

# Message from the Chair and the CEO

As a connectivity partner to this journey, we look forward to contributing more to unlock future Bangladesh by delivering on new-normal customer's needs.



Chair

**Mr. Jørgen C. Arentz Rostrup**



Dear Shareholders,

We have all been experiencing an unprecedented and challenging year due to the outbreak of Covid-19. Whilst the pandemic has had a tremendous impact on our socio-economic lives, it also brought our role as a connectivity partner to the fore when Bangladesh needed us the most. Our essential services were imperative for people to stay in touch, for businesses to continue their operations and for the society at large to continue to function.

In 2020, we have been agile in running our operations in the face of Covid-19 and resilient in tackling natural calamities ensuring our employee's safety. We are grateful to Government, regulators, authorities and development partners for their guidance and collaboration in devising a series of responses in aiding frontline health professionals, the most vulnerable members of our community, driving mass awareness and keeping our network up and running during the lockdown.

The Company reported a total revenue of BDT 139.6 billion, down 2.8% year on year from 2019. The de-growth in revenue can be attributed mainly to lower voice and interconnectivity revenues that were only partly offset by growth in data revenue. The decline of voice revenues by 7.2% was due to not only lower usage during the pandemic but also in part to the introduction of an additional 5% Supplementary Duty in the June 2020 National Budget. Data revenues, however, increased by 14.0% from 2019, on the back of a 1.7% increase in the number of data users and a data volume growth of 60.6% from 2019 volumes. The growth in data volumes has been attributed to the higher dependency on data connectivity due to the pandemic forcing millions of people having to work remotely throughout most of the year.

Net profit after tax (NPAT) for the year stood at BDT 37.2 billion with a margin of 26.6%. Earnings per Share (EPS) for 2020 was declared at BDT 27.54 against BDT 25.56 last year 2019, registering a 7.7% year-on-year increase. Despite a revenue de-growth of 2.8% from the 2019, Grameenphone has successfully added 3.4% to its customer base, closing the year with 79.0 million active subscribers, of which 41.3 million (or 52.2% of the base) are internet users.

Throughout 2020, we demonstrated operational resilience based on our solid financial foundation, customer centric approach and innovation in product and services. It is our pleasure to announce that the Board of Directors of Grameenphone Ltd. has recommended a final dividend for the year 2020 in cash at the rate of 145% of the paid-up capital (i.e. BDT 14.5 per share of BDT 10 each). With this, the total cash dividend stands at 275% of paid-up capital, amounting to 99.86% of Profit After Tax for the year 2020 (including 130% interim cash dividend).

In total the Company has contributed BDT 98.2 billion equalling 70.4% of total revenues, to the National Exchequer in the form of taxes, VAT, duties, fees, 4G license and spectrum assignment in the year of 2020. Total contribution to the Exchequer since inception until 2020 amounts to BDT 853.7 billion.

Committed to its role as a connectivity partner in the nation's digitalisation journey, Grameenphone has pressed on with its mobile broadband deployment with the rolling out of 14,000 4G LTE sites. In Q4'20 alone Grameenphone invested BDT 4.0 billion (excluding license & lease) for network coverage, to enhance its network with the total number of sites at the end of 2020 standing at 16,547.

Despite the challenges due to the global pandemic, Grameenphone has been able to pivot and extend its services to customers and, at the same time, expand on network capability thanks to the agility and innovation of the Grameenphone team. The Company had focused on developing organisational capability that has ensured that the successful operations with most of the employees working from home. Grameenphone also served a significant number of customers through digital platforms like MyGP during the lockdown.

As the Company grows it becomes more and more aware of the impact of its operations on the environment it operates in and continues to take steps to offset the impact of business operations on the eco-system. Grameenphone has taken responsibility of its operations by opting for optimisation of energy consumption and increasing use of renewable energy in its operations.

Through collaboration and dialogue, we have resolved several regulatory issues during the year. However, some of the regulatory challenges still remain. The government also, imposed new duties on the sector in June 2020, as a result of which customers now pay 33.25% as tax to the government for mobile phone usage.

Our focus in the year ahead will be to ensure Grameenphone's long-term sustainability as we continue to adapt to the challenges and opportunities of the Covid-19 environment. We believe that the Company is focused on the elements that will help it continue to offer better network experience, ensure growth, innovation, modernisation, and stand by the society through responsible business conducts. Bangladesh is celebrating 50 years of nationhood and aims to become a high-income country. As a connectivity partner to this journey, we look forward to contributing more to unlock future Bangladesh by delivering on new-normal customer needs. That commitment remains as is the commitment to deliver value to our shareholders and our customers.

As always, we are grateful to the Board of Directors for their wisdom and steadfastness, especially during this extraordinary period. We thank our Shareholders for their co-operation and support and remain grateful to our valued customers for their trust in our services.

Finally, our sincere thanks to the entire Grameenphone Management Team and the employees for the strength of their commitment and their ability to effectively pivot and perform in what has been a trying year.

We sincerely look forward to welcoming you to our 24<sup>th</sup> Annual General Meeting (AGM).

27 January 2021



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CEO  
Yasir Azman