



Dialog Axiata PLC

Sri Lanka's Premier Connectivity Provider

Q1 2016 Results

12th May 2016

an axiata company

Dialog Group Performance

Dialog Axiata Company Performance

Subsidiary Performance



Dialog Group Performance Highlights – Q1 2016

Strong Operational Performance in Q1 driven by Revenue Growth

Group Revenue at Rs21.2Bn, grew by 6% QoQ and 22% YoY

- ✓ Mobile, Fixed and TV revenues underpin QoQ and YoY revenue growth

Strong growth in Q1 profitability driven by growth in Revenue, one-off charges in Q4 and lower forex losses

- ✓ Q1 Group EBITDA at Rs7.0Bn, increased by 25% QoQ and 17% YoY
- ✓ Q1 Group EBITDA Margin at 33.2%
- ✓ Q1 Group PAT at Rs2.7Bn, up 4 folds QoQ and 35% YoY

Q1 Capex amounted to Rs2.9Bn, Capex Intensity of 14%

Low gearing maintained with Net Debt to EBITDA at 0.78x as at end of March 2016 with Q1 OFCF positive at Rs2.6Bn

Subsidiaries continue to consolidate performance

- ✓ DBN – records solid EBITDA growth of 25% YoY
- ✓ DTV – strong revenue growth of 8% YoY

Aggressive Subscriber Growth

- ✓ Mobile subscriber base of 10.6Mn – up by 8% YoY
- ✓ TV subscriber base of 701k with over 51k net adds during the quarter
- ✓ Fixed LTE subscriber base of 133k – growth of 40% QoQ

Dialog secured the distinction of winning a Global Mobile Award at the Mobile World Congress

- ✓ Global Award for Best Mobile Network Solution for Serving Customers - Dialog Self-Care Application Framework and Dialog Self Care App

Sri Lankan Consumers Vote Dialog as No 1 – (SLIM-Nielson People's Choice Awards)

- ✓ Telecom Service Provider of the Year
- ✓ Internet Service Provider of the Year



Group Financial Summary

Growth Momentum Consolidates with Strong Q1 Results

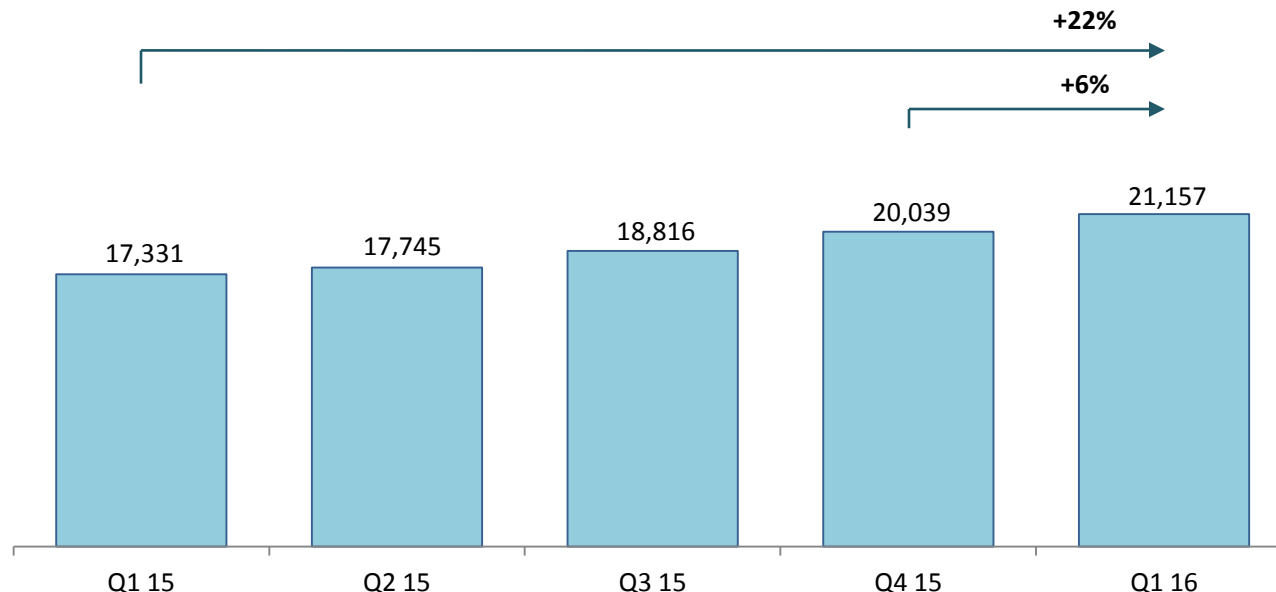
Rs Mn	Q1 16	QoQ	YoY
Revenue	21,157	6%	22%
EBITDA	7,019	25%	17%
PAT	2,666	>100%	35%
<i>EBITDA Margin</i>	33.2%	5.2 pp	-1.3 pp
<i>PAT Margin</i>	12.6%	9.5 pp	1.2 pp
<i>ROIC</i>	17.3%	10.2 pp	2.5 pp

