Nexi S.p.A.

"Third Quarter 2021 Financial Results Conference Call"

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MODERATORS: PAOLO BERTOLUZZO, CHIEF EXECUTIVE OFFICER

BERNARDO MINGRONE, CHIEF FINANCIAL OFFICER

OPERATOR: Good afternoon. This is the Chorus Call conference operator. Welcome, and thank you for joining Nexi's Third Quarter 2021 Financial Results Conference Call. As a reminder, all participants are in listen-only mode. After the presentation, there will be an opportunity to ask questions. Should anyone need assistance during the conference call, they may signal an operator by pressing "*" and "0" on their telephone.

At this time, I would like to turn the conference over to Mr. Paolo Bertoluzzo, CEO of Nexi. Please go ahead, sir.

PAOLO BERTOLUZZO: Good morning to everybody on this call and thank you for joining us in our third quarter results session. As usual, I'm here with Bernardo Mingrone, our CFO; and Stefania Mantegazza, who is leading our Investor Relations, but we have also a few other colleagues connected in here with us in case it is needed.

As usual, I will start giving you a little bit of an update on where we see the volumes are going and evolving on the back of the evolution of COVID. And also give you a short business update with a focus on merchant services. Then I will handover to Bernardo, who will cover financial results. I will come back to give you a quick update on where we are in creating the European PayTech leader and bring the new group together. And obviously, I will conclude with commenting on our guidance that has been confirmed for the full year already.

Before I go in, let me remind everybody that this is the first time for us presenting the aggregated numbers of Nexi and Nets. Last time, you may remember Bernardo gave you an overview of what pro forma the profile of the new group would have looked like to kind of introduce the topic. This time we are reporting integrated Nexi and Nets. We will cover the performances by region, which will give you an indication of how things are going. We probably make a few more comments on the standalone performances. But as I said, we are reporting for the first time in an integrated way. And then at the end of the presentation, we'll have time – as always – for your questions.

Now, let me start as usual with the key messages at Page 3. The 3 messages are basically are reinforcing the same 3 messages we had over the last couple of quarters. #1, we observed a continued volume recovery and acceleration across the various geographies. In Italy, we continue to see a strong volume performance with Italian Cards, growing anywhere in between 20% to 25% versus 2019. That again, I remind to everybody is always our benchmark here because it was pre-COVID year.

Next to Italy, we are seeing also a good recovery in the Nordics that came back to positive over the last few weeks as a total, with some stronger performances across many sectors. The DACH region recover is still not back to the previous level at full, but actually seeing a strong basic consumption growth. And also, more recently, we've seen the discretionary sector coming back to positive here. The travel sector impact – that for our business there still relevant in volumes – is the one that is still behind, although recovering.

Third point, we see an acceleration stronger in SMEs than in LAKA. This has to do also with the different profiles of the different sectors in terms of mix of SMEs and LAKA, but we believe this is really positive for our positioning and for the outlook as well.

And last but not least, we continue to see clear signals of acceleration of cash to digital payments transmission across all sectors and visible in all geographies, also the ones that are already more penetrated. Message #1.

Message #2, also in the third quarter, we have seen a strong and growing financial performance. Revenues for the group were at 10.1% in the quarter, and acceleration versus the previous 2 quarters for a total of 9.6% in the 9 months. We've seen particular strong revenue growth performance in Merchant Services & Solutions for both Nexi and Nets, and very similar levels plus 12.2% for the total in the third quarter, 10.6% year-to-date and again, here you see an acceleration.

E-commerce revenues were particularly strong at plus 32% despite the fact that the travel-related sectors are still affected by COVID. EBITDA in the quarter was up 14.6%, up 12.3% from the beginning of the year with continued margin expansion that in the third quarter was at 53%, up 2 percentage points versus last year.

