

Irdeto operations



Irdeto is the world leader in **digital platform cybersecurity**. It provides the group with **encryption, conditional access and middleware solutions**

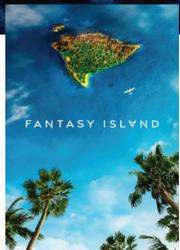
Operations in

77

countries globally with close to

400

external clients



Our operating performance

Our Irdeto business services the MultiChoice Group’s video entertainment subsidiaries and close to 400 external clients. Revenue from the MultiChoice Group accounted for 52% of Irdeto’s total revenue in FY22 (FY21: 47%), which is eliminated on consolidation. Irdeto’s FY22 top-line performance was impacted by a number of global headwinds which we detail below. Nevertheless, Irdeto delivered well operationally, with tight cost controls to deliver a 33% trading margin in FY22, up from 31% in FY21.

COVID-19 continued to impact sales and business development activities due to travel restrictions and customer event cancellations, as well as negatively impacting the consumer retail environment in key markets like India. Ongoing global silicon chipset shortages impacted availability and pricing of components in both our Media Security and Connected Transport markets. Global supply chain disruptions continued to impact new projects and reduced volumes for some existing customers due to lower factory capacity. Finally, the conflict in Ukraine towards the end of FY22 impacted Irdeto’s regional operations and some of its European customers.

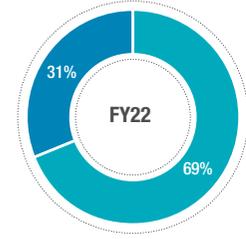
Irdeto remains a critical partner to its parent organisation and provides encryption, conditional access and middleware solutions for MultiChoice set-top boxes and OTT services. In addition, the business helps MultiChoice monitor and combat piracy across sub-Saharan Africa.

1 219

illegal operators disconnected

We broadly manage our business across two major segments, namely the Media Security and Connected Industries.

Irdeto revenue by source (%)



■ Traditional broadcasting ■ New service lines

In our Media Security segment, the content protection market is fairly mature, typically resulting in low single-digit, industry-level growth. As a result, we aim to improve our market share over time, and won a further four tier-one customers in Latin America, New Zealand and the Middle East, including Sky New Zealand, where we will be providing conditional access and app monitoring services for their next-generation set-top box (Sky Box). These wins will help us grow further into FY23 and beyond.

The industry is also affected by traditional linear pay-TV operators coming under pressure from growing competition from OTT services as the landscape evolves. However, this provides new business opportunities as traditional operators adapt to changing circumstances and as new players enter the market. We serve customers in both camps and therefore target organic growth by supporting traditional broadcasters in rolling out hybrid and streaming services and by serving ISPs and streaming services.

25

awards received globally

We remain well positioned to maintain and grow our position in the cybersecurity market, given our differentiated offering, established brand name, long-standing market reputation and partnerships,

and consistent focus on innovation. Some of our most recent innovations include: Irdeto Server Side Ad Insertion, the solution for OTT operators to monetise their addressable live advert inventories through targeted and personalised adverts inserted into the content stream; and Irdeto RDK Hybrid Stack, to support traditional linear pay-TV operators across either Android or RDK with their OTT and/or hybrid satellite platform offerings.

We are actively looking past video entertainment as we continue to grow our Denuvo business in the video gaming space and continue to win new large and smaller customers with our market-leading anti-cheat and anti-tamper services.

This is the second year in a row that we have won more than 20 awards at the Cybersecurity Excellence Awards, which speaks to our core competencies as the world’s leading cybersecurity partner. In FY22, Irdeto was recognised by winning 25 awards, including Best Cybersecurity Company of the Year award.

In our Connected Industries segment, our focus on diversifying our revenue streams continued yielding positive results. Despite automotive industry wide headwinds due to silicon shortage, we grew the number of Hyundai and Kia vehicles that incorporate our Keystone product YoY. We also gained traction with a number of industry-leading companies in fleet management, logistics and construction equipment leasing segments. These engagements confirm the validity of our strategic direction and will contribute to growth in the coming years. In Connected Health, we are deepening our understanding and position in the market, having established a start-up/scale-up programme that encourages early adoption of Irdeto technology and by creating security partnerships with top-tier medical device manufacturers.

As we exit a year in which demand for video entertainment was yet again buoyed by global lockdowns, we expect to continue driving an increase in the contribution from our new service lines as the world begins to normalise.