All key Financial Indicators improved significantly QoQ and YoY



Group Revenue Continues Growth Momentum; Mobile, Fixed and Television Revenues drive QoQ Growth of 6%

Group Revenue (Rs Mn)



Mobile Voice revenue grew by 3% QoQ and 12% YoY

Mobile Data revenue improved significantly by 9% QoQ and 60% YoY on the back of higher subscriber additions and increased usage

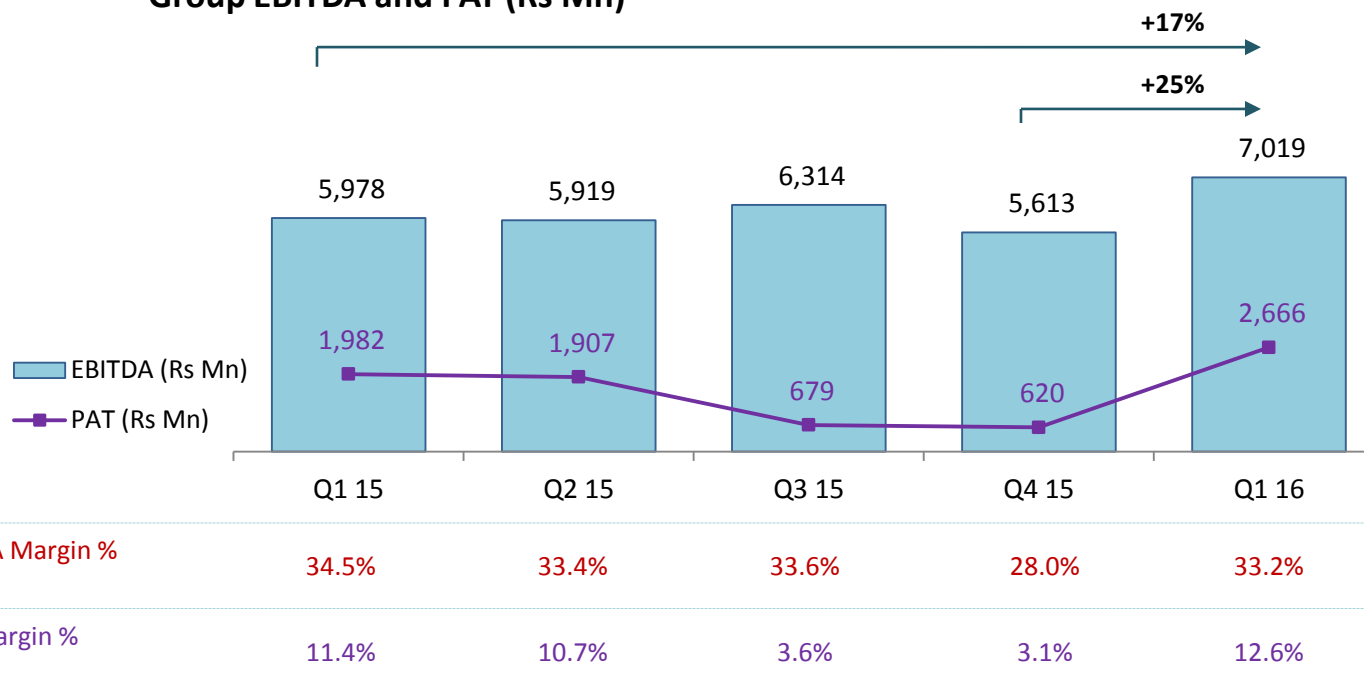
Fixed revenue grew by 7% QoQ and 25% YoY on the backdrop of strong growth in fixed LTE revenue

