



FINANCIAL ARCHITECTURE

Basil Sgourdos, Group CFO



Naspers: One of the largest internet and entertainment businesses globally

To date...

US\$113bn

market capitalisation

US\$4bn

debt raised

US\$8.5bn

invested in internet

FY17...

US\$15bn

in revenues

77%

revenues online¹

US\$2bn

in core earnings

* Internet represented 77% of Group revenues in 1H FY2018

100 years of innovation. Internet & ecommerce now at the core



1995



2000



2010



2015



Today *

Market cap (US\$bn)

1

1

18

55

113

Revenues (US\$bn)

0.3

0.7

4.8

11.5

14.6

% Media & Video

100%

96%

78%

39%

23%

% Online

0%

4%

22%

61%

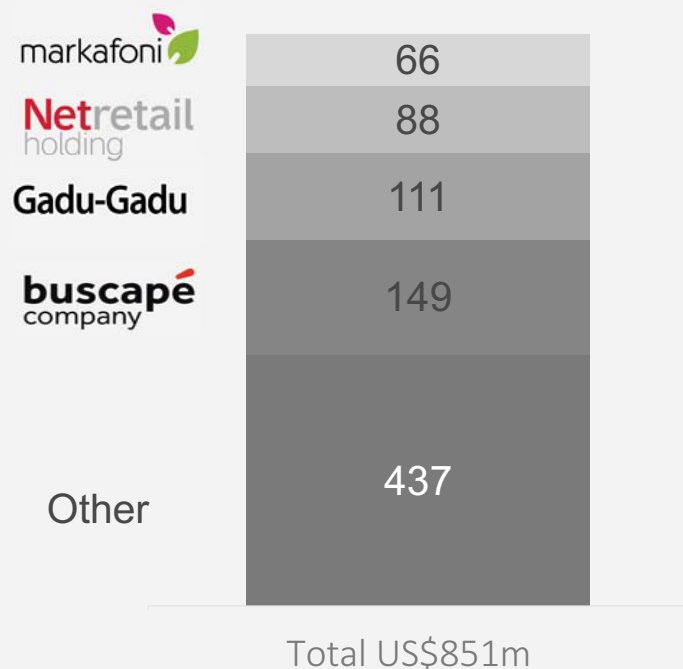
77%

* Market capitalisation as of 1 December 2017. Revenues on economic-interest basis. % Online derived from 1H FY18 revenues.

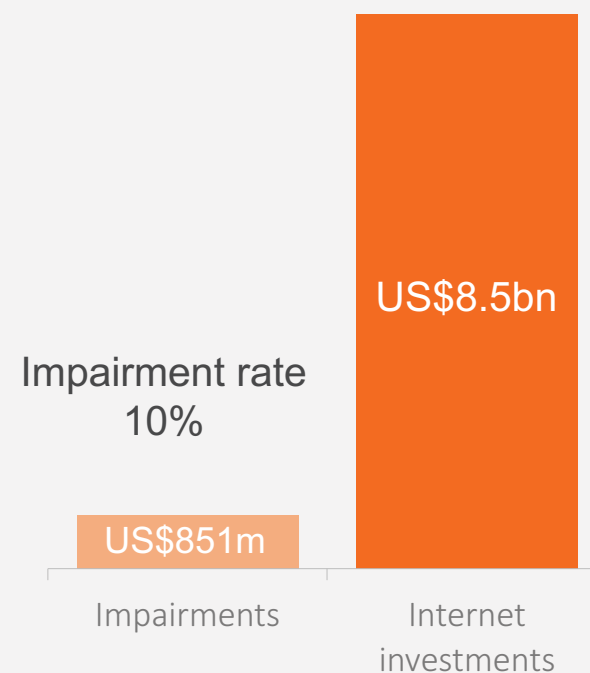


Took some risks to get there with some failures along the way

Internet impairments
FY08 – 1HFY18 (US\$m)*



*Impairments vs internet investments
FY08 – 1HFY18*



* Relates to impairments recognised in the income statement in terms of IFRS.

Created significant value over time

Examples of value creation (US\$bn)

