

## GCEO's Statement

### Dear Shareholders,

Astro is 25 years young. As we celebrate this milestone, we are excited with the progress of our transformation in line with our vision to be Malaysia's #1 Entertainment Destination. Our intent is to offer great entertainment experience across all screens for everyone, be it homes, individuals or enterprises.

FY22 promises to be an action-packed year as we pace up on our two-pronged streaming strategy to offer both aggregated and our own services to Malaysians, who will soon be able to access the best streaming services from across the globe with Astro. Bundled into our subscription packages or available as add-ons, customers can enjoy the best and biggest entertainment all in one place. As streaming wars intensify, fostering strong partnerships with local incumbents will be key for global streaming players to drive growth of their products in a crowded marketplace. With our ready customer base, extensive market reach and proven capabilities to produce, market and distribute content, Astro is a natural partner for would-be entrants into the Malaysian streaming space.

“  
*We will introduce our own standalone streaming service catering to digital natives anchored around local content and live sports, complementing the content offering from our streaming partners*  
”

### Henry Tan

Group Chief Executive Officer



## GCEO's Statement

Concurrently, we will introduce our own standalone streaming service catering to digital natives anchored around local content and sports, complementing the content offering from our streaming partners. Astro GO, our current Pay-TV companion app saw its monthly active users ("MAU") increase by 13% to 1.3 million. With over 120 live-streamed channels and 65,000 On Demand titles and featuring the new Astro viewing experience, this app caters to those on the move. We recently enabled pre-access to Astro GO, allowing new customers to enjoy our content immediately upon sign-up and added a download feature to enhance offline content viewing. Sub-user profiling will be enabled for greater personalisation and we are also looking to introduce advertising opportunities for Astro GO in the medium term.

***We are pushing the boundaries of storytelling with our premium Astro Originals to meet the growing demand for fresh and edgy local content by urban audiences***

Our key differentiator is vernacular content, by far the favourite among Malaysians. We are pushing the boundaries of storytelling with our premium Astro Originals including *The Maid*, *Kampung Pisang Bersiri-siri* and *The House: Princess Ezurin* to meet the growing demand for fresh and edgy local content by urban audiences. To raise the bar for local content and create more exportable IPs, we are collaborating with renowned producers and a new generation of content creators from around the world.

Our core home offering catering to families will be strengthened as a premium proposition. Customer experience will be elevated through deep reinvestments in technology to ensure a seamless journey throughout the customer lifecycle. In February 2021 we introduced the Ulti Box, a HD-variant connected set-top box ("STB") with the same innovative features as Ultra Box, our 4K UHD connected STB, which is likely to increase take up, thus making On Demand content more accessible. We will keep adding new functionalities to these connected STBs, including the capability to aggregate content from streaming services. Plug and play variants of these connected STBs will also be rolled out, enabling customers to save on installation time and costs.

Throughout, we will leverage our growing data capabilities to personalise and better serve customers. Cost discipline will be key as we digitise and simplify products, packages and processes to ensure a leaner and fitter Astro of the future.

### FY21 IN REVIEW

In 2020, we saw the COVID-19 outbreak precipitate a once-in-a-century health crisis. Businesses, households and governments have had to quickly adapt to a new normal to preserve both lives and livelihoods. Astro's business continuity plans were activated weeks before the first nationwide lockdown, with split teams and operations as well as enhanced health and safety protocols in place to protect both customer and employee well-being.

Nonetheless, our operations were impacted during the MCO with content productions halted, installations and service visits to customers' homes paused, and key sporting matches and events postponed or cancelled. Being confronted by this unprecedented set of circumstances only served to spur Team Astro's creativity, and we responded quickly to support our customers and community.

**Stay safe, stay home & stay entertained with us**

Enjoy complimentary viewing of Kids Pack and News channels

**EXCLUSIVELY FOR ALL ASTRO CUSTOMERS**

**KIDS PACK**

- CH 619 (3)
- CH 617 (nick Jr.)
- CH 615 (CN)
- CH 616 (nickelodeon)

**NEWS**

- CH 511 (CNN)
- CH 512 (Euronews World News)
- CH 513 (Al Jazeera)
- CH 515 (CNA)
- CH 516 (CNBC)
- CH 517 (Bloomberg Television)
- CH 518 (ABC Australia)
- CH 501 (astro AWANI)
- CH 502 (Berita)
- CH 503 (CGTN)

\*Our complimentary viewing does not include Sky News HD channel.

