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9M23 Results Presentation

November 9th, 2023

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Key messages

Continued y/y volume growth in all geographies in 3Q23

- **Mid-to-High single digit y/y volume growth** in 3Q23, despite expected tough y/y comparison especially in August
- **All consumption categories and segments growing in 3Q23**; SME growing double-digit in 9M23
- **Continued solid y/y growth in September and October** across geographies

9M23 results in line with plan, with continued margin expansion

- **Revenue** growth at **+7.0%** vs 9M22, with 3Q23 performance affected by tough y/y comparison
- **Merchant Solutions** revenue growth at **+8.2%** vs 9M22, with Germany at **+12.6%** vs 9M22
- **EBITDA** growth at **+10.2%** vs 9M22 with **~+149 bps EBITDA margin expansion y/y**

Continued progress in creating the European PayTech leader

- Group strategy execution and synergies' delivery progressing well. **Identifying further efficiencies and synergies** on the back of Group integration
- **Germany/DACH rebranded to Nexi**
- **Sale of Nordic eID business for up to 127.5 €M¹ to IN Groupe**
- Continued **debt leverage reduction**. **~1.3 €B 2024-2025 maturities to be fully paid down** with already available cash

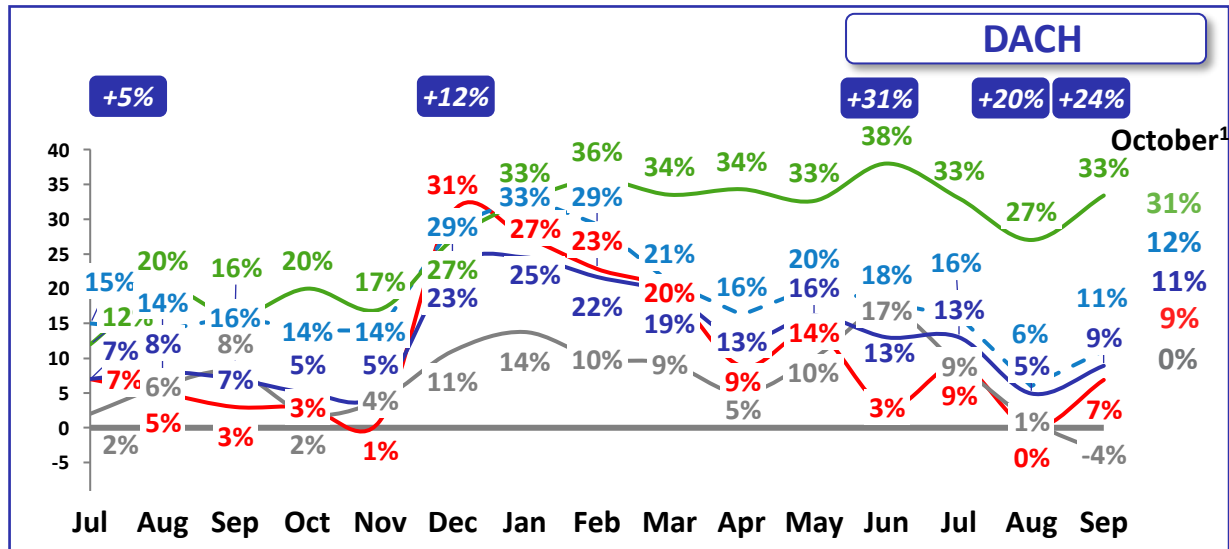
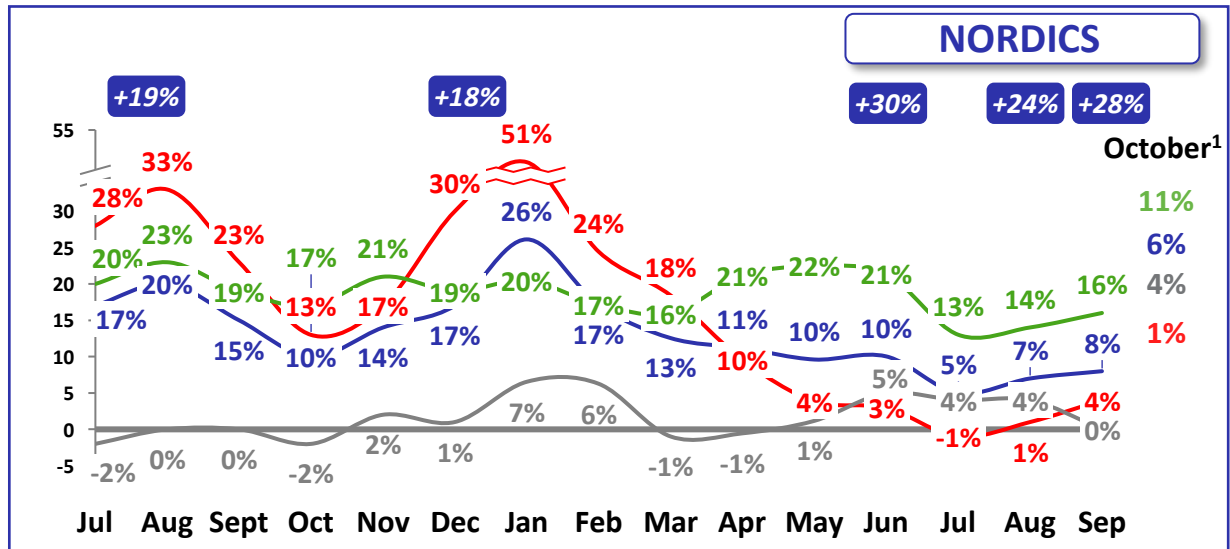
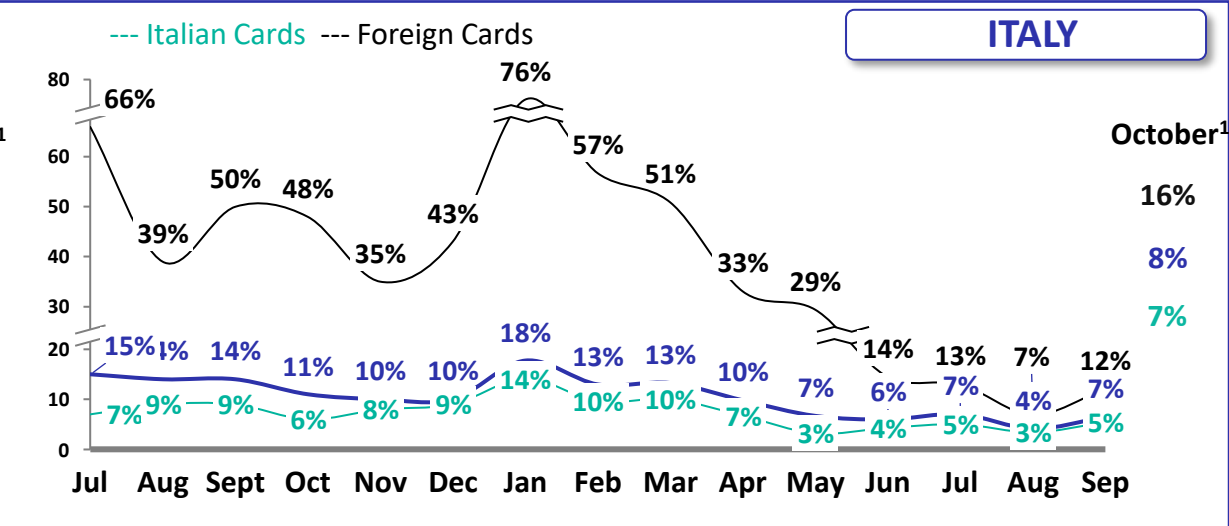
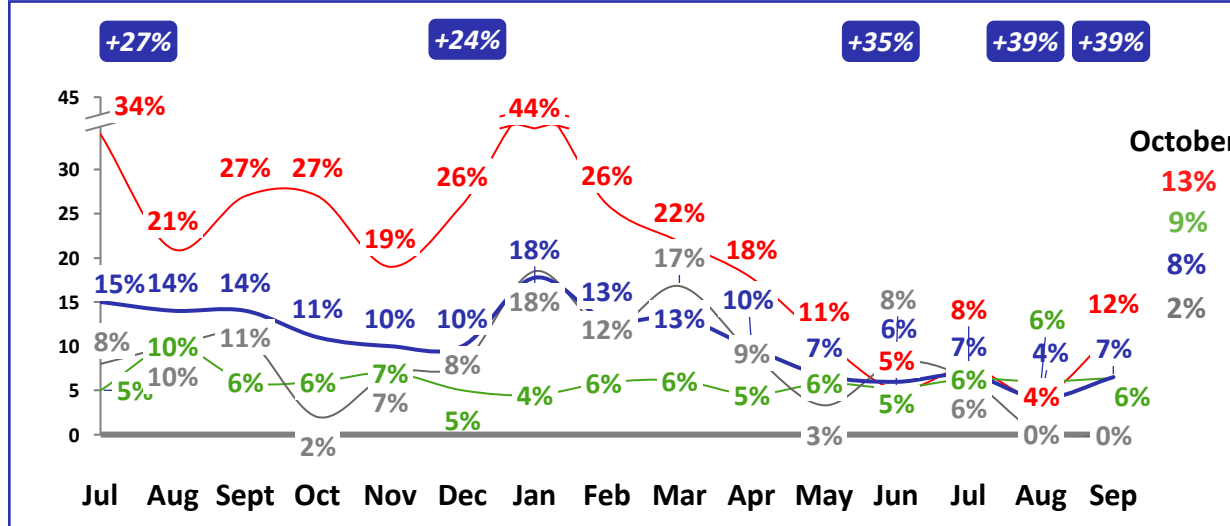
Confirmed 2023 Guidance

