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9M24 Results Presentation

November 8th, 2024

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Key messages

Continued delivery of growth and margin expansion

- Revenues growing at **+5.6%** vs 9M23, with **Merchant Solutions** revenues up **+6.9%** vs 9M23
- **EBITDA** growing at **+7.3%** vs 9M23 with **~82 bps EBITDA margin expansion y/y**

Shaping Nexi for future profitable growth

- **Group strategy execution progressing well**
- **MS revenue growth** benefitting from **structural growth drivers**, with **customer base value growth accelerated** by advanced solutions and VAS up- and cross-selling focus
- **Accelerating efficiency and cost synergies delivery** on the back of **Group integration**

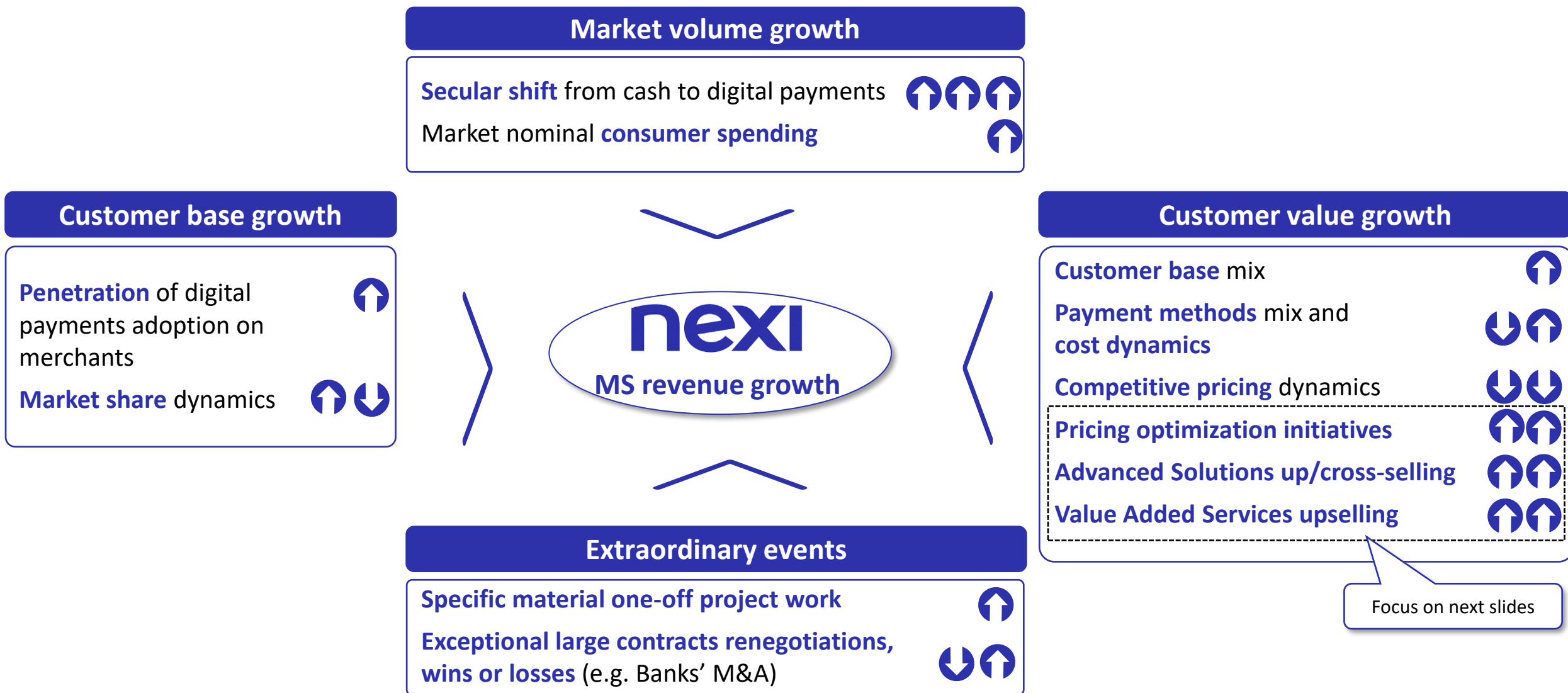
Creating value for our Shareholders

- **~700 €M debt maturities reimbursed** as of October 2024. Confirmed overall **~1.3 €B 2024-25 maturities to be fully paid down with existing cash**
- **500 €M share buy back program accelerated and completed in September 2024.** 82,947,413 total treasury shares cancelled¹
- **Leverage ratio broadly stable at 2.8x**, despite full share buy back impact
- **Nordic eID business disposal closed** on October 31st, 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

Merchant Solutions revenue growth: secular structural drivers supporting long term growth, accelerated by specific customer base value enhancing initiatives



Pricing optimization initiatives: continuous focus to increase customer base value

Customer base management

- Continuous **optimization of pricing on specific customer base segments**
- Focus on **low** and **negative profitability customers**
- Adjustments to **payment methods cost increases** and/or **mix shifts**
- Adjustments to **competitive dynamics**

Examples:

- **Low margin customers price optimization** contributing to **+3% MS net revenue growth** in **Switzerland**
- **Adjustments to payment methods cost/mix changes** contributing to **+15% MS net revenue growth** in **Greece**

New offers (SME focus)

- **Simplified blended flat fees** for national and international schemes
- **All-in bundle acceptance propositions** including terminal, acquiring and VAS
- **Combining higher attractiveness / satisfaction** for merchants (value of simplicity) and **higher margin for Nexi**

Examples:

- **Smart Pay blended pricing in Germany** driving up to **+30% merchant value**
- **All-in bundles** representing **70% of frontbook** at **SmartPOS launch in Finland**

Advanced solutions up/cross selling: multiple opportunities for value growth

RELEVANCE / IMPACT
SHORT-TERM LONG-TERM

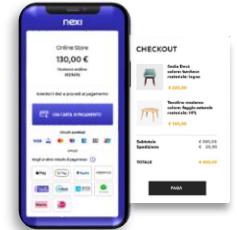
**INTEGRATED
 COMMERCE
 SOLUTIONS**
*Covered in 1Q24
 results presentation*

