

Mooney Q3 2021 Results Presentation

Ended September 30th, 2021

November 30th, 2021

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Speakers

mooney

Q3 2021 results



Emilio Petrone
CEO



Marco Davide Festari
CFO

Agenda

01 / Italy Macroeconomics

02 / Executive Summary

03 / Key initiatives

04 / Q3 2021 Financial Results

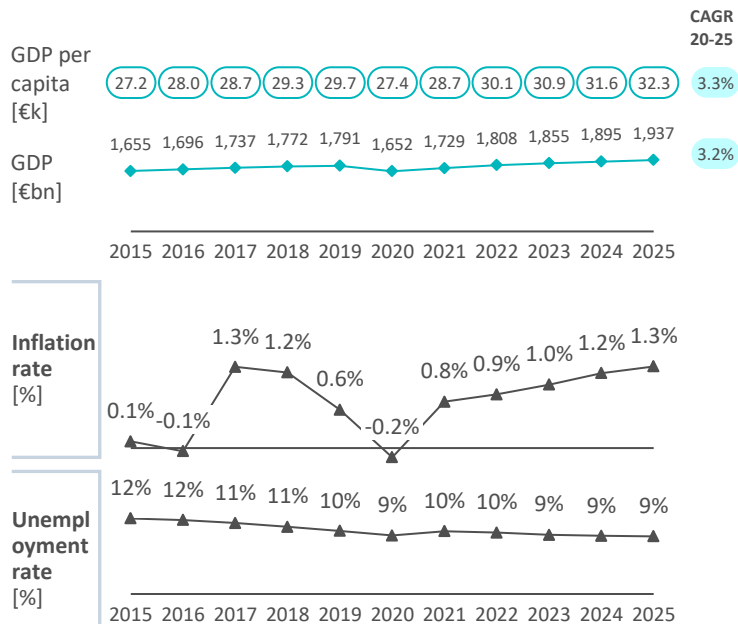
05 / Q&A

› Italy Macroeconomics

01

After Covid-19, the Italian economy shows a positive outlook for '20-'25, with Italian GDP recovering faster than its EU peers and expected to go back to pre-Covid levels by 2022

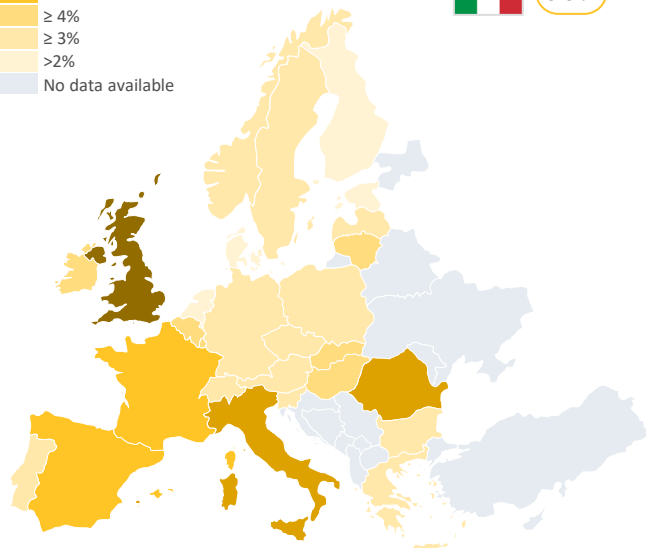
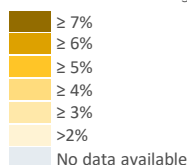
Key macroeconomics [2015-2025]



Source: Statista, Euromonitor, OECD Economic Surveys, IMF 1) Euro Area (17 Countries)

