



# 1st Quarter FY18 Results

*14<sup>th</sup> June 2017*

**Go Beyond**

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# Q1FY18 snapshot

Highlights	1QFY17	1QFY18	Growth
TV households (000s) <sup>(1)</sup>	7,144	7,234	1%
TV household penetration <sup>(2)</sup>	69%	71%	2pp
TV customer base (000s)	4,898	5,153	5%
ARPU (RM)	99.0	100.8	2%
Astro TV viewership share <sup>(3)</sup>	75%	76%	1pp
Radio listenership (mn) <sup>(4)</sup>	12.8	15.6	22%
Monthly unique visitors (mn) <sup>(5)</sup>	4.1	7.5	83%
Connected boxes (000s)	351	572	63%
Astro GO registered users (mn)	0.9	1.2	33%
Tribe registered users (mn)	nm	1.3	-
Revenue (RM mn)	1,363	1,326	(3%)
EBITDA (RM mn)	477	460	(3%)
EBITDA margin	35%	35%	0.3pp
PATAMI (RM mn)	202	196	(3%)
FCF (RM mn)	305	399	31%
EPS (RM sen)	3.9	3.8	(3%)

NB

- (1) TV household data sourced from the Department of Statistics Malaysia and Media Partners Asia
- (2) Household penetration includes both residential Pay-TV customers and NJOI customers
- (3) Viewership share is based on DTAM deployed by Kantar Media as of FY17.
- (4) There is a change in audience measurement partner for the radio industry in Malaysia commencing H2FY17. The ratings prior to the change was provided by Nielsen whereas it is now being provided by GfK. Share of radex is based on internal estimates
- (5) Monthly unique visitors are end of period figures (as at 30 April) referring to visitors to Astro's digital platforms
- (6) Data presented are for the 3 months ended 30 April
- (7) Numbers may not add up due to rounding differences

# Key highlights of Q1 FY18 performance

GROW

- 4.9mn to 5.2mn customers
- 69% to 71% HH penetration
- 1.2mn Astro GO registered users
- 1.3mn Tribe registered users

LEAD

- Vernacular content drives viewership
- 75% to 76% share of TV viewership
- 15.6mn weekly radio listenership

MONETISE

- RM100.8 of ARPU
- 34% to 39% TV Adex share
- 72% to 76% Radex share

INVEST

- Reach & scale
- Content IPs/verticals
- Digitalisation & customer experience
- Operational efficiencies

Revenue (3%)

RM1.36bn → RM1.33bn

Adex (5%)

RM150.4mn → RM142.7mn

EBITDA (3%)

RM477mn → RM460.4mn

PATAMI (3%)

RM202.1mn → RM195.9mn

FCF of RM399mn +31%

204% of PATAMI

# We are making good progress on our **digital transformation**



To be a **Digital-First, Cloud-First, Mobile-First** Entertainment & Lifestyle company that delivers **exceptional customer experiences**

## Organisation

Develop a **collaborative & innovative culture**

## People

Inculcate **mindset & skills** to foster innovation

## Processes

Design Astro-optimised **products & capabilities**

## Technology

Adopt **cloud, advanced analytics & agile model**

## Achieve

**Innovate & Diversify Revenue Streams**

**Expand Platform & Monetise Capabilities**

**Agile Operating Model for Higher Efficiency**

**Build New Digital Capabilities**

↑ Speed to Market

↑ Cross Selling

↑ Customer Satisfaction

↓ Cost of Experimentation

↑ Customer Acquisition

↓ Cost of Delivery - IT

↑ Automation

# Serving 5.2mn households with 572k connected homes and 7.5mn monthly unique visitors to our digital platforms

Households (mn)

Connected Boxes (000s)

ARPU (RM)

Monthly Unique Visitors <sup>(1)</sup> (mn)

Household Penetration

69%

71%



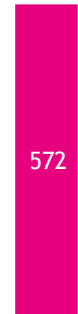
1QFY17



1QFY18



1QFY17



1QFY18



1QFY17



1QFY18



1QFY17



1QFY18

# Astro GO driving mobility & individual viewing

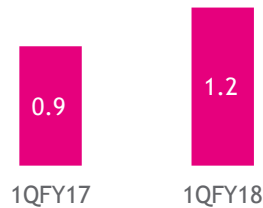
**#1** Long-form  
OTT app in  
Malaysia <sup>(1)</sup>



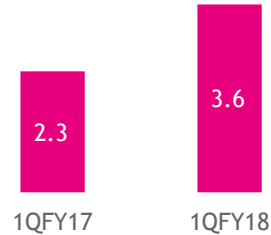
Take your TV everywhere.  
For Free.

