



Dialog Axiata PLC

Sri Lanka's Premier Connectivity Provider

Q3 2020 Results

an axiata company

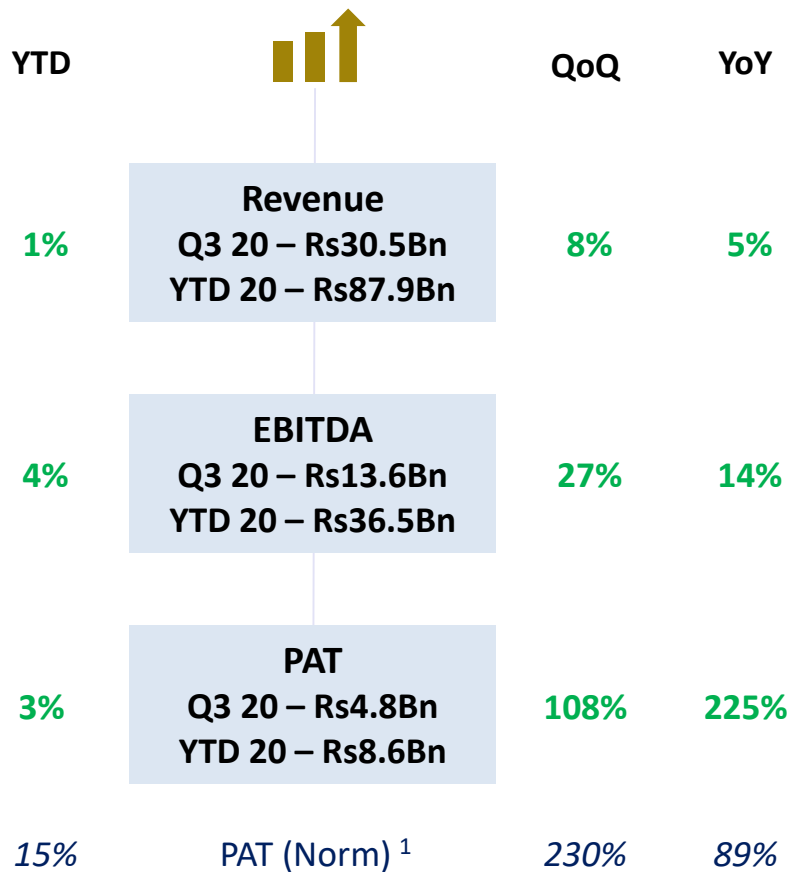
Dialog Axiata Group Performance

Dialog Axiata PLC - Company Performance

Subsidiary Performance – Dialog Broadband and Dialog TV

DIALOG GROUP PERFORMANCE HIGHLIGHTS – Q3 2020

Stable Q3 2020; YTD Performance Improve on Cost Focus Despite Covid-19 Challenges



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



PoP Coverage
Mobile 4G - 93%
Fixed 4G - 68%

YTD 20 Capex Spend
Rs12.0Bn

Capex Intensity
14%

Significant improvement in Digital adoption

- Paperless Activations – 100%
- E-bills – 64%
- E-Payments – 67%

All Key Business Segments Delivered Strong Performance in Q3 20



Mobile



Voice Revenue
Rebounded in Q3 20
up 33% QoQ



DTV Revenue
Recorded 9% Growth QoQ

EBITDA
Recorded Strong Growth of 45% QoQ

Aggressive Subscriber Growth



Mobile



Reached 15.3Mn Subscribers
+1% YoY



Reached 1.5Mn Households by end September 2020
+11% YoY



Home BB Sub Base
+22% YoY



In April 2020, Dialog contributed a sum of Rs. 200 Million towards the upliftment of Critical Health Infrastructure associated with the COVID-19 pandemic. In May Dialog enabled the commissioning of a 10 Bed ICU at the Negombo Hospital and in November commissioned another 10 Bed ICU at Homagama Hospital. As part of this initiative, Dialog also enabled high-speed PCR testing at the Bandaranaike International Airport (BIA).

