

Sri Lanka Telecom PLC



Interim Condensed Consolidated Financial Statements

For the Quarter ended

31 March 2025

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

(All amounts in LKR Millions)

	Group Jan - Mar		Company Jan - Mar	
	2025 (Reviewed)	2024 (Reviewed)	2025 (Reviewed)	2024 (Reviewed)
Revenue	27,851	26,929	17,831	17,714
Direct costs	(15,029)	(16,154)	(9,131)	(10,209)
Gross Profit	12,822	10,775	8,700	7,505
Sales and marketing costs	(2,962)	(2,805)	(1,696)	(1,498)
Administrative costs	(6,170)	(5,912)	(4,466)	(4,424)
Operating profit	3,690	2,058	2,538	1,583
Other income	512	398	508	461
Finance cost	(1,839)	(2,285)	(1,339)	(1,818)
Foreign exchange gain/ (loss)	(17)	399	31	(15)
Interest income	323	251	158	188
Share of profit / (loss) from equity - accounted investee	24	1	24	1
Profit/(loss) before tax for the period	2,693	822	1,920	400
Income tax (expenses)/reversal	(692)	(666)	(576)	(114)
Profit /(loss) for the period	2,001	156	1,344	286
Other comprehensive income				
Defined benefit plan actuarial gain/ (loss)	170	245	168	245
Tax on other comprehensive income	(52)	94	(50)	74
Other comprehensive income for the period (net of tax)	118	339	118	319
Total Comprehensive Income for the Period	2,119	495	1,462	605
Profit /(loss) Attributable to :				
Owners of the company	2,000	154	1,344	286
Non-controlling interest	1	2	-	-
	2,001	156	1,344	286
Total Comprehensive Income attributable to:				
Owners of the company	2,118	493	1,462	605
Non-controlling interest	1	2	-	-
	2,119	495	1,462	605
Earnings per share				
- Basic (Rs.)	1.11	0.09	0.74	0.16

(All amounts in LKR Millions)

	Group		Company	
	31 Mar 2025	31 Dec 2024	31 Mar 2025	31 Dec 2024
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Assets				
Non-Current Assets				
Property, plant and equipment	169,342	172,637	125,432	127,935
Investment Property	922	946	2,992	3,044
Right-of-use assets	5,725	5,360	797	223
Intangible assets	10,171	10,606	2,765	2,860
Investments in subsidiaries	-	-	14,341	14,341
Investments in associates	539	515	539	515
Deferred tax assets	14	14	-	-
Contract cost assets	867	1,013	160	218
Investments In equity Shares	3	3	-	-
Other receivables	3,330	3,353	3,330	3,353
Total Non-current Assets	190,913	194,447	150,356	152,489
Current Assets				
Inventories	3,073	3,143	2,270	2,204
Trade and other receivables	32,074	30,733	21,616	21,658
Current tax receivables	311	274	261	235
Contract cost assets	1,072	1,150	111	132
Other investments	1,539	868	1,502	830
Cash and cash equivalents	7,672	8,546	3,321	3,347
Total Current Assets	45,741	44,714	29,081	28,406
Total Assets	236,654	239,161	179,437	180,895
Equity and Liabilities				
Equity				
Stated capital	18,049	18,049	18,049	18,049
Insurance reserve	300	300	300	300
Retained earnings	75,120	73,002	53,355	51,893
Equity attributable to equity share - holders of the company	93,469	91,351	71,704	70,242
Non controlling Interest	125	124	-	-
Total Equity	93,594	91,475	71,704	70,242
Non Current Liabilities				
Grants	109	111	-	-
Borrowings	56,836	57,360	49,500	49,500
Vendor financing	-	7,502	-	7,502
Lease liability	3,321	3,892	312	22
Contract liabilities	1,515	1,671	1,515	1,671
Deferred income	806	873	806	873
Deferred tax liabilities	12,307	11,626	9,212	8,586
Employee benefits	6,212	6,317	5,134	5,272
Trade and other payables	2,969	3,517	1,963	2,528
Total Non Current Liabilities	84,075	92,869	68,442	75,954
Current Liabilities				
Borrowings	22,204	14,365	13,915	7,284
Vendor financing	2,917	6,536	-	2,015
Lease liability	1,923	1,982	561	295
Contract liabilities	1,158	1,130	1,038	1,018
Deferred income	2,922	2,819	222	223
Current tax liabilities	35	83	-	-
Trade and other payables	27,826	27,902	23,555	23,864
Total Current Liabilities	58,985	54,817	39,291	34,699
Total Liabilities	143,060	147,686	107,733	110,653
Total Equity and Liabilities	236,654	239,161	179,437	180,895

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.

