



**nexi**

**2022 Capital Markets Day**

# **The Leading PayTech European by Scale, Local by Nature**

September, 27<sup>th</sup> 2022

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# Nexi today: the Leading European PayTech



## Leadership

**#1**

By Merchants Served<sup>1</sup>

**#1**

By Value of Acquiring Transactions<sup>1</sup>

**#1**

By Cards Issued<sup>1</sup>

## Unique reach

**~2.2** million

Merchants served<sup>2</sup>

**~170** million

Cards managed

**1,000+**

Financial Institutions served

## Scale and profitable growth

**3.0€** billion

2021 Net Revenue<sup>3</sup>

**+10%** YoY

**1.4 €** billion

2021 EBITDA<sup>3</sup>

**+13%** YoY

**47%**

2021 EBITDA Margin<sup>3</sup>

**+2 p.p.** YoY

# Three key messages

## 1

### Privileged position in very attractive markets

- Europe **fragmented** and **very attractive** for strong entrenched players
- Accelerated **strong market growth**, with **secular shift** from cash to digital
- Exposure to **very attractive markets**, with only **36%** card penetration
- A mix of strong **Leader** and established **Challenger** positions

## 2

### Differentiated growth strategy

- Differentiate through **scale** and **market & customer proximity**
- Drive **accelerated growth** on **SME**, **eCommerce** and **Advanced Digital Issuing**, through superior products and commercial execution
- Deliver **strong synergies** and continued **operating leverage**

## 3

### Strong profitable growth and cash generation

- **Revenues** growing **~9% CAGR<sup>1</sup>**
- **EBITDA** growing **~14% CAGR<sup>1</sup>** with **~+900 bps** margin expansion by 2025
- **Excess cash generation** of **~2.8 €B+** in 2023-25, available for further value creation
- **Normalized EPS** growing **~20% CAGR<sup>1</sup>**

# Agenda for today

Central European Time

## Overview

**Nexi: The Leading European PayTech**

8:30 AM – 9:15 AM

**Our Growth Plan**

9:15 AM – 9:45 AM

*Break*

*9:45 AM – 10:00 AM*

## Business Deep Dives

**Winning in Merchant Solutions**

- SME & LAKA
- eCommerce

10:00 AM – 11:15 AM

**Winning in Issuing Solutions**

11:15 AM – 11:45 AM

*Break*

*11:45 AM – 12:00 PM*

## Closing

**Closing Remarks**

**Q&A**

12:00 PM – 1:00 PM



# Nexi: The Leading European PayTech



*Paolo Bertoluzzo*

1.

**Our evolution to a privileged leadership position  
in very attractive markets**

# Nexi evolution from Italian Champion to the Leading European PayTech...

2019 - IPO

*The Italian Champion*



2022 - Today

*The Leading European PayTech*



Performance  
Acceleration

Investments in  
Innovation &  
Technology

Competence &  
Talent  
Development

Strategic  
Investments &  
Value-Accretive M&A

Focus on  
Core Business with  
Non-Core Disposals



25+  
Countries



# ...growing the company stronger today and stronger for the future

2019 - IPO

*The Italian Champion*

- Leading Italian provider with domestic focus
- National client base with strong bank heritage
- Payments focus with adjacent capabilities
- Increasing investments in Tech & Innovation
- Track-record of bolt-on M&A

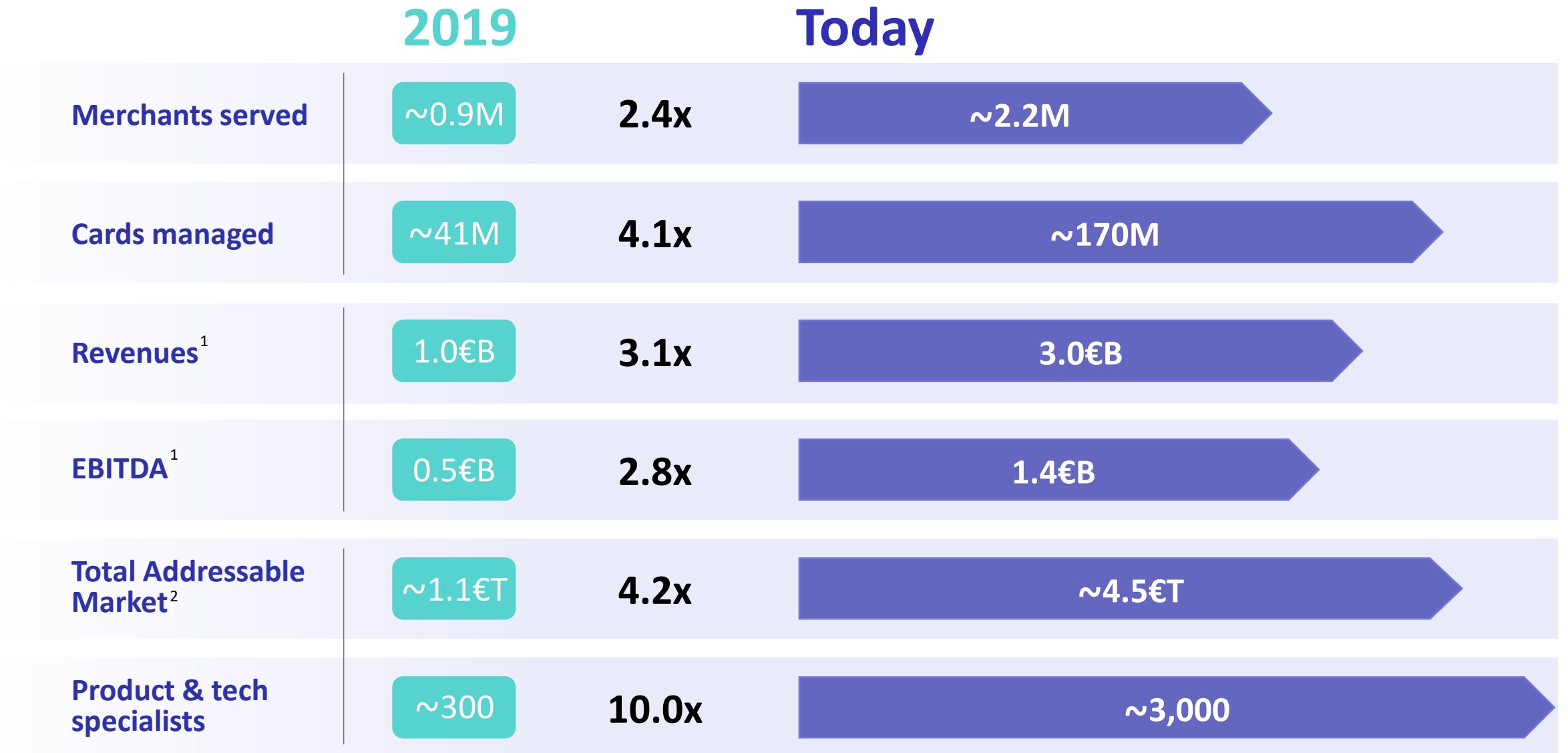


2022 - Today

*The Leading European PayTech*

- European PayTech leader in most attractive markets
- International & diversified client base
- Digital payments focus with strong tech DNA
- #1 in Europe by Investments in Tech & Innovation
- Successful large-scale transformational M&A

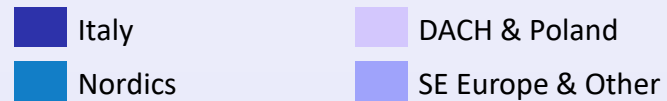
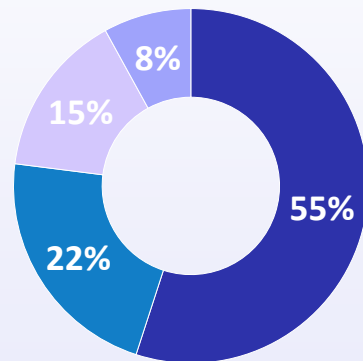
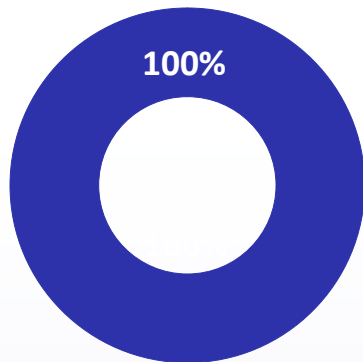
# Our journey led to a substantial increase of our scale and growth potential...



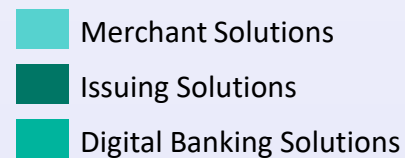
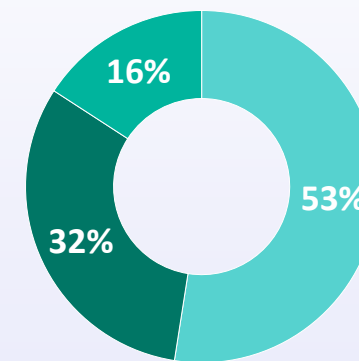
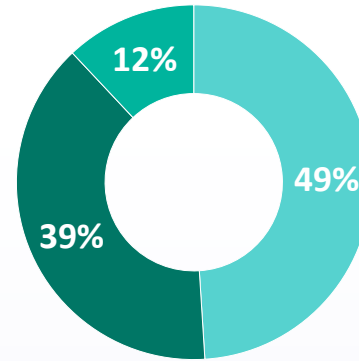
# ...while also making our business well diversified and resilient

Revenue Mix, %

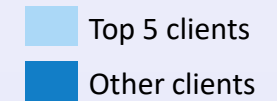
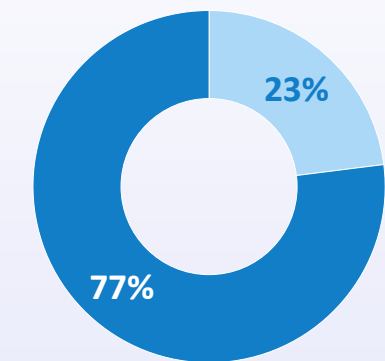
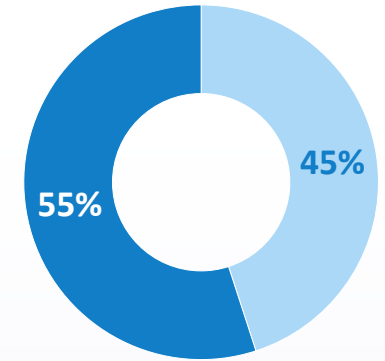
## By Geography



## By Business



## By Customer Concentration



2019

Today<sup>1</sup>

# The European payments landscape is complex and fragmented, therefore very attractive and defensible for strong entrenched players



>150 local **payment methods** in Europe, >10 **national debit schemes**



**SME-dominated** markets, 100% local



**Enabling platforms** (i.e. ERP / CRM) often country-specific



~75%<sup>1</sup> of **LAKA** buying “locally”



Significant **local regulations** for payments and financial institutions



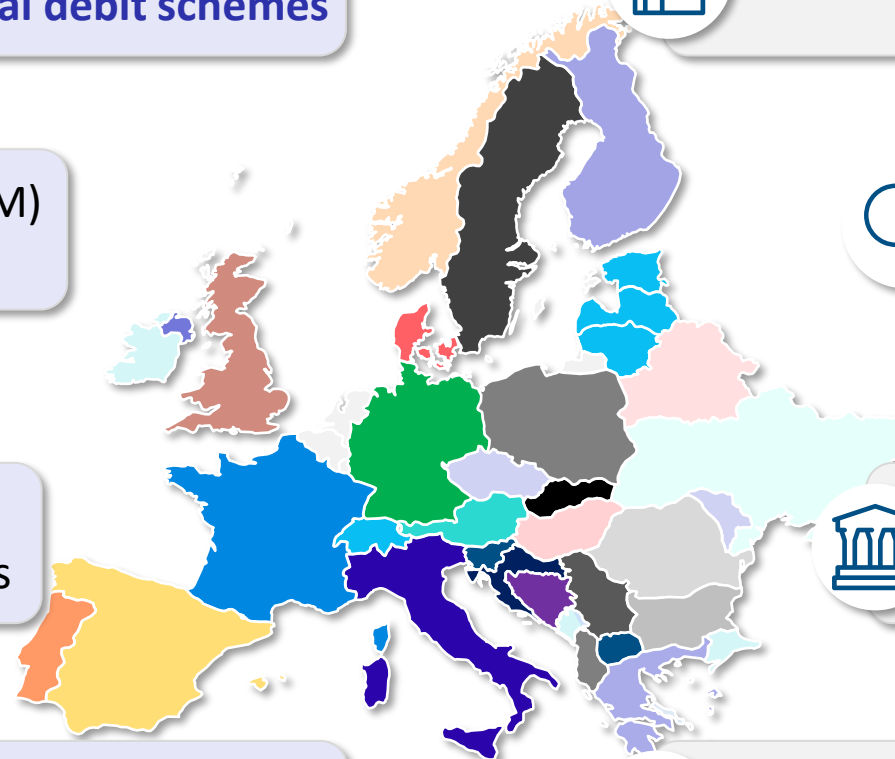
**Financial Institutions** still very local, with different approaches in payments



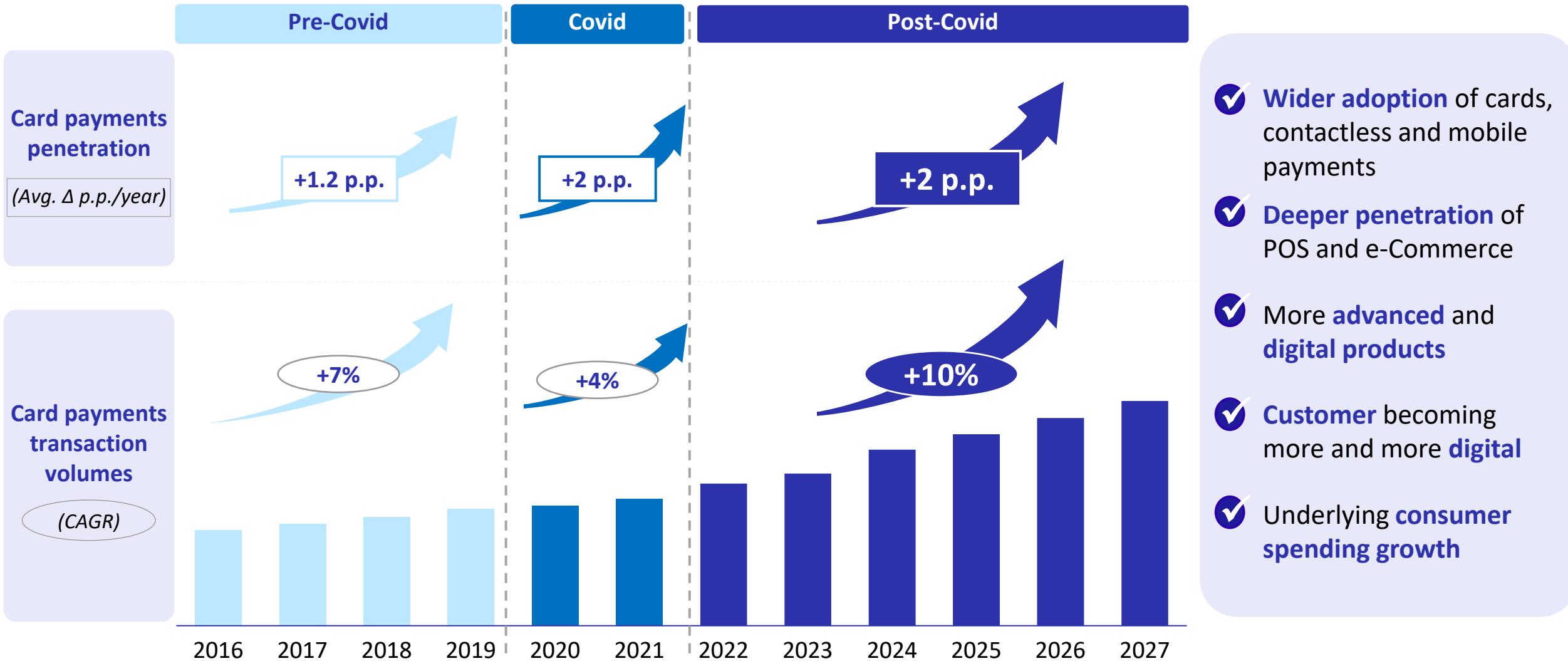
Each country with **specific tax** and **administrative** requirements











Local **competitive dynamics**, very different by market



# Digital payments market will continue to grow strongly in the future, supported by continued secular shift from cash to digital payments



# Nexi uniquely positioned in European most attractive markets, with a mix of strong Leader and established Challenger positions

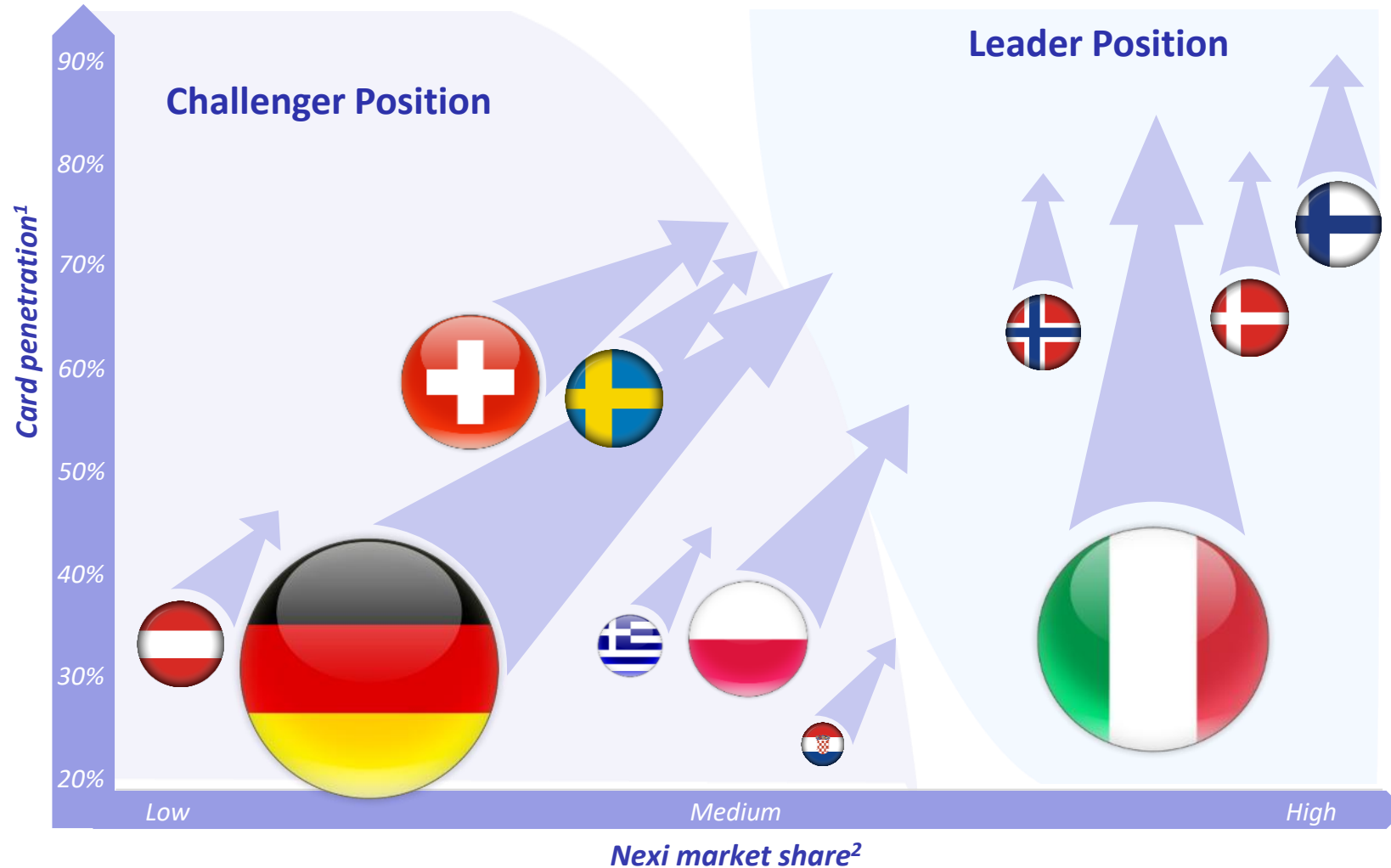
|   | Italy <sup>1</sup><br> | DACH<br>                | Central-South Eastern <sup>2</sup><br> | Nordics<br>          | Nexi Europe  | Non-Nexi Europe <sup>3</sup> | Total Europe |
|---|---|--|---|--|--------------|------------------------------|--------------|
| <b>Consumer spending</b><br>2021                  | 1.0€T   | 2.1€T  | 0.8€T   | 0.6€T  | <b>4.5€T</b> | 3.4€T                        | 7.9€T        |
| <b>Card payments penetration</b><br>2021          | 32%   | 33%  | 30%   | 62%  | <b>36%</b>   | 61%                          | 47%          |
| <b>Card trx value est. growth</b><br>CAGR '22-'25 | 13%   | 11%  | 14% <sup>4</sup>  | 6% <sup>5</sup>  | <b>10%</b>   | 7%                           | 9%           |
| <b>Market share</b>                               | <br><i>Leader</i>    | <br><i>Challenger</i> | <br><i>Challenger</i>                | <br><i>Leader</i> |              |                              |              |

- ✓ Total addressable market for Nexi of **~4.5€T**, **~60% of Europe**
- ✓ Average card penetration still **low (36% vs 61% of non-Nexi countries)**
- ✓ **~40% value<sup>6</sup>** in strong defensible **Leader positions**
- ✓ **~60% of value<sup>6</sup>** in **Challenger positions** with **large room to grow market share**

Source: Managerial estimates. Notes: (1) Italy based on Bank of Italy 2021 data; (2) Includes i) Poland and ii) Greece, Slovakia, Croatia, Slovenia, Hungary, Czech Republic, Serbia, Romania, Albania, Bosnia, Bulgaria, Macedonia, Montenegro (only selected flags displayed); (3) Non-Nexi Europe includes UK, France, Spain, Portugal, Belgium, Netherlands and Luxembourg; (4) Based on estimated growth rate for Croatia, Slovakia, Hungary, Poland and Greece; (5) International schemes only; (6) Based on 2021 Consumer spending.

# Nexi future growth coming from both market and market share acceleration

Flag size indicates addressable market size in terms of consumer spend



## Strong and unique growth opportunities

- ✓ Increase of ~600€B<sup>3</sup> of value of card spend in Nexi markets in 2022-2025
- ✓ Market share acceleration in Nexi challenger position countries
- ✓ European expansion offering future additional opportunities

# Evolving customer needs offering exciting additional opportunities for Nexi



## Consumers becoming more and more digital

- Digital and **mobile payments**
- Confidence with **multiple payment methods**
- **Seamless** customer **experience** across channels and devices
- **Safety** and **security** of transactions becoming key



## Digital payments becoming central for Merchants

- Digital **payments acceptance** as a **must-have**
- **One-stop solutions** to manage and grow their businesses
- **Integrated** and **omni-channel** solutions
- **Fully-responsive support** both digital and local



## Financial Institutions transforming digitally

- Digital-first **customer interactions** and products
- IT systems transitioning to **modern** and **agile** ones, although **with challenges**
- Approaching **payments** in **multiple ways**
- Focus on **partnerships** in **non-core Fintech** activities



2.

**Differentiated strategy to drive  
strong profitable growth**

# Our strategy to drive strong profitable growth

Strategic  
value  
drivers

1 Differentiate through **scale** and **market & customer proximity**

2 Drive focused **accelerated growth** in **SME, eCommerce** and **Advanced Digital Issuing** through superior products and commercial execution

3 Deliver strong **synergies** and continued **operating leverage**

Core  
business  
foundations

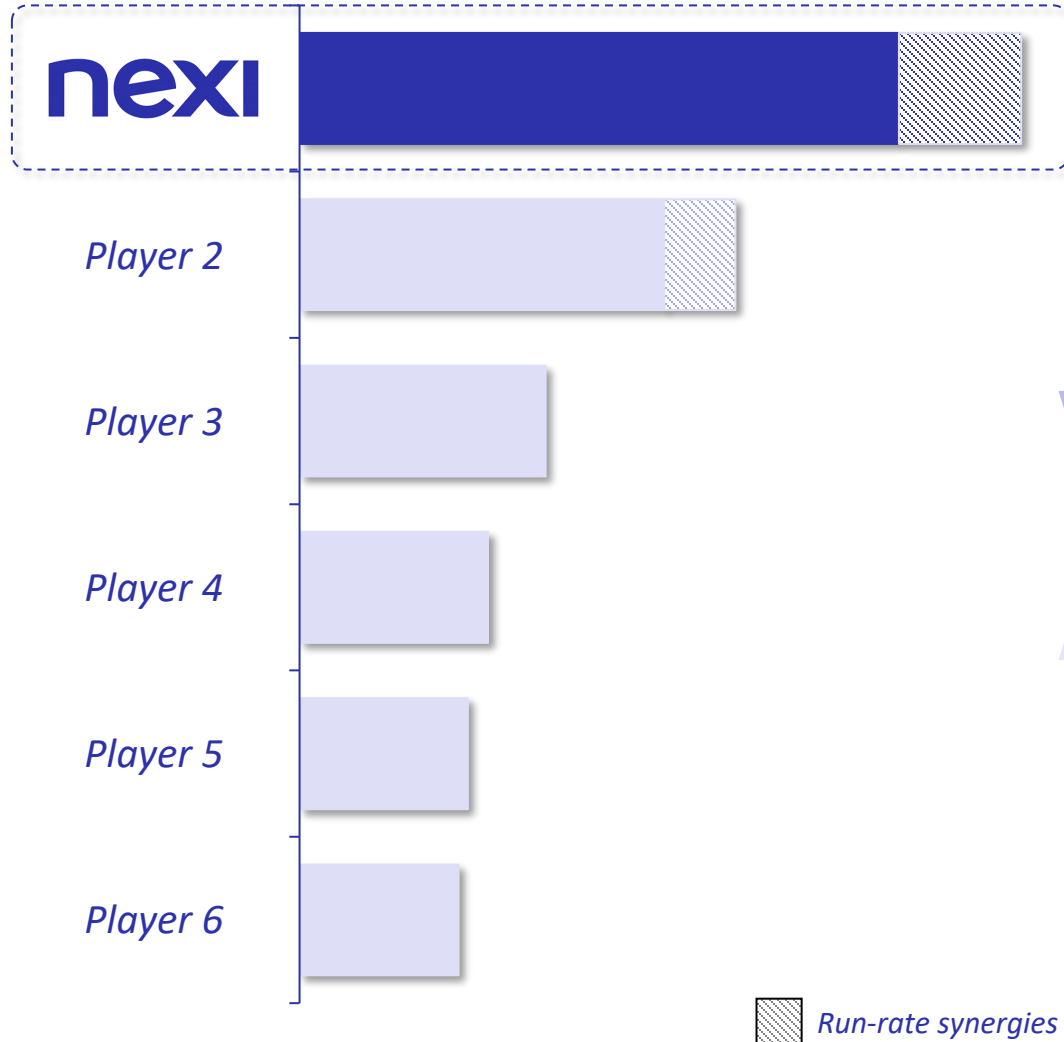
4 Superior **technology capabilities**, driving **innovation agility** and **efficiency**

5 **One integrated talented team**, with deep **PayTech capabilities**

6 **ESG championship**, making **digital payments** a driver of **progress**

# 1 Nexi European scale providing unique advantages

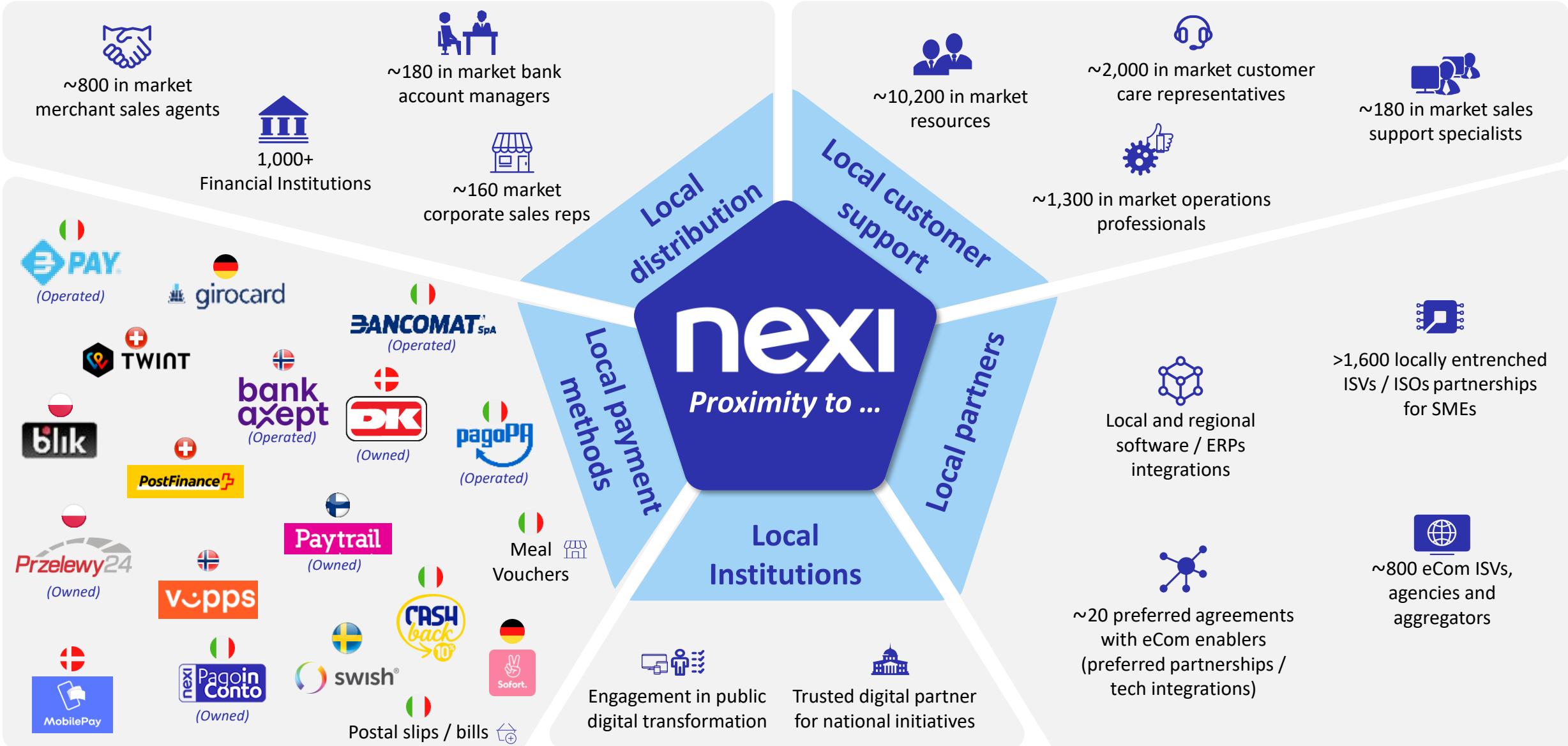
Ranking by 2021 EBITDA in Europe (€B)



Pan-European scale unlocking significant benefits

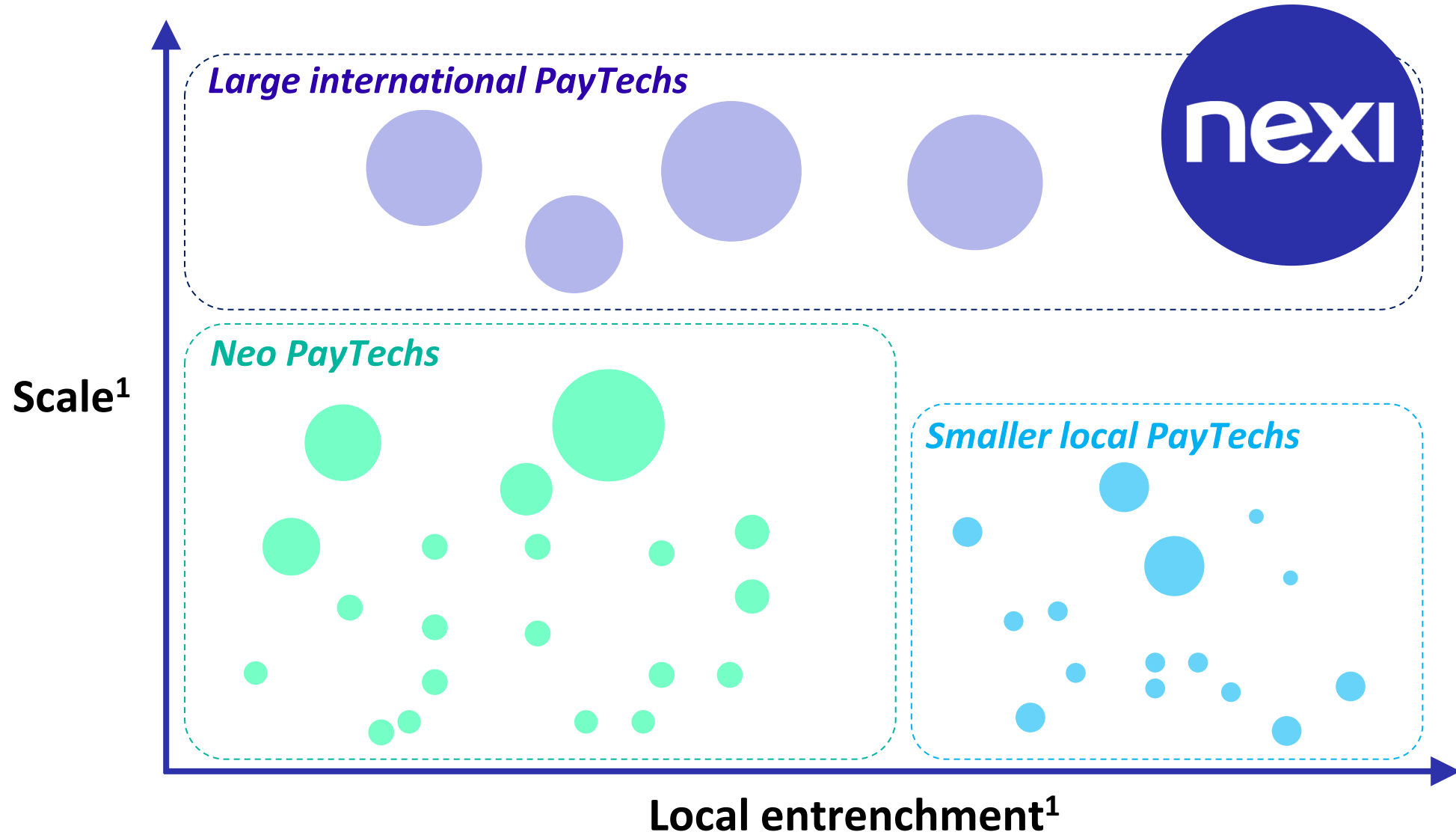
- ✓ Efficiency and operating leverage
- ✓ Innovation and technology firepower
- ✓ SME Champion proposition
- ✓ eCom European platform at scale
- ✓ Omni-channel LAKA proposition
- ✓ Financial Institutions propositions

# 1 Nexi market & customer proximity key to win in local markets



1

# Nexi unique differentiated positioning combining large scale and deep market & customer proximity



2

# Drive focused accelerated growth in key market opportunities through superior products and commercial execution (1/2)

X% Weight on total 2021 Group revenue<sup>1</sup>



## Merchant Solutions

52%

### SME

*o.w. 52%<sup>2</sup>*

#### Strengthen European leadership

through:

- Modular flexible **one-stop shop solutions**, segment and local-specific
- **Payments-software integration**, partnering with ISVs
- Investments on **local distribution**, both direct and indirect

### LAKA

*o.w. 10%<sup>2</sup>*

#### Grow in National (and Regional)

**Mid/Large corporates** with:

- **Industry-specific omni-channel** propositions
- **Deep local entrenchment** via partnerships and tech integrations
- Investments in dedicated **local sales** and **support capabilities**

### eCommerce

*o.w. 20%<sup>2</sup>*

#### Achieve leadership in mid market

through:

- **High-conversion omni-acceptance** and collection **solutions**, with full local integrations
- **Local front-ends** with **one pan-European** integration layer
- **Cross-selling synergies** with **SME** and **LAKA**, with further investments in **local go-to-market** and support

**Leading**

**Challeng**

**New**

|  |   |                                       |
|--|---|---------------------------------------|
| ✓ Consolidate leadership and grow value across verticals |   | ✓ Win market share across all markets |
| ✓ Win market share and accelerate growth                 | ✓ Drive accelerated growth with focus on specific verticals |                                       |
| ✓ Over time, expand into new markets <sup>3</sup>        |   |                                       |

# Drive focused accelerated growth in key market opportunities through superior products and commercial execution (2/2)

X% Weight on total 2021 Group revenue<sup>1</sup>



## Issuing Solutions

32%

### Win new customers in Europe

- Win **new Bank customers** on **digital processing** across **Europe** leveraging unique platform agility
- Win **Corporates/FinTechs** and **medium/smaller Banks** through Nexi unique **Payments-as-a-Service** propositions

### Grow customer base value

- Upsell **modular VAS proposition** on **Banks** customer base
- Upgrade **medium/smaller customer Banks** to Nexi unique **Payments-as-a-Service** propositions



## Digital Banking Solutions

16%

### Grow in Account-based Payments

- Accelerate **integrated Account Payments** and **Collection solutions** for **Corporates** and **PA**
- Drive **Account-to-Account/Instant Payments** growth across Europe

### Rationalize business portfolio

- Focus on key **growth strategic opportunities**
- Dismiss/partner on **non-core businesses**

# 3 Deliver strong recurring synergies, well above M&A plans...

## Key transformation initiatives...

Revenue expansion through best-in-class **products** and **cross-fertilization** across markets

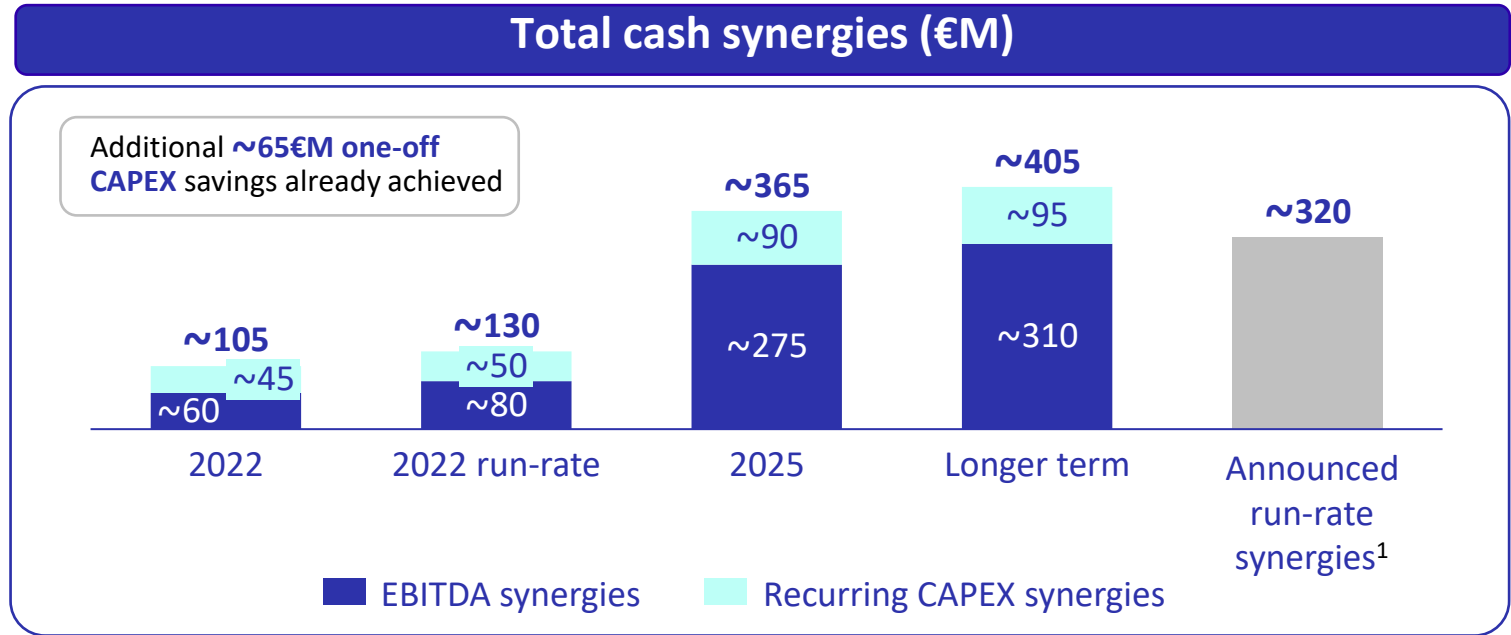
Tech platforms optimization/consolidation

