

Prosus is a stock that has been suggested to me by a few people and I believed that the value is actually on its balance sheet through its ownership of other companies. I have never looked at this company at all. Therefore, it is an analysis that starts from scratch.

Let's have a look at the parent company, Naspers first since Prosus was only created as a spinoff in 2019.

Naspers today owns 42% of Prosus and 50% of Naspers South Africa.

<https://www.naspers.com/news/net-asset-value/>

Net asset value calculation for Naspers 31 March 2022			
Investment	Asset value at 100% (US\$'bn)	Economic interest	Value (US\$bn)
Prosus NAV ¹	171.0	42.0%	71.8
Other ²	1.7	50.5%	0.8
Asset value			72.6
Net cash / (debt)	0.2	50.5%	0.1
Cash ³	0.2	50.5%	0.1
Debt ³	(0.0)	50.5%	(0.0)
Net asset value (\$'bn)			72.7
Net asset value (ZAR'bn)			1 061.8
Net asset value per share (ZAR)			4 880
Net total shares in issue as at 31 March 2022 (m)			217.6

<https://presspage-production-content.s3.amazonaws.com/uploads/2659/naspersinterimresults2021englishshortform.pdf?10000>

<https://presspage-production-content.s3.amazonaws.com/uploads/2659/naspersinterimresults2021fullresultsbooklet.pdf?10000>

		Six months ended		Year ended
		30 September		31 March
	Notes	2021	2020	2021
		US\$m	US\$m	US\$m
Revenue from contracts with customers	8	3 575	2 497	5 934
Cost of providing services and sale of goods		(2 454)	(1 697)	(4 088)
Selling, general and administration expenses		(1 492)	(1 036)	(2 932)
Other gains/(losses) - net	10	56	(38)	(103)
Operating loss		(315)	(274)	(1 189)
Interest income	9	34	69	101
Interest expense	9	(184)	(110)	(268)
Other finance (cost)/income - net	9	(175)	2	207
Share of equity-accounted results ¹		4 074	2 876	7 095
Impairment of equity-accounted investments		(1)	(20)	(32)
Dilution gains/(losses) on equity-accounted investments	12	120	63	981
Gains on partial disposal of equity-accounted investments	12	12 339	19	19
Net (losses)/gains on acquisitions and disposals	10	(18)	214	308
Profit before taxation		15 874	2 839	7 222
Taxation ²		(78)	125	46
Profit for the period		15 796	2 964	7 268
Attributable to:				
Equity holders of the group		11 044	2 141	5 304
Non-controlling interests		4 752	823	1 964
		15 796	2 964	7 268
Per share information for the period (US cents)	7			
Earnings per ordinary share		3 031	500	1 243
Diluted earnings per ordinary share		2 991	489	1 204
Headline earnings per ordinary share		368	404	970
Diluted headline earnings per ordinary share		334	393	933

	Notes	As at	As at	As at
		30 September	31 March	1 April
		Restated*	Restated*	Restated*
		2021	2020	2020
		US\$m	US\$m	US\$m
ASSETS				
Non-current assets		55 570	34 259	26 807
Property, plant and equipment		596	454	457
Goodwill	11	3 913	2 189	2 237
Other intangible assets	16	1 063	828	898
Investments in associates	12	47 925	29 644	22 235
Investments in joint ventures		155	53	74
Other investments and loans ¹	13	1 813	1 064	881
Other receivables		76	6	5
Deferred taxation		29	21	20
Current assets		15 243	11 401	9 512
Inventory		477	312	260
Trade receivables		211	150	139
Other receivables and loans		701	541	542
Derivative financial instruments		1	4	—
Other investments	13	27	11	—
Short-term investments		7 464	6 378	4 060
Cash and cash equivalents		6 355	3 931	4 303
		15 236	11 327	9 304
Assets classified as held for sale		7	74	208
TOTAL ASSETS		70 813	45 660	36 319
EQUITY AND LIABILITIES				
Capital and reserves attributable to the group's equity holders				
		21 865	26 444	21 750
Share capital and premium*		4 611	4 611	4 611
Treasury shares*		(43 762)	(1 283)	(1 249)
Other reserves		17 772	(5 563)	(8 846)
Retained earnings		43 244	28 679	27 234
Non-controlling interests		32 530	10 071	8 178
TOTAL EQUITY		54 395	36 515	29 928
Non-current liabilities		11 494	6 318	4 184
Capitalised lease liabilities		231	225	231
Liabilities - interest-bearing	18	10 501	5 660	3 508
- non-interest-bearing		64	1	20
Other non-current liabilities		216	118	165
Post-employment medical liability		23	19	17
Cash-settled share-based payment liability	15	184	89	40
Derivative financial instruments		10	13	2
Deferred taxation		265	193	201
Current liabilities		4 924	2 827	2 207
Current portion of long-term debt		123	89	67
Trade payables		441	409	322
Accrued expenses ¹		1 816	1 090	1 032
Other current liabilities ¹		1 123	577	709
Cash-settled share-based payment liability ¹	15	1 150	421	18
Dividend payable		238	208	1
Bank overdrafts		33	4	32
		4 924	2 798	2 181
Liabilities classified as held for sale		—	29	26
TOTAL EQUITY AND LIABILITIES		70 813	45 660	36 319

	Notes	Six months ended 30 September		Year ended 31 March
		2021 US\$m	2020 US\$m	2021 US\$m
Cash flows from operating activities				
Cash utilised in operating activities		(277)	(62)	(144)
Interest income received		29	91	123
Dividends received from investments and equity-accounted investments		572	459	459
Interest costs paid		(250)	(120)	(253)
Taxation paid		(111)	(39)	(112)
Net cash (utilised in)/generated from operating activities		(37)	329	73
Cash flows from investing activities				
Acquisitions and disposals of tangible and intangible assets		(97)	(30)	(135)
Acquisitions of subsidiaries, associates and joint ventures	16	(4 011)	(366)	(1 917)
Disposals of subsidiaries, businesses, associates and joint ventures	16	14 634	193	241
Acquisition of short-term investments ¹		(7 505)	(2 547)	(3 088)
Maturity of short-term investments ¹		1 486	218	5 705
Loans advanced to related parties		—	—	(210)
Cash paid for other investments	16	(1 096)	—	(1 322)
Other movements in investing activities		43	(14)	(5)
Net cash generated from/(utilised in) investing activities		3 454	(2 546)	(731)
Cash flows from financing activities				
Payments for the repurchase of shares	18	(1 287)	—	(2 340)
Proceeds from long- and short-term loans raised	18	4 237	2 192	4 593
Repayments of long- and short-term loans	18	(1 709)	(30)	(155)
Outflow from equity-settled share-based compensation transactions		(182)	(87)	(117)
Additional investment in existing subsidiaries ²		(1 760)	(231)	(1 704)
Dividends paid by the holding company and its subsidiaries		—	(1)	(218)
Repayments of capitalised lease liabilities		(31)	(27)	(56)
Additional investment from non-controlling shareholders		65	51	53
Other movements in financing activities ³		(126)	(20)	(3)
Net cash (utilised in)/generated from financing activities		(793)	1 847	53
Net movement in cash and cash equivalents		2 624	(370)	(605)
Foreign exchange translation adjustments on cash and cash equivalents		(51)	45	83
Cash and cash equivalents at the beginning of the period		3 749	4 271	4 271
Cash and cash equivalents classified as held for sale		—	(19)	—
Cash and cash equivalents at the end of the period		6 322	3 927	3 749

