



# Dialog Axiata PLC

Sri Lanka's Premier Connectivity Provider

Q1 2022 Results

an axiata company

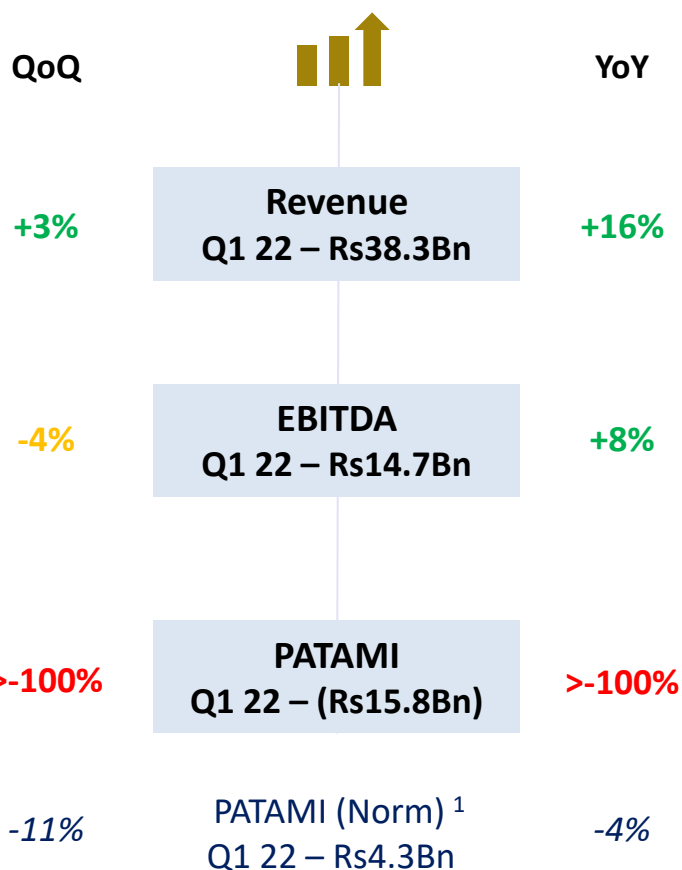
Dialog Axiata Group Performance

Dialog Axiata PLC - Company Performance

Subsidiary Performance – Dialog Broadband and Dialog TV

# DIALOG GROUP PERFORMANCE HIGHLIGHTS – Q1 2022

Stable Performance During the Quarter; PATAMI Impacted by Forex Losses



<sup>1</sup> Normalised for Forex Losses

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



PoP Coverage  
**Mobile 4G - 95%**  
**Fixed 4G - 71%**

Q1 2022 Capex  
Spend  
**Rs7.5Bn**

Capex Intensity  
**20%**

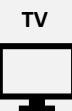
All Key Business  
Segments  
Delivered Strong  
Performance in Q1 22



Mobile



Data Revenue  
Delivered Strong  
Performance Up  
16% YoY in Q1 2022



TV

DTV Revenue  
Recorded 18%  
Growth YoY



Fixed

DBN continues  
Growth  
momentum with  
Revenue up 36%  
YoY

Aggressive Subscriber  
Growth



Mobile



Reached  
**17.6Mn**  
**Subscribers**  
+7% YoY



TV

Reached **1.7Mn**  
**Households** by  
end March 2022  
+9% YoY

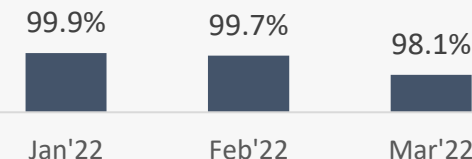
Fixed



Home BB  
Sub-Base  
+55% YoY

Specific Impact to Dialog Group from  
Economic Crisis

Site Availability



- Site availability dropped to 98.1% in Mar '22
- Extended power cuts exhausted battery banks
- Limitations in access to fuel hampered operation of backup generators

Access to Forex

- USD liquidity was limited in the market resulting in challenges to settle foreign vendor payments
- Parent support extended via USD Shareholder loan to meet obligations



Sri Lankan consumers voted Dialog as the 'Telecommunication Brand of the Year' for a record eleventh year running and 'Service Brand of the Year' for the third consecutive year at the prestigious SLIM-KANTAR People's Awards 2022.



