

A business model that drives value

Our inputs

The resources and relationships that sustain our business

A business model that drives value

1 of 6

Our inputs



Financial capital

- Positive cash balances and gearing levels
- Adequate access to financing e.g. through undrawn borrowing facilities
- Strong relationships with shareholders, banking partners and satellite transponder operators
- Equity partnerships in key verticals to defray capital costs e.g., Comcast as shareholder in Showmax, Rapyd and General Catalyst as shareholders in Moment and Sanlam as a shareholder in NMSIS



Technology and platforms

- Specialised engineering and software development capabilities in broadcast, streaming, cybersecurity and payments
- A DTH satellite footprint in 50 markets, a DTT network in 8 markets⁽¹⁾ and OTT services in 44 markets
- A next-generation aggregation strategy through proprietary and syndicated solutions
- Digital support technologies in customer service, social media, billing, playout, archiving, scheduling and advertising
- A range of sport production capabilities from smaller-scale school matches to top-end professional events



Industry expertise

- 40 years of video entertainment industry experience and market leadership
- A unique understanding of the African continent, customers' video entertainment preferences in different markets, as well as their broader consumer needs
- Deep experience in critical operational fields such as content licensing, production, packaging and distribution, advertising sales, as well as in regulation and administrative fields such as taxation
- Irdeto has 55 years of experience in digital security



People

- 6 900 permanent employees (FY24: 7 251), supported by contractors where necessary
- Inclusive, performance-driven, people-centric culture
- Robust management structures, with group oversight supporting segment and business unit execution
- Breadth and depth of talent across creative, engineering, software development, digital enablement, operations, legal, regulatory and finance
- Access to leading global and regional industry experts through our partnerships



Customer, supplier and partner relationships

- 14.5m active linear subscribers (FY24: 15.7m)
- 1 264 B2B advertising customers through DStv Media Sales (FY24: 1 163)
- 357 business to business (B2B) security customers through Irdeto (FY24: 419)
- Relationships with local and international content producers, and satellite, uplink, telecoms and cloud service providers
- 7 388 accredited installers (FY24: 7 275) and 3 269 independent service providers (FY24: 3 251)



Corporate citizenship

- Local communities and markets that support our business as customers and produce the television, film, sport and business talent to drive our group and our supply chain forward
- Dedicated specialist management teams in adjacent verticals, notably in sports betting and fintech
- Operating licences issued and renewed by regulators across Africa
- Proactive and collaborative relationships with government, regulators and tax authorities
- By fighting digital piracy, we safeguard employment and the creative industries across the African video entertainment landscape
- Resource light and responsible environmental input usage (mainly grid electricity, diesel and water)

⁽¹⁾ Excludes operations in South Africa where our GOtv signal is distributed via Sentech.

