

## Naspers accelerates profitability target and delivers on objectives

29 November 2023

*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.*

Naspers is successfully delivering on its commitments. The fundamentals of its operating businesses are improving, driving profitable growth. The ongoing open-ended buyback continues to compound value over time and the removal of the cross-holding agreement has greatly simplified the Group's structure. Lastly, with its strong balance sheet and through active portfolio management, the Group is well positioned to generate improved returns through smart and disciplined capital allocation, benefitting all its stakeholders.

### Headlines

- Sustained topline growth of 15%, more than double the rate of peers, with Ecommerce consolidated revenue of US\$2.9bn.
- Meaningful improvement in profitability, enabling the Group to bring forward its Prosus Ecommerce profitability target by six months to 2H 2024.
  - Consolidated Ecommerce trading loss of only US\$38m, representing a 9% margin improvement year-on-year.
  - iFood is now profitable overall, not just in its core.
- Core headline earnings more than doubled, increasing 112%, on improved Ecommerce and Tencent profitability.
- Free cash inflow increased to US\$677m, a 8x improvement year-on-year.
- US\$25bn of value created by the ongoing buyback programme since launch, delivering 7% NAV per share accretion.
- Strong balance sheet with central cash of US\$15.1bn.
- Removal of cross-holding agreement between Prosus and Naspers completed in September 2023, to simplify the Group's structure.

**Ervin Tu, Interim Group CEO, Prosus and Naspers, commented:** "We are making substantial progress against our commitment to drive profitable growth. Through active management of our portfolio, we have delivered improved results as our Ecommerce portfolio is now close to breakeven and growing at scale. We've simplified our Group structure, and the open-ended buyback programme is driving daily NAV per share growth – magnifying returns over the long term. With deep institutional knowledge across a number of technology domains, including AI, we are well positioned to support exceptional technology companies around the world. We remain ambitious in our plans and disciplined in our approach to drive real returns for all of our stakeholders."

## Group performance

<b>Consolidated results for continuing operations, excluding OLX Autos</b>			
<b>Group</b>	<b>HY2024</b>	<b>HY2023</b>	<b>YoY change</b>
Revenues	<b>US\$3.0bn</b>	US\$2.8bn	14%
Trading profit / (loss)	<b>(US\$124m)</b>	(US\$365m)	65%
<b>Ecommerce portfolio</b>			
Revenues	<b>US\$2.9bn</b>	US\$2.7bn	15%
Trading profit / (loss)	<b>(US\$38m)</b>	(US\$270m)	85%
<b>Food Delivery</b>			
Revenues	<b>US\$679m</b>	US\$663m	17%
Trading profit / (loss)	<b>US\$5m</b>	(US\$70m)	108%
<b>Classifieds</b>			
Revenues	<b>US\$342m</b>	US\$247m	32%
Trading profit / (loss)	<b>US\$94m</b>	US\$38m	134%
<b>Payments &amp; Fintech</b>			
Revenues	<b>US\$497m</b>	US\$412m	32%
Trading profit / (loss)	<b>(US\$22m)</b>	(US\$80m)	78%
<b>Edtech</b>			
Revenues	<b>US\$71m</b>	US\$63m	11%
Trading profit / (loss)	<b>(US\$66m)</b>	(US\$68m)	4%
<b>Etail</b>			
Revenues	<b>US\$1.3bn</b>	US\$1.2bn	6%
Trading profit / (loss)	<b>(US\$27m)</b>	(US\$51m)	49%
<b>Economic interest results, excluding OLX Autos</b>			
<b>Group</b>			
Revenues	<b>US\$16.1bn</b>	US\$16.0bn	13%
Trading profit / (loss)	<b>US\$2.5bn</b>	US\$1.6bn	87%
Core headline earnings	<b>US\$0.9bn</b>	US\$0.5bn	112%

**Basil Sgourdos, Group CFO, Prosus and Naspers, commented:** "The Group has delivered strong financial performance, beating industry levels of growth, while significantly accelerating profitability. Driven by continued strong execution across our Ecommerce portfolio, I expect this trajectory to continue at pace. Our Classifieds and Food Delivery segments are both profitable, and PayU is making strong progress towards profitability. Core headline earnings have doubled and the impact of the strong improvements in Ecommerce and Tencent are also evident in our free cashflow, which has increased six times. Our strong and flexible balance sheet, active portfolio management and disciplined capital allocation will underpin our success."

## Industry-leading growth and accelerating profitability across core Ecommerce portfolio

*Food Delivery: Sustained revenue growth with significant profitability improvement*

- iFood's core restaurant business more than doubled trading profit to US\$114m, with a 19% trading margin.
- iFood grew Gross Merchandise Value (GMV) by 15% and revenue by 17%, resulting in a trading profit of US\$23m, up 149%.
- Strong performance by key investments:
  - Delivery Hero grew group GMV by 8% in Q2 2023, with H1 revenue up by 27%, boosting profitability to an adjusted EBITDA of €9m.
  - Swiggy grew GMV by 28%, as operating metrics improved, and trading losses reduced to US\$208m.

*Classifieds – OLX Group: Strong performance, with peer-leading growth and expanding margins*

- Classifieds consolidated revenue grew 32%, driven by a strong performance in European auto verticals and OLX horizontal platforms.
- Trading profit more than doubled to US\$94m, with trading profit margin increasing 12 percentage points, to 27%.
- Exited OLX Autos businesses (excluding the US), with expected proceeds of US\$181m.

*Payments & Fintech – PayU: Strong overall performance, with core Payments Service Provider (PSP) business profitable and sustained growth in Indian businesses*

- Consolidated revenue increased 32% to US\$497m, as core PSP business grew Total Payment Volume (TPV) by 20% and delivered a trading profit margin of 2%.
- Indian credit business grew its loan book by 66% with revenue up 31%.
- Consolidated trading loss narrowed to US\$22m, with a 15 percentage point improvement in trading profit margin.
- Agreed sale of GPO business, excluding PayU Turkey and Red Dot Payment, to Rapyd for US\$610m.
- Strong performance at Remitly in Q3 2023, with revenue increasing 43%. At 30 September 2023, value of Remitly stake approximately 5x initial investment.

*Edtech: Continued growth in majority-owned platforms, with investment to leverage the significant opportunity of generative AI*

- Consolidated revenue grew 11% to US\$71m with trading losses flat at US\$66m, despite the macroeconomic downturn and continued investment in new technologies.
- Stack Overflow revenues grew 7% and successfully launched Overflow AI, a roadmap for the integration of generative AI.
- GoodHabitZ grew revenue by 22%.

*South African businesses*

- Takealot Group grew GMV by 15% and revenue by 9%, while reducing trading losses by 85%, despite challenging trading conditions.
- Mr D grew GMV by 15% and revenue by 11%.

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 Depository 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).