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1Q23 Results Presentation

May 11th, 2023

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Key messages

Double-digit volume growth in 1Q23 across all geographies

- Sustained double-digit volume growth across the quarter, in all geographies, with January benefitting from easier y/y comparison
- Positive growth across all categories with particularly strong growth in high impact consumption
- Continued double-digit volume growth in April across all geographies

Strong financial performance, with solid margin expansion

- Revenue growth at +9.0% vs 1Q22 with strong performance across geographies
- Double-digit revenue growth in Merchant Solutions, led by Italy and DACH and Poland
- EBITDA growth at +13.6% vs 1Q22 with +183 bps EBITDA margin expansion y/y

Continued progress in creating the European PayTech leader

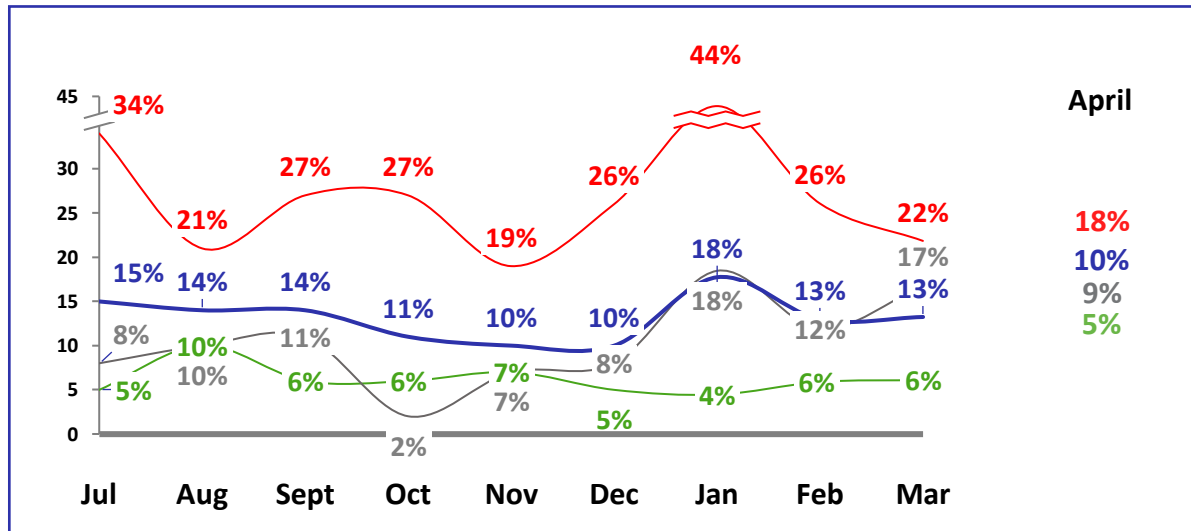
- Group strategy execution progressing well according to plan, with expected ~2.8€B excess cash generated in 2023-25
- Strong growth performance of acquired assets (Italy, Greece, Croatia and Spain¹)
- Non-core assets disposals progressing well

Confirmed 2023 guidance

- Revenues > +7% y/y
- EBITDA > +10% y/y
- Excess cash > 600 €M

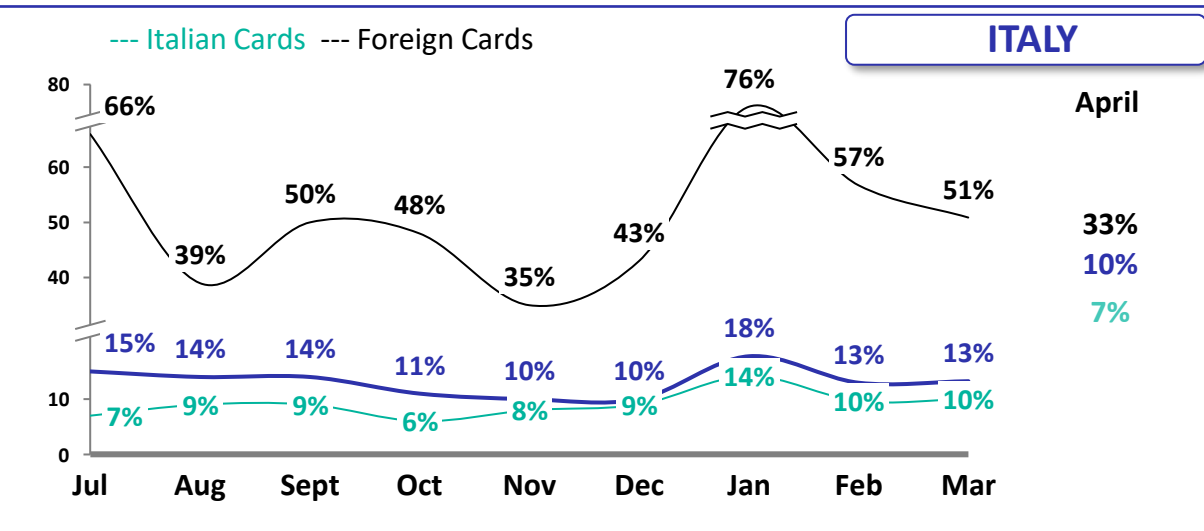
Double-digit volume growth in 1Q23 across all geographies

— High impact consumption — Basic consumption — Discretionary consumption — Total — Net of discontinued clients due to optimised risk profile



