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# FY23 Results Presentation

March 7th, 2024

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# Key messages

## Continued y/y volume growth in all geographies in 4Q23

- **Sustained mid-single digit y/y** volume growth in **Italy** and **Nordics** in 4Q23. **Strong double digit y/y** volume growth in the **DACH** region in 4Q23
- **Continued y/y growth in January and February** across geographies despite macro weakness

## Continued top-line growth, strong margin expansion and cash generation

- **Revenue** growth at **+7.0%** vs FY22; **Merchant Solutions** revenue growth at **+7.7%** vs FY22, with Germany and eCommerce growing double-digit
- **EBITDA** growth at **+10.0%** vs FY22 with **~+146 bps EBITDA margin expansion y/y**
- Continued strong growth on **excess cash generation at 601.1[1] €M in FY23**
- Continued **debt leverage reduction** with net debt **now at 3.0x EBITDA**
- **Non-cash technical impairment** of goodwill and intangibles for c. 1,257 €M

## Strong cash generation enabling 500 €M share buy-back program

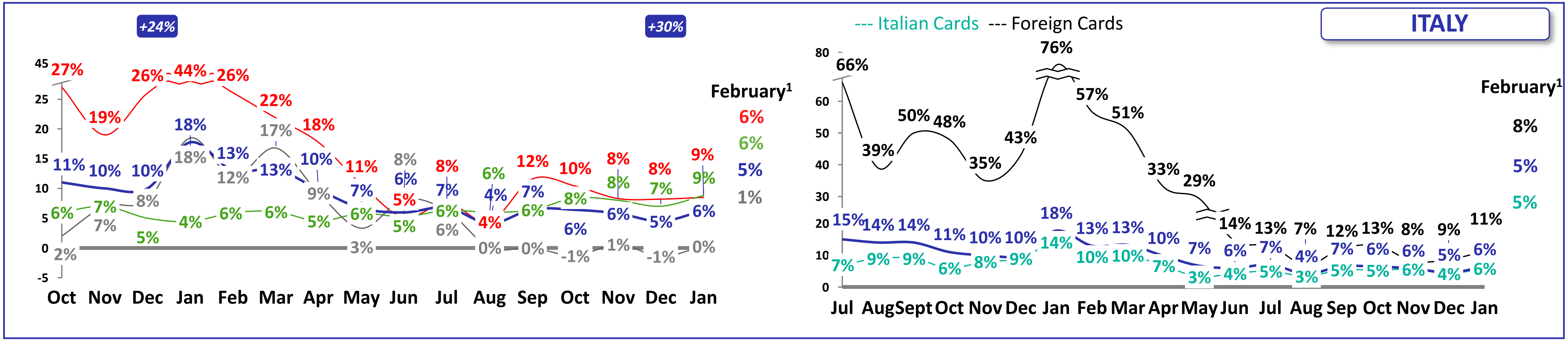
- Group strategy execution progressing well. **Accelerating efficiency and synergies delivery** on the back of Group integration
- **2024 guidance** and **revised medium-term plan confirming margin expansion and strong growth in cash generation** despite a **more uncertain macro outlook**
- **500 €M share buy-back program over 18 months to be proposed** to Shareholders' Meeting
- **~1.3 €B 2024-2025 maturities to be fully paid down** with existing cash
- Continued **progress on ESG leadership**

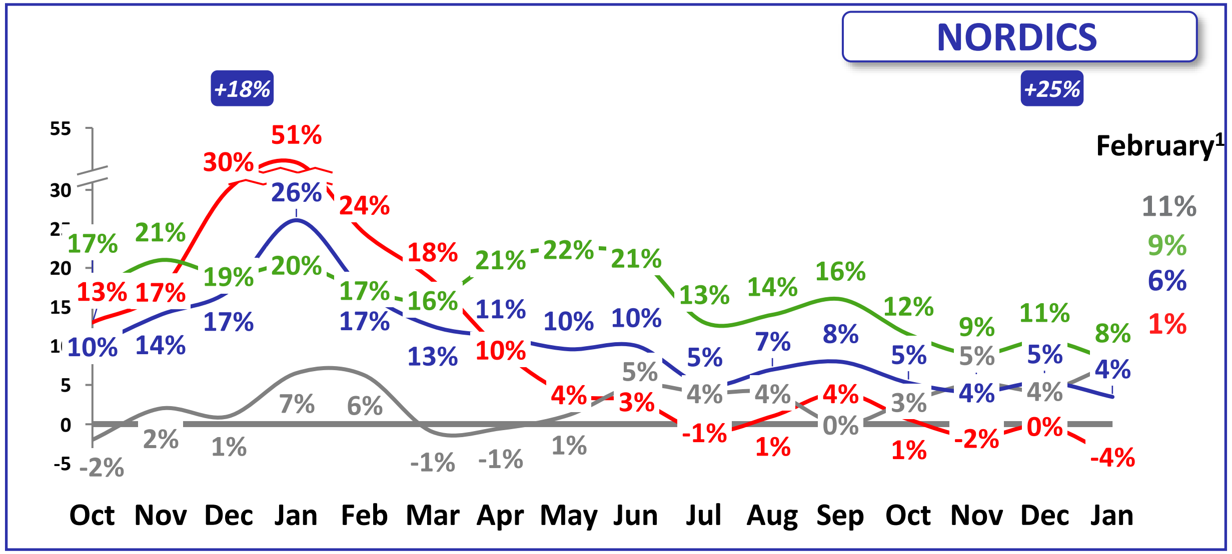
**2023 Guidance delivered**
despite challenging macro-economic environment

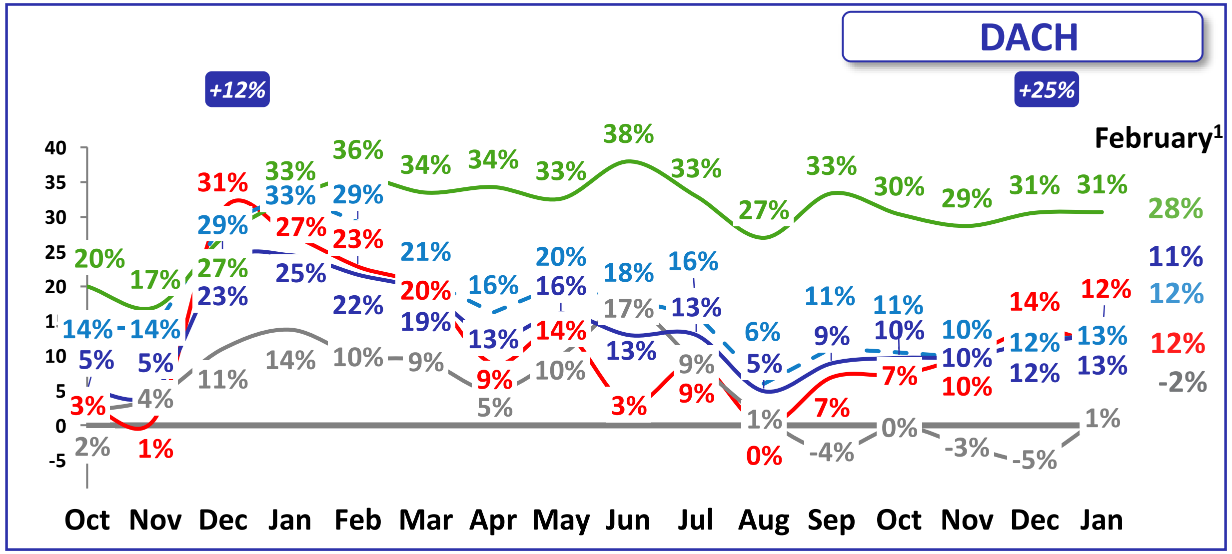
Note: (1) Gross of c. 100 €M deferred taxes

# Continued volume growth in 4Q23 across all geographies despite overall macro weakness

High impact consumption — Basic consumption — Discretionary consumption — Total — Net of discontinued clients due to optimised risk profile — *Delta vs 2019[2]*






Note: Trend 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) Month-to-date as of February 25th. (2) Total net of discontinued clients due to optimised risk profile for DACH.

# Merchant Solutions: key business update

| | FY23 TRX Value | Key Business Highlights |
|---|---|---|
| **SME** 62%[1] | **+9%** vs. FY22 | ▪ **Continued growth of terminals installed base** across all markets<br>▪ **Advanced digital propositions with strong sales performance**, with stand-outs in Italy (SmartPOS, SoftPOS) and Nordics<br>▪ **Partner sales accelerating** driven by the growing number of partnerships and **significant increase in Digital sales** especially in Italy<br>▪ **Continued progress on integrated payments** with further **new ISVs partnership wins** in 4Q23, both in ECR and in vertical solutions as Retail, Hospitality, Mobility and Ticketing<br>▪ **Progress in key SME propositions evolution**, with SmartPOS being launched in Nordics and **SmartPay extension accelerating in new markets**. Digital partner integration solution being extended to new business models in Germany. Continued focus in evolving digital onboarding and merchants' touchpoints. |
| **eCom** 10%[1] | **+8%** vs. FY22 | ▪ **Continued customer base growth** across group +7% y/y, particularly in Italy and Nordics<br>▪ **Strong focus on mid-market across geographies** with one-stop shop, high-conversion collecting proposition development<br>▪ Signed further **flagship premium partnership** at group level with WooCommerce, on top of already signed similar advanced partnerships with Magento, Shopware and Prestashop |
| **LAKA** 11%[1] | **+7%** vs. FY22 | ▪ **Solid pipeline of new customers wins and up/cross selling across multiple geographies and verticals.** Key focus in **mid-corp/national LAKA space**, with local integrated capabilities as a differentiator and key verticals focus (omni-channel retail, hospitality, EV charging/petrol)<br>▪ **Omni-channel propositions with Computop in Germany** gaining commercial traction<br>▪ **Continued progress in new store format solutions** as unattended and **vertical-specific** capabilities (e.g. social card acceptance in petrol/EV charging in Italy) |

