



Earnings Call – Q1 2025

Dialog Axiata PLC

15 May 2025



Dialog Axiata Group Performance

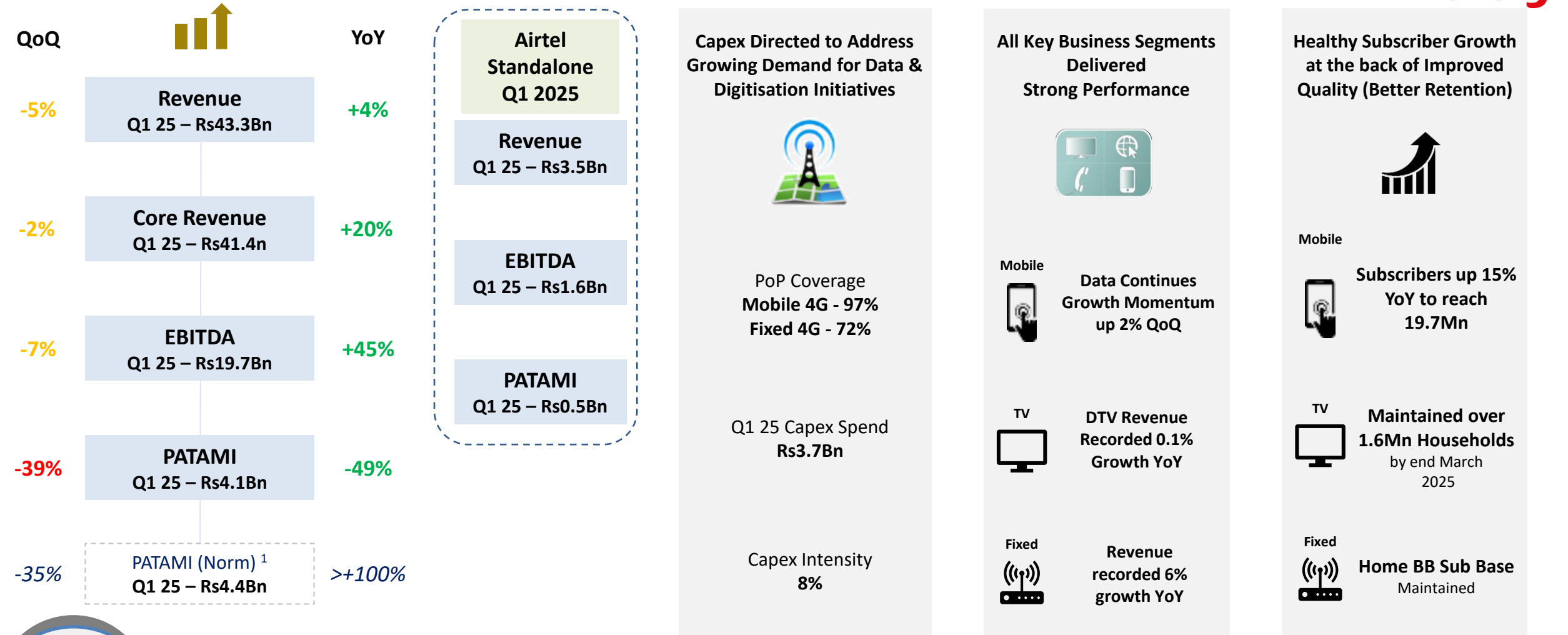
Dialog Axiata PLC - Company Performance

Subsidiary Performance – Dialog Broadband and Dialog TV

DIALOG GROUP PERFORMANCE HIGHLIGHTS – Q1 2025

Delivers Strong YoY Growth in Core Revenue, EBITDA and PAT; Airtel Business Records a Positive PAT





Awards & Accomplishments
In Q1 2025

1. **Brand** - Sri Lankan consumers voted Dialog as the ‘Telecommunication Brand of the Year’ for a record 14th consecutive year and ‘Service Brand of the Year’ for the 4th time

2. **Sustainability Reporting** – The ACCA Sustainability Reporting Awards 2024, winning the 'Non-Financial Services Category' for its exemplary commitment to sustainability and transparency



GROUP FINANCIAL SUMMARY – Market Consolidation Yielding Results



Rs Mn	1Q 25	QoQ	YoY
Revenue	43,294	-5%	+4%
Core Revenue	41,359	-2%	+20%
EBITDA	19,697	-7%	+45%
PATAMI	4,131	-39%	+49%
OFCF	12,286	>+100%	+71%
<i>EBITDA Margin</i>	45.5%	-0.8pp	+12.8pp
<i>PATAMI Margin</i>	9.5%	-5.2pp	+2.9pp
<i>ROIC</i>	16.7%	+6.6pp	+11.4pp
Normalised for Forex			
PATAMI ¹	4,378	+35%	>+100%

