



# prosus

## Financial Results

For the financial year ended 31 March 2022

# Important information

This report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995 concerning our financial condition, results of operations and businesses.

These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control and all of which are based on our current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates", or the negative thereof, or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties.

These forward-looking statements and other statements contained in this report regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing us and our subsidiaries. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

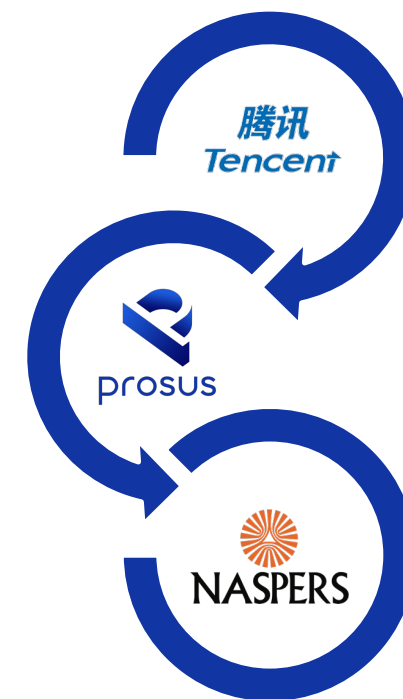
There are a number of factors that could affect our future operations and could cause those results to differ materially from those expressed in the forward-looking statements including (without limitation): (a) changes to IFRS and associated interpretations, applications and practices as they apply to past, present and future periods; (b) ongoing and future acquisitions, changes to domestic and international business and market conditions such as exchange rate and interest rate movements; (c) changes in domestic and international regulatory and legislative environments; (d) changes to domestic and international operational, social, economic and political conditions; (f) labour disruptions and industrial action; and (g) the effects of both current and future litigation.

The forward-looking statements contained in the report speak only as of the date of the report. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements to reflect events or circumstances after the date of the report or to reflect the occurrence of unanticipated events. We cannot give any assurance that forward-looking statements will prove correct and investors are cautioned not to place undue reliance on any forward-looking statements.

# Prosus will begin an open-ended, multi-year share repurchase program

We will commence a large and open-ended, multi-year share repurchase program of Naspers and Prosus, in line with the economic ownership of the group, funded by selling small amounts of Tencent over time in an orderly way

- 1 **Enhances NAV per share** by capitalizing on the wide discount to **create permanent value** for shareholders
- 2 **Increases exposure to Tencent and ecommerce** on a per share basis - we have great confidence in Tencent's long-term return potential
- 3 Program will **continue while the discount persists at elevated levels**
- 4 We will work to retain **Investment Grade** status by maintaining a suitable level of debt
- 5 Program **does not preclude us from taking further action** to address discount

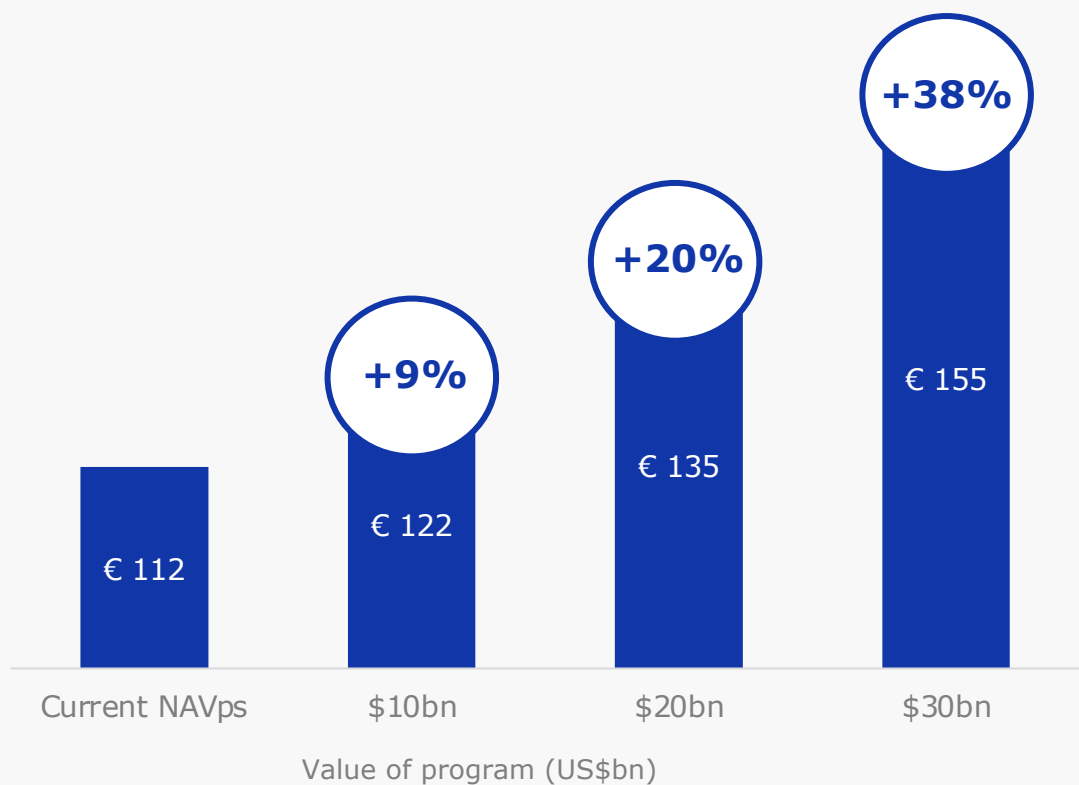


Tencent is supportive of the withdrawal by Prosus of its voluntary restriction on the sale of its Tencent shares

# Enhances NAV per share

## NAV per share enhancement at various level of buyback at Prosus

Illustrative NAV per share (€) from the program at current prices & discount<sup>1</sup>



Illustrative \$10bn repurchase at Prosus

	Today	Selldown/ Buyback	Pro Forma
NAV <sup>2</sup> (\$bn)	\$169	(\$10)	\$159
Shares <sup>3</sup> (m)	1,420	(191)	1,229
NAV/Share <sup>4</sup>	€112		€122
% Impact			+9%
Trading Price	€49.65		
% Discount	(56%)		

Sell ~6% of NAV

Repurchase ~13% of shares

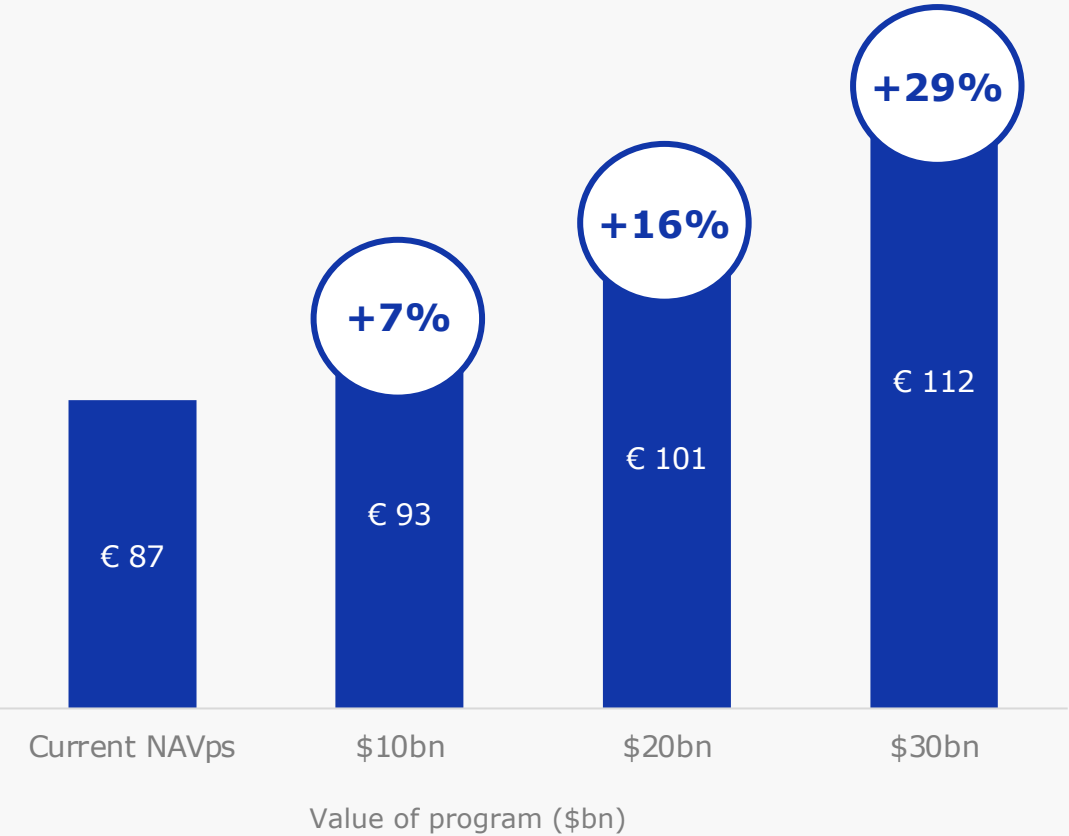
Accretive to NAV/Share<sup>5</sup>

<sup>1</sup> NAV/share accretion calculations assume current share prices and valuation discount remain constant  
<sup>2</sup> NAV at market value as of 22 June 2022 for listed assets and for the unlisted the current average estimates of sell side analysts and post-money valuations on transactions where analyst consensus is not available  
<sup>3</sup> Based on 1,420m effective shares in Prosus  
<sup>4</sup> Reflects FX(EUR/USD) impact of 0.947x as of 22 June 2022  
<sup>5</sup> Reflects Prosus price of €49.65 (\$52.46) and Tencent price of HKD 370.00 (\$47.13) as of 22 June 2022

# Value Created Across Entire Portfolio

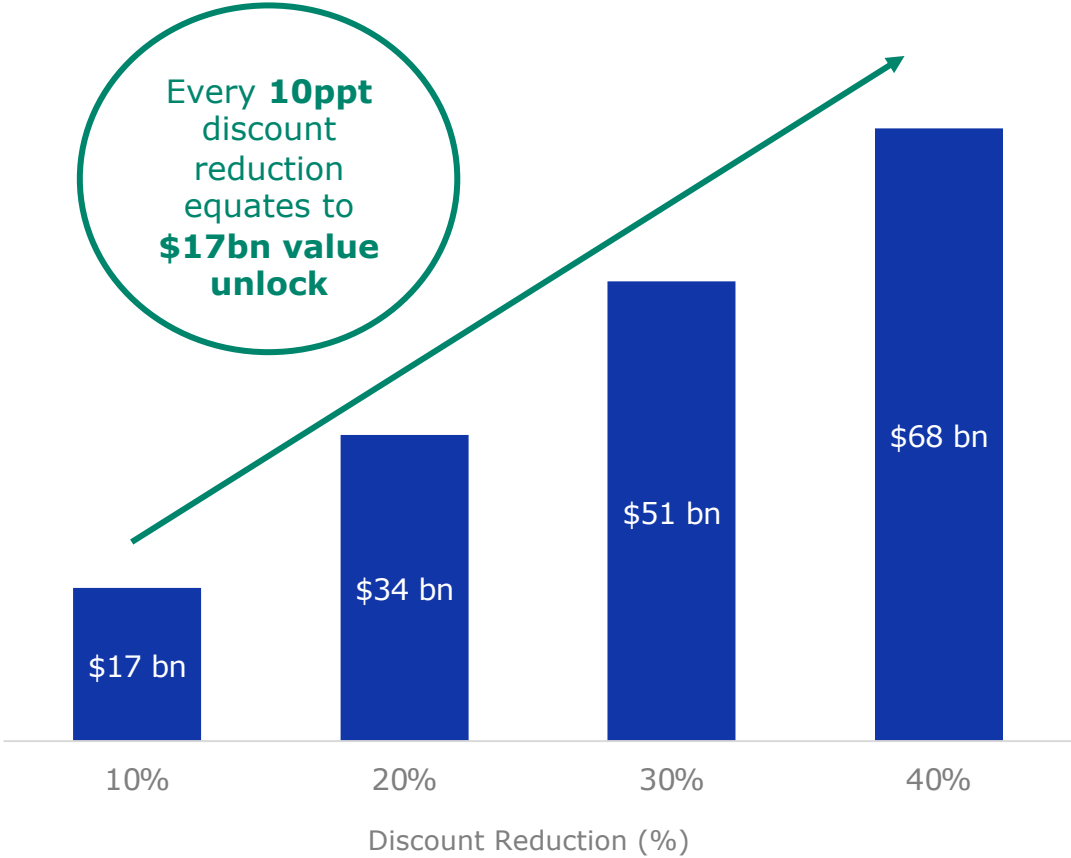
## Tencent per share enhancement at various sizes of buyback