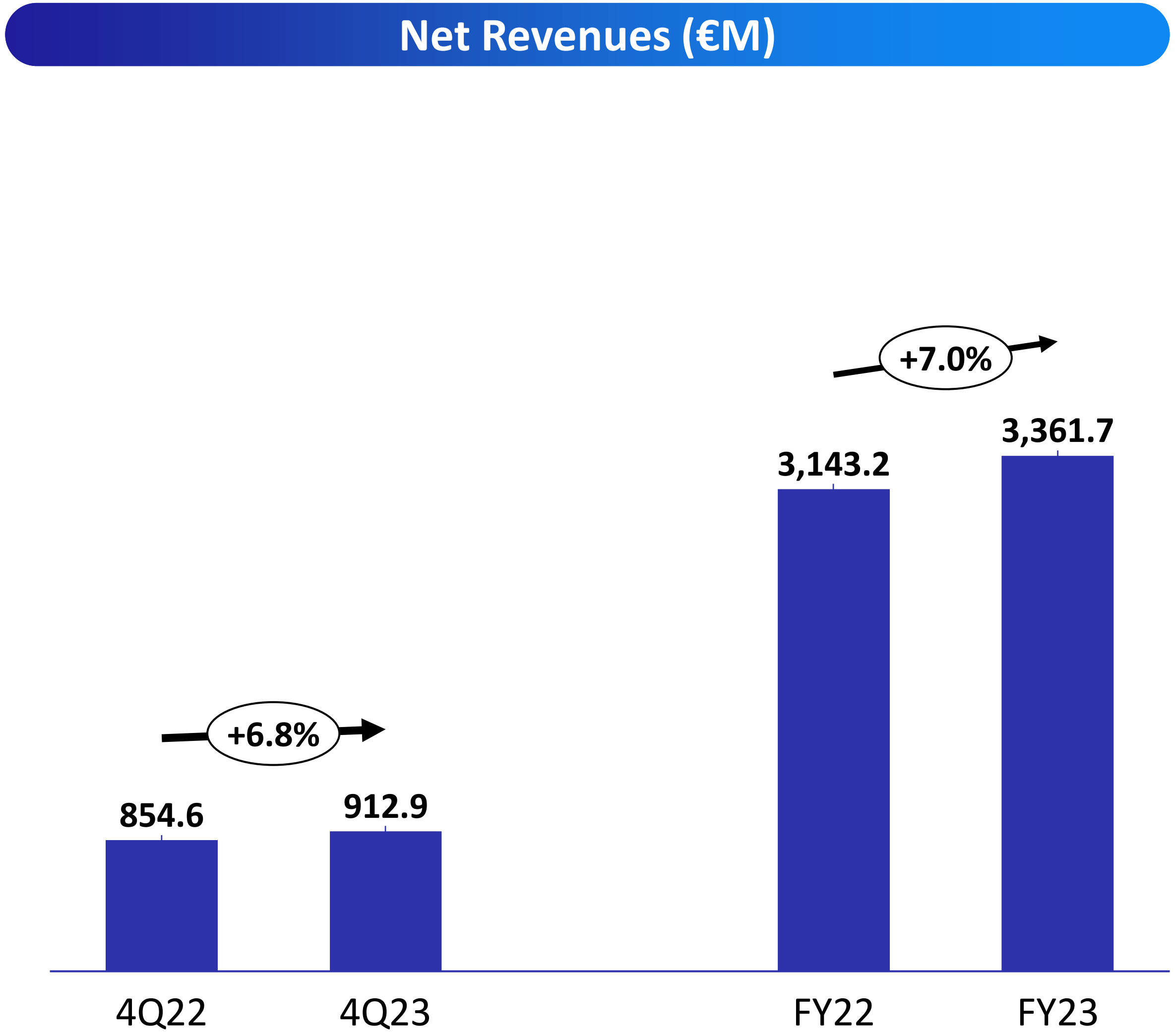
**Examples of recent customer wins & upsells**

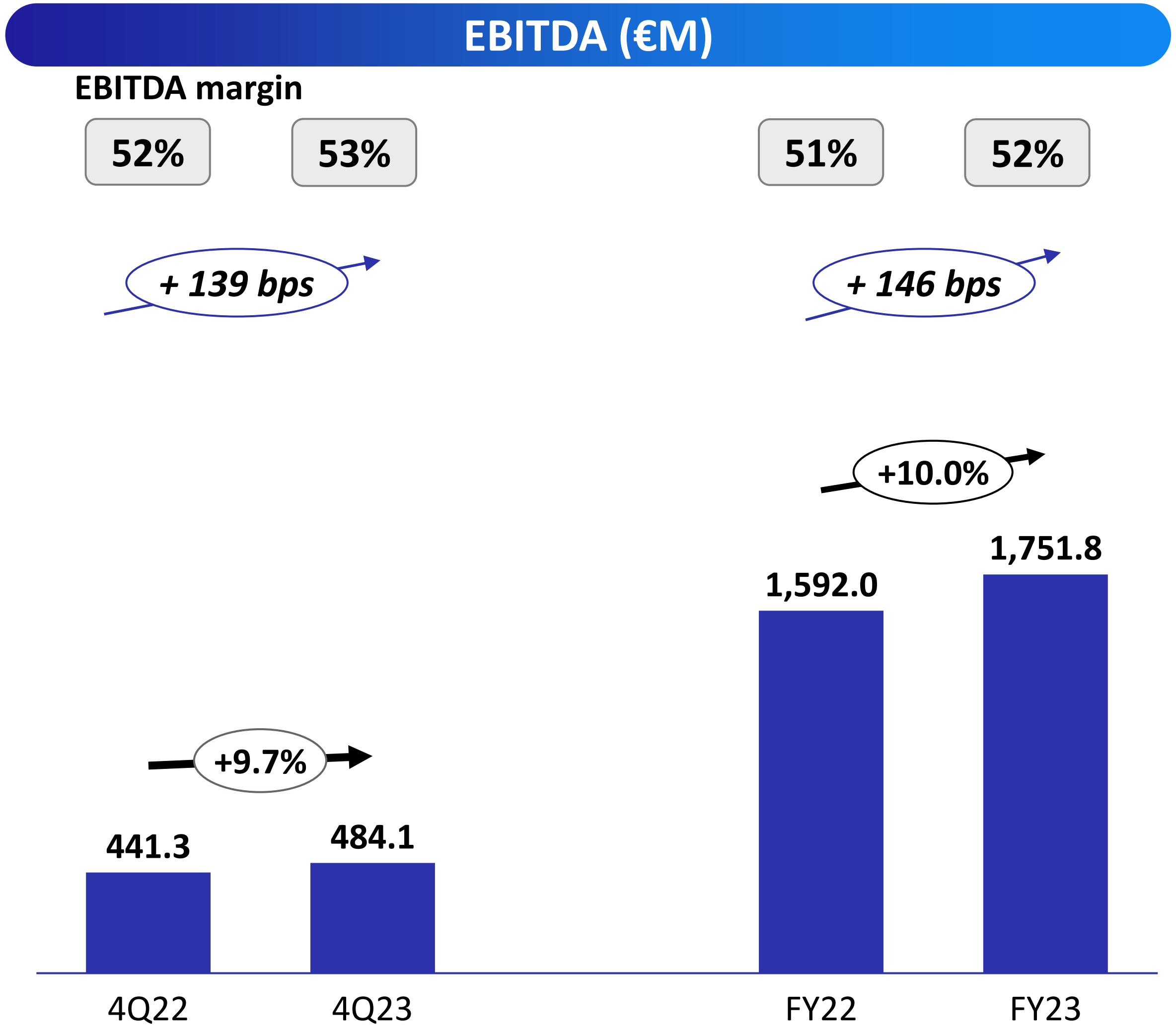
**ISVs/Platforms Partnerships**

Note: Value of trx - Sales volumes only. For 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. (1) Weight on total FY23 Merchant Solutions revenues. Remaining 18% includes cash acquiring revenues not attributable. (2) Total Group # POS.

# Focus on FY23 results

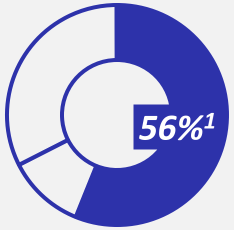
# Solid Revenue and EBITDA growth with strong EBITDA margin expansion



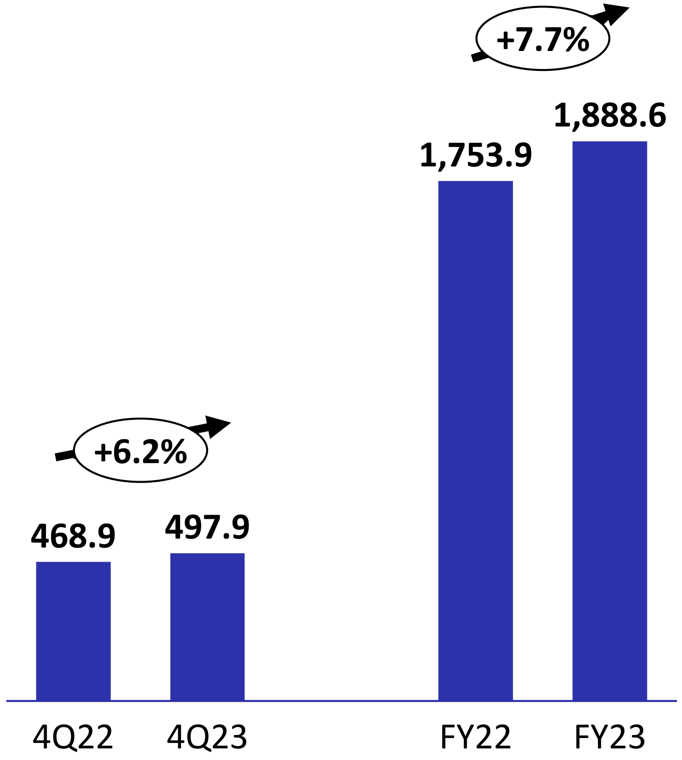

Note: Data at constant scope and FX.

