

<p>Informazione Regolamentata n. 2170-10-2023</p>	<p>Data/Ora Ricezione 07 Marzo 2023 07:00:43</p>	<p>Euronext Milan</p>
---	--	-----------------------

Societa' : NEXI

Identificativo : 173114

Informazione  
Regolamentata

Nome utilizzatore : NEXIN03 - MANTEGAZZA

Tipologia : 1.1

Data/Ora Ricezione : 07 Marzo 2023 07:00:43

Data/Ora Inizio : 07 Marzo 2023 07:00:45

Diffusione presunta

Oggetto : Financial Results FY2022

<i>Testo del comunicato</i>
-----------------------------

Vedi allegato.

**GROUP FINANCIAL RESULTS AS OF DECEMBER 31<sup>st</sup> 2022 APPROVED  
STRONG EBITDA GROWTH AND MARGIN EXPANSION**

- *2022 ambition delivered despite unexpected challenging macro-economic environment: Revenues at € 3,260.0 million in FY22, +7.1% Y/Y; EBITDA at € 1,612.8 million in FY22, +14.2% Y/Y, with exceptional c. +311 bps EBITDA Margin expansion*
- *Sustained double-digit volume growth in all geographies in 4Q22 despite tough Y/Y comparison; accelerated volume growth in 2023 across all geographies with +17% Y/Y year-to-date<sup>1</sup>*
- *EBITDA minus Capex and non-recurring cash items strongly growing at 56% Y/Y*
- *Strong portfolio progress in 2022 and strategic long-term partnership with Banco Sabadell in merchant acquiring in Spain announced in February 2023*
- *2023 Guidance confirmed in line with CMD medium-term growth ambition*

**Milan, March 7<sup>th</sup> 2023** – The Board of Directors of Nexi S.p.A. approved the Group’s consolidated financial results as of December 31<sup>st</sup> 2022.

In 4Q22 the acquiring volumes<sup>2</sup> registered a double-digit growth in all geographies, despite tough Y/Y comparison, driven by strong high impact consumption volumes across all geographies. SME value of transactions continued to grow faster than large merchants, positively contributing to revenue growth.

Furthermore, an acceleration of volume growth occurred in 2023 across all geographies, with +17% increase Y/Y year-to-date<sup>1</sup>.

*“2022 has been for Nexi another year of solid profitable growth across all our businesses and geographies, with exceptional margin expansion and cash generation acceleration, despite the unexpected more complex macroeconomic environment” commented Paolo Bertoluzzo, CEO of Nexi Group. “In the year, we have made strong progress in the integration and transformation of our Group, with investments in technology, capabilities and innovation, while in parallel we have further strengthened our business portfolio through very focused acquisitions and disposals. In 2022 we have also accelerated our ESG initiatives across all fronts, further improving our ratings and now positioning Nexi at the leading band of our industry globally. As we enter 2023, we are highly determined to continue to grow across geographies, further expanding our margins and cash generation, always remaining very rigorous in the allocation of capital and further focusing and strengthening our portfolio for accelerated growth, as well demonstrated by the recently announced strategic partnership with Banco Sabadell to enter the very attractive Spanish market”.*

<sup>1</sup> Year-to-date as of February 26<sup>th</sup>.

<sup>2</sup> Volumes data include sales, International schemes and exclude SIA. For Italy: data also include national schemes for ISP merchant book only. For Nordics and DACH region: data include regular business and exclude non-card based transactions from e-commerce.

