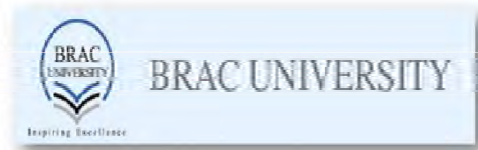


2018

Robi Axiata Limited





# RISK ANALYSIS OF ROBI AXIATA LIMITED

By

**Noushin Sharmin**

ID-14304059

*Thesis submitted to the School of Business Administration, BRAC University, in fulfillment of the requirement for the degree of Undergrad.*

*December, 2018*

## Letter of Transmittal

15<sup>th</sup> December, 2018

N.M Baki Billah

Lecturer, BRAC University

### **Subject: Submission of Internship Report, Fall'2018**

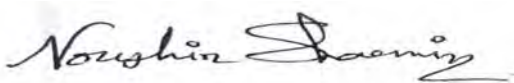
Dear Sir,

I would like to submit my Internship Report on “**Risk Factor analysis of Robi Axiata Limited**” which you have assigned me to do so. This Internship helped me to portrait our knowledge in this paper. I am sincerely grateful to every individual in this company and those people who shared their knowledge and gave us suggestions and you, as you assigned me to work on this topic, I would be able to gain some knowledge. Sir, I would be very happy if you read and analyze my report carefully and I will try my best to answer all your questions regarding this assignment.

I hope that you will excuse our minor errors. In any case, on the off chance if you want to decipher this task, please get in touch with me.

Thank You

Obediently,



---

Noushin Sharmin

14304059

BRAC Business School

## Letter of Endorsement

This is to ensure that Noushin Sharmin, ID: 14304059, BBA Program, BRAC University has worked on this report and the title of the report is “Risk analysis of Robi Axiata Limited” to meet the requirement of internship program. This report is the final internship report and I acknowledge that.

I wish her a very prosperous career and life ahead.

N.M Baki Billah

Lecturer, BRAC Business School

BRAC University

## Acknowledgement

Around the beginning I am especially grateful to Almighty Allah for giving me quality and opportunity and sound identity to complete the impermanent activity report. Generally practice to thank all those people who added to the errand that one needs to achieve and I see no inspiration to change this custom. I have gotten never-ending help and heading in preparation of this report from different sources. I should need to acknowledge this open way to express profound gratitude to them all.

At first, I get the chance to offer thanks toward Career Service Office, BRAC University and Robi Axiata Bangladesh Constrained for allowing me to encounter the passage level position program. My plan of passage level position program was at Head Office of Robi Axiata Bangladesh Limited. Likewise, the successful culmination of this Internship Report has made me grateful to different individuals, especially the people who put aside chance to share contemplations and points of view to set up a convincing report. For the productive fulfillment of my report I should need to thank and pass on my certified thankfulness to my respected Advisor Mr. N.M Baki Billah, Lecturer, BRAC Business.

School, BRAC University, for giving noteworthy appeal, proposition and inspiration to complete the report appropriately and I may in like manner need to express my certifiable appreciation for his wholehearted help and bearing. While doing the report, I needed to take the help and direction of some regarded people who merit my most noteworthy appreciation. The finish of this report gives me much joy. I might want to demonstrate my appreciation towards Mr.Salah Uddin (IOT Product Innovation, Digital administrations) for giving me great rules on the report all through various discussions and I might likewise want to extend my most profound appreciation to every one of the individuals who have straightforwardly and by implication guided me in composing this the report.

## Executive Summary

Convenient advancement is before long giving distinctive unobtrusive courses of action in people's regular day to day existence. The regular thinking of interfacing people through mobile phone is far behind in relationship with the current circumstance. Information advancement engages telecom associations to give budgetary courses of action with an extraordinarily decrepit and viably open access to satisfy customers, which was earlier costly and not accessible somewhat. This report is sorted out dependent on my three-month practical inclusion with Robi Axiata Restricted. This transitory position program helped me to get some answers concerning the sensible circumstance of a Media transmission Company. Robi Axiata Limited is a dynamic and driving countrywide GSM correspondence game plan provider. It is a joint undertaking association between Axiata Group Berhad, Malaysia and NTT DOCOMO INC, Japan. Robi Axiata Limited, in the past known as Telecom Malaysia International (Bangladesh), started its assignment in 1997 under the brand name Aktel among the pioneer GSM flexible communicate specialized authority centers in Bangladesh. A while later, on 28th March 2010 the association started its new voyage with the brand name Robi.

As I have finished my report dependent on the hazard factor investigation of Robi Axiata Limited, I will talk about the key components behind hazard in each important territory all through the report.

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## **Organizational Overview:**

Robi Axiata limited is a subsidiary of Axiata Group in Asia which has 290 million people working for it in eleven countries. Axiata Group aims to be another age media interchanges provider by 2020. Axiata offers an assortment of imaginative modernized organization.

