OTT/Streaming
SHOWMAX
Capital Markets Day / May 2023

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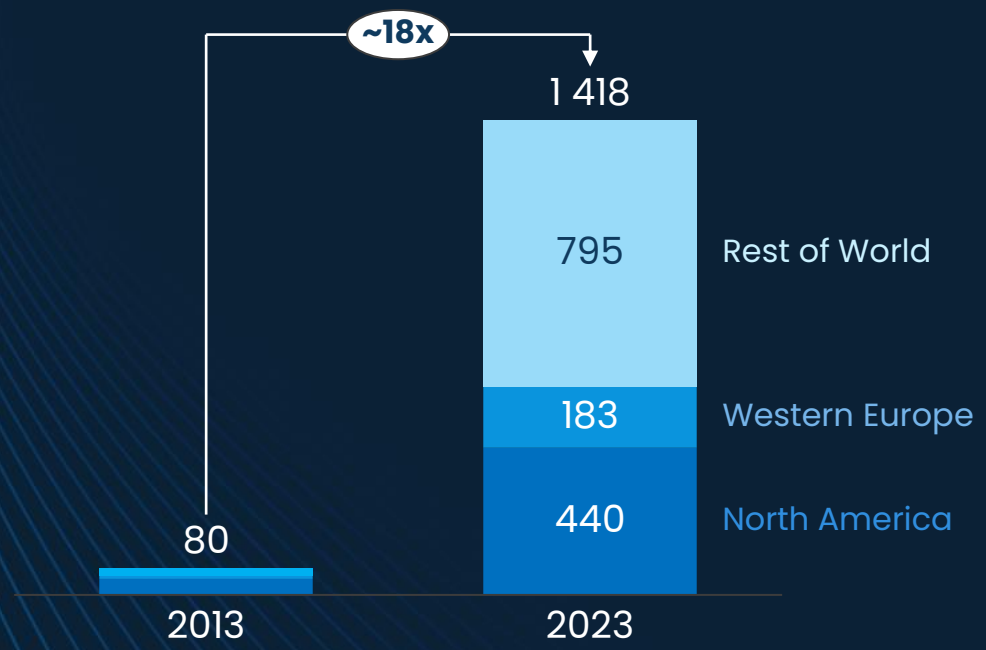
ENRICHING LIVES
01/
A fast-changing landscape

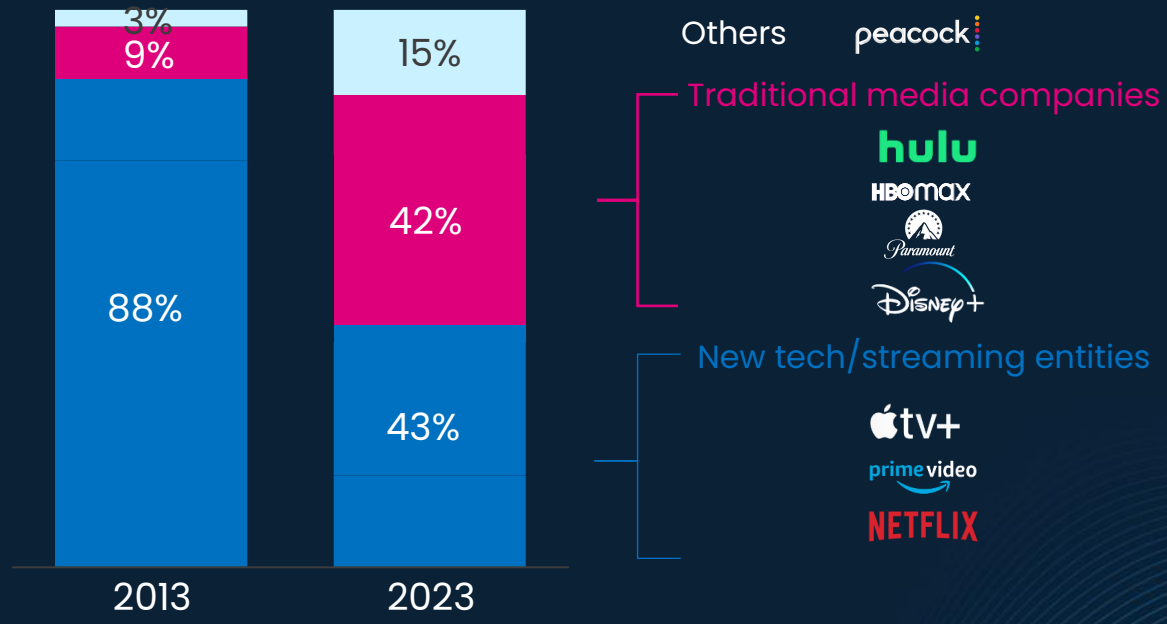
The world of video is shifting to streaming (SVOD)

With traditional media companies successfully staking their claim

SVOD subscriptions globally (m)



