

Conference call transcript

22 November 2021

INTERIM RESULTS

Operator

Good day, ladies and gentlemen, and welcome to the Naspers and Prosus interim results call. All participants are currently in listen only mode, and there will be an opportunity to ask questions later during the conference. If you should need assistance during the call, please signal an operator by pressing * and then 0. Please also note that this call is being recorded. I would now like to turn the conference over to the Group Investor Relations Officer, Eoin Ryan. Please go ahead, sir.

Eoin Ryan

Thanks, Chris, and everyone for joining the call today. On the call with me is our CEO, Bob van Dijk, and our CFO, Basil Sgourdos, who will walk you through an update on the group as well as the financials for the past six months. Then we'll open the call for questions. Before I hand over, a quick reminder and a few housekeeping items. As you know, Prosus is a subsidiary of Naspers and its financial results almost completely account for Naspers' results. To ensure that shareholders of Prosus and Naspers are provided with the information simultaneously, we're having one call focusing on Prosus' results, but where necessary we will highlight the impact on Naspers.

We report revenue and trading profit on an economic interest basis, meaning they include our proportionate share of the results of our associates and our joint ventures. The results of our associates, Tencent, Mail.ru, Delivery Hero and others, are reported on a three month lag. Importantly, free cash flow is a consolidated number as associates and JVs are fully funded via M&A. And finally, growth is in local currency, excluding the impact of M&A. We distributed our earnings material through our Investor Relations site this morning and you can also find the replay there. And with that, I will hand the call over to Bob.

Bob Van Dijk

Thanks, Owen, and thanks, everybody for joining the call today. It's been another busy period for the group and it's been a time when a lot was accomplished. So the operating environment remains turbulent, but consumers continue to shift more and more of their daily activities online. And we see that as really having a positive effect on our operations and investments. And it's really in periods like this that the best opportunities come out. And they present themselves to those with patience, with capital and with conviction. And that's what we do here at Prosus. And that's why we invested in Tencent 20 years ago, and this is why over the past eight years we've built a portfolio of the fastest growing assets in classifieds, payments, food delivery, and edtech globally.

Our e-commerce portfolio will be worth roughly \$54 billion after approval of the BillDesk transaction. And our core segments are operating at scale, and they're still growing significantly in value, and we really have momentum that will propel future growth and value creation. So today, I will walk you through the drivers of current and future growth as well as the investments that we are making to fund that growth. And after that, we'll open the lines and take all your questions.

So let's start on slide five. That shows our strategy, which is aimed to build businesses with sustainable growth potential. And we do this by identifying great products that are managed by excellent teams in high growth markets that are addressing key societal or consumer needs. And we do that by building online platforms. And operating at this intersection has driven tremendous value creation for the group over the last few years.

And if you look at slide six, you can see the pace at which this value has been created, and importantly, the impact that scale is having on value creation. So in the first half of the year, our e-commerce portfolio grew revenues 53% year on year organically. And this has driven substantial value appreciation. So excluding Tencent, we're currently generating a 22% IRR on the \$22 billion we have invested over the last decade. And actually if you look at the IRR for most recent investments, primarily in food and in edtech, they are considerably higher than the 22%.

So at the current course and speed our non-Tencent e-commerce portfolio is on track to exceed \$100 billion in the next few years and can meaningfully expand beyond that after. So I'm confident that investing across our portfolio will create strong returns for shareholders. And today if you own shares of Naspers and Prosus, you own as you can see on slide seven a really fast growing unique portfolio of unique consumer internet companies. And most of these are not yet accessible to public market investors.

And after the approval of BillDesk, three out of our four segments are worth more than \$10 billion dollars and are growing strongly. And our fourth, which is edtech, has a clear path to the same. If you take a step back, that makes each of our segments bigger than 90% of all publicly listed companies. And I am committed to ensure that this value is realised over time.

So that's really how we think about things from a top down perspective. And now let's turn to slide eight and get to the key highlights of what's really been a very strong six months. So first, as I mentioned, e-commerce revenue growth accelerated to 53% year on year. We've now grown more than 100% over the last two years, and our operations and investments are scaling and are growing significantly in value.

Second, this growth is underpinned by ongoing expansion of our businesses' ecosystems. And as an example, there is this auto transaction in classifieds, and there's convenient food delivery, which will extend the growth of the segments well into the future. Third, we've also invested in new and exciting assets and made more than 40 investments during the period. So BillDesk and Stack Overflow are just two of them. And these investments will position the group well for continued growth.

Fourth, we funded our investments with ongoing improvements in profitability at our core operations, which is a very important point. And that has also enabled us to efficiently access the debt capital markets to the issuance of \$4 billion worth of bonds at very attractive rates. And finally, we're making massive progress in our sustainability efforts at the group. And I look forward to speaking about that more shortly.

So let's dig a little deeper in each of our operating segments. We'll start with classifieds on slide nine. So after a pretty turbulent 2021, OLX rebounded very strongly with more than 200% growth at all OLX Auto and 48% growth in core classifieds. The growth in core classifieds was driven to a great extent by outstanding performance from Avito in Russia, which generated 67% revenue growth at higher operating margins. In Brazil, Grupo Zap is now fully integrated in the business and this has strengthened our property vertical and it's contributed to OLX Brazil's 40% organic revenue growth.

On the left hand side of the slide, you can see how OLX's growth compares to the peer group. We're very pleased to see that our performance is well ahead of the industry average. And we see significant further opportunity to build out a full a service auto transaction business through OLX Autos. And while it's still somewhat early, you can see from the right hand side of the slide we really are making good progress. We are growing the business quickly and we just surpassed \$1 billion in total car transactions. And we are in terms of numbers of car sold actually comparing already quite well to some of public companies that are operating in the same space. And all of these companies have very significant valuations.

Then let's move to food delivery. And you will see there that we are following a similar path to classifieds. So we are delivering strong growth off a scaled core, but at the same time, we are extending the business through adjacent product offerings. And I think slide ten illustrates that well. So during the period orders grew 70% year on year. And besides a major step up and scale achieved last year, we've increased our investments in things like grocery and convenience to capture a broader delivery opportunity beyond food.

And iFood continues to go from strength to strength with consistently strong growth, as you can see on the left hand side of slide ten. So over the last year, iFood added more than 60,000 new restaurants onto his platform, and it's another 20% up from last year. And that was already on top of a very, very strong growth path in restaurant adding. So that growth was made possible by iFood developing its own delivery business from basically nothing in 2018 to 36% of orders today. And that's exceptional given that the marketplace business, which is sort of the non-owned delivery, is also growing strongly.