### **Thing/advantage Offering**

Robi is known as the most interesting and rapidly creating digital platform in Bangladesh is developing its organizations to address customers' issues in voice, quick web organizations. It offers a broad assortment of significant worth including things and organizations, for instance, SMS, GPRS, EDGE, international Roaming SMS setting aside some cash, guest ring back tone, MMS, Voice Greetings, Call Blocking. Robi has the broadest Global Roaming among all of the managers in Bangladesh.

### **Vision**

Vision of Axiata in 2015 was " Axiata's Vision is to be a regional victor by dealing with the best all through the region in system, advancement of people, going along with them towards a singular target: 'Pushing Asia'. Robi's plans to give the best quality organization to its customers all over Bangladesh. Robi makes unquestionable organizations with adjacent flavor to remain close to the hearts of its customers. Their vision is to be the pioneer in the media transmission industry of Bangladesh.

### **Mission**

To achieve the vision Robi aims to cover the whole country with their framework system setting up customer based platform.

### **Reason**

"Connecting with you". Robi delineate it like this-"We are there for you, where you require and in the way in which you require, with the true objective to empower you to make, build up what's more advantage however much as could reasonably be expected from your lives through our organization.



❖ **Different Division of Robi Axiata Limited**

<b>Finance</b>	
<b>Tech</b>	<b>Digital Services</b>
<b>Marketing Operations</b>	<b>IT</b>
<b>Supply Chain Enterprise Market Operations</b>	<b>Human Resource</b>
<b>Corp. Strategy</b>	<b>Regulatory</b>

❖ **Different Products & Services:**

<p><b>Pre-Paid</b></p> <p><b>Post- Paid</b></p> <p><b>Internet Packages- Volume Packs, Social &amp; Streaming Packs, Bundle packs</b></p> <p><b>Digital Solution- iflix</b></p>
---

❖ **Major Subsectors include:**

Local Wireline Exchange Companies	Long Distance Carriers	Wireless Carriers	Cable System Operators
Call Tower Owner/ Operators	Direct to home satellite		

# Research: Chapter One

## 1.1 Introduction to the Report/Study

The analysis has been coordinated on the cash related part of Robi Axiata Limited, which is one of the principle telecom association in Bangladesh. In addition, this report contributes towards the completing internship program, which is an essential part of Bachelor of Business Administration degree from BRAC University.

## 1.2 Rationale of the study

This report has been targeted towards analyzing various risks that Robi Axiata Limited might face which are Business risk, Operational risk and Financial risk. Any media transmission Company requires the learning about the components that are considered as hazard in each explicit region and this report contributes such data that an organization ought to know about. Likewise, this report furnishes with fundamental discoveries to encourage the organization and its workers to have the capacity to accomplish and also fulfill the market.

## 1.3 Scope and delimitation of the study

- ❖ The scope or delimitation includes the workers who deal with Business Model Development as well as Finance Division since it helps determine control over various aspects, all the employees are interlinked.
- ❖ This research is based on Cause and effect research where the causes or factors of risks have been discussed which impact on various aspect of Business and Finance Department.
- ❖ The risks that are discussed in the report provides with detailed factors that might cause risk to the company.

## 1.4 Objective of the Report

Bangladesh has started focusing on digitalizing for betterment and upgradation of future generation. In this aspect one of the most renowned Telecommunication companies “Robi Axiata Limited” has maintained its reputation over the years. Here are the objectives of this study:

- ❖ To analyze the risk management of Robi Axiata Limited mainly.
- ❖ To have the basic finding about how Robi Axiata Limited works.
- ❖ To achieve insight about the factors that affect telecom industry.
- ❖ To provide analysis of leaning, experiences about the limitation faced in the work.

## 1.5 Limitation of the Report

Regardless of the way that I have gotten tasteful co-action from my executive and all the related laborers of Robi Axiata Limited, a huge segment of the records were private, with which I worked. Therefore, it was to a great degree troublesome for me to give bare essential information on about my work as an understudy at Robi Axiata Limited. Despite that, I should need to include the path that since I was certainly not supplied with grouped work as I was an understudy.

## Chapter Two: Methodology of the Study

### 2.1 Type of Research: Causal research

Causal Research has another name called logical research can be directed to evaluate effects of explicit changes on what has been existed before. Investigation is the most well-known essential information with the help of causal research technique. In this particular report the topic is regarding risk analysis of three different companies and therefore the factors behind risk are considered as causes and the impact due to risk is considered as effect.

### 2.2 Research method: Secondary Data

It basically enables people to identify the problem by collecting data. The main researcher proceeds to focus on primary research on particular area. It is also less time consuming.

