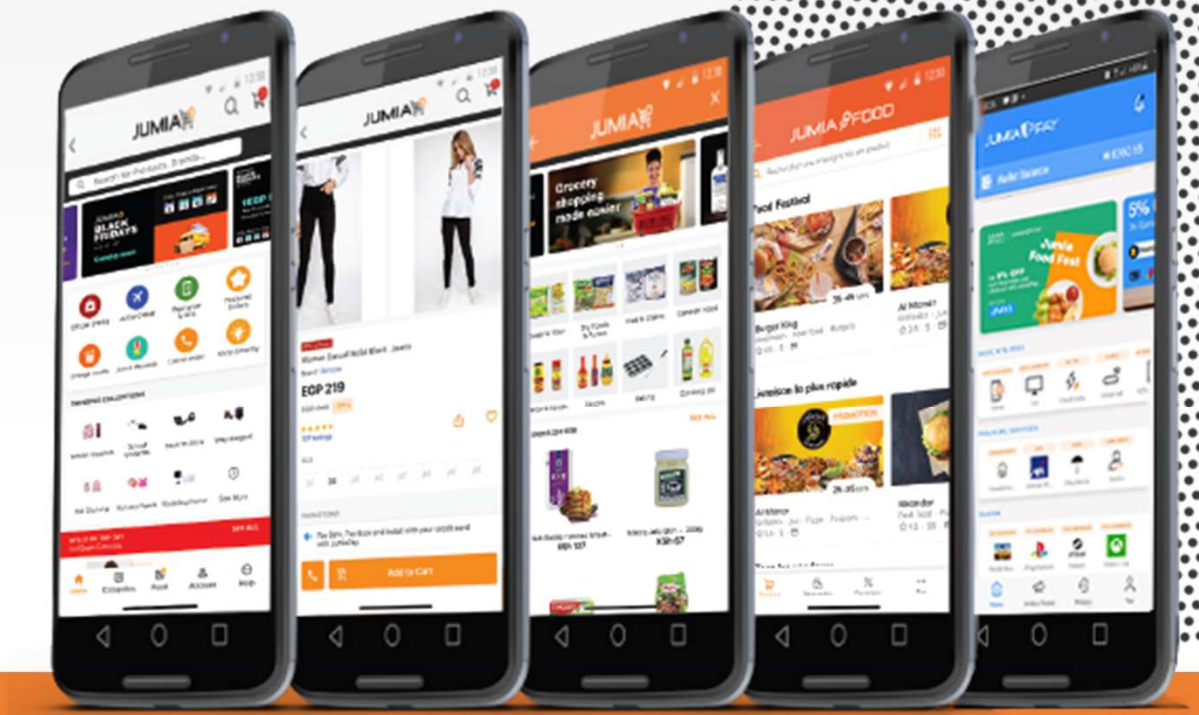
Results Presentation

Q3 2020



JUMIA

Disclaimer

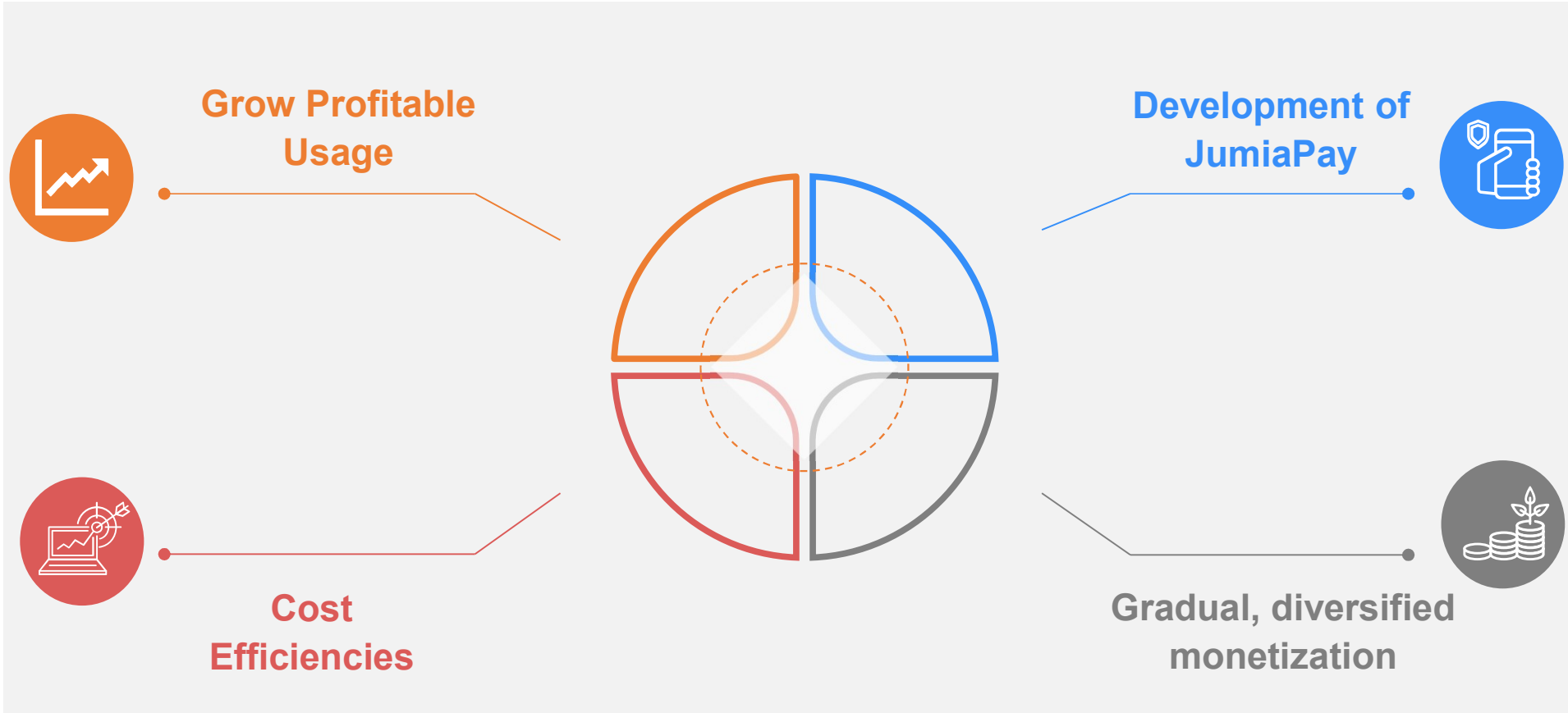
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The forward-looking statements included in this presentation are made only as of the date hereof. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor our advisors nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Neither we nor our advisors undertake any obligation to update any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations, except as may be required by law. You should read this presentation with the understanding that our actual future results, levels of activity, performance and events and circumstances may materially differ from what we expect.

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Our financial strategy is a balance of 4 key pillars



Strengthen the fundamentals ⟷ ***Support long-term growth***

The key initiatives we launched a year ago are starting to pay off

Business Mix Rebalancing

- Stronger focus on every-day categories, reduced reliance on phones and electronics, driving **higher customer lifetime value** and supporting **long-term margins**

56% → **43%**

% of Q3.19 GMV **% of Q3.20 GMV**

Phones & Electronics

+514bps

YoY[1] increase in Gross Profit margin as % of GMV

Operational Efficiencies

- Continued roll-out of new technology features and projects yielding **fulfillment costs savings**
- **Record marketing savings** leveraging the strength of the Jumia brand

(20%)

YoY[1] reduction in Fulfillment Expense

(55%)

YoY[1] reduction in Advertising Expense

Portfolio Optimization

- **Exited 3 countries**, exited the **Travel** vertical, simplified organization structure and implemented **overhead rationalization**

(24%)

