# **MultiChoice Group** FY24 Results

MULTICHOICE
ENRICHING LIVES

1. Overview
2. Operations
3. Financials
4. Outlook

# 1.Overview

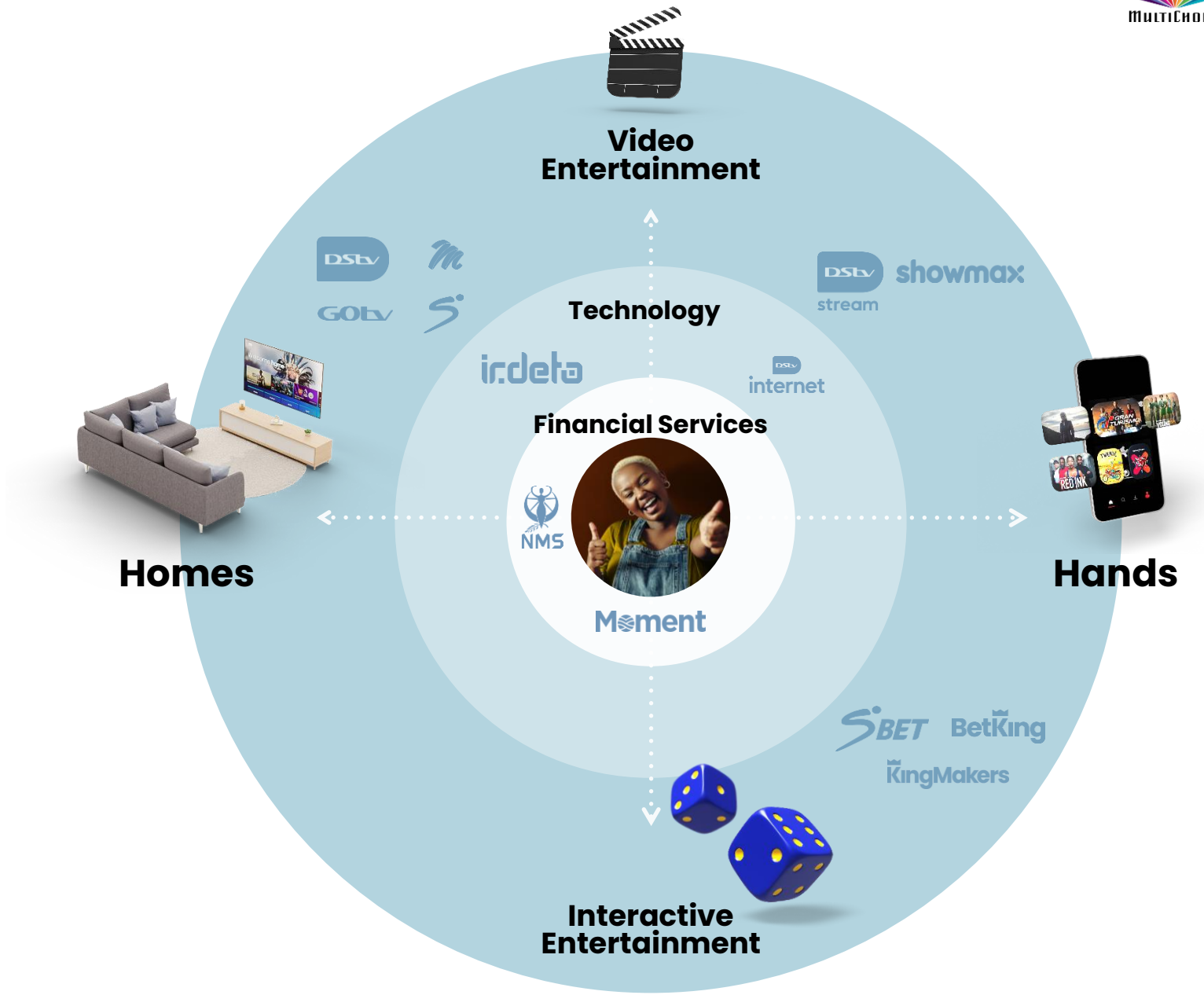
MULTICHOICE
ENRICHING LIVES

## Our Vision

# Africa's Entertainment Platform of choice

**Financial services** : The means to afford and pay for it.
**Technology** : Making it easy to access.
**Video & interactive entertainment** : A choice of entertainment they love.
**At home or in their hands** : Wherever they choose to enjoy it.

**~21m households**
**~100m individuals** (1)




## Innovate.Partner.Invest

To grow from our core linear video business,
to developing and scaling our OTT and interactive entertainment services.

(1)~21m based on 90-day active subscribers as at 31 March 2024; ~100m figure based on an average of ~5 people per household

# Utilising our footprint to sell the entire portfolio of products …

**and catering for our customers' entertainment needs, whether in their homes or on the move**

## Homes

The ultimate aggregator. One place to browse, buy and consume all my content across all my services and giving Showmax a competitive advantage

DStv · DStv stream · GOtv

**Lean back focused. Stream friendly**

Digital access (Extra Stream) to all your content on the go

## Hands

Africa's original streaming service, for the best local and international entertainment + mobile only sport packs

showmax · KingMakers · SBET

**Stream focused. Lean back friendly**

General entertainment can be enjoyed on any device.

**FLTE** – Fixed Long-Term Evolution/high speed connectivity **ATB** – Add to Bill **FTA** – Free to Air

# Resilient performance whilst expanding our platform

1

**Delivered SA trading margin above mid-point**

**26%**

SA trading profit margin

2

**Increased trading profit in RoA**

**+48%**

trading profit

3

**Generated significant cost savings**

**R1.9bn**

Cost savings

**R1.5bn**

Subsidy reduction

4

**Successfully launched new growth initiatives**

showmax

Moment

SBET

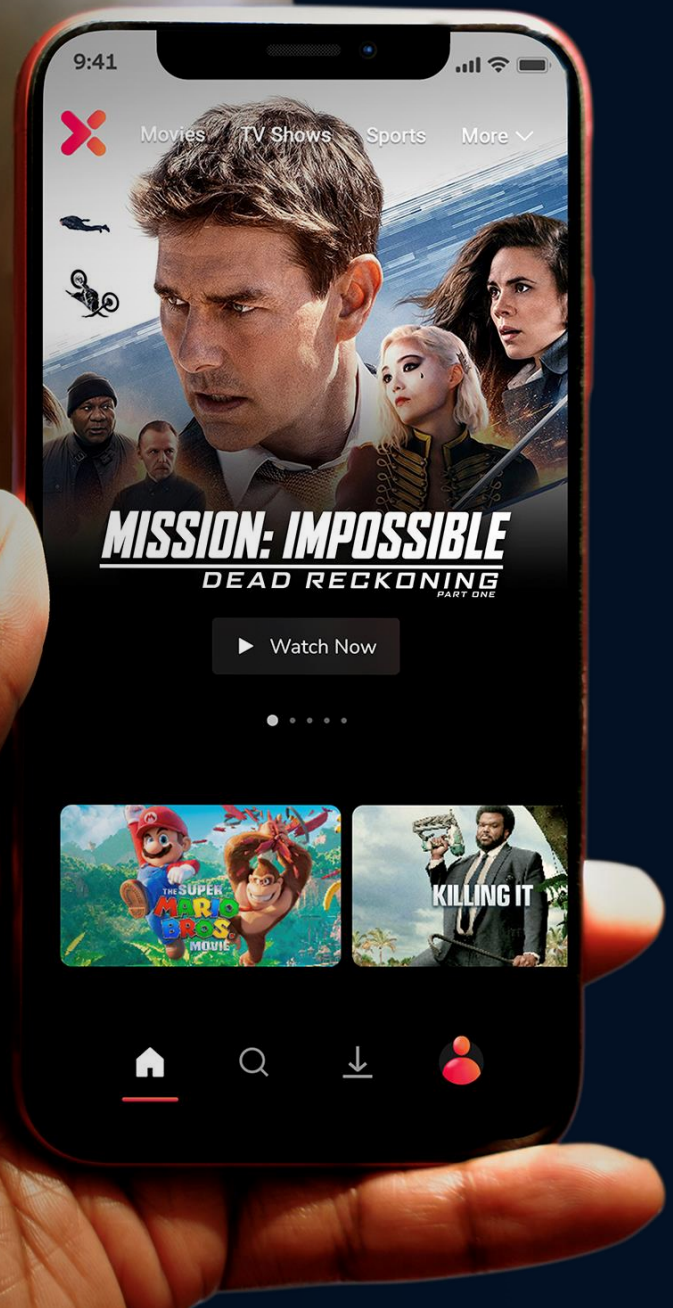
showmax

# Our recipe for success across 44 markets

**100%**
of subscribers migrated to new platform

**>88%**
of migrated subscribers activated and paying

**16%**
growth in paying subscriber base since re-launch




## Compelling content

showmax ORIGINALS · Premier League · MZANSI MAGIC · nickelodeon
UNIVERSAL · sky · HBO · NBC
WARNER BROS · SONY PICTURES · BBC STUDIOS · DREAMWORKS
LIONSGATE · TELEMUNDO · Paramount · itv

## Unbeatable pricing

**Entertainment**
From
R39PM
MOBILE ONLY

**Premier League**
R69PM
MOBILE ONLY

**Entertainment + Premier League**
From
R99PM
MOBILE ONLY

# Enhancing local and international content slate

**84 871**

total hours in local content library +12% YoY

**52%**

local content as % of GE spend (FY23: 50)[1]

**4%**

YoY increase in local content spend

## 3 new local proprietary channels in RoA

Maaddii Abol

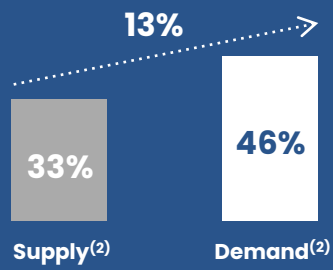
MANINGUE KOOL

pm

## Secured international content

WARNER BROS · NBC · BBC STUDIOS · MGM · Paramount · UNIVERSAL · HBO · DREAMWORKS

## An audience still hungry for local content




(1) GE spend refers to general entertainment content spend, including content for the Showmax platform, but excluding sport

(2) Supply = local content share of broadcast minutes; Demand = local content share of viewing minutes; calculations based on average of internal data for South African, Nigerian and Kenyan markets

SuperSport

# More live sport than any broadcaster in the world

**34 490**

live events broadcast
+39% YOY(1)

**30.1m**

following on social media

**8%**

YOY increase in investment in local sports content

## Renewal of popular sport rights

## RWC achievements

- >8.5m unique linear viewers
- 833k unique users on DStv stream
- Multi-language commentary
- isiXhosa magazine show “Mayibuye”

## Producing riveting documentaries

CHASING THE SUN 2

(1) Includes international and local, linear and OTT broadcasts, excludes SuperSport Schools.

## Growing strongly

- Doubled registered base
- Displayed >49,000 hours of live content
- Covered 43 different sporting codes, 900 sport festivals, more than 1,100 schools and over 14,500 teams.

## Successful 2nd season

- 1st ever UHD originated broadcast in Africa
- Average linear audience up 23% YoY
- Peak audience 35% higher than PY
- Investment yielding positive results (dividends received after year 1)

# 2.Operations

MULTICHOICE
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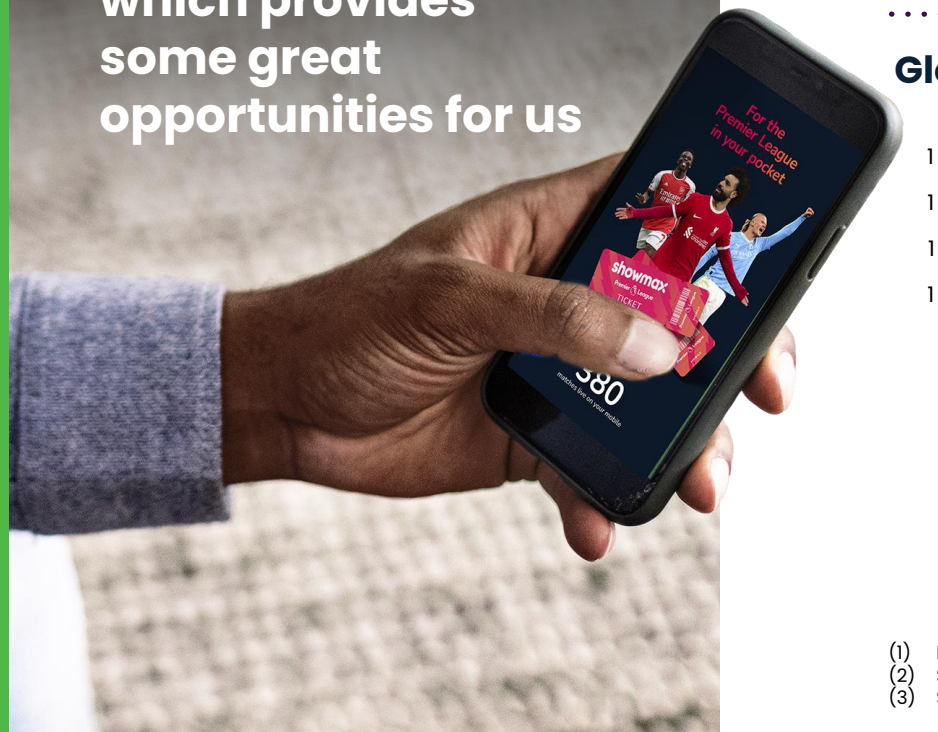
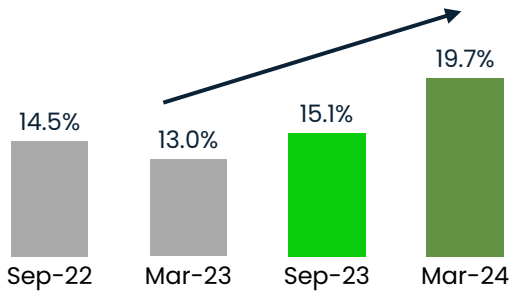
# Consumers have been under increasing pressure

**Their needs are also changing, which provides some great opportunities for us**

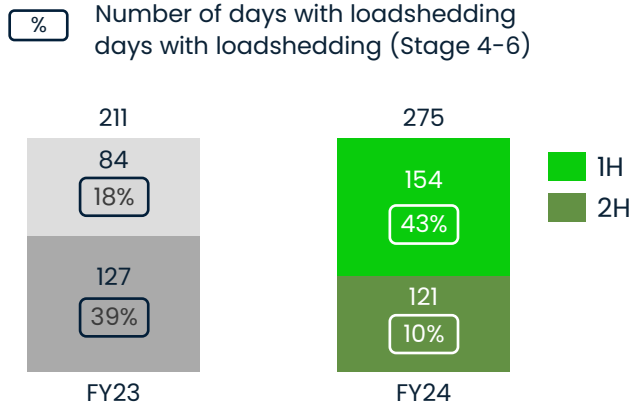



## Higher inflation ...
across our major markets in RoA

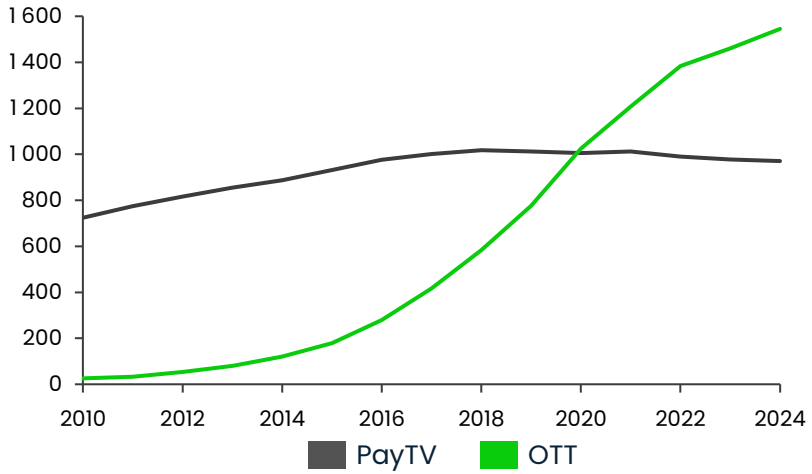
Average inflation across key markets in RoA[1]



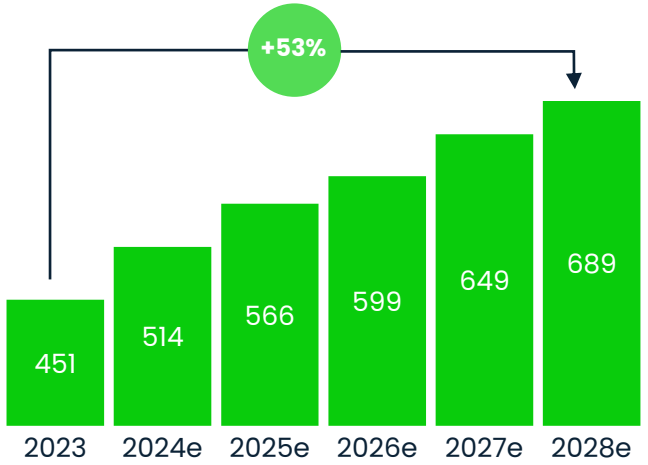

## SA loadshedding
eased into year-end




## Global OTT and PayTV subscriptions (m)[2]




## Smartphones: Sub-Saharan Africa (m)[3]

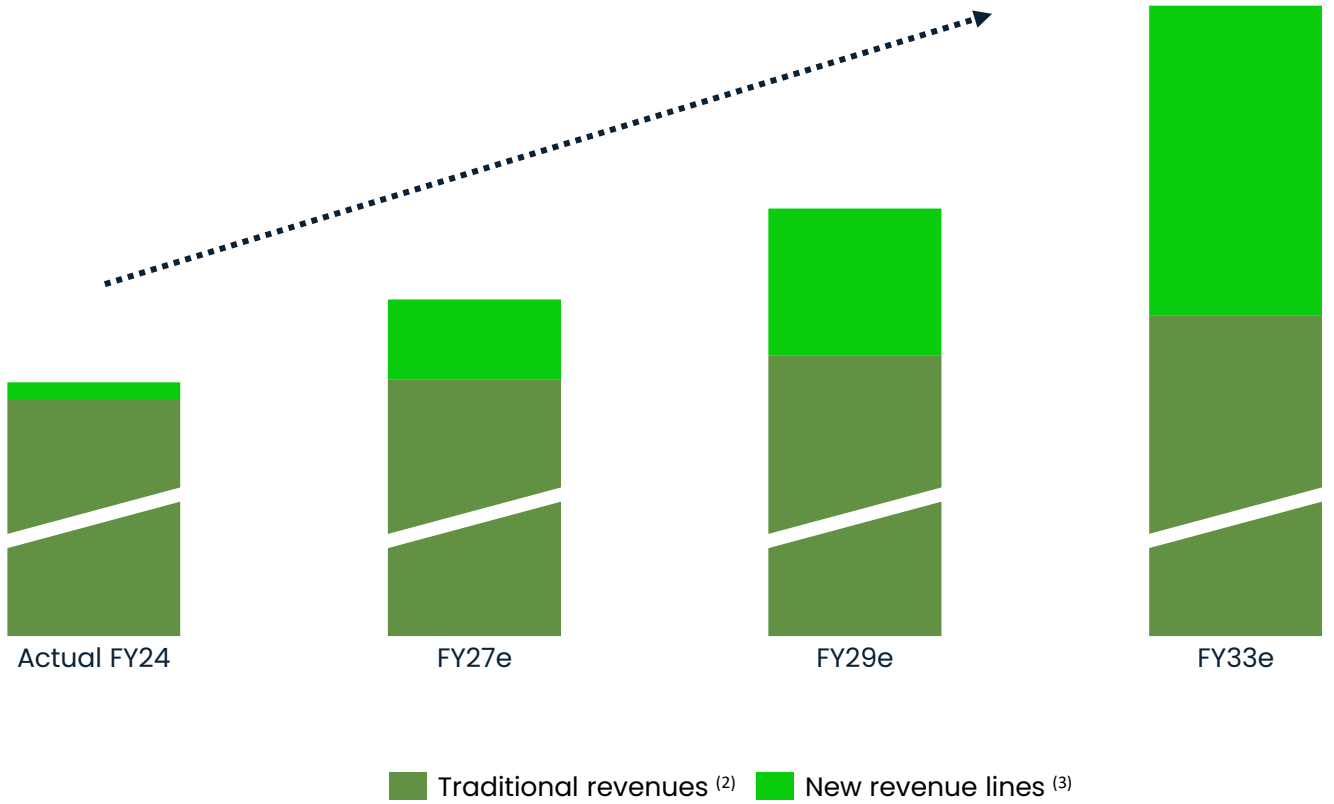



(1) Key markets used in average inflation data include Nigeria, Angola, Kenya and Zambia (Source: Trading Economics)
(2) Source: Digital TV Research: Global PayTV forecasts and Global SVOD forecasts
(3) Source: Statista.com

