



Dialog Axiata PLC

Sri Lanka's Premier Connectivity Provider

Q1 2018

an axiata company

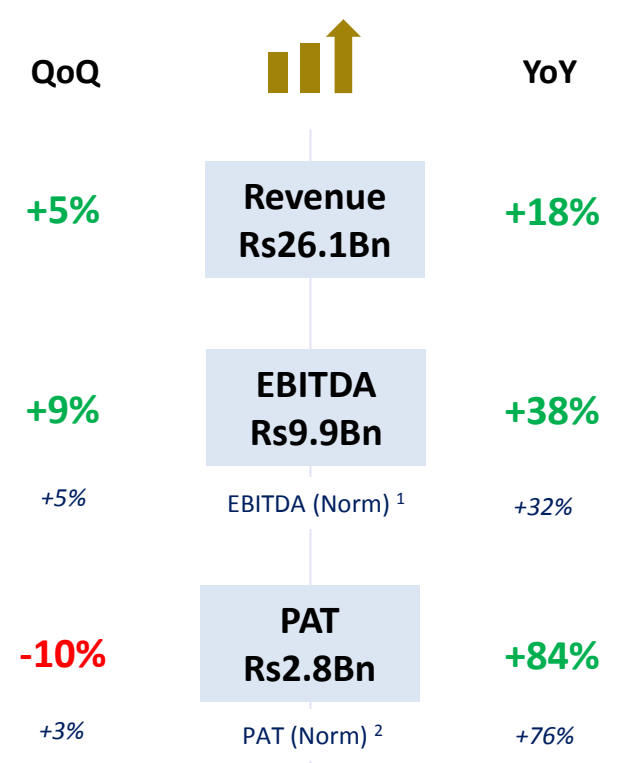
Dialog Group Performance

Dialog Axiata Company Performance

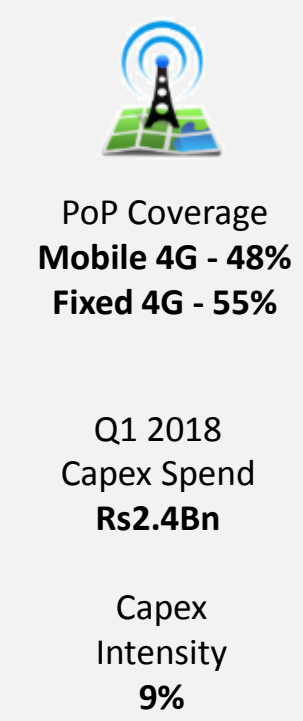
Subsidiary Performance



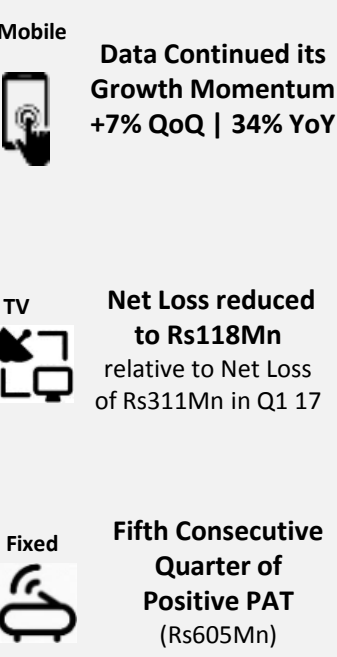
All Key Financial Indicators Improved QoQ and YoY Post Normalisation for SLFRS 15 Impact and Forex Loss



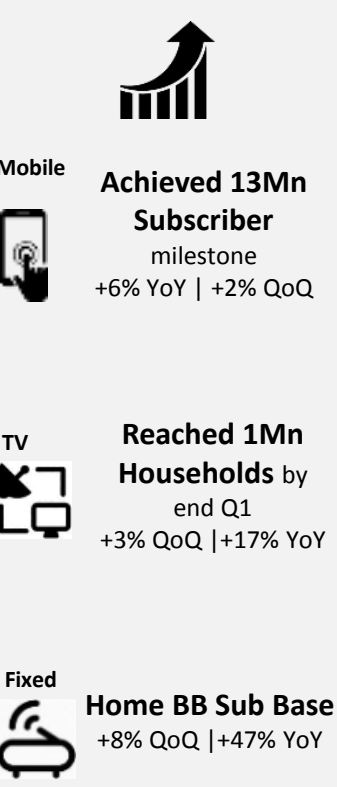
Focused Capex Investments to Support Rapid Growth in Data