YoY[1] reduction in General & Administrative[2] expense

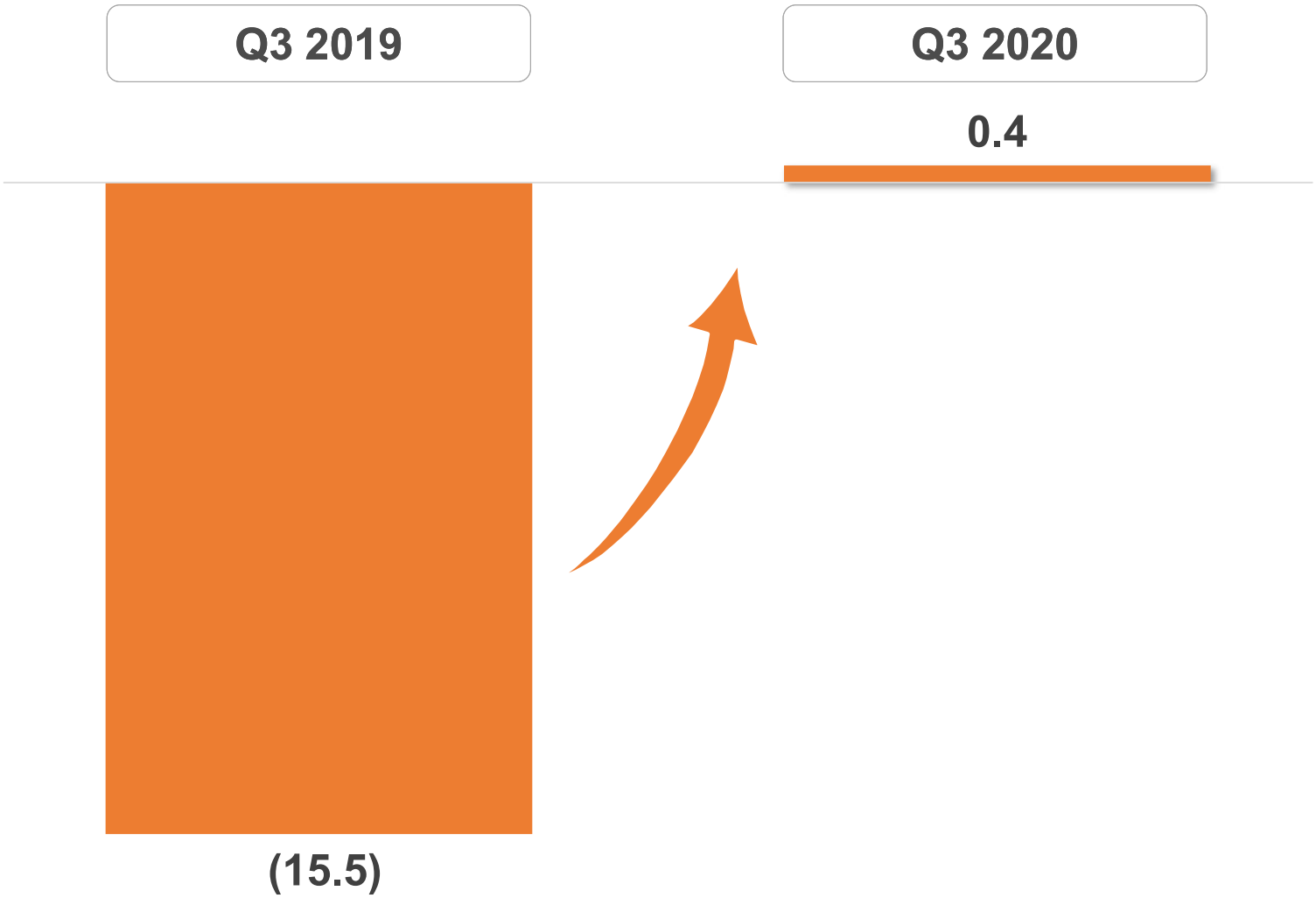
Notes

1. Between Q3 2019 and Q3 2020
2. Excluding share-based compensation

In Q3 2020, we reached for the first time the milestone of breakeven before G&A costs

Gross profit after Fulfilment and S&A Expenses

€mm

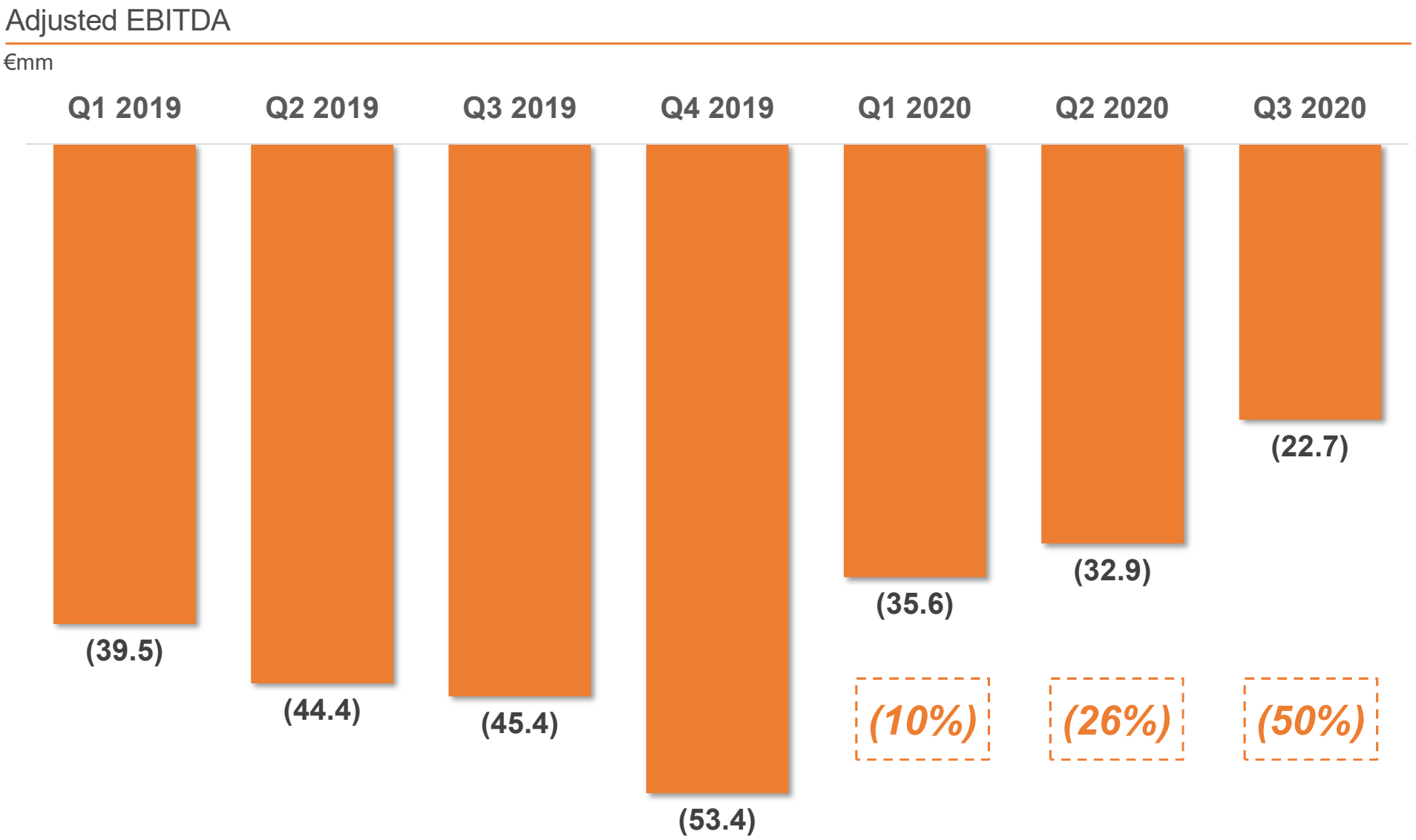


Our unit economics continue to improve as we drive smaller sized, more profitable orders

	Q3 2019	Q3 2020	YoY Δ
Average Order Value (AOV[1])	**€37.3**	**€28.2**	***(24%)***
Gross Profit / Order	€2.7	€3.5	*+29%*
As % of AOV	*7.3%*	*12.4%*	*+514bps*
Fulfilment expense / Order	(€3.0)	(€2.5)	*(15%)*
Gross Profit after Fulfillment expense / Order	**(€0.2)**	**€1.0**	***n.m.***
S&A[2] per Order	(€2.0)	(€0.9)	*(53%)*
Gross Profit after Fulfillment and S&A expenses / Order	**(€2.2)**	**€0.1**	***n.m.***
Tech, G&A[3] per Order	(€4.7)	(€3.9)	*(17%)*
Adjusted EBITDA loss / Order	**(€6.5)**	**(€3.4)**	***(47%)***

Notes:
1. Average Order Value calculated as GMV divided by number of Orders
2. Sales & Advertising expense
3. G&A, excluding SBC

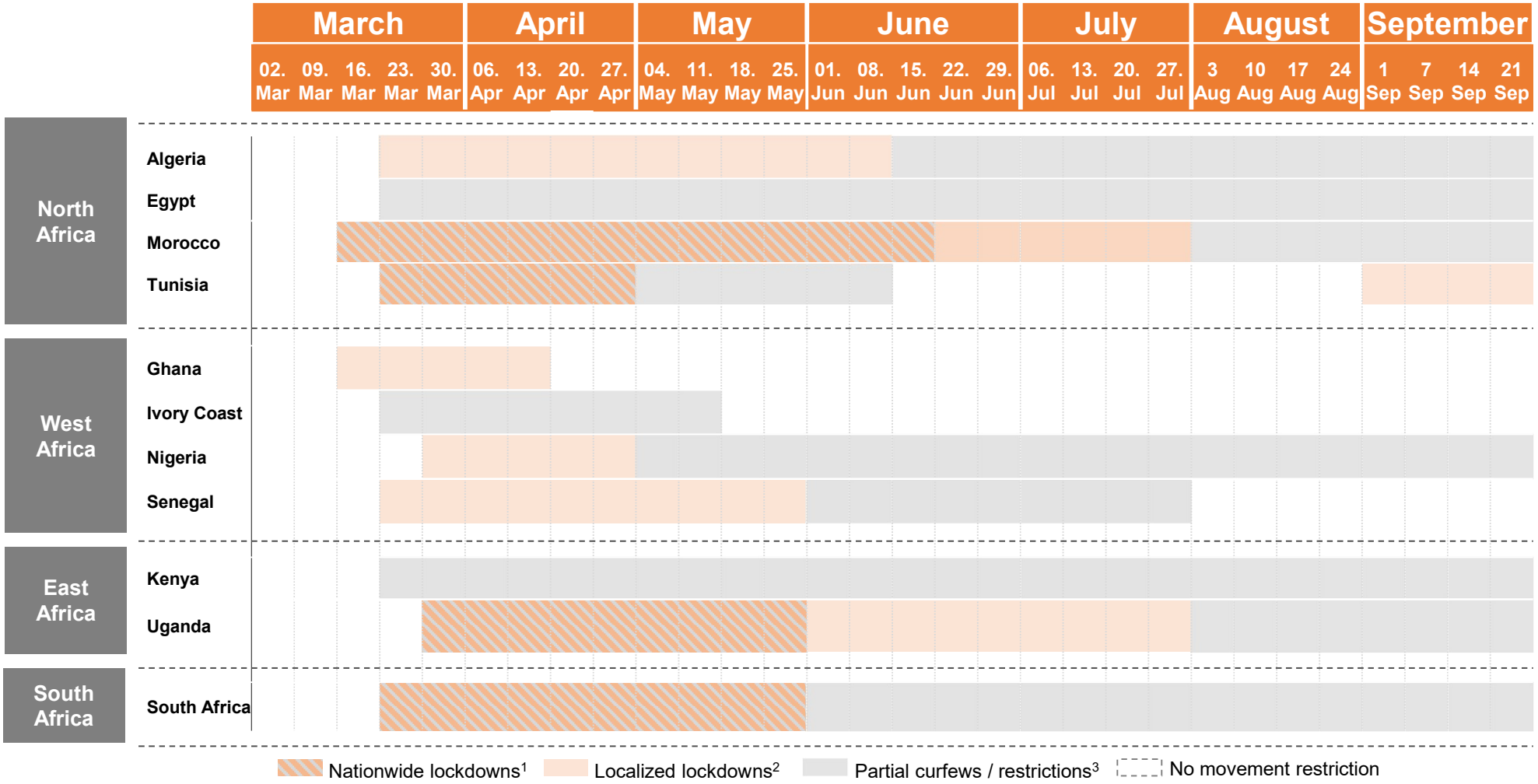
We continue to reduce our Adjusted EBITDA loss



