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# 1Q24 Results Presentation

May 9th, 2024

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# Key messages

## Continued delivery of growth and margin expansion

- **Revenue** growing at **+6.0%** vs 1Q23; **Merchant Solutions** revenue up **+6.8%** vs 1Q23, with eCommerce increasing double-digit
- **EBITDA** growing at **+8.6%** vs 1Q23 with **~112 bps EBITDA margin expansion y/y**

## Shaping Nexi for future profitable growth

- **Group strategy execution progressing well**
- Increasing focus on our **payments software integration strategy execution**, based on partnering with best-in-class local ISVs
- **Accelerating efficiency and cost synergies delivery** on the back of **Group integration**

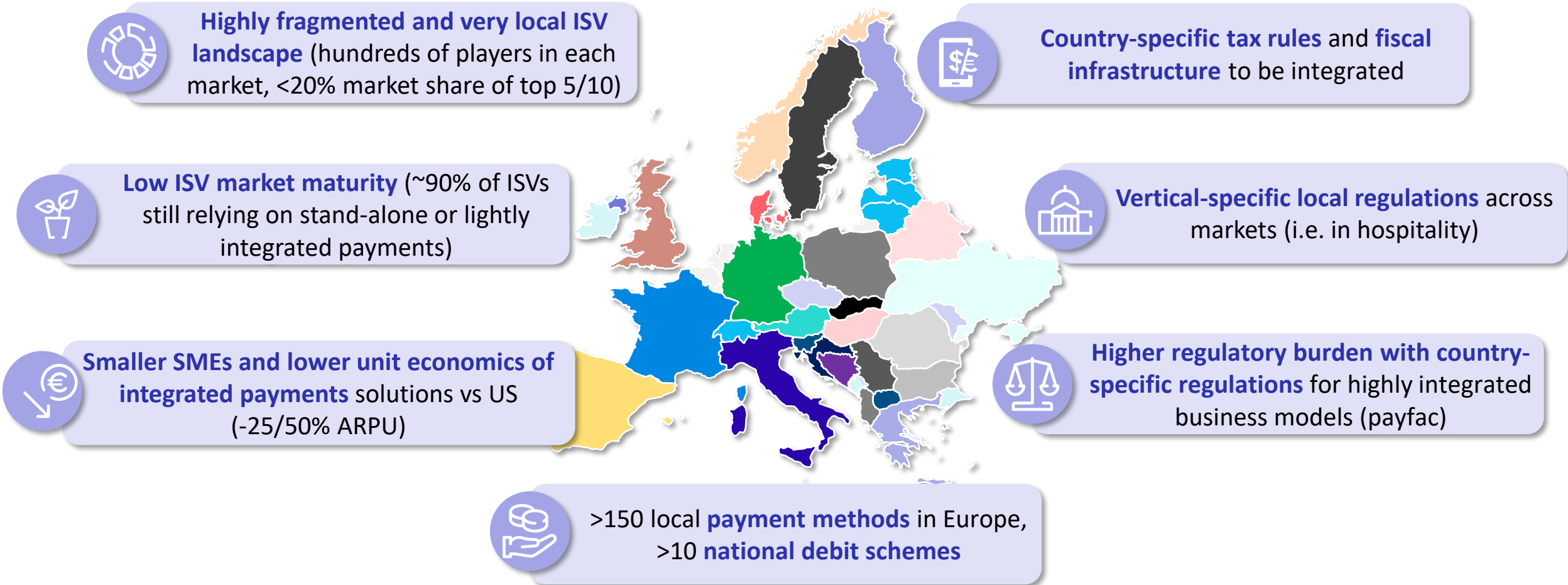
## Creating value for our Shareholders

- **Starting 500 €M share buy back program on May 9<sup>th</sup>, 2024**
- **Net leverage down at 2.8x EBITDA** at the end of 1Q24
- **Confirmed ~1.3 €B 2024-25 debt maturities to be fully paid down with existing cash**, of which **~220 €M already reimbursed** in April 2024

## 2024 Guidance confirmed

- **Revenues:** mid-single digit y/y growth
- **EBITDA:** mid-to-high single digit y/y growth
- **Excess cash:** more than 700 €M

# Highly fragmented and local SME software and payments integration ecosystem in Europe



*Payments-software integration is happening in Europe  
but at a **lower speed** and with **different dynamics** than in the US*

# Nexi Strategy to make integrated payments in SME an opportunity



## Be the “partner of choice” for ISVs

- Provide **Nexi payments solutions to local ISV leaders in key verticals** to be integrated/bundled with their software solutions
- Distribution via **ISV partners’ channels**
- **Flexible business models** for ISVs of all **size and maturity**, including “**smart pay-fac**” for larger/more sophisticated ISVs
- **Digital integration platform** enabling **Nexi-ISV-Merchant CRM**, frictionless **onboarding** and merchants and partners **fidelization**
- Developing dedicated **partner program** to boost ISVs integrated solutions go-to-market



## Bundle Nexi integrated “Commerce” solutions

- Bundle selected **best-in-class POS software solutions from preferred local ISV partners** with Nexi payments solutions
- Distribution via **Nexi channels**
- Starting with **basic core solutions for retail**, expanding over time into selected key verticals
- Merchant **value increase +50%-100%** vs stand-alone payments solutions

