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Informazione Regolamentata n. 2170-7-2021	Data/Ora Ricezione 11 Febbraio 2021 13:23:27	MTA
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Societa' : NEXI S.p.A.  
Identificativo : 142413  
Informazione  
Regolamentata  
Nome utilizzatore : NEXIN04 - MANTEGAZZA  
Tipologia : 2.2  
Data/Ora Ricezione : 11 Febbraio 2021 13:23:27  
Data/Ora Inizio : 11 Febbraio 2021 13:23:28  
Diffusione presunta  
Oggetto : 2020 Preliminary Financial Results

*Testo del comunicato*

Vedi allegato.

**GROUP PRELIMINARY FINANCIAL RESULTS AS OF DECEMBER 31ST 2020 APPROVED.  
SOLID FINANCIAL PERFORMANCE DESPITE COVID-19 IMPACTS**

- **EBITDA at € 601.4 million in 2020, +2.5% Y/Y; € 172.5 million in 4Q20, +8.3% Y/Y**
- **Revenues at € 1,043.9 million in 2020, -2.8% Y/Y; € 290.3 million in 4Q20, -0.7% Y/Y**
- **Volume slowdown during 4Q20 after Covid-19 second wave and related restrictions in the Country**
- **Signs of recovery starting from January 2021 with acquiring transactions on Italian Cards back to growth in the last weeks, confirming the signals of digital payments acceleration in the Country**
- **Investments at 135 €M, equal to 13% of revenues**
- **Journey for creating the European PayTech Leader progressing as planned: binding documentation for SIA transaction signed and filing of the cross-border merger plan to European Antitrust for Nets transaction done**

**Milan, February 11th 2021** – The Board of Directors of Nexi S.p.A. approved the Group's consolidated preliminary financial results as of December 31st 2020.

*"The year just ended was inevitably characterized by the health emergency resulting from the Covid-19 pandemic and its impact on the society and the economy". Paolo Bertoluzzo, CEO of Nexi, commented. "In our role as Paytech leader in Italy, we immediately ensured the perfect functioning of all payment systems, even more fundamental for citizens and businesses during the emergency, and the highest level of service for Partner Banks and end customers, while always ensuring the health and safety of our people. In this context, characterized by Covid-19, our financial performance was particularly solid and above the Ambition declared in July, despite the unexpected arrival of the second wave of the pandemic. We were able to increase profitability and support investments thanks to a strong commitment on cost reduction and efficient use of resources, with revenues close to 2019 level. During the year, we observed clear signs of an acceleration in use of digital payments, signals that we believe can become even more visible and important with the gradual exit from the Covid emergency, which we all hope will happen in the next few months. Finally, in 2020 we strongly initiated a new phase of growth and transformation of Nexi into the Leading PayTech also in Europe, thanks to the announced combinations with Sia and Nets. These operations, which we expect to complete according to plans in the coming months, will allow us to have the scale, resources and skills necessary to continue our path of growth and innovation as a reference partner at an international level for citizens, businesses, banks and institutions".*

Following the rapid recovery in volumes recorded in the previous quarter, after the first wave of Covid-19, the fourth quarter of the year was characterized by a slowdown in overall volumes starting from October due to the second wave of the pandemic and the progressive related restrictions introduced nationally and internationally. As already noted, compared to the spring, the management of this second phase was characterized by more limited restrictions from a geographical point of view - being limited only to some areas most impacted by the health emergency - and in terms of length and the activities involved with the aim to limit, as much as possible, the economic and social impacts in the Country. In 2021, since the beginning of January, with the easing of the restrictive measures, the first signs of a recovery in volumes have been recorded. Furthermore, in the recent weeks, the value of acquiring transactions on Italian cards started growing again, confirming the signs of acceleration in digital payments in the Country.

Transaction volumes (acquiring+issuing) were equal to € 417 billion, -11.4% Y/Y, in 2020 and equal to € 113 billion, -8.6% Y/Y, in 4Q20. The performance of the year was particularly affected by the strong negative impact recorded in the months of March and April, during the peak of the health emergency, and by the performance of the tourism and restaurants sector which heavily suffered throughout the year.

E-commerce performance registered a strong Y/Y increase in transaction volumes, +37% Y/Y in 2020 and +42% Y/Y in the fourth quarter 2020, net of high impact consumption sectors (i.e. travel/tourism related sectors, restaurants)<sup>1</sup>. Overall, E-commerce declined less sharply compared to physical sales (value of managed transactions down by 2.1% Y/Y).

