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Testo del comunicato

Vedi allegato.

NEXI 2022 CAPITAL MARKETS DAY

THE LEADING PAYTECH EUROPEAN BY SCALE, LOCAL BY NATURE

- **Privileged position in European attractive markets**, which are expected to strongly grow thanks to the continued shift from cash to digital payments
- **Differentiated growth strategy**, based on leveraging scale and market & customer proximity, driving accelerated growth through superior products and commercial execution, delivering strong synergies and continued operating leverage
- **Strong profitable growth and cash generation**, with net revenues and EBITDA CAGR 2021-2025 at ~9% and ~14% respectively; normalized EPS CAGR 2021-2025 at ~20%; over ~2.8 €B excess cash generation over 2023-2025 for incremental value creation opportunities for shareholders

Milan, 27th September 2022 – Nexi is unveiling its strategic plan and mid-long term financial targets at today's Capital Markets Day.

Our Group has evolved since the 2019 IPO, from being the Italian Champion to the leading European PayTech at scale. The Company has scaled significantly, expanded its operations across 25+ countries, as well as strengthened the reach and the breadth of capabilities, while also making the business more diversified and resilient.

*“Nexi occupies a privileged position across the European markets we serve”, said **Paolo Bertoluzzo, Chief Executive Officer of Nexi Group.** – “Our deep local capabilities and close proximity to our customers, combined with our market-leading scale and efficiencies, provide us with key competitive advantages. I believe these advantages have positioned us favourably to continue driving growth, profitability and shareholder value into the future. The best in class competence and talent of our people represent a further strategic lever for our growth with a differentiated and innovative range of products and services. We will continue to invest in technology and innovation with strong confidence in the future evolution of our industry.”*

Nexi's strategy to drive strong profitable growth consists of three strategic value drivers:

1. Differentiate through scale and market and customer proximity
2. Drive focused accelerated growth in SME, eCommerce and Advanced digital Issuing through superior products and commercial execution
3. Deliver strong synergies and continued operational leverage

Such strategic value drivers are supported by three business foundations at the core of the Group: (i) superior technology capabilities, driving innovation agility and efficiency, (ii) one integrated talented team with deep PayTech capabilities, (iii) ESG championship, making digital payments a driver of progress.

On ESG specifically Nexi is committed to achieve its ambition by:

- Supporting the digitization of micro businesses, SMEs and Public Administration also through our advanced digital products portfolio;
- Fighting climate change, with our Net Zero commitment in 2040, being climate neutral from 2022, and accelerating greener consumption behaviours also throughout the supply chain;
- Further investing in people, engagement and continuous capabilities upgrade and ensuring proper gender and minority representation promoting an inclusive culture with a best in class governance.

Our strategy will be executed across the business areas:

Winning in Merchant Solutions

Nexi's strategy in Merchant Solutions is differentiated and tailored to SME, Large & Key Accounts (LAKA) and eCommerce, addressing the local market requirements and the constantly evolving merchant needs across the highly fragmented European market.

Local capabilities are key to serve **SME** in all European countries, especially as merchants' needs become more sophisticated, creating structural advantages for Nexi. To achieve growth in SME, our strategy will be based on three pillars aimed at strengthening our European leadership in this segment through (i) modular flexible one-stop-shop solutions, segment and local-specific (ii) payments-software integration, partnering with ISVs, and (iii) investments on local distribution, both direct and indirect. Our strategy will be differentiated by market considering our current competitive positioning: we will focus on growing existing customer base value in markets where we have a clear "leadership" position, while we will focus on accelerating market share growth in "challenger" markets.

The vast majority of the European **LAKA** revenue pool is in local "by nature" merchants and verticals where Nexi is already well established. Future growth in the LAKA segment will come mainly from national and regional mid-large corporates through (i) the development of vertical-specific industry omni-channel propositions based on modular capabilities, (ii) a deep local entrenchment via partnerships and tech integration with ISVs, ECR and CRM providers, and (iii) the investment in dedicated local and specialized sales and support capabilities available across all merchants' interactions to drive increased differentiation of our customer proximity advantage.

