Dialog Axiata PLC

Sri Lanka's Premier Connectivity Provider

Q2 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 – Q2 2021
Group Sustained Consistent Performance Despite Covid-19 Related Challenges

YTD		QoQ	YoY
+18%	**Revenue** **Q2 21 – Rs35.1Bn** **1H 21 – Rs67.9Bn**	+7%	+25%
+22%	**EBITDA** **Q2 21 – Rs14.2Bn** **1H 21 – Rs27.9Bn**	+4%	+33%
+86%	**PAT** **Q2 21 – Rs4.6Bn** **1H 21 – Rs7.0Bn**	+89%	+100%
>+100%	PAT (Norm) [1] **Q2 21 – Rs4.7Bn** **1H 21 – Rs9.3Bn**	*+4%*	*>+100%*

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

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

1H 21 Capex Spend
Rs6.5Bn

Capex Intensity
10%

Network Expansion

- 4217 Sites upgraded
- 190 New sites

All Key Business Segments Delivered Strong Performance

Mobile – **Data Continues Growth Momentum 11% QoQ | 8% YTD**

TV – **DTV Revenue Recorded 14% Growth YTD**

Fixed – **1H 21 Revenue recorded 33% growth YTD**

Aggressive Subscriber Growth

Mobile – **Reached 16.9Mn Subscribers**
+12% YoY

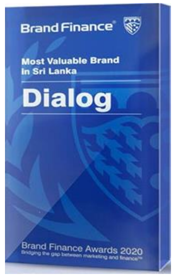
TV – **Exceeded 1.6Mn Households** by end June 2021
+9% YoY

Fixed – **Home BB Sub Base**
+60% YoY | +23% QoQ

Awards & Achievements

Dialog had the distinction of being awarded the title **'Sri Lanka's Most Valuable Brand'** for the third consecutive year by Brand Finance.

First Quad Play Telco in South Asia to Receive ISO14001:2015 Certification



[1] Normalised for Forex Gain/Loss

DIALOG RECEIVES ISO 14001:2015 CERTIFICATION

The Certification will Achieve…

- Internationally Certified Management System for reducing negative environmental impacts
- Boost measurement, monitoring and reporting of Dialog's environmental performance

Sustainable Waste Management

Energy efficiency and conservation

Reducing resource consumption (Paper, water, etc)

1st Quad-play Telco (Mobile, Fixed, Media and Broadband) **in South Asia** to do so

GROUP FINANCIAL SUMMARY

Rs Mn	1H 2021	YTD	2Q 21	QoQ	YoY
Revenue	67,929	+18%	35,079	+7%	+25%
EBITDA	27,867	+22%	14,212	+4%	+33%
PAT	7,045	+86%	4,606	+89%	+100%
OFCF	19,593	+23%	9,223	+11%	+35%
EBITDA Margin	*41.0%*	*1.2pp*	*40.5%*	*-1.1pp*	*2.5pp*
PAT Margin	*10.4%*	*+3.8pp*	*13.1%*	*+5.7pp*	*+4.9pp*
ROIC	*17.6%*	*+7.9pp*	*17.6%*	*+0.5pp*	*+7.9pp*
Normalised Performance					
PAT [1]	9,282	>+100%	4,737	+4%	>+100%