And iFood's first party business is now actually bigger than all of its other competitors in the markets combined. And that's actually a great example of our metric based investing. And this is the same approach we're now taking in building out the additional offerings and convenience and grocery. So it's still early days there, but as you can see from the right hand side of the slide, the signs are very positive. And the revenues from agencies in iFood are growing threefold in a very short period of time. And for me, it's a demonstration that the opportunity in this space has expanded significantly. And we are seeing an increased investment in iFood, Swiggy and Delivery Hero, and that is a reflection of that conviction in increased opportunity.

So if I can move on to PayU on slide 11. And again, here you see the same theme of strong growth at the core, while we are investing to expand the opportunity set from here. So in the period, the core PSP business grew an impressive 48% year on year, with growth actually coming from all markets. And it's benefiting from increased e-commerce transaction activity everywhere in a world. So when the BillDesk transaction is approved, PayU will move from the middle of the pack in large payments providers to be a top 10 global payment provider. And the combined TPV of the business will be well over \$100 billion. And it will process more than 4 billion transactions annually and will have more than 300 million transacting customers. And that actually includes the vast majority of customers that are trading and transacting online in India today.

And with that level of scale, the combination will create a platform with a broad product offering and also significant potential for growth in digital banking. On a separate note, there has been another important value creation story and PayU, and that was the IPO of Remitly that happened in September. We invested about \$200 million in Remitly some four years ago, and based on its market cap at the end of September its market stake is worth \$1.7 billion and it applies the 7x return so far, and it's a great business that we're excited to be in.

So let's now turn to our newest segment, which is on slide 12. So far, we've deployed \$3.5 billion dollars in nine exceptional businesses that all have high potential, and we see them scaling rapidly, both in usage, but also in value. And when we think about the space, we tend to think about it in two main verticals. There's the enterprise or vocational space. And on the other side, there's K-12. And you can see that on the left hand side of the slide. And we are investing in both.

So in enterprise and vocational we know that employers today need to provide continuous education opportunities for their employees in order for these companies to remain competitive. And at the same time, employees need the ability to constantly upskill while they're on the job to remain relevant. So we're investing in platforms and products that address those needs. And we are building enterprise solutions on a global scale. It's been a busy six months in edtech. Skillsoft went public, and actually reported a strong first set of results as a public company that we're very proud of.

And in June, we close the acquisition of Stack Overflow, which is a phenomenal platform that's growing very quickly. It as you probably know, Stack is a core resource for most software engineers around the world. And it serves more than 100 million developers and technologists every single month, and it's one of the 50 most used websites in the world.

So if you step back from it, our portfolio now reaches 90% of the Fortune 100 across our corporate learning companies, and that includes Skillsoft, Udemy, and Codecademy. And there is a significant opportunity to drive future growth through these relationships that we have. And actually, we have a similarly exciting presence in K-12 through Biju's and Brainly. And so we're really investing in the mechanisation of the classroom. So we're enabling students to gain access to alternative forms of learning that augment the core curriculum. And as a group, you should expect us to look for additional opportunities in the edtech space.

So, while we're scaling ecommerce rapidly, and I hope what I just told you underlines that, I also want to underline the group's continued commitment to our longest standing investment, which is Tencent. Tencent is a phenomenal business and it's also an investment that has tremendous upside potential, like slide 13 shows us, and here's why. So first, China will become the world's largest economy, and a growth that's underpinned by a population of 750 million middle and upper income customers. And over the next decade, close to a billion people will be living in cities and they'll be using smart technologies in every aspect of our daily lives.

Second, I believe China is the world's most attractive internet market with over a billion mobile internet users. And actually, the level of engagement of those users is well ahead of those in the West. Simply put, if you want to be a large consumer internet investor at a global scale, you have to be deeply invested in China. And against this very supportive backdrop, I'm convinced that Tencent is best positioned to take advantage of all of this. And there are four key drivers which underpin our conviction in Tencent.

So first, Tencent is led by a world-class leadership team and has a proven track record of operating through all types of environments to the benefit of all stakeholders. Second, Tencent continuously evolves and it innovates its ecosystems in a profound way. Third, Tencent is the market leader in the score segments and it is investing and innovating to keep those positions. And finally, Tencent is also one of the most active and successful investors globally. They have their 1,400 investee companies and have invested close to \$100 billion in deployed capital. And we don't believe that those assets are appropriately valued by the market, and therefore it represents a significant upside to our investment case.

So now, I've told you a few things about a strategy and about value creation. I hope you're excited about that, too. Now, on slide 14 I would like to spend a moment on our approach to capital allocation, which over the years has remained focused, has been disciplined and has been balanced. So in the centre of the slide you can see it as a group we've generated and raised approximately \$44 billion over the last six years. And that's been through a combination of asset disposals and capital raises in the debt market.

And we have deployed 60% of these funds into extending our core four segments. And these all have tremendous potential, and as you've seen in the in the past few slides have grown tremendously over time. We achieved an impressive 22% IRR on doing this, and that excludes Tencent, and as I mentioned earlier, actually our return has accelerated of late driven by food and edtech investments. And finally, and importantly, while we have deployed roughly two thirds of our capital to investing for future growth, we have returned roughly a third of that \$44 billion to our shareholders over this period as well.

And finally, when we turn to slide 15, I would like to emphasise the progress we've made in our sustainability efforts across the group. And I would also like to say a few words on how we apply our influence across the group to controlled and non-controlled businesses when it comes to ESG. So at a group level what we do is we set the standards and principles which we then actively cascade across our majority controlled businesses. And we work closely with them to focus on areas specific to their business model. With our minority businesses, we share our

principles, and we demonstrate best practice, and we amplify that through our board seats and through operational engagement.

Now, we recently joined the UN Global Compact, and we're really pleased that our efforts are being recognised externally, with Prosus achieving an inaugural score of 73 out of 100 on the Dutch Transparency Benchmark, and that actually puts us already in the top 40 of the benchmark. In the meantime, Sustainalytics also acknowledged for efforts with an improved 2021 low risk ESG rating, which again is a great confirmation of progress. And finally, just a week ago, we received the Prosus and the Naspers scores on the annual S&P assessment, and we are happy to see a 69% jump in the Prosus score and a 52% increase in the Naspers score. And importantly, this improvement actually qualifies Prosus to be included in the Dow Jones Sustainability Europe index, which we're very proud about.