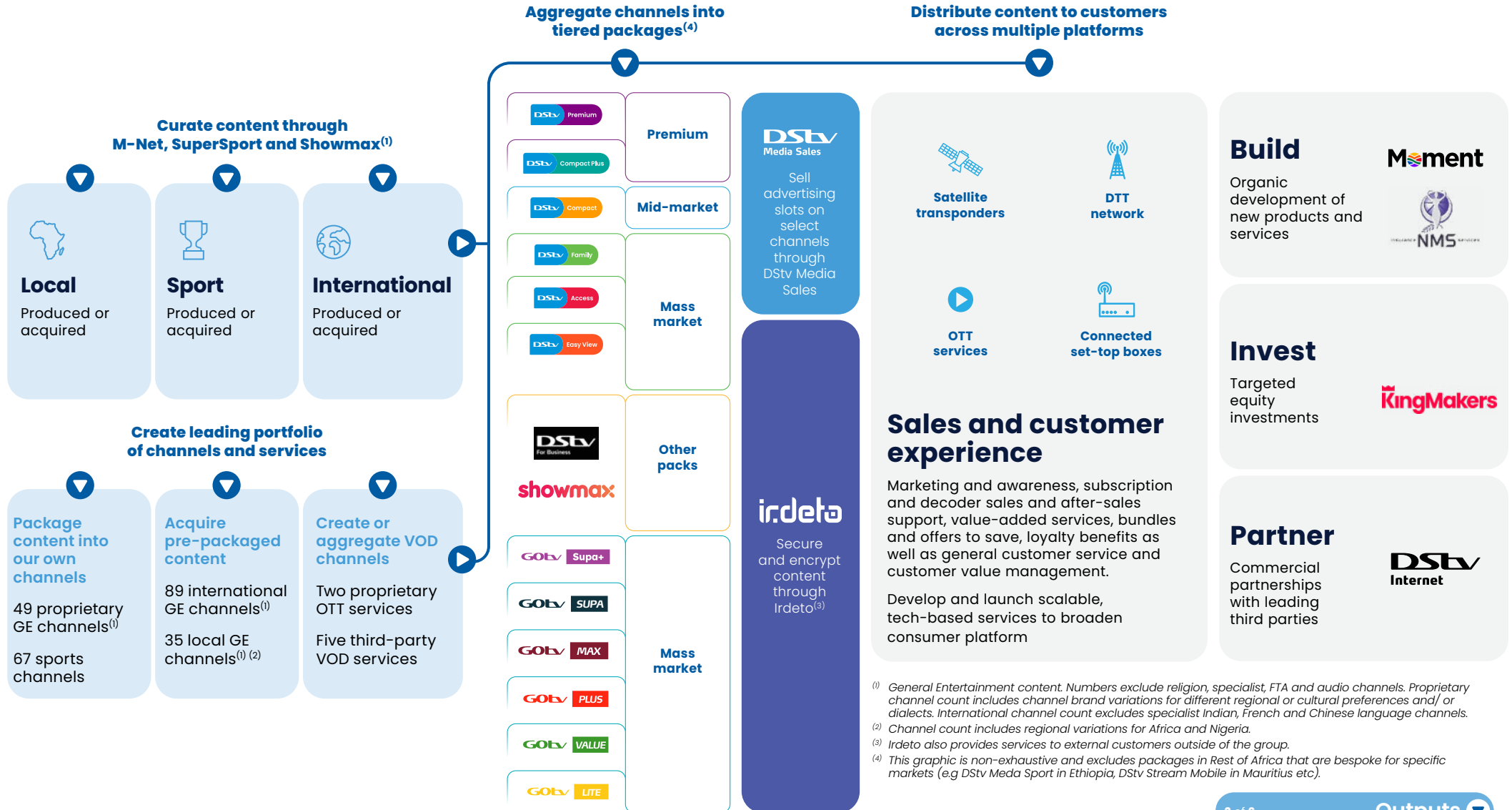
A business model that drives value continued

Business activities: Our group's collective undertakings in an expanding ecosystem

Core Video Entertainment platform

1 of 6

Our inputs



⁽¹⁾ General Entertainment content. Numbers exclude religion, specialist, FTA and audio channels. Proprietary channel count includes channel brand variations for different regional or cultural preferences and/or dialects. International channel count excludes specialist Indian, French and Chinese language channels.

⁽²⁾ Channel count includes regional variations for Africa and Nigeria.

⁽³⁾ Ir:deto also provides services to external customers outside of the group.

⁽⁴⁾ This graphic is non-exhaustive and excludes packages in Rest of Africa that are bespoke for specific markets (e.g DStv Meda Sport in Ethiopia, DStv Stream Mobile in Mauritius etc.).

3 of 6

Outputs

A business model that drives value continued

Outputs

Our products and services

2 of 6 Business activities

Offered through controlled entities



- Six bouquets priced from ZAR29 to ZAR929 in South Africa and from USD3 to USD85⁽¹⁾ in Rest of Africa
- Average of ~156 linear video channels in DStv Premium package⁽²⁾
- DStv Stream for DTH customers or as a standalone service at a lower price point due to lower customer acquisition and support costs



- DTT services in eight markets in Rest of Africa
- Six bouquets at price points ranging from USD1 to USD29⁽¹⁾
- Average of ~76 linear video channels in GOtv Supa+ package⁽³⁾



- SVOD service available in 44 markets
- Lean-back and mobile general entertainment, as well as mobile-only sport offerings
- Localised content and go-to-market offerings in three markets (South Africa, Nigeria and Kenya) post relaunch, with more to follow over the next three to four years