Illustrative NAVps exposure at Prosus to Tencent at current prices and discount



## Discount reduction unlocks significant value

Illustrative Total value unlocked across complex<sup>1,2</sup>



<sup>1</sup> Illustrative calculation assumes current share prices. 10% discount reduction to underlying NAV applied both at Prosus and Naspers levels proportionally to their respective free floats' economic ownership in the overall NAV  
<sup>2</sup> Analysis does not include any effects from buyback program



**1. Overview & Strategic Priorities**

**2. Finance Review**

**3. Outlook**



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# **Overview & Strategic Priorities**

Bob van Dijk



# Strong and consistent performance in a volatile environment

1

## Strong operational execution across each segment

KPI's increased across all segments

2

## Robust revenue growth with profitability at the core of each business

+50% ecommerce revenue growth and increase in trading profit in each segment from core businesses

3

## Invested externally and internally, while returning capital to shareholders

Mindful of the changing environment and discount - we are reducing our corporate footprint and have a higher bar for M&A

4

## Remained focus on building NAV per share

+23% NAV per share since listing Prosus

5

## Significant progress on sustainability initiatives

Highest scoring newcomer award – Transparency Benchmark for sustainability reporting

FY22



# Consistent focus on executing our long-term strategy

Building global technology leaders, addressing big societal needs in high growth markets

**Controlled businesses**







**Investments**



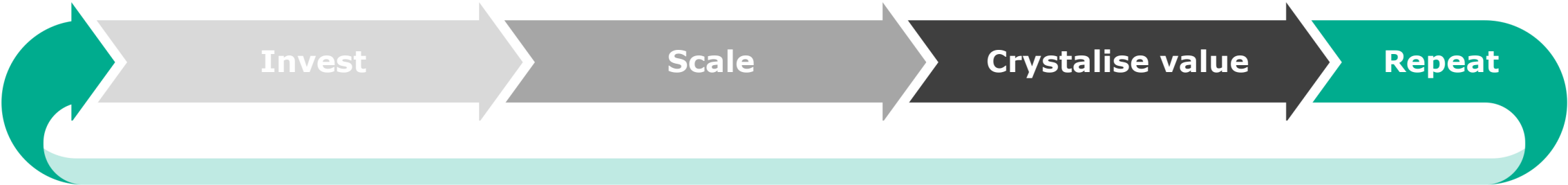




Consistently compounding value over time

**\$169bn** total NAV<sup>1</sup>, **€112** NAV per share

With a transparent, predictable, and repeatable process of creating and delivering value...

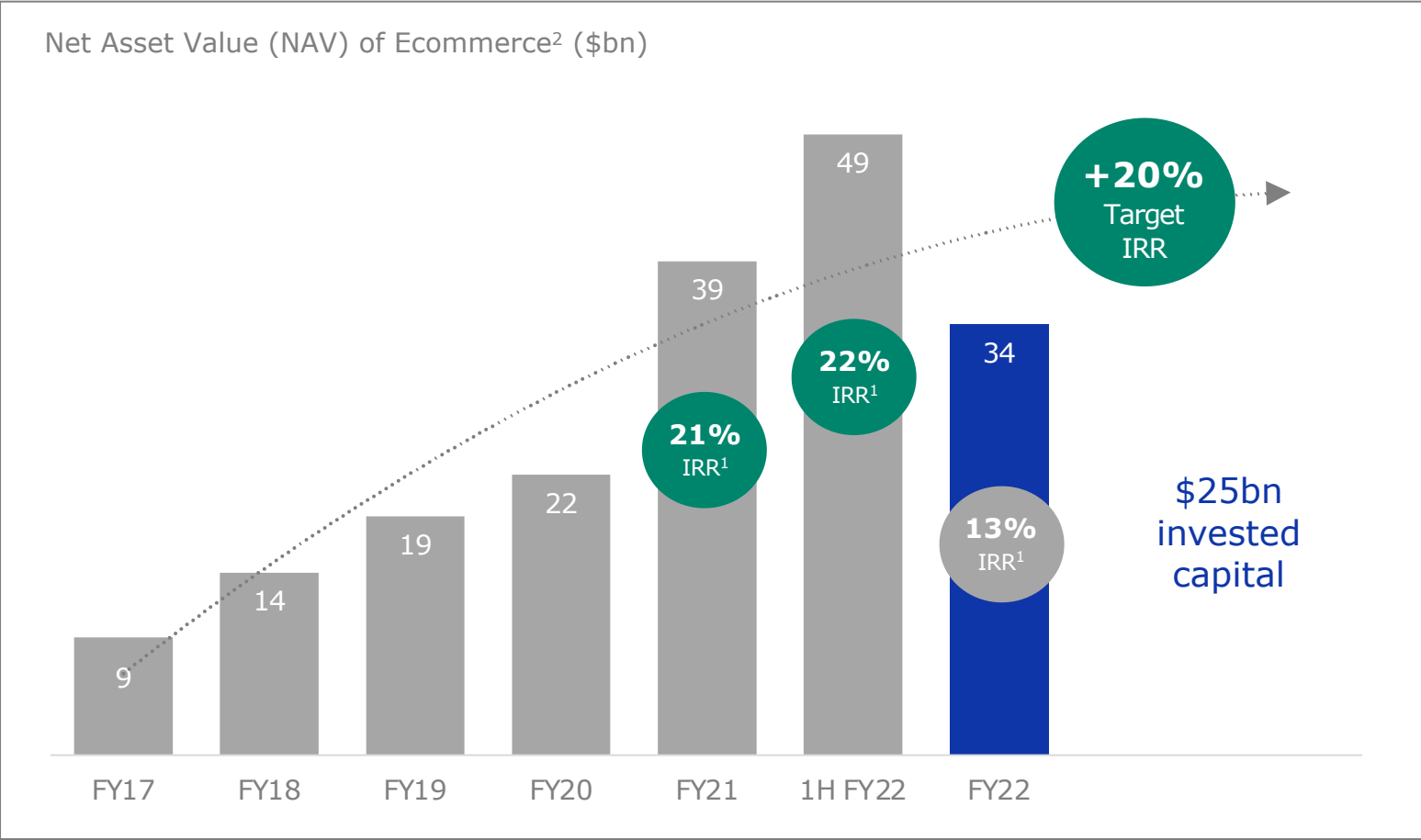


<sup>1</sup> NAV represents the sum of estimated market valuations using a combination of prevailing share prices for stakes in listed assets at 22 June 2022 and for unlisted assets the average valuation estimates derived from sell-side analysts or post-money valuations of transactions if analyst consensus is not available.

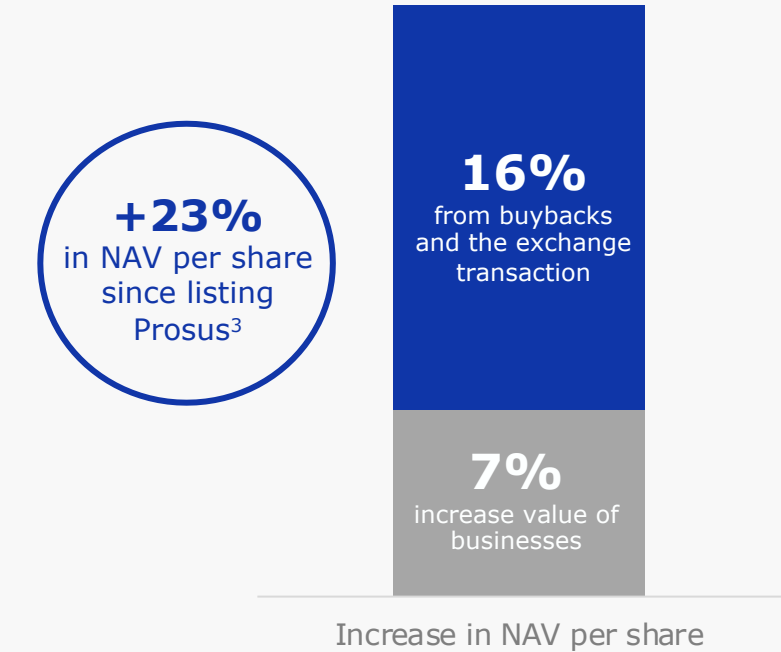
# Our strategy is to grow NAV and NAV per share over the long-term

Despite the current volatile macro environment, longer-term trend is growth

We have permanently increased NAV per share



NAV per share increased (%) since listing Prosus



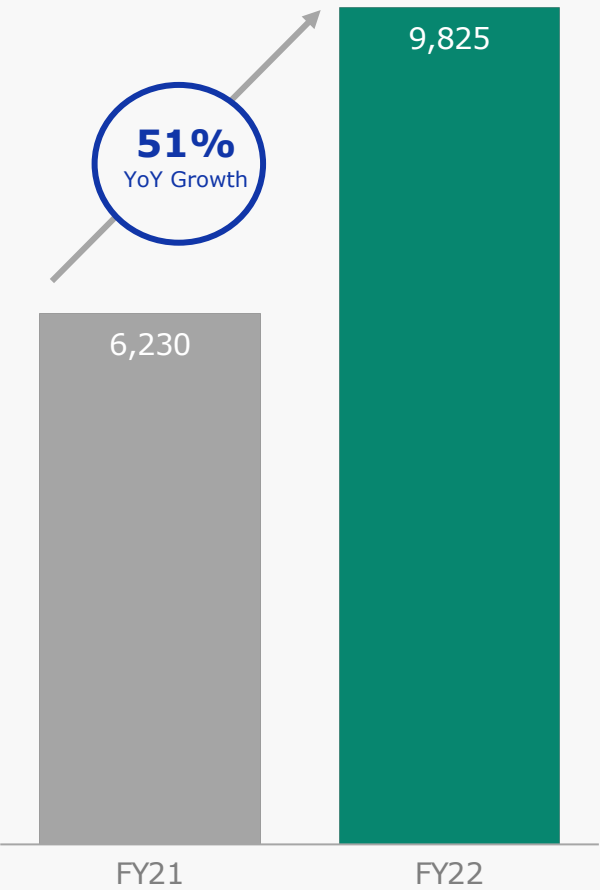
<sup>1</sup> IRR from 2008

<sup>2</sup> FY17 to FY21 represents the company value and scheme share value for performance of SARs and PSU's and should not be viewed as the market value of our portfolio. Instead, they serve to assess the progress and value creation of our businesses, excluding Tencent. 1H FY22's and FY22's NAV represent the estimated market valuations using a combination of prevailing share prices for stakes in listed assets and for unlisted assets the average valuation estimates derived from sell-side analysts or post-money valuations of transactions if analyst consensus is not available

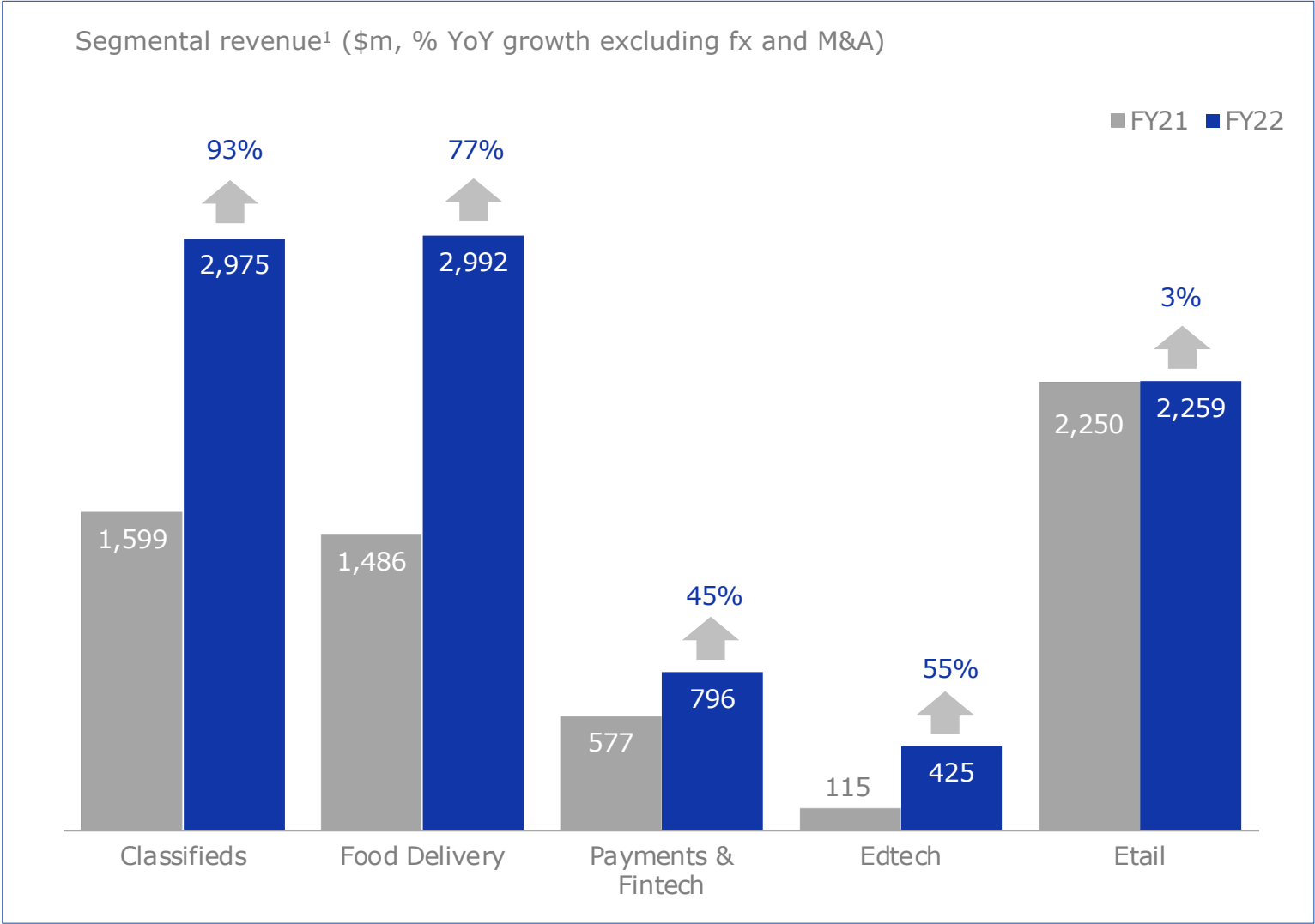
<sup>3</sup> The NAV and number of shares at Prosus listing (11 September 2019) was \$159bn and 1 625m compared to \$170bn and 1420m at 31 March 2022. This equates to a NAV per share at Prosus listing of \$98 compared to \$120 at 31 March 2022