Notes:

1. Percentages indicate year-over-year growth rate

This progress was achieved with limited to no tailwinds from COVID-19



- **Nationwide lockdowns** were **only** put in place **in 4 countries,** which together represent **24% of our addressable market**[4]
- **Localized lockdowns and partial curfews / movement restrictions** were **the most widely adopted measures** across our addressable market

Sources: Official government communication in each country, classified into 4 main types of confinement measures

1. Nationwide restriction on movement
2. Carve-out and isolation of selected areas
3. Movement restricted for certain hours and / or between selected areas, on an ad hoc basis
4. Total population across countries of operation, IMF data for 2019



- **Usage trends**
- JumiaPay development
- Monetization
- Cost efficiency
- Appendix

Driving usage and consumer adoption at record levels of marketing efficiency

Sales & Advertising ("S&A") expense

€mm

(55%)

13.8 → 6.2

S&A per Order

€

(53%)

2.0 → 0.9

Annual S&A per Annual Active consumer

€

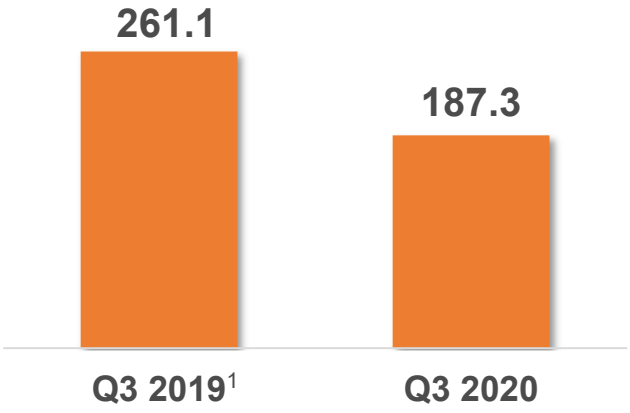
(43%)

9.9 → 5.6

GMV

€mm

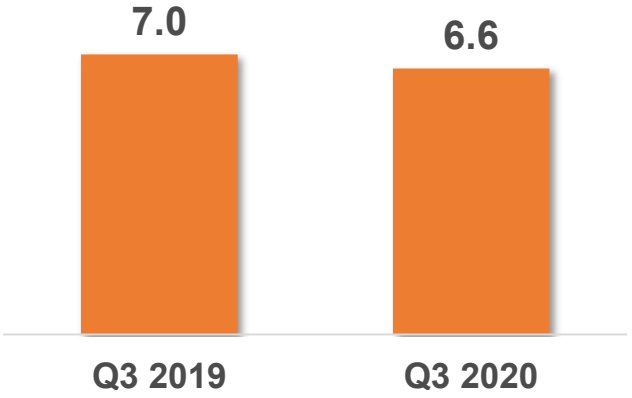
(28%)



Orders

€mm

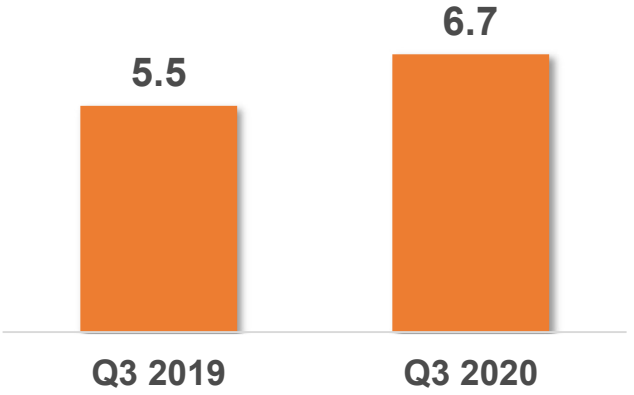
(5%)



Annual Active Consumers

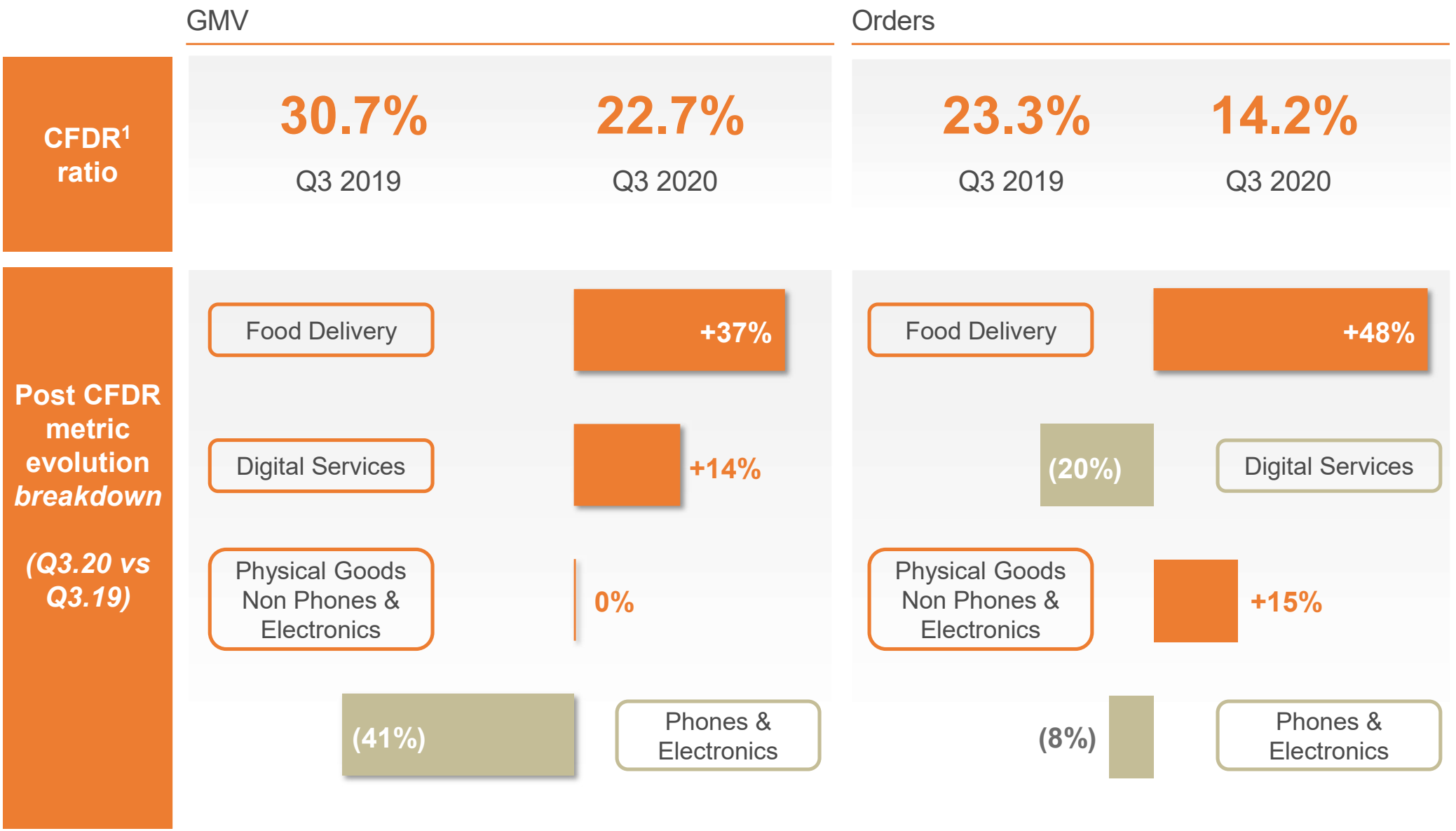
€mm

+23%



Notes:
Q3 2019 GMV adjusted for perimeter changes: exit from the Travel business and closure of Tanzania, Rwanda and Cameroon

Resilient usage in net terms, particularly in key focus areas



Notes:

1. Rate of Cancellations, Failed Deliveries & Returns. Bridge between gross and net metrics

The business mix rebalancing helps us further diversify our mix towards every-day categories and supports unit economics

	Q3 2019	Q3 2020
GMV Split	 Fashion, Beauty, FMCG[1]... 44% Phones & Electronics 56%	 Fashion, Beauty, FMCG[1]... 57% Phones & Electronics 43%
Average Order Value	€37.3	€28.2
Gross Profit after Fulfillment / Order	(€0.2)	€1.0
Gross Profit after Fulfillment and S&A[2] / Order	(€2.2)	€0.1

Notes:

1. Categories in this portion include fashion, beauty, home & living, FMCG, digital services, food delivery and others
2. Sales & Advertising expense

Reinforcing Jumia as the destination of choice for brands in Africa

Jumia Brand Festival 2020

+200
Participating Brands

Selected Partner Brands

L'ORÉAL Beiersdorf Johnson & Johnson
Reckitt Benckiser · The Body Shop · Unilever · Nestlé
PEPSICO · Pernod Ricard · Mondelēz International
Nike · hp · intel
SAMSUNG · mi · NOKIA · Infinix

