

nexi

Teleborsa: distribution and commercial use strictly prohibited



1Q24 Results Presentation

May 9th, 2024

nexi

Disclaimer

- This Presentation may contain written and oral “forward-looking statements”, which includes all statements that do not relate solely to historical or current facts and which are therefore inherently uncertain. All forward-looking statements rely on a number of assumptions, expectations, projections and provisional data concerning future events and are subject to a number of uncertainties and other factors, many of which are outside the control of Nexi Group (the “Company”). There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents of any forward-looking statements and thus, such forward-looking statements are not a reliable indicator of future performance. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. The information and opinions contained in this Presentation are provided as at the date hereof and are subject to change without notice. Neither this Presentation nor any part of it nor the fact of its distribution may form the basis of, or be relied on or in connection with, any contract or investment decision.
- The information, statements and opinions contained in this Presentation are for information purposes only and do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to purchase or subscribe for securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. None of the securities referred to herein have been, or will be, registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction of the United States or in Australia, Canada or Japan or any other jurisdiction where such an offer or solicitation would be unlawful (the “Other Countries”), and there will be no public offer of any such securities in the United States. This Presentation does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or the Other Countries.
- Pursuant the consolidated law on financial intermediation of 24 February 1998 (article 154-bis, paragraph 2) Enrico Marchini, in his capacity as manager responsible for the preparation of the Company’s financial reports declares that the accounting information contained in this Presentation reflects Nexi Group’s documented results, financial accounts and accounting records.
- Neither the Company nor any of its representatives, directors or employees accept any liability whatsoever in connection with this Presentation or any of its contents or in relation to any loss arising from its use or from any reliance placed upon it.

Key messages

Continued delivery of growth and margin expansion

- **Revenue** growing at **+6.0%** vs 1Q23; **Merchant Solutions** revenue up **+6.8%** vs 1Q23, with eCommerce increasing double-digit
- **EBITDA** growing at **+8.6%** vs 1Q23 with **~112 bps EBITDA margin expansion y/y**

Shaping Nexi for future profitable growth

- **Group strategy execution progressing well**
- Increasing focus on our **payments software integration strategy execution**, based on partnering with best-in-class local ISVs
- **Accelerating efficiency and cost synergies delivery** on the back of **Group integration**

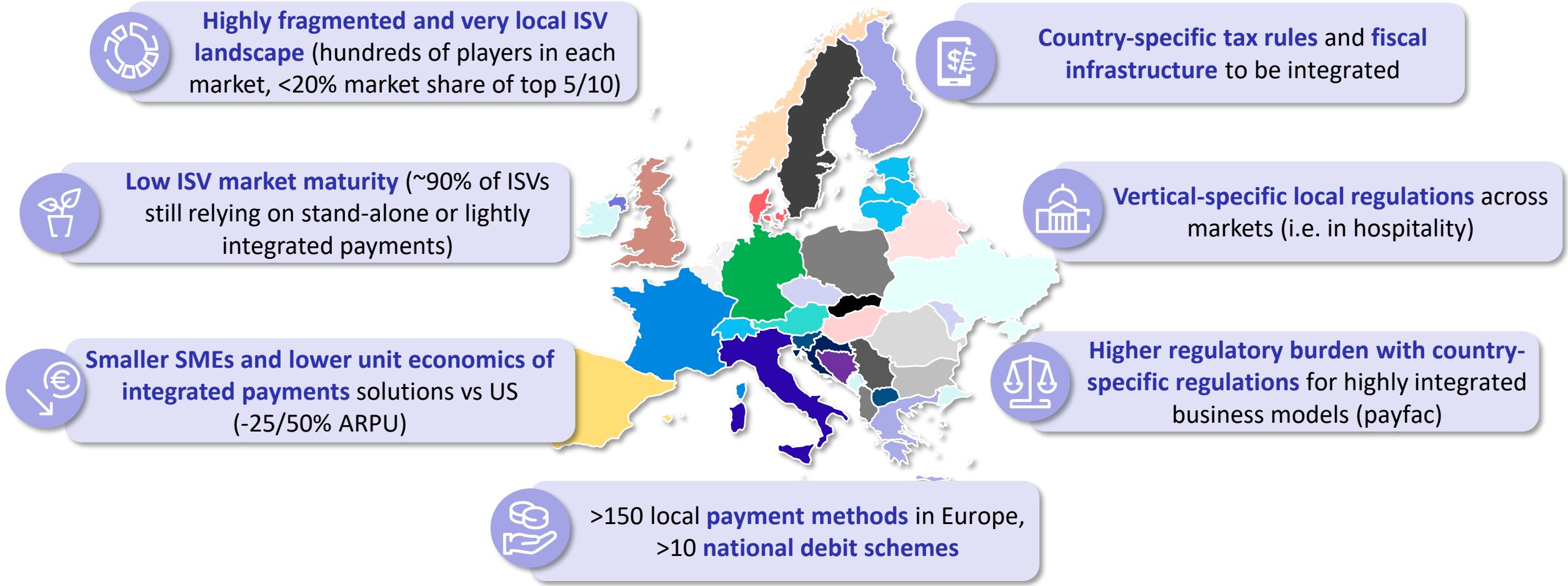
Creating value for our Shareholders

- **Starting 500 €M share buy back program on May 9th, 2024**
- **Net leverage down at 2.8x EBITDA** at the end of 1Q24
- **Confirmed ~1.3 €B 2024-25 debt maturities to be fully paid down with existing cash**, of which **~220 €M already reimbursed in April 2024**

2024 Guidance confirmed

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

Highly fragmented and local SME software and payments integration ecosystem in Europe