Third message, we continue to progress in the creation of the European PayTech leader. SIA has reported again strong standalone performance and we will comment on a dedicated page. As you know, we have received the antitrust approval on October 14th, on the combination of Nexi and SIA, and the closing now expected by year end. In the meantime, we have closed the deal with Intesa on the UBI Merchant book. Yesterday, we've also signed the deal with Alpha Bank to create a joint venture in the Merchant Services field in Greece. Closing is expected at some point in the first half, probably the second quarter of next year.

And last but not least, we made a small, but actually strategic investments for our future, in a company called Orderbird and it is the leading DACH merchant software solution for the hospitality sector, present also in other geographies. It is a small investment talking of only about €16 million. We've increased our ownership from 20% to 40% with a clear path to control. And we're very happy for this because it's the first real – as of now – test for us in entering in a deeper way the software space, especially for SMEs, starting from Germany. This is a very strategic market for us and expanding in other places, as well.

On the back of all of this, we've confirmed our ambition for 2021 on the Nexi Nets combined. Level of revenues, we expect them to grow at about 10% year-over-year, and we expect EBITDA to grow at 11% to 13% year-over-year.

Now, before I go into volumes, let me jump to Page 5. As a quick reminder, this is the new profile of the group. We have a group that sees about 60% of the revenues in Merchant Services & Solutions with a strong exposure to e-commerce. 29% is what we call Cards & Digital Payments and the remaining 10% in, what we call, Digital Banking and Corporate Solutions.

Second, the group is highly exposed to markets with super strong and very, very long term and secular growth opportunity in digital payments, 71% of our revenues are in low penetration markets such as Italy, such as Germany, such as the Central European ones and Southern European ones. #3, 64% of our revenue are coming from volume and 36% from installed base. Last but not least, we have a very strong operating leverage.

Now, let me jump into volumes and we cover it first and then I will give you a highlight on what we see happening in the other key geographies. Page #6 is the usual page, the dark blue line is the total. Here, we are focusing on merchant services, where we have more insights and…the dynamics are more interesting. The dark blue line is the total, the lighter blue one is actually on Italian cards. The grey one is on international charging cards and that's for visitors to Italy.

Here you see that, after the summer we continue to basically grow revenues compared to 2019, anywhere in between 10% to 20%, sometimes we're also above 20%. And here there is a clear strong contribution from Italian cards that have been growing anywhere in between 20% to 30%, over the last few months.

I would say particularly interesting is also the dynamic in the international visitors' cards. Here you see that we had a very, very fast recovery in the summer leading to August where we went back to the levels of pre-COVID mainly driven by European visitors, with Americans and Asians being still not present or presented in a very limited way, then with a slow down again, but then with a strong recovery over the last few weeks. This dynamic is probably explained by the fact that the touristic side of international travellers is recovering fast. People are really keen to travel as soon as they can do it. Well, actually the business traveller dynamic is still behind and therefore, depending on the moment of the season, probably we will continue to see these dynamics happening. Hopefully, the recovery of October is also due to the fact that we had less restrictions also for business travellers. So, it's just about a combination of business travellers coming a bit back and actually holidays in some countries in Europe in the latter part of October as well.

Jumping to Page 7. We have the usual split by macro sectors. This is the total, so this is not separating Italian cards versus international cards, and therefore the sectors are also affected by the dynamic that it was explaining before. Here we see very strong continued growth in the basic consumption sectors like groceries, utilities, medical, and so on and so forth growing anywhere around the 30%, 34%, 37% in the last week. And we see the other 2 sectors now moving kind of similarly anywhere in between, I would say 5% to 10% year-over-year with a super strong recovery, I would say definitely faster than expected in particular in the high impact sectors, and I would say in particular in restaurants and bars. So, this is the dynamic we are observing in Italy. We'll come back in a moment to give you a bit more insight on specific sub sectors because I think it's interesting.

On Page 8, we see instead the dynamics in the Nordics area and in the DACH region. If you just take the total before going to the sub-sectors space, we have observed a plus 12% growth in October across both the

Nets geographies, 12% growth for our SMEs versus 2019. LAKA instead were still behind. But actually, if you strip out the effect of the high impact consumption sectors growing as well plus 8% and last but not least, we also see good recovery in issuing, now growing at 5% in Nets geographies, and basically this is mainly relating to the Nordics.

