Adevinta

Q3 2023 Interim Report

November 21, 2023

Content

Highlights of Q3 2023

Strong Q3 2023 results performance in a soft macro environment

Strong growth in Core Markets: +14% year-on-year, driven by continued outstanding performance at mobile.de

- 17% growth in Classifieds, with 24% growth in Mobility and 11% growth in Real Estate
- Consumer Goods transactional revenues up +51% yoy, with strong performance in all Core Markets
- Advertising revenues down 6% yoy

Total consolidated revenues at €454m, up 12%[1] yoy

Total consolidated EBITDA of €171m, up 29% yoy

Reported EBITDA margin of 37.6%, up 5pp yoy, benefitting from operating leverage, continued cost discipline and favourable phasing of expenses

Strong cash flow generation and further deleveraging

- Adjusted NCF from operating activities: €144m[2]
- Debt repayment of €94m in the quarter, prioritising floating debt
- Leverage Ratio[3] of 2.7x

Further successful execution of our *Growing at Scale* strategy

Business integration on track, with further roll out of new operating models for support functions, and synergy targets confirmed

Verticalisation[4] of Adevinta's operations ongoing

- Organisational design approved by employee representatives
- Good progress on platform convergence with achievement of first key milestone

Continued focus on operational excellence

- Increased monetisation in key verticals
- Strong ramp-up of transactional services, driven by France, Kleinanzeigen and Italy
- Financial discipline

Outlook

2023 outlook confirmed

- Double digit Core Markets revenue growth
- Reported EBITDA expected to be at the top end of the previously announced €620m to €650m range
- Further deleveraging expected, towards 2x net debt/EBITDA in the medium term

Long-term ambition for Core Markets confirmed

- 2023-2026 annual revenue growth between 11% and 15%
- 2026 EBITDA margin: 40-45%

Concurrent announcement of a voluntary tender offer to acquire all issued and outstanding shares in Adevinta[5]

[1] Excluding Mexico and Hungary
[2] Net cash flow from operating activities adjusted for CAPEX and IFRS 16 lease payments
[3] Senior Secured Net Leverage Ratio as of Q3 2023 based on the definition of the Facilities Agreement

[4] Alignment of the organisational structure with the Group strategy, based on three key pillars: Mobility, Re-commerce and Real Estate & Emerging Verticals
[5] For more information about the offer, please refer to the announcement made by Aurelia Bidco

Key performance indicators - Q3 2023

Core markets revenues

€419m
+14% yoy

Visits

leboncoin / mobile.de / Kleinanzeigen
+11% yoy / +9% yoy / flat yoy

Group revenues

€454m
+11% yoy

Motors

ARPA leboncoin / ARPL Mobile.de
€465/ €24
+20% yoy / +10% yoy

EBITDA

€171m
37.6% reported margin
+5pp yoy

Real Estate

ARPA leboncoin / ARPA Kleinanzeigen
€690 / €130
+21% yoy / +22% yoy

Adjusted net cash-flow from operating activities

€144m

Transactions

leboncoin / Kleinanzeigen
+31% yoy / +82% yoy

***ARPA**: Average Revenue per Account (formula for a given month: paying professional accounts revenue / # of paying professional accounts)*
***ARPL**: Average Revenue per Listing (formula for a given month: revenue generated from dealer subscriptions, features and insertions / average monthly live listings)*
***Transactions**: based on payouts - number of payments made to sellers following a successful transaction*
***Visits**: every user session on a single device, based on internal data.*
***Adjusted net cash flow from operating activities**: net cash flow from operating activities adjusted for CAPEX and IFRS 16 lease payments*

Message from our CEO

We witnessed another positive set of results in the third quarter, with continued growth across our core business despite a challenging market environment. This quarter has seen us continue to deliver against our business and strategic roadmap, which we have driven forward with continued business integration measures and operational verticalization. This focused work by teams across Adevinta has seen our revenues, EBITDA and margins improving substantially year on year. This puts us on an excellent footing to close out the year.

Revenues in the core markets grew 14% year-on-year in the third quarter. Classified revenues grew 17%, once again demonstrating the persistent strength of our market positions, value proposition and business models. Transactional services had an outstanding quarter as we continue to innovate and build out our offering, delivering an impressive revenue growth of 51%, with contributions from all core markets. Advertising revenues decreased by 6% due to continued weakness in the overall advertising market.

Our EBITDA margin in the second quarter saw a 5-point increase year-on-year, benefitting from operating leverage and the favourable phasing of expenses. Cash generation remained very strong during the quarter, enabling further deleveraging by prioritising floating debt, which mitigated some of the impacts of rising interest rates.

The integration and transformation of the business continues apace. Our new organisational design, originally announced at the end of 2022 and finalised in the second quarter of this year, has now been approved by employee representatives. Importantly, this quarter we reached the first key milestone in our platform convergence programme, which is progressing as planned.

Delivering this progress and innovation has been no easy feat, and the strong performance of the business this quarter is credited to the wealth of talent across Adevinta. It is thanks to all our teams that we are now set to close out the year in a confident position to achieve our stated targets of double-digit revenue growth in Core Markets and reported EBITDA at the high end of the €620m to €650m range.

Antoine Jouteau,
CEO

Financial performance

Adevinta has identified France, mobile.de, European Markets, International Markets and Headquarters and Others as the operating segments, mirroring the internal reporting structure. This reflects the review, management and assessment of the group's operating results by Group Management following the acquisition of eBay Classifieds Group.

Following the decision to exit **Hungary**, this asset was classified as held for sale as at 31 March 2023. It was subsequently **sold on 14 September 2023**. The Q3 2023 performance for this asset only includes July and August results.

Additionally, the segment information only presents a consolidated view and does not include Joint Ventures nor associates that are not 100% consolidated (namely OLX Brasil and Willhaben). **Results from Joint Ventures and associates are presented in the line "Share of profit (loss) of joint ventures and associates"** in the profit and loss statement.

Core Markets are France, Germany, Spain, Italy, and Benelux.

Quarterly restated figures from Q1 2021 to Q3 2023 (on a "combined" basis, adjusted for comparability) are available under the following link: www.adevinta.com/investors/financial-results-publications.

Alternative performance measures (APM) used in this report are described and presented in the Definitions and Reconciliations section at the end of the report.

Third quarter				Year-to-date		
yoy %	2022	2023	€ million	2023	2022	yoy %
11%	**408**	**454**	**Operating revenues**	**1,355**	**1,213**	**12%**
29%	**132**	**171**	**EBITDA**	**493**	**403**	**22%**
	32.4%	37.6%	EBITDA margin	36.4%	33.2%	
			Operating revenues per segment			
12%	119	133	France	402	365	10%
26%	82	104	mobile.de	298	231	29%
9%	176	192	European Markets	577	522	10%
-25%	30	23	International Markets	69	88	-22%
-14%	3	2	Other and Headquarters	9	9	-4%
82%	-1	0	Eliminations	-1	-4	71%
			EBITDA per segment			
13%	53	59	France	180	173	4%
41%	46	65	mobile.de	177	125	42%
15%	72	83	European Markets	240	212	13%
-23%	14	11	International Markets	34	37	-9%
11%	-53	-47	Other and Headquarters	-139	-145	4%
			JVs: OLX Brazil and Willhaben			
6%	28	30	Proportionate share of revenues	86	78	9%
43%	6	8	Proportionate share of EBITDA	30	6	380%

Operating revenues by category

Third quarter				Year-to-date		
yoy%[1]	2022	2023	€ million	2023	2022	yoy%[1]
15%	311	355	Online classifieds revenues	1,045	912	15%
51%	16	24	Transactional revenues	73	47	55%
-8%	79	73	Advertising revenues	228	246	-7%
23%	2	3	Other revenues	9	7	35%
12%	**408**	**454**	**Operating revenues**	**1,355**	**1,213**	**13%**

[1] Excluding Mexico and Hungary, and also excluding InfoJobs Brazil and Belarus for the year-to-date comparison

Quarter performance

Adevinta exited Mexico (in Q3 2022) which represented 2 million euros revenues included in Q3 2022 results. Adevinta also exited Hungary in September 2023, and the Q3 2023 performance for this asset only includes July and August results.

