

Naspers Limited  
(Registration number: 1925/001431/06)  
(Naspers or the group)  
JSE share code: NPN ISIN: ZAE000015889  
LSE code: NPSN ISIN: US6315122092

Annual results announcement for the year ended 31 March 2021

#### Commentary

Our Board is immensely proud of what our people achieved during the past year. They managed the pandemic, delivered powerful revenue growth and lifted profitability. Foundations were laid for future growth.

The year ended 31 March 2021 (FY21) was an extraordinary period. Despite the challenges, the group has delivered strong results across its portfolio and made good progress against its strategy. Group revenue, measured on an economic-interest basis, grew 34% (32%) to US\$29.6bn, a meaningful acceleration of 17pp (9pp) on the same period last year. Group trading profit grew 49% (45%) to US\$5.6bn.

Seven years ago, we set out a strategy to build valuable, global consumer internet businesses. We focus on high-growth markets, where our platforms can provide useful products and services for millions of people in their everyday lives. In recent years, we have deliberately repositioned the group for an increasingly online world and invested effectively to accelerate growth and deliver good returns across our portfolio.

Over the past 12 months, this strategy and the momentum we have built has paid off. The group has benefited from its online focus, its global reach, diversified operations and strong financial footing. Our teams have also adapted well to the changing operating environment.

This has meant we have been well placed to effectively respond to the world's increased demand for online products and services triggered by Covid-19. Our businesses across online classifieds, food delivery, payments and finance technology, education technology and online retail have continued to serve and support their customers and communities. We have also identified promising adjacencies for our existing businesses as well as new business models through our global Ventures team.

In FY21 our businesses grew stronger, building on the momentum they had at the end of the previous year. For some businesses, there was an initial adverse impact in the face of early lockdowns and restrictions. We adapted quickly, and as restrictions eased and the pandemic drove more people online, we were ready to meet heightened consumer demand with products and services that helped people and their communities through difficult times. At a local level, we also provided additional support to our people, partners, customers, communities and in some cases, governments, to help our stakeholders respond to Covid-19. Separately, we enhanced our commitment to environmental and social issues, and we are carbon-neutral as a group, having offset our emissions for the past financial year.

During the period, we accelerated revenue growth, improved profitability and cash generation, and grew customer numbers. All core Ecommerce segments made progress against their financial and strategic objectives. Classifieds performed well under tough circumstances and recovered in the second half, regaining financial and operational momentum by focusing on continued innovation with products that support users along their transaction journey. Food Delivery and Etail performed exceptionally well as customers shifted from offline to online. After an initial drop in volumes in India as the country entered lockdown, our Payments and Fintech business rebounded, reflected in accelerating volumes. Finally, our investments in Edtech began to bear fruit, driven by increased adoption by students working from home.

Tencent recorded another strong financial performance. We believe it remains very well positioned for growth. We remain committed long-term investors in Tencent.

We are focused on building further value across our businesses and see significant upside in some new opportunities in which we have invested. Notably, in adding the autos transaction businesses to our Classifieds operations, a broader on-demand delivery ecosystem in our Food Delivery segment, expanding into digital banking in Payments and Fintech, and in the promising new segment of Edtech, which will be reported on from 1 April 2021.