### 2.3 Sources:

#### Primary Sources:

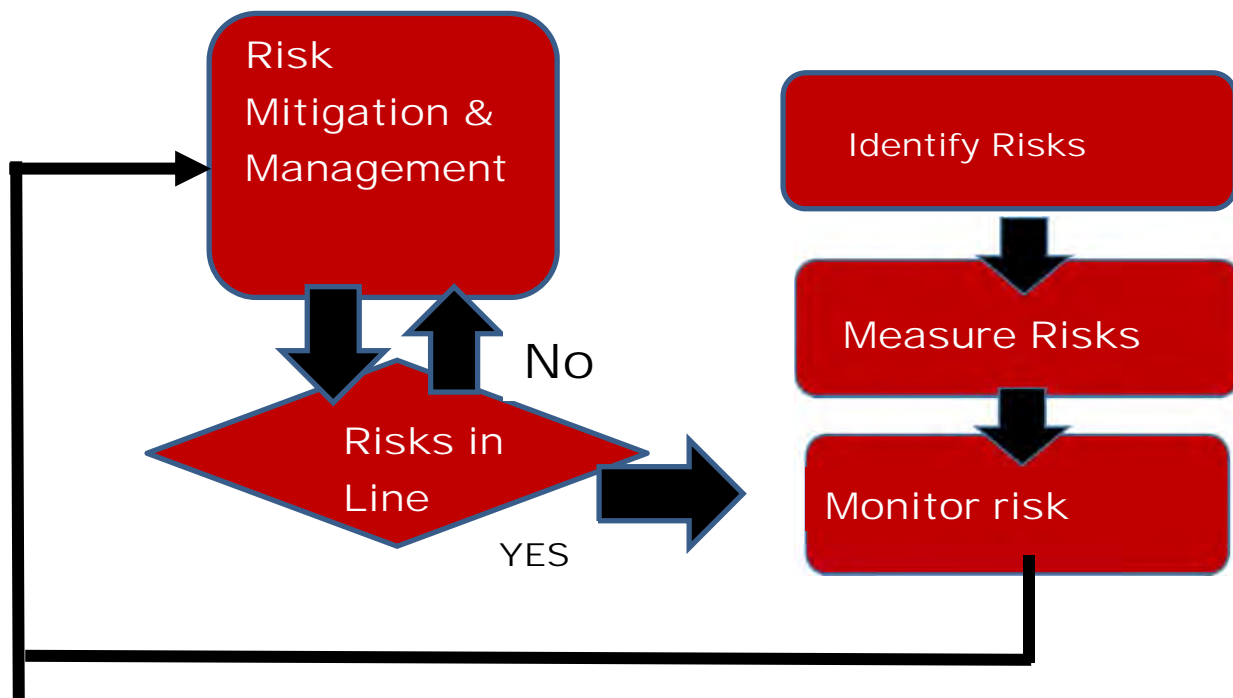
- ❖ Face to face conversation about relevant information.
- ❖ Observation at work

#### Secondary Sources:

- ❖ Company Websites
- ❖ Online articles

## Chapter Three: Risk Analysis of Robi

### Risk Drivers



Institute, C. (07/2017). 2018 CFA Program Level I Volume 4 Corporate Finance and Portfolio Management. [VitalSource]. Retrieved from <https://bookshelf.vitalsource.com/#/books/9781944250621/>

### 3.1 STEP ONE: IDENTIFY RISK

I would like to highlight the names of few risks which are important to be brought up according to the educational knowledge I have gained in four years of Undergrad as well as with the help of secondary research. In addition, the risks are analyzed here with the help of breakdown of risk factors.

The risk that I found which is applicable to Robi Axiata limited is shown below:

**Category of Risks**



**3.1.1 INHERENT RISK/ Specific Company Risk**

- ❖ Rural connectivity is minor concern

We have established network throughout Bangladesh, yet despite that fact that the service 4.5G has been provided, we still are lagging behind to enjoy the 4.5G service in few areas/ regions. People in rural area face it the most where anybody using Robi is supposed to enjoy 4.5G service equally.

#### ❖ Challenge in supporting high configuration smartphones

This is the generation of smartphones, People hardly use non-smartphones. In fact people are continuously seeking for the best technology all the time because it does not make any difference whether one has smartphone or not. Rather nowadays it has been become a fact that one with the highest configuration smartphone makes a difference. People need to operate their phones fast and so they need data to support high tech smartphones.

Example: Windows Phone has a great demand in the market and to support it user needs supportive data service in order to operate like pro.

#### ❖ Unknown/ non-visualized competition

There are few competitors in the market which we do not acknowledge usually. Apart from companies in Telecommunication Industry there are market leaders which do not even belong to telecom industry.

Example: WhatsApp, Snapchat, Facebook messenger they provide 0 call rate while talking to any person sitting in any corner of the world.

