

Nexi S.p.A.

"Nine Months 2025 Financial Results Presentation"

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OPERATOR: Good morning. This is the Chorus Call conference operator. Welcome, and thank you for joining for the Nexi Nine Months 2025 Financial Results Presentation.

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. Good morning to everyone and welcome to our 9 months results call for 2025. As usual, I'm here with Bernardo Mingrone, our Deputy GM and Chief Financial Officer, with Stefania Mantegazza, leading IR.

As usual, we start with a summary of the key messages. I will hand over to Bernardo to cover the results in more detail and I will come back for the closing remarks.

Let me jump to Page 3 with the summary of the key messages. First of all, we continue to deliver profitable growth for the 9 months, and in the quarter revenues are up 2.8% for the 9 months and 1.8% in the quarter. As anticipated, in the third quarter we see more material effects of these extraordinary events that we have anticipated when we provided the guidance in March this year.

More precisely, we are talking about the bank losses from the past and some key bank contract price renegotiation effects. These effects will peak probably in Q4 this year and then will start slowing down across 2026, with a more material reduction in the second half. The underlying growth, net of these effects, is at about 6% year-on-year, both in the 9 months and in the quarter.

Merchant Solutions revenues are up 2.7% in the 9 months and 0.6% versus the same quarter last year, with underlying growth being at around 5% to 6% in both the 9 months and the third quarter. EBITDA is growing at about 3.5% in the 9 months, with a 35 basis points margin

expansion. The quarter results, in terms of margin, are a bit affected by the revenue mix that sees a stronger IS and some operating cost phasing.

Second key message, we continue to shape Nexi for future profitable growth, focusing on 3 key points we want to underline. We continue to progress our strategy execution in the integrated payment space, the area of convergence across payments and software. As discussed in the past, our strategy is based on partnerships with ISVs and, since the beginning of the year, we've added about 50 ISV partners to our pool, reaching approximately 500 across all our geographies.

Second key point that we want to reiterate is that we continue to build a stronger multi-channel approach to the Italian market. Obviously, we are still leveraging our very strong partnerships with the Italian banks, but we are also adding complementary channels to this strong channel, targeting more precisely SMEs, which is our core-focus. These complementary channels now represent year-to-date about 26% of our total new sales.

Last but not least, we want to underline that merchant solutions in Germany is growing double-digit in the 9 months, with an acceleration in the third quarter, supported by customer base and market share growth. We really want to stress these performance in Germany because, obviously, there's a lot of debate around how strong players like Nexi are in competing with newer players focused on SMEs and the single-platform ones. Clearly, the performance in Germany shows very well that we can compete, we can win effectively and we have accelerated growth as well.

The third key message we want to deliver is that we continue to create value for our shareholders. Across 2024 and 2025, we delivered €1.1 billion of capital to our shareholders, while becoming at the same time an investment-grade issuer since the end of last year.

Net financial debt is now down to 2.6 times EBITDA, notwithstanding the fact that we have returned in the year already €600 million to shareholders as remuneration, which is a 20% increase versus the previous year. Obviously, in March 2026, we'll talk about the capital allocation for 2026, on the back of the more than €800 million cash that we will generate in 2025.

Coming to guidance, we confirm we will land revenues in the low to mid-single-digit year-on-year growth space. We confirm that we'll generate excess cash of more than €800 million with a high degree of confidence. As far as the margin is concerned, for sure it will be positive, with Q4, by the way, seeing a margin expansion better than Q3. Where it will land precisely will depend on the volumes and the business mix that we will see in Q4. In any case, we are talking about only a few million euros here and there.

Let me now hand over to Bernardo to go through the results more in detail.

BERNARDO MINGRONE: Thanks, Paolo. Good morning. Starting on Slide #5 with revenues, as Paolo has already mentioned, this quarter was significantly impacted by discontinuities, as expected. This has been accelerating throughout the course of the year. You can see the revenue growth in the quarter of 1.8% is distant from our underlying growth of 6% and this gap is widening compared to the 9 months. So, as we said, this is the highest impact we've had year-to-date, and the peak is expected to be reached in the coming quarter.

With regards to EBITDA and EBITDA margin, EBITDA is growing. The margin, and please remember, we're always talking about an EBITDA margin north of 57%, suffered in the quarter from what I would characterize as a slightly different revenue mix than what we might have planned, with the bigger contribution coming from issuing than merchant solutions, and also a bit of a phasing effect on some costs,

which might have spilled over from one quarter to the other, impacting the margin accretion. However, for the year-to-date, we are positive at 35 basis points.