So I think we should be excited about this progress. There is however a lot more that's planned here. And our priorities for the coming months include setting emission reduction targets, and also articulating in full our responsible investment thesis, which we are looking forward to sharing with all of you. So with that, I would like to turn the call over to Basil. Basil, can you take us from here?

Basil Sgourdos

Thank you, Bob. Hello, everyone and thank you for joining us, and I hope you're all doing well. So as you heard from Bob, it's certainly been a busy period for the group and I'm happy to be speaking with you today to discuss another set of strong results, where, as Bob mentioned, our businesses continue to build off the strong momentum and scale that they achieved last year.

So group revenues grew 29% to \$16.6 billion for the six months. And importantly, our e-commerce revenues grew even faster and accelerated two percentage points to deliver very strong growth of 53% year on year. The group trading profit grew 8% to \$2.9 billion as we took advantage of the business's operational momentum and the growth in our more established businesses profits to invest in future growth, which I'll expand on later. Tencent delivered strong results and remains well positioned with our share of its revenues reflected as growth in revenue of 23% year on year and 13% in trading profits.

Core headline earnings per share grew 7% year on year. This was driven by a larger contribution from Tencent, and this despite how sale of a 2% holding in Tencent during the period. That was of course partially offset by the investments in the fast growing new opportunities we identified in the e-commerce portfolio. Finally, this was another six months of positive cash flow with contributions both from our core profitable businesses and from Tencent dividends.

Our balance sheet remains very strong, which provides us with sufficient flexibility to pursue our strategy. Folks, please turn to slide 18. And then we talk about the e-commerce revenues that have accelerated by two percentage points to an impressive 53%, which means that over the past two years the underlying revenues of this portfolio

have more than doubled, which has led to the value expansion Bob highlighted. For the period we saw growth across all our segments, adding further scale and generating \$4.2 billion of e-commerce revenues.

Classifieds performed particularly well with the OLX group growing revenues in excess of 100% to \$1.3 billion. The business is emerging from the pandemic stronger, with healthy growth at its core, driven by playing a large role in the transaction space. Food delivery contributed a similar amount of revenue to Classifieds at \$1.3 billion. And despite lapping an exceptional year of growth last year, growth this year remains very strong at 86%. Our Payment and Fintech segment accelerate its growth too to 44% with the Indian payments business up 50% year on year, and the GPO business at 27%. PayU remains positioned very well to benefit from the continued global shift to digital payments in all of its markets.

The past 18 months have been a real turning point for edtech. And we reflect this by highlighting its financial performance and reporting it for the first time as a separate segment. For the period, our new edtech segment grew 51% to \$120 million. However, I'd like to point out that this is not a true reflection of the segment size as several businesses were only consolidated partway through the period. On a pro forma basis, revenues would have exceeded \$200 million in the half year. Bob has highlighted why we're so excited about the space, and you should expect to see continued investment in it.

And finally, eMAG grew 4% to generate \$1 billion in revenue for the first six months. This is notable given the exceptional performance last year off the strong boost from the COVID-19 pandemic. eMAG has delivered close to 60% top line growth in the last 18 months.

Now let's spend a minute dissecting the margin trends across a portfolio on slide 19. During the period building on the strong momentum and consumer adoption across our businesses, we stepped up our investment in each of our segments to build out additional products, services and offerings. We believe this will expand the opportunity set and drive future growth and significant value creation across the portfolio. As a result, during the period, our e-com trading losses did increase to \$372 million dollars. But importantly, operating margins remained flat reflecting improved profitability at the core of our Classified, Food Delivery, and Payments and Fintech segments.

Edtech margins of course decreased as we step up investment, given that this is a segment in an earlier stage of development, and there is a significant opportunity ahead. The stepped up investment in edtech is most visible in Biju's and Stack Overflow. We invested across the portfolio in the period. Specifically, we're expanding our pay and ship offerings and auto transactions in Classifieds and our credit and digital banking offerings in Payments and Fintech. In Food Delivery, we are moving into convenience and groceries. We're also pursuing similar convenience and food delivery opportunities in Romania through eMAG.

Finally, as Bob already mentioned, we significantly expanded our edtech portfolio during the period adding Skillsoft, Stack Overflow and GoodHabit. With the early results of this increased investment coming back very

positive, we are excited to be able to invest further and ramp up the opportunities we see ahead, which will mean increased investment for the rest of the year.

Now let's dive a little deeper into our core segments. And we'll start with Classifieds which has had a strong rebound from a very difficult year last year. This is shown clearly on slide 20. The Classified revenues more than doubled to \$1.3 billion in the trading profit rose to \$108 million from just \$29 million in the prior period. OLX is evolving to meet the rapidly changing environment. It has demonstrated remarkable resilience. It's strengthening market positions by accelerating new consumer offerings, such as pay and ship services, scaling its auto transaction businesses, where it also offers financing and increasing trust and safety across its platforms.

In our core Classifieds business revenues increased 48% driven by Russia, Europe and Brazil, with monthly paying listers reaching 4.2 million. OLX has over 300 million active users. The core Classifieds profits more than doubled to \$165 million. Avito delivered another excellent performance growing its revenue 67% at a 48% margin, which is in fact stronger than previously reported, driven by strong momentum across all verticals resulting from good market demand, increased traffic and investment in new product offerings.

Similarly, in Europe, we reported strong top line growth of 37%. We saw good growth in jobs and services, and we gained traction in the auto segment, this despite still being affected by supply constraints. We've stepped up investment which will temporarily impact margins. Trading profit margin remains healthy despite this increased investment at 28%. OLX Brazil, which is our 50% joint venture with Adevinta, grew its revenues 40% with a 22% trading profit margin, which continues to improve. We've successfully integrated Grupo Zap and realised both revenue and cost synergies.

OLX Autos, which represents all our controlled businesses outside Russia, Europe and Brazil, recovered sharply from a tough period last year, as many of its inspection centres were closed due to lockdowns. OLX Autos almost trebled its revenue to \$605 billion and reported trading losses of \$57 million with margins improving significantly by 16 percentage points to a negative 9% margin. We are of course delighted with the performance of the team and the business during the period.

But I want to point out that growth will remain strong in the second half of the year, but it will slow versus the first half as OLX was most impacted by COVID-19 in the first half of last year and started to recover in the second half. Additionally, from an expense perspective, I remind you that the second half of the year is traditionally when OLX grows fastest and invests in marketing during the major holidays. You should expect increased investment also in OLX Autos to build further scale and momentum going into the new year.

