

Sri Lanka Telecom PLC



Interim Condensed Consolidated Financial Statements

For the Quarter ended

30 June 2025

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

(All amounts in LKR Millions)

	Group Apr-Jun		Company Apr-Jun		Group Jan - Jun		Company Jan - Jun	
	2025 (Reviewed)	2024 (Reviewed)	2025 (Reviewed)	2024 (Reviewed)	2025 (Reviewed)	2024 (Reviewed)	2025 (Reviewed)	2024 (Reviewed)
Revenue	27,316	26,618	17,682	17,249	55,167	53,547	35,513	34,963
Direct costs	(14,261)	(16,484)	(9,053)	(10,087)	(29,290)	(32,638)	(18,184)	(20,296)
Gross Profit	13,055	10,134	8,629	7,162	25,877	20,909	17,329	14,667
Sales and marketing costs	(3,081)	(2,902)	(1,880)	(1,607)	(6,043)	(5,707)	(3,576)	(3,105)
Administrative costs	(6,113)	(5,672)	(4,520)	(4,171)	(12,283)	(11,584)	(8,986)	(8,595)
Operating profit	3,861	1,560	2,229	1,384	7,551	3,618	4,767	2,967
Other income	510	253	508	267	1,022	651	1,016	728
Finance cost	(1,810)	(2,233)	(1,257)	(1,821)	(3,649)	(4,518)	(2,596)	(3,639)
Foreign exchange gain/ (loss)	52	297	100	39	35	696	131	24
Interest income	322	239	156	160	645	490	314	348
Share of profit / (loss) from equity - accounted investee	23	-	23	-	47	1	47	1
Profit/(loss) before tax for the period	2,958	116	1,759	29	5,651	938	3,679	429
Income tax (expenses)/reversal	(683)	(595)	(456)	(43)	(1,375)	(1,261)	(1,032)	(157)
Profit /(loss) for the period	2,275	(479)	1,303	(14)	4,276	(323)	2,647	272
Other comprehensive income								
Defined benefit plan actuarial gain/ (loss)	(172)	(21)	(172)	(20)	(2)	224	(4)	225
Tax on other comprehensive income	62	14	51	(7)	10	108	1	67
Other comprehensive income for the period (net of tax)	(110)	(7)	(121)	(27)	8	332	(3)	292
Total Comprehensive Income for the Period	2,165	(486)	1,182	(41)	4,284	9	2,644	564
Profit /(loss) Attributable to :								
Owners of the company	2,274	(479)	1,303	(14)	4,274	(325)	2,647	272
Non-controlling interest	1	-	-	-	2	2	-	-
	2,275	(479)	1,303	(14)	4,276	(323)	2,647	272
Total Comprehensive Income attributable to:								
Owners of the company	2,164	(486)	1,182	(41)	4,282	7	2,644	564
Non-controlling interest	1	-	-	-	2	2	-	-
	2,165	(486)	1,182	(41)	4,284	9	2,644	564
Earnings per share								
- Basic (Rs.)	1.26	(0.27)	0.72	(0.01)	2.37	(0.18)	1.47	0.15

(All amounts in LKR Millions)

