Q1 2020 Results

Rolv Erik Ryssdal, CEO
Uvashni Raman, CFO

5 May 2020
Disclaimer

IMPORTANT: You must read the following before continuing. The following applies to this document, the oral presentation of the information in this document by Adevant A.S.A. (the “Company”) or any person on behalf of the Company, and any question-and-answer session that follows, the oral presentation (collectively, the “Information”). In accessing the Information, you agree to be bound by the following terms and conditions.

The Information does not constitute or form part of, and should not be construed as an offer or the solicitation of an offer to subscribe for or purchase securities of the Company, and nothing contained therein shall form the basis of or be relied on in connection with any contract or commitment whatsoever, nor does it constitute a recommendation regarding such securities. Any securities of the Company may not be offered or sold in the United States or any other jurisdiction where such a registration would be required unless so registered, or an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended, or other applicable laws and regulations is available. The Information is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. The Information is not for publication, release or distribution in any jurisdiction in which offers or sales would be prohibited by applicable law.

The Information has been prepared by the Company, and no other party accepts any responsibility whatsoever, or makes any representation or warranty, express or implied, for the contents of the Information, including its accuracy, completeness or verification or for any other statement made or purported to be made in connection with the Company and nothing in this document or at this presentation shall be relied upon as a promise or representation in this respect, whether as to the past or the future.

The Information contains forward-looking statements. All statements other than statements of historical fact included in the Information are forward-looking statements. Forward-looking statements give the Company’s current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business.

These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," “aim,” "intend," “may,” “anticipate,” “estimate,” “plan,” “project,” “will,” “can have,” "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the Company’s actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which it will operate in the future.

No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the Information or the opinions contained therein. The Information has not been independently verified and will not be updated. The Information, including but not limited to forward-looking statements, applies only as of the date of this document and is not intended to give any assurances as to future results. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to the Information, including any financial data or forward-looking statements, and will not publicly release any revisions it may make to the Information that may result from any change in the Company’s expectations, any change in events, conditions or circumstances on which these forward-looking statements are based, or other events or circumstances arising after the date of this document.

This presentation contains statistics, data, statements and other information relating to the group’s markets and the industry in which it operates. Where such information has been derived from third-party sources, such sources have been identified herein. In addition, the Company has been named as a source for certain market and industry statements included in this presentation. “Company information” reflects the Company’s views based on one or more sources available to it (some of which are not publicly available, but can be obtained against payment), including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third party sources.
Introduction

Rolv Erik Ryssdal
CEO
Q1 financial performance significantly affected by Covid 19

Solid performance in Jan & Feb but sharp deterioration in March

<table>
<thead>
<tr>
<th>Operational KPIs</th>
<th>Revenues</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good start to the year in most markets</td>
<td>Total reported revenue up 8% yoy (+10% in local currency)</td>
<td>Margin down 5.9 points yoy:</td>
</tr>
<tr>
<td>Sharp decline in traffic, listings and leads in the first weeks of widely-imposed lockdown</td>
<td>Positive trend in Jan &amp; Feb</td>
<td>● Negative impact of Covid</td>
</tr>
<tr>
<td></td>
<td>March revenues significantly impacted by Covid situation (essentially in the 2nd half)</td>
<td>● Expected dilutive impact of acquisitions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● Sustained level of investment in product &amp; tech (business &amp; central level)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● Set-up of corporate functions post IPO</td>
</tr>
</tbody>
</table>

All numbers on a proportionate basis incl JVs
Our priority is to ensure balanced consideration of our stakeholders on all time horizons

**Health and safety of our employees**
- Strict safety measures applied from day 1
- Offices closed in all markets
- Remote work organised and monitoring of employees.
- Equipment supply and connectivity access to our teams

**Continuity of the service for our users and clients**
- Continuity plans in each market
- Support clients and business partners
  - Flexibility in commercial terms
  - Extension of ads expiry dates