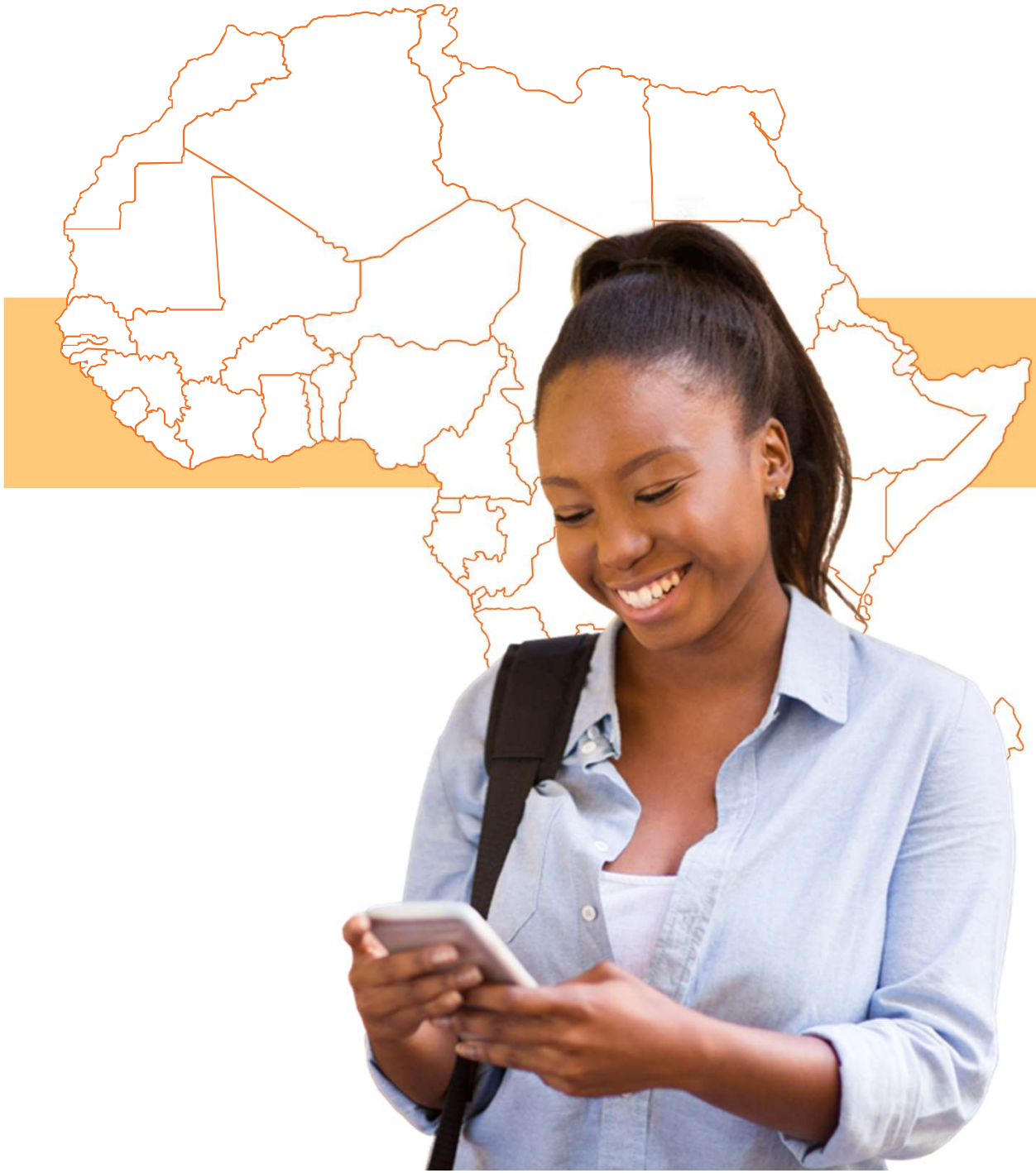


Egypt Brand Festival 2020

+70%
Increase in Orders[1] vs prior 6-week average

~ 80%
Share of Fashion, Beauty and FMCG in total Items Sold[1]

Notes:
1. Items Sold during the week of September 14 to September 20, 2020

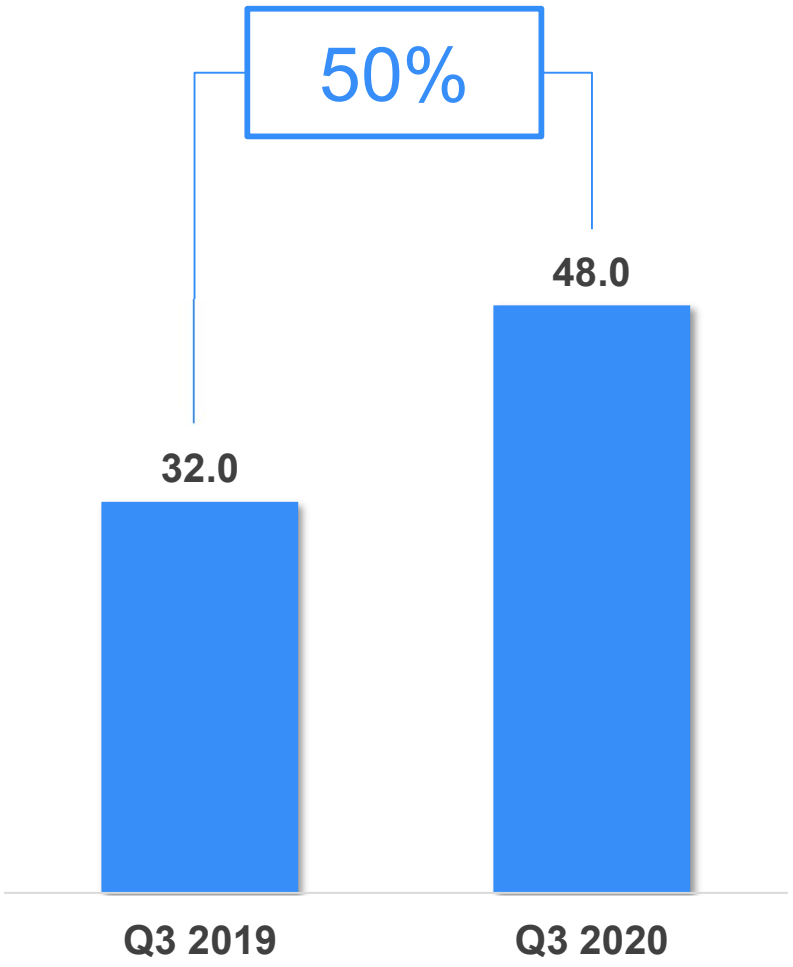


- Usage trends
- **JumiaPay development**
- Monetization
- Cost efficiency
- Appendix

JumiaPay TPV grew by 50% taking on-platform penetration to 26% of GMV

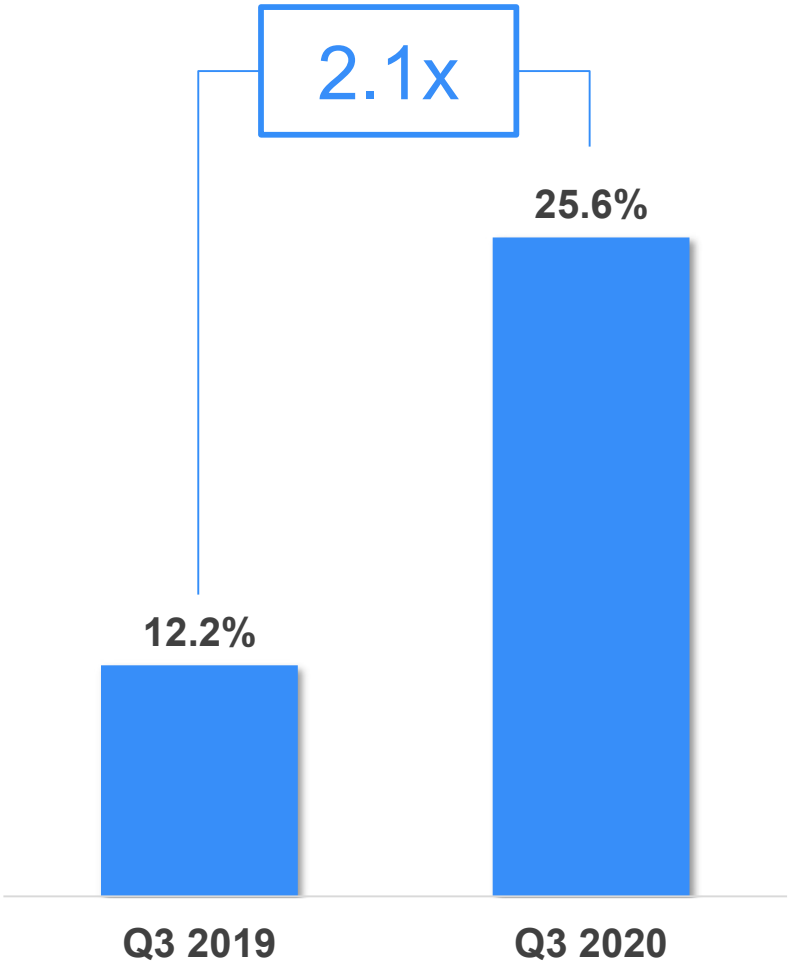
JumiaPay Total Payment Volume (“TPV”)