Growth in Television revenue driven by subscription revenue which grew by 5% QoQ and 16% YoY



Q1 Profitability Improvement underpinned by Growth in Revenue, One-off Charges in Q4 and Lower Forex Losses

Group EBITDA and PAT (Rs Mn)



Cost as a % of Revenue	Q1 16	Q4 15	Q1 15
Total Group Cost	66.8%	72.0%	65.5%
Direct Expenses	29.9%	28.5%	28.0%
Sales & Marketing	13.7%	15.6%	12.3%
Network Cost	9.6%	10.5%	10.9%
Staff Cost	7.8%	9.9%	8.1%
Bad debt	1.0%	1.1%	0.8%
Overheads	4.7%	6.4%	5.3%

EBITDA grew by 25% QoQ on the back of growth in revenue and Q4 being impacted by one-off charges

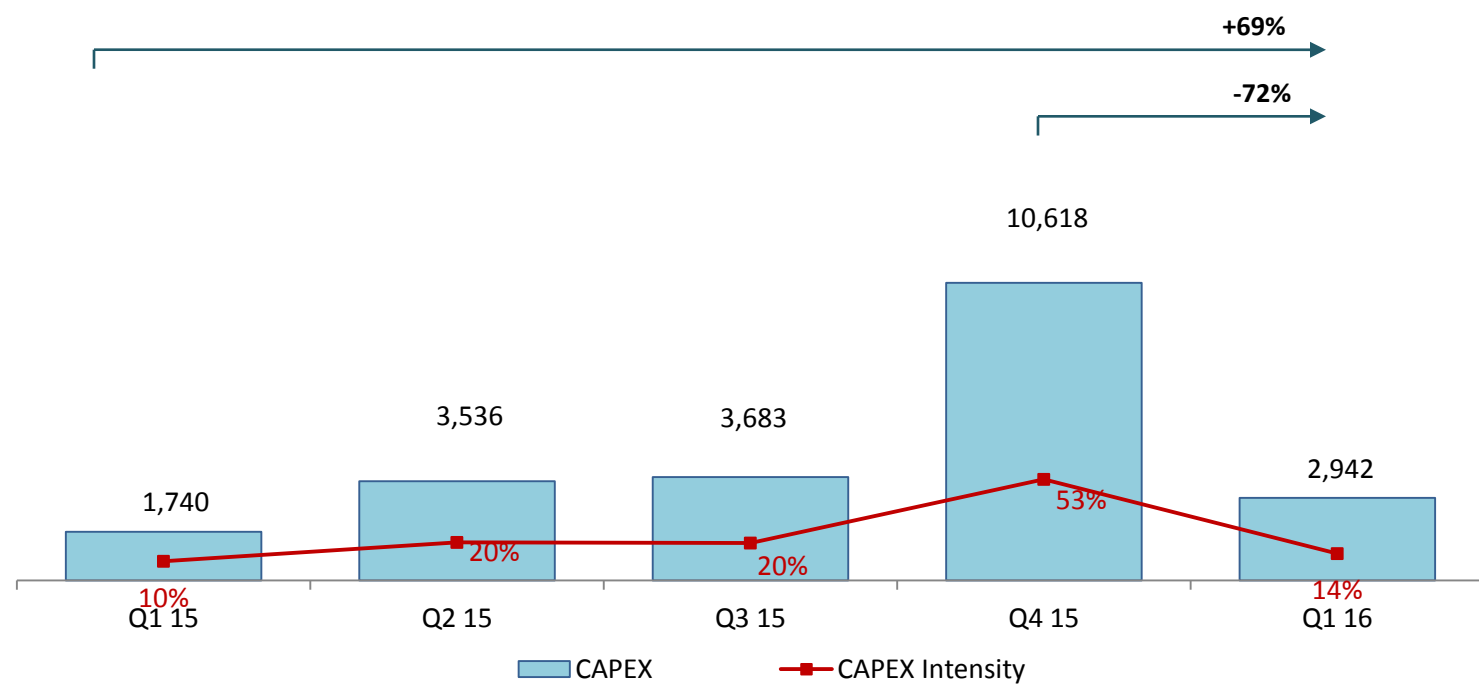
YoY EBITDA improvement driven by increase in revenue

