

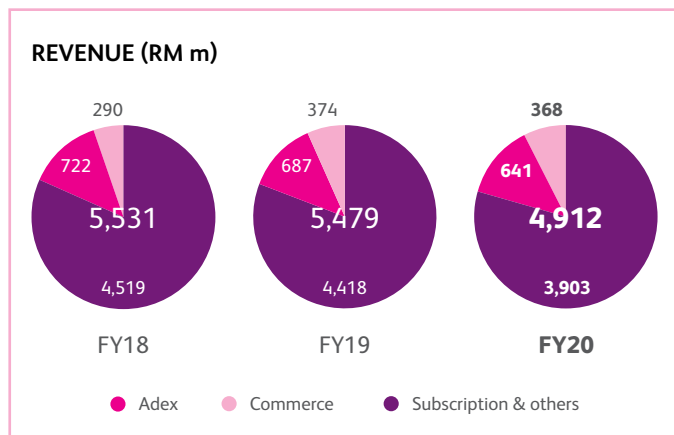
Group Financial Review

Amid the fluid and challenging operating landscape, Astro’s vision is to be the Entertainment Destination for Malaysians, acting as a gateway to Malaysian homes and individuals. FY20 was focused on deepening home engagement through our core offerings of Pay-TV, NJOI and broadband and broadening reach to individuals through our radio, commerce, streaming services and digital brands.

The Malaysian economy was relatively subdued, posting a GDP growth of 4.3% in 2019 as inflation remained at 0.7%, and the bellwether Consumer Sentiment Index dropped by 15 points to 82 points, reflecting lower overall confidence and readiness to spend.

EARNINGS

Revenue



FY20 revenue moderated by 10% to RM4.91 billion due to headwinds stemming from the tepid consumer backdrop, causing customers to reallocate spend accordingly alongside increasingly fierce competition, legal or otherwise. Revenue diversification efforts are centred around adex, commerce, broadband, theatrical, licensing, production revenue and NJOI, anchored by our reach to Malaysian homes which remains strong at 75% household penetration. While subscription revenue declined by 10%, ARPU increased marginally to RM100.0 in FY20 as we prioritised profitable customers, introduced content-broadband bundles and launched the Ultra Box that offers an enhanced viewing experience for customers including 4K UHD and Cloud Recording.

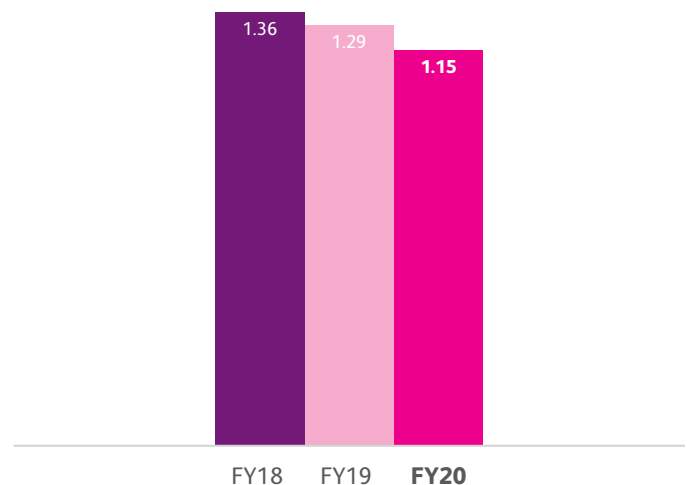
Adex revenue was down 7% to RM641 million, affected by the contraction in the Malaysian advertising industry that recorded a decline of 2% in FY20. Astro registered adex share of 80%, up four percentage points, underpinned by record listenership of 16.9 million weekly listeners on terrestrial radio and a further 3.0 million monthly users on digital. Meanwhile, share of TV adex and digidex stood at 43% and 4% respectively.

Amid muted consumer sentiment, our home shopping business Go Shop remained resilient, with revenue of RM368 million. The number of buying customers increased by 5% in FY20 as Go Shop expanded its presence to FTA, while softer sentiments resulted in a slight reduction in customers’ basket size. Encouragingly, Go Shop posted its highest quarterly revenue to-date of RM100 million in the final quarter of FY20.

