



Adevinta



Q3 2020 Results

The slide features a vertical split background. The left side shows a top-down view of a modern office with a white round table, two silver laptops, and two white office chairs. The right side shows a large, detailed image of the moon against a dark blue space background with stars.

Rolv Erik Ryssdal, CEO
Uvashni Raman, CFO

27 October 2020

Creating perfect matches on the
world's most trusted marketplaces

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Q3 Highlights

Rolv Erik Ryssdal
CEO

Key highlights of the quarter

- Agreement for the acquisition of eCG
- Further execution of the GM portfolio optimization strategy
- Expansion in Brazil to support long-term development
- Q3 performance confirms recovery trajectory across markets and shows exceptionally high profitability
- Catch-up and accelerated investment in P&T and marketing expected in Q4 to support roll out of new features and solutions
- Macro environment remains uncertain in the short term



Creating the world's largest online classifieds group



Globally scaled pure-play online classifieds leader, with leading market positions



Diversified classifieds platform across geographies and verticals with highly complementary portfolio of assets



Resilient business model



Profitable growth, enhanced by organic and consolidation opportunities



Substantial synergy potential of estimated €134-165mn run-rate annual EBITDA⁽¹⁾



Strong cultural alignment and common DNA

Progress on key milestones ahead of eCG acquisition

Regulatory process ongoing

- EGM to be held on October 29
Both Schibsted and Blommenholm have committed to support the proposed resolutions
- Regulatory filings in process, current timeline remains unchanged but subject to the regulator

Refinancing completed

- €1,060m senior secured notes
 - €660m tranche due 2025
 - €400m tranche due 2027
- €900m senior secured term-loan B facility due 2028
- \$506m senior secured term-loan B facility due 2028

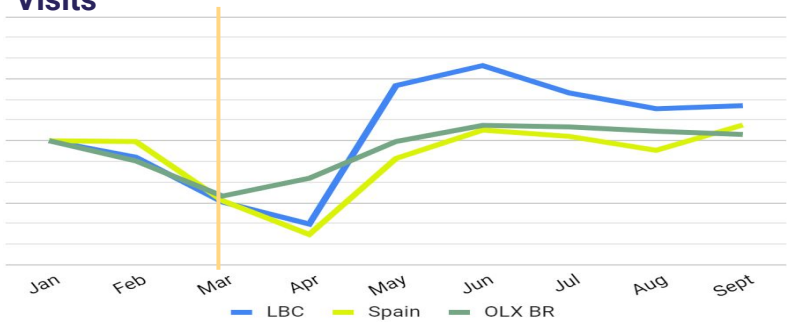
Operational integration planning

- Internal integration team and governance in place
- External PMI advisor activated
- Integration planning initiated
- Priorities: achieve safe day 1 integration and build global capabilities in order to extract identified synergies

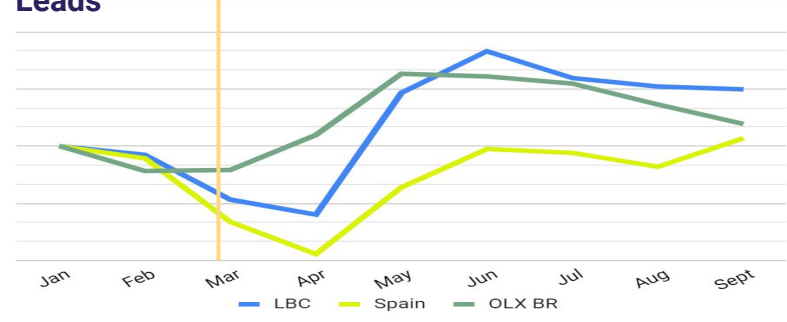
Operations: further recovery in the quarter

Operational KPIs (100 indexed)

Visits



Leads



Revenues

Revenue up 1.6% yoy

Revenue trends improved in all markets as expected

France and Brazil back to positive organic growth in the quarter

Classifieds revenue up year on year while advertising remains under pressure

EBITDA

Exceptionally high EBITDA margin at 31%

Cost based strictly managed as a result of low activity

Personnel hiring and marketing expenses postponed to Q4

Benefit from one-off items

Source: Adevinta estimates



All numbers on a proportionate basis incl JVs

Strategic moves in the existing portfolio to increase focus on highest potential markets

