

The Adevinta logo, featuring the word "Adevinta" in a white sans-serif font with a blue circular icon to its right, set against a dark blue background with a white grid pattern.

Adevinta

# Q2 2023 Results

Antoine Jouteau, CEO  
Uvashni Raman, CFO

31 august 2023



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# Highlights of the quarter

Antoine Jouteau, *CEO*



# Key highlights of the quarter

## Further successful execution of our Growing at Scale strategy

### Strong Q2 2023 financial performance in soft market environment

**Strong double digit revenue growth of Core markets: +14% yoy**, driven by continued outstanding performance of mobile.de and sustained growth in other core markets

**Total consolidated EBITDA of €177m**, up 21% yoy

**EBITDA margin of 38%**, up 3pp yoy, despite business mix evolution, French DST impact and higher SBC

**Strong cash flow generation and improved debt profile**

**2023 targets improved**

### Progress on optimised organisation driving scale benefit

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

**Verticalisation<sup>1</sup> of Adevinta's operations ongoing**, with finalisation of org. design and progress on structuring future ways of working

**Towards convergence for generalist platforms**, starting with leboncoin and Kleinanzeigen

### Operational excellence to generate profitable growth

**Successful rebranding of Kleinanzeigen**

**Increased monetisation in Mobility and Real Estate** with higher client penetration and successful price increases along with product improvements and increased added-value for customers

**Strong ramp-up of transactional services**, with transactions up +41%, with strong traction in all Core markets

**Continued product development across all of our platforms**

**Continued financial discipline**



<sup>1</sup> Alignment of the organisational structure with the Group strategy, based on three key pillars: Mobility, Re-commerce and Real Estate & Emerging Verticals



# Adevinta is well positioned to capture significant business opportunities



**Leading platforms**



**Resilient business model**



**Large untapped potential**



**Strong purpose**



**Committed and experienced teams**



**Strong team willingness**

# Our vertical strategy and our organisational transformation, together with a common generalist platform, will enable us to fully unlock Adevinta's potential



**A European, multi-vertical leader** in classifieds



**Customer-centric approach**, where user needs drive all decisions



Supported by a **single platform / global product** for all generalists



A **verticalised organisation**, allowing more focus, **product time to market and scale**



Less duplication, **more efficiency and agility** in resource allocation



**More competitiveness** against single-platform, multi-market players



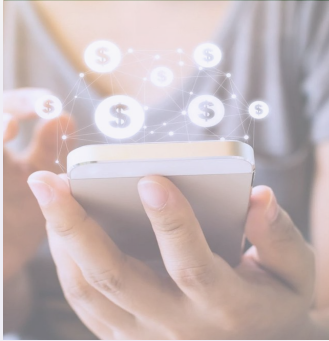
**Higher margin** and greater ability to invest and innovate



**One-company culture** and shared capabilities across Core markets

# Our ambition is to get the best from all generalist platforms to build the world-class marketplace

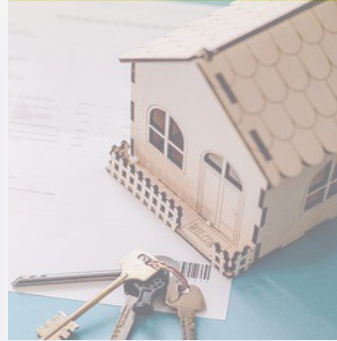
Re-Commerce



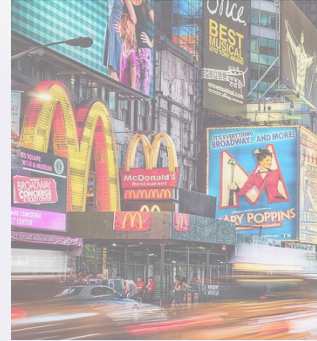
Mobility



Real Estate



Advertising



Data & AI



leboncoin



kleinanzeigen



Marktplaats



subito

milanuncios

+ Adevinta

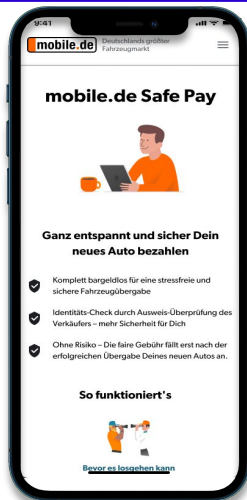
**Global generalist platform**

leveraging best capabilities from existing platforms

# Continued innovation with added-value products across all markets

## To reinforce our leadership positions

### Mobility



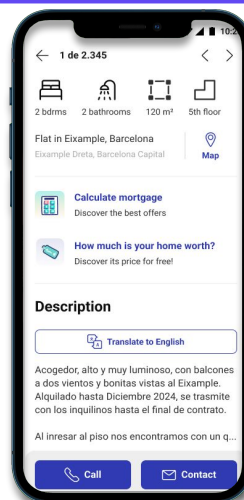
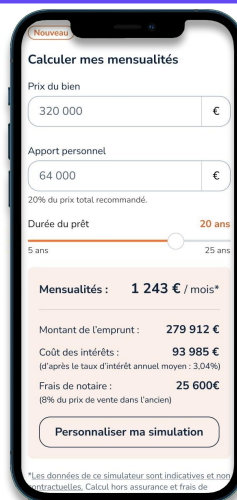
leboncoin

Cash Purchase  
for C2B

mobile.de

Digital payments  
for private sellers

### Real Estate



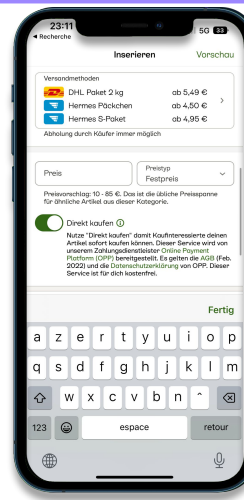
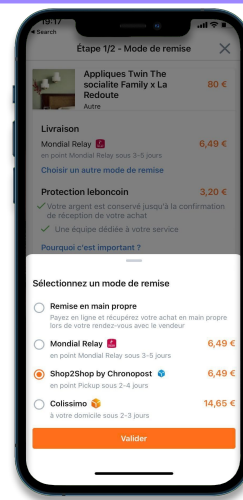
leboncoin

