



Dialog Axiata PLC

Sri Lanka's Premier Connectivity Provider

Q3 2024 Results

an axiata company

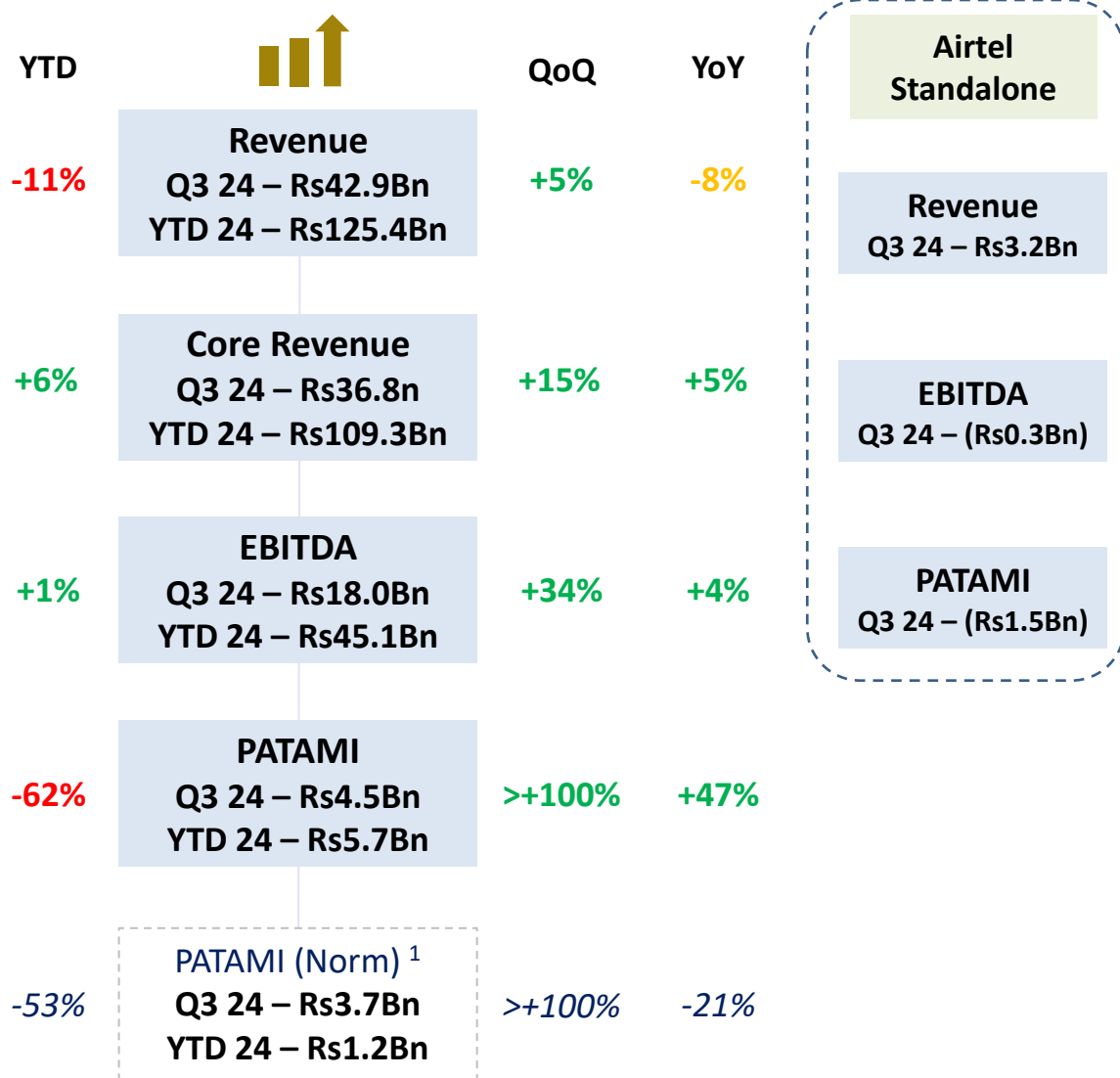
Dialog Axiata Group Performance

Dialog Axiata PLC - Company Performance

Subsidiary Performance – Dialog Broadband and Dialog TV

DIALOG GROUP PERFORMANCE REBOUND IN Q3 2024

Growth in Core Revenue and Profitability



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

PoP Coverage
Mobile 4G - 97%
Fixed 4G - 72%

YTD 24 Capex Spend
Rs14.5Bn

Capex Intensity
12%

All Key Business Segments Delivered Strong Performance

Mobile
Data Continues Growth Momentum
23% YTD

TV
DTV Revenue Recorded **2% Growth QoQ**

Fixed
Revenue recorded **4% growth YTD**

Aggressive Subscriber Growth

Mobile
Subscribers up **12% YTD** and **18% QoQ** to reach **19.7Mn**

TV
Maintained **1.6Mn Households** by end September 2024

Fixed
Home BB Sub Base Up **2% YTD**

¹Normalised for Forex Gain

GROUP FINANCIAL SUMMARY



Rs Mn	YTD 2024	YTD	3Q 24	QoQ	YoY
Revenue	125,375	-11%	42,832	+5%	-8%
