



H1 2019 Results Presentation



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Executive Summary

H1 results highlights

Strong focus on financial delivery

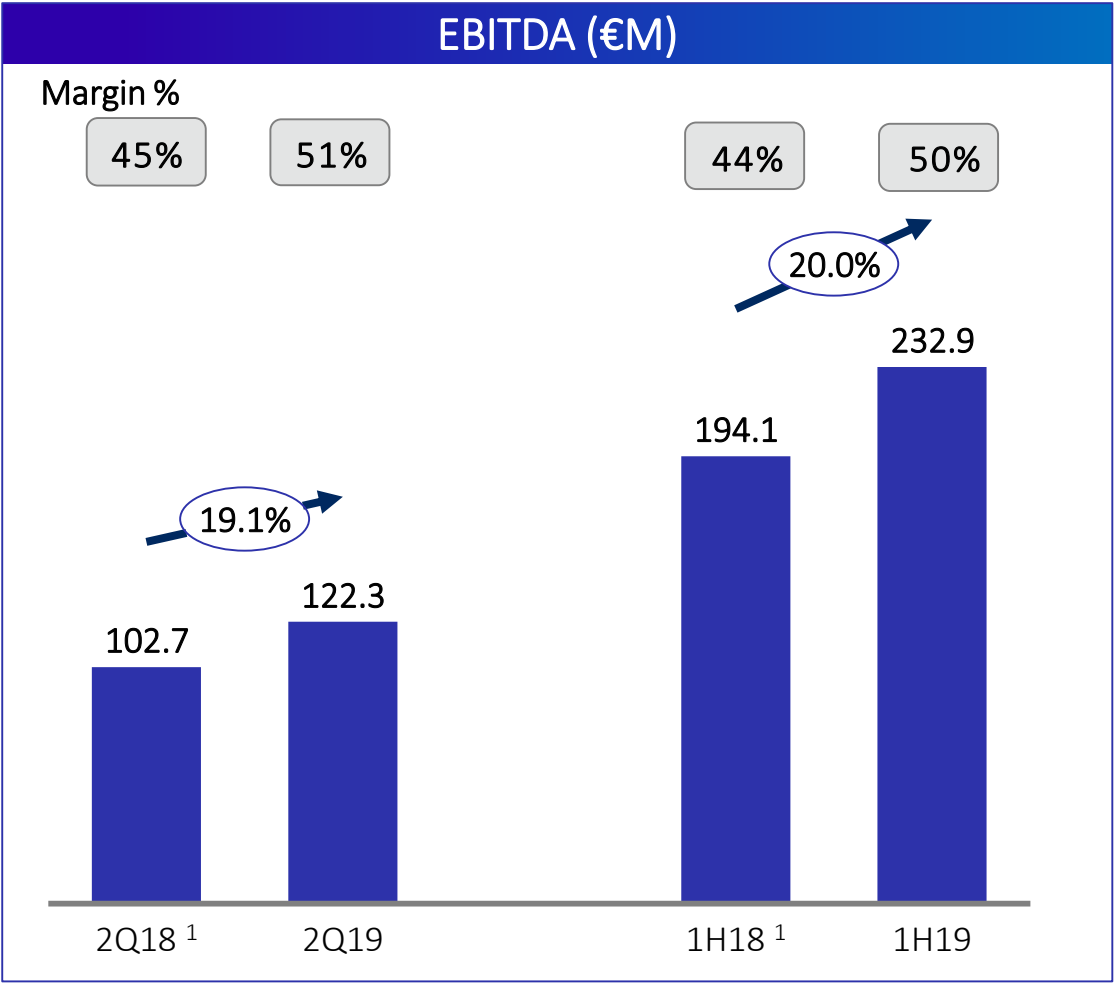
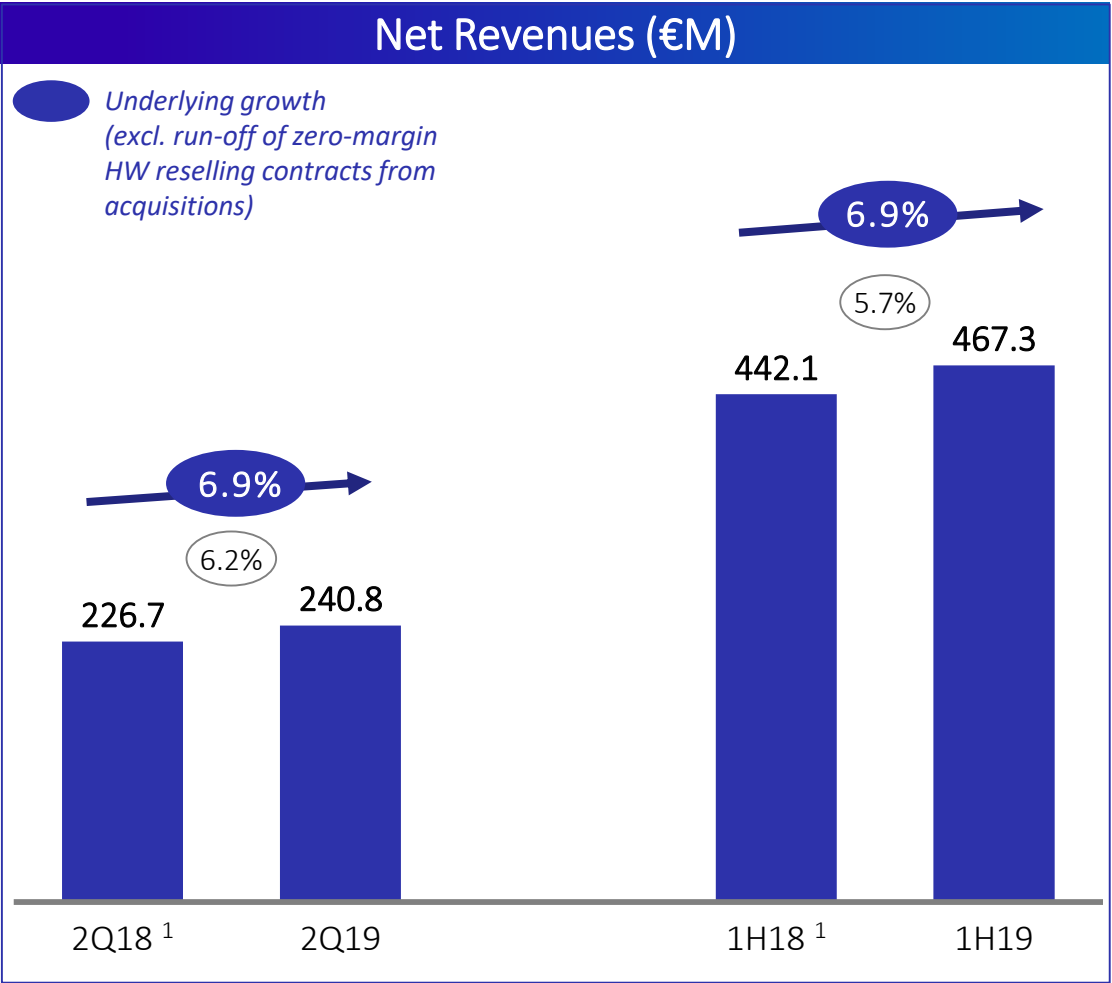
- EBITDA +20.0% y/y growth, at 232.9 €M in H1 2019
- Revenues +6.9% y/y underlying growth excluding run-off of zero-margin hardware reselling contracts from acquisitions. +5.7% y/y reported growth at 467.3 €M in H1 2019

Continued progress on key business initiatives

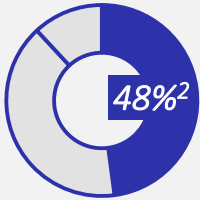
- **Merchant Services and Solutions** (48% of Revenues): continued traction on SmartPOS proposition, good progress in E-Commerce and large merchants omni-channel, ramp-up of omni-acceptance to additional rails
- **Cards and Digital Payments** (40% of Revenues): continued growth of International Debit, YAP millennials payments app and CVM up/cross selling activities
- **Digital Banking Solutions** (12% of Revenues): good progress on strategic initiatives to support H2 growth
- **Cost** initiatives and integration synergies contributing to -5.5% y/y reported costs reduction, -3.7% y/y excluding run-off of zero-margin hardware reselling contracts, despite continued investments
- Transformation costs below EBITDA -60% y/y
- Continued focus on investments in Technology and Innovation: Capex at 59 €M (13% of H1 2019 Revenues)
- Debt refinancing successfully completed. Gross Debt now at 1.8 €B (net 1.5 €B) with a significant average cost decrease

Overall H1 results well on track to deliver Financial Guidance, with 2019 expected EBITDA raised to ~500 €M (vs ~490 €M), +18% y/y and 2019 Net financial Debt/EBITDA improved to ~3.0x EBITDA (vs < 3.2x)

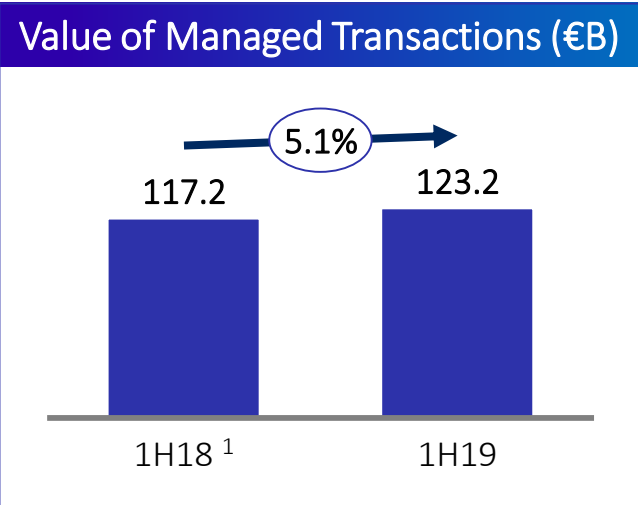
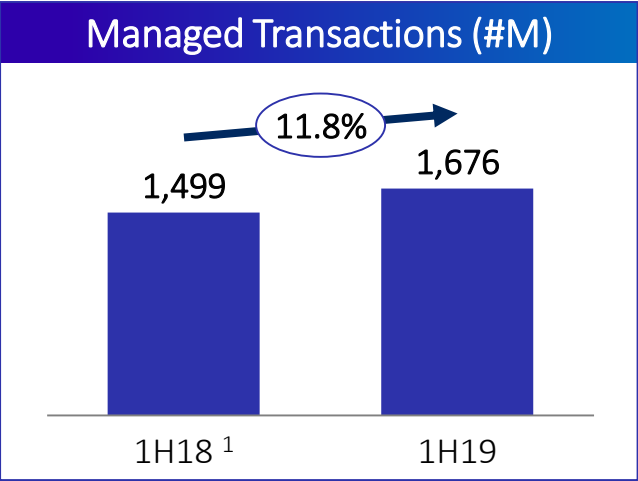
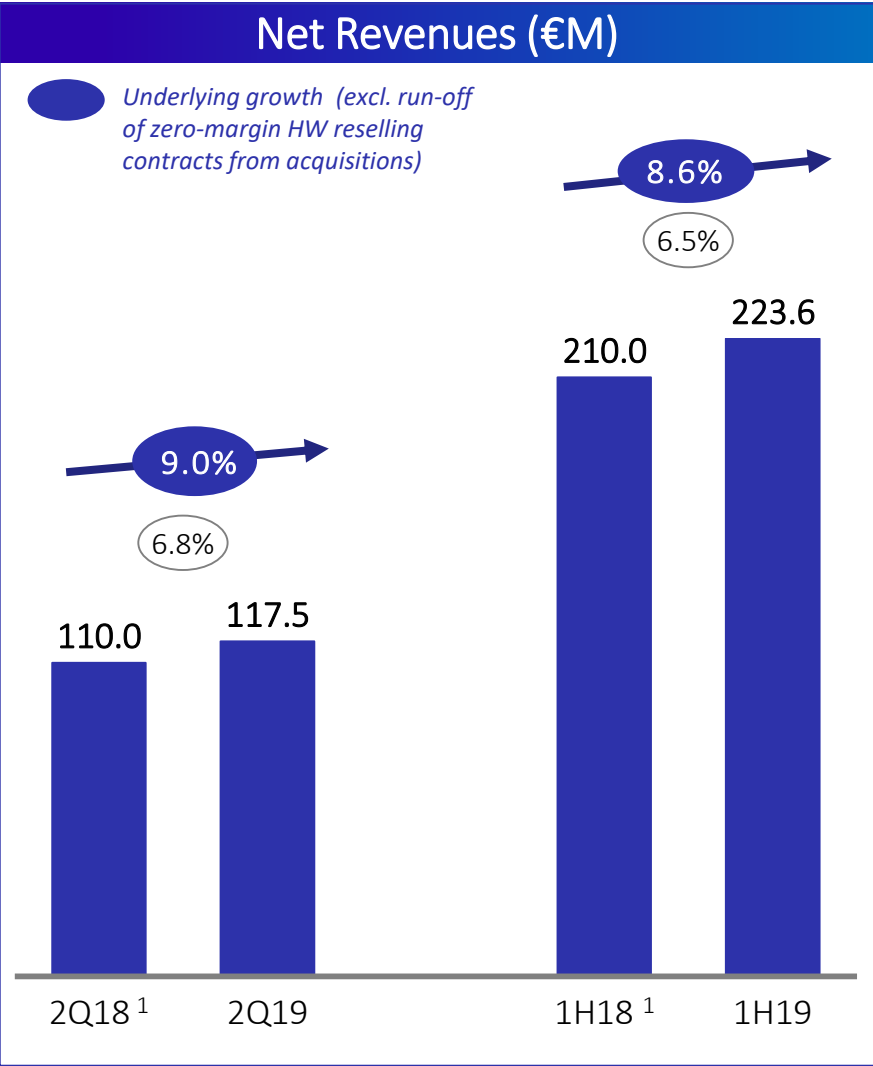
Healthy Revenue growth and strong EBITDA performance



Merchant Services & Solutions: continued strong growth



Merchant Services & Solutions



Key Highlights

- Value of managed transactions sustained by strong International Schemes growth (+11.9% y/y)
- Continued E-Commerce growth (+17% y/y transaction value)
- Y/y growth negatively affected by fewer working days in the semester, neutral in Q2

Merchant Services & Solutions: key business update

Be the payment services provider of choice for every Italian merchant, in partnership with our partner banks

SmartPOS

- Continued traction on **SmartPOS proposition** (now including SmartPOS Mini), with **frontbook penetration up to 30%** during CVM-supported campaigns
- Strong interest across all merchant segments, from **SME to Large Merchants**, and industries
- **Growing success of SmartPOS Cassa** (i.e. incl. cash register), also due to new regulation on electronic tax data transmission

Large Merchants Omni-Channel

- Progressing on development of **new omni-channel proposition**, incl. cross border capabilities from 4Q19
- Further investment on **dedicated team**, with focus on vertical industry experts and solution engineers
- Rolling out **Large Merchants solutions on different verticals** (insurance, supermarkets, travel & mobility,..)

E-Commerce

- **Continued growth** supported by **physical customer base cross-selling** (with full cross-channel contractual enablement already in place), partnerships with **developers** and **Public Administration payments** (Pago PA)

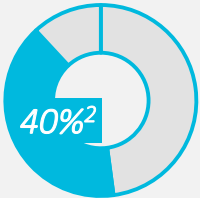
Omni-Acceptance

- Acceleration of **multiple payment rails acceptance**
- **Partnership on meal voucher acceptance** (5 contracts with EMV issuers signed)
- **Partnership with UnionPay**

Nexi Business data app

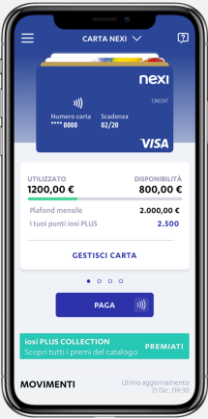
- Nexi Business Merchant app, data/business intelligence service, achieving **>180k enrolled merchants** (+80k from December 2018), with **positive customer feedback** (4.6 rating on Apple store)
- Overall penetration on addressable merchant base at 35%, with best practice at ~62%

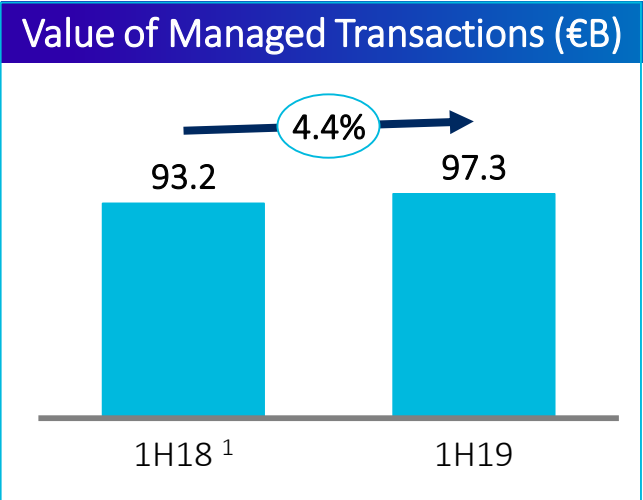
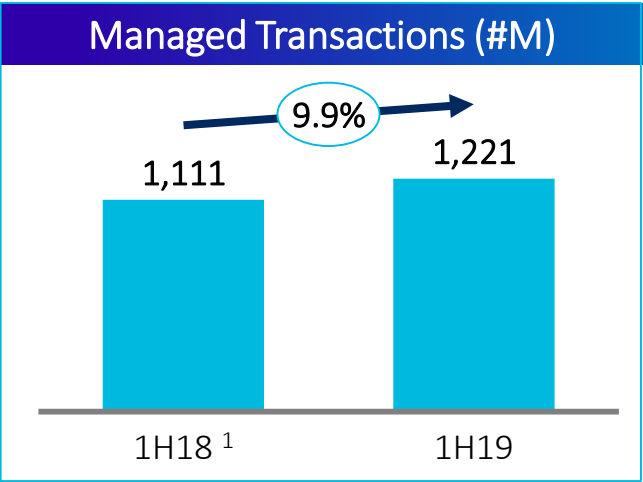
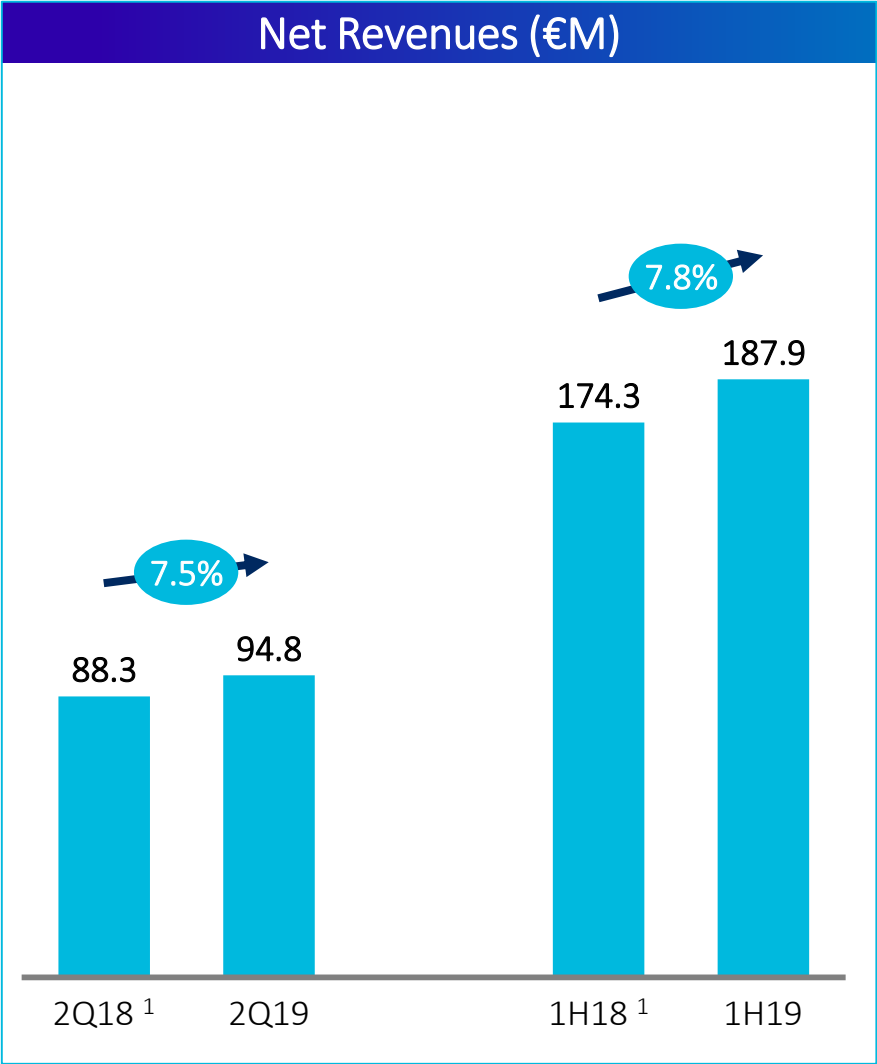
Cards & Digital Payments: continued strong growth



40%²

Cards & Digital Payments





Key Highlights

- Value of managed transactions sustained by strong International Schemes growth (+9.6% y/y)
- Y/y growth negatively affected by fewer working days in the semester, neutral in Q2

Cards & Digital Payments: key business update

Be the Italian banks' partner of choice, offering a full portfolio with best-in-class Cards and Digital Payments services for customers



Credit

- New full corporate proposition including virtual account B2B and lodge solutions ready by 3Q19
- Growing spontaneous interest from corporates across multiple industrial sectors

Debit

- Continued growth of International Debit (+30% y/y transaction value). Further launches under development
- National Debit upgrade under development

Customer Value Management

- Distinctive capabilities to drive usage and up/cross selling to higher value products through campaigns with banks and cardholder engagement programs
- ~38 up/cross-selling campaigns available supported by internal data scientist team with about 25 banks already engaged

Digital

- Continued evolution of Nexi Pay mobile app, with new features being released every month
- Growing support to large banks on their digital properties, both via API integrations and whitelabel projects

YAP millennials payments app

- Continued progress on YAP, with ~550k enrolled clients to date. Positive customer feedback, with 50 Net Promoter Score and 4.8 rating on Apple store
- Solution now ready for banks' engagement, with multiple ongoing discussions

