

Showmax gets R3.2bn investment from Multichoice and NBCUniversal

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MultiChoice Group and US media conglomerate Comcast's NBCUniversal Media will invest about \$177 million in Showmax's video streaming platform during its current financial year, the companies said on Thursday.



The NBC and Comcast logo are displayed on top of 30 Rockefeller Plaza, formerly known as the GE building, in midtown Manhattan in New York.
Source: Reuters/Brendan McDermid

Last year Africa's biggest pay TV platform entered a partnership with Comcast's NBCUniversal and Sky to revamp MultiChoice's existing Showmax streaming service, which is being built on NBCUniversal's Peacock streaming platform.

As part of the deal, MultiChoice sold a 30% stake in Showmax to NBCUniversal but did not reveal the initial sum it paid for the stake. MultiChoice retains the 70% shareholding in the streaming platform.



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MultiChoice said it and NBCUniversal are providing funding to Showmax during its investment phase in proportion to their respective shareholdings and that Showmax shareholders will share in profits on the same basis in future.

Additional investment

On 2 February (today), both parties will provide \$30m in equity funding in total to Showmax, each in proportion of their respective shareholdings, the company said.

Additional equity funding to a maximum of \$127m, of which 70%, or up to \$88.9m, will be carried by MultiChoice, is anticipated for the remainder of MultiChoice's financial year ending in March.

Prior to Thursday's announcement, the parties had provided additional equity funding of \$20m, MultiChoice added.

Fighting off Netflix

Africa's biggest pay TV company MultiChoice has invested billions of rand to fight off competition from international streaming giants such as Netflix, Amazon and Disney. Netflix, for example, has also invested in local content.

MultiChoice told investors last year that the revamped Showmax will help to deliver an additional \$1bn revenue in the medium term.

To help it get there, it is offering African subscribers a standalone live Premier League soccer plan on mobile and also original local content programmes launching in February and international programmes from NBCUniversal and Sky.

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