- **Bundling of digital eCR/store management software with Nexi integrated payments solutions**, distributed also via Nexi channels
- Optionality to move from **basic horizontal solutions to vertical specific, advanced solutions**



**ECOMMERCE /
 OMNICHANNEL
 SOLUTIONS**

- **Cross-selling of e-commerce and omni-channel solutions** to multiple in-store merchants' segments
- **Upselling of advanced e-commerce checkout acceptance solutions** on legacy gateways and acquiring customers
- **Upselling of new APMs acceptance**



**ADVANCED
 TERMINAL
 SOLUTIONS**

- **Cross-selling terminals** to acquiring-only merchants
- **Upselling to next gen terminals** (e.g. SmartPOS)
- **Cross-selling of additional acceptance devices/solutions for extended customer experience** (e.g. SoftPOS / Tap-to-Pay)



Value Added Services upselling: multiple opportunities for value growth

DCC – Dynamic Currency Conversion

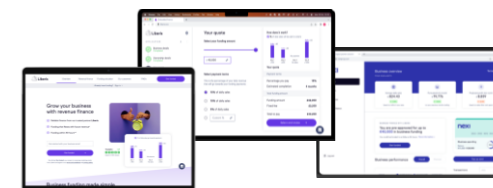
- **Natively integrated with in-store checkout experience**, allows transactions in card native currency at premium price for payers
- **Potential for increasing penetration** in highly turistic economies (Italy, Greece, Switzerland,..) and in non-euro countries (Nordics, Poland,...)
- **Relevant for customer value growth** but also attractive to merchants for boosting their revenues



+15/20% merchant average value

Merchant Financing

- **Embedded-finance powered SME lending**, secured against merchants' cash-in flows
- Fully integrated with Nexi **companion digital** properties
- **Deployed in partnership with specialized financial providers**, bearing funding and credit risk
- **Highly strategic for value creation** but also for **merchant satisfaction and stickiness**
- **Live in in Nordics, Germany and Poland**; roll-out to **Italy and Switzerland in 2025**



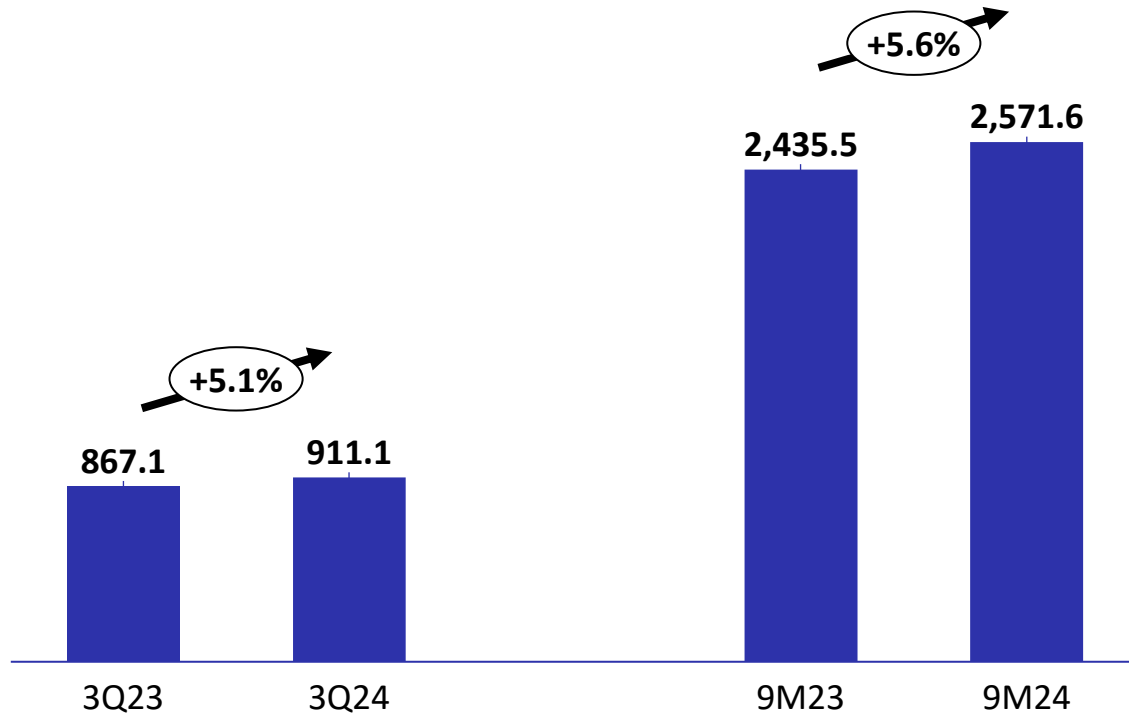
+50/100% merchant average value
90+ NPS on Nexi financing product/experience

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Focus on 9M24 results

Solid Revenue and EBITDA growth, with continued margin expansion

Net Revenues (€M)



EBITDA (€M)

