Dialog delivers strong 1H 2026 performance, Invests in Digital Infrastructure

Dialog head office.

Dialog Axiata announced its consolidated financial results for the quarter. Financial results included those of Dialog Axiata (the “Company”) and of the Dialog Axiata Group (the “Group”).

The Group delivered revenue growth of 9 percent Year to Date (“YTD”) on the back of strong performances in Mobile, Fixed, and Digital Pay Television businesses as Group Revenue reached 95.5 billion rupees for 1H 2026. On a Quarter-on-Quarter (“QoQ”) basis, revenue increased by two percent, supported by Data Revenue growth and Home Broadband Revenue generation to reach 48.2 billion rupees for Q2 2026.

The Group Earnings Before Interest, Tax, Depreciation and Amortization (“EBITDA”) was recorded at 50 billion rupees, up 23 percent YTD, supported by Revenue performance and Cost Rescaling Initiatives. EBITDA margin expanded by six percentage points YoY to reach 52.3 percent. On a QoQ basis Group EBITDA grew six percent to record 25.7 billion rupees for Q2 2026.

Group Net Profit After Tax (“NPAT”) was recorded at 19.3 billion rupees for 1H 2026, increasing by over 100 percent YoY, supported by strong EBITDA growth, lower net finance costs and foreign exchange gains, primarily arising from the timely execution of forward contracts against future USD-denominated liabilities.

On a QoQ basis, Group NPAT increased 10 percent to 10.1 billion rupees for Q2 2026. Excluding the impact of foreign exchange gains, underlying NPAT for Q2 2026 amounted to 9.6 billion rupees, reflecting growth of 4 percent QoQ and 76 percent YoY. Underlying NPAT for 1H 2026 reached 18.8 billion rupees, representing an increase of 91 percent YoY.

Reflecting strong operational performance, the Group recorded Operating Free Cash Flow (“OFCF”) of 18.4 billion rupees for 1H 2026.

Following a review of the Group’s financial performance and future investment requirements, the Board of Directors of Dialog Axiata approved a second interim dividend of 0.70 rupees per share for FY 2026 at its meeting held on August 14, 2026. This brings the YTD dividend distribution to 1.40 rupees per share and represents an annualized dividend yield of 6.1 percent, based on the Company’s closing share price for Q2 2026, reflecting Dialog’s continued commitment to delivering sustainable returns to shareholders while supporting long-term growth investments.

At an entity level, Dialog Axiata PLC (the “Company”) continued to be the primary contributor to Group Revenue (77 percent) and Group EBITDA (75 percent).

Supported by YoY growth in the Data segment and effective cost-rescaling initiatives, Company revenue for 1H 2026 increased by 11 percent YTD to 73.3 billion rupees, while EBITDA rose 27 percent YTD to reach 37.3 billion rupees. On a QoQ basis, Company revenue and EBITDA grew by 3 percent and 4 percent respectively, primarily attributable to the flow-through impact of revenue growth and cost optimizations. Furthermore, NPAT for 1H 2026 was recorded at 15.8 billion rupees, up over 100 percent YoY. On a QoQ basis, Company NPAT grew eight percent QoQ to reach 8.2 billion rupees.

Dialog Television ("DTV") maintained its leadership in the Pay-TV sector with a subscriber base of over 1.6 million as at end June 2026. In 1H 2026, revenue grew 17 percent YoY to reach 7.5 billion rupees, reflecting the growth in advertising revenue. The top line growth translated to strong EBITDA performance reflecting a growth of 54 percent YTD to reach 1.8 billion rupees for 1H 2026. Accordingly, DTV recorded a NPAT of 0.4 billion rupees for 1H 2026.

Dialog Broadband Networks ("DBN") featuring the Group's Fixed Telecommunications, Broadband and International Businesses recorded Revenue of 17.9 billion rupees for 1H 2026, reflecting a growth of three percent YTD, driven by broadband and data revenue growth notwithstanding the substantial reduction in revenues from the low-margin international hubbing business. DBN's EBITDA grew 12 percent YTD to reach 10.8 billion rupees for 1H 2026, with EBITDA margin maintained at 60 percent, up five percentage points YoY. NPAT was recorded at 4.1 billion rupees for 1H 2026, up 41 percent YTD resulting from lower depreciation and net finance cost in addition to forex gains.

Dialog Group remained a key contributor to state revenue, remitting a total of 30.9 billion rupees to the Government of Sri Lanka (GoSL) in 1H 2026. This comprised 8.1 billion rupees in Direct Taxes and Levies and 22.8 billion rupees in Indirect Taxes collected on behalf of the GoSL. On a YoY basis, total taxes paid increased by 9 percent, with Direct taxes up 14 percent YoY and Indirect taxes up seven percent YoY. The Group capital expenditure for 1H 2026 amounted to 18.5 billion rupees, resulting in a Capex to Revenue ratio of 19 percent. Investments were primarily directed towards the accelerated rollout of next generation 5G infrastructure, expanding the network footprint to over 1,000 live sites. The investment also supports greater customer adoption of advanced technologies, strengthens Dialog's readiness to meet rapidly growing data demand, and positions the Group to capture future digital growth opportunities.

During the quarter, Dialog launched Dialog Air Fiber, Sri Lanka’s first 5G-powered ultra-fast Wi-Fi solution, further strengthening its position in the broadband market. Built on Dialog’s advanced 5G network, Air Fiber offers a high-speed, low-latency, plug-and-play connectivity experience without the need for fixed-line infrastructure, providing a strong alternative to fiber broadband. The introduction of Air Fiber broadens Dialog’s addressable market, strengthens its broadband proposition, and supports the increasing demand for next-generation digital connectivity solutions.

The Company announced the launch of Dialog Pay, an integrated platform within the MyDialog App that brings together connectivity, payments, and financial services.

Aligned with the Government of Sri Lanka’s LankaQR Payment Promotion Program, Dialog Pay aims to accelerate digital payment adoption and advance financial inclusion by delivering convenient, secure, and accessible financial services through Dialog’s digital ecosystem.