# Our strategy to tap into adjacent revenue opportunities is starting to show results

**We are using our platform and amazing content to capitalise on the opportunity to support growth, led by a differentiated mix of products**

**Building a portfolio of digital products, layered on top of the traditional linear base [1]**

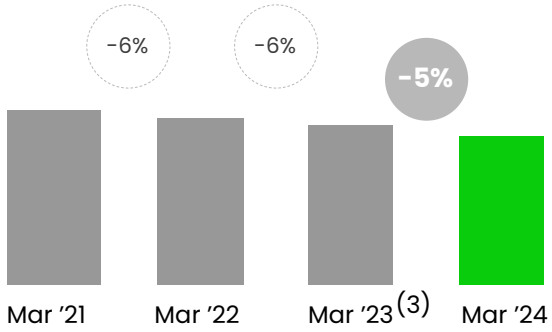



(1) Graph does not depict the exact scale of revenues
(2) Traditional revenues comprise of South African linear revenues (excluding Internet and Insurance), Rest of Africa and Irdeto revenues
(3) New revenue lines include Internet, insurance, Showmax, KingMakers economic interest (@49%) and Moment economic interest (@26%)

# SA : great traction and important wins over the past year

## DStv Premium

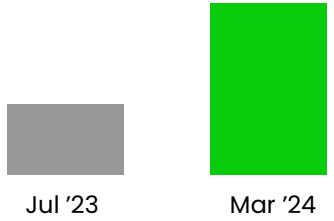
reducing the rate of decline[1]




## DStv Stream

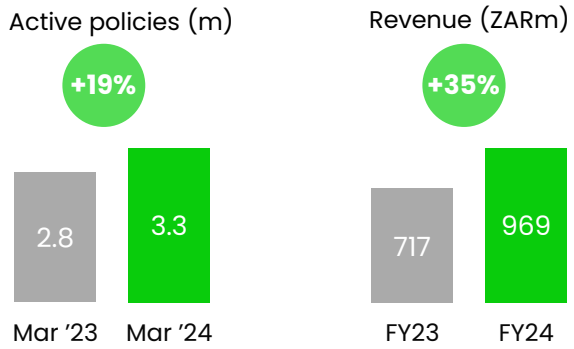
great traction following re-launch

Active users +139% >90% new to DStv



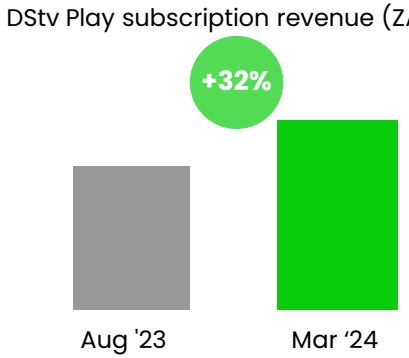

## DStv Insurance

strong momentum in policies and revenue



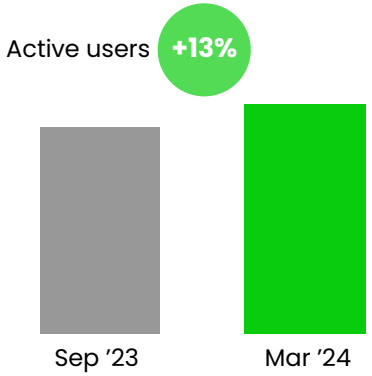

## DStv Commercial

upheld revenue uplift from price adjustments[2]




## Extra Stream*

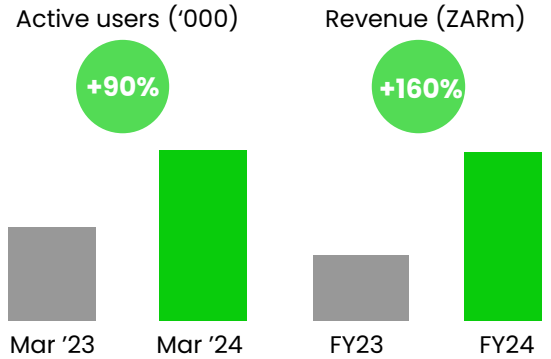
solving 1 stream limitation, strong uptake




*Only available on mobile devices,

## DStv Internet

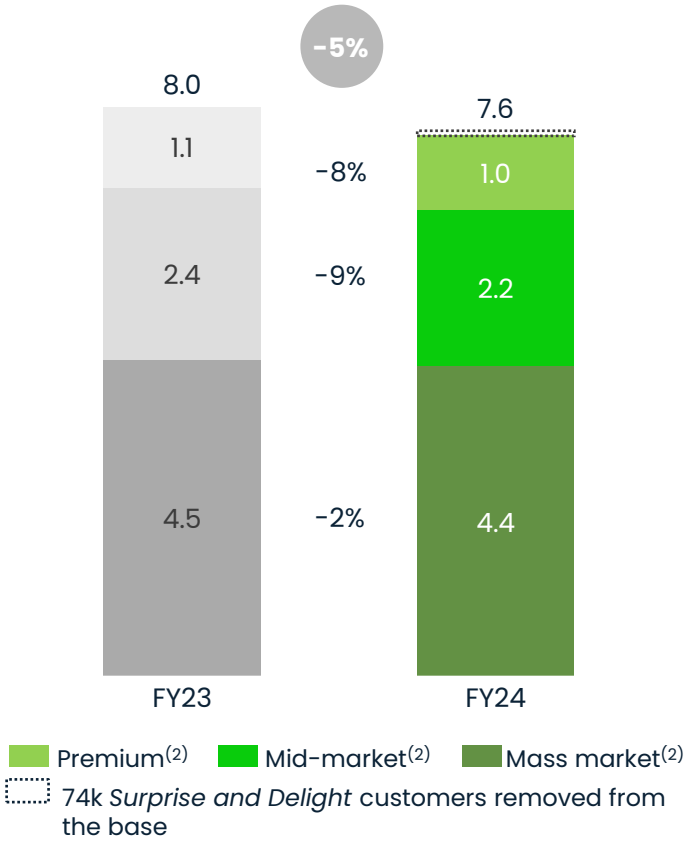
healthy customer and revenue growth




(1) SA DStv Premium base reflects customers on the Premium package.
(2)DStv Play represents ~19% of the commercial revenue in the month of March 2024 (post the commercial changes) compared to ~14% in the month of August 2023 (prior to the commercial changes)
(3)March 2023 base has been restated to exclude the impact of Surprise and Delight subscribers

# SA : challenging macro impacting results

## Subscriber base (m): Active[1]

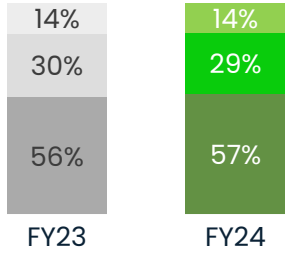



## Key ARPU drivers

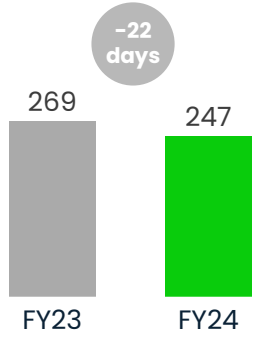
### Price increases[3]

| | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|
| Premium | 1.4% | 1.4% | 4.9% | 5.9% |
| Mid | 2.5% | 4.9% | 4.7% | 4.5% |
| Mass | 4.2% | 3.9% | 6.3% | 6.5% |

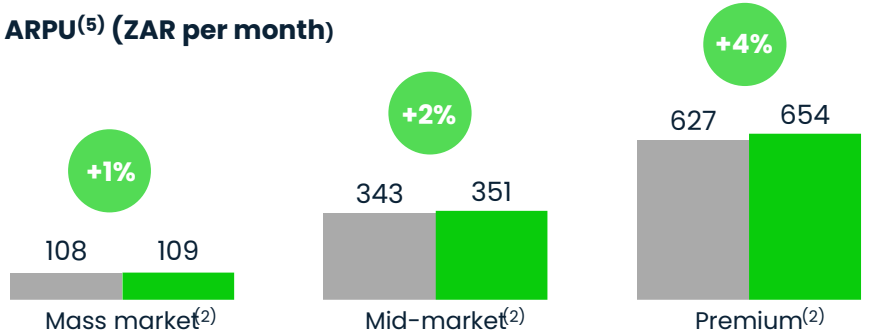
### Subscriber mix

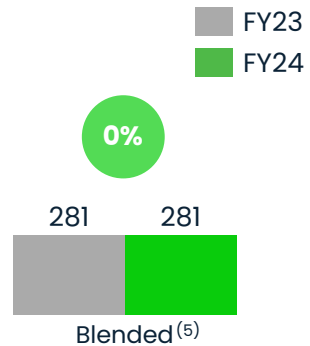



### Active days[4]




### ARPU[5] (ZAR per month)




Note: totals may not cast due to rounding

(1) Defined as all subscribers that have an active primary/principal subscription on the reporting date.
(2) Premium segment includes *Premium* and *Compact Plus* packages; mid-market segment includes *Compact* and *Commercial* packages; mass market segment includes *Family*, *Access* and *EasyView* packages.
(3) Price increases represent the weighted average increase per segment, based on the number of subscribers at the effective date of the increase (1 April of each year).
(4) Active days measures the average number of days that subscribers were active in the past 12 months out of the total days they could potentially have been active, multiplied by 365. It declined by 22 days YoY due to a difficult consumer environment in FY24.
(5) ARPU calculated by dividing monthly subscription fee revenue for the period by the average number of active subscribers at the beginning and at the end of the year. Mid-market ARPU based on *Compact* only. ARPU's for the current year exclude Showmax revenues while comparatives have also been restated to exclude Showmax revenues.

# RoA : focused initiatives to maintain profitability

## Focus on revenue support

**Bouquet initiatives**
- Launched **Family +** in Angola
- Drive upgrades to **Supa+**
- Building **streaming** base through telco partnerships
- Strong festive **campaigns** (e.g. step-up)

**Pricing:**
- 2nd price increase in 12 months (e.g. Nigeria: May & November)
- Price increases moved earlier than planned

+

## Tactical decisions on costs

**Decoder subsidies:**
- Increased sales prices
- Unbundled offers (decoder and dish sold separately)
- Renegotiated decoder costs
- Moving to zero subsidy in Nigeria and Angola

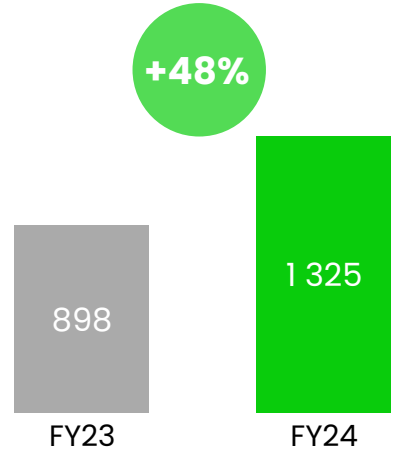
**Content:**
- Dropped non-performing local content
- Negotiated 3rd party reductions
- Optimised sharing between linear and Showmax

**Other costs:**
- Deferred non-essential costs
- More efficient marketing (e.g. digital)
- Vacancy freezes
- Right-size Nigeria business

=

## 2nd consecutive year of profitability

**RoA trading profit (ZARm)**

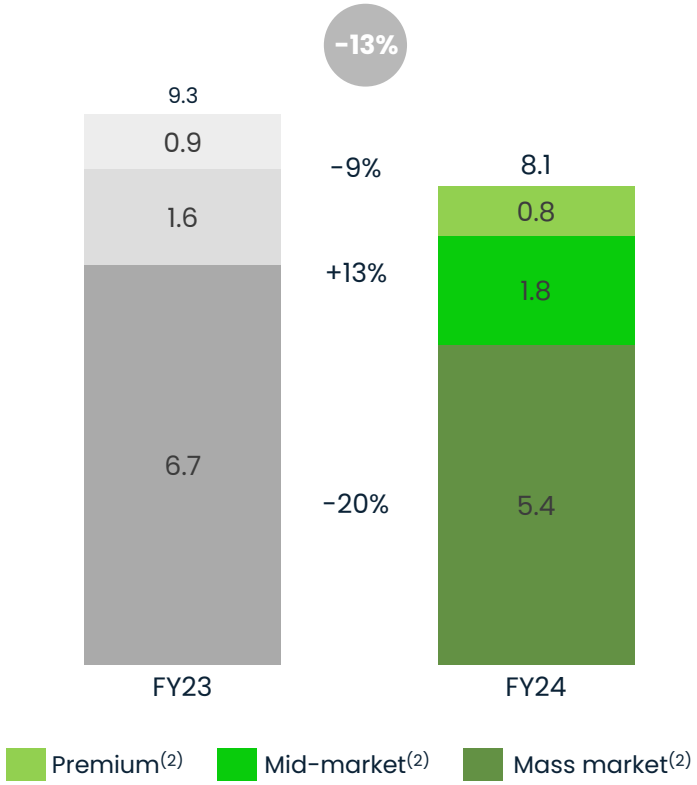



**23%**

trading margin (ex-currency) in FY24

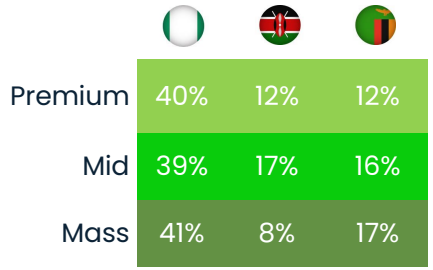
# RoA : subscriber knock in mass market due to economic strain

## Subscriber base (m): Active[1]

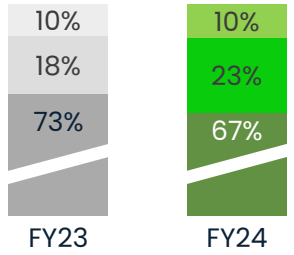



## Key ARPU drivers

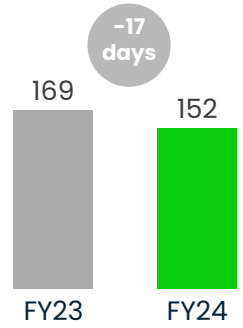
### Price increases (FY24)[3]



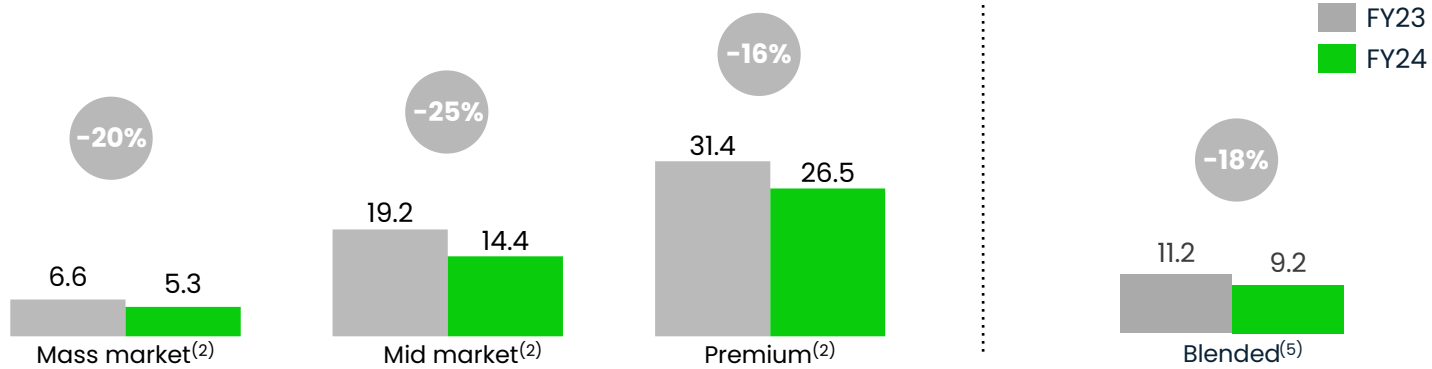

### Subscriber mix




### Active days[4]




### ARPU[5] (USD per month)




Note: totals may not cast due to rounding

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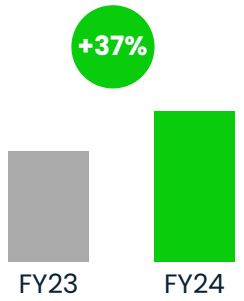
(2) Premium: *Premium* and *Compact Plus* packages; mid-market: *Compact*, *Commercial* and GOtv Supa Plus packages; Mass market: Family Plus, *Family*, *Access*, *Lite*, *GOtv Supa*, *GOtv Max*, *GOtv Plus*, *GOtv Value* and *GOtv Lite* packages.
(3) Price changes reflect the YTD weighted average local currency price increases per segment, per market. These occurred at various dates throughout the year.
(4) Active days measures the average number of days that subscribers were active in the last 12 months out of the total days they could potentially have been active, multiplied by 365. Decline is attributed to challenging conditions in markets.
(5) ARPU calculated by dividing monthly subscription fee revenue for the period by the average number of active subscribers at the beginning and at the end of the year.
Mid-market ARPU based on Compact and GOtv Supa Plus. ARPU shown in USD to eliminate the effect of FX volatility YoY on translation into ZAR.

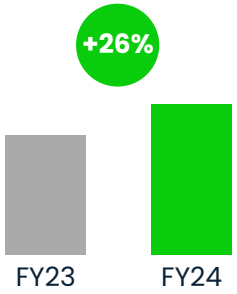
# KingMakers : showing resilience in Nigeria, expanding to SA

## Expanding online business in Nigeria

Monthly active users

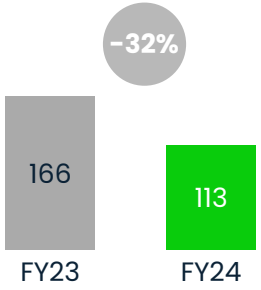



Revenue (NGN)



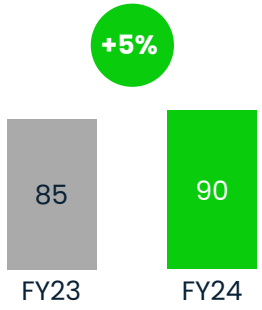

## Healthy cash balance

Cash (USDm)

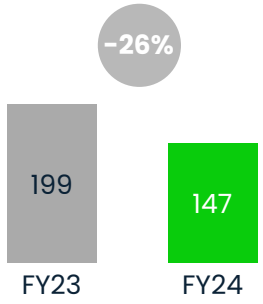



## Weak naira affects USD revenue growth

NGN (bn)

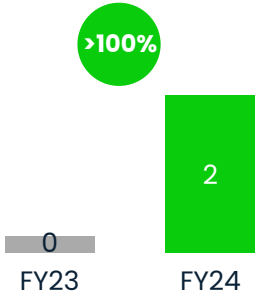



USD (m)




## Increased profitability

Group EBITDA (USDm)




## Successful launch of SuperSportBET

(1) KingMakers has a December year end and is equity-accounted for in MCG's results on a three-month lag using the exchange rates that apply to MCG's reporting period

# Irdeto : gaining market share through new business

**68.7bn**
streams secured
+12% YoY

**+119**
total customer wins
+105% YoY

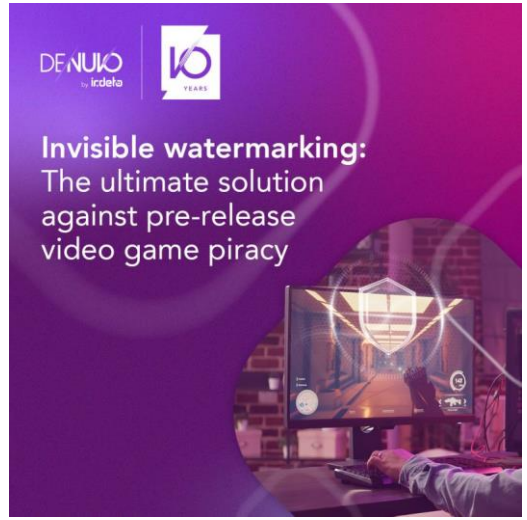
**35.7%**
revenue from
new service lines
(FY23: 32.9%)