EBITDA margin

57%

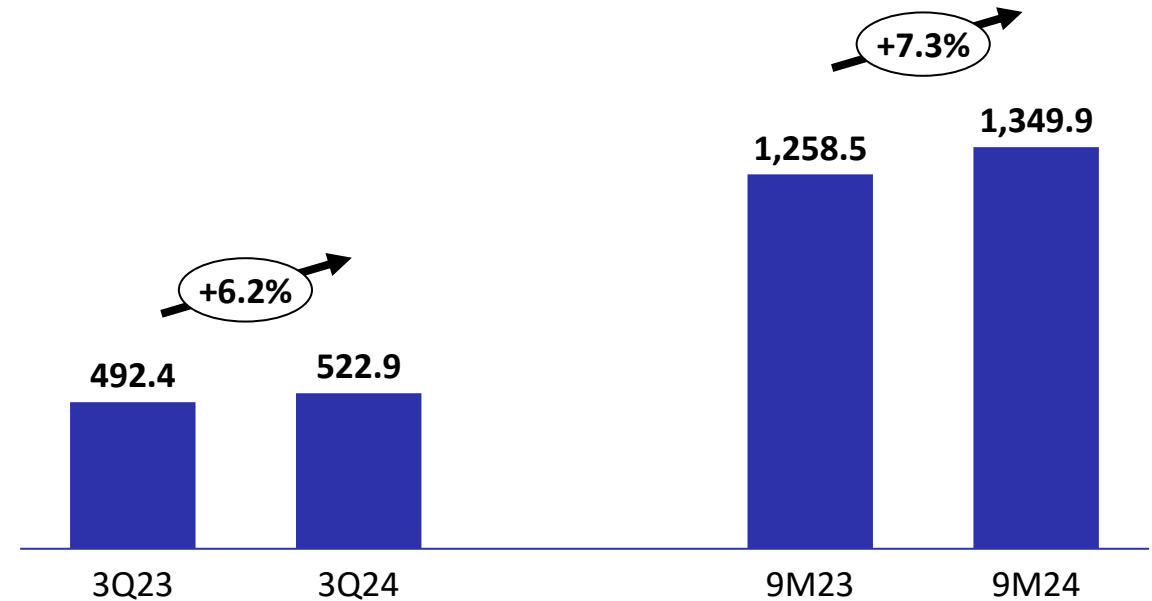
57%

52%

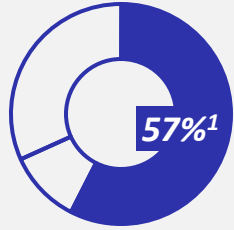
52%

+ 60 bps

+ 82 bps



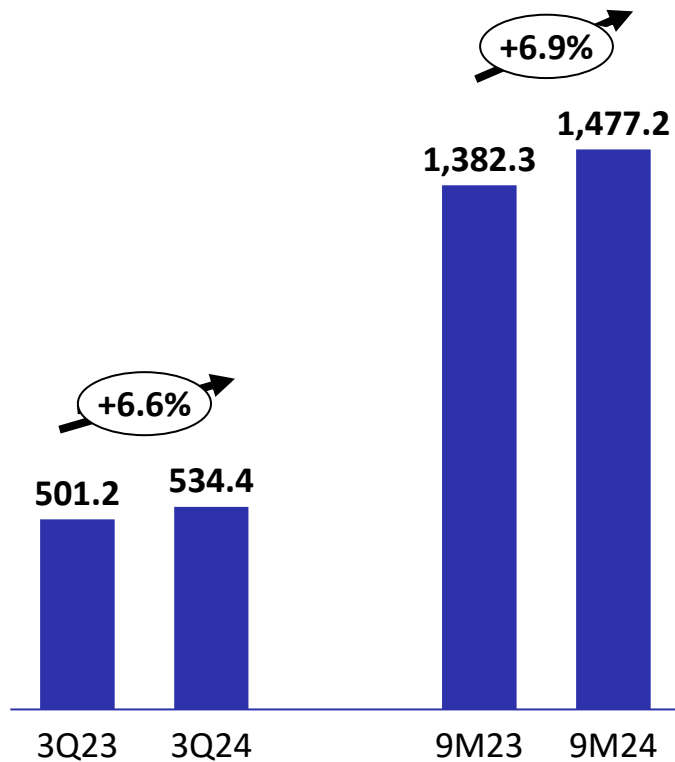
Merchant Solutions: continued growth supported by volumes, customer base growth and value enhancing initiatives



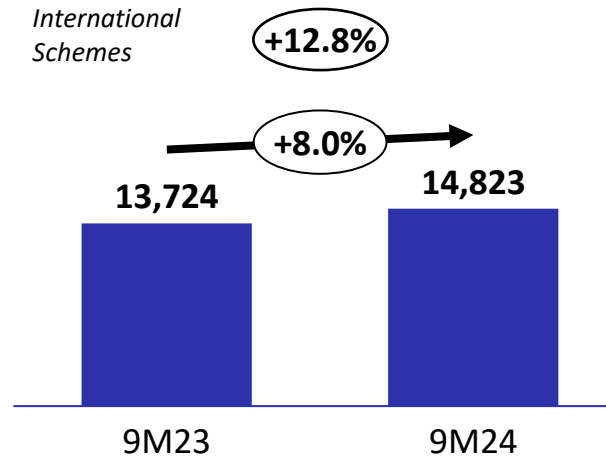
Merchant Solutions



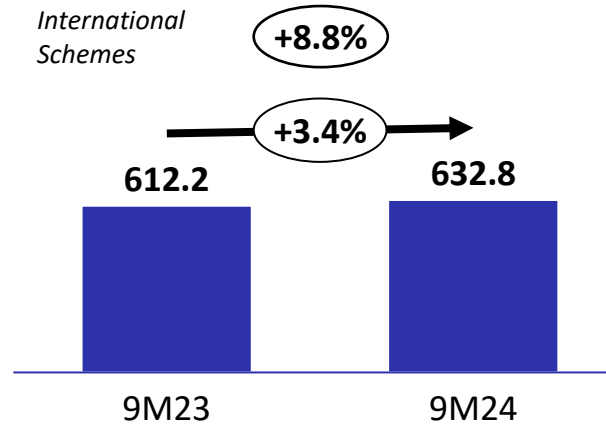
Net Revenues (€M)



Managed Transactions (#M)



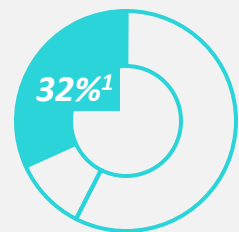
Value of Managed Transactions (€B)