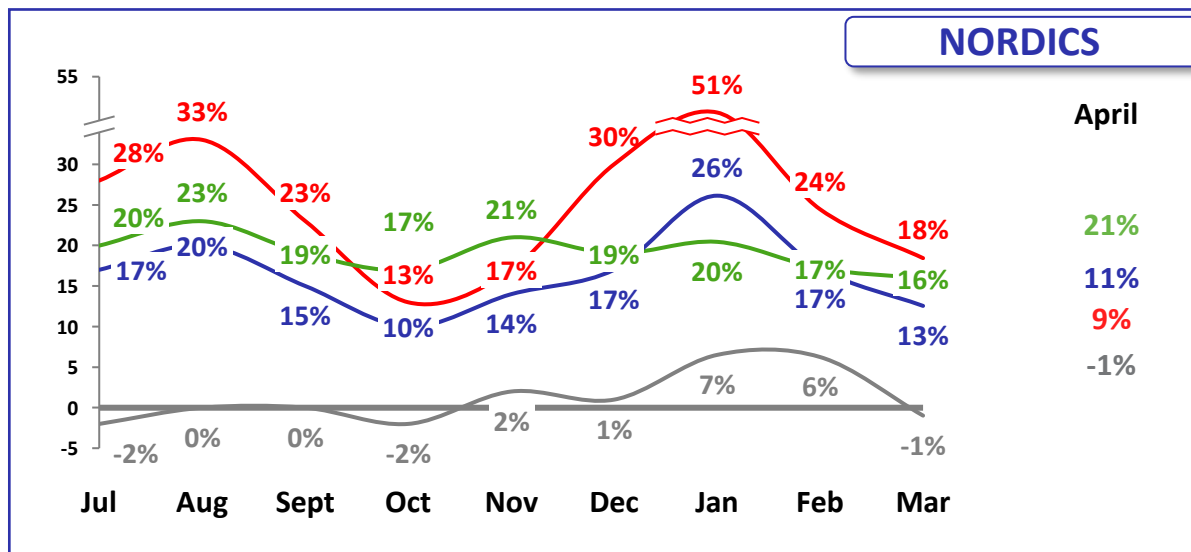
April

18%
10%
9%
5%



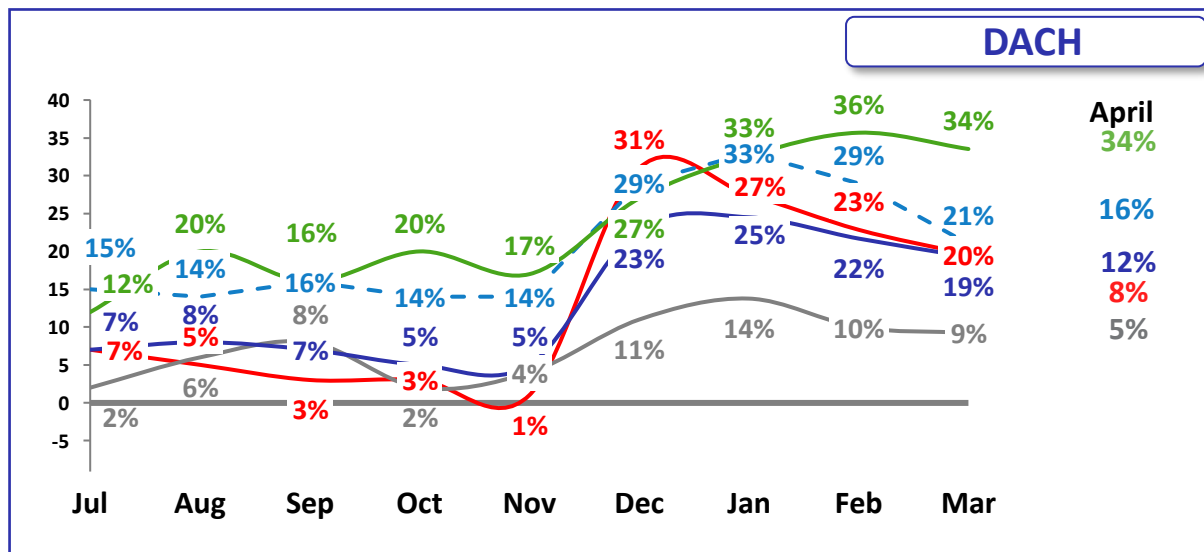
April

33%
10%
7%



April

21%
11%
9%
-1%



April

34%
16%
12%
8%
5%



Note: Sales volumes only. SIA volumes excluded. Italy: International schemes plus National schemes for ISP merchant book. Nordics and DACH: Regular business, e.g. excl. Thomas Cook volumes. International schemes only, non-card based transactions from e-commerce not included.

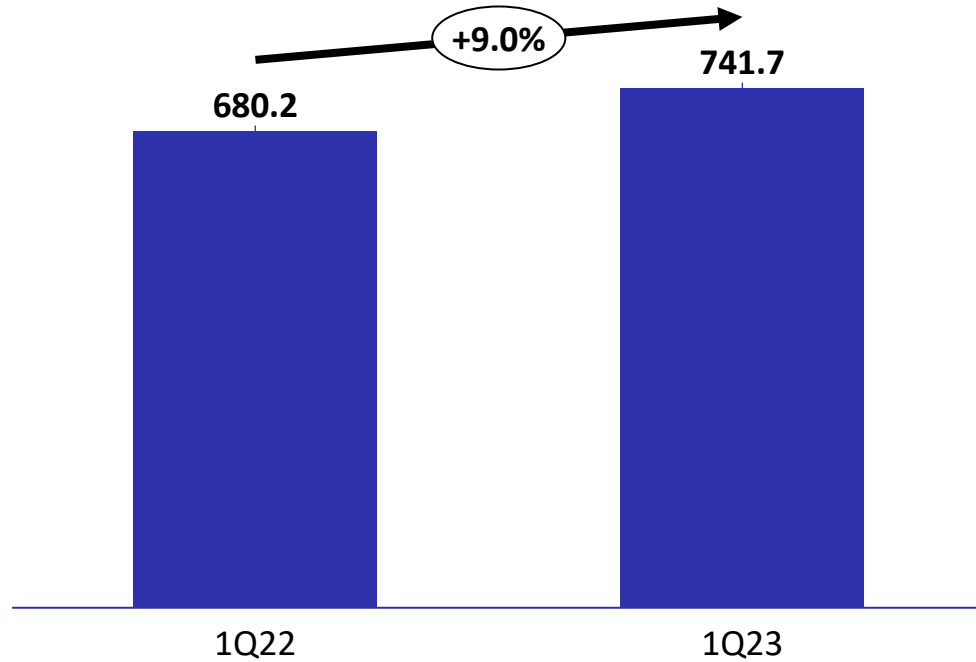
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Focus on 1Q23 results

Strong Revenue and EBITDA growth, also supported by January easier comparison, with continued Margin expansion

Net Revenues (€M)

