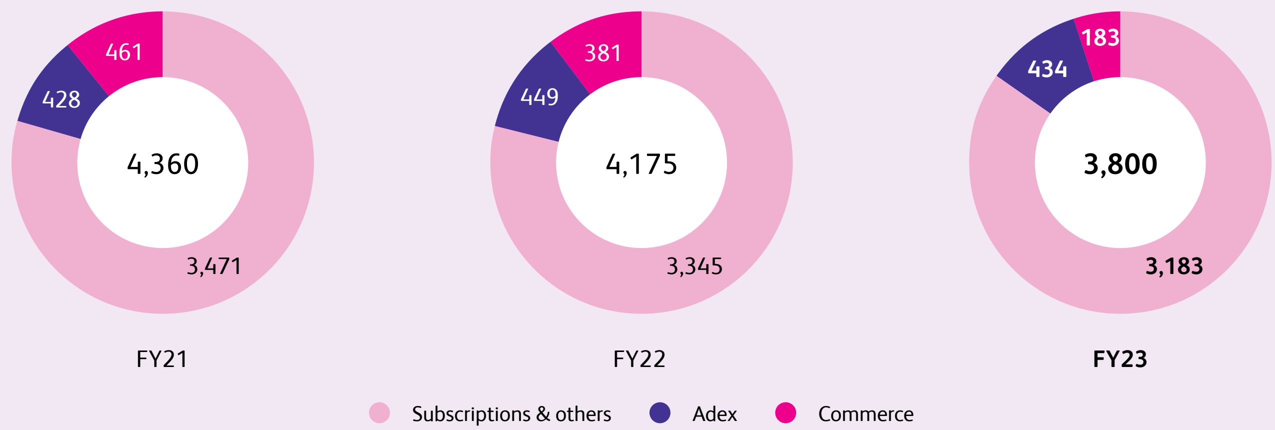
Group Financial Review

Revenue (RM m)



Weaker macroeconomic conditions seen in FY23 affected the post-pandemic recovery. Households and businesses were impacted by ongoing macro headwinds including inflation, interest rate hikes and geopolitical events leading to forex volatility and supply chain disruptions. The rising living costs hurt consumer wallets and reduced discretionary spend.

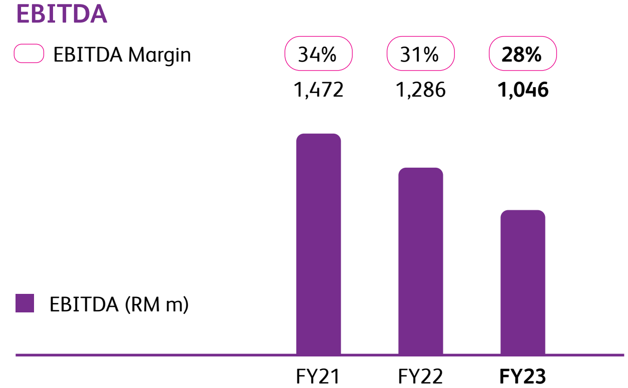
As a consumer-centric business, Astro's FY23 performance was also affected by continuing acts of piracy and structural changes in the media industry. Revenue softened by 9% to RM3.80 billion, primarily due to commerce as well as subscription and other revenue. This was cushioned by the growth in our enterprise and broadband businesses, buoyed by the recovery of the hospitality sector, and the launch of our own broadband service Astro Fibre, respectively. Our movies also did well, grossing RM102 million at the box office and cementing our position as the top film studio in Malaysia.

MAT ARPU was up RM1.00 to RM98.20 as customers opted for our new TV packs and bundled broadband for better value. A growing proportion of customers signed up for mid-level packs, which come bundled with global streaming apps, compared to entry-level packs. The majority also opted for the maximum 24-month contract duration to maximise savings.

