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Oggetto : Group financial results as of September
30th 2023 approved

Testo del comunicato

Vedi allegato.

**GROUP FINANCIAL RESULTS AS OF SEPTEMBER 30th 2023 APPROVED
SOLID GROWTH PERFORMANCE IN LINE WITH PLAN,
WITH CONTINUED EBITDA MARGIN EXPANSION**

- *Revenues at € 2,448.8 million in 9M23, +7.0% Y/Y; EBITDA at € 1,267.7 million in 9M23, +10.2% Y/Y, with a continued EBITDA margin expansion of c.+149 bps*
- *Sale of Nordic eID business coherently with the portfolio rationalization and simplification announced at the Capital Markets Day*
- *2023 Guidance confirmed*

Milan, November 9th 2023 – The Board of Directors of Nexi S.p.A. approved on November 8th the Group’s consolidated financial results as of September 30th 2023.

Key consolidated financial managerial results¹

€M	9M22	9M23	Δ% vs. 9M22	3Q22	3Q23	Δ% vs. 3Q22
Merchant Solutions	1,285.1	1,390.7	+8.2%	477.5	504.3	+5.6%
Issuing Solutions	738.3	789.3	+6.9%	261.0	272.8	+4.5%
Digital Banking Solutions	265.2	268.7	+1.3%	91.5	94.6	+3.3%
Operating revenue	2,288.6	2,448.8	+7.0%	830.0	871.7	+5.0%
Personnel Costs	(512.8)	(542.6)	+5.8%	(158.7)	(169.5)	+6.8%
Operating Costs	(625.1)	(638.5)	+2.1%	(212.2)	(206.4)	-2.7%
Total Costs	(1,137.9)	(1,181.1)	+3.8%	(370.9)	(375.9)	+1.3%
EBITDA	1,150.7	1,267.7	+10.2%	459.1	495.8	+8.0%

In 9M23 the Group delivered revenues at € 2,448.8 million, +7.0% versus 9M22, and EBITDA at € 1,267.7 million, +10.2% versus 9M22. The EBITDA Margin was at 52%, up by 149 basis points compared to 9M22.

As expected, due to tough Y/Y comparison in the summer period, 3Q23 revenues reached € 871.7 million, +5.0% versus 3Q22. 3Q23 EBITDA was at € 495.8 million, +8.0% versus 3Q22, with EBITDA Margin at 57%, up by 156 basis points compared to 3Q22.

Nexi Group’s operating businesses delivered the following results in 9M23:

- **Merchant Solutions**, representing approximately 57% of Group's total revenues, reported revenues of € 1,390.7 million, +8.2% Y/Y. In 9M23, 13,708 million transactions were processed, +13.9% Y/Y, with value of processed transactions at € 611.6 billion, +8.6% Y/Y. Transactions value growth continued across the Group, primarily driven by international schemes, coupled with continued growth of number of terminals.

¹ 2022 and 2023 pro-forma normalised managerial data at constant FX and scope (for the M&A recently closed - i.e. ISP merchant book acquisition in Croatia).

In 3Q23, Merchant Solutions revenues reached € 504.3 million, +5.6% Y/Y impacted by Y/Y comparison on the wave of a strong 2022 summer period across geographies.

In Germany revenue grew +12.6% Y/Y in 9M23 and +7.6% Y/Y in 3Q23.

Acquiring volumes² increased mid-to-high single digit Y/Y in 3Q23 in all geographies, despite the above mentioned tough comparison especially in August and the overall macro weakness. Acquiring volumes grew in all consumption categories and in all segments during the 3Q23 and continued their solid y/y growth in September and October across geographies.

The main initiatives realized in Merchant Solutions during 9M23 include:

- ISVs partnership: around 40 new partnership wins in POS software solutions and vertical specialists in 3Q23, extending the overall partner base to 1,100+;
 - Extension of Group SME propositions across countries progressing incl. SoftPOS launch in Italy, SmartPay launched in Austria, new companion app in Nordics and new digital shop in DACH;
 - Announcement of strategic premium partnership at group level with key European e-commerce enablers (i.e., Shopware, Magento and Prestashop);
 - Extension of Group LAKA vertical propositions across countries progressing incl. new data-enabled insights suite released in Nordics, continued focus in evolving unattended capabilities for hospitality and EV charging.
- **Issuing Solutions**, representing approximately 32% of Group's total revenues, reported revenues of € 789.3 million, +6.9% Y/Y. In 9M23, 14,269 million transactions were processed, +11.5% Y/Y, with value of processed transactions at € 659.6 billion, +9.4% Y/Y. Transaction volumes showed a sustained growth versus last year, mainly driven by international schemes.
In 3Q23, Issuing Solutions reached € 272.8 million of revenues, +4.5% Y/Y. In particular, the quarterly performance has been affected by a not linear project phasing among quarters.
 - **Digital Banking Solutions**, representing approximately 11% of Group's total revenues, reported revenues of € 268.7 million, +1.3% Y/Y.
In 3Q23, Digital Banking Solutions reached € 94.6 million of revenues, +3.3% Y/Y, sustained by volume growth and positive commercial performance.

In 9M23, **Total Costs** were at € 1,181.1 million, up by 3.8% Y/Y thanks to operating leverage, cost control and synergies, partially offsetting inflationary pressure. In 3Q23 Total Costs were at € 375.9 million, +1.3% versus 3Q22.

As of September 30th 2023, the **Net Financial Debt** was down to € 5,348 million, while the Net Financial Debt / EBITDA ratio decreased at 3.1x, in line with plan. The pro-forma Net Financial Debt / EBITDA ratio including the run-rate synergies was at ~2.8x. The weighted

² 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.



average debt maturity is ~3.3 years with an average pre-tax cash cost of debt substantially stable at ~2.84%.

In 9M23 Group strategy execution and synergies' delivery progressed well, with further efficiencies and synergies expected on the back of Group integration.

Moreover, in the context of the portfolio rationalization and simplification announced at the Capital Markets Day, today Nexi signed the disposal of the Nordic eID business to IN Groupe - a leading global identity and secure digital services provider - for up to € 127.5 million³, of which € 90 million of upfront consideration and up to € 37.5 million of earn-outs subject to the achievement of certain financial targets. This business, already classified as "asset held for sale" from 2023, provides digital identity solutions in the Nordics to Banks, Corporates and public sector and is expected to generate c. € 11 million⁴ run-rate EBITDA in 2023. The closing is expected by the summer 2024, subject to several closing conditions including, *inter alia*, regulatory approval in Denmark.

Nexi confirms the 2023 Guidance:

- **Net revenues:** more than 7% Y/Y growth;
- **EBITDA:** more than 10% Y/Y growth;
- **Excess cash generation:** at least € 600 million⁵;
- **Net leverage:** ~2.9x EBITDA (~2.6x EBITDA incl. run-rate synergies);
- **Normalised EPS:** more than 10% Y/Y growth.

* * *

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..

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Disclaimer: This is the English translation of the original Italian press release "Approvati i risultati finanziari di Gruppo al 30 settembre 2023". 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.

³ Not included in Capital Markets Day targets.

⁴ Managerial data.

⁵ Gross of c.100€M deferred taxes in 2023.

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
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