# 51% ecommerce revenue growth driven by growth in each segment

Ecommerce revenue (\$m)<sup>1</sup>



Segmental revenue<sup>1</sup> (\$m, % YoY growth excluding fx and M&A)

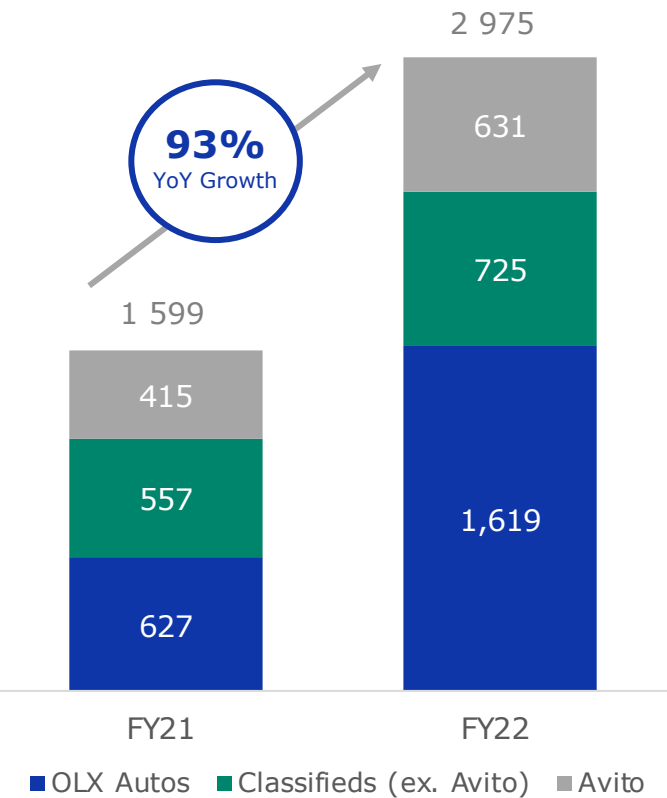


<sup>1</sup> Results reported on an economic-interest basis, i.e. equity-accounted investments are proportionately consolidated

# Classifieds' core demonstrated healthy growth as OLX Autos scales

## Strong revenue growth

Classifieds Revenue (\$bn)<sup>1</sup>



## Strong execution in Classifieds



**38%**  
Revenue growth



**\$189m**  
Trading profit (+12% YoY)



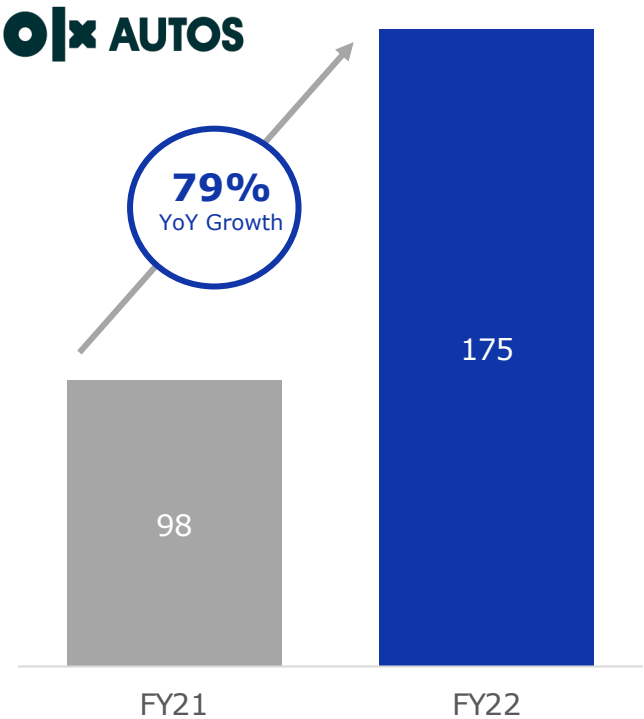
**+11%**  
paying listers



**Over 3X**  
P&S<sup>2</sup> transactions in Europe

## OLX Autos scaled its business operations

Number of cars transacted (k)



<sup>1</sup> Results reported on an economic-interest basis, i.e. equity-accounted investments are proportionately consolidated

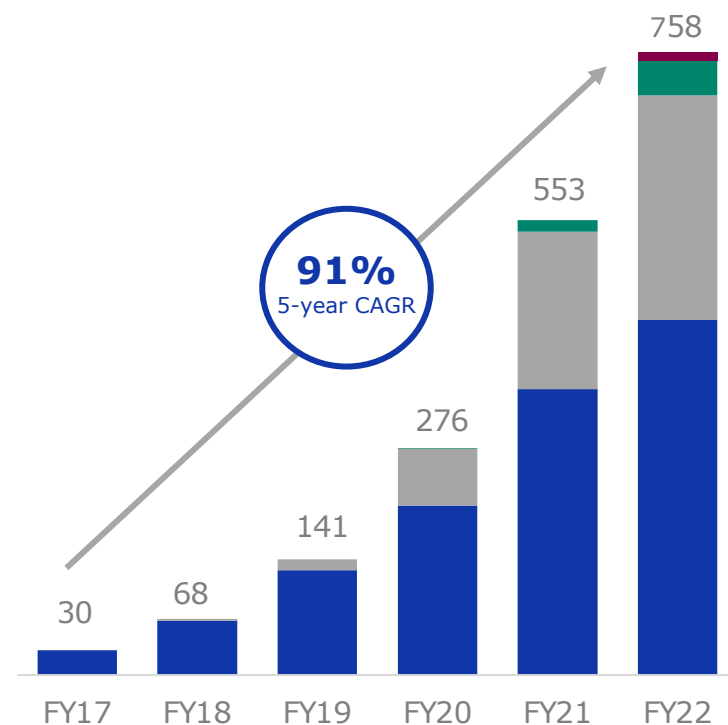
<sup>2</sup> P&S: Pay and Ship. OLX Europe currently provides P&S services across Poland, Ukraine and Romania

# Our Food businesses leverage scaled platforms to unlock opportunities

## Evolution of the model

iFood Orders (m)

■ 3P ■ 1P ■ Groceries ■ Other



## Strong execution at the core across our Food delivery businesses...



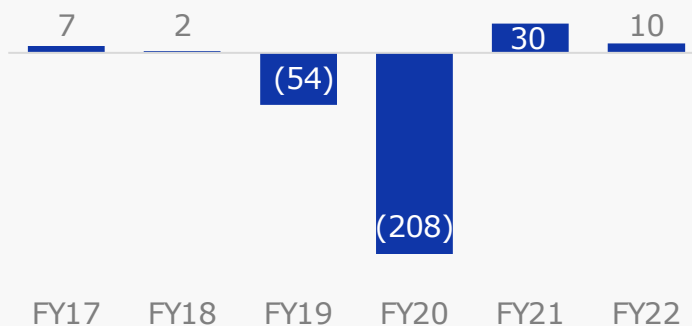
**63%**  
Revenue growth<sup>1</sup>



**50% / 56%**  
Order & GMV growth<sup>2</sup>

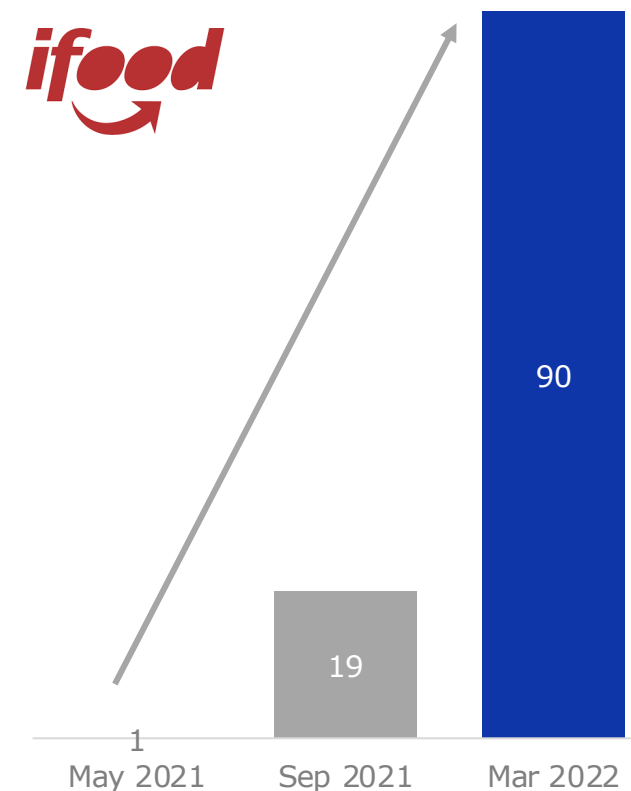
## ...with clear path to profitability

Brazil core restaurant trading profit / (loss) \$m



## Quick commerce scales

iFood number of dark stores

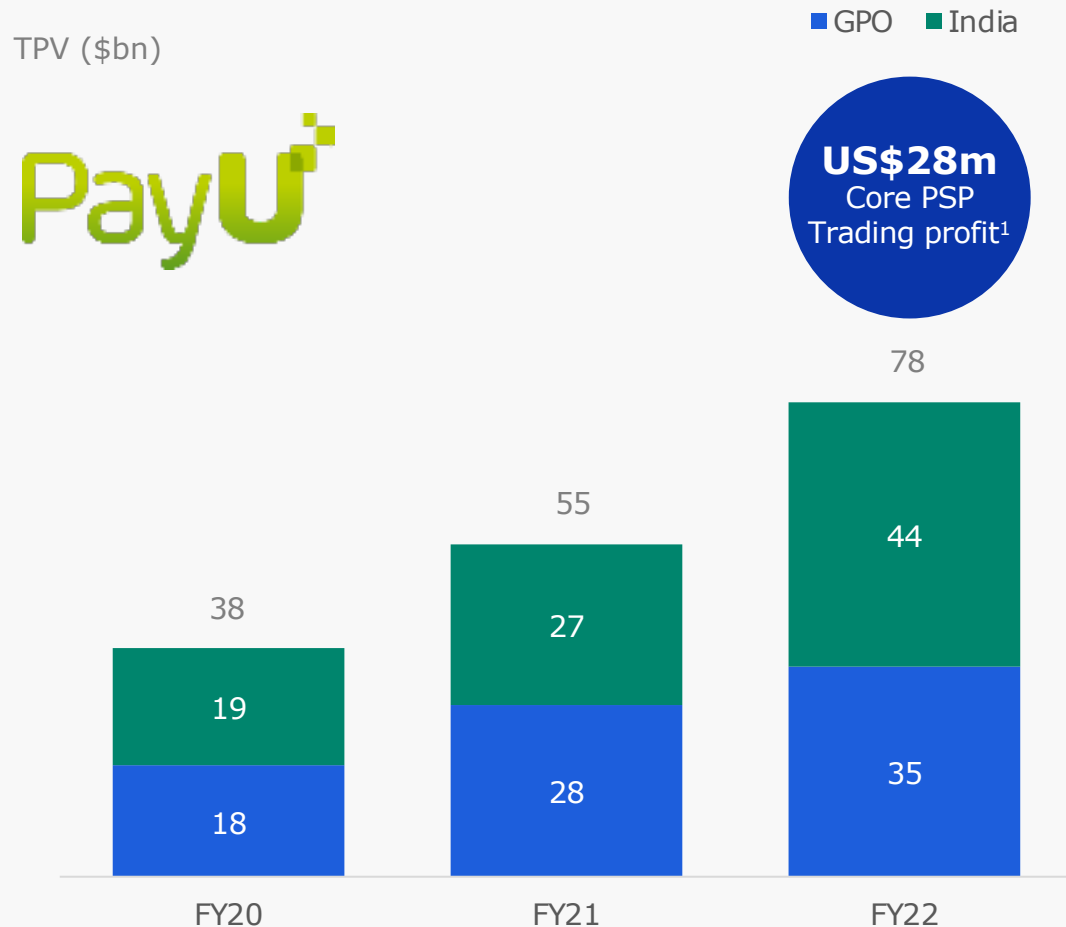


<sup>1</sup> Results reported on an economic-interest basis, i.e. equity-accounted investments are proportionately consolidated. YoY growth shown in local currency, excluding M&A

<sup>2</sup> Orders & GMV are 100% for iFood, Delivery Hero, Swiggy, Oda and Flink. Investee companies' KPIs are aligned with 3-month reporting lag period (January – December 2021). GMV growth represents YoY in local currency, excluding M&A

# Payments & Fintech is scaling credit in India off a strong core PSP base

Strong growth from the Payments business...