Borrowing capacity  
simulator  
with redirection  
to a broker

fococasa

Ability to translate  
descriptions into  
multiple languages

### Transactional services



leboncoin

Shop2Shop

kleinanzeigen  
Marktplaats

"Buy now" opted in



# Three months into Rebranding to Kleinanzeigen, all metrics are on track



**Over-performance versus traffic targets**, with communications efforts driving **60m monthly active users** in launch month of May\*



**Smooth migration to kleinanzeigen.de**, with the new domain already ranking **#6 for SEO visibility** in Germany\*\* (and climbing)

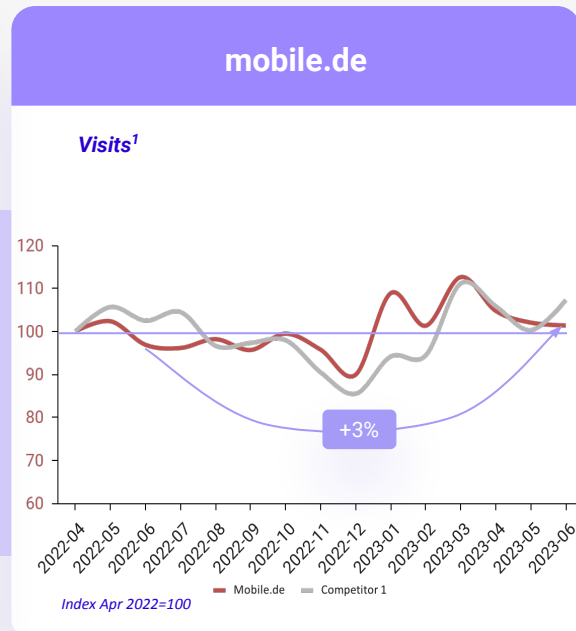
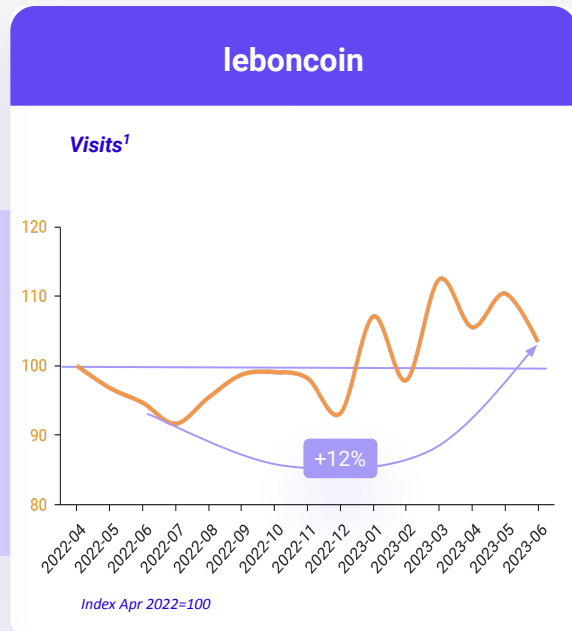
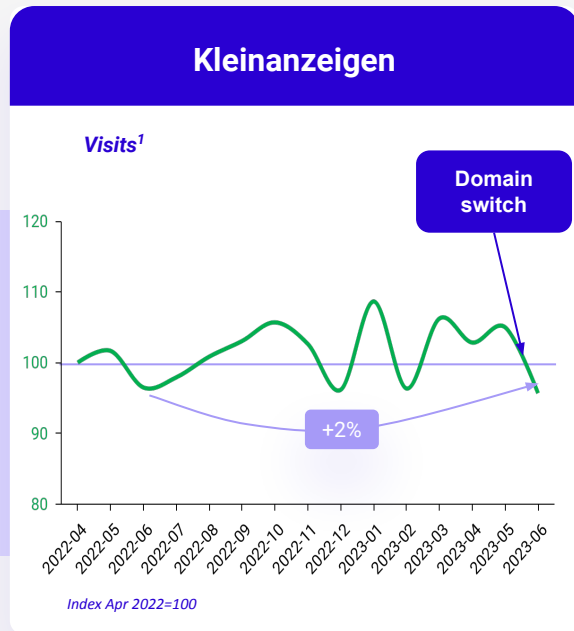


**Overwhelmingly positive response from users** to our new brand and **strong performance against brand metrics**



# Positive traffic growth in all Core platforms

## Despite soft macro and car markets, and domain change for Kleinanzeigen



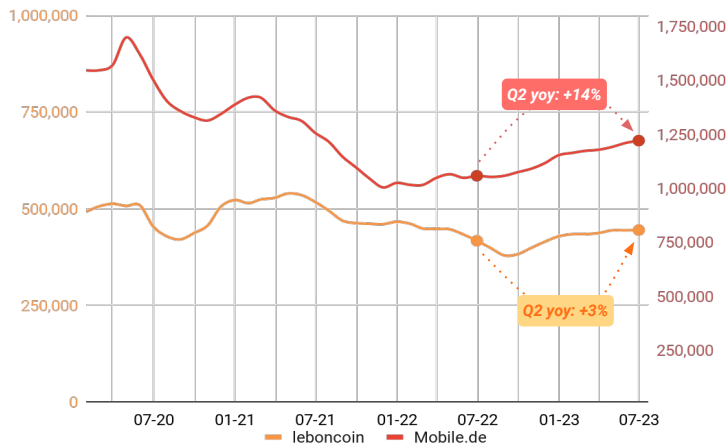
<sup>1</sup> Visits: every user session on a single device, based on internal data for Kleinanzeigen, leboncoin and mobile.de. Visits based on Similarweb + AppAnnie for Competitor 1.



