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# 9M22 Results Presentation

November 10th, 2022

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# Key messages

## Continued volume growth in 3Q22 across all geographies

- **Double-digit volume growth in all geographies<sup>1</sup> in 3Q22 despite tougher Y/Y comparison** given easing of Covid restrictions in summer last year
- Continued **strong foreign cards volumes in Italy** during the summer period; sustained **double-digit Y/Y growth in basic consumptions in the Nordics and DACH region**
- **SMEs value of transactions at +29% Y/Y in 9M22, faster than LAKAs**

## Solid financial performance in 9M22

- **Revenue growth at +7% vs 3Q21 and +8% vs 9M21**
- **MS&S revenues at +10% vs 3Q21 and +13% vs 9M21**
- **EBITDA growth of +12% vs 3Q21 and +17% vs 9M21 with ~+4 p.p. EBITDA margin expansion**

## Continued progress in creating the European PayTech leader

- **Group strategy and medium-long term financial ambition presented at Capital Markets Day on September 27<sup>th</sup>**
- Integration workstreams fully on track with **confirmed ~105 €M of cash synergies to be delivered in 2022**
- **~68 €M of cash synergies already achieved in 9M22**

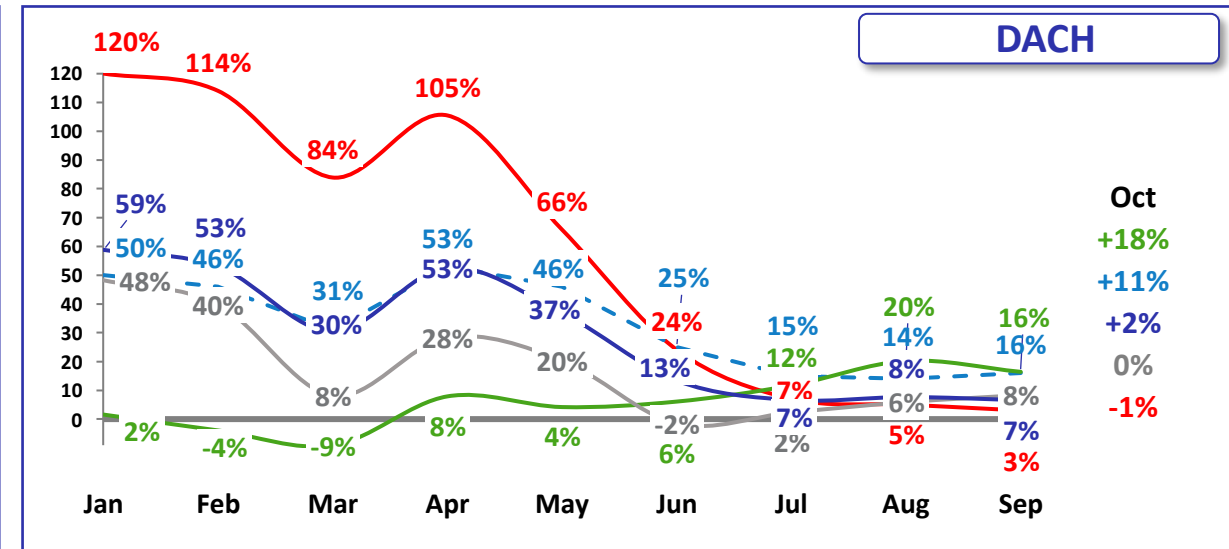
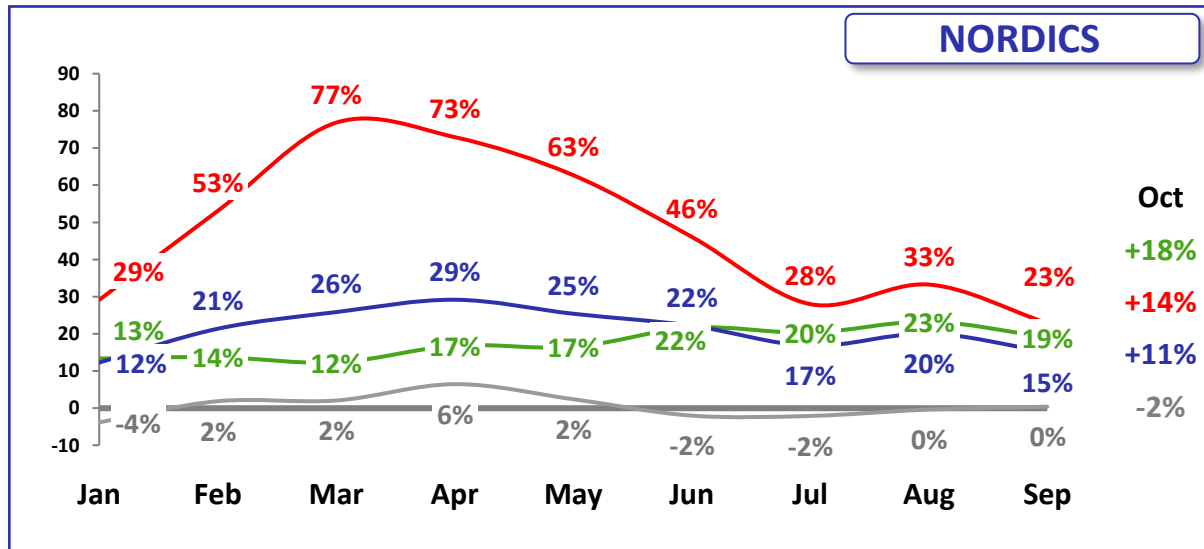
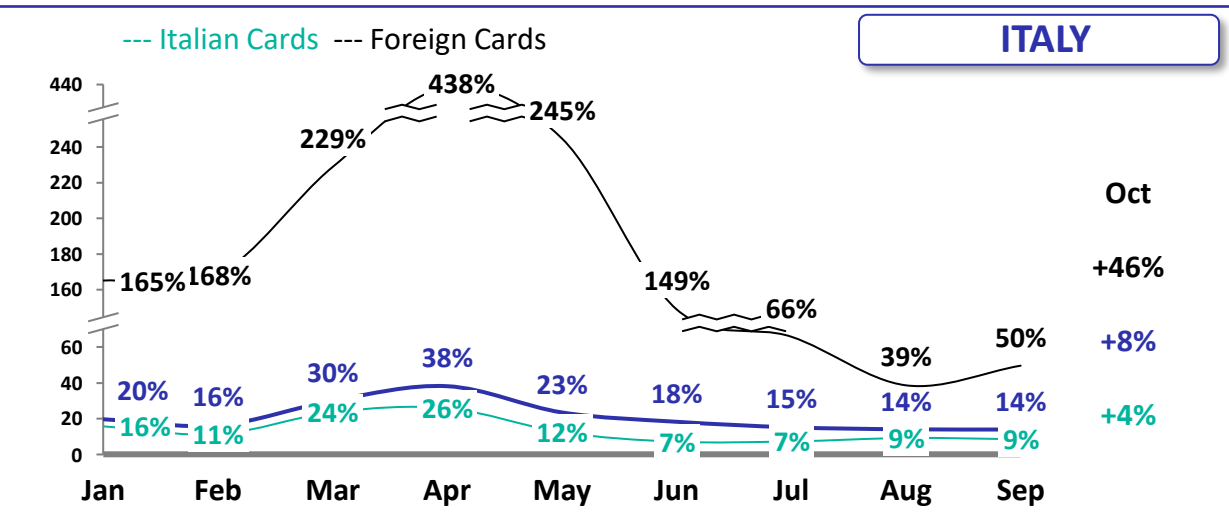
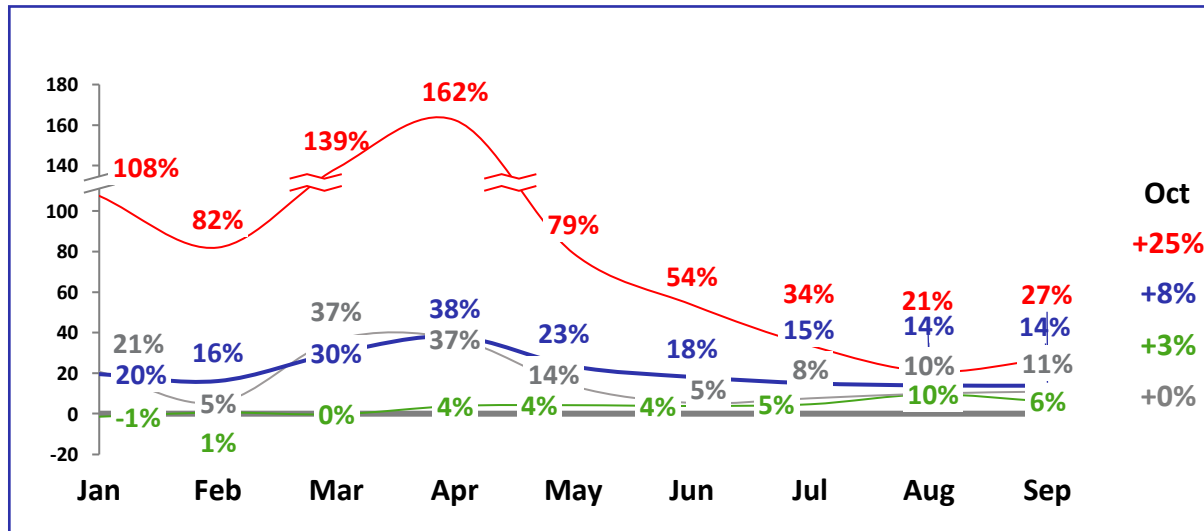
## Confirmed 2022 Ambition

