Intermonte

Milan, 01 August 2025

Italian Equity Research – 2Q25 Results

NEXI

OUTPERFORM

Sector: Industrials

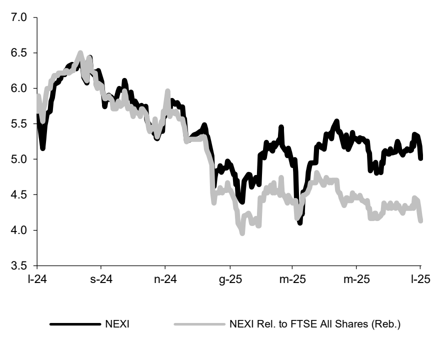
Price: Eu5.01 - **Target: Eu8.00**

Solid Cash Generation Offers Visibility on Shareholder Remuneration

Alberto Villa +39-02-77115.431
alberto.villa@intermonte.it
Antonio Gianfrancesco: +39-02-77115.634
antonio.gianfrancesco@intermonte.it

Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 7.80 to 8.00
	2025E	**2026E**	**2027E**
Chg in Adj EPS	0.2%	0.7%	1.0%

NEXI - 12M Performance



Stock Data			
Reuters code:			NEXII.MI
Bloomberg code:			NEXI IM
Performance	**1M**	**3M**	**12M**
Absolute	-1.3%	-2.6%	-11.7%
Relative	-4.2%	-11.6%	-32.7%
12M (H/L)			6.43/4.10
3M Average Volume (th):			6,826.00

Shareholder Data	
No. of Ord shares (mn):	1,230
Total no. of shares (mn):	1,174
Mkt Cap Ord (Eu mn):	6,163
Total Mkt Cap (Eu mn):	6,163
Mkt Float - Ord (Eu mn):	2,830
Mkt Float (in %):	45.9%
Main Shareholder:	
Hellman & Friedman	21.2%

Balance Sheet Data	
Book Value (Eu mn):	11,142
BVPS (Eu):	9.49
P/BV:	0.5
Net Financial Position (Eu mn):	-4,766
Enterprise Value (Eu mn):	10,647

- **2Q25 results in line - €300mn buyback almost entirely executed.** Nexi reported 2Q25 results in line with our expectations and consensus, confirming the FY25 guidance announced in February. As at 25 July, 80% of the €300mn buyback announced with FY24 results had been executed. 2Q25 revenues came to €905mn, +3% YoY (in line with consensus and our estimates). Adj. EBITDA was €482mn, +4% YoY (slightly better than our estimates and in line with consensus). The EBITDA margin was 53.3% (vs. 53.0% in 2Q24). NFP/EBITDA at 2.7x was in line with YE24 and includes the full impact of the return of capital to shareholders. This trend is in line with guidance for a ratio structurally below 2.5x. Total costs +2.3% YoY, with staff costs down 3.4%, benefiting from efficiency measures put in place last year.
- **Guidance confirmation implies softer 2H trends.** FY25 guidance for low-to-mid single-digit YoY revenue growth, at least 50bp EBITDA margin expansion and >€800mn excess cash were confirmed. This implies a similar revenue trend in 2H as witnessed in 1H (+3.3% YoY), while after the 86bp EBITDA margin expansion in 1H, guidance implies a less favourable cost comparison in 2H at +5.2% YoY, mainly in staff costs, vs. -4.4% YoY in 1H (1H24 was hit by one-off restructuring costs). All-in all, we believe that despite the easy comparison in 1H, the ~86bp margin expansion was very positive, enhancing visibility on achieving >+50bp YoY in FY25 and making delivery of 2H results visible.
- **Confidence on excess cash generation raises visibility on shareholder remuneration.** We appreciate the €407mn of excess cash generation in 1H25, which in our opinion enhances visibility on hitting FY25 guidance of >€800mn; our estimate is €813mn. Management's confidence lays the foundation for attractive shareholder remuneration (dividends + buyback), which we expect to come to ~€670mn in 2026 on FY25 results, a yield of >10% at current market prices.
- **Change in estimates: FY25/26/27 adj. EPS +0.2%/+0.7%/+1.0%.** Our FY25 estimates were already largely in line with company guidance, which was confirmed in full. For this reason, we are only fine-tuning revenue figures to include a softer YoY comparison in 2H, mainly in Issuing Solutions. On personnel expenses, while we still expect efficiency measures to be less evident in the coming quarters, we are slightly lowering our FY25 estimate after better-than-expected figures in 2Q25. As a result, our FY25 EBITDA margin estimate is currently 53.6% vs. 53.0% in FY24, ~10bp higher vs. guidance for an expansion of at least 50bp YoY in 2025.
- **OUTPERFORM confirmed; target €8.0 (from €7.8).** We believe Nexi's positive operating revenue trends, together with the cost control measures implemented, will continue to drive margin expansion. Furthermore, visibility on cash generation is high, making current multiples appealing, especially considering the attractive shareholder remuneration. We confirm our OUTPERFORM rating, with a target price of €8.0, up from €7.8 based on a DCF and peer multiple valuation. The increased TP is mainly related to the lower market ERP (from 6.00% to 5.50%). At our TP, cumulative 2026-2028 shareholder remuneration corresponds to ~25% of the current market cap or ~16% on EV.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	3,344	3,514	3,631	3,806	4,029
EBITDA Adj (Eu mn)	1,739	1,863	1,948	2,067	2,238
Net Profit Adj (Eu mn)	702	731	816	875	962
EPS New Adj (Eu)	0.535	0.594	0.695	0.746	0.820
EPS Old Adj (Eu)	0.535	0.594	0.693	0.740	0.811
DPS (Eu)	0.000	0.250	0.285	0.322	0.364
EV/EBITDA Adj	8.4	6.7	5.5	5.0	4.5
EV/EBIT Adj	11.3	9.0	7.4	6.8	6.1
P/E Adj	9.4	8.4	7.2	6.7	6.1
Div. Yield	0.0%	5.0%	5.7%	6.4%	7.3%
Net Debt/EBITDA Adj	3.0	2.7	2.4	2.2	1.9

