Results Presentation

Q2 2023



JUMIA

Disclaimer

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This presentation includes forward-looking statements. All statements other than statements of historical facts contained in this presentation, including statements regarding our future results of operations and financial position, industry dynamics, business strategy and plans and our objectives for future operations, are forward-looking statements. These statements represent our opinions, expectations, beliefs, intentions, estimates or strategies regarding the future, which may not be realized. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “believes,” “estimates”, “potential” or “continue” or the negative of these terms or other similar expressions that are intended to identify forward-looking statements. Forward-looking statements are based largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements involve known and unknown risks, uncertainties, changes in circumstances that are difficult to predict and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statement. Moreover, new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. We caution you therefore against relying on these forward-looking statements, and we qualify all of our forward-looking statements by the cautionary statements contained, or referred to in this statement.

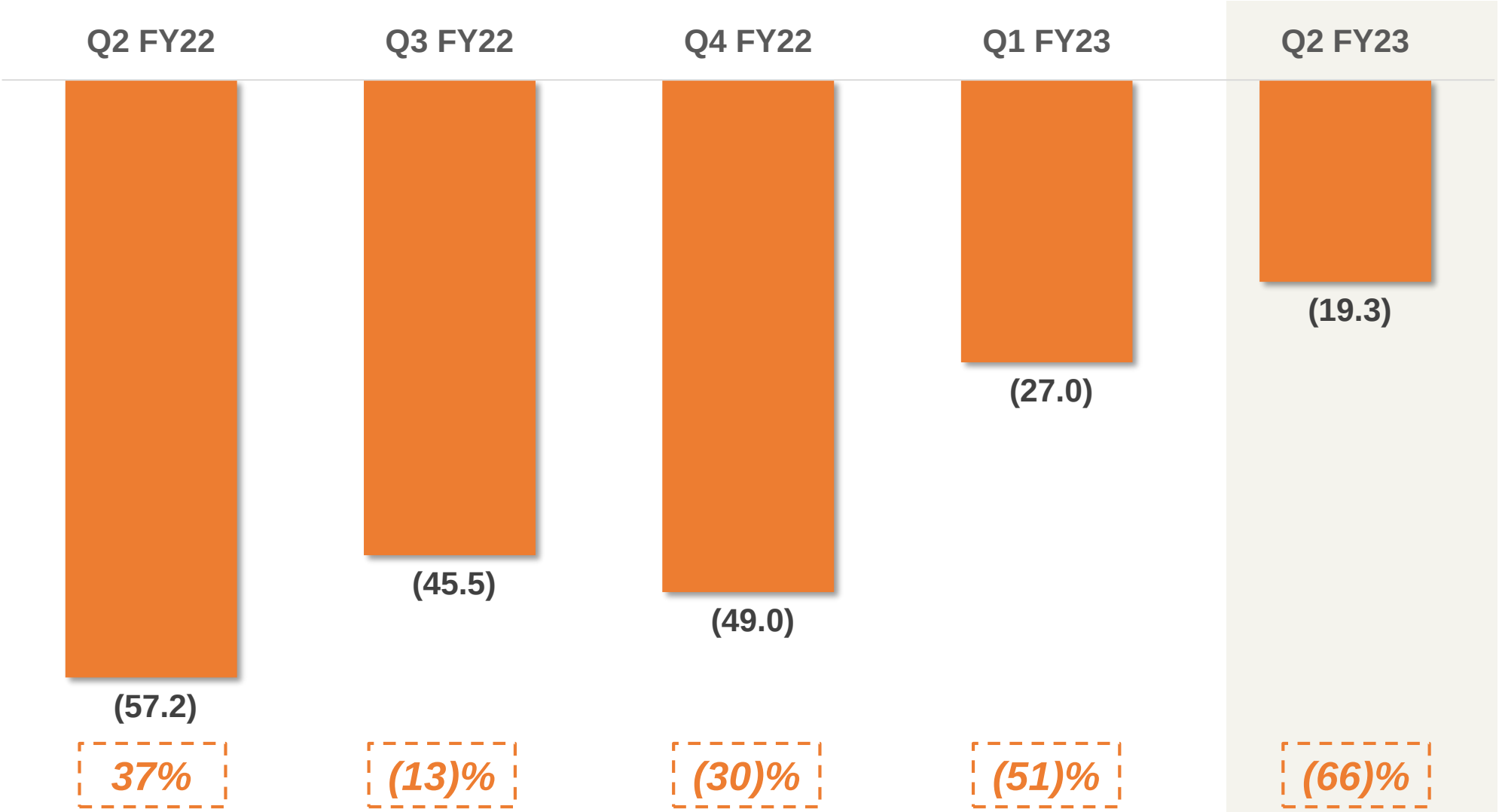
The forward-looking statements included in this presentation are made only as of the date hereof. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances 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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We are accelerating the pace of Adjusted EBITDA loss reduction…

Adjusted EBITDA

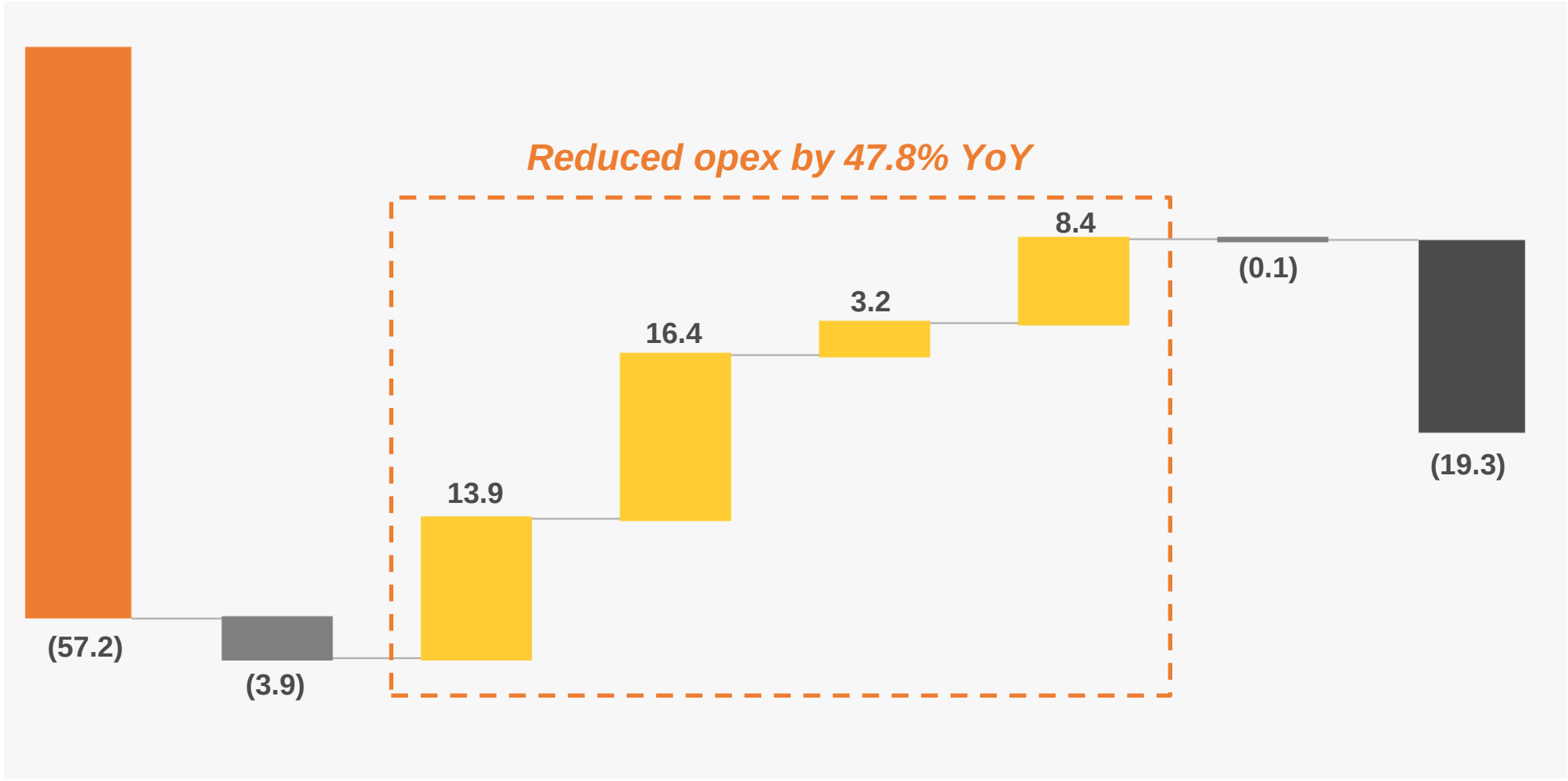
$mm



Notes: Percentages in orange boxes correspond to year-over-year % changes in Adjusted EBITDA loss

