MultiChoice Group – 1H FY21 Results

The leading video entertainment platform in Africa
Agenda

1. Overview
2. Strategy update
3. Operational update
4. Financial update
5. Outlook
Consistent and ongoing delivery on key commitments

**FY21 Commitments**

- **Drive growth and retention**
- **Deliver solid financials**
- **Lead in local content**
- **Drive cost reduction**
- **Improve customer experience**

**1H FY21 Highlights**

- Increased subscriber base⁽¹⁾ by 6% YoY to 20.1m (exceeded 20m mark for 1st time)
- 26% YoY growth in monthly active Connected Video (OTT) users
- Achieved solid growth despite impact of COVID-19

- Revenue up 2% YoY to R26.1bn; Trading profit up 19% YoY to R5.7bn
- Core headline earnings up 41% YoY to R2.7bn (lower realised FX losses impacted positively)
- Free cash flow down 13% to R2.1bn (end of transponder lease holiday, systems upgrade)

- Produced 1,870 additional hours of local content despite lockdowns
- Local content library now ~59,000 hours
- Local content accounted for 38% of total GE content spend

- Delivered cost savings of R1.0bn YTD
- Achieved 8pp positive organic operating leverage (growth in revenue > growth in costs)
- Reduced losses in RoA to R338m (i.e. by R492m or 59% YoY)

- Launched several new products and services to enhance ecosystem
- 20% investment in BetKing, a high-growth sports betting company focused on Africa
- Renewed major football rights (EPL until 2024/2025, UEFA Champion’s League until 2023/2024)

Note: Refer to Glossary of terms page for explanation of acronyms

⁽¹⁾ Based on 90-day active subscribers, defined as all subscribers that have an active primary/principal subscription within the 90-day period on or before reporting date

⁽²⁾ BetKing investment is effective 1 October 2020 and is reflected as a subsequent event in these interim results
Strategy Update
Growth opportunity in broadcasting and streaming

Growing broadcasting (linear) business + Emerging streaming (OTT) opportunity

Our target addressable market: 2023 Paid video entertainment services

Source: MCG internal estimates, Digital TV Research

(1) Pay-TV addressable market sizing increased to take Ethiopia into account, in light of MCG's recent relaunch in this country

Legally privileged and confidential
Leveraging scale to evolve entertainment ecosystem

Based on 90-day active subscribers, defined as all subscribers that have an active primary/principal subscription within the 90-day period on or before reporting date

FY12      FY16      FY19      1H FY21      2H FY2021

BoxOffice launched
Showmax launched
Joox music streaming added to ecosystem
Add Movies, DStv Rewards Showmax Pro launched
Integration of 3rd-party SVOD services onto devices; adding sports betting

LEVERAGING SCALE

13.0m → 18.6m → 20.1m

1H FY21
2H FY2021
Enhancing ecosystem and offering great content are key

- Lead in content; differentiate in local and sport
- Drive growth and retention
- Pursue global digital platform security leadership
- Leverage scale and enhance ecosystem
- Accelerate OTT capabilities
- Maintain operational excellence & cost reduction
More products and services to delight customers

- **Showmax Pro**
  - Some change the game. We change the way you watch it.
  - Introducing live sport from SuperSport.

- **DStv Communities**
  - Great entertainment, now with earnings.
  - Feel every moment together.
  - DStv Travel Savings Club

- **DStv Rewards**
  - Get rewarded for having a love affair with your couch.
  - It's too easy

- **Add Movies**
  - Add movies
  - To get 3 DStv Premium movie channels at only R99 pm

- **Integration of online partners**
  - DStv Streaming
  - We’re unveiling a whole new world of video entertainment and more, DStv
Investment in sports betting to broaden offering

**Key deal metrics**
- 1 Oct 2020 effective transaction date
- 20% shareholding acquired all shareholder interests <30%
- USD81m upfront investment invested into the business to drive future growth
- USD31m potential earn-outs payable between FY22 and FY24

**Exciting, high growth industry**
- USD155bn value of global sports betting market by 2024 (1)

**Examples of similar industry plays/partnerships**
- Sky
- FOX Sports
- Turner Sports
- CBS
- Sky Bet
- DraftKings
- BetKing

**Other significant developments**
- Invested in the Indian betting market through mobile games that offer cash/prizes to players
- Flutter Entertainment acquired Stars Group for USD6bn in May 2020

**BetKing an attractive target**
- Rapidly expanding pan-African sports betting company
- Launched in 2018, already profitable
- Unique, scalable platform business with own proprietary technology
- High growth model, can easily be replicated in new markets
- Online and retail (agency) distribution

**Sound strategic rationale**
- Opportunity to invest in high growth industry
- Promotes engagement on our platforms as ecosystem expands
- Mutually beneficial fit with pay-TV, to promote retention and viewership for MCG
- Opportunity is enhanced by our subscriber reach and trusted brands

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1 Source: Zion Market Data Research
Solid growth drives subscriber base to > 20m customers

Subscriber base (m): 90-day active

- Defined as all subscribers that have an active primary/principal subscription within the 90-day period on or before reporting date

MCG subscriber base vs. other global operators (m)

- Source: Company reports, Tata Sky (non-public) derived from Telecom Regulatory Authority of India. Information based on latest disclosed subscriber numbers (typically June 2020) and excludes Chinese operators. The comparison is done on a best-efforts basis as the basis used to measure subscriber data varies from company to company.
Ongoing investment in quality local and international content

1 870
Hours of local content produced(1)

~59 000
Total hours in content library

38%
1H FY21
Local content as % of GE content spend(1,2)

1 General Entertainment highlights over the past 6 months

- Renegotiated 2 major studio deals to local currency
- Big Brother Naija a major success
  - Record 915m votes cast
  - Boosted MyDStv / MyGOtv app usage (>50% votes cast in-app driven by tiered strategy)
- New channels/pop-ups launched
- Ongoing focus on local content
  - Building local industry with new producers
  - Stepped up Premium local content
- Ethiopia relaunch with focus on local content
  - Amharic content across 13 channels
  - Amharic commentary on SuperSport
- Survivor SA seasons 6 & 7 sold to Network Ten (Australia)
- kykNET invested in production of movie Racheltjie de Beer, international rights sold to HBO Europe
- 3 new co-productions signed
  - Pulse (series)
  - Crime and Justice (series)
  - Kenya (feature film with Lionsgate)

(1) Local content production hours and % spend impacted by production stoppages as a result of COVID-19 (with slots having to be filled with international shows), and ongoing travel restrictions affecting RoA content production
(2) GE content spend refers to general entertainment content spend, excluding sport
Live sport returns, along with a host of SuperSport developments

SuperSport reorganised into new thematic channels

DStv official sponsor of the PSL

SuperSport produced 5-part documentary on the Springbok’s journey to winning the 2019 Rugby World Cup

Renewed major football rights until 2024/2025 season

Launched new SuperSport App
- Personalised experience
- Improved in-app functionality

Launched 2 new ESPN channels

Acquired rights to Ethiopian Premier League
SA: driving ongoing growth and operational excellence

### Drive growth
- Sustained growth in mass segment with 624k\(^{(1)}\) net additions (+17% YoY)
- New subscribers YTD at 10 year peak
- Compact growth despite consumer pressure; PSL sponsorship and new telenovela (Gomora) to invigorate segment
- Broadening the business beyond Premium segment over time

### Improve retention and ARPU
- Targeted campaigns and strengthening the content line-up drove upgrades within mass segment, with Family bouquet growth at 39% YoY
- Launch of DStv Rewards programme to drive product adoption, ARPU and retention
- Introduced Add Movies bundle with expected ARPU benefits
- Launched DStv Communities, offering incentives that promote group customer activity
- DStv Streaming and integration with SVOD partners in final stages, facilitated through new Explora Ultra and Streama devices

