

# Media release

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## **SLT group EBITDA improved by 5.4%, increasing depreciation affected bottom line**

Sri Lanka Telecom (PLC) released its Group and Company financial performance 2017 today. The group comprised of 8 subsidiaries including Mobitel (Pvt) Ltd.

During the reporting year Group Operating Profit Before Depreciation and Amortization (EBITDA) improved by 5.4% to Rs. 21.2 bn. This improvement is a result of revenue growth and minimum escalation of operational costs.

In 2017 the group reported Rs.75.7 bn revenue with year on year 2.6% growth contributed by all segments, despite the challenges on mobile revenue due to indirect taxes levied on mobile usages. As a result of several initiatives, the operational costs were reported at Rs. 54.5-bn with YoY increase of 1.6%.

The Group Operating Profit reported at Rs. 3.9 bn with 31.6 % YoY drop due to the significant increase in depreciation and amortization. Continuous investments of the group in expansions and introduction of new technologies have escalated the depreciation and amortization. The group largely invested in LTE, FTTH, IPTV, Global connectivity and Mobile services in the recently expanded customer base and providing more services. The gamut of SLT's investments also included the expansion of National Backbone Network, launching of its newly built state-of-the-art Tier 3 Data Centre the country's first 'Purpose built tier 3 Data Centre', in Pitipana-Homagama and officially commencing the SEA-ME-WE 5 undersea cable system, and newly established cable landing station in Matara within the third quarter.

SLT is also committed to further oversee South Asia's first cutting-edge submarine cable depot in the Galle Port. With enhancing multiple global connectivity options with SEA-ME-We 5 international submarine cable system, company also provides global connectivity backhauling facility to international operators.

The group profit after tax for the year 2017 was reported at Rs. 3.9 bn. Escalation of depreciation and amortization has brought down the profit of the year too, by 17.7% YoY.



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Sri Lanka Telecom (PLC) alone has reported Rs. 11.4 bn Operating Profit Before Depreciation and Amortization (EBITDA) with 14.9 % YoY growth resulting from lower operating costs when compared to previous year. Company Revenue of the year 2017 was reported at Rs. 44.5 bn with 3.3% YoY growth and Operating costs of the year was reported at Rs. 33.1 bn which was slightly lower than the Last year. Company Profit After Tax for the year 2017 were reported at Rs. 1.4 bn.