PAT improved by 4 folds QoQ and 35% YoY on the back of strong EBITDA performance and lower forex losses

Focused Capex Investments to further strengthen the Group's Leadership in Sri Lanka's ICT sector



Capex* (Rs Mn) & Capex Intensity (%)



- Q1 16 Capex directed in the main towards,
- ✓ investments in high speed broadband infrastructure
 - ✓ Extension of Optical Fibre Network (OFN)

* Capex excluding CPE (Customer Premises Equipment) investments, capex for spectrum acquisition and license renewal

Structurally Strong Balance Sheet with Net debt to EBITDA Sustained Below 1.0x

Financial Position (Rs Mn)

	31 Mar 16	31 Dec 15	31 Mar 15
Cash & Cash Equivalents	9,741	4,429	11,481
Gross Debt	31,540	22,910	28,169
Gross Debt / equity (x)	0.63	0.48	0.60
Gross Debt/ EBITDA (x)	1.12	0.96	1.18
Net Debt/ EBITDA (x)	0.78	0.78	0.70

Solid balance sheet backed by low gearing; Net debt to EBITDA maintained at 0.78x

Rs10Bn rupee loan drawn down in March 2016 to mitigate the impact of forex exposure on foreign currency borrowings



Dialog Group Performance

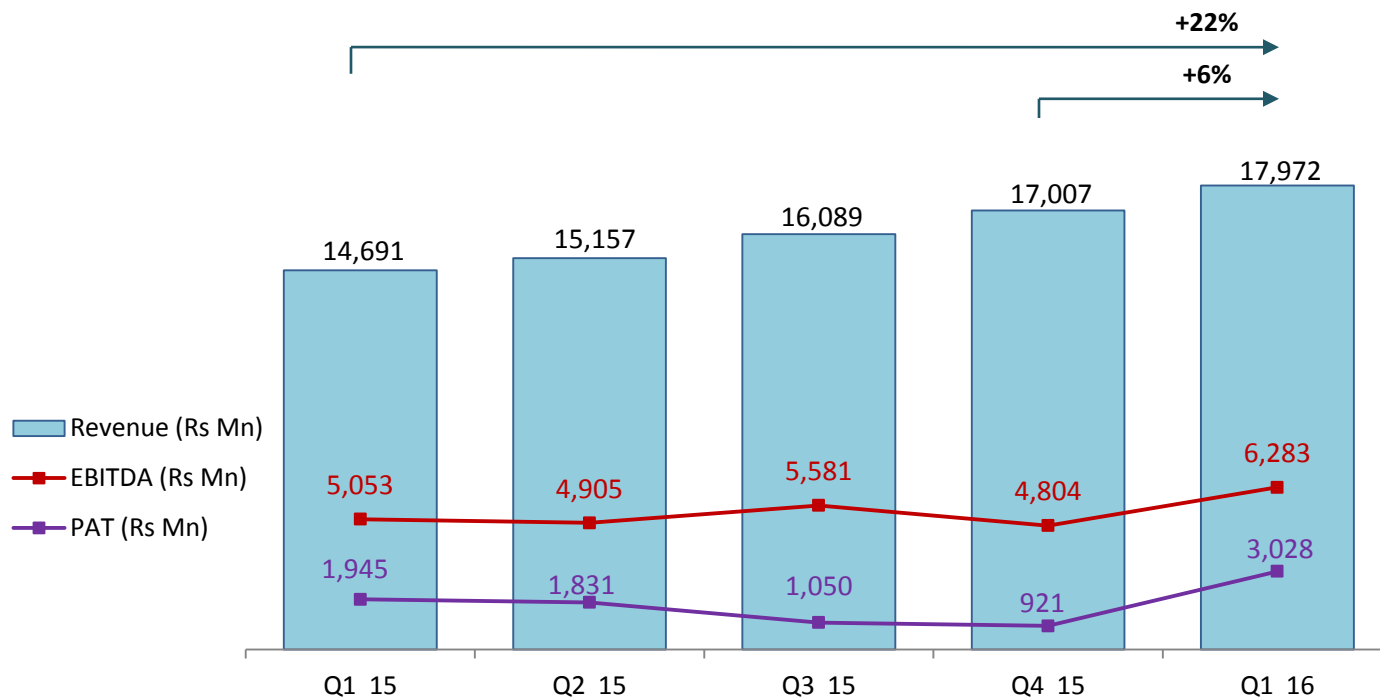
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Dialog Axiata PLC (Company): Key Financial Highlights