Core Revenue Growth and Cost Focus Drive Profitability and Margins

1

YoY Revenue improvement driven by Mobile Data, Airtel Consolidation and Fixed Broadband Revenues

2

YoY EBITDA expansion driven by strong Core Revenue Growth. Cost Rescaling Initiatives gaining traction to help expand margins

3

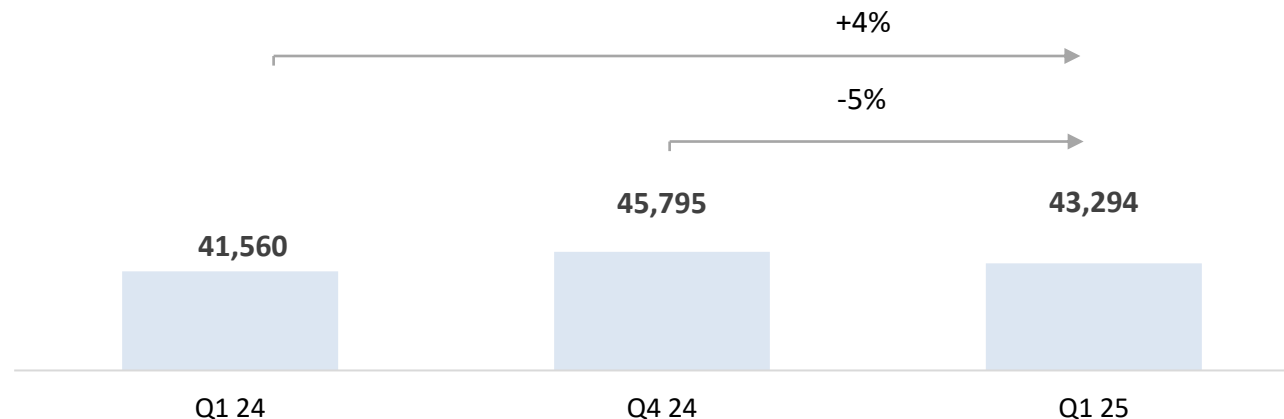
NPAT recording strong growth YoY supported by strong EBITDA performance and decline in Net Finance Cost

¹ Norm for forex gain/loss

GROUP REVENUE – Driven by Airtel Consolidation and Organic Growth



Group Revenue Record Strong Growth YoY Mainly Driven by growth in Mobile and Fixed Segments



Mobile Revenue driven by Voice Revenue increasing 12% and Data Revenue increasing 50% YoY due to yield improvements & Airtel Revenue.

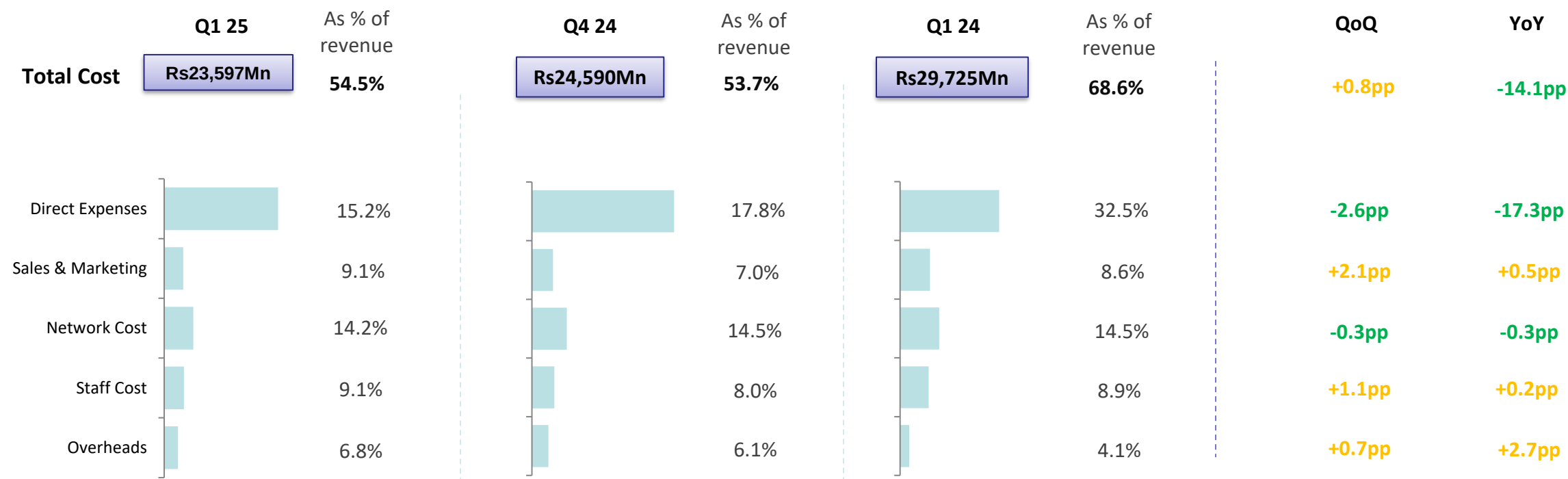
Fixed Business Revenue continued its growth trajectory up 14% YoY driven by increase in Home Broadband Revenue