*Payments-software integration is happening in Europe but at a **lower speed** and with **different dynamics** than in the US*

Nexi Strategy to make integrated payments in SME an opportunity



Be the “partner of choice” for ISVs

- Provide **Nexi payments solutions to local ISV leaders in key verticals** to be integrated/bundled with their software solutions
- Distribution via **ISV partners’ channels**
- **Flexible business models** for ISVs of all **size and maturity**, including “**smart pay-fac**” for larger/more sophisticated ISVs
- **Digital integration platform** enabling **Nexi-ISV-Merchant CRM**, frictionless **onboarding** and merchants and partners **fidelization**
- Developing dedicated **partner program** to boost ISVs integrated solutions go-to-market



Bundle Nexi integrated “Commerce” solutions

- Bundle selected **best-in-class POS software solutions from preferred local ISV partners** with Nexi payments solutions
- Distribution via **Nexi channels**
- Starting with **basic core solutions for retail**, expanding over time into selected key verticals
- Merchant **value increase +50%-100%** vs stand-alone payments solutions

Leverage Orderbird for learning and development

- Leading **SME hospitality / Ho.Re.Ca. POS software provider** in Germany, fully owned by Nexi
- Integrated Payment-software propositions distributed by both **Nexi and Orderbird channels**
- **Full integration on Nexi digital platform**, with **co-development** of capabilities
- Option to expand into **new verticals** and/or **new markets**

Strategy in execution: a few examples



Be the “partner of choice” for ISVs



> 500 ISV partners over 8 markets



Bundle Nexi integrated “Commerce” solutions



All-in-one solutions in Denmark

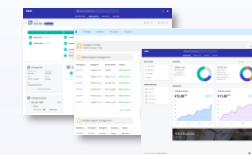
Leverage Orderbird for learning and development



PRO hospitality POS



MINI all-in-one

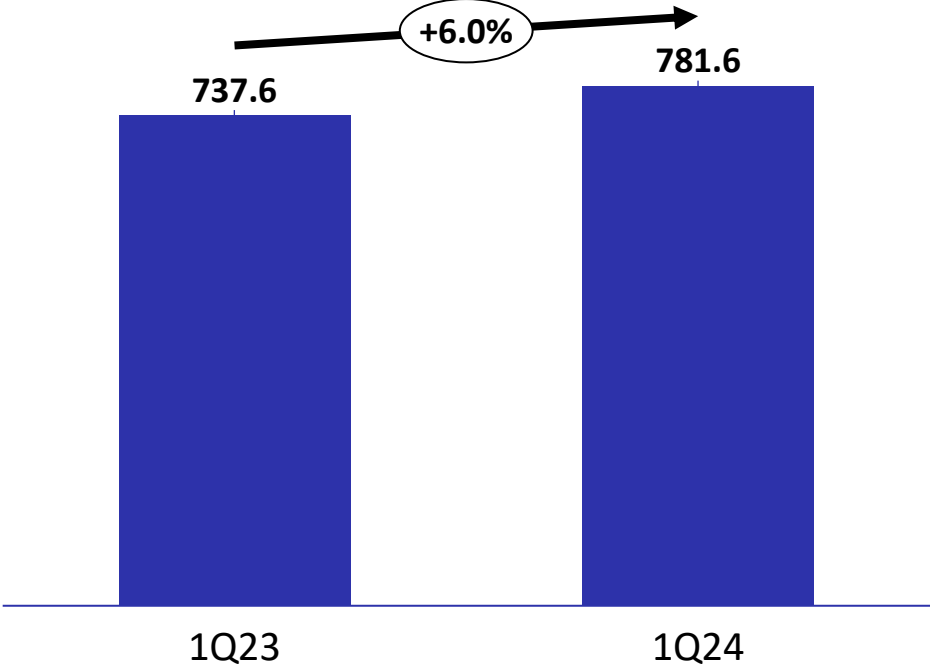


Nexi digital integration platform

Focus on 1Q24 results

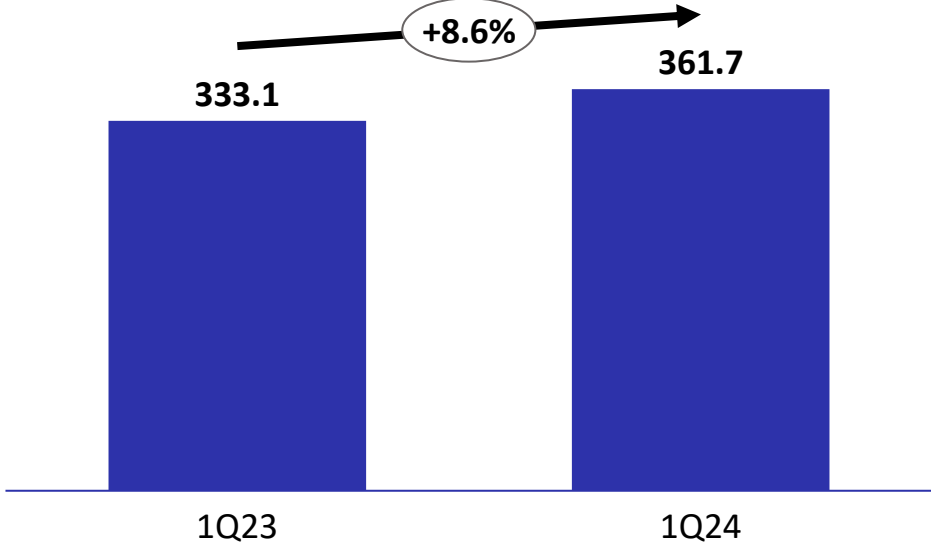
Solid Revenue and EBITDA growth, with continued margin expansion