# GROUP FINANCIAL SUMMARY



Rs Mn	1Q 22	QoQ	YoY
Revenue	38,251	+3%	+16%
EBITDA	14,742	-4%	+8%
PATAMI	(15,824)	>-100%	>-100%
OFCF	6,191	-15%	-40%
<i>EBITDA Margin</i>	38.5%	-3.0pp	-2.7pp
<i>PATAMI Margin</i>	-41.4%	-53.7pp	-48.8pp
<i>ROIC</i>	16.5%	-1.4pp	-0.6pp
<b>Normalised for Forex</b>			
PATAMI <sup>1</sup>	4,344	-11%	-4%

## Dialog Grows 16% in Q1, Forex Flips NPAT to Negative Rs.15.8Bn

1

YoY Revenue improvement driven by International, Data, Voice Fixed and DTV Revenues

2

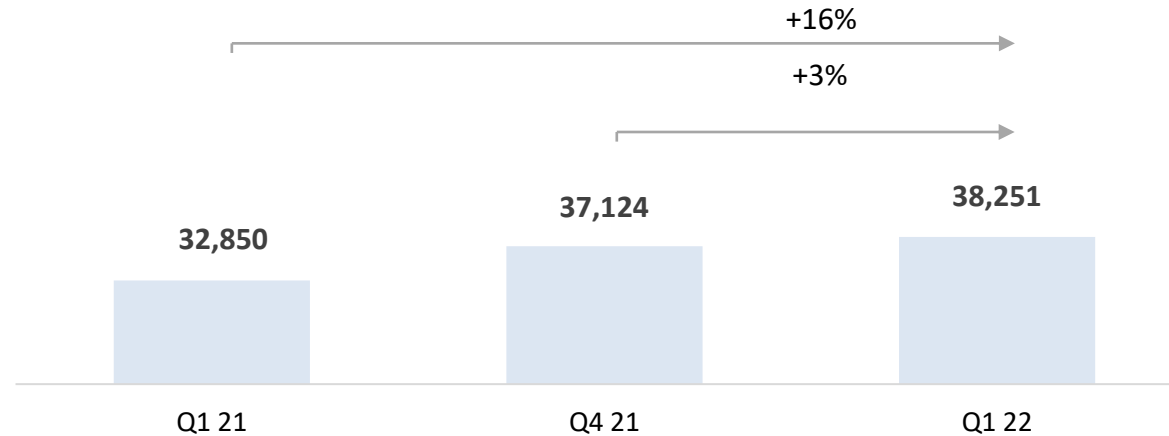
QoQ EBITDA decline due to higher network, staff related expenses and increase in energy cost due to power cuts

3

NPAT impacted by the steep depreciation of the LKR against the USD by 46% (from Rs200.8 to Rs293.9) for Q1 2022. Forex Loss was Rs20.2Bn for the quarter