### Key consolidated financial managerial results<sup>3</sup>

€M	FY21	FY22	Δ% vs. FY21	4Q21	4Q22	Δ% vs. 4Q21
Merchant Solutions	1,612.8	1,774.0	+10.0%	453.3	468.1	+3.3%
Issuing Solutions	976.9	1024.6	+4.9%	267.2	277.6	+3.9%
Digital Banking Solutions	455.4	461.4	+1.3%	124.9	133.7	+7.1%
<b>Operating revenue</b>	<b>3,045.1</b>	<b>3,260.0</b>	<b>+7.1%</b>	<b>845.4</b>	<b>879.5</b>	<b>+4.0%</b>
Personnel Costs	(713.3)	(726.2)	+1.8%	(178.7)	(184.6)	+3.3%
Operating Costs	(920.0)	(921.0)	+0.1%	(251.2)	(243.2)	-3.2%
<b>Total Costs</b>	<b>(1,633.3)</b>	<b>(1,647.2)</b>	<b>+0.8%</b>	<b>(429.9)</b>	<b>(427.8)</b>	<b>-0.5%</b>
<b>EBITDA</b>	<b>1,411.8</b>	<b>1,612.8</b>	<b>+14.2%</b>	<b>415.5</b>	<b>451.6</b>	<b>+8.7%</b>
Ordinary D&A	(380.4)	(424.4)	+11.6%			
Normalised Interests & financing costs	(160.0)	(173.1)	+8.2%			
<b>Normalised Pre-tax profit</b>	<b>871.4</b>	<b>1,015.3</b>	<b>+16.5%</b>			
Income taxes	(266.4)	(319.1)	+19.8%			
Minorities	(2.6)	(3.0)	+16.7%			
<b>Normalised Net profit</b>	<b>602.4</b>	<b>693.2</b>	<b>+15.1%</b>			

In 2022 the Group delivered strong financial results achieving 2022 ambition previously announced despite the unexpected challenging macro-economic environment. In particular, revenues reached € 3,260.0 million, +7.1% versus FY21 (+7.8% Y/Y excluding Ratepay). EBITDA was € 1,612.8 million, +14.2% versus FY21. The EBITDA Margin was at 49%, up by 311 basis points compared to FY21.

In 4Q22, revenues reached € 879.5 million, +4.0% versus 4Q21 (+5.9% Y/Y excluding Ratepay). EBITDA was at € 451.6 million, +8.7% versus 4Q21, with EBITDA Margin at 51%.

Nexi Group's operating businesses delivered the following results in FY22:

- **Merchant Solutions**, representing approximately 54% of Group's total revenues, reported revenues of € 1,774.0 million, +10.0% Y/Y. In FY22, 16,288 million transactions were processed, +15.4% Y/Y, with value of processed transactions at € 765.7 billion, +13.7% Y/Y. Transactions value growth continued across the Group, primarily driven by international schemes, coupled with continued strong growth of customer base and number of terminals.

In 4Q22, Merchant Solutions revenues reached € 468.1 million, +3.3% Y/Y, despite tough Y/Y comparison. In particular, the quarter was affected by the managed slowdown of Ratepay performance in DACH and by the different phasing of scheme fees and rebates to banks in Italy in 2021. Excluding Ratepay, net revenues in the quarter grew by 6.9% Y/Y.

The main initiatives realized in Merchant Solutions during the year 2022 include:

- Continued commercial traction of digital SME propositions (SmartPOS in Italy, SmartPay in DACH);
- ISV partnerships: continued progress of collaborations with market leaders and vertical specialists across all geographies, including key wins in wellness and ticketing;

<sup>3</sup> 2021 and 2022 pro-forma data at constant FX and scope (for the M&A recently closed - i.e. Alfabank JV, Orderbird, Paytech and EDIGard disposal - and the Capital Markets business classified below EBITDA according to IFRS5).