Tencent 腾讯

OLX GROUP

PayU

ifood **Delivery Hero**

make my trip

Market value

Analyst value¹

Analyst value

Market value

Market value

136

7.8

1.2

2.5

1.3

0.03

3.2

0.6

1.4

0.6

Investment Market Value*

Investment Analyst valuation

Investment Analyst valuation

Investment Market Value*

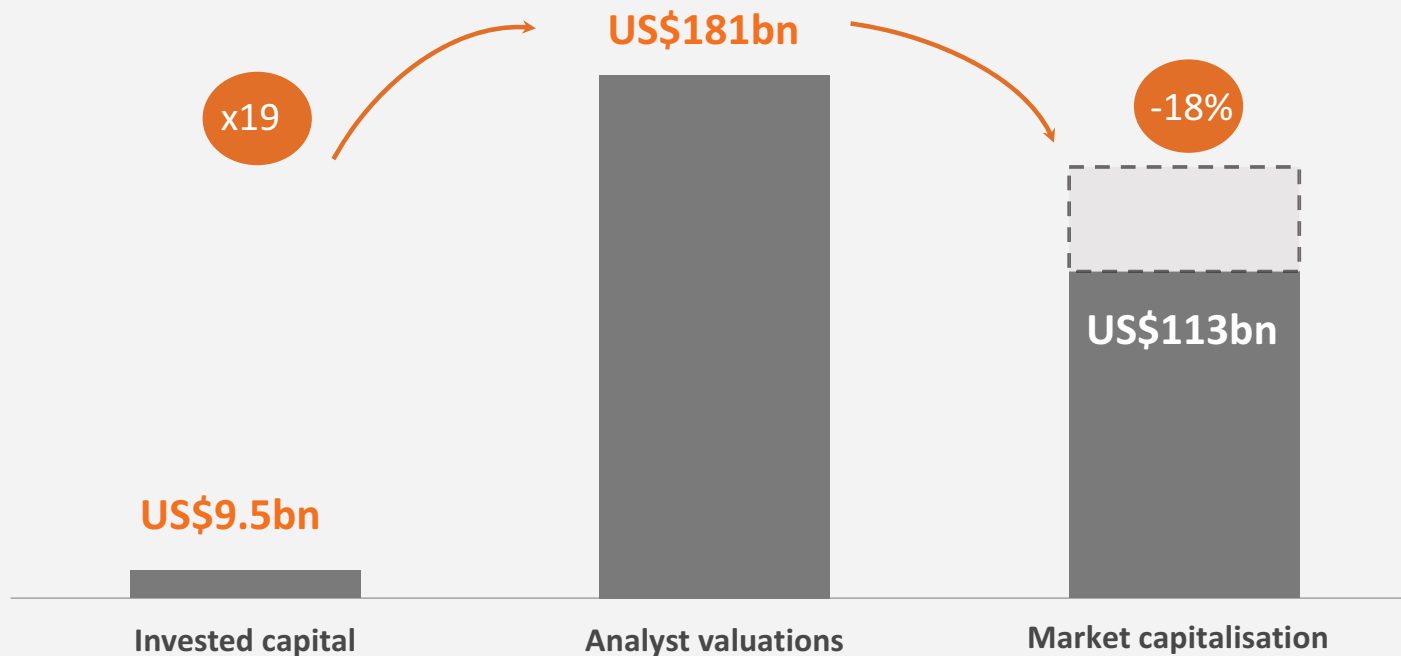
Investment Market Value*

* Market value as of 30 September 2017.

¹ OLX Group excludes letgo

Value is not yet reflected in our share price

Group investment vs current valuations



Note: Invested capital includes investments in internet & video entertainment operations. Analyst valuations exclude holding company discounts

Management focused and incentivised to address valuation discount

Actions taken so far

- Ecommerce scaling fast
- Profitably improving
- Sources of free cash flow increasing
- Capital allocation – *value vs future returns*
- Improved financial disclosure & investor day
- Extensive shareholder engagement
- Expanded capacity in our LSE and US ADR programs

Proposals considered

- Share buy backs
- Listing additional companies
- Additional listings for Naspers