# Growth in car PRO listings driven by slight recovery in new car supply coupled with slowing demand

## Strong value proposition reflected in successful commercial activity

### Car PRO listings evolution



|           | Q2 qoq |
|-----------|--------|
| leboncoin | +2%    |
| mobile.de | +3%    |

Listings: Average number of dealer live listings - internal data

### Price and client base evolution

|           | Price                  | Dealers        |
|-----------|------------------------|----------------|
| leboncoin | ARPD: 465€<br>+12% yoy | 24k<br>-3% yoy |
| mobile.de | ARPL: 25€<br>+14% yoy  | 40k<br>0% 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)

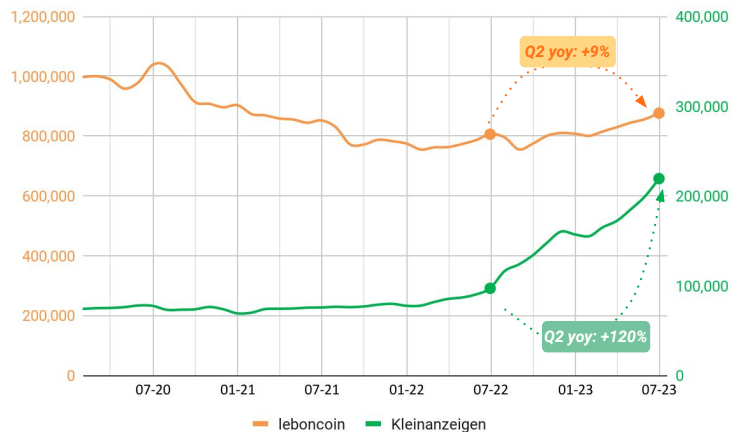
Dealers: based on internal data



# Real Estate PRO listings driven by lower demand for properties

## While our strong value proposition drives ARPA and client penetration up

### PRO listings evolution



|               | Q2 qoq |
|---------------|--------|
| leboncoin     | +5%    |
| Kleinanzeigen | +23%   |

Listings: Average number of agents live listings - internal data

### ARPA and customer evolution

|               | ARPA             | Customers       |
|---------------|------------------|-----------------|
| leboncoin     | 650€<br>+19% yoy | 22k<br>-4% yoy  |
| Kleinanzeigen | 130€<br>+20% yoy | 10k<br>+15% yoy |

ARPA: Average Revenue per Account (formula for a given month: paying professional accounts revenue / # of paying professional accounts)  
Customers: based on internal data



# Continued rapid scaling of our transactional services Supported by recent product launches and promotional activities



**Increasing traction in all Core markets**, with strong double-digit growth in all markets, and even triple-digit growth at Kleinanzeigen

**Successful promotional activities** in Q2, with positive impact on # of transactions and adoption

**Continued strong development of transactional business model** in France, with positive impact on the margin

**New products and innovation** in all markets

## Transactions

*Number of payouts (evolution in %)*

|               | Q2 2023   | June 2023 LTM<br>vs June 2022 LTM |
|---------------|-----------|-----------------------------------|
| leboncoin     | +35% yoy  | +36% yoy                          |
| Kleinanzeigen | +108% yoy | +133% yoy                         |

*Payouts: payments made to sellers following a successful transaction*

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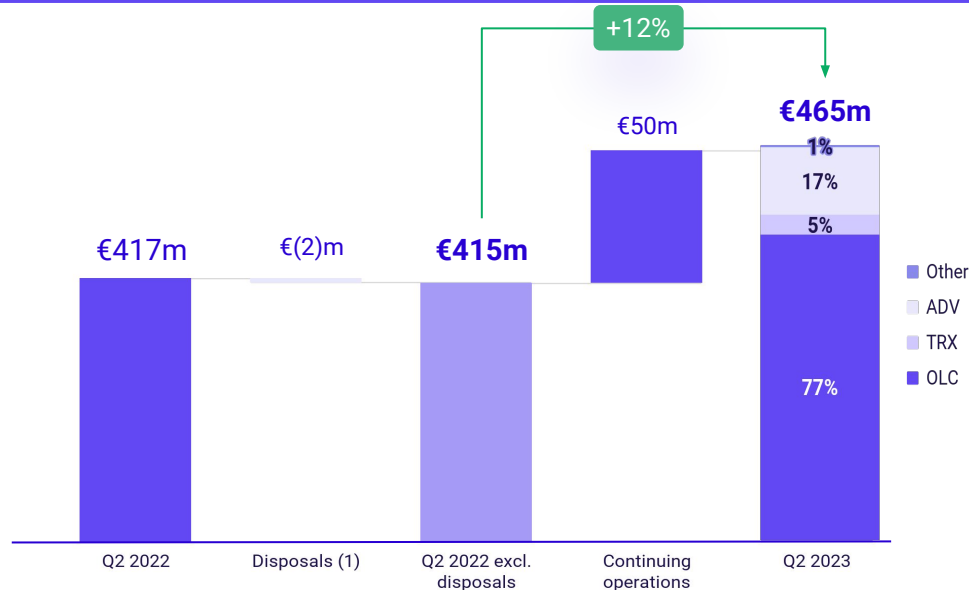
Q2 2023 financial  
performance

Uvashni Raman, **CFO**



# Group | Another strong quarter for Core markets, with strong double-digit revenue growth

Group revenues at €465m, up 12% year-on-year (excl. disposals)



## Core markets revenues up 14% yoy

## Classifieds revenues up 17%

- Mobility up 23% yoy, driven by mobile.de
- Real Estate up +11%, driven by France and Kleinanzeigen
- Jobs up 2% yoy

