Physical	93%	92%	94%	94%	92%	94%	93%	93%	93%
E-commerce	7%	8%	6%	6%	8%	6%	7%	7%	7%

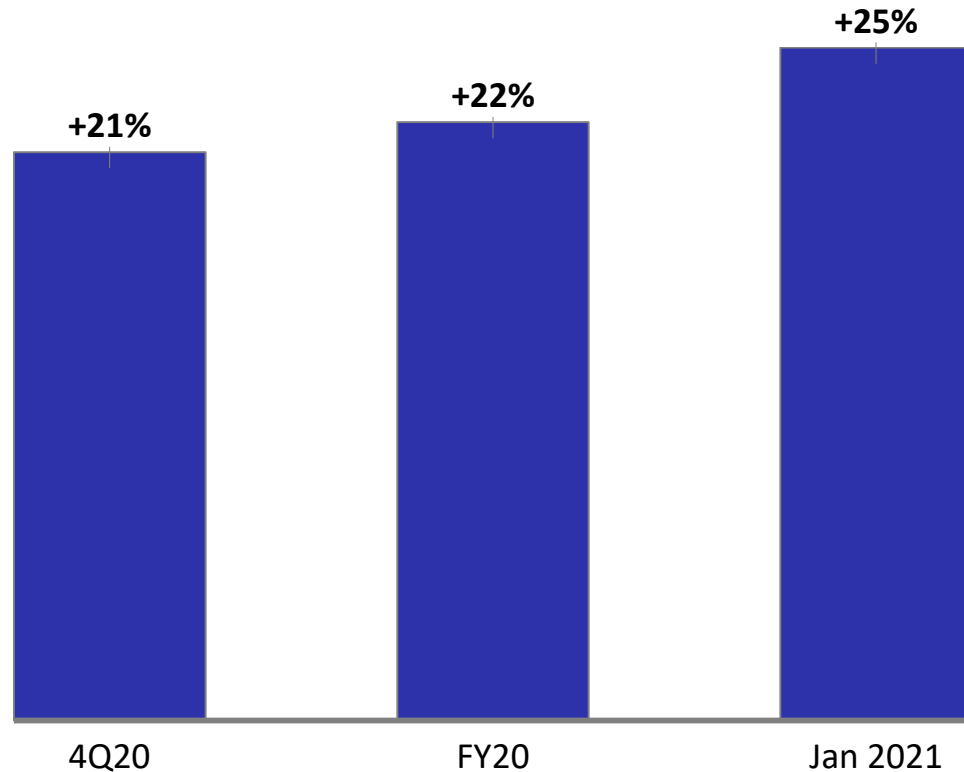
Double digit growth and acceleration in Basic consumption and fast recovery in Discretionary spending, while High impact category still suffering

Acquiring volumes by product category – Y/Y trend



Visible signals of acceleration of digital payments penetration in non-COVID affected sectors and less affected areas in the Country

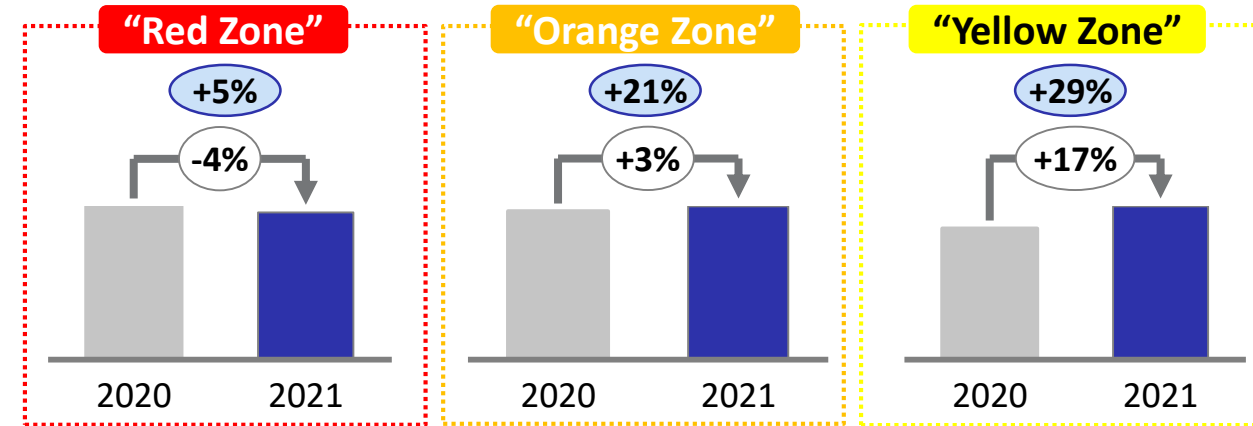
Digital payments Y/Y volumes for Italian cards:
Focus on Grocery category



