

Naspers & Prosus FY2026 Full Year Results | 29th June, 2026

Fabricio Bloisi:

Hello, partners. Welcome to our results today. I am Fabricio, I'm CEO of Prosus. Today morning, we released our results. I'm very excited about what we are delivering and I hope you enjoy our results call today. Today's a special call. I'm not going only to show you the numbers, but we have two special guests. Last time, you asked me to talk more about ecosystem and food delivery, and today we have the CEO of iFood and the CEO of Just Eat here with me to tell you much more details about what's happening at Prosus. I'm very excited about the results. I'm going to make an introduction to you about our ecosystem and hope you enjoy what we are going to see today.

So to start first, I'm very happy on how Prosus is delivering. We are now much more focused. We are focused in delivery, we are focused in finance, we are focused in experience, and all our business are growing and doing well and I'm going to open to you today much more info about how we are operating. We are also focused in Latin America, in Europe, and in India. And I think with this focusing results and also our innovation capacity, we have many more years of good results to share with you.

As you know, we have around a billion customers, we have around five million partners, around 100 billion dollars that we sell and we are going to open much more about how we operate. And I think first, as you know, we got to almost \$10 billion in revenue. It's going to keep growing to more than 13 billion next year. We got to \$1.3 billion in EBITDA. That's 84% more than last year, what is very good in my opinion. But if some of you think this is adjusted EBITDA, how much cash you are generating, we increased our cash flow, free cash flow by \$2 billion in the last two years from minus 0.5, 0.6 to plus one and a half. So I'm very confident we are in the right direction.

As I told you a few months ago, the center of our vision is how we make our ecosystem work. And I know one year ago, six months ago, it was a plan. My plan was we are going to build an ecosystem as a competitive advantage. We are not here just to show you plans. We are here to show you real results and we are going to open a lot to you, how our Latin American ecosystem works today and how this is going to connect to what we are going to do in India and in Europe. So today we are going to talk a lot about our ecosystem and also food delivery. Hope you enjoy seeing Prosus with much more details.

Moving on. Ecosystem is the core of everything we talk about here. Some people think Prosus in Latin America is iFood. It's not. iFood is the foundation. iFood is a very important foundation. But our competitive advantage, what we can do better than everyone else is how to run a full ecosystem. And now it's time to open all the details for you. So as I told you, that was what some people think, Prosus is iFood. Prosus is food delivery. Yes, Prosus started as food delivery in iFood. iFood is amazing, iFood is growing a lot. We are close to 200 million orders today. It was when I started, 20,000 orders, now close to 200 million. iFood, besides doing food delivery is the right foundation, because we have many customers with a very high frequency. And on top of that, we can keep growing. We have a big moat against competition.

And now it's time to open that for you. So as I told you, food delivery is an amazing business, iFood is an amazing foundation, but that's the vision I sold to you last year. It's not only food delivery, it is travel, grocery, ads, events, classifieds. The good news, this is not a plan anymore, this is a reality. It's a reality with very good results. Why? Because the total addressable markets of all those business are much bigger than food delivery. They are 10 times bigger than pure food delivery. But I don't have a plan to do that, we are executing that.

Over the last one year, we made so much progress in all those areas. Some of you are going to be surprised, but we have Despegar. You all know we made a big acquisition. It's not only Despegar, we are very strong in grocery and we also invest in two important grocery companies, Shopper and Daki. In dine-in, iFood is strong in delivery, but also, iFood is very strong today in making the transactions inside restaurants. We acquired five companies, including kiosks for restaurants and loyalty programs for restaurants and ERP for restaurants. And now we have tens of millions of orders in the dine-in and the markets that we have there are very big markets.

In FinTech and credit, it's a big business. In payment, it's already a big business, not only iFood, but also Zoop and [inaudible 00:05:14]. In pharmacy we are growing very fast, but we also invested in Mevo, that's enabling us to grow even faster. I'm going to get in details on that today and Diego is going to be here with me to show you all the details. So everything I'm showing you here, the ecosystem besides food delivery today have revenues of \$1.5 billion and today is growing more than 40%.

So the ecosystem plan of last year is not a plan anymore. It's a very big business growing fast and we have so much more ahead of us. Today the ecosystem is more than 50% of our revenue. You can see here, pure foods, 45%, FinTech, 17%, travel, 29%, and other marketplace categories, 7%. So we are much more than food delivery, growing 40%. It's very good to know that, because this whole market has a lot of runaway of growth. We have a lot of growth ahead and it's very difficult to compete against a company like us that has customers buying and having the benefit of us offering them many services together cheaper, faster, with less friction. All those markets together has a lot of runaway.

You can see here comparing Brazil to China, on all those markets we believe we are going to keep to see growth for many years ahead. Look at that, starting to give you some more details and some more colors about the existing ecosystem that we run in Latin America. If you look to our grocery business, we are growing 50% over the last three years, year-over-year. Today we are two times bigger than the number two player selling groceries online. The second player, it's an amazing marketplace company. They are very good. And even though, we are two times bigger than them, growing 50% in a market that is going to keep growing for many years. On pharmacy, we are growing 70% year-over-year. And now that we invested in Mevo, we're expected to keep this growth rate because now we can also sell prescription medicine. On FinTech, we never showed this number open one by one. Many of our FinTech businesses are growing 100% year-over-year. Our credit for restaurants are growing 115%. Our infrastructure for FinTech, 100%. And meal voucher is 60%. All of those businesses are not only growing much faster, but their profitability are increasing aggressively. So I've shown you other slides. Our ecosystem besides food generates something more than 115 billion dollars in profit. So that's what we built in the last one year. Food delivery is the foundation. We have a big brand, we have lots of customers, we have very good technology, but then now we built an amazing ecosystem. Latin America has another company, marketplace company that values between 50 and \$100 billion and it is an amazing ecosystem. That's what we are building. And we will build another 50 to \$100 billion ecosystem in Latin America.

Let me share some more data with you. Ads is growing 100% year-over-year and we have a lot of runway to grow on ads. Today we acquired a company called Advolve and our ads business is accelerating and growing amazingly well. We are serving tens or hundreds of companies having the best solution to increase sales, for example, for companies like Coke or Heineken or AB InBev. It's not only ads. Despegar, as you know, last year I promised you, it's possible because we acquired Despegar. Despegar is going to grow faster because they are part of our ecosystem. We got lots of questions on that. Can we really help travel company to grow faster? Look to this data. Today, Despegar is growing. The whole Despegar, 30%. Only Brazil, 40% year-over-year. Before we acquired Despegar, Despegar was growing around 10%. And the reason of that is the second chart.

21% of Brazil revenues of Despegar are related to cross-sell together with the Prosus ecosystem. That was our vision. It is, we can, because of our frequency of our technology, sell better service to our customers. Our customers are happier because they can buy easier and better and cheaper travel business. And as I told you, it's not only travel. It is grocery, it is FinTech, it is credit, it is meal voucher. That's the Prosus ecosystem.

I want to give you this overview on the ecosystem, but I hope you will stay tuned, because after me, we will have Diego here explaining you in much more details how each of those companies are working and we will be here for questions today. Besides developing the ecosystem, and part of the ecosystem vision is how technology makes all of that work. One week ago, we made an event called Prosus Forward, and I'd like to invite you to go there and watch the Prosus Forward event where we showed how we are using AI to change completely our business. We really, really use AI to operate the whole iFood business. Last year, I told you about large commerce model. That was our dream to train a model that is smarter than everything else we have to offer better service to our customers. It's a reality.

100 million customers in Latin America are modeled in our AI model. It operates 10 to 50 times cheaper than if we bought a model from a leader model in US. So if you think you didn't hear it right, we developed our own model, trained using our own data, and we operate 50 times cheaper than if we just buy from a global AI company. That's cheaper and faster, because we do distillation our own model so we make sure that we can have the results as fast as we need. So Prosus is very good in the large commerce model. It's a reality in iFood. We are expanding to our ecosystem now. So all those companies you saw, they are going to use the same model and improve their numbers.