As we're talking about the Nordics here, you see in the top graph, the dynamics in Nordics have been back to positive from September, and actually growing further in October as a total they've been growing 7% versus 2019. In terms of volumes, actually, in the last week was actually double-digit with 12%, very strong and continued performance on the basic consumption sectors above 30%, actually 45% in the last week. The discretionary consumption sector trending a bit slower, but now close to zero and a good recovery over the last few months, also for the high impact sectors, at -1% over the last month.

Last but not least, the DACH region. And here the most of the volumes are actually associated to Germany. Here you see a continued strong performance of growth in the basic consumption sectors. You see actually discretionary services going back to positive 8% in the last week, 2% in October versus 2019. Here the sector is still behind actually the one that is related to travel. And here in Germany, this is an important impact on the total mix. And this is one of the reasons why...the key reason why actually Germany is still behind compared to 2019 volumes.

So this is the total picture. Page 9, a bit more into the specific sectors to reinforce the point that I think we've made over the last many calls. I would say that we have been observing underneath these COVID related dynamics, a very strong acceleration of the transition from cash to digital payments, not only in underpenetrated markets like Italy, but also in more penetrated market like the Nordics. And here you see on Page 9 a few examples here with the pickup from top to bottom. The Top 8 sectors per markets. Some of them may be less relevant in size, but here you see actually also very relevant sectors. I think about restaurants and bars in Italy with 34% growth or groceries at 25% growth, nicely growing all double-digits next to some very special ones like doctors is 82%, for example.

Nordics similarly, groceries 25% versus 2019, again for a market that we tend to believe that is already highly penetrated, so it's a big positive in our opinion. And you see some more specialized and smaller sectors such as, for example, cosmetic or hardware growing at 59% and 40% respectively, and so on.

Last but not least, also in the DACH region groceries were 49%, also restaurants despite some limitations being still in place 13% and many other sectors growing double-digit with actually departments stores were growing triple-digit. So this is basically the picture in terms of volumes.

Before I hand over to Bernardo, to cover financial result, I'd love to deep dive with you for a few minutes on the dynamics and the key initiatives that we're observing, in particular in merchant services that as you know is more than half of our revenues and it's always a sphere of focus not just for us but also for you and for investors more broadly. And here we try to give a little bit of a feeling of what we're doing in the different segments that will be covered by SMEs that represent almost 60% of our revenues in merchant services, e-com that represents about 25%. And also LAKA that is a bit less than 10% of total revenues. If you're asking yourself why those are not mapped to 100, the reason is that there is 7% that has to do with acquiring ATMs as we call it. Cash, and this is not allocatable to any segments, for simplicity reasons we have allocated POS terminal revenues to SMEs because most of it is really SMEs.

Now, going one-by-one, in SMEs, we see a sudden acceleration on our digital proposition in Germany, positive results in Germany, on the back of the very positive results we had in the Nordics, as well as in Italy. We are promoting more and more the mobile-POS proposition for new merchants’ subsectors. At the same time, we are very successfully pushing on vertical propositions in the specific sectors. We started in Italy, with dedicated go to market for very narrow verticals, for example, restaurants, cafes, hotels, retail, and so on, so forth. Where we package very often from the distribution, go to market point of view, but sometimes also pricing and product itself. And this is really hitting the ground well with customers.

At the same time, we are increasing our focus on ISVs and more in general the software space. And here, basically, there are 2 things we're doing. On the one side, we are expanding our partnerships, across all geographies, I would say with ISVs. And if you count them across the board, we counted them for this call. It's actually more than 500 partnerships in the ISVs space. And there are mix of financials with local leaders on merchants, CRM and ERP software's, for example, Teamsystem in Italy, just to mention one and many, many, many smaller, much smaller vertical specialists that very often are local companies as well. I mean, we normally partner with the technical integration and with some of them we do also go to market together. As I anticipated now with Orderbird we're going one level deeper as now we will integrate more on the proposition side as well, and we will test it in one segment, in one market to expand it further as we go along.