Expansion in Brazil

- Final approval received from antitrust authorities for the acquisition of Grupo Zap
- Ongoing pre-closing restructuring at Grupo Zap
- Closing expected in the coming days

GM portfolio optimization

- Sale of Avito in Morocco, Tayara in Tunisia and Fincaraiz in Colombia to Frontier Digital Ventures
- Increased focus on highest opportunities markets

Q3 Business Review

Rolv Erik Ryssdal
CEO

France: Improving market trends despite worsening of social and economic environment



Market environment

- Traffic increasing year-on-year in all segments except jobs
- Motors: used vehicles market at historic peak level supported by government automotive assistance plan but significant drop of stocks
- Good rebound of the real estate market despite weaker volumes
- Strong acceleration in transactional services
- Weakening advertising market



Business initiatives

- Launch of smart bump and lead generation offerings in real estate
- Improvement of payment solution in motor
- Comprehensive offering and strategic partnership in leisure market
- Launch of multi delivery method and new safety features in consumer goods

Spain: further signs of recovery but tough macro environment and increased restrictions



Market environment

- Spanish economy is the hardest impact among our main countries
- Traffic back to yoy growth in the summer
- Housing and used car transactions back to last year's level in summer time
- Jobs segment affected by increasing level of unemployment



Business initiatives

- Strong client outreach to maintain strong relationships
- Hybrid listing combining grid and map view and unique back-office tool in real estate
- Improved features in motors such as ad insertion facilitation for private sellers
- Progressive roll-out of payment and delivery solutions

Brazil: improved macro picture and outlook



Market environment






- Traffic and liquidity remain high, growing at double digit
- Recovery in housing and motor transaction volumes
- Stronger impact of the crisis on small clients, especially in motor but overall increasing number of real estate agents



Business initiatives

- National roll-out of OLX Pay in Android and mobile site
- Value added services: new partnership for real estate and C2C financing for cars
- Improved real estate product for developers with a significant impact on organic leads
- Onboarding cells (welcome professional clients during the first two months) to contain churn

Global markets: encouraging developments across markets

 <p>Italy</p>	 <p>Willhaben</p>	 <p>Ireland</p>	 <p>Hungary</p>	 <p>Shpock</p>
<p>Good progress with the transformation, growth in traffic and content</p> <p>Motor gaining share of content and dealers</p>	<p>Growth in traffic and content and good lead generation in the verticals</p> <p>Paylivery, a peer-to-peer payment and delivery service gained considerable traction</p> <p>Jobs continued to be impacted by slow market recovery</p>	<p>Gaining share in Real Estate as specific commercial measures in Real Estate end</p> <p>Good progress in Motor, defending position and recovering private content</p>	<p>Resilient recovery in Motor with return of traffic growth</p> <p>Continued to improve transactional offering</p>	<p>Continued to show accelerated growth in the transactional model</p> <p>Product development such as fashion specific filters</p> <p>Marketing investment ramped up towards the end of the quarter and to continue throughout Q4</p>

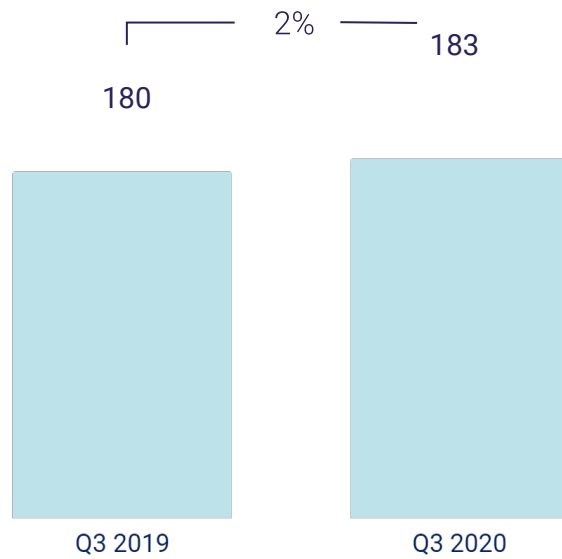
Continued portfolio management: exit of Morocco, Tunisia and Colombia

