

A nighttime city skyline, likely Hong Kong, is visible in the background, with lights reflecting on the water. The foreground is dominated by a series of curved, glowing light trails in shades of blue and green, creating a sense of motion and depth.

PROSUS

**Capital allocation to build and
crystallise NAV per share**

Ervin Tu | Group Chief Investment Officer

Our defining principle is to build NAV per share



Actively manage portfolio and grow NAV



Our approach to capital allocation



New investments

Actively evaluate new investments by leveraging the full depth and breath of the firm's expertise across geos and verticals.



Manage existing portfolio

Periodic reviews of our businesses to assess progress of the existing portfolio – and whether to deploy more capital given returns outlook.



Re-evaluate and reshape

Periodic reviews of our business to assess whether transactions – both buying and selling – can drive further value beyond what we can achieve organically.



Manage share count

Assess opportunities to provide further leverage to shareholder returns on a per share basis by managing share count; decision based on facts and circumstances related to return potential.

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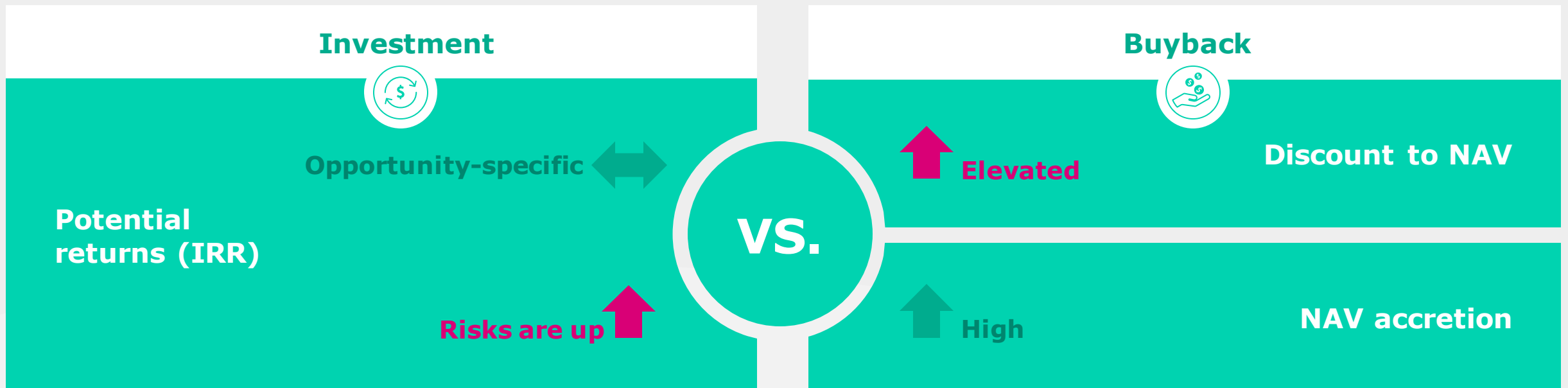
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Balancing the numerator and denominator



We allocate our capital so that we can **drive the highest risk-adjusted return.**

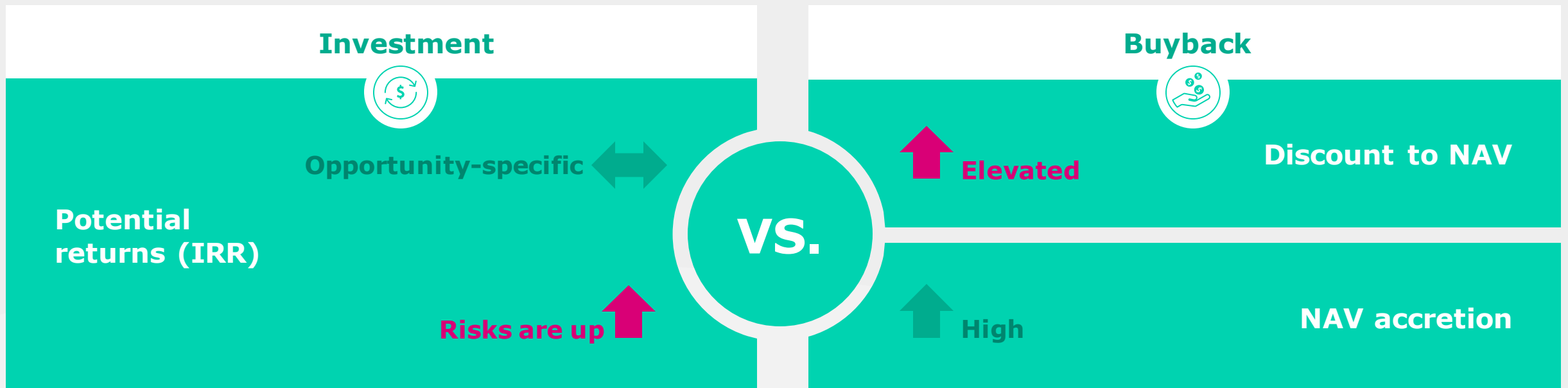


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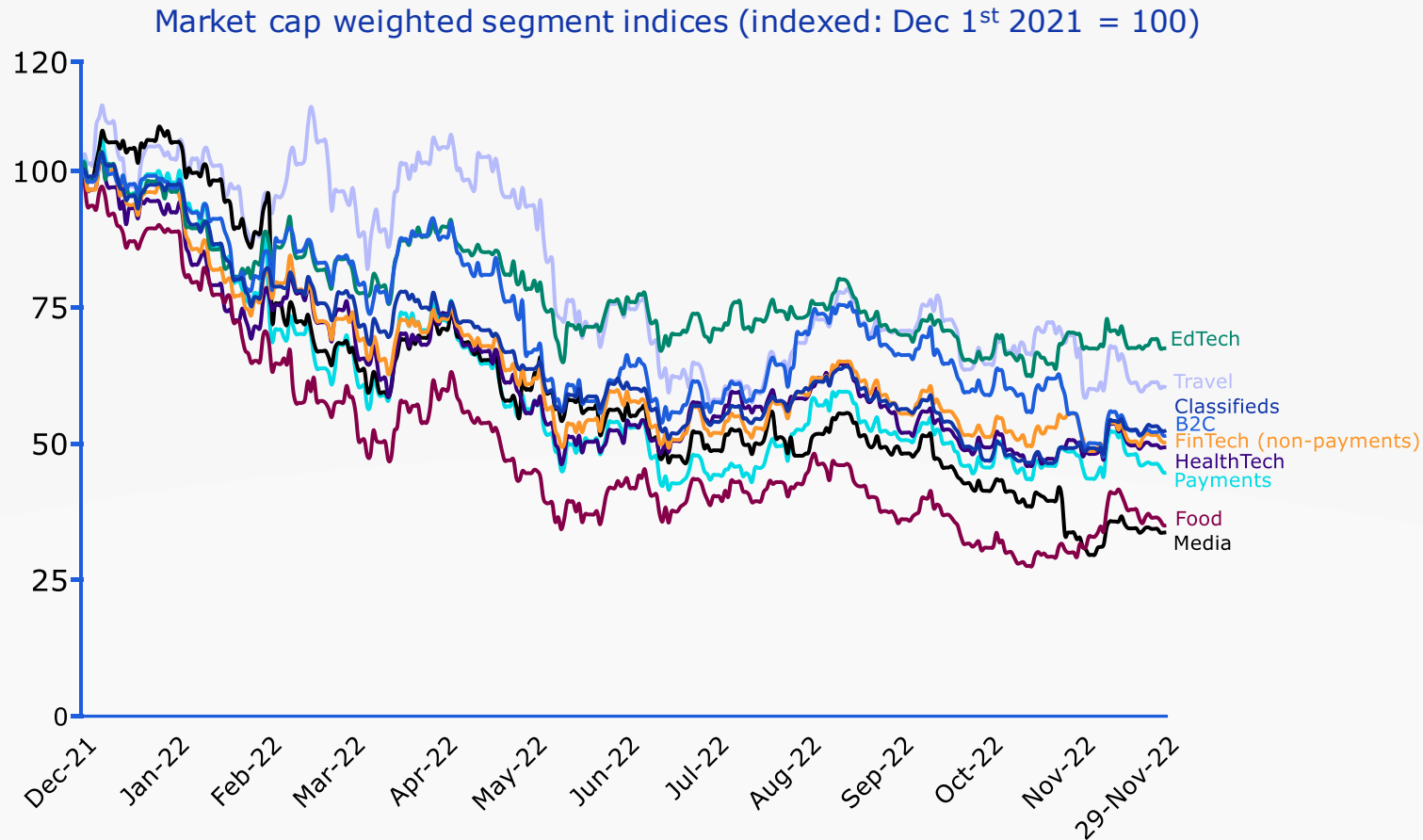