Excluding the impact of these divestments, **group revenues were up 12% in the third quarter** compared to the same period last year:

- **Online classifieds revenues** improved by 15% year-on-year;
- **Transactional revenues** grew by 51% year-on-year;
- **Advertising revenues** were down 8%.

Core Markets revenues reached €419 million euros in the quarter, representing a strong 14% growth, despite the soft macroeconomic environment:

- **Online classifieds revenues** improved by 17%, supported by continued strong double-digit revenue growth in Mobility, mostly driven by mobile.de. Real Estate posted a double-digit growth in the period, driven by France and Kleinanzeigen. Jobs' performance was flat year-on-year.
- **Transactional revenues** grew by 51% year-on-year, with strong revenue growth in all markets;
- **Advertising revenues** were down 6% year-on-year, as a result of an overall weaker advertising market.

Gross operating profit (reported EBITDA) amounted to 171 million euros, up 29% year-on-year, representing a 37.6% margin, up by more than 5 percentage points year-on-year. This was the result of (i) strong revenue growth in the period, (ii) lower marketing spend, down by more than 20% year-on-year, driven by different phasing, spend discipline and prioritisation across all markets, and (iii) a favourable spread of expenses in the period, with some catch-up expected in Q4 2023. Last year, performance was also impacted by the (6) million euro catch-up provision related to the French DST. This was partly offset by (i) higher personnel costs, driven by the continued scaled build-up of global capabilities, with the implementation of new operating models for support functions and Product and Technology teams, continued investment in product development and in sales and customer support operations to support future growth, and (ii) higher direct costs from transactional services, in line with the adoption of the service and revenue growth.

Segment information

France

Third quarter				Year-to-date		
yoy%	2022	2023	€ million	2023	2022	yoy%
12%	**119**	**133**	**Operating revenues**	**402**	**365**	**10%**
-12%	(66)	(74)	Operating expenses	(222)	(192)	-16%
13%	**53**	**59**	**EBITDA**	**180**	**173**	4%
	44.5%	44.6%	EBITDA margin	44.7%	47.4%	

Traffic[6] in France improved compared to last year (+11%) while content developed strongly in key verticals during the quarter. Consumer Goods new ads were up 8% year-on-year. Real Estate professional online listings were up 11% year-on-year and Mobility professional online listings were up 14% (mainly due to low comparison level).

Total P2P transaction payments in France saw strong traction in the quarter, with payouts up 31% year-on-year. This performance was supported by promotional campaigns in September with delivery discounts, and by improvements to the user experience. We introduced Split Payment, which allows users to combine their eWallet with other payment methods. We also successfully launched Apple Pay as a payment method for iOS users at the end of the quarter, with very strong results to date. **Our marketplace service for professional sellers continued to perform well**, with a strong increase in the number of transactions (7x year-on-year).

Reported revenues in France grew by 12% in the third quarter of 2023. **Online classifieds revenues grew 13% year-on-year driven by Real Estate and Mobility**. Real Estate saw double-digit revenue growth and continued to benefit from the successful launch of enhanced subscription packages in September 2022. This contributed positively to the ARPA development (to €690; +21% year-on-year). Mobility revenue growth was driven by the 20% ARPD increase (to €495), mainly led by the annual price increase for car dealers. Jobs and Holiday Rental revenues were down year-on-year.

Advertising revenues were down 9% compared to last year. We saw the ongoing impact of reduced activity from media agencies and programmatic, following negative market trends for classic display.

Transactional revenues were up 34% year-on-year, on the back of transaction volume growth.

Reported EBITDA was 59 million euros, up 13% year-on-year. This was the result of the positive top-line development and lower marketing expenses over the period (down 47% year-on-year). Last year performance was also impacted by the (6) million euro catch-up provision related to the French DST. This was partly offset by (i) an increase in direct transaction costs (while the improved delivery pricing structure and supplier mix and the introduction of new solutions with positive impact on the margin partially offset the impact of higher transaction volumes), and (ii) an increase in personnel, due to investments in product and technology development. **The reported EBITDA margin was broadly stable year-on-year,** also reflecting the evolution of the business mix with an increasing share of transaction services (-0.9pp dilutive impact of direct transaction costs) and a decreasing share of highly profitable advertising revenues.

We introduced several user experience upgrades during the quarter. In Consumer Goods, we launched new categories (pet accessories and children's furniture) and improved the customer support experience with messaging integration that connects users to support agents directly within the messaging platform. **In Real Estate**, we launched a rental management offer with a partner, we added new key information to new construction ad details, increasing both the quality of leads sent to agents, and buyer satisfaction. We also upgraded our offering to professionals, with more visibility on the search result page, logo displayed on ad cards and the ability to highlight ads in a carousel format.

[6] Visits: every user session on a single device, based on internal data

Mobile.de

Third quarter				Year-to-date		
yoy%	2022	2023	€ million	2023	2022	yoy%
26%	**82**	**104**	**Operating revenues**	**298**	**231**	**29%**
-8%	(36)	(39)	Operating expenses	(121)	(106)	-14%
41%	**46**	**65**	**EBITDA**	**177**	**125**	42%
	55.7%	62.2%	EBITDA margin	59.5%	54.2%	

Traffic[7] was up 9% compared to the third quarter of 2022, in line with market trends. **Dealer listings showed strong positive growth** compared to the same period last year (+19%), mainly driven by low comparison levels and low demand due to the economic environment, as well as sustained recovery in the number of new listings through the quarter.

Revenues in mobile.de improved by 26% in the third quarter of 2023. Online classified revenues and value-added services increased by 29% year-on-year, once again driven by (i) the continued recovery in dealer listings, (ii) the successful implementation and execution of the dealer price increase of 15% on average in April, and (iii) strong upsell performance. Average revenue per dealer listing increased by +10% year-on-year. **Revenues from private sellers also posted a strong performance** in the quarter, supported by both high C2C ARPL and C2B ARPU. **Advertising revenues decreased by 4%** compared to the previous year, still impacted by the ongoing reduced level of advertising spending by OEMs as a result of the current market context.

EBITDA improved by 41% in the third quarter, mainly driven by the positive top-line development, operating leverage and lower marketing expenses over the period (down 15% year-on-year). This was partly offset by an increase in personnel costs, as a result of the annualisation of investments in product enhancements and in sales and customer support operations. **Accordingly, the EBITDA margin improved by 6.5 percentage points year-on-year.**

We introduced several user experience upgrades during the quarter (e.g. quick search and filters now including Electric Vehicles and Online Buying & Selling in the main page). **We also developed the transactional user journey further with new features on financing** (eg: BMW integration as the first captive bank) **and leasing** (e.g. automatic leasing rate calculation when creating listings for Dealers) while **we integrated further our Online buying & Selling solution** into the mobile.de core experience.

In addition to these product developments and increased value for both consumers and dealers, **we introduced our new dealer packages, which include a fourth package and the redesign of the other three accounts**. The new packages were launched in October 2023, with a soft launch to take place in the fourth quarter of 2023. The communication around these new packages has been very well received by the majority of customers.

[7] Visits: every user session on a single device, based on internal data

European Markets

The European Markets segment comprises primarily Kleinanzeigen in Germany; Marktplaats, 2ememain and 2dehands in Benelux; InfoJobs, Coches, Motos, Fotocasa, Habitaclia and Milanuncios in Spain; Subito, Infojobs, and Automobile.it in Italy; Daft, Done Deal and Adverts in Ireland; Hasznaltauto, Jofogas and Autonavigator in Hungary (sold on 14 September 2023 - Q3 2023 performance only includes July and August results); Kufar in Belarus (sold on 20 May 2022) and Willhaben in Austria.