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

# Strong double-digit volume growth in 3Q22

Trend vs 2021

— High impact consumption — Basic consumption — Discretionary consumption — Total — Net of discontinued clients due to optimised risk profile



# Merchant Solutions: key business update

## 9M22 TRX Value Key Business Highlights

54%<sup>1</sup>

SME

**+29%**  
vs. 9M21

- **Continued strong sales performance across all geographies** vs last year, especially in Switzerland and Poland. Terminals installed base growing by ~200k<sup>2</sup> in the last twelve months
- **Continued acceleration** of digital propositions in Italy with **mPOS** and **SmartPOS**
- Sustained performance of **complementary & digital channels**, with **x3 y/y sales** in online & retail in Italy
- Good early commercial traction for **SoftPOS tap-on-phone proposition** in Denmark, Greece and Hungary; preparing Italian and further markets launches
- Continued progress of **ISV partnerships** with market leaders and vertical specialists **across all geographies**, including key wins on smart mobility and retail

17%<sup>1</sup>

eCom

**+16%**  
vs. 9M21

- Continued **strong performance of Easy collecting PSP proposition** in the Nordics, accelerating in Germany
- Sustained **commercial traction on mid-market**, with key wins also against Neo PayTechs in **financial services, retail, mobility**
- **Strong growth of owned A2A in Poland & Finland**; extending PSP partnerships
- Continued third-party **APM and BNPL enablement across markets** (i.e. AfterPay in Germany, Trustly in the Nordics)

10%<sup>1</sup>

LAKA

**+17%**  
vs. 9M21

- **Good portfolio of commercial wins in omni-channel & vertical solutions**, across markets and on multiple industries such as grocery, retail, petrol/EV charging and hospitality
- **Strong commercial progress on SoftPOS also on LAKA** especially in retail, apparel and mobility (i.e. Danish Railways)
- Further expansion of **omni-channel & vertical capabilities** across markets (i.e. surcharge fees in the Nordics, pay@Table in Italy)
- Continue **entrenchment with enabling platforms (CRM/ERP/PMS)** via direct integrations and strategic partnerships (i.e. Oracle through partnership with Global Blue)

