Adevinta

Q2 2023 Interim Report

August 31, 2023

Content

Highlights of Q2 2023

Strong Q2 2023 results performance in a soft macro environment

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

- Double digit growth in Classifieds (+17%), with double digit growth in Mobility (+23%) and Real Estate (+11%)
- Consumer Goods transaction revenues growth up +53% yoy, with strong revenue growth in all Core markets
- Advertising revenues down 6% yoy

Total consolidated revenues at €465m, up +12%[1] yoy

Reported EBITDA margin of 38.0%, up 3pp yoy, despite business mix evolution, the impact of the French Digital Services Tax and higher share-based compensation

Total consolidated EBITDA of €177m

Strong cash flow generation and improvement of debt profile:

- Adjusted NCF from operating activities: €135m[2]
- Significant debt repayment: €120m in the quarter, prioritising floating debt
- Year-end 2023 leverage target reached at the end of Q2 (3x net debt/EBITDA)
- Credit rating upgrades from Moody's and Fitch

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[3] of Adevinta's operations ongoing:

- Finalisation of organisational design
- Progress on structuring future ways of working

Towards convergence for generalist platforms starting with leboncoin and Kleinanzeigen

Continued focus on operational excellence

- Successful rebranding of Kleinanzeigen
- Increased monetisation in key verticals
- Strong ramp-up of transactional services
- Financial discipline

Outlook

2023 outlook improved

- Double digit Core Markets revenue growth
- Reported 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

Long-Term ambition for Core markets confirmed

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

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[1] Excluding Kufar and Mexico

[2] Net cash flow from operating activities adjusted for CAPEX and IFRS 16 lease payments

[3] Alignment of the organisational structure with the Group strategy, based on three key pillars: Mobility, Re-commerce and Real Estate & Emerging Verticals

Key performance indicators - Q2 2023

Core markets revenues	Visits
€427m ***+14% yoy***	**leboncoin / Mobile.de / Kleinanzeigen** ***+12% yoy / +3% yoy / +2% yoy***

Group revenues	Motors
€465m ***+11% yoy***	**ARPA leboncoin / ARPL Mobile.de** **€465/ €25** ***+12% yoy / +14% yoy***

EBITDA	Real Estate
€177m ***38% reported margin*** ***+3pp yoy***	**ARPA leboncoin / ARPA Kleinanzeigen** **€650 / €130** ***+19% yoy / +20% yoy***

Adjusted net cash-flow from operating activities	Transactions
€135m	**leboncoin / Kleinanzeigen** ***+35% yoy / +108% 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 delivered another strong set of results in the second quarter, achieving double digit revenue growth across our core business with excellent performance at mobile.de, which, together with successful cost discipline, has resulted in a marked improvement in our EBITDA and margins. We also continued to execute our business and strategic roadmap, making good progress in the verticalisation and optimisation of our organisation to drive even greater innovation and efficiency, while improving our products and services for end users.

Revenues in the core markets grew 14% year-on-year in the second quarter. This was principally driven by the outstanding performance of mobile.de, which benefited from both positive price and volume effects, supported by continued strong results in other segments. Classified revenues grew 17%, once again demonstrating the strength of our market positions, value proposition and business models. Transactional services delivered an impressive revenue growth of 53%, with contribution from all core markets. Advertising revenues decreased by 6% due to an overall weaker advertising market.

Our EBITDA margin in the second quarter saw a 3-point increase year-on-year, despite the business mix evolution and the negative impact of the French DST, reflecting our top line evolution and the strict financial discipline we have maintained throughout the business. Cash generation was also very strong during the quarter, enabling further deleveraging and mitigating some of the impact of rising interest rates.

We are making good progress in the verticalisation of our operations, announced at the end of 2022. The definition of the target operating model has been finalised and is currently being reviewed with employee representatives. The transition to this new model is still planned for 2024.

Additionally, we have initiated the convergence of our generalist platforms into one global platform, starting with leboncoin and Kleinanzeigen. This will allow us to reduce duplication of effort and provide our users and customers with best-in-class products and solutions, while reducing our time to market and to further leverage and enhance the power of our local brands.

I would like to thank all our teams for the very strong financial performance in the first half of the year and for the tremendous work and dedication they have shown in transforming our organisation. These results position us well to reach the top end of the previously announced financial targets for the full year.

I am confident that we are on the right track to achieve our long-term goals, which will create value for our shareholders and benefits for all our stakeholders.

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 groups operating results by Group Management following the acquisition of eBay Classifieds Group.

Following the decision to exit **Hungary**, this asset is **classified as held for sale as at 31 March 2023**.

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 Q2 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.

Second quarter				Year-to-date		
yoy %	2022	2023	€ million	2023	2022	yoy %
11%	**417**	**465**	**Operating revenues**	**901**	**804**	**12%**
21%	**146**	**177**	**EBITDA**	**322**	**271**	**19%**
	34.9%	38.0%	EBITDA margin	35.7%	33.7%	
			Operating revenues per segment			
9%	126	137	France	269	246	9%
29%	80	104	mobile.de	194	149	30%
11%	178	198	European Markets	385	347	11%
-21%	30	24	International Markets	47	58	-20%
-10%	3	3	Other and Headquarters	7	7	0%
80%	-1	0	Eliminations	-1	-2	65%
			EBITDA per segment			
-1%	65	64	France	121	120	0%
46%	43	62	mobile.de	113	79	42%
13%	73	83	European Markets	157	140	12%
0%	12	12	International Markets	23	23	0%
6%	-47	-45	Other and Headquarters	-91	-92	1%
			JVs: OLX Brazil and Willhaben			
7%	27	29	Proportionate share of revenues	55	50	11%
798%	-2	13	Proportionate share of EBITDA	22	1	3682%

Operating revenues by category

Second quarter			€ million	Year-to-date		
yoy%[1]	2022	2023		2023	2022	yoy%[1]
15%	313	359	Online classifieds revenues	690	601	16%
52%	16	24	Transactional revenues	49	31	56%
-8%	86	79	Advertising revenues	155	167	-7%
43%	2	3	Other revenues	7	5	41%
12%	**417**	**465**	**Operating revenues**	**901**	**804**	**13%**

[1] Excluding Kufar and Mexico.