	Group		Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
Assets				
Non-Current Assets				
Property, plant and equipment	167,642	172,637	124,040	127,935
Investment Property	478	946	2,941	3,044
Right-of-use assets	4,399	5,360	837	223
Intangible assets and Goodwill	9,695	10,606	2,606	2,860
Investments in subsidiaries	-	-	14,429	14,341
Investments in associates	562	515	562	515
Deferred tax assets	13	14	-	-
Contract cost assets	897	1,013	207	218
Investments In equity Shares	3	3	-	-
Other receivables	3,488	3,353	3,488	3,353
Total Non-current Assets	187,177	194,447	149,110	152,489
Current Assets				
Inventories	3,074	3,143	2,393	2,204
Trade and other receivables	30,050	30,733	21,688	21,658
Current tax receivables	391	274	282	235
Contract cost assets	1,060	1,150	93	132
Other investments	1,977	868	1,940	830
Cash and cash equivalents	8,894	8,546	2,251	3,347
Total Current Assets	45,446	44,714	28,647	28,406
Total Assets	232,623	239,161	177,757	180,895
Equity and Liabilities				
Equity				
Stated capital	18,049	18,049	18,049	18,049
Insurance reserve	300	300	300	300
Retained earnings	76,833	73,002	54,086	51,893
Equity attributable to equity share - holders of the company	95,182	91,351	72,435	70,242
Non controlling Interest	126	124	-	-
Total Equity	95,308	91,475	72,435	70,242
Non Current Liabilities				
Grants	108	111	-	-
Borrowings	55,052	57,360	46,500	49,500
Vendor financing	-	7,502	-	7,502
Lease liability	3,311	3,892	293	22
Contract liabilities	2,377	1,671	2,377	1,671
Deferred income	108	873	108	873
Deferred tax liabilities	12,874	11,626	9,616	8,586
Employee benefits	6,537	6,317	5,425	5,272
Trade and other payables	2,793	3,517	1,943	2,528
Total Non Current Liabilities	83,160	92,869	66,262	75,954
Current Liabilities				
Borrowings	22,682	14,365	13,231	7,284
Vendor financing	1,790	6,536	-	2,015
Lease liability	1,568	1,982	606	295
Contract liabilities	1,340	1,130	1,201	1,018
Deferred income	2,886	2,819	90	223
Current tax liabilities	104	83	-	-
Trade and other payables	23,785	27,902	23,932	23,864
Total Current Liabilities	54,155	54,817	39,060	34,699
Total Liabilities	137,315	147,686	105,322	110,653
Total Equity and Liabilities	232,623	239,161	177,757	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

Sanjeewa Samaranayake
Chief Financial Officer

The Board of Directors is responsible for these financial statements. These financial statements were approved by the Board of Directors on 14 August 2025.

Signed for and behalf of the Board.

Signed
Dr.Mothilal de Silva
Chairman

Signed
Chandrasiri Kalupahana
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	-	-	4,274	4,274	2	4,276
Other comprehensive income						
Defined benefit plan actuarial gain,net of tax	-	-	8	8	-	8
Total other comprehensive income for period	-	-	8	8	-	8
Transactions with owners,recorded directly in equity						
Contribution by and distribution to owners						
Dividends to equity share holders	-	-	(451)	(451)	-	(451)
Total comprehensive income for the period	-	-	3,831	3,831	2	3,833
Balance as at 30 June 2025	18,049	300	76,833	95,182	126	95,308

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Statement of Changes In Equity

For the six months ended 30 June 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
Balance as at 1 January 2025	18,049	300	51,893	70,242
Total comprehensive income for period				
Net profit for the period	-	-	2,647	2,647
Other comprehensive income				
Defined benefit plan actuarial gain, net of tax	-	-	(3)	(3)
Total other comprehensive income for period	-	-	(3)	(3)
Total comprehensive income for the period	-	-	(3)	(3)
Transactions with owners, recorded directly in equity				
Contribution by and distribution to owners				
Dividends to equity share holders	-	-	(451)	(451)
Balance as at 30 June 2025	18,049	300	54,086	72,435

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

(All amounts in LKR Millions)