Share of SVOD subscriptions in North America

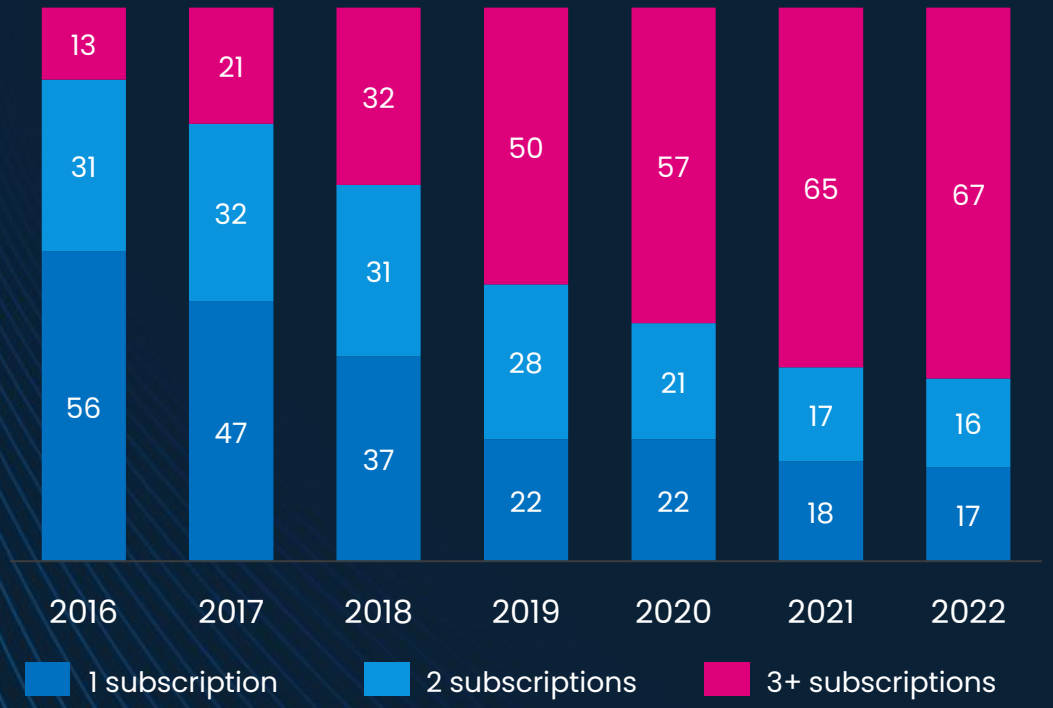


Source: Digital TV Research; SVOD = subscription video on demand

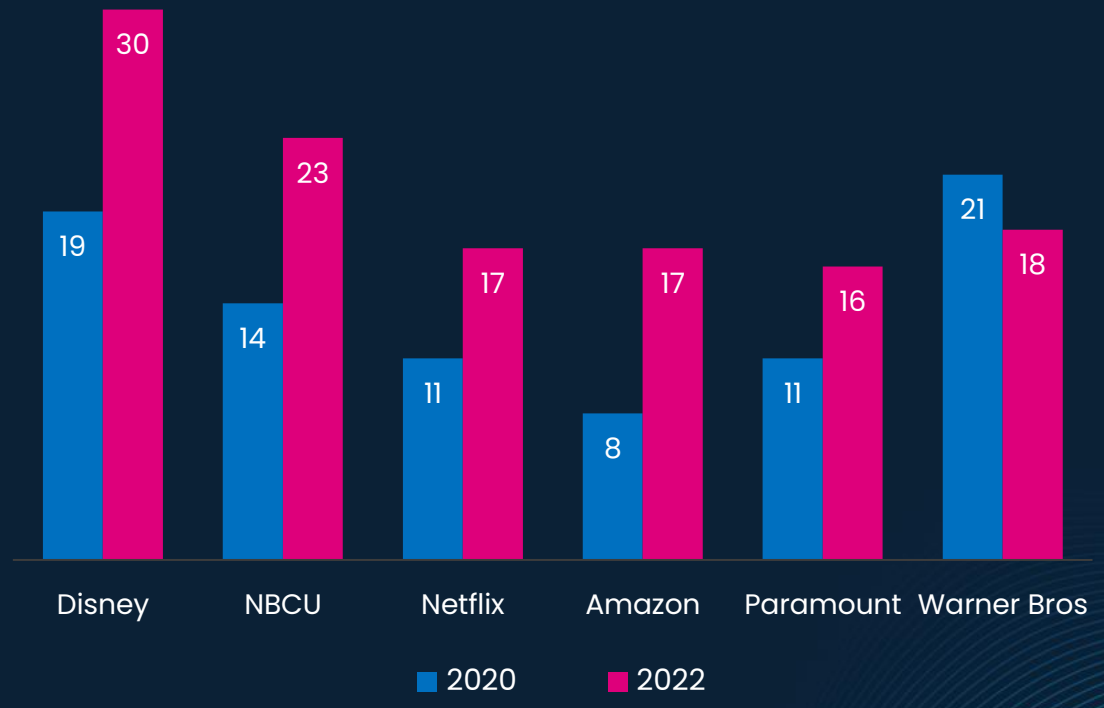
More streaming choices are driving increased “stacking”

And service providers have ramped up content spend to attract customers

% Split of paid video subscriptions per subscriber (USA)



Annual content spend per service provider (USD’bn)



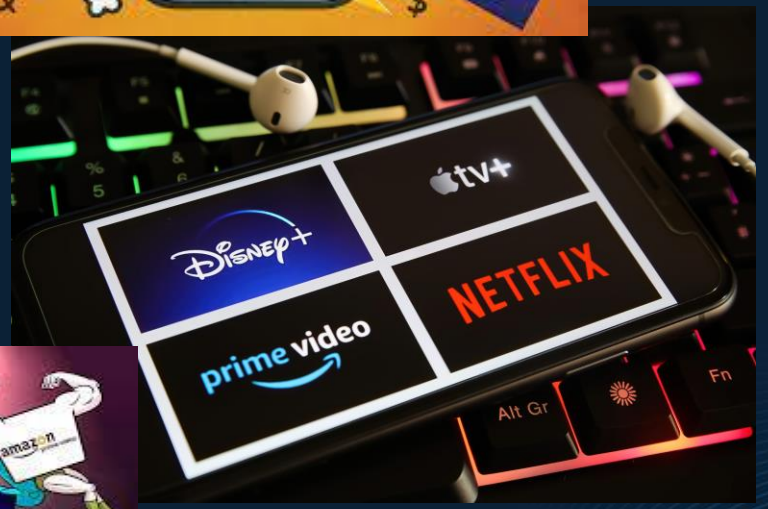
Source: Variety, Activate Consulting, Company reports

Streaming is a dynamic industry facing constant change

Some service providers re-calibrating their strategy to speed up profitability

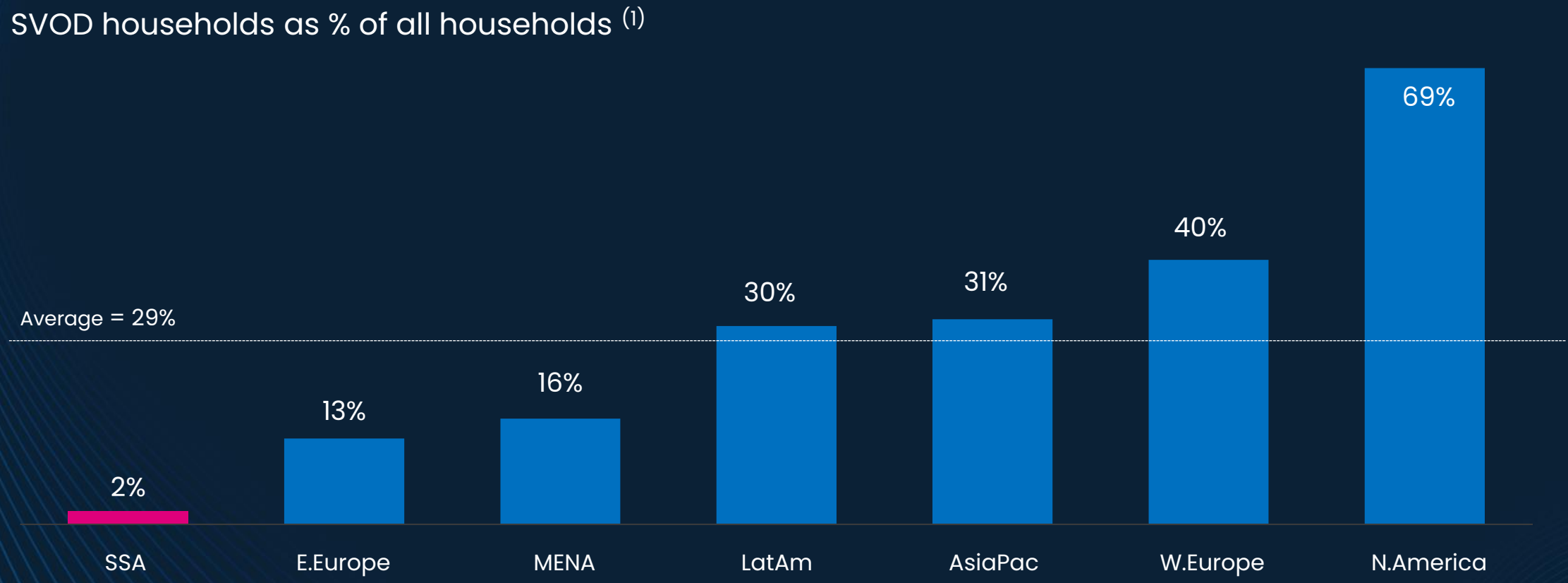
Key current industry trends

- Tech giants always innovating (continue upping the ante)
- Customer retention critical to streaming profitability
- Data-driven, personalized approach to customer management required
- Hard to maintain the volume of high-quality content production
- Live sports on SVOD becoming norm in developed world
- Ad-supported offerings gaining substantial traction
- Industry looks set for some consolidation in future



