

**FRONTIER**  
DIGITAL VENTURES

# ONLINE MARKETPLACES IN EMERGING MARKETS

FY19 FULL YEAR RESULTS PRESENTATION | FEBRUARY 2020

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# Results and strategy overview



## SECTION 1

FY19 results

*Refer to pages 3 – 7*

- **+75% increase** in full year FY19 portfolio revenue to A\$72.5m (100% basis), up from +57% increase achieved in FY18
- **+66% increase** in FDV economic share of FY19 portfolio revenue to A\$23.6m
- **4 operating companies recorded positive EBITDA in FY19** (Zameen, Infocasas, iMyanmarhouse and AutoDeal)
- **2 additional operating companies recorded positive EBITDA in 4Q 2019** (Encuentra24 and Moteur)

## SECTION 2

Strategy overview

*Refer to pages 8 – 17*

- Recent portfolio optimisation activities have included:
  - **Valuation uplift at MeQasa** which achieved a 4.4x value uplift to FDV's initial investment
  - **Increased shareholdings in Infocasas, AutoDeal, iMyanmarhouse and LankaPropertyWeb**
  - **Sale of Propzy shareholding** which generated A\$6.9m cash and achieved a ~300% return in ~2.5 years
- Propzy was the **first material monetisation event in FDV's history** and **accelerated the pathway to portfolio-wide profitability**

## SECTION 3

Appendix – additional information

*Refer to pages 18 – 30*

- FDV's current portfolio (ex. Propzy) contains:
  - 9 investments which are accounted for on a consolidated basis; and
  - 3 investments which are reported as "associates" under the equity method AASB 128
- An update on each operating company is provided in this section

Note: FY19 results figures quoted are for entities with continuing operations as at 31 December 2019 (includes Propzy; excludes TechAfrica)

# SECTION 1

## FY19 RESULTS

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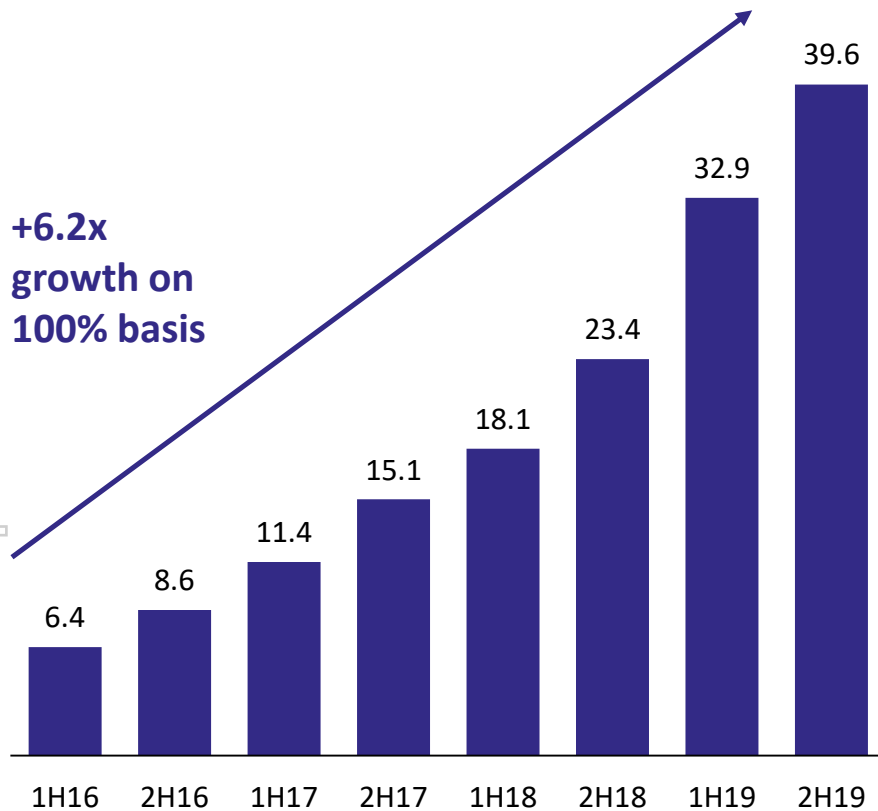
# Rapid revenue growth



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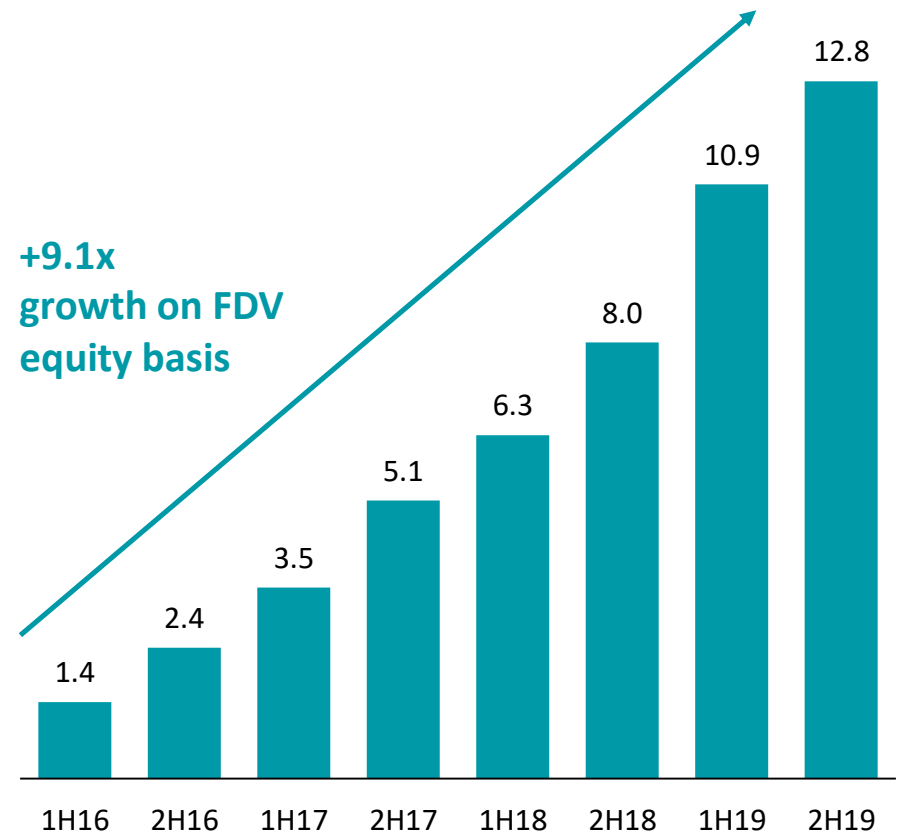
## Portfolio revenue since IPO

(A\$m, pro-forma unaudited; 100% basis)



## Portfolio revenue since IPO

(A\$m, pro-forma unaudited; FDV equity basis)



Note: FY19 results figures quoted are for entities with continuing operations as at 31 December 2019 (includes Propzy; excludes TechAfrica)

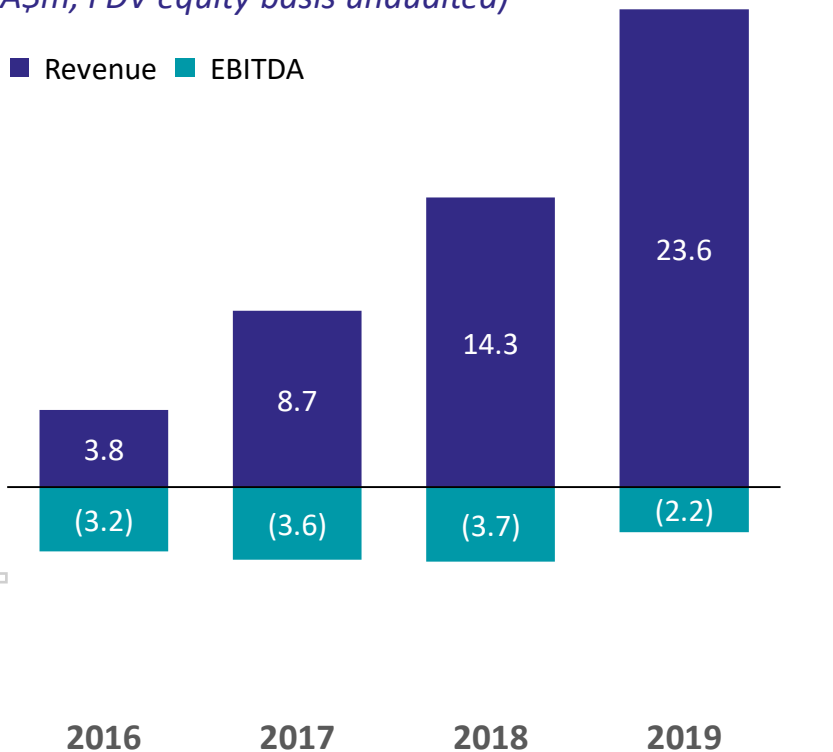
# Strong progress towards profitability

Strong and consistent revenue growth over the last four years as profitability approaches