GDP 2021 forecast Eurozone

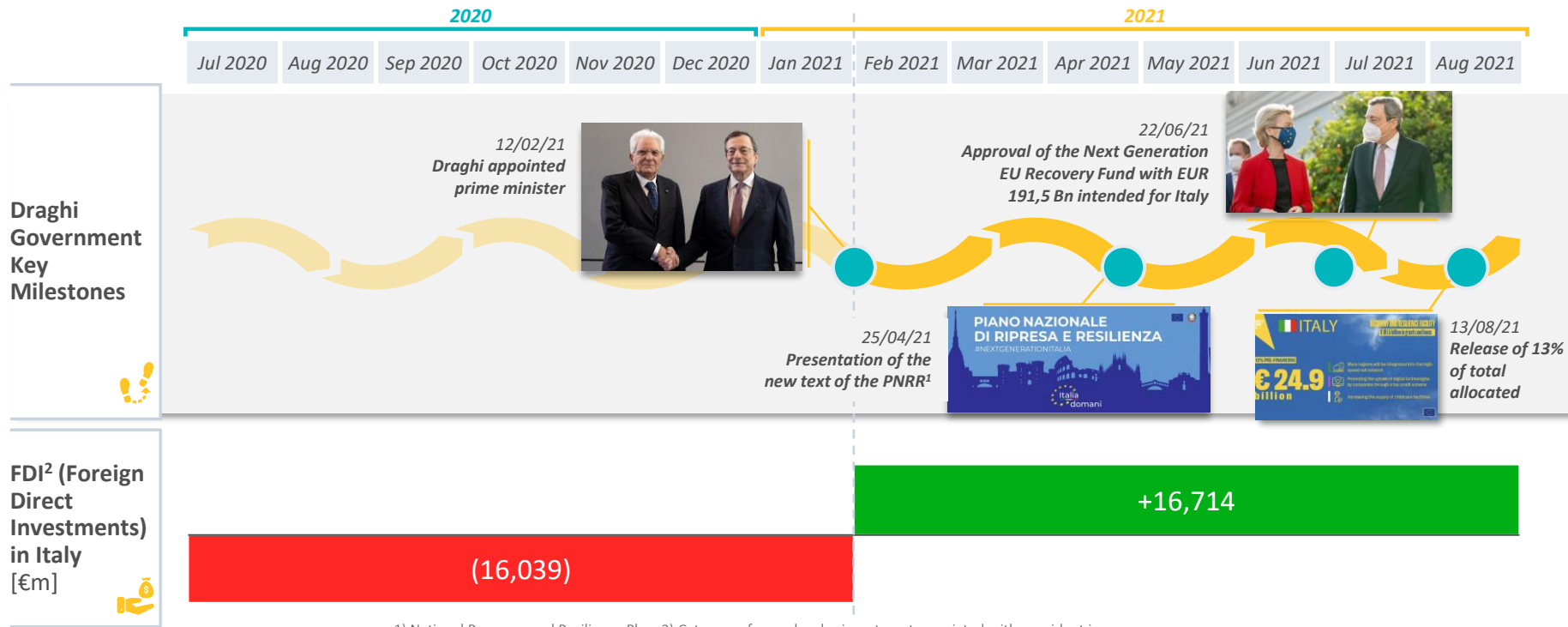
% GDP Growth 2021 Legend



Key Highlights

- Italian economy showing a **positive outlook** for the 2021-2025 period, as highlighted by **main macroeconomic indicators**:
 - GDP expected to grow **6.0%** in 2021
 - Inflation rate expected to **stabilize at 1.3%**
 - Unemployment rate expected to **keep decreasing**, reaching 9% in 2025

Positive GDP growth, Draghi government and Recovery Plan are increasing confidence towards Italy, as shown by the positive trend in Foreign Direct Investments

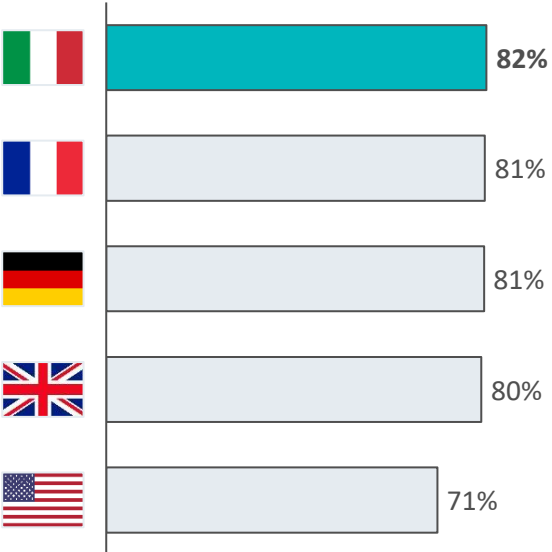


Source: Trading Economics, Bank of Italy, Desk Research

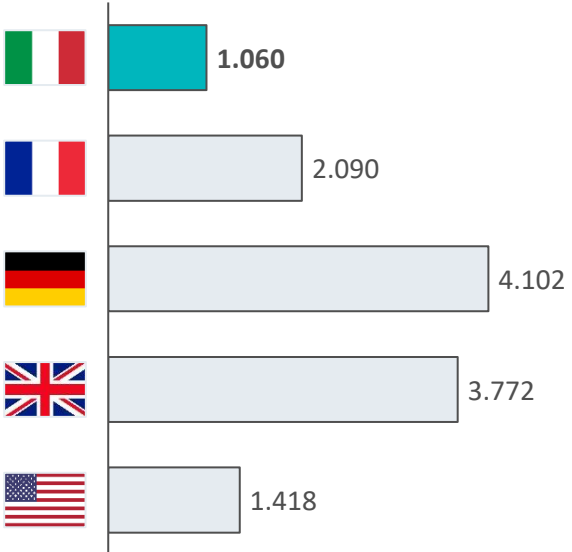
1) National Recovery and Resilience Plan; 2) Category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy.

Thanks to its vaccination campaign effectiveness, Italy is experiencing fewer Covid-19 new cases and deaths

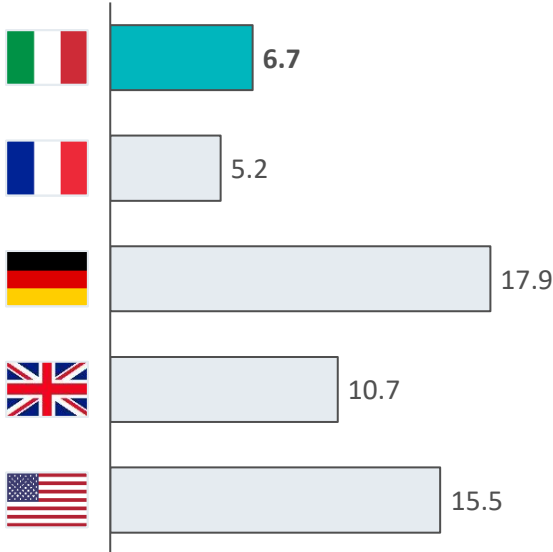
Vaccine status [Nov. 25th, 2021; % of adult population]



Confirmed cases [Nov. 26th, 2021, last 7 days; per 1m population]



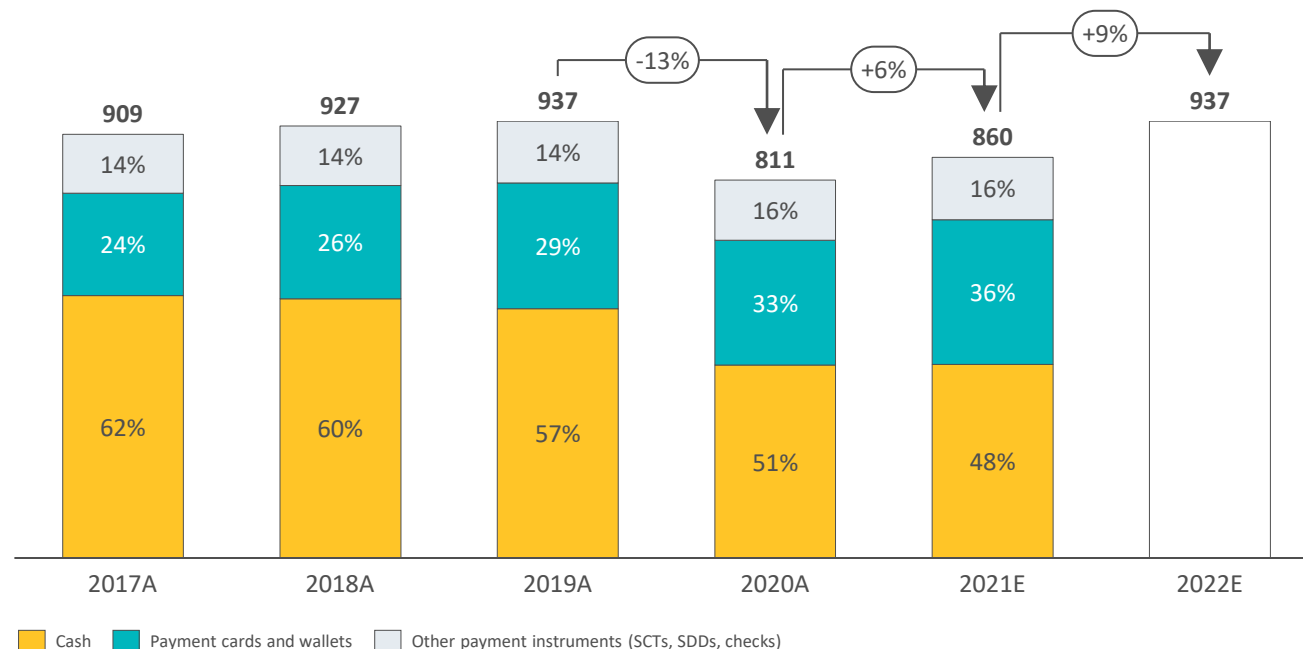
Deaths [Nov. 26th, 2021, last 7 days; per 1m population]