## Transactional revenues up 53% yoy

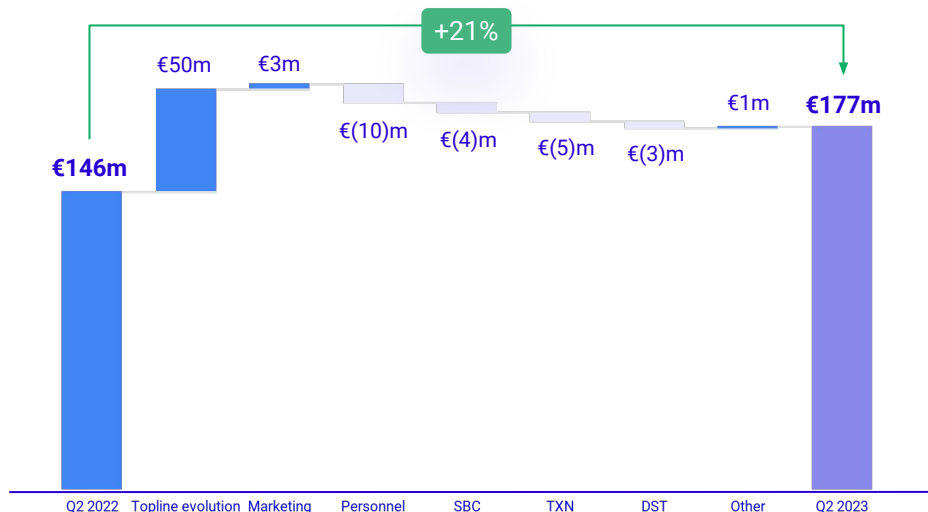
- Strong revenue growth in all markets

## Advertising revenues down 6%

- Overall weaker advertising market
- Rebranding and domain switch at Kleinanzeigen
- Strong performance in Italy despite challenging market

# Group | Improved EBITDA margin benefiting from topline development and cost discipline, despite business mix evolution and DST impact

Reported EBITDA up 21% year-on-year to €177m



**EBITDA margin of 38.0%, up 3pp vs Q2 2022**

**Lower marketing spend across markets**, partly offset by higher spending at Kleinanzeigen and mobile.de.

**Higher personnel costs, driven by :**

- Continued build-up of global capabilities with the implementation of new operating models for support functions and Product and Technology teams
- Annualisation of investment in product enhancements and in sales and customer support operations, particularly in legacy eCG markets, to support revenue growth
- Partly offset by slightly higher capitalisation related to convergence project and harmonisation of capex policy

**Higher cost of share-based compensation (SBC)**

**Direct transaction costs increase** reflecting adoption of the service and revenue growth

**Impact of French DST provision**

**One-off benefits of hosting cost credits (€2m)**

**EBITDA margin, excluding DST of 38.6% ( up 3.7 pp yoy)**



### Revenues

Solid revenue growth, **up 9% yoy**

Classifieds revenues **up 8% yoy** driven by Real Estate and Mobility, despite limited supply, demonstrating the strength of our market positions:

- Positive ARPA evolution (+19% yoy) in Real Estate
- Positive development in ARPD (+12% yoy) in Mobility

Strong growth in transactional revenues, **up 40% yoy**, driven by transaction volume growth

Advertising revenues **down 11% yoy**, impacted by reduced activity from media agencies and programmatic

### EBITDA margin

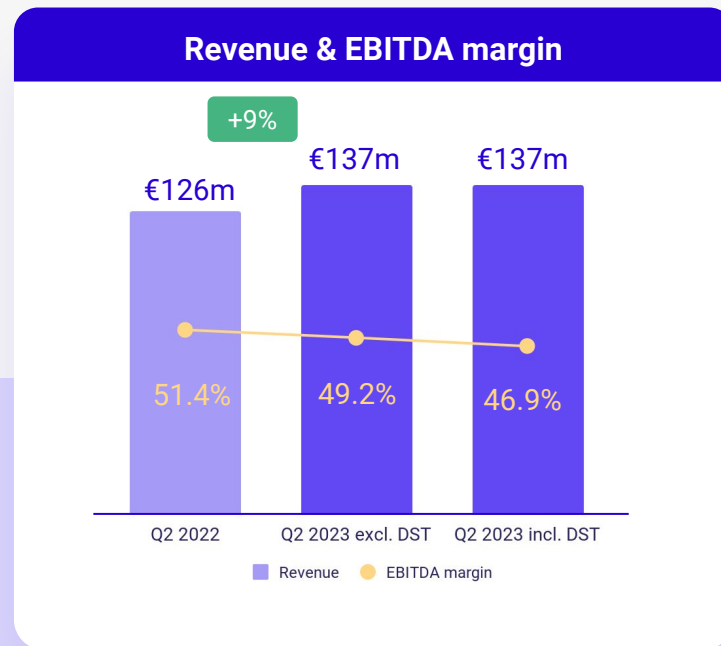
**Margin softening year-on-year** (down 4.5pp) **but sequentially improving** (up 4.3pp qoq)

Topline evolution partly offset by:

- French DST provision (€3m)
- Business mix evolution: increasing share of transactional services (-0.6pp dilutive impact from direct transactional costs) and decreasing share of highly profitable of advertising revenue
- Slight increase in personnel, due to investments in product and technology development

**Reported EBITDA at €64m, down €1m (-1%) yoy**

**EBITDA, excluding DST, up 4% yoy**





## Revenues

Outstanding revenue growth, **up 29%**

Classified revenues **up 33% yoy**:

- Continued recovery in dealer listings (+14% yoy)
- Increase in ARPL, up 14% yoy, driven by the successful price increase in April, in combination with increasing value for customers, and strong performance in upselling
- Strong performance of revenues from private sellers

