

Q1 2020 Results

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Adevinta

Creating perfect matches on the
world's most trusted marketplaces

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Introduction

Rolv Erik Ryssdal
CEO

Q1 financial performance significantly affected by Covid 19

Solid performance in Jan & Feb but sharp deterioration in March

Operational KPIs

Good start to the year in most markets

Sharp decline in traffic, listings and leads in the first weeks of widely-imposed lockdown

Revenues

Total reported revenue up 8% yoy (+10% in local currency)

Positive trend in Jan & Feb

March revenues significantly impacted by Covid situation (essentially in the 2nd half)

EBITDA

Margin down 5.9 points yoy:

- Negative impact of Covid
- Expected dilutive impact of acquisitions
- Sustained level of investment in product & tech (business & central level)
- Set-up of corporate functions post IPO

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

| | | | | |
|---|--|---|---|---|
|  Spain |  France |  UK |  Brazil |  Ireland |
| Milanuncios | leboncoin | Shpock | OLX | Daft |
| <p>Launched the #ThanksSharing platform</p> <p>Form available to all users to post messages of encouragement to essential workers during these times of confinement.</p> | <p>Launched #lebongeste to help bring people together despite social distancing.</p> <p>The hashtag makes it easy to offer free assistance.</p> | <p>Helped their community stay safe by launching a partnership with Parcel2Go to offer door-to-door, contact free deliveries on second hand goods.</p> | <p>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.</p> | <p>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.</p> |