…driven by significant cost savings

$mm



Notes: Numbers in the yellow and grey bars indicate change in the relevant metric between Q2.2022 and Q2.2023. Orange percentages correspond to year-over-year changes in the relevant metric between Q2.2022 and Q2.2023

1. Change Q2.2023 vs Q2.2022 in Other operating income, Other operating expense



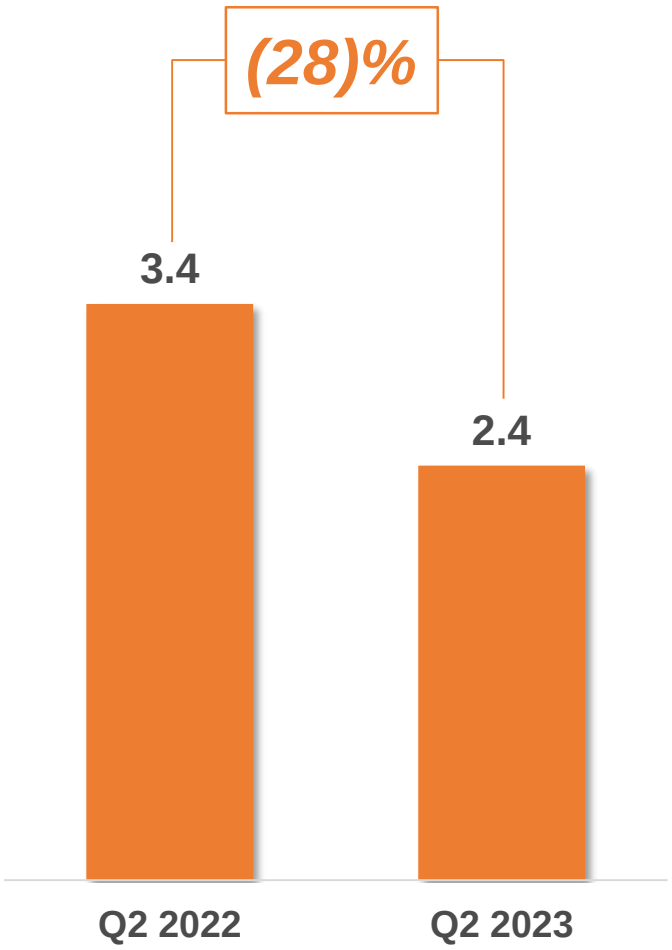
Q2.23 performance

Appendix

Challenging macro continued affecting usage performance in Q2.2023

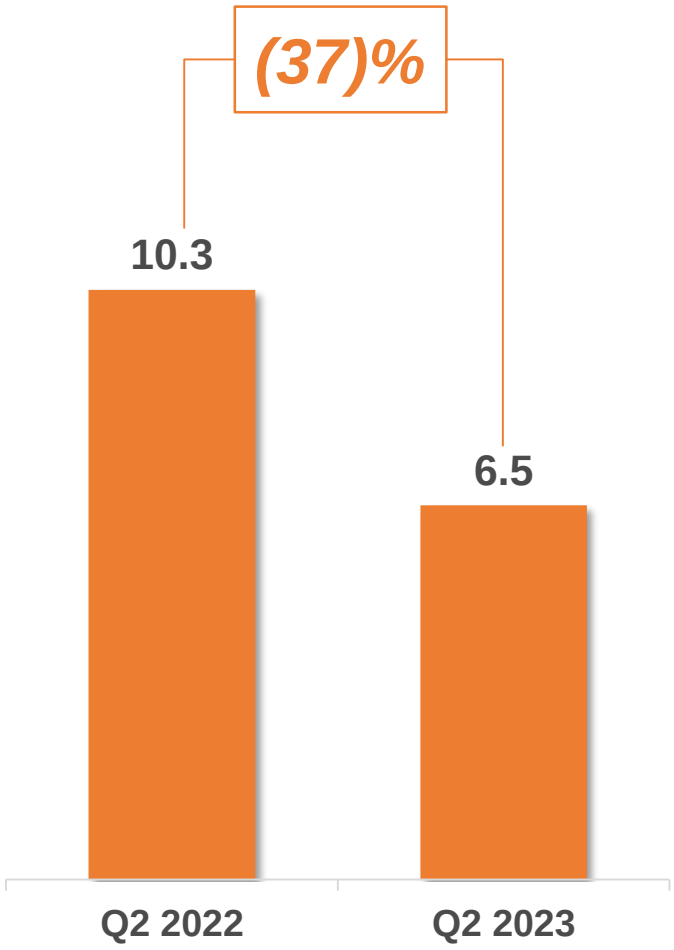
Quarterly Active Consumers

mm



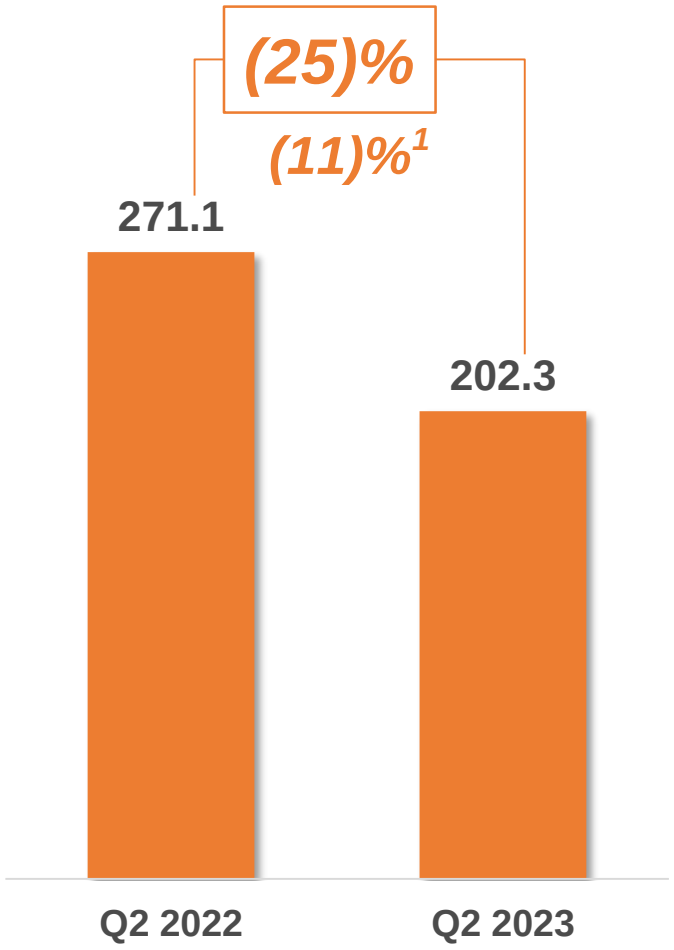
Quarterly Orders

mm



Quarterly GMV

$mm



Notes

1. GMV growth on a constant currency basis

We are working on a comprehensive plan to drive long-term growth



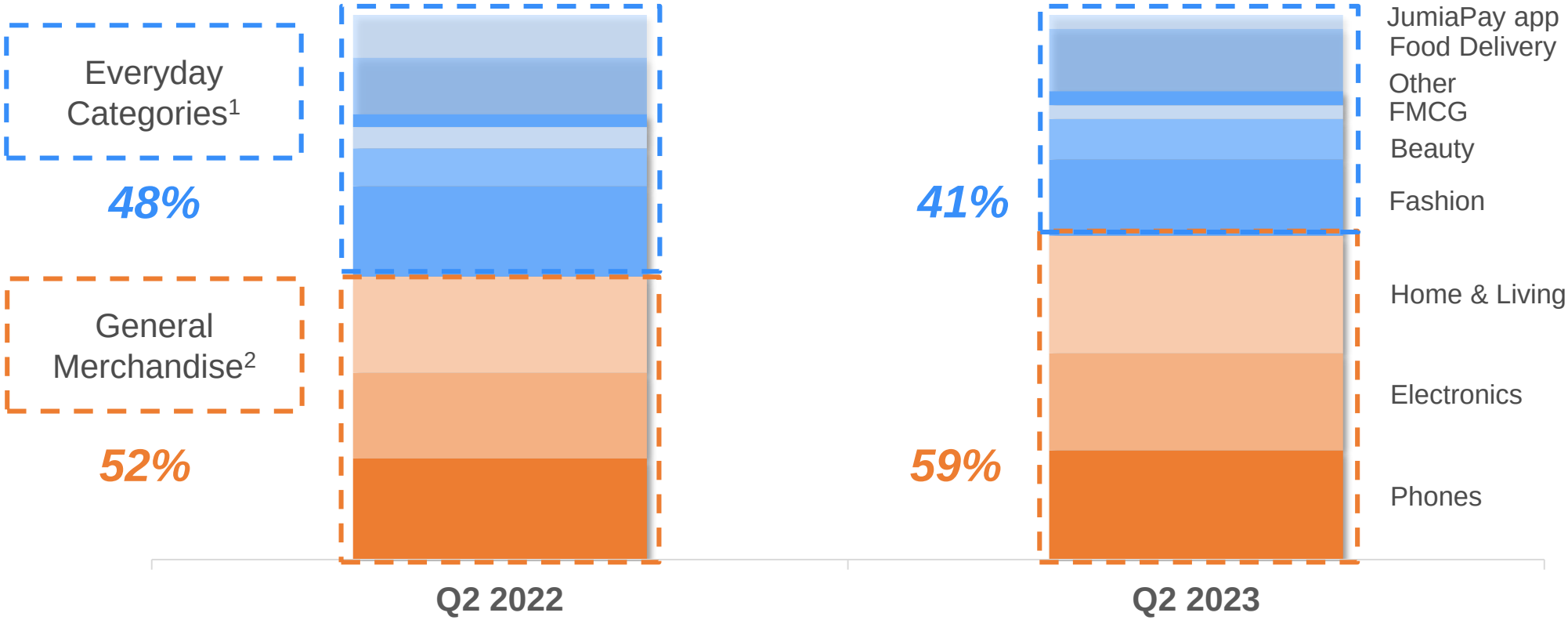
Drive **sustainable and profitable** growth

Supply	Addressable market	UI/UX	JumiaPay
Improve supply and assortment relevance	Tap into large, under penetrated **consumer pools beyond primary cities** in our geographies	Enhance **simplicity, ease of use** of our platform	Further strengthen **JumiaPay as an e-commerce enabler –** reduce cash friction

