

# Segmental deep dives

France

Spain

**Brazil**

Global Markets

Adevinta



Andries Oudshoorn  
CEO – Brazil



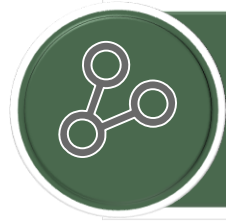
## We are growing the premier marketplace business in Brazil



Significant opportunity in a high-growth market, with an estimated total addressable market of c.\$5bn in 2023



Strong brand recognition across large and engaged audience – #1 ToM across horizontal and verticals



Already developed strong verticals, with considerable runway for further growth

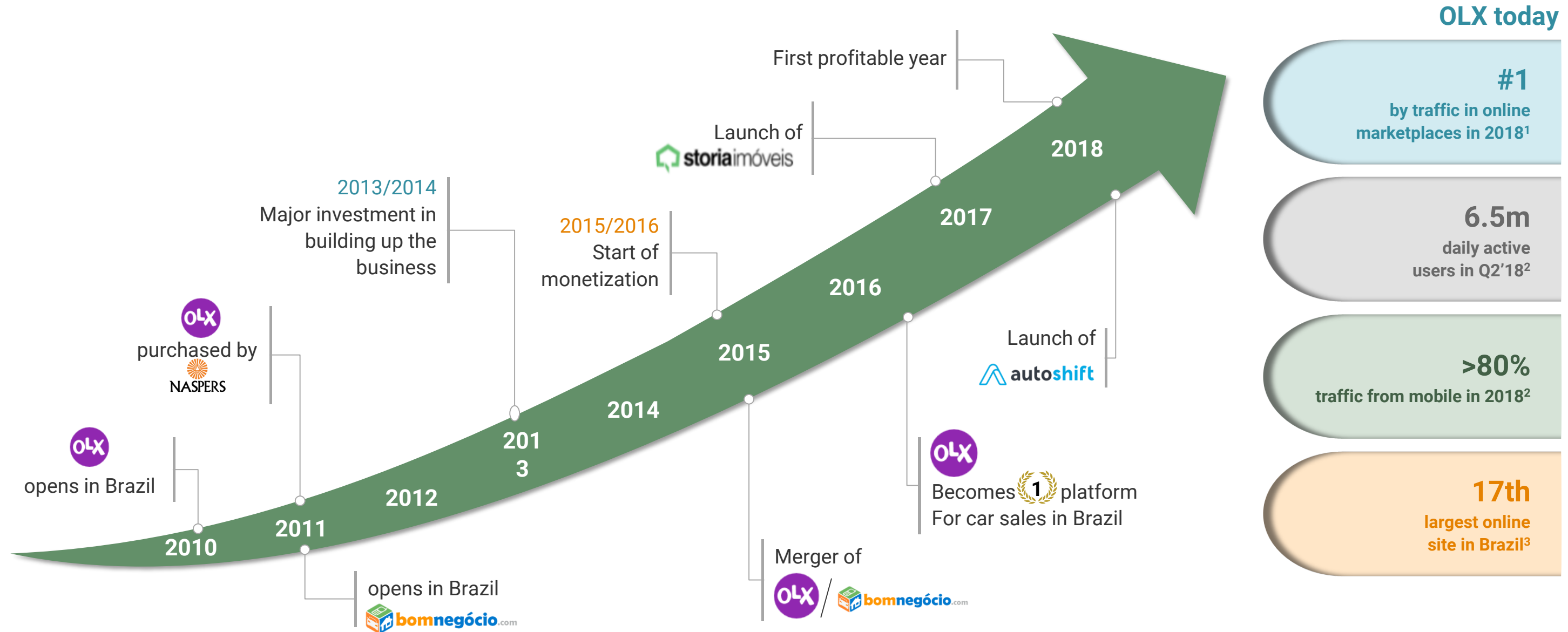


JV structure provides best-in-class knowledge sharing from two of the most successful marketplace businesses in the world, Adevinta and Naspers





# Over the last 9 years, we have developed the leading marketplace in Brazil

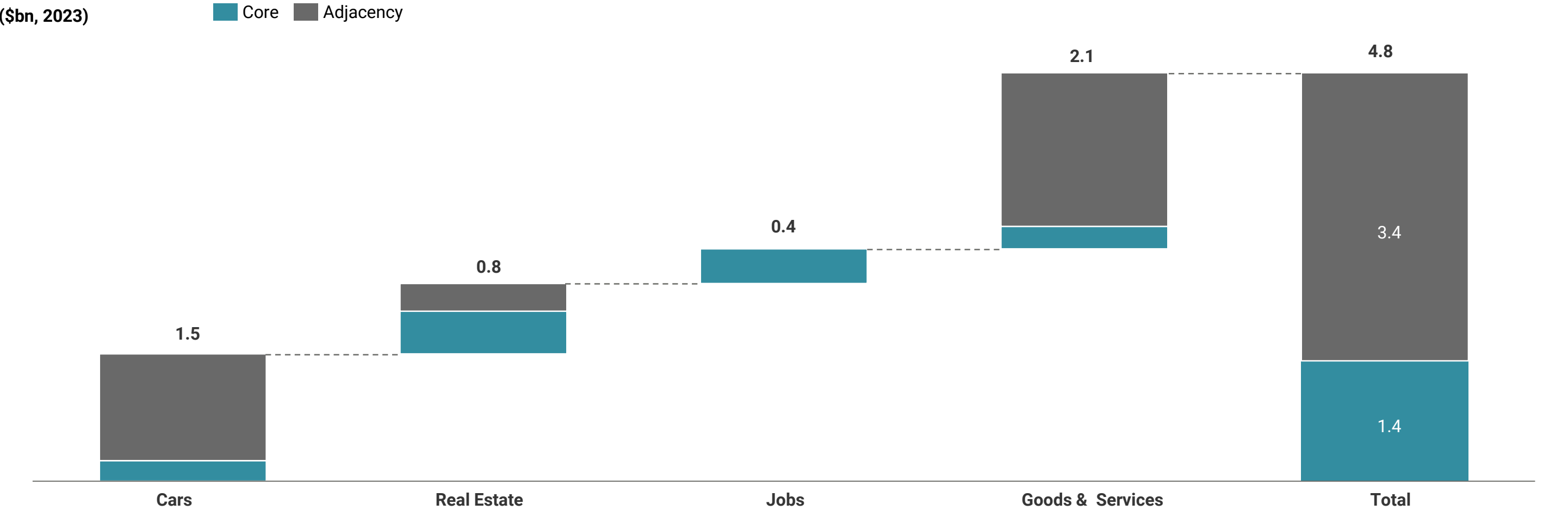


Source: <sup>1</sup> Comscore; <sup>2</sup> Company information; <sup>3</sup> Alexa