### Maintain operational excellence
- Accelerated digital migration in light of COVID-19:
  - 31% reduction in call volumes handled by agents, despite subscriber growth
  - Call centre employees fully equipped to work from home
  - WhatsApp self service active user base up 2.3x YoY
  - Growth in web (18%) and app (124%) self-service
- Launched new MyDStv app with enhanced customer experience including embedded TV guide, content recommendations and rewards

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**Subscription revenue by segment**

<table>
<thead>
<tr>
<th>Segment</th>
<th>1H FY17</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>40%</td>
<td>42%</td>
</tr>
<tr>
<td>Mid market</td>
<td>40%</td>
<td>37%</td>
</tr>
<tr>
<td>Mass market</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>

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\(^{(1)}\) Based on 90-day active subscribers, defined as all subscribers that have an active primary/principal subscription within the 90-day period on or before reporting date

\(^{(2)}\) Premium includes Premium and Compact Plus bouquets; mid market includes Compact and Commercial bouquets; mass market includes Family, Access and Easyview bouquets
SA: a resilient performance in a tough market

Subscriber base (m): 90-day active

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>8.2</td>
<td>8.7</td>
</tr>
<tr>
<td>Mid market</td>
<td>1.6</td>
<td>1.4</td>
</tr>
<tr>
<td>Mass market</td>
<td>2.8</td>
<td>2.9</td>
</tr>
<tr>
<td>1H FY20</td>
<td>3.8</td>
<td>4.4</td>
</tr>
<tr>
<td>1H FY21</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key ARPU drivers

<table>
<thead>
<tr>
<th>Price increases</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>2.7%</td>
<td>0.3%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Mid</td>
<td>5.5%</td>
<td>3.6%</td>
<td>0%</td>
</tr>
<tr>
<td>Mass</td>
<td>0.6%</td>
<td>5.2%</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

Subscriber mix

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>19%</td>
<td>16%</td>
</tr>
<tr>
<td>Mid</td>
<td>34%</td>
<td>33%</td>
</tr>
<tr>
<td>Mass</td>
<td>46%</td>
<td>51%</td>
</tr>
</tbody>
</table>

Active days

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>288</td>
<td>285</td>
</tr>
<tr>
<td>Mid</td>
<td>285</td>
<td>288</td>
</tr>
</tbody>
</table>

ARPU (ZAR per month)

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass market</td>
<td>88</td>
<td>95</td>
</tr>
<tr>
<td>Mid market</td>
<td>301</td>
<td>303</td>
</tr>
<tr>
<td>Premium</td>
<td>581</td>
<td>584</td>
</tr>
<tr>
<td>Blended</td>
<td>292</td>
<td>278</td>
</tr>
</tbody>
</table>

(1) Defined as all subscribers that have an active primary/principal subscription within the 90-day period on or before reporting date
(2) Premium includes Premium and Compact Plus bouquets; mid market includes Compact and Commercial bouquets; mass market includes Family, Access and Easyview bouquets
(3) Price increases represent the weighted average increase per segment, based on the number of subscribers at the effective date of the increase (1 April of each year)
(4) Active days considers all subscribers that were active at any point in the last 24 months, and measures the average number of days that the subscribers were active in the past 12 months out of the total days they could potentially have been active
(5) ARPU calculated by dividing average monthly subscription fee revenue for the period by the average number of 90-day active subscribers at the beginning and at the end of the period. Mid market ARPU based on Compact only (excludes Commercial bouquets)
RoA: strong recovery and continued improvements

Drive growth
- 274k 90-day active subscribers(1) added YTD; highest 1H net additions in the past 5 years (excluding 1H FY19 FWC growth)
- Relaunched in Ethiopia with a localised strategy (local language content, local currency payments)
- Continued implementation of regionalisation strategy and refined sales incentives

<table>
<thead>
<tr>
<th>1H net additions by year</th>
</tr>
</thead>
<tbody>
<tr>
<td>-16</td>
</tr>
<tr>
<td>1H17</td>
</tr>
<tr>
<td>1H18</td>
</tr>
<tr>
<td>1H19</td>
</tr>
<tr>
<td>1H20</td>
</tr>
<tr>
<td>1H21</td>
</tr>
</tbody>
</table>

1H net additions by year

-16 173 1,008 84 274

Improve retention
- Supported reconnects and upgrades with successful “We’ve got you” campaign
- Rolled out Showmax Add to Bill in Nigeria and Kenya, with more to follow
- Accelerated digital payments migration through lockdown:
  - Expanding vendor footprint
  - Improving payment failure rates through work with vendors and customer education
  - Rolled out online payment capabilities to 7 markets in Southern Africa
- Launched enhanced decoder notifications in 12 markets to support payment reminders

Maintain operating excellence
- Remained focused on cost reductions, including in subscriber acquisition, third-party payment channels and customer SMS feeds
- Enhanced customer self-service:
  - MyDStv and MyGQtv apps and website launched in all markets, with >6m downloads and 2.2m monthly active users
  - 36% of DStv base and 21% of GOtv base now using self-service
  - Rolled out online payment capabilities to 7 markets in Southern Africa
- Launched new USSD service in 4 key markets with improved transaction success rate
- Payment push reminders in apps
- Local language support for WhatsApp

(1) Defined as all subscribers that have an active primary/principal subscription within the 90-day period on or before reporting date
RoA: country-specific dynamics

<table>
<thead>
<tr>
<th>Country</th>
<th>YoY subscriber growth&lt;sup&gt;(4)&lt;/sup&gt;</th>
<th>Successes</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>8%</td>
<td>• Robust operational and financial performance (ZAR sub revenues +23%)</td>
<td>• Oil price and FX risk remain, but NGN has held up YTD</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Regionalisation strategy and migration to new packages yielding results</td>
<td>• In-country cash of USD166m, 50% relates to liquidity constraints and rest is normal cash requirement</td>
</tr>
<tr>
<td>Kenya</td>
<td>6%</td>
<td>• Price increases processed following price downs in PY</td>
<td>• Increased competitive pressures in DTT, as well as OTT market</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 10% growth YoY in DTH</td>
<td>• Power supply still erratic, load shedding of 12-15 hrs/day since August</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• New management team bringing fresh approach</td>
<td>• 45% FX depreciation YoY (vs USD) &lt;sup&gt;(2)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Zambia</td>
<td>-9%</td>
<td>• +4% subs growth YTD despite continued power issues and price increases</td>
<td>• Ongoing currency depreciation, with kwanza down 70% YoY and 40% YTD (vs USD) &lt;sup&gt;(2)&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Additional power capacity to be brought in from Oct-Dec 2020</td>
<td>• Growth impacted by reduced subsidy and absence of live sport</td>
</tr>
<tr>
<td>Angola</td>
<td>-7%</td>
<td>• Renegotiated content deals (~30% price down plus sharing of FX risk)</td>
<td>• Economic conditions remain weak:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Price increases offset some currency depreciation</td>
<td>- hyperinflation</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>14%</td>
<td></td>
<td>- loss of liquidity</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Based on 90-day active subscribers, defined as all subscribers that have an active primary/principal subscription within the 90-day period on or before reporting date

<sup>(2)</sup> Exchange rate depreciation is based on average rates for the period and is measured relative to the USD
RoA: solid 1H performance, with pricing power maintained

### Key ARPU drivers

<table>
<thead>
<tr>
<th>Key ARPU drivers</th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Active days</strong></td>
<td>177</td>
<td>171</td>
</tr>
<tr>
<td><strong>Subscriber mix</strong></td>
<td>81%</td>
<td>81%</td>
</tr>
<tr>
<td>Premium</td>
<td>14%</td>
<td>19%</td>
</tr>
<tr>
<td>Mid</td>
<td>13%</td>
<td>23%</td>
</tr>
<tr>
<td>Mass</td>
<td>5%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Note: Nigerian price increases exclude impact of bouquet migration.

