

Group Financial results as of March 31st 2019 approved. Strong Revenues and EBITDA growth

- **EBITDA at € 111 million, +21% y/y**
- **Revenues at € 226 million, +6.8% y/y excluding run-off of selected zero-margin contracts included in recently acquired businesses, +5.1% y/y reported**
- **Q1 results fully in line with announced financial guidance**

Milan, May 10th 2019 – The Board of Directors of Nexi S.p.A. approved the Group's consolidated financial results as of March 31st 2019, showing a continued solid financial and underlying operational growth trend.

Paolo Bertoluzzo, CEO of Nexi, stated: "Nexi's results largely confirm both the strong growth trend of recent years and the medium-term guidance we have communicated to the market. This growth is supported by the continuous development of the Italian market, which is growing faster than the rest of Europe, and by our innovation initiatives in digital payments. We will continue to invest in technology, products and skills as the PayTech partner of Banks, in the belief that development of digital payments brings value, simplicity and security to cardholders, businesses and public administration, and contributes to the progress of our country".

Key financial results

First quarter 2018 results pro-forma to provide a better y/y comparison (group perimeter).

In the first quarter of 2019, Group's EBITDA reached € 110.6 million with a strong organic growth of +21.0% y/y thanks to a sound revenue growth and the continued focus on cost efficiency and operating leverage. Consequently, the EBITDA margin increased by ~7 p.p. to 49% in the first quarter of 2019 compared to the same period of 2018.

Revenues increased to € 226.5 million, by +6.8% y/y excluding the run-off of zero margin hardware reselling contracts included in recently acquired businesses. On a reported basis revenue growth was +5.1% y/y.

The segments in which Nexi operates delivered the following results:

- **Merchant Services & Solutions**, which represented 47% of the Group's total revenues, reached € 106.1 million of revenues, up +8.1% y/y excluding the run-off of zero margin hardware reselling contracts included in recently acquired businesses (+6.0% y/y). In the first quarter of 2019, 789.8 million transactions were managed, up +11% y/y, with value of managed transactions increasing to € 57.7 billion (+4.8% y/y), sustained by volume growth of international schemes (+12% y/y) and despite a lower number of working days in the first quarter of 2019 compared to the same period in 2018. E-commerce volume growth also accelerated in the first quarter of 2019 (+17.5% y/y);
- **Cards & Digital Payments**, which represented 41% of the Group's total revenues, reported revenues of € 93.0 million, +8.1% compared to the first quarter of 2018. In the first quarter of 2019, 587.7 million transactions were managed (+9.3% y/y) with volumes of € 46.8 billion

(+4.7% y/y). These positive results were sustained in particular by the continued volume growth of international schemes (+10% y/y), despite the lower number of working days during the first quarter of 2019 compared to the same period in 2018.

- **Digital Banking Solutions**, which represented 12% of the Group's total revenues, recorded revenues equal to € 27.4 million, substantially flat at -1.7% y/y (equal to -0.4 million of revenues) excluding the run-off of zero margin hardware reselling contracts included in recently acquired businesses (down 6.6% y/y reported).

Total costs were € 115.9 million, down -4.0% y/y excluding the run-off of zero margin hardware reselling contracts included in recently acquired businesses (-6.5% y/y on a reported basis), and notwithstanding the continuous investments in people capabilities and innovation, mainly supported by cost cutting initiatives, integration synergies and early results in the IT strategy implementation. All announced initiatives are on track versus the delivery plan.

Non-recurring costs, below EBITDA, were significantly reduced by ~60% y/y at ~ € 9 million.

As of March 31st 2019, Net Debt was reduced to € 2,185 million compared to € 2,454 million as of December 2018. Taking into account the net proceeds of the IPO's primary component, Net Debt will be further reduced to € 1.538 million.

Financial Guidance

First quarter 2019 results are fully in line with the announced financial guidance, which was:

- **Net revenues:** 5-7% annual net revenue growth over medium term. 2019 net revenue growth at lower end of the range due to one-time effect of selected contract run-offs and at higher end of range afterwards;
- **EBITDA:** 13-16% annual EBITDA growth over medium term. Expected 2019 EBITDA at ~€490 million, implying y/y growth at the upper end of range;
- **Non-recurring items:** >60% reduction in non-recurring items in 2019, excluding extraordinary IPO /refinancing expenses. Rapid further decrease of non-recurring items thereafter;
- **Capex:** 8-10% ordinary capex as % of net revenues over long term. 2019 total capex (including ordinary and transformation capex) at 16-17% of net revenues;
- **Capital structure and capital allocation:** organic de-leveraging with target net debt of ~2.0-2.5x EBITDA over medium to long term. Progressive moderate dividend policy, targeting pay-out ratio of 20-30% of distributable profits in medium to long term.

Significant subsequent events

On April 16th 2019 Nexi listed on the Mercato Telematico Azionario (MTA) organized and managed by Borsa Italiana S.p.A.

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Key consolidated financial figures as of March 31st 2019 attached.

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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..

The slide presentation will be available in the investors/results section of the website www.nexi.it and on the centralized storage of regulated information denominated eMarket STORAGE, available at the website www.emarketstorage.com

About Nexi

Nexi is the leading PayTech company in Italy. We operate in strong partnership with ~150 partner banks covering 80% of the system in Italy in number of branches. Our integrated end-to-end omni-channel technology connects banks, merchants and consumers enabling digital payments. We help simplify payments for our clients and digitalise the Italian economy. Nexi operates in three market areas: Merchant Services & Solutions, Cards & Digital Payments and Digital Banking Services:

Merchant Services & Solutions: Nexi, together with its partner Banks, serves c.890,000 merchants and manages 1.4 million POS terminals;

Cards & Digital Payments: Nexi, together with its partner Banks, manages 41 million payment cards for c.30 million cardholders;

Digital Banking Solutions: Nexi manages 13,400 ATMs, approximately 420,000 e-banking workstations and over 900 million clearing transactions in 2018. In addition, Nexi is developing the open banking system in collaboration with the CBI consortium which the main Italian banks have already adhered to.

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ANNEX A – KEY CONSOLIDATED FINANCIAL RESULTS AS OF MARCH 31ST, 2019

<i>(in €M)</i>	PF 2018	PF Q1 2018	Act. Q1 2019	$\Delta\% \text{ PF Q1'18-'19}^1$	$\Delta\% \text{ PF Q1'18-Act. Q1'19}$
Merchant Services & Solutions	448.2	100.1	106.1	8.1%	6.0%
Cards & Digital Payments	360.6	86.0	93.0	8.1%	8.1%
Digital Banking Solutions	121.7	29.3	27.4	-1.7%	-6.6%
Operating Revenue	930.6	215.4	226.5	6.8%	5.1%
Personnel Costs	-149.9	-38.7	-41.7	7.7%	7.7%
Operating Costs	-356.5	-85.3	-74.2	-9.5%	-13.0%
Total Costs	-506.4	-124.0	-115.9	-4.0%	-6.5%
EBITDA	424.1	91.4	110.6	21.0%	21.0%

¹ Excluding the run-off of zero margin Hardware reselling contracts included in recently acquired businesses