# The online classified market in Brazil represents a c.\$5bn total addressable market for OLX

OLX’s estimated total addressable market is c.\$5bn in 2023

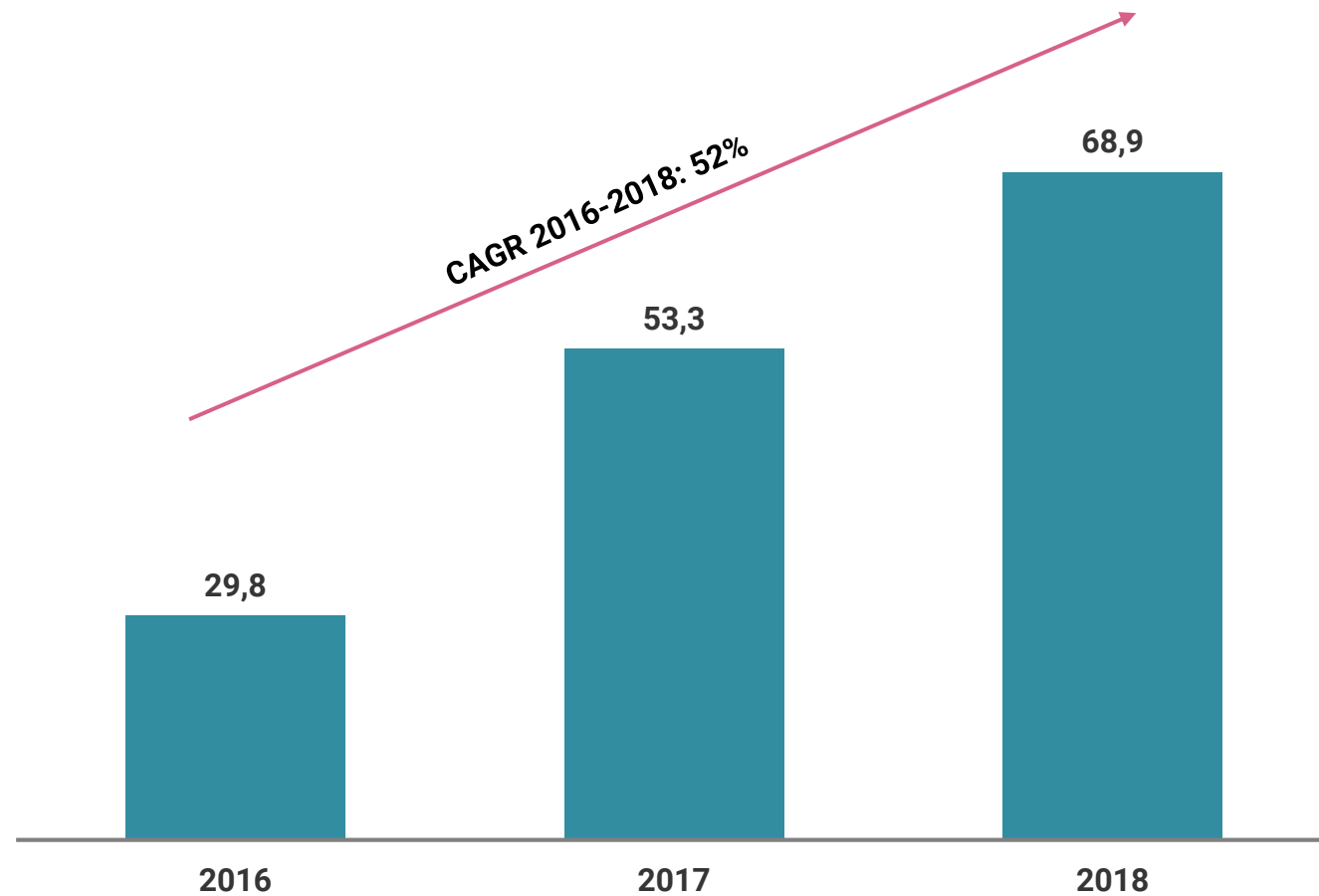


Source: Company information  
Note: FX (2023) = 3.81 BRL/USD

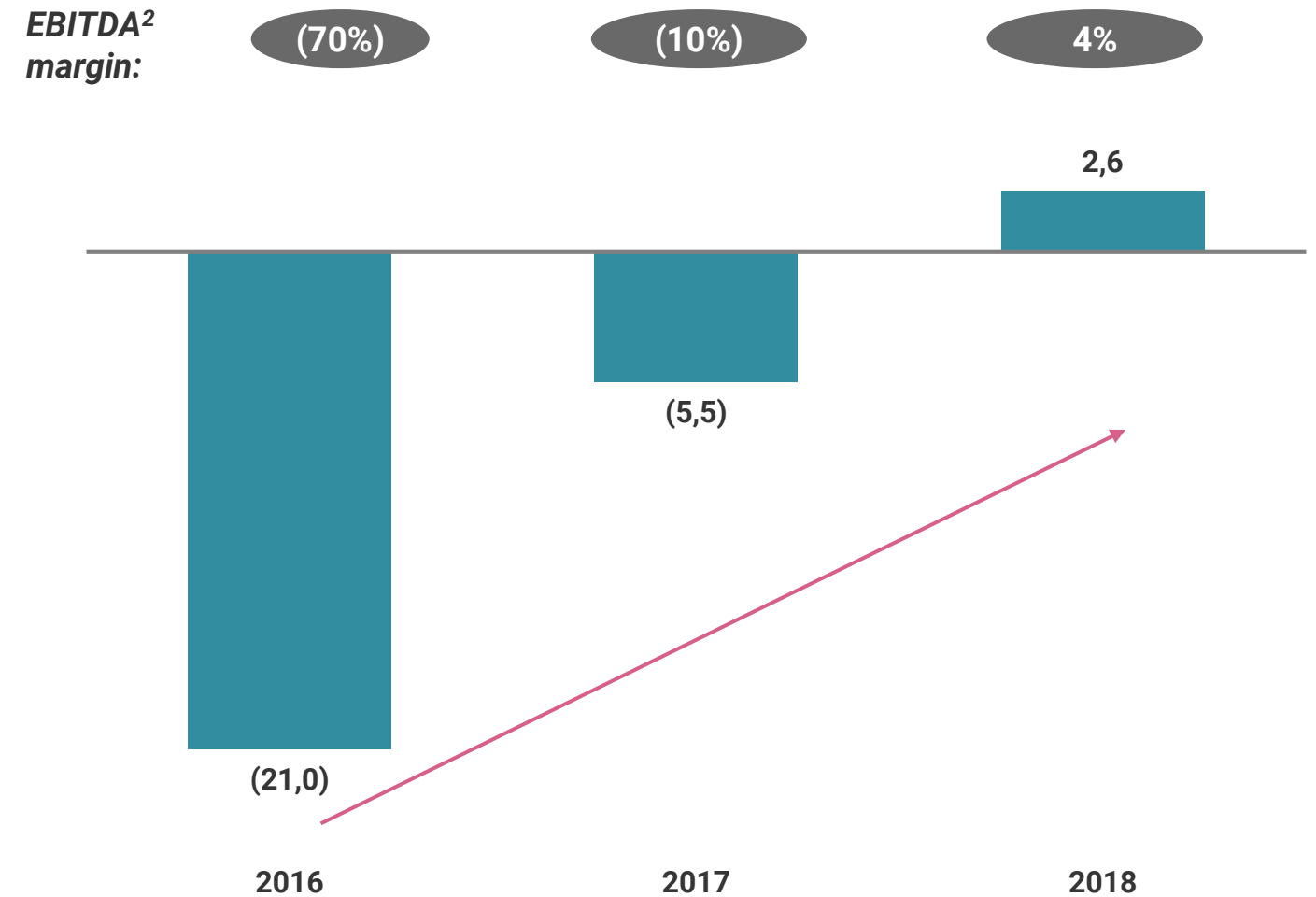


Over the last two years, we have grown revenues by 52% CAGR and have now achieved profitability...

Revenue – 100% view (€m)<sup>1</sup>



EBITDA – 100% view (€m)<sup>1, 2</sup>

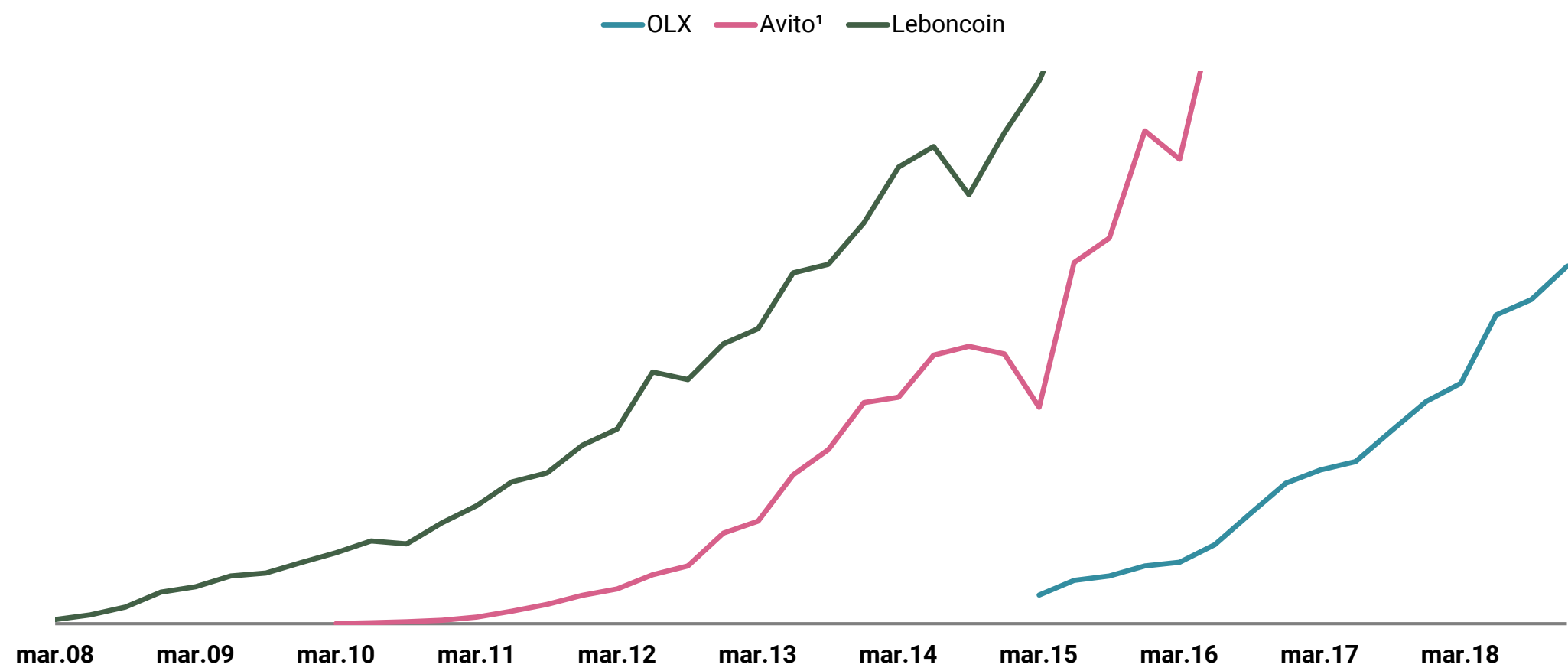


Source: <sup>1</sup> Based on Adevinta's operating segment information, reflecting 100% of OLX Brazil; <sup>2</sup> EBITDA (before other income and expenses, impairment, JVs and Associates)



# ... on the back of strong revenue growth, following the trajectory of Leboncoin

Following the rapid growth trajectory seen by Leboncoin – Revenues per quarter (BRLm)



### Highlights

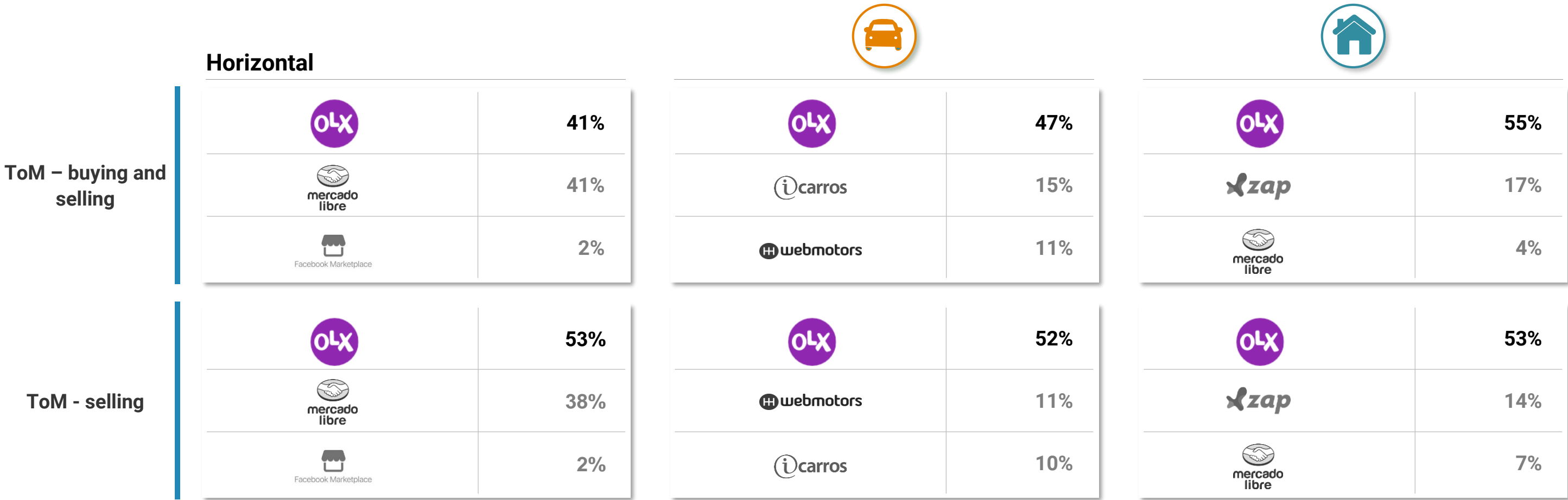
- Revenue continues to grow in line with Leboncoin and Avito history, maintaining gap vs Leboncoin at 6 years and gap vs Avito at 4 years
- Approaching revenues of Avito at the point that Naspers gained majority, with valuation of \$2.4bn

Source: Schibsted Financial reports, Vostok financial reports, Press releases, Deloitte valuation, World bank  
Note: <sup>1</sup> Marketplace business owned by Naspers



# OLX Brazil has established a top-of-mind brand on a horizontal basis and in key verticals

% top of mind brand



47%

15%

11%

OLX

52%

11%

10%

55%

17%

4%

OLX

53%

14%

7%

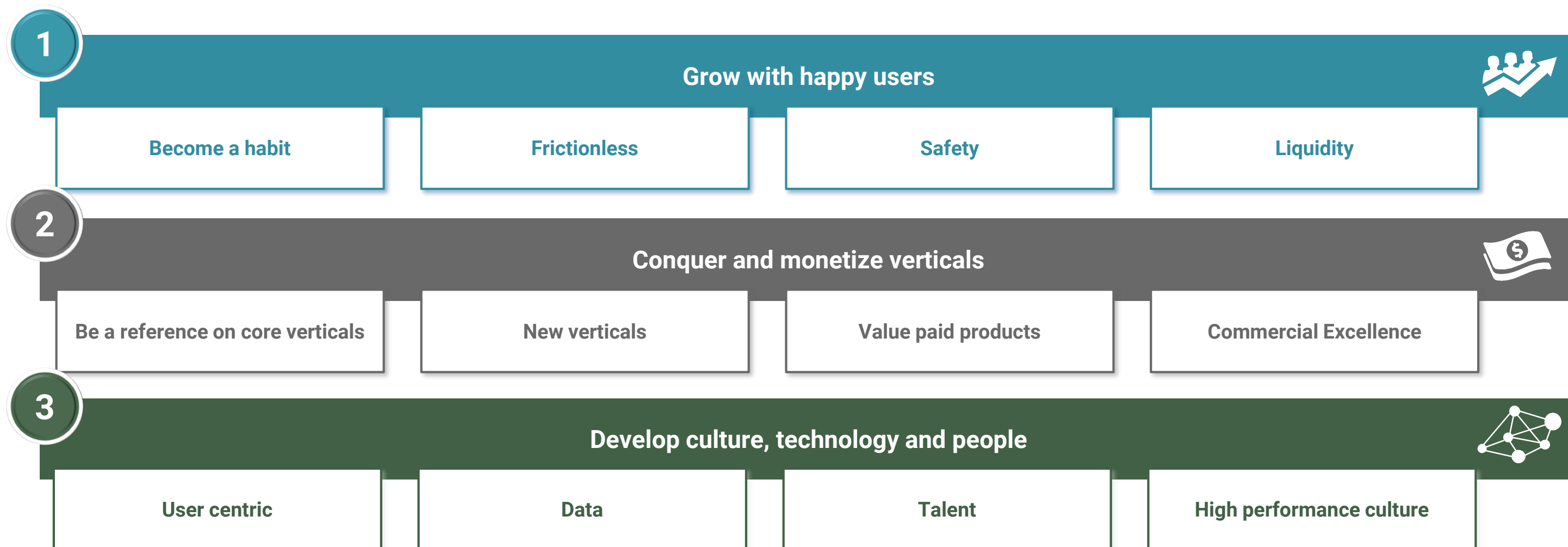
ToM – buying and selling

ToM - selling

Source: Ginger, December 2018 (separate surveys for each category, n=250 for horizontal, n=450 for cars, n=250 for real estate)  
Questions (first brand mentioned in answer is considered top-of-mind): Which online buying and selling sites do you know, even if you have only heard about it?; Imagine that you will sell something online. What sites / applications do you remember, even if you have only heard about it?; What websites / online car buying and selling sites do you know about, even if you have only heard about it?; Imagine that you will sell a car online. What sites / applications do you remember, even if you have only heard about it?; What sites / applications to buy / sell and rent real estate do you know, even if only from hear say?; Imagine that you will advertise your property online, for sale or rent. What sites / applications do you remember, even if you have only heard about it?



