

Grameenphone Limited (DSE: GP)	
Current Price (21/8/2014)	330.30
Total Number of Share (Mn)	1,350.30
Free Float (%)	10%
Forward PE* – GP	21.04x
Trailing PE* – GP	22.08x
Forward PE – Telecommunication	21.79x

*Based on latest earning disclosure

Particulars (BDT mn)	2012	2013	HY, 2014** (Unaudited)
Revenue	91,920	96,624	51,123
Operating profit	33,675	33,199	19,358
Net Profit after tax	17,505	14,702	10,601
Total Assets	117,665	135,221	132,930
Total equity	35,458	31,141	34,990

** Year ends on December 31

Growth	2012	2013	HY, 2014
Revenue	3%	5%	8%
Net Profit After Tax	-7%	-16%	108%

Per share (BDT)	2012	2013	HY, 2014
Restated EPS	12.96	10.89	7.85
Book Value Per Share	26.26	23.06	25.91

Others	2012	2013	HY, 2014
Operating Profit Margin	37%	34%	38%
Net profit Margin	19%	15%	21%
Return on Assets (ROA)	15%	12%	8%
Return on Equity (ROE)	47%	44%	32%
Stock Dividend	-	-	-
Cash Dividend	140%	140%	95%

No. of Subscribers (mn)	2012	2013	HY, 2014
GP	40.02	47.11	49.23
Banglalink	25.88	28.84	29.75
Robi	21.04	25.38	24.02
Airtel	7.05	8.27	8.54
Others	3.19	4.19	5.01
Total	97.18	113.78	116.55

Source: DSE, BTRC, Financial Statements of Grameenphone Ltd., Research, IDLC Investments Ltd.

Terminologies

Free Float : % of total shares not owned by Sponsors/ Directors, and Govt.

Forward PE: Based on Annualized Earnings of the latest declared quarter

Trailing PE: Based on Latest 12 Months Earnings

Company Profile

Grameenphone Limited (GP) - the largest telecom operator of Bangladesh was incorporated back in 1996. Currently the company caters to around 49.2 million subscribers, capturing approximately 42.2% of the market.

Telenor Mobile Communications AS and Grameen Telecom hold 55.8% and 34.2% common share respectively, while public & other institution hold the remaining 10.0%. The company had a fully owned subsidiary namely GPIT, which provides IT services to GP and other external customers. 51.0% share of GPIT is now transferred to Accenture PLC, a world-renowned group in the ICT and outsourcing sector.

Key Revenue Drivers & Company Insight

For Calendar Year 2013, 96.0% of GP's revenue came from voice services, while the rest came from Non-mobile revenue- data, handset and others. The company has acquired 10 MHz of 3G spectrum in September 2013 to provide improved data service to its clientele.

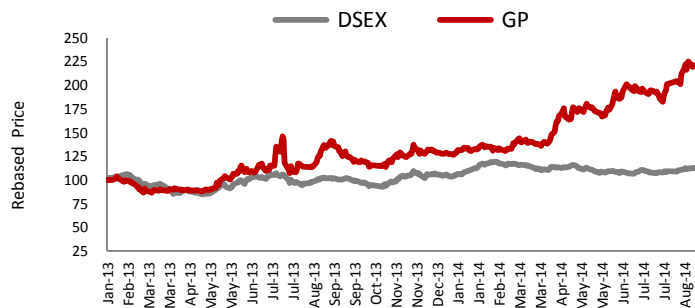
The subscriber base of voice market is currently growing at around 12.0-15.0% while much higher growth can be achieved from voice business. GP is investing heavily to develop local contents as well as working on redesigning service package to acquire data market share. The company has already covered all the district headquarters and is expected to cover the remaining areas of Bangladesh within the next two and half years.

Financial Performance

Backed by new customer acquisition, increased usage and amplified competitive offers, revenue grew 5.1% in 2013. However, increased Opex, declined Operating Profit Margin to 34.0% from that of 37.0% in previous year. Meanwhile, NPAT Margin declined sharply to 15.0% from that of 19.0%, due to one-off retrospective tax adjustment, caused by increased corporate tax rate from 35.0% to 40.0% in June 2013.

Notably, the company returned its normalized financial level within HY, 2014 and revenue and NPAT grew by 8.0% and 108.0%, respectively on a YoY basis.

Recently, the company has reported profit after tax of Tk. 10,601.27 million with EPS of Tk. 7.85 as against Tk. 5,103.84 million and Tk. 3.78 respectively for the same period of the previous year.



Source : DSE; Research, IDLCIL

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