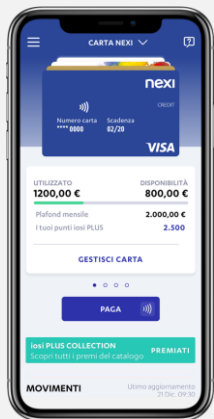
Key Highlights

- Sustained volume growth across the Group, driven by International schemes
- Continued international schemes sales volume growth, especially in Italy, DACH and Poland, while total volume growth still impacted by lower margin national schemes volumes
- Continued SMEs volume growth driven by customer base² expansion, particularly strong in Italy, DACH and Denmark
- Continued strong growth of E-commerce customer base and volumes
- Visible contribution from VAS upselling (i.e. DCC and merchant financing)

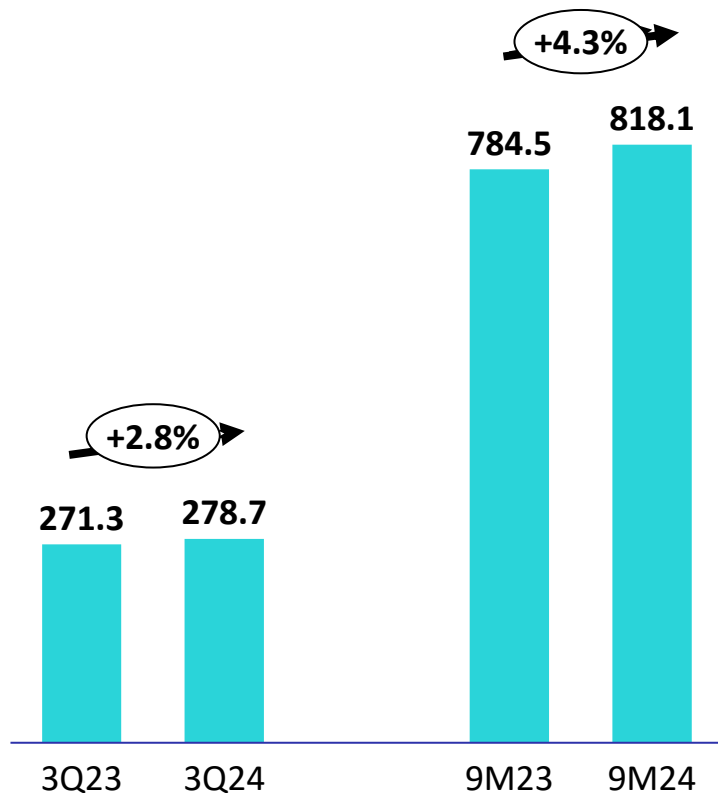
Issuing Solutions: continued growth supported by international schemes despite lower contribution from project work



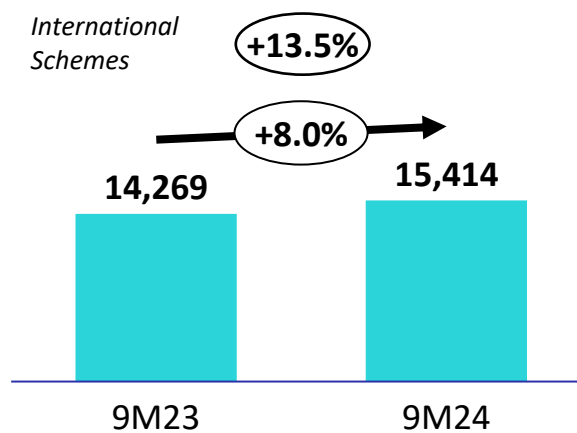
Issuing Solutions



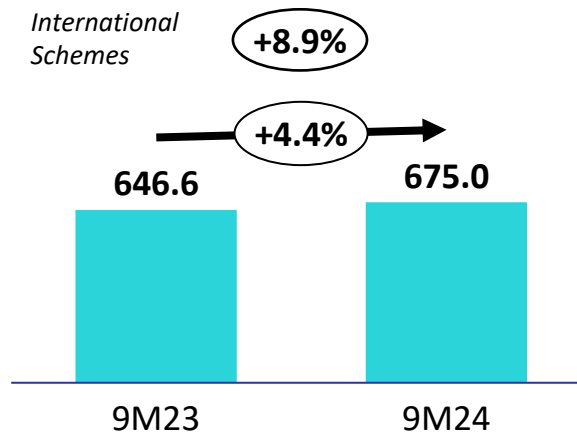
Net Revenues (€M)



Managed Transactions (#M)



Value of Managed Transactions (€B)



Key Highlights

- Continued growth in managed transactions and value of transactions across the Group, driven by International schemes
- 3Q24 y/y revenue growth impacted by anticipation of specific projects and initiatives in 2Q24, as anticipated. 4Q24 y/y revenue growth expected to be impacted by higher than usual non-recurring project-related revenues in 2023, as anticipated
- Continued success of international debit in Italy
- Continued up-selling / cross-selling of VAS and more valuable propositions. Progressing development of Advanced Digital Issuing solutions (e.g. CVM)

Digital Banking Solutions: continued revenue growth thanks to volumes and business development initiatives