+11.0% Y/Y
Gross of scheme fees

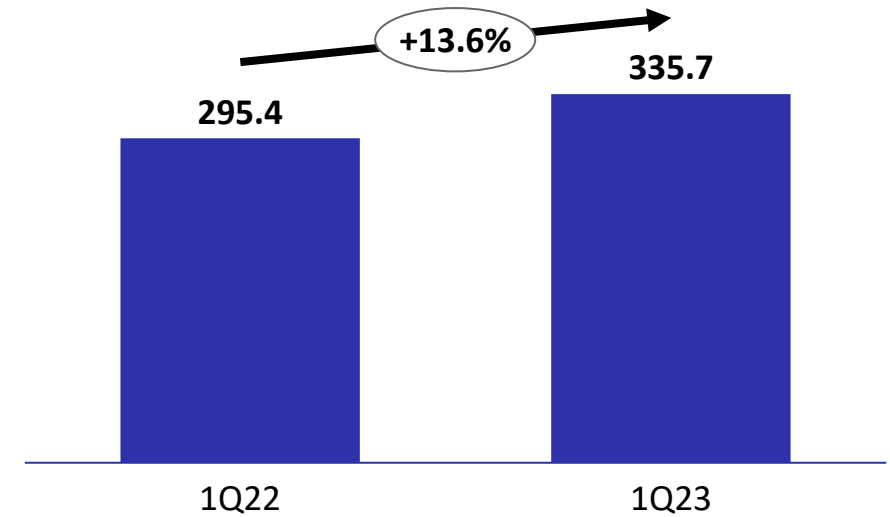


EBITDA (€M)

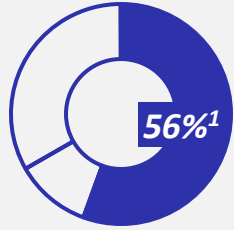
EBITDA margin 43%

45%

+ 183 bps



Merchant Solutions: double-digit revenue growth in 1Q23 supported by strong volumes and installed base expansion

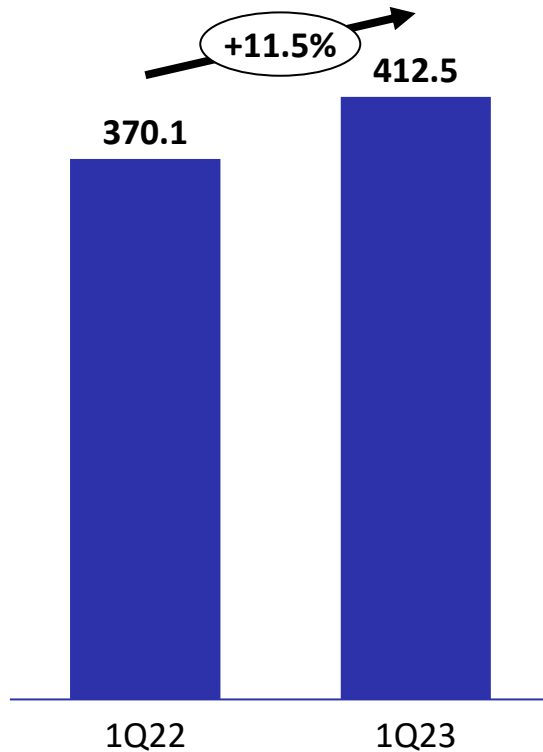


Merchant Solutions



Net Revenues (€M)

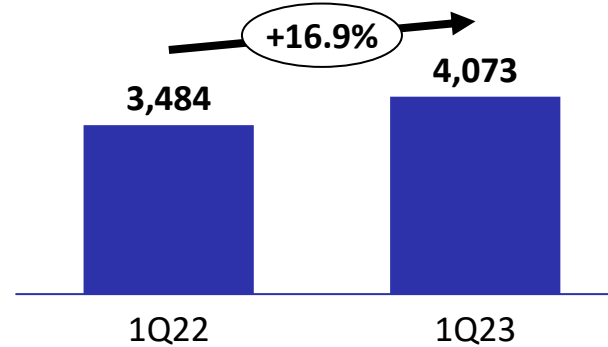
+14.0% Y/Y
Gross of scheme fees



Managed Transactions (#M)

International Schemes

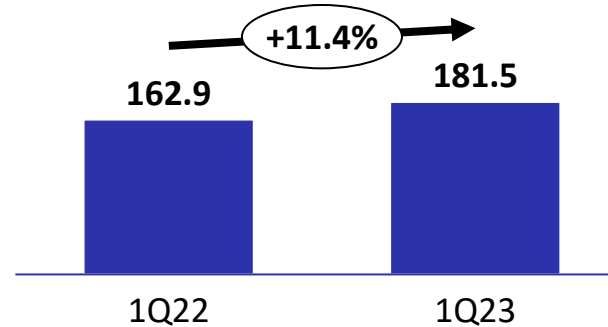
+20.2%



Value of Managed Transactions (€B)

International Schemes

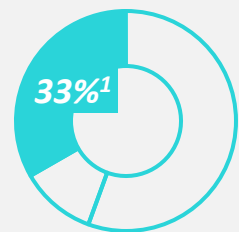
+14.9%



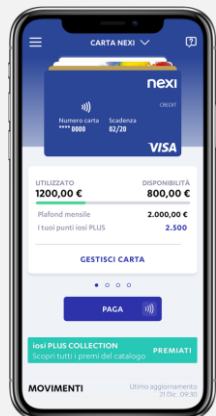
Key Highlights

- Sustained growth in value of transactions across the Group, driven by International schemes
- Continued customer base growth across geographies (#POS ~+170k in 1Q23 vs 1Q22 and #eComm clients ~+10% y/y)
- Continued new SME and LAKA customer wins across markets, with particular focus on mid-large (e.g. in hospitality and grocery)
- Further expansion of new partnerships with specific focus on ISVs (e.g. ECR providers and vertical specialists in ticketing, logistics and energy)