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

Continued volume growth in 3Q23 across all geographies despite tougher Y/Y comparison and overall macro weakness

Trend vs prev. Year

— High impact consumption — Basic consumption — Discretionary consumption — Total — Net of discontinued clients due to optimised risk profile **Delta vs 2019²**



Note: Tend versus previous year. Sales volumes only. SIA volumes excluded. Italy: International schemes plus National schemes for ISP merchant book. Nordics and DACH: Regular business, excl. discontinued clients due to optimized risk profile (e.g. travel). International schemes only, non-card based transactions from e-commerce not included. (1) Weighted average of weeks 40-43. (2) Total net of discontinued clients due to optimised risk profile for DACH

Merchant Solutions: key business update

9M23 TRX Value Key Business Highlights

62%¹

SME

+11%
vs. 9M22

- Continued terminals installed base growth by ~100k² y/y in 9M23
- Advanced digital propositions accelerating frontbook performance in Italy, Nordics and DACH
- Rebranding in Germany/DACH to Nexi, with launch of advanced digital proposition for SMEs
- Orderbird software SME solutions growing at ~+20% y/y, cross-selling of entry level solution started
- Expanding base of ISVs and platforms partners, with ca. 40 new wins in POS software solutions and vertical specialists in 3Q23, extending overall partner base to 1,100+
- Extension of Group SME propositions across countries progressing incl. SoftPOS launch in Italy, SmartPay launched in Austria, new companion app in Nordics and new digital shop in DACH

10%¹

eCom

+8%
vs. 9M22

- Accelerated growth of customer base across group +8% y/y, mainly driven by Nordics and Italy
- Accelerated new mid market clients win across geographies, mainly in retail, pharmacy and ticketing
- Strategic partnership with Computop: accelerating revenue synergies through cross-selling and preparing for leveraging technology across the Group
- Signed flagship premium partnership at Group level with European eCom enablers: Shopware, Magento and Prestashop

11%¹

LAKA

+8%
vs. 9M22

- Healthy pipeline of commercial new wins and up/cross-selling (also against digital-native competitors) across multiple verticals and geographies, with specific focus on retail, grocery, smart mobility and EV charging
- Increased relevance of dedicated integration capabilities for acceptance, with robust pipeline of merchant projects, mainly in retail and petrol/EV charging
- Extension of Group LAKA vertical propositions across countries progressing incl. new data-enabled insights suite released in Nordics, continued focus in evolving unattended capabilities for hospitality and EV charging

Examples of recent customer wins & upsells



ISVs/Platforms Partnerships



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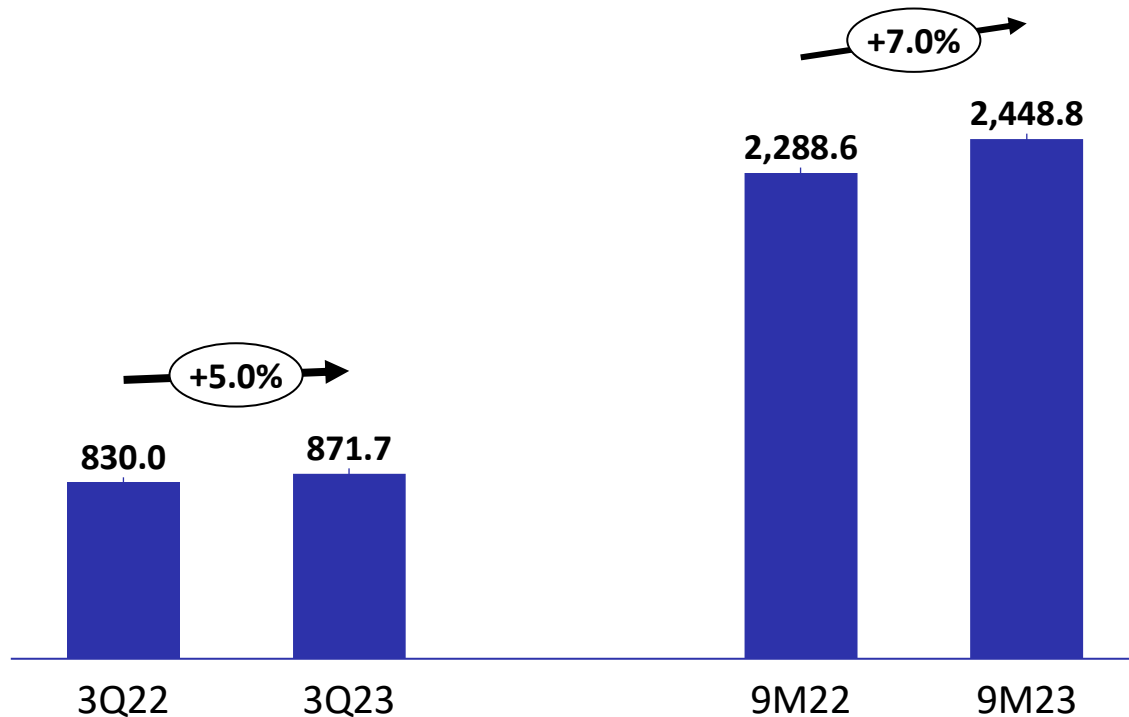
Focus on 9M23 results