Q1 business review

Rolv Erik Ryssdal
CEO

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

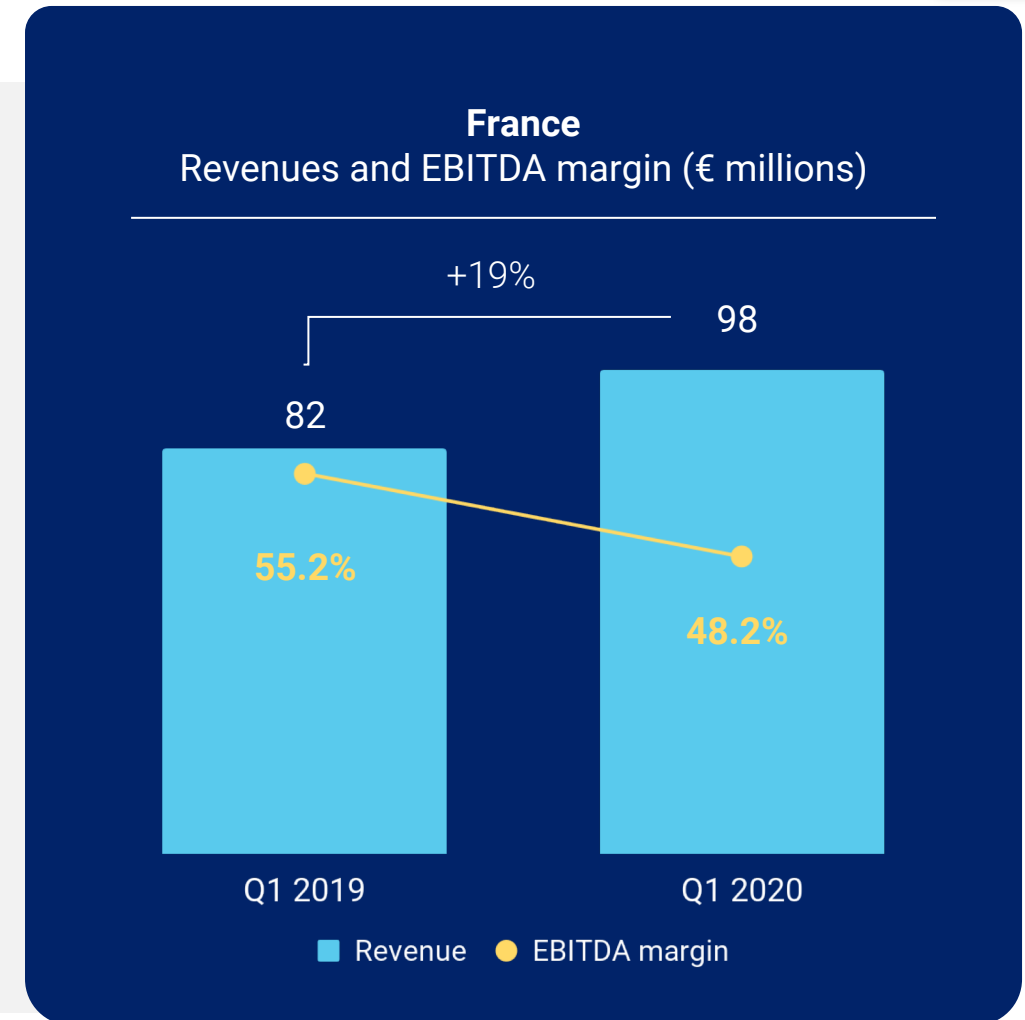


Revenues

- 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

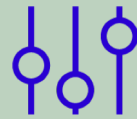


France: COVID-19 impact but strong positions driving recovery in April



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



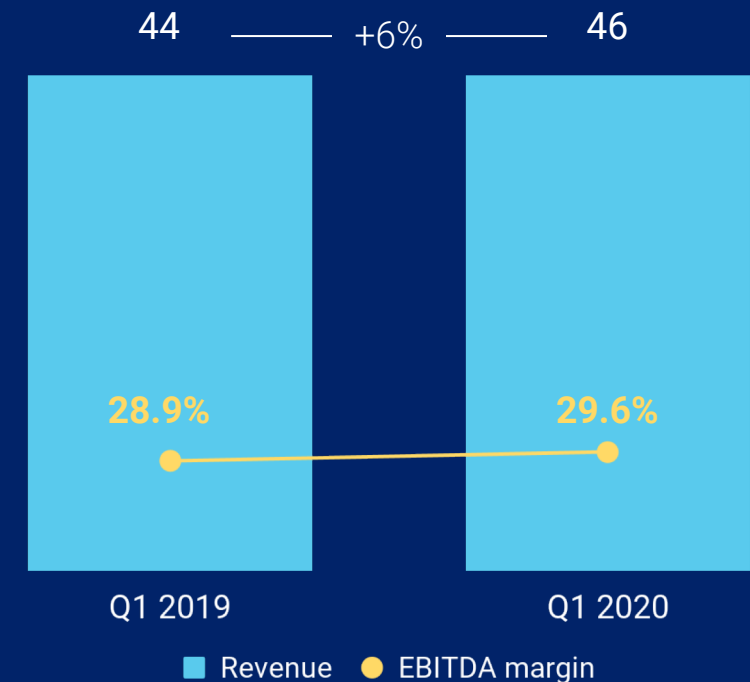
Revenues

- 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)

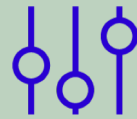


Spain: significant decrease in traffic in March, recovery in April



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)



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



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

Product development: Professional tools, user experience, experimentation of payment and delivery solution