## Leverage Orderbird for learning and development

- Leading **SME hospitality / Ho.Re.Ca. POS software provider** in Germany, fully owned by Nexi
- Integrated Payment-software propositions distributed by both **Nexi and Orderbird channels**
- **Full integration on Nexi digital platform**, with **co-development** of capabilities
- Option to expand into **new verticals** and/or **new markets**

# Strategy in execution: a few examples



Be the “partner of choice” for ISVs



> 500 ISV partners over 8 markets



Bundle Nexi integrated “Commerce” solutions



All-in-one solutions in Denmark

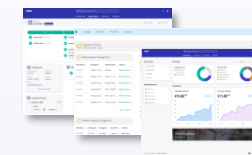
Leverage Orderbird for learning and development



PRO hospitality POS



MINI all-in-one



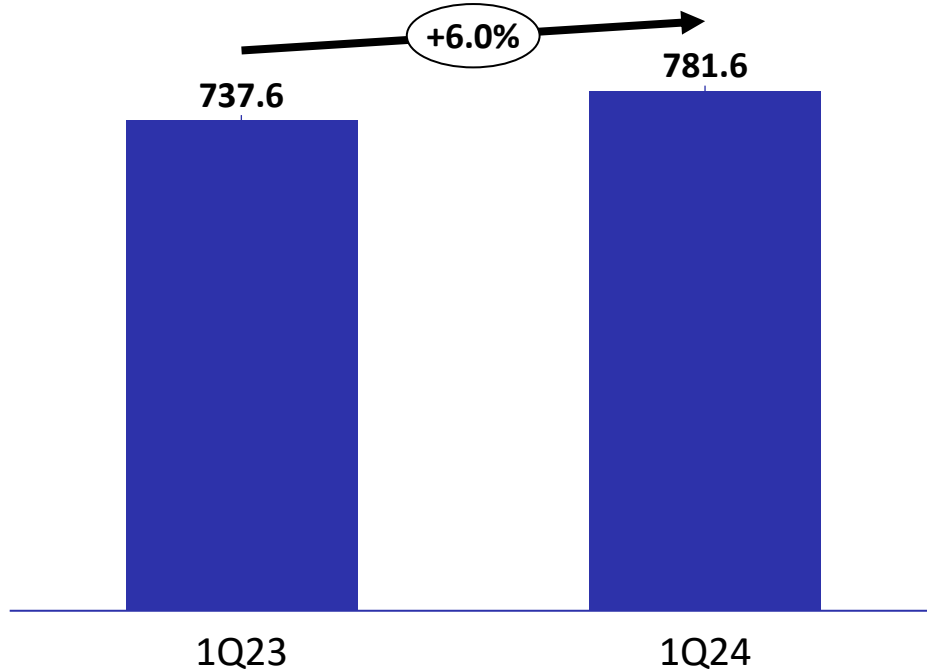
Nexi digital integration platform

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**Focus on 1Q24 results**

# Solid Revenue and EBITDA growth, with continued margin expansion

## Net Revenues (€M)



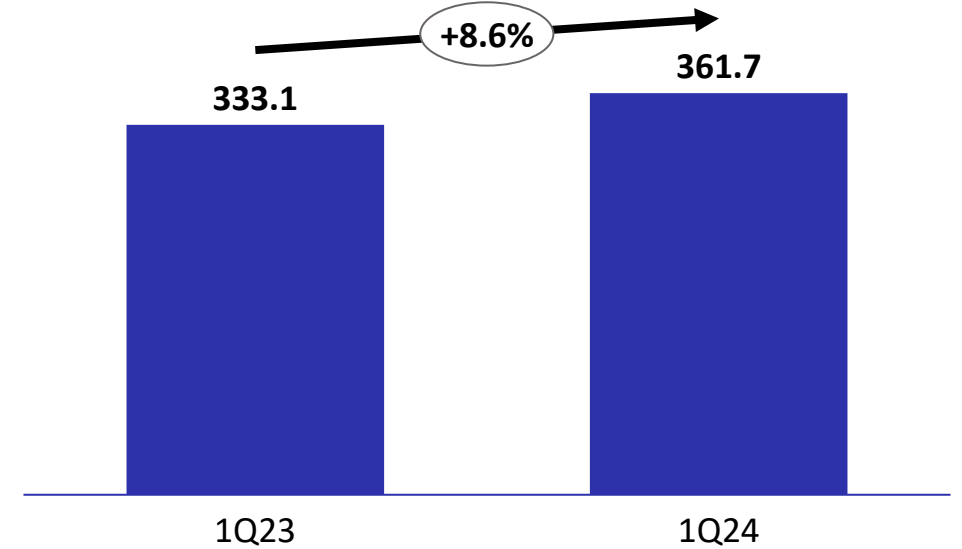
## EBITDA (€M)