## Portfolio revenue and EBITDA

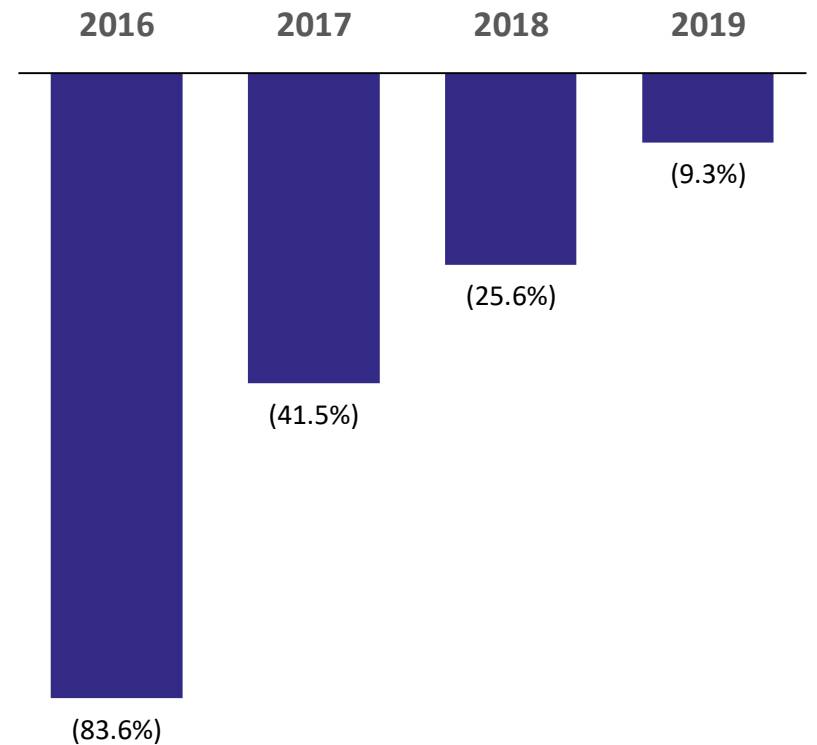
(A\$m, FDV equity basis unaudited)

■ Revenue ■ EBITDA



## Portfolio EBITDA as a % of revenue

(FDV equity basis)<sup>1</sup>



Note: FY19 results figures quoted are for entities with continuing operations as at 31 December 2019 (includes Propzy; excludes TechAfrica)

1. EBITDA as a % of revenue based on pro-forma unaudited figures

# Consistent growth in key operating metrics

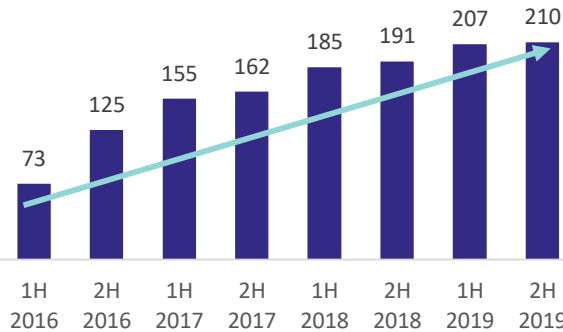


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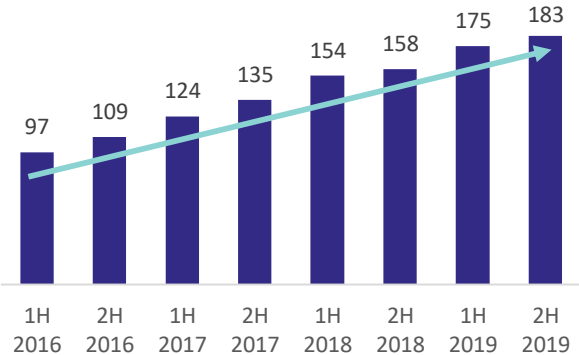
Advertisers (k)

+187%



Total sessions (m)

+88%



Total leads (m)

+84%



Total mobile sessions (m)

+135%



Note: Figures quoted are for entities with continuing operations as at 31 December 2019 (includes Propzy; excludes TechAfrica)

# Continued growth across the portfolio in FY19

Operating company	FDV interest	Classified type	A\$ (100% basis)			A\$ (FDV basis)		
			FY18 Revenue	FY19 Revenue	Growth	FY18 Revenue	FY19 Revenue	Growth
Zameen	30%	Property	22,405,297	42,329,072	+89%	6,721,591	12,698,725	+89%
Encuentra24	42%	General	7,474,347	8,076,192	+8.1%	3,144,380	3,397,570	+8%
Propzy	20%	Property	1,287,290	6,658,537	+417%	271,293	1,358,885	+401%
Infocasas	51% <sup>1</sup>	Property	2,812,271	6,022,050	+114%	881,130	1,969,365	+124%
iMyanmarhouse	43% <sup>2</sup>	Property	1,378,363	1,919,567	+39%	587,654	818,393	+39%
Pakwheels	37%	Automotive	2,034,576	1,910,577	-6%	749,578	703,894	-6%
AutoDeal	56%	Automotive	1,063,713	1,835,136	+73%	381,466	691,910	+81%
CarsDB	65%	Automotive	720,605	943,662	+31%	549,966	611,595	+11%
Hoppler	40%	Property	868,150	928,350	+7%	203,347	373,497	+84%
West Africa <sup>3</sup>	N/A	Property	651,331	851,969	+31%	350,177	459,552	+31%
Moteur	56%	Automotive	373,572	558,131	+49%	199,454	314,289	+58%
LankaPropertyWeb	48% <sup>4</sup>	Property	466,103	506,147	+9%	222,588	241,711	+9%
<b>Total</b>			<b>41,535,618</b>	<b>72,539,390</b>	<b>+75%</b>	<b>14,262,625</b>	<b>23,639,385</b>	<b>+66%</b>

Note: FY19 results figures quoted are for entities with continuing operations as at 31 December 2019 (includes Propzy; excludes TechAfrica)

1. Quoted on a fully diluted basis
2. iMyanmarhouse shareholding increased in February 2020 from 42.6% to 52.6%
3. West Africa now includes PropertyPro (Nigeria; 39% owned) and MeQasa (Ghana; 73% owned)
4. LankaPropertyWeb shareholding increased in February 2020 from 47.8% to 53.0%

# SECTION 2

## STRATEGY OVERVIEW

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# FDV snapshot



Operator of leading online marketplaces, primarily in Developing Asia (ex China and India) and Central and South America

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## Our story

*Founded in 2014 by the former management team of iProperty and Catcha Group*

*FDV has interests in 11 leading online classifieds businesses in emerging markets*

*FDV identifies early stage operating companies where it can invest at a significant discount to the value it can create through its optimisation process*

*FDV maintains equity ownership alongside local entrepreneurs, leveraging their passion, knowledge and experience*

## Our current footprint

### Developing Asia<sup>1</sup>

Malaysia (HQ)  
Myanmar      Pakistan  
Philippines      Sri Lanka  
Vietnam<sup>2</sup>

### Central and South America

Bolivia      Costa Rica  
Honduras      Nicaragua  
Panama      Paraguay  
Peru      Uruguay

### Africa/MENA

Ghana      Nigeria  
Morocco



Note:

1. Excludes China and India

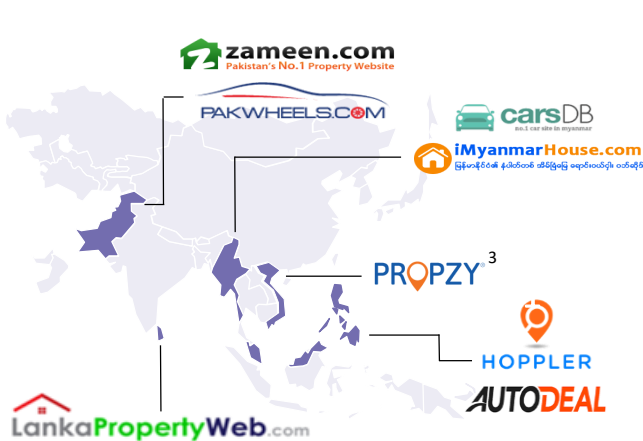
# Geographic breakdown



Narrowed geographical focus with priority of developing Asia (ex. China and India), Central and South America and Africa /MENA

