



MultiChoice Group – 2020 AGM

The leading video entertainment platform in Africa



MULTIChoice
ENRICHING LIVES





Operational Review

Delivered on our FY20 commitments to shareholders

FY20 Commitments

Drive subscriber growth

Deliver solid financials

Invest more in local content

Optimise cost base

Shareholder alignment

FY20 Highlights



Increased subscriber base⁽¹⁾ by 5% YoY to 19.5m
39% YoY growth in monthly active Connected Video (OTT) users
Achieved solid growth despite tough environment in many markets



Revenue up 3% YoY to R51.4bn; Trading profit up 14% YoY to R8.0bn; 2pp margin expansion
Core headline earnings up 38% YoY to R2.5bn (+57% excluding PN minority impact)
Free cash flow up 59% to R5.2bn



Produced 3 850 additional hours of local content
Local content library now exceeds 56 800 hours
Local content accounted for 40% of total GE content spend (41% in constant currency)



Delivered annual cost savings of R1.4bn
Achieved 5pp positive operating leverage (growth in revenue > growth in costs)
Reduced losses in RoA by 22% (47% organically)

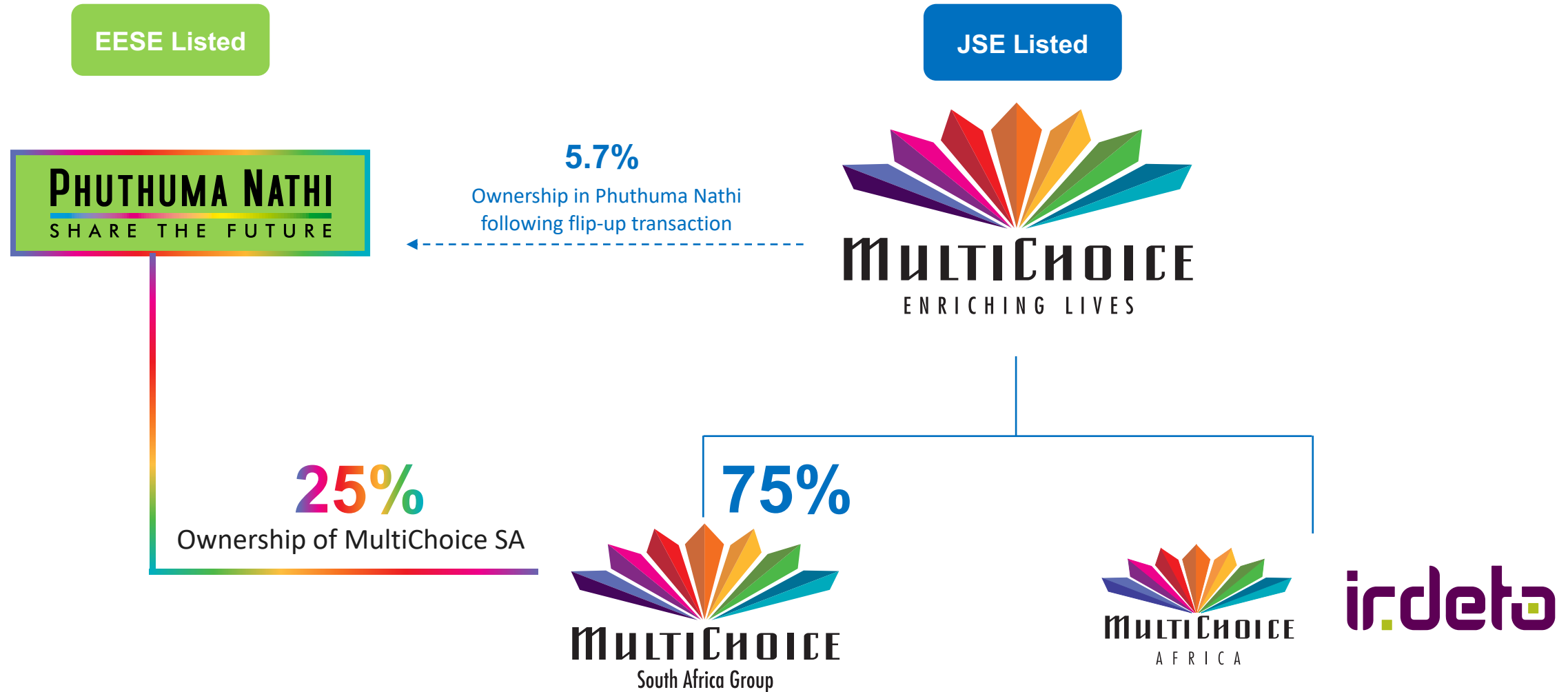


Completed PN 'flip-up' transaction⁽²⁾
Revised remuneration policy (with shareholder input) to be tabled at AGM
Share buy-back programme returned an additional R1.7bn to shareholders
Declared R2.5bn maiden dividend

