Prosus and Naspers CEO, Fabricio Bloisi

Hello partners. How are you? Here is Fabricio Bloisi, the CEO of Prosus. And I'm going to share with you our progress of the last six months. I want to start to remind you we are really focused here, building the number one lifestyle ecosystem in Europe, India and Latin America, and that's my focus for today. I'm going to focus a little more about business, about the results, about growth and the more important - about the ecosystem. We have also a lot to tell you regarding innovation and how we are going to unlock an AI-first world, but to be honest, I want to make a one hour presentation only about that. So I will ask you to wait and in the next few weeks we are going to make another presentation on how we are going to create the future of AI using our ecosystem. But today we are going to focus on ecosystems, results, our business. Hope you enjoy.

Our agenda for today. We'll start on Latin America and that's very important. We talked a lot about ecosystem and I want to show it in practice, what is happening in Latin America. That's our inspiration and we are going to repeat it also in our other ecosystems. We are going to talk a little about India, and we have a lot of progress, a little about Europe. We are starting to accelerate there. And to finish with some numbers.

Let's start with an overview on our ecosystems. In Latin America, Europe, and India, we have something between $10 and $20 billion in value in each one of the regions. But we are quite confident we can get in $50 billion in value in each one of the regions. Also, we have our amazing participation in Tencent, we believe it's the best ecosystem in China. We don't operate that. Today the value is around $170 billion, but we believe it's going to keep going up. Let's see, how is the progress in Latin America.

First, this is how we see our ecosystem today. It's not only about one company, iFood, or another company, Despegar, but it's about how the ecosystem helps each other to grow faster. In the core, we have a very high frequency business that is food delivery. We build on top of that, our loyalty services, for example, Clube and CRM Bonus. Clube and CRM bonus enable us to sell more to each customer, to understand the customers and to cross-sell all our other products. But you can see that using the foundation of our food delivery business, we are growing our grocery business very successfully.

On top of this foundation, we have all our financial services, for example, our payment services, our dine-in services. Now you can go to a restaurant and pay using iFood, our POS services and our Buy Now, Pay Later services. Our profitability in our financial services is increasing a lot. This is not a new business anymore. It is growing. It's growing fast. And again, it reinforces the relations with all our customers so we can keep selling other services. Besides financial services we are also growing a lot on the ads business. We just acquired a company Advolve that enable us using AI to target our customers much better.

This is the first part of our ecosystem, but on top of those foundations, we have many services. Classifieds through OLX, we have travel and entertainment through Despegar and Sympla, and we have mobility with the deal with Uber, where we are offering to all our customers, offering Uber rides.

That's the basis, the structure of our ecosystem. But I want to share a little more, some data about why this is really working. After we acquired Despegar, we did lots of experiments, lots of new product launches to make sure that we can use our existing iFood traffic frequency customers to sell more to those customers. What includes lots of discounts, tests

and vouchers, and cross-sell and cashback. And I really want to share with you today the results were very good.
So you can see here, we already have 5% of the net revenues of Decolar coming from iFood. This is very exciting. In less than six months we went from 0 to 5% and we are just getting started. We just launched last week an even bigger loyalty programme where every purchase of iFood now benefits on points and discounts in the Despegar offer.
So we are quite confident that we found a way through our loyalty system to cross-sell from the high frequency 70 million users from iFood to benefit all our other assets. And this Despegar number is something that we are proud of and it's going to keep increasing and increasing fast. That's the idea behind our ecosystem. And we are going to keep replicating that not only in Latin America, but in all other regions where we operate.
So to give you a little intro on what's happening outside Latin America, we are really starting to push our ecosystem thesis in India. So you can see here that PayU is really connecting how we sell, for example Rapido or Mintifi and others of our businesses, how you enable those customers to have more credit to their partners and to increase their sales through credit. At the same time, we are helping our India companies to grow faster and at the same time, PayU is growing faster.
I want to remind you that six months ago I told you that PayU needed to grow faster, and needed to deliver better results. And I'm quite happy to share with you that we have these good results to share with you. PayU was losing money for the last many years. You can see here over the last five quarters, PayU went from losing money to a positive $3 million aEBITDA, and it's going to keep growing and this is just the start.
So we are quite happy that we are at the same time in India, connecting more of our businesses, helping our businesses grow faster through credit, but also improve the performance of PayU to be profitable, to start to generate a positive aEBITDA and this flywheel is going to keep working and they are going to keep growing our finance foundation business, but also our B2C business.
But in India we are going to keep increasing our presence. And I'm very excited to share with you that now we are important shareholders of two very high growth companies. The first is Rapido, it's the number one mobility company in the country, and it's going to benefit our ecosystem. And it's going to also get benefits in terms of cross-sell, loyalty, financial services from our ecosystem.
And the same thing for Ixigo, it is growing very fast. It's the fastest growing in terms of online travel agencies. And we are quite confident that we are going to have a great integration with our ecosystem. Ixigo is a very innovative company with around half a billion customers, and I think working together, the high growth of Rapido, Ixigo, and all the companies you already know like Meesho and Swiggy and Urban Company from the Prosus ecosystem. We are going to have an ecosystem in India that is as exciting as what we have in Latin America.
To finish my quick ecosystem update, we also completed two important, very important transactions in Europe. First one we completed on November 12th, our La Centrale integration. The reasoning behind La Centrale is we have an amazing classifieds business in Europe that was more concentrated in Eastern Europe. But now with La Centrale we are also in Western Europe, and we are going to keep having an operation that is very profitable, a leading operation, we can help La Centrale with our technology and La Centrale can also contribute to make us have an even better classifieds business.
Also, we are very excited, because on November 17th we completely finished the Just Eat Takeaway transaction. We delisted the company and now we have a new supervisory board. We are excited about what we have. This company is the clear leader in at least three