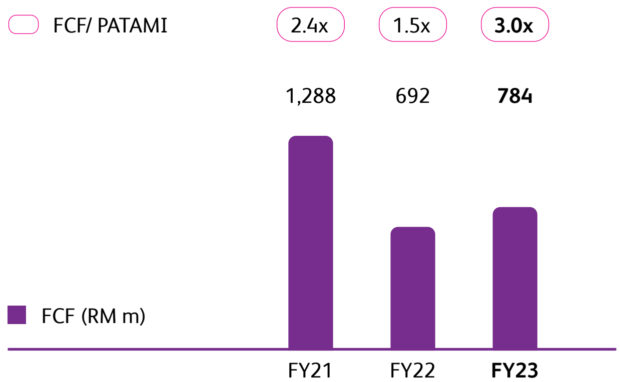
The aforementioned headwinds also hurt the recovery momentum of our advertising business, with revenue moderating by 3% to RM434 million. Advertising revenue was especially affected in the second quarter as the bellwether Consumer Sentiment Index dropped 23 points to 85.9, the lowest reading in 2022. Advertising picked up in the second half of FY23, underpinned by the premiere of our biggest hit signatures and Astro Originals such as *Gegar Vaganza* and *One Cent Thief*, World Cup 2022 and year end festivities, though impacted by the shorter window between Christmas and the Lunar New Year in mid-January 2023. Meanwhile, radex posted 17% growth in FY23 benefitting from a recovery in road traffic as Malaysia reopened. Digital adex grew by 7%, mainly attributable to the commercial rollout of Addressable Advertising service onto linear TV starting June 2022, with revenue growing steadily since. Our radex, TV and digital advertising share stood at 73%, 34% and 2%, respectively (FY22: 77%, 35% and 3%).

Meanwhile, Go Shop's revenue dropped by 52% to RM183 million as consumers reverted to physical shopping post-pandemic and limited discretionary spend amid cost of living concerns. Go Shop registered a loss before tax of RM36 million in FY23 (FY22: loss before tax of RM0.4 million). 53% of Go Shop's revenue is derived from digital platforms (FY22: 56%).

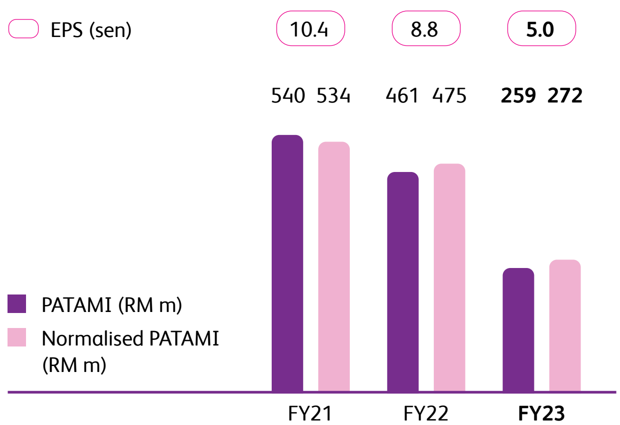
EBITDA



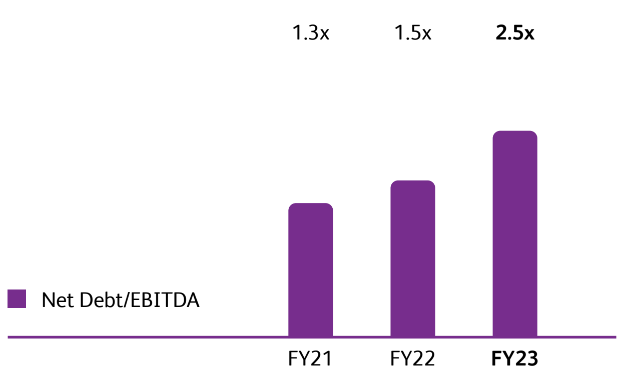
Free Cash Flow



PATAMI



Net Debt/EBITDA



EBITDA moderated by 19% to RM1.05 billion and margin eased by 3 percentage points to 28% due to lower revenue and higher content cost associated with a major sporting year, as the FIFA World Cup Qatar 2022, Birmingham 2022 Commonwealth Games and 2022 Winter Olympic Games were held in FY23. The drop in EBITDA margins was partly mitigated by disciplined cost control and operational efficiencies across major cost lines by leveraging technology and digital. We remained cash-generative with free cash flow growing by 13% to RM784 million in FY23, translating to 3.0x of FY23 PATAMI.

PATAMI moderated by 44% to RM259 million as a result of lower EBITDA, higher amortisation of software-related intangible assets, and an exceptional non-cash item in the form of an impairment charge on intellectual properties and goodwill pertaining to a non-wholly owned subsidiary. This was partly offset by reductions in the net finance cost and lower tax expense. Normalised PATAMI, which excludes unrealised forex gains or losses arising from USD-denominated transponder lease liabilities and exceptional item(s), likewise dipped by 43% to RM272 million. Overall, basic earnings per share eased 44% to 5.0 sen.