Core Revenue	109,251	+6%	36,747	+15%	+5%
EBITDA	45,100	+1%	18,015	+34%	+4%
EBIT	11,394	-16%	6,415	>+100%	-11%
Net Finance Cost	6,960	-9%	1,745	-21%	-14%
PATAMI	5,691	-62%	4,495	>+100%	+47%
OFCF	18,260	+35%	5,711	+7%	-23%
<i>EBITDA Margin</i>	36.0%	+4.4pp	42.1%	+9.2pp	+4.9pp
<i>Core EBITDA Margin</i>	39.0%	-4.6pp	41.1%	+1.4pp	-8.5pp
<i>PAT Margin</i>	4.5%	-6.0pp	10.5%	+14.3pp	+3.9pp
<i>ROIC</i>	8.0%	-4.1pp	8.0%	+3.4pp	-4.1pp

Normalised Performance

PAT ¹	1,962	-53%	3,726	>+100%	-21%
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1

Core Revenue up 6% QoQ
YTD Total Revenue down, due to conscious scaling down of low margin Hubbing business

2

Q3 EBITDA up with core revenue growth and Cost rescaling initiatives delivered an estimated saving of Rs3.3Bn for YTD 2024

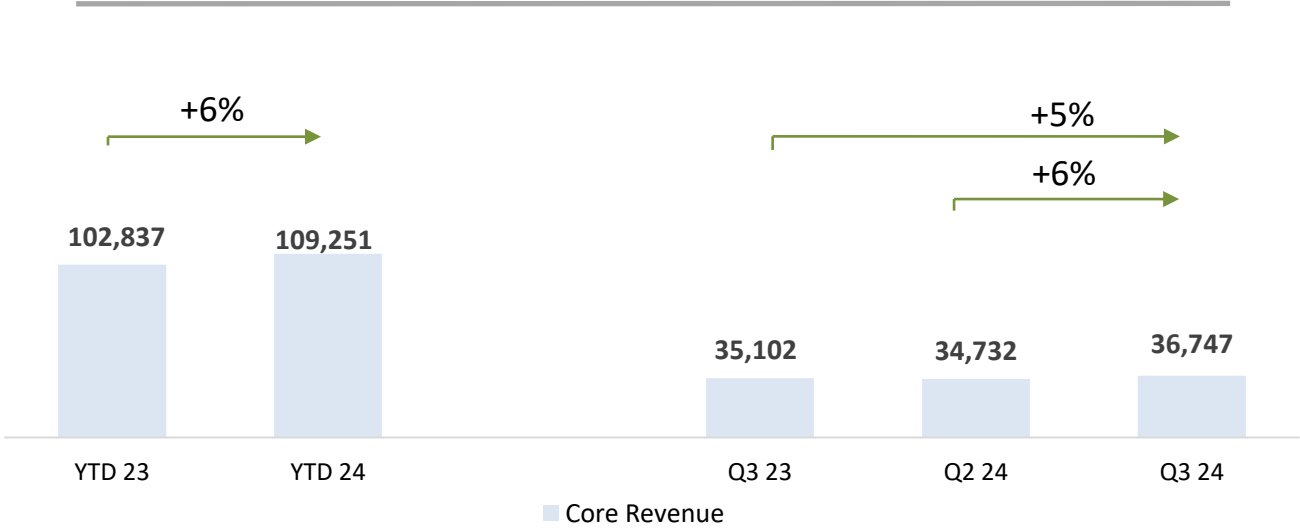
3

YTD 24 forex gain at Rs3.7Bn with the LKR appreciation at 6.0%

¹ Norm for forex gain



Core revenue continued its positive trajectory, with a +6% increase QoQ, +5% YoY, and +6% YTD