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Our returns performance

Valuations have fallen in the last year

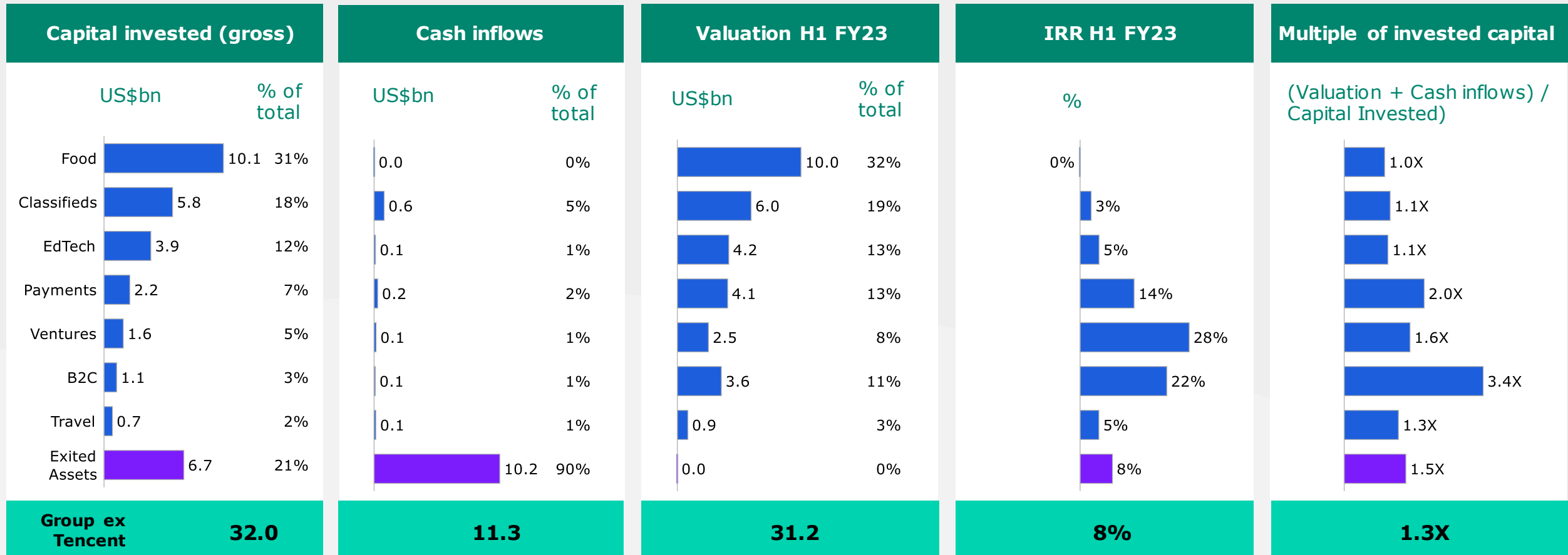


Segment	Change
Edtech	-33%
Travel	-40%
Classifieds	-48%
B2C	-49%
FinTech (non-payments)	-50%
HealthTech	-51%
Payments	-55%
Food	-65%
Media	-66%

Our returns have been impacted



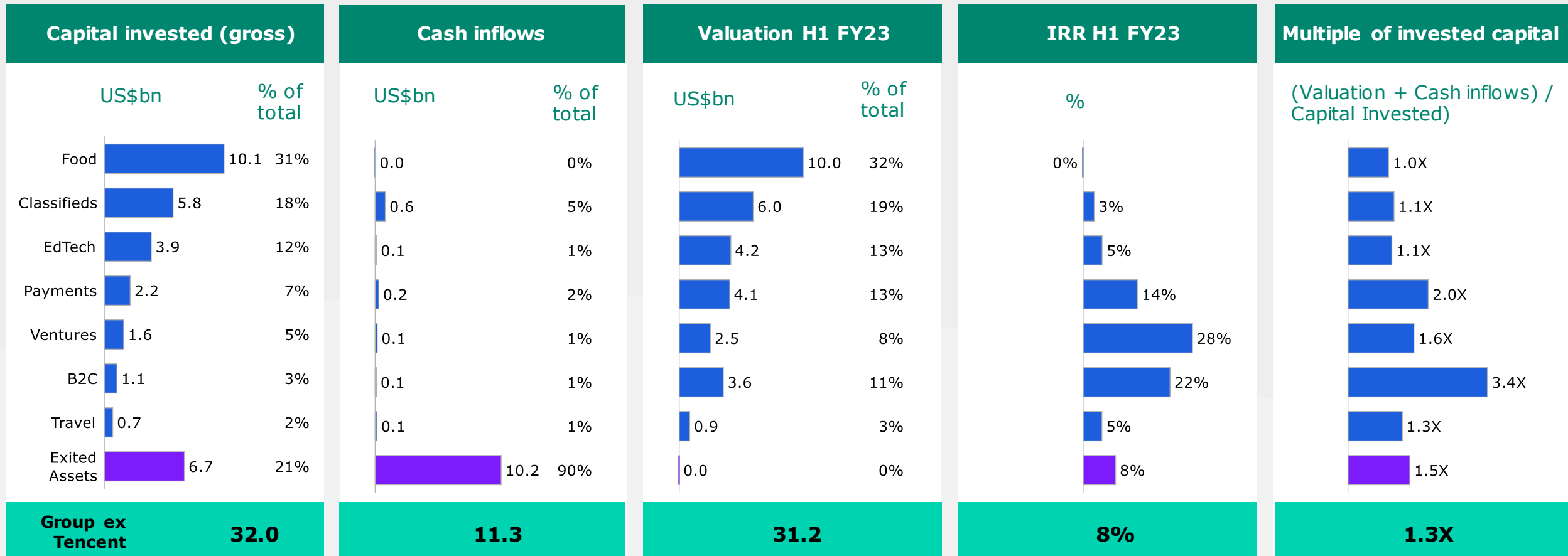
Historical capital allocated and returns by Ecommerce segment, as per H1 FY23 (US\$bn)



Note: A vito included in "Exited Assets", iFood includes the recently acquired 33%; Valuation of ecommerce portfolio derives from a combination of (i) prevailing share prices for listed assets; (ii) consensus sell-side analysts' estimates for unlisted assets; (iii) most recent post-money transactions valuation where analyst consensus is not available; and (iv) internal valuation for remaining assets. Valuation date is 25 November 2022

