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Tracker



NASPERS

A BRIEF HISTORY

What started as a local newspaper is today Africa's most valuable company. Naspers is a unique blend of venture capital and operating company that funds, acquires, builds and scales technology businesses, combining venture capital investing with deep operational experience. The South Africa based global internet and entertainment group runs a plethora of businesses across the world. The incredible story of this century-old giant is bound to give you crucial insights and leave you awe-struck by its gradual expansion.

**1915**

FOUNDING YEAR

**MEDIA CONGLOMERATE  
& TECH INVESTOR**

CATEGORY

**CAPE TOWN**

HEADQUARTERS

**120+ COUNTRIES**

OPERATIONS

**BOB VAN DIJK**

CHIEF EXECUTIVE OFFICER

## GIVING VOICE TO NATIVE AFRIKANERS IN A COLONISED LAND

In the aftermath of a brutal war with British colonisers that concluded with the defeat of the Afrikaners, a media dominated by English speaking publications appeared as a threat to the independence of the Afrikaners.

In 1915, a group of Afrikaner nationalists and supporters of Nationalist Party, led by J.B.M. Hertzog, formed the Nasionale Pers (later to be known as Naspers) in Cape Town. They launched the first Afrikaans language paper, Die Burger. Hertzog also served as the Prime Minister of South Africa from 1924-39.



A war between Afrikaners and the British, July 1824



Hertzog Cabinet, 1929



J.B.M. Hertzog  
Founder, Nasionale Pers



Die Burger,  
30 September, 1969

## SETTING FOOT INTO BOOK PUBLISHING AS NEWSPAPERS CATCH ON

Popularity of Die Burger led to the addition of its first magazine title, De Huisgenoot, in 1916.

In 1918, the company expanded its services to include book publishing to emerge as a prominent South African publisher. By 1922, it was producing country's most prominent authors and also developed a strong textbook publishing business.

Naspers' newspaper business reached beyond Cape Town with Die Volksblad. This, along with Die Burger became important South African newspapers after World War II.

Naspers transferred textbook publishing business to its subsidiary Nasionale Boekhandel in 1950, which by the end of the decade had extended into general publishing with the acquisition of Tafelberg Uitgewers in 1959.



De Huisgenoot



Die Volksblad  
9 June, 1967



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City Press; Die Beeld, 1969;  
Dagbreek Editions, 1961



Media24, Parktown, Johannesburg

## NEWER TITLES FOR THE ENGLISH & BLACK READERS; EDUCATIONAL PUBLISHING OPERATIONS BEGIN

During the 1960's, English language titles began to be published, while the newspaper and magazine businesses grew rapidly. The first one – Fairlady, was published in 1965 along with other newspapers and titles. In 1963, Naspers created a new educational publishing entity by the name of Nasou and took back control of Nasionale Boekhandel in 1973. Human and Rousseau, another important player in South African publishing business, was acquired in 1977.

A new national Sunday paper – Rapport was started, merging two Sunday newspaper titles – Beeld and Dagbreek. This was followed by relaunching Beeld as a daily paper in the Johannesburg market in 1974. A decade later, a national distribution structure known as Nasionale Nuusdistribueerders was created.

In an attempt to target the black African reading market, Drum Publications was acquired in 1984. This brought a number of leading magazines, the likes of weekly Drum and True Love & Family, as well as the Sunday newspaper City Press under Naspers.



**Ton Vosloo**  
Ex CEO, Naspers



**Koos Bekker**  
Ex CEO  
Chairman, Naspers (2015-Present)

## EMBARKING ONTO BROADCAST MEDIA

The 1980's saw Naspers evolving into a multi media group. In 1984, Naspers' CEO Ton Vosloo along with Koos Bekker formed a new entity – M-net, a pay-TV system, in cooperation with other media companies in the country. The government controlled television industry at that time, thereby having a monopoly. It allowed M-net to broadcast non-news entertainment programmes only.