Mobile Revenue Recording Strong Growth due to data revenue growth of 28% QoQ and 23% YTD with the inclusion of Airtel Revenue

International Revenue Decline Sharply amid conscious scaling down of low margin international wholesale business and forex impact

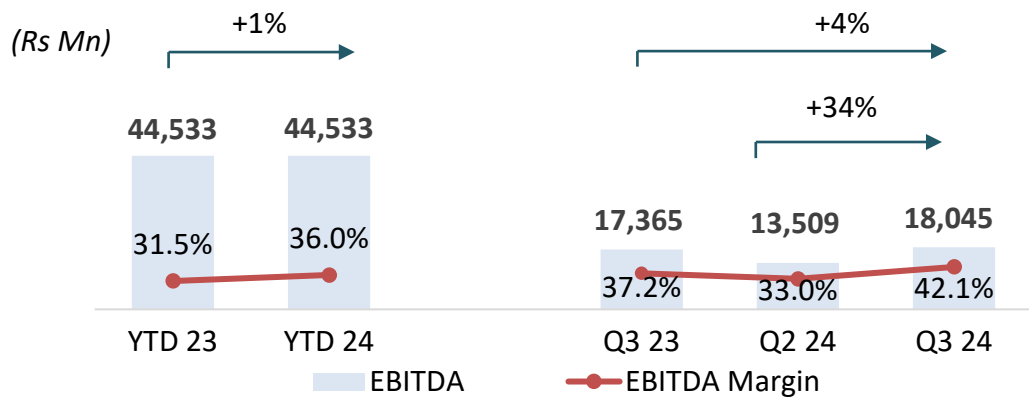
Fixed Home Broadband Revenue continued its YTD growth momentum on the back of 2% YTD growth in Subscriber base

