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 condensed consolidated interim financial results for the six months ended 30 September 2021 ("current period").

The financial performance for the current period benefited from continued subscriber growth, a strong advertising revenue recovery and further savings generated from the group's established cost optimisation programme. This was negated as the group absorbed deferred content costs from FY21, the costing of three major sporting events in the current period, the non-recurrence of content refunds in the prior period and the continued ramp up in local content investment.

Trading profit and core headline earnings per share
The board considers trading profit and core headline earnings per share as the two most appropriate indicators of the operating performance of the group, as they adjust for non-recurring and non-operational items.

Trading profit is expected to be between 4% (R0.2bn) and 7% (R0.4bn) higher than the R5.7bn reported for the six months ended 30 September 2020 ("prior period"). On an organic basis (i.e. reflecting results on a constant currency basis, excluding M&A) trading profit is expected to be between 5% (R0.3bn) and 8% (R0.5bn) higher than the prior period's reported R5.7bn.

The group expects core headline earnings per share for the current period to be between 24% (150 ZAR cents) and 28% (176 ZAR cents) lower than the prior period's reported 627 ZAR cents. This reduction in earnings is primarily attributable to higher realised foreign exchange losses caused by the stronger ZAR relative to the hedged rates of the group's forward exchange contracts in the South Africa segment during the current period.

Organic trading profit and core headline earnings per share 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. Organic trading profit is calculated by excluding foreign currency movements and changes in the composition of the group. 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.

Earnings per share and headline earnings per share
Compared to the prior period, the group expects earnings per share for the current period to be between 42% (241 ZAR cents) and 47% (269 ZAR cents) lower than the prior period´s reported earnings per share of 573 ZAR cents.

Headline earnings per share for the current period is expected to be between 35% (200 ZAR cents) and 40% (229 ZAR cents) lower than the prior period´s reported headline earnings per share of 572 ZAR cents.

The above movements are primarily due to the same factors that affected core headline earnings, as well as negative unrealised foreign exchange movements stemming from weaker local currencies in some of the markets in the Rest of Africa.

Further details will be provided in the condensed consolidated interim financial results, due to be released on the Stock Exchange News Service on 11 November 2021.

The financial information on which this trading statement is based has not been reviewed and reported on by the Company´s external auditor.

Randburg

8 November 2021
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 domicilium, 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.