

nexi



1H22 Results Presentation

July 29th, 2022

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.

Capital Markets Day scheduled
for September 27TH 2022

Key messages

Strong volume growth in 2Q22 across all geographies

- **Continued volume growth in Italy**, up 18% Y/Y (+27% vs 2019) in June. Foreign cards back to growth (+16% vs pre-Covid)
- **Double-digit volume growth Y/Y both in Nordics and DACH**, reaching +22% and +13% respectively in June. Continued recovery vs 2019
- **SMEs accelerating at +38% y/y in 1H22, faster than LAKAs**
- **Continued shift from cash to digital payments** visible across geographies

Strong financial performance in 1H22, accelerating in 2Q22

- **Revenue** growth at **+10%** vs 2Q21 and **+9%** vs 1H21
- **MS&S revenues** strongly up **+16%** vs 2Q21 and **+14%** vs 1H21
- **EBITDA** growth of **+20%** vs 2Q21 and **+19%** vs 1H21 with **~+4 p.p. EBITDA margin expansion**

Continued progress in creating the European PayTech leader

- Integration workstreams fully on track with **confirmed ~100€M cash synergies to be delivered in 2022**
- Continued **strengthening and focusing of business portfolio**:
 - Acquisition of BPER and BdS merchant book
 - Acquisition of ISP merchant book in Croatia
 - Closing of Alpha Bank JV and Orderbird
 - Sale of Capital Markets business
 - Sale of EDIGard, closed in July
 - Closing of Non-SEPA Clearing sale

Confirmed 2022 Ambition

- **Revenues +7% to +9% y/y**
- **EBITDA +13% to +16% y/y**

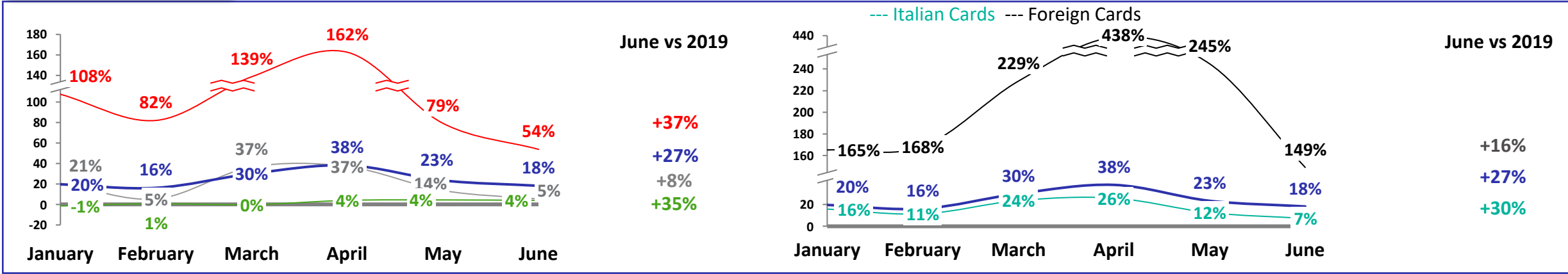
Strong volume growth in 2Q22 across all geographies

2Q22 travel fully recovered and well above 2019 Group level¹

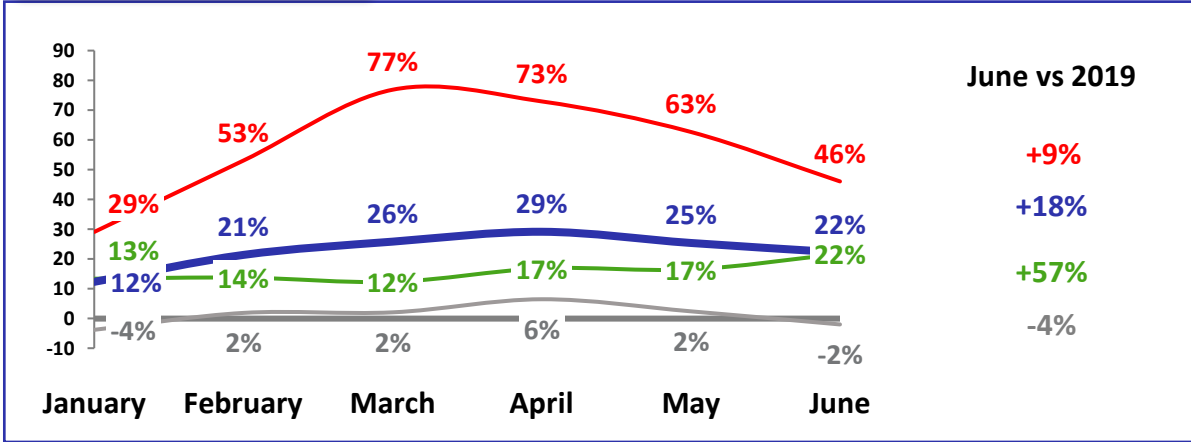
Y/Y performance

— High impact consumption — Basic consumption — Discretionary consumption — Total

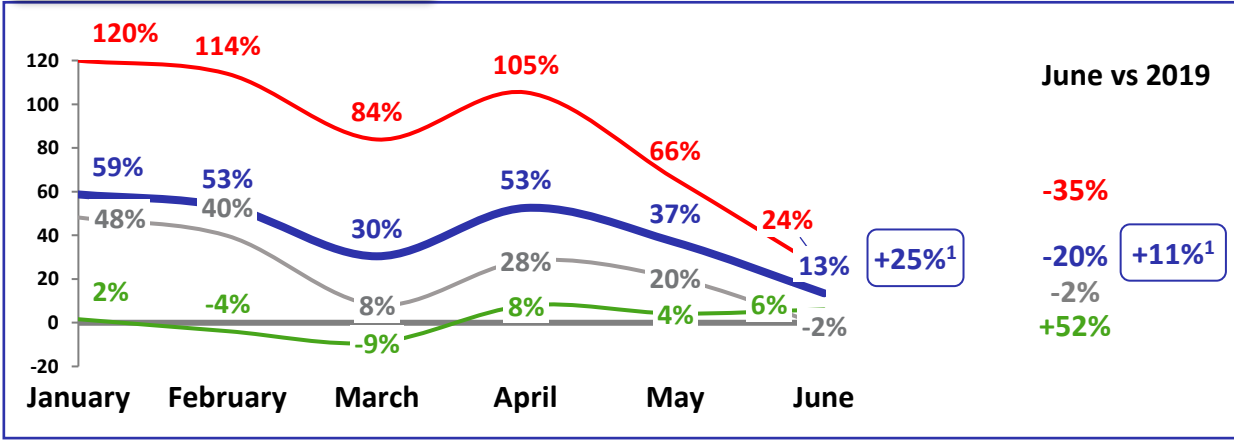
ITALY



NORDICS



DACH



Merchant Services & Solutions: key business update

1H22 TRX Value Key Business Highlights

55%¹

SME

+38%
vs. 1H21

- **Strong and accelerated sales performance across all geographies** vs last year, especially in DACH and Poland. Terminals installed base growing by ~150k y/y in 1H22²
- **Continued acceleration** of digital propositions **SmartPay** in Germany and **SmartPOS** in Italy
- Sustained performance of **complementary & digital channels**, with +144% y/y sales growth in Italy
- Launched **SoftPOS** tap-on-phone proposition in Greece, after Nordics and Hungary; preparing Italian launch
- Continued progress of **ISV partnerships** with market leaders and vertical specialists **across all geographies**

18%¹

eCom

+19%
vs. 1H21

- Continued **strong performance of Easy collecting PSP proposition** in the Nordics, with backbook migration almost completed; progressing roll-out in Germany
- **Good commercial performance of vertical propositions in Italy**, focus on hospitality and Ho.Re.Ca
- **Strong growth of owned A2A in Poland & Finland**; extending PSP partnerships
- Progressing on **proposition enhancements roadmap with Transaction Risk Analysis** launched and rolled-out in Italy, **1-click checkout for APMs** in Poland
- **New strategic partnership with Microsoft**, with Nexi as one of the main payment providers for key markets and joint efforts for ISVs integration and go-to-market, products co-development and cloud platforms transformation

11%¹

LAKA

+17%
vs. 1H21

- **Good pipeline of commercial wins in key verticals across markets**, such as Grocery, Retail, Petrol and Utilities
- **Integrated collection and B2B payments capabilities showing positive commercial traction** on Public Admins, Transport and Utilities
- **SoftPOS** proposition for Retail and Hospitality showing good commercial progress
- Extending **omni-acceptance** capabilities in Nordics (local wallets via QR-code) and DACH (Digital direct debit feature)
- Further **entrenchment with enabling platforms (CRM/ERP/PMS)** via strategic partnerships (**Global Blue** for Hospitality and Retail, **Zuora** for subscription services)

Examples of recent customer wins & upsells



ISVs/Platforms Partnerships



Focus on 1H22 results

Accelerated Revenue and EBITDA growth in 2Q22, leading to strong EBITDA growth and margin expansion