	GROUP		COMPANY	
	2025	2024	2025	2024
Cash flows from operating activities				
Cash generated from operations	20,024	12,917	14,935	9,797
Interest received	646	501	315	359
Interest paid	(3,839)	(6,251)	(3,174)	(5,658)
Tax paid	(164)	(531)	-	-
Gratuity paid	(334)	(393)	(277)	(319)
Net cash generated from operating activities	16,333	6,243	11,798	4,179
Cash flows from Investing activities				
Acquisition of property, plant and equipment	(6,645)	(14,805)	(4,589)	(8,090)
Acquisition of intangible assets	(273)	(2,394)	(259)	(516)
Investment in subsidiary	-	-	(88)	(60)
Proceeds from disposal of property, plant and equipment	461	200	295	129
Proceeds / (Purchase) of short term investments	(1,110)	(1,283)	(1,111)	(1,326)
Net cash used in investing activities	(7,567)	(18,282)	(5,752)	(9,863)
Cash flows from Financing activities				
Proceeds from borrowings	24,275	42,585	11,875	26,085
Cash payment for the principle portion of lease liability	(1,572)	(1,326)	(340)	(497)
Re-payment on borrowings	(23,560)	(39,133)	(13,875)	(26,711)
(Decrease) / Increase in vendor financing and other non current liabilities	(12,816)	2,056	(10,110)	(958)
Net cash generated from / (used) financing activities	(13,673)	4,182	(12,450)	(2,081)
Increase/(Decrease) in cash and cash equivalents	(4,907)	(7,857)	(6,404)	(7,765)
Movement in Cash and cash equivalents				
Cash and cash equivalents at beginning of the year	4,389	5,058	749	(211)
Effect on exchange fluctuation on cash and cash equivalents	89	(436)	84	(174)
Increase/(Decrease) in cash and cash equivalents	(4,907)	(7,857)	(6,404)	(7,765)
Cash and cash equivalents at 30 June (Note)	(429)	(3,235)	(5,571)	(8,150)
Note				
Cash and cash equivalents	8,894	7,936	2,251	2,114
Bank overdraft	(9,323)	(11,171)	(7,822)	(10,264)
	(429)	(3,235)	(5,571)	(8,150)

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 30 June 2025 and for the six months ended 30 June 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 includes 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 as at 31 December 2024 and for the year ended 31 December 2024.

These interim financial statements were authorized for issue by the Company's Board of Directors on 14 August 2025.

III. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the audited financial statements as at 31 December 2024 and for the year ended 31 December 2024.

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 expenses 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 audited financial statements as of 31 December 2024 and for the year ended 31 December 2024.

V. Operating segments

Information relevant to the operating segments is 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		Other Segments Operations		Total	
	Jan - Jun		Jan - Jun		Jan - Jun		Jan - Jun	
	<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	32,090	31,831	22,439	21,039	638	677	55,167	53,547
Inter- segment revenue	3,423	3,132	894	746	3,249	3,269	7,566	7,147
Reportable segment revenue	35,513	34,963	23,333	21,785	3,887	3,946	62,733	60,694
Reportable segment profit / (loss) - before tax	3,679	429	1,300	(23)	696	578	5,675	984
Interest expenses & Finance costs	(2,596)	(3,639)	(1,105)	(958)	(15)	(19)	(3,716)	(4,616)
Foreign exchange gain / (loss)	131	24	(81)	558	(16)	114	34	696
Interest income	314	348	333	137	1	12	648	497
Depreciation and amortization	(8,581)	(9,696)	(5,486)	(5,260)	(125)	(86)	(14,192)	(15,042)

Revenues	Jan - Jun 2025	Jan - Jun 2024
Total revenue for reportable segments	58,846	58,767
Revenue for other segments	3,887	1,927
Reportable segment revenue	62,733	60,694
Elimination of inter- segment revenue	(7,566)	(7,147)
Consolidated revenue	55,167	53,547
Profit or loss		
Total profit for reportable segments	4,979	997
Profit or (loss) for other segments	696	(13)
Reportable segment profit before tax before eliminations	5,675	984
Inter- segment profits adjustment	(24)	(46)
Consolidated profit or (loss) before tax	5,651	938

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

	30 Jun 2025	31 Dec 2024
Assets		
Total assets for reportable segments	259,116	264,048
Assets for other segments	3,859	3,898
	262,975	267,946
Elimination of inter - segment assets	(30,352)	(28,785)
Consolidated total assets	232,623	239,161
Liabilities		
Total liabilities for reportable segments	150,813	159,012
Liabilities for other segments	2,436	3,153
	153,249	162,165
Elimination of inter- segment liabilities	(15,934)	(14,479)
Consolidated total liabilities	137,315	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 six months ended 30 June 2025, the Group acquired assets at a cost of Rs 8,408 Mn (six months ended 30 June 2024- Rs.15,187 Mn).
- (ii) Assets with a written down value of Rs.4 Mn were disposed during the six months ended 30 June 2025 (six months ended 30 June 2024 written down value of Rs 15 Mn), resulting in a gain on disposal of Rs.457 Mn (six months ended 30 June 2024 gain of Rs.185 Mn), which was included in 'Other Income' in the Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(b) Capital commitments.