Revenue and EBITDA growth in line with plan, with continued EBITDA margin expansion

Net Revenues (€M)

+7.0% Y/Y
Gross of scheme fees

+8.8% Y/Y
Gross of scheme fees



EBITDA (€M)

EBITDA margin

55%

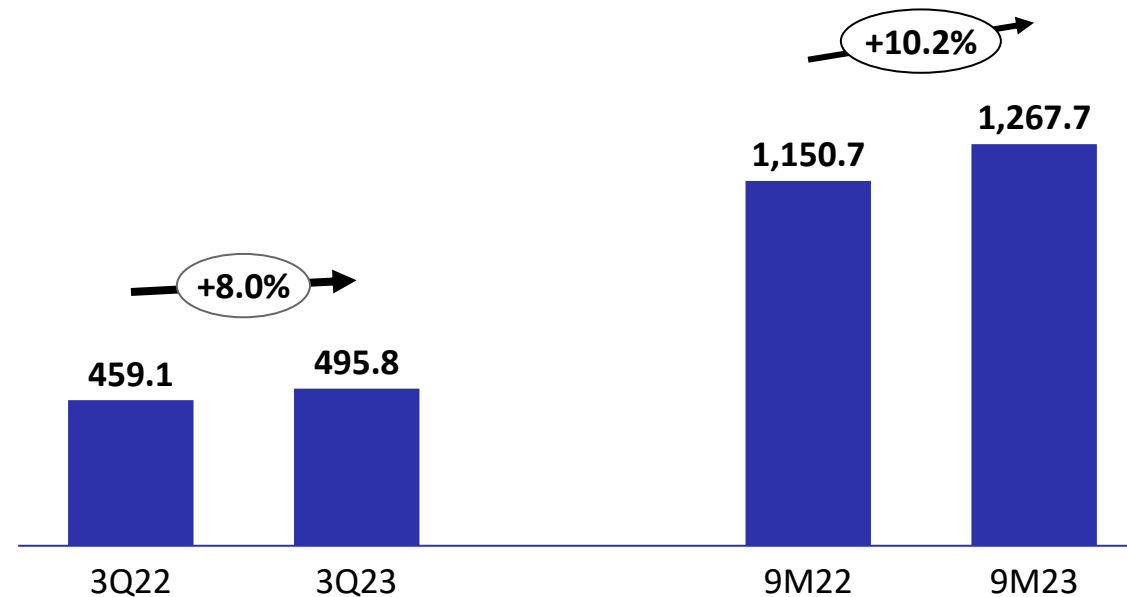
57%

50%

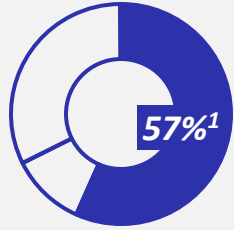
52%

+ 156 bps

+ 149 bps



Merchant Solutions: continued revenue growth, impacted by y/y comparison in 3Q23 due to a strong summer period last year



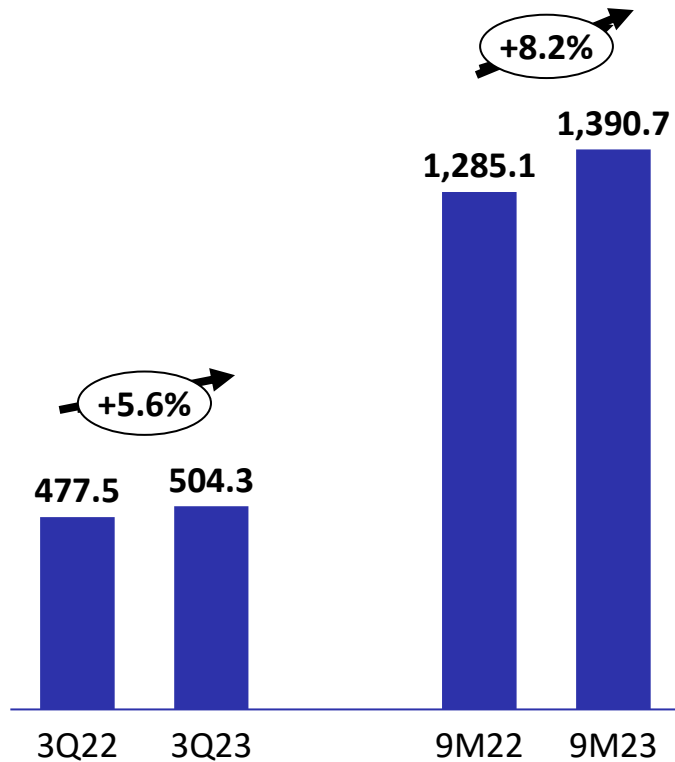
Merchant Solutions



Net Revenues (€M)

+8.6% Y/Y
Gross of scheme fees

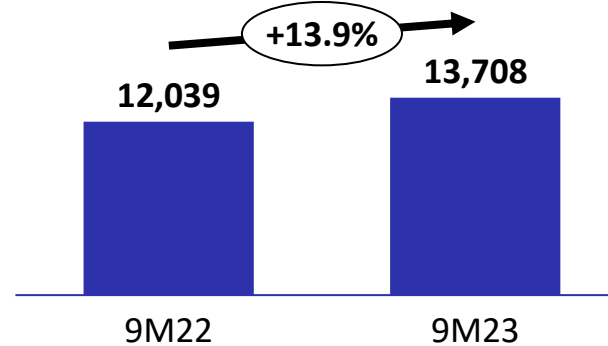
+10.8% Y/Y
Gross of scheme fees



Managed Transactions (#M)

