

SLT Group Builds on Positives in Q3; Poised for Robust End of Year Results in 2021

Rises above pandemic driven obstacles to deliver for the nation

SLT-MOBITEL, achieved a 49.2% year-on-year growth of Profit After Tax (PAT) in Q3 2021, posting Rs. 3.2 Bn in PAT, reiterating consumer confidence in the National ICT Solutions Provider. The commitment to cost consolidation across verticals combined with the group-wide undertaking to minimise waste, convert waste to cash and manage OPEX costs, resulted in savings over the year and is reflected in the year-on-year bottom-line and continued dividend payments.

SLT Group Revenue for Q3 2021 grew by 15.6% compared to the same quarter of the previous year to Rs. 26.7 Bn. The EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) of the Group stood at Rs. 10.8 Bn. reflecting a 25.7% year-on-year growth and the EBITDA margin improved to 40.4% compared to 37.1% in Q3 2020.

Topline for the first 9 months of 2021 was Rs. 76.6 Bn, a 14% increase compared to the same period in 2020. This achievement was made possible due to a customer centric marketing strategy, with demand coming in for Fibre connectivity for residential and corporate customers together with the demand for PEO TV and mobile services. The heightened demand resulted in a Profit After Tax (PAT) of Rs. 9.2 Bn, which is a 36.1% increase compared to the same period last year.

For the first 9 months of 2021, the capital expenditure investment of the Group amounted to Rs. 18.2 Bn. The Group's commitment to improve the quality of digital connectivity in Sri Lanka progressed during the period with the ongoing accelerated Fibre Expansion Project under the National Fiberisation Programme and investment in new LTE base stations and towers. The upcoming 5G technology for which the ground is being prepared is also set to provide Sri Lankans with an enhanced experience. The Group's investments in submarine cable network and domestic transport network are going strong, improving quality and service levels to customers.

SLT Group's contribution to the Government of Sri Lanka during the first 9 months amounted to a total of Rs. 15.1 Bn. in direct and indirect taxes including levies, and dividends.

SLT Group Chairman, Rohan Fernando stated, "SLT-MOBITEL' is in the cusp of transformation from telephony to technology, backed by research and development, moving Sri Lanka to the

digital platform. To reiterate our commitment to service and technology the construction of a technologically advanced Mobitel Headquarters commenced this year. On completion in 2022, all our Mobile services will be brought under one roof in a newly tech park in Welikada. We are dedicating an entire floor in the new headquarters for research and state-of-the-art innovations. Our efforts to connect the nation in support of the Government's commitment to bridge the digital divide continues unabated, as we serve the Nation and its people."

"As the country cautiously steps up to full efficiency with a vaccinated workforce, the SLT Group is playing its part to strengthen the digital links connecting the Government, the people and organisations. The dedication showed by every member of the Group and the tasks we have carried out during a particularly challenging time, are reflected in our outstanding financial results. We are humbled in the knowledge that Sri Lankans continue to place their utmost trust in us to provide outstanding services and have embraced us as their solution provider of choice." **SLT Group Chief Executive Officer, Lalith Seneviratne** remarked.

Sri Lanka Telecom PLC (SLT), the holding company of the Group, posted an impressive 45.4% year-on-year increase in PAT to Rs. 5.1 Bn. for the first 9 months of 2021, driven by a topline growth of 17.3% year-on-year to Rs. 44.7 Bn. The Company experienced a heightened growth in revenues from Broadband, PEOTV and Carrier Domestic services during the current period compared to the same period last year, as Sri Lankans flocked to the National Service Provider for new age solutions.

SLT Chief Executive Officer, Kiththi Perera commented, "The initiatives undertaken by SLT-MOBITEL to accelerate the fibre expansion programme are generating superior results, along with the growth of the 4G network. Our employees rose to the task to facilitate the accelerated expansion on the back of the pandemic, supported by the Company that ensured employees suffered no loss of income or benefits across the board. As the National ICT Solutions Provider, we are intent on taking all Sri Lankans into the future of digital connectivity and are poised to deliver robust results for all our stakeholders with our unified brand, overcoming all obstacles."

SLT-MOBITEL launched various products and services during this year specially targeting stakeholders affected by the impact of the pandemic. The 'Suwaviru Upahara' voice and data offers for frontline healthcare workers ensured peace of mind for them and their families as they worked day and night to keep COVID at bay; 'Call Tutor' and 'A/L Kuppiya' are services that were welcomed by students who were kept away from regular classrooms, and needed quality learning opportunities. The Company also partnered with CISCO to offer new managed SD-WAN services for enterprise customers to carry out online services unhindered in the new

normal, while SME customers got a boost with the 'SLT-MOBITEL BizChat FB Chatbot' supporting business transformation as they turned more and more towards online options.

The first nine months of 2021, ending September 30, saw the revenue of Mobitel (Pvt.) Ltd, the Mobile services arm of the Group, growing by more than Rs 3 Bn., marking a 10% growth year-on-year. Mobitel achieved the growth in revenue, despite an economic slowdown and other challenges during a difficult period. In the nine-month period under review, Mobitel surpassed its highest reported profits in history recording Rs. 5.7 Bn. in PAT, a whopping 45.9% increase year-on-year. The Company noted a shift by consumers towards better digital communication options under the prevailing conditions, with the surge in revenues of the Company's Broadband portfolio. With efficient OPEX and CAPEX management leading to strong profitability and free cash flow growth, Mobitel finds itself in a strong financial position as of Q3 2021.

Mobitel Chief Executive Officer, Chandika Vitharena stated "As the National Mobile Services Provider, Mobitel is committed towards the digital transformation of Sri Lanka in line with the Government's vision for the country. At Mobitel, we aim to facilitate the adoption of digital transactions in Sri Lanka and highlight issues related to using cash, encouraging consumers to enjoy the convenience of payments through digital platforms. Moreover, we are facilitating 'work from home', a mainstay of the new normal, by digitising systems and processes and shifting towards paperless operations. The Company also encourages distance learning initiatives, as they allow anyone anywhere to access the best resource personnel and material at their fingertips".

Leading by example, Mobitel deployed 50% of its staff to work from home resulting in considerable savings and aims to build on it by increasing the work from home staff up to 80% in the future, generating more fuel savings and affecting an increase in productivity. To encourage distance learning, Mobitel introduced attractive Work from Home and Learn from Home packages, initially as a response to conditions created by the pandemic and later towards continually supporting the concept of digitisation.