### Price changes (FY21)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>0.8</td>
<td>1.3</td>
</tr>
<tr>
<td>Mid</td>
<td>1.2</td>
<td>1.3</td>
</tr>
<tr>
<td>Mass</td>
<td>8.7</td>
<td>9.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>Price change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>+16%</td>
</tr>
<tr>
<td>Mid</td>
<td>+14%</td>
</tr>
<tr>
<td>Mass</td>
<td>-20%</td>
</tr>
</tbody>
</table>

### ARPU (ZAR per month)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass market</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>Mid market</td>
<td>203</td>
<td>232</td>
</tr>
<tr>
<td>Premium</td>
<td>482</td>
<td>387</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass market</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Mid market</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Premium</td>
<td>2.03</td>
<td>2.32</td>
</tr>
</tbody>
</table>

### Definitions:

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Strategic objectives

More users

• Strong growth in Showmax paying subs
• Launch of DStv Add to Bill in Nigeria and Kenya, driving acquisitions from DStv subscriber base
• Free version of Showmax launched to improve user trials and drive upsell
• Local content driving acquisition

Watching more often

• +26% YoY monthly active users

For longer

• +77% YoY play events

A recap of our Showmax offerings

Localised offering | Standard | Pro | Mobile | DStv Add to Bill
--- | --- | --- | --- | ---
South Africa | ✔ | n/a | ✔ | ✔ | ✔ | ✔
Namibia | ✔ | n/a | ✔ | ✔ | ✔ | ✔
Kenya | ✔ | n/a | ✔ | ✔ | ✔ | ✔
Ghana | ✗ | ✔ | ✔ | ✔ | ✔ | ✔
Other | ✗ | ✔ | ✔ | ✔ | ✔ | ✔

SA pricing (4)

- R99
- n/a
- R225-R449
- R49
- R49

New product launches

• Launched localised offering in Ghana (in addition to ZA, KE and NG), with local billing and payment options
• Showmax Pro (including sport) launched across the continent

Operational update

Capturing growth opportunity

- 1H FY20
- 1H FY21

Paying subs YoY

For longer

• +7% YoY average hours watched

Operational update

Capturing growth opportunity

- Strong growth in Showmax paying subs
- Launch of DStv Add to Bill in Nigeria and Kenya, driving acquisitions from DStv subscriber base
- Free version of Showmax launched to improve user trials and drive upsell
- Local content driving acquisition

New product launches

• Launched localised offering in Ghana (in addition to ZA, KE and NG), with local billing and payment options
• Showmax Pro (including sport) launched across the continent

Connected Video: solid traction, new products to drive future growth

(1) Measured as at 30 September YoY
(2) Measured as the total play events for 1H FY21 vs 1H FY20
(3) Measured as the 3-month moving average at 30 September YoY, relates to Showmax viewership only
(4) Pricing varies by market
Irdeto: pursuing global digital security leadership

**Connected transport update**
- **Keystone** in all new Hyundai models
- Enables owners to control vehicle access & usage policies through their smart phone
- ~50k Hyundai vehicles in market to date

**Recent product launches**
- Pre-production watermarking with IBM for remote work
- **Keystone** COVID-19 compliant solution for off-highway vehicles
- Denuvo anti-cheat & anti-tamper for mobile gaming, including in real-time
- Launch of service to retrofit OTT apps to STBs in the field

**Recent customer wins**
- 18 customer wins in media security
- Ongoing market share gains in core e.g. United Group, Forthnet
- Expanding business with existing customers e.g. Tata Sky
- Multi-DRM OTT solutions for Cyta and MediaSet in 2020

**Other highlights in past six months**
- Now a security partner to 5 out of 6 largest global OTT players
- Delivered a 74% reduction in malicious password sharing and theft for MCG services
- Blocked 4.8m illegitimate streams for MCG

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<table>
<thead>
<tr>
<th>New service lines</th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional broadcasting</td>
<td>72%</td>
<td>69%</td>
</tr>
</tbody>
</table>

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(1) 1H FY20 figures have been adjusted to exclude once-off project related revenues recognized in the comparative period.
Financial Update
Key financial highlights

1. Revenue growth despite COVID-19 impact on advertising and commercial subs
2. Margin expansion due to reduced RoA losses and strong focus on costs
3. Strong growth in core headline earnings
4. Solid cash flow generation allows for investment in systems upgrade
5. Healthy balance sheet provides financial flexibility
Financial synopsis

Revenue (ZARbn)\(^{(1)}\)

\[
\begin{array}{c|c|c}
   & 1H FY20 & 1H FY21 \\
\hline
25.7 & 26.1 \\
\end{array}
\]

\(\uparrow \ 2\% \ (-1\%)\)

Trading profit (ZARbn)\(^{(1)}\)

\[
\begin{array}{c|c|c}
   & 1H FY20 & 1H FY21 \\
\hline
4.8 & 5.7 \\
\end{array}
\]

\(\uparrow \ 19\% \ (38\%)\)

Core headline earnings (ZARbn)

\[
\begin{array}{c|c|c}
   & 1H FY20 & 1H FY21 \\
\hline
1.9 & 2.7 \\
\end{array}
\]

\(\uparrow \ 41\%\)

Free cash flow (ZARbn)\(^{(1,2)}\)

\[
\begin{array}{c|c|c}
   & 1H FY20 & 1H FY21 \\
\hline
2.4 & 2.1 \\
\end{array}
\]

\(\downarrow \ -13\%\)

---

\(1\) Percentages reflect year-on-year growth. Numbers in brackets represent year-on-year organic growth (in constant currency, excluding M&A) on a like-for-like basis.

\(2\) Free cash flow defined as trading profit + depreciation & amortisation + non-cash adjustments – change in net working capital – cash taxes – capex – transponder lease repayments (including interest) – the capital portion of all other lease repayments.
Solid growth in customer base drives subscription revenues

90-day active subscribers (m)(1)

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>10.7</td>
<td>11.4</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>8.2</td>
<td>8.7</td>
</tr>
</tbody>
</table>

Subscription revenue (ZARbn)(2)

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>7.1</td>
<td>8.0</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>14.1</td>
<td>14.3</td>
</tr>
</tbody>
</table>

**Group**
- Solid customer growth despite challenging environment
- Positive impact of solid YTD subscriber growth partially offset by change in subscriber mix and lower revenues from commercial customers due to COVID-19 impact

**South Africa**
- Healthy mass market growth and annual price increase negated by relief discounts offered to commercial subscribers and lower Premium base in the absence of live sport, some of which had not returned at period end

**Rest of Africa**
- Strong nominal growth supported by weaker ZAR relative to local currencies
- Organic growth of 6% driven by subscriber wins and price increases, offset by changing subscriber mix in the absence of live sport

---

(1) Defined as all subscribers that have an active primary/principal subscription within the 90-day period on or before reporting date

(2) Percentages reflect year-on-year growth. Numbers in brackets represent year-on-year organic growth (in constant currency, excluding M&A) on a like-for-like basis. Totals may not cast due to rounding.
1 | Top line momentum impacted by specific COVID-19 factors

Revenue by business segment (ZARbn)\(^{(1)}\)

<table>
<thead>
<tr>
<th>Segment</th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>25.7</td>
<td>26.1</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>7.8</td>
<td>8.7</td>
</tr>
<tr>
<td>Technology</td>
<td>17.0</td>
<td>16.5</td>
</tr>
</tbody>
</table>

