



Dialog Axiata PLC

Sri Lanka's Premier Connectivity Provider

Q2 2015 Results

7th August 2015

an axiata company

Dialog Group Performance

Dialog Axiata Company Performance

Subsidiary Performance



Dialog Group Performance Highlights – Q2 2015

Financial Performance

Q2 2015 featured the impact of the industry wide introduction of a 25% Bonus on Mobile Prepaid Domestic Calls with effect from 7th April 2015

- ✓ Q2 Group Revenue at Rs17.7Bn, grew by 2% QoQ and 6% YTD
- ✓ Q2 Group EBITDA at Rs5.9Bn, a decline of 1% QoQ
- ✓ Q2 Group PAT at Rs1.9Bn, decreased by 4% QoQ on the back of lower EBITDA and higher depreciation
- ✓ Strong YTD Group EBITDA and PAT growth of 20% and 33% respectively, driven by revenue performance and operational efficiencies derived through cost management initiatives
- ✓ Q2 Group FCF positive at Rs1.8Bn on the back of strong EBITDA performance and calibrated capital expenditure
- ✓ Low gearing maintained with Net Debt to EBITDA at 0.71x as at end of Q2 2015
- ✓ Subsidiaries continue to consolidate performance
 - DBN – records solid EBITDA growth of 34% QoQ
 - DTV – strong revenue growth of 25% YTD

Subscriber Growth Parameters

- ✓ Mobile subscriber base surpassed the 10Mn milestone to reach 10.1Mn as at end of Q2 15
- ✓ TV subscriber base of 534k as at end of Q2 15 - grew by 37% YoY

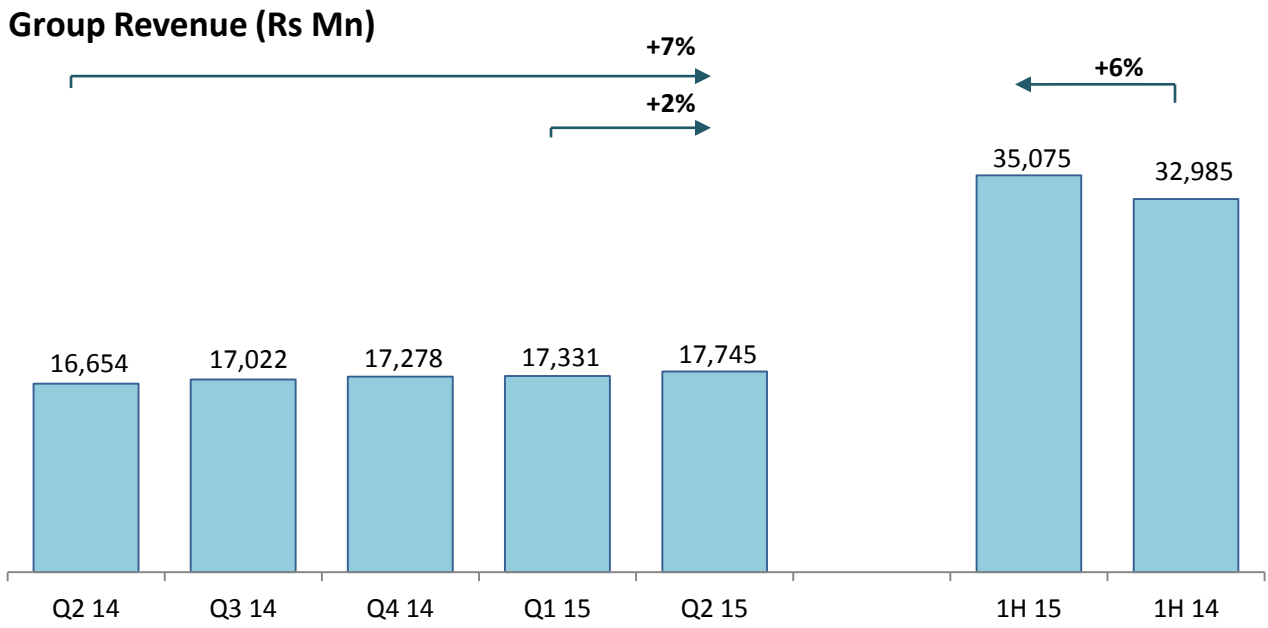


Rs Mn	Q2 15	QoQ	1H 15	YTD
Revenue	17,745	2%	35,075	6%
EBITDA	5,919	-1%	11,897	20%
PAT	1,907	-4%	3,888	33%
<i>EBITDA Margin</i>	33.4%	-1.1 pp	33.9%	3.7 pp
<i>PAT Margin</i>	10.7%	-0.7 pp	11.1%	2.2 pp
<i>ROIC</i>	12.9%	-1.9 pp	13.7%	4.5 pp