Brazil: pricing initiatives paused as a result of COVID-19

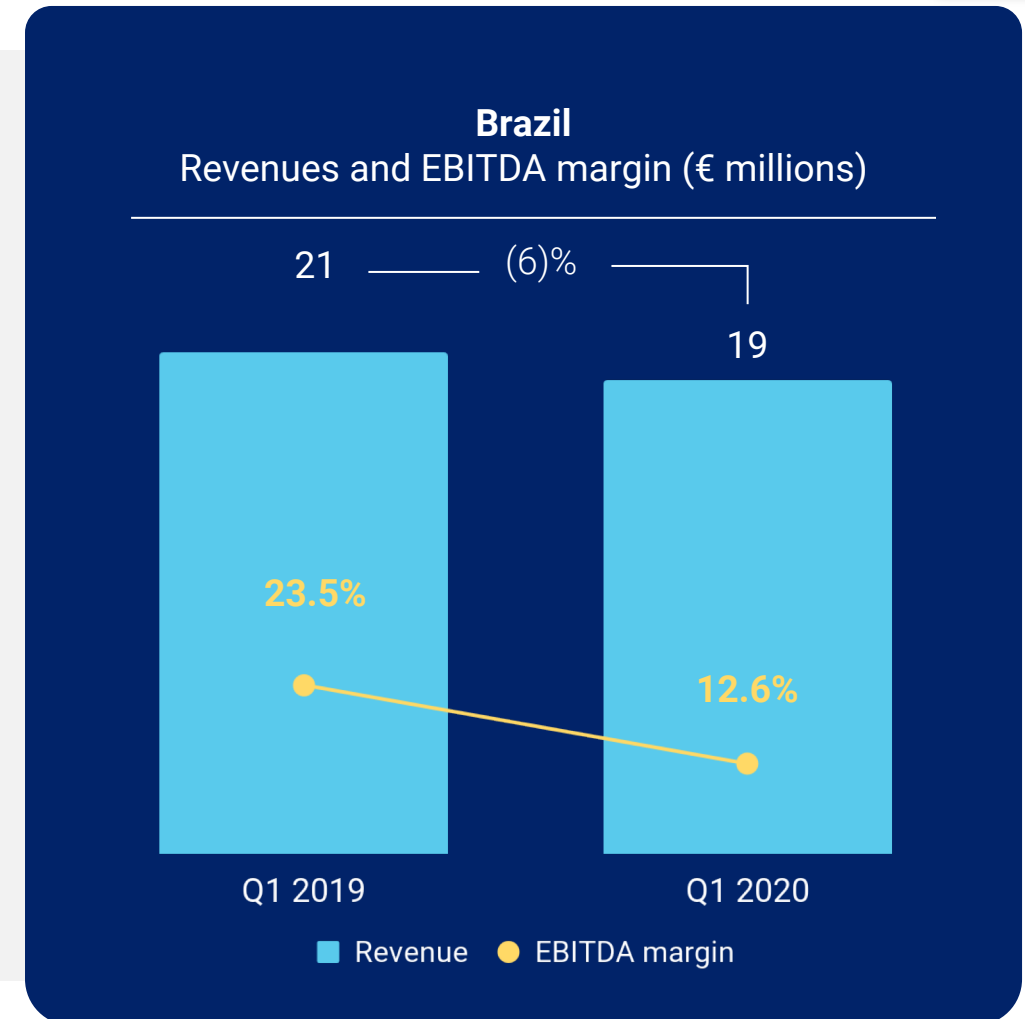


Revenues

- **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



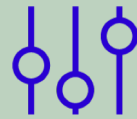
Full lock down since
March 16

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)



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

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

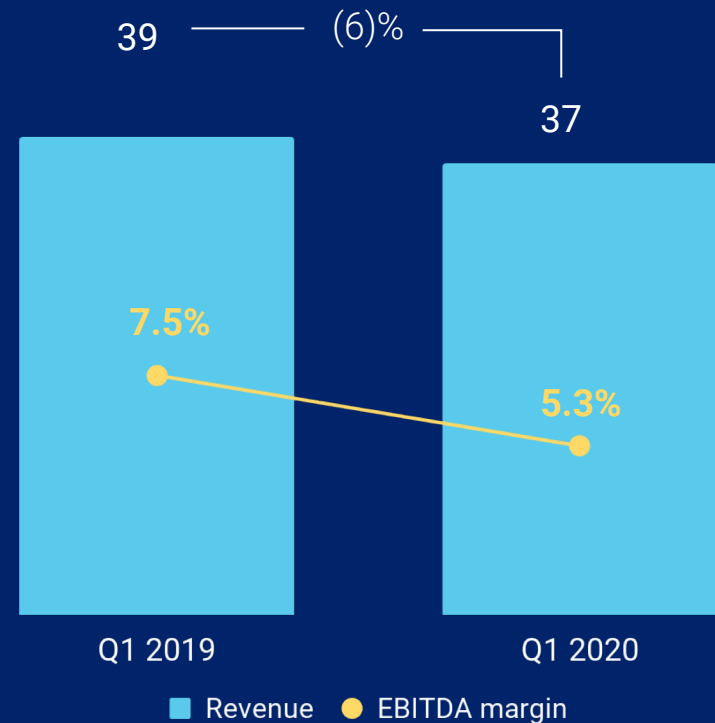
Revenues

- 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

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 Adevinta website)