Italian cards Y/Y volumes trend by
"Covid areas"¹

Week 25th – 31st
January

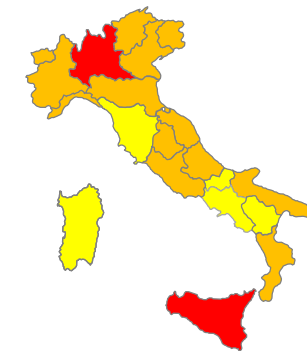
Net of high impact consumption sectors



Christmas period

Mid-January

Current



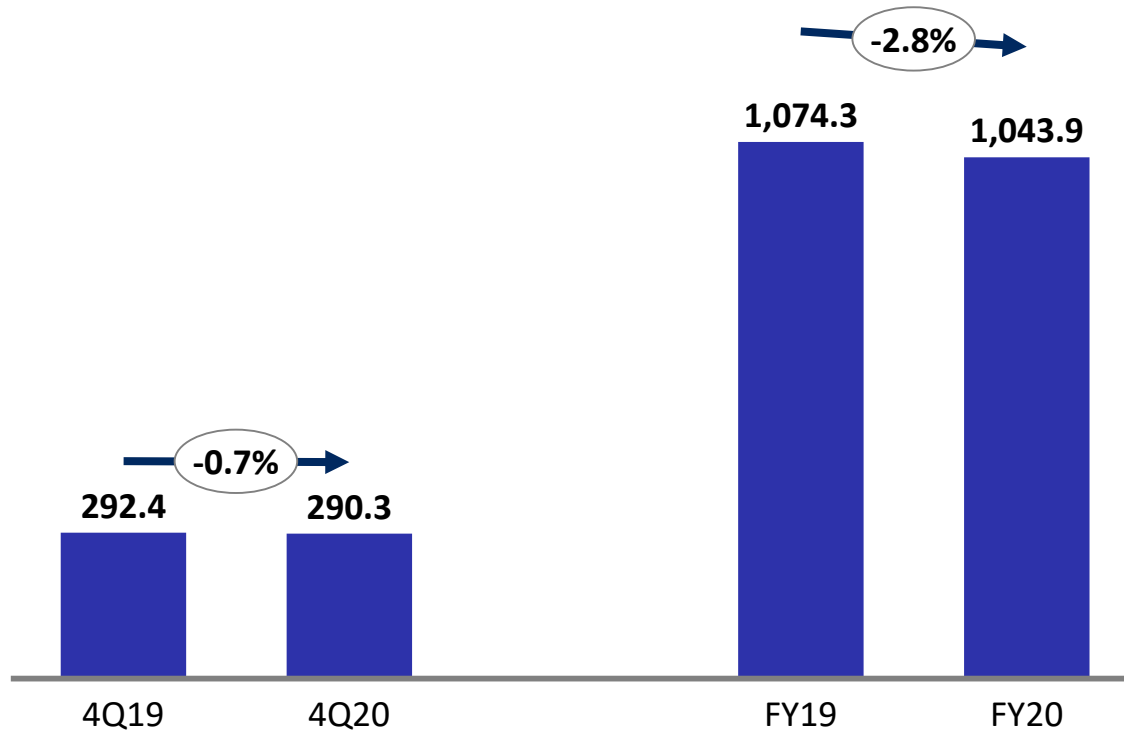
Focus on FY20 Preliminary Results

2019 and 2020 data include ISP merchant book acquisition

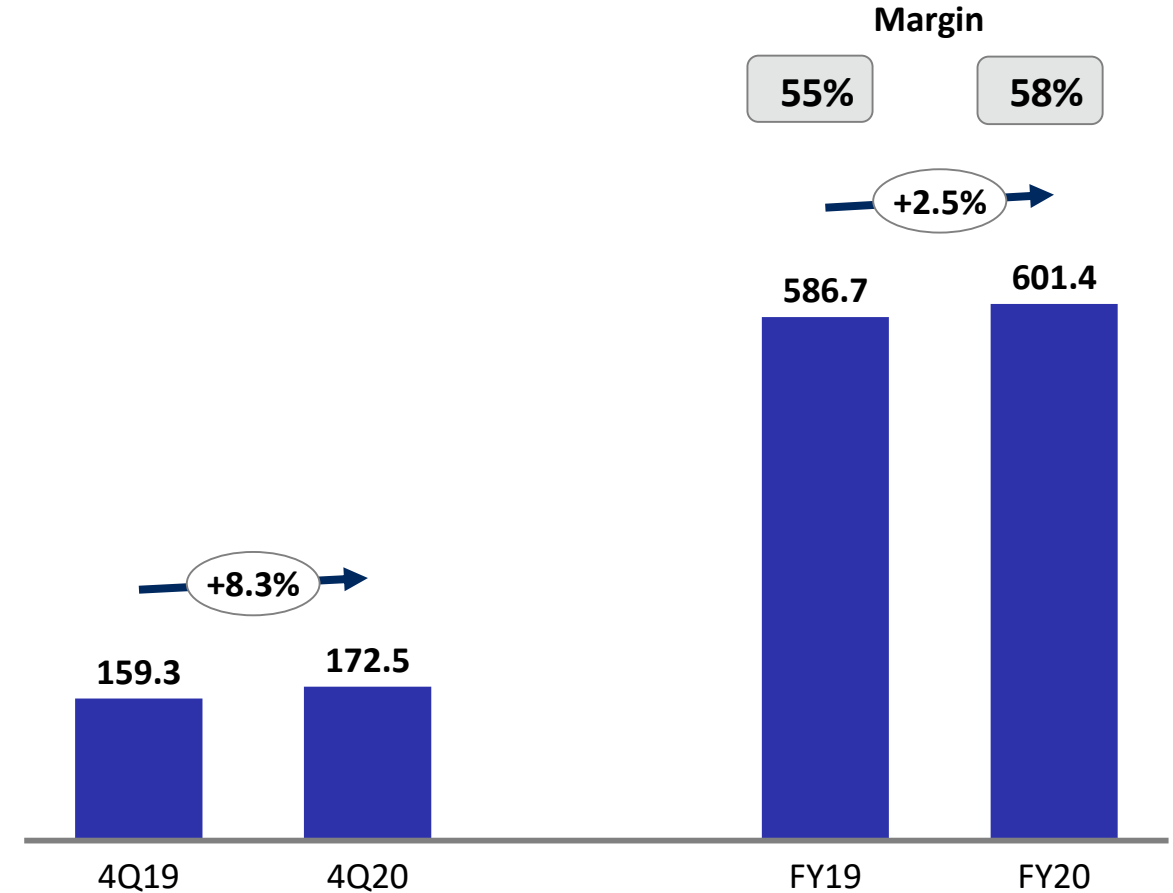


Strong financial performance with EBITDA growing 2.5% y/y at 601.4 €M. Resilient revenue performance, despite Covid-19 second wave in 4Q

Net Revenues (€M)



EBITDA (€M)



Merchant Services & Solutions: key business update (1/2)

Be the payment services provider of choice for every Italian merchant, in partnership with our partner banks

2020 Key drivers

1 Further development of Nexi proposition with effective and user friendly acceptance solutions for both SME and LAKA. Acceleration on **E-commerce proposition**

2 Stronger demand of advanced & omnichannel solutions driven by evolution of retail distribution

3 Government cashless initiatives

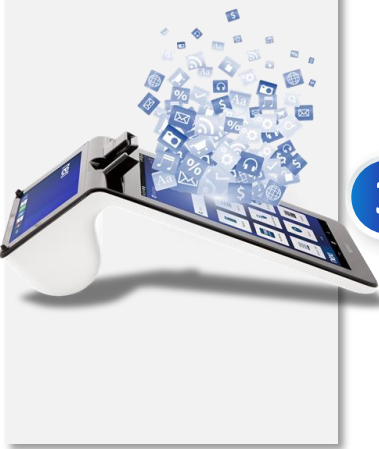


Key business update



SMEs

- **Strong growth of POS customer base** (+4.2% y/y) driven by **vertical industry propositions** (e.g. x3 sales on medical professionals)
- Significant acceleration on **omnichannel and mobility solutions** to support also home deliveries (e.g. **Pay-by-link offer** for remote acceptance)
- Good progress on **SmartPOS sales** (sales on ISP book started at year-end 2020)
- New **completely redesigned mPOS proposition**, with innovative companion app and multi-hardware capabilities
- **Merchant data-driven app Nexi Business** reaching over 55% penetration, becoming a digital channels for upselling
- **Expanding distribution footprint** with new direct online sales capabilities and new strategic distribution agreements with leading retailers, software developers (ISVs) and eCR distributors



Merchant Services & Solutions: key business update (2/2)

Be the payment services provider of choice for every Italian merchant, in partnership with our partner banks



2020 Key drivers

1

Further development of Nexi proposition with effective and user friendly acceptance solutions for both SME and LAKA. Acceleration on **E-commerce proposition**

2

Stronger demand of advanced & omnichannel solutions driven by evolution of retail distribution

3

Government cashless initiatives



Key business update

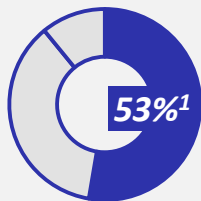
Large Merchants & Omnichannel

- **Good volumes' resilience** during Covid-19 thanks to leading position on large-scale food retailers
- **Highly differentiated proposition** combining advanced capabilities with local expertise and Country specific business requirements (e.g. cashback, BancomatPay, ...)
- **Clear acceleration on delivering omnichannel solutions** to increase customer base value and stickiness
- Strong pipeline on **emerging verticals** such as **B2B payments for distribution chains**, insurance agent networks and pharma retail chains
- **Strong pipeline** in metropolitan/regional **transport** segment
- New sales specialist team **dedicated to mid-corporates** in place

E-commerce

- **Strong sales results across all segments** (gateway activations +50% y/y, new merchants acquisitions x4 including Pay-by-link)
- Further enlargement of **strategic partnerships footprint** with CMS and marketplaces platforms (e.g. ItaliaOnLine, StoreEden,..)
- New wins in **invisible payments** (e.g. on taxi/mobility apps)
- **Very good traction on Public Administration segment** (e.g #1 acquirer on PagoPA with +100% y/y growth)
- Strong focus on managing impacts **from PSD2/ SCA regulation**

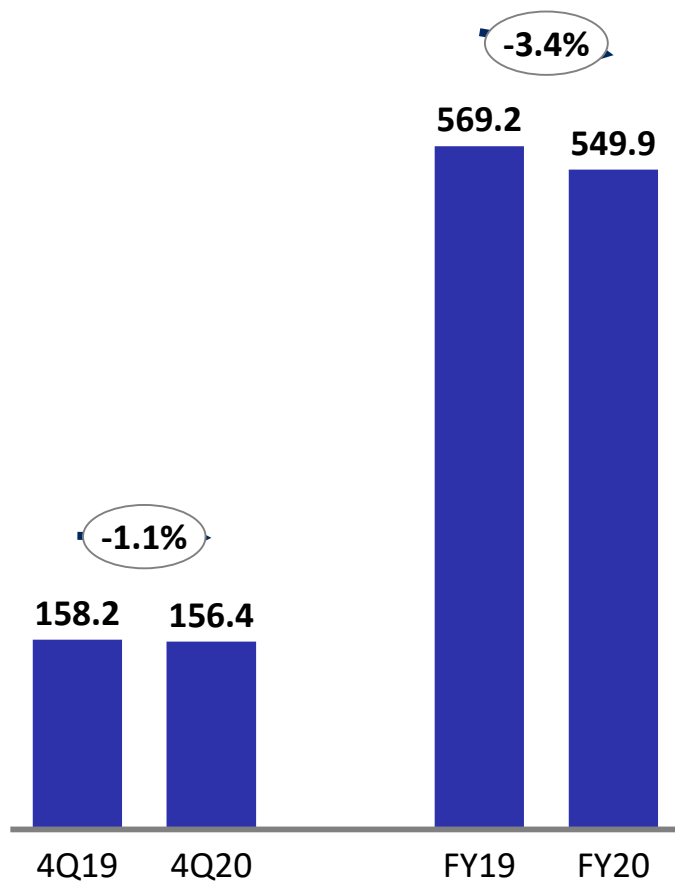
Merchant Services & Solutions: customer base growth and more advanced solutions support performance



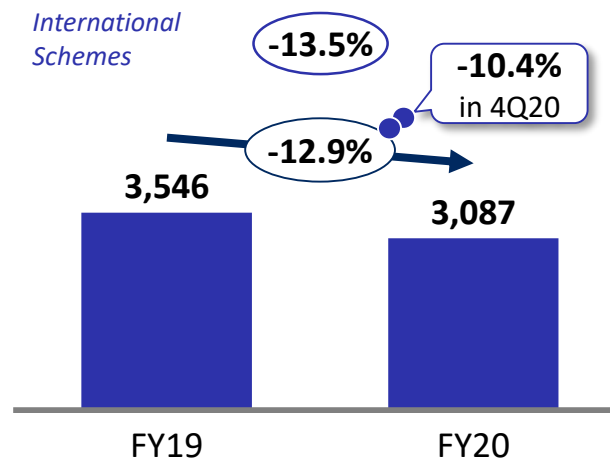
Merchant Services & Solutions



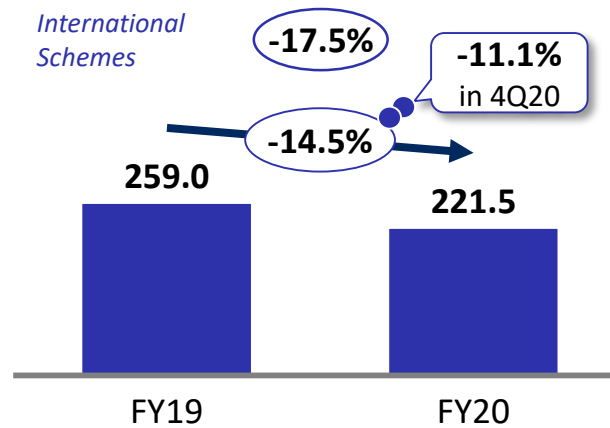
Net Revenues (€M)