Continuously optimise the portfolio for the most promising opportunities

CONSOLIDATE



OLX GROUP + SCHIBSTED MEDIA GROUP

takealot.com + kalahari.com

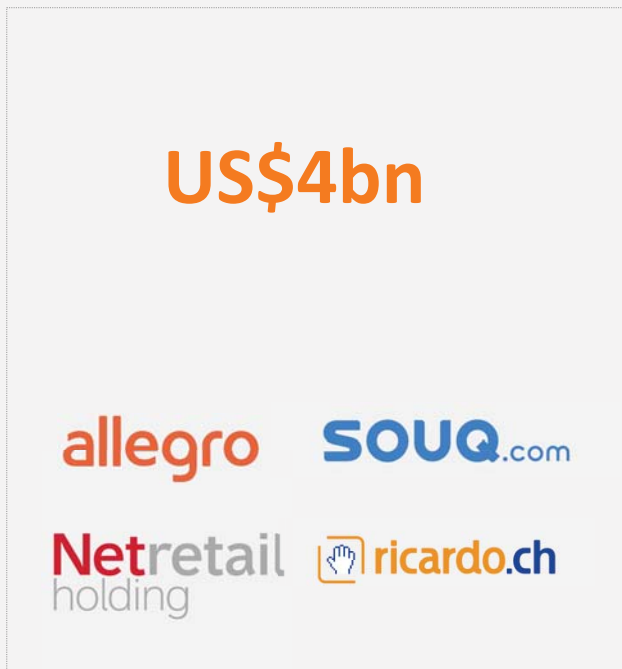
letgo + 

PayU + Citrus

make my trip + ibibo

OLX GROUP + Auto Trader .co.za

EXIT



US\$4bn

allegro SOUQ.com

Netretail holding ricardo.ch

INVEST



US\$9.5bn¹

OLX GROUP Flipkart

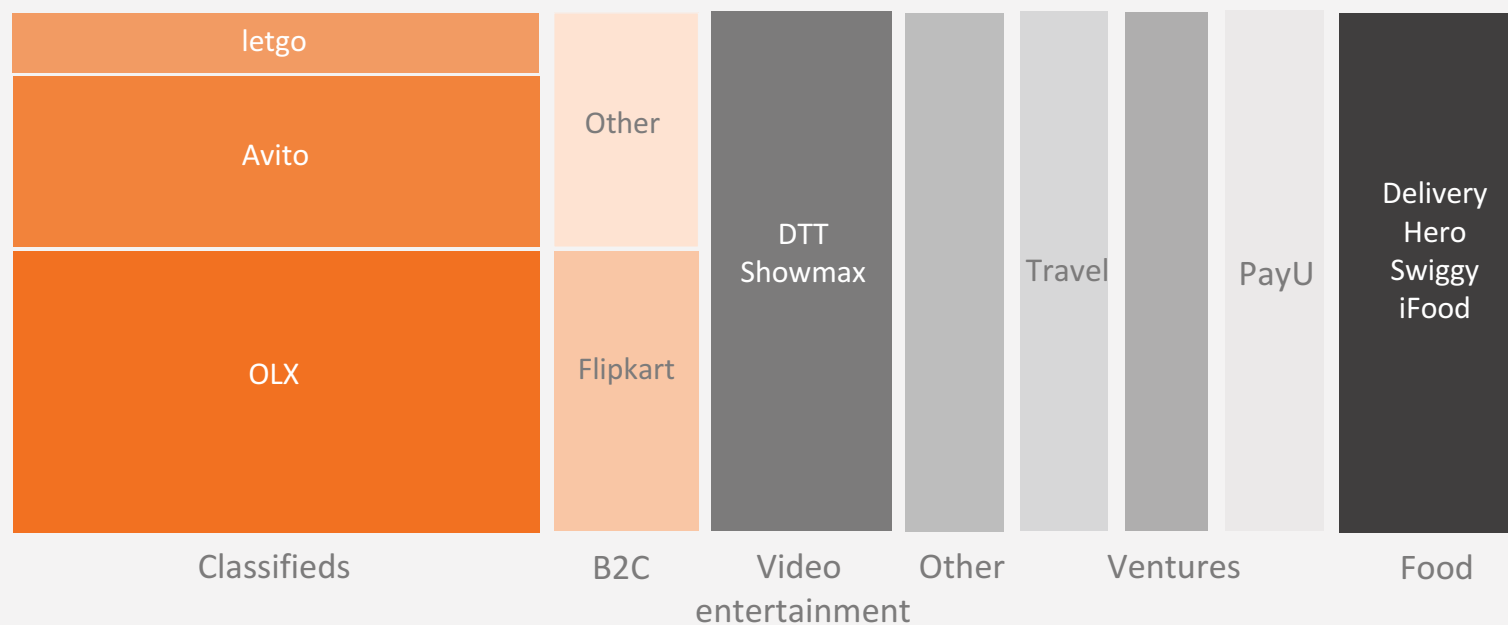
showmax eMAG PayU

letgo Delivery Hero Udemey

¹ Includes investments in internet & video entertainment operations.

Increased the focus of capital allocation

Naspers invested capital by segment* FY08-FY17 (US\$bn)