Normalised growth

<table>
<thead>
<tr>
<th>Segment</th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Technology</td>
<td>0.9</td>
<td>0.9</td>
</tr>
</tbody>
</table>

Revenue by type (ZARbn)\(^{(1)}\)

<table>
<thead>
<tr>
<th>Type</th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription</td>
<td>21.2</td>
<td>22.2</td>
</tr>
<tr>
<td>Advertising</td>
<td>1.9</td>
<td>1.9</td>
</tr>
<tr>
<td>Other(^{(2)})</td>
<td>1.6</td>
<td>1.1</td>
</tr>
<tr>
<td>Technology</td>
<td>0.9</td>
<td>0.9</td>
</tr>
</tbody>
</table>

Normalised revenue growth of 6% (4% organic)

- Adjusted for non-recurring revenue in Technology segment (R0.12bn)
- Adjustments for COVID-19 impact on:
  - commercial subscription fees (R0.3bn)
  - advertising revenues (R0.6bn)
  - loss of sub-licensing revenue due to sporting delays

Advertising revenues

- Significantly impacted by COVID-19 due to lack of sport advertising and lower economic activity
- Environment is now stabilising, revenues reached pre-COVID levels during the months of August and September

Technology

- YoY growth impacted by USD8m once-off project revenue in the prior year and deferrals of certain project revenues due to COVID-19
- Total Irdeto revenues amounted to R1.8bn (inter-group revenue of R0.9bn eliminated upon consolidation)

---

\(^{(1)}\) Percentages reflect year-on-year growth. Numbers in brackets represent year-on-year organic growth (in constant currency, excluding M&A) on a like-for-like basis

\(^{(2)}\) Other revenue includes gross set-top box decoder sales, installation fees, licensing and production revenue and reconnection fees
Focus on costs underpins substantial operating leverage

**Operating leverage (organic)**

- **Revenue growth**
  - 1H FY20: 3%
  - FY19: 5%
  - 1H FY21: 8%
- **Opex growth**
  - 1H FY20: -9%
  - FY19: 4%
  - 1H FY21: 6%

**Cost savings (ZARm)**

- **First half**
  - FY19: 559
  - FY20: 747
- **Second half**
  - 1H FY21: 1,007

**1H % of cost base**

- **Revenue growth**
  - 3%
- **Opex growth**
  - 3%
- **Cost savings**
  - 9%

- **3%**
- **4%**
- **5%**

- **1H FY20**
- **FY19**
- **FY20**
- **1H FY21**

- **>80% of overall cost base is fixed**
- **Significant operating leverage gained this period, although R0.8bn in lower opex was due to timing of content amortisation which is expected to normalise over the full year**
- **General focus on reducing costs in anticipation of top-line pressure also a major driver of operating leverage:**
  - areas of savings included: content savings (renegotiated contracts), sales and marketing (revised campaigns to better leverage digital), staff costs (right-sizing of customer care division and other areas) and other initiatives to renegotiate supply contracts
  - excludes R216m in temporary savings associated with COVID-19 (travel savings, project delays, etc)

(1) Represents year-on-year organic growth (in constant currency, excluding M&A) on a like-for-like basis
2 | Margin expansion supported by reduced losses in RoA

Group trading profit (ZARm)\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin (%)</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>Margin expansion</td>
<td>+19% (+38%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4 781</td>
<td>5 699</td>
</tr>
</tbody>
</table>

Trading profit by business segment (ZARm)

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin (%)</td>
<td>30%</td>
<td>35%</td>
</tr>
<tr>
<td>Margin((^{(2)})) (%)</td>
<td>-11%</td>
<td>-4%</td>
</tr>
<tr>
<td>South Africa</td>
<td>5 156</td>
<td>5 783</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>- 830</td>
<td>- 338</td>
</tr>
<tr>
<td>Technology</td>
<td>455</td>
<td>254</td>
</tr>
</tbody>
</table>

South Africa

- Lower costs more than offset revenue pressure and were driven by:
  - Ongoing cost optimisation programme and lower operational costs in COVID-19 environment
  - Non-recurrence of 3 major sporting events broadcast during the prior year
  - Temporary shift in content amortisation due to delays in many sporting events
- Full year trading margin expected to normalise and remain in near-term target band of 30% to 32% as shift in timing of sport events corrects (in addition to seasonally weaker 2H margins)

Rest of Africa

- Reduction in trading losses of R0.5bn (R1.2bn organic) contributed positively to expansion in group TP margin
- RoA margins subject to similar dynamics to SA (cost timing and seasonally weaker 2H)

Technology

- Trading margin normalised to 28% due to non-recurring, high-margin once off revenue in prior year

---

\(^{(1)}\) Percentages in chart reflect year-on-year growth. Numbers in brackets represent year-on-year organic growth (in constant currency, excluding M&A) on a like-for-like basis

\(^{(2)}\) Segmental trading margin calculated based on external revenue
RoA trading loss bridge (1H FY20 – 1H FY21, ZARm)

Trading losses narrowed 59% YoY despite R749m FX drag

COVID-19 revenue impact (largely attributable to subscriber mix) offset by content savings due to contract renegotiations, lockdown impact on local content production, delays in timing of content amortisation and some content refunds

Subscriber wins, price increases and tight cost control supported RoA profitability on an organic basis, but 2H is a seasonally weaker half and some content costs delayed in 1H

Currency depreciation in certain key markets (relative to USD) impacted overall profitability:
- Angola: R211m loss due to 70% currency decline YoY
- Zambia: R170m loss due to 45% currency decline YoY
- Nigeria: R158m loss due to 7% currency decline YoY
- Other currency losses amounted to R156m, spread across various markets
- R54m negative impact of translating RoA business from USD to ZAR for reporting purposes (ZAR 19% weaker)

(1) Relates to mix impact due to absence of live sport, as well as impact of loss of commercial revenue due to discounts granted during the lockdown period
(2) Includes the impact of price increases and subsidy savings, net of cost increases on specific SG&A line items
(3) Excludes the impact of FX depreciation
3 | Strong growth in core headline earnings, up 41% YoY

- Improvement in core headline earnings driven by:
  - strong trading profit performance
  - R226m reduction in realised foreign exchange losses YoY (FX gains in SA on weaker ZAR against the USD largely offset by losses in RoA)
  - Increased contribution from business segments amounted to R772m(1):
    - SA: +R864m, supported by strong trading profit and higher realised gains on forward exchange contracts due to weaker ZAR
    - RoA: +R114m due to narrowing of losses, offset partially by higher realised FX losses during the current period
    - Technology: -R205m due to normalisation of trading profit

(1) Totals may not cast due to rounding
4 | Solid cash flow generation allows for systems upgrade

**Free cash flow (ZARm)**(1)

<table>
<thead>
<tr>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 360</td>
<td>2 058</td>
</tr>
</tbody>
</table>

-13%

**Free cash flow reconciliation: 1H FY20 – 1H FY21 (ZARm)**(1)

- Free cash flow supported by increase in cash EBITDA driven by strong operating performance
- Gains partially offset by:
  - R417m normalisation in working capital, including improved payment efficiency, some unwind of deferred income and timing of content cash flows, after a particularly light working capital cycle in the latter half of the prior year
  - R544m in increased transponder lease repayments mainly due to the end of a contractual agreement on the SA lease whereby an upfront prepayment resulted in reduced lease payments for the first 36 months of the lease term, as well as fx movements in the current period
  - Additional capex investment includes R131m associated with a multi-year investment programme to futureproof the group’s customer service, billing and data capabilities

---

(1) Free cash flow defined as trading profit + depreciation & amortisation + non-cash adjustments – change in net working capital – cash taxes – capex – transponder lease repayments (including interest) – the capital portion of all other lease repayments