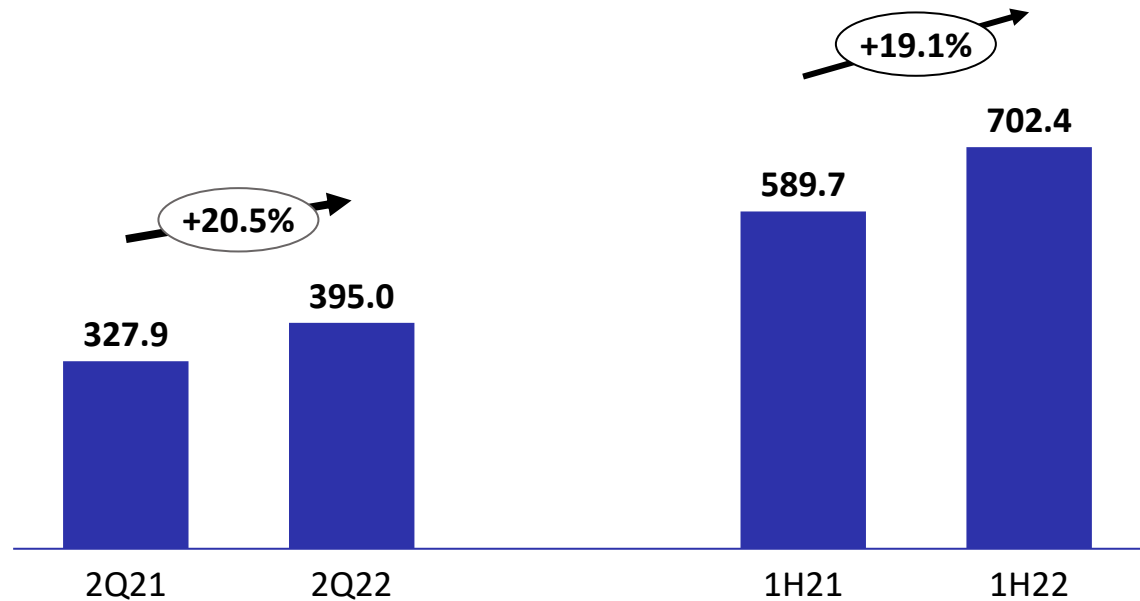
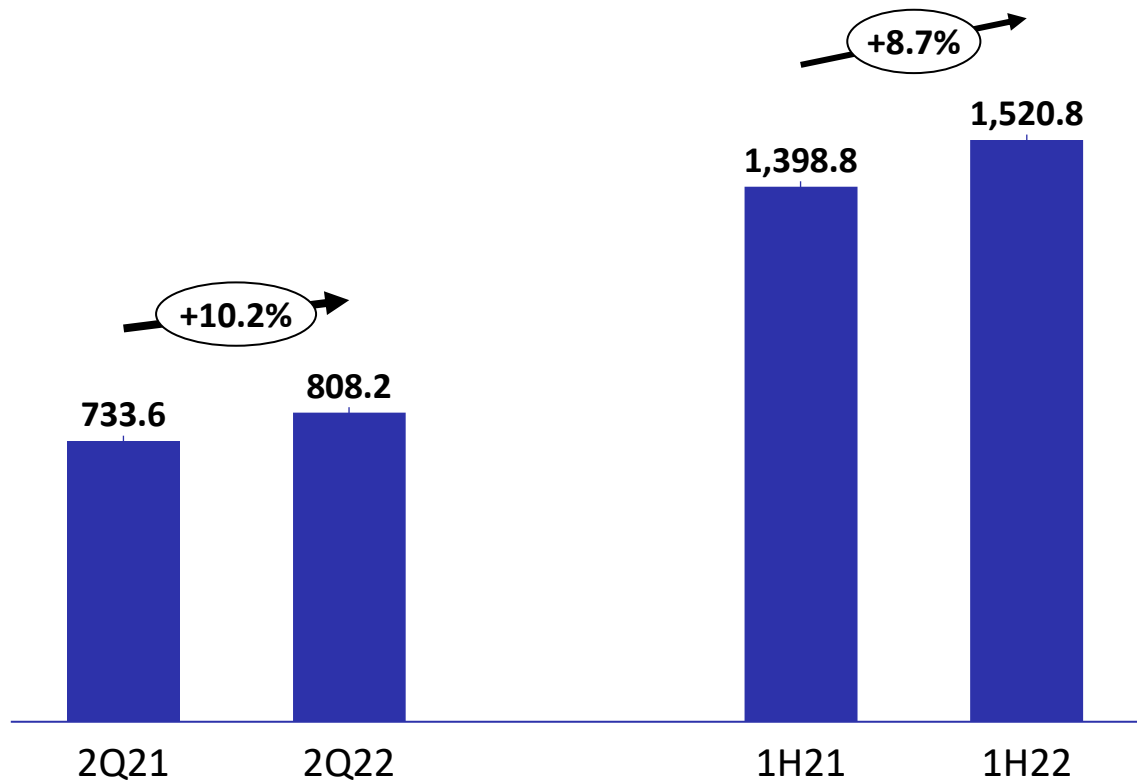


Net Revenues (€M)

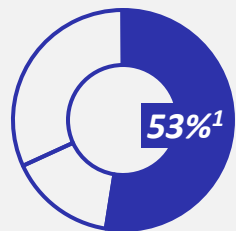
EBITDA (€M)

EBITDA margin

45% 49% 42% 46%



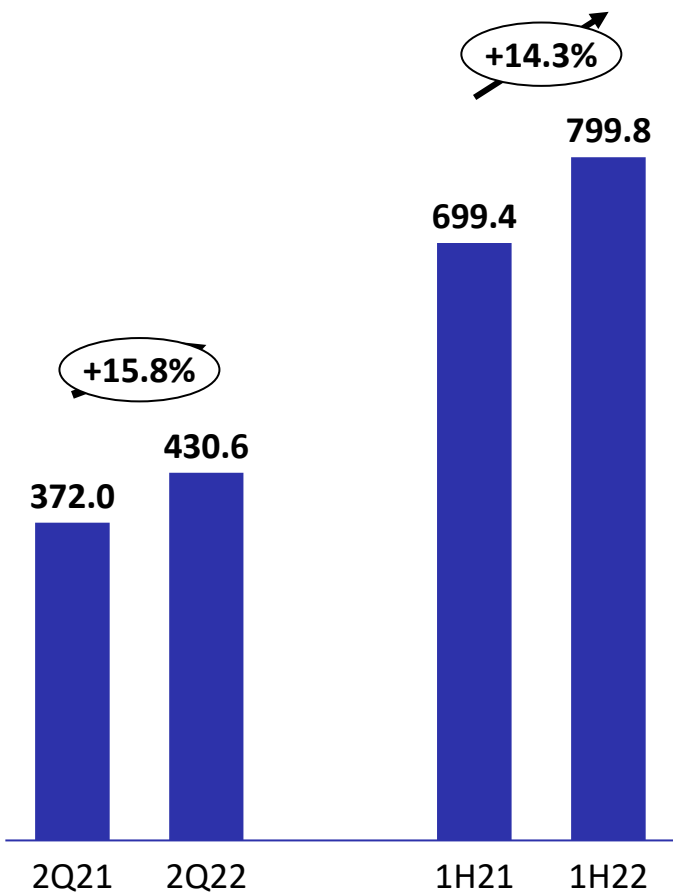
Merchant Services & Solutions: double-digit revenue growth supported by strong volume and installed base expansion



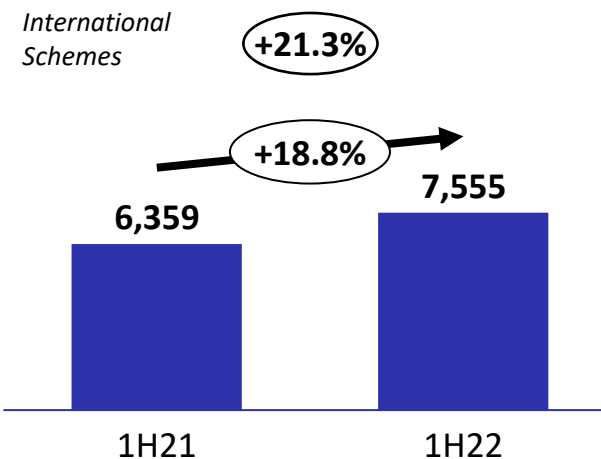
Merchant Services & Solutions



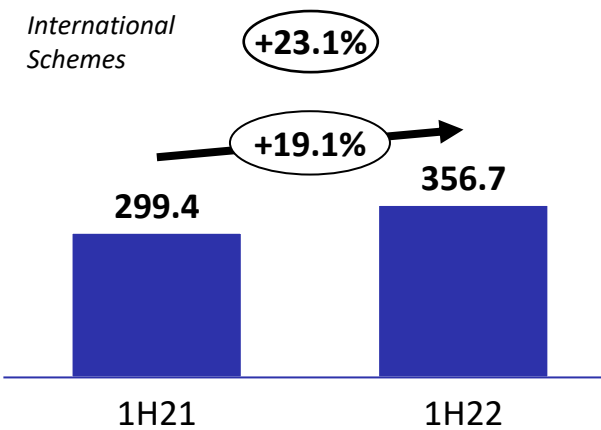
Net Revenues (€M)



Managed Transactions (#M)



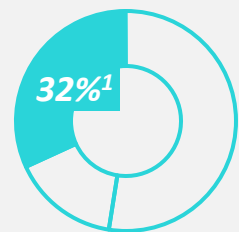
Value of Managed Transactions (€B)



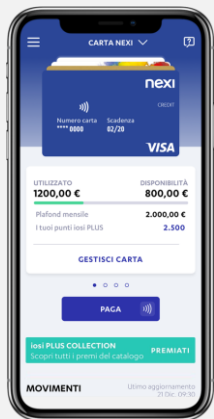
Key Highlights

- Accelerated revenue growth in 2Q22 for both Nexi and Nets
- Continued solid value of transactions performance across the Group, driven by International schemes and the recovery of foreign travel
- Positive contribution from installed-base growth (~150k increase in #POS y/y in 1H22)
- SME value of transactions accelerating at +38% y/y in 1H22, faster than large merchants and positively contributing to revenue growth
- Strong growth of the physical channel vs ecommerce on the wave of easing of restrictions started in 1Q22

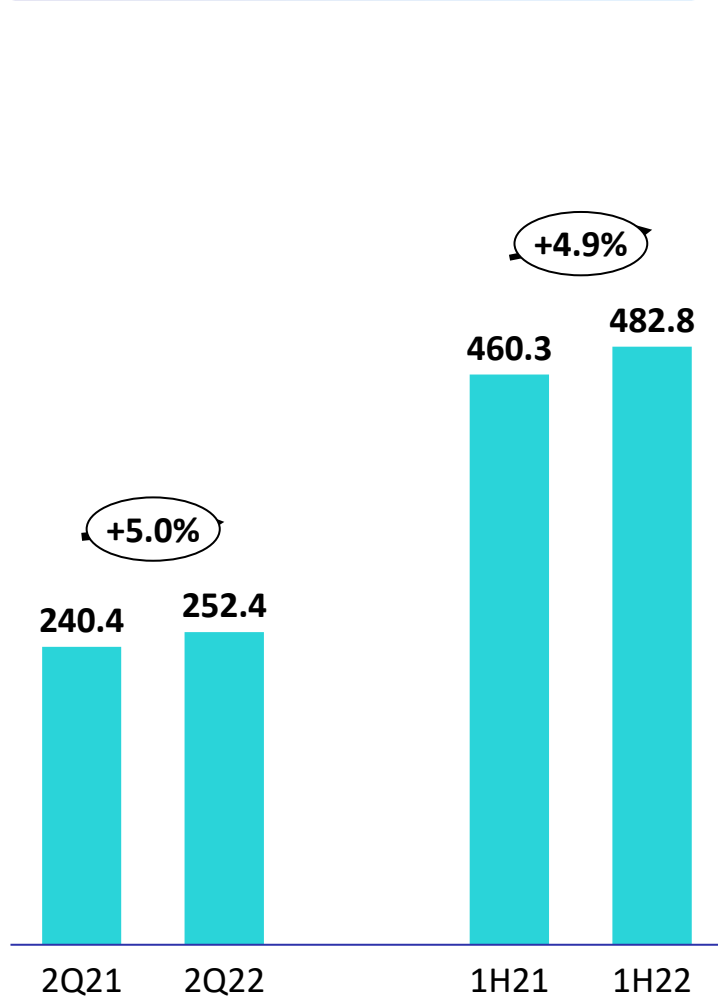
Cards & Digital Payments: positive revenue growth supported by sustained volume dynamics