Also available on **astro GO**

Serving customers with complimentary viewing of selected content during lockdowns



*Malaysia's most trusted news brand Astro AWANI is also the most followed TV news brand on social media*

As an essential service provider, we continued to operate throughout lockdowns. We aired over 16,000 hours of PSA in FY21 to amplify community messaging, including health and safety reminders across TV, digital and radio. To ease the stay home experience for Malaysians, we offered complimentary viewing of selected content not just to our customers, but to all Malaysians via our streaming service, Astro GO, during the initial MCO period. For customers who were affected by the pause in live sports, we took the proactive step of giving a one-off RM40 rebate in the second quarter. To ease customers' financial burden, we temporarily suspended disconnections, provided goodwill rebates and offered instalment payment plans to eligible customers.

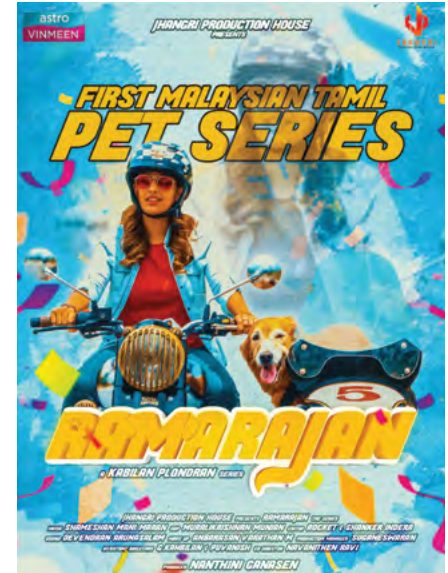
Our commerce brand Go Shop performed well during the year as it pivoted quickly to health-related products and added fresh food and daily essentials to its product line-up during the MCO. Sales increased by 26% year-on-year and as an entity, Go Shop turned profitable in FY21.

With cinemas mostly closed, local producers turned to our home cinema offering, Astro First to premiere their first-run films. This underpinned an 81% jump in Astro First revenue in FY21. Meanwhile, Astro AWANI was recognised as Malaysia's Most Trusted News Brand by Reuters for the third year running, providing 24/7 news coverage on the pandemic and helping discredit fake news. With its extensive reach of 5.7 million MUV, AWANI is the nation's most followed TV news brand on social media and rated by SimilarWeb as the Most Downloaded News App in Malaysia. We are very humbled that in an online survey by Vase.ai, Malaysians voted Astro as among the Top 10 brands that showed genuine care during the pandemic. In addition, YouGov's Brand Index ranked Astro as among the Top 10 most improved brands in 2020.

This is all made possible because of our extensive multiplatform reach across Malaysia. We currently serve 5.7 million households or 74% of Malaysian homes, 8,300 enterprises, reach 17 million listeners weekly across FM and digital, 14 million digital visitors monthly and 2.8 million registered customers on our commerce platform, Go Shop.



## GCEO's Statement



Astro vernacular signatures are winning fans with their compelling stories

### RESILIENT FY21 FINANCIAL PERFORMANCE

Our FY21 financial performance was resilient. Astro recorded revenue totalling RM4.4 billion, moderating 11% year-on-year against the ongoing backdrop of COVID-19. ARPU stood at RM96.9, down 3% primarily due to the RM40 rebate extended to all our Sports Pack customers and ongoing initiatives to move customers to bundled packs. EBITDA remained steady at RM1.5 billion with an EBITDA margin of 34%, underpinned by tight cost control and the recovery seen as the economy gradually reopened. Consequently, PATAMI is resilient at RM540 million, 18% down year-on-year.