¹ Normalised for Forex Gain/Loss

GROUP FINANCIAL SUMMARY



Rs Mn	YTD 2020	YTD	3Q 20	QoQ	YoY
Revenue	87,894	+1%	30,471	+8%	+5%
EBITDA	36,508	+4%	13,641	+27%	+14%
PAT	8,597	+3%	4,797	+108%	+225%
OFCF	21,456	+22%	5,507	-19%	+3%
<i>EBITDA Margin</i>	41.5%	+1.3pp	44.8%	+6.8pp	+3.7pp
<i>PAT Margin</i>	9.8%	+0.2pp	15.7%	+7.5pp	+10.6pp
<i>ROIC</i>	12.1%	-0.2pp	12.1%	+2.4pp	-0.2pp
Normalised Performance					
PAT ¹	9,108	+15%	4,609	+230%	+89%

1

Covid-19 Impact on YTD Sep 2020
Revenue estimated at LKR 4Bn

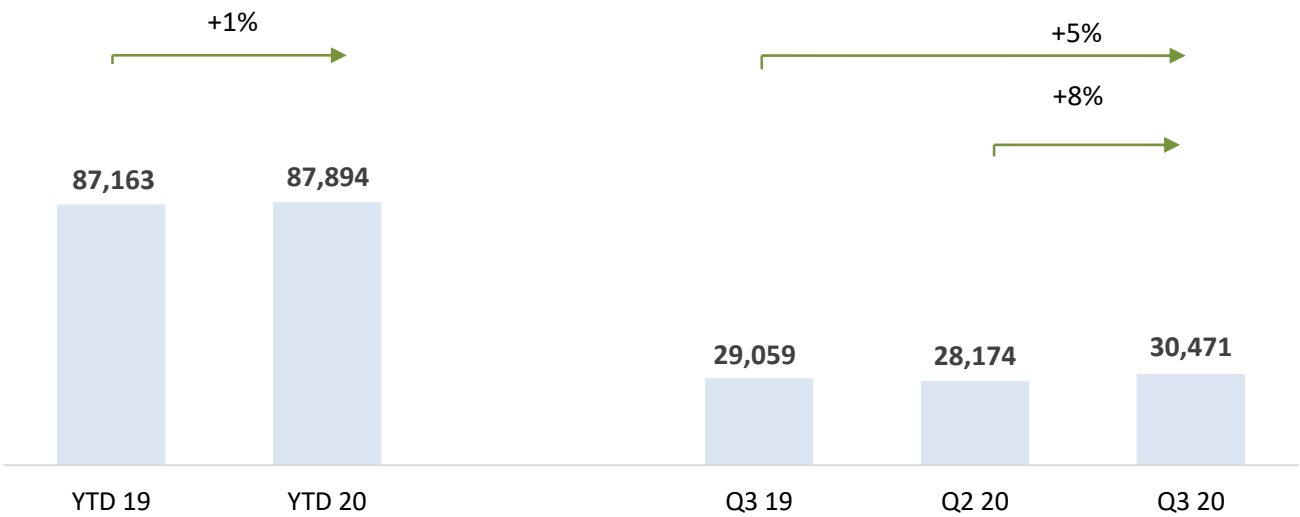
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Cost Optimisation Generated Rs5.5Bn
in cost reduction (Opex Rs2.9Bn +
Capex Rs2.6Bn) in YTD 2020

3

LKR to USD depreciated by LKR 3.7
during YTD Sep-20 resulting in a
forex loss of LKR 511Mn. Sep'20
USD:LKR at LKR 185.2

¹ Norm for forex losses/gains



Mobile Revenue remained stable YTD, recovered to record a growth of 12% QoQ and 4% YoY.