#### ❖ External dependency

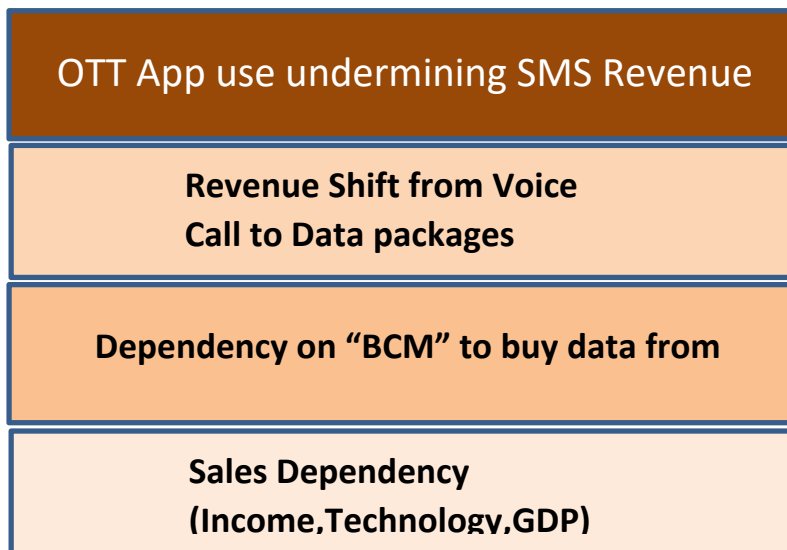
Robi has been partnered with external parties to run the operation and any mistake or malware issue within or externally may happen. In addition, any restriction from external party may affect the business.

### 3.1.2 Business Risk

According to Standard and Poor Ratings Services for modern organization like Robi Axiata limited including media transmission, link, and satellite communication. The first is business risk investigation. Here the investigation will be in light of the fact that it has several underpinnings and qualities:

- Revenue got principally from client supporter expenses.
- It works with electronic transmission foundation which results in worldwide monetary development and business and social interconnectivity (globalization)
- Growth openings that business and money related hazard regularly go with.
- Extensive introductory capital interest in electronic correspondence framework

We analyze business risk in five categories:

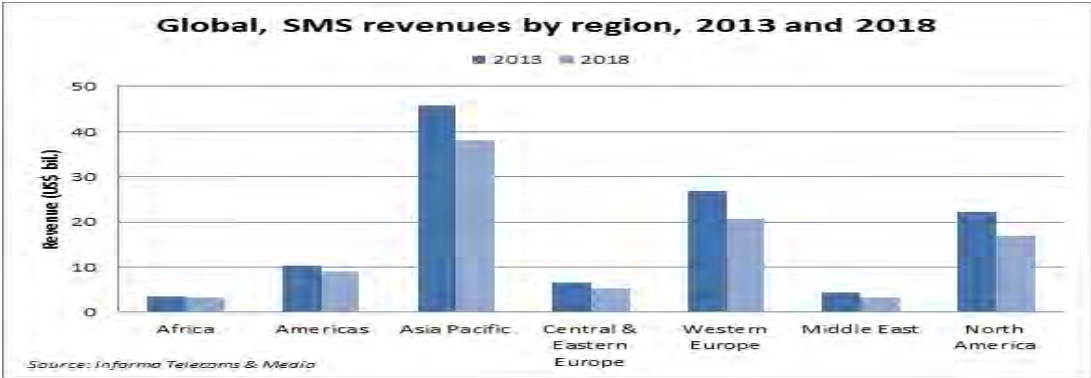


### ❖ OTT App use undermining SMS Revenue

By region, Asia Pacific has been forecasted to experience the highest drop in annual SMS revenues over the forecast period. According to Informa’s World Cellular Revenue Forecasts 2012-2018, it is falling from US\$45.8bn in 2013, to US\$38bn in 2018. The decline in global SMS revenues will mostly be caused



by the continuing adoption and use of over-the-top (OTT) messaging applications in both developed and emerging markets.




Source: Informa’s World Cellular Revenue Forecast

❖ Revenue Shift from Voice Call to Data packages

As the data revenue has been shown below in case of Robi Axiata Limited, we can see that most of the total revenue that Robi has earned came from data revenue last year in 2017.

We can also see that the growth of data packages has been increased over last three years which can put demand for voice call at risk in near future and huge portion of total revenue might be at stake.

Data Revenue Growth			
Year	2015	2016	2017
% of Total Revenue	9.70%	38.90%	89%



Source: Annual Report- Axiata Group

❖ **Dependency on “BCM” to buy data from**


Telecommunication expense management tools tell organizations about how they use and pay for a variety of communications technology. Communication System can be done through the enterprise data network. Robi does purchase data from this enterprise to provide the data services to its customers as it is customer based service and heavily focused on data packs. Therefore, if any regulatory issue occurs which might not ensure the sufficient data to fulfill the customer demand, then it will fail to run the business in near future because the business is heavily dependent on the data services.

❖ **Sales Dependency (Income, Technology, GDP)**

### Income (Higher Income, Higher Sales Risk)

Sales is highly dependent of per capita Income in Bangladesh. In order to satisfy the consumers as they will be earning more and spending more, therefore Robi needs to provide services supported to high tech phones or computers.


