

## Company Report Update: MultiChoice Group Ltd.

### Company Fundamentals

**Report Date:** 11-Jan-24

**JSE Ticker:** MCG

**Price per share:** R86.29

**P/E Ratio:** -6.35

**EPS:** -10.65

**Dividend Yield:** 7.49%

**Market Cap:** R36.47B

**Shares in issue:** 442M

### Company Performance:

MultiChoice's share price performance in 2023 was quite volatile, with both significant gains and losses throughout the year. The price fluctuated significantly, reaching a high of R147 in March and a low of R74 in September.

The company faced a challenging operating environment including inflationary pressures, rising interest rates, and global economic uncertainty weighed on consumer confidence and spending, impacting MultiChoice's subscriber growth.

Despite these challenges, MCG saw some growth in other parts of Africa, particularly in the Showmax and DStv Compact subscriber bases. Showmax's growth trajectory remained stellar, with active subscribers and revenue experiencing a 13% and 46% year-on-year rise respectively. Despite these successes, South Africa presented a different story, where subscription revenues declined by 4% due to a combination of increased competition and a sluggish economy. Nevertheless, MultiChoice's strategic initiatives and operational efficiency led to a 74% jump in free cash flow and an improvement in the operating margin from 13.2% to 14.4%.

Looking ahead, while the company acknowledges ongoing headwinds such as increasing market competition and rising content costs, its continued focus on operational efficiency, strategic investments in innovative offerings like Showmax, and its unwavering commitment to delivering an exceptional customer experience positions it well for sustained growth and prosperity.

### Additional information:

- According to *Innovation Village*, MultiChoice CEO Calvo Mawela announced a proof-of-concept to sell solar and battery storage products to retain subscribers frustrated by load-shedding: <https://innovation-village.com/multichoice-plans-to-sell-solar-panels-and-backup-power-systems-on-its-dstv-package/>
- *Business Insider* reports that MultiChoice raised package prices in Nigeria for the third time this year, citing content acquisition costs and operational expenses: <https://africa.businessinsider.com/local/lifestyle/multichoice-raises-prices-in-nigeria-for-the-third-time-this-year/b6qq9dx>

### Company Profile:

**Industry:** Media & Publishing

Founded in 1995, MultiChoice operates in 50 African countries, serving over 20 million customers with over 13,000 employees. The Group offers DStv (satellite TV with 180+ channels), Showmax (streaming service), M-Net (premium movies), SuperSport (leading sports broadcaster), and KingMakers (content creation).

[www.multichoice.com](http://www.multichoice.com)



Source: Lloyd Market's Research