<sup>1</sup> Norm for forex losses/gains

## Group Revenue Record Strong Growth YoY Mainly Driven by Growth in International, Mobile, Fixed and TV Segments



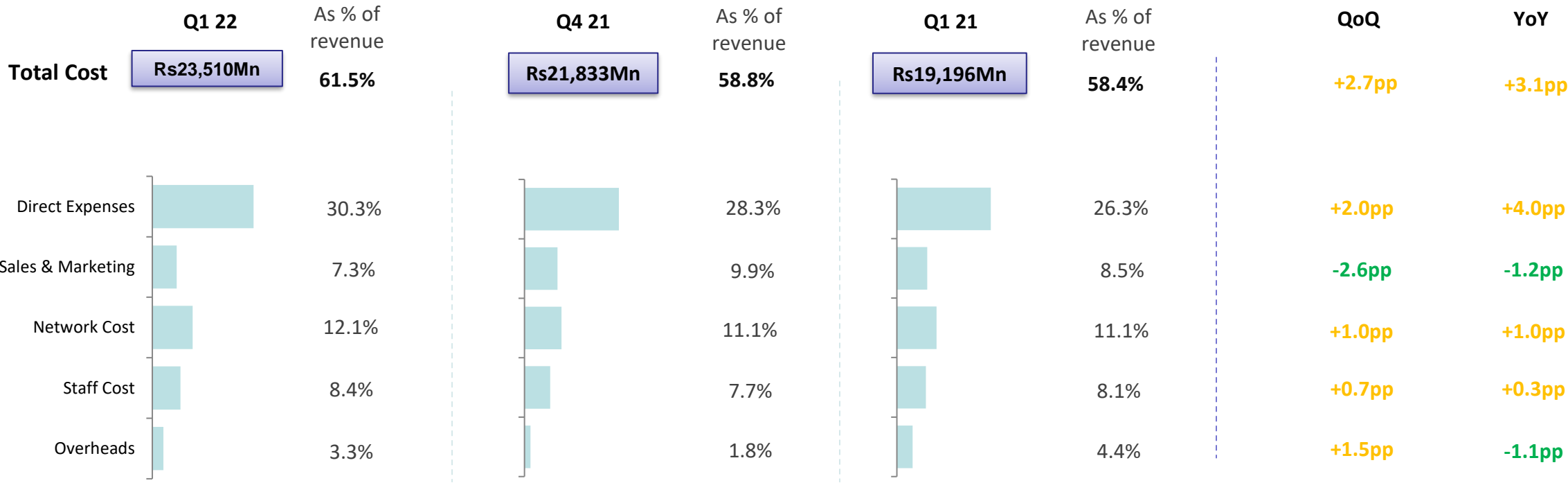
**Mobile Revenue** Increased 1% QoQ and 9% YoY supported by growth in both Voice and Data revenues up 2% YoY and 16% YoY respectively

**International Revenue** was up 6% QoQ and 34% YoY driven by increase in wholesale revenue

**Fixed Business Revenue** continued its growth trajectory up 30% YoY driven by increase in Home Broadband Revenue. QoQ revenue declined 3%

**Television Revenue**, driven by increase in subscription revenue, was up 18% YoY albeit declining 7% QoQ due to lower advertising revenue

# TOTAL COST TO REVENUE RATIO INCREASING 3.1PP AND 2.7PP YOY AND QOQ RESPECTIVELY DRIVEN BY INCREASE IN NETWORK AND DIRECT COST DUE TO ESCALATIONS IN DOLLAR DENOMINATED COSTS AND INFLATION