Television Revenue, up 2% YTD driven by increase in advertising revenue

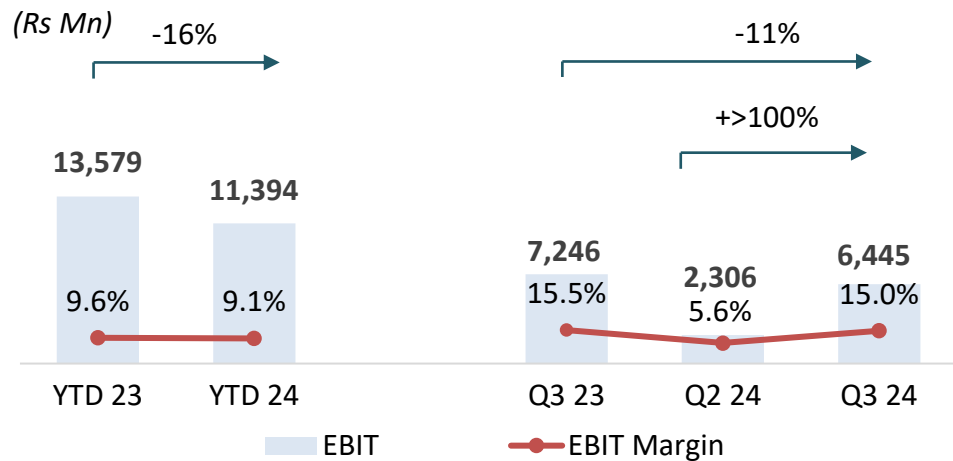
GROUP EBITDA AND PATAMI



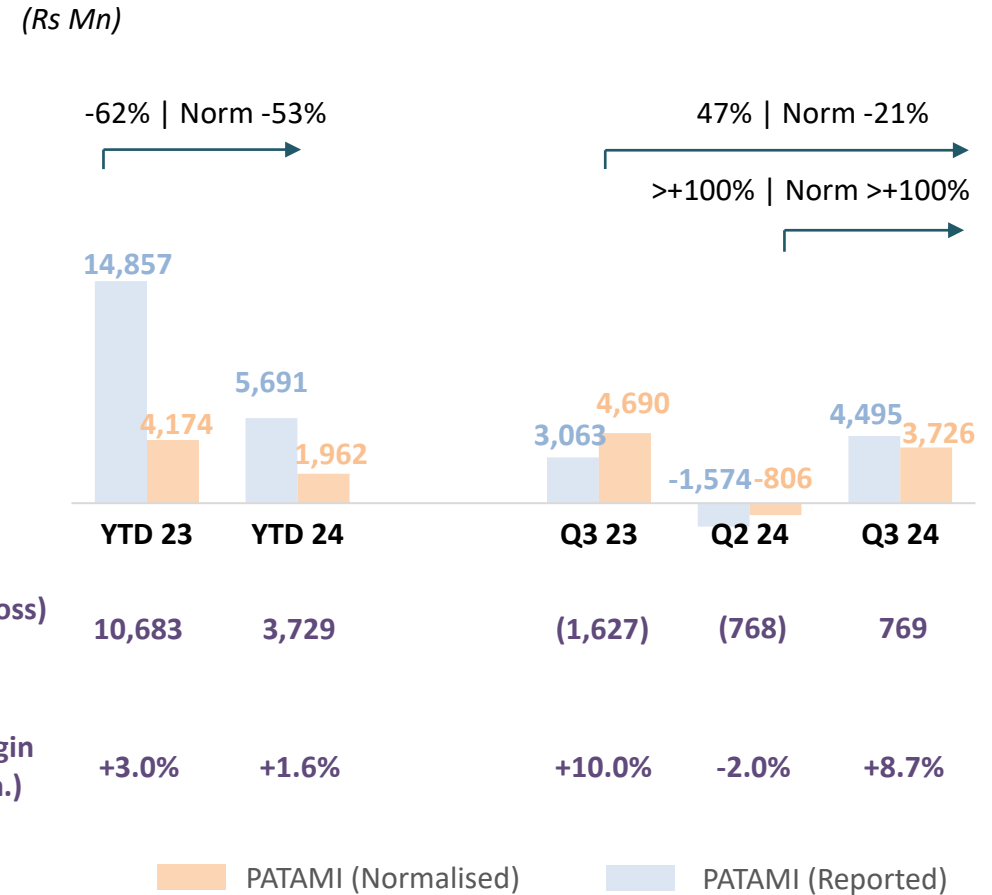
EBITDA Recorded Strong Rebound in Q3 2024 in line with Core Revenue Growth and Cost Rescaling Initiatives Yielding Results Delivering a saving of LKR 3.3Bn YTD



QoQ EBIT Growth Underpinned by Strong EBITDA Performance; YTD and YoY performance impacted by Higher Depreciation



QoQ and YoY Performance up due to strong EBITDA performance and Forex Gains. YTD Reported PATAMI Decline due to Higher Forex Gain in YTD 2023; Normalized performance impacted by Higher Depreciation;



Forex Gain/(Loss)
LKR Mn

YTD 23	10,683	3,729	(1,627)	(768)	769
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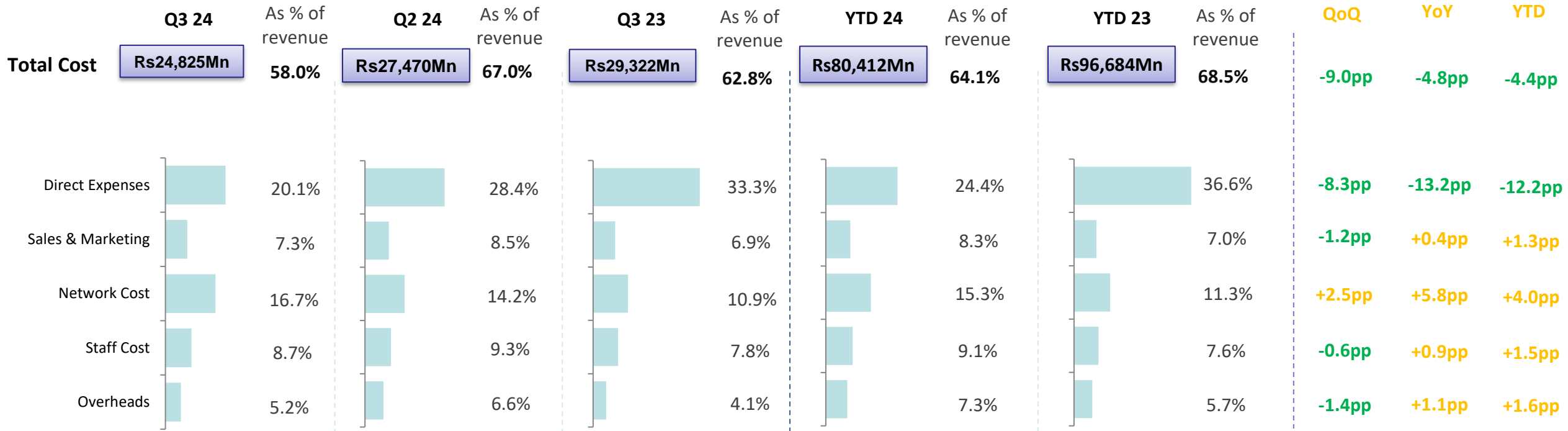
PATAMI Margin
(forex Norm.)