### Examples of recent customer wins & upsells



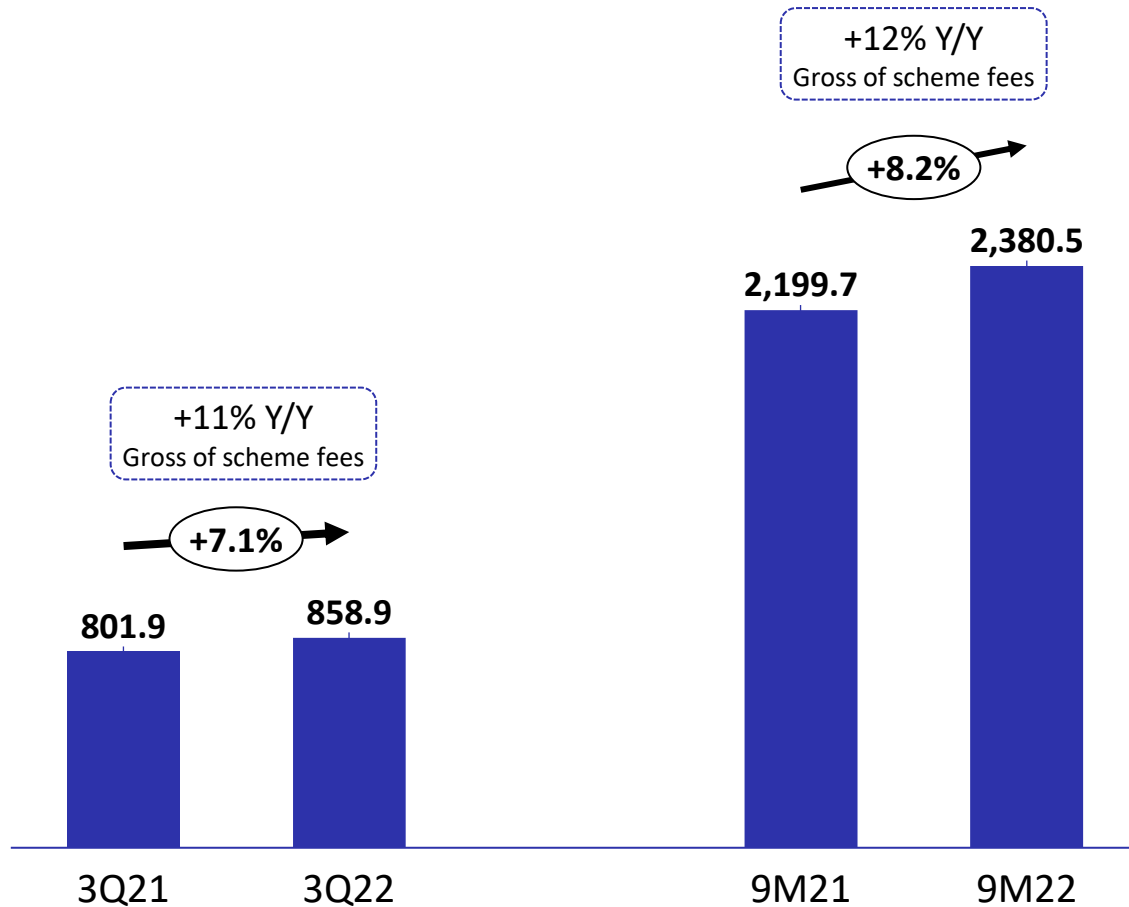
### ISVs/Platforms Partnerships



# Focus on 9M22 results

# Solid Revenue and EBITDA growth, despite tougher Y/Y comparison. Confirmed strong EBITDA margin expansion

## Net Revenues (€M)



## EBITDA (€M)

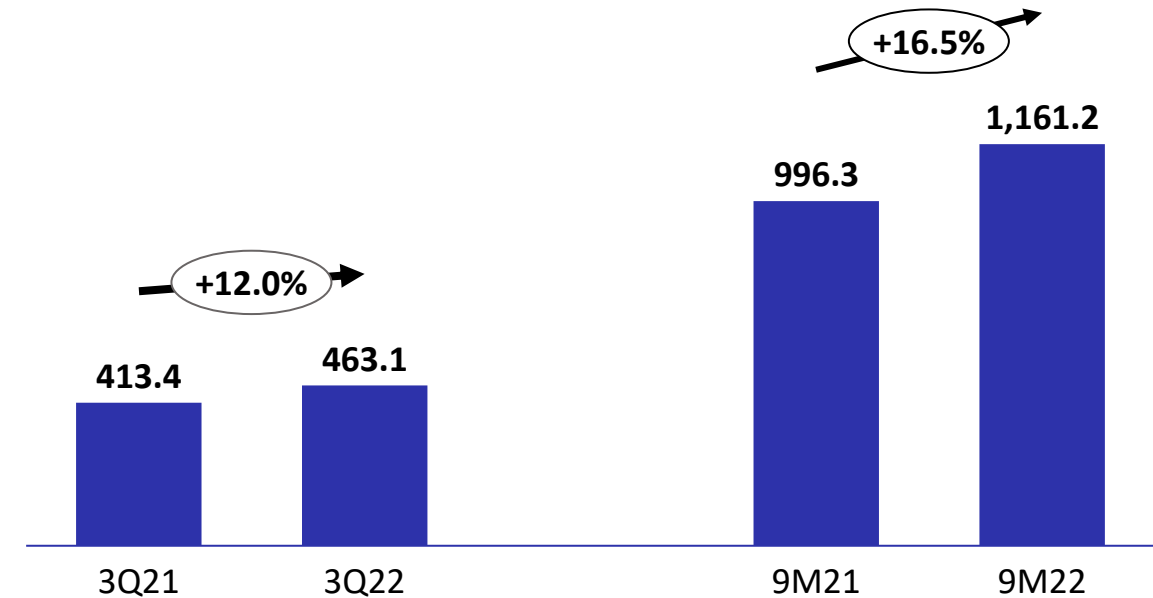
EBITDA margin

52%

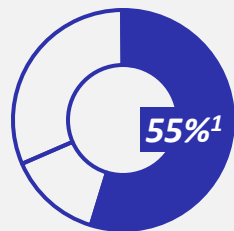
54%

45%

49%



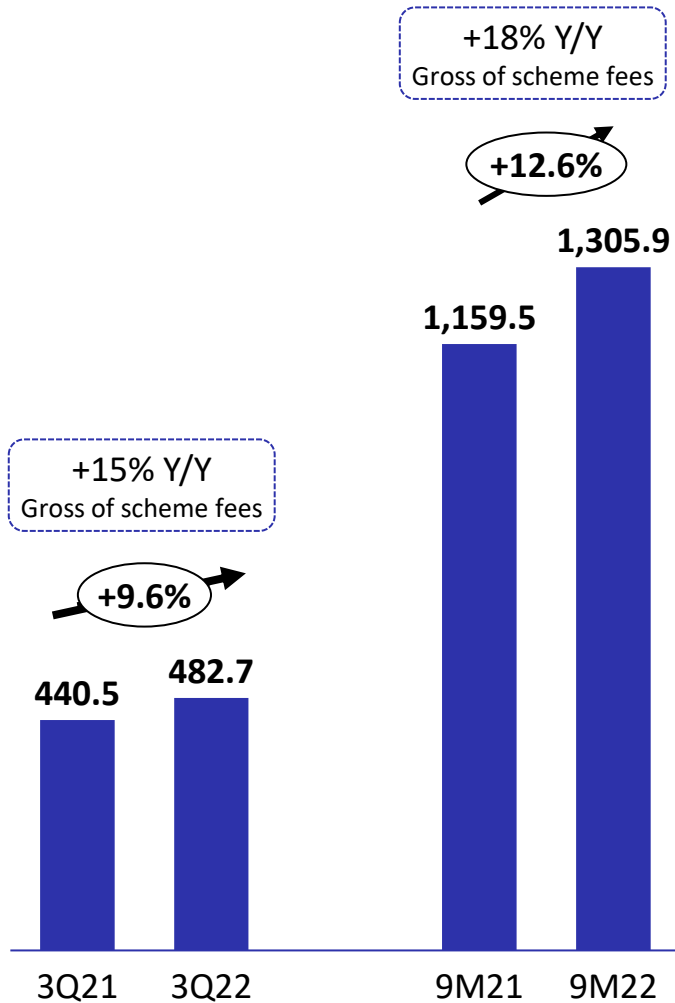
# Merchant Solutions: solid revenue growth supported by strong volumes and installed base expansion



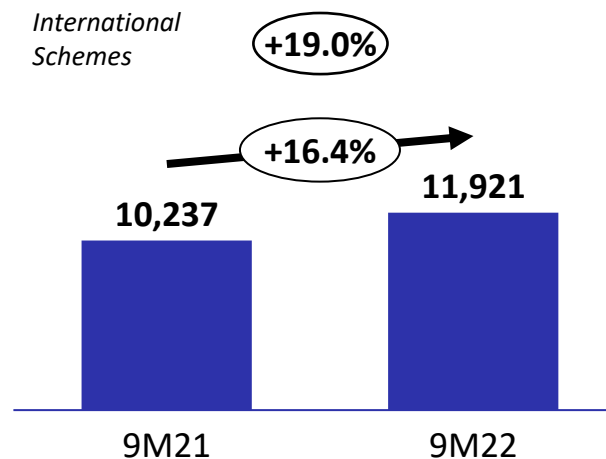
Merchant Solutions



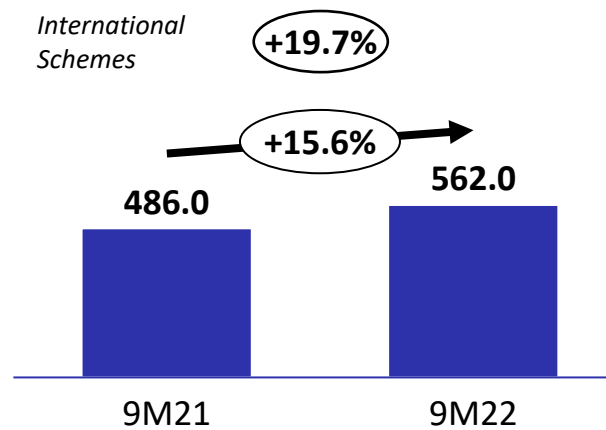
## Net Revenues (€M)



## Managed Transactions (#M)



## Value of Managed Transactions (€B)

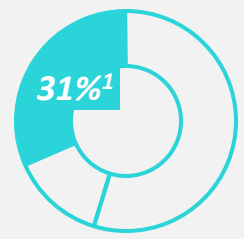


## Key Highlights

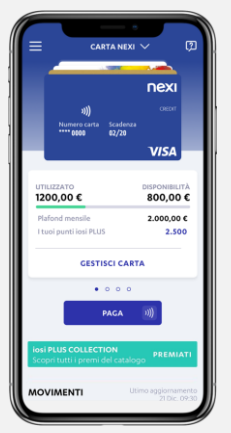
- Solid Revenue growth, despite tougher Y/Y comparison in 3Q22
- Continued value of transactions growth across the Group, driven by International schemes
- Positive contribution from installed-base growth (~200k increase in #POS in the last twelve months)
- SME value of transactions at +29% y/y in 9M22, faster than large merchants and positively contributing to revenue growth



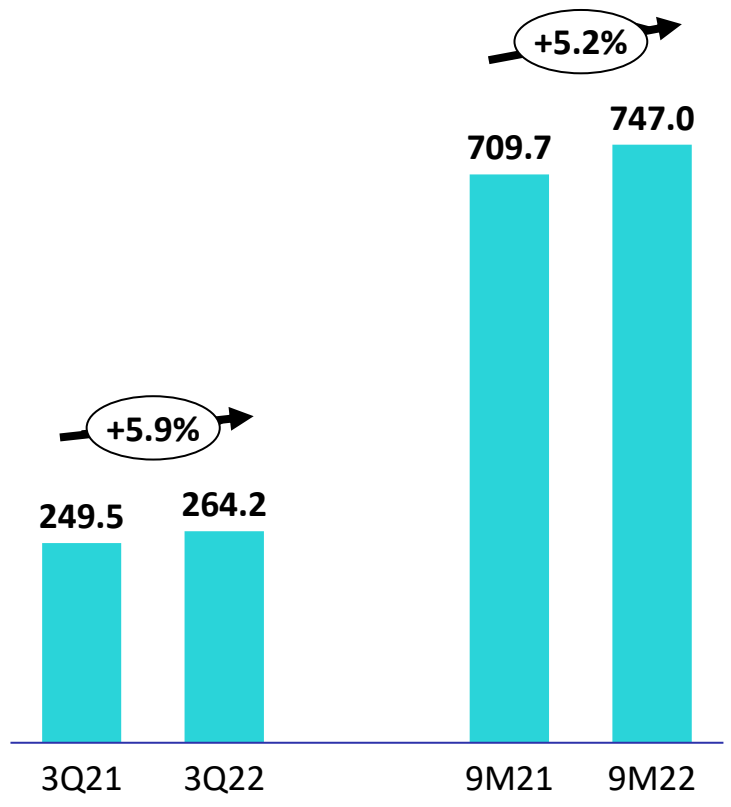
# Issuing Solutions: positive revenue growth supported by sustained volumes



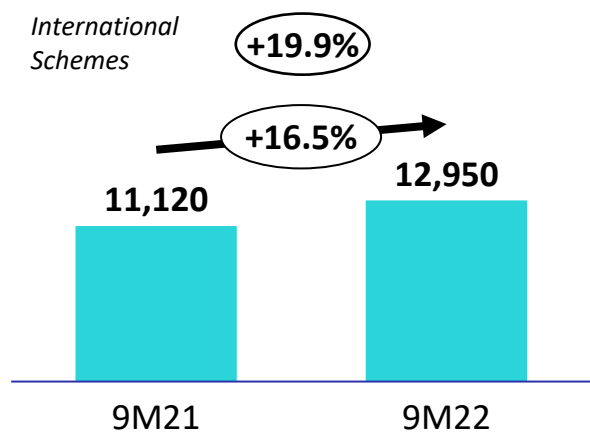
## Issuing Solutions



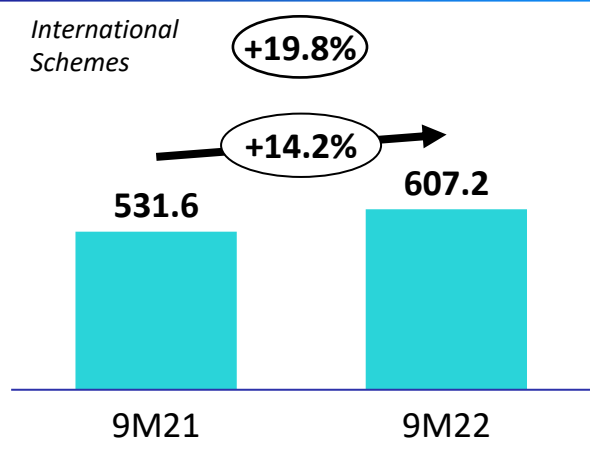
### Net Revenues (€M)



### Managed Transactions (#M)



### Value of Managed Transactions (€B)



### Key Highlights

- **Positive revenue growth**, led by Italy while Nordics still affected by previously disclosed single client contract renegotiation
- **Continued solid value of transactions performance across the Group**, primarily thanks to International schemes
- **Strong growth of International debit in Italy** (licensing model) with increasing card stock (+1.8M cards in the last twelve months)
- **Progressing commercial initiatives for extending Advanced Digital Issuing solutions** (e.g. CVM) to bank customer base across Europe