The segment information only presents a consolidated view and does not include Joint Ventures that are not 100% consolidated. Therefore, Willhaben financial results are not included in the numbers presented in the section. Results from Willhaben are presented in the line "Share of profit (loss) of joint ventures and associates" of the profit and loss statement.

Third quarter				Year-to-date		
yoy%	**2022**	**2023**	**€ million**	**2023**	**2022**	**yoy%**
10%[1]	**176**	**192**	**Operating revenues**	**577**	**522**	**11%[1]**
-5%	(104)	(109)	Operating expenses	(337)	(310)	-9%
15%	**72**	**83**	**EBITDA**	**240**	**212**	13%
	41.0%	43.0%	EBITDA margin	41.6%	40.6%	

[1] Excluding Hungary, and also excluding Belarus for the year-to-date comparison

Revenues in the European markets segment (excluding Hungary) **increased by 10% in the third quarter of 2023, led by double-digit growth in Benelux (+18% year-on-year) and Italy (+20% year-on-year)**, while growth in Kleinanzeigen and Spain started to slow down as expected. Online classified revenues were up by 13%, supported by double-digit growth in Mobility and Consumer Goods. Advertising revenues were down 5% year-on-year. Transactional revenues continued to show strong momentum and doubled compared to the same period last year.

EBITDA improved by 15% compared to the third quarter of 2022. This performance was mainly driven by the positive top-line development, and lower marketing spend in the period, partly offset by higher transaction volumes resulting in an increase in transactional costs, and shipping promotional campaigns to drive adoption of the service. **EBITDA margin improved by 2 percentage points year-on-year, despite the revenue mix effects.**

Kleinanzeigen revenues grew 6% in the period and reached 62 million euros. This was driven by strong performance in Online Classifieds (up 19% year-on-year), with strong momentum in Real Estate, with further market share gains (+13% professional clients year-on-year) and the successful roll-out of our new pricing and packaging proposition (ARPA up 22% year-on-year) and in Mobility, due to higher volumes of leads generated to mobile.de. Consumer Goods also posted a strong performance, driven by Small and Medium Businesses (SMBs) (+17% subscribers year-on-year). These developments were partially offset by a decline in advertising revenues (-9% year-on-year), mainly due to weaker global market environment, and higher comps. Transactional revenues continued to show strong momentum, supported by multiple shipping promotional campaigns. Compared to the third quarter of 2022, traffic[8] was stable.
During the quarter, we focused on improving the user journey in transactional services (e.g. launch of Buy Now 48hr Sellers, launch of Transactional Overview Page and launch of Buy Now for individual shipping).

In Spain, revenues grew 5% in the period and reached 56 million euros. This was mainly due to Online Classifieds revenue growth (+6% year-on-year) driven by solid performance in Mobility, Consumer Goods and Jobs, despite lapping tougher comparables. Real Estate performance was impacted by the macroeconomic context. Advertising revenues were down 4% year-on-year, mostly driven by lower vibrancy. Transactional revenue posted strong performance in the period.
In the quarter, we improved further the user experience (eg: searching a property by commute time in Fotocasa, new valuation tool "Price radar" at Coches.net, assisting clients in pricing content based on internal machine learning models).

Benelux revenues increased by 18% in the period to reach 43 million euros. Revenue growth in Online Classifieds (up 18% year-on-year) was supported by Mobility, with a recovery in listing volumes and a price increase, and by a strong performance in Consumer Goods, which benefited from pricing optimisations. Transactional services revenues (more than tripled year-on-year) were boosted by recent launches of additional shipping options (DHL Home). Advertising revenues were down 3% year-on-year.

In Italy, revenues grew by 20% to reach 18 million euros. This strong performance was mainly driven by (i) Mobility and Consumer Goods within Online Classifieds, (ii) continued strong momentum in Transactional Services and (iii) Advertising, whose strong growth was fuelled by higher programmatic performance and new revenue streams. During the quarter, we ran a 3-day promotional campaign on shipping, which resulted in a new pay-in record.

In Ireland, revenues grew 12% year-on-year, with strong double-digit growth in Mobility and Real Estate while advertising revenues declined year-on-year.

In Willhaben (not included in segment information), revenues grew 23% year-on-year, with strong double-digit growth in Real Estate, Mobility and Consumer Goods and solid performance in Advertising. Transactional services continued to perform strongly in the period.

[8] Visits: every user session on a single device, based on internal data

International Markets

International Markets comprises Kijiji in Canada and OLX in Brazil. Other historical businesses that were in this segment include: Autotrader, Gumtree and Carsguide in Australia (sold on 4 October 2022), Gumtree in South Africa (sold on 23 November 2022), Segundamano and Vivanuncios in Mexico (sold on 26 September 2022), Infojobs Brazil (sold on 30 March 2022).

The segment information only presents a consolidated view and does not include Joint Ventures that are not 100% consolidated. Therefore, OLX financial results are not included in the numbers presented in the section. Results from OLX are presented in the line "Share of profit (loss) of joint ventures and associates" of the profit and loss statement.

Third quarter				Year-to-date		
yoy%	**2022**	**2023**	**€ million**	**2023**	**2022**	**yoy%**
-21%[1]	**30**	**23**	**Operating revenues**	**69**	**88**	**-16%[1]**
27%	(16)	(11)	Operating expenses	(35)	(51)	31%
-23%	**14**	**11**	**EBITDA**	**34**	**37**	-9%
	47.9%	49.1%	EBITDA margin	49.0%	42.3%	

[1] *Excluding Mexico, and also excluding InfoJobs Brazil for the year-to-date comparison*

International markets (Canada) showed a 21% year-on-year decline in revenues (excluding Mexico), driven by currency impact (-9 percentage points) and continued contraction in vibrancy impacting both online classifieds and Advertising performance.

Reported EBITDA was down 23% year-on-year. This reflected the topline evolution and a slight increase in personnel costs, offset by a reduction in marketing expenses and other cost optimisations, as well as by the exit of non-core operations. **Reported EBITDA margin improved by 1.2 percentage point year-on-year.**

OLX Brasil (not included in segment information) increased revenues by 1% year-on-year in local currency and reached 44 million euros (100% view). This evolution was driven by higher ARPU in Mobility, both for private customers and dealers along with product improvement and innovation, and by good conversion of professional clients in Consumer Goods, offset by a soft performance in Real Estate, impacted by market headwinds (high interest rates), despite the resilient performance of the triple-bundle strategy across brands, and in Advertising, also impacted by the weaker macroeconomic environment. Transactional revenues continued to post solid growth over the period, driven by higher volumes.

EBITDA improved by 60% year-on-year to 13 million euros (100% view). This positive development was driven by (i) a decrease in marketing expenses, mainly due to lower investments in ZAP+ branding and performance, (ii) lower personnel expenses, mainly due to a headcount reduction and other efficiencies, without compromising operations, and (iii) other cost optimisations. The EBITDA margin for the quarter was 29%, up 11 percentage points year-on-year.

During the quarter, in **Consumer Goods**, we successfully integrated a specialised partner to improve OLX pay&ship capabilities, enriching and enhancing the consumer journey. We also introduced several horizontal experience evolutions (e.g. new Home in web/apps, improved Fashion category catalogue) and improved user safety (e.g. new phone validation requirements, ID validation for buyers with payment rejected). In **Mobility**, we introduced Whatsapp as a new form of contact between professional buyers and sellers. Finally, in **Real Estate**, we also introduced several security and user experience improvements (e.g. mandatory login for phone view, OTP authentication, improved location experience).

Other (central P&T) and Headquarters

Other and Headquarters costs comprise Adevinta's shareholder and central functions as well as the central product and technology development.