In the SME segment, basically, we have not seen any major news in terms of competitive dynamics. We know I mean, we discussed it in the past that we have important competition in the new digital payments segment and there are smaller merchants that have started to use digital payments for the first time, in particular, in Italy. In particular also in Germany from basically one player that is SumUp. They are actually successful in the market in winning a number of customers. But actually the value associated with these customers, even the size of them is normally very small. We have also increased in Italy, our focus in that segment, and we're actually quite successful, we've doubled our acquisition volumes, but we are also focusing in winning back these customers as they grow. And when they need the proposition this is more structural and more complete. This is it. In terms of SMEs, the volumes across our geographies were up about 14% in the quarter compared to the same quarter 2019.

E-commerce which represents about 25% of our revenues in Merchant Services is seeing a lot of dynamics, a lot of new players coming, some of them going as well, to be honest with you. By the way, this is a sector where we have a new segment and new propositions emerging as well. We maybe talk more about it in our Q&A sessions. But let me give you a flavour of what we are doing here.

First of all, when it comes to the more PSP like type of proposition for the acceptance propositions, we are launching Easy in Germany after a pretty good success in the Nordics as a collecting PSP proposition. At the same time, we are extending our PSP proposition in terms of capability in Italy. It is called Xpay. And we are expanding this proposition also on the back of the experience and the capabilities that we have in Nets for example, in one-click checkout.

In the 9 months, our E-commerce activations in Italy has been up 70% compared to the same period two years ago, just to give you a flavour. At the same time, we are seeing a lot of activity in the alternative payment method space here. Our angle is two-fold, we know. We own alternative payment methods, and at the same time we partner with third-party payment methods to make them available through our gateways to our merchant customers. If you focus for a moment on account-to-account propositions, we have a very strong position, a successful position both in Poland, Finland, and they are growing very, very strongly. At the same time, we are on-boarding more and more account-to-account solutions to our gateways for example, BancomatPay in Italy. Similarly buy now pay later, we have a very strong proposition called Ratepay in Germany. That proposition is growing very, very strongly. But again, this is a proposition that is made available not only through our gateway solutions in Germany, but also to basically every other national, international PSP active in the country. At the same time in the other geographies, we are partnering more and more with third party buy now pay later providers, because at the end of the day as a PSP, we must be able to offer all possible payment methods to our merchants, customers, in order to allow them to basically maximize their conversion rates at checkout.

Last but not least, we continue to strike partnerships with e-commerce enabler platforms, across all markets. We have actually more than 10 partnerships across the group, many of them are with players that are present in more than one market. Today, we cover about 76% of the relevant market today, E-commerce and they discover across our geography about 10% of the volumes that basically serve the tiniest of the micro merchants, the micro SMEs. In E-commerce we cover through technology integration, and in certain cases also go-to-market partnership 76% of that.

Again, here volumes are growing 13% despite the travel related sectors still being suffering. The reason why the growth rate of revenues is actually well above 30% is because when it comes to account-to-account and buy now pay later solutions that we own the growth rate is very, very strong and it's contributing to the total growth.

Last but not least, the LAKA segment represents about 9% of our total revenues in Merchant Services. Here, we don't see any major news in terms of competition. Obviously, we continue to see active...very active players like, again, in very specific segments that are basically segments of the global brands, in particular, in luxury and in fashion.

To be very clear, we continue to compete successfully and win in the sectors that instead are more local in nature, such as, for example, food retail, household goods, mobility, insurance, public administration, and so on and so forth. Basically, we continue to win where the physical components of the omni-channel solutions is actually relevant for these companies, where …they have complex needs in terms of terminals and terminals acquiring acceptance integration, where the local integration with local payment methods is important, where the vertical sector integration is important, where customization is important. At the end of the day, that's the core of what we do, thanks to our local entrenchment. And here we continue to serve successfully, not only the local large merchants, but also a global brands that are present in market with the characteristics that I just described so across our geographies, we cover and serve merchants, such as, for example, IKEA, Sky, Vodafone, Zara, I mean names that are clearly international names, but require very specific local support, integration and delivery.

