

MBC Group Reports 1H 2024 Results

The Group delivered a near fivefold increase in net income to SAR 237.8 million in 1H 2024 driven by a solid top-line performance along with significant margin enhancements, particularly at SHAHID which saw AVOD revenue more than double during the period while subscription revenue continued its healthy growth; MBC continued to invest in quality content and engaging platforms to drive viewership and grow the subscriber base.

1H 2024 Highlights

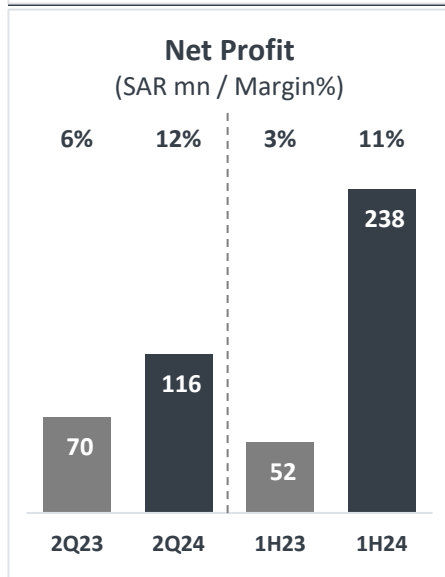
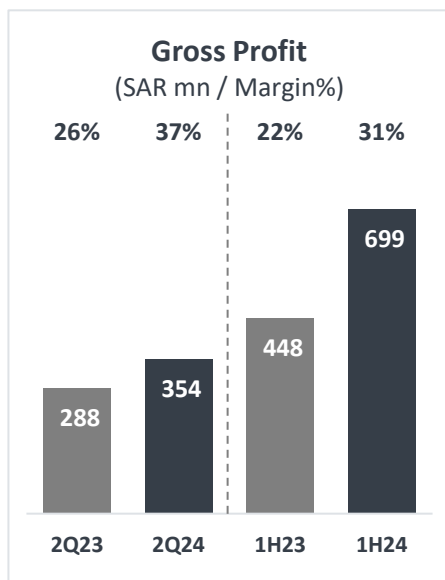
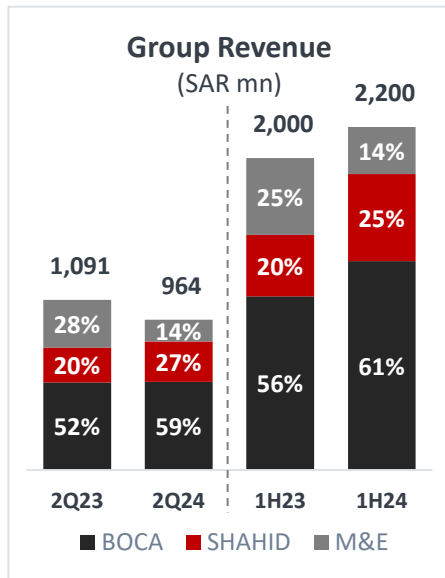
REVENUES SAR 2,199.6 MN ▲ 10% y-o-y	GROSS PROFIT SAR 698.9 MN ▲ 55.9% y-o-y 31.8% margin	NET PROFIT SAR 237.8 MN ▲ 359.8% y-o-y 10.8% margin
NUMBER OF ADVERTISERS 635 ▲ 28.3% y-o-y	SVOD SUBSCRIBERS 4.61 MN ▲ 36.0% y-o-y	AVOD MONTHLY ACTIVE USERS 18.0 MN ▲ 8.4% y-o-y

Riyadh, KSA - 8 August 2024: 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, reported today its financial results for the first half ended 30 June 2024 (“1H 2024”). The Group recorded a **net income of SAR 237.8 million in 1H 2024 – up a significant 359.8% year-on-year (“YoY”) with a net profit margin of 10.8% versus 2.6% in 1H 2023** – on revenues of SAR 1,999.7 million during the same period, a 10% YoY increase.

