

PRESS RELEASE

Dhaka, 11 April 2021

FOR IMMEDIATE RELEASE

Robi maintains strong growth momentum with 34 crore taka profit

2% minimum tax on gross revenue continues to undermine Robi's growth potential

KEY HIGHLIGHTS – Q1'20 (January-March)

- 5 Crore 19 lakhs active subscribers
- 3 Crore 67 lakhs internet subscribers, which is 70.6% of total subscriber base
- Revenue: 1,981 crore taka, which is 3.2% higher than last quarter
- EBITDA: 811.7 crore taka with 41% margin; EBITDA grew by 6.4% compared to last quarter
- Capex investment: 150.6 crore taka
- Profit After Tax (PAT): 34.3 crore taka
- Contribution to the Government Exchequer: 1,115 crore taka, which is 56.3% of Robi's total revenue for the quarter

Dhaka, 11 April 2021: Despite the heavy toll on financial performance caused by the impact of 2% minimum tax on gross revenue, Robi ended Q1'21 with profit after tax (PAT) of 34.3 crore taka. Having added 10 lakhs customers, Robi's subscriber base reached 5 crore 19 lakhs by the end of Q1'21. With 70.6% subscribers being internet users, Robi is leading the race towards digitalization in the industry.

Robi's total revenue in Q1'21 stood at 1,981 crore taka, which is 3.2% higher than the last quarter of 2020 and 1.7% higher than the same quarter last year. Robi's voice revenue declined by 4.2%, compared to same quarter last year, indicating growing onslaught of OTT platforms for making voice calls. Data revenue, on the other hand, grew by 8.5% compared to last quarter, and by 16.3% compared to last year's same quarter.

On the back of 6.4% growth, Robi's EBITDA stood at 811.7 crore at the end of Q1'21, compared to last quarter. Compared to the same quarter last year, EBITDA grew by 3.1%. Meanwhile, compared to last quarter, Robi's EBITDA margin increased by 1.2 percentage point (pp), and compared to the same quarter last year, it increased by 0.6 pp.

Robi contributed 1,115 crore taka to the Government Exchequer in Q1'21, representing 56.3% of the total revenue for the quarter. The company made 150.6 crore taka capex investment in Q1'21. Robi had 13,502 sites at the end of Q1'21, 100% of which were 4G sites.

Robi's Board of Directors has recommended an interim cash dividend at the rate of 3% of the paid-up capital of the company (BDT 0.30 per share of BDT 10 each). The decision was taken at the Board Meeting held on 8th April 2021. Robi's 25th Annual General Meeting is scheduled to be held on 12th April, 2021.

Commenting on the financial performance of the company, Robi's Managing Director and CEO, Mahtab Uddin Ahmed said: "We are very happy to note that all the financial performance indicators are heading in the right direction right at the beginning of the year. On the back of this positive momentum, we are very proud to declare an interim cash dividend. While we have registered PAT of 34.3 crore taka in Q1'21, we have observed that it is being held back significantly by the impact of the 2% minimum tax on gross revenue. Not just that, this unjust tax has also denied us the benefit of slightly reduced corporate tax rate (40%) offered to the listed telecom companies. It is more concerning that our general shareholders are being deprived of the value despite significant contributions to the bourses. We once again urge the authorities concerned to unshackle our business from this unjust tax."

Highlighting Robi's superlative 4.5G service, he added: "We are indeed proud to have been the first operator in the country to deploy 4.5G technology in all our network sites. Having acquired new spectrum in the recently concluded auction, Robi is now poised to provide stable high speed mobile internet thanks to its total network site and spectrum mix on per subscriber basis. With 70.6% of our subscribers being internet users at the moment, we believe, we are well on our way towards our goal of becoming the next generation digital champion."

Alluding to the regulatory roadblocks, Mahtab said: "Due to the long pending approval of DWDM equipment, we are still unable to make use of thousands of kilometers of fibre optic network which is critical to improving the quality of our service. In absence of effective SMP regulations, telecom market continues to be distorted and such anti-competitive market distortions will have strong negative consumer welfare implications in the near future".

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 ecosystem of the country. Be it urban or rural, people find their way to Digital Bangladesh through Robi.

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