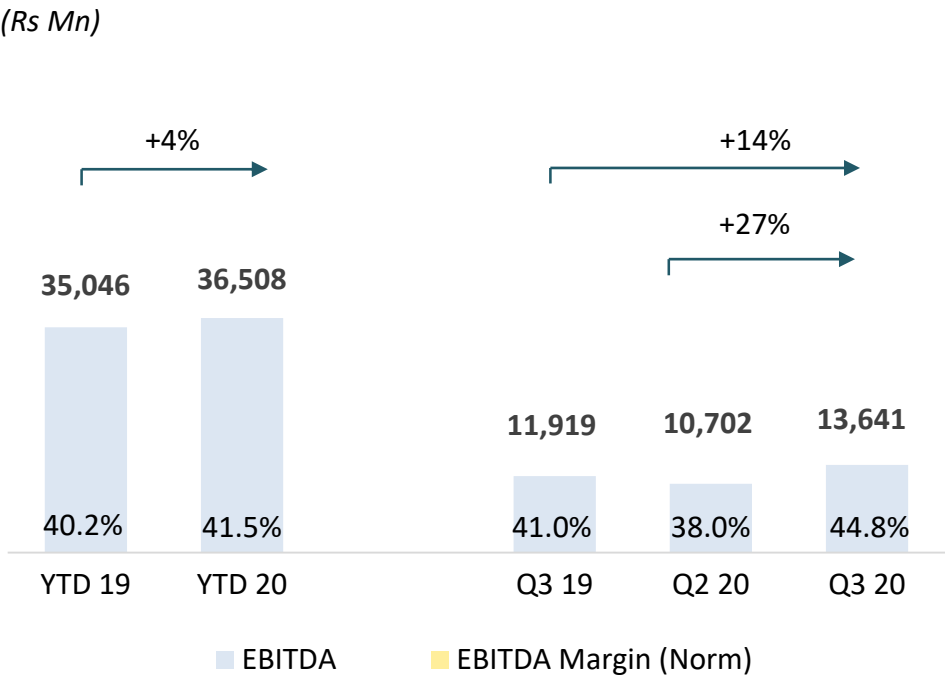
International Revenue was up 4% YTD and 6% QoQ and 14% YoY due to increase in wholesale revenue

Fixed Home Broadband Revenue continued its growth trajectory up 7% YTD and 10% YoY albeit declining 12% QoQ .

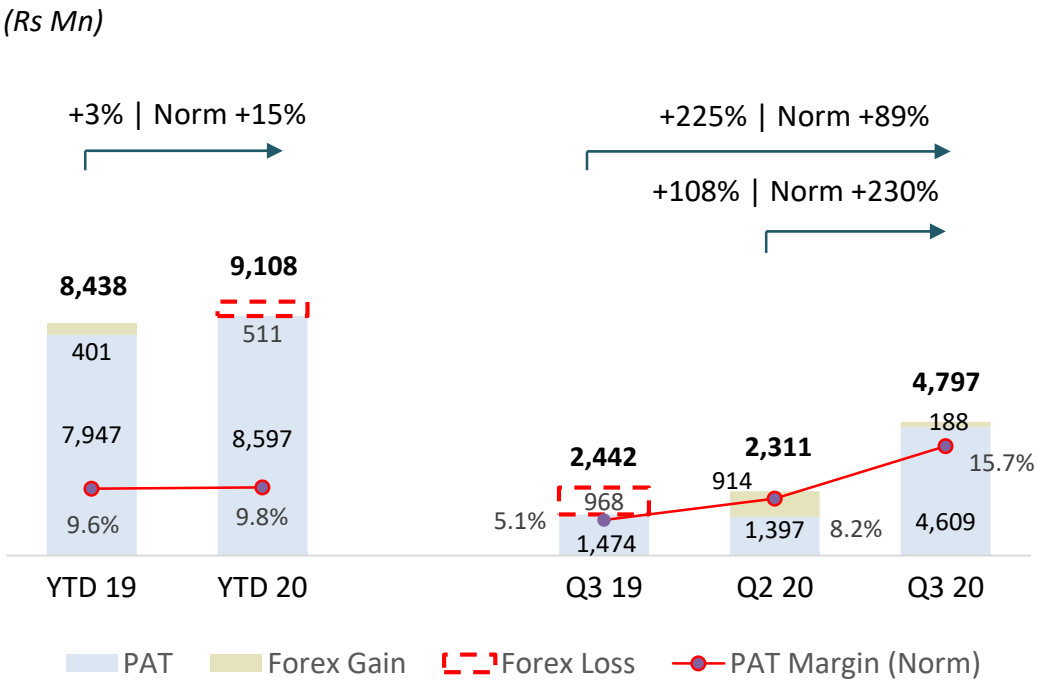
Television Revenue moderately declined by 1% YTD and 3% YoY albeit recovering 9% QoQ amid discontinuation of Covid-19 free offers

¹ Excludes Tele-Infra and International Revenue

EBITDA Growth Driven by Diligent Overall Cost Management



PAT Growth Resulting from improved EBITDA, moderate Increase in Depreciation, Decline in Finance Cost coupled with Favorable Forex