Strong Revenue Growth of 6% QoQ and 22% YoY



EBITDA Margin %	34.4%	32.4%	34.7%	28.2%	35.0%
PAT Margin %	13.2%	12.1%	6.5%	5.4%	16.8%

YoY and QoQ Revenue improvement driven by growth in data, voice and VAS revenues

EBITDA improved by 31% QoQ on the back of growth in revenue and Q4 being impacted by one-off charges

EBITDA increased by 24% YoY in tandem with revenue growth

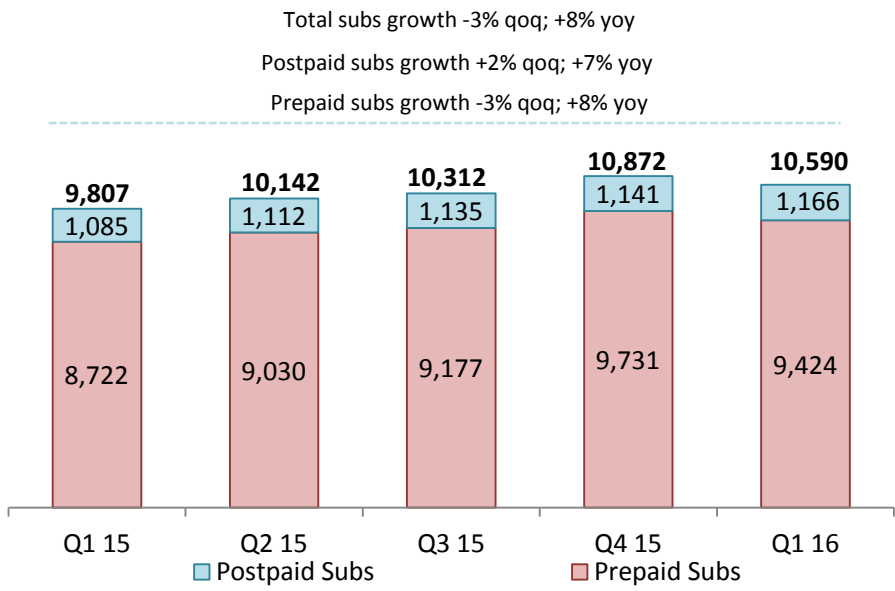
PAT grew by 3 folds QoQ and 56% YoY driven by growth in EBITDA and and lower forex losses



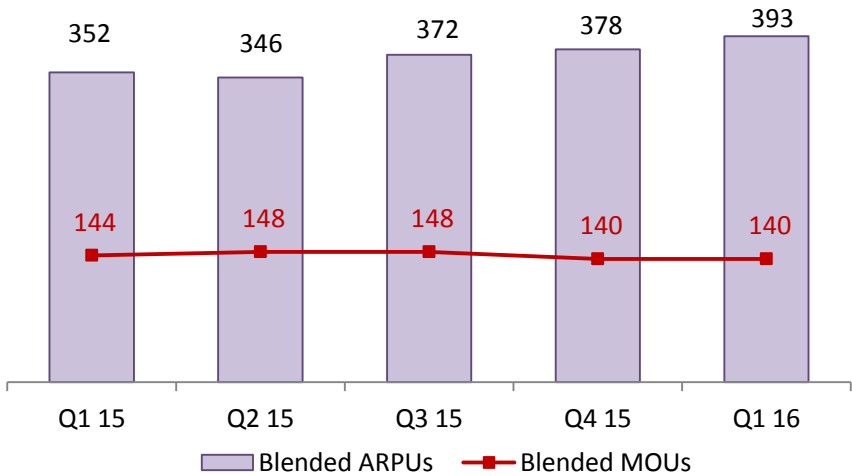
Mobile Subscriber Growth of 8% YoY



No of Mobile Subscribers'000



Blended ARPU (Rs) & MOU



Growth in Pre paid segment underpins the YoY subscriber growth of 8%

3% decline in Pre paid subscribers QoQ due to change in basis for permanent disconnection

