

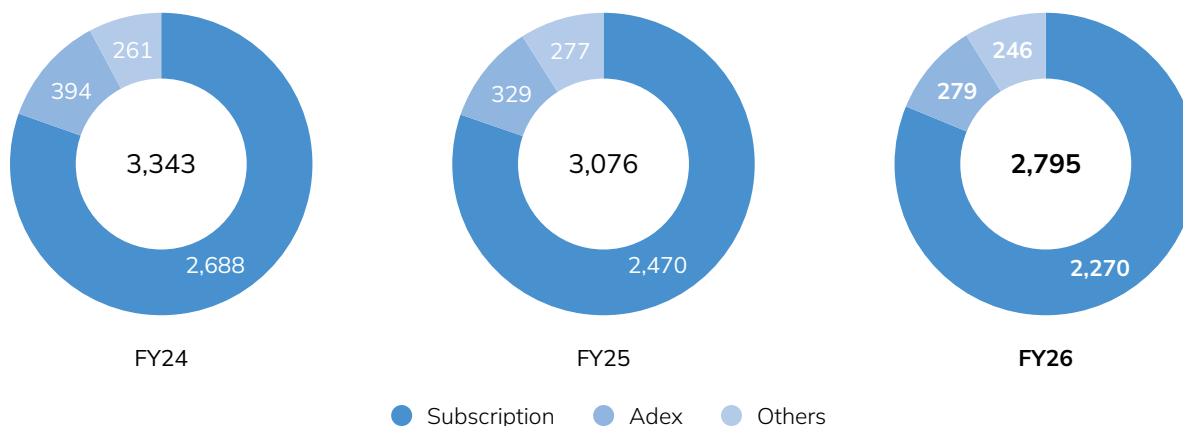
Group Financial Review

In 2025 (FY26), Malaysia's retail industry recorded growth of 2.1% (FY25: 3.8%), falling short of the earlier 3.6% estimate. Retail Group Malaysia (RGM) noted that consumers remained careful in their spending, prioritising good value offerings at reasonable price points. RGM targets an annual growth rate of 4.0% for 2026, but notes that the projection does not yet account for the near-term impact of the ongoing Middle East crisis on Malaysians' cost of living. Meanwhile, Bank Negara Malaysia expects GDP to remain resilient in 2026 amid ongoing fiscal consolidation and external uncertainties, as detailed in the Market Landscape section on pages 16 to 21.

Our Pay-TV business continued to execute targeted initiatives to strengthen value perception and improve customer accessibility, both of which are crucial in attracting cost-conscious consumers. Greater awareness of our streamlined, affordable Astro One TV packs along with strategies to drive customer acquisition efforts contributed to a 14% year-on-year growth in Pay-TV gross additions in FY26. Significantly, this marked the second consecutive year of gross additions growth after a decade of decline. Concurrently, our standalone OTT platform, Sooka, grew its VIP paying base by 44%, supported by longer-term pass options and the rollout of telco partnerships. The positive traction seen across our core video products, namely Pay-TV and Sooka, is key to stabilising our customer base.

Simultaneously, we continued to enhance our advertising capabilities through digital and content-led solutions. As planned, KULT, our digital-first marketing engine made a strong debut in FY26. KULT is revitalising Astro's digital position beyond IP-led digital assets by converting Astro's reach, data, and content ecosystem into scalable, digital-first revenue streams. Concurrently, the integration of AI-driven creative delivery enabled more agile, targeted and platform-native campaigns across our digital touchpoints.

Revenue (RM million)



Despite encouraging operational gains, the broader macroeconomic environment and ongoing industry pressures continued to weigh on financial performance. As a consumer-centric business, our FY26 performance has been affected by cost-of-living concerns due to policy and subsidy changes (including Sales and Service Tax expansion, utility tariff hikes and the removal of blanket fuel subsidies), the ubiquity of pirated content options, and aggressive discounting by market players. Meanwhile, geopolitical tensions, tariff uncertainties, the minimum wage hike and e-invoicing requirements have increased the cost of doing business for corporates and SMEs who comprise our enterprise target market.

Total revenue eased by 9.1% to RM2.79 billion in FY26, primarily from a drop in consumer subscription and advertising revenue, and partly cushioned by growth in adjacent businesses namely Enterprise, broadband and Sooka. Pay-TV ARPU softened by 4.3% to RM94.30, by design, consistent with our strategy to penetrate the mass market segment with our Astro One TV packs.

Our Enterprise business recorded a 6.0% revenue uplift from improved traction of our attractive BizONE commercial packs, strong growth in the F&B and tourism sectors, and strong anti-piracy initiatives. Astro Fibre's broadband subscriber base strengthened by 13%, reflecting sustained acquisition momentum and improved base retention, driven by our affordable bundling and service quality, a notable feat in the competitive ISP market. In content creation, we delivered six of the year's Top 10 highest-grossing local films released in cinemas. *Papa Zola* emerged as Malaysia's No. 1 local animation of all time (RM69.0 million GBO collection), ahead of the No. 1 post-pandemic local horror title *Malam Terlarang* (RM13.0 million GBO), and the top-performing adapted Tamil-language local film *Banduan* (RM8.0 million GBO).