Signed

Sanjeeewa Samaranyake
Chief Financial Officer

The Board of Directors is responsible for these financial statements. These financial statements were approved by the Board of Directors on 09 May 2025.

Signed for and behalf of the Board.

Signed

Dr.Mothilal de Silva
Director

Signed

Mr.H.C.D.L.Silva
Director

(All amounts in LKR Millions)

Group	Attributable to owners of the Group					
	Stated capital	Insurance reserve	Retained earnings	Total	Non controlling interest	Total equity
Balance as at 1 January 2024	18,049	300	69,916	88,265	120	88,385
Deferred tax and other assets write off after -amalgamation of subsidiaries	-	-	(288)	(288)	-	(288)
Total comprehensive income for period						
Net profit for the period	-	-	3,116	3,116	4	3,120
Other comprehensive income						
Defined benefit plan actuarial gain,net of tax	-	-	258	258	-	258
Total other comprehensive income for period	-	-	258	258	-	258
Total comprehensive income for the period	-	-	3,374	3,374	4	3,378
Balance as at 31 December 2024	18,049	300	73,002	91,351	124	91,475
Balance as at 1 January 2025	18,049	300	73,002	91,351	124	91,475
Total comprehensive income for period						
Net profit for the period	-	-	2,000	2,000	1	2,001
Other comprehensive income						
Defined benefit plan actuarial gain,net of tax	-	-	118	118	-	118
Total other comprehensive income for period	-	-	118	118	-	118
Total comprehensive income for the period	-	-	2,118	2,118	1	2,119
Balance as at 31 March 2025	18,049	300	75,120	93,469	125	93,594

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Statement of Changes In Equity

For the three months ended 31 March 2025

(All amounts in LKR Millions)

Company	Attributable to owners of the Company			
	Stated capital	Insurance reserve	Retained earnings	Total
Balance as at 1 January 2024	18,049	300	49,555	67,904
Total comprehensive income for period				
Net profit for the period	-	-	2,113	2,113
Other comprehensive income				
Defined benefit plan actuarial gain,net of tax	-	-	225	225
Total other comprehensive income for period	-	-	225	225
Total comprehensive income for the period	-	-	2,338	2,338
Balance as at 31 December 2024	18,049	300	51,893	70,242
Total comprehensive income for period				
Net profit for the period	-	-	1,344	1,344
Other comprehensive income				
Defined benefit plan actuarial gain,net of tax	-	-	118	118
Total other comprehensive income for period	-	-	118	118
Total comprehensive income for the period	-	-	118	118
Balance as at 31 March 2025	18,049	300	53,355	71,704

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Statement of Cash Flows

For the three months ended 31 March 2025

(All amounts in LKR Millions)

	GROUP		COMPANY	
	2025	2024	2025	2024
Operating activities				
Cash generated from operations	9,652	5,924	7,734	4,044
Interest received	324	262	159	199
Interest paid	(1,730)	(2,962)	(1,373)	(2,687)
Tax paid	(122)	(335)	-	-
Gratuity paid	(206)	(190)	(180)	(149)
Net cash generated from operating activities	7,918	2,699	6,340	1,407
Cash flows from Investing activities				
Acquisition of property, plant and equipment	(2,805)	(7,304)	(1,848)	(3,939)
Acquisition of intangible assets	(236)	(736)	(241)	(437)
Proceeds from disposal of property, plant and equipment	205	117	125	78
Proceeds / (Purchase) of short term investments	(672)	(49)	(673)	(11)
Net cash used in investing activities	(3,508)	(7,972)	(2,637)	(4,309)
Cash flows from Financing activities				
Proceeds from borrowings	11,050	11,000	5,750	3,000
Cash payment for the principle portion of lease liability	(806)	(614)	(178)	(160)
Re-payment on borrowings	(5,718)	(9,344)	(2,000)	(2,202)
(Decrease) / Increase in vendor financing and other non current liabilities	(11,723)	1,103	(10,108)	(359)
Net cash generated from / (used) financing activities	(7,197)	2,145	(6,536)	279
(Decrease) / Increase in cash and cash equivalents	(2,787)	(3,128)	(2,833)	(2,623)
Movement in Cash and cash equivalents				
Cash and cash equivalents at beginning of the year	4,389	5,058	750	(211)
Effect on exchange fluctuation on cash and cash equivalents	47	(636)	42	(275)
Increase/(Decrease) in cash and cash equivalents	(2,787)	(3,128)	(2,833)	(2,623)
Cash and cash equivalents at 31 March (Note)	1,649	1,294	(2,041)	(3,109)
Note				
Cash and cash equivalents	7,672	11,174	3,321	4,932
Bank overdraft	(6,023)	(9,880)	(5,362)	(8,041)
	1,649	1,294	(2,041)	(3,109)

