



MBC GROUP'S 1Q 2024 NET PROFIT INCREASES NEARLY EIGHTFOLD YOY

- Group total revenues up 36% YoY to SAR 1,236 million in 1Q 2024
- Net income grew nearly eightfold to SAR 121 million YoY in 1Q 2024
- Group advertising revenue grew 36% YoY (including AVOD) supported by the earlier commencement of Ramadan in 1Q 2024 vs. 1Q 2023
- Shahid recorded a 72% growth in revenue to SAR 298 million in 1Q 2024 and net losses significantly narrowed from SAR 102 million in 1Q 2023 to SAR 6 million in 1Q 2024

Riyadh, KSA, 16 May 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 first quarter ended 31 March 2024 ("1Q 2024").

1Q - 2024 – Highlights

The Group's total revenues increased 36% in 1Q 2024 to SAR 1,236 million (US\$ 330 million) compared to SAR 909 million (US\$ 242 million) in 1Q 2023 driven by a healthy recovery in TV advertising, subscriber growth in Ramadan, and the inclusion of an additional 10 days of Ramadan accounted for in 1Q 2024 compared with 1Q 2023. The Group's gross profit is up 115% year-on-year to SAR 345 million (US \$92 million). Net income grew nearly eightfold to SAR 121 million (US\$ 32 million). Net income margins for 1Q 2024 were 10% compared to a negative margin of 2% for the same period in 2023.

FINANCIAL HIGHLIGHTS

SAR Millions (Unless otherwise stated)	1Q		Change (YoY)
	2024	2023	
Group Total Revenue	1,236	909	+36%
Group Gross Profit	345	160	+115%
Group Net Income	121	(18)	+8x
Group Net Income Margin	10%	(2)%	+12%

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

"MBC's performance in the first quarter of 2024 is in line with our expectations, following a strong year in 2023. We recorded revenue growth across our core businesses and more specifically in Shahid with subscriber growth maintaining its solid trajectory year-on-year. As anticipated, advertising has witnessed a decent recovery following a challenging geopolitical backdrop at the end of last year. This Ramadan season we saw a substantial uptick in Shahid's subscriber base, thanks to our strong line-up of content, including shows like Zawga Waheda La Takfi."

"I am pleased with the progress we are making across the business. We are meeting all our KPIs for the ongoing government project initiatives. We are also gaining market share in SVOD and AVOD by focusing primarily on locally relevant content. The success of shows such as Thanawiyat Al-Naseem and Al Kha'en reflects how our content strategy successfully yields subscribers and active users. Looking ahead, we are confident of our ability to retain users and capture viewer engagement." he concluded.

BUSINESS SEGMENT PERFORMANCE

Broadcasting & Other Commercial Activities¹

SAR Millions (Unless otherwise stated)	1Q		Change (YoY)
	2024	2023	
Revenue	775	551	+41%
Net Income	125	84	+48%
Net Income Margin	16%	15%	1%

The Broadcasting & Other Commercial Activities segment recorded a 41% increase in revenue year-on-year for the first quarter of 2024 to reach SAR 775 million (US\$ 207 million), compared to SAR 551 million (US\$ 147 million) in 1Q 2023. The revenue increase was primarily driven by two main factors, firstly a continued uptick in television advertising revenue, which grew 22% year-on-year, despite the unsettled geopolitical backdrop at the end of last year. The gradual rebound in advertising compared to 4Q 2023 emphasises MBC's long-term resilience as well as its dominant position in the marketplace. Secondly, the Broadcasting and Technical Services revenue grew nearly eightfold year-on-year to record SAR 143 million (US\$ 38 million) in 1Q 2024 compared with SAR 16 million (\$US 4.2 million) in 1Q 2023.

The Holy Month of Ramadan is a key period for MBC and this year, the season commenced in early March. The focus was on premium regional content alongside a diverse line-up of multi-genre series and shows from KSA, the Gulf, Levant, and Egypt. Titles included Al Atawla, Nema El Avvocato, Khan Al Thahab and Wlad Badee'a.

Shahid (OTT Platform)²

SAR Millions (Unless otherwise stated)	1Q		Change (YoY)
	2024	2023	
Revenue	298	173	+72%
Net Loss	(6)	(102)	(94)%
Net Loss Margin	(2)%	(59)%	57%

Shahid Users (m)	1Q 2024	Q4 2023	% Change (QoQ)
SVOD subscribers	4.83	3.98	+21%
AVOD active users	20	15	+33%

¹ 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.

² The Company operates a high-growth online video streaming service across SVOD (subscription video-on-demand) and AVOD (advertising video-on-demand) platforms. The revenue from this business segment is mainly driven by subscription fees paid by subscribers and digital advertising on AVOD.



Shahid, MBC's OTT platform, recorded a 72% growth in revenue to SAR 298 million (US\$ 80 million), in 1Q 2024, compared to 1Q 2023, attributable to a significant growth in the number of SVOD subscribers, notably during the peak Ramadan season as anticipated. Shahid subscriber numbers reached 4.83 million in the first quarter, with the platform adding over 800,000 new subscribers since year end, and a solid 35% year-on-year increase of 1.25 million subscribers' year-on-year. Advertising revenue more than tripled year-on-year to SAR 73.9 million as the Company continues to focus on expanding and further enhancing its content line-up available on the ad-supported free to watch platform.

Media & Entertainment Initiatives (M&E Initiatives)³

SAR Millions (Unless otherwise stated)	1Q		Change (YoY)
	2024	2023	
Revenue	163	185	(12)%
Net Income	2	0	+19x
Net Income Margin	1%	0%	1%

In 1Q 2024 MBC successfully delivered on all its KPI's related to ongoing government project initiatives. MBC continues to witness a modest improvement in blended margins as new projects start to include production fees, allowing the Company to deliver a margin of 2% to 4% in the short-to-medium term.

Content

Testament to MBC's content strategy and global outreach, the company has begun to successfully penetrate the South American market through the Turkish adoption of 'Al-Thaman' (entitled Sara). The show has been dubbed in Spanish, and Ecuador was the first country to air it in early March. It has been doing well with promising viewership, which has opened other potential opportunities for similar agreements in neighbouring countries. South America is an important growth market for MBC, with the potential to take Turkish adaptations further afield.

Key Corporate Updates

In 1Q 2024, the Company appointed Samar Akrouk as Managing Director of MBC Studios. Samar also retains her position as Group Director of Production. In her new role, she will lead MBC Studios' international outreach program, taking MBC's original local content to new audiences around the world.

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³ 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.



1Q 2024 Earnings Conference Call Information

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

MBC Group Earnings Call Information	
Date: Monday 20 May 2024 Time: 03:30PM KSA 04:30PM UAE 01:30PM UK 08:30AM NY	Speakers: Sam Barnett, CEO Hussam Alnouri, CFO Maryam Babgi, Investor Relations Manager Host: Nauman Khan, SVP, Equity Research
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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