(2) Relates largely to increased tax payments in the current year
Healthy balance sheet provides financial flexibility

Cash utilised: 1H FY21

- MCG year-end dividend: ZAR2.5bn
- Settlement of PN dividend: ZAR1.4bn

Liquidity position: 1H FY21

- Cash position: ZAR7.3bn (FY20: R9.1bn)
- Undrawn facilities: ZAR4.5bn (FY20: R5.0bn)

Cash commitments for next 6 months

- Funding of RoA losses
- BetKing acquisition: (R1.3bn)
- Working capital requirements: (R0.5bn)

Total available funds: ZAR11.8bn

---

(1) In order to preserve cash reserves, the group transferred 3.6m (with a value of ZAR0.3bn) of the 10.1m treasury shares repurchased in the prior year to fund the current year awards under the group restricted stock unit (RSU) share plan.
(2) A total of ZAR3.2bn (USD190m) of cash is subject to in-country restrictions and/or liquidity constraints.
(3) An amortising working capital loan of ZAR1.5bn was concluded in November 2020. The loan has a 3 year term and bears interest at 3-month JIBAR + 1.70%.
Strong execution to date

Lead in content; differentiate in local and sport
59 000
hours of local content in library

Drive growth and retention
+ 0.6m
net 90-day active subscriber additions YTD

Pursue global digital platform security leadership
18
new contract wins in media security

Leverage scale and enhance ecosystem
Launched 6 major new products and services
Expanded into sports betting through BetKing

Accelerate OTT capabilities
26%
YoY growth in monthly active users

Operational excellence & cost reduction
R1.0bn
cost savings
Well positioned for the future

Sought after product
as people spend more time at home

Well positioned for the future

Scale and diversity
large diverse customer base and footprint

Robust business model
annuity income + low reliance on advertising

Strong growth prospects
addressable market still underpenetrated

Great content
to keep customers entertained

20m
subscribers

50
markets

20.1m (1H FY21)
MCG subs

ZAR7.3bn
(+ZAR4.5bn in undrawn facilities)

Healthy balance sheet
provides financial flexibility

Financial information as at 1H FY21

(1) Financial information as at 1H FY21
Appendix
Comparison of historic vs. current primary subscriber metrics

--- Previous basis: Active at reporting date(1) ---

**Subscribers (m)(1)**

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>15.1</td>
<td>16.0</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>7.4</td>
<td>7.9</td>
</tr>
<tr>
<td>Blended</td>
<td>7.7</td>
<td>8.1</td>
</tr>
</tbody>
</table>

**ARPU (ZAR per month)(3), 1H FY20 vs 1H FY21**

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>311</td>
<td>298</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>158</td>
<td>168</td>
</tr>
<tr>
<td>Blended</td>
<td>235</td>
<td>233</td>
</tr>
</tbody>
</table>

--- Current basis: 90-day active(2) ---

**Subscribers (m)(2)**

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>18.9</td>
<td>10.7</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>8.2</td>
<td>8.7</td>
</tr>
<tr>
<td>Blended</td>
<td>20.1</td>
<td>11.4</td>
</tr>
</tbody>
</table>

**ARPU (ZAR per month)(3), 1H FY20 vs 1H FY21**

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>292</td>
<td>278</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>111</td>
<td>118</td>
</tr>
<tr>
<td>Blended</td>
<td>189</td>
<td>187</td>
</tr>
</tbody>
</table>

---

(1) Refers to active subscribers, i.e. all subscribers that were active on the measurement day (i.e. at a point in time)
(2) Defined as all subscribers that have an active primary/principal subscription within the 90-day period on or before reporting date. This provides a better reflection of the activity on our base
(3) ARPU calculated by dividing average monthly subscription fee revenue for the period by the average number of subscribers at the beginning and at the end of the period
Strong growth in Nigerian subscription revenues buoyed RoA

Nigeria subscription revenue (ZARbn)\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.7</td>
<td>3.3</td>
</tr>
</tbody>
</table>

RoA subscription revenue (ZARbn)\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7.1</td>
<td>8.0</td>
</tr>
</tbody>
</table>

RoA subscription revenue by country (%\(^{(1)}\))

<table>
<thead>
<tr>
<th>Country</th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>38%</td>
<td>42%</td>
</tr>
<tr>
<td>Zambia</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Kenya</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>42%</td>
<td>42%</td>
</tr>
</tbody>
</table>

(1) Refers to subscription revenue only, excluding hardware sales, advertising revenue and other revenues
**Organic decrease in costs driven by cost controls and timing**

- **Content costs** decreased 22% due to a number of external and internal drivers (see following slide for detail)
- **Hardware costs** increased 4%, with an increase in Explora purchases and HD installations for new enables in SA in 1H FY21 offsetting ongoing STB cost savings
- **Sales & marketing costs** declined 5% due to fewer promotional opportunities and events during lockdown, cost saving initiatives and continued optimisation of spend (including more effective utilisation of digital channels), partially offset by performance marketing in RoA and CV
- **Staff costs** decreased 8% due to savings from VSPs in the comparative period (notably the SA customer care division restructuring), reduced headcount in Dubai and Irdeto, and reduced training and conference spend due to COVID-19
- **Transponder costs** declined 3% as the amortisation of the lease liabilities naturally reduces interest costs over time and certain transmission assets reached the end of their depreciable lives - in addition some savings were negotiated on renewal of certain smaller DTT-related leases
- **Other costs** increased 5% due to the impact of COVID-19 specific project costs, some inflationary elements, increased software license costs as we upgrade our customer, billing and data systems, and rising hedge rates offset by lower lockdown operating costs (e.g. travel)

---

**COPS and SG&A costs (ZARbn)**

- Content costs decreased 22% due to a number of external and internal drivers (see following slide for detail)
- Hardware costs increased 4%, with an increase in Explora purchases and HD installations for new enables in SA in 1H FY21 offsetting ongoing STB cost savings
- Sales & marketing costs declined 5% due to fewer promotional opportunities and events during lockdown, cost saving initiatives and continued optimisation of spend (including more effective utilisation of digital channels), partially offset by performance marketing in RoA and CV
- Staff costs decreased 8% due to savings from VSPs in the comparative period (notably the SA customer care division restructuring), reduced headcount in Dubai and Irdeto, and reduced training and conference spend due to COVID-19
- Transponder costs declined 3% as the amortisation of the lease liabilities naturally reduces interest costs over time and certain transmission assets reached the end of their depreciable lives - in addition some savings were negotiated on renewal of certain smaller DTT-related leases
- Other costs increased 5% due to the impact of COVID-19 specific project costs, some inflationary elements, increased software license costs as we upgrade our customer, billing and data systems, and rising hedge rates offset by lower lockdown operating costs (e.g. travel)
Content costs trends impacted by prior year events and lockdown

**Content costs (ZARbn)**

- **As % of subscription revenues**
  - 1H FY19: 40%
  - 1H FY20: 42%
  - 1H FY21: 34%

- **YoY organic growth:**
  - 6%
  - -22%
  - 9%
  - -14%

- **YoY nominal growth:**
  - 9%
  - 7%
  - 22%
  - 14%

**Decoder subsidies (ZARbn)**

<table>
<thead>
<tr>
<th>Hardware</th>
<th>1H FY20</th>
<th>1H FY21</th>
<th>YoY organic growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>0.8</td>
<td>0.9</td>
<td>7%</td>
</tr>
<tr>
<td>Costs</td>
<td>(2.5)</td>
<td>(2.8)</td>
<td>4%</td>
</tr>
<tr>
<td>Net subsidies</td>
<td>(1.7)</td>
<td>(1.9)</td>
<td>3%</td>
</tr>
</tbody>
</table>