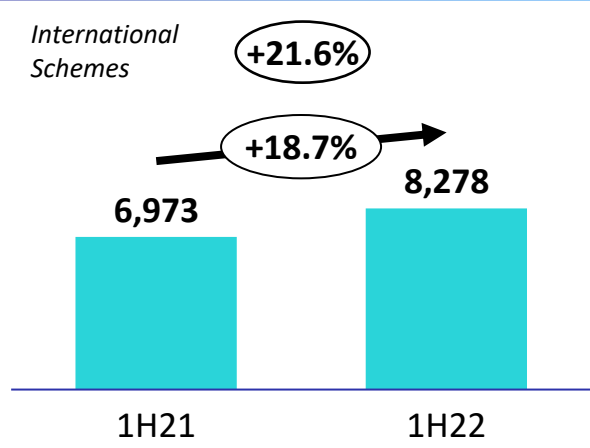
Cards & Digital Payments



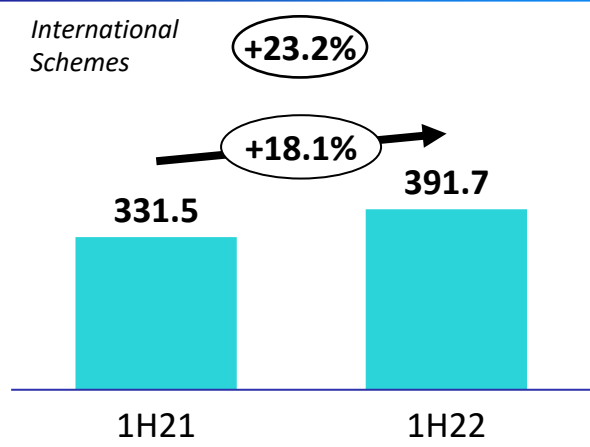
Net Revenues (€M)



Managed Transactions (#M)



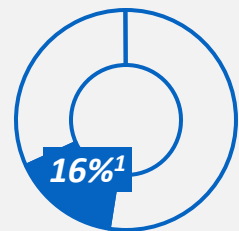
Value of Managed Transactions (€B)



Key Highlights

- Positive revenue growth, led by Italy (+7.1% y/y in 2Q22)
- Continued solid value of transactions performance across the Group, primarily thanks to International schemes
- Solid growth of International debit in Italy with increasing card stock (+1.1M cards y/y in 1H22)
- New services upselling to Nordic customers; attractive pipeline to drive future growth
- Progressing commercial effort for extending Nexi value propositions (e.g. CVM) to bank customer base across Europe

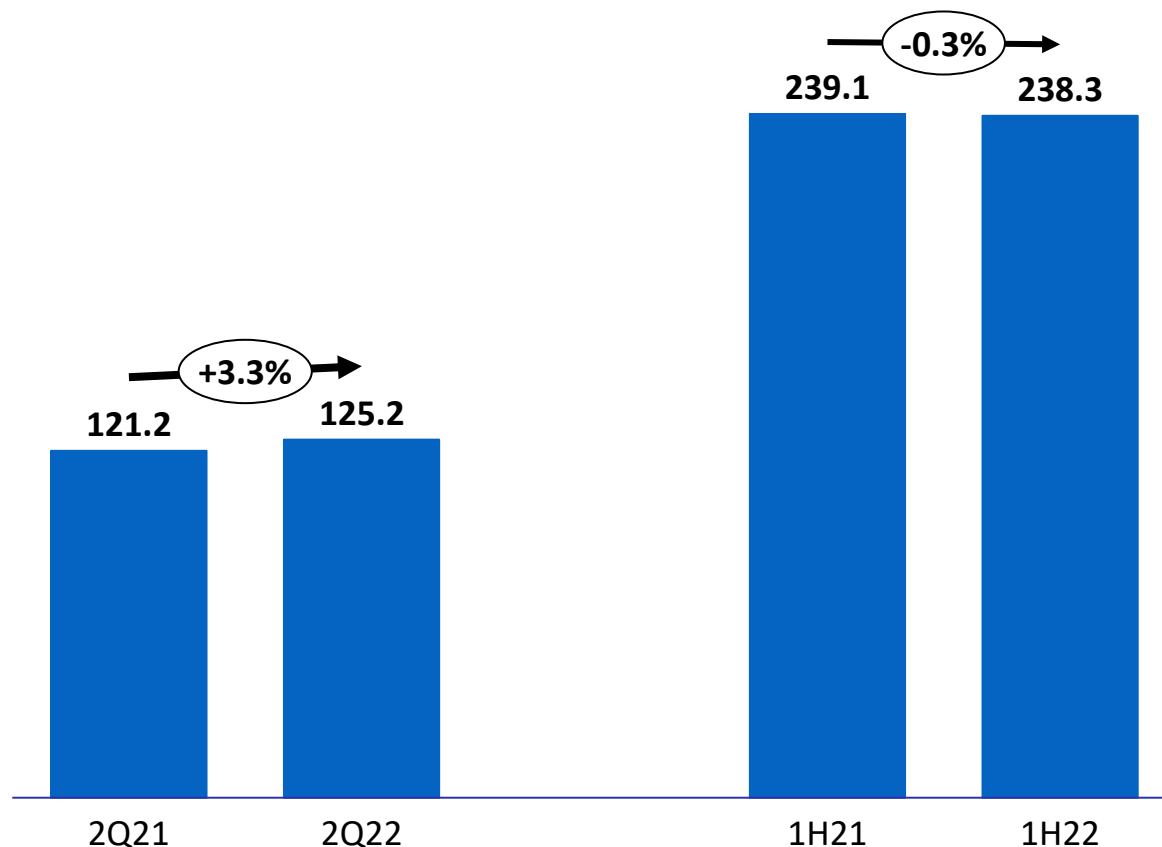
Digital Banking & Corporate Solutions: revenue growth in the quarter supported by business initiatives and projects



Digital
Banking &
Corporate
Solutions



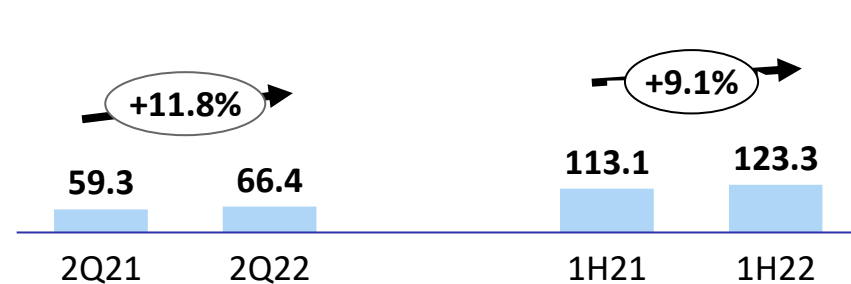
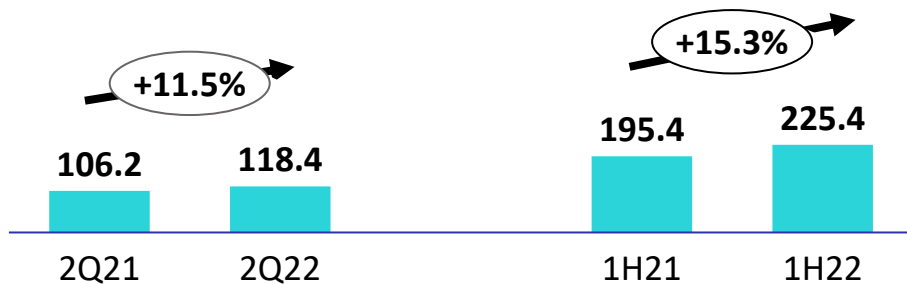
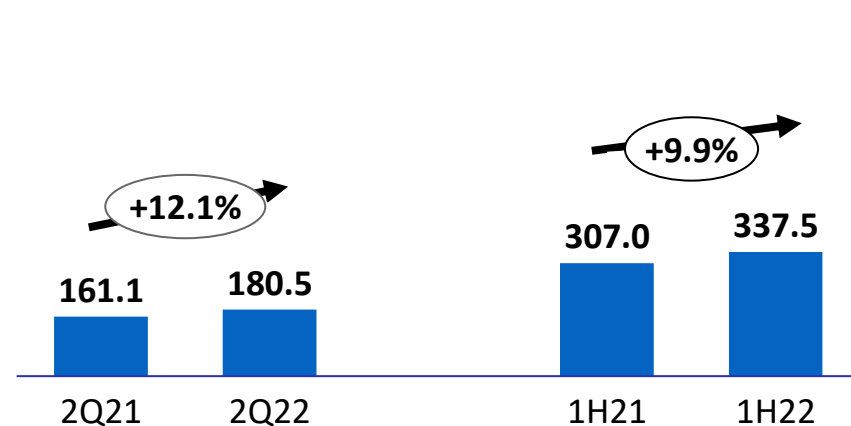
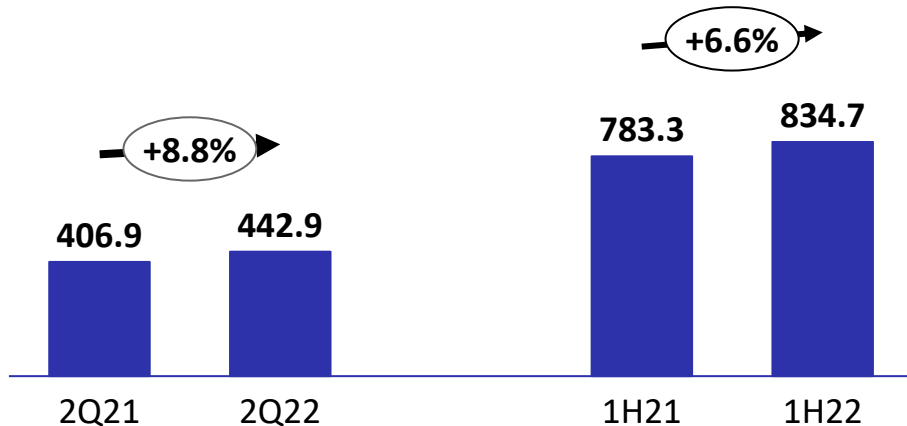
Net Revenues (€M)



Key Highlights

- **Positive Revenue performance in 2Q22** thanks to business initiatives and projects
- **B2B/Corporate Payments:** good progress on new services to Corporates (e.g. PagoinConto, Check IBAN, smart onboarding)
- **Open Banking:** positive performance driven by Globe API (usage at 3x vs 1H21), the largest Italian PSD2 Open Banking access and aggregation gateways
- **Payments Infrastructures:** good traction in Clearing, Network Services and Central Bank solutions