(1) Based on 90-day active subscribers, defined as all subscribers that have an active primary/principal subscription within the 90-day period on or before reporting date

(2) Transaction whereby shareholders in Phuthuma Nathi were given the option to exchange up to 20% of their shares in Phuthuma Nathi for shares in MCG at a defined exchange ratio. The offer closed on 28 October 2019

Completed the Phuthuma Nathi flip-up transaction



Revised our Remuneration Policy with input from shareholders

1	Malus and claw back¹	Malus and claw back provisions applicable to variable pay for all executives
2	Share scheme cap¹	Share scheme cap reduced from 10% to 5% of issued share capital
3	Minimum shareholding requirements (MSR)	MSR increased to 3x salary (CEO) and 2x salary (CFO) by 2024
4	Disclosure on performance hurdles	Introduced additional disclosures on performance hurdles for STIs and PSUs (LTIs)
5	Performance-based awards	Increased PSU:RSU ratio from 50:50 to 75:25 from 2021 awards onward
6	Timing of vesting¹	Vesting period extended to 3 years for all LTIs (50:50 in years 3 and 4 for RSUs)

(1) Subject to shareholder approval at the 2020 Annual General Meeting (AGM)

COVID-19: took action and provided an uninterrupted service

CUSTOMERS

KIDS AND EDUCATION

content enhanced and made available to all packages

POP-UP CHANNELS

introduced for a variety of genres

FREE NEWS SERVICES

for non-subscribers on DStv Now

DISCOUNTS TO HOSPITALITY BUSINESSES

VALUE ADDED SERVICES

Showmax discounts, box office discounts and free credits, Joox music available for free to all subscribers

PEOPLE

TRAVEL BANS

From end January

REMOTE WORKING

including customer care staff (July)

PRIVATE TRANSPORT

for onsite staff

STRICT OFFICE HYGIENE

including onsite nurse

EMPLOYEE WELLNESS

seminars on wellness and financial management, tutoring for children, counselling services

COMMUNITY

R118M INDUSTRY RELIEF

- **R94m** salaries for cast, crew and creatives (March and April)
- **R24m** income support for SuperSport freelancers

R28M DONATION OF PPE

in partnership with Kaizer Chiefs and Orlando Pirates



ONLINE LEARNING

launched various online learning options for subscribers and industry

Strategic objectives for FY21

Lead in content; differentiate in local and sport



Substantial ramp up in local content production

Leverage scale and enhance ecosystem

Pursue new product opportunities; complete integration of 3rd party OTT services onto Explora decoder



