



# Naspers Limited

## Detailed Financials

For the six months ended 30 September 2022

# Important information



This report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995 concerning our financial condition, results of operations and businesses.

These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control and all of which are based on our current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates", or the negative thereof, or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties.

These forward-looking statements and other statements contained in this report regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing us and our subsidiaries. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

There are a number of factors that could affect our future operations and could cause those results to differ materially from those expressed in the forward-looking statements including (without limitation): (a) changes to IFRS and associated interpretations, applications and practices as they apply to past, present and future periods; (b) ongoing and future acquisitions, changes to domestic and international business and market conditions such as exchange rate and interest rate movements; (c) changes in domestic and international regulatory and legislative environments; (d) changes to domestic and international operational, social, economic and political conditions; (f) labour disruptions and industrial action; and (g) the effects of both current and future litigation.

The forward-looking statements contained in the report speak only as of the date of the report. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements to reflect events or circumstances after the date of the report or to reflect the occurrence of unanticipated events. We cannot give any assurance that forward-looking statements will prove correct and investors are cautioned not to place undue reliance on any forward-looking statements.

# Our Group strategy is a strength in this period of increased volatility



Building global technology leaders, addressing big societal needs in high growth markets

## Operating businesses



## Investments



Consistently compounding value over time and growing NAV per share

**US\$55bn** total NAV<sup>1</sup>, **ZAR4 606** NAV per share, **4.8%** share reduction in 5 months

With a transparent, predictable, and repeatable process of creating and delivering value



<sup>1</sup> NAV based on economic interest in Prosus of 42.9%. NAV represents the sum of estimated market valuations using a combination of prevailing share prices for stakes in listed assets at 18 November 2022 and for unlisted assets the average valuation estimates derived from sell-side analysts or post-money valuations of transactions if analyst consensus is not available.

# Prosus: Strong execution across businesses in 1H



We have achieved scale and profitability or breakeven at our core and are investing to amplify growth