So let's turn to Food Delivery on slide 21. You can see a healthy 6% improvement in the trading margins versus the prior year, driven by improved profitability in the core of the Food Delivery business. As the markets start to normalise from COVID growth rates remain strong. This is very encouraging given the growth and scale achieved last year. For the six months GMV grew 73% driven by 70% order growth, leading to 86% growth in rate revenues.

Trading losses rose to \$312 million reflecting the new investment in convenience and groceries as well as some higher customer acquisition costs as our markets normalised with COVID-19 restrictions largely being lifted.

As Bob noted, iFood continues to fire on all cylinders with orders growing 44% to more than \$300 million translating to revenues of \$464 million, up 38% year on year off a very large revenue base already. iFood is uniquely positioned to capitalise on the grocery delivery trend and is rolling out its grocery delivery service across the country. This has of course led to our trading losses increasing to \$100 million while the core Food Delivery business is very close to breakeven.

In the second half of the year we're going to increase the pace of investment in the grocery delivery business. Similarly, Delivery Hero again recorded strong organic growth in its first six months of its financial year. Our share of Delivery Hero's revenues grew 158% to \$703 million. Just over half of the Food Delivery segment losses come from Delivery Hero. The losses increased \$60 million as Delivery Hero also invests in quick commerce and other exciting opportunities.

Moving to India, where Swiggy is recovering strongly from a pandemic, the business is reactivating users and its increasing monthly frequency. Revenues grew 56% driven by healthy demand and expansion of the grocery business through Instamart and Super Daily. The rate of growth as further accelerated in recent months. Swiggy's core food delivery business is very close to profitability. Swiggy is well funded and will invest in product and technology to continue building and expanding its ecosystem, particularly in groceries and convenience, which are sizable opportunities in the India market.

So moving on to Payments and Fintech on slide 22 where we continue to see a shift to digital payments across our markets. PayU grew revenues 44% of \$359 million, and trading losses remained flat as the core PSP business improved its profit margins by 3%, which of course helped to fund the new investment into our credit business. Our largest market is India, and they grew their transactions by 53%. And India now accounts for over 50% of the volumes processed. This translates into almost \$19 billion worth of total payment value. The combination of BillDesk and PayU will significantly accelerate our progress and our offerings to consumers and businesses.

Outside of India our GPO business maintained this good trajectory. Despite a higher revenue base, TPV grew 29% to \$16 billion supported 39% increase in the number of transactions. So following the acquisition of Iyziko in 2019, Turkey is now the largest revenue contributor to GPO in one of the fastest growing markets. As you know, in credit we did scale back at the start of the pandemic to mitigate the risks, but we're now starting to expand and scale this opportunity. We remain optimistic about the India credit opportunity as we brought new products such as checkout finance that scales our loan book. Total dispersals for the period were \$175 billion. That's up fourfold, and we expect further acceleration of issuances in the second half of the year.

So folks, let's now turn to slide 23 where our newest core segment, Edtech, is benefiting from a generational tailwind of technology innovation and continued increase willingness by consumers and companies to pay for edtech products. With the pandemic restrictions eased in many parts of the world, this segment grew its revenues

by 51% with all businesses contributing to this growth. During the period, we closed the acquisition of Stack Overflow and GoodHabitZ in July and have consolidated two months of their results. Going forward these businesses together with inclusion of Skillsoft from 1st October this year will become more meaningful to the segment. Yes, trading losses increased to \$48 million. But that's driven off the new entrants to the portfolio and of course continued investment to accelerate growth and capture the size of the opportunity ahead. And this is quite evident in companies like Biju's that expands its operations into a global footprint.

Slide 24 is a very important slide as we unpack this increased contribution to the central cash flows by our profitable Internet businesses. This illustrates the cash flow generation to the centre. Consolidated trading profit from these businesses increased 44% year over year driven by Classifieds and Payments and Fintech, with dividends from classifieds totalling \$154 million during the six months, mainly coming from Avito and OLX Europe.

So on slide 25, free cash flow for six months was an inflow of \$118 million compared to \$370 million in the prior year. Tencent remains a meaningful contributor to our cash flow via a stable and increasing dividend stream. Dividends from Tencent grew 25% to a sizable \$571 million. Cash from operating activities and working capital decreased to reflect investments in the new opportunities across our segments. It's important to note that from a cash flow perspective trading losses from associates such as Delivery Hero and Swiggy do not impact cash flow as losses incurred by these investments are funded by the capital already raised by these companies.

Working capital investment increase as eMAG prepares for the sale season, and in Classifieds as it scales its autos business. During the period we've settled higher amounts than prior years in stock based compensation. Our people have created tremendous value, which is reflected in the significant e-commerce valuation you've heard of today. Capex has increased as we invested to expand eMAG's warehouse capabilities and locker rollout. Our taxes paid have also increased as profitability in our core Classifieds units grew.

Moving to slide 26, you can see that this has been a very active season of M&A particularly in Edtech, Food Delivery and in Payments. So to date in full year 2022 we've invested \$5.2 billion in the first half. It was committed \$4.7 billion to the acquisition of BillDesk, which of course is subject to regulatory approval, and may close by the end of the year or early next year. As Bob mentioned earlier, the IRRs on our most recent investments have been even higher than the average. And we are confident the investments we've made thus far this year will create significant value for the group and our shareholders over time. We will continue to look for more opportunity, although it is unlikely that the type of momentum that we had in the first six months will be sustained in the second half of the year. Remember, our historical average run rate for M&A has been about \$3 billion dollars per year.

So folks, let's move to the balance sheet on slide 27. We've made great progress over the last few years increasing our financial flexibility. We've taken advantage of the low interest rate environment to step up our leverage profile and lengthen our maturities. This provides the necessary funding to pursue our objectives. While we strengthen our balance sheet, we've also been actively deploying the capital. We had gross cash of \$13.6 billion at the end of September and net cash of just above \$3 billion. That cash balance will be reduced on closing the BillDesk transaction and the closeout of our current \$5 billion buyback program. Post these three events, we expect our

net position to turn to a net debt position. We continue to work hard to increase our financial flexibility and as always we'll remain disciplined and focussed as we allocate our capital.