- Personalised content selection
- Ease of discovery & consumption of content tool
- Connecting people through social sharing

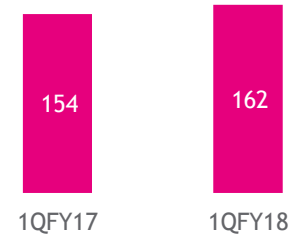
Registered Users (mn)



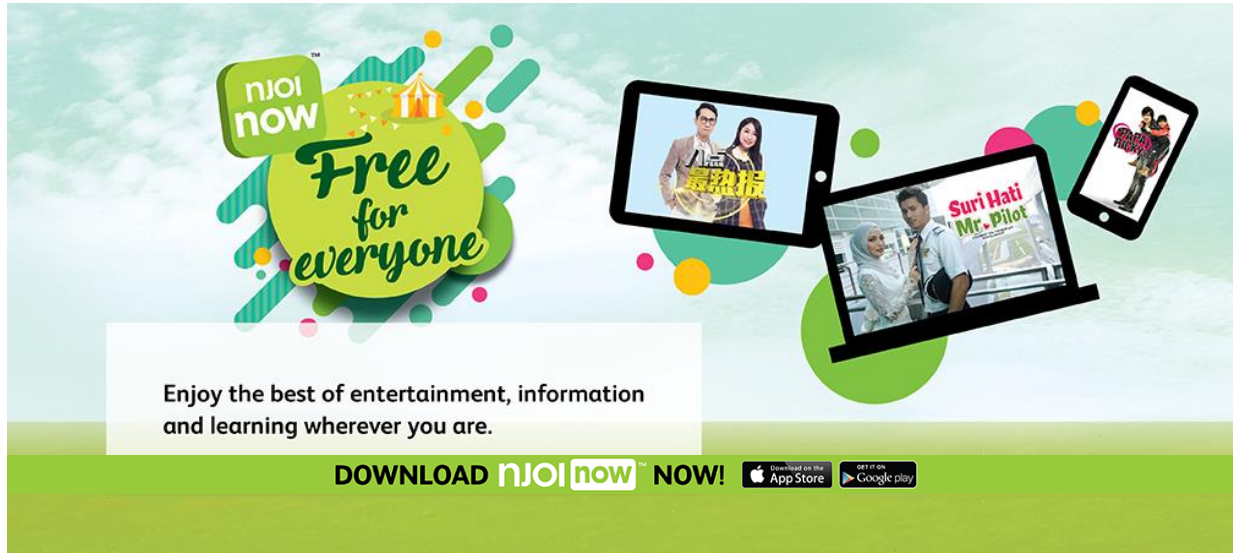
App Downloads (mn)





Average Weekly Viewing (mins)



# Introducing **NJOI Now** - our free video streaming service

A promotional graphic for NJOI Now. On the left, a green speech bubble contains the text 'Free for everyone' in a cursive font, with 'nJOI now' written above it. To the right, three devices (a tablet, a laptop, and a smartphone) are shown displaying various content. The laptop screen shows a man in a pilot's uniform with the text 'Suri Hati Mr. Pilot'. Below the graphic, a white box contains the text 'Enjoy the best of entertainment, information and learning wherever you are.' At the bottom, there is a green bar with the text 'DOWNLOAD nJOI now NOW!' and icons for the App Store and Google Play.

Enjoy the best of entertainment, information and learning wherever you are.

DOWNLOAD **nJOI now** NOW!  

Box sets, live sports, breaking news

Over 2,200 titles of movies, dramas and tutorials



On 11<sup>th</sup> March, we launched **NJOI Now**, our **free video streaming service**

- Mobile and online platforms
- On demand entertainment
- Download feature for offline viewing