Then we developed ToqanClaw. So inside Prosus we have 70,000 agents and 12,000 apps and we launched less than a month ago. So all our employees, 4,000 people, they're using our ToqanClaw to have an OpenClaw-like assistance. They can start the morning or ToqanClaw calls them and say, what are their problems? What is happening? They just ask for an app that connects to LCM and connects to all data so everyone can work faster. Everyone can work together. We create SKUs and the SKUs are used between the other people inside the company. I think we have the best implementation in a company of AI helping the company to move faster.

But it's more than that. We just expanded ToqanClaw to all our five million restaurants. So now if you're a partner of Prosus as a restaurant or as a partner, you have access to the best AI in the world. And we just launched last week in Prosus Forward, how we came through Zapier, have access to the best assistance to deliver whatever you need. You can say, "Just help me with that, negotiate, buy, et cetera." So Prosus is positioned as best in class in AI, for sure best in class in Europe, Latin America, and India. And we are going to see a little today how this connects to the reality.

So in the core of the Latin American ecosystem that we are going to talk about today, we have large commerce model defining how everything operates. And on top of that, many assistants, like Zapier, I just said, but also many others like Sophia, and ILO, and Toki, and Luzia. AI for us is generating results, reducing costs, accelerating growth, and serving better services. Today we have opened how the ecosystem works. Hope you watch also Prosus Forward and hope you enjoy seeing how we operate. I will be back here in a few minutes, but now I want to ask Diego to come here and share more about Prosus in Latin America. Diego?

Diego Barreto:

Hey, thank you, Fabricio.

Fabricio Bloisi:

Hello.

Diego Barreto:

Big pleasure.

Fabricio Bloisi:

Thank you.

Diego Barreto:

Thank you very much. It's a big pleasure to be here and to have the chance to double click on the ecosystem that Fabricio was explaining. The whole idea here is to show exactly how the synergies works and how we are organizing each pillar of it to generate the results that we believe in our strategy. So to start, I want you to take a look on this chart that Fabricio already showed, but more importantly to show that we have developed an ecosystem that is 10 times bigger than the original pillar, the food delivery one, iFood. More importantly, in each of these blocks, you can see companies that are mentioned, companies that we developed internally or that we acquired or we invested in the beginning and worked with them throughout the journey.

What does companies mean? It means optionality. These companies are the ones that we are integrating, that we are learning, that we are being able to extract synergies and build the entire ecosystem that you're going to see. Everything starts from the foundation. iFood is the foundation, because it can give us the chance to have a business with high frequency, high retention, and high growth. In this chart, you can see how we are being able to grow vastly during the last years. And you can see not only from the revenue point of view, but also from the client's point of view.

On both graphs, it's already important to mention that the other categories, the new business, the adjacencies, they are already becoming meaningful. So all the blocks that you saw in the previous slides is already represented here by more than 30% of the revenues generated inside the ecosystem. All these revenues are actually based in one thing, in the loyalty program in the capacity that we have to not only attract, but to retain while we increase frequency of the users.

So the program that we developed that we call Club, it was developed four years ago and already presents a retention and a frequency that is much higher than the average customer at iFood. The more we bring the customers, the more we put them inside Club, the more the company grows with very important qualitative fundamentals. Also, Club was not only important to the food delivery business, but now it's much more important to adjacencies. As you can see in the chart, groceries, pharma, and pet, they already have around 50% of the orders originated by clients that are linked to the Club. And Club now are moving from the food delivery ecosystem to the entire Prosus Latin ecosystem.

When we are able to do that, what we do is we fuel. We create the capacity to grow much faster, much stronger, the other adjacencies. As you can see, grocery is already growing more than 50%. Pharmacy is growing more than 70%. And on top of that, we create several optionalities. So now it's time to invest in beverages, in pets, in flowers, small electronics, gifts. The good thing here is to have the possibility to make these questions and then to decide when to speed up one or the other.

Also, because we are able to generate so much traffic with so much quality, we gained the optionality to explore the ads business. As you may know, ads have been very important to marketplace around the globe as a way to have a marketplace business that is very focused on the transaction while you can grab much more profitability on the ad side. So Fabricio already mentioned this. Our ad business is growing more than 100% per year, spreading all the categories, not only for delivery, but also groceries, pet, pharmacy, among others. The capacity to increase the traffic through Club allows us to generate what we are seeing here in terms of ads. And this entire ecosystem, it's what gives us the chance to sell

more. And the more we sell, the more we attract the merchant. The more we attract the merchant, the more we generate data, the more we can do finance.

Fabricio already showed this slide, but I want to pinpoint here one specific thing. What we are doing here in terms of FinTech, it's not what the traditional banks are doing. What we are doing in FinTech is to understand the operational and financial data that we grab from the merchants and build intelligence on top of that using our AI models, and as a consequence, offering products that are not available for them in the Brazilian marketplace. As a consequence, we see the credit grow strongly with a great ROI. We are seeing Zoop, which is our banking as a service, as well growing margin more than 100% with very long term contracts, very low churn portfolio, and the meal voucher business, which has the largest LTV to the food delivery business.

So with all of that, we gain the capacity to keep thinking about the future. When we say about future here, it again comes to the same flywheel. The idea to find much more clients that has a good value, that generate traffics with retention and give us the chance to bring more sales to the merchants. And it's exactly where our future stands right now. Why? Because Brazil has an immense market in the low income side of the society. And this market, it's very tough. Most of the players, they will try to play in this market just giving subsidies. And subsidies may work in the beginning, but in the low AOV market, subsidies don't create fundamental value.

We've been working with hits since 2018, testing, learning, testing, learning, testing, learning. And one year ago we understood how we could do that. We understood how we could operationally change the way we deliver, the way we attract the customer, and the way that the merchant works to make very low AOV work economically for everybody linked in this equation.

So the slide shows how we were able to decrease by more than 30% AOV, how we are able to increase the 10 by more than 25%. And finally, how we are being able to scale the operating margin to the breakeven level. So if you think that we are doing almost 1.5 negative operating margin in this order, which in dollar goes to almost zero, actually, in more a few months we're going to be able to reach the breakeven point and fight and play in a market where historically it's not possible to invest. Why? Because the AOV is very low.

So the way that the future holds for us gives us the chance to answer a question that probably you may be thinking. So how the competition is going in Brazil, especially because some companies arrive in the last 12 months. So let me show you the mechanics of the P&L of iFood during this last 12 months. First of all, the main source of revenue for us is commission. The commission, it's exactly the same as we had a year ago. Let me jump the CPO and I will come back to it. Our ads revenue keep growing as expected because the traffic is very strong. The company grew orders, clients, frequency, and retention during these last 12 months. The logistics margin is still in the same place, which means that we are being able to operate even with the intensity of the competition. We've been able to operate with the same economics.

Payment costs and platform costs are in the same level as well. What does it mean? It means that a year after a very intense competition in Brazil, our structural economics remains in the same place. So what we have to discuss here is the CPO, the cost per order, the cost to acquire an order, how much we spend to make an order happen from the consumer point of view. And this of course went up. It's because the competition just brings irrationality at this point in time and we have to fight against it. Fight in a good sense, fight in the sense that we want to fight for the consumer. So as soon as irrationality goes down and comes back to the rationale field, CPO comes down naturally. And as a consequence, we go back to the same place that we were before. Why? Because the structure of the economics are still the same and we keep working on it. And of course, what I expect is to have more sources of revenue in the ecosystem in the future.

So when we go back to the story, what we are saying here is we have a foundation, strong growth, strong retention, strong frequency. With this foundation, we can spread the customers towards other adjacencies. We bet on options in the past that materialized and allow us to have a 10 that is 10 times bigger than iFood. We are now grabbing growth from these adjacencies and incremental profitability coming from that. More and more, iFood will be seen as an ecosystem. Half of the revenues in the next 12 to 24 months should be coming from other adjacencies versus the original food delivery. And this gives us the confidence that what we are building will be much stronger in the future. Thanks very much. Now I pass to my colleague, Roberto.

Roberto Gandolfo:

Thank you, Diego.

Diego Barreto:

Thank you.

