



# Annual results announcement

for the year ended 31 March 2024

Improving everyday life for billions of people through technology



**NASPERS**

**Naspers Limited**

Incorporated in the Republic of South Africa

(Registration number: 1925/001431/06)

(Naspers or the group)

JSE share code: NPN ISIN: ZAE00015889

## Salient features from continuing operations

	Year ended 31 March	
	2024 US\$m	2023 US\$m
Revenue	6 431	5 960
Operating loss	(562)	(1 073)
Earnings per ordinary share (US cents)	1 595	2 014
Headline earnings per ordinary share (US cents)	792	143
Core headline earnings per ordinary share (US cents)	1 148	546

## Salient features for total operations

	Year ended 31 March	
	2024 US\$m	2023 US\$m
Earnings per ordinary share (US cents)	1 532	2 078
Headline earnings per ordinary share (US cents)	759	119

## Commentary

**We are pleased to report that the group has achieved consolidated Ecommerce profitability in the second half of the financial year and is also profitable for the full year ended 31 March 2024 (FY24). This is significantly ahead of our commitment to achieve consolidated Ecommerce profitability in the first half of the financial year ending 2025. Our work continues to focus on delivering sustained, profitable growth, which we believe will highlight the value of our businesses over time.**

Unless otherwise stated, the growth rates discussed further in this report compare FY24 to FY23. The percentages in brackets represent local currency growth, excluding the impact of acquisitions and disposals (M&A), and provide a clearer view of our businesses' underlying operating performance. Financial results are presented on a continuing operations basis.

For the 12 months to 31 March 2024, the group intensified its focus on profitable growth in its core growth businesses, and driving improvements in underperforming investments. Consolidated revenue grew 8% (17%) to US\$6.4bn, driven by strong performances at OLX and iFood. Ecommerce consolidated trading profit improved by a sizeable US\$460m (US\$437m) to US\$24m in FY24 as growth, scale and cost reductions positively impacted results. Consolidated trading losses for the group have reduced by US\$486m (US\$461m) from US\$640m in FY23, underlining our accelerating profitability path.

Core headline earnings, our measure of after-tax operating performance, were US\$2.1bn – an increase of 88% (113%).

While we continue to seek long-term growth opportunities, external investment (M&A and minority investment) was limited to US\$571m, meaningfully off the US\$6.4bn peak in 2022 as we maintained discipline in a challenging investment landscape. Historically the group had achieved some investing success over a sustained period of time. But in the last two years, our internal rate of return (IRR) has been far below target. Steps have been taken to learn from our errors and address this underperformance, including by more actively engaging with our major operating companies and investments, flattening our overall organisation to get closer to our businesses and redesigning the investment team, investment process and incentives. Enhancing our knowledge, expertise and capability is the group's DNA, and when we have conviction in our ideas, we will increase our deployment of capital.

We have created additional value for our shareholders by continuing the open-ended share-repurchase programme. Since its inception in June 2022, this programme has reduced the free-float share count by 21% and generated US\$30bn of value for shareholders. From the programme's launch to 31 March 2024, the combined holding-company discount of Naspers and Prosus has reduced by some 21 percentage points. Over the same period, Prosus has repurchased 318 170 126 Prosus ordinary shares, with a total value of US\$17.1bn, leading to 9.4% accretion in net asset value (NAV) per share. Naspers funds its open-ended share-repurchase programme with regular sales of Prosus shares. By 31 March 2024, Naspers had sold 113 092 796 Prosus ordinary shares N and bought back 34 793 336 Naspers N ordinary shares back to the value of US\$5.7bn.

In September 2023, we simplified our structure by removing the cross-holding structure, with overwhelming shareholder support. Stronger performance of our operating businesses, better investments, and our open-ended share-repurchase programme are important contributors to long-term value creation and shareholder returns. The group remains committed to these goals.

iFood continues to deliver strong performance which underlines its position as one of the best food delivery businesses globally. iFood's core restaurant food delivery businesses generated a strong increase in trading profit of US\$166m (US\$137m) year on year (YoY). Progress has been made in developing growth extensions further and the management team at iFood see significant potential in their lending, grocery and meal vouchers business. This strong ecosystem is central to iFood's long-term potential.

Our Classifieds businesses accelerated profitability markedly, driven by strong revenue growth and effective cost-control measures, particularly in OLX Europe. During the year, we concluded deals or closed most of OLX Autos, the automobile transaction business.