Financials

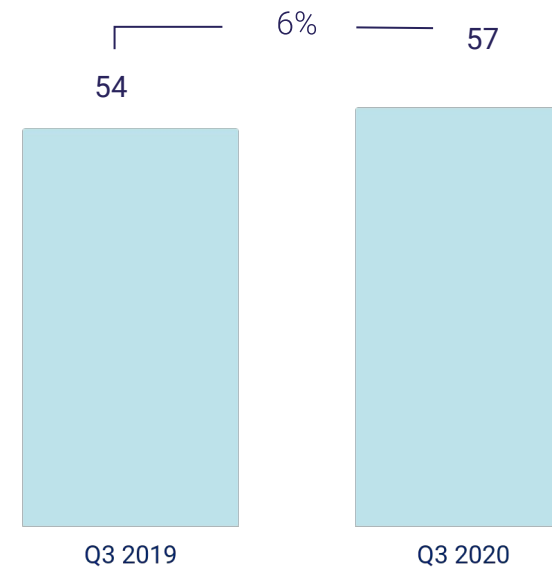
Uvashni Raman
CFO

Q3 financial performance

Proportionate revenues incl JVs
€ millions



Proportionate EBITDA incl JVs
€ millions



Efficient cost management and positive one-offs



Personnel expenses

Limited hiring
Progressive ramp up
expected



Marketing expenses

Cancelled or delayed
marketing campaigns



Other operating costs

Travel and meetings
canceled
Limited use of third-party
services
Contract renegotiation



One-off items

c.€2m across France,
Brazil and GM

France: positive organic growth and favorable phasing of expenses



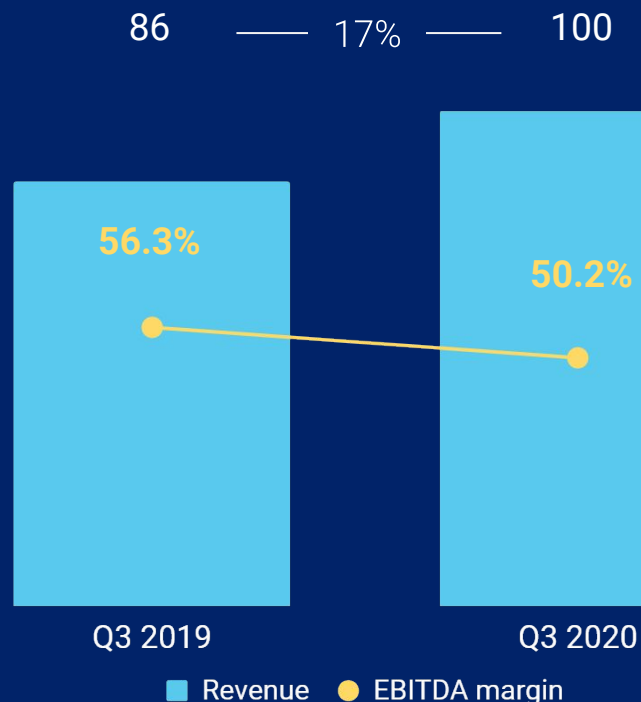
Revenues

- Total revenues **up 17%** yoy and **8% excluding L'Argus**
- **Classifieds** revenue grew **24%** driven by cars and real estate and ramp up in transactional
- **Advertising trends** remained below last year due to strong slowdown in September driven by challenging context.