EBITDA margin

45%

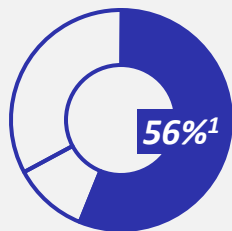
+ 112 bps

46%





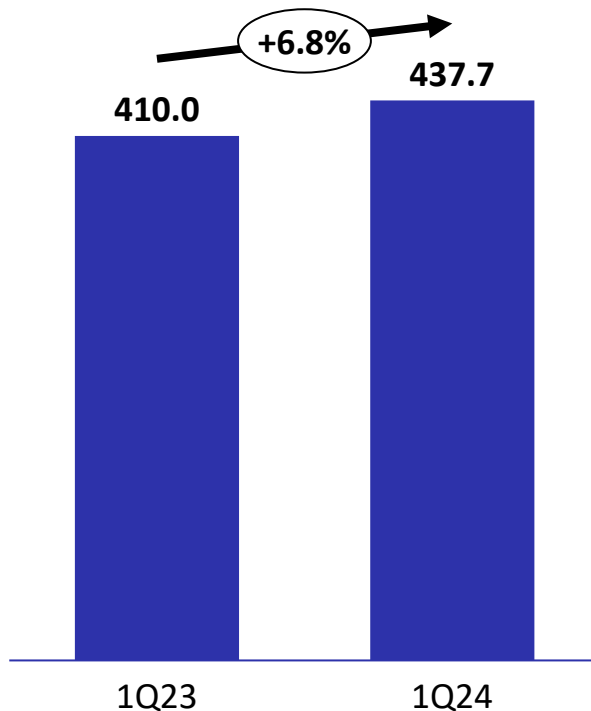
# Merchant Solutions: continued growth supported by volumes, customer base expansion and e-commerce



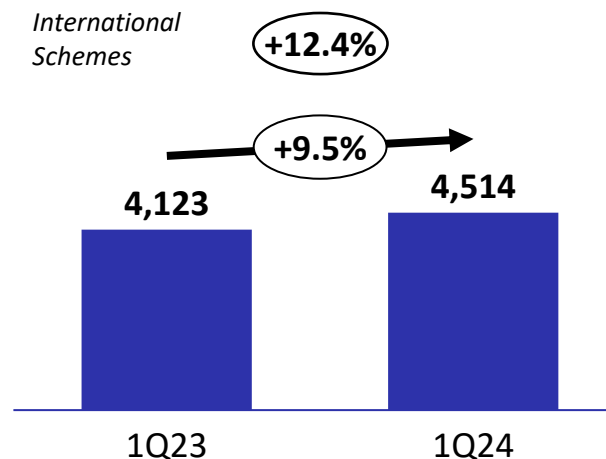
Merchant Solutions



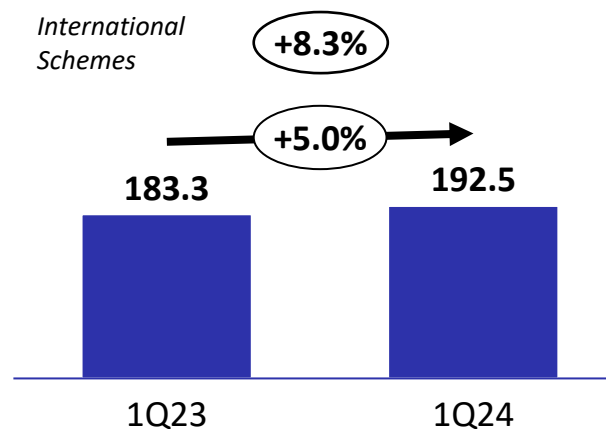
## Net Revenues (€M)



## Managed Transactions (#M)



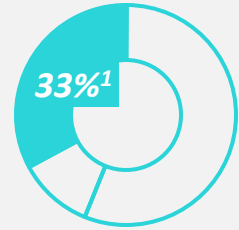
## Value of Managed Transactions (€B)



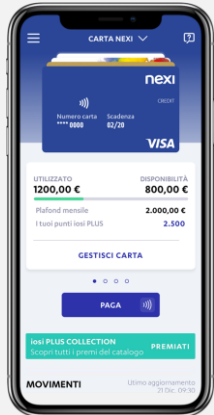
## Key Highlights

- Sustained volume growth across the Group, driven by International schemes
- Continued international schemes sales volume growth in all geographies, with DACH growing double-digit and Italy high single-digit
- Continued SMEs volume growth driven by customer base<sup>2</sup> expansion particularly strong in Italy and DACH
- Double digit y/y revenue growth in E-commerce driven by accelerated customer base growth and volume growth

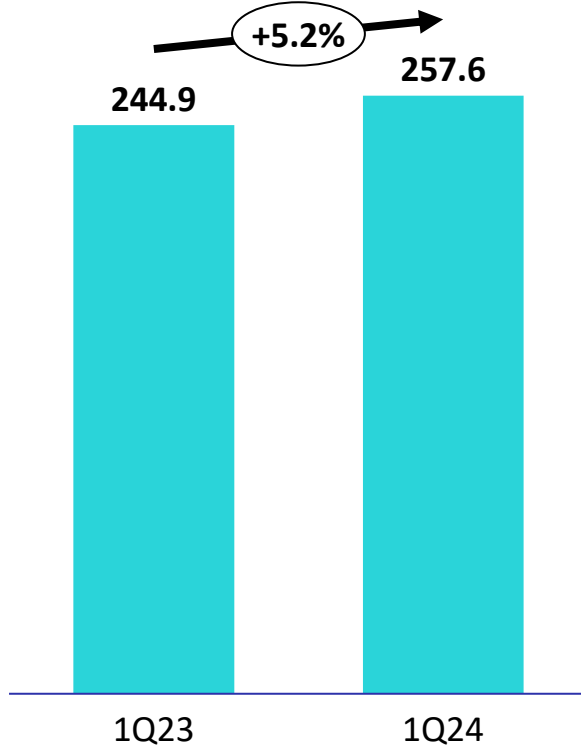
# Issuing Solutions: strong growth driven by volumes and product initiatives