€mm



JumiaPay TPV as % of GMV

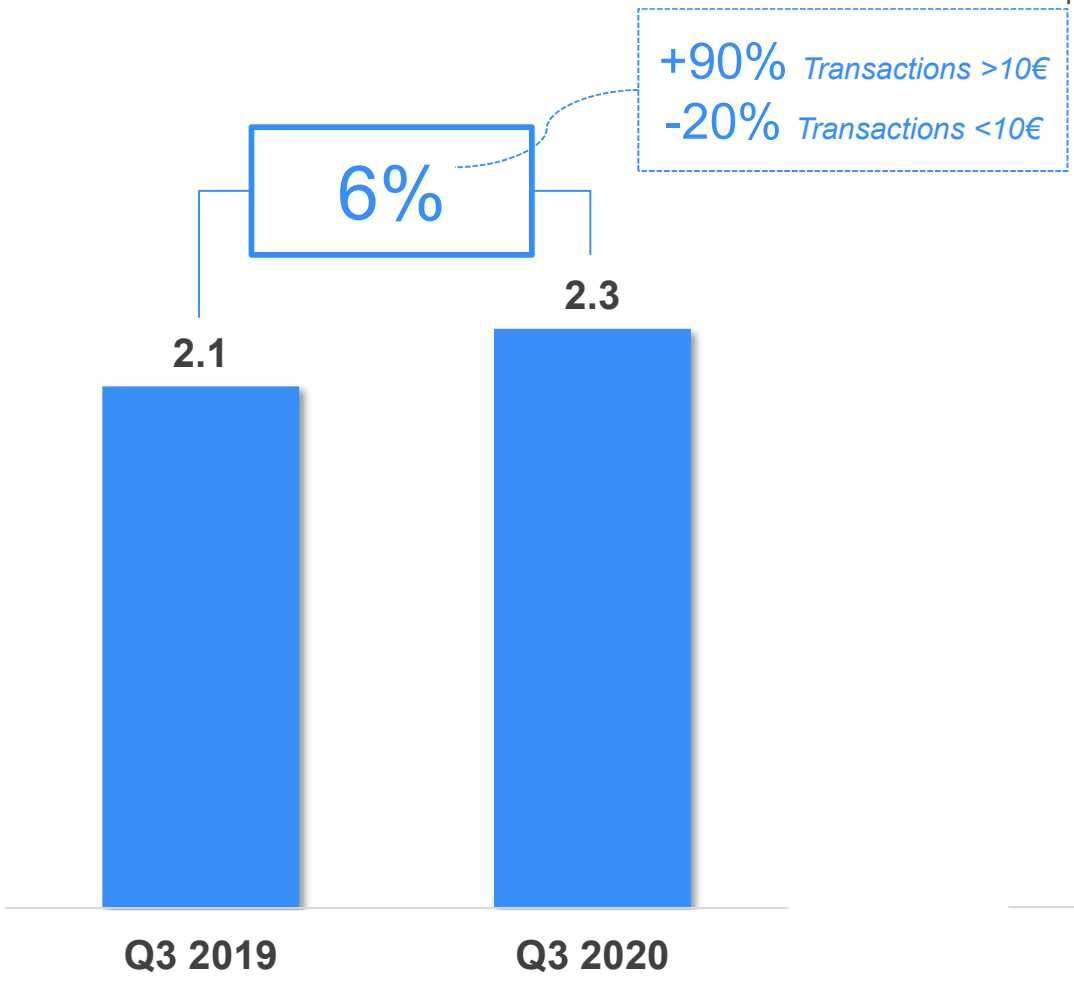
% on-platform penetration



JumiaPay Transactions accounted for 34% of total orders

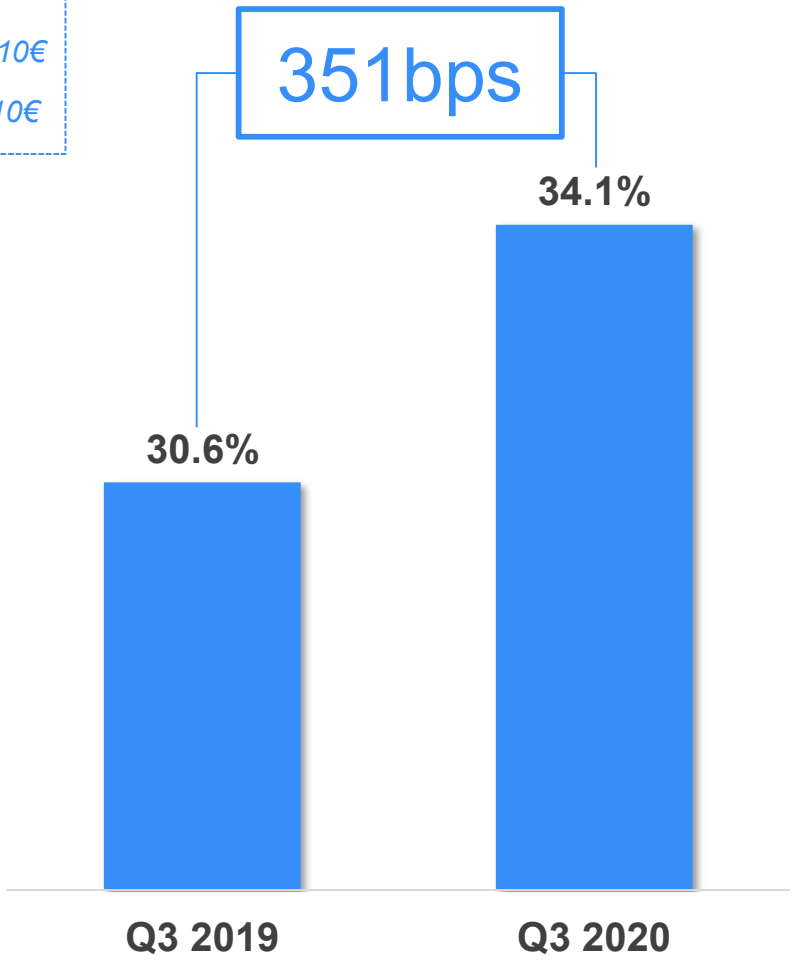
JumiaPay Transactions

mm



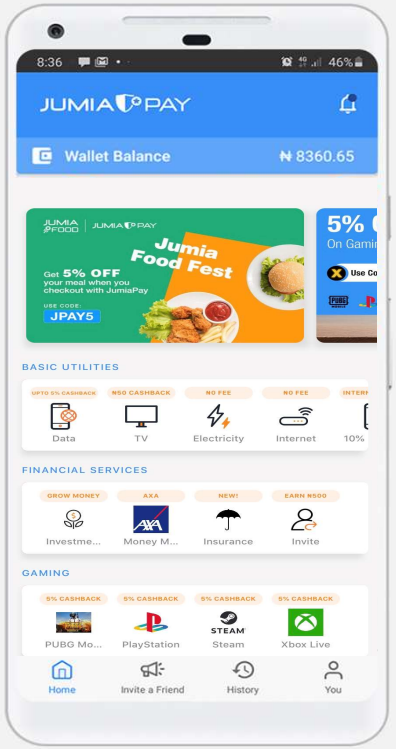
JumiaPay Transactions as % of total Orders