YTD 23	+3.0%	+1.6%	+10.0%	-2.0%	+8.7%
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PATAMI (Normalised)

PATAMI (Reported)

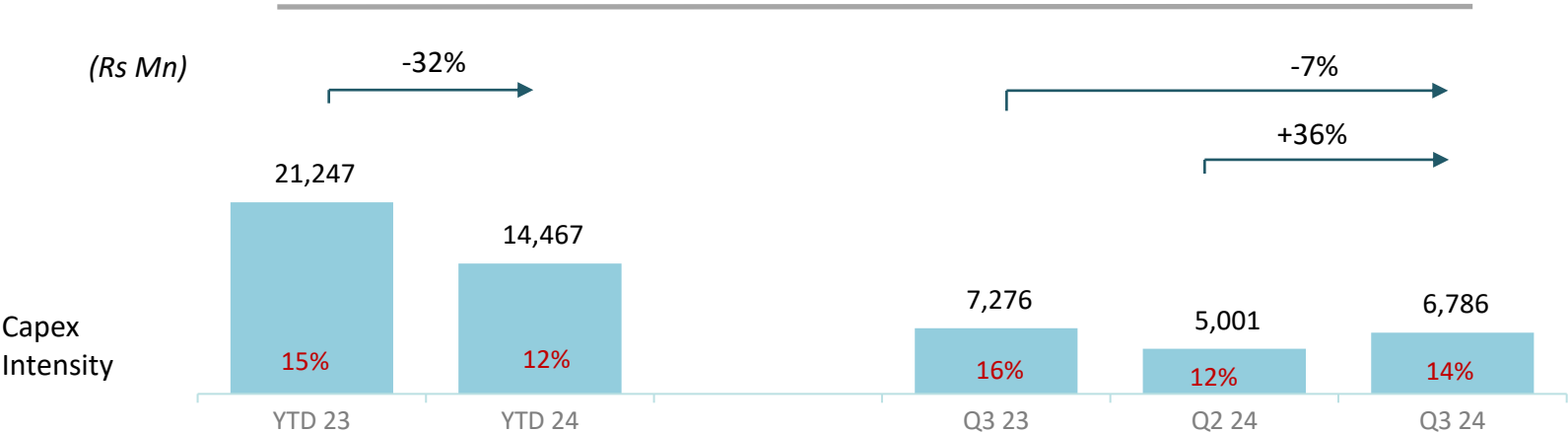
TOTAL COST TO REVENUE RATIO DECREASE 4.4PP YTD OWING TO COST RESCALING INITIATIVES YIELDING ESIMTAED SAVINGS OF LKR 3.3BN



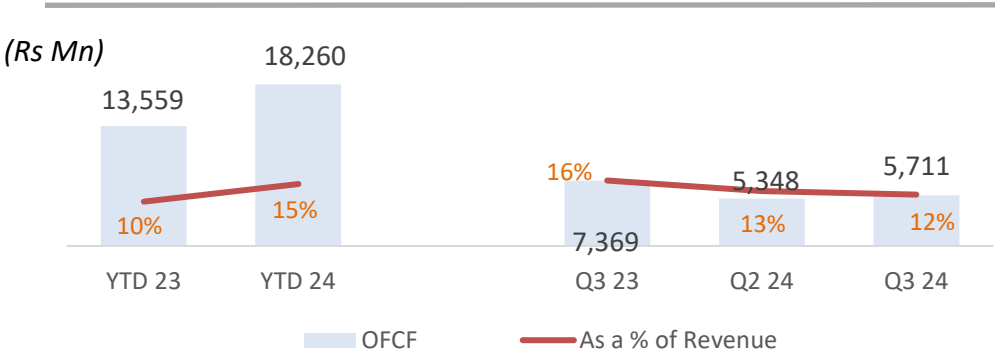
FOCUSED CAPEX TO SUPPORT CRITICAL INFRASTRUCTURE UPGRADES AND AIRTEL NETWORK INTEGRATION
YTD 2024 OFCF at Rs18.3Bn



Capex Investments Directed Towards Expanding Data Leadership



OCF Increase Driven by lower Capex Spend and favorable forex movement during YTD 2024