Source: Johns Hopkins University (CSSE); World Bank; Insee; European Centre for Disease Prevention and Control

Italian consumer payments market expected to fully recover by 2022

Italian payments market [2017-2022; €bn]



Source: company analysis based on Politecnico di Milano reports (I pagamenti digitali in Italia (2021), Il mercato dei pagamenti consumer in Italia (2021))

Key Highlights

- **Cash still preferred payment method, yet incidence permanently reduced** by 2020 Covid-19 crisis
- **Payment cards accelerating** driven by **government incentives** and **cashless plan**, increasing e/m-commerce penetration, contactless and innovative payments (e.g., mobile and wearable payments)
- **Incidence of other payment instruments** expected to marginally increase vs. 2019, mainly driven by **increase of online SCTs**

> Executive Summary

02

Executive summary – Key Messages

Solid growth performance confirmed despite Covid-19

- **Q3 2021: Revenues +14% and EBITDA +20% vs. PY**
- **Growth driven by positive performance of all key segments**
- **Performance reached despite Covid-19 impact**

Shift towards Digital/ Cashless continues

- **Digital/ Cashless Net Revenues +52% vs. PY**
- **Digital/ Cashless share reached 50% of B2C Net Revenues**
- **Growth mostly driven by success of new Digital businesses: Cards and Mobility, growing triple digit**

Executive summary

Results Highlights









- › Despite Covid-19 restrictions, **Mooney delivered a very strong performance in Q3 2021 YTD vs. PY:**
Revenues were up **14%**, with **positive contribution from all business lines**, while **EBITDA was up 20%**
- › **Q3 Turnover** reached **€11.3bn, +9% or +€0.9bn vs. PY**
- › **Q3 Revenues** reached **€258.5m, +14% or +€31.9m vs. PY:**
 - **B2C Revenues: 14% vs. PY:**
 - **Payments** (+2% vs. 2020) growing thanks both to distribution actions implemented in 2020 and lower Covid-19 restrictions vs. PY
 - Strong performance of **Cards** (+104% vs. 2020), boosted by Mooney Card volumes
 - Excellent growth of **Banking Services** (+69% vs. 2020) mainly thanks to distribution expansion and strong salesforce efforts
 - Exceptional grow of **Mobility business** (+483% vs. 2020), starting to recover from strong Covid-19 impact on mobility market
 - **B2B Revenues: +13% vs. PY** thanks to strong salesforce activity through the “New Clients Opening Boost Plan”
- › **Q3 EBITDA** reached **€69.1m, +20% or +€11.6m vs. PY**
- › **2021 LTM EBITDA** at **€93.4m, +20% or +€14.4m vs. PY**

Key Initiatives

03

In Q3 we executed several successful initiatives

Focus next slides

	Integration Plan execution	<ul style="list-style-type: none">› Execution ahead of plan and expected to be completed by Q4 2021› Exceeded 2021 synergies target	1
	Payments	<ul style="list-style-type: none">› Further grew PA payments, enlarging offer and distribution› Developed an API platform for distributing services on 3rd parties	2
	Banking Services development	<ul style="list-style-type: none">› Boosted Banking Services Revenues through the expansion on ex-Sisal network› Broaden our partners portfolio to have the most complete Banking Services offer on the Proximity channel	3
	Mooney card development	<ul style="list-style-type: none">› Further expanded our customer base and distribution› Built infrastructure for new Co-branded cards programs	4
	Digital offer expansion	<ul style="list-style-type: none">› Improved visibility to become a top-player in the digital acquisition arena	5
	Mobility	<ul style="list-style-type: none">› Boosted Customer base growth via mobility offer and partnerships enlargement› On track go-to-market plan. Timely EETS accreditation by Ministry of Transportation	6
	Merchant services	<p>Leveraged our long-established partnership with merchants to:</p> <ul style="list-style-type: none">› Boost new openings, bringing back our PoS network to the pre-Covid-19 level› Deliver a strong revenues growth, despite Covid-19 outbreak	7
	ESG Strategic plan	<ul style="list-style-type: none">› Identified sustainability pillars and defined medium and long-term objectives, integrated into the 2021-2025 Business Plan	8