# Digital Banking Solutions: flat revenue performance in the quarter

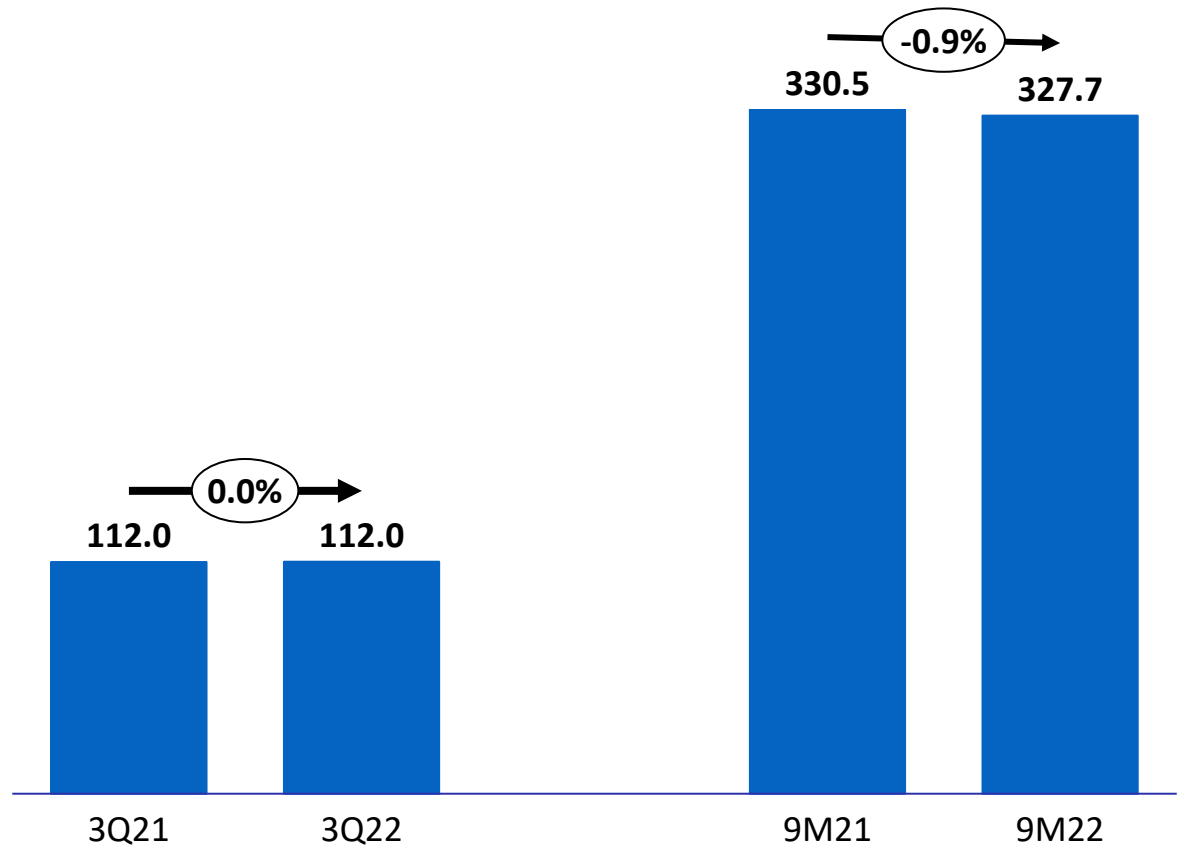


14%<sup>1</sup>

Digital Banking Solutions

CBI GLOBE

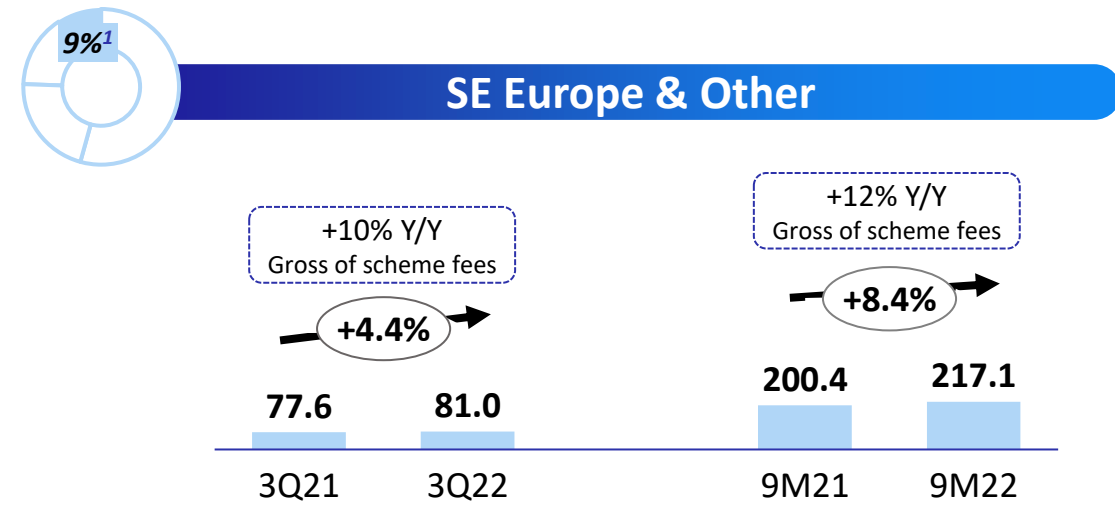
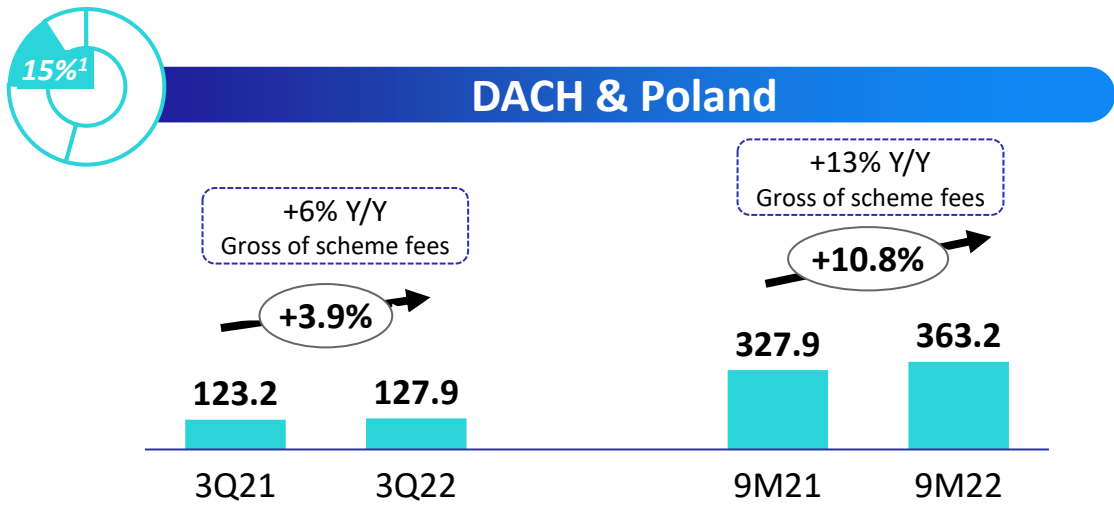
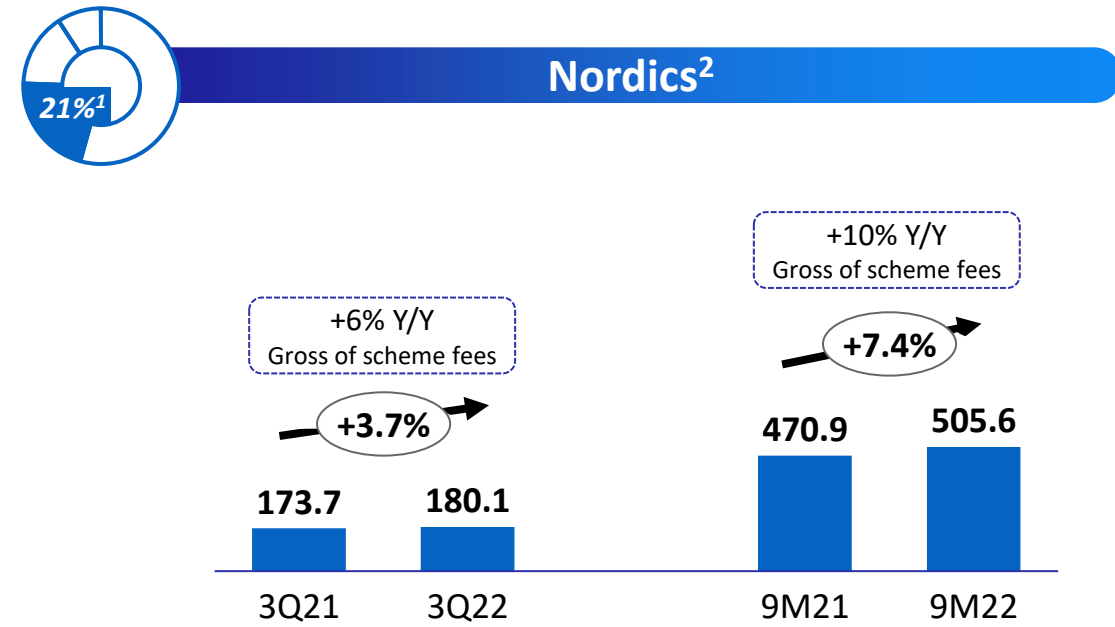
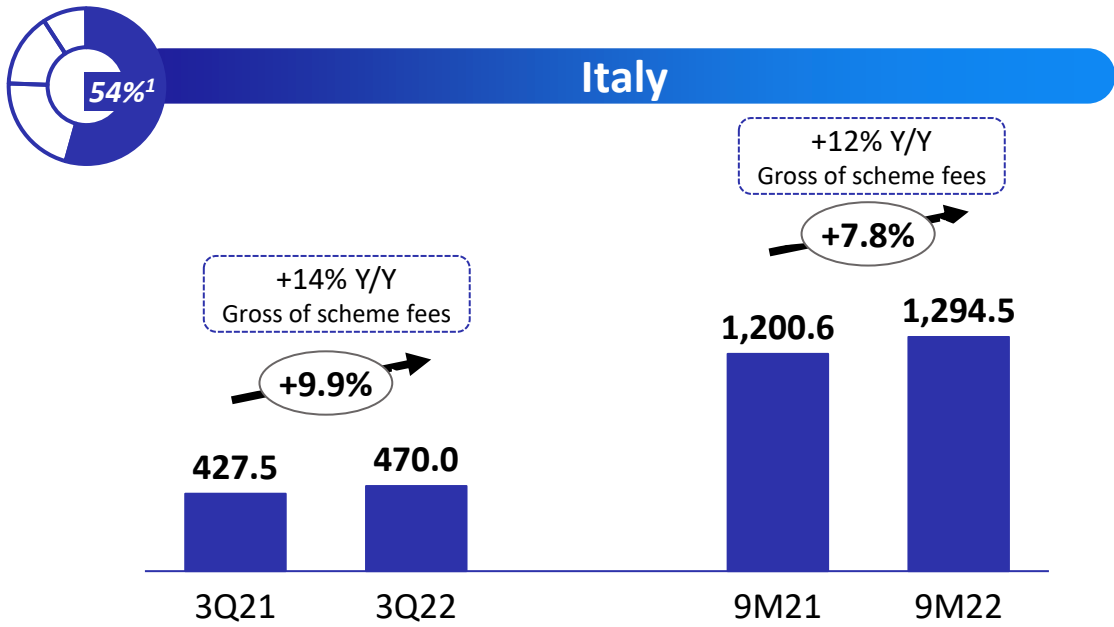
## Net Revenues (€M)