## Classifieds

**64%**

1H FY23 Revenue growth

**89m**

Monthly Active Listers

**>100k**

1H FY23 Vehicles transacted



**OLX** AUTOS



## Food Delivery

**39%**

1H FY23 Revenue growth

**>400m**

1H FY23 Orders

**US\$4.5bn**

1H FY23 GMV



## Payments & Fintech

**57%**

1H FY23 Revenue growth

**>US\$46bn**

1H FY23 Total Payment value

**>1.2bn**

1H FY23 Transactions



## Edtech

**30%**

1H FY23 Revenue growth

**~100m**

Monthly Stack Overflow Users

**1.5k**

GoodHabitZ Courses



**goodhabitZ**  
online training

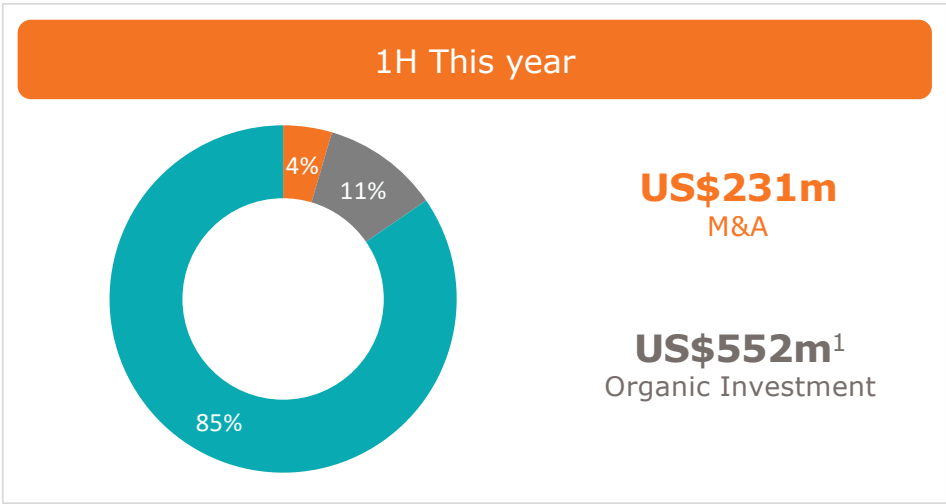
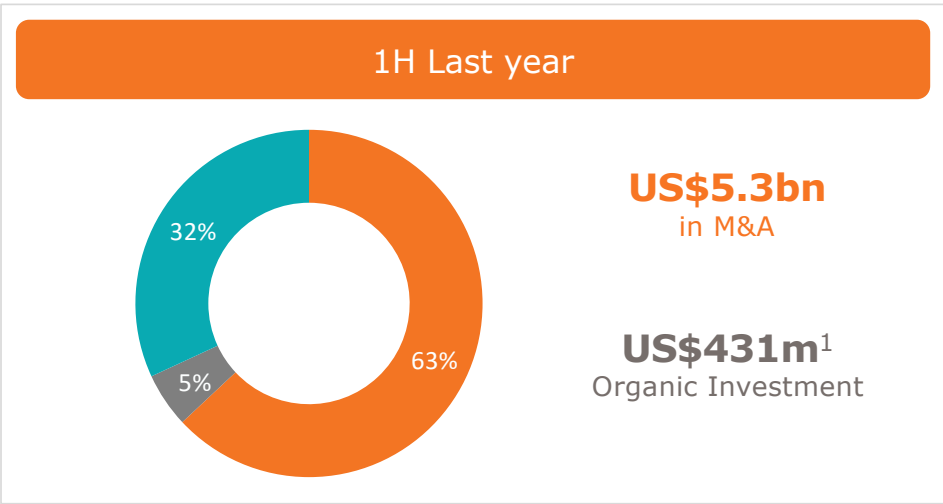
Note: Results of majority owned and managed businesses. This excludes results from equity accounted investments, i.e., joint ventures and associates. We report results of continuing operations.

# Prosus focussed on investing inwards to new and existing opportunities



Prosus focused on organic investment into high potential businesses and purchasing it's stock

*In this period Prosus funded segment growth initiatives though the P&L...*



*... and we continued to invest in our stock to increase our NAV per share via an open-ended share repurchase*

<p><b>US\$2.7bn</b> Naspers &amp; Prosus repurchased in 1H FY22</p>	<p><b>US4.3bn<sup>2</sup></b> Naspers &amp; Prosus repurchased in 1H FY23</p>
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<sup>1</sup> Reflects cash loss generated from continuing operations: i.e. EBITDA less non-cash items, plus working capital investment to expand the business and create value  
<sup>2</sup> In 1H FY23, 54m (1H FY22: 19m) Prosus and 4m (1H FY22: 5m) Naspers shares were repurchased.

# Continued leadership in South Africa



A leading  
**E-TAILER**



**>7 000**  
EMPLOYEES

**14 403**  
DRIVERS



SA's popular online  
**FOOD DELIVERY**

NEW LOGO:



**+9%** YOY  
ORDER VOLUME

**1 431**  
NUMBER OF PICK 'N  
PAY GROCERIES  
ORDERS



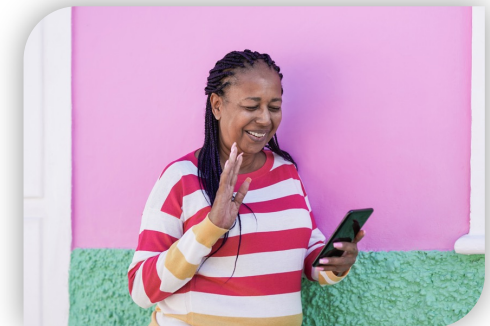
Africa's foremost  
**MEDIA GROUP**

**12m** DAILY  
PAGE  
VIEWS



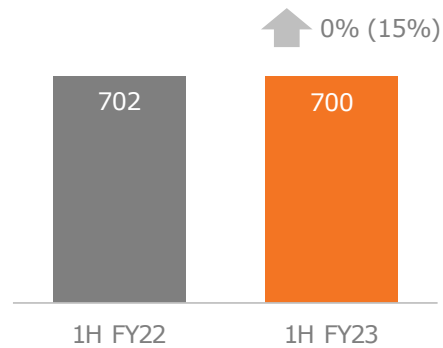
ZAR1.4bn early-stage  
**TECH INVESTMENT**  
vehicle

