

PRESS RELEASE

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FOR IMMEDIATE RELEASE

Robi ends 2020 on a strong growth momentum with 155 crore taka profit
2% minimum tax on gross revenue continues to undermine Robi's growth potential severely

KEY HIGHLIGHTS – 2020 (January- December)

- 5 Crore 9 lakhs active subscribers, representing 29.9% of subscriber market share
- 3 Crore 52 lakhs internet subscribers, which is 69.2% of total subscriber base
- Total revenue- 7,564 crore taka, which is 1.1% higher than last year (2019)
- EBITDA- 3,221 crore taka with 42.6% margin; EBITDA grew by 11.8% compared to last year
- Capex investment- 2,098 crore taka, which is 47.6% higher than last year
- Profit After Tax (PAT)- 155 crore taka
- Contribution to the Government Exchequer- 4,236 crore taka (Representing 56% of Robi's total revenue for the year)

Dhaka, 16 February 2021: Despite the pandemic, Robi managed to end 2020 with a positive revenue growth (1.1%) compared to last year (2019). The total revenue of the company in 2020 stood at 7,564 crore taka after adding 1,920 crore taka in Q4'20. Adding 39 crore taka to the profit tally, Robi's total profit after tax reached 155 crore taka, indicating a strong growth momentum following the measly profit in 2019.

However, the growth momentum was heavily impeded by the 2% minimum tax on gross revenue. This unjust tax resulted in Robi being the only notable entrant into the capital market without being offered any incentive. Hence, given the 71.8% effective tax rate in 2020, it is very evident that the company is being held back significantly due to the excessive tax burden.

Having added 19 lakhs subscribers to its network in 2020, Robi's subscriber base reached 5 crore 9 lakhs by the end of 2020, out of which, 69.2% were data subscribers. 4G subscribers, in particular, had grown by more than 72.8% compared to last year.

Due to the seasonal impact, Robi's voice revenue declined by 1% in Q4'20, compared to last quarter (Q3'20). This translated into 0.7% de-growth in total revenue for Q4'20, compared to Q3'20. Compared to last year (2019), Robi's voice revenue declined by 9.9% in 2020, indicating customers' growing reliance on OTT platforms for making voice calls. Data revenue, on the other hand, grew by 1% compared to last quarter (Q3'20), and by 26% compared to last year (2019).

EBITDA declined by 3.2% compared to Q3'20. However, considering the whole year, EBITDA grew by 11.8%. EBITDA margin for Q4'20 stood at 39.7%, which is 1 percentage point (pp) lower than Q3'20. EBITDA margin for 2020 stood at 42.6%, which is 4.1pp higher than 2019.

Robi contributed 1,483 crore taka to the Government Exchequer in Q4'20, which is 77.3% of the total revenue for the quarter. In total, Robi has contributed 4,236 crore taka to the Government Exchequer in 2020, which is 56% of the total revenue for the year.

With 657 crore taka capex investment in Q4'20, Robi's total capex investment reached 2,098 crore taka in 2020. This resulted in the addition of more than 4,263 4G sites in 2020. By the end of 2020, Robi had 13,461 network sites, out of which 99.13% were 4G sites.

Considering the company's investment plan, and consequential fund requirement to foster future growth, the Board of Directors of Robi recommended no dividend for the share on account of the year 2020. The decision was decision taken at the Board Meeting held on 15 February 2021

Commenting on the financial performance of the company, Robi's Managing Director and CEO, Mahtab Uddin Ahmed said: "When our competitors saw revenue decline, Robi experienced positive revenue growth, despite the tremendous upheavals we had to negotiate with due to the Corona pandemic. It was a year a tremendous learning for us and in hindsight, I can proudly say that we pulled the right levers of innovation to write this amazing growth journey together. With 155 crore taka profit after tax, we certainly had a strong showing in the market. However, being subjected to the 2% minimum tax on gross revenue, our performance continues to deny us our full growth potential."

Reflecting on Robi's commitment towards ensuring quality of service, Mahtab said: "Renewing 11.6 MHz spectrum (900 Band and 1800 Band) for 10 years, we have once again demonstrated our commitment to provide quality service to our subscribers. However, due to long pending approval of DWDM equipment, we are unable to make use of thousands of kilometers of fibre optic network which is critical to improving the quality of our service. Nevertheless, we have continued to invest heavily on our 4G network throughout the year and managed to convert 99.13% of our sites into 4G sites."

Observing the state of imbalanced market competition in the industry, he added: "While we applaud the telecom regulator's positive stance towards bringing balance to the market competition, we are yet to see effective SMP regulations deployed to this effect. Meanwhile, due to the Regulator's embargo on the sale and resell of 016 numbers, we are struggling to meet the demand of our subscribers across the country. Such a situation is further aggravating the imbalanced market competition in the industry."

ABOUT ROBI

Robi Axiata Limited ("Robi") is a public limited company, where Asian telecom giant, Axiata Group Berhad, based in Malaysia, holds the majority shareholding (61.82%). Aside from the public shareholders (10%), the global telecom giant, Bharti Airtel, headquartered in New Delhi, India, holds 28.18% of shares in the company. Robi is the second largest mobile network operator in Bangladesh creating new digital experiences for the people of the country. Through sustained investment Robi has created a robust telecom infrastructure to deliver innovation to all corners of the country. In addition to delivering its innovative digital products and services, the country-wide telecom infrastructure serves as the key enabler for the growing digital eco-system of the country. Be it urban or rural, people find their way to Digital Bangladesh through Robi.

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