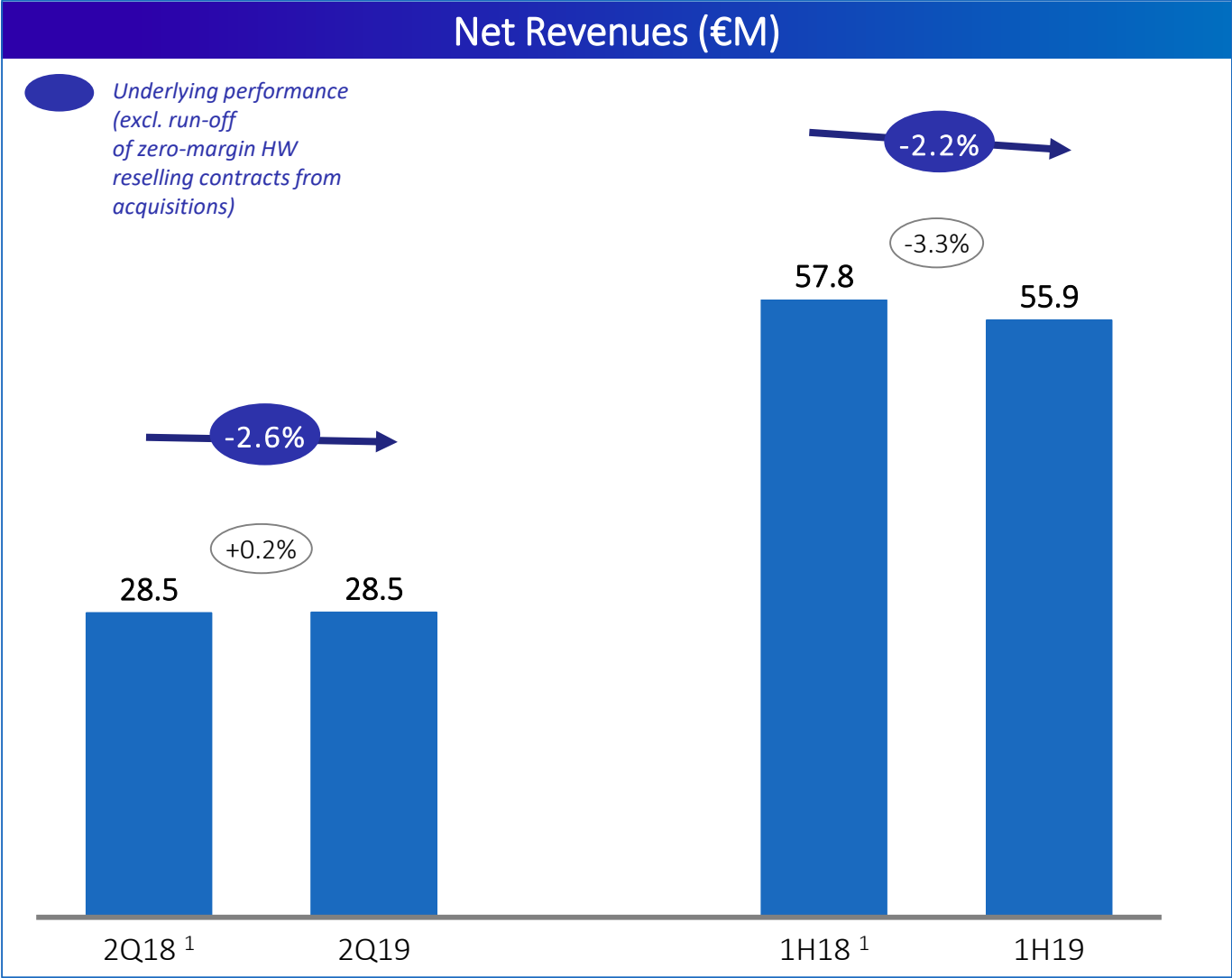
Digital Banking Solutions: expected return to growth in H2

12%²

Digital Banking Solutions

CBI GLOBE





Key Highlights

- Underlying revenue performance consistent with Q1 2019 trend, affected by banking sector consolidation in prior year
- Expected underlying growth in H2 2019 thanks to rollout of new propositions and the unwinding of the impact on revenues from banking consolidation in prior year

Digital Banking Solutions: key business update

Provide state-of-the-art innovative solutions to support Bank customers digitalization with E2E outsourcing models



Self-banking

- Rolling out new higher value **self banking products/platform** (front-end /back-end) with positive early customer feedback
- Growing demand for **advanced ATMs**, with ongoing activities to support Banks' transformation

Instant Payments

- Continued progress on **Banks' onboarding and rollout**

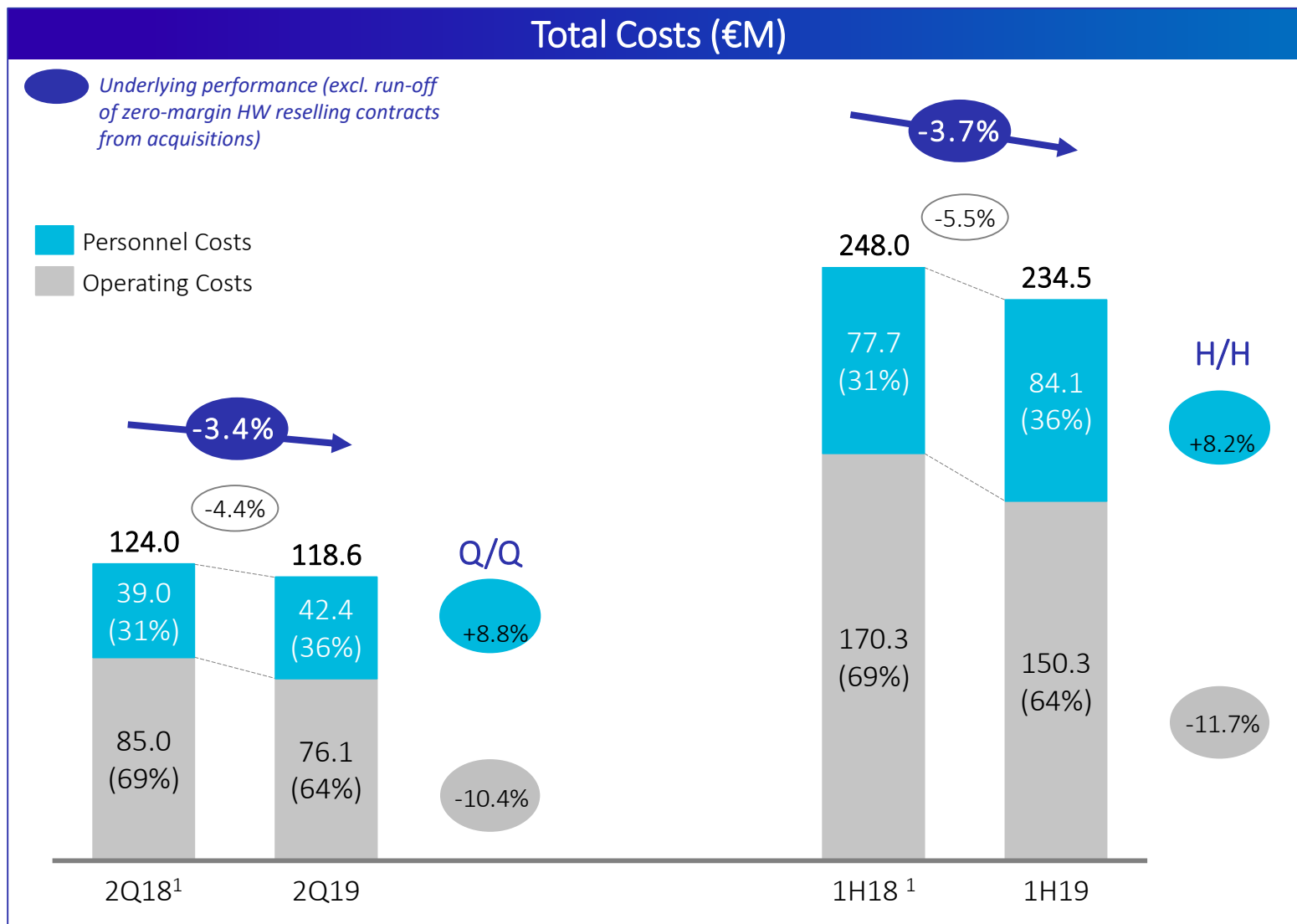
Digital Corporate Banking

- **Good progress on onboarding and roll-out of bank customers** on the new advanced platform
- **Continued growth of installed workstations** confirming Digital Corporate Banking, and Corporate Payments more in general, as key strategic opportunity

Open Banking/ PSD2

- **Open Banking Gateway (CBI Globe) now live**, largest PSD2 Platform in the Eurozone
- 280+ banks/financial institutions live (over 78% of Italian market) and 20+ third parties already connected to gateway
- Growing focus on delivering **innovative value added services, both cooperative and competitive**

Costs: strong reduction supported by saving initiatives and integration synergies



- ## Key Highlights
- Strong decrease in operating costs despite continuous investment in development initiatives driven by:
 - ✓ saving initiatives and accelerated integration in H1 of acquired businesses
 - ✓ early results in terms of improved efficiency from implementation of IT strategy
 - ✓ IFRS16 impact ~5.9 €M in H1 2019
 - Continuous investment in people capabilities

Investing in leading capabilities in Technology to drive quality and security, innovation and Next Generation Platform deployment

December 2018

People and Capabilities



What we delivered (2016-2018)

- ✓ IT Team & Tech capabilities in place
- ✓ 6 Digital Factories, 3 specialized structures, 4 CoE in place
- ✓ Basilichi and Sparkling integration
- ✓ ...

- 330+ FTEs (end 2018)
- ~ 70% new IT managers
- ~ 110 new hiring

Plan Forward

Ordinary continuous improvement

Quality and Security



- ✓ Live service process 24x7x365
- ✓ Hot line with main Banks
- ✓ Robotic check and prevention
- ✓ Security framework and capabilities
- ✓ ...

- 72% y-o-y improvement in Service Stability Index
- 99.99% core service availability in 2018
- No data and GDPR breaches

Ordinary continuous improvement

Innovation and Delivery



- ✓ SmartPOS, E-Com, Merchant App
- ✓ Mobile Payments, Credit Installment, Debit Evolution, next-gen CVM
- ✓ Instant Payments, new Digital Corporate Banking, Self Banking/new ATMs
- ✓ YAP, Data, ...

- 4,200 new IT releases in 2018 vs. 1,400 in 2017
- 6 digital factories

Ordinary continuous improvement

- Omni-channel payment gateway
- Digital Corp. Banking completion
- Open banking gateway completion

WIP

Next Generation Platform

- ✓ Data Center insourcing
- ✓ POS and ATM management platform
- ✓ Merchant Services sales tools and Issuing Onboarding ready
- ✓ ...

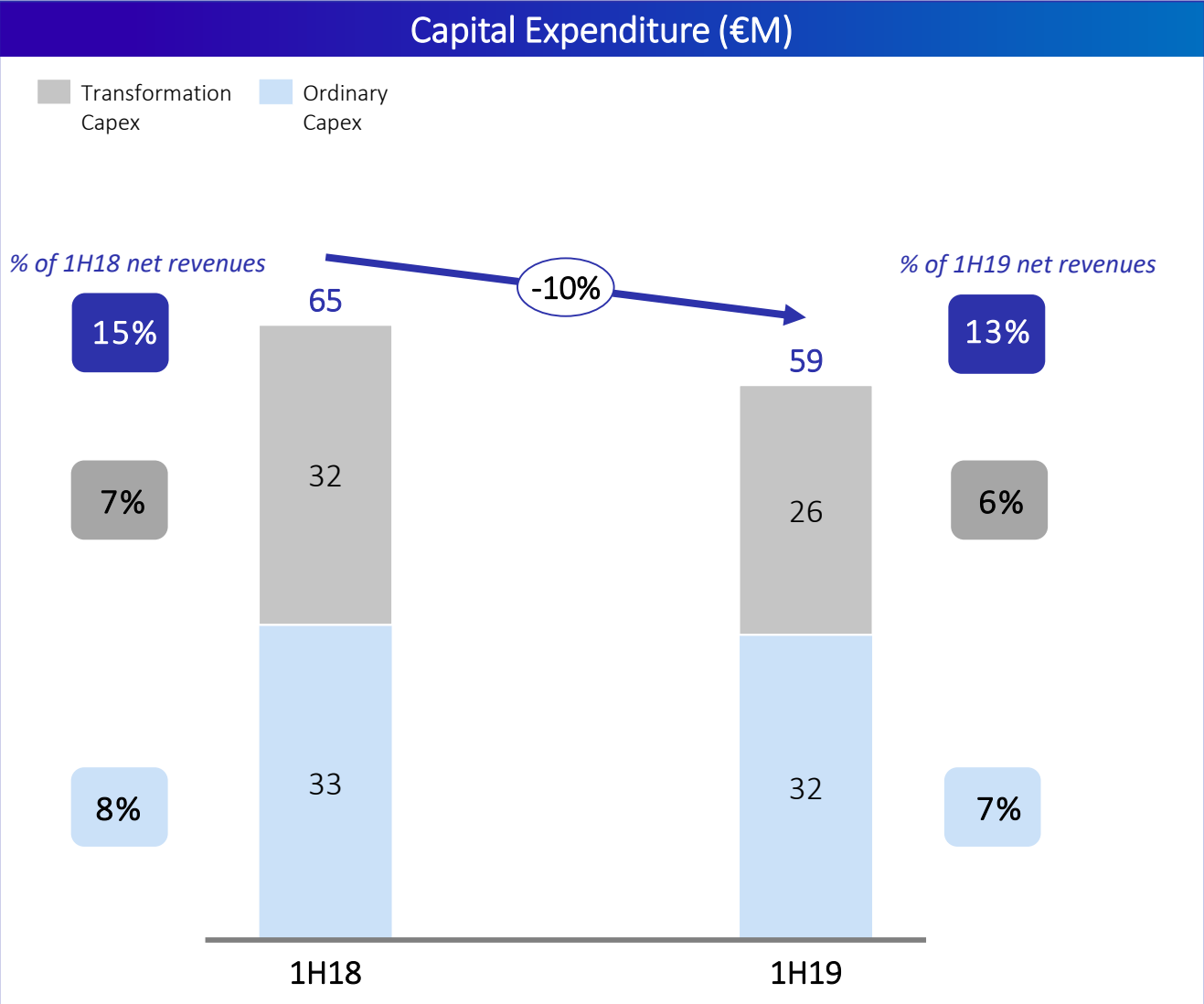
- Clear integrated architectural vision
- Step by step modular execution on going

- Data & Analytics implementation
- CRM and ops transformation
- Processing Hubs consolidation
-

2016 - 2018

Ordinary Effort Extraordinary Transformation Effort

Capex: 59 €M invested in H1 2019, equal to 13% of Revenues



Ongoing investments (H1 2019): key examples

Transformation Capex

26

Extraordinary Innovation:

- ✓ Open Banking Gateway (CBI Globe)
- ✓ New ATM Front End
- ✓ Next generation omni-channel payment gateway

Next Generation Platform:

- ✓ Next Generation Datacenter
- ✓ New Debit Card Platform
- ✓ Cloud Big Data Activation

Ordinary Capex

32

Continuous Innovation and Delivery:

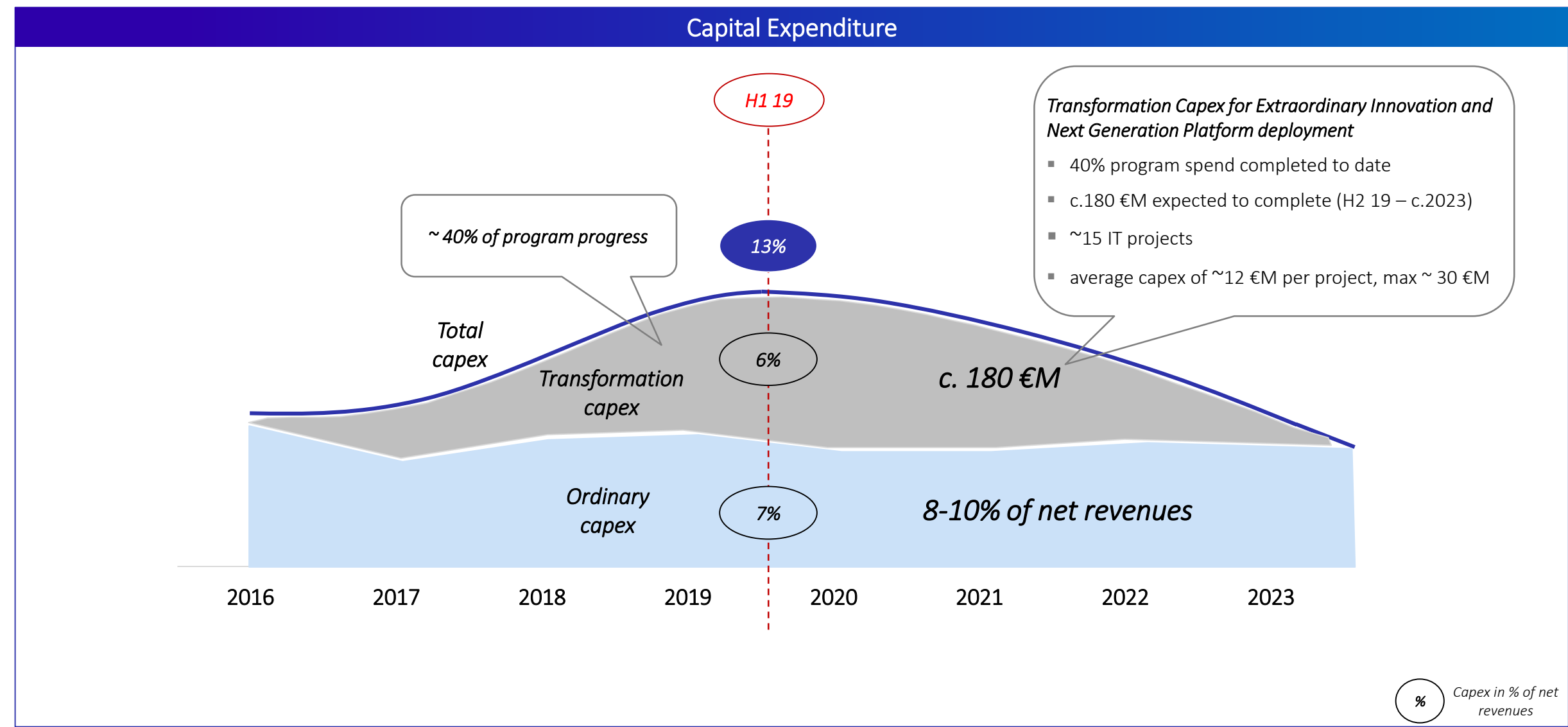
- ✓ PSD2 compliance
- ✓ Debit Card mobile wallet enablement
- ✓ Mobile Wallets evolution
- ✓ New commercial corporate cards
- ✓ SmartPOS Onboarding
- ✓ Banks migrations and new launches

Running and Maintenance/ Quality/ Security:

- ✓ Advanced service monitoring solutions
- ✓ Small product and service upgrades for customers
- ✓ Cyber security continuous improvement
- ✓ Hardware upgrade/refresh

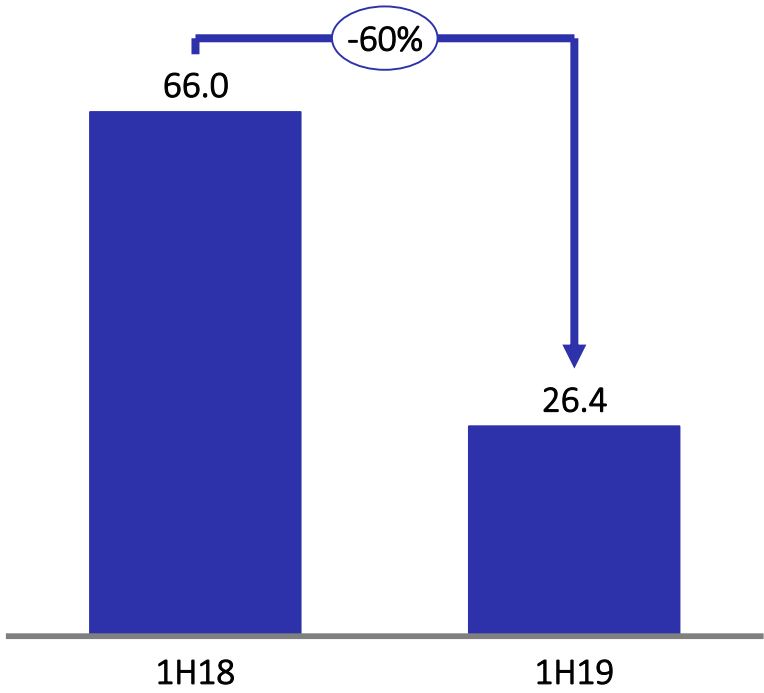
POS and ATM purchase

Cumulative Transformation Capex required to complete transformation program by 2023 of c.180 €M (included in guidance) on top of 8-10% Ordinary Capex