Quarter performance

Adevinta exited Kufar (in Q2 2022) and Mexico (in Q3 2022) which represented 2 million euros revenues included in Q2 2022 results.

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

- **Online classifieds revenues** improved by 15% year-on-year;
- **Transactional revenues** grew by 52% year-on-year;
- **Advertising revenues** were down 8%.

Core Markets revenues reached €427 million euros in the quarter, representing a strong 14% growth, despite the continued supply softness in the Mobility segment (still below pre-covid levels) and the weaker market environment:

- **Online classifieds revenues** improved by 17%, supported by continued strong double-digit revenue growth in Mobility, mostly driven by mobile.de, which benefited from the successful new price increase implemented in April and the recovery of dealer listings, mainly driven by the easing of comparatives and lower demand whilst we also saw sustained recovery in new listings throughout the quarter, and by the development of high value added products for both users and car dealers. Real Estate posted a double-digit growth in the period, driven by France and Kleinanzeigen. Jobs was slightly positive, driven by Spain's steady performance despite lapping tougher comparisons;
- **Transactional revenues** grew by 53% 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, especially in automotive display advertising, and the rebranding and the domain switch at Kleinanzeigen.

Gross operating profit (reported EBITDA) amounted to 177 million euros, up 21% year-on-year, representing a 38.0% margin, up 3 percentage points year-on-year. This was the result of (i) the positive topline evolution, (ii) lower marketing spend across markets, driven by different phasing, spend discipline and prioritisation, partly offset by higher spending at Kleinanzeigen and mobile.de, and (iii) cost discipline. 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, the annualisation of the previous year's investment in product enhancements and in sales and customer support operations, particularly in legacy eCG markets, to support new business models, (ii) higher direct costs from transactional services, in line with the adoption of the service and revenue growth, (iii) higher level of share based compensation, and (iv) the (3) million euro expense related to the French DST.

Excluding the impact from the French digital services tax legislation (DST), EBITDA improved by 23%, to 180 million euros compared to the second quarter of 2022, representing a 38.6% margin (up 3.7 percentage points year-on-year).

Segment information

France

Second quarter			€ million	Year-to-date		
yoy%	2022	2023		2023	2022	yoy%
9%	126	137	**Operating revenues**	269	246	9%
-19%	(61)	(73)	Operating expenses	(149)	(126)	-18%
-1%	65	64	**EBITDA**	121	120	0%
	51.4%	46.9%	EBITDA margin	44.8%	48.8%	

Traffic[4] improved compared to last year (+12%) while content developed positively in key verticals during the quarter. Consumer Goods new ads were up 8% year-on-year, further improvement in Real Estate professional content (online listings +9% year-on-year), while Mobility professional online listings showed positive growth compared to the same period last year (+3%), due to low comparison level and slight recovery in new car supply, combined with declining demand.

Total P2P transaction payments in France saw strong traction in the quarter, with payouts up 35% year-on-year. This performance was supported by targeted promotional campaigns, including the test of a new delivery promotion scheme in June, and a discount on the Bundle purchase solution. Improvements to the user experience, such as the introduction of Shop2shop by Chronopost for all eligible categories, also contributed to the growth.

Reported revenues in France grew by 9% in the second quarter of 2023. **Online classifieds revenues grew 8% year-on-year driven by Real Estate and Mobility**. Real Estate double-digit revenue growth continued to benefit from the successful launch of enhanced subscription packages in September 2022 with high added-value for professional clients. This contributed positively to the ARPA development (to €650; +19% year-on-year). Mobility revenue growth was driven by the 12% ARPD increase (to €465), mainly led by the annual price increase. Jobs and Holiday Rental revenues were down year-on-year.

Advertising revenues were down 11% compared to last year, where we saw the ongoing impact of reduced activity from media agencies and programmatic. **Revenues from transactions were up 40% year-on-year**, on the back of transaction volume growth.

Reported EBITDA was 64 million euros, slightly down year-on-year. This was the result of the positive top-line development and lower marketing expenses over the period (down 10% year-on-year), partly offset by (i) a provision of (3) million euros related to the French DST that was booked in the quarter, (ii) an increase in direct transaction costs, while the improved delivery pricing structure and supplier mix, the introduction of new solutions with positive impact on the margin, partially offset the impact of higher transaction volumes, and (iii) a slight increase in personnel, due to investments in product and technology development. **The reported EBITDA margin deteriorated accordingly by 4.5 percentage points year-on-year, but improved by 4.3 percentage points sequentially.**

EBITDA, excluding DST, improved by 4% compared to the second quarter of 2022. The EBITDA margin, excluding DST, deteriorated by 2.2 percentage points year-on-year, mainly reflecting the evolution of the business mix with an increasing share of transaction services (-0.6pp dilutive impact of direct transaction costs) and a decreasing share of highly profitable advertising revenues.

We continued to deploy our product strategy in Real Estate (eg: creation of a candidate profile and rental file sharing via messaging system for rental market), **in Mobility** (eg: improved categorization of car models and price estimation for professionals using the Argus reference system) **and in Holiday Rentals** (eg: flexible cancellation conditions on Locasun). **The transactional user journey in our Real Estate vertical**, was enhanced further with the launch of a borrowing capacity simulator with redirection to a broker (Pretto), **and in Mobility vertical with our C2B offering**, with the launch of Cash Purchase that enables private sellers to simplify and to accelerate the process of selling a car to a professional.

In Consumer Goods, our marketplace for professional sellers continued to perform well, with a strong increase in the number of transactions (7x year-on-year), supported by the recent roll-out of the first connection with a product integrator thats allows customers to integrate their catalogue via API and the introduction of more granular ad parameters (e.g. colours).