Notes
1. On Jumia Express items, in main cities, for baskets above a minimum size
2. 946,020 SKUs
3. Of shipped packages

As part of our supply efforts, we are successfully rebuilding our general merchandise categories

GMV Split



Average Order Value

Q2 2022	Q2 2023
$26.3	$31.0

Notes:

1. Categories include Fashion, Beauty, FMCG, Other physical goods, JumiaPay digital services and Food delivery
2. Categories include Phones, Electronics and Home & Living

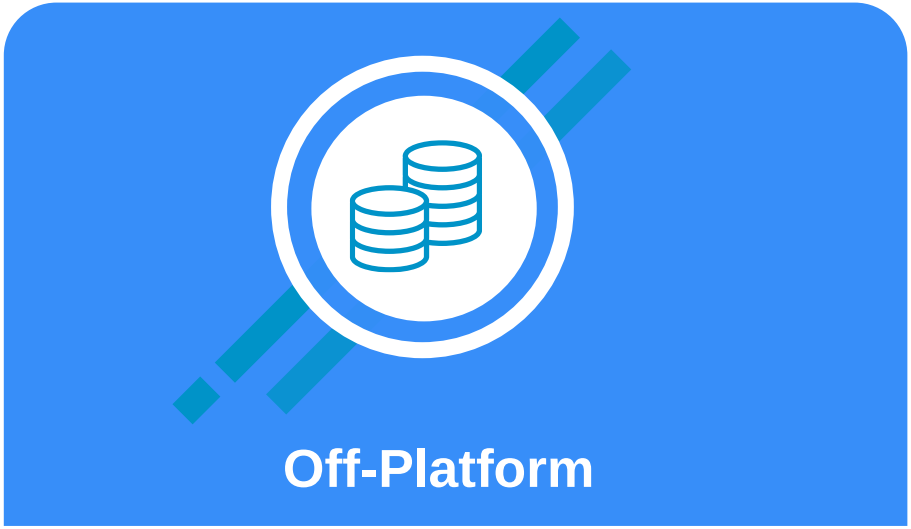
JumiaPay development remains a key priority

Selected ongoing initiatives



- Integrating more **payment methods**
- **JumiaPay on-delivery**
- **Buy-Now-Pay-Later** partnerships

Make JumiaPay an even more effective enabler of e-commerce



- Initial Focus on **Nigeria and Egypt**
- Continued **product improvements**
- Checkout solutions: **branded and white-label**

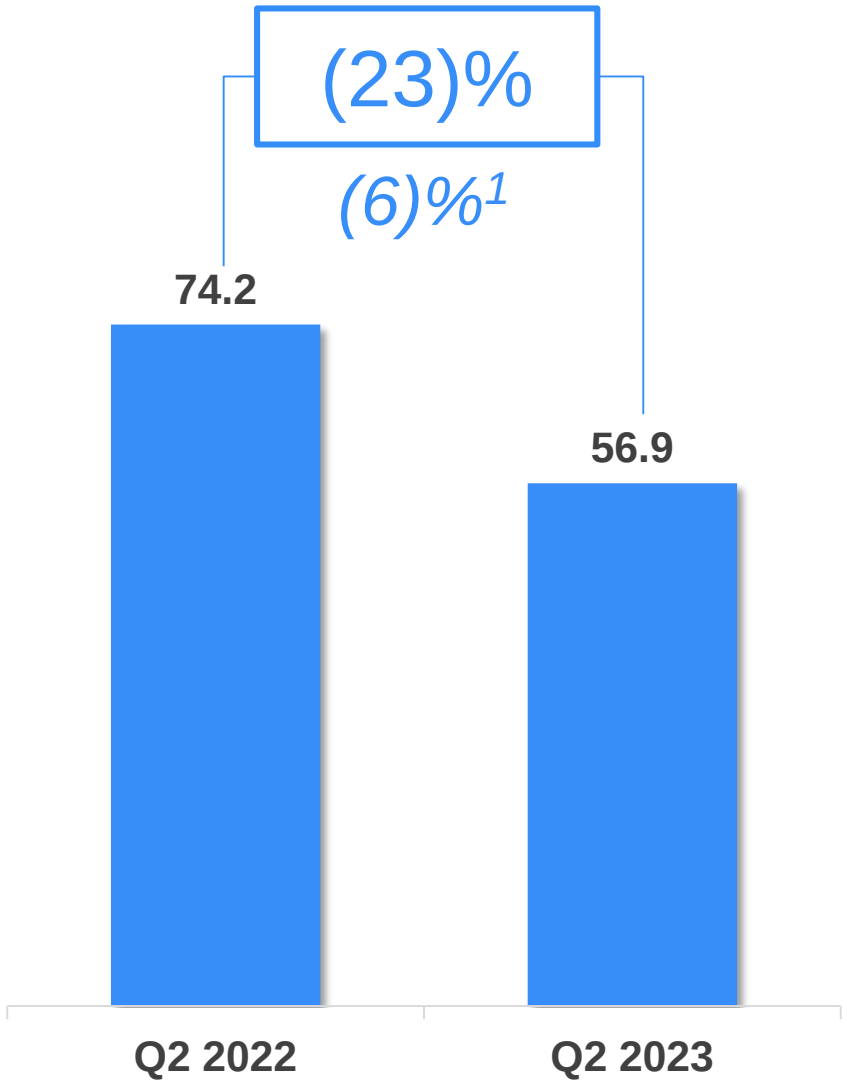
Monetize JumiaPay through off-platform payments