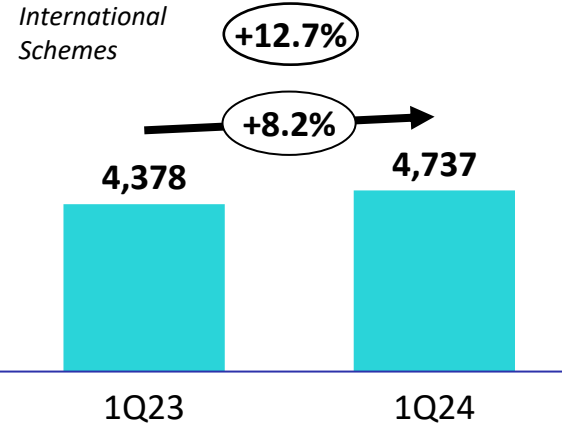
## Issuing Solutions



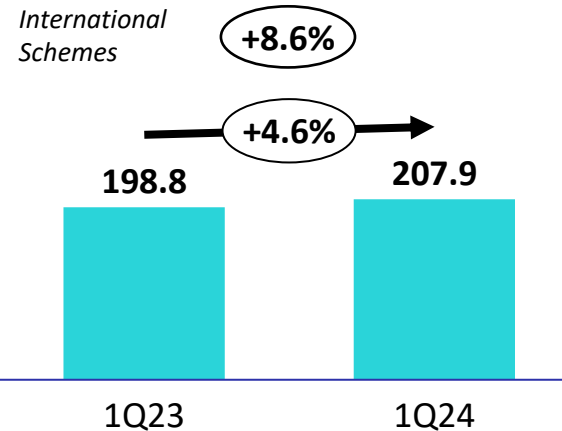
### Net Revenues (€M)



### Managed Transactions (#M)



### Value of Managed Transactions (€B)



### Key Highlights

- Sustained growth in value of transactions across the Group, driven by International schemes
- Revenue growth supported by performance in Italy benefitting from acceleration of international debit
- Continued up-selling / cross-selling of VAS and more valuable propositions. Progressing development of Advanced Digital Issuing solutions (e.g. CVM)
- FY24 y/y revenue growth expected to be impacted by strong non-recurring contribution from project work realized in 2023 from 2Q