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

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mobile.de

Second quarter			€ million	Year-to-date		
yoy%	2022	2023		2023	2022	yoy%
29%	**80**	**104**	**Operating revenues**	**194**	**149**	**30%**
-11%	(38)	(42)	Operating expenses	(81)	(69)	-17%
46%	**43**	**62**	**EBITDA**	**113**	**79**	42%
	53.0%	59.7%	EBITDA margin	58.1%	53.3%	

Traffic[5] was up 3% compared to the second quarter of 2022, in line with market trends. **Dealer listings continued to show positive growth** compared to the same period last year (+14%), mainly driven by the easing of comps and low demand due to the economic environment, while the number of new listings saw sustained recovery through the quarter.

Revenues in mobile.de improved by 29% in the second quarter of 2023. Online classified revenues and value-added services increased by 33% 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, with no drop in dealer satisfaction, and (iii) strong upsell performance. Average revenue per dealer listing increased by +14% year-on-year. **Revenues from private sellers also posted a strong performance** in the quarter, supported by both higher C2C ARPL and C2B ARPU. **Advertising revenues decreased by 13%** compared to the previous year, impacted by the ongoing reduced level of advertising spending by OEMs as a result of the current market context.

EBITDA improved by 46% in the second quarter, mainly driven by the positive top-line development and operating leverage. This was partly offset by an increase in personnel costs, as a result of the annualisation of our investments in product enhancements and in sales and customer support operations. Marketing expenses also increased in the quarter (up 11% year-on-year) driven by a marketing campaign focused on our leasing offering. **Accordingly, the EBITDA margin improved by 6.7 percentage points year-on-year.**

We introduced several user experience upgrades during the quarter (eg: first series of Electric Vehicle features with dedicated search filters, new customer satisfaction score for iOS to gather feedback from users, full launch of MyVehicles, a dedicated area under the account profile where users can digitalise car details and create a virtual twin of their car.). **We also developed the transactional user journey** further with the integration process for digital payments for our private sellers and the launch of the latest version of our online financing product, which enables consumers to complete financing contracts entirely online, while **we optimised our new Online Buying & Selling service**, improving the on-page experience by providing information on value, pricing and vehicle condition.

[5] 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 (classified as held for sale as at 31 March 2023); 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.

Second quarter			€ million	Year-to-date		
yoy%	2022	2023		2023	2022	yoy%
11%[1]	**178**	**198**	**Operating revenues**	**385**	**347**	**12%[1]**
-9%	(105)	(115)	Operating expenses	(228)	(206)	-10%
13%	**73**	**83**	**EBITDA**	**157**	**140**	12%
	41.1%	41.8%	EBITDA margin	40.9%	40.5%	

[1] *Excluding Kufar.*

Revenues in the European markets segment (excluding Kufar) **increased by 11% in the second quarter of 2023**, **led by double-digit performance at Kleinanzeigen (+11% year-on-year), in Benelux (+13% year-on-year) and Italy (+20% year-on-year)**. Online classified revenues were up by 15%, supported by double-digit growth in Mobility, Consumer Goods, and Real Estate. Advertising revenues were down 3% year-on-year. Transactional revenues' strong momentum continued and almost doubled compared to the same period last year (+93% year-on-year).

EBITDA improved by 13% compared to the second quarter of 2022. This performance was mainly driven by the positive top-line development, partly offset by an increase in personnel expenses, particularly in Kleinanzeigen, where we saw further investment in product development as well as sales and customer support. Higher transaction volumes resulting in an increase in transactional costs, and shipping promotional campaigns to drive adoption of the service also impacted EBITDA performance. **EBITDA margin slightly improved year-on-year (+0.7 percentage points), despite the unfavourable revenue mix.**

Kleinanzeigen revenues grew 11% in the period and reached 64 million euros. This was driven by (i) significant momentum in Real-Estate, with further market share gains (+15% professional clients year-on-year) and the successful roll-out of our new pricing and packaging proposition (100% of clients migrated; ARPA up 20% year-on-year), (ii) Consumer Goods, with a strong performance in Small and Medium Businesses (SMBs) (+17% subscribers year-on-year), and (iii) Mobility due to higher leads generated to mobile.de. These developments were partially offset by a decline in advertising revenues (-3% year-on-year), mainly due to the rebranding and the domain switch, impacting 3P revenues. Transactional revenues continued to show strong momentum, supported by three shipping promotional campaigns in June to drive adoption. Compared to the second quarter of 2022, traffic[6] increased by 2%, despite the domain switch.
During the quarter, we focused on the transition to the new domain and the launch of the Kleinanzeigen brand, supported by a marketing campaign which has been successful so far, with better than expected vibrancy results.

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

In Spain, revenues grew 7% in the period and reached 58 million euros. This was mainly a result of solid performance in Online Classifieds (+9% year-on-year) driven by price increases in all verticals, client acquisition and new revenue streams in Mobility and strong performance in Jobs (+10% year-on-year), despite lapping tougher comps. Advertising revenues were down 5% year-on-year, mostly driven by lower vibrancy. Transactional revenue almost doubled in the period.
In the quarter, we improved further the user experience (eg: New home page at Milanuncios, with a new look and feel, recommendations and a list of items "close to you", ability to translate descriptions into multiple languages in Fotocasa Apps). We also developed our transactional solutions further (eg: launch of C2C financing offers on private ads at Coches.net).

Benelux revenues were back to double digit growth (+13% year-on-year) and reached 43 million euros. Revenue growth in Online Classifieds (up 14% year-on-year) was supported by a recovery in Mobility listings and by strong performance in Consumer Goods. Transactional services revenues (up more than twofold) benefitted from recent product launches (eg: DHL budget shipping). Advertising revenues were down 2% year-on-year.
During the quarter, we also continued to improve search in Mobility to enhance the user experience.