Drive growth and retention



Maintain and grow subscriber base in context of challenging consumer environment

Accelerate OTT capabilities

Continue to drive Showmax paying subscriber base; launch DStv Streaming product



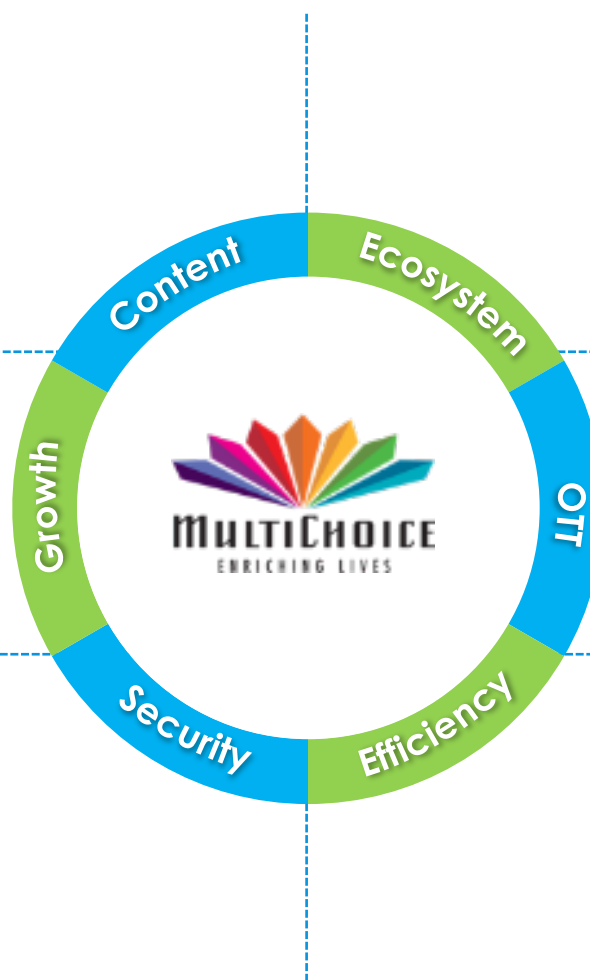
Pursue global digital platform security leadership



Focus on new customer wins and progress in connected industries

Maintain operational excellence & cost reduction

Strategic programmes to enhance critical systems and AI capabilities, coupled with rigorous cost saving agenda

