

**GROUP FINANCIAL RESULTS AS OF DECEMBER 31<sup>st</sup> 2023 APPROVED  
STRONG MARGIN EXPANSION AND EXCESS CASH GENERATION AT € 601 MILLION  
€ 500 MILLION SHARE BUY-BACK PROGRAM**

- *2023 guidance delivered*
- *Revenues at € 3,361.7 million in FY23, +7.0% Y/Y*
- *EBITDA at € 1,751.8 million in FY23, +10.0% Y/Y, with c. +146 bps EBITDA margin expansion*
- *Strong Excess cash generation growth, at more than € 600 million in FY23*
- *2024 Guidance confirming continued margin expansion and strong cash generation growth despite a challenging macro outlook*
- *Up to € 500 million share buy-back program over 18 months to be proposed to the next Shareholders' Meeting*
- *Non-cash technical impairment of goodwill and intangibles for € 1,256.8 million*

**Milan, March 7<sup>th</sup> 2024** – The Board of Directors of Nexi S.p.A. approved on March 6<sup>th</sup> the Group's consolidated financial results as of December 31<sup>st</sup> 2023.

*"In 2023, we have continued our growth journey across all geographies, we have further increased our margins, and significantly accelerated cash generation. Additionally, we have made further progress in product innovation, in the modernization of our technological platforms, in the strengthening of our skills, and in the integration of our organization, which allows us to further accelerate efficiency and synergies," commented Paolo Bertoluzzo, CEO of Nexi Group. "Looking ahead, despite a still uncertain macroeconomic outlook, we expect to continue to expand our margins and significantly increase the cash generation, returning to accelerate revenues in the medium term, also thanks to new drivers of growth such as eCommerce, Germany, and Spain, which we recently acquired. Given this outlook, we are entering a new phase in terms of capital allocation: we have decided to initiate the process of returning capital to our shareholders, while continuing the ongoing reduction of financial leverage and sustaining the investments in the organic development of the business. For this reason, we will propose to the Shareholders' General Meeting to start a significant buy-back program, with the conviction that this is the most effective way to create value for our shareholders in this phase. This progress is possible thanks to the continued trust of our Customers, the support of our Partners, and the extraordinary contribution of the People of Nexi."*

## Key consolidated financial managerial results<sup>1</sup>

€M	FY22	FY23	Δ% vs. FY22	4Q22	4Q23	Δ% vs. 4Q22
Merchant Solutions	1,753.9	1,888.6	+7.7%	468.9	497.9	+6.2%
Issuing Solutions	1,013.0	1,090.1	+7.6%	274.7	300.8	+9.5%
Digital Banking Solutions	376.3	383.0	+1.8%	111.1	114.3	+2.9%
<b>Operating revenue</b>	<b>3,143.2</b>	<b>3,361.7</b>	<b>+7.0%</b>	<b>854.6</b>	<b>912.9</b>	<b>+6.8%</b>
Personnel Costs	(692.8)	(733.2)	+5.8%	(180.0)	(190.5)	+5.8%
Operating Costs	(858.4)	(876.8)	+2.1%	(233.3)	(238.3)	+2.1%
<b>Total Costs</b>	<b>(1,551.2)</b>	<b>(1,609.9)</b>	<b>+3.8%</b>	<b>(413.3)</b>	<b>(428.8)</b>	<b>+3.7%</b>
<b>EBITDA</b>	<b>1,592.0</b>	<b>1,751.8</b>	<b>+10.0%</b>	<b>441.3</b>	<b>484.1</b>	<b>+9.7%</b>
Ordinary D&A	(420.7)	(447.2)	+6.3%			
Normalised Interests & financing costs	(214.7)	(244.4)	+13.9%			
<b>Normalised Pre-tax profit</b>	<b>956.6</b>	<b>1,060.2</b>	<b>+10.8%</b>			
Income taxes	(319.4)	(344.4)	+7.8%			
Profit (loss) after tax from assets held for sale	44.2	(0.7)	-101.6%			
Minorities	(3.2)	(3.2)	+2.4%			
<b>Normalised Net profit</b>	<b>678.3</b>	<b>711.8</b>	<b>+4.9%</b>			

In FY23 the Group delivered revenues at € 3,361.7 million, +7.0% versus FY22, and EBITDA at € 1,751.8 million, +10.0% versus FY22. The EBITDA margin was at 52%, up by 146 basis points compared to FY22, also thanks to the accelerating efficiencies and synergies delivery on the back of Group integration.

4Q23 revenues reached € 912.9 million, +6.8% versus 4Q22. 4Q23 EBITDA was at € 484.1 million, +9.7% versus 4Q22, with EBITDA margin at 53%, up by 139 basis points compared to 4Q22.