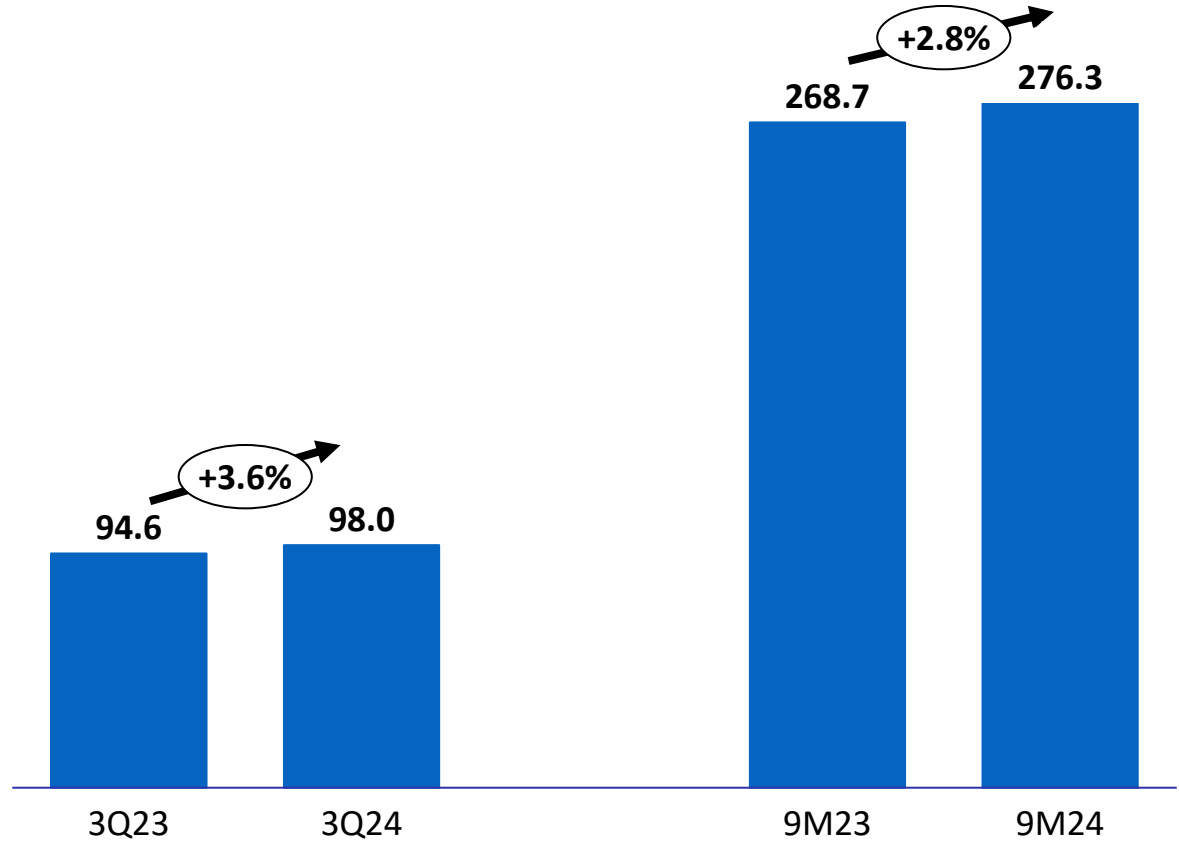
11%¹

Digital Banking Solutions

CBI GLOBE



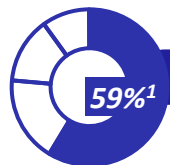
Net Revenues (€M)



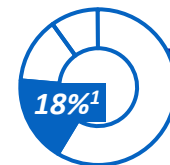
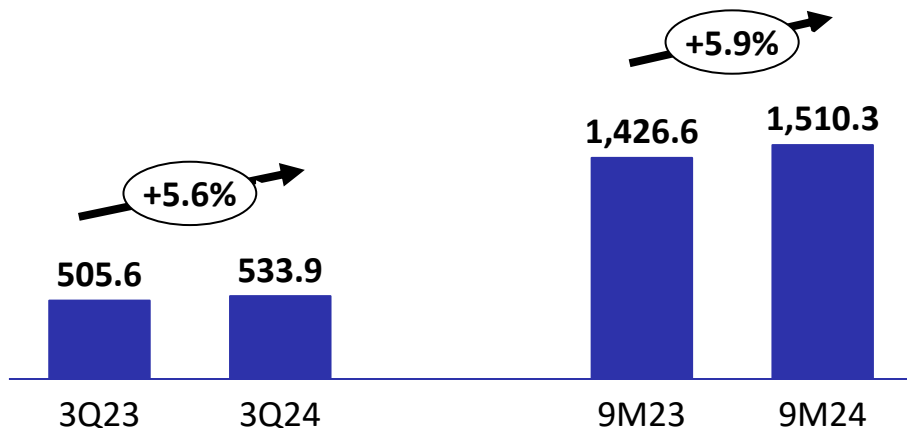
Key Highlights

- **Continued revenue growth thanks to volumes and business development initiatives**, with extra-support in the quarter from phasing of project activities
- **Instant Payments:** continued volume growth and positive impacts on EBA clearing, Banks Payments Hub PaaS and Network services from Instant Payments new regulation
- **Digital Corporate & Open Banking:** good progress on the new Digital Corporate Banking platform in partnership with Engineering Group

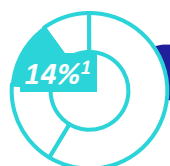
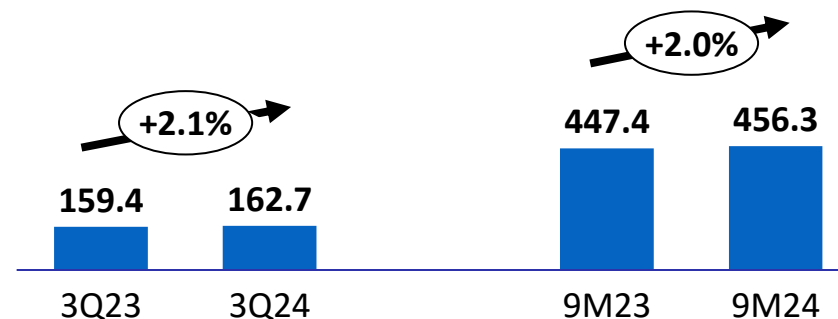
Continued revenue growth across geographies in 9M24