Key Financial Figures

SAR mn	2Q 2024	2Q 2023	Change	1H 2024	1H 2023	Change
Revenues	963.9	1,090.6	-11.6%	2,199.6	1,999.7	10%
Broadcasting & Other Commercial Activities	565.7	561.9	0.7%	1,340.5	1,113.2	20.4%
SHAHID (OTT Platform)	259.1	223.2	16.1%	557.3	395.7	40.8%
Media & Entertainment Initiatives (“M&E”)	139.1	305.5	-54.5%	301.8	490.9	-38.5%
Gross Profit	354	288	22.9%	698.9	448.3	55.9%
Gross Profit Margin	36.7%	26.4%	+10.3pp	31.8%	22.4%	+9.4pp
Net Profit	116.4	69.9	66.5%	237.8	51.7	360.0%
Net Profit Margin	12.1%	6.4%	+5.7pp	10.8%	2.6%	+8.2pp

Sam Barnett, MBC Group’s Chief Executive Officer, commented: “We are pleased with the performance of MBC in the first half of 2024. By continuing to invest in quality content and engaging platforms, we have been able to attract and retain audiences across our various markets. The performance of SHAHID was particularly encouraging driven by a strong Ramadan period while maintaining its forward momentum in terms of both subscribers and advertising revenue – overall, SHAHID revenues were up 40.8% in the first half of the year. In parallel, our traditional broadcasting activities and regional partnerships have remained critical parts of our business success as evidenced by a robust 20% revenue growth compared to the same period last year. As we look to the rest of the year, we are focused on increasing audience engagement and delivering value for all our stakeholders.”



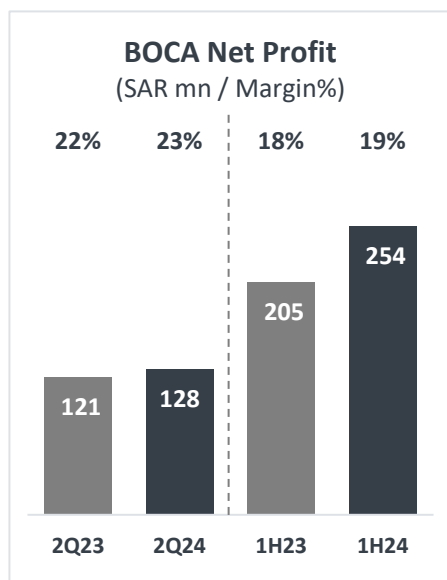
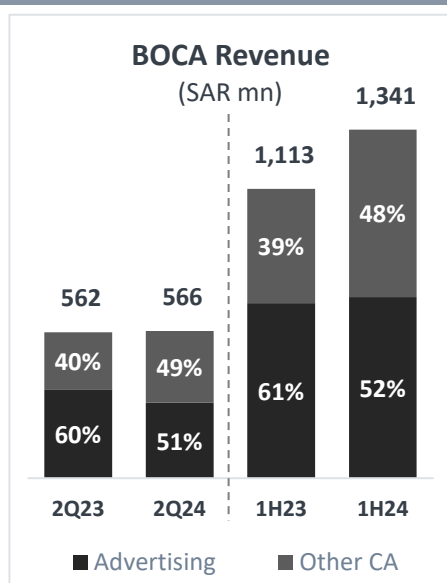
Consolidated Financial & Operational Highlights