Africa is a final frontier for SVOD growth

SVOD penetration in our region is lagging rest of world



Source: Digital TV Research
(1) SSA = Sub-Saharan Africa; MENA = Middle East & North Africa; LatAm = Latin America; Asia Pac = Asia Pacific

African continent represents an exponential growth opportunity

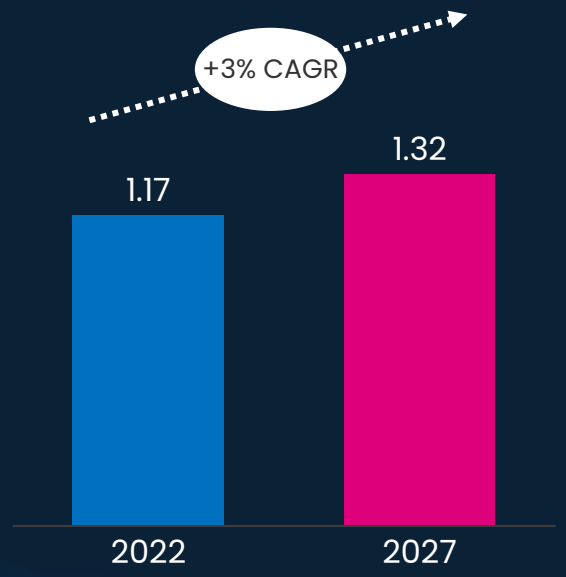
Supported by favorable macro trends

Large and rapidly growing population

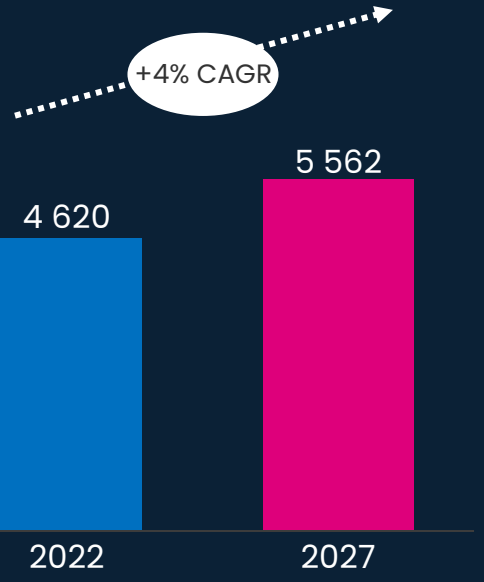
... with increased disposable income

... and better internet connectivity

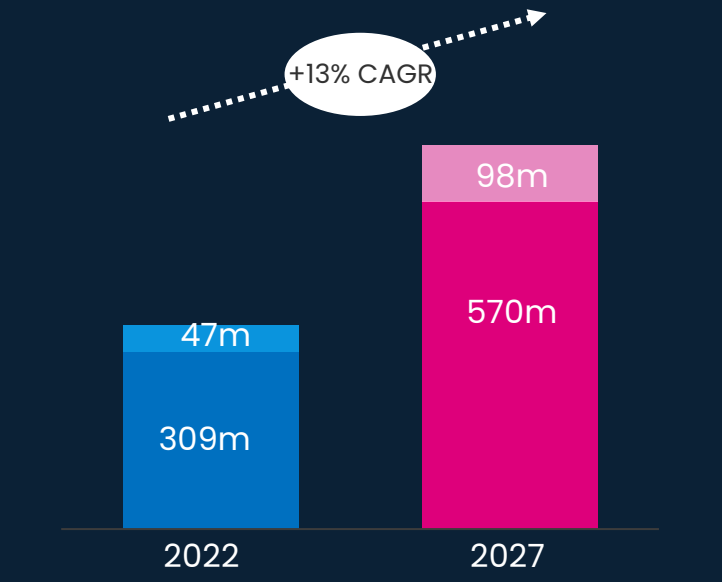
Population (bn) (1)



GDP per capita (USD) (2)



Connected people and households (3)

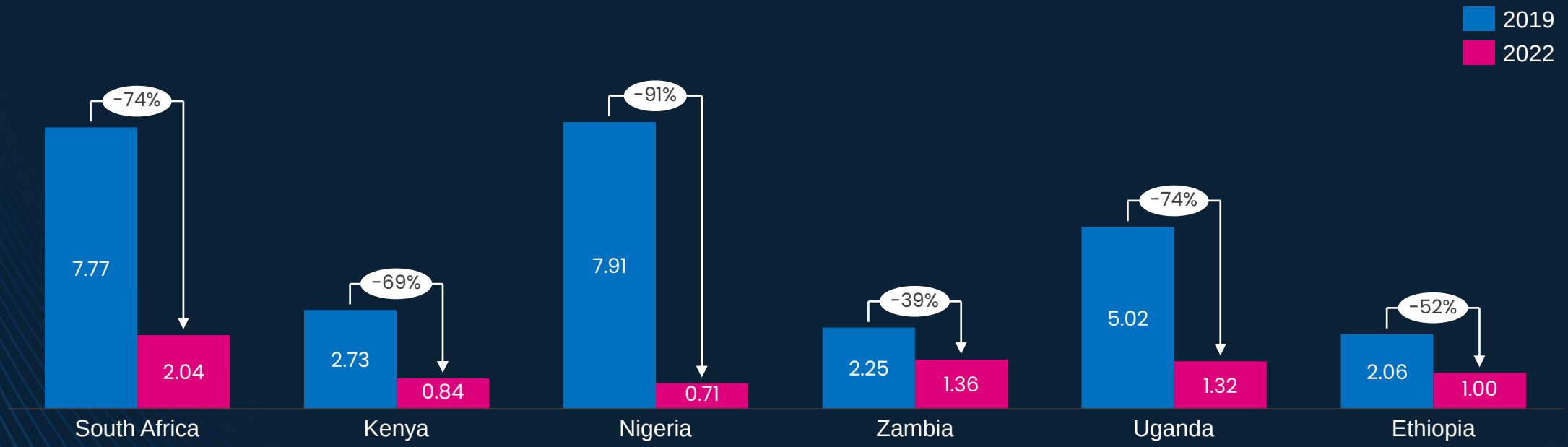


Source:
(1) United Nations Population Division World Population Prospects 2022 (medium fertility variant used for forecasts, working age = ages 15-64)
(2) International Monetary Fund World Economic Outlook April 2023 (GDP per capita based on current prices using purchasing power parity and international dollars)
(3) GSMA