INCOME GROWTH		
Year	2017	2018
Per Capita Income(USD)	\$1,610	\$1,751



### GDP (Higher GDP, Higher Sales Risk)

Sale is also dependent on GDP. As GDP has increased in last two years, therefore, Robi might need to invest a lot to upgrade higher data packs and network services since people can afford to higher services with more than enough satisfaction.

GDP GROWTH		
Year	2017	2018
GDP(%)	7.28%	7.86%



### Technology (Greater Technology, Higher Sales Risk)

According to a blog in The World Bank Website named “A tech revolution helps Boost Bangladesh’s Development”:

E-Education is an online social platform which provides tools to traditional teacher as training methods. Over 70% of the 222,695 teachers who belong to the portal have been trained to operate classrooms.

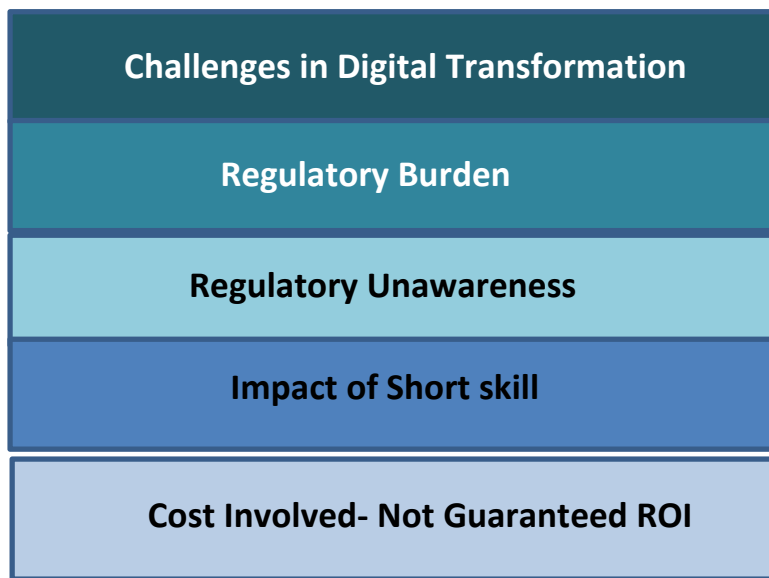
As Technology is being upgrading day by day, it will be tough to grab the market due to uge competition in the industry and sales might fall if Robi fails to meet consumer needs.

## 3.1.3 Operational risk

Over the past 30 years, rapid technological and regulatory change resulting in a market increase in industry complexity, competition (The rapid development of wireless services has spurred), capital, spending and leverage has transformed the sector. Telecom and cable also compete head to head in the

rapidly growing internet-access business. The rapid evolution has been great for consumers and business customers in Bangladesh, with much improved cost, availability, functionality, and quality of services.

Category of Operational Risk



### ❖ Challenges in Digital Transformation

In Bangladesh companies especially Telecommunication Companies have taken step to turn its market into different dimension where it changed everyone's perception about consuming a product or service and we call this change "Digitalization". However, developing countries like Bangladesh is still lagging behind in terms of technology and whether people are ready to experience this change or not.

There are few challenges that Robi has faced from the time when digitalization has taken place in the market:

- **Difficulties in Vehicle Tracking Solution:**

Telecommunication companies like Robi has already become dependent on the technology and to carry the technology, they need machines to process. In order to track information regarding these machines has become a challenge due to lack of resources available to them.

- **Insufficient Developer Resources**

Developers are the key factor behind every other technological invention to meet the needs for upcoming generation and so developers working for robu are continuously trying to give the best solution on their own. However, due to insufficient resources that developers may need. For Instance, to create an application by which they can contribute to the society.

- **Lack of sufficient funding**

To meet the increased demand of consumers in completely digitalized world, Robi needs enough funding to fulfill all the expected or unexpected needs that might be raised in the near future.

- **Smart Device Unavailability**

In Bangladesh, about 40% of population can are capable of using smartphone in which the applications or digital services can be functioned which is less than half of the population. This challenge is mostly responsible for not availing the services of robu which results in unsatisfactory Return on Investment (ROI)

- **Greater Illiteracy Rate**

We all are aware of the fact that in developing counties specially Bangladesh the illiteracy rate is quite high which means they are not aware of the features of a smartphone or do not understand them because Smartphones can only understand English. Illiterate people are incapable of understanding English as well as how a smartphone function.

## ❖ **Regulatory burden:**

Control is a key hazard for telecom administrators in settled wire and remote, and in addition link and broadband. Control has not vanished in any nation. Government supervision of telecom framework and administrators' advancement, and making administration accessible all through the business and customer economy at reasonable rates. Real territories of government direction include:

- Sale and restoration of licenses: The cost at which licenses are sold can be a noteworthy issue and weight for administrators. While licenses can be a vital wellspring of government income, setting cost too high can be a weight on the business.
- Tariff control is a key thought, since it directly affects incomes, money age and credit-insurance measures. Expenses are charged to clients, government-set estimating for contenders access to arrive wire, remote, and broadband systems.