- **Group revenue** growth of 10% year-on-year in 1H 2024 was driven primarily by strong results at the Broadcasting & Other Commercial Activities and SHAHID segments, which saw a 20.4% and 40.8% YoY revenue growth, respectively in 1H-2024.
- Notably, Advertising-based Video on Demand (AVOD) from SHAHID more than doubled its 1H 2024 revenue year-on-year to SAR 116 million (US\$ 31 million), while total number of subscribers grew 36.0% YoY to 4.61 million users as of 30 June 2024. This strong performance helped offset the 38.5% YoY decline in revenues from Media & Entertainment Initiatives (M&E) in 1H 2024, which came as a result of the variance in revenue recognition for the period and the different timelines of ongoing project deliverables.
- On a quarterly basis, revenues from MBC's core segments, Broadcasting and Other Commercial Activities as well as SHAHID, grew 5% year-on-year despite 2Q 2024 reflecting a high base effect with the commercially significant month of Ramadan falling mostly in the second quarter of 2023 versus the first quarter in 2024. Nonetheless, the decline in M&E initiatives in the quarter resulted in overall Group revenue's declining 11.6% YoY.
- MBC recorded a **gross profit** of SAR 698.9 million in 1H 2024, up 55.9% YoY, surpassing revenue growth, and yielding an expanded gross profit margin of 31.8% versus 22.4% recorded in 1H 2023. Improved gross profitability comes as the Group extracts higher value from commercial activities across all three segments, with a particular improvement at SHAHID.
- Similarly, on a quarterly basis the Group delivered enhanced gross profitability in 2Q 2024, with gross profit up 22.9% YoY despite the 11.6% YoY decline in revenues, yielding a 10.3 percentage-point expansion in GPM to 36.7%.
- Across all three segments, the Group delivered notable enhancement in **net profitability**, particularly at SHAHID which saw its bottom-line losses narrow significantly by 84.7% YoY in 1H 2024. Additionally, the M&E segment continues to witness a modest improvement in blended margins as new projects start including production fees, allowing the Company to deliver a margin of 2% to 4% in the short-to-medium term. Together these factors helped drive the 359.8% year-on-year surge in the Group's net profit for 1H 2024.
- In 2Q 2024, MBC Group posted a net profit of SAR 116.4 million, up 66.5% YoY and with a twofold expansion in net profit margin from 6.4% in 2Q 2023 to 12.1% in 2Q 2024. Improved profitability during the quarter was similarly driven by enhancement across all three segments.

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.



Key Performance Indicators

SAR mn (unless otherwise stated)	1H 2024	1H 2023	Change
BOCA Revenues	1,340.5	1,113.2	20.4%
TV Revenues	751.4	714.2	5.2%
Broadcast & Technical Services	484.5	242.7	99.6%
Other revenues	104.6	156.3	-33.1%

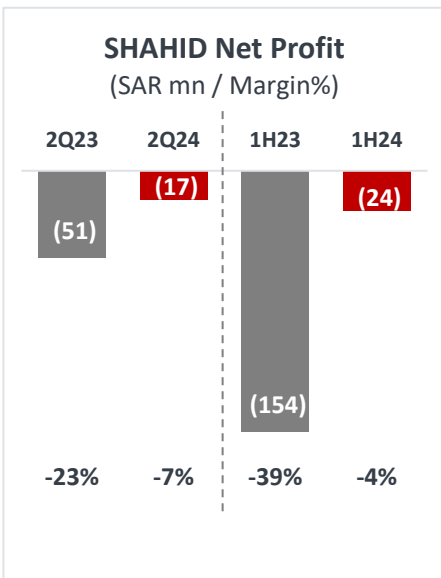
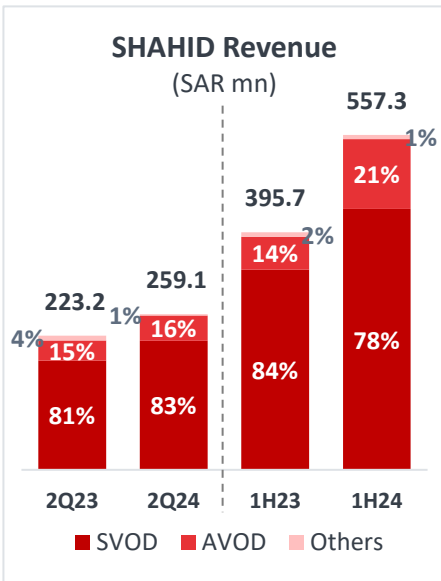
Other Metrics