All Business Segments Delivered a Strong Q1 Performance



Aggressive Subscriber Growth



Awards & Recognition

SLIM – Nielsen People’s Awards 2017

- Telecom Service Provider of the Year (Seventh Successive Year)
- Internet Service Provider of the Year (Sixth Successive Year)

#1 in Corporate Accountability Rankings for the Eighth Successive Year

Top Telecommunications Brand & #2 Most Valuable Brand in Sri Lanka *Brand Finance League Table*

¹ Norm for SLFRS 15 impact ²Normalised for non-cash translational forex loss and SLFRS 15 impact

Rs Mn	Q1 18	QoQ	YoY
Revenue	26,083	5%	18%
EBITDA	9,959	9%	38%
PAT	2,842	-10%	84%
<i>EBITDA Margin</i>	38.2%	1.4pp	5.6pp
<i>PAT Margin</i>	10.9%	-1.9pp	3.9pp
<i>ROIC</i>	16.1%	0.7pp	4.3pp

Normalised Performance¹

Revenue	25,974	5%	17%
EBITDA	9,538	5%	32%
PAT ²	3,187	3%	76%

All key financial indicators improved significantly YoY with revenue growing at 18% whilst EBITDA and PAT grew 38% and 84% respectively; QoQ PAT impacted by non-cash translational forex losses of Rs0.4Bn

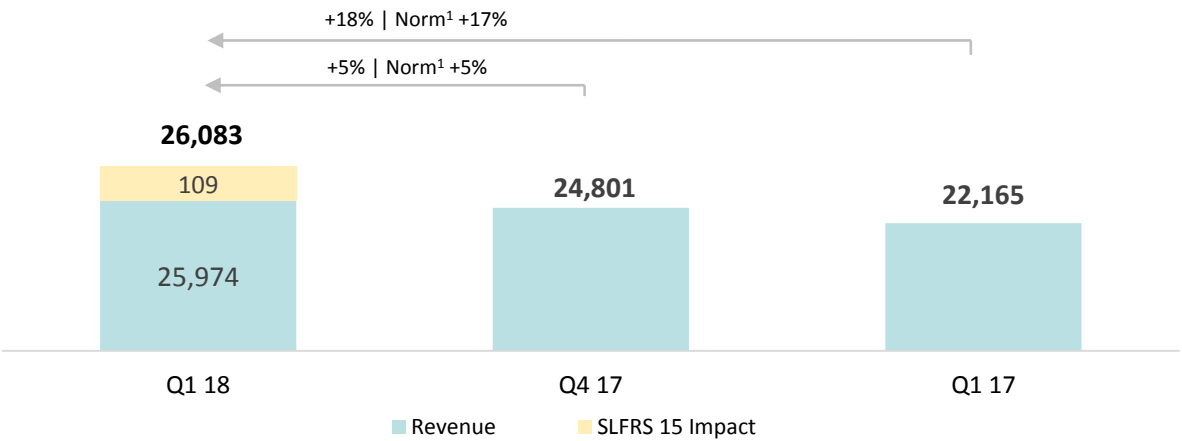
¹ Normalised for SLFRS 15 impact

² Normalised for non-cash translational forex loss and SLFRS 15 impact

Group Revenue Continued its Growth Trajectory, Recording a Growth of 5% QoQ and 18% YoY



Growth Across Key Business Segments Driving Revenue Performance



Growth in Mobile Revenue QoQ up 1%, with Mobile Data Revenue growing 7% QoQ driven by increased smartphone penetration and 4G conversion; Voice revenue declined by 4% QoQ and remained stable YoY

International Revenue grew 12% QoQ and 27% YoY led by significant growth in wholesale business and recovery in termination minutes in Q1 on the back of temporary ban imposed on OTT Usage

Fixed Home Broadband Revenue growth of 17% QoQ and 49% YoY supported by expanding network coverage and aggressive subscriber acquisitions