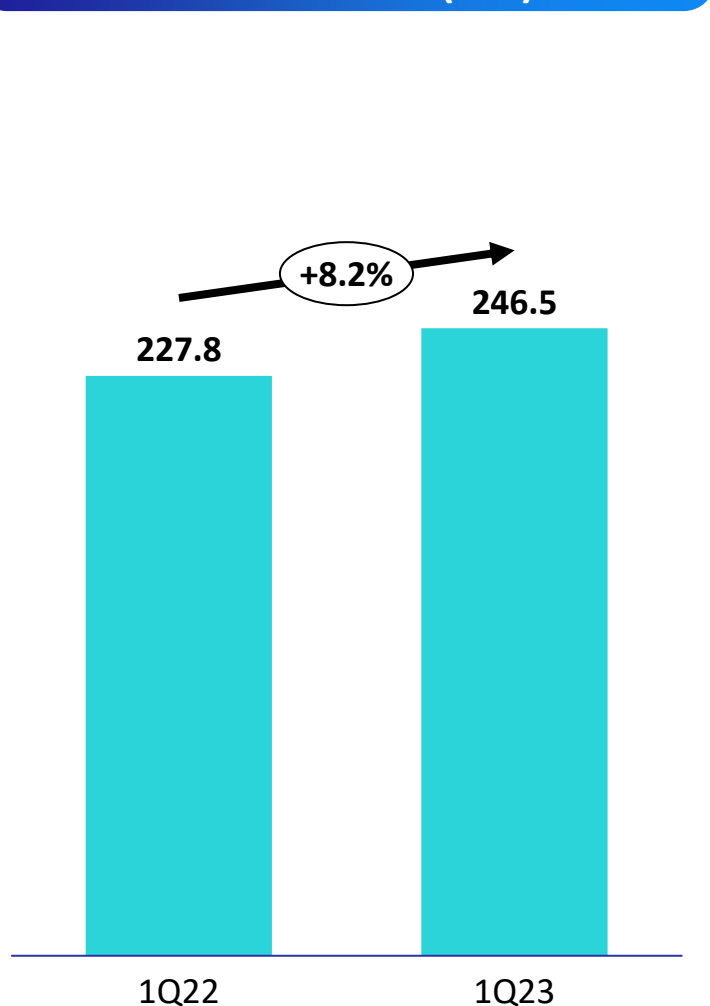
Issuing Solutions: strong revenue growth supported by volumes and strategic initiatives



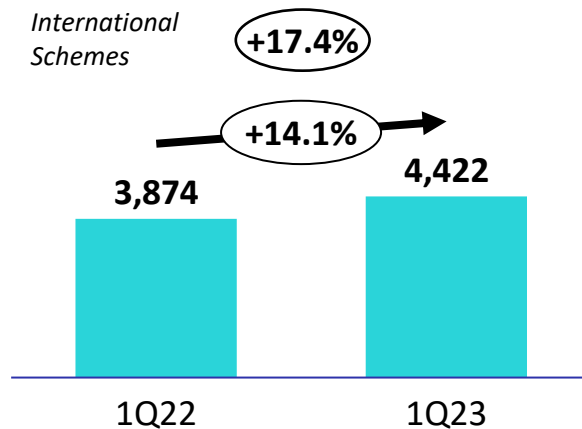
Issuing Solutions



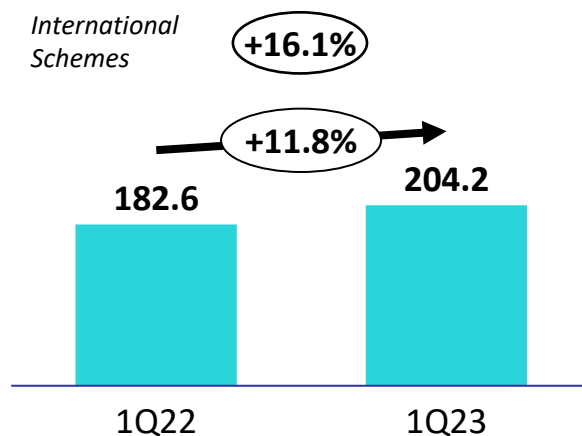
Net Revenues (€M)



Managed Transactions (#M)



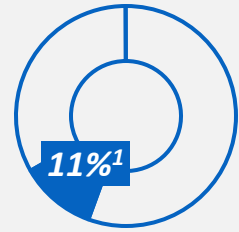
Value of Managed Transactions (€B)



Key Highlights

- Double-digit revenue growth in Italy and mid-single-digit growth in the Nordics, benefitting from post Covid y/y rebound (international travel and commercial cards) and more favorable phasing of impacts of previously disclosed single client renegotiation
- Positive contract renewals across geographies, with healthy price dynamics
- Continued up-selling / cross-selling of VAS and more valuable propositions
- Progressing development of Advanced Digital Issuing solutions (e.g. CVM) across Europe

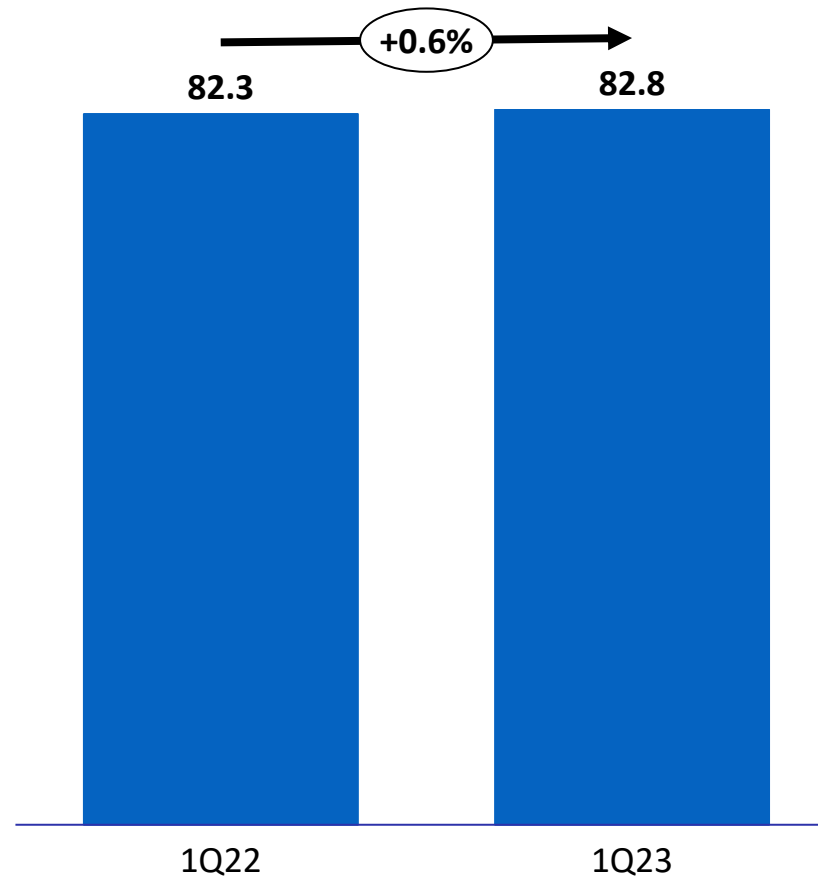
Digital Banking Solutions: revenue performance in 1Q23 supported by volume growth despite impacts from banking consolidation occurred last year