The Other and Headquarters EBITDA improved by 6 million euros compared to last year to (47) million euros. The continued build-up of global capabilities due to the implementation of new operating models for support functions and Product and Technology teams to drive operational efficiencies and accelerate value creation was more than offset by favourable quarterly phasing of IT expenses and the larger share of cost allocations to the markets to reflect global teams support.

As a percentage of revenues, Central P&T and Headquarters costs were down year-on-year, at 10%.

Towards optimised organisation to drive scale benefit

The verticalisation of Adevinta's operations to align with the 'Growing at Scale' vision is ongoing with major achievements during the period:

- The engagement of work councils on the proposed Target Operating Model has been successfully completed;
- The preparation of the new organisation go live in January 2024 is ongoing with the review of key processes and the people's transition preparation.

The convergence of our generalist platforms, starting with Leboncoin and Kleinanzeigen, into one global platform is progressing well and according to plan. During the summer, we reached our first major milestone, which consists of transforming leboncoin platform into a multi-brand platform (brand chart, ability to change colours and language from one brand to another, displaying features per brand, etc...).

The delivery of our integration roadmap remained on track to achieve our targeted run-rate synergies.

Main achievements of the period include:

- Continued execution of the cloud migration and of the Data and Marketing transformation;
- Further roll-out of the new operating models for support functions and ERP migration in France;
- Execution of more procurement and revenue synergies.

The portfolio optimisation has been completed

- On 14 September, we completed the sale of our Hungarian online classifieds businesses (Jófogás, Használtautó.hu and Autónavigátor).

Outlook

As outlined during our Capital Markets Day in November 2021, we see various value accretive opportunities across all our businesses, especially in our core verticals Mobility and Real Estate where a large monetisation runway exists, with the potential to expand throughout the transactional value chain with new business models and a largely untapped second-hand commerce pool. Our long-term ambition for Core Markets remains strong with FY 2023-2026 annual revenue growth between 11% and 15%, and an EBITDA margin between 40% and 45% from 2026.

Our strategy builds on our unparalleled scale, leadership positions and technology to accelerate sustainable growth. It is underpinned by **the following key priorities:**

- Focusing the portfolio, by investing in and growing our five Core markets of Germany, France, Spain, Benelux and Italy;
- Concentrating on high-quality verticals: Mobility and Real Estate, that present a significant opportunity to increase monetisation;
- Becoming fully transactional in consumer goods, expanding into a growing and profitable online commerce market; and
- Leveraging technology and transforming advertising to preserve revenue and adapt to the evolving market.

Adevinta continues to operate in a challenging market environment with high inflation, rising interest rates and low consumer confidence.

Overall, our strategic pillars - Mobility, Real Estate and transactional businesses - are performing well despite this broader macro-economic context, demonstrating the robustness of their business models while the advertising market tends to be more volatile.

The integration and transformation of the businesses is progressing well and, together with our strong focus on operational excellence and cost discipline, is delivering further results.

We remain confident in achieving our previously announced guidance for 2023, with double-digit revenue growth in Core markets and Group EBITDA at the top end of the previously announced 620 to 650 million euro range.

Group Overview

Results

Revenue increased by 11% in the third quarter of 2023 to €454 million, compared to the same period last year, mainly led by growth in online classifieds (+14% year-on-year) and by strong growth from transactional services (+49% year-on-year), while advertising continued to be impacted by the overall weaker advertising market.

Operating expenses increased by 3% in the third quarter of 2023 to €(283) million, compared to the same period last year. This was the result of (i) higher personnel costs, driven by the continued scaled build-up of global capabilities, with the implementation of new operating models for support functions and Product and Technology teams, continued investment in product development and in sales and customer support operations to support future growth, and (ii) higher direct costs from transactional services, in line with the adoption of the service and revenue growth. This was partly offset by (i) lower marketing spend, down by more than 20% year-on-year, driven by different phasing, spend discipline and prioritisation across all markets, and (ii) a favourable spread of expenses in the period, with some catch-up expected in Q4 2023. Last year, performance was also impacted by the €(6) million catch-up provision related to the French DST.

Gross operating profit (EBITDA) increased by 29% to €171 million in the third quarter of 2023, compared to €132 million in the same period in 2022.

Depreciation and amortisation decreased by €6 million in the quarter, mainly driven by certain trademarks being fully amortised in 2022.

Share of profit (loss) of joint ventures and associates in the third quarter of 2023 improved by €2 million compared to the same period in 2022 mainly driven by improved results in the JV in Brazil.

Other income and expenses amounted to €(30) million in the third quarter of 2023 predominantly due to integration expenses related to the eCG acquisition of €(24) million, rebranding costs amounting to €(4) million, verticalisation project costs amounting to €(6) million and proposal costs amounting to €(4) million, partially compensated by the gain on the sale of Adevinta Classified Media Hungary Kft amounting to €8 million. In the third quarter of 2022 other income and expenses amounted to €(83) million with the main drivers being digital services tax (DST) in France related to 2019-2021 of €(31) million, integration expenses related to the eCG acquisition of €(29) million and restructuring provision recognised due to reorganisation in France of €(15) million.

Operating profit (loss) in the quarter amounted to €62 million (€(38) million in the third quarter of 2022).

Net financial items saw an expense of €(21) million in the quarter compared to expense of €(10) million in 2022, mainly due to increase in interest expenses related to the EUR term loan B amounting to €(3) million and foreign exchange expenses amounting to €(1) million in Q3 2023 compared to €7 million in Q3 2022, predominantly driven by the depreciation of the exchange rate of the BRL against the EUR. Net financial items are disclosed in note 5 to the condensed consolidated financial statements.

The Group reported a tax expense in Q3 2023 of €(1) million compared to a tax expense of €(2) million in Q3 2022. In general, the tax expense line is positively affected by the reversal of deferred tax liability related to the amortisation of identifiable intangible assets recognised upon the acquisition of eCG. Please see note 6 for the relationship between Profit (loss) before tax and the reported tax expense.

Basic earnings per share in the third quarter of 2023 is €0.03 compared to €(0.04) in the third quarter of 2022. Adjusted earnings per share in the third quarter of 2023 is €0.05 compared to €0.00 in the third quarter of 2022.

Financial position

The carrying amount of the Group's assets decreased by €(126) million to €11,858 million during 2023, mainly due to depreciation and amortisation (€(222) million) and the decrease in receivables related to the sales of subsidiaries (€(42) million) partially offset by capitalised expenses (€91 million).

The carrying amount of the Group's liabilities decreased by €(283) million to €3,153 million during 2023, mainly due to the repayments of the EUR TLB (€(120) million) and USD TLB (€(176) million) as well as a decrease in deferred tax liabilities (€(50) million), mainly due to amortisation of intangible assets partially offset by an increase in corporate income tax payable (€60 million).

The Group's equity ratio is 73% as at 30 September 2023 compared to 71% as at 31 December 2022.

The Group had, at 30 September 2023, net interest-bearing debt of €1,916 million (see specification in Definitions and Reconciliations below) **and €515 million total liquidity available**. Management considers Adevinta's liquidity and refinancing risk to be acceptable considering the cash generation projections as well as the cash conversion rate of the business.

Cash flow

Net cash flow from operating activities was €124 million in the third quarter of 2023, compared to €132 million in the same period of 2022, mainly due to an increase in EBITDA and a reduction of Other income and expenses as well as a decrease in tax payments being more than offset by an increase of paid interest expenses and less positive impact from changes in working capital and provisions.

Net cash flow from investing activities was €(4) million in the third quarter of 2023, compared to €(19) million in the same period of 2022. The reduction of the cash outflow from investing activities is mainly due to proceeds from sale of subsidiaries of €29 million partly offset by increased capitalised expenses.