Our Group's tax expense was recorded at RM78 million (FY22: RM130 million) with effective tax rate of 27% (FY22: 22%). This was higher than the statutory tax rate of 24% mainly due to an increase in non-tax deductible expenses and unrecognised deferred tax assets, offset by an under-provision of deferred taxes in the prior year.

Net finance cost dropped by 22% to RM128 million primarily due to unrealised forex gains from unhedged USD-denominated transponder lease liabilities as the Ringgit appreciated in FY23. This was offset by a 14% increase in interest expenses, attributed mainly to the new MEASAT-3d transponder lease liabilities described further below.

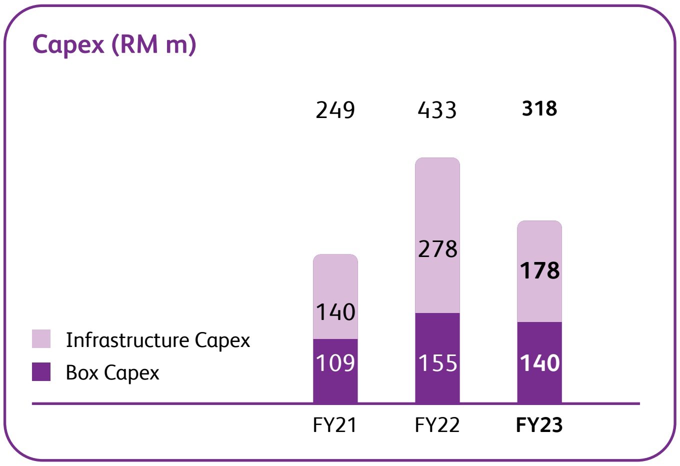
Financial Position

Assets, Liabilities & Funding

Total assets expanded by 7% to RM5.70 billion, primarily due to an increase in right-of-use assets as our Group took delivery of 12 transponders on the new MEASAT-3d satellite launched in mid-2022, offset by asset depreciation and the early termination of 6 transponders on the MEASAT-3b satellite. The MEASAT-3d satellite enables our Group to support more 4K UHD HDR channels and have full backup satellite redundancy. Unit trust, cash and bank balances also declined by 8% to RM669 million due to term loan repayments, while receivables fell 23% due to lower content prepayments.

Meanwhile, the increase in total liabilities by 12% to RM4.60 billion was mainly attributable to a 22% rise in borrowings due to MEASAT-3d transponder lease liabilities. This was partly offset by the paring down of transponder lease liabilities, term loans and vendor financing. Meanwhile, total payables also decreased underpinned by a reduction in payable turnover days. Consequently, net assets declined by 9% to RM1.10 billion and Net Debt/EBITDA ratio increased to 2.5x from 1.5x.

Consistent with our Group's usual practice, hedging of the foreign currency exposure arising from MEASAT-3d transponder lease liabilities using medium-term instruments commenced in FY23. We refinanced our USD150 million synthetic foreign currency loan upon maturity in November 2022 for a 7-year tenure. Our liquidity and financial positions, as well as funding opportunities, are regularly reassessed and reviewed to optimise capital efficiency.



Capex, comprising infrastructure capex and box capex, declined by 27% overall to RM318 million. Infrastructure capex, funded by cash, decreased by 36% to RM178 million as our technology roadmap was rephased in tandem with changing market conditions, with some outlay deferred to FY24. FY23 investments revolved around ongoing transformation initiatives to elevate customer experience on streaming and digital, set-top boxes (STB) functionality enhancements such as third-party app integrations, Addressable Advertising and data. The higher infrastructure capex in the prior year was also attributed to the build-out of our core network that took place prior to Astro's launch as an ISP in March 2023.

Box capex is funded by vendor financing and deployed for the purchase of STB and outdoor dish units to provide Pay-TV services, as well as broadband equipment to provide Astro Fibre services. A change in our box mix, with more of the cost-effective Ulti Boxes deployed in FY23, contributed to box capex dropping by 10% to RM140 million.

Outlook

Through the New Astro Experience, we are committed to realise our vision to be The Entertainment Destination for Malaysians encompassing:

- delivering the best content experience across all platforms;
- becoming Malaysia's No.1 aggregator of the best streaming and lifestyle apps;
- elevating local content with more premium Astro Originals for urban and younger viewers;
- seizing opportunities for adjacencies in digital, broadband and advertising; and
- leveraging digital, data and technology to reimagine our business models.

