



MBC GROUP REPORTS A 6.2% INCREASE IN REVENUE FOR FY 2023 TO SAR 3.7 BILLION DRIVEN BY SHAHID'S SIGNIFICANT GROWTH

- MBC reports significant revenue growth driven by resilience across all income-generating businesses.
- Shahid's subscriber base reached 3.98 million, up c.40% year-on-year due to targeted marketing campaigns, an engaging content line-up, and exclusive sports offerings.
- Digital advertising more than doubled, driven by Shahid's growing advertising video on demand (AVOD) platform.

Riyadh, KSA, 27 March 2024G - MBC GROUP ("MBC" or the "Company" or the "Group" | Tadawul: 4072), the leading media and entertainment conglomerate in the Middle East and North Africa ("MENA") region, today reported its financial results for the full year ended 31 December 2023G ("FY 2023").

Full Year 2023 – Highlights

FY 2023 Group total revenues increased 6.2% to SAR 3.7 billion (USD 987.7 million) compared to FY 2022, driven by solid revenue growth across all the Group's core business segments. The Group's gross profit increased by 43.7% year-on-year to SAR 921 million (USD 245.7 million). Net income increased by 44.8% year-on-year to SAR 69 million (USD 18.5 million), surpassing the Group's targets, primarily due to a material decrease in Shahid's net losses and a significant increase in revenue from the advertising video on demand ("AVOD") and subscription video on demand ("SVOD") platforms. Net income margins for FY 2023 were 2%.

This marks the Company's first financial results announcement since it began trading on the Saudi Exchange (Main Market) on 8 January 2024G, following a successful primary initial public offering ("IPO") which saw the company raise SAR 831 million (USD 222 million).

FINANCIAL HIGHLIGHTS

SAR Millions (Unless otherwise stated)	FY		% Change (YoY)
	2023	2022	
Group Total Revenue	3,704	3,489	6.2%
Group Gross Profit	921	641	43.7%
Group Net Income	69	48	44.8%
Group Net Income Margin	2%	1%	0.5%



Waleed bin Ibrahim Al Ibrahim, Chairman, MBC GROUP, said:

"After our successful listing on the Saudi Exchange in January 2024, we are pleased to announce strong financial and operating results for 2023. These results demonstrate the Group's ability to maintain its leading position in the media and entertainment industry and contribute to developing the Kingdom of Saudi Arabia's media ecosystem in line with KSA Vision 2030."

"In anticipation of MBC's inaugural year as a listed company, we're leveraging our unique business model to take advantage of robust macro fundamentals to fuel sustainable growth. We are poised to reshape the media and entertainment landscape through strategic investments in innovative products and services across all sectors with our experienced management team and supportive shareholders. Our commitment is to continue pioneering cutting-edge technologies and delivering groundbreaking viewing experiences, setting new industry standards," he added.

Sam Barnett, Chief Executive Officer, MBC GROUP, added:

"During 2023, we delivered on our plans for Broadcasting & Other Commercial Activities, Shahid, and M&E Initiatives. Particularly on Shahid, we leveraged content, technology, and marketing efforts to drive SVOD subscribers. We adopted a new content release strategy for our AVOD platform, resulting in increased growth and a significant rise in AVOD advertising revenue. Our efforts have driven Shahid SVOD subscribers to surpass our targets, reaching just under 4 million, while our AVOD revenues have grown by 143% compared to 2022, reaching SAR 112 million (USD 30 million)."

"Looking ahead to 2024, MBC GROUP is poised for continued growth and innovation. We remain committed to delivering exceptional content and experiences to our audiences and subscribers while maximizing value for our advertisers and shareholders. We expect an increase in advertising revenue across all our platforms and anticipate Shahid's strong growth momentum to continue. We are confident in our ability to capture new opportunities within our home market and beyond to drive long-term sustainable growth," he concluded.

BUSINESS SEGMENT PERFORMANCE

Broadcasting & Other Commercial Activities

The Group's Broadcasting & Other Commercial Activities (excluding Shahid) includes revenue generated from advertising on free-to-air (FTA) channels and other media-related activities, which include service agreements such as the one in place with the Saudi Sports Company (SSC). Commercial activities also include content revenue generated by third-party sales and generated by other business ventures such as gaming, events, and music.

During FY 2023, MBC's Broadcasting & Other Commercial division continued to maintain its leading position across all verticals through new launches and expansions into areas such as music, gaming, and events. Content highlights included the revival of the popular "Tash Al Awda" series and the introduction of new releases like "Room 207" and "London Class". Furthermore, there was the release of "Kandhar," the first international movie produced in Saudi Arabia, starring Gerard Butler. Additionally, there was an extension of the service agreement with the Saudi Sports Company ("SSC") for the Saudi Premier League.

SAR Millions (Unless otherwise stated)	FY		% Change (YoY)
	2023	2022	
Revenue	2,003	1,940	3.2%
Net Income	345	437	-21%
Net Income Margin	17%	23%	-5.3%

Broadcasting & Other Commercial Activities revenue increased by 3.2% year-on-year to SAR 2,003 million in FY 2023 despite a 12% year-on-year decline in TV advertising, notably in the last quarter of the year. The revenue growth witnessed across Other Commercial Activities and the extension of the service agreement with the Saudi Sports Company offset the decrease in advertising revenue. Furthermore, in FY 2023, the Group invested in its extensive relationships with top local and international agencies to help drive advertising revenue. MBC is also developing and implementing international-standard technologies, allowing it to insert targeted advertisements seamlessly into free-to-air channels.

