

GCEO's Statement

Dear Shareholders,

In a world of turbulence, Astro's ambitious transformation agenda continues apace. Work is progressing across each of our key strategic priorities as we navigate the evolving market terrain and global shifts in consumer patterns, technology and digital ubiquity. Post reductions in our legacy costs, and after listening closely to customer feedback, this year we have been able to reshape our offerings. Each of our three distinct video products has been reset to attract new customers, empowering individuals and families to better decide on which service suits their needs. In tandem, we have continued our focus on supplementing income through adjacent revenue streams and driving down further our cost base, enabling us to lower the entry price of our services and be competitive against global peers.

Euan Smith
Group Chief Executive Officer



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FY25 saw Astro's revenue from continuing operations moderate by 8%, reflecting our active transformation phase and a tepid economic backdrop compounded by cautious consumer spending. Cost-of-living challenges continued to affect consumers negatively, while global geopolitical uncertainties caused ripple effects on both Malaysia's business and consumer sentiment. Full details of our performance can be found in the Group Financial Review on pages 148 to 150.

Astro had three key priorities in FY25, each set in motion to address these challenging external conditions and to remodel Astro from our previous state as a linear, satellite, legacy business to one that is on-demand, digital and streaming, with much reduced capex and opex. These priorities will continue to be our key objectives through FY26.

Priority 1: Tracking well on attracting new customers

Growing new, paying customers across all three of our video products (Pay-TV, sooka and NJOI) is crucial to support revenue and advertising growth over the long term. We have delivered on this ambition across all three products in FY25. Pay-TV gross customer additions (gross adds) are up 52%, the highest level in four years and the first time in over a decade that our gross adds are growing year-on-year. sooka's VIP paying customers have doubled, while NJOI's paying customers have increased by over 40%.

Overall, this performance resulted in an 83% reduction in net video customer losses in FY25, a significant reversal that signals our strategies are starting to work.

We are optimistic that our video customer base will stabilise in the near future, underpinned by better product value propositions that cater to a wider range of customers, and supported by the growing share of local content in our customers' viewing time.

The gross adds improvement we see in Pay-TV is driven primarily by more affordable entry packs and an increase in the volume and diversity of content in lower tiers, with popular franchises such as TVB and Liga Malaysia now available to all subscribers. As a result, Pay-TV ARPU is down marginally, by design, to RM98.50. In encouraging news, FY25 saw the highest growth of new Chinese subscribers in the last four years and an increased return of lapsed customers. Ongoing efforts to acquire customers in relatively untapped suburban areas and newer townships such as Sekinchan and Pandamaran have also contributed significantly to the general upwards trend.

We hope the new Astro One Pay-TV packs launched in December 2024 will continue the momentum that we have seen in increased customer acquisition. Comprising three simple, value-for-money packs starting from under RM50, Astro One represents a fresh way to enjoy entertainment. The packs simplify the customer's decision process, bundling an increased amount of international, regional, and Malaysian content with the key streaming apps, while providing other apps and broadband as flexible add-on options. The Astro One packs fully reflect the breadth of Astro's offering, including over 100,000 shows On Demand, the 16 streaming apps that are now integrated into our Ultra and Ulti Boxes, and Astro GO available whenever a customer is out of home. Designed to facilitate a fast purchase decision, Astro One represents a strategic move to grow new customers while staying mindful of the financial pressures that Malaysian households continue to face.



sooka

**STRIM SUKAN LIVE
DAN HIBURAN TERBAIK**

Muat turun dan strim percuma sekarang

Imbas Kod Di Sini

sooka doubled its VIP paying base in FY25, becoming the fastest-growing OTT platform in Malaysia

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Astro's Kelas Tahanan Cikgu Hiragi, a local spin on Nippon TV's Mr. Hiiragi's Homeroom, stormed the charts with 5.9 million viewers and pulled 7,000 fans on-ground, flexing Astro's ability to adapt global hits with local swagger

Elsewhere, the team is pleased to witness robust growth in both sooka and NJOI. These services serve as compelling alternatives for both lapsed Pay-TV subscribers and those who wish to consume our great content slate via prepaid options. sooka charted record growth in FY25, with customer satisfaction and user engagement up, and monthly active users (MAU) growing 12% to over 1 million. sooka's unique proposition as the only standalone app in Malaysia to offer a suite of live sports and Astro's original local content, enabled it able to buck the trend of muted over-the-top (OTT) industry growth. In a year when the majority of the market stagnated, sooka's competitive pricing, longer-term passes, new digital payment options and an increasingly strong partnership ecosystem of 20 leading brands, saw it add a robust number of new subscribers.