Net cash flow from financing activities was €(97) million in the third quarter of 2023, compared to €(115) million in the same period of 2022. The decrease in cash outflow is mainly due to the fact that no treasury shares have been purchased during the third quarter of 2023, whereas €(8) million were purchased in the third quarter of 2022 and that €(8) million of dividends were paid to non-controlling interests in the third quarter of 2022, whereas no dividends have been paid in the third quarter of 2023. Repayments of the non-interest bearing debt have been slightly higher in the third quarter of 2023 (repayments of TLB USD (€(73) million) and TLB EUR (€(20) million) compared to the third quarter of 2022 (repayments of TLB EUR and TLB USD (€(92) million in total).

Transactions of Treasury Shares by Adevinta ASA

In 2023, a total of 1,519,412 treasury shares were transferred to employees in connection with the settlement of share-based incentives schemes and sold through brokers to cover the participant's tax liabilities in relation to the shares transferred. Further information with respect to these programmes is published on our website.

The Russian government invasion of Ukraine

The Russian government invasion of Ukraine, alongside the imposition of international sanctions, has a pervasive economic impact. Adevinta is monitoring the development, including updating risk assessment and measures.

Condensed Consolidated Financial Statements

Condensed consolidated income statement

€ million	Third quarter 2023	Third quarter 2022	YTD 2023	YTD 2022
Operating revenues	**454**	**408**	**1,355**	**1,213**
Personnel expenses	(128)	(123)	(393)	(361)
Other operating expenses	(155)	(153)	(469)	(449)
Gross operating profit (loss)	**171**	**132**	**493**	**403**
Depreciation and amortisation	(76)	(82)	(222)	(218)
Share of profit (loss) of joint ventures and associates	(3)	(5)	(8)	(23)
Impairment loss	-	-	-	(0)
Other income and expenses	(30)	(83)	(73)	(98)
Operating profit (loss)	**62**	**(38)**	**189**	**64**
Net financial items	(21)	(10)	(47)	(14)
Profit (loss) before taxes	**41**	**(48)**	**142**	**50**
Taxes	(1)	(2)	(34)	(11)
Profit (loss) from continuing operations	**40**	**(50)**	**108**	**39**
Profit (loss) from discontinued operation	**-**	**(2)**	**(3)**	**(28)**
Profit (loss) attributable to:				
Non-controlling interests	2	2	6	6
Owners of the parent	38	(54)	99	4
Earnings per share in €:				
Basic	0.03	(0.04)	0.08	0.00
Diluted	0.03	(0.04)	0.08	0.00

Condensed consolidated statement of comprehensive income

	Third quarter		YTD	
€ million	**2023**	**2022**	**2023**	**2022**
Profit (loss)	**40**	**(52)**	**105**	**10**
Remeasurements of defined benefit pension liabilities	-	-	0	(0)
Income tax relating to remeasurements of defined benefit pension liabilities	-	-	-	0
Change in fair value of financial instruments	(4)	-	(10)	-
Income tax related to change in fair value of financial instruments	1	(0)	2	(0)
Items not to be reclassified subsequently to profit or loss	**(3)**	**(0)**	**(7)**	**(0)**
Exchange differences on translating foreign operations	13	28	36	159
Net gain/(loss) on cash flow hedges	(0)	5	(3)	15
Income tax related to cash flow hedges	-	-	1	-
Items to be reclassified subsequently to profit or loss	**13**	**33**	**34**	**174**
Other comprehensive income	**10**	**33**	**26**	**173**
Comprehensive income	**50**	**(19)**	**131**	**183**
Comprehensive income attributable to:				
Non-controlling interests	2	2	6	5
Owners of the parent	48	(21)	125	179

Condensed consolidated statement of financial position

€ million	30 September 2023	31 December 2022
Intangible assets	10,764	10,880
Property, plant and equipment and right-of-use assets	103	96
Investments in joint ventures and associates	377	366
Other non-current assets	234	257
Non-current assets	**11,478**	**11,599**
Trade receivables and other current assets	315	315
Cash and cash equivalents	65	70
Current assets	**380**	**385**
Total assets	**11,858**	**11,984**
Equity attributable to owners of the parent	8,688	8,534
Non-controlling interests	17	14
Equity	**8,705**	**8,548**
Non-current interest-bearing borrowings	1,875	2,183
Other non-current liabilities	800	842
Non-current liabilities	**2,675**	**3,026**
Current interest-bearing borrowings	16	9
Other current liabilities	461	401
Current liabilities	**478**	**410**
Total equity and liabilities	**11,858**	**11,984**

Condensed consolidated statement of cash flows

€ million	Third quarter 2023	Third quarter 2022	YTD 2023	YTD 2022
Profit (loss) before taxes from continuing operations	41	(48)	142	50
Profit (loss) before taxes from discontinued operations	0	(3)	(3)	(33)
Profit (loss) before taxes	**41**	**(50)**	**139**	**17**
Depreciation, amortisation and impairment losses	76	82	222	251
Share of loss (profit) of joint ventures and associates	3	5	8	23
Dividends received from joint ventures and associates	0	3	3	3
Taxes paid	(6)	(12)	(16)	(51)
Sales losses (gains) on non-current assets and other non-cash losses (gains)	(7)	5	(5)	(16)
Accrued share-based payment expenses	9	9	33	28
Unrealised foreign exchange losses (gains)	1	(7)	(9)	(39)
Net interest expense and other financial expenses	20	17	56	54
Interest and other financial income received	1	1	6	2
Interest and other financial expense paid	(13)	(9)	(57)	(48)
Other non-cash items and changes in working capital and provisions	(1)	89	(39)	69
Net cash flow from operating activities	**124**	**132**	**342**	**291**
Development and purchase of intangible assets and property, plant & equipment	(29)	(21)	(91)	(64)
Acquisition of subsidiaries, net of cash acquired	(2)	(1)	(3)	(11)
Proceeds from sale of subsidiaries, net of cash sold	29	3	68	1
Net sale of (investment in) other shares	(2)	0	(3)	(8)
Net change in other investments	0	0	(3)	5
Net cash flow from investing activities	**(4)**	**(19)**	**(32)**	**(77)**
Net cash flow before financing activities	**120**	**113**	**310**	**215**
Repayment of interest-bearing loans and borrowings	(93)	(92)	(296)	(244)
Purchase of treasury shares	-	(8)	-	(74)
Lease payments	(3)	(8)	(16)	(16)
Dividends paid to non-controlling interests	-	(8)	(4)	(8)
Net cash flow from financing activities	**(97)**	**(115)**	**(316)**	**(343)**
Effects of exchange rate changes on cash and cash equivalents	(0)	0	0	3
Net increase (decrease) in cash and cash equivalents	**23**	**(2)**	**(6)**	**(126)**
Cash and cash equivalents at start of period	40	102	70	231
Cash and cash equivalents attributable to assets held for sale at start of period	2	15	-	9
Cash and cash equivalents at end of period	**65**	**105**	**65**	**105**
Cash and cash equivalents attributable to assets held for sale at end of period	**-**	**10**	**-**	**10**

Condensed consolidated statement of changes in equity

€ million	Equity attributable to owners of the parent	Non-controlling interests	Equity
Equity as at 1 January 2022	**10,368**	**18**	**10,385**
Comprehensive income	(1,793)	6	(1,787)
Transactions with the owners	(40)	(10)	(50)
Share-based payment	*13*		*13*
Dividends paid to non-controlling interests	-	*(10)*	*(10)*
Change in treasury shares	*(53)*		*(53)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(0)*	*0*	*0*
Equity as at 31 December 2022	**8,534**	**14**	**8,548**
Comprehensive income	125	6	131
Transactions with the owners	29	(4)	25
Share-based payment	*18*	-	*18*
Change in treasury shares	*11*	-	*11*
Dividends paid to non-controlling interests	-	*(4)*	*(4)*
Equity as at 30 September 2023	**8,688**	**17**	**8,705**

€ million	Equity attributable to owners of the parent	Non-controlling interests	Equity
Equity as at 31 December 2021	**10,368**	**18**	**10,385**
Comprehensive income	179	5	183
Transactions with the owners	(42)	(10)	(52)
Share-based payment	*12*	-	*12*
Dividends paid to non-controlling interests	-	*(10)*	*(10)*
Change in treasury shares	*(54)*	-	*(54)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(0)*	*(0)*	-
Equity as at 30 September 2022	**10,504**	**13**	**10,517**

Notes

Note 1. Corporate information, basis of preparation and changes to accounting policies

The Adevinta Group was established on 9 April 2019. Adevinta ASA is a public limited company and its offices are located in Grensen 5, Oslo in Norway. The shares of Adevinta ASA are listed on the Oslo Stock Exchange. The major shareholders are Schibsted, eBay and Permira holding 30%, 30% and 12% of voting rights, respectively. None of the parties have control over Adevinta Group.

