Nexi S.p.A.

"Nine Months 2026 Financial Results Presentation Call"

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OPERATOR: Good morning, this is the Chorus Call conference operator. Welcome and thank you for joining the Nexi Nine Months 2026 Financial Results Presentation At this time, I would like to turn the conference over to Bernardo Mingrone, CEO of Nexi. Please go ahead, sir.

BERNARDO MINGRONE: Good morning. This is Bernardo speaking. I am here with Piergiorgio and Stefania, and we are here to present our third quarter results and first 9 months for 2026. I will make some introductory remarks and hand the floor over swiftly to Piergiorgio.

With regards to our quarterly performance, you know we see an improvement in our top-line growth. I think it is another good quarter in terms of progression. As we said, the second half was going to be better than the first half and indeed, we have seen this re-acceleration in the quarter.

For the first 9 months, we have revenues growing at 1.1% in an overall, I would say, challenging environment, not only because of macro. We actually had a good summer in terms of volumes. But in general, as you know, in the last few years, we have been digesting the outflow of certain partner banks that canceled their contracts back in 2023 and 2024. Notwithstanding this, we continue to grow.

Our revenues, as I said, in the quarter were growing 1.3%, an acceleration from the previous quarters, and indeed, we expect this trend to continue going forward. Importantly, Merchant Solutions is re-accelerating as we finish digesting the exit of some of these contracts that I was mentioning earlier.

Our EBITDA remains stable, and this is, thanks to significant effort we have put into making sure that our costs don't grow with inflation, with wage drift, with volume growth. And indeed, we will speak about this later on, but we continue to focus on enhancing our overall cost efficiency and improving our operating leverage.

With regards to bank contract renewals, this was a focus in our Capital Markets Day presentation back in March, and we continue to be successful in renewing contracts as they come due. Over the last couple of years, we haven't lost any contract. As you know, this is crucially important given the impact this has on our financial profile when it happens. It takes a long time to digest them and the impacts are severe, so it is very important for us to continue winning, and we have scored this 100% success rate, and we expect to continue being successful going forward that season, 2023-2024, when we lost the contracts, being primarily due to M&A activity, which has been subdued recently, not so much between the banks, but in banks selling assets.

In the quarter, we continue to establish our role as a critical infrastructure provider to a very complex European payments ecosystem. I think this can be exemplified by our role in supporting the ECB in building the European infrastructure for the Digital Euro. Together with Deutsche Telekom, as you read in our press release, we were selected by the ECB to provide the Digital Euro network connectivity. This is a project which will be of crucial importance to the enablement of the Digital Euro and its launch in 2029.

And as you know, in the past, we have been selected to take part in the pilot phase of the Digital Euro together with other 36 European institutions, and we are in the process of developing a system-wide solution that we will offer our customers together with some strategic partners. So again, you know is very important for us to continue establishing our role in this critically important space.

We put a lot of effort into reorganizing ourselves, as I said, not only to enhance our cost efficiency, that's almost a byproduct, but importantly, it helped fund the investment in growth initiatives we were planning to do for the year. As you know, back in March, we were expecting our

costs to increase between 5% and 6%. They are growing at 2%, and this cost containment has come from the effort we have put into reorganizing ourselves. But it is not only about that. It is about putting software engineering together with product design and development and adopting agentic capabilities at scale, which was enabled, in part at least, by the overall reorganization.

We aim to improve our time to market and make decisions closer to the point of impact. All of this enhances not only efficiency, but also our timeliness on the market, our effectiveness, and our ability to compete in this space. I would say that this reorganization has benefits that we will see in the future as well. If I actually look at our cost performance and see the growth in our cost base, this is actually due pretty much exclusively to wage drift and cost run rating coming from decisions or actions which were implemented in 2025, or in the first couple of months of this year, rather than anything that happened from March thereafter. So I think it stands us in good stead to continue to deliver well in terms of cost efficiency, and I expect that to continue in the future.

Finally, before handing the floor over to Piergiorgio just a word on our capital structure, I think balance sheet strength remains a very important aspect for us, a strategically important aspect for us. We were recently upgraded by Moody's to Investment Grade as well. We no longer have a split rating that's on the fringe. Good for us as well. We are not issuers in the market today.