Procurement optimization

Insourcing and operational excellence

Continuous **opex/capex planning & optimization**

## ...driving strong synergies, short and long-term



- ✓ ~105€M synergies confirmed by 2022
- ✓ ~365€M synergies to be delivered by 2025, ~405€M in the longer term
- ✓ 25%+ more synergies than announced

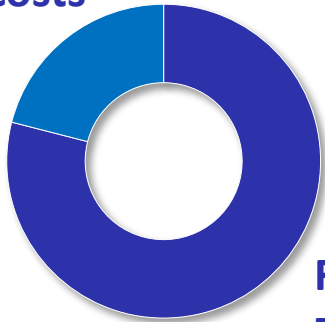


3

# ...and continued operating leverage driving EBITDA margin expansion

## Limited variable costs<sup>1,2</sup>

Variable Costs  
21%

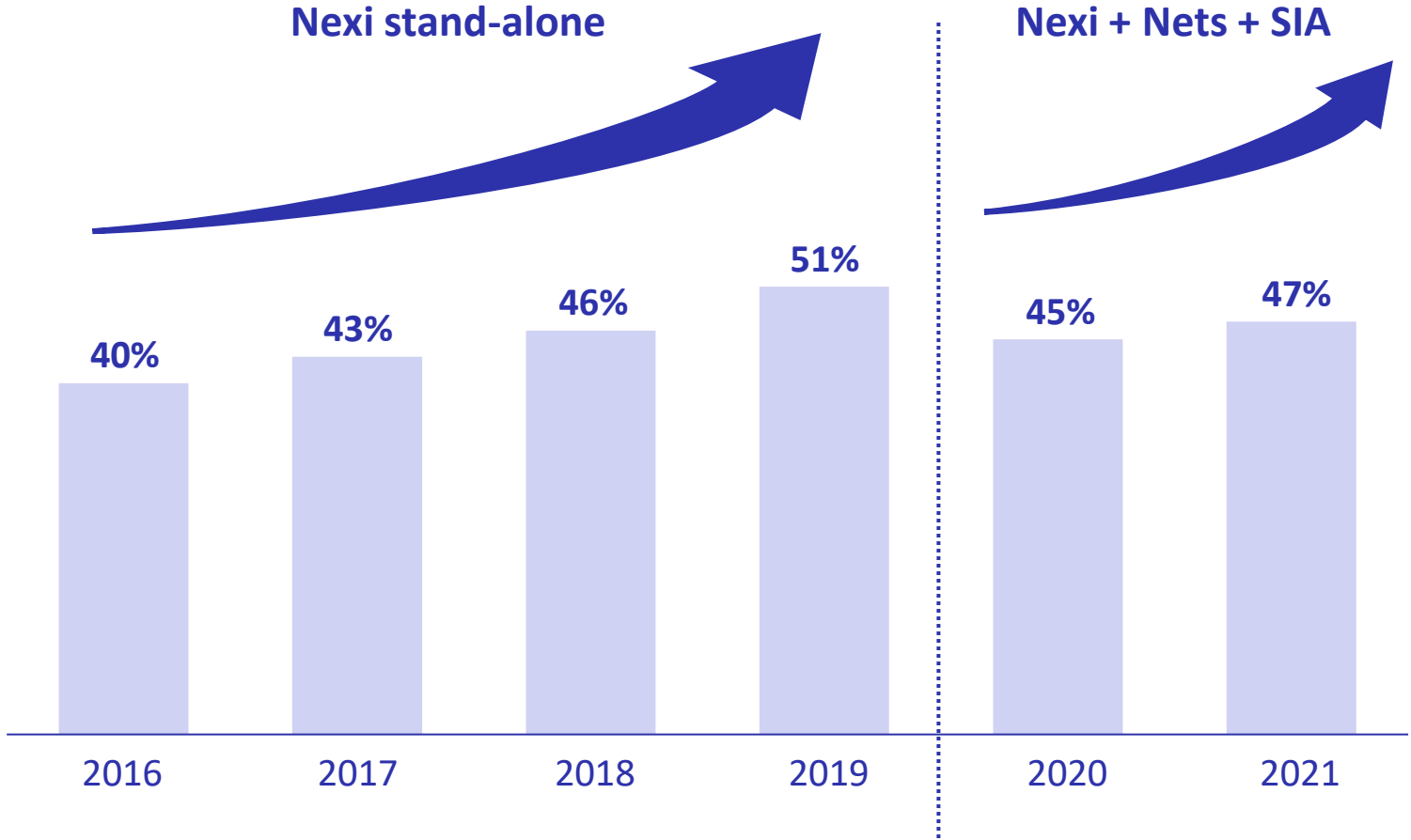


Fixed Costs  
79%





















## Continuous efficiency improvement

- Operational transformation
- Process digitalization
- Efficiency culture

## Continued EBITDA margin expansion as part of our DNA<sup>2</sup>



# 4 Superior technology capabilities at scale...

|  |   |  |   |  |
|--|---|--|---|--|
|  <h3>Cutting-edge product development capabilities</h3>                      |  <p><b>&gt;30K</b><br/>new IT releases<br/>in the last 12 months</p> |  <p><b>40%+</b><br/>YoY microservices<br/>developed</p>   |  <p>Country-specific<br/>gateways managed by<br/>dedicated teams</p>   |  <p>Cloud-based<br/>platforms &amp;<br/>data lake</p>                 |
|  <h3>Best-in-class processing and core platforms capabilities</h3>           |  <p><b>&gt;1K</b><br/>dedicated<br/>professionals</p>                |  <p><b>~15bn</b><br/>issuing transactions<br/>processed per year</p>  |  <p><b>~14bn</b><br/>acquiring transactions<br/>processed per year</p> |  <p><b>~17bn</b><br/>clearing transactions<br/>processed per year</p> |
|  <h3>Deep Banking system integration and superior delivery capabilities</h3> |  <p><b>1,000+</b><br/>financial<br/>institutions</p>                 |  <p>Long-term partner of<br/>governments, PAs,<br/>Central institutions &amp;<br/>Central Banks<sup>1</sup></p> |  <p>Partner of choice<br/>for systemic<br/>initiatives</p>             |  <p>“Migration engine”<br/>proven by <b>20+</b><br/>M&amp;A</p>       |
|  <h3>Mission-critical leading edge infrastructure capabilities</h3>        |  <p><b>&gt;35</b><br/>petaBytes in<br/>storage space</p>           |  <p><b>&gt;25K</b><br/>servers managed<br/>across Europe</p>  |  <p><b>&gt;5K</b><br/>network nodes</p>                              |  <p><b>11</b> countries with<br/>technology sites</p>               |



**>3k**

Product & Tech specialists



**850+€M**

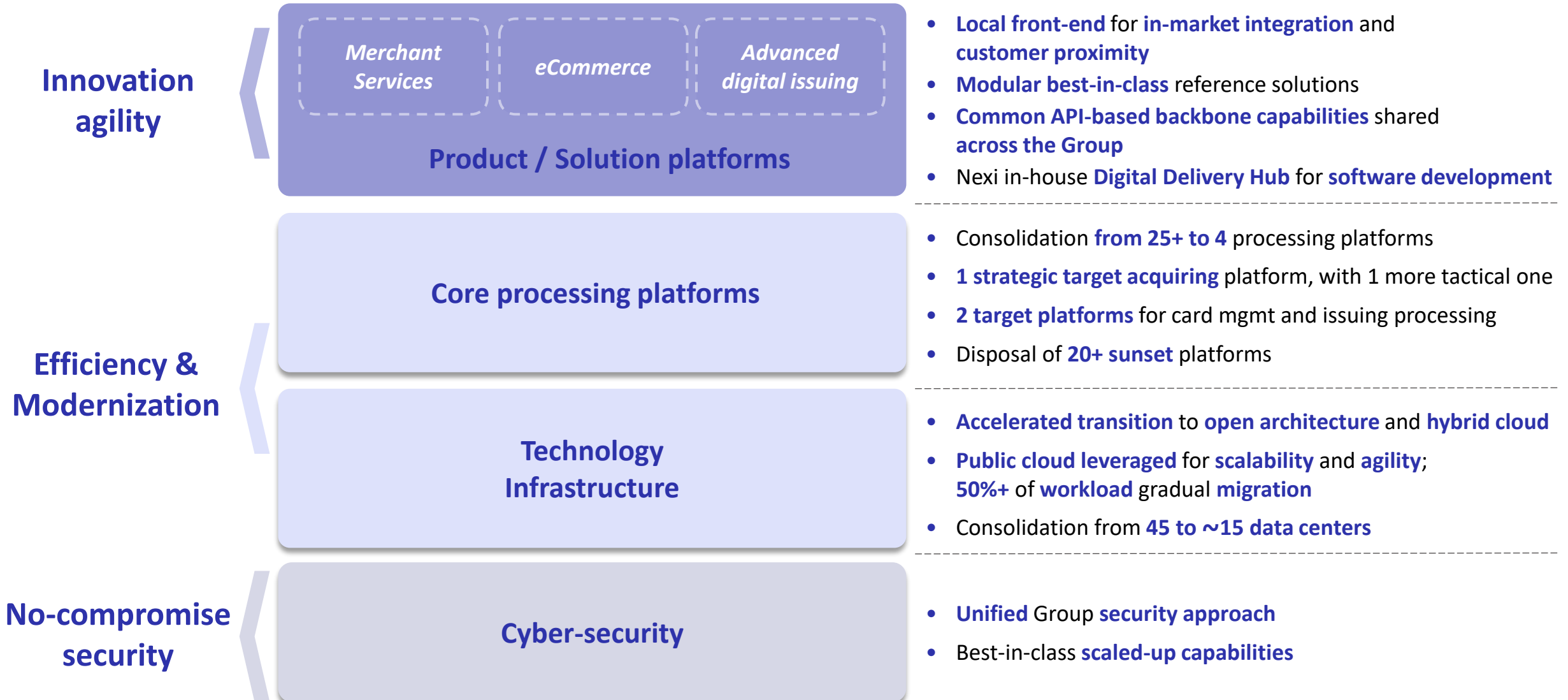
Cash IT & Innovation spend<sup>2</sup>



**1**

Pan-european Digital Hub for software development

# ...further evolving to drive innovation agility and efficiency



# 5 One integrated talented team, with deep PayTech capabilities



**~10,200**

Employees



**~3,000**

Professionals in  
Product & Tech



**~4,600**

Professionals in  
Sales & Operations



**50+**

Nationalities



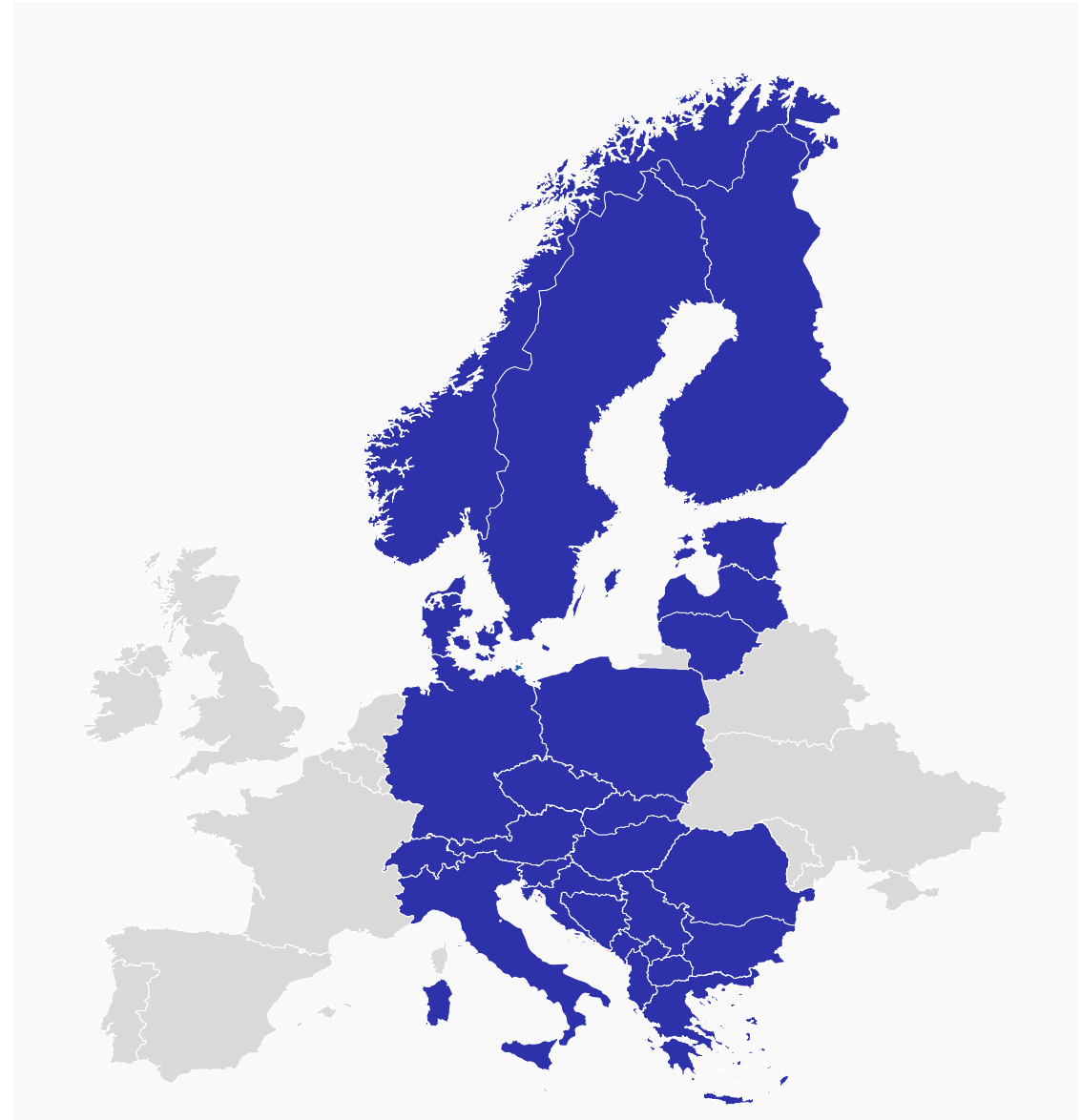
**~43%**

Women  
employees

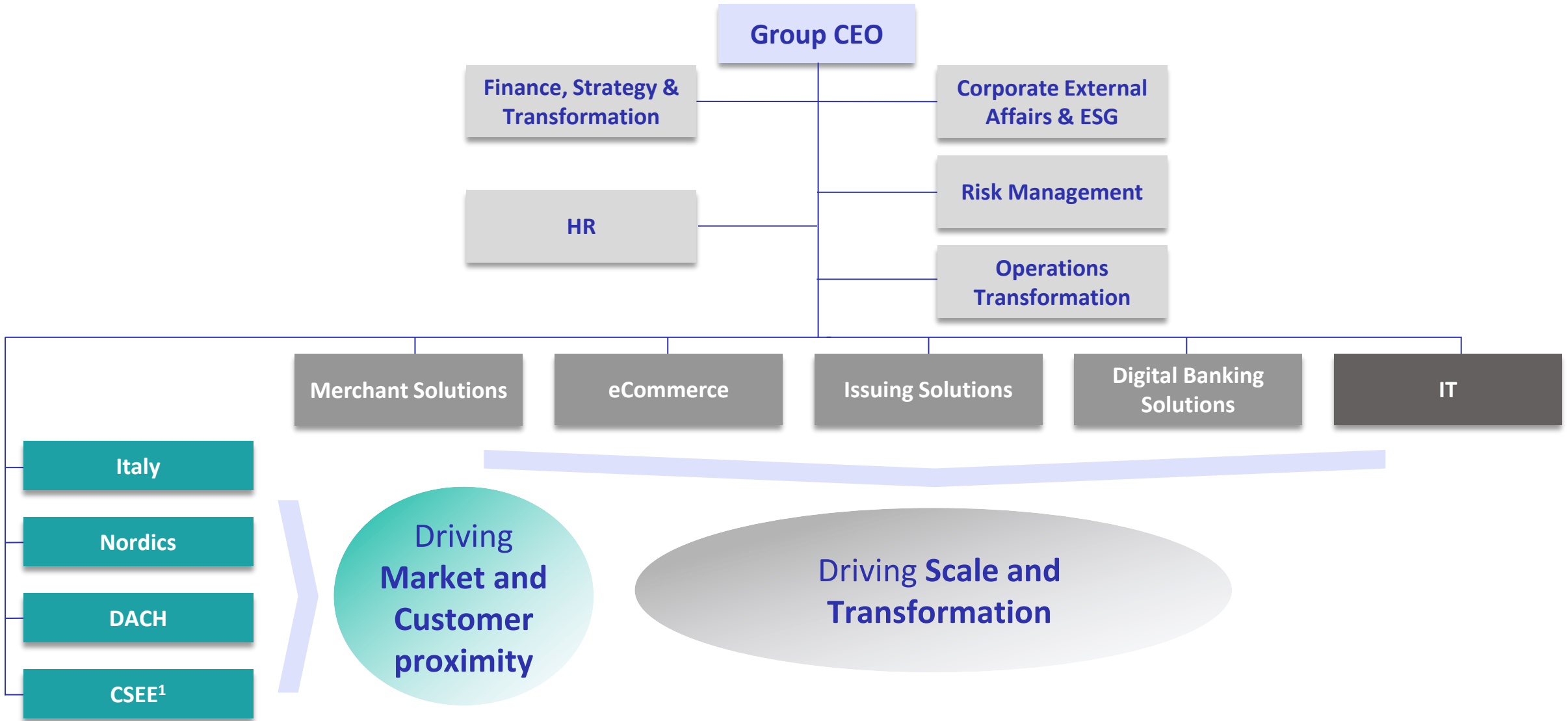


**~70%**

Employee  
Engagement Index



# 5 Evolving into one integrated Operating Model to deliver strategy



# ESG championship, making digital payments a driver of progress



## Digital Payments as a driver for progress...



### Social Progress, Digitization and Inclusion

- Support **SMEs** and **micro businesses digitization**
- Support **public services** and **PA / citizens digitization**
- Drive **digital inclusion** and increase **proximity to local communities**



### Trust and Security

- Guarantee **perfect security** and **service continuity**
- Promote **customer centricity** as a business foundation



## ...and clear commitment to ESG championship



### Sustainable Products and Supply Chain

- Improve **eco-friendly design** of products
- Promote Nexi's **sustainability standards** across **supply chain**



### Decarbonization

- Achieve **Carbon Neutrality by 2022** and **Net Zero by 2040**
- Accelerate **greener consumption behaviors**



### Talent Development and DE&I

- Invest in **people engagement** and **continuous capabilities upgrade**
- Ensure **proper gender / minorities representation** and **inclusion**



### Governance

- Adhere to **high ethical standards** and disclose **complete ESG policies**
- Adopt a **best-in-class governance** to achieve our ESG targets

S&P Global

68  
/100

vs. 61 in 2020



A-

vs. C in 2020

3.

**Strong profitable growth and cash generation**

# Strong profitable growth and cash generation

Guidance 2021-2025  
(organic basis)

Net revenues

~9% CAGR

EBITDA  
*EBITDA margin*

~14% CAGR  
~+900 bps by 2025

Excess cash generation<sup>1</sup>

~2.8 €B 2023-2025

Net leverage

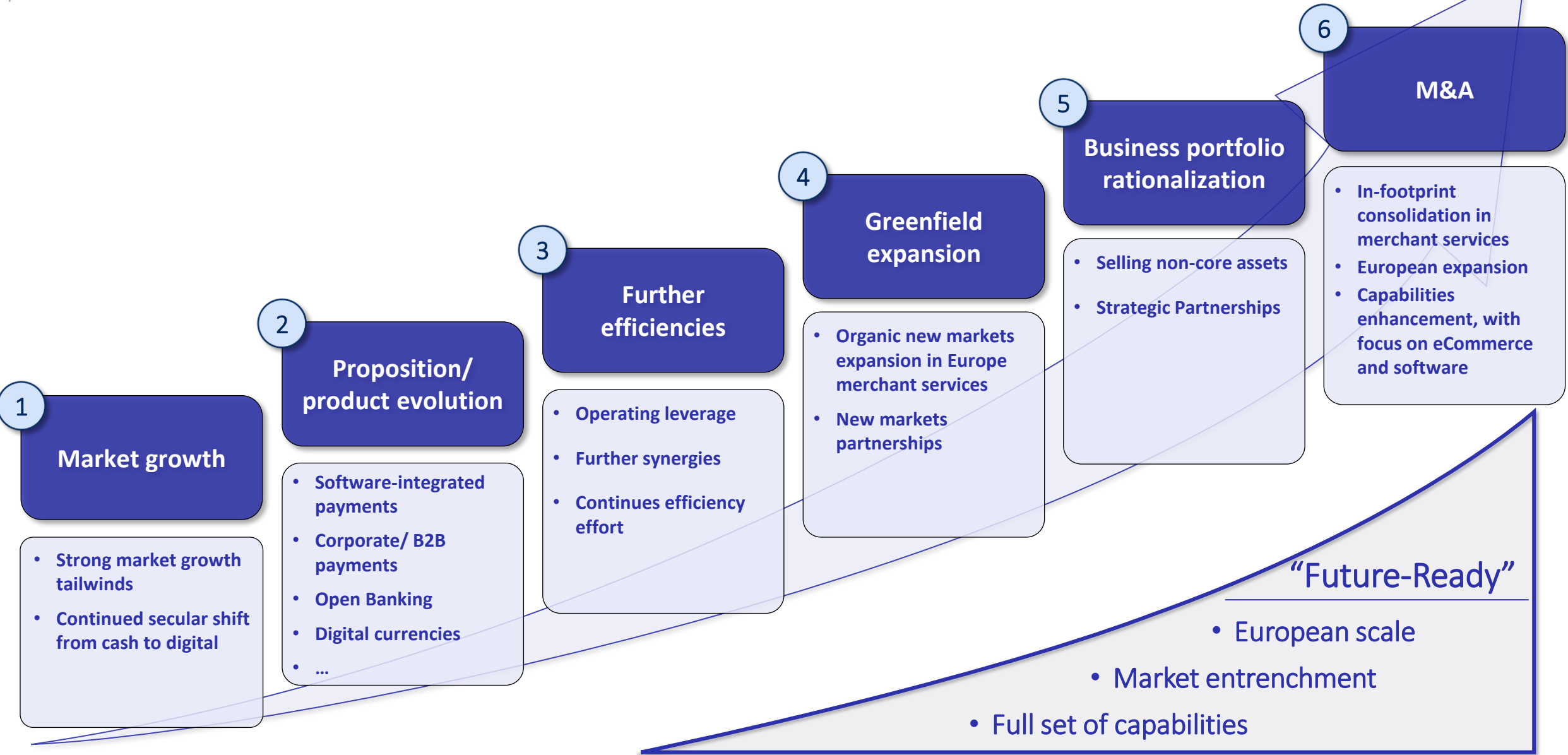
1.0x - 1.5x by 2025

Normalised EPS<sup>2</sup>

~20% CAGR



# Best poised to capture further future value growth



# Our growth plan

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*Bernardo Mingrone*

# 3 key financial topics for our discussion today

1

## Advantaged financial profile

### ✓ Resilient & predictable

- Growth with profitability
- Strong cash generation

2

## Our growth plan

### ✓ Compelling & credible

- Simple plan for value creation
- Key targets

3

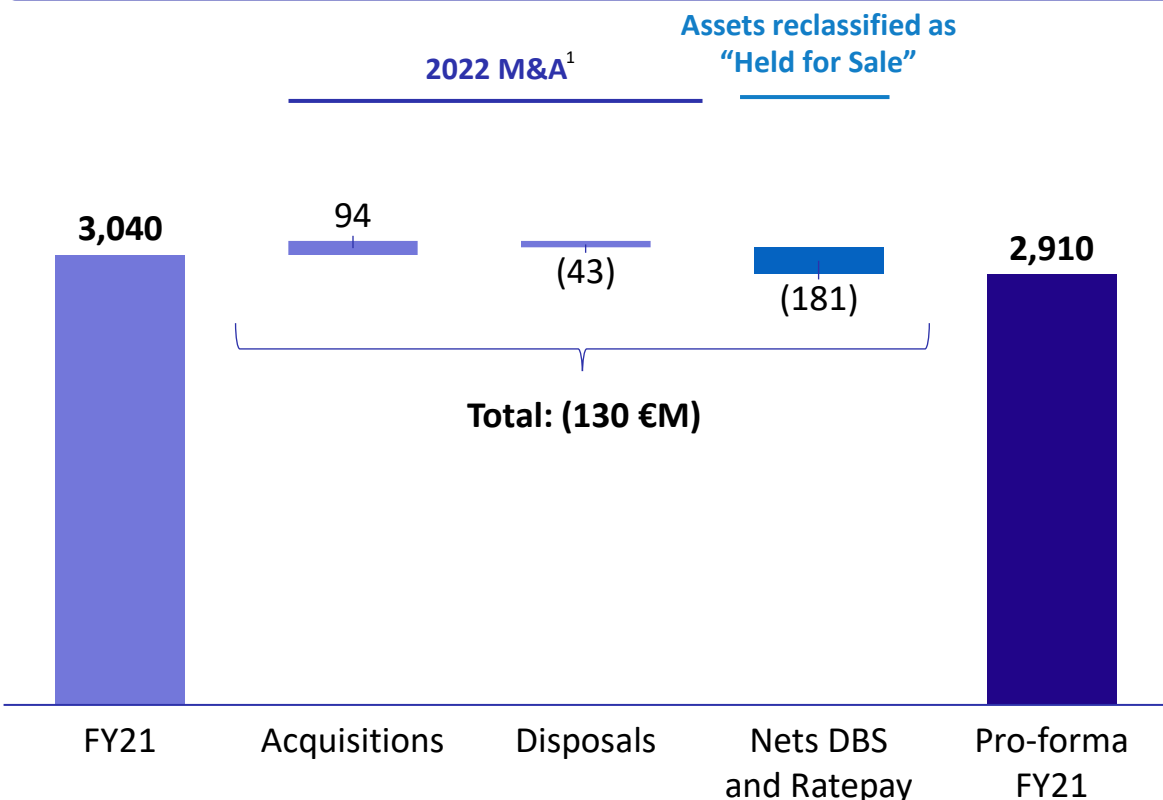
## Excess cash generation

### ✓ Strategic & valuable

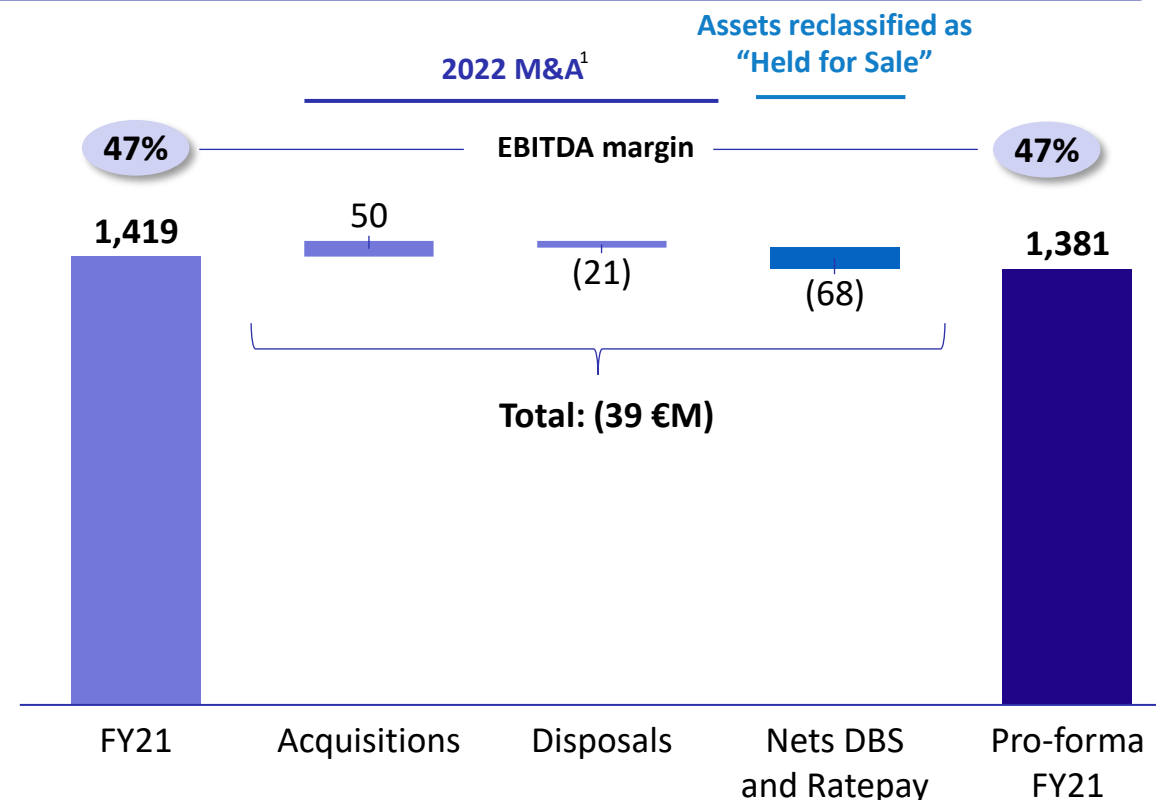
- Multiple potential options
- Value upside

# Setting the stage for our financials

## Net revenues (€M)



## EBITDA (€M)



- Establishing “the right starting point” to best compare our performance from 2023
  - New perimeter for financial disclosure reflecting both recent M&A and selected assets reclassified as “held for sale” below EBITDA
  - Positive cash impacts from the sale of assets reclassified as “held for sale” not included in our conservative cash flow projections. No impact on EPS

Notes: (1) Acquisitions include Nexi Payments Greece (joint venture with Alpha Bank), BPER merchant book, ISP Croatia merchant book, Orderbird and Paytech. Disposals include SIA Capital Markets business, EDIGard and non-SEPA business. Some of the listed M&A transactions are still subject to regulators authorizations.

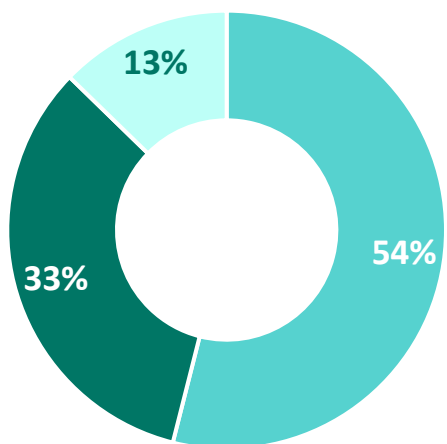
1.

**Advantaged financial profile**

# Well diversified business providing consistency in our performance and dependability in our results

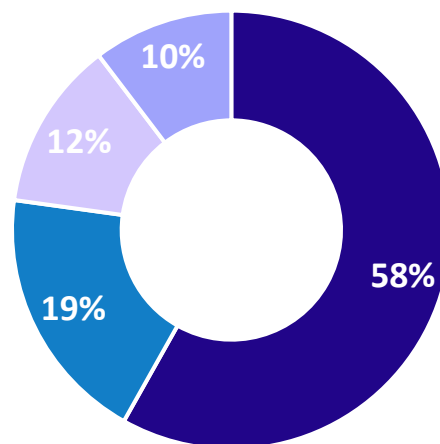
## Revenue breakdown (2021 PF)

### Business line



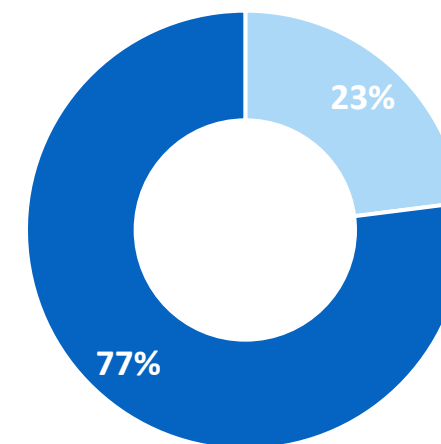
- Merchant solutions
- Issuing solutions
- Digital Banking solutions

### Geography



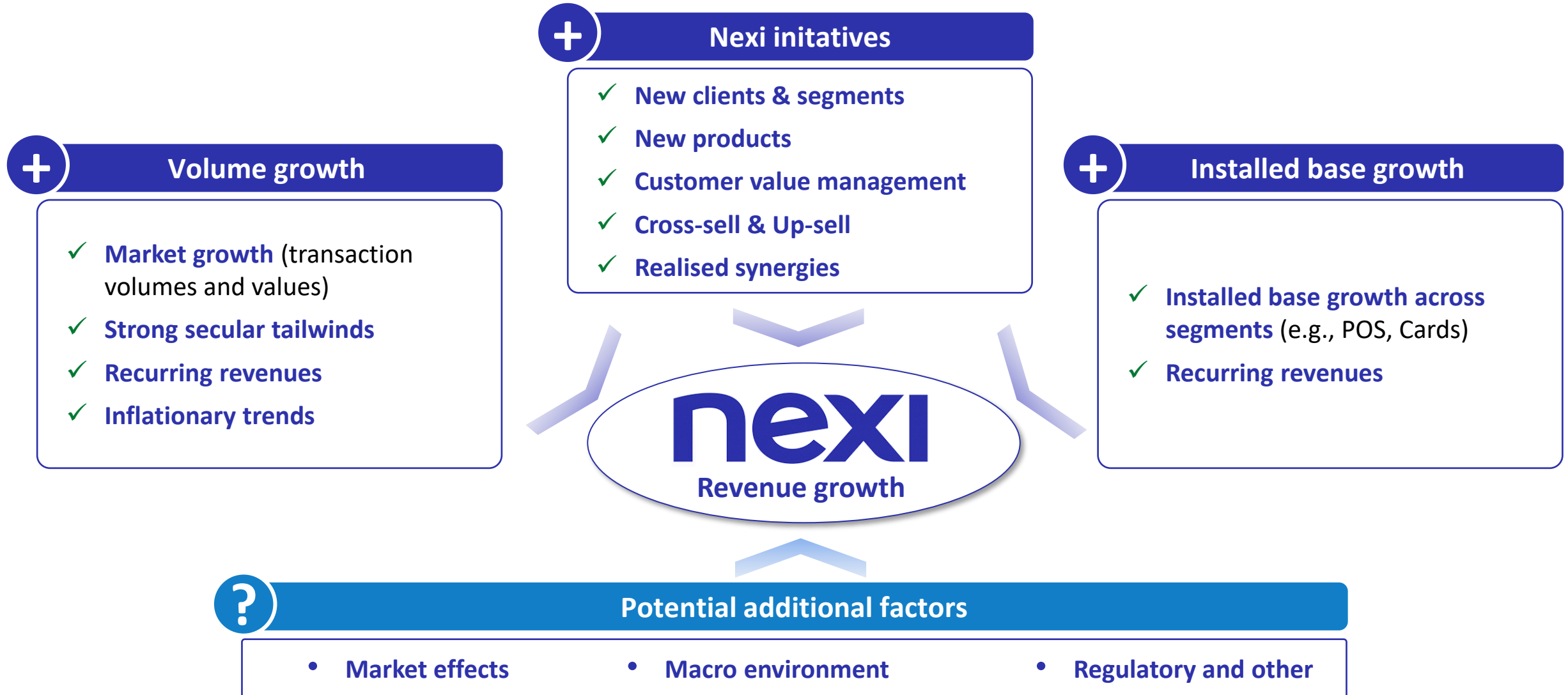
- Italy
- Nordics & Baltics
- DACH & Poland
- SE Europe & Other

### Customers



- Top 5 customers
- Other customers

# Business model underpinned by clearly identifiable and achievable growth opportunities, for both volume driven and installed base revenues



# Recurring revenues providing resilience and predictability with growth expected from all drivers

## Revenue drivers by business unit

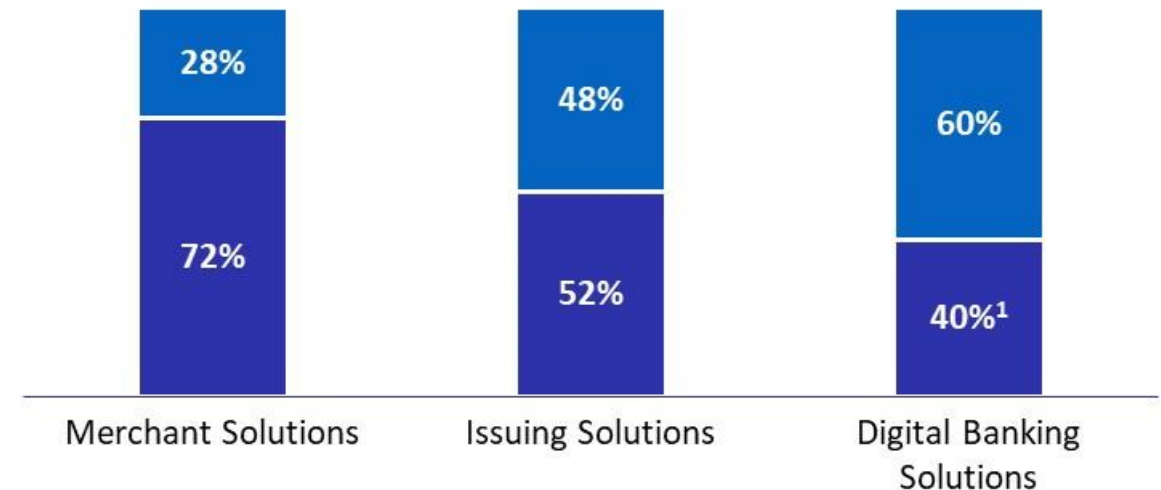
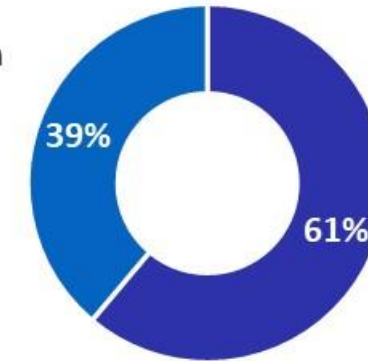
| Merchant Solutions       |           |                |                         |
|--------------------------|-----------|----------------|-------------------------|
| Revenue Type             | Acquiring | POS Management | VAS                     |
| Volume Driven            | ✓         |                | ✓                       |
| Installed Base Driven    |           | ✓              | ✓                       |
| Selected Revenue Drivers | TPV       | POS Terminals  | TPV & # of Transactions |

| Issuing Solutions        |                         |                 |                           |
|--------------------------|-------------------------|-----------------|---------------------------|
| Revenue Type             | Transaction             | Card Management | VAS                       |
| Volume Driven            | ✓                       |                 | ✓                         |
| Installed Base Driven    |                         | ✓               | ✓                         |
| Selected Revenue Drivers | TPV & # of Transactions | # of Cards      | # of Cards & Transactions |