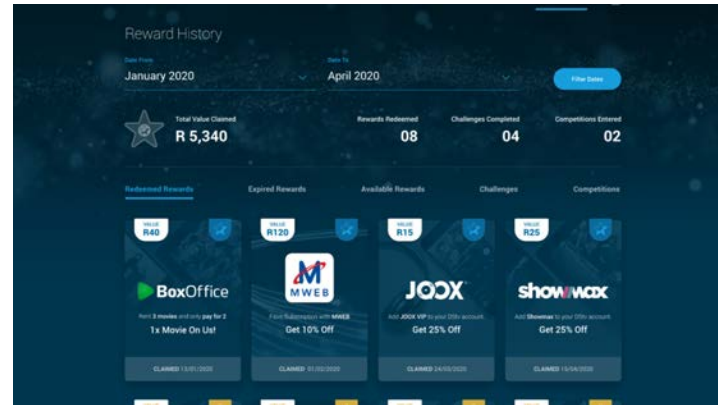


Exciting plans for the year ahead

Add Movies



DStv Rewards



DStv Communities



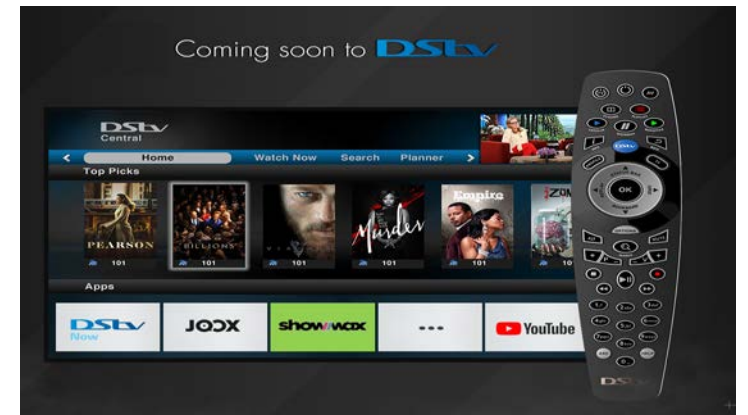
DStv Streaming



Showmax Pro



Integration of online partners





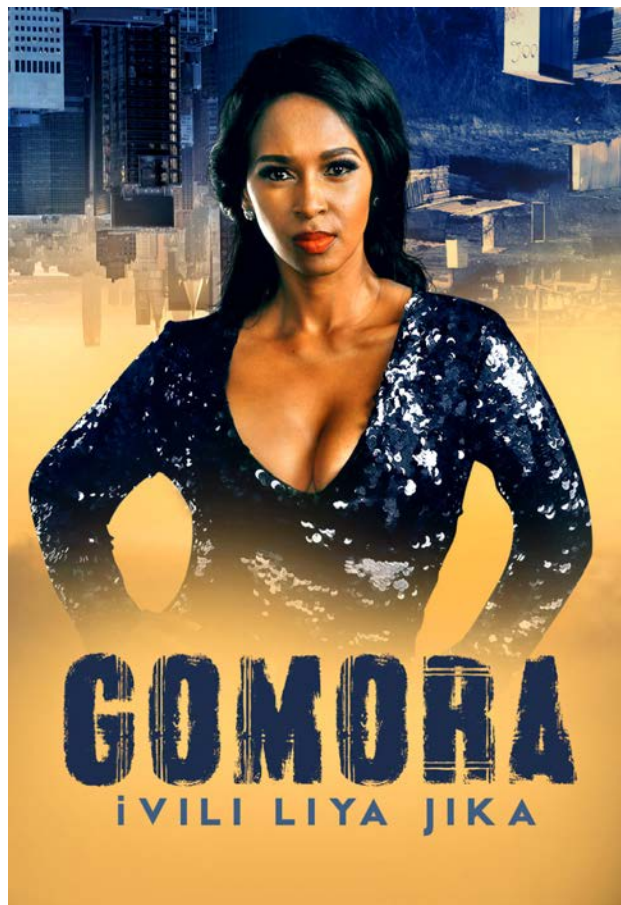
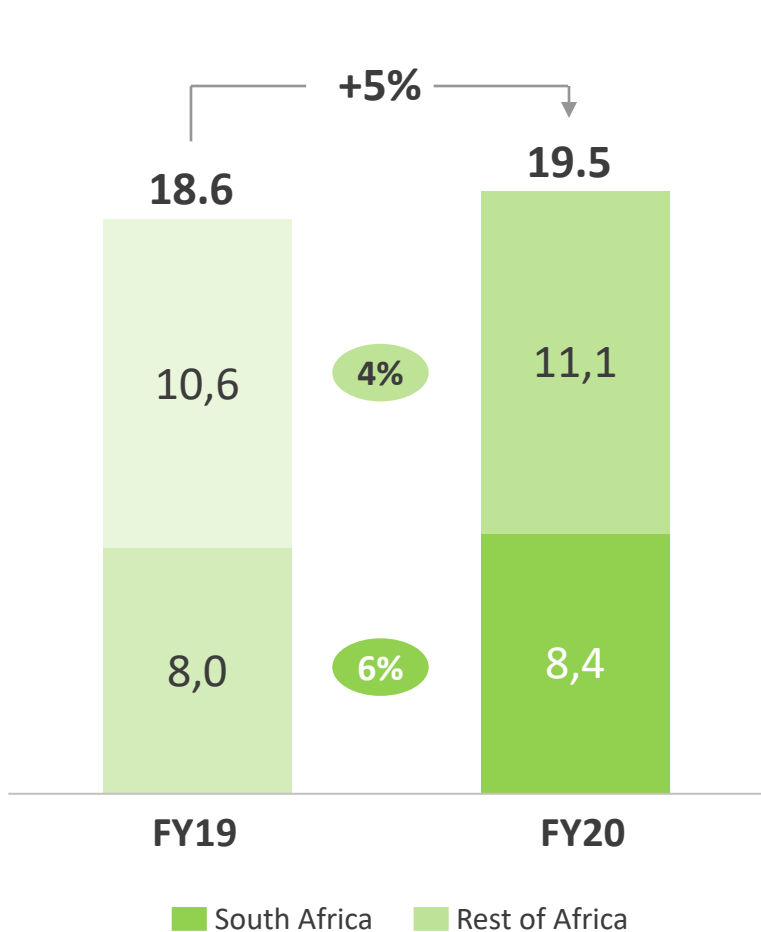
Financial Review

