SLT Group Posts Stable Revenue Growth in First Half 2022

Sri Lanka Telecom Group posted a steady growth amidst adverse socioeconomic environment.



Sri Lanka Telecom Group (SLT Group), posted stable growth for the first half of 2022, with revenues increasing by six percent to 52.9 billion rupees and a 19.8 percent increase in profit before tax (PBT) at 7.2 billion rupees against the same period last year, showcasing resilience in its business model amidst complex socio-economic challenges facing the country.

Demonstrating operational efficiency, SLT Group’s EBITDA (Earnings Before Interest, Tax, Depreciation, and Amortisation) went up to 20.9 billion rupees for the first half of 2022, recording a growth of 7.8 percent compared to the corresponding period of the previous year. The EBITDA Margin stood at 39.7 percent for the period under review.

Building on the success of the previous quarter, the SLT Group maintained a positive momentum for Q2 2022 recording gains of four percent in operating profit compared with last quarter. The Group recorded a foreign exchange gain of 135 million rupees during the quarter due to its prudent foreign exchange strategies of the Group.

However, profit after tax (PAT) declined by 26.5 percent in Q2 compared to the previous quarter, mainly owing to the increase in income tax expenses during the period.

The SLT Group continued its strategic plan implemented at the beginning of the year, consolidating its performance throughout Q2. However, during the period from April to June, the Group faced several business growth challenges including an unprecedented economic crisis, import restrictions, and inflationary pressures. Furthermore, ongoing investments were affected; new projects were also impacted due to increased operational costs and the energy and fuel crisis resulting in operational challenges.

Overcoming uncertainties, the Group with resilience made headway in strategic investments, undertaking appropriate management controls, in addition to managing the revenue portfolio in multiple segments.

The Operating Cash Flows of the Group grew to 23.5 billion rupees, up by 21.2 percent year on year. The Group recorded a favorable cash and cash equivalents position of 27 billion rupees at the end of the reporting period. SLT Group’s contribution to the Government of Sri Lanka during the first half of 2022 amounted to 14 billion rupees in direct and indirect taxes, including levies and dividends.

Rohan Fernando, Chairman, SLT Group, said, “The period under review has been one of the most challenging periods that SLT- MOBITEL has faced in recent times, exacerbated by a difficult operating environment. However, due to the agility in our business model to deliver growth and a motivated team effort, we have successfully generated positive results.

We are determined to continue the incredible transformation we have been experiencing in 2021 across our markets and believe our major growth drivers remain our technologically advanced portfolio and efforts in the digital space, which will fuel future growth and drive our revenues in the coming quarters.”

Lalith Seneviratne, Chief Executive Officer, SLT Group, added, “This quarter’s results reflect the strong execution of our strategic plans, taking bold measures to shape and sustain our business and the market. Despite the various macroeconomic factors that are reshaping the business environment, we look at the

future confidently with a positive outlook. We aim to accelerate investments in the next half of 2022, expanding our local and global footprint, networks, and systems, channeling our efforts towards enabling a digital transformation journey for the nation.”

The holding company of the Group, Sri Lanka Telecom (SLT) recorded an impressive 12.4 percent revenue growth for the first of half 2022, compared to the same period of the previous year. The EBITDA of the Company grew to 11.8 billion rupees, up by 10.2 percent year on year.

Janaka Abeysinghe, Chief Executive Officer, SLT Group, commented, “Our Q2 results reflect our ability to mitigate the financial impact of challenging operating conditions. Our continued efficiency drives have ensured that we have increased our margins andmaintained steady performance. As market headwinds begin to ease, we aim to enter the remainder of the year with confidence targeting growth despite inflationary pressures, continuing our strategic focus leveraging capabilities to deliver greater returns.”

The mobile services arm of the Group, Mobitel, recorded a flat revenue of 23 billion rupees for the first half of the year, compared to the same period last year. EBITDA growth witnessed a marginal increase of one percent for the first half at 9.5 billion rupees, while EBIT saw a decline of 3 percent at 4.9 billion rupees.

Despite challenging macroeconomic conditions, Mobitel’s Q2 results are encouraging, recording 0.7 billion rupees profit for the quarter, demonstrating fortitude in maintaining its performance levels for the year’s first half.

Looking ahead, Mobitel aims to increase its growth in international business revenues and enhance productivity and efficiency in all areas, including power and energy.

Chandika Vitharena, Chief Executive Officer, Mobitel, stated, “During the period under review, we have continued to deliver a steady performance, demonstrating agility, as we address the growing and ever- changing customer needs and market dynamics across our operations. We remain focused on achieving key strategic priorities enabling a smarter digital tomorrow while striving to deliver a great customer experience with innovative products and plans.”