



Interim results announcement

for the six months ended 30 September 2024

Improving everyday life for billions of people through technology



Naspers Limited
Incorporated in the Republic of South Africa
(Registration number: 1925/001431/06)
(Naspers or the group)
JSE share code: NPN ISIN: ZAE000325783

Salient features

	Period ended		Year ended
	30 September	31 March	31 March
	2024	2023	2024
	US\$'m	US\$'m	US\$'m
Revenue	3 443	3 007	6 431
Earnings per ordinary share from continuing operations (US cents)	1 123	812	1 595
Headline earnings per ordinary share from continuing operations (US cents)	643	311	792
Core headline earnings per ordinary share from continuing operations (US cents)	865	454	1 148
Earnings per ordinary share from total operations (US cents)	1 097	761	1 532
Headline earnings per ordinary share from total operations (US cents)	638	281	759
Core headline earnings per ordinary share from total operations (US cents)	860	427	1 121

Commentary

Since his appointment as group chief executive of Naspers and Prosus, Fabricio Bloisi and his team have focused on how we can grow faster, be more profitable, and improve how our ecosystems and people work together. The strong financial improvements in 1H25, provide shareholders a glimpse of the significant opportunity within Prosus and Naspers.

Unless otherwise stated, growth rates discussed in this report compare the first half of the financial year ending 2025 (1H25) to the first half of the financial year ending 2024 (1H24). The percentages in brackets represent local currency growth, excluding the impact of acquisitions and disposals (M&A), and provide a clearer view of our businesses' underlying operating performance. Financial results are presented on a continuing operations basis.

For the six months to 30 September 2024, the group continued its profitable growth in its core Ecommerce businesses. Ecommerce consolidated revenue grew 15% (24%) to US\$3.4bn. IFRS operating profits totalled US\$107m compared to an operating loss of US\$426m recorded in the prior period. The adjusted earnings before interest and taxes (aEBIT) for the Ecommerce portfolio, previously known as trading profit, improved by US\$206m (US\$232m) to a profit of US\$168m, as increased growth, innovation and focus positively impacted results. Consolidated aEBIT for the group rose by US\$159m (US\$186m) to US\$35m, underlining our accelerating profitability path. The intention is for Prosus to deliver revenue of US\$6.2bn (maintaining organic growth above 20%) and US\$400m in aEBIT from its Ecommerce operations for the full year ending 31 March 2025, a large improvement on the US\$38m reported in the prior financial year.

Earnings from continuing operations increased to US\$2.0bn from US\$1.5bn in the prior period. Core headline earnings, our measure of after-tax operating performance, was US\$1.5bn, an increase of 74% (88%). Strong improvements in Ecommerce and Tencent underpin this strong performance.

With these results, the group has demonstrated its continued commitment to deliver profitable growth. Consolidated Ecommerce profitability in 1H25, significantly exceeded that of the prior 12 months. We expect to continue this growth path by accelerating our pace of innovation and honing execution, investing with an AI-first mindset and leveraging the potential of the Prosus technology ecosystem.

We also continue to create value for our shareholders through the open-ended share-repurchase programme. Since its inception in June 2022, this programme has reduced the free-float share count by 23% and generated US\$39bn of value for shareholders. From the programme's launch to 30 September 2024, the combined holding company discount of Naspers and Prosus has reduced by some 20 percentage points. Over the same period, Prosus has repurchased 683 928 802 Prosus ordinary shares, with a total value of US\$20.4bn, leading to 8.9% accretion in net asset value (NAV) per share. Naspers funds its open-ended share-repurchase programme with regular sales of Prosus shares. By 30 September 2024, Naspers had sold 261 778 817 Prosus ordinary shares N and bought back 45 983 041 Naspers N ordinary shares to the value of US\$7.1bn.

Our disciplined and more active approach to management of our portfolio led to the sale of our stakes in Trip.com, Tazz and Superbalist. After the reporting date, as part of the initial public offering (IPO) of Swiggy, we sold 109 096 540 shares in Swiggy for approximately US\$500m (gross). The internal rate of return (IRR) of our stake in Swiggy, based on the IPO price and the net proceeds of the stake we sold, was 18%. External investment, through M&A, in long-term growth opportunities was US\$290m, meaningfully below the US\$6.2bn peak in 2022. If we can have the required conviction in opportunities, our ambition would be to increase capital deployment to enhance our ecosystems, growth, profitability and value creation. Our focus has increased meaningfully over recent months. We believe the combination of stronger-performing operating businesses, better investments and our open-ended share-repurchase programme will drive long-term value creation and shareholder returns. The combination of strong financial performance, value-creating M&A and further discount reduction underpin Fabricio's ambition to create a group that is valued at US\$100bn, excluding its investment in Tencent.

