



# 1<sup>st</sup> quarter FY16 results

16<sup>th</sup> June 2015

**Go Beyond**

# Disclaimer

This document contains certain forward-looking statements with respect to Astro Malaysia Holdings Berhad's ("Astro") financial condition, results of operations and business, and management's strategy, plans and objectives for Astro. These statements include, without limitation, those that express forecasts, expectations and projections such as forecasts, expectations and projections in relation to new products and services, revenue, profit, cash flow, operational metrics etc.

These statements (and all other forward-looking statements contained in this document) are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond Astro's control, are difficult to predict and could cause actual results to differ materially from those expressed or implied or forecast in the forward-looking statements. These factors include, but are not limited to, the fact that Astro operates in a competitive environment that is subject to rapid change, the effects of laws and government regulation upon Astro's activities, its reliance on technology which is subject to risk of failure, change and development, the fact that Astro is reliant on encryption and other technologies to restrict unauthorised access to its services, failure of key suppliers, risks inherent in the implementation of large-scale capital expenditure projects, and the fact that Astro relies on intellectual property and proprietary rights which may not be adequately protected under current laws or which may be subject to unauthorised use.

All forward-looking statements in this presentation are based on information known to Astro on the date hereof. Astro undertakes no obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation has been prepared by Astro. The information in this presentation, including forward-looking statements, has not been independently verified. Without limiting any of the foregoing in this disclaimer, no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of such information. Astro and its subsidiaries, affiliates, representatives and advisers shall have no liability whatsoever (whether in negligence or otherwise) for any loss, damage, costs or expenses howsoever arising out of or in connection with this presentation.

# Key highlights of Q1 FY16 performance



4.0mn to 4.5mn customers  
58% to 64% HH penetration  
46% to 49% viewership share

91% on B.yond STBs  
NJOI reached > 1mn customers  
Local content drives viewership

RM97.1 to RM99.0 ARPU  
59% to 63% Radex share  
30% to 34% TV Adex share

Content and IPs  
Operational efficiencies  
Product development  
Home shopping

**Revenue +6%**  
RM1.25bn → RM1.33bn

**EBITDA +7%**  
RM441mn → RM472mn

**Adex +11%**  
RM122mn → RM136mn

**PATAMI +31%**  
RM128mn → RM168mn

**FCF of RM333mn**  
198% of PATAMI

# Q1 FY16 snapshot

Highlights	1QFY15	1QFY16	Growth
TV households (000s) <sup>(1)</sup>	6,908	7,020	2%
TV household penetration <sup>(2)</sup>	58%	64%	6pp
TV household penetration (000s)	3,996	4,521	13%
<i>Pay TV households (000s)</i>	<i>3,470</i>	<i>3,505</i>	<i>1%</i>
<i>NJOI households (000s)</i>	<i>526</i>	<i>1,016</i>	<i>93%</i>
Pay TV gross adds (000s)	114	97	(15%)
MAT churn	10%	10%	-
Net adds (000s)	112	92	(18%)
<i>Pay TV households (000s)</i>	<i>28</i>	<i>(5)</i>	<i>(118%)</i>
<i>NJOI households (000s)</i>	<i>84</i>	<i>97</i>	<i>15%</i>
Beyond STB penetration	85%	91%	6pp
ARPU (RM)	97.1	99.0	2%
Astro TV viewership share	46%	49%	3pp
Radio listenership (000s)	12,645	12,566	(1%)
Adex (RM mn)	122	136	11%
Revenue (RM mn)	1,254	1,330	6%
EBITDA (RM mn)	441	472	7%
EBITDA margin	35%	36%	1pp
PATAMI (RM mn)	128	168	31%
FCF (RM mn)	282	333	18%

NB

(1) TV household data sourced from Value Partners Management Consulting, the Independent Market Research consultant to the company during the IPO

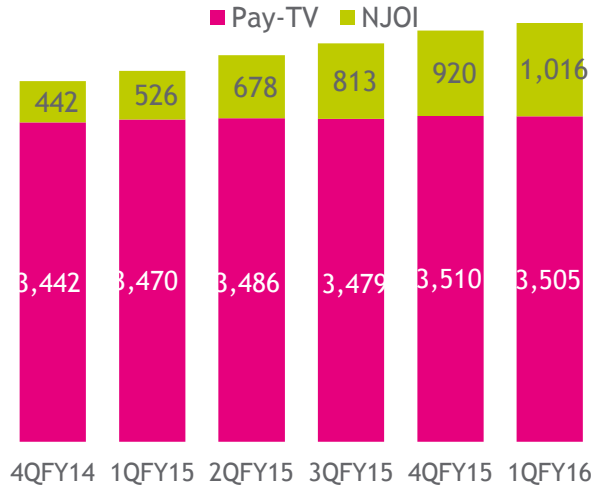
(2) Household penetration includes both residential pay-TV customers and NJOI customers