Intermonte

IMPORTANT DISCLOSURES

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.
This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.
The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.
This disclaimer is constantly updated on Intermonte's website www.intermonte.it under LEGAL NOTICES. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the web page CUSTOMER AREA.
Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.
The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities. Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.
The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Plural Securities LLC, 950 3rd Avenue, Suite 1702, NY 10022, USA.

GUIDE TO FUNDAMENTAL RESEARCH

The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (**DCF**) model or similar methods such as a dividend discount model (**DDM**)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.
Frequency of research: quarterly.
Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.
A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.
Explanation of our ratings system:
BUY: stock expected to outperform the market by over 25% over a 12 month period;
OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;
NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period;
UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;
SELL: stock expected to underperform the market by over 25% over a 12 month period.
Prices: The prices reported in the research refer to the price at the close of the previous day of trading

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.
As at 1 August 2025 Intermonte's Research Department covered 134 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.84%
OUTPERFORM:	37.31%
NEUTRAL:	29.85%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (79 in total) is as follows:

BUY:	53.16%
OUTPERFORM:	29.11%
NEUTRAL:	17.73%
UNDERPERFORM:	00.00%
SELL:	00.00%

CONFLICT OF INTEREST

In order to disclose its possible conflicts of interest Intermonte SIM states that:
Intermonte SIM S.p.A. operates or has operated in the last 12 months as the person in charge of carrying out the share buyback plan approved by the shareholders' meeting of ABITARE IN, ANIMA HOLDING, AZIMUT, CIVITANAVI SYSTEMS, EL.EN., ELICA, INTRED, PHARMANUTRA, SERVIZI ITALIA, SESA, STAR7, TMP GROUP, UNIDATA, VALSOIA, WEBUILD
Intermonte SIM S.p.A. provides or has provided corporate brokerage services to ALLCORE, ALMAWAVE, ANTARES VISION, AQUAFIL, AVIO, CASTA DIVA GROUP, CUBE LABS, CY4GATE, CYBEROO, DIGITOUCH, DOMINION HOSTING HOLDING, ELICA, ESPRINET, EVISO, EXECUS, FINE FOODS & PHARMACEUTICALS NTM, FNM, FRANCHI UMBERTO MARMI, G.M. LEATHER, GPI, GREEN OLEO, GREENTHESIS, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTRED, ISCC FINTECH, ITALIAN EXHIBITION GROUP, LEMON SISTEMI, LUVE, MAPS, MARE ENGINEERING GROUP, NEODECORTECH, NOTORIOUS PICTURES, PREATONI GROUP, REDFISH LONGTERM CAPITAL, REVO INSURANCE, REWAY GROUP, SERI INDUSTRIAL, SPINDOX, STAR7, TALEA GROUP, ULISSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA **in the last 12 months**