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FY24 will see us continuing to invest in our transformation for long-term and sustainable growth, focusing on content, broadband, streaming, Addressable Advertising, customer experience, data and technology to better serve customers.

The Group's strategic partnership with the Malaysian Football League (MFL) marks our re-entry as the official broadcaster of Liga Malaysia – Malaysia's top tier professional football competition. Remaining steadfast to our aspiration as Malaysia's Home of Sports, we will raise the production quality, drive better engagement and provide comprehensive coverage of the Liga Malaysia sporting franchise, giving fans the #DemiLigaKita experience they truly deserve. We expect this to be positive for the business going forward. With local content capturing 75% of customers' viewing share, we will also continue to expand our pipeline of Astro Originals, and signatures such as *Projek: High Council*, *Andainya Itu Takdir*, *Family Feud* and *Liar* to meet viewers' demand for high-quality local content.

The Group has aggregated 10 global streaming apps onto our flagship Ultra and Ulti Boxes and these are included in our Astro TV packs, providing the best big screen viewing experience for our customers, with more premium apps coming soon. We'll also be adding lifestyle apps, relevant for Malaysians in the near future. Focus will also be on scaling sooka, our freemium streaming service for younger cord-nevers that is available on both mobile and the big screen through its smart TV app.

The Group is now equipped with unified audience measurement on Linear and On Demand, and has recently augmented this measurement currency to include commercial establishments. We expect Addressable Advertising to gain traction as more advertisers tap into its capability to deliver targeted ads to specific individuals or households based on location, affluence and other demographics by leveraging Astro's first-party data. Meanwhile, Astro Fibre, our own internet service launched in March, has seen encouraging traction especially across broadband-content bundles, and was recently made available to enterprise customers. Bundled with our content packages, we expect Astro Fibre to continue growing into the future.

On 2 March 2023, Malacca's Magistrates' Court fined three individuals for selling illicit streaming devices (ISD) in the form of TV boxes pre-loaded with unauthorised Astro content. This follows the landmark anti-piracy case that Astro won in November 2022 against a commercial establishment in the Klang Valley area under the Copyright (Amendment) Act 2022. These rulings denounce content piracy as theft, illegal, and punishable by law, and are essential to create awareness and rightful content consumption behaviour. Ongoing efforts with authorities will continue and the Group expects results of these to be accretive over time.

Macroeconomic headwinds including slowing global growth, comparatively higher interest rates, and moderate but elevated levels of inflation; are expected to continue impacting households and businesses. The Group maintains a cautious outlook and will monitor business conditions, whilst prudently managing costs.

Our <Audited Financial Statements 2023> are accessible at corporate.astro.com.my/afs2023 or by scanning this QR code:

Operational and Financial Highlights

	FY19	FY20	FY21	FY22	FY23
Operational Results					
TV households ('000)	5,713	5,697	5,689	**5,588**	**5,490**
TV household penetration	77%	75%	74%	**72%**	**69%**
ARPU (RM)	99.90	100.00	96.90	**97.20**	**98.20**
Share of TV viewership[1]	75%	76%	73%	**72%**	**72%**
Connected STBs ('000)	1,003	1,005	1,020	**1,088**	**1,123**
Weekly radio listenership (FM and online) (m)[2]	16.2	18.0	17.0	**17.5**	**17.7**
Digital MUV (m)	8.3	11.6	14.0	**14.0**	**8.4**
Adex (RM m)	687	641	428	**449**	**434**
Go Shop registered customers (m)	1.8	2.2	2.8	**3.2**	**3.3**
Go Shop revenue (RM m)	374	368	461	**381**	**183**
Financial Results (RM m)					
Revenue	5,479	4,912	4,360	**4,175**	**3,800**
EBITDA	1,605	1,723	1,472	**1,286**	**1,046**
EBIT	932	1,072	876	**754**	**417**
PBT	651	863	693	**591**	**289**
PAT	461	645	528	**461**	**211**
PATAMI	463	655	540	**461**	**259**
FCF	1,320	1,176	1,288	**692**	**784**
Financial Ratios					
Return on invested capital[3]	19%	24%	22%	**19%**	**8%**
Net debt/EBITDA (times)	1.8	1.5	1.3	**1.5**	**2.5**
Revenue growth	(1%)	(10%)	(11%)	**(4%)**	**(9%)**
EBITDA margin	29%	35%	34%	**31%**	**28%**
PATAMI margin	8%	13%	12%	**11%**	**7%**
Basic earnings per share (sen)	8.9	12.6	10.4	**8.8**	**5.0**
Dividend per share (sen)[4]	9.00	7.50	8.00	**6.75**	**3.00**
Financial Position (RM m)					
Equity attributable to equity holders of the Company	585	856	1,078	**1,135**	**1,071**
Total assets	6,260	6,198	5,785	**5,325**	**5,701**
Total borrowings	3,571	3,522	3,013	**2,710**	**3,313**
Net debt	2,939	2,537	1,906	**1,983**	**2,644**