## Developing Asia<sup>1</sup>

74% of FY19 revenue<sup>2</sup>



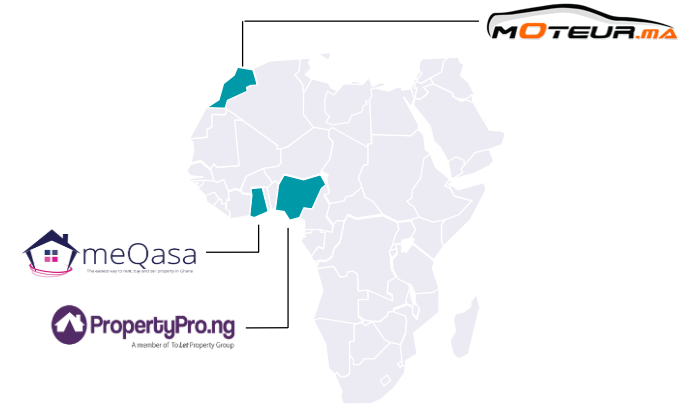
## Central and South America

23% of FY19 revenue<sup>2</sup>



## Africa/MENA

3% of FY19 revenue<sup>2</sup>



Note: FY19 results figures quoted are for entities with continuing operations as at 31 December 2019 (includes Propzy; excludes TechAfrica)

1. Excludes China and India
2. FDV basis including Propzy

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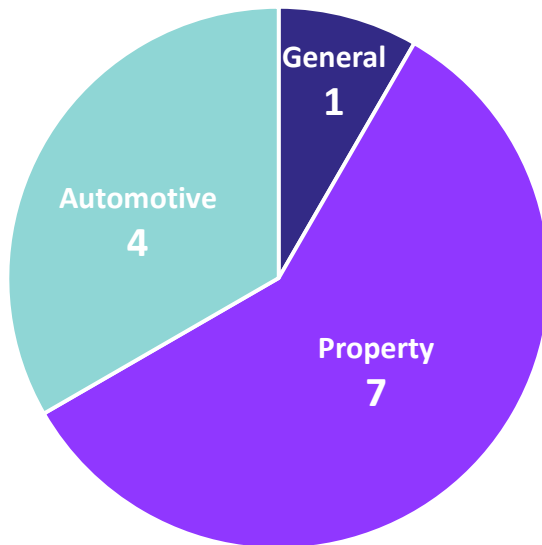
# Property bias



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FDV has a bias towards property classified as a result of typically stronger opportunities to establish larger, market leading businesses

## Portfolio split (#)



## Property

76% of FY19 revenue<sup>1</sup>



## Automotive

10% of FY19 revenue<sup>1</sup>



## General

14% of FY19 revenue

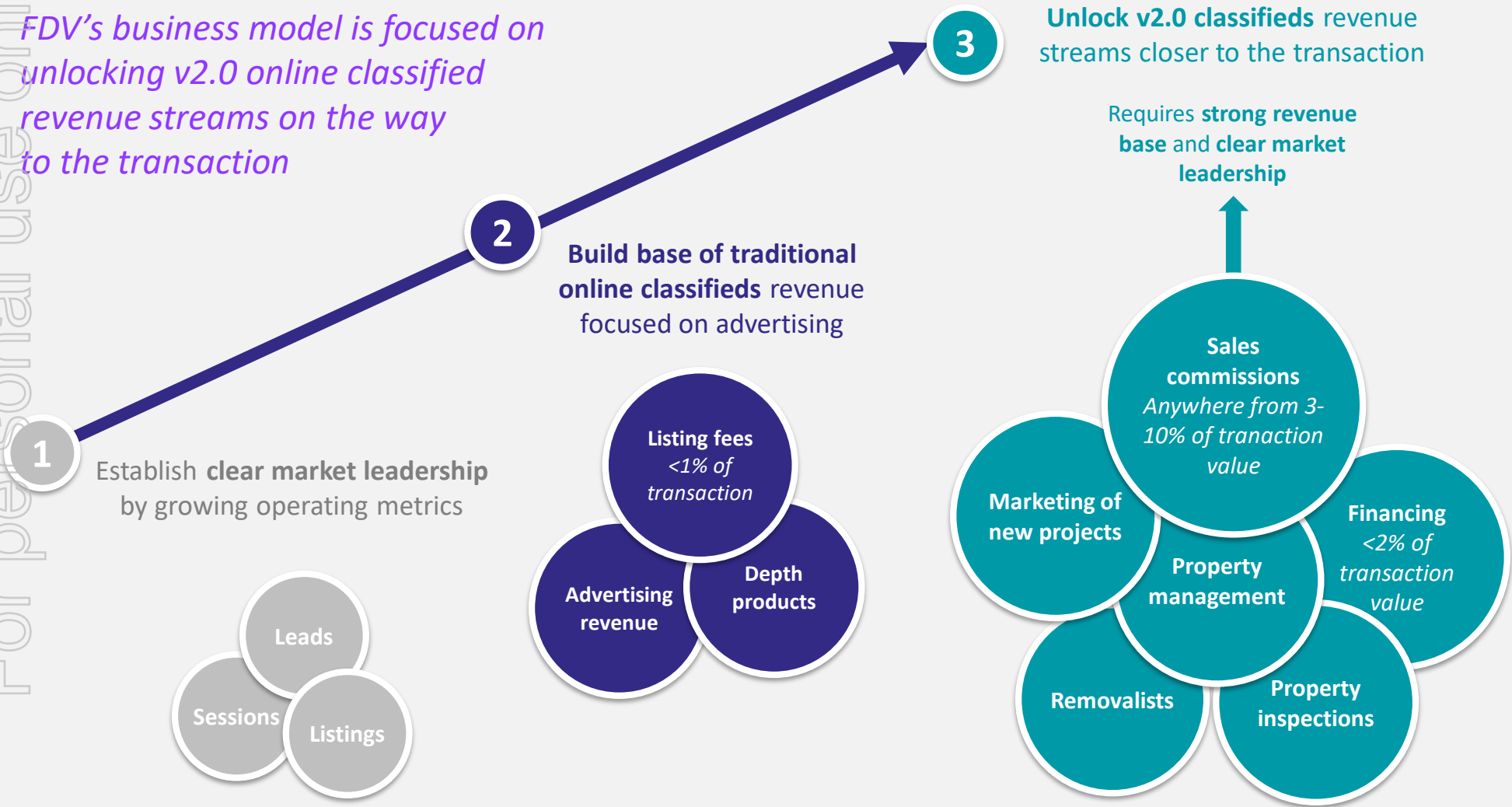


Note: Figures quoted are for entities with continuing operations as at 31 December 2019 (includes Propzy; excludes TechAfrica)

1. FDV basis
2. West Africa now includes PropertyPro (Nigeria; 39% owned) and MeQasa (Ghana; 73% owned)
3. Without Propzy the portfolio split is Property (75%), Automotive (10%) and General (15%)

# FDV's business model

*FDV's business model is focused on unlocking v2.0 online classified revenue streams on the way to the transaction*



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# Portfolio progressing towards positive EBITDA



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4 operating companies recorded positive EBITDA in FY19

2 operating companies recorded positive EBITDA in 4Q FY19

	FDV equity (%)	FY 2018 EBITDA A\$ (FDV basis)	FY 2019 EBITDA A\$ (FDV basis)	EBITDA growth on pcp (in absolute terms)
<b>AutoDeal</b>	56%	(128,365)	100,841	
<b>Infocasas</b>	51%	(16,556)	82,561	
<b>Zameen</b>	30%	(1,116,935)	79,472	
<b>iMyanmarhouse</b>	43%	(71,224)	49,193	
Moteur	56%	(72,532)	(22,182)	
LankaPropertyWeb	48%	(30,131)	(46,381)	
Encuentra24	42%	(404,722)	(61,423)	
West Africa <sup>1</sup>	N/A <sup>1</sup>	(468,917)	(197,614)	
Pakwheels	37%	(369,073)	(244,459)	
Hoppler	40%	(117,531)	(296,234)	
CarsDB	65%	(133,640)	(453,441)	
Propzy	20%	(721,193)	(1,190,093)	
<b>Total EBITDA</b>		<b>(3,650,818)</b>	<b>(2,199,761)</b>	
<b>Total EBITDA excl. Propzy</b>		<b>(2,929,625)</b>	<b>(1,009,667)</b>	

Notes: FY19 results figures quoted are for entities with continuing operations as at 31 December 2019 (includes Propzy; excludes TechAfrica)

1. West Africa now includes PropertyPro (Nigeria; 39% owned) and MeQasa (Ghana; 73% owned)

# Recent portfolio optimisation activities



Recent announcements have highlighted FDV's funding flexibility and focus on shareholder returns

