

2018 SLT Group profits up by 25.58%

Sri Lanka Telecom PLC (SLT) released its financial performance for the year ending 31st December 2018. The Group comprises of the holding Company and eight subsidiaries including the mobile arm, Mobitel (Pvt) Ltd having a subscriber base of over 9 million.

The Group posted a revenue of Rs.81.44 bn during the year under review with impressive growth of 7.53%. The growth was reported in all the segments, however it was largely driven by Enterprise and Carrier related businesses, FTTH, IP TV and Data related services together with mobile operations. Understanding the world-wide trends, the Group is now more focusing on data related products.

During the year under review the Group reported Rs.36.64 bn Gross Profit with 12.66% year on year growth. Net Profit after tax of the Group for the year 2018 was reported at Rs. 4.95 bn with an impressive growth of 25.58% compared to the previous year. Owing to the better management of operating costs coupled with decent growth in revenue, the Group has been able to record this strong growth of profit despite the negative impact of Rs. 1.81 bn recorded due to FOREX losses. The Group EBITDA margin was reported at 31.38 % compared to 28.00 % in the previous year.

Mr. Kumarasinghe Sirisena, Group Chairman stated that “ It is a testament to the Group’s leading telecommunication service provider status as well as the public’s faith in the Group that despite challenges, Sri Lanka Telecom is able to go from strength to strength each year. I am confident that the coming year too will see a substantial growth as SLT has laid the groundwork for a sustainable future, especially through its strategic transformational journey into a Digital Service Provider.”

At Company level, Rs. 47.39 bn revenue was reported during the year under review. As explained above the FTTH, IP TV and data related services together with Carrier related and Enterprise businesses have largely driven the revenues to this level. The Company Gross Profit was reported at Rs.19.13 bn with year on year growth of 6.00%. Exhibiting a Year on Year growth of 33.47 %, company Net Profit after tax reached to the level of Rs.1.91 bn. Profit was largely impacted by the Rs. 1.20 bn FOREX losses.

However, the growth of revenue and better management of operating costs have boosted the profits. The Company has taken initiatives to mitigate any future FOREX losses using hedging strategies.

Revenue growth coupled with marginal cost escalations, the Company EBITDA margin reached to 28.40% from 25.55% of the year before.

As a strong Group of Companies however we need to be ready and knowledgeable to steer through challenging market conditions and managing our resources to maximize our capacity. I am proud that SLT is a resilient Group. Our Numbers speaks volumes” said Mr. Kiththi Perera, CEO of the holding Company.

Mr. Priyantha Fernandez, COO added “Our Island wide reach has been strengthened by restructuring the operations. Our digital transformation and IT diversification has enriched digital based products and services to increase customer experience and customer satisfaction. We strategically focus on operational excellence in all segments with customer at the forefront.”