(3) Data presented are for the 3 months ended 30 April, with the exception of ARPU and churn which are 12-month moving averages

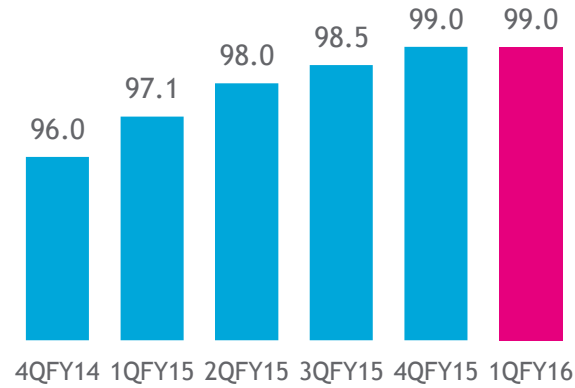
(4) Numbers may not add up due to rounding differences

# Key customer metrics highlight our dual-model premium and freemium market approach

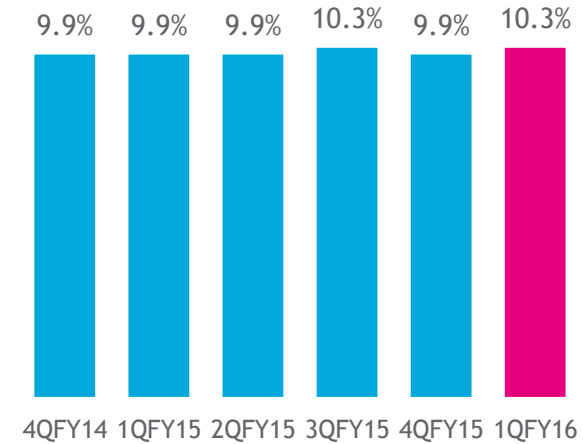
Residential customers (000s)



ARPU (RM)

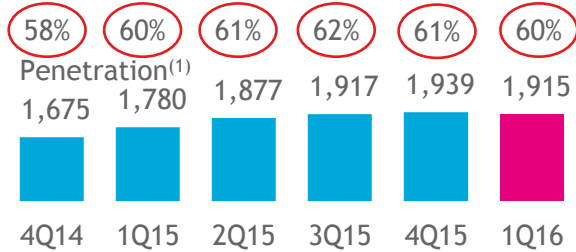


Churn (%)

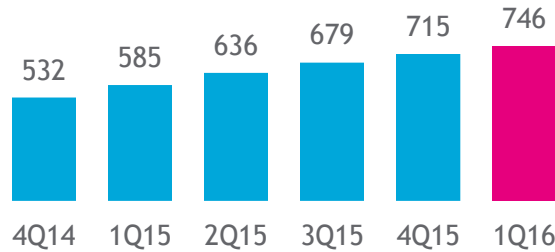


# Upselling of value-added products and services remains a priority

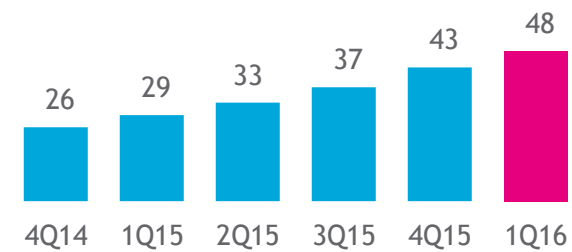
astro **yond** HD (000s)



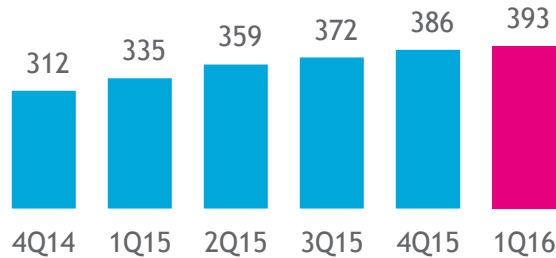
astro **yond** PV R (000s)