Date	Milestone	Details
Sep-19	Valuation uplift	<ul style="list-style-type: none"> <li>✓ <b>4.4x value uplift at MeQasa</b> to FDV's initial investment</li> <li>✓ Transaction completed at <b>25x revenue multiple</b></li> </ul>
Dec-19	Shareholding increase	<ul style="list-style-type: none"> <li>✓ Increase in <b>Infocasas</b> shareholding from 31.9% to 51.0%<sup>1</sup> for A\$5.2m funded through a placement to an asset management firm based in San Francisco at a <b>tight 1.9% discount to the last closing price</b></li> </ul>
	Shareholding increase	<ul style="list-style-type: none"> <li>✓ Increase in <b>AutoDeal</b> shareholding from 36.8% to 55.8% for A\$3.2m</li> <li>✓ Funded through the issue of FDV shares at a <b>4.9% premium</b> to the last closing price</li> </ul>
Jan-20	Profitability update	<ul style="list-style-type: none"> <li>✓ 4 companies recorded <b>positive EBITDA</b> in FY19 (<b>Zameen, Infocasas, iMyanmarhouse</b> and <b>AutoDeal</b>)</li> <li>✓ Additional 2 companies recorded <b>positive EBITDA</b> in 4Q FY19 (<b>Encuentra24</b> and <b>Moteur</b>)</li> </ul>
Feb-20	Monetisation event	<ul style="list-style-type: none"> <li>✓ Sale of full 20% shareholding in <b>Propzy</b> for cash consideration of US\$4.7m (A\$6.9m)</li> <li>✓ Achieved a <b>~300% return</b> to FDV's shareholders in <b>~2.5 years</b></li> </ul>
	Shareholding increase	<ul style="list-style-type: none"> <li>✓ Increase in <b>iMyanmarhouse</b> shareholding from 42.6% to 52.6% for A\$1.4m</li> <li>✓ Equity component settled through the issue of shares in FDV at a <b>4.3% premium to the market price</b></li> </ul>
	Shareholding increase	<ul style="list-style-type: none"> <li>✓ Increase in <b>LankaPropertyWeb</b> shareholding from 47.8% to 53.0% through the conversion to equity of a A\$368k loan facility</li> </ul>

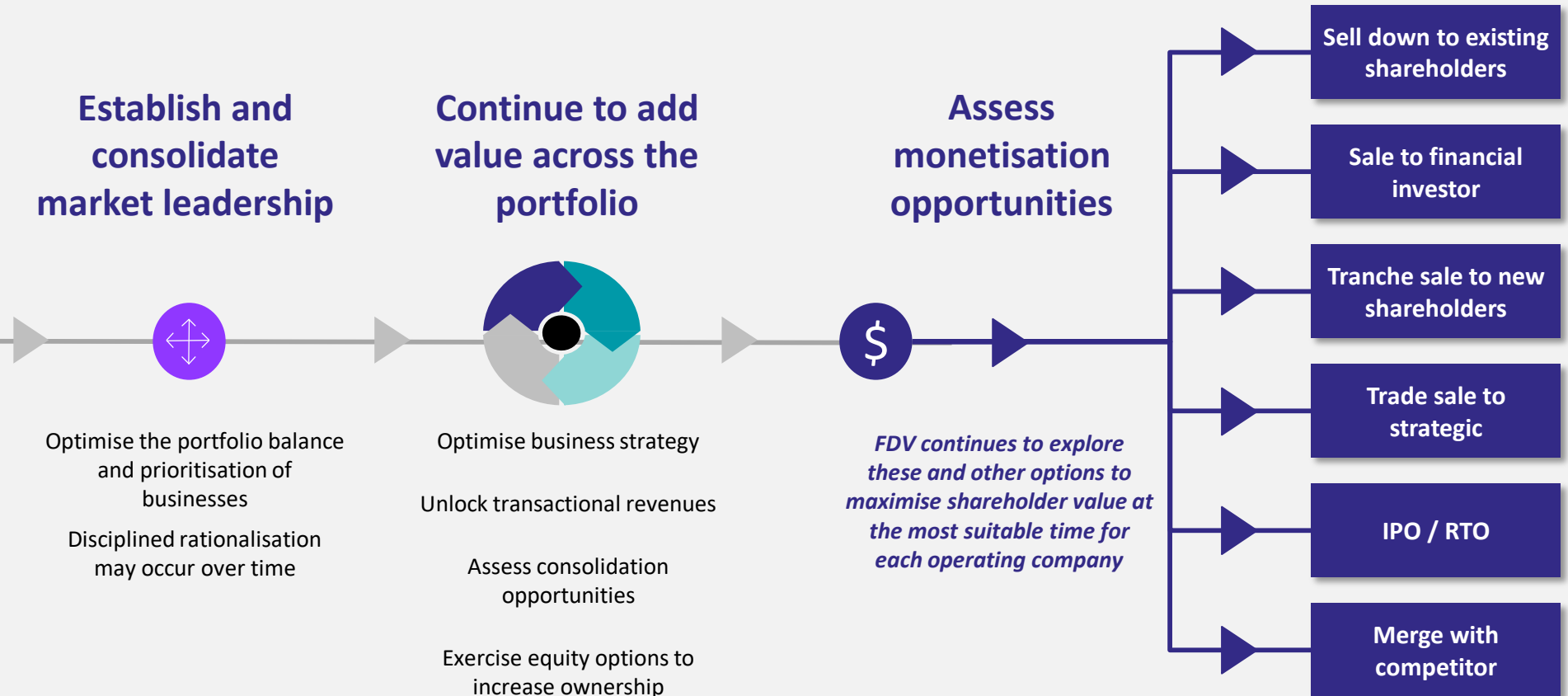
Portfolio optimisation is particularly important around the period of profitability

Note:

1. Quoted on a fully diluted basis

# Monetisation opportunities increasing

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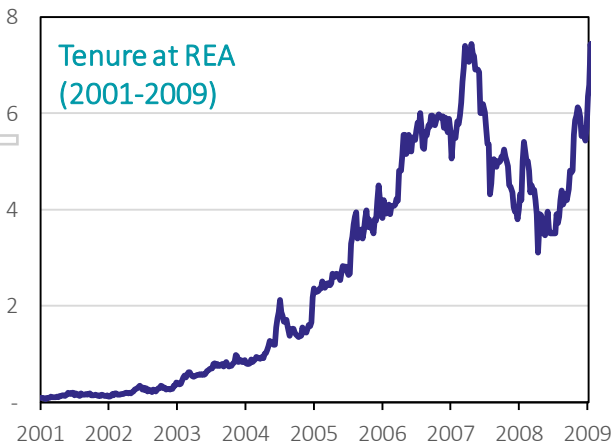
# Strong track record



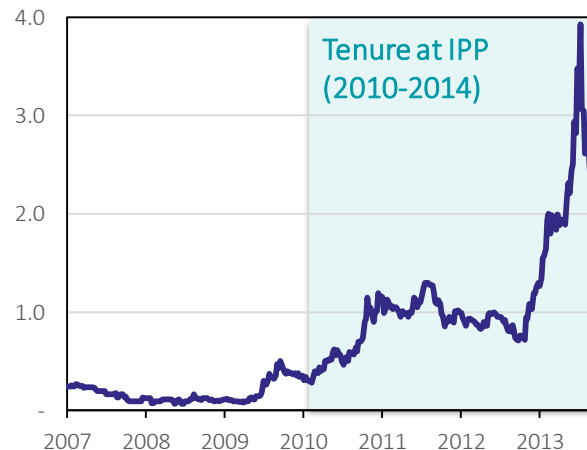
Founder and CEO  
Shaun Di Gregorio

- One of the **top global online classifieds executives** with a **track record of success**
- Former CEO of iPropertyGroup (ASX: IPP) and General Manager at REA Group
- **Spearheaded the transformation of iProperty Group from a US\$15m small online business into the largest listed internet company in ASEAN with a market capitalisation of US\$600m**
- As **General Manager of the core Australian REA Group business** and one of its global leaders, grew the business alongside a team of 8 people with a revenue of A\$5m into a company with more than 300 staff and revenue exceeding A\$150m

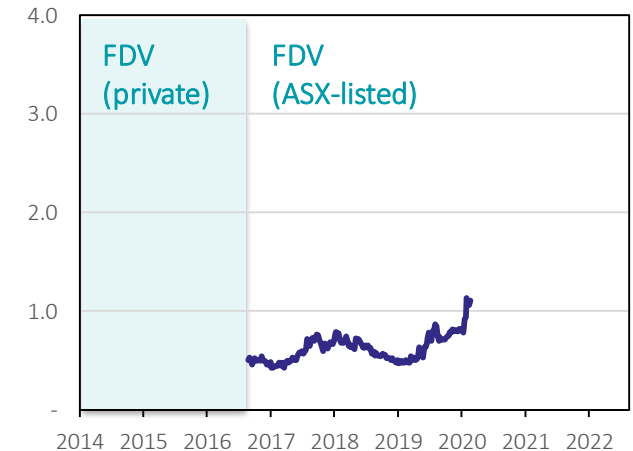
REA Group (ASX: REA)



iPropertyGroup (ASX: IPP)