We are increasing TPV penetration despite TPV decline…

JumiaPay

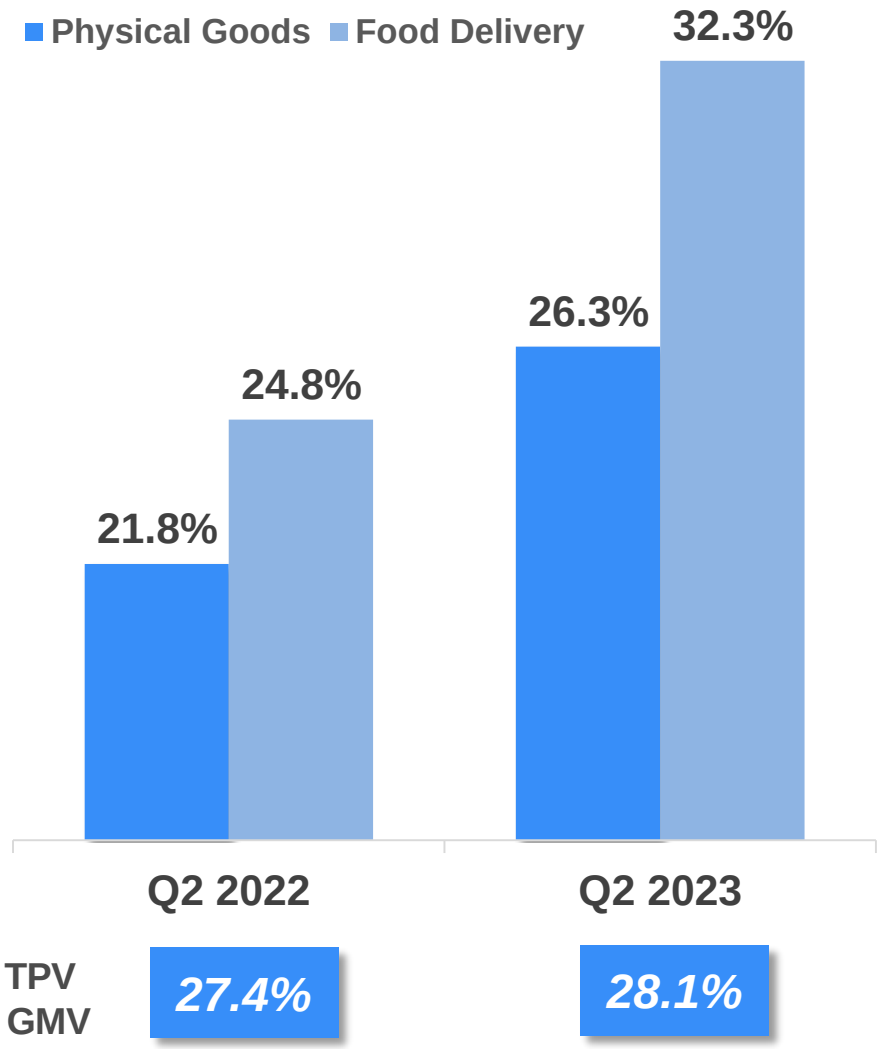
JumiaPay Total Payment Volume ("TPV")

$mm



JumiaPay TPV as % of GMV

% on-platform penetration



Notes

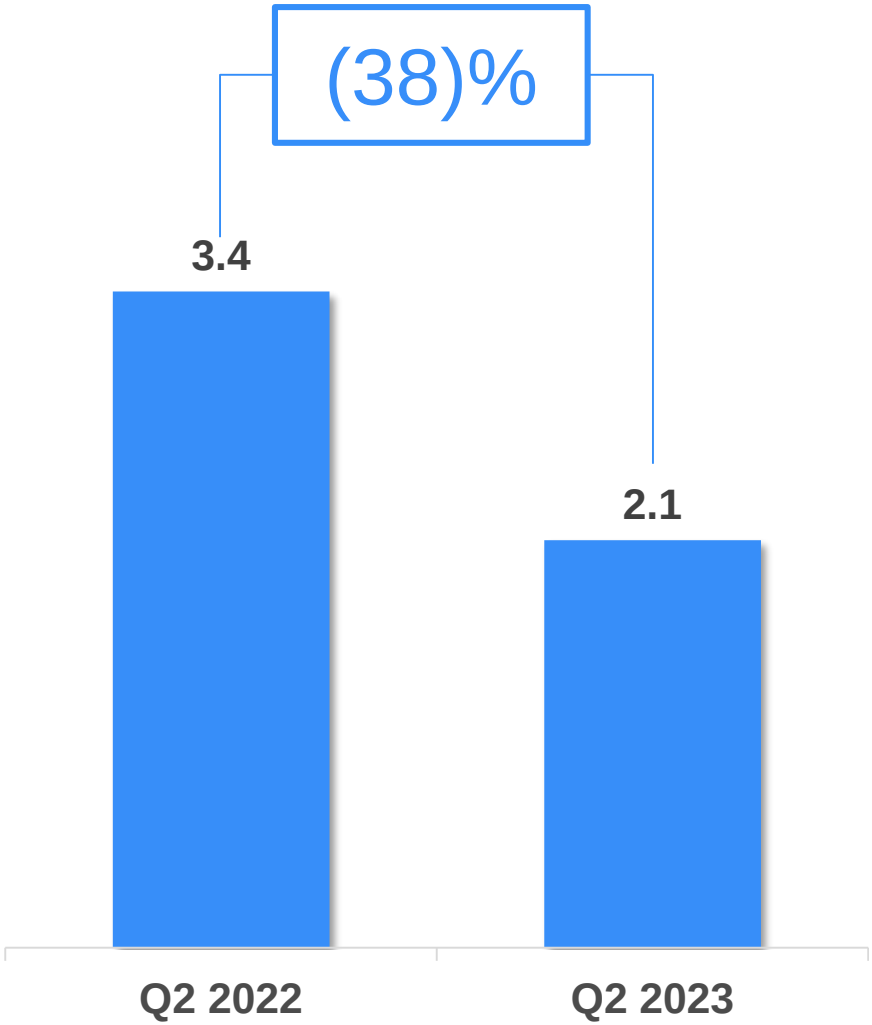
1. TPV growth on a constant currency basis