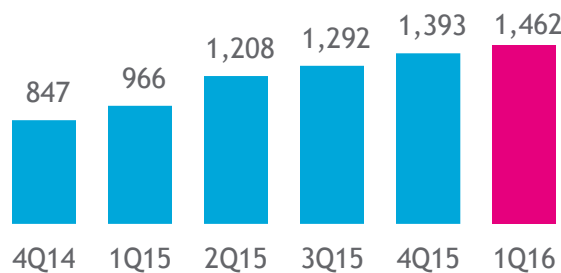
astro **yond** IPTV (000s)



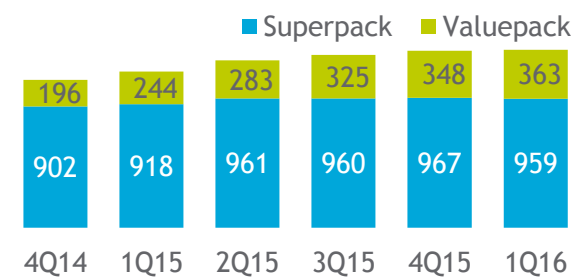
Multiroom (000s)



astro **on the GO** downloads (000s)



**SUPERPACK & VALUEPACK** (000s)



NB  
(1) As a % of customers with B.yond STB

# Local content underpins our sustainable market leadership...

## Pay-TV<sup>(1)</sup>

**184**  
channels

**73**  
Astro-branded  
channels

**50**  
HD channels

## NJOI

**26**  
channels

...highlighted by record viewership and new content releases

Maharaja Lawak  
Mega Akhir



2.6mn  
Viewers

Anugerah MeleTOP  
Era



1.7mn  
Viewers

Suamiku Encik Sotong



1.4mn  
Viewers

Vaara Raasipalan



257k  
Viewers

Evening Edition



253k  
Viewers

### New Series



Oh My Budget!



M.A.I.D



Geng UPSR +  
i-Tutor



Mind Games



Iniya Uravu



Kutinggalkan Cinta  
di Okinawa

### New Seasons



Akademi Fantasia  
2015



MLM 2015



International  
Superstar



Oh My English!  
2015



Strawberi &  
Karipap S2



Astro Star Quest

# Strengthening our content proposition remains a key focus

Enhancing our VOD library

Latest Series, Movies and Asian content

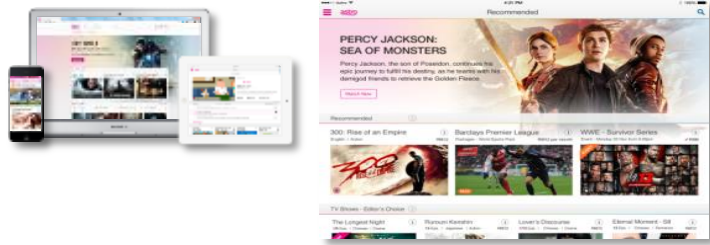




# Enhancing our digital proposition in FY16

## AOTG continues to evolve

- Deployment of new platform



- Launch of Astro Plus VOD library and new channels



## Greater engagement through our digital platforms



- > 4mn video views
- > 2mn unique viewers. Leveraged on videos and articles around signature shows to boost viewership



- Raku was launched on 17 April with inaugural sponsor Digi
- Awarded Best Use of Radio in a Campaign at A+M MARKies 2015



- 23-hour live-streaming of Thaipusam 2015
- Event-related social media activity reached up to 40mn people
- Extended target audience to India, Singapore, Sri Lanka and Mauritius

