

Naspers Limited (Registration number: 1925/001431/06)  
(Naspers or the group)  
JSE share code: NPN ISIN: ZAE000015889  
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Annual results announcement for the year ended 31 March 2020

#### Commentary

The past financial year has seen the Naspers group transform as we executed several significant strategic initiatives, which we believe will unlock value over time. Operationally, the group ended the year in a position of strength with accelerating revenue growth in its ecommerce (online commerce) portfolio, improved profitability and a substantial net cash position with sufficient liquidity. Underpinning these results, Tencent continued to report resilience in an uncertain macro-environment. Most recently, the onset of a global pandemic has had a marked impact on the daily lives of people globally and the economy at large. While the impact is likely to persist for some time, we are confident to weather the storm. The group's focus is on safety, plus leveraging its financial flexibility to continue building a business that grows strongly, generates high rates of return and provides employment for thousands over the long term.

After many years of stock-price outperformance, Naspers now represents an outsized position on the JSE Limited's shareholder weighted index (SWIX). To extend our shareholder base and reduce that outsized position, on 11 September 2019, we listed our international internet assets on Euronext Amsterdam as Prosus N.V. (Prosus). Prosus includes all Naspers's operations and investments outside South Africa in online classifieds, food delivery, payments and fintech (financial technology), etail (online retail), travel, education, and social and internet platforms. As Europe's most valuable consumer internet company, Prosus gives global internet investors direct access to our portfolio of international internet assets, as well as exposure to China, India and other high-growth markets. Prosus also has a secondary listing on the JSE Limited in South Africa. At the date of listing, Prosus was 73.84% owned by Naspers, with a free float of 26.16%. In January 2020, to fulfil an obligation to the South African Reserve Bank to repatriate US\$1.5bn to South Africa, Naspers sold 22 million shares in Prosus, representing 1.35% of the issued Prosus N ordinary shares to institutional investors for gross proceeds of €1.5bn (US\$1.64bn). Following the disposal, Prosus was 72.49% owned by Naspers with a free float of 27.51%. We have no intention to sell additional shares of Prosus.

All proceeds, net of expenses and costs, received by Naspers from this disposal were repatriated to South Africa as required and used to return capital to our shareholders in the form of a share repurchase programme. This was completed on 24 March 2020, with a total of 9 156 705 Naspers N ordinary shares being repurchased (representing 2.06% of the issued Naspers N ordinary shares prior to the programme). A total of R22.4bn (US\$1.4bn), including transaction costs, was paid (representing an average cost of R2 447.11 per Naspers N ordinary share). The Naspers N ordinary shares repurchased have been cancelled and delisted. We are pleased with the outcome which, through the sale of Prosus N ordinary shares with a lower discount to net asset value and repurchase of Naspers N ordinary shares with a larger discount to net asset value, realised around R3.3bn in shareholder value. As a result, Naspers had 435 511 058 N ordinary shares in issue at 31 March 2020.

We ended the financial year facing the global Covid-19 pandemic, with many of our markets locking down in March 2020. Our priority was the wellbeing of our 25 000 people and the communities we serve around the world. As a global company operating in numerous local markets we take our responsibility seriously. We are helping our people and communities navigate this crisis. In April 2020, we committed R1.5bn (US\$84m) in emergency aid to the South African government's response to the crisis. We contributed R500m to the Solidarity Fund announced by the South African president, plus R1bn worth of personal protective equipment and other medical supplies. This equipment was rapidly sourced - in partnership with the Chinese government and Tencent - to support South Africa's frontline health workers. It was delivered in multiple shipments, with the final shipment delivered on 12 June 2020. Prosus also donated INR100crore (US\$13m) to the Indian government's response to the Covid-19 crisis via the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund. In addition, at local level, many of our companies have made meaningful contributions. Across the group, we continue to identify ways in which our technological expertise, global networks and resources can be used to support the fight against this virus.

We will continue to respond quickly to the evolving situation to safeguard our people, maintain our ability to serve our customers and protect our businesses. While we believe each of our segments will continue to benefit from secular growth trends, the global pandemic has affected operations and we need to draw attention to its potential impacts on

2021's financial year. That said, we believe the fundamentals of our businesses remain strong. We have sufficient liquidity to run the company and the ability to invest in opportunities that may arise during this period.

#### Financial review

The group's financial highlights for the year ended 31 March 2020 are outlined below:

	2019 A	2020 B	2020 C	2020 D	2020 E	2020 F(2)	2020 G(3)	2020 H(4)
	IFRS US\$'m	Group composition disposal adjustment US\$'m	Group composition acquisition adjustment US\$'m	Foreign currency adjustment US\$'m	Local currency growth US\$'m	IFRS US\$'m	Local currency growth %	IFRS %
Revenue								
CONTINUING OPERATIONS								
Internet	18 678	(544)	400	(827)	4 162	21 869	23	17
Ecommerce	3 934	(502)	344	(210)	1 114	4 680	32	19
- Classifieds	875	(4)	133	(25)	320	1 299	37	48
- Payments and Fintech	360	(11)	25	(20)	74	428	21	19
- Food Delivery	377	(16)	55	(45)	380	751	Greater than 100	99
- Etail	1 847	(343)	73	(102)	281	1 756	19	(5)
- Travel	234	(99)	-	-	11	146	8	(38)
- Other	241	(29)	58	(18)	48	300	23	24
Social and internet platforms	14 744	(42)	56	(617)	3 048	17 189	21	17
- Tencent	14 457	(38)	-	(615)	2 975	16 779	21	16
- Mail.ru	287	(4)	56	(2)	73	410	26	43
Media	326	(12)	-	(23)	(19)	272	(6)	(17)
Corporate services	2	-	-	-	(2)	-	(100)	(100)
Intersegmental	(16)	-	-	1	10	(5)		
Economic interest	18 990	(556)	400	(849)	4 151	22 136	23	17
DISCONTINUED								
Video Entertainment	3 324	(3 324)	-	-	-	-	-	(100)
Group economic	22 314	(3 880)	400	(849)	4 151	22 136	23	(1)
Trading profit								
CONTINUING OPERATIONS								
Internet	3 339	65	(101)	(121)	553	3 735	16	12
Ecommerce	(613)	75	(157)	50	(319)	(964)	(59)	(57)
- Classifieds	2	1	(31)	14	58	44	Greater than 100	Greater than 100
- Payments and Fintech	(43)	6	(17)	(1)	(12)	(67)	(32)	(56)
- Food Delivery	(171)	(7)	(91)	28	(383)	(624)	Greater than (100)	Greater than (100)
- Etail	(150)	47	-	8	32	(63)	31	58
- Travel	(37)	9	-	-	6	(22)	21	41
- Other	(214)	19	(18)	1	(20)	(232)	(10)	(8)
Social and internet platforms	3 952	(10)	56	(171)	872	4 699	22	19
- Tencent	3 929	(10)	-	(170)	852	4 601	22	17
- Mail.ru	23	-	56	(1)	20	98	87	Greater than 100
Media	(14)	9	-	-	13	8	Greater than 100	Greater than 100
Corporate services	(21)	-	-	5	(2)	(18)	(10)	14
Economic interest	3 304	74	(101)	(116)	564	3 725	17	13
DISCONTINUED								
Video Entertainment	512	(512)	-	-	-	-	-	(100)
Group economic	3 816	(438)	(101)	(116)	564	3 725	17	(2)

(1) Figures presented on an economic-interest basis as per the segmental review.

(2)  $A + B + C + D + E$  (3)  $(E/(A + B)) \times 100$  (4)  $((F/A)-1) \times 100$

## Salient features

	Year ended 2020 Reviewed US\$'m	31 March 2019 Reviewed US\$'m
Continuing operations		
Revenue	4 001	3 291
Operating loss	(720)	(567)
Earnings per ordinary share (US cents)	718	965
Headline earnings per ordinary share (US cents)	505	851
Core headline earnings per ordinary share (US cents)	656	687

Group revenue, measured on an economic-interest basis, was US\$22.1bn, reflecting growth of 17% (23%) from continuing operations. Measured similarly, and including the stepped-up investment in Food Delivery, group trading profit grew 13% (17%) year on year to US\$3.7bn. Tencent grew revenues by a healthy 16% (21%) year on year. Driven by Classifieds, Etail, and Payments and Fintech, the ecommerce business posted strong performance. Overall revenue growth in ecommerce, adjusted for acquisitions and disposals, grew 32% in local currency, a 6% acceleration year on year. This was led by the Food Delivery segment, which grew orders 102% and revenues by 99% (105%), and strong growth in Classifieds, up 48% (37%). Tencent's profitability improved 17% (22%). Trading losses in ecommerce rose to US\$964m, reflecting our investment in Food Delivery to grow markets and sustain our leading positions. Excluding the increased investments in Food Delivery, and Payments and Fintech as well as acquisitions and disposals, ecommerce trading losses reduced by 24% or US\$76m in local currency.

Core headline earnings from continuing operations were US\$2.9bn - down 5% (1%). Improving profitability in Tencent and the more established ecommerce businesses were partially offset by increased taxation related to the Prosus investment. Through listing Prosus and the subsequent sale of additional shares, minority shareholders with a 27.51% interest in Prosus were introduced. This reduced the attributable share of Naspers shareholders in the Prosus core headline earnings contribution for the year ended March 2020 by US\$466m (2019: US\$nil).

Across the group, we invested US\$1.3bn to expand our ecosystem and reach. Notably: through PayU, an investment of US\$66m in Wibmo to expand our Indian footprint in payment security, mobile payment solutions and processing services; an investment of US\$163m in PaySense broadens our ecosystem in India as we now start to offer consumer credit, an investment of US\$199m in Iyzico, a leading payment service provider in Turkey, and US\$48m in Red Dot Payment (Red Dot), providing payment solutions in Singapore and expanding across Southeast Asia. In Classifieds, we acquired a controlling stake in Frontier Car Group for US\$320m and the contribution of certain subsidiaries, expanding our transactions business. Ventures invested US\$81m in Meesho Inc., a leading social commerce online marketplace in India, continuing our successful track record of identifying Indian opportunities with the potential to become large businesses. We are also increasing our exposure to the edtech (educational technology) businesses by investing a further US\$25m and US\$44m in our education associates Brainly and Udemy respectively. In the Food Delivery business, we invested a further US\$100m in our associate Swiggy.