Net Revenues (€M)

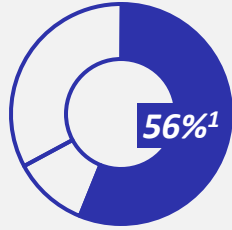


EBITDA (€M)

EBITDA margin **45%** *+ 112 bps* **46%**



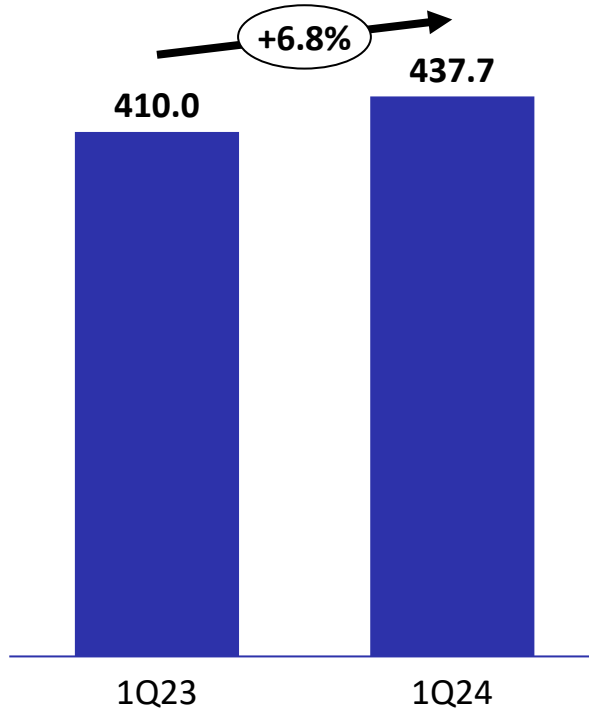
Merchant Solutions: continued growth supported by volumes, customer base expansion and e-commerce



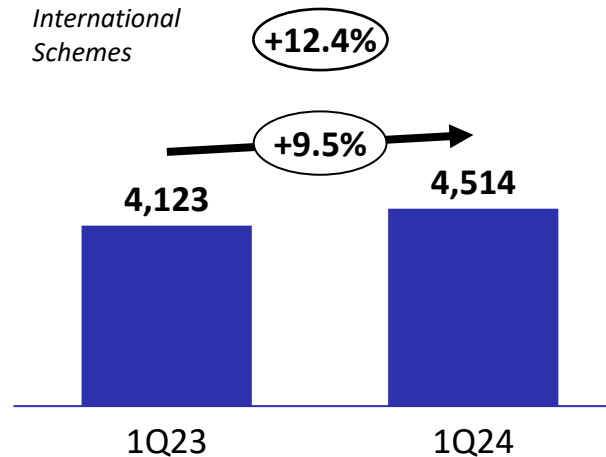
Merchant Solutions



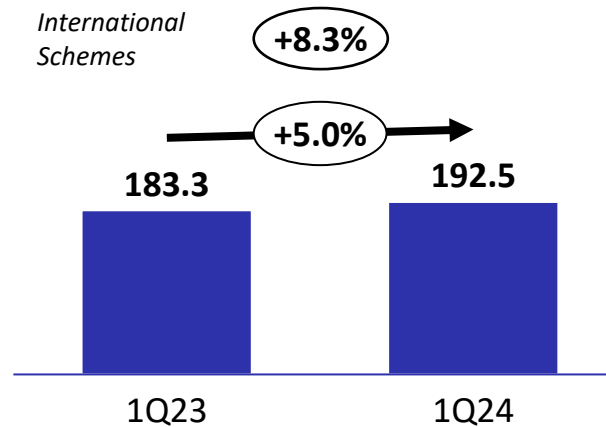
Net Revenues (€M)



Managed Transactions (#M)



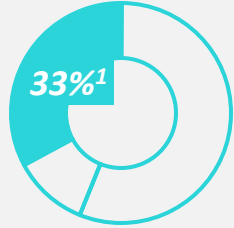
Value of Managed Transactions (€B)



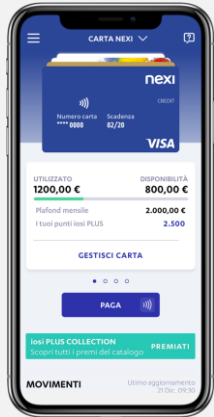
Key Highlights

- Sustained volume growth across the Group, driven by International schemes
- Continued international schemes sales volume growth in all geographies, with DACH growing double-digit and Italy high single-digit
- Continued SMEs volume growth driven by customer base² expansion particularly strong in Italy and DACH
- Double digit y/y revenue growth in E-commerce driven by accelerated customer base growth and volume growth

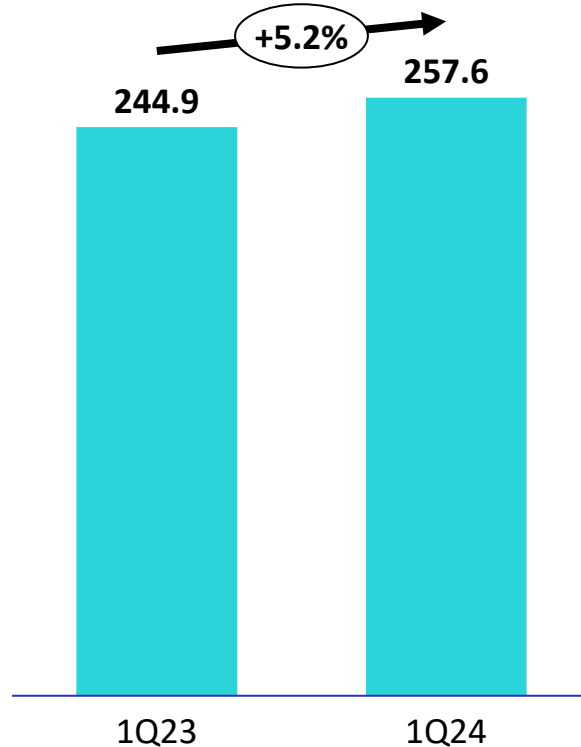
Issuing Solutions: strong growth driven by volumes and product initiatives



