SLT-MOBITEL reports Moderate Revenue Growth in the First Half of 2024



Janaka Abeysinghe, CEO, SLT-Mobitel.

SLT-MOBITEL has reported moderate revenue growth for the first half of 2024, demonstrating savings through cost management initiatives.

The 1H 2024 performance establishes SLT-MOBITEL’s resilience and adaptability in a challenging market environment. The moderate revenue growth and successful cost-saving initiatives have led to notable improvements. The Group’s revenue for first half of 2024 reached 53.5 billion rupees, marking a 1.6 percent increase compared to the same period last year. Gross Profit at the Group level also increased by four percent to 20.9 billion rupees, with the gross profit margin expanding to 39.0 percent from 38.1 percent in the previous year. The moderate growth was achieved despite challenges in the market, such as customer churn and less demand for new connections.

The Group’s EBITDA for the first half increased by 17.1 percent, reaching 18 billion rupees, while Operating Profit surged by 54.5 percent to 3.6 billion rupees. The EBITDA margin improved significantly to 33.6 from 29.2 percent in 1H 2023, reflecting the Group’s ability to enhance operational efficiency while maintaining service quality.

SLT-MOBITEL also benefited from reduced finance costs, with interest expenses decreasing by 19.5 percent at the Group level, primarily due to lower interest rates. This contributed to an improvement in the Group’s bottom line, with the Net Loss narrowing to 323 million compared to a loss of 1,159 million rupees in 1H 2023.

> The company remains focused on leveraging its strategic initiatives to drive future growth and sustainability. With ongoing efforts to enhance operational efficiency and cost management, SLT-MOBITEL is well-positioned to navigate the evolving market landscape and deliver long-term value to its stakeholders.

At Sri Lanka Telecom, the company- level revenue growth was a marginal increase of 0.9 percent for 1H 2024 at 35 billion rupees. Operating Profit reported a growth of 2.9 percent. Strategic cost-saving initiatives such as annual maintenance cost,

hiring cost, repair and maintenance costs contributed to reduced operational expenses, enhancing overall profitability. The company experienced a 27.2 percent degrowth in finance cost, mainly due to interest rate reduction. As a result, the company posted a Net Profit of 272 million rupees compared to a loss of 401 million rupees in 1H 2023. The company remains focused on leveraging its strategic initiatives to drive future growth and sustainability. With ongoing efforts to enhance operational efficiency and cost management, SLT-MOBITEL is well- positioned to navigate the evolving market landscape and deliver long-term value to its stakeholders.

Mobitel showed modest revenue growth of 3.6 percent year-on-year for first half of 2024 compared to 1H 2023 despite a three percent increase in Value-Added Tax. Revenue growth was mainly driven by growing demand for broadband services and efforts to streamline product offerings. Steady revenue growth combined with cost reduction led to a significant improvement in profitability, with a growth in EBITDA of 26 percent in 1H 2024.

Overall, Mobitel showed significant improvement in operational efficiency and profitability. Operating Profit turned positive in first half of 2024 to 182 million rupees from a loss of 895 million rupees in 1H 2023. Net loss reduced by 28.9 percent in first half of 2024 compared to the same period in 2023. In addition to the ongoing investment in network infrastructure, Mobitel’s newly acquired spectrum portfolio of 25MHz of the 2.3GHz band and 5MHz of the 850MHz band in Q2 will significantly boost the network’s capacity and coverage, leading to an enhanced customer experience.

Looking ahead, SLT-MOBITEL remains committed to its digital transformation strategy, focusing on enhancing network infrastructure, expanding its digital services portfolio, and improving customer experience across all segments.