EBITDA margin

- **Dilutive** impact of acquisitions
- Further **Investment** in transactional model and **Marketing**
- **Partially offset** by strict **cost control** measures and limited growth in Personnel costs

France
Revenues and EBITDA margin (€ millions)



Spain: further top-line improvement, margins protected



Revenues

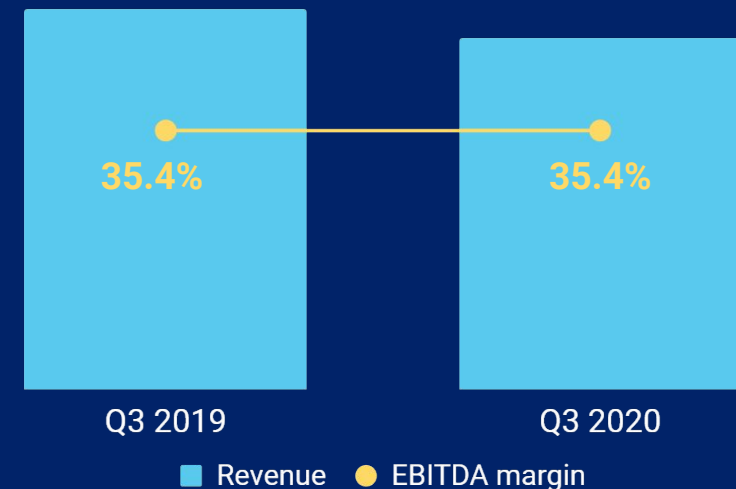
- Revenue decreased 7%, improving from Q2
- **Motor and programmatic advertising up yoy**
- **Jobs and real estate** still down yoy but **strongly recovering** from Q2

EBITDA margin

- **Stable yoy**, despite the revenue decline
- Benefits of **cost saving measures** (marketing spending and administrative costs reduction)
- Stable personnel cost
- Commercial activity focused on customers support and re-activation

Spain
Revenues and EBITDA margin (€ millions)