**+ZAR650m**  
INVESTED TO DATE



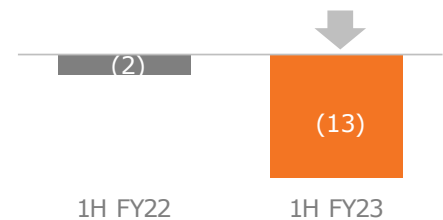
# Takealot: Market share gains amid increased consumer pressure

## GMV (US\$'m)<sup>1</sup>



Growth driven by Takealot.com's 3P business, which grew 27%, while nominal growth impacted by negative FX

## Trading loss (US\$'m)<sup>1</sup>



Higher fuel costs, inventory clearance through discounts and setup of a new warehouse weighed on trading results



Etail

takealot.com

Platform GMV

+15%

YoY



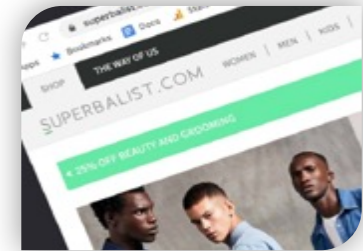
Food



Mr. D Food GMV

+13%

YoY



Fashion

SUPERBALIST.COM

Superbalist GMV

+15%

YoY

<sup>1</sup> Numbers in brackets and numbers standing alone represent YoY growth in local currency, excluding M&A.

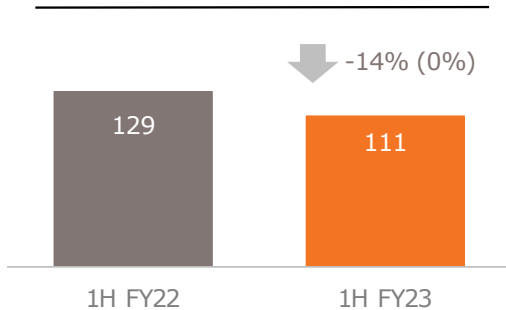
# Media24: Stable topline as digital advertising growth slows



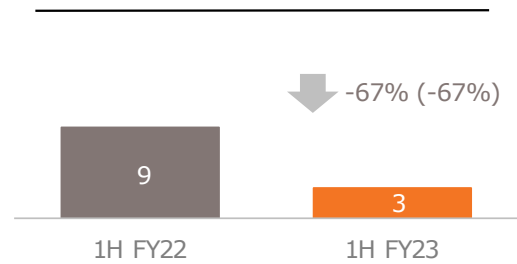
MEDIA24

South Africa's leading Media Company

## Revenue (US\$m)<sup>1</sup>



## Trading profit (US\$m)<sup>1</sup>



Soft demand for digital advertising pressured revenue and trading profit

**NETWERK24** paywall subscriptions

**+18%**

to 95.5k YoY

**NEWS24** paywall subscriptions

**+54%**

to 63k YoY

### Online News



### Newspapers



### Magazines



### Books



### Television



### Logistics



<sup>1</sup> Numbers in brackets represent YoY growth in local currency excluding M&A.

# Growing South Africa's tech ecosystem



**NASPERS**  
FOUNDRY

**ZAR 1.4BN**

- So far: online cleaning services marketplace, agritech, fintech, edtech & insurtech
- +ZAR650m invested to date

## Latest investments made



### Valenture Institute

Valenture Institute is a global private online high school offering a curriculum recognised by the world's leading universities. The company launched UCT Online High School in 2022.