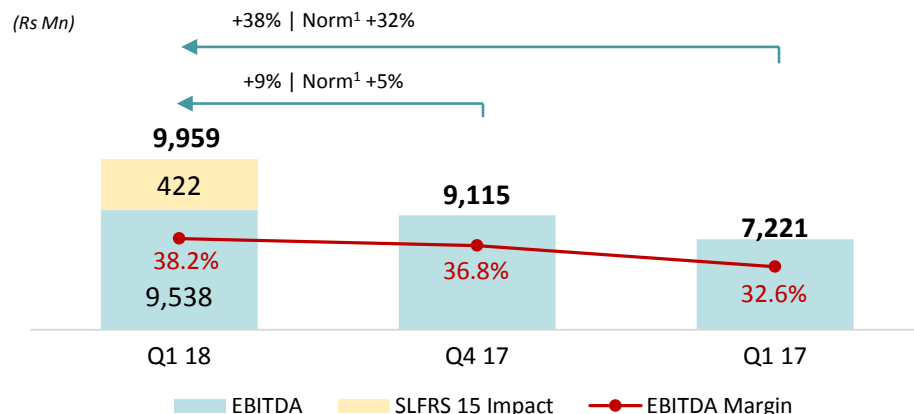
Television Revenue growth of 9% QoQ and YoY (post normalisation for SLFRS 15) driven by increase in subscription and advertising revenues; TV revenue inclusive of SLFRS 15 grew by 25% QoQ and 24% YoY



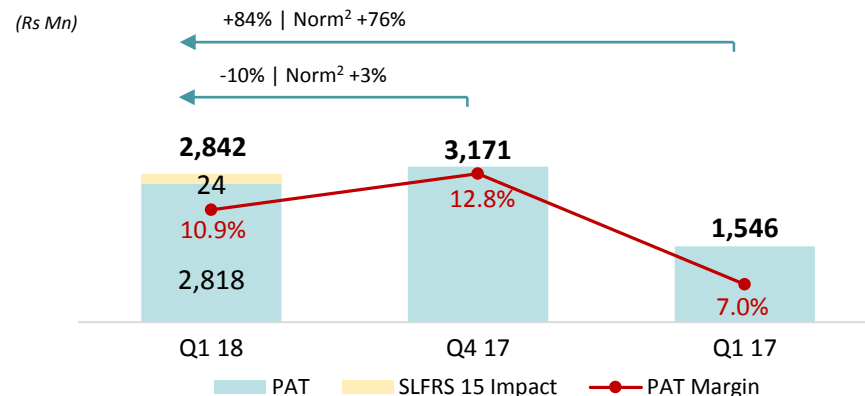
¹ Norm for SLFRS 15 impact

Growth in Group EBITDA Delivered via Revenue Growth and Cost Management; QoQ Group PAT Impacted by Higher Forex Loss

Strong EBITDA Growth QoQ and YoY with Q1
EBITDA Margin (Norm¹) of 36.6%



QoQ PAT Growth Impacted by Higher Forex Loss;
PAT (Norm)² Grew by 3% QoQ and 76% YoY



Total Cost to Revenue Ratio Improved 1.4pp QoQ; Total Cost Reduced by Rs313Mn (moved to Amortisation) as a result of SLFRS 15

	Q1 18	As % of revenue	Q4 17	As % of revenue	Q1 17	As % of revenue	QoQ	YoY
Total Cost	Rs16,123Mn	61.8%	Rs15,686Mn	63.2%	Rs14,944Mn	67.4%	-1.4pp	-5.6pp
Direct Expenses		27.0%		25.2%		26.6%	+1.8pp	+0.4pp
Sales & Marketing		10.9%		14.6%		15.2%	-3.7pp	-4.3pp
Network Cost		11.8%		11.5%		13.5%	+0.3pp	-1.7pp
Staff Cost		8.1%		9.3%		8.3%	-1.2pp	-0.2pp
Overheads		2.6%		2.8%		3.1%	-0.2pp	-0.5pp
Bad Debt		1.4%		-0.2%		0.7%	+1.6pp	+0.7pp