Advertising revenues **down 13% yoy** due to market headwind and lower OEM spend

## EBITDA margin

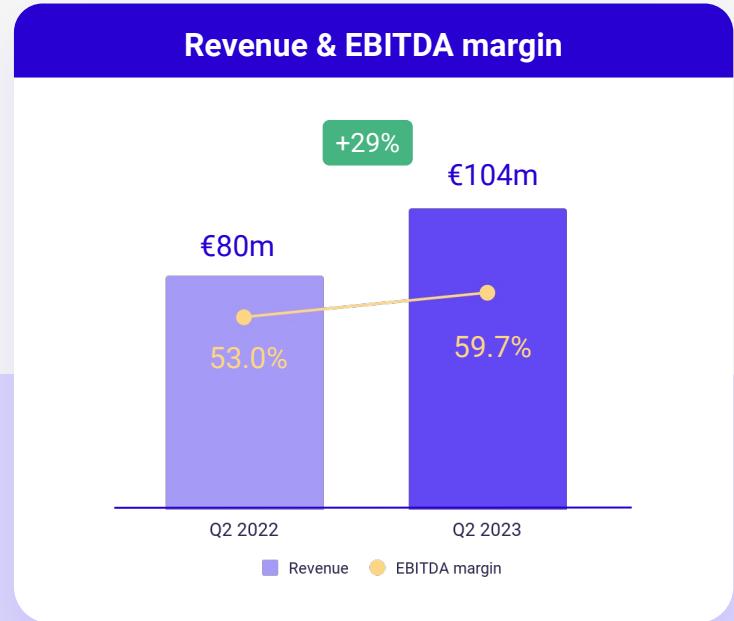
Margin improvement (up 6.7pp yoy) **mainly driven by:**

- Topline evolution
- Operating leverage

Partly offset by:

- Higher personnel expenses, as a result of the annualisation of our investments in product enhancements and in sales and customers support operations
- Slight increase in marketing expense

Reported EBITDA at €62m, up €19m (+46%) yoy





# European Markets

Double-digit revenue growth and improved margin despite higher personnel expenses and unfavorable business mix evolution

## Revenues

Up 11%\* yoy

Strong performance of Classifieds, **up 15%\* yoy**, driven by double-digit growth in all three verticals

Continued strong momentum from transactions, with revenues **almost doubling**

Advertising revenues, **down 3%\* yoy**, driven by weak economic context and by rebranding and domain switch at Kleinanzeigen

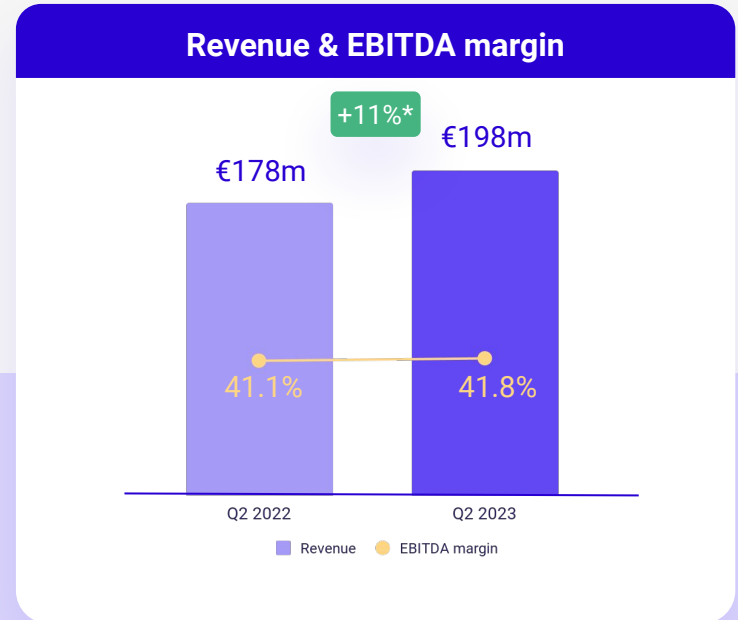
Double-digit revenue growth at **Kleinanzeigen** (+11% yoy), in **Benelux** (+13% yoy) and **Italy** (+20% yoy). Solid performance in **Spain** (+7% yoy)

## EBITDA margin

**Slight margin improvement**, with positive topline evolution partly offset by:

- Investment in product development and sales and customer support
- Higher marketing investment in Kleinanzeigen to support rebranding
- Increase in transactional costs, led by higher volumes and by shipping promotional campaigns at Kleinanzeigen to drive adoption of the service

**Reported EBITDA at €83m, up €9m yoy (+13%)**



\* Excluding Kufar (Belarus)

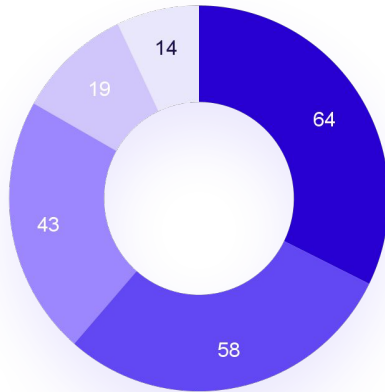


# European Markets

## Solid revenue performance with double-digit growth in Kleinanzeigen, Benelux and Italy

Revenue split by market (Q2 2023)

In € million



● Kleinanzeigen ● Spain ● Benelux ● Italy ● Others\*



**Double-digit revenue growth (+11% yoy)** - strong momentum in Real Estate, with further market share gains, in Consumer Goods, with strong SMBs performance, and Mobility. Advertising revenues down due to the rebranding and domain switch. Strong performance from Transactional revenues



**Revenues up (+7% yoy)** - solid performance of online classifieds, benefitting from price increases in all verticals, along with product innovation, and strong performance in Mobility and Jobs. Advertising revenues down, driven by lower vibrancy



**Back to double-digit revenue growth (+13% yoy)** - strong growth in online classifieds, driven by Mobility and Consumer Goods, and in transactional services, pushed by recent product launches. Advertising revenues down



**Double-digit revenue growth (+20% yoy)** - strong performance in Mobility, Real-Estate and Consumer Goods. Continued strong momentum of transactional services. Advertising revenues up 9% yoy



\* Others include Hungary and Ireland





# International Markets

Performance impacted by vibrancy contraction, offset by lower marketing spending and other cost optimisations

## Revenues

Down 16%\* yoy

Canada revenues **down 16% yoy**, driven by currency impact (-6 pts) and contraction in vibrancy impacting both online classifieds and Advertising performance.