Roberto Gandolfo:

Hello, everyone. It's a pleasure to be here with all of you. I'm Roberto Gandolfo, the CEO of Just Eat Takeaway. My last 12 years I spent in iFood helping to build the food delivery business there. So just to start with, today we're going to talk about JET on this new chapter where we are very much focused on growth and to reposition the company as an AI-first company. So let me start with this chart. So JET has been

Roberto Gandolfo:

... struggling over the past few years to really grow. And you can see now we are in a new trajectory, bring the company back to growth. So what we did, this new chapter just started less than six months ago. The first approach was, "Let's test and learn extremely fast in a small cohort of cities where we can prove that we can grow much faster than what we are doing today." And we did it. We have more than 25% growth. We saw this level of growth in those cities where we did this test and building this playbook of new growth flywheel. And now the challenge is to bring that to the entire portfolio of JET, and that's what we are doing exactly here. And you can see month over month the trajectory that is changing. Of course we are not there yet, but we are in the right path for sure.

And here you can see the scale of JET. The challenge is how we turn all this scale, all this density of JET into back to growth. That's our focus for now. So, how we are repositioning JET to become an AI first company. This is very important to understand. So, just to simplify here is basically we are talking about three main layers. The first layer is a unified platform where you have one backend everywhere and you can operate multiple countries in a much more scaled and efficient way. Then we are building on top of that our LCM model. LCM is the large commerce model that Fabricio just mentioned in his presentation, and basically this help us to understand much better who is the customer, what the customer really wants and then we can leverage on that to bring the right offer. So, you're going to see that we can personalize what we are showing in terms of content, subsidies and so on.

And then on top of that sits our growth flywheel. The growth flywheel is basically bring more traffic to the platform, a high quality traffic that can be converted into orders. And once we deliver an amazing experience in the post-purchase, then it will lead us to a higher retention and higher frequency. The same foundation that you just saw Diego explaining here about iFood. So, we are doing this repositioning here.

How we are executing all of that. So, we have here six main blocks where we are focused on to really deliver this plan. So, culture and management model, which is very important for us, is the foundation of everything that we are doing. Our rights to win, this is being part of an ecosystem like Prosus. Capital allocation, the discipline to have the capital allocation. The tech platform, logistics, and our supply. So, let's go through each one of them. Starting with Culture. Culture is the foundation of everything that we do. We are really raising the bar inside the company. When we look at the results and what we are doing, that's what we need to do. We are here to really bring the best customer experience ever to our customers. And we need to move extremely fast. This is a very important behavior on everything that we do.

We have this tech profile to test and learn, use the data to drive our decisions. And we are operating more and more as one JET, as a team that is a cohesive team that operated together. And you see very good early signals that we are getting there. So the company now understands the strategy, they have clarity, they believe on this strategy, and we have clear ownership about each of those things that we are doing, which is very important for us.

The other point is I started in iFood when we were doing like a million order a month and we had 120X growth over the past few years based on technology, bringing the best experience to the customer. And this is what it means to be part of an ecosystem like Prosus where you can exchange knowledge and the leverage on this knowledge to start to repositioning JET in this new chapter. So, this is what really help us in the whole flywheel. This is exactly what we delivered over the past few years. That said, JET, as I said, is a scaled business. So, the P&L is there. What we have here as an opportunity is to do a better capital allocation. So, we are investing. What's the principle behind on how we invest? Is basically we invest where we have the density and scale to really deliver the best experience to our customers.

When we do that, you can expect better returns, better paybacks on our investments, because we have the foundations in these cities. So, it's a city level approach that we are doing for all the 16 countries. Which is very important to reinforce this discipline of capital allocation. We are also all the time reviewing our entire portfolio and really making sure that where we are, we will have a relevant position. So, we just exited Australia and Denmark in the past few months because it was not part of the core strategy anymore. And we are doing a cost management that is very important. I'm going to show one example of this in logistics where you're going to see a very important improvement in our efficiency here. This efficiency allows us to reinvest in the business to grow. And we are focused on investing P&T, product and technology, and to invest to build our large customer base. So, that's what we are doing in capital allocation. When we go to technology, as I said, we are unifying the whole backend. This will give us speed to deliver a new capability and be live everywhere immediately when we build something new. And as another example is the LCM, the large commerce model. Fabricio talked about this cost reduction. This is really important. So, the cost to identify the user profile and understand who is this customer is now 90% cheaper than before. This brings us, enables us to really scale this model to the entire portfolio. Now you can expect that it's coming soon that we're going to have all the components you see in the app, they will be driven by LCM behind. So, you have the AI engine behind saying, "What's relevant to this customer? What kind of subsidy? What should be the restaurants that they are seeing?" This is what will bring us this customization, this personalized experience.

Here is logistics as one example of cash management and discipline on how we operate the business. So, you can see on a weekly basis how much progress we made really adjusting the demand shaping, the network optimization. This is our Scoober, which is basically the employed model that we operate in some countries. And you can see the level of evolution. When we are talking about five million a month, we are talking actually 60 million euros a year in terms of impacting our EBITDA. And we did that in just a few weeks and now this allows us to reinvest in the business, to reinvest in our growth. This is

technology behind. It's impossible to do a number like that without being more efficient through the technology that we are applying to the business.

And here we also have the supply. We need to bring the best choice to our customers. That's very important. When you open the app, what really matters is what you see around you. What are the options that you have to bring? And here just as an example, we are bringing the best content at this level of 80% in the Netherlands, and the same principle, the same approach applies to other regions where we are. So, we want to make sure that when they open the app, they really have the right and the best content. We are also using data, which is our model to say, "Where should we bring more offer?" Groceries, restaurants to our customers. So, this will direct connect with the increase of conversion rate in the app. And then we are also automating and using agentic operations to speed up the process of onboarding a new restaurant at JET. So, doing all of that, we can spin our flywheel faster than ever before. And this will lead us to a higher growth.

So, what we did over the last five months, less than six months was basically setting the new strategy that it's really very focused on growth and a sustainable growth, cultural shift, so raising the bar, bringing these behaviors to be live on a daily basis, and started the path to grow, like testing and learning in a few cities. And now what we're going to do is to, as I said, accelerate this flywheel to really put a system in place where we have a unified platform everywhere for logistics, for the consumer, the backend, and do product improvements as you probably saw in the Prosus Forward two weeks ago when we launched [inaudible 00:33:45] for partners in the Netherlands with good feedback and experience. So that's our expectation. I hope now you can have a better view of what's going on in just its takeaway. And I will call Fabricio back through here today's stage.

Thank you.

Fabricio Bloisi:

Thank you very much.

Roberto Gandolfo:

Thank you.

Fabricio Bloisi:

Thank you, Gandolfo.

Roberto Gandolfo:

Thank you.

Fabricio Bloisi:

Hello everyone. Hope you enjoy to learn more about food delivery with iFood and JET. And I want to finish this presentation. And we will be here for lots of questions. Talking about the next steps. The ecosystem was a dream one year ago, now it's a reality. You saw one and a half billion dollars growing more than 40%. But, that's the first step. We are going to move that to the world. So, what we are... Prosus does delivery, finance and experience. You see that in details in Latin America. We are doing the same thing in India. The foundation there is [inaudible 00:34:42] to do is Meesho and PayU. PayU is the bigger foundation because the infrastructure of payments. But, for example, we have also Swiggy, and this year, Rapido, and ixigo and Meesho are part of what we are offering there. But, then we have finance and we have experience. What you've seen in Latin America, we are going to the same direction

in India. We are replicating the technology. We are replicating the learnings. We are replicating the cross sell. And we are replicating the LCM and the assistance. Right now we are expanding LCM after a lot of success in iFood to our ecosystem in India. And we are starting in Europe. To be direct with you, we don't have the food ecosystem in Europe. We have some amazing business. For example, OLX is amazing in Europe. To me, food delivery is very important as foundation. So, I need just it to go from now is minus four year-over-year growth to plus 10%. And we will get there and we will keep sharing with you this progress. And then we will build the ecosystem around this food delivery, including the OLX and our other business like ixigo and eMAG.