- Commercial airtime sales across 241 live linear video channels
- Additional advertising options via owned and operated websites and apps, social media platforms, sponsorships and through SVOD services



- Operates in 73 countries, across multiple industries notably media security, gaming and connected transport
- Cybersecurity and anti-piracy services to the group and external customers

Offered through non-controlled partner entities



- Top three sports-betting operator in Nigeria through the BetKing brand, with expansion into other interactive entertainment services
- Launched SuperSportBet in South Africa towards the end of FY24



- Moment has rolled out to 44 markets since its launch in FY24
- Preferred payment partner and third-party payment platform integrator for the MultiChoice Group, including DStv, GOtv and Showmax.

Value-added products and services

Existing and new products and services enhance our value proposition to customers in the home, including:

Aggregated third-party SVOD and AVOD services with global partners (Netflix, Disney+, Prime Video, YouTube and YouTube Kids)



Connected devices, e.g., DStv Explora Ultra and mobile apps, e.g., DStv, MyDStv and MyGOtv apps



Additional content and language packages, e.g., ADD Movies, DStv Indian, French Plus, Great Wall



Catch Up, Box Sets, Downloads and BoxOffice (movie rentals) services



Five DStv Insurance product lines



Fixed-wireless LTE via DStv Internet

⁽¹⁾ Certain markets have package structures and package names tailored for in-market preferences, (e.g., Nigeria, Angola and Tanzania) and therefore differ slightly from our typical package tiering. Rest of Africa pricing in US dollars varies by market due to exchange rates and in-market pricing dynamics – averages for core markets excluding Portuguese markets shown.

⁽²⁾ Measured across South Africa and 11 core markets in Rest of Africa.

⁽³⁾ Measured across eight GOtv markets in Rest of Africa GOtv and excludes South Africa which has a small subscriber base serviced through the Sentech network.

4 of 6

Outcomes

A business model that drives value continued

Outcomes

How we create, preserve or erode value in our capitals

3 of 6

Outputs



- Interventions to protect free cash flow generation in the current macro downturn and short-term company investment cycle enabled us to protect our capital base
- We also continued to meet our obligations to capital providers, including our satellite transponder and other lessors and banking partners as our lenders



- As technology ages and fixed assets incur wear and tear, we invested in maintaining and enhancing our technology base
- We also continued to improve our customer UI and UX across our linear and streaming entertainment platforms, delivering better content discovery and personalisation



- We invested in our systems, processes, and business practices to support our competitive advantages in content, technology, distribution and payments
- We analysed viewing behaviour through our DStv technology and connected devices to tailor our offerings
- We used surveys, including conjoint research, to inform our product and pricing decisions



- We continued to refine and enhance our hiring, learning and development, and internal promotion and succession planning processes
- We remain focused on equity and diversity, notably with regard to gender across the group and BBBEE in our South African operations



- Our focus on delivering value for our customers on a daily basis is the key to preserving our customer relationships
- We create and preserve supplier and partner relationships through mutually beneficial collaboration that can take the form of contractual and/or equity-based relationships
- We maintain preferential procurement initiatives in South Africa to support previously disadvantaged businesses



- We complied with all regulatory, licensing, reporting and tax requirements
- We supported several important BBBEE and CSI initiatives over and above our industry investments and in-country tax contributions
- We have a light carbon footprint with several initiatives in place to further minimise our impact

FY25 updates

- Cost savings increased from ZAR1.9bn in FY24 to ZAR3.7bn in FY25
- Cash decreased by ZAR2.2bn to ZAR5.1bn
- We repaid ZAR3.0bn in capital and interest to our lessors (FY24: ZAR2.7bn)
- We repaid ZAR0.9bn of capital outstanding on our term loan
- We paid our lenders ZAR1.2bn in interest (FY24: ZAR1bn)
- Shareholder equity increased by ZAR2.7bn to ZAR1.6bn⁽¹⁾
- 2.26x (FY24: 1.53x) leverage ratio and ZAR3.0bn (FY24: ZAR4.1bn) in undrawn facilities at year-end