## Key Highlights

- **Flat revenue Y/Y performance in 3Q22**, with projects / initiatives growth offset by banking consolidation in Italy occurred in 2021 and NemID platform migration in Denmark
- **B2B/Corporate Payments:** continued progress and customers acquisition on new services to Corporates (e.g. PagoinConto, Check IBAN)
- **Open Banking:** continued growth of volumes and new Fintechs/Banks on Globe API, the largest Italian PSD2 Open Banking access and aggregation gateway
- **Payments Infrastructures:** positive performance in Clearing and Network Services

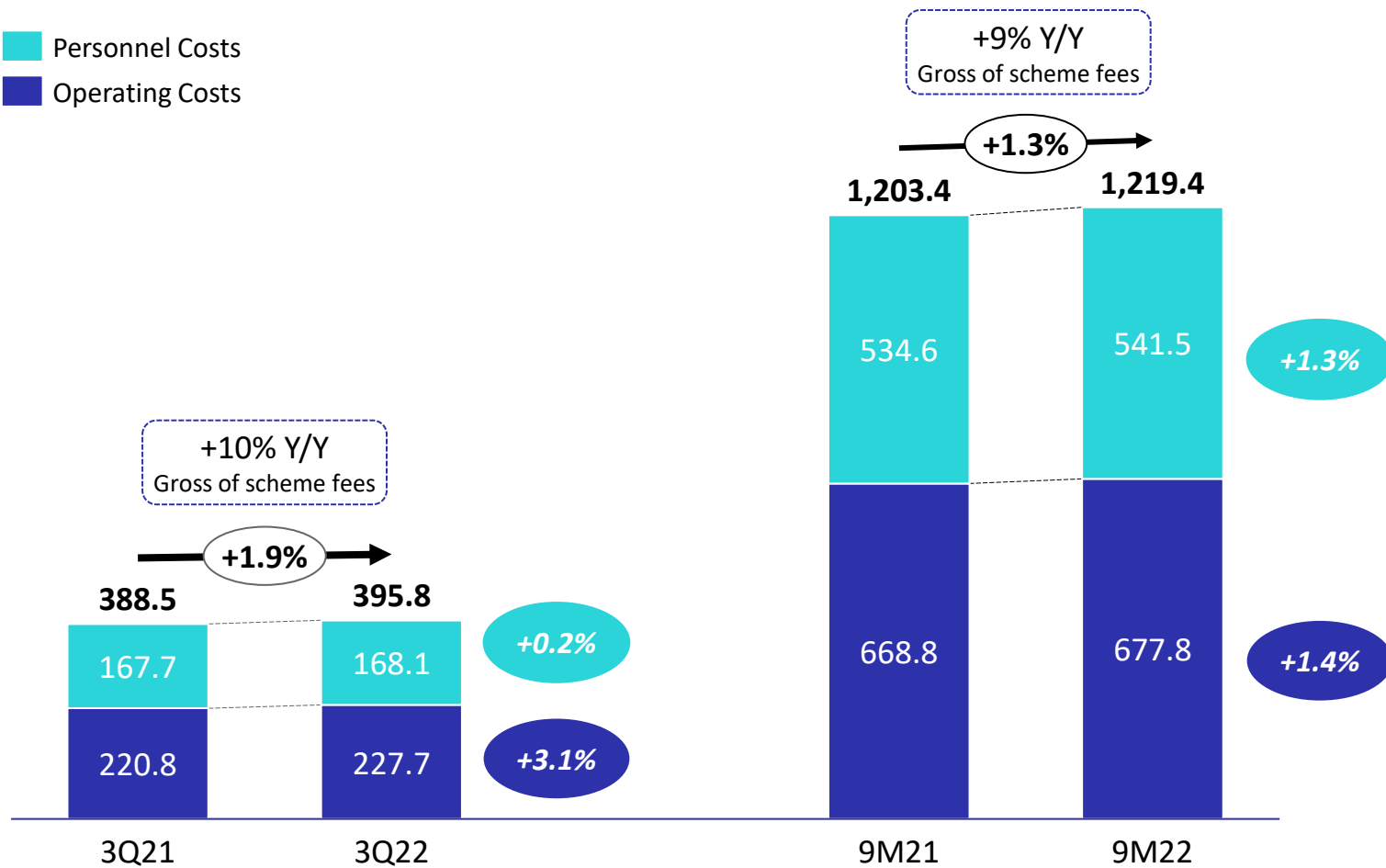
# Strong revenue growth in Italy supported by strong touristic season. 3Q growth in other geographies affected by tougher Y/Y comparison and specific factors



# Solid cost performance thanks to operating leverage, cost control and synergies

## Total Costs (€M)

Personnel Costs  
Operating Costs



## Key Highlights

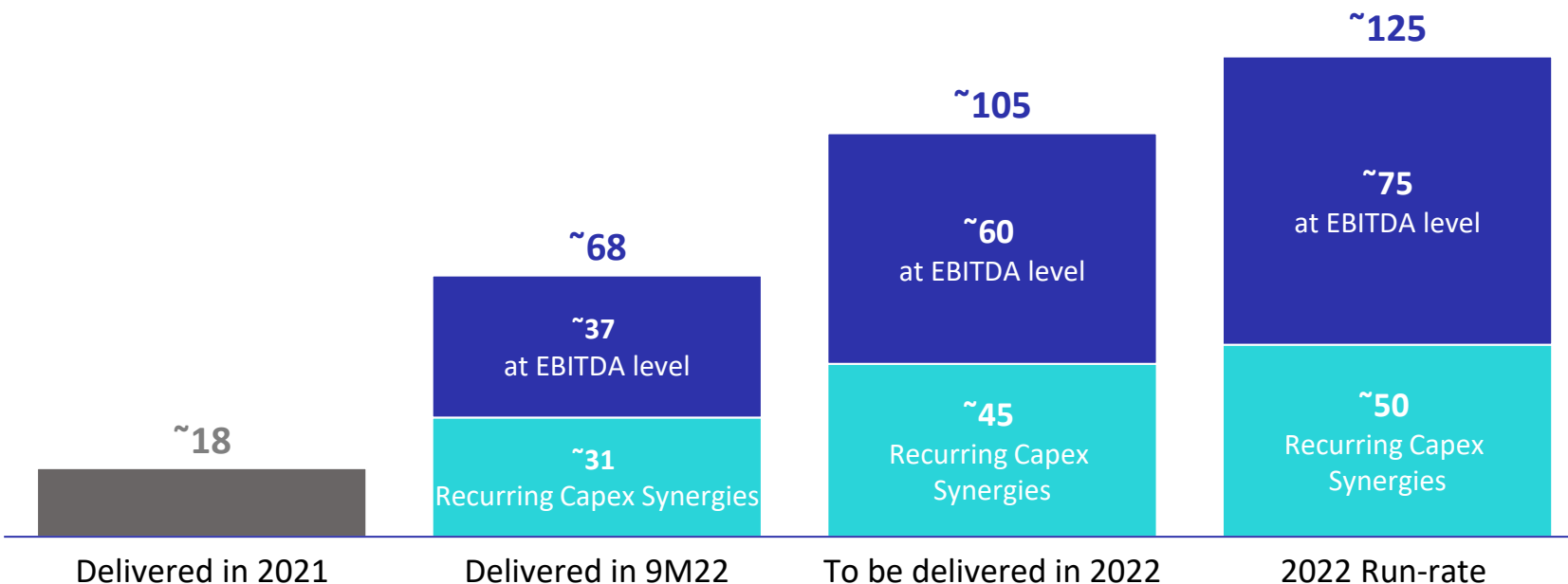
- 3Q22 total costs under control vs last year, despite volume and business growth
- Early signals of inflation fully offset by costs efficiencies