...provides a springboard to credit and digital banking

  
**LAZYPAY**

  
**PaySense**



**3.1m** Customers

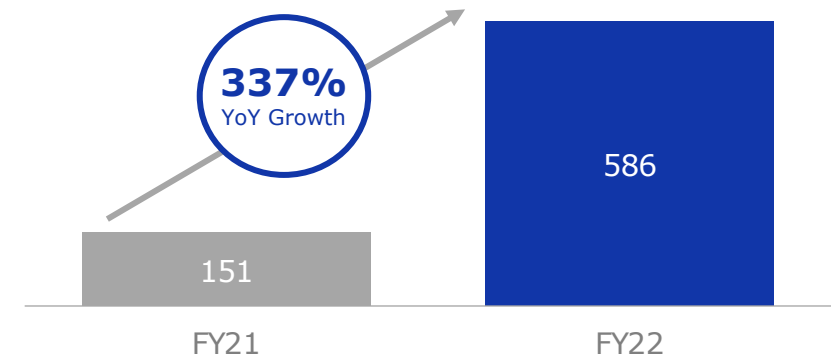


**45k** Active merchant platforms



**<3%** delinquency rate maintained

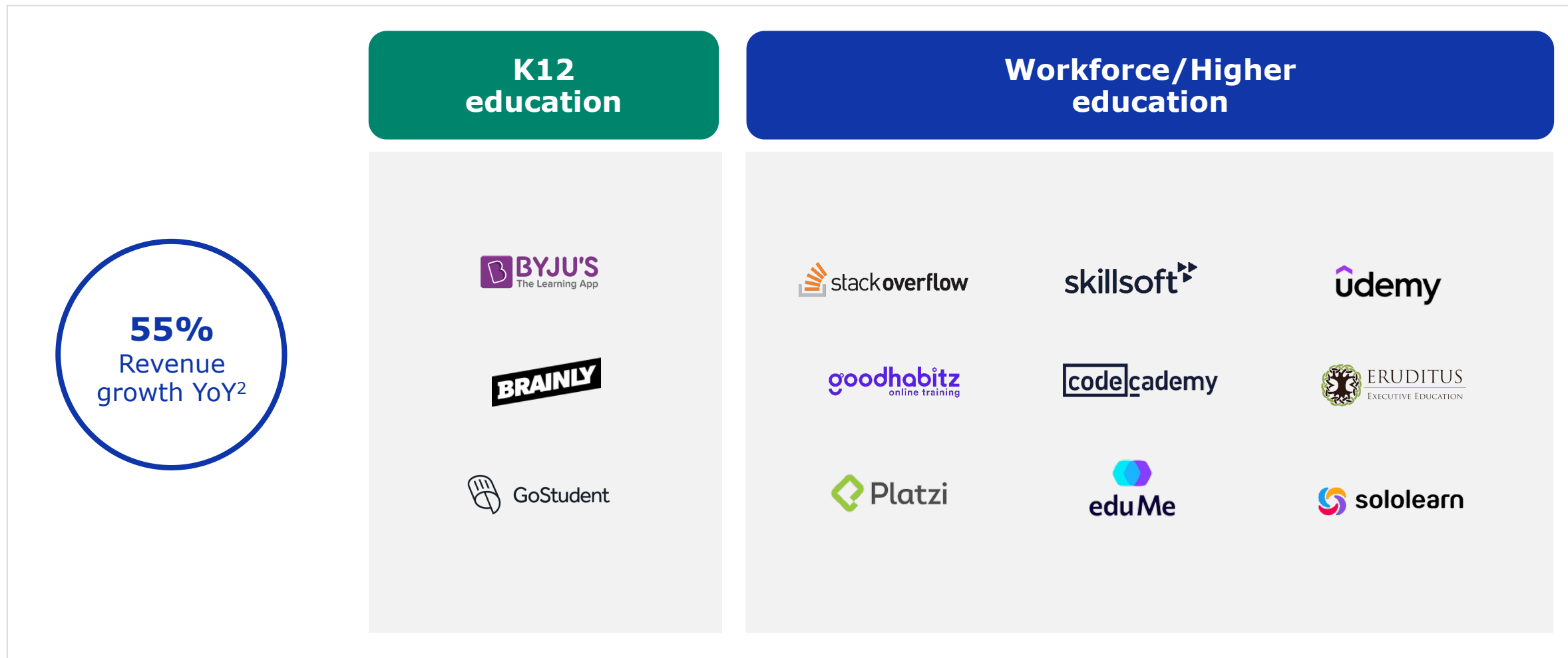
Issuance volume (\$m)



<sup>1</sup> Core consolidated payments business generated a profit of \$28m for FY22 (FY21:\$10m)

# Edtech aligned with secular growth in K-12 & workforce education

**US\$3.8bn+ invested** in a portfolio of **12 companies<sup>1</sup>** across the globe



<sup>1</sup> Skillsoft completed its acquisition of Codecademy in April 2022.

<sup>2</sup> Year-on-year revenue growth in local currency, excluding M&A.



# Sustainability underpins our strategy and operations

Sustainability is integral to our strategy



A (2020) to **AA (2021)**<sup>1</sup> ↑



F (2020) to **B (2021)**<sup>1</sup> ↑



Prosus included on AEX ESG Index



Human rights statement adopted & published by all controlled entities



Launched sustainability accelerators' network (SAN) with 10+ companies and 40+ champions across the group

<sup>1</sup> Scores for both Naspers and Prosus

We seek to improve everyday life for billions of people



OLX published impact report on the environmental benefit of enabling second hand trade



FIPE study on the socio-economic impacts of iFood in Brazil



Commitment to achieve carbon neutrality in its own operations and supply chain by 2030

The background of the slide is a dark, blurred image of financial charts. On the left, there is a table of stock data with columns for stock names, prices, and changes. The table includes entries for 'L: 5.370', 'L: 5.370', 'L: 5.370', and 'L: 5.370'. To the right of the table, there are several line charts with multiple colored lines (blue, green, yellow, red) representing different data series. The charts show various trends and fluctuations over time.

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## **Financial review**

Basil Sgourdos

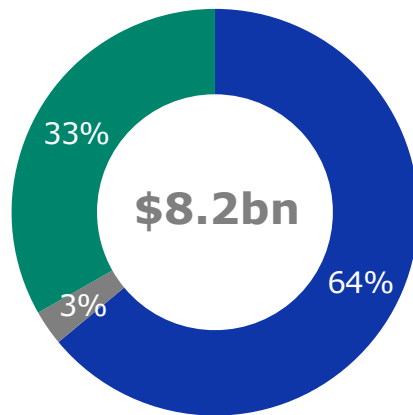
# Second half investment pivoted to internal assets and our stock

FY22

*Invested mainly externally on M&A...*

*... then pivoted to invest more via our income statement...*

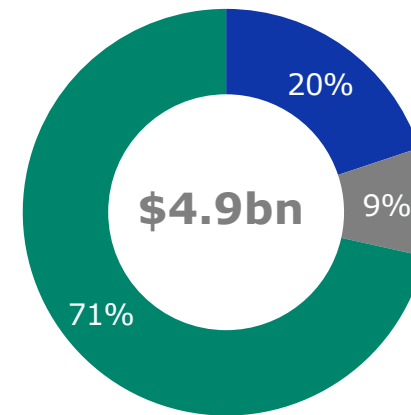
1H



**\$5.2bn<sup>1</sup>**  
External investment

**\$228m<sup>2</sup>**  
Organic Investment

2H



**\$1bn**  
External investment

**\$421m<sup>2</sup>**  
Organic Investment

*... while throughout the year we invested in our stock to increase our NAV per share*

**\$2.7bn**

Naspers & Prosus shares repurchased in 1H

**\$3.5bn**

Prosus shares repurchased in 2H

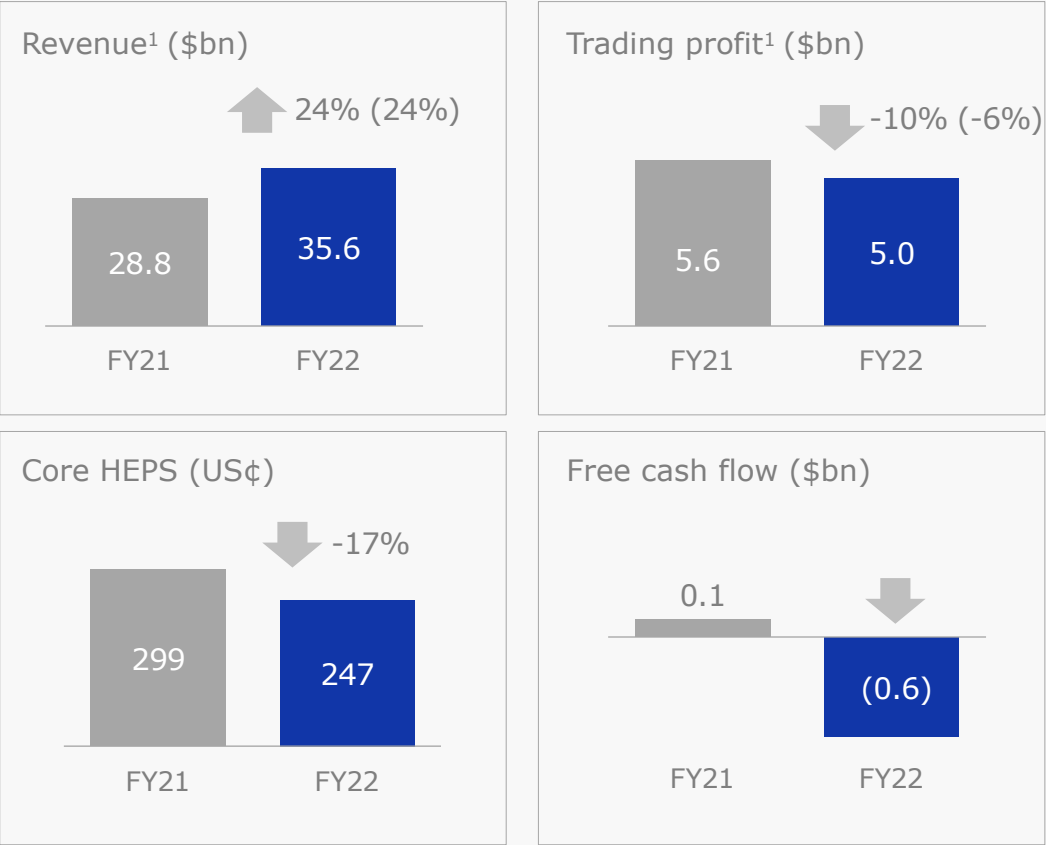
<sup>1</sup> Excludes the BillDesk transaction which is under review by the Competition Commission of India

<sup>2</sup> Reflects cash loss generated from operations: i.e. EBITDA less non-cash items, plus working capital investment to expand the business and create value

# Financial Highlights for the Group

Maintained strong revenue growth with improved profitability at the core, while we invest for growth

- 1 Ecommerce portfolio grew revenue 51%
- 2 Core businesses improved profitability in each segment
- 3 Increased investment to scale ecosystems across our businesses
- 4 Core HEPS impacted by reduced contribution from Tencent and investment into ecommerce businesses
- 5 Raised \$9.3bn in bonds at attractive interest rates



<sup>1</sup> Results reported on an economic-interest basis, i.e. equity-accounted investments are proportionately consolidated  
 Numbers in brackets represent year-on-year growth in local currency, excluding M&A