**astro**

# Increase in TV viewership share & time spent

Pay-TV

**188**  
channels

**72**

Astro-branded  
channels

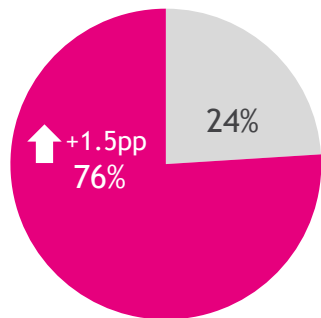
**60**

HD channels

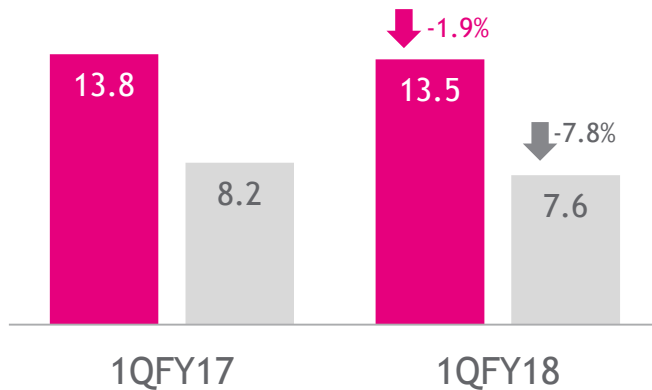
NJOI

**28**  
channels

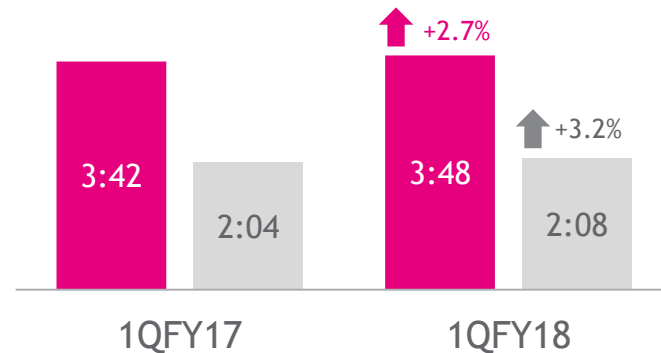
TV Viewership Share



Avg. Daily Viewers (mn)



Avg. Time Spent/Day



■ Astro ■ FTA

# Creating leading vernacular content that resonates

PRIME TALK



251K viewership

MAHARAJA LAWAK  
MEGA 2017



4.9mil viewership

ANUGERAH  
MELETOP ERA 2017



3.6mil viewership

EVENING EDITION



269K viewership

RASIKKA RUSIKA S3



200K viewership

KL TO KARAIKUDI



151K viewership



# Growing our 360° signature programmes



## Digital Views

28mn



Website + Facebook + YouTube + Instagram

## TV Viewership

4.9mn



DTAM Kantar Media

## Social Media Reach

58mn



Vocanic Report 2017

## Ticketing Events

**SOLD OUT**  
Live Show Finals



**SOLD OUT**  
GSC Partnership Viewing



## YouTube Malaysia

**Most Popular**  
**Video**



3 consecutive years

## Twitter

**#MLM Hashtags**  
**Trended**



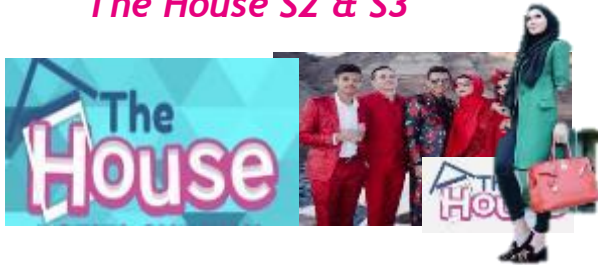
3 consecutive years

# Expanding our content offering to capture digital natives



## Build on Existing IPs

### *The House S2 & S3*



- Follows the lives of popular public figures **Dato Seri Vida** & **Rozita Che Wan**
- Over **23mn** online views
- **100%↑** in page views & **60%↑** in time spent on IP website in comparison to Season 1
- Extensive digital campaigns - **live chats** with the stars supplemented with complimentary articles & videos

## Produce New IPs

### *3 Gadis Manis*



- Mini series (**6min** episodes)
- Over **4.5mn** online views
- Over **21mn** social media reach
- Over **300k** page views
- **Most searched keywords** & top 10 **most engaging video** content on Astro Gempak