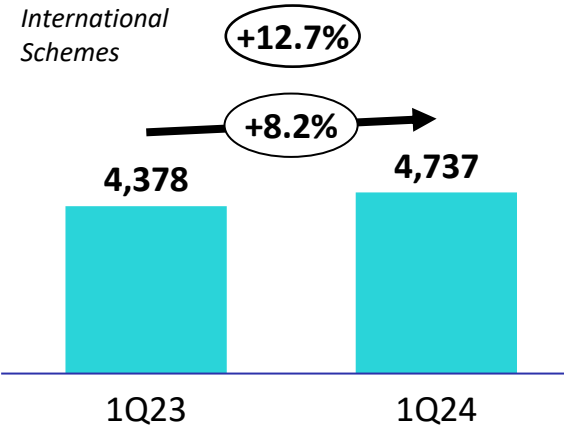
Issuing Solutions



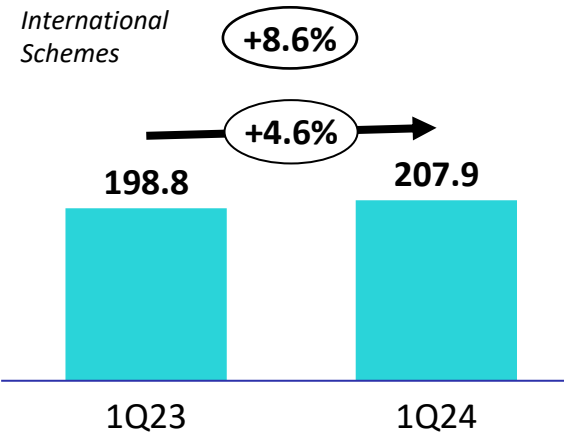
Net Revenues (€M)



Managed Transactions (#M)



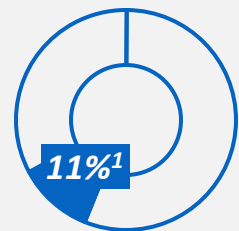
Value of Managed Transactions (€B)



Key Highlights

- Sustained growth in value of transactions across the Group, driven by International schemes
- Revenue growth supported by performance in Italy benefitting from acceleration of international debit
- Continued up-selling / cross-selling of VAS and more valuable propositions. Progressing development of Advanced Digital Issuing solutions (e.g. CVM)
- FY24 y/y revenue growth expected to be impacted by strong non-recurring contribution from project work realized in 2023 from 2Q

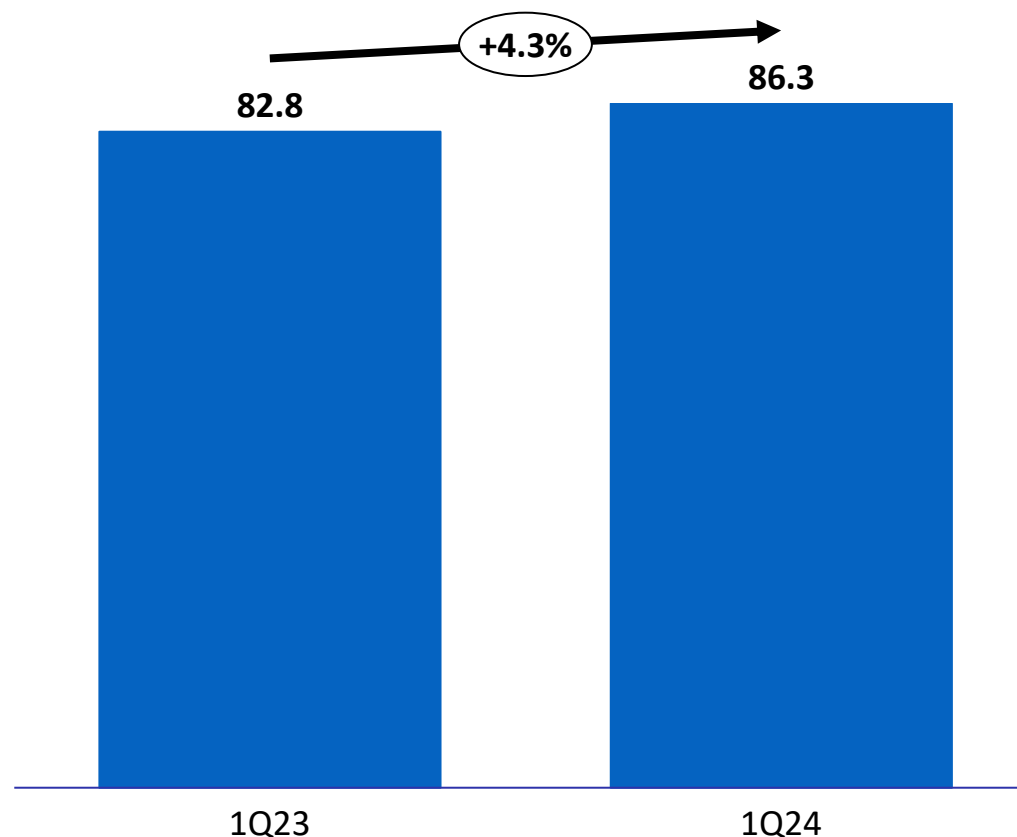
Digital Banking Solutions: positive performance in the quarter sustained by volume growth and phasing of initiatives