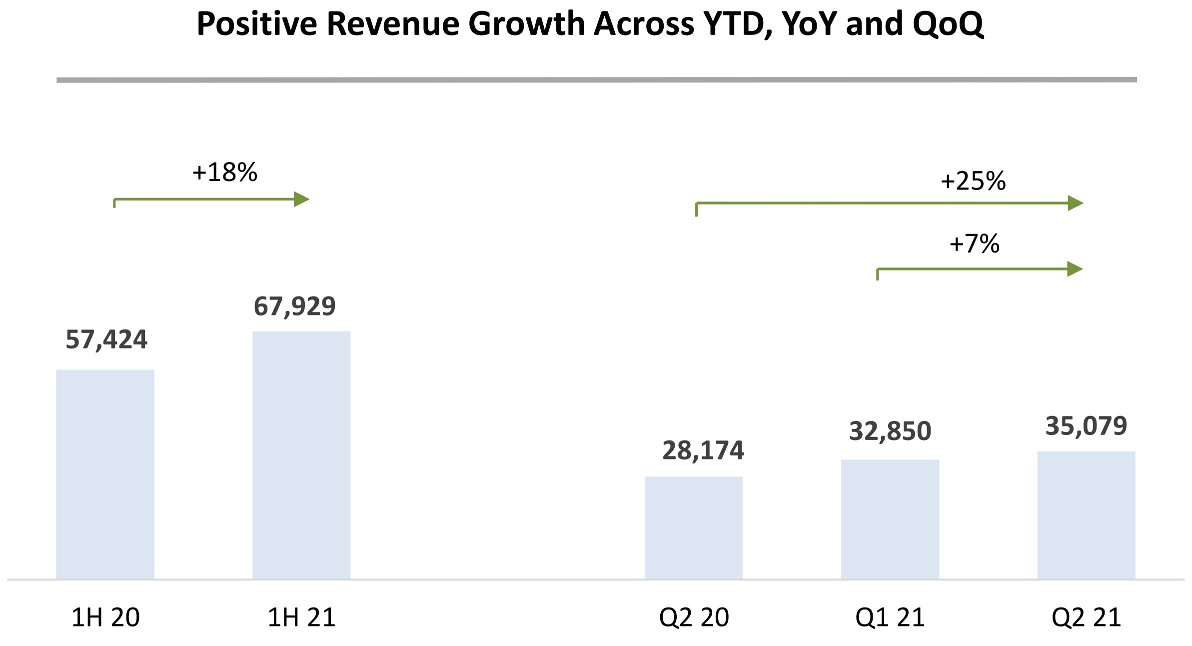
1. Revenue improvement driven by growing contributions from Data, Voice and International businesses

2. Cost Optimisation Generated Rs3.2Bn in cost savings (Opex 1.9Bn + Capex 1.3Bn) in 1H 2021

3. 1H '21 forex loss at Rs2.2Bn with the LKR depreciation at 7.2%

[1] Norm for forex losses/gains

GROUP REVENUE



Mobile Revenue increased driven by **Mobile Voice Revenue up 18% YTD driven by higher usage** followed by **Data Revenue up 8% YTD and 11% QoQ** driven by increased data subscribers and 4G adoption

International Revenue driven by increase in wholesale revenue

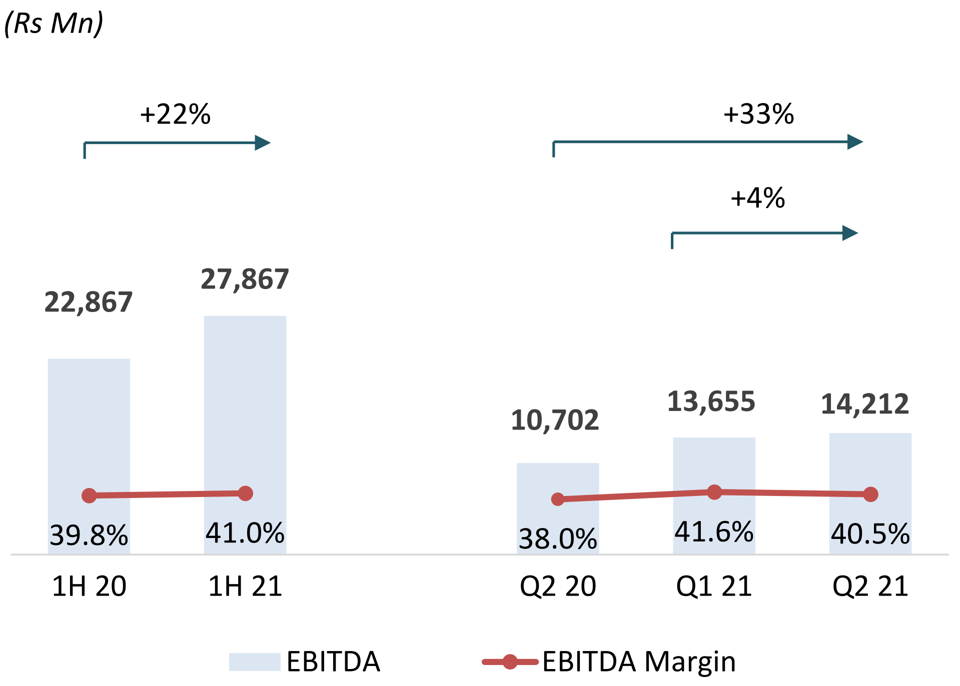
Fixed Home Broadband Revenue continued its growth trajectory up 23% YTD and 12% QoQ supported by increase in Home Broadband Revenue