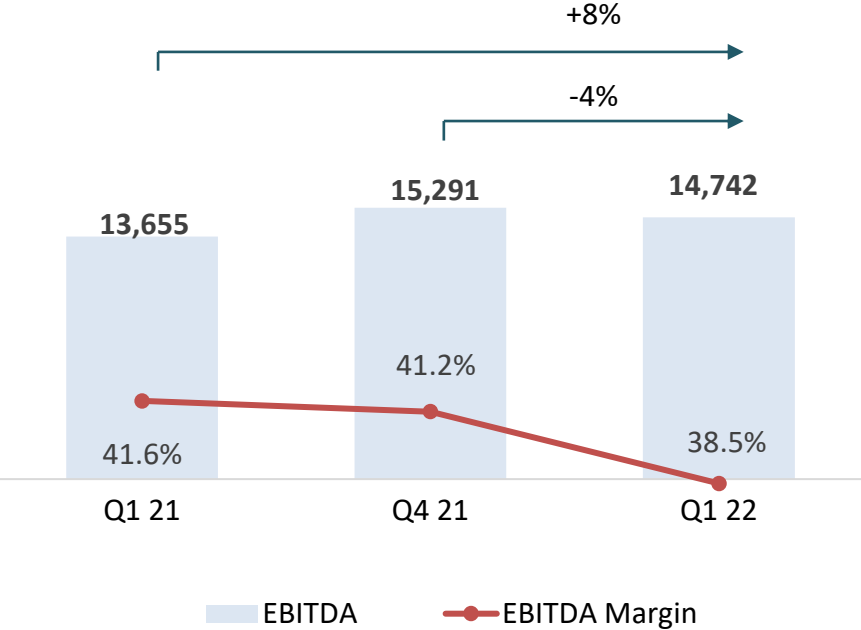


# GROUP EBITDA AND PATAMI



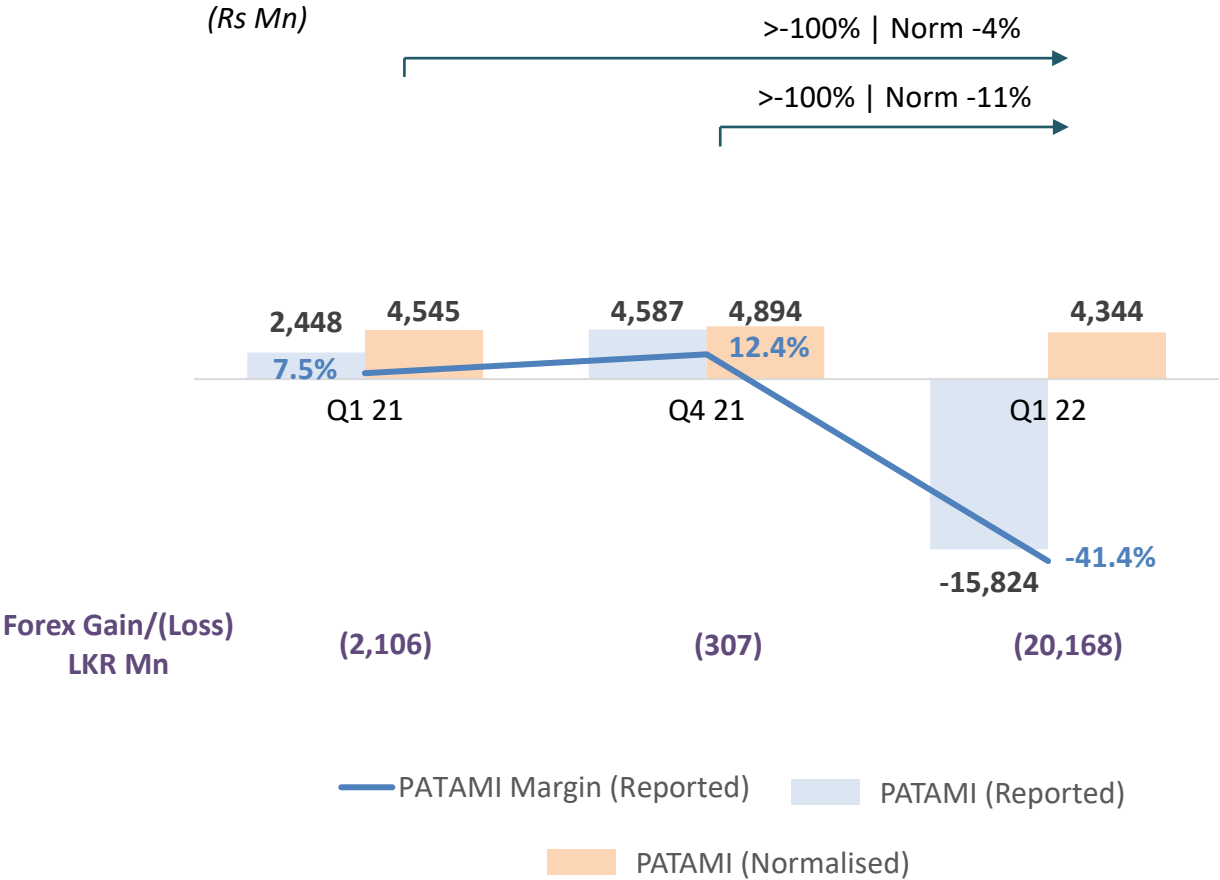
YoY EBITDA Expansion Driven by Revenue Performance; QoQ EBITDA Decline Underpinned by higher network, staff related expenses and increase in energy cost due to power cuts

(Rs Mn)



PATAMI Impacted by Forex Loss of Rs 20.2Bn for Q1 2022; YoY Normalised PATAMI Impacted by Higher Depreciation and Finance Cost, On a QoQ Basis Lower EBITDA and Taxation Driving Negative Performance