So folks, in closing and in summary, we're very pleased with the significant progress over the past six months and our positions as we enter the second half of the year. All core segments made good progress against financial and strategic objectives. Our priority for the rest of the year is driving profitability at the core in our established e-commerce segments, while at the same time providing investment required by each of the segments to pursue the substantial growth opportunities we see ahead.

Our balance sheet remains strong and liquid. We'll continue to look for M&A that furthers our strategic ambitions. It is precisely the strategy that has led to the substantial value creation we've reported today and I'm convinced it will deliver similar value accretion over time. So with that, folks, I'll hand back to Bob to go through our thoughts on the future.

Bob Van Dijk

Yeah, thanks Bas. And before we head to questions, I'll just take us to slide 29 to talk us through our key priorities. So first, I think you've seen from the numbers reported today the fundamentals of our business are very strong and are in fact strengthening. And our focus will remain on building bigger businesses by expanding our opportunity set from here. And second, we will continue to drive profitability at the core of our segments, while at the same time investing to extend our ecosystems and the platforms.

And third, we remain very strong believers in Tencent's growth prospects, and we are investors for the long term. Fourth, as growth continues to come through, we will build on our progress by continuing to bolster financial flexibility through additional debt. And fifth, as we deploy capital, we will remain disciplined and focused on generating returns and we aim to generate strong risk adjusted returns north of 20%. So with that, this is where the presentation part of the meeting stops and we open up the lines for questions that you may have. And I think Chris will take us through that.

Operator

Thank you very much, sir. Ladies and gentlemen, at this time, if you do wish to ask a question, please press * and then 1 on your touchtone phone or on the keypad on your screen, and you will hear a confirmation tone that you have joined the queue. If you wish to withdraw your question, please press * and then 2. The first question is from Cesar Tiron of Bank of America Securities. Please go ahead.

Cesar Tiron

Hi, everyone. Thanks for the call and thanks for the Q&A session. I have three questions if that's okay. The first one is for Bob maybe relating to the \$100 billion ex-Tencent by 2025. Can you please help us visualise better how this NAV will look like? Do you see any verticals that will probably be larger than others? Will all these verticals be fully owned by Prosus or maybe some of them would be listed by then? And also, how much investment do you

think you need to make it to the \$100 billion? Is that \$10 billion to \$15 billion or is that is that more? Thank you so much.

The second question really relates to food delivery profitability. Can you please help us better understand the near term dynamics of food delivery profitability, as I think you mentioned in the release that iFood core is close to profitability, but of course, groceries require more investments? And we've also seen GMV growth ahead ahead of revenue growth iFood, for example, in the past six months. And then last question would be to better understand what has caused the slower revenue growth at eMAG besides obviously the very tough comps with last year given the lockdowns? Thank you so much.

Bob Van Dijk

Yeah, thanks, Cesar. And I will answer your third question and then your first question, and then I'll ask Larry to talk to the food delivery profitability prospects. So on eMAG I would say if you look at the two year growth path, it's still an absolutely phenomenal jump in activity. And really that business has gone from strength to strength and it remains on a positive trajectory, which is quite remarkable if you think we're lapping indeed a period last year where people were basically locked up and in many cases it was the only way for people to buy products for their family is to order them online.

So what we've done is look quite carefully at whether eMAG has compared to the overall online ecosystem maintained momentum, and the answer is a resounding yes. So eMAG is continuing to actually grow faster than e-commerce as a whole, but they're just lapping an absolutely outstanding performance a year ago. So that's really all there is to that. So that was your third question.

The first question is how do we get to the \$100 billion, which verticals? I think it's hard to predict the future in detail, but I think you will see the current core four verticals make up the bulk of that where based on current growth rates I think food will be a very large part, but Classifieds will be will be as well because not only are we seeing strong momentum in the core, but we also seen that in in auto transactions in particular, which could just be another OLX in a few years.

We actually don't see we need a very large amount of additional investment. And there will be, but we're not talking in the many billions. But actually, this is a more organic development from where we are today. And look, we will see to what extent these will be fully owned or partially owned. In food and edtech obviously we are already in a situation where we have partial ownership. And I think in a few years' horizon we could see some of our core segments actually go to market in an IPO. So I think that that covers the key components of your questions there. I can hand over to Larry for profitability and food delivery.

Larry Illg

Yeah, happy to take that one. So yeah, over the last 18 to 24 months of the pandemic food delivery businesses around the world have trended closer to profitability. It is really just a function of unit economics improving with increased volume and significantly diminished need for consumer acquisition spend. And our businesses are no

different there. iFood was profitable in a few months during that period, as it really didn't need to spend on customer acquisition. But at the same time, in order to continue to fuel future growth, specifically in grocery and convenience, I think those sectors really emerged during the pandemic. We invested behind that growth. The potential of those is so big, it made sense to put more capital behind our food businesses, despite the fact that the core businesses were trending towards profitability.

Cesar Tiron

Thank you so much, Larry and Bob. Very clear and helpful. Thank you.

Operator

Thank you. The next question is from Will Packer of Exane BNP Paribas. Please go ahead.

Will Packer

Hi, Bob and Basil, many thanks for taking my questions. Three for me, please. Firstly, we're now a year into the Chinese authorities' regulatory overhaul which has materially impacted Tencent. You own that stake via an AVA [?] structure. Is there any update to share on the authorities' perspectives on this ownership vehicle as the environment has shifted? Secondly, the discount to NAV has remained stubbornly high despite your recent efforts, including buybacks and the exchange offer. Could you talk through some of the options to help reduce the discount in the next 12 months? What are you thinking through? And then finally, you've been ramping up pay and ship across your generalist portfolio. Could you share with us some progress on those products and how to think about the long term potential, for example, attachment rates you're achieving or what level of commissions are possible? Thank you.

Bob Van Dijk

Yeah, thanks, Will, for those questions. And the first question I think, Charles, you can probably from your position best answer obviously. I have a few things to say about it, too, but I'll ask Charles to go first. I can say a bit more about the second, which is the discount to NAV. And I'm sure Basil can add. And around pay and ship I think Romain, our relatively new leader for our Classifieds group is there, and maybe I can ask him to answer that. But maybe, Charles, you want to go first and say a few words about VIE.

Charles Searle

Yes. So thanks very much, Bob. Will, as you know there have been a lot of regulatory developments in China over the last six months or so, much of this focused entirely around industry behaviour and monopoly related stuff, data privacy, certain social issues that were coming through within the economy. And those regulations have been having their effects and the business generally adjusting to it. And I think creating a much healthier environment in terms of the internet within China. But more specifically in relation to VIE, there's been no developments actually during this period that has been focused on VIE and VIE structures specifically. As you know, the structures have been around for a very long time, have worked well, continue to work well and continue to be endorsed by senior members within the regulatory authorities and also within the CRC. So we see very little change, in fact nothing in that respective having any impact on current operations at all.

