



Dialog Axiata PLC

Sri Lanka's Premier Connectivity Provider

Q3 2019

an axiata company

Dialog Group Performance

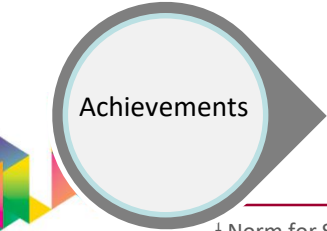
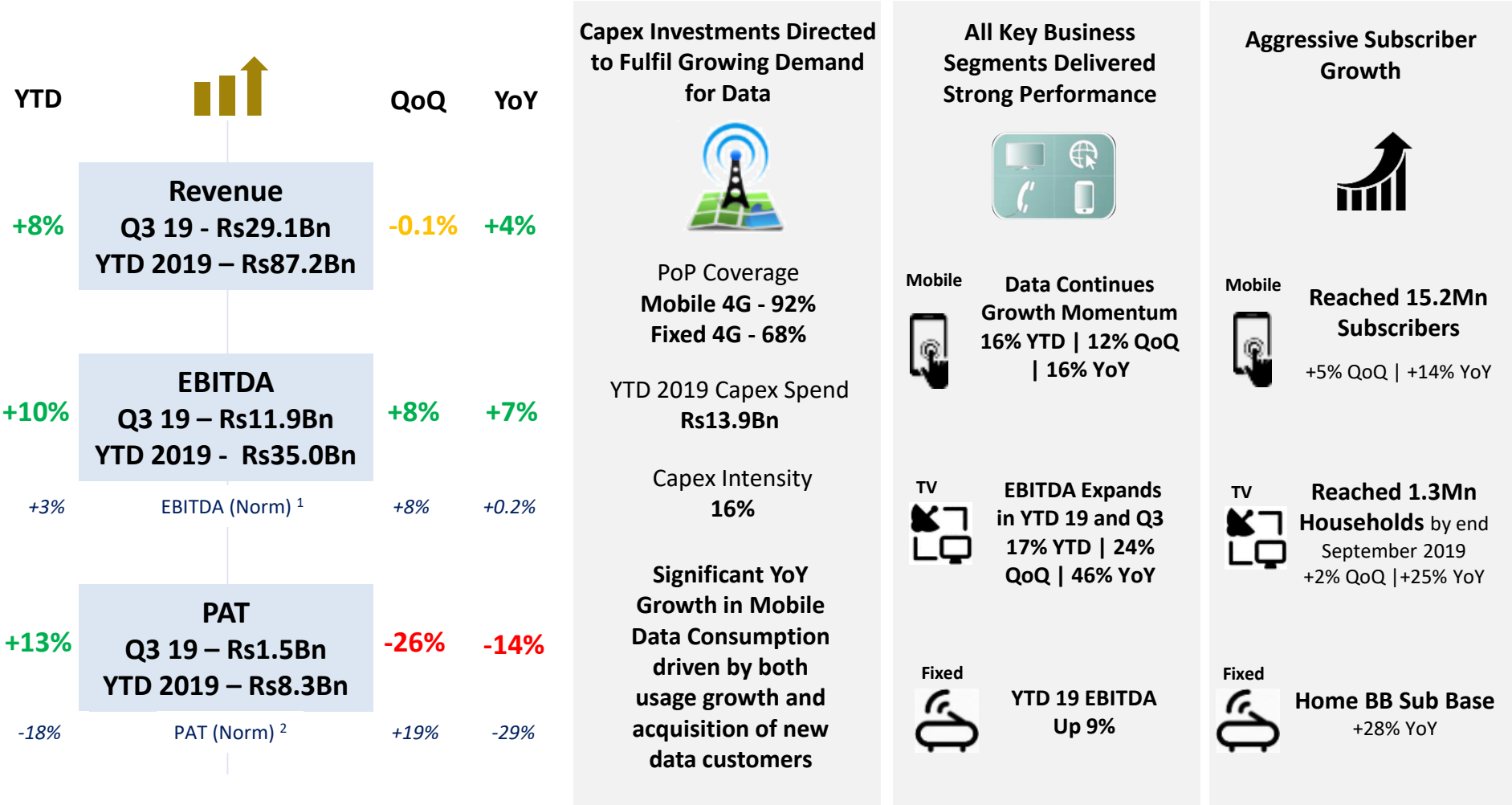
Dialog Axiata Company Performance