## THE M-NET SUCCESS STORY AND SPLIT

M-net was received enthusiastically by audiences and became profitable just three years into operations, while Koos Bekker served as the company CEO. He took the company to be listed on Johannesburg Stock Exchange (JSE) in 1990. During the same period, the company began planning its expansion in to entire sub-Saharan Africa. The following year, the company began building its own satellite network and commenced satellite broadcasting in 1992. The same year it entered Europe, buying a 40% stake in pay-television group FilmNet.

In 1993, M-net was split up into two companies, M-net television channel and MultiChoice International Holdings (MIH), both listed publicly. MIH was handed international broadcasting operations and subscriber management.

## GOING PUBLIC AND STEPPING UP ACADEMIC PUBLISHING

In 1994, Naspers got listed on the Johannesburg Stock Exchange. The turn of the 21<sup>st</sup> century witnessed Naspers' publishing business turning into cash cows, while growth was majorly coming from the shares of MIH and M-net.

Its first financial magazine *Finansies & Tegniek*, came out in 1985. It launched a successful English family magazine called 'You'.

Their academic publishing business broadened to include correspondence education, with the acquisition of two course providers-Lyceum and Success. The acquisition of Jonathan Ball Publishers, an English-language publishing house in 1991 was followed by that of the South African branch of Harper Collins in 1994.

Different book publishing interests including Nasou were consolidated and brought under a new umbrella entity – Via Afrika, in 1997.



Finance and Technique, 1997



Via Afrika, Scent of Scandal, 2009



## GOING GLOBAL & BECOMING AN INTERNET MAMMOTH IN THE 21<sup>ST</sup> CE

The launch of M-Web in 1997 led Naspers to enter the internet market. Growth of the media operations was backed by the launch of Net-Med, pay-television services in Greece and Cyprus in 1995. M-web today is the second largest Internet Service Provider in South Africa. It started digital satellite broadcasting operations in Asia, Europe and Africa. Naspers bought 50% stake in Touchline Media in 1996 and approximately one-third of Thai pay- television broadcaster United Broadcasting Corporation in 1997.

## OFFICIALLY BECOMING 'NASPERS'

As Naspers expanded throughout the world, it took 'Naspers' as its official name in 1998 and initiated Media24 as its web content brand, bringing together sites like pages24.com, news24.com, fin24.com and online bookseller Kalahari.net under its roof. In the same year, MIH became a major shareholder of another television service provider known as OpenTv, stakes later stepped up to about 80%.

To strengthen the publishing front, it acquired 50% stake in religious publisher Lux Verbi in 1999. Koos Bekker was now the CEO of Naspers, replacing Ton Vosloo who took to the group's chairmanship and would go on to have a 59 year career with the company.

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## STREAMLINING THE STRUCTURE & GETTING A SHARE IN THE CHINESE PIE

In a bid to simplify its corporate structure in 2000, Naspers went on to regroup its operations under five essential subsidiaries: MIH Holdings, M-Web, Media24, Nasboek, and Educor. It then set foot in the Chinese market with the launch of SportCN, a sports oriented website. The next year, Naspers obtained 46.5% of giant Tencent for USD 32 Mn, which went on to become Asia's first USD 500 Bn company in 2017.

Naspers continued to streamline the structure until 2002, when it began to fully control both MIH Holdings and MIHL (earlier known as MultiChoice). Naspers, at that point listed itself on NASDAQ. That year, the organization also sold off its stake in OpenTV.

In 2004, Tencent debuted its IPO on the Hong Kong Stock Exchange. Also, in the same year, MIH procured a 9.9% stake in Beijing Media Corporation, one of China's leading daily paper organizations. Naspers attained a listing on London Stock Exchange in 2007.

In 2006, Naspers started publishing its weekly newspaper tabloid Kaapse Son for the Western Cape. Pay-television services and holdings were Naspers' main revenue source then. The same year Naspers also invested USD 422 Mn for about 30% stake in the Brazilian media company Abril, Latin America's biggest magazine publisher, to gain a foothold in that growth market too. During 2006-07, discounted shares were offered to the black African investors through the Black Economic Empowerment (BEE) Programme.