So, what we are doing is moving ahead the same learnings you saw in Latin America where we are having a lot of success to our other regions. So very briefly, you know that PayU was the center of India, but now we have many more. And just to highlight, ixigo is travel, just like we have Despegar in Brazil. And again, we are learning a lot from each other. We invested in Rapido. Rapido is growing up more than 100% year-over-year in mobility in India. So, here we have hundreds of millions of customers, and we will share next time with you how we are also developing the same things you saw in Latin America, how it's being replicated in India. Europe, we are starting. We have OLX, we have eMAG, but the big priority now is to make sure that our foundation Just Eat works.

We are going to keep delivering that, and in the future we will analyze more how we can keep grow also with the European ecosystem. It's not our priority for now to expand or do other big acquisitions right now. That's what we are doing. Hope you enjoyed to learn more about ecosystem, about innovation in Prosus Forward and about food delivery. We'll be here for one hour of questions, so I ask Owen to organize our Q&A session. Owen?

Owen:

Great. Thanks very much, Fabricio. Thanks, Diego, Gandolfo. I think that was a really great look at food, how through scale, frequency, retention and density can serve as the foundation of the ecosystem, and the ecosystem with its inherent growth and profitability can then unlock significantly other bigger opportunities through the TAM. So, we'll go to Q&A right now and we'll also, we'll have Fabricio, we'll have Diego, Gandolfo, and we'll bring up our CFO, Nico. And it's clear that I'm going to have to add another O on my name so I can retain my job here. So, let's get to Q&A where, as we said, we're going to have an hour to speak with you. So, let's go to the first question and that comes from Caesar at Bank of America.

Fabricio Bloisi:

Hello, Cesar.

Cesar:

Hi, Fabricio. Hi everyone. Thank you so much for the opportunity to ask questions. And congratulations on the FY26 numbers, I think they were very good. But, now I'm going to ask some difficult questions on looking forward. The first question, which I think I wanted to understand, a year ago when you hosted this Capital Markets Day, you mentioned that you're very confident that Prosus is on track to deliver billions in EBITDA in the next couple of years. And, of course, we've seen that in the next 12 months, you're going to have to invest more in iFood and JET. I think this is mainly due to competition, which you could not foresee at the time that it would be so intense. So, I think, we understand that, but just wanted to understand from your perspective, looking at the consolidated numbers, does it seem about right that EBITDA for the group will not grow much in FY27?

And then what's going to happen in the next two to three years? Are you still bullish on this opportunity to grow and deliver billions in EBITDA? And then probably link to that, I think the presentations we had on the LCMs were very insightful. I just wanted to probably understand a little bit better. When are we going to see the impact of this AI into the numbers, especially on the EBITDA side? Thank you so much.

Fabricio Bloisi:

Thank you, Cesar, for the comments. I agree with you. The results are very good for last year. And a comment on your comment is when I showed that those expectations for one year ahead guarantee \$1.3 billion in EBITDA, many people also said, "But can Prosus keep the current numbers or keep the current trajectory?" And over the last 18 months we are consistently delivering. So, hope you... I'm sure you're going to keep seeing these results ahead of us. Your first question is if I'm still bullish on profitability for the future. So, I re-affirm, I expect and we will deliver billions in profits, and we will get there for sure. Yes, you are right. So this is not a year that I expected to increase profitability. This is not, as I said in my letter one month ago. And the rationale to that is the following. We have good business. First, I'll start with JET.

I could just say I'm going to invest more in JET or increase profitability in JET. That's not the object. The objective is to have a global food delivery leader. So, first we're fixing technology, growth rate, how it treats the customer, lots of internal areas. So, we can have a company that can not only grow 10, 20%, but we can have profitability on JET for many years. And that's my expectation. That said, for the moment, it's better to me to fix everything that we have and create the right foundation to growth than to just increase profitability in JET in the short term. On iFood, it's nice that we have Diego here. The iFood business is doing very well. Yes, I know there is more competition there. The competition is not having better offer, better product, better logic. They're not. Actually, iFood offer, iFood brand, iFood communication, iFood is ecosystem. It's a very complete and good of ecosystem and set of products.

I could keep just increasing profitability, but I prefer to invest in it what is growing. For example, you saw FinTech. It's growing superfast. For us growing in iFood hits, it's super important. So can I just say, let's take the maximum profitability now. That's not my objective to make the maximum profitability next quarter or next six months. My objective is to have not only two billion but many billions. And we will get there. So, I'm as confident as ever. That said, during the recycles of investing more and deliver more results. Last year, many people question we could deliver the results. We deliver all the results. We are going to invest more this year and we are going to deliver much more results in the year after.

Diego:

Fabricio, if I may. Cesar, one of the points that Fabricio mentions here that's very important is, do you have options? And that's the point. We have the option. For example, at iFood, could I grow less and deliver much more profitability, for example, on the adjacencies? Yes, I could. Is this the right option? The answer is no. The market is still growing. The habit is still being formed by the new options that we're bringing to the market. So, the point for me here is not if we going to deliver or not. It's when we decide to deliver. And, I think, that the right option right now, especially on the grocery side, the pharmacy side, among others is still underdeveloped. I prefer to develop by myself and be the leader of the market, then wait for this just to deliver more profits this year.

Fabricio Bloisi:

Did he make a second question?

Owen:

Yeah, I think Nico was going to say something on the [inaudible 00:43:35].

Nico:

Yeah. I think, maybe just to provide a bit more color on the expectations for the year ahead. So, I think, first thing that I want to emphasize, for some businesses, the expectations that we outlined at the CMD, we're actually tracking on or ahead for many of those. Which are they? Things like OLX has had a really stellar performance in the last year, 480 million of EBITDA, 16% top line growth. We expect that kind of improvement, both growth as well as profitability and margin, to continue. We've seen PayU India growing but also returning to or being profitable. Again, that trajectory is continuing. Within the iFood business we are seeing the agencies, and you saw the presentation from Diego, who are growing fast and starting to contribute a lot. So, all of those businesses are actually in line and tracking well with the expectations that we've set a year ago.

In terms of some of the new acquisitions, also Despegar as well as La Centrale that we acquired in the last year that are tracking on or ahead of our investment cases. And then clearly there are certain investments, and we've highlighted that in the presentation today, but also within the CEO letter that we published in May where there will be investments this year going into JET as well as the core iFood business that Diego outlined. And we've given you a range there, because the market remains dynamic in terms of the spend and how competitors are actually reacting to that. So, what is our expectations? From a revenue perspective there's still an element of our full year like for like, like JET was only in for six months, it will be in for a full year next year. So, our revenue should grow still healthily to 12, 12.3 billion at least next year.

And then you can see the dynamic of some businesses as I outlined really continuing on the growth and profitability path offset by some investments which then more or less get you to the conclusion that you came to, Caesar, in terms of overall profitability. And then in cash flow wise, that should be the same. Our 10 cent dividend for the FY27 year. We've already received that in June this year. And clearly as our e-commerce business remains profitable, it will continue to generate additional cash flow on top of that.

Owen:

And the second question was on the LCM and some of the products we announced at Forward and when they should be showing up in revenue and EBITDA.

Roberto Gandolfo:

I can explain regarding the LCM and the impacting the business and in the numbers. So, if you see that we are challenging ourselves in JET to deliver growth this year, so we want to bring the entire company back to growth. Why we remain profitable? This is only possible if we use LCM properly. If we have an efficiency in terms of CPO, otherwise it would be impossible to bring the entire company back to growth, and we would need to spend much more than what we are doing now. So, here is where you can see the impact of this kind of technology in the business.

Fabricio Bloisi:

And just to compliment here, you're not the first person that's asking me those days. Look, for example, Despegar has 20% of this revenue coming from the iFood ecosystem. Despegar is growing like 30 or 40% overall. This is a lot related to LCM and data and AI. Look, our profits, I go to this event sometime, you say, "No, let's talk only about the future." It's 1.3 [inaudible 00:47:34], it was zero, two years ago. We are using AI heavily to reduce costs, to serve customers better, to increase sales. So, the results are already there. The point is they are going to keep compounding, because we are not just using some

technology that someone developed. For example, now when I explain the LCM to the whole world, that what we are doing right now, our results in many other companies are going to keep improving. When I put LCM in all that, we showed 10

Fabricio Bloisi:

Companies in Latin America, all of them are going to use LCM. Our results, they are going to improve too, but we are already having strong results due to AI.