iFood is one of the best performing food delivery businesses globally. In 1H25, it reported order growth of 29% and over 100 million orders in the month of August, underlining its continued growth momentum. iFood's core restaurant food delivery

businesses led the performance with a substantial increase in aEBIT of US\$76m, a growth of 85% year on year in local currency, excluding M&A. Revenue from business growth extensions grew strongly, 51% (30%), driven by the groceries marketplace and credit business, while meaningfully reducing losses. Investing in iFood's ecosystem continues to extend the growth and profit potential of the business.

- The OLX classifieds business is focused on generating good revenue growth and expanding profitability. Classifieds revenue grew by 16% to US\$399m in local currency, excluding M&A, led by OLX Europe 21% which helped offset slower growth in OLX South Africa 9% in local currency, excluding M&A.
- Our Payments and Fintech units demonstrated a strong overall performance in its core payment service provider (PSP) and credit operations which accelerated revenue growth and improved margins, driven by operating leverage and effective cost optimisation. The PayU India business is adapting quickly to an increasingly competitive landscape in which shifts in payment mix are placing pressure on take rates. This in turn has weighed on its performance since the embargo on onboarding new merchants was only lifted in April 2024 and some lead time is needed to activate new merchants and improve financial performance. PayU India PSP business grew revenue by 12% (14%) and has shown a sustained acceleration in growth in recent months. Our credit business in India continues to expand, generating 91% (93%) higher revenue.
- eMAG continued to improve its sales trajectory, led by strong growth in Romania of 25% (26%), that more than offset challenges in Hungary and slower growth in Bulgaria. During the period, it announced the sale of its food delivery business Tazz. As a result of eMAG centralising all its commercial support activities for Hungary into the operations of its regional marketplace in Romania, coupled with continuous focus on strengthening its core enablers and business-to-consumer (B2C) verticals, we now expect eMAG to achieve overall profitability for FY25.
- The Edtech businesses continue to work on improving financial performance amid the disruptive impact of the broad adoption of generative artificial intelligence (GenAI) on its revenue pool. They grew revenue well and significantly reduced losses. Stack Overflow's application programming interface (API) offering, developed with the group's inhouse AI team, has primarily been responsible for segment revenue growth in the first half.

The group's balance sheet remains strong, with US\$18.4bn gross cash on hand (including short-term investments and proceeds from the sale of our Trip.com interest) and net cash (including interest-bearing loans and capitalised lease liabilities) of US\$1.7bn. We remain committed to managing our balance sheet within its investment-grade rating; as such, not all the cash on the balance sheet is available to the group. On 30 September 2024, we estimate that some US\$10bn was available for new investment.

Financial review

Consolidated revenue from continuing operations increased by US\$436m (US\$668m), or 14% (23%), from US\$3.0bn in the prior period to US\$3.4bn. This was primarily due to strong revenue growth in Payments and Fintech, Etail and Food Delivery.

Operating profits

IFRS operating profits totalled US\$107m compared to an operating loss of US\$426m recorded in the prior period. This is due to greater profitability from the group's consolidated businesses and almost no impairment losses from continuing operations in the current period. In the prior period we recognised impairment losses on goodwill and other assets of US\$341m, primarily related to Stack Overflow in the Edtech segment. Ecommerce consolidated aEBIT from continuing operations improved by US\$206m (US\$232m) to US\$168m in 1H25 as growth, scale and cost reduction boosted profitability. The group recorded aEBIT of US\$35m compared to the loss of US\$124m in 1H24.

Net finance income/expense

The group increased its net interest income by US\$34m from US\$148m to US\$182m. Interest income increased by US\$32m or 7% from US\$440m in the prior period to US\$472m in 1H25 due to higher interest rates and cash balances on hand. Interest expense marginally decreased from US\$292m in 1H24 to US\$290m in 1H25.

Other finance cost decreased from an income of US\$222m in 1H24 to a cost of US\$149m in 1H25. This relates primarily to a loss on foreign exchange differences related to the translation of assets and liabilities.

Share of equity-accounted results

Profit from equity-accounted results increased by US\$1.3bn, from US\$1.2bn in the prior period to US\$2.5bn. This is driven primarily by Tencent's increased profitability as well as increased contributions by its associates of US\$404m, offset by an increase in impairment losses of US\$146m.