# Merchant Solutions: continued revenue growth sustained by volumes, despite challenging macro-economic environment

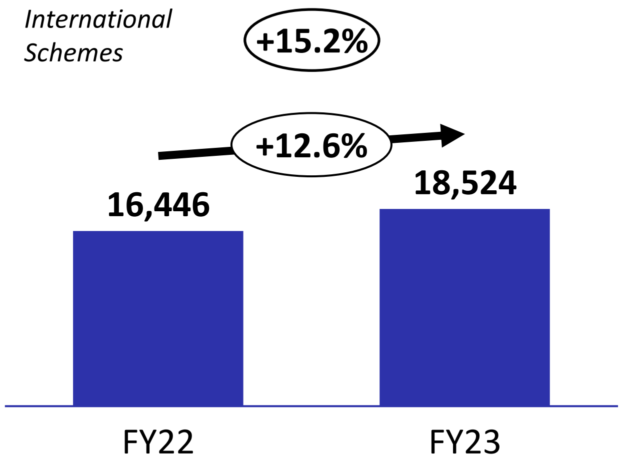



**Merchant Solutions**

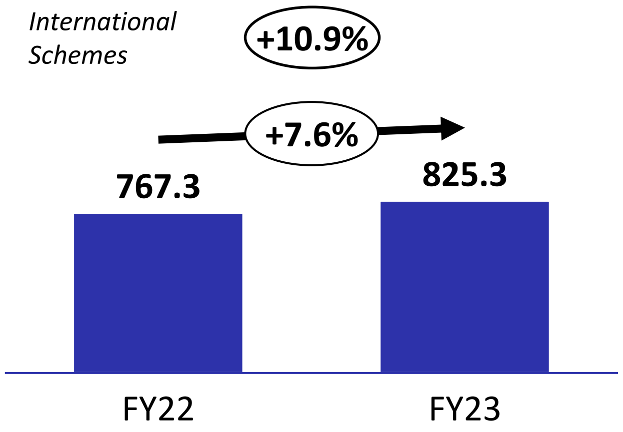
## Net Revenues (€M)




## Managed Transactions (#M)




## Value of Managed Transactions (€B)

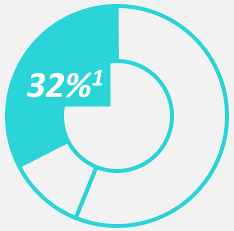



## Key Highlights

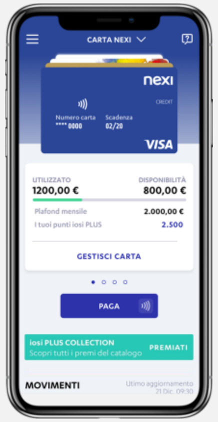
- **Sustained growth in value of transactions across the Group,** driven by International schemes
- Continued progress in **Germany with double-digit y/y revenue growth** in FY23
- **E-commerce double digit y/y revenue growth,** supported by customer base expansion (+7% y/y)

Note: (1) Contribution to FY Group Revenues.

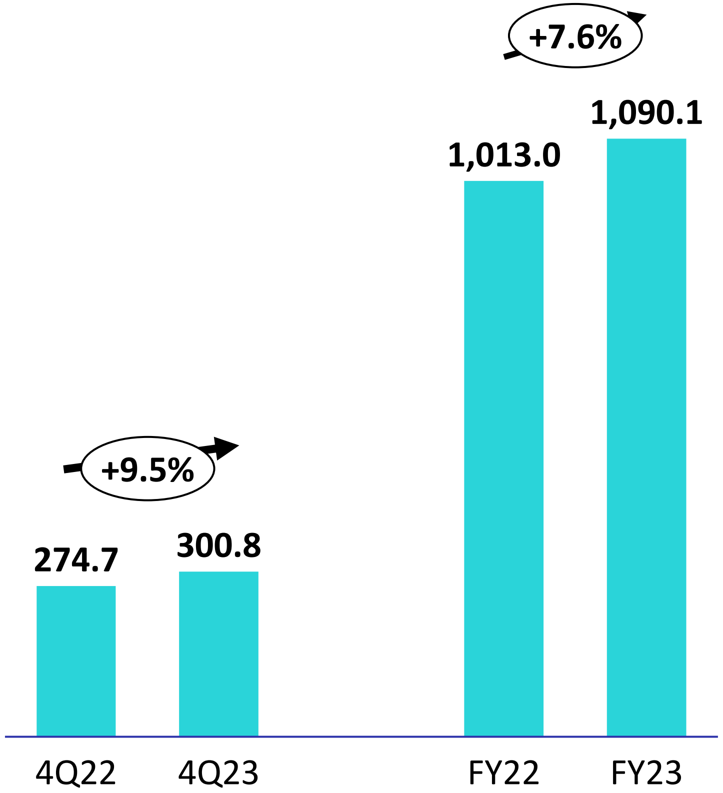
# Issuing Solutions: continued revenue growth supported by sustained volumes, acceleration of International Debit in Italy and projects



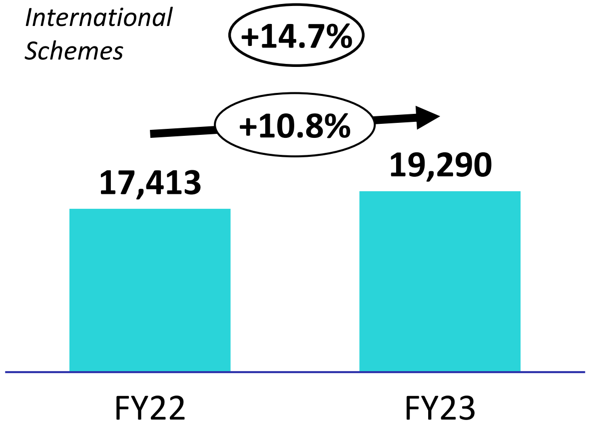

Issuing Solutions



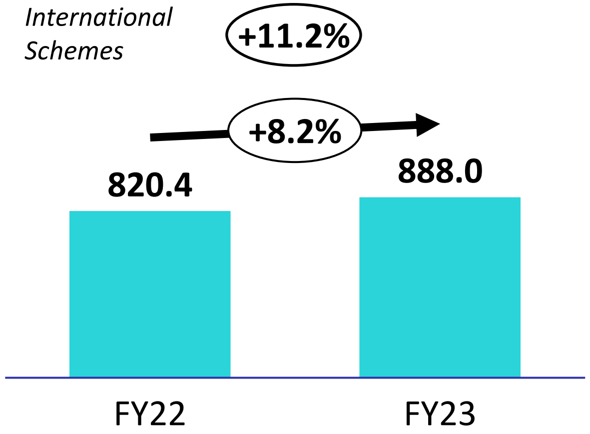
## Net Revenues (€M)




## Managed Transactions (#M)




## Value of Managed Transactions (€B)

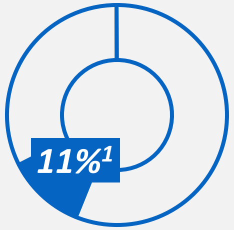



## Key Highlights

- **Continued revenue growth supported by volumes and new initiatives**; FY23 performance supported by **success of international debit** (more than 6M cards) and **non-recurring contribution from banks' M&A, projects and phasing in Italy as expected**
- **Positive contribution of corporate credit cards** in the b2b segments
- Continued **up-selling / cross-selling of VAS and more valuable propositions.** Progressing development of **Advanced Digital Issuing solutions** (e.g. CVM)

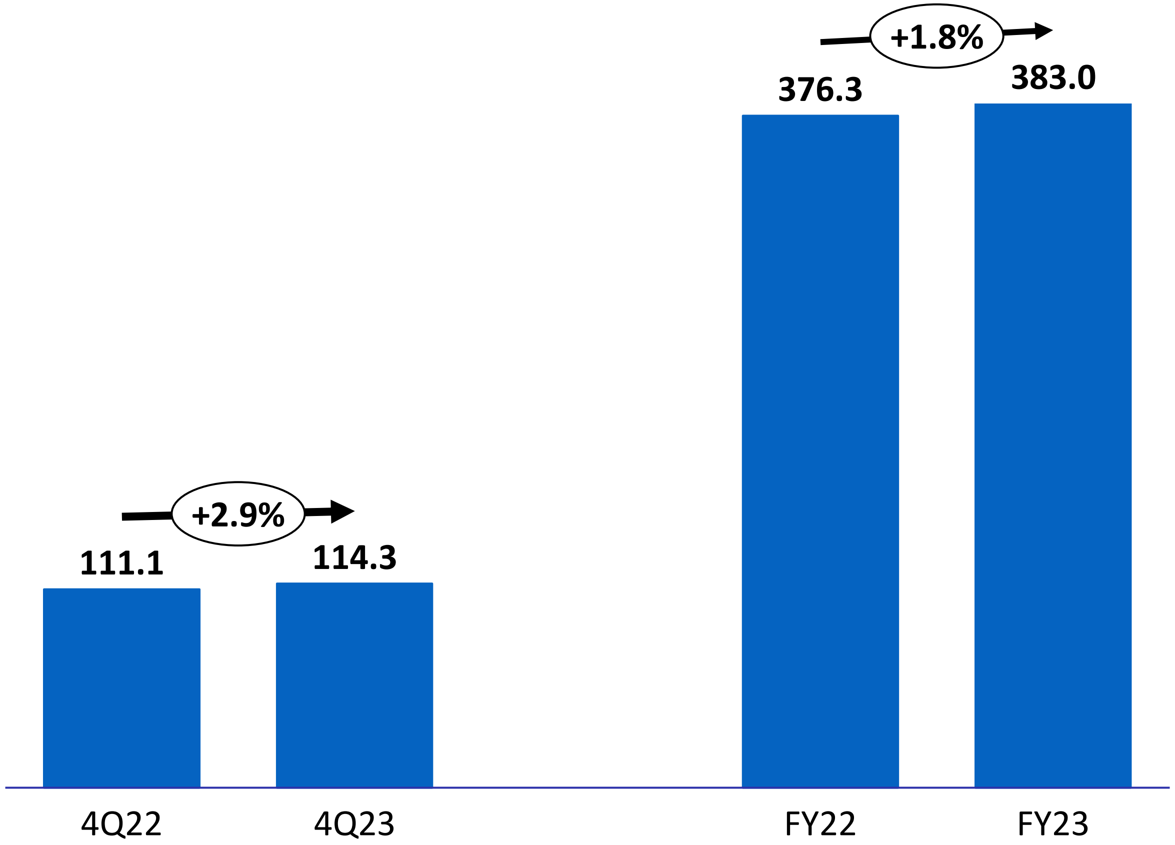
Note: (1) Contribution to FY Group Revenues.