In Italy, revenues grew by 20% mainly driven by the strong performance in Mobility, Real-Estate and Consumer Goods and the continued strong momentum of transactional services, where revenues almost doubled. Advertising revenues improved year-on-year, driven by higher programmatic performance and new revenue streams.
During the quarter, we launched new paid features and introduced phone verification to improve trust.

In Ireland, revenues grew 13% 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 27% year-on-year, with strong double digit growth in Real Estate, Mobility and Consumer Goods and in advertising. Transactional services revenues almost doubled in the period.

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.

Second quarter				Year-to-date		
yoy%	2022	2023	€ million	2023	2022	yoy%
-16%[1]	**30**	**24**	**Operating revenues**	**47**	**58**	**-14%[1]**
35%	(18)	(12)	Operating expenses	(24)	(35)	32%
0%	**12**	**12**	**EBITDA**	**23**	**23**	0%
	40.4%	51.2%	EBITDA margin	49.0%	39.4%	

[1] *Excluding InfoJobs Brazil and Mexico.*

International markets, which includes only Canada, showed a 16% year-on-year decline in revenues (excluding Mexico). Canada posted a 16% revenue decline driven by currency impact (-6 pts) and continued contraction in vibrancy impacting both online classifieds and Advertising performance.

Reported EBITDA was stable year-on-year. This reflected the topline evolution and a slight increase in personnel costs in Canada, 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 10.8 percentage points year-on-year.**

In Canada, a short-term mitigation plan has been developed and is being executed. It is 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.

OLX Brasil (not included in segment information) increased revenues by 4% year-on-year in local currency and reached 41 million euros (100% view). Revenue growth 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. Real-Estate performance was soft in the quarter, impacted by market headwinds (higher interest rates), despite the resilient performance of the triple-bundle strategy across brands. Advertising revenues were down year-on-year, also impacted by the weaker macroeconomic environment. Transactional revenues continued to post solid growth over the period, driven by higher volumes.

EBITDA improved dramatically compared to last year, reaching 23 million euros (100% view). This positive development was driven by (i) a specific reversal of OLX Brazil management long-term incentive expense (ESOP) for c. €9m, which reflects the impact of the revised growth trajectory of the business (ii) a decrease in marketing expenses, mainly due to lower investments in ZAP+ branding and performance, and (iii) lower personnel expenses, mainly due to a headcount reduction and other efficiencies, without compromising operations. **The EBITDA margin for the quarter was 56%. Excluding the one-off impact of the ESOP adjustment, the EBITDA for the period reached 14 million euros, representing a 34% margin.**

During the quarter, in Consumer Goods, **we introduced a new "buyer requests seller opt-in" flow** with positive results on transaction volume, and **new shipping and logistics partners** with improvements in user experience. In Mobility, we launched a **new web verticalised online point of sale** for private sellers with positive results on ARPL and a mechanic inspection offer with a partner. Finally, in Real Estate, we launched the OLX highlight for ZAP+ professional clients and we introduced a new ZAP result page.

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 3 million euros compared to last year to (45) million euros.This evolution was driven by 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. This was more than offset by 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 Target Operating Model has been defined in line with the updated strategy of each vertical and is currently being reviewed with employee representatives, subject to their validation;
- The review of key processes will be completed In the second half of 2023;
- The transition to the new model is still planned for 2024 (subject to works councils approvals).

In addition to the verticalisation of Adevinta's operation, we have also started to converge our generalist platforms into one global platform, starting with Leboncoin and Kleinanzeigen.

This will allow us to:

- Maintain our leadership position in classifieds in Europe;
- Benefit from world class capabilities supported by a single platform for generalists;
- Reduce duplication of effort and benefit from scale;
- Provide our users and customers with best-in-class products and solutions while reducing time to market.

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 with the new operating model for France finance functions implementation and ERP migration during the summer;
- Execution of more procurement and revenue synergies;
- Additional synergies from platform rationalisation and handover to local teams.

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.

The integration of the businesses is progressing well and we remain on track to deliver on the previously-announced synergies that are and will continue to progressively contribute to accelerated growth and EBITDA margin improvement.

The overall macro environment continues to be challenging with high inflation and rising interest rates, low consumer confidence, ultimately affecting our clients' advertising investment.

In Mobility, while the new car supply is showing signs of recovery, we expect the recovery in dealer inventory and used car transactions to be progressive versus the new car volume recovery. In Germany, total listings volumes are being driven by higher new listings and lower car demand resulting in an increase in time to sell cars. In France, in the second quarter, the total number of listings has been positively driven by an increase in "time to sell". However, the current lack of orders registered by dealers might have a negative effect on the used cars market and on total listings volumes in the coming months.

Overall, our strategic pillars - Mobility, Real Estate and transactional businesses - have performed well, demonstrating the robustness of their business model while the advertising market tends to be more volatile.

We expect Core Markets revenue growth to be in the double digits for the full year of 2023 and Group EBITDA to be at the top end of the previously announced 620 to 650 million euros range, including the impact of the French Digital Services Tax. This implies a year-on-year expansion of the Group's reported EBITDA margin.

In France, we will continue to benefit from our resilient Mobility and Real Estate business models and our ability to drive ARPU growth through upselling and price increases. This will more than offset the foreseen market-driven decline in dealers' and agents' new listings. We expect continued good traction in transactional services and in our new solution for professional consumer goods clients to drive incremental revenues. The advertising market will remain challenging in the second half of the year. Overall we expect slight acceleration in revenue growth in the second half compared to the first half of 2023.

In mobile.de, our investment in products to create more value for our customers will result in improved monetisation, in the form of price increases and upselling. In the second half of the year, revenue growth will slow compared to the first half of 2023 as we face tougher listing volume comparison.

In European markets, for the second half of 2023, we expect softer revenue growth compared to the first part of the year due to higher comps in Advertising in Germany and expected slow down in Spain due to macro dynamics. Transactional services will continue to perform strongly.