**All key Financial Indicators improved on a YTD basis
QoQ PAT impacted by lower EBITDA and higher depreciation**



Group Revenue Continues its Growth Momentum; up 2% QoQ and 6% YTD



Mobile Data revenue increased by 13% QoQ and 61% YTD driven by higher subscriber additions

Mobile Voice revenue declined by 2% QoQ due to the impact of 25% Bonus on Mobile Prepaid Domestic Calls

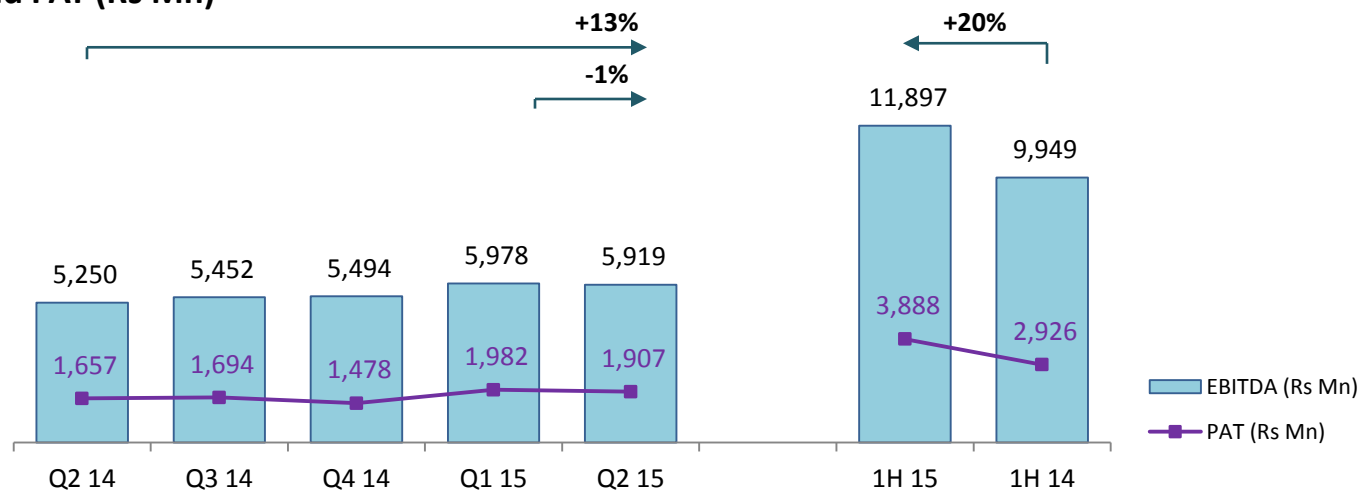
Fixed revenue grew by 4% QoQ and 13% YTD on the backdrop of strong growth in fixed LTE revenue

Television revenue increased by 25% YTD on the back of strong subscriber growth while QoQ revenue impacted by lower connection fee revenues



QoQ PAT impacted by Lower EBITDA and Higher Depreciation

Group EBITDA and PAT (Rs Mn)



EBITDA Margin %	31.5%	32.0%	31.8%	34.5%	33.4%	33.9%	30.2%
PAT Margin %	9.9%	10.0%	8.6%	11.4%	10.7%	11.1%	8.9%