Digital
Banking
Solutions



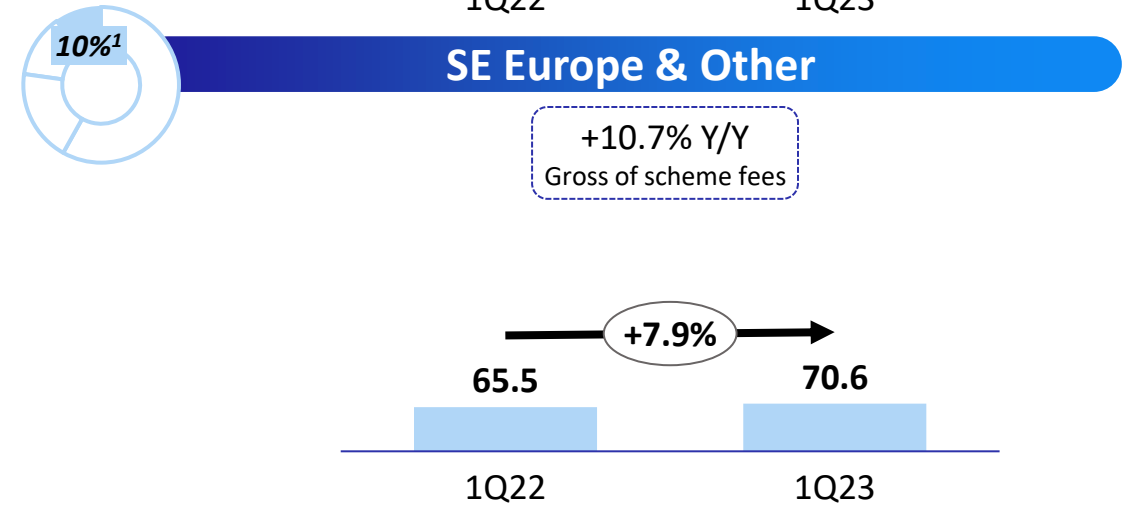
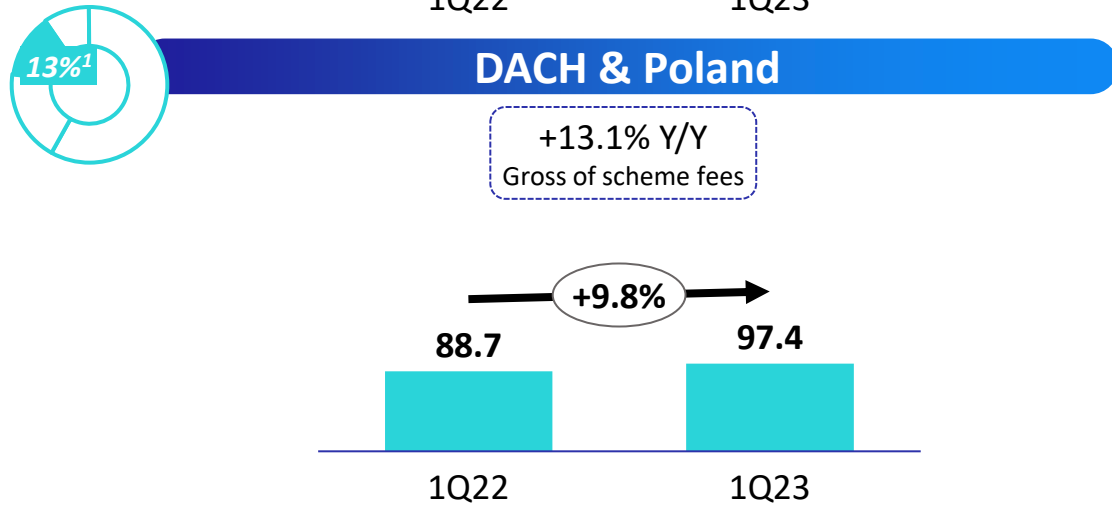
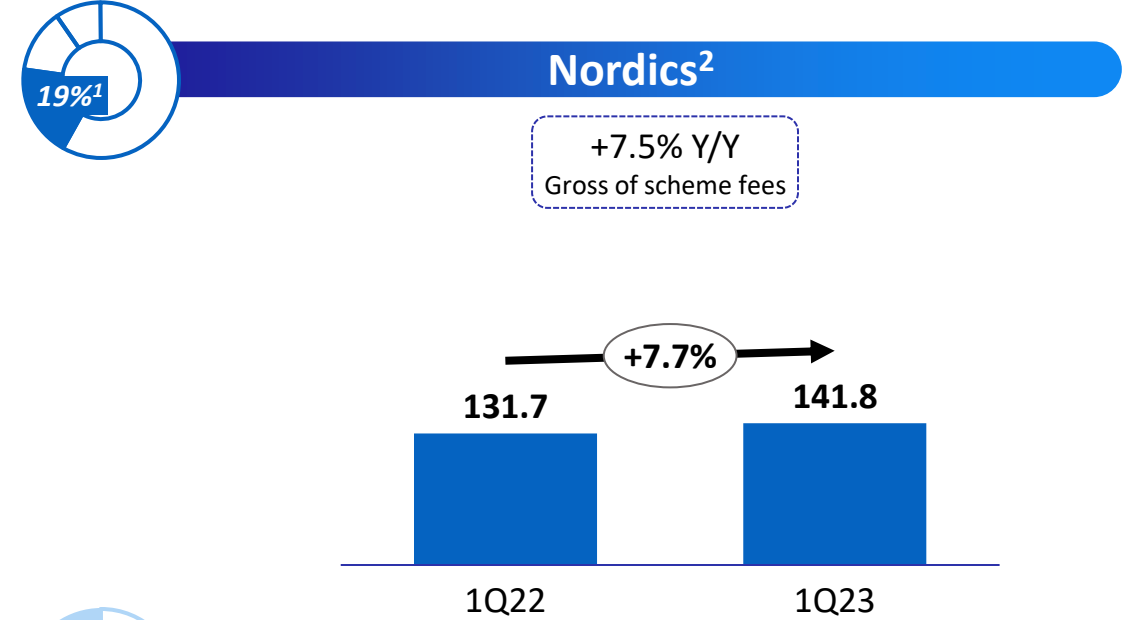
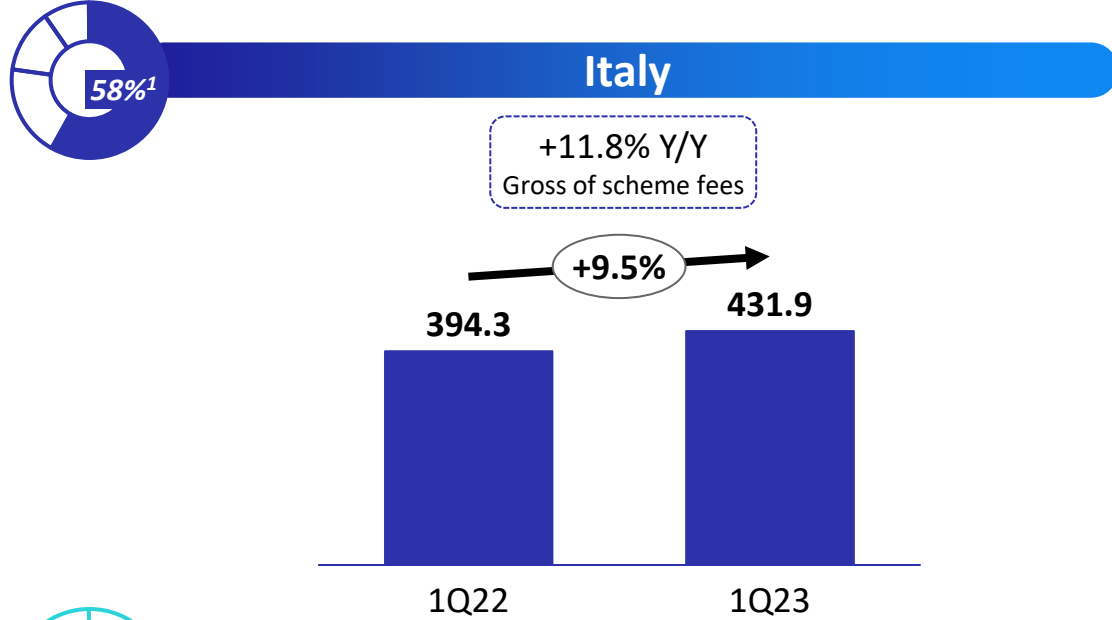
Net Revenues (€M)