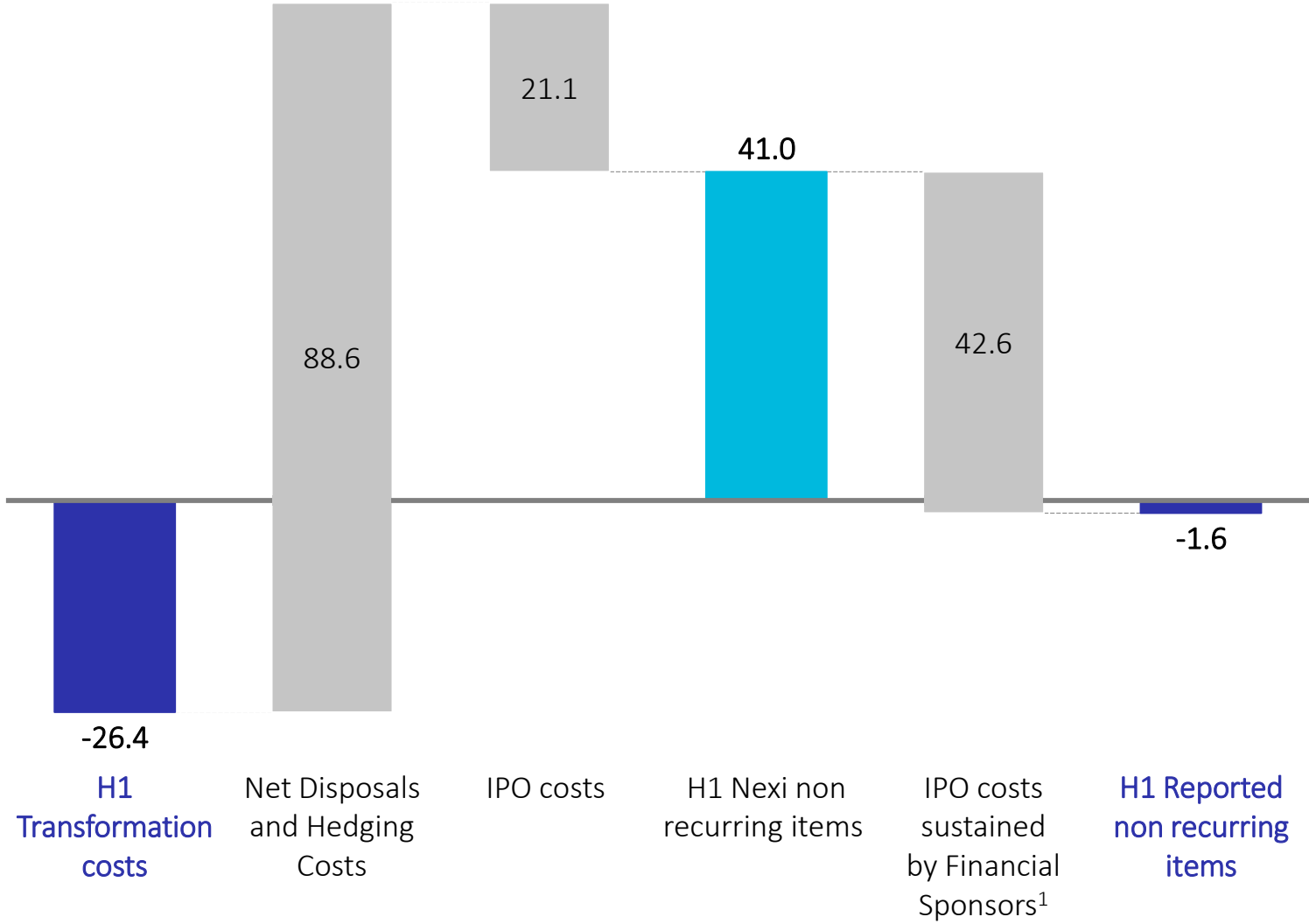


H1 2019 Transformation Costs in line with guidance

Transformation Costs (€M)

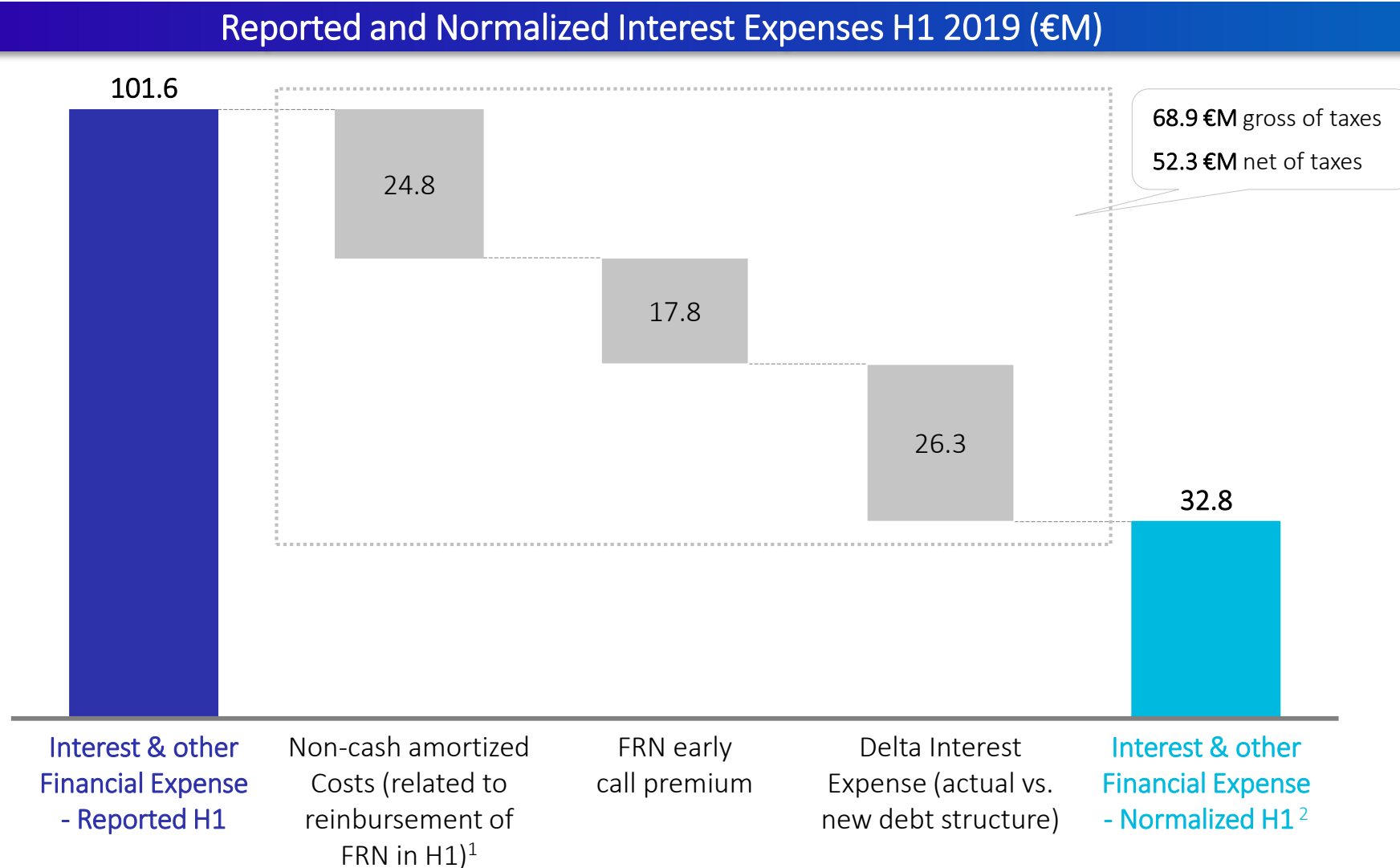


Bridge from H1 2019 Transformation Costs to Reported non recurring items (€M)



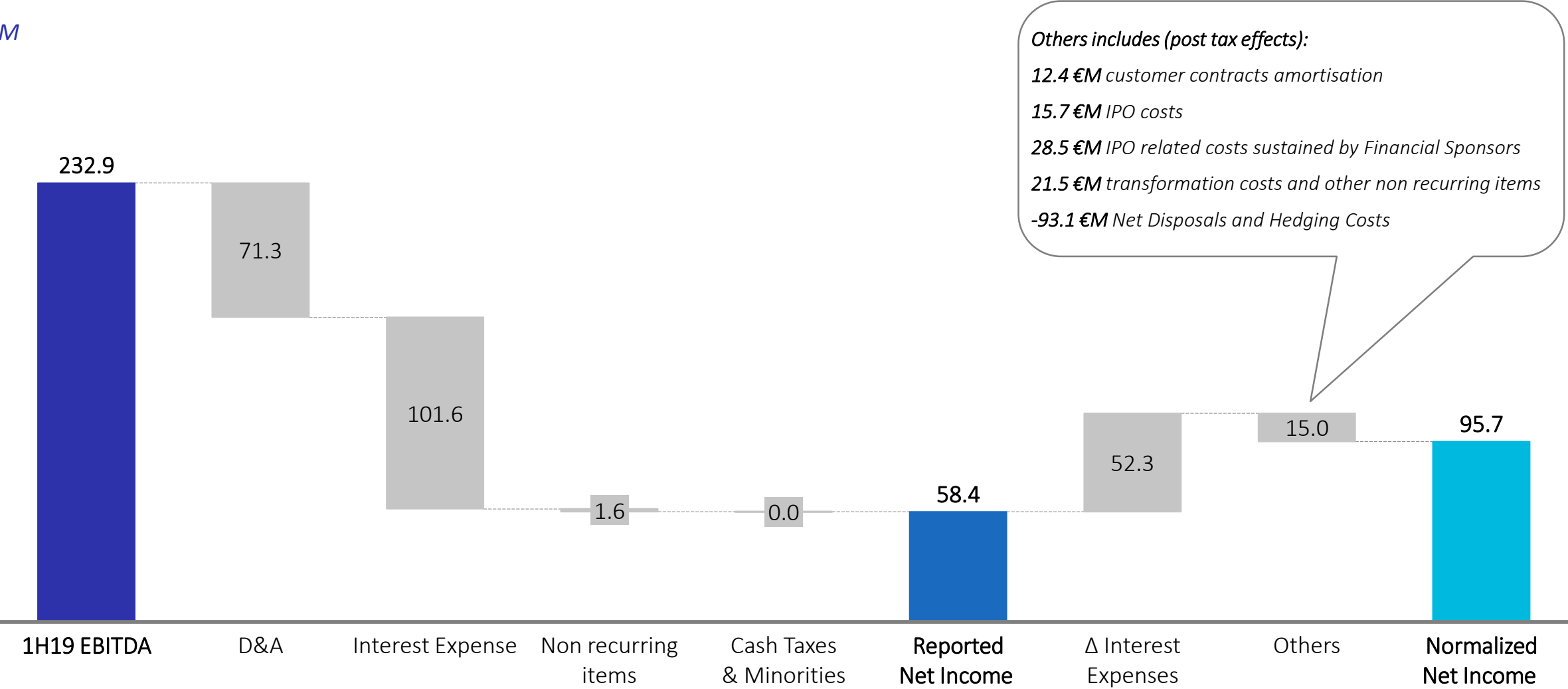
H1 2019 Reported Interest Expense affected by extraordinary events.

Run rate of Interest Expense based on new capital structure from H2 2019 onwards



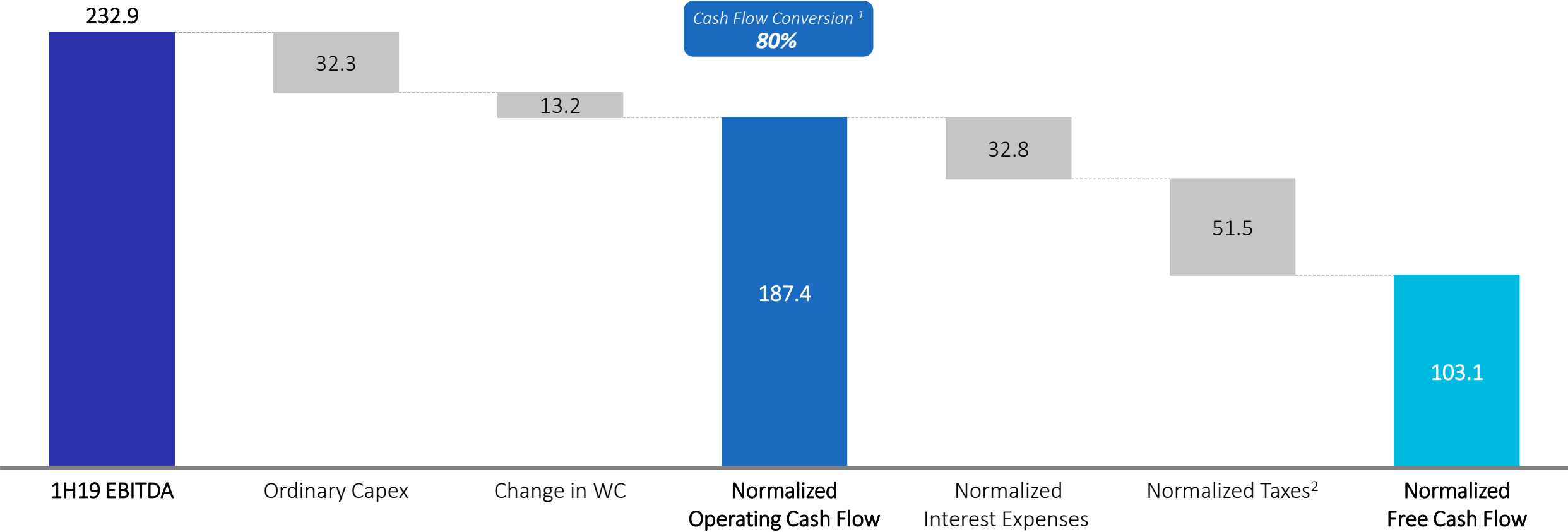
Bridge from EBITDA to normalized Net Income

€M



Cash Flow conversion increased to 80% vs 74% in FY 2018

€M

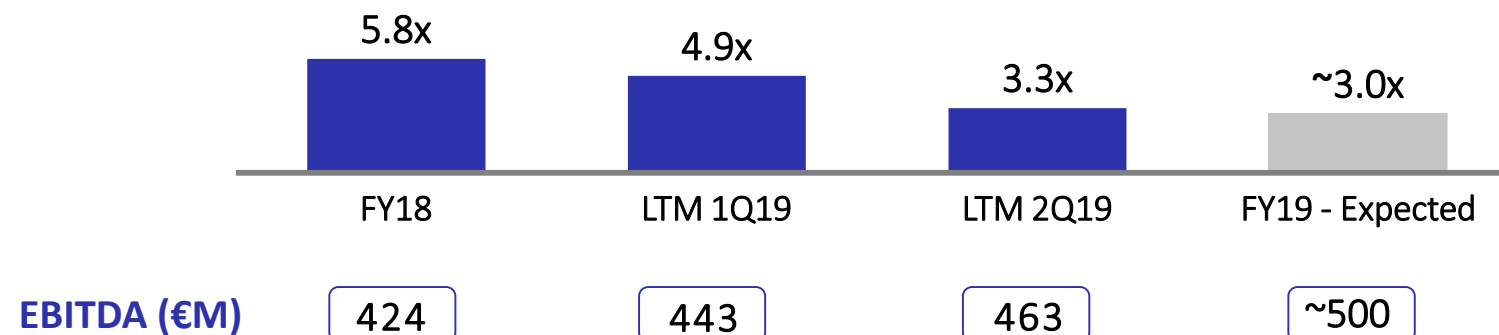


Net Financial Debt / EBITDA expected to be ~3.0x at year-end

Net Financial Debt (€M)

	FY18	1Q19	2Q19
Gross Financial Debt	2,605	2,656	1,845
Cash	(41)	(361)	(231)
Cash Equivalents ¹	(110)	(110)	(92)
Net Financial Debt	2,454	2,185	1,523

Net Financial Debt / EBITDA (€M)



Key Highlights

Rating update:

Fitch upgraded Nexi IDR to BB- with Positive outlook and Nexi outstanding Bond (825 €M Senior Secured Notes) rating to BB

1 €B 5 year Senior Secured Term Loan together with IPO primary proceeds and available cash, used to redeem:

- Senior FRN (1,375 €M)
- Private Notes (400 €M)

Current Debt structure:

- 1 €B SS Term Loan due 2024
- 825 €M SS Fixed-Rate Note due 2023
- Other residual debt (mainly IFR 17)

Nexi also benefits from access to an undrawn 350 €M SS Revolving Credit Facility, committed to 2024, that further support its liquidity profile

Financial guidance updates

	Guidance	Guidance updates
2019 EBITDA	~490 €M (~ +16% y/y)	~500 €M (~+18% y/y)
Net Debt/EBITDA Dec. 2019	< 3.2x	~ 3.0x
Total Capex	▪ Ordinary Capex: 8-10% Revenues over long term ▪ Tot Capex to trend towards Ordinary Capex over m/l term ▪ Tot Capex in 2019: 16-17% Revenues	Clarification ▪ Ordinary Capex: 8-10% Revenues over long term ▪ Transformation Capex on top of Ordinary Capex: ~180 €M (H2 2019 – c.2023) ▪ Tot Capex to trend towards Ordinary Capex over m/l term ▪ Tot Capex in 2019: 16-17% Revenues

Annex



Normalized P&L

€M	1H18	1H19	1H19 vs. 1H18 ⁽¹⁾	1H19 vs. 1H18	2Q18	2Q19	2Q19 vs. 2Q18 ⁽¹⁾	2Q19 vs. 2Q18
Merchant Services & Solutions	210.0	223.6	+8.6%	+6.5%	110.0	117.5	+9.0%	+6.8%
Cards & Digital Payments	174.3	187.9	+7.8%	+7.8%	88.3	94.8	+7.5%	+7.5%
Digital Banking Solutions	57.8	55.9	-2.2%	-3.3%	28.5	28.5	-2.6%	+0.2%
Operating revenue	442.1	467.3	+6.9%	+5.7%	226.7	240.8	+6.9%	+6.2%
Personnel & related expenses	(77.7)	(84.1)	+8.2%	+8.2%	(39.0)	(42.4)	+8.8%	+8.8%
Operating Costs	(170.3)	(150.3)	-9.4%	-11.7%	(85.0)	(76.1)	-9.3%	-10.4%
Total Costs	(248.0)	(234.5)	-3.7%	-5.5%	(124.0)	(118.6)	-3.4%	-4.4%
EBITDA	194.1	232.9	+20.0%	+20.0%	102.7	122.3	+19.1%	+19.1%
D&A	(30.6)	(52.8)	+72.5%	+72.5%				
Interests & financing costs	(32.2)	(32.8)	+2.0%	+2.0%				
Normalized Pre-tax Profit	131.3	147.2	+12.1%	+12.1%				
Income taxes	(46.2)	(51.5)	+11.4%	+11.4%				
Minorities	(0.6)	(0.0)	-95.9%	-95.9%				
Normalized Net Profit	84.5	95.7	+13.3%	+13.3%				

Reported P&L vs Normalized P&L

€M	Reported 1H19	Delta	Normalized 1H19
Merchant Services & Solutions	223.6		223.6
Cards & Digital Payments	187.9		187.9
Digital Banking Solutions	55.9		55.9
Operating revenue	467.3		467.3
Personnel & related expenses	(84.1)		(84.1)
Operating Costs	(150.3)		(150.3)
Total Costs	(234.5)		(234.5)
EBITDA	232.9		232.9
D&A	(71.3)	18.4	(52.8)
Interests & financing costs	(101.6)	68.8	(32.8)
Non recurring items	(1.6)	1.6	-
Pre-tax Profit	58.4	88.8	147.2
Income taxes	0.1	(51.5)	(51.5)
Minorities	(0.0)		(0.0)
Net Profit	58.4	37.3	95.7

*Transformation costs*¹ (26.4) (26.4)

Delta

D&A: D&A customer contracts

Interests & financing costs: coherent with the new debt structure (detailed bridge on slide 16)

Non recurring items: detailed bridge on slide 15

Updated Financial guidance

Net Revenues

- 5-7% annual net revenue growth over medium term
- 2019 growth at lower end of range due to one-time effect of selected contracts run-offs¹; growth after 2019 at higher end of the range

EBITDA

- 13-16% annual EBITDA growth over medium term
- **2019 EBITDA ~500 €M (~+18% y/y)**
- Continued strong operating leverage

Non-recurring Items

- >60% reduction in non-recurring items in 2019²
- Rapid further decrease of non-recurring items affecting reported EBITDA thereafter

Capex

- 8-10% ordinary capex as % of net revenues over long term
- **Transformation capex on top of ordinary capex of ~180 €M cumulative (2H19 – c.2023)**
- Total capex to trend towards ordinary capex as % of net revenues over medium to long term

Capital Structure & Capital Allocation

- **2019 net debt of ~3.0x EBITDA**
- Organic de-leveraging with target net debt of ~2.0-2.5x EBITDA over medium to long term
- Invest in organic growth; potentially consider accretive and strategically compelling M&A
- Progressive moderate dividend policy, targeting pay-out ratio of 20-30% of distributable profits in medium to long term

The Leading PayTech

Redefining Payments in Italy

Nexi in a nutshell



Italy: Large and underpenetrated market with unique structural characteristics

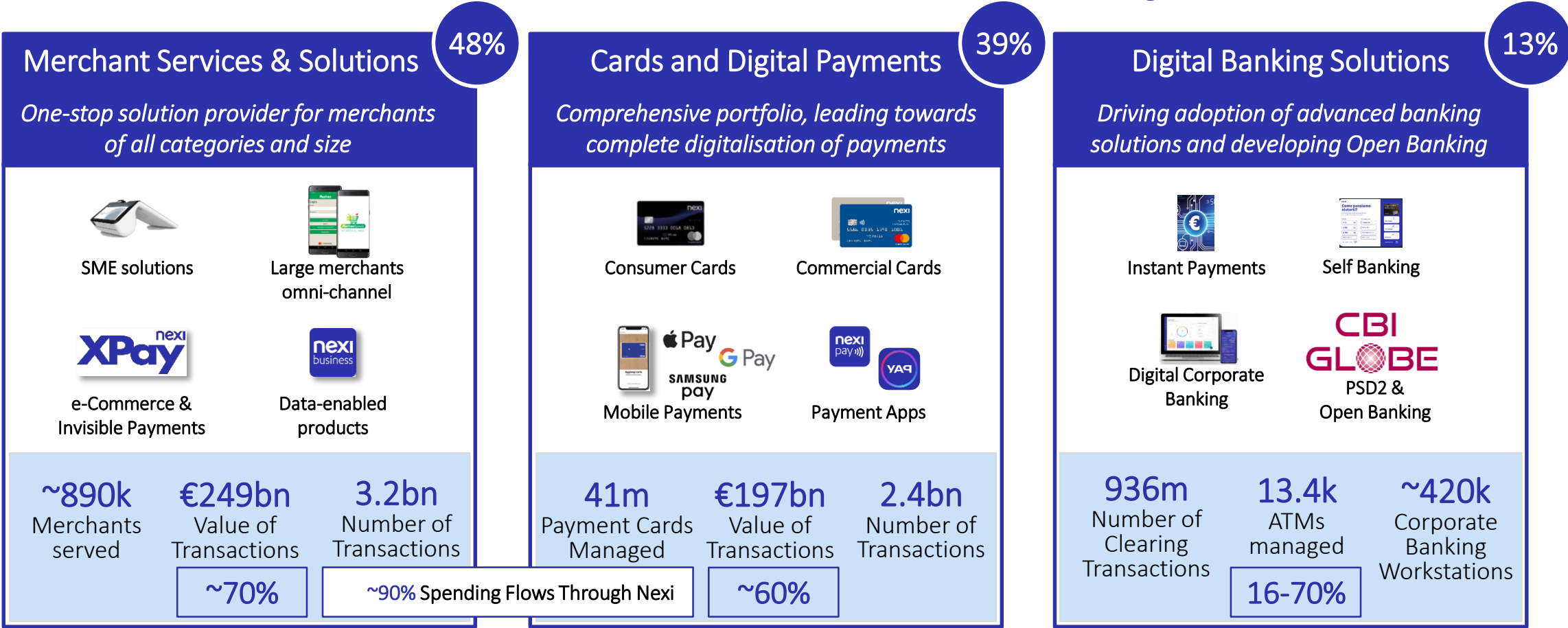


Note: Selected countries include Western European countries and exclude Turkey and countries with data based on modelled assumptions made by Euromonitor International. Total Consumer Spending is defined as the sum of Card Payment Transactions (Excl Commercial), Cash Transactions, Other Paper Payment Transactions and Electronic Direct/ACH Transactions. This tracks retail purchases, purchases of services, utility payments, rent payments, etc. Excluded transactions include peer-to-peer payments, taxes, fines, loan interest charges, and investments (including real estate). Card Payment Penetration is defined as Card Payment Transactions (Excl Commercial) divided by Total Consumer Spending. Consumer Card Payments is defined as Card Payment Transactions (Excl Commercial).