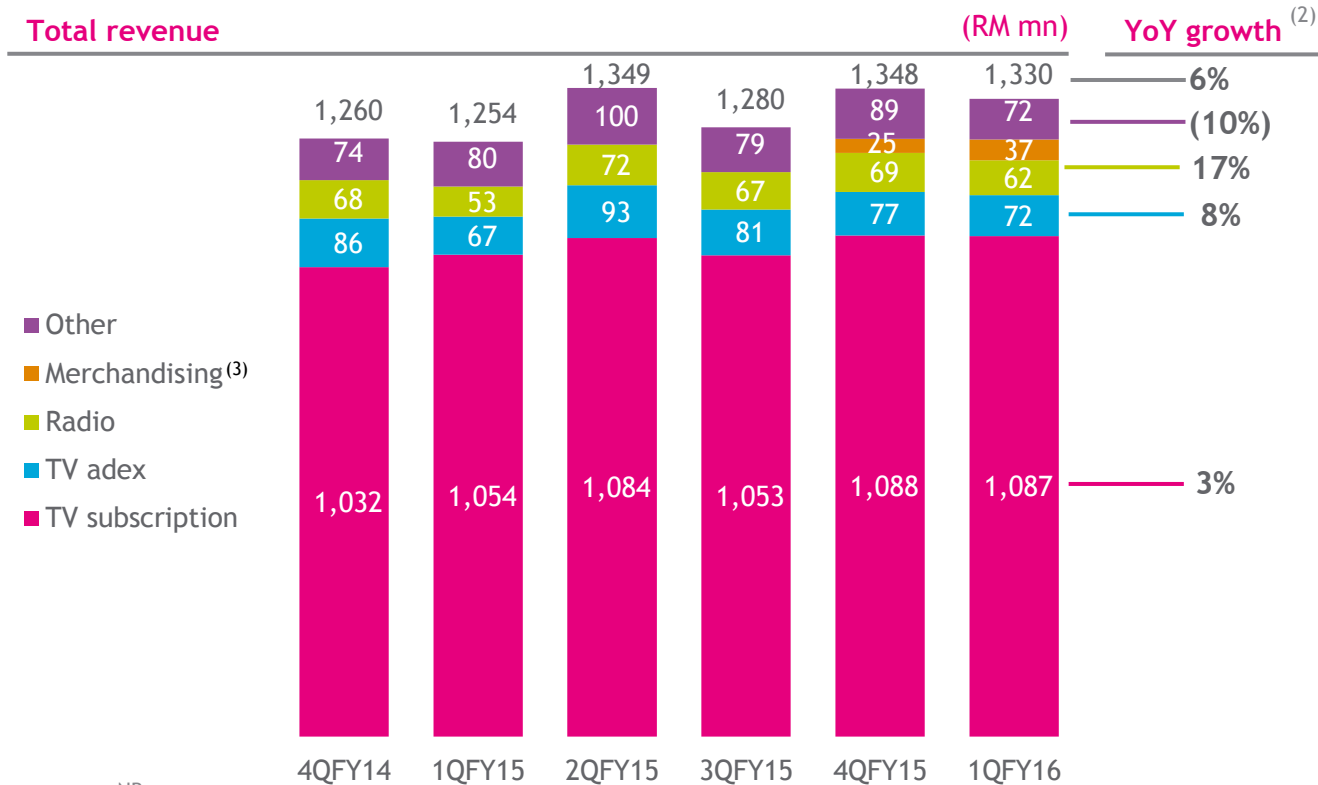
# Go Shop's encouraging start



- Committed to delivering a world-class shopping experience to all Malaysians through a variety of mediums such as TV, phone, e-commerce and m-commerce
- Key performance metrics for the period;
  - Generated RM37mn in revenues in Q1 outperforming the previous quarter by 48%
  - Over 160k customers served, who purchased c.175k products in 1QFY16
  - Top selling products include the Steam Q Iron, Shimono Vacuum Cleaner and Digital Quran Pen



# Year on year revenue growth continues



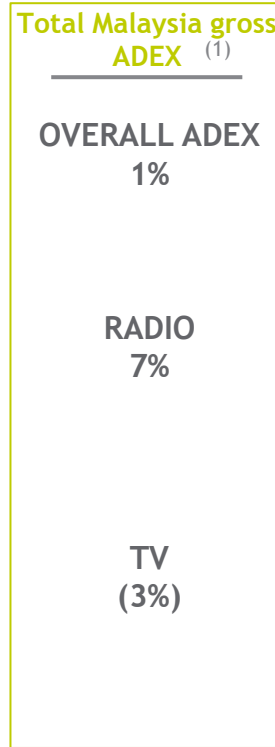
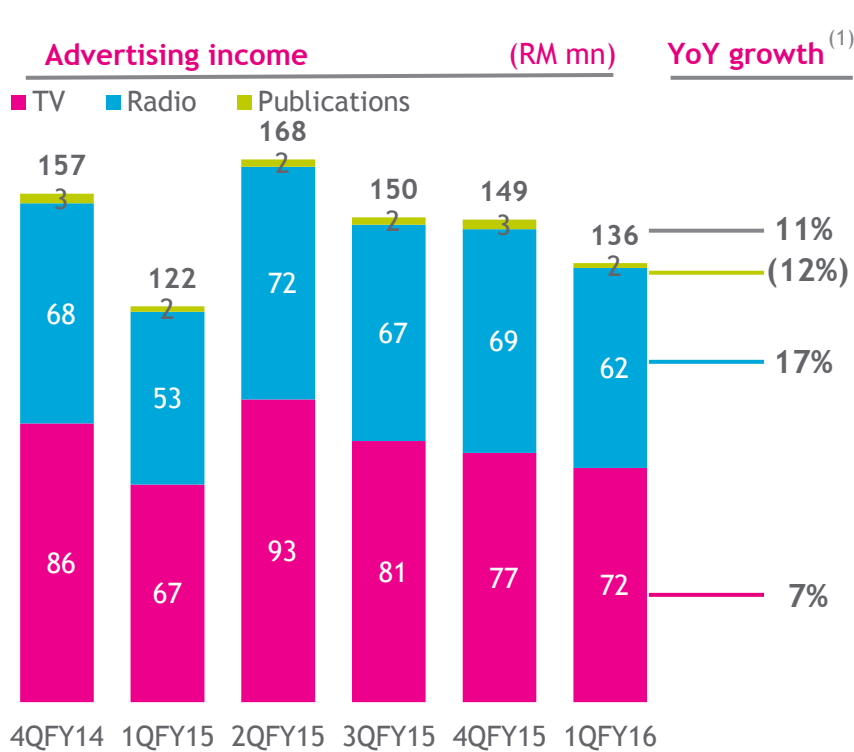
NB