Broadband affordability reaching an inflection point

Rapidly decreasing mobile data pricing to drive streaming uptake

Average price of 1 GB mobile broadband data by country (average in USD, 2019 – 2022)



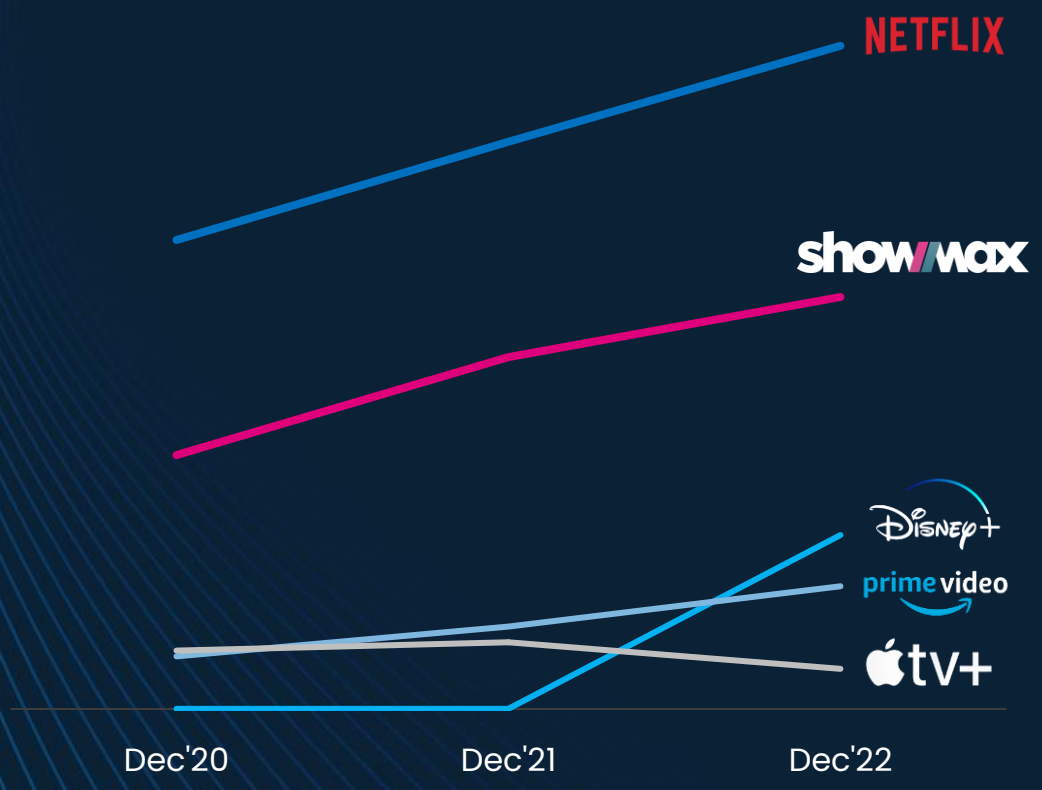
Notes: Based on a study of >5 000 data plans in 233 countries

Source: https://www.cable.co.uk/mobiles/worldwide-data-pricing/

Streaming landscape is also changing locally

Several global players now have an African presence

Subscriber growth of major OTT players in SSA (1)



Competitive dynamics of SSA SVOD sector (1)

- More competition from international players
  - Disney+ launch in SA
  - Amazon intensifying its efforts (e-commerce launch, Prime Video mobile services in SA and Nigeria)
  - Amazon and Netflix both commissioning more local content
- More local players (iRoko, Viu, telcos, etc.)
- Continued challenges around password sharing

(1) Source: Digital TV Research; SSA = Sub-Saharan Africa

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02/
Our successes to date

Showmax: a leading African streaming platform

A success story on multiple fronts

2015

Launched as one of Africa's first original streaming services, ahead of Netflix (2016) and Amazon (2019)

50

Number of markets across Africa where Showmax is available

#1

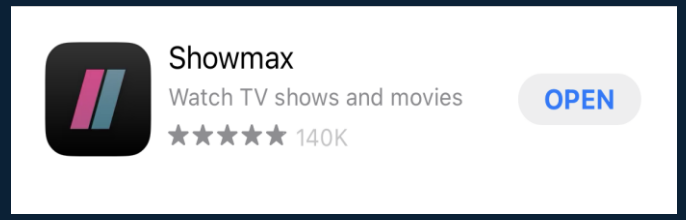
Streaming Service of the Year - 2022, Stuff Magazine

"Best place to stream South African content"(2)

"Best place to stream Kenyan series"(3)

#1

Joint highest rating streaming app in SA in Apple app store (1)
and highest in the Google Play Store



#1

Streaming platform with most local currency and payment platform options available globally

(1) Measured on 27 March 2023
(2) According to the 2022 the South African Film and Television Awards
(3) According to the 2022 Kalasha Awards

Showmax: steady growth over time

Despite a challenging operating environment

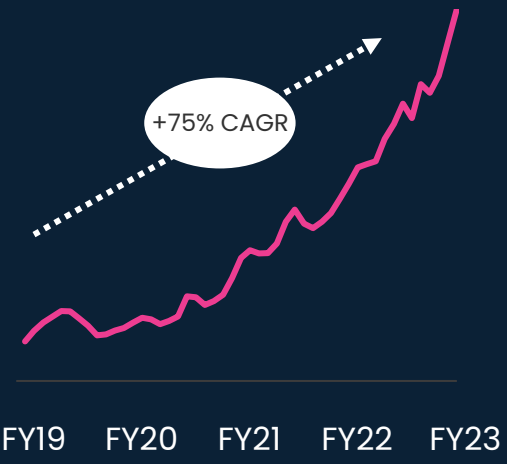
Achievements over the past few years

- Grown the overall subscriber base
  - **+60%**(1) YoY in total subscribers
  - **+111%**(1) YoY in paying subscribers
  - **+26%**(2) CAGR in total subscribers
- Expanded the service to the Rest of Africa
  - SSA market growing at **75%**(2) CAGR
  - **+88%** YoY growth in FY23
- Proven the demand for streaming sports
  - Showmax Pro has grown **161%** YoY in FY23

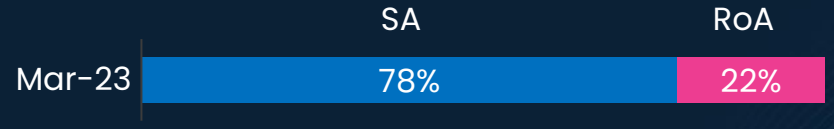
Showmax subscriber base

SA subscriber base (3)