Throughout the year there was a growing use of digital tools by consumers and businesses. As Nexi, we observed clear signs of an evolution in the behavior of our customers too, who have shown greater use of digital payments, particularly appreciated at this stage as essential, simple and safe tools for both physical and online payments, and this certainly also thanks to the innovative products and services that we have launched to guarantee the maximum support even in this particular context.

These new behaviors, certainly also determined by the specific context, have highlighted clear signs of a possible acceleration in the use of digital payments, which will most likely become even more evident and consistent with the progressive easing of the restrictive measures imposed for the health emergency and with the desirable end of the pandemic.

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<sup>1</sup> Data include International schemes only for Nexi Payments, International and national schemes for MePS

Key financial results

€M	FY19	FY20	Δ% vs. FY19	4Q19	4Q20	Δ% vs. 4Q19
Merchant Services & Solutions	569.2	549.9	-3.4%	158.2	156.4	-1.1%
Cards & Digital Payments	387.4	380.0	-1.9%	101.4	103.8	+2.4%
Digital Banking Solutions	117.7	114.0	-3.1%	32.9	30.2	-8.4%
<b>Revenues</b>	<b>1074.3</b>	<b>1043.9</b>	<b>-2.8%</b>	<b>292.4</b>	<b>290.3</b>	<b>-0.7%</b>
Personnel & related expenses	(169.1)	(156.3)	-7.6%	(45.4)	(41.4)	-8.6%
Operating Costs	(318.4)	(286.2)	-10.1%	(87.7)	(76.3)	-13.0%
<b>Total Costs</b>	<b>(487.6)</b>	<b>(442.5)</b>	<b>-9.2%</b>	<b>(133.1)</b>	<b>(117.8)</b>	<b>-11.5%</b>
<b>EBITDA</b>	<b>586.7</b>	<b>601.4</b>	<b>+2.5%</b>	<b>159.3</b>	<b>172.5</b>	<b>+8.3%</b>
D&A	(121.0)	(144.8)	+19.7%			
Interests & financing costs	(76.9)	(76.9)	+0.0%			
<b>Normalized Pre-tax Profit</b>	<b>388.8</b>	<b>379.7</b>	<b>-2.3%</b>			
Income taxes	(135.2)	(132.2)	-2.2%			
Minorities	(1.5)	(1.7)	+14.7%			
<b>Normalized Net Profit</b>	<b>252.1</b>	<b>245.8</b>	<b>-2.5%</b>			

2019 and 2020 P&L managerial data as they include ISP merchant acquiring book acquisition since the beginning of the period

In 2020, Nexi Group registered a solid financial performance despite Covid-19, with EBITDA reaching € 601.4 million, up by 2.5% Y/Y. The EBITDA margin increased by ~3 p.p. to 58% compared to the same period of 2019 also thanks to the implementation of the 100+ €M cash cost containment plan. In particular, in the fourth quarter of 2020, Group's EBITDA reached € 172.5 million, +8.3% compared to the same period of 2019.

In 2020, Revenues reached € 1,043.9 million, down by 2.8% Y/Y. In the fourth quarter of 2020 Revenues have been impacted by Covid-19 second wave and reached € 290.3 million (-0.7% Y/Y).

Nexi's operating segments delivered the following results in 2020:

- **Merchant Services & Solutions**, which represented 53% of the Group's total revenues, reported revenues of € 549.9 million, down by 3.4% Y/Y. Revenues have been positively impacted by a better performance, in terms of volume, of Italian Cards compared to Foreign Cards, while high impact consumption sectors (e.g. tourism and restaurants) are still suffering. Transactions – both in terms of volumes and number – after the recovery registered during the third quarter, experienced a slowdown starting from the end of October following the second wave of the pandemic and the progressive restrictions introduced in the Country. In 2020, 3,087 million transactions were managed, down by 12.9% Y/Y (-10.4% Y/Y in 4Q20), with value of managed transactions at € 221.5 billion, down by 14.5% Y/Y (-11.1% Y/Y in 4Q20). E-commerce performance registered a strong Y/Y increase in transaction volumes, up +37% Y/Y in 2020 and +42% Y/Y in the fourth quarter 2020 net of high impact consumption sectors (i.e. travel/tourism related sectors,

restaurants)<sup>2</sup>. Overall, E-commerce declined less sharply compared to physical sales (value of managed transactions -2.1% Y/Y). In 4Q20, Merchant Services & Solutions reached € 156.4 million of revenues (-1.1% Y/Y);