**30k**
streaming piracy
services disconnected
(FY23: 8k)

Secured live streams for major sporting events

New global market leader in managed security

Connected Transport product suite attracting new clients




Innovative solutions in gaming segment drive growth

# Moment : off to a fast start, supported by MCG baseload

Moment

**$85,000,000**

Total Payment Volume March 2024

**Instrumental role in Showmax re-launch**

- Enabling payments in 44 markets

**Taking on 20%+ of MultiChoice payment volumes**

- Cash, Card, Bank Transfer, and Mobile Money payments

**Joined real-time payment networks in 18 countries**

- PayShap in South Africa; other key markets

**Concluded Seed+ funding round**

- USD22m of new capital
- MCG contributed USD8M and have 26.0% stake
- New external participants valued business at USD82m

# 3.Financials

MultiChoice
ENRICHING LIVES

# Key financial highlights demonstrate strong execution

1

**Delivered SA trading profit margin in line with guidance**

**26%**

SA trading profit margin

2

**Maintained RoA's positive trading profit despite significant FX headwinds**

**R1.3bn**

Trading profit

3

**Delivered highest cost savings since listing**

**R1.9bn**

Cost savings

4

**Reduced decoder subsidies through tactical decisions**

**R1.5bn**

Reduction in decoder subsidies

# 38% growth in trading profit before investments and FX

1

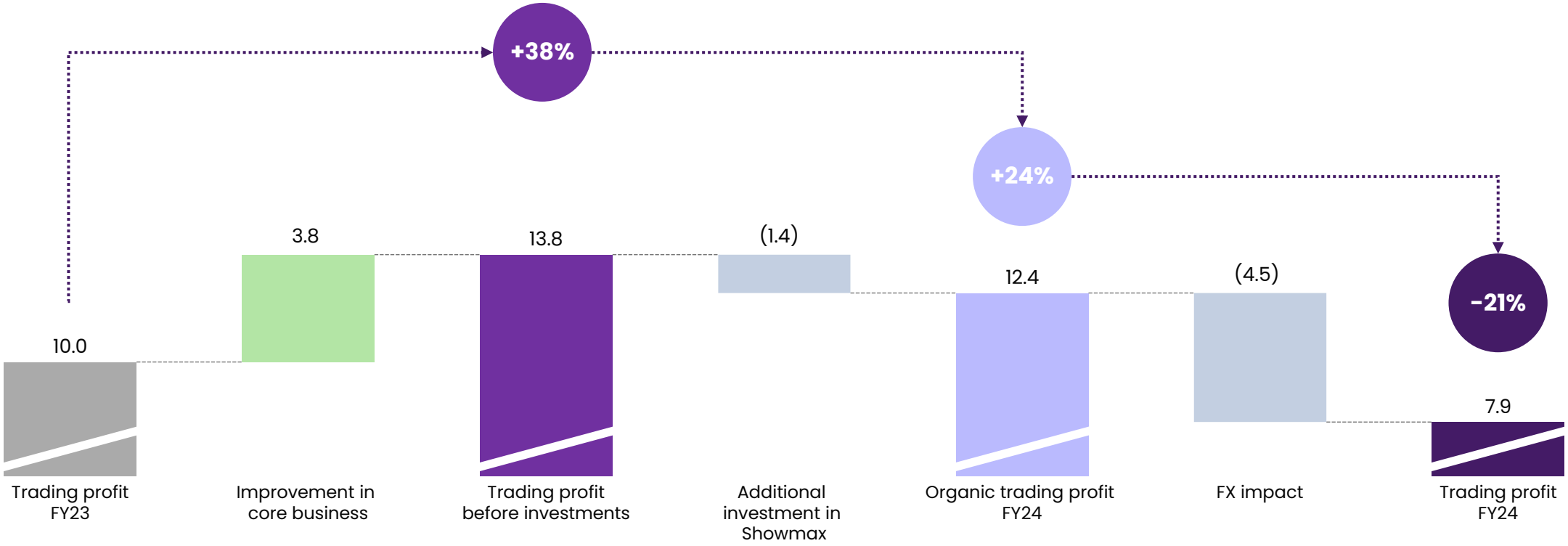
**Pricing and cost discipline drives strong organic improvement**

2

**Showmax investment relates to re-launch costs, platform customisation and staff hires**

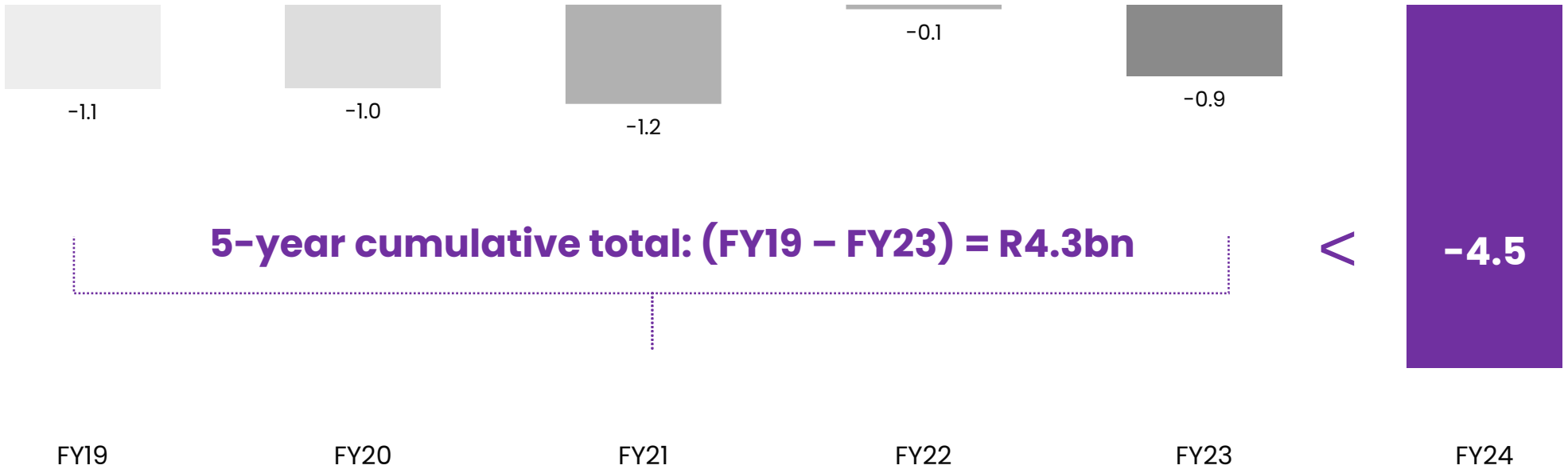
3

**FX hit mainly due to currency depreciation in Nigeria, Angola, Zambia and Kenya**



# Unprecedented currency depreciation across our core markets

**FX impact on trading profit since listing (ZARbn)**

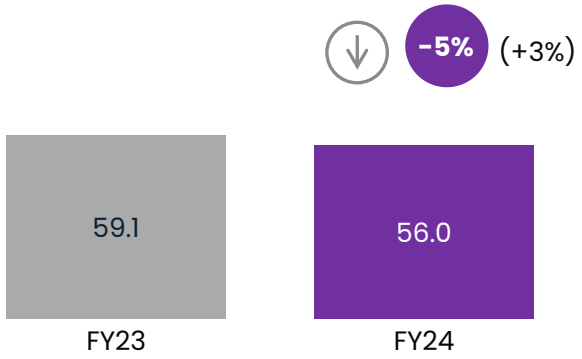


# Summary of financial metrics

## Revenue

price increases offset by FX and subscriber losses

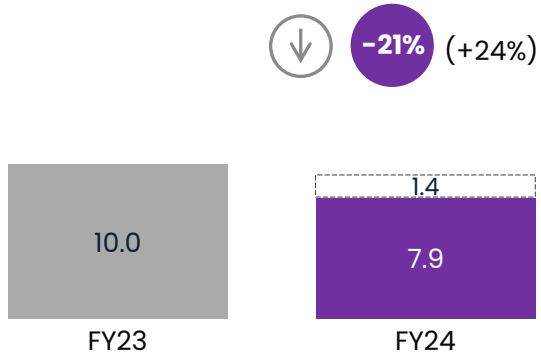
### Revenue (ZARbn)(1)




## Trading profit

down due to weaker SA earnings, FX impact on RoA and the additional Showmax investment

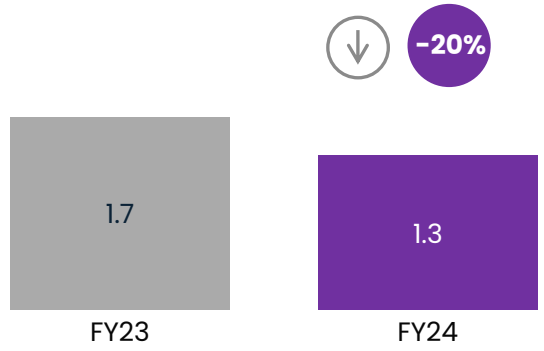
### Trading profit (ZARbn)(1)




## Adjusted core headline earnings

follows TP performance partially offset by realised FX gains

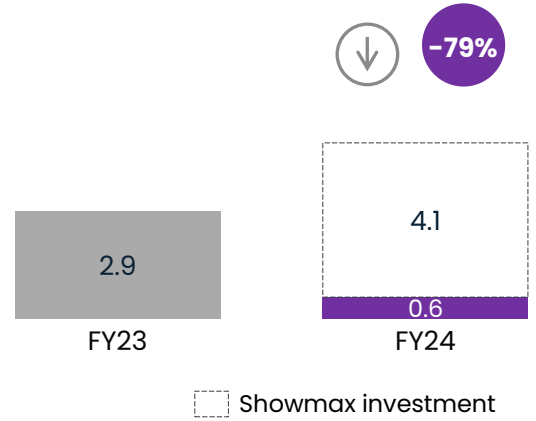
### Adjusted Core headline earnings (ZARbn)(1)




## Free cash flow

impacted by investment in Showmax

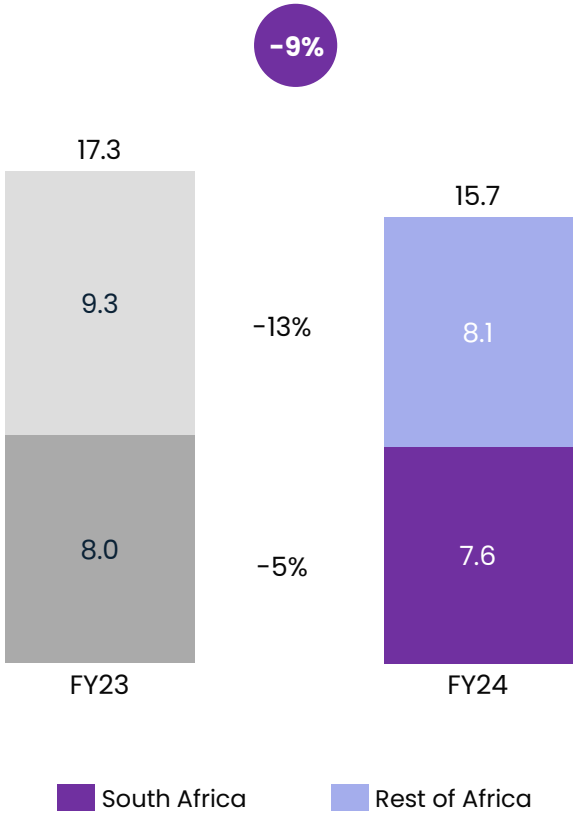
### Free cash flow (ZARbn)(1,2)



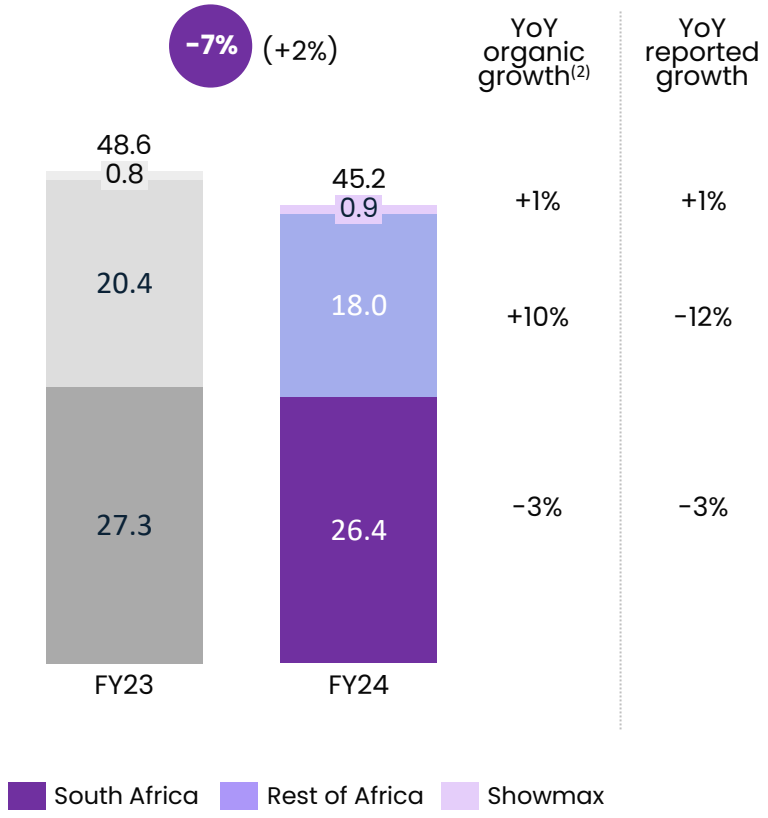

(1) Percentages reflect year-on-year growth. Numbers in brackets represent year-on-year organic growth (in constant currency, excluding M&A) on a like-for-like basis
(2) Free cash flow defined as trading profit + depreciation & amortisation +/- non-cash adjustments +/- change in net working capital – cash taxes – capex – transponder lease repayments (including interest on transponder leases) – the capital portion of all other lease repayments

# Tough consumer environment and FX impact subscription fees

## Active subscribers (m)(1)




## Subscription fees (ZARbn)(2)




**South Africa**

- Decline in active base due to weak macro and loadshedding, with revenue impact mitigated by 5.6% average price increase
- Strong growth in revenue contribution from ancillary products and interventions (see slide 15 for details)

**Rest of Africa**

- Benefit of high opening base following successful FWC, Nigerian elections and Festive season in FY23 offset by challenging macro conditions across key markets which impacted mass-market subscribers most
- 10% organic growth in subscription revenues underpinned by price increases (~27% on average in local currencies in affected markets to offset inflation)

**Showmax**

- Strong growth post relaunch compensated for termination of higher-ARPU Showmax Pro services

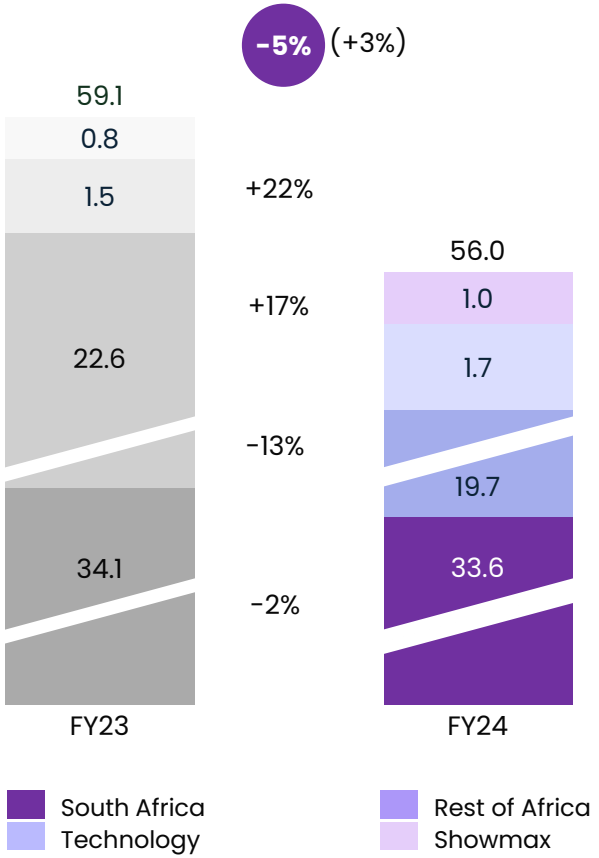
Note: totals may not cast due to rounding

(1) Defined as all subscribers that have an active primary/principal subscription on the reporting date

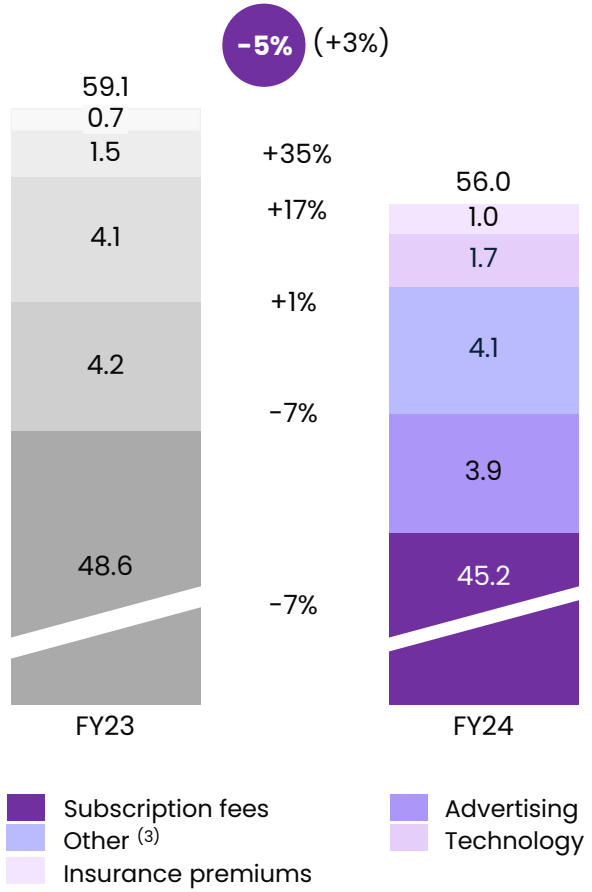
(2) Percentages reflect year-on-year growth. Numbers in brackets represent year-on-year organic growth (in constant currency, excluding M&A) on a like-for-like basis; these numbers include gains of ZAR0m (FY23: losses of ZAR76m) related to fair value movements on Nigeria futures contracts

# Strong revenue growth by Showmax, Irdeto and insurance

## Revenue by business segment (ZARbn)(1,2)




## Revenue by type (ZARbn)(1,2)




**Subscription fees**
- Accounts for 81% of total revenue

**Advertising**
- RoA contribution (ZAR0.7bn) impacted by naira depreciation which trimmed revenues by ZAR431m
- SA revenue down 3% given tough economic cycle

**Technology**
- Revenue growth underpinned by improved revenues from OTT customers DAZN & iTV), managed services revenues (new Foxtel deal) and gaming revenues from enhanced services; also uplift from ZAR/USD upon translation
- Revenue generated as a standalone business (pre-consolidation) impacted by non-recurring FWC decoder orders from MCG's linear businesses.