% on-platform penetration



We continuously enrich the value proposition of JumiaPay

Digital services – JumiaPay app



Bills payment
Electricity, water, gas…

Airtime recharge
Pre-paid mobile phone

Ticketing
Transport, events…

Entertainment
Music, Video streaming subscriptions…

Games
Vouchers, Subscriptions…

Fintech – Financial services marketplace

Connecting

SELLERS + CONSUMERS

Financial institutions

Credit scoring | Financing | Savings | Insurance

Q3.2020

Launch of Jumia games

5 countries
In partnership with Mondia

500 games
Illimited access + in-app purchases

Pilot of pre-paid card in Egypt

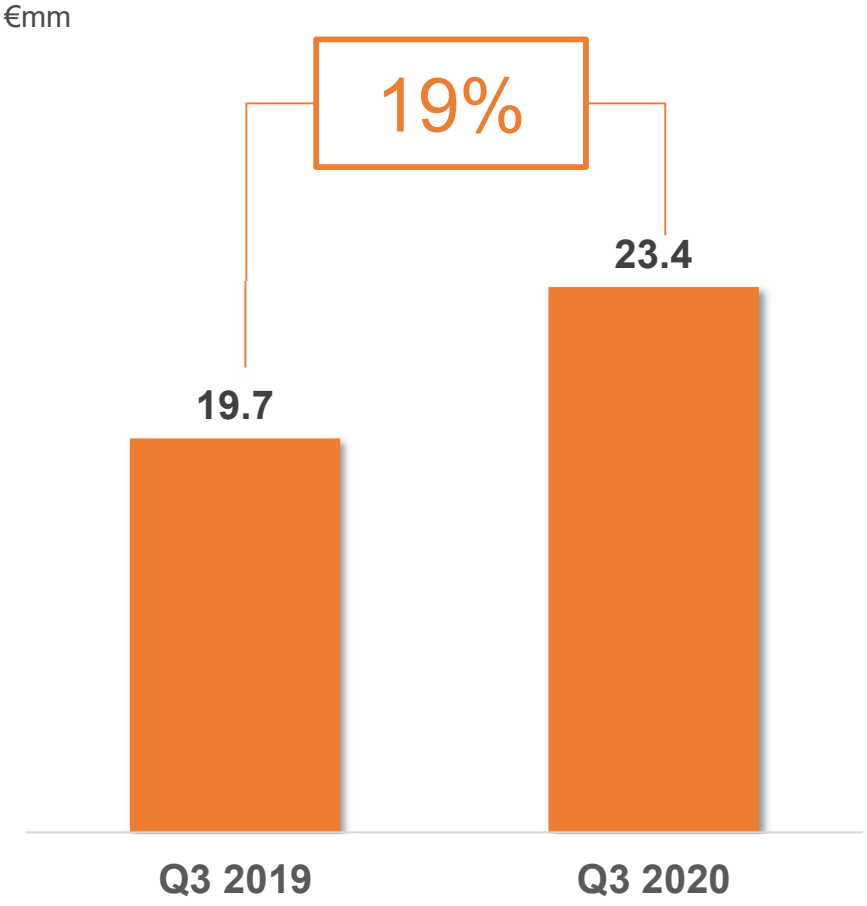
ADIB مصرف أبوظبي الإسلامي



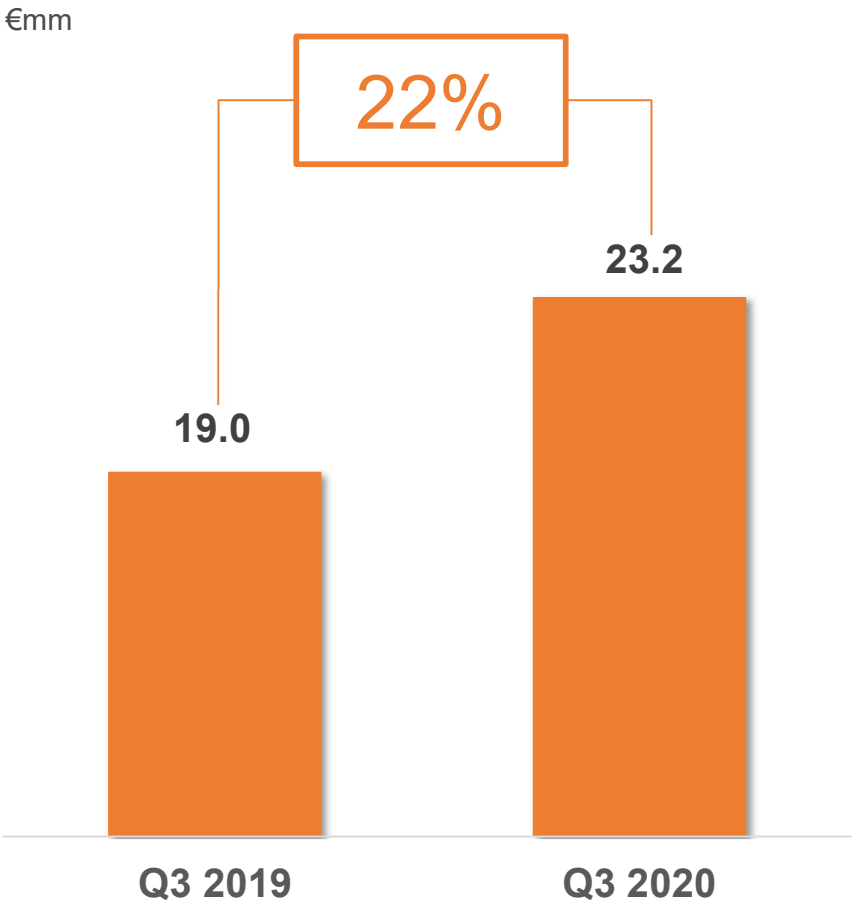
- Usage trends
- JumiaPay development
- **Monetization**
- Cost efficiency
- Appendix

In parallel with driving usage, we continue to gradually monetize our platform

Marketplace revenue growth



Gross profit

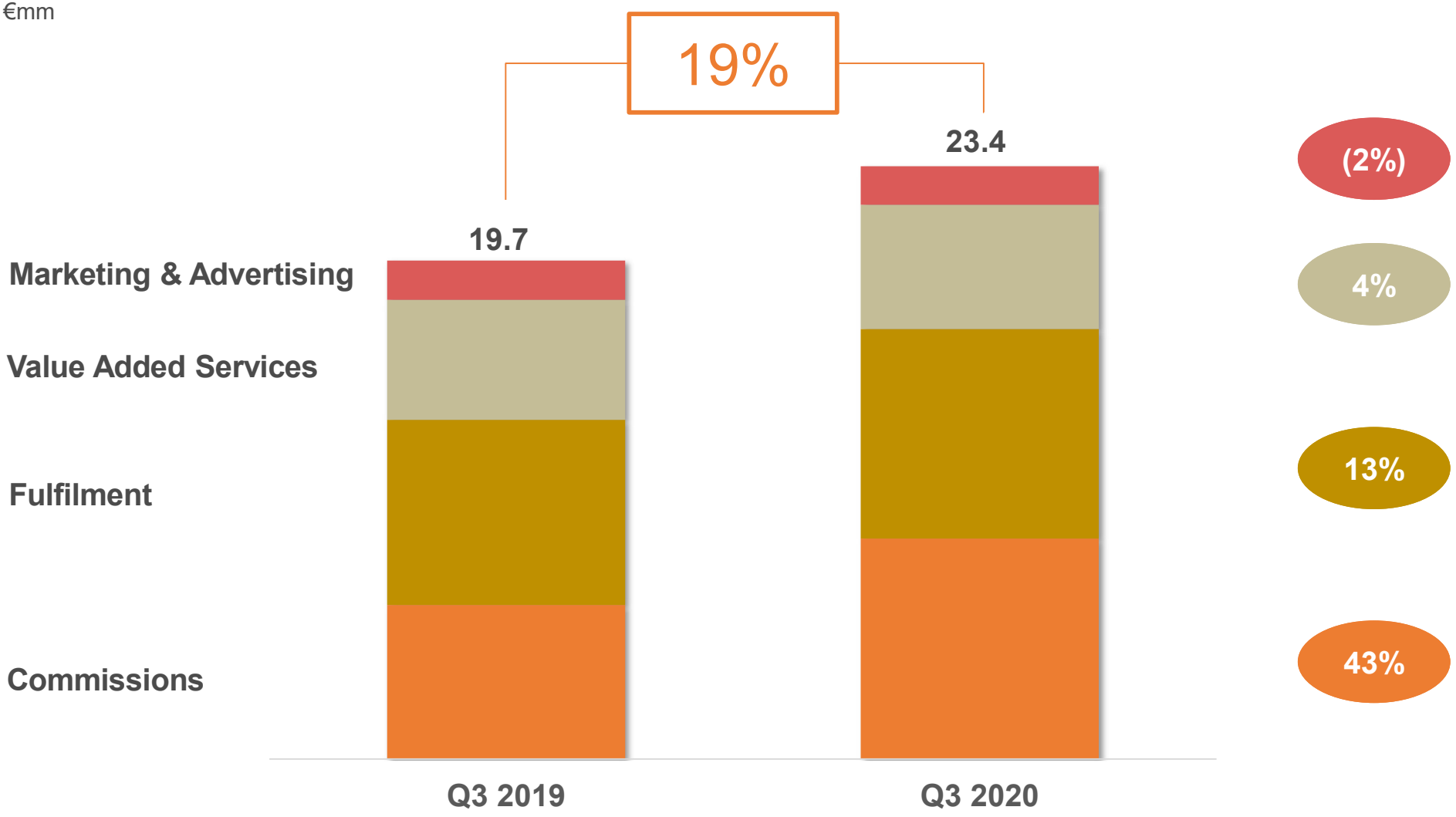


We monetize the usage of Jumia through diversified revenue streams

Marketplace revenue breakdown

YoY Growth

€mm



We benefit from multiple monetization avenues, many of which are largely untapped today

	Core marketplace monetization	Platform assets monetization	
	Existing streams of monetization, which can be further leveraged	**Assets**	**Largely untapped opportunities leveraging our platform assets**
E-commerce JUMIA	• **Commissions** charged on successful transactions • **Value Added Services** to sellers, such as content and training	***Data & Traffic***	• **Marketing & Advertising** to sellers and third parties • **Data** to sellers and third parties
Payment & Fintech JUMIA PAY	• **Digital services commissions** charged to digital service providers • **Financial services commissions** charged to financial institutions on fintech products distribution	***Payment platform***	• **Payment processing services** for third parties • **Credit scoring** of sellers and consumers
Logistics JUMIA LOGISTICS SERVICES	• **JumiaExpress** offered to sellers for storage, picking and packing • **Shipping fees** paid by consumers and sellers for home delivery and pick-up points respectively	***Logistics platform***	• **Logistics as a service** opening up our logistics platform for third-party customers as well as packages non related to Jumia

Jumia Logistics: A tech and data driven answer to Africa's logistics challenges

What we have built



PARTNER NETWORK…

~300 Logistics partners ranging from individual entrepreneurs to large logistics providers



…WITH WIDE PHYSICAL PRESENCE...