Digital Banking Solutions



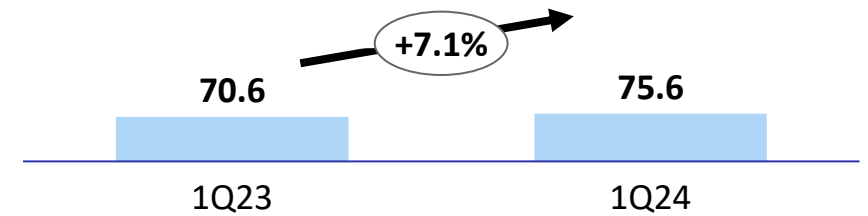
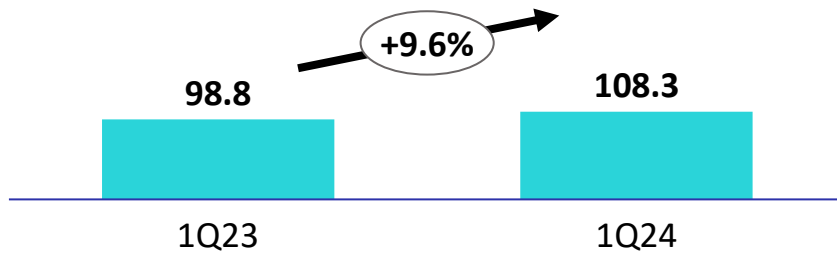
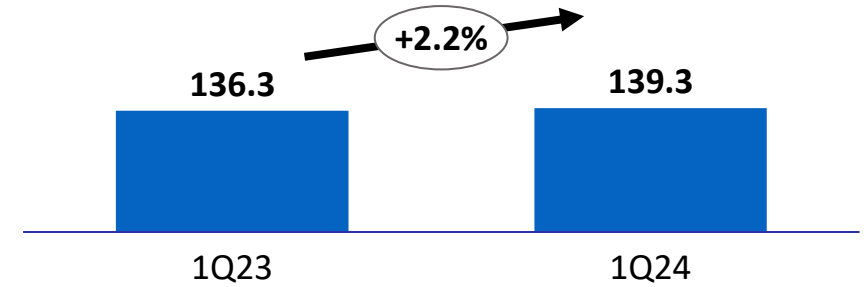
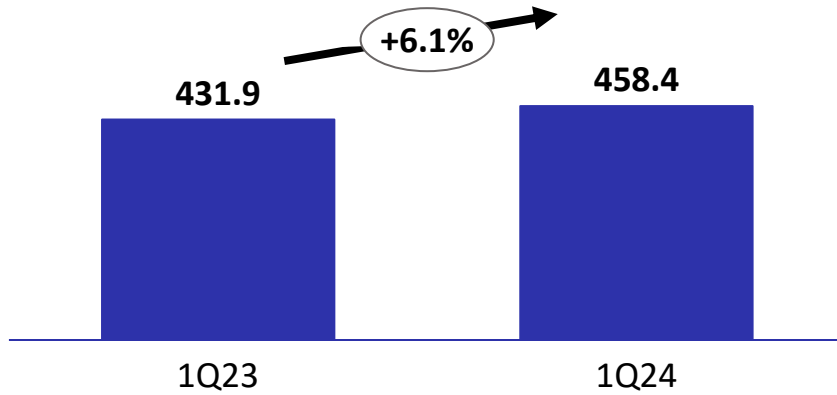
Net Revenues (€M)



Key Highlights

- **1Q24 y/y** revenues growth sustained by **continued volume growth** and positive impact from **new initiatives**
- **Payments Infrastructures:**
 - strong volumes growth on EBA Clearing and Network Services, also supported by new projects
 - new pan-European antifraud solution for EBA CLEARING's SEPA credit transfers and Instant payments (FPAD) now launched
- **Digital Corporate & Open Banking:** good volumes growth on Open Banking and contribution from new initiatives