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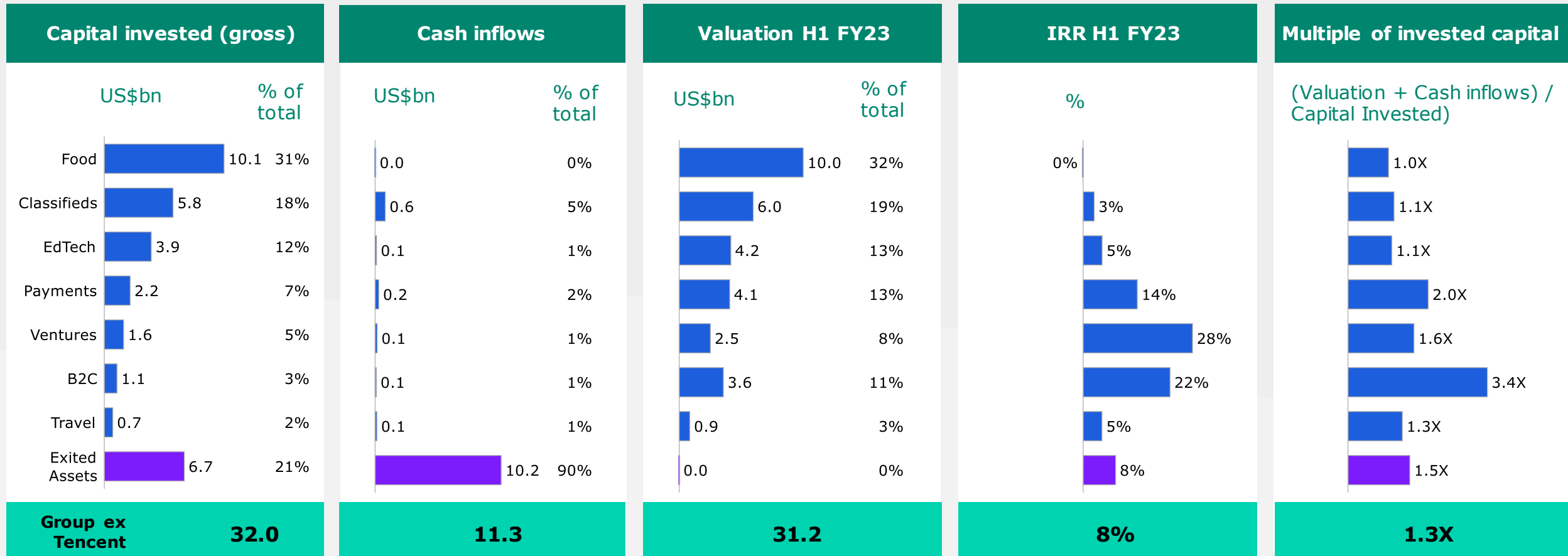
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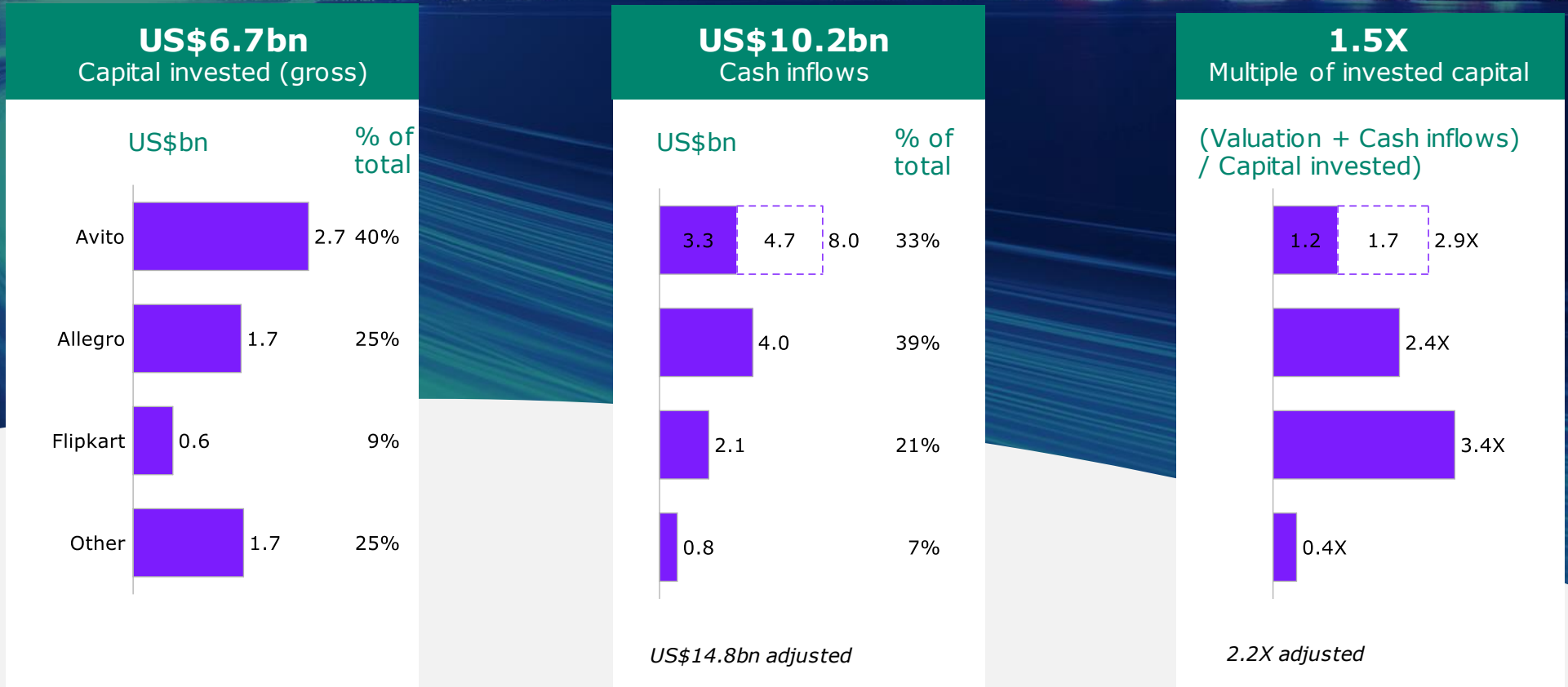


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The recent environment has also affected our exits



Historical capital allocated and returns of exited assets in the Ecommerce segment, as per H1 FY23 (US\$bn)



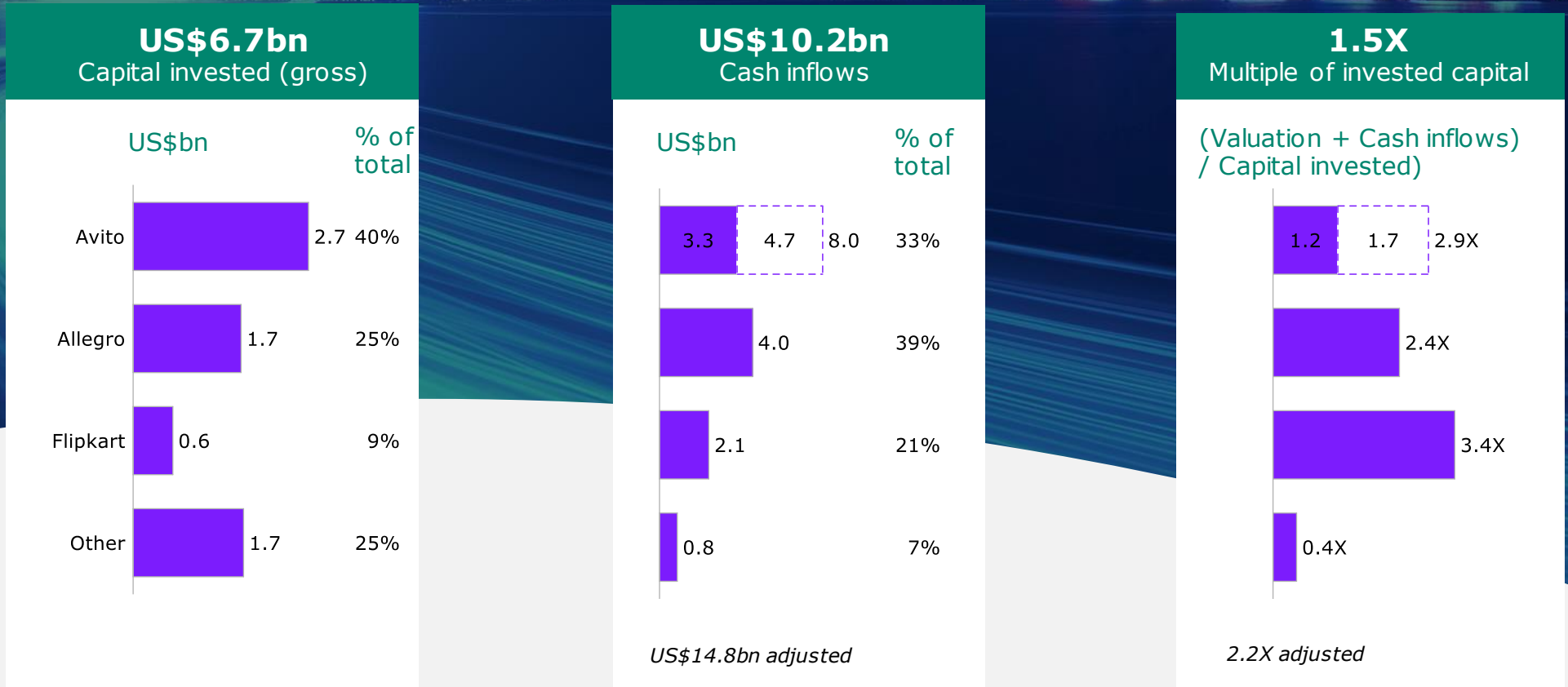
Hypothetical if A vito would have been exited at US\$7bn (valuation FY22)