RoA subscriber base (3)



Split of subscriber base (4)

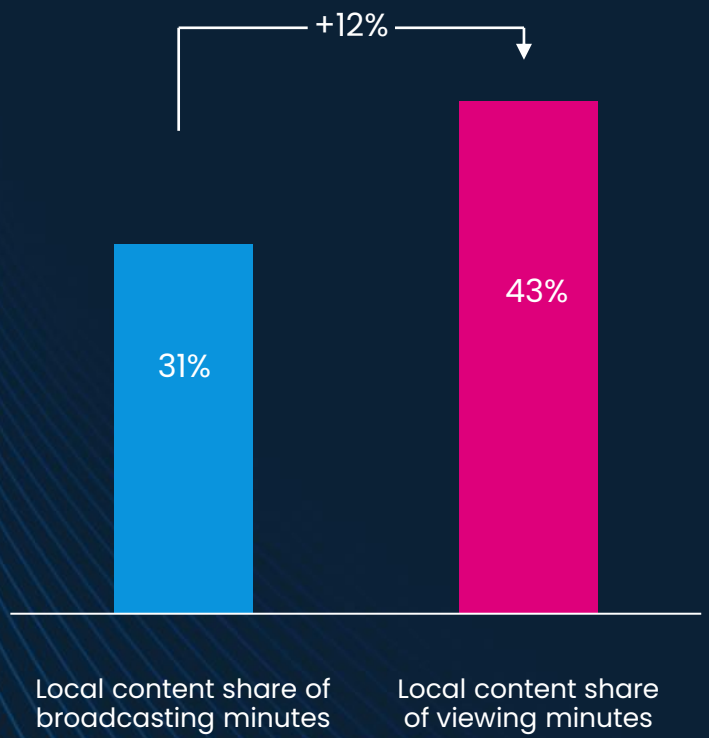


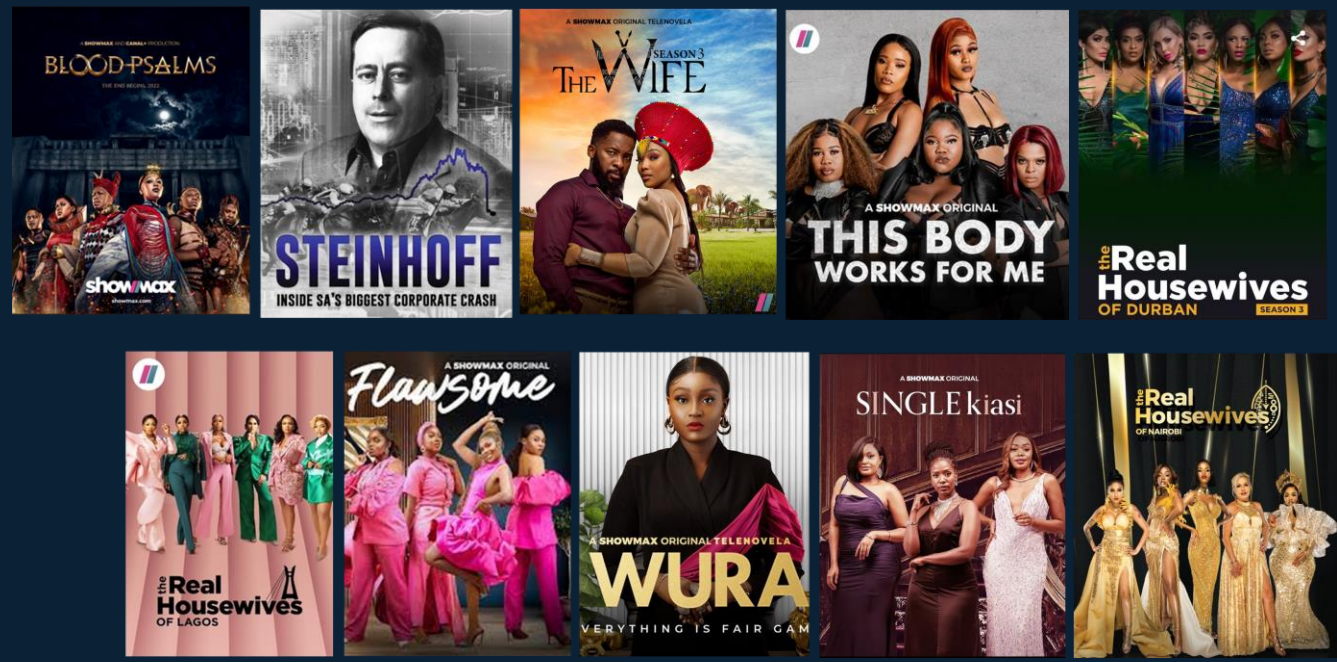
(1) Company data, measured over a two-year period covering FY22 and FY23 (FY23 figures unaudited)
(2) Company data, measured over a four-year period from March 2019 to March 2023 (FY23 figures unaudited)
(3) Company data, given the different growth stages of the South Africa base (SA) vs. Rest of Africa base (RoA), the scales of these two graphs are independent of each other
(4) Company data, which represents each market's contribution to the Showmax total subscriber base as at 31 March 2023 (FY23 figures unaudited)

Showmax: shift to local content with great success

Original local content offering a key differentiator

Demand for local content continue to outstrip supply (1H FY23) (1)





Devilsdorp
Best Made for TV Documentary at 2022 SAFTAs (2)

Became the most-watched documentary series on Showmax at launch

Real Housewives of Lagos
Was the first original reality series to launch in Nigeria

Most first-day views on Showmax Nigeria

Spinners
Received a nomination at the 6th edition of Canneseries

This marks the first African series selected in Canneseries' history

(1) Company data
(2) SAFTAs= South African Film and Television Awards

Showmax: several innovative market solutions

Catering for the needs of African consumers

Payment integrations

Most payment currencies and options globally

Mobile–only plan

First streaming service in Africa to launch a mobile-only plan

Adaptive bit rates

The lowest data streaming option on the continent

Streaming Service Data Consumption					
Streaming Service	**Netflix**	**DStv**	**Showmax**	**YouTube**	**Prime Video**
Low setting	Low 960×540	Low	Low	480p30	Good
Low data consumption	223 MB	99.1 MB	119.3 MB	169 MB	192 MB
High setting	Maximum 1920×1080	Highest	Maximum	1080p60	Best (1080p)
High data consumption	1.2 GB	398.1 MB	427.5 MB	1.1 GB	3.2 GB

50MB/hour

Max Data Savings mode

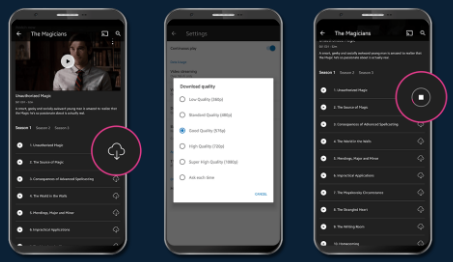
vs.