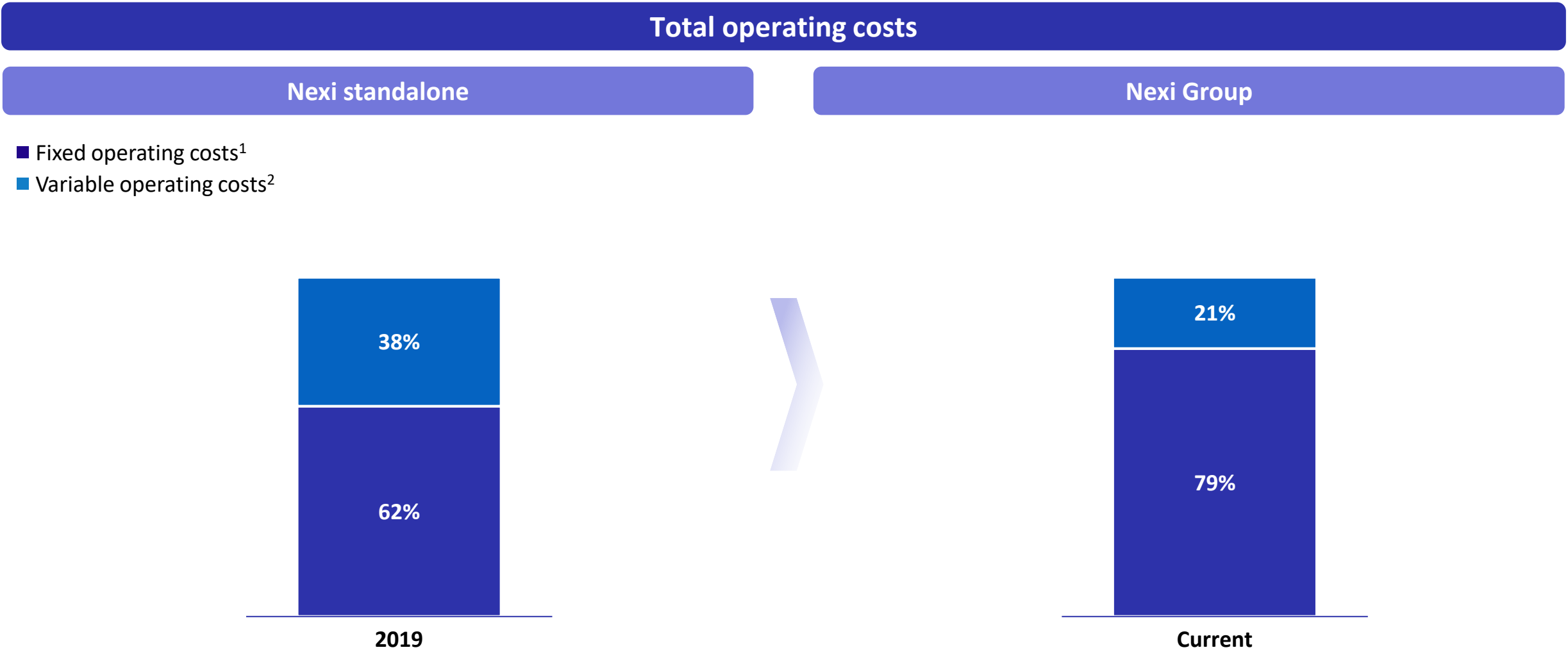
## Revenue by type (2021 PF)

■ Volume driven  
■ Installed based driven

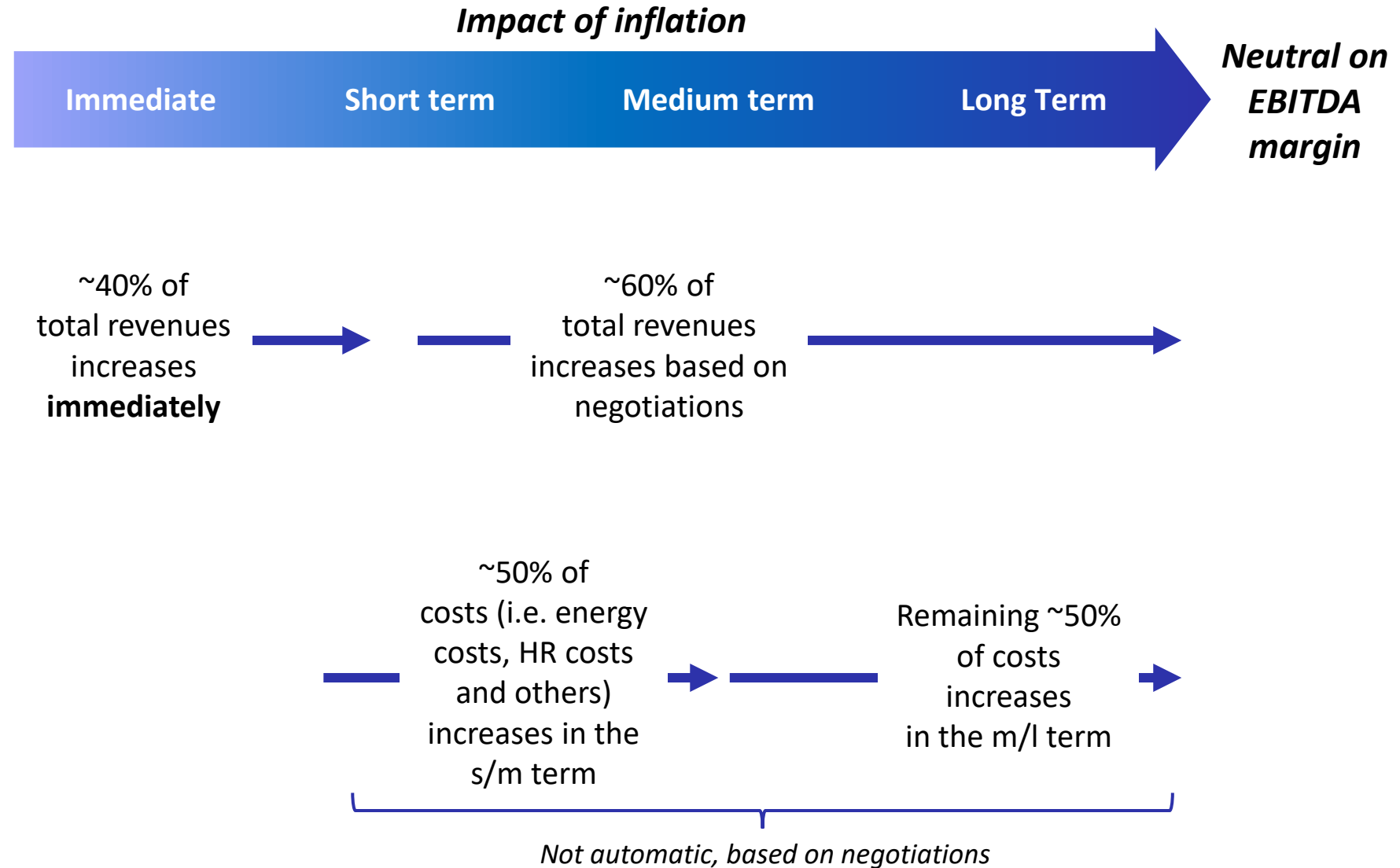
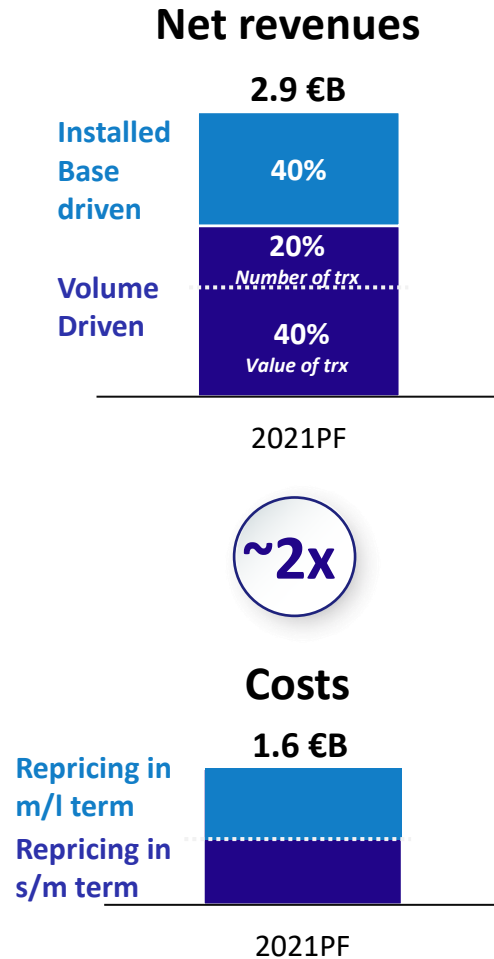




# Cost structure provides better operating leverage to scale efficiently



# Immediate positive effect of inflation on revenues and no EBITDA margin erosion

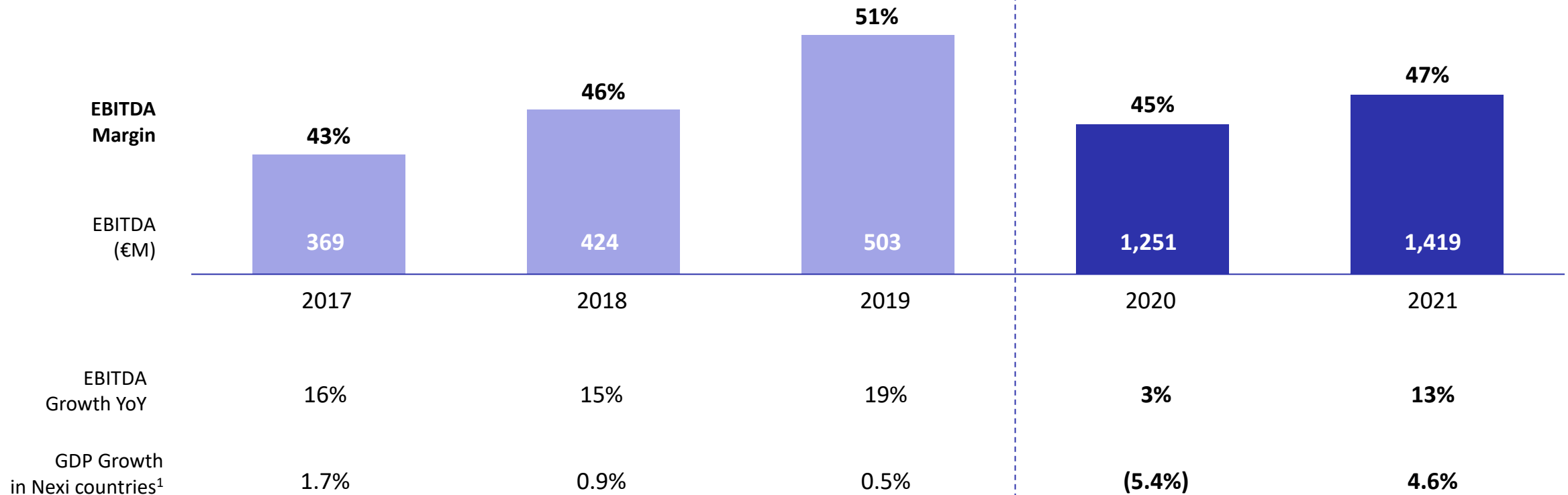


# Consistent track record of strong performance

We have expanded EBITDA ~4x while maintaining strong margins regardless of underlying macro environment and are ideally positioned to further consolidate earnings growth going forward

## Nexi standalone

## Nexi Group



*Covid-19*

# Stable and favorable capital base

1H22 net debt at 5.7 €B<sup>1</sup>

Confirmed FY22E  
net debt ~3x EBITDA  
incl. run-rate synergies

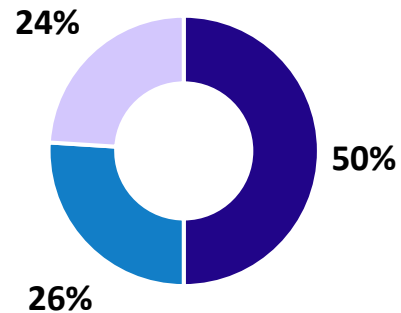
Weighted average  
maturity:  
4.4 years<sup>2</sup>

Weighted average  
cost of debt<sup>3</sup>:  
1.6%<sup>2</sup>

Fitch, S&P, and Moody's  
rating:  
BB/BB Positive/Ba2

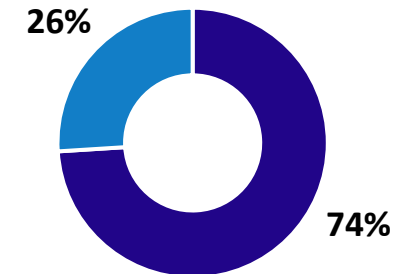
## Debt type mix

- Senior Notes
- Term Loans
- Convertibles Notes



## Interest rate mix

- Fixed rate
- Floating rate



# Very attractive combination of attributes to create shareholder value



## Established EU market leadership

- **Privileged as the Largest PayTech company in Europe**
- Uniquely positioned in Europe's most attractive markets

## Diversified & resilient model

- **High quality and diverse recurring revenue streams**
- Supported by strong secular trends, including card spend growth

## Consistent profitable growth

- **Consistent track record of delivering organic growth**
- Enhanced by disciplined, highly synergistic M&A

## Proven operating leverage

- **Powerful platform geared for future growth**
- Benefitted from economies of scale and network effects

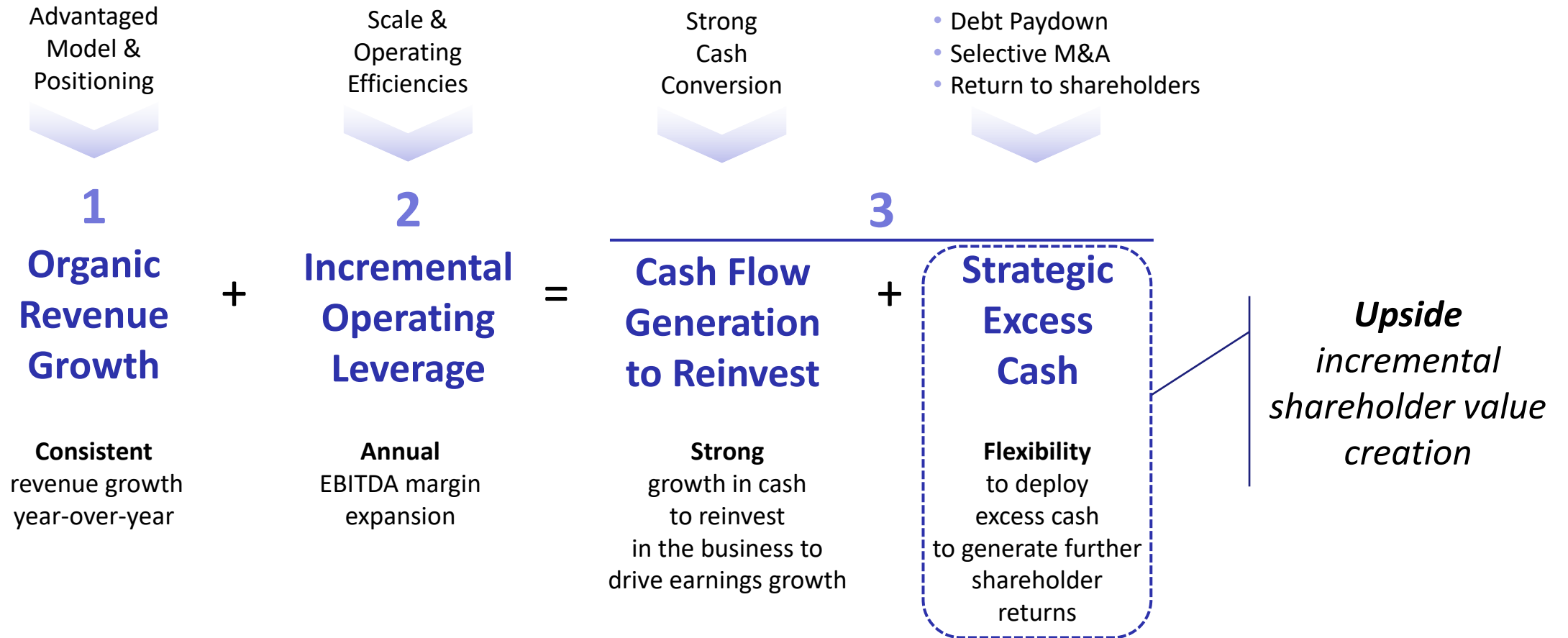
## Strong cash flow generation

- **Robust and predictable cash flow generation**
- Strategic deployment for investments and/or organic deleveraging

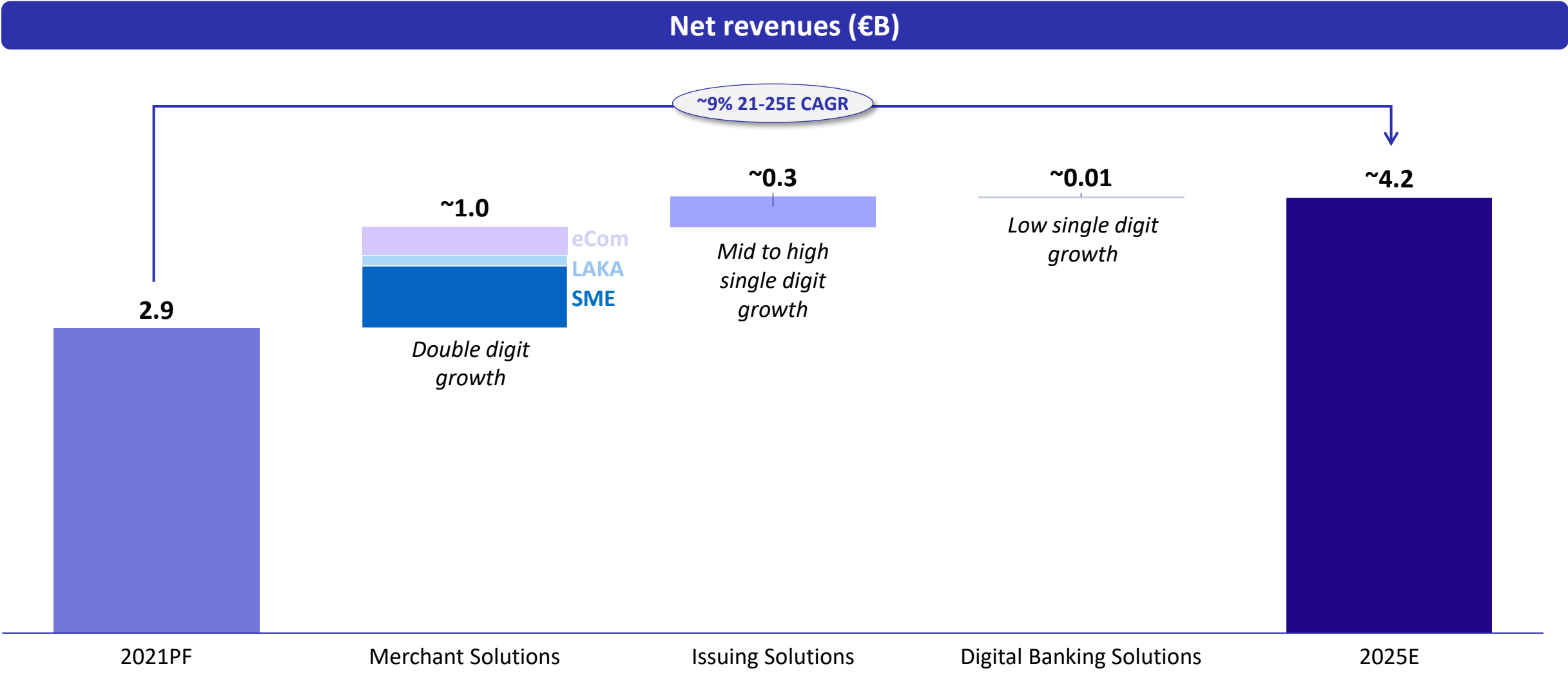
2.

## Our growth plan

# Creating shareholder value by compounding consistent organic growth and incremental operating leverage



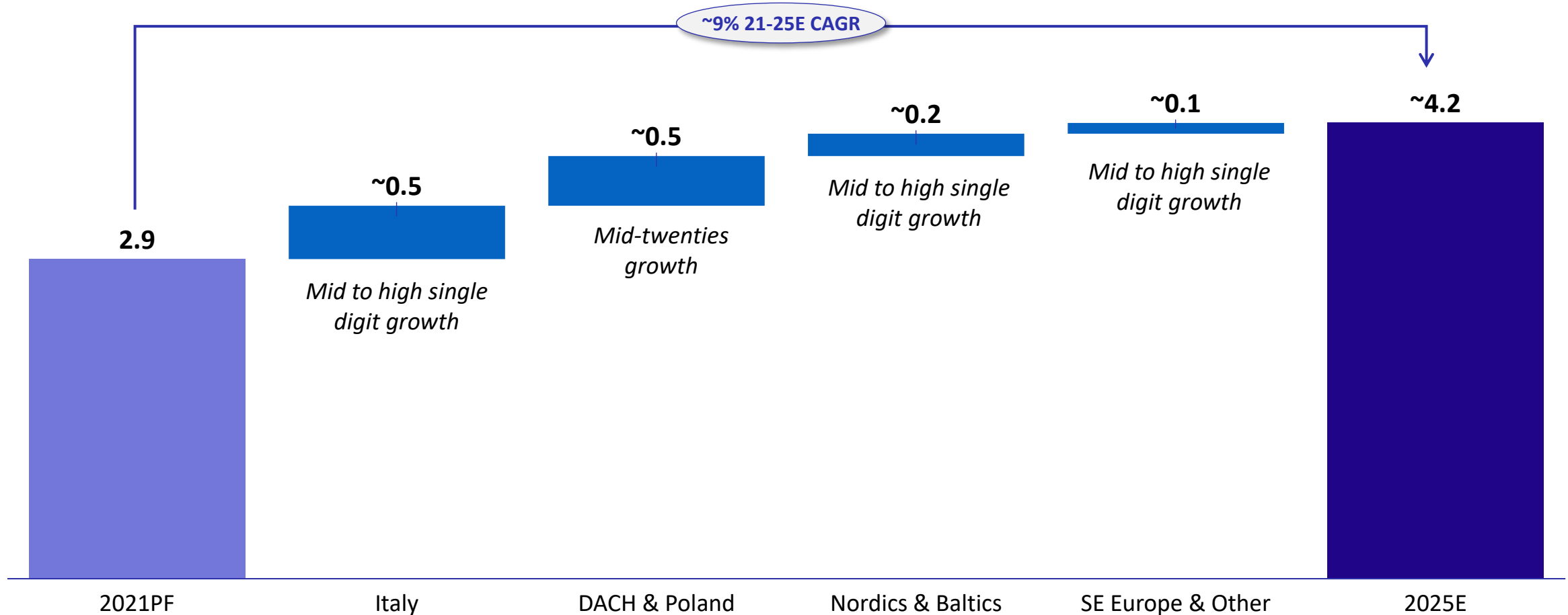
# Significant revenue growth underpinned by clear strategies in key segments...



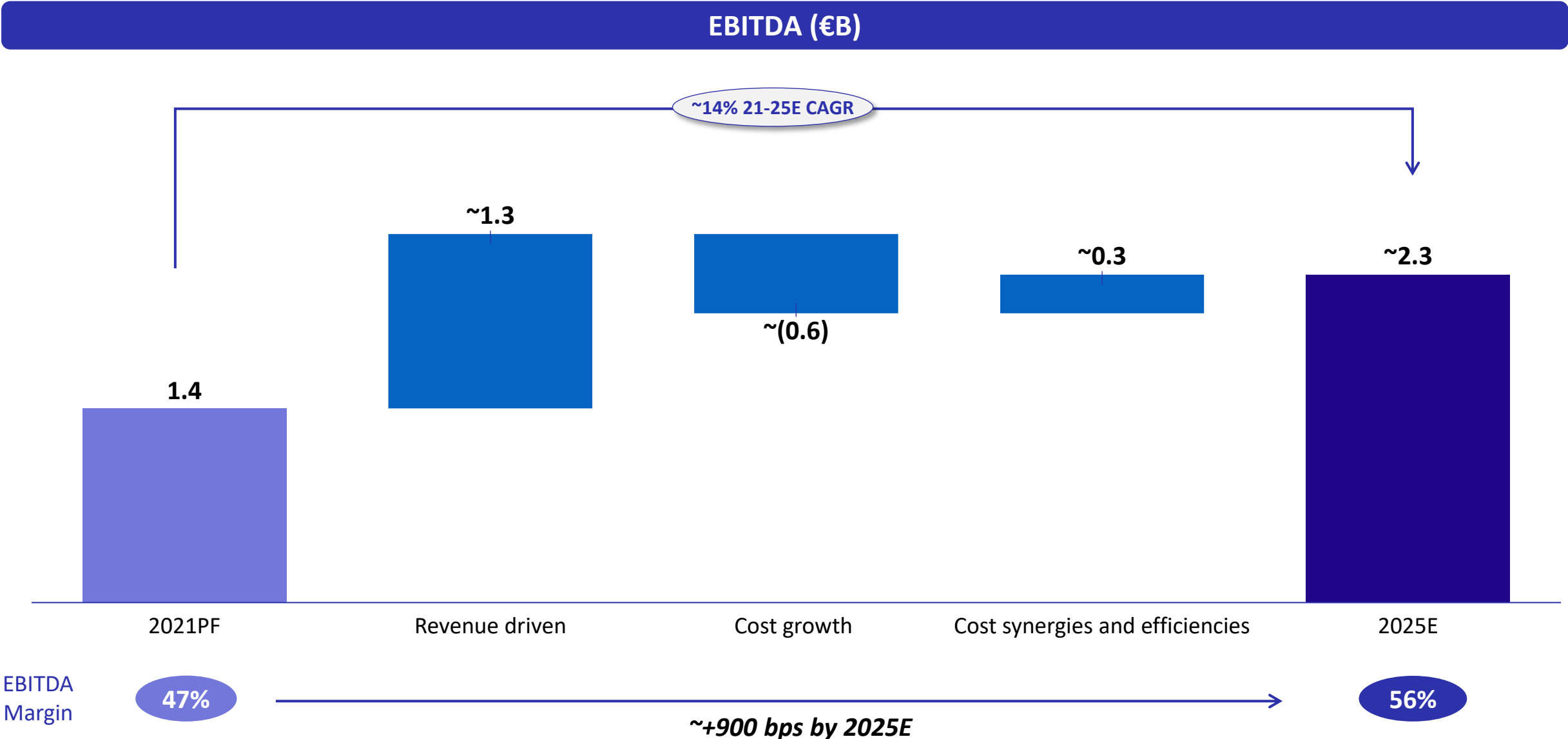


# ...generating strong revenue growth across all geographies...

## Net revenues (€B)

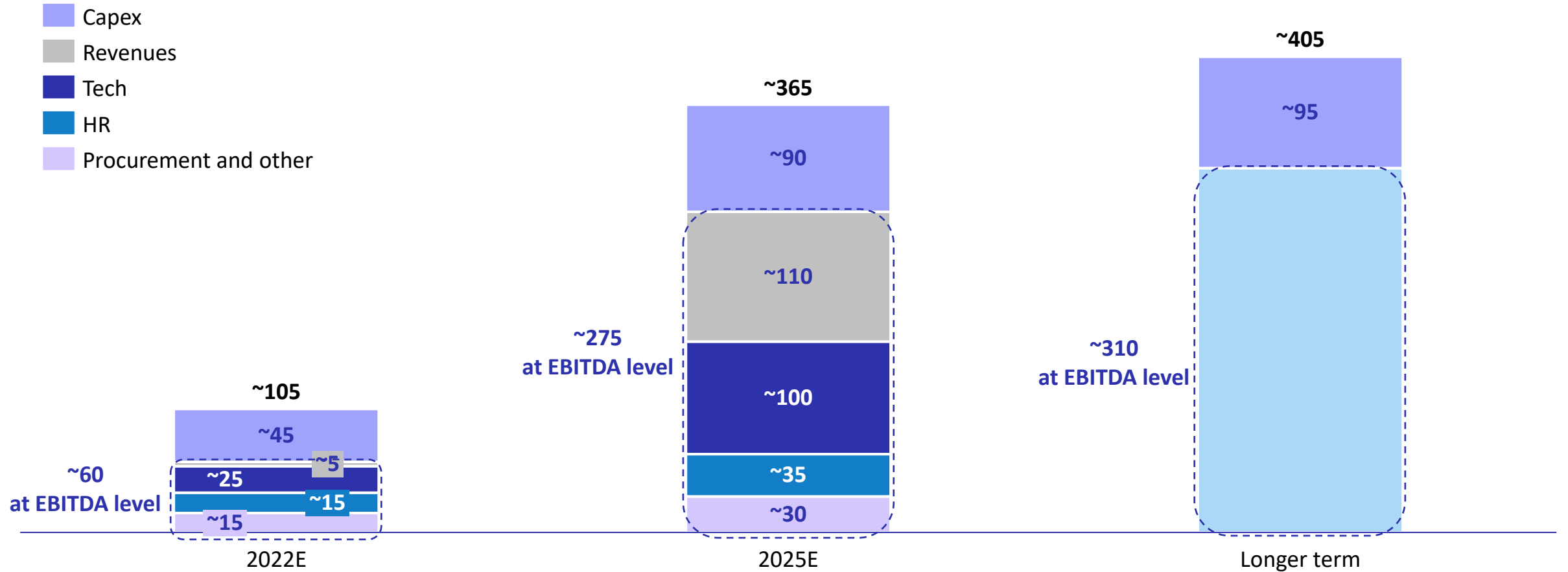


# ...resulting in ~2.3 €B EBITDA and margin of 56% in 2025



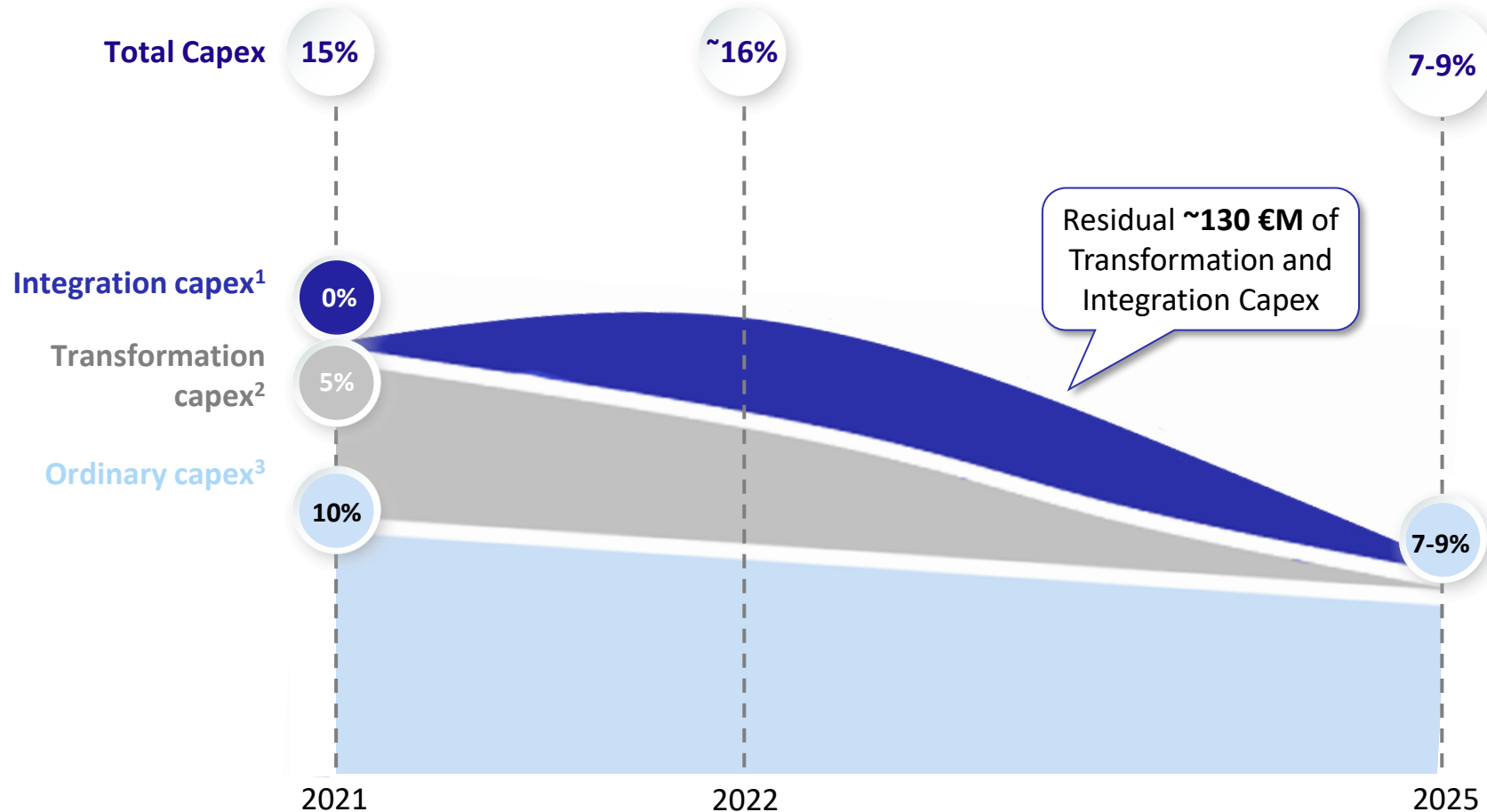
# Synergies from Nets and SIA on track to deliver 10%+ upside by 2025 and 25%+ in the longer term

## Cash synergies (€M)



# Total Capex to be 7-9% of net revenues by 2025

## Capital expenditure (% of net revenues)

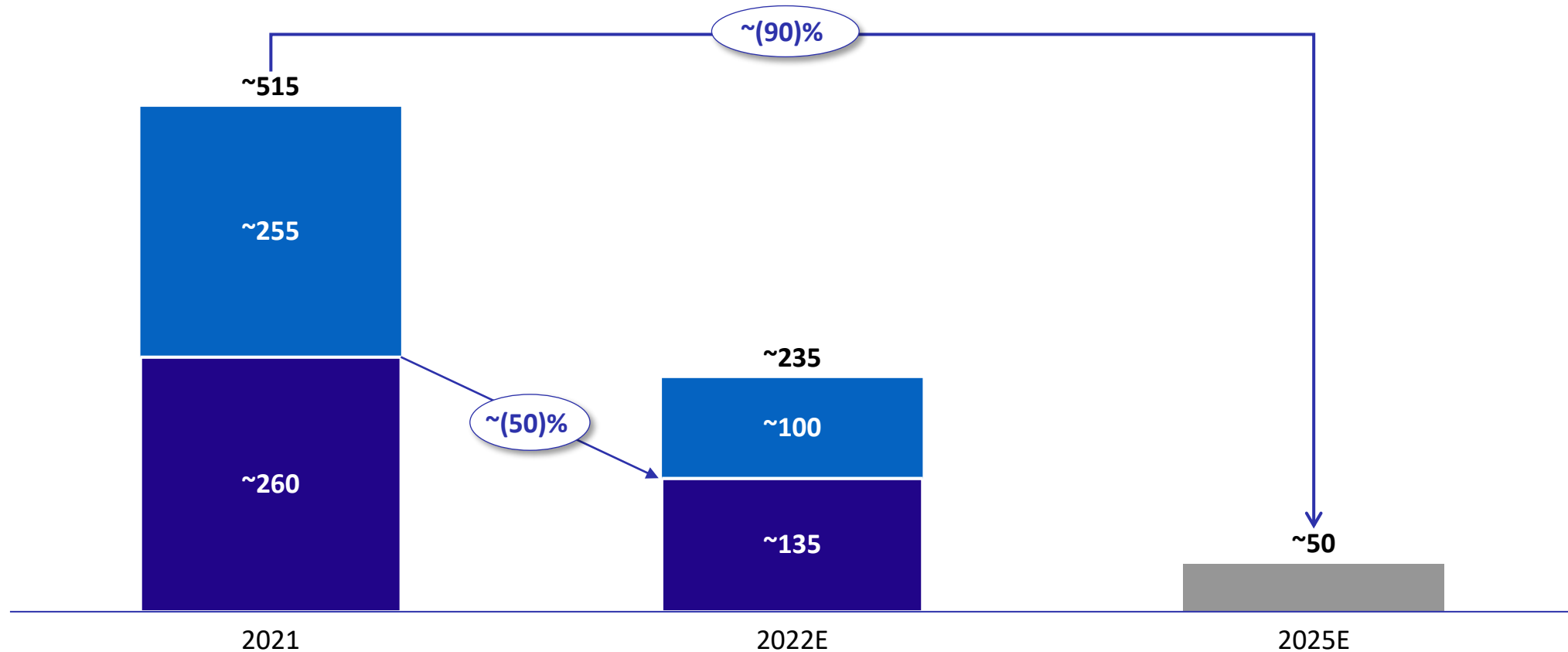


- Residual ~130 €M of **Transformation and Integration Capex** 2023-2025E (~60% of the initial ~300 €M planned to be completed by 2022)
- Key areas of further consolidation:
  - Data center contraction
  - Drive efficiencies in reducing processing platforms across business

# Ongoing reduction of non-recurring items to continue

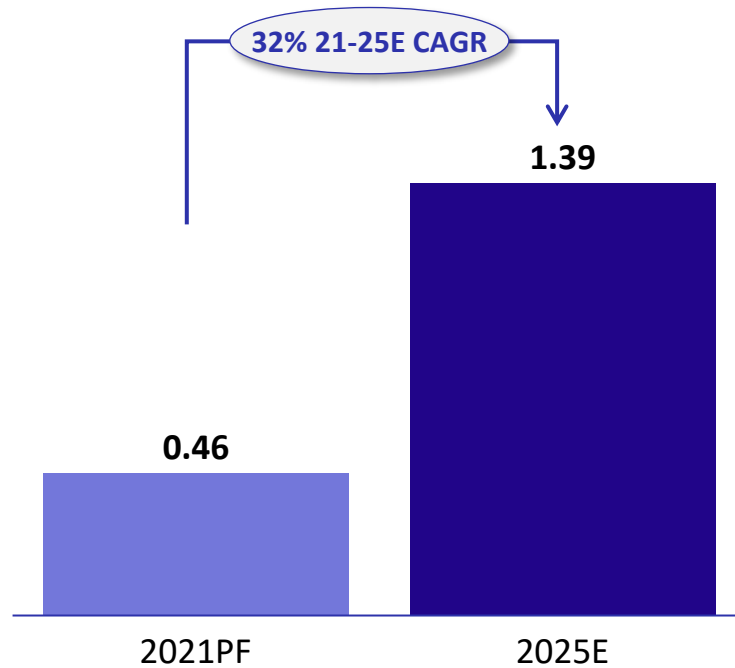
## Non-recurring items (€M)

- Other non-recurring items
- Transformation and integration costs



# Revenue growth and operating leverage drive strong cash generation and increasing EPS

## Operating cash flow per share<sup>1</sup> (€)

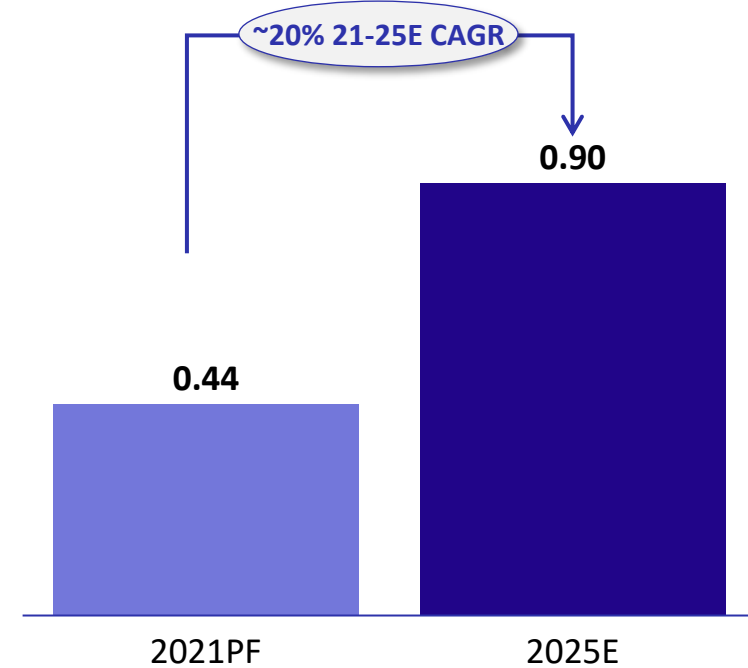


Operating Cash Flow (€B)

0.6

~1.8

## Normalised EPS<sup>2</sup> (€)



Normalised Net Income (€B)

0.6

~1.2

# Our growth targets

## Guidance 2021-2025 (organic basis)

|                                     |                                |
|-------------------------------------|--------------------------------|
| Net revenues                        | ~9% CAGR                       |
| EBITDA<br><i>EBITDA margin</i>      | ~14% CAGR<br>~+900 bps by 2025 |
| Excess cash generation <sup>1</sup> | ~2.8 €B 2023-2025              |
| Net leverage                        | 1.0x - 1.5x by 2025            |
| Normalised EPS <sup>2</sup>         | ~20% CAGR                      |

Notes: Based on Pro-forma data. (1) Operating cash flow generation after cash interest expenses and other cash items (cash taxes, IFRS 16, earn-outs and other). (2) Net income to which non-recurring items and D&A customer contracts are added back net of taxes, divided by total number of shares.