data.AI now ranks sooka as the fastest-growing OTT platform in Malaysia, outpacing major competitors and cementing its position as a key player in the streaming landscape. sooka is set to scale further as we refine its partnership and marketing model, and having recently overhauled the app with new features such as optimised bitrate profiling, voice search, live pause and an artificial intelligence (AI) chatbot. It is also encouraging to note that more advertisers are embracing sooka, with its adex up fivefold, albeit from a modest base.

Equally, NJOI continues to have high appeal with a segment of the Malaysian market. Realignment of the content choices within packs resonated well with customers in FY25, leading to a healthy increase in both usage and monthly prepaid pack sales.

Compelling local content grips viewers

As we wrap up FY25, it is clear that the strength of our content is the foundation upon which our transformation sits. Our compelling storytelling and local hits have once again deepened audience engagement and remains the key factor in attracting Malaysians to Astro.

Local and vernacular shows were the most viewed, accounting for 79% of Astro's watch time in FY25. This represents a significant 15 percentage point jump from 64% just 5 years ago and confirms our role as the nation's leading storyteller.

To meet the growing appetite for local stories we continue to produce over 10,000 hours of new content annually, with investments into local shows made on the basis of their exclusivity, compelling storylines and engagement levels.

Our production expertise and strong integration with the Malaysian creative ecosystem fuels our ability to deliver successful shows at scale, whether that be live signatures, Astro Originals, dramas, local sports, news, or children's content. Our new formats and captivating content increasingly include 360° engagement that goes well beyond the screen, to radio, to ground events, and into the vibrant social media/digital space. It is worth noting that almost 80% of Astro's overall TV adex is derived from our local shows and channels.

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Our content is king. In FY25, *Gegar Vaganza S11* captivated audiences as Malaysia's No. 1 TV show. Astro also produced all of the nation's Top 3 dramas in 2024 with *Andai Tiada Dia* claiming pole position as Malaysia's No. 1 drama. Our Astro Originals *Project: Exit* and Vinmeen Exclusive *Pasanga S2* were also stand-out performers, captivating On Demand viewers.

Cross-pollination of such content is becoming evident, with our premium Astro Originals being viewed beyond their traditional audiences. For example, non-Chinese viewers made up half of those watching *The Great Resonance On Demand* (which featured Hong Kong stars Michelle Yim and Shek Sau). 20% of those watching *X-Change* and *Kiblat Ke Syurga* via On Demand were non-Malays. This is a pleasing trend, as it means Astro can achieve more with its content budget given that our shows are increasingly transcending the typical demographic boundaries.

Astro's storytelling also resonated well beyond the confines of homes and gadget screens. Our movies collected RM121 million at the box office in FY25, up 10% and representing an extraordinary 71% of the local film market share. We co-produced and partnered in all of the Top 5 local Malaysian movies in 2024, including *Sheriff*, Malaysia's No. 1 film. *Sheriff* outgrossed all Hollywood and international movies, even *Deadpool & Wolverine*, collecting RM64 million at the box office en route. In another critical success, our film *The Experts* was screened at the 2024 Shanghai International Film Festival.

We are accelerating efforts to create breakthroughs to reach the global audience via licensing deals with streaming apps such as Netflix and Amazon Prime Video for Astro Original titles, including *One Cent Thief* and *Project: High Council*, and films like *Gold*. FY26 will see us premiering another strong slate of films including *Khawarij*, *Magik Rompak*, *Papa Pipi*, *Wantugo* and our Malaysian superhero saga *Keluang Man*, a bold reimagining of Malaysia's comic book legend.

Alongside our local content powerhouse, we continue to supplement Astro's broad appeal by offering the cream of regional and international content, increasingly via apps on the set-top box (STB) as well as traditional channels. In FY25, we renewed several key deals with third parties, including Sun TV and HBO/Warner Bros. Discovery, and were pleased to welcome both Max and Simply South apps to our platform. We also recently added Amazon Prime Video and Sun NXT.