# Digital Banking Solutions: positive performance in the quarter sustained by volume growth and phasing of initiatives

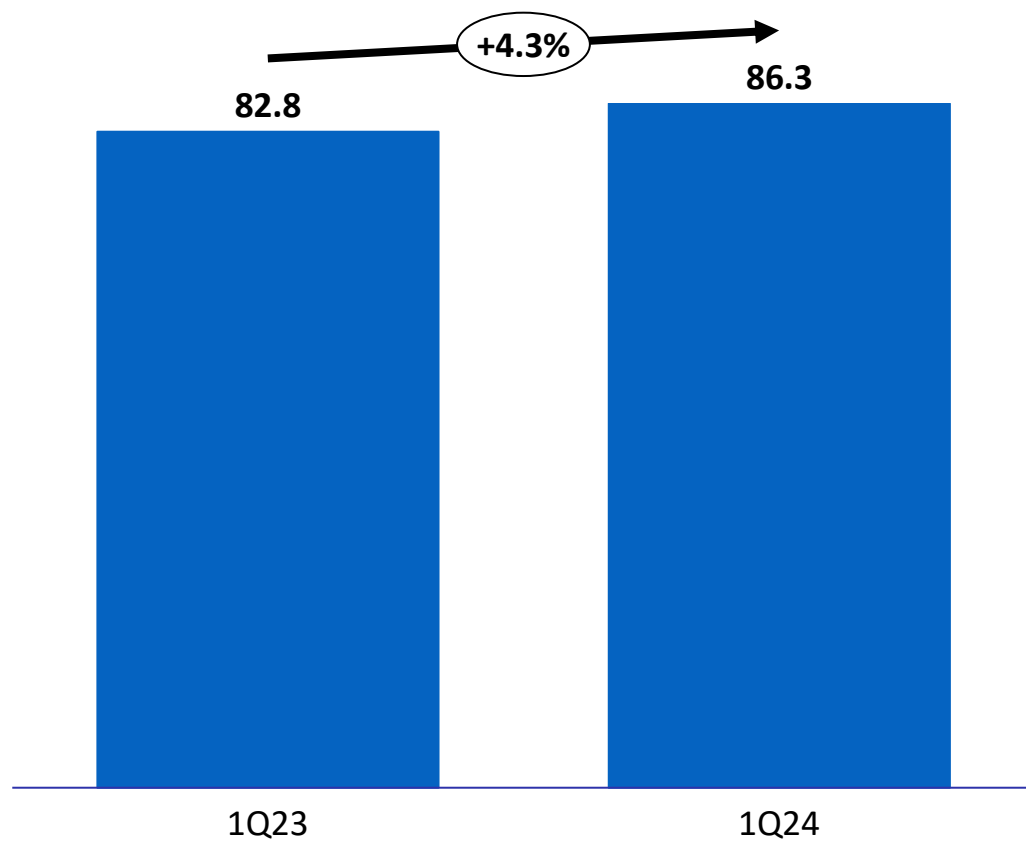


11%<sup>1</sup>

Digital Banking Solutions



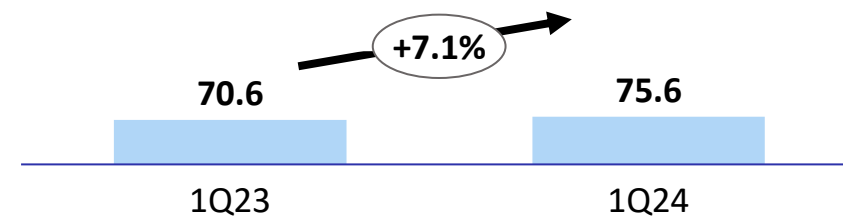
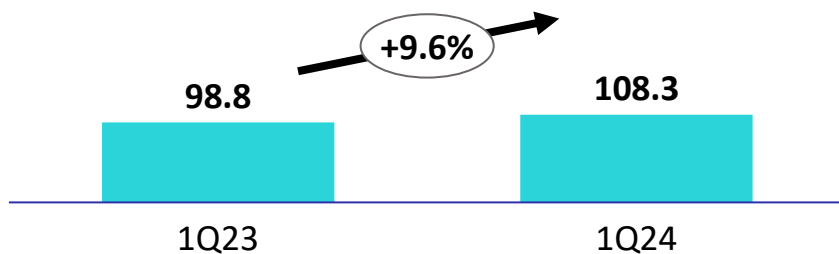
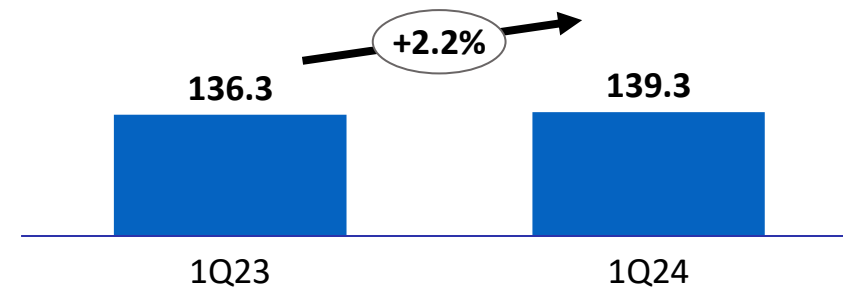
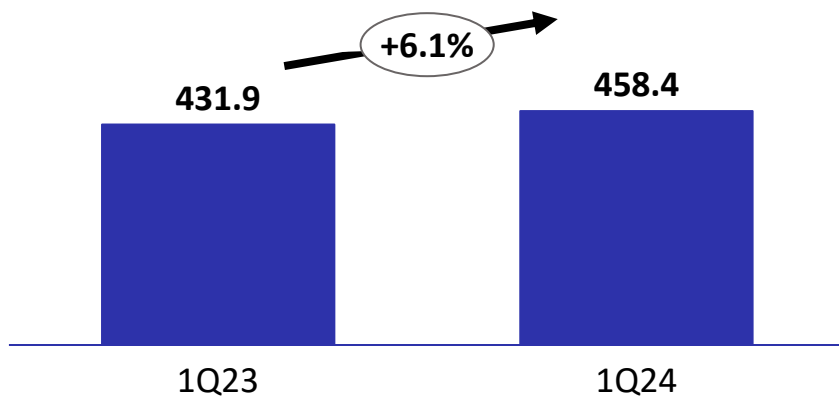
## Net Revenues (€M)



## Key Highlights

- **1Q24 y/y** revenues growth sustained by **continued volume growth** and positive impact from **new initiatives**
- **Payments Infrastructures:**
  - strong volumes growth on EBA Clearing and Network Services, also supported by new projects
  - new pan-European antifraud solution for EBA CLEARING's SEPA credit transfers and Instant payments (FPAD) now launched
- **Digital Corporate & Open Banking:** good volumes growth on Open Banking and contribution from new initiatives

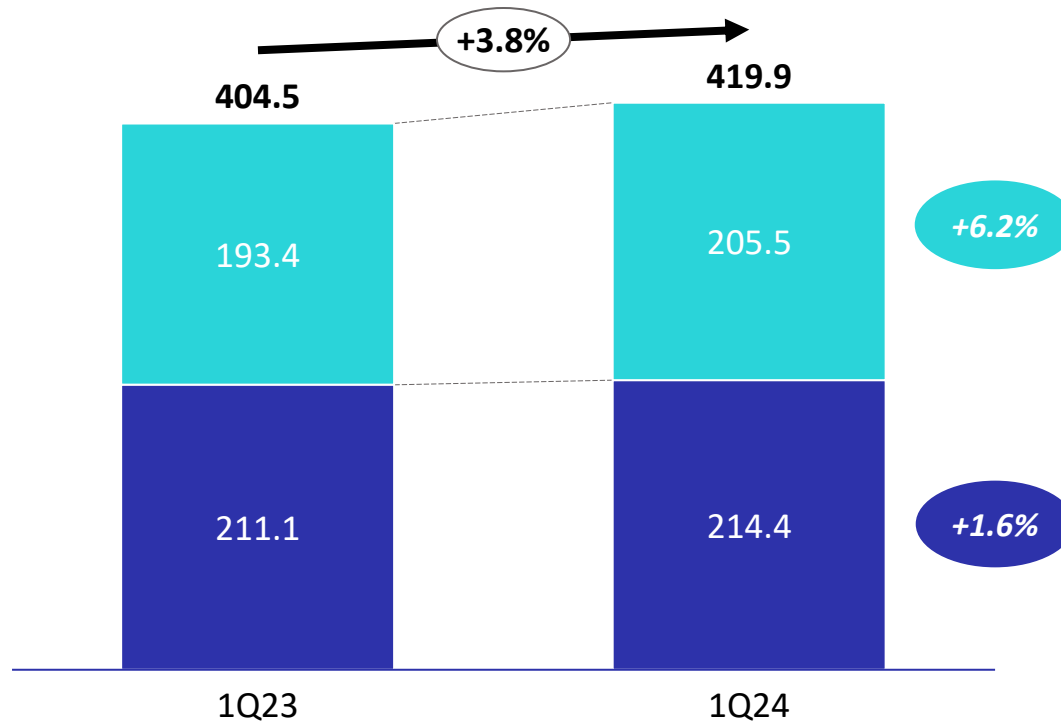
# Continued revenue growth across geographies in 1Q24