- **Cards & Digital Payments**, which represented 36% of the Group's total revenues, reported revenues of € 380.0 million, down by 1.9% Y/Y. Revenues have been negatively affected by the strong reduction of domestic travellers abroad and by lower commercial cards volumes related to the strong reduction of business activity during Covid-19. In 2020, 2,567 million transactions were managed, down by 4.0% Y/Y (-2.3% Y/Y in 4Q20), with volumes of € 195.7 billion, down by 7.6% Y/Y (-5.7% Y/Y in 4Q20). Transactions – both in terms of volumes and number – experienced a slowdown starting from the end of October following the second wave of the pandemic and the progressive restrictions introduced at national and international level. In 4Q20, Cards & Digital Payments reached € 103.8 million of revenues (+2.4% Y/Y);
- **Digital Banking Solutions**, which represented 11% of the Group's total revenues, reported revenues of € 114.0 million (-3.1% Y/Y). In 4Q20, Digital Banking Solutions reached € 30.2 million of revenues, down by 8.4% Y/Y mainly attributable to the slowdown in the ordinary activity and the phasing of certain banks-related projects due to Covid-19.

In 2020, **total Costs** were at € 442.5 million, down by 9.2% Y/Y. The reduction is triggered by the continuous work on efficiency as well as by the implementation of the € 100+ million cash cost containment plan announced on May 12<sup>th</sup>, 2020. The actions envisaged in the plan was meant to mitigate the impact of Covid-19 on EBITDA and cash flow, through a strict cost control and a rephasing of certain less strategic projects and investments. In particular, the plan has been over delivered despite, compared to what was initially expected, higher transaction volumes have been recorded.

In 2020, Nexi confirmed the strong focus on investments in technology and innovation, with **total Capex** equal to € 135 million, corresponding to 13% of FY20 Net revenues. In particular, € 35 million (3% of Net Revenues) was related to transformation initiatives and projects and extraordinary innovation and € 100 million (10% of Net Revenues) was related to the ordinary innovation of products and services, to the maintenance of high quality services and security and to the POS and ATM purchase. ~€ 103 million Transformation Capex are expected to be completed in the next years, in addition to Ordinary Capex equal to ~8-10% of Net Revenues. In the light of the recently announced M&A transactions, ~40 €M of savings from synergies are expected, thus reducing the remaining Transformation Capex to ~63 €M.

**D&A**, excluding customer contracts amortization (“*Customer Contracts*”), were € 144.8 million in 2020, up by 19.7% Y/Y due to significant investments in software and technological developments made in the last three years, aimed at the digital transformation of the Group.

<sup>2</sup> Data include International schemes only for Nexi Payments, International and national schemes for MePS

**Normalized Interest costs** were € 76.9 million in 2020. Reported interest costs of € 65.3 million strongly down (-59.1% Y/Y) mainly due to interest costs/fees related to the pre-IPO debt structure and its subsequent refinancing.

**Transformation costs**, below EBITDA, were € 24.0 million in 2020, significantly reduced by 54% Y/Y. Managerial non-recurring items (€ 102.3 million in 2020) include, among others, one-offs costs related to the ISP merchant book acquisition (€ 21.9 million), the SIA and Nets M&A transactions (€ 15.7 million), as well as the IPO costs sustained by the Financial Sponsors (€ 17.4 million).

**Normalized net profit** in 2020 was € 245.8 million, down by 3% Y/Y, due to higher D&A registered in 2020 (+19.7% Y/Y).

As of December 31st 2020, **Net Financial Debt** was at € 2,133 million and Net Financial Debt/ EBITDA was at 3.5x, in reduction compared to the previous quarters despite the Covid-19 impact. Net of ISP merchant book acquisition, Net Financial Debt/ EBITDA was at 2.5x, down compared to the 2.9x at the end of 2019.

Despite 2020 has been characterized by Covid-19 pandemic, Nexi proved a strong business model resilience and reported solid financial results, overcoming the 2020 Ambition presented during the first half 2020 results, despite the unforeseen Covid-19 second wave.

