



Growing by diversification



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Short history of Infostud (1)

- Beginnings
 - Founded in end of 2000.
 - Name origin – **I**nformation for **S**tudents
 - Jobs section introduced in 2003.
- First successful acquisition
 - Used cars in 2008.
- and those less successful:
 - Tourism 2009.
 - Tyres 2011.
- Decentralization
 - Autonomy for individual businesses
 - Changed from shared to dedicated IT teams

Short history of Infostud (2)

- This allowed for business/baby boom to begin in 2015:
 - IT jobs and IT glassdoor website
 - Blue collar job app
 - Insurance sales
 - Real estate
 - Spare parts
 - Rejuvenated tyres sales
 - Online courses (minority investment)
- Significant investments in new businesses in 2016 (cc 35-40% of profit)

Logic behind our decisions

- Possible directions of expansion for classified vertical business
 - New verticals
 - New niches
 - Business “in proximity” of existing businesses
 - Minority investments

New verticals – used cars

- Very successful entering of used car niche
- Acquired polovniautomobili.com in 2008
 - One of two market leaders with comparable results
 - Managed to win competition
- Now we are absolute leaders on our market
 - Last few years growth 25-35%
- When is purchase feasible
 - Underdeveloped market
 - Early, risky investments in new models



New verticals (2) – real estate in 2016

- Hard to enter new verticals this late in the game
 - Exception, not a rule
- If there is a present incumbent and clear leader low chance of success + extreme cost
- Why did we enter real estate
 - No clear leader, two dominant sites
 - Poor mobile presence of leaders, lack of innovation
 - Enough of defensive, let's go in offensive 😊
- Results so far
 - Visitorship grew 4,5 times yoy
 - Income grew 100% yoy
 - Hope to reach break even in 2019



New niches

- Businesses close to main, successful verticals
 - Lower cost of entrance, due to free/cheap marketing
 - Increasing income, customer base and/or visitorship
 - Preventing competition from entering lucrative niches
- Dedicated teams give much better results in building niches (team members have to have full focus on niche they are building)



- IT is very popular in Serbia
- Idea – attract IT specialist with useful/unique content
 - Vertical aggregator (jobs from Infostud are more visible)
 - IT company reviews by employees (Serbian IT Glassdoor)
 - Information about IT companies, events and career
- Results
 - +50% visitorship growth yoy for 2 years
 - 25-30% of IT job applications on Infostud are made through helloworld.rs
 - Significantly better quality applications

Blue collar jobs niche – Poslonaut

- Geolocation job app for blue collar position
- Currently trend in Europe (Cornerjob, jobandtalent, JobToday)
- Blue collar jobs
 - High turnover rate
 - Regular job ads too expensive and yield bad results
 - Less info needed from applicant
 - Lower salaries increase importance of location
- Stable and scalable technology, already licensed to a new market



Spare parts + other vehicles niches

- Most niches present as integral part on our used car website
- As they've matured, we've started to charge them
 - spare parts
- We have team focused on development of spare parts (most income after used cars)
- Income from non-used car dealers is 20-30% of all income from dealers

Businesses in proximity

- We were willing to invest outside of our classifieds businesses. Conditions:
 - Synergy with existing businesses
 - Outside team with proof of concept
 - Enough internal capacities to provide support

Online insurance sales – osiguranik.com

- Underdeveloped market in Serbia
- Integrating and comparing insurance offers
- Good synergy with used car business
- Good synergy with clients of jobs website
- Acquired majority stake, founder is still running business
- We expect to hit break even in 1-2 years max



Tyres e-shop – ipg.rs

- Purchased in 2011 as a leader
- Made big losses in next few years due to:
 - Treating e-commerce business as classified one
 - Bad pricing strategy
- We've changed management, set focus to scale
- 2016 vs 2015 growth in tyre numbers +150%
- 2017 goal of more than +40% growth
- Still not profitable, expecting to become soon
- Possibility of expanding into other products



Minority investment – www.krojacevaskola.rs

- One of the leading IT schools in Serbia wanted to go online
- We have provided finances and coaching
- High quality e-courses in IT and digital
- Large investment in software and teachers, hard to follow by competition
- Promising first results
- If we succeed next step is international expansion
 - Local partners to provide lessons localization and marketing



The X projects

- Apart from these businesses/projects we have X2 and X3 projects
- We cannot disclose them yet (Google terminology)
- X1 – our real estate vertical, before we went public with it



Why are we expanding so much?

- Small local market, limits to our growth
- We have knowledge and experience to win (at least) on some of those new markets
- Goal of this presentation – to inspire you to find new areas to grow
- And, why not, we could become partners in some of these niches 😊

Thank you for your attention