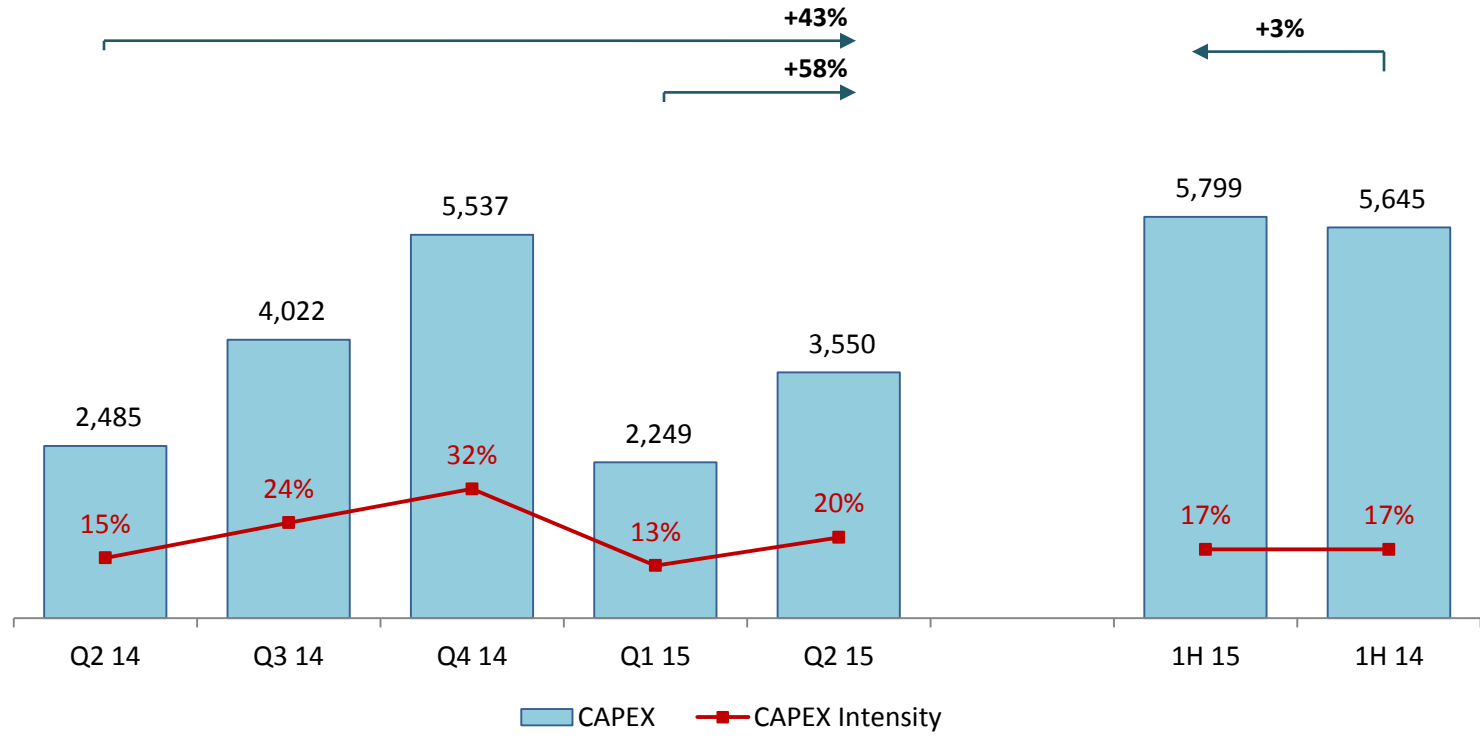
Cost as a % of Revenue	Q2 14	Q1 15	Q2 15	1H 15	1H 14
Total Group Cost	68.5%	65.5%	66.6%	66.1%	69.8%
Direct Expenses	27.0%	28.0%	29.6%	28.8%	28.8%
Sales & Marketing	13.0%	12.3%	13.1%	12.7%	12.7%
Network Cost	12.3%	10.9%	9.9%	10.4%	12.6%
Staff Cost	8.6%	8.1%	8.0%	8.1%	8.7%
Bad debt	2.6%	0.8%	1.1%	1.0%	2.0%
Overheads	5.0%	5.3%	4.9%	5.1%	5.0%

YTD EBITDA improvement driven by growth in revenue and positive outcomes from cost management initiatives; QoQ EBITDA declined by 1%

PAT improved by 33% YTD in tandem with strong EBITDA performance

Q2 Capex of Rs3.6Bn, Capex Intensity of 20%

Capex (Rs Mn) and Capex Intensity (%)



Capex was directed in the main towards investments in high speed broadband infrastructure to support the Group’s strategy to consolidate and grow its leadership in the Broadband space