Sports remains our other key content pillar. Astro is Malaysia's Home of Sports, delivering comprehensive coverage of the world's blue-ribbon football, badminton, golf, tennis and other sporting events. In FY25, we renewed our exclusive broadcasting rights for both the Premier League and the Emirates FA Cup rights through 2027/28, while also airing UEFA Euro 2024, the Paris 2024 Olympic Games, and Copa America. As the only local broadcaster with an on-ground presence during the Paris Olympics, Astro brought a Malaysian flavour and behind-the-field stories of our athletes to the coverage excitement.



JDT clinched the Piala FA title, besting Selangor in the most-watched MFL showdown of 2024 with 1.2 million peak rating

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Closer to home, more than 9 million people watched our second season coverage of Liga Malaysia, the nation's top flight professional league. All matches from Liga Malaysia are now in HD, with 10 key matches, including the finals of the Piala FA Cup and Piala Malaysia, available in UHD and Dolby Atmos. We launched the Liga Malaysia Fantasy League (Ultimate Super Liga Fantasy) and the sooka Score Predictor in FY25 as part of our gamification efforts. Additionally, Astro customers have access to exclusive rewards, including the opportunity to win match tickets and meet their favourite footballers, further enhancing fan engagement and customer loyalty.

Alongside, we are also working to regionalise traditional sports such as sepak takraw and netball. By tapping into local cultural pride, fostering community involvement and monetising local sports franchises through sponsorships and media rights, our ambition is to see these sports thrive in a way that benefits both fans and the broader ecosystem, ultimately leading to long-term sustainability and growth for these traditional sports that are loved by Malaysians.

Astro Studios, launched in early 2024, houses the world-class creative and production expertise that underpins our ability to consistently create hit shows. Astro Studios positions us on the global stage by offering a world-class integrated suite of broadcast production, post-production and visual design services, targeting content creators in both Malaysia and across the world. Our decision to invest and expand signals

Astro's intent to further diversify our business portfolio, propel our nation's creative industry to greater heights and become a high-quality content hub for the region. We were pleased, in FY25, to be able to support a number of international shoots.

Priority 2: Accelerate adjacent businesses

Our adjacent businesses continue to show momentum. Enterprise, Astro Fibre broadband, Addressable Advertising and sooka (which I have covered above), are each unlocking significant opportunities to meet a wider range of customer needs. Having grown these businesses in FY25, the focus is now on increasing our execution cadence for each of these business lines.

First, Enterprise. Revenue improved by 10%, with both our customer base and ARPU growing. This performance is underpinned by the strong uptake of our customisable BizOne commercial packs in a landmark sporting year, and by more effective anti-piracy initiatives.

Astro Fibre, our broadband offering, continued to demonstrate robust growth. Its subscriber base expanded by 7%, a commendable performance amid very intense competition that saw other internet service providers (ISPs) giving away free devices and subscriptions. Our 500Mbps bundled offer priced at RM90 is working well for us with the majority of our new Fibre customers opting for same. Via Astro One, we continue to heavily promote broadband to our existing base as well as new customers; the value benefit is clear.

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Our GCEO briefed Minister of Domestic Trade and Costs of Living, Datuk Armizan Ali, on the ripple effects of digital piracy, including data breaches and online scams, at an IP protection forum

Regarding advertising, we are into Year 3 of our Addressable Advertising service that offers digital style audience targeting on TV and devices, based on demographics, lifestyle and specific interests. Addressable revenue grew 17% on the back of increased inventory and awareness. It is pleasing to note that micro, small and medium enterprises (MSMEs) and government agencies have started using this service after learning the advantages of targeted household advertising.

We maintained our radex market leadership, with Astro's radio brands sustaining their No. 1 position across all four major languages in GfK's biannual radio surveys. The TV adex landscape meanwhile remains challenging, as global brands scale back their expenditures in response to ongoing cost controls, and shifting consumer dynamics that include lingering boycott sentiment. The cautious approach being taken by many multinationals reflects the economic uncertainties and evolving priorities of advertisers. In response, we have identified MSMEs and local brands as key growth areas. Given that our TV adex revenue is predominantly derived from our own original shows, we can offer a significant competitive advantage in placement, sponsorship and affinity campaigns.