FTA Channels (#)	13	13	-
Pay Channels (#)	5	5	-
Radio Channels (#)	3	2	50%
Number of Advertisers (#)	635	495	28.3%
Total Social Media Followers (mn)	686	653	5.1%

- The Broadcasting & Other Commercial Activities (BOCA) segment has shown robust growth, with a 20.4% increase in revenue year-on-year in the first half of 2024 to reach SAR 1.34 billion (US\$ 358 million), compared to SAR 1.11 billion (US\$ 297 million) in 1H 2023.
- The segment's solid revenue growth during the period was driven by its broadcasting and technical services revenues, which doubled compared to 1H 2023 to reach SAR 484.5 million driven predominantly by services agreements such as the one in place with SSC and Al Thakafiya.
- TV revenues, which includes advertising, distribution, and program revenues, grew 5.2% year-on-year to SAR 751.4 million. Advertising revenue increased by 3.5% in 1H 2024 to SAR 697.3 million (US\$ 186 million), reflecting MBC's resilience and strong market position. Television and radio advertising were key contributors to the Group's income attributable to consistent and engaging content and a 28.3% rise in the number of advertisers year-on-year.

SHAHID (OTT PLATFORM)

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.



Key Performance Indicators

SAR mn (unless otherwise stated)	1H 2024	1H 2023	Change
SHAHID Revenues	557.3	395.7	40.8%
SVOD	434.2	333.1	30.4%
AVOD (advertising revenue)	116.0	54.7	112.1%
Others	7.1	7.9	-10.1%

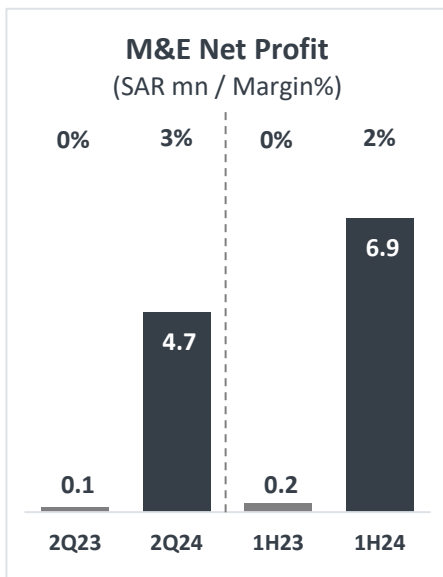
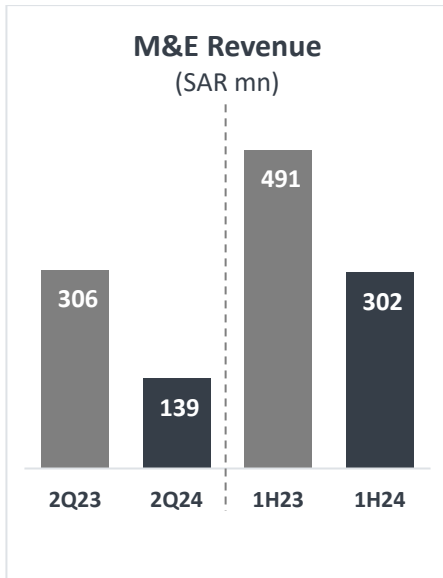
Other Metrics

SVOD Subscribers (EOP, mn)	4.61	3.39	36.0%
AVOD Active Monthly Users (mn)	18.0	16.6	8.4%
Plays per Month (average, mn)	686	446	53.8%
Monthly Ad Inventory (average mn)	828	732	13.1%
Billing Integrators (#)	40	40	-