- We incurred ZAR2.3bn in depreciation (FY24: ZAR2.6bn)
- We amortised ZAR245m of our Showmax platform prepayments (FY24: ZAR42m)
- We invested ZAR0.8bn in capital expenditure (FY24: ZAR1.2bn)
- Irdeto reached a peak of 7.4bn (FY24: 6.5bn) streams secured monthly

- We invested ZAR20.4bn in our total content bill (FY24: ZAR21.0bn), of which we spent ZAR8.1bn on local general entertainment and sport content (FY24: ZAR8.6bn)

- We invested ZAR192m in skills development (FY24: ZAR172m)
- We formally trained 1 197 employees (FY24: 4 276)
- 48% of our employees were women (FY24: 48%)
- 87% of our South African employees were black as defined in the BBBEE Codes of Good Practice (FY24: 86%)

- We saw net subscriber losses of 1.2m (FY24: 1.6m)⁽²⁾
- We achieved a 75% customer satisfaction (CSAT) score in South Africa (FY24: 79%)
- In Rest of Africa, we achieved a CSAT score of 72% for DStv (FY24: 75%) and 68% for GOtv (FY24: 72%)
- Call migration to digital self-service reached 76% (FY24: 69%) for South Africa and 88% (FY24: 94%) for Rest of Africa
- We spent ZAR12.8bn with local South African suppliers (FY24: ZAR13.8bn)

- Our total tax contribution was ZAR8.8bn (FY24: ZAR10.8bn)
- We paid ZAR1.375bn in dividends to Phuthuma Nathi shareholders (FY24: ZAR1.375bn)
- We invested ZAR251m⁽³⁾ in CSI initiatives (FY24: ZAR301m), including ZAR0.4m in The Earthshot Prize
- Our MultiChoice Innovation Fund supported 79 businesses to date (FY24: 79) and disbursed ZAR410m (FY24: ZAR407m)

⁽¹⁾ Increase driven by cost savings initiatives to protect the bottom line, a more stable foreign exchange rate environment in the second half of FY2025, and the accounting gain generated in FY2025 on the successful conclusion of the sale of a 60% majority interest in the NMSIS business.

⁽²⁾ Relates to active subscribers.

⁽³⁾ Includes non-cash advertising contributions of ZAR101m in FY25 (FY24: ZAR61m).

5 of 6

Trade-offs

A business model that drives value continued

Trade-offs

4 of 6

Outcomes 

Managing potentially competing outcomes across capitals and stakeholders

We manage our capitals to create and sustain long-term value for our stakeholders. In the short term, it is not always possible for all capitals (or the stakeholders who provide them) to benefit equally, and some capitals may benefit at the temporary expense of others. When deciding how best to create, preserve or manage the erosion of value in a given area, we are often required to make trade-offs between capitals and stakeholders, and between short and long-term horizons.

Some areas where we made these trade-offs in FY25 are described below:

Cost savings and efficiencies

We typically aim to deliver positive operating leverage (i.e., organic growth in costs below organic growth revenues) through cost savings and operating efficiencies.

The ZAR3.7bn (FY24: ZAR1.9bn) in cost savings delivered this year: protected our financial capital by limiting negative organic operating leverage to -1.62% (FY24: generating positive organic leverage of 4.26%), but required a trade-off as some of our suppliers were impacted by these difficult decisions.

Ongoing economic pressure in South Africa and a number of key Rest of Africa markets, compounded by issues such as power challenges and imported food and fuel inflation have negatively affected customer activity and revenue generation, which inhibits our ability to recover costs.

In the operating environment of FY25 where growth has been constrained by the macro-economic environment, we continued with our decision to materially reduce our set-top box subsidy spend to protect margins and cash flows, with a trade-off of lower incremental subscriber growth.

Pricing decisions

Pricing decisions create a trade-off between customer relationships and financial capital.

We need to accommodate cost increases and reinvestment in our business, while also considering shifts in consumer spending and affordability. We achieve a balance by closely controlling costs and investment spend, and by making research-based pricing decisions which factor in price elasticities, consumer price inflation, exchange rate movements, etc.

We aim for price increases at or slightly below inflation, but seek to accommodate specific in-market dynamics, (e.g. pressure on discretionary consumer spending and affordability) as required.