Structurally Strong Balance Sheet with Group's Net Debt to EBITDA Sustained below 1.0x

Financial Position (Rs Mn)

	30 Jun 15	31 Mar 15	30 Jun 14
Cash & Cash Equivalents	7,542	11,481	4,936
Gross Debt	24,542	28,169	27,576
Gross Debt / equity (x)	0.52	0.60	0.68
Gross Debt/ EBITDA (x)	1.03	1.18	1.39
Net Debt/ EBITDA (x)	0.71	0.70	1.20



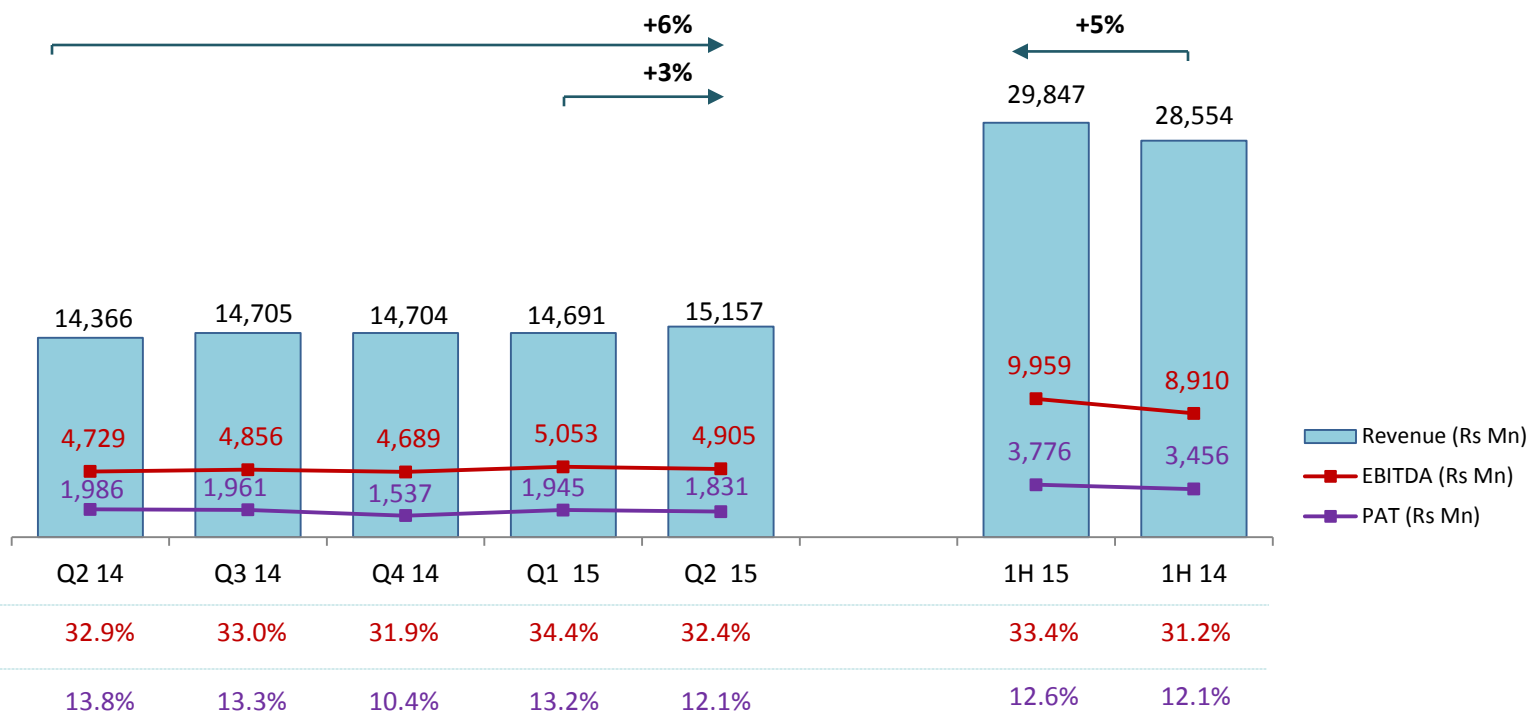
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Dialog Axiata PLC (Company): Key Financial Highlights