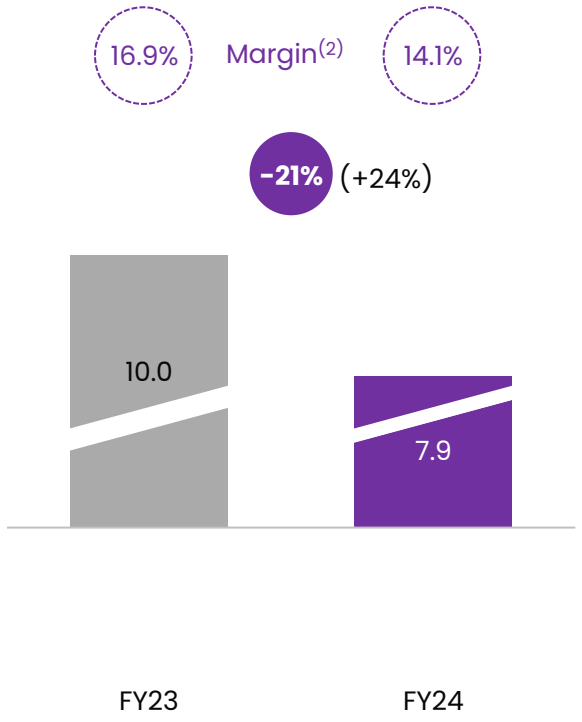
**Insurance premiums**
- Traction in life products drove strong growth

**Other**
- Income from cost recovery of Showmax technical staff seconded to Peacock, offset by lower decoder sales given tactical decision to reduce subsidies in both SA and RoA

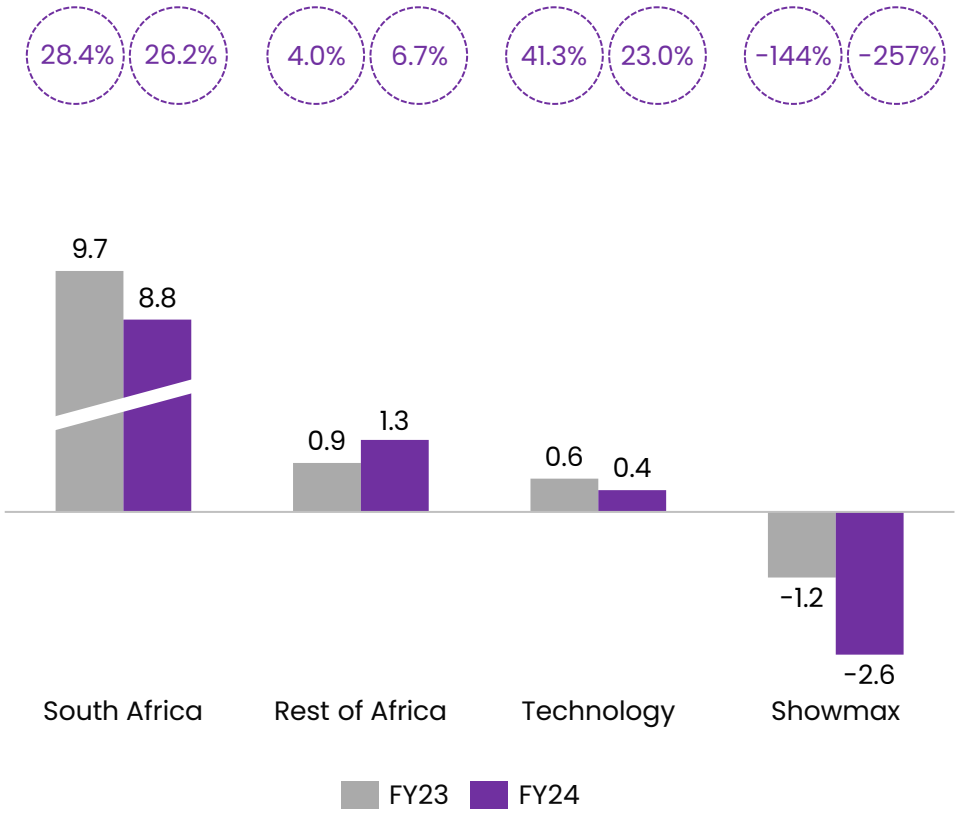
Note: totals may not cast due to rounding
(1) Percentages reflect year-on-year growth. Numbers in brackets represent year-on-year organic growth (in constant currency, excluding M&A) on a like-for-like basis
(2) Revenue presented above differs to IFRS revenue due to the inclusion of gains of ZAR0m (FY23: losses of ZAR76m) related to fair value movements on Nigeria futures contracts
(3) Other revenue includes gross decoder sales, installation fees, reconnection fees, content sub-licensing and production revenue

# TP pressures from lower SA profits and Showmax investment

## Group trading profit (ZARbn)(1)




## Trading profit by business segment (ZARbn)(2)




**South Africa**
- Impacted by top-line pressure due to weak macro/consumer environment and extensive loadshedding

**Rest of Africa**
- 2nd consecutive year of profitability since listing, delivered through price increases, reduced costs and subsidies and tax accrual release (see next slide for detail)

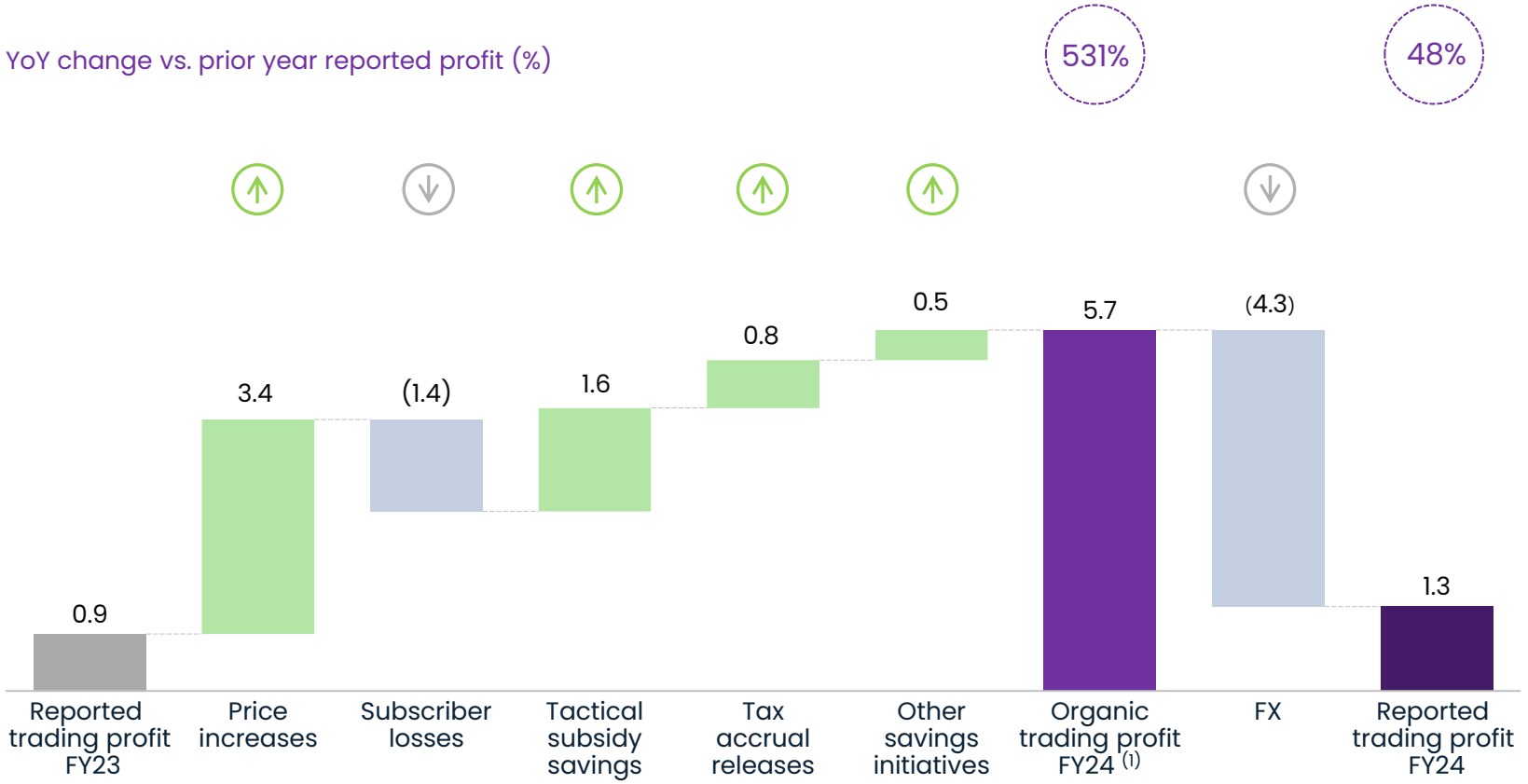
**Technology**
- External revenue growth and tight cost controls partially offset lower decoder volumes and revenues (-USD11m) in a post-FIFA World Cup year
- Trading margin was further impacted by USD3m in net restructuring costs to position Irdeto for a changing media landscape

**Showmax**
- Increased trading losses due to higher staff costs and sales and marketing expenses due to re-launch.
- Costs incurred on old and new Showmax platforms during FY24, including costs to close and transition from the old platform

(1) Percentages reflect year-on-year growth. Numbers in brackets represent year-on-year organic growth (in constant currency, excluding M&A)
(2) Segmental trading margin calculated based on external revenue

# RoA delivers TP profit through price increases and lower subsidies

## RoA FY23 to FY24 trading profit bridge (ZARbn)




### Organic movements

- ZAR4.8bn improvement in organic trading profit due to:
  - Inflation-led 27% average price increases in core markets
  - cost savings across the business, notably subsidy savings
  - tax accrual releases
  - offset by subscriber losses (-13%) during the period

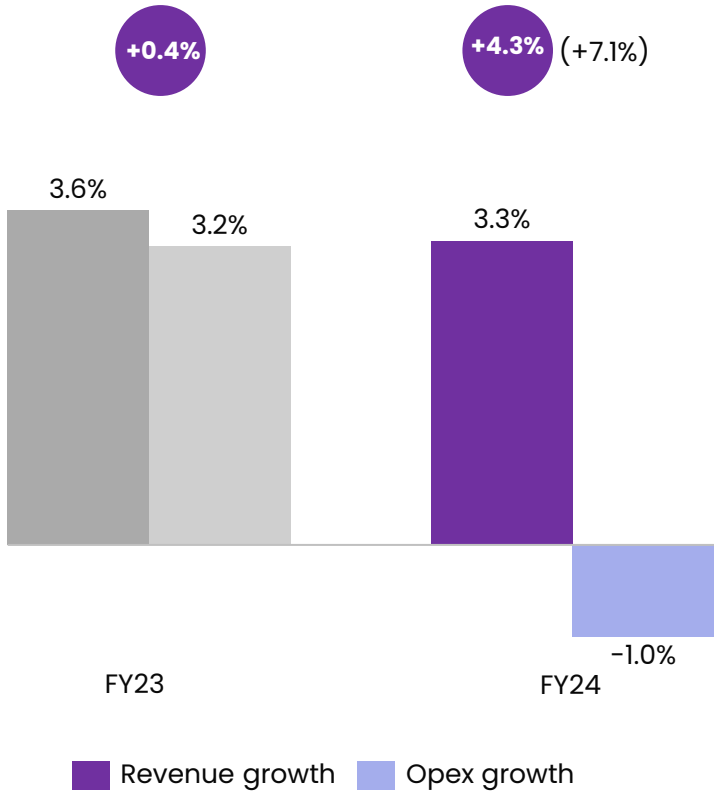
### FX impact

- Currency depreciation vs. USD in several markets impacted reported trading profit by ZAR4.3bn, including:
  - Nigeria: ZAR3.3bn loss (50% decline in official naira rate)
  - Angola: ZAR335m loss (kwanza declined 41%)
  - Zambia: ZAR305m loss (kwacha declined 20%)
  - Kenya: ZAR158m loss (shilling declined 17%)

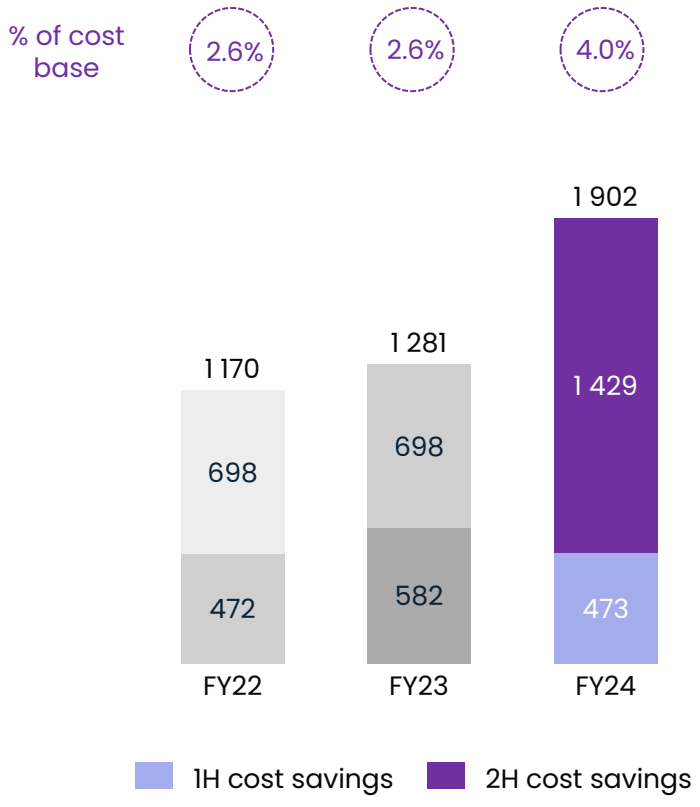
Note: totals may not cast due to rounding
(1) Excludes the impact of FX depreciation

# Positive uplift in operating leverage

## Operating leverage (organic)(1,2)




## Cost savings (ZARm)




**Organic operating leverage**

- Positive despite margin pressure in SA and additional investment in Showmax
- >80% of overall cost base is fixed

**Cost savings**

- ZAR1.9bn in cost savings mainly due to:
  - renegotiated cost of decoders
  - contract renegotiations (GE and sports content)
  - driving efficient marketing
  - reducing discretionary costs (e.g. non-essential travel)
- Sources of future cost savings likely to include:
  - renegotiation of content rights upon renewal
  - general business efficiency drives and lower costs from capital projects (staffing, licenses, maintenance, depreciation)
  - transponder costs

Note: totals may not cast due to rounding
(1) Represents year-on-year organic growth (in constant currency, excluding M&A) on a like-for-like basis
(2) Amount in brackets represents year-on-year organic growth of the core business (excluding the Showmax investment)

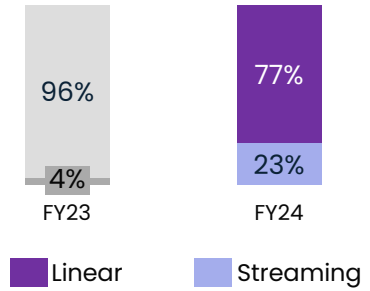
# Tactical subsidy decision drives better subscriber behaviour

## Better unit economics

- Reduced cost per decoder
- Increased selling prices
- Removed fully installed decoder sales
- Unbundled decoders and dish kits

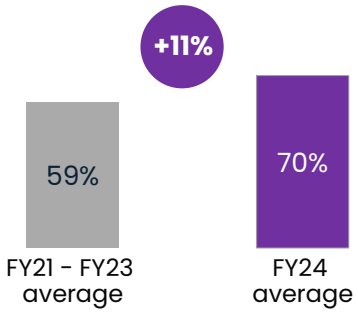
## DStv Stream
allows for more affordable access

SA split of new enables (%)

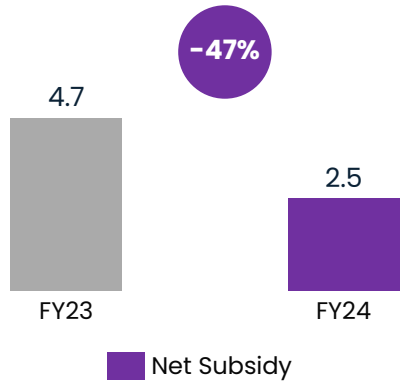



## RoA new enables
rest on higher bouquets

RoA resting equated (%)(1,2)

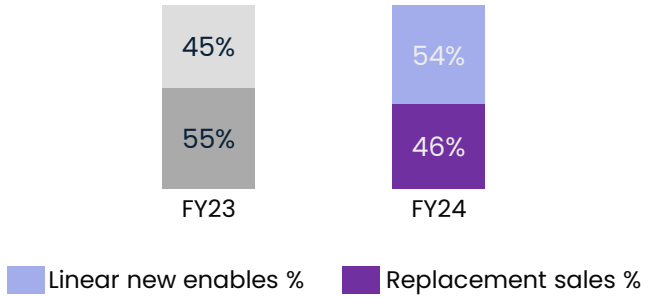



## ZAR2.2bn in total group subsidy saving



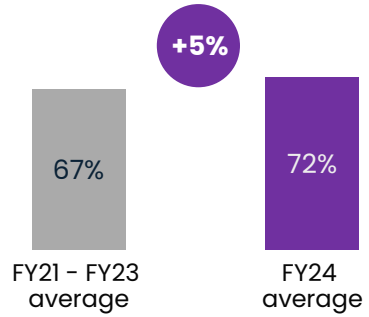

## SA replacement sales lower

SA split of sales volumes (%)




## RoA survival rates are higher

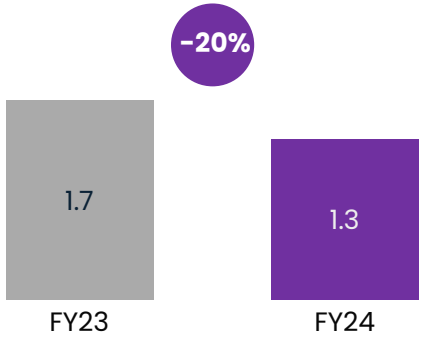
RoA survival (%)(3)



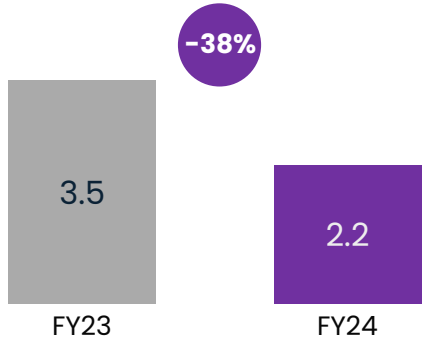

(1) Equated new enables is a pro-rata adjustment of the new enables of each bouquet based on their price points relative to the Premium linear price point in SA (Compact in DTH RoA)
(2) Resting equated % measures the ratio of equated subscribers as a % of gross new subscribers based on the bouquet they rest on 3 months after sign-up.
(3) Survival % measures the % of subscribers that remain on the base 3 months after signing up

# Adjusted core headline earnings following lower profitability

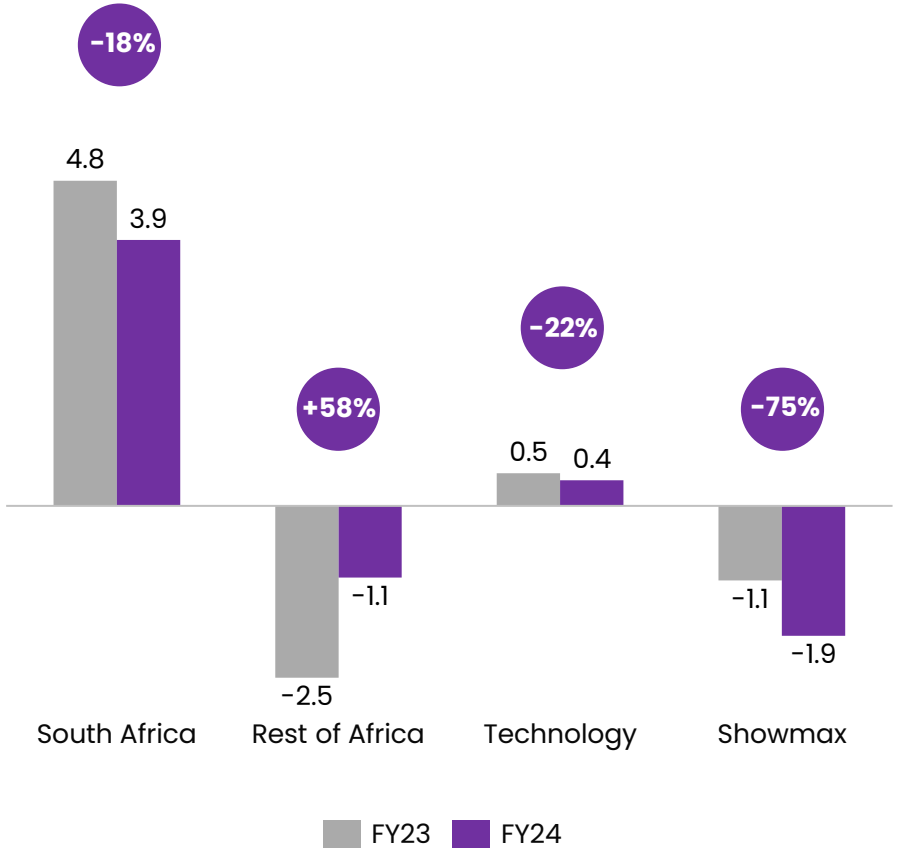
### Adjusted core headline earnings[2] (ZARbn)




### Core headline earnings (ZARbn)




### Contribution to adjusted core headline earnings (ZARbn)[1]




**Group**

- ACHE benefit from lower losses on cash remittances from Nigeria (narrower gap between official and parallel rate)
- CHE[3] following lower SA profitability and increased investment in Showmax

**South Africa**

- Contribution impacted by:
  - lower trading profit (-ZAR0.9bn)
  - higher interest costs due to higher gearing (+ZAR0.5bn YoY)
  - Higher NCI (ZAR0.3bn) on higher net profit
- With partial offset from:
  - higher realised FEC gains below the trading profit line (+ZAR0.8bn YoY)
  - lower tax expense due to lower taxable income

**Rest of Africa**

- Trading profit improvement (+ZAR0.4bn)
- Lower non-controlling interest due to lower profitability in Nigeria