Diego:

Fabricio, if I may, in the same line that Gandolfo mentioned, think about the synergies of iFood and Despegar. Because someone is ordering food doesn't mean it will buy a hotel ticket or a flight ticket. So where the synergy comes from and where the LCM impacts here. The fact that I can have the power that LCM brings me, I can identify the behavior of a specific customer, and I can know exactly what to do with that customer in a specific moment. So because the LCM provides me this quality of information, I can provide to Despegar, from iFood to Despegar. The exact moment where someone is not in their town or has a certain frequency of travel and so on and so forth. And therefore, when you compare what Despegar is doing right now versus when it was publicly traded, you will see a company that is more profitable and grow much more. Where does it come from? It comes from the intelligence of-

Fabricio Bloisi:

Technology.

Diego:

... the LCM. So not only LCM, but also LCM. So the answer in the end is you will not see LCM as a specific line of revenue because it's not a SaaS business, at least until now. You want to see this inside each of the lines of the P&L of the companies.

Fabricio Bloisi:

Yeah. Just adding to that, we launched this week; maybe that's what you were asking about, ToqanClaw. So we offer ToqanClaw to the restaurants. We have a few restaurants because we had like a thousand using before launching to everyone that are saying, "I have using this model, substantially better experience than I had using the public global leaders." We are not selling it today to the restaurants because we operate it around 10 times cheaper than if you are using a global leader model. So over time we may charge specifically for that. Over time we may offer it for free for our customers, and for other customers we may charge depending on how much they use. But our focus today is not make this line as a revenue line. It's to say we are the best partner for restaurants in the world because here they can grow faster than better their business. That's our focus for now. And we are doing all of that. The costs of that are inside our income statement because we can operate it cheaper because we built our own model.

Moderator:

All Right. That's question one.

Fabricio Bloisi:

Wow. We have time for more... One question.

Moderator:

Now we'll go to Andrew from Barclays. Andrew.

Andrew:

Hey guys, morning. Can you hear me okay? Great. I've got two if that's okay. The first one is on JET. So you're clearly getting some early signs of positive return in these cities where you've made changes. Can you just give us more color in terms of exactly what type of changes you've been making there and then give us more color as to how easy it is to embed that across the rest of the geographical footprint? So for example, can you tell us how long it's going to take to get onto a unified back end and have the LCM fully up and running? Just so we get a sense as to how easy it is to translate what you're seeing in the early cities into the rest of the group. That's the first question. And then the second one is on Delivery Hero. Appreciating that there's a lot of moving parts here and you're probably limited in what you can say, but as it stands today, you have until mid-October to further sell down in the company.

Can you give us your consideration just to the moving parts here now and the stake? And I guess the angles that come up in investor conversations around whether you might be able to negotiate with the EC to extend that deadline further, whether you might buy more shares, what your perspective is on the Uber interest in the company, whether there are still some assets in Delivery Hero you might be interested in. I think it would be really helpful if we could get your views on the various puts and takes around that stake. Thank you.

Fabricio Bloisi:

You answer very well the first question. Because the second, let's see.

Roberto Gandolfo:

Yeah. Let me answer the easy question first, and the tough question will come to Fabricio later. But regarding what we did in the selected cities is really focused on the growth flywheel that you saw here. So bringing the right high-quality traffic to the platform and starting to doing the customer segmentation, but using LCM behind that to understand the behavior of the customer, is what was driving this kind of growth. And the supply is a very important piece, as it is logistics. So there is no secret on that. The secret actually is executing it with operational excellence. We are, as I said, in terms of behaviors, raising the bar, moving extremely fast, and really focus on our customers to understand the pain points and solve them. And the other piece of that is technology. When we start to apply the Prosus technology, the technology that we also saw in iFood and here you can see the level of change.

And we said that in the latter. Please do not extrapolate the 25% very short because we are building that through the entire platform. You can imagine the complexity when you go from a few cities to the entire portfolio; that's exactly what we are doing now. But you see the new trajectory; you see the direction is going to the right place, coming from -9 to -4%. So that's what we are doing to deliver that.

Fabricio Bloisi:

There is one slide in your internal presentation that shows the number of tests of marketing or new products last quarter and this quarter. It was like from 15...

Roberto Gandolfo:

Before, actually, JET was not testing too much. It was not part of the culture. So now we are running hundreds of tests in a month, and we want to bring it to thousands of tests because this is the speed

that we can learn is what we're going to drive our results for the future. So that's what we are accelerating to spin this flywheel faster and faster. This is very important. You're talking about the unified platform. This is a central project for us. I will talk about one piece of that. So we expect to have in a few months, launching in one new country, using already the new logistics platform, which is a unified platform. So we expect, let's say, in six months, less than that, to really start to operate in one entire country with this new platform, and then it comes naturally, a rollout to all the countries after that. This is the kind of speed we are trying to build internally.

Moderator:

And that's some of the areas that you're investing in this year, correct?

Roberto Gandolfo:

Yes. Yes, for sure. If you look at the investments that we are doing, for example, product and tech, this is exactly what we are doing. Like we said, we need this unified backend, the unified platform, and it takes longer, of course, to do the entire company, but instead of doing it in, like, 24 months, we are breaking it down and delivering one piece at a time so we can see the progress quicker.

Moderator:

I think that's really important across both JET and iFood. Yes, you're investing in demand, but also in supply with the product that sustains after competition or after your background to growth.

Diego:

Let me just highlight this point, which is very important. We are not the kind of operators that just use subsidies to move forward. Actually, what we love to do is to test a lot... To build products, and these products remain for a cycle of years and years, generating the results that we want.

Fabricio Bloisi:

So it can reinforce to you the change in how JET are approaching to frequency and retention are substantial. You see that chart; obviously I'm not proud to say minus 4%, but it was minus nine, like in March. This number is going to keep going up because we are doing profound change, and I'm very confident about that. Andrew, your second question...

Moderator:

Delivery Hero.

Fabricio Bloisi:

Obviously I'm frustrated that I think we could do better; when Prosus was the biggest shareholder of Delivery Hero, the result could be better for Prosus and for Europe, but it is what it is. We had some commitments. We executed our commitments. We are not the biggest shareholder anymore. There is other bigger shareholders. So I think you should call them and ask what are their plans. There is nothing I can talk now in what are the plans or next steps. It would be inappropriate, so you have to wait more. I'm sorry.

Moderator:

Okay. So we'll go to the next question, but before we do, I'm going to remind you to unmute your phone before you speak and stop making me look bad. So we'll go to Will Packer at BMP. Will.

Will Packer:

Hi there. And thanks so much for taking my questions. Three from me, please. Firstly, there was a very useful slide that talked to the addressable markets for iFood across diverse areas like OTAs, food, grocery. Is it right to think of that as the vision for Europe and India, and to what extent can that be done organically versus via M&A? Second question: Clearly we've already touched on the noise in Brazil from the Chinese new entrants. You've cut 2027 EBITDA expectations quite sharply. On the other hand, when I look at KPIs like traffic, it's actually very resilient. A little bit of an update on the state of the nation of Chinese competition and the prospects for EBITDA to rebound in 2028 back to '26 levels or beyond. And then final question around the risk for the ecosystem from the rise of alternative consumer agents. So we know from Tencent they're working very hard to be the agentic AI assistant of China, but one would think in the West, Meta, Google, OpenAI, Anthropic, we're all working hard and the same.

Could this imperil your own ambitions to the rise of big tech consumer agents? Or if we look at something like Latin America, do you plan to coexist, or will you be the consumer agent? Just any color on how you think about that. Long-term risk would be very interesting. Thank you.

Fabricio Bloisi:

Thank you for all the questions. I'll try to go to the first. Is that the vision for India and Europe? Yes, that is the vision. I finished with one slide saying if Brazil was more advanced, it helps. I was the CEO there in Brazil. I started to dream about that two, three years ago, four years ago. What I want to show you is that we deliver much more than everyone recognize or know because we are releasing more data today. And I think the consistent in Brazil is strong. The vision in India is the same. We are going to do the same. We are already executing a lot of the same. We already did more than we are talking about, and we will go for Europe later. Then you said, "So can we expect acquisitions now?" No, my biggest goal now is deliver real results because this is the foundation for our next steps.