**Long-term sustainability of operations**
- Prioritization of development projects
- Pursued investment in product and technology
Adevinta’s family of brands support local communities

Examples of our marketplaces’ solidarity initiatives during Covid-19

<table>
<thead>
<tr>
<th>Spain</th>
<th>France</th>
<th>UK</th>
<th>Brazil</th>
<th>Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milanuncios</td>
<td>leboncoin</td>
<td>Shpock</td>
<td>OLX</td>
<td>Daft</td>
</tr>
</tbody>
</table>

- **Spain**: Launched the #ThanksSharing platform. Form available to all users to post messages of encouragement to essential workers during these times of confinement.

- **France**: Launched #lebongeste to help bring people together despite social distancing. The hashtag makes it easy to offer free assistance.

- **UK**: Helped their community stay safe by launching a partnership with Parcel2Go to offer door-to-door, contact free deliveries on second hand goods.

- **Brazil**: Launched the movement #QuarentenaDoBem leveraging OLX’s of 7 million users daily traffic the campaign connects users from all over the country who are making donations to assist families economically impacted by the crisis.

- **Ireland**: Is providing free accommodation to healthcare professionals through its #HealthcareHeroes initiative. Daft has partnered with large companies to source suitable accommodation for free to doctors and nurses working in Irish hospitals.
Q1 business review

Rolv Erik Ryssdal
CEO
France: strong start to the quarter, further investment and progress in P&T

Revenues
- Total revenues up 7% excluding L’Argus acquisition
- Solid performance in Jan & Feb driven by strong classifieds and improving trend in advertising
- Significant impact on COVID:
  - Display advertising revenues down 21% yoy in March excl. l’Argus
  - Manual insertion fees and premium options strongly hit
  - Cars and RE revenues supported by subscription fees

EBITDA margin
- Negative impact of drop in revenues in March
- Dilutive impact of acquisitions
- Investment in product & tech and marketing
- Implementation of cost saving initiatives
France: COVID-19 impact but strong positions driving recovery in April

**Full lock down since March 16**
- 30-40% decrease in traffic in the second half of March
- Less significant impact on leads
- Recovery in all KPIs since early April (close to full recovery in traffic)

**Action plan in place**

**Support to clients**
- Customized approach to adapt to clients’ constraints by market (special offers, payment deferrals)
- Ads automatic renewal until May

**Mitigating measures:**
- Cancellation of marketing campaign
- Part-time redundancy plans in accordance with governmental measures
- Hiring freeze

**Business environment**

**Clients**
- c. 40k real estate agents
- c. 20k car dealers
- Over 75% independant

**Operations - business model**
- c. 90% of revenues from professional clients
- c. 50% of revenues are subscription-based

**Product development:** transactional, vertical features, automation and user experience
Spain: strong start to the quarter, good cost control

Revenues
- Good start to the year with Jan & Feb cumulative classifieds revenues up 12%
- **Strong performance in cars** in Jan & Feb (customer acquisition and ARPU)
- **Good operational performance in Real Estate**, despite softer market (contraction in the number of houses transactions)
- **Jobs vertical and advertising**: most impacted areas by COVID-19 in March

EBITDA margin
- Up 0.7pp yoy
- **Benefits** of operational leverage and **cost saving measures** implemented in March

Spain
Revenues and EBITDA margin (€ millions)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>+6%</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>44</td>
<td></td>
<td>46</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>28.9%</td>
<td></td>
<td>29.6%</td>
</tr>
</tbody>
</table>
Spain: significant decrease in traffic in March, recovery in April

Business environment

- Clients
  - c. 30k real estate agents
  - c. 14k car dealers
  - High share of SMEs

- Operations - business model
  - Above 90% of revenues from professional clients
  - c. 80% of revenues are subscription-based

Action plan in place

- Support to clients
  - Tailored responsive strategy by vertical and customer

- Mitigating measures:
  - Marketing reduction
  - Hiring freeze
  - Selective temporary working hours reduction