I. Reporting Entity

Sri Lanka Telecom PLC (the 'Company') is a company domiciled in Sri Lanka. The address of the Company's registered office is Lotus Road, Colombo 1. The interim condensed separate financial statements relate to Sri Lanka Telecom PLC. These interim condensed consolidated financial statements (interim financial statements') as of 31 March 2025 and for the three months ended 31 March 2025 comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is primarily involved in providing a broad portfolio of telecommunication services across Sri Lanka. In addition, the range of services provided by the Group include inter-alia, internet services, data services, domestic and international leased circuits, broadband, satellite uplink, maritime transmission, IPTV service and directory publishing service. The Company is listed on the Colombo Stock Exchange.

II. Basis of accounting

These interim condensed consolidated financial statements have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34, 'Interim Financial Reporting' and do not include all the information required for a complete set of SLFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance since the last audited financial statements.

These interim financial statements were authorized for issue by the Company's Board of Directors on 09 May 2025.

III. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the most recent audited financial statements.

IV. Use of Judgments and estimates

The management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense when preparing these interim financial statements. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation were the same as those applied to the most recent audited financial statements.

V. Operating segments

Information relevant to the operating segments are presented in a method consistent with the management reporting provided to those charged with governance.

(a) Information about reportable segments

(All amounts in Rs.Mn)

	Fixed ICT Operations		Mobile Operations		IPTV operation *		Other Segments Operations**		Total	
	Jan – Mar		Jan – Mar		Jan – Mar		Jan – Mar		Jan - Mar	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
External revenues	16,135	15,974	11,439	10,574	81	71	196	310	27,851	26,929
Inter- segment revenue	1,696	1,740	356	372	977	945	667	554	3,696	3,611
Reportable segment revenue	17,831	17,714	11,795	10,946	1,058	1,016	863	864	31,547	30,540
Reportable segment profit /(loss) - before tax	1,920	400	535	50	203	430	50	(39)	2,708	841
<u>Reportable Segments</u>										
Interest expenses & Finance costs	(1,339)	(1,818)	(527)	(490)	-	-	(7)	(11)	(1,873)	(2,319)
Foreign exchange gain / (loss)	31	(15)	(43)	277	(5)	137	-	-	(17)	399
Interest income	158	188	166	62	-	3	1	2	325	255
Depreciation and amortization	(4,213)	(4,774)	(2,713)	(2,604)	(51)	(35)	(5)	(8)	(6,982)	(7,421)

* IPTV operation is identified as a reportable segment in accordance with quantitative thresholds as per SLFRS 8 -Operating Segments.