# Digital Banking Solutions: positive revenue performance in the quarter sustained by volume growth and new initiatives




**Digital Banking Solutions**

## Net Revenues (€M)

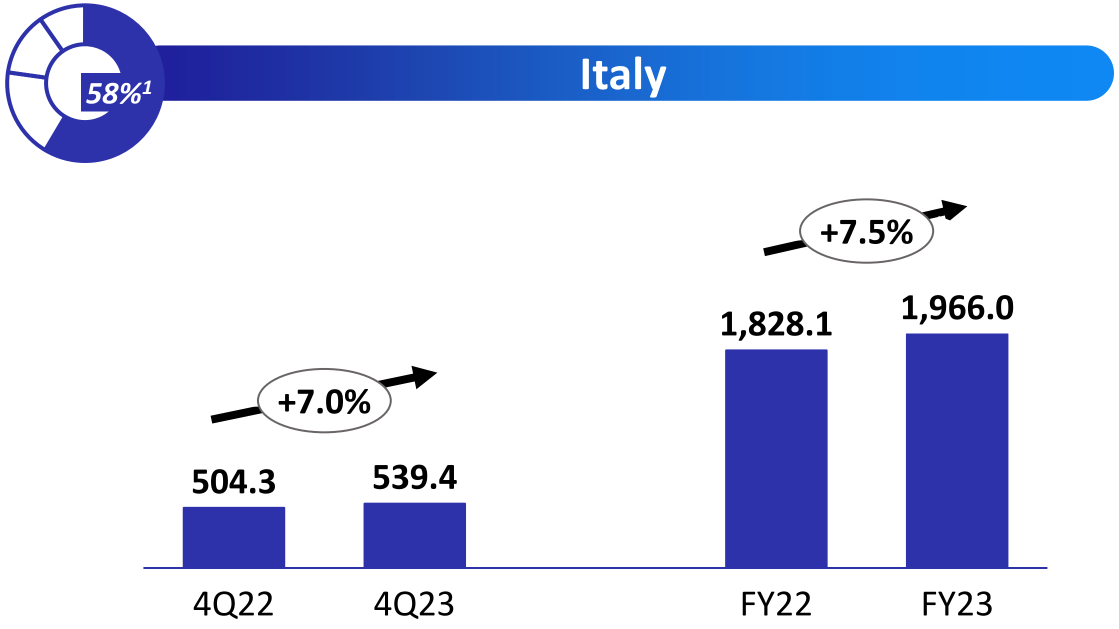


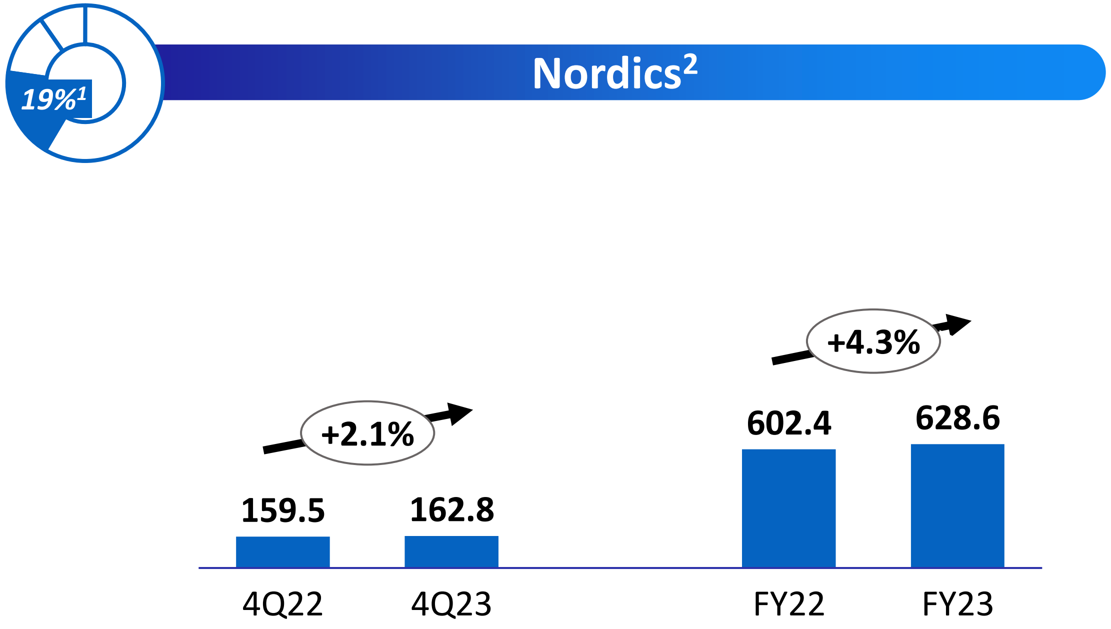

## Key Highlights

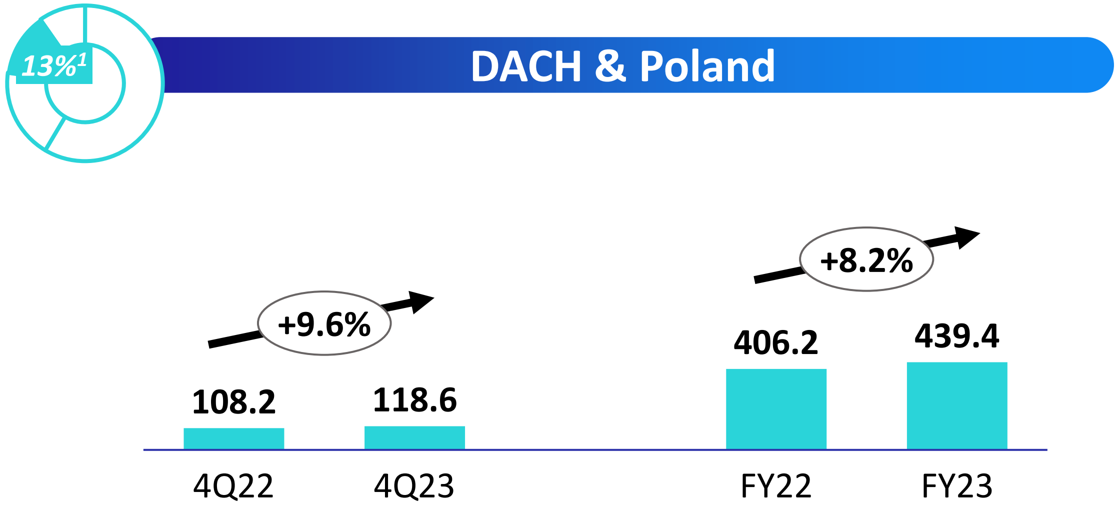
- **4Q23 y/y revenues growth** sustained by volume growth and new initiatives
- **Payments Infrastructures**: solid volumes growth on EBA Clearing and Network Services and progresses on new projects and campaigns
- **Digital Corporate Banking:** developed new Italian multibank corporate banking Cloud infrastructure for CBI

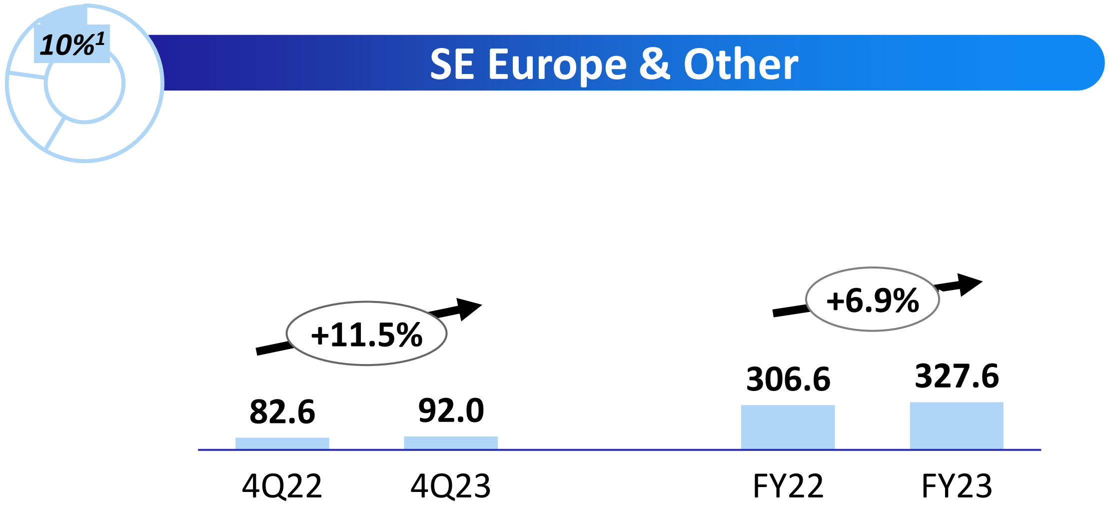
Note: (1) Contribution to FY Group Revenues.

