

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 for the year ended 31 March 2022

Shareholders are advised that the MultiChoice group ("the group") is finalising its consolidated annual financial statements for the year ended 31 March 2022 ("FY22").

The financial performance for FY22 benefited from sustained subscriber growth, the recovery in advertising revenue and a continued focus on cost control across the business. This was negated by the increase in content costs (primarily due to the R1.1bn deferral in costs from the year ended 31 March 2021 ("the prior year")) as the sporting calendar normalised and local production activity accelerated after prior year COVID-19 interruptions.

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 0% and 3% (R0.3bn) higher than the R10.3bn reported for the year ended 31 March 2021 ("FY21"). On an organic basis (i.e. reflecting results on a constant currency basis, excluding M&A) trading profit is expected to be between 0% and 3% (R0.3bn) higher than the FY21 reported R10.3bn.

The group expects core headline earnings per share for FY22 to be between 5% (38 ZAR cents) and 8% (61 ZAR cents) higher than the FY21 reported 767 ZAR cents.

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 FY21, the group expects earnings per share for the current year to be between 35% (177 ZAR cents) and 40% (202 ZAR cents) lower than the FY21 reported earnings per share of 506 ZAR cents.

Headline earnings per share for the current year is expected to be between 20% (99 ZAR cents) and 25% (124 ZAR cents) lower than the FY21 reported headline earnings per share of 496 ZAR cents.

The above movements are primarily due to lower unrealised foreign exchange gains on the translation of transponder lease liabilities stemming from a less significant appreciation in the ZAR against the USD YoY and an increase in foreign exchange losses associated with the repatriation of cash from Nigeria at the parallel rate.

Further details will be provided in the consolidated annual financial statements, due to be released on the SENS on 9 June 2022.

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

Randburg
6 June 2022
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 domicile, 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.