# We will continue to maximize our potential in Brazil by following our well defined strategy for success





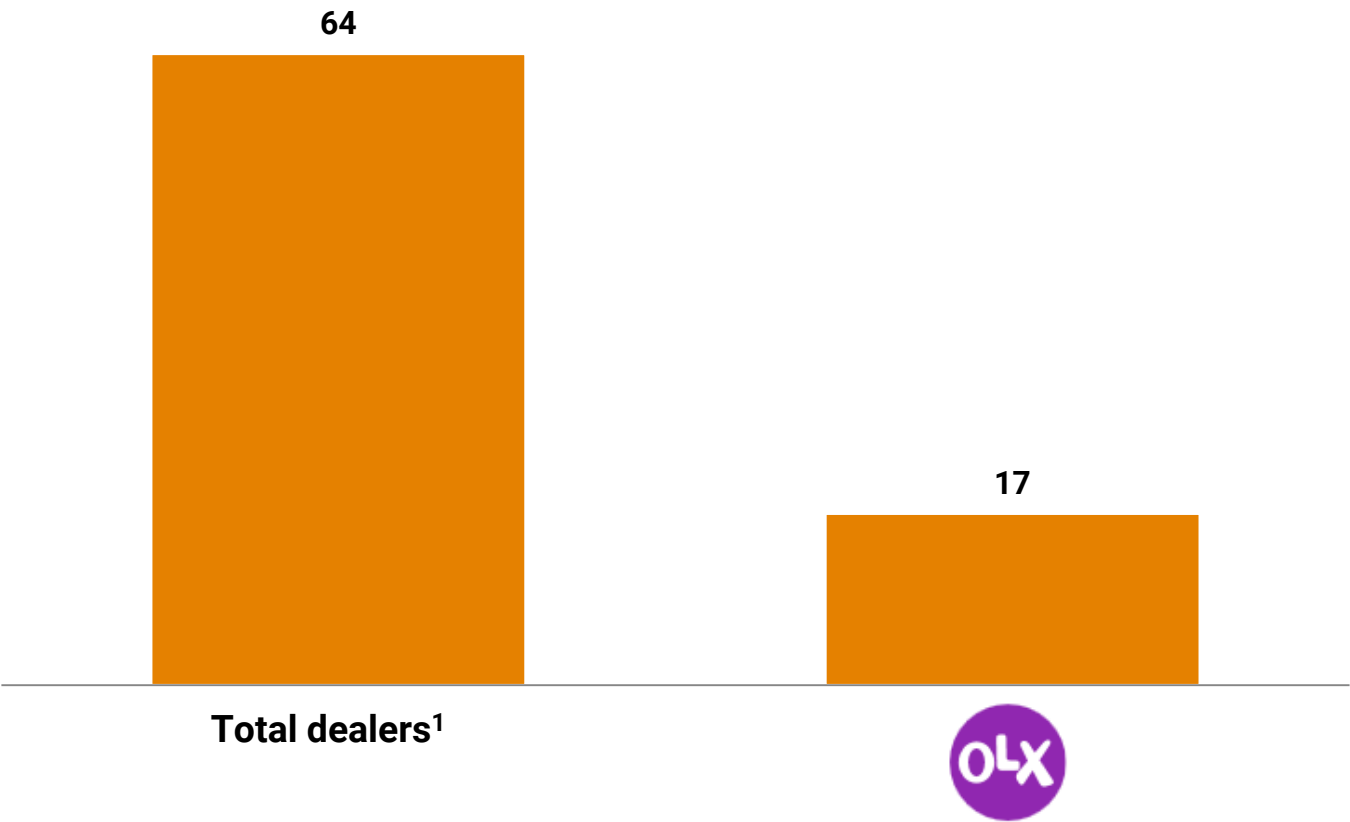


# We are prioritising Cars and Real Estate, as we see good potential to further increase penetration



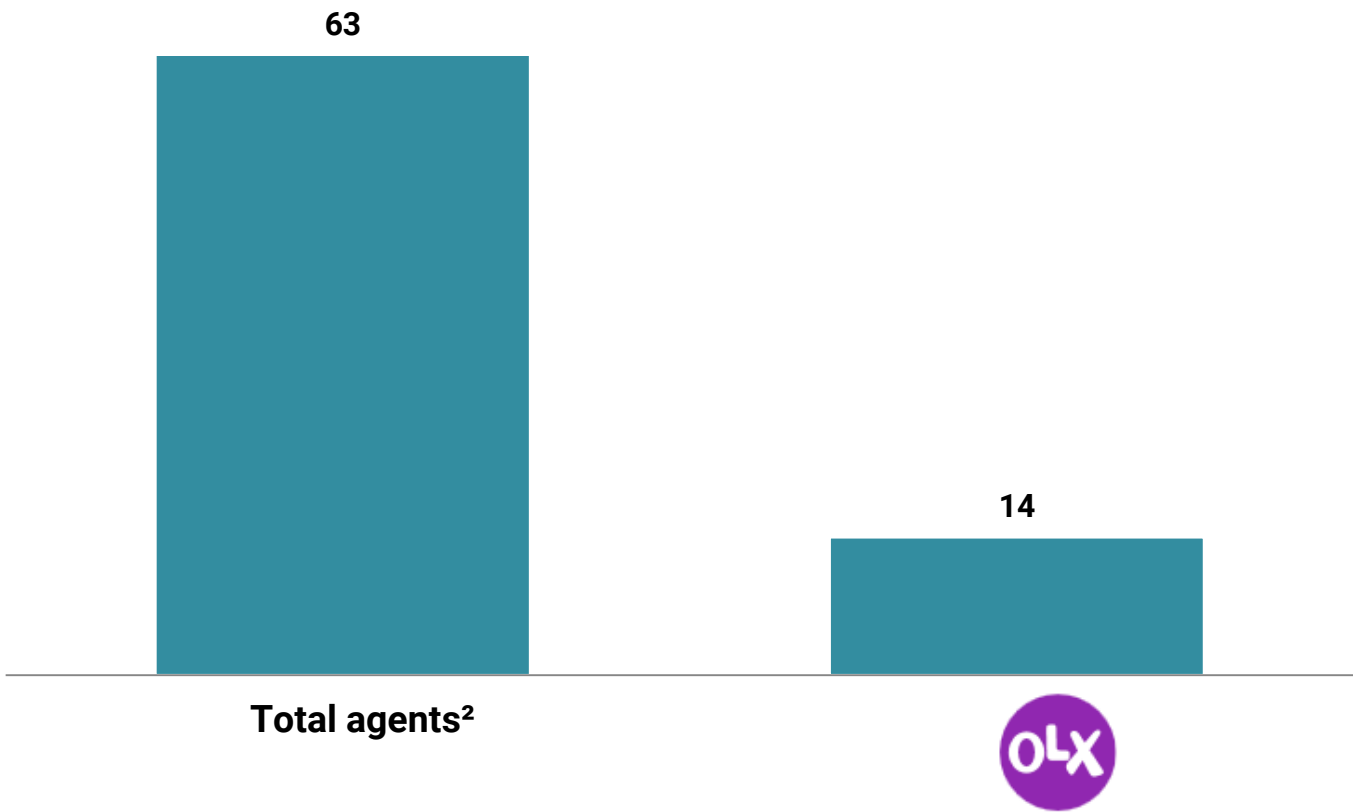
## Cars

Car dealers in Brazil (000s)<sup>3</sup>



## Real Estate

Real Estate agents in Brazil (000s)<sup>4</sup>



Source: Autobiz

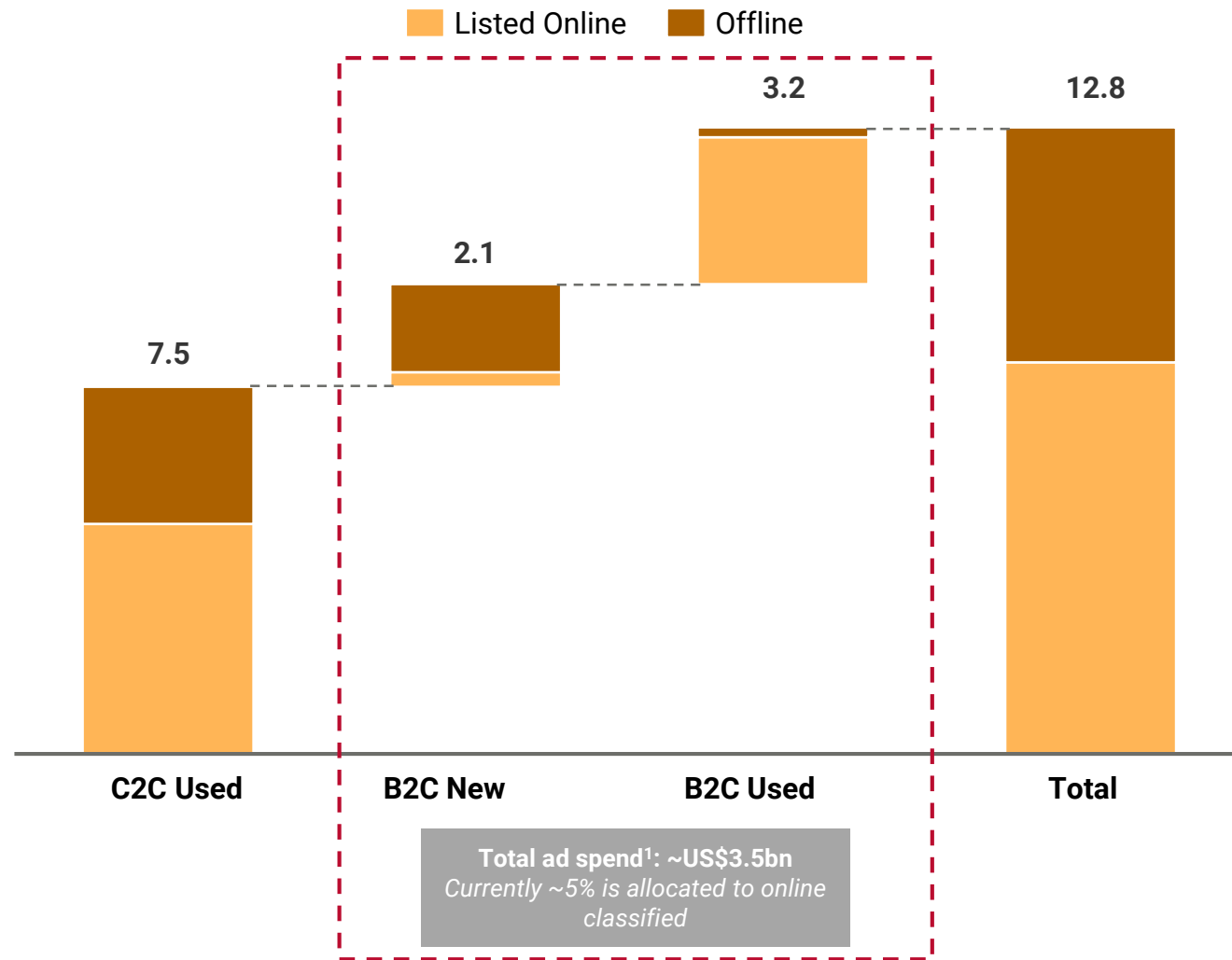
Notes: <sup>1</sup> Includes car rental agencies, branded dealers and multi-brand dealers; <sup>2</sup> "Total agents" includes real estate agencies and developers; <sup>3</sup> February 2019, latest available data; <sup>4</sup> January 2019, latest available data



