

SLT Group Consolidates Cost, Manages Waste to Deliver Positive Results in First Half 2021

Passes on benefit to consumers during tough pandemic period

Colombo, Aug 02, 2021 – SLT-MOBITEL, the National ICT, Telecommunications and Mobile Services Provider, announced its financial results for the first half of 2021, posting a 29.9% year-on-year growth of Group Profit After Tax (PAT) of Rs. 6.0 Bn. Cost consolidation across verticals and a group wide undertaking to minimize waste, convert waste to cash, and manage OPEX cost resulted in the healthy bottom-line. SLT-MOBITEL ensured its customers benefited most during the tough pandemic period, with improved service levels, upgraded infrastructure and innovative product offers, the Group announced.

SLT Group Revenue grew to Rs. 49.9 Bn. in the period under review, a 13.3% increase against the comparable period in the previous year, driven by the focus on business continuity despite the Coronavirus pandemic. The EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) of the Group stood at Rs. 19.6 Bn. a 10.0% year-on-year growth, whilst Operating Profit for the Group was Rs. 7.2 Bn. reflecting a 4.2% growth over the first half of 2020.

The Group Revenue for Q2 2021 grew by 15.2% compared to the same quarter of the previous year to Rs. 25.3 Bn. lifting the EBITDA and Operating Profit to Rs. 9.9 Bn. and Rs. 3.8 Bn. respectively. The Group Profit After Tax (PAT) for the quarter reported at Rs. 3.8 Bn. a 40.7% year-on-year growth.

Topline growth can be attributed to customer focused delivery of essential products and services, during the pandemic period. SLT-MOBITEL strived to provide residential Fibre connectivity and to increase PEO TV and mobile services as customer demand grew. This strategy led to more customer acquisition, aided by value added services, competitive pricing and the launch of innovative consumer centric services such as unlimited data packages.

SLT Group continued its contribution to the Government of Sri Lanka during the first half of 2021, paying a total of Rs. 10.3 Bn. in direct and indirect taxes including levies, and dividends. The Group has also committed to long term infrastructure investments positively impacting the quality of digital connectivity in Sri Lanka, including the investments in submarine cable networks, backbone infrastructure, and ongoing capital infusion on an extensive Island wide fibre optic network, 4G towers, and base stations amongst these.

The SLT Group is perhaps a model to be emulated by other corporates and institutions in managing the pandemic amongst staff and their immediate family members. The Company created a fund to mitigate the cost of hospitalization, and also established 6 transit centres for first contacts to convalesce. The precautionary measures monitored weekly by a vigilant committee successfully contained the spread of the disease to a bare minimum.

SLT Group Chairman, Rohan Fernando stated, “SLT-MOBITEL is the truly Sri Lankan Telecommunication Company, and we are fully committed to serve the Nation and its people. We are working closely with the Government of Sri Lanka on National ICT and Telecommunication programs to ensure all Sri Lankans are connected to bridge the Digital divide.”

“The growth for SLT-MOBITEL in the period under review has come as a direct result of our service quality. Our efforts to drive prices down and improve our customer service, has been welcomed by residential customers who consume voice connectivity, mobile and fixed data and PEO TV. Our enterprise and small business customers, who have counted on us for business continuity during the pandemic, have also benefited from our customer centric solutions. Meanwhile our brand unification as SLT-MOBITEL at the beginning of 2021 is already reaping synergy with decreased costs, and magnified visibility especially in a tough economic backdrop.” **SLT Group Chief Executive Officer, Lalith Seneviratne** remarked.

The holding company, Sri Lanka Telecom PLC (SLT), posted a strong 42.2% year-on-year increase in PAT of Rs. 3.9 Bn. for the first half of 2021, driven by a topline growth of 14.7% year-on-year to Rs. 29.0 Bn.

Mobitel (Pvt.) Ltd, the Mobile services arm of the Group too posted significant growth in the period under discussion. During the first half 2021, Mobitel was able to achieve a double digit growth in revenue led by the growth in Broadband services and the Company’s efficient operating and capital expenditure management led to achieve strong profitability with a 47.7% growth in PAT against the comparable period in the previous year.

SLT Chief Executive Officer, Kiththi Perera stated “SLT-MOBITEL is successfully progressing with the accelerated fibre expansion programme with an aim to provide ultra-speed Fibre-to-the-Home (FTTH) connections across the country. Furthermore the drive to expand and upgrade the present 4G network is accelerated.”

Mobitel Chief Executive Officer, Chandika Vitharana added “As a responsible corporate citizen SLT-MOBITEL has been active on many fronts in social responsibility projects. The

Group joined hands with the 'Gamata Sanniwedanaya' and 'Gama Samaga Pilisandara' programmes. It partnered the TRCSL in its efforts to extend connectivity in rural Sri Lanka, by establishing base stations and 4G towers. SLT-MOBITEL has taken steps to donate vital medical equipment and PCR machines to Hospitals Island wide under the Group's CSR project 'Sabandiyawe Sathkaraya.'