South Africa operations

The South Africa segment accounted for 65.0% (FY24: 60.0%) of group revenues in FY25 and 48.4% (FY24: 48.5%) of our group active subscriber base at year-end:

The South African economy saw some improvement during FY25, with the new Government of National Unity coming into power during May 2024. Overall market conditions were broadly more stable than FY24 as:

- The ZAR showed more stability (less than 2% weaker against US dollar YTD)
- Inflation eased to 3.2% by March 2025 (down from 5.6% a year earlier)
- An interest rate cutting cycle commenced with 3x25bps cuts occurring in the second half of the financial year
- Loadshedding has been improved since June 2024, although load reduction continues to impact customers

However, the South African consumer continues to be under significant financial pressure. Formal unemployment remains elevated at around 32%, economic growth forecasts are below 1% and the benefits of lower interest rates and inflation will take time to translate into an increase in real disposable income for consumers.

We continue to see multiple industry factors also impacting pay-TV in South Africa including:

- An ongoing shift to cheaper streaming services in line with global trends
- Younger customers spending a significant amount of time on social media platforms
- Stronger free alternatives continuing to improve
- Accelerating levels of piracy, across all genres, especially in younger market segments

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7.0m active subscribers (FY24: 7.6m)

The group's active subscriber base was impacted by the above factors, as well as a shift in management focus to the quality of the customer rather than absolute growth, as seen by the 4% YoY increase in ARPU delivered. Subscribers declined by 589k YoY representing an overall base decline of 8%. Performance by customer tier and key product line was as follows:

- **The Premium base**, which includes Compact Plus, was down 9% YoY or 96k subscribers. We continue to see a decline in this base driven by customer affordability, competition from third-party streaming services, as well as the impact of the non-recurrence of popular sporting events such as the Rugby World Cup which took place in FY24.
- **Middle-market subscribers** were down 5% YoY or 99k subscribers. The Compact base is most exposed to mid-market consumer affordability challenges including high levels of indebtedness, as well as competition from lower cost local general entertainment options on streaming and satellite.
- **The mass-market tier** was down 9% YoY or 394k subscribers. Access is reaching higher penetration levels and beginning to see a decline for the first time. Access customers are particularly impacted by availability of power and negative macro-economic pressures (inflation, high unemployment). Growth has further been impacted by the reduction in decoder subsidies which has improved the quality of customer on the package and reduced the overall cost base.

South Africa operations continued

- **DStv Internet** delivered continued momentum with 45% YoY subscriber growth (FY24: 90%) in the fixed wireless FLTE product. A continued focus on customer experience and value for money bundles supported this growth with DStv Internet remaining the most affordable Internet offering in South Africa when bundled with DStv. Revenue grew 85% YoY (FY24: 160%).
- **DStv Stream** customers grew by 38% on a normalised basis YoY, largely in the premium segment. In addition, we saw a 4% YoY improvement in customer satisfaction off the back of improvements to customer experience and system stability. These improvements included an improved user interface, better content discovery capabilities and more back-end infrastructure to support stability overall. Stability improvements resulted in error rates dropping from 6.5% to 4.6% in the last financial year and rebuffering rates remaining well below industry standards. Stream revenues grew 48% (FY24: 156%) and now largely cover the cost of running the DStv Stream technology platform in South Africa.
- **Insurance:** The highlight for the Insurance business this year was the transformative transaction to sell 60% of the business to Sanlam. This has enabled the group to generate guaranteed proceeds of R1.2bn before tax, with a further earn-out of up to R1.5bn in early 2027 dependent on the achievement of revenue targets. This has also unlocked a long-term strategic partnership with Sanlam whose expertise and licences across the continent are expected to accelerate growth and expand the long-term potential of the business.

  The Insurance business continued to perform well financially, growing revenues 17% to over R1.1bn and trading profit growing by 13% to R425m (at 100% of the business).

ZAR292/month ARPU up 4% (FY24 ZAR281)

The YOY ARPU growth is reflective of a stable customer mix, supported by inflation-linked annual price increases.

Customer service remains a core focus

We strive to improve our customers' experience across the value chain by connecting customers to the entertainment they love, every day. Early in the financial year we encountered various customer service challenges, which resulted in customer satisfaction dropping by 7pp and repeat calls escalating across our customer touchpoints. These challenges surrounded aging technology, high staff turnover and the transition to a new customer service outsource vendor.

The business has focused on rectifying this and implemented a hypercare initiative which has shown strong results in the second half of FY25. Customer satisfaction has recovered by 4pp and is well on its way to achieving the levels delivered in FY24. Repeat calls have reduced by 6pp on the back of the onboarding of new service partners, process improvements, training of staff and a more robust technology replacement plan in customer service areas.

We continue to focus on improving the customer payment experience through migrating more customer payments to digital platforms. This was associated with strong progress made with fellow group company, Moment, which now processes 81% of all payments in South Africa. Digital payments grew by 20% YoY, and our self-service channels overall account for 34% (FY24: 26%) of all customer interactions, reducing the need for in-person contact and simplifying the customer service experience.

MCSA has now embarked on a new customer service programme launched in March 2025 under the 'Customer First, Every Time' tagline. This builds on the hypercare programme to make more systemic changes to processes, technology and skills to ensure the business improves customer happiness meaningfully in the next financial year.