Nexi: The leading PayTech with full coverage of the payment ecosystem

● % of Group Pro-Forma 2018 Revenues

Business Activities



Share of Served Market

Clients Served



Nexi: The leading PayTech redefining payments in Italy



1

Europe's most attractive payments market with strong secular growth drivers

2

Established market leader at scale with extensive payments ecosystem coverage

3

Long term, extensive and value-oriented partnerships with Italian banks

4

Superior products driving multiple growth opportunities

5

Leading technology capabilities driving innovation and Next Generation Platform deployment

6

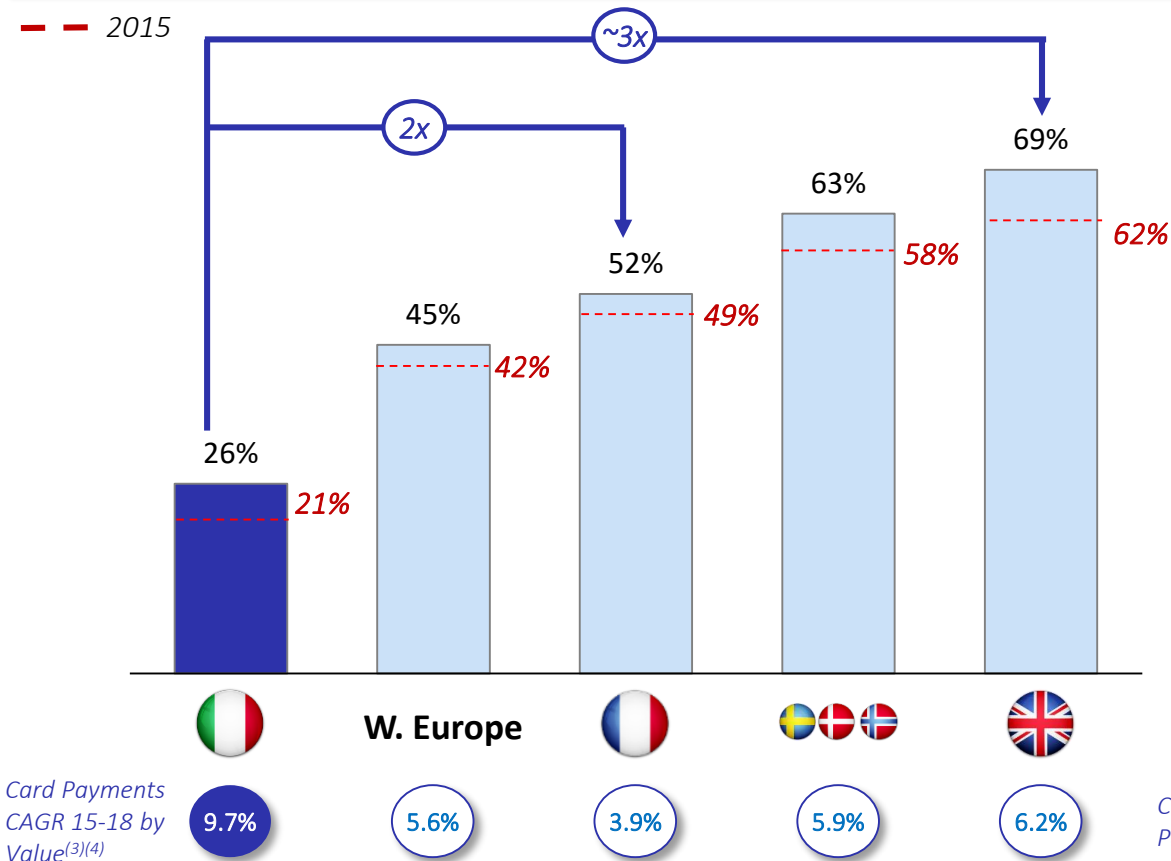
Attractive financial profile combining profitable growth, resilience, operating leverage and strong cash flow generation

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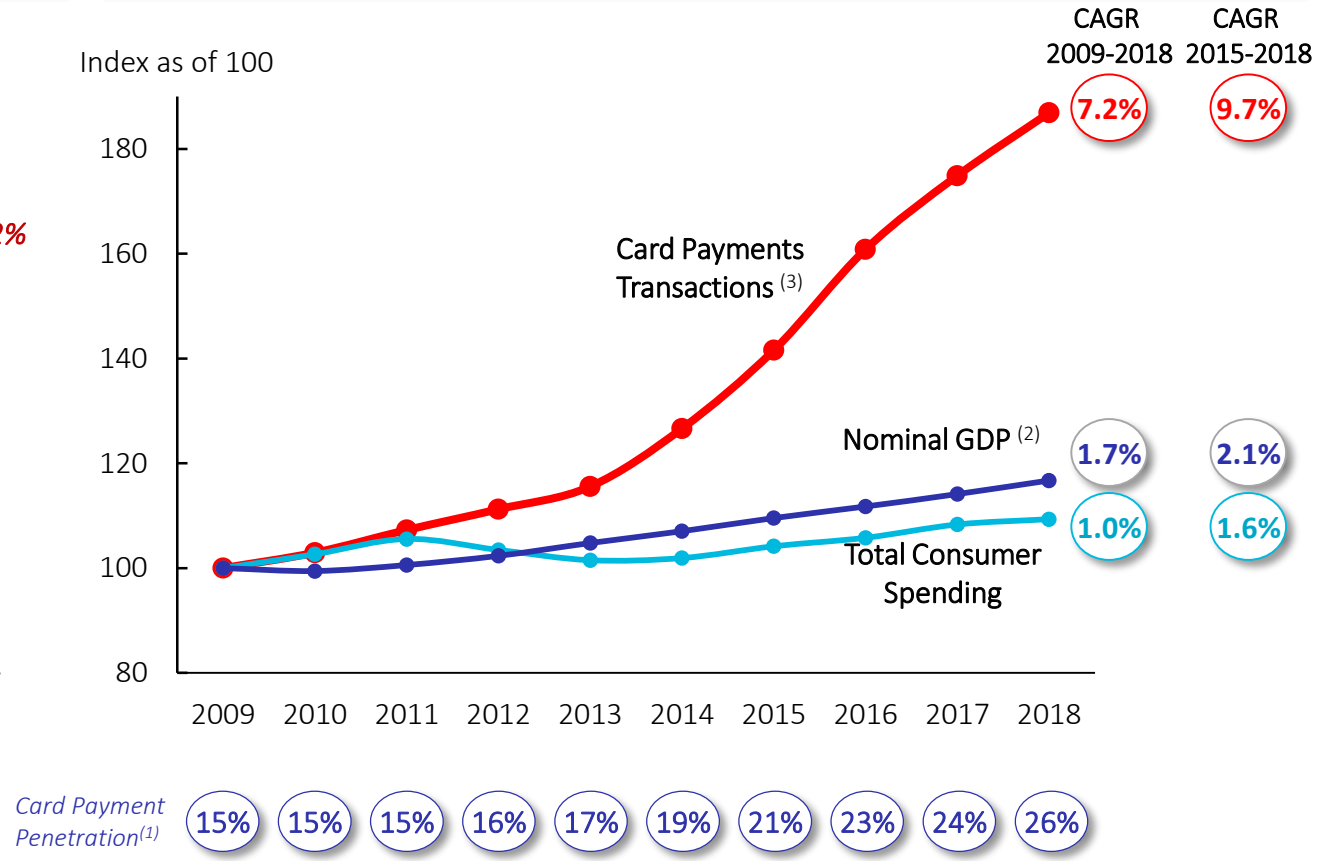
Strong leadership team with proven track record across all value creation levers

Significantly underpenetrated digital payments market with strong and resilient growth, broadly independent from the economic cycle

2018 Card payment penetration (% by value)⁽¹⁾



Growth of Italian card payments values outperforming Italian total consumer spending and nominal GDP ^(1,2)



Note: Selected countries include Western European countries and exclude Turkey and countries with data based on modelled assumptions made by Euromonitor International. Total Consumer Spending is defined as the sum of Card Payment Transactions (Excl Commercial), Cash Transactions, Other Paper Payment Transactions and Electronic Direct/ACH Transactions. This tracks retail purchases, purchases of services, utility payments, rent payments, etc. Excluded transactions include peer-to-peer payments, taxes, fines, loan interest charges, and investments (including real estate). Card Payment Penetration is defined as Card Payment Transactions (Excl Commercial) divided by Total Consumer Spending. Consumer Card Payments is defined as Card Payment Transactions (Excl Commercial).

2 Extensive payments ecosystem coverage extending to digital and technology solutions

Covering Traditional Card Payments Rails...



Merchant Acceptance



Merchant Processing



Co-issuing (no credit risk)



Card Issuer Processing



POS terminal lifecycle management



Antifraud, disputes and chargebacks

...

...Relevant Adjacent Digital Services...



Advanced POS Solutions



SME Software



E-Commerce & Invisible Payments



Apple Pay

Google Pay

Samsung Pay

Mobile Payments



Payment Apps



Data-Enabled Products



Engagement Platforms

...

...and Extended Payment Solutions



Instant Payments



Self Banking



Digital Corporate Banking



B2B & e-invoicing



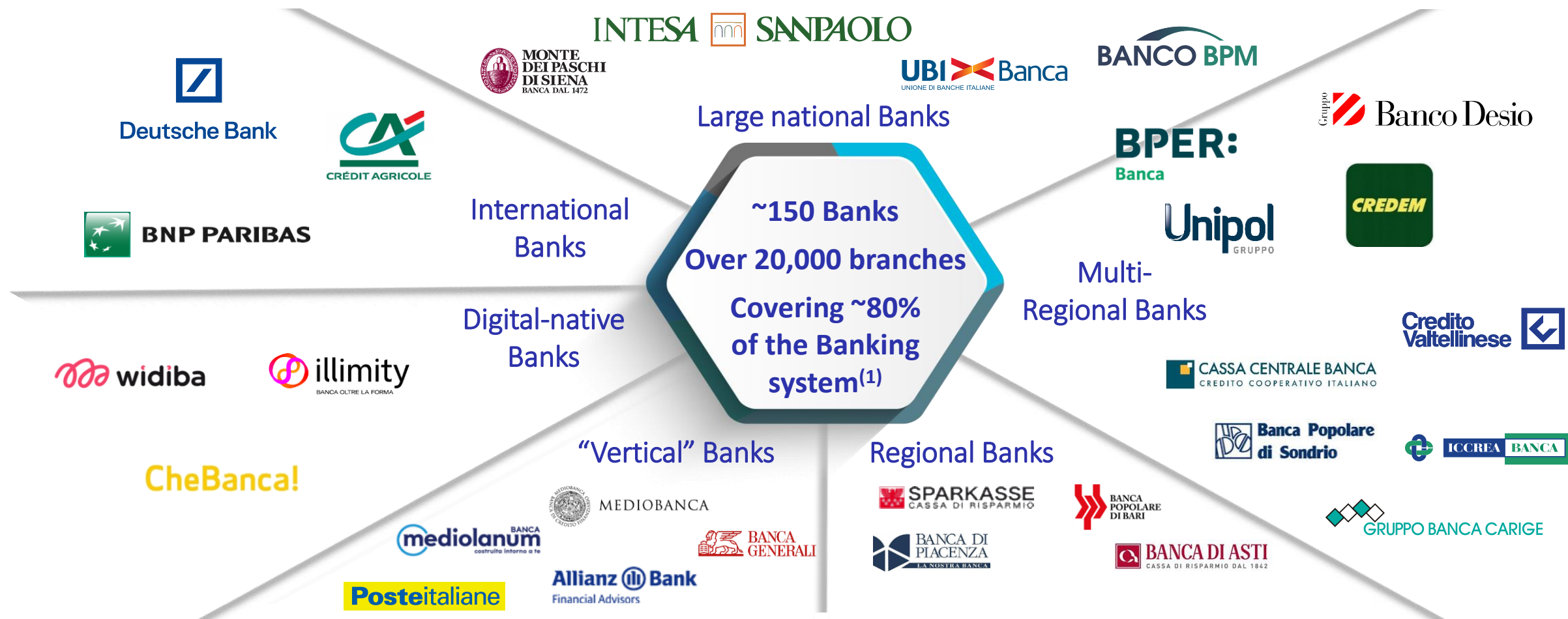
Omni Acceptance



PSD2 Gateway & Open Banking

...

3 Long-term, extensive and value-oriented partnerships with 150 banks across all segments



4 A rich portfolio of growth drivers and emerging opportunities

Growth Drivers

Merchant Services & Solutions



SmartPOS



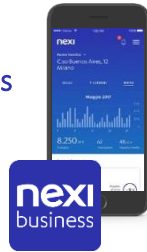
Large Merchant Omnichannel



E-Commerce & Invisible Payments



Omniacceptance



Merchant App

Cards & Digital Payments



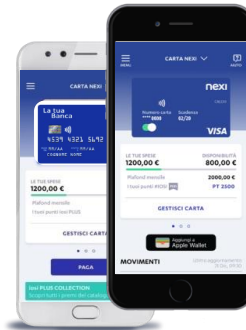
Credit Full Potential



Corporate Cards Solutions



Debit evolution



Mobile Payments



Next Generation CVM

Digital Banking Solutions



Instant Payments Solutions



Self Banking



Digital Corporate Banking for Large-Mid



...and for Small/Micro Business



PSD2 Gateway & Open Banking

Emerging Growth Opportunities



YAP Millennials Mobile Payments



Data Enabled Solutions



B2B/Corporate Payments



Dual-sided Opportunities

Merchant Services and Solutions: Empowering merchants and simplifying their lives

PRODUCT/ INITIATIVE	DESCRIPTION	NEW BUSINESS	CUSTOMER VALUE INCREASE	LAUNCH DATE
 SMARTPOS	- Smart Point-of-Sale comprehensive proposition - Advanced ECR software for an "all-in-one device" - Proprietary App store, covering full range of business needs - Vertical/Industry solutions for SME and bespoke tech, integrated solutions for Large Merchants			Q3 18 <i>• ~20% penetration on Front Book of early adopter banks</i>
 LARGE MERCHANTS OMNICHANNEL	- Omni-channel payments solutions for Large/Key Accounts - Dedicated sales support, delivery and service model - Customized solutions for industry verticals			Q1 19
 XPAY E-COMMERCE	- Comprehensive E-commerce payment gateway - Easy-to-deploy solution (plug-ins for developers) - Digital Onboarding in 24/48 h - Invisible payments-specific solutions, IoT-ready			Q2 17 <i>• +46% growth on Frontbook sales ('18 vs. '17)</i> <i>• +18% Customer Base growth ('17 Vs '18)</i>
 OMNIACCEPTANCE	- Acceptance extension to Additional Rails (e.g. meal voucher, alternative schemes) - Simplification of merchants' experience ("one-POS")			Q1 19 <i>• +120k merchants enrolled</i> <i>• >35% penetration on customer base of early-adopter banks</i>
 MERCHANT APP	- Data-centric mobile app with real-time smart tracking - Business Intelligence services - Smart access to self-care activities			Q4 17

PRODUCT/ INITIATIVE	DESCRIPTION	NEW BUSINESS	CUSTOMER VALUE INCREASE	LAUNCH DATE
 CREDIT FULL POTENTIAL	- Flexible instalment function, “Easy Shopping” - Smart/ Dynamic plafond management - Full range of solutions, including Black, first contactless metal card in Europe			Q4 17
 CORPORATE CARDS SOLUTIONS	- Comprehensive portfolio of corporate solutions - Centralized virtual account for B2B payments to enter the “procure to pay” segment - Lodged virtual card (capture business travel spend)			Q2 19
 DEBIT EVOLUTION	- International Debit Best-in-class card enabling e-commerce, mobile payments and full international spending - National Debit evolution enabling e-commerce and selected mobile payments use cases			Q2 17
 MOBILE PAYMENTS	- New “mobile-centric” paradigm: instant issuing, card tokenization and Apple, Samsung, Google Pay offering - Nexi Pay app: expense monitoring, card management and access to value added services			Q4 17
 NEXT GENERATION CVM	- CVM campaigns focused on behaviours - Fully renovated comprehensive engagement program - Frequency of usage and card spending driving initiatives			Q2 17

• +3.8m cards in stock 2018 (+33% YoY)
 • ~50 signed and being rolled out
 • 4 negotiations ongoing with 4 major banks

• 200 campaigns in 2018
 • +8pp on activated cards in welcome campaign
 • +73% incremental spending with ad hoc campaign
 • +9pp cards reactivation in renewal campaigns

PRODUCT/ INITIATIVE	DESCRIPTION	NEW BUSINESS	CUSTOMER VALUE INCREASE	LAUNCH DATE
 INSTANT PAYMENTS SOLUTIONS	- Highly reliable, secure and efficient solution for instant money transfer - Nexi Gateway and VAS - Full pan-european interoperability			Q2 18 <i>• 4 Banking Groups onboarded</i> <i>• 3.6k branches (~14% of total banks' branches in Italy)</i>
 DIGITAL CORPORATE BANKING	- Advanced solution for Corporates: - E-invoice management platform - Dedicated mobile app for CFOs - Digital signature document exchange platform - Unique dedicated solution for Small Business			Q1 19 <i>• 18 client banks</i> <i>• ~420k workstations</i> <i>• +3b transactions</i>
 SELF BANKING	- Comprehensive end-to-end value proposition - Innovative "App-like" frontend - Unique features: "one-click" fast processes, interactive CRM functions, cardless withdrawals - Full advanced management/outsourcing offer			Q1 19 <i>• 15 client banks</i> <i>• 13.4k Self Banking terminals (~1/3 Advanced ATM)</i> <i>• 30 seconds one-click withdrawal</i>
 OPEN BANKING	- PSD2 gateway solution for the Italian banking system - Open Banking value added services and solutions			Q3 19 <i>• 100+ banks already signed</i> <i>• >70% of Italian Banking Market coverage</i>

4 Nexi already well positioned to capture additional emerging opportunities

	 YAP MILLENNIALS PROPOSITION	 B2B / CORPORATE PAYMENTS	 DATA-ENABLED SOLUTIONS	 DUAL-SIDED OPPORTUNITIES
Market opportunity	• 6m Millennials in Italy (high propensity to spend, digital consumers of tomorrow) • Often disconnected from traditional banks	• Large market opportunity (3.7m enterprises in Italy, ~€85bn EMEA addressable market) • Rising demand from SMEs and Corporates to digitalize enterprise payments	• Big data & advanced analytics opening new opportunities in payments	• Opportunities for differentiating solutions through visibility of both “sides” of a transaction
Nexi assets	• Complete range of mobile payments solutions • Instant issuing digital prepaid cards • Best in class capabilities in front-end UX/UI design	• Strong position in enterprise front-ends (~420k DCB workstations) • Strong position in Corporate Cards, Instant Payments, Open Banking and Merchant Services	• Unique data capital, leveraging on 5.6bn managed transactions per year	• As co-issuer and acquirer, Nexi uniquely positioned to “see” both sides of a significant portion of overall market
Nexi progress & outlook	• YAP app offering both P2B and P2P (to drive virality) • Good traction achieved in 6 months (300k+ users) with very high consumer rating (4.7 stars iOS, 41 NPS trending up)	• Comprehensive proposition and strategy under development (i.e. e-invoicing, virtual accounts)	• European best practice on anti fraud • Nexi Business business insights app, used weekly by >100k merchants • Further investments planned to enhance capabilities	• “On-us” cost benefits and improved frauds detection and chargebacks • Multiple additional opportunities under development (i.e. large merchants customer profiling..)

5 Investing in Technology leading capabilities to drive quality and security, innovation and Next Generation Platform deployment

€325m Invested⁽¹⁾

Today

People and Capabilities



Quality and Security



Innovation and Delivery



Next Generation Platform

WIP

Progress to Date

Plan Forward

- ✓ IT Team & Tech capabilities in place
- ✓ 6 Digital Factories, 3 specialized structures, 4 CoE in place
- ✓ Basilichi and Sparkling integration
- ✓ ...

- 330+ FTEs (end 2018)
- ~ 70% new IT managers
- ~ 110 new hiring

Ordinary continuous improvement

- ✓ Live service process 24x7x365
- ✓ Hot line with main Banks
- ✓ Robotic check and prevention
- ✓ Security framework and capabilities
- ✓ ...

- 72% y-o-y improvement in Service Stability Index
- 99.99% core service availability in 2018
- No data and GDPR breaches

Ordinary continuous improvement

- ✓ SmartPOS, E-Com, Merchant App
- ✓ Mobile Payments, Credit Installment, Debit Evolution, next-gen CVM
- ✓ Instant Payments, new Digital Corporate Banking, Self Banking/new ATMs
- ✓ YAP, Data, ...

- 4,200 new IT releases in 2018 vs. 1,400 in 2017
- 6 digital factories

- Omni-channel payment gateway
- Digital Corp. Banking completion
- Open banking gateway completion

Ordinary continuous improvement

- ✓ Data Center insourcing
- ✓ POS and ATM platform ready
- ✓ Merchant Services sales tools and Issuing Onboarding ready
- ✓ ...