Subsidiary Performance



Dialog Group Performance Highlights – Q3 2019

Delivered Strong YTD Performance; QoQ Performance Impacted by Intense Competition and Gradual Recovery in Core Revenue following Easter Sunday Incident



Genie, Sri Lanka’s first and only PCI-DSS certified mobile payment app, clinched the gold awards for ‘Most Popular Electronic Payment Product (Fintech)’ and ‘Best Mobile Application for Retailer Payments’ at the LankaPay Technnovation Awards 2019



¹ Norm for SLFRS 16 ² Normalised for non-cash translational forex loss

Rs Mn	YTD 2019	YTD	3Q 19	QoQ	YoY
Revenue	87,163	8%	29,059	-0.1%	4%
EBITDA	35,046	10%	11,919	8%	7%
PAT	8,348	13%	1,474	-26%	-14%
<i>EBITDA Margin</i>	40.2%	0.5pp	41.0%	3.0pp	1.0pp
<i>PAT Margin</i>	9.6%	0.4pp	5.1%	-1.8pp	-1.1pp
<i>ROIC</i>	12.6%	-3.3pp	12.6%	-0.1pp	-3.3pp

Normalised Performance

EBITDA ¹	33,060	3%	11,210	8%	0.2%
PAT ²	8,128	-18%	2,483	19%	-29%

1

Aggressive competition and Data price reduction impacting Revenue growth

2

Gradual recovery in core Revenues following Easter Sunday incident

3

Positive Impact from SLFRS 16 on EBITDA Rs2.0Bn; Upside on EBITDA Margin 2.3pp

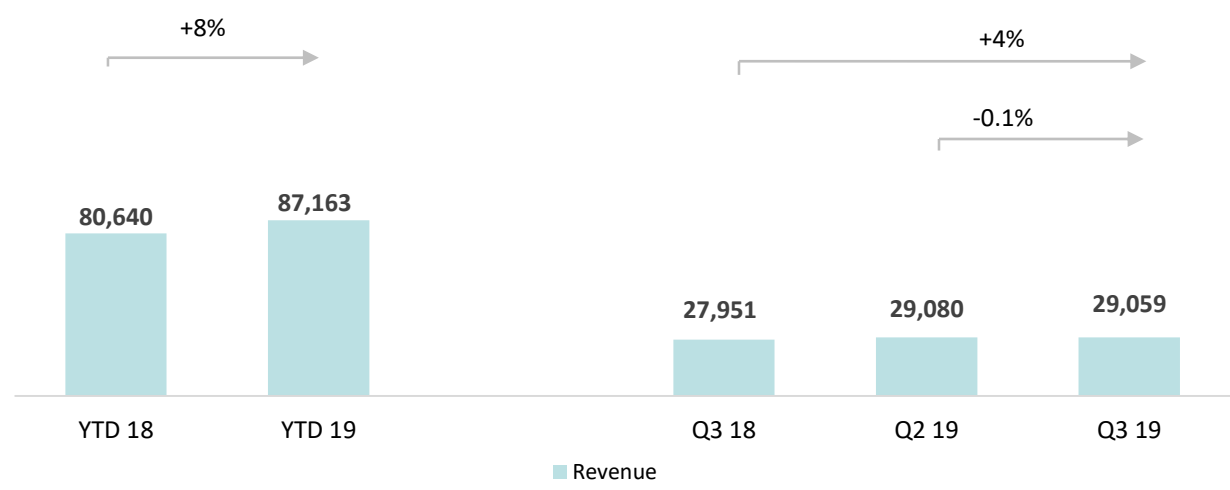
4

Non-cash translational forex impact of Rs1.0Bn for Q3 19 amid 3% depreciation in LKR