### ❖ Regulatory Unawareness:

- Government policy has not been established as Digital Ecosystem Friendly due to:
- Not giving tax incentive to beginners or entrepreneurs who are capable of creating Service applications for Android or IOS.
- Entrepreneurs failing to make an effort in digitalizing the country with lack of resources to develop digital Services.

### ❖ Cost Involved- Not guaranteed ROI:

Robi Axiata limited needs to consistently ensure the reliable network and upgrade the network due to increase in consumer demand for faster mobile broadband access over time. For an example,

To be advertised as 3G network, it is required to meet a set of technical standards for speed and reliability, and must offer peak data transfer rates of least 200 kilobits per second. On the other hand, to be advertised as 4G, a network must offer peak data rated for highly mobility communication (users in cars, trains)

Each new generation of wireless broadband typically requires your phone providers to make upgrades on their towers and so requires you to upgrade your phone. A 3G network cannot communicate through a 4G network, a 4G can communicate through a 3G or even 2G network.

Therefore, Robi needs continuous investment to upgrade its technology and to fulfill every new generation's demand to be sustained in the market and to keep its position on the top which results in greater cost. Unfortunately we cannot predict whether it will be able to compete with competitors' quality of service and might fail and its ROI is never guaranteed.

### ❖ Impact of Skill Short

#### **Lack of investment in R&D:**

Robi has comparatively less investment in 'Research & Development' Department which is the most necessary segment to digitally function in the near future. In order to come up with such technology that

we are aiming at to compete with other telecommunication companies worldwide, Robi requires greater investment in R&D Sector to keep fulfilling consumers' need.

### **Additional Cost to educate Developers**

Robi usually looks for developers throughout the country specially who are in their universities or in big enterprises to develop products so that Robi can provide essential and appropriate services to the consumers. However, it takes huge investment to initially educate these ordinary people so that they can establish proper service for the consumers. Rather Robi requires R&D to establish service in a short period of time instead of wasting too much effort to educate people to establish that.

### **Licensing Cost to avail any better service:**

Robi consists of such products where they need to ensure the best technology or the best features to satisfy consumers' needs as well as to compete with other companies. Therefore, they might have to invest money in importing any technology or feature from foreign established brands in other countries which might be a big amount due to licensing cost.

## **Chapter 4. Measure Risk/ Financial Risk**



**Credit Risk Characteristics**

**Profitability Analysis**

## **4.1 Credit Risk Characteristics**

Broadly, the lower the factors in industry danger, the higher the potential rating on association in that position. Despite of the fact that a higher risk industry profile does not convey the rating, it is a risk to a firm in a higher risky division to demonstrate the benefit quality. We score th key business factors as being: High risk (H), medium/high peril (M/H), medium danger (M), low/medium peril (L/M), and alright (L).

**Some key Industry Characteristics & Drivers of credit Risk**



Drivers of Credit Risk		Telecom Wireless	Telecom Wireline
Industry Dynamics & Competitive Environment	Ease of Entry	H	M/H
	Product Cycle	H	M/H
	Level of Product Quality	H	L
	Competition	M/H	M/H
	Pricing Inflexibility	M	H
	Business Model Stability	M/H	L/M
	Demographic Trends	M/H	H
Growth & Profitability	Growth Outlook	M/H	H
	Profit Margin Pressure	M	H
	Earnings Volatility	L/M	M/H
Operating Consideration & Costs	Technological Risk/Change	H	M
	Cost efficiency	M	M/H
	Operating Leverage	M/H	M
	R&D Costs	L	L
	Raw Material Cost Sensibility	L	L
	Labor Cost	L/M	M
	Environmental Impact/Costs	L	L
	Marketing Costs	H	M
	Customer Concentration	L	L
	Supplier Concentration	L/M	L/M
	Risk Management	L	L
	Financial Market Sensitivity	L	L
	Event Risk sensitivity	L/M	L
Capital & Financing Characteristics	Capital Intensity	H	H
	Borrowing Requirement	M	M
	Interest rate sensitivity	L	L
Government, Regulatory & Legal Environment	Regulation	M/H	M/H
	Government/ Social Policies	L/M	M
	Legal Risk	L	L

## 4.2 Profitability Analysis:

Profitability depends on:

- Price differential with mobile.
- Degree of Operating leverage/ flexibility
- Operating Efficiency
- Regulatory constraints
- No of competitors