Television Revenue remained stable YoY as the business continued to maintain its subscriber base

International Revenue recorded a decline due to conscious scaling down of low margin International Wholesale Business

¹ Excludes Tele-Infra and International Revenue

TOTAL COST TO REVENUE RATIO DECREASING 14.1PP YOY OWING TO COST RESCALING INITIATIVES

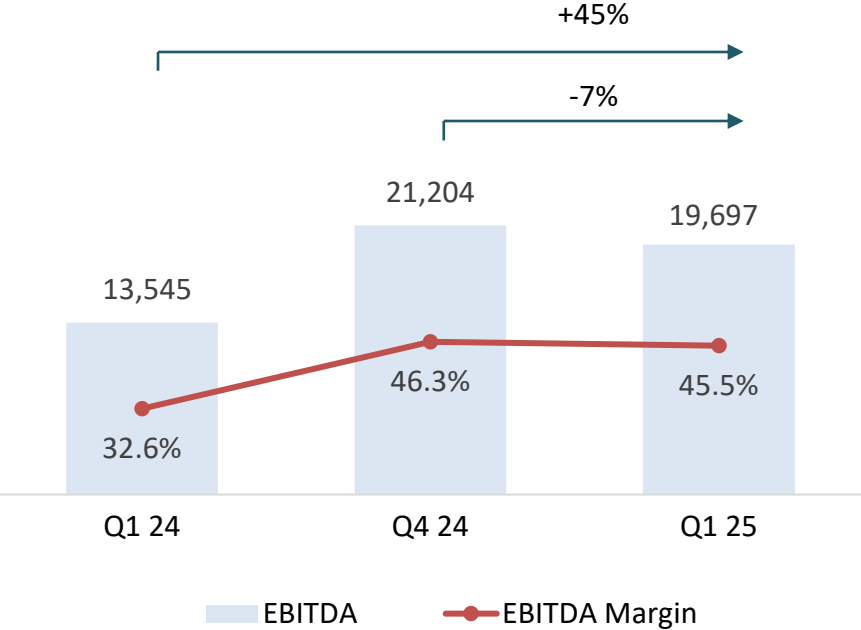


GROUP EBITDA AND PATAMI – Exceeded Pre-crisis (2021) Margins and Up from 29% EBITDA margin in 2022