Naspers numbers look interesting but we should not focus too much on them for now since what we really want to invest in is Prosus. Prosus owns also 49% of Naspers, so we will come back to these numbers later.

Here's what Naspers is according to the company

Naspers Limited (Naspers or the group) is a global consumer internet group and one of the largest technology investors in the world. Naspers has its primary listing on the Johannesburg Stock Exchange (JSE) in South Africa and an ADR listing on the London Stock Exchange (LSE). Through Prosus N.V. (Prosus) the group operates and invests in countries and markets with long-term growth potential, building leading consumer internet companies that empower people and enrich communities. Prosus has its primary listing on Euronext Amsterdam and a secondary listing on the JSE and A2X Markets. Naspers is the majority shareholder of Prosus based on the voting rights and control structure of the Prosus group.

Naspers ADR are no longer traded on the LSE, therefore, if we want to invest in the company, the easiest way would be through Prosus on the Amsterdam exchange.

Prosus share exchange with Naspers shareholders

In August 2021, the group completed a voluntary share exchange offer to Naspers shareholders.

This offered Naspers shareholders the opportunity to tender their existing Naspers N ordinary shares for newly issued Prosus ordinary shares N at an exchange ratio of 1 (one) Naspers N ordinary share for 2.27443 Prosus ordinary shares N. The share exchange offer resulted in Prosus acquiring a 45.8% fully diluted interest in Naspers in exchange for newly issued Prosus ordinary shares N. This interest, coupled with the 3.7% shareholding Prosus previously acquired in Naspers, as part of the share repurchase programme that was completed in June 2021, resulted in Prosus now holding a 49.5%¹ fully diluted interest which represents a 49.9%² economic interest in Naspers.

Furthermore, newly created 1 128 507 756 B ordinary shares were issued for €56.4m (US\$66.3m) to Naspers which entitles Naspers to one vote per share, but only to one millionth of the amount of the distribution that a holder of a Prosus ordinary share N is entitled to. Naspers cannot list or trade these shares. These shares allowed Naspers to maintain its control as it held more than 70% of the shareholder voting rights in Prosus. Naspers therefore continues to hold the majority of the shareholder voting rights of Prosus.

Naspers still holds 70% of voting rights in Prosus even though they only own 42% of the company.

Cross-holding arrangement

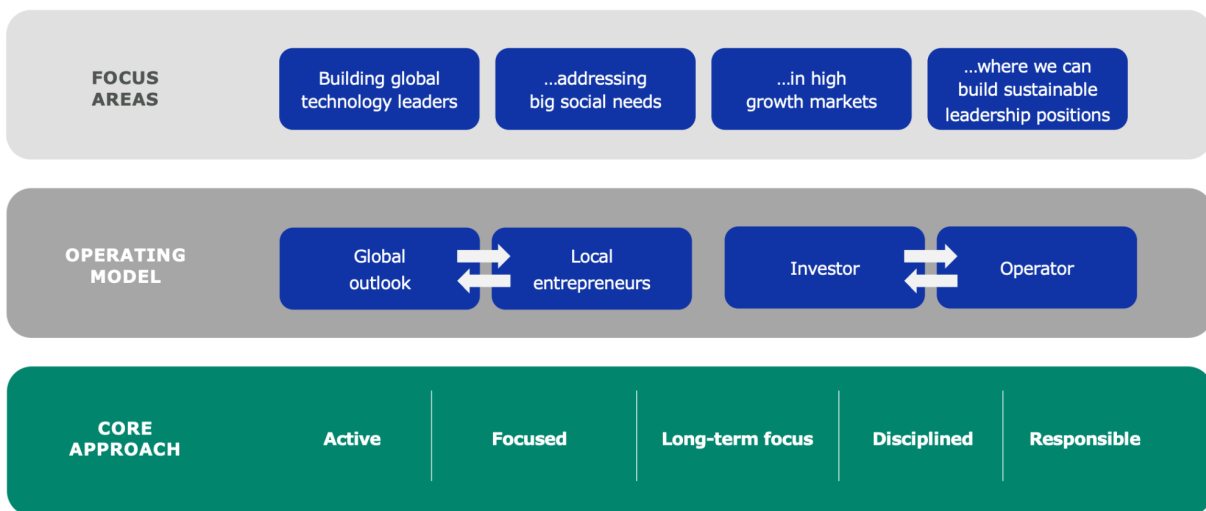
A distribution agreement (hereafter referred to as the cross-holding agreement) was entered into between Naspers and Prosus, which became effective at the time of closing of the voluntary share exchange. The cross-holding agreement takes into account Prosus's indirect interest in itself from holding Naspers shares and deals with how distributions between the two groups will be managed. It eliminates the need for flows back and forth between the two groups as a result of the cross-shareholding, through a waiver by Prosus of its entitlement to distributions, that originates from Prosus, on the Naspers shares that it holds, and provides clarity to both Prosus and Naspers free float shareholders of their economic interest in distributions made by Prosus.

The cross-holding agreement relates to Prosus's 49.5% fully diluted interest in Naspers and Naspers's 57% legal ownership of Prosus ordinary shares N. The principles of the cross-holding agreement are also incorporated in Prosus's articles of association, and the cross-holding agreement together with Prosus's articles of association form the cross-holding arrangements. It does not govern and has no bearing on the voting rights attached to the shares held by Naspers or Prosus shareholders.