- **Decrease in content costs** (organic) due to:
  - Prior year included 3 major events (AFCON, CWC and half of RWC)
  - Ongoing portfolio optimisation and contract renegotiation
  - ~R0.8bn in delayed content costs for content amortization e.g. for delayed sporting events and lower local content spend due to lockdown restrictions on production in SA and travel in RoA
  - Content refunds received e.g. on sports (due to content being received in different formats i.e. shorter time frames, no crowds)

- **Nominal decline of 14% due to impact of weaker ZAR on hedging rates over time - content costs are hedged up to 36 months out**

- **Investment in decoder subsidies** increased slightly YoY on the back of higher installation and STB volumes, with some offset from lower set-top box costs
Trading profit growth in an abnormal period

Reconciliation of (organic) trading profit growth

<table>
<thead>
<tr>
<th>Trading profit (ZARm)</th>
<th>1H FY19 reported(1)</th>
<th>1H FY20 organic(2)</th>
<th>1H FY20 organic Growth</th>
<th>1H FY20 reported(1)</th>
<th>1H FY21 organic(2)</th>
<th>1H FY21 organic Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>5 378</td>
<td>5 156</td>
<td>-4%</td>
<td>5 156</td>
<td>5 783</td>
<td>12%</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>(1 577)</td>
<td>(425)</td>
<td>73%</td>
<td>(830)</td>
<td>411</td>
<td>150%</td>
</tr>
<tr>
<td>Technology</td>
<td>117</td>
<td>493</td>
<td>321%</td>
<td>455</td>
<td>387</td>
<td>-15%</td>
</tr>
<tr>
<td>Trading profit</td>
<td>3 918</td>
<td>5 244</td>
<td>33%</td>
<td>4 781</td>
<td>6 582</td>
<td>38%</td>
</tr>
</tbody>
</table>

YoY organic trading profit growth increased from 33% to 38%, albeit impacted by the effects of COVID-19

**South Africa** trading profit increased on the back of:
- ongoing cost optimisation,
- non-recurrence of 3 major sporting events that impacted the comparative period, and
- a delay in content costs

**Rest of Africa** improved operating performance materially, reporting a trading profit on an organic basis on the back of revenue growth, cost controls, content refunds and a delay in content costs

**Technology** trading profit was impacted by the non-recurrence of higher-margin once-off project revenue of USD8m in the comparative period

---

(1) As reported in the condensed consolidated interim financial statements
(2) Calculated after adjusting reported values for: (a) changes in FX rates and (b) M&A activity
EBITDA growth and margin improvement

**EBITDA**\(^{(1)}\) by business segment (ZARm)

<table>
<thead>
<tr>
<th>Segment</th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>6 499</td>
<td>7 455</td>
</tr>
<tr>
<td>South Africa</td>
<td>6 090</td>
<td>6 905</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td>-118</td>
<td>218</td>
</tr>
<tr>
<td>Technology</td>
<td>527</td>
<td>331</td>
</tr>
</tbody>
</table>

**Margin**\(^{(2)}\) (%)

- Group: 25% (1H FY20), 29% (1H FY21)
- South Africa: 36% (1H FY20), 42% (1H FY21)
- Rest of Africa: -2% (1H FY20), 3% (1H FY21)
- Technology: 58% (1H FY20), 37% (1H FY21)

**Reconciliation of operating profit to EBITDA**\(^{(1)}\)

<table>
<thead>
<tr>
<th>ZARm</th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>4 926</td>
<td>5 776</td>
</tr>
<tr>
<td>Add: Depreciation and amortisation</td>
<td>1 424</td>
<td>1 455</td>
</tr>
<tr>
<td>Less: Other operating (gains)/losses - net</td>
<td>1</td>
<td>(8)</td>
</tr>
<tr>
<td>Add: Share-based compensation</td>
<td>136</td>
<td>222</td>
</tr>
<tr>
<td>Add: Net other adjustments</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>6 499</td>
<td>7 455</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Adjusted EBITDA, calculated according to the reconciliation reflected above. Totals may not cast due to rounding

\(^{(2)}\) Segmental margins calculated based on external revenue
Business seasonality: typically higher opex, lower margins in 2H

- Trading profit in the second half (2H) of the year is generally lower than the first half (1H)
- This is largely driven by seasonality in opex, including:
  - higher content costs associated with the football seasons in Northern Hemisphere
  - higher STB subsidies and sales and marketing costs linked to Festive Season/Easter Holiday campaigns
- The variance in trading profit performance in 1H vs 2H this year may be further exaggerated by:
  - a shift in some content costs from 1H to 2H due to delays in production, events etc.
  - COVID-19 related disruptions to traditional school terms and holidays throughout the year
  - an unlikely repeat of content refunds in 2H
  - less benefit from comparable YoY base effects in 2H FY21 as the 3 non-recurring major sporting events largely impacted 1H comparatives (half of RWC in 2H)
  - an uncertain outlook for FX into 2H FY21, with depreciation in certain currencies in late FY20 having rolled through into 1H FY21

Trading profit 1H vs 2H (ZARm)

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H</td>
<td>3 918</td>
<td>4 781</td>
<td>5 699</td>
</tr>
<tr>
<td>2H</td>
<td>3 096</td>
<td>3 247</td>
<td></td>
</tr>
</tbody>
</table>

% split

1H: 2H 56: 44 60: 40
Currency exposure managed through active hedging strategy

**South Africa**
ZAR functional currency

- Incurs certain costs in hard currency:
  - international sport and general entertainment content rights
  - satellite transponder leases
  - set-top box purchases
- In the case of shared group costs (i.e. content costs), these are paid in full by SA and recovered from RoA (in ZAR)
- Committed exposures hedged up to 36 months out

**Rest of Africa**
USD functional currency

- Hedges ZAR payments to SA
- Also hedges non-USD cash remittances from subsidiary companies in markets where feasible and economically viable (i.e. hedging instruments available at reasonable cost)
- RoA hedged markets can be hedged 12 months out (13 in the case of Nigeria)

**Group Treasury**
- Centrally co-ordinates trades to ensure rate efficiencies i.e. SA and RoA hedges are executed as a net position
- Therefore, at a group level realised losses/gains on SA hedges are partially offset by gains/losses on RoA hedges
- Offset exacerbated in core headline earnings adjustments, as SA gains/losses also adjusted for tax and minorities

**Technology**
USD functional currency

- Earns primarily USD revenues
- Non-USD operating costs hedged 12-24 months out

**Forward cover**
Buy ZAR, sell USD

**RoA Markets**
Earn cash in local currencies
(NGN, KES etc.)

**Hedging of remittances**
Sell NGN, KES etc.
Buy USD

**Pay EUR, GBP etc.**

**Sell USD, buy EUR, GBP etc.**
Hard currency input costs represent 52% of the base

Hard currency input costs (52% of base) increased slightly compared to FY20 (50% of base), and despite 1H generally having lower foreign input costs, due to the reduction in local operating costs relating to COVID-19 lockdowns (e.g., travel, local productions) and the impact of the new EPL rights which started in FY20.