Television Revenue, driven by increase in subscription revenue

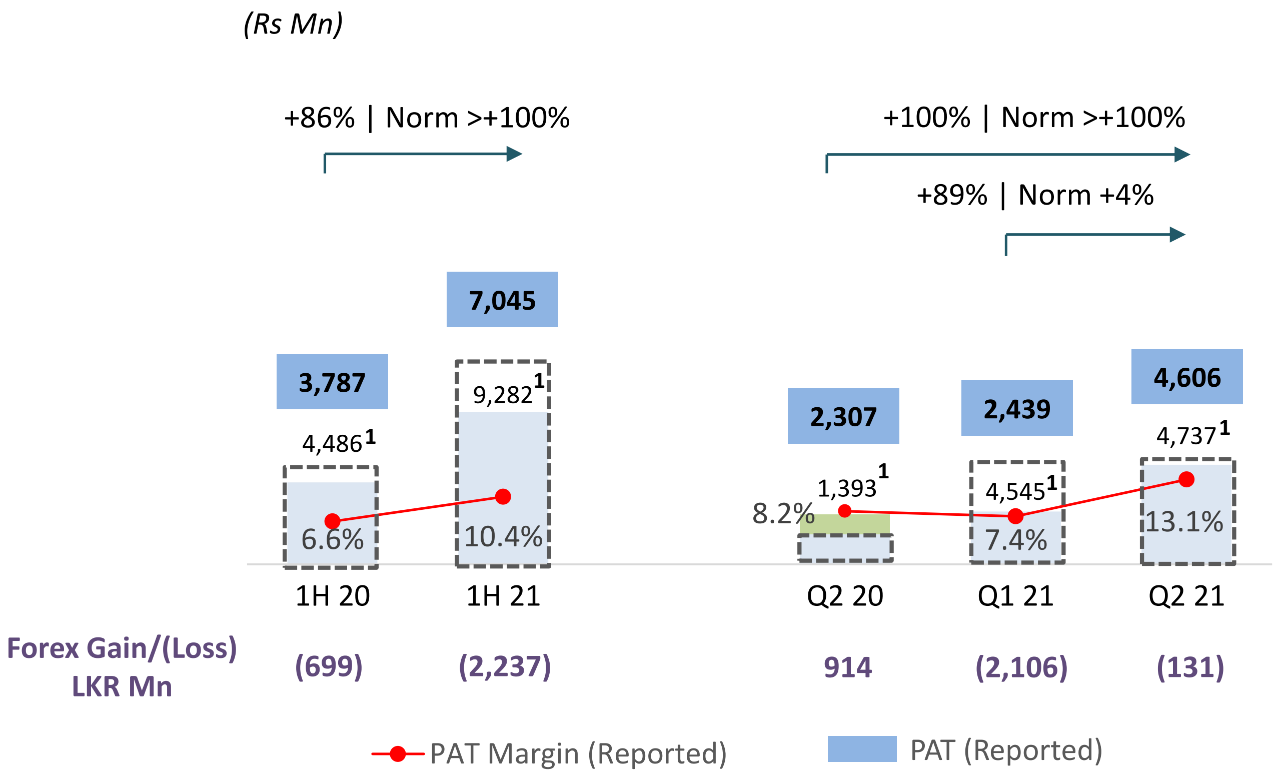
[1] Excludes Tele-Infra and International Revenue

POSITIVE TOP LINE PERFORMANCE FLOWING THROUGH TO PROFITABILITY; COST FOCUS AND FAVORABLE FOREX MOVEMENT FURTHER SUPPORTING PROFITABILITY

Positive EBITDA Performance Driven by Top Line Growth and Diligent Cost Management



YTD and YoY PAT Improvement Driven by EBITDA and Lower Finance Cost; QoQ Reported PAT Supported by Favorable Q2 Forex Movement