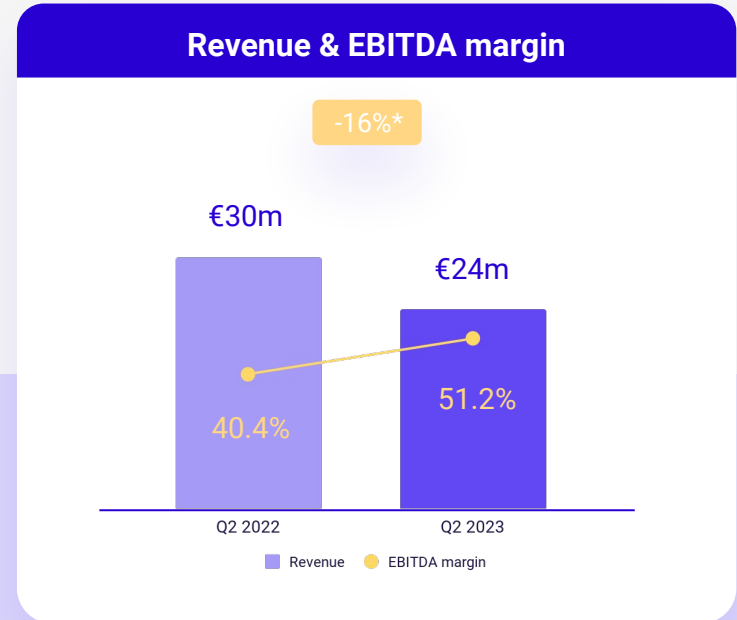
*Short-term mitigation plan under implementation, structured around (i) driving vibrancy and sustainable revenue growth through user engagement and reactivation, (ii) implementing pricing initiatives, and (iii) improving the ways of working, together with defined P&T priorities and resource allocation*

## EBITDA margin

Margin improvement (**up 10.8pp yoy**), mainly driven by:

- Lower marketing expenses
- Exit of non-core operations
- Other cost optimisations to absorb revenue decline

**Reported EBITDA at €12m, stable yoy**



## Revenues

Up 4% in local currency

Growth in Mobility and Consumer Goods, partly offset by soft performance in Real-Estate, impacted by market headwinds

Solid growth from transactional revenues, driven by higher volumes

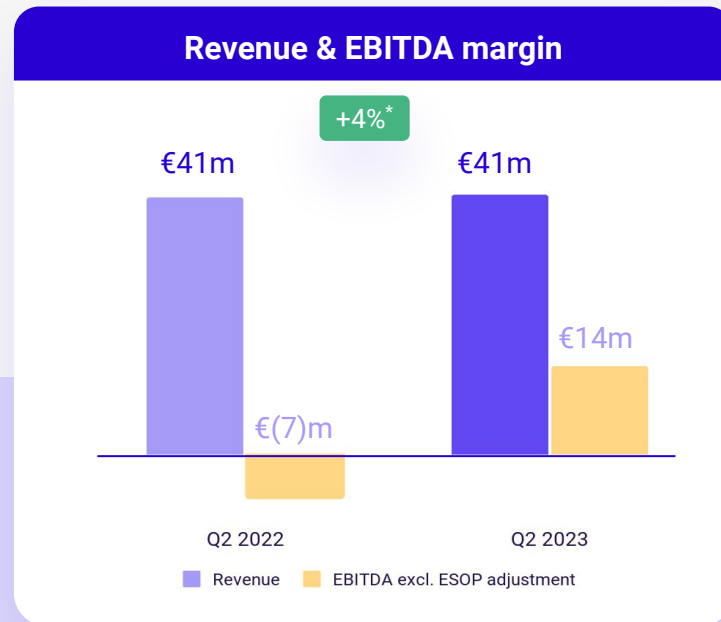
Advertising revenues down impacted by weaker macro-environment

## EBITDA margin

Strong margin improvement (at 56%, vs negative margin in Q2 2022) mainly driven by:

- Specific reversal of OLX Brasil management long-term incentive expense (ESOP) for c. €9m
- Strong reduction in marketing spending, mainly on ZAP+ branding and performance
- Lower personnel expenses, due to the implementation of a cost reduction plan without compromising operations
- Other OPEX optimisations

**EBITDA at €23m, up €29m yoy**  
**Excluding ESOP, EBITDA at €14m (34% margin)**





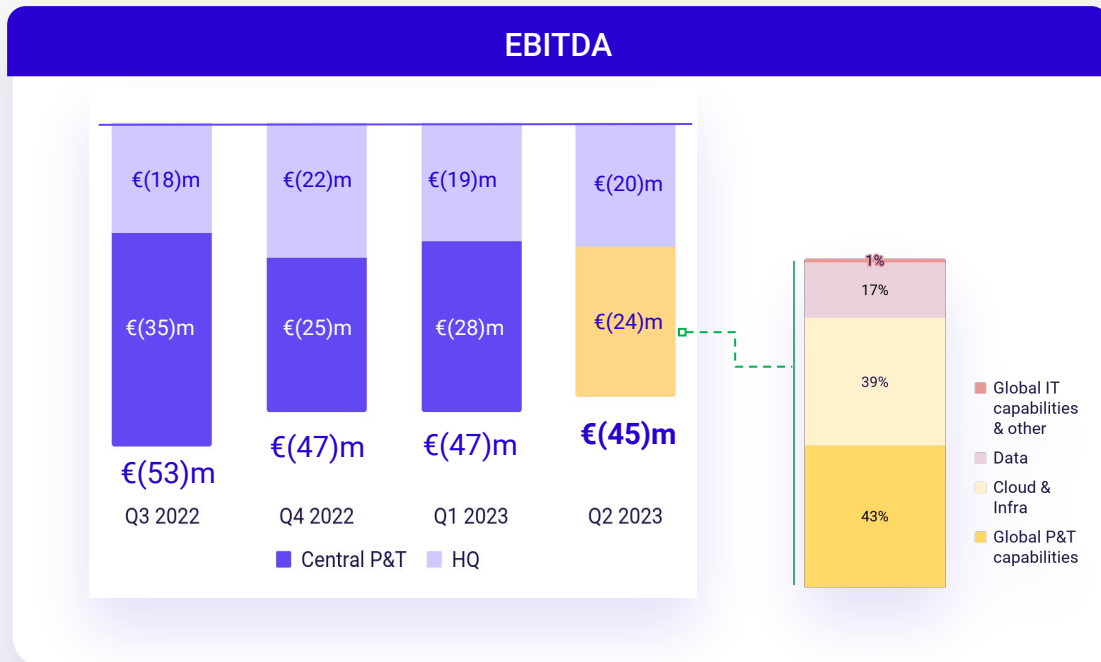
# Central P&T and Headquarters

## EBITDA up €3m yoy

**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**

**More than offset by larger share of cost allocations to the markets to reflect global teams support and one-off benefit of hosting costs credits (c.€2m)**