**ZAR108m investment**



### Nile

Nile is a marketplace that connects farmers to commercial retailers of fresh produce. The platform addresses issues inherent to food trading including price transparency, quality verification, speed of payments and traceability.

**ZAR40m investment**



### LifeCheq

LifeCheq is a fintech platform empowering financial advisers to provide quality, holistic financial advice. It plays a critical role in driving financial inclusion in South Africa by democratising access to financial advice.

**ZAR40m investment**

# Creating digital skills and employment

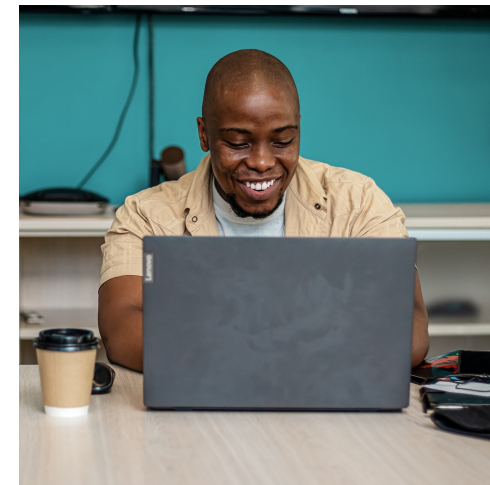
NASPERS  
*Labs*

**10k** jobs to be created by 2026

- Equip unemployed youth with in-demand digital skills
- Unlock job opportunities and prepare youth for the world of work
- Accelerate and support youth micro-enterprises solving for social challenges

## Highlights

- ✓ **Over 2 500 young people trained** to date
- ✓ **2 471 youth transitioned** into jobs
- ✓ **22 youth entrepreneurs** supported



# Financial Highlights



- 1 Prosus: Robust revenue growth while Ecommerce core remained profitable/breakeven, and investment was made into growth extensions
- 2 Takealot: Strong local currency revenue growth while economic pressures widened trading margin
- 3 Media24 defensive performance given consumer environment
- 4 Core HEPS impacted by reduced contribution from Tencent and investment into Ecommerce extensions

**+9%**  
**REVENUE<sup>1</sup>**  

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**US\$17.0bn**

**US\$1.4bn**  
**TRADING PROFIT<sup>1</sup>**  

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**1H FY22: US\$2.8bn**

**- US\$181m**  
**FREE CASH FLOW<sup>2</sup>**  

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**1H FY22: - US\$73m**

**US¢174**  
**CORE HEPS<sup>3</sup>**  

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**1H FY22: US¢394**

Investment peaked in 1H FY23; ambition for consolidated Ecommerce profitability in 1H FY25

<sup>1</sup> Results from continuing operations reported on an economic-interest basis, i.e. equity-accounted investments are proportionately consolidated. Growth rates represent YoY growth in local currency, excluding M&A.

<sup>2</sup> FCF from continuing operations defined as EBITDA less adjustments for non-cash items, working capital, taxation, capital expenditure, capital leases repaid and investment income.

<sup>3</sup> Core HEPS from continuing operations.

# Naspers Economic Interest Results



## Economic Interest Results from Continuing Operations

US\$'m	Revenue		Adjusted EBITDA		Trading profit/(loss)	
	1H FY22	1H FY23	1H FY22	1H FY23	1H FY22	1H FY23
Prosus Group	16 323	16 527	3 498	2 183	2 784	1 416
Takealot	388	384	9	-	(1)	(13)
Media	129	111	12	6	9	3
Corporate and other	(1)	(2)	(26)	(16)	(27)	(17)
<b>Economic interest</b>	16 839	17 020	3 493	2 173	2 765	1 389
Less: Equity-accounted investments <sup>1</sup>	(13 576)	(13 291)	(3 768)	(2 653)	(3 103)	(1 946)
<b>Consolidated</b>	3 263	3 729	(275)	(480)	(338)	(557)

<sup>1</sup> The Group proportionately consolidates its share of the results of its associates and joint ventures in its reportable segments.