**Technology**

- Largely in line with change in trading profit

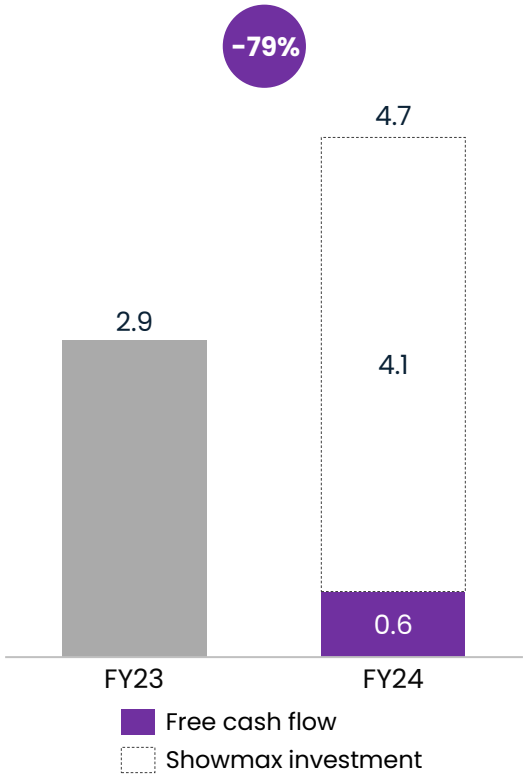
**Showmax**

- Higher losses from investment into re-launch, with Comcast sharing in 30% of losses

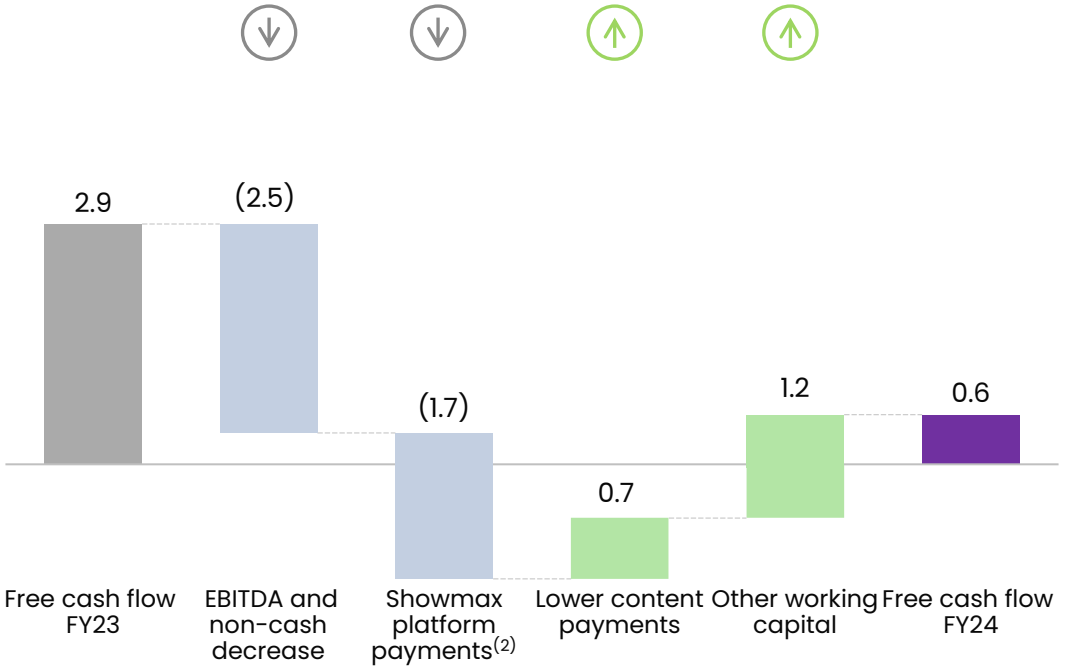
(1) Percentages reflect year-on-year growth
(2) Adjusted core headline earnings (ACHE) = reported core headline earnings less losses on cash remittances mainly from Nigeria, after tax and minorities of ZAR0.9bn (FY23: ZAR1.9bn)
(3) CHE = Core Headline Earnings

# Free cash flow impacted by lower profitability and Showmax

## Free cash flow (ZARbn)[1]




## Free cash flow reconciliation: FY23 to FY24 (ZARbn)[1]




- EBITDA and non-cash adjustments down YoY in line with trading profit performance
- Payments of ZAR1.7bn made to Peacock for customization of the platform
- Lower content payments due to cost savings negotiated as well as benefiting from PY prepayments
- Other working capital movements largely relate to timing of supplier payments

(1) Free cash flow (FCF) defined as trading profit + depreciation & amortisation +/- non-cash adjustments +/- change in net working capital – cash taxes – capex – transponder lease repayments (including interest on transponder leases) – the capital portion of all other lease repayments

(2) Showmax platform costs were recognized as prepayments on the balance sheet up until re-launch. From launch date, the capitalized costs are being released to the income statement over the period of the NBCU license agreement.

# Non-cash accounting entries result in negative equity balance

1

The sharp NGN depreciation against the USD gave rise to ZAR4.6bn in foreign exchange losses on the non-quasi equity loan (inter-company) with MultiChoice Nigeria

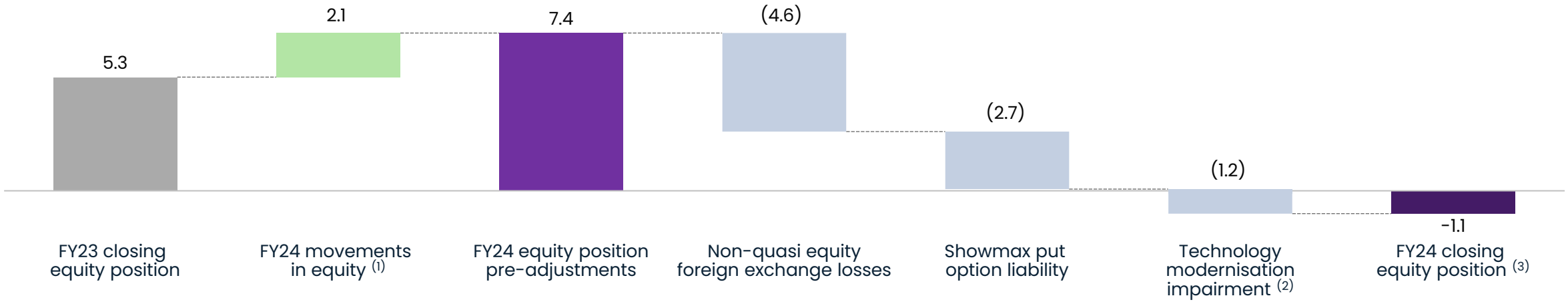
2

IFRS mandates fair value recognition of the present value of our minority partner's 30% stake in Showmax to value their put option at ZAR2.7bn

3

The termination of the Tech Mod programme due to a change in business needs and to protect cash flows led to a ZAR1.2bn impairment charge and ZAR136m onerous contract provision

## MCG FY23 to FY24 equity reconciliation (ZARbn)




(1) Includes movements in Retained Earnings, Other reserves and Non-controlling interest as per the consolidated statement of changes in equity (and not already isolated in the reconciliation above)
(2) Includes Tech modernization impairment (ZAR1.3bn), plus the onerous contract provision (ZAR136m), less taxes (ZAR164m), less minorities (ZAR103m)
(3) Closing equity position comprises Share capital (ZAR454m) and Retained earnings (ZAR16.2bn) offset by Other reserves (-ZAR11.7bn) and Non-controlling interests (-ZAR6bn)

# Balance sheet provides sufficient flexibility to support business plan

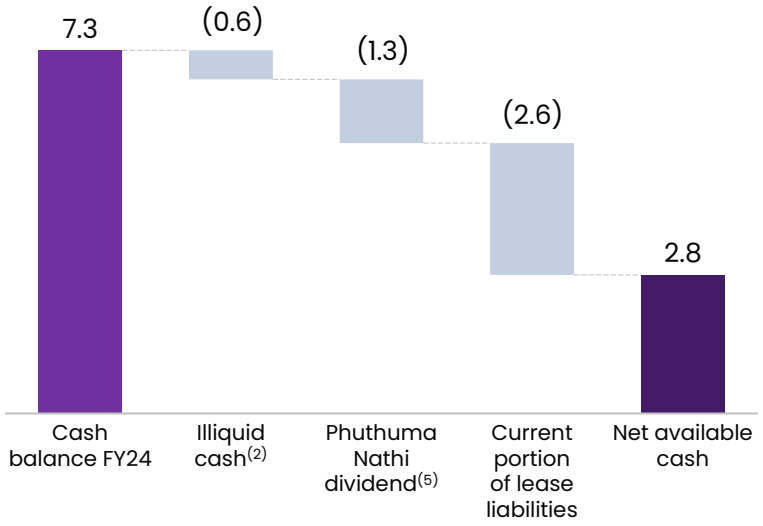
## Liquidity position: FY24

Cash
**ZAR7.3bn**
(FY23: ZAR7.5bn)

+

Undrawn facilities[1]
**ZAR4.1bn**
(FY23: ZAR9.0bn)

## Cash set aside or restricted (ZARbn)




## Debt position: FY24 (3)

Debt position
**ZAR12.0bn**
(FY23: ZAR8.4bn)

net of

**ZAR0.4bn**
in loan repayments

Total funding available
**ZAR11.4bn**

Remaining cash
**ZAR2.8bn**

Leverage ratio[4]
**1.53x**

(1) The full ZAR4.1bn relates to undrawn short-term facilities (net of bank guarantees).
(2) A total of USD31m or ZAR0.6bn (FY23: USD65m or ZAR1.2bn) of cash is subject to in-country restrictions and/or liquidity constraints. Calculated as USD39m (ZAR0.7bn) of total cash subject to in-country restrictions and/or liquidity constraints, less USD8m (NGN10bn) in working capital and operational cash requirements in Nigeria
(3) Debt shown here excludes finance leases and transponder leases of ZAR11.7bn considered as operating leases from a business perspective, with annual depreciation plus interest on transponder leases included in trading profit
(4) Leverage ratio defined as net debt (including finance leases and excluding restricted cash) divided by EBITDA
(5) Calculated as ZAR5.5bn MCSA dividend multiplied by 23.2% (accounting for only the portion of dividends paid to shareholders other than MCG)

# 4.Outlook

MULTICHOICE
ENRICHING LIVES

# Outlook for FY25

**Canal+**

- Mandatory offer for MCG shares at R125/share, process governed by TRP
- Deal is subject to regulatory approvals, filings governed by co-operation agreement
- Long-stop date is 08 April 2025, can be extended (see Combined Offer Circular for details)

**Cost Optimisation**

- Drive further business efficiency, increased FY25 cost savings target to ZAR2.0bn

**Protect Profitability**

- Deliver SA trading margin in the “mid-twenties”
- Maintain profitability in Rest of Africa and reduce group funding requirement

**Drive scale**

- Accelerate Showmax growth
- Support scaling of SuperSportBet in SA
- Drive growth in value-added services (DStv Insurance and DStv Internet)

**Expand verticals**

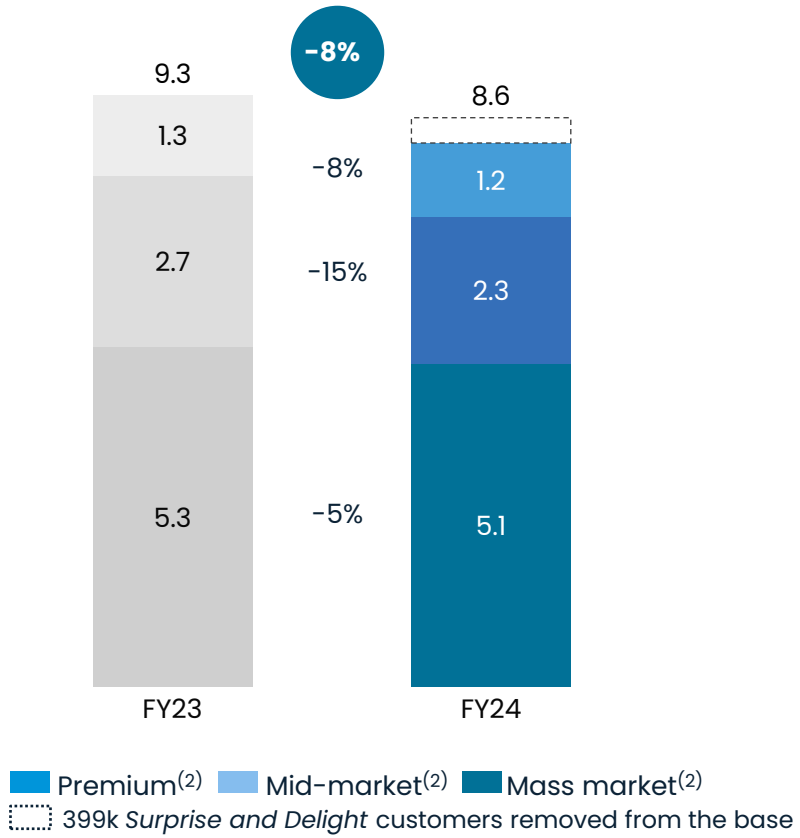
- Launch Moment B2C payments platform

# 5.Appendix

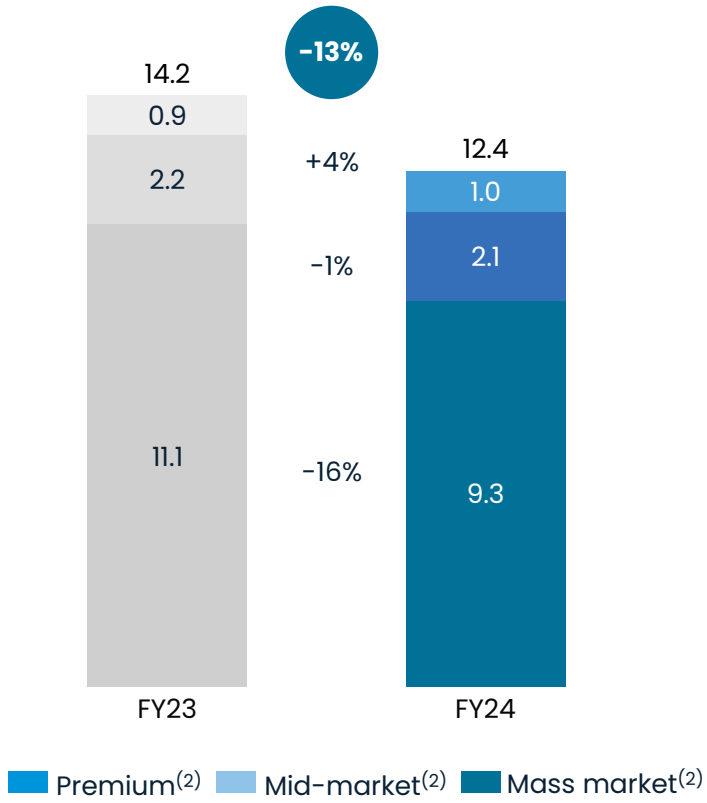
MultiChoice
ENRICHING LIVES

# 90-day subscriber base disclosure

## SA Subscriber base (m): 90-day active[1]



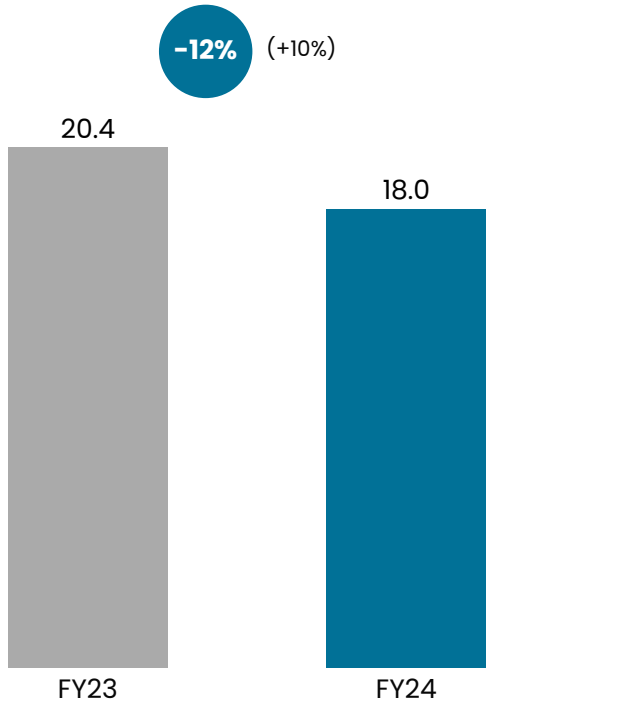

## RoA Subscriber base (m): 90-day active[1]



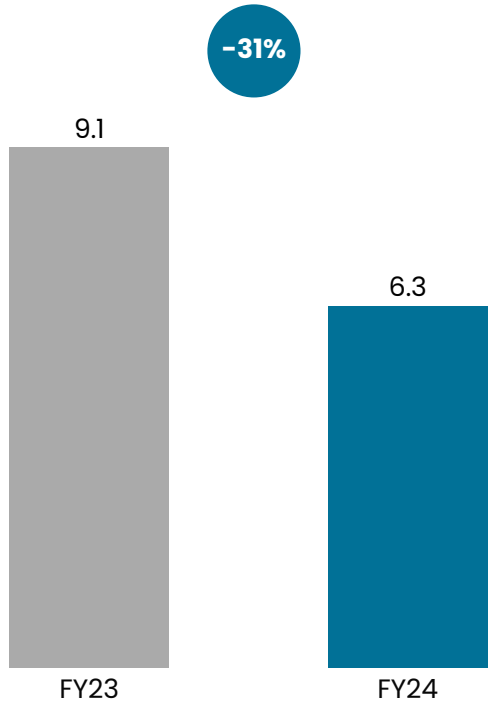

(1) Defined as all subscribers that have an active primary/principal subscription within the 90-day period on or before the reporting date.
(2) Premium: *Premium* and *Compact Plus* packages; mid-market: *Compact*, *Commercial* and *GOtv Supa Plus* packages; Mass market: Family Plus, *Family*, *Access*, *Lite*, *GOtv Supa*, *GOtv Max*, *GOtv Plus*, *GOtv Value* and *GOtv Lite* packages.