# Continued revenue growth across geographies in 4Q23



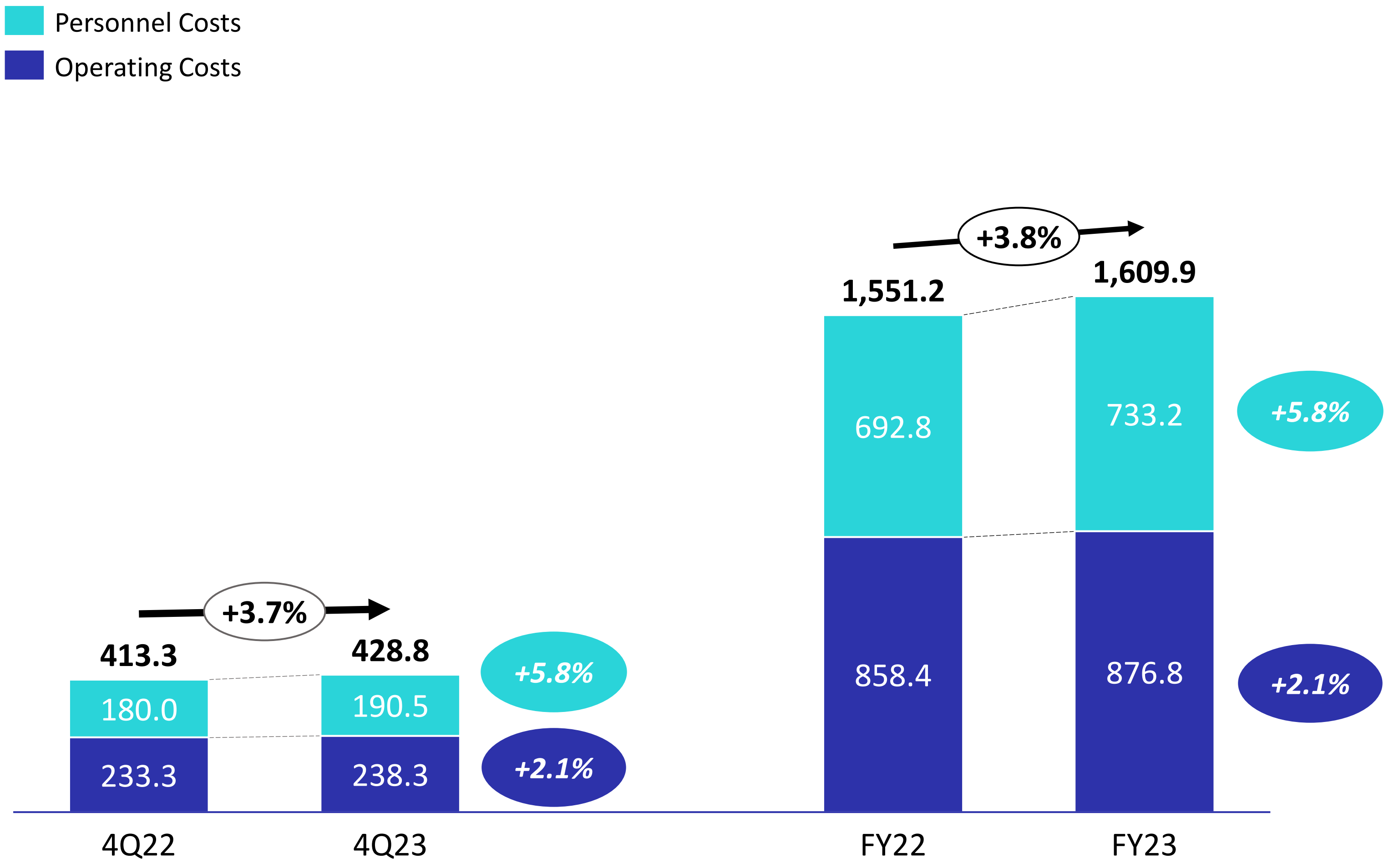




Note: (1) Contribution to FY Group Revenues. (2) Including Baltics.

# Solid cost performance thanks to operating leverage, cost control and synergies, notwithstanding inflationary pressure

## Total Costs (€M)

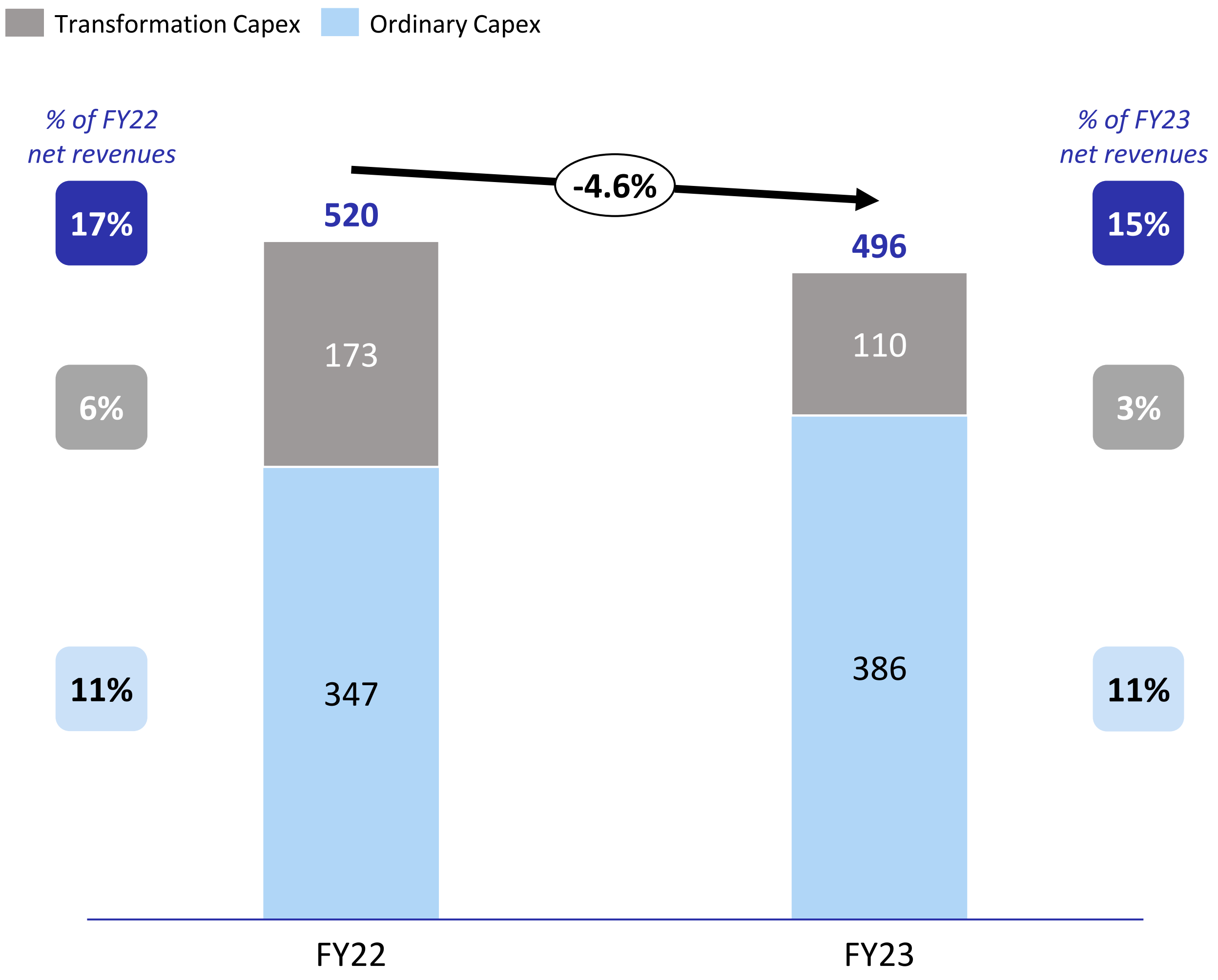



## Key Highlights

- **FY23 increase y/y** 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
- Impact of **Italian collective labour agreement renegotiation** larger than expected, offset by higher efficiencies
- Benefitting from **material synergies and efficiencies** on the back of Group integration

# Capex and Capex intensity going down despite continued investments to support quality, innovation and IT transformation

## Capital Expenditure[1] (€M)



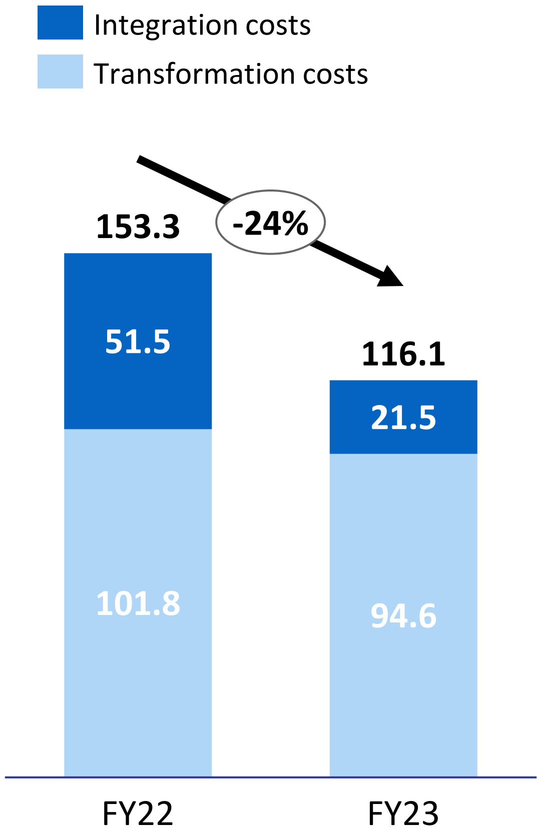

## Key Highlights

- **Continued reduction of total CapEx and CapEx intensity**, down 2 p.p. y/y, with transformation CapEx down at 110 €M as planned
- **Continued progress on IT transformation and consolidation**:
  - 15 platforms decommissioned as of FY23
  - 13 datacenters decommissioned as of FY23