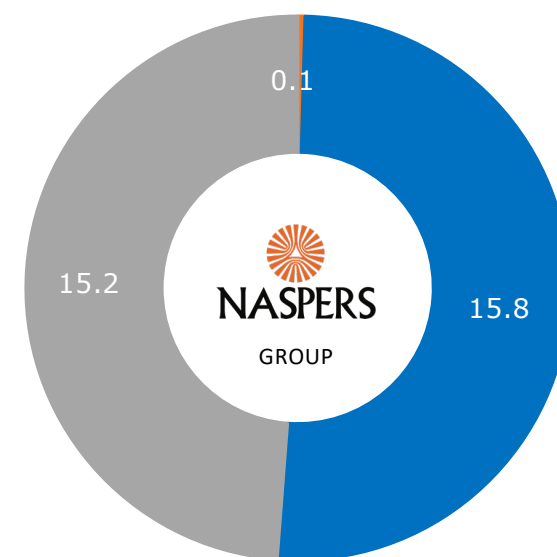
## Naspers balance sheet



### Current assets and liabilities (US\$'m)

	FY22	1H FY23
<b>Current assets</b>		
Inventory	571	487
Trade receivables	318	519
Other receivables and loans	939	758
Cash/short-term cash investments	13 657	16 068
Assets held for sale	39	2 643
<b>Total</b>	<b>15 524</b>	<b>20 475</b>
<b>Current liabilities</b>		
Current portion of long-term debt	198	293
Trade payables	609	379
Accrued expenses & other current liabilities	2 829	3 908
Cash-settled share based payment liability	985	671
Bank overdraft	18	31
Dividend payable	-	78
Liabilities held for sale	-	525
<b>Total</b>	<b>4 639</b>	<b>5 885</b>

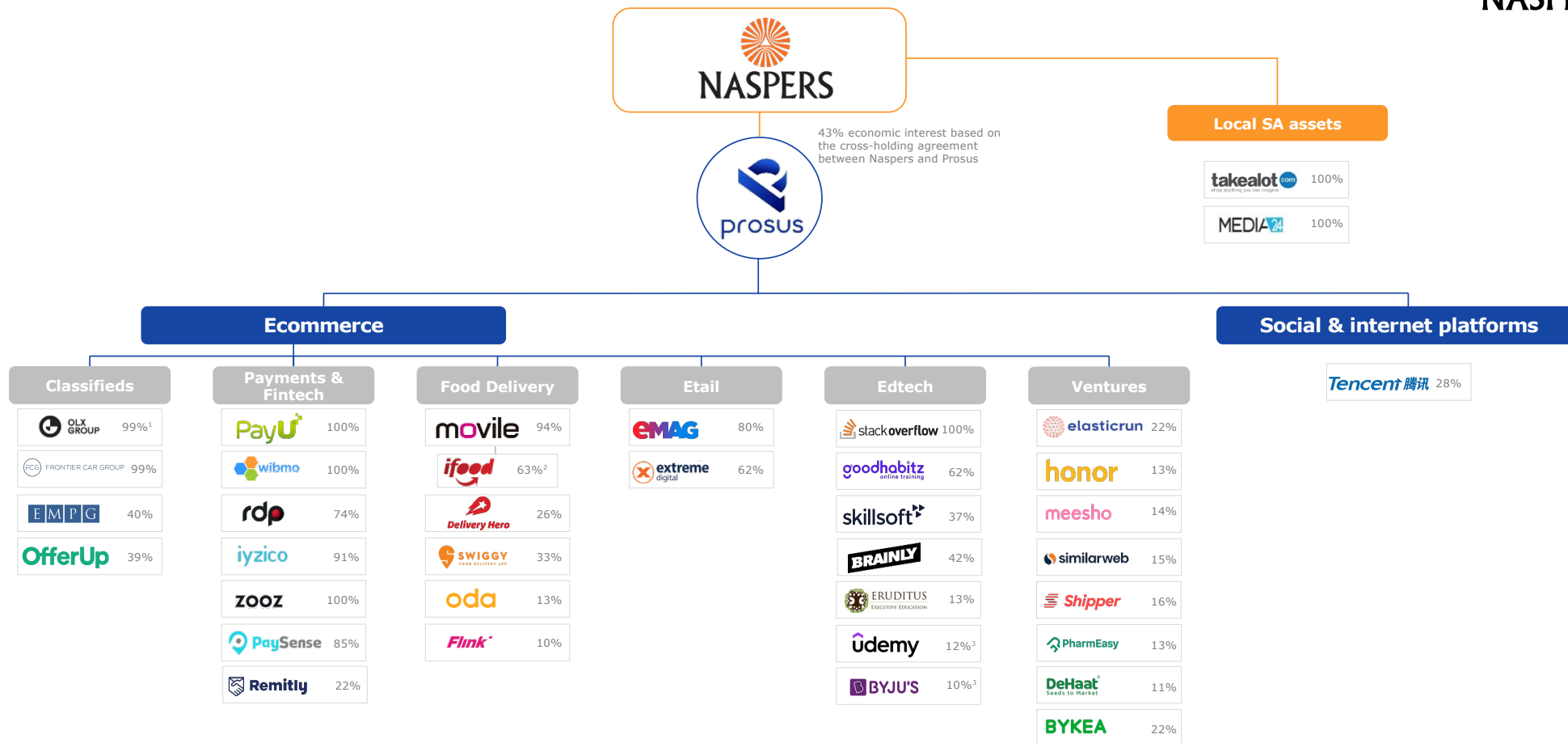
### Net cash as at 30 September 2022: US\$756m