1,300 Seller drop-off stations + consumer pick-up-stations
110k+ sqm / 23 warehousing facilities



…POWERED BY JUMIA TECHNOLOGY AND DATA

Broad set of proprietary technology tools powering entire network

We provide end-to-end logistics solutions…



Warehousing | Inbound Deliveries | Picking & Packing | Last-Mile & Payment | Tracking | Return Handling

…with unique scale, reach and quality



11 Countries

20 Million+ Packages[1]

100K+ Sellers Using Jumia Logistics

25% Deliveries in Rural Areas

1 Hour Delivery In Capital Cities[2]

97% Delivery Satisfaction

Our objectives



Help businesses **reduce logistics costs** while increasing quality of service



Bring more volume to our logistics SME partners and help them grow



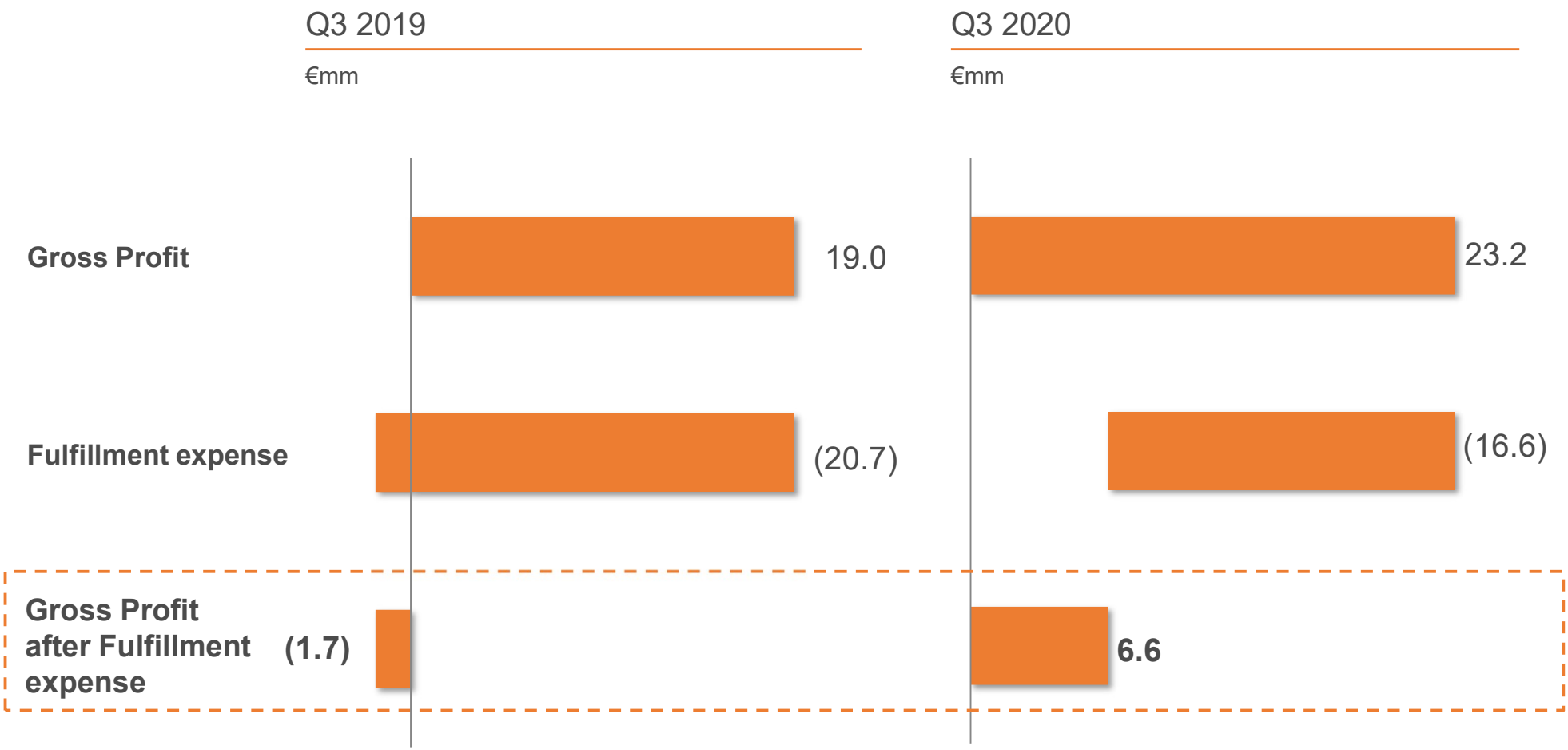
Facilitate trade in Africa and accelerate the development of logistics infrastructure

Notes: Data as of Q3 2020
1. For the full year 2019
2. For on-demand delivery services such as food delivery



- Usage trends
- JumiaPay development
- Monetization
- **Cost efficiency**
- Appendix

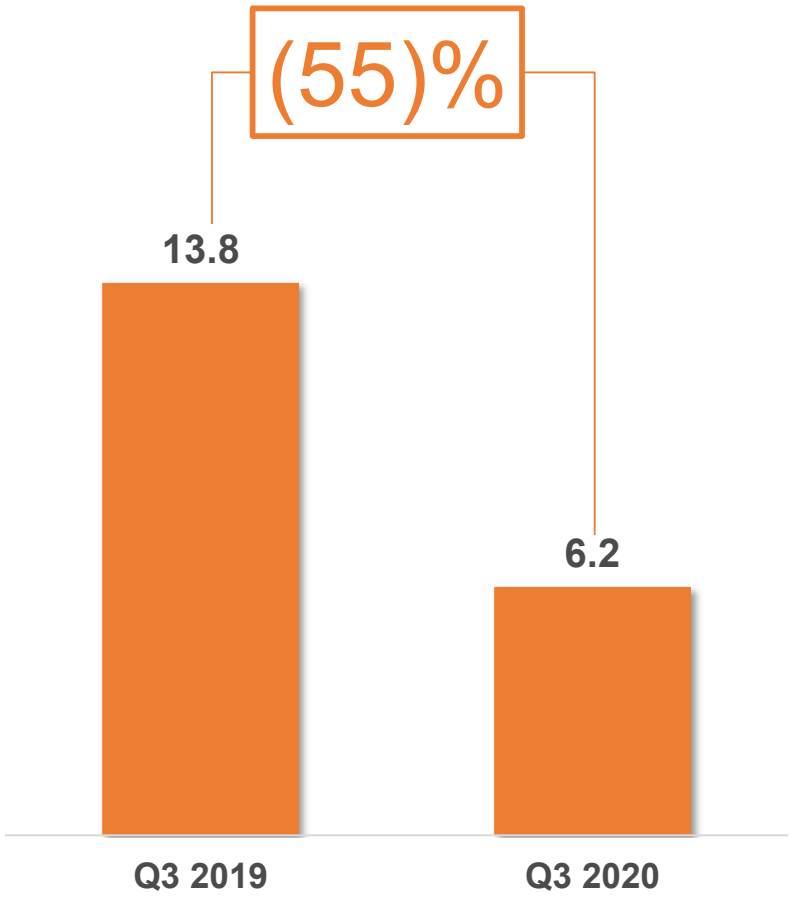
Record Gross Profit after fulfillment expense in Q3 2020



Strong discipline and offering relevance drive Sales & Advertising expense efficiencies

Sales & Advertising expense

€mm



Sales & Advertising expense efficiency

€

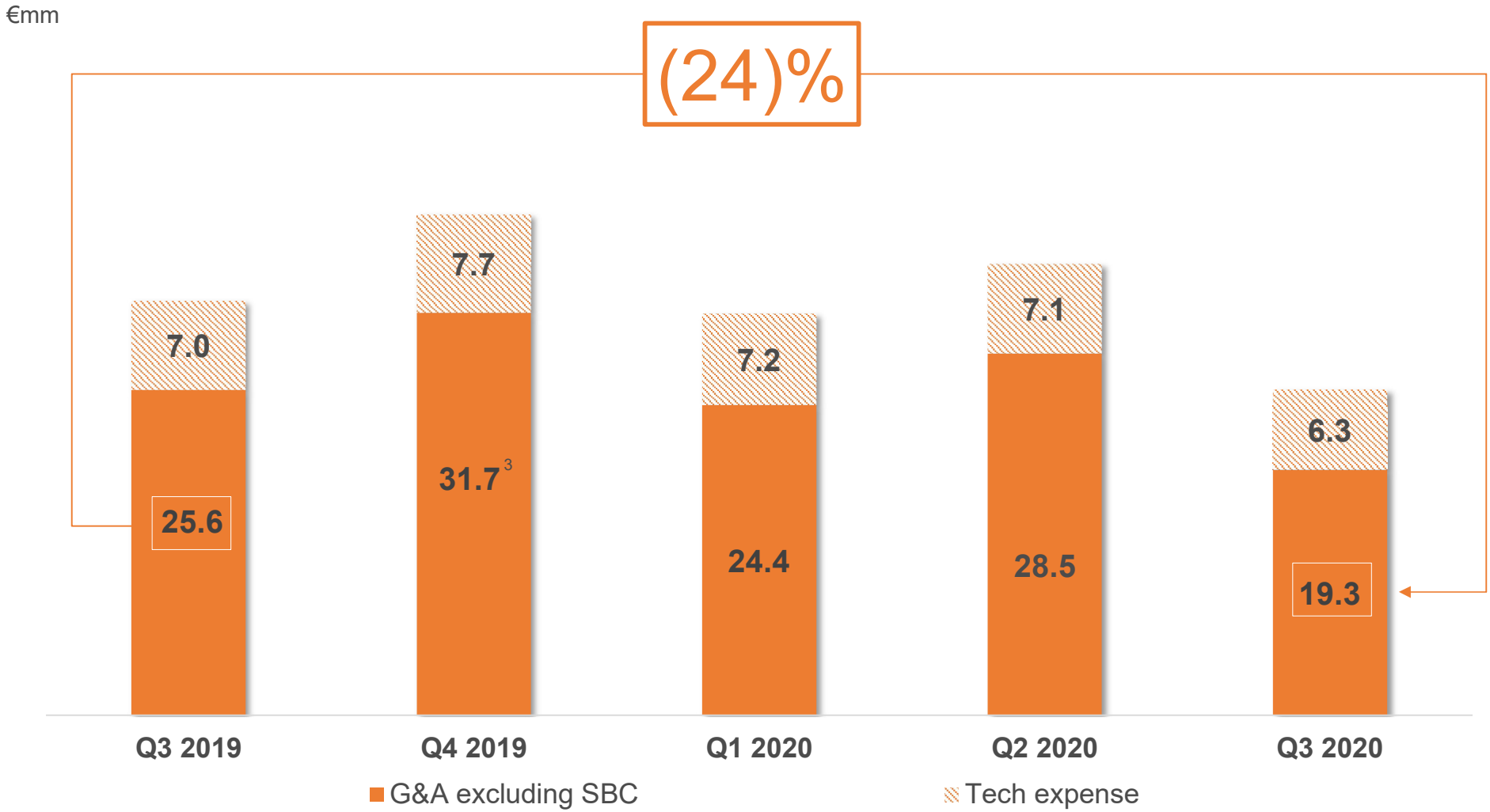
	Q3 2019	Q3 2020	YoY Change
Sales & Advertising expense per Order	2.0	0.9	*(52.7%)*
Annual Sales & Advertising expense[1] per Annual Active Consumer	9.9	5.6	*(43.2%)*
Sales & Advertising expense as % of GMV	5.3%	3.3%	*(197)bps*