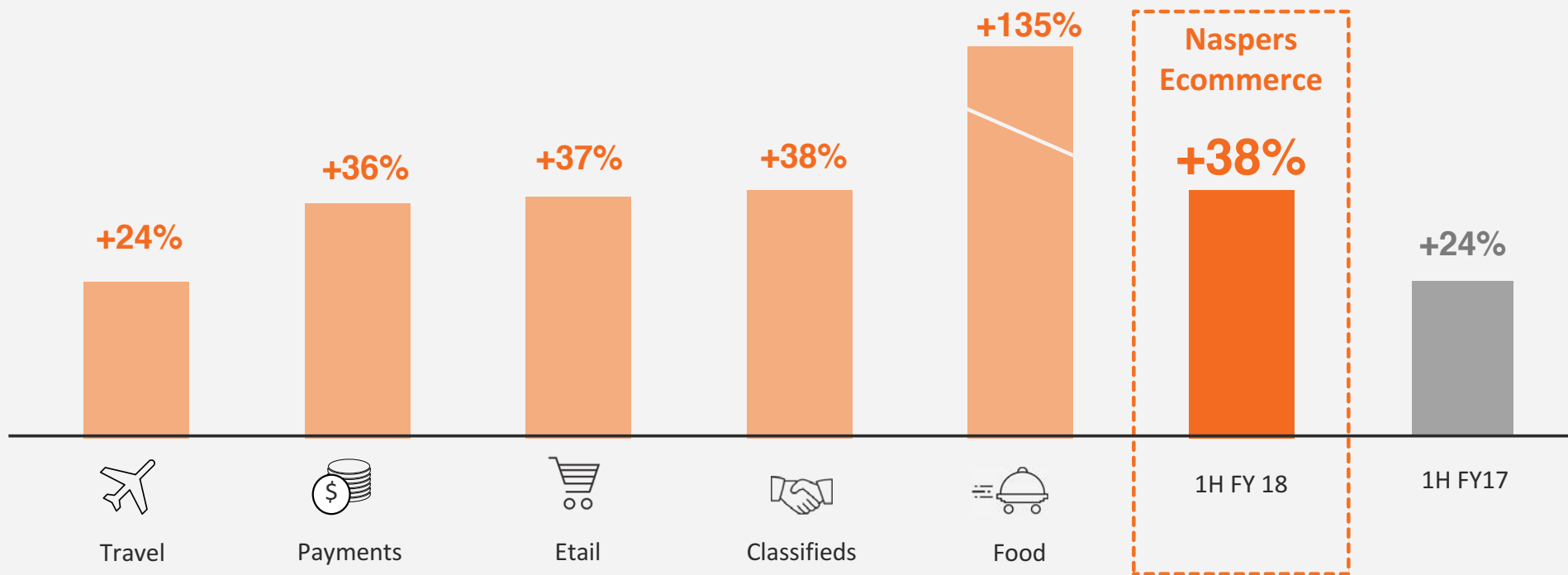


Total
US\$9.5bn

* Excluding disposed assets.

Ecommerce portfolio delivering strong growth

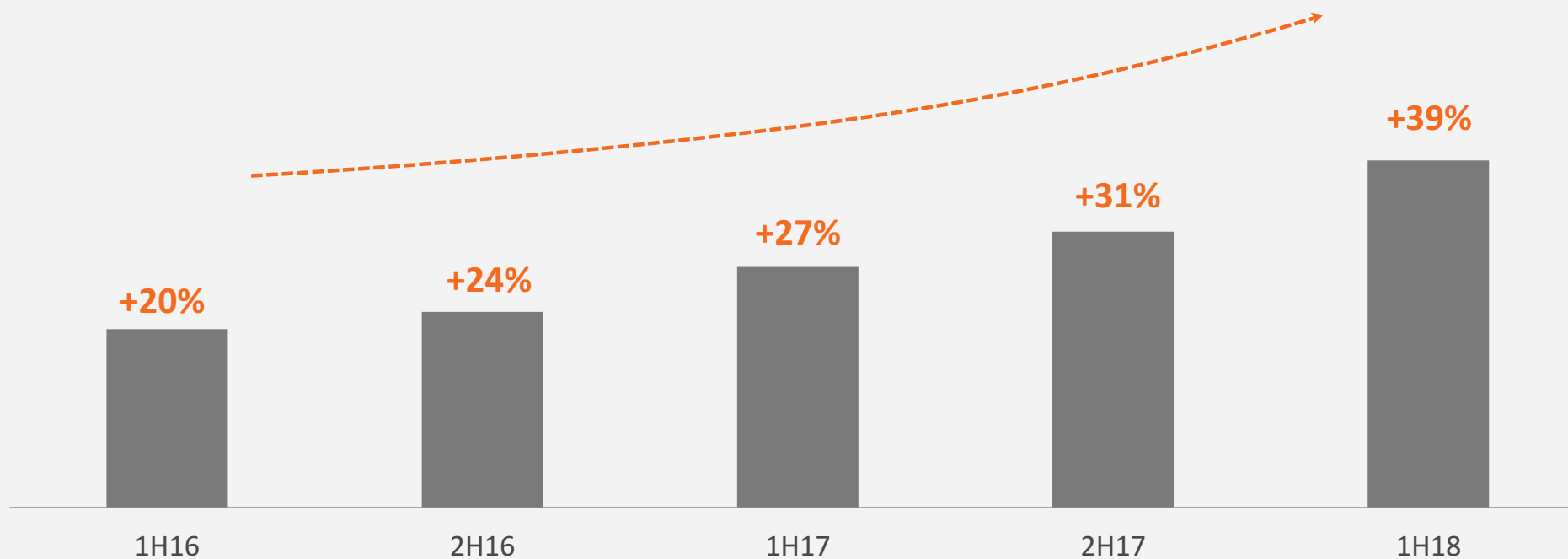
Ecommerce YoY revenue growth by segment 1HFY18*



* Results reported on an economic-interest basis. Reflect year-on-year growth adjusted for currency & M&A.