In addition: US\$37.5bn cash inflows from Tencent
 (US\$6.9bn from dividends including JD, and US\$30.6bn from sales as of November 25, 2022)

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Historical capital allocated and returns of exited assets in the Ecommerce segment, as per H1 FY23 (US\$bn)



Hypothetical if Avito would have been exited at US\$7bn (valuation FY22)

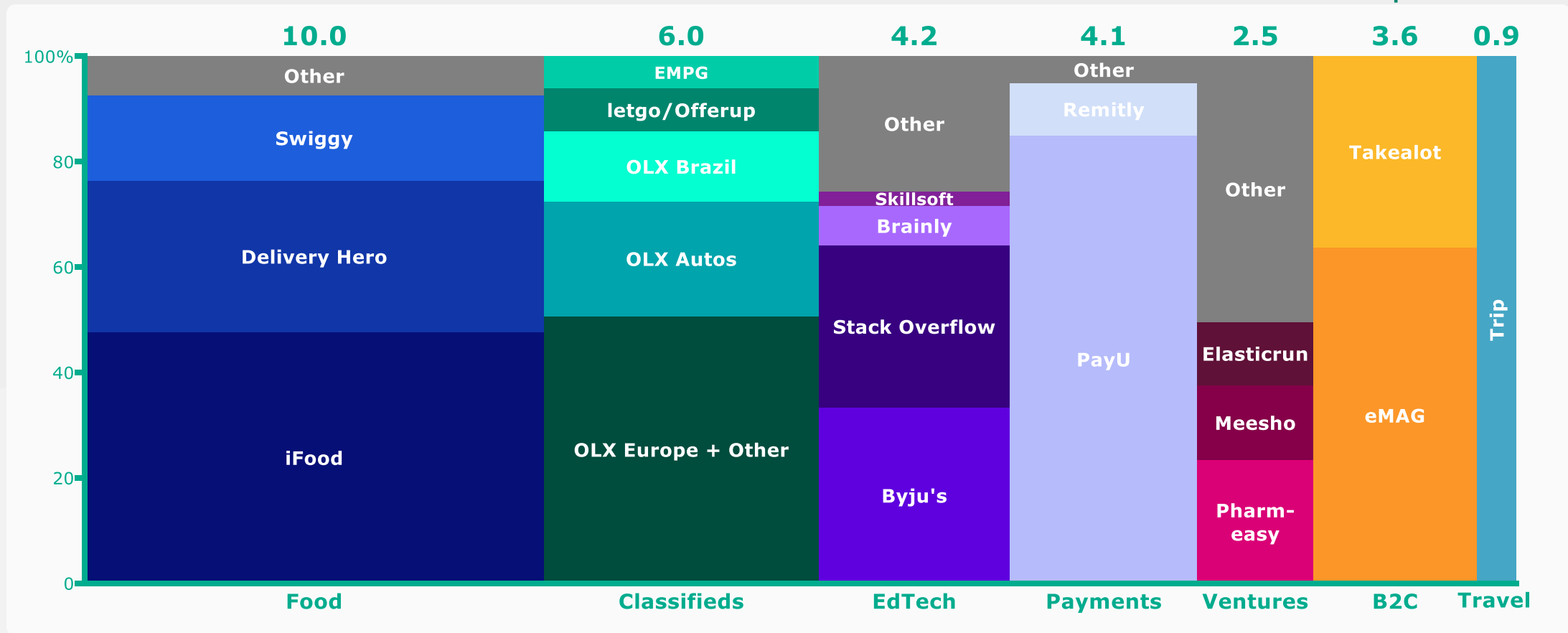
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Our largest positions and highest priorities