Notes:

1. Calculated as the Sales & Advertising expense for the 12-month periods ending September 30, 2019 and September 30, 2020 of €54.1mm and €37.8mm respectively

Continued G&A savings as rationalization efforts start to pay off

General, Administrative[1] ("G&A") and Tech[2] expense



Notes:

1. Excluding Share Based Compensation expense
2. Technology & Content expense
3. Excluding restructuring expense of €2.2mm as part of our portfolio optimization and headcount rationalization initiatives

We continue to pursue an asset-light strategy and have a cash balance of €147mm at the end of Q3 2020

€0.4mm

ASSET-LIGHT AND CAPEX LIGHT

CAPEX[1] Q3 2020

€27.2mm

CASH UTILIZATION[3]

In Q3 2020

€4.1mm

FAVOURABLE WORKING CAPITAL DYNAMICS

Net change in Working Capital[2] Q3 2020

€147mm

CASH AVAILABLE

Notes

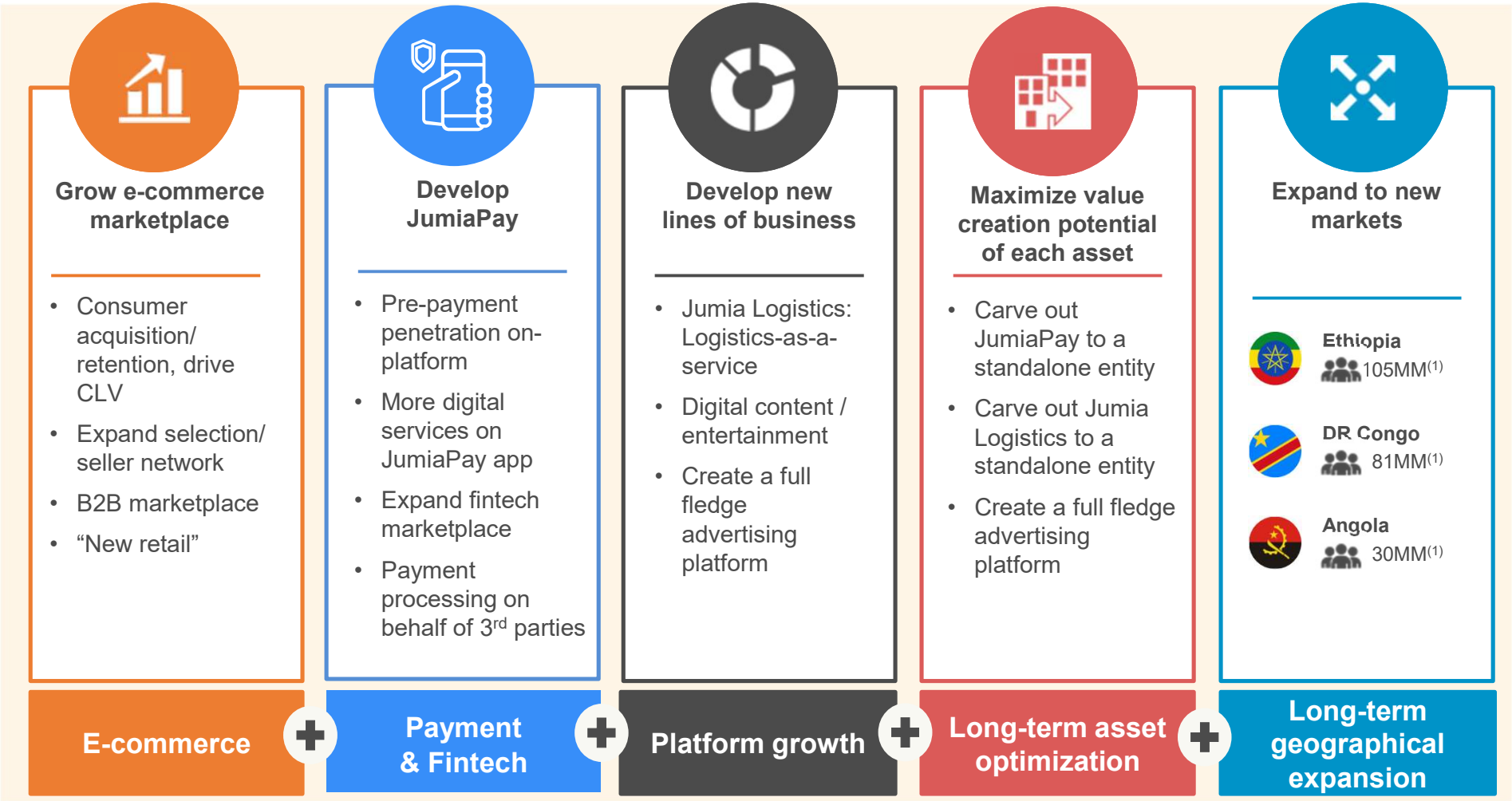
1. Corresponds to Purchase of Property and Equipment, as presented on the Cash Flow Statement
2. Corresponds to a cash inflow of €4.1mm
3. Corresponds to the Change in Cash & Cash equivalents, taking into account exchange rate effects, as presented on the Cash Flow Statement

9M 2020 highlights: meaningful progress on our strategic priorities

Usage	**23%** YoY Growth Annual Active consumers	**9%** YoY Growth Orders	**(18)%** YoY Change GMV
JumiaPay	**74%** YoY Growth TPV	**34%** YoY Growth JumiaPay Transactions	**35%** JPay Transactions as % of Orders
Monetization	**26%** YoY Growth Marketplace Revenue	**27%** YoY Growth Gross Profit[1]	**380bps** YoY increase in Gross Profit as % of GMV
Cost Efficiency	**(7)%** YoY decrease in Fulfillment Expense	**(45)%** YoY decrease in S&A Expense	**(29)%** YoY reduction in Adjusted EBITDA Loss

Notes:
YoY indicates change between 9M2020 vs. 9M2019

We are currently very focused on our core business, and will, in the long-term, go after multiple growth opportunities



Source: Euromonitor

Notes:

1. Population as of 2017



- Usage trends
- JumiaPay development
- Monetization
- Cost efficiency
- **Appendix**

Non-IFRS Reconciliation (1/2)

	For the three months ended September 30	
(€ mm)	**2019**	**2020**
Marketplace revenue[1]	**19.7**	**23.4**
Commissions	6.1	8.7
Fulfillment	7.3	8.3
Marketing & Advertising	1.6	1.5
Value Added Services	4.7	4.9
Sales of Goods	**21.0**	**9.8**
Platform revenue[2]	40.7	33.2
Non-Platform revenue	0.3	0.5
Revenue	**40.9**	**33.7**
Cost of revenue	(21.9)	(10.4)
Gross Profit	**19.0**	**23.2**

Notes

1. Revenue from Marketplace calculated as the sum of revenue from Commissions, Fulfillment, Marketing and Value Added Services, excluding Sales of Goods revenue and Non-Platform revenue
2. Platform revenue calculated as the sum of Marketplace revenue and Sales of Goods

Non-IFRS Reconciliation (2/2)

	For the three months ended September 30	
(€ mm)	**2019**	**2020**
Loss for the period	**(49.9)**	**(32.4)**
Income tax expense	(0.2)	0.8
Finance (income)/costs – net	(4.5)	3.6
Depreciation and amortization	2.1	1.9
Share-Based Compensation expense	7.1	3.4
Adjusted EBITDA	**(45.4)**	**(22.7)**

9M 2020 Overview

Eur mm unless stated otherwise	9M 2019	9M 2020
Marketplace KPIs		
GMV	738.1[1]	605.3
Annual Active Consumers (mm)	5.5	6.7
Orders (mm)	**18.3**	**19.8**
JumiaPay KPIs		
JumiaPay TPV	78.7	137.1
% on-platform penetration	*10.7%*	*22.6%*
JumiaPay Transactions	5.2	6.9
% on-platform penetration	***28.4%***	***35.1%***
Selected Financials		
Gross profit	51.1	64.9
Fulfillment expense	(53.5)	(49.8)
Gross profit after fulfillment expense	**(2.4)**	**15.1**
Sales & Advertising expense	(40.5)	(22.3)
Technology & Content expense	(19.5)	(20.5)
G&A ex SBC	(73.4)	(72.2)
Adjusted EBITDA loss	**(129.3)**	**(91.2)**
Operating loss	(166.8)	(109.3)

1. Adjusted for perimeter changes and improper sales practices

Metrics definitions

- “Gross Merchandise Value”, or “GMV”, corresponds to the total value of orders for products and services including shipping fees, value-added tax, and before deductions of any discounts or vouchers, irrespective of cancellations or returns

- “Orders” corresponds to the total number of orders for products and services on our platform, irrespective of cancellations or returns

- “Annual Active Consumers” corresponds to unique consumers who placed an order for a product or a service on our platform, within the 12-month period preceding the relevant date, irrespective of cancellations or returns

- “Total Payment Volume”, or “TPV” corresponds to the total value of orders for products and services completed using JumiaPay including shipping fees, value-added tax, and before deductions of any discounts or vouchers, irrespective of cancellations or returns

- “JumiaPay Transactions” corresponds to the total number of orders for products and services completed using JumiaPay, irrespective of cancellations or returns

- “Adjusted EBITDA” corresponds to loss for the period, adjusted for income tax expense, finance income, finance costs, depreciation and amortization and further adjusted for Share Based Compensation expense