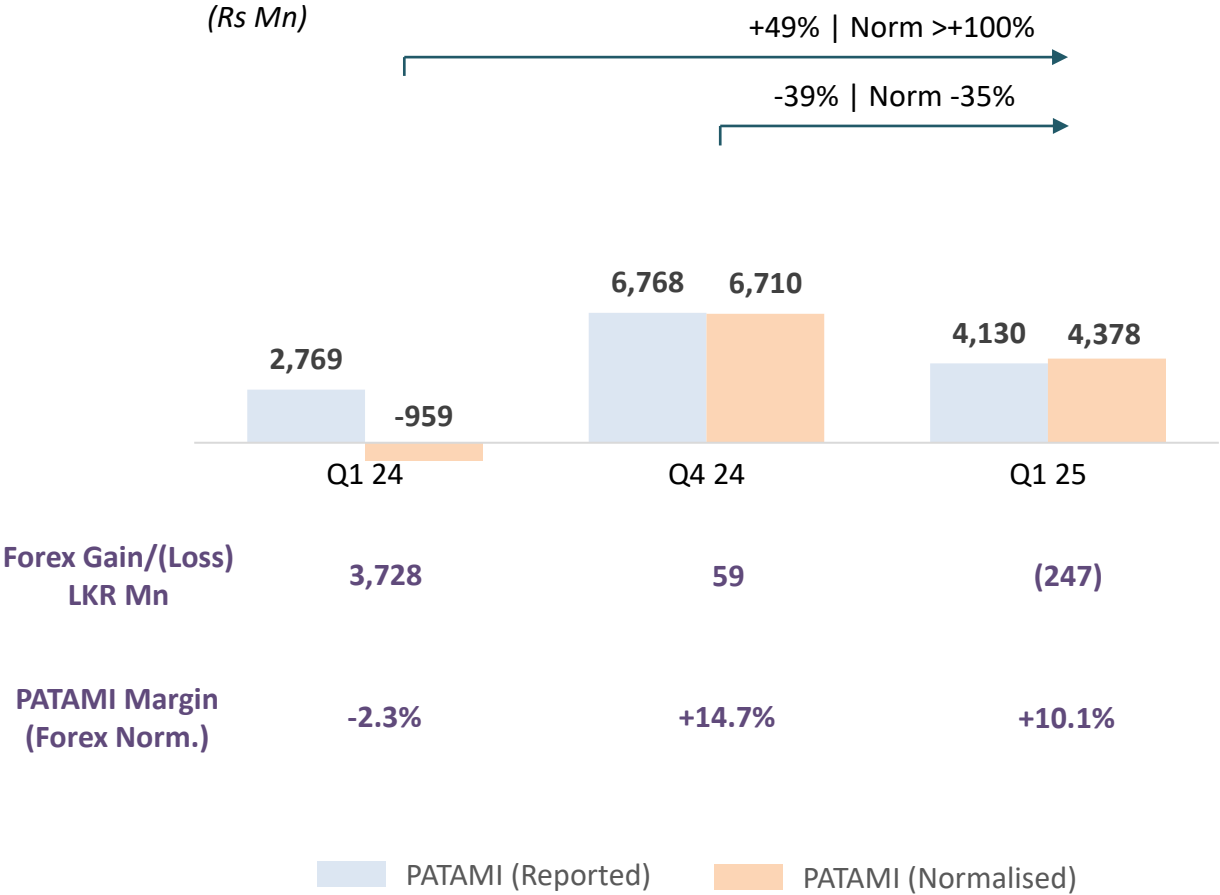
YoY EBITDA up Underpinned by Core Revenue growth; QoQ EBITDA Decline Due to One-Off upsides in Q4 2024

(Rs Mn)



YoY PATAMI Expansion Driven by Strong EBITDA Growth and Decline in Net Finance Cost. QoQ decline in PATAMI due to One-Off upsides in Q4 2024

(Rs Mn)