The Mobile Business was impacted by the industry-wide introduction of a 25% Bonus on Mobile Prepaid Domestic Calls since April 07 2015

QoQ and YTD Revenue improvement mainly driven by growth in data and VAS revenues

EBITDA improved by 12% YTD driven by growth in revenue coupled with positive cost performance; QoQ EBITDA decreased by 3%

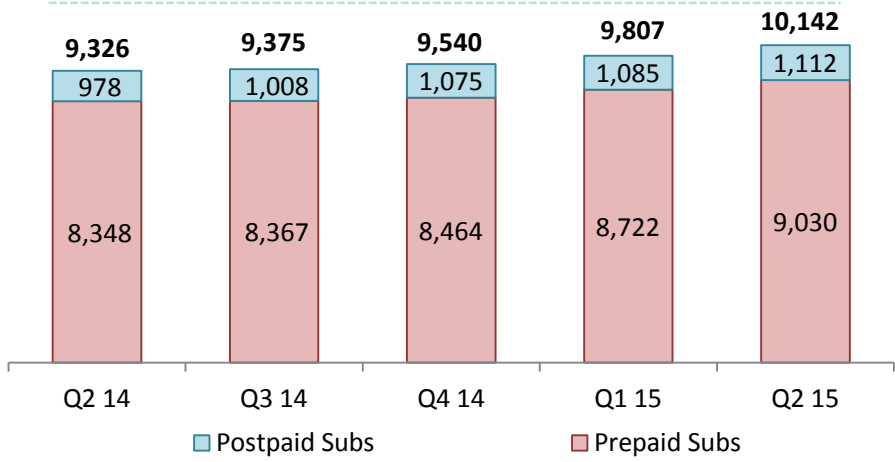
PAT grew by 9% YTD on the back of strong performance in EBITDA; Contraction of PAT QoQ due to lower EBITDA and higher depreciation



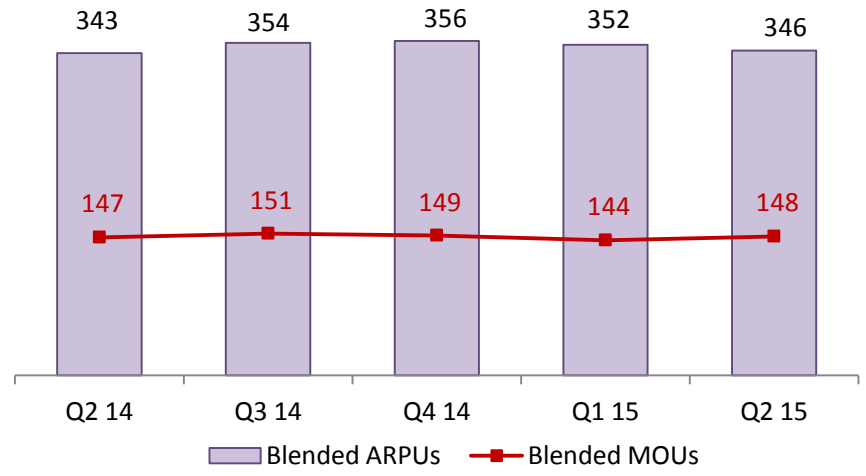
Mobile Subscriber Growth Continues; up 3% QoQ and 9% YoY

No of Mobile Subscribers ('000)

Total subs growth +3% qoq; +9% yoy
 Postpaid subs growth +3% qoq; +14% yoy
 Prepaid subs growth +4% qoq; +8% yoy



Blended ARPU (Rs) & MOU



Mobile subscriber base surpassed the 10Mn milestone to reach 10.1Mn as at end of Q2 15

Impacted by the 25% Bonus on Mobile Prepaid Domestic Calls , ARPU declined by 2% QoQ