1.4GB/hour

Maximum Quality mode

Mobile downloads

First streaming service in Africa to make mobile downloads possible



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03
Joining forces with Comcast
GOOD BOYS
FAST & FURIOUS
DEVILS
NIGHT SCHOOL
A SHOWMAX ORIGINAL
SOMIZI & MOHALE
POWER
BOLD
THE Queen
insecure
HBO
VIKINGS

Comcast partnership a key strategic initiative

Capturing the best of both partners' capabilities and competitive advantages

MCG contribution to partnership (1)

- Leading video entertainment platform in Africa
- Deep expertise in local content
- Unmatched sport line-up
- Proven go-to-market capabilities
- Deep local knowledge and capabilities

Comcast contribution to partnership

- One of the world's largest media & tech companies
- One of the largest content producers
- Global tech expertise and scaled platform
- International content exclusivity
- Additional investment in local content

(1) MCG = MultiChoice Group

Exciting prospects for SVOD and Showmax

Leveraging key partnerships to become leading streaming service in Africa

MultiChoice ENRICHING LIVES

70%

30%

showmax

powered by peacock

Local content + More global content + Sport content + 3rd party content

Peacock provides a state of the art, scalable platform

Powering OTT services across US, Europe and now Africa

One highly scalable platform

Single code base

Peacock platform

Configured for each instance

peacock

NOW TV sky

skySHOWTIME

22 European markets

showmax

50 African markets

xumo PLAY

Available in USA

To deliver significant benefits

- Built for massive scale from the ground up
- Leveraging global talent pool
- Expanding engineering capacity significantly
- Global roadmap with local capabilities
- Best-in-class technology
- Rapidly deploy pre-built technology
  - e.g. AVOD, FAST channels etc. (1)

* Tech teams based across US, UK, Portugal and now Czech Republic

(1) AVOD = ad-supported video on demand; FAST = free ad-supported TV

Case study: SkyShowtime … a streaming partnership in Europe

Comcast and Paramount join forces to offer service in Europe

COMCAST + Paramount

Launched in Sep 2022

Now in 22 markets

Supported by Peacock platform

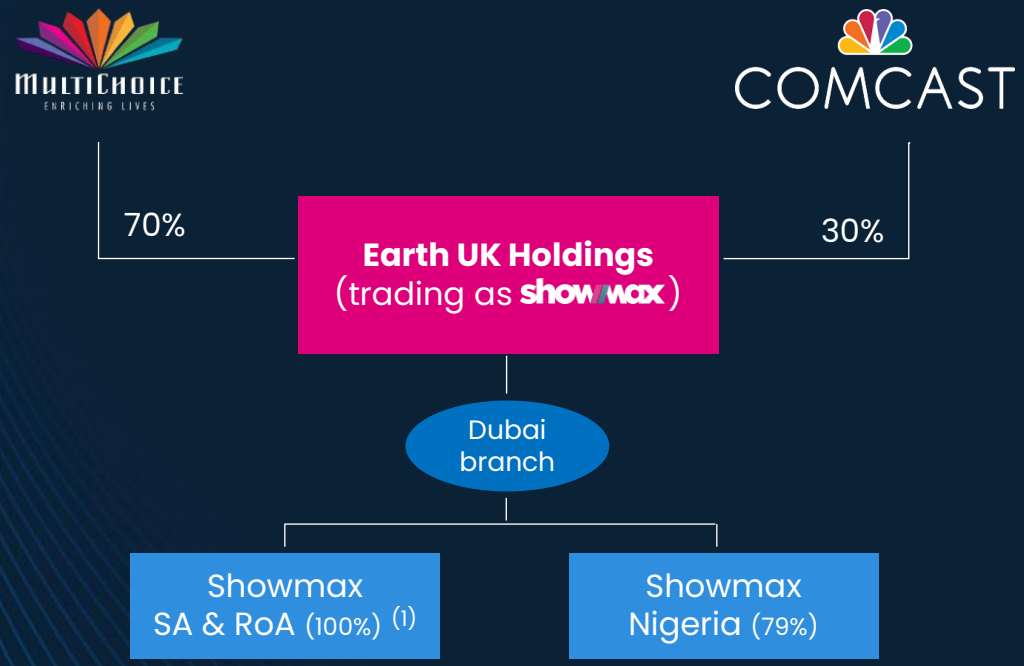
Sarhan credits the Peacock platform, which is based on Comcast technology, for the company's ability to launch in 20-plus markets in just over five months. "It's a really stable, scalable platform. It's one of the best streaming [services] out there. We're talking about a platform that was able to have two of the largest sporting events [the Winter Olympics and the Super Bowl in February 2022] on at the same time, on the same night."

Source: Variety

Showmax: a new entity to drive growth

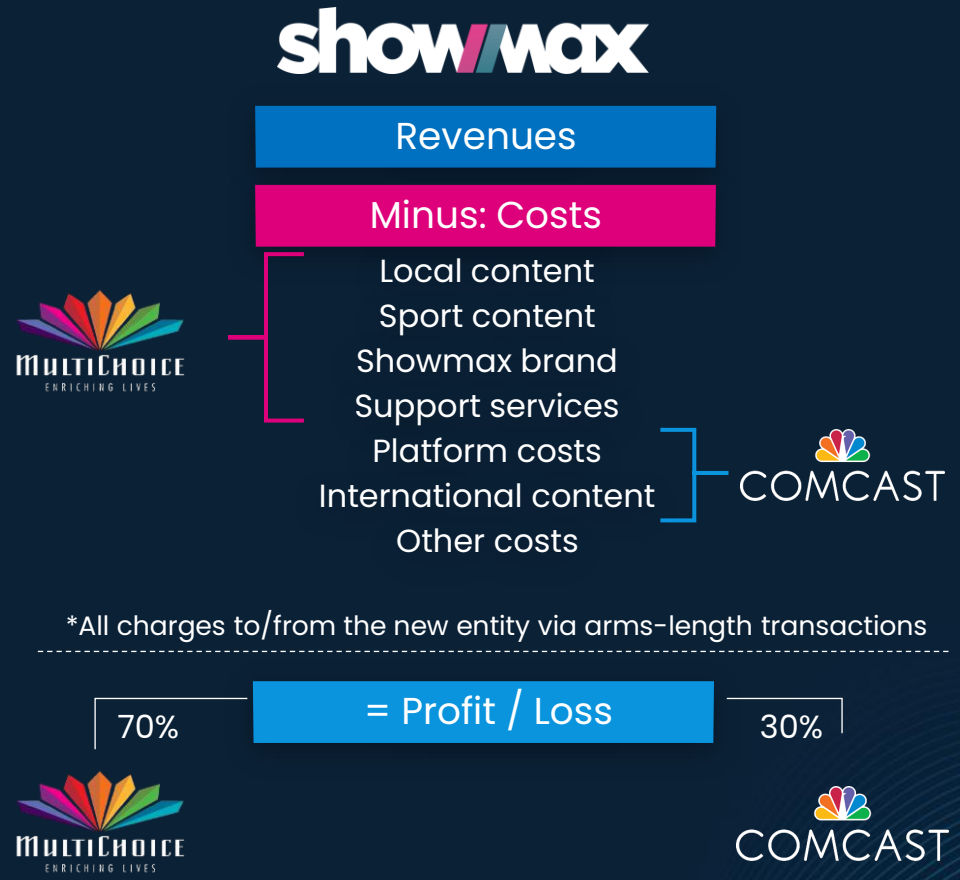
Structured optimally from an operational perspective

