



MultiChoice Group's focused interventions help to counter unprecedented headwinds

Johannesburg, 11 June 2025: Amid an exceptionally challenging macroeconomic environment, MultiChoice Group continued to navigate external pressures through focused strategic interventions.

The Group delivered ZAR3.7bn in cost savings, well ahead of the revised ZAR2.5bn target set at the interim stage and almost double the ZAR1.9bn saved in FY24.

A disciplined approach to inflationary pricing, with increases of 5.7% in South Africa and an average of 31% in local currency in Rest of Africa, also helped to mitigate the impact of subscriber losses and supported 1% year on year (YoY) organic revenue growth.

"Our performance reflects both the challenges we've faced and the resilience of our teams. While macroeconomic pressures and currency volatility have weighed on our results, our disciplined execution, cost management and investment in new long-term growth opportunities position us well for the future," says Calvo Mawela, MultiChoice Group CEO.

"We remain focused on being Africa's entertainment platform of choice. Our strategy is shaped by developments in our industry such as changes in technology which are driving shifts in consumer behaviour, as well as the impact of a rise in piracy, streaming services, and social media," says Mawela.

Highlighting the Group's ability to adapt to these changes in the global video entertainment landscape, new products and services delivered strong YoY growth. Revenue from DStv Internet grew by 85%, KingMakers 76% (in constant currency) and DStv Stream 48%. Showmax active paying customers increased by 44% YoY.

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.

Financial Results Overview

Subscriber base: The rate of subscriber decline has decelerated, with the active linear pay-TV subscriber base of 14.5m reflecting a decline of 8% compared to 11% (14.9m) in FY24. The pressure was mainly due to a weak consumer environment across markets.

Group revenues: On an organic basis, revenues increased by 1% YoY, driven by pricing and new product growth. On a reported basis, revenues declined by 9% YoY to ZAR50.8bn, primarily due to an 11% drop in subscription revenue, as well as the impact of currency headwinds, and the deconsolidation of the NMSIS insurance business from December 2024.

Group trading profit: Trading profit increased by 20% YoY, before accounting for the investment in Showmax, the impact of currency weakness and M&A activity. After incorporating Showmax's trading losses and ZAR5.2bn in foreign currency revenue losses, and partially offset by the ZAR3.7bn in cost savings, trading profit on a reported basis declined to ZAR4.0bn.

Adjusted core headline earnings is the board's measure of the underlying performance of the business. The Group posted a loss of ZAR0.8bn, as a result of the lower trading profit and hedging losses compared to hedging gains in the prior year, partly offset by smaller losses from repatriating cash from Nigeria.

Cash flow and liquidity: The Group recorded a free cash outflow of ZAR0.5bn, due to lower profitability and higher lease repayments due to timing. This was partly offset by improved working capital management and a 29% YoY reduction in capital expenditure.

At year-end, the Group held ZAR5.1bn in cash and cash equivalents and had access to ZAR3.0bn in undrawn general borrowing facilities.

Operational update

General entertainment and sport

Local content remains a key differentiator. The Group added over 5,340 hours of local content in the year, bringing the total local content library to more than 91,470 hours and cementing its position as Africa's largest producer of original content.

Flagship reality show, Big Brother Mzansi, drew a record-breaking 3.8 million views for its season finale and received 293 million votes. In Nigeria, Big Brother Naija, continued to attract strong viewership into its ninth season.

Sport also plays a critical role in the Group's content offering. SuperSport broadcast 47 839 hours of live coverage (+7% YoY) and produced 1 029 live events. Key highlights included the Paris 2024 Olympic Games, EURO 2024 football, three major ICC cricket tournaments and the SA 20 Season 3.

SuperSport Schools continue redefine the landscape of school sports broadcasting. Its app saw 46% growth in registered users to reach 1.2 million, while the platform reached nearly 11 million unique viewers through the app and Channel 216 on DStv and delivered over 50 000 hours of new content.

Business segments

MultiChoice South Africa focused on subscriber retention and win-backs, identifying remaining growth opportunities, as well as optimising processes and systems to improve customer experience and operational efficiency. To enhance its value-proposition, the business tiered down certain channels, reintroduced the second concurrent stream at no extra cost and priced down its DStv ADD Movies package from R79 to R49. It also entered into new strategic partnerships with Capitec, MTN and PEP to expand its market presence.

Faced with a tough operating environment, **MultiChoice Africa** implemented inflation linked price increases and continued its cost-containment measures by reducing spend in subsidies, marketing, content and transmission costs. Post year-end it piloted weekly subscriptions in Uganda to better align subscription periods with customers' cash flows.

As a start-up business, **Showmax** focused on improving customer affordability and reach through distribution partnerships, improving customer sign-up journeys, improving platform development and continuing to expand payment options. Although subscriber growth has lagged initial exponential growth targets, Showmax still delivered a healthy 44% growth in active paying subscribers and gained market share in a regional streaming market which experienced muted growth.

Irdeto grew revenue by 8% YoY on an organic basis (5% reported), increasing external revenue in all three market segments namely Video Entertainment, Gaming and Connected Transport. Revenues generated from new service lines increased to a pleasing 42% of total revenue, underpinned by innovative solutions to enhance security and interoperability in the transportation sector.

KingMakers delivered strong organic growth in sports betting and i-gaming. BetKing Nigeria continues to gain strong momentum, especially in its online business. SuperSportBet, the South African business launched in 2024, is showing early signs of success and reported a material increase in monthly net gaming revenue during the year.

Live in 44 African countries, **Moment** continues to scale rapidly, with total payment volumes (TPV) reaching USD635m, seven times higher than FY24. Moment processed 56% of the Group's payment volumes, compared to only 20% a year ago, and at the end of March this year, its annualised payments run rate exceeded USD1bn.

Looking Ahead

The Group remains focused on building a sustainable, long-term future by executing against its key strategic priorities. For the year ahead, there are three clear priorities:

- Stabilise the topline in the video businesses through focused retention initiatives, while supporting rapid topline growth in the group's interactive entertainment, fintech and insurance investees,
- Continue to drive operating, cost and working capital efficiencies into the group to protect profitability and cash flows,
- Continue to work with Canal+ towards a successful close of their mandatory offer in order to unlock significant long-term benefits for the combined entities and their respective stakeholders.

Management has set a cost saving target of ZAR2.0bn for FY26 in an ongoing effort to reset the business for a shifting trading environment.

On the back of its topline initiatives and cost and cash flow interventions, the group aims to deliver margins for MultiChoice SA in the mid-twenties range, to return MultiChoice Africa to profitability while limiting its funding and narrow trading losses in Showmax.

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