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

## Total Costs (€M)

- Personnel Costs
- Operating Costs



## Key Highlights

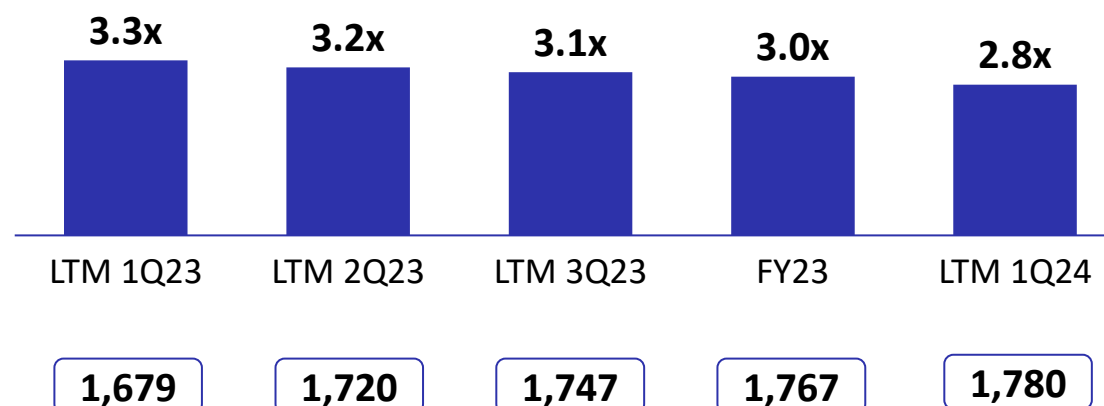
- **1Q24 increase y/y** due to volume, business growth and inflationary pressure:
  - **Personnel costs** trend mainly driven by people investments in high-growth areas and inflation (e.g. Italian collective labour agreement renegotiation)
  - **Operating costs** benefitting from costs efficiencies and delivery of synergies as well as some phasing effects despite volume growth and inflationary pressure

# Material reduction of Net Financial Debt / EBITDA, now at 2.8x

## Net Financial Debt (€M)

	Mar 23	June 23	Sept 23	Dec 23	Mar 24
<b>Gross Financial Debt</b>	7,175	7,211	7,228	7,215	7,210
<b>Cash</b>	1,565	1,692	1,833	1,889	2,104
<b>Cash Equivalents<sup>1</sup></b>	92	97	47	64	71
<b>Net Financial Debt</b>	<b>5,518</b>	<b>5,422</b>	<b>5,348</b>	<b>5,262</b>	<b>5,035</b>

## Net Financial Debt / EBITDA (€M)

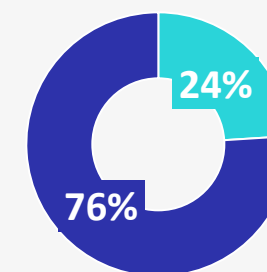


## Key Highlights

- Overall “BB+/Ba1” rating (with positive outlook from S&P’s, confirmed after FY23 results), with a remarkable positive rating trajectory since 2022 (6 rating upgrades in a row, 3 of which last year) reflecting our continued sound performance as well as our strengthened financial profile
- 219.6 €M Nassa Topco notes fully repaid at maturity in April 2024 using already available cash (next maturities: ~536 €M in 4Q24 and ~507 €M in 2025)
- Weighted average debt maturity of ~2.8 years and average pre-tax cash cost of debt stable at ~2.86%<sup>3</sup>

## Interest rate mix<sup>3</sup>

- Floating rate (zero-floored)
- Fixed rate



# 500 €M share buy-back program launched

## Strategic rationale

- **Our substantial existing cash balances and material current and expected cash generation growth create the opportunity to start returning capital to Shareholders in 2024**, while continuing to support deleveraging and limited expected future M&A activity
- Management and Board believe that the **current share price does not reflect the full value of its business and outlook** and that a **share buy-back offers the most effective value creating opportunity** for our shareholders to deploy our excess cash
- **500 €M share buy-back program approved by the Shareholders Meeting on April 30<sup>th</sup>** (equal to ~15% free float<sup>1</sup>)
- In the longer term **we plan to continue to allocate a material portion of excess capital to shareholders** either through further share buy-back programs or dividends **depending on overall market conditions**

## Key terms and next steps

- **Amount: up to 500 €M** buy-back program
- **Start date: May 9<sup>th</sup>, 2024**
- **Duration: by 18 months** from the Shareholders' Meeting approval on April 30<sup>th</sup>
- **Shares bought back will be cancelled**