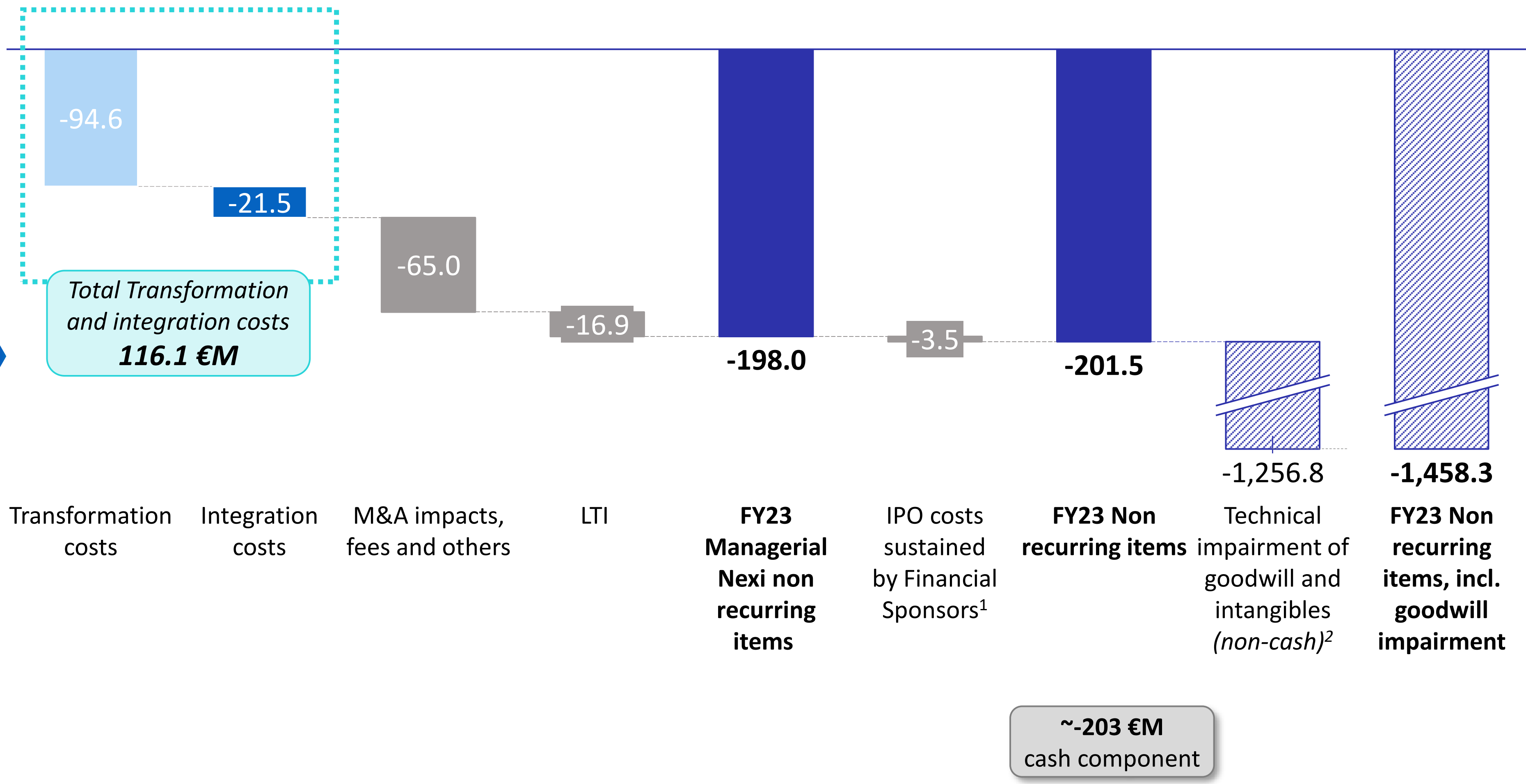
Note: (1) Excluding Ratepay and Nets DBS

# Continued strong reduction of Integration and Transformation Costs

## Transformation and integration costs (€M)




## Bridge from FY 2023 transformation and integration costs to non-recurring items (€M)




Note: (1) Nexi shares granted by Advent/Bain/Clessidra to >400 employees as part of the IPO process. Full cost born by Advent/Bain/Clessidra with neutralization for Nexi flowing through Equity, not P&L. (2) The Group recorded a technical non-cash impairment charge to the carrying value of goodwill and intangibles for c. 1,257 €M, reflecting the share price evolution and the current markets conditions.

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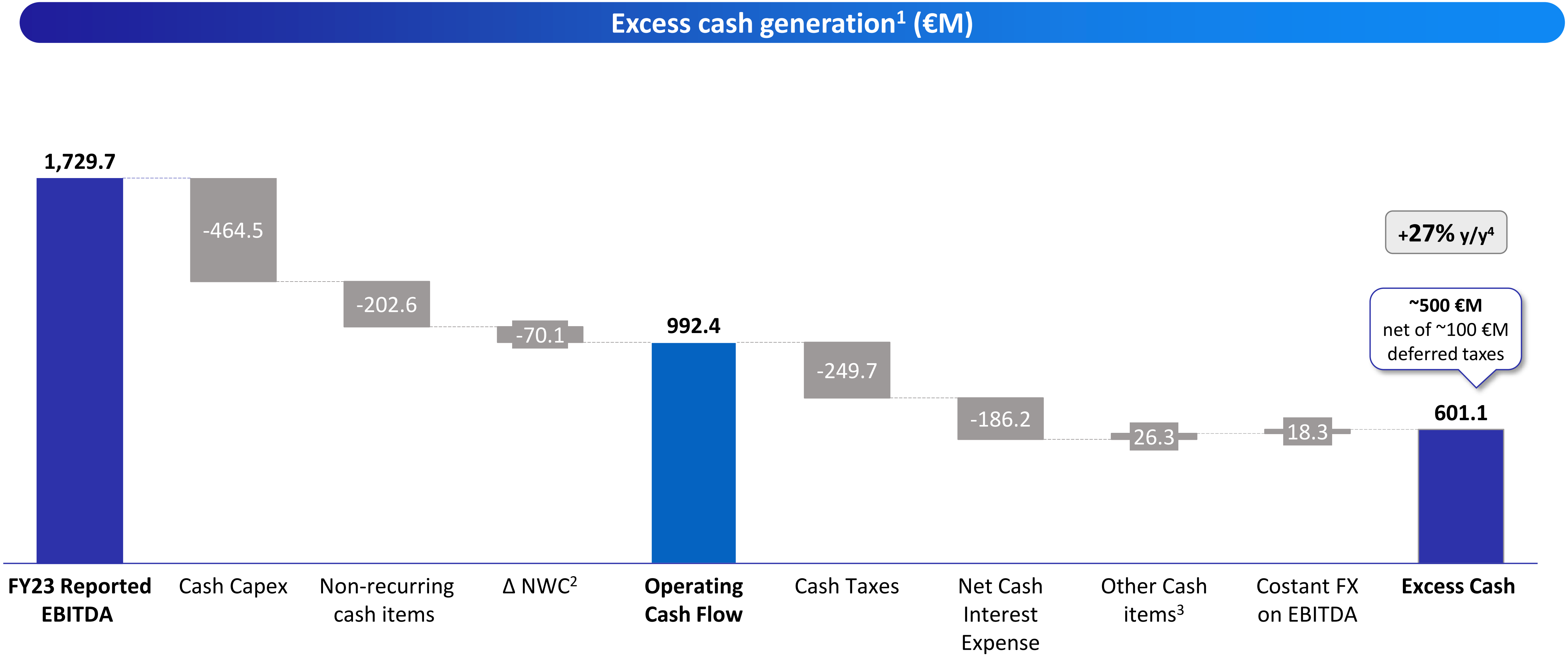
# Strong growth of excess cash generation in the year



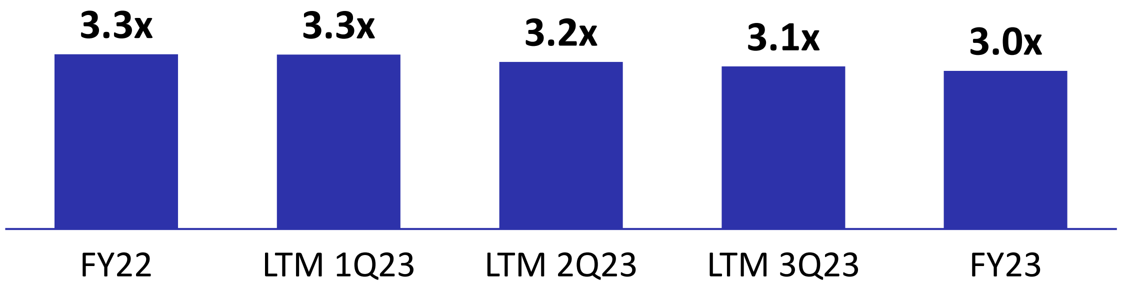

Note: (1) Operating cash flow generation after cash interest expenses and other cash items (cash taxes, IFRS 16 and other). (2) Narrow definition. (3) Lease payments (IFRS16), Visa shares sale and others. (4) Calculated as y/y growth between ~500 €M excess cash in FY23 (net of deferred taxes) and 394 €M excess cash in FY22.