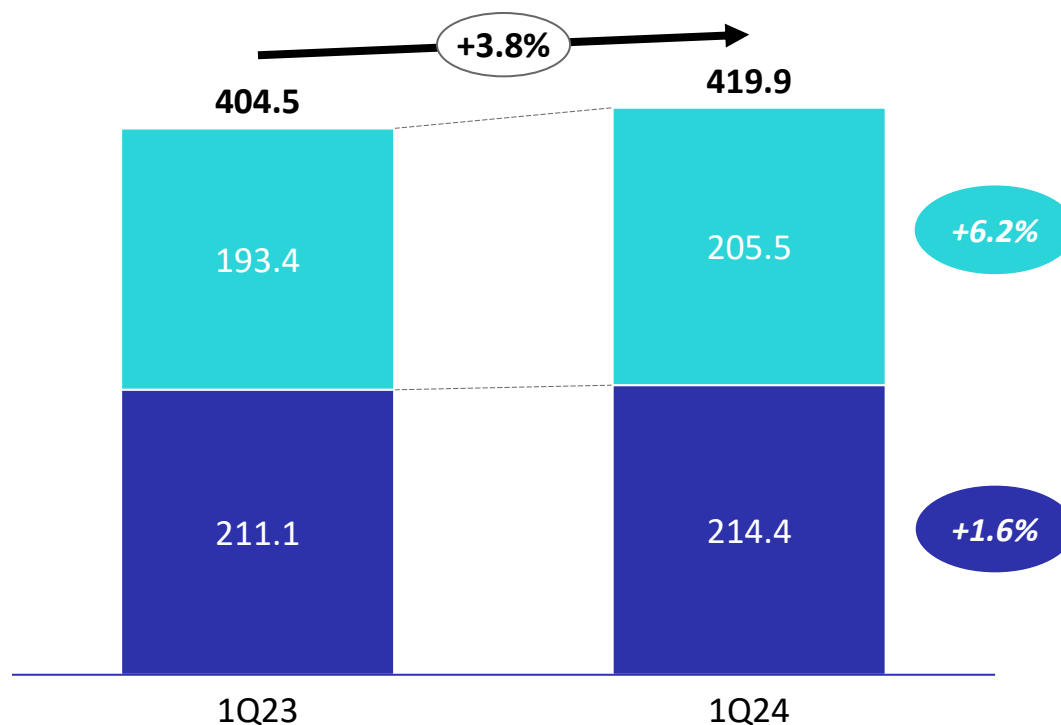
Continued revenue growth across geographies in 1Q24



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

Total Costs (€M)

- Personnel Costs
- Operating Costs



Key Highlights

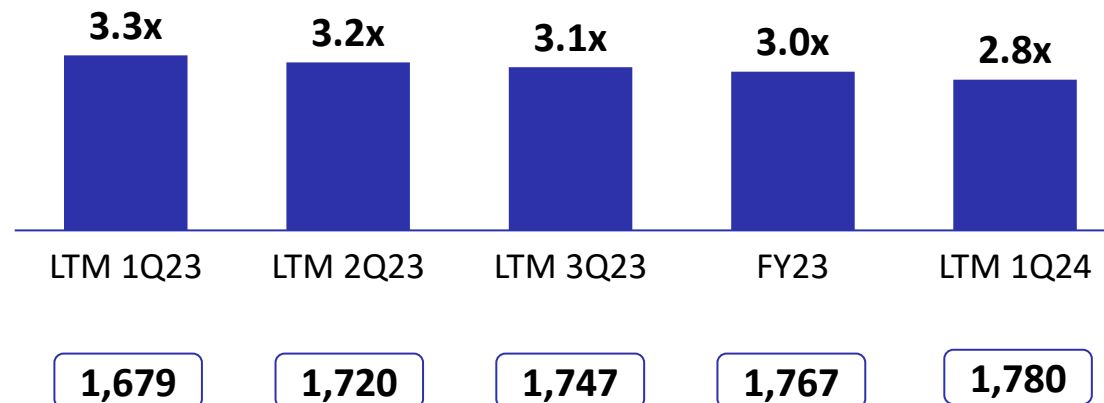
- **1Q24 increase y/y** due to volume, business growth and inflationary pressure:
 - **Personnel costs** trend mainly driven by people investments in high-growth areas and inflation (e.g. Italian collective labour agreement renegotiation)
 - **Operating costs** benefitting from costs efficiencies and delivery of synergies as well as some phasing effects despite volume growth and inflationary pressure

Material reduction of Net Financial Debt / EBITDA, now at 2.8x

Net Financial Debt (€M)

	Mar 23	June 23	Sept 23	Dec 23	Mar 24
Gross Financial Debt	7,175	7,211	7,228	7,215	7,210
Cash	1,565	1,692	1,833	1,889	2,104
Cash Equivalents¹	92	97	47	64	71
Net Financial Debt	5,518	5,422	5,348	5,262	5,035

Net Financial Debt / EBITDA (€M)

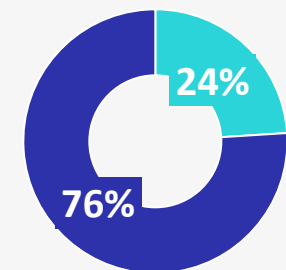


Key Highlights

- Overall “BB+/Ba1” rating (with positive outlook from S&P’s, confirmed after FY23 results), with a remarkable positive rating trajectory since 2022 (6 rating upgrades in a row, 3 of which last year) reflecting our continued sound performance as well as our strengthened financial profile
- 219.6 €M Nassa Topco notes fully repaid at maturity in April 2024 using already available cash (next maturities: ~536 €M in 4Q24 and ~507 €M in 2025)
- Weighted average debt maturity of ~2.8 years and average pre-tax cash cost of debt stable at ~2.86%³

Interest rate mix³

- Floating rate (zero-floored)
- Fixed rate



500 €M share buy-back program launched

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 its business and outlook** and that a **share buy-back offers the most effective value creating opportunity** for our shareholders to deploy our excess cash
- **500 €M share buy-back program approved by the Shareholders Meeting on April 30th** (equal to ~15% free float¹)
- 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
- **Start date: May 9th, 2024**
- **Duration: by 18 months** from the Shareholders' Meeting approval on April 30th
- **Shares bought back will be cancelled**



Closing remarks

2024 Guidance confirmed

**Net
Revenues**

Mid-single digit y/y growth

EBITDA

Mid-to-high single digit y/y growth
EBITDA margin expansion of 100bps+

**Excess cash
generated¹**

More than 700 €M

Net leverage

Decreasing to below 2.9x EBITDA including announced M&A and share buy-back effects (~2.6x on organic basis)