Global markets: Improved traffic trends in all markets

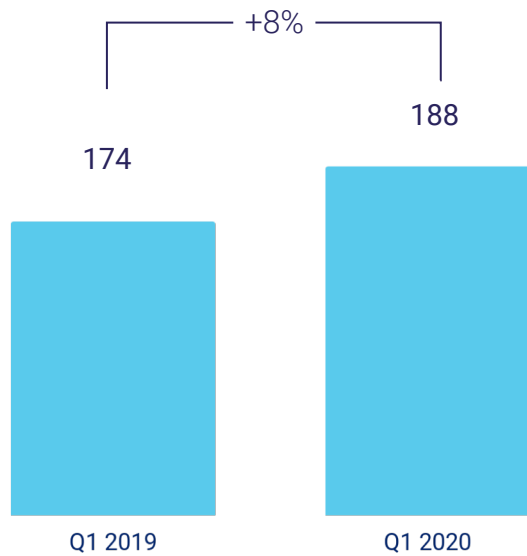
|  <p>Italy</p> |  <p>Willhaben</p> |  <p>Ireland</p> |  <p>Hungary</p> |  <p>Shpock</p> |
|---|--|--|---|---|
| <p>Improving quarterly trend in Jan & Feb</p> <p>Lockdown started early March</p> <p>Initial decrease of ~40% in traffic</p> <p>Recovering in the past week towards -15% and on a positive trend</p> <p>Initiatives to preserve content and to help users during lockdown</p> | <p>Traffic decreasing in first weeks of shutdown (-25%)</p> <p>Resilient performance with professional clients in RE and Cars; Jobs more impacted</p> <p>Strong rebound in traffic, content and leads to above pre-lockdown levels</p> | <p>Solid performance in real estate despite COVID impact</p> <p>Focus on preserving the relationship with the customers</p> <p>Many new launches deployed such as booking feature on DoneDeal to allow dealers to still sell during the lockdown and a free digital lease system for all agents.</p> | <p>Initial decline of ~40% in traffic, recovering in the past weeks and now above pre-lockdown levels</p> <p>Accelerated growth in on-site transactions</p> <p>Positive market reaction to emergency packs launched for pros and privates</p> | <p>Accelerated growth in on-site transactions (week 17 is 9x versus week 1)</p> <p>Rolled out door-to-door delivery with great users adoption</p> |

Financials

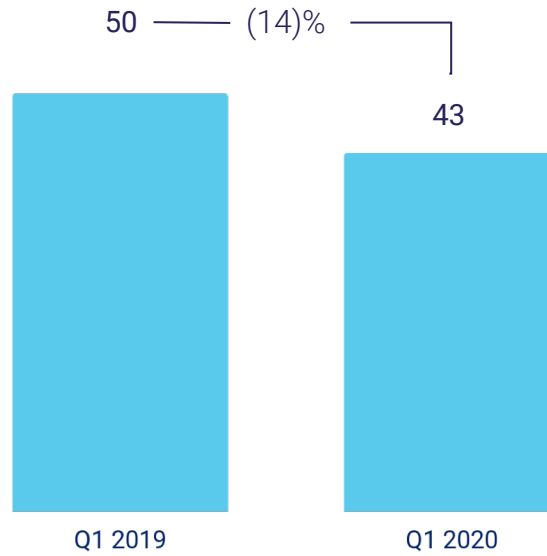
Uvashni Raman
CFO

Q1 financial performance

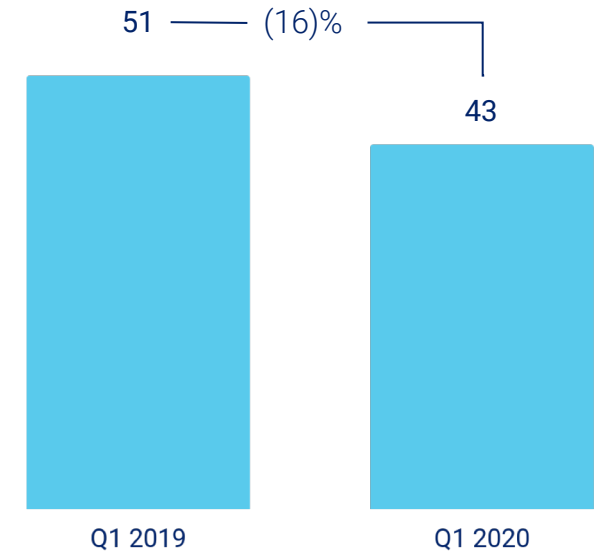
Proportionate incl JVs Revenues
€ millions



