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2024 half year results call transcript

Frontier Digital Ventures Limited ("FDV" or the "Company") is pleased to release an edited transcript from its 2024 half year results briefing held at 2:00pm AEST on 28 August 2024.

The full recording of the results briefing is available on the FDV website:

frontierdv.com/corporate-presentations/

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Operator: Welcome to the Frontier Digital Ventures Half Year 2024 Results Briefing. I would now like to hand over to Shaun Di Gregorio, Founder and CEO, to begin the results briefing.

Shaun Di Gregorio: Thanks for joining us today for our 2024 half year results. FDV releases quarterly updates to the market, however today we released our statutory results, which includes more granularity and information about the business.

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FDV operates online classifieds marketplaces in emerging markets. Many of you will be familiar with the model. We are a smaller version of larger companies that have been very profitable. We're located across 3 regions. We're market leaders across each of these emerging markets. The model is focused around establishing online classifieds businesses, and using those online classifieds ecosystems to build out revenue opportunities that relate to transactions. We have a big focus on property, and a secondary focus on the automotive vertical. It's a very prudent model and a very well-known model for most people.

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In terms of our results, I will go straight to the half year. We have continued to grow our revenue. As you can see on the screen, we've had a healthy trajectory from when we listed to now. If we go back to when we listed in the latter half of 2016, the first full fiscal year reported was 2017 where revenue was just over A$9m with an EBITDA loss of A$7m. Now, if you look at our first half, we achieved A$41.6m in revenue and a significant improvement in EBITDA as well. Part of our story has always been consistency and making sure that our long-term trajectory is on track. We've achieved this organically, which is critical in our business model, and we have continued to achieve growth over the last 12 months exclusively organically.

Over time, we have also acquired businesses. You can see from 2020 into 2021, we made a few acquisitions, which helped to drive overall revenue growth. Looking at our first half of A$41.6m revenue, a good improvement on the corresponding period last year. As you can see, if you want to do the math and annualise the revenue, you can get a sense of how FDV is looking on a full year basis.

We managed to increase our EBITDA, and I'll dive into more detail on that in the future slides. As I've said in briefings before, we are focused on continuing our revenue growth trajectory. All our businesses are profitable now, so it's about finding a balance between continuing to grow revenue whilst continuing to improve our operating margins at the same time. We've achieved that goal in the first half of the year, where the second quarter was much healthier than the first quarter. We had a tough first quarter, but all of our businesses have improved quarter on quarter. As a result, the half itself improved on the previous corresponding period.

The operating conditions also continue to look better on the horizon. If we look forward to potential rate cuts from the Federal reserve, albeit likely in the back half of the year and into 2025, we think that the operating environment will continue to improve, and the cost of capital will come down. Interest rates, when you're in the business of helping people find homes and find cars online, are a critical part of the mix that drives commercial transaction volume. So, when interest rates are high, those transaction volumes reduce. Even in high-interest rate periods, we're growing our revenue and improved our operating margins, which I think speaks to the strength of the model.

We were able operate our model in emerging markets when interest rates and inflation were very high, and all of those big macro markers are now coming down, we have managed to continue to grow our business successfully and improved our profitability during what are fairly tough trading conditions.

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As a snapshot so you understand the statutory accounts, we take out our consolidated revenues and then our share of Associates revenue to get to the operating revenue results. This works the same way for our EBITDA. We have achieved continued revenue growth both at the statutory level and operating revenue level including Associates. We saw Zameen, in the second quarter, grow for the first time year-on-year since Pakistan hit some headwinds last year. Our other business in Pakistan, PakWheels, continued to grow throughout. So, these are positive signs coming out of our Associates. Overall, strong revenue growth was achieved in conditions that were pretty tough, and we've also improved our EBITDA margin. Again, one of our key goals is to continue to grow while maintaining profitability.