Following the implementation of a new allocation methodology to mirror the actual usage of global services, we expect the 2022 central costs to be the run rate going forward, which combined with forecasted revenue growth will drive overall operating leverage.

We will continue to focus on deleveraging and will further optimise our debt structure to mitigate the impact of rising interest rates. We are targeting further deleveraging, towards 2x net debt/EBITDA in the medium term.

Group Overview

Results

Revenue increased by 11% in the second quarter of 2023 to €465 million, compared to the same period last year, mainly led by growth in online classifieds (+15% year-on-year) and by strong growth from transactional services (+52% year-on-year), while advertising continued to be impacted by the overall weaker advertising market, especially in automotive display advertising, and the rebranding and the domain switch at Kleinanzeigen.

Operating expenses increased by 6% in the second quarter of 2023 to €(289) 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, the annualisation of the previous year's investment in product enhancements and in sales and customer support operations, particularly in legacy eCG markets, to support new business models, (ii) higher direct costs from transactional services, in line with the adoption of the service and revenue growth, (iii) higher level of share based compensation, and (iv) the (3) million euro expense related to the French DST.

Gross operating profit (EBITDA) increased by 21% to €177 million in the second quarter of 2023, compared to €146 million in the same period in 2022.

Depreciation and amortisation increased by €(3) million in the quarter, mainly driven by the reassessment of useful lives of certain trademarks in Q2 2022.

Share of profit (loss) of joint ventures and associates in the second quarter of 2023 increased by €11 million compared to the same period in 2022 mainly driven by improved results in the JV in Brazil being positively impacted by a €9 million decrease in accruals for share-based incentive schemes in Q2 2023.

Other income and expenses amounted to €(27) million in the second quarter of 2023 predominantly due to integration expenses related to the eCG acquisition of €(14) million, rebranding costs amounting to €(8) million and verticalisation project costs amounting to €(6) million. In the second quarter of 2022 other income and expenses amounted to €(16) million with the main drivers being integration expenses related to the eCG acquisition of €(25) million, partly offset by a VAT refund in the second quarter of 2022 amounting to €11 million. Other income and expenses are disclosed in note 4 to the condensed consolidated financial statements.

Operating profit (loss) in the quarter amounted to €75 million (€47 million in the second quarter of 2022).

Net financial items saw an expense of €(11) million in the quarter compared to expense of €(22) million in 2022, mainly due to foreign exchange income amounting to €6 million in Q2 2023 compared to €(4) million in Q2 2022, predominantly driven by the appreciation 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 Q2 2023 of €(16) million compared to a tax expense of €(13) million in Q2 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 second quarter of 2023 is €0.04 compared to €(0.01) in the second quarter of 2022. Adjusted earnings per share in the second quarter of 2023 is €0.05 compared to €0.02 in the second quarter of 2022.

Financial position

The carrying amount of the Group's assets decreased by €(136) million to €11,848 million during 2023, mainly due to the depreciation and amortisation (€(147) million), the decrease in receivables related to the sales of subsidiaries (€(42) million) and cash and cash equivalents (€(31) million) partially offset by capitalised expenses (€62 million).

The carrying amount of the Group's liabilities decreased by €(233) million to €3,203 million during 2023, mainly due to the repayments of the EUR TLB (€(100) million) and USD TLB (€(103) million) as well as a decrease in deferred tax liabilities (€(30) million), mainly due to amortisation of intangible assets.

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

The Group had, at 30 June 2023, net interest-bearing debt of €2.010 million (see specification in Definitions and Reconciliations below) **and €490 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 €123 million in the second quarter of 2023, compared to €119 million in the same period of 2022, mainly due to an increase in EBITDA as well as a decrease in tax payments partially compensated by a deterioration of Other income and expenses and changes in working capital and provisions.

Net cash flow from investing activities was €(4) million in the second quarter of 2023, compared to €(20) 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. This was partly offset by increased capitalised expenses.

Net cash flow from financing activities was €(131) million in the second quarter of 2023, compared to €(108) million in the same period of 2022. The increase in cash outflow is mainly due to the repayments of TLB USD (€(102) million) and TLB EUR (€(20) million) done in the second quarter of 2023 being higher than the repayments of RCF and TLB USD (€(76) million in total) done in the second quarter of 2022. This was partly compensated by no treasury shares being purchased during the second quarter of 2023, whereas €(29) million were purchased in the second quarter of 2022.

Transactions of Treasury Shares by Adevinta ASA

In 2023, a total of 620,483 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

	Second quarter		YTD	
€ million	**2023**	**2022**	**2023**	**2022**
Operating revenues	**465**	**417**	**901**	**804**
Personnel expenses	(129)	(118)	(265)	(238)
Other operating expenses	(160)	(154)	(314)	(295)
Gross operating profit (loss)	**177**	**146**	**322**	**271**
Depreciation and amortisation	(74)	(71)	(147)	(136)
Share of profit (loss) of joint ventures and associates	(1)	(12)	(5)	(18)
Impairment loss	0	-	0	(0)
Other income and expenses	(27)	(16)	(43)	(15)
Operating profit (loss)	**75**	**47**	**127**	**101**
Net financial items	(11)	(22)	(26)	(4)
Profit (loss) before taxes	**63**	**25**	**101**	**97**
Taxes	(16)	(13)	(33)	(9)
Profit (loss) from continuing operations	**47**	**12**	**68**	**88**
Profit (loss) from discontinued operation	**(0)**	**(24)**	**(3)**	**(26)**
Profit (loss) attributable to:				
Non-controlling interests	2	2	4	4
Owners of the parent	45	(14)	61	58
Earnings per share in €:				
Basic	0.04	(0.01)	0.05	0.05
Diluted	0.04	(0.01)	0.05	0.05