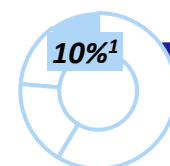
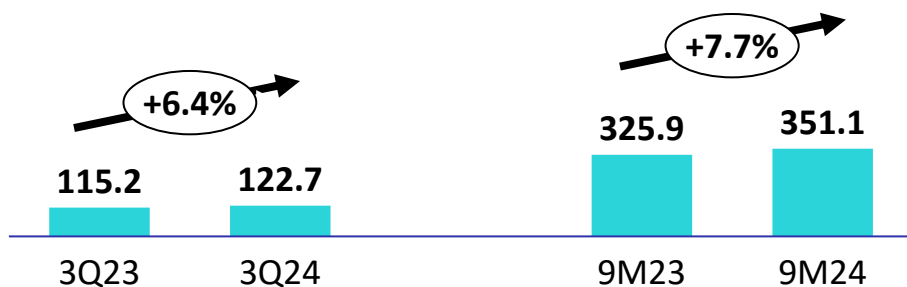
Italy



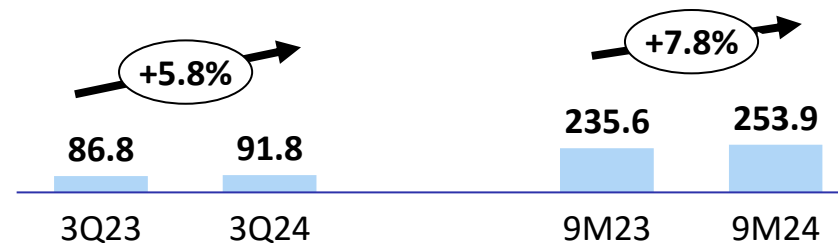
Nordics²



DACH & Poland



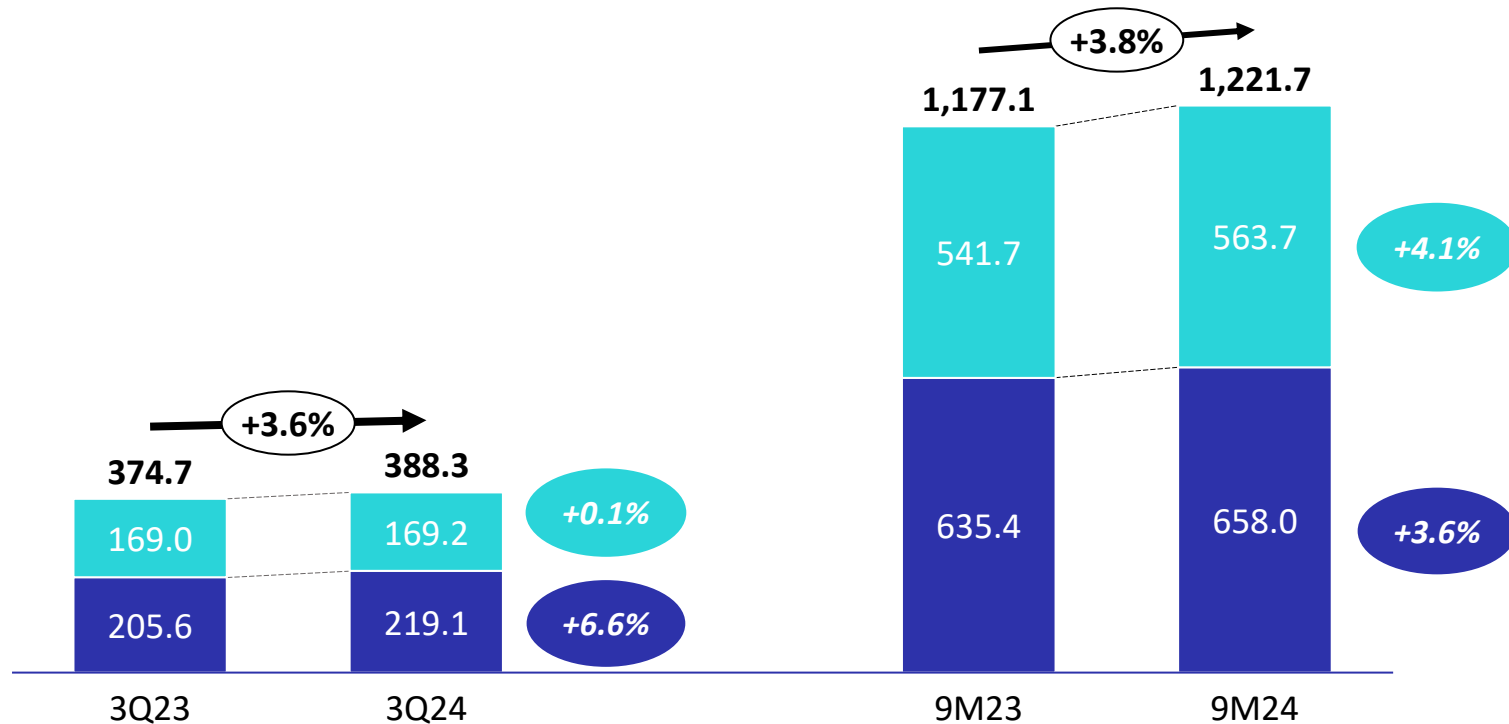
SE Europe & Other



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

Total Costs (€M)

Personnel Costs
Operating Costs



Key Highlights

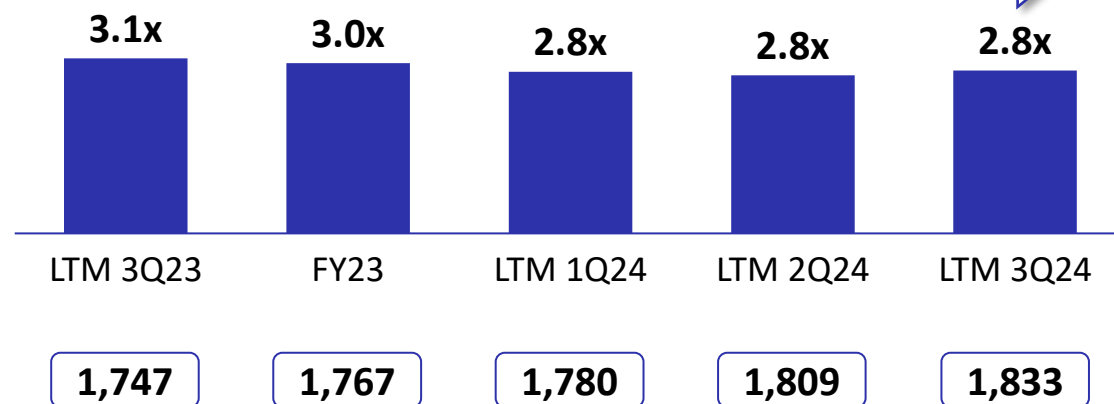
- **Continued organizational efficiency measures and operating leverage limiting cost growth** notwithstanding volume, business growth and inflationary pressure:
 - **Personnel costs** stable y/y, benefitting from the ongoing efficiency measures (e.g. organizational efficiencies and synergies) despite inflationary pressure
 - **Operating costs** impacted by volume, business growth and inflationary pressure with some phasing effects