Intermonte SIM S.p.A. operates or has operated in the last 12 months as Financial Content Provider on the company ALLCORE, ALMAWAVE, B&C SPEAKERS, BANCA SISTEMA, BIFIRE, CASTA DIVA GROUP, CLEANBNB, COFLE, CROWDFUNDME, CUBE LABS, DIGITOUCH, DOMINION HOSTING HOLDING, ECOSUNTEK, EDILIZIACROBATICA, ELES, ENERGY, EVISO, EXECUS, FAE TECHNOLOGY, FIERA MILANO, FOPE, G.M. LEATHER, GREEN OLEO, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTERCOS, INTRED, ISCC FINTECH, LEMON SISTEMI, MAPS, MARE ENGINEERING GROUP, MASI AGRICOLA, MISITANO & STRACUZZI SPA, NEODECORTECH, NOTORIOUS PICTURES, OLIDATA, OSAI AUTOMATION SYSTEM, PREATONI GROUP, RACING FORCE, REDFISH LONGTERM CAPITAL, RETI, SCIUKER FRAMES, SG COMPANY, SIMONE, SOLID WORLD GROUP, SPINDOX, TALEA GROUP, TAMBURI, TINEXTA, TMP GROUP, TPS, ULISSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA
Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of intermediary appointed in the public purchase and/or exchange offer transaction of MARE ENGINEERING GROUP, TINEXTA
Intermonte SIM S.p.A. operates or has operated in the last 12 months as liquidity provider of BANCA SISTEMA, Zest Group SpA
Intermonte SIM is acting as counterparty to WIIT Fin S.r.l. in connection with call and put options having WIIT S.p.A. shares and dividends as reference underlying.Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of financial advisor for AQUAFIL, BANCA GENERALI, BANCA IFIS, BANCO BPM, MARE ENGINEERING GROUP, TINEXTA
Intermonte SIM S.p.A. operates or has operated in the last 12 months as market maker on financial instruments with underlying shares issued by A2A, AMPLIFON, AZIMUT, BANCA IFIS, BANCA MEDIOLANUM, BANCO BPM, BCA MPS, BCA POP SONDRIO, BFF BANK, Bper Banca, BREMBO, BUZZI, CAMPARI, DANIELI & C, DIASORIN, ENEL, ENI, ERG, FERRARI, FINECOBANK, INDUSTRIE DE NORA, INTERPUMP GROUP, INTESA SANPAOLO, INWIT, IREN, ITALGAS, IVECO GROUP, LEONARDO, LOTTOMATICA GROUP, MEDIOBANCA, MFE B, MONCLER, MONDADORI EDIT., NEXI, OVS, PIRELLI & C, POSTE ITALIANE, PRYSMIAN, SAIPEM, SESA, SNAM S.p.A., STELLANTIS, STMICROELECTRONICS, TECHNOGYM, TECHNOPROBE, TELECOM ITALIA, TELECOM ITALIA R, TENARIS, TERNA, UNICREDIT, UNIPOL, WEBUILD
Intermonte Sim S.p.A. has or had in the last 12 months a marketing contract on instruments issued by BARCLAYS, BNP PARIBAS, GOLDMAN SACHS GROUP INC, LEONTEQ, MAREX FINANCIAL, MEDIOBANCA, MORGAN STANLEY, NATIXIS, SOCIETE GENERALE, UNICREDIT, VONTOBEL N, WISDOMTREE IRELAND LIMITED
Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of specialist on financial instruments issued by ABITARE IN, ALKEMY, BANCA IFIS, BANCA SISTEMA, CIVITANAVI SYSTEMS, COFLE, CYBEROO, DIGITOUCH, ECOSUNTEK, EL.EN., EMAK, ENERGY, GREEN OLEO, GREENTHESIS, MISITANO & STRACUZZI SPA, MONDADORI EDIT., OLIDATA, OMER, PHARMANUTRA, QF ALPHA IMM, REPLY, SERVIZI ITALIA, SESA, SG COMPANY, SOMEC, SYS-DAT, TAMBURI, TESMEC, THE ITALIAN SEA GROUP, TINEXTA, TMP GROUP, TXT E-SOLUTIONS, UNIDATA, WIIT **with the obligation to disseminate studies**
Intermonte SIM S.p.A. plays or has played in the last 12 months the role of sponsor for UNIDATA S.p.A.

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website https://www.intermonte.it/it/avvertenze-legali/mifid-ii.html
Further information is available.