Additionally, our ability to execute unified campaigns across all platforms and leverage Astro's extensive talent roster positions us uniquely to engage the entire Malaysian audience across TV, radio, digital, and at on-ground activations. Brands continue to trust us to deliver high-impact, targeted solutions. In an era of intense competition and deep discounting, we are experimenting with novel and innovative approaches to differentiate our adex offering. This includes repurposing scenes from our shows and movies into advertisements, a strategy that has encouraged investments and sponsorships from leading consumer brands, including for our movie titles such as *The Experts* and the upcoming *Keluang Man*.

Overall, though adex revenue moderated by 16% in FY25, it staged a recovery in the second half of FY25 driven by sporting tentpoles, the heavy premiere of our Astro Originals, signatures and shows, and the bumper year-end festivities that included Chinese New Year at the tail end of January 2025. We hope our revamped video offerings under Priority 1 will continue to be positively received and attract more new customers which will help to further drive adex.

Priority 3: Cost reduction progresses

Efforts around cost continue, with our overall cost base down by circa 8% in FY25 despite parallel investments to acquire new customers and grow new businesses. In particular, proactive measures to reduce legacy costs are helping ensure that our offerings remain competitive in the face of increasing pressure from OTT platforms and piracy.

Major cost savings in the year included lower employee costs resulting from the headcount reduction achieved post the FY24 voluntary separation scheme. Our cost to serve dropped significantly as a result of our customer relationship management system re-platforming, other technology initiatives, and the mid-year retirement of the M3a satellite. Advancements in compression technology and delivery of more content via On Demand have allowed us to reduce transponder capacity and its associated costs.

Additionally, we continue to integrate machine learning and automation into our operations, and are well progressed on the implementation of a range of initiatives to adopt AI within our businesses.

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Elsewhere, marketing spends have been judicious despite the focus on customer acquisition. Multiple renegotiations have also gained savings in overall content cost despite it being a bumper sporting year, with hedged USD rates higher than FY24. It is important to remember that as the team works to remove legacy costs, we are also concurrently investing to digitalise and grow our adjacencies. As a result, Astro is in a period of transition with legacy and new cost bases running concurrently. Naturally, legacy costs will taper as time passes.

ESG

In tandem with the meaningful foundation work we do via Yayasan Astro Kasih, Team Astro continues to embed sustainability throughout our operations and execute on our decarbonisation plan. As our Chairman shares, given that we are well on track to achieve our Carbon Neutral 2040 target, we are now expanding our ambition to the next step - Net Zero 2050. As a responsible business, we are committed to disclose sustainability- and climate-related financial information to IFRS S1 and S2 standards by FY27, in line with Bursa Malaysia's requirements.

We were pleased to learn that FTSE Russell now ranks Astro in the Top 1% of media companies globally. Our ESG score is up by 20% to 4.1 (out of 5) based on our strong environmental efforts and we have been a consistent member of the FTSE4Good Bursa Malaysia index since its inception. Sustainalytics also assessed us to be Low Risk with an ESG score of 13.2.

Externally we continued to deploy our media platform as a Voice for Good and unifying force, echoing our business strategy to produce high-quality content for the audience. In partnership with the UNGCMYB, we launched the Forward Faster Louder programme to showcase impactful ESG stories to inspire positive change nationwide, highlighting Malaysia's leadership in sustainability through diverse narratives from individuals and businesses who are accelerating efforts on specific United Nations Sustainable Development Goals (UNSDG) by 2030.

For the seventh year running, the Reuters Institute named Astro AWANI as the most trusted news brand in the country. AWANI's mandate is to provide access to free, reliable and unbiased news to everyone. It showcases engaging sustainability dialogues to motivate the community to take meaningful action toward positive environmental and societal change.

Wider still, our Rimba Kita climate advocacy initiatives in FY25 included our second Rimba Kita Run in November 2024, which surpassed last year's event in terms of turnout, engagement and the amount raised for charity.

And on the production side, we are now deploying remote production/shoots and XR technology to create immersive virtual sets, allowing us to reduce our carbon footprint by minimising travel, operational and staging needs. Our work on the audio description feature makes our dramas more accessible to visually challenged Malaysians, so they can share in the richness of local storytelling.