# FX hit and difficult environment in Nigeria weighing on RoA revenues

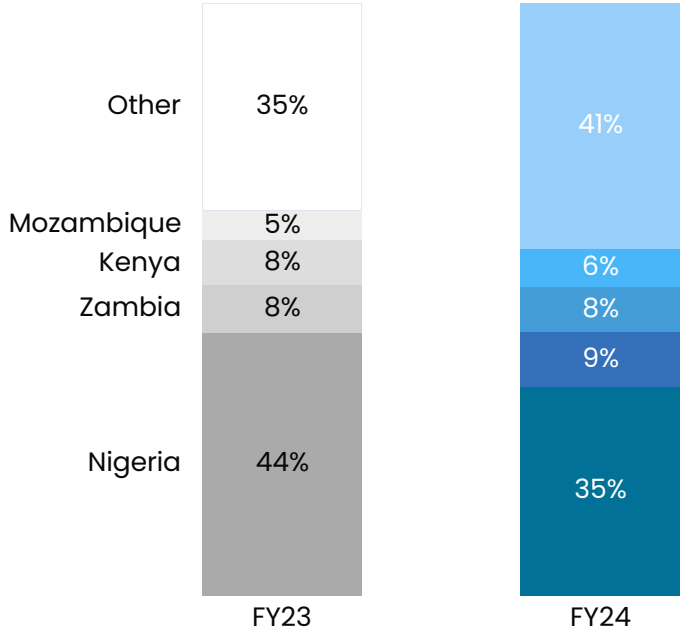
## RoA subscription revenue (ZARbn)(1)(2)




## Nigeria subscription revenue (ZARbn)(1)(2)




## RoA subscription revenue by country (%)(1)




(1) Refers to subscription revenue only, i.e. excluding hardware sales, advertising revenue and other revenues
(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

# RoA: update on core country dynamics

| | YoY subs growth[1] | % of subscription revenues in FY24 | Successes | Challenges |
|---|---|---|---|---|
| Nigeria | -18% | 35% | • Passed 2 rounds of price increases (April & Nov)<br>• Effective ~40% avg price increase over the year<br>• Maintained profitability across both DTH & DTT segments despite forex devaluation<br>• Price increases and strong cost management to counter FX pressures | • Inflation at 18 year high of ~33%<br>• Higher fuel costs in local currency also hurting consumers<br>• Power interruptions of 16 hrs/day<br>• Official rate weakened 50% YoY vs. USD<br>• Liquidity remains tight, "parallel rate" closed ~N1600 vs. ~N1308 official rate |
| Kenya | -12% | 8% | • Passed 2 rounds of price increases (April & Aug)<br>• Effective 9% avg price increase over the year<br>• Price increases and cost management to counter FX and growth pressures<br>• Launched GOtv Supa Plus to drive upgrades | • Shilling weakened ~17% YoY vs. USD<br>• GOtv base down 15% on low-end consumer weakness<br>• Shift in DTH customer mix due to growth in some lower priced packages vs. decline in upper tiers |
| Zambia | -20% | 9% | • Passed 2 rounds of price increases (April & Aug)<br>• Effective 16% avg increase for the period<br>• In-country profits up 32% YoY despite Kwacha weakening<br>• Launched GOtv Supa Plus to drive upgrades | • Kwacha weakened ~20% YoY vs. USD<br>• Extended power outages(~8-12hrs/day) due to low hydro-power dam levels continue to impact growth<br>• Shift in customer mix due to consume weakness in the lower-end |
| Angola | -10% | 5% | • Grande base up 20% YoY, acting as an upgrade bouquet for lower tier customers and a downgrade bouquet for higher tier customers | • Kwanza weakened ~41% YoY vs. USD<br>• Inflation is at ~26% (up from 10.8% at March '23)<br>• Price increases were not passed in FY24 due to lack of approval<br>• Still loss-making at a trading profit level |

(1) Based on active subscribers, defined as all subscribers that have an active primary/principal subscription on reporting date

# Forex losses are driven by devaluation of key exchange rates

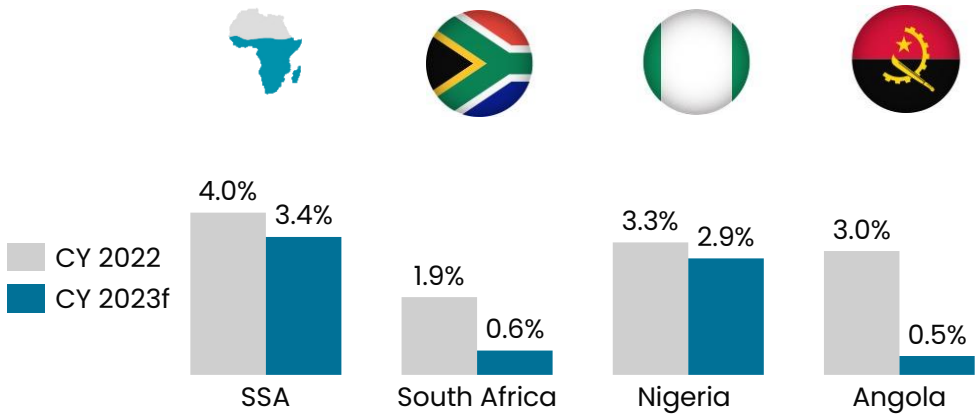
**YoY average exchange rate comparison vs USD [1]**

| | Nigeria | Angola | Kenya | Zambia |
|---|---|---|---|---|
| | | | | |
| **FY23** | 436 | 463 | 121.8 | 17.6 |
| **FY24** | 877 | 790 | 146.0 | 21.9 |
| Devaluation % | 50% | 41% | 17% | 20% |
| **FY23 remittance** | 684 | | | |
| **FY24 remittance** | 1 044 | | | |
| Devaluation % | 34% | | | |

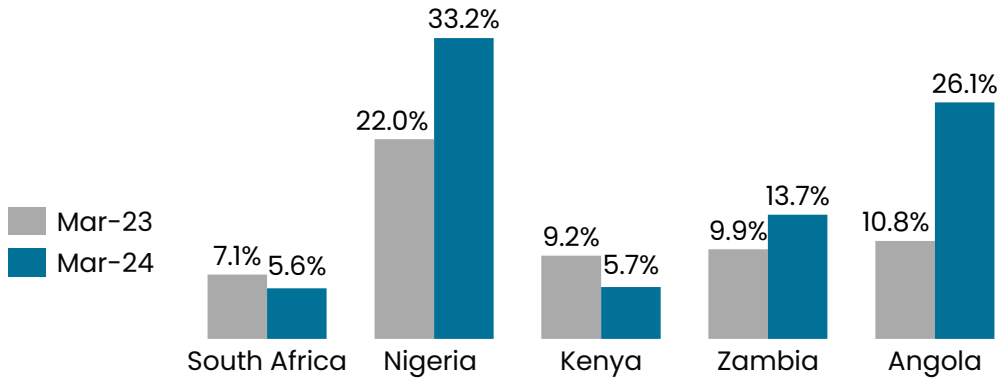
(1) Source: Company data (reflects exchange rates used for financial reporting)

# Results delivered against challenging macro backdrop

## Economic conditions – GDP growth[1]




## Inflation rates (YoY)[2]




## Currencies (average vs USD)[3]

| | FY23 | FY24 | |
|---|---|---|---|
| South Africa (ZAR) | 17.1 | 18.8 | ↑ |
| Nigeria (NGN) | 436.4 | 876.5 | ↑ |
| Kenya (KES) | 121.8 | 146.0 | ↑ |
| Zambia (ZMK) | 17.6 | 21.9 | ↑ |
| Angola (AOA) | 463.3 | 789.7 | ↑ |

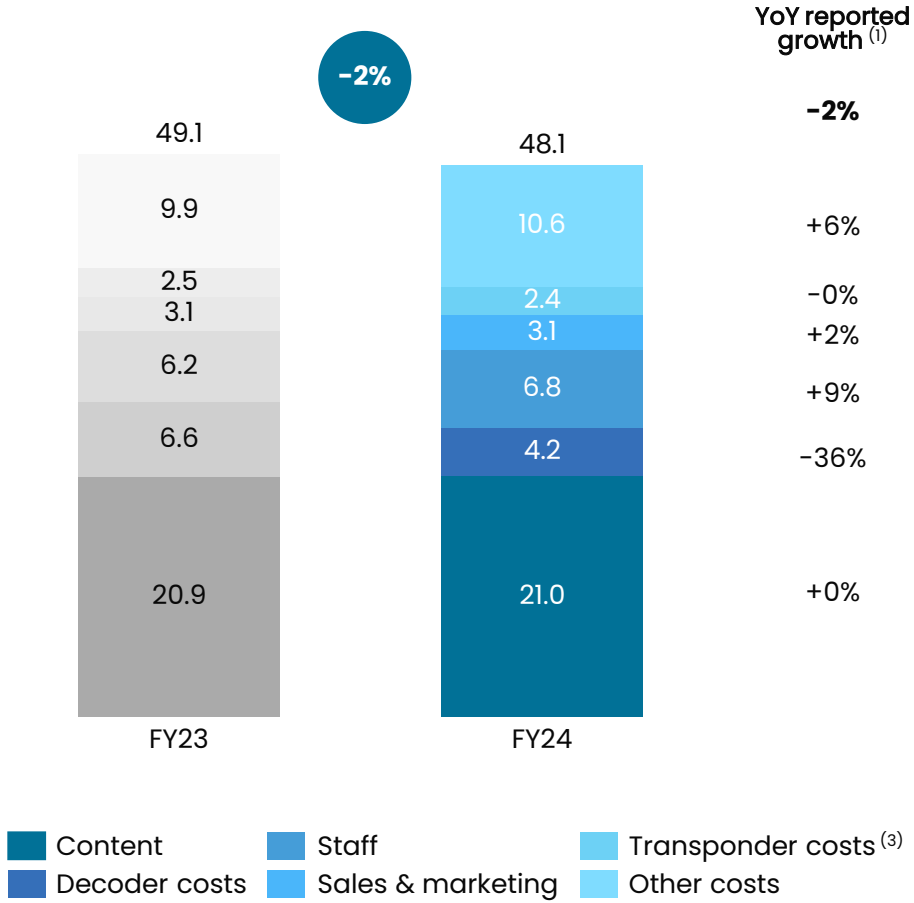
## Official interest rates[2]

| | Mar 2023 | Mar 2024 | |
|---|---|---|---|
| South Africa | 7.8 % | 8.3% | ↑ |
| Nigeria | 18.0 % | 24.8% | ↑ |
| Kenya | 9.5 % | 13.0% | ↑ |
| Zambia | 9.0 % | 10.0% | ↑ |
| Angola | 9.3 % | 12.5% | ↑ |

(1) Source: International Monetary Fund, World Economic Outlook Database, April 2024
(2) Source: Inflation rates and official interest rates were sourced from tradingeconomics.com
(3) Source: Company data (reflects average exchange rates used in for financial reporting)

# Results delivered against challenging macro backdrop

## COPS and SG&A costs (ZARbn)(1)(2)




| | YoY reported growth (1) | YoY organic growth (2) |
|---|---|---|
| | **-2%** | **-1%** |
| Content | +6% | +18% |
| Decoder costs | -0% | -3% |
| Staff | +2% | +6% |
| Sales & marketing | +9% | +10% |
| Transponder costs (3) | -36% | -37% |
| Other costs | +0% | -3% |

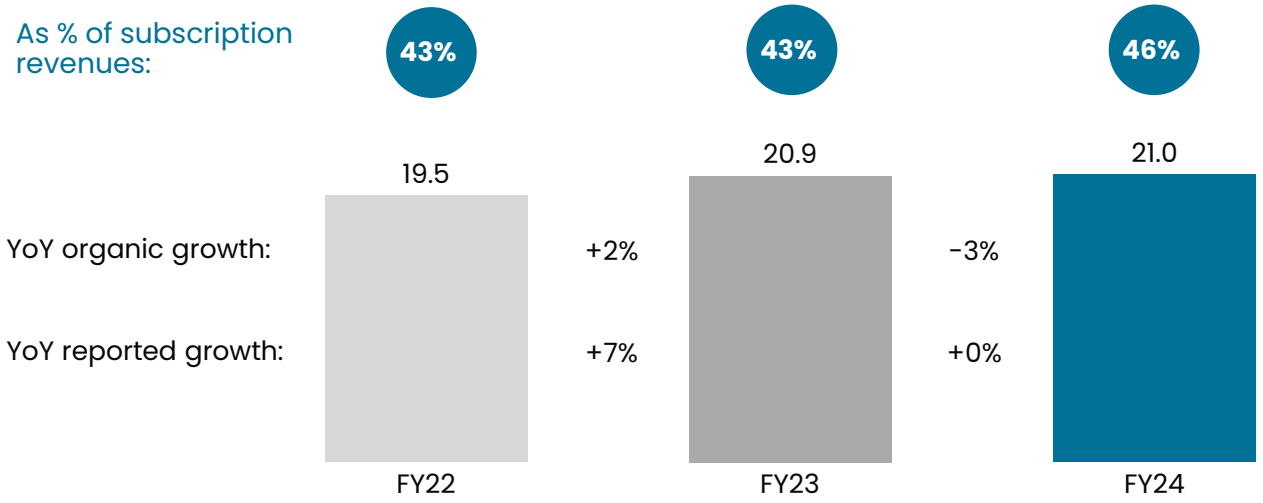
## Organic YoY cost trends commentary

- **Content costs** decreased 3% YoY (see next slide for more detail).
- **Decoder costs** decreased 37% YoY due to the strategic decision to reduce subsidy spend as well as the non-recurrence of NRV write-downs on FWC decoders. See next slide for more detail
- **Staff costs** increase of 10% relates the annual staff cost increases as well as additional head-count and key staff hires for the new Showmax organisation structure, only partially offset by vacancy freezes across the rest of the organisation
- **Sales & marketing costs** increase relates to additional marketing for special events (multiple World Cups etc.), our various new product launches and initiatives, the launch of key content such as *Shaka iLembe*, as well as the rebranding and re-launch of Showmax. This was offset by reduced marketing in countries like Nigeria and Angola and optimised BAU spend in South Africa
- **Transponder costs**(3) are lower due to lower interest costs in SA and RoA as transponder lease liabilities run down.
- **Other costs**(4) are 18% up due to:
  - Showmax platform costs (fixed and variable) expensed to the income statement
  - Higher software licenses, maintenance and project costs
  - Higher bad debts provisioning due to changes in assumptions

(1) Percentages above the chart and in the circles in the left-hand column reflect nominal or reported year-on-year growth
(2) Percentages in the circles in the right-hand column and commentary box reflect year-on-year organic growth (i.e. in constant currency, excluding M&A)
(3) Comprised of depreciation of capitalised assets and interest cost on transponder leases
(4) Other costs include items such as payment collection fees, IT costs, administration costs, maintenance, communication and network costs, non-transponder depreciation and general overheads

# Additional detail on content costs and decoder subsidies

## Content costs (ZARbn)




## Decoder subsidies (ZARbn)[1]

| | FY22 | FY23 | FY24 | YoY reported growth | YoY organic growth |
|---|---|---|---|---|---|
| Revenue | 1.9 | 1.9 | 1.7 | -9% | +2% |
| Costs | (5.8) | (6.6) | (4.2) | -36% | -37% |
| **Net subsidies** | **(3.9)** | **(4.7)** | **(2.5)** | **-47%** | **-53%** |

## Organic YoY cost trends commentary

**Content costs were lower due to:**

- Better negotiated pricing on renegotiated sporting rights and renewed international studio deals
- More efficient sharing of content between linear businesses and Showmax
- Cost of major FY23 special events such as FIFA World Cup coming out of the base
- Offset by:
  - price escalations
  - Cost of FY24 special events (Rugby World Cup, AFCON, Cricket World Cup, Netball World Cup, FIFA Women's World Cup)
  - Continued investment in local content, e.g. *Shaka iLembe*

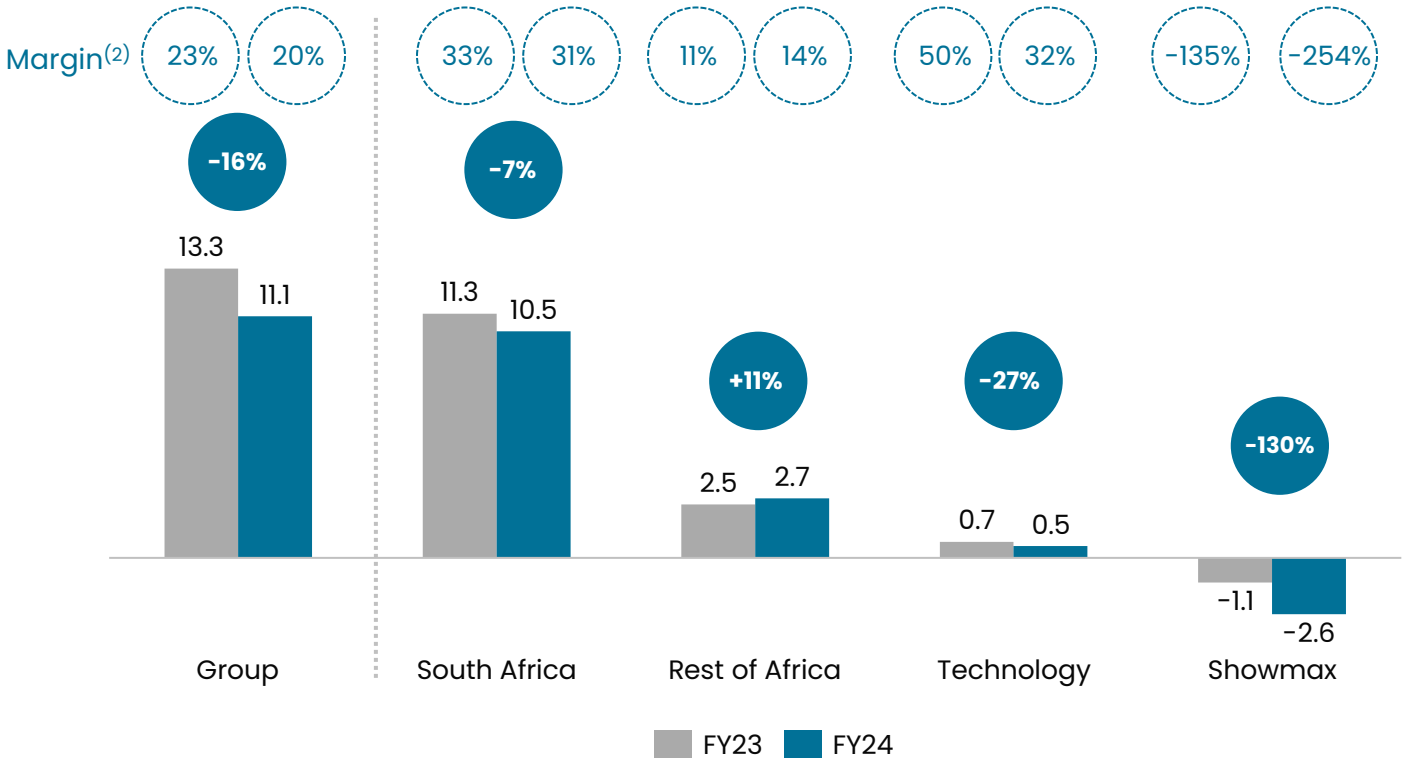
**Decoder subsidies:**

- Ongoing renegotiation of decoder costs with suppliers
- A strategic decision was taken to reduce decoder subsidies by raising the decoder sales price, with the following impact:
  - reduced the volumes of decoders sold
  - reduced our required levels of stock on hand
  - reduced level of NRV write-downs
- Supported a 53% YoY organic reduction in subsidy spend
- Non-recurrence of prior year net realisable value write-downs on increased stock levels for the FIFA World Cup (expensed when we take ownership of the decoders)

(1) Note: totals may not cast due to rounding

# Weak SA macro and Showmax investment outweigh improved RoA performance

## EBITDA by business segment (ZARbn)(1)



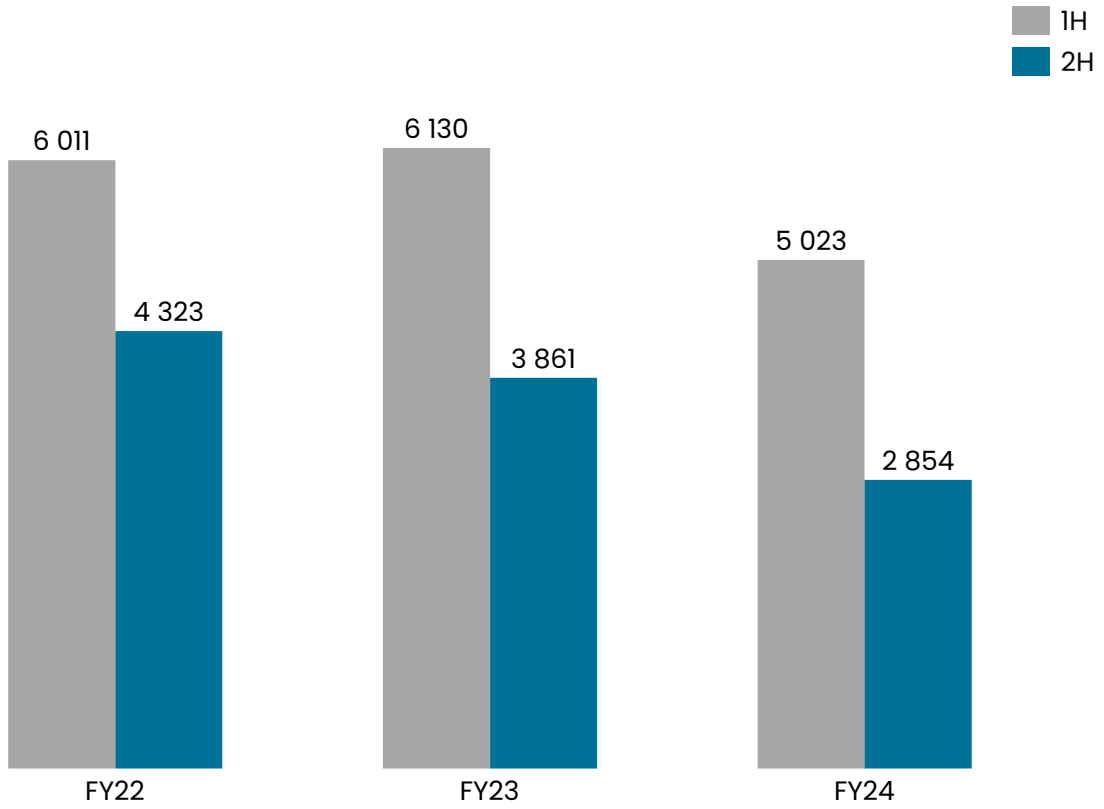

## Reconciliation of operating profit to EBITDA(1)

| ZARm | FY23 | FY24 |
|---|---|---|
| **Operating profit** | **10 157** | **7 080** |
| Add: Depreciation and amortisation | 2 781 | 2 827 |
| Less: Other operating (gains)/ losses - net(3) | (92) | 686 |
| Add: Share-based compensation(4) | 492 | 543 |
| **EBITDA(1)** | **13 338** | **11 136** |