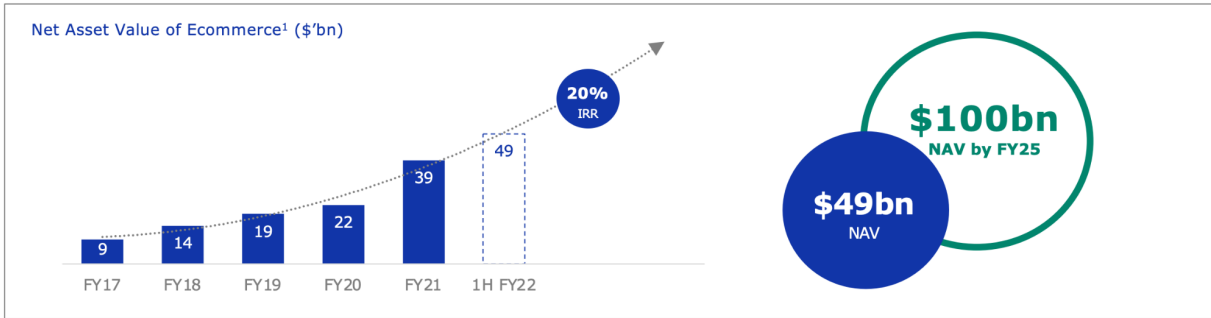
The conclusion of the voluntary share exchange and the cross-holding arrangement increases the Prosus free float economic interest in the Prosus group to 58.9%.

Let's now look at the last report of Prosus

<https://presspage-production-content.s3.amazonaws.com/uploads/2658/resultscallpresentation.pdf?10000>



We continue to scale our Ecommerce segment into large valuable platforms



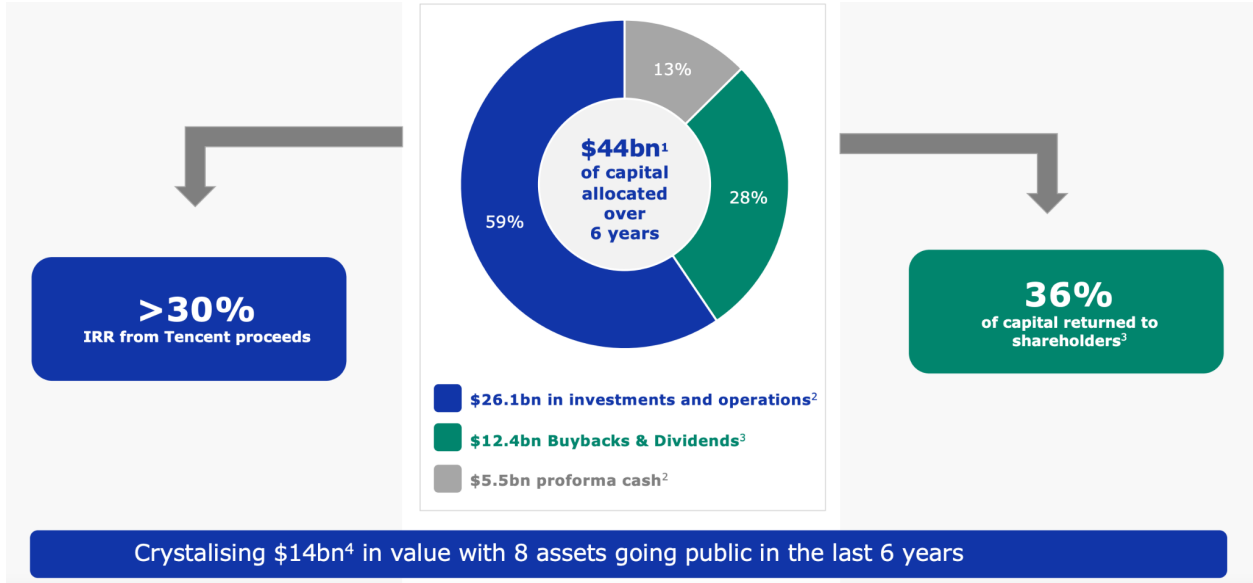
53% Ecommerce revenue growth ²	22% Ecommerce IRR	\$22bn Net Investment to date ³
---	-----------------------------	--



They expect their ecommerce segment to grow by 22% a year

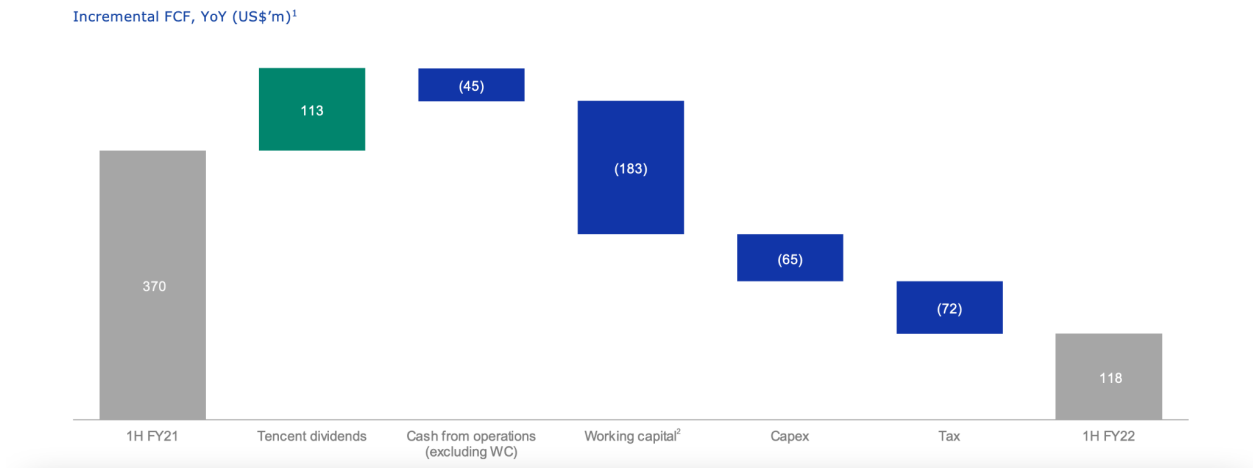
		Revenue CAGR ¹	NAV ²
Classifieds	Building a long-lasting ecosystem for the future	43% 5 year CAGR ¹	\$ 14bn
Food Delivery	Market leaders in many countries pursuing meaningful adjacencies	145% 5 year CAGR ¹	\$ 18bn
Payments & Fintech	A massive opportunity in India as consumers shift to digital	33% 5 year CAGR	\$ 11bn³
Edtech	Using technology to disrupt and shape the industry	56% FY21 ¹	\$ 5bn
Etail	Ecommerce market leader in Romania now pursuing grocery delivery	32% 5 year CAGR	\$ 4bn
Ventures & Other	Invest in companies that will be the next wave of growth for Prosus	45% FY21	\$ 2bn