Notes:

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

(2) *Weekly radio listenership includes online listeners from FY21*

(3) *Formula based on EBIT metric*

(4) *Dividend per share consists of interim and final dividends in respect of the designated financial years*

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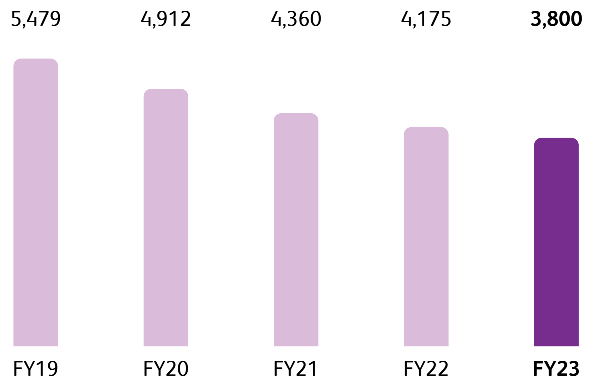
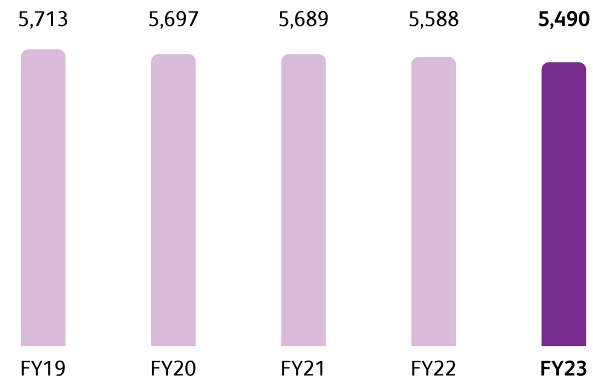
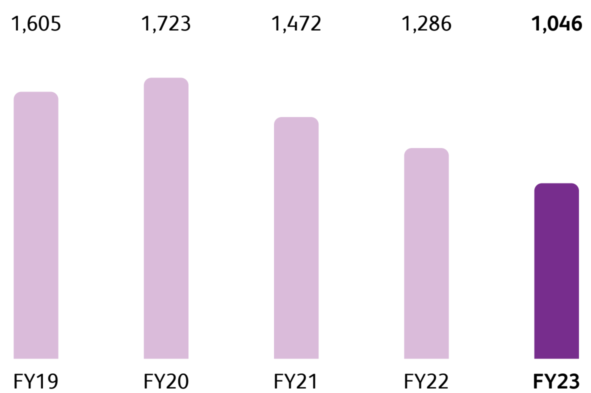
REVENUE
Financial Year Ended 31 January (RM m)



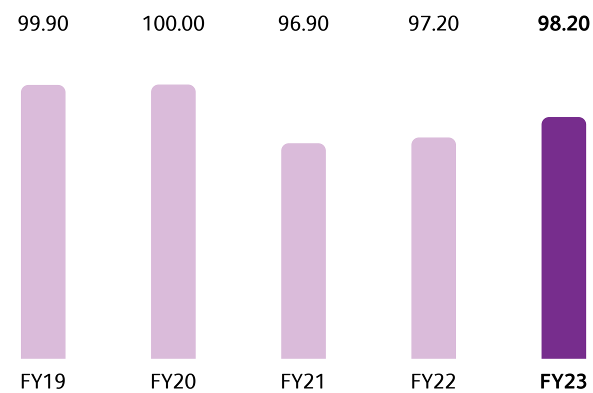
TV HOUSEHOLDS
Financial Year Ended 31 January ('000)