# Segments core profitability enables investment in growth extensions

Mature businesses continue to drive profitability

... while we invest to build further value

## Classifieds

Core Classifieds



Autos Transactions



## Food Delivery

Brazilian Restaurant Business



Groceries & Fintech



## Payments & Fintech

PSP Business



Credit & Digital Banking



## Etail

Etail Business



Food Delivery & Groceries

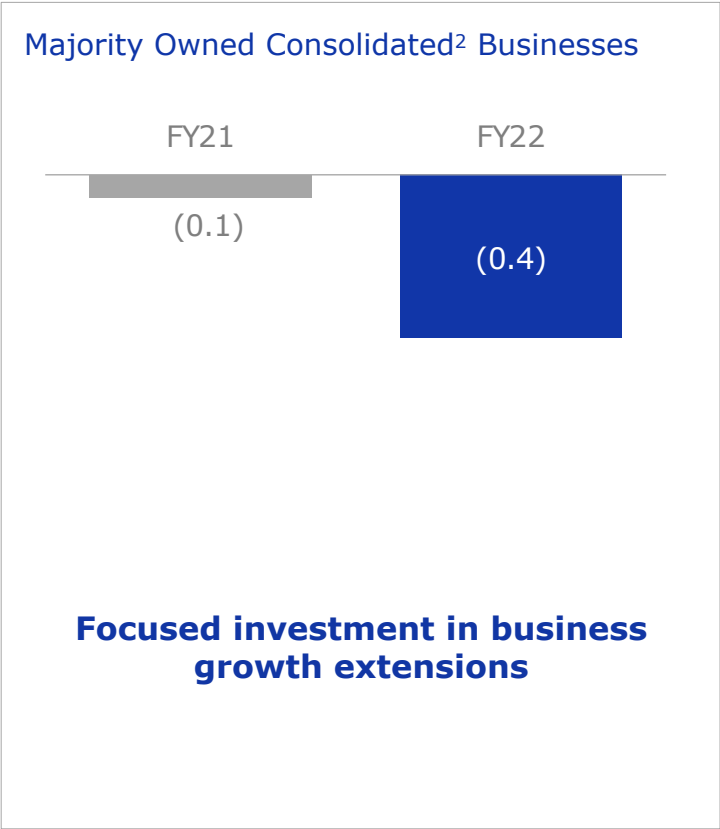


# Consolidated ecommerce investment manageable relative to opportunity

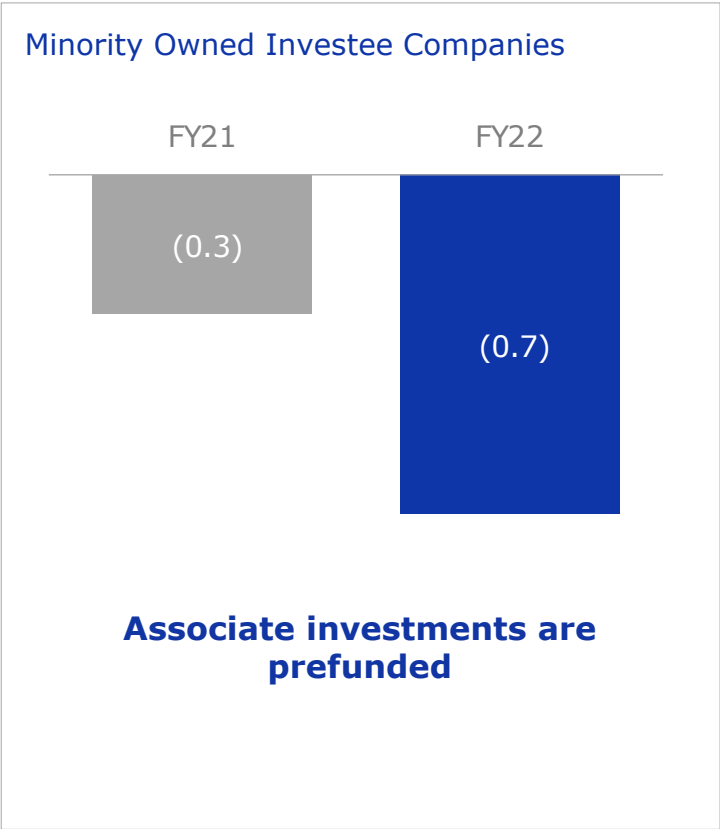
## Total ecommerce economic interest



## Organic investment through P&L



## Associate losses do not impact cash

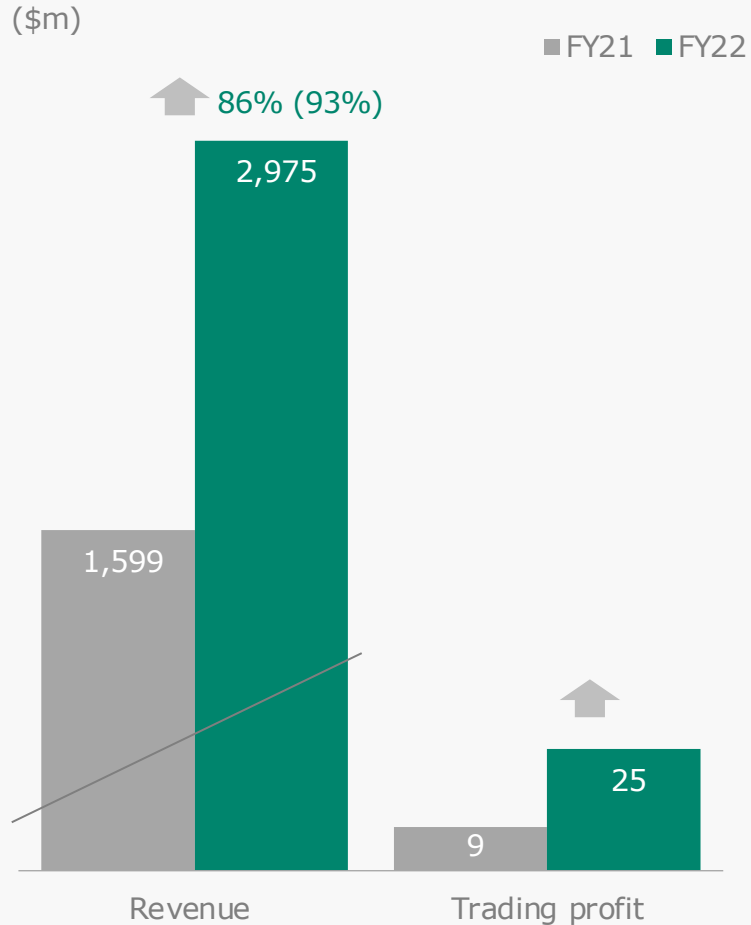


<sup>1</sup> Results reported on an economic-interest basis, i.e. equity-accounted investments are proportionately consolidated

<sup>2</sup> Consolidated business excluded equity accounted investments, i.e., joint venture and associates

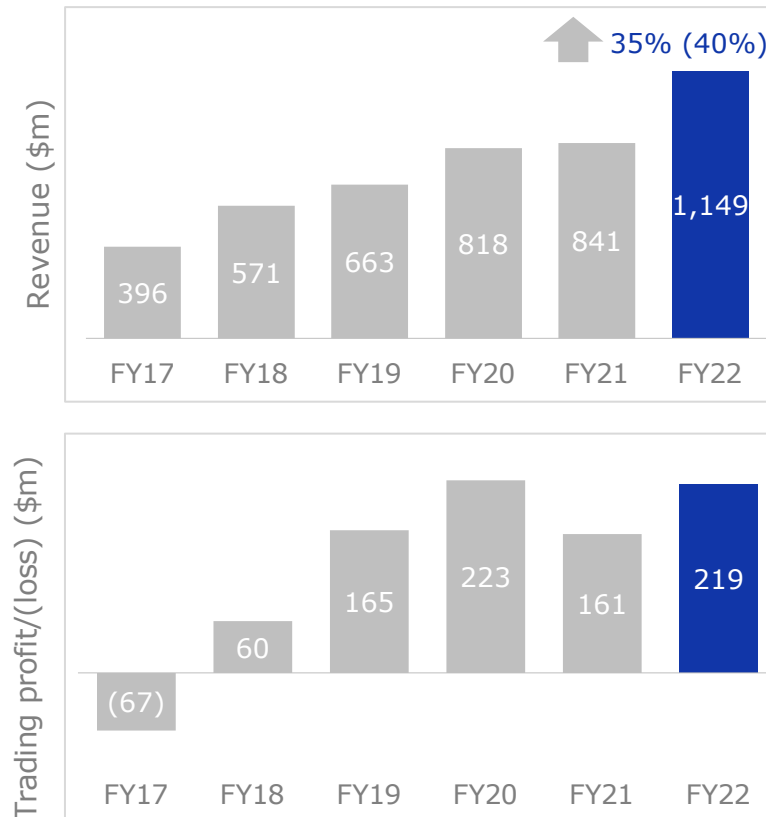
# Strong momentum in core classifieds as OLX Autos scales

## Total Segment Economic Interest<sup>1</sup>

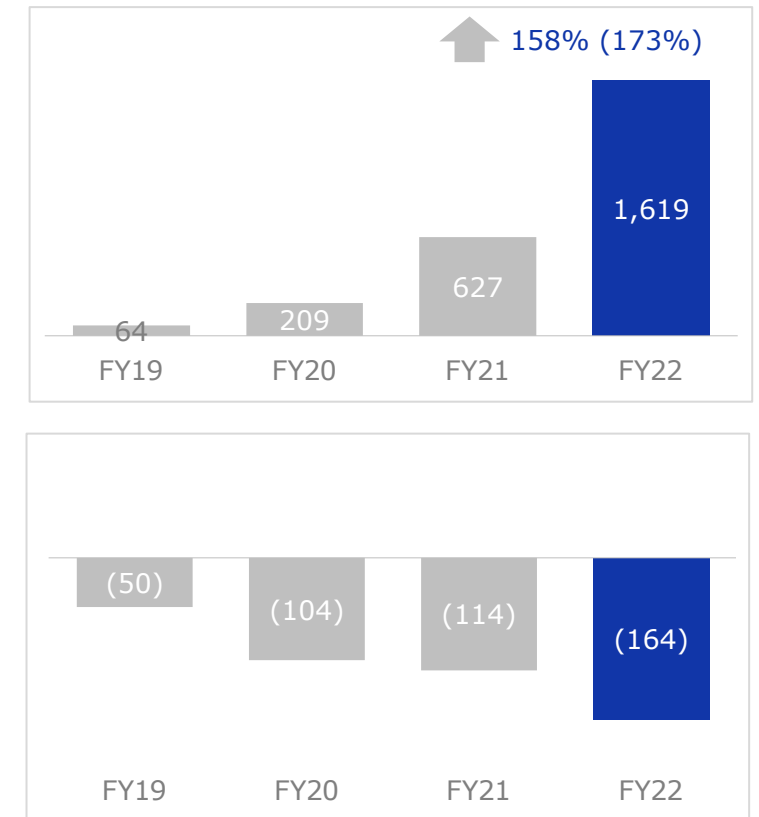


## Consolidated businesses<sup>2</sup>

### Core Classifieds Business Profitable<sup>3</sup>



### Investing in Autos<sup>4</sup>



<sup>1</sup> Results reported on an economic-interest basis, i.e. equity-accounted investments are proportionately consolidated. Numbers in brackets represent year-on-year growth shown in local currency, excluding M&A

<sup>2</sup> Consolidated results of majority owned businesses. These exclude results from equity accounted investments, i.e., joint venture and associates

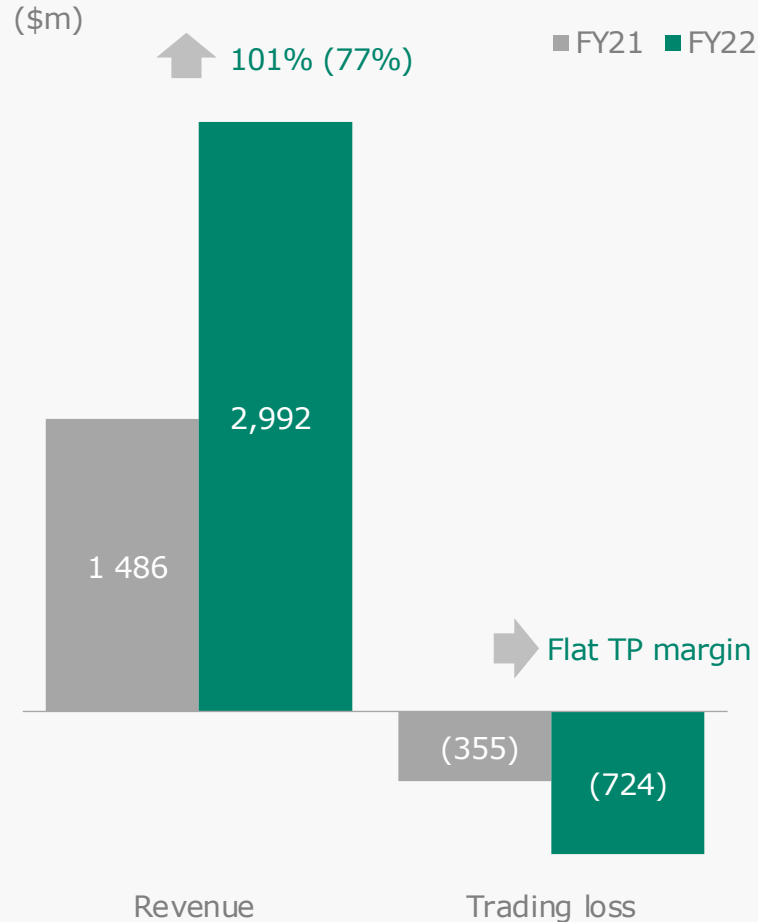
<sup>3</sup> Prior years have been adjusted to reflect like-for-like in line with the consolidated portfolio make up in FY22. Notable exclusions include letgo (US) and Dubizzle