Managed Transactions (#M)



Value of Managed Transactions (€B)



Key Highlights

- Managed transactions and Value of managed transactions reflects the impacts of Covid-19 first and second wave
- Strong E-commerce volume performance net of high impact consumption sectors (+37% y/y in FY20 and +42% y/y in 4Q20)²; overall FY20 performance less impacted by Covid-19 compared to physical sales (-2.1% y/y transaction value)
- E-commerce revenue growth despite overall e-commerce marginal declining volumes thanks to technology sales and mix
- Flat y/y revenues from installed base (1/3 of total revenues)
- 4Q Net Revenues positively impacted by volume mix more skewed towards Italian cards while Foreign cards still suffering

Cards & Digital Payments: key business update

2020 Key drivers

1

Continuous improvement of Nexi proposition with innovative digital payments solutions for both consumers and banks

2

Increasing demand from customer and banks for advanced solutions (i.e. on digital issuing and B2B virtual cards)

3

Government cashless initiatives

Be the Italian banks' partner of choice, offering a full portfolio with best-in-class Cards and Digital Payments services for customers



Key business update

Cards

- **Sustained growth of cards customer base**, in particular debit and prepaid cards, more oriented to everyday spending and e-commerce
- **Accelerated bank interest on International Debit**, with over 50 banks already onboarded/enrolled
- Launching **new International Debit premium proposition in 1H21**
- **Continued evolution on National Debit digital capabilities**
- **Growing interest on B2B virtual cards for working capital optimization. Slowdown of business/commercial cards usage** due to Covid-19

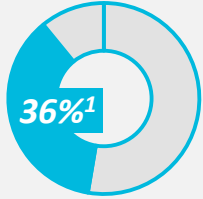
Digital and VAS

- **Continued growth of c-less transactions** (from 38% pre lockdown to 45% in December). Increase from 25€ to 50€ limit for PIN/signature-less C-less payments; gradual roll-out from 1Q21
- **Step up growth in mobile payments transaction volumes +140% y/y** with +57% y/y enrolled cards
- Increased penetration and diversification of **VAS and loyalty program**
- **One-click activation and monitoring of Government Cash-back program through Nexi Pay app**, driving penetration and usage

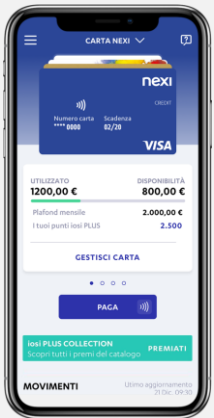
YAP

- **Continued progress on YAP – millennials mobile payment app** - with ~880k enrolled clients to date, +98% y/y in Q4 in P2B volumes

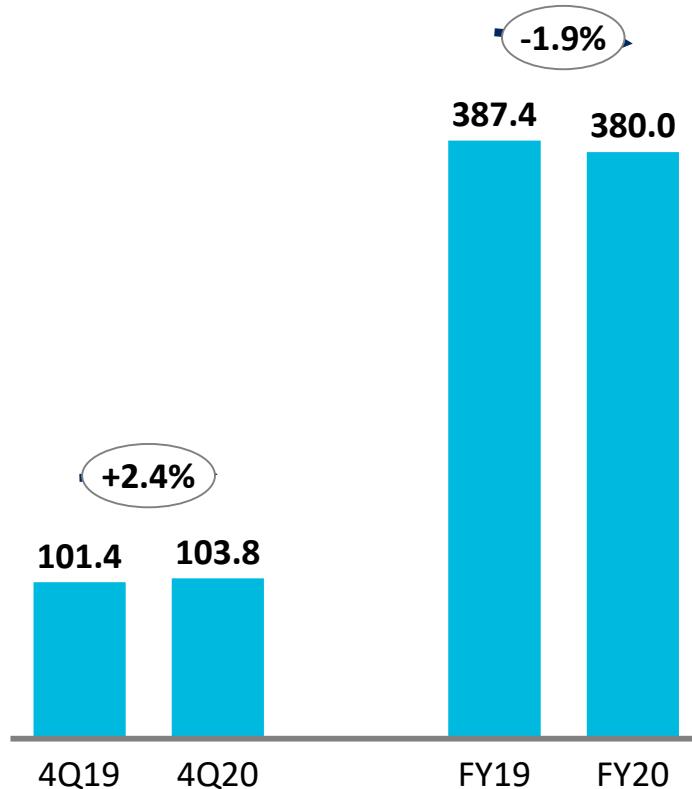
Cards & Digital Payments: back to growth in 4Q, supported by customer base growth and more valuable products



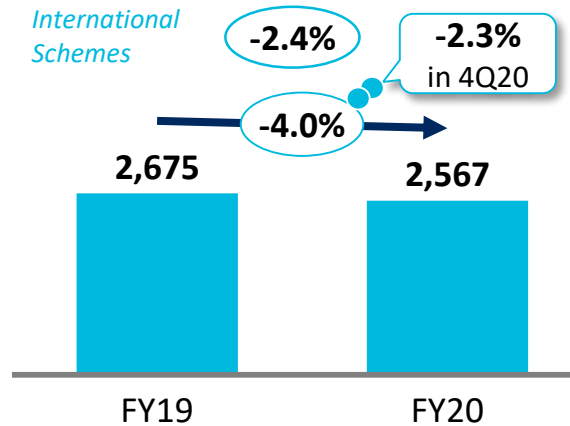
Cards & Digital Payments



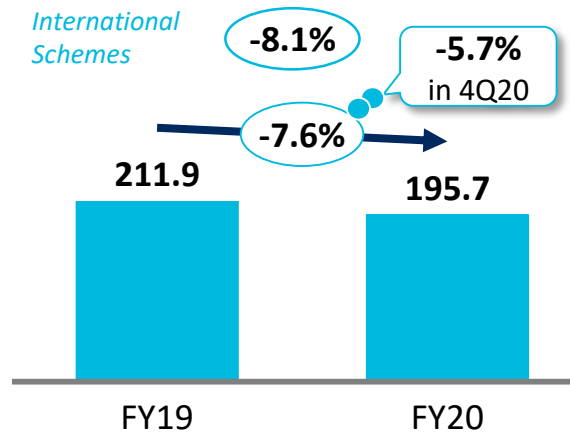
Net Revenues (€M)



Managed Transactions (#M)



Value of Managed Transactions (€B)



Key Highlights

- Managed transactions and Value of managed transactions affected by Covid-19 first and second wave.
- Managed transactions sustained by international schemes in Q420 (-1.6% y/y)
- Continued push on international debit, with increasing cards stock and Value of managed transactions (+0.8% y/y in FY)
- +6.8% y/y revenues from installed base (>60% of total revenues)
- 4Q Net Revenues still affected by mix due to lower domestic travellers spending extra EU and lower commercial cards volumes

Digital Banking Solutions: key business update

Provide state-of-the-art innovative solutions to support Bank customers digitalization with E2E outsourcing models



2020 Key drivers

1

Further improvements to Nexi innovative Digital Banking offer (e.g. new DCB features and ATM VAS)

2

Increasing demand for advanced Self, Remote and Open Banking solutions

3

Partial slowdown of business ordinary activities (eg ATMs maintenance) **and delayed Banks' projects/initiatives due to Covid-19**



Key business update

Self-banking

- **Roll-out of the new front-end platform completed at 95%** on ATMs installed base
- **Continued growth of advanced ATM** (+5% y/y). Slight decrease of total stock (-2%)
- **Started commercialization of new innovative VAS** (e.g. CRM)

Digital Corporate Banking

- **Further wave of innovative functionalities for the new Digital Corporate banking platform** (e.g. Mobile app for CFOs, e-invoicing/payment)
- **Continued growth of installed workstations** (+2% y/y)

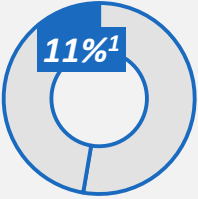
B2B/ Corporate Payments

- **Good progress on Instant payments onboarding**, with 15+ more banks live in 2020
- **Strong commercial pipeline and flagship customer wins** in Corporate payments, especially on:
 - **New Pay-by-account large tickets payment solution**, based on open banking (PIS)
 - **Payments-as-a-service 360° platforms** for Corporate/IMEL/IPs
- **Renewed strategic partnership with BFF/Depobank**, for combined offering of digital payments and treasury-settlement banking services
- **Slow-down of domestic ACH transactions** (in part. checks) due to Covid-19

Open Banking

- **Good progress on third-parties connected to CBI Globe platform** (now at 140) and on **customer wins on CBI Globe TPP Gateway**. **Strong growth of volumes** (3x 2H vs 1H), although still at early stage, also due to Covid-19 and Brexit
- **More than 20 top fintechs/business partners onboarded on Nexi Open platform** (e.g. Meniga, Experian). Acceleration of commercial activities with Banks/Corporates

