

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" or "the group")

Interim trading statement for the six months ended 30 September 2024

Shareholders are advised that the group is finalising its consolidated interim financial statements for the six months ended 30 September 2024 ("1H FY25" or the "current period").

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, companies are required to publish a trading statement as soon as they are satisfied, with a reasonable degree of certainty, that the financial results for the current reporting period will differ by at least 20% from the financial results of the previous corresponding period.

The loss per share and headline loss per share financial information included in this announcement constitutes forecast financial information in terms of regulations 111(9) and 111(10) of the Companies Regulations, 2011, made in terms of sections 120 and 223 of the Companies Act, No. 71 of 2008 (read together in this context as the "Companies Regulations").

The group's 1H FY25 financial performance has been negatively impacted by severe pressure in the macro-economic, foreign exchange rate and consumer environment in key markets, most notably Nigeria and Zambia. As guided in the group's full-year results for the year ended 31 March 2024, MultiChoice is pursuing an inflationary pricing strategy and targeting ZAR2.0bn in cost savings in the group's full-year results ending 31 March 2025 in order to offset weaker subscriber activity and foreign exchange pressures. The group has made strong progress against these objectives on a year-to-date basis.

The table below summarises the group's estimated changes in loss and headline loss per share (per the Companies Regulations), trading profit, and adjusted core headline earnings per share for the six months ended 30 September 2024, as compared to the six months ended 30 September 2023 ("1H FY24" or the "prior year period"), with explanations for the expected movements discussed thereafter.

	Metric	Figure in comparative period ended 30 September 2023	Expected movement range for six months ended 30 September 2024	Expected % increase (+) / decrease (-) range
Financial information per Companies Regulations				
Loss per share	ZAR cents	(310)	+(105) to +(118)*	-34% to -38%*
Headline loss per share	ZAR cents	(289)	+(130) to +(142)*	-45% to -49%*
Non-IFRS measures				
Trading profit (reported)	ZAR'bn	5.0	-2.2 to -2.4	-44% to -48%
Trading profit (organic)**	ZAR'bn	5.0	-0.15 to +0.05	-3% to +1%
Trading profit (organic, excluding Showmax)**	ZAR'bn	5.0	+1.5 to +1.7	+30% to +34%
Adjusted core headline earnings per share	ZAR cents	356	-345 to -360	-97% to -101%

* "+(XX)" means that a negative base number is increasing by an additional negative number and a negative percentage movement means that a negative base number is increasing in negative value

** "Organic" means excluding the impact of foreign exchange translation effects and mergers and acquisitions (M&A); "Excluding Showmax" means excluding the incremental Showmax trading losses incurred year-on-year (YoY)

In addition to the most challenging operating environment in the group's history, MultiChoice has also entered the peak investment cycle of Showmax and expects losses and headline losses per share to increase as a result of the early life cycle of the Showmax business. The group expects to report a further ZAR2.1bn in foreign exchange rate movements through its income statement on non-quasi equity inter-group loans in the current period.

The group expects reported trading profit to decline YoY and be close to flat on an organic basis. However, excluding ZAR2.3bn in foreign exchange losses in the group's Rest of Africa business and a ZAR1.6bn incremental investment

in the group's Showmax business, group trading profit is expected to increase by over 30% YoY due to the inflation-led pricing and cost optimisation processes noted above.

The group expects adjusted core headline earnings per share for 1H FY25 to follow the trends noted in trading profit, further impacted by the negative effect of non-recurring hedging losses in the period compared with gains in the prior year period, and to therefore decline YoY to close to breakeven.

Context for trading profit and adjusted core headline earnings per share

The board considers trading profit and adjusted core headline earnings per share to be two appropriate indicators of the operating performance of the group, as they adjust for non-recurring and non-operational items. Adjusted core headline earnings includes the impact of losses incurred on cash remittances from Rest of Africa markets (mainly Nigeria), net of tax and non-controlling interest.

Organic trading profit and adjusted core headline earnings per share are considered to be non-IFRS measures. Organic trading profit is calculated by excluding foreign currency movements and changes in the composition of the group. Adjusted 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 related to IFRS 3: Business Combinations; c) equity-settled share-based payment compensation; d) unrealised and non-recurring foreign currency gains/losses; e) certain fair-value adjustments under IFRS; f) non-recurring current and deferred taxation impacts; g) non-recurring empowerment transactions; h) acquisition-related costs and once-off contractual settlements; i) non-recurring, non-routine impairments of certain assets; and j) losses on cash remittances, mainly in Nigeria, net of tax and the non-controlling interest.

The financial information in this announcement is based on the draft consolidated interim financial results of the group for the six months ended 30 September 2024 ("draft financial results"), which have been prepared using the accounting policies that are materially consistent with previously published audited results of MultiChoice. These draft financial results provide the directors with a reasonable degree of certainty that the financial results for the current year will differ by at least 20% from the financial results of the previous corresponding year.

The Independent Board of MultiChoice accepts responsibility for the information contained in this announcement and confirms that, to the best of its knowledge and belief, such information relating to MultiChoice is true and that this announcement does not omit anything likely to affect the importance of such information.

Ernst & Young Inc., the Company's auditor, have issued a report on the loss per share and headline loss per share financial information contained in this announcement, in accordance with regulations 111(9) and 111(10) of the Companies Regulations, 2011, which is available for inspection at MultiChoice's registered offices.

Further details will be provided in the consolidated interim financial results, due to be released on SENS on 12 November 2024.

Randburg
7 November 2024
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.