Our regions are operating cash flow positive, and we continue to have cash in the bank. But the headline numbers for us is the continued revenue growth. It's a record result, with strong growth of revenue, continued expansion of EBITDA margin and again, getting the balance of growth and our profitability right is what we're doing at the moment. A big part of that is our product road map, and that's driving a lot of the new revenue growth in each of our 3 key regions.

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Just to break down the revenue, we have our statutory revenue, which is from consolidated entities, and then we have revenue from Associates. This gets us to that total operating number. I'll dive into the regions in a little more detail in a moment, but the important thing is that continued trajectory in markets where we have faced pretty high interest rates and inflation over the last 18 months to 2 years. This goes back to the underlying model. It goes to our ability to get not just the underlying model to continue to grow, but also get new products to market. When we get new products to market, that really plays into the narrative we have spoken of at length about our product road map, about the opportunities that exist in these markets and the opportunities that we're now managing to monetise. Monetising new products in these markets over the last 6 to 12 months has been a feature of our growth.

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When we look at our expenses, they've grown slower than revenue, hence the increase in our margin. But again, we're walking a fine line of getting the balance of revenue growth and maintaining our EBITDA whilst investing in the continued growth of the businesses. I think if you can do this at the moment, you put yourself in a really good position as you look towards the rest of the year and into next. For a lot of our businesses over the last 12 to 18 months, it's been about making sure they've built really robust businesses and have got their cost growth under control, while being really focused on revenue growth. We're starting to see the benefit of that flow through, particularly in the second quarter, and that's driven a really strong first half result given what's going on around us.

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When you look at the EBITDA margin, all our regions are profitable. We saw good growth in 360 LATAM particularly, and that's driven the overall result. We also saw continued steadiness in EBITDA from Associates, which are our investments in the businesses in Pakistan. The encouraging thing for us is when we look into Pakistan, and investors have had a big focus on that historically, we've seen inflation and interest rates halved since last year. These indicators continue to go in the right direction and there is continued confidence in that market.

It's been a lot of hard work culminating to this half year result in operating conditions that continue to be interesting and pose challenges. However, we've got our core businesses going along well, we have new products getting into the market, and we're starting to see consistent revenue growth underpinned by consistent EBITDA performance. That’s what we want to make sure we continue to deliver, which is that strong EBITDA profile, so people continue to recognize and understand the model as it scales. Today's profit, based on the operating cash performance of the 3 regions, continues to be operating cash flow positive as well.

We have continued to invest in new products. That was a big feature for the first half of the year. We released new platforms in Latin America and across the group. It's important when you're running these businesses that you continue to think about your platforms and your products, because that's where you get scale and growth into the future. If we can invest some cash into those platforms and products, we know that the payoff is significant. There's really strong evidence in a number of the new products that have gone to market in the first half of the year which have helped us with that growth trajectory.

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I won't stop on this slide too long as it's a bit technical, but this simply seeks to explain the accounts for investors who are perhaps new to it. This is the statutory version which includes the businesses that we consolidate, and it picks up the EBITDA from our Associates. There are various items below the line, which gets explained in these accounts. But if you look at the improvements in the far-right column, you can see that everything we wanted to improve upon that we have control of, we've done that in this period. A big reduction in the bottom line in terms of the loss, improvements in revenue and improvements in EBITDA margin. These are the important items for people to understand. The D&A charges relate to a lot of the capital expenditure, brand work, and work that was done on the platforms. There is also some hangover from some of the acquisitions we made that were asset-based that continue to be amortized, so that number will slowly reduce, but it's a function of some of the accounting treatment that we've had historically in the past.

The big improvement for us is our revenue growth achieved in markets that were tricky to navigate. We have improved our operating margin, and every other key metric that we look at on a P&L basis has improved significantly since this time last year, so we're pretty pleased with that.