Shahid (OTT Platform)

The Company operates a high-growth online video streaming service across SVOD and AVOD platforms. The revenue from this business segment is mainly driven by subscription fees paid by subscribers and digital advertising on AVOD.

SAR Millions (Unless otherwise stated)	FY		% Change (YoY)
	2023	2022	
Revenue	836	552	51%
Net Income/(Loss)	(279)	(389)	-28%
Net Income/(Loss) Margin	-33%	-70%	37%

Shahid Users (m)	FY	FY	% Change (YoY)
SVOD subscribers	3.98	2.86	40%
AVOD active users	15	12	25%

Revenue from Shahid delivered an outstanding year-on-year increase of 51% to reach SAR 836 million (USD 223 million) compared to SAR 552.3 million (USD 147.3 million) in 2022. The fast-growing and widely popular platform also exceeded its standalone performance and is a testament to the Company's execution of a successful growth strategy. A material decrease of SAR 110 million (USD 29 million) in Shahid's net losses was registered in 2023, compared to 2022, setting the Company on course to deliver on its target of reaching breakeven for Shahid within five years.

Shahid's SVOD subscribers reached 3.98 million, adding c.1 million new subscribers from 2022 to 2023. The key drivers of the 40% growth in subscribers include a focused marketing strategy and successful content line-up, enhanced sports offering including Saudi Premier League in 4K, and successful strategic business partnerships that drove subscription growth in KSA and Egypt.

Furthermore, the Company's AVOD platform had an average of 15 million active users monthly in 2023, a 25% growth from the previous year and witnessed a significant surge in digital advertising revenue which more than doubled year-on-year mainly owned to an expansion in AVOD's advertising inventory in 2023



compared to the previous year. The increased focus on AVOD was a strategic decision the Group took to drive higher revenue on its AVOD platform by having close to 90% of its content available through the free-to-watch platform including very popular shows such as “Al Thaman” and “Crystal” and through executing a successful marketing campaign in key regions. The Group's digital advertising success was supported by having a team within MBC's advertising arm, MBC Media Solution (“MMS”), dedicated to executing the digital advertising strategy.

Media & Entertainment Initiatives (M&E Initiatives)

The Company prioritizes its partnership with the Saudi government through media and entertainment initiatives, aligning with Vision 2030 objectives. These efforts aim to enhance the media landscape in Saudi Arabia and contribute to the Kingdom's broader goals of development and progress. While distinct from MBC's core commercial operations, these initiatives underscore the Group's commitment to societal advancement and align with its overarching mission.

SAR Millions (Unless otherwise stated)	FY		% Change (YoY)
	2023	2022	
Revenue	864	996	-13.2%
Net Income	4	0	n/a
Net Income Margin	0.41%	0%	0.43%

In FY 2023, the Group continues to deliver on its agreed KPIs with the KSA government for all ongoing M&E Initiatives. While margins in this segment have historically been subdued, we can expect future contracts with the government to generate modest margins. In FY 2023, the net income margin of M&E Initiatives increased to 0.41% from 0% in FY 2022. We expect FY 2024 to contribute the same margin trajectory in the 2-4% range from M&E Initiatives.

It is important to note that as per the directive of the Saudi Organization for Chartered and Professional Accountants (“SOCPA”), the financial information disclosed by MBC GROUP on IFSAH pertain to the period from incorporation of the Company on 20 April 2023 to 31 December 2023, and consolidate the results of operations of subsidiaries only from 30 June 2023 (date of acquisition) to 31 December 2023. The Group has also presented additional financial information in notes to the financial statements to present a more comprehensive overview of the Group's full year performance.

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Full Year 2023 Earnings Conference Call Information

MBC GROUP will host a conference call, please find the details below:

MBC Group Earnings Call Information	
Date: Monday April 1, 2024 Time: 03:30PM KSA 04:30PM UAE 12:30PM UK	Speakers: Sam Barnett, CEO Hussam Alnouri, CFO Maryam Babgi, Investor Relations Manager Moderator: Ankur Agarwual, Senior Research Analyst - HSBC
Click here to register	

MBC Group

Founded over 30 years ago, MBC GROUP is the leading media and entertainment conglomerate in the Middle East and North Africa region. The Group has firmly established itself as a household name, boasting an extensive presence that draws in 150 million viewers every week. With global accessibility spanning from Australia to the United States through platforms like Shahid, the number one Over the Top (“OTT”) online streaming platform in MENA, MBC offers high-quality content that resonates with audiences worldwide.

Alongside Shahid, MBC broadcasts 13 free-to-air (FTA) TV channels and 3 radio channels. MBC also continues to grow its presence in the region across multiple entertainment verticals including gaming, events, and music. MBC’s platforms bring families across all generations together with its extensive and engaging content library catering to Arab audiences worldwide.

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