PayU continued to grow well in its core payment service provider (PSP) business. Strong revenue growth and improved profitability were driven by improved operating leverage and effective cost control, despite regulatory hurdles in India. The sale of GPO, announced in August 2023, is progressing and expected to close in the second half of calendar 2024.

In the Edtech segment the broad adoption of generative artificial intelligence (GenAI) tools and challenging macroeconomic conditions have affected our businesses, particularly Stack Overflow. Revenue growth has been more modest than anticipated, and we have taken significant action to improve trading profit and free cash flow performance given this revenue base. Stack Overflow has leveraged the group's inhouse AI capabilities to improve its AI value proposition with positive early results. GoodHabitz is benefiting from its investments in product enhancements and a more measured international rollout programme.

The group's balance sheet is strong, with US\$16.1bn cash on hand (including short-term investments). We remain committed to managing our balance sheet within its investment-grade rating; therefore, not all of the cash on the balance sheet is available to the group. At 31 March 2024, our estimate is that approximately US\$8.0bn is available for new investment.

In September 2023, Bob van Dijk stepped down as chief executive after nearly 10 years at the helm. Ervin Tu, the group's chief investment officer (CIO), was appointed as interim chief executive. On 17 May 2024, we announced the appointment of iFood CEO, Fabricio Bloisi as group chief executive. Fabricio acquired iFood in 2013 when it was a 20-person start-up. He has since grown it rapidly and profitably to become Brazil's leading food delivery company and one of the best food delivery businesses globally. Fabricio is a proven entrepreneur and innovator with deep roots in operating, building and scaling world-class technology companies in growth markets. Ervin will continue to play an important role in shaping the group's future in a new position, president and CIO.

A reconciliation and relevance of alternative performance measures to the equivalent International Financial Reporting Standards (IFRS) metrics is provided in 'Financial alternative performance measures' of the annual integrated report. Economic interest represents results reported on an economic-interest basis, ie, equity-accounted investments are proportionally consolidated within reportable segments.

## Financial review

Consolidated revenue from continuing operations increased by US\$471m (US\$962m), or 8% (17%), from US\$6.0bn in the prior year to US\$6.4bn. This was primarily due to strong revenue growth in Classifieds and Food Delivery.

### Operating losses

Operating losses decreased by US\$511m to US\$562m, due to greater profitability from the group's consolidated businesses and lower impairment losses recognised in the current year. This is offset by an increase in expenses from the remeasurement of the share-based payment liability. Given challenging macroeconomic conditions and the decline in growth expectations and valuations, we recognised impairment losses on goodwill and other assets of US\$374m (FY23: US\$613m), primarily related to Stack Overflow in the Edtech segment.

Ecommerce consolidated trading profit from continuing operations improved by US\$460m (US\$436m) to US\$24m in FY24 as growth, scale and cost reduction boosted profitability. Aggregate trading losses for the group have reduced by US\$486m (US\$461m) from a peak of US\$640m in FY23.

### Net finance income/expense

The group generated net interest income of US\$409m in FY24 (FY23: net interest expense of US\$143m). Interest income increased by US\$438m, or 91%, from US\$482m in the prior year to US\$920m in FY24 due to higher interest rates and cash balances on hand. Interest expense increased 3% to US\$585m in FY24.

Other finance income rose from a loss of US\$56m in the prior year to income of US\$74m in FY24. This relates primarily to a gain on foreign exchange differences related to the translation of assets and liabilities, offset by fair value losses of derivative instruments, which include forward exchange contracts and other derivative financial instruments.

### Share of equity-accounted results

Profit from equity-accounted results decreased by US\$2.4bn, or 46%, from US\$5.2bn in the prior year to US\$2.8bn. This is driven primarily by Tencent's decreased gains on acquisitions and disposals of US\$5.8bn offset by a decrease in impairment losses of US\$1.3bn and increased contribution from its associates of US\$638m. A further positive offset to the lower gains on assets disposals is Tencent's strong increase in profitability by US\$1.1bn to US\$6.2bn.

Trimming the group's Tencent position by 2% resulted in a gain of US\$5.1bn during the year (FY23: US\$7.6bn).

In addition, we recognised impairment losses on equity-accounted investments of US\$483m related to Delivery Hero (US\$255m), Skillssoft (US\$42m) and unlisted equity-accounted investments of (US\$186m).

### Income tax expense

Income tax expense rose to US\$151m from US\$51m in the prior year, primarily due to increased profitability from our continuing operations.