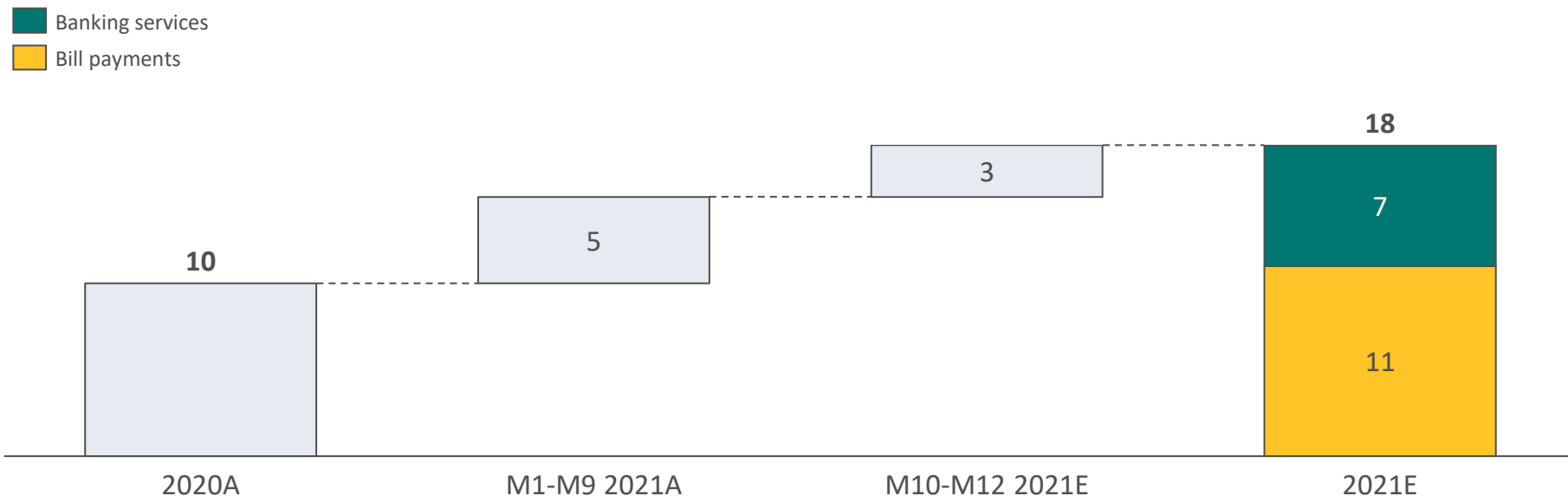
1 Key Initiatives: Integration Plan Execution

Execution of key Integration/ Segregation Projects ahead of plan and expected to be completed by Q4 2021

Key Projects (selection)	Description	Due Date	Status
1 Data Center – Data Center set-up	<i>Finalized the set-up of Mooney own Data Center and initialized segregation from Sisal Gaming</i>	November 2020	✓ Completed
2 New HR Platform – Phase 1	<i>Launched new online platform for employees to manage payroll, attendance and expense reports</i>	January 2021	✓ Completed
3 SDD Segregation	<i>Made receivable collection independent from Sisal Gaming for the first time, thanks to joint work between AFC, Sales and Operations</i>	March 2021	✓ Completed
4 Central IT System Segregation (SAP, CRM, ERP, ESB, BI)	<i>Segregation of the IT system to become independent from Sisal Gaming</i>	Q2 2021	✓ Completed
5 New Merchant App	<i>Launch of the new app for merchants for: training, information about services provided, accounting info, etc.</i>	Q2-Q3 2021	✓ Completed
6 New HR Platform – Phase 2	<i>Launch of updates on the HR platform mainly related to performance management</i>	Q3 2021	✓ Completed (new)
7 Connectivity/ TLC Segregation	<i>Provide TLC technology to PoS independently from Sisal Gaming</i>	Q4 2021	✓ Completed (new)
8 Data Center – Full Segregation	<i>Conclusion of SisalPay Data Center segregation</i>	Q4 2021	✓ Completed (new)

We expect to exceed 2021 synergies target by approx. €1m, reaching €18m of total value generated

Synergies execution [2020-2021; €m, cumulated]



Mooney confirmed its leadership in PagoPA, benefitting from offering and distribution channels enlargement

Top-10 Payment Service Providers by volume of PagoPA transactions [Nov. 28th, 2021 YTD]

Market share [%]

19%

15%

12%

10%

9%

7%

4%

2%

1%

1%

Transactions [#m]

28.8

22.5

18.8

15.0

14.2

10.1

5.6

3.6

2.0

1.9



Player #2

Player #3

Player #4

Player #5

Player #6

Player #7

Player #8

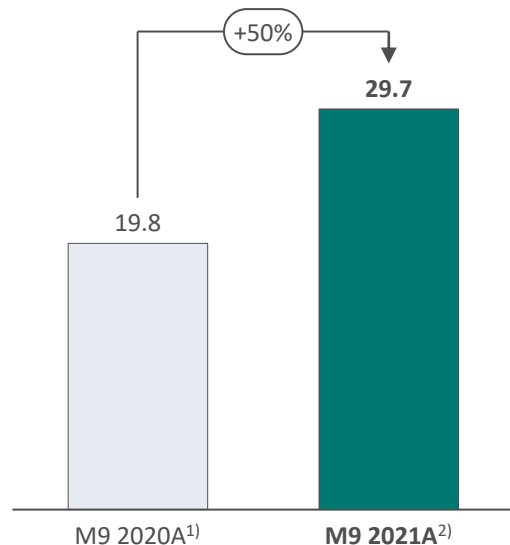
Player #9

Player #10

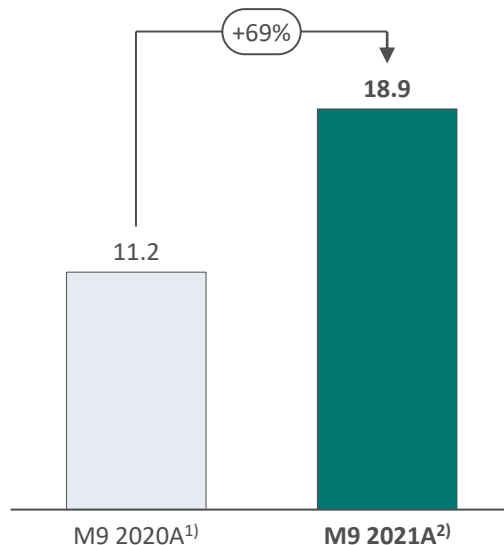
Source: pagoPA

In Q3 2021 Banking services distribution reached ≈30k PoS, generating a 69% Revenues growth vs. PY

Banking Services distribution [#k PoS]



Banking Services Revenues [€m]



Key Highlights

- › We have created the **widest Italian network** selling **Banking services**, with ≈30k selling PoS
- › **Banking Services Revenues** grew **69%** in Q3 2021 vs. Q3 2020
- › These results were achieved also thanks to **strong salesforce activity**:
 - **Enlargement** of Banking Services **distribution to ex-Sisal network**
 - **On-field training** for merchants to **boost Banking Services adoption**