Driving top-line acceleration

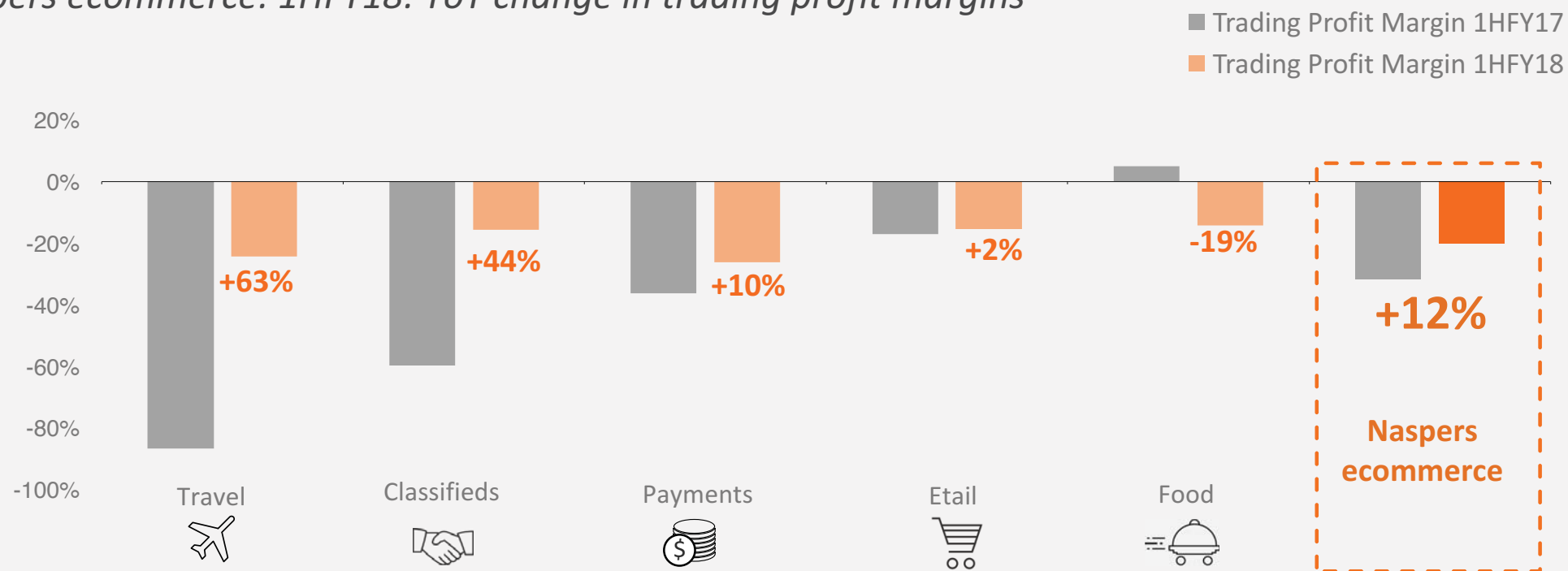
*Underlying total group revenue growth YoY**



* Results reported on an economic-interest basis, i.e. equity-accounted investments are proportionately consolidated. Revenue growth adjusted for currency and M&A.

Improving operating leverage across ecommerce

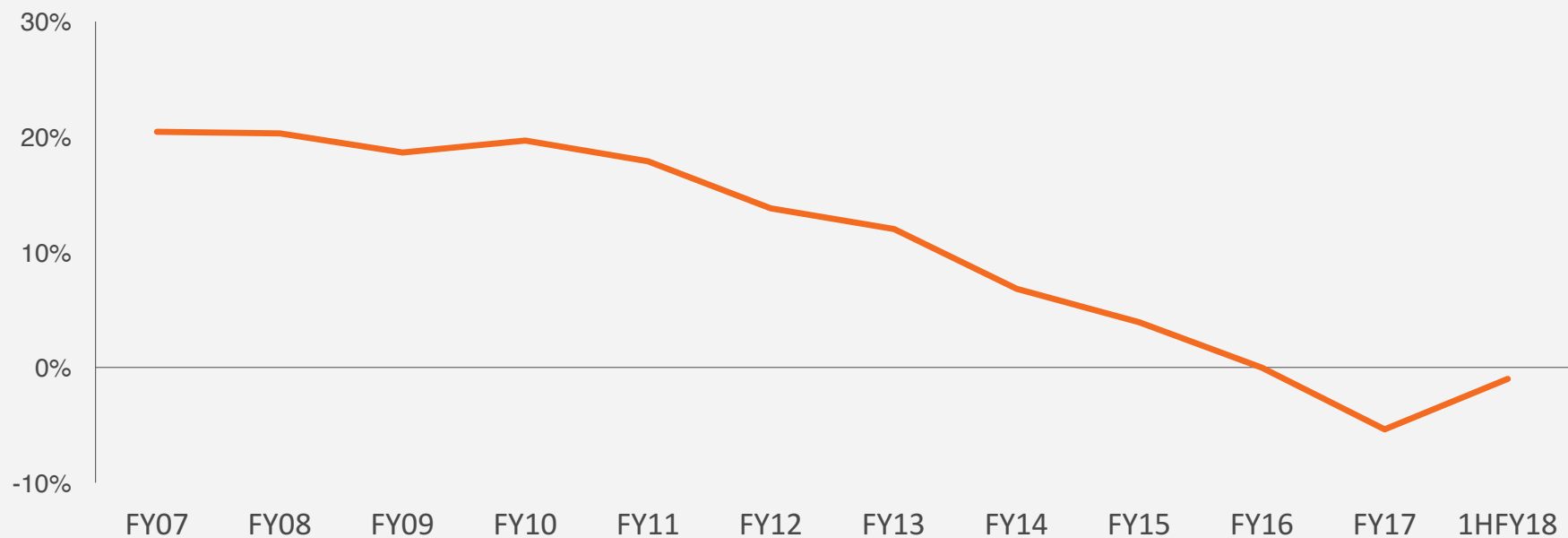
Naspers ecommerce: 1HFY18: YoY change in trading profit margins*



