MultiChoice posts lower half-year profit amid cost deferrals

By Priyanshi Mandhan

12 Nov 2021

Africa's largest pay-TV group MultiChoice posted a 38% drop in interim profit due to costs related to delayed sporting events, including the Tokyo Olympics, the Euro 2020 soccer tournament and the British and Irish Lions Rugby Tour.

Satellite dishes connect township residents to South Africa's DSTV television network, owned by telecommunications giant Naspers, in Khayelitsha township, Cape Town, 19 May, 2017. Reuters/Mike Hutchings

MultiChoice had warned earlier this week there would be no repeat of the rising profits in the six months to end-September it had enjoyed during the pandemic, even amid subscriber growth and a recovery in advertising revenue

The company, which said it now serves 21.1m subscribers, has been investing in local African programmes and cutting costs in a bid to combat earlier losses in its operation outside of South Africa.

An array of factors including the return of live sporting events, digital advertising strategies and sales around strong local content line-up has given a 3% boost to the company's revenue during the period but costs rose in tandem.

The company said its headline earnings per share - the main profit measure in its home market South Africa - fell to 356 South African cents in the six months ended September from 572 South African cents a year earlier. Content costs jumped 17%.

The company declared no dividend for the interim period.

Its shares rose 0.75%, against the broader index up 0.99%.