

## SIA: CONSOLIDATED FINANCIAL RESULTS AT 30 SEPTEMBER 2021 APPROVED

### Strong growth in revenues and EBITDA

- **Revenues of €589.1 million (+12% YoY)**
- **EBITDA of €237.3 million (+21.7% YoY)**
- **Issuing and acquiring transaction volumes back to pre-Covid growth levels**
- **In the third quarter of 2021 revenues of €207.5 million (+9% YoY) and EBITDA of €91.6 million (+12% YoY), confirming the growth trend of the volumes processed**
- **Rapid increase of volumes in Q3 2021 following gradual easing of restrictions: in September +22% YoY, and +17% compared to the same month in 2019**
- **Guidance 2021: expected growth in revenues in the year of around +10% and EBITDA of around +15%.**

Milan, 10<sup>th</sup> November 2021 – SIA's Board of Directors, meeting under the **chairmanship of Federico Lovadina**, approved the consolidated financial results at 30 September 2021, **which showed strong growth compared to the first nine months of 2020.**

### CONSOLIDATED FINANCIAL RESULTS AT 30 SEPTEMBER 2021

€M	9M 2021	9M 2020	9M 2021 vs 9M 2020
Card & Merchant Solutions	401.2	355.9	12.7%
Digital Payments Solutions	118.9	105.0	13.2%
Capital Market & Network Solutions	69.0	64.9	6.3%
<b>Total Revenues</b>	<b>589.1</b>	<b>525.8</b>	<b>12.0%</b>
Personnel Costs	163.7	150.3	8.9%
Operating Costs	188.1	180.6	4.1%
<b>Total Costs</b>	<b>351.8</b>	<b>330.9</b>	<b>6.3%</b>
<b>EBITDA</b>	<b>237.3</b>	<b>194.9</b>	<b>21.7%</b>

In the first nine months of 2021, SIA Group reported **revenues of €589.1 million**, up 12% YoY, entirely on an organic basis. Revenues maintained a geographical diversification in line with 2020 (**approximately 70% in Italy and 30% abroad**). In the third quarter of 2021, SIA Group revenues amounted to €207.5 million (+9%) compared to the same period last year.

**EBITDA amounted to €237.3 million**, up 21.7% on the same period last year, with an **EBITDA margin of 40%**, up 3% compared to the level recorded in the third quarter of 2020, driven by payment transaction volumes returning to pre-Covid 19 growth levels. In the third quarter of 2021, the SIA Group reported EBITDA of €91.6 million, up 12% on the same quarter of the previous year.

At the level of the market segments in which SIA Group operates, the following results were obtained in the first nine months of the year:

- **Card & Merchant Solutions**, representing 68% of the total revenues generated by the Group - split approximately between activities linked to issuing (63%) and acquiring (37%) services – recorded revenues of €401.2 million, up 12.7% on the same period of 2020. In the first nine months of this year, the segment benefited from a significant growth in revenues mainly related to issuing (+16% YoY) and acquiring (+11% YoY) transactions, thanks to the positive trend in volumes and new customers becoming fully operational;
- **Digital Payments Solutions**, representing 20% of the Group's total revenues, recorded revenues of €118.9 million, up 13.2% on the same period of 2020. The segment was positively impacted by the performance of revenues from volumes processed in particular in Clearing and Gateway services (+13% YoY) and the development of projects in the Clearing and Public Sector areas;
- **Capital Market & Network Solutions**, representing 12% of the Group's total revenues, reported revenues of €69 million, up 6.3% on the same period of 2020, due to growth in Network Services volumes (+22% YoY).

In the first nine months of 2021, **costs** amounted to €351.8 million, an increase of 6.3% compared to the same period in 2020 which already included some measures for reduction of non-recurring costs due to the Covid emergency. This rise is due to higher personnel costs (+8.9% YoY) incurred for organic growth and higher operating costs (+4.1% YoY) related to the increase in business activities.

As of 30 September 2021, **Net Financial Debt** amounted to €819 million compared to €910.4 million as of 30 June 2021. The net debt/EBITDA ratio as of September 2021 was 2.5x, down from 2.9x in the previous quarter.

SIA has shown a **high degree of resilience in its business model** and its **ability to seize the positive trends in the payments segment** as well as to **initiate and complete new partnerships with banks and major corporates**, despite the current ever-changing scenario and the inevitable uncertainty surrounding the speed of recovery.

Assuming no major new restrictions in the geographic areas in which it operates occur, **SIA expects to achieve a growth in revenues of approximately +10% YoY and an increase in EBITDA of approximately +15% YoY by year-end 2021.**

## **BUSINESS EVENTS AND INITIATIVES STARTED UP IN THE THIRD QUARTER OF 2021**

### **Corporate events**

On 30 September - implementing the resolutions passed by the SIA and SIA Advisor Board Meetings on 21 June 2021 - **the merger by incorporation of SIA Advisor into SIA** was signed. The deal forms part of the wider process of rationalization and reorganization of the companies in the SIA Group.