EBITDA

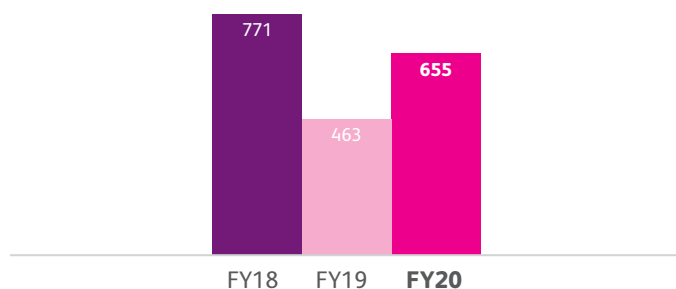
Our EBITDA rose by 7% to RM1.72 billion and EBITDA margins expanded by six percentage points to 35%, underpinned by disciplined cost optimisation and improved operational efficiencies. Content, technology and operational commitments continue to be reviewed and renegotiated, with savings being redeployed to identified key business opportunities. FCF was healthy at RM1.15 billion in FY20.

FCF (RM b)



PATAMI

PATAMI (RM m)

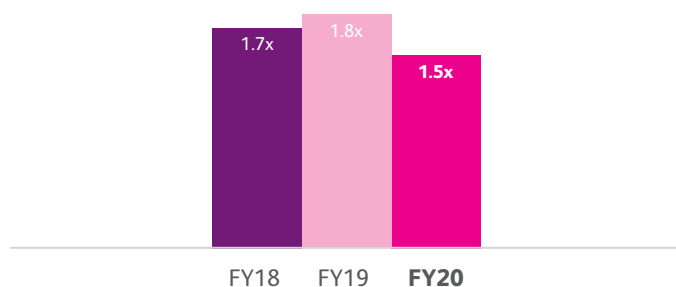


PATAMI grew by 42% to RM655 million driven by higher EBITDA, reduced net finance costs and a four percentage point improvement in the effective tax rate to 25%. Net finance cost dropped by 25% to RM210 million as we benefited from favourable unrealised forex movements on USD-denominated transponder-related lease liabilities. Meanwhile, the lower effective tax rate resulted from ongoing efforts to streamline operations and improve tax efficiency as well as the strategic review undertaken in FY19 which led to the discontinuation of certain loss-making digital businesses in the same year. Consequently, earnings per share improved from 8.9 sen to 12.6 sen per share.

FINANCIAL POSITION

Assets & Liabilities

NET DEBT/EBITDA

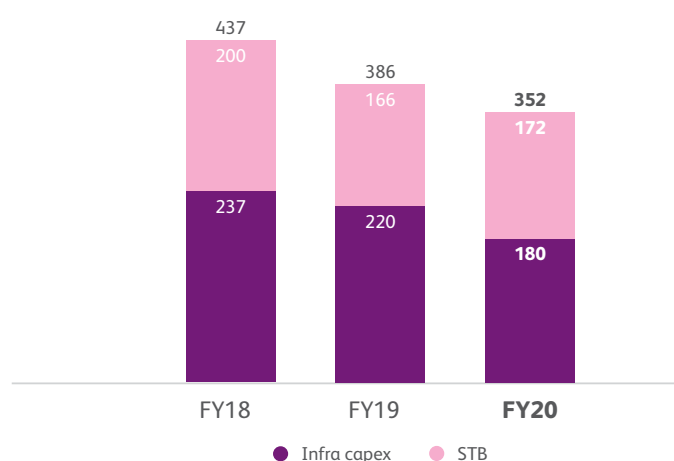


Total assets decreased marginally by 1% to RM6.20 billion and total liabilities declined by 6% to RM5.26 billion, attributable primarily to a 15% drop in payables to RM1.42 billion. Trade payables fell in tandem with the reduction in operating costs, while other payables improved as the provision booked for the Employee Separation Scheme (ESS) in FY19 was utilised in early FY20. Overall, net assets

recorded a jump of 38% to RM939 million. Borrowings decreased 1% to RM3.52 billion while deposits, cash & bank balances, and unit trusts increased by 56% to RM985 million. Consequent to the reduction in net debt and uplift in EBITDA, net debt/EBITDA ratio improved from 1.8 times to 1.5 times.

Capex

CAPEX (RM m)



Total Capex decreased by 9% to RM352 million as we employed rigorous discipline in investing decisions, made possible by our ongoing journey to digitalise operations. Infrastructure capex was lower by 18% at RM180 million, applied towards enhancing customer experience and care, alongside a refresh of our broadcasting infrastructure. STB Capex investments increased by 4% to RM172 million as we launched the Ultra Box in November 2019 to enrich customers' viewing experience. Over one million households have connected STBs installed as at the end of FY20.