Condensed consolidated statement of comprehensive income

	Second quarter		YTD	
€ million	**2023**	**2022**	**2023**	**2022**
Profit (loss)	**47**	**(12)**	**65**	**62**
Remeasurements of defined benefit pension liabilities	0	(0)	0	(0)
Income tax relating to remeasurements of defined benefit pension liabilities	-	0	-	0
Change in fair value of financial instruments	(1)	(0)	(6)	(0)
Income tax related to change in fair value of financial instruments	0	-	1	-
Items not to be reclassified subsequently to profit or loss	**(1)**	**(0)**	**(4)**	**(0)**
Exchange differences on translating foreign operations	23	31	23	131
Net gain/(loss) on cash flow hedges	(1)	4	(3)	10
Income tax related to cash flow hedges	0	-	1	-
Items to be reclassified subsequently to profit or loss	**22**	**35**	**21**	**141**
Other comprehensive income	**21**	**35**	**16**	**141**
Comprehensive income	**68**	**23**	**82**	**203**
Comprehensive income attributable to:				
Non-controlling interests	2	2	4	3
Owners of the parent	66	21	78	200

Condensed consolidated statement of financial position

€ million	30 June 2023	31 December 2022
Intangible assets	10,797	10,880
Property, plant and equipment and right-of-use assets	93	96
Investments in joint ventures and associates	382	366
Other non-current assets	232	257
Non-current assets	**11,503**	**11,599**
Trade receivables and other current assets	288	315
Cash and cash equivalents	40	70
Assets held for sale	17	-
Current assets	**345**	**385**
Total assets	**11,848**	**11,984**
Equity attributable to owners of the parent	8,630	8,534
Non-controlling interests	15	14
Equity	**8,645**	**8,548**
Non-current interest-bearing borrowings	1,967	2,183
Other non-current liabilities	808	842
Non-current liabilities	**2,775**	**3,026**
Current interest-bearing borrowings	9	9
Other current liabilities	417	401
Liabilities directly associated with the assets held for sale	3	-
Current liabilities	**429**	**410**
Total equity and liabilities	**11,848**	**11,984**

Condensed consolidated statement of cash flows

€ million	Second quarter 2023	Second quarter 2022	YTD 2023	YTD 2022
Profit (loss) before taxes from continuing operations	63	25	101	97
Profit (loss) before taxes from discontinued operations	(0)	(27)	(3)	(30)
Profit (loss) before taxes	**63**	**(2)**	**98**	**67**
Depreciation, amortisation and impairment losses	73	100	147	169
Share of loss (profit) of joint ventures and associates	1	12	5	18
Dividends received from joint ventures and associates	3	-	3	-
Taxes paid	(8)	(20)	(10)	(40)
Sales losses (gains) on non-current assets and other non-cash losses (gains)	(2)	(1)	2	(21)
Accrued share-based payment expenses	12	7	24	19
Unrealised foreign exchange losses (gains)	(6)	3	(10)	(33)
Net interest expense and other financial expenses	18	17	36	37
Interest and other financial income received	4	1	5	1
Interest and other financial expense paid	(30)	(27)	(44)	(39)
Other non-cash items and changes in working capital and provisions	(7)	28	(38)	(20)
Net cash flow from operating activities	**123**	**119**	**217**	**160**
Development and purchase of intangible assets and property, plant & equipment	(34)	(20)	(62)	(43)
Acquisition of subsidiaries, net of cash acquired	-	-	(1)	(10)
Proceeds from sale of subsidiaries, net of cash sold	29	-	38	(2)
Net sale of (investment in) other shares	0	(5)	(0)	(8)
Net change in other investments	(0)	5	(3)	5
Net cash flow from investing activities	**(4)**	**(20)**	**(28)**	**(58)**
Net cash flow before financing activities	**119**	**99**	**190**	**102**
Repayment of interest-bearing loans and borrowings	(121)	(76)	(202)	(152)
Purchase of treasury shares	0	(29)	-	(67)
Lease payments	(5)	(3)	(13)	(9)
Dividends paid to non-controlling interests	(4)	-	(4)	-
Net cash flow from financing activities	**(131)**	**(108)**	**(219)**	**(228)**
Effects of exchange rate changes on cash and cash equivalents	0	1	0	2
Net increase (decrease) in cash and cash equivalents	**(12)**	**(9)**	**(29)**	**(124)**
Cash and cash equivalents at start of period	52	124	70	231
Cash and cash equivalents attributable to assets held for sale at start of period	2	1	-	9
Cash and cash equivalents at end of period	**40**	**102**	**40**	**102**
Cash and cash equivalents attributable to assets held for sale at end of period	**2**	**15**	**2**	**15**

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	78	4	82
Transactions with the owners	18	(4)	14
Share-based payment	*14*	*-*	*14*
Change in treasury shares	*4*	*-*	*4*
Dividends paid to non-controlling interests	*-*	*(4)*	*(4)*
Equity as at 30 June 2023	**8,630**	**15**	**8,645**

€ 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	200	3	203
Transactions with the owners	(47)	0	(47)
Share-based payment	*5*	*-*	*5*
Change in treasury shares	*(52)*	*-*	*(52)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(0)*	*0*	*-*
Equity as at 30 June 2022	**10,520**	**21**	**10,541**

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.

The carrying amount of Hungary is expected to be recovered principally through a sale transaction. The subsidiary in Hungary is available for immediate sale in its present condition and its sale is highly probable. Therefore, the subsidiary is classified as held for sale as at 30 June 2023 and measured at the lower of its carrying amount and fair value less costs to sell. The operations of Hungary are reported within the European Markets operating segment.

The carrying amount of assets and liabilities classified as held for sale as at 30 June 2023 were €17 million and €3 million, respectively, of which €13 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.