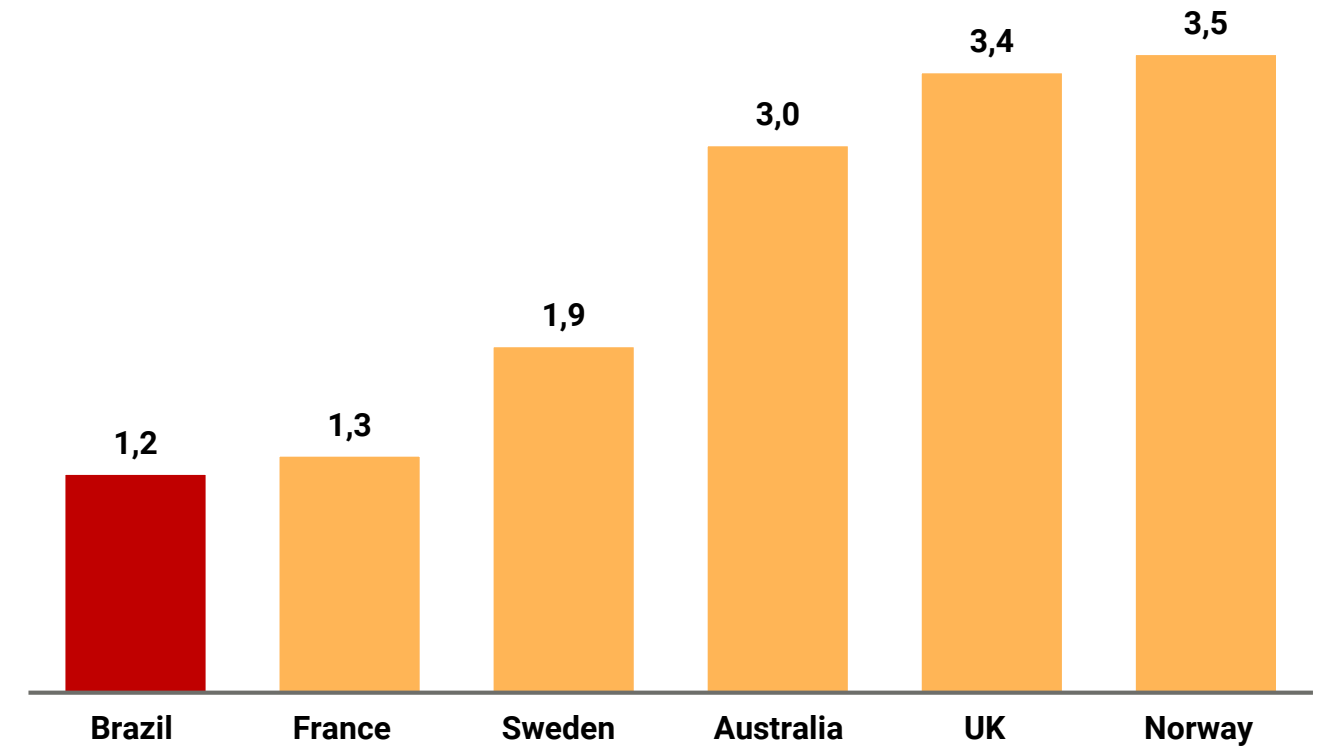
# We see considerable upside in Cars, as only ~5% of total advertising budget is spent on marketplaces for Cars...



Cars & LCV sales breakdown (2017, m of units)



Online classified monetization level in Cars (bps, 2017)<sup>2</sup>



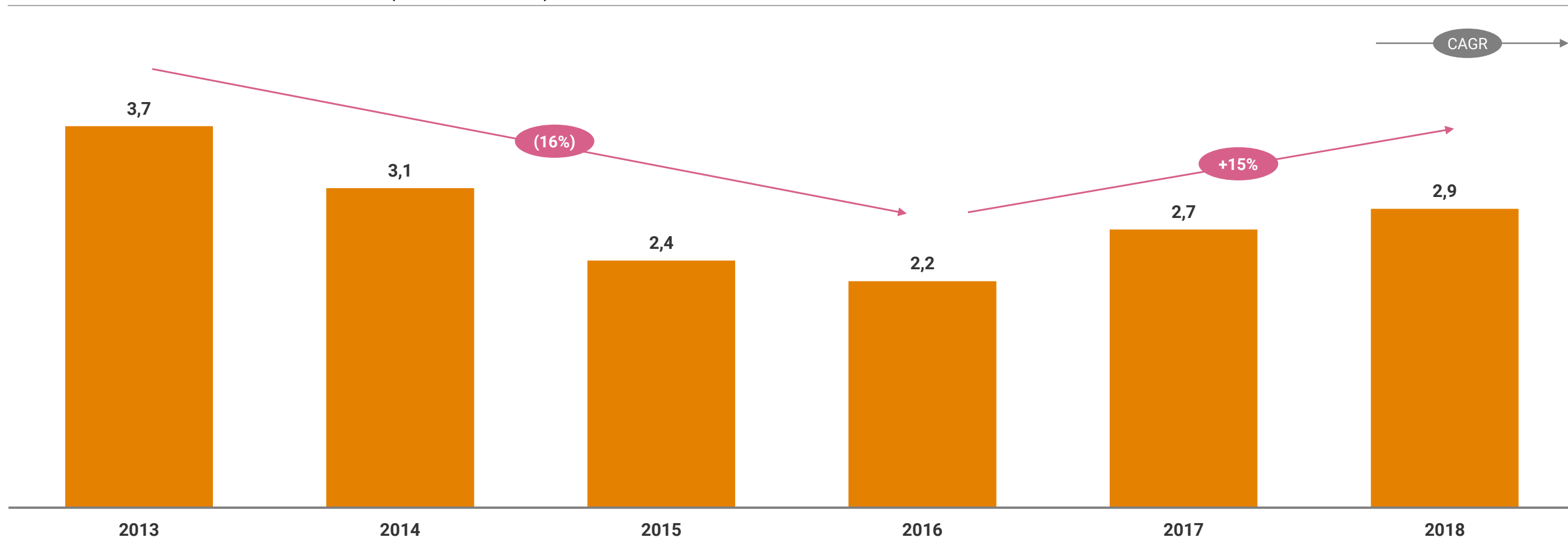
Source: Company information

Notes: FX (2017) = 3.31 BRL/USD; <sup>1</sup> Includes marketing budget from automakers and dealers (cars, trucks and motorcycles); <sup>2</sup> Monetization level is calculated based on market revenue pool divided by total private consumption



... which is reinforced by favourable structural underlying trends

Production of automobiles in Brazil (units, millions)



Source: Anfavea (national association of vehicle producers)