International Schemes

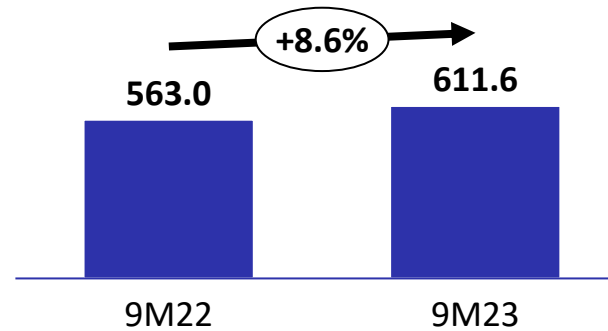
+16.6%



Value of Managed Transactions (€B)

International Schemes

+12.1%



Key Highlights

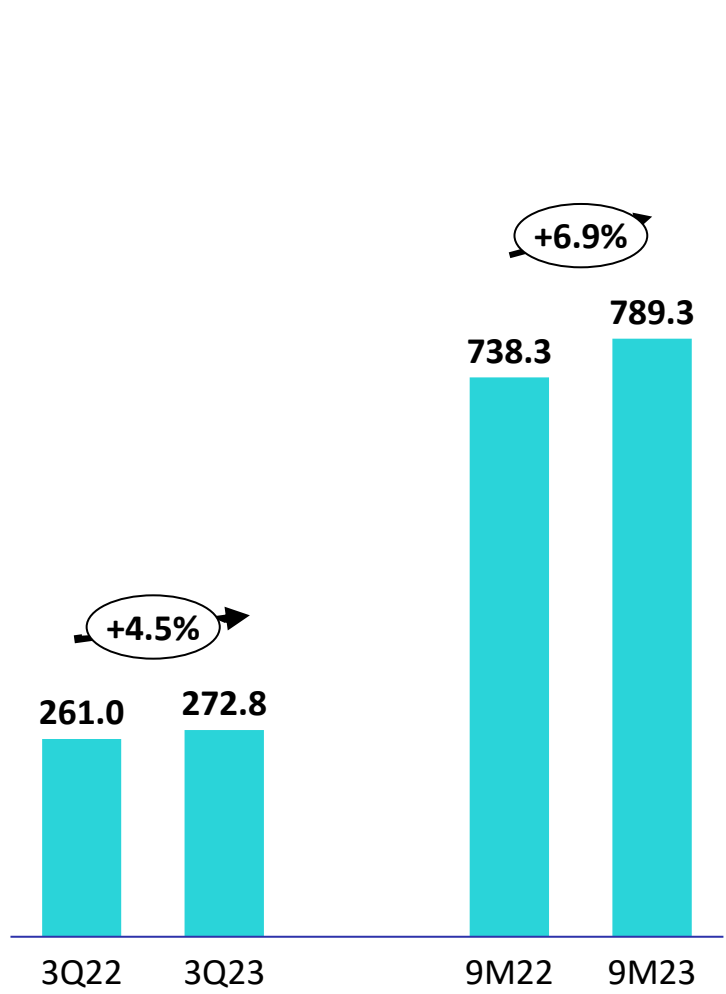
- Sustained growth in value of transactions across the Group, driven by International schemes
- Continued y/y revenue growth in Germany at +7.6% y/y in 3Q23 and +12.6% y/y in 9M23
- SME value of transactions at +11% y/y in 9M23, with strong performance in Germany
- E-commerce double digit y/y revenue growth, supported by customer base expansion (+8% y/y)

Issuing Solutions: continued revenue growth supported by volumes and new propositions

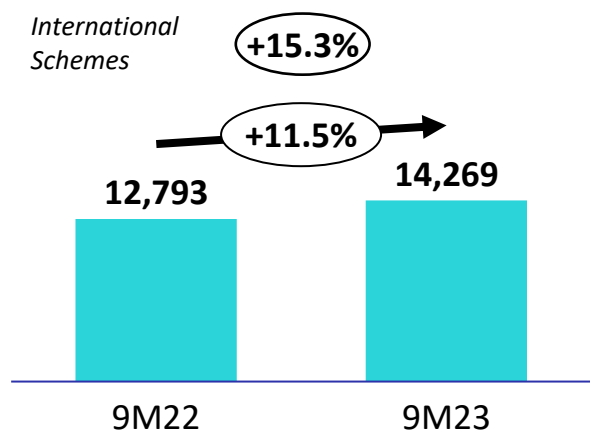
32%¹

Issuing Solutions

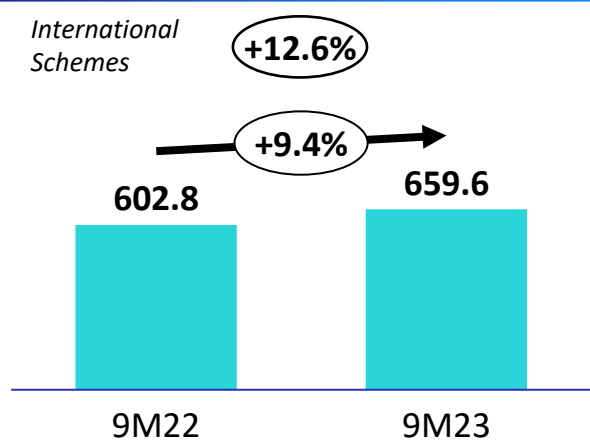
Net Revenues (€M)



Managed Transactions (#M)



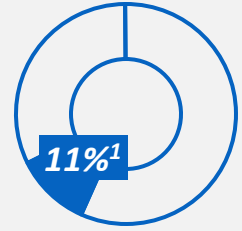
Value of Managed Transactions (€B)



Key Highlights

- Continued revenue growth supported by volumes; **3Q23 performance affected by project phasing**
- Extension of strategic partnership with BankAxept** in Norway, confirming our leading role in processing payments for the domestic schemes
- Continued **up-selling / cross-selling of VAS and more valuable propositions** (e.g. international debit in Italy). Progressing development of **Advanced Digital Issuing solutions** (e.g. CVM) across Europe