2021 is still characterized by the unavoidable uncertainty of a constantly evolving context therefore, assuming a gradual recovery from Covid-19 in 1H21 broadly in line with the current trajectory, Nexi expects:

- Mid-high single digit Revenue growth
- Broadly stable EBITDA margin, +3 p.p. vs 2019
- Broadly stable Capex intensity ratio, anticipating M&A synergies
- Continued strong organic cash flow generation and de-leveraging profile

### Significant subsequent events

Thanks to the extraordinary transactions with SIA and Nets, 2020 was also an important year for Nexi's growth and transformation path towards the role of Paytech leader in Europe.

In this regard, in the recent days, the filing for the Merger with Nets (announced on 15 November 2020) was presented to the European Antitrust.

At the same time, following the approval by the Boards of Directors of Cassa Depositi e Prestiti, CDP Equity, Mercury UK, SIA and Nexi, Nexi and SIA have signed the binding framework agreement governing the merger by incorporation of SIA into Nexi (respectively, the "**Merger**" and the "**Framework Agreement**"), consistent with the main terms and conditions of the memorandum of understanding signed and announced on 5



October 2020. The closing of the Merger is subject to the satisfaction of certain customary conditions precedent among which the relevant authorizations, including the one from the competent Antitrust Authority. The Merger is also subject to the “whitewash” vote<sup>3</sup> in the Nexi’s EGM.

In accordance with the Framework Agreement, if the closing of the envisaged merger of Nets with and into Nexi (the “Nets Transaction”) occurs before the closing of the SIA transaction, as expected, CDP Equity will be entitled to call for a capital increase of SIA for the purpose of mitigating the dilutive effect on its perspective equity stake in Nexi as deriving from the Nets Transaction.

Moreover, in the event that the Merger will occur after the completion of the Nets Transaction, a shareholders' agreement will be signed by Mercury UK, CDP Equity and FSIA together with the current shareholders of Nets.

\* \* \*

Pursuant to paragraph 2 of article 154 bis of the Consolidated Finance Act, the undersigned, Enrico Marchini, in his capacity as the manager in charge of preparing Nexi’s financial reports, declares that the accounting information contained in this press release corresponds to the accounting documents, books and records of Nexi S.p.A..

Data awaiting validation by the auditing firm PricewaterhouseCoopers

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<sup>3</sup> In accordance with art. 122 of Legislative Decree no. 58 dated 24 February 1998, the provisions having nature of shareholders' agreement as contained in the Framework Agreement, as well as in such two alternative of the shareholders' agreements, will be duly disclosed to the public pursuant to the terms and conditions set out by applicable laws and regulations.

## **Nexi**

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Nexi is the leading PayTech company in Italy, listed on MTA of Borsa Italiana. We operate in strong partnership with ~150 partner banks. Our integrated end-to-end omni-channel technology connects banks, merchants and consumers enabling digital payments. We help simplify payments for our clients and digitalize the Italian economy. Nexi operates in three market areas: Merchant Services & Solutions, Cards & Digital Payments and Digital Banking Solutions:

**Merchant Services & Solutions:** Nexi, together with its partner Banks, serves c. 900,000 merchants;

**Cards & Digital Payments:** Nexi, together with its partner Banks, manages 41.6 million payment cards;

**Digital Banking Solutions:** Nexi manages 13,100 ATMs, approximately 469,000 e-banking workstations and 947 million clearing transactions in 2019. In addition, Nexi developed the open banking system in collaboration with the CBI consortium to which the main Italian banks have already adhered.

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## FY 2020 P&L vs normalized

€M	FY20	Delta	Normalized FY20
Merchant Services & Solutions	549.9		549.9
Cards & Digital Payments	380.0		380.0
Digital Banking Solutions	114.0		114.0
<b>Revenues</b>	<b>1043.9</b>		<b>1043.9</b>
Personnel & related expenses	(156.3)		(156.3)
Operating Costs	(286.2)		(286.2)
<b>Total Costs</b>	<b>(442.5)</b>		<b>(442.5)</b>
<b>EBITDA</b>	<b>601.4</b>		<b>601.4</b>
D&A	(177.0)	32.2	(144.8)
Interests & financing costs	(65.3)	(11.5)	(76.9)
Non recurring items	(102.3)	102.3	-
<b>Pre-tax Profit</b>	<b>256.7</b>	<b>123.0</b>	<b>379.7</b>
Income taxes	(95.5)	(36.8)	(132.2)
Minorities	(1.7)		(1.7)
<b>Net Profit</b>	<b>159.5</b>	<b>86.3</b>	<b>245.8</b>
<i>Transformation costs</i> <sup>1</sup>	<i>(24.0)</i>		<i>(24.0)</i>