FDV (ASX: FDV)



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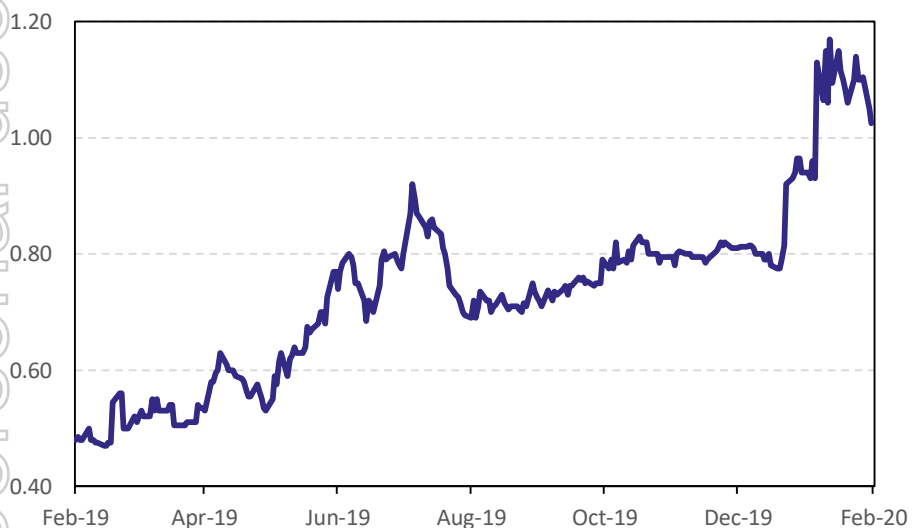


# Corporate overview



FDV has a strong balance sheet, and its shares are tightly held

Share price performance (last 12 months)



## Board of Directors

Anthony Klok	<i>Non-Executive Chairman</i>
Shaun Di Gregorio	<i>Founder and CEO</i>
Mark Licciardo	<i>Non-Executive Director and Company Secretary</i>

## Top shareholders

Catcha Group (Patrick Grove and Luke Elliott)	34.4%
Shaun Di Gregorio (Founder and CEO)	14.5%
Smallco Investment Manager	8.5%
Barca Global Master Fund	7.4%

## Financial information

Share price (24-Feb-20)	A\$1.05
52-week trading range (low / high)	A\$0.47 / A\$1.17
Shares on issue	256.1m <sup>1</sup>
<b>Market capitalisation</b>	<b>A\$268.9m</b>
Cash (31-Dec-19)	A\$12.5m
Debt (31-Dec-19)	No debt
<b>Enterprise value</b>	<b>A\$256.4m</b>

Source: IRESS

Notes:

1. Excludes 450,000 Director options which are subject to the achievement of vesting conditions

# APPENDIX

## ADDITIONAL INFORMATION

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# Statutory accounts

FDV's current portfolio (ex. Propzy) contains 8 investments which are accounted for on a consolidated basis and 3 investments which are reported as "associates" under the equity method AASB 128

Ordered based on FY19 revenue contribution (FDV basis)

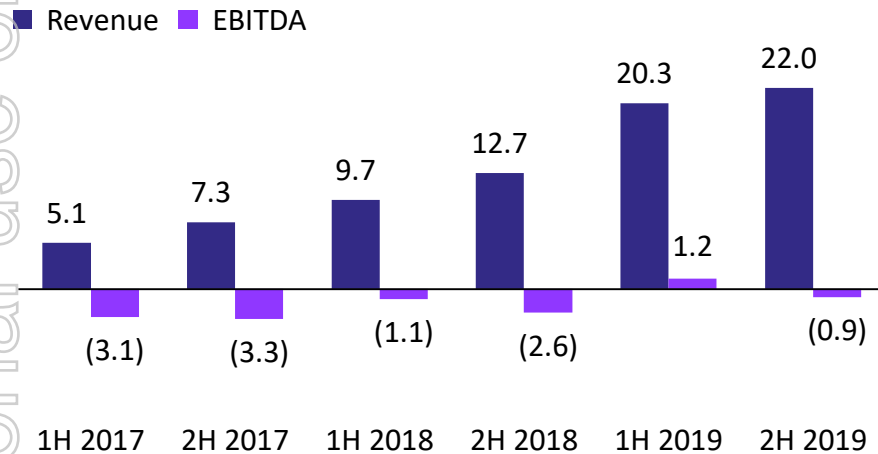
Page number	Operating companies	Accounting treatment
20	Zameen	Equity accounted
21	Encuentra24	Consolidated
22	Infocasas	Consolidated
23	iMyanmarhouse	Consolidated
24	Pakwheels	Equity accounted
25	AutoDeal	Consolidated
26	CarsDB	Consolidated
27	West Africa <sup>1</sup>	Consolidated
28	Hoppler	Consolidated
29	Moteur	Equity accounted
30	LankaPropertyWeb	Consolidated
N/A <sup>2</sup>	Propzy	Previously equity accounted

Notes: Figures quoted are for entities with continuing operations as at 31 December 2019 (includes Propzy; excludes TechAfrica)

1. West Africa now includes PropertyPro (Nigeria; 39% owned) and MeQasa (Ghana; 73% owned)
2. Propzy shareholding divested in February 2020

# Zameen update

## Revenue and EBITDA (A\$m, 100% basis)



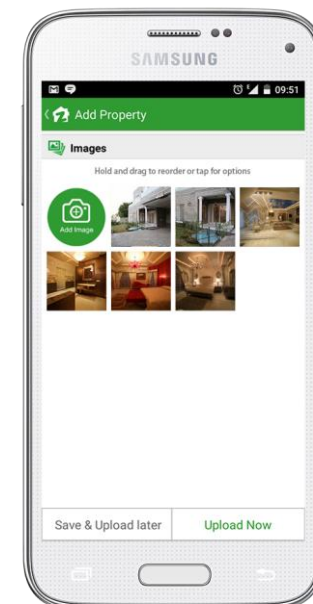
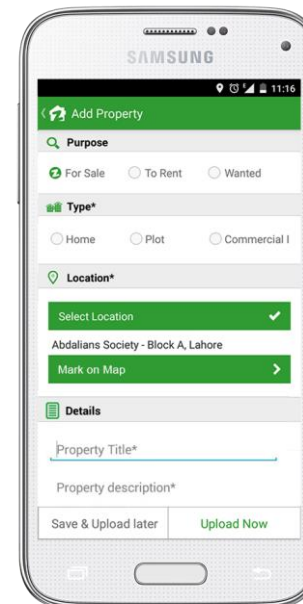
## Highlights

**+88.9%** revenue growth to A\$42m in FY19 (from A\$22m in FY18, 100% basis)

**Positive EBITDA of A\$265k** in FY19 representing a A\$4.0m improvement in EBITDA from FY18 (100% basis)

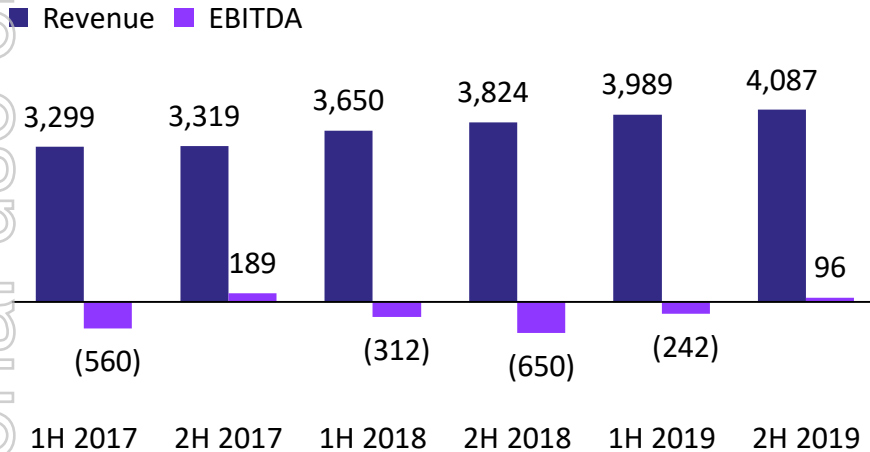
## Business updates

- The #1 property portal in Pakistan
- The platform acts as an intermediary for both buyers and sellers during property transactions
- Strong revenue growth along with positive EBITDA in FY19 highlights the quality of the company's management and dominant market position