Key messages

Continued delivery of growth and margin expansion

- **Revenue** growing at **+6.0%** vs 1Q23; **Merchant Solutions** revenue up **+6.8%** vs 1Q23, with eCommerce increasing double-digit
- **EBITDA** growing at **+8.6%** vs 1Q23 with **~112 bps EBITDA margin expansion y/y**

Shaping Nexi for future profitable growth

- **Group strategy execution progressing well**
- Increasing focus on our **payments software integration strategy execution**, based on partnering with best-in-class local ISVs
- **Accelerating efficiency and cost synergies delivery** on the back of **Group integration**

Creating value for our Shareholders

- **Starting 500 €M share buy back program on May 9th, 2024**
- **Net leverage down at 2.8x EBITDA** at the end of 1Q24
- **Confirmed ~1.3 €B 2024-25 debt maturities to be fully paid down with existing cash**, of which **~220 €M already reimbursed in April 2024**

2024 Guidance confirmed

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

nexi

Teleborsa: distribution and commercial use strictly prohibited



Q&A

nexi

Teleborsa: distribution and commercial use strictly prohibited



Annex

Merchant Solutions: key business update

1Q24 TRX Value Key Business Highlights

59%¹

SME

+8%
vs. 1Q23

- Continued growth of terminals installed base across all markets, mainly driven by Italy and DACH
- Strong commercial performance of advanced digital propositions, especially in Italy and Germany. Accelerating VAS up-selling (i.e. Merchant Financing in Nordics)
- “Direct channels” rapidly ramping up in Italy, already close to 200 sales specialists and agents at the end of April
- Continued progress on integrated payments, with new ISVs wins across Nordics and DACH on eCR and SaaS providers. Sales of partner eCR solutions through Nexi channels being extended to Norway on top of Denmark and Germany
- Continued progress on advanced SME digital propositions roll-out, with SmartPOS being launched in Nordics, SmartPay piloting Switzerland

11%¹

eCom

+8%
vs. 1Q23

- Continued customer base growth across the Group, particularly in Poland, Italy and Nordics
- Strong focus on mid-market across geographies within various key verticals
- Extended partnership across Nordics and DACH with 4 new partnership signed in the quarter, of which two new ISVs in Finland and Germany, one new partner web Agency and one online quality assurance in Denmark
- Signed flagship premium partnership at Group level with WIX with one agreement across Group allowing SMEs merchants to enable eCom after the POS purchase. Additional partnership signed in DACH with Shopando

13%¹

LAKA

+5%
vs. 1Q23

- Strong pipeline of new wins and cross selling across markets and verticals (retail, grocery, financial services, smart mobility) also against digital native competitors
- Omnichannel retail solution in Germany with positive commercial traction, also leveraging Computop partnership
- Continued proposition focus on new store formats, also through key partnerships such as Shopreme (for self checkout solutions)

Examples of recent customer wins & upsells

ORO FINO®

NORREIN
GRUPPEN

arexons

contē.it

OPEN
MOVEAST
Asveta Skidava Transport Spatop
supermercati

SNAPSWAP

DB

transport
for athens

billetter

shoper

ISVs/Platforms Partnerships

IZICAP

REA CARD

HAMAG

RECEPTUM

olivetti

Printec FROGNE

qondor

KMZ

italiaonline

datapac

SMALLPAY™

LASERSOFT
Łączy ci ludzi. Tworzy cię

paytec

POS
BISTRO

IXOPAY

POLSKIE
CENTRUM
KAS
FISKALNYCH
TECHNOLOGIA SPRZEDAŻY

Group normalised P&L at constant scope and FX

1Q23 data restated for FX

€M	1Q23	FX effect	1Q23 ¹
Merchant Solutions	412.5	-2.5	410.0
Issuing Solutions	246.5	-1.6	244.9
Digital Banking Solutions	82.8	0.0	82.8
Operating revenue	741.7	-4.1	737.6
Personnel Costs	(193.7)	0.3	(193.4)
Operating Costs	(212.3)	1.2	(211.1)
Total Costs	(406.0)	1.5	(404.5)
EBITDA	335.7	-2.6	333.1

Group P&L

€M	1Q23 ¹	1Q24	Δ% vs. 1Q23
Merchant Solutions	410.0	437.7	+6.8%
Issuing Solutions	244.9	257.6	+5.2%
Digital Banking Solutions	82.8	86.3	+4.3%
Operating revenue	737.6	781.6	+6.0%
Personnel Costs	(193.4)	(205.5)	+6.2%
Operating Costs	(211.1)	(214.4)	+1.6%
Total Costs	(404.5)	(419.9)	+3.8%
EBITDA	333.1	361.7	+8.6%

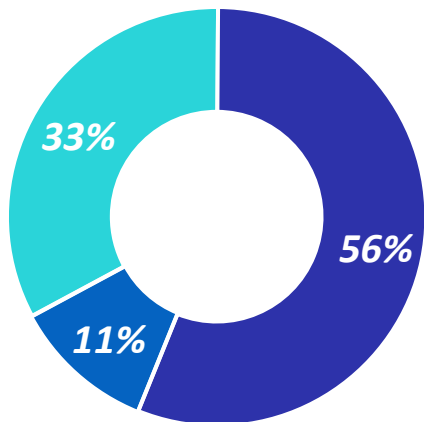
Well diversified revenue base both in terms of business and geography at scale, with exposure to fast growing European markets