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And when we look at the regions, such as 360 LATAM for example, we've had a strong half in 360 LATAM with the 4 businesses there. Whenever you operate a portfolio, you generally have a few really strong performers. In this case, we've had really strong growth in a couple of the businesses we operate. InfoCasas, which operates property portals in Latin America. E24, which is in Central America, traded reasonably well, a little bit below expectations. Yapo was the one where we did a lot of work in the first half of the year replacing the platform. A brand-new platform was rolled out for Yapo in July, so we certainly expect better performance from that business, and that will help the overall picture.

I think the interesting thing in this part of the world is the mix in revenues, where we're now at a fairly good mix of where the revenue has come from. There's still the strength of the recurring subscription revenue, which is really valuable, and that's essentially half of the revenue mix. The traditional sources of revenue you get in these businesses around advertising and media make up a fair chunk as well, but we're now delivering a substantial amount of revenue from our new product lines and from the activities that we have around transactions. This is helping people go right through from the search and discover phase to complete transactions.

A couple of new products, Iris and Centrify, continue to be really strong contributors in this part of the world, and we've improved their margin as well. We have had a lot of investment in the products in 360 LATAM in the first half of the year. This was really focused on releasing a new platform for Yapo. We also improved the product set that we have at Fincaraíz in the first half of the year as well. These initiatives and investments in the platform, in the tech and the product will continue. We see that as critical in terms of driving the longer-term growth, but it has still been a really strong half for the business where they've grown their revenue, they've improved their margin, and they've got a really good spread when it comes to the revenue mix. So good signs coming out of this part of the world and well on track, and we look forward to 360 LATAM continuing to grow over the ensuing periods.

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When we look at MENA, there were tough trading conditions, although we managed to hold our revenue. A lot of work is being done in this part of the world as far as the main business, Avito, which delivered reasonable growth, as did Moteur. However, this was offset by a couple of the businesses in that portfolio, which performed below expectations and made the bigger picture look as it does. But certainly, the core larger businesses there, which are based out of Morocco, both grew period-on-period, and both improved their profitability.

We've got some work to do on Tayara and PropertyPro, which we're looking at pretty closely and we'll have to conclude what we want to do with those businesses in the near term, because they're holding this region back. However, this region is really starting now to get better traction in 3Q as well, so a much better start to 3Q than we had in 1Q and 2Q. Year-on-year, these businesses and this region held its ground in what were fairly tough trading conditions.

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The consolidated entities of Asia had good revenue growth, and that was underpinned by iMyanmarHouse and LankaPropertyWeb. Other businesses there, AutoDeal and Hoppler, impacted our EBITDA. But again, we're focused on trying to scale up this part of the world. It's a relatively modest amount of revenue, but we think that it can be much larger. The effort really is getting a balance between growing the revenue, which had fairly good growth period-on-period, making sure we get the mix of revenue right, and continue to maintain profitability, which we did. This is a growth first, do it profitably, but do it as fast as you can, mandate. So good growth in some of the businesses. Again, there's always 1 or 2 companies in the portfolio that make life interesting, but I think we're fairly pleased with the top line and want to get the mix of revenue right to really take advantage of some of the opportunities that are there, whilst continuing to be profitable. We've also broken out that profitability, so people understand it a bit better.

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When we look into Pakistan, 2Q was an interesting story. Whilst the half year was slightly down, what we saw in 2Q was Zameen achieving growth for the first time quarter-on-quarter. So 2Q is much better than 1Q. That's really encouraging. The big macro markers in Pakistan have improved significantly, particularly in the last 3 to 6 months. We've seen inflation and interest rates reduced significantly. Inflation is now less than half of what it was a year ago, and interest rates are following. There's far more confidence starting to emerge. This will be a slow and steady improvement. The businesses have maintained their profitability throughout, which gives them a really good foundation to now start to grow again.

