



# APERTURE

INSIGHTFUL AND RELEVANT RESEARCH UPDATES

## Naspers HY 2026 Results

Share Price

R 1 054.77

Date

8 December 2025

### RESULTS SUMMARY

Naspers delivered strong half-year 2026 results, highlighting its resilience and focus on profitable growth. Revenue rose 20% to US\$4.1 billion, core headline earnings grew 13%, free cash flow improved by US\$421 million, and eCommerce profits more than doubled. Management remains confident in achieving FY26 eCommerce adjusted EBITDA of US\$1.1-US\$1.2 billion, excluding Just Eat Takeaway.com (JET).

Performance was supported by Tencent, solid execution across the eCommerce portfolio, and Naspers' long-running share buyback programme, which has created over US\$63 billion in value. The discount to NAV widened post results as management suggested that annual share repurchases would decelerate into H2, with a planned annualised spend of US\$6bn-US\$7bn compared to prior years ~US\$7bn. The group aims to enhance the flexibility of its buyback programme, funding it not only with Tencent shares but also with cash and other investments that have lower return potential than its core portfolio or Tencent. A further US\$2 billion in planned asset sales for FY26 may support future buybacks.

Of the group's US\$11 billion cash balance, US\$8 billion has been allocated for M&A. Management deployed US\$2 billion into acquisitions, including Despegar and La Centrale, while exiting Udemy and reducing stakes in Meituan and Remitly, generating US\$1.2 billion in divestiture proceeds. Management remains committed to its three-year plan at Prosus to double eCommerce revenue and triple eCommerce eEBITDA, supported by disciplined, returns-focused capital allocation.

### OUR LONG-TERM INVESTMENT VIEW

- Naspers offers exposure to fast-growing online markets in Chinese internet, global video games, online classifieds, food delivery, payments, eetailing, advertising and a host of smaller assets and stakes. The group's diversification is unrivalled, certainly within the emerging market universe.
- The recently appointed CEO, Fabricio Bloisi, continues to drive an AI-focussed strategy as management focuses on building the leading lifestyle ecommerce company in Latin America, Europe and India worth a US\$100 billion, excluding Tencent. He reignites a strong entrepreneurial culture that will continue to support innovation as they execute on their ecosystem strategy.
- Naspers trades at a discount to its underlying Net Asset Value. However, this discount should narrow as the group delivers operationally and continues to implement their value unlock strategy.

### UNPACKING THE HY 2026 RESULTS

#### Prosus Group

- **Ecommerce revenue** grew 21% to US\$4.1bn, driven by strong growth from iFood in Latin America, OLX in Europe and PayU in India. Ecommerce adjusted EBIT expanded by more than 100% to US\$396m driven by significant operating improvements.
- Prosus is building an integrated **Latin American** ecosystem now reaching 100m customers and US\$25bn annualised GMV, with a target to reach US\$500m adjusted EBITDA in FY26. iFood delivered strong growth and profitability, including 32% revenue, 57% adjusted EBITDA,

#### Well capitalised

- **The group remains well capitalised**, with a US\$1.9bn net cash position, including US\$18.4bn in cash and short-term investments against US\$16.5bn of interest-bearing debt. In addition, there is a US\$2.7bn undrawn revolving credit facility. The group's cash inflow of US\$1.3bn compared to an inflow of US\$854m in the prior year, was supported by growth in profit within e-commerce units. Tencent also contributed US\$1.2bn dividend.
- Prosus **remained active and disciplined in reshaping its portfolio**, investing US\$2.0bn in the

and rapid scaling of iFood Pago. Despegar's early integration with iFood is already contributing, supporting 30% gross bookings growth and adjusted EBITDA of US\$38m at a 13% margin.

- In **Europe**, **Prosus is starting to replicate its Latin American ecosystem strategy**, supported by recent acquisitions such as JET and La Centrale. OLX delivered solid results across motors and real estate with 22% revenue growth, 52% adjusted EBITDA growth and expanding margins. eMAG continued to strengthen profitability despite a tough macro environment, and izico delivered strong scaling with 65% TPV growth and 73% revenue growth.
- In **India**, **Prosus is strengthening its ecosystem through improved execution and new investments** in Rapido and ixigo, while PayU is becoming increasingly connected to partners like Swiggy, Meesho and PharmEasy. PayU returned to growth following approval of its payment aggregator licence, delivering 20% revenue growth to US\$397m, a 600bps margin improvement, and profitable Q2 performance, with strong momentum in both payments and credit.
- Profit from equity accounted investments increased from US\$2.5bn to US\$3.2bn due to **Tencent's** increased gains on disposals of US\$3.3bn and increased profitability. The group retained a 22.8% interest in Tencent.

#### South African businesses

- Prosus delivered strong results as its platforms scaled and expanded consumer choice. Takealot Group achieved solid growth with GMV up 16%, revenue up 13% and EBITDA up 87% to US\$28m, supported by new fulfilment services. Takealot.com showed momentum across orders, GMV and revenue, while Mr D grew GMV 14% and delivered positive EBITDA as it broadened its offering.

first half through acquisitions such as Despegar, La Centrale (€1.1bn) and JET (€4.2bn) to strengthen its European and LatAm ecosystems. At the same time, the group continued recycling capital by exiting Udemy and other smaller holdings, partially selling its stakes in Remitty and Meituan, generating US\$1.2bn in proceeds through November, with total FY26 divestitures expected to reach about US\$2bn.

#### Looking ahead

Management is focused on building a leaner, more agile organisation driven by an AI-first culture. The goal is to grow the ecosystem, excluding Tencent, to a US\$100 billion valuation. With strong momentum in HY26, management remains confident in achieving its 2026 targets of US\$7.3bn–US\$7.5bn in Ecommerce revenue and US\$1.1bn–US\$1.2bn in adjusted EBITDA.

#### The bottom line

The group is emerging as focused, AI-driven operators with disciplined capital allocation, clearer strategic execution, and strengthening financial momentum. With FY26 targets on track, a more flexible buyback, and Tencent remaining a powerful anchor asset, we see positive upside to the valuation as these initiatives continue to deliver.

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4th Floor, Block A, Old Mutual Wealth, Mutualpark, Jan Smuts Drive, Pinelands, 7405 | Tel: +27 (0)21 524 4678 | Email: [privateclients@omwealth.co.za](mailto:privateclients@omwealth.co.za)