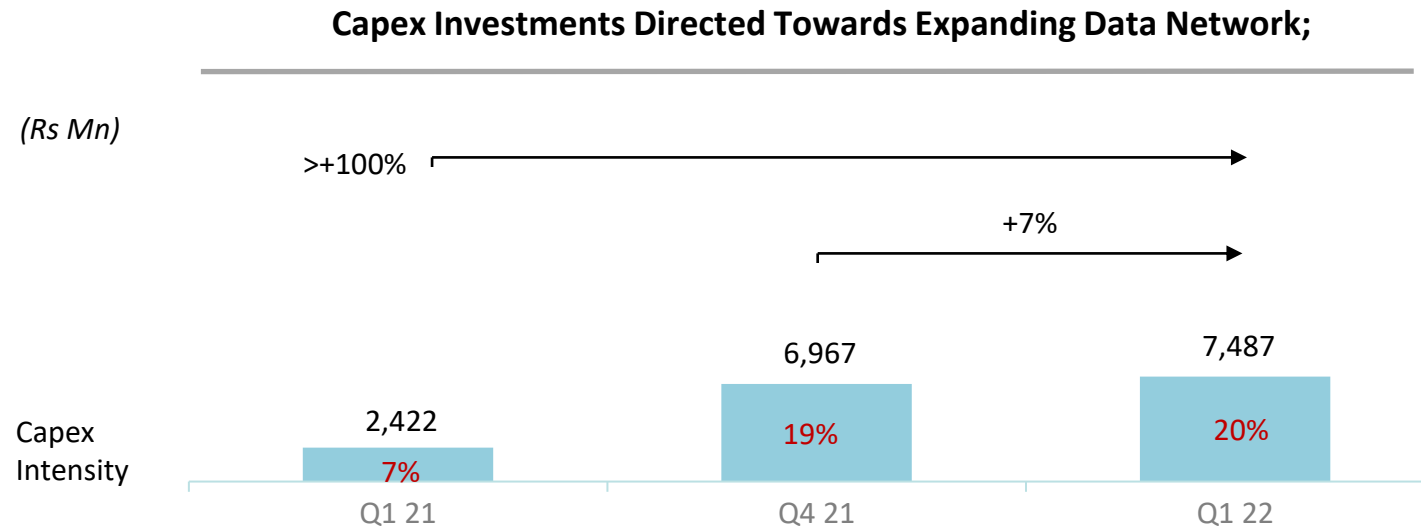
(Rs Mn)



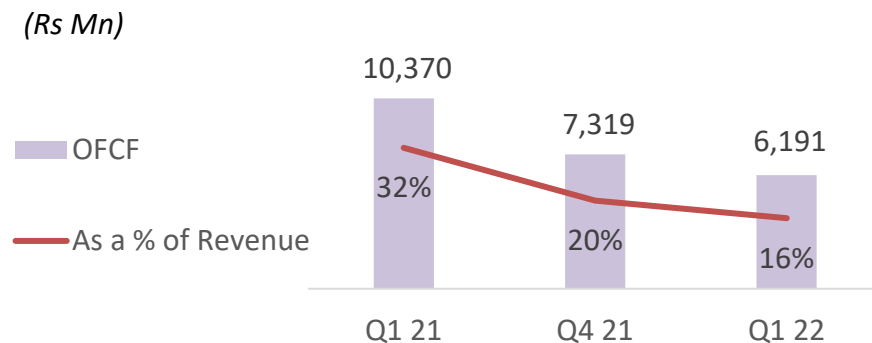
<sup>1</sup> Forex Norm. PATAMI shown in dotted boxes

# CAPEX INVESTMENTS MAINLY DIRECTED TOWARDS MOBILE AND FIXED DATA NETWORK UPGRADES

Capex Intensity at 20% for Q1 2022; OFCF Reach Rs6.2Bn for the Quarter



## OFCF Decline Driven by Increased Capex Spend to Cater to Growing Demand and Enhancement of Network Experience



Capex spend of Rs7.5Bn for Q1 2022 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 BALANCE SHEET REMAINS STRONG



(Rs Mn)	31 Mar 22	31 Dec 21	31 Mar 21
Gross Debt	58,347	34,859	39,027
Net Debt	28,608	19,757	22,880
Cash and Cash Equivalents	24,771	19,851	16,146
<i>Gross Debt / Equity (x)</i>	<i>0.75</i>	<i>0.37</i>	<i>0.46</i>
<i>Gross Debt/ EBITDA (x)</i>	<i>0.99</i>	<i>0.59</i>	<i>0.71</i>
<i>Net Debt/ EBITDA (x)</i>	<i>0.49</i>	<i>0.34</i>	<i>0.42</i>