(1) Other revenue includes licensing income, publications adex, programme sales, NJOI revenue and theatrical revenue

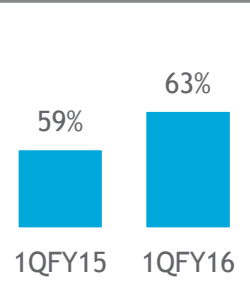
(2) YoY refers 1QFY16 vs. 1QFY15

(3) Refers to merchandising sales from Go Shop only

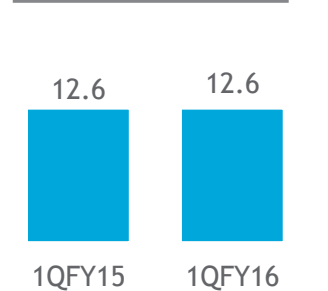
# Advertising income outperformance in challenging market conditions



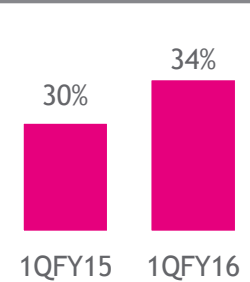
**Share of Radex**



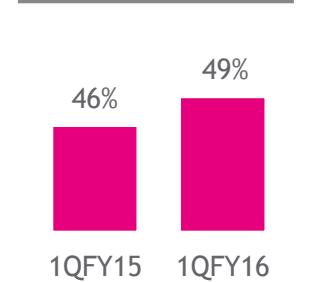
**Radio listeners (mn) (2)**



**Share of TV adex**



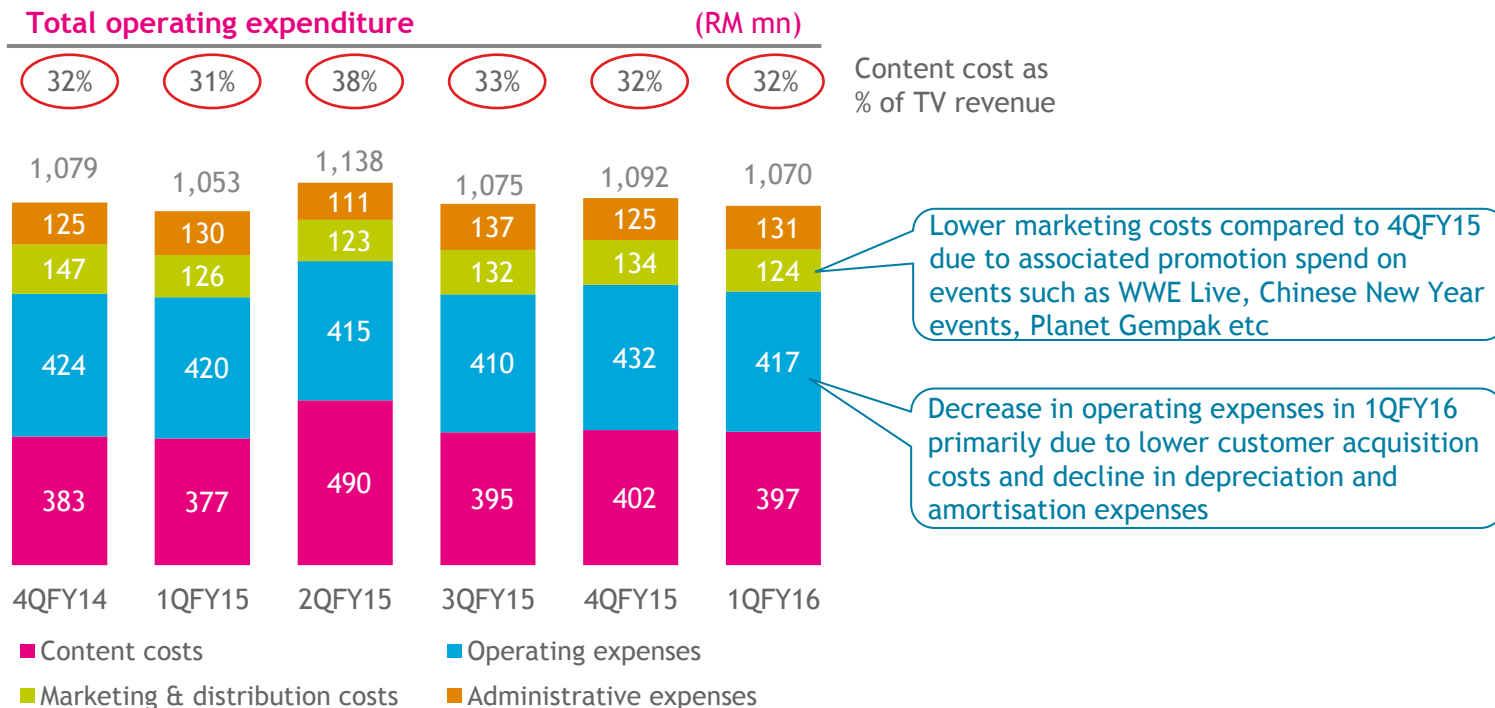
**Astro TV viewership share (2)**



(1) YoY refers to 1QFY16 vs. 1QFY15  