Prospects

Globally, businesses are facing unprecedented social and economic challenges brought about by the COVID-19 pandemic. Our Group has instituted our business continuity plans and has teams split across different sites and working from home. We are giving more content and changing content line up to keep informing and entertaining Malaysians.

We remain focused on strengthening our customer value proposition and loyalty, while pursuing deeper optimisation and stronger anti-piracy push, as well as leveraging our customer base to build new revenue adjacencies in commerce, broadband, digital and streaming services.

Operational and Financial Highlights

| | FY16 | FY17 | FY18 | FY19 | FY20 |
|--|-------|-------|-------|-------|--------------|
| Operational Results | | | | | |
| TV households ('000) | 4,818 | 5,121 | 5,489 | 5,713 | 5,697 |
| TV household penetration | 67% | 71% | 75% | 77% | 75% |
| ARPU (RM) | 99.3 | 100.4 | 99.9 | 99.9 | 100.0 |
| Share of TV viewership ⁽¹⁾ | 76% | 77% | 77% | 75% | 76% |
| Connected boxes ('000) | 313 | 507 | 804 | 1,003 | 1,005 |
| Weekly radio listenership (m) | 12.8 | 15.6 | 16.5 | 16.2 | 16.9 |
| Average monthly unique visitors (m) | 4.1 | 5.5 | 6.9 | 8.3 | 11.6 |
| Adex (RM m) | 640 | 705 | 722 | 687 | 641 |
| Go Shop registered customers (m) | 0.6 | 1.0 | 1.3 | 1.8 | 2.2 |
| Go Shop revenue (RM m) | 189 | 261 | 290 | 374 | 368 |
| Financial Results (RM m) | | | | | |
| Revenue | 5,475 | 5,613 | 5,531 | 5,479 | 4,912 |
| EBITDA | 1,941 | 1,817 | 1,820 | 1,605 | 1,723 |
| EBIT | 1,115 | 1,095 | 1,140 | 932 | 1,072 |
| PBT | 829 | 846 | 1,073 | 651 | 863 |
| PAT | 608 | 617 | 764 | 461 | 645 |
| PATAMI | 615 | 624 | 771 | 463 | 655 |
| FCF | 1,276 | 1,317 | 1,364 | 1,291 | 1,151 |
| Financial Ratios | | | | | |
| Return on invested capital ⁽²⁾ | 24% | 24% | 22% | 19% | 24% |
| Net debt/EBITDA (times) | 1.5 | 1.5 | 1.7 | 1.8 | 1.5 |
| Revenue growth | 5% | 2% | (1%) | (1%) | (10%) |
| EBITDA margin | 35% | 32% | 33% | 29% | 35% |
| PATAMI margin | 11% | 11% | 14% | 8% | 13% |
| Earnings per share (sen) | 11.8 | 12.0 | 14.8 | 8.9 | 12.6 |
| Dividend per share (sen) ⁽³⁾ | 12.0 | 12.5 | 12.5 | 9.0 | 7.5 |
| Financial Position (RM m) | | | | | |
| Equity attributable to equity holders of the Company | 601 | 623 | 654 | 585 | 856 |
| Total assets | 6,901 | 6,266 | 6,848 | 6,260 | 6,198 |
| Total borrowings | 3,805 | 3,406 | 3,965 | 3,571 | 3,522 |
| Net debt | 2,826 | 2,759 | 3,003 | 2,939 | 2,537 |

Notes:

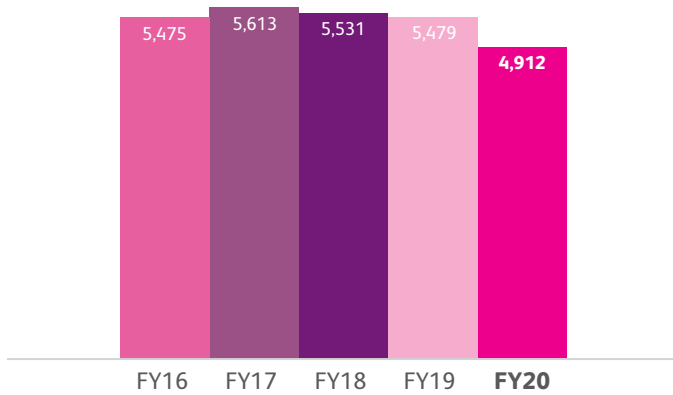
⁽¹⁾ Viewership share is based on Dynamic Television Audience Measurement (DTAM) deployed by Kantar Media