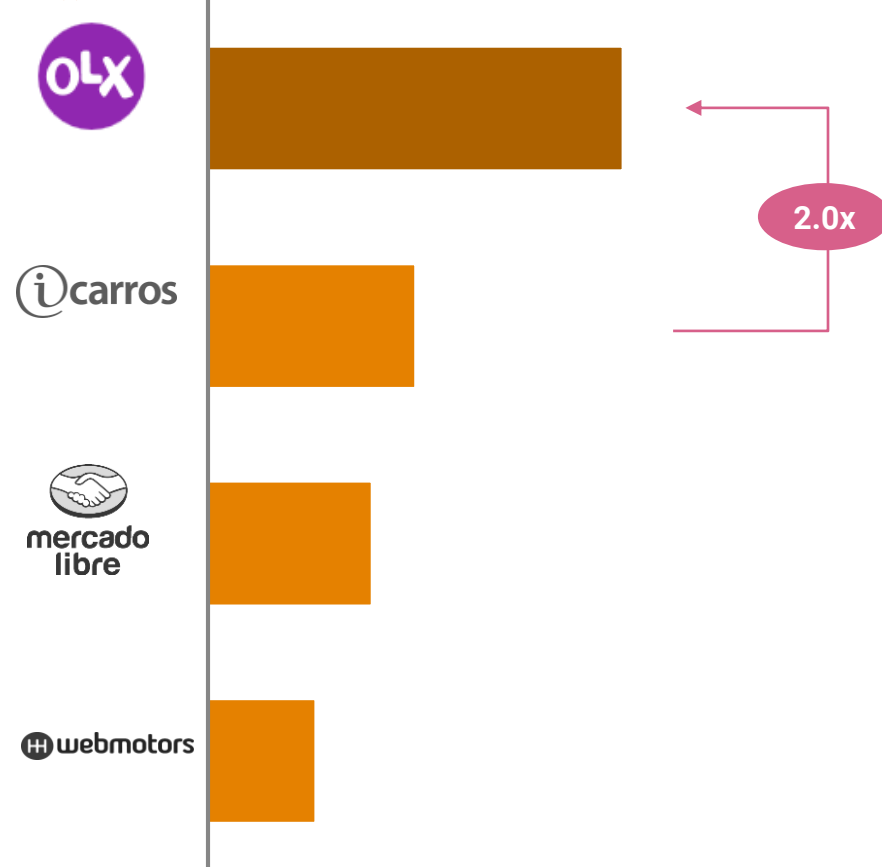


# We have strong positions across traffic, content and customers and substantial lead over our competitors



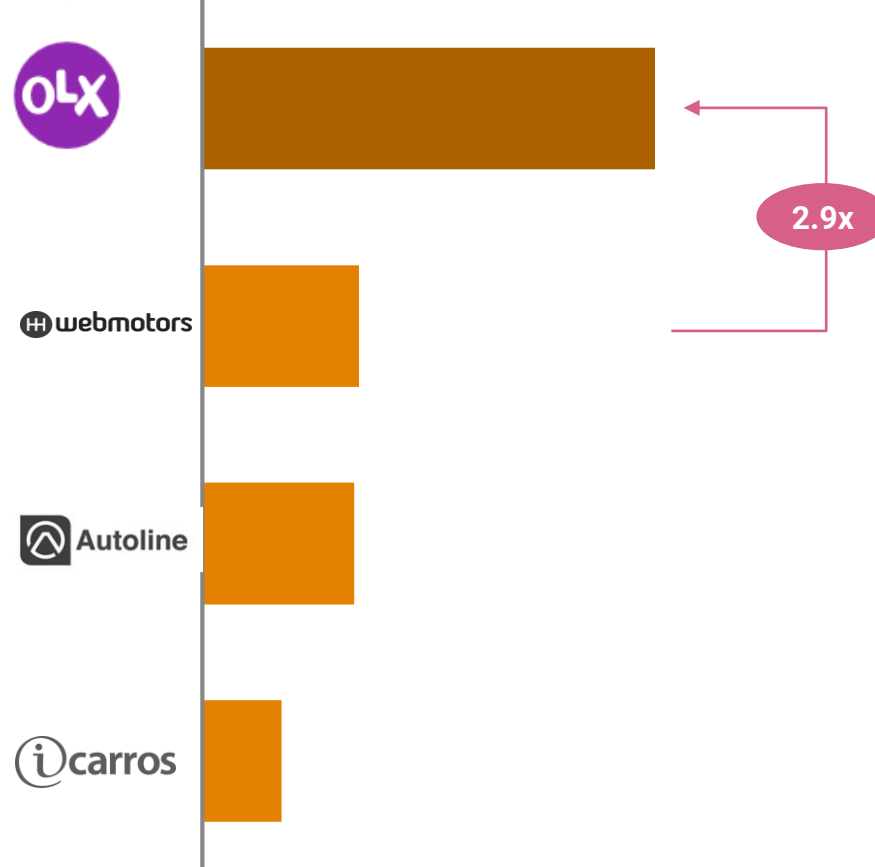
## Traffic<sup>1</sup>

#1 in visits



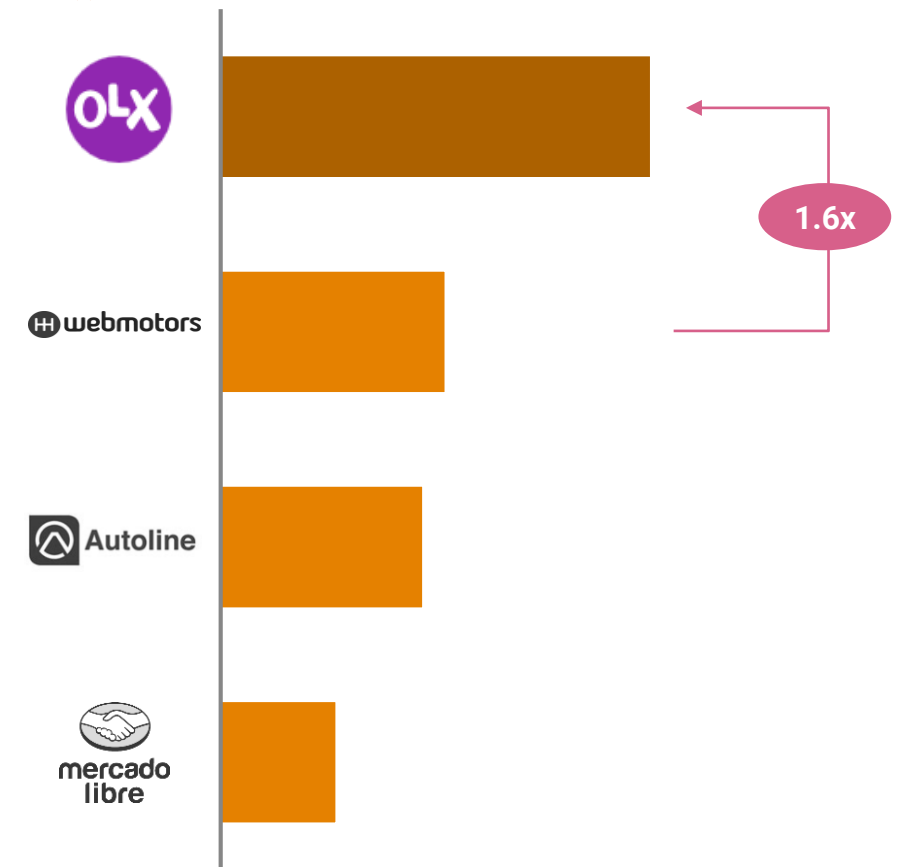
## Content<sup>2</sup>

#1 in listings



## Customers<sup>2</sup>

#1 in dealers<sup>3</sup>

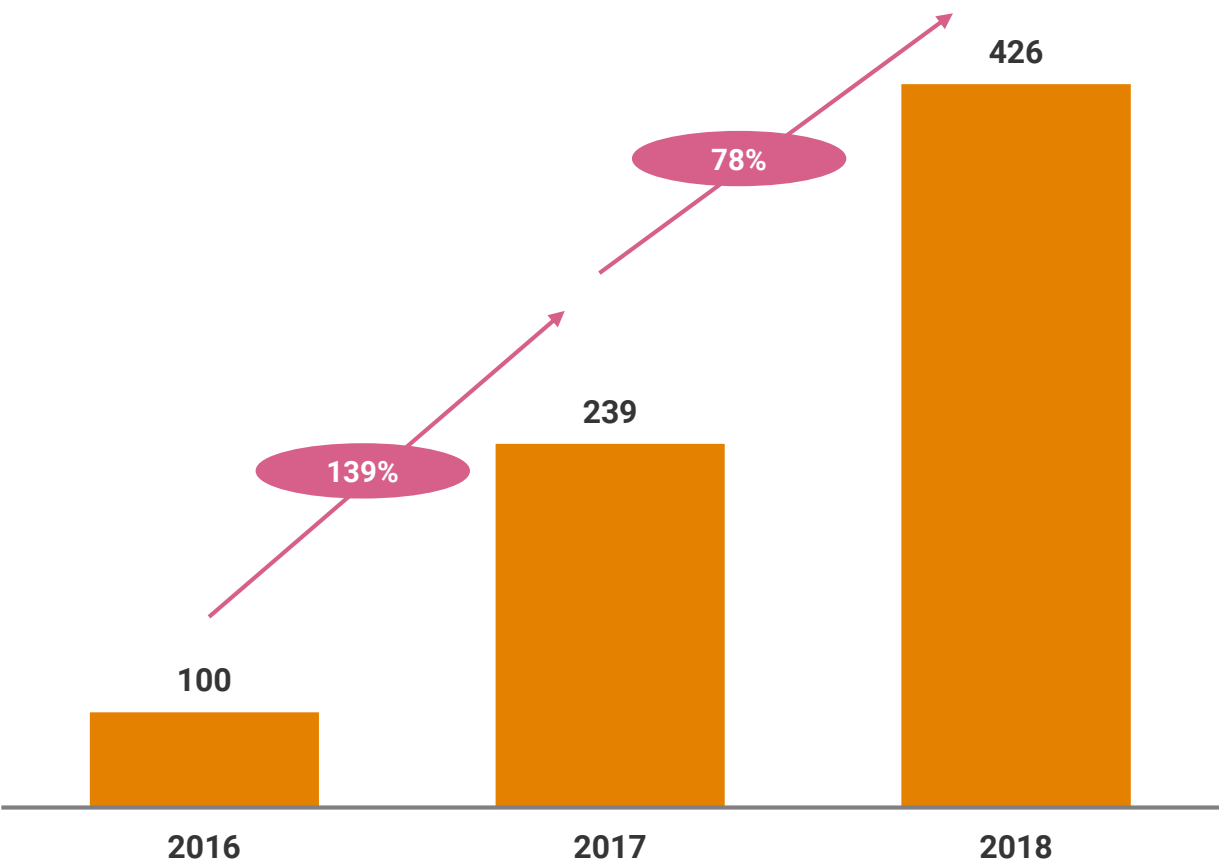


Source: <sup>1</sup> Comscore January 2019; <sup>2</sup> Autobiz February 2019; <sup>3</sup> The number of dealer advertisers is measured by the number of different telephone numbers identified on the website as a dealer. The stock is measured by the number of classified ads online the dealer has on the analysed website



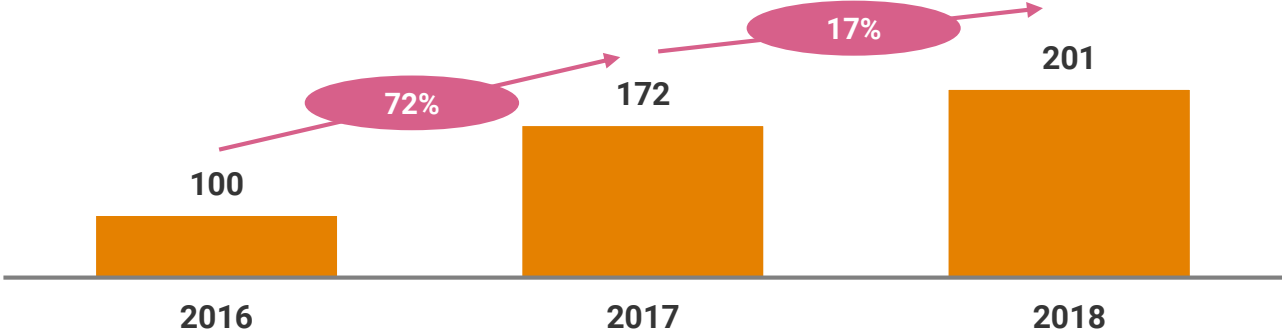
# We have achieved more than 4x growth in Cars revenue over the past 2 years

Revenue – Indexed to 100



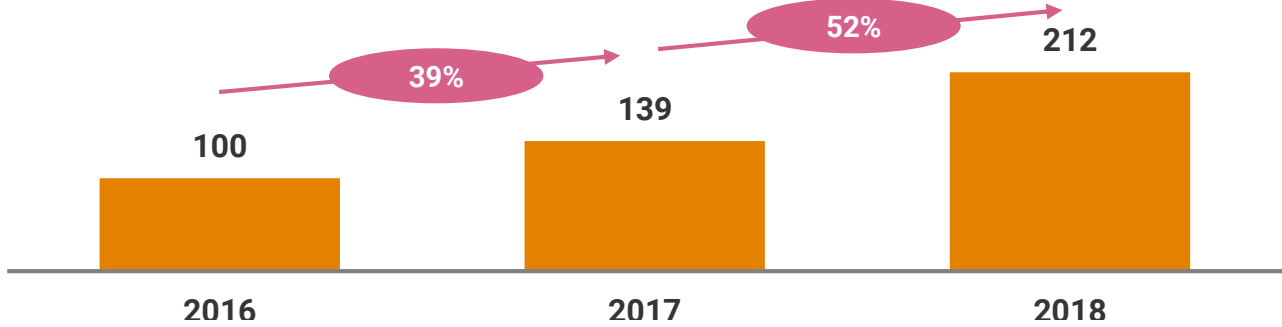
*Growth achieved at scale*

Customers – Indexed to 100



*Liquidity and strong value proposition*

ARPU – Indexed to 100



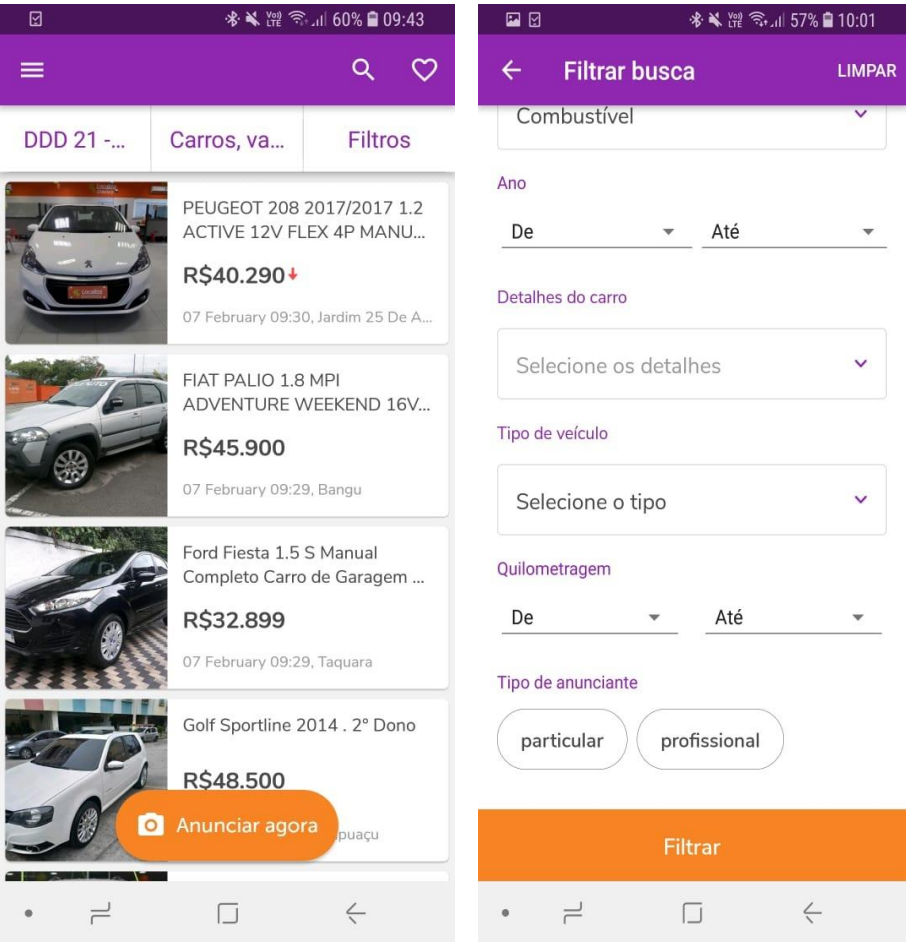
*New products and portfolio penetration*