Meanwhile, Capital Expenditure (“Capex”) eased by 29% to RM249 million as investment plans were disrupted due to lockdowns. Capex will accelerate in FY22 as we invest in technology upgrades, new products and STB rollouts.

Our business remained highly cash generative with FCF of RM1.3 billion, enabling us to reward our shareholders with a full-year dividend of 8.0 sen per share. This represents 77% of FY21 profits, in line with our dividend policy of paying out at least 75% of PATAMI. We will continue to balance between rewarding shareholders through dividends, reinvesting into our business and preserving liquidity to strengthen our balance sheet. In September 2020, we completed a RM300 million debt refinancing exercise to take advantage of the attractive pricing and tenure on offer and continue to evaluate opportunities amid the present benign interest environment.

### CONTENT AS KEY TO DRIVING VIEWERSHIP AND ADEX

Malaysians have a clear affinity for vernacular content, with our customers spending the majority of their time on Astro watching these programmes. As the No. 1 content creator in the country, we produced and commissioned over 9,000 hours of homegrown content in FY21. It is this ability to consistently produce winning and compelling local content at scale that differentiates us.

Over the years, we have steadily increased investments in vernacular content. In FY21, local content accounted for 29% of our total content investments, up from 26%. Malay favourites such as *Gegar Vaganza Season 7*, *Anugerah MeleTOP ERA 2020* and *Perempuan Tanpa Dosa* commanded the largest following and TV viewership of over 3.3 million, 2.7 million and 2.1 million respectively. *Evening Edition*, featuring the latest news and current events reached more Chinese-speaking audiences and recorded a 76% jump in its TV viewership in FY21. Meanwhile, our Tamil show *Tamiletchumy* smashed records to become the No. 1 local Tamil drama of all time. Vernacular content anchors our advertising revenue, with over 77% of our adex revenue derived from vernacular channels, a two percentage point increase from last year.

The disruption brought about by the pandemic highlighted the importance of business agility, adaptability and creativity. By experimenting with new production formats, we were able to continue filming our popular reality live shows, *The Masked Singer*, *Big Stage 2020* and *Sepahtu Reunion* in the new normal with a virtual audience.

*Manap Karaoke*, the first local film to debut directly to home via Astro First, bypassing theatrical release raked in RM1.2 million. Its success was quickly followed by *Syif Malam Raya*, *Jebat* and *Mael Totey The Movie*, a movie produced by first-time filmmaker and local YouTuber Syahmi Sazli that became the highest grossing local movie in 2020 with revenue of over RM7 million. The performance of these first-run local films is a boost to the Malaysian film industry, underscoring the importance of Astro First as the main distribution avenue for a new generation of local filmmakers.

In FY21, we refreshed our kids offering and now have over 13,000 episodes of entertaining content On Demand. Underpinned by Malaysia's No. 1 kids channel Astro Ceria, we strengthened our kids offering with two exciting new channels,

Nick Jr and Boomerang as well as our most successful pop-up channel to date, FAMtv. Our signature comedy edutainment series, *SMK S2*, continued to captivate young audiences. Meanwhile, *SMK: Raya Dekat Jauh*, the first telemovie recorded remotely won the Best Quarantine-themed Programme at the ContentAsia Awards.

**We command a strong TV viewership share of 73% while On Demand streams tripled to 222 million shows, and Astro GO weekly viewing minutes jumped 23%**

To complement our local content offerings, we aggregate content from partners globally, driving strong engagement with our customers who spent four hours daily across linear TV, On Demand and Astro GO. We command a strong TV viewership share of 73% while On Demand streams tripled to 222 million shows, and Astro GO average weekly viewing minutes jumped 23%.

Astro's consistently strong viewership, especially for our popular vernacular content, makes it attractive for advertisers. Nevertheless, advertisers pulled back on spends in the first quarter when our live reality signatures paused during the initial MCO. As restrictions eased and consumer sentiment picked up in the second half of FY21, we saw a gradual recovery in the advertising market with total advertising revenue at RM428 million in FY21. TV, radex and digidex shares stood at 41%, 76% and 3% respectively.