- SoftPOS roll-out: the SoftPOS tap-on-phone proposition is showing a good commercial traction in Nordics, Greece and Hungary, with further markets launches under preparation;
  - Easy eCommerce collecting PSP proposition: continued strong performance in the Nordics, accelerating in Germany;
  - Omni-channel LAKA proposition: good pipeline of commercial wins in omni-channel & vertical solutions, across markets and on multiple industries (e.g. grocery, retail, petrol and EV charging).
- **Issuing Solutions**, representing approximately 31% of Group's total revenues, reported revenues of € 1,024.6 million, +4.9% Y/Y, impacted by previously disclosed client contract renegotiation in the Nordics. In FY22, 17,620 million transactions were processed, +15.0% Y/Y, with value of processed transactions at € 826.1 billion, +12.0% Y/Y. Transaction volumes showed a strong performance versus last year, mainly driven by international schemes. Moreover, it was achieved a strategic win in Germany with Commerzbank in the digital processing and extended value-added services, demonstrating Nexi's growth potential in Europe. In 4Q22, Issuing Solutions reached € 277.6 million of revenues, +3.9% Y/Y. In particular, the quarterly performance has been impacted by lower bank projects in SE Europe.
  - **Digital Banking Solutions**, representing approximately 14% of Group's total revenues, reported revenues of € 461.4 million, +1.3% Y/Y. In 4Q22, Digital Banking Solutions reached € 133.7 million of revenues, +7.1% Y/Y, mainly thanks to projects across geographies. Good progress on Corporate Payments Gateway and continued volume growth in Open Banking.

In FY22, **Total Costs** were at € 1,647.2 million, up by 0.8% Y/Y, well under control thanks to operating leverage and synergies' delivery, despite volume and business growth. In 4Q22 Total Costs were at € 427.8 million, -0.5% versus 4Q21.

Nexi confirmed its commitment on investments in technology and innovation, with **total Capex** at € 527 million for FY22, equal to 16% net revenues. In particular, € 173 million were related to transformation and integration initiatives, and € 354 million were related to the ordinary innovation of products and services, maintenance of high-quality services and security and POS and ATM purchase.

Non-recurring items below EBITDA have significantly decreased to € 245.3 million in FY22, with strong continued reduction of **Transformation and integration costs** at € 157.1 million, down 44% versus FY21.

**Normalized net profit**<sup>4</sup> in FY22 was € 693.2 million, with normalised EPS at 0.53 € up by 15% Y/Y.

<sup>4</sup> Net profit to which non-recurring items and D&A customer contracts are added back net of taxes.

During the year the Group delivered strong **EBITDA minus Capex and non-recurring cash items** performance at +56% Y/Y. The **excess cash generation**<sup>5</sup> was equal to € 393.8 million in FY22.

As of December 31<sup>st</sup> 2022, the **Net Financial Debt** was at € 5,396 million, while the Net Financial Debt/ EBITDA ratio reached 3.3x. The pro-forma Net Financial Debt / EBITDA ratio including the run-rate synergies was at ~2.9x, in line with the plan.

### 2023 Guidance

Consistently with the medium-long term financial targets announced at the Capital Markets Day, the 2023 guidance is based on the Group perimeter reflecting both recent closed M&A (BPER merchant book and ISP Croatia merchant book acquisitions, non-SEPA business and Customer Desk in Greece disposals) and selected assets reclassified as “held for sale” below EBITDA (Ratepay and Nets DBS). Considering the CMD perimeter, the Group registered in FY22 revenues of € 3,143 million, +8.0% Y/Y and EBITDA of € 1,592 million, +15.3% Y/Y with an EBITDA margin of 51% (up by 320 bps Y/Y).

Nexi confirms the 2023 Guidance in line with CMD medium-long term growth ambition:

- **Net revenues:** more than 7% Y/Y growth;
- **EBITDA:** more than 10% Y/Y growth;
- **Excess cash generation:** at least € 600 million<sup>6</sup>;
- **Net leverage:** ~3.0x EBITDA (~2.7x EBITDA incl. run-rate synergies) including the acquisition of Sabadell merchant book (announced in February 2023, closing expected in 4Q23);
- **Normalised EPS:** more than 10% Y/Y growth.