Showmax organizational structure



- UK holding company - most beneficial for operations
- Three MCG board members, more to be appointed
- Operational teams in key markets (SA and Nigeria initially)

Showmax operational flows



(1) SA = South Africa; RoA = Rest of Africa

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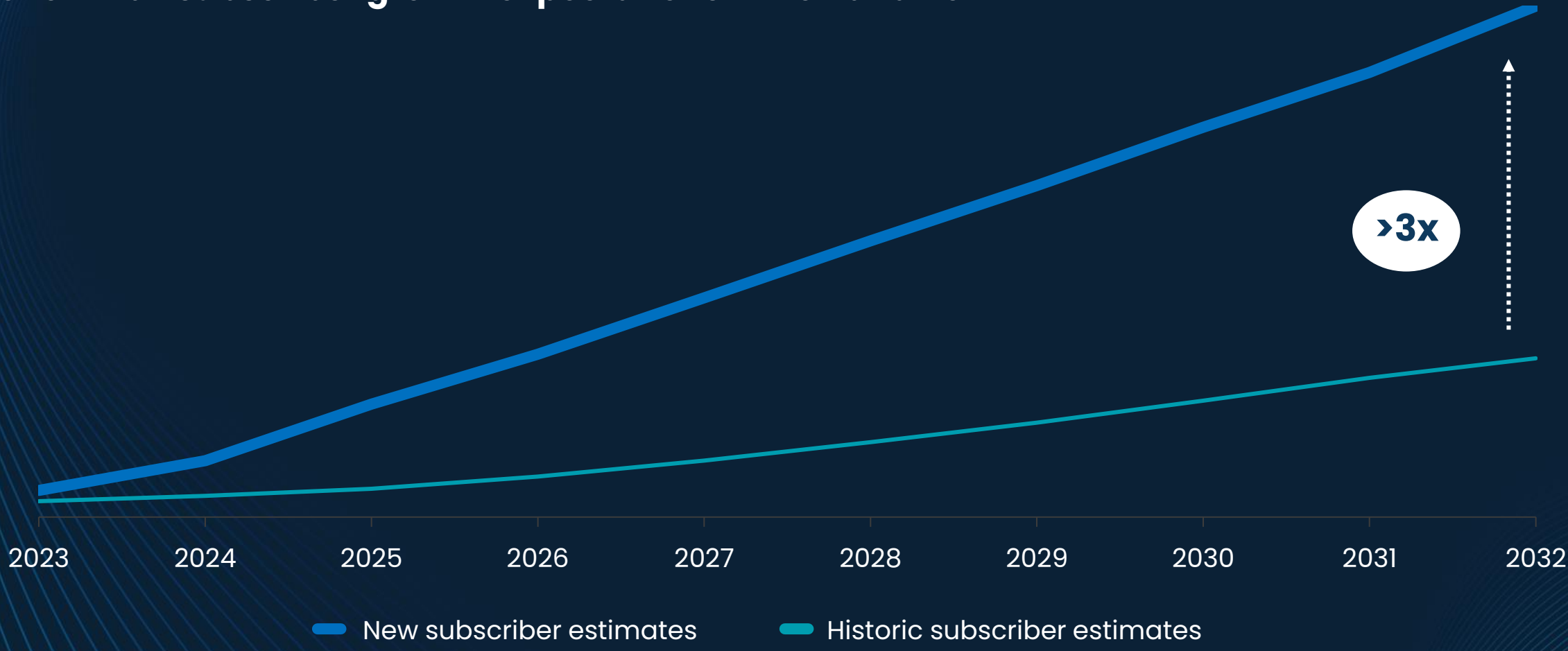
04/
A great new opportunity