Note: The comparative data for FY24 is presented on a continuing basis in this Group Financial Review. This follows the classification of Go Shop (formerly our commerce arm) as a discontinued operation upon its business closure in October 2023, in line with MFRS 5.

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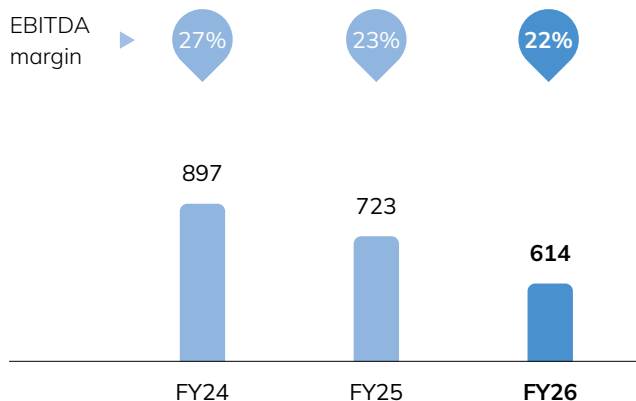
Adex revenue moderated by 15% to RM279 million, impacted by geopolitical and tariff uncertainties, persistent inflation and rising operating costs that continued to pressure business margins. In terms of adex sales mix, we grew SME and governmental spends which helped cushion the adex and marketing budget reductions seen across multinationals. Overall, our adex revenue improved in the second half of FY26 (versus the first half), driven by stronger demand across radio and digital platforms.

Our key competitive advantage continues to be “Local”-with almost 80% of our adex revenue derived from local shows and channels. This demand is driven by the sustained appeal of our established tentpole IPs such as *Gegar Vaganza*, *Big Stage*, and *Didi & Friends*, as well as the strong debut of new, original, homegrown formats such as *Talk to My Manager* and *Raise the Star*.

Our experiential IPs—including *Kita FM*, *Jiwa SME*, and the *MY FM Big Show*, continued to gain strong traction throughout the year across all platforms, offering advertisers a differentiated engagement opportunity that seamlessly connects live, on-ground experiences with Astro’s content and talent ecosystem.

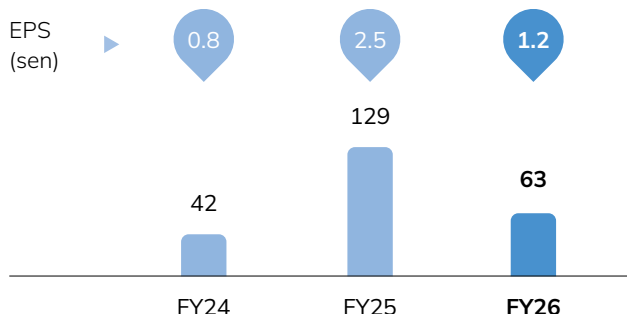
We retained our position as Malaysia’s No. 1 audio network, leading across all major language segments in GfK’s latest 2025 listenership survey. Overall, our radex, TV and digidex market share stood at 73%, 22%, 2%, respectively (FY25: 75%, 24%, 3%).

EBITDA (RM million)

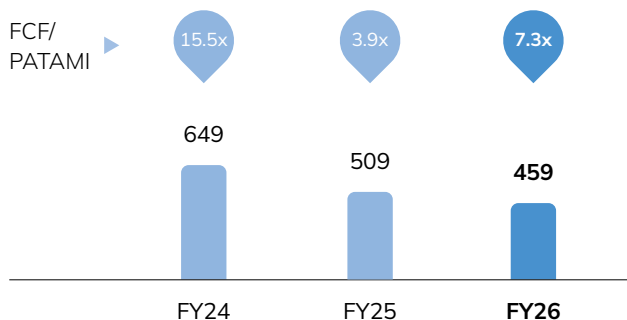


We continued to prioritise cost discipline and streamline legacy costs, yielding a 6.5% opex drop in FY26. Cost savings were derived from lower content and customer acquisition costs, as well as reductions in cost to serve from ongoing technology replatforming efforts. Overall, EBITDA moderated by 15% to RM614 million, with the EBITDA margin easing by 1.5 percentage points to 22%.

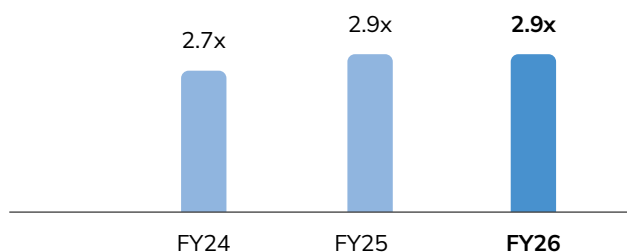
PATAMI (RM million)



Free Cash Flow (RM million)



Net Debt/EBITDA



PATAMI moderated by 51% to RM63 million as a result of lower EBITDA, offset by lower depreciation and amortisation (D&A), net finance costs and tax expense. Overall, basic earnings per share eased to 1.2 sen. We remained cash-generative with free cash flow at RM459 million in FY26, translating to 7.3x PATAMI.