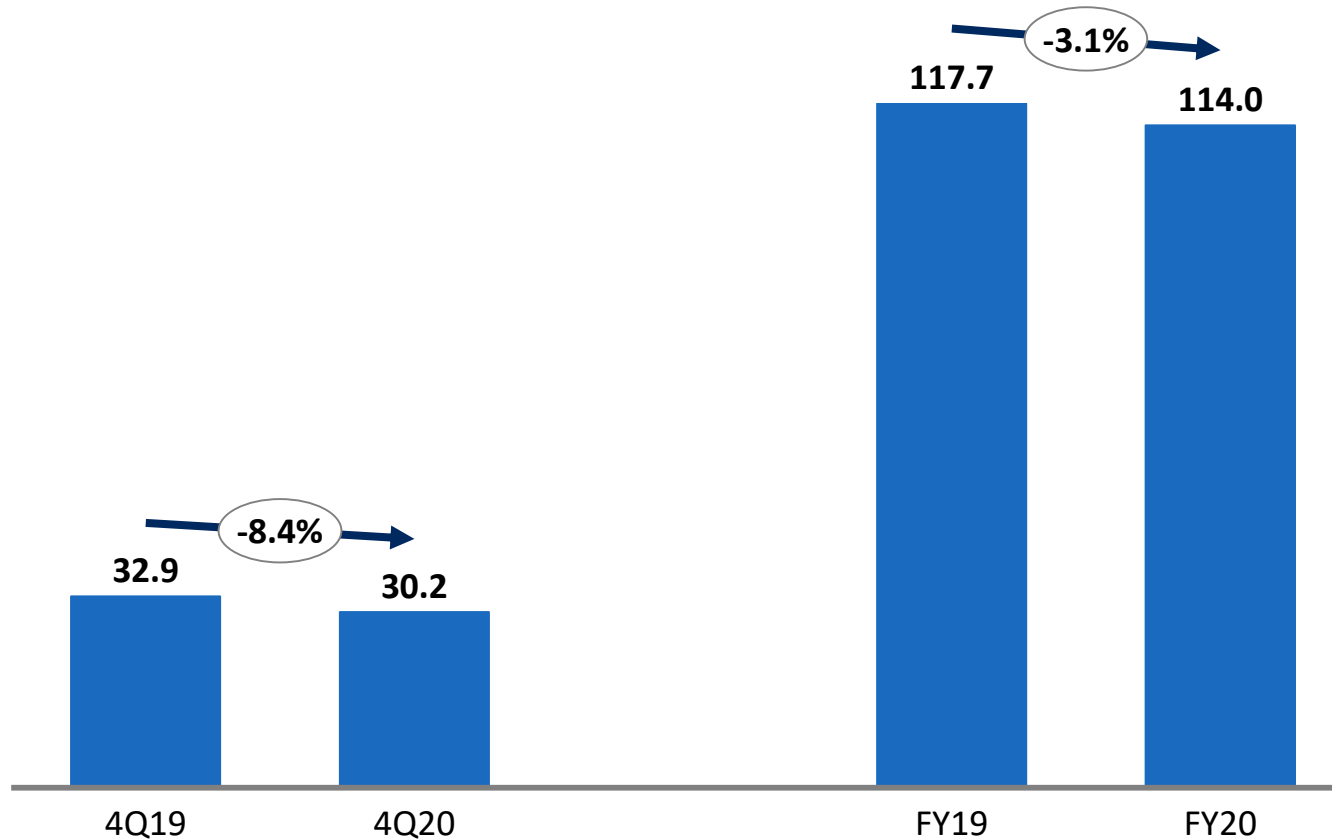
Digital Banking Solutions: partial slow-down of ordinary activities and delayed Banks' projects/initiatives due to Covid-19



Digital
Banking
Solutions



Net Revenues (€M)

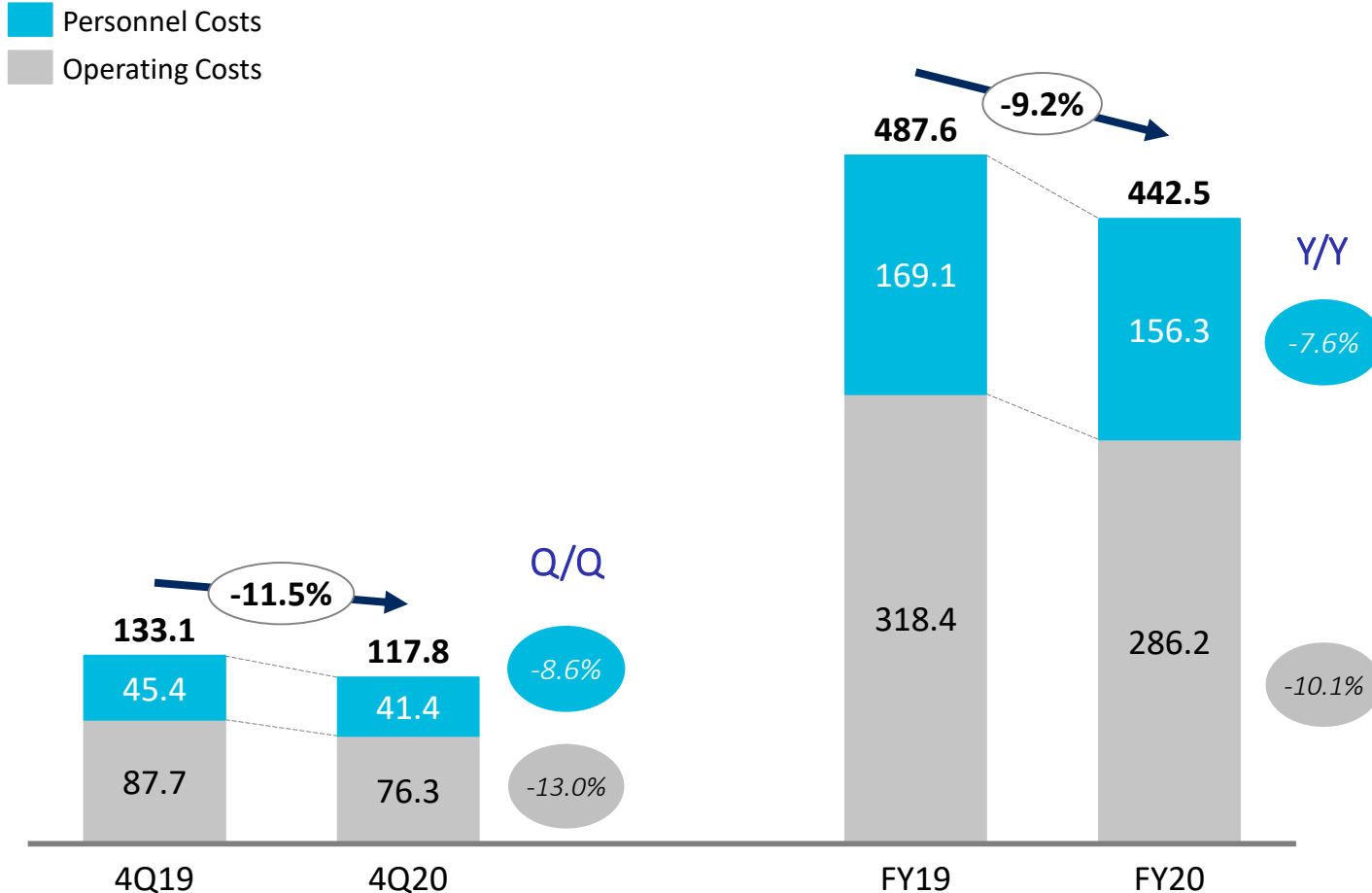


Key Highlights

- Slowdown of some business activities (e.g. DCB small evolutions, ATMs maintenance) and delayed banks' projects/initiatives (e.g. branch transformation) due to Covid-19
- Good contribution from new DCB and ATM platforms and initial contribution from Open banking
- Performance of 4Q20 affected by lower reselling and other one-off events (net of these effects substantially flat Q/Q performance)

Material cost reduction delivered both in the quarter and in the year

Total Costs (€M)



Key Highlights

Decrease in total costs (-45.1 €M) mainly driven by:

- 100+ €M cash cost containment plan execution
- continued focus on efficiency
- impacts from implementation of IT strategy

Limited credit risk exposure. 2020 LLPs at 3.0 €M acquiring and 3.3 €M issuing, broadly in line with 2019 level despite Covid-19

- **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 (~49k cards, equal to ~0.1% of Group total cards) and corporate cards

100+ €M cash cost containment plan to mitigate Covid-19 impacts over delivered despite higher volumes

% % realized

100+
€M

105%

Cost containment plan

Volume-base costs

92%

- 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

109%

Transformation Costs

- Postponement of few activities:
- YAP development
 - Other transformation projects

Capex

113%

- 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)