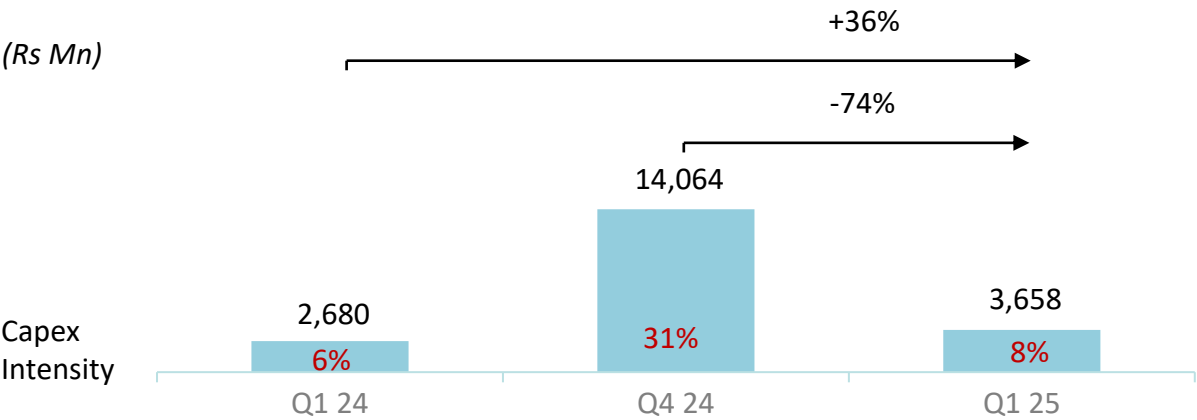


CAPEX INVESTMENTS UP 36% YoY ; TAX PAID TO GOSL UP 20% YoY

Capex Intensity at 8% for Q1 2025; OFCF Reach Rs12.3Bn for the Quarter



Capex Investments Directed Towards Expanding Data Network

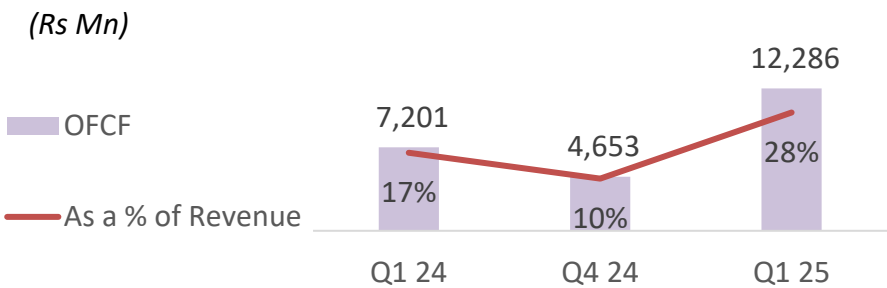


Capital expenditure of Rs3.7Bn for Q1 2025 directed mainly towards investments in High-Speed Broadband infrastructure to support Mobile and Fixed Data Leadership

Investment in Infrastructure mainly included:

- 4G capacity upgrades
- 4G coverage expansion
- Alternative energy solution including solar and Li-ion batteries

OCF Increased due to improved EBITDA and lower Capex



Contribution to GoSL Revenue Up 20% YoY

GoSL Taxes / Payments (Rs Mn)	Q1 2023	Q1 2024	Q1 2025	YoY
Direct Taxes, Fees & Levies	4.244	4,252	4,451	5%
Consumption Taxes collected on behalf of GoSL	7,957	8,035	10,340	29%
Total	12,201	12,287	14,791	20%

DIALOG GROUP BALANCE SHEET – Strong and Resilient...Rated AAA Ika by Fitch



(Rs Mn)	31 Mar 25	31 Dec 24	31 Dec 23
Gross Debt	98,492	100,443	113,787
<i>USD denominated debt (in Mn)</i>	<i>123.6</i>	<i>128.7</i>	<i>156.0</i>
<i>USD denominated Cash (in Mn)</i>	<i>85.3</i>	<i>82.4</i>	<i>55.7</i>
<i>USD Net Exposure</i>	<i>39.4</i>	<i>65.6</i>	<i>164.3</i>
Cash and Cash Equivalents	36,539	33,786	40,613
Net Debt	61,953	66,658	73,174
<i>Gross Debt / Equity (x)</i>	<i>1.20</i>	<i>1.28</i>	<i>1.72</i>
<i>Gross Debt/ EBITDA (x)</i>	<i>1.25</i>	<i>1.51</i>	<i>1.85</i>
<i>Net Debt/ EBITDA (x)</i>	<i>0.79</i>	<i>1.00</i>	<i>1.19</i>



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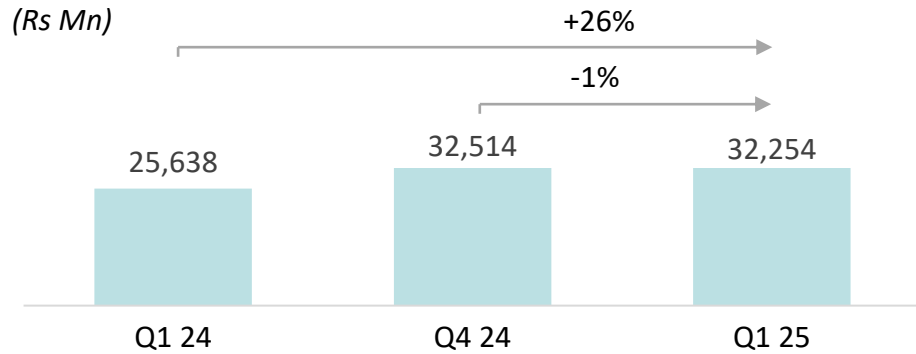
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Subsidiary Performance – Dialog Broadband and Dialog TV