Nexi Group's operating businesses delivered the following results in FY23:

- **Merchant Solutions**, representing approximately 56% of Group's total revenues, reported revenues of € 1,888.6 million, +7.7% Y/Y, with Germany and eCommerce growing double-digit. In FY23, 18,524 million transactions were processed, +12.6% Y/Y, with value of processed transactions at € 825.3 billion, +7.6% Y/Y. In FY23 transactions value growth continued across the Group, primarily driven by international schemes. In 4Q23, Merchant Solutions revenues reached € 497.9 million, +6.2% Y/Y. Acquiring volumes<sup>2</sup> in 4Q23 increased mid-single digit Y/Y in Italy and the Nordics, while in the DACH region they recorded a strong double-digit Y/Y growth. In January and February, acquiring volumes continued their solid Y/Y growth across geographies, despite the overall macro weakness.

<sup>1</sup> 2022 and 2023 pro-forma normalised managerial data at constant FX and scope (i.e. ISP merchant book acquisition in Croatia).

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

The main initiatives realized in Merchant Solutions during 4Q23 include:

- Extension of Group SME propositions across countries, including the SmartPOS being launched in the Nordics and SmartPay extension accelerating in new markets;
  - New strategic premium partnership at group level with WooCommerce, on top of the already signed similar advanced partnerships with key European e-commerce enablers (i.e., Magento, Shopware and Prestashop);
  - Extension of Group LAKA vertical propositions: solid pipeline of new customers wins and up/cross selling across multiple geographies and verticals (e.g. omni-channel retail, hospitality, EV charging/petrol).
- **Issuing Solutions**, representing approximately 32% of Group's total revenues, reported revenues of € 1,090.1 million in FY23, +7.6% Y/Y, and € 300.8 million in 4Q23, +9.5% Y/Y. The growth was mainly supported by the success of international debit in Italy and by the already expected non-recurring contribution related to banks' M&A, phasing and projects in Italy. In FY23, 19,290 million transactions were processed, +10.8% Y/Y, with value of processed transactions at € 888.0 billion, +8.2% Y/Y.
  - **Digital Banking Solutions**, representing approximately 11% of Group's total revenues, reported revenues of € 383.0 million, +1.8% Y/Y. In 4Q23, Digital Banking Solutions reached € 114.3 million of revenues, +2.9% Y/Y, sustained by volume growth and new initiatives.

In FY23, **Total Costs** were at € 1,609.9 million, with a limited growth of 3.8% Y/Y despite volume growth and inflationary pressure, mainly due to the operating leverage and to the several synergies and efficiencies, on the back of Group integration. In 4Q23 Total Costs were at € 428.8 million, +3.7% versus 4Q22.

**Total Capex**<sup>3</sup> were at € 496 million in FY23, equal to 15% net revenues, decreasing from € 520 million in FY22, down 4.6 p.p. Y/Y. In particular, € 386 million were related to the ordinary innovation of products and services, maintenance of high-quality services and security, POS and ATM purchase, and € 110 million were related to transformation and integration initiatives, with a small portion left to be completed in 2024.

Continued strong reduction of **transformation and integration costs** at € 116.1 million in FY23, down 24% versus FY22. Non-recurring items below EBITDA Reported (shown in the Annex) at € 1,458.3 million in FY23 and are affected by the technical non-cash impairment charge to the carrying value of goodwill and intangibles of € 1,256.8 million, reflecting the share price evolution and the current markets conditions.

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<sup>3</sup> Managerial figure.

**Normalised net profit**<sup>4</sup> in FY23 was € 711.8 million, with normalised EPS at 0.54 € up by 4.9% Y/Y. The reported Group loss for FY23 Reported (shown in the Annex) is equal to € 1,006.0 million, following the above mentioned technical non cash impairment.

The **excess cash generation**<sup>5</sup> was equal to € 601.1<sup>6</sup> million in FY23, confirming a strong growth.

As of December 31<sup>st</sup> 2023, the **Net Financial Debt** was down to € 5,262 million, while the Net Financial Debt / EBITDA ratio decreased at 3.0x, down -0.3x vs FY22. The weighted average debt maturity is ~3.1 years with an average pre-tax cash cost of debt, broadly stable versus 3Q23, of ~2.86%.

## Share buy-back

The substantial existing cash balances and the strong current and expected cash generation growth allow to start returning capital to Shareholders in 2024, while still continuing to support the planned debt reduction and the limited M&A opportunities in the future.

Nexi's management and the Board believe that the current share price does not reflect the full value of our business and its outlook and that a share buy-back offers the most effective value creating opportunity for the shareholders to deploy the excess cash.