 (2) Listenership and viewership shares, as well as share of Radex are sourced from Nielsen. Radio listenership is based on survey conducted by Nielsen dated 14 May 2015. Share of TV adex is based on GroupM's estimates



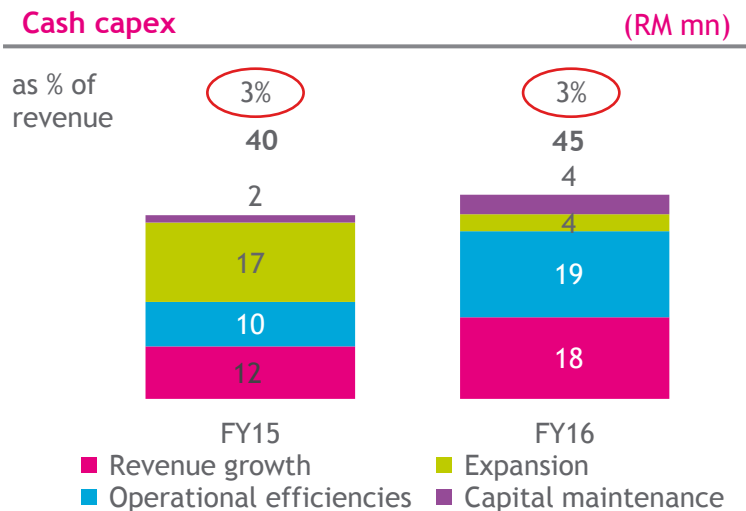
# Continued cost management to optimise profit growth



NB

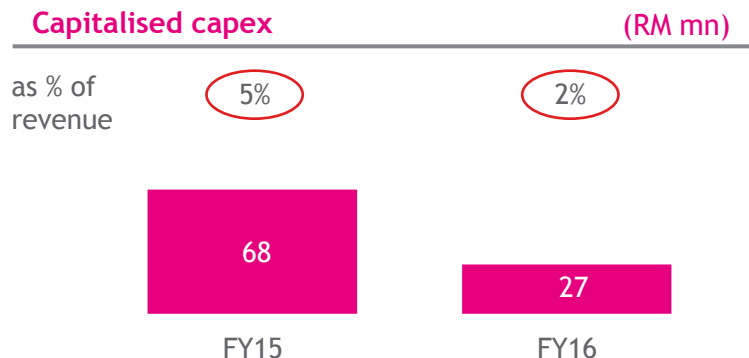
- (1) Operating expenses include STB installation and smartcard costs, depreciation and amortisation, as well as maintenance costs
- (2) Content costs and operating expenses are jointly disclosed as cost of sales in our financial statements