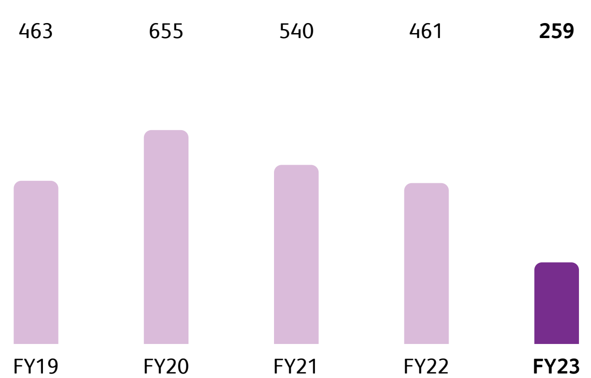
EBITDA
Financial Year Ended 31 January (RM m)



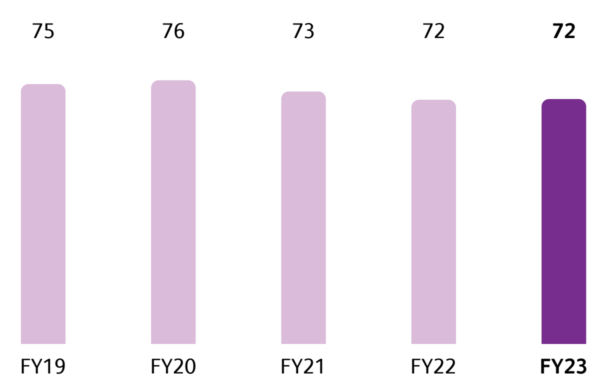
ARPU
Financial Year Ended 31 January (RM)



PATAMI
Financial Year Ended 31 January (RM m)



SHARE OF TV VIEWERSHIP[1]
Financial Year Ended 31 January (%)



Segmental Analysis and Quarterly Financial Performance

	FY22		FY23	
	RM m	%	RM m	%
Revenue				
Television	3,630	87	3,424	90
Radio	165	4	192	5
Home shopping	381	9	183	5
Others	0	0	1	0
	4,175	100	3,800	100
PBT				
Television	527	89	266	92
Radio	82	14	92	32
Home shopping	0	0	(36)	(13)
Others	(17)	(3)	(33)	(11)
	591	100	289	100

(RM m)	Q1	Q2	Q3	Q4	FY23
Revenue	962	921	926	991	3,800
EBITDA	315	283	265	183	1,046
EBIT / (LBIT)	186	167	130	(67)	417
PBT / (LBT)	127	127	(8)	43	289
PAT	96	95	3	17	211
PATAMI	100	98	6	55	259
FCF	144	287	129	223	784

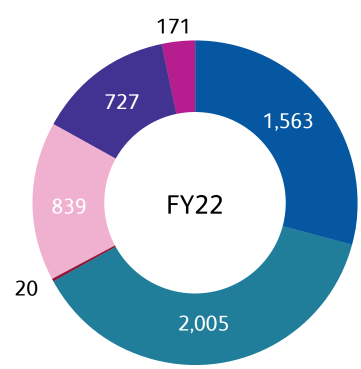
Note:
Numbers may not add up due to rounding differences

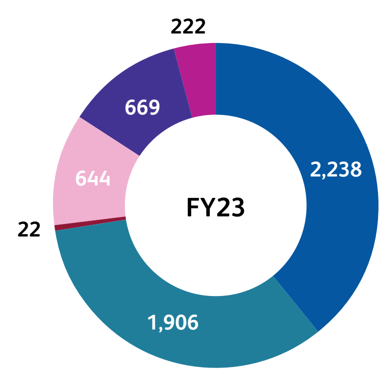
Simplified Group Statement of Financial Position

	FY22 RM m	FY23 RM m
Assets		
Property, plant & equipment & Right-of-use assets	1,563	2,238
Intangible assets	2,005	1,906
Inventories	20	22
Receivables	839	644
Deposits, cash & bank balances & Unit trusts	727	669
Others	171	222
	5,325	5,701
Equity & Liabilities		
Share capital	6,728	6,728
Reserves & Non-controlling interests	(5,524)	(5,630)
Equity	1,204	1,098
Payables & Other financial liabilities	1,152	993
Borrowings	2,710	3,313
Taxation & Deferred tax liabilities	94	84
Others	165	213
	5,325	5,701

ASSETS (RM m)