- New USD Denominated borrowings worth USD 72Mn were drawn down in Q1 2022 mainly to support USD Loan repayment and foreign vendor settlements
- The sharp depreciation of the LKR against USD during the quarter also contributed to elevate Gross debt in LKR terms
- The Group Balance Sheet remains low geared with Net Debt to EBITDA ratio being maintained at 0.49x

Dialog Axiata Group Performance

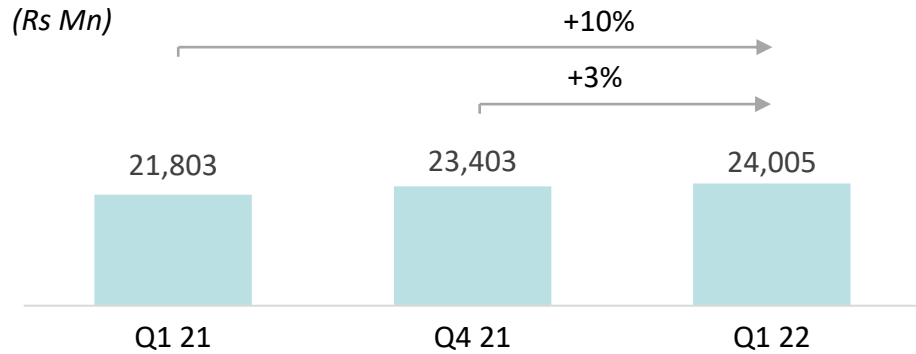
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Subsidiary Performance – Dialog Broadband and Dialog TV

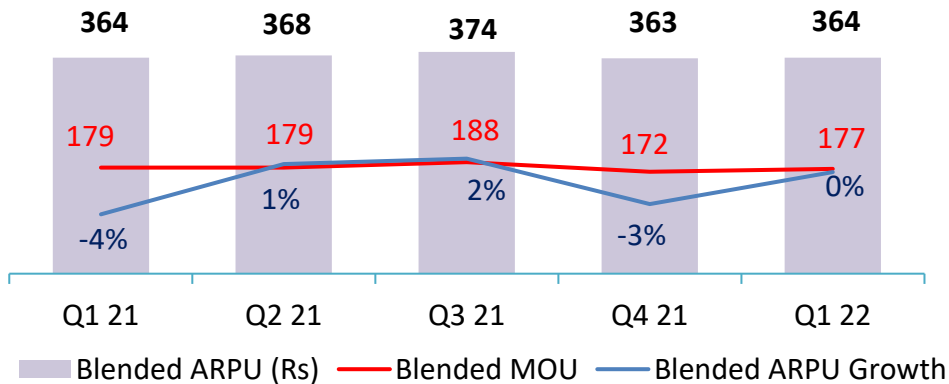
# DIALOG AXIATA PLC (COMPANY)



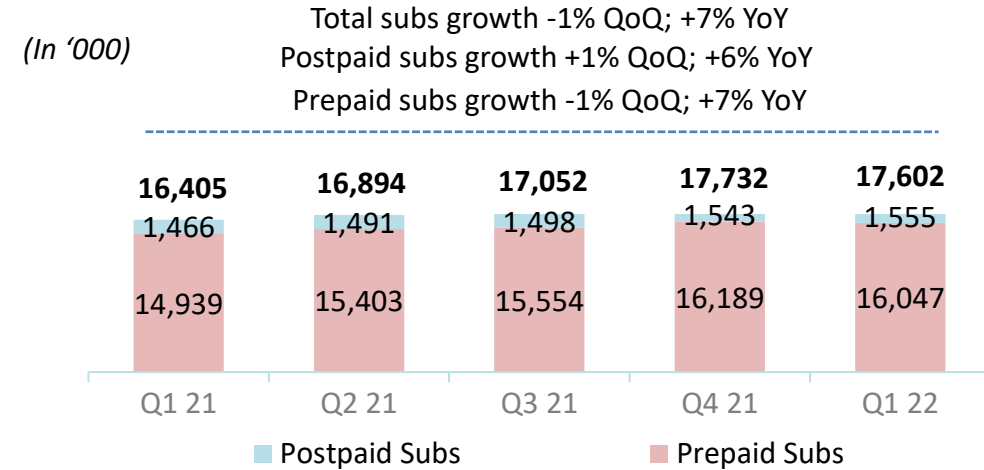
## Revenue Recorded Positive Growth on YoY and QoQ Basis Supported by both Voice and Data Revenue Growth



