



Dialog Axiata PLC

Sri Lanka's Premier Connectivity Provider

Q1 2021 Results

an axiata company

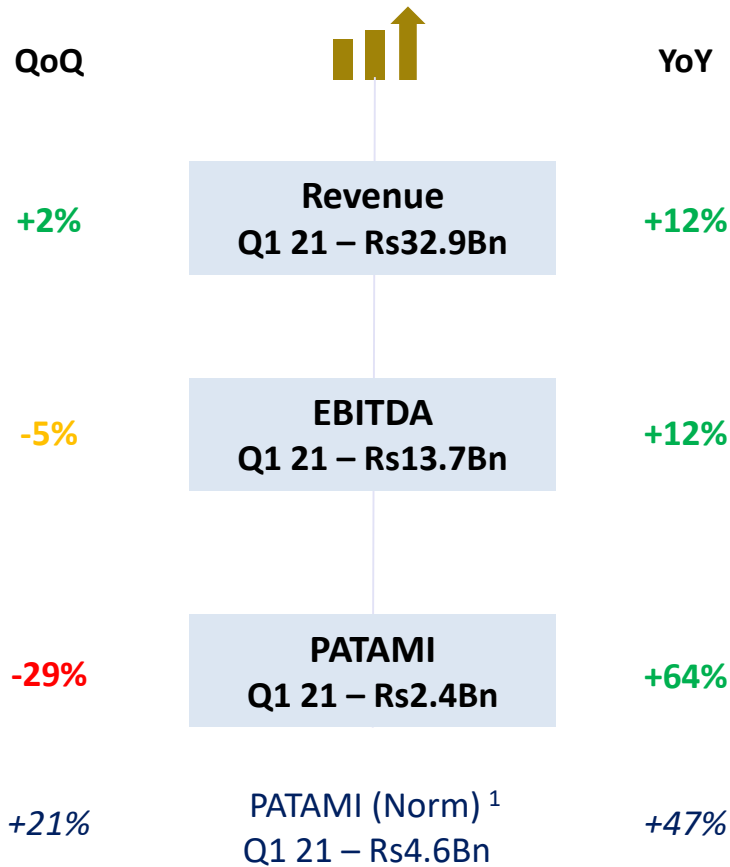
Dialog Axiata Group Performance

Dialog Axiata PLC - Company Performance

Subsidiary Performance – Dialog Broadband and Dialog TV

DIALOG GROUP PERFORMANCE HIGHLIGHTS – Q1 2021

Stable Performance During the Quarter; PATAMI Impacted by Forex Losses



Capex Investments Directed to Fulfil Growing Demand for Data and Digitisation Initiatives



PoP Coverage
Mobile 4G - 94%
Fixed 4G - 70%

Q1 2021 Capex Spend
Rs2.4Bn

Capex Intensity
7%

Significant improvement in Digital adoption

- Digital retailers – 40k
- MyDialog App – 7Mn

All Key Business Segments Delivered Strong Performance in Q1 21



Mobile



Voice Revenue Delivered Strong Performance Up 7% QoQ in Q1 2021



TV

DTV Revenue Recorded 5% Growth QoQ



Fixed

DBN continues Growth momentum with Revenue up 4% QoQ

Aggressive Subscriber Growth



Mobile



Reached 16.4Mn Subscribers
+10% YoY



TV

Reached 1.6Mn Households by end March 2021
+8% YoY



Fixed

Home BB Sub Base
+48% YoY

Awards & Accomplishments
In Q1 2021

Sri Lankan consumers voted Dialog as the 'Service Brand of the Year' and 'Youth Choice – Service Brand of the Year' for the second consecutive year, and the 'Telecommunication Brand of the Year' for a record tenth year running at the prestigious SLIM People's Awards 2021

Dialog Group commissioned the Maldives Sri Lanka Cable system ("MSC"), enabling the delivery of high-speed broadband services. The MSC system is the second investment, which follows the investment in the Bay of Bengal Gateway cable ("BBG") which was commissioned in 2016.