Bob Van Dijk

Thanks, Charles. And then I can talk a little bit to the share exchange and the discount to NAV. The share exchange was really an essential step forward to bring the size of the two free floats more in line with the markets they operate in. But it's not something to be seen in isolation. We've done a number of other things over time and actually we are currently in the process of a very large buyback. I think when we did the share exchange it was pretty much coinciding with a fair amount of regulatory uncertainty in China, and actually Tencent got significantly affected by that. And we've seen a lot of volatility in the market since.

I think investors are cautious. And I think that has had an impact. And I think we've seen our buyback being executed. We are now a fair amount of distance along the way. We've also seen some switch back from Prosus shareholders back into Naspers. That we expected, and that's exactly why we designed the buyback in this case. So I think over time the benefits from the share exchange will come through. I think it is the right solution. And then from there, we think although the situation is stable, there will be further opportunities to improve. I think most importantly, what we need to do is to continue to show exceptional results as we've done today. With growth and e-commerce, improving in the core of the profitable businesses, as well as increased disclosure, I think we will get there over time. Romain, do you want to talk briefly about our ambitions in pay and ship and the adoption rates we're starting to see?

Romain Voog

Absolutely. Thank you, Bob. Pay and ship is a strong focus for us in Classifieds as one of the very important ways to move toward the transactions of customers. And in the last six months we've really accelerated rollout of our products and services, increasing both payment and delivery coverage to reach more customers and enable more transactions on the platform. While I will not comment on the attachment rate, because it's still very early stage, I think there are a couple of benchmarks available in the industry that I refer people to. But the short thing about them is we're seeing two things. First, a unique opportunity to monetise our consumer audience, especially on our horizontal platform, which previously was not entirely monetised. So great opportunity for future revenue growth. The second thing is that what we've seen with the different experiments that we've done around pay and ship and where we're going to monetise it has been a very strong adoption. So very early positive signs, but maybe too early to be more definitive about it.

Operator

Thank you very much. The next question is from Lisa Yang of Goldman Sachs. Please go ahead.

Lisa Yang

Good afternoon. I have three questions as well. The first one is for Basil. You mentioned a few times there's going to be more investments in the second half of the year to obviously drive this exceptional growth momentum. Could you maybe help us understand where you are in the investment cycle into this new growth extension? Do you see the H2 run rate rather as a peak or something that we should also expect for FY23 and onwards? That would be very helpful as the first question.

The second question is on OLX Autos. You disclose that B2C is 20% of transactions in the markets where it is operating. Could you maybe share a bit more colour in terms of whether your clients regarding B2CC in terms of rolling out willing out into other markets, and which are the markets where that functionality is there today?

And the third one is on Avito. There's been some press reports about an attempt to buy [unclear] the leading property vertical in in Russia, which was then blocked by the regulator. So I guess two questions related to that. One is what does this mean for your approach to growth in Russia? Is it going to be organic or you think there are other M&A opportunities? And across the rest of the Classifieds portfolio do you also see a lot more consolidation opportunity? Thank you.

Bob Van Dijk

Yes. Thanks, Lisa, for those questions. And I think Basil can answer indeed the first one. I think Romain can answer the second one about OLX Autos. And actually, I can answer the third one because we don't really comment on M&A, either future or potential, or maybe in the past that didn't work out. So there's not much to be said about that. I can tell you about Russia, I think actually the numbers on Russia, where we saw organic growth of 67%. So that business is in exceptional shape. And it's actually performing really well across the verticals and we're quite proud of that. I think in the other parts of the market as well again we don't tend to speculate on future M&A. But the organic momentum is really strong and that really is our priority at this point in time. But maybe, Basil, you can comment on the investment cycle where we are. And then Romain on OLX Autos B2C rollout.

Basil Sgourdos

Thanks, Bob. Hi, Lisa. Thank you for the question. Look, I'll make a couple of points. First of all, you'll know that we don't give guidance, and that hasn't changed. And there are lots of reasons for it, not because we're trying to be cagey and not transparent. It's really because we're a global business. We operate in 100 countries. We have a number of new opportunities. Some of them are very sizeable. And the level of investment is going to really be driven by the pace of success. Bob spoke earlier about metrics based investment. That's what we do. So if the opportunity is big, we're doing particularly well, and we're seeing the unit economics turn out well, we're going to step up investment. And if that means more investment in full year 2023, so be it.

The key thing needs to be that we can deliver great value and a great return to shareholders and build new sizeable businesses. Overall it's also important to note that our profitable businesses are also growing fast, both at the top line and bottom line. So in time, they'll continue to scale and they'll have an offset off that increased investment. So it's hard to tell you whether full year 2022 is the peak or full year 2023 is the peak. And really it's because I don't know. It's really driven by how well we execute on the opportunities there. But based on what we see so far, we're doing really well. And this is why we're encouraged to pick up investments in the second half of the year.

Romain Voog

To answer the question on OLX Auto and our moves toward B2C, business to consumer, as you might recall, when we did the acquisition of SCG it was 100% what we call consumer to business industry or business. So we are basically buying cars to consumers and selling them to dealers through an auction mechanism. While this is still a very important part of our business, we have taken the strategic decision to move toward building our B2C mix. And that allows couple of things. First, it really helps us provide a differentiated experience to consumers versus what is available right now in the industry where they go through an offline dealer.

Secondly, it will allow us to capture more of value created through card transactions because we both have the value of buying the car but also reselling the car. And more importantly, as you can also see in multiple examples in the industry today, it will allow us to upsell loans, car loans in particular, but also things such as additional insurance and offers. So a move to B2C is quite important for us to be able to build a consumer brand, own the customer and make sure we deliver a business which is not only sizable but provides the right customer experience at the right type of economies for shareholders.

To your question about how we are running out in our market, if you look at our market today we have already initiated a move toward B2C in most of our markets, the most penetrated of those being Indonesia, which is a market where we had an opportunity to move a little bit quicker.

Operator

Thank you very much. The next question is from Miriam Adisa of Morgan Stanley. Please go ahead.