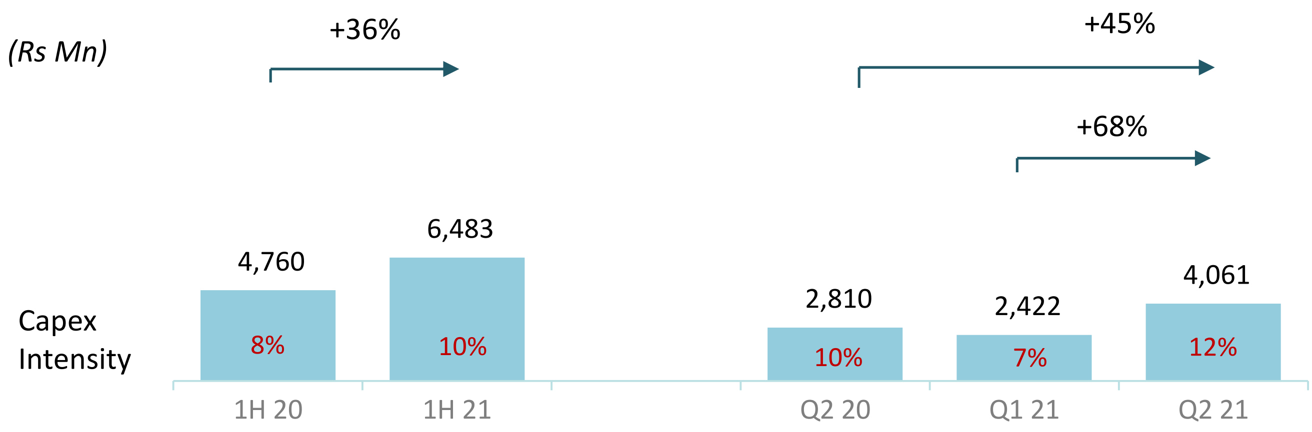
[1] Forex Norm. PATAMI shown in dotted boxes

TOTAL COST TO REVENUE RATIO IMPROVE 1.2PP ON YTD BASIS

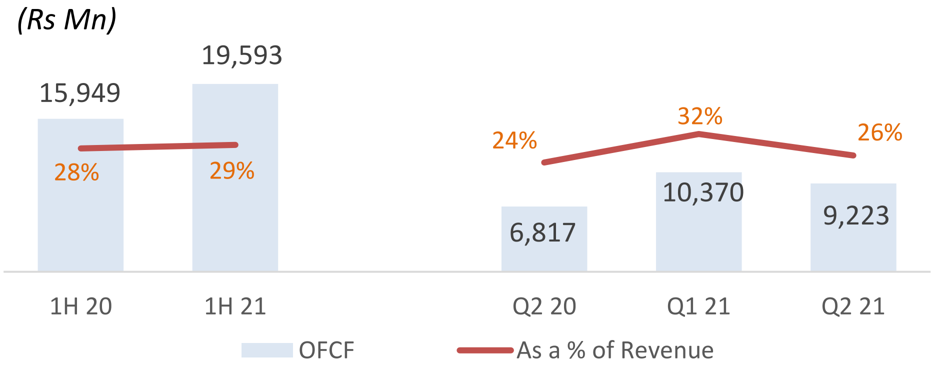
	Q2 21	As % of revenue	Q1 21	As % of revenue	Q2 20	As % of revenue	1H 21	As % of revenue	QoQ	YoY	YTD
Total Cost	**Rs20,867Mn**	**59.5%**	**Rs19,196Mn**	**58.4%**	**Rs17,471Mn**	**62.0%**	**Rs34,580Mn**	**59.0%**	+1.1pp	-2.5pp	-1.2pp
Direct Expenses		27.8%		26.3%		25.2%		26.4%	+1.5pp	+2.6pp	+2.2pp
Sales & Marketing		8.3%		8.5%		7.9%		8.5%	-0.2pp	+0.4pp	-0.1pp
Network Cost		10.5%		11.1%		11.7%		11.4%	-0.6pp	-1.2pp	-0.6pp
Staff Cost		7.6%		8.1%		8.4%		8.2%	-0.5pp	-0.8pp	-0.4pp
Overheads		5.3%		4.4%		8.8%		2.6%	+0.9pp	-3.5pp	-2.4pp