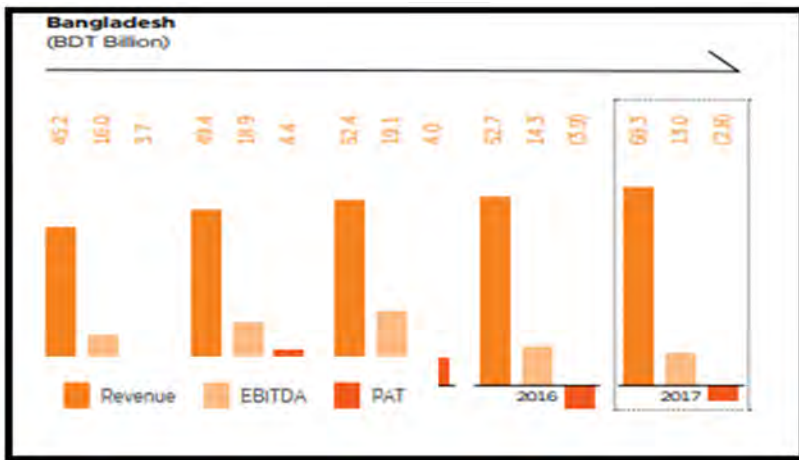
Here Subscriber growth rate, Revenue, EBITDA & Profit after tax are given:

Year	2015	2016	2017
Subscriber Growth rate	12%	19.50%	27%

Year	2013	2014	2015	2016	2017
Revenue(BDT Billion)	45.2	49.4	52.4	52.7	68.3

Year	2013	2014	2015	2016	2017
EBITDA(BDT Billion)	16	18.9	19.1	14.3	13

Year	2013	2014	2015	2016	2017
Profit after Tax(BDT Billion)	3.7	4.4	4	-3.9	-2.8



### Interpretation over last three years

#### 2015

- Bangladesh revenue increased by 25.8%, it was driven by increase in data and device bundle packages.
- The revenue growth also positively impacted EBITDA, which generated an increase of 21.2%.
- PAT expanded 8.1% due to higher EBITDA and partly being offset by higher depreciation arising from capital expenditure and higher net finance costs in 2015.

#### 2016

- Data revenue growth was due to focused investments in networks well as innovative affordable data offerings to drive 3.5G and 2.5G data usage.
- EBITDA margin was lower by 19.5% due to one-off merger related fees and changes.
- Due to sustained investment in its nationwide network modernization, Robi was lagging behind of expected profitability in 2016.

#### 2017

- It continued focusing on effective strategies to drive growth which included innovative product offerings, an effective dual brand strategy and superior data network experience.
- Robi achieved strong revenue growth of 30% to 68.3 billion, with data revenue growth of 89%, driven by smooth post-merger nationwide network integration and innovative data offerings.
- EBITDA margin stood at 19% impacted by higher network operating costs and intense price competition.
- It recorded net loss after tax due to network modernization, high regulatory cost, sector specific taxation, and one-off adjustment.

- Robi invested BDT 24 billion in the expansion of its 2.5/3.5G network and 4G readiness.

## Chapter 5. Findings of the Report/Monitor Risks

Robi is highly competitive business requiring experienced and successful management to have a strong mix of:

- **Profitable network/services development** Robi faced challenges to make profit with upgraded network.
- **Operating efficiency/ Cost control** where additional cost such as licensing cost of technology or cost of educating App developer add to total expenses and might incur net loss after tax.
- **Dual Marketing Brand Development** where the marketing strategy of Robi & Airtel has not been applied equally.
- **Need of Diversified Telecom** Robi is still working on establishing network regardless of geographical location
- **Huge Competition in the market:** Robi has an active competitor GP and also so many unknown players in the market like WhatsApp, Snapchat, Facebook Messenger.
- **Never ending challenges** in providing customers with reasonable and profitable data packages at the same time.

## Chapter 6. Recommendation/ Risk Mitigation & Management

### Diversified Telecom:

- Ability to invest in geographical location and quality of reception with monitoring of network coverage.
- Investment in technology for high quality multimedia.
- Huge investment in Research and Development to come up with innovative products so that they need to put a lot of money to educate the developers.
- Ability to come up with better service plan structure so that pricing and bundling are appropriate.
- Need to provide revenue growth from new subscribers, decline of roaming fees with essential positioning and advertisement to highlight attractive data packages and offerings.
- Effective marketing and sales with strong record in capturing new customers and existing customers.

### Operating Strategy, Performance and efficiency:

- Average revenue per use (ARPU)
- Minutes of use (MOU)
- Revenue generating units (RGU)
- Average customer chum (monthly)
- Cash Cost per user (CCPU) Average monthly cost of serving subscribers.
- Cost per gross subscriber addition (CPGA) Average cost of signing up.
- Marketing and advertising spend.
- Capital expenditure ( Annual dollar and percentage growth)
- CAPEX/Sales
- Operating Margin- Operating Income/ Sales
- Return on asset (ROA)
- FFO/Sales

## Conclusion

Moving into 2019, Robi is planning to proceed with the usage of effective double brand techniques of Robi and Airtel. Robi has already started digitalizing each part of its business, having received the Modern, Agile and Digital hierarchical culture as an empowering agent.