We are using our cash pile to pay down debt during the course of 2026, as we said, and we will continue to do so and optimize our capital base going forward with an eye to net leverage, which is coming down at 2.6x. Of course, this would be lower had we not paid out our €350 million dividend back in May or completed a book acquisition during the year.

But in general, the deleverage path is set, our targets are clear, and we are making good progress in that respect. And within this context, we are happy to confirm our guidance, and we will speak more about it with Piergiorgio.

So let me hand the floor over to Piergiorgio, so he can walk through the results.

PIERGIORGIO PEDRON: Thank you, Bernardo, and good morning, everyone. I really appreciate you're joining us today and your continued interest in Nexi and our company. Our 9-month results confirm Nexi business resilience. Our presence across diverse geographies and business units allows us to balance different market dynamics and sustain the group's overall performance.

Revenue growth accelerated in the third quarter, as we heard, driven by Merchant Solutions, whose strong contribution more than offset the softer trends in Issuing Solutions and Digital Banking Solutions, both of which were in line with expectations as we discussed during Q1 and Q2 earnings call. Disciplined cost execution supported a slightly positive EBITDA evolution over the period, while we continued to invest in our strategic priorities for the future profitable growth of our company.

Let me now take you through the figures in more details. Let's start with the revenues. In the first 9 months, net revenues grew by 1.1% year-on-year to approximately €2.68 billion. Growth picked up to 1.3% in the third quarter, reaching €942 million, driven by Merchant Solutions. I will cover this in more detail shortly. On an underlying basis, the group grew by approximately 4% in both the quarter and year-to-date.

EBITDA was €1.4 billion in the first 9 months, up 0.3% year-on-year, with a margin of 52.3%. In Q3, it rose by 0.6% to €530 million, with a

margin of 56.3%. These results reflect our continued investment in the business and disciplined cost management. I will return to expense later, even adding a few more comments to what Bernardo said, but I am pleased that we have managed OPEX year-to-date increase to 2% despite inflationary pressures and higher volumes. Once again, we have done so while continuing to fund the strategic priorities outlined during our recent Capital Markets Day.

Let me now turn to Merchant Solutions, where the third quarter shows a clear improvement. Revenue progressed from minus 1.4% in Q1 to minus 0.2% in Q2 and plus 1.6% in Q3, delivering the recovery we anticipated in our previous calls. We achieved this growth despite subdued macroeconomic conditions, as anticipated during Q2 earnings meeting, mainly in Germany, in the hospitality sector, and some softness on large and key account segment, again in Germany. This illustrates the benefits of our geographic diversification, as highlighted at the start of the call.

Third quarter net revenues reached €548 million, bringing the 9-month total back into positive territory at €1.52 billion circa. This progression reflects also the phasing of the previously disclosed bank contracts effects, which continue to affect the reported performance. Underlying revenue growth remained at approximately 3% in both the third quarter and the first 9 months. The value of managed transactions increased by just shy of 3% in the first 9 months, also supported by the ramp-up of the Nexi Bancomat processing hub in Italy.

On the commercial side, we continued to make progress with ISVs and with our direct channels. Upselling of value-added services also supported revenues, while e-commerce delivered double-digit growth in the third quarter. All of these initiatives were covered during, again, our recent Capital Markets Day.

Moving to Issuing Solutions, healthy volumes growth and commercial initiatives continue to support the business. Revenues increased by 1.2% year-on-year to approximately €300 million in Q3, bringing the 9-month total to approximately €872 million, up 2.4%. As expected, the quarterly growth rate reflected the impact of the previously disclosed bank contracts. The value of managed transactions increased by 6.4% year-on-year in the first 9 months, with continued growth in international schemes and the contribution from the ramp-up of the Nexi Bancomat processing hub in Italy.

The business also benefited from the already mentioned new client onboarding in DACH, the continued success of international debit in Italy, and the upselling and cross-selling of value-added services. In the quarter, the favorable timing of certain projects and initiatives partially offset the bank contract effects we have discussed also in the past.