# Net Financial Debt / EBITDA continued reduction

## Net Financial Debt (€M)

| | Dec 22 | Mar 23 | June 23 | Sept 23 | Dec 23 |
|---|---|---|---|---|---|
| **Gross Financial Debt** | 6,971 | 7,175 | 7,211 | 7,228 | 7,215 |
| **Cash** | 1,489 | 1,565 | 1,692 | 1,833 | 1,889 |
| **Cash Equivalents** [1] | 87 | 92 | 97 | 47 | 64 |
| **Net Financial Debt** | **5,396** | **5,518** | **5,422** | **5,348** | **5,262** |

## Net Financial Debt / EBITDA (€M)

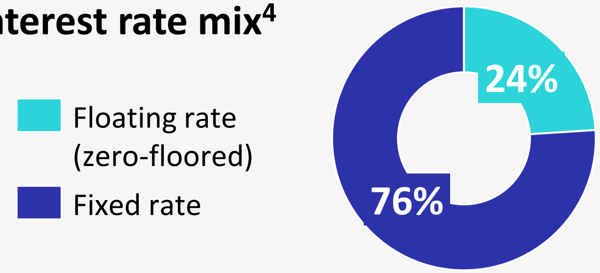



| LTM EBITDA (€M) | 1,638[2] | 1,679[3] | 1,720[3] | 1,747[3] | 1,767[3] |
|---|---|---|---|---|---|

## Key Highlights

- **Overall "BB+/Ba1" rating (with positive outlook from S&P's),** following the 6th rating upgrade since January 2022 (3 in 2023), thanks to our strong performance and financial profile, as well as the integration progress so far
- **2024-25 maturities to be met with existing cash** (gross debt reduction)
- **Weighted average debt maturity of ~3.1 years** and **average pre-tax cash cost of debt** broadly stable at **~2.86%**[4]

**Interest rate mix**[4]




Note: (1) Visa shares. (2) Including BPER merchant book. (3) Including Ratepay and Nets DBS. (4) As at 4Q23. After hedge and excluding the other financial liabilities (e.g. earnouts, IFRS16, etc.) as well as the S/T financial debt; debt is expressed in nominal value.

# 500 €M share buy-back program to be proposed to the Shareholders Meeting

## Strategic rationale

- **Our substantial existing cash balances and material current and expected cash** generation growth create the opportunity to **start returning capital to Shareholders in 2024,** while continuing to support deleveraging and limited expected future M&A activity
- Management and Board believe that the **current share price does not reflect the full value of our business and its outlook** and that a **share buy-back offers the most effective value creating opportunity** for our shareholders to deploy our excess cash
- Therefore, Nexi's Board has decided to **propose to the Shareholders Meeting a 500 €M 18 months share buy-back program** (equal to ~13% free float)
- In the longer term **we plan to continue to allocate a material portion of excess capital to shareholders** either through further share buy-back programs or dividends **depending on overall market conditions**

## Key terms and next steps

- **Amount: up to 500 €M** buy-back program
- **Duration: 18 months** from the Shareholders' Meeting approval
- **Timing:** proposal to EGM on **April 30th**
- Shares bought back will be cancelled

# Closing remarks

# 2024 Guidance and updated medium-term outlook

| | 2024 Guidance | Updated medium-term outlook[1] |
|---|---|---|
| **Net Revenues** | Mid-single digit y/y growth | Gradually re-accelerating from mid-single digit y/y growth |
| **EBITDA** | Mid-to-high single digit y/y growth<br>EBITDA margin expansion of 100bps+ | Continued EBITDA margin expansion by 100bps+ per year |
| **Excess cash generated[2]** | More than 700 €M | Strong continued organic cash generation growth, reaching ~ 1 €B in 2026 |
| **Net leverage** | Decreasing to below 2.9x EBITDA including announced M&A and share buy-back effects (~2.6x on organic basis) | Target leverage at ~2.0x-2.5x EBITDA by 2026 after further capital return to shareholders (~1.5x on organic basis) |

Note: (1) Assuming the continued robust cash-to-digital payments conversion and a gradual macro recovery in the medium term. (2) Operating cash flow generation after cash interest expenses and other cash items (cash taxes, IFRS 16 and other).

# Key messages

Continued volume growth in all geographies

Solid revenues growth with strong continued margin expansion and cash generation growth

Strong expected cash generation growth enabling 500 €M share buy-back

**2023 Guidance delivered**
despite challenging macro-economic environment

**2024 Guidance**

- **Revenues:** mid-single digit y/y growth
- **EBITDA:** mid-to-high single digit y/y growth
- **Excess cash:** more than 700 €M

# Q&A

# Annex

# Group normalised P&L at constant scope and FX

| €M | FY22 | FY23 | Δ% vs. FY22 | 4Q22 | 4Q23 | Δ% vs. 4Q22 |
|---|---|---|---|---|---|---|
| Merchant Solutions | 1,753.9 | 1,888.6 | *+7.7%* | 468.9 | 497.9 | *+6.2%* |
| Issuing Solutions | 1,013.0 | 1,090.1 | *+7.6%* | 274.7 | 300.8 | *+9.5%* |
| Digital Banking Solutions | 376.3 | 383.0 | *+1.8%* | 111.1 | 114.3 | *+2.9%* |
| **Operating revenue** | **3,143.2** | **3,361.7** | ***+7.0%*** | **854.6** | **912.9** | ***+6.8%*** |
| Personnel Costs | (692.8) | (733.2) | *+5.8%* | (180.0) | (190.5) | *+5.8%* |
| Operating Costs | (858.4) | (876.8) | *+2.1%* | (233.3) | (238.3) | *+2.1%* |
| **Total Costs** | **(1,551.2)** | **(1,609.9)** | ***+3.8%*** | **(413.3)** | **(428.8)** | ***+3.7%*** |
| **EBITDA** | **1,592.0** | **1,751.8** | ***+10.0%*** | **441.3** | **484.1** | ***+9.7%*** |
| Ordinary D&A | (420.7) | (447.2) | *+6.3%* | | | |
| Normalised Interests & financing costs | (214.7) | (244.4) | *+13.9%* | | | |
| **Normalised Pre-tax profit** | **956.6** | **1,060.2** | ***+10.8%*** | | | |
| Income taxes | (319.4) | (344.4) | *+7.8%* | | | |
| Profit (loss) after tax from assets held for sale | 44.2 | (0.7) | *-101.6%* | | | |
| Minorities | (3.2) | (3.2) | *+2.4%* | | | |
| **Normalised Net profit** | **678.3** | **711.8** | ***+4.9%*** | | | |

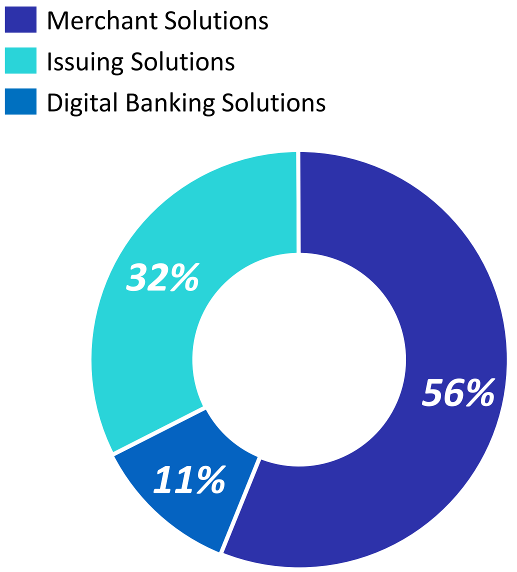
| | FY22 | FY23 |
|---|---|---|
| **Normalised EPS[1] (€/ps)** | **0.52** | **0.54** |

Note: (1) Net income to which non-recurring items and D&A customer contracts are added back net of taxes, divided by number of shares.

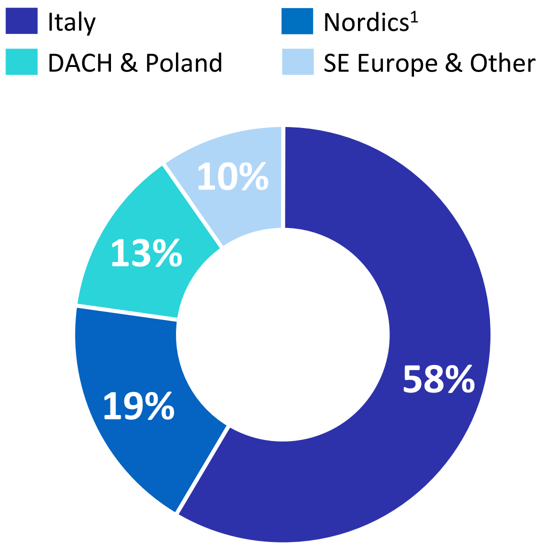
# Well diversified revenue base both in terms of business and geography at scale, with exposure to fast growing European markets