Source: Company information



# In Cars, we will continue to improve our value proposition for all of our users

Continue improving our user experience within our cars and vehicles categories



We will follow a clear and focused strategy to drive growth within cars and vehicles

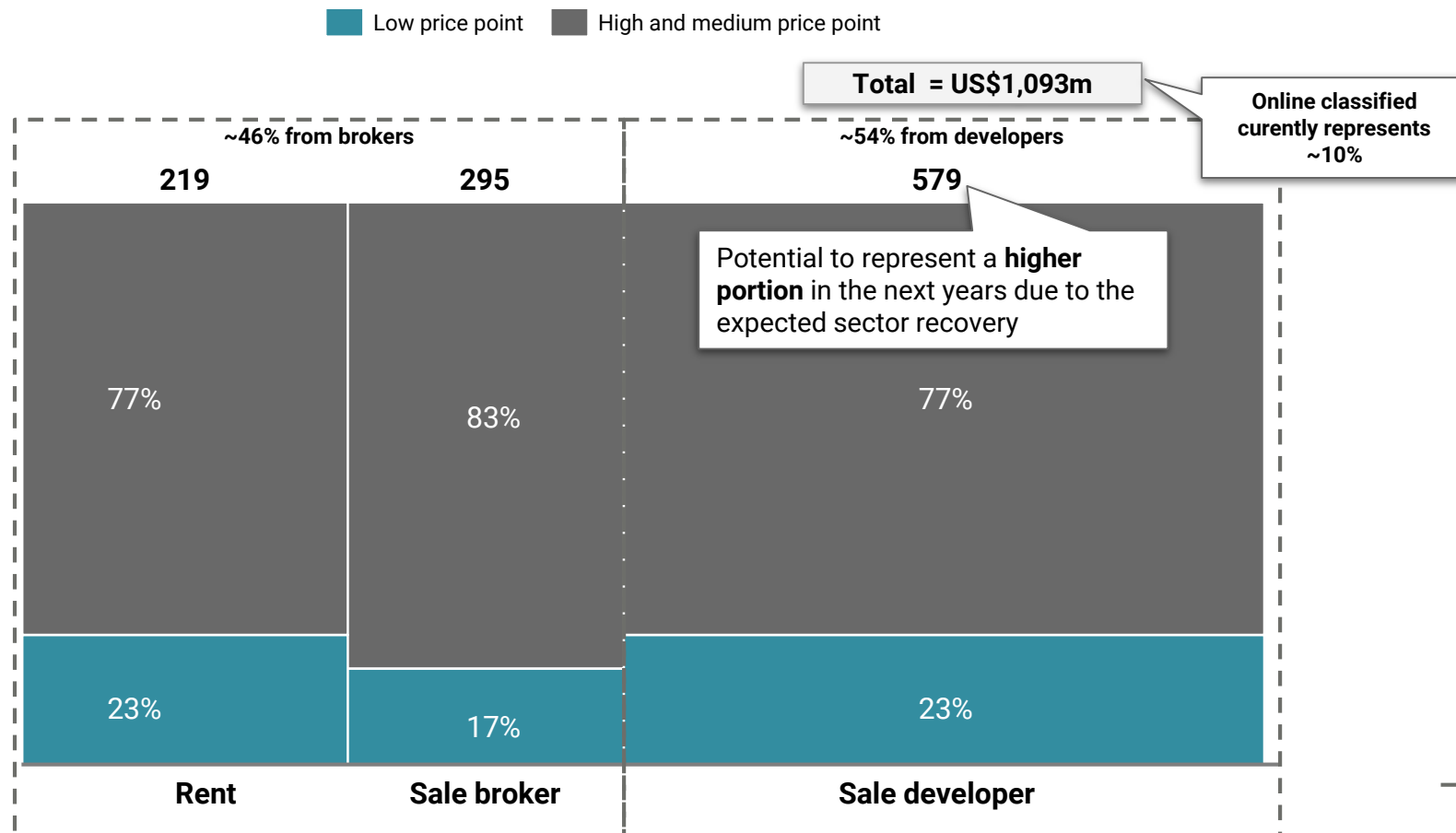
- 1 *Continue to increase market penetration for both private sellers and professionals*
- 2 *Improve buyer experience*
- 3 *Continue exploring adjacencies*



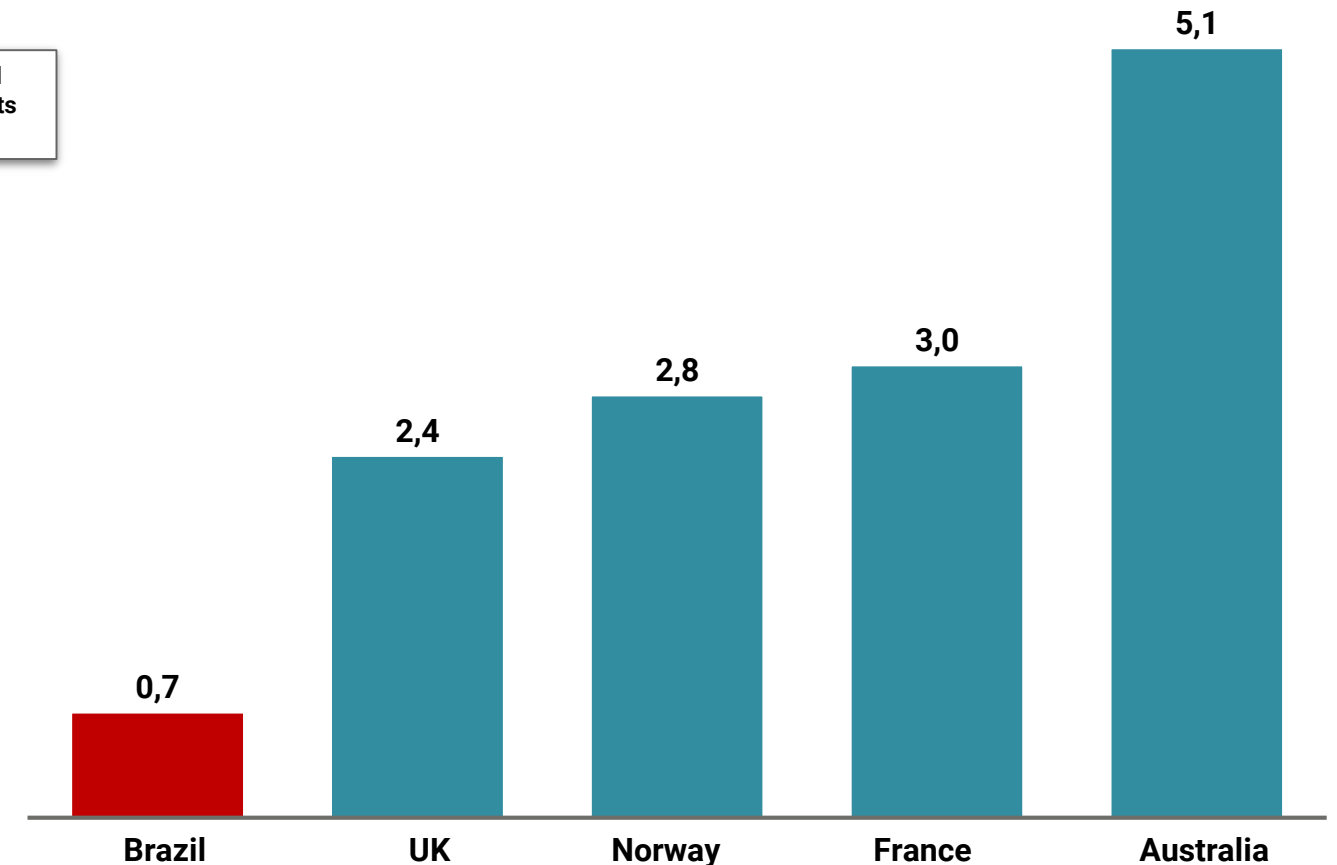
# Online classifieds represent 10% of total ad spend in Brazilian Real Estate with lower monetisation levels than mature markets



Total advertising spending in Real Estate market (US\$m, 2017)



Online classified monetisation level in Real Estate (bps, 2017)<sup>1, 2</sup>



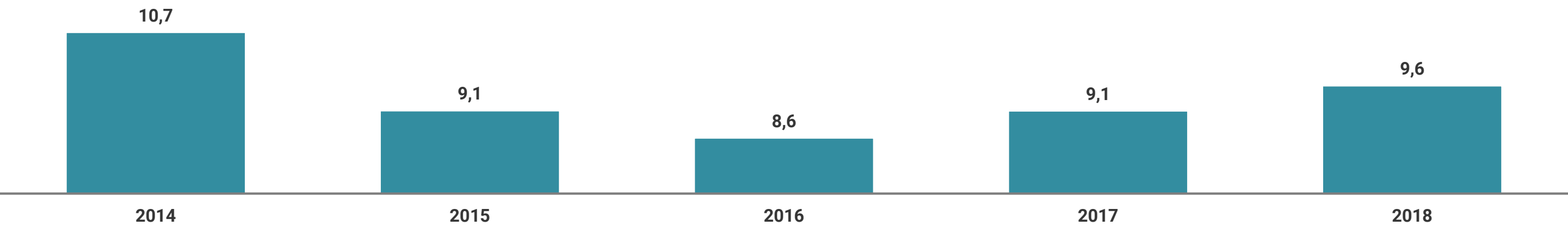
Source: Company information

Note: Price points lower than USD 65k/property are considered as Low; FX (2017) = 3.31 BRL/USD; <sup>1</sup> Monetisation level is calculated based on market revenue pool divided by total private consumption; <sup>2</sup> Company information

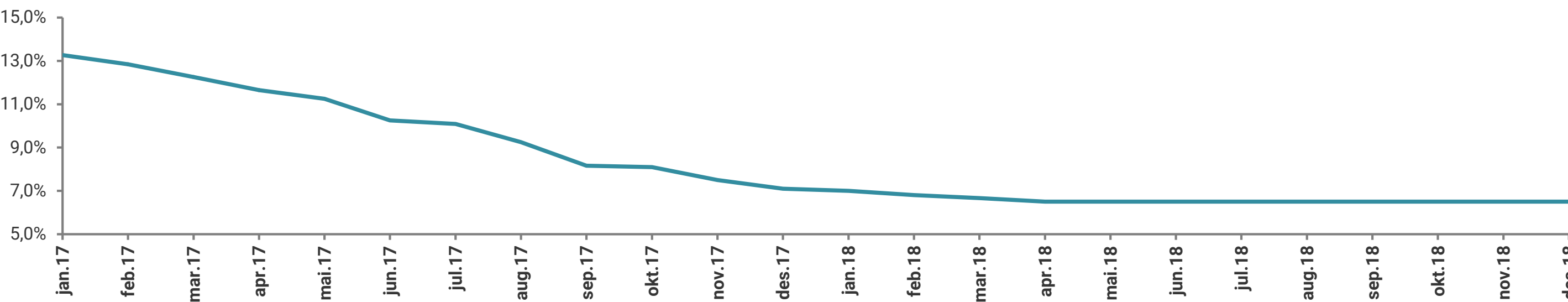


# Supportive macro trends for growth in Real Estate transaction volumes

New units sold in Brazil<sup>1</sup> (monthly average per quarter – in thousands)