- Clear integrated architectural vision
- Step by step modular execution on going

- Data & Analytics implementation
- CRM and ops transformation
- Processing Hubs consolidation
-

2016 - 2018

Extraordinary Transformation Effort Ordinary Effort

6 Attractive financial profile combining profitable growth, resilience, operating leverage and strong cash flow generation⁽¹⁾

Unmatched Scale in Italy

€931

2018 Pro-Forma Net Revenues

€519m

2018 Pro-Forma EBITDA Incl. Initiatives⁽²⁾

Consistent Profitable Organic Growth

7.8%

2016-2018 Revenues CAGR Organic

15.5%

2016-2018 EBITDA CAGR Organic

Resilient and Diversified Recurring Revenues

7.2x

Cards Spend vs. Consumer Spend CAGR '09-'18 in Italy

47% / 53%

Revenue Split (Volume-Driven / Installed Base)

Proven Operating Leverage

64%

Fixed Costs as % of Opex

46%

2018 EBITDA Margin

Strong Cash Flow Generation

€312m

2018 Operating Cash Flow ⁽³⁾

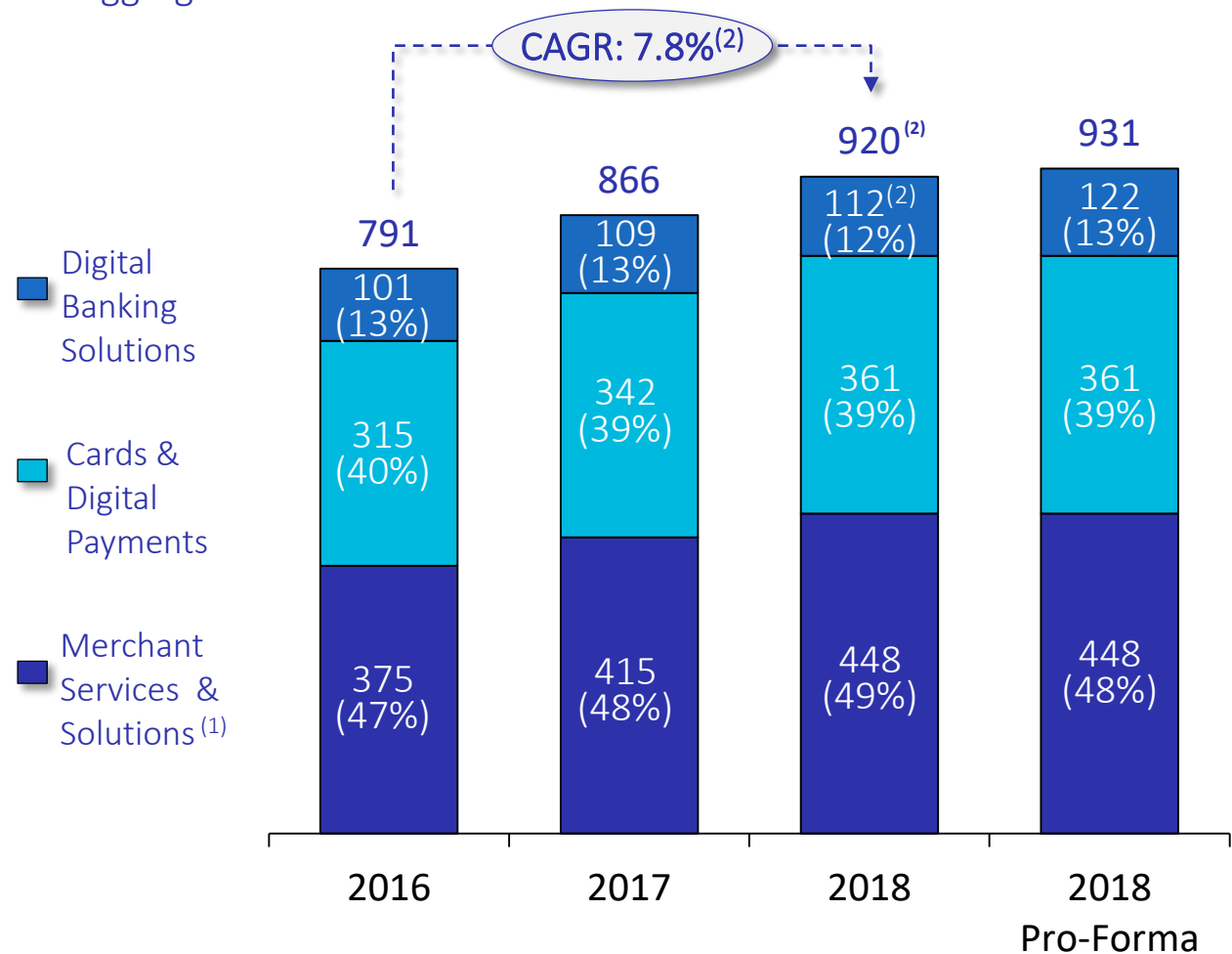
74%

2018 Cash Flow Conversion⁽⁴⁾

6 Consistent and solid revenue growth

Net revenues evolution over time

€m – Aggregated



2016-2018
CAGR
Aggregated

5.0%⁽²⁾

7.0%

9.3%

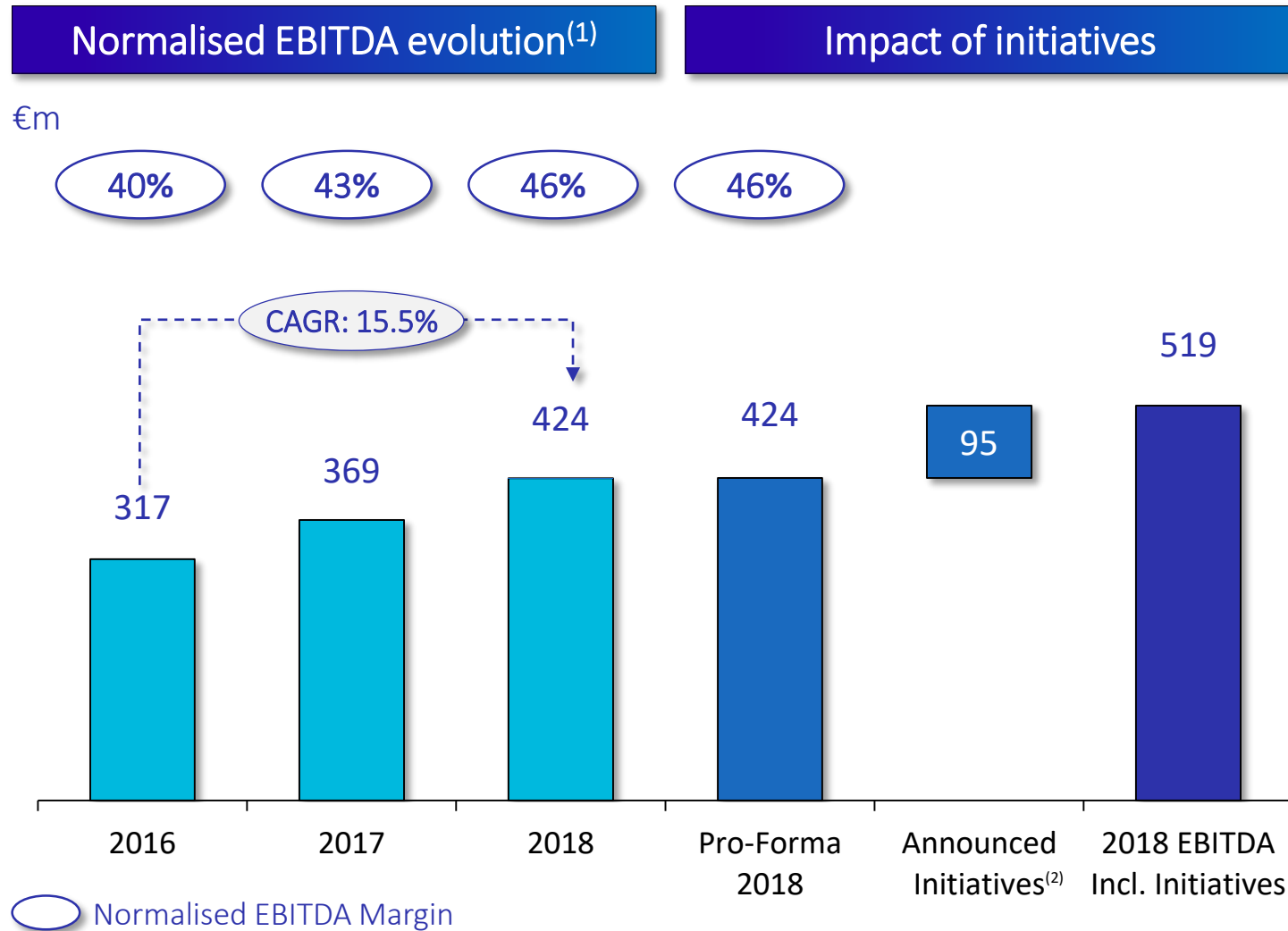
Healthy growth in core markets

Combination of organic growth
and delivery of Initiatives

High quality, predictable and
recurring revenue model

High resilience driven by product portfolio
and large customer base

6 Consistent and strong EBITDA growth; tangible further uplift from Announced Initiatives



Strong EBITDA growth

Significant degree of operating leverage
(64% fixed operating costs⁽³⁾)

Efficiency and cost reduction

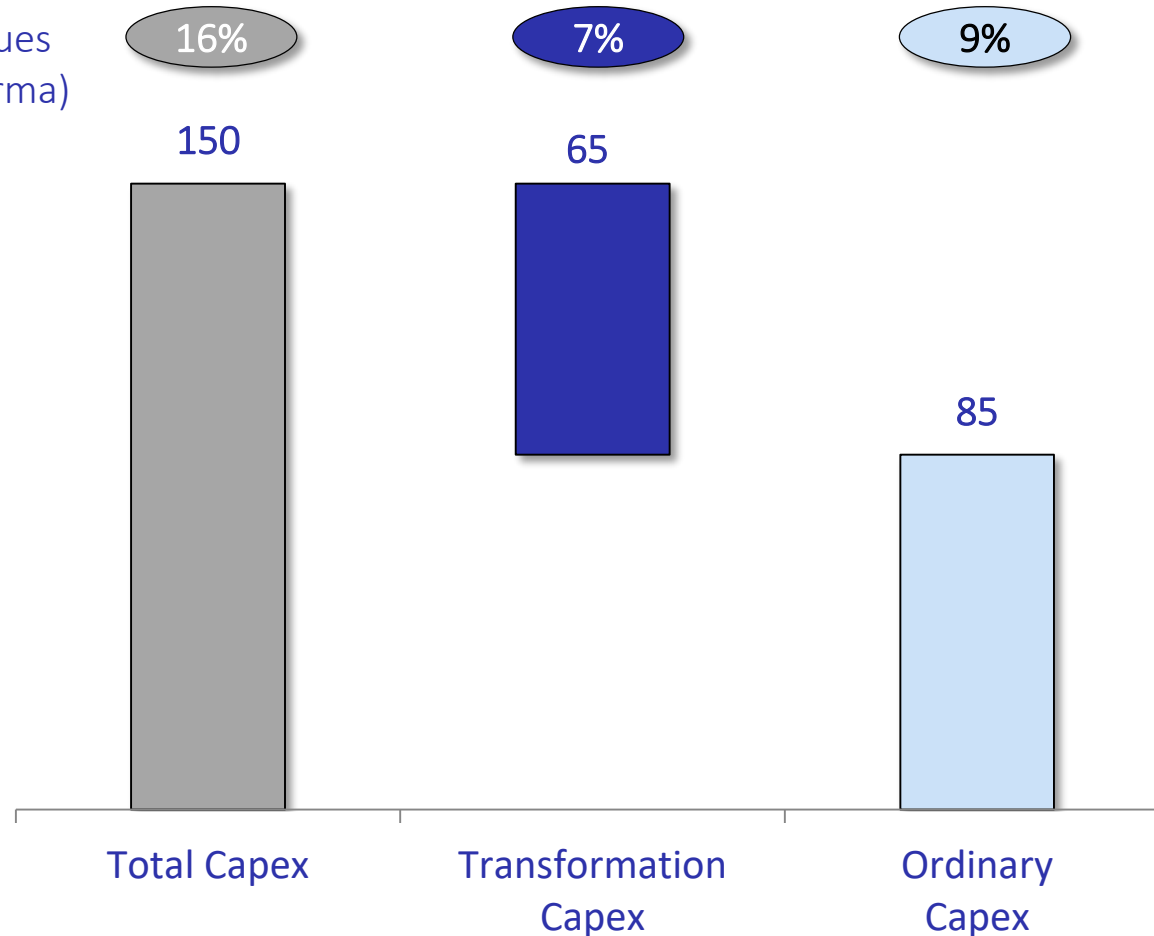
Substantially enhanced profitability

Tangible EBITDA uplift from Announced
Initiatives and realisation of synergies

6 Strong investments, with Transformation Capex on top of Ordinary Capex

2018 Capital Expenditure⁽¹⁾

% of Net
Revenues
(Pro Forma)



Transformation Capex

- *Quality and security transformation*
- *Product portfolio transformation*
- *Next-Generation Platform deployment*
- *M&A and corporate separation*

Ordinary Capex

- *Ongoing product innovation*
- *Ongoing evolutionary maintenance*
- *Revenue-driven POS and ATM spend*

7 Strong and experienced extended Leadership Team...



Paolo Bertoluzzo
Group CEO



260+ new talent hired coming from **>100** corporates

70% new in Top 100



Enrico Trovati
Merchant Services & Solutions



Andrea Mencarini
Cards & Digital Payments



Renato Martini
Digital Banking Solutions



Roberto Catanzaro
Business Development



Giuseppe Dallona
CIO



Bernardo Mingrone
Group CFO



Marco Ferrero
Commercial Division



Stefania Gentile
Mercury Payments



Federico Ferlenghi
Operations & Help Line



Silvia Beraldo
CAO



Saverio Tridico
Corporate & External Affairs



Daniela Bragante
Compliance & AML



Emanuele Boati
Audit



Alessia Carnevale
Risk



7 ...with proven track record of delivery across all value creation levers

Outstanding Financial Performance

▶ *+15.5% EBITDA Organic CAGR '16-'18⁽¹⁾*

Value-Accretive M&A



mercury payment services

Deutsche Bank

MONTE DEI PASCHI DI SIENA
BANCA DAL 1472

GRUPPO
BANCA CARIGE

Bassilichi

SPARKLING 18

Corporate Reorganisation



*From Banking group to
Technology group*

Broadened and Strengthened
Product Offering



Full Digital Payments Portfolio

IT and Technology Transformation



Investment of €325M in 3 years

Strengthened Capabilities and
Team



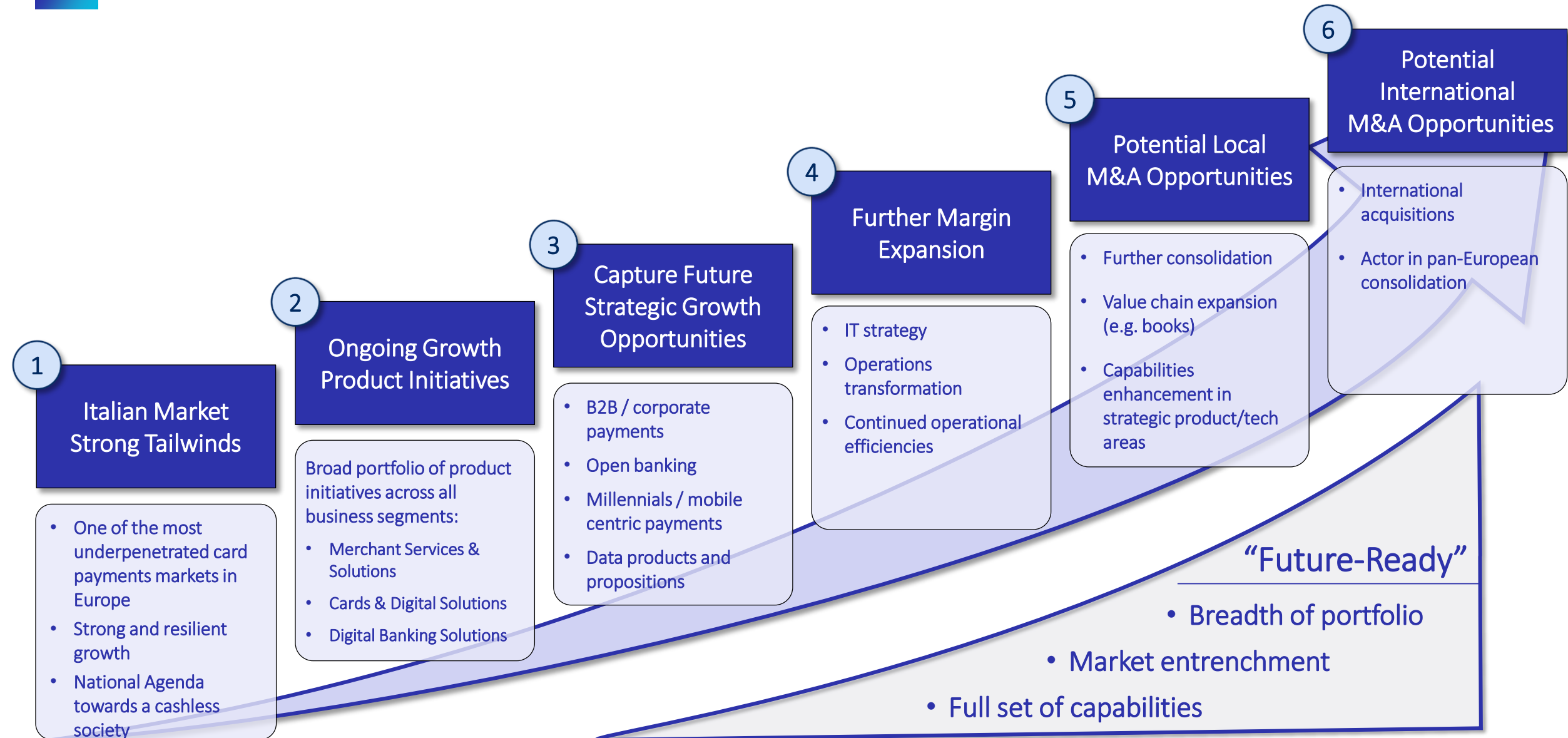
260+ new hires

Rebranding



nexi
every day, every pay

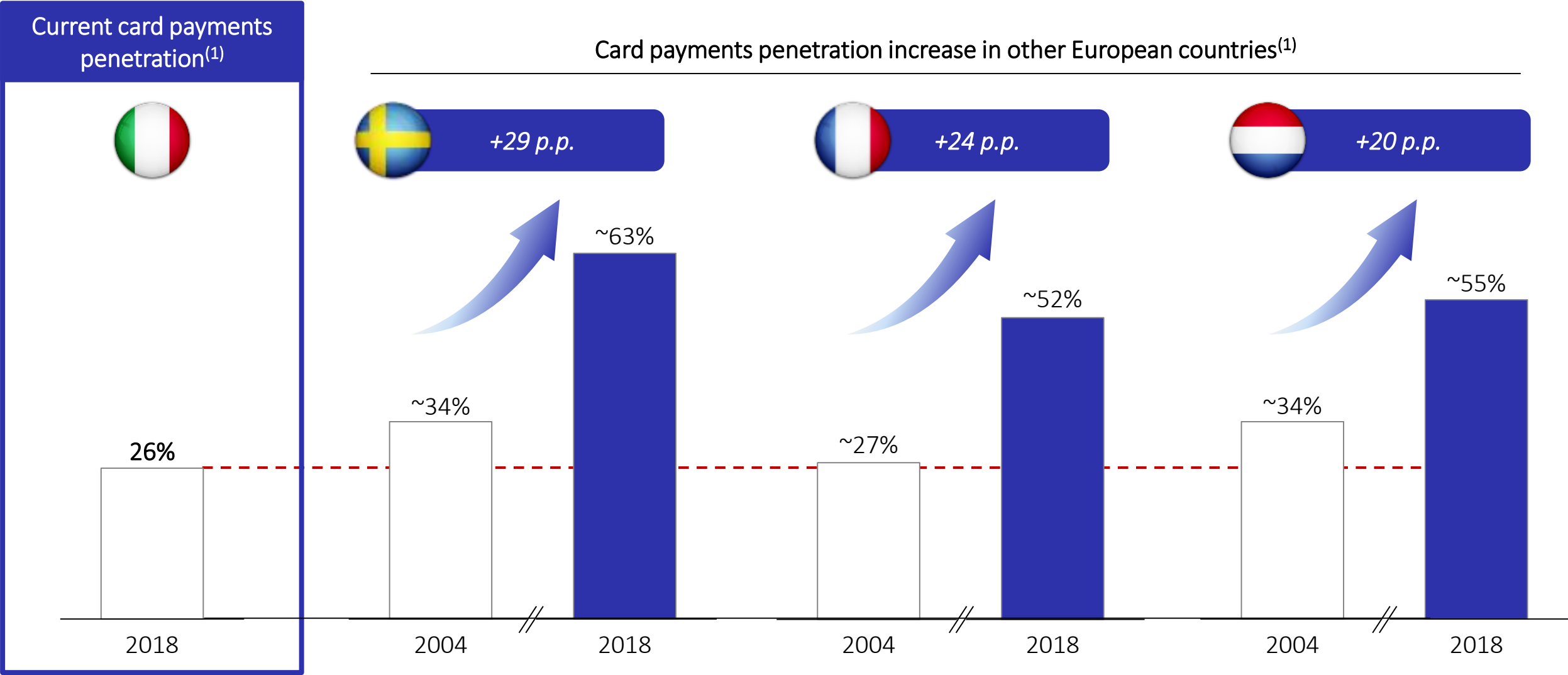
Nexi: Best poised to capture multiple avenues for future value growth



Supporting Materials



Italian market positioned to experience a significant growth in payments penetration