(1) Adjusted EBITDA, calculated according to the reconciliation reflected above (note: totals may not cast due to rounding)
(2) Segmental margins calculated based on external revenue
(3) Includes profit and loss on sale of assets, impairments or derecognition of assets, reversals of impairments, insurance proceeds and fair value adjustments
(4) Equity-settled share-based compensation

# Seasonality in opex typically drives lower margins in 2H

**Trading profit 1H vs. 2H (ZARm)**




| % split 1H : 2H | 58 : 42 | 61 : 39 | 64 : 36 |
|---|---|---|---|

- Trading profit and trading profit margin in the second half (2H) of the year is generally lower than the first half (1H)
- This is largely driven by seasonality in opex, including:
  - higher content costs associated with the football season in the Northern Hemisphere,
  - higher customer acquisition spend, as well as sales and marketing costs linked to the Festive Season and Easter Holiday campaigns
- FY24 trading profit was more skewed towards 1H than usual due to:
  - further significant devaluation of the naira in January 2024, dampening 2H profits coming out of Rest of Africa.
  - re-launch of Showmax in February 2024, with a ramp-up of marketing costs as well as platform costs (fixed and variable) being booked to the P&L post-launch
  - higher revenue generated in 1H which is atypical given the timing of the football season and festive period, following the seasonality of subscribers with the higher FIFA World Cup opening base carried into the start of the financial year, and deteriorating macro conditions through FY24
  - the cost of special events in 2H such as the men's Cricket World Cup and half of the Rugby World Cup
- This was partially offset by non-recurrence of costs in 2H FY23 such as the FIFA World Cup as well as a skewing of subsidy savings to the 2nd half of the year (as strategic decision was only taken in Q2 in Rest of Africa)

# Segmental breakdown of organic trading profit growth

## Reconciliation of organic trading profit growth (ZARm)

| | FY22 reported[1] | FY23 organic[2] | FY23 organic growth | FY23 restated[3] | FY24 organic[2] | FY24 organic growth |
|---|---|---|---|---|---|---|
| South Africa | 11 032 | 8 483 | **-23%** | 9 693 | 8 792 | **-9%** |
| Rest of Africa | (1 213) | 1 623 | **234%** | 898 | 5 664 | **531%** |
| Technology | 515 | 772 | **50%** | 610 | 521 | **-15%** |
| Showmax | - | - | **-** | (1 210) | (2 565) | **112%** |
| **Trading profit** | **10 334** | **10 878** | **5%** | **9 991** | **12 412** | **24%** |

**South Africa** trading profit impacted by 2% decline in revenues due to challenging macro environment (higher interest rates, higher debt instalments and loadshedding), cost of special events (Rugby World Cup, Netball World Cup, Cricket World Cup and FIFA Women's World Cup), and release of *Shaka iLembe*. This was partially offset by cost savings, notably the reduction of decoder subsidies

**Rest of Africa** delivered a 2nd consecutive year of profitability, as segment benefitted from inflation-led price increases (average ~27%), with tight costs controls. Also reduced subsidy through strategic decision to increase selling prices of decoders and negotiate reduced cost prices with suppliers

**Technology** trading profits shown on a consolidated, organic basis are not necessarily indicative of the underlying performance of the business. This is because intra-group revenues for Irdeto and intra-group costs for MultiChoice are eliminated on consolidation, leaving total realised trading profit for Irdeto vs. only its external revenue base. Trading profits are down YoY due to the decline in inter-group revenues from the lower linear decoder purchases and the non-recurrence of the FIFA World Cup orders. This is partially offset by the improvement in external revenues

**Showmax** increased trading losses reflect the additional investment in Showmax for the re-launch, including the increased platform costs, additional marketing costs related to the rebranding and additional head-count to the fill the new structures

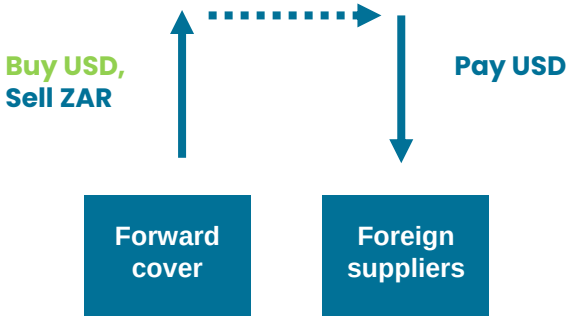
(1) As reported in the summary consolidated financial statements
(2) Numbers are organic figures i.e. shown in constant currency, excluding M&A. Comparative organic trends not available as FY22 figures not recalculated
(3) As FY24 is the first year that Showmax is a separate reporting segment, the FY23 comparatives have been restated to this effect.

# Currency exposure managed through active hedging strategy

## South Africa

ZAR functional currency

- Incurs certain costs in hard currency:
  - international sport and general entertainment content rights
  - satellite transponder leases
  - decoder purchases
- In the case of shared group costs, these are paid in full by SA and recovered from RoA & Showmax (in ZAR)
- Committed exposures can be hedged up to 36 months out




RoA & Showmax recharged for share of costs

SA receives ZAR (no FX exposure), RoA & Showmax pay ZAR but typically hedged ZAR FX exposure: hedges have been temporarily halted but are constantly reviewed against RoA and Showmax funding outlook

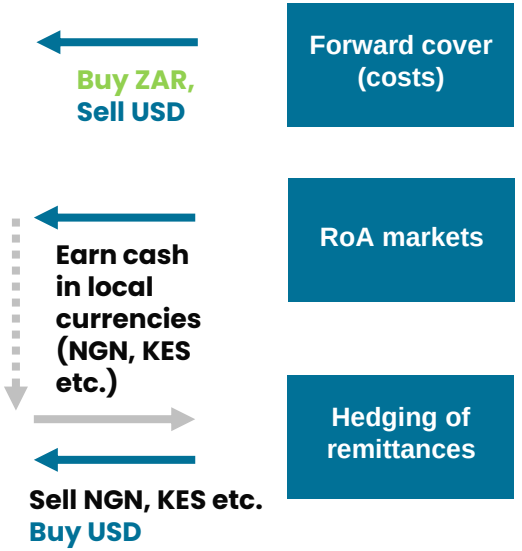
## Group Treasury

- Centrally co-ordinates trades to ensure rate efficiencies i.e. SA, RoA & Showmax hedges are executed as a net position
- At a group level, realised gains/losses on SA hedges are partially offset by losses/gains on RoA & Showmax hedges (when active)
- Offset distorted in core headline earnings adjustments, as SA gains/losses also adjusted for tax and minorities

## Rest of Africa/ Showmax

USD functional currency

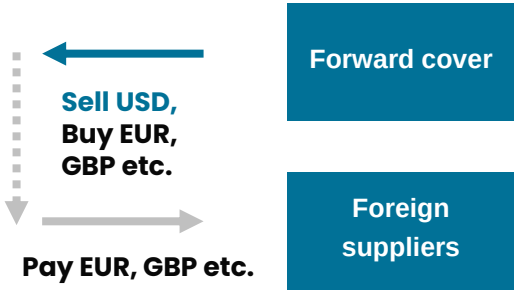
- Hedges ZAR payments to SA (hedging requirements constantly assessed against segment USD funding outlook as the provision of ZAR cash by Group Treasury for the segment USD funding needs is a natural hedge for their ZAR costs)
- Also hedges non-USD cash remittances from subsidiary companies in markets where feasible and economically viable
- Hedged markets can be hedged 12 months out (13 months for Nigeria)




## Technology

USD functional currency

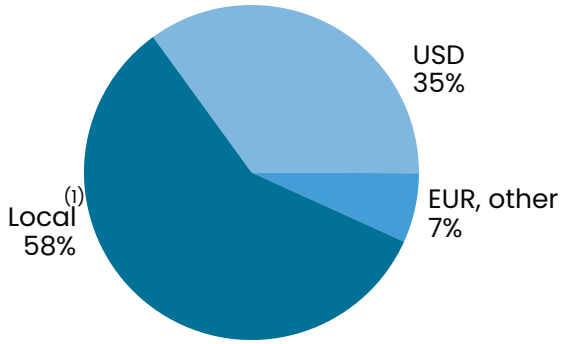
- Earns primarily USD revenues
- Non-USD operating costs hedged 12—24 months out



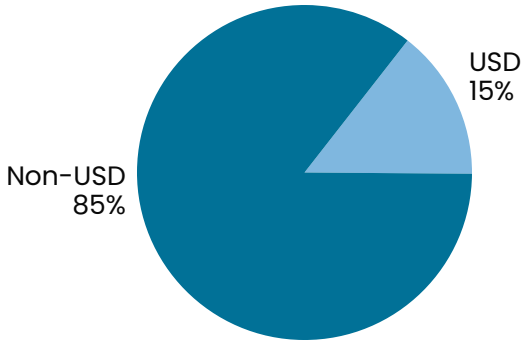
# Hard currency input costs exposure and hedging

## Currency distribution (FY24)

**Cost base (group)**




**Revenue (RoA)[2]**




## FX maturities: SA cover[3]

| Period | USDm | ZAR hedged rate |
|---|---|---|
| Months 1-6 | 439 | 18.74 |
| Months 1-12 | 449 | 18.75 |
| Months 13-24 | 0 | N/A |
| Months 25-36 | 0 | N/A |

## FX exposure: RoA cover

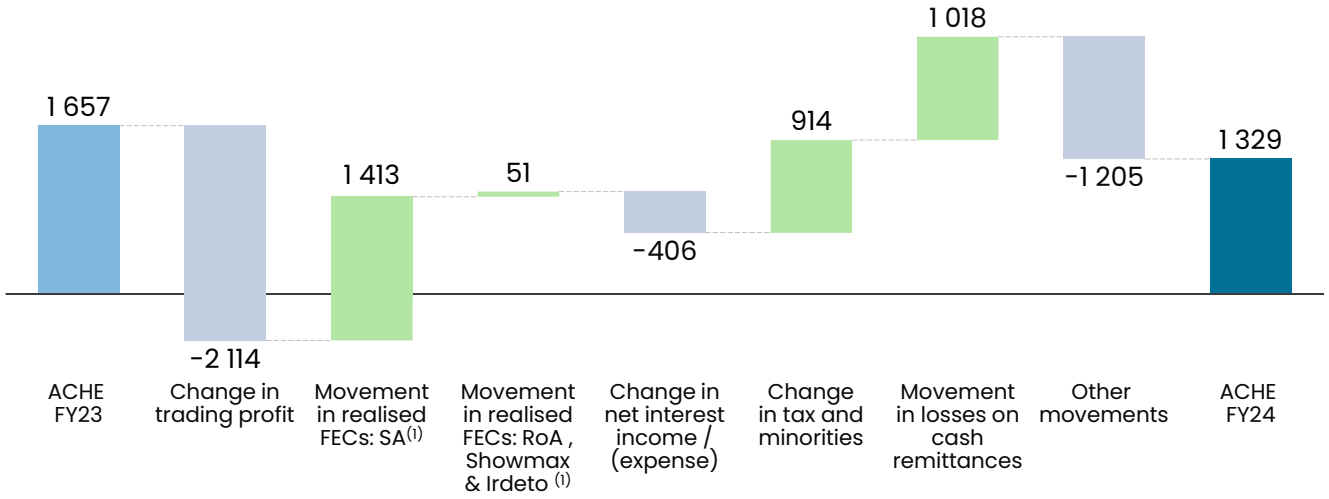
| Market[4] | % hedged | FY24 hedged rate (to USD) |
|---|---|---|
| Nigeria | 0% | N/A |
| Kenya | 17% | 136.01 |
| Zambia | 0% | N/A |
| Uganda | 0% | N/A |
| Botswana | 100% | 13.76 |
| Ghana | 0% | N/A |

- **Hard currency input costs** (42% of base):
  - Slightly higher percentage of cost base (41% in FY23) due to higher staff costs in Irdeto following higher headcount to support new services (like managing Foxtel's tech stack) as well as USD platform costs from Peacock
- **South Africa**
  - Policy is to hedge exposure at least 18 months out, and up to 36 months for contracted commitments
  - Given current elevated levels of volatility, approval granted to reduce hedged exposure below 18 months until rates settle
  - At year-end, hedged under 12 months out (into mid-FY25)
- **Rest of Africa**
  - 15% of revenue USD-denominated (no need to hedge)
  - Non-USD cash remittances preferably fully hedged ~12 months out[5] in markets where feasible (i.e. FECs available at reasonable cost)
  - Would equate to ~66% of RoA revenue if markets 100% hedged
  - Some impact from elevated currency volatility and commercially unviable rates; reduced cover in Kenya from fully to partially hedged, while our Botswanan market is 100% hedged (together representing ~4% of RoA revenues)
- **Irdeto**
  - Earns primarily USD revenues to cover its USD cost base
  - Non-USD operating costs (mainly EUR associated with Dutch operations) hedged 12-24 months out to match USD revenues

(1) Includes ZAR and local currencies in RoA; totals may not cast due to rounding
(2) Relates to subscription revenue only and is shown as a proxy for cash flows, the latter being hedged
(3) Represents 'gross' cover taken out on SA foreign currency costs – from a group perspective, net position has typically been lower as part of these costs were recharged to RoA & Showmax in ZAR and hedged back into USD for the segments – these offsetting positions have, however, been run down in FY24 and are being constantly reviewed against the segments' funding outlook
(4) Hedging cover in markets <100% due to decision not to hedge the full 12 months in these markets (in accordance with hedging policy)
(5) All RoA hedged markets are preferably covered 12 months out, except for Nigeria, which is 13 months when feasible

# Framework for understanding core headline earnings drivers

## Reconciliation of adjusted core headline earnings: FY23 to FY24




## Framework for calculating SA realised FEC gains/(losses)

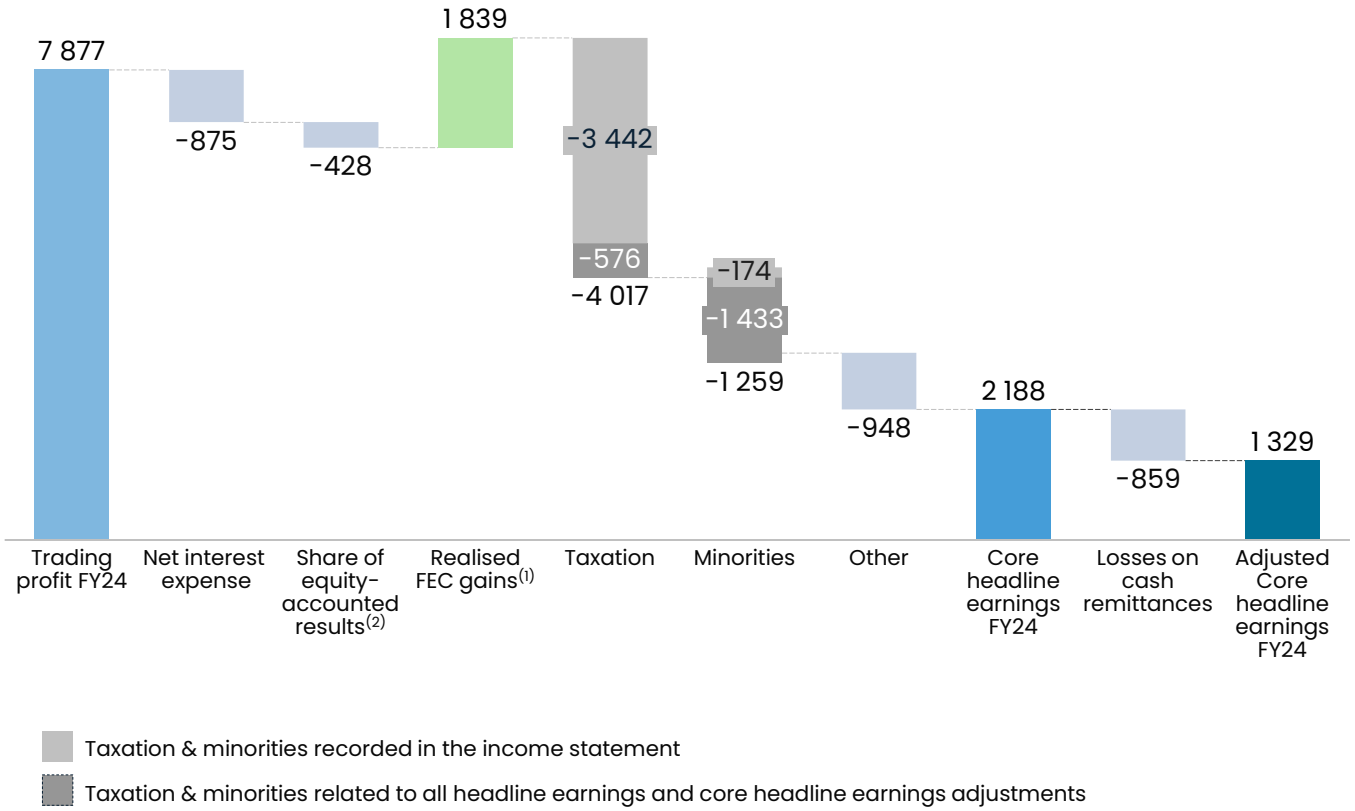
| | Hedges matured (2) | Average hedge rate (2) | Average spot rate | Theoretical gain/(loss) | Actual gain/(loss) (1) |
|---|---|---|---|---|---|
| FY23 | 781 | 16.15 | 17.14 | 774 | 472 |
| FY24 | 591 | 15.72 | 18.76 | 1 797 | 1 885 |
| **Movement YoY** | | | | **1 023** | **1 413** |

- Trading profit was much lower YoY
- Impact of realised FEC's in SA can be modelled directionally using the value of amounts hedged with the rates provided in the preceding period's results presentation
- Actual results may differ due to the specific exchange rates applicable on the maturity dates of hedges versus average spot for the period
- Realised FEC movements YoY in RoA have historically offset those in SA only partially, as RoA sold USD forwards to hedge its ZAR content charges from SA (policy has now changed)
- RoA's historic and prospective offsets:
  - In FY22: 60%
  - In FY23: 10%
  - In FY24: 0% (as RoA hedges have run down)
- Net interest costs comprise of higher interest paid on higher loan balances, partially offset by increased interest received arising from higher interest rates
- Tax and minorities benefit arising from lower taxes on lower profitability as well as new minority participating in Showmax losses, offset by tax and minorities impact on net realised forex gains
- Losses in cash remittance were lower as the gap between the official and parallel rates narrowed YoY
- Other movements include the unrealised foreign exchange gains/losses that were amortised to the income statement from the balance sheet (i.e. were treated as realised foreign exchange gains/losses in prior year core headline earnings). Also includes the movement in impairment of programme and film rights

(1) Realised FX numbers reflect all realised gains and losses, including those that are recorded in trading profit. Numbers are provided before tax and minority adjustments
(2) Sourced from FEC information disclosed in FY23 (for FY24 figures) and FY22 (for FY23 figures) results presentations (see appendix)

# Reconciliation of trading profit to adjusted core headline earnings

## Trading profit to adjusted core headline earnings bridge: FY24 (ZARm)




- Net interest expense excludes interest on transponder leases already included in trading profit (i.e. considered as an operating expense from a business perspective)
- Some realised FEC gains/losses already included in trading profit, others excluded as they occur below trading profit line (i.e. hedges of transponder lease payments) or are still on the balance sheet (i.e. content prepayments that have not yet been amortised through the income statement)
- Taxation and minorities reflect amounts recorded in the income statement, stacked with taxation and minorities related to the headline earnings and core headline earnings adjustments
- Other movements include unrealised foreign exchange gains/losses amortised to the income statement from the balance sheet (i.e. treated as realised foreign exchange gains/losses in prior year core headline earnings)
- Unrealised foreign currency gains/losses and fair value adjustments occurring below trading profit not included in this recon, as they are excluded from both trading profit and core headline earnings
- Losses on cash remittances, reflects losses within the Rest of Africa segment, due to differences between official Nigerian naira rate used by the group for translation and the Nigerian parallel rate at which cash has been remitted. Amounts are reflected net of tax and minorities