	Second quarter		YTD	
€ million	**2023**	**2022**	**2023**	**2022**
Revenue	-	16	-	32
Operating expenses	-	(13)	-	(27)
Gross operating profit / (loss)	**-**	**3**	**-**	**5**
Depreciation and other income & expenses	-	(1)	-	(6)
Gain / (loss) on sale of subsidiaries	-	1	(3)	1
Impairment loss recognised on remeasurement to fair value less costs to sell	-	(29)	-	(29)
Profit / (loss) before income tax	**-**	**(25)**	(3)	**(28)**
Income tax benefit / (expense)	-	1	-	2
Profit / (loss) after income tax	**-**	**(24)**	(3)	**(26)**
Profit / (loss) from discontinued operations (attributable to owners of the parent)	**-**	**(24)**	(3)	**(26)**
Exchange differences on translation	-	(1)	-	3

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

	Second quarter		YTD	
€ million	**2023**	**2022**	**2023**	**2022**
Net cash inflow / (outflow) from operating activities	(0)	6	(0)	(2)
Net cash inflow / (outflow) from investing activities (Q2 2023 and YTD 2023 includes an inflow of € 29 million and € 39 million, respectively, from the sale of the Australian business)	29	1	39	1
Net cash inflow / (outflow) from financing activities	(0)	(0)	(0)	(1)
Net increase / (decrease) in cash generated by discontinued operations	**29**	**7**	**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, PayCar 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 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

Second quarter 2023 **€ million**	France	mobile.de	European Markets	International Markets	Other / Headquarters	Eliminations	Total
Operating revenues with third parties	137	112	188	24	4	-	**465**
Operating revenues from other segments	1	(9)	9	-	(1)	(0)	**-**
Operating revenues	**137**	**104**	**198**	**24**	**3**	**(0)**	**465**
Gross operating profit (loss)	64	62	83	12	(45)	-	**177**

Second quarter 2022 **€ million**	France	mobile.de	European Markets	International Markets	Other / Headquarters	Eliminations	Total
Operating revenues with third parties	126	86	172	30	3	-	**417**
Operating revenues from other segments	1	(6)	7	(0)	0	(1)	**-**
Operating revenues	**126**	**80**	**178**	**30**	**3**	**(1)**	**417**
Gross operating profit (loss)	65	43	73	12	(47)	-	**146**

YTD 2023 **€ million**	France	mobile.de	European Markets	International Markets	Other / Headquarters	Eliminations	Total
Operating revenues with third parties	268	209	368	47	8	-	**901**
Operating revenues from other segments	1	(16)	17	-	(1)	(1)	**-**
Operating revenues	**269**	**194**	**385**	**47**	**7**	**(1)**	**901**
Gross operating profit (loss)	121	113	157	23	(91)	-	**322**

YTD 2022 **€ million**	France	mobile.de	European Markets	International Markets	Other / Headquarters	Eliminations	Total
Operating revenues with third parties	245	160	334	58	6	-	**804**
Operating revenues from other segments	1	(12)	13	0	0	(2)	**-**
Operating revenues	**246**	**149**	**347**	**58**	**7**	**(2)**	**804**
Gross operating profit (loss)	120	79	140	23	(92)	-	**271**

Disaggregation of revenues by category

Second quarter 2023 € million	France	mobile.de	European Markets	International Markets	Other / Headquarters	Total
Online classifieds revenues	104	106	131	18	-	**359**
Advertising revenues	16	6	51	6	1	**79**
Transactional revenues	17	0	6	-	-	**24**
Revenues from contracts with customers	**137**	**112**	**188**	**24**	**1**	**462**
Revenues from lease contracts and other revenues	0	-	0	-	3	**3**
Operating revenues	**137**	**112**	**188**	**24**	**4**	**465**

Second quarter 2022 € million	France	mobile.de	European Markets	International Markets	Other / Headquarters	Total
Online classifieds revenues	96	79	116	22	-	**313**
Advertising revenues	18	7	52	8	1	**86**
Transactional revenues	12	-	3	0	-	**16**
Revenues from contracts with customers	**126**	**86**	**172**	**30**	**1**	**415**
Revenues from lease contracts and other revenues	0	-	0	0	2	**2**
Operating revenues	**126**	**86**	**172**	**30**	**3**	**417**

YTD 2023 € million	France	mobile.de	European Markets	International Markets	Other / Headquarters	Total
Online classifieds revenues	203	197	254	36	-	**690**
Advertising revenues	29	12	101	11	1	**155**
Transactional revenues	36	0	13			**49**
Revenues from contracts with customers	**268**	**209**	**368**	**47**	**1**	**894**
Revenues from lease contracts and other revenues	0		0		7	**7**
Operating revenues	**268**	**209**	**368**	**47**	**8**	**901**

YTD 2022 € million	France	mobile.de	European Markets	International Markets	Other / Headquarters	Total
Online classifieds revenues	188	146	224	43	-	**601**
Advertising revenues	33	14	103	16	2	**167**
Transactional revenues	25	-	7	0	-	**31**
Revenues from contracts with customers	**245**	**160**	**333**	**58**	**2**	**799**
Revenues from lease contracts and other revenues	0	-	0	0	4	**5**
Operating revenues	**245**	**160**	**334**	**58**	**6**	**804**

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

	Second quarter		YTD	
€ million	**2023**	**2022**	**2023**	**2022**
Gain on sale and remeasurement of subsidiaries, joint ventures and associates	2	2	2	21
Other	2	11	3	12
Other income or gain	**5**	**13**	**5**	**33**
Restructuring costs	(0)	(0)	2	(0)
Loss on sale and remeasurement of subsidiaries, joint ventures and associates	(1)	(2)	(1)	(1)
Loss on sale of intangible assets, property, plant & equipment	(0)	0	(0)	-
Acquisition costs	(1)	(0)	(1)	(1)
Integration costs	(15)	(25)	(27)	(42)
Verticalisation project costs	(6)	-	(9)	-
Rebranding costs	(8)	-	(10)	-
Other	(1)	(1)	(2)	(3)
Other expenses or loss	**(32)**	**(29)**	**(48)**	**(47)**
Total	**(27)**	**(16)**	**(43)**	**(15)**

Gain on sale of subsidiaries, joint ventures and associates of €2 million in Q2 2023 relates to the gain on dilution of Younited and €21 million in YTD 2022 related mainly to the gain on sale of InfoJobs Brazil (Brazil).