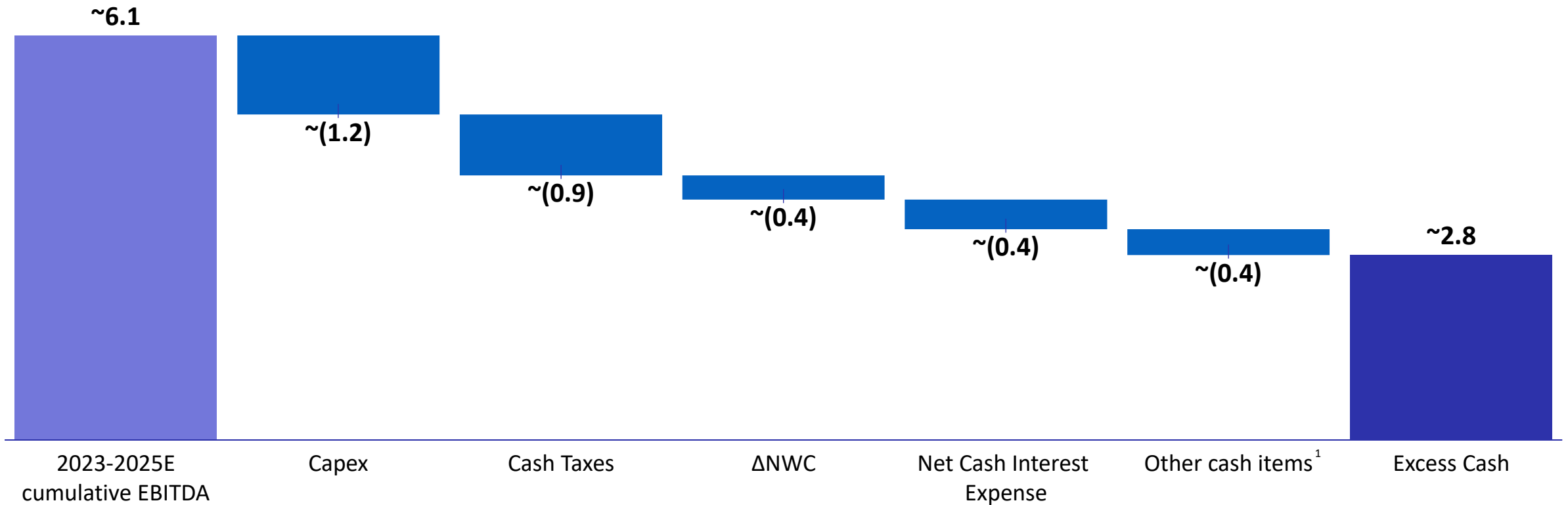
3.

**Excess cash generation**

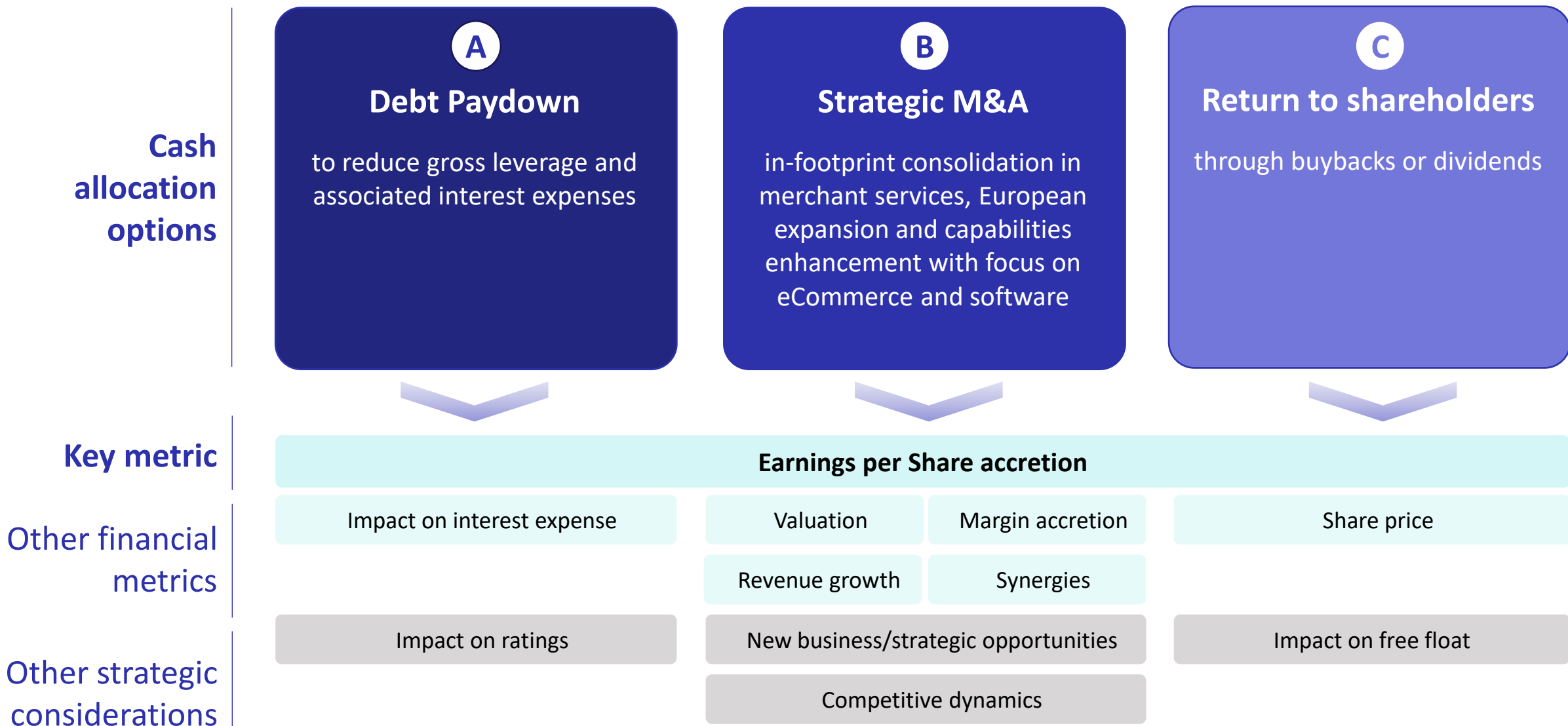


## 2.8 €B excess cash generated over 2023-2025 period

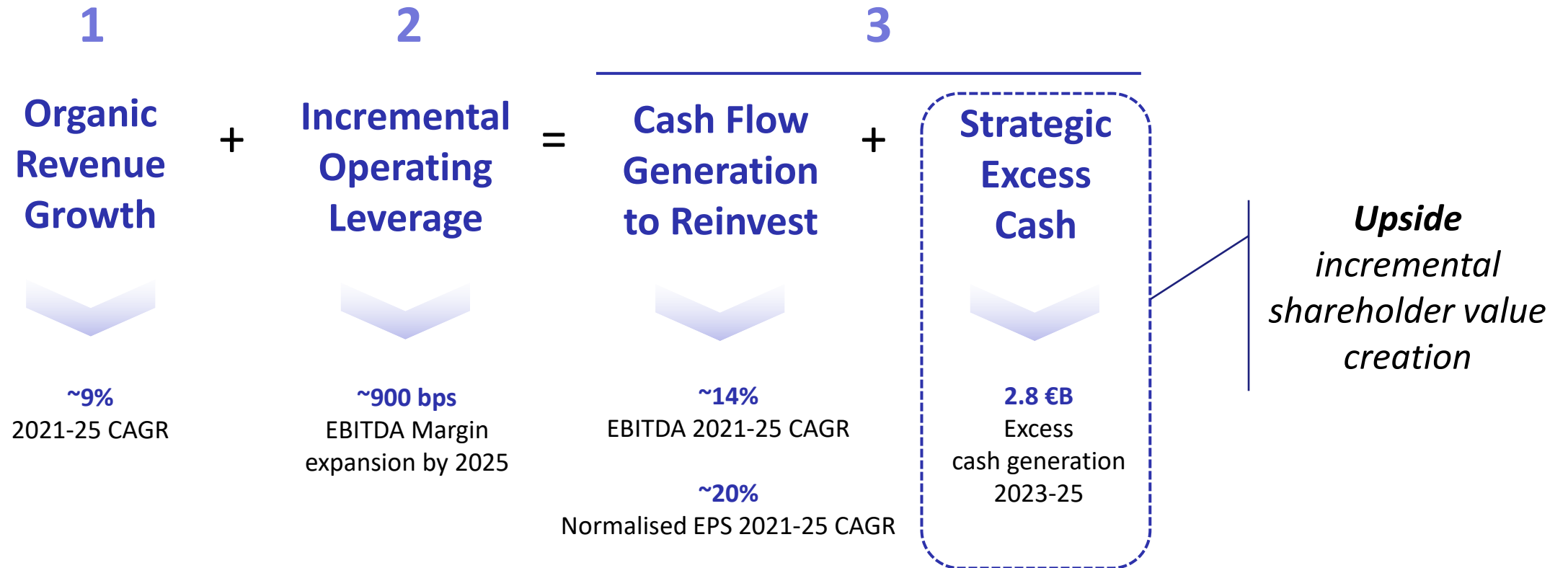
### 2023-2025E Capital allocation and excess cash generation (€B)



# Excess cash provides significant optionality

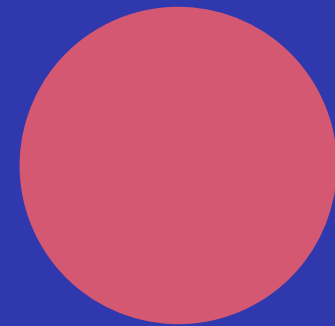


# Our simple and effective plan for value creation



# Winning in Merchant Solutions

---



*Roberto Catanzaro*



*Matthew Rowsell*

# Key messages for today

## Market overview

- **European market very local** and **fragmented**, with strong challenges for new entrants
- **Nexi leader** at scale in **multiple attractive markets**

## SME strategy pillars

- **Strengthen European leadership** through:
  - Modular flexible **one-stop shop solutions**, segment and local-specific
  - **Payments-software integration**, partnering with ISVs
  - **Investments** on **local distribution**, both direct and indirect

## LAKA strategy pillars

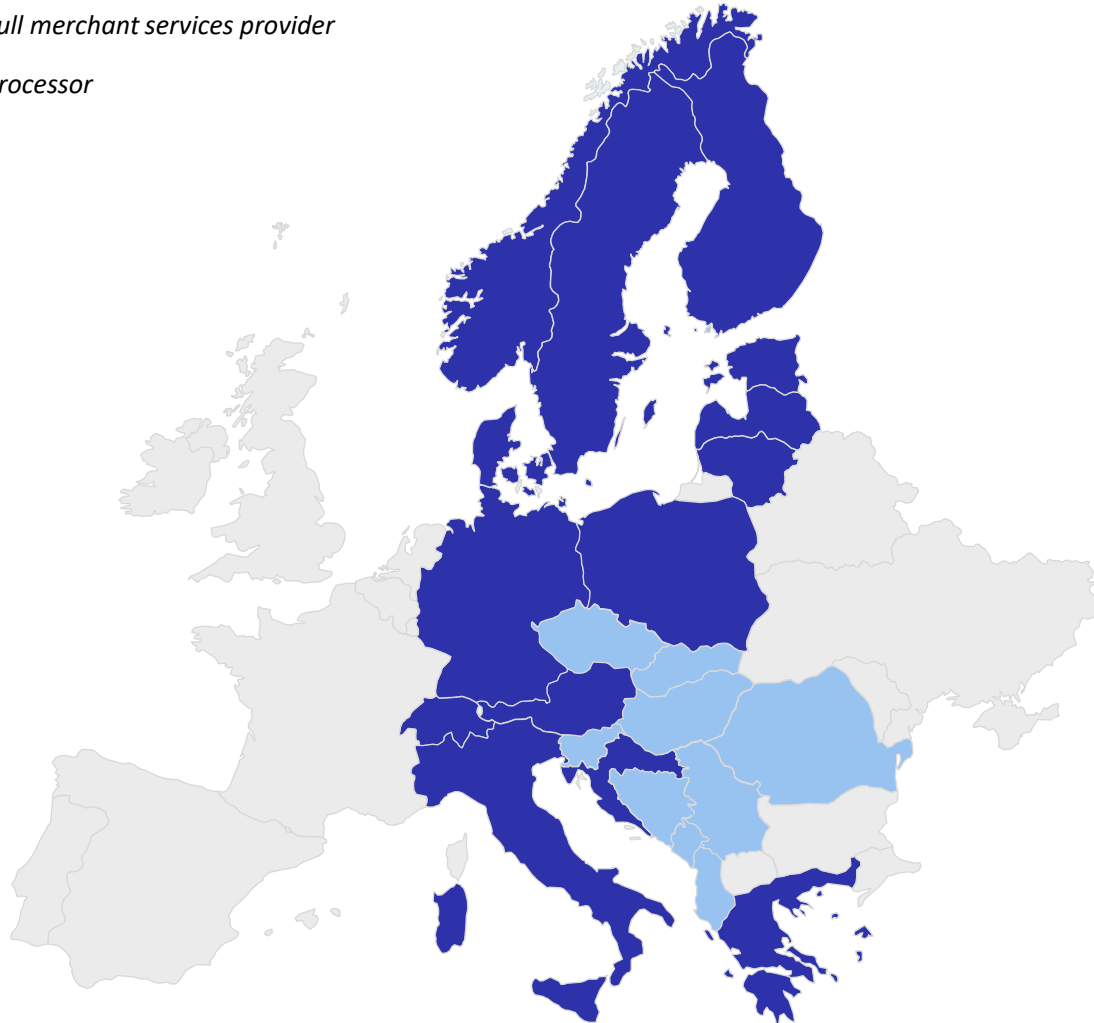
- **Grow in National** (and Regional) **Mid/Large corporates** with:
  - **Industry-specific omni-channel** propositions
  - **Deep local entrenchment via partnerships** and **tech integrations**
  - Investments in dedicated **local sales** and **support capabilities**

# Nexi starting point and market overview

# Leader at scale in Merchant Solutions

Presence in multiple attractive European markets...

- Full merchant services provider
- Processor



...with strong positioning in key countries

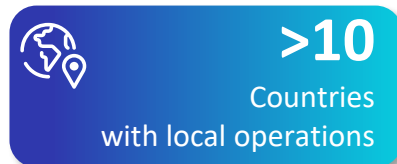
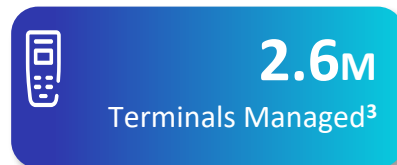
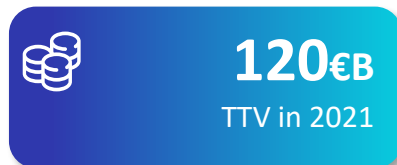
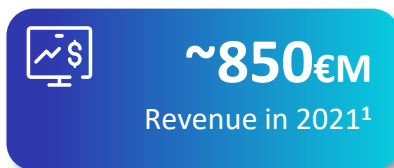


# ...with strong financial and operational performance over the last years

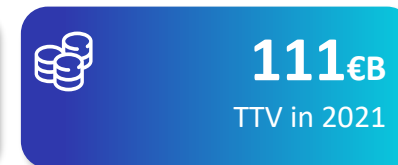
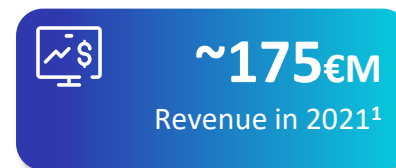
## Key figures



### SME



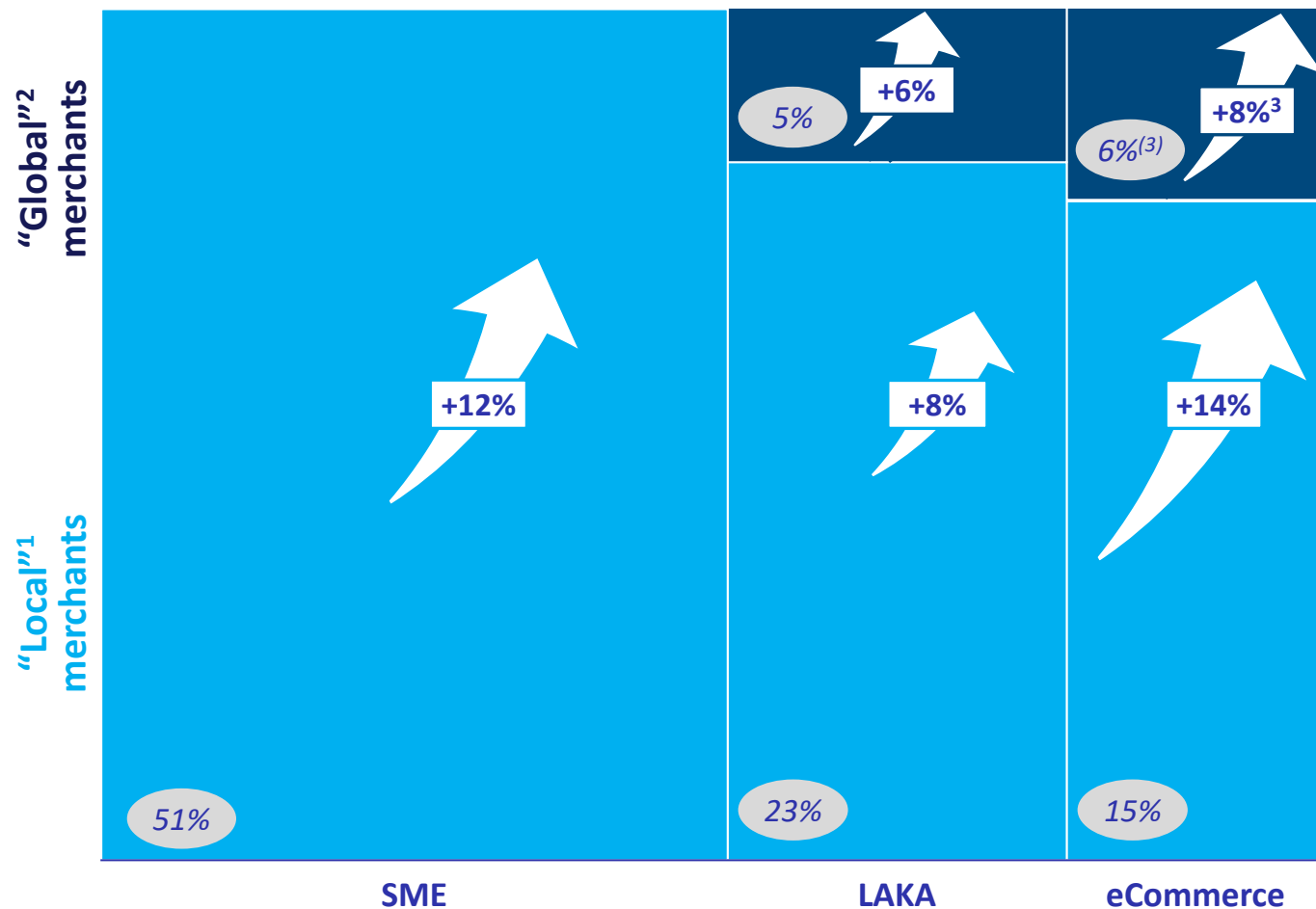
### LAKA





# ~90% of revenue pool concentrated in “local by nature” merchants

## Nexi footprint countries – Market acquiring revenues



+xx%

TTV CAGR 2021-2025

xx%

Weight on total market revenue (2021)

- Local “by nature” customer segments account for ~90% revenues of the market...
- ...and present double-digit expected growth in the future

# Local capabilities are key in European markets...

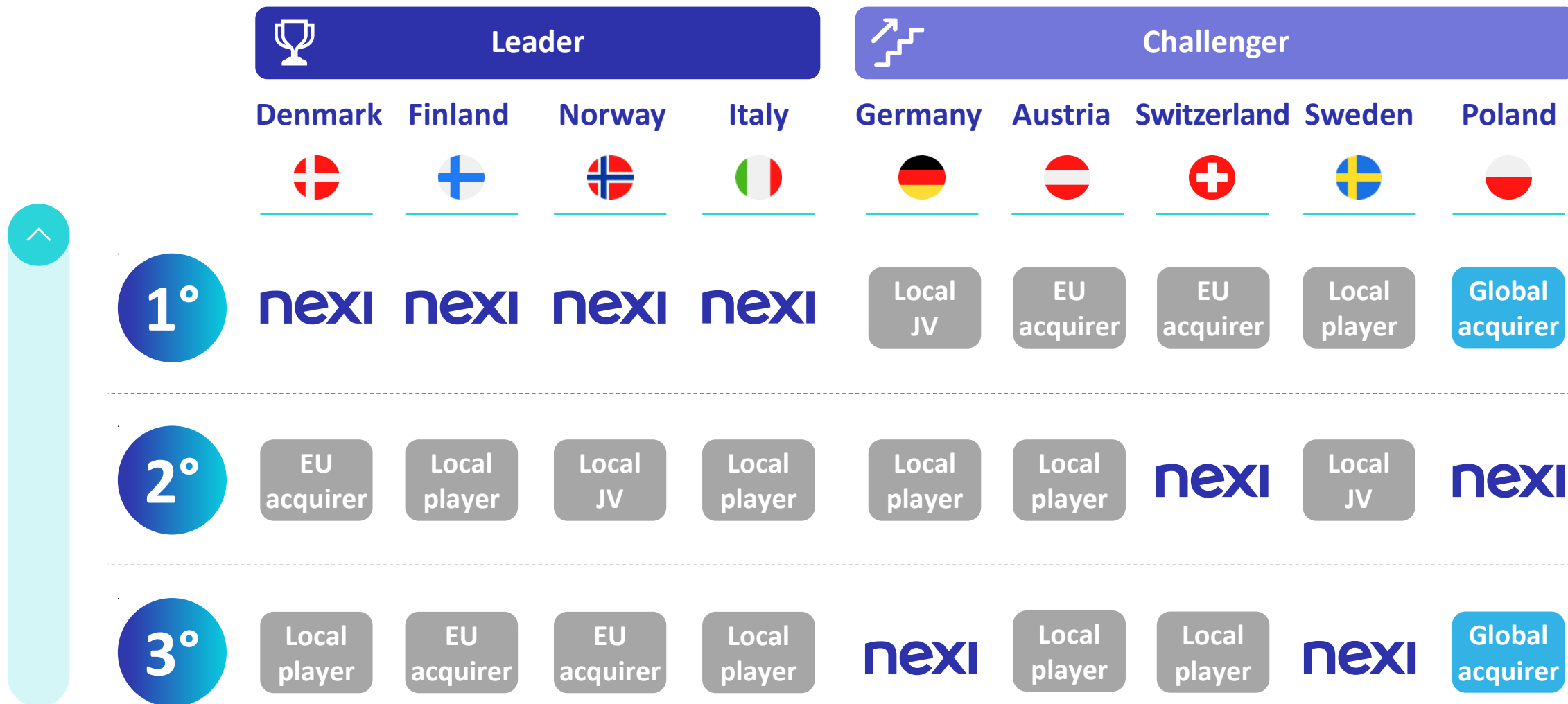
SIMPLIFIED



Despite European AML/KYC framework, many local add-on regulations

# ...creating significant challenges for new entrants global players

Acquiring ranking  
by market<sup>1</sup>



**Focus on SME**

# SME strategy recap

## Three strategy pillars...

Strengthen European leadership through:

- 1 **Modular flexible one-stop-shop solution**, segment and local-specific
- 2 **Payments-software integration**, partnering with ISVs
- 3 **Investments on local distribution**, both direct and indirect

## ...with a differentiated approach by market

### LEADING



✓ Consolidate leadership and grow value across verticals

### CHALLENGER



✓ Win market share and accelerate growth

### NEW



✓ Over time, expand into new markets<sup>1</sup>

# 1 Evolving proposition into modular, flexible, one-stop-shop, local-specific solutions...

## Integrated, digitally enabled propositions...

### Omni-acceptance



### SME focused omni-channel



### Full range of advanced terminals



### Wide range of VAS



### Data-enabled companion Apps/Portals



## ...strongly local specific



### Local schemes and APMs omni-acceptance



### Integrated local capabilities



### Local language customer support



### On-site support

# 1 ...easily tailored to vertical-specific propositions

## Restaurants



- ✓ Meal vouchers
- ✓ Pay-at-a-table
- ✓ Secure reservations
- ✓ Delivery platform integration app
- ✓ Table & menu management integration

## Retailers



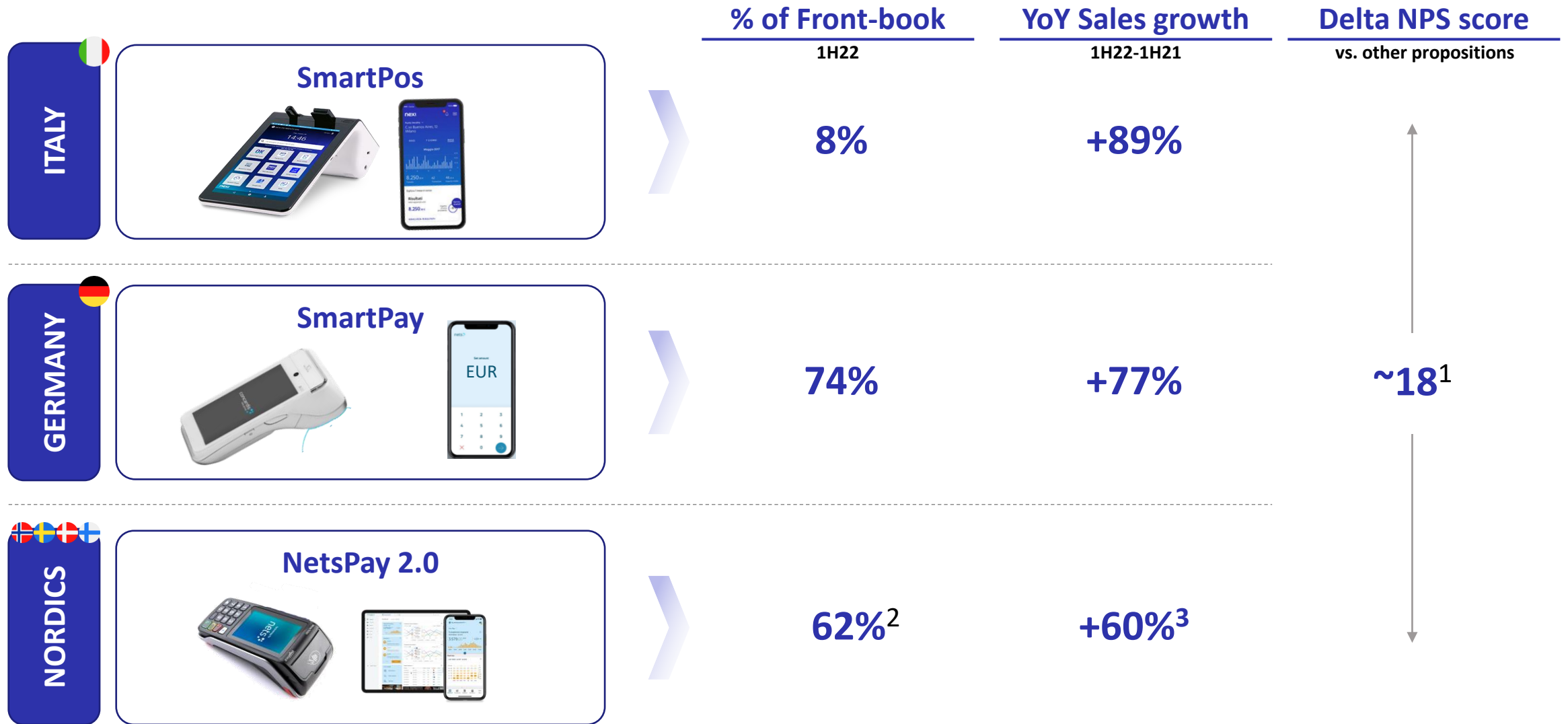
- ✓ All-in-one SmartPos
- ✓ Single eCom proposition
- ✓ Integrated omni-channel (pay-by-link)
- ✓ Discount vouchers
- ✓ Integrated tax-free

## Hotels



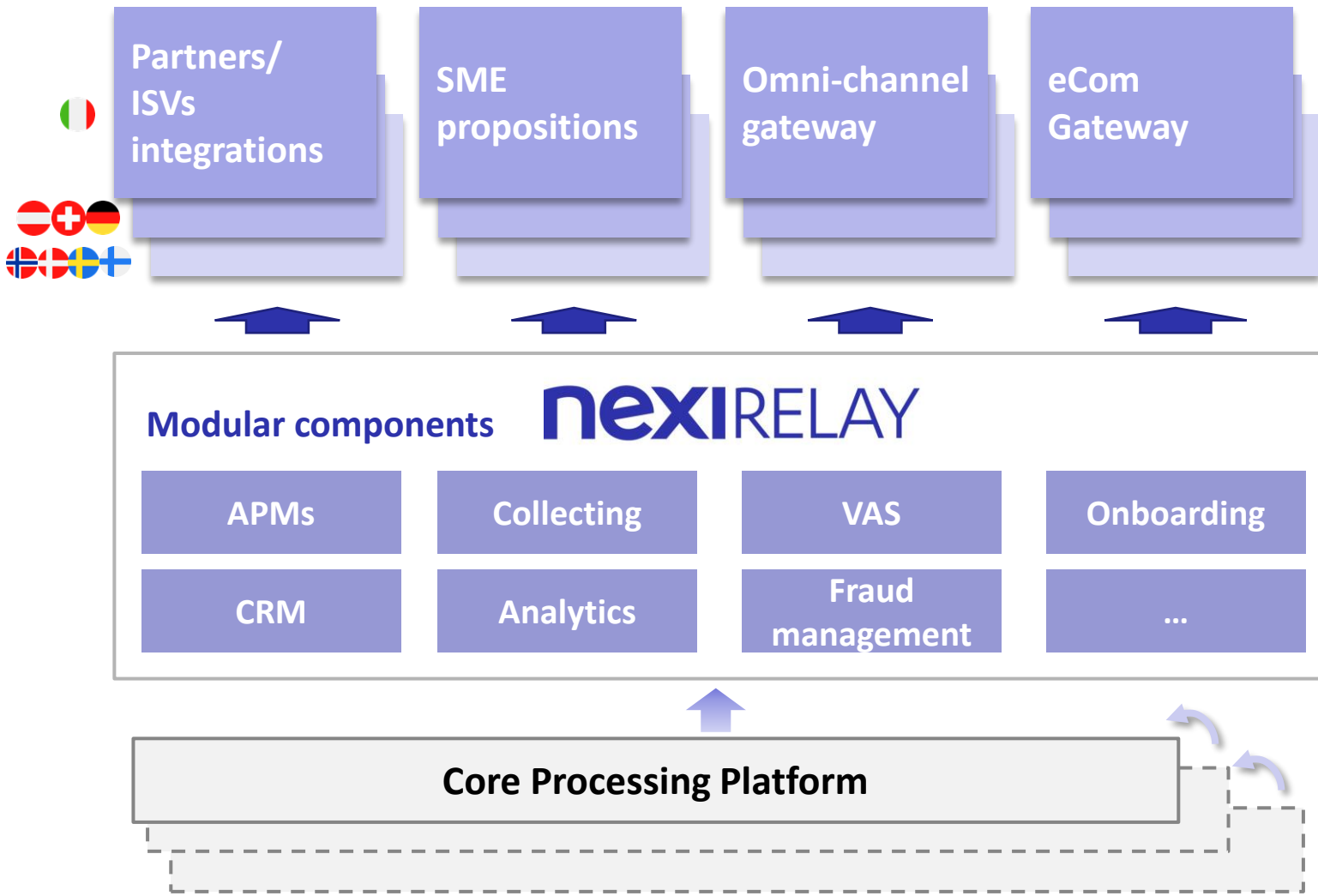
- ✓ Digital pre-authorizations
- ✓ Asian APMs
- ✓ Digital chargebacks management
- ✓ Secure reservations
- ✓ Customer satisfaction SmartPos app

# 1 Strong sales performances of flagship propositions across markets





# 1 Technology strategy aimed at combining innovation agility and efficiency



- **Local front-ends** for in-market integrations and local features
- **Modular** best-in-class reference **solutions** over time
- Dedicated **partners integration capabilities**
- **No customer migrations necessary** (also for future expansions/ M&As)

- **Common API-based capabilities** re-used across markets
- **Wide set of VAS**, proved across segments

- **Accelerated consolidation** over time into **single group strategic platform**

## 2 Nexi unique positioning in payments/software convergence

### Market Context

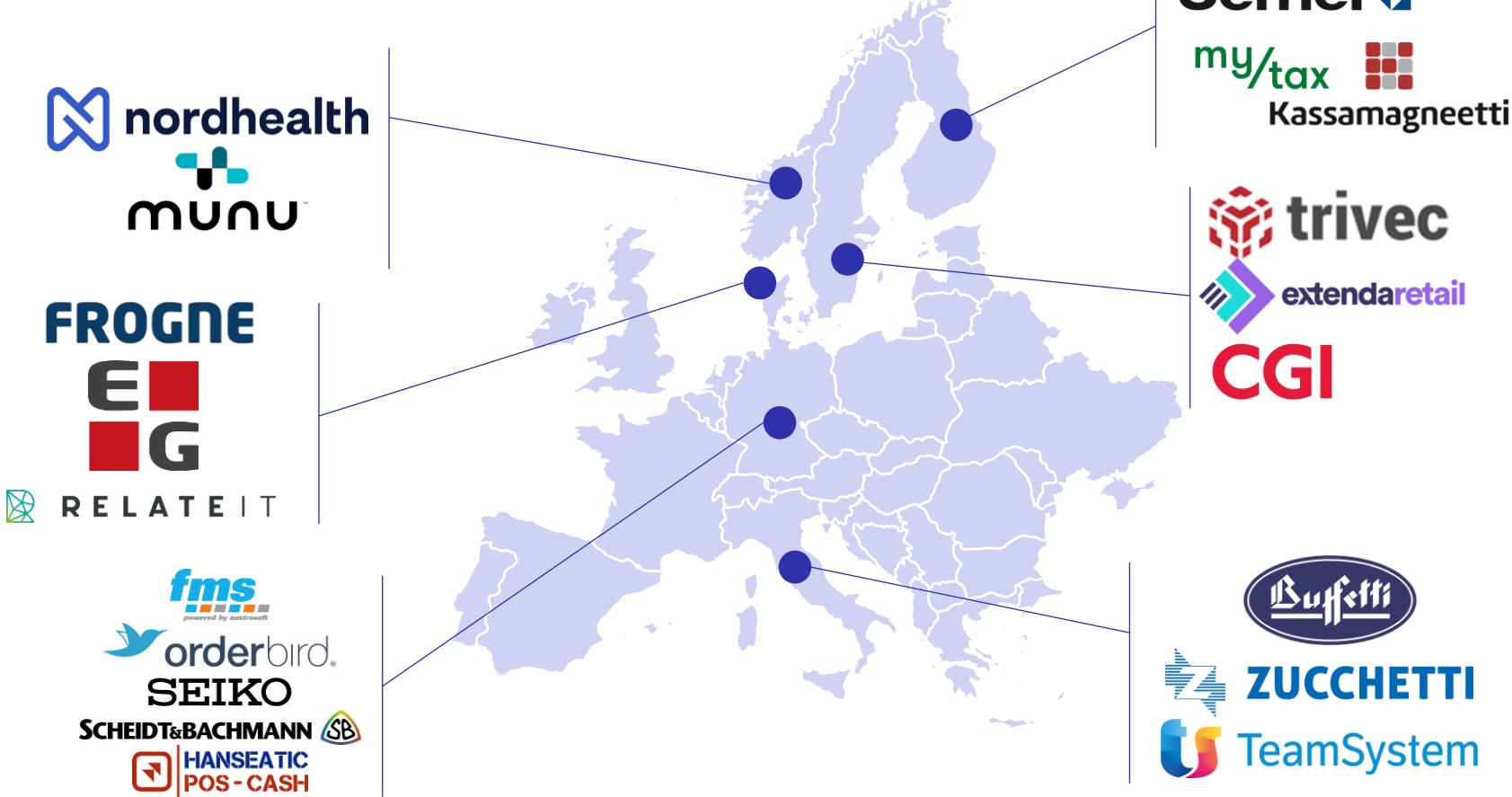
- A • European **ISV space** still **local and fragmented**, no clear winners emerging
- ISVs entering payments space facing **scale and regulatory hurdles**
- Market traction focused on **2/3 verticals** (e.g., restaurants, hotels, ...)