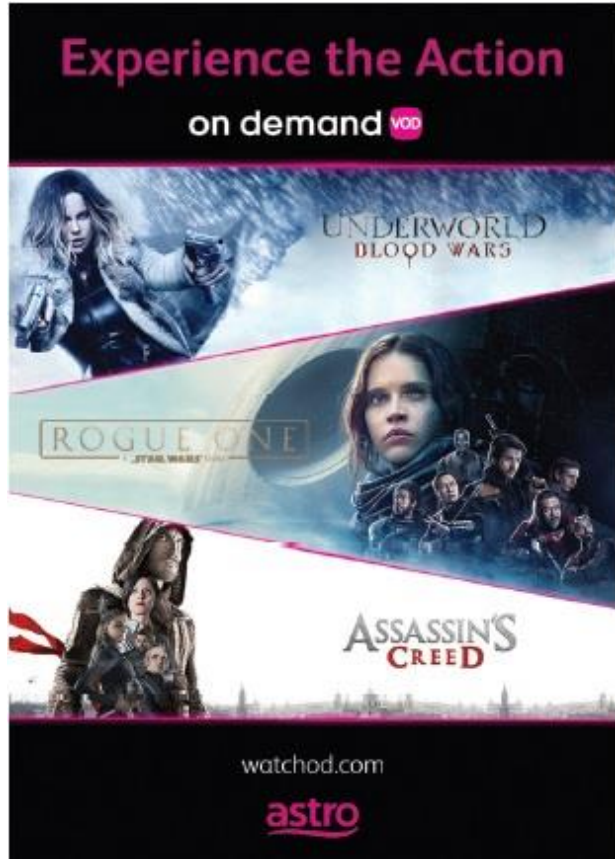
## Innovation

### *The Birth of a Mrs.*



- **First** non-Malay content on Astro Gempak
- Released **1st** on Astro Gempak among all Astro platforms
- Garnered over **1.6mn** online views
- Reached over **4mn** users on social media

# Driving connected homes through on demand viewing



## Promoted Content

Malay TV Series & Signature Shows

Chinese TV Series

Korean TV Series & Box Sets

Indian Movies & Series

- Premiere first on demand
- Promoted on air with weekly change

## Thematics

La La Land



Didi & Friends  
Superheroes



Box Sets

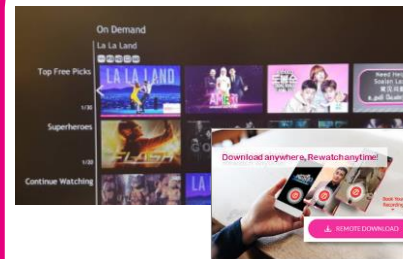


Best of British



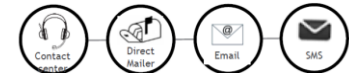
- Monthly thematic campaigns promoted (on air, radio, digital etc)

## Improved User Interface



- Easy discovery with thematic rails
- Remote download via companion app
- Personalised recommendations

## Personalised Communications



- Via electronic mailers and social media
- Segmented by different profiles

# Tribe continues to scale in **Indonesia** and the **Philippines**, and has just launched in **Singapore**



Registered Users (mn)



1QFY18

Average Time Spent (mins/week)



# Go Shop continues to grow customer numbers via a differentiated content and product portfolio

1.04mn registered customers

Net revenue of RM62mn

548k mobile downloads



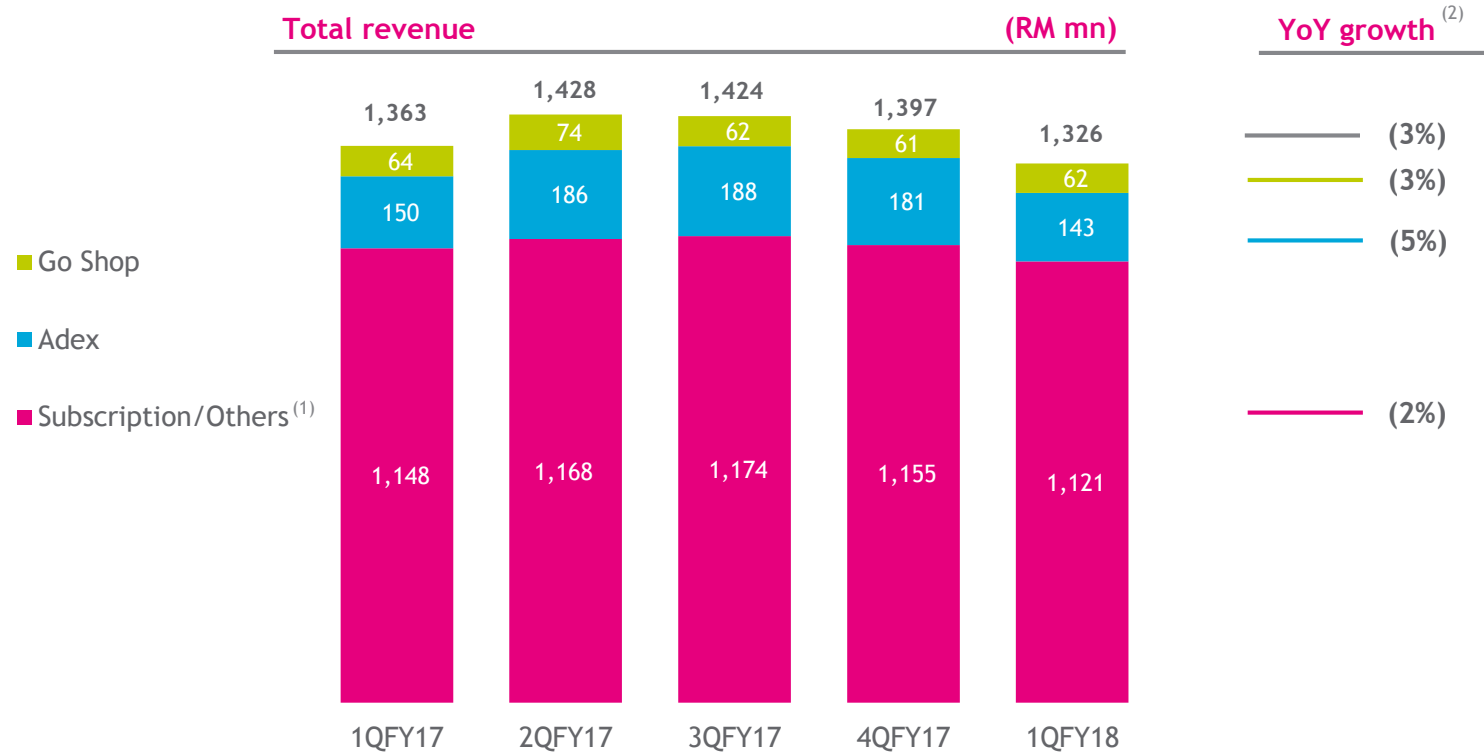
- Launched our branded program “Go Pak Nil” with Datuk Aznil Nawawi