Dialog Axiata PLC also acquired 40Mhz of spectrum in the 2,600Mhz frequency band, which will be used for providing high speed Mobile 4G services



¹ Normalised for Forex Losses

GROUP FINANCIAL SUMMARY



Rs Mn	1Q 21	QoQ	YoY
Revenue	32,850	+2%	+12%
EBITDA	13,655	-5%	+12%
PATAMI	2,448	-29%	+64%
OFCF	10,370	>+100%	+14%
<i>EBITDA Margin</i>	41.6%	-2.9pp	0.0pp
<i>PATAMI Margin</i>	7.5%	-3.2pp	+2.4pp
<i>ROIC</i>	17.1%	+4.5pp	+4.8pp
Normalised for Forex			
PATAMI ¹	4,554	+21%	+47%

1

Revenue improvement driven by inclusion of H-One revenue and increase in Voice revenue

2

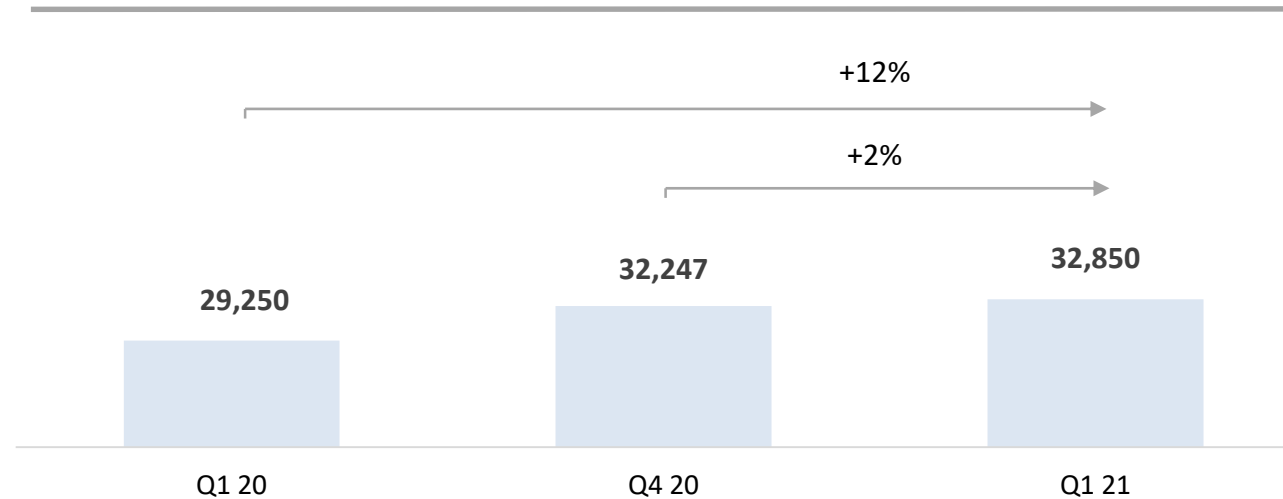
QoQ EBITDA decline due to higher network related expenses

3

NPAT impacted by the steep depreciation of the LKR against the USD by 7.1% for Q1 2021. Forex Loss was Rs2.1Bn for the quarter

¹ Norm for forex losses/gains

Strong Revenue Performance YoY; Revenue growth moderated to 2% QoQ



Mobile Revenue Increased 3% YoY supported by growth in both Voice and Data revenues

International Revenue was up 1% QoQ and 35% YoY driven by increase in wholesale revenue

Fixed Business Revenue continued its growth trajectory up 3% QoQ and 19% YoY driven by increase in Home Broadband Revenue

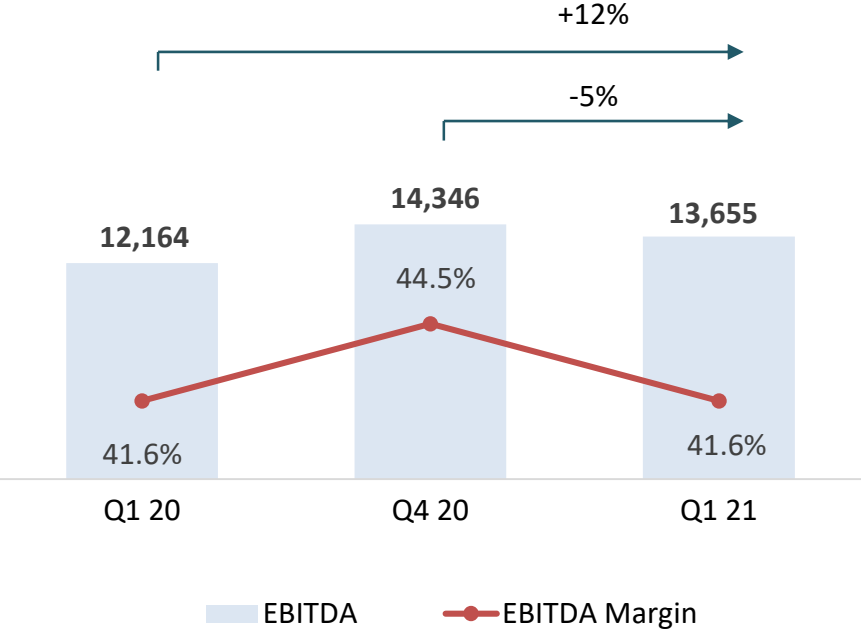
Television Revenue, driven by increase in subscription revenue, was up 5% QoQ and 7% YoY

