SLT GROUP REPORTS A POSITIVE GROWTH

Sri Lanka Telecom (SLT) Group’s operating profit for fourth quarter 2020 grew by 27 percent QoQ 2019, and revenue recorded at 24 billion rupees. The Group concluded financial year 2020 on a high note, with a significant 25 percent YoY growth in profit after tax to 7.9 billion rupees, despite many challenges faced by the Group arising from the COVID-19 pandemic.



Rohan Fernando, Group Chairman, SLT.

Sri Lanka Telecom (SLT) Group concluded financial year 2020 with a significant 25 percent YoY growth in profit after tax to 7.9 billion rupees, despite many challenges faced by the Group arising from the COVID-19 pandemic.

The group revenue ascended to 91.1 billion rupees for the year with a six percent YoY growth, strongly under□pinned by higher broadband revenue propelled by the accelerated fiber expan□sion program and growth in mobile broadband services. Revenue for PEOTV and carrier services also advanced dur□ing the year.

SLT Group increased EBITDA by 16 percent YoY to 34.7 billion rupees in FY 2020, leading to a higher EBITDA margin of 38 percent compared to 35 percent in the previous year, mainly achieved through successful cost management measures.

Group revenue for Q4 2020, rose by four percent QoQ to 24.0 billion rupees recording the highest quarterly revenue achieved for FY 2020. The operating profit for the quarter increased by 27 percent compared to the same quarter of the previous year reaching 1.9 billion rupees, a decline of 33 percent compared to 3Q 2020. The Group profit after tax for the quarter reported at 1.1 billion rupees, a drop of 48 percent QoQ, mainly due to the higher operating costs and adverse impact from fluctuation in foreign currencies.

Mobitel, the mobile arm of the SLT Group managed to grow its revenue despite adverse macroeconomic conditions prevalent in 2020. Mobitel reported a strong profitable growth due to simultaneous growth in revenue and reduction in operational expenditure. Mobitel revenue for FY 2020 stood at 43.2 billion rupees, up by eight percent compared to FY 2019. Backed by the growth in revenue and aptly supported by operational efficiencies, Mobitel was able to record significant growth in all key profitability indicators. The Company recorded 3.1 billion rupees' improvement in EBITDA, an increase of 23 percent YoY. EBIT increased by 2.6 billion rupees in FY 2020, which is an increase by 50 percent compared to FY 2019. Mobitel recorded its highest ever profit after tax of 4.9 billion rupees in FY 2020, an increase by 54 percent YoY. The Group paid a total amount of 17.1 billion rupees as direct and indirect taxes including levies to the Government in FY 2020.



Lalith Seneviratne, Group Chief Executive Officer, SLT.



Kiththi Perera, Chief Executive Officer, SLT.



Chandika Vitharana, Acting Chief Executive Officer, Mobitel.

Rohan Fernando, Group Chairman, SLT announced: “Our financial results for 2020 have yet again demonstrated that SLT Group’s resilience and success in providing essential telecommunication services to the country and community, notwithstanding unprecedented challenges arising from the COVID-19 pandemic. I am grateful to all our front□liners as well as staff for providing uninterrupted services to the country during challenging times. I am also very appreciative of the strong support given by the Government and will continue to work closely with the Government to support the national digitalization initiatives through many initiatives. In year 2021, we will focus on enhancing quality in our services and strengthening our strategy in fulfilling our customers’ needs.”

Lalith Seneviratne, Group Chief Executive Officer, SLT remarked: “We commenced 2021 with brand unification of SLT-Mobitel, which is another milestone in SLT Group’s legacy. The joined forces of SLT and Mobitel allows us to unify our capabilities and enhance our market brand presence and trust in the market place. In mid-2021, SLT□Mobitel aims to launch a pre-commercial 5G service using 3.5 GHz. Further, we have also established a research and development center to accelerate innovations in the Group and maintain our edge in the market.”

Kiththi Perera, Chief Executive Officer, SLT commented: “Being the national telecommunications provider in Sri Lanka, we strive to provide our services nationwide by extending our footprint to rural areas, thereby reducing the digital divide between urban and rural areas with the support of the Government. During the pandemic, SLT Group offered uninterrupted services to the community including

concessionary education packages to students and for work-from-home arrangements. In response to business and community needs, we have introduced many digital channels for customer services, smart home solutions and a trading platform for agriculture products. As a responsible corporate citizen, SLT-Mobitel powered the ‘Park & Ride’ city bus service by joining hands with the Sri Lanka Transport Board and was also involved in many corporate social responsibility activities including distribution of dry rations to the needy. In addition to five submarine cables through which we are presently connected to the world, we are proud to inform that we will invest in the upcoming SEA-ME-WE 6 submarine cable system in 2021.”

Chandika Vitharana, Acting Chief Executive Officer, Mobitel added: “Year 2020 is marked by formidable and unexpected challenges, which impacted the global economy as well as economies of individual countries and Sri Lanka was not spared. Yet, Mobitel thrived in these trying conditions and recorded a vibrant performance recording the highest profits ever in its 27-year history. In line with the Government’s vision of digitizing Sri Lanka, Mobitel aggressively embarked on implementing rural connectivity solutions in the rural areas of the country. In a year, the vital importance of technology was felt by people of all walks of life, we made it our duty to extend our superior technology solutions with more vigor to all Sri Lankans.”