Total valuation:
US\$31bn

Valuations of existing Prosus portfolio H1 FY23



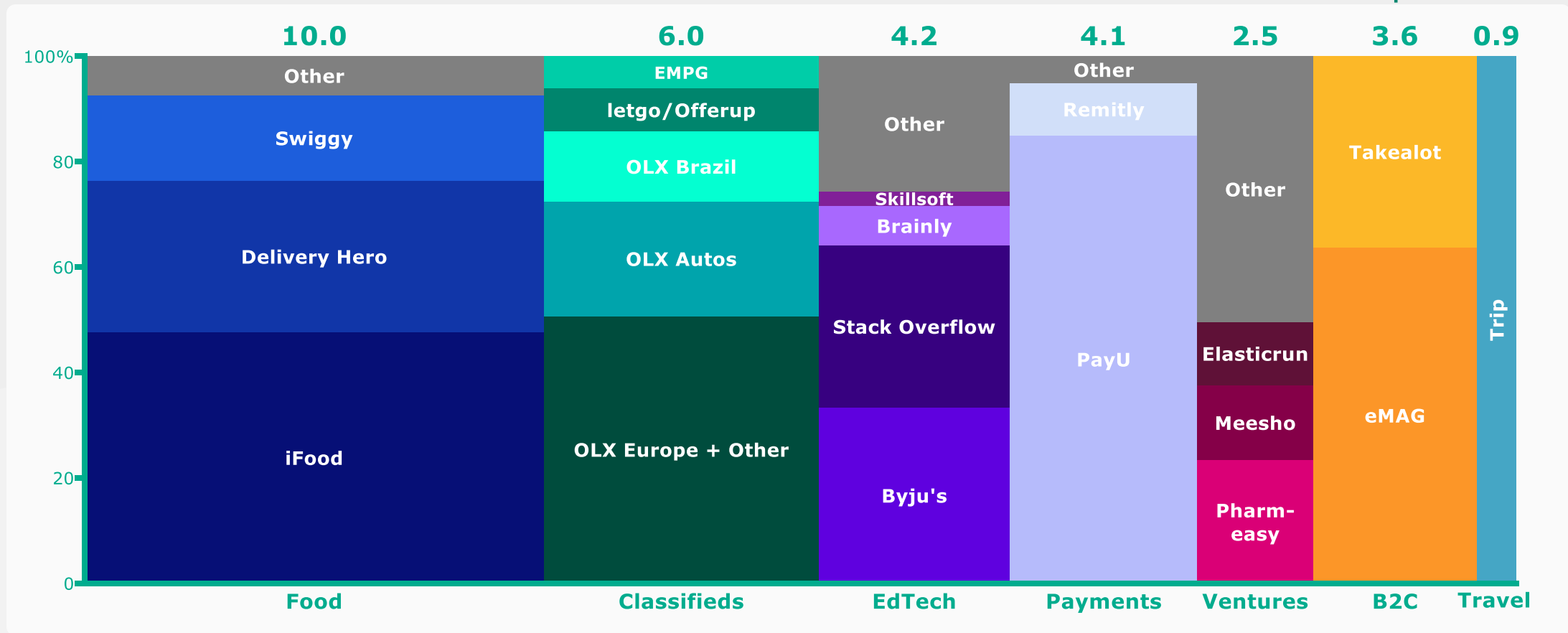
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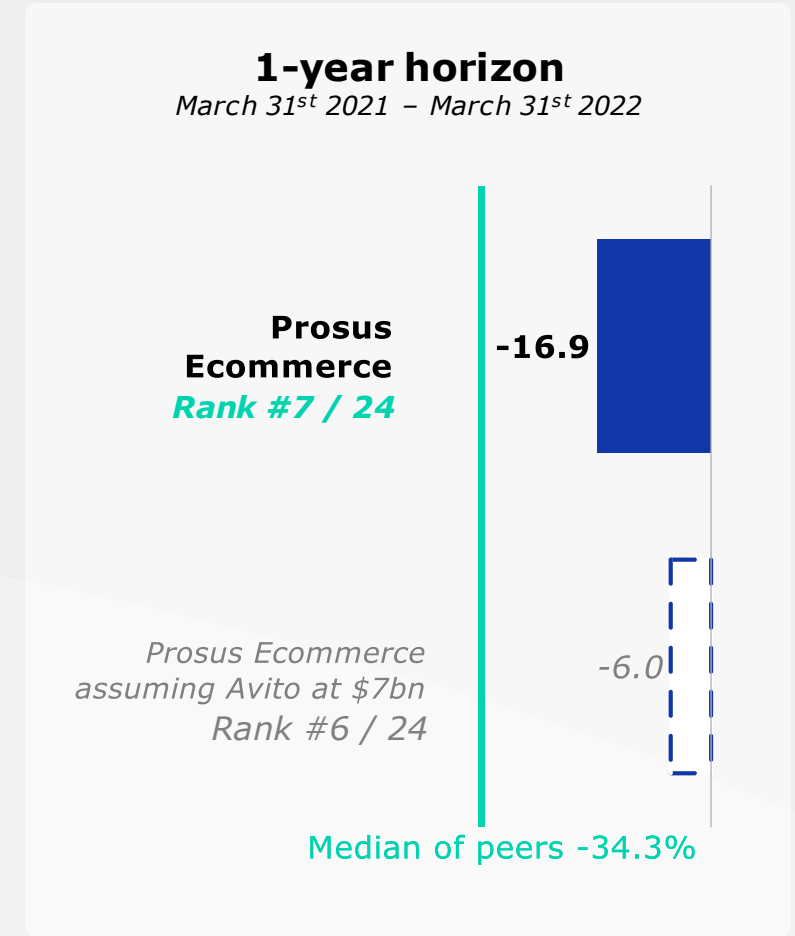
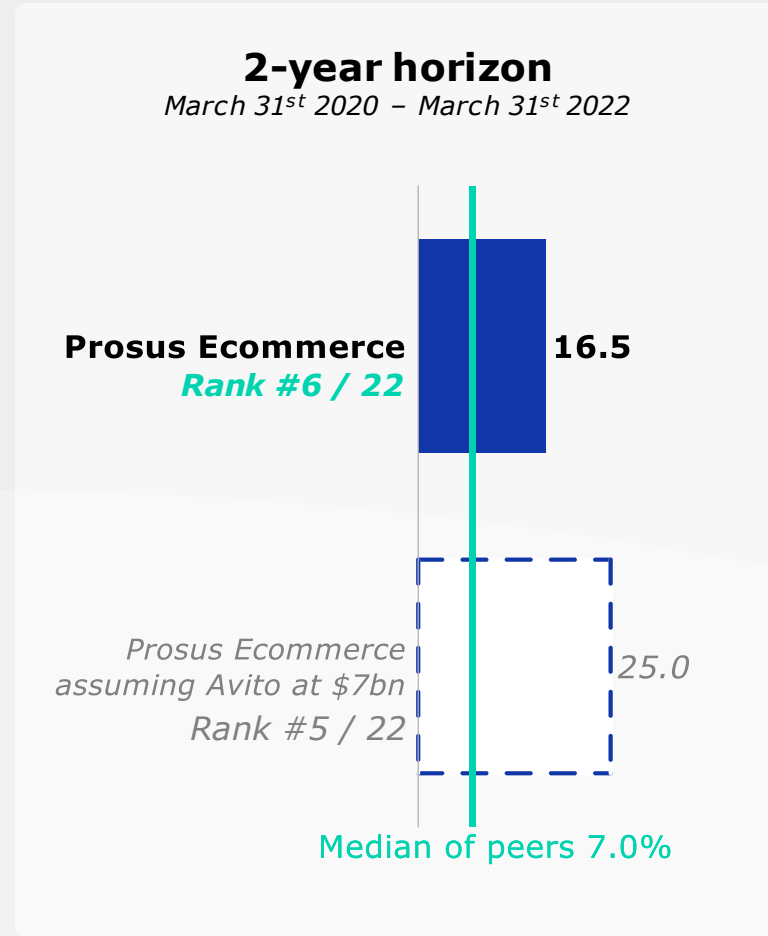
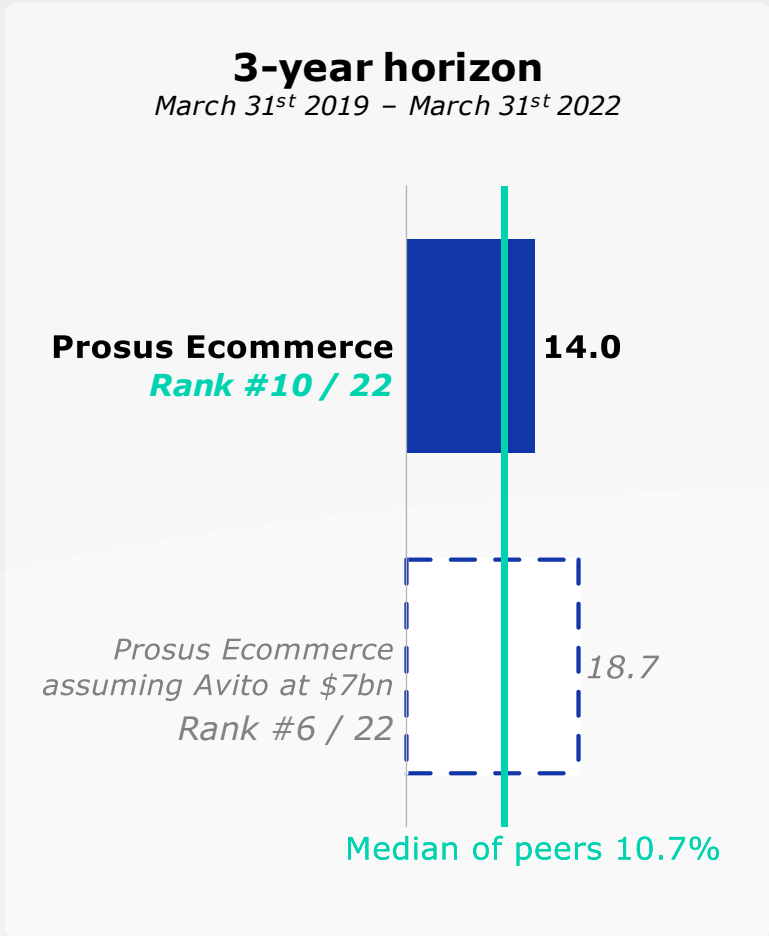