# Confirmed ~105 €M cash synergies in 2022

## Cash synergies (€M)



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



## Key Highlights

~365 €M total recurring cash synergies expected by 2025

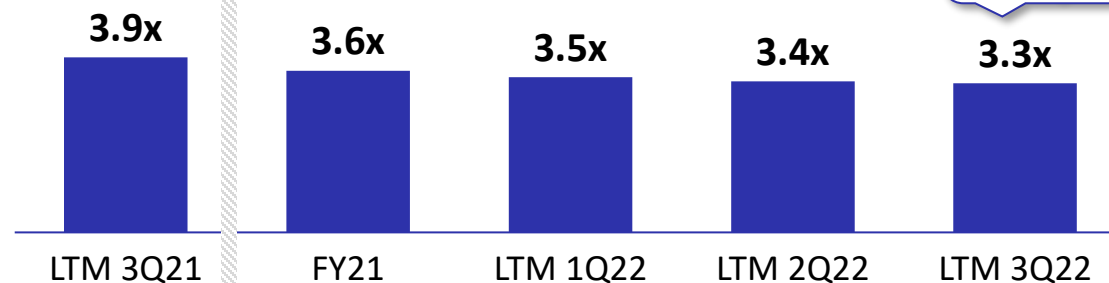
- **Cost synergies** coming from:
  - tech platforms and infrastructure optimization and consolidation
  - >40 strategic renegotiations on procurement
  - insourcing and organizational excellence
- **Revenue synergies** mainly focused on cross/up-selling to financial institution, corporates and PA for Nexi-Sia, on proposition cross-fertilization for Nexi-Nets (e.g. E-commerce)

# Net Financial Debt / EBITDA in line with plan, at ~2.8x including run-rate synergies

## Net Financial Debt (€M)

	Sept 21	Dec 21	Mar 22	June 22	Sept 22
	<i>SIA closing</i>				
<b>Gross Financial Debt</b>	6,376	7,474	6,584	6,576	6,658
<b>Cash</b>	2,168	2,230	1,449	1,332	1,334
<b>Cash Equivalents<sup>1</sup></b>	65	71	67	84	83
<b>Net Financial Debt</b>	<b>4,142</b>	<b>5,174</b>	<b>5,068</b>	<b>5,160</b>	<b>5,241</b>

## Net Financial Debt / EBITDA (€M)



### LTM EBITDA (€M)

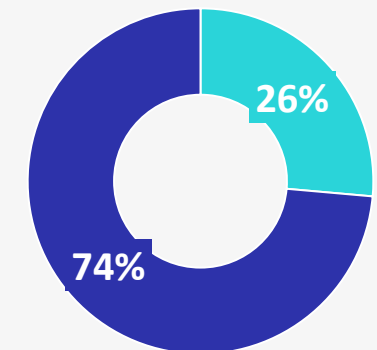
1,061<sup>2</sup>      1,422<sup>2</sup>      1,465<sup>2</sup>      1,532<sup>2</sup>      1,577<sup>2</sup>

## Key Highlights

- 900 €M New 5y Term Loan Facility<sup>3</sup> at the same spread of the 2019 IPO Facility
- Early partial reimbursement of 573 €M due in 2024 - 2026 period to proactively manage / extend debt cost / maturity profile

## Interest rate mix<sup>4</sup>

- Floating rate (zero-floored)
- Fixed rate



## Closing remarks

# Confirmed 2022 Ambition

<p><b>Net Revenues</b></p>	<ul style="list-style-type: none"> <li>▪ 7-9% net revenue growth</li> <li>▪ Double-digit growth in Merchant Solutions</li> </ul>
<p><b>EBITDA</b></p>	<ul style="list-style-type: none"> <li>▪ 13-16% EBITDA growth, +2 p.p. EBITDA margin expansion</li> <li>▪ Delivered synergies partially reinvested in E-commerce and Germany acceleration</li> </ul>
<p><b>Capex</b></p>	<ul style="list-style-type: none"> <li>▪ 8-10% ordinary capex as % of net revenues</li> </ul>
<p><b>Non recurring Items</b></p>	<ul style="list-style-type: none"> <li>▪ Transformation and integration costs rapidly decreasing. 2022 almost halved compared to 2021 combined Group level</li> <li>▪ ~300 €M Transformation and integration Capex by 2024-2025</li> </ul>
<p><b>Leverage</b></p>	<ul style="list-style-type: none"> <li>▪ 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&amp;A transactions</li> </ul>



# Key messages

## Continued volume growth in 3Q22 across all geographies

- **Double-digit volume growth in all geographies<sup>1</sup> in 3Q22 despite tougher Y/Y comparison** given easing of Covid restrictions last year
- Continued **strong performance of foreign cards in Italy** during the summer period; sustained **double-digit performance in basic consumptions in the Nordics and DACH region**
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## Continued progress in creating the European PayTech leader

- **Group strategy and financial ambition presented on Capital Markets Day on September 27<sup>th</sup>**
- Integration workstreams fully on track with **confirmed ~105 €M of cash synergies to be delivered in 2022**
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## Confirmed 2022 Ambition

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

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Q&A

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Annex

## Group P&L at constant scope

€M	9M21 at constant scope	9M22	Δ% vs. 9M21	3Q21 at constant scope	3Q22	Δ% vs. 3Q21
Merchant Solutions	1,159.5	1,305.9	+12.6%	440.5	482.7	+9.6%
Issuing Solutions	709.7	747.0	+5.2%	249.5	264.2	+5.9%
Digital Banking Solutions	330.5	327.7	-0.9%	112.0	112.0	+0.0%
<b>Operating revenue</b>	<b>2,199.7</b>	<b>2,380.5</b>	<b>+8.2%</b>	<b>801.9</b>	<b>858.9</b>	<b>+7.1%</b>
Personnel Costs	(534.6)	(541.5)	+1.3%	(167.7)	(168.1)	+0.2%
Operating Costs	(668.8)	(677.8)	+1.4%	(220.8)	(227.7)	+3.1%
<b>Total Costs</b>	<b>(1,203.4)</b>	<b>(1,219.4)</b>	<b>+1.3%</b>	<b>(388.5)</b>	<b>(395.8)</b>	<b>+1.9%</b>
<b>EBITDA</b>	<b>996.3</b>	<b>1,161.2</b>	<b>+16.5%</b>	<b>413.4</b>	<b>463.1</b>	<b>+12.0%</b>

€M	9M21	M&A in	M&A out	9M21 at constant scope	3Q21	M&A in	M&A out	3Q21 at constant scope
<b>Operating revenue</b>	<b>2,195.2</b>	35.3	-30.8	<b>2,199.7</b>	<b>796.4</b>	15.8	-10.3	<b>801.9</b>
<b>EBITDA</b>	<b>1,001.7</b>	9.7	-15.1	<b>996.3</b>	<b>412.0</b>	6.1	-4.7	<b>413.4</b>