markets in Europe and we have in many more markets around Europe, in a few around the world, that we believe we are going to create amazing food delivery assets. That said, we have a long way. We really started to move fast with Just Eat Takeaway. The first big thing we have to do is to adjust the culture and adjust the technology to make sure that we are going to innovate very fast, interact very fast, learn very fast to make Just Eat Takeaway grow again. What I can tell you today is the opportunity is amazing. We have markets that have a lot of potential to grow, and we have a clear vision of how to make the company operate better and faster. But now it's time to work and I'm going to keep our first movements inside the company and communicate first with the company to make sure we are starting to deliver results and in our next conversation, I'm going to show you how we are starting to deliver some results in Just Eat Takeaway.

So we have our Latin America ecosystem, is doing quite well. Our India ecosystem is accelerating, our Europe ecosystem we completed the two transactions and we are quite excited about what's happening in China. We don't operate this ecosystem, but we have Tencent overdelivering growth, overdelivering revenue, overdeliver in profitability. So we are quite excited to be the biggest shareholder of Tencent. We are quite excited that we have a lot in the future to learn with the Chinese ecosystem of Tencent.

I will talk just a little today about innovation, we had a lot of progress in our Large Commerce Models. Today, we have it mature in Brazil, but we are expanding that to many of our other companies. You can see here a few of the results where we are using a Large Language Model that was trained with all our customer interactions, and now this model can predict better customer behaviors, preferences, better than any other Machine Learning we had before. It is one model to do all the transactions we have, and now we're inserting that in many of our own services with good results all around. We are quite excited about that. We are going into detail a lot about that, I want to show you a little more, because now we also prioritized Agents.

Our agents now, we have close to 20,000 agents inside the company doing the job of a few thousand people. We are very excited about that. We are making the company run better, not only with our customers but also with our partners. We are reducing costs and we are moving faster. We want to be one of the best operations using agents in the world.

Also, we just acquired a company called Advolve that uses agents to do all our marketing. So you can see around 25% lower cost per acquisition of users because we are using AI in all marketing steps, from creating the ads, to testing the ads, to optimize it, to monitoring, and to learning how to do better ads. So we are using AI, not only in ads, but in agents internally, agents with partners, agents with customers, and in our internal commerce models. We talk a lot about that in our future presentation about AI.

To finish, a quick recap. We are growing quite well. You can see nominally 22%, taking out effects in M&A, around 14%. Besides growing well in revenue, we keep our expectation to double our revenue until fiscal year 2028. You can see here also our most important businesses, our most profitable businesses are growing faster and increasing profitability.

I want to give you one positive highlight, that is PayU. The margin here is zero. But you saw the curve. It's growing quarter by quarter for the last ten quarters. We are quite excited about that. I think the one business this time that is under stress is eMag. We expected eMag margin to be higher and growth also should be higher. So this is a pending job that we have to do to make sure that eMag can improve its results. But overall, all our businesses are doing quite well.

If you look to profitability, you can also see that we are growing nominal 70%, if you exclude the effects around 58%. And in this half a year generating more than half a billion dollars, we

keep confident we are going to deliver our guidance this year and we are confident we're going to keep growing to achieve our ambition of a few billion dollars in profitability in fiscal year 2028.
To finish, we keep strengthening our ecosystem. We did many acquisitions, I believe all of them with lots of discipline, all of them of companies that are profitable but can be more profitable inside Prosus. Innovation is doing quite well. But wait for our next presentation and we keep our discipline in terms of delivering results, but also optimizing our portfolio and optimizing our share buyback.
I will ask you now to move on with Nico. He is going to give you much more details about our finance.