Robi will keep extending its arrangements of associated administrations, for example, Cloud arrangements in the Enterprise business fragment.

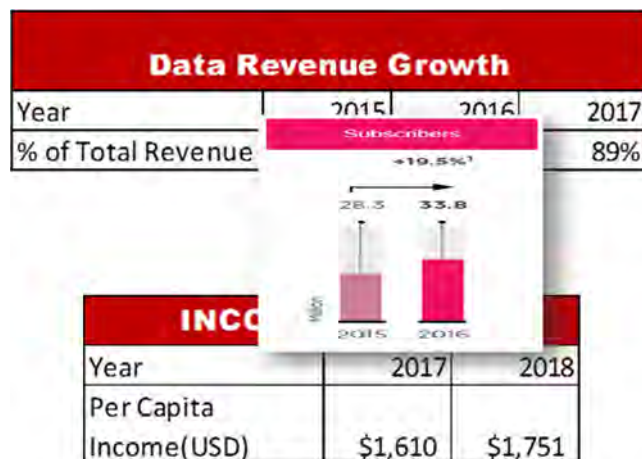
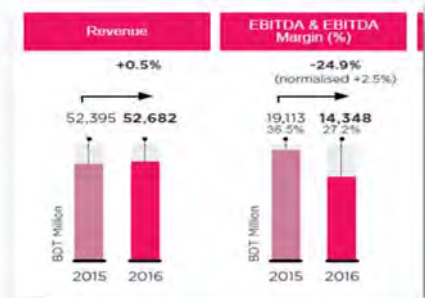
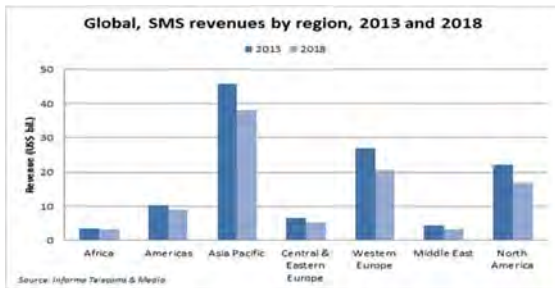
Throughout this report the risks and the management of those risks have been discussed and I hope this report will contribute huge portion of company analysis to each and every employee that work for it.

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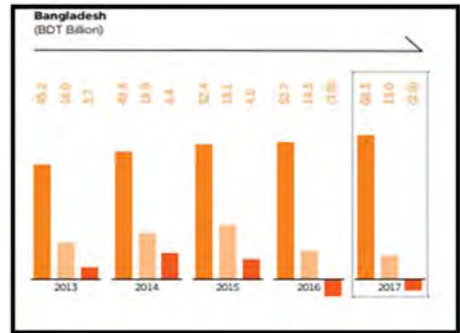
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## Appendix





GDP GROWTH		
Year	2017	2018
GDP(%)	7.28%	7.86%



Drivers of Credit Risk		Telecom Wireless	Telecom Wireline
Industry Dynamics & Competitive Environment	Ease of Entry	H	M/H
	Product Cycle	H	M/H
	Level of Product Quality	H	L
	Competition	M/H	M/H
	Pricing Inflexibility	M	H
	Business Model Stability	M/H	L/M
	Demographic Trends	M/H	H
Growth & Profitability	Growth Outlook	M/H	H
	Profit Margin Pressure	M	H
	Earnings Volatility	L/M	M/H
Operating Consideration & Costs	Technological Risk/Change	H	M
	Cost efficiency	M	M/H
	Operating Leverage	M/H	M
	R&D Costs	L	L
	Raw Material Cost Sensibility	L	L
	Labor Cost	L/M	M
	Environmental Impact/Costs	L	L
	Marketing Costs	H	M
	Customer Concentration	L	L
	Supplier Concentration	L/M	L/M
	Risk Management	L	L
Financial Market Sensitivity	L	L	
Event Risk sensitivity	L/M	L	
Capital & Financing Characteristics	Capital Intensity	H	H
	Borrowing Requirement	M	M
	Interest rate sensitivity	L	L
Government Regulatory & Legal Environment	Regulation	M/H	M/H
	Government/ Social Policies	L/M	M
	Legal Risk	L	L

Year	2015	2016	2017
Subscriber Growth rate	12%	19.50%	27%

Year	2013	2014	2015	2016	2017
<b>Revenue(BDT Billion)</b>	45.2	49.4	52.4	52.7	68.3

Year	2013	2014	2015	2016	2017
<b>EBITDA(BDT Billion)</b>	16	18.9	19.1	14.3	13

Year	2013	2014	2015	2016	2017
<b>Profit after Tax(BDT Billion)</b>	3.7	4.4	4	-3.9	-2.8