**Central P&T & HQ costs down yoy as % of revenues, at 10%**



# Other P&L items

| € million   | Second quarter |             |
|---|----------------|-------------|
|   | 2023           | 2022        |
| <b>Gross operating profit (loss) = EBITDA</b>           | <b>177</b>     | <b>146</b>  |
| Depreciation and amortisation                           | (74)           | (71)        |
| Share of profit (loss) of joint ventures and associates | (1)            | (12)        |
| Other income and expenses                               | (27)           | (16)        |
|   |                |             |
| <b>Operating profit (loss)</b>                          | <b>75</b>      | <b>47</b>   |
| Net financial items                                     | (11)           | (22)        |
|   |                |             |
| <b>Profit (loss) before taxes</b>                       | <b>63</b>      | <b>25</b>   |
| Taxes   | (16)           | (13)        |
|   |                |             |
| <b>Profit (loss)</b>                                    | <b>47</b>      | <b>(12)</b> |
| <i>Profit (loss) from continuing operations</i>         | 47             | 12          |
| <i>Profit (loss) from discontinued operations</i>       | (0)            | (24)        |

**Depreciation and amortisation** costs up €(3)m yoy, driven by the reassessment of useful lives of certain trademarks in Q2 2022. *Breakdown disclosed in appendix*

**Share of loss of joint ventures and associates** down €11m yoy, due to improved results of OLX Brazil

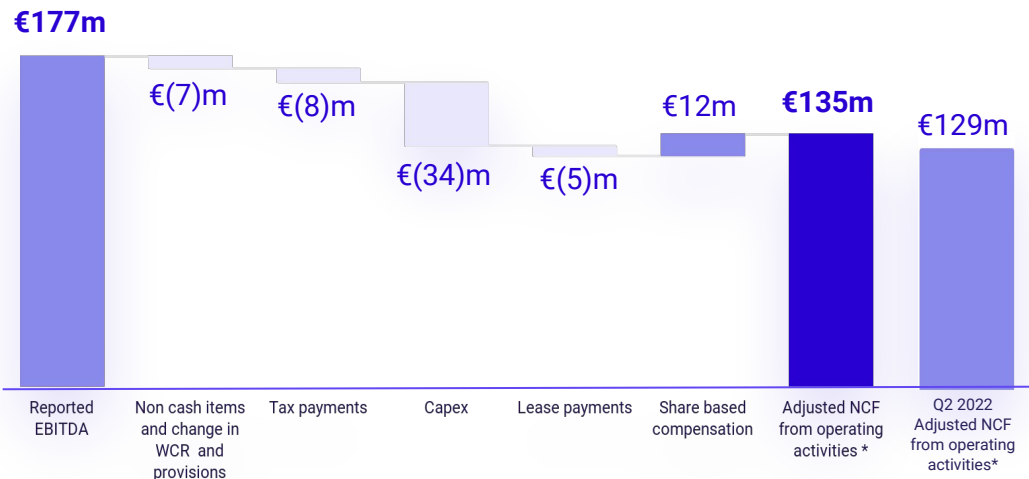
**Other expenses** mainly includes expenses related to the eCG integration, to the verticalisation project and to the rebranding of Kleinanzeigen

**Net financial costs** down €11m yoy, mainly due to the exchange gain on the loan in BRL granted by Adevinta to OLX Brazil (appreciation of BRL against EUR)

**Tax expense** up €(3)m yoy

# Strong cash flow generation profile

## Q2 2023 Cash flow build-up



**Slight negative change in working capital, non cash items and provisions**

### Capex

- Essentially capitalised development costs (€29m)
- c. 7% of sales
- Slightly up due to:
  - Integration projects (eg cloud and ERP migration)
  - Convergence project
  - Harmonisation of capex policy across the group

**Cash flow generation up €6m yoy**

\* Net cash flow from operating activities adjusted for CAPEX and IFRS 16 lease payments



# Deleveraging continues to be a priority

## Q2 2023 Net interest-bearing debt build-up



\* Net cash flow from operating activities adjusted for CAPEX and IFRS 16 lease payments



<sup>1</sup> Based on the definition of the Facilities Agreement

<sup>2</sup> Additional €2m amortization on USD TLB

**Senior Secured Net Leverage Ratio of 3.0x** as of Q2 2023<sup>1</sup>, ahead of time vs YE 2023 leverage target

**Medium term target: towards 2x net debt/EBITDA**

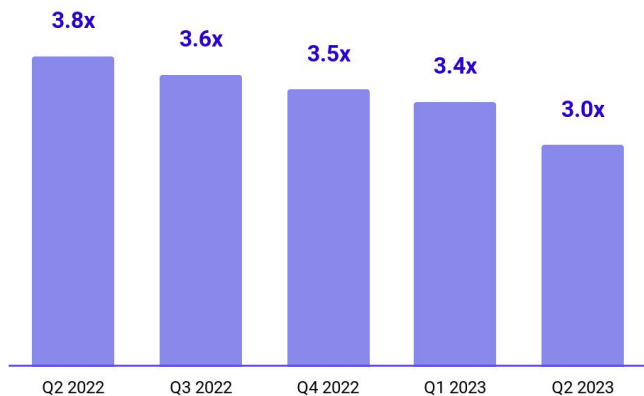
**Credit Rating Upgrades** during H1 to **BB+** (stable outlook) and **Ba2** (stable outlook), from Fitch and Moody's respectively