Key Highlights

- **1Q23 revenues flat y/y** with strong volume growth broadly offset by impacts from banking consolidation in Italy in 2022
- **Payments Infrastructures:** positive commercial performance of Network Services and strong volume growth on EBA Clearing
- **Digital Corporate Banking:** positive performance mainly driven by higher volumes and installed base services on Corporate Payments Gateway

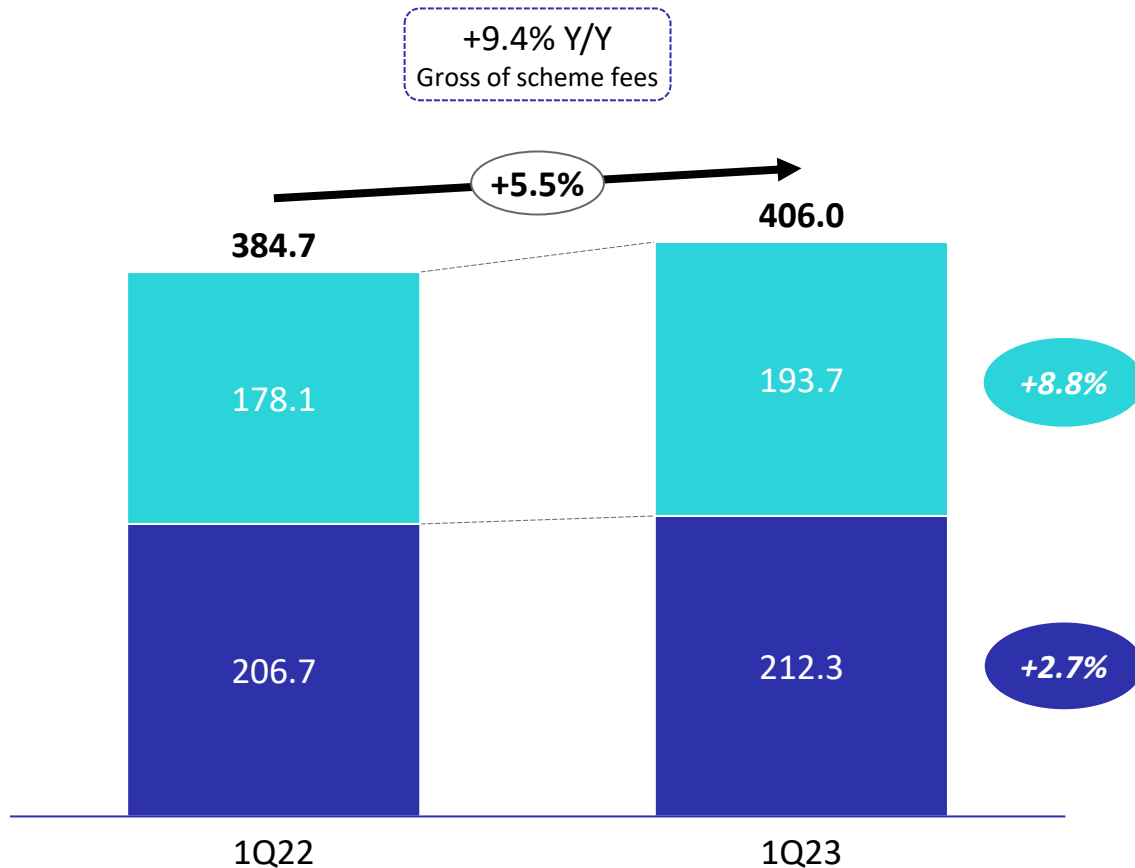
Strong revenue performance across geographies in 1Q23



Cost evolution driven by business growth, people investments in key strategic areas and inflation

Total Costs (€M)

- Personnel Costs
- Operating Costs



Key Highlights

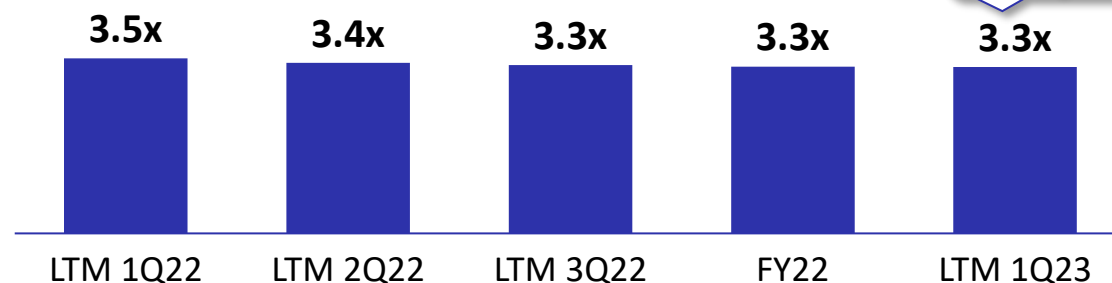
- **1Q23 increase y/y as planned** due to volume and business growth and inflationary pressure
- **Personnel costs** trend mainly driven by people investments in high-growth areas and inflation
- **Operating costs** benefitted from costs efficiencies and delivery of synergies despite volume growth and inflationary pressure