**M&A in:** Alphabank JV, Orderbird and Paytech

**M&A out:** EDIGard disposal and Capital Markets business classified below EBITDA according to IFRS5

# Revenues gross of scheme fees, shifted to Opex

For illustrative purpose only

€M	1Q22	Δ% vs. 1Q21	2Q22	Δ% vs. 2Q21	3Q22	Δ% vs. 3Q21	9M22	Δ% vs. 9M21
Merchant Solutions	457.8	+17.3%	553.3	+22.8%	612.8	+14.8%	1,623.9	+18.1%
Issuing Solutions	236.5	+5.2%	260.9	+6.2%	273.7	+6.8%	771.1	+6.1%
Digital Banking Solutions	101.9	-5.3%	113.8	+2.5%	112.0	+0.0%	327.7	-0.9%
<b>Operating revenue</b>	<b>796.2</b>	<b>+10.2%</b>	<b>928.0</b>	<b>+15.0%</b>	<b>998.6</b>	<b>+10.7%</b>	<b>2,722.7</b>	<b>+12.0%</b>
Personnel Costs	(187.5)	+2.5%	(185.9)	+1.1%	(168.1)	+0.2%	(541.5)	+1.3%
Operating Costs	(304.2)	+7.7%	(348.5)	+17.2%	(367.3)	+14.4%	(1,020.0)	+13.2%
<b>Total Costs</b>	<b>(491.7)</b>	<b>+5.7%</b>	<b>(534.4)</b>	<b>+11.0%</b>	<b>(535.4)</b>	<b>+9.5%</b>	<b>(1,561.6)</b>	<b>+8.8%</b>
<b>EBITDA</b>	<b>304.5</b>	<b>+18.3%</b>	<b>393.6</b>	<b>+20.9%</b>	<b>463.1</b>	<b>+12.0%</b>	<b>1,161.2</b>	<b>+16.5%</b>

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

## 9M22 Revenues breakdown

## 9M22 Costs breakdown by type

### By business

### By geography

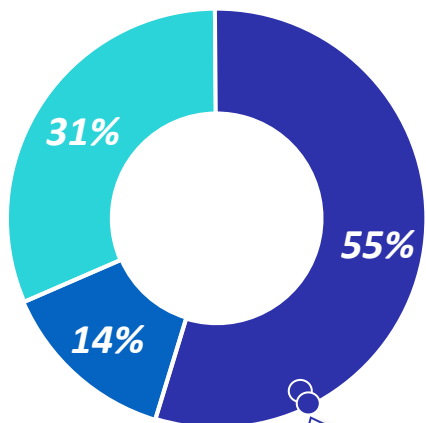
### By type

- Merchant Solutions
- Issuing Solutions
- Digital Banking Solutions

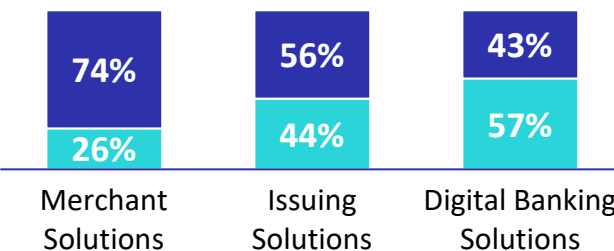
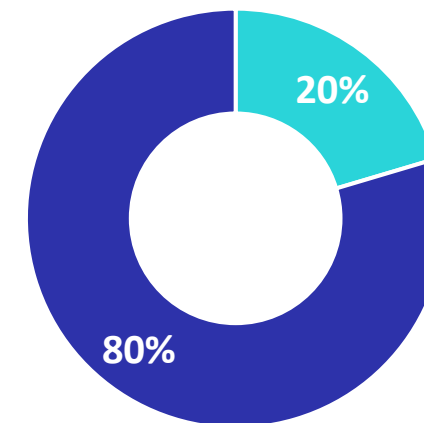
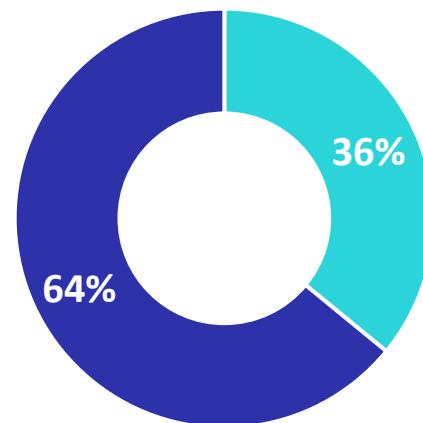
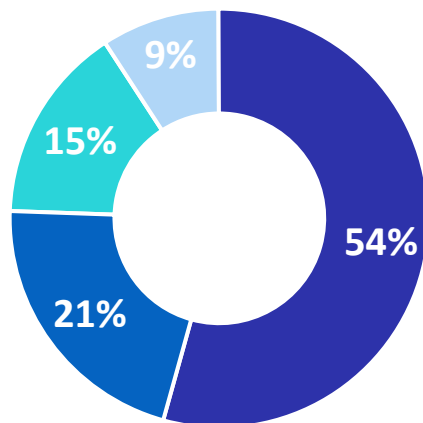
- Italy
- DACH & Poland
- Nordics<sup>1</sup>
- SE Europe & Other

- Installed based
- Volume driven

- Variable costs
- Fixed Costs



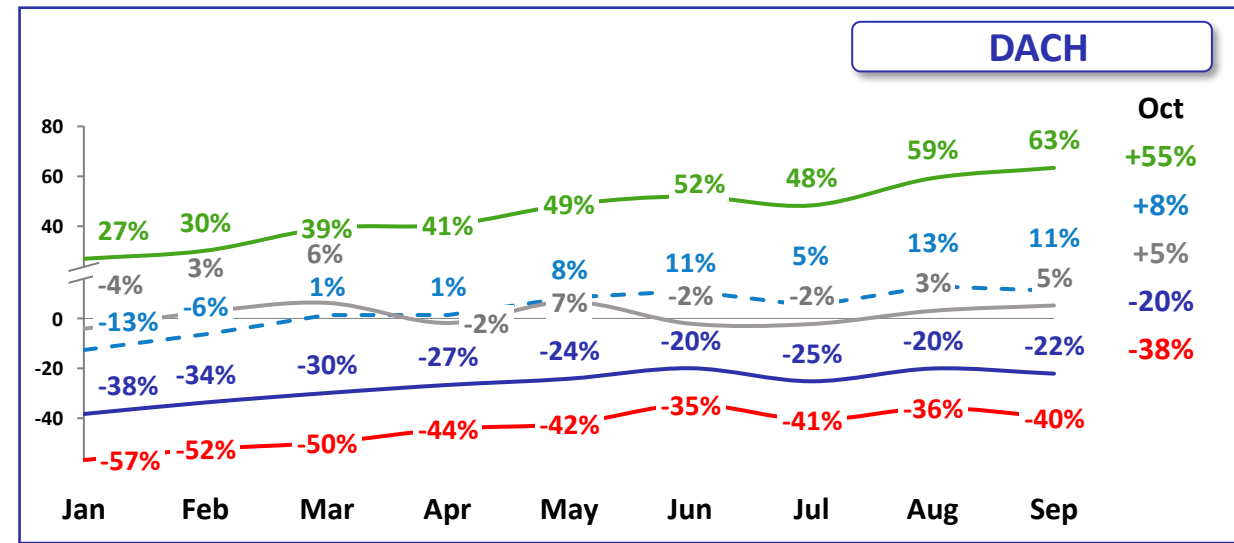
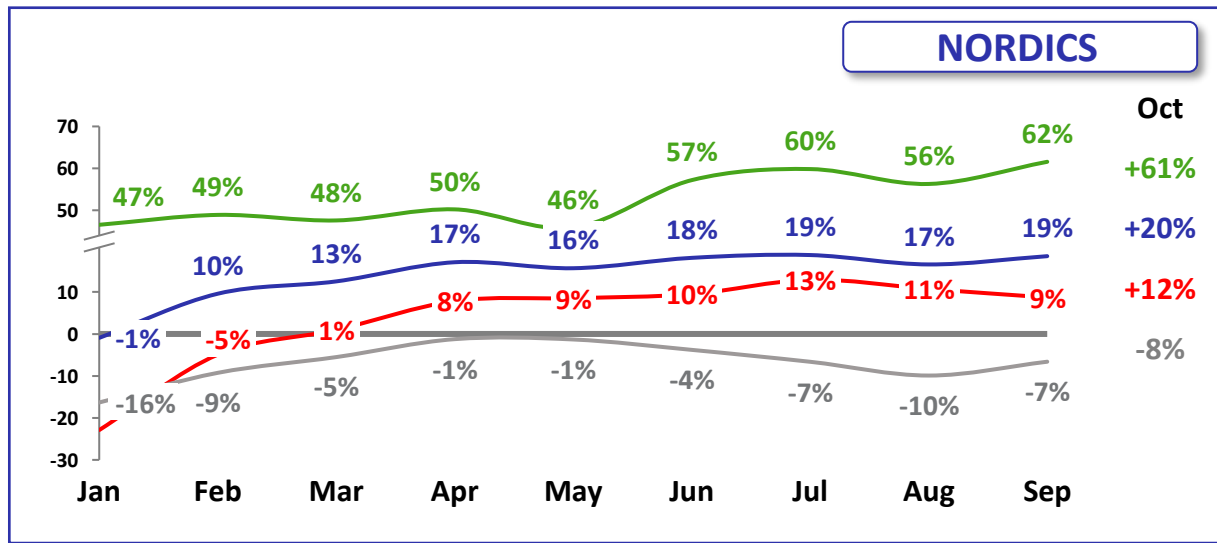
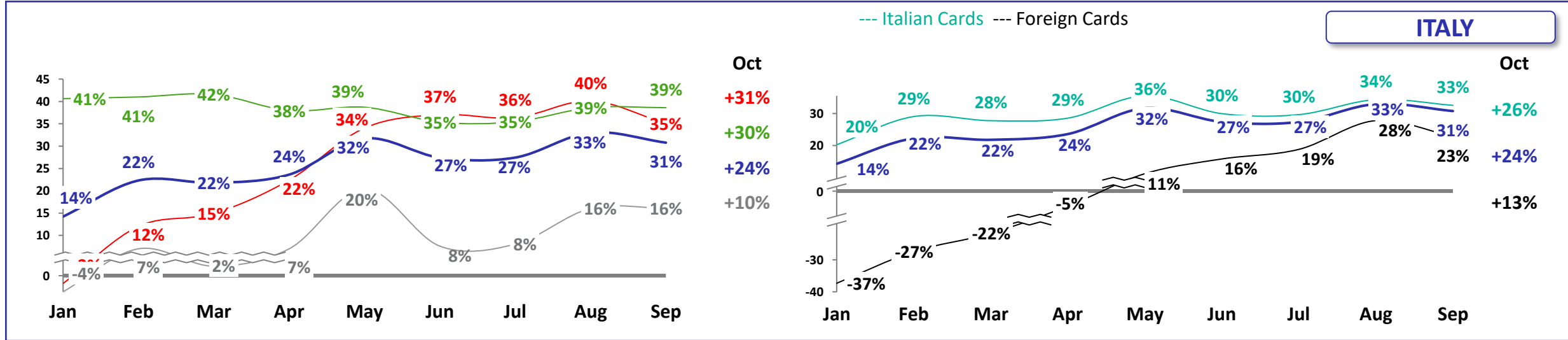
of which  
~20% E-Commerce