Encouragingly, PakWheels have continued to grow throughout. You can also see that the mix of revenue is slightly different than the other regions. However, what we wanted to get through here is Zameen returning to period-on-period growth in Q2, which bodes well for the rest of the year. They've maintained margin and maintained cash flows throughout, and that was probably the most difficult period that this market has gone through in recent memory. But again, signs are much more positive now. I think if I did this briefing a year ago, the region was in a tough position, to be frank, but in a much better position now to see these businesses return to growth. So, while that half on half top line was a bit softer, the quarter-on-quarter picture was much better. We look forward to these businesses returning some really positive results in the back half of the year and into next.

All of the big macro markers, interest rates and inflation have decreased significantly, the balance of payments has improved, so much more confidence is starting to return to the market. Interestingly, the stock market in Pakistan has gone absolutely nuts, but we're now seeing consumer spending start to improve, and our transaction volume and core business is holding up reasonably well for Zameen as well. We think that we're certainly through the worst of it, and a lot of upside now in how we view this region and we think that this is going to be a good contributor again for the overall group as we are heading to the back half of this year and into next.

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In terms of some progress markers that we put out to the market earlier on in the year, we said our key goals were our revenue growth, our margin, our product road map and creating value for our investors. Just to go back and mark ourselves against the objectives and priorities that we had for 2024, we've continued our revenue growth. That's a big priority for us, and we'll continue to invest in ways of ensuring that we will grow. This also goes to the product development and the product road map, big focus on that internally, and that takes up a lot of our discussions in how we not only release products into markets that we operate, but how we then take those products into adjacent countries or markets. For example, how you can take some of those products and that operational experience in launching a new product in one country or one region into other countries or other regions. That's a big focus for us as we get into the back half of the year. Lots of proof of concept in the first half, replacing platforms, improving some of the tech, improving some of the product ranges that we have in many of the businesses. Now, thinking about how do we take the success of those businesses not only to other countries, but into other regions. This is very much the playbook as we head into the latter half of the year.

We've increased our operating margin. Whilst people might say it's up 2 percentage points, if we can do that frequently, regularly and improve the rate of margin expansion, it will put us in a really good position. This will come from getting the other 2 elements of what I just discussed right, and that's nailing the revenue piece, which is underpinned by a clear product road map, investment in that product road map, and margin expansion follows. We're now at an interesting point where, at an EBITDA level, we've demonstrated continued profitability. We now want to make sure we're very focused on revenue growth, and we know that will come from great clarity around the product road map.

On the right-hand side, it's probably of most interest to people on this call, which is value for investors. Our share price, we feel, is not reflective of the performance of the business. There might be a whole range of reasons for that. But suffice to say, we think if we continue to innovate, continue to drive our revenue growth, but more importantly, continue to demonstrate the margin expansion that can come from getting those things right, that value in the market will be demonstrated through the share price over time. As the largest shareholder in the company, everyone on the call can take it from me that I'm aligned to that outcome and it's one that we're very focused on. However, we know that getting the operating parts of the business nailed on those 3 priorities that we identified at the beginning of the year, which we're reporting back on, will have a really large impact on the value. So, we're looking to continue growing those key markers as far as the priority is concerned, but we recognise that we think we're undervalued.

We also look at some of the transactions that have taken place recently, whether that's PropertyGuru being privatised at multiples that far exceed ours, and ironically, that business was growing slower and burning a ton of cash. We're working really hard to make sure we get our fundamentals right, the key financial markers right. We know what drives value in these businesses, and that's largely the product road map. We know that share price will take care of itself if we continue to get those things right.

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We've also put a bunch of information in this presentation, which people will be familiar with. If you're the first time on these calls, just to remind people of the regions in which we operate and where we are market leaders.

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There's information about our business model for people to continue to understand, which essentially is predicated on the classifieds model to ancillary opportunities around the value that's generated when a house or a car is transacted. If you look at the ancillary box there, that's where a lot of our focus is on at the moment. That's not just old-fashioned strategies of selling people mortgages, it's innovative products to help people buy and sell properties and cars, but also continuing to really push those ancillary products much closer to the transaction and ensuring that transactions occur through our platforms.