- Naspers cash (US\$'bn)
- Prosus cash (US\$'bn)
- Prosus interest bearing debt (US\$'bn)

Note: Naspers and Prosus cash includes short-term cash investments.

# Group portfolio



Prosus organogram depicts effective interest percentage in major entities at 30 September 2022 for Prosus where applicable.

<sup>1</sup> OLX owns 50% of operations in Brazil.

<sup>2</sup> Mobile held 67% of iFood, before the close of the 33% minority buyout of iFood by Prosus which closed in November 2022.

<sup>3</sup> We stopped equity accounting BYJU's and Udemy from September 2022, these assets will be recognised as FV Investments through OCI.

# Glossary



- FV: Fair value
- FX: Forex
- GMV: Gross merchandise value
- HEPS: Headline earnings per share
- M&A: Mergers & Acquisitions
- NAV: Net asset value
- OCI: Other comprehensive income
- P&L: Profit & Loss
- UCT: University of Cape Town
- US\$: United States Dollar
- YoY: Year-on-year
- ZAR: South African Rand
- 3P: Third-party marketplace
- Consolidated earnings: Includes the results of subsidiaries only, companies which the group controls.
- Core Headline earnings: Core Headline Earnings is a non-IFRS measure and represent headline earnings for the period excluding certain non-operating items and is an appropriate indicator of the operating performance of the group
- EBITDA: Earnings before interest, depreciation and amortisation
- Economic interest: A non-IFRS measure which represents the consolidated earnings plus the group's proportionate share of the results from associates and joint ventures.
- FCF: Earnings before interest, tax and depreciation and amortization less adjustments for non-cash items, working capital, taxation, capital expenditure, capital leases repaid and investment income
- IFRS: International financial reporting standards
- TP: Trading profit/(loss) represents operating profit/loss, adjusted to exclude: (i) amortization of intangible assets recognized in business combinations and acquisitions, (ii) retention option expenses linked to business combinations; (iii) other losses/gains—net (iv) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and (v) subsequent fair value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the group has a cash cost on settlement with participants).

# Contact us



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