Now, before I move on, let me use one example of something that we have announced yesterday, but I think is also a good example of what we see as the core of the nature of the new Nexi Group. We said in the past in many one-to-one conversations that at the end of the day, our strategy is quite simple. We want to combine the scale that is necessary to drive hard innovation, digital innovation, and we understand competence is important. Investments are also important for winning scale. So, once we remain competitive with the global players, specialized players when it comes to product proposition innovation, but at the same time, we also want to be very, very locally entrenched. Thanks to our people. Thanks to the ecosystem integration that we have in the different geographies.

And one simple example of this on top of the many…given to you over the last few minutes, is the product we launched yesterday. It is called PagoInConto,it is translatable as a pay-by-account. It is a very nice product because it is an account-to-account payment product that we are making available to begin within e-commerce that will be available also on omni-channel solutions for LAKAs and SMEs as well. This is actually integrating many capabilities that we have in Nexi, not only in Merchant Services, but also in the payment space, in the open banking space. Now, to deliver a solution that we're making available to our PSP merchant customers, and I believe progressively also to other PSPs that wants to operate in Italy. And this solution is basically leveraging on the open banking enablement that we provide, because we are a provider of the open banking system for Italy. Our capability in this space, plus our local licenses, plus our local integration, plus our local capabilities on the e-commerce side. And basically, a merchant can offer the opportunity to its own customers to pay by the bank account without registering on anything, because thanks to open banking, they become...the customer will find a click button on the checkout page. We click on the button, then basically the page of the bank will open, the customer will identify himself with the standard identification method of the bank and the transaction will happen, because it will be pre-already filled on the different components in the transaction itself, and the reconciliation will happen automatically.

Again, it's a small thing, but I give…I believe it gives you an idea what it means now having global scale, but also being locally entrenched and integrated. Clearly, this is targeting not necessarily small transaction, but the large transaction because being pay by account, you can save for the moment up to €15,000 per transaction and going forward even more.

Let me now hand over to Bernardo. Sorry, for taking a bit more time here, but I really wanted to try and give you a flavour of what is happening in this space. Bernardo?

BERNARDO MINGRONE: Thanks Paolo. So just, we'll try and be quick here, so we leave as much space as possible for Q&A. Starting on Slide 12, we've seen how revenues have grown approximately 10% in the quarter and 10% for the 9 months. As Paolo said earlier, this is how...what we discussed in terms of volumes and in terms of the business updates translates into the financials. I think it's important to underline how growth in revenues is very similar to both Nets and Nexi, I guess that's the message I would like to leave you with. In terms of EBITDA, we can see there has been a 2 percentage points accretion year-on-year in the quarter and same applies if you look at the other 9 months. Most of this accretion actually comes from Nets. We have less of an accretion this year on Nexi as we have discussed in the past, due to the fact that we are unwinding or let's say, there is coming out of last year, we have the effect of certain costs…the cost cutting exercise we had last year, which impacts our growth and costs in Nexi this year as expected. So, 2 percentage points accretion, which is in line with our expectations.

On Slide #13, we see how the various geographies performed. Italy strong performance in the quarter with 12% growth accelerating compared to 12% versus 2019. Accelerating compared to the 8% we had in the first 9 months. So, again, good signs of recovery from COVID. DACH and Poland had even stronger growth. We have an 18%...close to 18% growth in 9 months, 19% if you look in the quarter, actually Germany growing more than Poland. Thanks to the strong exposure we have in Germany to e-commerce and BNPL, which Paolo also referred to earlier.