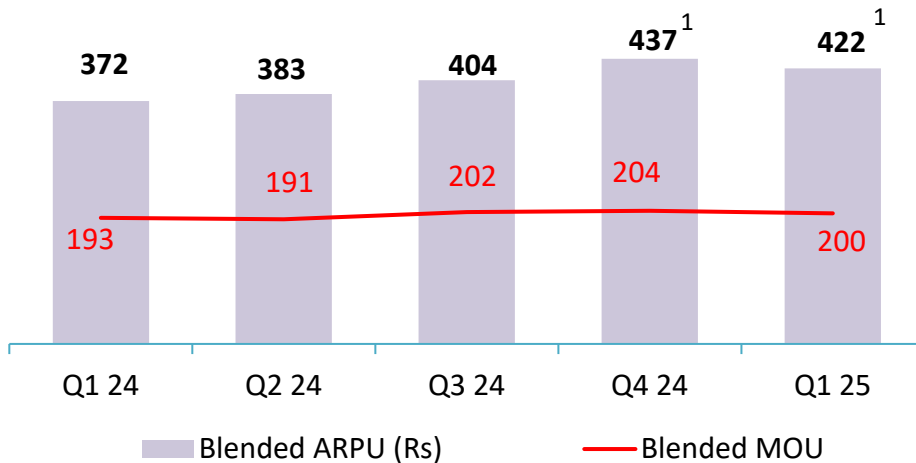
DIALOG AXIATA PLC (COMPANY)



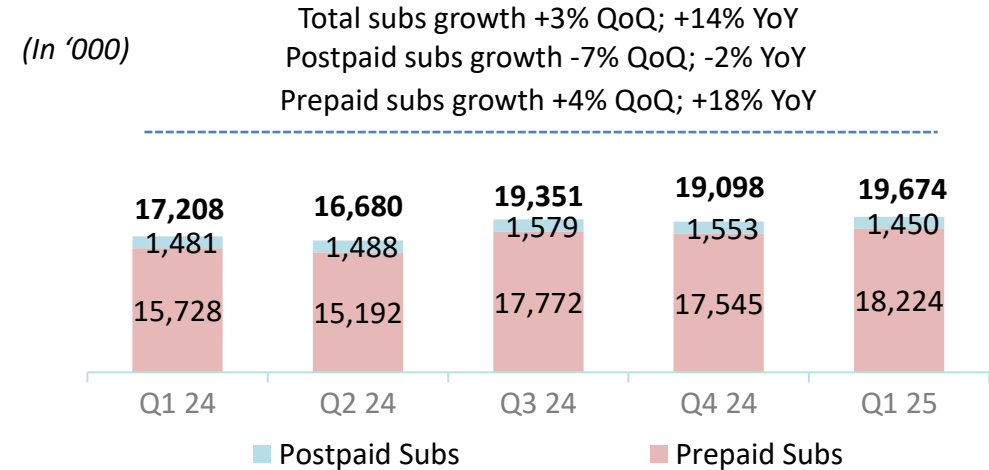
Revenue Recorded Positive Growth on YoY Basis Driven by Data Revenue and airtel; QoQ Revenue Down due to drop in Termination Revenue