**€202m<sup>2</sup> debt repayments in H1 2023:**

- **€80m debt repayment in Q1** (EUR TLB)
- **€120m debt repayment in Q2** (€100m on USD TLB and €20m on EUR TLB)

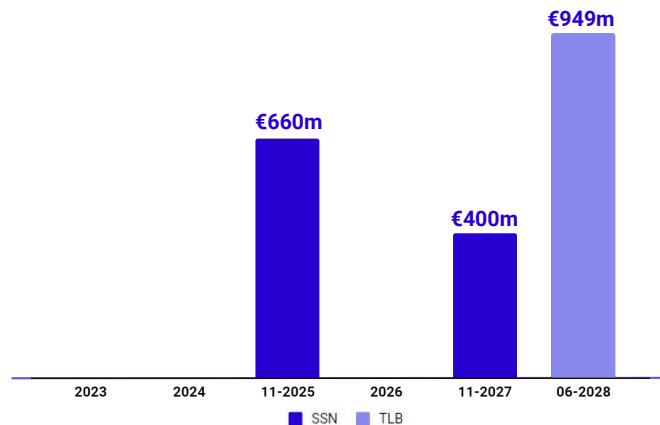
# Leverage development and long-term debt maturity

## Senior Secured Net Leverage Ratio<sup>1</sup>



**Deleveraging** progressing well in line with management's commitment

## Debt Maturity Profile<sup>2</sup>



**€450m undrawn revolving credit facility** maturing in 2026



<sup>1</sup> Senior Secured Net Leverage/EBITDA as per Facilities Agreement

<sup>2</sup> Excludes USD Term loan B 0,25% quarterly amortization as per Facilities Agreement

# Measures in place to mitigate Interest Rate & FX Exposures

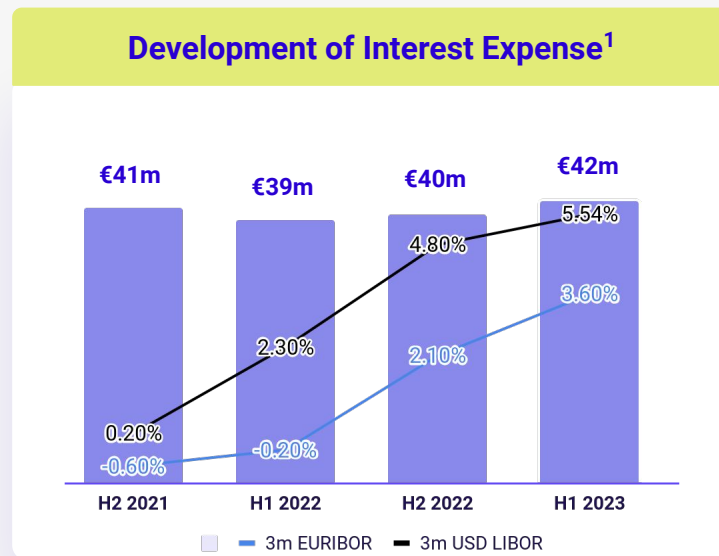
## Interest expense remains broadly flat

- Exposure to rising interest rates mitigated by:
  - Deleveraging
  - USD TLB swapped to Euro Fixed until mid 2024
- Fixed debt profile of c. 70%
- Floating debt exposed to EURIBOR

## Deleveraging and hedging has resulted in interest savings of €21m in HY23

## Manageable FX exposures

- Material transactional exposures are hedged
- Balance sheet exposures are assessed on a regular basis
- FX cash kept at operational minimum
- Substantial M&A proceeds are hedged where possible





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## Conclusion & outlook

Antoine Jouteau, **CEO**



# 2023 outlook improved



## 2023 outlook

**Double digit revenue growth** in core Markets despite soft macro environment

**EBITDA at the top end** of the previously announced **€620m to €650m range**

**Further deleveraging expected**, towards 2x net debt/EBITDA in the medium term



## 2023 drivers

- Further room for price adjustments based on product improvements and increased value for our customers
  - Continued strong traction of transactional services
  - Advertising markets to remain under pressure
- 
- Operating leverage & synergies realisation
  - Financial discipline
  - Business mix evolution
- 
- Continued focus on deleveraging and further optimisation of debt structure

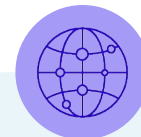
# Value creation opportunity ahead of us

## Long-term ambition remains strong for Core markets



### Sustainable profitable growth underpinned by

- Resilient business models and strong market positions
- Optimised organisational structure: towards verticalisation
- Strict cost management programme
- Efficient operating model to leverage scale and drive efficiencies



### Long-term ambition

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

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Thank you!

# Appendices

# D&A breakdown

| Nature  | Q2 2023   | Comment   |
|---|-----------|---|
| D&A   | 22        |   |
| D&A related to the reassessment of useful lives of certain trademarks | 6         | €25m in FY2023 and FY2024 and €10m in FY2025                  |
| PPA   | 46        | €185m in FY2023, €117m in FY2024 and €49m the following years |
| <b>Total</b>  | <b>74</b> |   |

# Basic information

| Ticker   |                        |
|--|------------------------|
| Oslo Stock Exchange                            | ADE                    |
| Reuters  | ADE.OL                 |
| Bloomberg                                      | ADE:NO                 |
| Number of shares                               | 1,224,942,981          |
| <i>Of which:</i>                               |                        |
| Class A shares                                 | 1,165,686,913          |
| Class B shares (non-voting, not listed shares) | 59,256,068             |
| Treasury shares (Aug 30, 2023)                 | 7,294,304              |
| Number of shares outstanding                   | 1,217,648,677          |
| Free float*                                    | 27.1%                  |
| Share price (Aug 30, 2023)                     | NOK 79.2               |
| Average daily trading volume (shares)**        | 400,575                |
| Market Cap total (Aug 30, 2023)                | NOK 96.4bn (USD 9.1bn) |

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