In the Nordics and South Eastern Europe, it is a slightly different dynamic. Again, there is less exposure to e-commerce and compensated in Germany and Poland for the slow recovery in terms of coming out of lockdown in some of the former...or in some of the geographies Nets is present in plus as we will see later, the effect in the Nordics of the...as we mentioned in the past, the fact that we have renegotiated the last major contract at Nets and that has hit us in 2021.

Moving on to the various divisions on Slide 14, we have Merchant Services & Solutions where we have had a very strong quarter with double-digit revenue growth across the group. And this is true, as I said, both at Nexi and Nets level. Nets has always proved to be extremely resilient in all its geographies. You can see that transactions have recovered very nicely throughout the group and we have 15% year-on-year growth for the 9 months. And this was only partially offset by slightly slower growth in some of the other geographies, due to the different phasing of lockdown. I think it's important to underscore how e-commerce has continued to grow nicely. We have 37% growth in the third quarter. This year 32% if you look at the 9 months. And this is also sustained, as I said earlier, where we have strong performance in Germany and Poland.

Just a word of explanation with regards to trend which in the past has been different in terms of the growth and volumes of international schemes, which is lower than the overall volume growth. This is due to the domestic debit cards now being able to transact contactless, so transacting on the domestic scheme rather than the international schemes and this causes inversion of the trend.

On Slide 15, we can see the data for Cards & Digital Payments. Even in this division, we have good revenue growth, with good volume recovery. Here the volume recovery as you can see is what we are more used to, where the trend I highlighted earlier of the shift to domestic debit cards on contactless transactions is more than offset by the fact that we are progressively moving our domestic debit cards into international debit cards, which fuelled the growth in international schemes. But overall, we have strong growth in the quarter, also in Cards & Digital Payments.

Slide 16, we can see how DBS or Digital Banking Corporate Solutions as it is now called…performed in the 9 months. This…we have discussed this in the past is a division in which project related revenues, which is recurring by nature, even though it is not contractualised, but every year we have project work for our partner banks, mainly in the various geographies has been from a seasonality perspective we are present in our P&L more in the first half of the year. Hence, the deceleration you can see from 11% to 5%, so 11% for the first 9 months and 5% for the last quarter. Overall, I would say that, performance has been in line with our overall expectations. Maybe naturally we have had a bit of a slowdown which will also impact us. It has impacted us this year on Monte dei Paschi, as they were discussing a potential transaction with UniCredit that is no longer the case. So hopefully, we will recover some of the lost revenues there in 2022.

Slide 17 shows us the cost dynamic, I think it is important to look at the commentary we put into the side of this slide where we try and give you a picture of what the cost dynamics really look like if we normalize for last year. I mentioned earlier that in Nexi we have…I reminded you that with Nexi we had a cost containment program which was €100 million of cash cost cut last year to protect our P&L and our cash flow. This unwinds this year and hence we have bounced back accruals on variable compensation, bounced back of travel expenses and the likes. If we normalize for those, I would say through items in HR costs, for instance, the overall HR costs would actually be flat year-on-year. There is some slight, let's say, increase due to the annualization of people who were hired last year. But overall, basically flat HR costs if we normalize for variable comp.

With regards to other non-HR costs, these will be up 1.4% if we normalize for the growth and volume. So effectively, you know obviously, revenues are growing, we have seen double-digit, our cost base grows by 1.4%. So if we take out the growth in volume driven processing costs that is something to the fixed nature of most of our cost base.

With regards to say, the net debt position of the group. We should look at it with SIA or at least I look at it with SIA included we have received antitrust approval, and Paolo will speak to this in a second. But basically, now we have the uncertainty if we look at the combined numbers, both of net debt and EBITDA, so adding on to our last 12 months, the EBITDA also SIA is €327 million of EBITDA for the last 12 months. And we include SIAs €820 million of net debt, our overall ratio is 3.6 times leverage, which is 3 times if we include also run rate synergies, which we announced as part of this transaction. And this we expect to unwind pretty quickly and deleverage with the profile we highlighted at announcement. Just a reminder that 3 quarters of our indebtedness is fixed rates. So, moving into, let's say, potentially high-rate environment, I think we feel pretty comfortable with regards to our capital structure.