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Our relative outperformance



Total Return (CAGR %) of Prosus Ecommerce portfolio vs peers¹

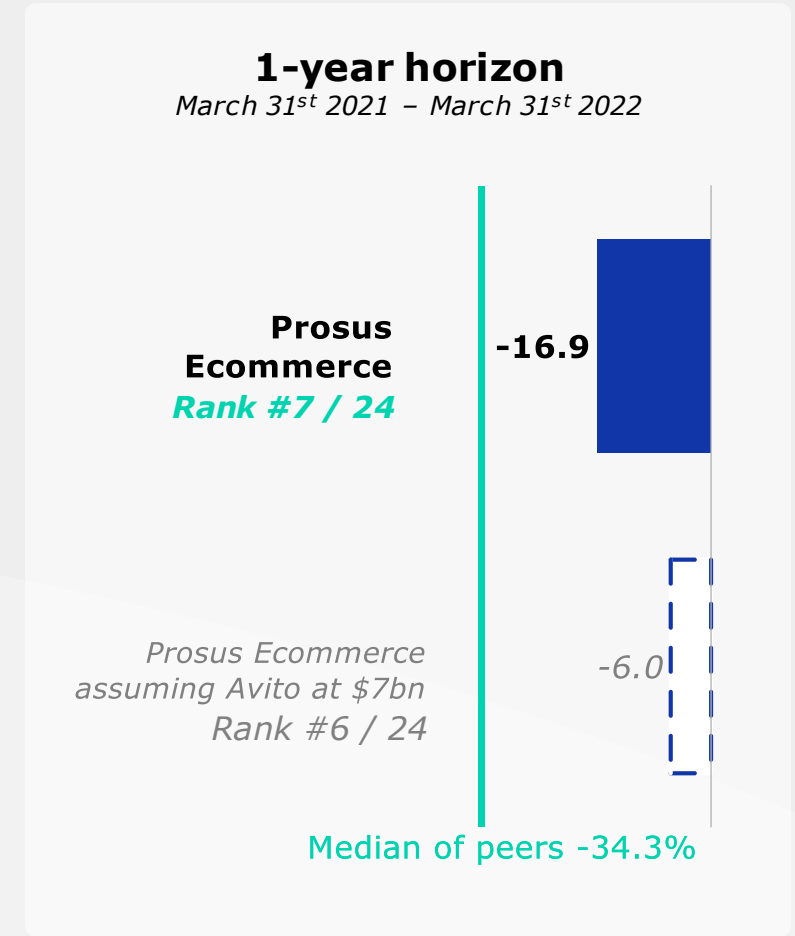
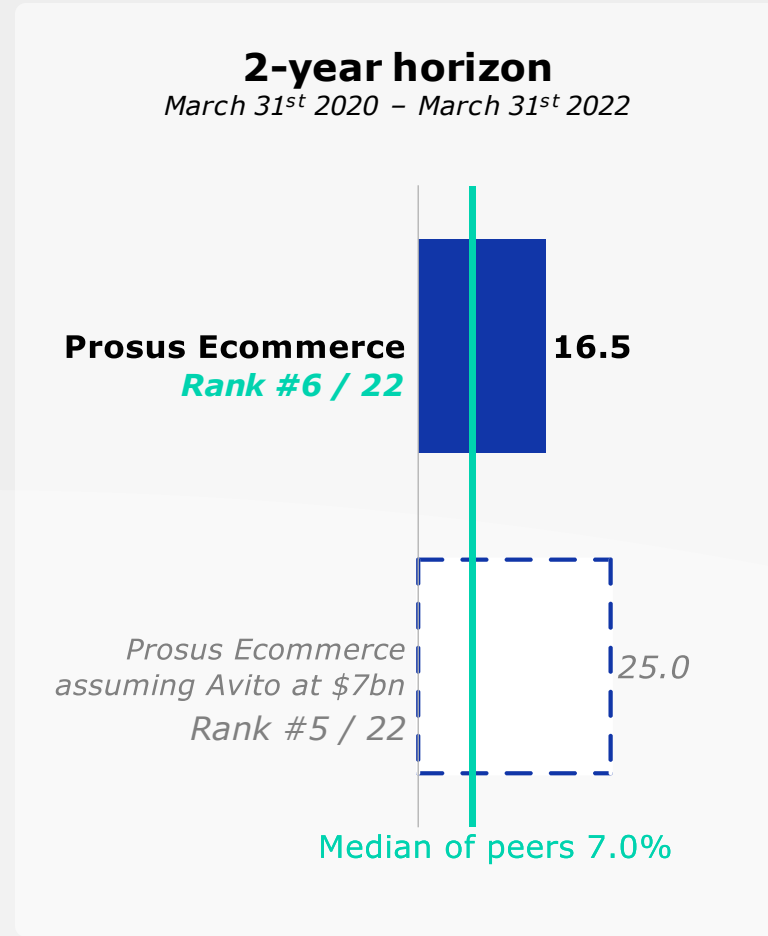
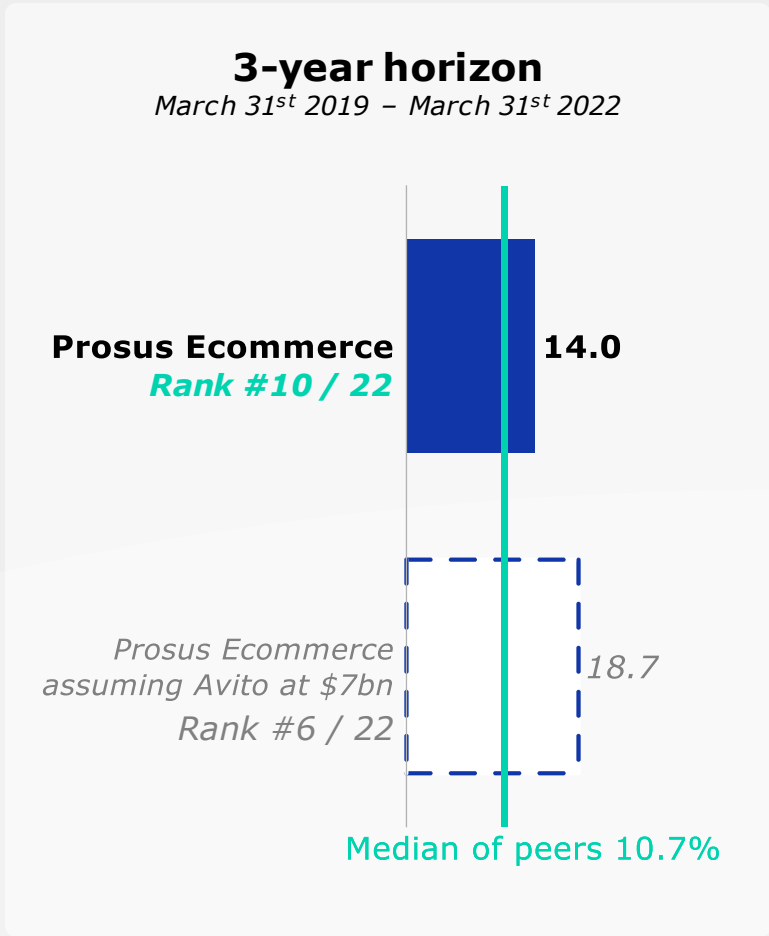


¹ Reflects Ecommerce SARs scheme valuation peers per disclosure in remuneration report at FY22 year end; A vito valuation of \$7bn reflects last third-party valuation completed at the end of year FY21.
Source: Prosus, Bloomberg

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Managing share count

Open-ended buyback accretes NAV per share



Illustrative value accretion of US\$6bn buyback to date

	Pre-buyback	Impact	Current	% change
NAV ¹ (US\$m)	127,500	(5,600)	121,900	-4%
Net shares in issue (m)	1,420	(102)	1,318	-7%
NAV per share (US\$ p/s)	89.8	2.7	92.5	