…and driving Transactions penetration across E-commerce and Food Delivery

JumiaPay

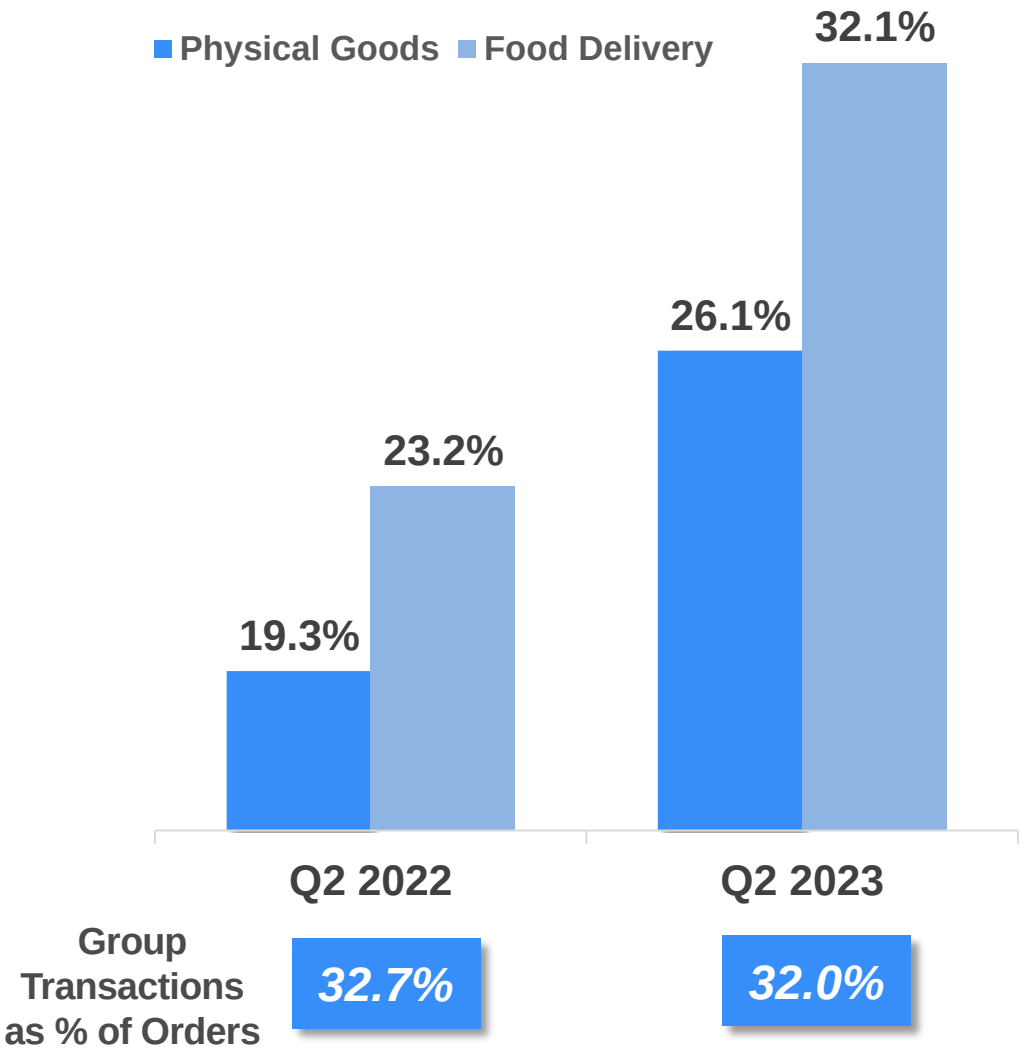
JumiaPay Transactions

mm



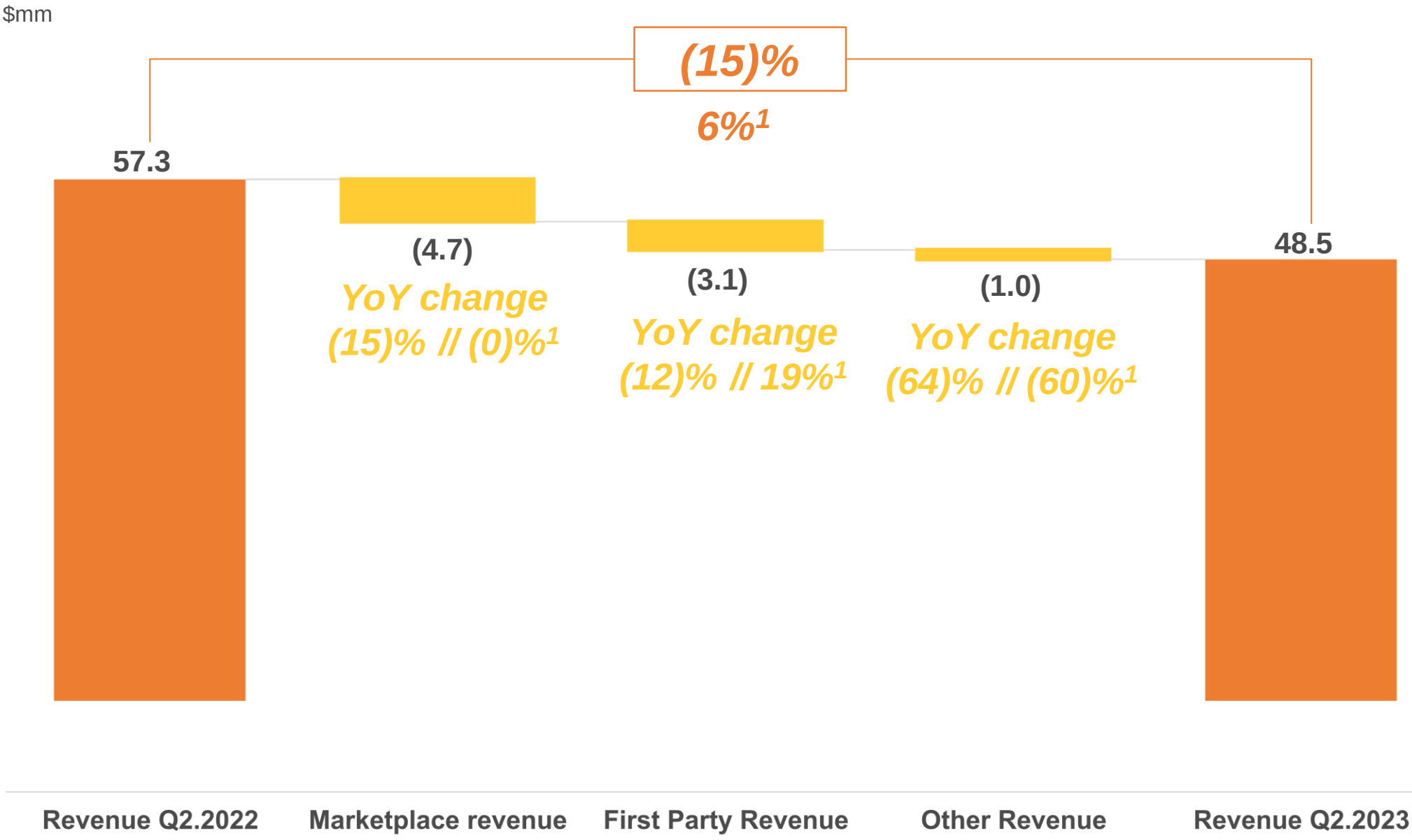
JumiaPay Transactions as % of Orders

% on-platform penetration



Revenue performance was impacted by FX headwinds

Monetization

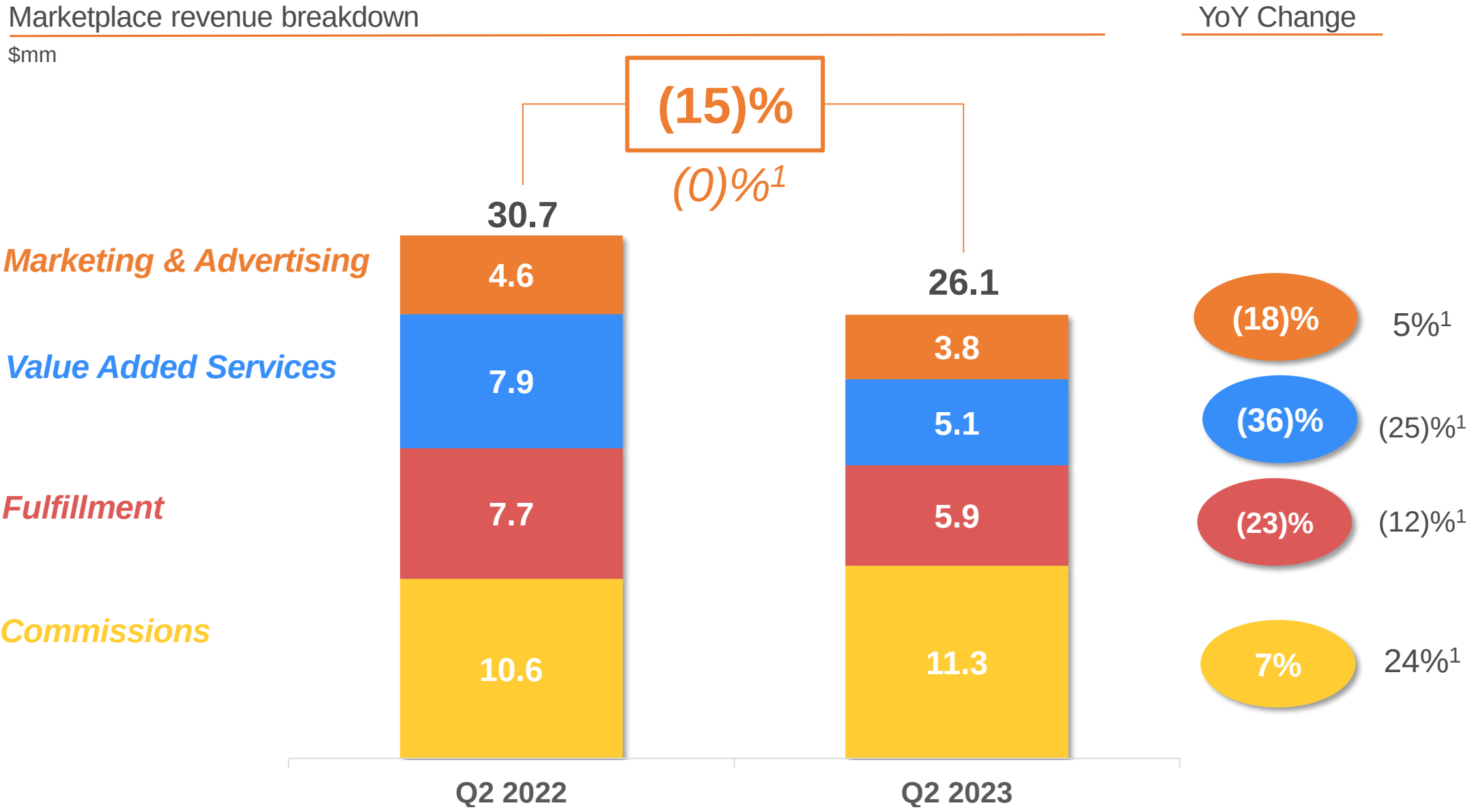


Notes: Numbers in the yellow and red bars indicate change in the relevant metric between Q2.2022 and Q2.2023