⁽²⁾ Formula based on EBIT metric

⁽³⁾ Dividend per share consists of interim and final dividends post-IPO in respect of the designated financial years

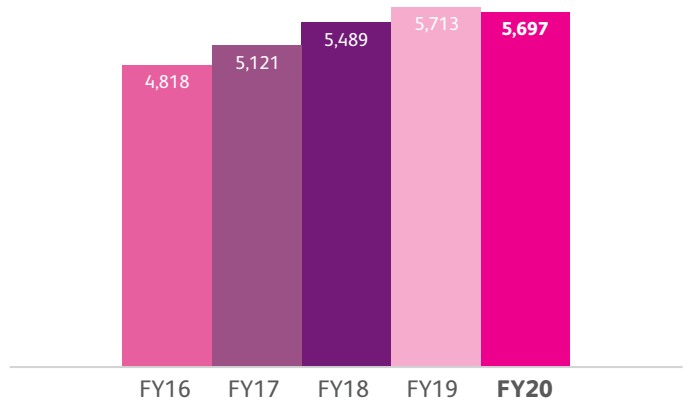
REVENUE

Financial Year Ended 31 January (RM m)



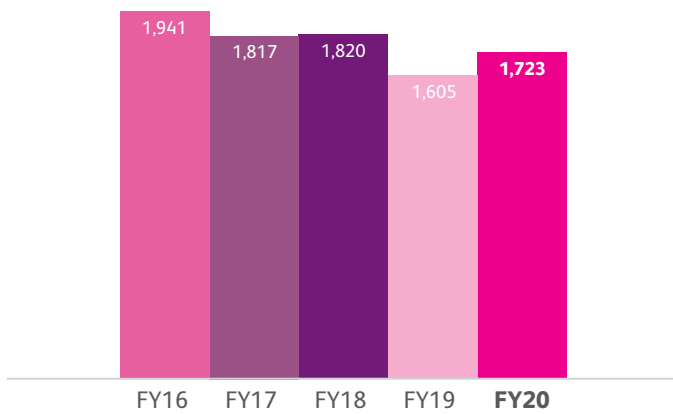
TV HOUSEHOLDS

Financial Year Ended 31 January ('000)



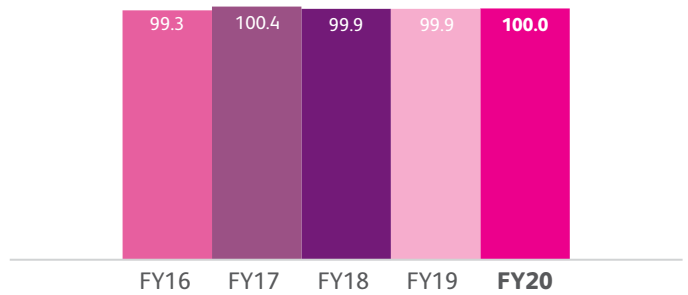
EBITDA

Financial Year Ended 31 January (RM m)



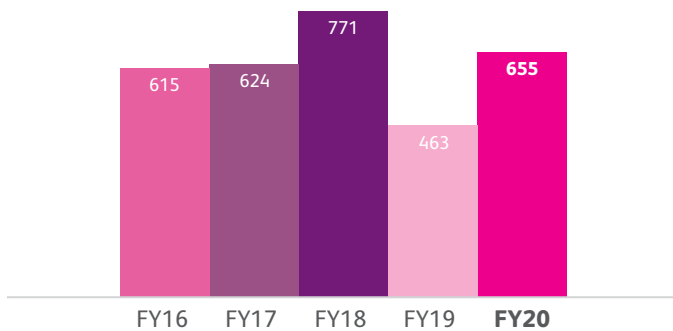
ARPU

Financial Year Ended 31 January (RM)



PATAMI

Financial Year Ended 31 January (RM m)



SHARE OF TV VIEWERSHIP⁽¹⁾

Financial Year Ended 31 January (%)