EBITDA proportionate incl JVs
€ millions

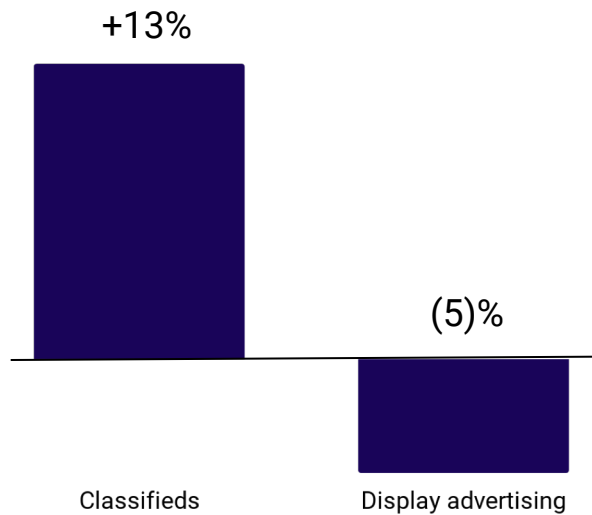


Operating cash flow
€ millions

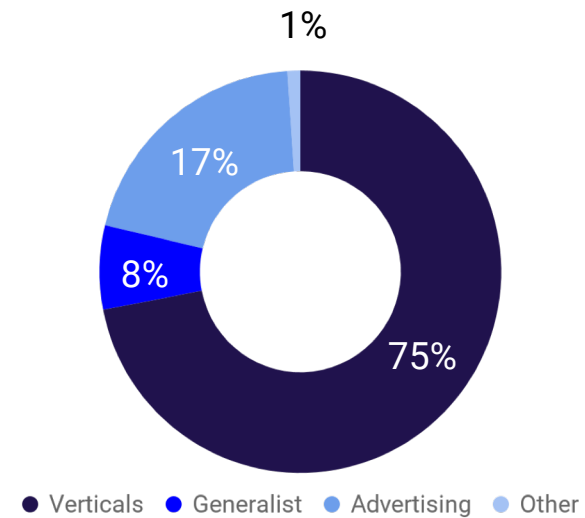


Both verticals and display advertising affected by the situation

Q1 revenue growth by category



Q1 revenue split



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

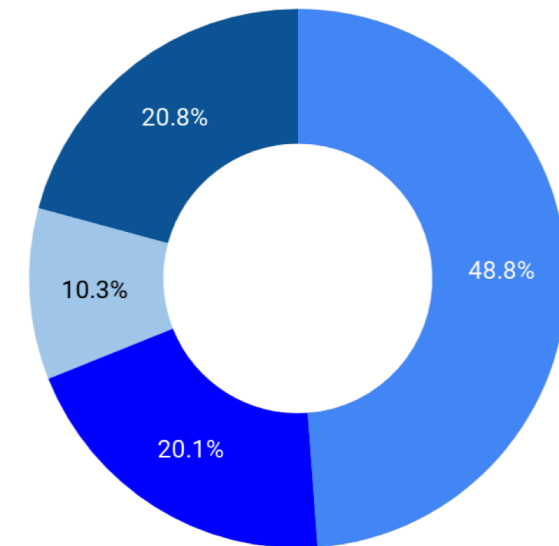
Application of **local government support measures**