- Transformation Capex
- Ordinary capex

% of FY19 net revenues

% of FY20 net revenues

16%

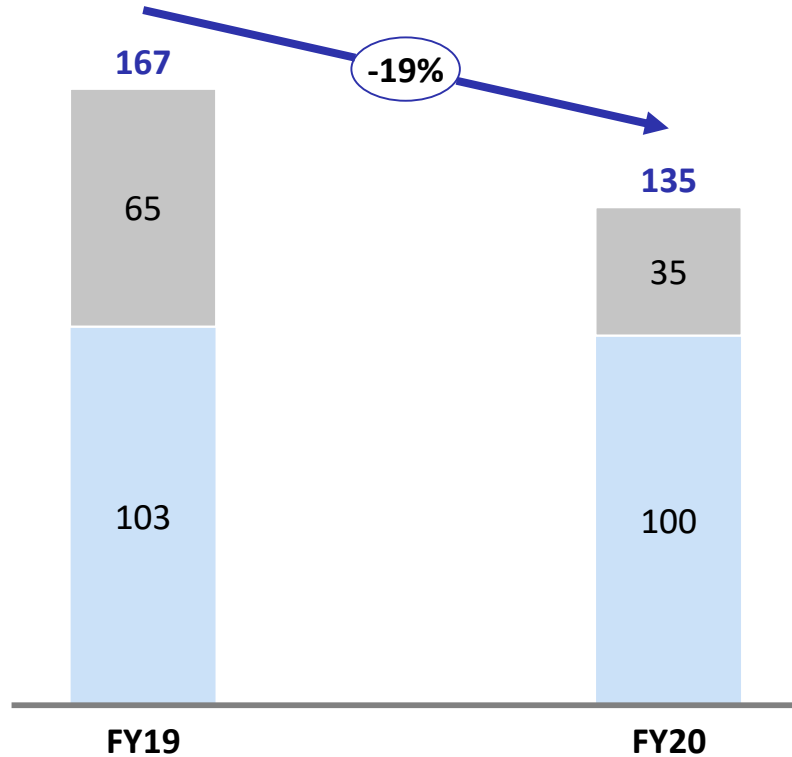
13%

6%

3%

10%

10%



Ongoing investments (FY 2020): key examples

Transformation Capex

35

Extraordinary Innovation:

- ✓ Open Banking Gateway & Corporate Banking

Next Generation Platform:

- ✓ Next generation omni-channel payment gateway
- ✓ New Acquiring Core Platform – 1st release
- ✓ Network infrastructure completion
- ✓ New GT POS Platform completion
- ✓ New CRM, Disputes, Marketing automation and channel management platforms
- ✓ New Data Lake infrastructure & analytics

Ordinary Capex

100

Continuous Innovation and Delivery:

- ✓ Digital properties evolution
- ✓ SMEs digitalization (e.g Pay-by-link)
- ✓ POS ecosystem evolution
- ✓ Cards and digital payments new VAS
- ✓ Bank migrations/integrations (UBI acquisition)
- ✓ Regulatory Compliance
- ✓ Anti pandemic related initiatives

Running and Maintenance/ Quality/ Security:

- ✓ Cyber security continuous improvement
- ✓ Hardware upgrade/refresh
- ✓ Acquisition Enterprise software licenses

POS and ATM purchase & other

IT strategy progress at 65%. ~40 €M of savings from M&A synergies reducing the remaining transformation capex to ~63 €M

Capital Expenditure (€M)

Transformation Capex progress

53%

65%

Transformation Capex for Extraordinary Innovation and Next Generation Platform deployment

- ~65% program spend completed to date
- ~103 €M expected to complete (2021 – c.2023)
- ~13 IT projects

16%

13%

6%

3%

M&A will drive 40 €M reduction from 103 €M to 63 €M

~ 103 €M

Total capex

Transformation capex

Ordinary capex

10%

10%

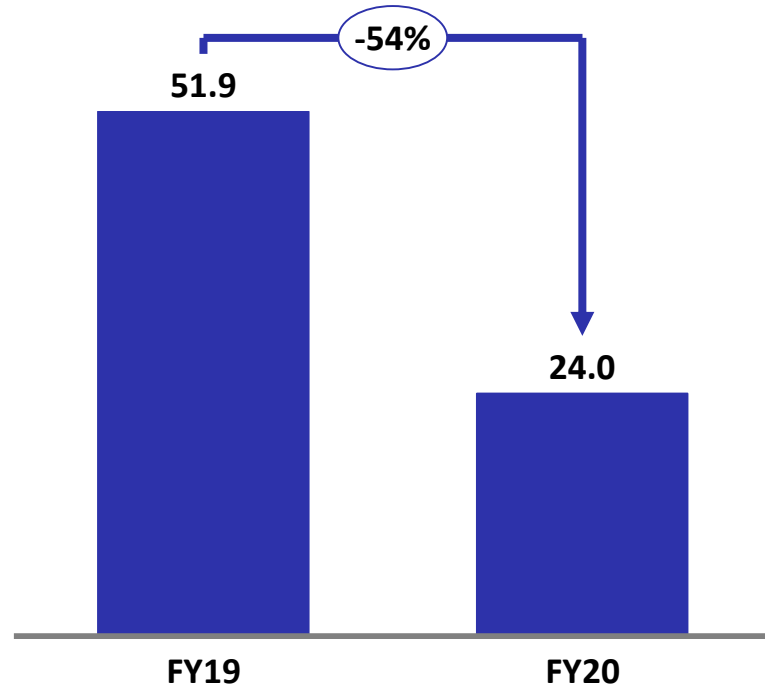
8-10% of net revenues

2016 2017 2018 2019 2020 2021 2022 2023

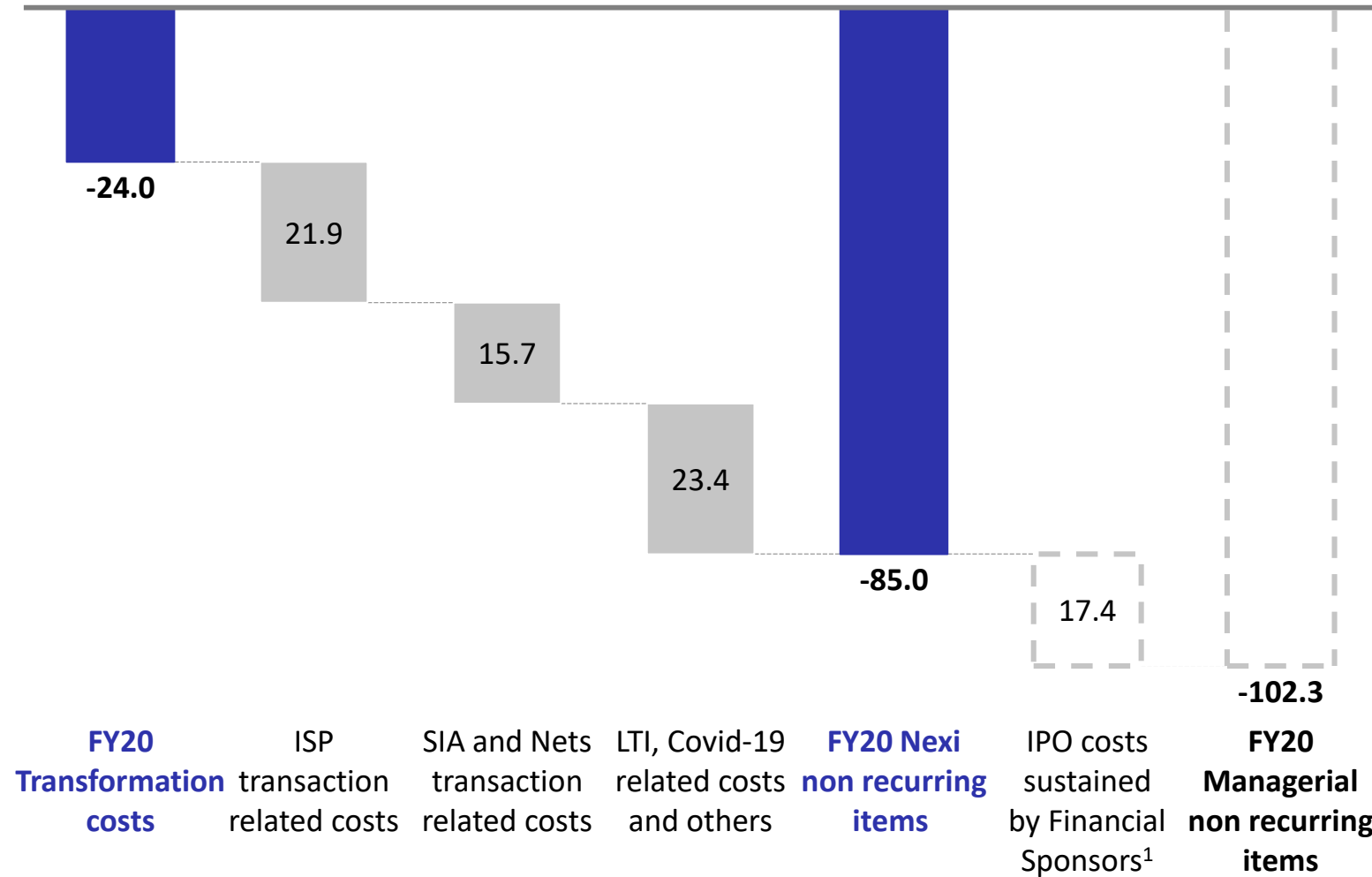
% Capex in % of net revenues

Transformation Costs down by 54% Y/Y in FY20

Transformation Costs (€M)