# Encuentra24 update

## Revenue and EBITDA (A\$k, 100% basis)



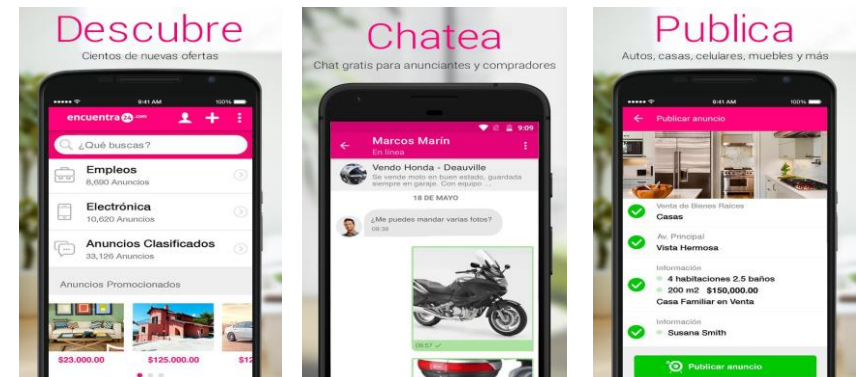
## Highlights

**+8.1%** revenue growth in FY19 to A\$8.1m (100% basis)

**+84.8% EBITDA improvement** to 2% loss margin in FY19 (100% basis)

## Business updates

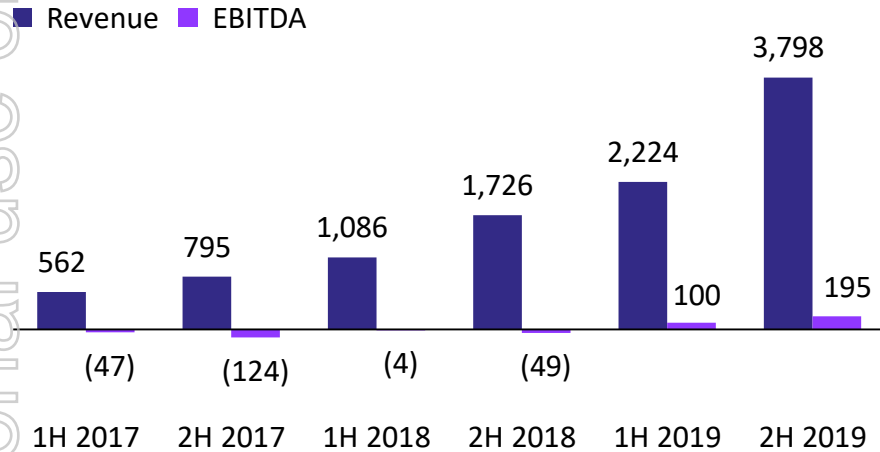
- The leading general online marketplace in Panama, Costa Rica, Nicaragua and Honduras
- Following key managerial appointments and a strengthening of the company's competitive position throughout the year, Encuentra24 has recorded strong EBITDA growth
- New management appointments and a strategic review during the year have been aimed at reinvigorating revenue growth, which has stagnated in recent years
- Continue to strengthen and consolidate its position in key Central American markets in order to drive future growth



# Infocasas update



## Revenue and EBITDA (A\$k, 100% basis)



## Highlights

**+114.1%** revenue growth to A\$3.8m in FY19 (100% basis)

**Positive EBITDA of A\$295k** in FY19 (100% basis)

**FDV shareholding increased from 31.9% to 51.0%** on a fully diluted basis in December 2019

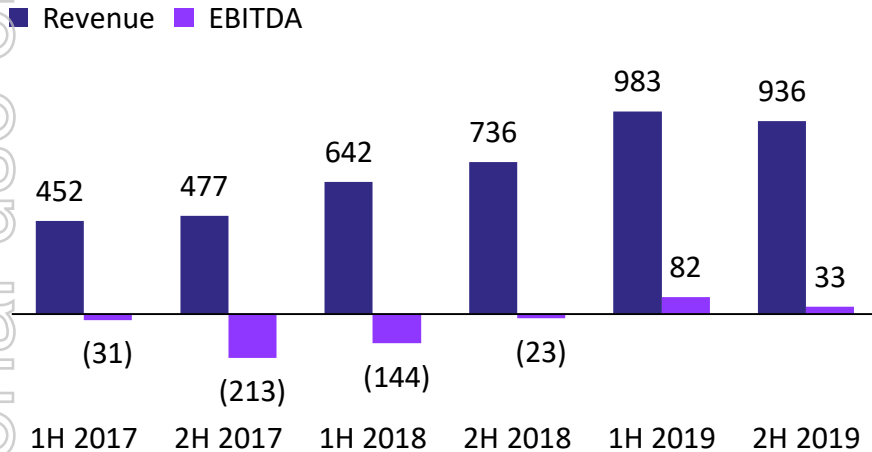
## Business updates

- The #1 property portal in Uruguay, Paraguay and Bolivia
- Infocasas entered the Peruvian market in mid-2019. Peru has a substantially larger population and GDP than Uruguay, Paraguay and Bolivia combined and is an exciting market opportunity
- Local management, working in conjunction with FDV's strategic guidance, have delivered strong revenue growth and positive EBITDA in FY19



# iMyanmarhouse update

## Revenue and EBITDA (A\$k, 100% basis)



## Highlights

**+39.3%** revenue growth to A\$1.9m in FY19 (100% basis)

**Positive EBITDA of A\$115k** in FY19 (100% basis)

**+169.1%** EBITDA growth in FY19 (100% basis)

## Business updates



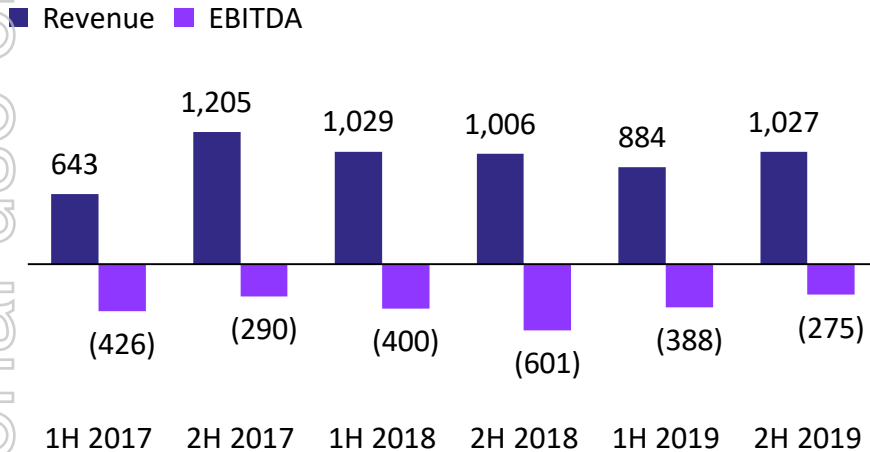
- The leading property classifieds platform in Myanmar
- Significant investment in management capability, with several new hires throughout the year, has led to revenue growth and positive EBITDA in FY19
- Myanmar continues to be a rapidly growing market, the country is experiencing strong GDP growth and mobile penetration now exceeds 90%
- iMyanmarhouse is well equipped to capitalize on its market leading position and expand its transaction revenue streams
- Subsequent to the full year FDV increased its stake in iMyanmarhouse from 43% to 53% providing



# PakWheels update



## Revenue and EBITDA (A\$k, 100% basis)



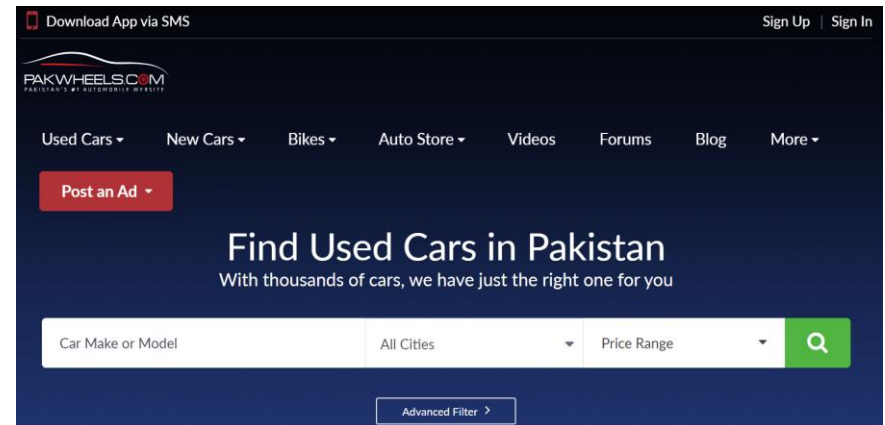
## Highlights

**+33.8%** EBITDA improvement in FY19 (100% basis)

**+16%** revenue growth in 2H FY19 following challenging market conditions in 1H FY19 (note: 24% revenue growth in local currency)