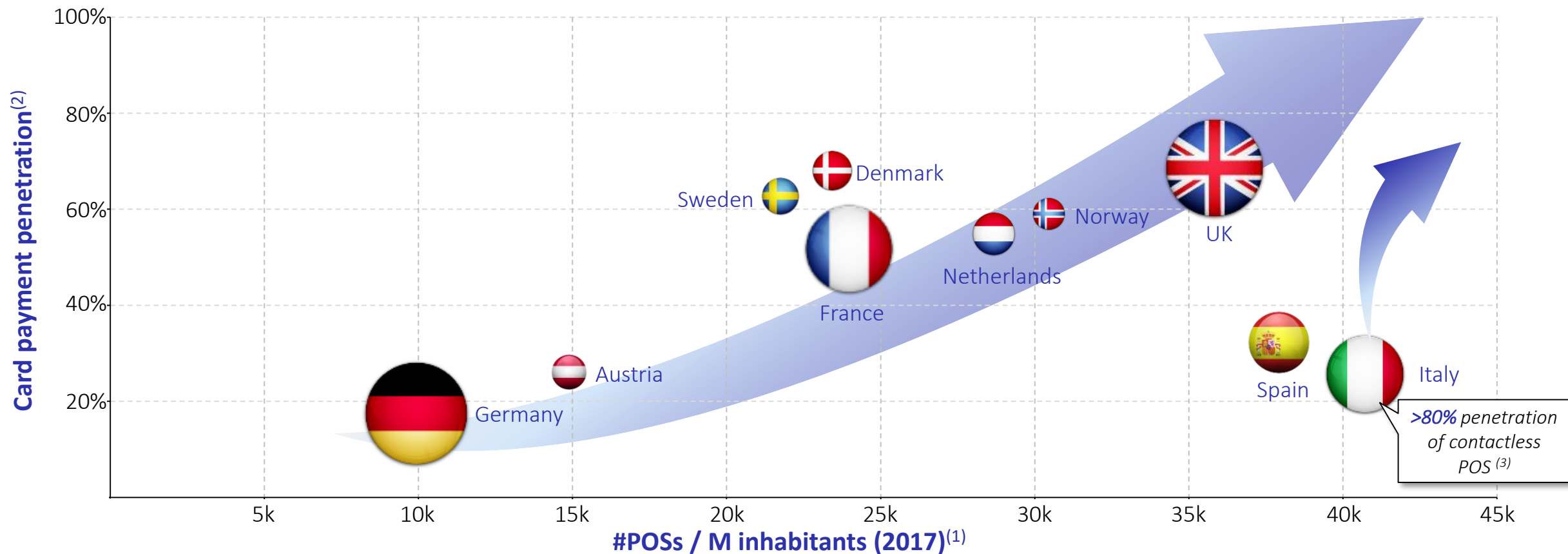


Note: Selected countries include Western European countries and exclude Turkey and countries with data based on modelled assumptions made by Euromonitor International. Consumer Card Payment Transactions Penetration is defined as card payment transactions excluding commercial transactions divided by total consumer payment transactions

Italy - Acceptance infrastructure already in place, enabling market growth

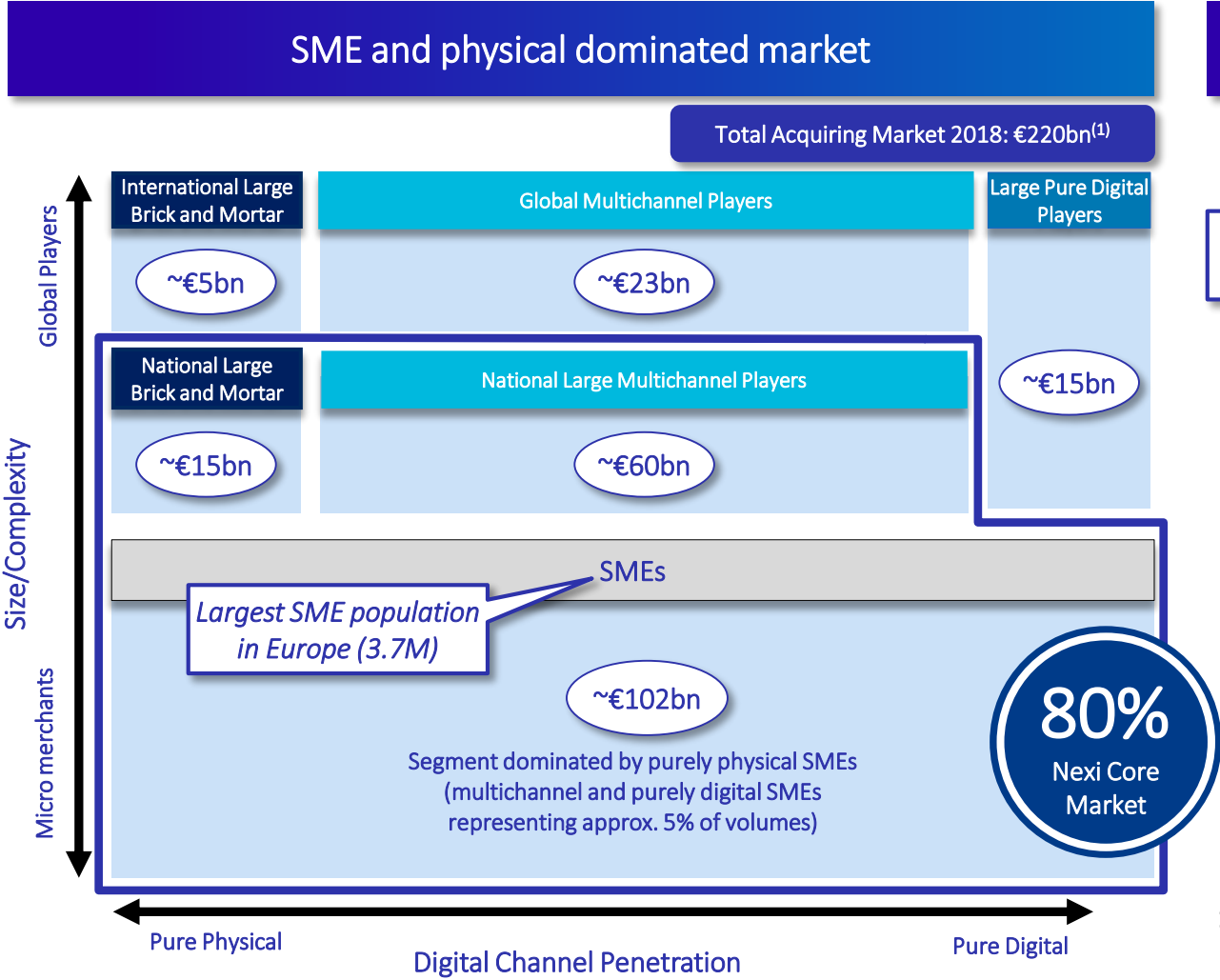
Italy's Infrastructure is ready for further card payment penetration ^(1,2)

○ Size of flag bubble represents relative total consumer spend⁽²⁾



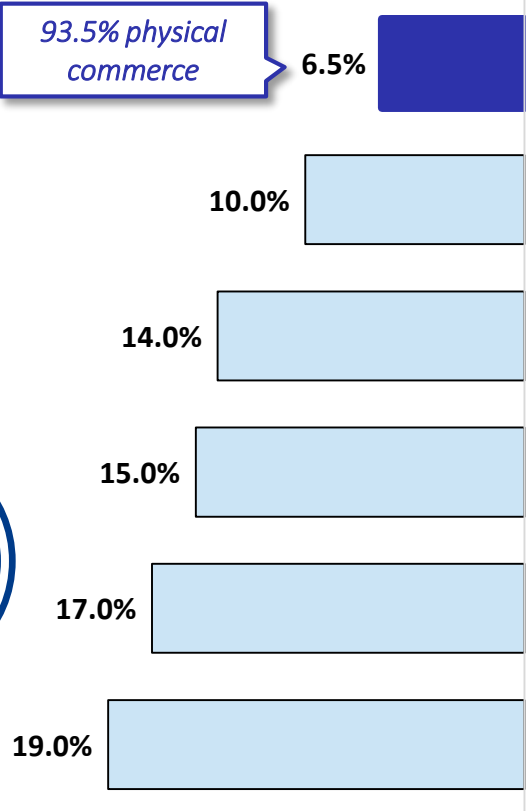
Note: Selected countries include Western European countries and exclude Turkey and countries with data based on modelled assumptions made by Euromonitor International. Total Consumer Spending is defined as the sum of Card Payment Transactions (Excl Commercial), Cash Transactions, Other Paper Payment Transactions and Electronic Direct/ACH Transactions. This tracks retail purchases, purchases of services, utility payments, rent payments, etc. Excluded transactions include peer-to-peer payments, taxes, fines, loan interest charges, and investments (including real estate). Card Payment Penetration is defined as Card Payment Transactions (Excl Commercial) divided by Total Consumer Spending.

SME and physical dominated market. E-commerce still at inception



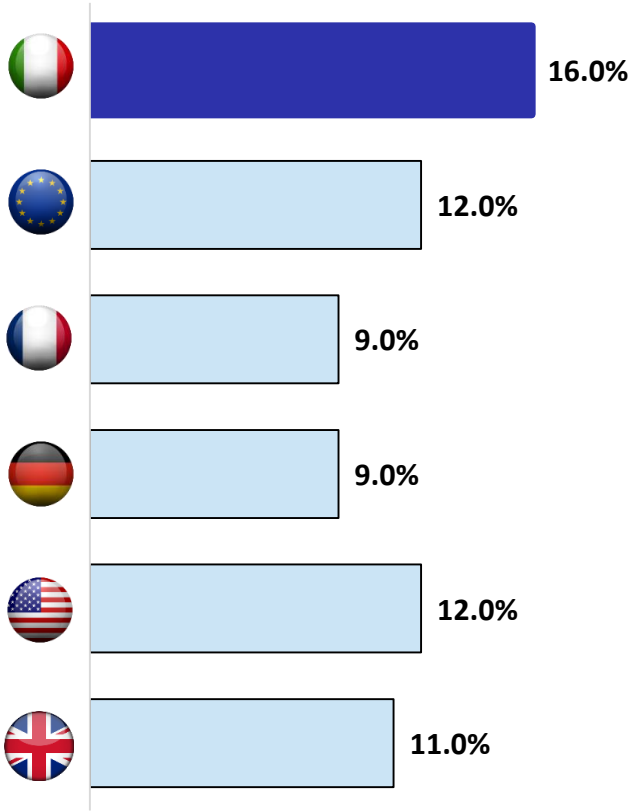
Italy has the lowest E-commerce penetration...^(2,3)

2018 online share of total retail consumption



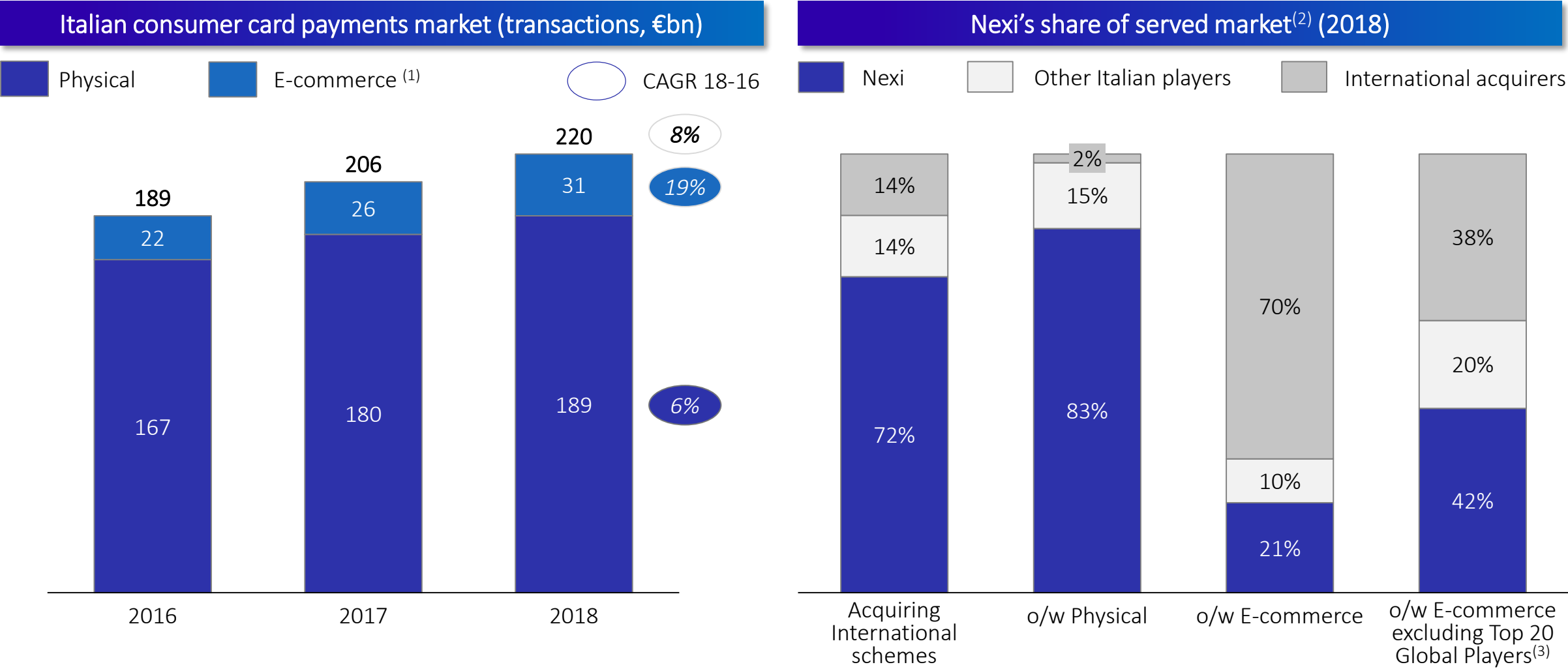
...and the highest recent growth rates⁽²⁾

2017-18 growth in value of online transactions (2017-18)



Reference Market and Nexi's Share of Served Market

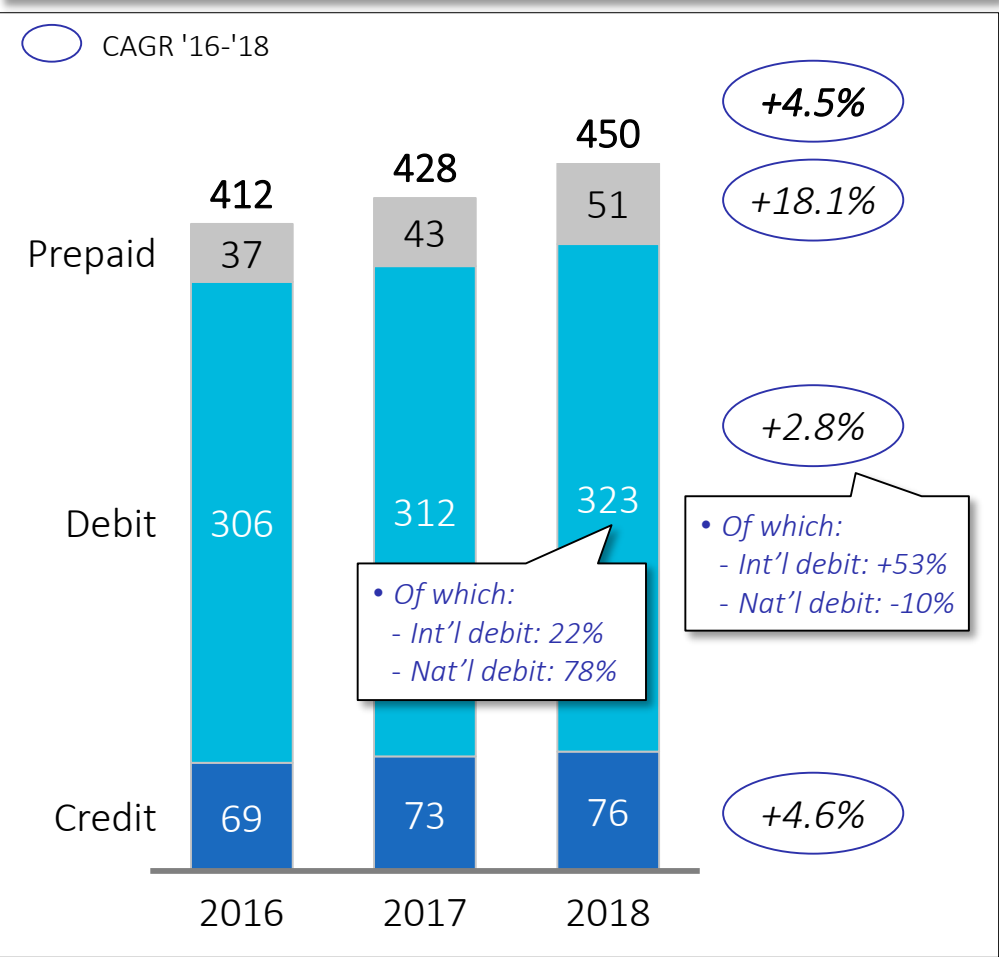
Merchant Services & Solutions



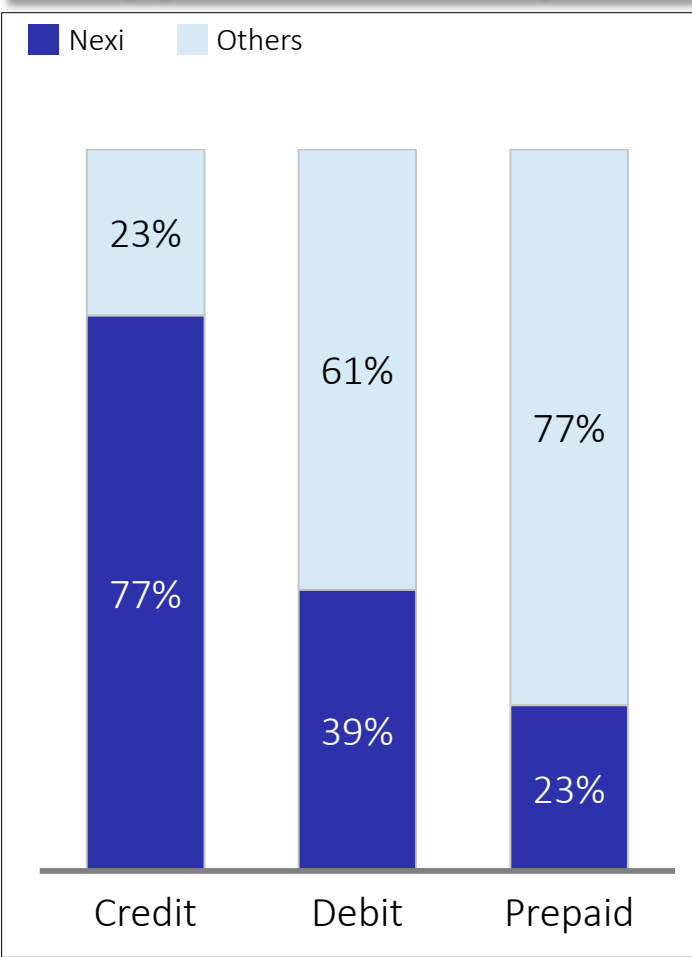
Reference Market and Nexi's Share of Served Market

Cards & Digital Payments

Italian Issuing Market Transactions at POS and ATM (€bn)



2018 Nexi's Shares of Served Market (by Value of Transactions)⁽¹⁾



Main Differences Compared to Other EU Countries

- Credit:** mainly charge cards with low credit limit
- Debit:** legacy and shrinking share of National debit; International debit only recently introduced and accelerating
- Prepaid:** high number of cards with low level of activation; mainly used for e-commerce

Leading served market share across segments in a growing issuing landscape, still dominated by National debit products

Established market leader at scale covering all value chain activities, in the same country

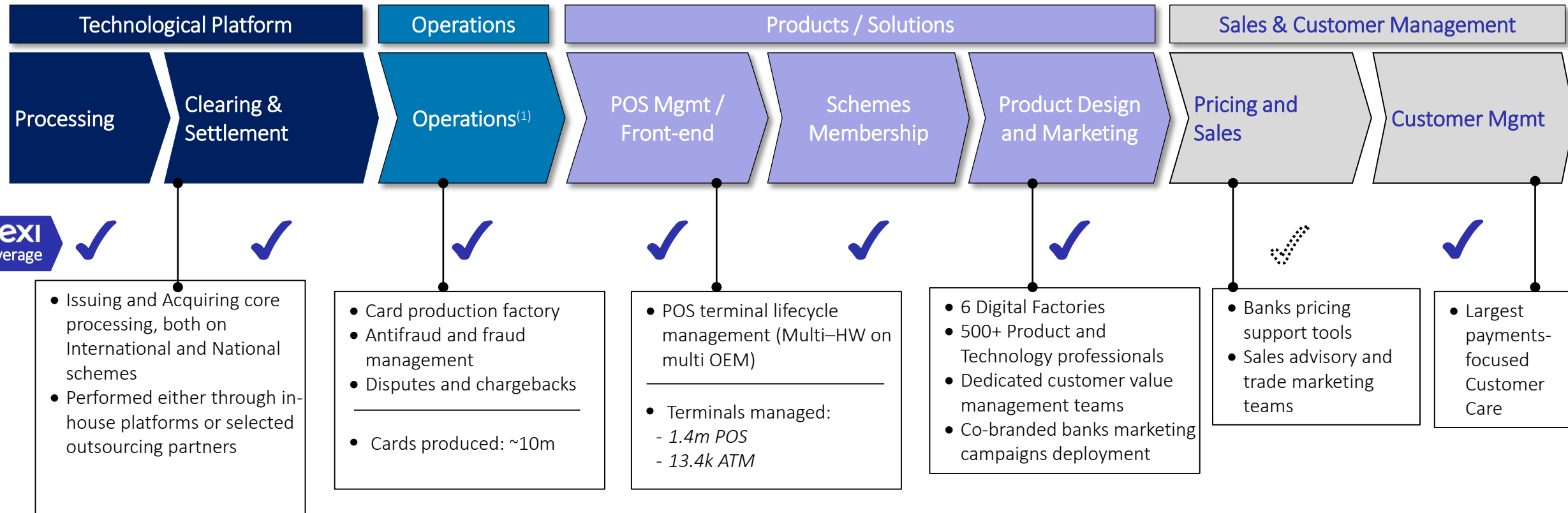
Cards & Digital Payments



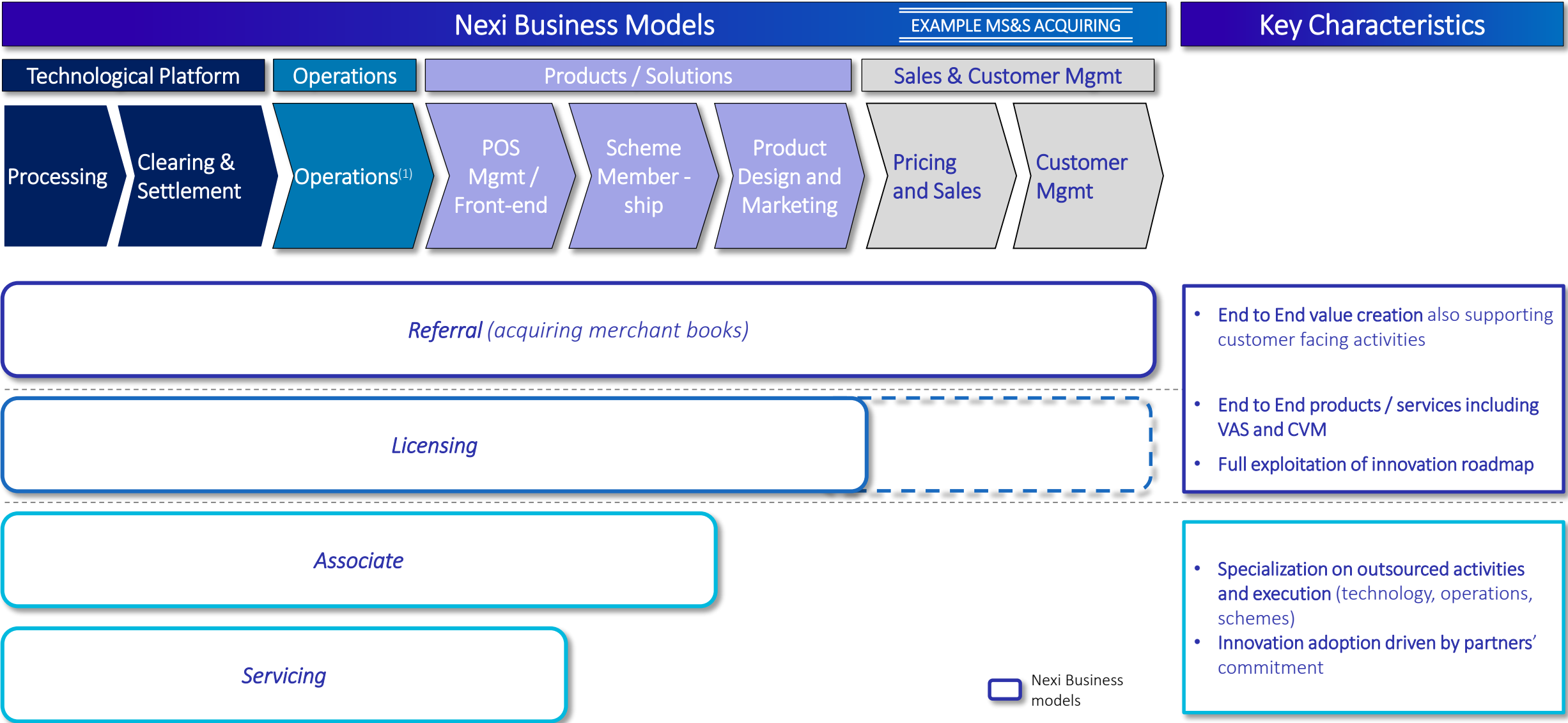
Merchant Services & Solutions



Digital Banking Solutions



Serving Banks with multiple business models to fit their strategic needs



Established, deep, robust and value-oriented bank relationships

Long, established and deep...