FOCUSED CAPEX INVESTMENTS TO ACCOMMODATE URGENT NETWORK UPGRADES

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



OFCF Improvement in 1H 2021 Driven by EBITDA Improvement and Focused Working Capital Management



Capex spend of Rs6.5Bn for 1H 21 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; NET DEBT TO EBITDA AT 0.42X

(Rs Mn)	30 Jun 21	31 Mar 21	31 Dec 20	30 Jun 20
Gross Debt	33,390	39,027	37,852	42,761
Net Debt	23,334	22,880	23,766	34,354
Cash and Cash Equivalents	10,595	16,146	14,086	8,407
Gross Debt / Equity (x)	*0.41*	*0.46*	*0.46*	*0.58*
Gross Debt/ EBITDA (x)	*0.61*	*0.71*	*0.74*	*0.93*
Net Debt/ EBITDA (x)	*0.42*	*0.42*	*0.47*	*0.75*

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

Note: The dividend of LKR6Bn declared for FY2020 was paid on 29th June for online transfers and 15th July for cheque based settlements

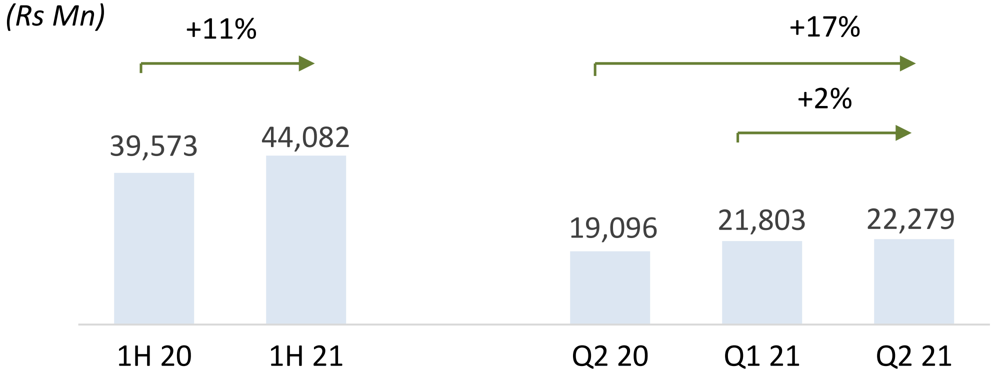
Dialog Axiata Group Performance

Dialog Axiata PLC - Company Performance

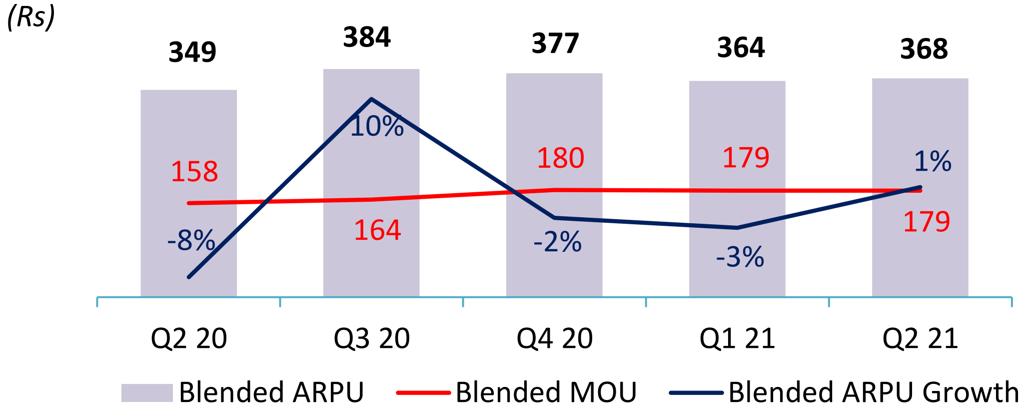
Subsidiary Performance – Dialog Broadband and Dialog TV

DIALOG AXIATA PLC (COMPANY)