¹ Norm for SLFRS 16

² Norm for non-cash translational forex losses/gains

Positive Revenue Performance YTD and YoY; Negative Externalities Affecting QoQ Growth



Mobile Revenue remained flat YTD whilst growing 2% QoQ, with **Mobile Data Revenue** growing 16% YTD and 12% QoQ driven by increased data subscribers and 4G conversion; **Voice revenue** down 2% YTD and 4% QoQ

International Revenue grew 46% YTD led by significant growth in **Wholesale Revenue** albeit declining 6% QoQ

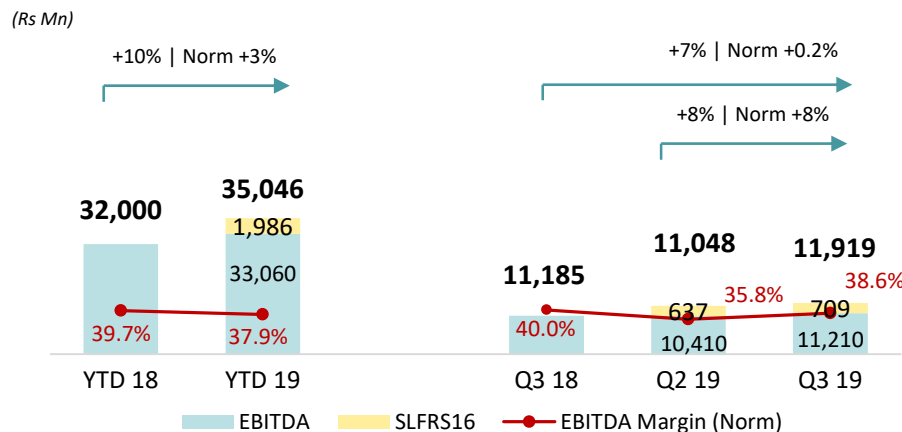
Fixed Home Broadband Revenue continued its growth trajectory up 9% YTD supported by expanding Fixed 4G LTE network coverage and subscriber acquisitions