45 — (7)% — 42



Brazil: positive organic growth and improving profitability



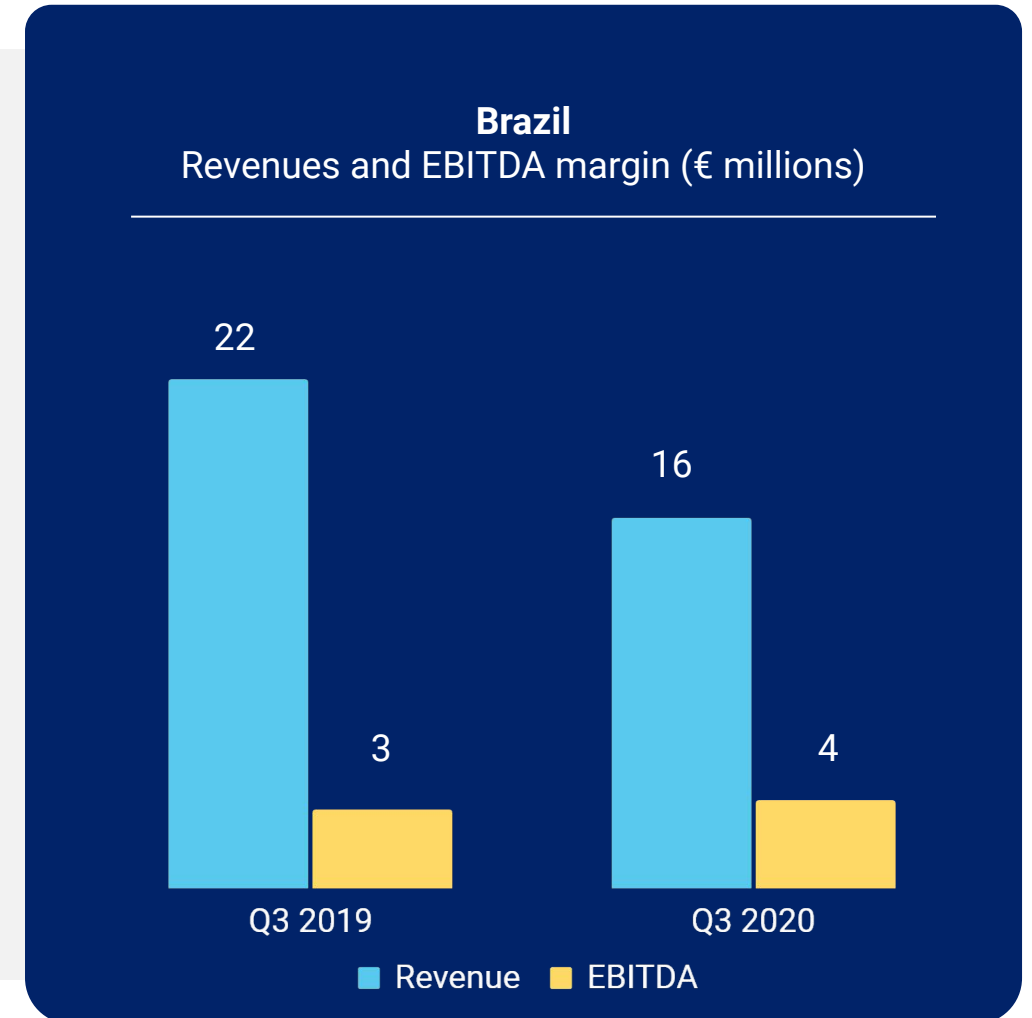
Revenues

- **Local currency revenue up 4% yoy with acceleration in September**
- **Recovery in supply** in real estate and car verticals
- **Solid performance in indirect advertising, and value added services**
- **Growth in professional revenues** driven by successful initiatives to improve clients satisfaction and enhance new sales

EBITDA margin

- Positive **one-off impact of tax credits** over marketing costs from prior years
- **Underlying EBITDA grew yoy** due to revenue growth and favorable phasing of marketing while continued investment in product & tech

Grupo ZAP acquisition process: final approval received from CADE



Global markets: strong rebound in Q3 with performance improving in major markets

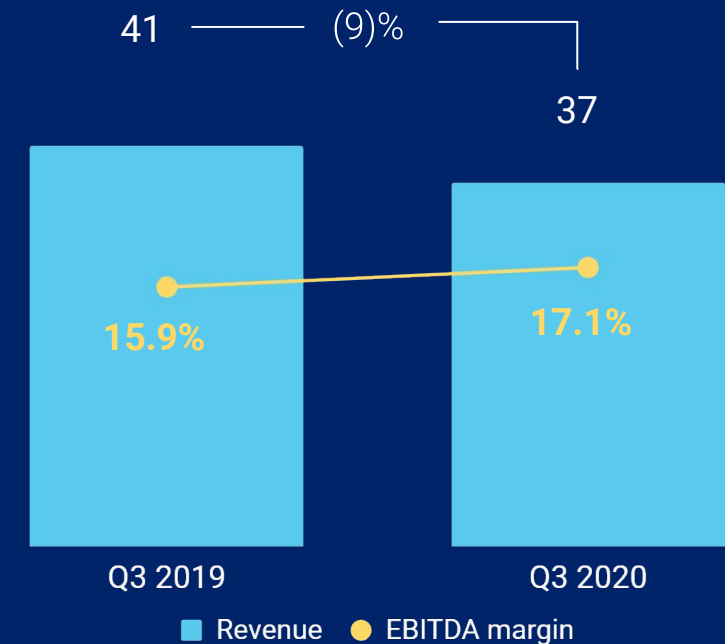
Revenues

- Local currency revenues down **7%**
- **Classified revenues** down 7% however improving as Q3 progressed
- **Good recovery ongoing in Italy**, mainly driven by cars with increase in market share and content
- **Strong performance in Ireland and Willhaben** boosted by year-on-year growth in advertising
- **Progressive improvement in advertising** trends throughout the quarter in most markets

EBITDA margin

- Negative impact of **investment in Shpock**
- Italy, Willhaben, Ireland and Hungary **all up compared to LY**
- **Strong cost reduction** initiatives partly offset revenue decline
- Small **positive one-off** in Hungary

Global markets Revenues and EBITDA margin (€ millions)



In order to fully align Global Markets segment reporting with Management reporting and to create full consistency between the Brazil and Global Markets segments when it comes to how Joint Ventures are presented, Willhaben revenues and EBITDA are included on a 100% basis for both periods. For more details (including reconciliation information and historical numbers, please refer to the Investors section of the Adeventa website)

Other P&L items

- **HQ & other** EBITDA improved c.€3m yoy to €(15.1)m due to reduction in administrative costs in the Covid-19 context
- Strong increase in other expenses due to **acquisition-related costs**
- Strong yoy increase in interest charge due to **one-off non cash hedging** impact of €21.5m
- **Update on DST:**
 - DST bill approved in Spain and will be effective in January, 2021
 - No further developments in other regions



