



Axiata Analyst & Investor Day 2023

Dialog Axiata PLC – “Coming out of macro crisis, with stronger balance sheet and cashflow generation”

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Crisis Easing...Macro stability and long-term sustainability are top priorities;

Debt restructure, IMF program and structural reforms on track



Towards end FY 2022 political stability returned as a new President, Prime Minister and a Cabinet of Ministers were sworn in. The Discussions with IMF began shortly after culminating in IMF board approving the Extended Fund Facility in May 2023



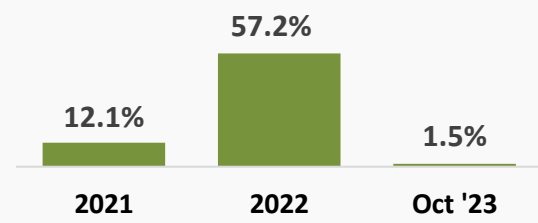
Debt Restructuring Needed to Make Public Debt Sustainable Made Clear Progress

Restructuring of Domestic debt
 Concluded with maturity extensions offered on Treasury Bill Stock held by CBSL and the Employees Provident Fund

Restructuring of Foreign debt
 Announcement made on 29th Nov on reaching agreement with the Official Creditor Committee (OCC) on Debt Treatment. OCC Comprise of India, Japan and France and Paris club members

Key Macro Indicators reverted to stable levels

1 Inflation reverted to low single digit



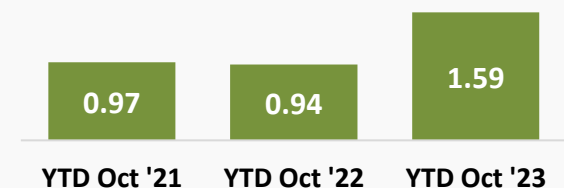
2 Exchange Rate Strengthened and Remaining Stable



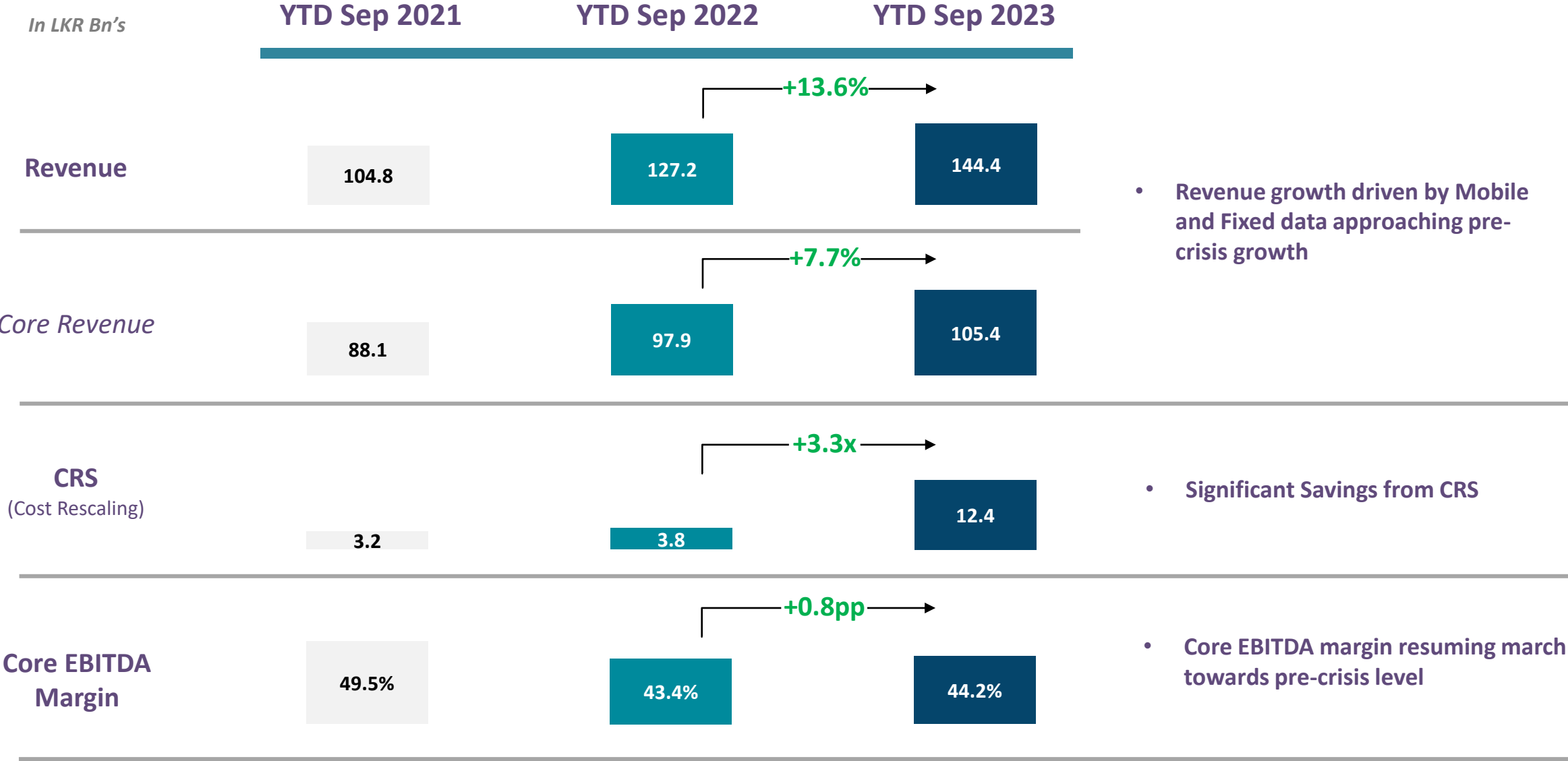
3 Forex Reserves Gradually Built up again (USD Bn)