Television Revenue grew 16% YTD and 3% QoQ driven by increase in subscriptions

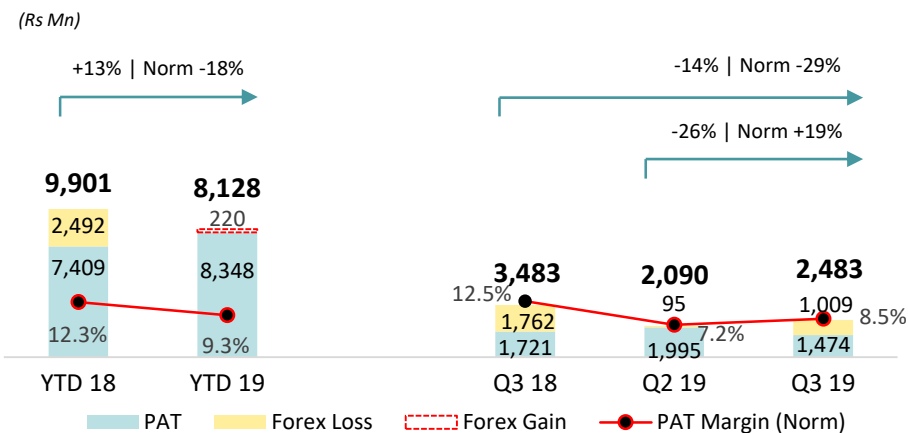


Group Profitability Improvement via Cost Focus

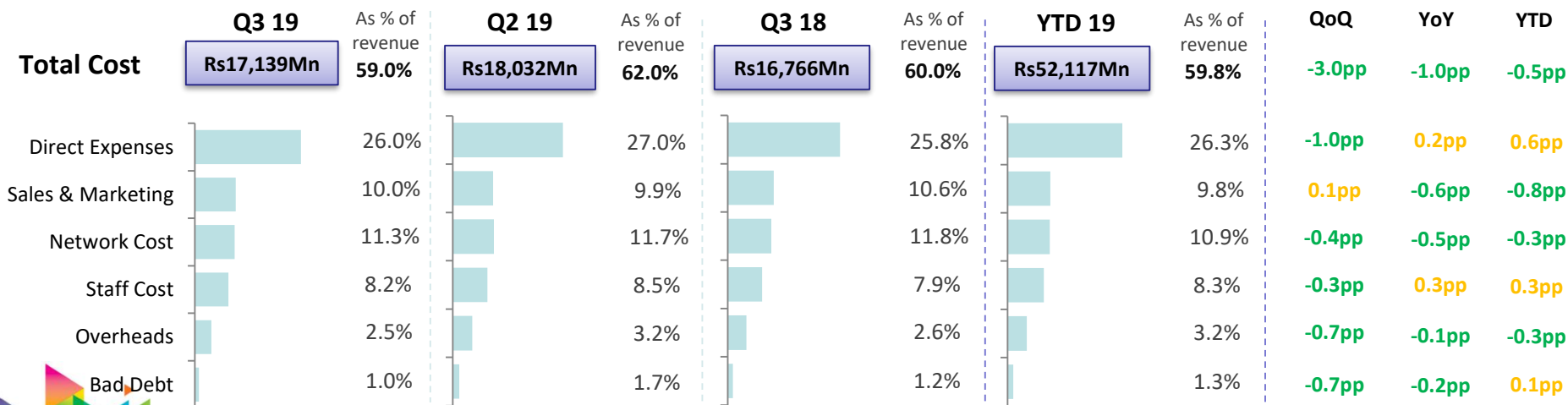
QoQ EBITDA Improvement underpinned by Realisation of Cost Efficiencies



Norm. for forex PAT impacted by Higher Depreciation and Finance Cost



Total Cost to Revenue Ratio Decreased 3.0pp QoQ; Total Cost Savings of Rs3.3Bn in YTD 19 from Cost Rescaling Initiatives

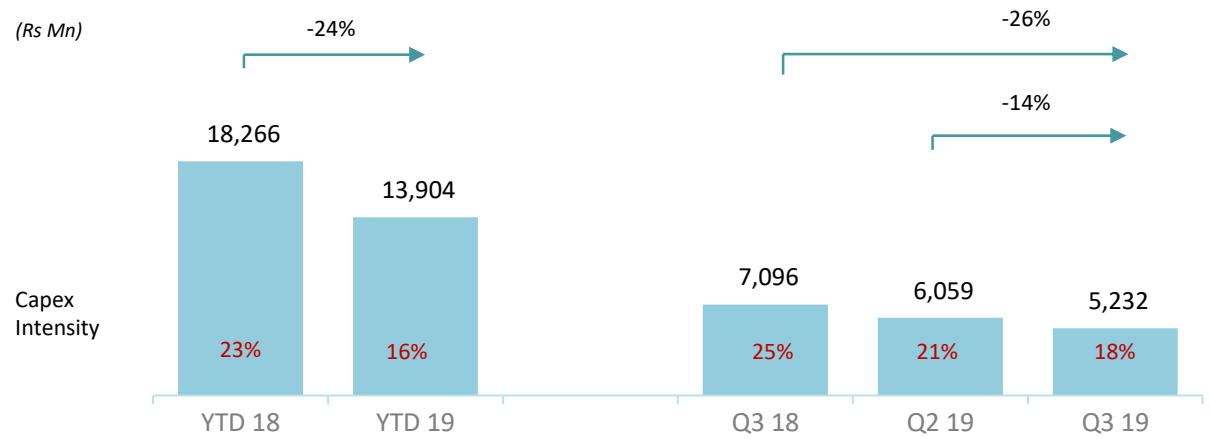


Focused Capex Investments to Support Mobile/Fixed Broadband Capacity Upgrades

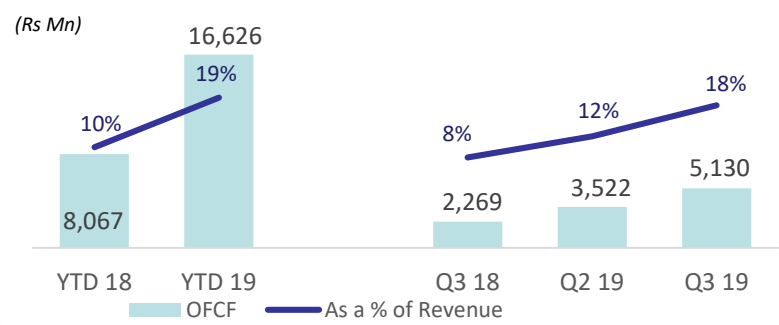
Capex Intensity at 16% for YTD 2019... OFCF Increased to 16.6Bn YTD