Capital expenditure of Rs14.50Bn for YTD 2024 directed mainly towards investments in High-Speed Broadband infrastructure to support Mobile and Fixed Data Leadership

Investment in Infrastructure mainly included 4G capacity upgrades and coverage expansions

REDUCTION OF FOREX EXPOSURE ON BALANCE SHEET CONTINUE; GEARING REMAINS LOW WITH NET DEBT TO EBITDA AT BELOW 1.0X



(Rs Mn)	30 Sep 24	30 Jun 24	31 Dec 23	30 Sep 23
Gross Debt	101,341	125,306	113,787	110,190
<i>USD denominated debt (in USD Mn's)</i>	<i>155.1</i>	<i>155.1</i>	<i>156.0</i>	<i>181.4</i>
Net Debt	57,176	71,740	73,174	61,757
Cash and Cash Equivalents	44,165	53,566	40,613	48,433
<i>USD denominated Cash (in USD Mn's)</i>	<i>102.3</i>	<i>96.2</i>	<i>55.7</i>	<i>41.8</i>
<i>Gross Debt / Equity (x)</i>	<i>1.41</i>	<i>1.87</i>	<i>1.72</i>	<i>1.94</i>
<i>Gross Debt/ EBITDA (x)</i>	<i>1.69</i>	<i>2.13</i>	<i>1.85</i>	<i>2.03</i>
<i>Net Debt/ EBITDA (x)</i>	<i>0.95</i>	<i>1.33</i>	<i>1.19</i>	<i>1.14</i>

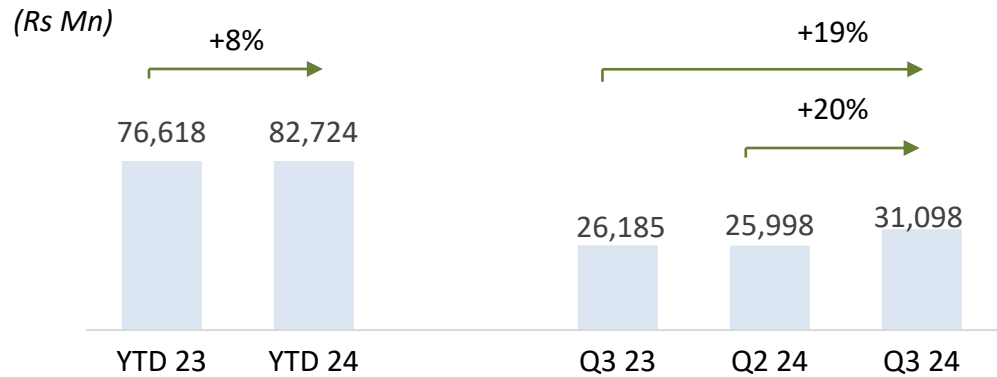
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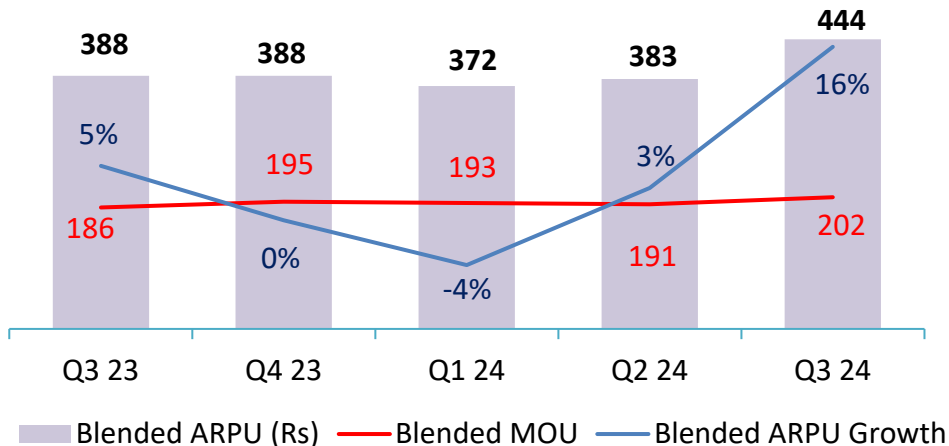
Subsidiary Performance – Dialog Broadband and Dialog TV

DIALOG AXIATA PLC (COMPANY)