1) Cumulated from M1 2020; 2) Cumulated from M1 2021

In the next months we will focus on new partnerships to further expand our Banking Services offering



● Banca 5 assets acquisition

On November 2021 we signed agreement with Banca 5 (ISP) in order to internalize assets regarding banking services and VAS / platform for card management



● RIA Money Transfer

May 2021 extended on ex-SisalPay network and underway analysis for the implementation of the RIA Money Transfer service within the Mooney App, acting as the Technological Hub towards RIA (delivery within Q1 2022). Acceleration of the contractualization of points of sale



● Banking multilateral Agreements

Launch of Bancomat Pay withdrawal service and introduction of new UX: customers participating at Bancomat Pay circuit will be able to withdraw within affiliated Money PoS. From June 2021 Services in test and in July 2021 started "Family & Friends" mode with Intesa Sanpaolo Bank – We are waiting for Bank of Italy "green light" in order to start service on full production environment



● Banking bilateral Agreements

Extend partnerships to Italian banking market for withdrawal service and credit transfer. In July 2021 already started first Partnership for credit transfer with Flowe (Mediolanum Group) Furthermore we launched other commercial agreements with Banca Mediolanum, Banca Sella and Credit Agricole



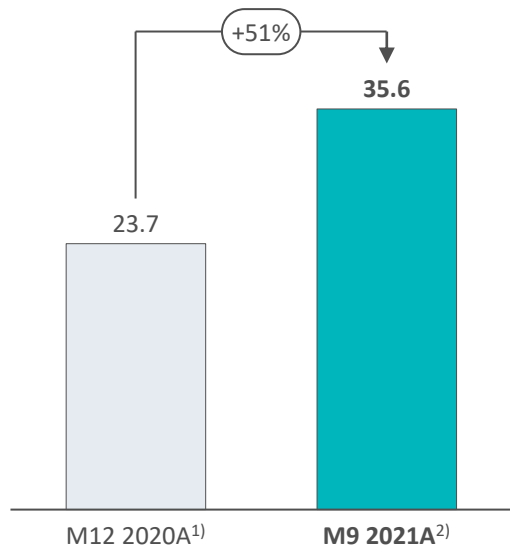
● ISP Smartcare

On October 2021, we activated 5,000 PoS for selling of Smartcare products regarding health services. We are monitoring the service before rolling it out to other PoS

We are successfully increasing Mooney card customer base and distribution, doubling cards stock in nine months

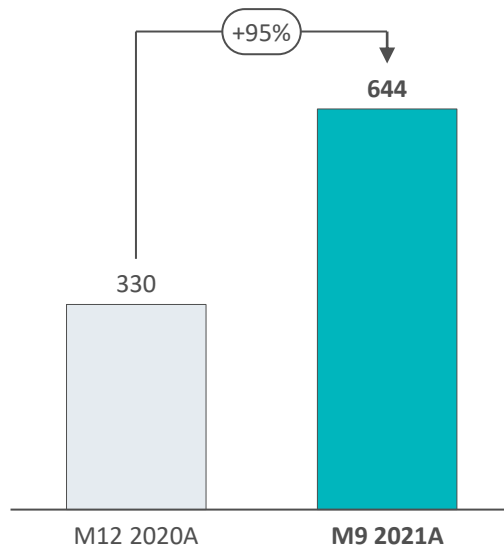
Branded cards distribution

[#k PoS]



Branded cards stock

[#k]



Key Highlights

- The first and only card issued on both **online** and **Proximity Retail** channels
- The **successful launch of Mooney card** allowed us to reach **644k cards in stock** in Q3 2021 (+95% vs. end of 2020)
- These results were achieved also thanks to **strong salesforce activity** in expanding Mooney card **distribution network** (≈36k selling PoS as of September 2021)

1) Cumulated from M1 2020; 2) Cumulated from M1 2021

4 Key Initiatives: Cards

Built the infrastructure for new Co-branded card programs to be launched in Q4 2021

AC Milan card

mooney
SisalPay | 

REPX
The Reputation Exchange Plc



Co-branded cards



White label App

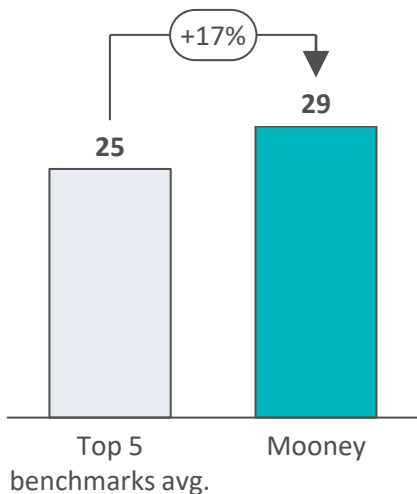


In Q3 we became a top player for digital visibility, paving the way to a strong digital customers acquisition



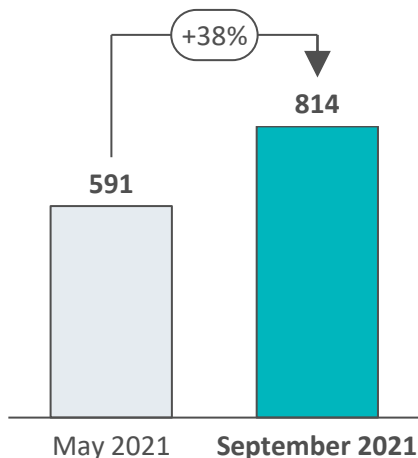
Search for information

Impression share – Generic keywords research for "cards" [%]



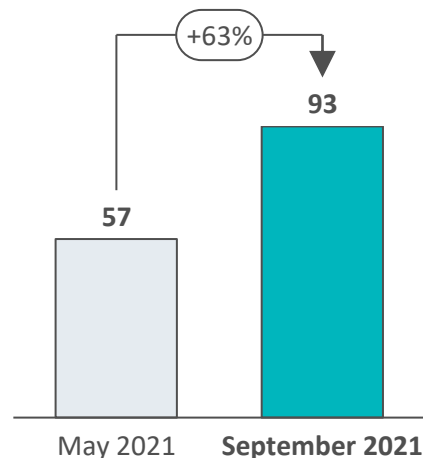
Website access

Traffic volumes [#k sessions]