Basic annual interest rates<sup>2</sup>



Source: <sup>1</sup> Selic; <sup>2</sup> Abraimc Indicators

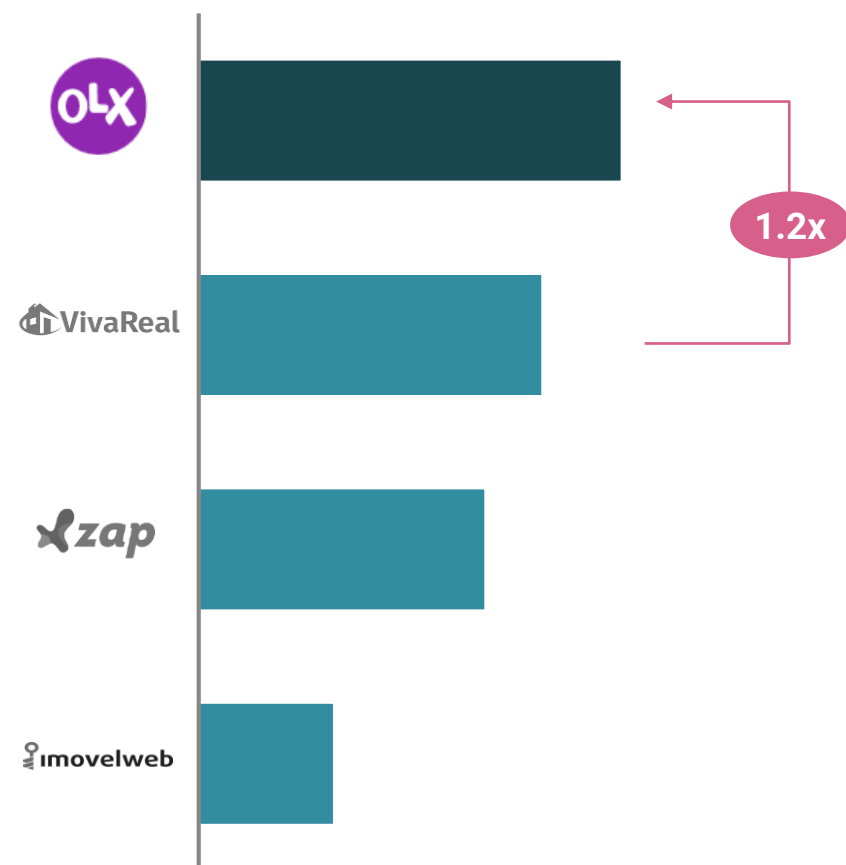




# We are building a strong position in Brazilian Real Estate

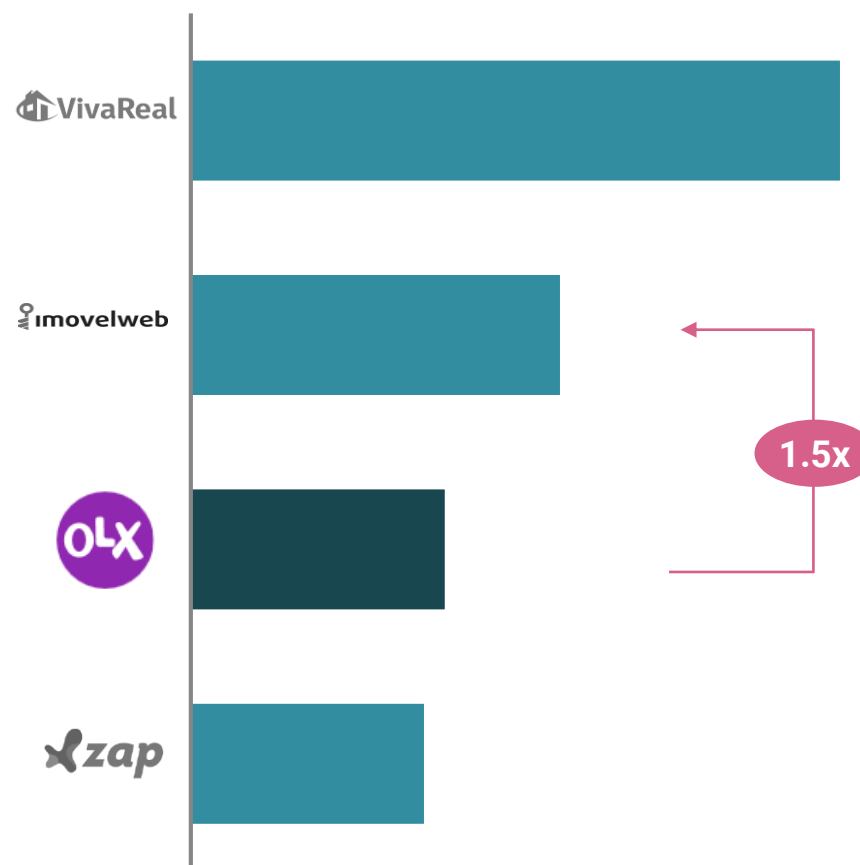
## Traffic<sup>1</sup>

1 in visits



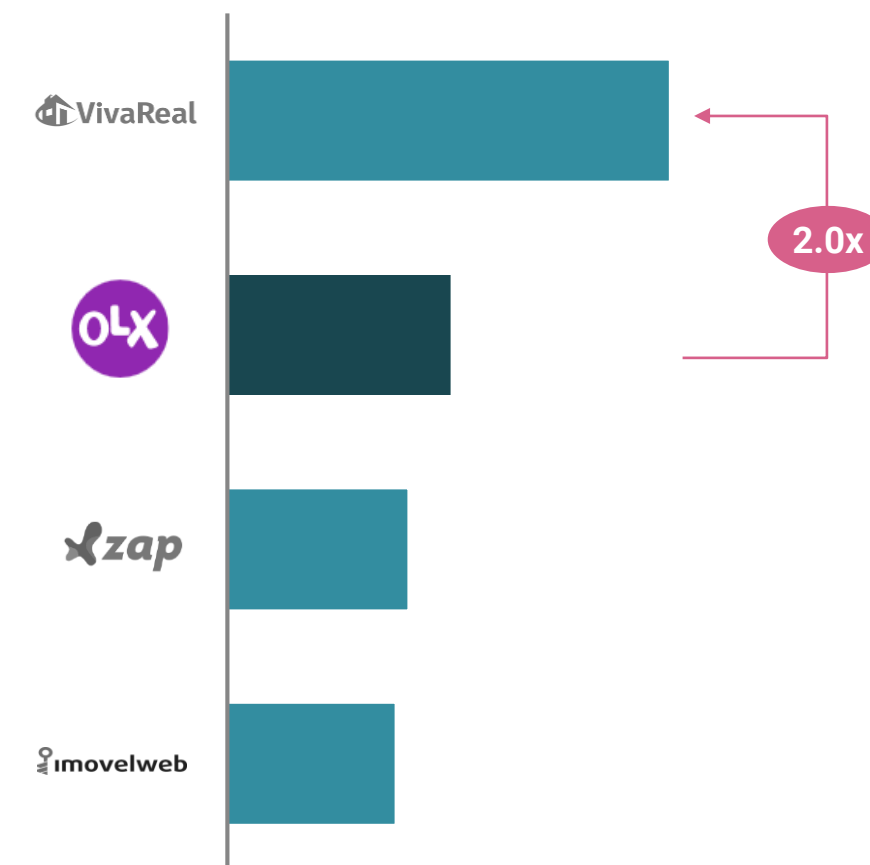
## Content<sup>2</sup>

3 in listings



## Customers<sup>2</sup>

2 in dealers<sup>3</sup>

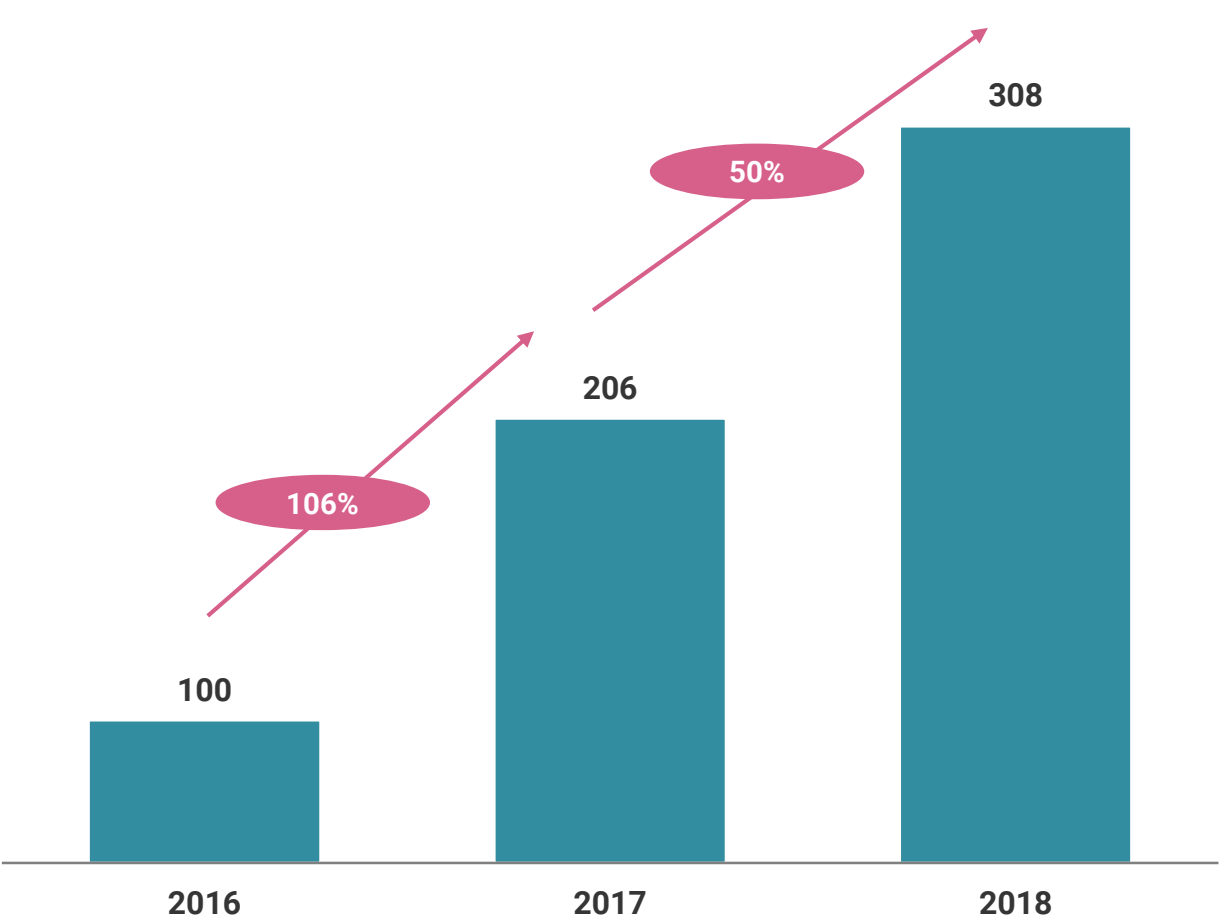


Source: <sup>1</sup> Comscore January 2019; <sup>2</sup> Autobiz February 2019; <sup>3</sup> The number of agents is counted via the number of agent minisites on each portal except on OLX where the number of agents is counted via the number of telephone numbers linked to 5 listings or more (this criteria was 10 listings or more until October 2018)