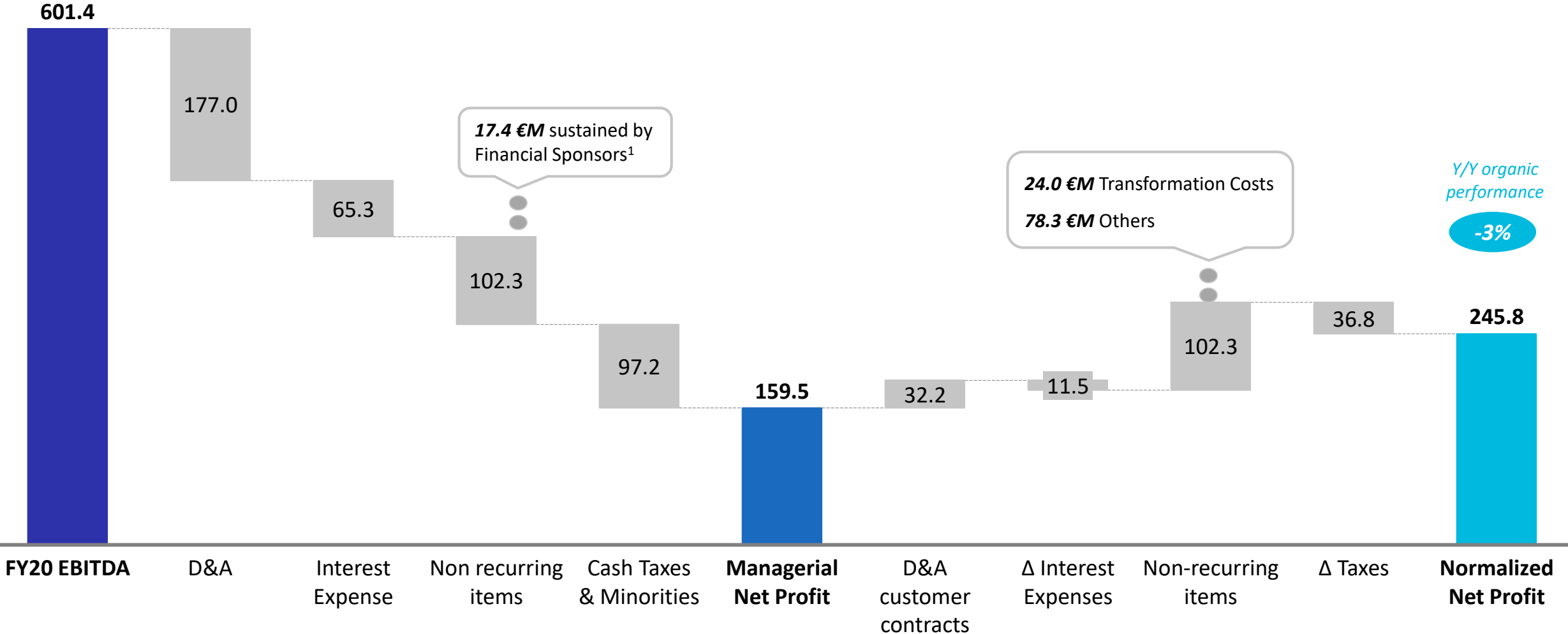


Bridge from FY 2020 Transformation Costs to Managerial Non recurring items (€M)



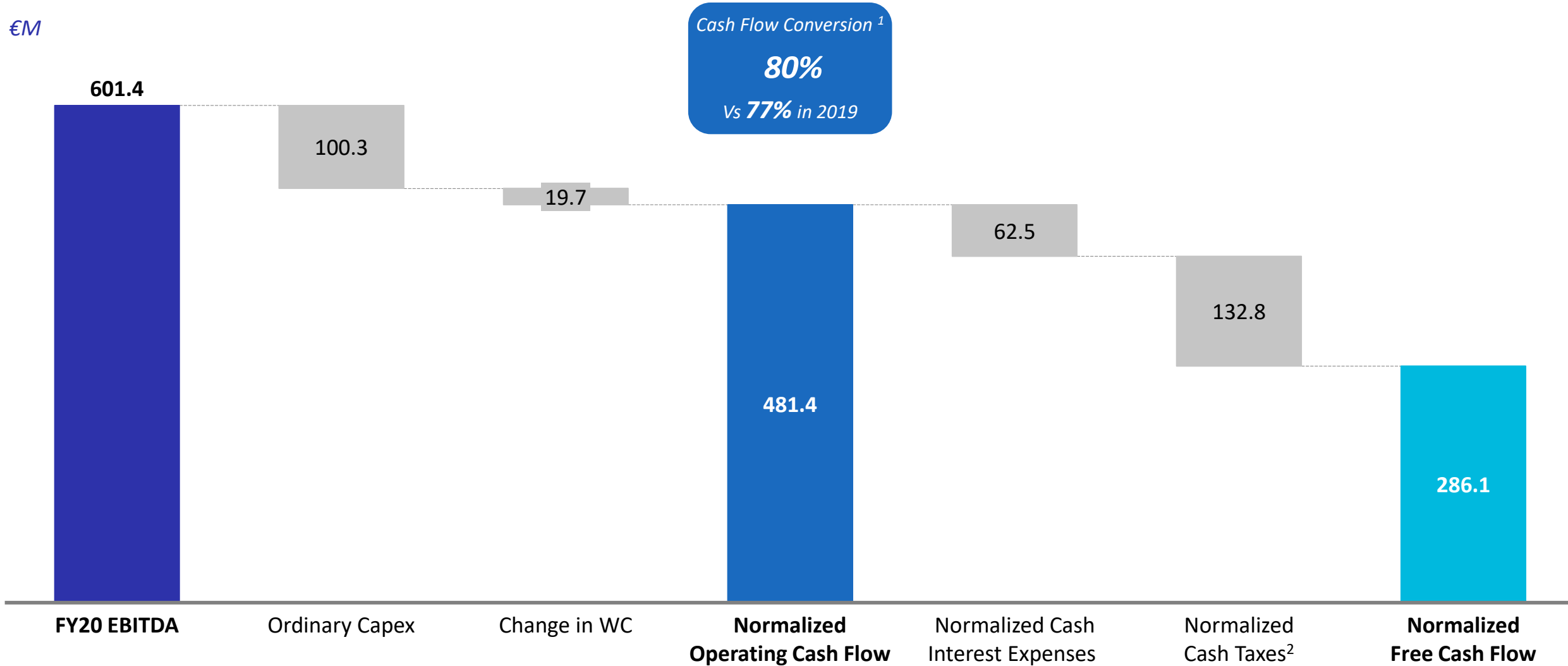
Normalized Net Profit at 245.8 €M, down by 3% Y/Y

€M



Cash Flow conversion at 80%

€M



Strong cash position. Net Financial Debt / EBITDA at 3.5x at year-end

Net Financial Debt (€M)

	Dec 19	June 20	Sept 20	Dec 20
Gross Financial Debt	1,840	2,741	2,747	2,781
Cash	248	316	406	499
Cash Equivalents¹	123	118	143	149
Net Financial Debt	1,470	2,307	2,198	2,133

Key Highlights

Current Debt structure includes:

- 1 €B Term Loan due 2024
- 825 €M Fixed-Rate Note due 2024
- 500 €M equity-linked due 2027
- 466.5 €M term loan due 2025
- Other residual debt (mainly IFRS 16)²

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

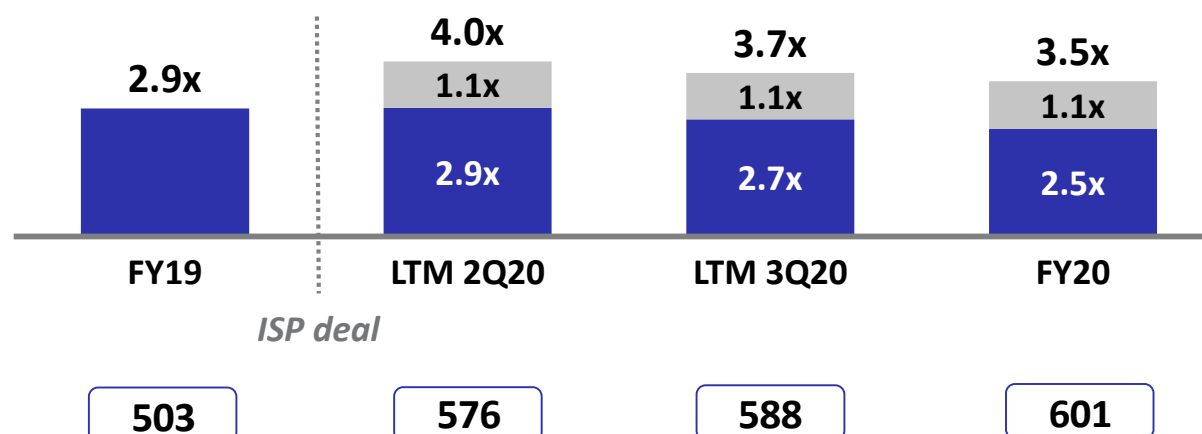
Weighted average pre-tax cash coupon p.a. at ~2.1%

The announced mergers resulted in Nexi's rating (BB-/Ba3/BB-) on CreditWatch Positive and positive outlook by S&P's and Moody's respectively, while Fitch put the rating on Rating Watch Positive after the SIA merger announcement

In November 2020, Nexi secured a 1.7 €B committed bridge facility to cover Nets' financial debt to be refinanced at closing

Net Financial Debt / EBITDA (€M)

ISP acquisition
Organic



EBITDA (€M)

Guidance suspended. 2020 Ambition over achieved

2020 Ambition

Net Revenues

- 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**

EBITDA and EBITDA-Capex

- 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**

Cash position

- Strong cash position

2020 Results



- Revenue growth positive in 3Q, ahead of plan
- Q4 Revenues at -0.7% y/y despite Covid-19 second wave