Capex Investments Directed Towards Expanding Data Network; Mobile 4G and Fixed LTE PoP Coverage Reached 92% and 68% Respectively



Positive OFCF YTD 19 Driven by Calibrated Capex Spend and Focused Working Capital Management



Capex spend of Rs13.9Bn for YTD 2019 directed mainly towards investments in High-Speed Broadband infrastructure consisting mainly of revenue generating capacity upgrades

Investment in Data Infrastructure includes:

- 4G capacity upgrades
- 4G coverage expansion



Group's Net Debt to EBITDA Remained Healthy at 0.79x



(Rs Mn)	30 Sep 19	30 June 19	31 Dec 18	30 Sep 18
Gross Debt	46,327	51,103	46,391	43,802
Net Debt	36,855	42,050	39,681	37,514
Cash and Cash Equivalents	9,472	9,053	6,710	6,288
<i>Gross Debt / Equity (x)</i>	<i>0.64</i>	<i>0.73</i>	<i>0.69</i>	<i>0.65</i>
<i>Gross Debt/ EBITDA (x)</i>	<i>0.99</i>	<i>1.10</i>	<i>1.07</i>	<i>1.05</i>
<i>Net Debt/ EBITDA (x)</i>	<i>0.79</i>	<i>0.91</i>	<i>0.91</i>	<i>0.90</i>

The Low Geared Balance Sheet Structure Demonstrates the Group's Financial Strength and Capacity to Drive Business Growth via Timely and Aggressive Investments



Dialog Group Performance

Dialog Axiata PLC - Company Performance

Subsidiary Performance

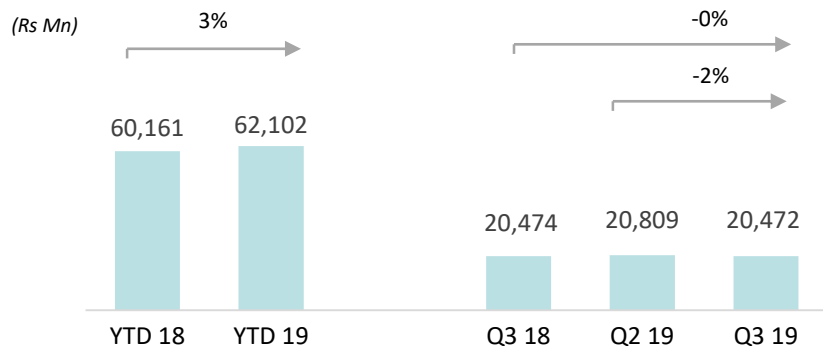


Dialog Axiata PLC (Company)

Dialog Continues to Capture Market Share amid Aggressive Competition

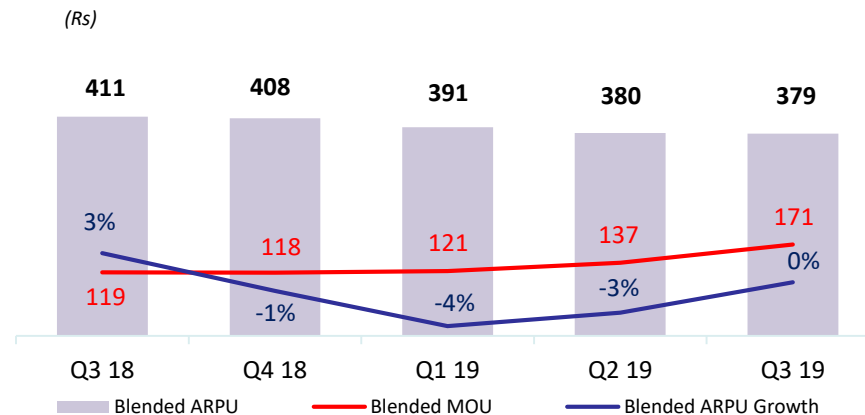


Revenue¹ Decline due to Core Revenue Challenges and Contraction in Wholesale Revenue