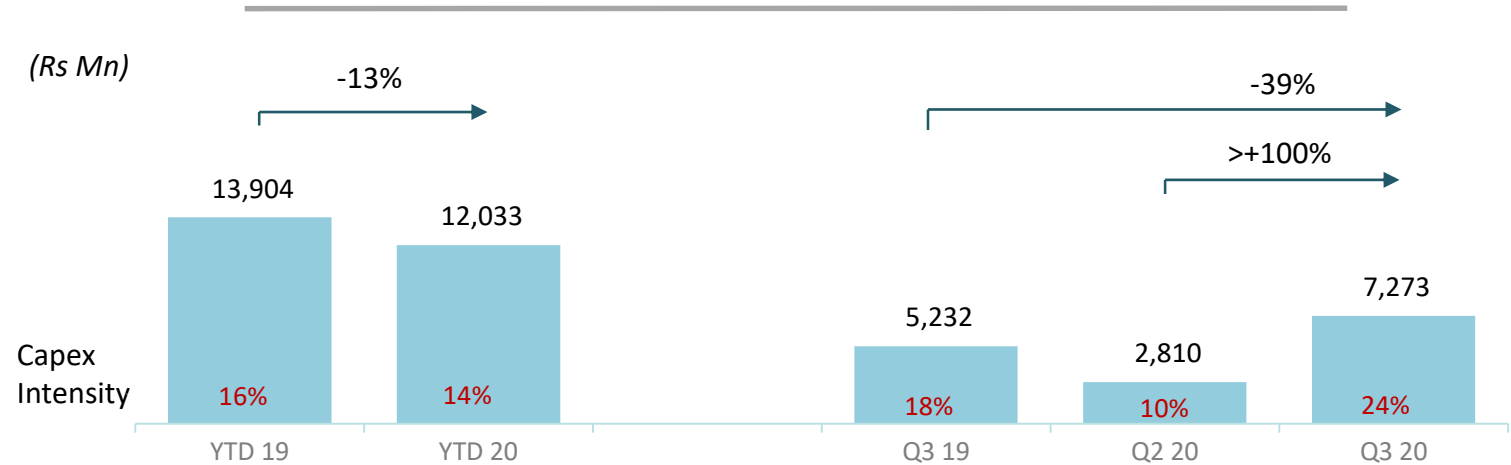


FOCUSED CAPEX INVESTMENTS TO ACCOMMODATE URGENT NETWORK UPGRADES

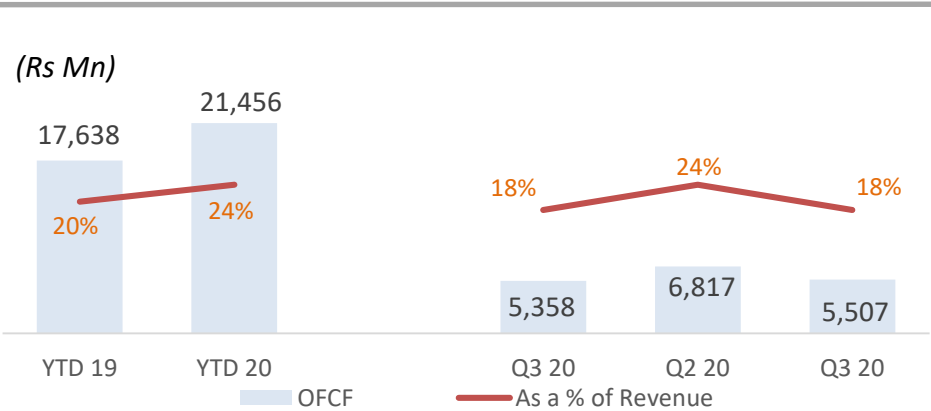
Capex Intensity at 14% in YTD 2020



Capex Investments Directed Towards Digitizing and Expanding Data Network; Mobile 4G and Fixed LTE PoP Coverage Reached 93% and 68%



OFCF Improvement in YTD 20 Driven by Slowdown in Capex Spend and Focused Working Capital Management



Capex spend of Rs12.0Bn for YTD 20 directed mainly towards organization digitization and investments in High-Speed Broadband infrastructure consisting mainly of revenue generating capacity upgrades

Investment in Data Infrastructure includes:

- 4G capacity upgrades
- 4G coverage expansion

DIALOG GROUP MAINTAINS A STRONG BALANCE SHEET WITH LOW GEARING



(Rs Mn)	30 Sep 20	30 Jun 20	31 Dec 19	30 Sep 19
Gross Debt	39,053 ¹	42,761 ¹	44,876	46,058
Net Debt	25,722	34,354	39,986	36,586
Cash and Cash Equivalents	13,331	8,407	4,890	9,472
<i>Gross Debt / Equity (x)</i>	<i>0.49</i>	<i>0.58</i>	<i>0.60</i>	<i>0.64</i>
<i>Gross Debt/ EBITDA (x)</i>	<i>0.80</i>	<i>0.93</i>	<i>0.96</i>	<i>0.94</i>
<i>Net Debt/ EBITDA (x)</i>	<i>0.53</i>	<i>0.75</i>	<i>0.86</i>	<i>0.75</i>

¹ Gross Debt includes Interest Payable on borrowings

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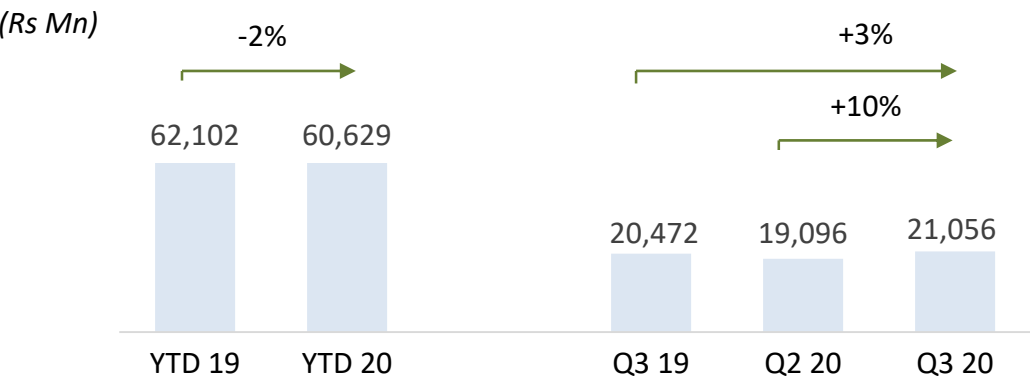
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DIALOG AXIATA PLC (COMPANY) : YTD REVENUE GROWTH REMAIN CHALLENGED; COST FOCUS SUPPORTING PROFITABILITY