## VENTURING INTO TECH INVESTMENTS

In 2007, Naspers invested USD 165 Mn for about one-third of social network operator Mail.ru, today Russia's second largest internet company by market capitalisation.

The year 2008 saw the South African Media giant flush money into Polish ecommerce business Allegro Group, an auction site similar to Ebay, which was sold off in 2016 as a part of endeavours to liquidate some assets to pay off debts.

In 2010, Naspers acquired majority stake in OLX and took this to 95% in 2014, and rebranded most of its other online classified properties – Ricardo Tablica, Aprod, Prodavalnik, Sulit, Dealfish, Mercardor and Slando as OLX. The same year Naspers bought a substantial stake in Russia's Digital Sky Television, another tech leader, and other tech-companies like the Brazilian leading mobile marketplace Movile, which acquired Cyclelogic to become one of the largest mobile content aggregators in Latin America, UAE's leading online classified Dubizzle, South East Asia's e-commerce MultiPLY Inc., DineroMail through Buscape besides others.

In 2013, 17% stake in Russia's online classified website Avito was bought and the same was upped to about 68% in 2015. This is currently Russia's third largest internet company. That year it also got its share in Nigeria's largest e-commerce website Konga, to make a successful exit recently in 2018. Naspers is also the largest stakeholder in publicly listed German food delivery giant FoodPanda, bought initially in early 2017 and stepped up later in the same year.

ASIA



SWIGGY

Flipkart



INDIA

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PaySense

ibibo Group

tbo group  
Technology inspiring travel

Tencent 腾讯

CHINA

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RUSSIA

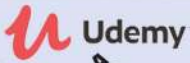
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coins.ph

Avito

BUZZ CITY



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JOYMODE honor



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5 Ounces

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NASPERS



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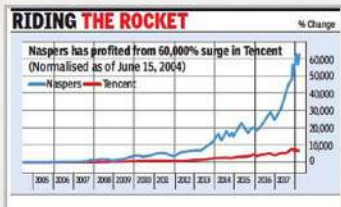
FASHION DAYS

EUROPE





Koos Bekker (right) at the 100 year celebration of Naspers.



Growth in shares of Naspers (Source: Bloomberg)

## CURRENT STANDING

Naspers today is Africa's most valuable company and one of the world's largest investors in e-commerce ventures. Naspers' companies hold leading positions in traditional media, video entertainment, ecommerce, classifieds, marketplaces, fintech, food delivery, and other online platforms across 120+ markets in the Americas, Asia, Europe, the Middle East and Africa. In total, the Naspers portfolio comprises of more than 100 companies, many of which are leaders in their market.

Recently, Naspers sold its 2% holding worth approximately USD 11 Bn in Tencent, bringing its stake down to 31%. Tencent witnessed about 60,000% surge in share price over the years, and Naspers being an early investor immensely profited from this, making it one of the biggest VC payouts ever. Interestingly, Naspers current market cap of about USD 113 Bn is less than one-third of that of Tencent, indicating the role of Tencent in Naspers' growth.

Nonetheless, the company currently dominates the JSE – making up about 23.5% of the top 40 JSE Index. Its share prices have increased in its value by over 760% from 2010 to 2016. 84% of the revenues of Naspers were contributed by its businesses outside South Africa in 2017-18, and earned 79% revenues from its internet segment. In September 2018, it announced separate listing of its video entertainment business under the banner of MultiChoice Group on JSE.

Coming out of a troubled past into a promising future, the biggest corporation in the continent had been accused of showing complacency as a media organization towards the apartheid system. However, Naspers apologized for the same on its hundredth anniversary.





**KOOS BEKKER**  
Chairman, Naspers

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“ You have clueless old-economy people listening to young guys with unkempt hair and t-shirts. It's marvellous ! ”

## ABOUT WEETRACKER MEDIA

WeeTracker is a premium tech media platform focussed on African startups, SMEs and Venture Capital ecosystem.

The data in the report has been curated carefully using publically available information.

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In case, we have missed out on any information or have mentioned something incorrectly.

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