Our integrated media solutions leverage Astro's talent and content production capabilities, connecting advertisers to customers on-screen, on-air and through on-ground events. However, in light of the pandemic, we pivoted to hosting virtual events and helped our clients strengthen their brand goodwill through deployment of strong community messaging during lockdowns.

Meanwhile, we supported SMEs with targeted advertising by geography at competitive rates. Leveraging our growing capabilities in data, we will roll out addressable advertising in the medium term, helping advertisers target different customer segments simultaneously for better conversion.



*SMK: Raya Dekat Jauh made Malaysians proud with its win at the ContentAsia Awards*

## GCEO's Statement

### SERVING OUR CUSTOMERS: HOMES, INDIVIDUALS AND ENTERPRISE

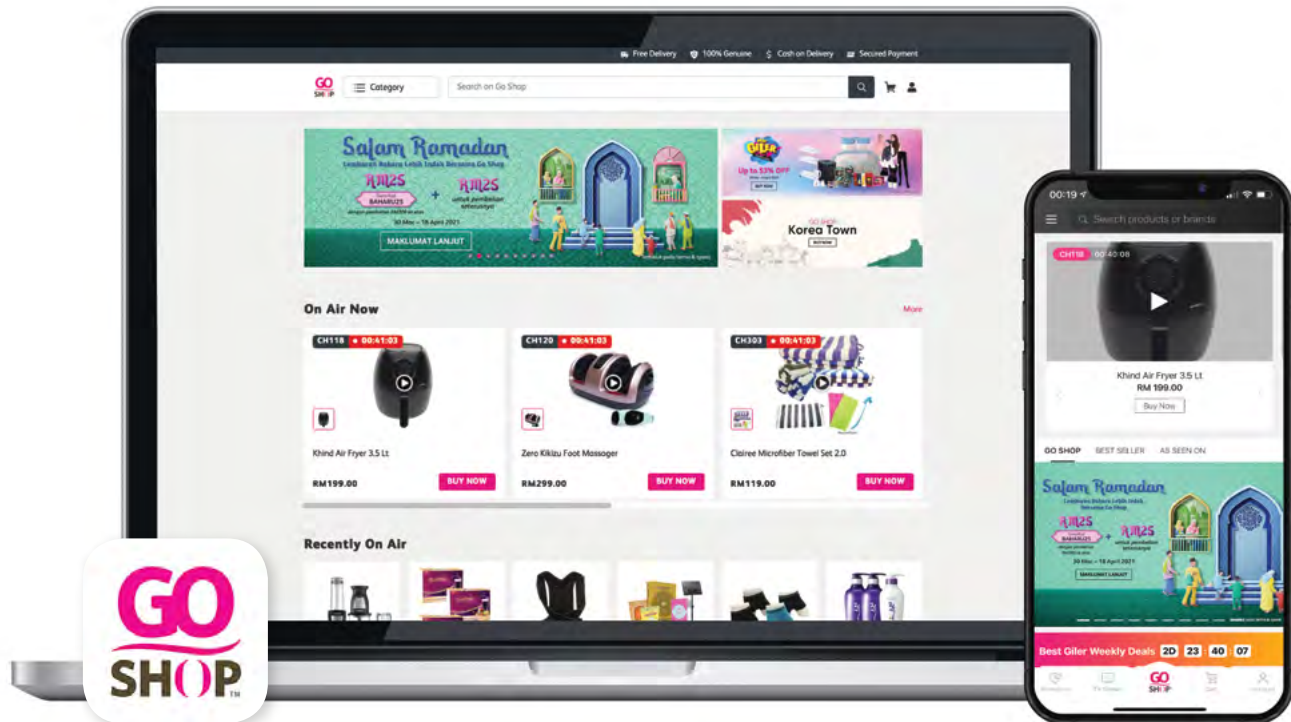
#### *Strengthening our core business*

The combination of Pay-TV, broadband and NJOI underpins our 74% household penetration rate. We serve Malaysians with an array of content, either through a full-fledged premium offering on our Pay-TV service or on a pay-as-you-consume format on NJOI, with broadband bundling options available.

