Annual results announcement

Summary consolidated financial results

for the year ended 31 March 2025

MultiChoice
ENRICHING LIVES

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MultiChoice Group Limited
(Registration number: 2018/473845/06)
JSE share code: MCG
ISIN: ZAE000265971

Unprecedented headwinds countered with focused management interventions

Overview

The past two financial years have been a period of significant financial disruption for economies, corporates and consumers across sub-Saharan Africa due to challenging macro-economic factors. Combined with the impact of structural industry changes in video entertainment such as the rise of piracy, streaming services and social media, this has materially affected the overall performance of the MultiChoice Group. Over this period, the group lost 2.8m active linear subscribers and had to absorb a ZAR10.2bn negative impact on its topline due to local currency depreciation against the US dollar.

Management acted decisively to ensure that the group could withstand these headwinds, focusing on key areas within its control. This has meant maintaining a discipline of inflationary pricing, with price increases of ~5.7% in South Africa in FY25 (FY24: 5.6%) and an average of 31% in local currency in Rest of Africa (FY24: 27%), which enabled the group to offset subscriber volume pressures and deliver 1% year-on-year (YoY) organic revenue growth in the current financial year.

In addition, further efficiencies were implemented to manage costs and cash flows without unduly sacrificing the group's customer value proposition. In this regard, the group delivered ZAR3.7bn in cost savings, well ahead of management's initial ZAR2.0bn target (and the revised ZAR2.5bn target set at interims) and almost double the ZAR1.9bn saved in FY24. Despite these cost savings, the group's organic trading profit declined by 9% YoY due to the increased operating costs in Showmax in its peak investment year.

Importantly, the group returned to a positive equity position through a combination of cost savings, a stabilisation in currencies, and the accounting gain on the sale of 60% of the group's shareholding in its insurance business (NMSIS) to Sanlam.

Headline results

The group's performance was mixed, as the effects of a severely stretched consumer environment, combined with foreign currency and other macro headwinds, were countered by accelerated cost savings and cash management initiatives.

Linear subscribers were down 1.2m or 8% YoY to 14.5m active subscribers, with the loss evenly split between South African (0.6m) and Rest of Africa (0.6m). Although reflecting an improvement on FY24 trends, this indicates ongoing broad-based pressure across the group's entire customer base.

Active paying Showmax subscribers were up 44% YoY, reflecting healthy growth and gaining regional market share.

Group revenue declined by ZAR5.2bn or 9% YoY to ZAR50.8bn, mainly due to an 11% decline in subscription revenues (-1% organic) caused by foreign currency and subscriber volume headwinds and the deconsolidation of the NMSIS insurance business from December 2024. This was partially offset by inflationary pricing and new product growth (DStv Internet, DStv Stream and Extra Stream).

Trading profit, which declined by ZAR3.8bn or 49% YoY to ZAR4.0bn, was materially affected by the ZAR2.3bn organic increase in trading losses in Showmax and the ZAR5.2bn in foreign currency revenue losses, partially offset by a significant outperformance in delivering total cost savings of ZAR3.7bn.

Adjusted core headline earnings, the board's revised measure of the underlying performance of the business, shifted to a loss of ZAR0.8bn (FY24: earnings of ZAR1.3bn) due to lower trading profit and hedging losses in FY25 (compared to gains in FY24), partially offset by smaller losses on cash remittances from Nigeria.

The group incurred a free cash outflow of ZAR0.5bn in FY25 (FY24: inflow of ZAR0.6bn), impacted by lower profitability, higher lease repayments due to timing and partially offset by improved working capital management as well as a 29% YoY decline in capex.

At year-end the group held ZAR5.1bn in cash and cash equivalents and retains access to ZAR3.0bn in undrawn general borrowing facilities. A part of the ZAR12.0bn term loan was repaid early by using the ZAR0.9bn upfront proceeds from the NMSIS transaction (i.e. ZAR1.2bn, net of tax).