### Nexi distinctive positioning

- B • Focused and **differentiating capabilities** for payments/software integration
- C • Nexi already deeply **integrated with local leaders**, with **strategic 360° partnerships** and with optionality for future extensions
- D • Joint proposition offering new opportunities for **customer value growth**, through cross/up selling on **large SME customer base**
- Dedicated investments for **direct salesforce** as key enabler
- E • **Strategic optionality** to extend into **“owned” propositions** for key verticals (i.e., Orderbird acquisition)

# 2A European ISVs space is still local and fragmented

Selected examples of Local Leading ISVs



- **Local specificities** relevant also for **store software** (i.e., tax, integrations)
- **Local players** modernizing effectively vs SaaS/Cloud
- Emerging **global ISVs** and many **local players** coexist, with **no clear winner**
- **ISVs** moving into payments facing **challenges** on:
  - **Scale**
  - **Regulatory** complexity

|                          | Nordics | Italy | Germany |
|--------------------------|---------|-------|---------|
| Estimated number of ISVs | >300    | >200  | >1,300  |

2B

## Our differentiating capabilities for payments/software integration

### Fast Integration

- Granular payment API
- ECR/all-in-one integration
- Dedicated testing capabilities
- Continuous plug-in/APIs evolution/upgrading

### Dedicated partner support

- Dedicated partner portals and documentation
- Dedicated help desk
- Developer evangelization

### Superior partner/merchant onboarding

- Fully digital merchant onboarding
- Dedicated KYC/AML capabilities
- “Licensing” business models simplifying regulatory requirements
- Advisory services for IP establishment



## 2B We forge strategic, 360° partnerships with ISVs...



**ZUCCHETTI**



Italian leader in store software, with >700K customers, serving multiple verticals



**360° strategic partnership** with **joint go-to-market**



**Full digital payments capabilities** integrated into **ERPs** and **vertical software** (Hospitality, Wellness) including:

- Full **Omni-channel acceptance** proposition
- **Digital Issuing** and **payments accounts**
- **Open Banking** payments
- **Digital Invoicing**



Access to **>1,500 local distribution partners**

# 2C ...and are deeply integrated and "Partner of Choice" for local leaders



>900 distribution partners and integrations in >10 countries

+60% YoY<sup>1</sup> front-book growth

# 2D Integrated software-payments propositions offering upselling opportunities



## Integrated payments/software solution:

| Software                |   | Payments                                |  |
|-------------------------|---|---|--|
| Reservation Management  | + | Secure Reservation                      |  |
| Table ordering/payments | + | Portable SmartPos with menu/billing app |  |
| Self checkout app       | + | eCommerce acceptance, card on file      |  |
| Delivery management     | + | Pay-by-link                             |  |
| Supplies restock        | + | B2B payments automation                 |  |
| Loyalty management      | + | Digital receipts                        |  |



- Higher incidence of VAS in integrated propositions driving customer value
- Large **SME customer base** with strong cross-selling opportunities
- Dedicated investments in **direct sales force** as key enablers

2E

# We have strategic optionality to extend into “owned” vertical propositions



Leading **hospitality software providers**, serving >15K merchants



Full **end-to-end** store **management solution**



Complete **payments integration**



Unique **analytics capabilities**



**+135%<sup>1</sup> YoY front-book growth**



**4x average monthly revenue<sup>2</sup> vs payments only propositions**



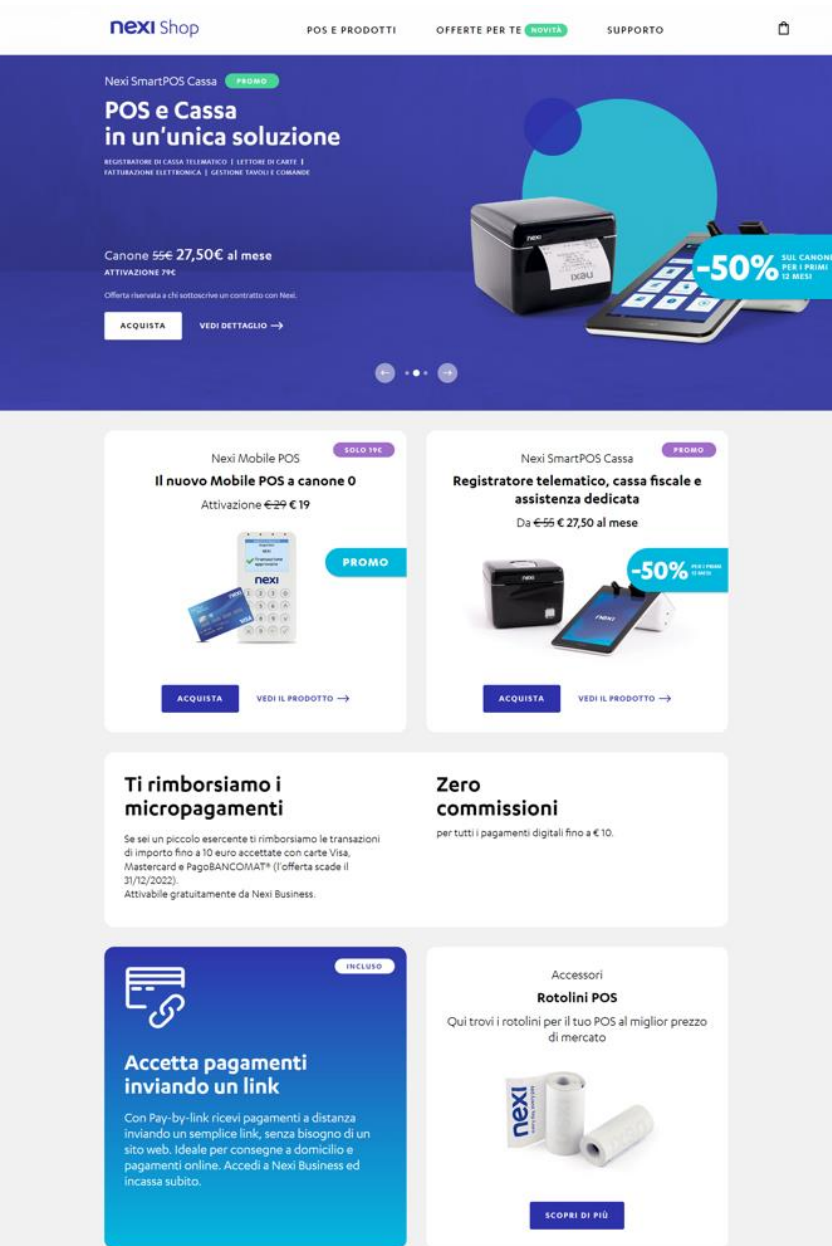
3

# Continuing to invest into resilient and diversified local distribution footprint to drive growth for key verticals



|                 | <u>Strategic relevance</u> | <u>Segment focus</u> | <u>Local coverage</u> | <u>Results achieved</u>                             |  |
|-----------------|----------------------------|----------------------|-----------------------|---|--|
| <b>DIRECT</b>   | <b>DIGITAL</b>             | ↑                    | MICRO/<br>SMALL       | Live in <b>7</b> markets                            | <b>+126%</b> YoY front-book sales<br><b>&lt;€200</b> CPA <sup>1</sup> in Italy |
|                 | <b>TELESALES</b>           | ↗                    | SMALL                 | <b>~200</b> operators                               | <b>+37%</b> YoY front-book sales<br><b>5.3</b> RGUs <sup>2</sup> /FTE/Day      |
|                 | <b>FIELD SALES FORCE</b>   | ↗                    | MEDIUM                | <b>Target of ~250 dedicated FTEs</b>                | <b>+76%</b> YoY front-book sales   |
| <b>INDIRECT</b> | <b>BANKS</b>               | →                    | ALL                   | <b>&gt;150 banking partners</b> in Italy and Greece | <b>+25%</b> YoY front-book sales (on new propositions)                         |
|                 | <b>ISOs/ISVs</b>           | ↑                    | SMALL/<br>MEDIUM      | <b>~930 Partners</b> in 7 markets                   | <b>+60%</b> YoY front-book sales   |

# 3 Digital and retail distribution driving front-book growth



Fully digital onboarding, adapted to multiple channels (e.g., retailers, online)



Solution configuration online tool



Up-sell engine for VAS and accessories



Dynamic promotion/pricing engine



“Bank connect” for bank leads referral













Multiple retailers partnerships



<200€  
Cost Per Acquisition

+126%  
YoY front-book sales

# Accelerated growth fueled both by solid front-book dynamics

|            | Market   | Stock POS<br>1H22 - FY20, thousands | Front-book growth<br>1H22 vs 1H21, percent | Market share expected trend   |
|------------|--|-------------------------------------|--|---|
| LEADER     |  ITALY        | +109                                | +4%  |    |
|            |  NORDICS      | +3                                  | +41%                                       |    |
| CHALLENGER |  GERMANY      | +9                                  | +55%                                       |    |
|            |  SWITZERLAND | +37                                 | +169%                                      |   |
|            |  POLAND     | +85                                 | +76%                                       |  |

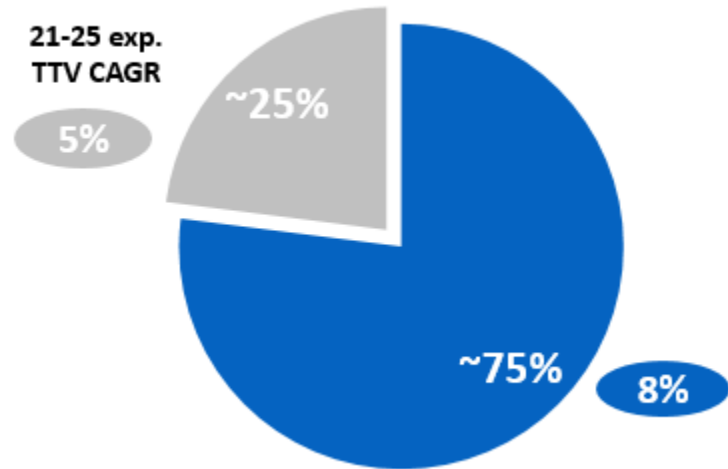
**Focus on LAKA**

# >75% of European LAKA revenue pool in “local by nature” merchants and verticals

## LAKA<sup>1</sup> revenue pool in Nexi footprint markets

### Breakdown by type of merchant, %, 2021<sup>2</sup>

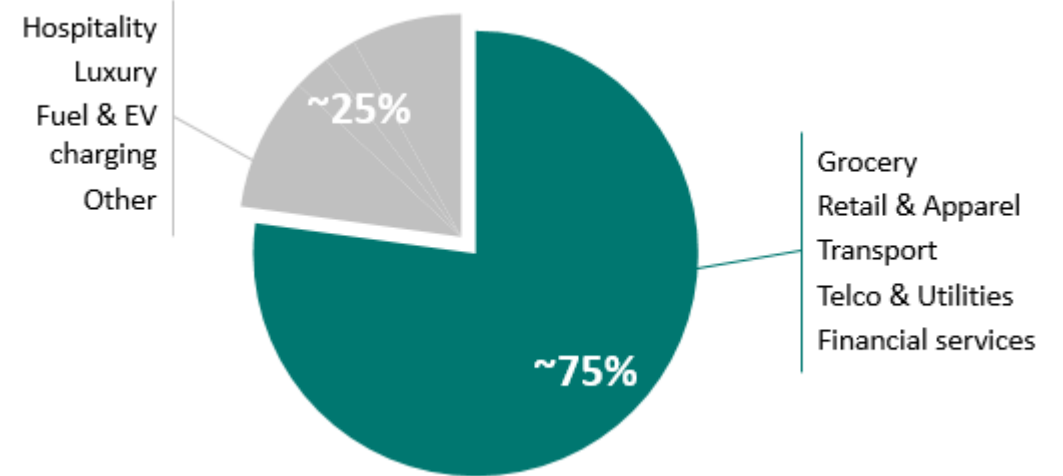
- Local and Regional/Global procuring locally
- Regional/Global procuring centrally



Local and Regional/ Global locally procuring merchants are the fastest growing segments

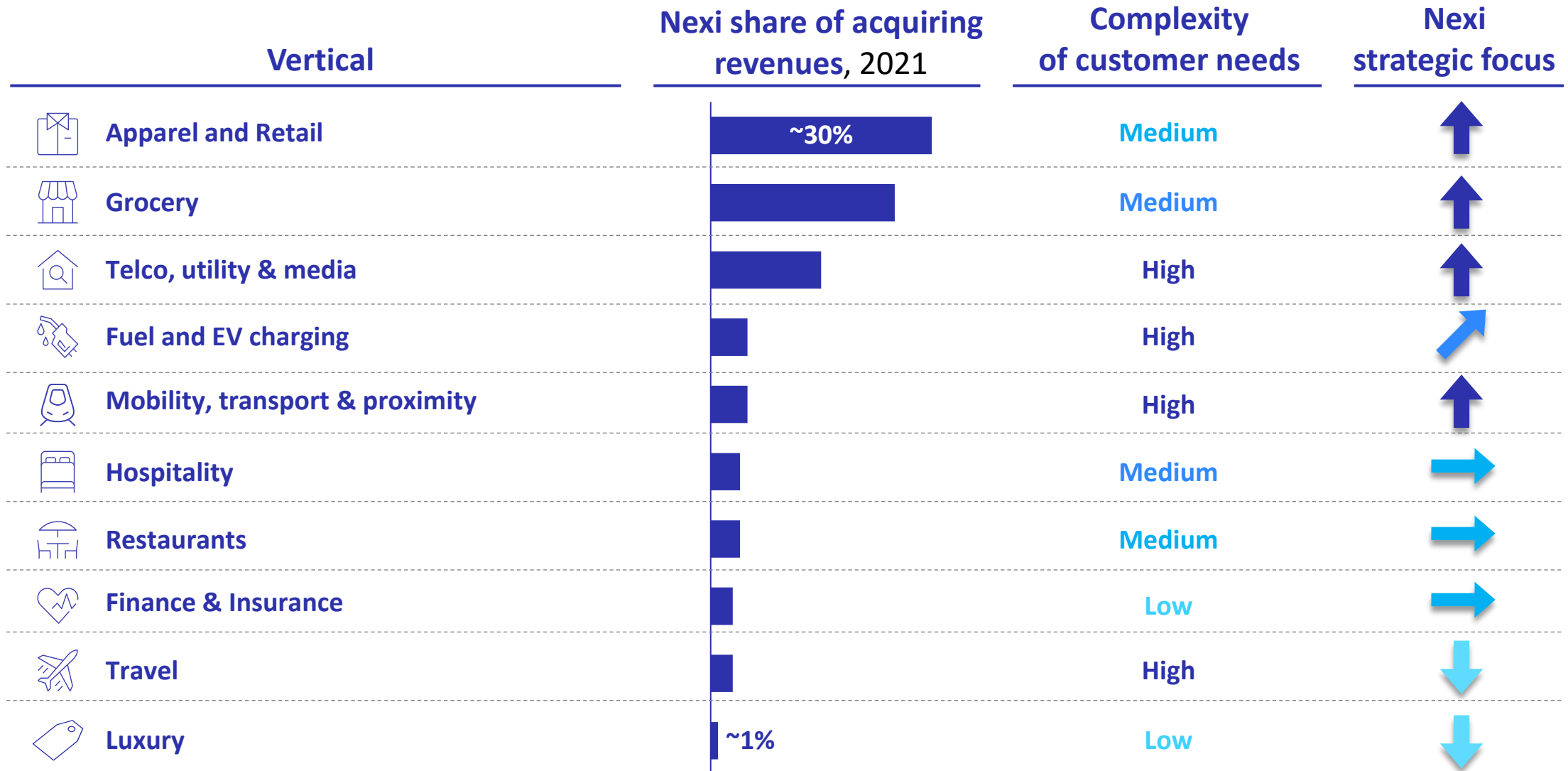
### Breakdown by vertical, %, 2021<sup>2</sup>

- Predominantly “local by nature” verticals
- Balanced verticals with mix of local/global merchants



“Local by nature” verticals with >75% of revenues

# Nexi is already deeply entrenched in “local” verticals...



...serving >3k merchants including many flagship brands...



# ...with strong opportunity in Mid-Large Corporates



Significant **market presence**  
(at least 50% of revenue pool)



**Local presence and capabilities**  
as key differentiator



**Lower cost-to-serve**, leveraging  
more industrialized propositions



**Less contested space**, often  
mono provider



**Higher profitability** (2x) vs Large  
LAKA



# LAKA strategy recap

## Three strategy pillars...

Grow in **National** (and Regional) **Mid/Large** corporates with:

- 1 **Industry-specific omni-channel** propositions
- 2 **Deep local entrenchment** via partnerships and tech integrations
- 3 Investments in dedicated **local sales** and **support capabilities**

## ...with a differentiated approach by market

### LEADING



✓ *Consolidate leadership and grow value across verticals*

### CHALLENGER



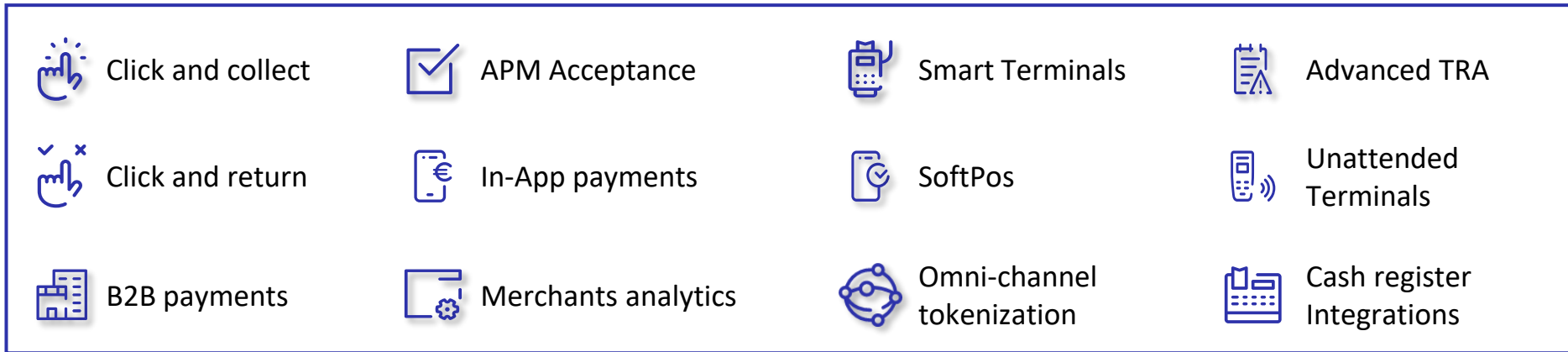
✓ *Drive accelerated growth with focus on specific verticals*

### NEW

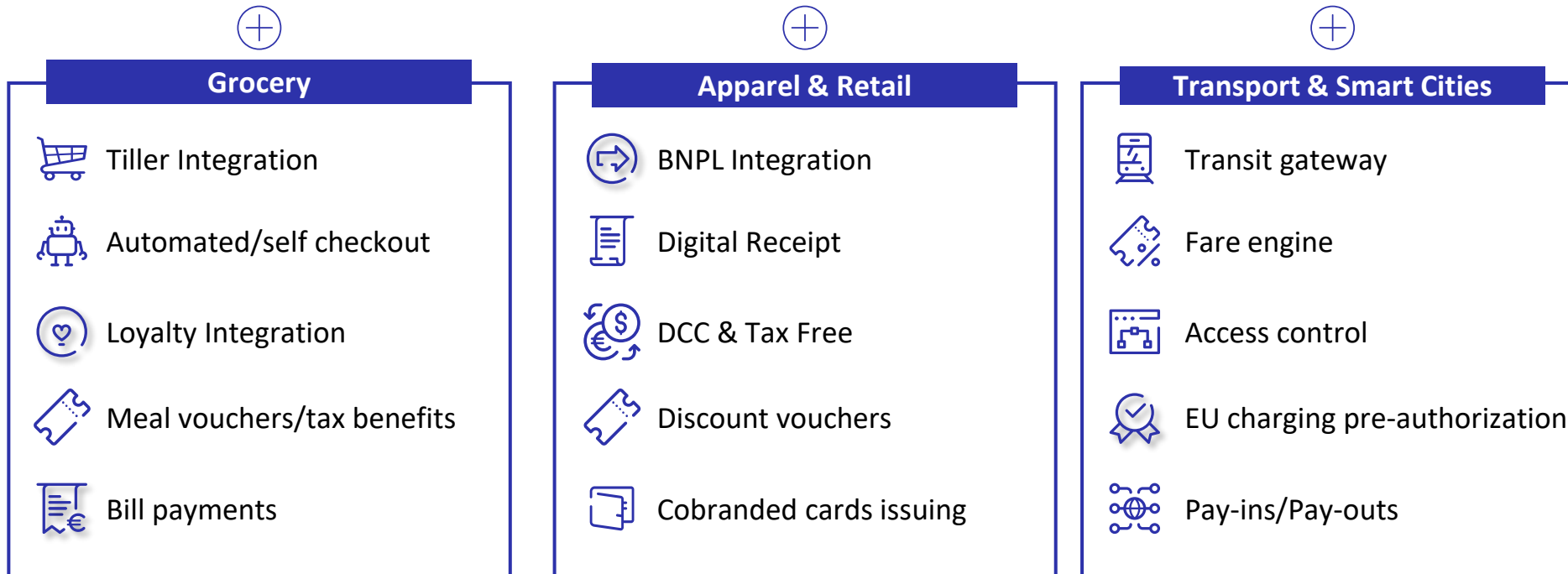


✓ *Over time, expand into new markets<sup>1</sup>*

# 1 Building vertical specific, industry focused, modular proposition...



Omni-channel  
"foundational"  
capabilities



Vertical-specific  
capabilities,  
focused on revenue  
enhancing VAS

1

# ...with customer proximity as a key differentiating factor

## Key merchant needs



High acceptance rate



Superior service levels



Competitive pricing



Multiple store formats



Self/automated check-out



Accounting/ERP integration

Local presence

- Local **APMs** enablement
- Leverage **local/dual sided issuing data**
- Local customer operations for **terminal replacements**
- In-market scale/**operating leverage**

Industry knowledge

- **Integration** with tillers
- Multi-format/multi-hardware **terminal management**
- **Self-scanning** merchant apps
- **Automated checkout** platforms integration
- **B2B payment** capabilities
- **Integrated collection**

# 1 Omni-channel integrated proposition for grocery – Conad case study



## Customer needs

- 1 Reliability and scale
- 2 Best-in-class eCommerce and in-store customer experience
- 3 Omni-acceptance platform integration

## Nexi Solutions



Multiple store format acceptance



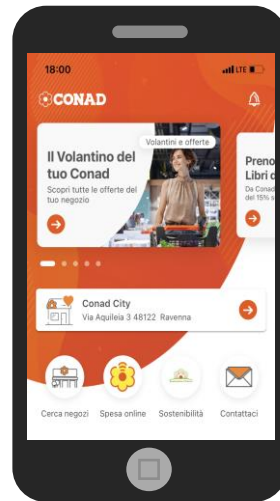
Omnichannel click-and-collect



In-app payments



Bill payments at tiller



### ABOUT CONAD

Conad is a cooperative society active in all Italian regions active since 1962. Headquartered in Bologna, it currently consists of 5 retailers.

3K+ Stores through Italy

>19.6€B Net Revenue in 2021



# 1 Vertical propositions to digitize merchant processes – German energy provider case study

## Customer needs

- 1 Single service provider for German subsidiaries
- 2 Simplification of reconciliation
- 3 Electronic invoices

## Nexi Solutions



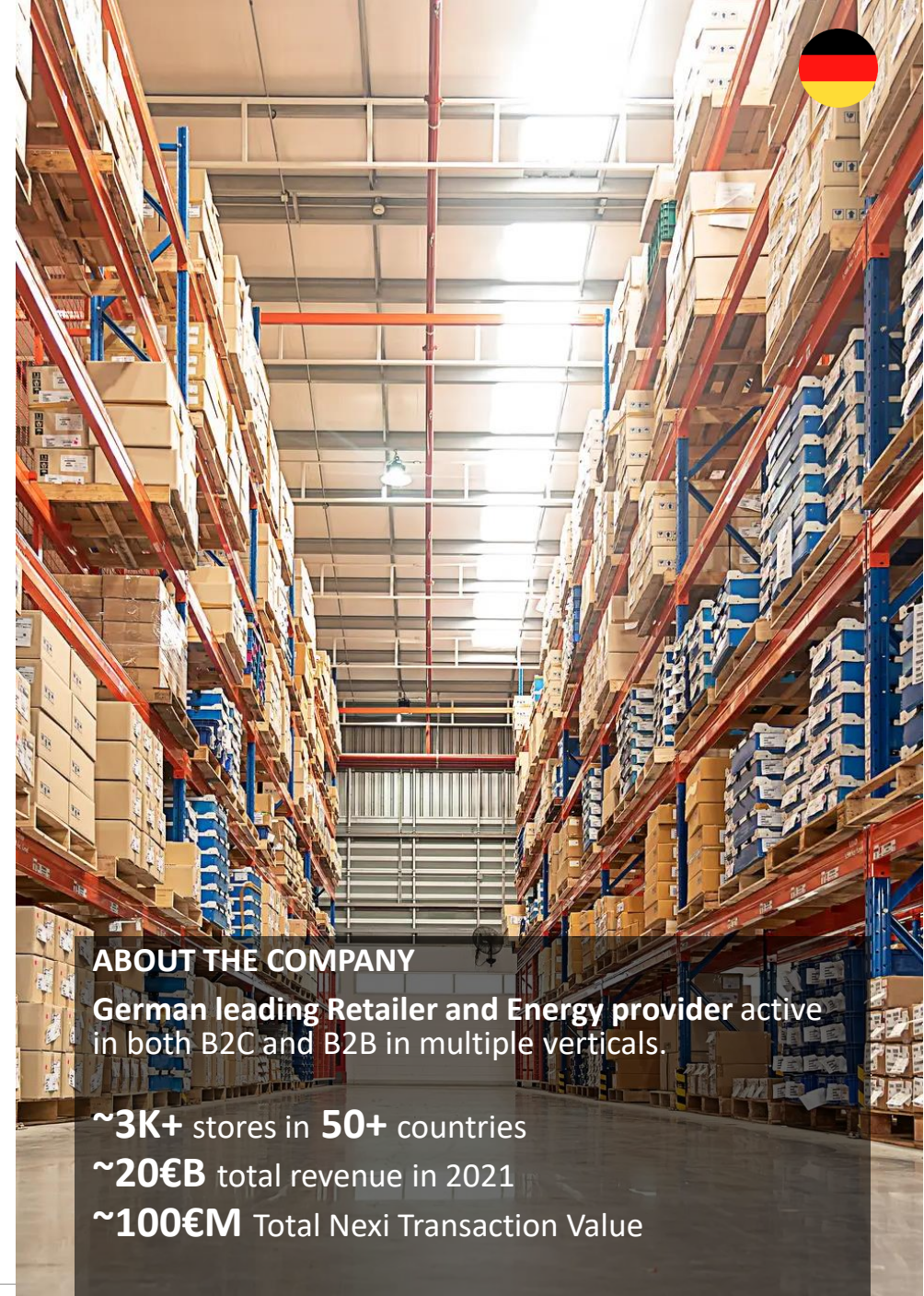
**Innovative store  
formats acceptance**



**Full eCommerce  
acceptance**  
Including APMs & integrated  
reporting



**Process digitization  
VAS**  
Digital receipts  
and e-invoicing



### ABOUT THE COMPANY

German leading Retailer and Energy provider active in both B2C and B2B in multiple verticals.



















~3K+ stores in 50+ countries

~20€B total revenue in 2021

~100€M Total Nexi Transaction Value

2

# Ecosystem entrenchment and platform integration as key distinctive capability

|   |  |   |
|---|--|---|
| <p><b>CRM</b></p>                    | <p>Platform <b>plug-ins</b> and <b>native integrations</b> for <b>omni-channel</b> and <b>acceptance</b></p> |      |
| <p><b>ERP/ Accounting</b></p>        | <p>Extensive expertise in <b>back-end integrations</b></p>   |      |
| <p><b>ECR/Tiller platforms</b></p>  | <p>Extensive network of <b>partnerships</b> and <b>integrations</b></p>                                      |            |
| <p><b>Vertical Specific</b></p>    | <p><b>Integrated industry-specific propositions</b> (including hardware)</p>                                 |     |



## 2 Deep integration with merchant Salesforce platform – Chicco case study

### Customer Needs

- 1 Consolidate payment infrastructure
- 2 eCommerce solution available on multiple markets
- 3 Full ERP/Accounting integration

### Nexi Solutions



**Multi store format acceptance**



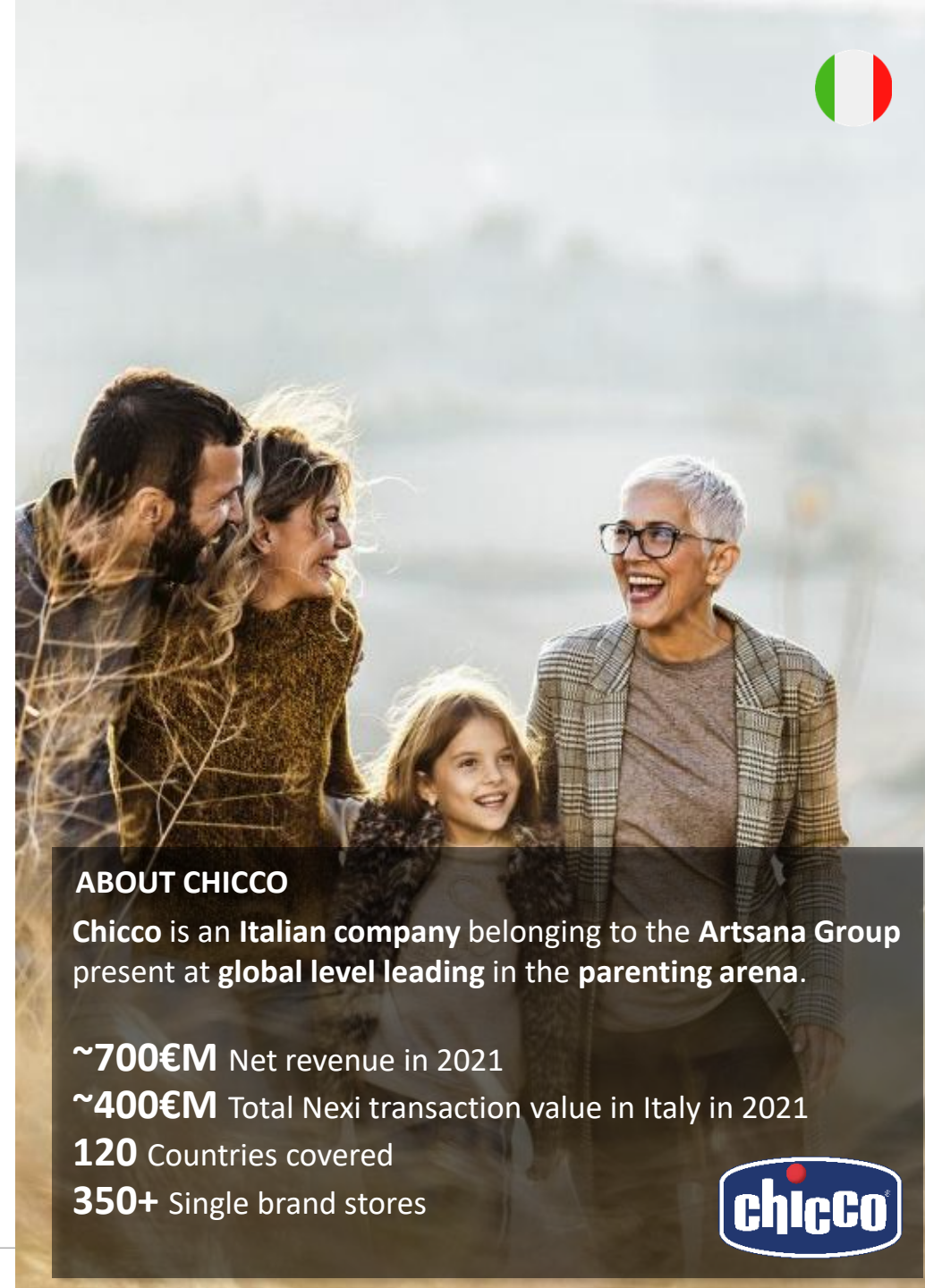
**Deep CRM Integration**

Salesforce integration for Omni-channel



**Advanced Reporting integration**

**Recent win against global digital-native player**



### ABOUT CHICCO

Chicco is an Italian company belonging to the Artsana Group present at global level leading in the parenting arena.

~700€M Net revenue in 2021

~400€M Total Nexi transaction value in Italy in 2021

120 Countries covered

350+ Single brand stores





## 2 ERP integration and customer proximity as key differentiator – Tom Tailor case study

### Customer Needs

- 1 Innovate payment infrastructure
- 2 Best-in-class shopping experience
- 3 Simplify reporting and reconciliation across geographies

### Nexi Solutions



In-store acceptance



Best-of-breed terminals



Deep ERP/ accounting integration



#### ABOUT TOM TAILOR

Tom Tailor is German a clothing, footwear and accessories brand, founded in 1962 and now present in all major EU countries. It operates in the fashion industry selling directly to end customers through multi-channel.

~500€M Revenue in 2021

400+ Owned stores

160+ Franchise stores

11K+ Partner retailers



### 3 Local go-to-market and customer support as key competitive advantage



- **Industry-dedicated** pre-sales engineers
- Product managers fully integrated in **customer solutions' design**



Industry knowledge



- Local sales managers in **10 countries**
- **Cross-market, cross-functional teams** for multi-country customers



- **>1,000 customer integration** projects managed p.a.
- **Dedicated test facilities** and **capabilities**



Local presence and scale



- **Dedicated service managers** with full SLAs coverage
- **Local field support in 10 countries**
- **>20K customer interactions** per annum

*“For global players I am just a number, for Nexi I am a real customer. You really care to stay close to our business ,”*  
German retailer



# 3 Customer proximity in end-to-end solution design – Eni case study

## Customer needs

- 1 Digital Transformation in multiple markets
- 2 Diversification of the Portfolio of services
- 3 Increase in customer satisfaction



## Nexi Solutions



**Omni-channel acceptance & acquiring**

POS, eCom, App ENI Mobile



**Multi-format acceptance**

Unattended, walk-in, EV charging...



**Digital Issuing**

Fuel Commercial Cards



**Corporate Payments**

Clearing integration, Open Banking payments



**Revenue-enhancing VAS**

Gift cards, loyalty services, bill/tax payments



### ABOUT ENI

Eni is the leading global energy company, active since 1953 with a diversified set of operations in 69 countries

~75€B Total Revenues

~2€B Total Nexi transaction value

~4K Fuel Stations in Italy

~400K Customers in ENI App





# 3 Local customer support as key competitive advantage – Hotel chain case study

## Customer Needs

- 1 Fast and effective transaction processing at the hotel desk
- 2 Solutions for distance selling
- 3 Effective and time-saving check-in experience

## Nexi Solutions



**Advanced Terminal integration**

Oracle platform  
Integration, Terminal card tokenization



**Turnkey hospitality PSP solutions**



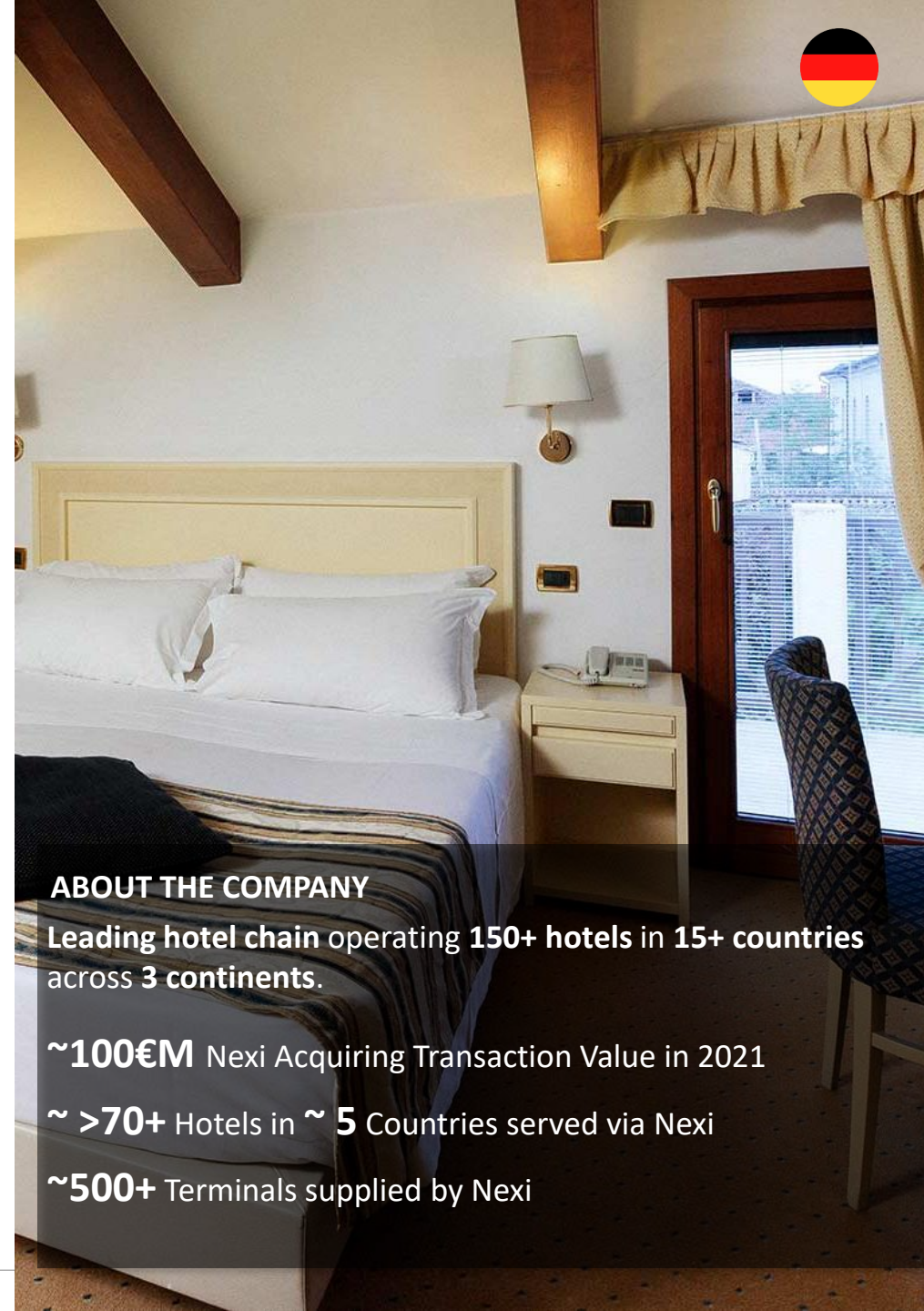
**Unattended solutions**

POS solution for Self Check-In



**24/7 dedicated local support**

**Recent win against global digital-native player**



### ABOUT THE COMPANY

Leading hotel chain operating **150+ hotels** in **15+ countries** across **3 continents**.

~**100€M** Nexi Acquiring Transaction Value in 2021

~ **>70+** Hotels in ~ **5** Countries served via Nexi

~**500+** Terminals supplied by Nexi

# Winning in Merchants Solutions: key takeaways

## Market overview

- **European market very local** and **fragmented**, with strong challenges for new entrants
- **Nexi leader** at scale in **multiple attractive markets**

## SME strategy pillars

- **Strengthen European leadership** through:
  - Modular flexible **one-stop shop solutions**, segment and local-specific
  - **Payments-software integration**, partnering with ISVs
  - **Investments** on **local distribution**, both direct and indirect

## LAKA strategy pillars

- **Grow in National** (and Regional) **Mid/Large corporates** with:
  - **Industry-specific omni-channel** propositions
  - **Deep local entrenchment via partnerships** and **tech integrations**
  - Investments in dedicated **local sales** and **support capabilities**

# Winning in eCommerce

---



*Omar Haque*

# Key messages for today

## Market overview



- European **eCom market is local** and **fragmented**, dominated by local payment methods and ecosystems
- **Mid-market** is the **largest, most attractive** customer segment
- Nexi is the leading European eCommerce provider with **unique market position and assets**

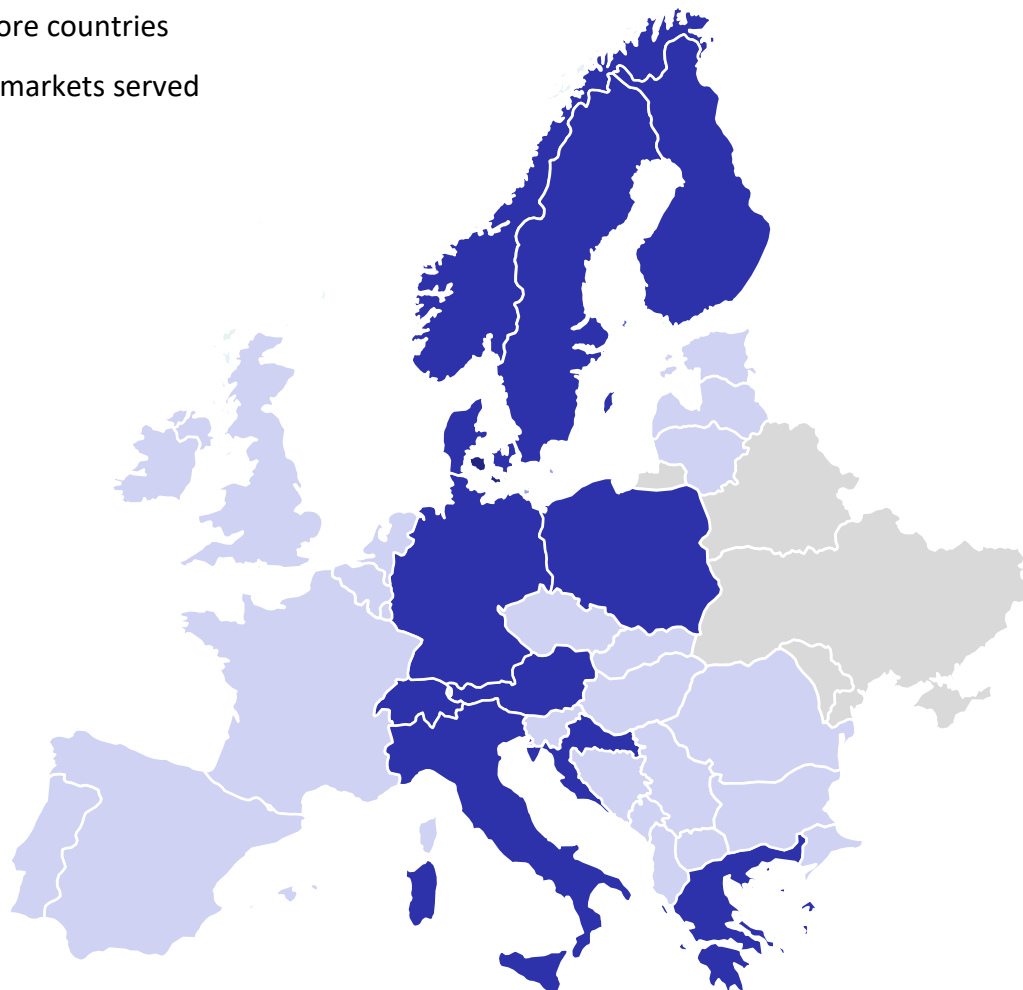
## eCommerce strategic pillars

- Achieve **leadership in mid-market** through:
  - **High-conversion omni-acceptance** and **collection** solutions, with full local integrations
  - **Local front-ends** with one **pan-European** integration layer
  - **Cross-selling synergies with SME** and **LAKA**, with further investments in **local go-to-market** and **support**

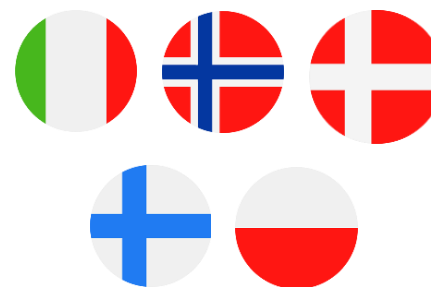
# Leading European eCommerce provider...