GROUP EBITDA AND PATAMI



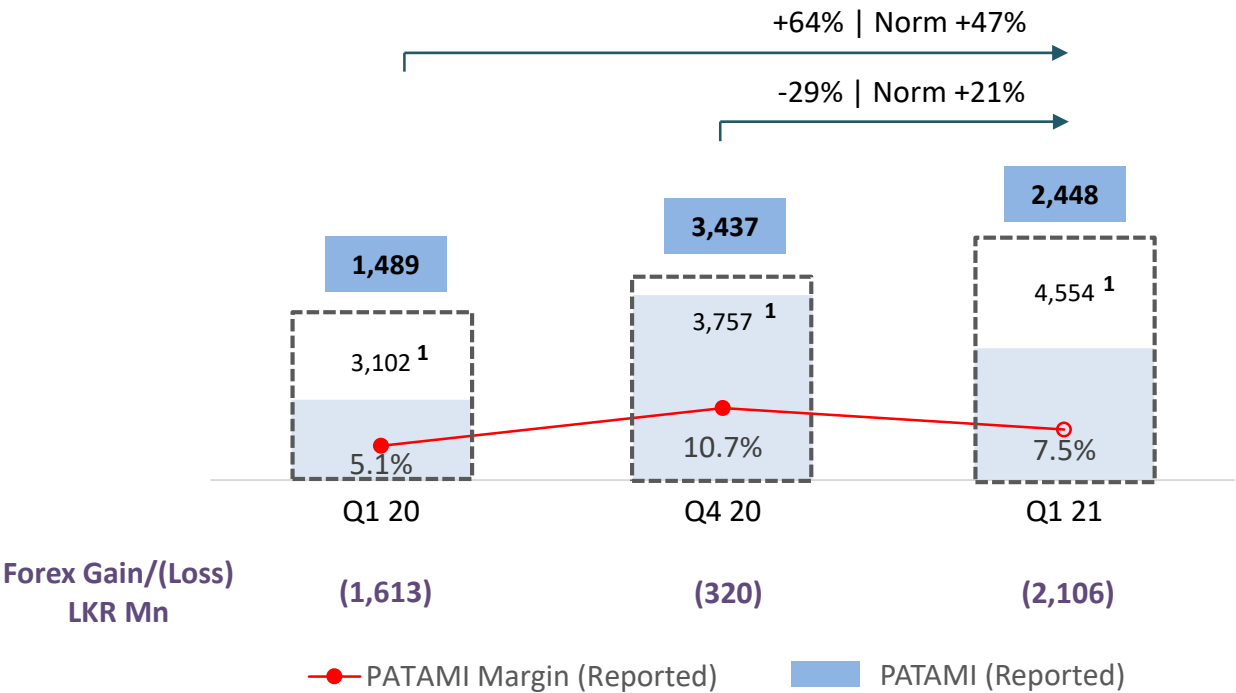
YoY EBITDA Expansion Driven by Revenue Performance; QoQ EBITDA Decline Underpinned by Rise in Network Related Expenses

(Rs Mn)



YoY PATAMI Growth Driven by Expanding EBITDA; QoQ PATAMI Decline Owing to Forex Losses while Forex Norm. PATAMI up 21% Contributed by one-off Depreciation of Rs0.9Bn in Q4 '20

(Rs Mn)