South Africa:
- foreign-denominated costs (USD, EUR, and GBP) hedged up to 36 months out, but MCG not active in excessively volatile markets as shown by currently diminished cover in year 3

Rest of Africa
- 8% of USD-denominated revenue (no need to hedge)
- non-USD cash remittances are fully hedged ~12 months out\(^{(5)}\) in markets where feasible (i.e., FECs available at reasonable cost)
- equates to ~71% of overall RoA revenue\(^{(3)}\) if these markets are 100% hedged (effectively ~61% at present due to lower hedging %)
- this implies that effectively ~31% of revenue is exposed to FX fluctuations at this point in time
- Zambia and Ghana currently not fully hedged as rates not economical (in accordance with hedging policy)

Irdeto
- earns primarily USD revenues to cover its USD cost base
- non-USD operating costs (mainly EUR associated with Dutch operations) are hedged 12-24 months out to match USD revenues

---

[1] Includes ZAR and local currencies in RoA
[2] This represents ‘gross’ cover taken out on SA foreign currency costs – from a group perspective, the net position is lower as part of these costs are recharged to RoA and hedged back into USD
[3] Relates to subscription fee revenue only and is shown as a proxy for cash flows, the latter being hedged
[4] Hedging cover in some markets, most notably Zambia and Ghana, <100% due to decision not to hedge in these markets given uneconomic forward rates (in accordance with hedging policy). In certain instances, hedging cover can exceed 100% as it is based on forecasts
[5] All RoA hedged markets are covered 12 months out, except for Nigeria, which is 13 months
**Reconciliation: headline earnings to core headline earnings (ZARm)**

<table>
<thead>
<tr>
<th></th>
<th>Headline earnings 1H FY21</th>
<th>Equity settled share-based compensation</th>
<th>Net unrealised forex/fair value losses</th>
<th>Amortisation of intangibles and acquisition-related costs</th>
<th>Core headline earnings 1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2 442</td>
<td></td>
<td>222</td>
<td>(35)</td>
<td>2 678</td>
</tr>
</tbody>
</table>

- **Headline earnings** growth underpinned by strong trading profit performance
- **Net unrealised FX gains/losses and FX fair value adjustments** are reversed in the calculation of core headline earnings, since they are unrealised and do not reflect the underlying performance of the business during the reporting period.
- **Limited net unrealised FX adjustment** as:
  - Aggregate foreign currency gains and fair value adjustments were limited in value (these are reversed).
  - *Realised* FX gains in SA due to the weaker ZAR:USD FX rate were largely offset by *realised* FX losses in RoA on hedging recharges from SA back to USD (after deducting tax and minorities).
- **Equity settled share-based compensation** is reversed from core headline earnings (and trading profit) as it is an accounting-based expense. We do, however, disclose diluted core headline earnings per share and deduct the cash flows associated with any share buybacks to fund our RSU share schemes in the cash flow statement.
Working capital impacted by timing and seasonality

Net working capital movements (ZARm)

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade &amp; other receivables</td>
<td>(168)</td>
<td>183</td>
</tr>
<tr>
<td>Payables &amp; accruals</td>
<td>(1 707)</td>
<td>(709)</td>
</tr>
<tr>
<td>Programme &amp; film rights</td>
<td>409</td>
<td>(1 287)</td>
</tr>
<tr>
<td>Inventory</td>
<td>(273)</td>
<td>(343)</td>
</tr>
<tr>
<td>Change in net working capital</td>
<td>(1 739)</td>
<td>(2 156)</td>
</tr>
</tbody>
</table>

Historic working capital movements (ZARm)

-1 849  
1H FY19

-1 739  
1H FY20

-2 156  
1H FY21

- Trade & other receivables
  - net inflow in 1H FY21 driven by release of some prepayments made in prior year and lower credit sales in current period due to COVID-19 (credit sales relate to commercial subscriptions, Technology B2B customers, STBs sold into the sales channel etc.)

- Payables & accruals
  - net outflow in 1H FY20 driven by improvement in payment cycle, among other factors
  - net outflow in 1H FY21 due to some release of the increase in deferred income at March 2020 due to lockdown (deferred income relates to subscription fees received in advance), as well as more efficient payments to suppliers to support them through the COVID-19 lockdown and the settlement of certain year-end accruals

- Programme & film rights
  - net inflow in 1H FY20 due to unwind of prepayments in preceding period for 2020 events (RWC, CWC, new EPL season)
  - net outflow in 1H FY21 due to prepayments made and content refunds that will only be received in 2H FY21

- Inventory
  - net outflow in 1H FY21 driven by normal inventory cycle plus some incremental in-country stock build in RoA
Capital expenditure (ZARm)

<table>
<thead>
<tr>
<th>% of revenues</th>
<th>1.1%</th>
<th>1.1%</th>
<th>2.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H FY19</td>
<td>271</td>
<td>191</td>
<td>55</td>
</tr>
<tr>
<td>1H FY20</td>
<td>275</td>
<td>190</td>
<td>78</td>
</tr>
<tr>
<td>1H FY21</td>
<td>459</td>
<td>114</td>
<td>82</td>
</tr>
</tbody>
</table>

• Year-to-date, **SA capital expenditure has increased**, primarily due to:
  – the multi-year investment programme in the video entertainment business to futureproof the group’s customer service, billing and data capabilities as flagged at year-end (R170m invested in 1H FY21)
  – an investment in a hardware refresh cycle in our internal support services division which did not occur in the prior year (R122m invested in 1H FY21)
• Our Technology business also investing in systems upgrades along with some minor head office renovations during the period
• Would expect FY21 capex to normalise towards historic levels – **capital expenditure** has averaged R1.2bn pa over the preceding 5 financial years

(1) Capital expenditures defined as PP&E acquired – proceeds from sale of PP&E + intangible assets acquired – proceeds from sale of intangible assets. Totals may not cast due to rounding
Stable cash tax profile

Cash taxes paid (ZARm)

<table>
<thead>
<tr>
<th></th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash taxes, ZARm</td>
<td>1 652</td>
<td>1 603</td>
</tr>
<tr>
<td>Effective tax rate, %</td>
<td>27%</td>
<td>28%</td>
</tr>
<tr>
<td>Rest of Africa</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash taxes, ZARm</td>
<td>221</td>
<td>307</td>
</tr>
<tr>
<td>Effective tax rate, %</td>
<td>n.m.</td>
<td>n.m.</td>
</tr>
<tr>
<td>Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash taxes, ZARm</td>
<td>13</td>
<td>50</td>
</tr>
<tr>
<td>Effective tax rate, %</td>
<td>15%</td>
<td>40%</td>
</tr>
</tbody>
</table>

South Africa
- effective tax rate 28% in line with statutory tax rate of 28%

Rest of Africa
- 1H cash taxes as a % of revenues are seasonally lower given larger 2H payments in most RoA tax regimes
- taxes mainly relate to withholding tax and corporate income tax

Technology
- cash taxes increased YoY due to quarterly payment timing for all Irdeto taxes in FY21 (including our fiscal unity structure) vs. FY20 where tax payments were weighted to 4Q FY20
- Irdeto tax rate is subject to taxes in various operating markets (average statutory tax rate of ~25%)
- actual tax incurred may differ from statutory rates due to:
  - ability of Irdeto to claim certain R&D allowances for tax purposes in key markets such as the Netherlands
  - historic tax losses available in other markets for offset against current profits – recognition of associated deferred tax assets can impact effective tax rate YoY
  - permanent differences (tax add backs and additions)
- higher effective tax rate in 1H FY21 due to a stable tax expense despite a lower profit before tax figure
  - stable tax expense was driven by the impact of prior year adjustments
  - lower profit before tax was driven by a once-off project in FY20 and project revenue deferrals due to COVID-19
Improved profitability supports business cash demands

1H FY21 ongoing improvement in profitability driving net free cash flow generation (ZARm)

<table>
<thead>
<tr>
<th>Group trading profit growth</th>
<th>Capex and working capital normalising in FY21</th>
<th>Finance lease payment holiday ends</th>
<th>Solid free cash flow generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading profit</td>
<td>Depreciation &amp; amortisation(^{(1)})</td>
<td>Fair value movements on futures</td>
<td>Capex</td>
</tr>
<tr>
<td></td>
<td>5,699</td>
<td>-40</td>
<td>-656</td>
</tr>
<tr>
<td></td>
<td>1,796</td>
<td>7,455</td>
<td>-2,156</td>
</tr>
<tr>
<td></td>
<td>695</td>
<td></td>
<td>-1,960</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-1,320</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2,058</td>
</tr>
</tbody>
</table>

1H FY21 Group trading profit growth of ZAR 5.696m, driven by solid improvements in earnings before interest, tax, depreciation and amortisation (EBITDA) of ZAR 7.455m and a reduction in capex and working capital (excluding M&A) of ZAR 656m. The finance lease payment holiday ended, resulting in a return of ZAR 2,058m to the free cash flow (FCF) generation process.

