

For Immediate Release

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ASTRO: RECORD VIEWERSHIP BUT BUSINESS IMPACTED BY LOWER ADEX AND SUBSCRIPTION REVENUE

Astro Malaysia Holdings Berhad | Result highlights for the first quarter of the financial year ended 31 January 2021 (Q1FY21)

- Revenue -15% y-o-y at RM1.1bn
- EBITDA -26% y-o-y to RM330mn
- PATAMI -58% y-o-y to RM74mn; Normalised PATAMI* -42% y-o-y to RM107mn
- Declared first interim dividend of 1 sen per share.
- Pay-TV ARPU moderated to RM99.1
- Go Shop revenue +14% y-o-y to RM95mn

Tun Zaki Azmi, Chairman of Astro, said: “As an essential service provider, Astro continued to operate during the MCO. Having instituted our Business Continuity Plan (BCP) we remained focused on delivering uninterrupted service to our customers whilst safeguarding the health and safety of our employees. Despite the impact of COVID-19 pandemic, Astro continues to be cash generative, cost disciplined and proactive in its capital management. Its balance sheet remains strong to weather headwinds in this trying time. The Board has declared a first interim dividend of 1 sen per share.”

Henry Tan, Group Chief Executive Officer of Astro said: “Astro was quick to take a series of actions to support the nation, customers and communities. We kept Malaysians informed and entertained with complimentary viewing of additional channels on Astro, NJOI and Astro GO as well as provided learning content to all students. As an essential service provider, we assisted in broadcasting over 3,000 hours of public service announcements (PSAs), provided news coverage and debunked misinformation across our TV, radio and digital platforms. With the closure of cinemas, we worked with local film producers to premiere their movies direct to homes on Astro First.”

“During this difficult time, we temporarily suspended disconnections and offered instalment payment plans for eligible customers to alleviate their financial burden. In addition, with the postponement of live sports events globally, Astro offered Sports Pack customers complimentary viewing of all channels as well as a one-off rebate of RM40 per subscriber pack. Our efforts during MCO have been duly recognised by heightened customer engagement and sentiment.”

“Our businesses were impacted by lower advertising spends and restrictions in upselling and installations. With most commercial establishments not allowed to operate, we proactively introduced flexible subscription and payment arrangements.”

Revenue was lower by RM182mn y-o-y, impacted by a decline in advertising and subscription, and our prudent revenue recognition approach. The Group raised provisions for doubtful debt and is actively engaging with affected customers to manage receivables. Despite lower operating

expenses mainly resulting from savings in content cost, earnings were impacted by unrealised forex losses.

Key Highlights:

- Malaysia's MCO Entertainment Destination:** Astro kept Malaysians informed and entertained with complimentary viewing of Movies, News, Learning and Stay Home Concert channels while NJOI customers received complimentary viewing of additional channels. During this time, Astro GO was made available for free to all Malaysians, attracting over 250k new users. As a result, both viewership and engagement grew across linear, On Demand and OTT. NJOI, our freemium service, increased its prepaid channels by 50% y-o-y to over 60, and saw prepaid buys rise 20% during the MCO. TV viewership share rose 1 percentage point y-o-y to 74%, On Demand titles streamed rose 119% to 35mn while average weekly time spent increased by 15% to 556 minutes. Astro GO's monthly average users rose 31% to 1.2mn while average weekly viewing time spent increased by 12% to 191 minutes. The SYOK app garnered over 318k monthly active users, which equates to a 16% Q-o-Q growth.
- Live Sports is Back:** More major sports events are making a comeback. The 2019/20 Premier League season restarted on 18 June, and Astro will air the remaining 92 matches. The Group has also resumed the live broadcast of other major football leagues such as Bundesliga, K-League, La Liga, as well as Serie A when it resumes on 20 June.
- Challenging Adex and Market Conditions:** Consistent with the contraction in business, Astro experienced a 38% y-o-y decline in Adex to RM90mn as advertisers pulled back spending. Although Adex declined, Astro Radio's Radex share increased by 4 percentage points to 84%.
- Uplift in Commerce:** Leveraging on the surge in online shopping during the MCO, Go Shop launched a new channel dedicated to Ramadan and Raya products and expanded its offerings to include fresh and frozen food. It also launched an e-Bazaar to support SMEs during this trying time by helping them reach its 2.4mn customers. Go Shop registered a 14% y-o-y growth in Q1FY21 revenue to RM95mn.
- New Broadband & Content Partnership with Allo:** Astro entered into a partnership with Allo Technology for bundled broadband with content. This will help Astro to expand its broadband's reach beyond urban areas that are not covered by its existing partnerships. Astro's content and broadband push places the Group in a better position to operate in the new normal, where connectivity is key.
- Enhancing entertainment for connected homes:** Astro IPTV customers who are currently on Maxis Home Fibre network can now upgrade to the Astro Ultra Box and enjoy 4K UHD and cloud recording. Over 60k Ultra Boxes have been installed since last November.
- Local films premiering on Astro First:** As the nation adjusts to a post COVID-19 future, viewership trends are evolving in favour of direct-to-home consumption. Astro First offers film producers the opportunity to premiere their latest movies directly to consumers. Response has been encouraging with *Syif Malam Raya* registering sales of RM3.7mn.

- **More HD entertainment:** We enhanced viewing experience with 6 new HD channels, namely Astro Rania, Astro Aura, Rajini70 HD, Zee Tamil HD, Astro Vaanavil HD and Stay Home Concert.

Outlook

Households and businesses globally continue to face unprecedented social and economic disruption brought about by the COVID-19 pandemic. Astro is no exception to this and is braced for a challenging FY21, with uncertainties prevailing. The Group expects to face headwinds in its advertising and commercial revenue as well as elevated collection risk, and has accordingly raised provisions on receivables.

The Group has been agile in adapting to the new normal, allowing us to deepen our engagement with our customers, strengthen our value proposition and to seize opportunities for adjacencies in commerce, broadband, digital and OTT post MCO. Astro will proactively pursue disciplined cost optimisation and active capital management to further strengthen our financial position.

**Normalised PATAMI excludes post-tax impact of unrealised forex gain/(loss) due to mark-to-market revaluation of transponder-related lease liabilities.*

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