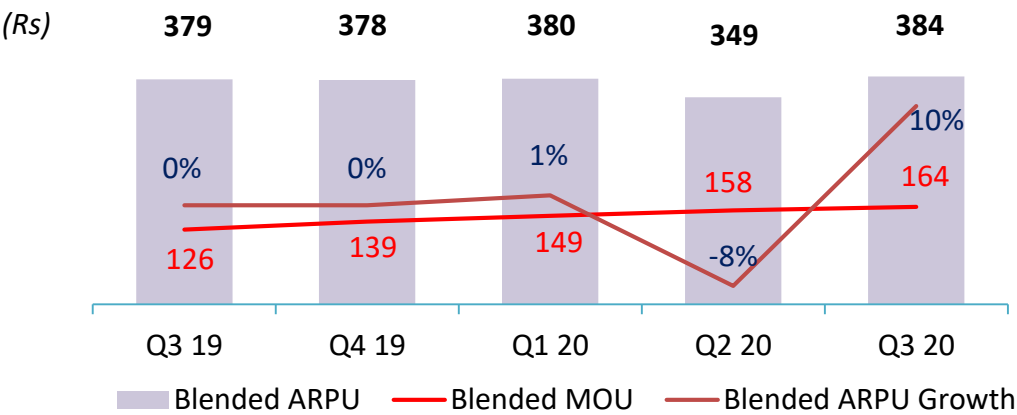


YTD Growth Remains Negative Due to Covid-19 Associated Losses

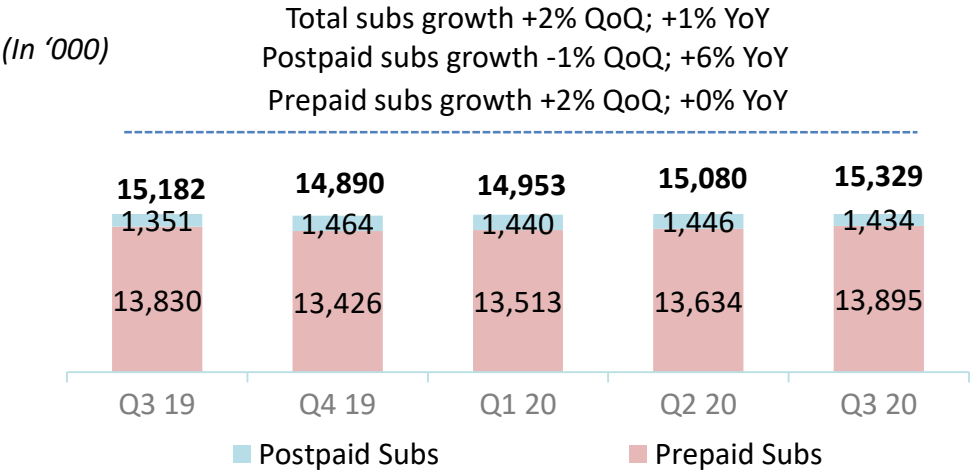


¹ Normalised growth excludes hubbing revenue

MOU's Continue to Improve; ARPU Making a 'v' shaped recovery



Subscriber Growth Driven by Customer Acquisition and Retention Initiatives



Profitability Parameters Improve Cost Management and Forex

(Rs Mn)	YTD 20	YTD	Q3 20	QoQ	YoY
EBITDA	27,275	+2%	10,186	+29%	+12%
PAT	9,032	+5%	4,554	+61%	+148%
EBITDA Margin %	+45.0%	+2.1pp	+48.4%	+6.9pp	+4.1pp
PAT Margin %	+14.9%	+1.1pp	+21.6%	+6.8pp	+12.6pp
PAT Norm ²	9,680	+17%	4,382	+125%	+56%
PAT Margin %	+16.0%	+2.7pp	+20.8%	+10.6pp	+7.1pp

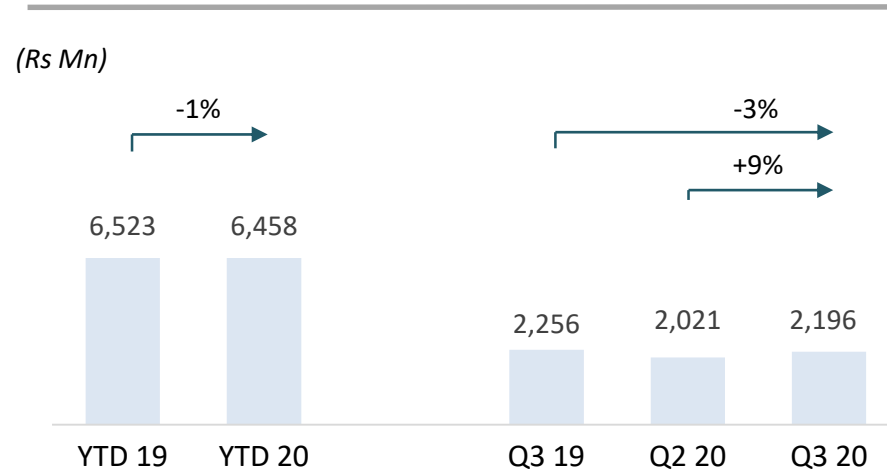
² Normalised for forex Gain/Losses

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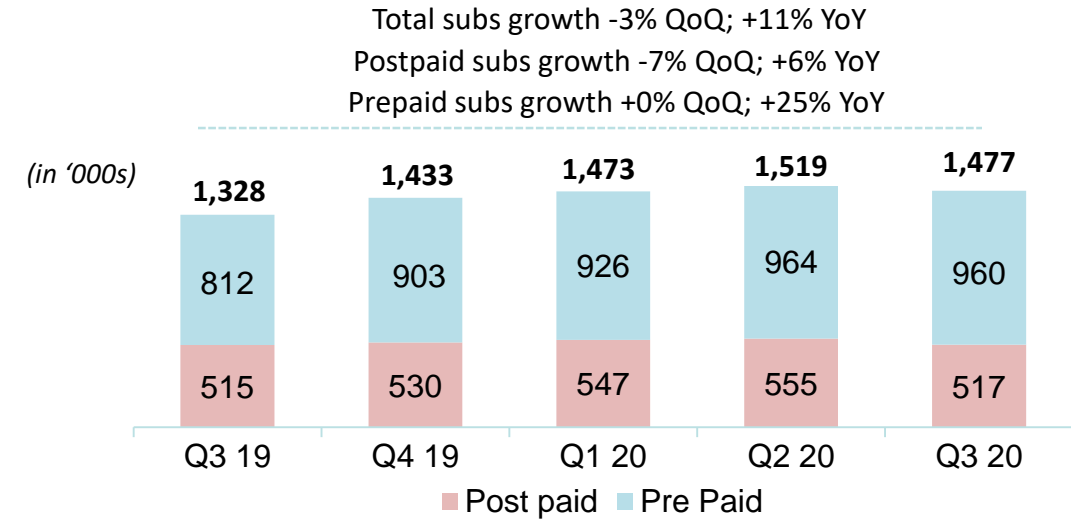
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YTD Revenue -1% Despite Strong Revenue Recovery in Q3 2020