In India, we did a lot actually. Just to remind you, Rapido is growing 110, 120% year over year. It's an amazing company. It's a mobility company. Ixigo also has a lot of synergies with Prosus. So hopefully we will make a presentation just like today on India in a few months. But I think the good thing to show you is that we are delivering technology and knowledge that is replicable. So food delivery may be a \$10 billion potential revenue thing in Brazil, but the whole markets we are, it's a hundred billion. And if you look at that to Indian, Europe, maybe it's 300 billion, and we are just to keep executing and delivering more. That's our biggest priority. We're going to keep replicating that.

Diego:

Yeah. No, just in one comment on this Fabricio, which is very important. Some people, when they look at that slide, they think a lot about acquisitions. That's not the point. Acquisition is not the strategy. The point here is what's the culture and management model that allows you to build an ecosystem? Because it's easy to buy a lot of companies or to develop a lot of products. The point is how you make everything work synergically. So that's what we were able to prove in Latin America, and of course it's a great framework for the other places. So regarding the competition in Brazil, as Fabricio mentioned, we didn't see anything different from what we knew. So the way that logistics is operated, the way that the algorithms work, and so on and so forth. The focus of the competition at this point in time, it's been heavily focused on subsidies, especially on the outskirts where the low-income segment sits in Brazil and in very small restaurants.

We saw a market that grew heavily based on that. Discounts generally goes around 50%, and of course we could just play with that, but that's not what we're going to do. We have to do some offense in that sense, but that's not our focus. Our focus is mainly focused on product, and one of them it hits that I showed here. So can we go back to the same levels of returns in the next year? Of course it will depend a lot on the behavior of the competition on the irrational side. As soon as things come back to the rationality and it will eventually come back, we will go back to the profitability and as an ecosystem, we have a push that will make us much more profitable than we expect in the past.

Fabricio Bloisi:

But can you estimate how much the competition is spending in that low orders?

Diego:

Oh, yeah.

Fabricio Bloisi:

Because they are giving 50% discounts to subsidies. How much [inaudible 01:01:47] are they are losing per order?

Diego:

So they are losing more or less \$8 per order, which is something...

Fabricio Bloisi:

Unbelievable. It's more or less.

Diego:

Yeah, it's more or less.

Fabricio Bloisi:

Yeah. So you showed our slide that we are losing 1.5 on average.

Diego:

Yes.

Fabricio Bloisi:

So in some countries, in some cities we are losing like zero or 0.5.

Diego:

Exactly.

Fabricio Bloisi:

So we are going to invest a lot to fight competition without the subsidies. So I think our position is it's very good. It's very, very good.

Diego:

And the results up to this point are great. I mentioned we grew orders, we grew customers, we grew frequency, we grew retention. So after one year of this irrationality, having these figures is something that is very meaningful.

Fabricio Bloisi:

And some Brazilians are getting free food. Let them be happy. But we are going to offer to all Brazilians cheaper food through better product. That's what we are doing. And having the capability to invest for that makes the difference. And we are ready for that. We are a big enough company that we have a competition; we are going to win, and we are doing that profitably, rationally with good reasonability on how we are implementing that. So I think we are doing well. The third question was...

Moderator:

Was on agents and the threat and opportunity.

Fabricio Bloisi:

I'll try to be quick because we are talking too much in each question, but thank you for this question. What you just asked is part of our vision and Prosus. Some companies in China, they're more advanced than you said OpenAI and Anthropic and Google Gemini, but actually what we are seeing in some places in China, sometimes Alibaba, I think there is lots of expectations on Tencent too, is to have agents that are much smarter than just ask a question. It's an agent that does things. We are leading on that in our region. So this week in Prosus, we show Zapia, where you can tell Zapia exactly what I'm telling you by voice. "Zapia, call my three daughters; offer them three places where we should have lunch; negotiate with them a place; then call the restaurants; schedule the reservation with them; then let me know what's the conclusion and put it in my agenda." So it's an agent that they really commit to and do things and they work for one, two hours until they finish everything. We are integrating that in all our ecosystem. So Zapia that we launched last week now starting to do Just Eat orders and also iFood orders. Also, we are integrating that inside. For example, Despegar. Especially we have SOFIA, and we are making SOFIA much more agentic, just like OpenClaw, but with the capability of completing the transaction. Our agents now can make [inaudible 01:04:22] much faster and easier than most of other agents. You're talking about the competition with the American companies. I don't think they are leading. I think we are doing a better job. Alibaba's intents are doing better jobs and TikTok and ByteDance. So I'm very proud that we are doing technology and we are moving nice speeds in Europe and Latin America and in Asia. In Asia, we have also another agent called ECHO. In Europe we are going to push more Zapia now. In Latin America, we have three or four. We are doing it best in class. And I suggest to you, I think, who made the question this time?

Moderator:

That was...

Diego:

Will.

Fabricio Bloisi:

Will.

Moderator:

Will.

Roberto Gandolfo:

Will.

Fabricio Bloisi:

Go there, download Zapia, test it, and we'll say, "Oh my God, this is better than what I'm see from the American players." We are here to lead in AI, and I think we're starting to deliver real results. What we showed last week in ToqanClaw, it's better than what exists. People are using Claude Code in other places, especially in the US. We are doing it cheaper, and we are sharing the data between other companies. So our restaurant, they can get skills from other restaurants so they can operate better. This is better than what exists outside. So I think we are leading innovation, not only in Latin America and Europe and India, but also globally, and that's where it can grow. Our numbers are good because we are a very, very tech-first company, and I think the results are coming.

Diego:

And Fabricio, just to compliment, what I would say as an operator is the point here is not to say everything will change and I have to be prepared. The point here is to have the options at your hand, try to shape the future. And if you are not capable to shape the future, you are ready to understand how the future was shaped. Of course we're going to try to shape, but the point, and again, every time that we start to talk about innovation, people come six months after and say, "Where's the revenues?" The point is not about revenues in six months. The point is to shape the future or be ready for how people will shape the future.

Fabricio Bloisi:

And we are doing that.

Diego:

Yeah.

Moderator:

I think another interesting point, an important point, is when you say integration of these like systems into your ecosystem, because they're able to, when they're actually connected, they can do more.

Diego:

Yeah, that's a good example on this is with Zapia; we are integrating Despegar and iFood. So therefore Zapia wasn't born only as an agent. It was born as an agent that can do everything that Fabricio said and also complete an entire transaction in a marketplace such as ourselves.

Moderator:

All right, great. So the next question would go to Monique at Citi. Remember to unmute, Monique.

Monique:

Morning, everyone. Can you hear me okay? Hi. So I had a couple of questions on food delivery if I can and then one on capital allocation. So the first one I was just interested in when I look at the slide on the

iFood revenues, the core food delivery revenues look pretty flat year-on-year in the second half and actually down a bit from the first half. Presumably that is the vouchering or subsidies you've been giving. So just was keen to understand how the core food delivery business is growing revenues if we were to X out the sort of vouchering you've needed to do because of the irrational competition at the moment. And then the second question also on iFood was around the profitability of the Pargo and new initiatives, because that was quite a dramatic swing in profitability, 1H versus 2H. So 1H down 112 million Brazilian Real and then 2H up to 427 million Brazilian Real.

So if you could just talk us through what has driven that sort of dramatic improvement in profitability so we can start to understand how to think about that going into 2027 and beyond, because presumably that's going to be a big driver of profitability in the medium term. And then the final question I had was just on, there was a slide showing the dividends total to Prosus. So the Tencent dividends, but also you've got a load of dividends coming in from OLX that have ramped materially as the OLX profitability has continued to grow and pretty stable dividends from iFood. So as I think into next year, it also seems likely the case that you're going to get improvements in the dividends into Prosus. So just wanting to understand how we think about that against the \$5 billion buyback target and whether that buyback target, for instance, could expand as we go through the year if OLX does very well or if you dispose of more non-core assets than you think at the moment, for instance.