## ARPU Remaining Stable both YoY and QoQ



## Subscriber Growth YoY Driven by Customer Acquisition and Retention Initiatives



## Revenue Improvement Driving EBITDA Growth Albeit YoY Impacted by Cost Escalations; PAT impacted by Forex Losses

(Rs Mn)	Q1 22	QoQ	YoY
EBITDA	10,064	+4%	+1%
PAT	(15,187)	>-100%	>-100%
EBITDA Margin %	41.9%	+0.7pp	-3.6pp
PAT Margin %	-63.3%	-74.0pp	-72.2pp

PAT Norm <sup>1</sup>	3,089	+16%	-21%
PAT Margin %	12.9%	+1.4pp	-5.1pp

<sup>1</sup> Normalised for Forex Loss of Rs18.3Bn for Q1 '22

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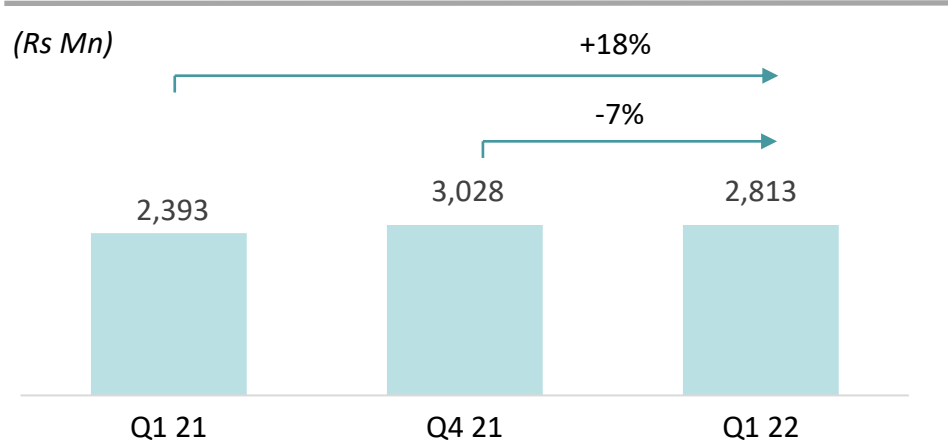
Subsidiary Performance – Dialog Broadband and Dialog TV

# DIALOG TELEVISION

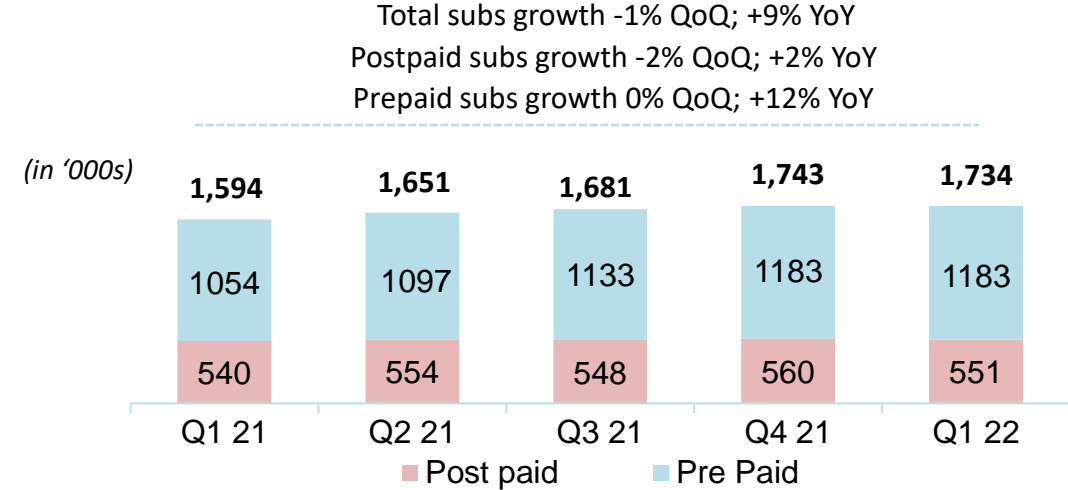
Revenue Record Strong Recovery YoY While Profitability Impacted by Forex Losses