Miriam Adisa

Good afternoon. Three for me please. Firstly, just on the portfolio structure and just wondering how you're thinking through the number of listed assets in your portfolio. Over time, do you envisage having more concentrated stakes in a few listed assets or having smaller stakes in lots of listed assets across your four key verticals? Just thinking about sort of the complexity of the portfolio and how you envision that overtime. And secondly, on edtech, if you could just give a bit more detail about specifically where you're investing, the key cost lines, and when you think the scale benefits will start to come through.

And then thirdly, just on iFood and grocery, just wondering, firstly, about the other adjacencies beyond grocery that you're interested in exploring for iFood. And then also just generally, given the amount of funding that we've seen in grocery and the fact we're starting to see some consolidation in on demand grocery, how active should we expect that that you want to be in that? Thank you.

Bob Van Dijk

Okay, Miriam. Thank you. I will take the first question around the listed assets. I think, Larry, even though several of us can talk to it, is best placed to talk about where we are investing in edtech primarily. And also, I think Larry can talk first about the investments beyond grocery that are happening at iFood. So in terms of the portfolio of listed assets, I think the key criterion for us is the expected return and the quality of the team that we're that we're invested in, and our ability to have a view on value added there beyond just being a shareholder. I think

that's been that's been the case for our listed assets over time. And I think that that gating will stay the same. I think we have been able to manage well active positions there. So, for us it's not so much about the size, but it's our ability to make sure that it strategically fits. We believe in the financial upside, and we have something to add. It's really those two things that will drive that portfolio over time. If we think it doesn't tick those boxes, we will do something with the stake. And then maybe over to Larry for the edtech and the iFood question.

Larry Illg

Yeah. So on edtech and where we're investing, I think during the pandemic we've seen an acceleration of consumer activity on the K-12 side, but really where we've focused our investing attention has been on the vocational and enterprise side. And these businesses in many ways have been hiding in plain sight over the course of the past decade, but really finally gotten some visibility not just from us but from investors around the world. So we've been we've been investing on both sides. And I think certainly I expect to continue to explore opportunities in both.

And I think there was a second part to that question of when do scale benefits kick in. And we're certainly seeing it on both the vocational end the K-12 side. On the vocational side, just the scale at which the companies are able to sell into large enterprises as the products mature and the sales engines mature. We're seeing operating leverage within the companies. And on the K-12 side in many cases, these are consumer businesses with classic network effects dynamics. So as the networks of a Brainly or Biju's grow, we see increased leverage there.

Shifting gears over to food you asked about the other adjacencies within iFood. And it's important to note within food delivery that while the core of these businesses started as restaurant food delivery, often the adjacencies are – and that's true globally – often the adjacencies are much more local. And so in the case of iFood we've seen real opportunity in FinTech. And this means facilitating financial services to our small merchants, our restaurant partners, and have also been looking at meal vouchers and addressing other meal occasions for our consumers in addition to grocery and convenience. It's more of a global opportunity.

And secondly, you asked about grocery consolidation. I think this is there's an important point there. We saw grocery and convenience very early. One of the benefits we have as a global investor is being able to see sectors as they emerge. In the case of grocery and convenience we really saw it in the case of convenience emerge in the Middle East and Southeast Asia. And we were able to invest in that behind our existing food delivery platforms save one direct investment in the space. And I think even back then we signalled that we thought there would be some consolidation that would happen, because there are some very natural synergies within the broader food delivery space.

Operator

Thank you. The next question is from John Kim of UBS. Please go ahead.

John Kim

Hi, everybody. Thanks for the opportunity. Two questions please. If we look at your pace of investment, we're looking at pro forma \$10 billion for this fiscal year, versus an average of \$3 billion the last four years. How comfortable are you with taking leverage at the corporate level to support an increased level of spend even if it's not \$10 billion pro rata? And is there an opportunity to lever at the TopCo? The reason I ask is if you look at valuations, they've been quite robust over the last one to two years. And given your style of investment, I would have to think that the valuations are putting pressure on how you can allocate a given pot of money. Any colour there would be helpful. Thank you.

Bob Van Dijk

Yeah, so let me let take these, John. I think the pace of investment has indeed been relatively high. And I think we have seen particularly in the case of BillDesk, we have a very strong business in India focused primarily on merchants and e-commerce. And that business been created from scratch and we created a tremendous amount of value there over the years. But we saw a huge synergies with the BillDesk business, which is mainly in the in the bill payments space. So we then decided that that is actually an opportunity that's too good to let go, and create a top down payments company in the process. In terms of in terms of leverage, I think we see opportunities to further leverage at the TopCo. I think in particular cases we could also think about leverage at the operational company level, but we see definitely that there's opportunity for debt at the OpCo level.

I think in terms of valuations, I think the reality of things is that we've been extremely selective for many years. If you look at how we've how we've invested, we've typically invested in one out of 100 or several hundred opportunities that we've screened. And I think that has allowed us to create the kind of IRRs that we've created. You don't get to 22% by being indiscriminate. And even if you look at the last few years, when I would argue that valuation levels have been quite significant in the last few years, we actually have seen our IRRs to be better in the last few years than they were previously. So on our investments in food and in edtech we've actually gotten IRRs which are often in excess of 30%.

So I think for us the reason why it's why we've seen that long term high returns is because we've been selective. And also we've gotten better at understanding the businesses we're in, which has allowed us to again do better investments and create more NAV in the process. So you can expect us to continue to be selective, and to continue to put the bar high. And then when we see the opportunities, we take them, and if we don't, we don't. And that is hard to predict. But the level of selectiveness is one that's consistent, and our commitment to driving great returns is the other piece that is consistent.

Operator

Thank you. The next question is from Andrew Ross of Barclays. Please go ahead.

Andrew Ross

Great. Good afternoon, everyone. I've got three questions as well if that's okay. The first one is on OLX Autos. Can you just give us a sense as to how the GPU or the gross margin is trending in that business both on C2B and B2X? The second question is perhaps one for Laurent if he is on the line. But it sounds like there are some pretty cool

developments going on with digital banking, buy now pay later etc. in India. It would be helpful just to get a bit more colour on how LazyPay and the Indian strategy is evolving big picture.

And then third question is on food delivery and consolidation. And clearly a big deal the other day with DoorDash and Wolt. I'm curious on any learnings that you guys have on Wolt, in investing in that asset, and perhaps more interestingly, your latest thinking on food consolidation. And I think particularly within that how you see valuations given there appears to be a bit of a disconnect between what you see in a private space and in the public markets. Thank you.