Prosus sold part of its shares of Tencent last year and now owns about 28% of the company



This company reminds me of Sanborn Maps, a company that Warren Buffett invested in in 1958. The company had a large stock portfolio that the market was overlooking,

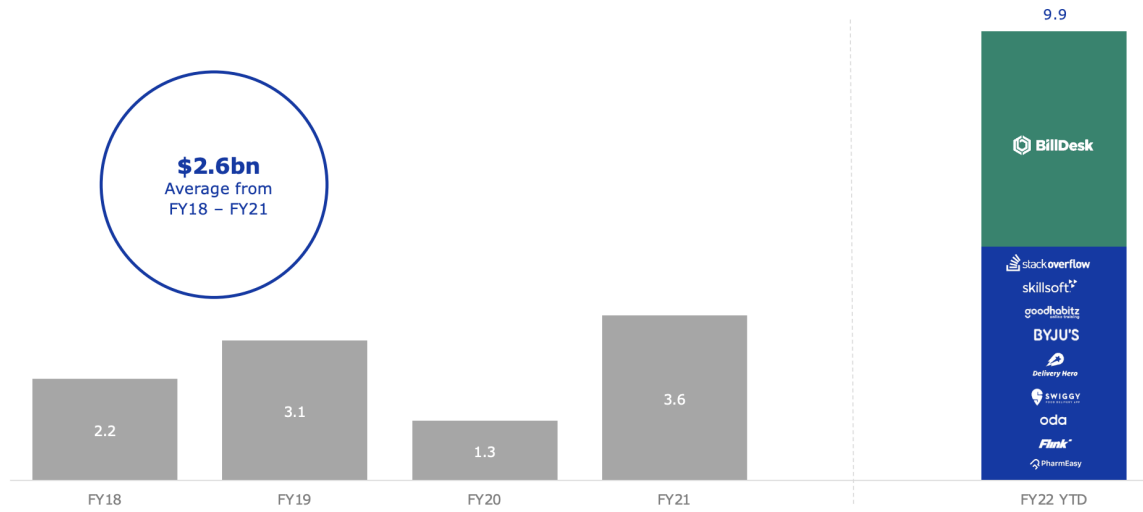
FCF reflects investment in operations, working capital and capex



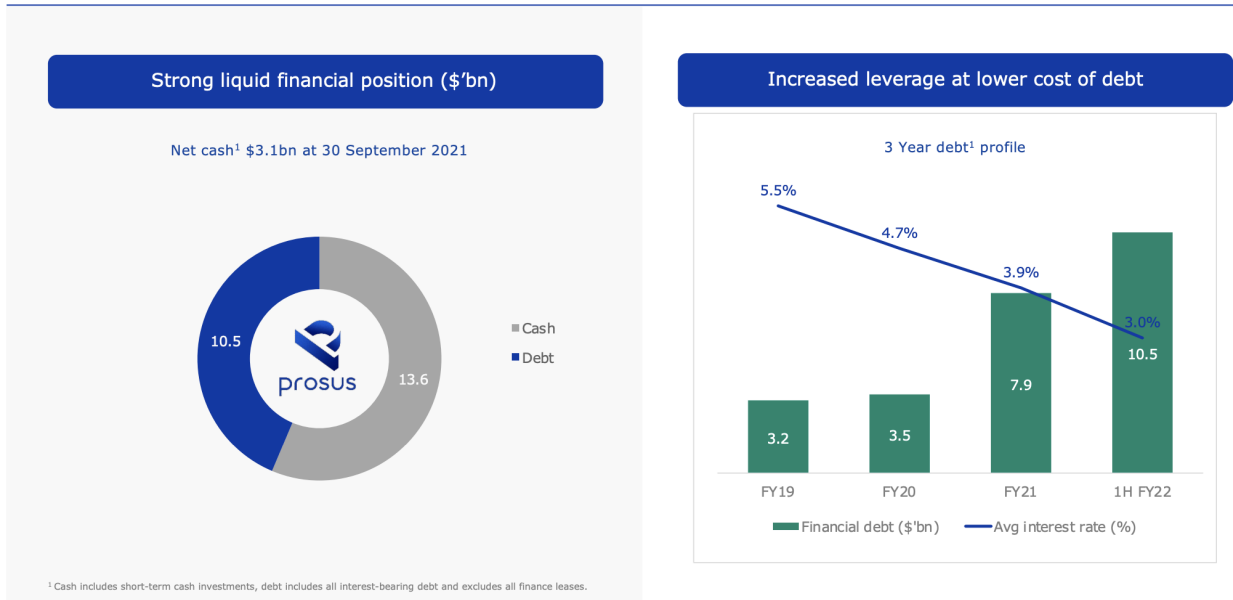
The company is still making acquisitions

Significant M&A during the period

Acquisitions/ Investments (US\$'bn)



Diversified sources of funding, proven access to debt market



With some of these acquisitions are funded by debt.

