

Media release



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Financial performance

Heavy investments affects profits as SLT Group reports Rs.56.4 bn. Revenue as at end September 2017.

Sri Lanka Telecom PLC released the financial statements of the Company and Group for the 9 months ending 30th September 2017. The group comprises of nine subsidiaries including mobile arm Mobitel (Pvt) Ltd as well as E-Channeling (pvt) Ltd which is a subsidiary of Mobitel (Pvt) Ltd.

During the nine month period ending 30th September 2017, the Group reported a revenue of Rs. 56.4bn with year on year growth of 1.3%. The marginal increase of mobile related revenues mainly due to tax increases has resulted in the lower than expected revenue growth of the Company.

During the period under review the Group Operating Costs amounted to Rs. 40.26 bn with a 1.5% Year on Year increase. The measures taken to control the costs and reductions in revenue related direct costs, at Group level have enabled the Group to minimize the operational costs. Group EBITDA remained almost flat, owing to the low increase of revenue. The Group Operating Profits dipped to Rs. 3.4 bn as a result of the heavy increase in depreciation. Substantial investments by the holding company have resulted in the increase in depreciation. Profit before Tax and Profit after Tax of the group dipped to Rs. 4.1 bn and Rs. 3.2 bn respectively..

Meanwhile, Sri Lanka Telecom PLC (SLT) reported a revenue of Rs. 33.4 bn. during the nine months ending 30th September 2017 with a Year on Year growth of 3.1% compared to the corresponding period in the previous year. Despite the competitive pressures and changes in taxes, the introduction of new technologies such as LTE and FTTH as well as expansions in data related products have driven the growth. Operating costs of the Company amounted to Rs. 24.7 bn with a 1.6% year on year increase during the period under review. Company EBITDA grew by 7.5% Year on Year to Rs. 8.7 bn.

During the last few years the company continued to invest heavily in network expansions introducing new technologies such as LTE and FTTH. IDC and IPTV expansions were also carried out to enhance and provide a better customer experience. Subscribing to the SE-ME-WE 5 international submarine cable in order to enhance the connectivity to the globe was also amongst the key investments. As a result, the company depreciation escalated to Rs.8.2 bn during the period under review with a YoY growth of 31%. Despite the increase of company EBITDA, owing to growth of depreciation, the company's Operating Profits dipped Year on Year to Rs.0.507 bn.