FY20: key financial highlights

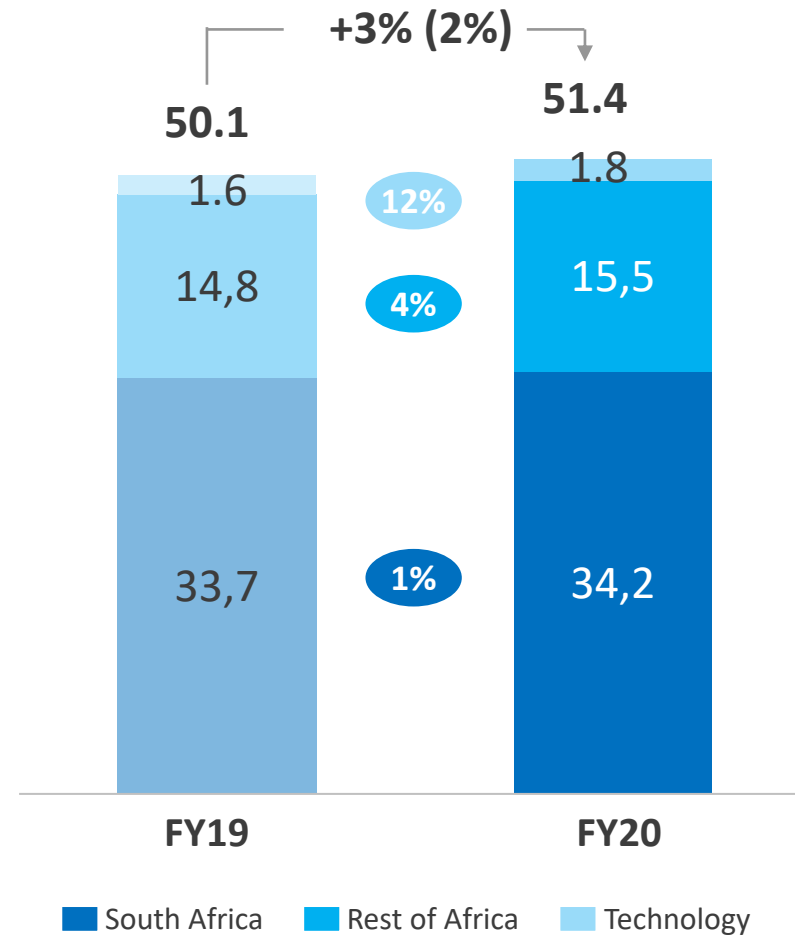
- 1 Modest revenue growth in challenging conditions
- 2 Tight cost control underpins margin expansion
- 3 Healthy momentum in core headline earnings
- 4 Substantial growth in free cash flow
- 5 Strong balance sheet to weather uncertainties