In the back of the presentation, there is some additional information which pulls apart all of the regions so you can see the performance metrics on each individual business. The statutory accounts were also released today, so people can dive into those, which provide a lot more granularity to each business and the P&L, the balance sheet and cash flows.

Q&A

Operator: The first question is, how should we think about the margin trajectory for InfoCasas going forward?

Shaun Di Gregorio: That's a business that forms part of our 360 LATAM group. It's a business that is pretty core just given its size. It's a business into which we do a lot of new product releases from, so the new product releases tend to get trialled and tested through InfoCasas as it's also where our tech development is at its greatest in that region. InfoCasas is profitable and it's probably the most profitable you would like it to be, but the profitability is at that level because we tend to release a lot of new products through that business. Early-stage new products tend to be low margin and grow margin over time as you get scale and sustainability.

A number of our businesses are in double-digit EBITDA margin territory, and it's very much where we think InfoCasas will go. We want InfoCasas to look like every other successful property vertical and have strong double-digit EBITDA margins over time, and that's for a lot of our businesses too. When you look at the consolidated level, it's only gone up by a couple of percentage points. Interestingly, if you took away 360 LATAM corporate costs and just looked at the businesses individually, which is tabled in the back of the presentation, you see a much clearer margin examination of the businesses. Yes, we want them all to be double-digit, strong, high-margin businesses.

Operator: Our next question is, how should we think about capital expenditure from here, particularly in light of the 360 LATAM medium-term strategy?

Shaun Di Gregorio: Capital expenditure is a delicate balance where we're operating the businesses cash flow positive at an operating level. We do need to invest in product and our goal is to grow revenue, it's to be profitable, and continue to be operating cash flow positive, while also investing in product development. There will be continued capital expenditure, that's the nature of what we do. But we're trying to get the balance right between how much to invest in capital expenditure versus the outcomes. It is about developing products that can help move consumers from search and discover through to transactions, and there's some really good examples of those.

The biggest capital expenditure we've had over the last 8 months was in the new platform for Yapo. That's a legacy platform which we had to improve. We also invested into the platform for Fincaraíz in Colombia as well. It's had a tremendous period of growth as a stand-alone business, but the capital expenditure into product development is key in scaling these businesses. What you want to do is get really good core businesses, which are the classifieds, and put prices up and build margin. But then you've got to make sure that your capital expenditure is not excessive, is funded, and is sustainable, but you do need to invest in those things. It's the nature of the types of businesses we operate.

Operator: The next question is in relation to Yapo. Yapo has experienced a decline in revenue on pcp. Is this driven by the re-platforming? And is there confidence the revenue growth will be restored once the new platform is bedded down and launched?

Shaun Di Gregorio: Yes, there is confidence, and that was the whole point of the re-platforming. When you build a platform, historically, what tends to happen is you add new products, new functions, and new features. Over a long period of time, that can sometimes accumulate technical debt because not all of those functions and features necessarily were designed to exist when the platform was coded originally. So, you end up making the platform slower and more cumbersome. What we ran into with Yapo is a long-term accumulation of that technical debt, which meant that we couldn't really do much to the site any further. We couldn't get it to add new products as it slowed down and was getting clunky around the uploading of properties. It was also getting clunky around users being able to get leads through to the sellers, and for sellers being able to access those leads. That has now all been rectified with the new platform. Had we not done this, the difficulty in that business would have continued. But the whole point of investing that capital expenditure was to rebuild the platform so it was able to scale, as these platforms have to be able to scale. If they can't scale, I think they slowly die, and that's what would have happened with Yapo. It's what happens to any of these sites if you don't invest in them over time.

Yapo was a bit of an outlier as it was a bit of an extremity on that. The technical debt was large and we had to repair it, and we did. We started the re-platforming late last year and we absolutely invested that money on the basis that the business will improve, and that's very much part of that plan and the rationale for the investment.

Operator: We have a question regarding the sale of Zameen by the major shareholder and whether there's been any update?