+3.0%
Approx. NAV per share accretion in 5 months

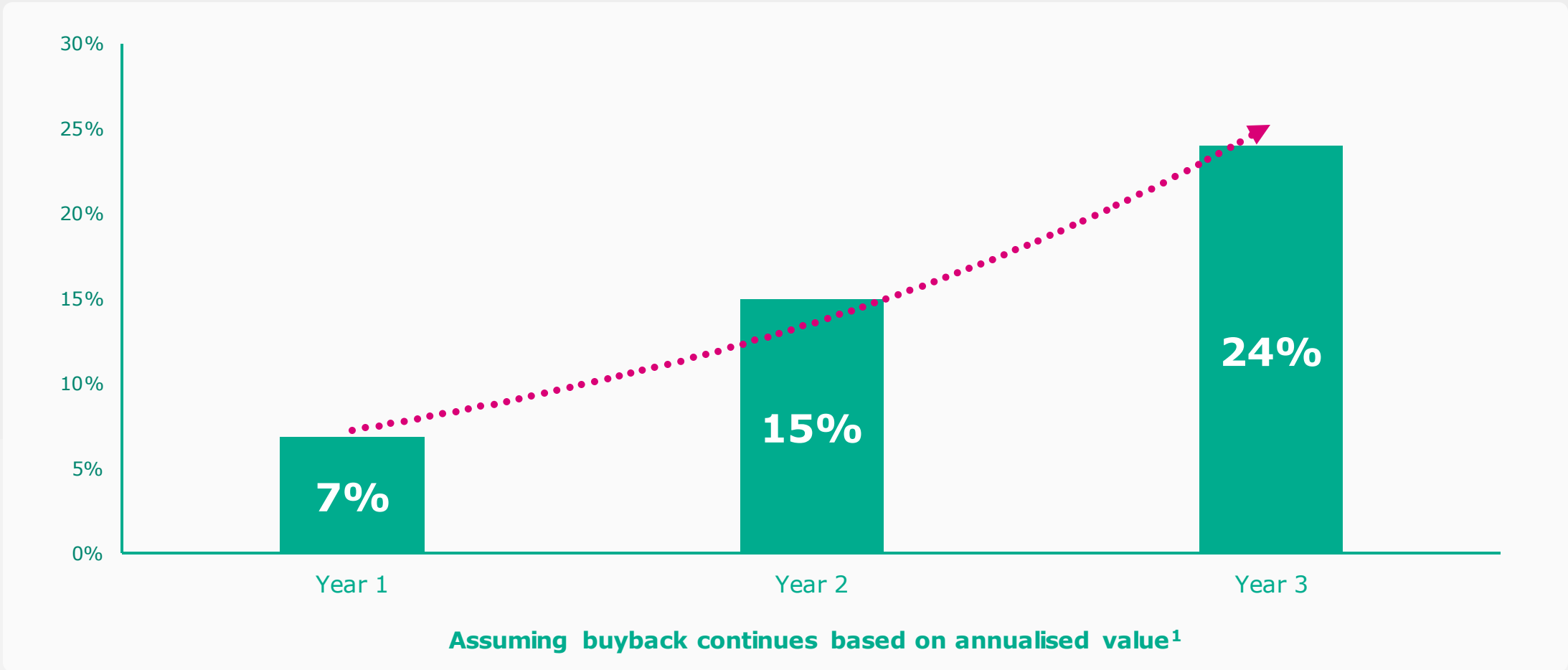
Annualised Impact²

	Pre-buyback	Annualised impact	Pro forma	% change
NAV ¹ (US\$m)	127,500	(13,000)	114,500	-10%
Net shares in issue (m)	1,420	(228)	1,192	-16%
NAV per share (US\$ p/s)	89.8	6.3	96.1	

+6.9%
Approx. NAV per share accretion in 12 months

1. NAV per share prior to buyback based on NAV on 25 November 2022 adjusted for Tencent shares sold. A assumption that NAV was unchanged except for the impacts of the buyback on number of Tencent shares owned.
 2. Annualization impact calculated by scaling buyback at current run rate for 12 months.

NAV per share accretion compounds over time

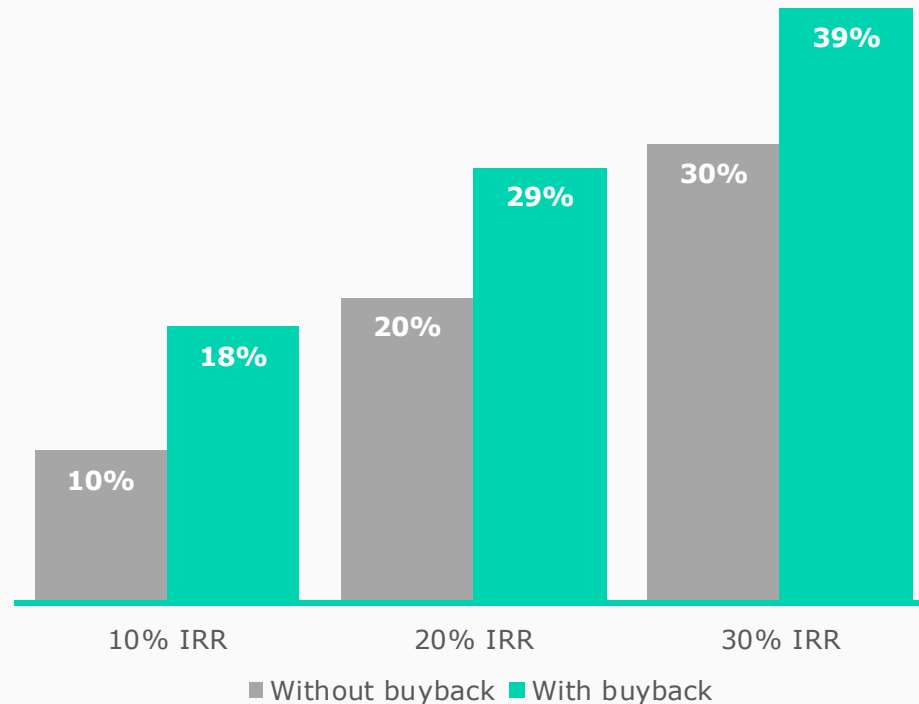


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Investment IRRs are improved, and per share exposure to Tencent increases