### **Business Events**

SIA has become part of Fin+Tech, the Accelerator dedicated to fintech and insurtech startups of the CDP National Accelerators Network, born out of an initiative of CDP Venture Capital together with Digital Magics, Startupbootcamp and Fintech District, and whose institutional partners include Consob, through its Consob Tech working group.

The three-year project will see startups collaborating with leading companies in the financial and insurance sectors, with the dual aim of developing and perfecting the startups' solutions and accelerating the digital transformation of the companies.

SIA, co-investor and corporate partner of the project since its conception, will provide its support to the program and to the startups through its expertise, technology and strong position in the field of open innovation.

#### *Card & Merchant Solutions*

BAWAG P.S.K., one of Austria's largest banks, has entrusted SIA with the management and processing of credit and prepaid cards issued by BAWAG P.S.K., easybank and PayLife.

#### *Digital Payment Solutions*

SIA has been chosen by Banking Circle, a new Luxembourg-based bank, for the launch in Europe of its new instant payment service connecting to Eurosystem's TARGET Instant Payment Settlement (TIPS).

Payments Canada announced the go-live of the first release of Lynx, the new national high-value payment system created by SIA which represents a key part of the multi-year initiative undertaken by Payments Canada to modernize and transform the national payments ecosystem. This is the first-ever project for SIA in North America, confirming our role as a technology partner to the banking and financial communities.

#### *Capital Market & Network Solutions*

CBI, the collaborative hub for technological innovation and digitalization of the financial industry, has entrusted Nexi and SIA to redesign the technology architecture interconnecting all banks and CBI's Payment Service Provider (PSP) clients. The new architecture, called CBI Hub Cloud, will enable the migration of CBI infrastructures to a private, dedicated Cloud technology, based on the CBI Globe open banking platform.

**SIGNIFICANT EVENTS OCCURRING AFTER THE CLOSE OF THE QUARTER**

On 14 October, **the Italian Antitrust Authority (AGCM) issued a conditional authorization for the merger by incorporation of SIA S.p.A. into Nexi S.p.A.** This authorization follows those already obtained from the respective authorities in Poland, Austria and Germany. As far as the card processing of the PagoBANCOMAT Circuit and non-SEPA clearing markets - identified as domestic - are concerned, the Authority ordered specific remedies, of a behavioral nature in the first case and of a structural nature in the second, which will be implemented within the timeframe agreed. With the authorization obtained, the process towards the merger continues and will be completed as soon as possible while taking into account the necessary technical and authorization fulfilments, including authorizations from the German regulatory authority and those from the Danish authority for the investment sector, as well as from Consob, the Italian National Commission for Companies and the Stock Exchange.

On 28 October, **ASCAI** (Association for the development of corporate communication in Italy) **awarded SIA the prize for its digital radio "SIA on-air"** as the best corporate publication in a competition which saw the participation of forty leading Italian companies operating in twenty different sectors. The "Best Radio" award was assigned by a jury of qualified professionals for having fully succeeded in bringing the Group's employees together during the long period in which they worked from home, achieving service and engagement objectives while ensuring great quality.

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## **GLOSSARY OF PERFORMANCE INDICATORS**

In order to allow for better evaluation of the performance of its business management and financial and capital situation, SIA Group uses the following performance indicators:

- **EBITDA**, obtained by adjusting the profit for the period for income taxes, financial income and expense, income and expense on equity investments, the result of the management and trading of financial assets and liabilities, depreciation and amortization and non-recurring incomes and charges;
- **Revenues** include revenues and other incomes and are calculated net of commission fees in connection with payment services and non-recurring incomes and charges;
- **Costs** are calculated net of commission fees for payment services, reclassified as a reduction of related revenues, and non-recurring incomes and charges;
- **Net Financial Debt** represents an indicator of the financial structure and is calculated as financial debt net of cash and cash equivalents, as well as financial assets and short-term financial receivables.

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**SIA** - a subsidiary of CDP Equity - is European leader in the design, creation and management of technology infrastructures and services for Financial Institutions, Central Banks, Corporates and the Public Sector, in the areas of Card & Merchant Solutions, Digital Payment Solutions and Capital Market & Network Solutions. SIA Group provides its services in over 50 countries, and also operates through its subsidiaries and branches in Austria, Belgium, Croatia, Czech Republic, Germany, Greece, Hungary, the Netherlands, Romania, Serbia, Slovakia, and South Africa. The company also has a representation office in Poland.

For more information: [www.sia.eu/en](http://www.sia.eu/en)

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