1Q24 Revenues breakdown

1Q24 Costs breakdown by type

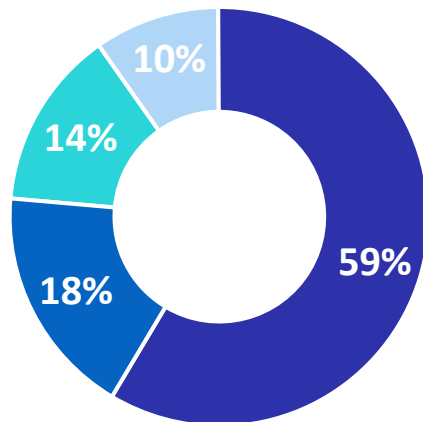
By business

- Merchant Solutions
- Issuing Solutions
- Digital Banking Solutions



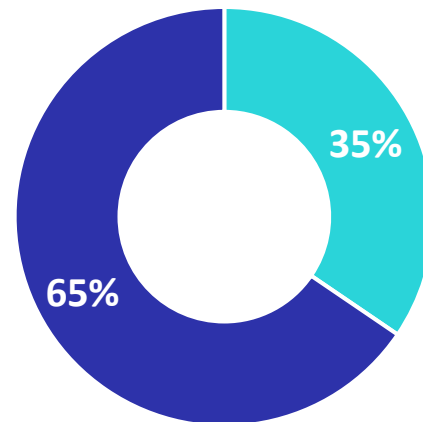
By geography

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

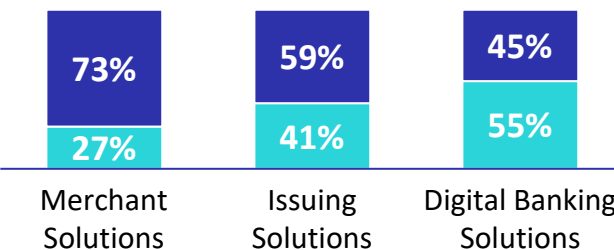
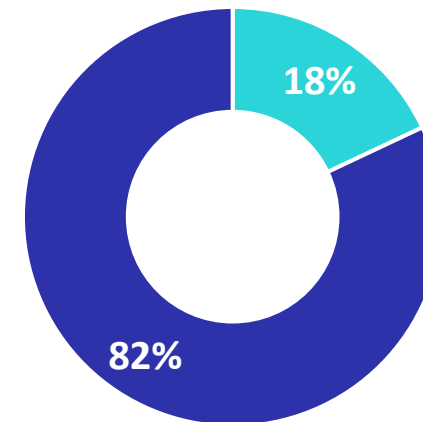


By type

- Installed based
- Volume driven



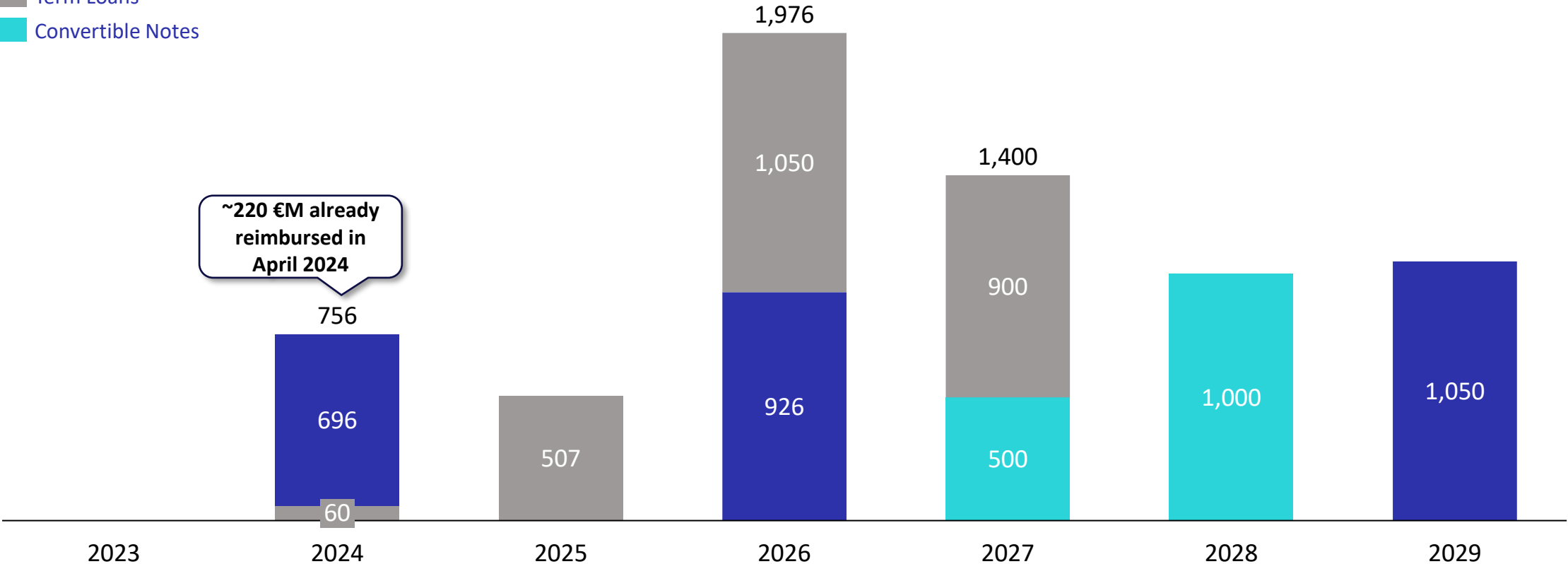
- Variable costs
- Fixed Costs



Debt maturities as at 1Q24

Nexi Group Debt Maturity Schedule¹ (€M)

- Senior Notes
- Term Loans
- Convertible Notes





nexi

Investor Relations

investor.relations@nexigroup.com

Stefania Mantegazza

stefania.mantegazza@nexigroup.com