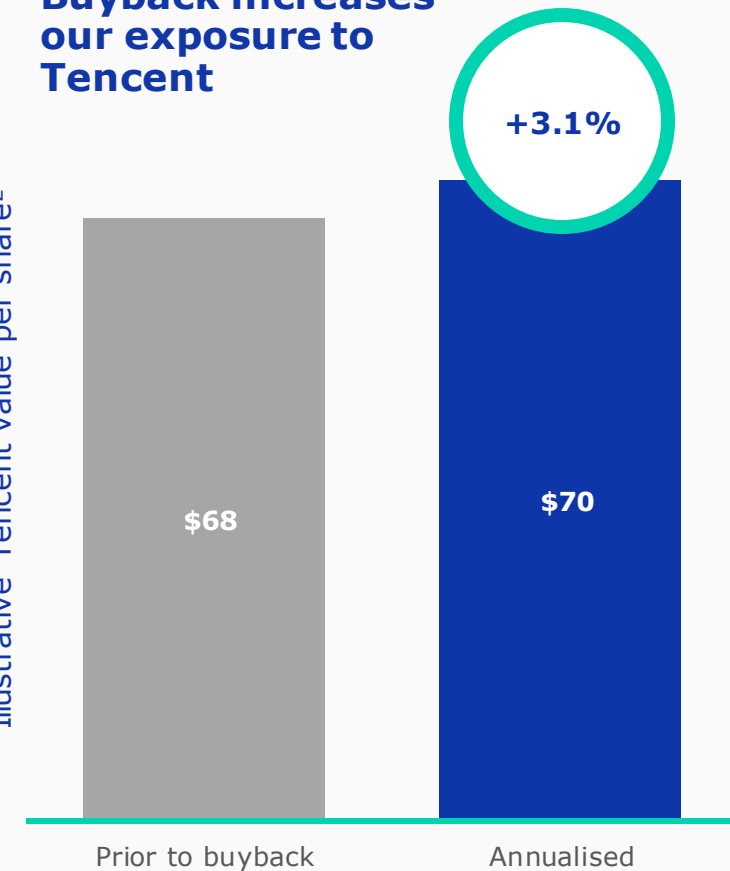
Enhances our returns

NAV per share IRR with and without
buyback at various portfolio IRRs¹



Buyback increases our exposure to Tencent

Illustrative Tencent value per share²



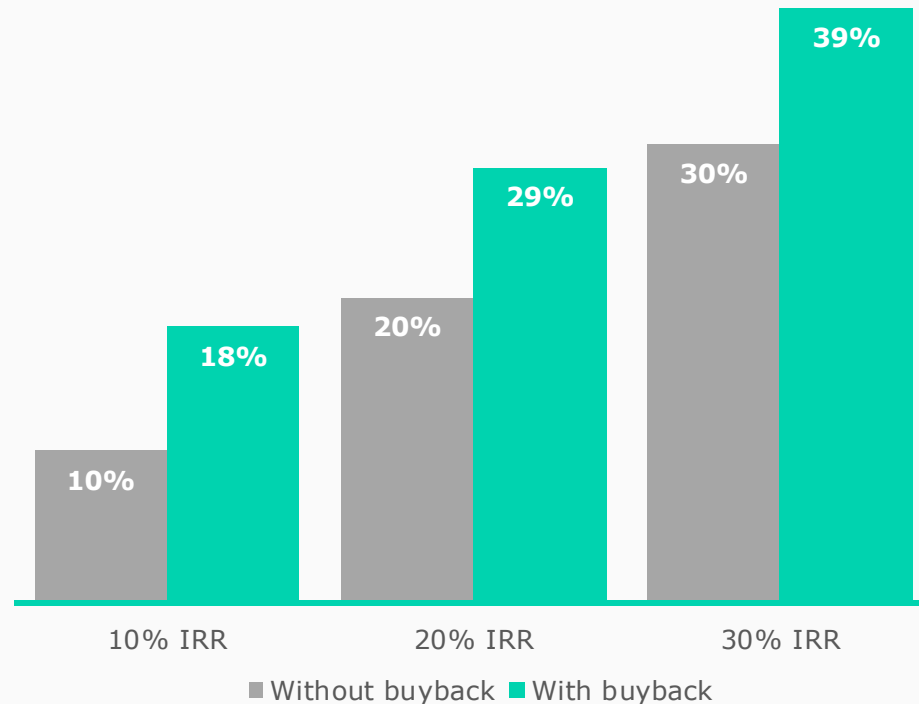
¹ IRRs measured over three years based. Portfolio IRR represents return on underlying assets.

² Tencent value per share prior to buyback based on Tencent value on 25 November 2022 adjusted for Tencent value sold. Assumption that NAV was unchanged except for the impacts of the buyback.

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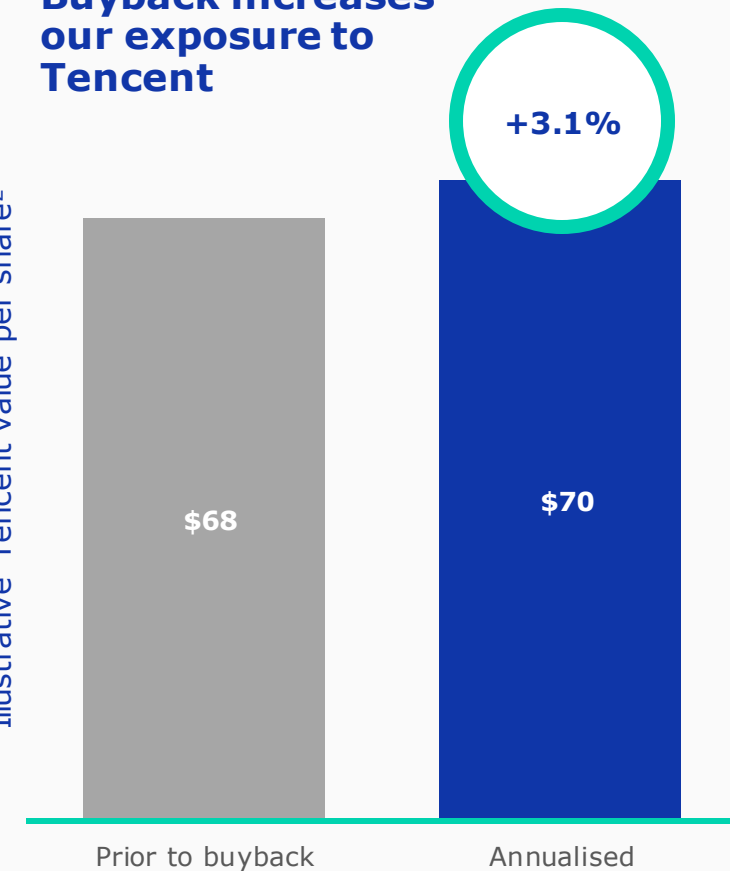
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Summary: the benefits compound over several years



**NAV per
share
accretion**

**Tencent
per share
accretion**

**IRR
leverage**



What's next?

We are committed to building a "cycle of value creation"

prosus

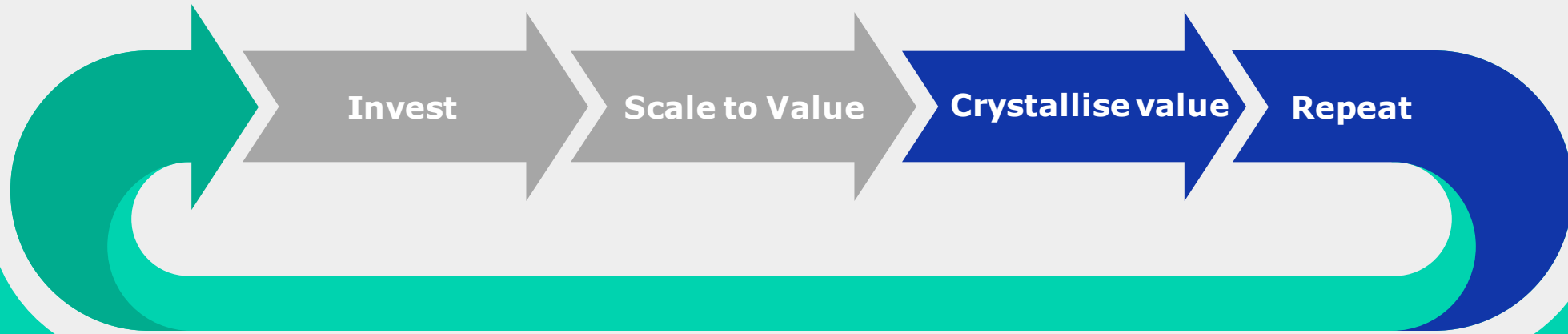


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Crystallising value is core to our strategy



Public companies

Listed positions

Including:



Transactions

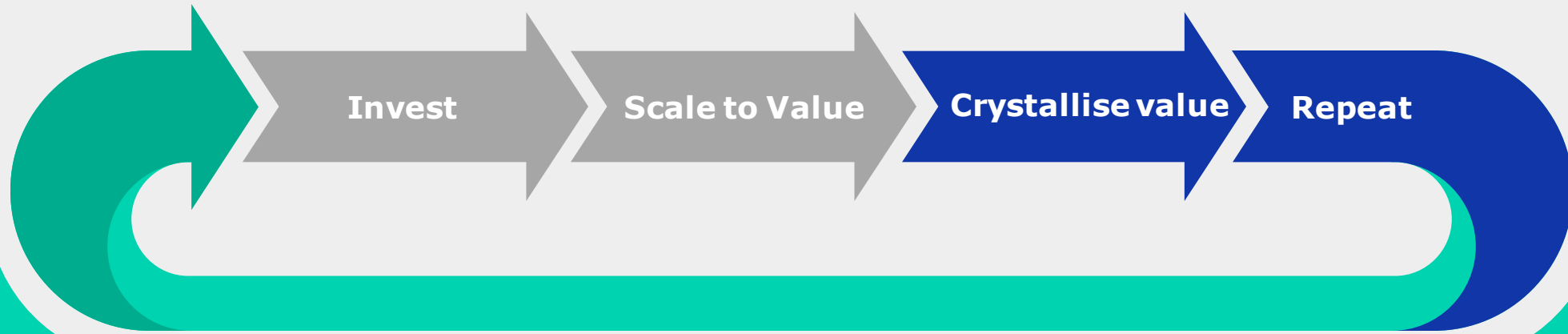
Sales

Including:



We are committed to continue crystallising value

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Public companies

Listed positions

Including:



Transactions

Sales

Including:



We are committed to continue crystallising value

Key takeaways

Focused on growing NAV per share over time and actively managing the numerator and denominator of the NAV per share calculation

Current market conditions have affected our returns, but our ambition is to return to our historic relative outperformance

Committed to our open-ended share buyback programme which accretes NAV / share on a standalone basis *and* magnifies returns on our NAV

Building a repeatable process of investing towards crystallisation and return – this will define the next generation of value creation

Significant financial flexibility enabling us to act quickly on opportunities, but the bar will remain very high for external investment

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