- Unveiled our exclusive locally designed Muslimah clothing brand, **Hawa Adara**

## Hawa Adara

# YoY revenue performance in a challenging operating environment



NB

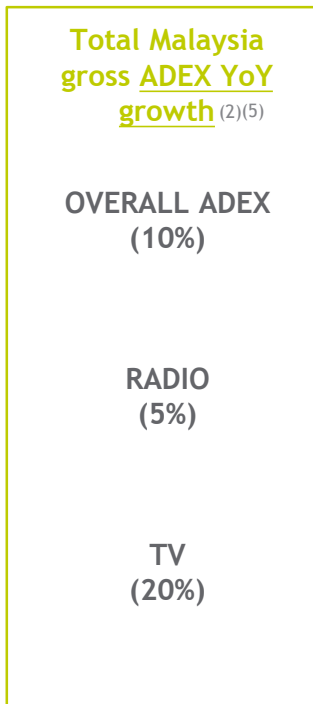
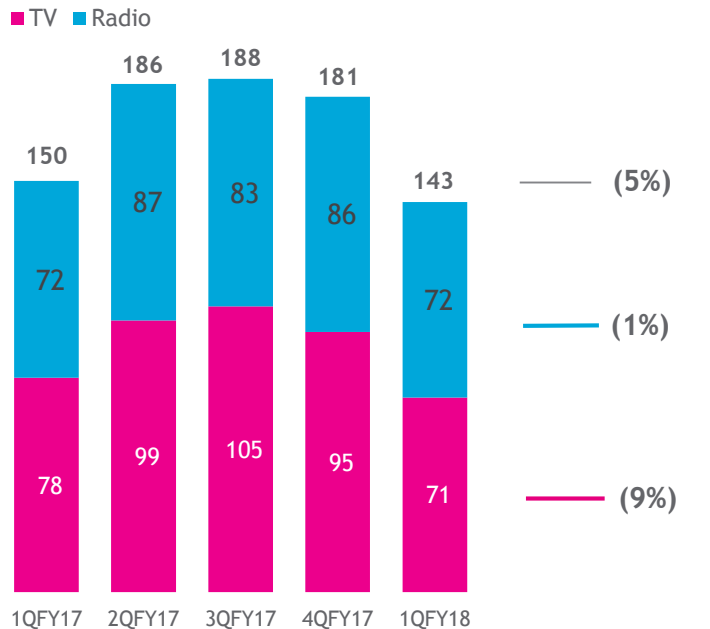
(1) Disclosed as Subscription revenue and Other revenue in our financial statements, includes revenue streams such as TV subscription, licensing income, programme sales, NJOI revenue and theatrical revenue

(2) YoY refers to Q1FY17 vs. Q1FY18

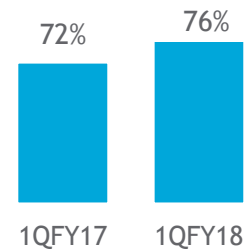
(3) Numbers may not add up due to rounding differences

# Advertising income consistently outperforming the industry

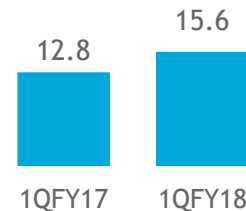
## Advertising income <sup>(1)</sup> (RM mn) YoY growth <sup>(2)</sup>