Shaun Di Gregorio: I think I've been asked this question last month, and the answer's still the same. The intent was there before the market became difficult. The business is recovering, and I think everyone is simply focused on the business recovering at the moment, and it's now growing year-on-year for the first time in a while. It's also profitable and generates cash. The fundamentals of the business are steady, stabilised and now it's a function of the business growing and revisiting the potential sale of it as the business improves.

I don't think the ambition has changed. It's simply that the business environment changed, underlying that ambition, but the business is now improving again, which is great. So that ambition remains. It's probably just hit the pause button until we see consistent recovery in the business, which is now being evidenced by the financial data that we're getting.

Operator: Furthermore, on Zameen, we have a question asking if you could please elaborate on the quarter-on-quarter improvement mentioned in the first half of 2024 and what your general outlook for Zameen is?

Shaun Di Gregorio: If you go back to what we released to the market at the end of July, the release will have that quarter-on-quarter detail. In 2Q, quarter-over-quarter growth was delivered for the first time in a couple of years. We have always been really cautious about forward guidance on Zameen, but the fact is that it grew pretty well in July. We only look at the data in hand, and that's what's presented in the quarterly recently released. We are cautious about providing forward guidance, but what we can point to is the continued improvement that we see in the last period of time.

Operator: We have a question on Fincaraíz's price rise during first half 2024 and roughly how much did prices rise overall? Did they get the full benefit of this during the first half of the year?

Shaun Di Gregorio: No, we never get that full benefit immediately because you've got a lot of subscription-based customers, so it comes up over time. The price rise from memory was around 15%, but I don't have that exact number on hand. The price rise was done earlier in the year with an improved platform, so you're going to get a bit of growth from better product rollout to customers.

Operator: The next question is, within the first half results, the other receivables line items in the balance sheet grew by roughly A$4m. Could you elaborate on what the other receivables items are?

Shaun Di Gregorio: Yes. It was at the request of our auditors. Historically, we've had internal loans, which has just been a way of funding companies which we already own. But these loans go back some period of time, all of which then get converted to equity. Those loans are then shown as receivables in the first half, which will disappear in the second half. It's a technical accounting treatment. I know it appears as a bit of an oddity or an outlier, but it's literally the accumulation of loans that are not yet converted to equity over time that will be done so internally. At the auditor's request, they were presented as receivables because they're technically loans. So, it's a bit of a red herring in that sense, but that line item will effectively turn to zero in the second half once the completion of the equity is done.

Operator: Our next question is, what does the contribution to margin from Centrify and Iris look like at the moment for 360 LATAM?

Shaun Di Gregorio: We don't necessarily publish that granularity of detail on ASX announcements regarding of product line margin, however we will over time. Suffice to say that they both contribute positively. They're early-stage products, they're growing rapidly, and they have a positive contribution. It's not a lot at the moment, but the point of the new product is to get scale, and over time with scale, you build margins. They're very much in that typical product road map process, release product, get traction, get uptake, get success, build margins.

Operator: We have a question regarding revenue and cost base. At the statutory level, revenue grew by 14%, while operating expenses increased 11%. Do you feel that the current cost base is sufficient to drive ongoing growth? Or will further investment be required?

Shaun Di Gregorio: Our focus is revenue growth, and you've got to walk a fine balance between growing revenue, investing in product, and scaling and managing your cost base. If we continue to grow revenue faster than cost, then margin grows. The question is are you investing enough to grow fast enough, while also growing profitably, and that's the path we're treading. We're absolutely focused on revenue growth. You could double your operating expenses tomorrow in fantasy land and then you grow faster, but we're trying to get the mix right. That's the art of running these businesses. We'd love to run them even leaner, but we've got to trade a bit off against getting meaningful revenue growth, and we think that there's lots of upside still to happen.

