

MEDIA RELEASE

SLT Group 2018 3Q,YTD profits up by 23%. EBITDA up by 16%

The National Telecommunication service provider, Sri Lanka Telecom (PLC) released its Company and Group financial results for the 9 months ending 30th September 2018 today. The Group comprises of the holding company Sri Lanka Telecom (PLC) and its eight subsidiaries including mobile arm Mobitel (Pvt.) Ltd. (Mobitel).

With an impressive Year on Year (YoY) growth of 23.4%, the group reported Net Profit After Tax of Rs.3.99 bn in the last nine months. The continued revenue growth of the group has largely contributed to the improvements of the Net Profits. Backed by all the revenue streams including fixed voice, data, mobile, carrier businesses, television and the corporate business segment the Group record Rs.60.1bn revenue with an 6.6% YoY growth during the period under review. In its journey from a CSP (Communication Service Provider) toward a DSP (Digital Service Provider) the Group has focused on digitization initiatives to offer innovative products and services to customers in order to enhance their lifestyle.

Resulting of better revenue growth coupled with cost control initiatives the Group was able to record a strong EBITDA (Earnings Before Interest Tax Depreciation and Amortization) a margin of 31.1% while reporting Rs.18.7 bn EBITDA during the nine months under review with 15.8% YoY growth.

Net Profits of the group was impacted the by foreign exchange losses of Rs.1.1 bn during the period under review. If the impact of respective loss was not the Net Profit After Tax was Rs.5.1 bn.



The Group Chairman Mr. Kumarasinghe Sirisena expressed his pleasure on healthy growth rate and strong results of the Group. “Despite the challenges in the economy we have been able to achieve a significant level of growth through strategic investments and strategic decision making of the Group.

Being the pioneer and national telecommunications service provider in Sri Lanka, we strongly believe that we have contributed positively to the economic development and overall growth of telecommunication services in the country.” he said.



“We are living in a fast paced digital era where the consumers needs and interest for Digital solutions such as Ultra-fast Fibre connectivity (FTTH), wireless 4G connectivity (LTE), and Cloud technologies are growing. It is our responsibility meet our customer needs. This is why we are transforming our Company to become a Digital Service provider” said Mr. Kiththi Perera, CEO of the holding company.

The holding Company, SLT reported an outstanding YoY Net Profit growth of 75% to reach Rs.1.3 bn during the first nine months of 2018. The company continued to grow its revenue through its extensive investment programs carried out during the recent past to expand infrastructure facilities in order to provide high quality services to the customers through demanding technologies such as FTTH and LTE. As a result, the company revenue increased by 5.6% to reach Rs.35.3 bn during the first nine months of 2018. The Company was able to manage operating costs at Rs.24.9 bn owing to the effective cost management initiatives. The company EBITDA was reported at Rs.10.3 bn with 19.1% YoY growth. EBITDA margin improved to 29.3% from 26.0% in the same period of the previous year.



Mr. Priyantha Fernandez, COO added that “We continue to focus on operational excellence in all segments whilst improving customer experience through strong

regional structure spread across the country. Therefore we are well poised to serve the diverse requirements of our customers."

The subsidiary Mobitel continued to grow its revenue and key profitability indicators despite challenging macroeconomic environment and intensifying competition in the market.

Backed by the robust growth in revenue, Mobitel was able to record a growth in EBITDA and EBIT (Earnings Before Interest Tax) for the first nine months of 2018 which grew by 10% and 16% respectively YoY which was aptly supported by operational efficiencies. The net profit for the first nine months of 2018 was recorded at Rs. 2.5 bn compared to a Net Profit of Rs. 2.5 bn in first nine months of 2017. The depreciation of the rupee during the year triggered a considerable reduction in profits of the company. However it is noteworthy that the company exceeded in reporting a Net Profit growth by 3.0% despite these external challenges.