So that said, I will pass the floor back on to Paolo, so he can take us through the M&A update and closing remarks.

PAOLO BERTOLUZZO: Thank you, Bernardo. Page 20, quick update on SIA. SIA reported over the last few days the results for the quarter, the revenues were up 9.3% and EBITDA was up 12.9%. So very close to the rest of the group performance. Year-to-date results are even higher than this, I think has been anticipated at the beginning of the conversation around SIA. First half of year is a bit richer than the second half, basically due to phasing, and very specific events and nothing to do with underlying.

As far as the closing agenda is concerned the Italy antitrust has approved the deal on October 14th. There were remedies specifically in the areas that are connected to national products. In terms of remedies, there is only one of them that is structural, and that remedy has to do with what I would call the national clearing non-SEPA, to be precise the size of that business is about €6 million of revenues full year about 2 to 3 of EBITDA more or less by the way revenue is declining because we are talking about products such as for example, checks.

We will be, obviously, implementing these remedies as we speak, and we expect to close it by the end of the year. We still have 2 or 3 authorizations missing, but it tends to be either a bit more technical or in any case due at the end of the processes for example, Italian Stock Exchange regulator for the approval of the prospectus and everything else is in line in terms of preparing for the execution of the closing within this timeframe.

On Page 21, you have a bit broader update on what is happening on the various fronts. You may remember, we did tell you in the past we are restructuring our transformation plan on different works stream and so and so forth. Quick update on the technology side; basically, we already have a one new group technology plan and already started to execute around some areas for example, CAPEX savings and the deduplication pulling together now group digital delivery under one hub, optimizing infrastructure ready to execute processing platform consolidation, as soon as we close SIA and many other initiatives.

As far as Insourcing and operational excellence is concerned, we have already started to optimize turnover management on the HR side and we are ready to execute the full integration of Nexi and SIA in Italy, while there are many other operational excellence initiatives already ongoing. As far as, procurement is concerned, we started working on these few months back. And we have a very detailed plan defined and we have already closed 12 strategic renegotiations. And as far as revenue synergies are concerned, we touched on a few of them before, but our teams are already working together starting from the lower hanging fruits. And even on the SIA side we did use a clean team approach to prepare a very detailed commercial plan to be able to go out as soon as we close in selling more products and services to our customers in Italy to begin with.

All in all, we expect to have synergies for about €100 million of cash for next year. Important part of this is CAPEX as you can imagine is one of the years where it's easier to optimize and faster to optimize, but we are progressing on all initiatives here. I'm talking about one of the new Europe cash synergies in the year and therefore obviously the exit rate would be much higher than that.

So, let me now move to Page 23. In short, we are basically simply confirming the guidance that we gave you last time when we talked for the first time about the new aggregated group. This is valid obviously for Nexi and Nets. And I just remember that we did upgrade our guidance at Quarter 1 results when we were talking about Nexi only, and we are now confirming all of this. About 10% revenue growth in the year, about 11% to 13% EBITDA growth with margin expansion, both versus 2021, 2020 and even more 2019 it was a more normal year about 3 percentage points versus 2019, broadly stable capital intensity ratio with anticipation of the M&A synergies. And last, but not least, Bernardo showed you the continued cash flow generation and progress deleveraging over the long run starting from the new level that is exactly in line with what the plan that was with what we have announced when we signed the deals with SIA and Nets.

So, Page 24, I will not go through all of it again. The key messages for today: continued recovery and acceleration of volumes across all geographies with clear signals off acceleration of cash to digital payments across again all geographies. Very strong financial performance with double-digit revenue growth in the quarter and further margin expansion as well and a particularly strong performance in Merchant Services and Solutions. And last but not least, progressing according to our plan and marching ahead in putting the new group together as a combination for Nexi, Nets and SIA. And last but not least, as I just said, have confirmed the ambition for the full year.