Net Financial Debt / EBITDA broadly stable at 2.8x, despite accelerated share buy-back impact

Net Financial Debt (€M)

	Sept 23	Dec 23	Mar 24	Jun 24	Sept 24
Gross Financial Debt	7,228	7,215	7,210	6,939	6,964
Cash	1,833	1,889	2,104	1,870	1,673
Cash Equivalents¹	47	64	71	67	68
Net Financial Debt	5,348	5,262	5,035	5,001	5,223

Net Financial Debt / EBITDA (€M)



LTM EBITDA (€M)²

1,747

1,767

1,780

1,809

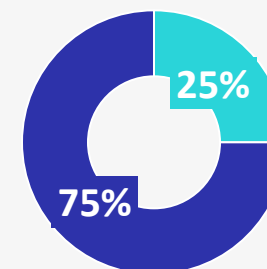
1,833

Key Highlights

- **Additional ~476 €M Notes reimbursed at maturity in October 2024.** Next maturities to be repaid: ~60 €M in December 2024 for a total of ~756 €M in 2024 and ~507 €M in 2025
- **Net Financial Debt impacted by accelerated SBB program (382 €M in 3Q24)**
- **In September 2024, Nexi signed a 220 €M financing with the EIB (not drawn yet),** recognizing Nexi pivotal role in promoting and supporting digitalization in Europe
- **Weighted average pre-tax cash cost of debt reduced at ~2.7%³**

Interest rate mix³

- Floating rate (zero-floored)
- Fixed rate



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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
generated¹**

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)

Key messages

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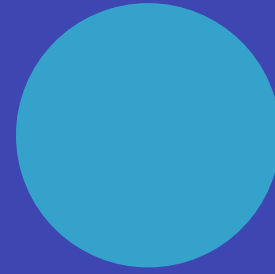
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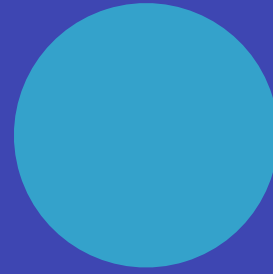
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Q&A



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Annex



Merchant Solutions: key business update

9M24 TRX Value Key Business Highlights

60%¹

SME

+7%

vs. 9M23

- Continued growth of terminals installed base² across markets, primarily driven by Italy and DACH
- Continued acceleration on complementary direct channels in Italy (now at 25% of frontbook)
- ISV partnerships progressing across markets, with new wins especially in Nordics in both ECR and vertical software space
- Continued roll-out of new digital propositions, with SmartPOS launched in Sweden, Finland and Norway and SmartPay launched in Switzerland
- Strong performance on VAS upselling in the Nordics, DCC and merchant financing in particular

10%¹

eCom

+10%

vs. 9M23

- Continued strong customer base growth across the Group
- Continued extension of integrations with local partners and platforms, having launched major pan-European platforms in 2023
- Continuing local entrenchment with local APMs and VAS solutions, e.g. Poland PragmaGO merchant financing, HeyLight in Italy, B2B invoice payment options

13%¹

LAKA

+3%

vs. 9M23

- Robust pipeline of new customer acquisitions and cross selling across markets, with new wins in multiple verticals such as Hospitality, Retail, Mobility. First track record of “win back” of customers also from digital native competitors in high end retail
- Good traction of cross- and up-selling of acceptance solutions technology and value added services (i.e. SmartPOS, SoftPOS,..) in Retail, Grocery and Petrol

Examples of recent customer wins & upsells



ISVs/Platforms Partnerships



Group normalised P&L at constant scope and FX

€M	9M23	9M24	Δ% vs. 9M23	3Q23	3Q24	Δ% vs. 3Q23
Merchant Solutions	1,382.3	1,477.2	+6.9%	501.2	534.4	+6.6%
Issuing Solutions	784.5	818.1	+4.3%	271.3	278.7	+2.8%
Digital Banking Solutions	268.7	276.3	+2.8%	94.6	98.0	+3.6%
Operating revenue	2,435.5	2,571.6	+5.6%	867.1	911.1	+5.1%
Personnel Costs	(541.7)	(563.7)	+4.1%	(169.0)	(169.2)	+0.1%
Operating Costs	(635.4)	(658.0)	+3.6%	(205.6)	(219.1)	+6.6%
Total Costs	(1,177.1)	(1,221.7)	+3.8%	(374.7)	(388.3)	+3.6%
EBITDA	1,258.5	1,349.9	+7.3%	492.4	522.9	+6.2%

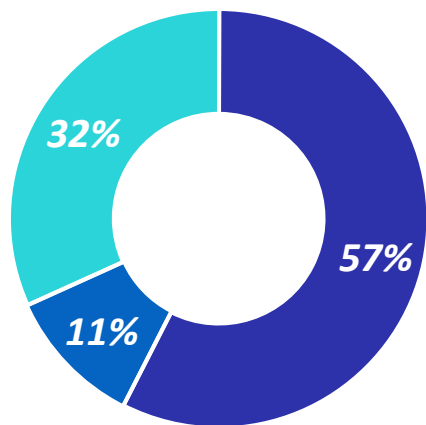
Well diversified revenue base both in terms of business and geography at scale, with exposure to fast growing European markets