<sup>4</sup> OLX Autos includes markets where autos transaction constitute predominant mix of business (LatAm, USA, India, Indonesia, Pakistan and Turkey)



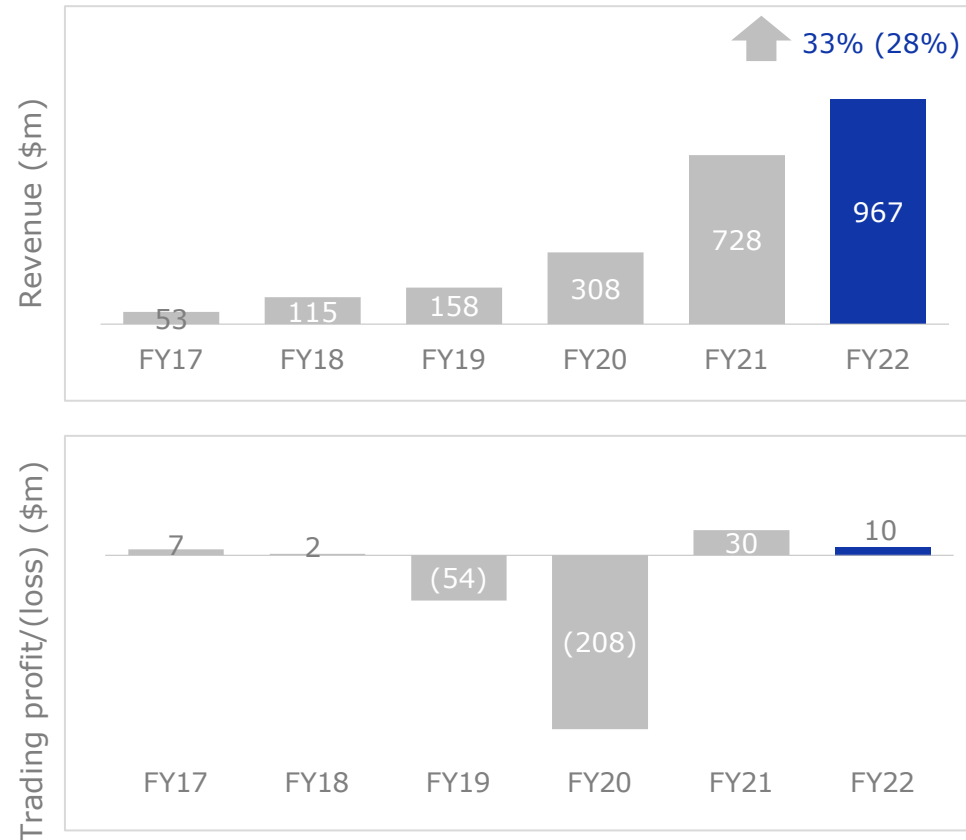
# Food Delivery has a clear path to profitability and expanded TAM

## Total Segment Economic Interest<sup>1</sup>

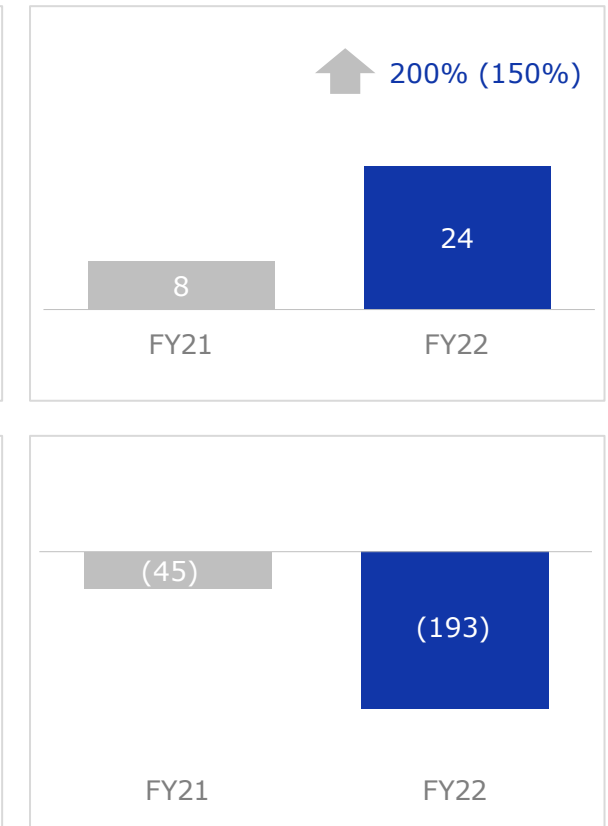


## Consolidated business - iFood Brazil

### Core Restaurant Business Profitable<sup>2</sup>



### Investing in new initiatives<sup>3</sup>



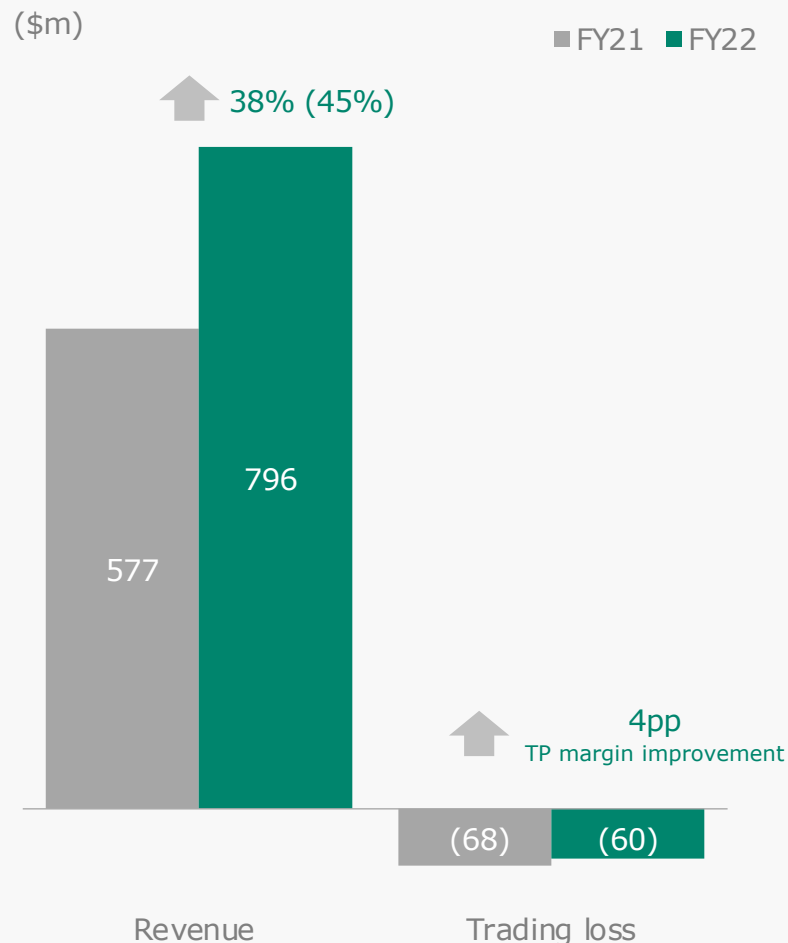
<sup>1</sup> Results reported on an economic-interest basis, i.e. equity-accounted investments are proportionately consolidated. Numbers in brackets represent year-on-year growth shown in local currency, excluding M&A.

<sup>2</sup> iFood Brazil is the only majority owned business following iFood Colombia's merger with Delivery Hero in FY21. Prior year numbers have been adjusted to just reflect iFood Brazil

<sup>3</sup> Includes grocery and fintech initiatives and corporate costs for iFood

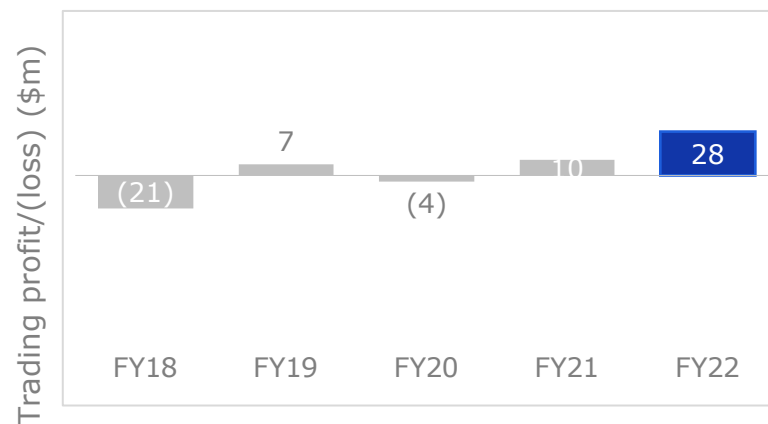
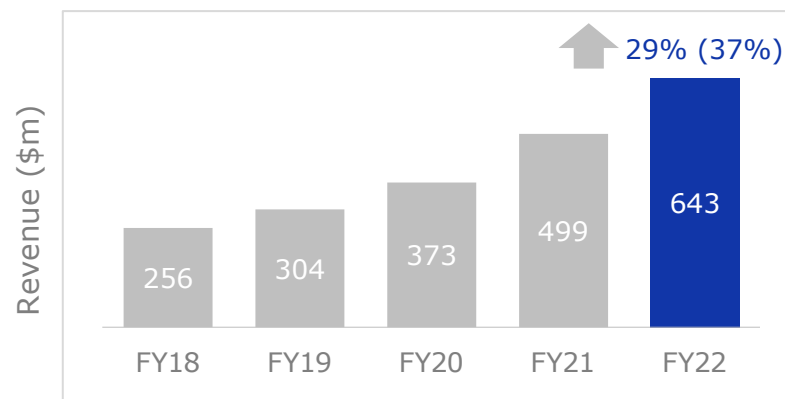
# Payments & Fintech maintained core growth and accelerated credit business

## Total Segment Economic Interest<sup>1</sup>

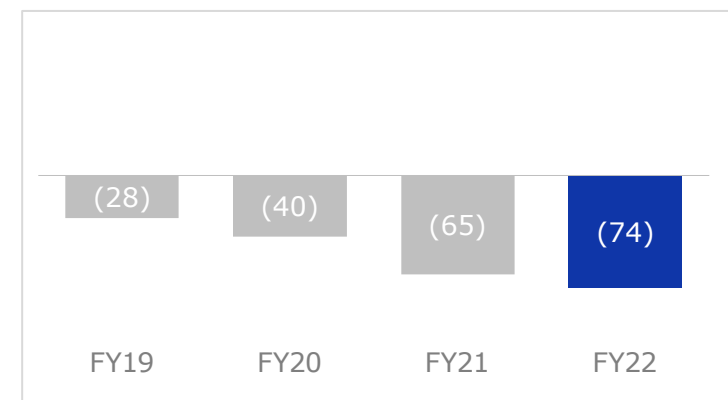
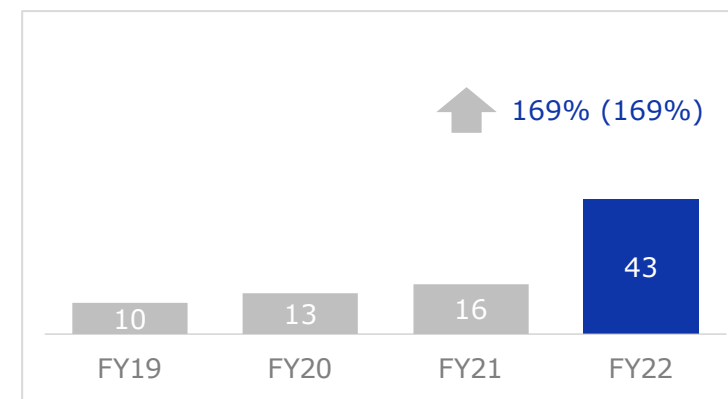


## Consolidated business<sup>2</sup>

### Core Payments Business profitable



### Scaling Credit & Digital Banking<sup>3</sup>



<sup>1</sup> Results reported on an economic-interest basis, i.e. equity-accounted investments are proportionately consolidated. Numbers in brackets represent year-on-year growth shown in local currency, excluding M&A