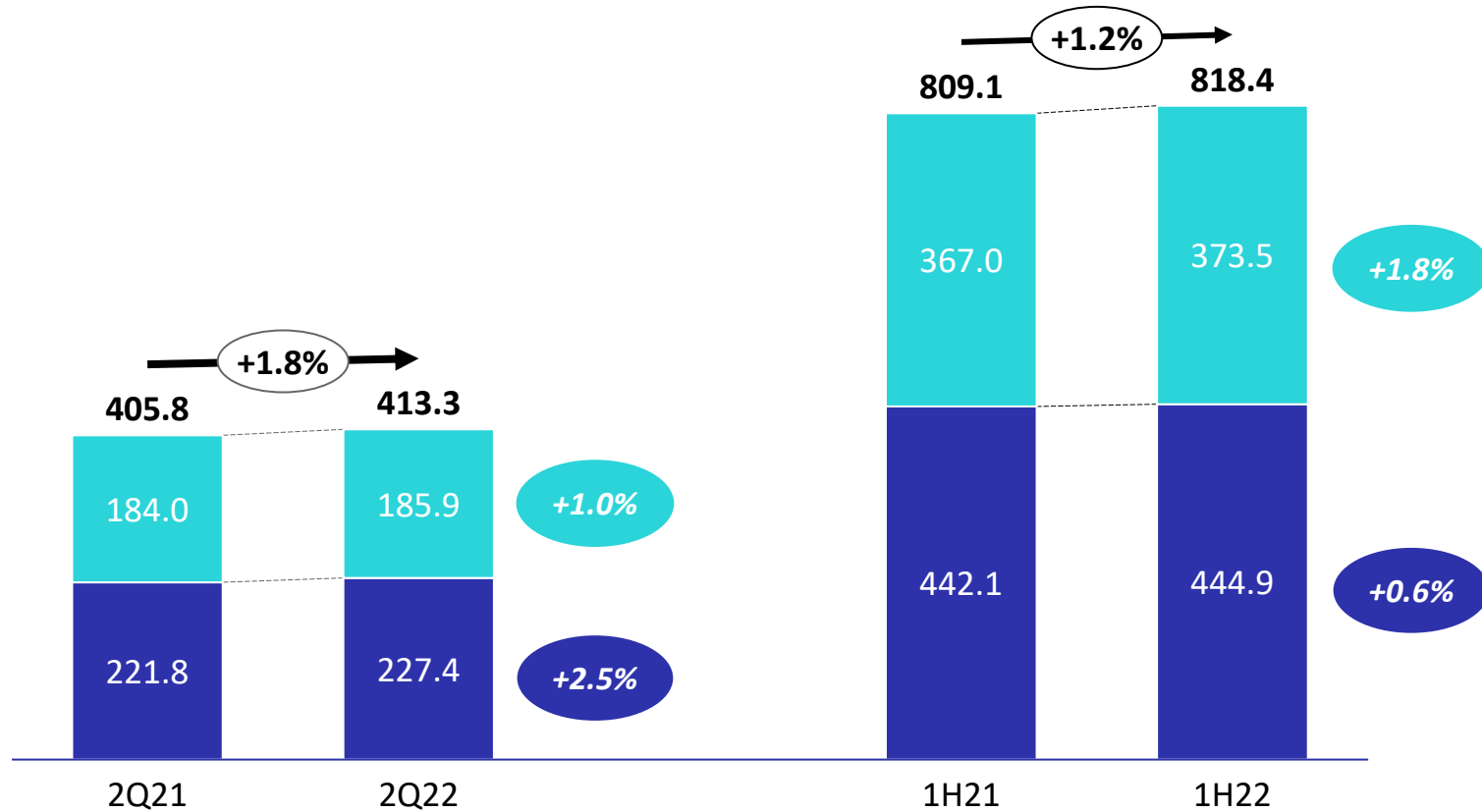
Strong revenue performance across geographies in 2Q22 and 1H22



Strong cost performance thanks to operating leverage, cost control and M&A synergies' delivery

Total Costs (€M)

Personnel Costs
Operating Costs



Key Highlights

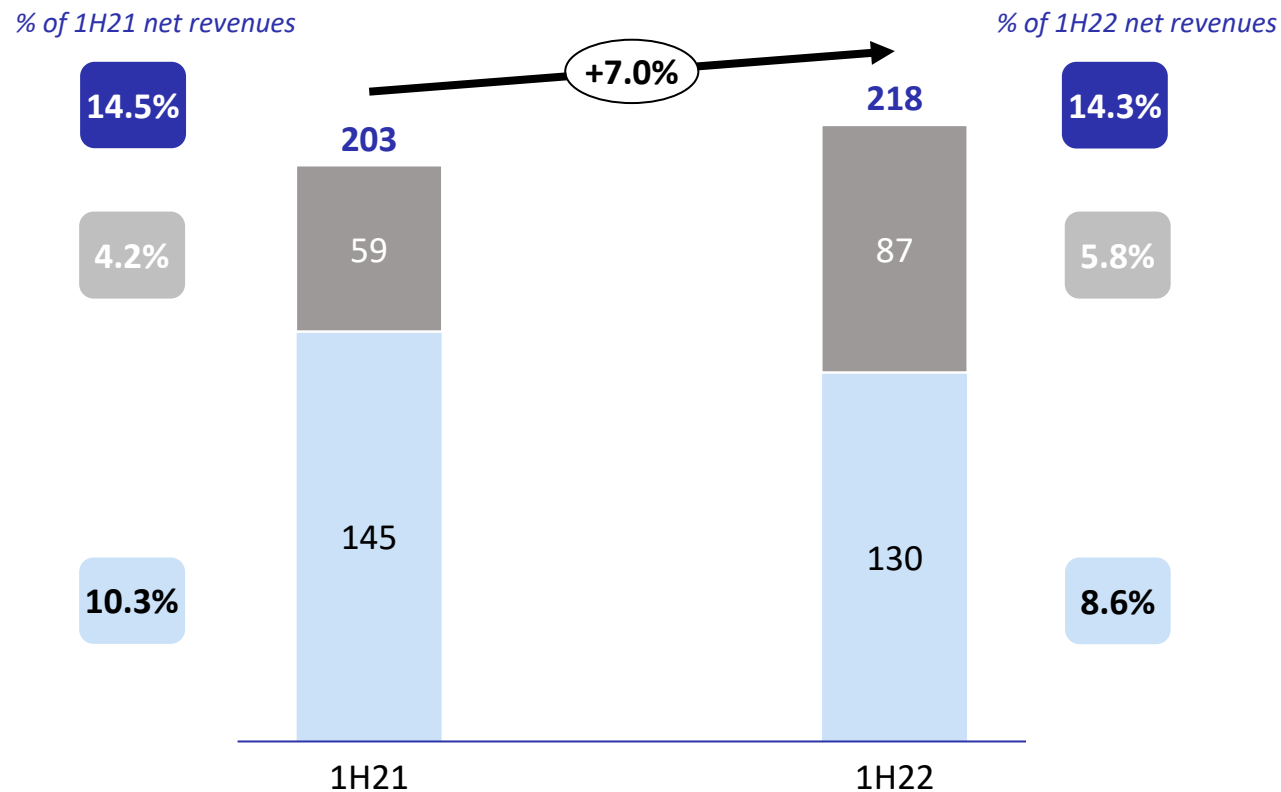
- 2Q22 total costs well under control vs last year, despite volume and business growth
- About 20€M contribution from M&A synergies
- Initial, but limited, impact of synergies' reinvestment plan in 1H22. Ramp-up expected in 2H22

Continued investments to support quality, innovation and IT transformation

Ongoing investments 2022: key examples

Capital Expenditure (€M)

- Transformation Capex
- Ordinary Capex



Transformation Capex

87

Standalone Nexi and Nets Transformation Capex:

- ✓ UNI Core Processing platform rollout
- ✓ Acquiring Target Platform (merchants migration phase)
- ✓ New architecture for Italian Domestic Debit Scheme
- ✓ New JV for Acquiring and consolidation of Issuing platform in the Greek Market
- ✓ Payment gateway new platform
- ✓ Card processing platform development in the Nordics Market

New Group Transformation Capex (*enabling synergies planned*):

- ✓ Closing of Nexi/SIA "Day1" merger
- ✓ Mainframe and datacenter consolidation (first wave)
- ✓ Payments platforms consolidation (Instant payments, ATM, POS)
- ✓ Extension and rationalization of security operation center at Group level
- ✓ Convergence in the new desktop and collaboration infrastructure tools at Group Level

Ordinary Capex

130

Continuous Innovation and Delivery:

- ✓ Digital channels evolution via new Nexi digital company
- ✓ Issuing licensing new model and International debit rollout on new customers
- ✓ POS ecosystem evolution
- ✓ Data & Analytics capabilities evolution
- ✓ Identity full digital onboarding for Nordics market
- ✓ Bank migrations

Running and Maintenance/ Quality/ Security:

- ✓ Cyber security continuous improvement
- ✓ Hardware upgrade/refresh
- ✓ Application renewal

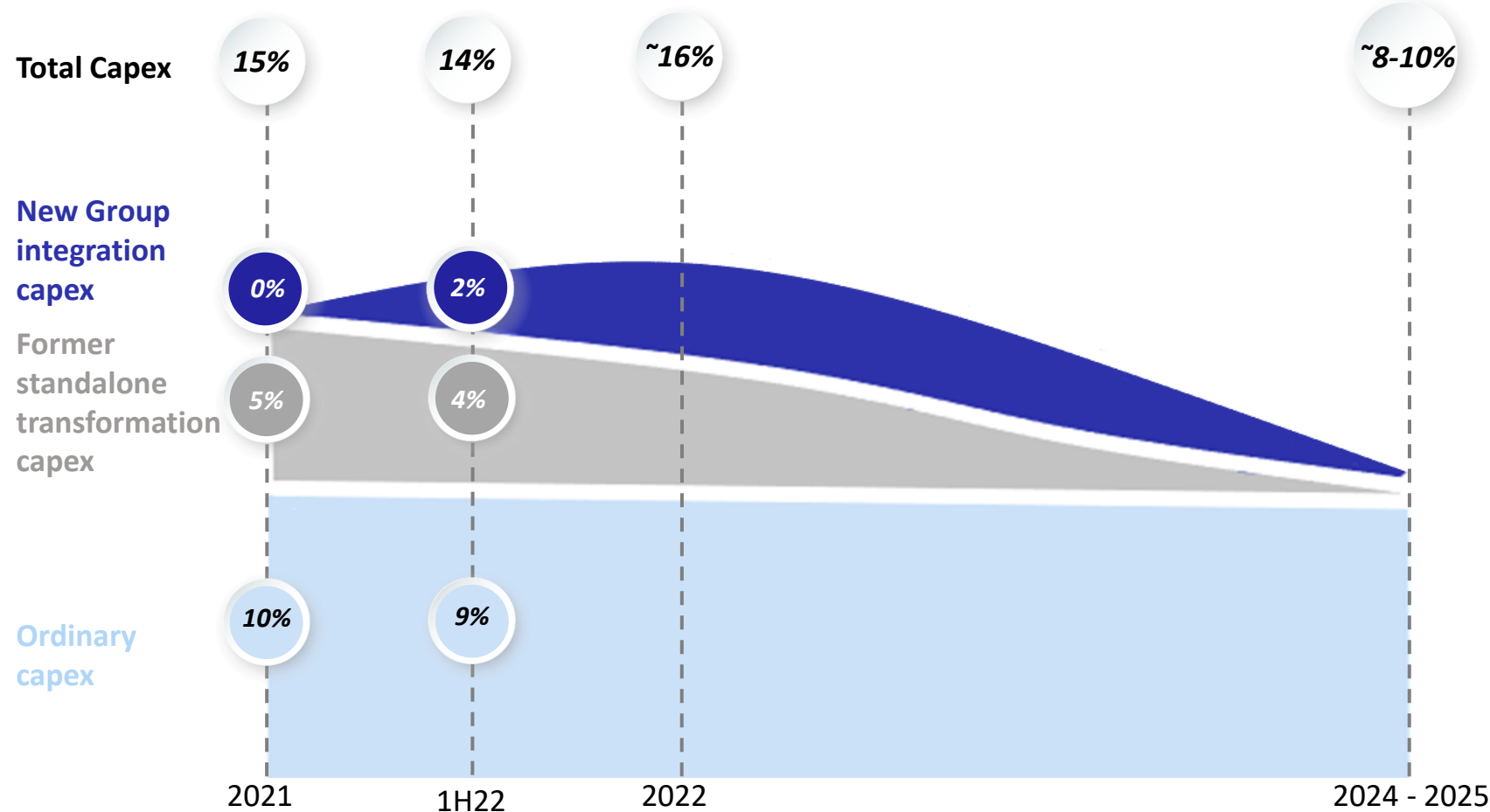
POS and ATM purchase & other

Group Capex evolution trending towards 8-10% ordinary level, with transformation and integration capex peaking in 2022 to support new Group integration

