



Grameenphone Ltd.: C-31531(652)/96 3rd Quarter 2020 Business Highlights

Recovering topline as economic activity resumes

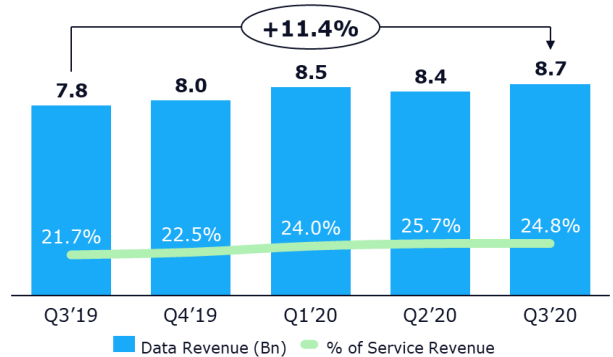
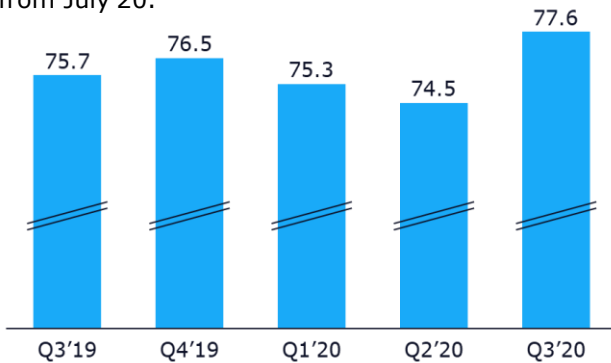
Grameenphone Ltd. (GP) reported a de-growth of 2.8% (YoY) in total revenue and a degrowth of 1.4% (YoY) in subscription & traffic revenue (excluding interconnection) for the third quarter of 2020. Data revenue grew by 11.4% (YoY) while total subscriber increased by 3.1 Mn for the same period. NPAT for the quarter was BDT 8.9 Bn.

Grameenphone reported a 1.4% de-growth in subscription and traffic revenues in the third quarter of 2020 compared to the same period last year. Following a decline of 8.1% reported in the previous quarter, the recovery in topline is attributed to the increasing economic activity in the third quarter in the COVID-19 pandemic situation.

The Finance Budget increased supplementary duty from 10% to 15% effective from 11th June'20. The BTRC issued SMP directives have come into effect from July'20.

Financial Updates: Recovering STR driven by growth in sub-base

Grameenphone reported revenues of BDT 35.6 Bn in the third quarter of 2020, registering a 2.8% de-growth YoY, impacted by the reduction in local call termination rate. Subscription and traffic revenues excluding interconnection declined by 1.4% from the same period last year due to de-growth in voice revenue, partly offset by growth in data revenue.

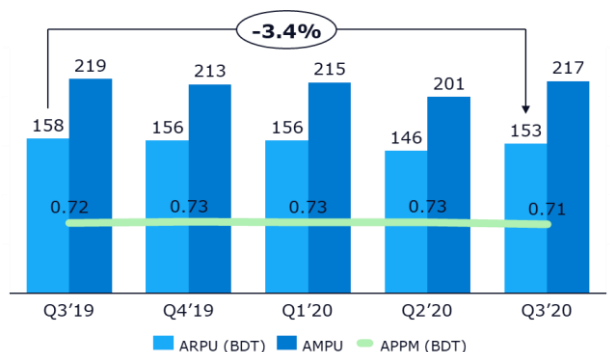
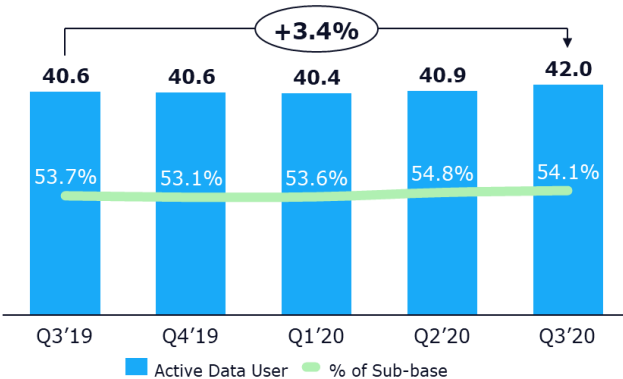


The operator ended the quarter with 77.6 Mn subscribers, registering an increase of 4.1% customers from the previous quarter.

Data revenue grew by 11.4% YoY, driven by growth in data ARPU of 8.0% and 3.4% increase in data users from the same period last year.

Service ARPU, AMPU, APPM and AMBPU

Service ARPU increased by 4.8% QoQ to BDT 153, mainly driven by higher voice minutes owing to gradual economic recovery. AMBPU grew by 46.5% driven by growth in 4G conversion.