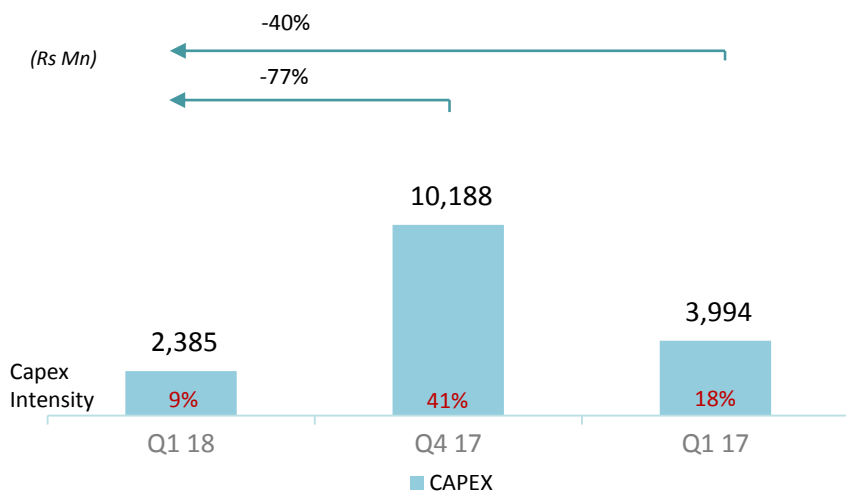
¹ Norm for SLFRS 15 impact

² PAT Norm for SLFRS 15 impact and non-cash translational forex loss

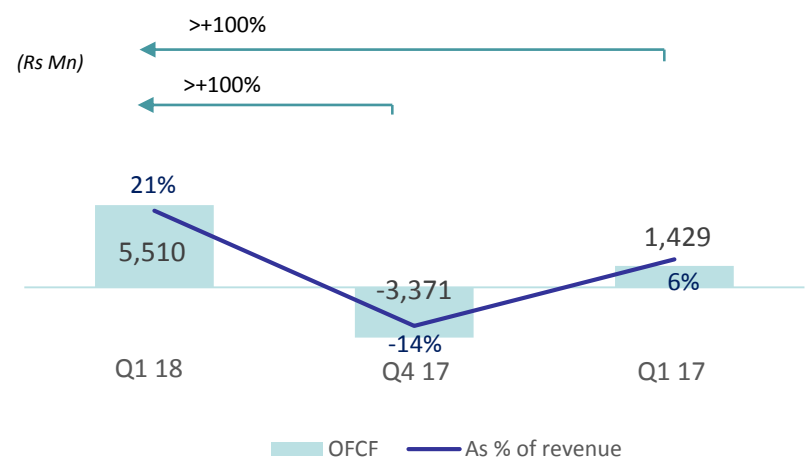
Focused Capex Investments to Support Rapid Growth in Data

Capex Intensity at 9%

Capex Investments Directed Towards Expanding Data Network;
Mobile 4G and Fixed LTE PoP Coverage Reached 48% and 55%



Positive OFCF for Q1 2018 Driven by Strong Operating Performance and Focused Capex



Q1 18 Capex of Rs2.4Bn directed mainly towards investments in High-Speed Broadband infrastructure consisting of capacity upgrades and LTE focused coverage expansion

Investment in Data Infrastructure includes:

- 4G capacity upgrades
- 4G coverage expansion



Group's Net Debt to EBITDA Remained Healthy Below 1.0x

(Rs Mn)	31 Mar 18	31 Dec 17	31 Mar 17
Gross Debt	33,673	33,470	33,041
Net Debt	30,615	28,185	28,919
Cash and Cash Equivalents	3,058	5,285	4,123
<i>Gross Debt / Equity (x)</i>	<i>0.50</i>	<i>0.54</i>	<i>0.59</i>
<i>Gross Debt/ EBITDA (x)</i>	<i>0.85</i>	<i>0.99</i>	<i>1.14</i>
<i>Net Debt/ EBITDA (x)</i>	<i>0.77</i>	<i>0.83</i>	<i>1.00</i>

Group continued to maintain a structurally strong balance sheet, with Net Debt to EBITDA of 0.77x