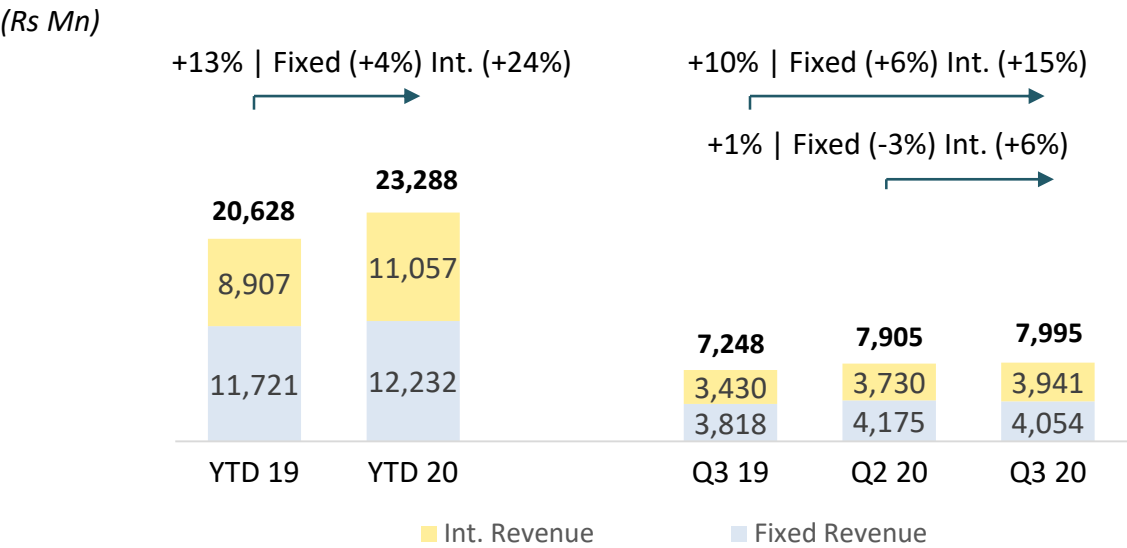
Lower Gross Adds and Churn amid Consumer Wallet Pressure Lead to a drop in Q3 20 Subscribers



Profitability Improved on a QoQ basis While YTD Remains Challenged from Revenue Losses in Q2 20 Due to Covid-19 Related Free Offers; YoY in Red due to Lower Revenue Contribution and Higher Channel, Transponder and Depreciation Cost due to Increased Contract Cost (SLFRS 15)

	YTD 20	YTD	Q3 20	QoQ	YoY
EBITDA	1,663	-9%	601	+56%	-19%
PAT	-845	>-100%	-221	+45%	>-100%
EBITDA Margin %	+25.8%	-2.1pp	+27.4%	+8.2pp	-5.6pp
PAT Margin %	-13.1%	-7.9pp	-10.0%	+9.6pp	-7.1pp

Strong Revenue Growth Driven by Growth in Fixed Broadband and International Wholesale Revenue for YTD and YoY



International Revenue %	43%	47%	47%	47%	49%
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EBITDA Improve amid Revenue Growth and Cost Management

(Rs Mn)	YTD 20	YTD	Q3 20	QoQ	YoY
EBITDA	7,647	+11%	3,070	+45%	+42%
PAT	626	+8%	672	>+100%	>+100%
EBITDA Margin %	+32.8%	-0.6pp	+38.4%	+11.7pp	+8.5pp
PAT Margin %	+2.7%	-0.1pp	+8.4%	+12.4pp	+10.8pp

Thank you

For further information

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