Full lock down since March 14

- 40-45% decrease in traffic in the late March
- Stronger immediate impact on leads
- Recovery in all KPIs since second week of April (good recovery in traffic already vs pre-covid)

Product development: Professional tools, user experience, experimentation of payment and delivery solution
Brazil: pricing initiatives paused as a result of COVID-19

Revenues
- **Local currency revenues up 8% yoy**
  - ARPU increase and strong monetisation in indirect advertising pre COVID-19
  - New pricing and commercial proposition on hold
  - Subscription payment rates and retention negatively impacting growth since implementation of strict payment policies
  - Drop in advertising and online pay-as-you-go classifieds sales of 30-50% since COVID-19 started

EBITDA margin
- **Negative impact** from lower-than-expected revenue growth despite solid cost control measures
- **Currency impact on US** denominated services (e.g. hosting)
- **Increased investment** in product & tech resources
- **Reclassification** of non operational costs into EBITDA (c.EUR 1m impact)
Brazil: traffic recovered to pre COVID level

**Action plan in place**

**Support to clients**
- Extended duration of ads
- Discounts and credits to professional clients

**Mitigating measures:**
- Cut in marketing spending
- Vacancies on hold
- Reduction non-essential costs (e.g. events, consulting, research, training)
- Contract renegotiation

**Business environment**

**Clients**
- c. 60k real estate agents
- Over 50k car dealers
- Very fragmented market

**Operations - business model**
- c. 50% of revenues from classifieds subscriptions
- Fragmented customer base: over 75% of subscription revenues from SMEs

**Operations**
- 30-35% decrease in traffic at start of lockdown
- Gradual recovery in all KPIs (traffic recovered to pre COVID level)

**Clients**
- Digitizing in progress (still strong offline component)

**Product development:** focus on pay & ship, trust and safety and professional client experience
The acquisition of Grupo ZAP will further strengthen our position in real estate

**Strategic rationale**
- Highly complementary platforms (horizontal + verticals)
- Improved range of services
- Broader property database
- Improved innovation & development capacity
- Significant growth potential (acceleration of online advertising penetration)

**Structure & economics**
- Acquisition of 100% ownership of GrupoZap by OLX Brazil
- Equally financed by OLX Brazil’s 2 shareholders
- C. €290m consideration (Adevinta share)

**Financing & hedging**
- New €225m facility signed in April to complement existing ones
- Acquisition price fully hedged on a deal-contingent basis
Global markets: good start to the year across markets

**Revenues**
- Local currency revenues down **4%**
- **10% revenue growth** in online classifieds in Jan & Feb
- **Lower revenues in advertising** yoy despite improving trends in Jan & Feb
- **Significant revenue** decline in March with largest countries into nationwide lockdowns

**EBITDA margin**
- **Positive contribution** albeit at lower levels
- **Strong cost reduction** initiatives partly offset revenue decline

---

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 Adevinta website)
<table>
<thead>
<tr>
<th>Country</th>
<th>Platform</th>
<th>Traffic Performance and Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>Willhaben</td>
<td>Improving quarterly trend in Jan &amp; Feb. Traffic decreasing in first weeks of shutdown (~25%). Resilient performance with professional clients in RE and Cars; Jobs more impacted. Strong rebound in traffic, content and leads to above pre-lockdown levels.</td>
</tr>
<tr>
<td>Hungary</td>
<td>Ireland</td>
<td>Initial decline of ~40% in traffic, recovering in the past weeks and now above pre-lockdown levels. Accelerated growth in on-site transactions. Positive market reaction to emergency packs launched for pros and privates.</td>
</tr>
<tr>
<td>Italy</td>
<td>Hungary</td>
<td>Initial decline of ~40% in traffic. Recovering in the past week towards -15% and on a positive trend. Initiatives to preserve content and to help users during lockdown.</td>
</tr>
<tr>
<td>Shpock</td>
<td>Italy</td>
<td>Accelerated growth in on-site transactions (week 17 is 9x versus week 1). Rolled out door-to-door delivery with great users adoption.</td>
</tr>
</tbody>
</table>