## Presence in attractive European markets...

-  Nexi core countries
-  Other markets served



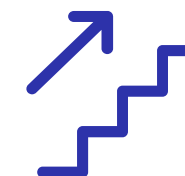
## ...with strong positioning in key countries



Established  
Leader



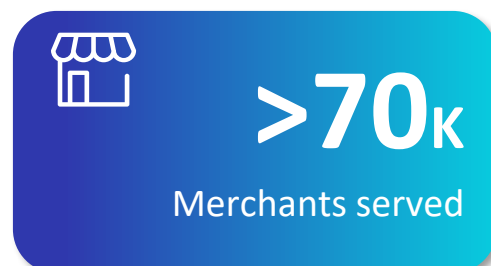
Challenger



# ...with a strong starting point and performance



## Key figures

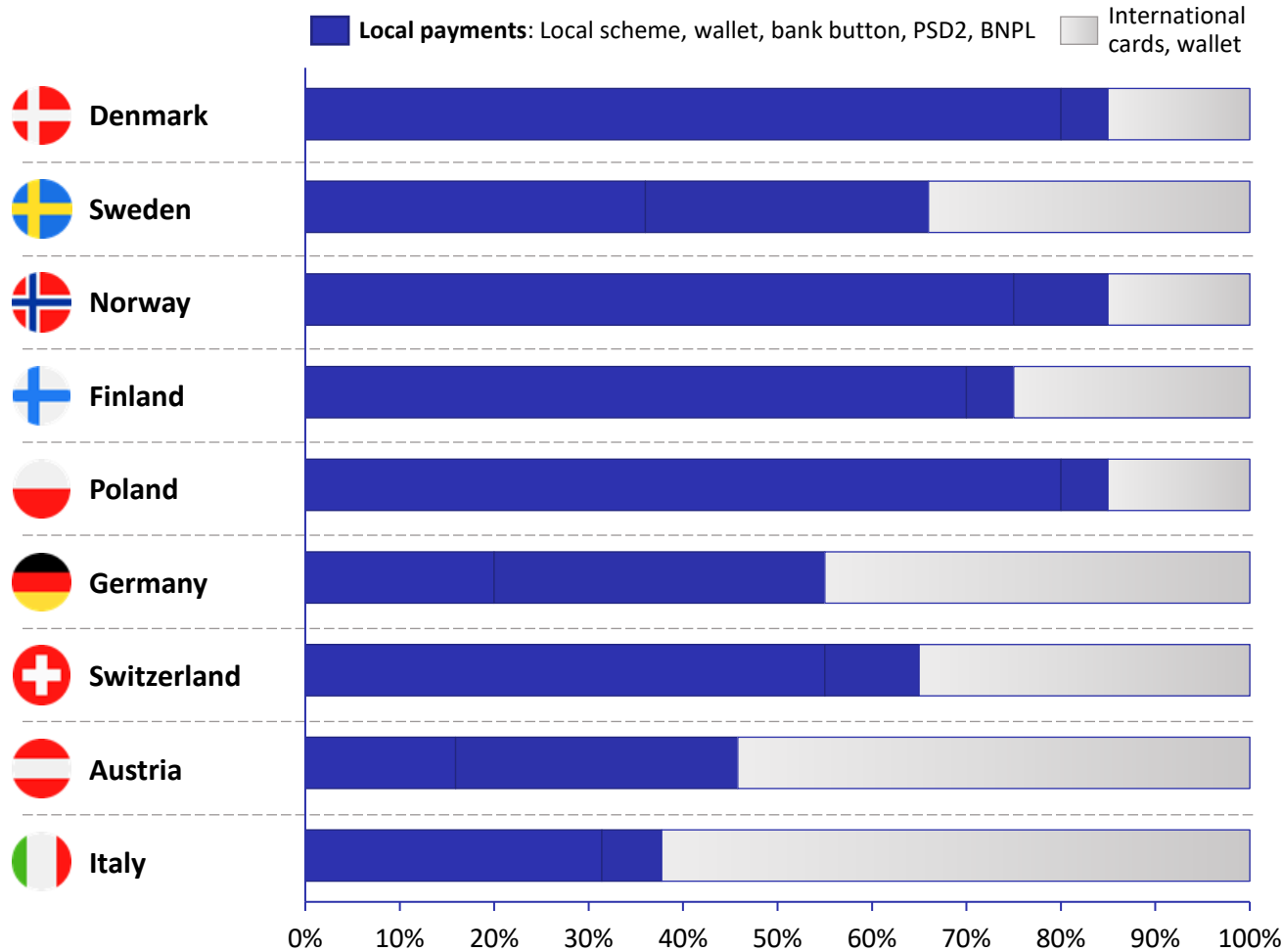




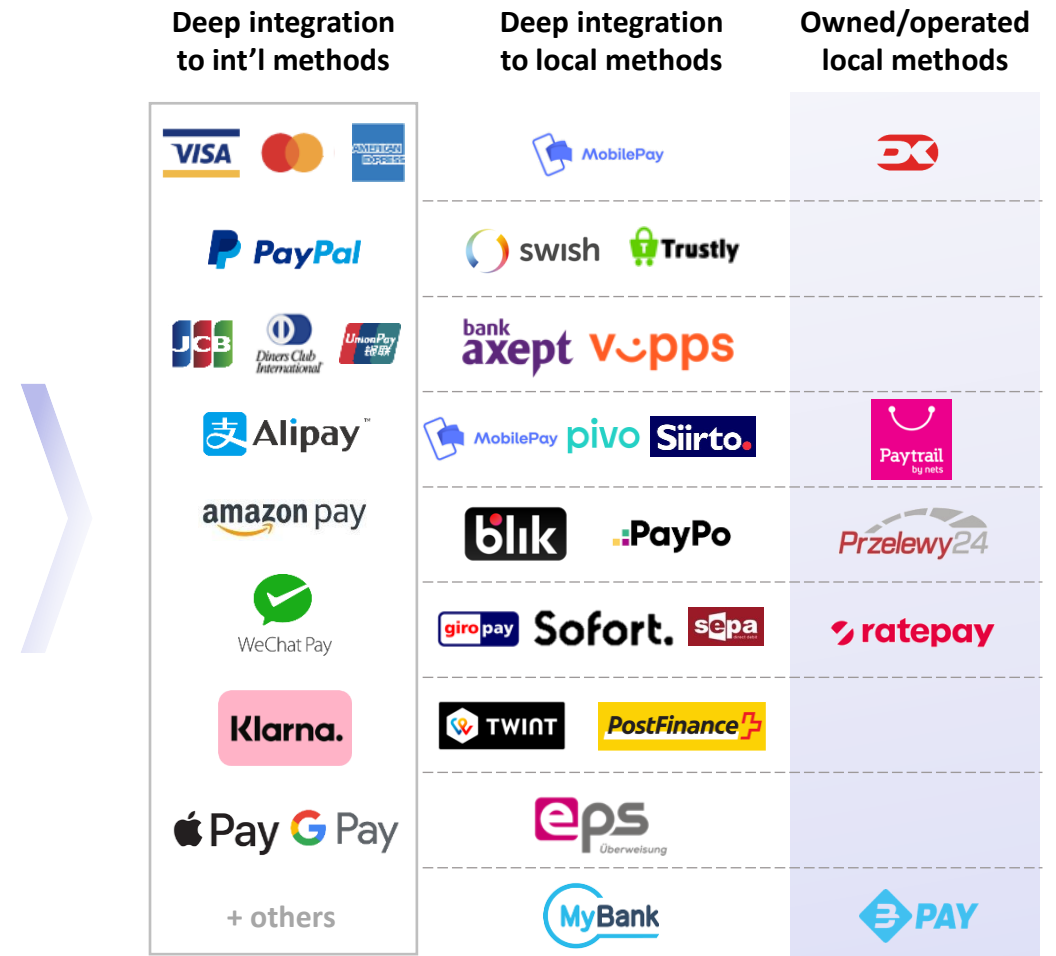
# European eCommerce market is very fragmented, requiring deep local presence and expertise

## Local payment methods dominate our markets...

Breakdown of TTV by payment method, percent



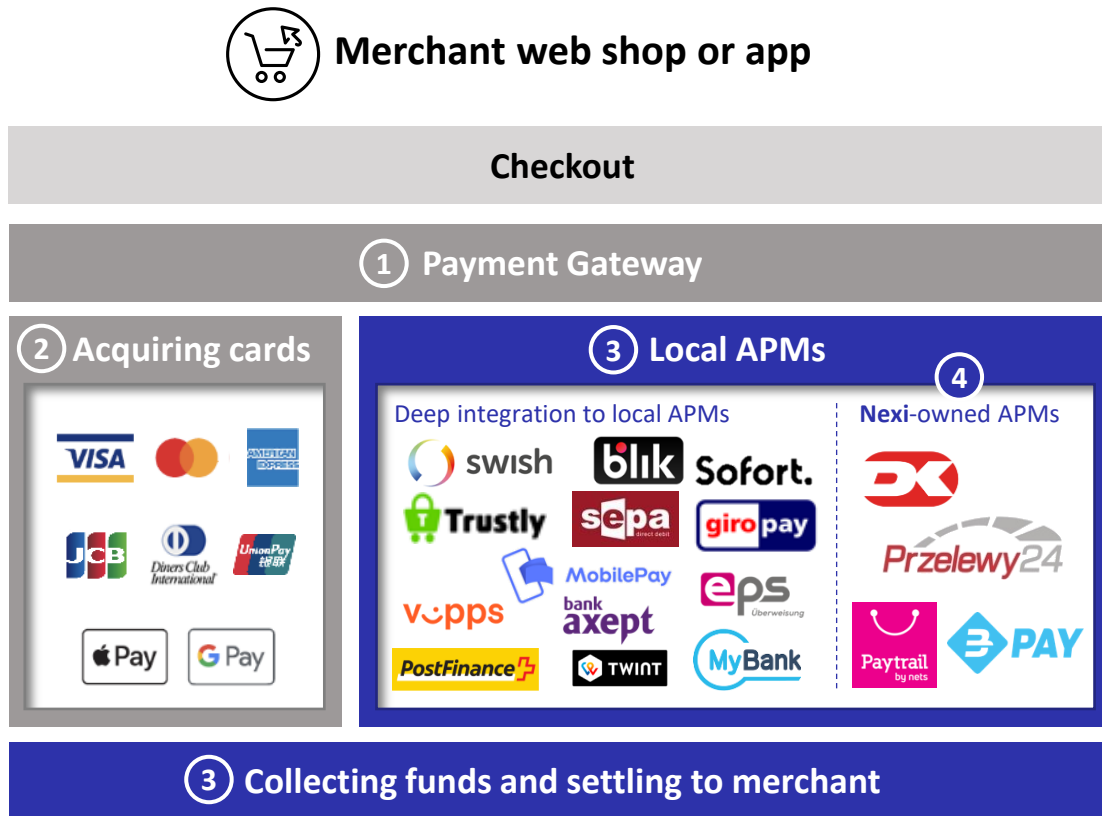
## ...with Nexi integrating all of them



# Complexity increases our relevance and our ability to create value

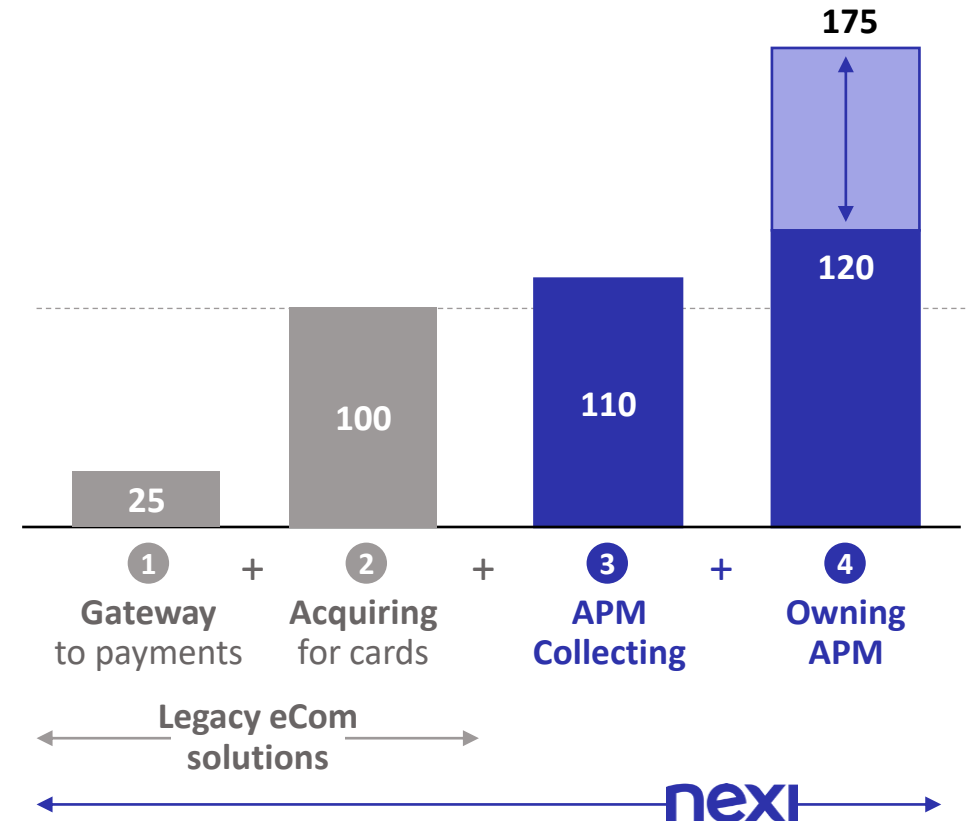
## Local complexity increases our relevance to merchants...

Illustration of a merchant's webshop payment setup



## ...driving up Nexi's profitability

Comparison of Nexi vs. legacy take-rates by depth of role  
Average acquiring take-rates indexed to 100

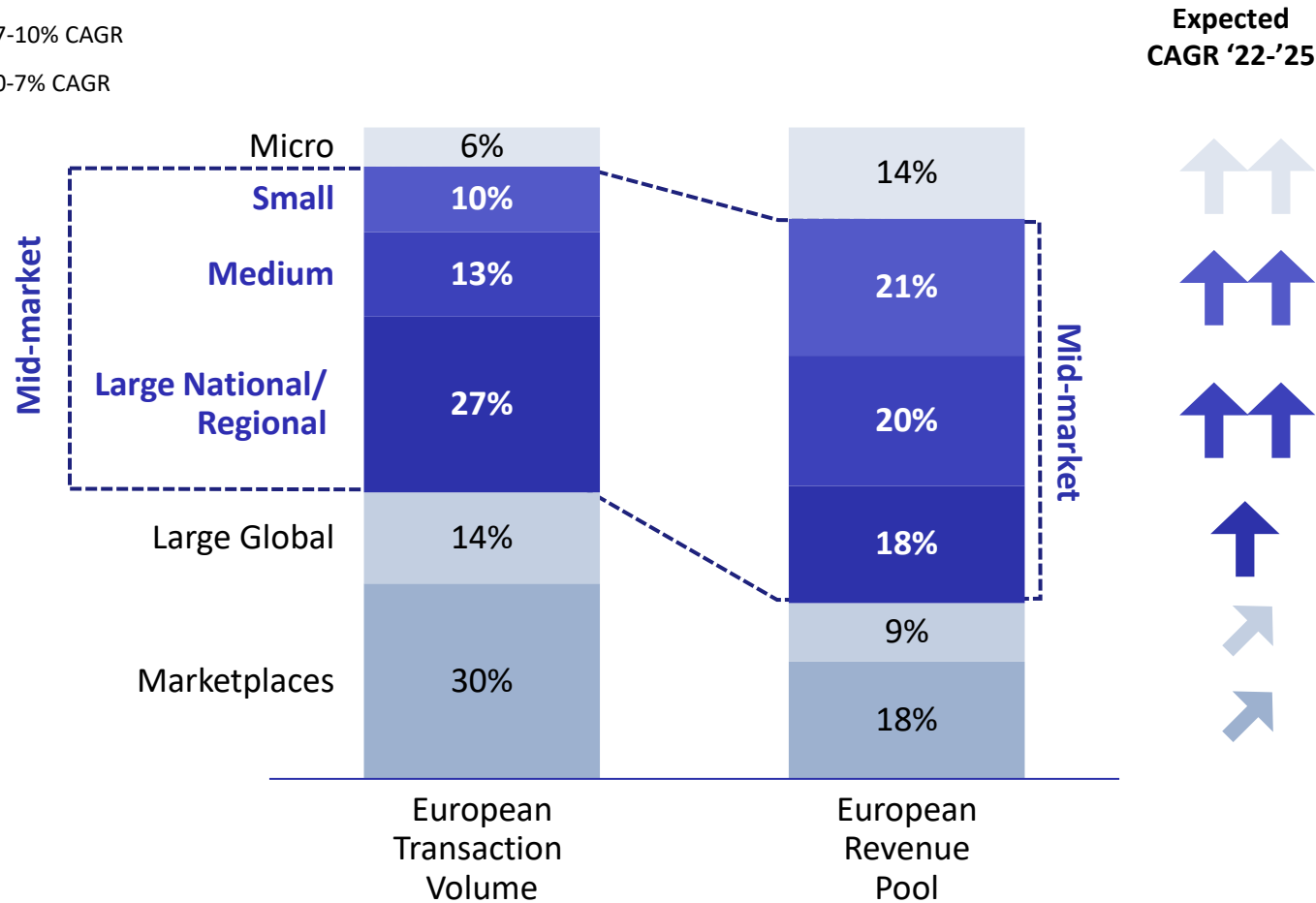


# The mid-market is the most attractive segment of the eCommerce market...

## Mid-market is the largest and fastest-growing segment of the market...

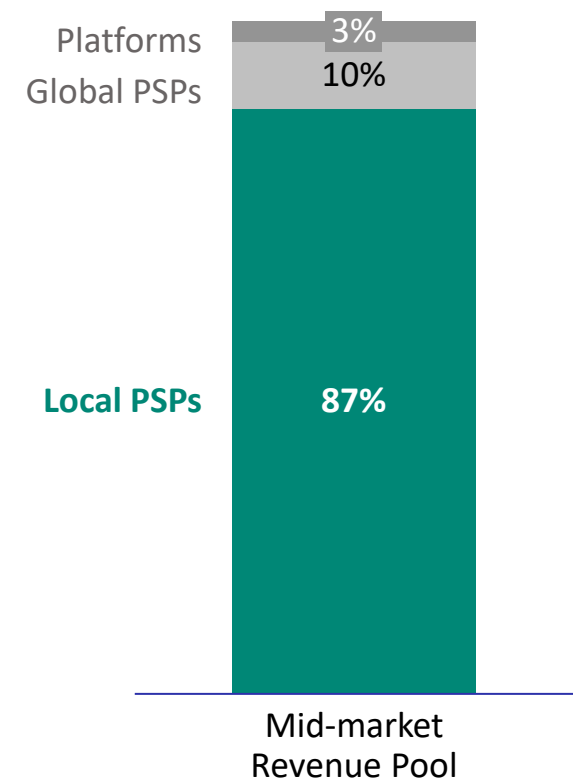
European TTV and Revenue breakdown by type of merchant, 2021

- ↑↑ 10-15% CAGR
- ↑ 7-10% CAGR
- ↗ 0-7% CAGR



## ...in the least contested space

European Mid-Market Revenue Pool by type of competitor, 2021



# ...with mid-market merchants facing the greatest challenges selling online

Fewer resources focused on **converting shoppers to paying customers** vs. large merchants



**Struggle to cope with** local complexities for **collection and reconciliation**



**Limited room to compete** on online advertising investments vs. large merchants



Need **expert sales advice** and **local sales and support** to integrate their webshop

# eCommerce strategy recap

## Three strategic pillars...

Achieve **leadership in mid market** through:

- 1 High-conversion omni-acceptance and collection solutions**, with full local integrations
- 2 Local front-ends** with one **pan-European** integration layer
- 3 Cross-selling synergies with SME and LAKA**, with further investments in **local go-to-market** and support

## ...to win share across all markets

### LEADING



### CHALLENGER



✓ *Win market share across all markets*

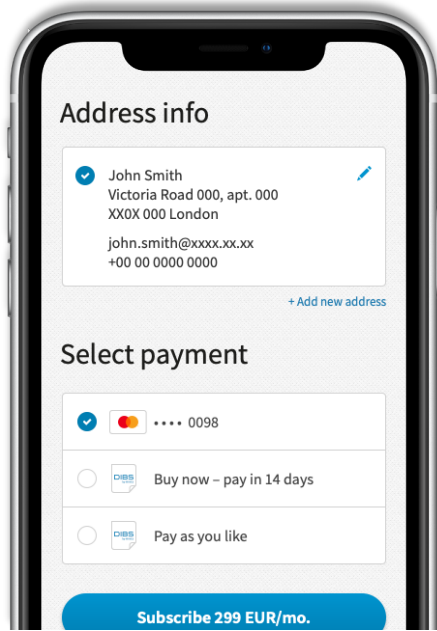
### NEW



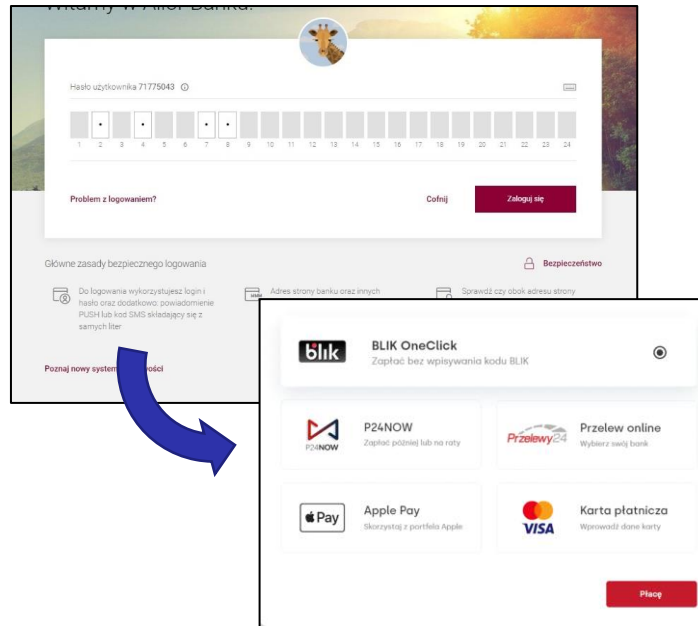
✓ *Over time, expand into new markets<sup>1</sup>*

# 1 High-conversion, omni-acceptance, flexible and modular solutions

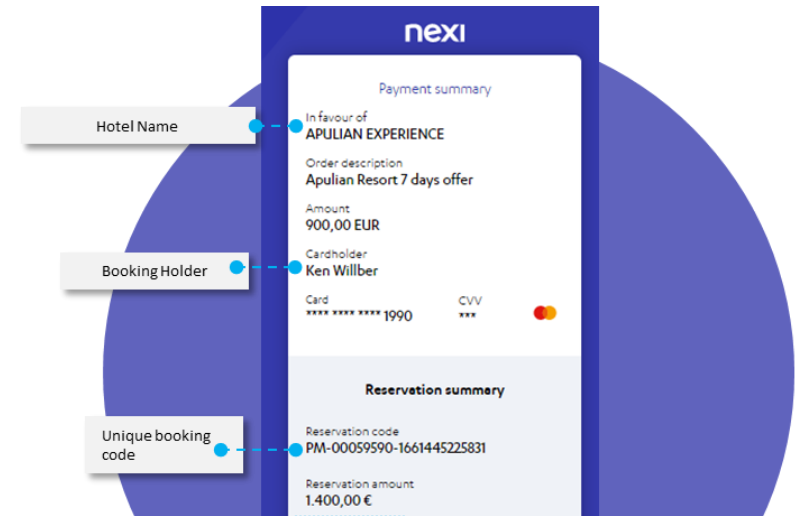
**A** Help merchants sell more by converting visitors to customers



**B** Drive ecommerce penetration by simplifying APMs



**C** Help omnichannel merchants survive and thrive online



Locally tailored one-click checkout

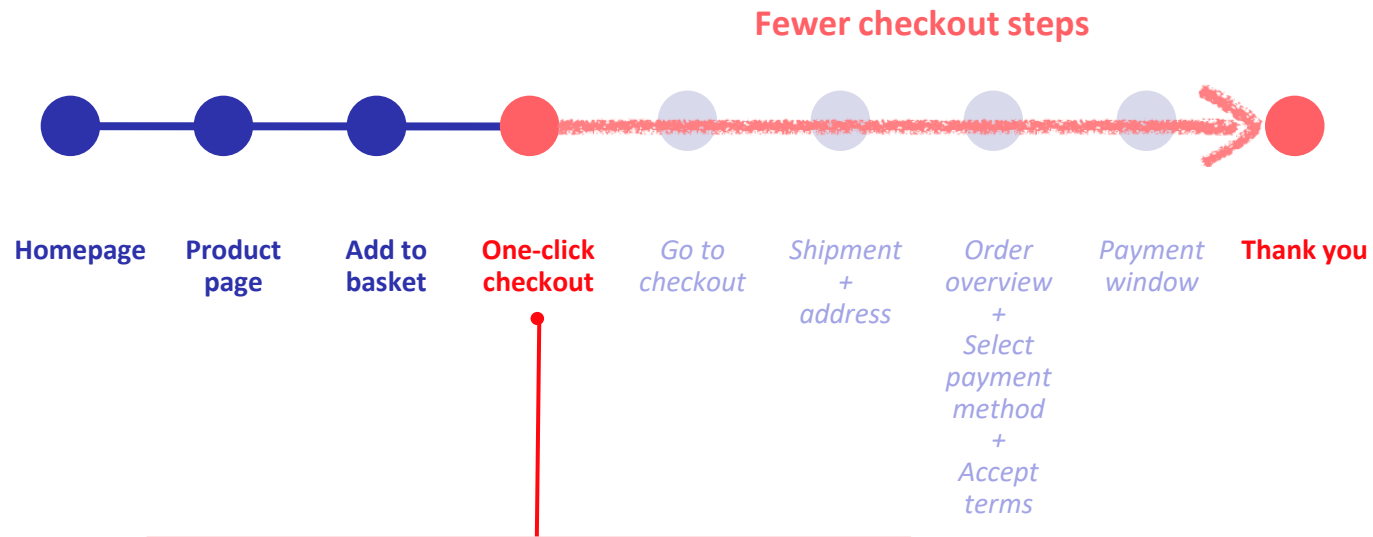
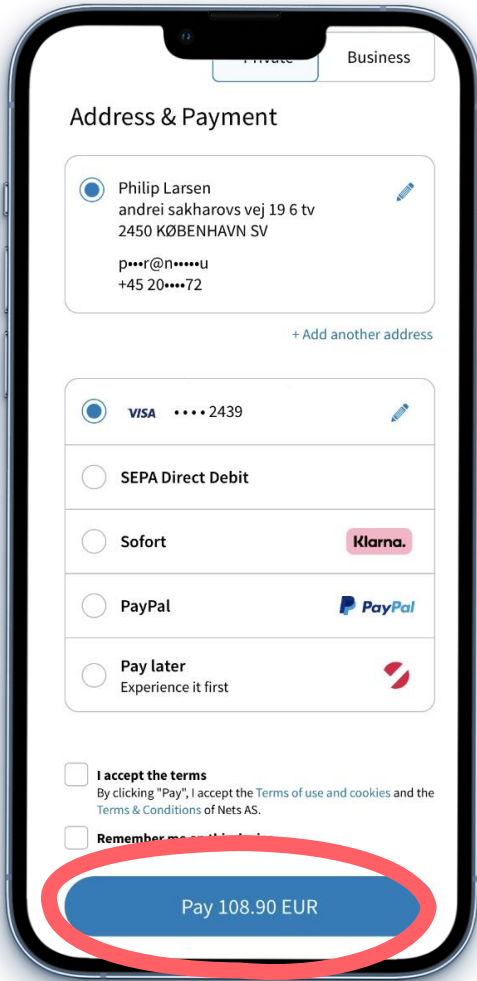
Local complexity, simplified

Local, industry-specific solutions

# 1A We improve conversion with one-click checkout, driving our merchants' revenue

Nexi's one-click checkout solution removes 4 to 7 steps in the checkout process...

...improving merchants' sales performance



*In a single click the consumer confirms products in the basket, preferred shipping address and payment method and accepts T&Cs*

**40%**  
Nordic shoppers with 'accounts'

**+12 p.p.**  
Higher checkout conversion rate vs legacy solutions

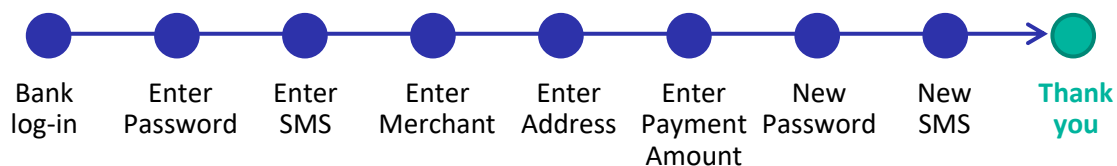
**5-20%**  
Higher revenue vs legacy solutions

# 1B We bring enterprise-level functionality to simplify high-friction local markets

Poland Example: Payment comparison between nexi / Blik and Polish bank

**Before: >50% of Polish eCommerce market is high-friction with many verticals “blocked” from selling online**

8 steps to pay online with Polish bank transfer



Examples of most impacted verticals



Hotel bookings



Car rentals



Online grocery



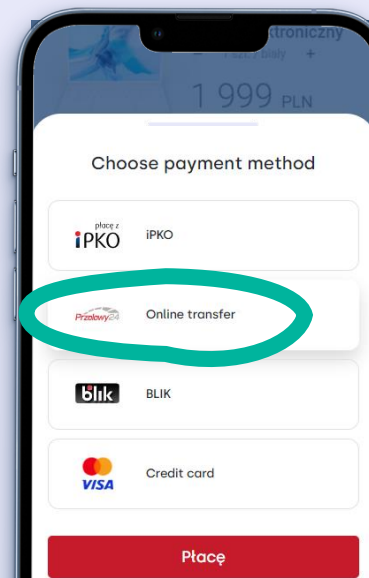
Streaming



Kiosk sales

**After: Nexi adapts local APMs with “low-friction” features, unlocking growth**

Sample mobile payment enabled by Nexi P24



**36%**

Nexi Poland  
Q1 22 - Q1 21 TTV  
growth rate vs.  
market at 13%

Seamless checkout with near-zero friction



# 1C We use our deep local expertise to create vertical-specific features

Nexi's deep tailoring to local requirements...

...specific to the hospitality industry...

...resulting in strong performance

**Payment summary**

- Hotel Name:** APULIAN EXPERIENCE
- Order description:** Apulian Resort 7 days offer
- Amount:** 900,00 EUR
- Cardholder:** Ken Willber
- Card:** \*\*\*\* \* 1990
- CVV:** \*\*\*

**Reservation summary**

- Reservation code:** PM-00059590-1661445225831
- Reservation amount:** 1.400,00 €
- Check-in:** 31/08/2022
- Check-out:** 08/09/2022
- Number of nights:** 8
- Property policies:** Non-refundable fee

**Property policies:** With the non-refundable rate, the amount of your stay will be charged at the time of booking. The amount paid is not refundable, neither in case of cancellation of the reservation, nor in the event of no-show at the establishment. We would like to remind you that, in any circumstance, you have 24 hours to cancel this booking and, consequently, receive a refund of the total amount.

**Explicit confirmation of acknowledgment and T&C acceptance:** In order to proceed, I confirm that I have read and agreed to the [establishment Terms & Conditions](#). In order to proceed, I confirm to accept the [cancellation Policies](#).

Buttons: BACK, CONFIRMATION

Merchant Country: Italy

- Reputation guarantee
- Extended "no-show" management
- Pre-payments in instalments
- Digital disputes management
- Payment-integrated T&C "click to accept"
- Full integration with CMS

**1.6K**  
Hotels served

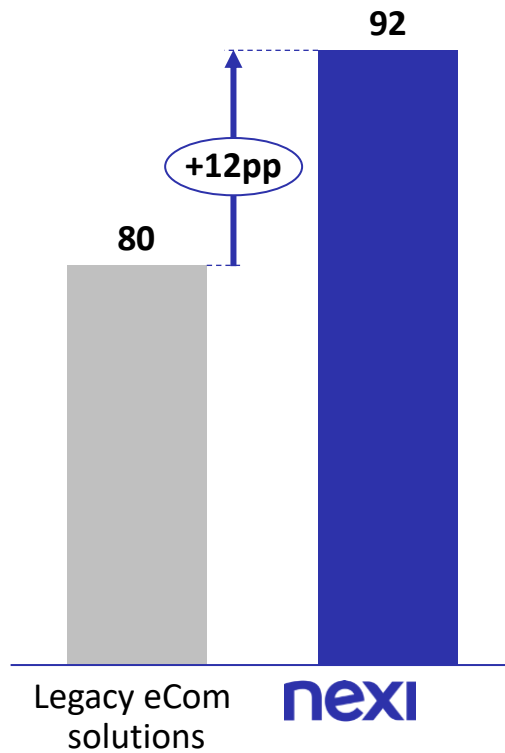
**>30**  
Specialised ISVs  
integrated

**0**  
Chargeback  
cases lost

# 1 These innovative propositions capture 2.5x economics vs. legacy solutions

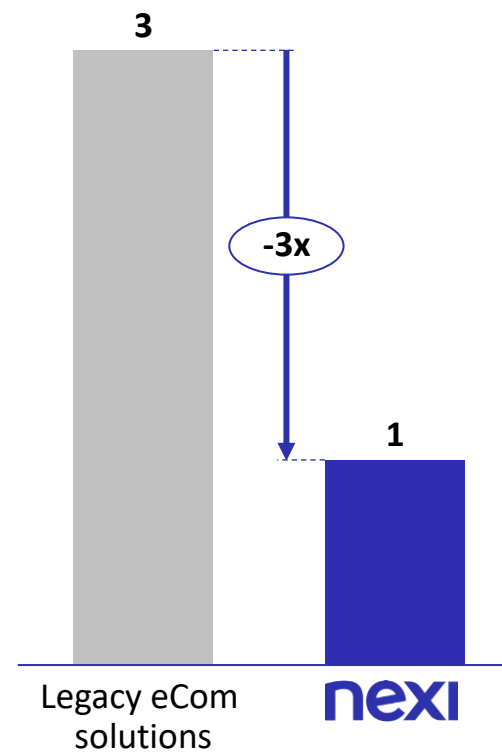
## Merchants generate more revenue...

Checkout conversion rate, percent



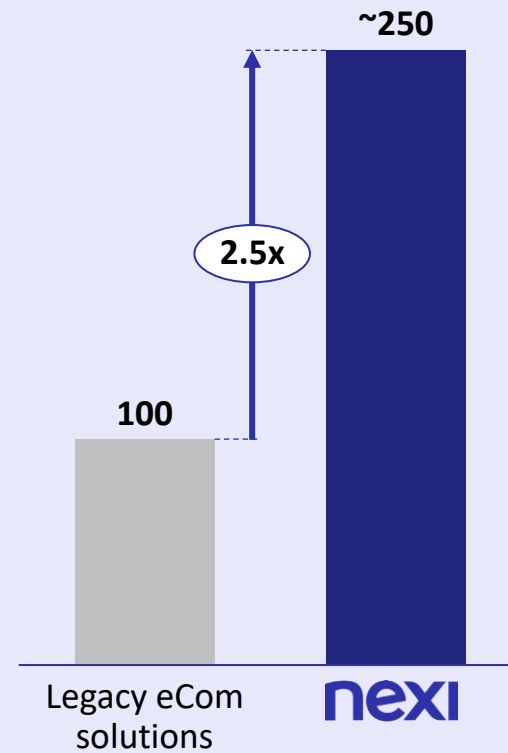
## ...at lower cost to operate...