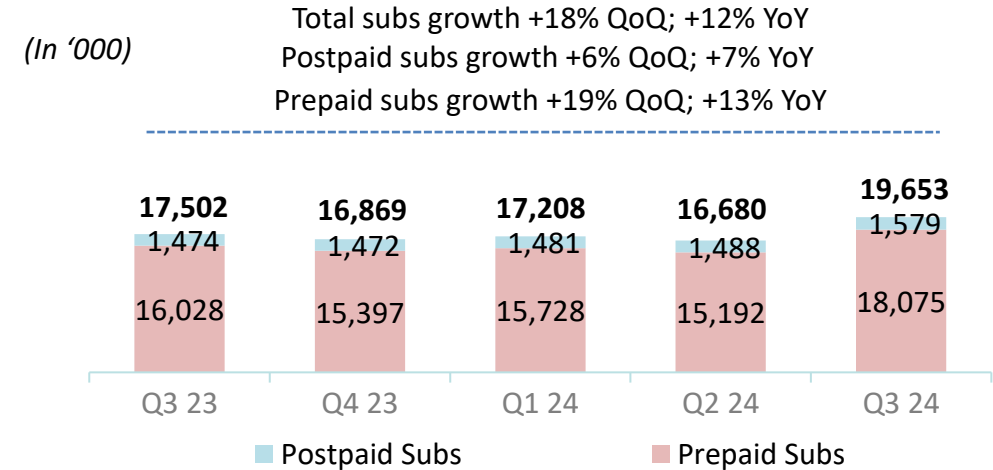
Revenue¹ Growth Driven by Expansions in Mobile and Data and incorporation of Airtel



ARPU elevated by strong rebound in Voice and Data Revenue in Q3 2024²



Subscriber Base uplift in Q3 due to Addition of Airtel Base



YTD Performance Diluted by inclusion of Airtel (EBITDA ~LKR300Mn and PAT ~LKR1.5Bn); QoQ and YTD underlying Performance Improving

(Rs Mn)	YTD 24	YTD	Q3 24	QoQ	YoY
EBITDA	30,372	+9%	12,794	+44%	+20%
EBIT	7,509	+0%	4,836	>+100%	+21%
Net Finance Cost	5,913	-11%	1,377	-27%	-10%
PAT	3,229	-67%	3,600	>+100%	>+100%
PAT (Forex Norm)	(197)	+81%	2,868	>+100%	+54%
EBITDA Margin %	+36.7%	+0.4pp	+41.1%	+7.0pp	+0.4pp
EBIT Margin %	+9.1%	-0.7pp	+15.6%	+10.6pp	+0.3pp
PAT Margin %	+3.9%	-8.8pp	+11.6%	+19.2pp	+11.2pp
PAT Margin % (F. Norm)	-0.2%	+1.1pp	+9.2%	+13.9pp	+2.1pp

¹ Includes Airtel Performance since 1st July 2024

¹ Company Standalone

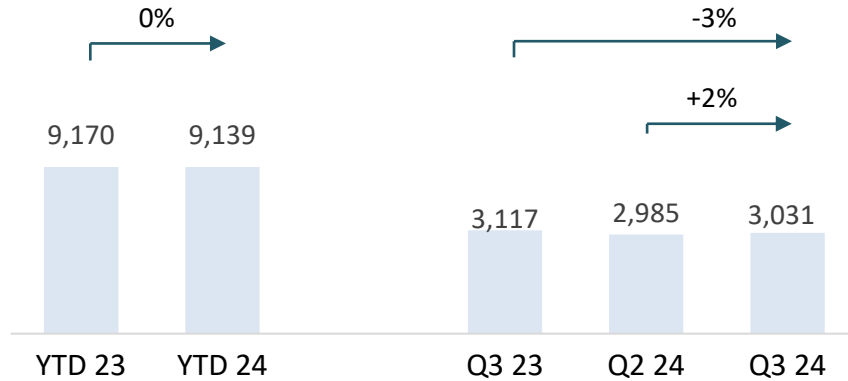
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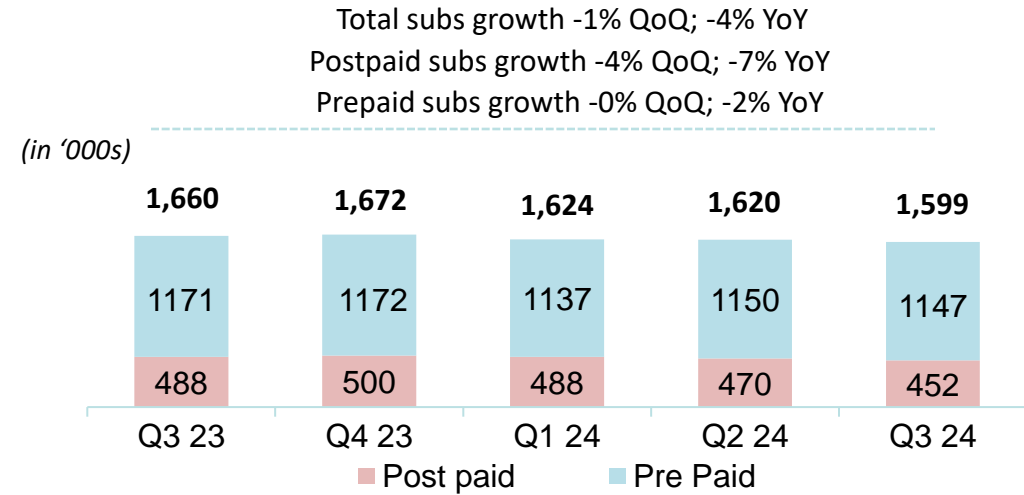
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QoQ Revenue Improved due to advertising