	Group (Rs. Mn)		Company (Rs. Mn)	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Property plant and equipment				
Approved but not contracted	6,200	6,931	6,037	5,135
Approved and contracted	2,452	4,717	1,850	3,049

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 period under review:

Additions	Currency	Amount (Rs. Mn.)
Bank loan - 30 Jun 2025	LKR	24,275

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

Repayments	Currency	Amount (Rs. Mn.)
Bank loan - 30 Jun 2025	LKR	23,560

X. Contingencies

There were no significant changes to the list of contingencies disclosed in the latest annual report of 2024 and interim condensed consolidated financial statements for the quarter ended 30 June 2025.

XI. Related Parties

Material related party transactions during the period under review:

Company	Nature of Transaction	Transaction Value (Rs. Mn)		Amounts due from/(to) related parties (Rs. Mn)	
		30 Jun 2025	30 Jun 2024	30 Jun 2025	31 Dec 2024
Mobitel (Private) Limited	Sale of goods and services	3,362	3,060	2,453	2,047
	Purchase of goods and services	1,006	850	(8,422)	(7,138)

XII. Events After the Reporting Date

No material events have arisen since the date of the statement of financial position up to the date of this report 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 six months ended 30 June 2025****Investor Information****Ratios**

	Group		Company	
	30-Jun 2025	31-Dec 2024	30-Jun 2025	31-Dec 2024
Net asset value per share (Rs.)	52.74	50.61	40.13	38.92
Debt/equity ratio - Number of times	0.89	1.00	0.84	0.95
Quick asset ratio - Number of times	0.78	0.76	0.67	0.76

	For the 6 months ended		For the 6 months ended	
	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
Interest cover - Number of times	2.33	1.00	2.14	0.89

Market Value of Shares

Market Value of the Ordinary

Shares of the Company (Rs.)

	3 Months to 30 Jun 2025	3 Months to 30 Jun 2024
- Highest	67.50	92.00
- Lowest	57.00	82.30
- Last traded price	61.30	82.50

Dividend Payment

First and final dividend for the year 2024 - Rs. 0.25 per share paid on 03 July 2025

Share trading from 1 April to 30 June 2025

	3 Months to 30 Jun 2025
- No. of Transactions	4,494
- No. of Shares Traded	2,331,032
- Value of Shares Traded (Rs.)	143,749,430

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	- 8.74%
- Market prices (ex-interest) for the current interim period	- No trades during the Qtr 2,2025

Sri Lanka Telecom PLC**Company Registration No. PQ 7****Interim Condensed Consolidated Financial Statements****For the six months ended 30 June 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	1,403,043	0.08
9 Peoples Leasing & Finance PLC / K.L. Udayanada	935,057	0.05
10 Bank of Ceylon A/C Ceybank Century Growth Fund	780,032	0.04
11 Mr. T.K.D.A.P Samarasinghe	560,000	0.03
12 Senthilvel Holdings (Pvt) Ltd	476,534	0.03
13 Senkadagala Finance PLC/S.Gobinath	382,000	0.02
14 Merchant Bank of Sri Lanka and Finance PLC / N.N.Dissanayaka	304,200	0.02
15 Merchant Bank of Sri Lanka and Finance PLC / R.R.S.Ananda	255,587	0.01
16 Mr.M.R.M.Simsan	236,345	0.01
17 Mrs.H.K.H.Gunawardena	230,072	0.01
18 Dialog Finance PLC/S.A.De Silva and D.R.De Silva	221,108	0.01
19 Bank of Ceylon No.1 Account	214,000	0.01
20 PMF Finance PLC/R.M.Samarakkody	212,645	0.01
	1,781,593,308	98.69

2) Percentage of public holding as at 30 June 2025 4.78%

3) Number of shareholders representing the public holding 14,518

4) Float adjusted market capitalization 5,291,532,347

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.