4 Remittances Picking up (USD Bn)



Dialog Returns to Profitability as the Macro Situation Improves



Enhanced Profitability and Measured Capex Spend Translating to Higher OFCF



#1 Mobile Network in Sri Lanka



In LKR Bn's

YTD Sep 2021

YTD Sep 2022

YTD Sep 2023

Capex Spend

24.7
USD165Mn

40.1
USD185Mn

21.2
USD62Mn

-47%

- Network experience delivered despite rationalized capex spend

EBIT

17.3

11.2

13.6

+21.5%

- EBIT resuming growth towards pre-crisis level

PBT

14.0

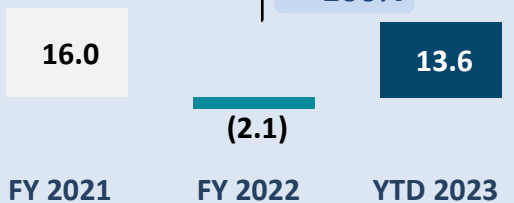
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16.9

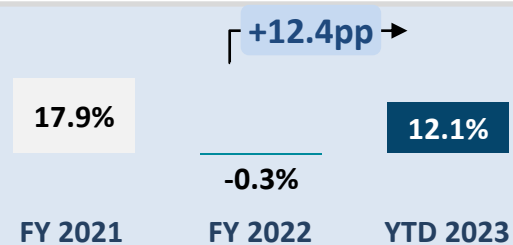
>+100%

- PBT Recording strong recovery

OCF



ROIC



- Cash Generation on the Rise
- Profitability Indicators Edging Higher

Dialog Focused on De-Risking Balance Sheet by Minimizing Forex Exposure



- USD debt declining (USD100Mn): lower forex exposure
- Cash Balance up, increase by USD 20.7Mn YTD
- All leverage ratios improving

	30 Sep 23	31 Dec 22	Change YTD
<i>Gross Debt / Equity (x)</i>	1.89	2.27	-0.38
<i>Gross Debt/ EBITDA (x)</i>	1.90	1.99	-0.09
<i>Net Debt/ EBITDA (x)</i>	1.13	1.20	-0.07

Significant Reduction
in forex exposure
(USD 100Mn)

Prepayment of USD borrowings and USD cash Buildup Helping Reduction.

USD Mn	Dec '22	Sep '23	Change
Total Net Forex Exposure	(265.5)	(165.6)	99.8

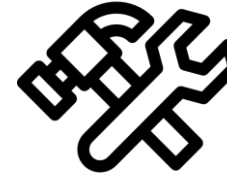
Key Takeaways

1



Sri Lanka :
- Macro Stability Achieved
- Structural Reforms for Sustainability

2



Dialog:
Crisis as an Opportunity to build Resilience and Reset

3



Profitability :
Revenue and Profitability reaching pre-crisis levels

4



Enhanced Cash Generation and Strong Balance Sheet:
- Lower Gearing
- Lower Forex Exposure