The group operates in numerous markets across Africa and internationally, resulting in significant exposure to foreign exchange volatility. This can have a notable impact on reported revenue and trading profit metrics, particularly in the Rest of Africa where revenues are earned in local currencies while the cost base is largely USD denominated. Where relevant in this announcement, amounts and percentages have been adjusted for the effects of foreign currency, and exclude discontinued products, acquisitions and disposals, to better reflect underlying trends and sustainable operational performance. These adjustments (non-International Financial Reporting Standards (IFRS) performance measures) are referred to as organic when used. These non-IFRS performance measures constitute *pro forma* financial information in terms of the JSE Limited Listings Requirements.

The company's external auditor has not reviewed or reported on forecasts included in this results announcement.

Directorate

With effect from 1 April 2024, Elias Masilela took on the role of Deputy Chair and Lead Independent Director (LID). At the time, Jim Volkwyn stepped down as LID but remained on the board as a non-executive director until the AGM in August 2024, when he decided not to stand for re-election. Encouraging progress in the Canal+ transaction during the course of April 2024 allowed Imtiaz Patel to step down from the role of Chair and the Board, with Elias Masilela taking over from him in line with the succession plan announced in September 2023.

The board reiterates its deep gratitude to Imtiaz Patel and Jim Volkwyn for their invaluable contributions to the group over many years.

Dividend

In view of the group's commitments under the Cooperation Agreement with Canal+, as published in the Combined Offer Circular on 4 June 2024, no dividend has been declared.

Preparation of this announcement

The preparation of the results announcement was supervised by the group's chief financial officer, Tim Jacobs CA(SA). These results were made public on 11 June 2025.

ADR programme

Bank of New York Mellon maintains a Global BuyDIRECTSM plan for MultiChoice Group Limited. For additional information, visit Bank of New York Mellon's website at www.globalbuydirect.com or call Shareholder Relations at 1-888-BNY-ADRS or 1-800-345-1612 or write to: Bank of New York Mellon, Shareholder Relations Department – Global BuyDIRECT, 462 South 4th Street, Suite 1600, Louisville, KY 40202, United States of America, (PO Box 505000, Louisville, KY 40233-5000).

Important information

This results announcement contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of various important factors. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. The key factors that could cause our actual results performance, or achievements to differ materially from those in the forward-looking statements include, among others, changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; ongoing and future acquisitions, changes to domestic and international business and market conditions such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political conditions; the occurrence of labour disruptions and industrial action and the effects of both current and future litigation. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements contained in this results announcement, whether as a result of new information, future events or otherwise. We cannot give any assurance that forward-looking statements will prove to be correct, and investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

Further information

This results announcement is the responsibility of the directors and does not provide all the details contained in the summary and consolidated annual financial statements for the year ended 31 March 2025 (full results). Any investment decision should be based on the full results available on SENS at
https://senspdf.jse.co.za/documents/2025/JSE/ISSE/MCGE/11Jun25FY.pdf
and on the company's website www.investors.multichoice.com/annual-results.
The consolidated annual financial statements have been audited by Ernst & Young Inc., who have provided an unmodified opinion.

On behalf of the board

Elias Masilela
Chair

Calvo Mawela
Group CEO

Johannesburg
11 June 2025

Salient features

Year ended 31 March	2025 ZAR'm	2024 ZAR'm	YoY % change
Revenue[1]	**50 760**	55 968	(9)
Operating profit	**4 664**	7 080	(34)
Trading profit	**4 038**	7 877	(49)
Free cash (outflow)/inflow	**(516)**	589	>(100)
Core headline (loss)/earnings per ordinary share (SA cents)	**(165)**	515	>(100)
Adjusted core headline (loss)/earnings per ordinary share (SA cents)	**(186)**	313	>(100)
Earnings/(loss) per ordinary share (SA cents)	**279**	(935)	>100
Headline loss per ordinary share (SA cents)	**(258)**	(715)	64
Net asset value per ordinary share (SA cents)	**373**	(251)	>100
Dividend per ordinary share (SA cents)	**–**	–	–

[1] *Revenue disclosed above includes IFRS 17 insurance revenue of ZAR780m (FY24: ZAR969m).*