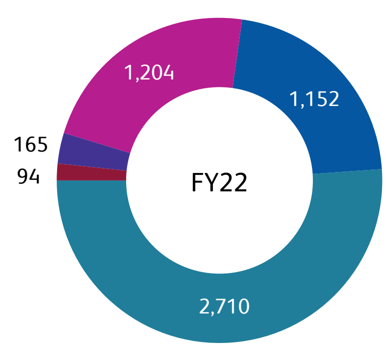
- Property, plant & equipment & Right-of-use assets
- Intangible assets
- Inventories
- Receivables
- Deposits, cash & bank balances & Unit trusts
- Others

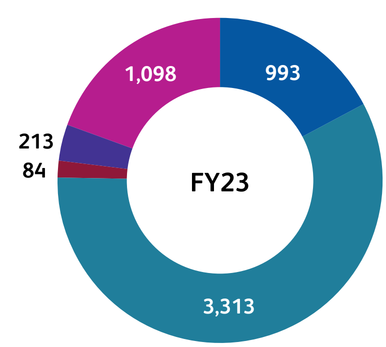




EQUITY & LIABILITIES (RM m)

- Payables & Other financial liabilities
- Borrowings
- Taxation & Deferred tax liabilities
- Others
- Equity



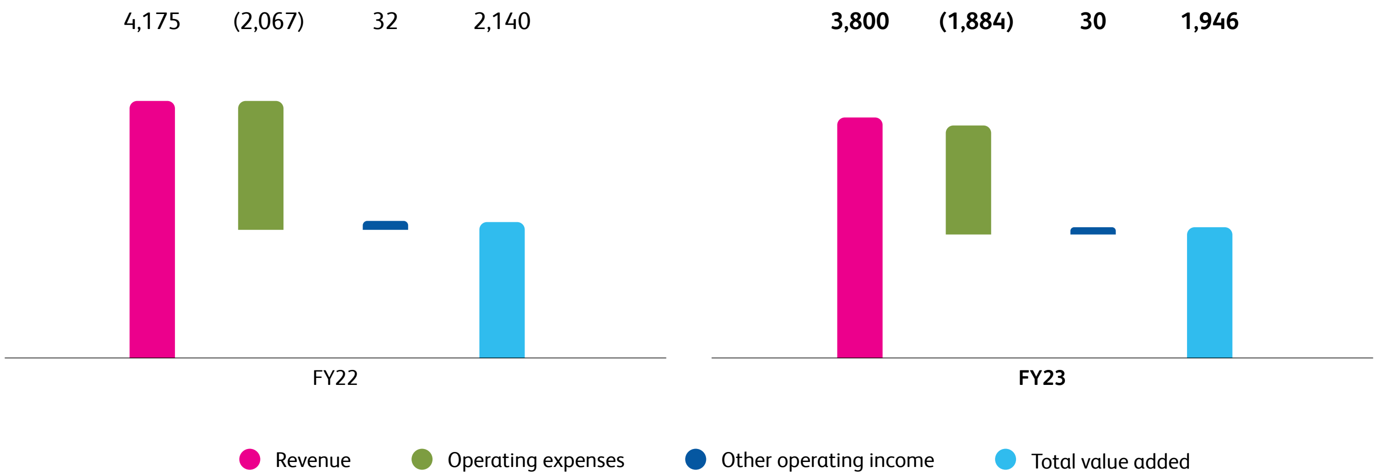


Statement of Value Added

	FY22 RM m	FY23 RM m
Value Added		
Revenue	4,175	**3,800**
Operating expenses	(2,067)	**(1,884)**
Other operating income	32	**30**
Total Value Added by our Group	2,140	**1,946**
Reconciliation:		
PAT	461	**211**
Add: Depreciation, impairment and amortisation	826	**936**
Interest expense	153	**175**
Government	153	**99**
Non-controlling interests	0	**49**
Staff costs	547	**476**
Total Value Added by our Group (Available for Distribution)	2,140	**1,946**
Value Distributed		
Employees		
Staff costs	547	**476**
Government		
Corporate tax	130	**78**
Regulatory	23	**21**
Providers of capital		
Dividends	443	**274**
Interest expense	153	**175**
Non-controlling interest	0	**49**
Reinvestment and future growth		
Depreciation, impairment and amortisation	826	**936**
Retained earnings	18	**(63)**
Total Distributed	2,140	**1,946**

VALUE ADDED

Financial Year Ended 31 January (RM m)



VALUE DISTRIBUTED

Financial Year Ended 31 January (RM m)