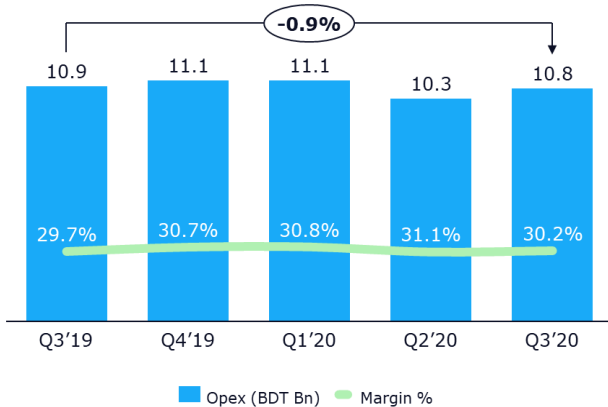


The number of data users increased by 1.1 Mn to 42.0 Mn at the end of the quarter, registering a growth of 3.4% YoY. APPMB grew from the previous quarter by 1.9%. Data ARPU grew by 7.8% to BDT 69 from the same period last year.

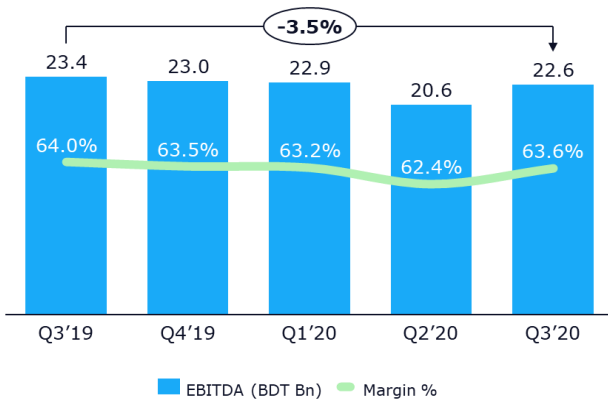
Grameenphone ended the third quarter with 17.8 million 4G users. The operator added 1070 new 4G/LTE sites, bringing 83.3% of the population under 4G/LTE coverage.



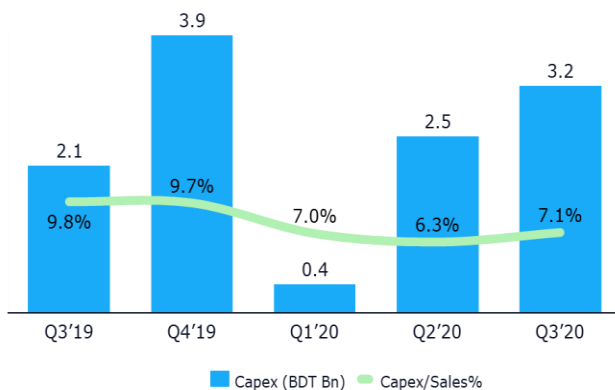
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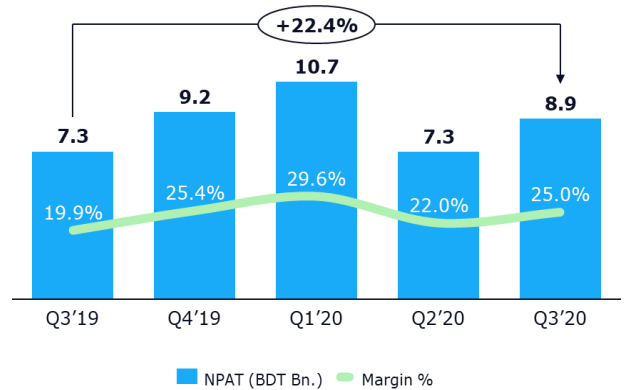
Operating expenses for the third quarter stood at BDT 10.8 Bn, registering a decline of 0.9% from the same period last year, while opex to sales ratio was reported as 30.2%.



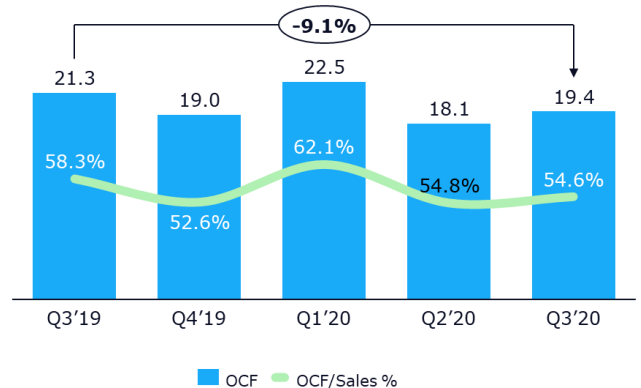
During the quarter Grameenphone added 1070 sites to their 4G network, reaching 11,421 total 4G/LTE sites. The total number of sites stand at 16,481 as of Q3'2020.



Net profit was reported at BDT 8.9 Bn, registering a growth of 22.4% from the same period last year; positively impacted by lower tax expense due to one off adjustment in Q3'20.



Operating cash flow for the quarter stood at BDT 19.4 Bn with margin of 54.6%, with a decline of 9.1% from the same period last year.



Grameenphone's assets at the end of the quarter stands at 150.1 Bn. Net debt to EBITDA stands at 0.06.

Regulatory Updates:

- We have been in meaningful consultations with our regulators and authorities and will continue constructive dialog on all matters.
- The regulator has approved the proposed agreement between GP and the Towerco on 18 Oct'20. As a result, GP will be able to start rolling out new sites under the new tower co framework.
- Due to the limited operation of the Courts as a result of the Covid-19 pandemic, the hearing of original Title Suit in the District Court, the appeal hearing in the Hon'ble High Court Division, and the further hearing on the Review Petition in the Hon'ble Appellate Division has not taken place.