¹ Forex Norm. PATAMI shown in dotted boxes

TOTAL COST TO REVENUE RATIO STABLE YOY FOR Q1 2021



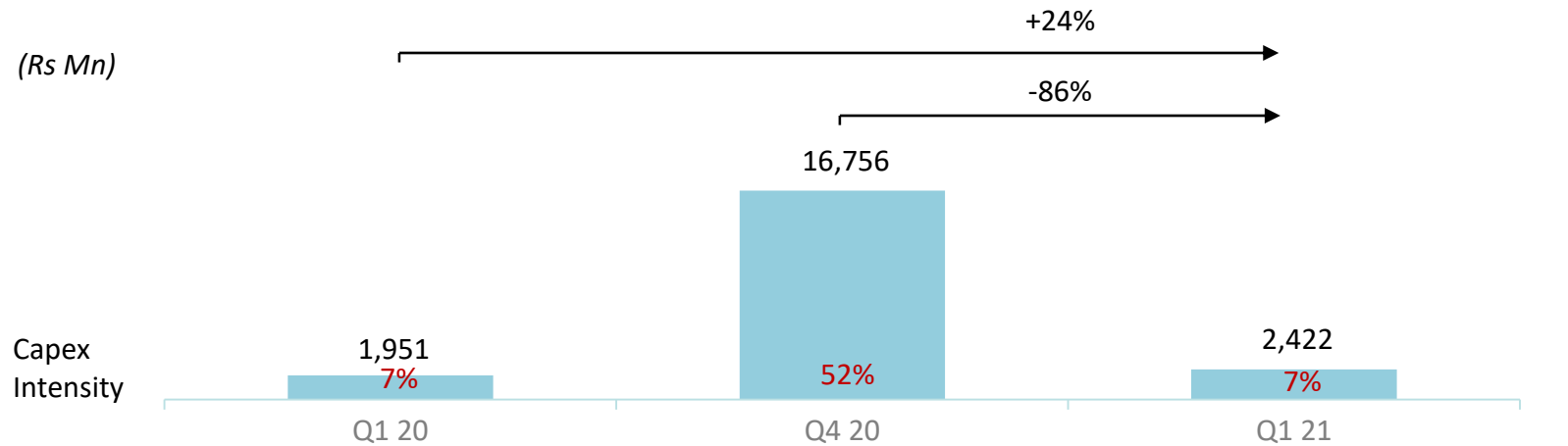
	Q1 21	As % of revenue	Q4 20	As % of revenue	Q1 20	As % of revenue	QoQ	YoY
Total Cost	Rs19,196Mn	58.4%	Rs17,901Mn	55.5%	Rs17,108Mn	58.5%	+2.9pp	-0.1pp
Direct Expenses		28.1%		25.4%		26.1%	+2.7pp	+2.0pp
Sales & Marketing		8.5%		8.1%		9.1%	+0.4pp	-0.6pp
Network Cost		11.1%		10.3%		11.1%	+0.8pp	-0.0pp
Staff Cost		8.1%		8.1%		7.9%	-0.0pp	+0.2pp
Overheads		2.6%		3.6%		4.4%	+1.0pp	-1.8pp

CAPEX INVESTMENTS MAINLY DIRECTED TOWARDS MOBILE AND FIXED DATA NETWORK UPGRADES

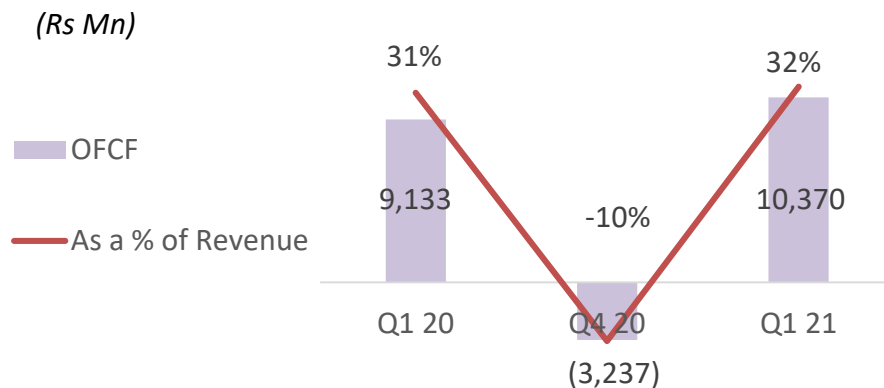
Capex Intensity at 7% for Q1 2021; OFCF Reach Rs10.4Bn for the Quarter up 14% YoY



Capex Investments Directed Towards Expanding Data Network; Mobile 4G and Fixed LTE Population Coverage Reached 94% and 70%



OCF Improvement Driven by Calibrated Capex Spend and Focused Working Capital Management