Capital Expenditure (€M)

Key Highlights

% Capex in % of net revenues



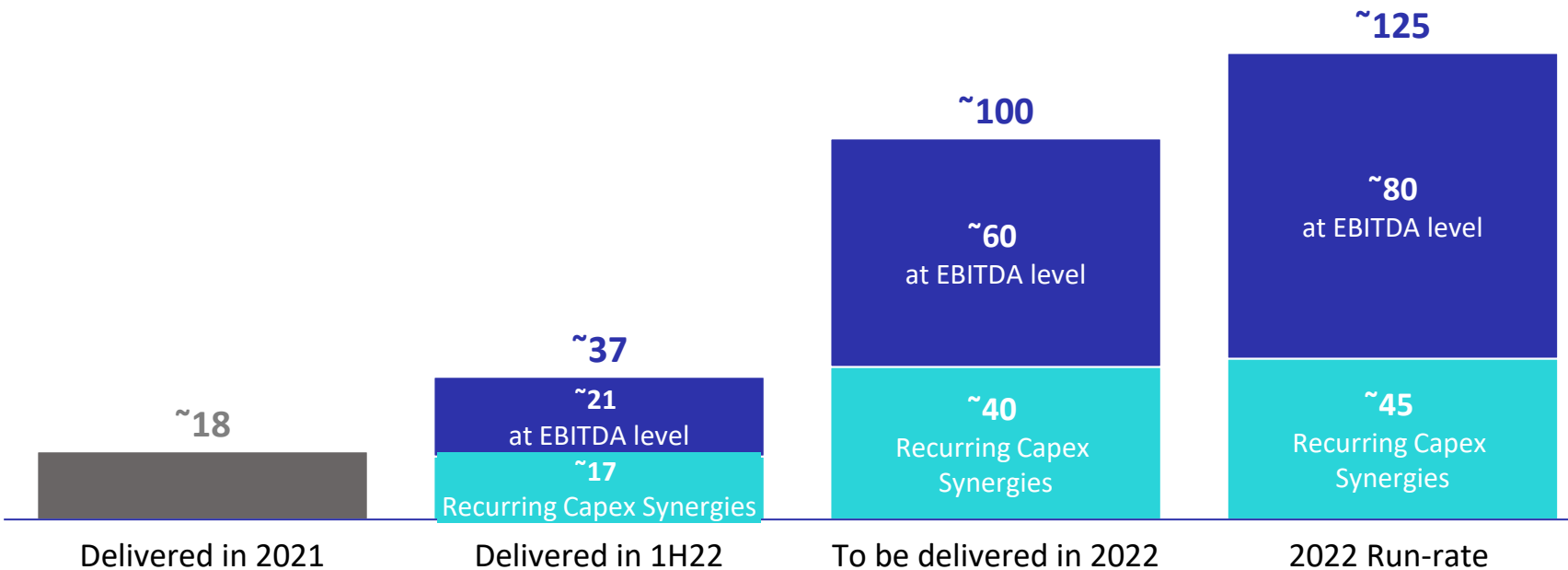
- **Group Ordinary Capex intensity ratio structurally at ~8-10%**, including investments for ordinary innovation
- **Residual ~215 €M of Transformation and integration Capex by 2024-2025 including:**
 - former transformation Capex (Nexi, Nets and SIA standalone), net of one-off capex synergies
 - New Group integration capex related to Nets and SIA integrations, to deliver the announced synergies (part of the previously announced 320 €M integration costs)

Confirmed ~100 €M cash synergies in 2022

Cash synergies (€M)



Target >65€M one-off capex savings already secured



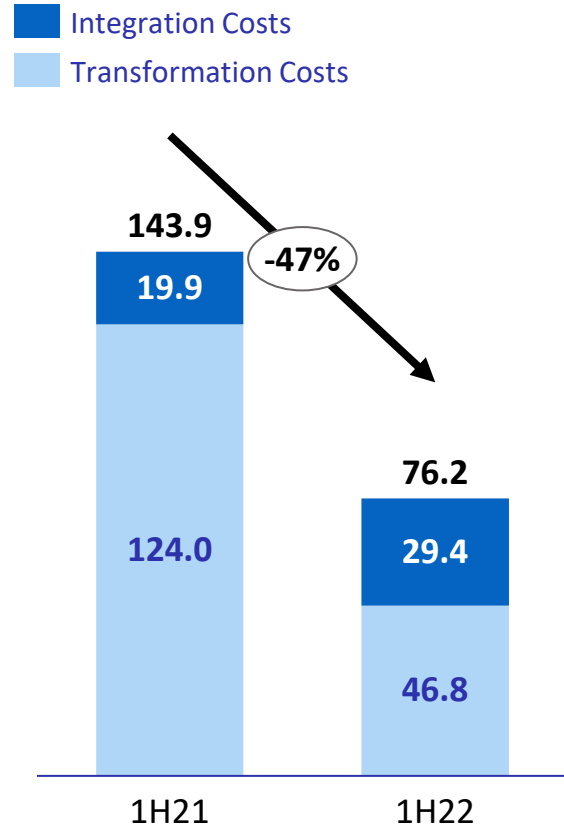
Key Highlights

~320 €M total recurring cash synergies with possible 10%+ synergies' upside in the long term

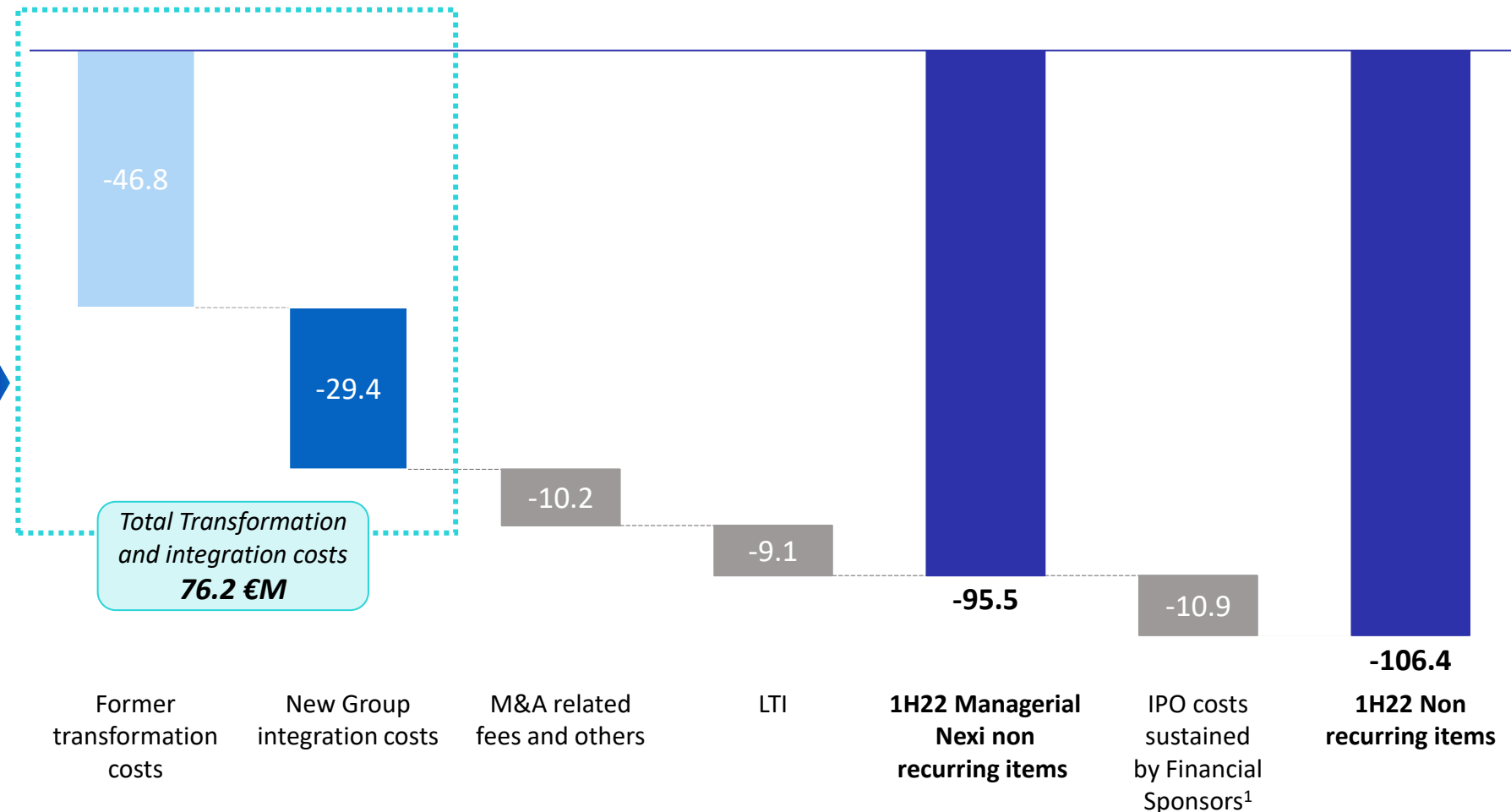
- **Cost synergies** coming from:
 - tech platforms and infrastructure optimization and consolidation
 - >25 strategic renegotiations on procurement
 - insourcing and organizational excellence
- **Revenue synergies** mainly focused on cross/up-selling to financial institution, corporates and PA for Nexi-Sia, on proposition cross-fertilization for Nexi-Nets (e.g. E-commerce)

Significant ongoing reduction of Integration and Transformation Costs

Transformation and Integration Costs (€M)