Revenues	Jan – Mar 2025	Jan -Mar 2024
Total revenue for reportable segments	30,684	29,676
Revenue for other segments	863	864
Reportable segment revenue	31,547	30,540
Elimination of inter- segment revenue	(3,696)	(3,611)
Consolidated revenue	27,851	26,929
Profit or loss		
Total profit for reportable segments	2,658	880
Profit or (loss) for other segments	50	(39)
Reportable segment of profit before tax before elimination	2,708	841
Inter- segment profits adjustment	(15)	(19)
Consolidated profit or (loss) before tax	2,693	822

V. Operating segments (Continued)**Assets & Liabilities**

	31 Mar 2025	31 Dec 2024
Assets		
Total assets for reportable segments	263,503	266,557
Assets for other segments	1,585	1,389
	265,088	267,946
Elimination of inter-segment assets	(28,434)	(28,785)
Consolidated total assets	236,654	239,161
Liabilities		
Total liabilities for reportable segments	155,989	161,062
Liabilities for other segments	1,188	1,103
	157,177	162,165
Elimination of inter- segment liabilities	(14,117)	(14,479)
Consolidated total liabilities	143,060	147,686

VI. Seasonal or cyclical factors

The operations of the Group were not significantly affected by any seasonal or cyclical factors.

(a) Impact on Property, Plant and Equipment

The Group has assessed the impact on property, plant and equipment and spectrum assigned to the Group. The Group will continue to take proactive measures to mitigate any potential impact and will continue its contingency plans and risk management measures as the situation evolves.

VII. Property Plant and equipment**(a) Acquisitions and Disposals**

- (i) During the three months ending 31 March 2025, the Group acquired assets at a cost of Rs 5,041 Mn (three months ended 31 March 2024- Rs.7,347 Mn).
- (ii) Assets with a written down value of Rs.0.91 Mn were disposed during the three months ended 31 March 2025 (three months ended 31 March 2024 written down value of Rs 11 Mn), resulting in a gain on disposal of Rs.206 Mn (three months ended 31 March 2024 gain of Rs.106 Mn), which was included in 'Other Income' in the Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(b) Impairment of Property, plant, and equipment

During the three months ended 31 March 2025 Company has not recognized impairment on property, plant, and equipment (three months ended 31st March 2024 Company has recognized an impairment loss of Rs. NIL)

(c) Capital commitments.

	Group (Rs. Mn)		Company (Rs. Mn)	
	31 Mar 2025	31 Dec 2024	31 Mar 2025	31 Dec 2024
Property plant and equipment				
Approved but not contracted	7,697	6,931	6,563	7,960
Approved and contracted	6,115	4,717	4,635	14,218

VIII. Capital and Reserves**(a) Stated Capital**

Stated capital of the Company consists of 1,804,860,000 ordinary shares.

IX. Loans and Borrowings

Material additions to loans and borrowings at Group level for the year under review:

Additions	Currency	Amount (Rs. Mn.)
Bank loan - 31 Mar 2025	LKR	11,050

Material repayment of loans and borrowings at Group level for the period under review:

Repayments	Currency	Amount (Rs. Mn.)
Bank loan - 31 Mar 2025	LKR	5,718

X. Contingencies

There were no significant changes to the list of contingencies disclosed in the most recent annual report and interim condensed consolidated financial statements for the quarter ended 31 December 2024.

XI. Related Parties

Material related party transactions during the period under review:

Company	Nature of Transaction	Transaction Value (Rs. Mn)		Amount due from/(to) related parties (Rs. Mn)	
		31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Dec 2024
Mobitel (Private) Limited	Sale of goods and services	1,665	1,706	2,173	2,047
	Purchase of goods and services	518	355	(7,200)	(7,138)

XII. Events after the Reporting date**Proposed dividend declaration**

The Board of Directors of the company has recommended a first and final dividend of Rs. 0.25 per share (2023- Nil) on voting shares of the company to be paid by way of cash dividend for the financial year ended 31 December 2024.

Further, this dividend is to be approved at the Annual General Meeting to be held on 26 June 2025. This proposed first and final dividend has not been recognized as a liability as at 31 December 2024 and Interim Condensed Consolidated Financial Statements for the quarter ended 31st March 2025. The proposed dividend for the year amounts to LKR 451 Mn in compliance with Section 56 and 57 of Companies Act No.07 of 2007. As required by

Section 56 of the Companies Act No.07 of 2007, the Board of Directors of the Company satisfied the solvency test in accordance with Section 57, prior to recommending the final dividend. A statement of solvency completed and duly signed by the Directors on 21st March 2025 has been audited by Messrs Ernst & Young on behalf of National Audit Office.