ARPU Recorded Marginal Decline QoQ



Subscriber Base uplift in Q3 due to Addition of Airtel Base; Base up 14% YoY

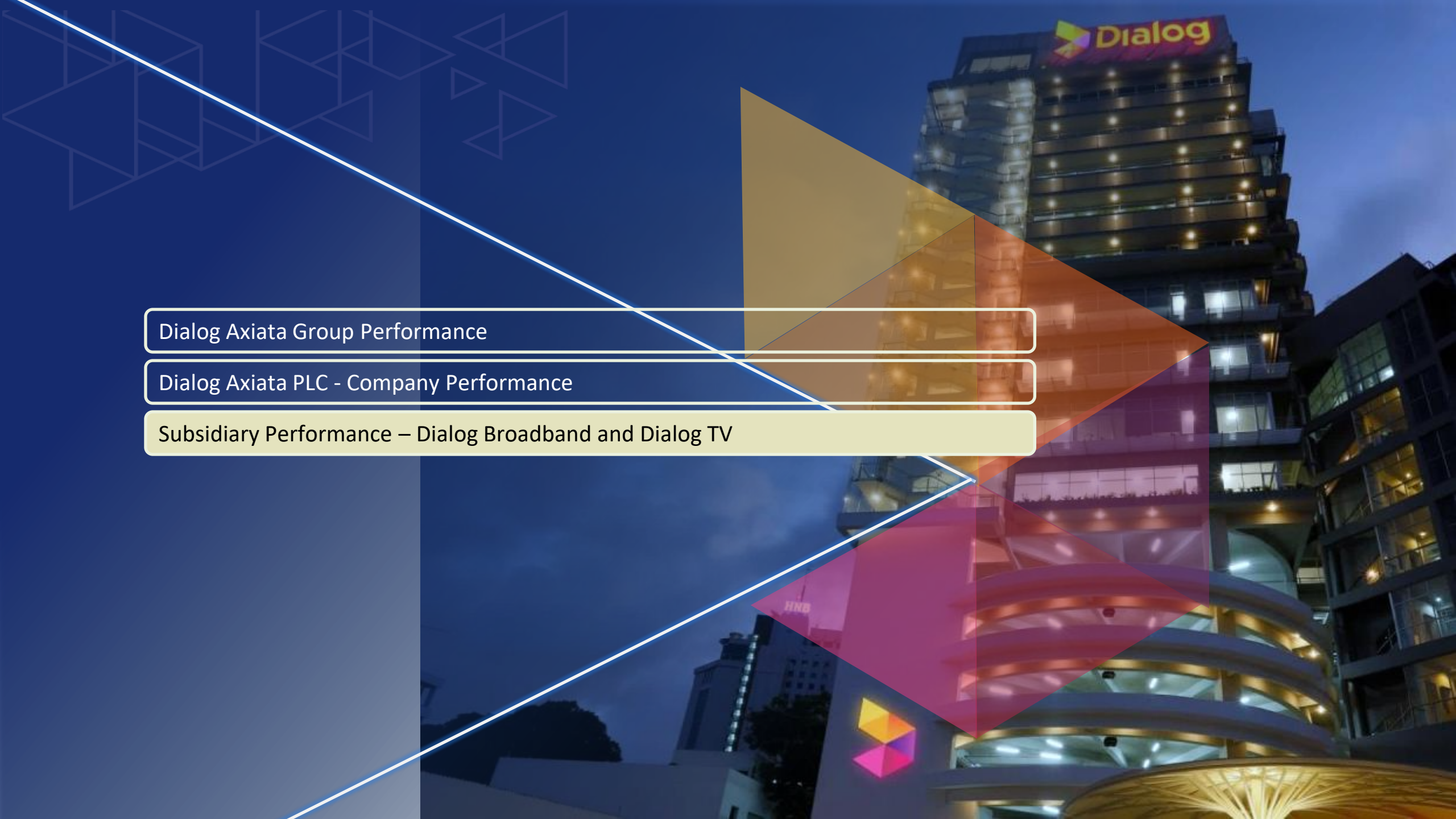


YoY Profitability improvement driven by strong Revenue growth and underlying business improvement

(Rs Mn)	Q1 25	QoQ	YoY
EBITDA	14,157	-21%	+63%
EBIT	6,124	-35%	>+100%
PAT	2,864	-64%	+78%
EBITDA Margin %	43.9%	-11.3pp	+9.9pp
EBIT Margin %	19.0%	-10.1pp	+13.5pp
PAT Margin %	8.9%	-15.3pp	+2.6pp