At Astro, we believe a strong talent base forms the backbone of a company. We are committed to hiring, upskilling and retaining the best talents that will propel Astro forward. This includes a comprehensive learning and development programme (which we augmented again in FY25), a robust internship scheme and a vibrant Astro Young Trainee programme. In addition, as part of our 'Education for All' ESG Pillar, our Yayasan just awarded 13 tertiary scholarships to bright and deserving individuals from B40 households, adding to the seven awarded in FY24.

We also take great pride in nurturing onscreen local talent such as Nadhir Nasar. Nadhir's promising career began with his victory in *Hero Remaja 2020*, leading to roles in the popular *Project: High Council* and most recently as the titular character in our FY25 hit show *Kelas Tahanan Cikgu Hiragi*. Hael Husaini won the 'Best Theme Song' award at 2024 Asian Academy Creative Awards for *Diam*, a song he wrote and performed. It is our hope to keep nurturing more Nadhirs and Haels to elevate Malaysia's talent pipeline and bring us closer to a global content breakthrough.

Overall, in keeping with our position as part of the fabric of Malaysian society, Team Astro is more than pulling our weight on ESG.

Anti-Piracy efforts gain momentum

At Astro, every story we tell is a celebration of creativity and collaboration, but behind the screen lies an ecosystem of creators, talents, and businesses whose livelihoods depend on fair play.



MeleTOP, our flagship entertainment show, is shot entirely using XR technology



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At the UNGC Forward Faster Now forum, our GCEO shared how the power of media can accelerate Malaysia's ESG journey through storytelling that sparks action

Piracy has become an existential threat to the entire Malaysian content industry. We are not shying from the fight and have made good progress in the judicial and legislative spaces in FY25. Malaysian courts awarded statutory damages to Astro for the first time, alongside heftier fines, against ISD sellers and F&B outlets who were found to have streamed illegal content on premise. In the year, our enforcement efforts yielded over RM1 million in fines, settlements and legitimate subscription gains from legal actions, covering civil and criminal cases against piracy, illegal streaming, and non-compliant enterprises. In November 2024, we published our inaugural anti-piracy report card to provide a transparent account of our success and ongoing progress in this crucial sphere.

In January 2025, we won a second statutory damages award of RM175,000 from a pool cafe that was found guilty of copyright infringement by illegally streaming Premier League matches. This victory followed Astro's first RM75,000 statutory damages award in November 2024 against a local bar, setting a significant legal precedence that we can now take forward.

Since 2024, we have removed an incredible 580,000 illegal links across various platforms, including social media, mobile apps, and e-commerce sites. We have successfully shut down 327 Telegram groups with over 12 million subscribers that were sharing pirated shows. A recent landmark operation between Astro and the Royal Malaysian Police (PDRM) successfully dismantled a locally operated illegal content server farm, with the operator pleading guilty to criminal charges of copyright infringement.

Our advocacy efforts continue to drive meaningful conversations on content protection. We have consistently highlighted the risks of ISD, and in line with broader industry concerns, the Communications and Multimedia (Amendments) Bill 2024 was gazetted in February 2025. This bill introduces criminal penalties for piracy using ISD, making it easier to take illegal box and app sellers to task.

Astro continues to work closely with other enforcement agencies as well as regional entities in the ongoing fight against digital piracy. The criminals must not prevail.

Together as One

Astro remains resilient as we continue our transformation, repositioning ourselves to sustainably compete in this era of small screens, user generated content, streaming and digital. Beyond content, our broadband and enterprise segments are gaining ground, supporting our drive to adapt and diversify. Our affordable offerings look well placed to appeal to consumers as cautious spending remains a key priority for families and businesses.

The changes in this industry we love are seismic. Yet our focus remains sharp: to grow new customers, strengthen adjacent businesses, and reduce legacy costs. These pillars will guide us into FY26 and beyond as we reshape Astro to thrive in the future.

In closing, as always, I would like to extend my sincere gratitude to our esteemed customers, shareholders, business partners, regulators and stakeholders for your loyal support and faith in Astro. To all the team at Astro, I have nothing but deep appreciation for your tenacity, passion and commitment in driving our ambitious transformation blueprint forward. Let's keep accelerating our positive momentum, Together as One, to make Astro Malaysia's No. 1 Entertainment and Streaming Destination.

Euan Smith

On behalf of Team Astro