

# Local content and sport key for the MultiChoice Group in FY24

Results for the financial year 2024 (FY24) show that local content remains a key differentiator for the MultiChoice Group, while Sport also plays a critical role in the Group's content offering.



(Image supplied)

In FY24, the Group added over 5,340 hours of local content in the year, bringing the total local content library to more than 91,470 hours and cementing its position as Africa's largest producer of original content.

Flagship reality show, *Big Brother Mzansi*, drew a record-breaking 3.8 million views for its season finale and received 293 million votes.

In Nigeria, *Big Brother Naija* continued to attract strong viewership in its ninth season.

SuperSport broadcast 47,839 hours of live coverage (+7% YoY) and produced 1,029 live events.

Key highlights included the Paris 2024 Olympic Games, the Euro 2024 football, three major ICC cricket tournaments and the SA 20 Season 3.

SuperSport Schools continue to redefine the landscape of school sports broadcasting. Its app saw 46% growth in registered users to reach 1.2 million, while the platform reached nearly 11 million unique viewers through the app and Channel 216 on DStv and delivered over 50,000 hours of new content.

## Africa's entertainment platform of choice

A disciplined approach to inflationary pricing, with increases of 5.7% in South Africa and an average of 31% in local currency in Rest of Africa has helped The MultiChoice Group delivered R3.7bn in cost savings, well ahead of the revised R2.5bn target set at the interim stage and almost double the R1.9bn saved in FY24.

This helped to mitigate the impact of subscriber losses and supported 1% year on year (YoY) organic

revenue growth as the Group continued to navigate external pressures through focused strategic interventions.

Calvo Mawela, MultiChoice Group CEO says the Group's performance reflects both the challenges it has faced and the resilience of its teams.

"While macroeconomic pressures and currency volatility have weighed on our results, our disciplined execution, cost management and investment in new long-term growth opportunities position us well for the future."

He adds that they have remained focused on being Africa's entertainment platform of choice.

"Our strategy is shaped by developments in our industry, such as changes in technology, which are driving shifts in consumer behaviour, as well as the impact of a rise in piracy, streaming services, and social medi



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## New products deliver growth

Highlighting the Group's ability to adapt to these changes in the global video entertainment landscape, new products and services delivered strong YoY growth.

Revenue from DStv Internet grew by 85%, KingMakers 76% (in constant currency) and DStv Stream 48%.

Showmax active paying customers increased by 44% YoY.

The group returned to a positive equity position through a combination of cost savings, a stabilisation in currencies, and the accounting gain on the sale of 60% of the Group's shareholding in its insurance business (NMSIS) to Sanlam.

## Financial results overview

- **Subscriber base**

The rate of subscriber decline has decelerated, with the active linear pay-TV subscriber base of 14.5 million reflecting a decline of 8% compared to 11% (14.9 million) in FY24.

The pressure was mainly due to a weak consumer environment across markets.

- **Group revenues**

On an organic basis, revenues increased by 1% YoY, driven by pricing and new product growth.

On a reported basis, revenues declined by 9% YoY to R50.8bn, primarily due to an 11% drop in subscription revenue as well as the impact of currency headwinds, and the deconsolidation of the NMSIS insurance business from December 2024.



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- **Group trading profit**

Trading profit increased by 20% YoY, before accounting for the investment in Showmax, the impact of currency weakness and M&A activity.

After incorporating Showmax's trading losses and R5.2bn in foreign currency revenue losses, and partially offset by the R3.7bn in cost savings, trading profit on a reported basis declined to R4bn.

- **Adjusted core headline earnings**

This is the board's measure of the underlying performance of the business. The Group posted a loss of R0.8bn, as a result of the lower trading profit and hedging losses compared to hedging gains in the prior year, partly offset by smaller losses from repatriating cash from Nigeria.

- **Cash flow and liquidity**

The Group recorded a free cash outflow of R0.5bn, due to lower profitability and higher lease repayments, due to timing. This was partly offset by improved working capital management and a 29% YoY reduction in capital expenditure.

At year-end, the Group held R5.1bn in cash and cash equivalents and had access to R3.0bn in undrawn general borrowing facilities.

### 3 priorities

The Group remains focused on building a sustainable, long-term future by executing against its key strategic priorities.

For the year ahead, there are three clear priorities:

1. Stabilise the topline in the video businesses through focused retention initiatives, while supporting rapid topline growth in the group's interactive entertainment, fintech and insurance investees.
2. Continue to drive operating, cost and working capital efficiencies into the group to protect profitability and cash flows.
3. Continue to work with Canal+ towards a successful close of their mandatory offer to unlock significant long-term benefits for the combined entities and their respective stakeholders.

Management has set a cost-saving target of R2.0bn for FY26 in an ongoing effort to reset the business for a shifting trading environment.

On the back of its topline initiatives and cost and cash flow interventions, the group aims to deliver margins

for MultiChoice SA in the mid-20s range, to return MultiChoice Africa to profitability while limiting its funding and narrow trading losses in Showmax.

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