\* \* \*

### Significant subsequent events

- On February 27<sup>th</sup>, Nexi and Banco de Sabadell have reached an agreement to establish a long-term partnership in the Spanish market. According to the terms of the transaction, Nexi will acquire 80% of Sabadell’s merchant acquiring business, after its carve-out into PayComet, a fully owned Sabadell company and already a licensed payment institution, for € 280 million upfront cash consideration reflecting an Enterprise Value of € 350 million for 100%. Nexi will finance the transaction entirely through available cash resources. A long-term exclusive distribution partnership is also agreed, with an initial term of 10 years and two potential renewals of five years each. Following completion of the transaction, Nexi will acquire over 380k merchants and approximately € 48 billion of transaction volumes as of December 2022. The merchant acquiring business is expected to

<sup>5</sup> Operating cash flow generation after cash interest expenses and other cash items (cash taxes, IFRS 16, earn-outs and other). Includes benefit of c.100€M taxes payable in 2023.

<sup>6</sup> Gross of c.100€M deferred taxes in 2023.



generate an EBITDA of around € 30 million based on 2023 figures, resulting in an implied EV/EBITDA 2023E of ~11.5x.

\* \* \*

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..

Reported results under review by PricewaterhouseCoopers.

\* \* \*

Disclaimer: This is the English translation of the original Italian press release "Approvati i risultati finanziari di Gruppo al 30 dicembre 2022". In any case of discrepancy between the English and the Italian versions, the original Italian document is to be given priority of interpretation for legal purposes.

## **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 Solutions, Issuing Solutions and Digital Banking 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/en](http://www.nexi.it/en)  
[www.nexigroup.com](http://www.nexigroup.com)

### **Nexi - External Communication & Media Relations**

#### **Daniele de Sanctis**

[daniele.desanctis@nexigroup.com](mailto:daniele.desanctis@nexigroup.com)

Mobile: +39 346/015.1000

#### **Matteo Abbondanza**

[matteo.abbondanza@nexigroup.com](mailto:matteo.abbondanza@nexigroup.com)

Mobile: +39.348/406.8858

#### **Søren Winge**

[soeren.winge@nexigroup.com](mailto:soeren.winge@nexigroup.com)

Mobile: +45 29 48 26 35

#### **Danja Giacomini**

[danja.giacomini@nexigroup.com](mailto:danja.giacomini@nexigroup.com)

Mobile: +39.334/225.6777

### **Nexi - Investor Relations**

#### **Stefania Mantegazza**

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

Mobile: +39.335.5805703

Direct: +39 02/3488.8216

### FY 2022 P&L – Reported vs Normalised

€M	FY22 Reported	Delta	FY22 Normalised
Merchant Solutions	1,742	32	1,774
Issuing Solutions	1,025	0	1,025
Digital Banking Solutions	462	0	461
<b>Revenues</b>	<b>3,228</b>	<b>32</b>	<b>3,260</b>
Personnel & related expenses	-736	10	-726
Operating Costs	-892	-29	-921
<b>Total Costs</b>	<b>-1,628</b>	<b>-19</b>	<b>-1,647</b>
<b>EBITDA</b>	<b>1,600</b>	<b>13</b>	<b>1,613</b>
D&A	-937	513	-424
Interests & financing costs	-140	-34	-173
Non recurring items	-245	245	-
<b>Pre-tax Profit</b>	<b>278</b>	<b>737</b>	<b>1,015</b>
Income taxes	-135	-184	-319
Minorities	-3	0	-3
<b>Net Profit</b>	<b>140</b>	<b>553</b>	<b>693</b>

Reported data at current FX, with Alphabank JV, Orderbird and Paytech acquisitions consolidated from respective closings. Normalized data pro-forma for M&A (i.e. Alphabank JV, Orderbird and Paytech acquisitions consolidated from January 1<sup>st</sup> 2022), at constant FX and excluding non-recurring items and other one-offs (e.g. D&A of customer contracts).