Net Financial Debt / EBITDA in line with plan, at ~2.9x including run-rate synergies

Net Financial Debt (€M)

	Mar 22	June 22	Sept 22	Dec 22	Mar 23
Gross Financial Debt	6,584	6,576	6,658	6,971	7,175
Cash	1,449	1,332	1,334	1,489	1,565
Cash Equivalents¹	67	84	83	87	92
Net Financial Debt	5,068	5,160	5,241	5,396	5,518

Net Financial Debt / EBITDA (€M)



LTM EBITDA (€M)

1,465

1,532

1,577

1,638²

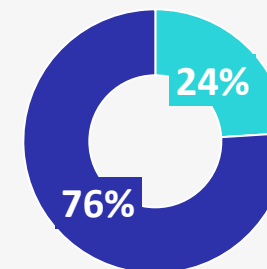
1,679³

Key Highlights

- **Upgrade to “BB+” (positive outlook) by S&P’s**, the 4th positive rating action since Jan ’22, on the back of results delivery and successful integration of Nets and SIA
- **Cash on balance sheet more than covering 2024-2025 maturities** (no debt maturities until 2024). Weighted average maturity of ~4 years and average pre-tax cash cost of debt at ~2.7%⁴
- **Acquisition of ISP merchant book in Croatia** completed in February 2023 and **900 €M new floating rate 5y Term Loan Facility fully drawn down in 1Q23**

Interest rate mix⁴

- Floating rate (zero-floored)
- Fixed rate



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Closing remarks

2023 Guidance confirmed, consistent with CMD medium-term growth ambition

Net Revenues	<ul style="list-style-type: none">▪ More than 7% y/y growth
EBITDA	<ul style="list-style-type: none">▪ More than 10% y/y growth
Excess cash generated¹	<ul style="list-style-type: none">▪ At least 600 €M²
Net leverage³	<ul style="list-style-type: none">▪ ~2.9x EBITDA (~2.6x EBITDA incl. run rate synergies)
Normalised EPS⁴	<ul style="list-style-type: none">▪ More than 10% y/y growth

Note: (1) Operating cash flow generation after cash interest expenses and other cash items (cash taxes, IFRS 16, earn-outs and other). (2) Gross of c.100 €M deferred taxes in 2023. (3) ~3.0x EBITDA (~2.7x EBITDA incl. run-rate synergies) including Sabadell merchant book. (4) Net income to which non-recurring items and D&A customer contracts are added back net of taxes, divided by total number of shares.

Key messages

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- Sustained double-digit volume growth across the quarter, in all geographies, with January benefitting from easier y/y comparison
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Continued progress in creating the European PayTech leader

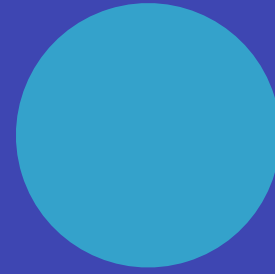
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- Strong growth performance of acquired assets (Italy, Greece, Croatia and Spain¹)
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- EBITDA > +10% y/y
- Excess cash > 600 €M

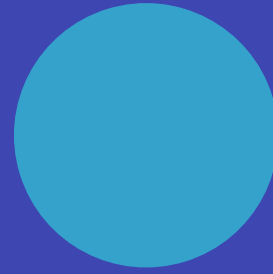
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Q&A



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Annex



Group P&L

Group P&L

€M	1Q23 Reported	M&A impact ¹	FX impact	1Q23 ²	1Q22 ²	Δ% vs. 1Q22
Merchant Solutions	401.7	6.0	4.8	412.5	370.1	11.5%
Issuing Solutions	246.6	(1.2)	1.1	246.5	227.8	8.2%
Digital Banking Solutions	82.8	0.0	0.0	82.8	82.3	0.6%
Operating revenue	731.1	4.8	5.8	741.7	680.2	9.0%
Personnel Costs	(192.5)	(0.2)	(0.9)	(193.7)	(178.1)	8.8%
Operating Costs	(210.5)	(0.8)	(1.1)	(212.3)	(206.7)	2.7%
Total Costs	(403.0)	(1.0)	(2.0)	(406.0)	(384.7)	5.5%
EBITDA	328.1	3.8	3.9	335.7	295.4	13.6%

Revenues gross of scheme fees, shifted to Opex

<i>For illustrative purpose only</i>	1Q23	Δ% vs. 1Q22
€M		
Merchant Solutions	514.5	+14.0%
Issuing Solutions	255.4	+9.0%
Digital Banking Solutions	82.8	+0.6%
Operating revenue	852.6	+11.0%
Personnel Costs	(193.7)	+8.8%
Operating Costs	(323.2)	+9.8%
Total Costs	(516.9)	+9.4%
EBITDA	335.7	+13.6%