## Business updates

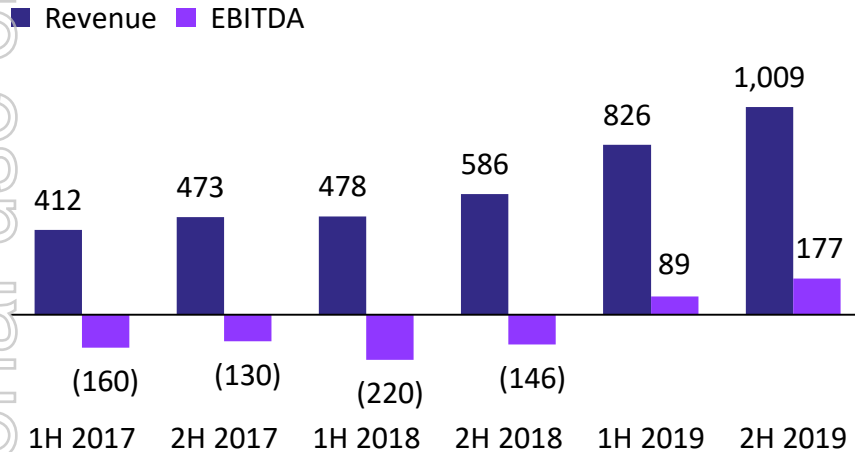
- The leading automotive classifieds platform in Pakistan
- Successfully improved its operating metrics in 2H FY19, following significant market headwinds throughout 1H FY19
- The marked decline in the PKR currency during 1H FY19 negatively impacted A\$ revenue; currency weakness continued in 2H FY19
- In 2018 the government added more requirements for residents to purchase a new car (including filing tax returns) and also increased restrictions on the importation of second-hand cars





# AutoDeal update

## Revenue and EBITDA (A\$k, 100% basis)



## Highlights

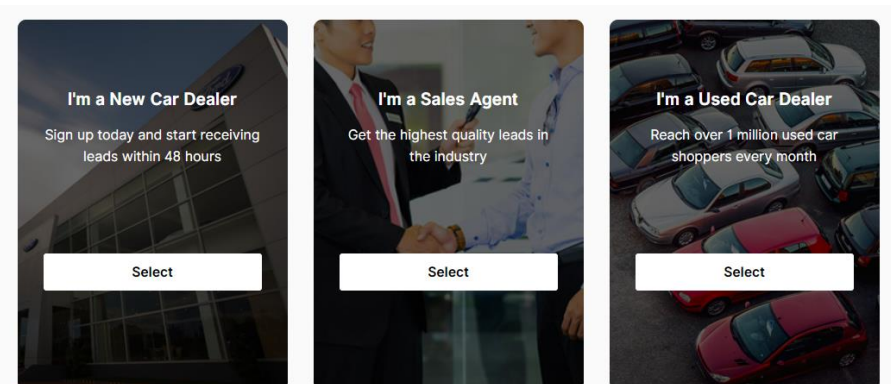
**+72.5%** revenue growth to \$1.8m in FY19 (100% basis)

**Positive EBITDA of A\$266k** in FY19 (100% basis)

**FDV shareholding increased from 36.8% to 55.8%** in December 2019 through the purchase of existing vendor shares

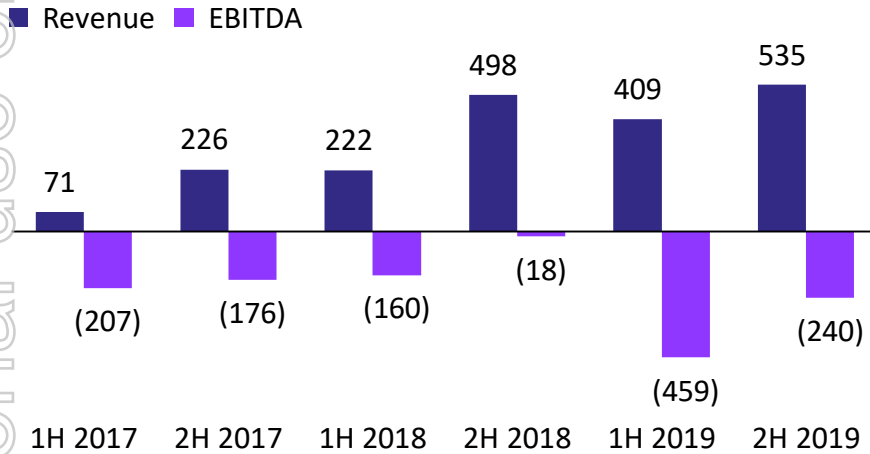
## Business updates

- The leading operator of online car classified portals in the Phillipines
- AutoDeal's business focuses on new car sales, this strategic decision has been made as the competitive landscape in the new vehicle classifieds market is less prone to disruption from lower value participants
- AutoDeal's management team is led by proven founders who have worked together for 10+ years and built 3 marketplace platforms
- Demonstrating impressive growth and capitalising on the significant market opportunity in the Phillipines



# CarsDB update

## Revenue and EBITDA (A\$k, 100% basis)



## Highlights

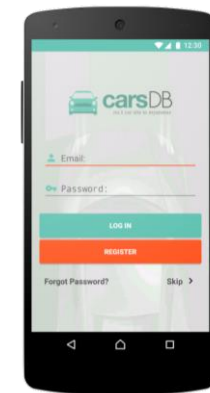
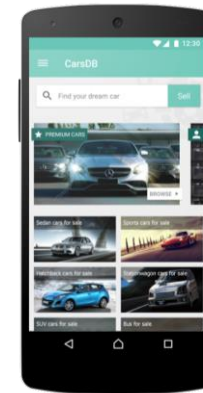
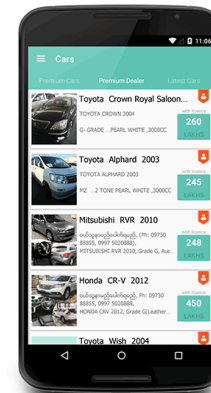
**+31.0%** revenue growth in FY19 to A\$944k (100% basis)

**+120%** growth from pcp in users to 702k in December 2019

**+20%** growth from pcp in page views to 12m in December 2019

## Business updates

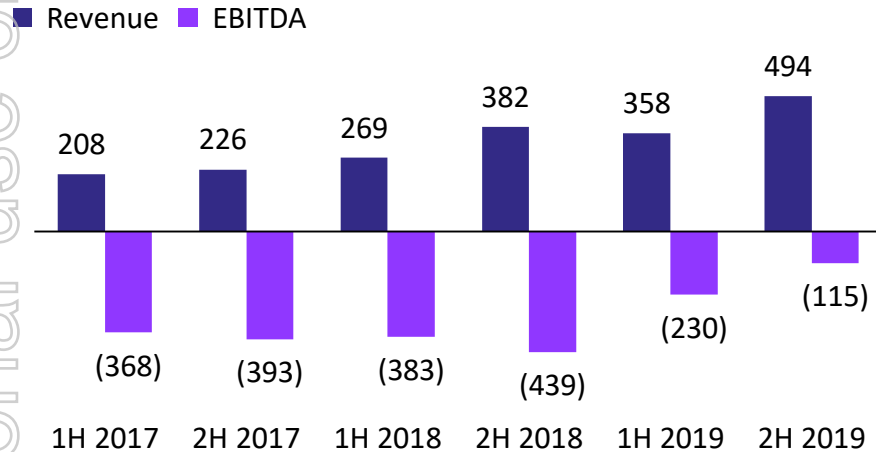
- The leading automotive classifieds platform in Myanmar
- In FY19, CarsDB focused on driving increased consumer penetration and brandawareness as well as expanding its innovative service offering to drive future growth
- CarsDB organised Myanmar's largest auto show in two major cities, generating >US\$15m in new and used car sales



# West Africa update



## Revenue and EBITDA (A\$k, 100% basis)



## Highlights

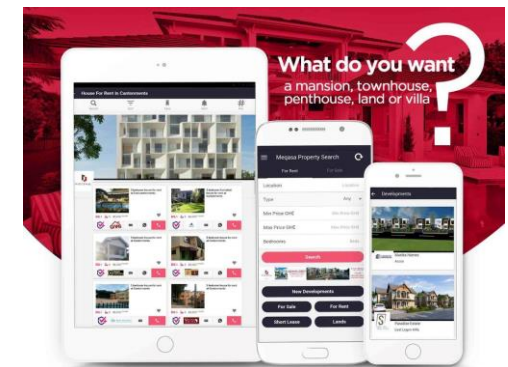
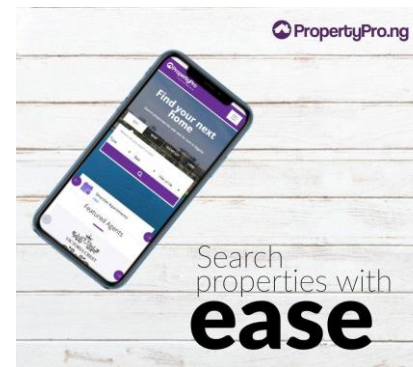
**+30.8%** revenue growth in FY19 to A\$329k (100% basis)