\(^{(1)}\) Includes depreciation and interest on transponder leases
\(^{(2)}\) Includes all transponder finance lease repayments (including interest) and the capital portion of all other finance lease repayments
\(^{(3)}\) Free cash flow before M&A and dividend payments
Explanation of organic metrics and growth rates

- Organic metrics (i.e. organic trading profit, costs and revenue) calculated after adjusting reported values for: (1) changes in FX rates and (2) M&A activity
- Compared to the prior year actual IFRS results to arrive at organic growth rates
- Assurance report provided by auditors in respect of this calculation

**Adjustment 1: Changes in foreign exchange rates**

- Calculated by translating the current year’s results at the prior year’s average FX rates (average of the monthly exchange rates for that year)

**Average exchange rates used for translation, relative to ZAR[^1]**:

<table>
<thead>
<tr>
<th>Currency</th>
<th>1H FY20</th>
<th>1H FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>US dollar</td>
<td>14.61</td>
<td>17.35</td>
</tr>
<tr>
<td>Nigerian naira</td>
<td>24.76</td>
<td>22.27</td>
</tr>
<tr>
<td>Angolan kwanza</td>
<td>23.60</td>
<td>33.92</td>
</tr>
<tr>
<td>Kenyan shilling</td>
<td>7.04</td>
<td>6.20</td>
</tr>
<tr>
<td>Zambian kwacha</td>
<td>0.89</td>
<td>1.09</td>
</tr>
</tbody>
</table>

[^1]: USD exchange rate presented as 1USD = ZAR, all other currencies presented as 1ZAR = FC

**Adjustment 2: Changes in group composition (M&A)**

- Adjustments for acquisitions or disposals of subsidiaries made in both current and prior year
- For mergers, adjustment includes a portion of the prior year results of the entity with which the merger takes place
- No M&A activity has impacted organic growth calculations for FY20
MCG structure

Shareholders

Single class of shares \(^{(2)}\)

JSE listed: MCG

Major subsidiaries include:
- MultiChoice South Africa Holdings (Pty) Ltd
- MultiChoice South Africa (Pty) Ltd
- MultiChoice (Pty) Ltd
- MultiChoice Support Services (Pty) Ltd
- Electronic Media Network (Pty) Ltd (M-Net)
- SuperSport International Holdings (Pty) Ltd
- DStv Media Sales (Pty) Ltd

Major subsidiaries include:
- MultiChoice Africa Holdings B.V. Group
- MultiChoice Nigeria Ltd (79%)
- MultiChoice Angola Límitada (100%)
- MultiChoice Uganda Ltd (100%)
- MultiChoice Zambia Ltd (51%)
- MultiChoice Kenya Ltd (60%)
- MultiChoice Tanzania Ltd (85%)

Operations are housed within:
- MultiChoice Support Services (Pty) Ltd
- MultiChoice Africa Holdings B.V. Group

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(1) Foreign shareholder voting rights are capped at 20% by MCG’s MOI in order to comply with the broadcasting licence requirements in South Africa under the Electronic Communications Act, 36 of 2005 (as amended)

(2) MCG’s combined direct and indirect interest in MCSA is 76.9%, comprising of a 75.0% direct stake, a 1.4% indirect stake via PN, and a 0.4% indirect stake via the Enterprise Development Trust (which is consolidated) – PN shareholders own the remaining 23.1% of MCSA

(3) MCG acquired an additional 5% in MultiChoice Uganda during the year, bringing the total shareholding to 100%

Note: Organogram depicts major group entities. Subsidiary shareholdings are 100% unless otherwise indicated
### Glossary of terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARPU</td>
<td>Average revenue per user</td>
</tr>
<tr>
<td>B-BBEE</td>
<td>Broad-Based Black Economic Empowerment</td>
</tr>
<tr>
<td>Capex</td>
<td>Capital expenditure</td>
</tr>
<tr>
<td>CAGR</td>
<td>Compound annual growth rate</td>
</tr>
<tr>
<td>COPS</td>
<td>Cost of providing services</td>
</tr>
<tr>
<td>CV</td>
<td>Connected Video</td>
</tr>
<tr>
<td>CWC</td>
<td>Cricket World Cup</td>
</tr>
<tr>
<td>DTH</td>
<td>Direct-to-Home Television</td>
</tr>
<tr>
<td>DTT</td>
<td>Digital Terrestrial Television</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Earnings before interest, tax, depreciation and amortisation</td>
</tr>
<tr>
<td>EESE</td>
<td>Equity Express Securities Exchange</td>
</tr>
<tr>
<td>FCF</td>
<td>Free cash flow</td>
</tr>
<tr>
<td>FEC</td>
<td>Forward exchange contract</td>
</tr>
<tr>
<td>FX</td>
<td>Foreign exchange</td>
</tr>
<tr>
<td>FWC</td>
<td>FIFA World Cup</td>
</tr>
<tr>
<td>FY</td>
<td>Financial year</td>
</tr>
<tr>
<td>GE</td>
<td>General entertainment</td>
</tr>
<tr>
<td>1H/2H</td>
<td>First half/second half of the financial year</td>
</tr>
<tr>
<td>HD</td>
<td>High Definition</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards</td>
</tr>
<tr>
<td>IT</td>
<td>Information technology</td>
</tr>
<tr>
<td>JSE</td>
<td>Johannesburg Stock Exchange</td>
</tr>
<tr>
<td>M&amp;A</td>
<td>Mergers and acquisitions</td>
</tr>
<tr>
<td>MCG</td>
<td>MultiChoice Group</td>
</tr>
<tr>
<td>NCI</td>
<td>Non-controlling interests</td>
</tr>
<tr>
<td>NRV</td>
<td>Net realisable value</td>
</tr>
<tr>
<td>OEM</td>
<td>Original equipment manufacturer (automotive context)</td>
</tr>
<tr>
<td>Opex</td>
<td>Operating expenses</td>
</tr>
<tr>
<td>OTT</td>
<td>Over-the-top media services</td>
</tr>
<tr>
<td>PN</td>
<td>Phuthuma Nathi</td>
</tr>
<tr>
<td>PY/CY</td>
<td>Prior year/Current year</td>
</tr>
<tr>
<td>PVR</td>
<td>Personal video recorder</td>
</tr>
<tr>
<td>RoA</td>
<td>Rest of Africa</td>
</tr>
<tr>
<td>RWC</td>
<td>Rugby World Cup</td>
</tr>
<tr>
<td>SA</td>
<td>South Africa</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>Selling, general and administration expenses</td>
</tr>
<tr>
<td>STB</td>
<td>Set-top box</td>
</tr>
<tr>
<td>SVOD</td>
<td>Subscription video on demand</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
</tr>
<tr>
<td>VAT</td>
<td>Value-Added Tax</td>
</tr>
<tr>
<td>VSP</td>
<td>Voluntary severance packages</td>
</tr>
<tr>
<td>YoY</td>
<td>Year-on-year</td>
</tr>
</tbody>
</table>
Thank you!

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+27 11 289 3320