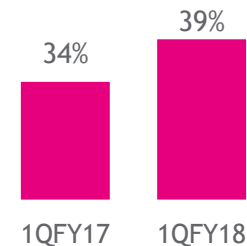
## Share of Radex



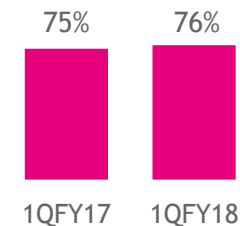
## Radio listeners (mn) <sup>(3)</sup>



## Share of TV adex



## Astro TV viewership share <sup>(4)</sup>



NB

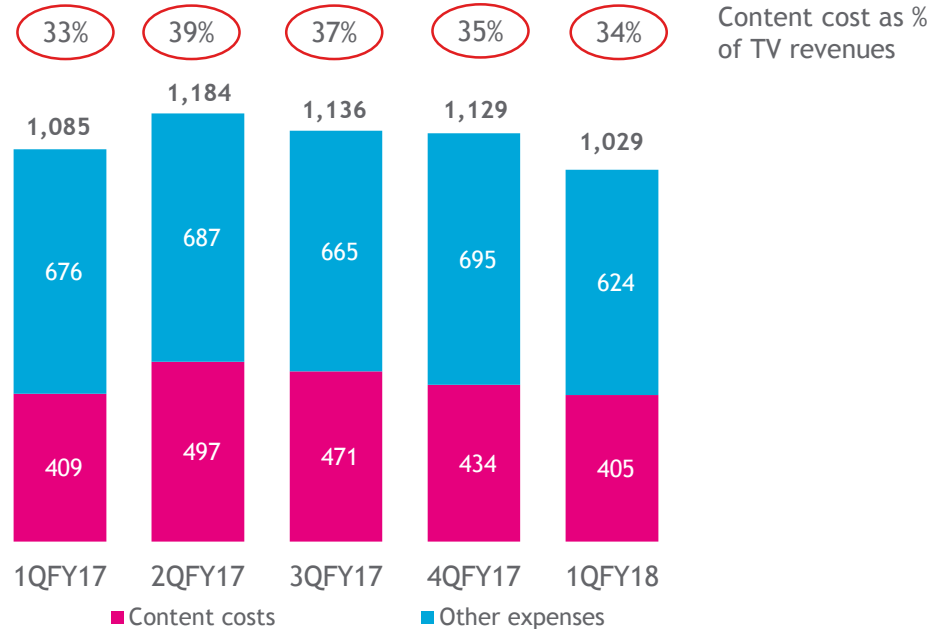
- (1) Advertising income is net of commissions and discounts. Digital adex is included in TV and Radio adex.  
 (2) YoY refers to Q1FY17 vs. Q1FY18  
 (3) There is a change in audience measurement partner for the radio industry in Malaysia commencing H2FY17. The ratings prior to the change was provided by Nielsen whereas it is now being provided by GfK. Share of radex is based on internal estimates

- (4) Viewership share is based on DTAM deployed by Kantar Media as of FY17. Share of TV adex is based on Astro and Group M's estimates  
 (5) Malaysia gross adex figures are based on Nielsen and Group M's data  
 (6) Numbers may not add up due to rounding differences

# Cost optimisation remains a key focus

## Total operating expenditure

(RM mn)



NB

- (1) Content costs are disclosed as part of cost of sales in our financial statements
- (2) Other expenses include marketing and distribution costs, administrative expenses, STB installation and smartcard costs, depreciation and amortisation, as well as maintenance costs
- (3) Numbers may not add up due to rounding differences

# Applying ROI discipline in capex spend

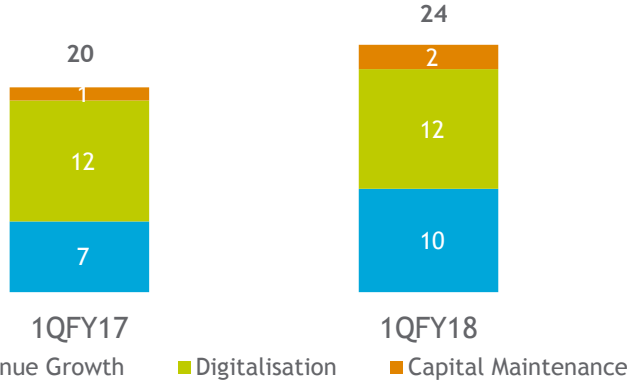
## Cash capex

(RM mn)

as % of revenue

2%

2%



Key capex investments in Q1FY18 include:

- Product and service upgrading
- Technology infrastructure
- Customer experience