Diego:

Right, so I can start here with the iFood financial performance. So yes, there's an impact in the revenue side and on profitability as a consequence of the rational competition. So for me, that's why it's so important to understand the entire P&L and how the operational metrics are going. So again, the customer base is bigger, retention is better, frequency is higher. We didn't have any swing on the club loyalty program and so on and so forth. On the profitability side, what we have as an impact is the increase of the CPO as I show it in the last graph of the presentation. So this is basically this movement. What are the good news? The good news is that all the clients that are the ones that generate more economic profits for the company is still there with the same level of frequency, and therefore I'm not seeing an impact on this. So as soon as irrationality goes down, profitability comes up as a natural consequence.

Fabricio Bloisi:

There was another...

Moderator:

Yeah.

Nico:

Just to clarify, you had a question on iFood, Pargo. So on that slide, it's iFood, Pargo, and other. So you are correct that there was sort of H1 versus H2, and ramp-up included in that was an element of a once-off relating to certain indirect taxes that we were able to recoup, which we also used to invest in the food delivery side of the business. We would have seen order growth of about 8% year over year.

Then there was also a question about the cash flow and dividend extraction that we have at the top. So where you see that in the past year we had a Tencent dividend, OLX, as well as iFood. So clearly the Tencent dividend for FY27, that's already been received and that's increased a bit. OLX are on a further growth as well as profitability paths. So that element of cash flow generation and hence dividends that we can extracture to remain and grow going forward, and iFood clearly, as it will be an investment here,

that will be sort of more repressed. So you then asked, "But how does that impact our sort of ability in terms of the share buyback?" So from an overall share buyback

Nico:

... buyback perspective, clearly we continue with our open-ended share buyback program. We have adjusted that where we fund with both the sale of Tencent shares as well as other capital, which comes from either non-core assets that we've sold or other assets that we have available. That part we will continue, and for the year ahead, five billion is what we will do. I think that the way to see it is that is this one component of other resources that we have that we can deploy besides Tencent that makes the program actually more efficient. It increases our per share exposure to Tencent and you would have seen how that has actually played out. For instance, in our core headline earnings per share achievement this year where underlying core headline earnings grew 13%, but on a per share basis it was 24% because of the effectiveness of the share buyback.

Moderator:

Great. Let's move on to Joe at UBS. Joe, unmute your line please.

Joe:

Excellent. Thank you very much for taking my two questions. So firstly, last week you announced you're investing \$460 million in Alan, a French AI powered health tech business. This is the biggest investment beyond JET, Despegar, and La Centrale to date. Could you give a bit more color on the investment, what got you excited about it and how it folds into the wider process strategy?

And then secondly, I want to spend another minute on Zapia. As you say, it's live in Europe and fascinating to use. Don't tell my dad that his birthday WhatsApp message this morning was both written and sent by Zapia. But anyway.

Owen mentioned agentic integration and that versus the services in Europe feels like it is the differential versus the US majors. What's the impediment to moving even faster on agentic integration? Do you expect to deploy ad dollars behind Zapia? And do you see Zapia or other personal assistance as something you can monetize?

Fabricio Bloisi:

Sorry, the difficult part of that is that when you make two or three questions, we always get lost. But on Alan, we talk too much about AI as models. To me, we have not only American models, but we have now Chinese models, have open source models. The layer above is much more important. We are doing that on commerce and large commerce model is super important for that.

To me, the impact on AI and health is unbelievable big opportunity. I really believe the opportunity is going to be very big. It's not our core to execute the health services itself, but Alan is especially amazing in the life assistance for healthcare. So by far, what Connect has a lot is that they have a life assistant that people use every week. They have more than a million users.

Every week talk checking. What are you doing with your healthcare? How are you feeling? Do you want to talk about something? Do you want to talk to a doctor? Can you do a video call? They want to schedule something.

So this idea of making AI, Alan's also some of the founders of Mistral, getting a lot of intelligence to take care of health. I think it's a very big market. We are not a pure investor. We are buying part of the company because we think we can help. We can help on the life assistance and we will integrate

somehow, not to give too much details today, the Alan healthcare with our assistants. So we will integrate many more things.

Second, we can help a lot in the B2C approach. We have hundreds of millions of customers that we can help on that. Third, they need to go to international expansion and we will help substantially in international expansion strategy. And we are working a lot on AI together. Our AI is very good, their is too and we think we can...

So it's an investment. I think Alan's going to be a 10, 20, \$30 billion company, but we are not a pure investor. We are helping through our technology how to make them operate better.

Very connect to the second question. When you talk about Zapia, Zapia is the first life assistant we are pushing. We made so much progress on that in the last six months and now we started to talk about... You told your father got this message. Lots of my family members also talk to Zapia quite often. It's amazing. Don't tell. I'm not going to say names, otherwise I will have problems in my family. But Zapia is super sophisticated and you said how aggressive we are to integrate. Very aggressive.

Over the next few weeks, we will have many announcements on Zapia. How she can do things that no one else can do because very fast you just send a message by voice and amazing things happen. Can we invest ad dollars on that? Probably we will.

Probably Zapia is going to keep increasing their investment and I think we started to position us as a technology innovation. It's not available. It was only in Brazil or Brazil, I think in one more South American country. Now it's in Europe. We integrated with Just Eat. There will be more important integrations in the next few days to be announced and demonstrated.

I'm very excited about that and I think we are ahead of other people are doing. Obviously it's amazing to use, let's say, ChatGPT, but you can ask a question to them. On Zapia, you can say, "Solve my problem." This person is going to do that, call to 10. I used to that. My car has a problem, call or write to five place that demands in your car, negotiate the date and the price, close the deal. And we are going to do similar things, for example, in food delivery.

So I think we are again, I think in ToqanClaw, we are ahead of the market. I think in LCM, we're ahead of the market. I think in Zapia, we're ahead of the market too.

Moderator:

Great. Let's keep going and we'll go to Giles-

Joe:

Thank you very much.

Moderator:

... from Jefferies. Hey, Giles.

Giles:

Thank you. Morning, everyone. So first question for Fabricio, please. Your strategies come under some public criticism of late with the open letter to the process board using the fable of the Emperor's New Clothes to frame the argument. So your thoughts on some of the criticisms you've faced there.

Then question for Diego coming back inevitably to the question of competition in Brazil. Perhaps to illuminate it from a new perspective, if you could give your thoughts on why Keeta has indefinitely

postponed its Rio de Janeiro launch earlier in March. And then finally, Roberto, please could you tell me or tell us what conditions you would exit further markets?

Fabricio Bloisi:

Starting, I'm a founder of a tech company for 25 years. Someone always disagree about what we are doing, is part of life. So I know some shareholders disagree. Part of life, I can survive with that.

I read this letter. My first reaction is I think he uses AI to write the letter and to publish the site. So I'm sure he also likes AI as much as me. He doesn't told us, but I think he likes it.

You know my strategy. We are very good in what you use in AI. What we show in process forward, very few components are doing LCM training model, make the distillation of the best model. ToqanClaw, Zapia. We have more 18 life assistance that we are going to keep pushing and testing in smaller regions. I think we are substantially ahead. Some people can say, "Ah, prove me." Have you seen our numbers? That numbers happen because we are a tech first company, not because we are lucky and Europe is growing 20%.

No, it's not. It's because we are executing technology very well. We are going to keep being very aggressive and having the best technology and delivering the results. Not the last six months. I'm doing that for 15 years. That's why iFood is so big.

Some people disagree. Okay. I can live with that. I think those people are wrong. I think we will deliver results over time. But come back in the next year result and I'm going to have more nice slides and you can maybe make this question again.

Diego:

Well, on, Giles, nice to talk to you. Last time you were in Brazil, now I'm here visiting you. So he stays in long?

Moderator:

Yeah.

Diego:

Yeah. So now I'm visiting you.

Moderator:

He's right outside now.

Diego:

Yeah. Well, I really don't know why they said that they decided that. There are so many moving parts that it's impossible to know if it's the fact that there's a war in China. Or there are a great contender which is iFood, or other aspects that we don't know. What I care is what they are doing. And with this science, it's how I really find my tactics without necessarily changing my strategy. So that's it.