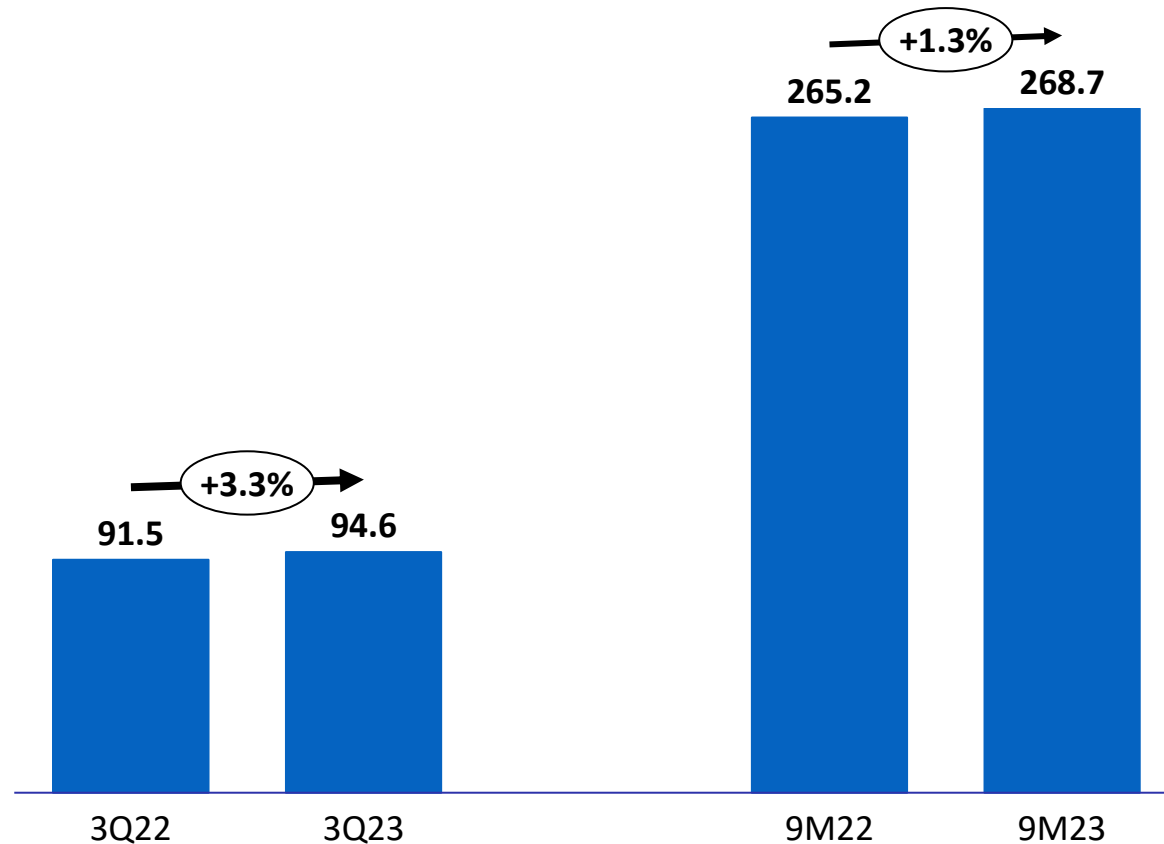
Digital Banking Solutions: positive revenue performance in the quarter sustained by volume growth and positive commercial performance



Digital Banking Solutions



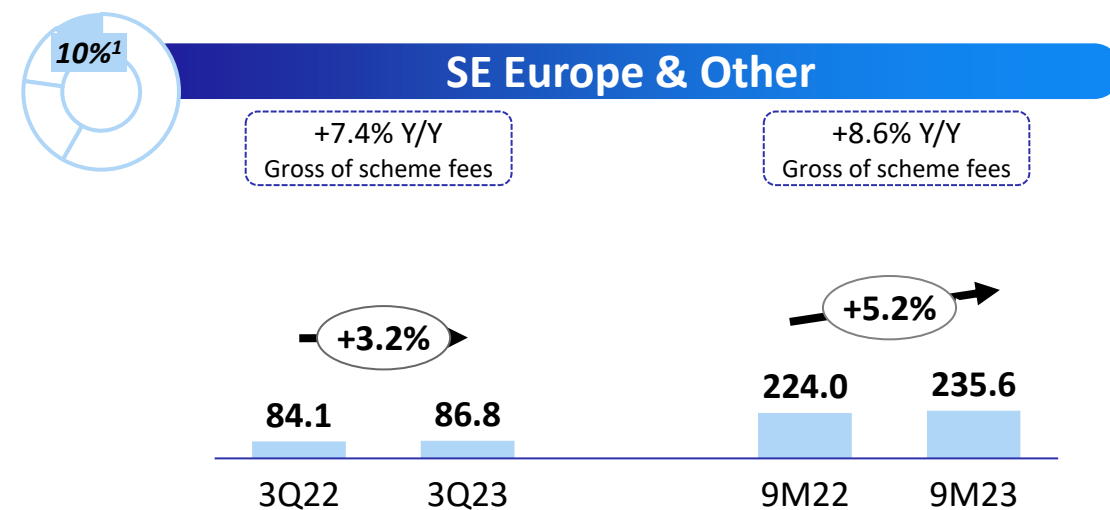
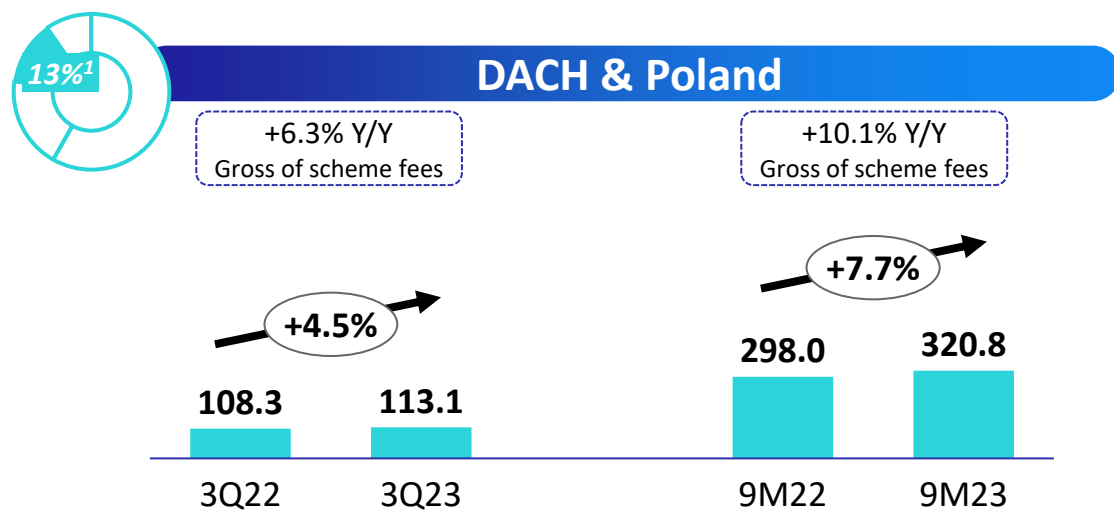
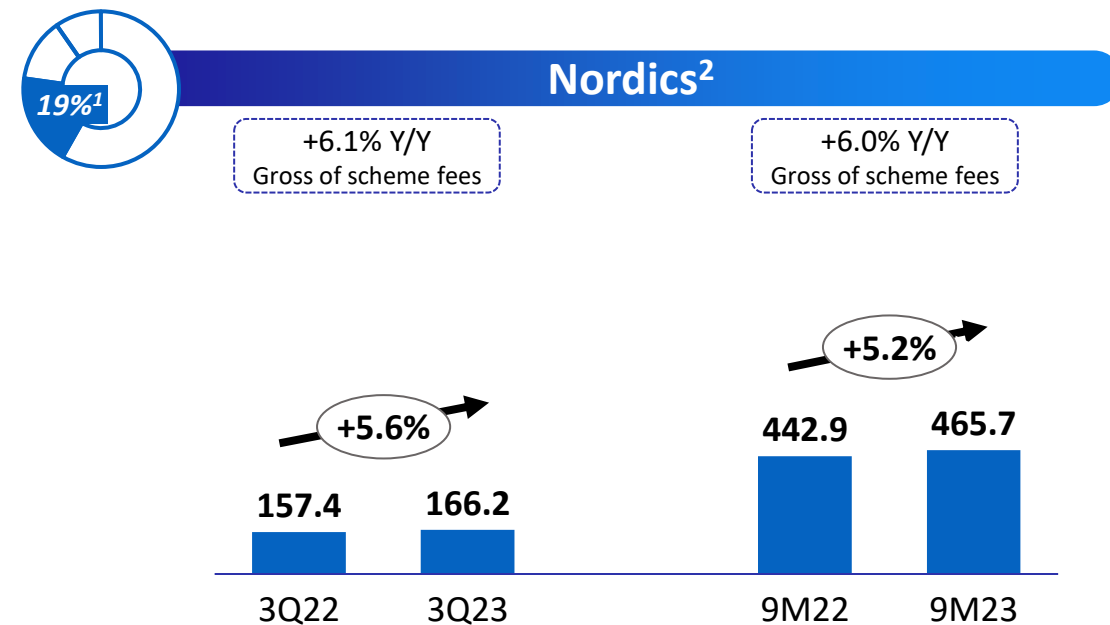
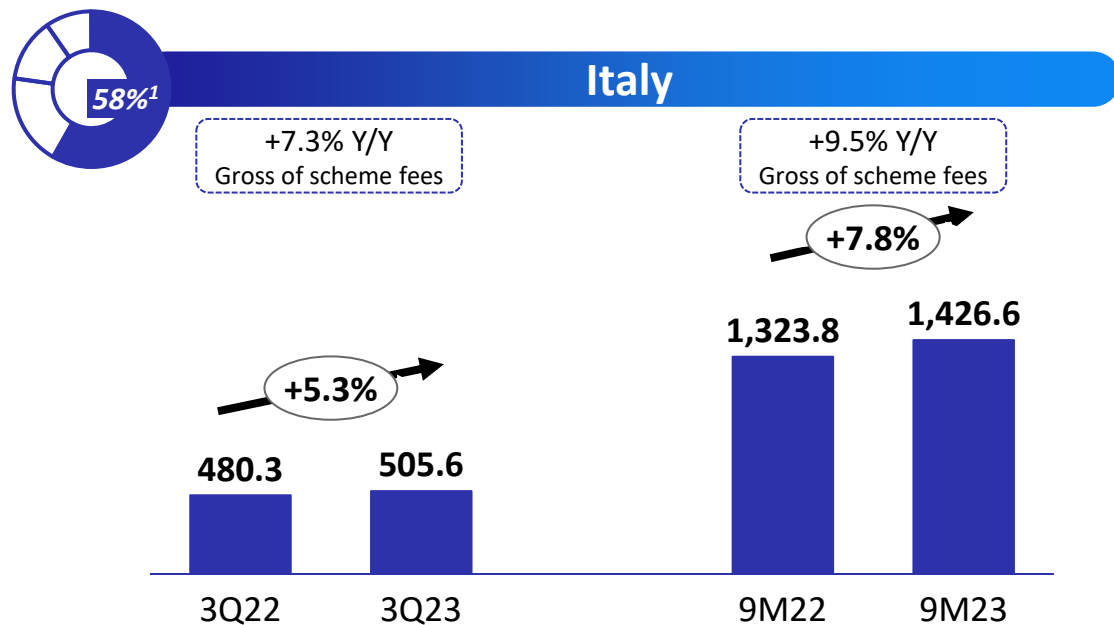
Net Revenues (€M)