Turning to Digital Banking Solutions, revenue increased by 3% in the first 9 months to €283 million. In Q3, they were broadly stable at €94 million, up 0.3% year-on-year, reflecting the phasing effect, again, we have discussed so many times in the past.

The business continued to benefit from higher volumes in SEPA Clearing, Open Banking, and our Bank Instant Payment Hub. New initiatives also contributed, including the Digital Euro project and Zippay, our account-to-account solution for Irish banks, alongside new customers in network services, PagoPA Bill Payment campaigns, and projects related to bank M&A. Softer quarterly growth therefore reflects timing across the year rather than a change in these drivers.

Turning to the geographic picture, diversification again helped us balance different regional trends across quarters. Starting with Italy, revenues increased by 0.7% in the first 9 months. Merchant Solutions continued its gradual recovery as the impact of the previously

disclosed bank contract effects eased. Issuing Solutions also contributed, supported by international debit and other commercial initiatives. Overall growth was stronger in Q3 than in first half, despite less favorable phasing in Digital Banking Solutions, which shows a decrease quarter-on-quarter because of the known timing issues I just covered.

In the Nordics, revenue declined by 1.3% year-to-date, with a sequential growth improvement in the third quarter. Merchant Solutions accelerated, supported by e-commerce and value-added services, partially offsetting the continued impact on the previously disclosed issuing client migration at the end of 2025.

In DACH, revenues increased by 4.3% in the first 9 months, although the third quarter was weaker. The challenging macro environment in Germany that we discussed at the half-year results persisted, particularly in hospitality, where we have more or less a third of our business if we think about Germany.
The large and key accounts segment also faced pressures. Issuing Solutions benefited from the previously disclosed client onboarding, while ISVs continue to perform strongly. These positive contributions were not enough to offset the headwinds in Merchant Solutions during the quarter. That said, Germany continues to be for us a growth engine, as highlighted once again during the Capital Markets Day.

Finally, CSEE revenues grew by 3.6% in the first 9 months, with a clear acceleration in Q3. A strong contribution from Merchant Solutions supported this improvement, balancing the effects of shifting volume mix and competitive pressure in Polish e-commerce.

Now, let me turn to cost. In the first 9 months, total costs increased by 2% to approximately €1.28 billion, despite I said higher volumes, inflationary pressures and continued investment in our strategic priorities. In Q3, costs were approximately €412 million, up 2.2%. As

we highlighted during Q2 call, spending can shift between quarters, so the year-to-date figures remain the most meaningful measure of our cost trajectory. Year-to-date personnel cost increased by 3.8% year-to-date. Virtually all of this variance reflects salary increases carried over from 2025 and higher average headcount versus the same period last year. The average, however, does not reflect our current staffing level. Headcount has since declined and was below its year-end 2025 level at the end of September. These effects were partially offset by the cost containment measures we began implementing straight away in May, which are now showing benefits.

Operating cost increased by just 0.6% despite volume growth and as said inflationary pressure.

Overall, I am encouraged by the results of our cost discipline. Importantly, these efficiencies are not coming once again at the expense of our strategic investments. We continue to fund the initiatives required to support the future revenue growth, innovation, and the quality of services we provide to our customers.

Now, to conclude, our 9-month results demonstrate once again the resilience of Nexi's diversified business, underlying revenue growth was approximately 4% in both Q3 and year-to-date, with Merchant Solutions continuing its gradual recovery. EBITDA increased by 0.6% in the third quarter, as said, supported by disciplined cost execution.

We enter now the final quarter focused on building on this progress. As noted in our half-year results, this includes the important year-end trading period, with its usual seasonal patterns in consumer spending. We confirm our 2026 guidance, net revenue growth broadly in line with 2025, EBITDA in absolute terms broadly stable, and excess cash generation of approximately €750 million.

Our confidence in delivering this commitment is supported by the flexibility we attain in our cost base and our continued focus on cash management. We will maintain this discipline while protecting the investments that support Nexi future growth.

BERNARDO MINGRONE: Well, thank you all very much for your time this morning, and we will be seeing some of you in the coming days. And if not, we will speak again at our next call at the beginning of next year. Thank you very much. Bye-bye.