Adevinta Group reports consolidated financial statements according to IFRS 10. The consolidated financial statements comprise the Group and the Group's interests in joint ventures and associates. The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

The accounting policies adopted are consistent with those followed in preparing the Group's annual consolidated financial statements for 2022.

The condensed consolidated interim financial statements are unaudited. All amounts are in € million unless otherwise stated. Tables may not summarise due to rounding.

Note 2. Changes in the composition of the Group

Disposal of Hungary

When Adevinta announced the new strategic plan in November 2021, Hungary was identified as one of our operations to be placed under strategic review. On 23 February 2023, Adevinta announced the launch of the sale process for Hungary, which was the last business under strategic review.

On 14 September 2023, Adevinta announced the completion of the sale of its Hungarian online classified businesses to Ingatlan.com, the leading real estate classifieds platform in Hungary. The sale resulted in a gain of €8 million recognised in other income and expenses, of which €(10) million is the reclassification of foreign currency translation reserve, with no consequential impact on income tax. The carrying amount of assets and liabilities as at the date of sale were €17 million and €5 million respectively, of which €12 million was intangible assets and €2 million cash and cash equivalents.

Discontinued operations

Following the decision to divest the businesses in Australia and South Africa in November 2021, the carrying amount of Carsguide Autotrader Media Solutions Australia PTY Ltd, Gumtree Australia PTY Ltd and Gumtree South Africa (PTY) Ltd was expected to be recovered principally through a sales transaction. The businesses in Australia and South Africa were available for immediate sale in their present condition and their sale was highly probable. Therefore, these subsidiaries were classified as held for sale in Q4 2021 and were measured at the lower of its carrying amount and fair value less costs to sell. In relation to this, an impairment loss was recognised in the second quarter of 2022 amounting to €(29) million. Furthermore, these operations constitute major geographical locations and are therefore classified as discontinued operations.

On 25 August 2022, Adevinta signed an agreement for the sale of Gumtree Australia, CarsGuide and Autotrader Australia to The Market Herald for a total cash consideration of US$60 million. The transaction was closed in October 2022. The sale resulted in a gain of €6 million recognised in Profit (loss) from discontinued operations, of which €2 million was the reclassification of foreign currency translation reserve, with no consequential impact on income tax. The carrying amount of assets and liabilities as at the date of sale were €82 million and €26 million respectively, of which €62 million was intangible assets and €16 million was deferred tax liabilities. In Q1 2023 there has been an adjustment to the selling price amounting to €(3) million, that has been recognised in Profit (loss) from discontinued operations.

On 23 November 2022, Adevinta signed an agreement for the sale of Gumtree South Africa. The economic ownership of the business was transferred on 1 December 2022. The sale resulted in a gain of €0 million recognised in Profit (loss) from discontinued operations, of which €0 million was the reclassification of foreign currency translation reserve, with no consequential impact on income tax. The carrying amount of assets and liabilities as at the date of sale were €1 million and €2 million respectively.

The result of discontinued operations was in Q4 2022 negatively impacted by derecognition of deferred tax assets of €33 million related to the IP sold together with the businesses in Australia and South Africa.

The financial performance and cash flow information related to the discontinued operations are disclosed below. For further information relating to the discontinued operations, please refer to note 4 in Adevinta's Annual Report for 2022.

	Third quarter		YTD	
€ million	**2023**	**2022**	**2023**	**2022**
Revenue	-	15	-	49
Operating expenses	-	(18)	-	(47)
Gross operating profit / (loss)	**-**	**(3)**	**-**	**2**
Depreciation and other income & expenses	-	(1)	-	(7)
Gain / (loss) on sale of subsidiaries	-	-	(3)	1
Impairment loss recognised on remeasurement to fair value less costs to sell	-	0	-	(28)
Profit / (loss) before income tax	**-**	**(4)**	(3)	**(32)**
Income tax benefit / (expense)	-	2	-	4
Profit / (loss) after income tax	**-**	**(2)**	(3)	**(28)**
Profit / (loss) from discontinued operations (attributable to owners of the parent)	**-**	**(2)**	(3)	**(28)**
Exchange differences on translation	**-**	1	-	4

	Third quarter		YTD	
€	**2023**	**2022**	**2023**	**2022**
Basic earnings per share from discontinued operations	-	(0.00)	(0.00)	(0.02)
Diluted earnings per share from discontinued operations	-	(0.00)	(0.00)	(0.02)

	Third quarter		YTD	
€ million	**2023**	**2022**	**2023**	**2022**
Net cash inflow / (outflow) from operating activities	-	2	-	1
Net cash inflow / (outflow) from investing activities (YTD 2023 includes an inflow of € € 39 million, from the sale of the Australian business)	-	0	39	1
Net cash inflow / (outflow) from financing activities	-	0	-	(1)
Net increase / (decrease) in cash generated by discontinued operations	**-**	**2**	**39**	**1**

Note 3. Operating segment disclosures

The operating segments correspond to the management structure and the internal reporting to the Group's chief operating decision maker, defined as the CEO. The operating segments reflect an allocation based on geographical location.

Based on the internal reporting structure, Adevinta has identified France, mobile.de, European Markets and International Markets as reportable operating segments.

- France comprises primarily Leboncoin, Agriaffaires, MachineryZone, Truckscorner, Avendrealouer, Videdressing, Locasun and Groupe Argus.
- mobile.de comprises mobile.de and Null-Leasing (acquired 18 March 2022 and merged with mobile.de in Q2 2023) in Germany.
- European Markets comprises primarily Kleinanzeigen in Germany, Marktplaats, 2ememain and 2dehands in Benelux, InfoJobs, Coches, Motos, Fotocasa, Habitaclia and Milanuncios in Spain, Subito, Infojobs and Automobile in Italy, Daft, Done Deal and Adverts in Ireland, Hasznaltauto, Jofogas and Autonavigator in Hungary (sold in Q3 2023) and Kufar in Belarus (sold in Q2 2022).
- International Markets comprises Segundamano and Vivanuncios in Mexico (sold in Q3 2022), Kijiji in Canada and Gumtree in other countries (Poland, Ireland, Singapore and Argentina).

Other/Headquarters comprises Adevinta's shareholder and central functions including central product and technology development.

Eliminations comprise reconciling items related to intersegment sales. Transactions between operating segments are conducted on normal commercial terms.

In the operating segment information presented and for internal control and monitoring, gross operating profit (loss) is used as a measure of operating segment profit (loss).