Financial position

- **Cash & cash equivalents of € 327m** at the end of September
- Revolving Credit Facility of **€400m** remained undrawn
- **Debt placement** to fund cash consideration to eBay and refinance existing debt **completed**.
- **€ 2,386m** raised across Senior Secured Notes (SSN) and Institutional Term Loans (TLB)
 - €660m SSN due 2025 (margin of 2.625%)
 - €400m SSN due 2027 (margin of 3.00%)
 - €900m senior secured TLB due 2028 (margin of 3.25% + EURIBOR)
 - \$506m senior secured TLB facility due 2028 (margin of 3.00% + LIBOR)¹
 - Issue Credit Ratings: Moody's (**Ba3**), Fitch (**BB+**), S&P (**BB-**)
- **Target leverage ratio²**: down to 2x-3x range in the medium term

¹ Adevinta has entered into a cross currency interest rate swap, effectively converting the \$506 million USD TLB into EUR 427 million with an all-in fixed margin of 3.169%.

² Leverage ratio quoted according to the definition of the information memorandum released on October 19

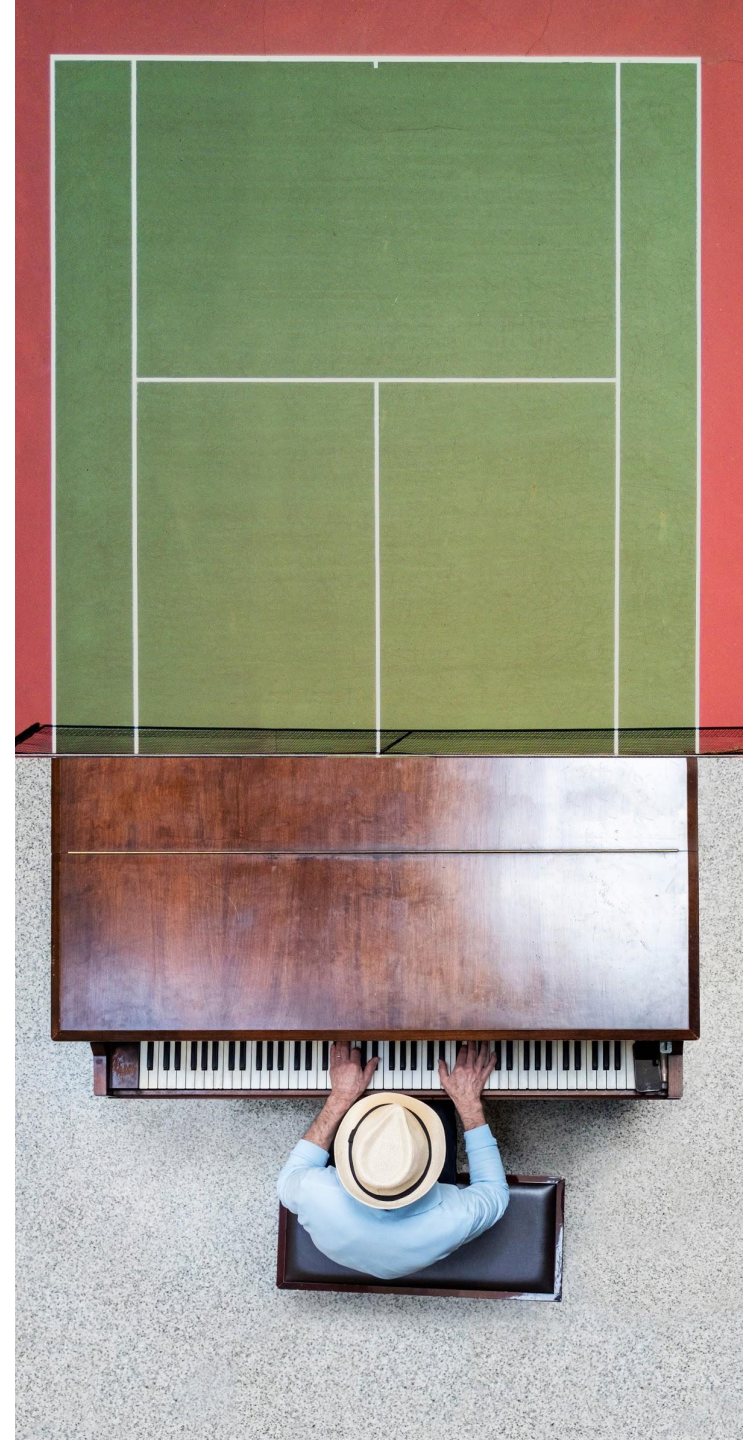


Outlook

Rolv Erik Ryssdal
CEO

Long-term opportunities remain intact despite short term uncertainty

- **Acceleration of consumer behavior evolution** will support rise of leading players in online classifieds
- **Continued innovation** focus to improve user experience and professional tools' efficiency will contribute to **strengthening our positions**
- **Combination with eCG** expected to foster further innovation and efficiency over the long run - estimated €134-165m run-rate annual EBITDA impact in year 3
- **Macro environment** remains uncertain in the short-term
- **Acceleration in marketing and product & tech investment** is expected as from Q4 to drive future growth, secure our positions and seize opportunities that will arise from the crisis, leading to a decrease in EBITDA margin
- **CMD on combined entity** and perspectives to be held in H2 2021



Q&A

A

Appendices

Shareholder analysis

Rank	Name	Shares	%
1	Schibsted ASA	406,050,523	59.3 %
2	Blommenholm Industrier AS	43,313,297	6.3 %