### Earnings, headline and core headline earnings

Earnings from continuing operations decreased to US\$3.0bn from US\$4.2bn in the prior year. This was primarily due to a decline in equity-accounted results, partial disposal of the investment in Tencent offset by lesser impairment losses recognised in the current year.

Core headline earnings from continuing operations were US\$2.1bn – an increase of 88% (113%) or US\$1.0bn. This was mainly driven by the improved profitability of our Ecommerce consolidated businesses and equity-accounted investments, particularly Tencent, as well as higher net interest income during the year.

Headline earnings from continuing operations rose US\$1.2bn to US\$1.4bn, given the same factors noted for core headline earnings.

### Loss from discontinued operations

In March 2023, the group announced its exit from the OLX Autos business unit. All the operations of this business are presented as discontinued operations as they have been disposed of, classified as held for sale or closed by 30 September 2023. OLX Autos operations previously presented in continuing operations for 31 March 2023 have been presented in discontinued operations as of 31 March 2024.

Losses from discontinued operations during the year were US\$270m related to the Autos business unit. This includes impairment losses of US\$137m for the operation classified as held for sale as at 31 March 2024.

### Revenue and trading profit on an economic-interest basis

Group revenue, measured on an economic-interest basis, grew 1% (12%). Ecommerce continued a strong growth trajectory, with revenue growing 12% (16%) in a challenging environment. Our economic-interest share in Tencent's revenue grew by -4% (10%). Trading profit on an economic-interest basis grew 62% (84%) to US\$5.8bn, reflecting improved profitability of our Ecommerce consolidated businesses and equity-accounted investments, particularly Tencent.

### Cash balances and free cash flow

The group remains well positioned to navigate a difficult macroeconomic environment due to its strong balance sheet. At corporate level, Naspers has a net debt position of US\$737m, comprising US\$14.6bn in central cash and cash equivalents (including short-term cash investments), net of US\$15.4bn in central

interest-bearing debt (excluding capitalised lease liabilities). In addition, we have an undrawn US\$2.6bn revolving credit facility.

The group's free cash inflow was US\$375m, a sizeable improvement from the prior year free cash outflow of US\$491m. This was due to increased profitability in Food Delivery and Classifieds as well as better working capital management in the Etail segment and Payments and Fintech. Excluding OLX Autos, free cash inflow was US\$477m. Tencent remains a meaningful contributor to our cash flow via an increasing dividend which was US\$759m for the financial year ended 2024. The group has also received its dividend for the financial year ending 2025 amounting to US\$1.0bn.

There were no new or amended accounting pronouncements effective 1 April 2023 with a significant impact on the group's annual consolidated financial statements.

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

## Preparation of the short-form results announcement

The preparation of this short-form results announcement was supervised by the group's chief financial officer, Basil Sgourdos CA(SA). These results were made public on 24 June 2024.

## ADR programme

Bank of New York Mellon maintains a GlobalBuyDIRECT™ plan for Naspers Limited. For additional information, visit The 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 – GlobalBuyDIRECT™, 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 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 associated negative, or other variations or comparable terminology, or by discussions of strategy that involve risks and uncertainties. These forward-looking statements and other statements contained in this report on 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 implied in such forward-looking statements.

A number of factors 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; (e) labour disruptions and industrial action; and (f) the effects of both current and future litigation. The forward-looking statements contained in this report apply 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.

## Further information

This short-form results announcement is the responsibility of the directors and is only a summary of the information in the full consolidated annual financial statements and integrated annual report. These reports will be released on SENS on 24 June 2024 and can be found on the company's website, [www.naspers.com](http://www.naspers.com), and can also be viewed on the JSE link, <https://senspdf.jse.co.za/documents/2024/JSE/ISSE/NPN/YE24.pdf>. Copies of the full consolidated annual financial statements may also be requested from the company's registered office, at no charge, during office hours. The full consolidated annual financial statements for the year ended 31 March 2024 has been audited by Deloitte & Touche, our independent auditor. Their unmodified report is appended to the full consolidated annual financial statements and is available on [www.naspers.com](http://www.naspers.com). Any investment decision should be based on the full consolidated report published on SENS and the company's website.

The information in this short-form results announcement has been extracted from the audited annual financial statements and integrated annual report published on SENS, but the short-form results announcement itself was not audited.

On behalf of the board

**Koos Bekker**  
Chair

**Ervin Tu**  
Interim chief executive

Cape Town

22 June 2024