1. Constant currency change

Monetization

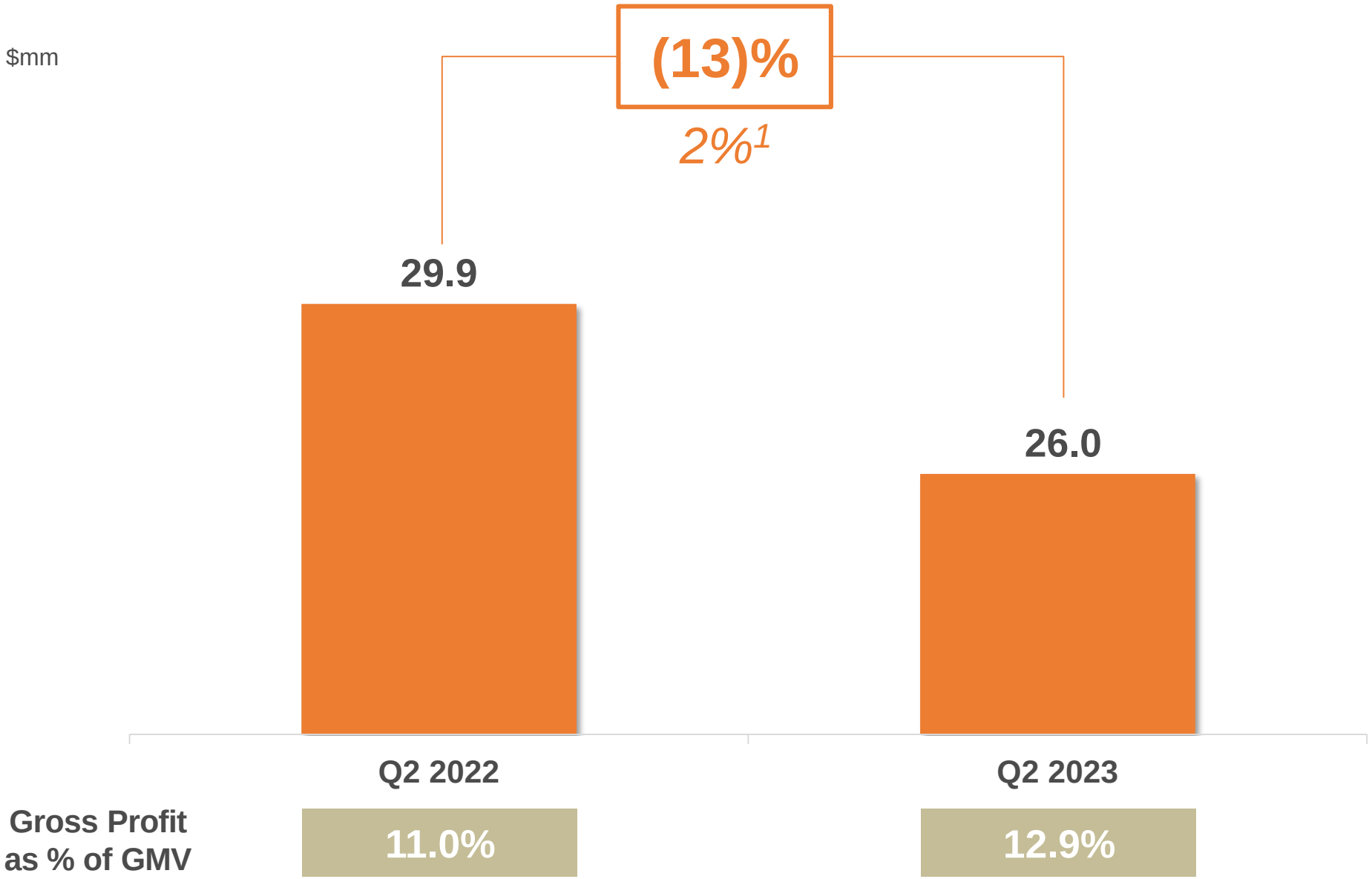
Marketplace revenue was supported by commission revenue growth…