Operating revenues and profit (loss) by operating segments

Third quarter 2023 € million	France	mobile.de	European Markets	International Markets	Other / Headquarters	Eliminations	Total
Operating revenues with third parties	133	113	183	23	3	-	**454**
Operating revenues from other segments	0	(9)	9	-	(0)	-	**-**
Operating revenues	**133**	**104**	**192**	**23**	**2**	**-**	**454**
Gross operating profit (loss)	59	65	83	11	(47)	-	**171**

Third quarter 2022 € million	France	mobile.de	European Markets	International Markets	Other / Headquarters	Eliminations	Total
Operating revenues with third parties	118	89	169	30	3	-	**408**
Operating revenues from other segments	0	(7)	7	0	0	(1)	**-**
Operating revenues	**119**	**82**	**176**	**30**	**3**	**(1)**	**408**
Gross operating profit (loss)	53	46	72	14	(53)	-	**132**

YTD 2023 € million	France	mobile.de	European Markets	International Markets	Other / Headquarters	Eliminations	Total
Operating revenues with third parties	401	322	551	69	11	-	**1,355**
Operating revenues from other segments	1	(24)	26	-	(2)	(1)	**-**
Operating revenues	**402**	**298**	**577**	**69**	**9**	**(1)**	**1,355**
Gross operating profit (loss)	180	177	240	34	(139)	-	**493**

YTD 2022 € million	France	mobile.de	European Markets	International Markets	Other / Headquarters	Eliminations	Total
Operating revenues with third parties	364	249	503	88	9	-	**1,213**
Operating revenues from other segments	1	(18)	20	0	1	(4)	**-**
Operating revenues	**365**	**231**	**522**	**88**	**9**	**(4)**	**1,213**
Gross operating profit (loss)	173	125	212	37	(145)	-	**403**

Disaggregation of revenues by category

Third quarter 2023 € million	France	mobile.de	European Markets	International Markets	Other / Headquarters	Total
Online classifieds revenues	102	107	128	17	-	**355**
Advertising revenues	14	6	47	5	0	**73**
Transactional revenues	16	0	7	-	-	**24**
Revenues from contracts with customers	**133**	**113**	**183**	**23**	**-**	**451**
Revenues from lease contracts and other revenues	0	-	0	-	2	**3**
Operating revenues	**133**	**113**	**183**	**23**	**3**	**454**

Third quarter 2022 € million	France	mobile.de	European Markets	International Markets	Other / Headquarters	Total
Online classifieds revenues	91	83	115	22	-	**311**
Advertising revenues	15	6	49	8	1	**79**
Transactional revenues	12	-	4	0	-	**16**
Revenues from contracts with customers	**118**	**89**	**169**	**30**	**1**	**406**
Revenues from lease contracts and other revenues	0	-	0	0	2	**2**
Operating revenues	**118**	**89**	**169**	**30**	**3**	**408**

YTD 2023 € million	France	mobile.de	European Markets	International Markets	Other / Headquarters	Total
Online classifieds revenues	306	304	382	53	-	**1,045**
Advertising revenues	43	18	148	17	2	**228**
Transactional revenues	52	0	20	-	-	**73**
Revenues from contracts with customers	**401**	**322**	**551**	**69**	**2**	**1,345**
Revenues from lease contracts and other revenues	0	-	0	-	9	**9**
Operating revenues	**401**	**322**	**551**	**69**	**11**	**1,355**

YTD 2022 € million	France	mobile.de	European Markets	International Markets	Other / Headquarters	Total
Online classifieds revenues	278	229	340	65	-	**912**
Advertising revenues	48	20	152	23	3	**246**
Transactional revenues	37	-	10	0	-	**47**
Revenues from contracts with customers	**363**	**249**	**502**	**88**	**3**	**1,206**
Revenues from lease contracts and other revenues	0	-	1	0	6	**7**
Operating revenues	**364**	**249**	**503**	**88**	**9**	**1,213**

Value-added services (includes adjacent services integrated inside the user journey, such as: financing and insurance partnerships (for Cars and RE) and headhunting and learning/experience lab (for Jobs), that are not directly related to the Classifieds products) revenues are reported within Online classifieds revenues.

Note 4. Other income and Other expenses

	Third quarter		YTD	
€ million	**2023**	**2022**	**2023**	**2022**
Gain on sale and remeasurement of subsidiaries, joint ventures and associates	8	-	9	21
Other	2	-	4	12
Other income or gain	**10**	**-**	**14**	**33**
Restructuring costs	(1)	(15)	1	(15)
Loss on sale and remeasurement of subsidiaries, joint ventures and associates	(1)	(6)	(1)	(7)
Loss on sale of intangible assets, property, plant & equipment	(0)	(0)	(1)	(0)
Acquisition and divestment related costs	(0)	(2)	(1)	(3)
Integration costs	(24)	(29)	(51)	(71)
Verticalisation project costs	(6)	-	(15)	-
Rebranding costs	(4)	-	(14)	-
Proposal costs	(4)	-	(4)	-
Digital services tax related to previous years	-	(31)	-	(31)
Other	(0)	(0)	(2)	(3)
Other expenses or loss	**(40)**	**(83)**	**(87)**	**(131)**
Total	**(30)**	**(83)**	**(73)**	**(98)**

Gain on sale of subsidiaries, joint ventures and associates of €8 million in Q3 2023 relates to the gain on sale of Adevinta Hungary and €21 million in YTD 2022 related mainly to the gain on sale of InfoJobs Brazil (Brazil).

Other income of €2 million in Q3 2023 relates to the collection of insurance claims and €12 million in YTD 2022 relates mainly to a VAT claim that was cash collected in the second quarter of 2022.

Restructuring costs of €(15) million YTD 2022 mainly relate to a restructuring provision recognised due to reorganisation in France.

Integration related costs relate to the acquisition of eBay Classifieds Group.

Verticalisation project costs relate to restructuring Adevinta's operating model and organisation to be divided by verticals across our five core European markets.

Rebranding costs relate to the rebranding of "eBay Kleinanzeigen" to "Kleinanzeigen". Per the acquisition agreement with eBay, Adevinta cannot use the "eBay Kleinanzeigen" brand beyond 2024.

Proposal costs relate to the non-binding indicative proposal from a consortium led by Permira and Blackstone regarding a potential offer for all shares of Adevinta.

Digital Services Tax related to previous years of €(31) million in Q3 2022 related to the digital services tax in France for the period 2019 to 2021.

Note 5. Net financial items

€ million	Third quarter		YTD	
	2023	2022	2023	2022
Interest income	6	9	22	22
Interest expense	(21)	(20)	(63)	(59)
Net foreign exchange gain (loss)	(1)	7	9	39
Net other financial income (expenses)	(5)	(6)	(15)	(16)
Net financial items	**(21)**	**(10)**	**(47)**	**(14)**

Interest expense is mainly related to financing (bonds and bank loans) obtained in connection to the eCG acquisition.

Interest income is mainly due to the interest on the loan in BRL granted by Adevinta to Bom Negócio Atividades de Internet Ltda (OLX Brazil joint venture).

Net foreign exchange gain (loss) is mainly due to the appreciation (depreciation) of BRL against EUR, increasing (decreasing) the value in EUR of the loan in BRL granted by Adevinta to Bom Negócio Atividades de Internet Ltda (OLX Brazil joint venture).

Net other financial expenses are mainly due to the amortisation of the costs directly attributable to the issue of the financing obtained in connection to the eCG acquisition using the effective interest method.

Note 6. Income taxes

The relationship between tax (expense) income and accounting profit (loss) before taxes is as follows:

€ million	Second quarter		YTD	
	2023	2022	2023	2022
Profit (loss) before taxes from continuing operations	41	(48)	142	49
Tax (expense) income based on weighted average nominal tax rate*	(8)	8	(29)	(17)
Tax effect of share of profit (loss) of joint ventures and associates	(1)	(2)	(3)	(8)
Tax effect of gain on sale and remeasurement of subsidiaries, joint ventures and associates	(0)	6	0	13
Tax effect of non-deductible part of DST	-	(8)	-	(8)
Tax effect of other permanent differences	(4)	(5)	(10)	(11)
Current period unrecognised deferred tax assets	5	(4)	(5)	(6)
Reassessment of previously unrecognised deferred tax assets	6	4	13	16
Adjustments of previously recognised income tax provisions	-	-	-	12
Other	0	(1)	0	(3)
Taxes recognised in profit or loss from continuing operations	**(1)**	**(2)**	**(34)**	**(11)**
***Weighted average nominal tax rate**	**19%**	**15%**	**21%**	**34%**

The **weighted average nominal tax rate** varies over time due to differentials in nominal tax rates and profit before tax between the countries where Adevinta operates. **Adjustments of previously recognised income tax provisions** YTD 2022 include mainly an adjustment of an income tax provision related to the Mexican operations.