Operational complexity, merchant admin FTE



## ...creating strong economics for Nexi

Gross take-rate, legacy indexed to 100, basis points



# 1 Nexi merchants thrive with our obsession for expert, local solutions

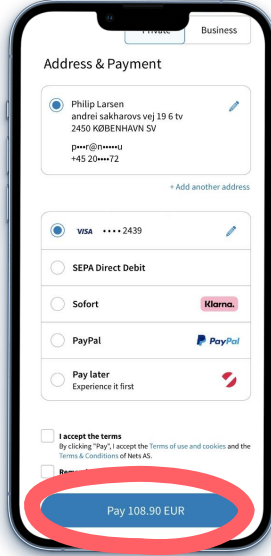


**Bildeler.no** Norway's leading car parts shop  
EUR 20M TTV in 2021

**Customer need**

+ **Simple checkout** to replace complex partner solution

**Nexi Solution**



**+30%**  
Conversion in first year alone

All Norwegian payments    One-click checkout    2.5M Norwegians

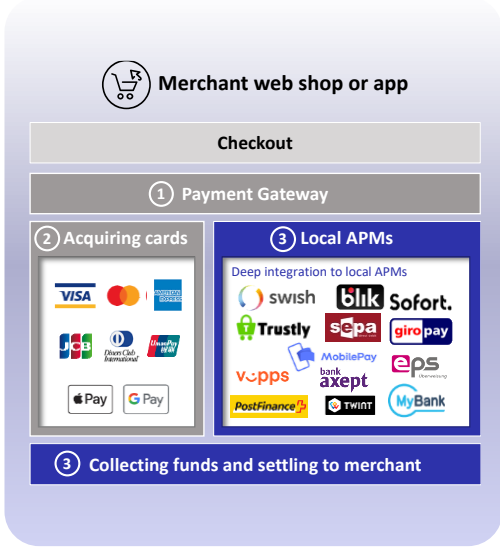


**TELE2** Sweden's leading telco  
EUR 180M TTV in 2021

**Customer need**

+ **Simple solution** to replace multiple providers, payments not applied to subscriber's bills

**Nexi Solution**













Single integration to all Swedish payment methods

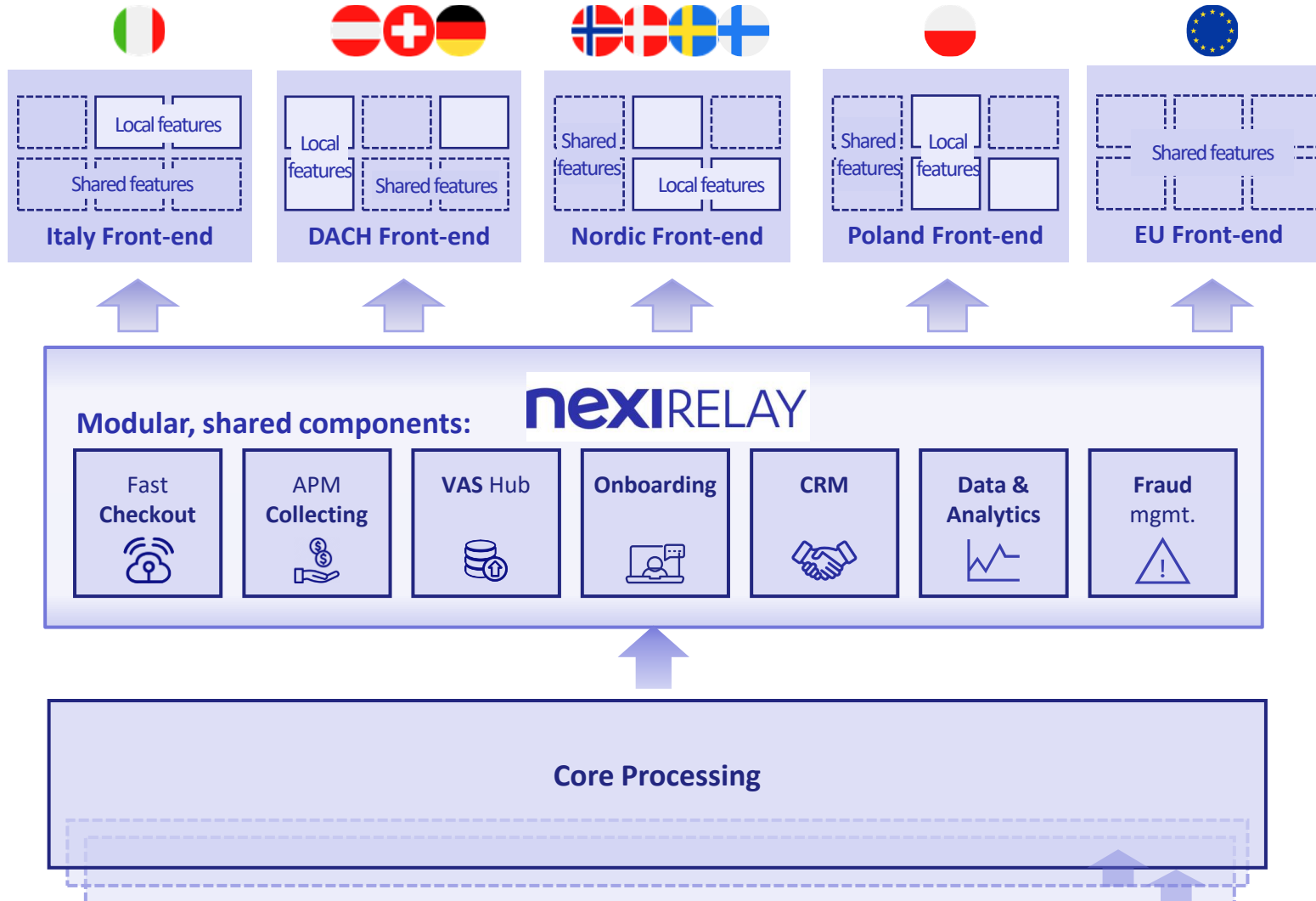
Single reconciliation settlement

**-50%** support calls related to payments

## 2 Nexi's localized front-ends simplify commerce complexity across Europe

|  | Local consumer behavior     |                    | Local fiscal/ reg requirements                  | Local payment specificity |   | Nexi deep local capability  |
|--|-----------------------------|--------------------|---|---------------------------|---|---|
|  | % TTV local payment methods | # APMs for 80% TTV | Local VAT, income tax, banking, reporting req's | Currencies                | PSD2 implementation   |   |
|  ITALY                    | ~ 5%                        | 6                  | High  | EUR                       | <ul style="list-style-type: none"> <li>Italian CBI Globe hub</li> <li>100+ local bank variations of standard</li> </ul> |    |
|  DACH                     | ~ 70%                       | 8                  | Medium  | EUR, CHF                  | <ul style="list-style-type: none"> <li>90% Berlin Group</li> <li>10% proprietary</li> </ul>                             |    |
|  NORDICS<br>(ex. Finland) | ~ 60%                       | 9                  | High  | DKK, NOK, SEK             | <ul style="list-style-type: none"> <li>Local variations of Berlin Group standard</li> </ul>                             |    |
|  FINLAND                | ~ 65%                       | 5                  | Medium  | EUR                       | <ul style="list-style-type: none"> <li>Finnish API standard</li> <li>Individual bank variations of standard</li> </ul>  |  |
|  POLAND                 | ~ 60%                       | 5                  | High  | PLN                       | <ul style="list-style-type: none"> <li>Polish API standard</li> <li>100+ local bank variations of standard</li> </ul>   |  |

## 2 Unique advantage in tailored local front-ends with our European scale...



- **Dedicated local** front-ends for local needs
- **Shared modular capabilities** to drive scale into local markets
- Enables **future expansion/M&A**

- **Modular capabilities** shared across markets
- Enables **innovation** to be deployed across local markets

- **Next-gen processing** live with at-scale customers
- **Synergies** enabler
- Best-in-class **efficiency**

2

# ...enabled by deep product and engineering talent, growing from 550+ to almost 1,000 in Europe

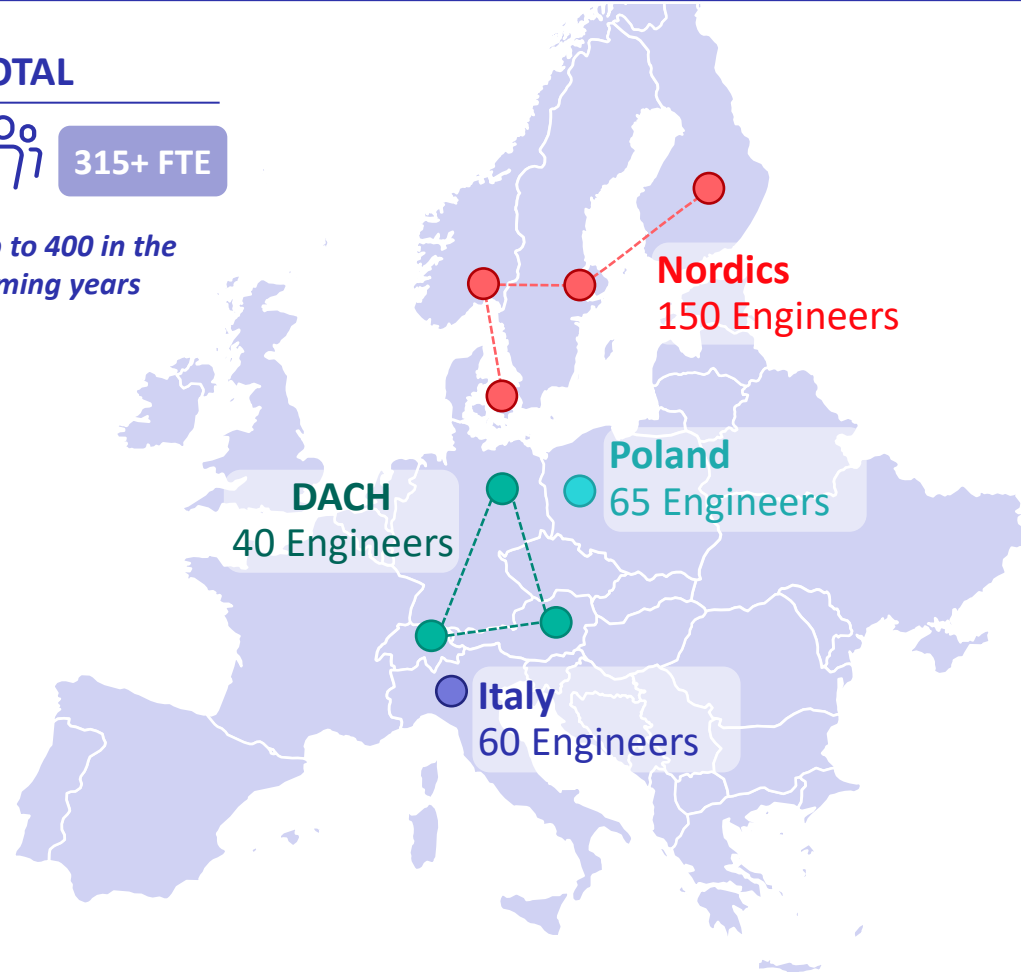
## In-country dedicated eCom product engineers...

TOTAL



315+ FTE

Up to 400 in the coming years



## ...boosted by our digital capabilities over time

### nexi Digital

- **250+ engineers** (500+ by 2025) located in Milan, Bari, Katowice and Helsinki
- **Strategic delivery capabilities** to drive economies of scale
- In-house **software development firepower**

|                |              |                        |            |                           |
|----------------|--------------|------------------------|------------|---------------------------|
|                |              |                        |            |                           |
| Time To Market | Lean & Agile | Best-in-class delivery | Top Talent | Cutting-edge Technologies |

### 3 Unique opportunity to use local sales and support to unlock cross-sales

Deep local market coverage...

...unlocks a large cross-sell opportunity



**350+** in-country expert **sales and customer support**, also leveraging **500+ sellers** in LAKA and SME teams



**300+** **distribution partnerships** across our markets

**~70k**

Nexi **digital-first** merchants



**~2.2M**

**SME merchants** progressively going online

**~3k**


**LAKA merchants** with clear omnichannel needs

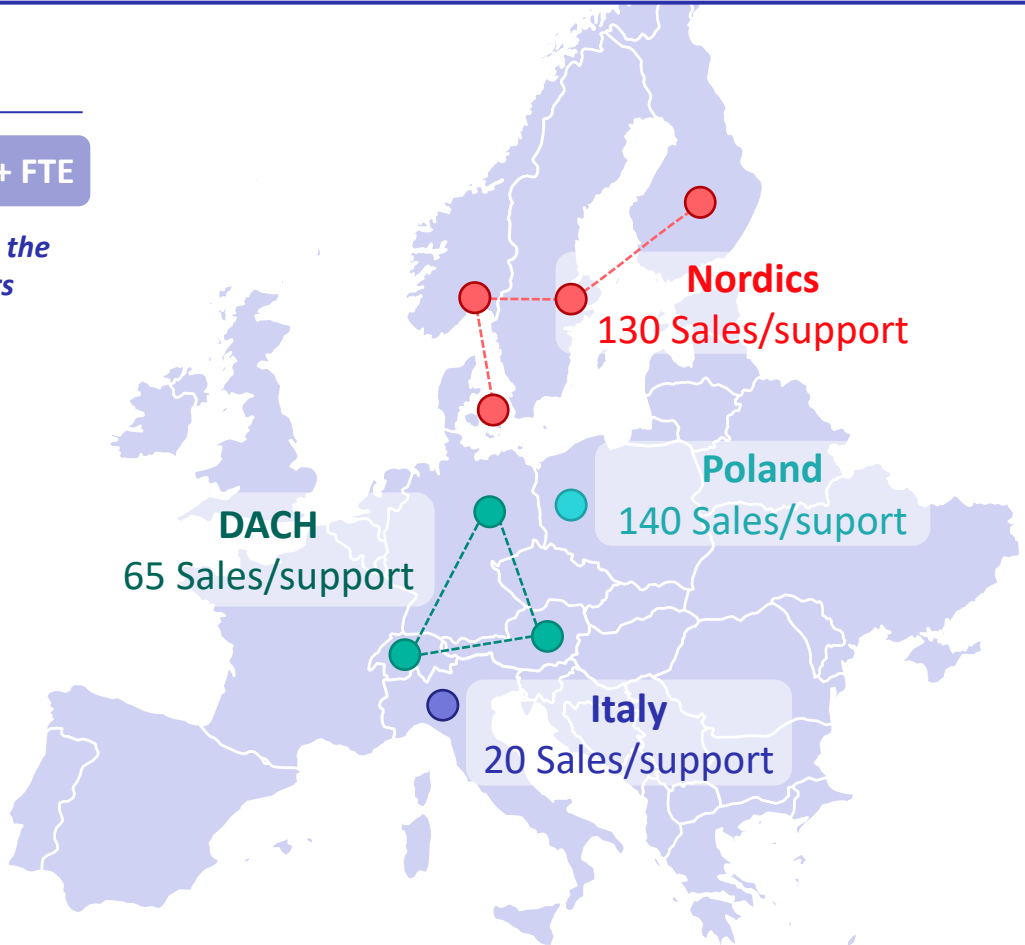
3

# 350+ local, expert eCom sales and support, growing to 500+ in mid-term, combined with 500+ sellers in SME and LAKA for c.1,000 in Europe...

In-country dedicated eCom sales/support resources...

...with additional firepower leveraging through Nexi sales organization

**TOTAL**  
 **350+ FTE**  
*Up to 500 in the coming years*



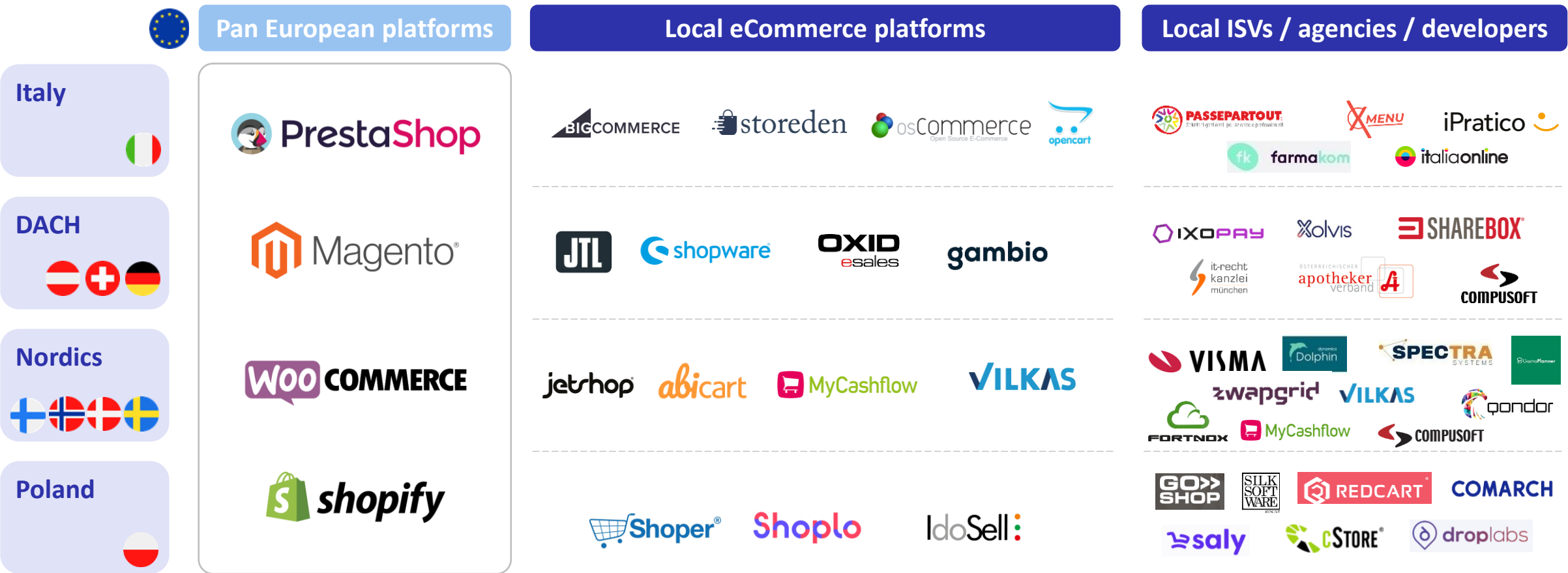
200+ in LAKA sales teams across Europe also selling eCom solutions to large omni-channel merchants

300+ in SME sales teams across Europe also selling eCom solutions to small merchants adopting online sales








# 3 ...and deeply entrenched into a wide local ecosystem of partners

## Platform coverage & key distribution partnerships



# Unlocks a large opportunity to cross-sell ecommerce into Nexi's total merchant base and accelerate growth from our fast-growing innovations

| <u>Nexi core markets</u>  | <u>TTV growth<sup>1</sup></u> | <u>Penetration to Nexi merchant base<sup>2</sup></u> |
|---|-------------------------------|--|
|  Nordics  | +12%                          | <20%   |
|  Finland | +19%                          | <15%   |
|  Italy   | +32%                          | <5%  |
|  Poland  | +35%                          | <5%  |
|  DACH     | +34%                          | <5%  |

**Strong growth**  
*(3x vs market)*

**Large x-sell opportunity**



| <u>New propositions</u> | <u>% of total eCom revenue</u> | <u>TTV growth<sup>1</sup></u> |
|-------------------------|--------------------------------|-------------------------------|
| One-click checkout      | ~5%                            | +233%                         |
| Frictionless APMs       | ~5%                            | +800%                         |
| Vertical solutions      | ~1%                            | +300%                         |

**Long runway**

**Accelerated growth**

# Winning in eCommerce: key takeaways

## Market overview

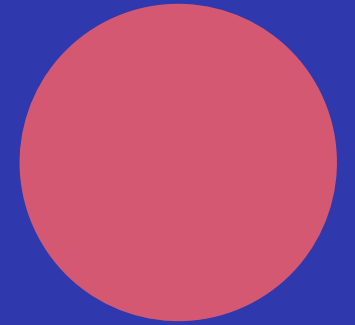
- European **eCom market is local** and **fragmented**, dominated by local payment methods and ecosystems
- **Mid-market** is the **largest, most attractive** customer segment
- Nexi is the leading European eCommerce provider with **unique market position and assets**

## eCommerce strategic pillars

- Achieve **leadership in mid-market** through:
  - **High-conversion omni-acceptance** and **collection** solutions, with full local integrations
  - **Local front-ends** with one **pan-European** integration layer
  - **Cross-selling synergies with SME** and **LAKA**, with further investments in **local go-to-market** and **support**

# Winning in Issuing Solutions

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*Torsten Hagen Jørgensen*



*Alessandro Piccioni*

# Key messages for today

## Market overview

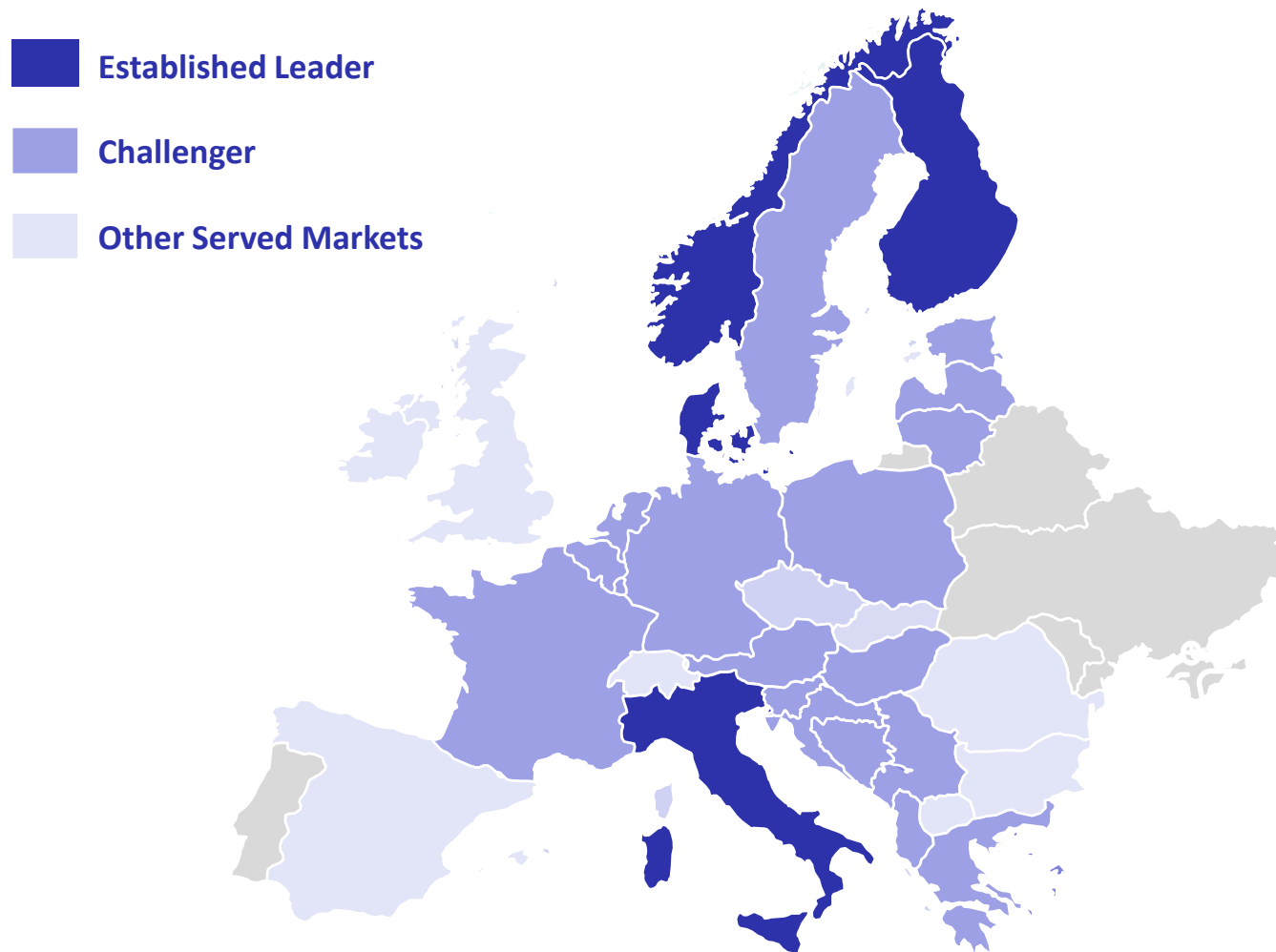
- **Exposure to attractive markets**, with strong headroom for growth
- **Nexi pan-European footprint**, with >250 Financial Institutions covered
- **Comprehensive Advanced Digital Issuing solutions**, with full value chain coverage

## Issuing strategy pillars


- **Win new customers in Europe:**
  - **Bank customers on digital processing** across Europe, leveraging unique platform agility
  - **Corporates/FinTechs** and **medium/smaller Banks**, through Nexi unique **Payments-as-a-Service** proposition
- **Grow customer base value by:**
  - Upselling **modular VAS** proposition on **Banks** customer base
  - Upgrading **medium/smaller Banks** to Nexi unique **Payments-as-a-Service**


# Pan European footprint and market coverage in Issuing


## Nexi Group Issuing footprint




## Key figures

 **~970** €M  
Revenues<sup>1</sup>

 **+5%**  
Revenue Growth  
H1'22-H1'21<sup>1</sup>

 **~170** M  
Cards managed

 **>250**  
Banks and Financial  
Institutions served

 **~750** €B  
Transaction value

 **~15** B  
Transactions managed

**>10** Contact Center  
**5** Card factories

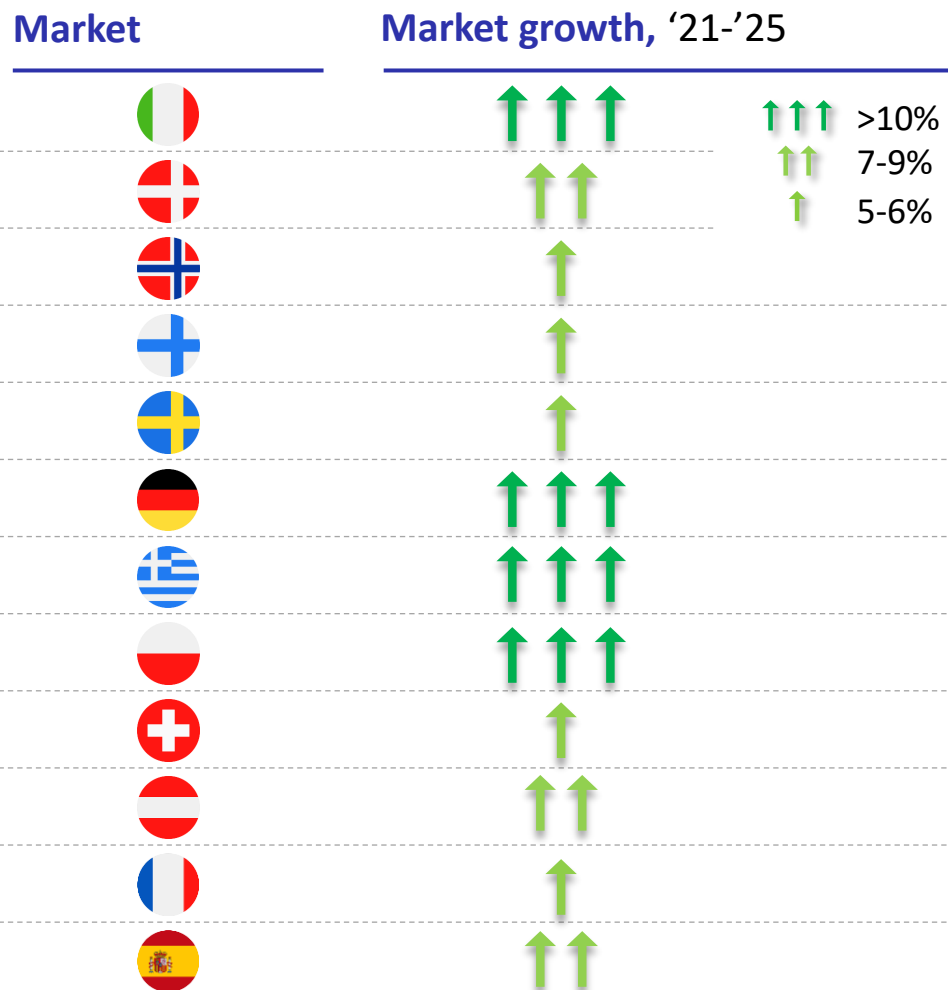
 **>1,000**  
Dedicated FTEs

# Diversified and loyal customer base of >250 Financial Institutions

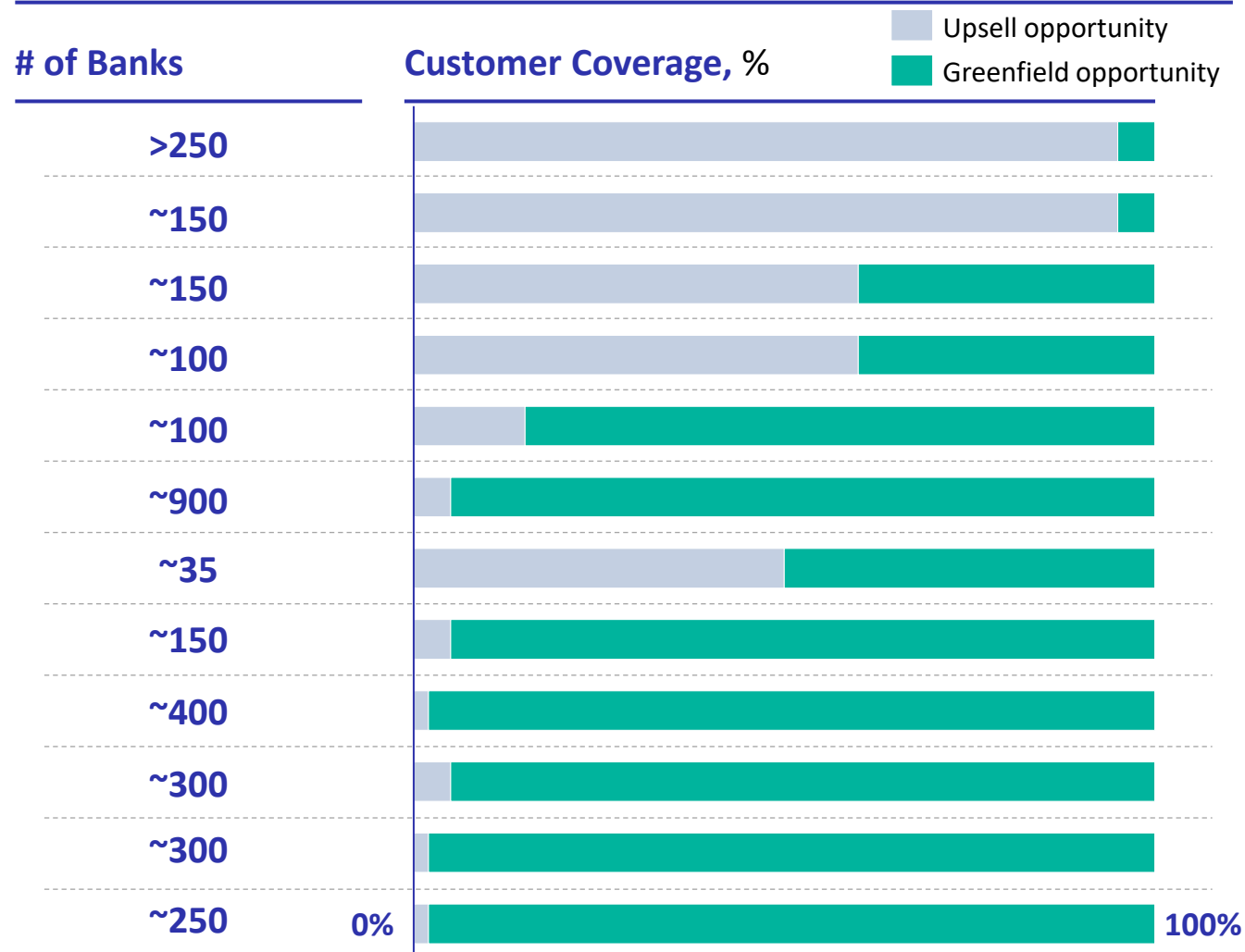


# Relevant headroom for growth in volumes and customer acquisition

Exposure to attractive markets with strong growth of digital payments



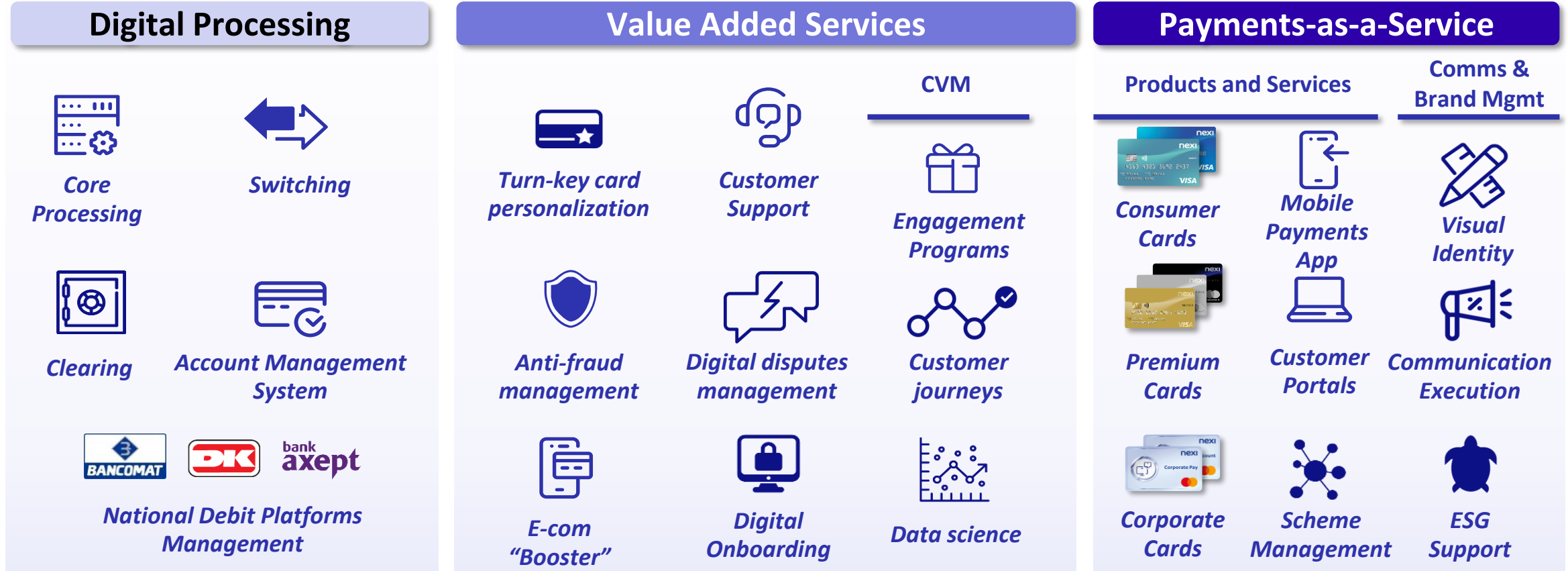
Significant commercial opportunities in a fragmented banking landscape





# Comprehensive Advanced Digital Issuing solutions with full value chain coverage

## Advanced Digital Issuing



Multiple European markets



Italy, ready for international expansion

Value per card managed

# Clear strategic focus to win in Issuing Solutions

| <u>Customer Segment</u> | New Customers   | Current Customer Base                     |
|-------------------------|---|---|
| Large Banks             | Win New Deals on Digital Processing                     | Upsell Digital VAS propositions           |
| Medium/ Small Banks     |   |   |
| Fintech/ Corporates     | Win New Customers on Payments-as-a-Service propositions | Upsell Payments-as-a-Service propositions |

# Clear strategic focus to win in Issuing Solutions

| Customer Segment    | New Customers   | Current Customer Base  |
|---------------------|---|--|
| Large Banks         | <p data-bbox="682 576 1085 682">Win New Deals on Digital Processing</p>  | <p data-bbox="1717 576 2247 682">Upsell Digital VAS propositions</p>  |
| Medium/ Small Banks | <p data-bbox="489 1011 1279 1116">Win New Customers on Payments-as-a-Service propositions</p>   | <p data-bbox="1584 1011 2374 1116">Upsell Payments-as-a-Service propositions</p>   |
| Fintech/ Corporates | <p data-bbox="489 1019 1279 1119">Win New Customers on Payments-as-a-Service propositions</p>   | <p data-bbox="1584 1019 2374 1119">Upsell Payments-as-a-Service propositions</p>   |

# Strong pipeline and recent track record of new Customer Wins...

## Recent wins

- **Co-branded Cards** for retailers clients of large Banking Group
- **Digital first card solutions** for Fintech
- **Retail cards** for Consumer Finance player
- **Retail cards** for retailers clients of large Bank
- **Retail cards** for Fintech
- **Issuing of gift cards** for digital marketplace
- ...

>30€M/year incremental revenues

## Active prospects discussions

- **Digital Processing across multiple EU countries** for large Banking Group
- **BNPL solutions across multiple EU countries** for captive Bank of Retailer
- **Automated clearing system** for Banking Group
- Issuing of **Debit Cards** for large Bank
- **Authorization, processing and selected VAS** for large Bank
- **Full suite of Issuing products** for new consolidated Banking Group
- ...

>180 active prospect discussions

# ...powered by innovative and agile Digital Processing platform

Focus next page

## UNI platform as driver of both innovation agility and efficiency

## Key customers



Full authorization, clearing, and scheme settlement platform



Cloud-ready technology



API-driven services



Real time access to data



Flexible multi-scheme processing



Modular offering



Competitive, transparent and predictable pricing



Best-in-class performance (+99,99% uptime)

Nordea

S'banken

Handelsbanken

DNB

SpareBank 1

POP Pankki

eika.