Roberto Gandolfo:

And I think there was a question if I got it right. It was basically what's the expectation in the market in Europe. What I see is the most challenging thing to build in a food delivery business is the foundation in terms of scale and density. This is exactly what JET has. If now we apply the whole technology, the

management model and the culture that we set here, it's much easier to turn this high scale business with the right density into a back to growth, like in a company that can grow again, than doing the opposite.

So for sure there are good operators in the market, but we are very focused on the customer. That's why we are deploying, for example, the LCM, because if we understand better the customers than anyone else, then we can have the right services, the right supply, the right choices. So this is exactly where we are focused on. JET has the density. JET has the scale. Now we need to leverage on that to bring the company back to growth.

Moderator:

I think what he was also getting at was, are there any conditions that will cause you to exit another country?

Roberto Gandolfo:

Okay.

Diego:

Didn't hear that.

Moderator:

Probably it's the opposite of what you just said now in certain countries.

Roberto Gandolfo:

Yeah. Good question. So the conditions to exit that country or not is basically based on the principles on how we allocate capital. If we don't see the right density to have the right return on capital and it's impossible for us to win there or be a relevant player there, does not make sense to remain this country.

So all the time we will be assessing our portfolio and make sure that where we are, we are a relevant player. So that's the principle behind it. That's why we left those two countries and we are going to be assessing all the time.

Moderator:

Great. Thanks. Let's go to Marcus at JPMorgan.

Marcus:

Yeah. Hi, everyone. I have also three questions. The first one is again on the capital market state last year. Part of that was also creating a flywheel in NATAM. Clearly you've done a lot and you highlighted the synergies between Despegar and iFood. You've done a lot there.

I think your comments, I read that we're not going to see larger scale acquisitions. We can debate what larger scale is, but it doesn't look like given your comments previously that there's a lot. So what is the flywheel in LATAM from here? I mean, what do you need? Is it something that we think will be built on organic revenue growth and strong execution? Or how does it go from big to bigger? Yeah, really. I mean, that's the question.

The second question is unfortunately on Just Eat again. I mean, clearly the minus 4% is on a comp that it was down minus 8% year before. So it seems that it takes a long time. What I try to understand is really

the question, how do you get to revenue growth? I mean, you're doing clearly a lot of things and then AI will help, but I'm sure your competitor is also very busy in his tech department.

So is it about market share gains? Is it about consumers just ordering more because there are more systems and hence you have better order growth? Or do you really envisage market share gains at the end of the day? That would be interesting.

And then the third question is just again on Tencent. Nico, the share price of Tencent is where it is right now. To keep going with the \$5 billion buyback, is there a debate how much of Tencent you actually want to sell at these levels versus taking or funding the buyback more from the balance sheet? Yeah, that will be my three questions. Hope that makes sense.

Fabricio Bloisi:

Good that you distributed a little. Thank you. So on Latin America, you said we talk about that last year, but I think we get the credit that I told you that's our plan that we are going to do in Latin America. And today we are showing that is the results. We showed that we are growing 100% in three or four or five different business.

We are not looking for very big acquisitions in Latin America now. We show more or less five to 10 companies we invested or acquired in the last one year. They were much smaller acquisitions. So for example, I showed like three or four companies doing software as a service for restaurants, one doing kiosks, is one doing... There were many companies there and they were much smaller acquisitions. The point is that there was one slide we deleted, it would be useful now. We have that Despegar chart that shows going from zero to 20% in one year.

We have the same slides with four things that were Despegar and then more four showing CRMBonus, Mevo, Shopper, and someone else. And we are showing we have the same kind of growth in all the companies we acquired. Not in all, but we showed at least more five. So last year we had a dream, ecosystem was a competitive advantage.

Now it is we are doing sometimes more acquisitional investments and all companies are accelerating their growth. That's our thesis, we are going to keep delivering organic growth a lot. It's more acquisitions. We did it there, so we are going to keep doing that.

And also we didn't show a slide about profitability month by month, all those companies. But you've seen that it is like \$160 million in profits outside food delivery, growing a lot. So we have some areas we started a few years ago that are every time more profitable. So I think the ecosystem thesis, it is not a thesis anymore and that's what I try to show today.

Roberto Gandolfo:

So regarding JET and the revenues, what do we see? Over the past few years, JET has been declining. And trying to compensate for that, JET as all the food delivery platforms in the world, they started to operate the delivery fees and service fees and so on. That's not our strategy to grow revenue going forward.

The strategy is to grow order volume. To grow order volume, you need to grow your customer base and we are investing exactly in these cohorts of the customers in the lifetime value. That's what will bring us incremental revenue over time.

And to add to that, retail media. Diego shared here some numbers of retail media ads in iFood and that's the importance of JET having this scale. Because retail media can also be a better ROI for our partners for our restaurants so they can invest to grow and have a good return on that.

So when we put more order volume and more retail media, you have a path to grow the revenue. Delivery fees, of course all the fees in the platform, they are part of this strategy, but has to be optimized over time. The intention here is not to become more expensive for the customer. The intention here should become more efficient and charging the right price in the right place. That's what we need to do here.

Fabricio Bloisi:

Just something, we started his presentation with a chart showing minus nine. It was like March if I'm not the wrong.

Roberto Gandolfo:

Yeah. January.

Fabricio Bloisi:

A few months ago. That now is minus four. We didn't put a date, yes, but we are talking about a few months to start growing again. From someone that was doing minus nine in January, I think it is a very good result. And that our expectation is very few months.

Nico:

Then just on the question on the share buyback. So I think when we introduced in November last year, the fact that we will not just use Tencent proceeds but also proceeds from other non-core assets, I think we've made our share buyback program and the capital allocation around that more efficient.

Last year we did sell about two billion from non-core assets. In the first quarter of this year, we've sold almost a billion and we have additional assets like Meituan and so on that we can use to actually supplement that. So I think that really helps because we are obviously want to be long term large shareholders in Tencent because of the potential that that has.

And by doing the capital allocation and a share buyback this way, we've actually enhanced the effectiveness at least on a per share exposure to Tencent in this way. So we will continue on that path and here's five billion within that. We have got significant financial flexibility to actually fund that.

Moderator:

All right, guys, we're at time, but do you feel strong? Can you do one more?

Fabricio Bloisi:

Yeah.

Roberto Gandolfo:

Yeah. I feel strong.

Moderator:

Okay. Well, Adam [inaudible 01:29:54], take us home please.

Adam:

Yeah. Hi. I'll do two quick ones. First, you gave us the number for iFood, as in Brazil competition losing \$8 an order. Any idea of their monthly order volumes so we can kind of calculate how much money they're losing a month?

And the second question, when I look at the cash flow statement in the annual report you put out today, when you look at working capital there, there's this huge swing from a \$10 million inflow to a \$570 million outflow. Can you just explain the moving parts on that? I know some of it's trade related, but I think there's other things in there as well.

Diego:

Yeah. So on my side here, of course, this is just an estimation, but when we take everything in account, what we see is that they are spending like \$150 million per month combined.

Moderator:

Nico?

Nico:

On a cash flow, yeah, if you look at the statutory cash flow, it obviously includes a lot of merchant receivables and payables. When we measure essentially our free cash flow element, we sort of exclude that. So if you then look at the actual working capital element is a lot lower.

Where does most of that go? Essentially it goes into growing many of our FinTech businesses because there's a capital requirement. There's obviously a big debt element that goes against that. There's still a capital element and we've contributed about 20% capital to fund and grow our authentic businesses, the credit components of that.

Moderator:

All right, great. We have a number of other questions here that we will get you from the IR team. We'll reach out to you directly. But, Fabricio, do you want to make any closing comments to send us on our way?

Fabricio Bloisi:

Hope you enjoyed our results. There was lots of questions. Can we deliver this improvement in EBITDA and free cashflow? We did.

For the future, the ecosystem is working. We are going to keep expanding our innovation. I think we are going to come here every time much well-dressed because our innovation is going to connect us to an amazing future. Thank you for coming here and hope to see you next time.

Roberto Gandolfo:

Bye.

Moderator:

Thank you.

Roberto Gandolfo:

Thank you.