* Results exclude Allegro and are reported on an economic-interest basis, i.e. equity-accounted investments are proportionately consolidated.

Trading margins improving, starting to harvest ecommerce investment cycle

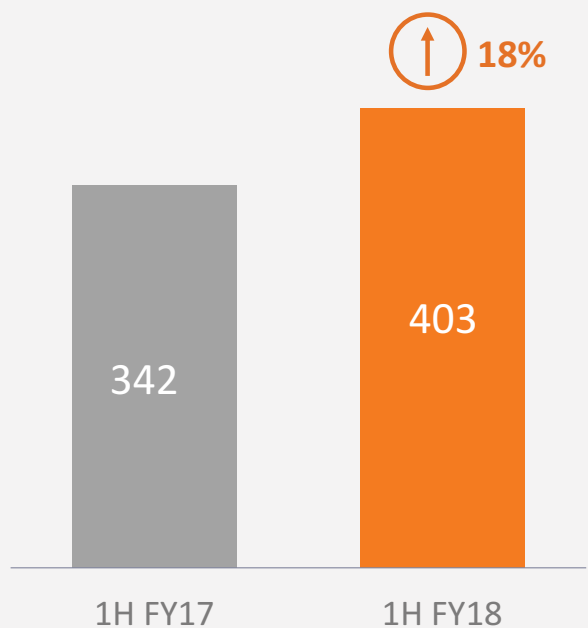
*Trading profit margin excluding Tencent**



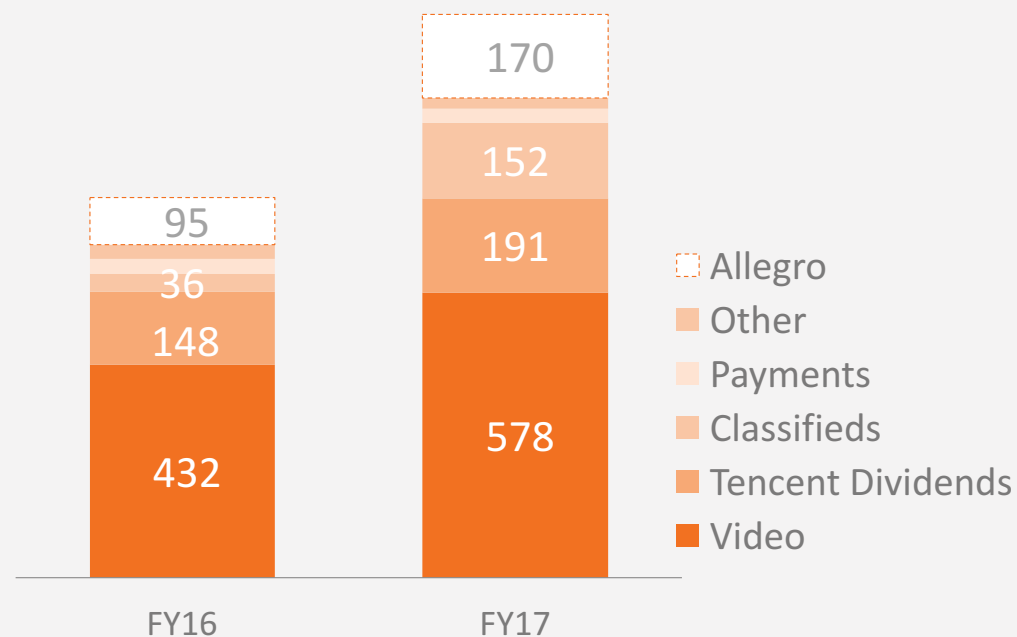
* Reported on an economic-interest basis, i.e. equity-accounted investments are proportionately consolidated

Growing cash generation at holdco

Consolidated trading profit from profitable businesses (US\$m)



Sources of Free Cash Flow* to Naspers (US\$m)