3	Baillie Gifford & Co.	25,644,234	3.7 %
4	Folketrygdfondet	23,203,775	3.4 %
5	Fidelity Management & Research Company LLC	19,622,888	2.9 %
6	Capital World Investors	11,169,317	1.6 %
7	The Vanguard Group, Inc.	7,392,526	1.1 %
8	BlackRock Institutional Trust Company, N.A.	6,604,143	1.0 %
9	Alecta pensionsförsäkring, ömsesidigt	6,185,326	0.9 %
10	Capital Guardian Trust Company	5,861,165	0.9 %
11	Pelham Capital Ltd	5,613,212	0.8 %
12	Alfred Berg Kapitalforvaltning AS	4,835,735	0.7 %
13	Adelphi Capital LLP	4,698,166	0.7 %
14	Mitsubishi UFJ Trust and Banking Corporation	4,299,110	0.6 %
15	Premier Miton Investors	4,053,592	0.6 %
16	DNB Asset Management AS	4,044,818	0.6 %
17	KLP Forsikring	4,004,036	0.6 %
18	Citigroup Global Markets	4,000,000	0.6 %
19	Storebrand Kapitalforvaltning AS	3,814,279	0.6 %
20	Vor Capital LLP.	3,411,392	0.5 %

Updated information and VPS register at:
<https://adevinta.com/ir/shareholders/>

*The shareholder ID data are provided by Nasdaq OMX.
 The data are obtained through the analysis of
 beneficial ownership and fund manager information
 provided in replies to disclosure of ownership notices
 issued to all custodians on the Adevinta share register.
 Whilst every reasonable effort is made to verify all
 data, neither Nasdaq OMX or Adevinta can guarantee
 the accuracy of the analysis.*

Source: Nasdaq OMX. Data as of 30 September 2020

Basic information

Ticker	
<i>Oslo Stock Exchange:</i>	ADE
<i>Reuters:</i>	ADE.OL
<i>Bloomberg:</i>	ADE:NO
Number of shares	684,948,502
Treasury shares (October 23, 2020)	52,227
Number of shares outstanding	684,896,275
Free float*	40.7%
Share price (October 23, 2020)	NOK 159.70
Average daily trading volume (shares)**	728,139
Market Cap total (October 23, 2020)	NOK 109bn (USD 11.8bn)

* Total number of shares excluding treasury shares and shares owned by Schibsted ASA | ** Last hundred days on the Oslo Stock Exchange

Investor information

Visit Adevinta's website www.adevinta.com

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