

## **Naspers delivers Ecommerce profitability, 18% revenue growth and US\$836m free cash flow improvement**

24 June 2024

It has been a standout year for the Group. Naspers simplified its Group structure, delivered improvements across all core performance metrics and achieved Ecommerce profitability six months ahead of target. Operating businesses have performed well, accelerating profitable growth, while the open-ended buyback programme continues to deliver value for our shareholders every day. The rapid deployment of AI-led technologies across the Naspers ecosystem is generating real results and will set the next frontier of value creation for the Group. Naspers has a strong balance sheet and is well positioned to generate improved returns through smart and disciplined capital allocation, driving value for all stakeholders.

On 17 May 2024, the Board announced the appointment of Fabricio Bloisi, former iFood CEO, as Prosus and Naspers Group CEO, effective from 1 July 2024. Ervin Tu, Interim Group CEO, will become Group President and Chief Investment Officer (CIO).

- Accelerated peer-leading topline growth of 18%, with Ecommerce consolidated revenue of US\$6.3bn.
- Achieved consolidated Ecommerce profitability ahead of target, with a US\$460m<sup>1</sup> improvement in trading profit to US\$24m.
- Free cash flow increased US\$836m to US\$477m, a 2x improvement year-on-year.
- US\$32bn of value created by the ongoing buyback programme since launch, delivering 9% NAV per share accretion.
- Group structure simplified through the removal of the cross-holding agreement between Prosus and Naspers.

**Ervin Tu, Interim Group CEO, Prosus and Naspers, commented:** “We have made substantial progress this year in delivering against our strategy. Our Ecommerce portfolio is profitable for the first time ever, and our ongoing buyback has created significant shareholder value. We also reorganised the Group, bringing us closer to our businesses so that we can enhance their performance further. AI continues to be the highest priority, and our in-house AI expertise, combined with our implementation of AI in practice across our entire portfolio, are distinct competitive advantages. AI is instrumental to our efforts in building and investing behind the next wave of technology leaders.”

**Fabricio Bloisi, incoming Group CEO, Prosus and Naspers, said,** “These results illustrate the amazing progress we’ve made, as well as our future potential. Prosus operates in some of the world’s most dynamic markets and through our technology ecosystem, we can make a real difference to the lives of our more than two billion customers. In June, I’ve learnt more about our business and I’m even more excited about the potential to further leverage our ecosystem and keep improving our results. I’m confident in our ability to innovate, collaborate and lead within existing and new sectors, and to grow our businesses’ profitability. I begin on 1 July 2024 and am excited about the enormous potential that I see to generate long-term value for all our stakeholders.”

## Group performance

<b>Consolidated results for continuing operations</b>			
<b>Group</b>	<b>FY2024</b>	<b>FY2023</b>	<b>YoY change</b>
Revenues	<b>US\$6.4bn</b>	US\$6.0bn	17%
Adjusted EBITDA	<b>(US\$3m)</b>	(US\$498m)	n/a
Trading profit / (loss)	<b>(US\$154m)</b>	(US\$640m)	74%
Core headline earnings	<b>US\$2.1bn</b>	US\$1.1bn	88% <sup>1</sup>
<b>Ecommerce portfolio</b>			
Revenues	<b>US\$6.3bn</b>	US\$5.8bn	18%
Adjusted EBITDA	<b>US\$161m</b>	(US\$308m)	n/a
Trading profit / (loss)	<b>US\$24m</b>	(US\$436m)	109%
<b>Food Delivery</b>			
Revenues	<b>US\$1.2bn</b>	US\$1.4bn	22%
Adjusted EBITDA	<b>(US\$77m)</b>	(US\$94m)	n/a
Trading profit / (loss)	<b>US\$67m</b>	(US\$106m)	161%
<b>Classifieds</b>			
Revenues	<b>US\$707m</b>	US\$519m	27%
Adjusted EBITDA	<b>US\$187m</b>	US\$73m	n/a
Trading profit / (loss)	<b>US\$172m</b>	US\$56m	182%
<b>Payments &amp; Fintech</b>			
Revenues	<b>US\$1.1bn</b>	US\$903m	38%
Adjusted EBITDA	<b>(US\$23m)</b>	(US\$77m)	n/a
Trading profit / (loss)	<b>(US\$31m)</b>	(US\$83m)	81%
<b>Edtech</b>			
Revenues	<b>US\$148m</b>	US\$134m	9%
Adjusted EBITDA	<b>(US\$91m)</b>	(US\$122m)	n/a
Trading profit / (loss)	<b>(US\$98m)</b>	(US\$131m)	25%
<b>Etail</b>			
Revenues	<b>US\$2.2bn</b>	US\$1.9bn	8%
Adjusted EBITDA	<b>US\$46m</b>	(US\$1m)	n/a
Trading profit / (loss)	<b>(US\$49m)</b>	(US\$83m)	42%
<b>Economic interest results from continuing operations</b>			
<b>Group</b>			
Revenues	<b>US\$32.7bn</b>	US\$32.4bn	12%
Adjusted EBITDA	<b>US\$7.0bn</b>	US\$5.0bn	n/a
Trading profit / (loss)	<b>US\$5.8bn</b>	US\$3.6bn	84%

**Basil Sgourdos, Group CFO, Prosus and Naspers, commented:** "Following a year of strong execution, our Ecommerce portfolio is profitable for the first time, well ahead of target. What's more, our peer-leading growth accelerated, and profitable growth is set to continue. Core headline earnings almost doubled, and our strong Ecommerce results and performance at Tencent have driven a threefold increase in free cash flow. Our strong and flexible balance sheet, active portfolio management and disciplined capital allocation put us in strong position to deliver against our long-term strategy."