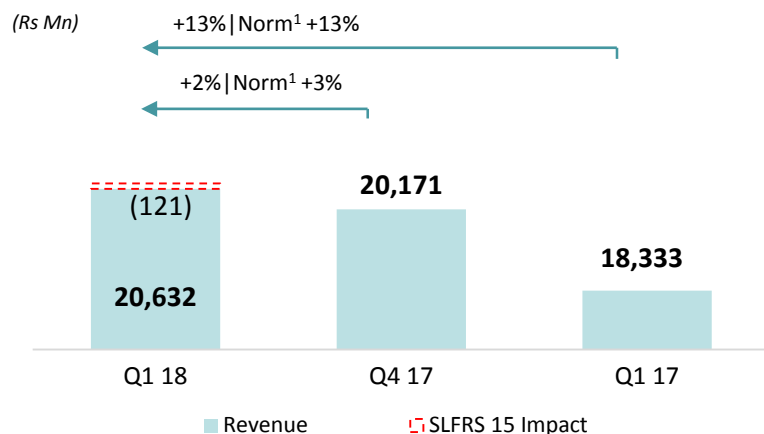
Dialog Group Performance

Dialog Axiata PLC - Company Performance

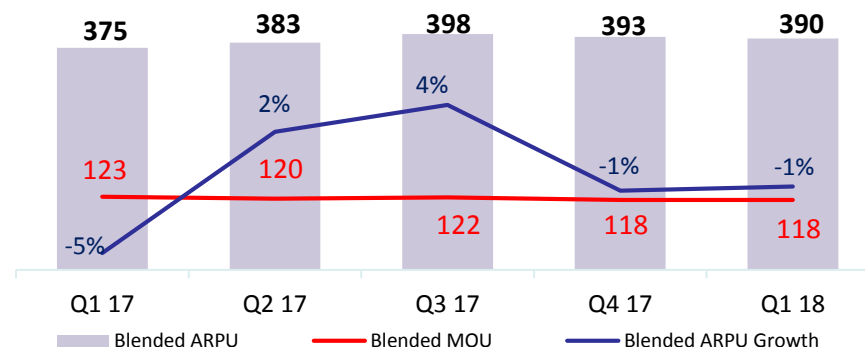
Subsidiary Performance



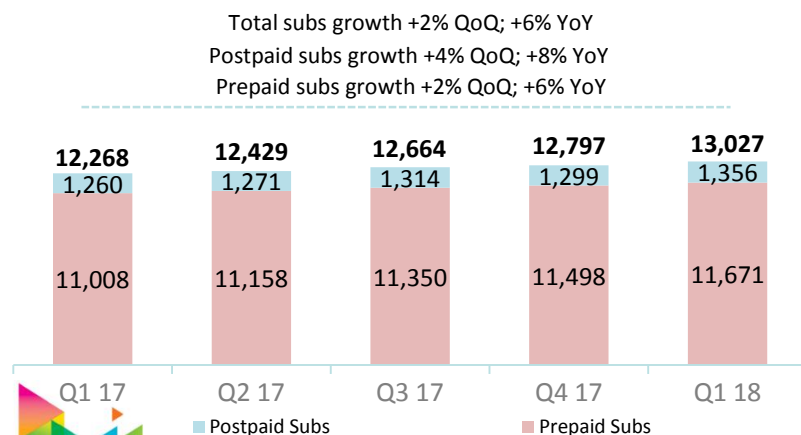
Growth in Data Driving Revenue Increase



Mobile MOU and ARPUs Remains Stable QoQ



Subscriber Growth Driven by Aggressive Customer Acquisition Drives



EBITDA Improved QoQ while Higher Forex Loss Impacted QoQ PAT Growth

	Q1 18	QoQ	YoY
Revenue	20,632	2%	13%
EBITDA	7,653	3%	33%
PAT	2,492	-20%	43%
EBITDA Margin %	37.1%	+0.2pp	+5.8pp
PAT Margin %	12.1%	-3.3pp	+2.6pp