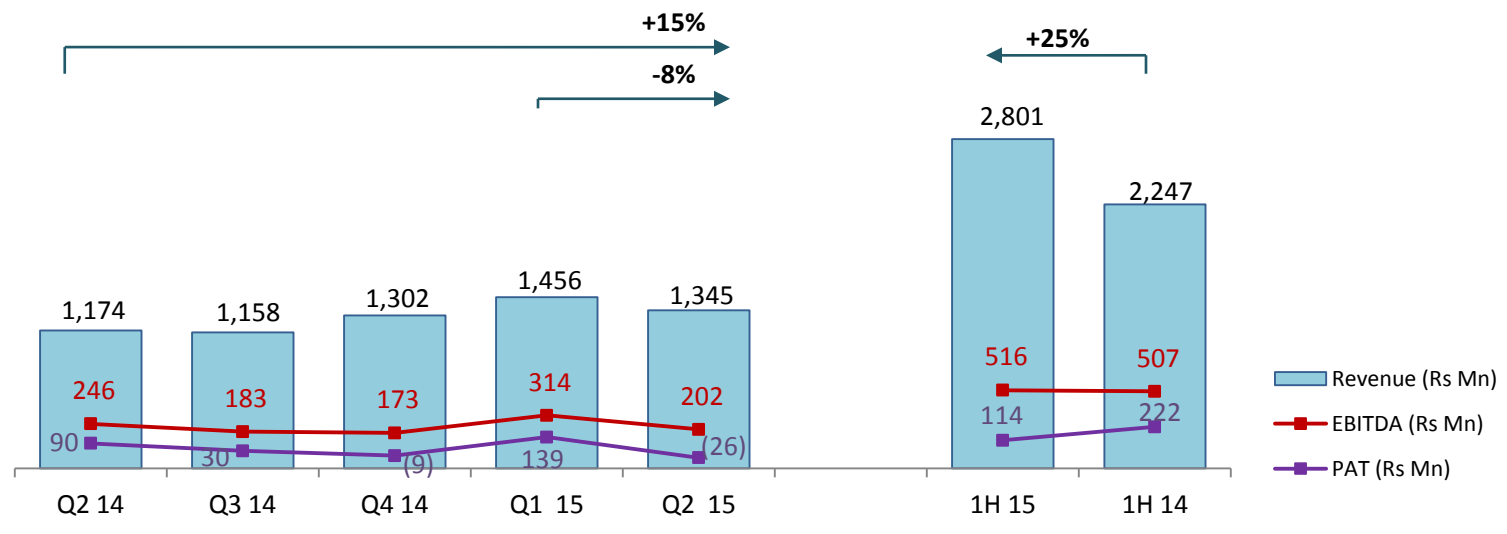
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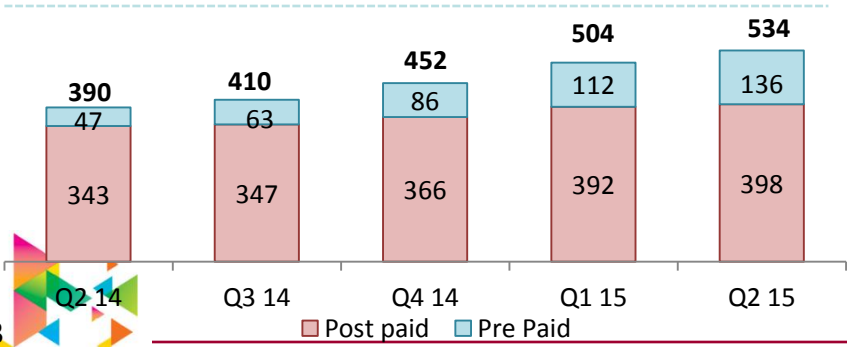
Dialog Television: Key Financial Highlights



	Q2 14	Q3 14	Q4 14	Q1 15	Q2 15	H1 15	H1 14
EBITDA Margin %	21.0%	15.8%	13.3%	21.6%	15.0%	18.4%	22.6%
PAT Margin %	7.7%	2.6%	-0.7%	9.6%	-1.9%	4.1%	9.9%

No of Television Subscribers ('000)

Total subs growth +6% qoq; +37% yoy
 Postpaid subs growth +1% qoq; +16% yoy
 Prepaid subs growth +22% qoq; +187% yoy