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Closing remarks



## 2024 Guidance confirmed

**Net  
Revenues**

Mid-single digit y/y growth

**EBITDA**

Mid-to-high single digit y/y growth  
EBITDA margin expansion of 100bps+

**Excess cash  
generated<sup>1</sup>**

More than 700 €M

**Net leverage**

Decreasing to below 2.9x EBITDA including announced M&A and share buy-back effects (~2.6x on organic basis)

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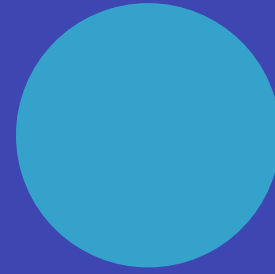
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Q&A

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Annex



# Merchant Solutions: key business update

## 1Q24 TRX Value Key Business Highlights

59%<sup>1</sup>

SME

**+8%**  
vs. 1Q23

- Continued growth of terminals installed base across all markets, mainly driven by Italy and DACH
- Strong commercial performance of advanced digital propositions, especially in Italy and Germany. Accelerating VAS up-selling (i.e. Merchant Financing in Nordics)
- “Direct channels” rapidly ramping up in Italy, already close to 200 sales specialists and agents at the end of April
- Continued progress on integrated payments, with new ISVs wins across Nordics and DACH on eCR and SaaS providers. Sales of partner eCR solutions through Nexi channels being extended to Norway on top of Denmark and Germany
- Continued progress on advanced SME digital propositions roll-out, with SmartPOS being launched in Nordics, SmartPay piloting Switzerland

11%<sup>1</sup>

eCom

**+8%**  
vs. 1Q23

- Continued customer base growth across the Group, particularly in Poland, Italy and Nordics
- Strong focus on mid-market across geographies within various key verticals
- Extended partnership across Nordics and DACH with 4 new partnership signed in the quarter, of which two new ISVs in Finland and Germany, one new partner web Agency and one online quality assurance in Denmark
- Signed flagship premium partnership at Group level with WIX with one agreement across Group allowing SMEs merchants to enable eCom after the POS purchase. Additional partnership signed in DACH with Shopando

13%<sup>1</sup>

LAKA

**+5%**  
vs. 1Q23

- Strong pipeline of new wins and cross selling across markets and verticals (retail, grocery, financial services, smart mobility) also against digital native competitors
- Omnichannel retail solution in Germany with positive commercial traction, also leveraging Computop partnership
- Continued proposition focus on new store formats, also through key partnerships such as Shopreme (for self checkout solutions)

### Examples of recent customer wins & upsells



### ISVs/Platforms Partnerships



## Group normalised P&L at constant scope and FX

### 1Q23 data restated for FX

€M	1Q23	FX effect	1Q23 <sup>1</sup>
Merchant Solutions	412.5	-2.5	410.0
Issuing Solutions	246.5	-1.6	244.9
Digital Banking Solutions	82.8	0.0	82.8
<b>Operating revenue</b>	<b>741.7</b>	<b>-4.1</b>	<b>737.6</b>
Personnel Costs	(193.7)	0.3	(193.4)
Operating Costs	(212.3)	1.2	(211.1)
<b>Total Costs</b>	<b>(406.0)</b>	<b>1.5</b>	<b>(404.5)</b>
<b>EBITDA</b>	<b>335.7</b>	<b>-2.6</b>	<b>333.1</b>

### Group P&L

€M	1Q23 <sup>1</sup>	1Q24	Δ% vs. 1Q23
Merchant Solutions	410.0	437.7	+6.8%
Issuing Solutions	244.9	257.6	+5.2%
Digital Banking Solutions	82.8	86.3	+4.3%
<b>Operating revenue</b>	<b>737.6</b>	<b>781.6</b>	<b>+6.0%</b>
Personnel Costs	(193.4)	(205.5)	+6.2%
Operating Costs	(211.1)	(214.4)	+1.6%
<b>Total Costs</b>	<b>(404.5)</b>	<b>(419.9)</b>	<b>+3.8%</b>
<b>EBITDA</b>	<b>333.1</b>	<b>361.7</b>	<b>+8.6%</b>

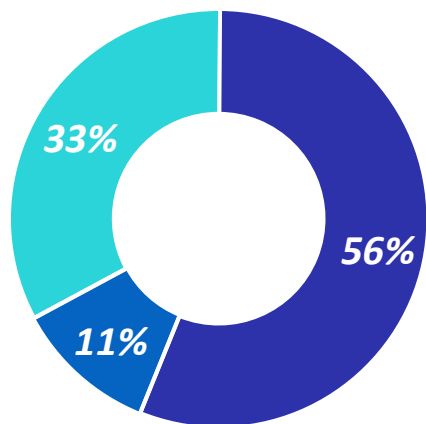
# Well diversified revenue base both in terms of business and geography at scale, with exposure to fast growing European markets