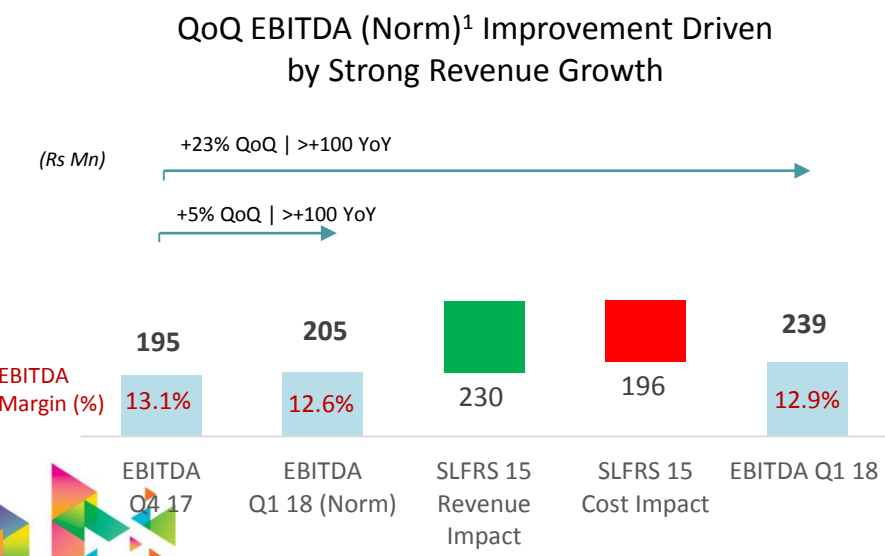
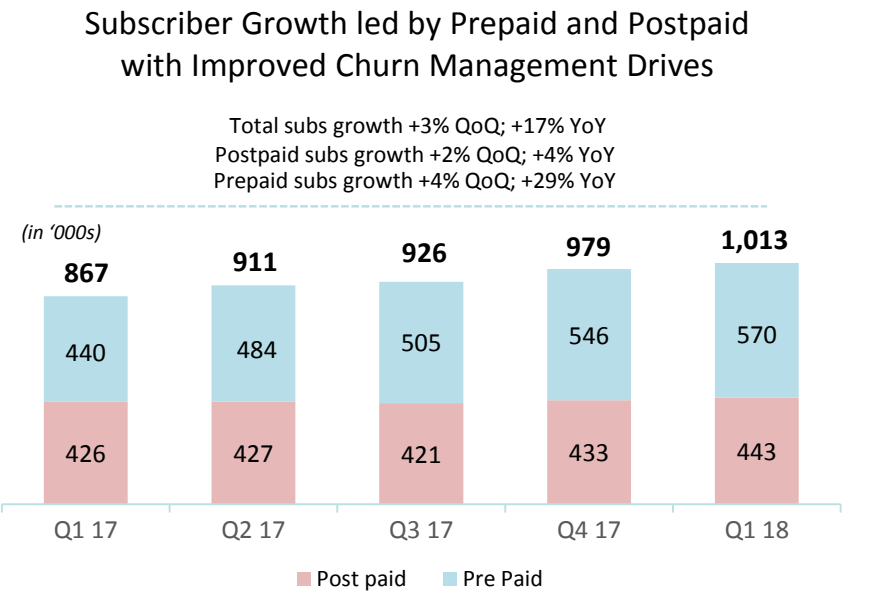
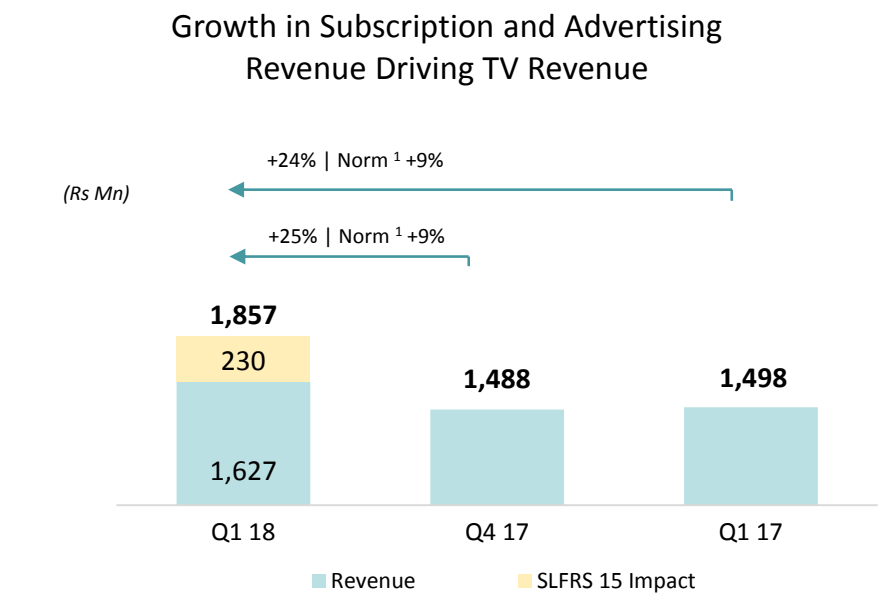
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Subsidiary Performance