Steady subscriber growth mainly driven by mass-market

Subscribers (m)¹



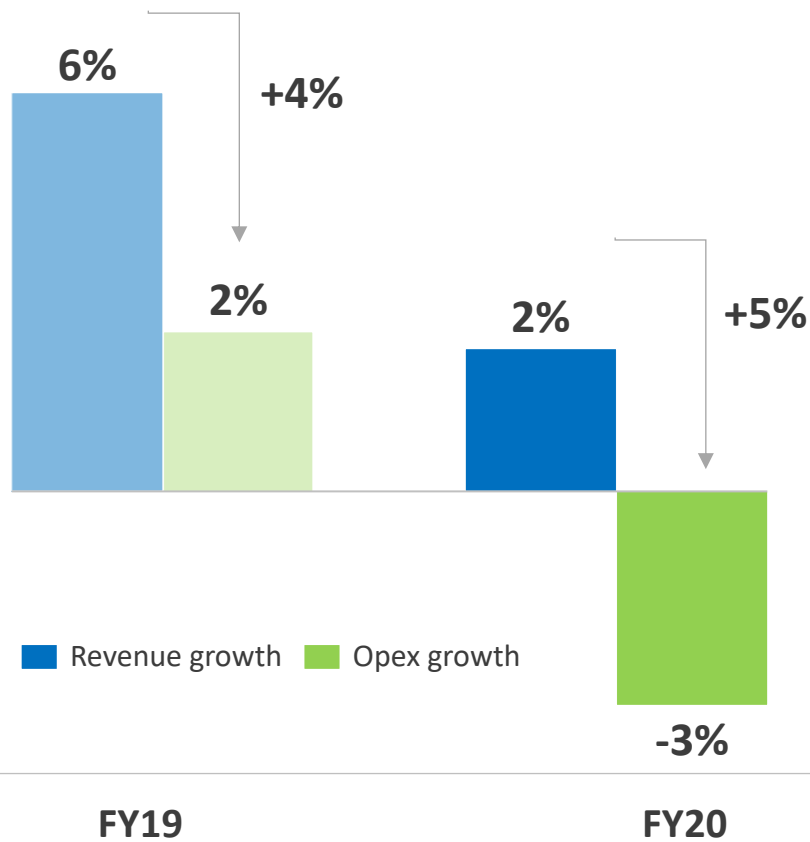
Revenue (ZARbn)²



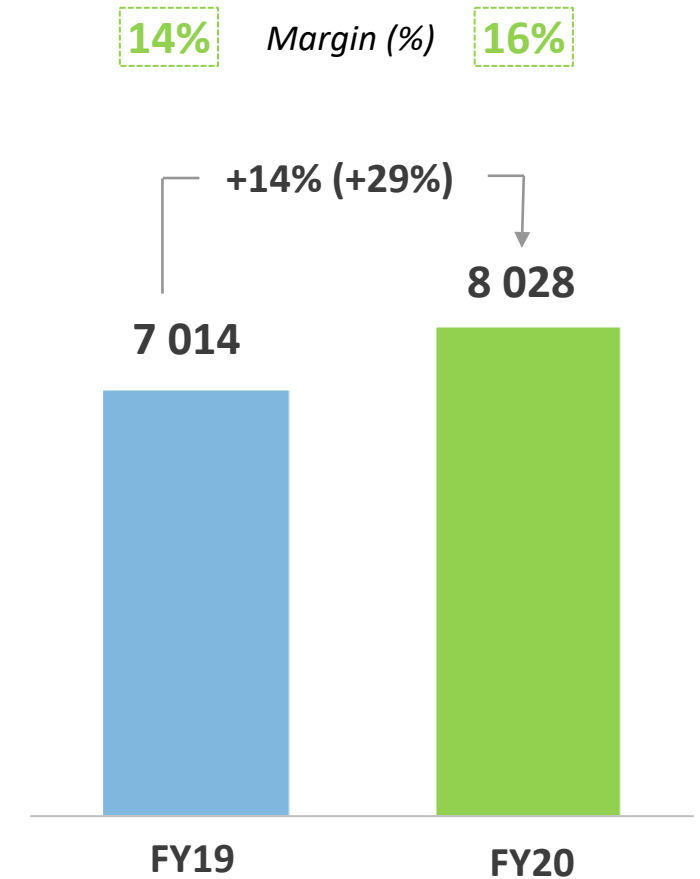
(1) Defined as all subscribers that have an active primary/principal subscription within the 90-day period on or before reporting date. Note: our primary metric for reporting subscribers has changed effective 1 April 2019 from active at the reporting date to 90-day active
 (2) Percentages reflect year-on-year growth. Numbers in brackets represent year-on-year organic growth (in constant currency, excluding M&A) on a like-for-like basis

Cost base well contained due to successful cost savings programme

Operating leverage ^{1,2}



Trading profit (ZARm) ²



(1) Represents year-on-year organic growth (in constant currency, excluding M&A) on a like-for-like basis

(2) Percentages reflect year-on-year growth. Numbers in brackets represent year-on-year organic growth (in constant currency, excluding M&A) on a like-for-like basis

Strong balance sheet allows for R2.5bn dividend

Liquidity position: FY20



Cash position
ZAR9.1bn
(FY19: R6.7bn)



Undrawn facilities
ZAR5.0bn
(FY19: R3.5bn)