Note 7. Events after the balance sheets date and other information

Voluntary offer to acquire all issued and outstanding ordinary Class A shares in Adevinta ASA

On 21 November 2023, a voluntary offer (the "Offer") was announced by Aurelia Bidco Norway AS (the "Offeror") to acquire all issued and outstanding ordinary A shares (the "Shares") in the Company. The Offer is announced by Permira and Blackstone on behalf of funds advised by Permira Advisers LLP and funds advised by The Blackstone Group International Partners LLP, as well as General Atlantic and TCV. Pursuant to the Offer, the consideration for shares tendered will, at the election of accepting shareholders, be settled with NOK 115.0 per Share in cash, in depository interests with indirect exposure to the Offeror, or as a combination of cash and such depository interests, subject to certain limitations. The complete terms and conditions of the Offer will be set out in an offer document to be prepared by the Offeror and approved by the Oslo Stock Exchange.

The Company has considered the implications of the offer on its outstanding debt. The impact of a change of control from a successful offer is described in the Stock Exchange Announcement dated 21 November 2023 announcing the voluntary offer by Permira and Blackstone. Otherwise, the Company has sufficient liquidity and credit availability to meet its upcoming debt obligations.

The Russian government invasion of Ukraine

The Russian government invasion of Ukraine, alongside the imposition of international sanctions, has a pervasive economic impact. Adevinta is monitoring the development, including updating risk assessment and measures.

Other than the matters described above, no further matters have arisen since 30 September 2023 which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

Definitions and Reconciliations

The consolidated financial information is prepared in accordance with international financial reporting standards (IFRS). In addition, the Group presents alternative performance measures (APMs). The APMs are regularly reviewed by management and their aim is to enhance stakeholders' understanding of the Group's performance.

APMs should not be considered as a substitute for superior measures of performance in accordance with IFRS. APMs are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described below. As APMs are not uniformly defined, the APMs set out below might not be comparable with similarly labelled measures by other companies.

Measure	Description	Reason for including
Adjusted net cash flow from operating activities	Adjusted net cash flow from operating activities is defined as: • EBITDA; • plus the decrease or minus the increase in non-cash items (including share-based compensation), change in working capital and provisions related to EBITDA; • minus the payment of income tax; • minus development and purchase of property, plant and equipment and intangible assets; • minus IFRS 16 lease payments.	Management believes that it is a useful indicator of the amount of cash flows generated by operating activities, after income tax.
EBITDA/Gross operating profit (loss)	EBITDA is earnings before other income and expenses, impairment, joint ventures and associates, interest, tax and depreciation and amortisation. The measure equals gross operating profit (loss).	Shows performance regardless of capital structure, tax situation and adjusted for income and expenses related to transactions and events not considered by management to be part of operating activities. Management believes the measure enables an evaluation of operating performance.
EBITDA margin	Gross operating profit (loss)/Operating revenues.	Shows the operations' performance regardless of capital structure and tax situation as a ratio to operating revenue. Management believes the measure enables an evaluation of operating performance.
Liquidity reserve	Liquidity reserve is defined as the sum of cash and cash equivalents and unutilised drawing rights on credit facilities.	Management believes that the liquidity reserve shows the total liquidity available for meeting current or future obligations.
Interest-bearing debt/Total debt	Interest-bearing debt is defined as interest bearing liabilities, including current and non-current lease liabilities. Total debt is defined as interest-bearing debt.	Management believes that it is a useful indicator of the Group's debt profile and its ability to meet its debt obligations.
Net interest-bearing debt/Total net debt	Net interest-bearing debt is defined as interest bearing liabilities, including current and non-current lease liabilities less cash and cash equivalents, proceeds from borrowings placed in the escrow account and cash pool holdings. Total net debt is defined as net interest-bearing debt.	Management believes that net interest-bearing debt provides an indicator of the net indebtedness and an indicator of the overall strength of the Consolidated statement of financial position. The use of net interest-bearing debt does not necessarily mean that the cash and cash equivalent and cash pool holdings are available to settle all liabilities in this measure. Net interest-bearing debt includes proceeds of the Senior Secured Notes held in escrow until closing of the eCG acquisition.
Earnings per share adjusted (EPS adj.)	Earnings per share adjusted for other income and expenses, impairment loss, non-controlling interests related to other income and expenses and impairment loss and taxes.	The measure is used for comparing earnings to shareholders adjusted for income and expenses related transactions and events net of tax not considered by management to be part of operating activities. Management believes the measure enables an evaluation of value created to shareholders excluding effects of non-operating events and transactions.
Revenues adjusted for currency fluctuations	Growth rates on revenue adjusted for currency effects are calculated using the same foreign exchange rates for the period last year and this year.	Enables comparability of development in revenues over time excluding the effect of currency fluctuation.
Organic revenue growth	Revenue growth adjusted for the effects of currency movements and changes in the scope of consolidation.	Enables comparability of development in revenues over time excluding the effect of currency fluctuations and changes in consolidation scope.

Reconciliation of EBITDA

€ million	Third quarter 2023	Third quarter 2022	YTD 2023	YTD 2022
Gross operating profit (loss)	**171**	**132**	**493**	**403**
= EBITDA (before other income and expenses, impairment, JVs and associates)	171	132	493	403

Liquidity reserve

€ million	30 September 2023	30 September 2022	Year 2022
Cash and cash equivalents	65	105	70
Unutilised drawing rights on credit facilities	450	450	450
Liquidity reserve	**515**	**555**	**520**

Net interest-bearing debt

€ million	30 September 2023	30 September 2022	Year 2022
Non-current interest-bearing borrowings	1,875	2,301	2,183
Lease liabilities, non-current	68	61	58
Total non-current liabilities	**1,943**	**2,363**	**2,241**
Current interest-bearing borrowings	16	17	9
Lease liabilities, current	21	18	20
Total current liabilities	**37**	**35**	**29**
Total interest-bearing debt	**1,980**	**2,397**	**2,270**
Cash and cash equivalents	(65)	(105)	(70)
Net interest-bearing debt	**1,916**	**2,292**	**2,199**

Earnings per share - adjusted (including discontinued operations)

€ million	Third quarter 2023	Third quarter 2022	YTD 2023	YTD 2022
Profit (loss) attributable to owners of the parent	38	(54)	99	4
Other income and expenses	30	83	76	98
Impairment loss	-	(1)	-	29
Taxes and non-controlling interests related to other income and expenses and impairment loss	(6)	(22)	(17)	(23)
Profit (loss) attributable to owners of the parent - adjusted	**62**	**6**	**158**	**108**
Earnings per share – adjusted (EUR)	0.05	0.00	0.13	0.09
Diluted earnings per share – adjusted (EUR)	0.05	0.00	0.13	0.09

Adjusted net cash flow from operating activities

€ million	Third quarter		YTD	
	2023	2022	2023	2022
EBITDA	171	132	493	403
+/- decrease or increase in non-cash items, change in working capital and provisions related to EBITDA	2	42	(39)	22
+ share based compensation	9	9	33	27
- payment of income tax	(6)	(11)	(16)	(50)
- development and purchase of property, plant and equipment and intangible assets	(29)	(20)	(91)	(63)
- IFRS 16 lease payments	(3)	(7)	(16)	(16)
Adjusted net cash flow from operating activities	**144**	**145**	**364**	**323**

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