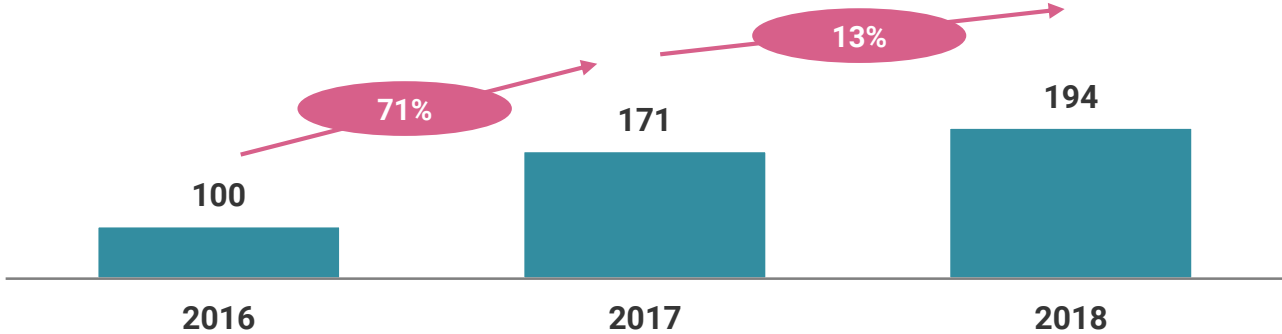
# We have grown Real Estate revenues by almost 3x in the past two years

Revenue – Indexed to 100



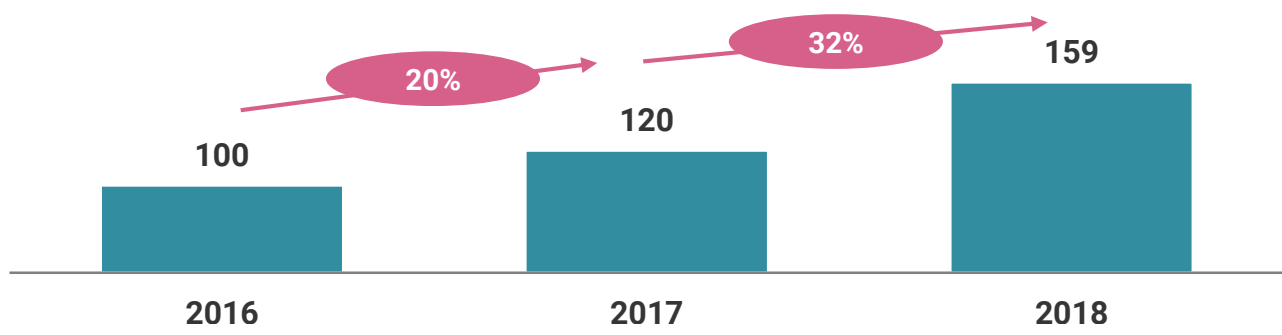
*Growth achieved at scale*

Customers – Indexed to 100



*Liquidity and strong value proposition*

ARPU – Indexed to 100



*New products and portfolio penetration*

Source: Company information



# In Real Estate, we continue to improve our value proposition and are following a clear and focused strategy, enhancing user experience



## Continue improving our user experience within our Real Estate categories

The left screenshot displays a list of real estate listings. The first listing is 'Excelente apto Flamengo vista definitiva indevassável para o...' with a price of R\$1.350.000. The second listing is 'Kitnet' with a price of R\$367.000. The third listing is 'Apartamento Padrão' with a price of R\$1.600.000. The fourth listing is 'Apartamento Padrão' with a price of R\$1.400.000. A button 'Anunciar agora' is visible at the bottom.

The right screenshot shows a search filter screen titled 'Filtrar busca'. It includes options for 'Quartos' (1, 2, 3, 4, 5+), 'Banheiros' (1, 2, 3, 4, 5+), 'Vagas de garagem' (1, 2, 3, 4, 5+), 'Área (m²)' (De, Até), and 'Tipo de anunciante' (particular, profissional). A 'Filtrar' button is at the bottom.

## Follow a clear and focused strategy to drive growth within Real Estate

1

***Continue driving listing growth across segments and regions***

2

***Improve buyer and renter experience (e.g. search, location, decision support)***

3

***Strengthen professional tools and data services***

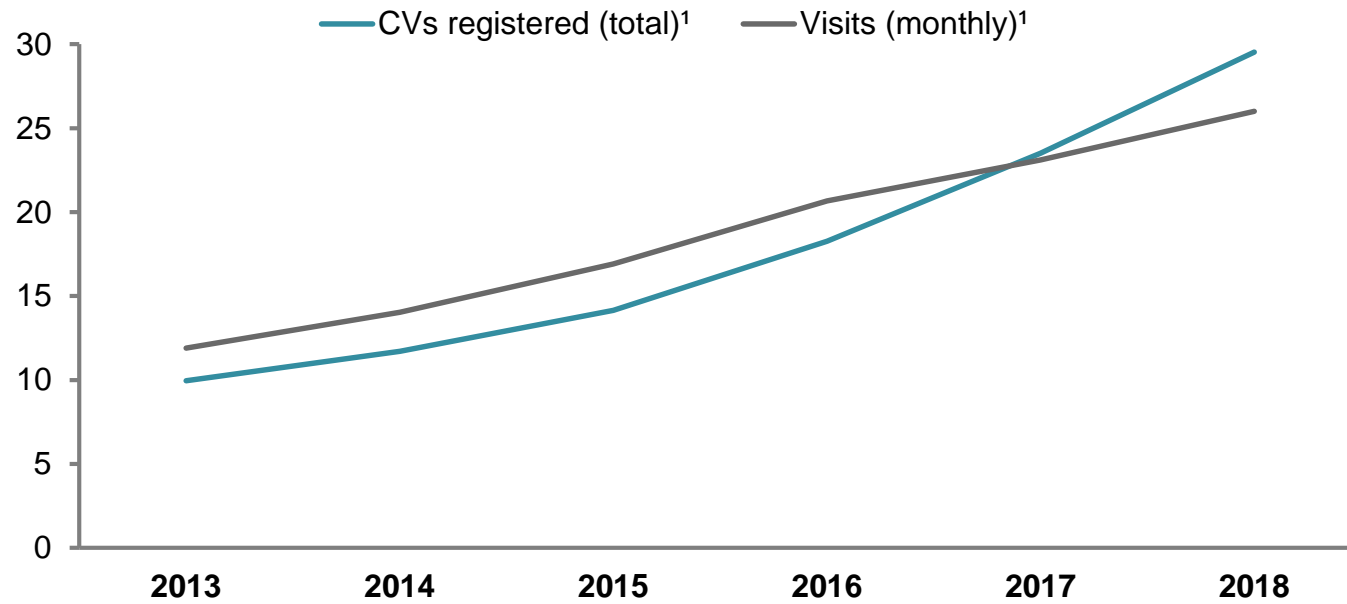


# In Jobs we have achieved vertical leadership in traffic with Infojobs despite a difficult job environment



## Infojobs Brazil highlights (m)

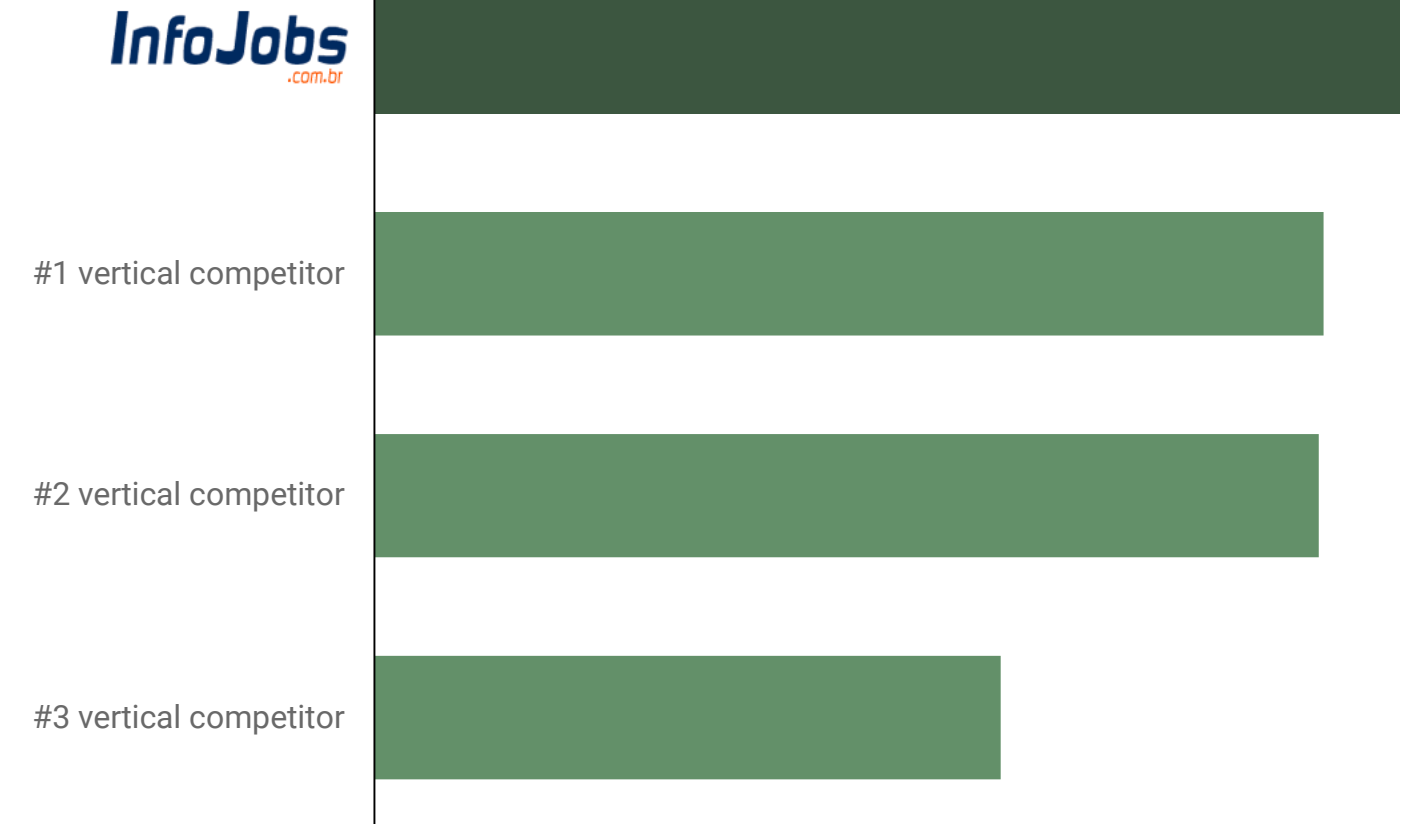
InfoJobs  
.com.br



- Launched in 2007, following success in Spain
- 76.23% ownership in joint venture with RedArbor, marketplaces group specialized in employment
- Strong traction despite of recession period
- Economy expanding again, +0.5 million formal jobs created<sup>2</sup> in 2018, first net year positive since 2014

## Vertical traffic rank

**1** Visits to marketplaces site<sup>3</sup> (2018)



Note: <sup>1</sup> Current internal measuring; <sup>2</sup> Economy Ministry – CAGED; <sup>3</sup> SimilarWeb (www.similarweb.com) – 2018 average. Excluding visits to recruitment section of corporate pages as reported in Similarweb's Subdomain analysis. LinkedIn not available job classified traffic



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