# Applying ROI discipline in capex spend



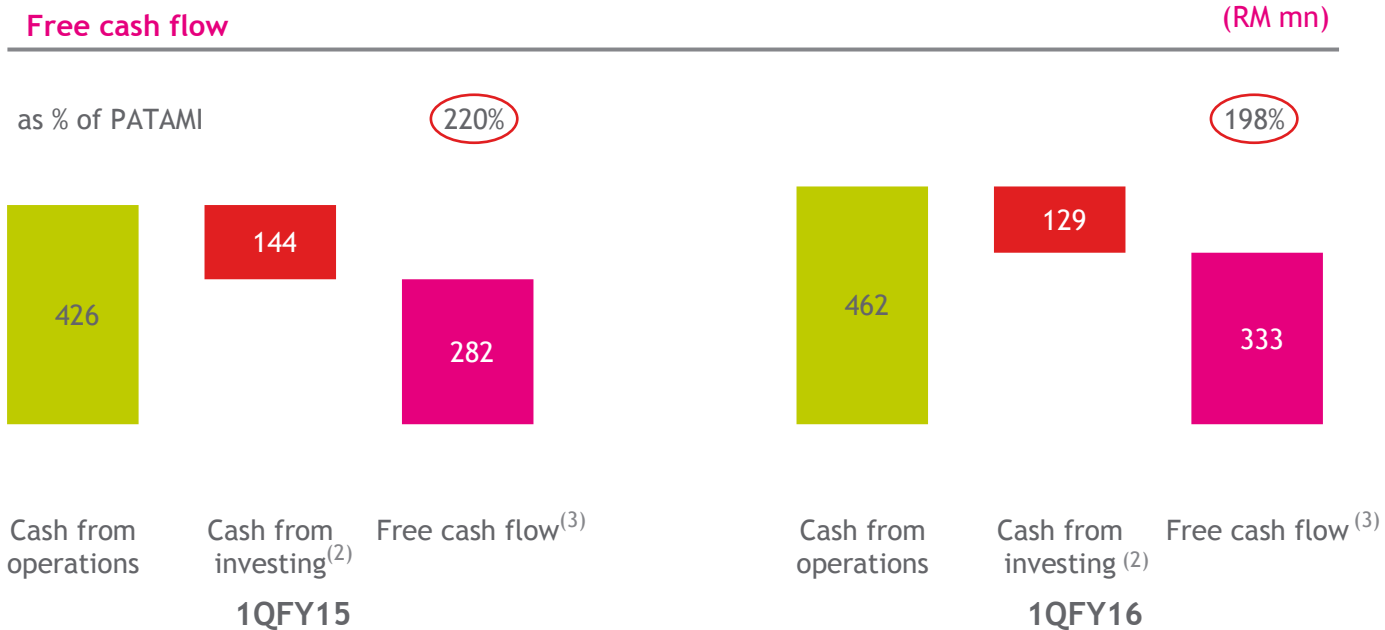
Key capex investments in FY16 include:

- Product and service upgrading
- Technology infrastructure



- Capitalised capex is significantly lower in 1QFY16 in line with lower Pay-TV gross adds and optimisation of procurement processes
- STBs/ODUs are owned by Astro, and are capitalised
- STBs/ODUs are conservatively amortised over 3 years; note that actual useful life is typically greater than 5 years
- Discretionary 36 month bullet payment vendor financing is available for Astro for STB/ODU purchases
- RM998mn of vendor financing recorded in payables, of which RM341mn is current and RM657mn is non-current

# Consistently strong cash generation significantly exceeds PATAMI...



...enabling significant flexibility on capital management and adoption of a progressive dividend policy

NB

(1) Data presented are for the 3 months ended 30 April

(2) Excludes investments, disposals and maturities of unit trust and money market funds

(3) Excludes repayments of vendor financing (FY16: RM66mn; FY15: RM136mn) and payments of finance leases (FY16: RM28mn; FY15: RM0.2mn), which are categorised as cash from financing to be consistent with Bursa disclosure

# Quarterly dividend announcement

- Leveraging on invested capital, AMH continues to be highly cash generative enabling the adoption of a progressive dividend policy
- The Board of Directors of AMH is pleased to declare a quarterly dividend of 2.75 sen per share in respect to 1QFY16
  - This represents a 22% increase from quarterly dividends of 2.25 sen in FY15
- Quarterly dividend entitlement and payment dates: 1 July 2015 / 15 July 2015