Global markets: Improved traffic trends in all markets.
Financials

Uvashni Raman
CFO
Q1 financial performance

Proportionate incl JVs Revenues
€ millions

Q1 2019: 174
Q1 2020: 188
+8%

EBITDA proportionate incl JVs
€ millions

Q1 2019: 50 (14)%
Q1 2020: 43

Operating cash flow
€ millions

Q1 2019: 51 (16)%
Q1 2020: 43
Both verticals and display advertising affected by the situation

**Q1 revenue growth by category**
- Classifieds: +13%
- Display advertising: (5)%

**Q1 revenue split**
- Verticals: 75%
- Generalist: 17%
- Advertising: 8%
- Other: 1%
We have taken measures to adapt our cost base in the short-term

**Discretionary Expenses**
- Facility management
- Professional services reduced
- Travel expenses cut

**People Management**
- General rule: hiring freeze for unlimited period of time
- Exceptions approved on a case-by-case basis for critical positions, e.g. in P&T
- Planning and refocusing resources where investment is required
- Application of local government support measures

**Marketing Cost Savings**
- Significant cost cuts in marketing and advertising
- Some flexibility remains based on local competitive environment and initiatives

![2019 operating cost split chart](image)
Including c. €2m non-recurring costs
Main non-operational items

One-off non cash hedging impact - EUR 42 million

Digital service tax (DST) update:

- Still no agreement at the EU level
- DST implemented in France and Italy and proposed in Spain
- Group position in France unchanged: not applicable to Adevinta (no provision)
- Continued interaction and consultation with tax authorities
Strong balance sheet

Improved bank financing

- **Leverage ratio** of Net Interest-Bearing Debt (NIBD\(^1\)) to EBITDA\(^2\) of 0.6\(\times\) as of 31/03/2020
- Cash generation in Q1 led to a net cash position of € 89m at the end of March
- €400m additional liquidity available from facilities renegotiated end of February with 5+1+1 maturity
- Further €225m bilateral facilities raised in April to support acquisition of Grupo Zap

Running the various scenarios confirms we have sufficient liquidity to secure successful development of operations

---

1 Non-current interest-bearing borrowings + current interest-bearing borrowings - cash and cash equivalents - cash pool holdings
2 Before other income and expenses, impairment, joint ventures and associates
Outlook

Rolv Erik Ryssdal
CEO
We remain confident in our long-term objectives
Consumer trends expected to evolve

**Acceleration** of digital penetration

**Safer and more convenient** digital user journeys

**Second-hand** more popular and attractive

**Adaptation** of product and tech development roadmap with focus on:

- Transactional model
- Digital user experience
- Value-added pieces to existing offering
- Professional tools improvement
- Data and machine learning
We are well equipped to weather the storm

1. Leading positions in large markets
2. Continued investment in product & tech
3. Strong balance sheet and liquidity
4. Well positioned for value creative M&A
5. Attractive sustainability profile
Q&A
Appendices
Shareholder analysis