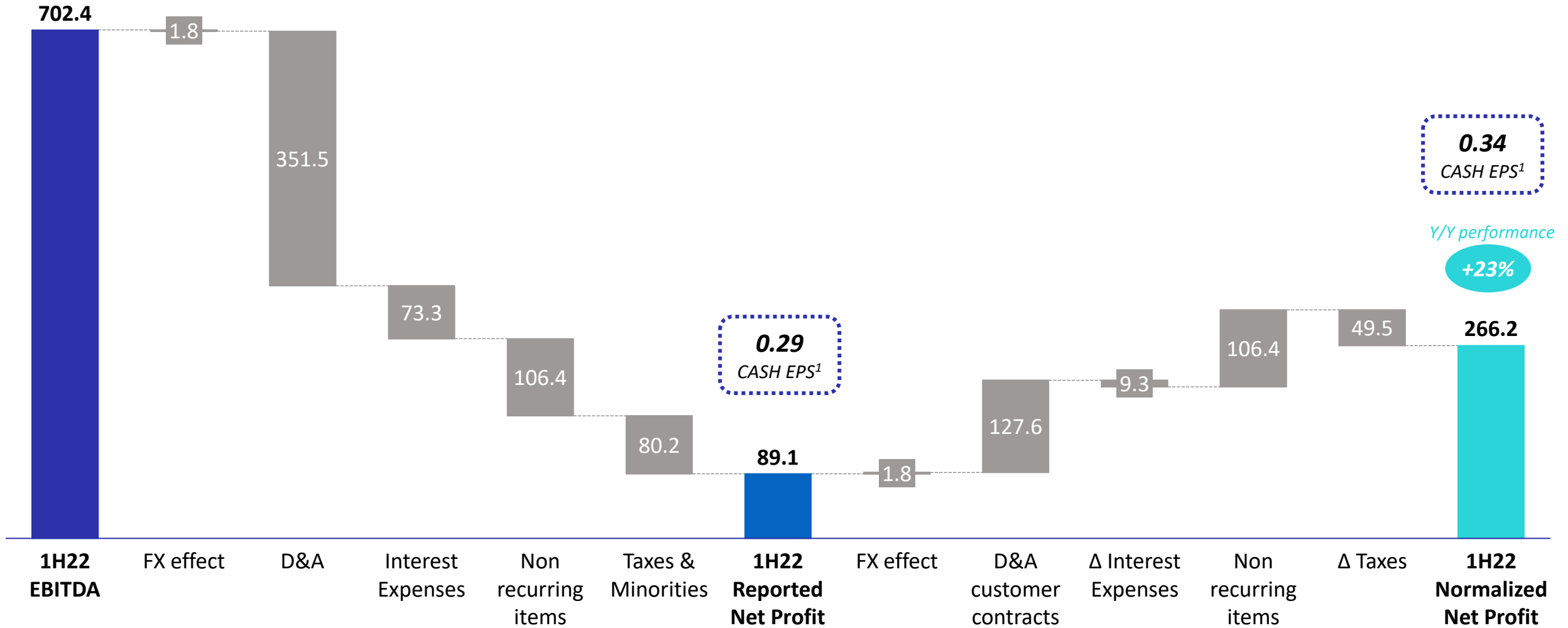


Bridge from 1H 2022 Transformation Costs to Managerial Non recurring items (€M)



Normalized Net Profit at 266.2 €M, up by 23% Y/Y

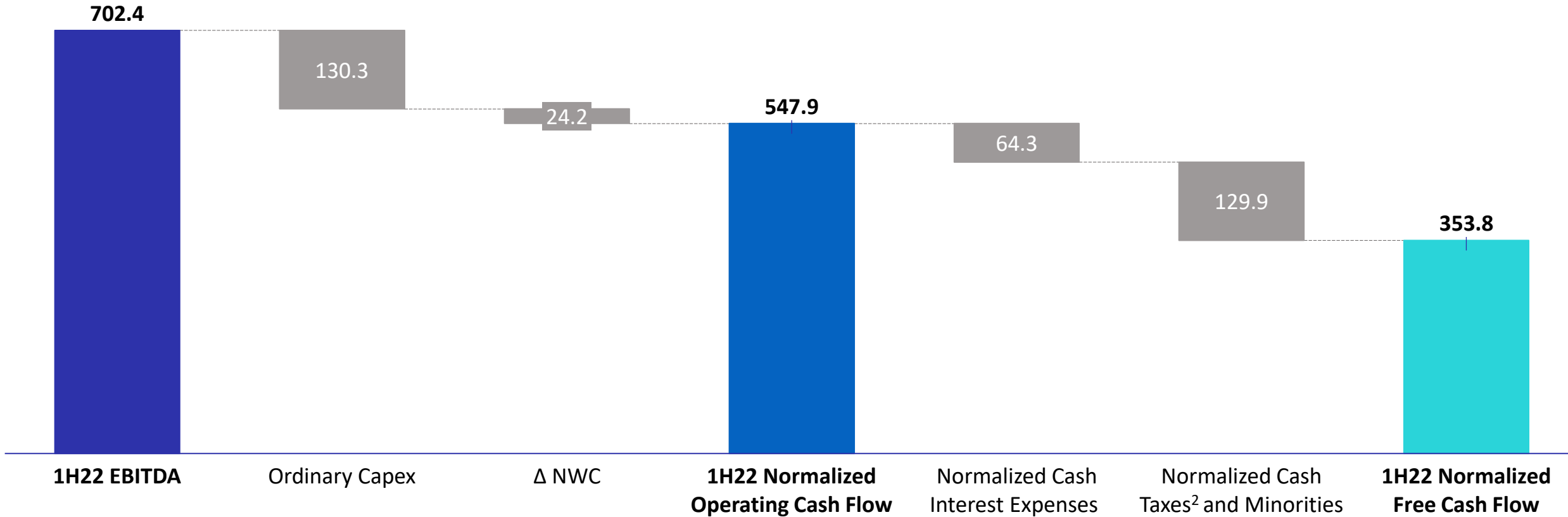
€M



Cash Flow conversion at 78%

€M

Cash Flow Conversion ¹
78%



Note: (1) Cash Flow Conversion defined as Normalized Operating Cash Flow (excluding transformation capex, D&A of customer contracts, transformation costs and other non recurring items) as % of EBITDA. (2) Related to FY22 normalized pre-tax profit.

Net Financial Debt / EBITDA in line with plan, at ~2.9x including run-rate synergies

Net Financial Debt (€M)

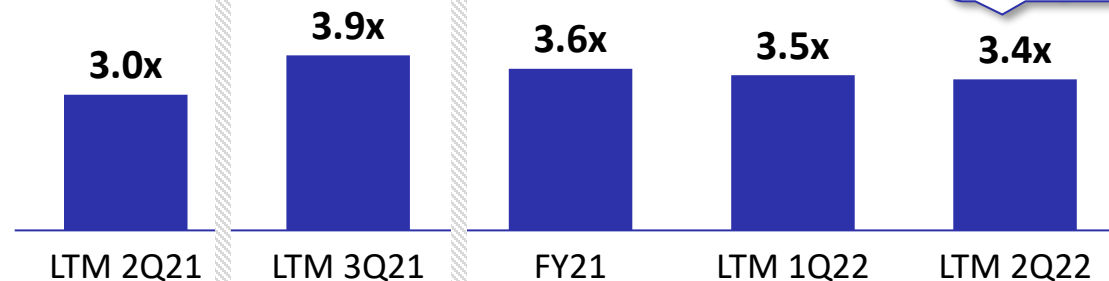
Nets closing

SIA closing

| | June 21 | Sept 21 | Dec 21 | Mar 22 | June 22 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Gross Financial Debt | 5,721 | 6,376 | 7,474 | 6,584 | 6,576 |
| Cash | 3,727 | 2,168 | 2,230 | 1,449 | 1,332 |
| Cash Equivalents¹ | 67 | 65 | 71 | 67 | 84 |
| Net Financial Debt | 1,928 | 4,142 | 5,174 | 5,068 | 5,160 |

Net Financial Debt / EBITDA (€M)

~2.9x
incl. run-rate
synergies



LTM EBITDA (€M)

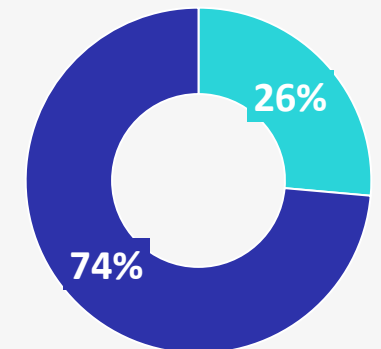
| | | | | |
|-----|--------------------|--------------------|--------------------|--------------------|
| 638 | 1,061 ² | 1,422 ² | 1,465 ² | 1,532 ² |
|-----|--------------------|--------------------|--------------------|--------------------|

Key Highlights

- One notch **rating upgrade** by Moody's. "BB/Ba2" rating for Fitch, S&P, and Moody's
- No debt maturities until 2024

Interest rate mix³

- Floating rate (zero-floored)
- Fixed rate



Focused and disciplined M&A activity in 1H22 both in and out

Acquisitions

BPER and BdS merchant acquiring business

- Merchant acquiring business generating a total value of transactions of ~13€B through a network of >110,000 merchants and ~150,000 POS
- 318 €M cash consideration (plus potential earn-out up to 66 €M)
- Implied multiple: ~10x EV/EBITDA 2022E
- Closing expected in 2H22

ISP merchant acquiring business in Croatia

- Merchant acquiring business generating a total value of transactions of ~€5B¹ through a network of 13,000 merchants
- 180 €M cash consideration
- Implied multiple: ~10.5x EV/EBITDA 2022E
- Closing expected in 2H22



Alpha Bank JV

(agreement signed to increase to 90.01% stake)



Orderbird full ownership

Disposals



EDIGard

- Norwegian invoice distribution solutions business
- 77 €M cash consideration
- Implied multiple: ~14x EV/EBITDA 2022E
- Closed in July 2022

Capital Markets business

- Technology businesses currently powering MTS, Euronext's leading fixed-income trading platform, and Euronext Securities Milan
- 57 €M cash consideration
- Implied multiple: ~12x EV/EBITDA 2022E
- Closing expected in 2H22



Non-SEPA clearing

Closing remarks

Confirmed 2022 Ambition

Assuming no material changes to the current Covid-19 and macro scenario:

| | |
|-----------------------------------|--|
| <p>Net Revenues</p> | <ul style="list-style-type: none"> ▪ 7-9% net revenue growth ▪ Double-digit growth in Merchant Services & Solutions |
| <p>EBITDA</p> | <ul style="list-style-type: none"> ▪ 13-16% EBITDA growth, +2 p.p. EBITDA margin expansion ▪ Delivered synergies partially reinvested in E-commerce and Germany acceleration |
| <p>Capex</p> | <ul style="list-style-type: none"> ▪ 8-10% ordinary capex as % of net revenues |
| <p>Non recurring Items</p> | <ul style="list-style-type: none"> ▪ Transformation and integration costs rapidly decreasing. 2022 almost halved compared to 2021 combined Group level ▪ ~300 €M Transformation and integration Capex by 2024-2025 |
| <p>Leverage</p> | <ul style="list-style-type: none"> ▪ Continued organic de-leverage with target net debt of ~2.5x EBITDA including run-rate synergies, proforma at ~3.0x EBITDA considering all recent M&A transactions |