LUNAR<sup>®</sup>

# Lunar – Rethinking the banking experience leveraging our superior Digital Processing

## Customer needs

- 1 **Keep control** of the Bank and product development
- 2 **Technological maturity** and well documented API suite
- 3 **Free up the Bank from security scope** and effort
- 4 **Onsite resources** enabling easy integration & committed collaboration

## Nexi Solution



**Card processing services**  
incl. Digital Lifecycle Management (e.g., virtual cards, Pin services, ...)



**Frauds and disputes management**



**Account management and eSignature services**



**Card design customization**



**100% Digital Banking Experience**



**Innovative mobile payment solutions** fitting Lunar users' lifestyle



**Agile Implementation** with 7-month time to market



**Secured and PCI DSS compliant solution**

## ABOUT LUNAR

- Neo-bank established in Denmark in 2015
- 100% digital value proposition, offering mobile first banking services
- Over 500K users in Denmark, Sweden and Norway

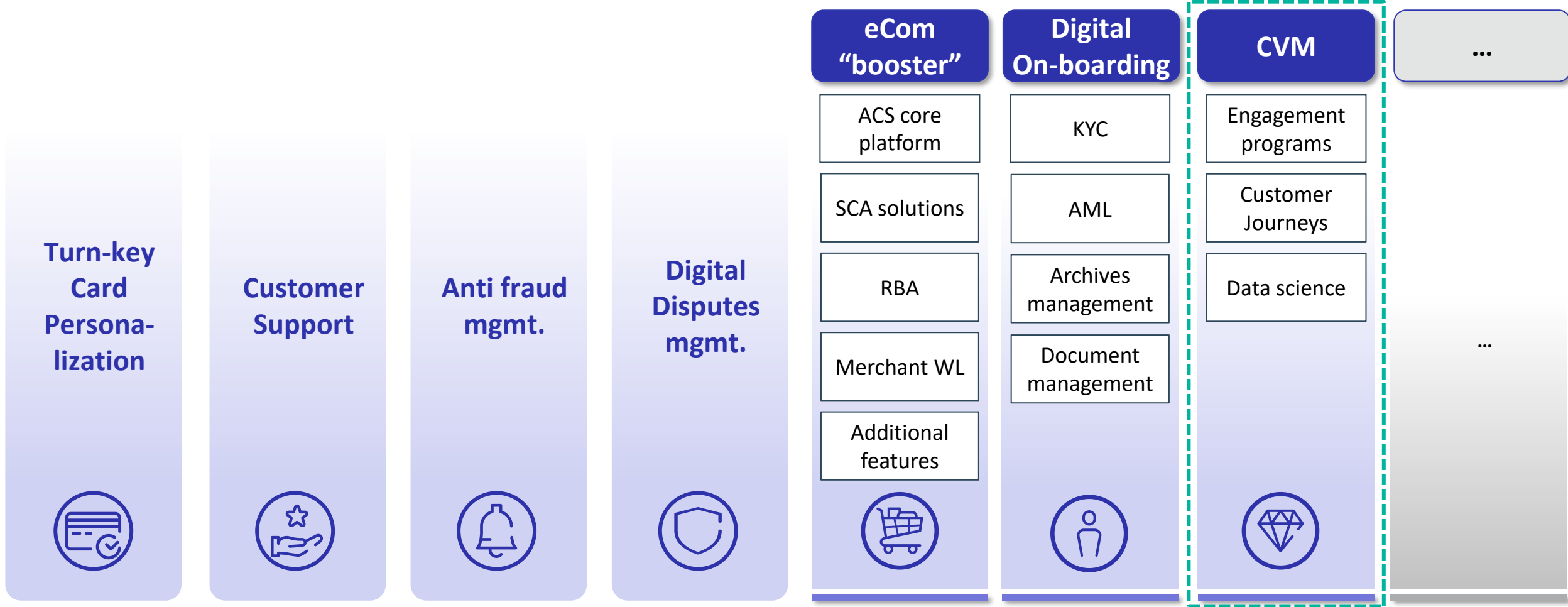


# LUNAR®

# Grow Customer value on top of Digital Processing through Value Added Services

*Focus next page*

## Modular Value Added Services




# Intesa Sanpaolo – CVM upsell: reward transactional instant win


## Customer needs


- 1 **Generate daily Customer's interactions** with Intesa via the Intesa Sanpaolo Reward App
- 2 **Real time engagement** to reward in the moment of payment
- 3 **Create** multiple mechanics to drive **behavioral engagement**
- 4 **Create digital stickiness** and increase customers' NPS

## Nexi Solutions

  
**Digital Instant Win**  
based on number/type of customer's card transactions

  
**E2E solution**  
from co-design to go-live and activation

  
Creation of a data-driven, configurable **transactional instant win engine**

  
**API integration** in the ISP reward App to boost the Intesa Experience and UI

  
Adjustable **data driven algorithm**

**+27%**  
Enabled customers

**180K**  
Instant-events/week

**+260%**  
Participants' growth

**+29%**  
Processed transactions/day

Key results

nexi





## ABOUT INTESA SANPAOLO

- Intesa Sanpaolo is the Italian leader in all banking business sectors (retail, corporate and wealth management)
- ISP serves 13.5 million customers with a network of about 3,700 branches
- €35.6 bn market capitalization (as of 30th June 22)








# Clear strategic focus to win in Issuing Solutions

| Customer Segment    | New Customers   | Current Customer Base   |
|---------------------|---|---|
| Large Banks         | Win New Deals on Digital Processing   | Upsell Digital VAS propositions   |
| Medium/ Small Banks | Win New Customers on Payments-as-a-Service propositions  | Upsell Payments-as-a-Service propositions  |

# Comprehensive Advanced Digital Issuing solutions with full value chain coverage

## Advanced Digital Issuing

### Digital Processing

 **Core Processing**  
 **Switching**  
 **Clearing**  
 **Account Management System**  
 **National Debit Platforms Management**

### Value Added Services

 **Turn-key card personalization**  
 **Customer Support**  
 **Anti-fraud management**  
 **Digital disputes management**  
 **E-com "Booster"**  
 **CVM**  
 **Engagement Programs**  
 **Loyalty solutions**  
 **Digital Onboarding**  
 **Campaign-as-a-Service**

### Payments-as-a-Service

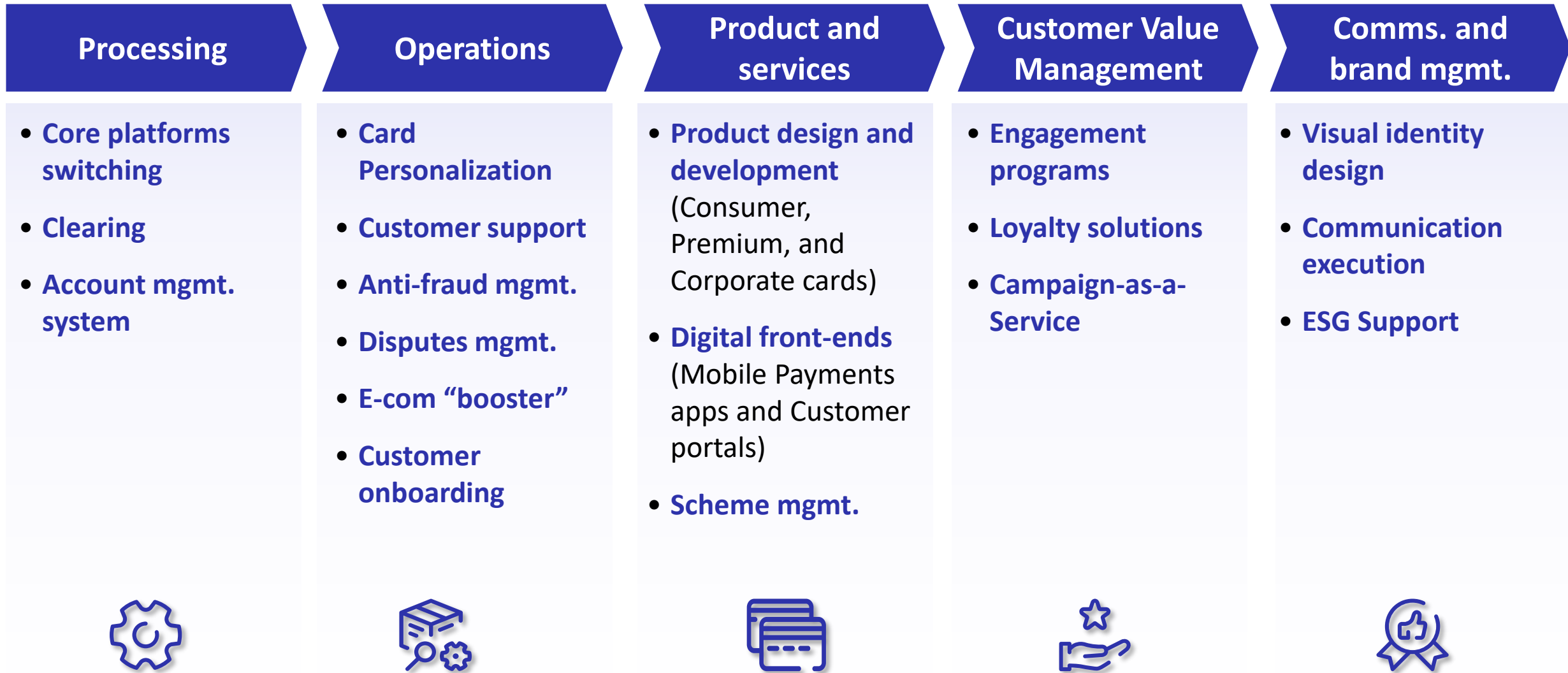
**Products and Services**  
 **Consumer Cards**  
 **Premium Cards**  
 **Corporate Cards**  
 **Mobile Payments App**  
 **Customer Portals**  
 **Scheme Management**  
**Comms & Brand Mgmt**  
 **Visual Identity**  
 **Communication Execution**  
 **ESG Support**

Multiple European markets

Italy, ready for international expansion

Value per card managed

# Unique Payments-as-a-Service business model...



# ...with clear benefits for all type of clients



## Key benefits of Payments-as-a-Service proposition...

## ...for all client segments

|   |   | Banks | Fintech | Corporates |
|---|---|-------|---------|------------|
| Effectiveness   | State of the art <b>Innovation</b> and unique <b>Time to Market</b> | ●     | ●       | ◐          |
|   | <b>Customer Value</b> increase and lower churn                      | ●     | ◑       | ◑          |
| Efficiency  | <b>Reduction of complexity</b> over E2E Issuing Value Chain         | ◐     | ●       | ●          |
|   | <b>Cost efficiency</b> leveraging Nexi scale                        | ◐     | ●       | ●          |
|   | Best in class <b>Stability</b> on critical services                 | ●     | ●       | ◑          |
| Specialized turnkey <b>Regulatory</b> activities management |   | ◑     | ◑       | ●          |

# Payments-as-a-Service model serving 150+ Banks in Italy

**Allianz  Bank**  
Financial Advisors

 **FIDEURAM**  
INTESA SANIPOLO PRIVATE BANKING

 **illimity**  
BANCA OLTRE LA FORMA

 **MONTE DEI PASCHI DI SIENA**  
BANCA DAL 1472

 **MEDIOBANCA**

 **SPARKASSE**  
CASSA DI RISPARMIO

 **BANCA POPOLARE DI BARI**

 **Sant'Angelo**  
POPOLARE. SICILIANA.

 **BANCA DI ASTI**  
CASSA DI RISPARMIO DAL 1842

 **BANCA mediolanum**

 **bancaetica**

**nexi**  
every day, every pay

**CASSA CENTRALE BANCA**  
CREDITO COOPERATIVO ITALIANO

 **Civi Bank**  
La Banca per il NordEst

 **BANCA GENERALI**

**CheBanca!**

  
**CRÉDIT AGRICOLE**

 **BANCA DI PLACENZA**  
LA NOSTRA BANCA

 **Banco Desio**

 **Banca Popolare di Sondrio**

 **BANCA CAMBIANO** 1884  
SOCIETÀ PER AZIONI





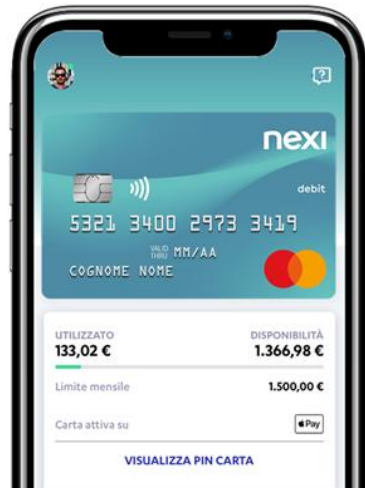
**ZURICH**

  
**BANCO BPM**

# Nexi Debit showing great traction, with further growth potential

## Key product capabilities

- Full **turnkey card management**
- Full **SCA solution** for eCommerce
- **Advanced antifraud**
- **International** usage also for cash-out
- **Advanced digital properties**, including card management app (**NPS: >60**)
- Integrated **engagement program**
- Clear **value levers for the Banks**
  - Domestic or obsolete cards replacement
  - Business cards upselling
  - Current account native bundling



## Key results

**~2.1M** Cards, 2021      **>140%** CAGR '19-'21

## 20+ Banks enabled



# CheBanca! - PaaS upselling for a Digital Bank

## Key products and services offered



**Full Card Portfolio**  
(credit, debit, prepaid)



**Sales wizard on Bank's properties** with Nexi product catalogue



**New digital features developed ad hoc for the Bank** (e.g., Digital card tracking)



**Deep API-based integration** with Bank back-ends



**Fully branded Bank website and app**

## Key results



**Higher value** generated for Nexi and CheBanca!

**+650K** cards  
Migrated from Backbook



**Agile implementation** of Nexi solutions in almost 9 months



**Strong customer base**



**Enriched innovation roadmap**, enabling all latest features for clients



**Fully customized integration** and access to Nexi functionalities via API

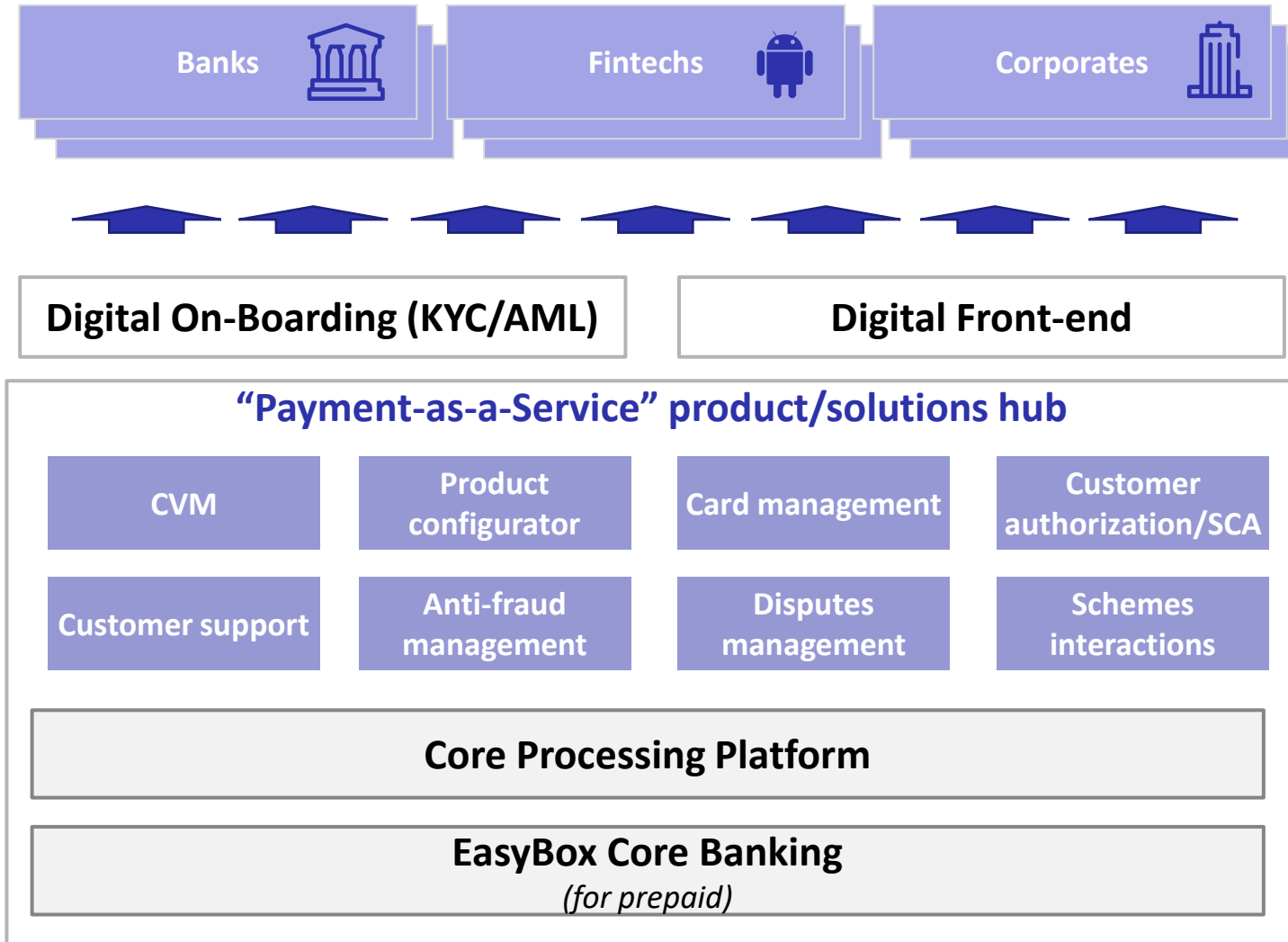
## ABOUT CHEBANCA!

- Mediobanca Group's digital Retail bank founded in 2008 focused on savings and investments
- Digital first proposition based on multichannel distribution model
- Highly competitive and extensive product portfolio
- Over 800K customers in the Italian market



# CheBanca!

# Creating Best in class product platform for PaaS propositions, combining our leading existing capabilities



- **API-based** interfaces
- **Single processing back-bone** across the Group
- **Natively cross-country** (multi-language, multi currency, ...)
- **Re-usable product configurations** for fast time-to-market
- **Sandbox and testing environment** for Fintech



# GoHenry – Long term partnership on PaaS proposition for a winning Fintech

## Customer needs

- 1 Build **personalized solutions** for kids and families
- 2 **Accelerate growth in key geographies** across Europe and US, with priority markets being Italy, Germany, France and Spain
- 3 **Drive revenue growth** with additional revenue streams and VAS

## Nexi Solutions



**Specific know-how** on young generations from YAP marketing and product design



**Instant Issuing** Prepaid card



**Online card management** platform



**1:1 card personalization**



**Full digital processing**



**Digital Customer onboarding** including KYC/AML

## ABOUT GOHENRY

- Prepaid debit card and financial education app helping 6-18-year-olds master money skills for life
- Over 2M customers in the UK, USA & through fully owned Pixpay in France and Spain
- Doubled revenues during pandemic, 42M\$ in 2021



# Winning in Issuing Solutions: key takeaways

## Market overview

- **Pan European footprint**, with >250 Financial Institutions covered
- **Exposure to attractive markets**, with strong headroom for growth
- **Comprehensive Advanced Digital Issuing solutions**, with full value chain coverage

## Issuing strategy pillars

- **Win new customers in Europe:**
  - **Bank customers on digital processing** across Europe, leveraging unique platform agility
  - **Corporates/FinTechs** and **medium/smaller Banks**, through Nexi unique **Payments-as-a-Service** proposition
- **Grow customer base value by:**
  - Upselling **modular VAS** proposition on **Banks** customer base
  - Upgrading **medium/smaller Banks** to Nexi unique **Payments-as-a-Service**

# Conclusions

---



*Paolo Bertoluzzo*

# Three key messages

## 1

### Privileged position in very attractive markets

- Europe **fragmented** and **very attractive** for strong entrenched players
- Accelerated **strong market growth**, with **secular shift** from cash to digital
- Exposure to **very attractive markets**, with only **36%** card penetration
- A mix of strong **Leader** and established **Challenger** positions

## 2

### Differentiated growth strategy

- Differentiate through **scale** and **market & customer proximity**
- Drive **accelerated growth** on **SME**, **eCommerce** and **Advanced Digital Issuing**, through superior products and commercial execution
- Deliver **strong synergies** and continued **operating leverage**

## 3

### Strong profitable growth and cash generation

- **Revenues** growing **~9% CAGR<sup>1</sup>**
- **EBITDA** growing **~14% CAGR<sup>1</sup>** with **~+900 bps** margin expansion by 2025
- **Excess cash generation** of **~2.8 €B+** in 2023-25, available for further value creation
- **Normalized EPS** growing **~20% CAGR<sup>1</sup>**

**nexi**

**2022 Capital Markets Day**

*Annex*

# Annex agenda

- **Nexi: The Leading European PayTech**
- **Our Growth Plan**
- **Winning in Merchant Solutions**
- **Winning in Digital Banking Solutions**

# ESG championship, making digital payments a driver of progress – Details on KPI



## Digital Payments as a driver for progress...

### Initiatives

#### Social Progress, Digitization and Inclusion

- Support **SMEs** and **micro businesses** digitization
- Drive **digital inclusion** and increase **proximity to local communities**
- Support **public services** and **PA / citizens** digitization

### Targets

**250k**  
# of SMEs in merchant base with at least one of the new digital propositions

#### Security and Trust

- Guarantee **perfect security** and **service continuity**
- Promote **customer centricity** as a business foundation

**99,99%**  
% of guaranteed service continuity



## ...and clear commitment as an ESG champion

### Initiatives

#### Sustainable Products and Supply Chain

- Improve **eco-friendly design** of products
- Promote Nexi's **sustainability standards** across **supply chain**

### Targets

**≥50%**  
% of green<sup>1</sup> cards issued

#### Decarbonization

- Achieve **Carbon Neutrality** by 2022 and **Net Zero** by 2040
- Accelerate **greener consumption behaviors**

**Net Zero**  
Group-level target by 2040, certified by SBTi

#### Talent Development and DE&I

- Invest in **people engagement** and **continuous capabilities upgrade**
- Ensure **proper gender / minorities representation** and **inclusion**

**+1p.p./year**  
Share of women in managerial<sup>2</sup> positions

#### Governance

- Adhere to **high ethical standards** and disclose **complete ESG policies**
- Adopt a **best-in-class governance** to achieve our ESG targets

**≥10%**  
Weight of ESG targets in executives' LTI

## Inclusion in Dow Jones Sustainability Index

Time horizon to be confirmed after 2022 S&P ESG Rating release

**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA

# Integration workstreams and synergies progressing according to plan

|                                       | Nexi - Nets   | Nexi - SIA  |
|---------------------------------------|---|---|
| Tech platform optimisation            | <ul style="list-style-type: none"> <li>• <b>New Group Technology strategy</b> defined and in execution</li> <li>• <b>CapEx deduplication</b> already in execution</li> <li>• <b>Infrastructure/cloud strategy and security optimization</b> in execution</li> </ul>   | <ul style="list-style-type: none"> <li>• <b>Processing platform consolidation</b> progressing</li> </ul>                                |
| Insourcing and operational excellence | <ul style="list-style-type: none"> <li>• <b>Group governance</b> and central functions organization in place</li> <li>• <b>Turnover management</b> and other <b>HR optimization</b> levers in progress</li> <li>• Moving into <b>single Organizational Model</b> from January 2023</li> <li>• <b>Operational excellence</b> initiatives moving into execution</li> </ul>                                  | <ul style="list-style-type: none"> <li>• <b>SIA Italian business</b> fully integrated</li> </ul>  |
| Procurement and other costs           | <ul style="list-style-type: none"> <li>• <b>Procurement optimization initiatives plan</b> fully in progress</li> <li>• <b>&gt;30 strategic renegotiations</b> already closed</li> </ul>   |   |
| Revenue synergies                     | <ul style="list-style-type: none"> <li>• <b>eCom capabilities</b> extension to Italy progressing, <b>1-click check-out</b> live (pilot)</li> <li>• <b>Joint go-to-market on International Laka</b> progressing</li> <li>• Best practices adoption on <b>SME digital distribution</b> underway</li> <li>• <b>Engaging international banks</b> on Payment-as-a-service and digital VAS upselling</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Commercial plan for cross/up-selling actions</b> under execution, upside vs plan</li> </ul> |



# Annex agenda

- **Nexi: The Leading European PayTech**
- **Our Growth Plan**
- **Winning in Merchant Solutions**
- **Winning in Digital Banking Solutions**

# Financial disclosure framework for Nexi's revenues

## Illustrative gross to net revenues bridge (2021PF)

|                         |   |
|-------------------------|---|
| Gross revenues          | 4.6 €B  |
| (-) Scheme fees         | Fees charged by card schemes                  |
| (-) Interchange fees    | Fees charged by card issuers                  |
| (-) Rebates to partners | Distribution costs in the form of fee rebates |
| (-) Others              | Financial charges                             |
| Reported net revenues   | 2.9 €B  |

- **Reported revenues for Merchant Solutions are net of scheme fees**, which means that top line revenue growth appear slower than actual business growth and distort comparison
- **Net revenues for all business lines also take into account distribution costs / fee rebates to partners**, which distort comparison of revenue-based KPIs (e.g. capex as % of revenues)

# Confirmed 2022 targets

## Net Revenues

- ✓ 7-9% net revenue growth
- ✓ Double-digit growth in Merchant Solutions

## EBITDA

- ✓ 13-16% EBITDA growth, +2 p.p. EBITDA margin expansion
- ✓ Delivered synergies partially reinvested in e-Commerce and Germany acceleration

## Capex

- ✓ 8-10% ordinary capex as % of net revenues

## Non-recurring Items

- ✓ Transformation and integration costs rapidly decreasing: 2022 almost halved vs. 2021 combined Group level
- ✓ ~300 €M transformation and integration capex by 2024-2025

## Net leverage

- ✓ 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&A transactions

# Annex agenda

- **Nexi: The Leading European PayTech**
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- **Winning in Digital Banking Solutions**

# Industry specific propositions as unlocker of value for merchants in grocery – Esselunga case study

## Customer needs

- 1 Reliability and scale
- 2 Best-in-class eCom and in-store customer experience
- 3 Omni-acceptance integrated in their systems

## Nexi Solutions



Multi store format acceptance



In-app payments



Omni-channel click and collect



Bill Payments at tiller



## ABOUT ESSELUNGA

Esselunga is a leading Italian retail store chain, active since 1957. It was the first in Italy to introduce online shopping and self-produced organic products

**168** stores through Italy

**7** regions served

**~ 8.5€B** net revenue in 2021



# Creating tailor-made solutions for Italian mid-market leader – Duferco Energia case study



## Customer Needs

- 1 Innovate point of sale user experience
- 2 Make payment seamless in charging experience
- 3 Lay platform for future adjacencies and innovation

## Nexi Solutions



### All-in-one SmartPos

With integrated company app



### Omni-channel acceptance

POS, eCom, Duferco App



### EV charging specific features



### Platform Integration

Salesforce Billing integration



## ABOUT DUFERCO ENERGIA

Duferco Energia is Duferco Group's company that contributes in the most integrated way to the energy transition. It carries on a comprehensive set of activities including energy retail, power/gas trading, energy-saving, e-mobility and renewable sources.

**2.5€B** Total Nexi transaction value in June 22

**300+** Employees

**20** Countries covered



# Meeting mid corporate needs with best-in-class solutions – Espresso House case study

## Customer Needs

- 1 Fast and reliable transactions
- 2 APP payments with consumer subscriptions
- 3 Loyalty program

## Nexi Solutions



### Card Link

Tokenized transactions to support Loyalty Program



### High-end in-store acceptance

with best of breed hardware



### Omni-channel acceptance



## ABOUT ESPRESSO HOUSE

Founded un 1996, Espresso House is a Swedish coffee chain serving Nordics (Denmark, Finland, Norway, and Sweden) and Germany.

5 Countries served

460+ Coffee shops

6K+ Baristas working in Espresso House

161€M Total Transaction Value in 2021



# Local customer support as key competitive advantage – JYSK case study

## Customer Needs

- 1 Consolidate acquiring and acceptance providers
- 2 Increase service levels across geographies
- 3 Increase acceptance/ conversion rates

## Nexi Solutions



### Full acceptance solution

integrated with customer platforms



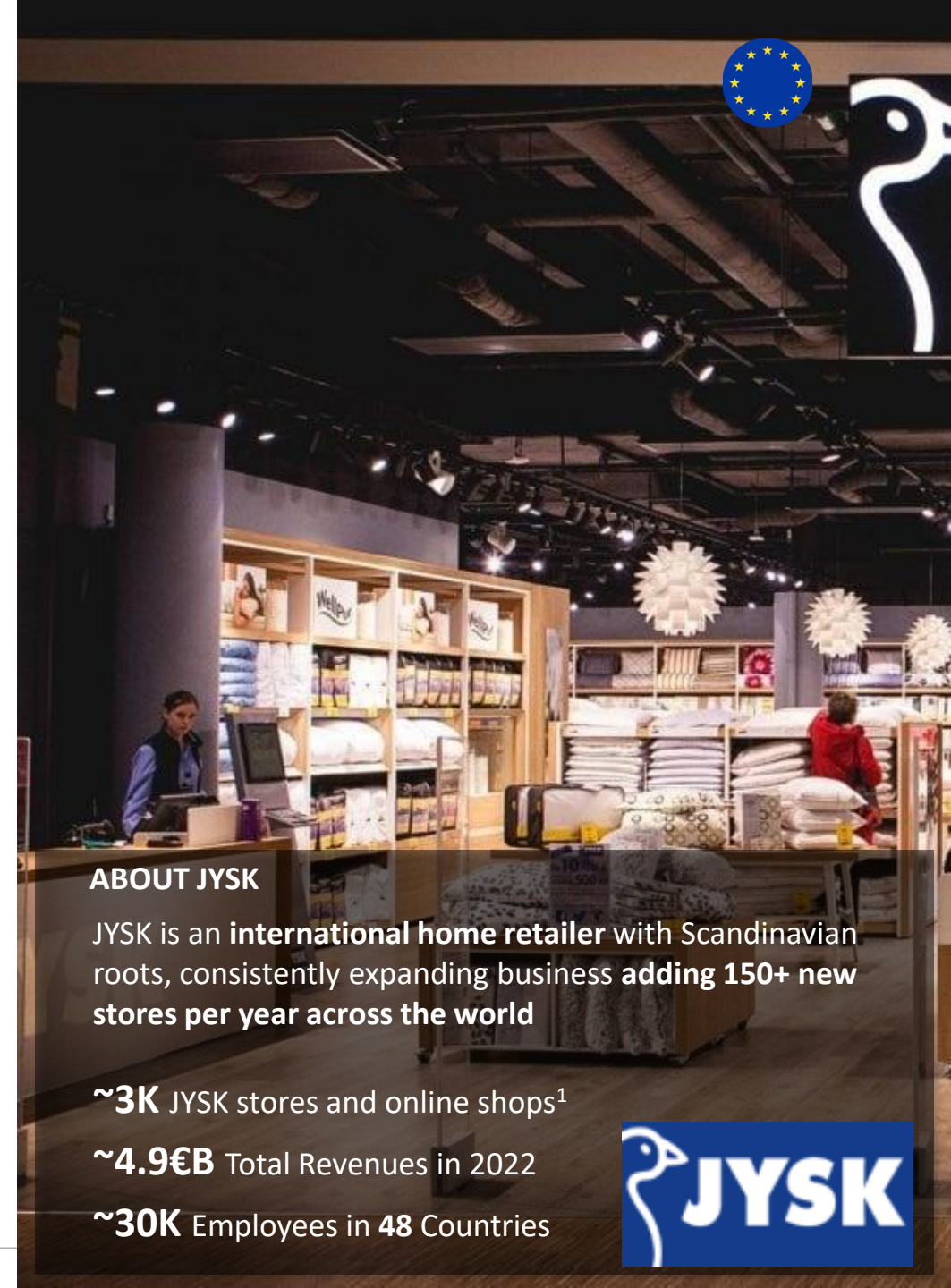
### Localized customer support in 14 markets

with dedicated SLAs



### Multiple terminal solutions

for different store formats



## ABOUT JYSK

JYSK is an international home retailer with Scandinavian roots, consistently expanding business adding 150+ new stores per year across the world

~3K JYSK stores and online shops<sup>1</sup>

~4.9€B Total Revenues in 2022

~30K Employees in 48 Countries



# B2B payments as unique capability – Generali case study

## Customer needs

- 1 **Omni-acceptance** both online and in-store
- 2 **Cash management automation** through CBI and Swift
- 3 **Treasury international management**

## Nexi Solutions



### Omni-channel acceptance

for POS, eCom and App



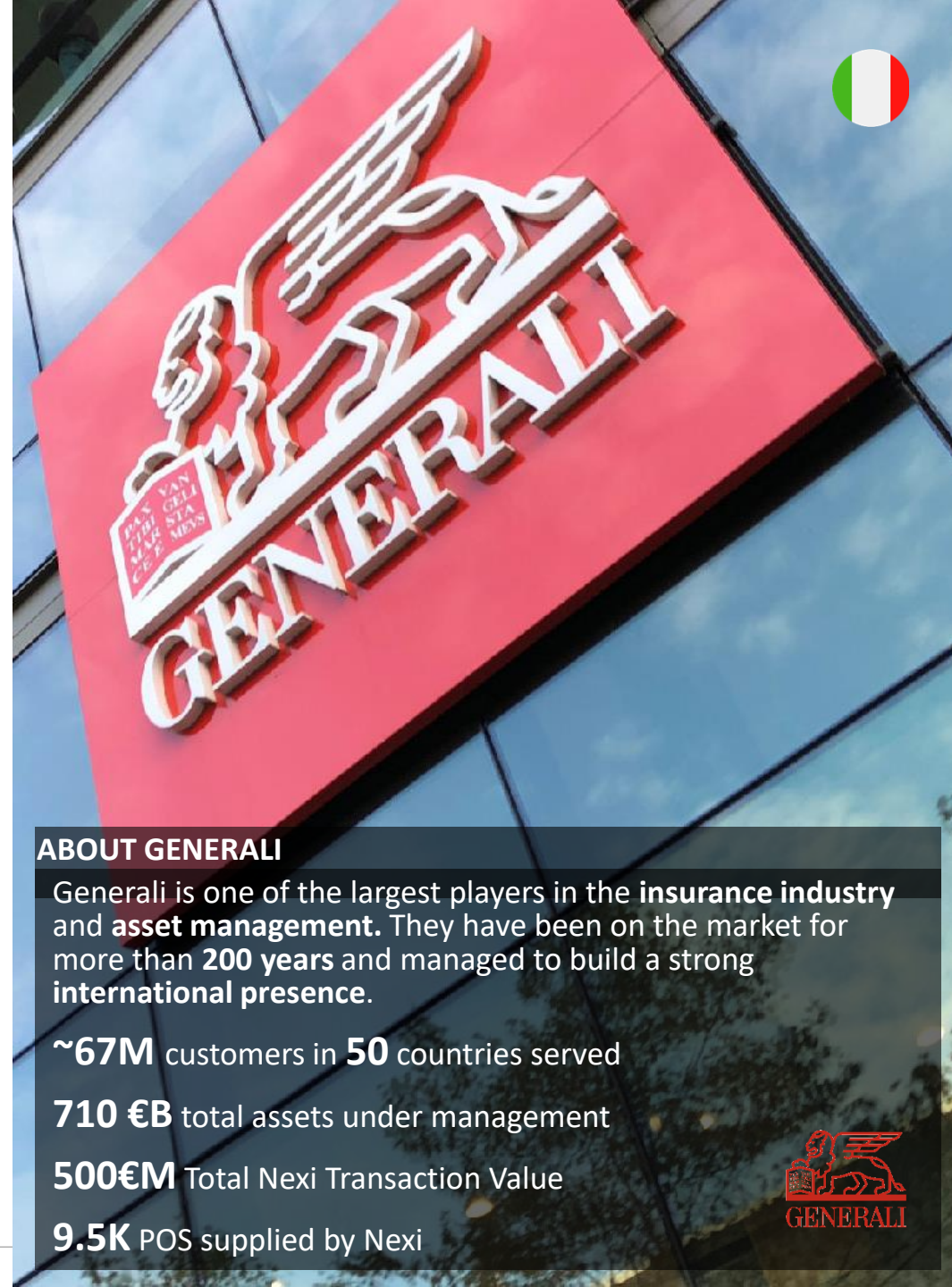
### Nexi Multi Network

for cash management  
automation



### Swift Service Bureau

multi-country bank payments



## ABOUT GENERALI

Generali is one of the largest players in the **insurance industry** and **asset management**. They have been on the market for more than **200 years** and managed to build a strong **international presence**.

**~67M** customers in **50** countries served

**710 €B** total assets under management

**500€M** Total Nexi Transaction Value

**9.5K** POS supplied by Nexi



# Back-end integration as key differentiator – Allianz case study



## Customer needs

- 1 Omni-acceptance both **online** and in-store
- 2 Scalable payment solution to support M&A
- 3 ERP/accounting Integration

## Nexi Solutions



**Omni-channel  
acceptance**



**Recurring payments  
& subscription management**  
Cards and Account-to account



**Online  
reconciliation**

## ABOUT ALLIANZ

Allianz Group is one of the leading **integrated financial services providers** worldwide serving customers a wide range of products, services, and solutions in **insurance and asset management**

~ **148€B** Total Revenue in 2021

**701,5€M** Total Nexi Transaction Value

**126m** Customers served in **70** Countries

**155k+** Employees



# Annex agenda

- **Nexi: The Leading European PayTech**
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- **Winning in Digital Banking Solutions**

# Key messages

## Market overview

- Emerging industry trends **creating new growth opportunities for our business**
- **Nexi leader in Europe** on Account Payments for **Banks and Corporates**, with broad spectrum of dedicated solutions

## DBS strategy pillars

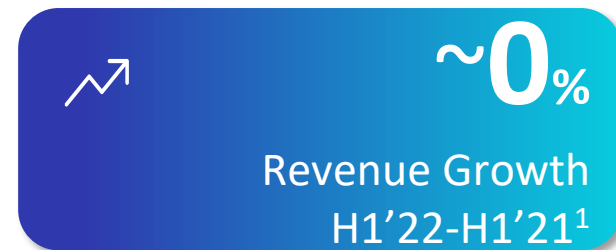
- **Grow in Account-based payments:**
  - **Accelerate integrated Account Payments and Collection solutions** for **Corporates** and **PA**
  - Drive **Account-to-Account/Instant Payments growth** across Europe
- **Rationalize business portfolio:**
  - Focus on key **growth strategic opportunities**
  - Dismiss/partner on **non-core businesses**

# Leader in Europe on Digital Account Payments solutions for Banks and Corporates

## Nexi Group DBS Footprint



## Key figures



# Broad spectrum of Account Payments solutions to cover all types of clients' needs

## Corporate & PA Payments

Connecting Corporates/PA to Account Payments rails



SEPA & Cross-border Payments



Open Banking



Bill Payments



Digital Corporate Banking

Corporates & PAs



## Core Banking Payments

Enabling Banks to access and manage Account Payments rails



Account Payments Hub



Core Banking Platforms



Intermediary Banking

Banks and EMIs/PIs<sup>1</sup>



## Payments Infrastructures

Infrastructures for sending and exchanging Account Payments transactions



SEPA & Domestic Clearing



Network



Central Banks Platforms



Blockchain

Central Institutions and Banks



## ATMs & Self-banking

Outsourcing services for ATMs and Self-banking



Italy



International

Banks



# Emerging industry trends create opportunities for our business

NOT EXHAUSTIVE



## Omni-channel solutions for Corporates on Account Payments

- Corporates need **higher integration of Account Payments/Collection services** to **meet multiple and differentiated needs** along the whole **value chain**



## Open Banking

- **Open Banking landscape evolving in Europe**, leading to more **sophisticated use cases** offered by active players, both FinTechs and traditional ones, leveraging API platforms



## Instant Payments/A2A

- **Instant Payments** expected to grow as a new rail (~18% share of SEPA transactions in 2027), driven by evolving **consumers needs** for **fast and reliable A2A payment solutions**



## Secured connectivity

- Large **connectivity/secure messaging market** worth **~300€M in Europe**, with growth driven by **digital/real-time payments** and migration to **Cloud infrastructures**



## Processing outsourcing

- Growing **need for banks** to **outsource Account Payments platforms** to reduce costs/complexity

# Digital Banking Solutions strategic pillars and initiatives

## Two strategic pillars...

Grow in  
Account-based  
Payments

- Accelerate **integrated Account Payments** and **Collection solutions** for **Corporates** and **PAs**
- Drive **Account-to-Account/Instant Payments growth** across Europe

Rationalize  
business portfolio

- Focus on key **growth strategic opportunities**
- Dismiss/partner on **non-core businesses**

## ...with clear strategic initiatives

1 Corporate & PA Payments



2 Core Banking Payments



3 Payments Infrastructures



*See deep dives in the following pages*



# 1 Corporate & PA Payments: Key opportunities and main strategic initiatives

## Key opportunities

- **Corporates expanding to multi-acceptance solutions**, including non-card rails and new **innovative products** in the market (e.g., Request to Pay, Open Banking), while at the same time facing fragmentation of internal Treasury systems
- **PAs undergoing digital transformation**
- **Strong Nexi starting market position in Italy** (Nexi owns and/or acts as tech provider on most Corporate & PAs payments rails), with a competitive advantage to **reduce current cost/complexity**, already serving leading players
- Opportunity for Nexi to **extend Host-to-Host business** also to mid-market Corporates & PAs
- Further opportunity for Nexi to **export Corporate & PA new Gateway** and Open Banking/Bill payments products to other European countries (not included in current Plan)



## Main strategic initiatives

**Accelerate penetration in LAKAs and Large PAs with new integrated Gateway proposition** to access all Account Payments rails, with key features:

**A**

- **Omni-channel:** Account Payments rails and Card Acceptance rails
- **API-based:** single access point, single workflow
- **Value-added-services:** e.g., real time omni-channel reporting, invoice reconciliation

**B**

**Launch dedicated go-to-market effort** and broad **ERPs partnership programs**. Define new 360° offers, activate dedicated commercial campaigns with Bank partners and agreements with main ERP players to also reach mid-market Corporates and local PAs

## 2 Core Banking Payments: Key opportunities and main strategic initiatives

### Key opportunities

- **Final consumers** demanding more and more **seamless availability of all payments' rails** across all access channels (i.e., branch, home banking, ATM)
- **Banks and Corporates modernizing their Core Banking platform** in order to **reduce complexity** and **time-to-market**
- **Strong Nexi know-how and competences** to further develop consolidated and dedicated solutions for Account Payments processing
- Opportunity for Nexi to **expand client coverage by bundling** with **Network** and **Clearing offer**

### Main strategic initiatives

Drive market expansion with an innovative and state-of-the-art SaaS<sup>1</sup> **Nexi Payment Hub**, covering all steps of the processing chain from Channels to interbank exchange infrastructures:

- **Multi-Channel**: configurable over all different customer access channels of the Bank
- **Multi-ACH**: connection to all different schemes of European ACHs
- **Multi-Bank**: management of different Banking Group configurations
- **Multi-product**: rules-based configurable workflows for different payment products

**Focus on mid-large European Banks** with **international go-to-market** and **packaging offering** with other Nexi Account Payments services. Develop new marketing and sales approach, with integrated offers with Network and Clearing services and Sales specialists, leveraging Nexi international customer relationships

## Payments Infrastructures: Key opportunities and main strategic initiatives

### Key opportunities

- **Customers progressively adopting alternative/A2A payment rails**, driving relevant **expected SEPA transactions growth** (~6% in 2022-2027), with growing share also on retail payments and new Instant Payments rail
- **Strong Nexi market position** as engine of EBA Clearing, strongest player on market (~40% market share)
- Potential **faster development also of innovative rails** (e.g. Open Banking, Request-to-Pay - not included in current plan)
- **Network market expected to growth** driven by digital transactions & migration to Cloud, **with increasing need for banks to reduce connection complexity** by adopting one-stop-shop high-performance solutions
- **Strong Nexi position as owner of SIANet**, leading European network solution with distinctive features (1,000+ nodes reachable, service level, guaranteed delivery in real time, cloud ready....) and recently certified for new ECB platform (ESMIG)
- Potential **faster take-off of Cloud/Internet-of-Things** (not included in current plan)

### Main strategic initiatives

**Strengthen strategic partnership with EBA Clearing**, supporting further development & innovation.

- A** Continue to actively support EBA Clearing strategic development, helping to promote diffusion of new rails (e.g. Instant, RTP) and developing new services (e.g. anti-fraud)

**B** **Accelerate SIANet promotion by leveraging product distinctiveness and enlarged market coverage.** Offer **connection/backup services** throughout European banking system **to new ECB platform (ESMIG)** and activate more **agreements with main Cloud providers** as preferred connection partner