5



Forward view :
Progressive Dividend Payout per Policy

6

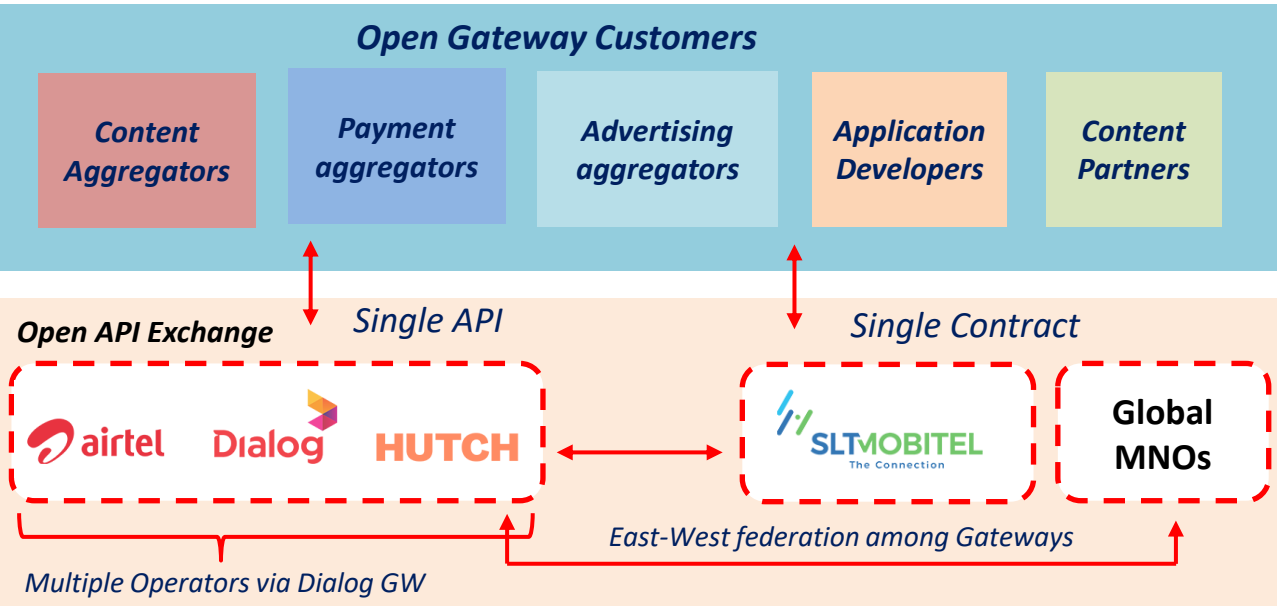


Proposed Airtel Merger to further improve market structure

Annexure

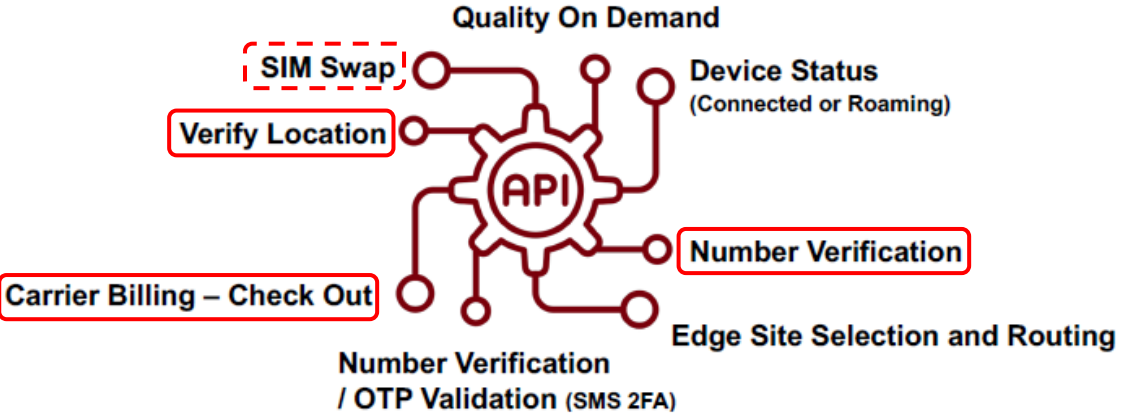
Sri Lanka API Exchange – First to be Certified by GSMA Open Gateway standards

Accelerate innovation, development & GTM of local and international content in unlocking new revenue streams



- **API Exchange in Sri Lanka** standardizes APIs as per **GSMA Open Gateway & CAMARA** Specifications
- Accelerates **MNOs transformation to Platform companies** offering comprehensive suite of APIs in **unlocking new revenue streams**
- **Enables API federation** between Operators and Ecosystem partners in accessing over all subscribers via **One API – Reduced Integration and Testing**
- **One Contract** for Ecosystem partners accelerating on-boarding, support & API monetization – **Reduces time-to-market**
- As **locally regulated entities**, Telcos are **trusted orchestrators** in **facilitating collaborations** between Ecosystem Partners in adherence with local Data Privacy & Licensing requirements

8 APIs Standardized in Phase 1 of Open Gateway



- *Dialog Axiata Complied and Deployed 3 APIs with SIM Swap API WiP*

Visit - <https://ideamart.lk/opengatewayapi/>

Thank You