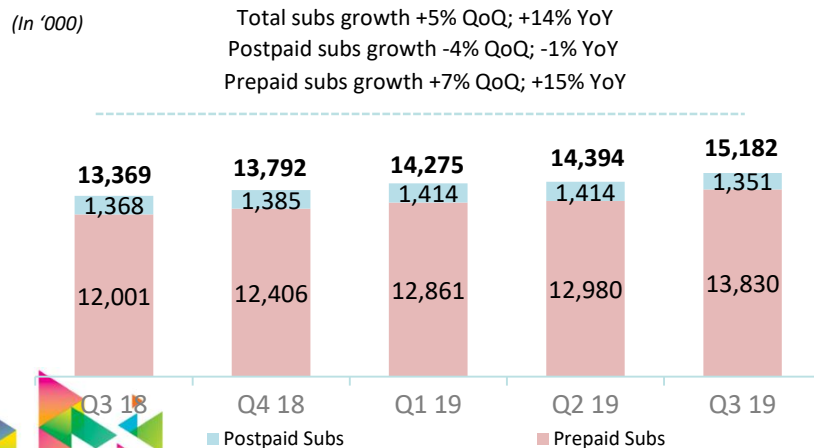


¹ YTD 18 and Q3 18 normalised for wholesale revenue

Significant Improvement in MOUs; ARPU stable Owing to Growth in Data Revenues



Subscriber Growth Driven by Customer Acquisition and Retention Initiatives



Profitability Improvement Driven by Cost Optimisations; QoQ PAT Impacted by Forex

RsMn	YTD 19	YTD	Q3 19	QoQ	YoY
EBITDA	26,706	9%	9,067	9%	4%
PAT	8,663	25%	1,839	-11%	3%
EBITDA Margin %	+43.0%	+4.2pp	+44.3%	+4.4pp	+3.1pp
PAT Margin %	+14.0%	+2.9pp	+9.0%	-0.9pp	+0.6pp

Dialog Group Performance

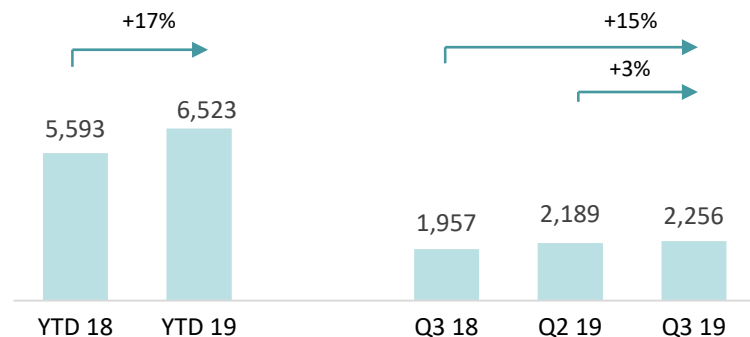
Dialog Axiata Company Performance

Subsidiary Performance



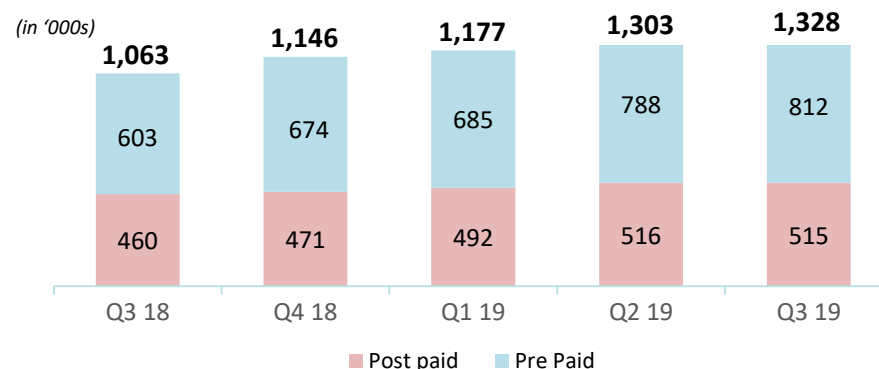
Subscriber Growth and Rental Revision in Q4 18 Driving Overall Top Line Performance