Key Highlights

- **3Q23 y/y revenues growth** sustained by volume growth and positive commercial performance
- **Payments Infrastructures:** strong volume growth on EBA Clearing, especially on instant payments, and positive commercial performance of Network Services
- **Digital Corporate Banking:** volume growth on E-billing and Open banking services and higher revenues on CBI infrastructure

Continued revenue growth across geographies in 3Q23



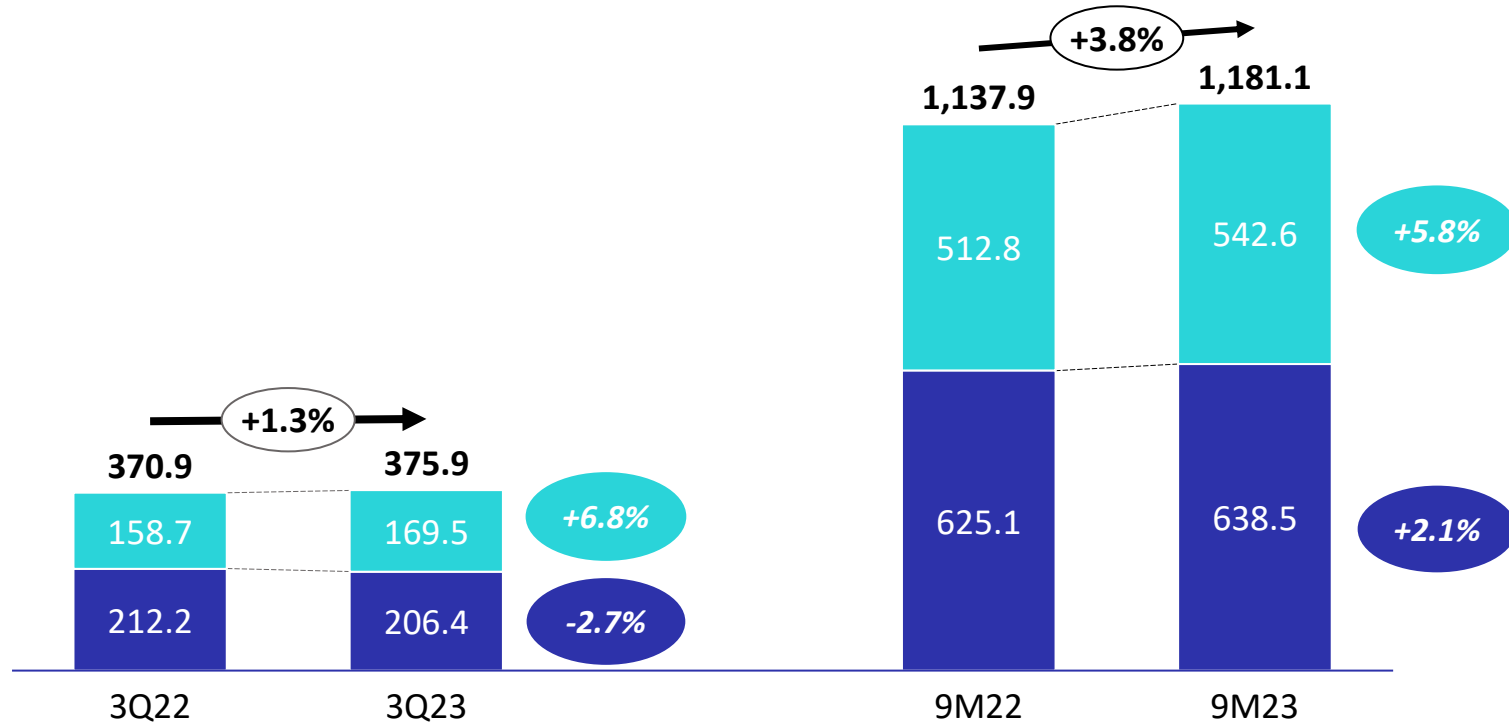
Solid cost performance thanks to operating leverage, cost control and synergies, partially offsetting inflationary pressure