Capex spend of Rs2.4Bn for Q1 2021 directed mainly towards investments in High-Speed Broadband infrastructure

Investment in Infrastructure mainly included:

- 4G capacity upgrades
- 4G coverage expansion
- Strengthening of Core and Transport Networks including Fibre Rollout

DIALOG GROUP MAINTAINS A STRONG BALANCE SHEET WITH LOW GEARING



(Rs Mn)	31 Mar 21	31 Dec 20	31 Mar 20
Gross Debt	39,027	37,852	45,052
Net Debt	22,880	23,766	39,425
Cash and Cash Equivalents	16,146	14,086	5,628
<i>Gross Debt / Equity (x)</i>	<i>0.46</i>	<i>0.46</i>	<i>0.59</i>
<i>Gross Debt/ EBITDA (x)</i>	<i>0.71</i>	<i>0.74</i>	<i>0.93</i>
<i>Net Debt/ EBITDA (x)</i>	<i>0.42</i>	<i>0.47</i>	<i>0.81</i>

The Healthy Low Geared Balance Sheet Structure Demonstrates the Group's Financial Strength and Resilience

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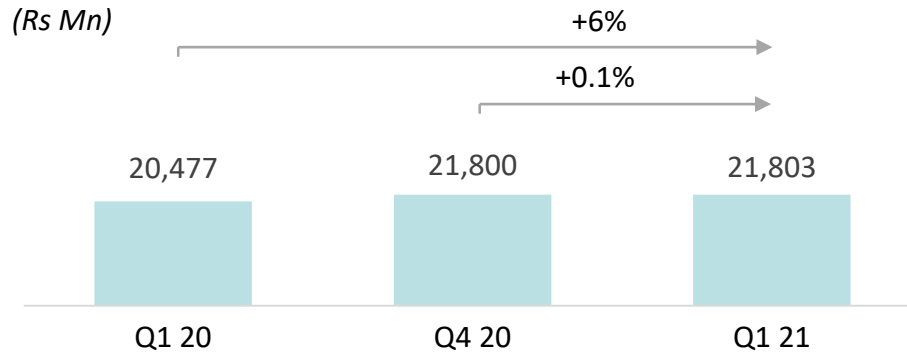
Subsidiary Performance – Dialog Broadband and Dialog TV

DIALOG AXIATA PLC (COMPANY)

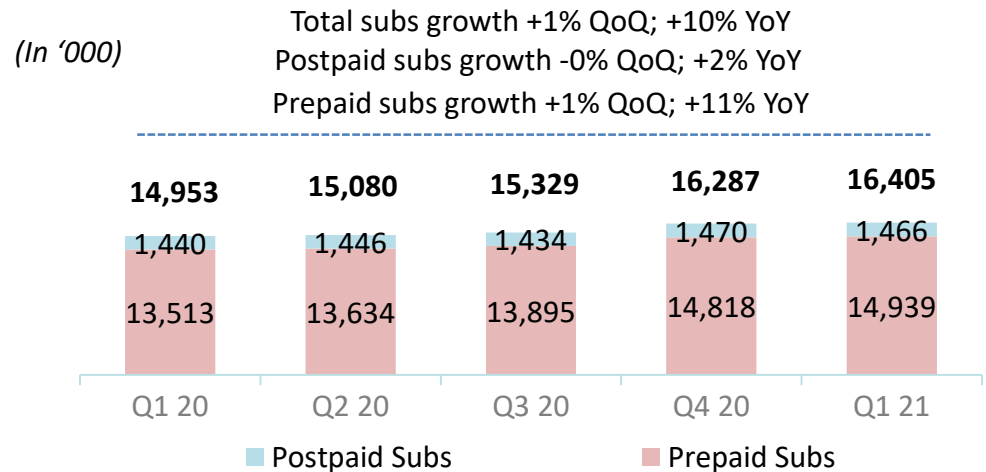
Revenue records 6% YoY Growth While EBITDA and PAT (Forex Norm.) Outpace Revenue Growth