Therefore, Nexi's Board has resolved to propose an 18 months share buy-back program up to 500 €M (equal to ~13% free float) at the next Shareholders' meeting on April 30th, 2024. In the longer term, Nexi plans to continue to allocate a material portion of excess capital to shareholders either through further share buy-back programs or dividends depending on overall market conditions.

## 2024 Guidance

For 2024, considering the persistent complex macro outlook, Nexi announces the following targets:

- Net revenues: Mid-single digit Y/Y growth;
- EBITDA: Mid-to-high single digit Y/Y growth, with margin expansion of 100 bps+;
- Excess cash generation: More than 700 €M;
- Net leverage: decreasing to below 2.9x including announced M&A and share buy-back effects, (~2.6x on organic basis).

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

<sup>5</sup> Operating cash flow generation after cash interest expenses and other cash items (cash taxes, IFRS 16 and other)

<sup>6</sup> Gross of ~100 €M deferred taxes. +27% y/y growth between ~500 €M excess cash in FY23 (net of the previously mentioned deferred taxes) and 394 €M excess cash in FY22.

## Updated medium-term outlook

Nexi, assuming the continued robust cash-to-digital payments conversion in the key geographies where the Group is present and a gradual macro recovery in the medium term, foresees:

- Revenues gradually re-accelerating from mid-single digit Y/Y growth;
- EBITDA margin continuously expanding by ~100 bps+ per year;
- Continued strong organic cash generation growth, expected to reach ~1 €B in 2026;
- Target leverage at ~2.0x-2.5x EBITDA by 2026 after further capital return to shareholders (~1.5x on organic basis).

## ESG Progress

The continuous progress within the scope of ESG has been acknowledged with important international recognitions throughout 2023, highlighting Nexi's commitment to be NetZero by 2040 across the entire Group and to apply the same standards to the entire value chain, as well as its responsible approach to business, grounded in risk mitigation and a culture of diversity and inclusion.

\* \* \*

Pursuant to paragraph 2 of article 154 bis of the Consolidated Finance Act, the undersigned, Enrico Marchini, in his capacity as the manager in charge of preparing Nexi's financial reports, declares that the accounting information contained in this press release corresponds to the accounting documents, books and records of Nexi S.p.A..

Reported results under review by PricewaterhouseCoopers.

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Disclaimer: This is the English translation of the original Italian press release "Approvati i risultati finanziari di Gruppo al 31 dicembre 2023". In any case of discrepancy between the English and the Italian versions, the original Italian document is to be given priority of interpretation for legal purposes.

## **Nexi**

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Nexi is Europe's PayTech company operating in high-growth, attractive European markets and technologically advanced countries. Listed on Euronext Milan, Nexi has the scale, geographic reach and abilities to drive the transition to a cashless Europe. With its portfolio of innovative products, e-commerce expertise and industry-specific solutions, Nexi provides flexible support for the digital economy and the entire payment ecosystem globally, across a broad range of different payment channels and methods. Nexi's technological platform and the best-in-class professional skills in the sector enable the company to operate at its best in three market segments: Merchant Solutions, Issuing Solutions and Digital Banking Solutions. Nexi constantly invests in technology and innovation, focusing on two fundamental principles: meeting, together with its partner banks, customer needs and creating new business opportunities for them. Nexi is committed to supporting people and businesses of all sizes, transforming the way people pay and businesses accept payments. It offers companies the most innovative and reliable solutions to better serve their customers and expand. By simplifying payments and enabling people and businesses to build closer relationships and grow together, Nexi promotes progress to benefit everyone. [www.nexi.it/en](http://www.nexi.it/en)  
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## FY 2023 P&L – Reported vs Normalised

€M	FY23 Reported	Delta	FY23 Normalised
Merchant Solutions	1,863	26	1,889
Issuing Solutions	1,085	5	1,090
Digital Banking Solutions	383	-	383
<b>Revenues</b>	<b>3,331</b>	<b>31</b>	<b>3,362</b>
Personnel & related expenses	-730	-3	-733
Operating Costs	-871	-6	-877
<b>Total Costs</b>	<b>-1,601</b>	<b>-9</b>	<b>-1,610</b>
<b>EBITDA</b>	<b>1,730</b>	<b>22</b>	<b>1,752</b>
D&A	-895	448	-447
Interests & financing costs	-245	0	-244
Non recurring items	-1,459	1,459	-
<b>Pre-tax Profit</b>	<b>-869</b>	<b>1,929</b>	<b>1,060</b>
Income taxes	-133	-211	-344
Profit (loss) after tax from assets held for sale	-	-1	-1
Minorities	-3	-	-3
<b>Net Profit</b>	<b>-1,006</b>	<b>1,718</b>	<b>712</b>

Reported data at current FX with ISP merchant book acquisition in Croatia consolidated from February 28<sup>th</sup> 2023. Normalised data pro-forma for M&A (i.e. ISP merchant book acquisition in Croatia consolidated from January 1<sup>st</sup> 2023), at constant FX and excluding non-recurring items and other one-offs (e.g. D&A of customer contracts).