Forex Loss of Rs0.4Bn for Q1 '25 and a Forex Gain of Rs3.5Bn recorded for Q1 '24

¹ Blended ARPU Including Airtel

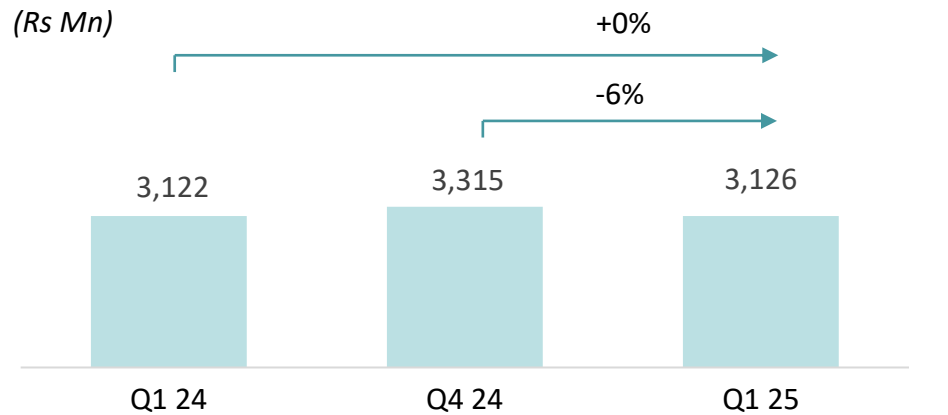


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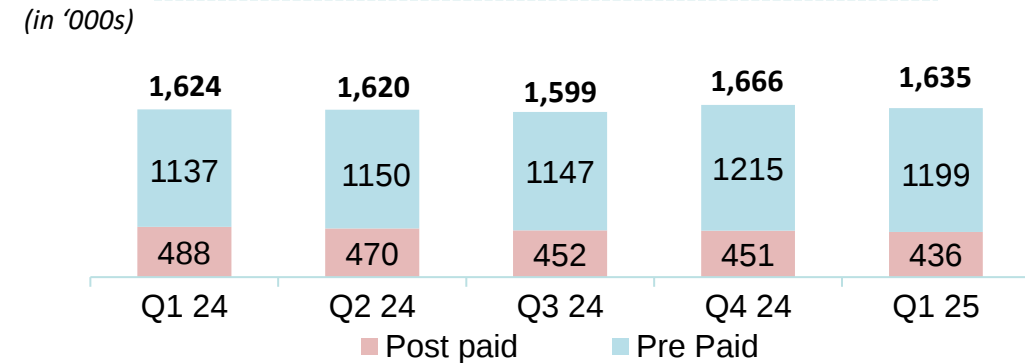
Subsidiary Performance – Dialog Broadband and Dialog TV

YoY Revenue Largely Stable (0.1% YoY growth) Driven by Subscription Revenue growth; QoQ decline due to days impact and decline in sub-base



Subscriber Base Remaining Resilient

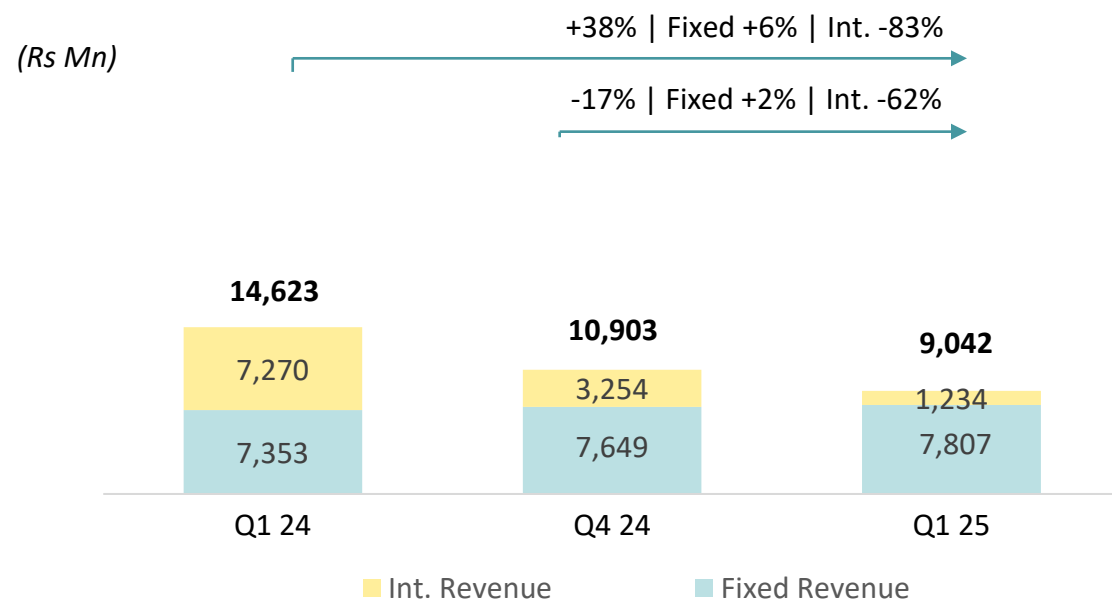
Total Subs growth -2% QoQ; +1% YoY
Postpaid Subs growth -3% QoQ; -11% YoY
Prepaid Subs growth -1% QoQ; +5% YoY



Profitability Remains Stressed due to USD-Linked Cost Pressure against stagnant revenue growth / subscriber base (1% LKR depreciation in Q1 '25)

(Rs Mn)	Q1 25	QoQ	YoY
EBITDA	475	-29%	+3%
PAT	(367)	>-100%	>-100%
EBITDA Margin %	+15.2%	-5.0pp	+0.4pp
PAT Margin %	-11.7%	-7.4pp	-12.8pp

Overall revenue drop at DBN is due to scaling down of low margin wholesale/Hubbing Business. However Fixed Business continue to growth both on YoY and QoQ basis



Strong QoQ performance uplift driven by underlying EBITDA and PAT improvement over the period

(Rs Mn)	Q1 25	QoQ	YoY
EBITDA	4,989	+82%	+24%
PAT	1,628	>+100%	+72%
EBITDA Margin %	+18.1%	+30.0pp	+27.6pp
PAT Margin %	+18.0%	+24.8pp	+11.5pp

Thank you

For further information

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