### Peer-leading growth and increasing profitability across Ecommerce portfolio

*Food Delivery: iFood grew well and significantly improved profitability*

- iFood delivered industry-leading top line growth, with Gross Merchandise Value (GMV) up 20%, orders up 18% and revenue increasing 22%.
- iFood's core restaurant business almost tripled trading profit to US\$260m, with a 24% trading margin.
- Overall, iFood trading profit increased significantly to US\$96m, up 249%, supported by optimised marketing spend and increased cost control.
- Delivery Hero grew group GMV by 6% for the year ended 31 December 2023, with revenue up 16%, boosting profitability to an adjusted EBITDA of €254m.
- Swiggy grew Gross Order Value (GOV) by 26%, as operating metrics improved, and adjusted EBITDA improved to a loss of US\$261m.

*Classifieds – OLX Group: Strong performance, with accelerated growth and expanding margins*

- Classifieds consolidated revenue grew 27%, driven by a strong performance in OLX Europe, notably in the motors category, and a recovery in OLX Ukraine.
- Trading profit more than tripled to US\$172m, with trading profit margin increasing 13 percentage points, to 24%.
- Performance driven by streamlining of operations, more effective marketing spend and strategic optimisation of technology hubs.
- Exited OLX Autos businesses (excluding the US).

*Payments & Fintech – PayU: Strong growth within core Payments Service Provider (PSP) business and improved overall profitability*

- Consolidated revenue grew 38% to US\$1.1bn, driven by growth in core PSP operations in India and at GPO.
- Core PSP grew revenue by 41%, Total Payment Volume (TPV) increased by 25% and delivered a trading profit of US\$19m.
- Standout performance at Iyzico, PayU’s Turkish PSP business, with revenues up 119% in nominal terms and a trading profit of US\$17m.
- Overall, consolidated trading loss improved by 81% to US\$31m, with a 6-percentage point improvement in trading profit margin.
- Received in-principle authorisation from the Reserve Bank of India to operate as a payment aggregator, enabling PayU India to restart onboarding new merchants.
- Sale of GPO business to Rapyd (excluding PayU Turkey and Red Dot Payment) with closing expected in calendar 2024.
- Strong performance at Remitly for the year-ended 31 December 2023, with revenue increasing 44% and EBITDA margin expanding to 5%.

*Edtech: Strategic focus on AI investments as trading losses reduce*

- Consolidated revenue grew 9% to US\$148m, while trading losses reduced by 25% to US\$98m.
- Stack Overflow turnaround is underway, with losses reduced by 70% in H2 from \$44m to \$13m.
- Stack Overflow introduced OverflowAPI, enabling AI and LLM providers to leverage Stack’s public dataset within their own AI capabilities. API partnerships recently signed with Google and OpenAI.
- Stack Overflow recently launched OverflowAI product for general availability.
- GoodHabitz grew revenue by 20%, while trading losses halved to US\$8m.

*South African businesses*

**Phuthi Mahanyele-Dabengwa, South Africa CEO, Naspers, commented:** “Our businesses in South Africa continue to innovate and explore new opportunities, despite the challenging economic conditions affecting consumers. This demonstrates our commitment to develop a deep understanding of consumer needs and to develop solutions that improve everyday life. We are proud of the performance of these businesses, most notably Takealot.com which has surpassed 10 000 active sellers on its marketplace. We believe that the platform economy is a catalyst for economic growth, innovation, and job creation in South Africa. This is the unique value that Naspers brings to South Africa.”

- Takealot Group increased GMV by 13% and revenue by 8%, while cutting trading losses by 36%, overcoming tough market conditions.
- Mr D and Superbalist saw GMV increases of 16% and 7% respectively, capitalising on expanded product ranges and customer engagement.

- AutoTrader reported an 11% rise in user traffic, with platform growth of 97% since 2019, highlighting a surge in online vehicle shopping.
- Property24 solidified its position as a market leader, while also acquiring a stake in Grace Nineteen, a Black-owned property technology providing innovative tenant solutions.
- Media24 plans to re-assess several of its major print titles, advancing its existing shift towards digital platforms.

*Please note: Group results are shown on a consolidated basis from continuing operations, which reflect all majority owned and managed businesses. All OLX Autos business units are classified as discontinued operations, in line with IFRS disclosures. All growth percentages shown here are in local currency terms, excluding the impact of acquisitions and disposals (M&A), unless otherwise stated. Growth percentages shown here for all non-financial key performance indicators compare FY24 to FY23.*

<sup>1</sup>On a nominal basis.

For full details of the Group's results, please visit [www.naspers.com](http://www.naspers.com).

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**About Naspers:**

Established in 1915, Naspers has transformed itself to become a global consumer internet company and one of the largest technology investors in the world. Through Prosus, the group operates and invests globally in markets with long-term growth potential, building leading consumer internet companies that empower people and enrich communities. Prosus has its primary listing on Euronext Amsterdam, and a secondary listing on the Johannesburg Stock Exchange and Naspers is the majority owner of Prosus.

In South Africa, Naspers is one of the foremost investors in the technology sector and is committed to building its internet and ecommerce companies. These include Takealot, Mr D Food, Superbalist, AutoTrader, Property24 and PayU, in addition to Media24, South Africa's leading print and digital media business.

Naspers has a primary listing on the Johannesburg Stock Exchange (NPN.SJ), a secondary listing on the A2X Exchange (NPN.AJ) in South Africa, and has a level 1 American Depositary Receipt (ADR) programme which trades on an over-the-counter basis in the United States of America.

For more information, please visit [www.naspers.com](http://www.naspers.com).