**+58.0%** EBITDA improvement in FY19 (100% basis)

## Business updates



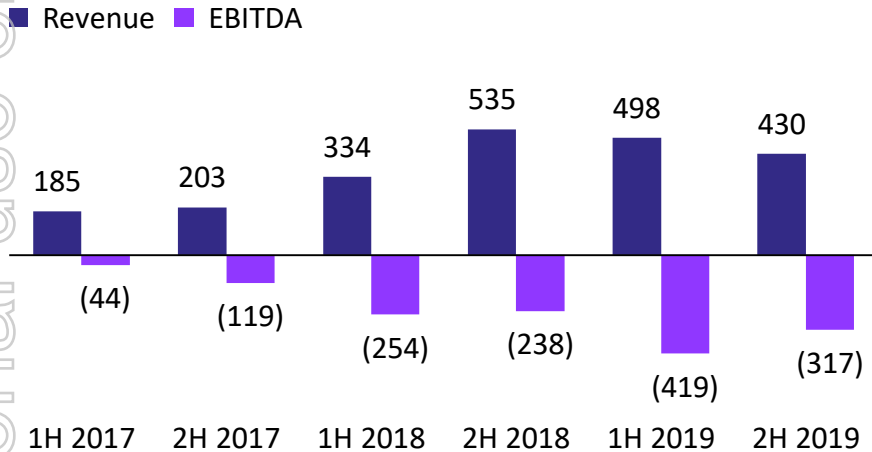
- West Africa is comprised of 2 portfolio companies, MeQasa (#1 online property marketplace in Ghana) and PropertyPro (the #1 online property marketplace in Nigeria)
- In September 2019, MeQasa completed an external funding round. Meltwater Foundation invested US\$250k in MeQasa at a pre-money valuation of US\$5.2m, representing a 4.4x value uplift to FDV's initial investment
- Following the acquisition of key competitor Jumia House, PropertyPro benefitted from integration of the business throughout FY19



# Hoppler update



## Revenue and EBITDA (A\$k, 100% basis)



## Highlights

**+6.9%** revenue growth in FY19 to A\$928k (100% basis)

**+39%** increase in advertisers

## Business updates

- The #1 platform in the Philippines used by property vendors, buyers and agents to manage property transactions
- Throughout FY19, Hoppler invested in expanding brand awareness to grow its network of brokers, users and listings
- Successfully expanded into 6 new cities across the metro Manila region to drive future growth
- Trust issues with the existing brokering model has created a valuable opportunity for disruption and Hoppler is focused on positioning itself as the trusted real estate market place

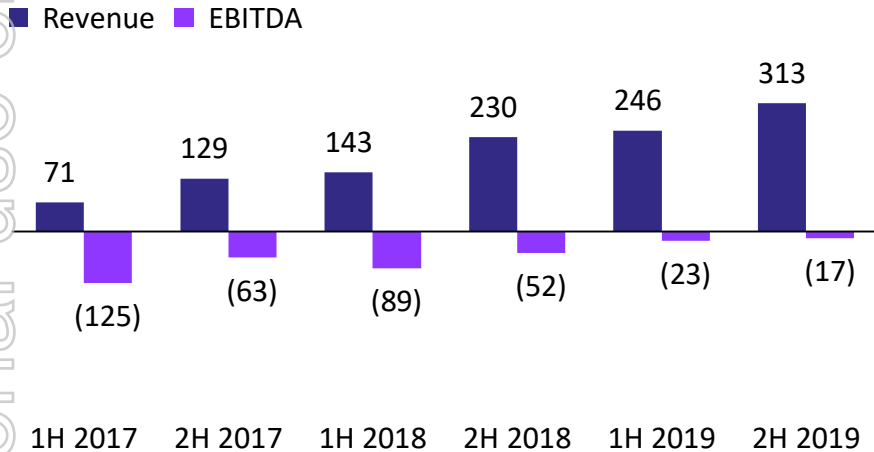
**Walk through a property in 360° views right from your device.**

Check out our latest properties in 360° virtual tours at [hoppler.com.ph](http://hoppler.com.ph)

# Moteur update



## Revenue and EBITDA (A\$k, 100% basis)



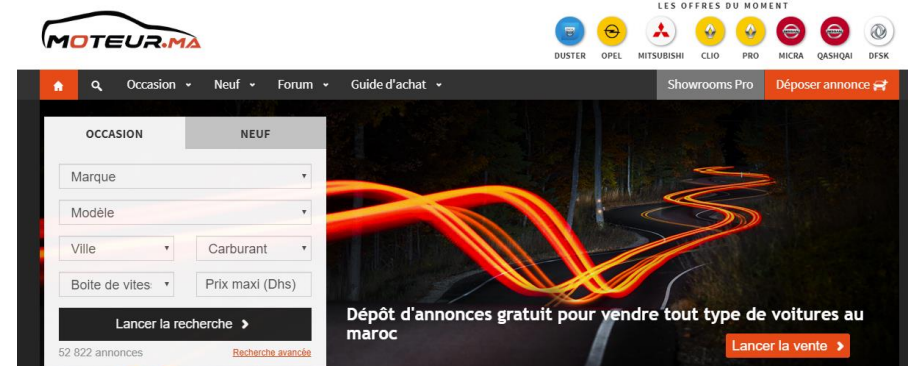
## Highlights

**+49.4%** revenue growth in FY19 to A\$329k (100% basis)

**+72.0%** EBITDA improvement in FY19 (100% basis)

## Business updates

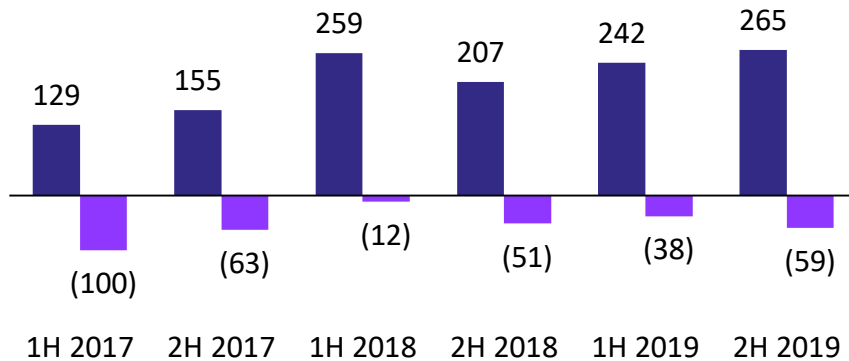
- The #1 automotive marketplace in Morocco
- Morocco is one of the most dynamic economies of the MENA region, with a population of over 35m
- Moteur management, with FDV strategic guidance, achieved significant revenue and EBITDA uplift over the year
- Moteur is progressing towards profitability and is in a strong position to benefit from overarching market trends



# LankaPropertyWeb update

## Revenue and EBITDA (A\$k, 100% basis)

■ Revenue ■ EBITDA



## Highlights

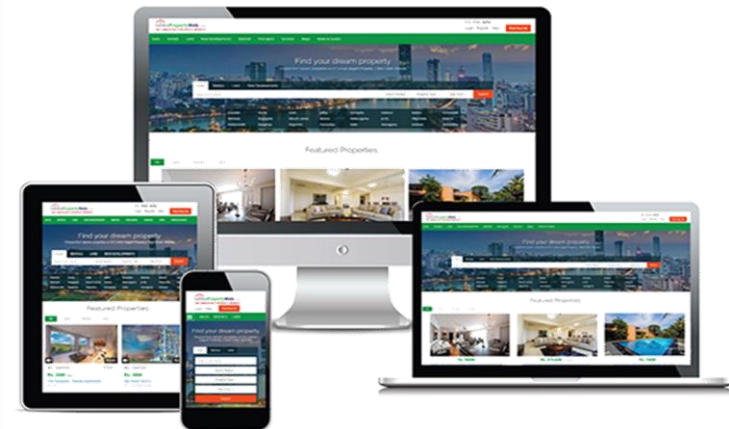
**Emerged as #1** online real estate portal in Sri Lanka having surpassed competitors in horizontal and vertical markets

**+8.6%** revenue growth to A\$506k in FY19 (100% basis)

## Business updates



- The #1 online real estate portal in Sri Lanka
- Throughout FY19, LankaPropertyWeb focused on driving customer penetration and brand awareness
- The business is well positioned to grow its core revenues as well as launch new advertising products online and offline
- Subsequent to the full year FDV increased its stake in Lanka from 47.8% to 53.0%, demonstrating FDV's confidence in managements ability to execute on its strategy





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DIGITAL VENTURES

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