Total available funds
ZAR14.1bn



Planned cash commitments

MCG year-end dividend
ZAR2.5bn



Settlement of PN dividend
ZAR1.4bn

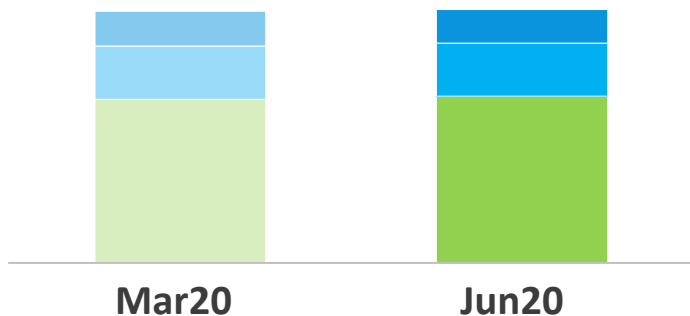


Remaining liquidity
ZAR10.2bn

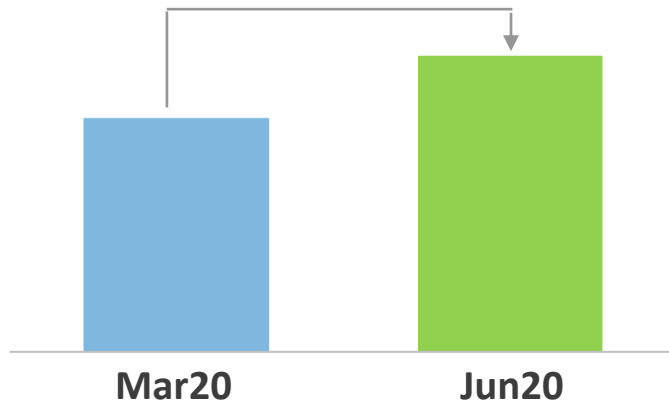
FY21 YTD trends

Subscribers (m)¹: growth/mix

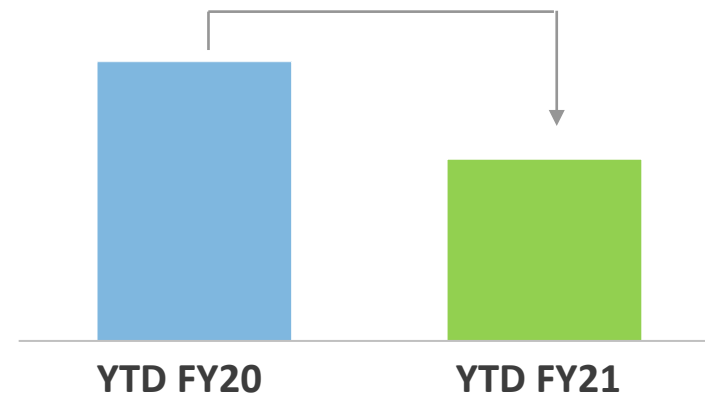
■ Premium
 ■ Mid market
 ■ Mass market



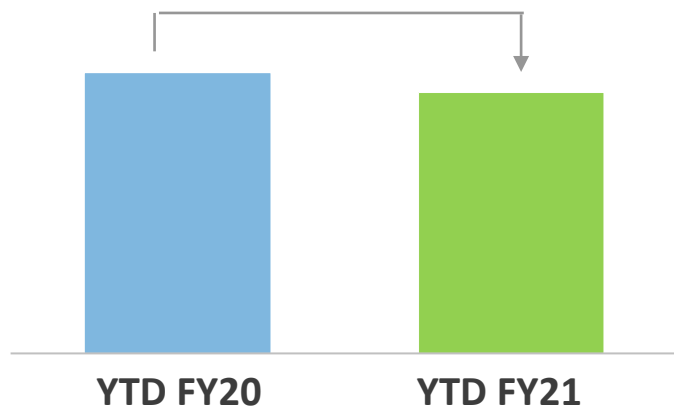
OTT user growth



Advertising revenue



Programming costs²



ZAR/USD



Naira/USD



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 (2) Programming costs excludes savings as a result of timing differences due to sporting events being postponed as opposed to cancelled.

MCG: relatively well-positioned in an uncertain world

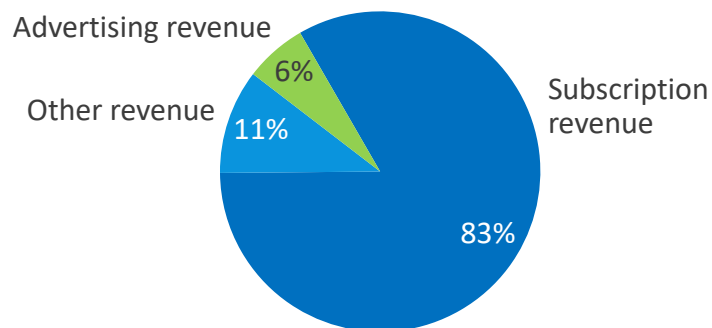
Sought after product
as people spend more time at home



Scale and diversity
large diverse customer base and footprint



Robust business model
low reliance on advertising



Strong balance sheet
security to weather the macro storm



Cash position
ZAR9.1bn
(+R5bn in undrawn facilities)



Implications of COVID-19
uncertain and uncontrollable,
but...



We are pursuing an
accelerated cost savings
programme
to counter potential impact



Content negotiations



Set-top box subsidies



Contract renegotiations,
efficiencies from digitisation,
reduced travel costs, etc.



Thank you!

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