ARPU increased by 4% QoQ driven by growth in Data, VAS and local voice



Dialog Group Performance

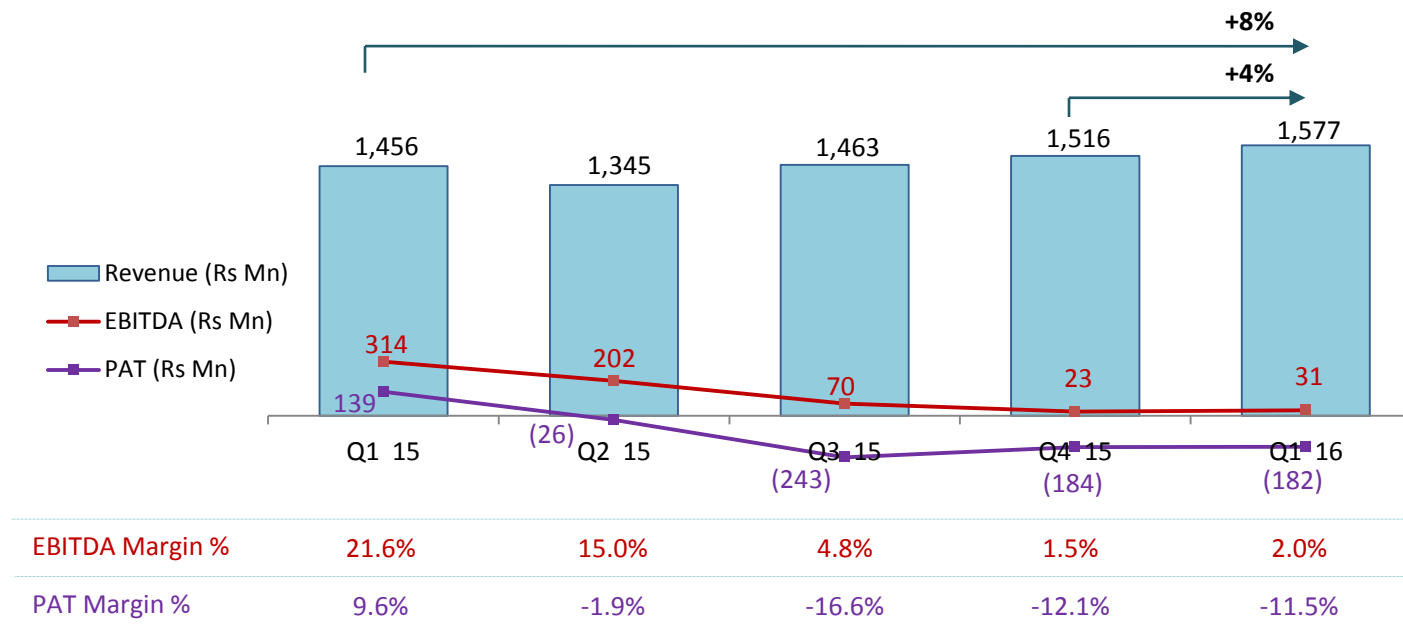
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Dialog Television: Key Financial Highlights