Revenue Improvement Driven by Subscriber Acquisition and Retention Initiatives



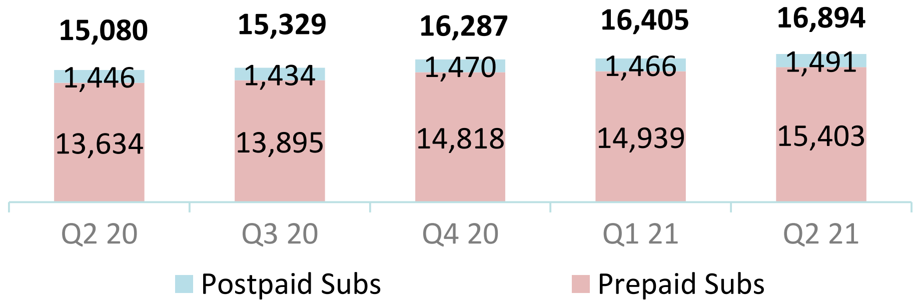
ARPU Marginally Improve QoQ and YoY up 5%; MOU's Remained Stable QoQ



Subscriber Growth Driven by Customer Acquisition and Retention Initiatives

(In '000)

Total subs growth +3% QoQ; +12% YoY
Postpaid subs growth +2% QoQ; +3% YoY
Prepaid subs growth +3% QoQ; +13% YoY



Profitability Improvement Driven by Revenue Growth and Diligent Cost Management

(Rs Mn)	**YTD 21**	**YTD**	**Q2 21**	**QoQ**	**YoY**
EBITDA	20,033	+17%	10,115	+2%	+28%
PAT	5,592	+25%	3,645	+87%	+29%
EBITDA Margin %	*+45.4%*	*+2.3pp*	*+45.4%*	*-0.1pp*	*+3.9pp*
PAT Margin %	*+12.7%*	*+1.4pp*	*+16.4%*	*+7.4pp*	*+1.5pp*
PAT Norm [1]	7,754	+46%	3,836	-2%	+97%
PAT Margin %	*+17.6%*	*+4.2pp*	*+17.2%*	*-0.8pp*	*+7.0pp*

[1] Normalised for forex Loss of Rs191Mn and Rs2.2Bn for Q2 '21 and 1H '21 respectively

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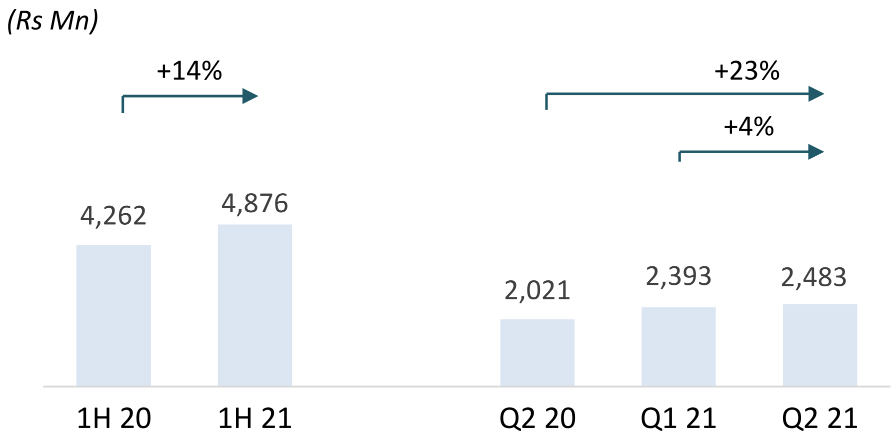
DIALOG TELEVISION

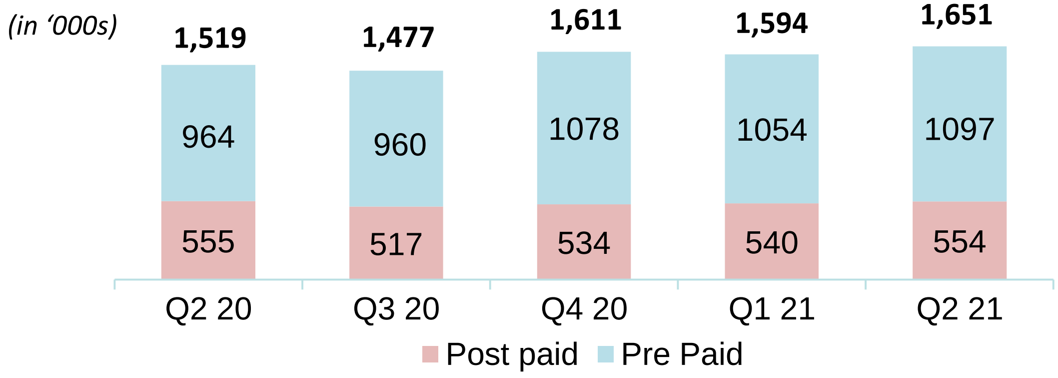
Strong Revenue Growth Translating to Improved Profitability