(Rs Mn)



Affordability Challenges Impeding Subscriber base Growth;

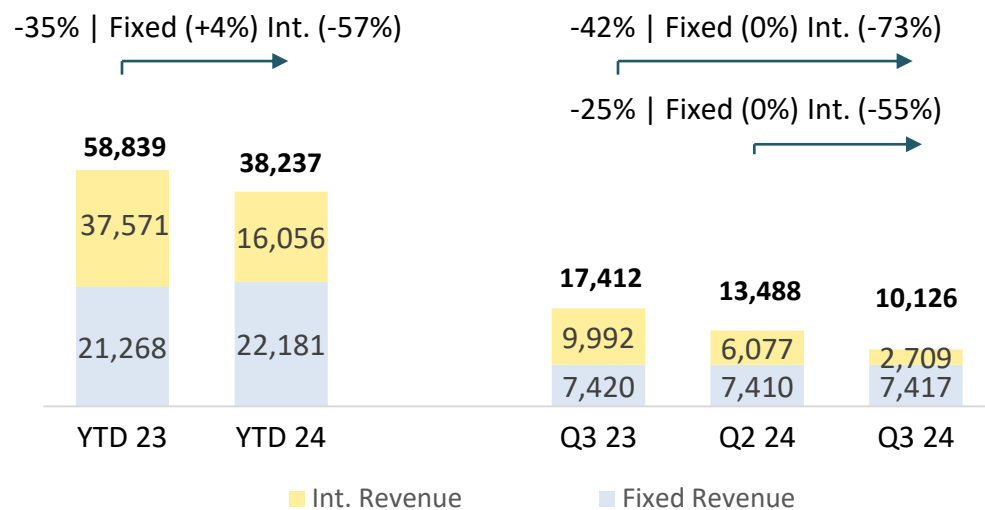


**Profitability Remains Stressed with Subscriber Base Remaining Stagnant;
 QoQ Performance Improved due to Revenue Growth and Forex Gain**

(Rs Mn)	YTD 24	YTD	Q3 24	QoQ	YoY
EBITDA	1,466	-22%	512	+4%	-23%
PAT	(706)	>-100%	(282)	+38%	+38%
EBITDA Margin %	+16.0%	-4.5pp	+16.9%	+0.4pp	-4.4pp
PAT Margin %	-7.7%	-10.2pp	-9.3%	+6.0pp	+5.3pp

Revenue Decline Underpinned by Conscious Scaling Down of Low Margin International Wholesale Business; Fixed Business Revenue Remains Flat QoQ and YoY

(Rs Mn)



International Revenue %	YTD 23	YTD 24	Q3 23	Q2 24	Q3 24
International Revenue %	64%	42%	57%	45%	27%

YTD EBITDA and PAT impacted by Higher Customer Acquisition Cost and Taxation; QoQ Improvement Driven by Better Cost Management including lower Bad Debts

(Rs Mn)	YTD 24	YTD	Q3 24	QoQ	YoY
EBITDA	12,472	-2%	4,481	13%	-9%
PAT	2,838	-21%	1,136	50%	-48%
EBITDA Margin %	+32.6%	+11.0pp	+44.3%	+14.9pp	+16.0pp
PAT Margin %	+7.4%	+1.3pp	+11.2%	+5.6pp	-1.3pp

Thank You