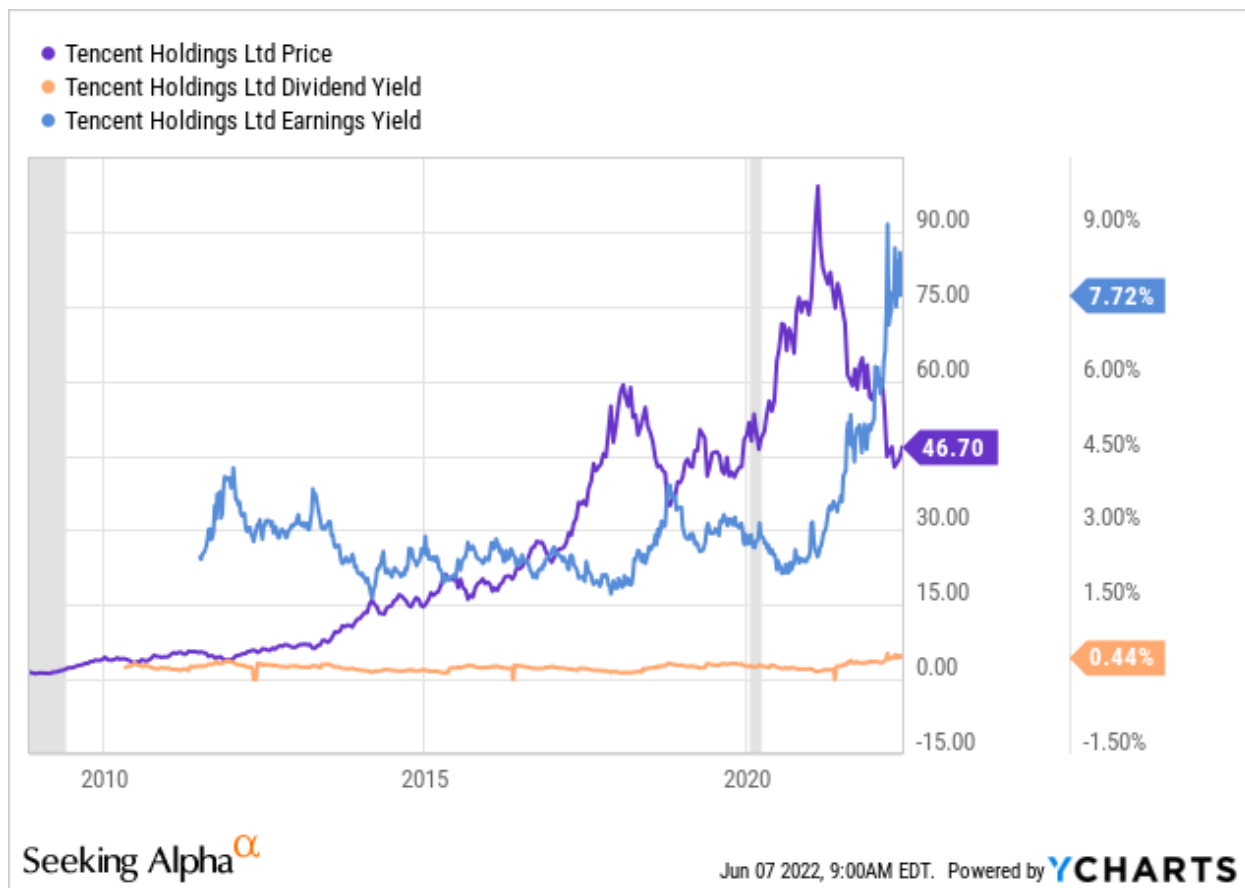
From the balance sheet, we can say that the debt increase is not a problem and with the lower interest rates, repaying these debts should not be an issue.

Key takeaways and thoughts for the future

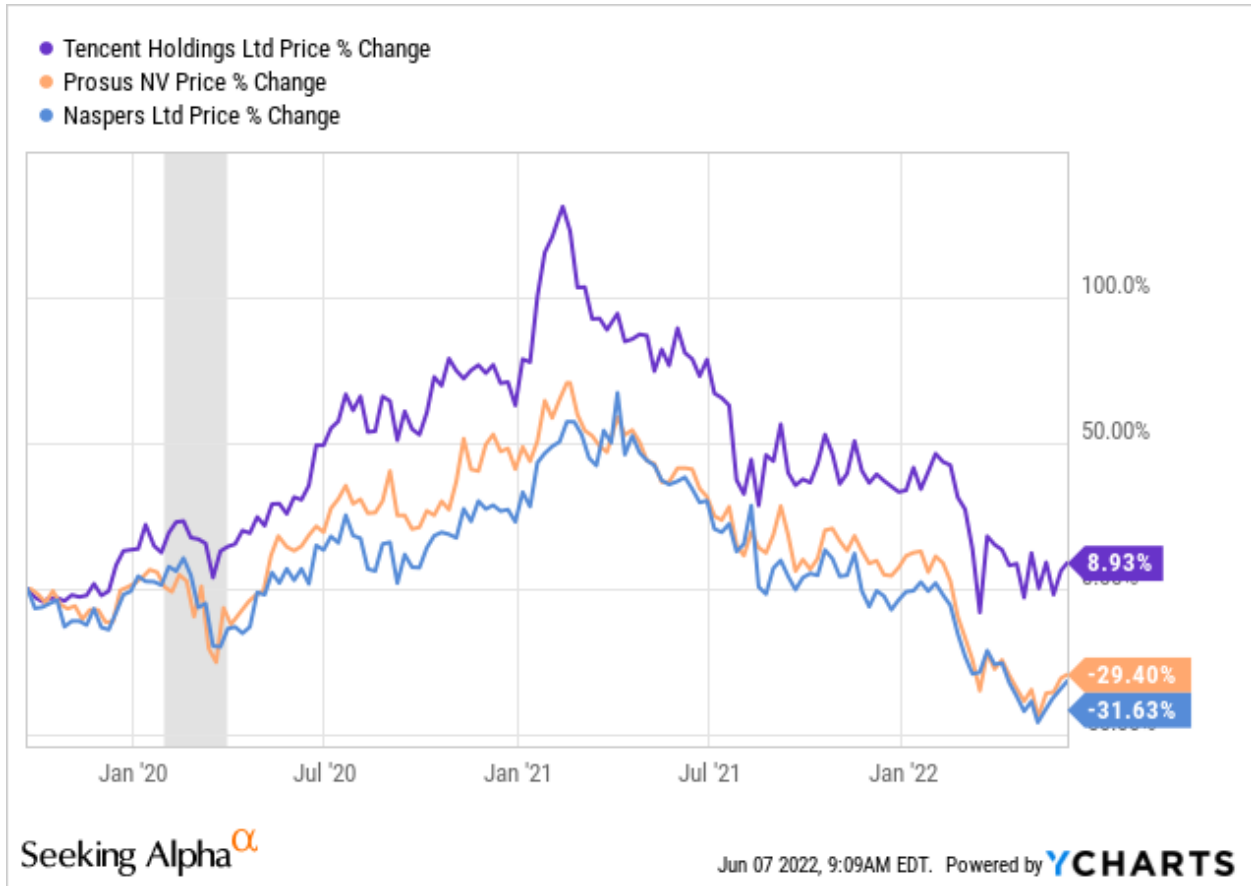


- 1 Our businesses are operating at scale and with momentum, leading to significant and consistent NAV accretion
- 2 We have an excellent track record of allocating capital wisely and we will invest further to expand the opportunity set of each our businesses and drive further NAV accretion across the portfolio
- 3 We remain strong believers in growth trajectory for Tencent and intend to remain investors for the long-term
- 4 We will deploy capital in a focused and disciplined manner to generate strong returns well ahead of the market, with a commitment to driving value through the integration of ESG into our strategy
- 5 We remain committed to taking the right actions to unlock value for all our stakeholders

We know that they are not going to sell all their shares of Tencent.