Marketing Cost Savings

Significant cost cuts in marketing and advertising

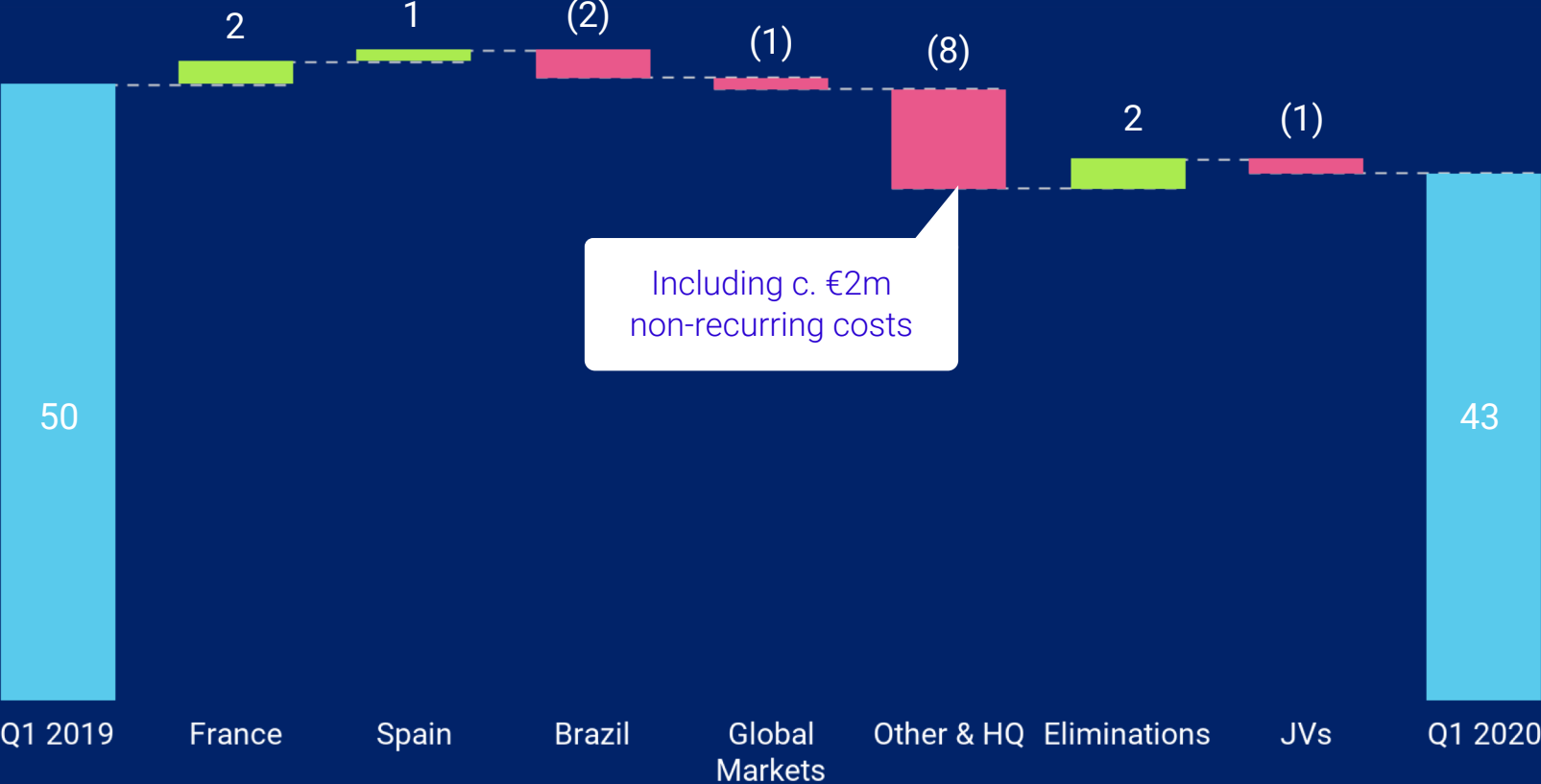
Some flexibility remains based on local competitive environment and initiatives

2019 operating cost split



● Staff costs ● Marketing spend ● IT expenses ● Others

EBITDA



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 (NIBD¹) to EBITDA² of **0.6x** 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

Outlook

Rolv Erik Ryssdal
CEO

Outlook

- **Uncertain economic outlook** in our main market, hardest hit expected in Q2
- **Operational KPIs improving** across all markets throughout April but limited visibility on pace of recovery in the following quarters
- **Sufficient liquidity** under the various scenarios
- **Continued investment** in product & tech to improve offering to strengthened leading positions
- **Favorable consumer trends** and opportunities arising from the crisis