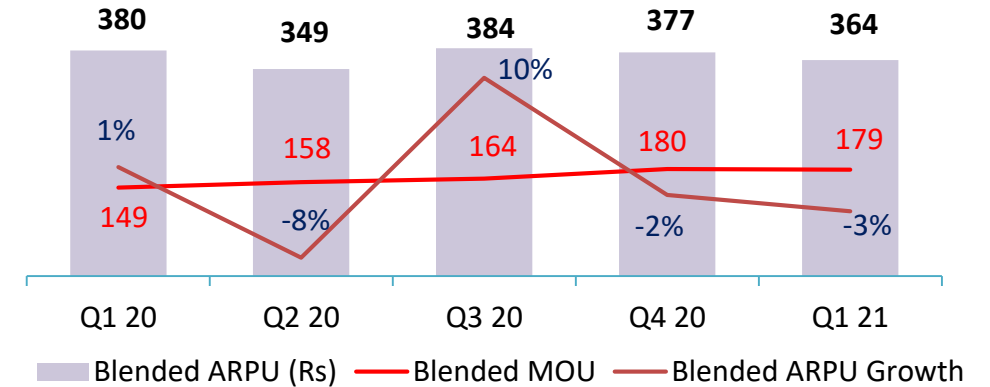
Revenue Recorded Positive Growth on YoY and QoQ Basis



Subscriber Growth Driven by Customer Acquisition and Retention Initiatives



ARPU Impacted QoQ due to Lower Contribution from Data Revenue; MOU's Remaining Stable QoQ



Increase in Network Related Expenses Impacting QoQ EBITDA While YoY Growth Driven by Top Line Performance; PAT Impacted by Forex Losses

(Rs Mn)	Q1 21	QoQ	YoY
EBITDA	9,918	-5%	+8%
PAT	1,947	-28%	-18%
EBITDA Margin %	45.5%	-2.5pp	+0.7pp
PAT Margin %	8.9%	-3.5pp	+0.9pp

PAT Norm ¹	3,919	+30%	+17%
PAT Margin %	18.0%	+4.2pp	+1.6pp

¹ Normalised for Forex Loss of Rs1.9Bn for Q1 '21

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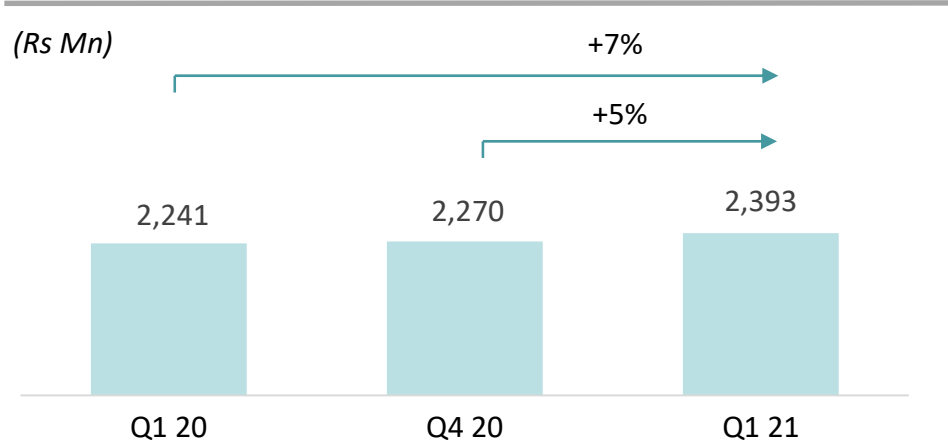
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DIALOG TELEVISION

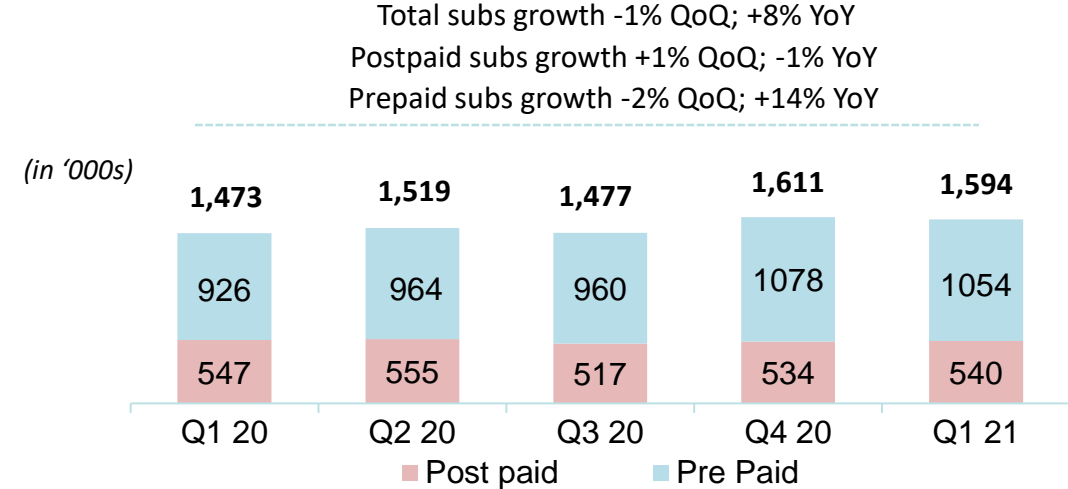
Revenue Record Strong Recovery While Profitability Impacted by Forex Losses