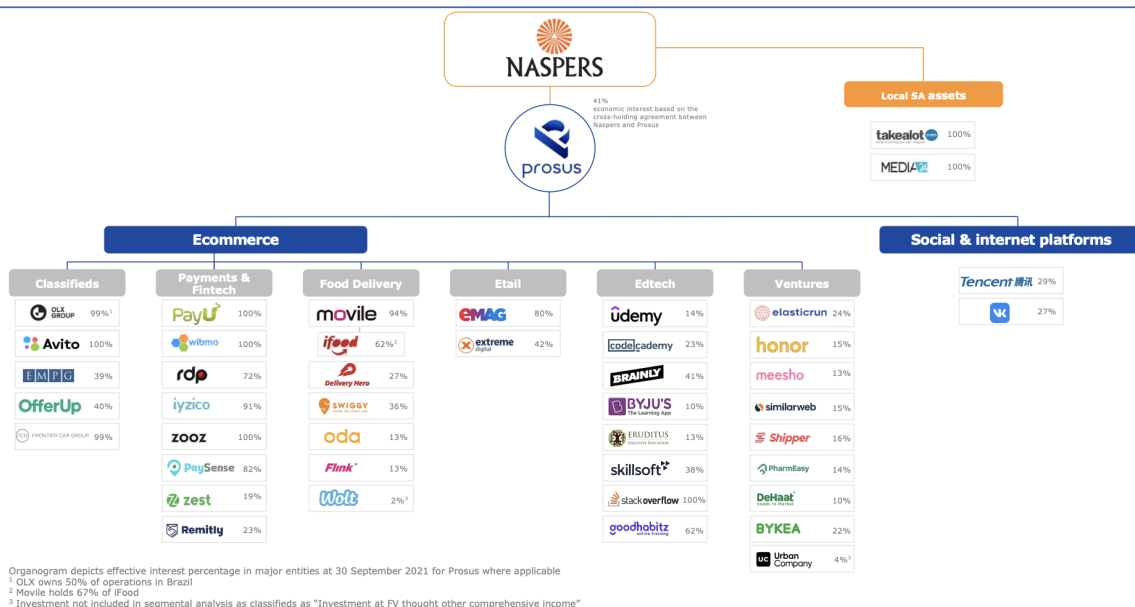


Tencent pays a small dividend, which will bring cash flow to Prosus to further make investments



The stock price of Prosus is correlated with that of Tencent as Tencent constitutes the largest part of its portfolio.

However, they own more than just Tencent



Let's look at the latest earnings of Prosus (HY22 ending in September 2021)

<https://presspage-production-content.s3.amazonaws.com/uploads/2658/prosusinterimresultsmediarelease22november2021.pdf?10000>

Group results	HY2022	HY2021	YoY change
Revenues	US\$16.6bn	US\$12.7bn	29%
Trading profit	US\$2.9bn	US\$2.7bn	8%
Core headline earnings	US\$2.3bn	US\$2.3bn	2%
Ecommerce portfolio results			
Revenues	US\$4.2bn	US\$2.6bn	53%
Trading loss	US\$372m	US\$214m	-59%
Food			
Revenues	US\$1.3bn	US\$610m	86%
Trading loss	US\$312m	US\$189m	-55%
Payments & Fintech			
Revenues	US\$359m	US\$252m	44%
Trading loss	US\$31m	US\$31m	0%
Classifieds			
Revenues	US\$1.3bn	US\$628m	101%
Trading profit	US\$108m	US\$29m	139%
Education technology			
Revenues	US\$120m	US\$51m	51%
Trading loss	US\$48m	US\$13m	-133%

<https://presspage-production-content.s3.amazonaws.com/uploads/2658/prosusinterimresults2021fullresultsbooklet.pdf?10000>

	Notes	Six months ended 30 September		Year ended 31 March
		2021 US\$m	2020 US\$m	2021 US\$m
Revenue from contracts with customers	7	3 065	2 173	5 116
Cost of providing services and sale of goods		(2 070)	(1 435)	(3 455)
Selling, general and administration expenses		(1 354)	(921)	(2 614)
Other gains/(losses) – net	9	55	(24)	(87)
Operating loss		(304)	(207)	(1 040)
Interest income	8	29	59	83
Interest expense	8	(180)	(108)	(262)
Other finance (costs)/income – net	8	(171)	(5)	177
Share of equity-accounted results ¹		4 074	2 875	7 095
Impairment of equity-accounted investments		(1)	(18)	(30)
Dilution gains/(losses) on equity-accounted investments	11	120	63	981
Gains on partial disposal of equity-accounted investments	11	12 339	19	19
Net (losses)/gains on acquisitions and disposals	9	(18)	211	309
Profit before taxation		15 888	2 889	7 332
Taxation ²		(69)	128	67
Profit for the period		15 819	3 017	7 399
Attributable to:				
Equity holders of the group		15 891	3 015	7 449
Non-controlling interests		(72)	2	(50)
		15 819	3 017	7 399
Per share information for the period (US cents)³	6			
Earnings per N ordinary share		1 007	186	459
Diluted earnings per N ordinary share		1 002	183	450
Headline earnings per N ordinary share		149	150	360
Diluted headline earnings per N ordinary share		144	147	351

¹ Includes equity-accounted results from associates. Refer to note 11.

² Refer to note 13 for details on the prior-year tax credit.

³ Current-period earnings per share information is presented per class of shareholders of the group as a result of the share exchange offer completed in August 2021. Refer to note 3 and note 6.

Most of the profits of the company come from their investments. This year, the equity accounted results could be negative and, hence, the company will record a loss.

	Notes	As at 30 September		As at
		2021 US\$'m	2020 US\$'m	31 March 2021 US\$'m
ASSETS				
Non-current assets		55 879	34 227	48 583
Property, plant and equipment		488	379	443
Goodwill	10	3 830	2 113	2 102
Other intangible assets	15	1 025	782	782
Investments in associates	11	47 916	29 638	40 556
Investments in joint ventures		153	51	158
Other investments and loans ¹	12	2 367	1 244	4 503
Other receivables		75	4	16
Deferred taxation		25	16	23
Current assets		14 957	10 973	7 145
Inventory		385	249	321
Trade receivables		174	116	150
Other receivables and loans		717	575	621
Derivative financial instruments		1	4	18
Other investments	12	27	11	1 253
Short-term investments		7 464	6 287	1 211
Cash and cash equivalents		6 189	3 664	3 571
		14 957	10 906	7 145
Assets classified as held for sale		-	67	-
TOTAL ASSETS		70 836	45 200	55 728
EQUITY AND LIABILITIES				
Capital and reserves attributable to the group's equity holders				
		54 648	36 086	43 069
Share capital and premium		39 192	613	612
Treasury shares*		(3 092)	-	(1 415)
Other reserves		(35 665)	2 077	5 818
Retained earnings		54 213	33 396	38 054
Non-controlling interests		20	212	117
TOTAL EQUITY		54 668	36 298	43 186
Non-current liabilities		11 380	6 232	8 535
Capitalised lease liabilities		163	175	173
Liabilities - interest-bearing	16	10 501	5 660	7 860
- non-interest-bearing		64	1	48
Other non-current liabilities		223	130	100
Cash-settled share-based payment liabilities	14	198	89	159
Deferred taxation		231	177	195
Current liabilities		4 788	2 670	4 007
Current portion of long-term debt		116	85	102
Trade payables		391	369	344
Accrued expenses ¹		1 696	999	1 448
Other current liabilities ¹		1 123	561	1 207
Cash-settled share-based payment liabilities ¹	14	1 191	410	897
Dividend payable		238	213	-
Bank overdrafts		33	4	9
		4 788	2 641	4 007
Liabilities classified as held for sale		-	29	-
TOTAL EQUITY AND LIABILITIES		70 836	45 200	55 728