- EBITDA back to growth since 3Q, ahead of plan
- FY20 EBITDA growth +2.5%, at 601.4 €M
- 100+ €M Cash cost containment over achieved, despite higher volumes
- EBITDA – Capex at +11.2% y/y, at 466.2 €M



- Normalized Operating Cash Flow conversion at 80%
- Cash position substantially improved in the year
- FY20 NFP/EBITDA already down at 3.5x despite Covid-19, at 2.5x net ISP merchant book acquisition

Guidance suspended. Ambition to go back to material growth in 2021

Previous Guidance¹: 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"> 13-16% annual EBITDA growth over medium term Continued strong operating leverage
Non recurring Items	Rapid further decrease of non-recurring items affecting reported EBITDA
Capex	<ul style="list-style-type: none"> 8-10% ordinary capex as % of net revenues over long term Transformation capex on top of ordinary capex of 142 €M cumulative (2020 – c.2023)
Capital Structure & Capital Allocation	<ul style="list-style-type: none"> Organic de-leveraging with target net debt of ~2.0-2.5x EBITDA over medium to long term Progressive moderate dividend policy, targeting pay-out ratio of 20-30% of distributable profits in medium to long term

2021 Ambition

Assuming gradual recovery from Covid-19 in 1H21 broadly in line with the current trajectory:



- **Mid-high single digit Revenue growth**
- **Broadly stable EBITDA margin, +3 p.p. vs 2019**
- **Broadly stable Capex intensity ratio, anticipating M&A synergies**
- **Continued strong organic cash flow generation and de-leveraging profile**

Key messages from today

Strong overall performance, despite Covid, better than anticipated ambition

- EBITDA at 601.4 €M, +2.5% y/y
- EBITDA – Capex at 466.2 €M, +11.2% y/y
- Revenues at 1,043.9 €M, -2.8% y/y, positive in Q3 and -0.7% in Q4
- Very resilient operating performance

Visible signals of possible digital payments acceleration

- Visible customer habits acceleration towards digital payments during Covid-19
- Growing interest for more advanced digital/omnichannel solutions
- Good traction of Government “cashless” initiatives

Accelerated transformation into European PayTech leadership

- ISP merchant book acquisition completed. Integration executed since Q3
- Nexi-Nets merger signed. Antitrust filing completed
- Nexi-SIA merger signed

Positive mid-long term outlook as society and economy gradually recovers from Covid-19

Q&A



Annex



P&L

€M	FY19	FY20	Δ% vs. FY19	4Q19	4Q20	Δ% vs. 4Q19
Merchant Services & Solutions	569.2	549.9	-3.4%	158.2	156.4	-1.1%
Cards & Digital Payments	387.4	380.0	-1.9%	101.4	103.8	+2.4%
Digital Banking Solutions	117.7	114.0	-3.1%	32.9	30.2	-8.4%
Operating revenue	1074.3	1043.9	-2.8%	292.4	290.3	-0.7%
Personnel & related expenses	(169.1)	(156.3)	-7.6%	(45.4)	(41.4)	-8.6%
Operating Costs	(318.4)	(286.2)	-10.1%	(87.7)	(76.3)	-13.0%
Total Costs	(487.6)	(442.5)	-9.2%	(133.1)	(117.8)	-11.5%
EBITDA	586.7	601.4	+2.5%	159.3	172.5	+8.3%
D&A	(121.0)	(144.8)	+19.7%			
Interests & financing costs	(76.9)	(76.9)	+0.0%			
Normalized Pre-tax Profit	388.8	379.7	-2.3%			
Income taxes	(135.2)	(132.2)	-2.2%			
Minorities	(1.5)	(1.7)	+14.7%			
Normalized Net Profit	252.1	245.8	-2.5%			

2019 and 2020 data include ISP merchant book acquisition - quarterly data restated after ISP deal transaction close

Managerial P&L vs Normalized P&L

€M	FY20	Delta	Normalized FY20
Merchant Services & Solutions	549.9		549.9
Cards & Digital Payments	380.0		380.0
Digital Banking Solutions	114.0		114.0
Revenues	1043.9		1043.9
Personnel & related expenses	(156.3)		(156.3)
Operating Costs	(286.2)		(286.2)
Total Costs	(442.5)		(442.5)
EBITDA	601.4		601.4
D&A	(177.0)	32.2	(144.8)
Interests & financing costs	(65.3)	(11.5)	(76.9)
Non recurring items	(102.3)	102.3	-
Pre-tax Profit	256.7	123.0	379.7
Income taxes	(95.5)	(36.8)	(132.2)
Minorities	(1.7)		(1.7)
Net Profit	159.5	86.3	245.8
<i>Transformation costs¹</i>	<i>(24.0)</i>		<i>(24.0)</i>

Delta Managerial vs Normalized

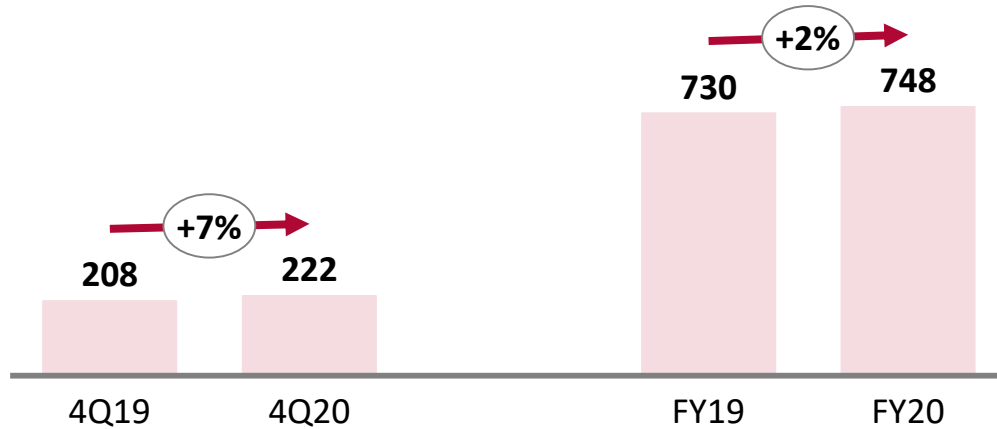
D&A: D&A customer contracts

Interests & financing costs: higher interest expenses due to the full year effect of the ISP transaction financing

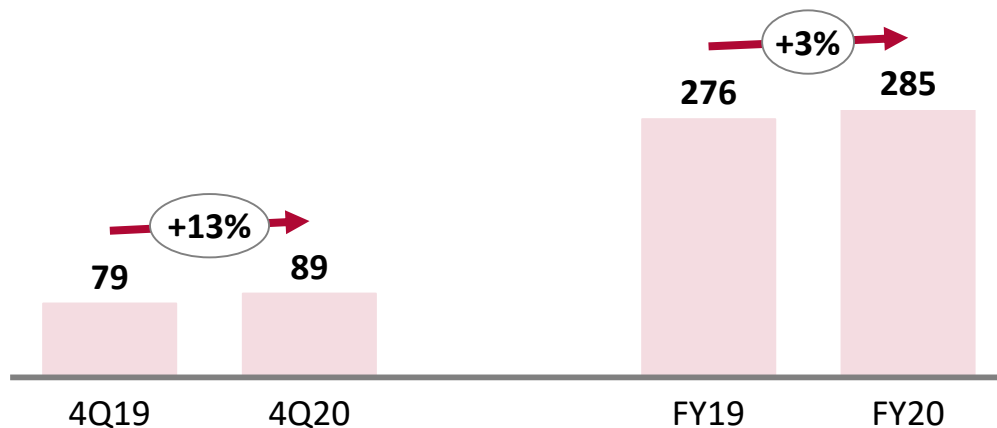
Non recurring items: detailed bridge on slide 24

SIA performance

Revenues (€M)



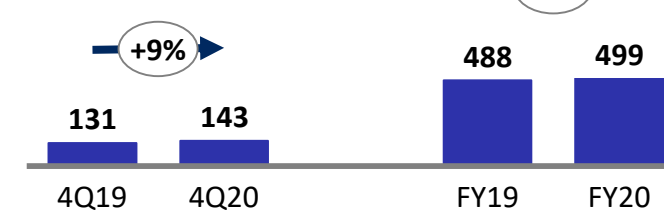
EBITDA (€M)