Where we experience high inflation in certain markets, we do consider adjusting the timing and/or cadence of price increases in order to ensure that our revenues do not decline dramatically in real terms. In FY25, we had to carefully manage pricing decisions across several of our Rest of Africa markets given weakening currencies and high inflation rates.

Business model evolution

In an increasingly connected world, global content giants are offering broad video entertainment options at lower cost-per-service to consumers via direct-to-consumer streaming. Our traditional linear Pay-TV business model is negatively impacted by this trend and to ensure the business is well positioned for the future we need to make trade-offs between financial capital, customer relationships, and supplier relationships.

In content, we are:

- continuing our focus on investing in local content
- producing and licensing the best in local and global sport
- curating great international programming content from Hollywood studios and independent studios
- entering into distribution agreements with global VOD platforms (i.e. Netflix, Amazon Prime Video and Disney+)

In terms of distribution, we are:

- investing in our streaming services (content, technology, branding)
- enhancing our linear Pay-TV offering to include aggregated streaming services, on-demand and library capabilities, and hybrid viewing environments

6 of 6

Trade-offs continued 

A business model that drives value continued

Trade-offs continued

5 of 6 Trade-offs continued

Growing organically vs through partnerships

We take pride in having organically scaled our core video entertainment business since inception in 1985 to an active base of 14.5m in 2025 across South Africa and Rest of Africa.

It is this well-established base that has become the foundation of organic growth in the group through the evolution of a diverse range of value-added products and services (e.g. DStv Insurance, DStv Internet etc.) being offered to our customers.

While it would be ideal to maintain 100% of this growth, we acknowledge that we are not experts in all of these fields and it would be more beneficial to partner with experts in these areas.

It is with this in mind that we have partnered with KingMakers and Moment, and in FY25 concluded the transaction to sell 60% of the NMSIS business to Sanlam.

The group retains 40% ownership in NMSIS, we received an upfront cash consideration of ZAR1.2bn with a potential performance based cash earn-out, of up to a maximum additional consideration of ZAR1.5bn. We believe that with our partner in Sanlam, we will be able to make a step change in growth, by expanding our insurance and related financial service offerings into MultiChoice's extensive subscriber base on the African continent and will have 40% of a much larger business.

Gearing levels

We lease our satellite transponder capacity to defray upfront capital costs and although we treat these lease payments as equivalent to an operating cost, lenders include our finance leases in our debt covenant calculations.

We are using new compression technology to reduce the number of transponders required to offer our services, with the consequence being lower revenue for our satellite providers when these contracts are renewed.

We use financial gearing to optimise our capital structure and fund targeted investment in attractive growth opportunities aimed at enhancing long-term shareholder returns. In this regard, we fully drew down our ZAR12bn term loan facility in FY24.

We are also cognisant of the risk that accompanies having elevated debt levels, especially in an environment of elevated interest rate levels, and in discussion with our banking partners, repaid ZAR0.9bn of capital outstanding on our term loan.

We have heightened financial and operational risk at a time when we are in the process of returning our Rest of Africa business to sustainable cash flow generation and building out our nascent Showmax business.

Dividends vs retained cash flows

Our shareholders have varying priorities in terms of returns, with some expressing a desire for steady or progressive dividend payments, while others are supportive of reinvestment into existing and new business opportunities to drive future growth. Dividend payments therefore require trade-offs:

• Sustainability:

We need to operate sustainably and, beyond funding our Showmax investment and the Rest of Africa through the current liquidity and FX challenges, we require sufficient operating cash in our business to manage fluctuating working capital requirements and exogenous shocks.

• Customer relationships:

We reinvest cash in our business to continually improve our customer value proposition and to broaden our ecosystem of consumer service offerings.

• Short versus long term returns:

We see the opportunity to create additional long-term value through our relationships with and insights into the needs of our 14.5m customers. We are actively pursuing opportunities to grow and expand our business in key verticals like streaming, interactive gaming (sports betting) and fintech (payments and insurance).



showmax ORIGINAL

the Real
Housewives
OF LAGOS

SEASON 3

A NBCUNIVERSAL PEEK