We remain confident in our long-term objectives

Consumer trends expected to evolve

Acceleration of digital penetration

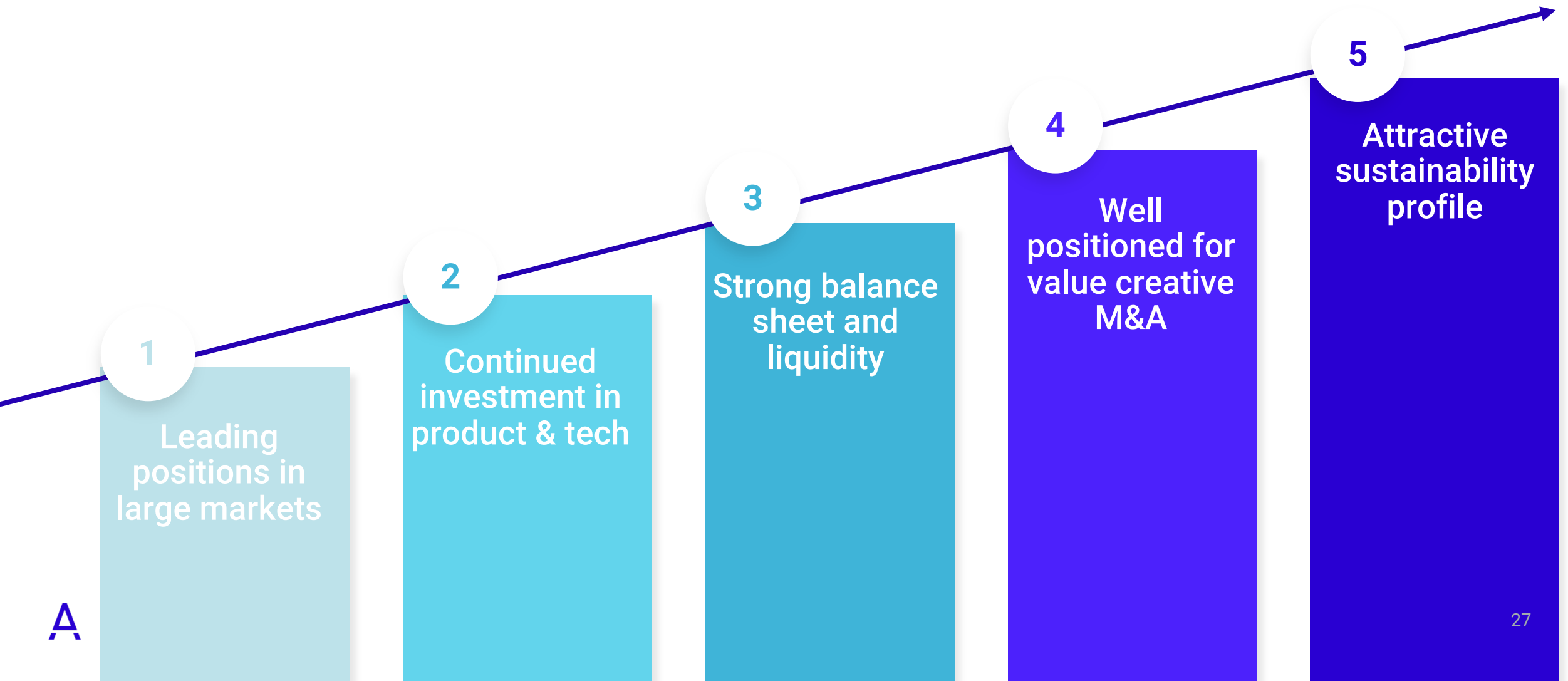
Safer and more convenient digital user journeys

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



Q&A

Appendices

Shareholder analysis

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

Updated information and VPS register at:

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.

Basic information

| | Adevinta share |
|---|----------------------|
| 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 (May 4, 2020) | 0 |
| Number of shares outstanding | 684,948,502 |
| Free float* | 40.7% |
| Share price (May 4, 2020) | NOK 84.25 |
| Average daily trading volume (shares)** | 551,000 |
| Market Cap total (May 4, 2020) | NOK 58bn (USD 5.6bn) |

Investor information

Visit Adevinta's website www.adevinta.com

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