# *Appendix*

**Go Beyond**

# PAT reconciliation

(RM mn)	FY15	FY16
<b>EBITDA</b>	<b>441</b>	<b>473</b>
<i>Margin %</i>	35.2%	35.5%
Depreciation and amortisation <sup>(1)</sup>	(229)	(206)
<b>EBIT</b>	<b>212</b>	<b>267</b>
<i>Margin %</i>	16.9%	20.0%
Finance income	19	20
Finance cost	(64)	(58)
Share of post tax results from investments	1	2
<b>PBT</b>	<b>168</b>	<b>230</b>
Tax expense	(39)	(64)
<i>Tax rate %</i>	23.4%	27.6%
<b>PAT</b>	<b>129</b>	<b>167</b>
<i>Margin %</i>	10.3%	12.5%

NB

(1) Depreciation and amortisation excludes the amortisation of film library and programme rights (RM83mn in 1QFY16 and RM81mn in 1QFY15) which is expensed as part of content costs (cost of sales)

(2) Numbers may not add up due to rounding differences.

# Group balance sheet overview

(RM mn)	FY15	FY16
<b>Non-current assets</b>	<b>4,334</b>	<b>4,229</b>
Property, plant and equipment	2,053	1,740
Other non-current assets	2,281	2,489
<b>Current assets</b>	<b>2,601</b>	<b>2,318</b>
Receivables and prepayments	914	787
Cash and investments in unit trusts	1,653 <sup>(1)</sup>	1,451
Other current assets	34	80
	<b>6,935</b>	<b>6,546</b>

(RM mn)	FY15	FY16
<b>Non-current liabilities</b>	<b>4,603</b>	<b>3,828</b>
Payables	1,149	657
Borrowings	3,334	3,074
Other non-current liabilities	120	97
<b>Current liabilities</b>	<b>1,713</b>	<b>2,008</b>
Payables	1,349	1,503
Borrowings	317	401
Other current liabilities	47	105
<b>Shareholders' equity</b>	<b>619</b>	<b>711</b>
	<b>6,935</b>	<b>6,546</b>

**Net debt / LTM EBITDA: 1.1x**

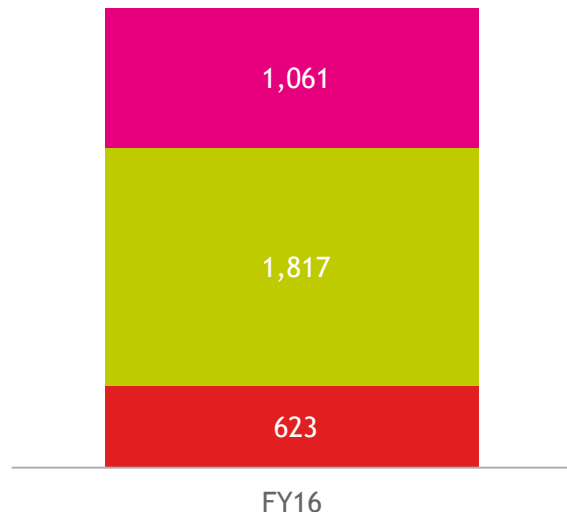
# Debt profile

## Total borrowings

(RM mn)

■ Finance lease ■ RM term loan ■ USD term loan

Total borrowings is net of debt issuance costs (RM26 mn) ▶ 3,475



## Details of borrowings

### USD term loan

- As at 30 April 2015, outstanding principal US dollar term loan stood at US\$297mn. The fourth principal repayment amounting to USD16.5mn (RM49.8mn) was paid on 8 June 2015 and the next repayment of USD16.5mn is scheduled to be paid on 8 December 2015
- Fully hedged via cross currency interest rate swap at an exchange rate of USD/RM3.0189 and an all-in interest rate of 4.19% p.a.
- Back ended amortisation schedule, with average life of 7 years and has final maturity date of 8 June 2021

### RM term loan

- As at 30 April 2015, total outstanding principal RM term loan stood at RM1,800mn. The fourth principal repayment amounting to RM100mn was paid on 19 May 2015. The fifth repayment amounting to RM100mn is scheduled to be paid on 19 November 2015
- All-in interest rate (post-hedging) for the hedged portion of RM1,350mn is 5.4467% while balance unhedged of RM450mn stood at 5.1600% (variable floating rate based on cost of funds)
- Back ended amortisation schedule, with average life of 7 years and has final maturity date of 19 May 2021

### Finance lease (primarily satellite transponders)

- Finance lease related to lease of Ku-band transponders on MEASAT-3 and MEASAT-3A. Payment arrangement for the remaining contractual years have been redenominated into Ringgit at USD/RM 3.0445 w.e.f. 21 May 2013
- Effective interest rate: 6.2% and 12.5% p.a. for M3 and M3A, respectively
- Average life: 15 years