Ecommerce	4 680	(353)	481	(325)	2 366	6 849	55	46
- Classifieds	1 299	(115)	310	(93)	208	1 609	18	24
- Payments and Fintech	428	(11)	37	(28)	151	577	36	35
- Food Delivery	751	(17)	6	(189)	935	1 486	greater than 100	98
- Etail	1 756	(11)	95	25	991	2 856	57	63
- Travel	146	(146)	-	-	-	-	-	(100)
- Other	300	(53)	33	(40)	81	321	33	7
Social and Internet Platforms	17 189	(115)	-	736	4 716	22 526	28	31
- Tencent	16 779	(54)	-	786	4 644	22 155	28	32
- Mail.ru	410	(61)	-	(50)	72	371	21	(10)
Media	272	-	4	(14)	(51)	211	(19)	(22)
Corporate segment	-	-	-	-	-	-	-	-
Intersegmental	(5)	-	-	1	4	-	80	100
Group economic interest	22 136	(468)	485	398	7 035	29 586	32	34
Trading profit								
Ecommerce	(823)	100	(50)	(19)	353	(439)	49	47
- Classifieds	44	45	(38)	(28)	(8)	15	(9)	(66)
- Payments and Fintech	(67)	5	(7)	(3)	4	(68)	6	(1)
- Food Delivery	(624)	17	(3)	(2)	257	(355)	42	43
- Etail	(63)	8	(2)	3	115	61	greater than 100	greater than 100
- Travel	(22)	22	-	-	-	-	-	100
- Other	(91)	3	-	11	(15)	(92)	(17)	(1)
Social and Internet Platforms	4 699	(72)	-	190	1 337	6 154	29	31
- Tencent	4 601	(15)	-	194	1 346	6 126	29	33
- Mail.ru	98	(57)	-	(4)	(9)	28	(22)	(71)
Media	8	-	-	3	(19)	(8)	less than (100)	less than (100)
Corporate segment	(159)	-	(1)	4	4	(152)	3	4
Group economic interest	3 725	28	(51)	178	1 675	5 555	45	49

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  $[(F/A)-1] \times 100$ .

#### Financial review

The group delivered strong results for the year ended 31 March 2021. Group revenue, measured on an economic-interest basis of US\$29.6bn, was driven by Ecommerce revenues which grew 46% (55%) year on year, and Tencent which grew 32% (28%) year on year. Group trading profit grew 49% (45%) to US\$5.6bn. Aggregated trading losses in our Ecommerce segments reduced by 47% (49%) or US\$384m to US\$439m. Trading profit of our profitable ecommerce businesses grew by 44% (49%) to US\$450m. Tencent's contribution to the group's trading profit improved 33% (29%).

Core headline earnings were US\$3.5bn - up 21% (15%), driven by improved profitability from our Ecommerce units and the growing contribution from Tencent.

On a consolidated basis, total revenue increased by US\$1.9bn, or 48%, from US\$4.0bn in the year ended 31 March 2020 to US\$5.9bn in the year ended 31 March 2021, primarily due to Food Delivery and Etail. Operating loss increased from US\$720m to US\$1.2bn despite the significant, improved performance in revenue and profitability across most of our segments. This was primarily due to an increase in the cash-settled share-based payment expense as a result of marked improvement in ecommerce and tech valuations. The strong performance of our businesses over the past year drove an increase in valuations of these businesses and therefore an increase in the cash-settled payment liability.

Our equity-accounted results in equity-accounted companies increased by US\$3.2bn, or 81%, from US\$3.9bn in the year ended 31 March 2020 to US\$7.1bn in the year ended 31 March 2021. The increase is driven primarily by Tencent and Swiggy, which reported improved profitability during the year. The equity-accounted results include investment disposal gains of US\$1.1bn, impairment losses of US\$968m and net fair value gains on financial instruments of US\$2.5bn.

In August and December 2020, Prosus raised US\$4.4bn in debt, comprising its longest-dated US dollar offering to date and its debut euro notes

offering. Strong investor demand resulted in attractive pricing that reduced our average funding cost. The group has no debt maturities due until 2025.

We ended the period with a strong and liquid balance sheet. We had net debt of US\$2.7bn, comprising US\$5.2bn in cash and cash equivalents (including short-term cash investments), net of US\$7.9bn in interest-bearing debt (excluding capitalised lease liabilities). In addition, in April 2021, we received US\$14.6bn from the sale of a 2% interest in Tencent Holdings Limited. Proceeds from this further strengthened our financial flexibility for further investment. We also hold an undrawn US\$2.5bn revolving credit facility. Overall, we recorded a net interest expense of US\$167m for the period.