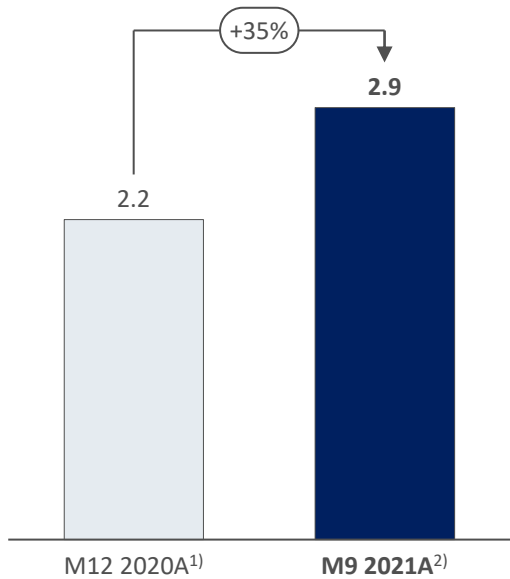
App install

App install [#k]

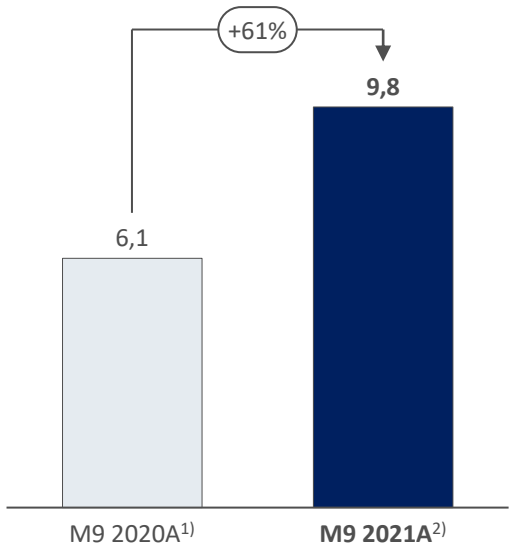


Despite Covid-19 impact we are delivering strong performance both in mobility customer base and transactions growth

Mobility Customers [#m]



Mobility Ticketing Transactions [#m]



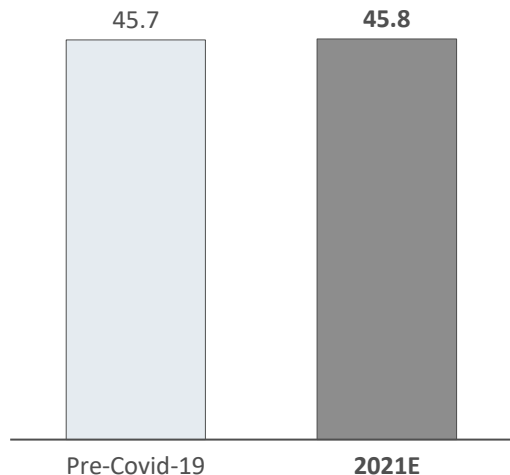
Key Highlights

- › Strong customer acquisition and transactions growth driven by Parking and Local Public Transport ticketing
- › Close to reach 3m registered users already overcoming 2021 target (2.8m) with more than 750k new registered user in the first 9 months
- › Continuous expansion of mobility services offer:
 - › Parking: +44 new cities in 2021
 - › Transport: new services (Itabus and Unico Campania)

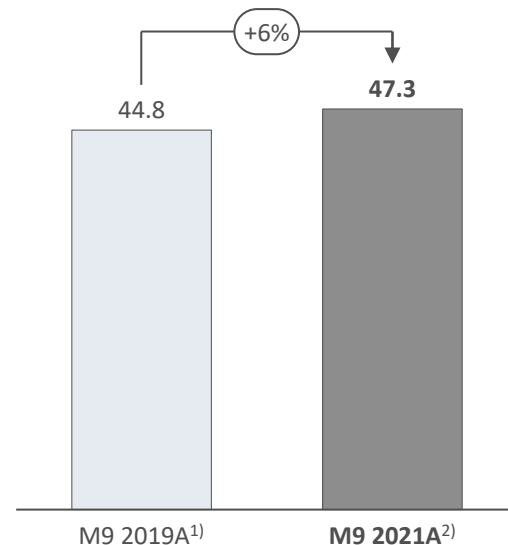
1) Cumulated from M1 2020; 2) Cumulated from M1 2021

We have been able to keep our network on pre-Covid-19 levels, driving record B2B Revenues (+6% vs. pre-Covid-19)

Distribution network
[#k PoS]



B2B Revenues
[€m]



1) Cumulated from M1 2020; 2) Cumulated from M1 2021

We have developed an ESG strategic plan, based on 3 key pillars



Financially inclusive

- › The **Proximity bank**
- › A **strategic partner** for the PA
- › The **enabler** of a *cashless society*
- › A key player providing **financial education** to consumers
- › The creator of the **Generosity network** in order to actively support Third Sector Entities by offering a free fundraising fintech platform



Caring employer

- › An employer committed to **gender equality**
- › The point of reference for **professional development** and **ethical awareness** of employees and merchants
- › A company committed to guarantee a **welcoming work environment**



Environmentally conscious

- › An actor committed to spread the use of sustainable forms of **mobility**
- › A company focused on reducing its **energy consumption** and related **emissions**
- › A key player supporting the **circular economy** through multiple initiatives



