

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 consolidated annual financial statements for the year ended 31 March 2020 ("FY20").

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 results for the year ended 31 March 2019 ("prior year"), the group expects core headline earnings per share for FY20 to be between 35% (144 ZAR cents) and 40% (164 ZAR cents) higher than the prior year's 410 ZAR cents.

Trading profit is expected to be between 10% (R0.7bn) and 15% (R1.1bn) higher than the prior year's R7.0bn. On an organic basis (i.e. reflecting results on a constant currency basis, excluding any M&A) trading profit is expected to be between 25% (R1.8bn) and 30% (R2.1bn) higher than the prior year's reported R7.0bn.

The improved financial performance for FY20 was achieved despite continued macro-economic headwinds across the continent. Management focus on cost containment allowed the business to offset these challenges and 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 year, the group expects earnings per share for FY20 to be between 470 ZAR cents and 510 ZAR cents higher than the prior year's loss per share of 374 ZAR cents.

Headline earnings per share for FY20 is expected to be between 460 ZAR cents and 500 ZAR cents higher than the prior year's headline loss per share of 353 ZAR cents. The key reasons for the movements are:

- a) an improvement in trading performance;
- b) the non-recurring empowerment transaction cost which was incurred in the prior year;
- c) higher unrealised foreign exchange losses due to weaker local currencies, primarily the South African Rand.

Further details will be provided in the consolidated annual financial results, due to be released on SENS on 10 June 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
5 June 2020
Sponsor: Rand Merchant Bank (a division of FirstRand Bank Limited)