Note
1. Constant currency change

…driving Gross Profit margin expansion

Monetization



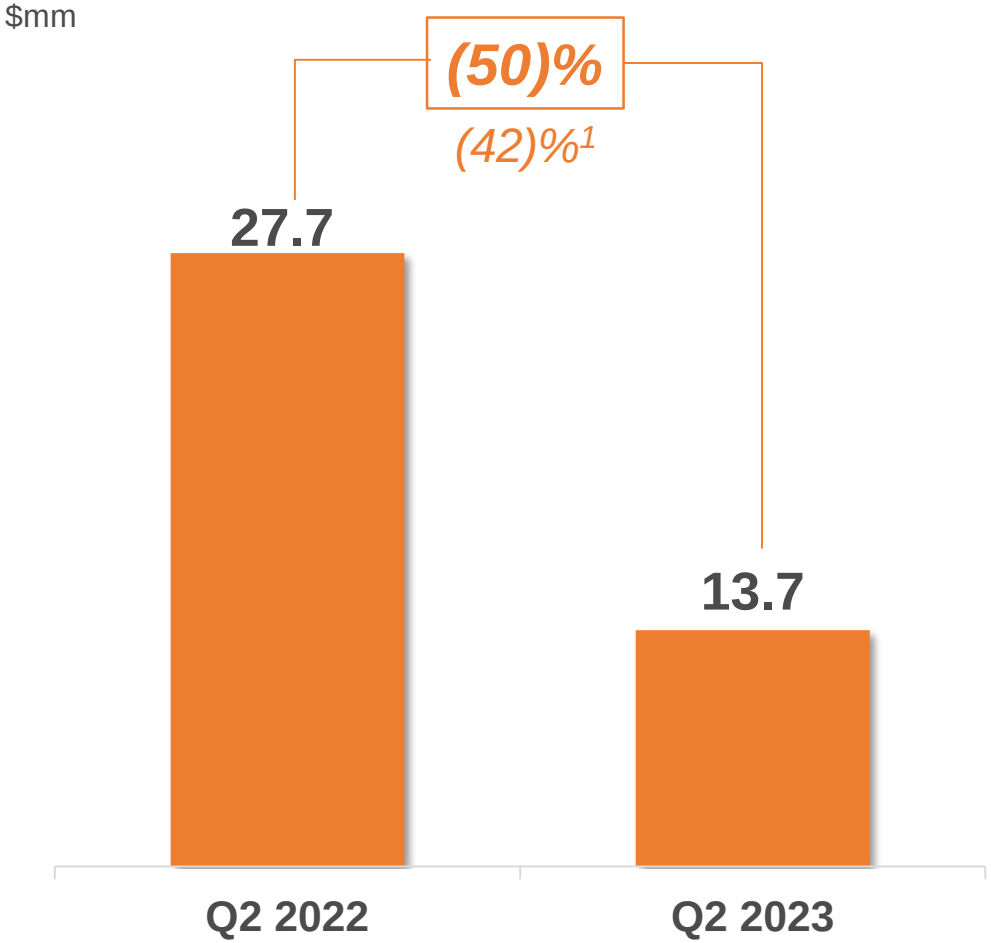
Note
1. Constant currency growth

Costs

We are driving fulfillment and marketing efficiencies…

Fulfillment expense

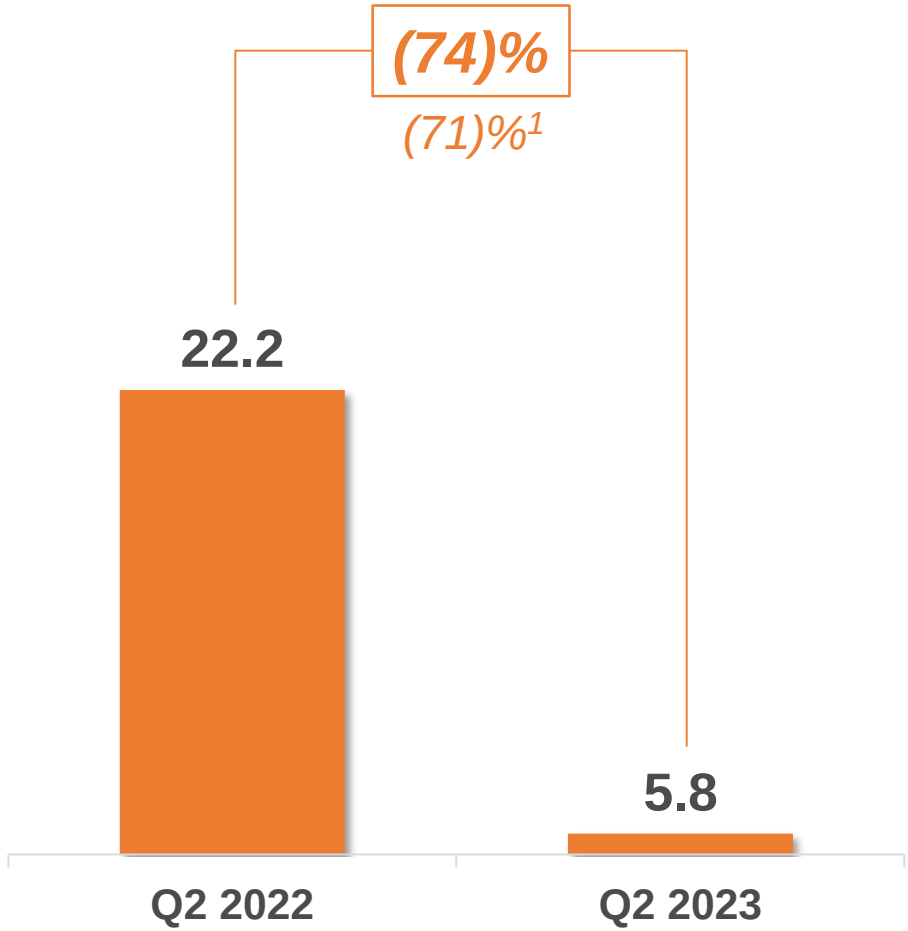
$mm



	Q2 2022		Q2 2023
Fulfillment per Order[2] ($)	3.2	(30)%	2.2
Fulfillment as % of GMV	10.2%	(342)bps	6.8%

Sales & Advertising expense

$mm



	Q2 2022		Q2 2023
S&A per Order ($)	2.2	(59)%	0.9
S&A as % of GMV	8.2%	(532)bps	2.9%

Notes

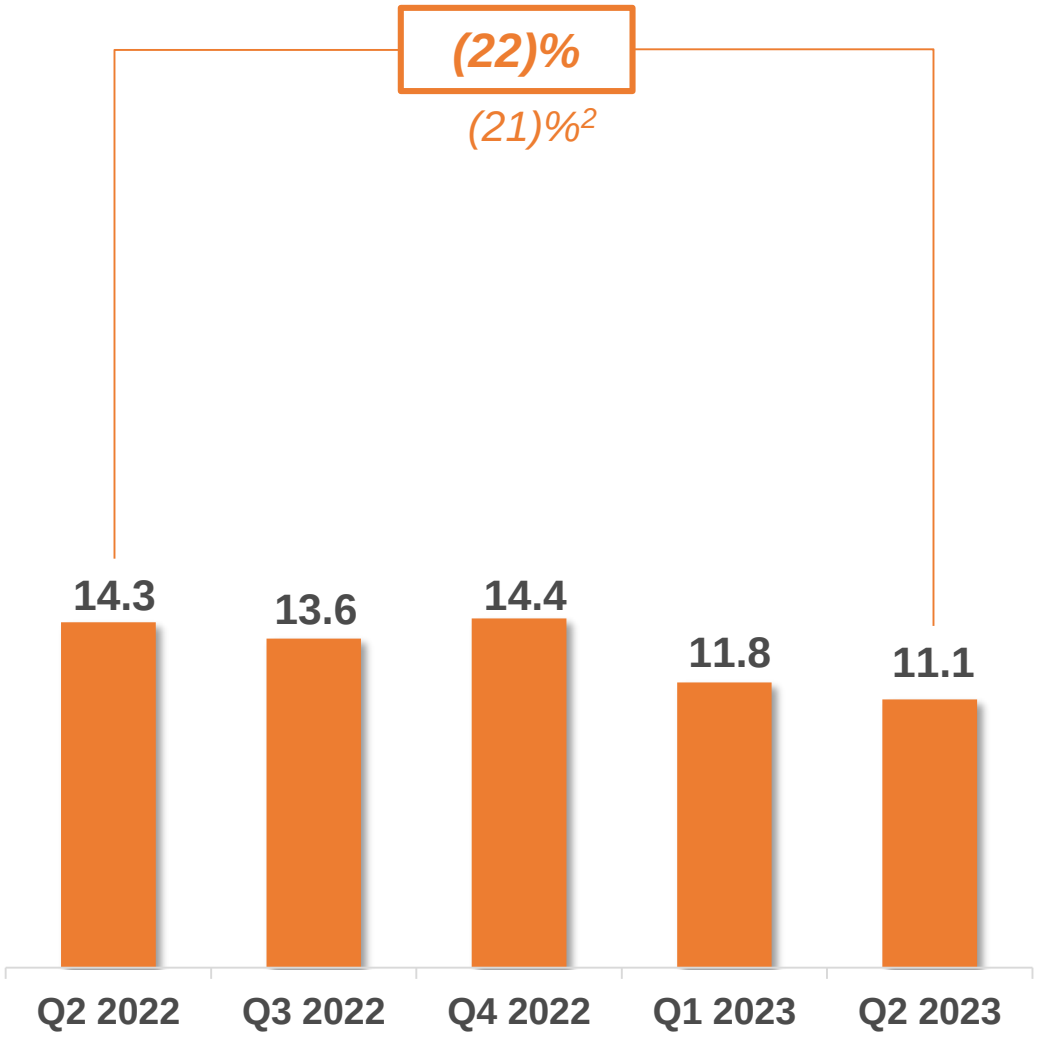
1. Constant currency change
2. Excluding JumiaPay app Orders which are digital services and do not incur logistics costs