Total Costs (€M)

Personnel Costs
Operating Costs

+6.1% Y/Y
Gross of scheme fees

+7.8% Y/Y
Gross of scheme fees



Key Highlights

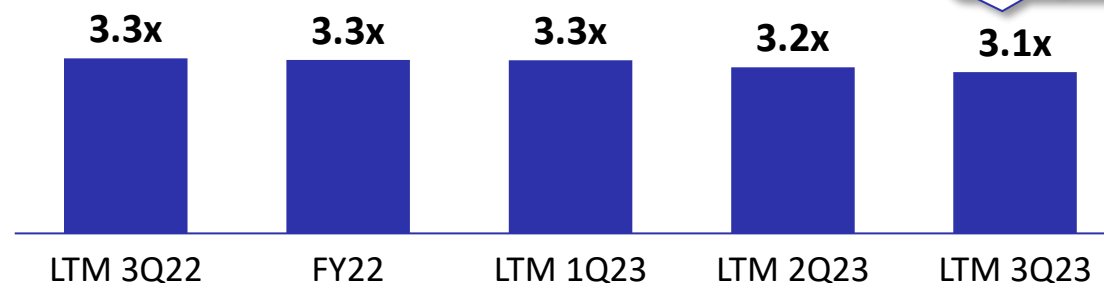
- **9M23 increase y/y as planned** due to volume, business growth and inflationary pressure:
 - **Personnel costs** trend mainly driven by people investments in high-growth areas and inflation
 - **Operating costs** benefitting from costs efficiencies and delivery of synergies despite volume growth and inflationary pressure

Net Financial Debt / EBITDA continued reduction, in line with plan

Net Financial Debt (€M)

	Sept 22	Dec 22	Mar 23	June 23	Sept 23
Gross Financial Debt	6,658	6,971	7,175	7,211	7,228
Cash	1,334	1,489	1,565	1,692	1,833
Cash Equivalents¹	83	87	92	97	47
Net Financial Debt	5,241	5,396	5,518	5,422	5,348

Net Financial Debt / EBITDA (€M)



LTM EBITDA (€M)

1,577

1,638²

1,679³

1,720³

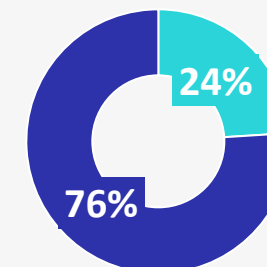
1,747³

Key Highlights

- Upgrade to “Ba1” by Moody’s in August 2023, the 6th rating update since January 2022, the 2nd in 3Q23, reflecting our strong financial profile and performance
- 2024-25 maturities to be met with available cash resources (gross debt reduction)
- Weighted average debt maturity of ~3.3 years and average pre-tax cash cost of debt broadly stable at ~2.84%⁴

Interest rate mix⁴

- Floating rate (zero-floored)
- Fixed rate



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Closing remarks

2023 Guidance confirmed

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.

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Continued progress in creating the European PayTech leader

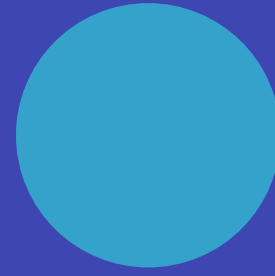
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Excess cash > 600 €M

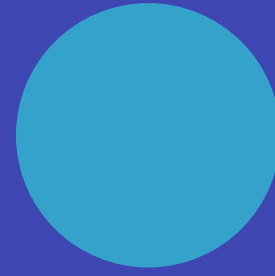
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Q&A



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Annex



Group normalised P&L at constant scope and FX

€M	9M22	9M23	Δ% vs. 9M22	3Q22	3Q23	Δ% vs. 3Q22
Merchant Solutions	1,285.1	1,390.7	+8.2%	477.5	504.3	+5.6%
Issuing Solutions	738.3	789.3	+6.9%	261.0	272.8	+4.5%
Digital Banking Solutions	265.2	268.7	+1.3%	91.5	94.6	+3.3%
Operating revenue	2,288.6	2,448.8	+7.0%	830.0	871.7	+5.0%
Personnel Costs	(512.8)	(542.6)	+5.8%	(158.7)	(169.5)	+6.8%
Operating Costs	(625.1)	(638.5)	+2.1%	(212.2)	(206.4)	-2.7%
Total Costs	(1,137.9)	(1,181.1)	+3.8%	(370.9)	(375.9)	+1.3%
EBITDA	1,150.7	1,267.7	+10.2%	459.1	495.8	+8.0%

Revenues gross of scheme fees, shifted to Opex

For illustrative purpose only

€M	9M23	Δ% vs. 9M22	3Q23	Δ% vs. 3Q22
Merchant Solutions	1,781.5	+10.8%	660.8	+8.6%
Issuing Solutions	817.7	+7.2%	282.9	+4.6%
Digital Banking Solutions	268.7	+1.3%	94.6	+3.3%
Operating revenue	2,868.0	+8.8%	1,038.3	+7.0%
Personnel Costs	(542.6)	+5.8%	(169.5)	+6.8%
Operating Costs	(1,057.7)	+8.8%	(373.0)	+5.7%
Total Costs	(1,600.3)	+7.8%	(542.5)	+6.1%
EBITDA	1,267.7	+10.2%	495.8	+8.0%

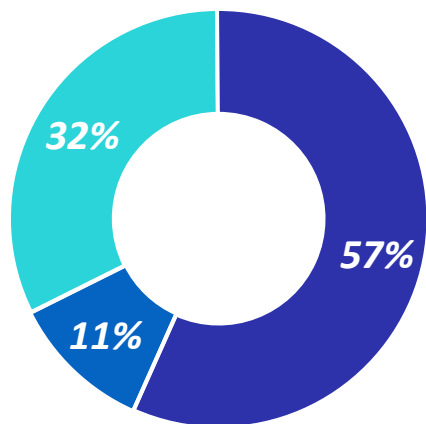
Well diversified revenue base both in terms of business and geography at scale, with exposure to fast growing European markets