Capital Markets Day scheduled
for September 27TH 2022

Key messages

Strong volume growth in 2Q22 across all geographies

- **Continued volume growth in Italy**, up 18% Y/Y (+27% vs 2019) in June. Foreign cards back to growth (+16% vs pre-Covid)
- **Double-digit volume growth Y/Y both in Nordics and DACH**, reaching +22% and +13% respectively in June. Continued recovery vs 2019
- **SMEs accelerating at +38% y/y in 1H22, faster than LAKAs**
- **Continued shift from cash to digital payments** visible across geographies

Strong financial performance in 1H22, accelerating in 2Q22

- **Revenue** growth at **+10%** vs 2Q21 and **+9%** vs 1H21
- **MS&S revenues** strongly up **+16%** vs 2Q21 and **+14%** vs 1H21
- **EBITDA** growth of **+20%** vs 2Q21 and **+19%** vs 1H21 with **~+4 p.p. EBITDA margin expansion**

Continued progress in creating the European PayTech leader

- Integration workstreams fully on track with **confirmed ~100€M cash synergies to be delivered in 2022**
- Continued **strengthening and focusing of business portfolio**:
 - Acquisition of BPER and BdS merchant book
 - Acquisition of ISP merchant book in Croatia
 - Closing of Alpha Bank JV and Orderbird
 - Sale of Capital Markets business
 - Sale of EDIGard, closed in July
 - Closing of Non-SEPA Clearing sale

Confirmed 2022 Ambition

- **Revenues +7% to +9% y/y**
- **EBITDA +13% to +16% y/y**

nexi



Q&A

nexi



Annex

Group P&L

| €M | 1H21 | 1H22 | Δ% vs. 1H21 | 2Q21 | 2Q22 | Δ% vs. 2Q21 |
|--|----------------|----------------|---------------|----------------|----------------|---------------|
| Merchant Services & Solutions | 699.4 | 799.8 | +14.3% | 372.0 | 430.6 | +15.8% |
| Cards & Digital Payments | 460.3 | 482.8 | +4.9% | 240.4 | 252.4 | +5.0% |
| Digital Banking & Corporate Solutions | 239.1 | 238.3 | -0.3% | 121.2 | 125.2 | +3.3% |
| Operating revenue | 1,398.8 | 1,520.8 | +8.7% | 733.6 | 808.2 | +10.2% |
| Personnel Costs | (367.0) | (373.5) | +1.8% | (184.0) | (185.9) | +1.0% |
| Operating Costs | (442.1) | (444.9) | +0.6% | (221.8) | (227.4) | +2.5% |
| Total Costs | (809.1) | (818.4) | +1.2% | (405.8) | (413.3) | +1.8% |
| EBITDA | 589.7 | 702.4 | +19.1% | 327.9 | 395.0 | +20.5% |
| Ordinary D&A | (187.0) | (223.9) | +19.7% | | | |
| Normalized Interests & financing costs | (80.0) | (82.6) | +3.3% | | | |
| Normalized Pre-tax profit | 322.7 | 396.0 | +22.7% | | | |
| Income taxes | (104.6) | (128.4) | +22.7% | | | |
| Minorities | (1.0) | (1.3) | +31.5% | | | |
| Normalized Net profit | 217.1 | 266.2 | +22.6% | | | |

Revenues gross of scheme fees, shifted to Opex

*For illustrative
purpose only*

| €M | 1Q22 | Δ% vs. 1Q21 | 2Q22 | Δ% vs. 2Q21 | 1H22 | Δ% vs. 1H21 |
|---------------------------------------|----------------|----------------|----------------|----------------|------------------|----------------|
| Merchant Services & Solutions | 444.8 | +16.5% | 535.1 | +22.3% | 979.9 | +19.6% |
| Cards & Digital Payments | 236.9 | +5.5% | 260.7 | +6.1% | 497.6 | +5.8% |
| Digital Banking & Corporate Solutions | 113.1 | -4.0% | 125.2 | +3.3% | 238.3 | -0.3% |
| Operating revenue | 794.8 | +9.8% | 921.0 | +14.5% | 1,715.8 | +12.2% |
| Personnel Costs | (191.0) | +1.9% | (189.0) | +0.7% | (380.0) | +1.3% |
| Operating Costs | (296.3) | +7.8% | (337.0) | +16.6% | (633.3) | +12.3% |
| Total Costs | (487.4) | +5.4% | (526.0) | +10.4% | (1,013.4) | +7.9% |
| EBITDA | 307.5 | +17.4% | 395.0 | +20.5% | 702.4 | +19.1% |

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

1H22 Revenues breakdown

1H22 Costs breakdown by type

By business

By geography

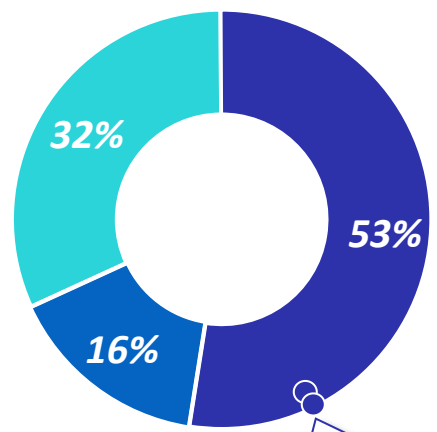
By type

- Merchant Services & Solutions
- Cards & Digital Payments
- Digital Banking & Corporate Solutions

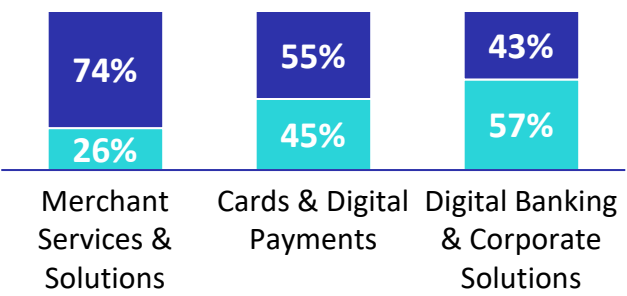
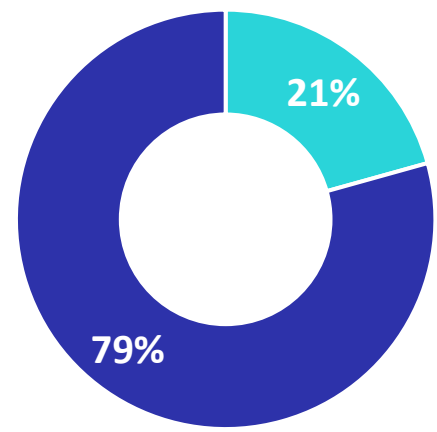
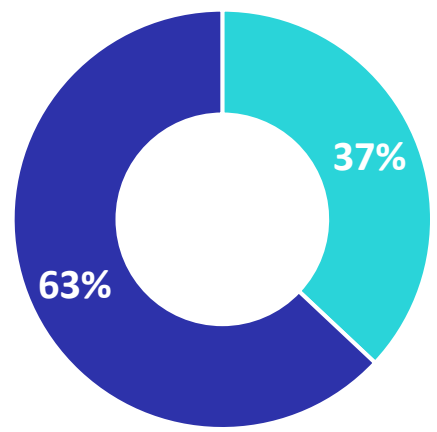
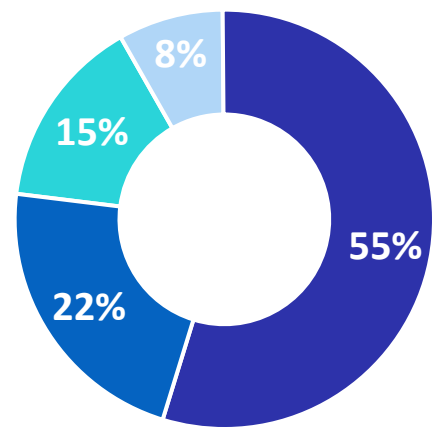
- Italy
- DACH & Poland
- Nordics¹
- SE Europe & Other

