

# CABLE AND WIRELESS (SEYCHELLES) LIMITED

(Incorporated in the Republic of Seychelles on 28<sup>th</sup> February 1990);  
Company Registration Number: 750508-1);  
("CWS" or "the Company");  
ISIN: SC3663EDHJ54



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## PERFORMANCE UPDATE

FOR THE HALF-YEAR PERIOD ENDING 30 JUNE 2023

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### INTRODUCTION

Cable and Wireless (Seychelles) remains the leader in the telecommunications sector commanding significant customer and revenue market share. Our leadership position has been attained and maintained through an understanding of customer needs and the continued provision of connectivity and entertainment at a quality level that is unmatched. Not only has the Company continued to grow its revenue, its growth in terms of customers, and product and service usage delivered has remained resilient showing that there is strong demand in the market for our products and services.

### OPERATING ENVIRONMENT

The first half of the year was characterised by monetary policy tightening by major global economies to contain inflation and macroeconomic uncertainty. Whilst it is evident that the government is committed to economic reform and the IMF program, the external macro drivers continue to exert greater influence on the cost of doing business than companies' fundamentals. The average domestic inflation declined to 1.6% in 2023 but import prices remain high. The likely rise in commodity prices (fuel and wheat) is also expected to affect the value of imports and keep both global inflation and the current account elevated.

### BUSINESS PERFORMANCE

The Company's relentless pursuit of innovations and renovations to meet the changing needs of our customers puts us on a solid platform for continued growth as we pursue a fully connected society for Seychelles.

During the period under review, we commissioned **41 new mobile network sites** as part of our network densification program, including the extension of high-quality voice and high-speed data coverage to hotspot areas, and the 5G technology expansion effort. The Company continues to witness an exponential increase in the demand for its services, particularly internet services. This increase in volumes requires further investment into the assets, platforms, and systems that drive infrastructure capacity and capabilities. Our **SCR1.1 billion** expansive capital expenditure program deliberately seeks to address these unique challenges and opportunities presented by the current trends. Network maintenance and expansion not only maintain our network advantages but also remain key to our commitment to delivering excellent and reliable services to our customers.

The Company remains committed to sustainable pricing that takes into account the realities of the prevailing economic conditions, whilst balancing affordability for the customer and the sustainability of the business. We continue to work closely with the stakeholders in the sector to periodically review the sector-specific cost models. Our goal is to ensure that our pricing remains data-driven but relevant and appropriate for the consumer whilst allowing the company to generate sufficient resources for continued investment.

### FINANCIAL PERFORMANCE

Revenue for the period under review registered a growth of 6.2% to close at **SCR453** million compared to the previous year. Traditional revenue streams of broadband and cable TV have continued to grow as demand for these services

remains buoyant, largely driven by our proactive strategies designed to stimulate sustained demand. The two segments remain the anchor of the Company's performance contributing over 50% of the revenue. Operating profit margin firmed to close the period at 28% anchored by cost efficiencies and agile operating structures despite a push upwards on costs from foreign-based suppliers, and energy prices emanating from elevated global inflationary pressures.

## **OUTLOOK**

The Company remains on track to deliver most of the 2023 financial and operating commitments. The Company will continue to allocate capital deliberately to create best-in-class experiences for our customers, drive sustainable, profitable growth, and deliver long-term value for shareholders. As our customers demand better service and experiences in line with global trends, we will leverage our experience and culture of innovation to respond to these demands.

**By order of the Board of Directors.**

**Seychelles**

**Company Secretary**

**ACM Consultants (Pty) Limited**

**29 September 2023**