Continues to Consolidate Revenue Growth with Revenue increasing by 8% YoY

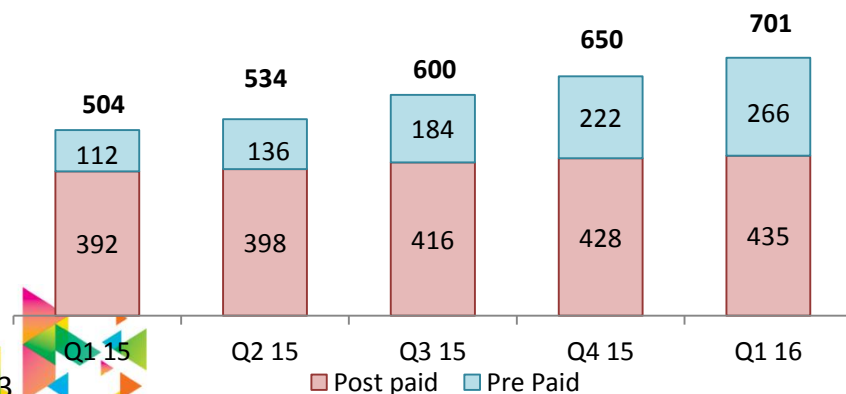


No of Television Subscribers'000

Total subs growth +8% qoq; +39% yoy

Postpaid subs growth +2% qoq; +11% yoy

Prepaid subs growth +20% qoq; +138% yoy



QoQ and YoY Revenue improvement driven by growth in subscription revenue

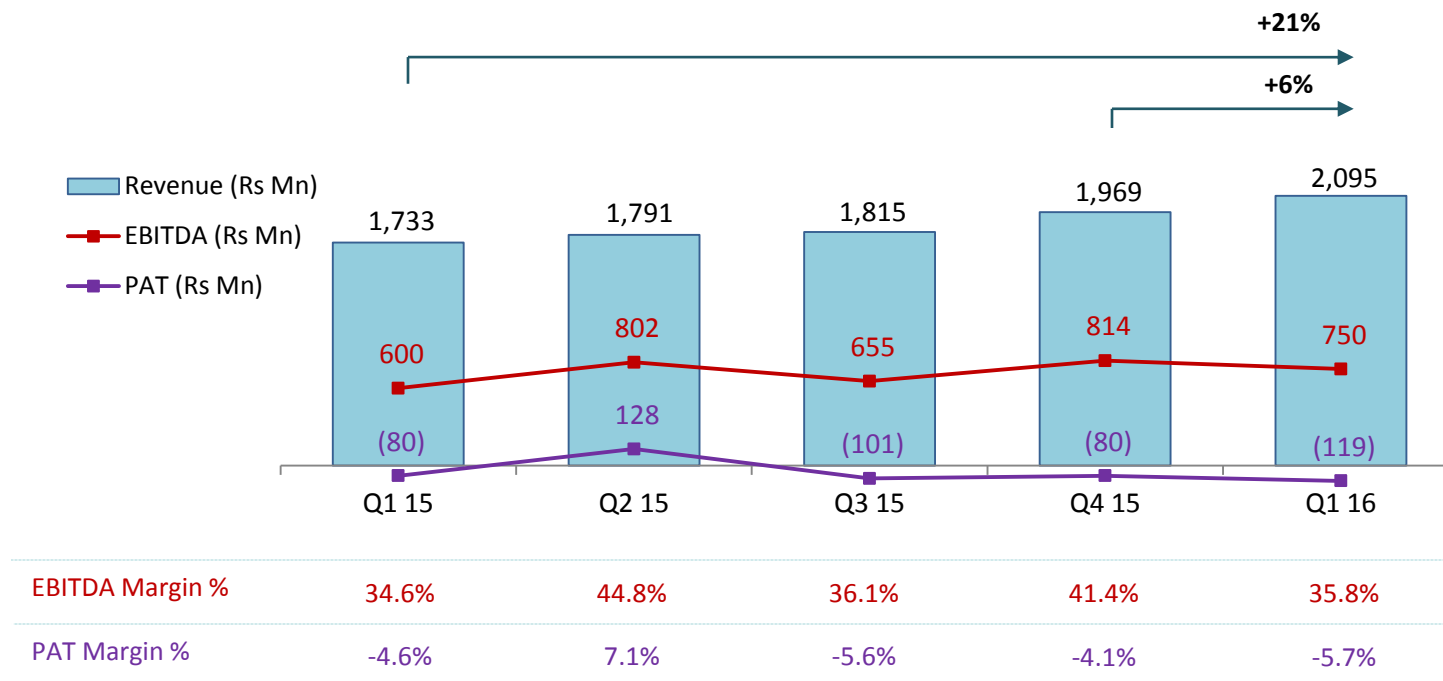
QoQ EBITDA and PAT improved on the back of growth in revenue

Cost expansion arising from aggressive customer acquisition alongside service and product expansion activities resulted in a medium term contraction of EBITDA on YoY basis

PAT impacted YoY on the back of decline in EBITDA

Dialog Broadband Networks: Key Financial Highlights

EBITDA improved significantly by 25% YoY on the back of Growth in Revenue



QoQ and YoY Revenue growth driven by strong growth in fixed LTE revenue

YoY EBITDA improvement driven by growth in revenue; QoQ EBITDA impacted by increase in operating costs

YoY PAT impacted by increase in depreciation stemming from Fixed 4G LTE related investments while QoQ decline in PAT due to decline in EBITDA



Thank You