- Installed based
- Volume driven

- Variable costs
- Fixed Costs

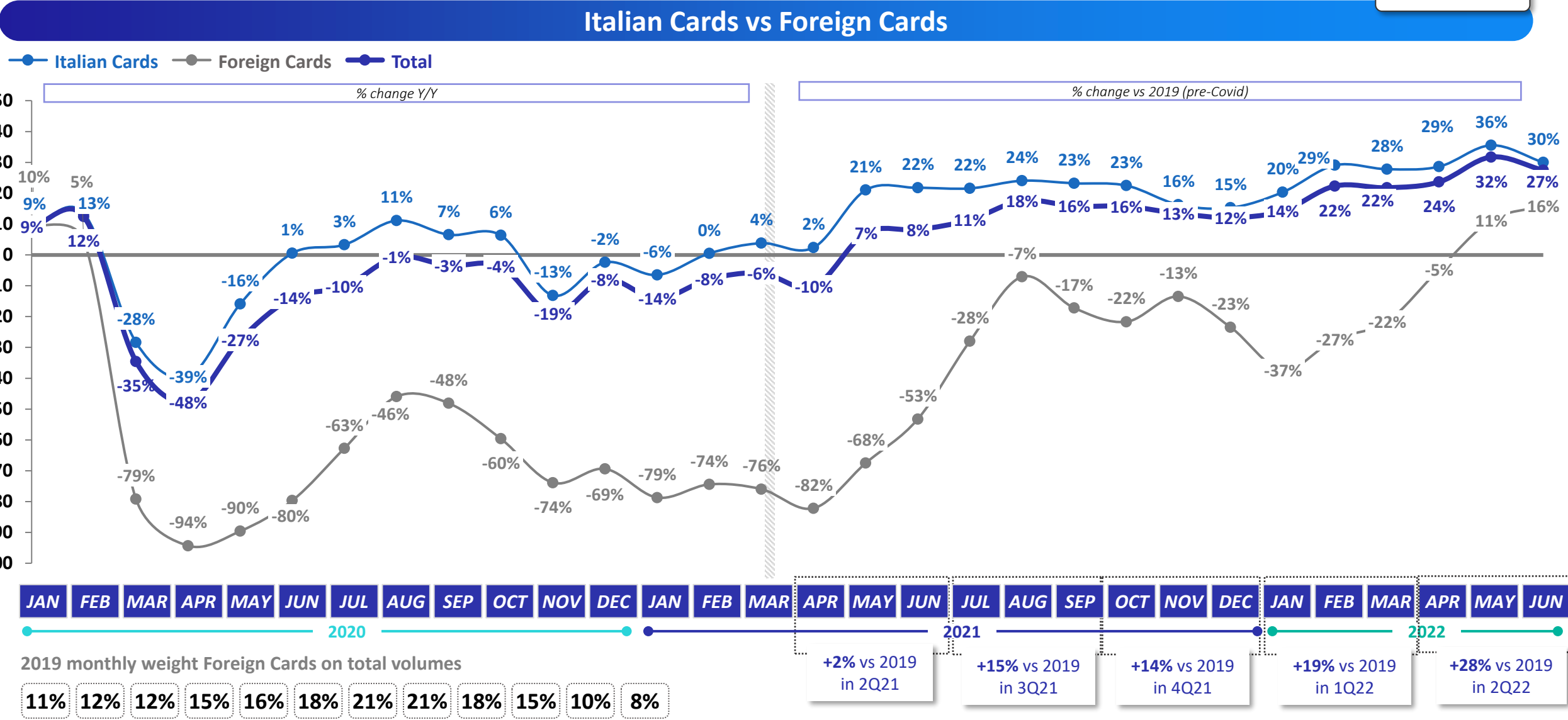


of which
~20% E-Commerce



Acquiring sales volume trend vs pre-Covid

ITALY

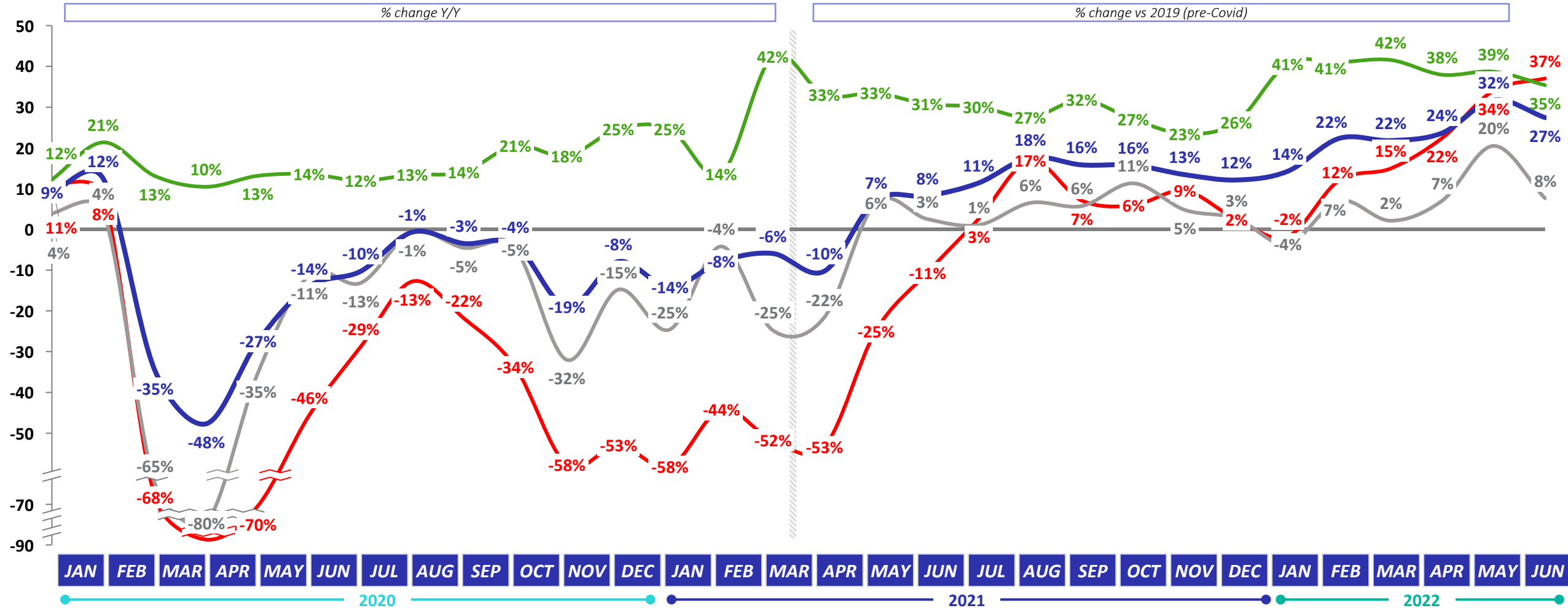


Acquiring sales volume trend vs pre-Covid

Breakdown by consumption category

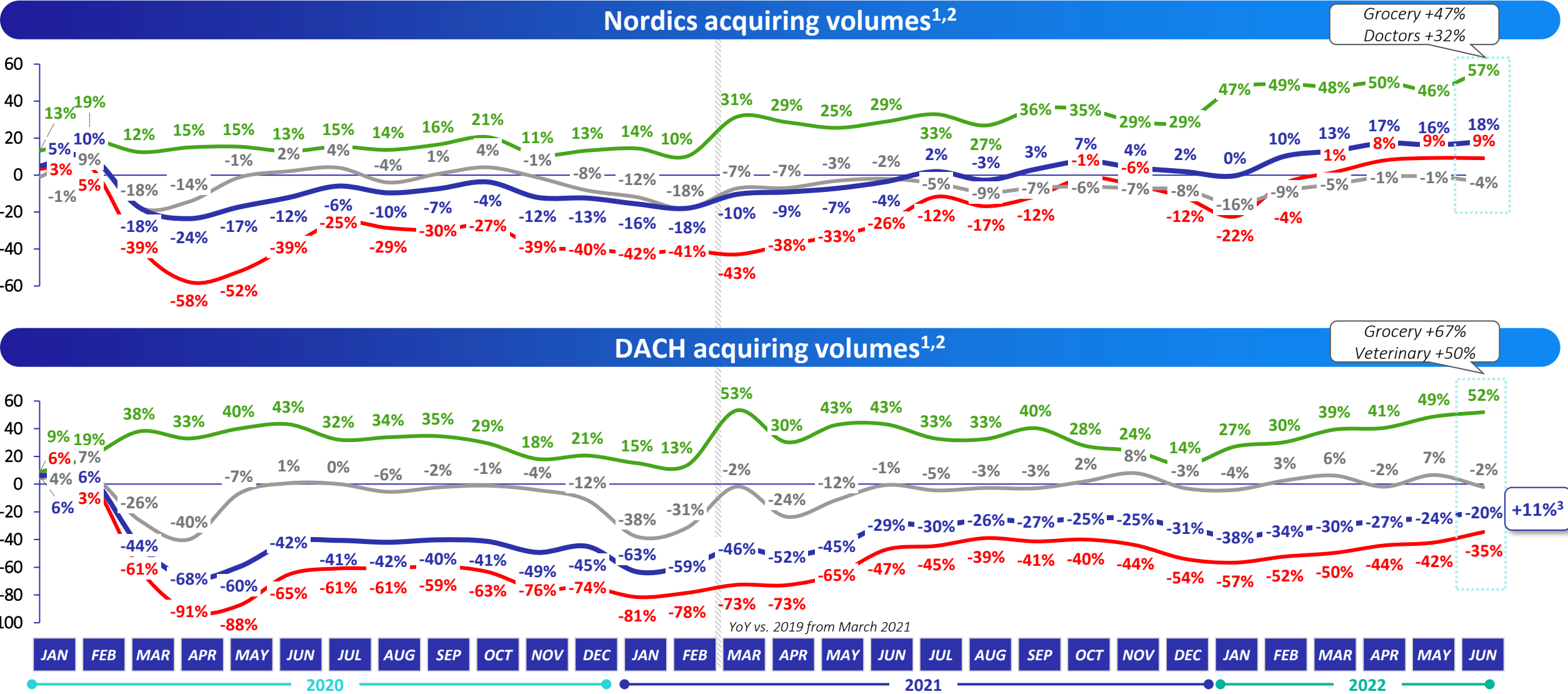
ITALY

— High impact consumption — Basic consumption — Discretionary consumption — Total



Acquiring sales volume trend vs pre-Covid – Other key geographies

— Total — High Impact Consumption — Basic Consumption — Discretionary Consumption



Continued acceleration of cash to digital payments shift across sectors

■ High Impact Consumption
 ■ Basic Consumption
 ■ Discretionary Consumption

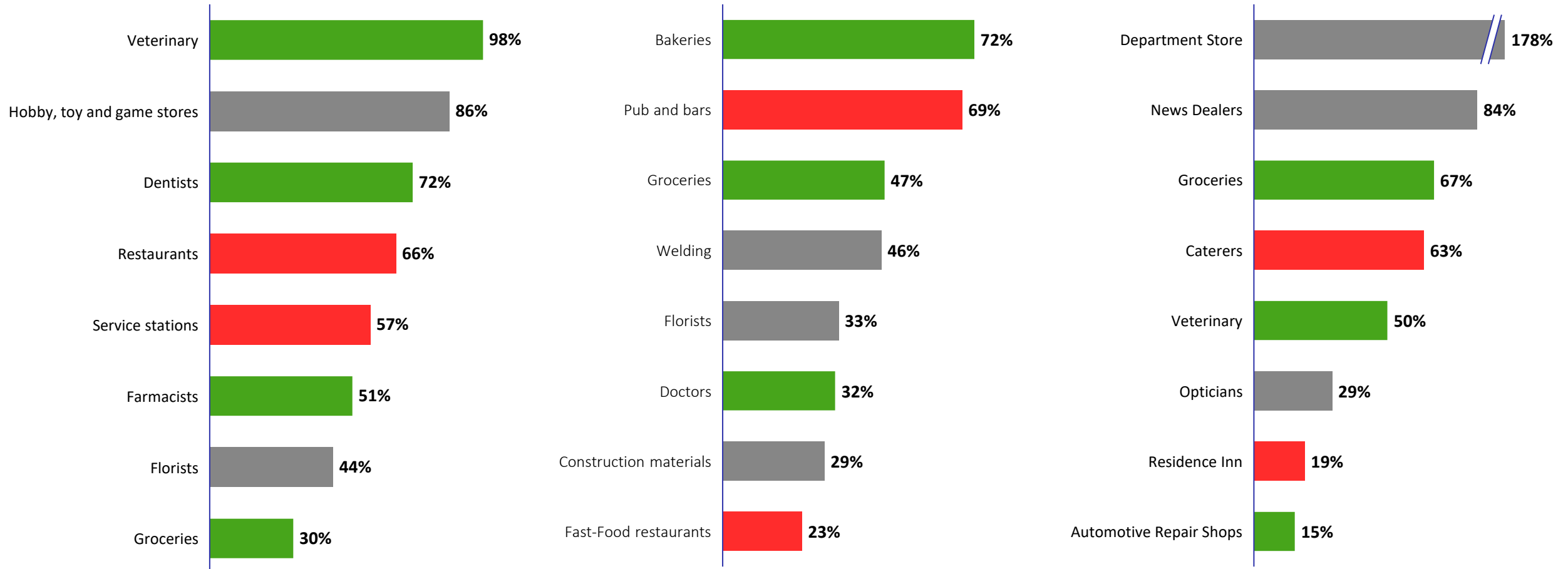
Focus on specific industries (June)

% change vs 2019

Italy¹

Nordics²

DACH²





nexi

Investor Relations

investor.relations@nexigroup.com

Stefania Mantegazza

stefania.mantegazza@nexigroup.com