## Income Statement

(€'000)	FY23	FY22 Restated
Fees for services rendered and commission income	5,813,560	5,301,044
Fees for services received and commission expense	(2,345,323)	(2,106,995)
<b>Net fee and commission income</b>	<b>3,468,237</b>	<b>3,194,049</b>
Interest and similar income	125,313	49,650
Interest and similar expense	(383,096)	(221,256)
<b>Net interest income</b>	<b>(257,783)</b>	<b>(171,606)</b>
Profit (loss) on hedging/ financial assets and liabilities at Fair Value through profit or loss / derecognition of assets and liabilities at amortised cost	48,216	793
Dividends and profit (loss) from sale of assets at Fair Value through other comprehensive income	(86,124)	(20,496)
<b>Financial and operating income</b>	<b>3,172,546</b>	<b>3,002,740</b>
Administrative expenses	(1,846,835)	(1,845,934)
<i>Personnel-related costs</i>	<i>(801,725)</i>	<i>(804,698)</i>
<i>Other administrative costs</i>	<i>(1,045,110)</i>	<i>(1,041,236)</i>
Other operating income/expenses, net	2,855	139
Net value adjustments on assets measured at amortised cost	(3,393)	(13,159)
Net accruals to provisions for risks and charges	(48,616)	7,556
Net value adjustments/write-backs on tangible and intangible assets	(2,151,752)	(933,663)
<b>Operating margin</b>	<b>(875,195)</b>	<b>217,679</b>
Profit (loss) from equity investments and disposals of investments	(14,391)	3,281
<b>Profit (loss) before taxes from continuing operations</b>	<b>(889,586)</b>	<b>220,960</b>
Income taxes	(134,331)	(134,753)
Income (loss) after tax from discontinued operations	21,156	55,699
<b>Profit (loss) for the year</b>	<b>(1,002,761)</b>	<b>141,906</b>
Profit (loss) for the year attributable to the parent company	(1,005,989)	138,995
Profit (loss) for the year attributable to non-controlling interests	3,228	2,911



## Balance Sheet

ASSETS (€'000)	31/12/2023	31/12/2022 Restated
Cash and cash equivalents	800,172	448,778
Financial assets at Fair Value	129,189	146,904
Financial assets measured at amortised cost:	5,719,736	4,358,386
a) loans and receivables with banks	2,225,657	1,875,404
b) loans and receivables with financial entities and customers	3,494,079	2,482,982
Hedging derivatives	1,571	870
Equity investments	71,960	41,820
Tangible assets	549,053	563,354
Intangible assets	16,584,054	18,052,180
of which: Goodwill	11,999,223	13,041,982
Tax assets	248,922	210,818
a) current	15,837	14,896
b) deferred	233,085	195,922
Non-current assets held for sale and discontinued operations	105,139	2,471
Other assets	2,151,143	1,727,647
<b>Total assets</b>	<b>26,360,939</b>	<b>25,553,228</b>

LIABILITIES (€'000)	31/12/2023	31/12/2022 Restated
Financial liabilities measured at amortised cost	11,106,787	9,650,822
a) due to banks	4,130,544	3,497,444
b) due to financial entities and customers	2,930,499	2,141,864
c) securities issued	4,045,744	4,011,514
Financial liabilities at Fair Value through profit or loss	246,313	249,639
Hedging derivatives	24,419	256
Tax liabilities	1,089,958	1,262,323
a) current	37,777	106,715
b) deferred	1,052,181	1,155,608
Liabilities associated with non-current assets held for sale and discontinued operations	14,774	721
Other liabilities	2,373,133	1,953,152
Post-employment benefits	32,000	30,996
Provisions for risks and charges	176,409	148,186
Share capital	118,647	118,583
Treasury shares (-)	(7,013)	(4,440)
Share premium	11,587,260	11,587,260
Reserves	713,900	484,491
Valuation reserves	(132,390)	(90,226)
Profit (loss) for the year	(1,005,989)	138,995
Equity attributable to non-controlling interests (+/-)	22,731	22,470
<b>Total liabilities and equity</b>	<b>26,360,939</b>	<b>25,553,228</b>