A step change in customer numbers

Planned product and price offerings to drive accelerated growth

Showmax subscriber growth expectations – then and now

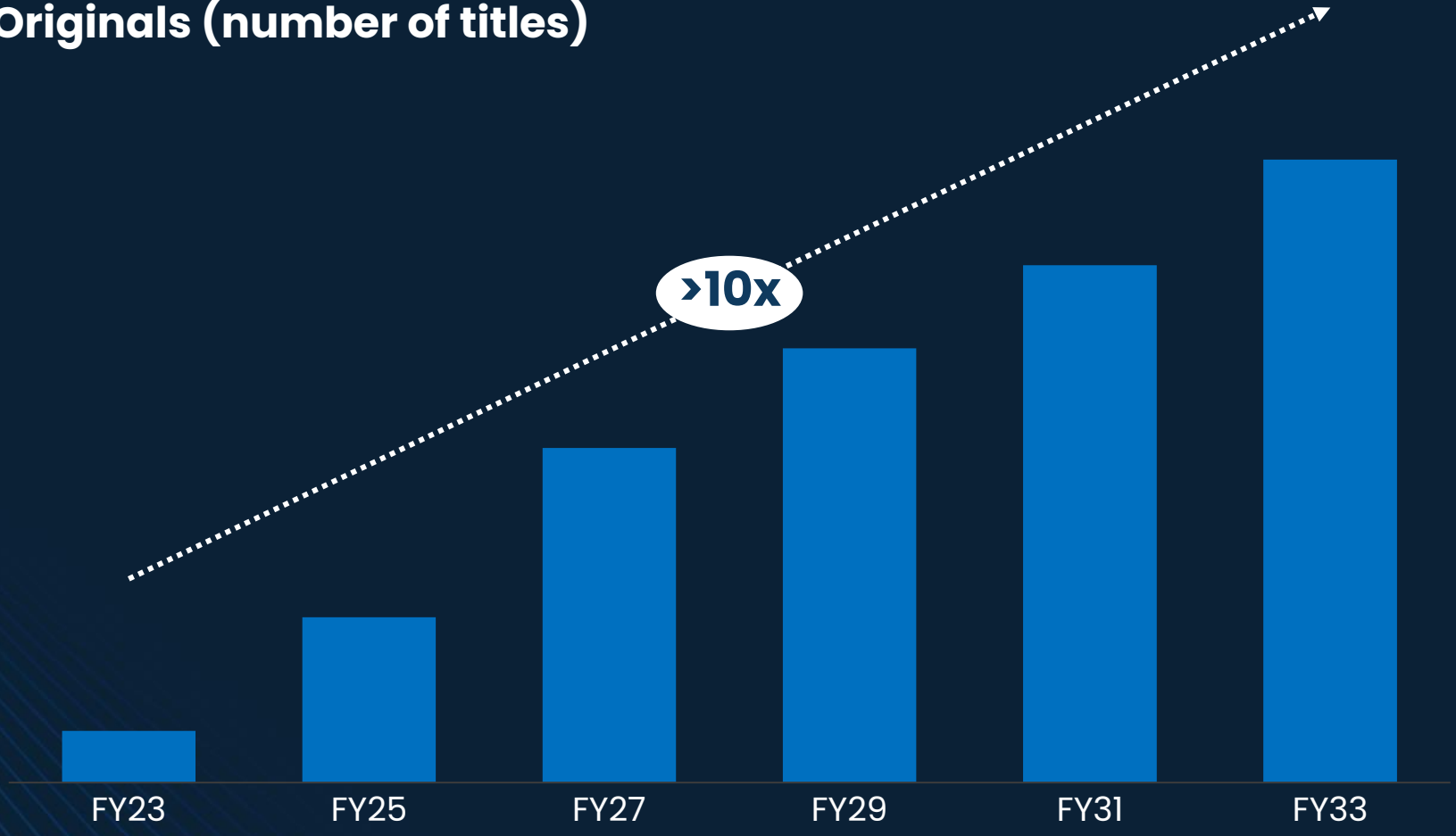


Source: Company data

A ramp-up in local content as key differentiator

Production of original content to increase materially over time

Showmax Originals (number of titles)

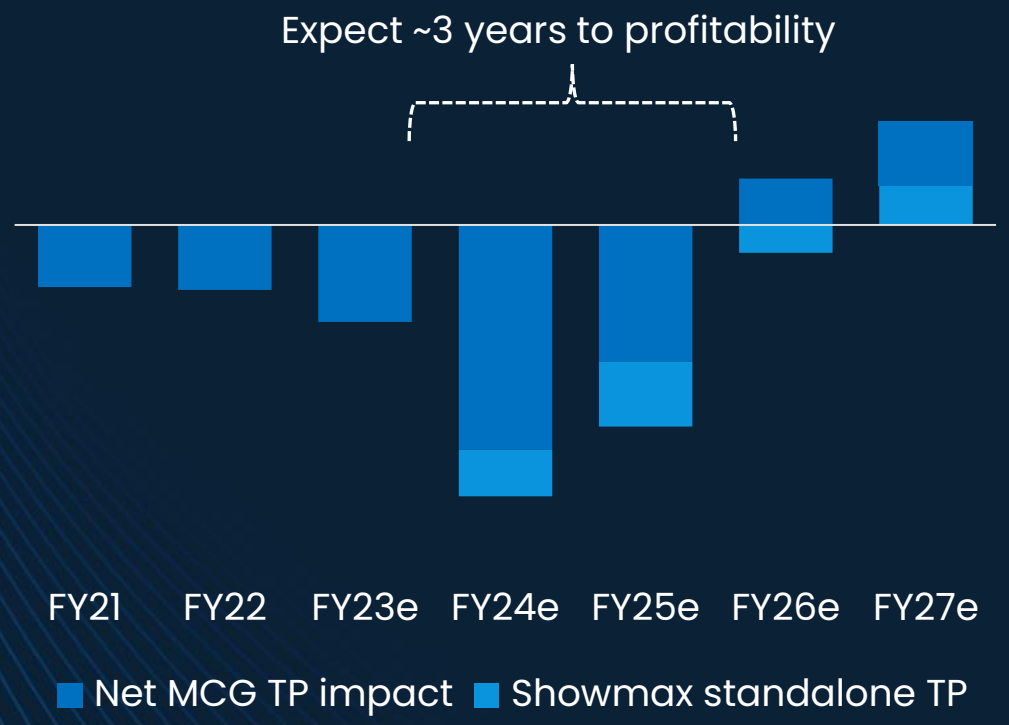


Source: Company data

A step-up in funding over the near term

Investment curve expected to be shallower than competitors

MCG & Showmax trading profit (TP) over time (1)



MCG vs. Showmax j-curve (1)

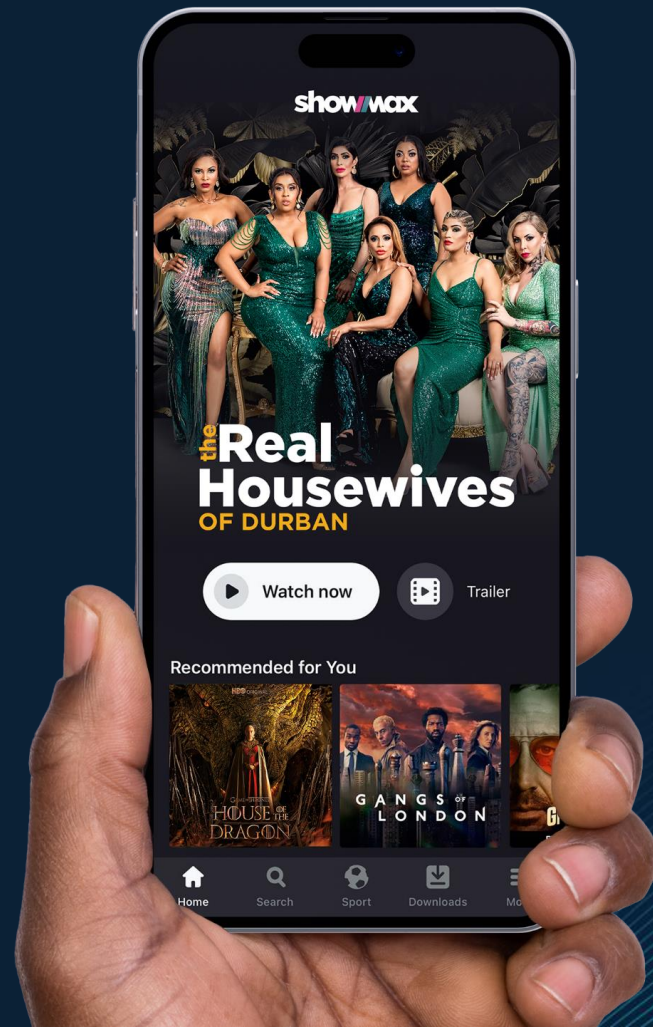
- Expect standalone entity to have a similar 3-5-year j-curve to global streaming peers
- At MCG level, part of the investment cost is defrayed through
  - the 30% minority partnership
  - recovering licensed content
  - service costs charged into the venture
- MCG's investment j-curve should therefore be:
  - somewhat shorter (i.e. 2-3 years)
  - frontloaded in FY24 (and part of FY25) mainly due to platform costs

(1) MCG = MultiChoice Group

A significant driver of future growth and profits

Aiming to be the leading streaming platform on the continent

- Africa is the final frontier for SVOD expansion
- Partnership provides strategic levers to succeed
- Aggressive growth targets over time
  - Net revenue of USD1.0bn (>ZAR18bn) after 5 years
  - Trading profit breakeven in FY27
  - EBITDA margins ~25% at scale
  - Free cash flow margins ~20% at scale



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