## Income Statement

(€'000)	FY 2022	FY 2021 Restated
Fees for services rendered and commission income	5,399,141	3,052,658
Fees for services received and commission expense	(2,106,995)	(1,280,180)
<b>Net fee and commission income</b>	<b>3,292,146</b>	<b>1,772,478</b>
Interest and similar income	49,650	20,399
Interest and similar expense	(221,310)	(199,864)
<b>Net interest income</b>	<b>(171,660)</b>	<b>(179,465)</b>
Profit (loss) on hedging/financial assets and liabilities at Fair Value through profit or loss / derecognition of assets and liabilities at Amortised cost	793	(67,969)
Dividends and profit (loss) from investments and sale of assets at Fair Value through other comprehensive income	(20,496)	(6,997)
<b>Financial and operating income</b>	<b>3,100,783</b>	<b>1,518,047</b>
Administrative expenses	(1,895,730)	(1,073,390)
<i>Personnel-related costs</i>	<i>(819,030)</i>	<i>(407,991)</i>
<i>Other administrative costs</i>	<i>(1,076,700)</i>	<i>(665,399)</i>
Other operating income/expenses, net	139	3,098
Net value adjustments on assets measured at amortised cost	(13,159)	(4,995)
Net accruals to provisions for risks and charges	7,556	(26,851)
Net value adjustments/write-backs on tangible and intangible assets	(932,770)	(374,057)
<b>Operating margin</b>	<b>266,819</b>	<b>41,852</b>
Profit (loss) from equity investments and disposals of investments	3,281	1,441
<b>Profit (loss) before taxes from continuing operations</b>	<b>270,100</b>	<b>43,293</b>
Income taxes	(134,753)	(4,038)
Income (loss) after tax from discontinued operations	7,701	(34)
<b>Profit (loss) for the year</b>	<b>143,048</b>	<b>39,221</b>
Profit (loss) for the year attributable to the parent company	140,023	37,729
Profit (loss) for the year attributable to non-controlling interests	3,025	1,492



## Balance Sheet

ASSETS (€'000)	31/12/2022	31/12/2021 Restated
Cash and cash equivalents	448,778	1,546,116
Financial assets at Fair Value	146,904	74,508
Financial assets measured at amortised cost:	4,358,386	3,398,230
a) loans and receivables with banks	1,875,404	1,595,782
b) loans and receivables with financial entities and customers	2,482,982	1,802,448
Hedging derivatives	870	-
Equity investments	41,820	63,678
Tangible assets	563,354	543,539
Intangible assets	17,977,577	18,062,681
of which: Goodwill	13,104,984	12,769,109
Tax assets	210,818	242,244
a) current	14,896	25,080
b) deferred	195,922	217,164
Non-current assets held for sale and discontinued operations	2,471	1,790
Other assets	1,724,483	1,272,927
<b>Total assets</b>	<b>25,475,461</b>	<b>25,205,713</b>

LIABILITIES (€'000)	31/12/2022	31/12/2021 Restated
Financial liabilities measured at amortised cost	9,649,341	9,912,122
a) due to banks	3,495,963	3,649,309
b) due to financial entities and customers	2,141,864	1,813,534
c) securities issued	4,011,514	4,449,279
Financial liabilities at Fair Value through profit or loss	230,428	168,529
Hedging derivatives	256	-
Tax liabilities	1,232,172	1,298,510
a) current	106,715	47,571
b) deferred	1,125,457	1,250,939
Liabilities associated with non-current assets held for sale and discontinued operations	721	641
Other liabilities	1,951,924	1,284,285
Post-employment benefits	30,996	39,847
Provisions for risks and charges	141,886	193,611
Share capital	118,583	118,452
Treasury shares (-)	(4,440)	(4,493)
Share premium	11,587,260	11,587,260
Reserves	468,390	523,080
Valuation reserves	(90,226)	36,729
Profit (loss) for the year	140,023	37,729
Equity attributable to non-controlling interests (+/-)	18,147	9,411
<b>Total liabilities and equity</b>	<b>25,475,461</b>	<b>25,205,713</b>

Fine Comunicato n.2170-10

Numero di Pagine: 10