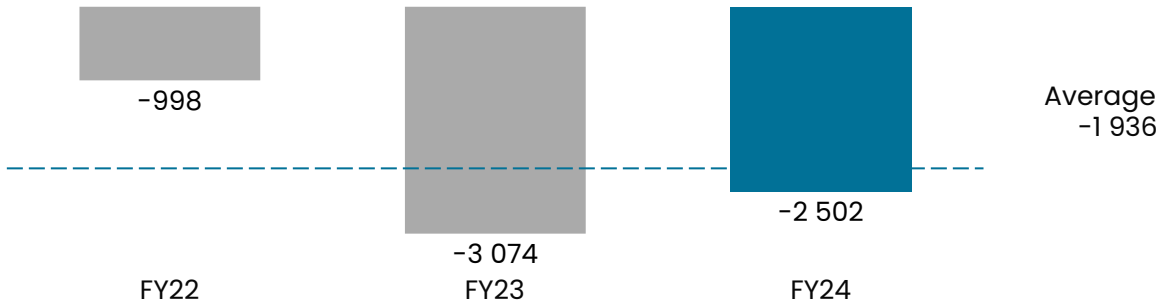
(1) Includes the full realized foreign exchange gains/losses on forward exchange contracts (FEC's)
(2) Share of equity results (-ZAR588m), adjusted for amortization of intangible assets identified on acquisition of KingMakers (+ZAR160m)

# Working capital components and drivers

## Net working capital movements (ZARm)

| | FY23 | FY24 |
|---|---|---|
| Trade and other receivables[1] | (1 634) | (1 943) |
| Payables and accruals | (1 031) | 118 |
| Net movement in programme and film rights[2] | (563) | 130 |
| - amortisation of programme and film rights[2] | 14 946 | 14 911 |
| - cash movement in programme and film rights[2] | (15 509) | (14 781) |
| Inventory | 154 | (807) |
| **Change in net working capital** | **(3 074)** | **(2 502)** |

## Historic working capital movements (ZARm)

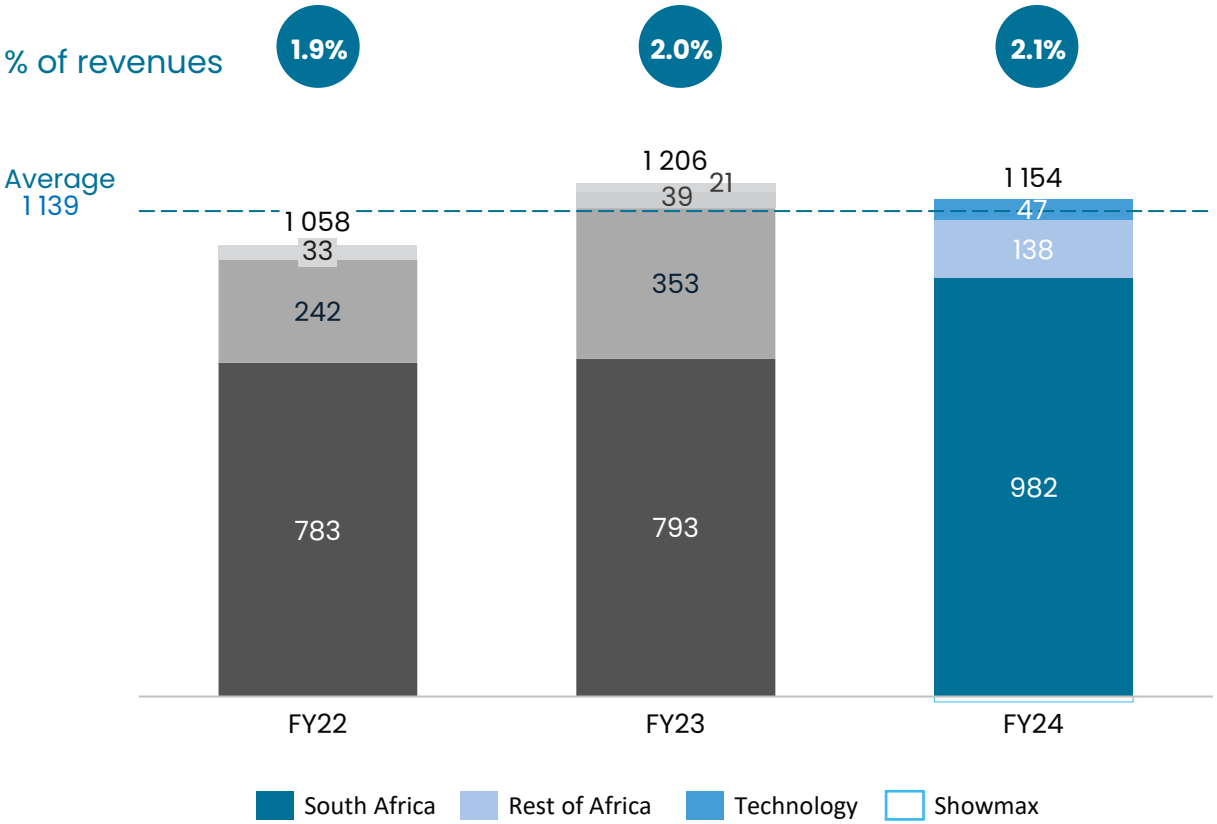



- **Trade and other receivables**
  - Net outflow in the year primarily due to the payments made for the customisation of the new Showmax platform
- **Payables and accruals**
  - Net inflow in the current year driven by timing of supplier payments
- **Programme and film rights**
  - Amortisation of content charge was mostly flat YoY.
  - Costs in FY24 was impacted by multiple special events (Rugby World Cup, Cricket World Cup, AFCON, Netball World Cup, FIFA Women's World Cup), as well as airing of key local content such as *Shaka iLembe.* Costs in the prior year was impacted by events such as the FIFA World Cup and Commonwealth Games.
  - Cash payments are down YoY due to cost savings negotiated as well as benefiting from PY prepayments
- **Inventory**
  - Outflow as new subsidy strategy resulted in higher period-end balances due to slowing of sales rates. Stock in our books is also valued higher due to increased retail selling prices.

Note: totals may not cast due to rounding
(1) Shown net of movements in related party current accounts (adjustments immaterial)
(2) Working capital movement in programme and film rights disclosed on a gross basis in published annual financial statements

# Segmental capex profile

## Capital expenditure (ZARm)[1]




- **SA**
  - Higher capex YoY due to increase in Technology modernization project spend to complete immediately viable modules and in DStv Stream tech stack to support SA OTT ambitions
- **Rest of Africa**
  - Reduced capex outlays to limit funding needs given macro and FX pressure on profitability
  - Actively sweating assets still fit for use
  - Lower translated ZAR capex due to the forex devaluations in key markets (naira 50% down YoY on average)
  - Partially offset by the weaker ZAR on translation (average 9% weaker YoY)
- **Technology**
  - Capex was mostly flat in USD terms, but ZAR increase largely driven by weaker ZAR on translation
- **Showmax**
  - Capex is mostly negligible and usually relates to office furniture, fittings etc.

Note: totals may not cast due to rounding
(1) Capital expenditures defined as PP&E acquired – proceeds from sale of PP&E + intangible assets acquired – proceeds from sale of intangible assets

# Segmental cash tax and expense profile

## Cash taxes paid (ZARm)

| | ZARm | FY23 | FY24 |
|---|---|---|---|
| South Africa | **Cash taxes** | **2 335** | **2 539** |
| | Tax expense | 2 491 | 2 227 |
| | Effective tax rate % | 49% | 30% |
| Showmax | **Cash taxes** | **5** | **4** |
| | Tax expense | (83) | 6 |
| | Effective tax rate % | -6% | 0% |
| Rest of Africa | **Cash taxes** | **951** | **997** |
| | As % of revenues | 4% | 5% |
| | Tax expense | 1 314 | 1 160 |
| | Effective tax rate % | -40% | -23% |
| Technology | **Cash taxes** | **105** | **119** |
| | Tax expense | 118 | 48 |
| | Effective tax rate % | 20% | 35% |

**South Africa**

- Tax payments higher YoY due to higher top-up payments in FY24
- Effective tax rate of 30% above 27% corporate tax rate due to non-deductible corporate costs in SA segment (e.g. interest incurred by Treasury on debt-funding)

**Showmax:**

- Cash taxes small due to segment being loss making
- Withholding taxes incurred on revenues and remittances earned in Rest of Africa territories

**Rest of Africa**

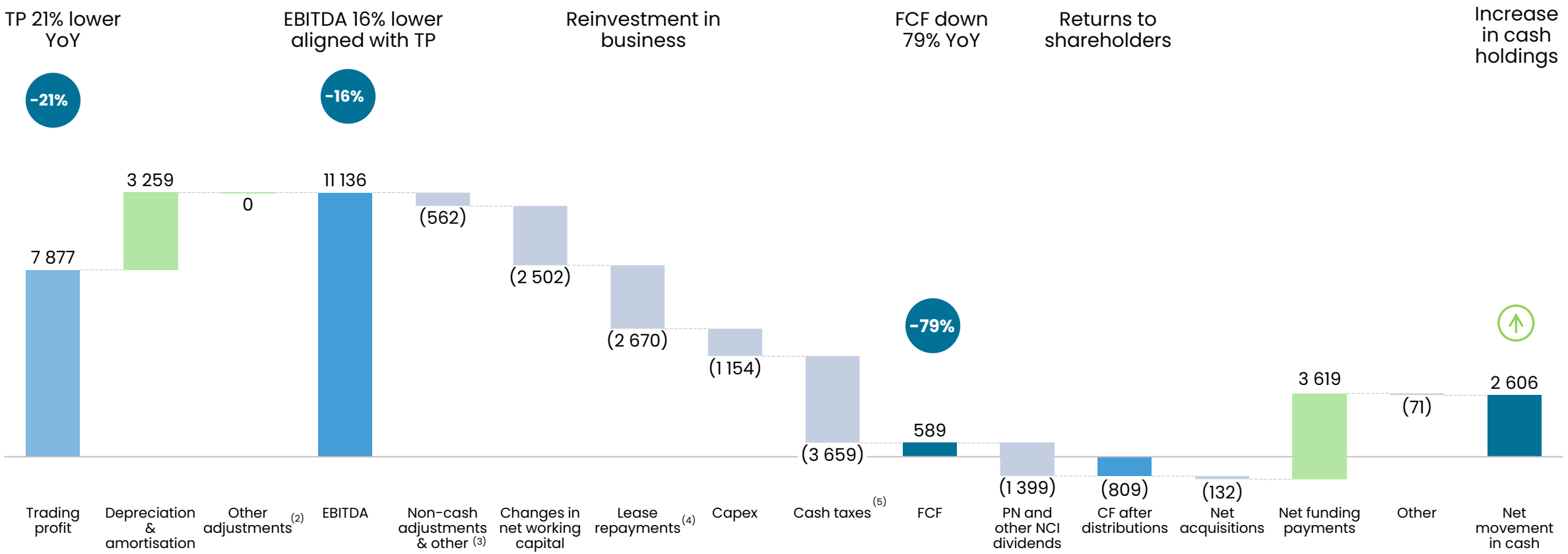
- Cash taxes mainly relate to withholding taxes on net cash remittances and corporate income taxes in profitable markets
- Cash taxes equivalent to 5% of revenues (FY23: 4%), a return to guided range of 5% to 7% of revenues
- Increase payments YoY due to the Nigeria cash settlement with FIRS
- Tax expense is however down YoY due to reduced taxable profits (due to significant naira devaluation) and reversal of tax provisions

**Technology (Irdeto)**

- Cash taxes mainly relate to withholding taxes and corporate income taxes in profitable markets, impacted by weaker average ZAR on translation
- Company is subject to taxes in various operating markets (average statutory rate of ~25%)
- Effective tax rate (ETR) of 35% driven by:
  - tax add backs and non-deductible expenses (e.g. impairment of Bidstack investment)
  - offset by benefits from R&D allowance in Netherlands ('Innovation Box')

# Trading profit to FCF to net cash movements bridge

## FY24 free cash flow allocated to shareholders vs. reinvestment (ZARm)




(1) Includes depreciation and interest on transponder leases
(2) Fair value movements in futures contracts
(3) Includes non-cash adjustments and other investment income
(4) Includes all transponder lease repayments (including interest on transponder leases) and the capital portion of all other lease repayments
(5) Free cash flow before M&A and dividend payments

# Conceptual framework for understanding non-controlling interests

**FY24 NCI profit allocation**

## South Africa

**R1 386m**

**23.2%**

of SA net profit

Before February 2019: 20%

Changed to 25% from March 2019 due to increase in PN ownership as part of unbundling

Currently 23.2% due to impact of "Flip Up" transaction(1) (i.e. since 28 October 2019) and consolidation of the Enterprise Development Trust

## Showmax

**-R812m**

**30%**

of Showmax net loss

Changed to 30% minority from April 2023 after Comcast purchased a stake in the entity

## Nigeria

**-R913m**

**21%**

of Nigeria net loss

21% minority allocation

## Other RoA

**R165m**

**Not material**

Small NCI profit or loss allocation to local entities, many of which are commission-earning (i.e. non-principal operations). These are generally but not always profitable as bulk of costs are incurred at corporate level

Principal operations such as Namibia, Angola, and several GOtv entities are unlikely to have a meaningful NCI impact for the foreseeable future as many have small or immaterial NCI holdings from an economic perspective

Note: Conceptual framework applicable for current business structure

(1) "Flip Up" transaction wherein PN shareholders were given the opportunity to exchange up to 20% of their share in PN for shares in MCG at a defined exchange ratio

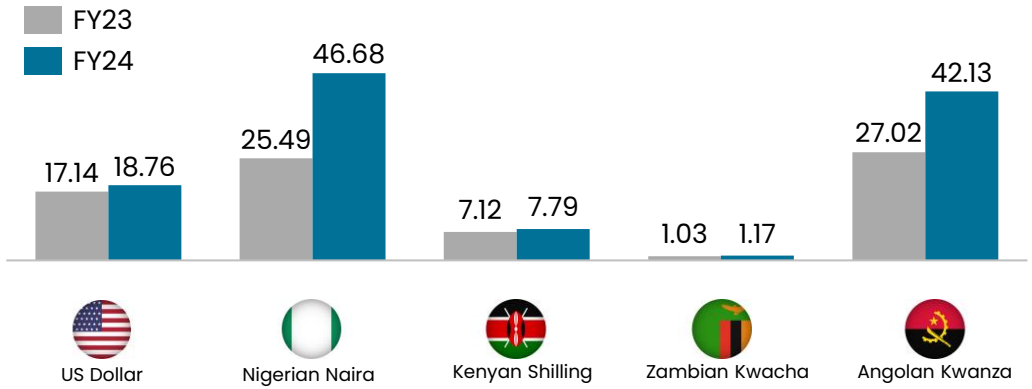
# Explanation of organic metrics and growth rates

- Organic metrics (i.e. organic trading profit, costs and revenue) calculated after adjusting reported values for: (1) changes in FX rates and (2) M&A activity
- Compared to the prior year's actual IFRS results to arrive at organic growth rates
- Assurance report provided by auditors in respect of this calculation

## Adjustment 1
### Changes in foreign exchange rates

- Calculated by translating the current period's results at the prior period's average FX rates (average of the monthly exchange rates for that period)

**Average exchange rates used for translation, relative to ZAR[1]:**




## Adjustment 2
### Changes in group composition (M&A)

- Adjustments for material acquisitions or disposals of subsidiaries made in current and/or prior year
- For mergers, adjustment includes a portion of the prior year results of entity with which the merger takes place
- No M&A activity has impacted organic growth calculations for FY24 (note that the KingMakers investment is equity accounted below the trading profit line and therefore does not impact organic growth calculations)

(1) USD exchange rate presented as 1USD = ZAR, all other currencies presented as 1ZAR = units of foreign currency

# MCG group structure and ecosystem

5.7%

PHUTHUMA NATHI
SHARE THE FUTURE

**TRADING ON I-Ex**

B-BBEE shareholders

MULTICHOICE
ENRICHING LIVES

**JSE listed: MCG**

Single class of shares[1]

96.5%

**PUBLIC SHAREHOLDERS**

75% (2) | 25% (2) | 100% (3) | 70% | 100% | 49.2% (5) | 26.0% (6)

MULTICHOICE
South Africa

MULTICHOICE
Africa

showmax

irdeto

KingMakers

Moment

SA20 | AURA | Namola

## Video entertainment ecosystem – linear, streaming & aggregation

**Major subsidiaries:**
- MultiChoice SA Holdings
- MultiChoice SA
- MultiChoice
- MSS[4]
- Electronic Media Network
- SuperSport Int. Holdings
- DStv Media Sales
- NMS Insurance

**Major subsidiaries:**
- MAH B.V.[4]
- MultiChoice Nigeria
- MultiChoice Angola
- MultiChoice Uganda
- MultiChoice Zambia
- MultiChoice Kenya
- MultiChoice Tanzania

**Major subsidiaries:**
- Showmax Africa Holdings
- Showmax SA
- MSAT

**Broadcasting**

DStv
GOtv

**Advertising**

DStv Media Sales

**Content**

**Streaming**

showmax

## Digital & cybersecurity

**Major subsidiaries:**
- Irdeto B.V.
- Irdeto SA
- Denuvo

## Sports betting

**Operating brands:**
- BetKing
- SuperSportBet
- SuperPicks (joint)

## Fin-tech

**Major investees:**
- Moment Holdings

## Scalable consumer tech

**Investees include:**
- SuperSport Schools
- SA20
- Namola
- AURA
- Trust Machines

(1) Foreign shareholder voting rights are capped at 20% by MCG's MOI in order to comply with the broadcasting licence requirements in South Africa under the Electronic Communications Act, 36 of 2005
(2) MCG's combined direct and indirect interest in MCSA is 76.8% (a 75.0% direct stake, a 1.4% indirect stake via PN, and a 0.4% indirect stake via the Enterprise Development Trust)
(3) An approximation of the blended minority economic interest in our Rest of Africa operations would be ~85%
(4) MAH B.V. = MultiChoice Africa Holdings; MSS = MultiChoice Support Services;
(5) KingMakers: 49.23% voting interest is fully diluted for KingMakers ESOP but represents a 51.23% economic interest (see annual financial statements);
(6) Moment: 26% interest is fully diluted for the Moment ESOP as at MCG's year-end

# Glossary of terms

| | |
|---|---|
| **ARPU** | Average revenue per user |
| **B-BBEE** | Broad-based black economic empowerment |
| **Capex** | Capital expenditure |
| **CAGR** | Compound annual growth rate |
| **COPS** | Cost of providing services |
| **CV** | Connected Video |
| **CWC** | Cricket World Cup |
| **DTH** | Direct-to-Home Television |
| **DTT** | Digital Terrestrial Television |
| **EBITDA** | Earnings before interest, tax, depreciation and amortisation |
| **EESE** | Equity Express Securities Exchange |
| **EPL** | English Premier League |
| **FCF** | Free cash flow |
| **FEC** | Forward exchange contract |
| **FWC** | FIFA World Cup (soccer) |
| **FX** | Foreign exchange |
| **FY** | Financial year |
| **GE** | General Entertainment (operating segment) |
| **1H / 2H** | First half/second half of the financial year (same applies for quarters [1Q/2Q]) |
| **HD** | High Definition (SD = Standard Definition) |
| **IFRS** | International Financial Reporting Standards |
| **IPTV** | Internet protocol television |
| **IT** | Information technology |
| **JSE** | Johannesburg Stock Exchange |
| **M&A** | Mergers and acquisitions |
| **MCG** | MultiChoice Group |
| **NCI** | Non-controlling interests |
| **Opex** | Operating expenditure |
| **OTT** | Over-the-top services (media services in this context)Cost of providing services |
| **PN** | Phuthuma Nathi |
| **PY / CY** | Prior year / Current year |
| **PSL** | Premier Soccer League in South Africa, re-named DStv Premiership Digital Terrestrial Television |
| **PVR** | Personal video recorder |
| **RoA** | Rest of Africa |
| **RWC** | Rugby World Cup |
| **SA** | South Africa |
| **SSA** | Sub-Saharan Africa |
| **SG&A** | Selling, general and administration expenses |
| **STB** | Set-top box (decoder) |
| **SMS** | Short Message Service |
| **SVOD** | Subscription video on demand |
| **UCL** | UEFA Champions League |
| **UHD** | Ultra-High Definition (technically different from but conflated with 4K) |
| **US** | United States |
| **USSD** | Unstructured supplementary service data |
| **VAT** | Value-Added Tax |
| **WFH** | Work from home |
| **YoY** | Year-on-year (same applies to halves [HoH], months [MoM], quarters [QoQ]) |
| **YTD** | Year-to-date |

# Thank you

Meloy Horn
Head of Investor Relations
investorrelations@multichoice.com