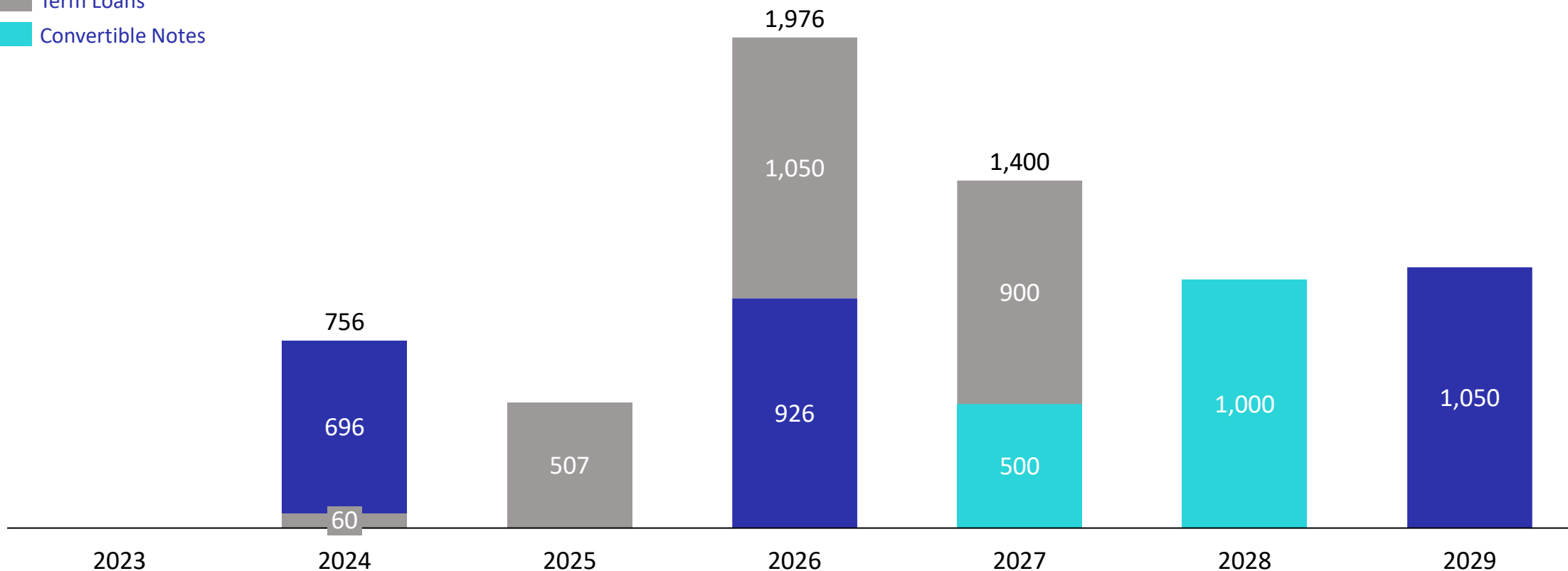
Debt maturities as at 1Q23

Nexi Group Debt Maturity Schedule¹ (€M)

Senior Notes

Term Loans

Convertible Notes



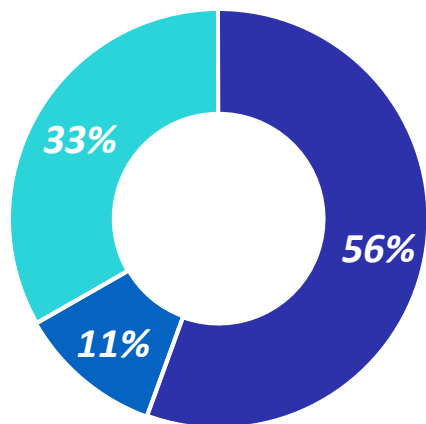
Well diversified revenue base both in terms of business and geography at scale, with exposure to fast growing European markets

1Q23 Revenues breakdown

1Q23 Costs breakdown by type

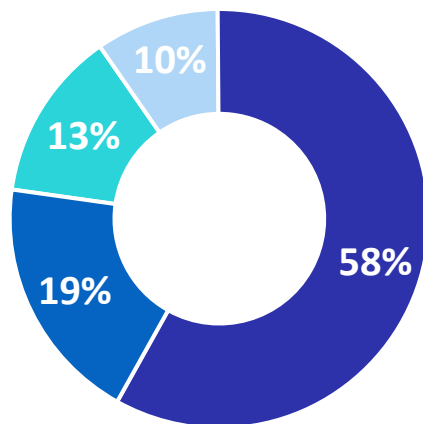
By business

- Merchant Solutions
- Issuing Solutions
- Digital Banking Solutions



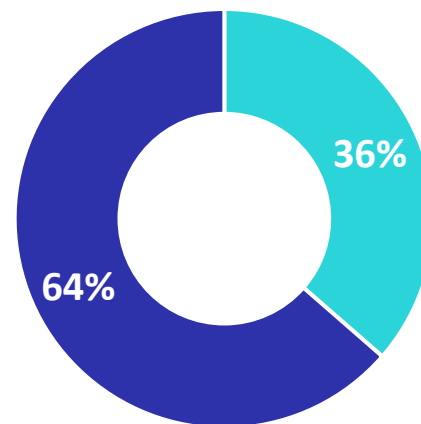
By geography

- Italy
- Nordics¹
- DACH & Poland
- SE Europe & Other



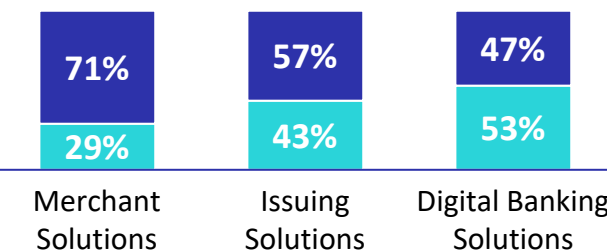
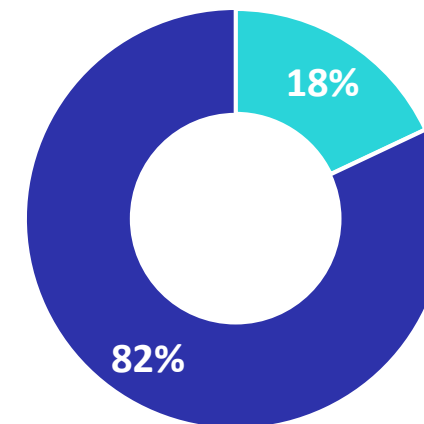
By type

- Installed based
- Volume driven



1Q23 Costs breakdown by type

- Variable costs
- Fixed Costs



2021-2025 CMD Guidance (organic basis)

Net Revenues	<ul style="list-style-type: none">▪ ~9% CAGR
EBITDA <i>EBITDA margin</i>	<ul style="list-style-type: none">▪ ~14% CAGR▪ ~+900 bps 2021-2025
Excess cash generated¹	<ul style="list-style-type: none">▪ ~2.8 €B 2023-2025
Net leverage	<ul style="list-style-type: none">▪ ~1.0x - 1.5x EBITDA by 2025 on organic basis
Normalised EPS²	<ul style="list-style-type: none">▪ ~20% CAGR

Note: (1) Operating cash flow generation after cash interest expenses and other cash items (cash taxes, IFRS 16, earn-outs and other). (2) Net income to which non-recurring items and D&A customer contracts are added back net of taxes, divided by total number of shares.



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