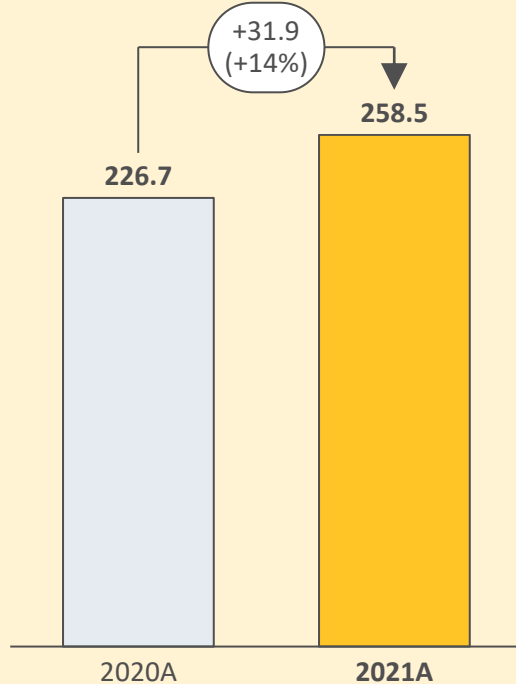
Governance

› Q3 2021 Financial Results

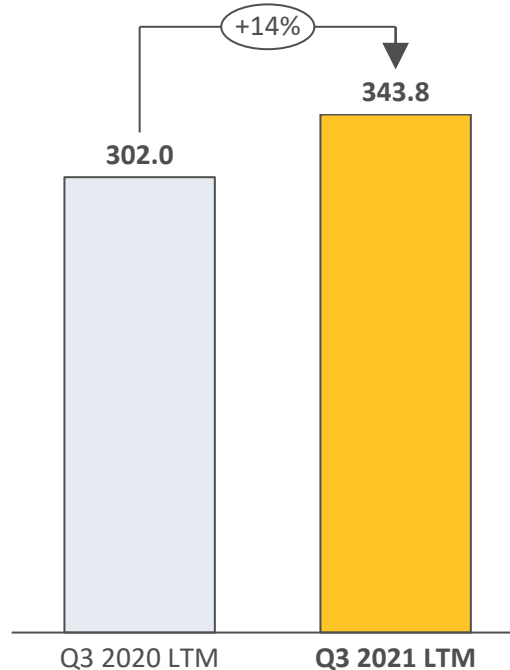
04

Q3 2021 Financial Results – Revenues

Revenues Q3 [€m]



Revenues LTM [€m]

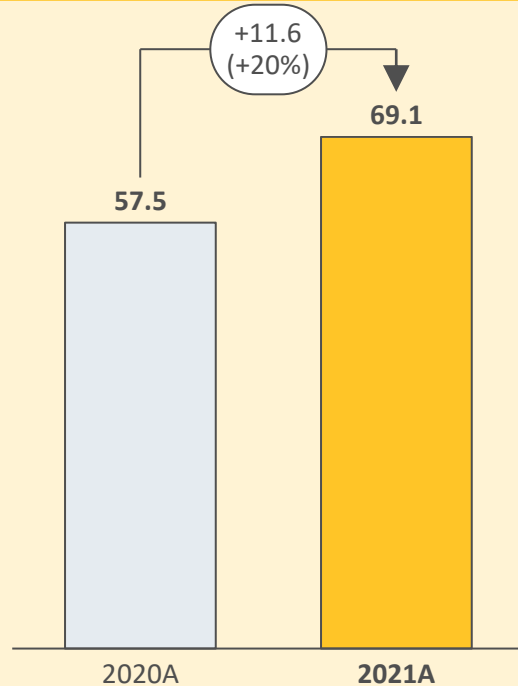


Key Highlights

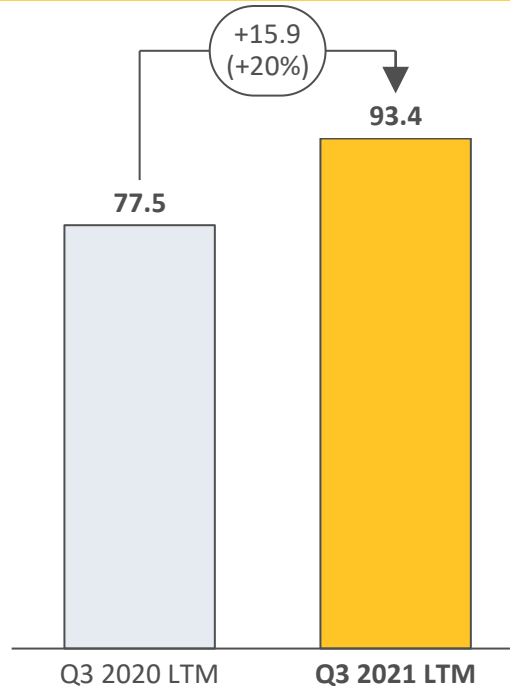
- › Q3 2021 Revenues strong performance (+14% vs. PY) mainly driven by the launch of our new Mooney Card and the excellent work done by salesforce to limit Covid-19 impact on retail network (New Clients Opening Boost Plan)
- › LTM confirm positive performance thanks to synergies exploitation and banking services distribution expansion

Q3 2021 Financial Results – EBITDA

EBITDA¹⁾ Q3 [€m]



EBITDA¹⁾ LTM



Key Highlights

- › Strong EBITDA performance in Q3 2021 (+20% vs. 2021) driven by volumes growth in all Business segments and by costs efficiency actions
- › LTM EBITDA at September 30th equal to €93.4m +20% vs. Q3 2020LTM

1) EBITDA adjusted for the effect of extraordinary items/ non-recurring, other one-off transactions and the depreciation of certain shared assets

Q3 2021 Financial Results – Cash flow

In the first nine months of 2021 we have sustained costs and investments related to SisalPay and Banca 5 integration. Net of those one-offs, in nine months the cash generation would have been about €21m, for a total cash at the end of September of about €90m