<table>
<thead>
<tr>
<th>Rank</th>
<th>Name</th>
<th>Number of shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Schibsted ASA</td>
<td>406 050 523</td>
<td>59,3%</td>
</tr>
<tr>
<td>2</td>
<td>Blommenholm Industrier AS</td>
<td>43 313 297</td>
<td>6,3%</td>
</tr>
<tr>
<td>3</td>
<td>Fidelity Management &amp; Research Company</td>
<td>26 198 368</td>
<td>3,6%</td>
</tr>
<tr>
<td>4</td>
<td>Folketrygdfondet</td>
<td>23 694 977</td>
<td>3,5%</td>
</tr>
<tr>
<td>5</td>
<td>Baillie Gifford &amp; Co.</td>
<td>21 353 159</td>
<td>3,1%</td>
</tr>
<tr>
<td>6</td>
<td>Capital World Investors</td>
<td>13 169 634</td>
<td>1,9%</td>
</tr>
<tr>
<td>7</td>
<td>Pelham Capital</td>
<td>9 211 805</td>
<td>1,3%</td>
</tr>
<tr>
<td>8</td>
<td>Capital Guardian Trust Company</td>
<td>8 618 230</td>
<td>1,3%</td>
</tr>
<tr>
<td>9</td>
<td>The Vanguard Group, Inc.</td>
<td>7 830 200</td>
<td>1,1%</td>
</tr>
<tr>
<td>10</td>
<td>Adelphi Capital LLP</td>
<td>7 569 102</td>
<td>1,1%</td>
</tr>
<tr>
<td>11</td>
<td>Alecta pensionsförsäkring, ömsesidigt</td>
<td>6 185 326</td>
<td>0,9%</td>
</tr>
<tr>
<td>12</td>
<td>Kayne Anderson Rudnick Investment Management, LLC</td>
<td>4 260 855</td>
<td>0,6%</td>
</tr>
<tr>
<td>13</td>
<td>Alfred Berg Kapitalforvaltning AS</td>
<td>4 242 727</td>
<td>0,6%</td>
</tr>
<tr>
<td>14</td>
<td>Premier Miton Investors</td>
<td>4 167 578</td>
<td>0,6%</td>
</tr>
<tr>
<td>15</td>
<td>BlackRock Institutional Trust Company, N.A.</td>
<td>3 811 521</td>
<td>0,6%</td>
</tr>
<tr>
<td>16</td>
<td>KLP Forsikring</td>
<td>3 791 303</td>
<td>0,6%</td>
</tr>
<tr>
<td>17</td>
<td>Mitsubishi UFJ Trust and Banking Corporation</td>
<td>3 789 414</td>
<td>0,6%</td>
</tr>
<tr>
<td>18</td>
<td>Storebrand Kapitalforvaltning AS</td>
<td>3 629 016</td>
<td>0,5%</td>
</tr>
<tr>
<td>19</td>
<td>Vor Capital LLP.</td>
<td>3 538 217</td>
<td>0,5%</td>
</tr>
<tr>
<td>20</td>
<td>Marathon Asset Management LLP</td>
<td>3 355 799</td>
<td>0,5%</td>
</tr>
</tbody>
</table>

Updated information and VPS register at: [https://adevinta.com/ir/shareholders/](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 31 March 2020
## Basic information

<table>
<thead>
<tr>
<th>Adevinta share</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ticker</strong></td>
</tr>
<tr>
<td><em>Oslo Stock Exchange:</em> ADE</td>
</tr>
<tr>
<td><em>Reuters:</em> ADE.OL</td>
</tr>
<tr>
<td><em>Bloomberg:</em> ADE:NO</td>
</tr>
<tr>
<td><strong>Number of shares</strong></td>
</tr>
<tr>
<td><strong>Treasury shares (May 4, 2020)</strong></td>
</tr>
<tr>
<td><strong>Number of shares outstanding</strong></td>
</tr>
<tr>
<td><strong>Free float</strong>*</td>
</tr>
<tr>
<td><strong>Share price (May 4, 2020)</strong></td>
</tr>
<tr>
<td><strong>Average daily trading volume (shares)</strong>**</td>
</tr>
<tr>
<td><strong>Market Cap total (May 4, 2020)</strong></td>
</tr>
</tbody>
</table>

---

* 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

Adevinta ASA
Akersgata 55, P.O. Box 490 Sentrum,
E-mail: ir@adevinta.com

Marie de Scorbiac
ir@adevinta.com
+336 1465 7740