## Revenue Recovery Gained Momentum YoY Driven by Rise in Subscription Revenue; QoQ Revenue Drop Driven by lower Advertising Revenue



## The Marginal Decline in Subscribers QoQ Driven by Affordability Challenges



## QoQ Profitability Impacted by Decline in Revenue and Forex Losses; YoY EBITDA up on Revenue Performance Albeit PAT declining Owing to Forex Impact

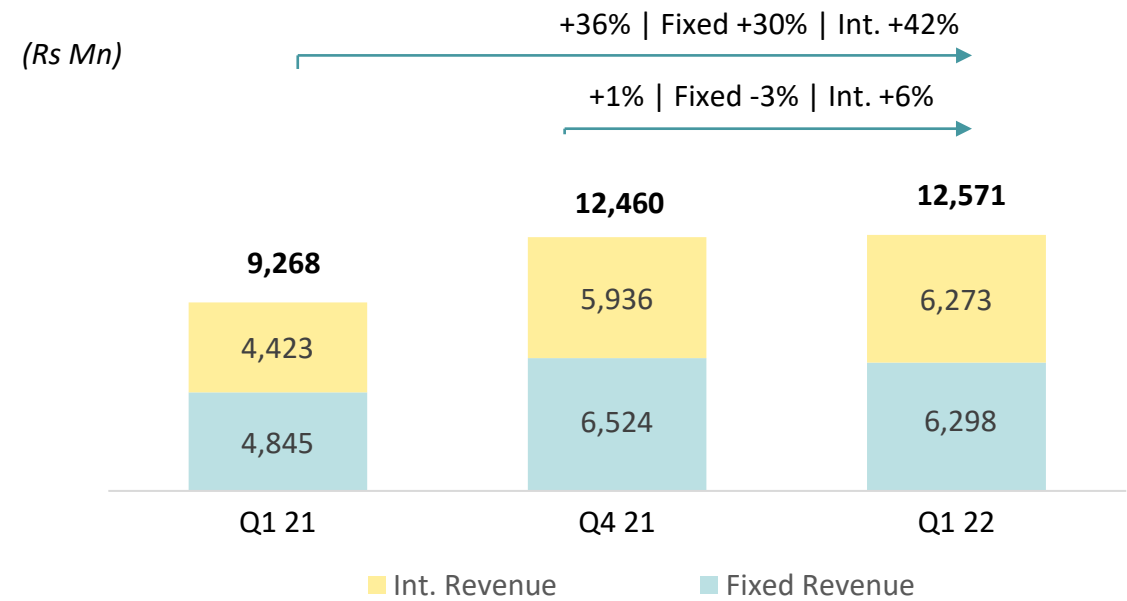
(Rs Mn)	Q1 22	QoQ	YoY
EBITDA	969	-24%	+37%
PAT	-1,008	>-100%	>-100%
EBITDA Margin %	+34.5%	-7.7pp	+4.8pp
PAT Margin %	-35.8%	-51.5pp	-23.9pp
PAT Norm	212	-57%	>+100%
PAT Margin %	7.5%	-8.8pp	+12.7pp

# DIALOG BROADBAND NETWORKS

Continues to Deliver Strong Growth on YoY Basis



Both Fixed and International Revenue Growth Driving YoY Revenue Growth; QoQ Revenue Performance Stable Owing to Lower Fixed BB revenue due to power outages Despite Increase in International Revenue



International Revenue %	48%	48%	50%
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YoY EBITDA Improvement Stemming from Strong Revenue Growth, PAT Impacted by Forex Losses; QoQ Profitability Impacted by Lower Revenue Growth, increased bad debts and Forex Losses

(Rs Mn)	Q1 22	QoQ	YoY
EBITDA	3,789	-8%	+22%
PAT	911	-34%	-1%
EBITDA Margin %	+30.1%	-2.9pp	-3.4pp
PAT Margin %	+7.2%	-3.9pp	-2.7pp
PAT Norm	1,173	-22%	+35%
PAT Margin %	9.3%	-2.8pp	-0.0pp

## Thank you

### For further information

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