D&A declined by 2.5%, in line with the retirement of the M3a satellite in FY25. Net finance costs decreased by 13% to RM68 million, primarily due to lower interest expenses as our long-term borrowings, transponder lease liabilities and vendor financing balances declined steadily over the period. Our Group’s tax expense was recorded at RM31 million (FY25: RM53 million) with an effective tax rate of 33% (FY25: 29%). This was higher than the statutory tax rate of 24%, mainly due to non tax-deductible expenses and underprovision of taxes in the prior year offset by recognition of deferred tax assets.

Group Financial Review

Financial Position

Assets, Liabilities & Funding

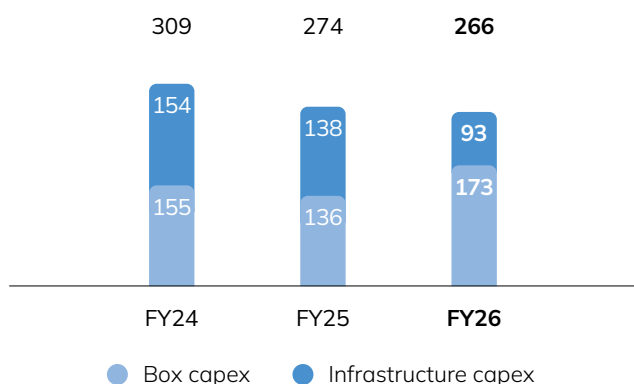
Total assets declined by 9.3% to RM4.97 billion in FY26. This was underpinned by a reduction in unit trust and cash and bank balances by 36% to RM527 million and right-of-use assets by 12% to RM1.15 billion due to depreciation.

Meanwhile, total liabilities reduced by 13% to RM3.65 billion, driven largely by a decline in borrowings as we pared down our term loans and transponder lease liabilities. We continue to review our liquidity position and funding opportunities to optimise our capital efficiency. Consequently, net assets grew by 4.2% to RM1.33 billion, while net debt/EBITDA ratio remained stable at 2.9x (FY25: 2.9x).

Capex, comprising infrastructure capex and box capex, declined by 2.9% overall to RM266 million. Infrastructure capex, funded by cash, decreased by 33% to RM93 million as we reprioritised and rephased key transformation investments to elevate customer experience across U-Boxes, OTT and digital, and refreshed our back-end technology infrastructure.

Box capex is funded by vendor financing and deployed for the purchase of STBs and ODUs to provide Pay-TV services, as well as broadband equipment to provide Astro Fibre services. Our box capex increased by 27% to RM173 million in parallel with the growth in new customers and the continued rollout of U-Boxes to enhance the customer experience.

Capex (RM million)



Outlook

Astro continues to be Malaysia's No.1 Entertainment and Streaming Destination. Investments continue to be firmly focused on long-term and sustainable growth by:

- elevating local content, which is Astro's clear competitive advantage, through high-quality production and fresh storytelling via Astro Originals, signatures and movies
- creating more value for customers by increasing the volume and diversity of content in lower tiers and reducing entry pricing for Astro and Sooka products, with the intent to grow our base
- increasing uptake of our adjacent businesses; Sooka, Enterprise, Digital and Social Advertising, and Studios, targeting both current and new market segments with increased value and flexibility
- transforming legacy cost structures to support the above

Customers now spend 81% of their time on Astro watching local content. We produce over 10,000 hours of new content annually to satisfy this demand, ranging from well-known signatures and dramas to thought-provoking Astro Originals, animations and movies. Leveraging the popularity of microdramas, we launched our own Malay and Chinese microdramas on Sooka in December 2025 and will continue to expand on this genre going forward.

We are showcasing Astro as the go-to advertising ecosystem to capture audience Attention, in addition to Impressions, across all platforms- on screens, on air, and on the ground. Our digital marketing play KULT strengthens our ability to capitalise on social and digital adex opportunities, and continues to show good traction in winning both new and lapsed advertising clients. KULT is focused on driving stronger impact, wider reach, and lasting engagement for clients online – whether through branded video content, socials, creators and influencers or shoppable content.

Content piracy remains our biggest threat, and we continue to push hard in the fight against piracy. Across Malaysia, courts continue to rule in our favour with landmark decisions, awarding Astro statutory damages and imposing tougher penalties on illegal streaming device (ISD) sellers and errant businesses who illegally stream our content and those of our partners. We strengthened our commitment to digital safety by reinforcing national efforts to combat online piracy as part of Safer Internet Day 2026. Regulatory advocacy and enforcement remain top priorities to protect Astro and Malaysia's creative industry.

Given the challenging environment, our Group continues to maintain a cautious outlook by carefully monitoring business conditions and ensuring effective cost discipline as consumers and businesses digest the impact of internal reforms and external uncertainties.