- SHAHID, MBC's OTT platform, recorded a 40.8% year-on-year revenue growth in 1H 2024 to SAR 557.3 million (US\$ 148 million), which was attributable to a combination of subscriber and advertising revenue growth.
- SHAHID subscriber numbers reached 4.61 million at the end of June 2024, with the platform adding over 630,000 new subscribers in the first six months of the year. MBC Group has demonstrated the increasing attractiveness of SHAHID as a year-round platform, as the platform maintained its forward momentum post Ramadan. Meanwhile, AVOD revenues more than doubled in 1H 2024 to SAR 116.0 million (US\$ 31 million) compared to the same period in 2023.
- Content has been a key driver for SHAHID in 1H 2024. The Holy Month of Ramadan is a key period for MBC and this year the focus was on premium regional content alongside a diverse line-up of multi-genre series and shows from Saudi Arabia and the wider GCC, as well as the Levant and Egypt. Titles included Al Atawla, Nema El Avvocato, Khan Al Thahab and Wlad Badee'a. Moreover, three titles were launched in the second quarter to boost post-Ramadan viewership into the summer - Moftaraq Toroq, an Egyptian adaptation of a western drama; Forsan Graih, SHAHID's first original sports comedy; and Lo'Bat Hob, an adaption of a Turkish comedy.

MEDIA & ENTERTAINMENT INITIATIVES (M&E)

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.



- MBC's M&E Initiatives segment in 1H 2024 MBC successfully delivered on all its ongoing government project initiatives, which enabled the segment to generate net income of SAR 6.9 million (US\$ 1.84 million) in 1H 2024. MBC continues to witness a modest improvement in blended margins as new projects start including management fees, to subsequently deliver a margin of 2% to 4% in the short-to-medium term.
- MBC STUDIOS remains focused on creating high quality content, with the notable production of the fully funded feature film 'The Lamb', a poetic film set in Saudi Arabia, released on Eid Al Adha via the SHAHID platform. Another series produced and due to be released is 'Autumn in My Heart', which is entirely filmed in Saudi Arabia. Meanwhile, building on the success of last year's documentary following Al Nassr Football Club, MBC STUDIOS produced two soon to be released fully funded football documentaries following Saudi Arabia's Al Ahli Football Club and Spanish football club Unión Deportiva Almería.
- MBC ACADEMY maintained its focus on nurturing and developing Saudi talent in the entertainment industry, providing training to more than 8,200 individuals, offering more than 1,900 virtual courses and holding over 6,000 auditions in 1H 2024.
- MBC Iraq maintained its position as the top-ranked channel in Iraq, leading all local channels during Ramadan and Q2 2024. Driven by its diverse offering of strong local content, the channel has a very strong lead particularly during prime time, significantly outperforming all other channels. MBC Iraq had a reach of 55% during Ramadan and 27% in May 2024.
- MBC Cinq also maintained a strong performance as the 3rd top-ranked channel in Morocco during Ramadan and Q2 2024. The channel's diverse lineup, featuring exclusive local titles alongside pan-Arab and international content, enabled it to compete effectively with local channels. MBC Cinq had a reach of 59% during Ramadan 2024 and 44% in May 2024. In 1H 2024 advertising revenues from the funded channels accounted for 8.4% of total M&E Initiatives revenues.
- Meanwhile, construction of the MBC Narjis Studio is progressing well. The first studio is due to open in 3Q 2024, ready for productions like "Arabs Got Talent". The various phases will see more studios opening in 1Q 2025 and office buildings in 2Q 2025. By the end of 2024, Narjis will be home to 200 employees, expanding to 450 by the end of 2025.

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1H 2024 Earnings Conference Call Information

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

MBC Group Earnings Call Information	
Date: 5 th September 2024 Time: 04:00PM KSA 05:00PM UAE 02:00PM UK 09:00AM NY	Speakers: Sam Barnett, CEO Hussam Alnouri, CFO Maryam Babgi, Investor Relations Manager Host: Ankur Agarwal, Senior Research Analyst, HSBC
Click here to register	

About 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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