Key performance indicators

As at 31 March	2024 Reported	2025 Currency impact	2025 Organic growth	2025 Reported	YoY % change	YoY organic % change
Subscribers ('000)	15 685	**n/a**	**(1 180)**	**14 505**	(8)	(8)
South Africa	7 607	**n/a**	**(589)**	**7 018**	(8)	(8)
Rest of Africa	8 078	**n/a**	**(591)**	**7 487**	(7)	(7)
ARPU (ZAR)						
Blended	229	**(25)**	**18**	**222**	(3)	8
South Africa	281	**–**	**11**	**292**	4	4
Rest of Africa	173	**(47)**	**22**	**148**	(14)	13
90-day active subscribers ('000)	20 934	**n/a**	**(2 342)**	**18 592**	(11)	(11)
South Africa	8 551	**n/a**	**(614)**	**7 937**	(7)	(7)
Rest of Africa	12 383	**n/a**	**(1 728)**	**10 655**	(14)	(14)
90-day active ARPU (ZAR)						
Blended	170	**(19)**	**19**	**170**	–	11
South Africa	246	**–**	**13**	**259**	5	5
Rest of Africa	113	**(32)**	**19**	**100**	(12)	17

Group financials

Year ended 31 March	2024 IFRS ZAR'm	2025 Impact of group composition changes ZAR'm	2025 Currency impact ZAR'm	2025 Organic growth ZAR'm	2025 IFRS ZAR'm	YoY % change	YoY organic % change
Segmental Results							
Revenue	55 968	**(484)**	**(5 203)**	**479**	**50 760**	(9)	1
South Africa	33 556	**(189)**	**–**	**(373)**	**32 994**	(2)	(1)
Rest of Africa	19 661	**–**	**(5 121)**	**668**	**15 208**	(23)	3
Technology	1 724	**–**	**(49)**	**130**	**1 805**	5	8
Showmax	1 027	**(295)**	**(33)**	**54**	**753**	(27)	5
Trading profit	7 877	**(137)**	**(2 990)**	**(712)**	**4 038**	(49)	(9)
South Africa	8 792	**(85)**	**–**	**732**	**9 439**	7	8
Rest of Africa	1 325	**–**	**(3 081)**	**996**	**(760)**	>(100)	75
Technology	396	**–**	**29**	**(119)**	**306**	(23)	(30)
Showmax	(2 636)	**(52)**	**62**	**(2 321)**	**(4 947)**	(88)	(88)
Revenue and costs by nature							
Revenue	55 968	**(484)**	**(5 203)**	**479**	**50 760**	(9)	1
Subscription fees	45 238	**(295)**	**(4 441)**	**(294)**	**40 208**	(11)	(1)
Advertising	3 917	**–**	**(495)**	**173**	**3 595**	(8)	4
Decoders	1 720	**–**	**(206)**	**282**	**1 796**	4	16
Technology contracts and licensing	1 724	**–**	**(49)**	**130**	**1 805**	5	8
Insurance premiums	969	**(189)**	**–**	**–**	**780**	(20)	–
Other revenue	2 400	**–**	**(12)**	**188**	**2 576**	7	8
Operating expenses	48 091	**(347)**	**(2 213)**	**1 191**	**46 722**	(3)	2
Content	20 994	**(109)**	**(93)**	**(361)**	**20 431**	(3)	(2)
Decoder purchases	4 205	**–**	**(118)**	**(171)**	**3 916**	(7)	(4)
Staff costs	6 754	**(25)**	**(287)**	**(358)**	**6 084**	(10)	(5)
Sales and marketing	3 120	**(87)**	**(149)**	**(702)**	**2 182**	(30)	(23)
Transponder costs	2 448	**–**	**(52)**	**(200)**	**2 196**	(10)	(8)
Other	10 570	**(126)**	**(1 514)**	**2 983**	**11 913**	13	28

Directorate

Independent non-executive directors
E Masilela (Chair), JH du Preez, D Klein, KD Moroka, CM Sabwa, FA Sanusi, L Stephens, A Zappia

Executive directors
CP Mawela (CEO), TN Jacobs (CFO)

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PO Box 1266, Bramley, 2018, South Africa

Sponsor
Merchantec Proprietary Limited (Merchantec Capital)

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