Our Pay-TV business is the main contributor to Group earnings, with ARPU of RM96.9. To ensure the best viewing experience for our Pay-TV customers, we accelerated rollout of the Ultra Box, our flagship 4K UHD connected STB. Over 230,000 of these have been installed in customers' homes since its launch in late 2019. The Ultra Box marked a huge leap forward by offering 4K UHD viewing across linear and On Demand alongside the new Astro viewing experience with features such as Cloud Recording and Play from Start. In February 2021, we introduced the Ulti Box, a HD connected STB offering the same great Astro viewing experience for mass market rollout.

We placed significant emphasis on improving customer service and streamlining the customer journey to enhance the Pay-TV value proposition. Customers can interact with us through various means, ranging from physical service centres to digital platforms such as social media and WhatsApp. The Astro Rewards programme provides our Pay-TV customers with exclusive privileges, discounts, and partner offers.

Astro Broadband customers grew by over 60% in FY21. Broadband bundles provide connectivity to customers and complement our Pay-TV proposition, offering greater value and convenience. With speeds of up to 1Gbps, customers can immerse themselves in the full functionality of our Pay-TV offering. This includes access to our vast On Demand library featuring the latest shows prior to TV premieres, 4K UHD On Demand content and personalised content recommendations based on customers' viewing habits. These connected STBs allow us to better understand customers' content preferences through return path data for better personalisation. Broadband is key to our content convergence strategy and we continue to explore collaborative opportunities with other local Internet Service Providers ("ISP").



Go Shop's registered customers grew 30% year-on-year to 2.8 million





**astro & broadband**

From **RM4 /day\***  
for Astro & high-speed  
broadband

- ✓ Unlimited data
- ✓ FREE additional channels
- ✓ FREE box upgrade
- ✓ FREE 1-month broadband

**#WhateverFromHome**

In partnership with Maxis | \*T&C apply.

Customers can stream, work or #WhateverFromHome with Astro & Broadband bundles

**Broadband bundles provide connectivity to customers and complement our Pay-TV proposition, giving customers the best connected content viewing experience**

NJOI serves non Pay-TV homes in Malaysia and anchors our advertising and commerce businesses by extending our market penetration. NJOI resonates with customers who prefer to consume premium content on a pay-as-you-go basis and is supported by an extensive network of digital and physical top-up touchpoints. We will continue to simplify customers' buying journey and make more premium content available to drive prepaid revenue.

Alongside homes, we serve enterprises with our flexible content solutions, value-adding to help customers grow their businesses. Leveraging our vast content library and broadband capability, we launched Astro SINI which provides a dedicated hotspot to enterprises, allowing their customers to enjoy Astro content on their personal devices.

**Commerce: Catering to all shoppers**

Our home shopping brand, Go Shop reaches Malaysian shoppers through its five 24/7 channels, website, app and social media. Our registered customer base expanded by 30% to 2.8 million customers with over 50% of sales derived from our digital platforms in FY21. We continue to uphold stringent vendor screening standards to maintain brand trust among customers, differentiating us from other e-commerce players.

In FY21, Go Shop recorded its best performance to date, achieving revenue growth of 26% and recording maiden pre-tax profit of RM17 million, predicated on our ability to swiftly adapt to changing market demands. We quickly expanded our product range at the start of the MCO to include health-related products, fresh produce and daily essentials.

With productions of live programmes disrupted during MCOs, we leveraged our digital capabilities and social media presence to accelerate buying momentum. Go Shop will focus on creating more immersive consumer-centric programmes to drive sales and grow customer base while leveraging data to expand digital sales.

**Go Shop grew revenue by 26% and recorded maiden pre-tax profit of RM17 million**

## GCEO's Statement

### Digital and radio brands: Serving all audiences

Our digital brands including AWANI, Gempak, Xuan, Ulagam and Stadium Astro are local favourites, underpinning our digital adex proposition with over 14 million MUV. We are delighted that Gempak is Malaysia's No. 1 entertainment brand with 3.2 million MUV alongside Xuan and Ulagam, the No. 1 local Chinese digital entertainment brand and No. 1 local Indian digital brand with 1.3 million and 652,000 MUV, respectively.