- Most bank partnerships have been in place for more than 25 years
- Top 10 partner banks⁽¹⁾ have been customers for > 15 years
- No customer loss since 2015 change of ownership⁽²⁾
- Customer concentration reflects Italian Banking sector

...value-oriented partnerships...



- Multiple product/ service relationships with each bank
- “Volume based” pricing allowing further future upside
- Evolving towards more value-added models

...underpinned by established agreements



- Multiple contracts per relationship: ~150 relationships for a total ~1,000 contracts
- 54% of revenues in contracts/distribution agreements to 2023+
- 86% of top 5 partner banks' revenues committed to 2023+ (68% to 2025+)⁽¹⁾
- Most of the remaining contracts with undated duration⁽³⁾

Nexi investing to drive the transition from cash to digital payments in Italy

Key Limiting Factors For Digital Payments penetration

Acceptance Infrastructure



- Infrastructure well in place and contactless-ready but...
- Still uneven distribution of POS terminals amongst merchants
- Low speed due to poor connectivity

Cards infrastructure



- Unbalanced mix, high share of prepaid and relatively low credit
- Credit mainly charge, with low plafond limit; revolving marginal
- Debit still dominated by national scheme with limitations

Perception



- Consumer perception on spending control
- Merchant perception on reliability, control and price complexity

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- “Start” simple bundled offer to address unpossed merchants
- m-POS, Smart POS mini 4G
- POS replacement/reconfiguration to broadband connectivity
- Accelerated transition to Contacless

- Revamped and extended credit portfolio
- CVM, installment/EasyShopping, smart allowance mgmt., ...
- International Debit, Next generation National scheme

- Nexi Pay, Spending control, #iocontrollo, 3DS, Biometrics
- Nexi Business, simplified packages, micro-payments offer

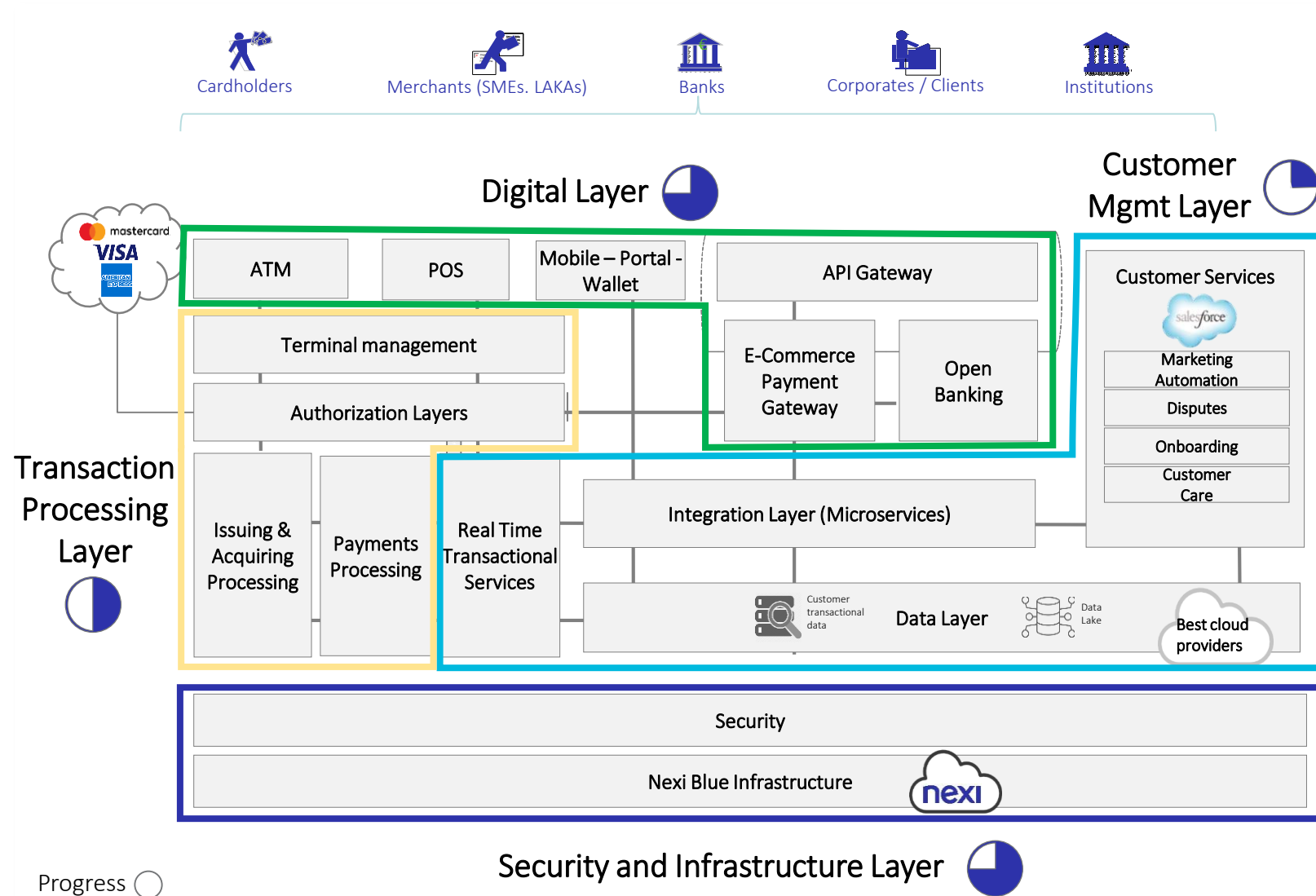
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Continued investments in our IT platform resulting in impressive delivery across all areas

AREA	1H 2017	2H 2017	1H 2018	2H 2018
Product innovation 	• International debit consumer • X-Pay ecommerce gateway revamping and digital onboarding	• ApplePay • Nexi Business app • New portals (company and cardholder) • Instant payments ACH • Merchant Referral	• SmartPOS and app marketplace • PagoPa POS integration • New prepaid range • International debit business • Samsung Pay • New #ioSi engagement platform • Bancomat contactless • Bank API integration	• New Nexi Pay app • YAP mobile payments app • Google pay • PagoBancomat mobile • Card spending control • «Easy shopping» installments • Self banking front-ends • Bancomat data lake • Bank API integration
IT transformation 	• Live service monitoring / Control Room	• Digital Factories set-up	• POS Terminal Manager consolidation and insourcing • ATM terminal manager insourcing • Digital Factories 2.0	• Nexi Blue data center insourcing • Digital merchants onboarding • Improved marketing automation • Digital Factories 3.0
Bank transformation projects 	• UBI Banca Unica Consolidation	• Acquired banks merger in BPER (Carife)	• Veneto banks merger into ISP • Acquired banks merger in UBI	• Banco/BPM merger • Acquired banks merger in CA / Cariparma
Corporate Transformation / M&A 	• DB merchant books integration	• Company rebranding • MPS merchant books integration	• Sparkling18 operational integration	• Banking activities carve-out • Basilichi integration • Carige merchant books integration
	+550 new IT releases	+850 new IT releases	+2,000 new IT releases	+2,200 new IT releases

DELIVERED

Modular, progressive, evolutionary deployment of Next Generation Platform to boost innovation and cost-efficiency



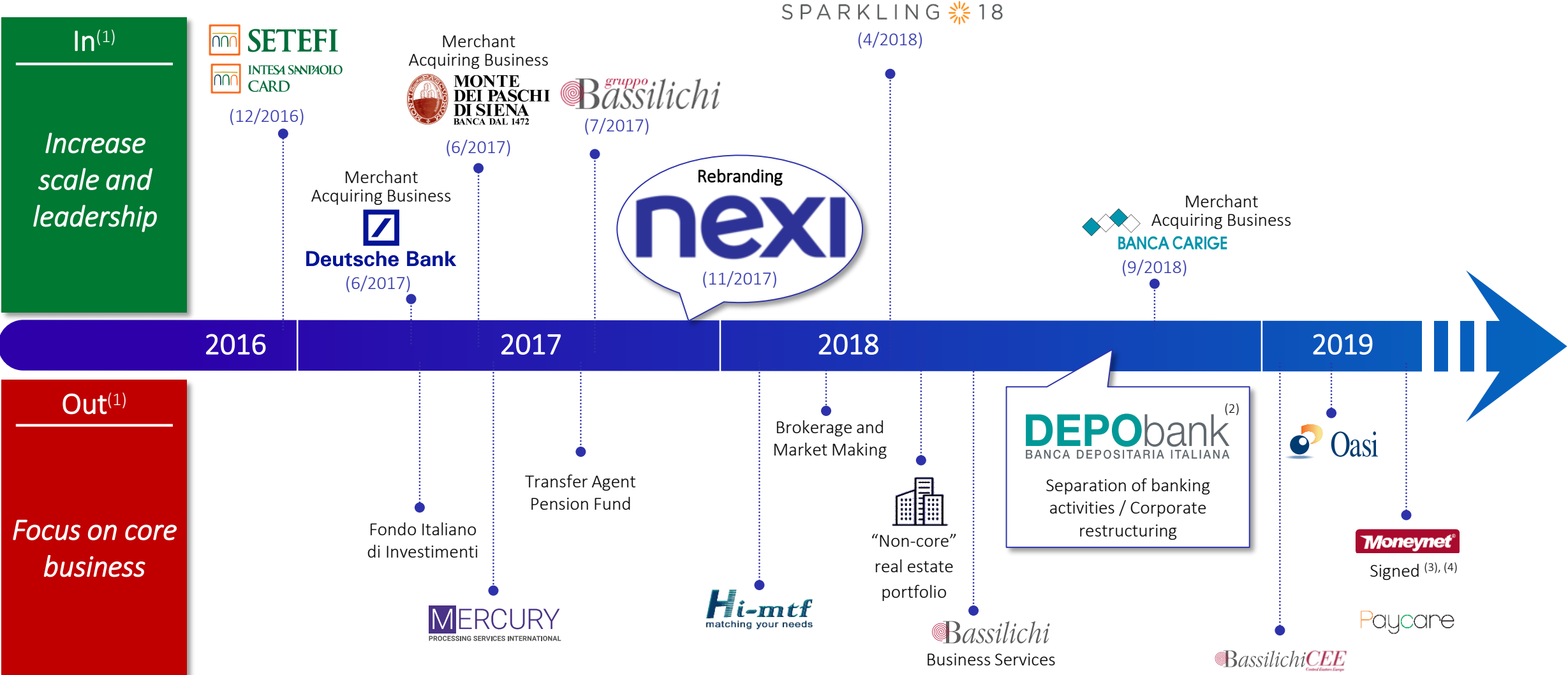
Key Guiding Principles

- Clear integrated architectural vision, detailed design and execution plan
- Gradual step-by-step evolution
- Modular approach in controllable, self-standing, value-creating deliveries
- Best-of-breed combination of components, in-house and with Partners
- Nexi IP on key differentiating components (e.g. digital front-end, API-layer, ...)
- Full Nexi control through strong competences and governance

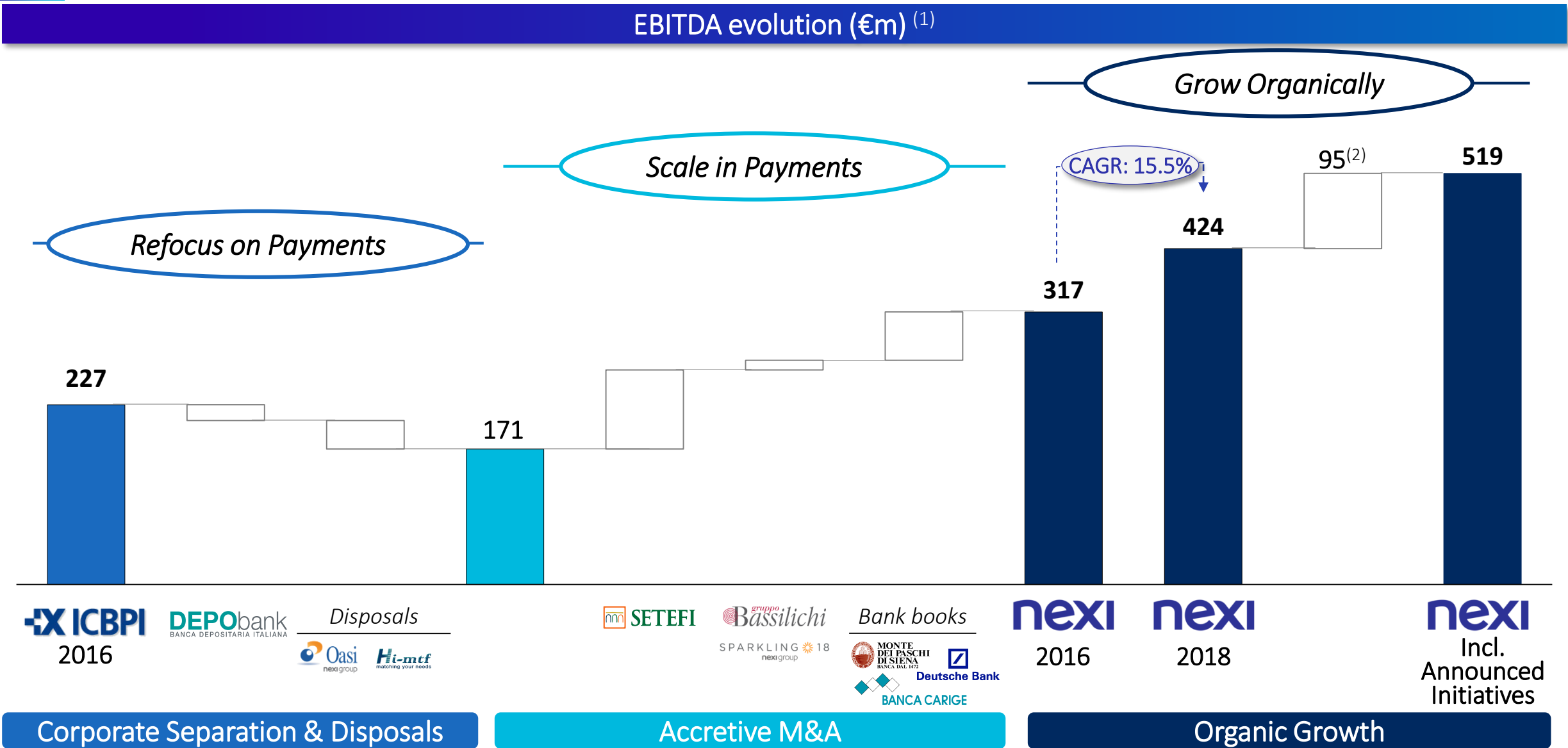
Transaction processing layer: leveraging strategic partnerships and internal capabilities

	ACTUAL	OUTLOOK
 Terminal Management POS	• Mix of internal/external GT POS capabilities	• Progressive rollout of Nexi POS TM
 Terminal Management ATM	• Group ATM platform ready and deployment started	• Progressive rollout of Nexi ATM TM
 Cards	• Mix of internal and outsourced processing technology for international cards • Nexi routing capabilities based on standard national protocols for national debit • Full internal capabilities	• Next generation solution and operating model for card platform being assessed • Deploying Nexi platform for prepaid by H1 2019
 Acquiring	• Mix of internal and outsourced processing technology • Full internal capabilities	• Next generation solution and operating model for clearing and settlement being assessed
 Payments	• Partnership with strategic providers • Connections and gateway layer owned by Nexi	• Continued gradual evolution of legacy platforms

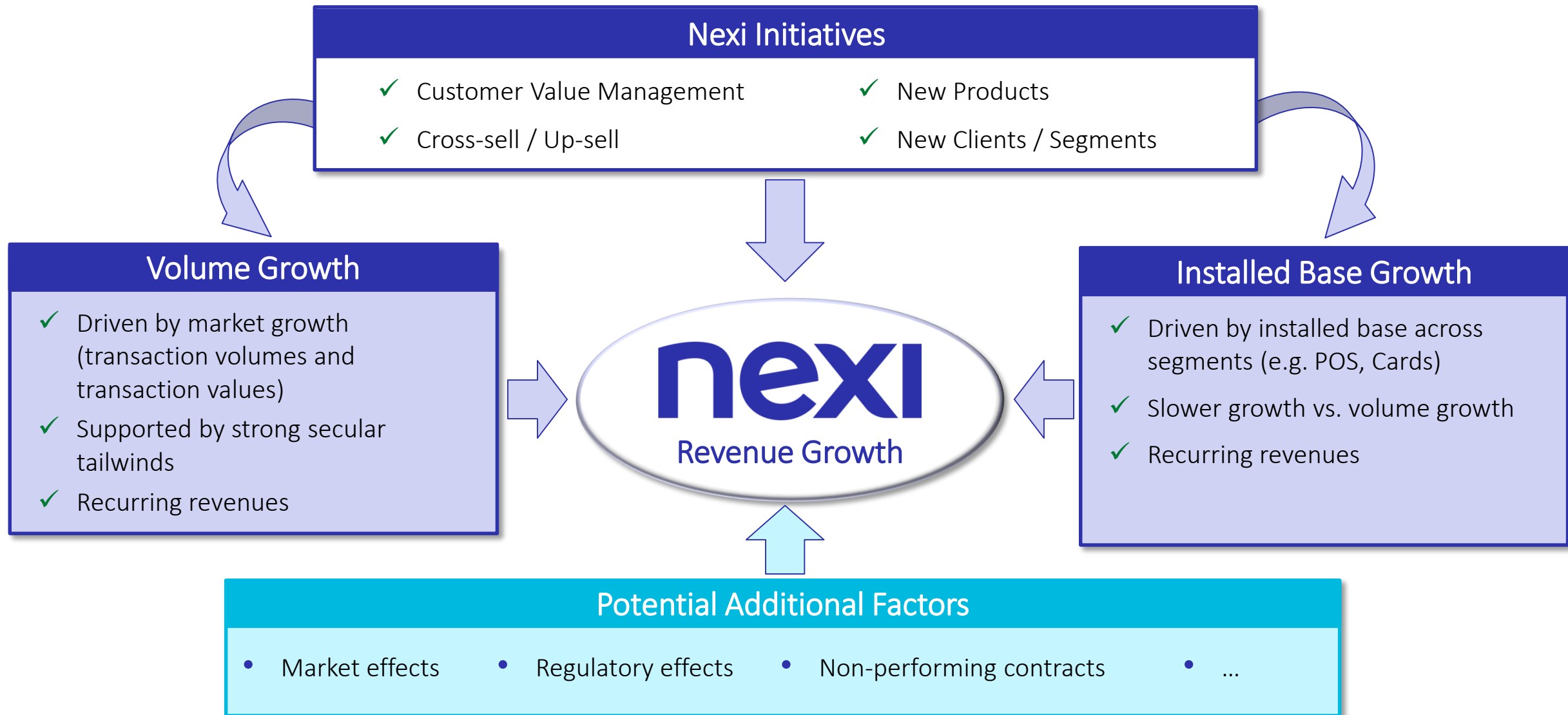
Strategic M&A and corporate restructuring core to the reshaping of Nexi as a PayTech leader