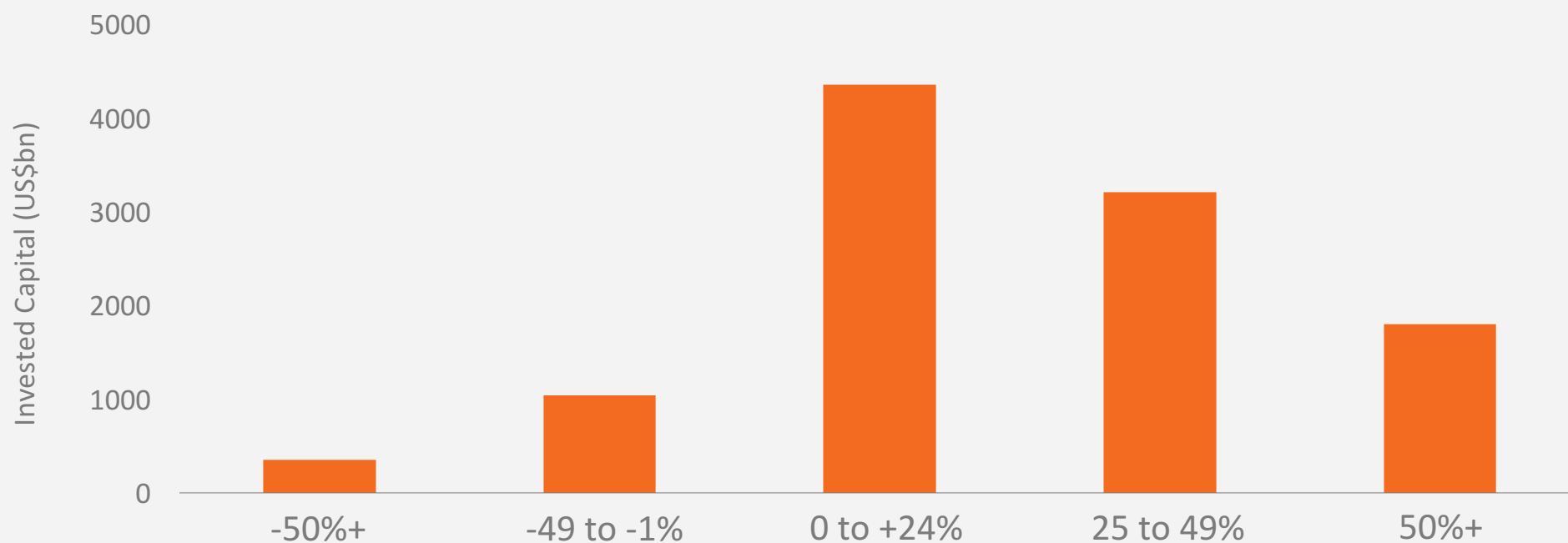


- Allegro
- Other
- Payments
- Classifieds
- Tencent Dividends
- Video

* FCF defined as EBITDA less adjustments for non-cash items, working capital, taxation, capital expenditure, capital leases repaid and investment income.

Robust investment process yielding excellent distribution of returns

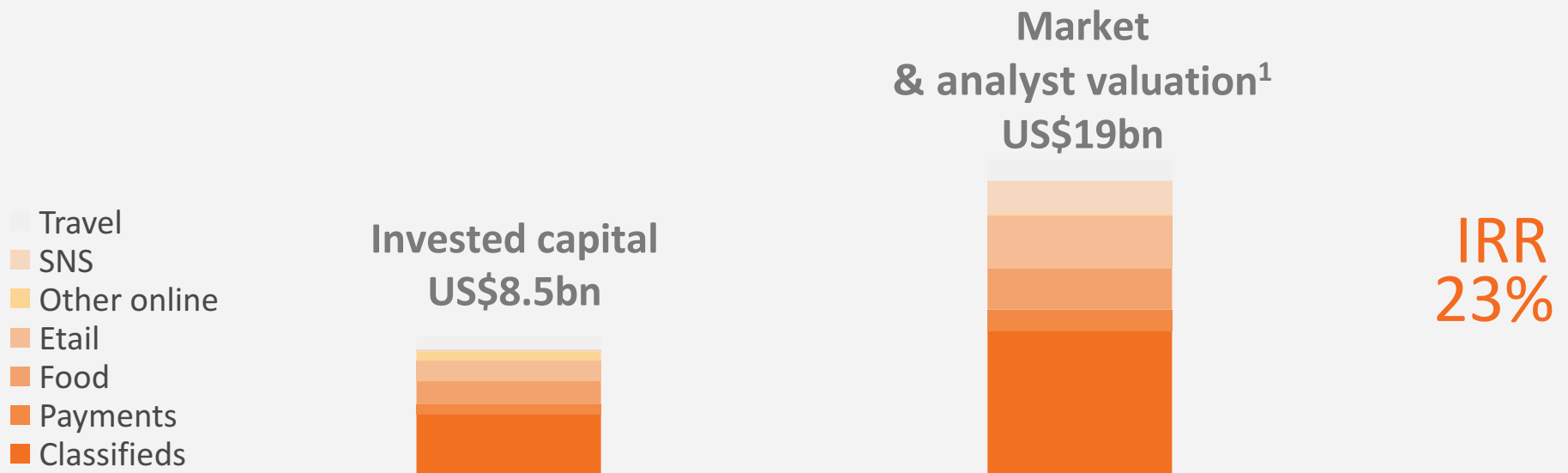
Distribution of IRR for all internet investments (ex Tencent), 1HFY18 to 2017*



*IRR calculated using market and analyst valuations for all internet assets (ex Tencent), including disposed or discontinued businesses 2008-2017. Market valuation at 30 September 2017 is calculated using (i) valuations derived from the average of sell-side analysts currently covering Naspers except for (ii) prevailing share prices for stakes in listed assets and (iii) post money valuations after recent transactions where analysts consensus is not available.