Subscription Revenue Driving Topline Performance in line with New Subscriber Additions



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

Total subs growth +4% QoQ; +9% YoY
Postpaid subs growth +3% QoQ; 0% YoY
Prepaid subs growth +4% QoQ; +14% YoY



Favorable Forex Movement Assisting QoQ PAT Improvement; YTD and YoY Improvement Driven by Top Line Performance

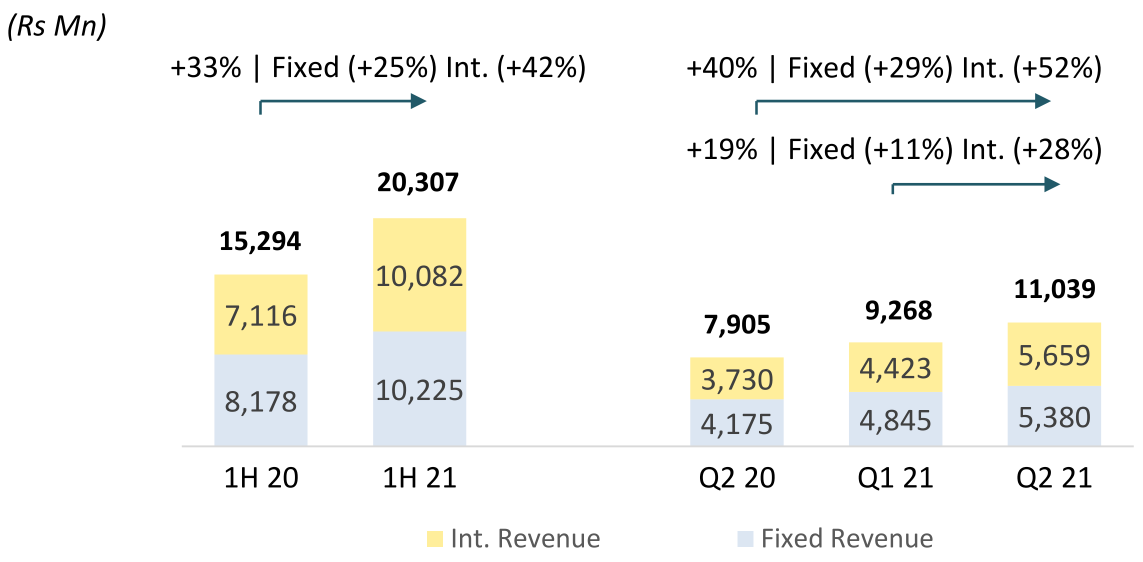
	YTD 21	YTD	Q2 21	QoQ	YoY
EBITDA	1,423	+34%	714	+1%	+85%
PAT	-420	+33%	-134	+53%	>+100%
EBITDA Margin %	*+29.2%*	*+4.3pp*	*+28.8%*	*-0.8pp*	*+9.7pp*
PAT Margin %	*-8.6%*	*+6.0pp*	*-5.4%*	*+6.5pp*	*+14.3pp*

DIALOG BROADBAND NETWORKS

Delivering Growth Across All Key Parameters

Dialog

Revenue Growth Underpinned by Driven by International Wholesale and Fixed Broadband Revenue



	1H 20	1H 21	Q2 20	Q1 21	Q2 21
International Revenue %	47%	50%	47%	48%	51%

Topline Performance Coupled with Stable to Lower Depreciation and Lower Finance Cost Driving Profitability

(Rs Mn)	YTD 21	YTD	Q2 21	QoQ	YoY
EBITDA	6,579	+44%	3,472	+12%	+64%
PAT	2,172	>+100%	1.250	36%	>+100%
EBITDA Margin %	*+32.4%*	*+2.5pp*	*+31.4%*	*-2.1pp*	*+4.7pp*
PAT Margin %	*+10.7%*	*+11.0pp*	*+11.3%*	*+1.4pp*	*+15.3pp*