Other income of €2 million in Q2 2023 relates to the release of provisions for tax risks, in relation to sold entities, that have expired in Q2 2023, and €11 million in YTD 2022 relates mainly to a VAT claim that was cash collected in the second quarter of 2022.

Restructuring costs of €2 million in YTD 2023 relate to a restructuring provision that was partly reversed due the extension of employment of some employees.

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.

Note 5. Net financial items

€ million	Second quarter 2023	2022	YTD 2023	2022
Interest income	8	8	16	13
Interest expense	(22)	(20)	(42)	(40)
Net foreign exchange gain (loss)	6	(4)	10	33
Net other financial income (expenses)	(4)	(5)	(10)	(11)
Net financial items	**(11)**	**(22)**	**(26)**	**(4)**

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 2023	2022	YTD 2023	2022
Profit (loss) before taxes from continuing operations	63	25	101	97
Tax (expense) income based on weighted average nominal tax rate*	(14)	(5)	(22)	(24)
Tax effect of share of profit (loss) of joint ventures and associates	(0)	(4)	(2)	(6)
Tax effect of impairment loss on goodwill and other intangible assets	0	0	-	0
Tax effect of gain on sale and remeasurement of subsidiaries, joint ventures and associates	1	0	1	8
Tax effect of other permanent differences	(4)	(3)	(7)	(6)
Current period unrecognised deferred tax assets	(4)	(1)	(10)	(2)
Previously unrecognised tax losses used in current period	(0)	2	0	12
Reassessment of previously recognised deferred tax assets, including changes in tax rates	6	0	6	0
Adjustments of previously recognised income tax provisions	-	-	-	12
Other	(1)	(2)	(0)	(2)
Taxes recognised in profit or loss from continuing operations	**(16)**	**(13)**	**(33)**	**(9)**
***Weighted average nominal tax rate**	**22%**	**21%**	**21%**	**25%**

The **weighted average nominal tax rate** varies over time due to differentials in nominal tax rates and variations in profit before tax in the countries where Adevinta operates. **Adjustments of previously recognised income tax provisions** in the first quarter of 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

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.

CFO succession

As previously announced, Uvashni Raman will step down as the CFO of Adevinta on 31 August. Elisabeth Peyraube will be appointed as the new Group CFO from 21 September. In the interim, during the transition period, Alexandre Collinet, Group COO, will fill the position.

Other than the matters described above, no further matters have arisen since 30 June 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.

Declaration by the Board of Directors and CEO

We confirm that, to the best of our knowledge, the condensed set of financial statements for the first half-year of 2023 have been prepared in accordance with IAS 34 Interim Financial Statements, as endorsed by the EU, and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group taken as a whole, and that the interim management report includes a fair review of the development and performance of the business and the position of the Group taken as a whole, together with a description of the principal risks and uncertainties that they face.

29 August 2023

Adevinta ASA's Board of Directors

Orla Noonan
Board Chair

Fernando Abril-Martorell Hernández
Board member

Julia Jäkel
Board member

Sophie Javary
Board member

Kristin Skogen Lund
Board member

Michael Nilles
Board member

Aleksander Rosinski
Board member

Dipan Patel
Board member

Julie Simpson
Board member

Mark Solomons
Board member

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	Second quarter 2023	Second quarter 2022	YTD 2023	YTD 2022
Gross operating profit (loss)	**177**	**146**	**322**	**271**
= EBITDA (before other income and expenses, impairment, JVs and associates)	177	146	322	271

Liquidity reserve

€ million	30 June 2023	30 June 2022	Year 2022
Cash and cash equivalents	40	102	70
Unutilised drawing rights on credit facilities	450	450	450
Liquidity reserve	**490**	**552**	**520**

Net interest-bearing debt

€ million	30 June 2023	30 June 2022	Year 2022
Non-current interest-bearing borrowings	1,967	2,355	2,183
Lease liabilities, non-current	56	64	58
Total non-current liabilities	**2,023**	**2,419**	**2,241**
Current interest-bearing borrowings	9	9	9
Lease liabilities, current	18	20	20
Total current liabilities	**27**	**29**	**29**
Total interest-bearing debt	**2,050**	**2,449**	**2,270**
Cash and cash equivalents	(40)	(102)	(70)
Net interest-bearing debt	**2,010**	**2,347**	**2,199**

Earnings per share - adjusted (including discontinued operations)

€ million	Second quarter 2023	Second quarter 2022	YTD 2023	YTD 2022
Profit (loss) attributable to owners of the parent	45	(14)	61	58
Other income and expenses	27	16	46	15
Impairment loss	0	29	0	29
Taxes and non-controlling interests related to other income and expenses and impairment loss	(8)	(6)	(12)	(11)
Adjustments of previously recognised income tax provisions	-	-	-	(12)
Profit (loss) attributable to owners of the parent - adjusted	**64**	**25**	**95**	**79**
Earnings per share – adjusted (EUR)	0.05	0.02	0.08	0.06
Diluted earnings per share – adjusted (EUR)	0.05	0.02	0.08	0.06

Adjusted net cash flow from operating activities

€ million	Second quarter 2023	Second quarter 2022	YTD 2023	YTD 2022
EBITDA	177	146	322	548
+/- decrease or increase in non-cash items, change in working capital and provisions related to EBITDA	(7)	19	(41)	24
+ share based compensation	12	7	24	31
- payment of income tax	(8)	(20)	(10)	(59)
- development and purchase of property, plant and equipment and intangible assets	(34)	(20)	(62)	(89)
- IFRS 16 lease payments	(5)	(3)	(13)	(18)
Adjusted net cash flow from operating activities	**135**	**129**	**220**	**437**

P.O. Box 490 Sentrum
NO-0105 Oslo
www.adevinta.com

Investor information
www.adevinta.com/investors
E-mail: ir@adevinta.com