9M24 Revenues breakdown

9M24 Costs breakdown by type

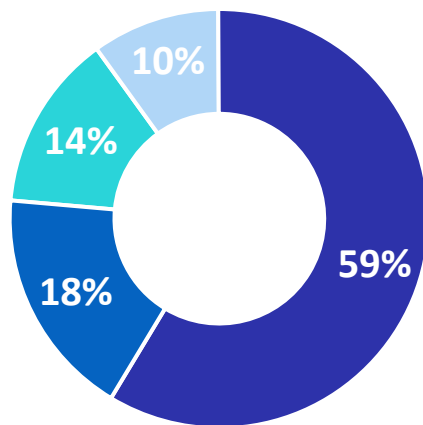
By business

- Merchant Solutions
- Issuing Solutions
- Digital Banking Solutions



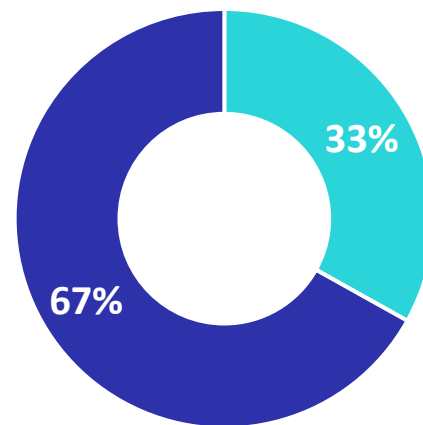
By geography

- Italy
- DACH & Poland
- Nordics¹
- SE Europe & Other

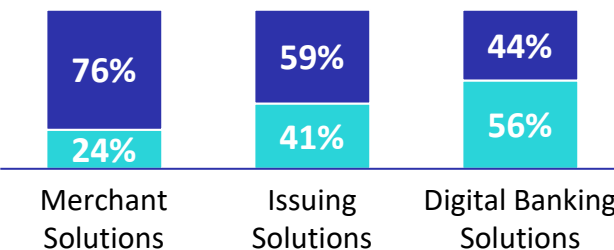
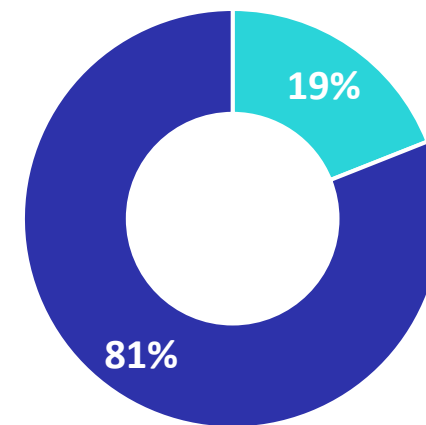


By type

- Installed based
- Volume driven



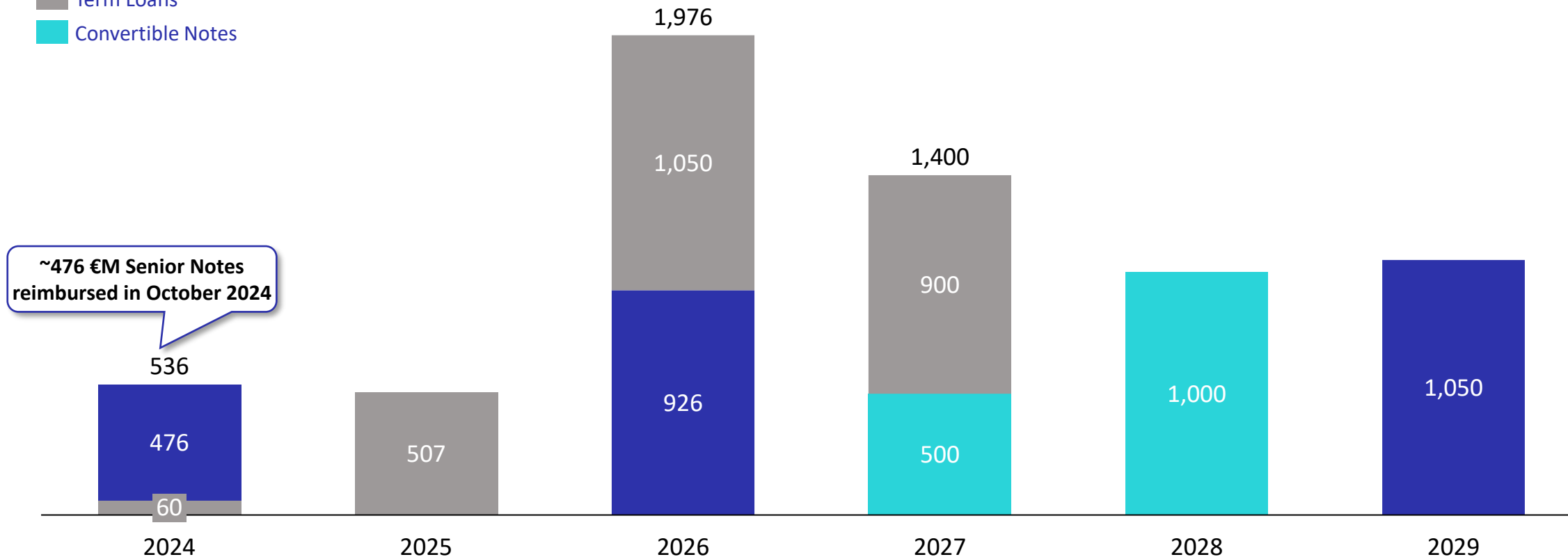
- Variable costs
- Fixed Costs



Debt maturities as of 9M24

Nexi Group Debt Maturity Schedule¹ (€M)

- Senior Notes
- Term Loans
- Convertible Notes





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Investor Relations

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