## 1Q24 Revenues breakdown

## 1Q24 Costs breakdown by type

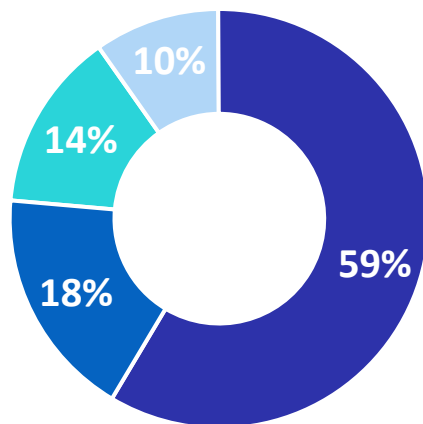
### By business

- Merchant Solutions
- Issuing Solutions
- Digital Banking Solutions



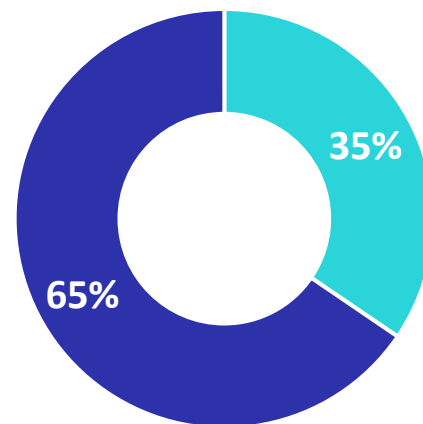
### By geography

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

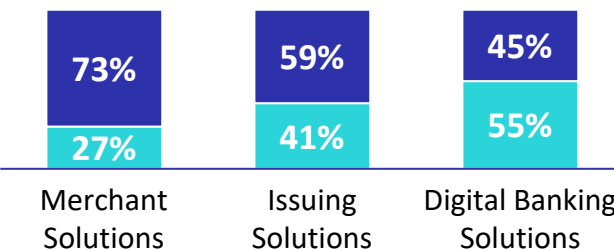
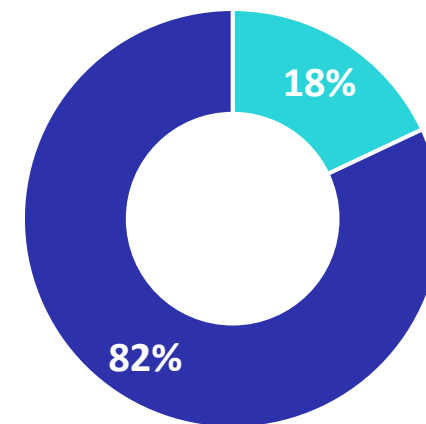


### By type

- Installed based
- Volume driven



- Variable costs
- Fixed Costs



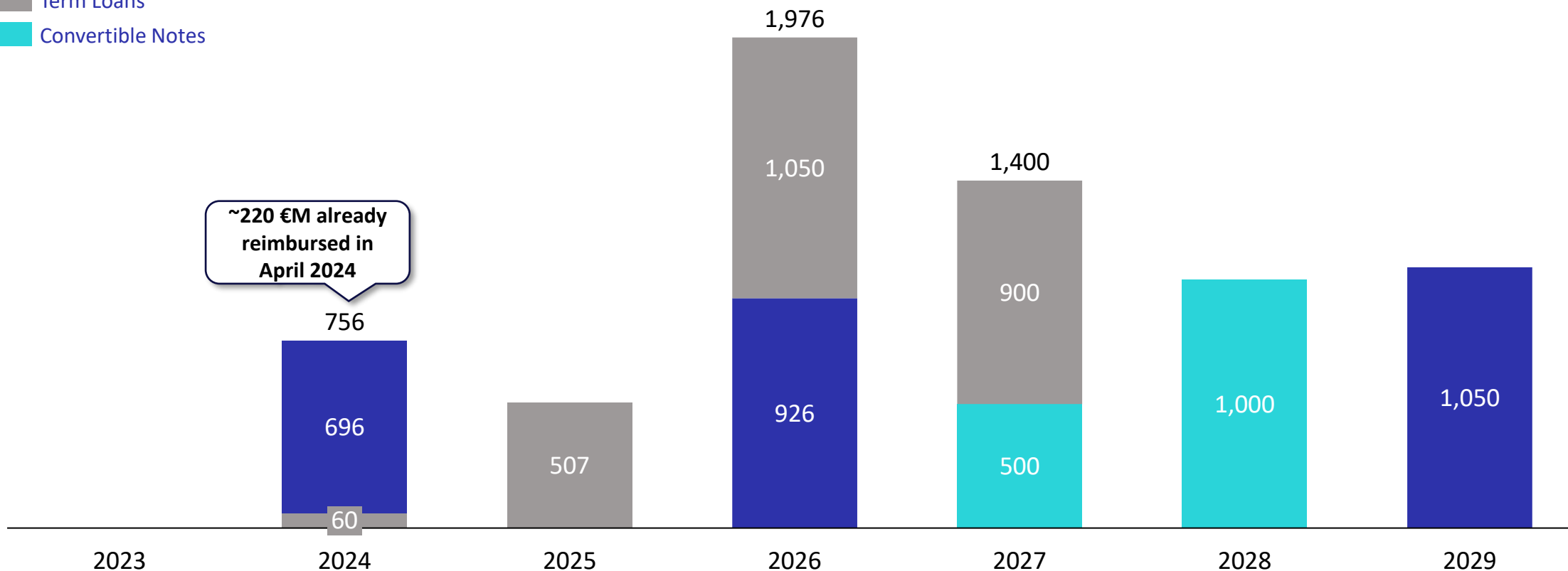
# Debt maturities as at 1Q24

## Nexi Group Debt Maturity Schedule<sup>1</sup> (€M)

Senior Notes

Term Loans

Convertible Notes







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## **Investor Relations**

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