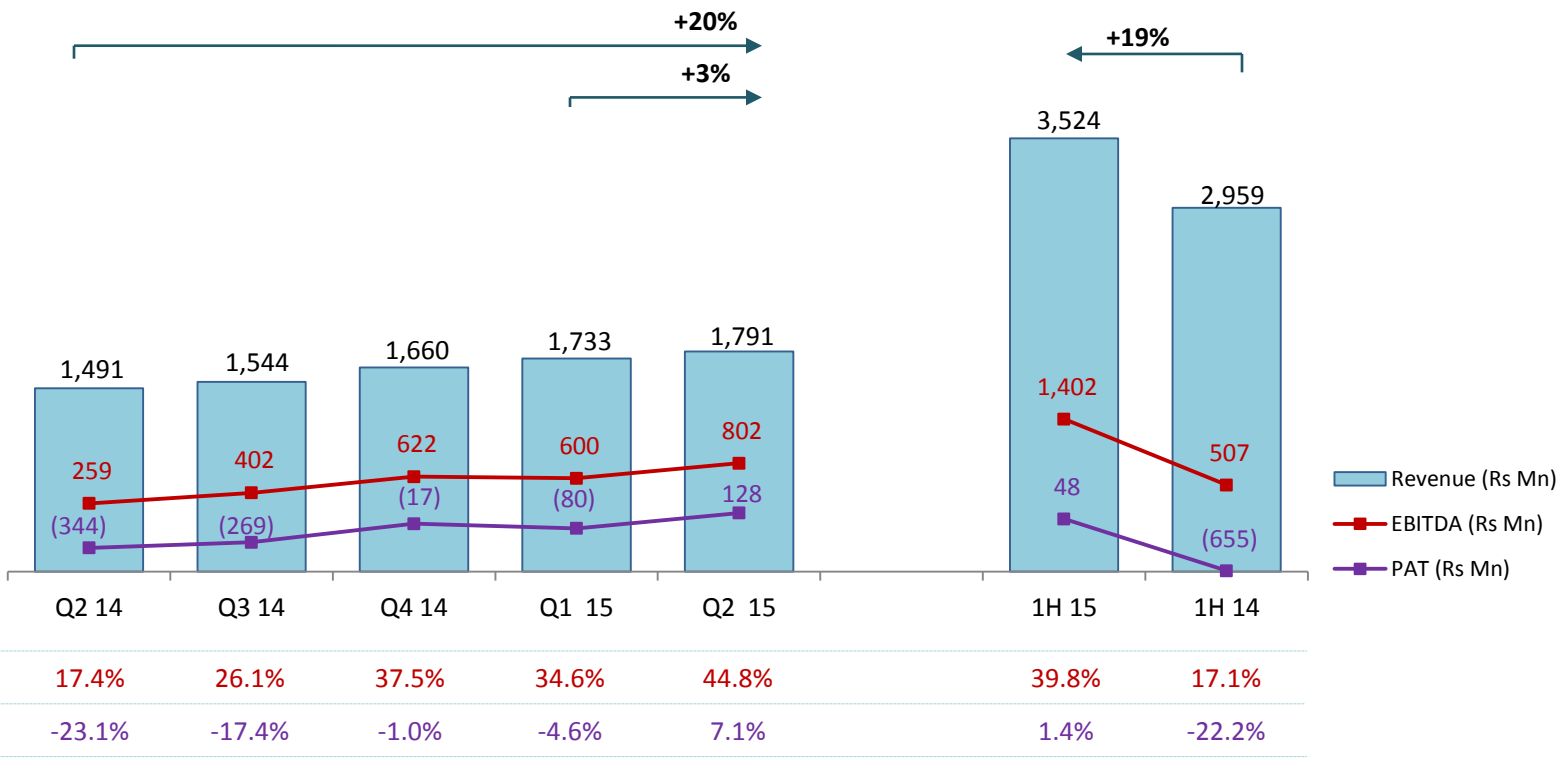


Revenue increased by 25% YTD on the back of strong subscriber growth while QoQ revenue impacted by lower connection fee revenues

EBITDA and PAT decreased QoQ on the back of decline in revenue and increase in cost associated with expansion of channel genre

YTD profitability impacted by increase in channel cost and higher depreciation

Dialog Broadband Networks: Key Financial Highlights



QoQ and YTD Revenue growth mainly driven by strong growth in fixed LTE revenue

EBITDA grew by 34% QoQ and 177% YTD on the back of strong revenue performance and operating cost improvements

QoQ and YTD PAT improvement driven by growth in EBITDA



Thank You