You will notice that their investments are seems to be worth only \$47 billion

11. Investments in associates

The movement in the carrying value of the group's investments in associates is detailed in the table below.

	Six months ended 30 September		Year ended 31 March
	2021 US\$m	2020 US\$m	2021 US\$m
Opening balance	40 556	22 233	22 233
Associates acquired – gross consideration	4 223	836	2 342
Associates disposed of	(1)	(4)	(20)
Share of current-year changes in OCI and NAV	1 607	2 861	6 819
Share of equity-accounted results	4 087	2 880	7 114
Impairment	(1)	–	(9)
Dividends received	(571)	(458)	(458)
Foreign currency translation effects	211	1 211	1 546
Partial disposal of interest in associate ¹	(2 315)	(1)	(1)
Dilution gains/(losses) ²	120	80	990
Closing balance	47 916	29 638	40 556

¹ At 30 September 2021, gains on partial disposal recognised in the condensed consolidated income statement relate to the 2% disposal of Tencent Holdings Limited. The group recognised a gain on partial disposal of US\$12.34bn.

² The total dilution gains/(losses) presented in the income statement relates to the group's diluted effective interest in associates and the reclassification of a portion of the group's foreign currency translation reserves from other comprehensive income to the income statement following the shareholding dilutions. At 31 March 2021, the dilution gains relate primarily to the 4% dilution in the group's interest in Delivery Hero of US\$834.7m as a result of a shares issue.

It is because of accounting.

Only the initial investments are counted on the assets

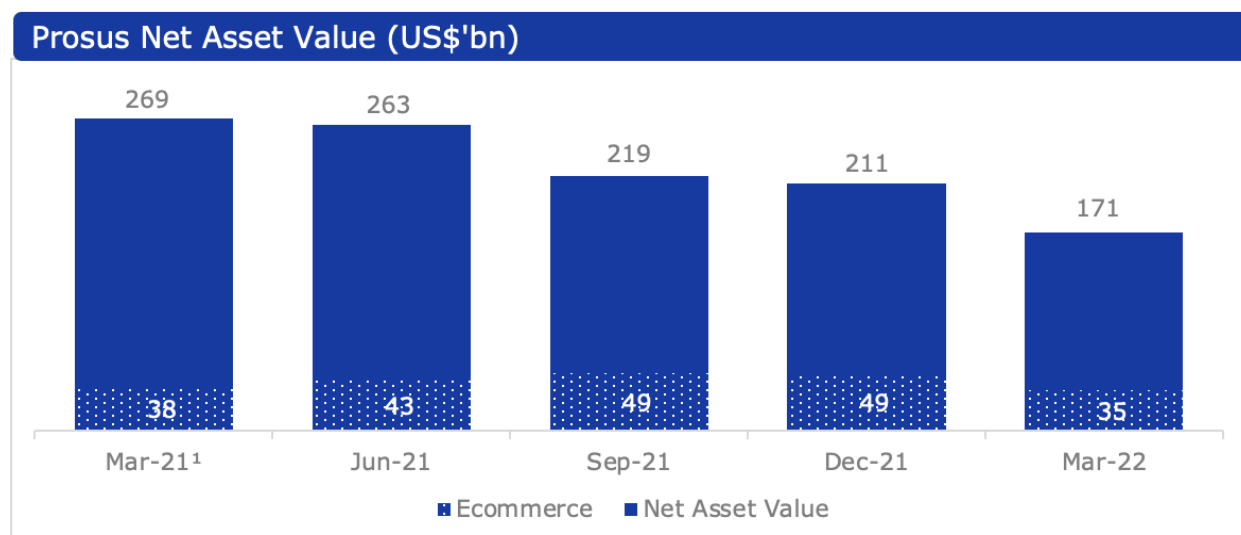
Here's how much are the real assets of Prosus

<https://www.prosus.com/news/net-asset-value/>

Net asset value calculation for Prosus - 31 March 2022			
Investment	Shares held ('m)	Share price (LC²)	Value (US\$'bn)
Listed assets³			141.2
Tencent	2 769	374	132.3
JD.com	132	234	3.9
Delivery Hero	68	40	3.0
Trip.com	33	23	0.8
Remitly	37	10	0.4
Skillssoft	50	6	0.3
Udemy	17	12	0.2
SimilarWeb	11	13	0.1
Sinch	15	64	0.1
Silvergate	0.1	151	0.01
Bakkt	2	6	0.01
Unlisted assets³			31.4
Classifieds (ex Avito) ⁴			7.5
Food Delivery			8.3
Payments & Fintech			4.0
Edtech			4.3
Etail ⁸			3.6
Ventures			1.9
Other ⁵			1.8
Asset value			172.6
Net cash / (debt)			(1.7)
Pro-forma cash ⁶			14.1
Pro-forma debt ⁷			(15.7)
Net asset value (\$'bn)			171.0
Net asset value (C'bn)			154.5
Net asset value per share (€)			108.8
Net asset value (ZAR'bn)			2 498
Net asset value per share (ZAR)			1 759
Net total shares in issue as at 31 March 2022 (m)			1 419.8
Asset value segmental summary (Listed + Unlisted assets)			172.6
Social & Internet Platforms			136.2
Ecommerce			36.2
Classifieds			7.5
Food Delivery			11.4
Payments & Fintech			4.4
Edtech			4.8
Etail ⁸			3.6
Ventures			2.1
Ecommerce other			2.4
Other (ex Ecommerce other)			0.2

The NAV is \$171 billion with Tencent 77% of the total

Prosus NAV has been declining with the decline in the price of Tencent mainly



Prosus Net Asset Value (US\$'bn)					
	Mar-21¹	Jun-21	Sep-21	Dec-21	Mar-22
Social & Internet Platforms ¹	234	210	166	163	136
Ecommerce	38	43	49	49	35
Other	-	-	1	1	1
Net cash / (debt)	(3)	10	3	(0)	(2)
Net Asset Value	269	263	219	212	171

Notes
1. Prosus disposed of 2% of Tencent in April 2021.