Moving on to Merchant Solutions on the next slide, we have grown in the quarter. Again, this is the business unit where the negative impact coming from the discontinuities we've talked about affects us the most. You can see the underlying growth is mid-single digit. Overall, I think we can point to a continued growth in international scheme volumes, albeit with a softer summer.

We have a slightly un-favourable volume mix, as I was mentioning earlier, as a Group, but also within merchant solutions with some pricing and volume mix effects in e-commerce in Poland. We're talking about just a few million euros here, but that makes a difference, obviously, in terms of year-on-year growth. I think from a volume's perspective, Poland, but more importantly also Germany which is growing in the quarter in the mid-teens, have shown a robust performance. We continue to grow our franchise in the most valuable segment of SMEs and to upsell and cross-sell our value-added products and services. Indeed, we're making progress on the ISV partnerships front, with more than 50 signed in the 9 months or in the year-to-date.

Issuing solutions had a very strong quarter, 6.6% growth. This, as usual, has been sustained by volume growth, the international debit product in Italy, and upselling and cross-selling throughout the Group. I think it's fair to say that part of this higher performance in the quarter than for the 9 months will be reversed in the fourth quarter. We expect it to benefit less from year-on-year project work which, as you know and as we've discussed in the past, is very hard to predict in which quarter they will be booked.

And we're also expecting in the fourth quarter to see the first effects of some insourcing from a large Nordic client that we've spoken of many

times in the past. This decision, which goes back 3 or 4 years and has been postponed several times, is now kicking in. So, the fourth quarter is softer than the third, but we have seen a strong year-to-date and expect a strong full year on issuing in any event.

DBS is the business unit which has the most reliance on project work or one-off billing, so it's lumpier. I don't read too much into the quarterly performance. Overall, for the year, we expect growth and a good performance from the business unit. Indeed, we recently launched in October a very important piece as part of our payments business, the Verification-of-Payee, which affects hundreds of banks across Europe. We're the largest player in the space and this was a big success for us.

From a geographic perspective, it's not surprising that Italy is the region most impacted by the discontinuity of the Italian banks that we've spoken of so many times. Nordics, I would say, good performance in the low single-digit area, but benefiting from continued progress on selling value-added products and services to our client base.

DACH, I would say, very strong performance in Germany, slightly less in Switzerland, but overall good performance from the region. And CSEE, which is probably the most affected by the softer summer and what I said earlier about Poland.

Finally, before handing the floor back to Paolo, costs grew about 3% in the quarter. HR costs still showing the benefits of the initiatives put in place last year and continue to be implemented during the course of this year. Slight growth is coming from non-HR costs, which are the most impacted by volume growth, inflation, and the growth of our business in general. But as you know, we manage our cost base as a whole, and you can see the 2% growth for the 9 months is pretty much in line with our expectations and I don't expect the final part of the year to be any different. Actually, the fourth quarter expected to be better than the third and probably better than the 9 months to date.

So, apart from the phasing effect, which I mentioned earlier again, we're talking about a few million euros here and there. I would expect strong cost performance for 2025.

So, let me hand the floor back to Paolo for his final remarks.

PAOLO BERTOLUZZO: Thank you, Bernardo. Let me just reiterate Page 11, the messages that I've already anticipated on guidance. We will land our top-line growth in the low-to-mid single-digit space, with underlying growth acceleration. Excess cash we will generate at least €800 million, which we have committed to with a high degree of confidence. As far as EBITDA margin is concerned, for sure it will be positive. We expect the Q4 performance in terms of margin expansion to be better than Q3. Where exactly it will land will depend on the dynamics in Q4, but in any case, we're talking about a few million euros shifting here and there.

Let me close from where I started. 3 key messages on Page 13. We continue to deliver profitable growth across the business. We continue to shape Nexi for future profitable growth, and again, the 3 topics that we really want to underline are the progress in the integrated payment space across geographies, the continued acceleration of the newer channels in Italy, together with the continued good performance of the bank partnerships as well. Additionally, there is a very strong and improving day-by-day performance in Germany for merchant services.

Last but not least, we continue to stay very focused on value creation. We're returning this year €600 million to our shareholders and in March we'll talk about what we will do for 2026 on the back of a strong increase of excess cash generated in 2025.

In conclusion, let me anticipate and invite you to the Capital Market Day that we will have at the beginning of March. More precisely, the current plan date is the 5th of March.