YoY PAT Growth Underpinned by EBITDA Improvement; QoQ PAT Impacted by Forex Loss

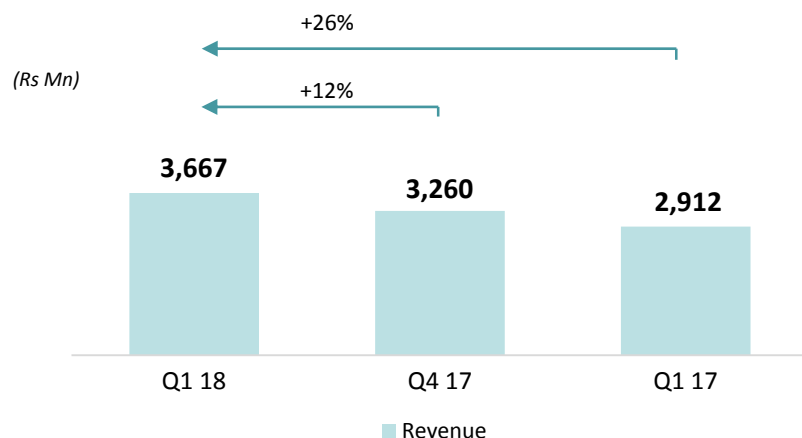
Rs Mn	Q1 18	QoQ	YoY
Revenue ¹	1,627	9%	9%
EBITDA ¹	205	5%	>100%
PAT	-126	-23%	59%
PAT ¹	-118	-15%	62%
PAT Margin % ¹	-7.3%	-0.4pp	+13.5pp

¹ Norm for SLFRS 15 impact

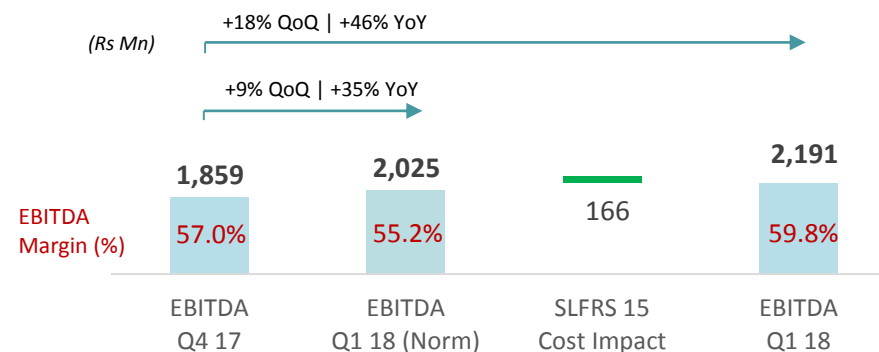
Dialog Broadband Networks – Fixed Business

Revenue Growth Driven by Home Broadband (HBB) on the back of Network Coverage Expansion and Aggressive Market Capture

Strong Growth in Revenue QoQ and YoY Driven by Home BB Revenue



EBITDA Improvement Driven by Strong Revenue Performance



Fifth Consecutive Quarter of Positive PAT (Rs605Mn in Q1 18); QoQ PAT (Norm) Impacted by Higher Depreciation

(Rs Mn)	Q1 18	QoQ	YoY
Revenue	3,667	12%	26%
EBITDA ¹	2,025	9%	35%
PAT	605	8%	>100%
PAT ¹	531	-5%	>100%
PAT Margin % ¹	14.5%	-2.7pp	+6.3pp

¹ Norm for SLFRS 15 impact

Thank You