Healthy returns in the aggregate

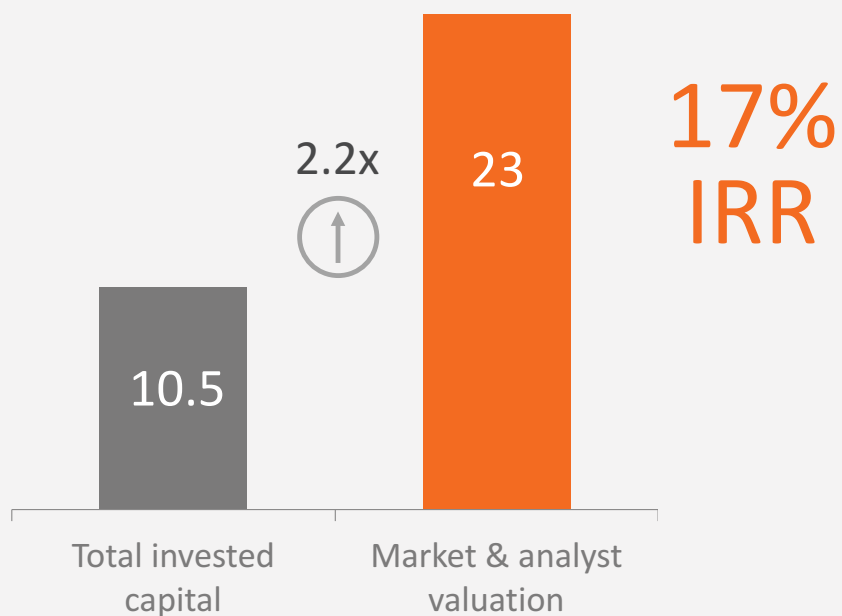
Current internet portfolio IRR and invested capital (excluding Tencent)



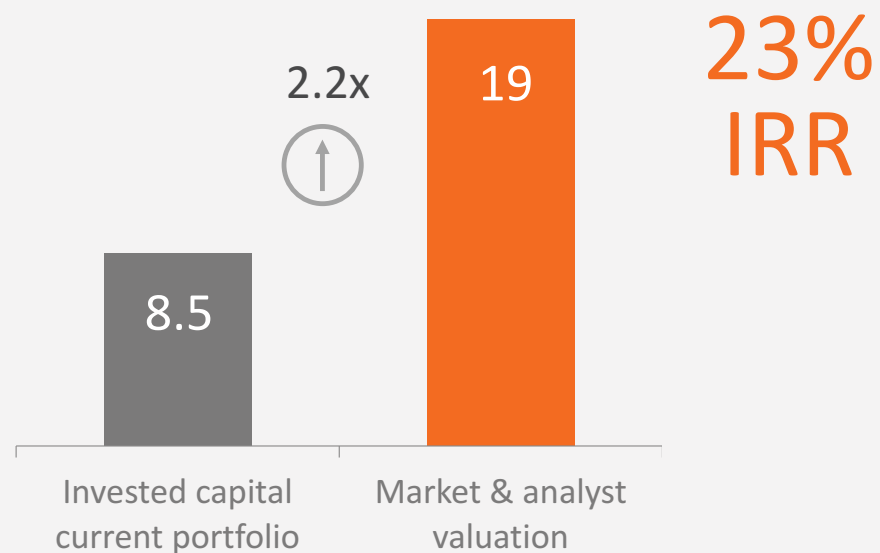
¹ Market valuation for internet portfolio (ex Tencent) as at 30 September 2017. Calculated using (i) valuations derived from the average of sell-side analysts currently covering Naspers except for (ii) prevailing share prices for stakes in listed assets and (iii) post money valuations after recent transactions where analysts consensus is not available.

Focus on continuing to strengthen excellent returns to date

All Internet investments (ex Tencent),
FY08-FY17 (US\$bn)¹



Current Internet portfolio
(ex Tencent, US\$bn)²



¹ IRR calculated using market and analyst valuation for all internet assets (ex Tencent) including disposed and discontinued businesses 2008-2017.

² Market and analyst valuation for current internet portfolio (ex Tencent) as at 30 September 2017.

Conclusion

Innovation is at
our core for over
100 years



Creating significant
value for our
shareholders



On track to
accelerate path to
profitability in core