…while generating tech and G&A savings

Costs

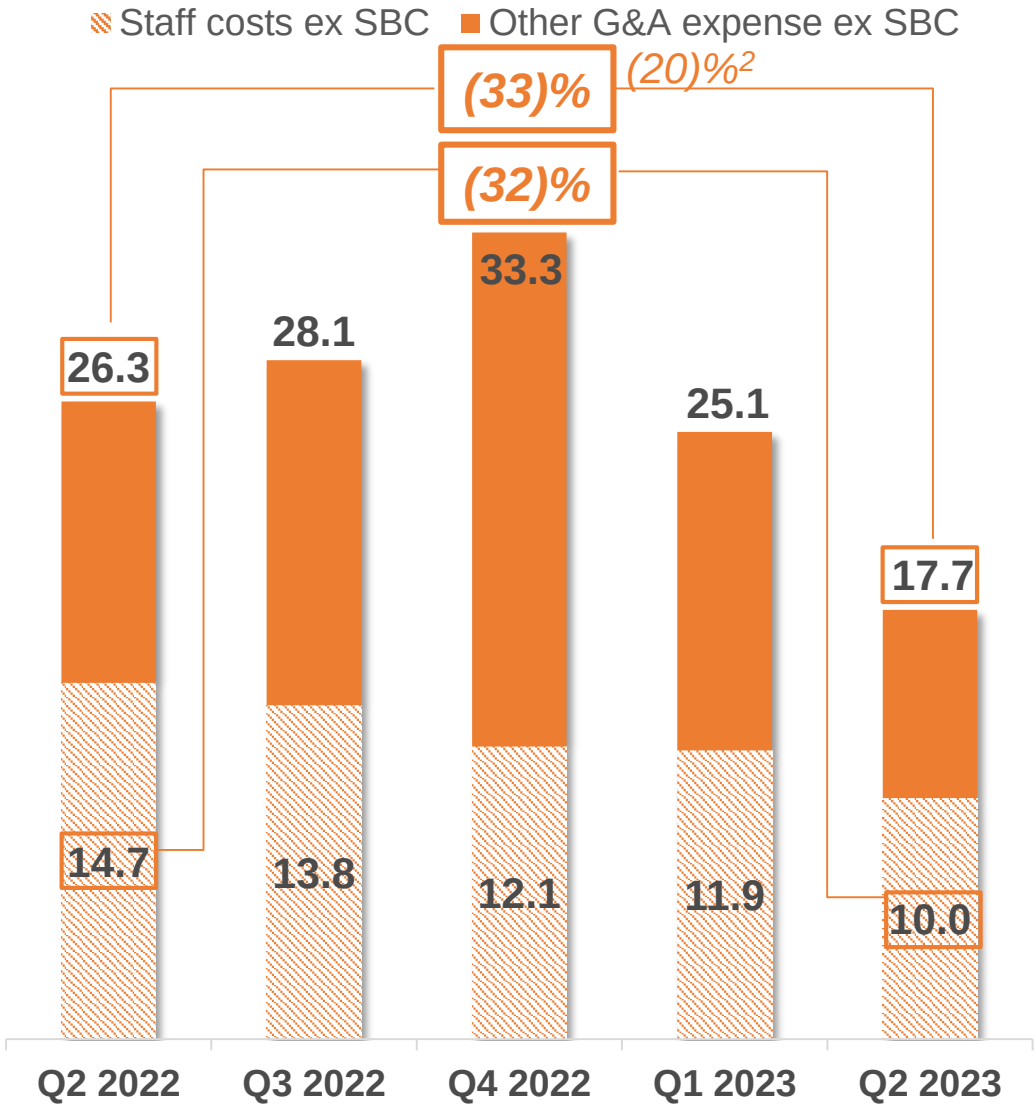
Technology & Content expense

$mm



General & Administrative expense ex SBC[1]

$mm



Notes

1. Share Based Compensation expense
2. Constant currency change

Balance sheet and cash flow highlights

$0.3mm **CAPEX[1] Q2.2023**

$38.0mm **CASH UTILIZATION[2]**

$2.2mm **WORKING CAPITAL**
Net change in Working Capital[3]
Q2 2023

$166.3mm **CASH &TERM DEPOSITS[4]**

Notes
1. Corresponds to Purchase of Property and Equipment and Intangible assets, as presented on the Cash Flow Statement
2. Net decrease in cash and cash equivalents adjusted for FX effects and movements in term deposits and other financial assets
3. Corresponds to a cash inflow of $2.2mm
4. Comprised of $61.0 million of cash and cash equivalents and $105.3 million of Term deposits and other financial assets

FY2023 Guidance

We remain committed to reducing our losses and driving cost efficiencies as we accelerate our progress towards profitability. Below our expectations for selected metrics for FY2023:

- In light of the **good progress in losses reduction in H1.2023,** we are **revising our Adjusted EBITDA1 loss guidance from $100-120mm to $90-100mm**. This compares to a loss of $207mm in FY2022.
- To reflect lower marketing spend in H1.2023, we are **updating our Sales & Advertising expense guidance from $30-40mm to $20-30mm.** This compares to $76mm in FY2022.
- Considering the good progress made in H1.2023, we are updating **General & Administrative expense,** excluding share-based compensation, from **$90-105mm to $85-95mm .** This compares to $118mm in FY2022.

Notes

1. Adjusted EDITDA is a non-GAAP financial measure, which is provided on a forward-looking basis. We do not provide a reconciliation of Adjusted EDITDA on a forward-looking basis as we are unable to reasonably predict share-based payments expenses excluded from the GAAP financial measures without unreasonable efforts. This is due to the high variability and inherent difficulty of forecasting the development of our future share price. For the same reasons, we are unable to address the probable significance of the unavailable information. Non-GAAP forward-looking measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.



Q2.23 performance

Appendix

Non-IFRS Reconciliation (1/2)

	For the three months ended June 30	
($ mm)	**2022**	**2023**
Marketplace revenue[1]	**30.7**	**26.1**
Commissions	10.6	11.3
Fulfillment	7.7	5.9
Marketing & Advertising	4.6	3.8
Value Added Services	7.9	5.1
First Party revenue	**25.0**	**21.9**
Other revenue	1.6	0.6
Revenue	**57.3**	**48.5**
Cost of revenue	(27.4)	(22.5)
Gross Profit	**29.9**	**26.0**

Notes

1. Revenue from Marketplace calculated as the sum of revenue from Commissions, Fulfillment, Marketing & Advertising and Value Added Services, excluding First Party revenue and Other revenue

Non-IFRS Reconciliation (2/2)

	For the three months ended June 30	
($ mm)	**2022**	**2023**
Loss for the period	**(69.0)**	**(31.9)**
Income tax expense	0.3	(0.2)
Finance (income)/costs – net	1.0	8.8
Depreciation and amortization	2.9	2.6
Share-Based Compensation (income) / expense	7.6	1.3
Adjusted EBITDA	**(57.2)**	**(19.3)**

Constant currency data (USD)

($ mm, except percentages)	For the three months ended June 30				
	As reported		YoY Change	FX neutral data	YoY Change
	2022	2023		2023	
GMV	271.1	202.3	*(25.4)%*	240.1	*(11.4)%*
TPV	74.2	56.9	*(23.3)%*	69.9	*(5.7)%*
TPV as % of GMV	27.4%	28.1%		29.1%	
Gross Profit	**29.9**	**26.0**	***(13.2)%***	**30.4**	***1.7%***
Fulfillment expense	(27.7)	(13.7)	*(50.4)%*	(16.0)	*(42.1)%*
Sales & Advertising expense	(22.2)	(5.8)	*(74.0)%*	(6.4)	*(71.0)%*
Technology & content expense	(14.3)	(11.1)	*(22.4)%*	(11.3)	*(20.7)%*
G&A expense, excluding SBC	(26.3)	(17.7)	*(32.7)%*	(21.0)	*(20.3)%*
Adjusted EBITDA loss	**(57.2)**	**(19.3)**	***(66.2)%***	**(20.9)**	***(63.5)%***
Operating Loss	**(67.7)**	**(23.3)**	***(65.6)%***	**(25.2)**	***(62.8)%***

2022 Overview

USD mm unless stated otherwise	FY 2020	FY 2021	FY 2022
Marketplace KPIs			
GMV	955.5	990.6	1,047.6
Annual Active Consumers (mm)	6.8	8.0	8.4
Orders (mm)	**27.9**	**34.0**	**38.9**
JumiaPay KPIs			
JumiaPay TPV	224.3	263.3	285.3
% on-platform penetration	*23.5%*	*26.6%*	*27.2%*
JumiaPay Transactions	9.6	12.1	12.5
% on-platform penetration	***34.5%***	***35.5%***	***32.0%***
Selected Financials			
Gross profit	107.8	110.1	130.4
Fulfillment expense	(82.2)	(89.3)	(98.8)
Gross profit after fulfillment expense	**25.6**	**20.8**	**31.6**
Sales & Advertising expense	(37.1)	(81.9)	(75.7)
Technology & Content expense	(31.8)	(39.2)	(55.3)
G&A ex SBC[1]	(106.1)	(107.2)	(117.6)
Termination Benefits	-	-	(3.7)
Adjusted EBITDA loss	**(136.3)**	**(196.7)**	**(207.0)**
Operating loss	(170.3)	(240.9)	(226.9)

Notes

1. Share Based Compensation expense

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” means 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.
- “Quarterly Active Consumers” means unique consumers who placed an order for a product or a service on our platform, within the 3-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 for which JumiaPay was used including shipping fees, value-added tax, and before deductions of any discounts or vouchers, irrespective of cancellations or returns, for the relevant period
- “JumiaPay Transactions” corresponds to the total number of orders for products and services on our marketplace for which JumiaPay was used, irrespective of cancellations or returns, for the relevant period
- General and administrative expense, excluding SBC, corresponds to the General & Administrative (“G&A”) expense excluding share-based payment expense (“SBC”). We use this metric to measure the development of our G&A costs exclusive of the impact of SBC which is mainly a non-cash expense, influenced, in part, by share price fluctuations.
- “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