Cards & Merchant Solutions

67%¹

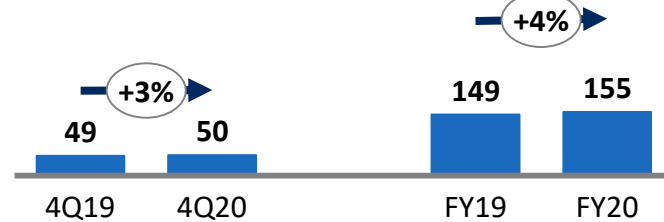
Revenues, €M



Digital Payment Solutions

21%¹

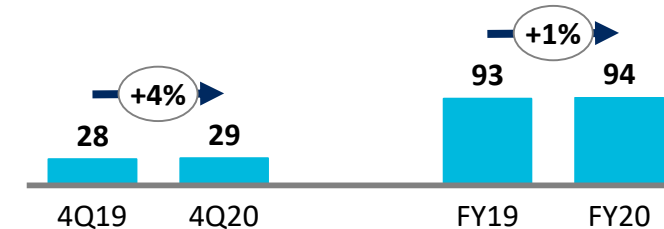
Revenues, €M



Capital Market & Network Solutions

13%¹

Revenues, €M



Key Highlights

Transaction Progress

- Merger Agreement signed
- Closing expected in 3Q21

- Resilient and diversified business model

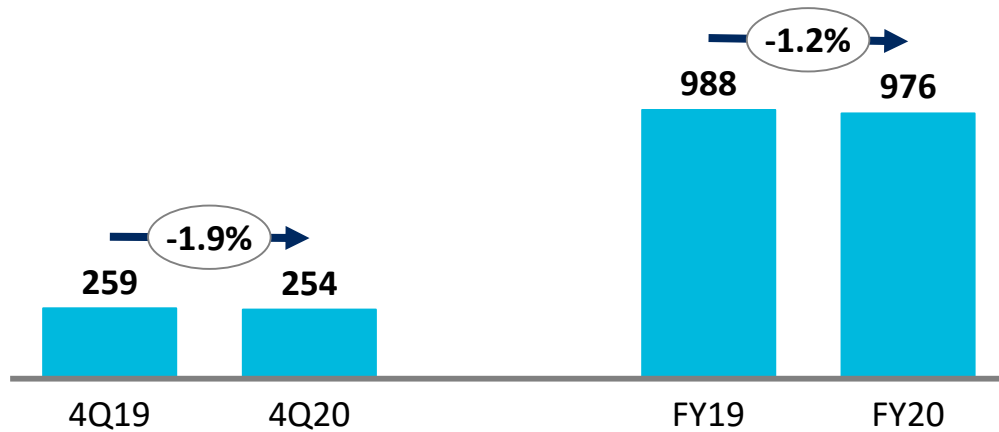
- Increase in transaction volumes during 4Q in all business divisions

- FY20 Revenues y/y growth, with acceleration in 4Q despite Covid-19 second wave

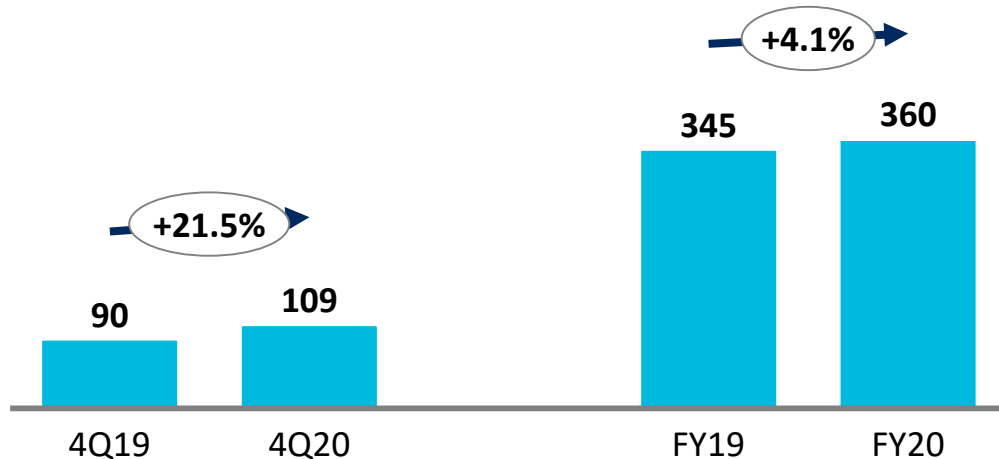
- FY20 EBITDA y/y growth on an organic basis also thanks to focus on operating costs efficiency

Nets performance

Underlying Revenues (€M)¹

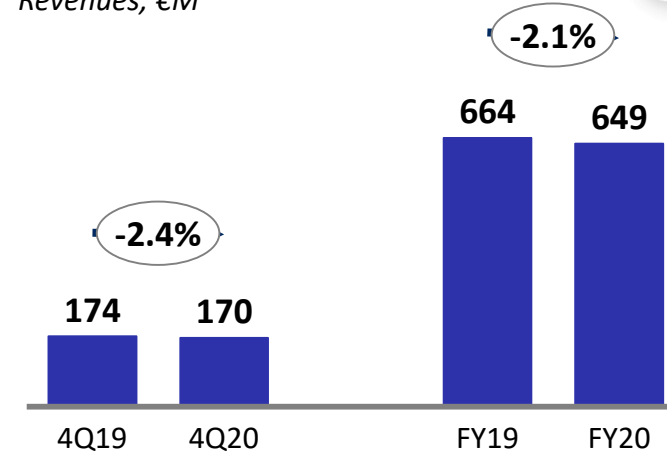


Underlying EBITDA (€M)¹



Merchant Services

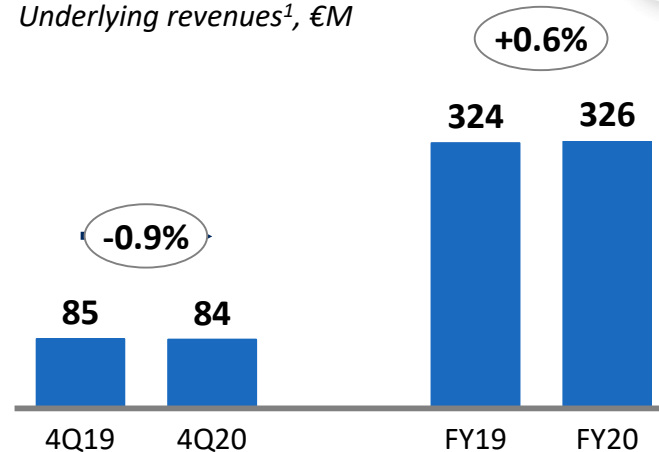
Revenues, €M



67%²

Issuer & eSecurity Services

Underlying revenues¹, €M



33%²

Key Highlights

Transaction Progress

- Filing of the cross-border merger plan to European Antitrust completed
- Nexi EGM to approve the merger to be held in March 3rd, 2021
- Closing expected in 2Q21

- Resilient underlying Revenue performance**, despite successive Covid-19 waves, supported by healthy growth in E-Commerce (high-20s) and SME acquiring
- Underlying EBITDA growth** driven by continued cost transformation, resilience and general cost discipline

For further details, please refer to <https://www.nets.eu/about-nets/bondholders>

Update on Government 'cashless promotion' initiatives

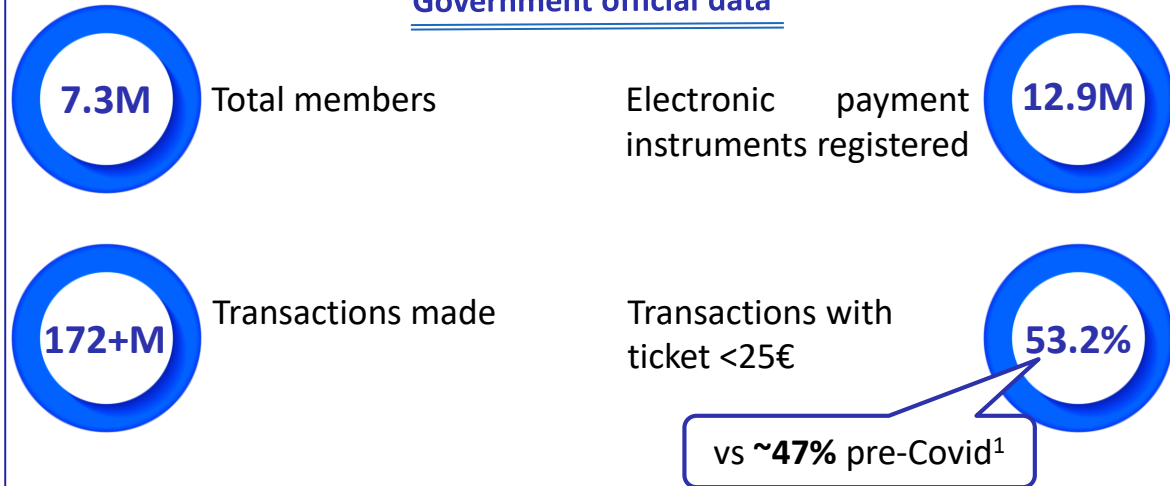
NEW

Cash-back bonus for consumers

- 10% cashback of in-store transactions
- Entry gate: 50 transactions every 6 months. Each transaction eligible up to 150€
- Special bonuses for consumers with the highest number of transactions
- In place for 2 years: 1.75bn Dec 2020-2021 and 3bn in 2022 to finance the mechanism
- Extra Christmas trial edition from Dec 8th to Dec 31st

Cash-back data

Government official data



Other initiatives

NEW

Lottery on receipts

from 1st February 2021

Prize draw for consumers on electronic payments. 45 €M per year. Every week 15 draws of 25 €k, every month 10 draws of 100 €k and every year 1 draw of 5 €M

In place for 2 years

Tax deductibility

from 1st January 2020

19% tax deduction on tax deductible expenses (i.e. interests on mortgages, sport centers/school expenses; some medical expenses excluded) if payments are made by traceable instruments

Tax credit on merchant fees

from 1st July 2020

30% tax credit on merchant fees for card/digital transactions dedicated to small merchants (merchant's revenues <€400k in the previous tax year).

In place for 2 years

Progressive reduction of cap on the use of cash

Cap on cash usage per single purchase:
 - from €3,000 to €2,000 from 1st July 2020
 - to €1,000 from 1st January 2022



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