

**Amsterdam, 23 November – Prosus N.V. (AEX: PRX) today announced strong results for the six months ended 30 September 2020**

The group recovered well from a tough first quarter to accelerate revenue growth, improve profitability and cash-flow generation.

**Strong performance in uncertain times:**

- Revenues increased 32% to US\$12.7bn (HY20: US\$9.9bn), with strong growth across food delivery, etail and education.
  - 141% revenue growth in food delivery
  - 70% revenue growth in etail
  - 54% revenue growth in edtech
- Trading profit grew by 43% to US\$2.7bn (HY20: US\$1.9bn).
- Core headline earnings increased 29% to US\$2.2bn (HY20: US\$1.7bn) driven by improved profitability from our ecommerce units and the growing contribution from Tencent.
- Free cash flow jumped from US\$14m to US\$370m driven by lower food losses, strong working-capital management, and US\$81m increase in Tencent dividend.

**Bob van Dijk, Group Chief Executive Officer, commented:**

*"Our strong performance reflects the resilience and adaptability of the group and of our teams to effectively navigate challenging times. We entered the pandemic with financial strength and good momentum and in the second half of the period, our businesses recovered well from the initial impact of Covid-19 and are now fundamentally stronger than they were going into the pandemic.*

*The pandemic has accelerated activity in the consumer internet space, benefitting our businesses. We have seen particularly strong growth in food delivery, online payments, etail, and edtech and, throughout the period, we continued to invest for long-term growth. Looking ahead, we will continue to look after our people and support the communities we serve through uncertain times and we are focused on emerging well from the pandemic."*

**Several companies had stand out performances:**

- iFood grew revenues by 234% YoY with KPIs including order frequency and order value hitting record levels.
- PayU GPO grew revenues 48% as people used cashless payment methods.
- Udemy grew enrolments more than 400%.
- BYJU'S saw 180% growth in students on top of already high growth rates.

## **Disciplined investment for long-term growth:**

- Invested ~US\$600m to strengthen our businesses.
- Classifieds
  - Merged letgo and OfferUp in the US and led a US\$120m investment round for a 35% fully diluted stake in the combined business which is well-positioned for growth with national reach.
  - Injected our MENA classifieds assets into EMPG (Emerging Markets Property Group) for a 39% fully diluted stake and participated in a US\$150m financing round valuing the business at over US\$800m.
  - Post the end of the period, OLX Brazil closed the US\$520m acquisition of leading real estate vertical Grupo Zap, announced in March 2020.
- Payments and fintech
  - Additional investment of US\$53m in Remitly.
- Edtech
  - Stepped up our total investment to more than US\$1bn and seven companies in this fast-growing sector.

## **Strong balance sheet:**

- Net cash position of US\$4.3bn.
- Undrawn US\$2.5bn revolving credit facility.
- In July, Prosus successfully raised more than US\$2bn in debt, comprising its longest-dated US dollar offering to date and its debut euro notes offering.

## **Basil Sgourdos, Group Chief Financial Officer, said:**

*"The group delivered strong results, with revenues growing 32% to US\$12.7bn, trading profit growing 43% to US\$2.7bn, and core headline earnings increasing 29% to US\$2.2bn.*

*Despite a tough first quarter, strong recovery in the second quarter resulted in ecommerce revenue growth of 51% for the reporting period compared to the same period last year. Notably, food delivery nearly doubled revenue growth while trading losses improved by US\$91m.*

*We remained disciplined on capital allocation and ended the period with a strong balance sheet, giving us financial flexibility as we move forwards. Given our strong cash position, the full market valuations in consumer internet M&A and a widening of our consolidated discount to net-asset-value, after the end of the period we announced a substantial US\$5bn buy back of our own stock to invest in our strong portfolio and return value to shareholders. We remain fully focused on value creation, through delivering continued long-term growth and by reducing the discount."*

## **Outlook**

The current operating environment remains uncertain and the longer-term social and economic impact of Covid-19 is unclear. The group is on a solid financial footing and the fundamentals of the underlying businesses are strong, with all well-positioned to build on the accelerating shift to online triggered by the pandemic.

Management remains focused on value creation for shareholders through driving profitability and cash generation in the group's more-established ecommerce

businesses, while investing for growth in food delivery, classifieds transactions, credit, and edtech.

In recent months, the group's consolidated discount to net-asset-value has widened and management is committed to addressing the structural issues causing this.

On 30 October 2020, the group announced its intention for Prosus to acquire up to US\$5bn of Prosus and Naspers shares. This will be implemented by the acquisition of up to US\$1.4bn Prosus N ordinary shares and US\$3.6bn Naspers N ordinary shares on the market. The program will be executed in an optimal manner that can comfortably be done in the market.

The complete results are available at [www.prosus.com/investors](http://www.prosus.com/investors).

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#### **Notes on the numbers**

- All growth percentages are shown in local currency terms and adjusted for acquisitions and disposals.
- All amounts are shown on an economic-interest basis (i.e. including a proportionate consolidation of the contribution from associates and joint ventures).

**For more information on our HY2021 year results please contact:**

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**About Prosus**

Prosus is a global consumer internet group and one of the largest technology investors in the world. Operating and investing globally in markets with long-term growth potential, Prosus builds leading consumer internet companies that empower people and enrich communities.

The group is focused on building meaningful businesses in the online classifieds, food delivery, and payments and fintech sectors in markets including India, Russia and Brazil. Through its ventures team, Prosus invests in areas including edtech and health, Prosus actively seeks new opportunities to partner with exceptional entrepreneurs who are using technology to improve people's daily lives.

Every day, millions of people use the products and services of companies that Prosus has invested in, acquired or built, including Avito, Brainly, BYJU'S, Bykea, Codecademy, DappRadar, dott, ElasticRun, eMAG, Eruditus, Honor, iFood, Klar, LazyPay, letgo, Meesho, Movile, OLX, PayU, Red Dot Payment, Remitly, SimilarWeb, Shipper, Skillsoft, SoloLearn, Swiggy, and Udemy.

Hundreds of millions of people have made the platforms of its associates a part of their daily lives. For listed companies where we have an interest, please see: Tencent ([www.tencent.com](http://www.tencent.com); SEHK:00700), Mail.ru ([www.corp.mail.ru](http://www.corp.mail.ru); LSE:MAIL), Trip.com Group Limited ("Trip.com") (NASDAQ:TCOM), and DeliveryHero ([www.deliveryhero.com](http://www.deliveryhero.com); Xetra: DHER).

Today, Prosus companies and associates help improve the lives of around a fifth of the world's population.

Prosus has a primary listing on Euronext Amsterdam (AEX:PRX) and a secondary listing on the Johannesburg Stock Exchange (XJSE:PRX), and is majority owned by Naspers.

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