

SLT Group Revenue Recorded At 24.7 Billion Rupees In Q1 2021



Rohan Fernando, Chairman,
SLT Group.

Lalith Seneviratne, Group
CEO, SLT.

Kiththi Perera, CEO, SLT.

Chandika Vitharena,
Acting CEO, Mobitel.

Sri Lanka Telecom (SLT) Group released its financial results for the first quarter of 2021, with a remarkable 14.3 percent year-on-year growth in Profit After Tax (PAT) to 2.1 billion rupees.

The Group revenue went up to 24.7 billion rupees for an 11.4 percent year-on-year growth, firmly underpinned by the growth in revenues of FTTH, 4G LTE, mobile broadband, PEOTV services, and carrier domestic services. International voice revenue reflected a de-growth while international revenues from global transit and global data soared compared to the same period last year.

The EBITDA (Earnings Before Interest, Tax, Depreciation, and Amortisation) of the Group improved to 9.7 billion rupees, a 13.6 percent year-on-year growth, lifting the EBITDA margin to 39.4 percent from 38.6 percent in the same period last year. The surge in revenue largely contributed to the EBITDA growth. The growing capital expenditure to align with the global technological trends pushed the Depreciation and Amortisation of the Group up to 6.3 billion rupees, an 18.0 percent year on year increase.

The Operating Profit of the Group stood at 3.4 billion rupees, reflecting a 6.3 percent year-on-year growth resulting from the increase in Group EBITDA, which was partly offset by the high Depreciation and Amortisation for the period. Interest expenses and finance costs charged to the profit or loss statement increased to 0.8 billion for the period under review while the FOREX losses declined to 0.3 Bn. The Profit Before Tax (PBT) rose to 2.8 billion rupees, up by 9.3 percent over the same period last year.

The growth in EBITDA coupled with the effective collection strategies of the Group almost tripled the Operating Cash Flow of the Group to 12.2 billion rupees for the period under review. Further, the Group managed to reduce the Long-Term Borrowings to 44.9 billion rupees as of the reporting date.

The holding company of the Group recorded an impressive 13.5 percent increase in revenue over the same period last year, reaching 14.2 billion rupees. The PAT of the company went up to 1.4 billion rupees, reflecting a 16.2 percent year-on-year growth.

The mobile arm of the SLT Group, Mobitel too, improved revenue for the quarter by 8.1 percent year-on-year to 11.6 billion rupees. The PAT of Mobitel soared during the period to 1.5 billion rupees, a 65.4 percent year-on-year growth resulting from the increased revenue and the effective cost management measures.

The Group paid 3.7 billion rupees as direct and indirect taxes, including levies, to the Government in the first quarter of 2021.

Rohan Fernando, Chairman, SLT Group, announced: "I am extremely proud of my management team and my staff for delivering yet another solid quarter. Our business continued to accelerate in the first quarter with double-digit growth in revenues and profits and a robust operating cash flow. Consolidation of our Group Sales and Marketing under the SLT- MOBITELE unified branding contributed immensely in achieving the success we report in the first quarter. While uncertainty related to Covid-19 remains, we will stay focused on driving growth, building on favorable market trends, improving operational performance, and delivering value for all our stakeholders."

Lalith Seneviratne, Chief Executive Officer, SLT Group, remarked: "Our first-quarter financial performance represents a promising start to the year 2021. We commenced the year 2021 with the brand unification of SLT-MOBITELE, which is another milestone in SLT Group's legacy. The strategic journey of the SLT Group towards digital transformation has proven imperative with the present pandemic situation, which has also demonstrated the critical role technology plays in everyday life. The Group remains resilient amidst the challenges posed by the Covid-19 pandemic owing to our robust business execution coupled with our attractive product portfolio."

Kiththi Perera, Chief Executive Officer, SLT stated: “We are successfully progressing with our accelerated fiber expansion program intending to provide ultra-speed Fiber-to-the-Home (FTTH) connections across the country. This year is pivotal to SLT since in mid-2021, SLT and its mobile arm Mobitel aim to expand and upgrade the present 4G network to provide an enhanced broadband experience and launch a pre-commercial 5G service using 3.5 GHz. In addition, SLT plans to expand its global network, including the upcoming SEA-ME-WE 06 submarine cable system to connect to the world at the speed of Terra Bits per second. The domestic and global network expansions will be complimented by multiple digital initiatives in our efforts to improve customer experience and service levels continually.”

Priyantha Fernandez, Chief Operating Officer, SLT commented: “During this Covid-19 pandemic situation, SLT has provided uninterrupted service to the nation and offered innovative yet affordable data packages to facilitate the shift towards work-from-home and study-from-home arrangements. Additionally, SLT collaborated with Cisco and Millennium I.T.E.S.P to launch a new managed SD-WAN services to accelerate digitization of enterprise and government customers in Sri Lanka. In addition, SLT-MOBITEL extended the PEO TV Go services to our mobile customers too to enjoy their favorite TV programs.”

Chandika Vitharana, Acting Chief Executive Officer, Mobitel added: “As the world continues to go through a challenging era due to the ongoing pandemic, SLT-MOBITEL provides an essential and critical service, under the prevailing conditions to create value to all its stakeholders. As the National Mobile Service Provider, Mobitel, the mobile arm of the SLT Group is aggressively expanding the network to rural areas to ensure no one is left behind in these difficult and challenging times. Many initiatives were carried out during this period to make Broadband accessible to all. Affordable bundle device offers to help increase smartphone penetration, attractive application-based data plans, mobile and home broadband plans to facilitate work-from-home and learn-from-home conditions are a few of the initiatives devised to make Broadband affordable and accessible to all segments of the society according to their needs. While making broadband available to all, SLT-MOBITEL is committed to providing uninterrupted connectivity to the nation during these turbulent times.”