Meanwhile, our radio brands are being refreshed to meet the needs of our increasingly digital audience. Extending our reach beyond the traditional airwaves, our multilingual entertainment app SYOK engages individuals via curated original content including short-form videos, news, podcast, and live radio, with MAU doubling to 400,000. This capitalises on our position of strength as Malaysia's top radio operator with a strong radex share of 76% and 17 million weekly radio listenership on FM and digital. Our 11 radio brands cater to individuals in multiple languages with ERA, MY, RAAGA and HITZ emerging, once again, as No. 1 in their respective languages.

### FOCUSED ON SUSTAINABILITY

Through our value creation process and sound governance, we aim to generate long term positive outcomes for our local economy, community and environment by incorporating ESG practices across our value chain.

During the year, our Group and our foundation, Yayasan Astro Kasih undertook numerous initiatives to assist communities affected by the pandemic and advocate for impactful social changes. Go Shop as the No. 1 home shopping platform in the country, assisted local SMEs by hosting e-bazaars to connect them to customers. Our TV and radio brands ran multiple campaigns to assist SMEs to raise their profile and market their services, and fundraise for communities impacted by lockdowns.

**Astro Tutor TV reaches over 5 million students nationwide annually**

astro  
GO

astro

Mulai 27 Jan 2021,  
Setiap Rabu, 3 petang

astro  
TUTOR TV  
PT3  
CH602

astro  
ceria  
CH611 HD / CH 631

SMK  
STUDY SQUAD

"Don't give up, Let's catch up!"

upped.com.my/smkstudysquad

SMK: Study Squad is Malaysia's most watched academic show reaching 2.6 million viewers



25 YEARS **#better together**



**astro**  
Go Beyond™

PUTRA  
BRAND AWARDS  
— THE PEOPLE'S CHOICE —  
2020  
PLATINUM

IN MEDIA NETWORKS

**WE'RE HERE  
BECAUSE OF YOU**

Thank you for inspiring us. With you, we are **better together**.

*Astro won Platinum in the Media Networks category at the Putra Brand Awards for 11 consecutive years*

Reaching over 5 million students nationwide annually with 528,000 followers on social media, our flagship initiative Astro Tutor TV offers three 24/7 exam-based learning channels for free to all our Pay-TV and NJOI customers. Education has been a core Social pillar for us over the last decade and we have cumulatively invested RM120 million to maintain and refresh our educational content since inception, including RM7 million in FY21 alone. With schools closed due to the pandemic, we helped deliver quality educational content into homes including *Pelan A+ SPM* as well as the Ministry of Education's TV Pendidikan programmes. We also launched *Upped*, a free online education portal to facilitate revision for exams. Our new IP, *SMK: Study Squad* emerged as Malaysia's most watched academic show with 2.6 million viewers tuning in.

Supported by a young talent pool reflective of our nation's demographics, Team Astro's combined skill sets are critical as we forge ahead to serve the next generation of customers. Strategic hiring, alongside efforts to reskill and upskill our talent pool are ongoing to grow our ancillary businesses, specifically in data, streaming services and broadband.

#### **#BETTERTOGETHER**

FY21 has been a very challenging year for businesses and individuals alike. I am proud of Team Astro's resilience, agility to adapt and innovate in our quest to serve our customers and community. I thank each one of them for their dedication and fortitude, especially our own frontliners, who worked tirelessly to ensure operations ran smoothly throughout the year.

To our customers who have helped our business grow from strength to strength over the past 25 years, thank you for your loyal support. Once again, your support helped us win Platinum in the Media Networks category at the Putra Brand Awards 2020. To all our stakeholders, thank you for your continued trust, confidence, and constructive feedback, pushing us to go that extra mile because you know we can.

While Team Astro has made strides forward amid a challenging FY21, there remains much to do and execute as we embark on our transformation journey to be Malaysia's #1 Entertainment Destination. Let's continue to grow and inspire each other in our journey ahead, because truly we are better together.

**Henry Tan**

On behalf of Team Astro