

2018 SLT Group Profits Up By 25.58 Percent



Kumarasinghe Sirisena, Group Chairman, SLT.



Kiththi Perera, CEO, SLT.



Priyantha Fernandez, COO, SLT.

Sri Lanka Telecom released its financial performance for the year ending December

31, 2018. The Group comprises of the holding company and eight subsidiaries including the mobile arm, Mobitel having a subscriber base of over nine million.

The Group posted a revenue of 81.44 billion rupees during the year under review with an impressive growth of 7.53 percent. The growth was reported in all the segments, however it was largely driven by Enterprise and Carrier related businesses, FTTH, IP TV and Data related services together with mobile operations. Understanding the world-wide trends, the Group is now focusing more on data related products.

During the year under review the Group reported 36.64 billion 2018 SLT Group profits up by 25.58 percent rupees Gross Profit with 12.66 percent year on year growth. Net Profit after tax of the Group for the year 2018 was reported at 4.95 billion rupees with an impressive growth of 25.58 percent compared to the previous year. Owing to the better management of operating costs coupled with decent growth in revenue, the Group has been able to record this strong growth of profit despite the negative impact of 1.81 billion rupees recorded due to FOREX losses. The Group EBITDA margin was reported at 31.38 percent compared to 28 percent in the previous year.

Kumarasinghe Sirisena, Group Chairman stated that, "It is a testament to the Group's leading telecommunication service provider status as well as the public's faith in the Group that despite challenges, Sri Lanka Telecom is able to go from strength to strength each year. I am confident that the coming year too will see a substantial growth as SLT has laid the groundwork for a sustainable future, especially through its strategic transformational journey into a Digital Service Provider."

At Company level, 47.39 billion rupees revenue was reported during the year under review. As explained above the FTTH, IP TV and Data related services together with Carrier related and Enterprise businesses have largely driven the revenues to this level. The Company Gross Profit was reported at 19.13 billion rupees with year on year growth of six percent. Exhibiting a Year on Year growth of 33.47 percent, Company Net Profit after tax reached to the level of Rs. 1.91 bn. Profit was largely impacted by the 1.20 billion rupees FOREX losses.

However, the growth of revenue and better management of operating costs have boosted the profits. The Company has taken initiatives to mitigate any future FOREX losses using hedging strategies.

Revenue growth coupled with marginal cost escalations, the Company EBITDA margin reached to 28.40 percent from 25.55 percent of the year before. As a strong Group of Companies however we need to be ready and knowledgeable to steer through challenging market conditions and managing our resources to maximize our capacity. I am proud that SLT is a resilient Group. Our Numbers speak volumes,” said Kiththi Perera, CEO of the holding Company.

Priyantha Fernandez, COO added “Our island wide reach has been strengthened by re- structuring the operations. Our digital transformation and IT diversification has enriched digital based products and ser- vices to increase customer experience and customer satisfac- tion. We strategically focus on operational excellence in all segments with the customer at the forefront.”