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" or “the Group”)

Trading statement for the year ended 31 March 2023

Shareholders are advised that the MultiChoice Group is finalising its consolidated annual financial statements for the year ended 31 March 2023 (“FY23”).

FY23 financial performance benefited from strong subscriber growth, the Rest of Africa returning to profitability, and cost savings (from the Group’s established cost optimisation programme) exceeding targets. This was however tempered by the impact of a challenging South African environment and increased investment in decoder subsidies and marketing related to the 2022 FIFA World Cup.

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 5% (ZAR0.5bn) lower than the ZAR10.3bn reported for the year ended 31 March 2022 (“FY22”) and includes costs associated with the Comcast partnership announced toward the end of FY23. On an organic basis (i.e. reflecting results on a constant currency basis and excluding M&A) trading profit is expected to be between 3% (ZAR0.3bn) and 8% (ZAR0.8bn) higher than the FY22 reported ZAR10.3bn.

The Group expects core headline earnings per share for FY23 to be between 0% and 4% (33 ZAR cents) higher than the FY22 reported 814 ZAR cents. This number includes realised foreign exchange gains and losses but excludes the impact of Nigeria cash extraction losses.

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 and non-recurring 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
A reduction in earnings and headline earnings per share is expected due to:

- higher unrealised foreign exchange losses on the translation of the Group’s USD liabilities (including transponder leases) stemming from the sharp depreciation of the ZAR against the USD year-on-year; and
- an increase in foreign exchange losses associated with the repatriation of cash from Nigeria at the parallel rate.

Earnings per share is also impacted by an impairment of the KingMakers Group, now valued at ZAR8.9bn at 100%, driven by increases in discount rates in both the broader gaming technology sector and Nigeria in particular, and a more negative Nigerian Naira currency outlook.

Compared to FY22, the Group expects earnings per share for FY23 to be between 1,126 ZAR cents and 1,142 ZAR cents lower (>100%) than the FY22 reported earnings per share of 318 ZAR cents. Headline earnings per share for FY23 is expected to be between 671 ZAR cents and 690 ZAR cents lower (>100%) than the FY22 reported headline earnings per share of 381 ZAR cents.

Further details will be provided in the consolidated annual financial statements, due to be released on the SENS on 13 June 2023.

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 June 2023

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.