## FY23 Revenues breakdown

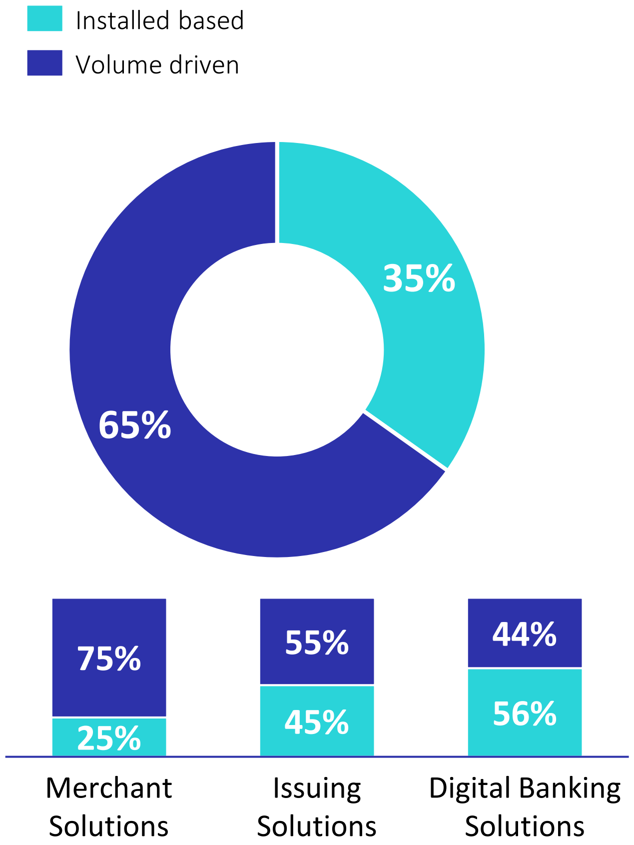
### By business



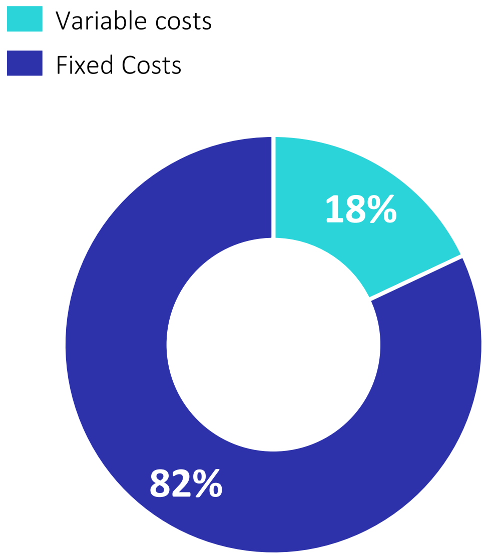

### By geography




### By type

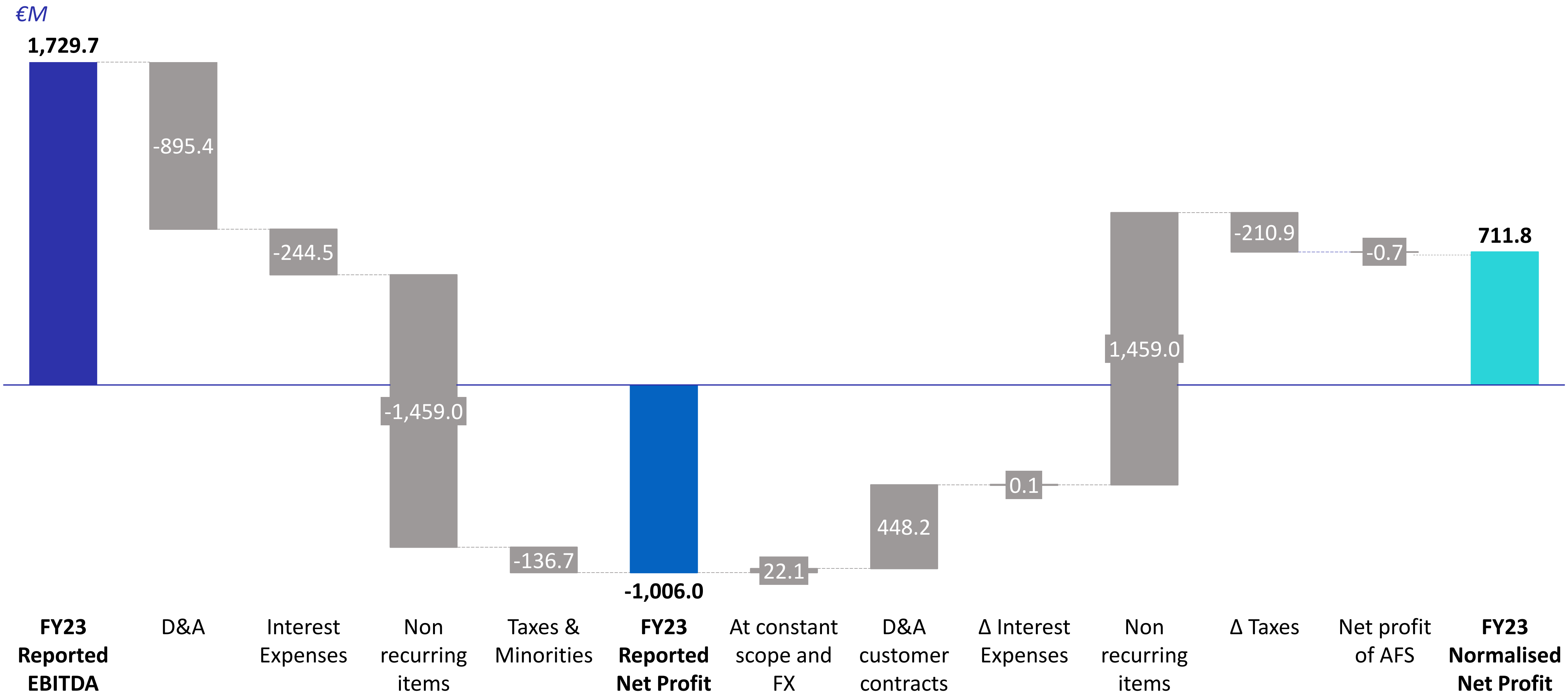



## FY23 Costs breakdown by type

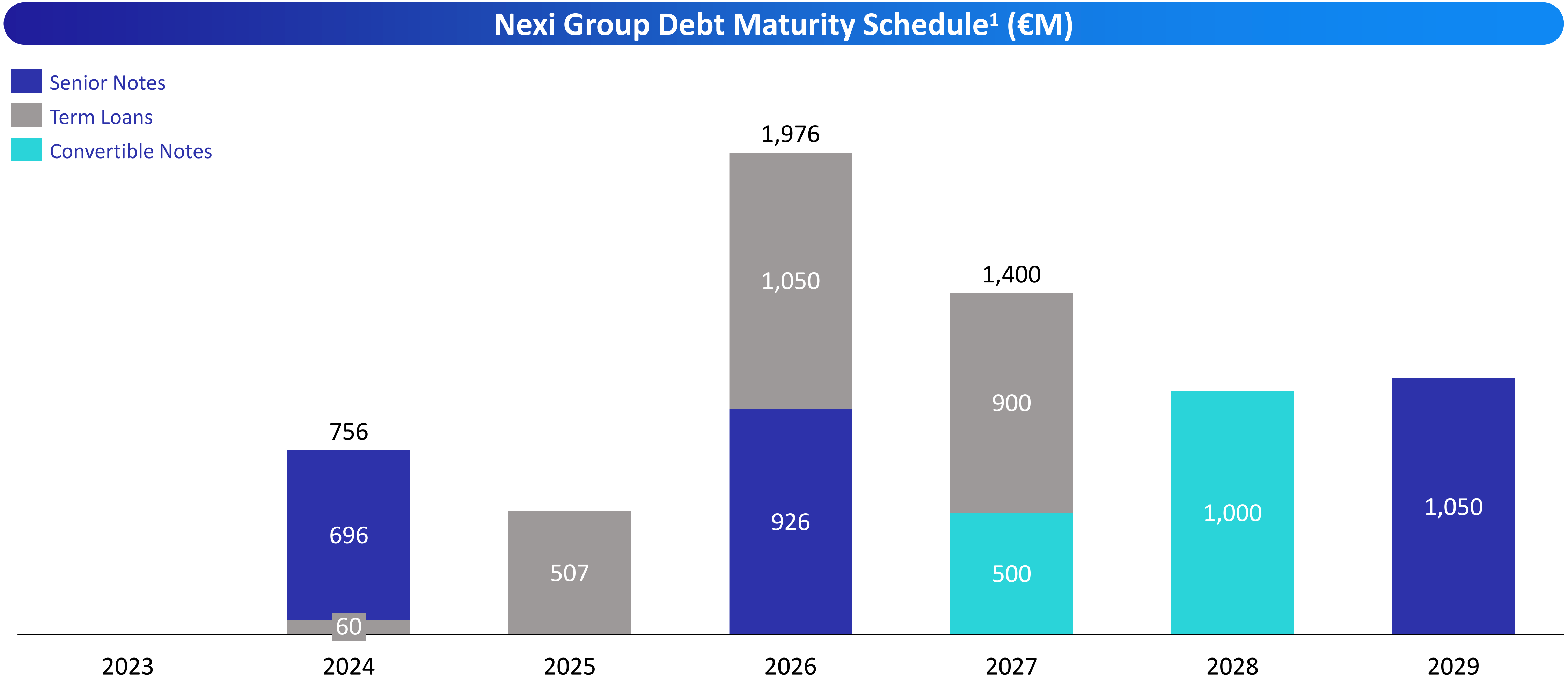



(1) Including Baltics.

# Bridge from Reported EBITDA to Normalised Net Profit



# Debt maturities as at 4Q23




Note: (1) Expressed at nominal value, excludes the other M/L T financial liabilities as well as the S/T debt.

# Making digital payments a driver of progress as an ESG champion

## ESG Digital Payments as a driver for progress…and clear commitment as an ESG champion

| Focus Areas | Target 2025 | Progress 2023 |
|---|---|---|
| **Social Progress, Digitization and Inclusion**<br>Support **SMEs** and **micro businesses digitization** | 400K<br>of digital proposition sales[1] | 139K<br>SMEs and micro business digitized, i.e. 34.7% of 2025 target value |
| **Security and Trust**<br>Guarantee **perfect security** and **service continuity** | 99,99%<br>% of guaranteed service continuity | 99,99%<br>% of guaranteed service continuity across the Group |
| **Sustainable Products and Supply Chain**<br>Improve **eco-friendly design of products** | ≥50%<br>% of green[2] cards issued | 11%<br>Card with oceanic/recycled pvc launched in 2023 |
| **Decarbonization**<br>Achieve **Net Zero** by 2040 | Net Zero 2040<br>Group Net Zero 2040 and interim targets approved by SBTi | CO2 targets across the Group and SBTi[3] approval |
| **Talent Development and DE&I**<br>Ensure **proper gender / minorities representation** and **inclusion** | +1p.p./year<br>Share of women in managerial[4] positions | +1,5%<br>29.5 % in 2023 |
| **Governance**<br>Adopt a **best-in-class governance** to achieve our ESG targets | ≥10%<br>Weight of ESG targets in executives' LTI | ESG objectives in MBO '23 and LTI '23-25 |

## TOP OF MIND RECOGNITIONS 2023

S&P Global

***S&P CSA 2023: 65***
***S&P Sustainability Yearbook 2024***

**Nexi included for the first time in:**
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

CDP A-

SCIENCE BASED TARGETS

***Nexi CO2 trajectory*** in line with ***best climate 1.5C scenario of Paris Agreement***

top EMPLOYER ITALIA ITALY 2023
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

Notes: (1) Target updated due to a review in the methodology. (2) Cards made with plastics retrieved from oceans or from recycled plastics or with biodegradable plastics. (3) Carbon credits will be used only for residual emissions at the net-zero target date. (4) Executive and Middle Management position as reported in Non-Financial Statement.

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