At year-end, we had a solid net cash position of US\$4.8bn, comprising US\$8.3bn of cash and cash equivalents (including short-term cash investments), net of US\$3.5bn of interest-bearing debt (excluding capitalised lease liabilities). We also have an undrawn US\$2.5bn revolving credit facility. Overall, we recorded net interest income of US\$16m for the year. In December 2019, Prosus established a US\$6bn global medium-term note programme. In terms of this programme, Prosus may periodically issue notes denominated in any currency, with a maximum outstanding aggregate nominal amount of US\$6bn. The notes trade on the Euronext Dublin stock exchange. Under the programme, in January 2020, we successfully issued US\$1.250bn 3.68% notes due in 2030. The purpose of this offering was to raise proceeds to redeem the US\$1.0bn 6.00% notes due in July 2020. The principal and interest accrued to the maturity date of these notes were repaid in February 2020. The group has no debt maturities due until 2025.

Consolidated free cash outflow was US\$383m, compared to the prior-year outflow of US\$120m from continuing operations (excluding the Video-Entertainment segment). This change reflects increased investment in the Food Delivery business, as well as negative working-capital effects, offset by merchant cash timing differences of US\$28m, and transaction costs of unbundling MultiChoice Group and listing Prosus of around US\$113m. Dividend income received from Tencent increased US\$35m to US\$377m. Cash extractions from our profitable Classifieds businesses continued to grow, increasing US\$70m to

US\$305m. Covid-19 may have a short-term impact on that trajectory, but the positive trend is expected to return.

We adopted the new accounting standard IFRS 16 Leases on a prospective basis. Accordingly, comparative information has not been restated.

The company's external auditor has not reviewed or reported on forecasts included in this short-form announcement.

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 were made public on 29 June 2020.

ADR programme

Bank of New York Mellon maintains a GlobalBuyDIRECTSM plan for Naspers Limited. For additional information, please visit Bank of New York Mellon's website at [www.globalbuydirect.com](http://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.

Directorate

From 31 March 2020, our non-executive director and lead independent director, Fred Phaswana, retired from the board. Fred Phaswana served on the board since 2003. He was lead independent director from April 2015 and a director of various group structures. He was also a member of the human resources and remuneration and nomination committees. The board thanks him for his superb commitment to the group over many years - his unique contributions were highly valued and will be missed. From 1 April 2020, Hendrik du Toit, an independent non-executive director, was appointed lead independent director.

In addition, from 24 April 2020, Ben van der Ross, independent non-executive director, stepped down from the audit and risk committees and was appointed to the social, ethics and sustainability committee. The board thanks him for his valuable contribution over many years to the audit and risk committees.

The appointment of Manisha Girotra as an independent non-executive director was confirmed on 1 October 2019. Ms Girotra also serves as a member of the audit committee.

From 26 June 2020, Xu Ying was appointed as an independent non-executive director.

Further information

This short-form results announcement is the responsibility of the directors and is only a summary of the information in the full summarised consolidated financial results. The summarised consolidated financial statements have been audited

by the company's auditor, PricewaterhouseCoopers Inc. (PwC). PwC's unqualified audit reports on the consolidated annual financial statements and the summarised consolidated financial statements for the year ended 31 March 2020, including the key audit matters, are available for inspection at the registered office of the company. The auditor's report does not necessarily cover all the information contained in the summarised consolidated financial statements. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's work, they should obtain a copy of that report, together with the consolidated annual financial statements from the registered office of the company. These documents will be available from the company's registered office from 29 June 2020. The consolidated annual financial statements will be available on [www.naspers.com](http://www.naspers.com) on 29 June 2020.

The long-form PDF financial results will be published in the cloud for public accessibility through means of a web link on Naspers: <https://senspdf.jse.co.za/documents/2020/jse/isse/NPN/FY2020.pdf>

Any investment decision should be based on the full summarised consolidated financial statements 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.

On behalf of the board

Koos Bekker	Bob van Dijk
Chair	Chief executive

Cape Town  
29 June 2020

Directors: J P Bekker (chair), B van Dijk (chief executive), E M Choi, H J du Toit, C L Enenstein, D G Eriksson, M Girotra, R C C Jafta, F L N Letele, D Meyer, R Oliveira de Lima, S J Z Pacak, V Sgourdos, M R Sorour, J D T Stofberg, B J van der Ross, Ying Xu.

Company secretary: G Kisbey-Green

Registered office: 40 Heerengracht, Cape Town 8001 (PO Box 2271, Cape Town 8000)

Transfer secretaries: Link Market Services South Africa Proprietary Limited, 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein 2001 (PO Box 4844, Johannesburg 2000, South Africa)

Sponsor: Investec Bank Limited

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