NB

- (1) Data presented are for the 3 months ended 30 April
- (2) Numbers may not add up due to rounding differences

## Capitalised capex

(RM mn)

as % of revenue

2%

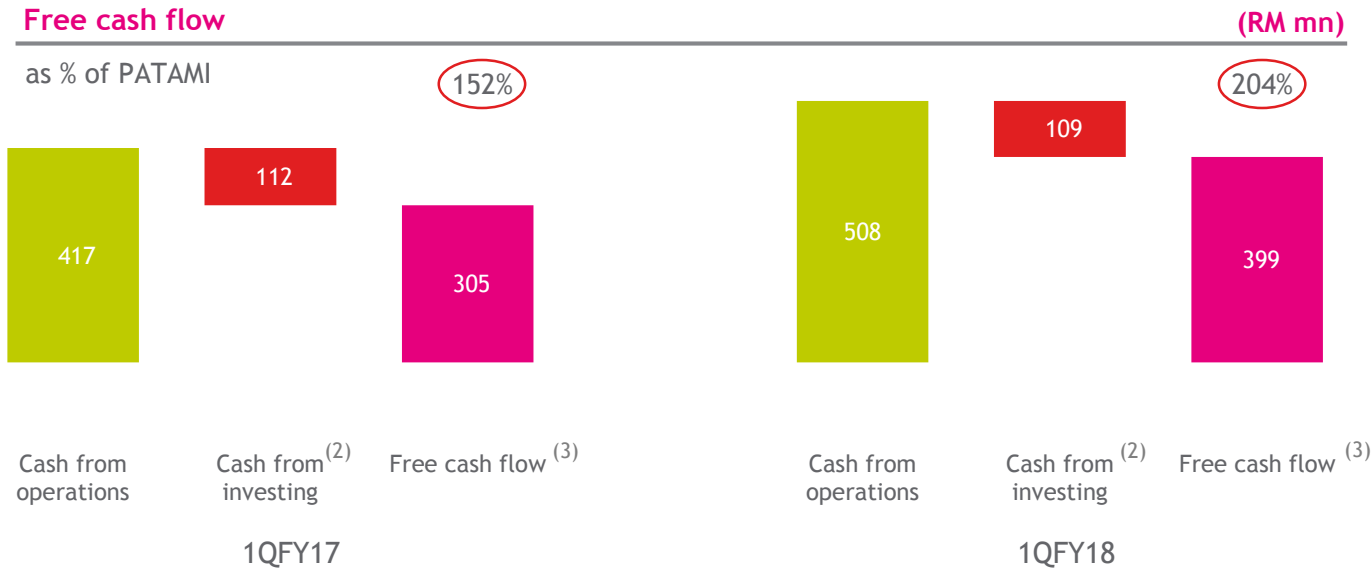
4%



- STBs/ODUs are owned by Astro, and are capitalised
- STBs/ODUs are conservatively amortised over 3 years; note that actual useful life is typically greater than 5 years
- Discretionary 36 month bullet payment vendor financing is available for Astro for STB/ODU purchases
- RM766mn of vendor financing recorded in payables, of which RM264mn is current and RM502mn is non-current



# Strong cash generation continues to significantly exceed PATAMI...



...enabling significant flexibility on capital management and dividend policy

NB

- (1) Data presented are for the 3 months ended 30 April
- (2) Excludes investments, disposals and maturities of unit trust and money market funds
- (3) Excludes repayments of vendor financing and payments of finance leases, which are categorised as cash from financing to be consistent with Bursa disclosure
- (4) Numbers may not add up due to rounding differences

# Quarterly dividend announcement

- Leveraging on invested capital, AMH continues to be highly cash generative
- The Board of Directors of AMH has declared a quarterly dividend of **3.00 sen per share** for 1QFY18
- Quarterly dividend entitlement and payment dates: **4 July 2017** and **14 July 2017**, respectively



# *Appendix*

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# PAT reconciliation

(RM mn)	1QFY17	1QFY18
<b>EBITDA</b>	<b>477</b>	<b>460</b>
<i>Margin %</i>	35%	35%
Depreciation and amortisation <sup>(1)</sup>	(195)	(160)
<b>EBIT</b>	<b>282</b>	<b>301</b>
<i>Margin %</i>	21%	23%
Finance income	57	20
Finance cost	(61)	(51)
Share of post tax results from investments	2	0
<b>PBT</b>	<b>280</b>	<b>270</b>
Tax expense	(79)	(77)
<i>Tax rate %</i>	28%	29%
<b>PAT</b>	<b>201</b>	<b>192</b>
<b>PATAMI</b>	<b>202</b>	<b>196</b>
<i>Margin %</i>	15%	15%
<b>Normalised PATAMI <sup>(2)</sup></b>	<b>179</b>	<b>188</b>
<i>Margin %</i>	13%	14%