(Rs Mn)



Subscriber Growth led by Prepaid and Postpaid with Improved Churn Management Drives

Total subs growth +2% QoQ; +25% YoY
Postpaid subs growth +0% QoQ; +12% YoY
Prepaid subs growth +3% QoQ; +35% YoY



Profitability Improvement Underpinned by Subscription Revenue led top Line Growth and Cost Management Initiatives

(Rs Mn)	YTD 19	YTD	Q3 19	QoQ	YoY
EBITDA	1,820	17%	744	24%	46%
PAT	-335	15%	-66	35%	52%
EBITDA Margin %	+27.9%	-3.5pp	+33.0%	+5.5pp	+6.9pp
PAT Margin %	-5.1%	+0.6pp	-2.9%	+1.7pp	+4.1pp

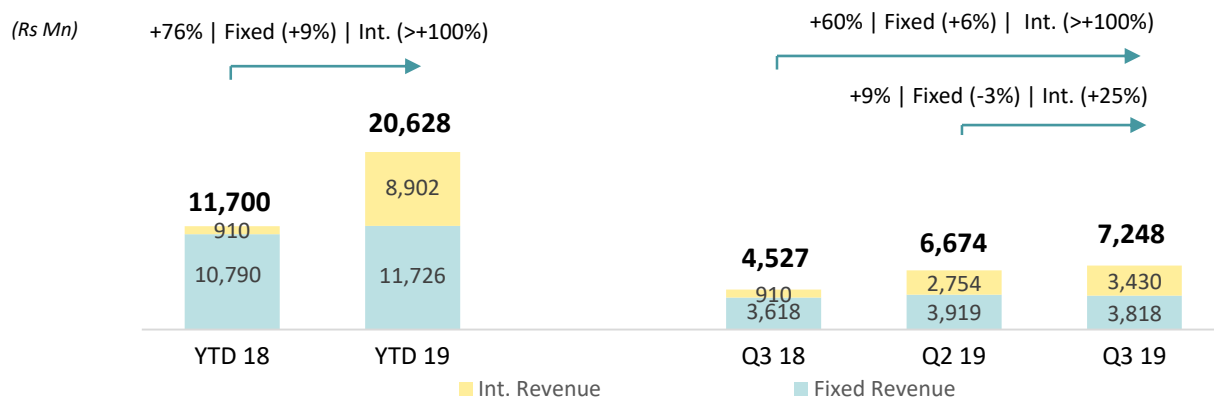
Dialog Broadband Networks – Fixed Business

Fixed Business Continuing to Capture Fixed Broadband Market Share (36% in Q3 19)

+3pp QoQ and +5pp YoY



Strong Revenue Growth Supported by Int. Wholesale Business; Fixed Revenue up 10% YTD albeit Declining QoQ due to affordability challenges



International Revenue %	8%	43%	20%	41%	47%
-------------------------	----	-----	-----	-----	-----

EBITDA Records Strong Performance on YTD and YoY basis albeit QoQ Impacted Due to Constrained Top line Performance; PAT Performance Impacted by Higher Depreciation Owing to Fixed LTE Network Upgrades

(Rs Mn)	YTD 19	YTD	Q3 19	QoQ	YoY
EBITDA	6,890	9%	2,168	-8%	4%
PAT	579	-57%	(172)	>-100%	>-100%
EBITDA Margin %	+33.4%	-20.7pp	+29.9%	-5.4pp	-16.0pp
PAT Margin %	+2.8%	-8.6pp	-2.4%	-6.4pp	-9.7pp