The European **eCommerce** market is fragmented, requiring deep local presence and expertise, with the mid-market being by far the largest and fastest growing segment. Our eCommerce strategy is designed to achieve leadership in mid-market through (i) high-conversion omni-acceptance and collection solutions, with full local integrations, (ii) local front-ends with one pan-European integration layer, and (iii) cross-selling synergies with SME and LAKA, with further investments in local go-to-market and support.



Winning in Issuing Solutions

Nexi's Issuing strategy is designed to best serve the highly fragmented European banking landscape, dominated by local and regional banks and unique local schemes. In this space, Nexi will leverage its unique Advanced Digital Issuing capabilities, ranging from a state of the art digital processing platform to unique Payments-as-a-Service turn-key product propositions.

Our focus on winning new customers in Europe includes (i) new bank customers using digital processing, leveraging a superior technological platform, able to deliver high service levels with high digital agility and futureproofing, and (ii) corporates, FinTechs and medium/small banks through a Payments-as-a-Service proposition.

Contextually we planned to grow the value of the customer base (i) upselling the digital VAS proposition on the existing customers and (ii) upgrading corporates, FinTechs and medium/small Banks to the Payments-as-a-Service propositions.

Financial Outlook

Over the plan horizon, Nexi expects to compound organic revenue growth with incremental operating leverage, resulting in strong cash generation and strategic excess cash to capture further incremental value creation for our shareholders.

Today we announce the following targets, approved by the Board chaired by Michaela Castelli, on an organic basis¹:

- **Net revenues:** ~9% 2021-2025 CAGR;
- **EBITDA:** ~14% 2021-2025 CAGR, ~+900 bps EBITDA margin expansion by 2025;
- **Excess cash generation²:** ~2.8 €B in the period 2023-2025;
- **Net leverage:** 1.0x - 1.5x Net Financial Debt/ EBITDA by 2025E;
- **Normalized EPS³:** ~20% 2021-2025 CAGR.

The projected generation of ~2.8 €B of excess cash in the period 2023-2025 will allow us to have the flexibility to explore a number of value accretive opportunities for all our shareholders, whose positive impact are not reflected in the Targets presented today.

Based on contingent market opportunities and context, from time to time we will evaluate whether to pay down the debt, pursue strategic M&A opportunities or return capital to shareholders through buyback or dividends. Any strategic use of our excess cash will be driven by value creation for all our shareholders.

¹ Based on 2021 financials pro-forma for all 2022 M&A and assets reclassified as held for sale (Nets DBS and Ratepay)

² Operating cash flow generation after cash interest expenses and other cash items (cash taxes, IFRS 16, earn-outs and other).

³ Reported net profit to which non-recurring items and depreciation & amortisation of customer contracts are added back (net of taxes), divided by total number of shares.

Nexi

Nexi is Europe's PayTech company operating in high-growth, attractive European markets and technologically advanced countries. Listed on Euronext Milan, Nexi has the scale, geographic reach and abilities to drive the transition to a cashless Europe. With its portfolio of innovative products, e-commerce expertise and industry-specific solutions, Nexi provides flexible support for the digital economy and the entire payment ecosystem globally, across a broad range of different payment channels and methods. Nexi's technological platform and the best-in-class professional skills in the sector enable the company to operate at its best in three market segments: Merchant Services & Solutions, Cards & Digital Payments and Digital Banking & Corporate Solutions. Nexi constantly invests in technology and innovation, focusing on two fundamental principles: meeting, together with its partner banks, customer needs and creating new business opportunities for them. Nexi is committed to supporting people and businesses of all sizes, transforming the way people pay and businesses accept payments. It offers companies the most innovative and reliable solutions to better serve their customers and expand. By simplifying payments and enabling people and businesses to build closer relationships and grow together, Nexi promotes progress to benefit everyone. www.nexi.it www.nexigroup.com

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