Consolidated free cash outflow was US\$4m, an improvement on the prior year's free cash outflow of US\$383m. This was driven by growth in our Ecommerce profitability, dividends received from Tencent of US\$458m (2020: US\$377m) and improved working capital management.

We continue to explore growth opportunities to expand our ecosystem and position the business for sustainable growth. Across the group, we invested US\$3.6bn, notably:

In our Classifieds unit, we merged letgo and OfferUp into a business with national reach across the United States (US), well positioned in a highly competitive market. As part of the transaction, we contributed US\$100m to support its continued growth and monetisation. We injected our Middle Eastern Classifieds assets into Emerging Markets Property Group (EMPG) and contributed US\$75m in a financing round that valued the business at over US\$1bn. Our joint venture OLX Brazil completed the US\$520m (BRL2.9bn) acquisition of leading real estate vertical Grupo ZAP, strengthening its positioning in the real estate market.

In Food Delivery, we acquired an additional 8% interest in Delivery Hero on 31 March 2021 for US\$2.6bn to offset current and future dilution. We remain the largest shareholder.

In Payments and Fintech, we invested an additional US\$67m in Remitly to expand its suite of products.

Finally, we focused on increasing our exposure to edtech by investing US\$60m in Eruditus, a global professional higher-education online platform. In November, we announced a total investment commitment of US\$500m in Skillsoft via Churchill Capital Corp II's special-purpose acquisition company, which closed in June 2021. The transaction creates a leading digital-learning company with a comprehensive suite of on-demand and live virtual content.

There were no new or amended accounting pronouncements effective 1 April 2020 with a significant impact on the group's consolidated financial statements.

Effective 1 April 2020, the group made a voluntary change to its accounting policy on the subsequent measurement of written put option arrangements with non-controlling shareholders. Subsequent changes in the carrying value of put option liabilities previously recognised in the summarised income statement in 'Other finance income/(costs) - net' are now recognised through equity. We adopted this change in accounting policy retrospectively, but the impact is insignificant to the consolidated statement of financial position as all previous remeasurements recognised through the income statement are already accumulated in equity as at the effective date of the change.

#### Dividend

A dividend will be paid in relation to the Naspers N ordinary shares and A ordinary shares of the amount that Naspers receives from Prosus as a dividend as referred to in the Prosus results announcement dated 21 June 2021, either (i) as a terminal economics distribution under the cross-holding agreement between Naspers and Prosus if the exchange offer transaction announced by Prosus on 12 May 2021 is implemented and settlement thereof occurs, or (ii) if this is not the case, as a dividend payment in the ordinary course. The board intends to declare the dividend as soon as practicable after the exchange offer transaction has been implemented, or when it is known that the exchange offer transaction will no longer proceed.

#### 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 21 June 2021.

## 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.

## Further information

This short-form results announcement is the responsibility of the directors and is only a summary of the information in the summarised consolidated financial statements. This short-form results announcement was released on 21 June 2021 and the summarised consolidated financial statements can be found on the company's website, [www.naspers.com](http://www.naspers.com) and can be viewed on the JSE link, <https://senspdf.jse.co.za/documents/2021/JSE/ISSE/NPN/YE21.pdf>. Copies of the full summarised consolidated financial statements may also be requested from the company's registered office, at no charge, during office hours. The summarised consolidated financial statements for year ended 31 March 2021 have been audited by PricewaterhouseCoopers Inc., our independent auditor. Their unqualified report is appended to these summarised consolidated financial statements available on [www.naspers.com](http://www.naspers.com). Any investment decision should be based on the summarised consolidated financial statements published on SENS and 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  
Chair

Bob van Dijk  
Chief executive

Cape Town

21 June 2021

Directors: JP Bekker (chair), B van Dijk (chief executive), EM Choi, HJ du Toit, CL Enenstein, M Girotra, RCC Jafta, AGZ Kemna, FLN Letele, D Meyer, R Oliveira de Lima, SJZ Pacak, V Sgourdos, MR Sorour, JDT Stofberg, BJ van der Ross, Y Xu

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