(1) Transformation costs included in Non recurring items

## Income Statement

(€'000)	FY 2020	FY 2019
Fees for services rendered and commission income	1,644,025	1,642,500
Fees for services received and commission expense	(637,796)	(647,071)
<b>Net fee and commission income</b>	<b>1,006,229</b>	<b>995,429</b>
Interest and similar income	15,360	18,036
Interest and similar expense	(87,915)	(183,543)
<b>Net interest income</b>	<b>(72,555)</b>	<b>(165,507)</b>
Profit / loss on trading activity / hedging/ financial assets and liabilities designated at fair value through profit or loss	(119)	(7,526)
Dividends and profit / loss from investments and sale of assets at fair value through OCI (former AFS)	(6,574)	(8,685)
<b>Financial and operative income</b>	<b>926,981</b>	<b>813,711</b>
<i>Personnel - related costs</i>	<i>(180,572)</i>	<i>(223,721)</i>
<i>Other administrative costs</i>	<i>(350,015)</i>	<i>(391,016)</i>
<b>Total administrative costs</b>	<b>(530,587)</b>	<b>(614,737)</b>
Other operating income, net	(4,388)	(2,056)
Net value adjustments on assets measured at amortized cost	(6,880)	(6,239)
Net accruals to provisions for risks and charges	157	6,455
Net value adjustments / write-backs on tangible and intangible assets	(175,315)	(155,817)
<b>Operating margin</b>	<b>209,968</b>	<b>41,317</b>
Profits (Loss) from equity investments and disposal of investments	(212)	(598)
<b>Pre-tax profit /(loss) from continuing operations</b>	<b>209,756</b>	<b>40,719</b>
Income taxes	(79,709)	(4,180)
Income (Loss) after tax from discontinued operations	(739)	99,547
<b>Profit for the period</b>	<b>129,308</b>	<b>136,086</b>
Profit (loss) for the period attributable to the parent company	127,926	135,166
Profit (loss) for the period attributable to non-controlling interests	1,382	920

## Balance Sheet

ASSETS (€'000)	31/12/2020	31/12/2019
Cash and cash equivalents	159,084	115,388
Financial assets at fair value through OCI	151,700.0	118,581
Financial asset measured at amortised cost:	1,540,583	1,595,709
a) loans and receivables with banks	578,696	507,024
b) loans and receivables with financial entities or customers	961,887	1,088,685
Property, equipment	186,906	193,102
Investment property	2,101	2,229
Intangible assets	3,707,369	2,684,671
Goodwill	2,856,460	2,093,428
Tax assets	55,351	101,909
a) current	4,447	37,614
b) deferred	50,904	64,295
Non-current assets held for sale and discontinued operations	1,697	2,262
Other assets	481,670	474,442
<b>Total assets</b>	<b>6,286,461</b>	<b>5,288,293</b>

LIABILITIES (€'000)	31/12/2020	31/12/2019
Financial liabilities measured at amortised cost	3,862,904	3,140,389
a) due to banks	2,226,418	1,952,072
b) due to financial entities and customers	370,753	369,303
c) securities issued	1,265,733	819,014
Financial liabilities measured at fair value through profit and loss	22,912	-
Tax liabilities	243,634	131,896
a) current	19,485.0	1,820
b) deferred	224,149	130,076
Liabilities associated with non-current assets held for sale and discontinued operations	509	335
Other liabilities	557,511	644,628
Post-employment benefits	14,808	14,528
Provisions for risks and charges	26,433	31,967
Share capital	57,071	57,071
Share premium	1,082,204	1,082,204
Reserves	236,846	29,428
Valuation reserves	44,018	13,609
Profit (loss) for the period (+/-)	127,926	135,166
Equity attributable to non-controlling interests (+/-)	9,685	7,072
<b>Total liabilities and equity</b>	<b>6,286,461</b>	<b>5,288,293</b>

Fine Comunicato n.2170-7

Numero di Pagine: 12