Prosus and Naspers CFO, Nico Marais

Thank you Fabricio. I'm Nico Marais, Prosus CFO.
I'm excited to share the highlights of our first half FY 26 results, which show the continued operating momentum of our businesses and that we are on track to achieve the ambitious financial goals for full year in FY 26 we set earlier in the year. Prosus is operating with momentum and delivering sustained, profitable growth and importantly, generating positive free cash flow excluding Tencent dividends.
Let's start with the highlights. Our ecommerce revenue grew 14%, higher than our peers with strong growth, primarily coming from our most profitable businesses, iFood, OLX, and Iyzico. Our adjusted aEBITDA grew by 58%, and we expect further improvements in the second half of the year. Free cash flow grew by $399 million, delivering Prosus's largest ever free cash flow, excluding the Tencent dividend. And then core headline earnings per share grew 24%, driven by our improving e-commerce operations as well as strong performance from Tencent. This per share graph was further enhanced by the share buyback program.
I am happy to report strong peer beating revenue growth across most of our businesses, with the exception of eMag, growth across our businesses was robust, up 26%. eMag was flat in the period as it dealt with macroeconomic and competitive challenges.
I'm very pleased to say that our most profitable businesses are the businesses that are growing strongly. iFood grew revenue by 35% despite intense competition from new entrants. It has done an excellent job building a competitive moat through investing in its ecosystem. We expect competition to intensify further in the coming months and we will defend our market position.
Iyzico, one of Turkey's leading payment platforms, delivered strong growth of 50%. Total payment value grew strongly, up 65%.
OLX delivered 17% revenue growth as it focused on driving growth in its core growth categories, Motors, Real Estate and Jobs.
Despegar invested in marketing to expand its reach across Latam. We show a clear acceleration of gross bookings - up 13% year over year. And as Fabricio mentioned, we have a number of initiatives underway to integrate Despegar into our Latam ecosystem and we are already seeing real signs of progress in Brazil.
PayU is also starting to show improving profitability and revenue numbers, as their hard work over the last 12 months is starting to pay off.
eMag faced stiff competition in a challenging market and despite flat growth in revenue, managed to improve margins.
Our strong top line performance led to 58% growth in adjusted EBITDA. Margins improved by four percentage points. Ecommerce adjusted EBITDA for the first half was $530 million, an improvement of $218 million. The group is scaling meaningfully to ultimately deliver on

our ambition of delivering billions in annual profitability and converting that profit efficiently to cashflow.
Our improved profitability, coupled with higher dividends from Tencent, led to an almost $400 million increase in free cash flow to $1.3 billion, leading to our largest ever positive free cash flow, excluding Tencent's dividend. The results of our focus on improved profitability and growth is clearly illustrated on this slide. Free cash flow has increased by over $900 million in three years. This makes a CFO happy. I will continue to drive improving free cash flow, both as a byproduct of improving profitability and because it is the ultimate driver of value.
The group's balance sheet remains very strong. We have some flexibility, with more than $11 billion cash on hand, post-acquisition of Just Eat Takeaway and La Centrale. We will continue to invest behind enhancing the performance of our three regional lifestyle ecommerce ecosystems, where we have the highest probabilities of success.
In the last six months, we acquired businesses to strengthen our footprint in our geographic focus areas like Just Eat Takeaway and La Centrale in Europe. We've made strategic investments to add high quality and fast growing assets to our ecosystems like Rapido and Ixigo in India, and we have made small acquisitions and investments to strengthen our competitive position within our ecosystems, like Advolve and CRM Bonus in Latin America. Going forward, you should expect more of the same.
Our largest investment to date has been in ourselves. Since its inception three years ago, we've invested $42 billion for the share repurchase program, which remains the largest of any tech company as a percentage of market cap. Collectively, our buybacks have created 18% incremental NAV per share for shareholders and reduced the Prosus free-float by 30% since 2020.
In conclusion, I'm very pleased with our performance in the first half. I'm confident we will hit the targets we set out for FY 2026, delivering at least $7.3 billion of topline and $1.1 billion of adjusted EBITDA for FY 26. Just a quick note, these numbers exclude Just Eat Takeaway which came under our full control only last week. We are excited to get started implementing plans to reinvigorate growth. Once we are in a position to do so, I will update you on our progress at JET.
In conclusion, as I look to the road ahead, I will continue to partner with our businesses to deliver peer leading growth coupled with growing profitability. Convert that profitability efficiently to free cash flow, which further strengthens our balance sheet and ensures we have the ability to invest in our businesses, our stock and in investments that will enhance our ecosystems in Latam, Europe and India.
I want to thank you for your continued support and I will hand you back to Fabricio.

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Thank you, Nico, I hope you enjoyed our numbers for today and I hope to see you in the afternoon at our Q&A when we talk about how we are going to create the future through Prosus. Good to see you and we are just getting started.

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