

MULTICHOICE GROUP LIMITED
(incorporated in the Republic of South Africa)
(Registration number: 2018/473845/06)
JSE Share Code: MCG ISIN: ZAE000265971
("MultiChoice" or "the Company")

Trading statement

Shareholders are advised that the MultiChoice group ("the group") is finalising its condensed consolidated interim financial results for the six months ended 30 September 2020 ("current period").

Core headline earnings per share and trading profit

The board considers core headline earnings per share and trading profit as the two most appropriate indicators of the operating performance of the group, as they adjust for non-recurring and non-operational items.

Compared to the group's interim financial results for the six months ended 30 September 2019 ("prior period"), the group expects core headline earnings per share for the current period to be between 40% (175 ZAR cents) and 45% (197 ZAR cents) higher than the prior period's reported 437 ZAR cents.

Trading profit is expected to be between 15% (R0.7bn) and 20% (R1.0bn) higher than the prior period's reported R4.8bn. On an organic basis (i.e. reflecting results on a constant currency basis, excluding M&A) trading profit is expected to be between 35% (R1.7bn) and 40% (R1.9bn) higher than the prior period's reported R4.8bn.

The improved financial performance for the current period was achieved despite continued macro-economic headwinds across the continent, including the impact of COVID-19 which especially depressed advertising revenues and commercial subscription revenues. The timing of content costs and a strong focus on overall cost reduction allowed the group to drive a further reduction in losses in the Rest of Africa segment, which has been the largest contributor to the improvement in group performance.

Core headline earnings per share and organic trading profit constitute pro forma financial information in terms of the JSE Limited Listings Requirements. The pro forma financial information is the responsibility of the group's directors, has been prepared for illustrative purposes only and, because of its pro forma nature, may not fairly present the group's financial position, changes in equity, cash flows or results of operations. Core headline earnings is calculated by adjusting headline earnings for the following items, net of tax and non-controlling interests: a) amortisation of intangible assets arising from business combinations; b) accounting adjustments stemming from IFRS 3: Business Combinations; c) equity-settled share-based payment compensation; d) unrealised foreign currency gains/losses; e) certain fair-value adjustments under IFRS; f) non-recurring current and deferred taxation impacts; g) non-recurring empowerment transactions and h) acquisition-related costs. Organic trading profit is calculated by excluding foreign currency movements and changes in the composition of the group.

Earnings per share and headline earnings per share

Compared to the prior period, the group expects earnings per share for the current period to be between 68% (230 ZAR cents) and 74% (250 ZAR cents) higher than the prior period's reported earnings per share of 336 ZAR cents.

Headline earnings per share for the current period is expected to be between 65% (220 ZAR cents) and 70% (240 ZAR cents) higher than the prior period's reported headline earnings per share of 341 ZAR cents. The key reasons for the movements are an improvement in trading performance and lower realised foreign exchange losses due to more favourable forward exchange contracts maturing.

Further details will be provided in the condensed consolidated interim financial results, due to be released on the Stock Exchange news service on 12 November 2020.

The financial information on which this trading statement is based has not been reviewed and reported on by the Company's external auditor.

Randburg
9 November 2020
Sponsor: Rand Merchant Bank (a division of FirstRand Bank Limited)

Important notice

Shareholders should take note that, pursuant to a provision of the MultiChoice memorandum of incorporation, MultiChoice is permitted to reduce the voting rights of shares in MultiChoice (including MultiChoice shares deposited in terms of the American Depositary Share ("ADS") facility) so that the aggregate voting power of MultiChoice shares that are presumptively owned or held by foreigners to South Africa (as envisaged in the MultiChoice memorandum of incorporation) will not exceed 20% of the total voting power in MultiChoice. This is to ensure compliance with certain statutory requirements applicable to South Africa. For this purpose MultiChoice will presume in particular that:

- all MultiChoice shares deposited in terms of the MultiChoice ADS facility are owned or held by foreigners to South Africa, regardless of the actual nationality of the MultiChoice ADS holder; and
- all shareholders with an address outside of South Africa on the register of MultiChoice will be deemed to be foreigners to South Africa, irrespective of their actual nationality or domicile, unless such shareholder can provide proof, to the satisfaction of the MultiChoice board, that it should not be deemed to be a foreigner to South Africa, as envisaged in article 40.1.3 of the MultiChoice memorandum of incorporation.

Shareholders are referred to the provisions of the MultiChoice memorandum of incorporation available at www.multichoice.com for further detail. If shareholders are in any doubt as to what action to take, they should seek advice from their broker, attorney or other professional adviser.