NB

- (1) Depreciation and amortisation excludes the amortisation of film library and programme rights which is expensed as part of content costs (cost of sales)
- (2) Normalised PATAMI excludes post-tax impact of unrealised forex gain (Q1FY18: RM8m, Q1FY17: RM23m) due to MTM revaluation of M3B transponder lease liability
- (3) Numbers may not add up due to rounding differences

# Group Balance Sheet overview

(RM mn)	1QFY17	1QFY18
<b>Non-current assets</b>	<b>4,591</b>	<b>4,455</b>
Property, plant and equipment	2,000	1,751
Other non-current assets	2,591	2,703
<b>Current assets</b>	<b>2,049</b>	<b>1,651</b>
Receivables and prepayments	850	755
Cash and bank balances <sup>(1)</sup>	1,086	758
Other current assets	112	138
	<b>6,640</b>	<b>6,106</b>

(RM mn)	1QFY17	1QFY18
<b>Non-current liabilities</b>	<b>3,809</b>	<b>3,315</b>
Payables	533	502
Borrowings	3,181	2,726
Other non-current liabilities	95	87
<b>Current liabilities</b>	<b>2,253</b>	<b>2,148</b>
Payables	1,574	1,490
Borrowings	514	633
Other current liabilities	166	25
<b>Shareholders' equity</b>	<b>577</b>	<b>643</b>
	<b>6,640</b>	<b>6,106</b>

**Net debt / LTM EBITDA: 1.4x**

NB

- (1) Includes money market unit trusts
- (2) Data presented are as at 30 April
- (3) Numbers may not add up due to rounding differences

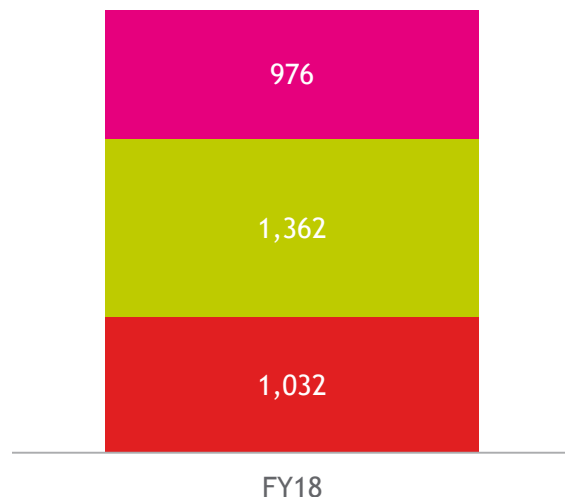
# Debt profile

## Total borrowings

(RM mn)

■ Finance lease ■ RM term loan ■ USD term loan

Total borrowings is net of debt issuance costs (RM11.8 mn) ▶ 3,359



## Details of borrowings

### USD term loan

- As at 30 April 2017, outstanding principal US dollar term loan stood at US\$222.75mn. The eighth principal repayment of USD24.75mn (RM74.72mn) was paid on 8 June 2017
- Fully hedged via cross currency interest rate swap at an exchange rate of USD/RM3.0189 and an all-in interest rate of 4.19% p.a.
- Back ended amortisation schedule. With first drawdown date of 8 June 2011, average life is 7 years with final maturity date of 8 June 2021

### RM term loan

- As at 30 April 2017, total outstanding principal RM term loan stood at RM1,350mn. The eighth principal repayment of RM150mn was paid on 19 May 2017 and the ninth principal repayment of RM150mn is scheduled to be paid on 20 November 2017
- All-in interest rate (post-hedging) for the hedged portion of RM1,012.5mn is 5.4467% while balance unhedged of RM337.5mn stood at 4.8200% (variable floating rate based on cost of funds)
- Back ended amortisation schedule. With first drawdown date of 19 May 2011, average life is 7 years with final maturity date of 19 May 2021

### Finance lease (primarily satellite transponders)

- Finance lease related to lease of Ku-band transponders on MEASAT-3, MEASAT-3A and MEASAT-3B. Payment arrangement for the remaining contractual years for M3 and M3A have been redenominated into Ringgit at USD/RM3.0445 w.e.f. 21 May 2013. The unhedged portion of the finance lease related to M3B is USD122.2m
- Effective interest rate: 6.2%, 4.6%, 12.5% and 5.56% p.a. for M3, M3-T11, M3A and M3B respectively
- Average life: 15 years

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**Thank you**

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