Members Voluntary Winding up of SLT Property Management (Pvt) Ltd

In line with the Board's strategic direction, Sri Lanka Telecom PLC had decided to liquidate SLT Property Management (Pvt) Ltd by way of members' voluntary winding up. SLT Property Management (Pvt) Ltd has been dissolved on 22nd April 2025.

Except as disclosed above, no other events have arisen since the statement of the Financial Position date which require changes to, or disclosure in the Financial Statements.

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Financial Statements

For the three months ended 31 March 2025

Investor Information

Ratios

	Group		Company	
	31-Mar 2025	31-Dec 2024	31-Mar 2025	31-Dec 2024
Net asset value per share (Rs.)	51.79	50.61	39.73	38.92
Debt/equity ratio - Number of times	0.93	1.00	0.90	0.95
Quick asset ratio - Number of times	0.72	0.76	0.68	0.76

	For the 3 months ended		For the 3 months ended	
	31 Mar 2025	31 Mar 2024	31 Mar 2025	31 Mar 2024
Interest cover - Number of times	2.25	1.09	2.16	0.93

Market Value of Shares

Market Value of the Ordinary

Shares of the Company (Rs.)

	3 Months to 31 Mar 2025	3 Months to 31 Mar 2024
- Highest	72.50	101.00
- Lowest	53.10	88.00
- Last traded price	60.30	90.00

Share trading from 1 January to 31 March 2025

	3 Months to 31 Mar 2025
- No of Transactions	5,094
- No of Shares Traded	2,670,192
- Value of Shares Traded (Rs.)	175,815,041

Debenture Information

- Interest yield as at date of last trade	- Not traded after initial issue
- Yield to maturity of last trade done with trade date	- Not traded after initial issue
- Interest rate of comparable government security	- 9.74%
- Market prices (ex-interest) for the current interim period	- No trades during the Qtr 1,2025

Sri Lanka Telecom PLC**Company Registration No. PQ 7****Interim Condensed Consolidated Financial Statements****For the three months ended 31 March 2025****1) List of 20 Major Shareholders**

<u>Name & Address</u>	<u>Share Holding</u>	<u>Percentage %</u>
1 Secretary to the Treasury	906,564,409	50.23
2 Global Telecommunications Holdings NV	811,757,869	44.98
3 Employee's Provident Fund	25,324,104	1.40
4 Sri Lanka Insurance Corporation Ltd-Life Fund	17,713,735	0.98
5 Bank of Ceylon A/C Ceybank Unit Trust	8,678,842	0.48
6 Employees Trust Fund Board	3,302,188	0.18
7 Sri Lanka Insurance Corporation Ltd-General Fund	2,041,538	0.11
8 Seylan Bank PLC / Karagoda Loku Gamage Udayananda	1,580,141	0.09
9 Peoples Leasing & Finance PLC / K.L. Udayanada	962,247	0.05
10 Bank of Ceylon A/C Ceybank Century Growth Fund	780,032	0.04
11 Senthilveri Holdings (Pvt) Ltd	476,534	0.03
12 Mr. T.K.D.A.P Samarasinghe	405,000	0.02
13 Merchant Bank of Sri Lanka and Finance PLC / N.N.Dissanayaka	320,683	0.02
14 Senkadagala Finance PLC/S.Gobinath	310,000	0.02
15 Mrs.H.K.H.Gunawardena	290,303	0.02
16 Merchant Bank of Sri Lanka and Finance PLC / R.R.S.Ananda	255,587	0.01
17 Dialog Finance PLC/S.A.De Silva and D.R.De Silva	221,108	0.01
18 Bank of Ceylon No.1 Account	214,000	0.01
19 The incorporated Trustees of the Church of Ceylon	198,590	0.01
20 PMF Finance PLC/R.M.Samarakkody	189,345	0.01
	1,781,586,255	98.70

- 2) Percentage of public holding as at 31 March 2025 4.78%
- 3) Number of shareholders representing the public holding 14,456
- 4) Float adjusted market capitalization 5,205,210,449

The Company is not in compliance with option 4 of the listing rule 7.13.1 (a) which requires the Company to maintain a minimum public holding of 10%

- 5) Directors' shareholding None
- 6) Chief Executive Officer's shareholding 1,824
- 7) Number of shares representing the Company's stated capital 1,804,860,000 ordinary shares issued at Rs.10 per share.