Revenue Recovery Gained Momentum on both QoQ and YoY basis Driven by Rise in Subscription Revenue



The Marginal Decline in Subscribers QoQ Driven by Affordability Challenges



EBITDA Performance Impacted by Rise in Content Cost on a QoQ basis. Sharp Depreciation of the LKR Against USD during the Quarter Impacting PAT on Both QoQ and YoY Basis

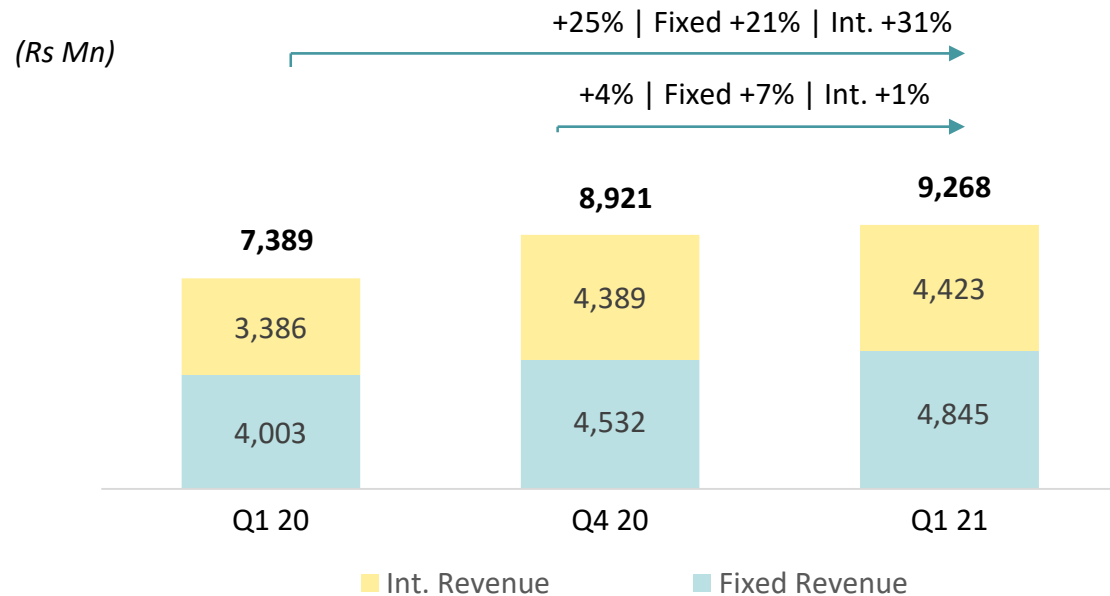
(Rs Mn)	Q1 21	QoQ	YoY
EBITDA	709	-12%	+5%
PAT	-286	>-100%	-26%
EBITDA Margin %	+29.6%	-5.7pp	-0.5pp
PAT Margin %	-11.9%	-9.0pp	-1.8pp

DIALOG BROADBAND NETWORKS

Continues to Deliver Strong Growth on both Top and Bottom Lines on YoY Basis



Strong Revenue Growth YoY Underpinned by Both Fixed and International Revenue Growth; QoQ Revenue Performance Driven by Growth in Fixed Broadband and Data Leased Lines



International Revenue %	46%	49%	48%
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YoY Profitability Improvement Stemming from Strong Revenue Growth, Lower Depreciation and Finance Cost; QoQ Profitability Impacted by Increase in Network Related Expenses

(Rs Mn)	Q1 21	QoQ	YoY
EBITDA	3,107	-8%	+26%
PAT	922	-10%	>+100%
EBITDA Margin %	+33.5%	-4.4pp	+0.2pp
PAT Margin %	+9.9%	-1.6pp	+6.3pp

Thank you

For further information

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