# Continued strong growth in all geographies compared to pre-Covid levels

Trend vs 2019

— High impact consumption — Basic consumption — Discretionary consumption — Total — Net of discontinued clients due to optimised risk profile



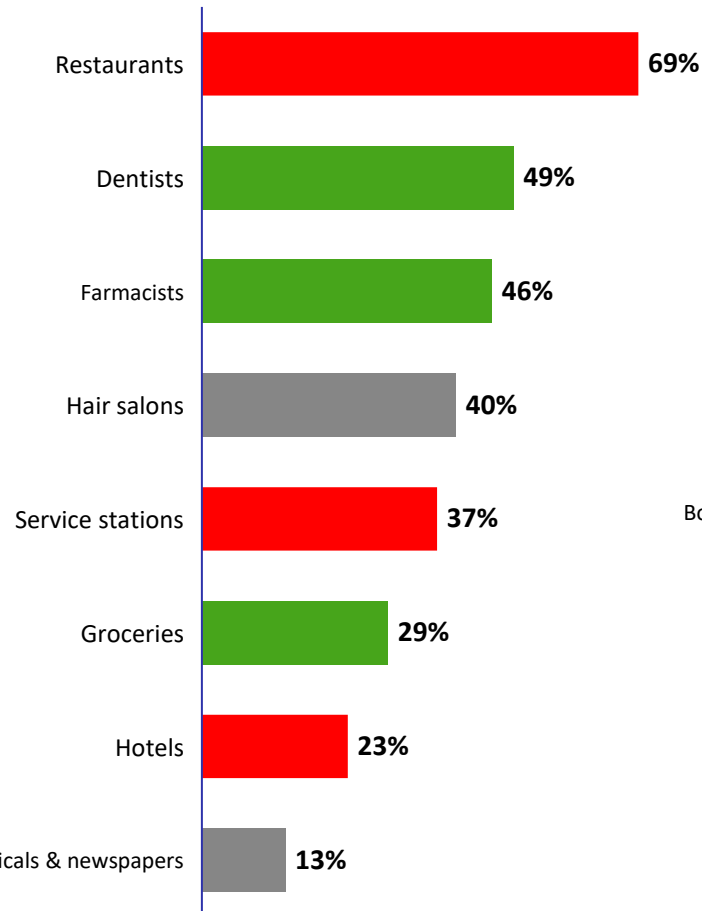
# Continued acceleration of cash to digital payments shift across sectors

■ High Impact Consumption 
 ■ Basic Consumption 
 ■ Discretionary Consumption

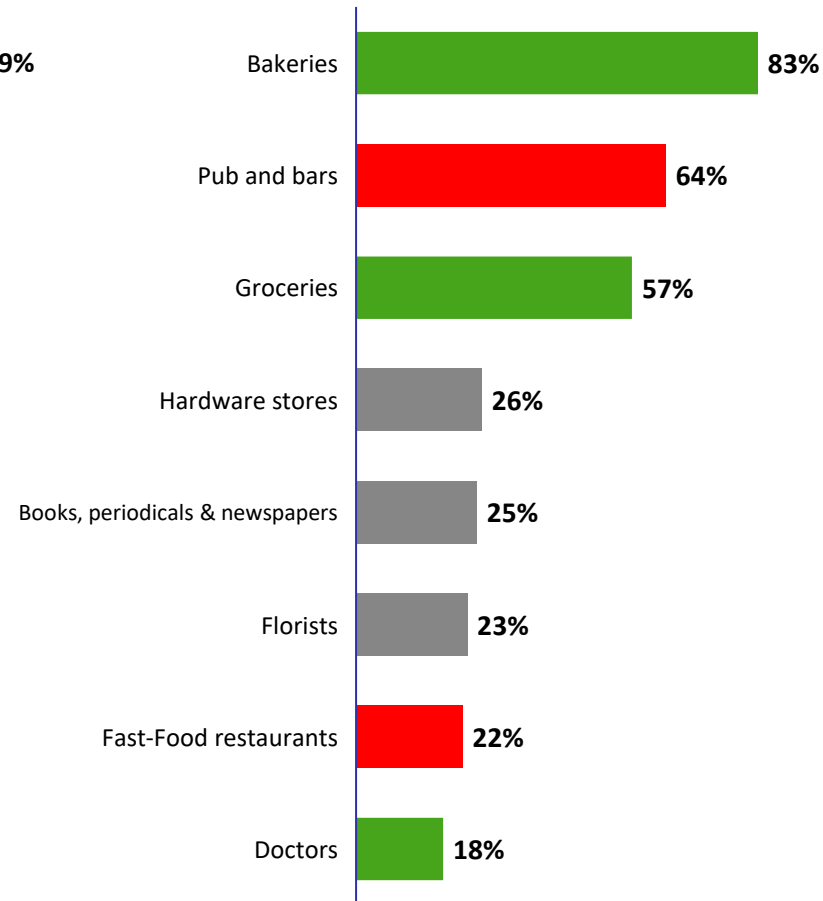
## Focus on specific industries (October)

% change vs 2019

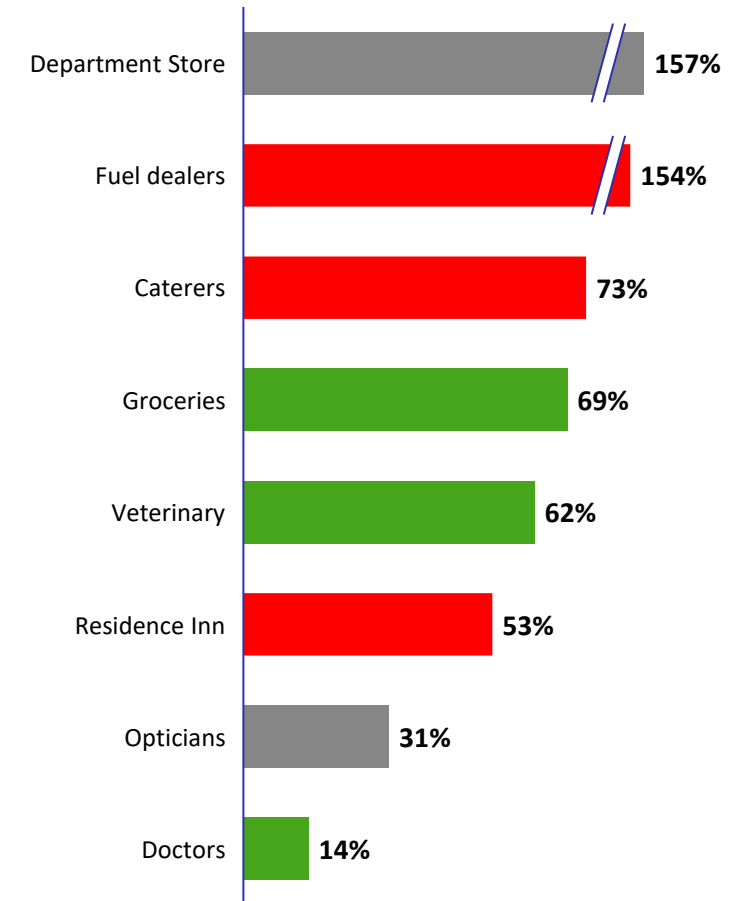
### Italy<sup>1</sup>



### Nordics<sup>2</sup>



### DACH<sup>2</sup>







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## **Investor Relations**

[investor.relations@nexigroup.com](mailto:investor.relations@nexigroup.com)

**Stefania Mantegazza**

[stefania.mantegazza@nexigroup.com](mailto:stefania.mantegazza@nexigroup.com)