At the same time, these businesses are now starting to demonstrate their ability to generate EBITDA. So, I don't want that answer to sound evasive, but it's just not so black and white either. You want to grow responsibly, which I think has been a requirement over the last 18 months, given the cost of capital, volatility in markets, inflation, interest rates. People are looking for responsible businesses that grow and generate EBITDA. We've turned that corner sometime back, and we're on this revenue growth, margin growth profile. We want to grow revenue faster. We want to have better margin, and that's what we're really focused on. To do that, you've got to invest in it. I wish there was a straightforward answer to that, and it's very much a managed task as we move from quarter to half.

Operator: Do you feel that FDV is sufficiently capitalised to drive growth over the next 12 months?

Shaun Di Gregorio: Well, we have enough money in the bank, if that's the question. If the question is, if you had more capital, would you grow faster? The answer is probably, but you've got to trade that off against running businesses responsibly, scaling good products and delivering strong results for investors, and that's what we're trying to do. I don't feel capital constrained. Arguably, if interest rates were 1% and inflation was 1%, then the capital markets would be far less constrained, and you'd probably be more bullish and more active in looking at M&A and more product investment. But that's just not the world in which we live, so we're trying to behave responsibly. We're trying to grow revenue and grow margin while the capital markets are tight. We're doing that, and our regions are cash flow positive. We think at a headline level, these are pretty good outcomes.

This is the age-old question for any business. But at the end of the day, we're trying to walk a very defined path, which we have communicated long and loud around our priorities, and we're doing that. As proof of our sustainability on this path continues, I'm sure our cash will continue to accumulate, and we'll be less cash constrained and that will feed into growth.

Operator: How should investors be thinking about the second half of 2024 in terms of growth and profitability for FDV?

Shaun Di Gregorio: I think here's a good way to think about it, draw a line on slide 5. We're focused on growth, and we don't provide forward guidance. We don't say if we're going to grow “X” percent, but our whole business is around revenue growth and margin growth. If you look at the EBITDA in 2021, that's when we acquired some more businesses. We've reduced our losses since then and we've grown our revenue. We bought some more businesses, which grew our revenue, and we reduced our losses again, and we’ve achieved profitability. We've got a fairly good track record in terms of a relatively small-cap business in emerging markets running a model that is well known, but adventurous in some sense. So yes, if you look at the trajectory, that's the best way to think about the second half of the year.

Operator: Thanks Shaun. That was all for the Q&A today. I'll now hand it over back to you for some closing remarks.

Shaun Di Gregorio: I would point out to 2 things. I think in environments which have been tough, we've achieved results that other companies haven't in the industry and markets in which we operate. I would also remind people that we're profitable, that we've got cash and we're growing our revenues. I'd go back and say we've always had a really strong sense of accountability in our business, and this is what we said, these are the priorities we laid out. Reporting back on those very specific priorities that we laid out at the beginning of the year and how we're progressing, we continue to be really focused on revenue growth, margin expansion, and product development. But we are also focused on the fourth one, which is about creating value for investors, and I'm the largest shareholder of a business that's performing really well that we think is undervalued.

If you look at some of the transactions that have occurred out in the market, it's starting to get bullish again. So, I encourage people to look at the results we're achieving, the potential that we've got, the size of the markets we're in, and the new products that we're rolling out and think about the value that we're delivering. That probably be the 2 areas of real focus and emphasis I'd encourage people to think about when they think about FDV.

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This announcement is authorised for release by the Board of Directors of Frontier Digital Ventures Ltd.

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About FDV

Frontier Digital Ventures (FDV) is a leading owner and operator of online classifieds marketplaces in fast growing emerging regions. Currently, FDV operates across three regions – 360 LATAM, MENA Marketplaces Group and FDV Asia. FDV works alongside local management teams across property, automotive and general classifieds, providing strategic oversight and operational guidance which leverages FDV’s deep classifieds experience and proven track record. FDV seeks to unlock further monetisation opportunities beyond the typical classifieds revenue, to grow the equity value of its operating companies and realise their full potential. Find out more at frontierdv.com.