9M23 Revenues breakdown

9M23 Costs breakdown by type

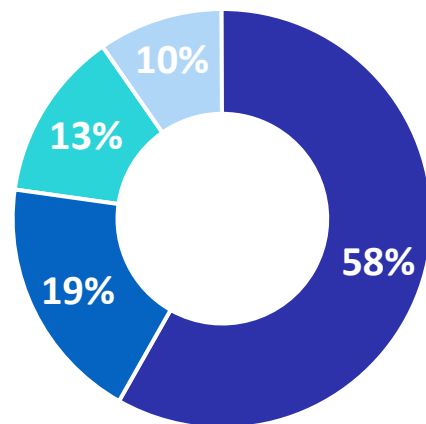
By business

- Merchant Solutions
- Issuing Solutions
- Digital Banking Solutions



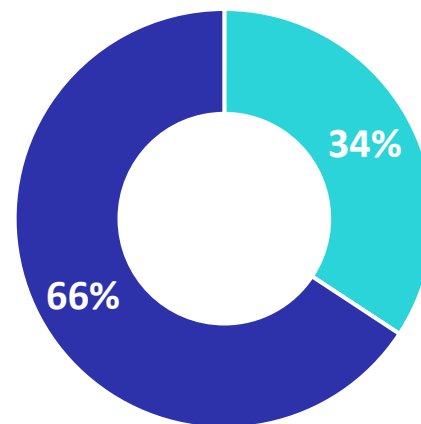
By geography

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



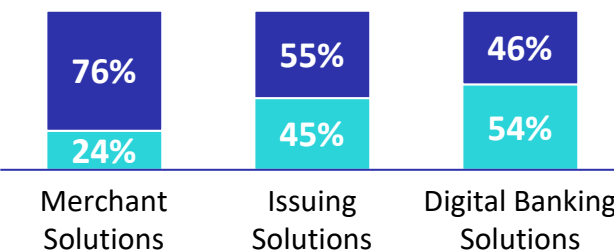
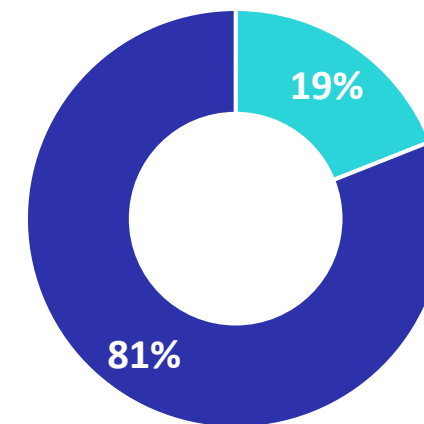
By type

- Installed based
- Volume driven



9M23 Costs breakdown by type

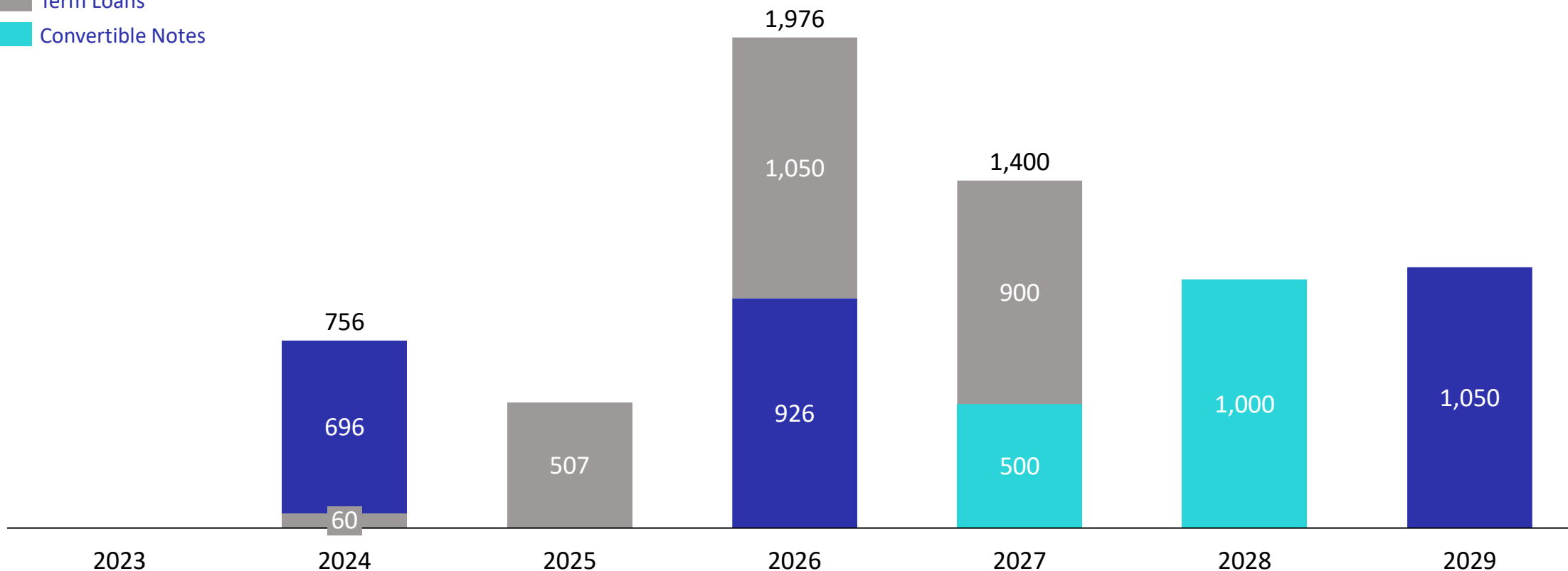
- Variable costs
- Fixed Costs



Debt maturities as at 3Q23

Nexi Group Debt Maturity Schedule¹ (€M)

- Senior Notes
- Term Loans
- Convertible Notes



Sale of Nordic eID business

Already classified as asset held for sale

Strategic rationale

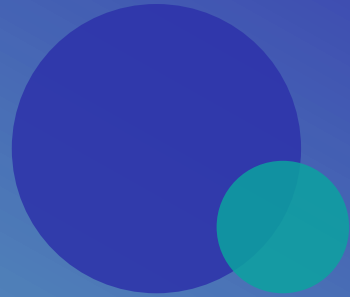
- **Progressing on portfolio rationalization with signing of Nets DBS disposal**, classified as “asset held for sale” below EBITDA starting from 2023, as announced at the Capital Markets Day
- **Business providing digital identity solutions in the Nordics** to Banks, Corporates and public sector
- **Ability to cover the full value chain through:**
 - **eID solutions:** white-label, scalable, API-based and compliant infrastructure solutions for digital identity
 - **eID broker services:** enabling wide set of eID schemes for authentication and ID verification via one point of integration
 - **VAS:** easy to integrate solutions for proving authenticity, interacting and transacting digitally B2B and B2C

Key terms and next steps

Key P&L Items	2023E Run-rate ¹
Net Revenues	~55 €M
EBITDA	~11 €M



- **Sale of Nordic eID business to IN Groupe**, a leading global identity and secure digital services provider
- **Total consideration (EV) up to 127.5 €M²**, of which 90 €M of upfront and up to 37.5 €M of earn-outs subject to the achievement of certain financial targets
- **Closing is expected by the summer 2024**, subject to several closing conditions including, *inter alia*, regulatory approval in Denmark



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