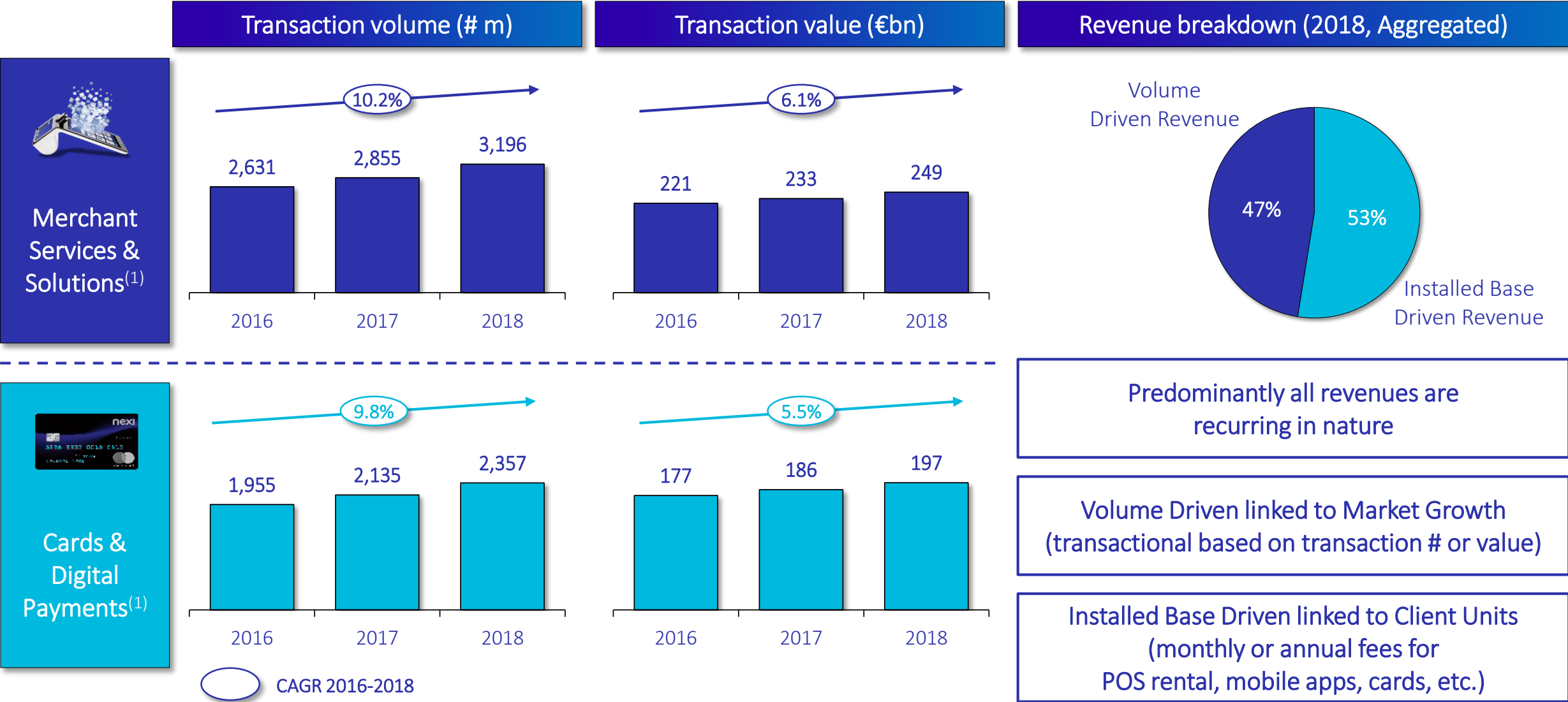
Growth driven by disciplined M&A and organic development



Nexi revenue growth drivers

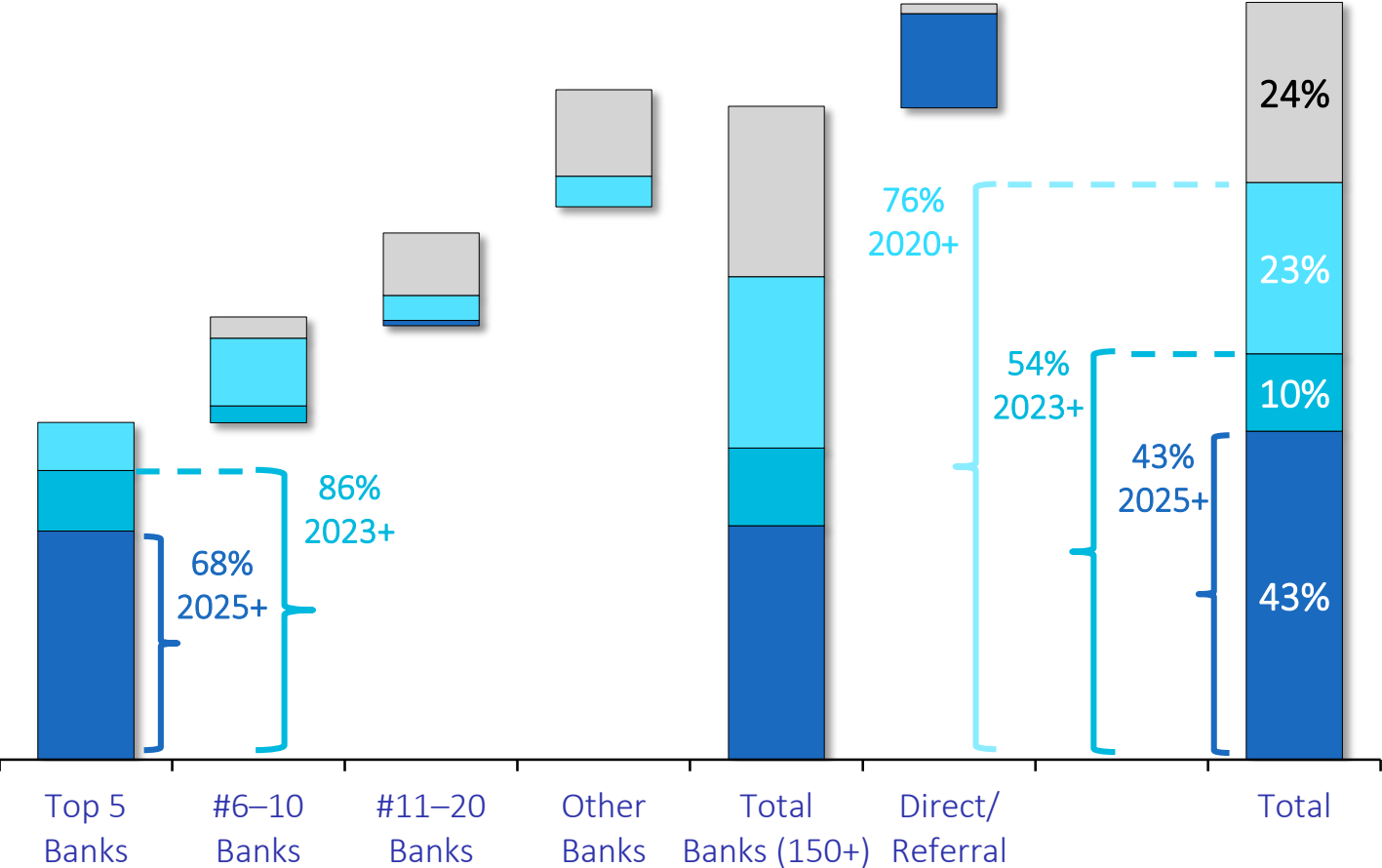


Strong evolution in our key operating KPIs



Revenues underpinned by strong bank partnerships

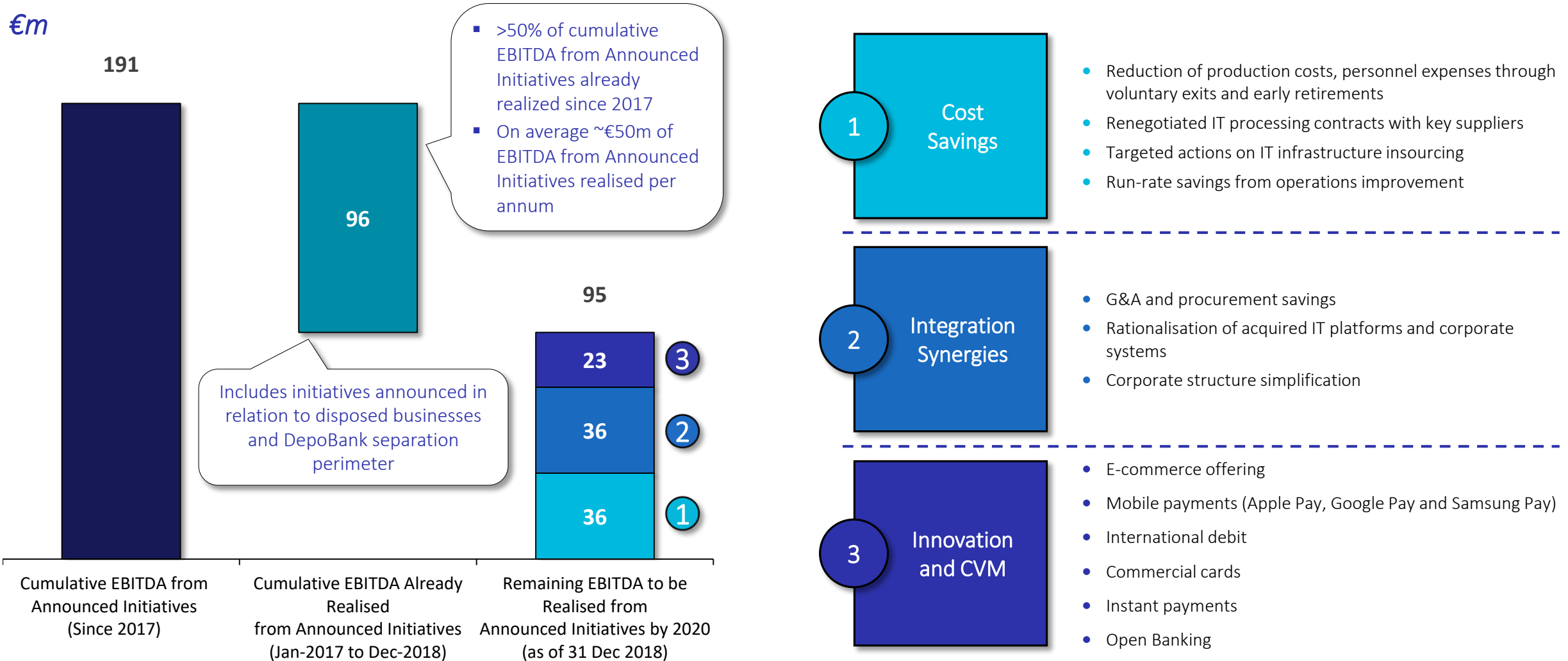
Revenues Contribution⁽¹⁾



■ Contracts with undated duration⁽²⁾ ■ Framework Agreement through 2023
■ Framework Agreement through 2020-2022 ■ Framework Agreement through 2025+

- Value-based partnerships with partner banks
- Mission critical services with high switching costs and increasing shift towards outsourcing
- Revenues for top customers continue to grow; relative contribution aligned with market
- Majority of revenues are based on large number of granular product-level contracts
- Relationships with most large banks underpinned by multi-year framework agreements
- Strong track record of contract renewals and early extension of framework agreements
- No material customer losses during the last 3 years ⁽³⁾

Established track record in delivering on Announced Initiatives



Additional upside for further cost savings and efficiencies

Cost Area	Description	2018 Cost Base (€m)
Operations	• Customer Care: Continuous improvement on self-care tools and internal processes, leveraging on digital and improving customer experience • Operations Effectiveness: End-to-end digital transformation of the main processes in the operations value chain; optimisation of production and stock management practices • Data & Analytics: Deployment of predictive tools enabled by big data analytics to further reduce frauds and increase customer satisfaction	~120
IT Costs	• IT strategy evolution: Develop a new IT architecture, with more activities and IT processes insourced and launch of next generation platforms with higher efficiency and scalability • Other IT efficiencies: Maximization of synergies related to Basilichi (ATM management) and MePs integration	~180
Other costs (G&A, HR, ...)	• HR: Continuous focus on organisation optimisation in coherence with business evolution and outsourcing / insourcing mix • Procurement: Further improve procurement processes and maintain strong control of renegotiations • G&A: automation of manual, low / non-value added activities; extend “Zero based budgeting” to all cost categories	~200

Disposal of non-core assets provided internal funding of transformation and non-recurring costs

Non-Recurring and Extraordinary Items

		2016	2017	2018
A	Non-recurring Items Affecting Reported EBITDA	50	134	131 ⁽²⁾
Transformation	• Extraordinary costs linked to transformation projects (including re-branding)	36	54	38
HR Restructuring	• Mainly Nexi in 2016 / 2017 and Bassilichi in 2018	16	51	21
M&A, Corporate Reorganisation & Other Items	• M&A-related extraordinary items, DepoBank separation ⁽¹⁾ , Bond refinancing, start-up investments (e.g. YAP)	(1)	29	72

Cumulative '16-'18 impact of non-recurring items affecting reported EBITDA

€315m

B	Extraordinary Items Below EBITDA	-	33	49
PPA	• D&A related to the acquisitions of Carige, MPS and DB books	-	33	40
Debt Pushdown	• One-off rating agencies fees as well as amortisation of the bond cost	-	-	9

Proceeds from Disposals

Disposals	EV (€m)
Fondo Italiano di Investimenti	25
 MERCURY PROCESSING SERVICES INTERNATIONAL	114
TAPF (Transfer Agent Pension Fund)	16
Brokerage and Market Making	1
 Hi-mtf matching your needs	2
 "Non-core" real estate portfolio	73
 Bassilichi Business Services	0.1
 BassilichiCEE Central Eastern Europe	1
 Oasi	149
 Moneynet ⁽³⁾	0.1
Total	381

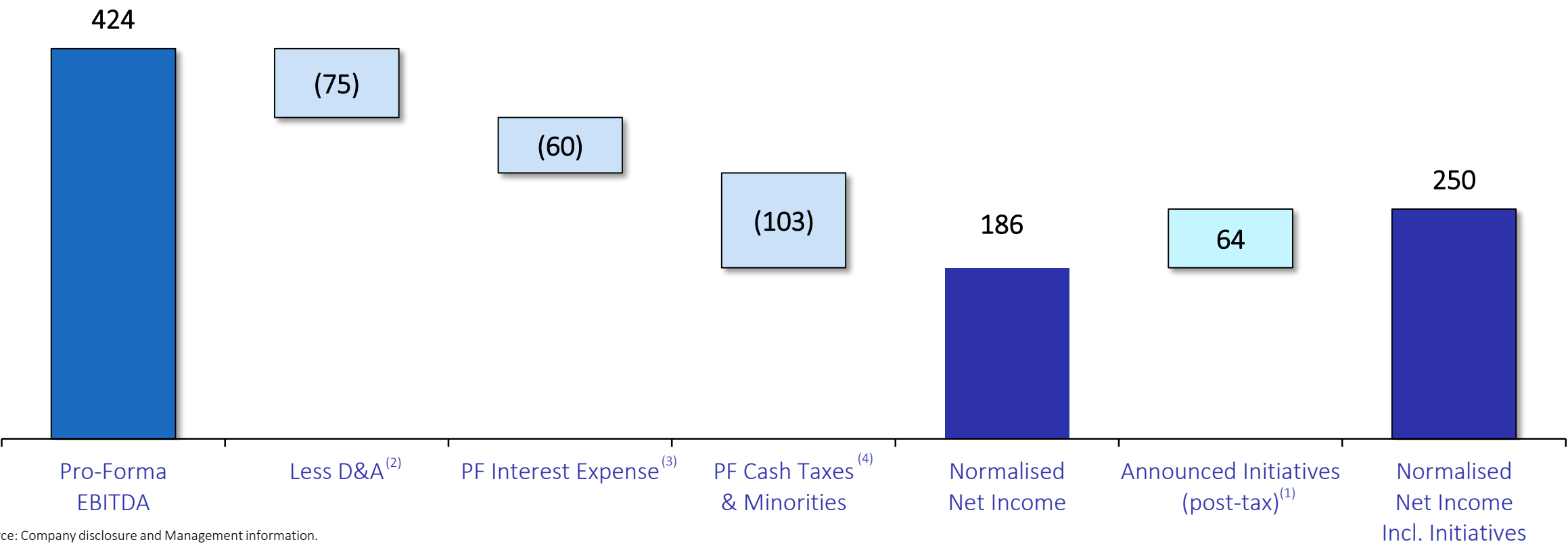
Source: Company and management information.

(1) Including transactions concerning the former ICBPI Group (former DepoBank). (2) Includes €21m capital gain from the disposal of "Banche venete" acquiring books. (3) Closing upon authorisation by Banca d'Italia.

Strong normalised net income

Bridge from Normalised Pro-Forma EBITDA to Net Income (adjusted for non-recurring items and PPA)

€m – Pro-Forma (2018)

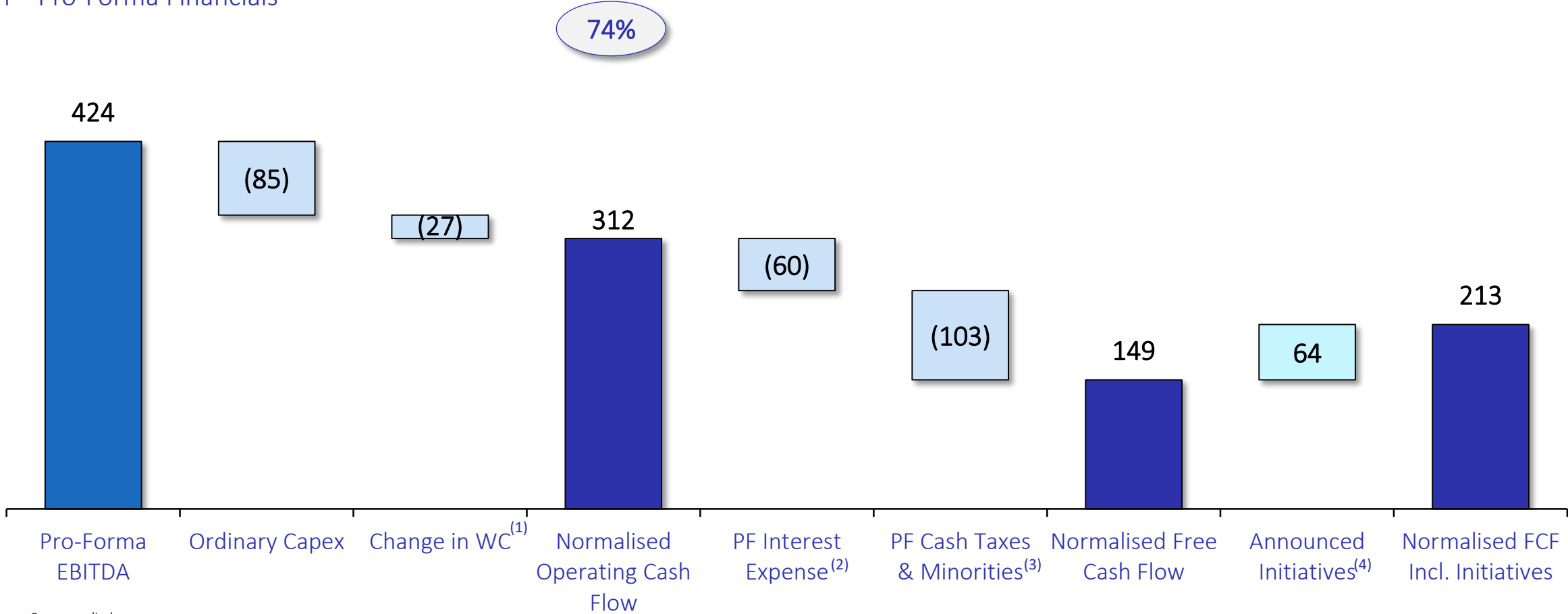


Source: Company disclosure and Management information.
(1) €95m Impact of Announced Initiatives expected to be fully realized by 2020, taxed at 27.5% IRES and 5.5% IRAP
(2) D&A: Ordinary D&A only, excludes D&A related to acquired customer contracts
(3) PF interest expense based on illustrative post-IPO PF Capital Structure and excluding debt amortization costs
(4) Cash Taxes based on illustrative post-IPO PF Capital Structure

Attractive normalised cash flow generation

Normalised Pro-Forma EBITDA to Cash Flow (2018)

€m – Pro-Forma Financials

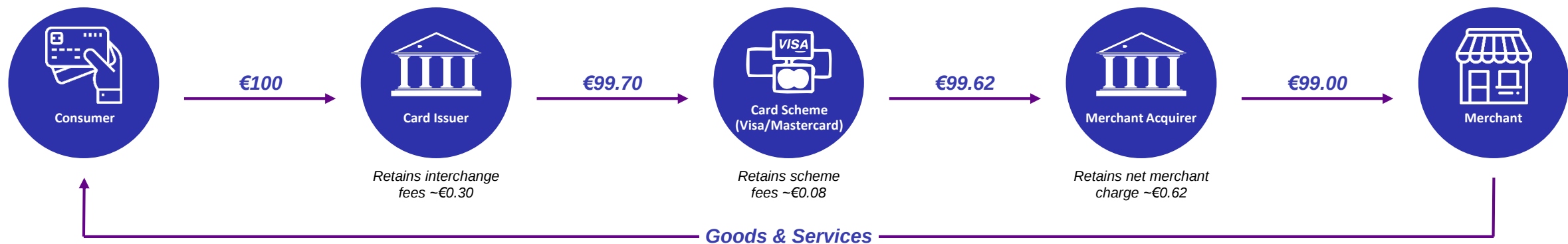


Source: Company disclosure

- (1) Based on management estimates; reflect cash in transit and fully matched settlement balances
- (2) PF interest expense based on illustrative post-IPO PF Capital Structure and excluding debt amortization costs
- (3) Cash Taxes based on PBT and illustrative post-IPO PF Capital Structure
- (4) €95m Impact of Announced Initiatives expected to be fully realized by 2020, taxed at 27.5% IRES and 5.5% IRAP

Cash Conversion as % of Pro-Forma EBITDA

Illustrative demonstration of issuing and acquiring payment flows



Consumer	▪ Makes a digital payment by presenting a payment card for its purchase at a merchant (which may be a retail outlet or online store)
Card Issuer	▪ Bank or other service provider which manages the consumer's payment card and underlying bank account or credit allowance ▪ Receives a digital request to authorize the card transaction, after verifying that the consumer has sufficient funds available
Card Scheme	▪ Passes the payment to the merchant acquirer less a scheme fee and an interchange fee payable to the card issuer
Merchant Acquirer	▪ Settles the transaction value with the merchant ▪ As compensation for its services to the merchant, it charges the merchant a gross merchandise service charge, based on a percentage of the transaction value