<sup>2</sup> Consolidated results of majority owned businesses. These exclude results from equity accounted investments, i.e., joint venture and associates. Prior periods have been adjusted for a comparative like-for-like view

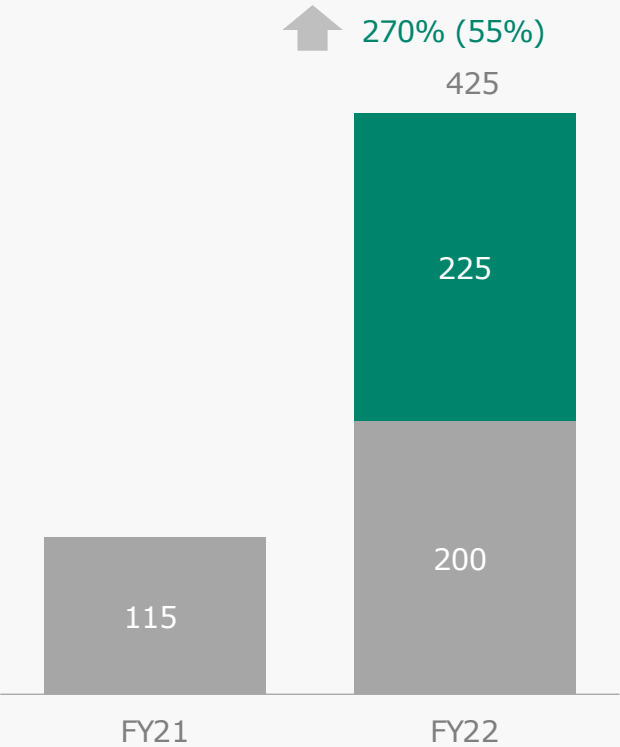
<sup>3</sup> Includes Credit and Digital Banking as well as corporate costs for PayU

# Robust growth and continued investment to accelerate Edtech portfolio

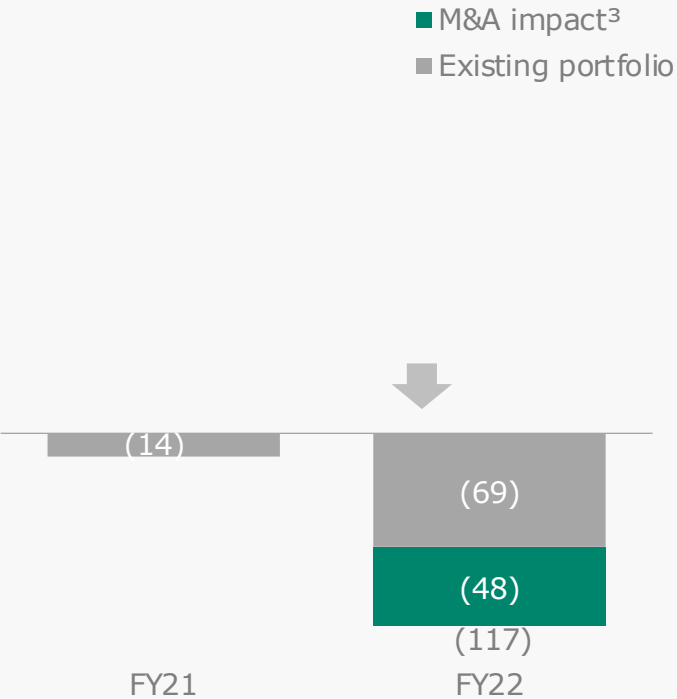


## Total Segment<sup>1</sup> - Stack Overflow, Skillsoft and GoodHabitZ acquired in FY22

Revenue<sup>1</sup> (\$m)



Trading loss<sup>1</sup> (\$m)



## Consolidated<sup>2</sup> business acquired in FY22



StackOverflow was profitable in 2020, and now accelerating efforts to scale Team, Collectives and EdTech



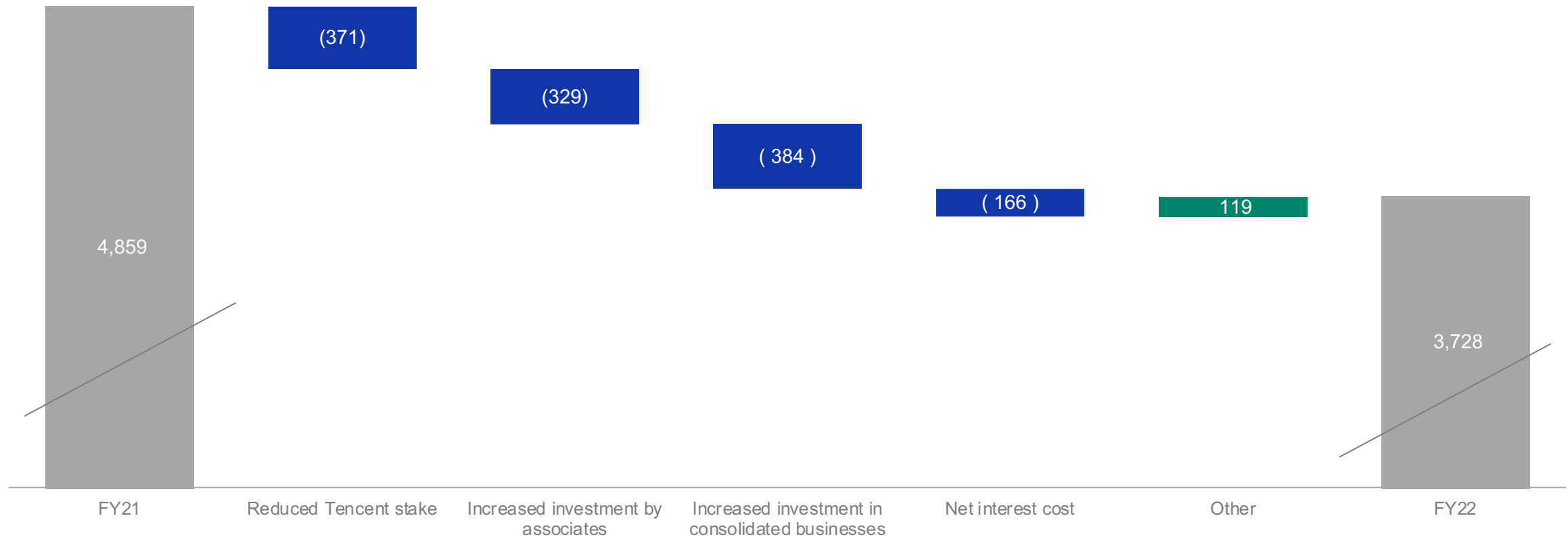
GoodHabitZ was profitable in 2020, and now expanding its offering to new geographies

<sup>1</sup> Results reported on an economic-interest basis, i.e. equity-accounted investments are proportionately consolidated. Numbers in brackets represent year-on-year growth shown in local currency, excluding M&A  
<sup>2</sup> Consolidated business are majority owned businesses  
<sup>3</sup> Includes the impact of all M&A, most notably the acquisitions of a minority stake in Skillsoft, and controlling stakes in StackOverflow and GoodHabitZ in FY22

# Core HE impacted by reduced Tencent stake and increased investment

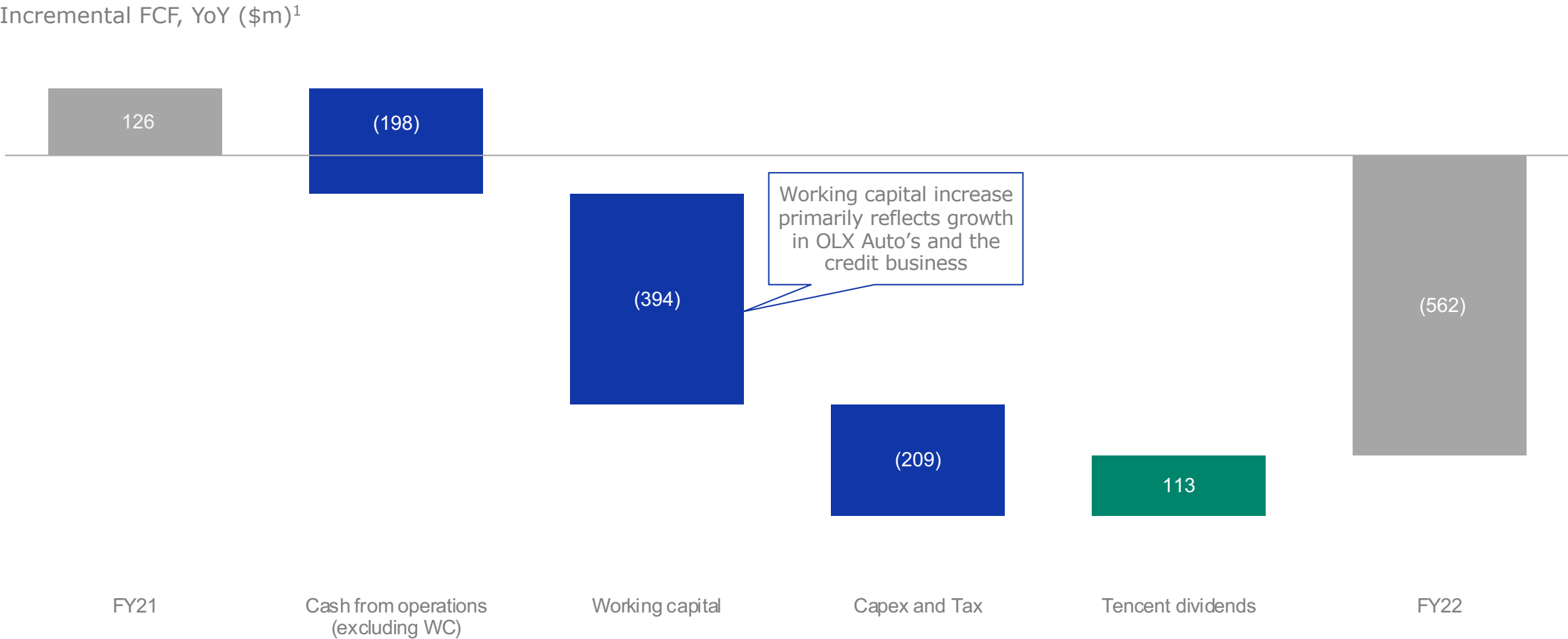
Core headline earnings reduced following lower contributions from Tencent and increased investment in ecommerce

Incremental Core HE, YoY (\$m)



# FCF reflects investment in operations, working capital and capex

Working capital requirements have increased as we invest in OLX Autos and scale up our Indian credit business



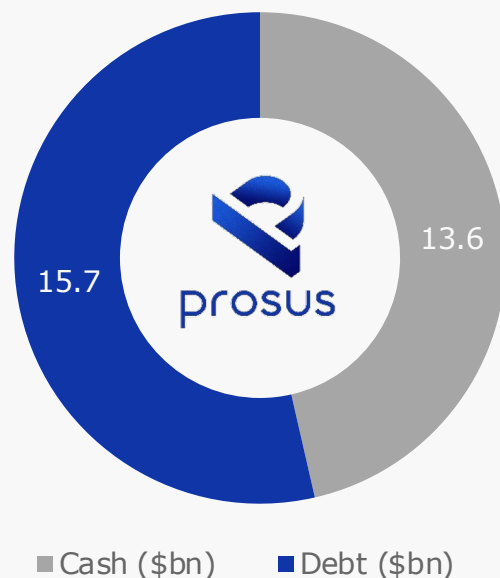
<sup>1</sup> FCF defined as EBITDA less adjustments for non-cash items, working capital, taxation, capital expenditure, capital leases repaid and investment income

# Strong balance sheet with healthy liquidity buffer to support IG rating

We will manage our balance sheet to Investment Grade rating

Unlocked liquidity

Net debt<sup>1</sup> \$2.1bn at 31 March 2022



\$12.2bn cash held centrally

**Investment Grade**

BBB (S&P) / Baa3 (Moody's)

**9.3% LTV**

Based on gross debt<sup>2</sup>

**2.2X**

Interest cover<sup>3</sup>

**3.1%**

Ave. weighted interest rate (FY21:3.7%)



Sold our non-strategic **4%** stake in JD.com for net proceeds of **\$3.7bn** in June 2022

This further enhances our credit profile and liquidity for the Group

<sup>1</sup> Cash includes short-term cash investments, debt includes all interest-bearing debt and excludes all finance leases

<sup>2</sup> Internal calculation for LTV: Gross debt / (Gross cash + listed assets + 50% unlisted assets) at 31 March 2022

<sup>3</sup> Calculations for interest cover: (Dividends from investments and cash to HoldCo + interest received - HoldCo operating costs) / HoldCo interest for the year ended 31 March 2022

The background of the slide is a dark, blurred image of financial charts. On the left, there's a table of stock data with columns for price, volume, and other metrics. The main part of the background features several overlapping line charts with various colors like green, blue, pink, and yellow, showing fluctuating data trends. The overall aesthetic is professional and data-oriented.