Trimming the group's Tencent position by 0.8% to fund the Prosus share-repurchase programme resulted in a gain of US\$2.4bn during the period (1H24: US\$2.9bn).

In addition, we recognised impairment losses on equity-accounted investments of US\$89m related to unlisted equity-accounted investments.

Income tax expense

Income tax expense rose to US\$101m from US\$88m in the prior period, primarily due to increased profitability from our Ecommerce operations.

Earnings, headline and core headline earnings

Earnings from continuing operations increased to US\$2.0bn from US\$1.5bn in the prior period. This was primarily due to increased consolidated aEBIT and improved profitability in our equity-accounted results, primarily Tencent, offset by a lower gain on partial disposal of the investment in Tencent.

Core headline earnings from continuing operations were US\$1.5bn – an increase of 74% (88%) or US\$642m. This was mainly driven by the improved profitability of our Ecommerce consolidated businesses and equity-accounted investments, particularly Tencent.

Headline earnings from continuing operations rose US\$528m to US\$1.1bn, given the same factors noted for core headline earnings.

Loss from discontinued operations

In March 2023, the group announced its exit from the OLX Autos business unit. All the operations of this business are presented as discontinued operations as they have been disposed of, classified as held for sale or closed by 30 September 2024.

Losses from discontinued operations during the period were US\$106m related to the Autos business unit. This includes impairment losses of US\$84m relating to our US operation classified as held for sale.

Cash balances and free cash flow

The group remains well positioned to navigate a difficult macroeconomic environment due to its strong balance sheet. At corporate level, Naspers has a net cash position of US\$1.4bn, comprising US\$17.0bn in central cash and cash equivalents (including short-term cash investments), net of US\$15.6bn in central interest-bearing debt (excluding capitalised lease liabilities). In addition, we have an undrawn US\$2.6bn revolving credit facility.

The group's free cash inflow was US\$854m, a significant improvement from the prior period free cash inflow of US\$425m. This was due to increased profitability in Food Delivery and Classifieds as well as better working capital management in the Payments and Fintech segment. Tencent remains a meaningful contributor to our free cash flow via an increased dividend of US\$1.0bn.

The company's external auditor has not reviewed or reported on forecasts included in these full condensed consolidated interim financial statements.

A reconciliation of alternative performance measures to the equivalent International Financial Reporting Standards (IFRS) metrics is provided in 'Other information – financial alternative performance measures' of the condensed consolidated interim financial statements.

Preparation of the short-form results announcement

The preparation of the short-form results announcement was supervised by the group's financial director, Basil Sgourdos CA(SA). These results will be made public on 2 December 2024.

ADR programme

Bank of New York Mellon maintains a GlobalBuyDIRECTSM plan for Naspers Limited. For additional information, visit Bank of New York Mellon's website at www.globalbuydirect.com or call Shareholder Relations at 1-888-BNY-ADRS or 1-800-345-1612 or write to: Bank of New York Mellon, Shareholder Relations Department – GlobalBuyDIRECTSM, Church Street Station, PO Box 11258, New York, NY 10286-1258, USA.

Important information

This report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as 'believe', 'anticipate', 'intend', 'seek', 'will', 'plan', 'could', 'may', 'endeavour' and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of various important factors. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. The key factors that could cause our actual results performance, or achievements to differ materially from those in the forward-looking statements include, among others, changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; ongoing and future acquisitions, changes to domestic and international business and market conditions such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political conditions; the occurrence of labour disruptions and industrial action; and the effects of both current and future litigation. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise. We cannot give any assurance that forward-looking statements will prove to be correct and investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

Further information

This short-form results announcement is the responsibility of the directors and is only a summary of the information in the full condensed consolidated interim report. The full condensed consolidated interim report will be released on SENS on 2 December 2024 and can be found at www.naspers.com and www.naspers.com/investors/results-reports-events/latest-financial-results. Copies of the full condensed consolidated interim report may also be requested from the company's registered office, at no charge, during office hours. Any investment decision should be based on the full condensed consolidated interim report published on SENS and on the company's website.

The information in this short-form results announcement has been extracted from the reviewed information published on SENS, but the short-form results announcement itself was not reviewed. The condensed consolidated interim financial statements for the six months ended 30 September 2024 have been reviewed by Deloitte & Touche, the independent auditor, whose unmodified report is included in the full announcement.

On behalf of the board

Koos Bekker
Chair

Fabricio Bloisi
Chief executive

Cape Town
29 November 2024