Bob Van Dijk

Thanks. Some big questions, Andrew. I'm going to ask Romain to comment a little bit on gross margins in autos, but to manage your expectations, those numbers are not numbers that we disclose. We are quite directional. Laurent is on the line and he is very close to BNPL business, particularly what we're doing in India. So I'm sure he can eloquently answer that. And on food delivery consolidation, again, it's fairly broad questions which are interesting. We can talk about it a lot. But maybe Larry wants to comment, and I maybe can add to it. Maybe Romain, you can give a directional answer to Andrew's question.

Romain Voog

Thank you, Bob. Absolutely. So I'll say a couple of things here. First, we operate in very different markets. And so we should expect C2B and B2C margin or GPU to be quite different by market. As you might expect, both are driven by two main factors. First, the price of a car. And secondly, the type of margin we're able to extract in C2B and in B2C. And both of those are highly dependent on the market you operate in. One thing I might share is that when you look at C2B and B2C margin usually C2B is the large part of the margin and B2C is like 50% of B2C in ratio. So when you do C2B2C you can see that you obviously do more margin.

Finally, if you if you if you look at the market today you will see that given the shortage in new cars, the used car market has seen a lot of tailwinds, which have pushed for price increase and margin increase. So the GPU has developed very well but we think there is a situational part of it which might taper in the second part of the year or the first part of the next year.

Bob Van Dijk

Thanks, Romain. Laurent, do you want to talk about the BNPL?

Laurent le Moal

Yes, absolutely. So in India we have two businesses. One is for payments and merchants. That's PayU. The second one is the one credit and the brand is LazyPay. So we launched LazyPay as a pure buy now pay later product a bit more than a couple of years ago. What we've been doing in the meantime is first expand the product suite, so from buy now pay later actually to revolving and to personal loans. So we have the full range of products. And what it means is basically were able to give more credit lines as we get to know more about the credit risk of consumers and expand basically our revenues, but also our profits.

The second thing we've been able to do is expand also the distribution of buy now pay later products. We are leveraging the relationship that we have with our merchants on the payment side actually to use LazyPay as a checkout product. And this is really helping us accelerating the growth of our consumers. At the moment we're adding 150,000 new customers a month, active customers, which means we will have close to a million active consumers on LazyPay by the beginning of next year. So that's already a sizeable and active base of consumers and this is also a profitable business.

Now, where do we go from there? There are two directions. The first one is as Basil mentioned during the call, we had to be careful during COVID with our personal loans, but actually now we are starting to dial up again the amount of origination that we are doing for this. So that's the first thing, from buy now pay later to more personal loans. Okay. We are doing around \$50 million a month in personal loans and this will double very quickly. We have our credit risk under control. But the second thing that you alluded to that we can do is actually moving to digital banking.

The brand will be LazyPay. The product is ready, and the product will be fundamentally credit led. What it means, it means that consumers will be able to access a line of credit and use it of course online, but use it also offline through a credit card that we will be issuing in partnership with the bank. So that's really the core proposition of our digital banking solution. It's around credit. At the moment, the product is only being used by [unclear]. It will be actually open to the general public next week. And we already have a waiting list, which is quite encouraging. A bit more than 100,000 users of LazyPay registered for that. So this will be the big push that we will see next year in the market.

Bob Van Dijk

Thanks.

Larry Illg

So the question on consolidation and views on Wolt, I think with Wolt specifically it's a technology forward business that was built in some of the hardest markets in the world. You know, if you if you reflect back just a couple years ago, there was a view that restaurant food delivery couldn't work in smaller cities and expensive labour markets. And that Wolt has made that work speaks to the potential of the model. And that it's able to reach many more use cases and find profitability, even in markets where people thought that was not possible, it's very similar to how iFood in a matter of years has been able to get to many more cities than previously imagined. It has fuelled some of our enthusiasm about this space.

This is not a niche behaviour. I think that's some of the dynamics in play around the Wolt acquisition. And then in terms of consolidation more broadly, I think it's important to note that these food delivery businesses are inherently local. So while in this setting we often talk about cross border and global consolidation, we're increasingly seeing consolidation locally as businesses build out local ecosystems, as we touched on a little earlier on the call, in grocery and convenience and fintech as they're building on the back of these platforms.

Bob Van Dijk

Thanks, Larry. And I think we're running a little bit over here. But I think, operator, if there's one more question in the queue, I think we can do it and then we should probably close off for today.

Operator

Of course, sir. Then the last question is from Catherine O'Neill of Citi. Please go ahead.

Catherine O'Neill

Okay, thank you. I just wanted to come back to Classifieds, actually, where the profitability was obviously very solid, including auto transactions, which was I think a broadly similar loss year on year. Firstly, I just wondered how you think about the value of Classifieds remaining as part of the broader Prosus group. And then secondly, I just wanted to see if you could provide a bit more detail on your auto transaction ramp up, especially in the second half. Should we assume that's going to more than offset the profitability in the core Classifieds business? Thank you.

Bob Van Dijk

Yeah, maybe I'll take Romain out of the wind on both. I think I should answer the first question rather than him. I think on the second one we don't give guidance, so I think that's relatively hard to give a view on. It's also very dependent on the speed at which we can grow the business. So there I think we're going to disappoint you. I think on the first question, look, I think OLX is a business that's developed exceptionally. I remember when I took over a CEO, we were investing several hundreds of millions of dollars in it a year. And I think our investors were a little nervous at the time on whether that would actually create value.

Now we've created a business segment that is worth well over \$10 billion with actually an investment that was given the size of that opportunity quite limited and a great rate of return. So I think now everybody is actually quite excited about that value creation. And I think the business given its trajectory and its size is becoming a business that could stand on its own. On the other side, you have you've heard Romain speak about the further potential in transactions, and that that is a business that we want to build. And we want to build that, and there is real work to be done there, and it is there's real investment to be made to get that value creation story to fruition. So, we'll think about what the right moment is for the business to stand on its own. But it's definitely a combination of huge value creation so far, but also an investment story on autos business going forward.

Operator

Thank you, sir. Then we have no further questions in the queue. Do you have any closing comments?

Bob Van Dijk

No, except for to say thank you for joining us today. I hope you're excited as we are about the momentum in the business and what the value creation story is so far. And there's more to come. And thanks for all for all the great questions that you asked today. So have a good evening.

Operator

Thank you very much, sir. Ladies and gentlemen, that concludes this event and you may now disconnect.

END OF TRANSCRIPT