Let's calculate the intrinsic value of Prosus

We could use the NAV.

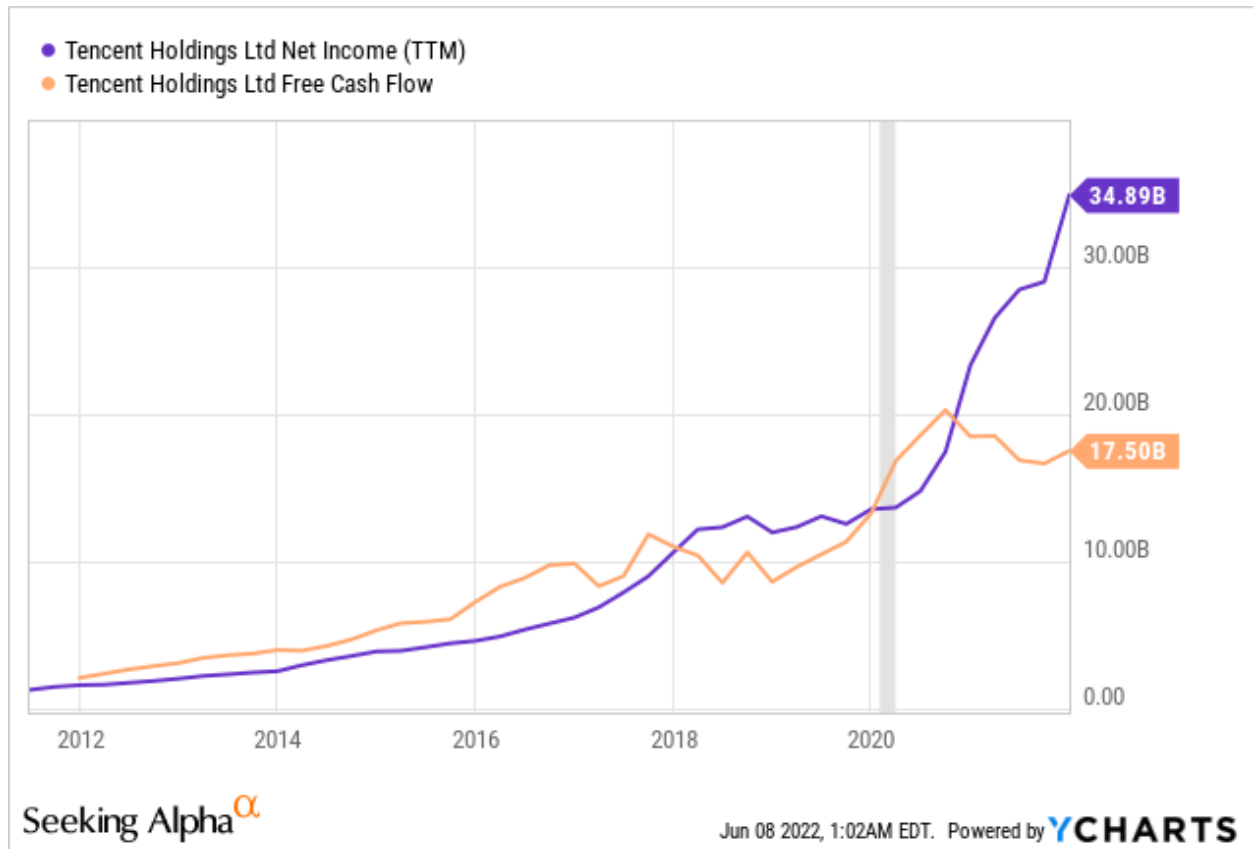
At the current market cap of about \$103 billion, the discount is at 40%.

<https://anchorcapital.co.za/company-research/some-thoughts-on-naspers-prosus-and-tencents-recent-share-price-volatility/>

Figure 4: Prosus discount to NAV



Another way we could calculate the intrinsic value is through discounted earnings.



We know that the net income of Tencent is \$34.9 billion in the TTM.

28% of Tencent is owned by Prosus. Therefore, they are eligible to \$9.8 billion in net income. If we assume \$200 million in net income for the other business (with a margin of safety), the net income for Prosus will be \$10 billion. The company has a PE ratio of about 10.

Assume annual growth of 15% in net income (34% for Tencent in the last 5 years) with a discount rate of 18% and a terminal growth rate of 5%.

Prosus has an intrinsic value of \$114 billion.

Year	Net Income	Disounted NI
TTM	\$ 10.0	
Year 1	\$ 11.5	\$ 9.7
Year 2	\$ 13.2	\$ 9.5
Year 3	\$ 15.2	\$ 9.3
Year 4	\$ 17.5	\$ 9.0
Year 5	\$ 20.1	\$ 8.8
Terminal Value		\$ 67.7
Intrinsic Value		\$ 114.0
Per share (EUR)		\$ 55.0

Which means that it is undervalued.

Let's have a look at the exit multiples. We will consider net income in 2026

Assume no change in shares outstanding

+20% in the bull case and -20% in the bear case

2026 Net Income/share		2026 Price/Earnings Ratio				
		5	10	15	20	25
Bull	\$ 11.57	\$ 57.84	\$ 115.68	\$ 173.52	\$ 231.36	\$ 289.20
Base	\$ 9.64	\$ 48.20	\$ 96.40	\$ 144.60	\$ 192.80	\$ 241.00
Bear	\$ 7.71	\$ 38.56	\$ 77.12	\$ 115.68	\$ 154.24	\$ 192.80
Returns @	\$ 48.00	-20%	101%	201%	302%	503%
CAGR		-4%	15%	25%	32%	43%
Probability		10%	20%	40%	20%	10%
Expectation	23%	0%	3%	10%	6%	4%

The expected returns on Prosus is good.

I believe that Prosus is a good investment.

The main catalyst for the investment is based on the balance sheet but even through earnings, we can see the undervaluation.

Just the Tencent holdings are worth more than the stock.

This is certainly not a Berkshire Hathaway. They had an amazing investment and then, other investments were average. But because of this discount on the NAV, it is still a buy.

They have several options of them to unlock value such as share buybacks or even Tencent paying more dividends.