# prosUS

## **Outlook**

Bob van Dijk



# Key Priorities for the group to create value for shareholders

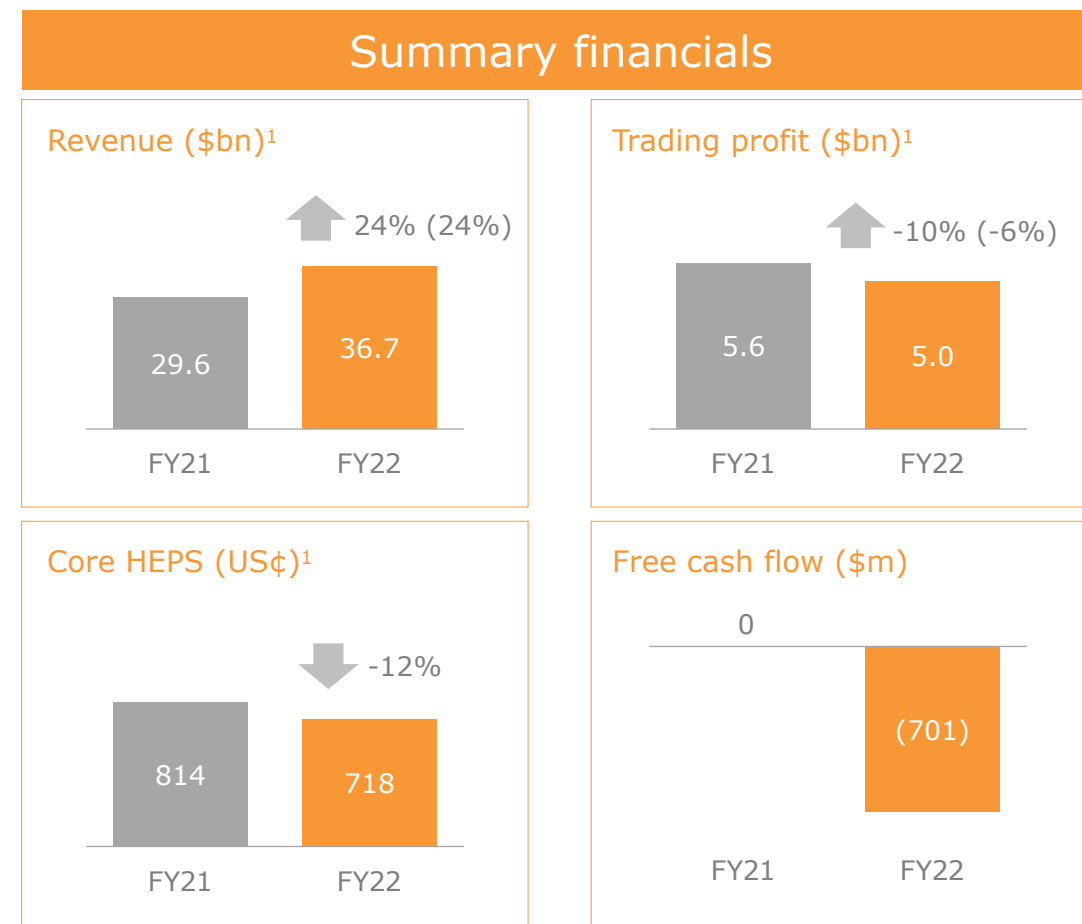
- 1 We are committed to reducing the discount to NAV while continuing to build NAV and NAV per share
- 2 With strong discipline, we will continue to invest across our portfolio to build bigger and more valuable businesses
- 3 We will reduce our corporate footprint, maintain a high bar for M&A and protect our Investment Grade rating
- 4 We will work towards the crystallisation of value through a transparent, predictable and repeatable process
- 5 We will continue to drive sustainability initiatives within our businesses

# prosUS

## **Appendix**

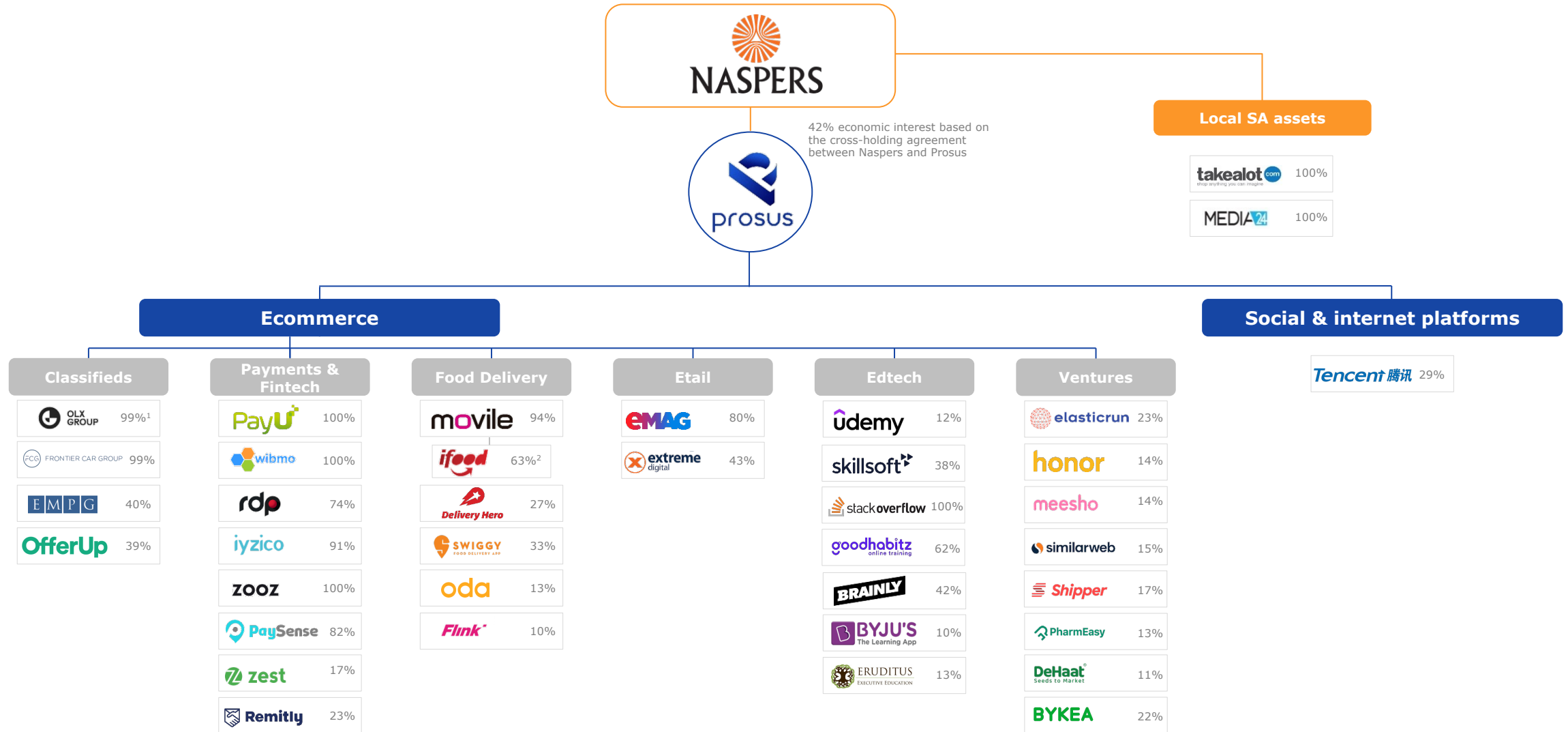
# FY22 Naspers Summary Financials

- 1 Strong performance from Prosus – continued revenue growth while investing to build out ecosystems
- 2 Takealot growing strongly and break even
- 3 Media24 made a strong recovery back to profitability
- 4 Core HEPS impacted by reduced contribution from Tencent and investment into ecommerce businesses



<sup>1</sup> Numbers in brackets represent year-on-year growth in local currency, excluding M&A. Results reported on an economic-interest basis, i.e. equity-accounted investments are proportionately consolidated

# Group portfolio



Organogram depicts effective interest percentage in major entities at 31 March 2022 for Prosus where applicable

<sup>1</sup> OLX owns 50% of operations in Brazil

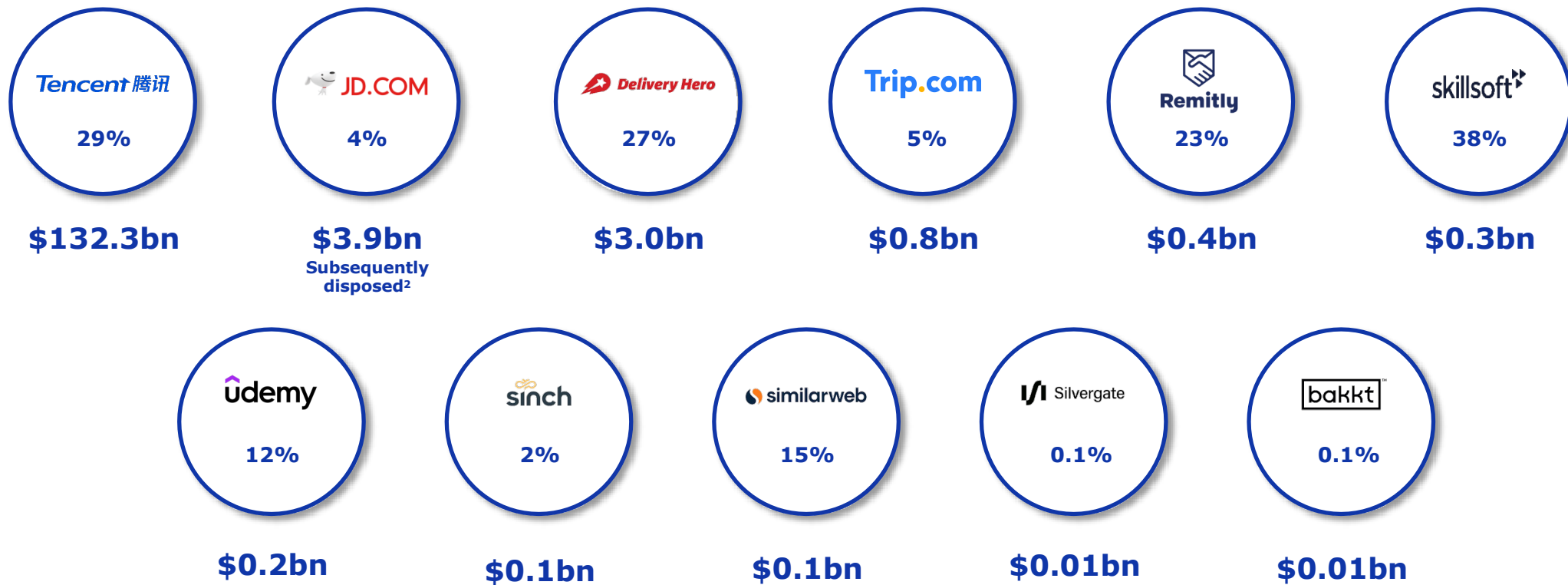
<sup>2</sup> Mobile holds 67% of iFood

# Significant liquid asset base

Listed Assets Totalling **\$141bn<sup>1</sup>** at 31 March 2022

Prosus's stake of market cap<sup>1</sup>

x% - ownership



<sup>1</sup> Market data as of 31 March 2022 from Bloomberg. Tencent, Trip.com, Delivery Hero and Sinch stakes converted to US\$ based on exchange rate of US\$1 to HK\$7.83, EUR 0.90, SEK 9.40

<sup>2</sup> We disposed of our full stake of JD.com by 27 June 2022

# Glossary and financial definitions

1P / 3P:	First party / Third Party	Consolidated Earnings:	Results of subsidiaries only, companies which the group controls
CAGR:	Cumulative Annualised Growth Rate	Economic Interest:	A non-IFRS measure representing the consolidated earnings plus the group's proportionate share of the associates and joint ventures
ESG:	Environmental, Social and Governance	FCF:	Earnings before interest, tax and depreciation and amortization less adjustments for non-cash items, working capital, taxation, capital expenditure, capital leases repaid and investment income
GMV:	Gross merchandise value	Core Headline earnings:	Core Headline Earnings is a non-IFRS measure and represent headline earnings for the period excluding certain non-operating items and is an appropriate indicator of the operating performance of the group
GPO:	Global Payment Operations	TP:	Trading profit/(loss) represents operating profit/loss, adjusted to exclude: (i) amortization of intangible assets recognized in business combinations and acquisitions, (ii) retention option expenses linked to business combinations; (iii) other losses/gains—net (iv) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and (v) subsequent fair value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the group has a cash cost on settlement with participants).
HoldCo:	Holding company		
IRR:	Internal rate of return		
K12:	Kindergarten to 12th grade		
LTV:	Loan to value		
M&A:	Mergers and acquisitions		
NAV:	Net Asset Value		
p.p:	Percentage points		
PSP:	Payment service provider		
TPV:	Total payment value		