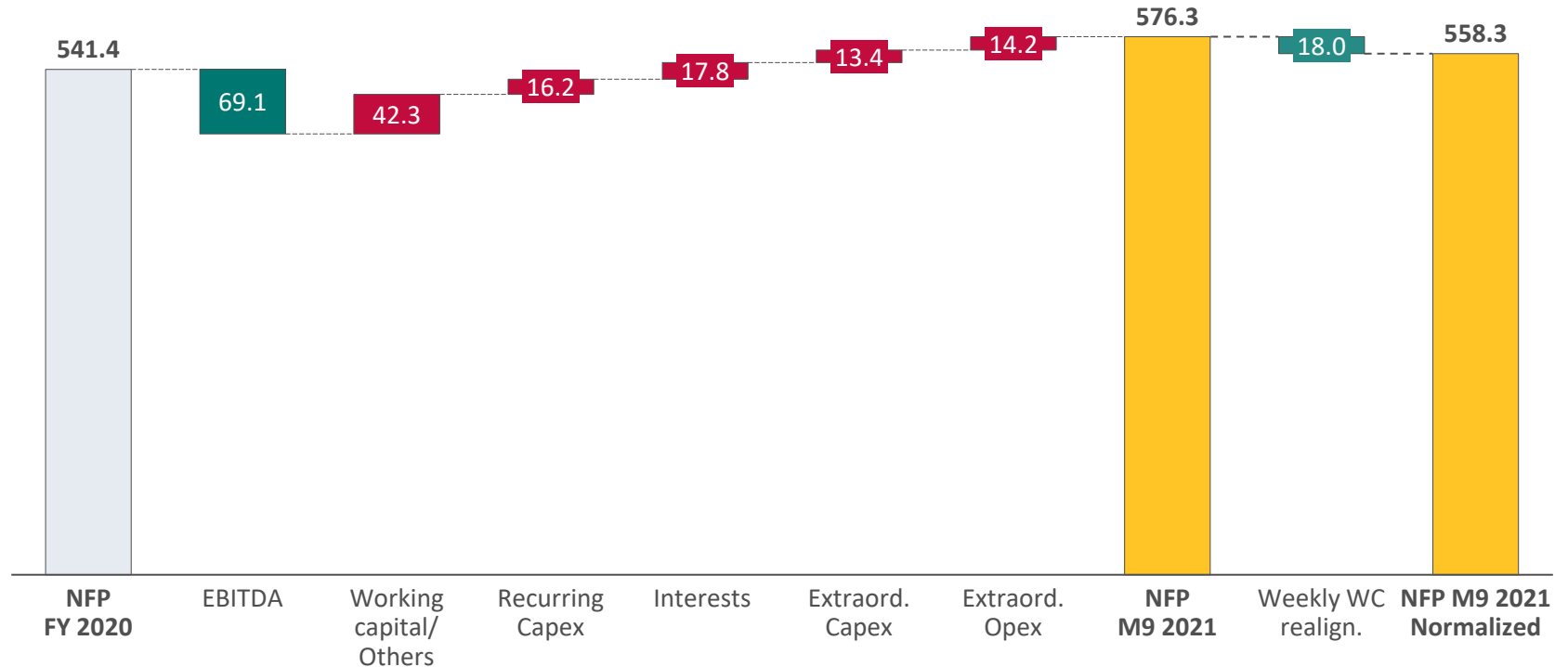
Mooney Cash Flow					
[€m]	M9 2021 Statutory Cashflow	Cash Normalization	M9 2021 with cash normalization	Extraordinary Costs, Investments	M9 2021 normalized
Ebitda ¹⁾	69.1		69.1		69.1
Capex	(29.6)		(29.6)	13.4	(16.2)
Operating FCF	39.5	0.0	39.5	13.4	52.9
Cash Conversion	57%		57%		77%
Extraordinary /Non-recurring Costs	(14.2)		(14.2)	14.2	0.0
Change in working capital	(30.0)	18.0	(12.0)		(12.0)
Cash taxes	(1.7)		(1.7)		(1.7)
Unlevered Cash Flow	(6.5)	18.0	11.5	27.6	39.1
Cash interests	(17.9)		(17.9)		(17.9)
RCF/ other loans changes	4.1	(4.1)	0.0		0.0
Cash Flow	(20.3)	13.9	(6.4)	27.6	21.2
Cash December 31st	(69.1)		(69.1)		(69.1)
Cash September 30th	(48.8)	(13.9)	(62.7)	(27.6)	(90.3)

Key highlights

- › **Statutory cashflow at September 30th:**
 - › Cash flow absorption at €20.3m
 - › Cash level at €48.8m
- › **Cash normalization:**
 - › +€18.0m weekly working capital realignment to average level because of unfavourable cut-off day in our weekly cash collection cycle
 - › -€4.1m sterilization of RCF incremental drawn
- › **Extraordinary costs and investments:**
 - › +€13.4m Capex related to segregation/ integration projects and Mooney card launch
 - › +€14.2m Opex related to integration project, Mooney rebranding and Mooney card launch

1) EBITDA adjusted for the effect of extraordinary items/ non-recurring, other one-off transactions and the depreciation of certain shared assets

Net Financial Position (as per Covenant) – Q3 2021 vs. FY 2020



Q3 2021 Financial Results – Consolidated Balance Sheet

Consolidated financial statements show negative equity since the businesses purchased from Sisal must be accounted for in continuity of values with the previous financial statements, without expressing the related goodwill despite the transaction taking place at market values

Mooney Group Consolidated Balance Sheet [€K]	FY 2020	9M 2021
Non Current Assets	727,675	725,415
<i>o/w goodwill/other intangibles</i>	534,102	534,102
Current Assets	222,460	277,438
<i>o/w cash and cash equivalent</i>	69,102	48,811
Total Assets	950,135	1,002,853
Equity	(239,360)	(263,555) ¹⁾
Non Current Liabilities	859,891	881,057
<i>o/w financial liabilities</i>	833,930	864,555
Current Liabilities	329,604	385,351
<i>o/w financial liabilities</i>	68,338	76,030
Total Liabilities & Equity	950,135	1,002,853

1) -€264m = +€64m contributed by Banca5 at fair value; +€23m contributed by Sisal at net book value (fair value €150m); -€301m difference between Sisal contribution at book value (€304m), purchase price by SisalPay Group (€600m) and loss 2019 (€5m); +€5m contributed by Pluservice minorities; -€31m net loss 2020; -€24m net loss 9M 2021 2) Value reflects Purchase Price Allocation Adjustment (-€24m)

Key highlights

› **Total Assets** value include among the others:

- **Goodwill €534m:**
 - €216m²⁾ conferred by Banca 5 accounted using the fair value model
 - €308m conferred by Sisal corresponding to the Book Value of the Sisal Payments Business, as per IAS IFRS (transaction "under common control")
 - €10m related to MyCicero acquisition
- **Tangible and intangible assets: €191m** (net book value)
- **Current assets** mainly related to account receivables (€115m), cash and cash equivalents (€49m), restricted cash (€93m)

› **Total liabilities** include among the others:

- **Non-Current Liabilities:** mainly secured notes and DPP vs. shareholders
- **Current liabilities:** mainly RCF, accounts payable vs. payments partners and liabilities vs. card and payment accounts holders

> Q&A

05

 **Thank you
for your attention**

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