

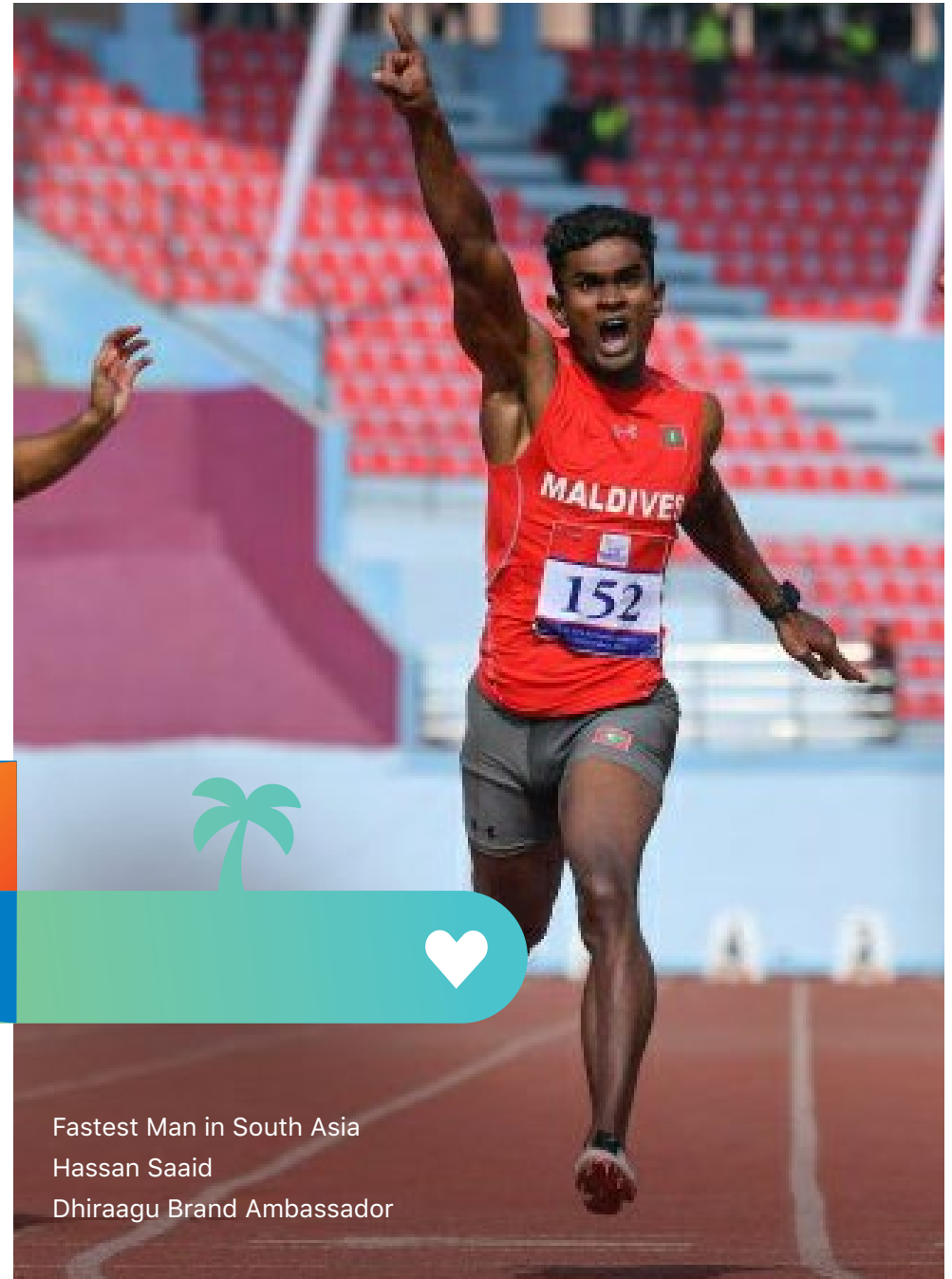


**dhiraagu**

# Fourth Quarter Report

October - December 2019

Dhivehi Raajjeyge Gulhun PLC  
[www.dhiraagu.com.mv](http://www.dhiraagu.com.mv)



Fastest Man in South Asia  
Hassan Saaid  
Dhiraagu Brand Ambassador



Dhiraagu is the leading digital and telecommunications service provider in the Maldives. Our business is to provide future-proof digital and telecommunications connectivity that enables our customers to get ahead in the digital future.

We are the pioneers that ushered the Maldives into the digital age, and we continue to lead the field by placing premium value on customer experience and consistent innovation. With over half a million customers, and an employee base comprising 99% trained Maldivians and presence throughout the country, we remain committed to enrich our customers' lives through digital services.

Dhiraagu brings the latest innovations and technology to help all our customers succeed in an increasingly connected world. We offer a comprehensive range of services spanning from mobile, internet, data, TV, mobile money and fixed services.

We also ensure reliable international connectivity and coverage within the Maldives. We consider ourselves a partner for business growth and provide leading enterprise solutions and offer our customers peace of mind.

# Maldives' first 5G network

dhiraagu

# 5G

Take on tomorrow

# 01

## Developments During the Quarter



# 1.1 Summary



Dhiraagu ended the year with a MVR 69m increase in revenue compared to the previous quarter, driven by growth on mobile and seasonal roaming revenues. Net profit and EPS increased by 42% over the previous quarter mainly due to higher revenue and lower depreciation. Cash flow before financing was higher than the previous quarter due to increase in operating performance in Q4.

During the quarter, we rolled out DhiraaguTV in partnership with a private network provider to expand the services and also introduced the first pay-per-view content on DhiraaguTV VOD library. In order to fortify the mobile digital platform and drive financial inclusivity, DhiraaguPay announced bank integration with CBM where their customers can directly cash into DhiraaguPay wallets.

Innovation being at the core of our digital transformation process, we launched Dhiraagu Fleet Manager at the Maldives Marine Expo 2019. We also remain committed to strengthen and support governments digitisation efforts under which

155 courts across the country were connected with high-speed dedicated internet access through one unified communications solution.

We continued to support community empowerment through sponsoring the largest arts and craft fair 'Fannu Expo' held in the Maldives to promote local craftsmanship. We also co-sponsored the Capital Market Forum 2019, the First Forum of its kind hosted by CMDA to discuss the development of the capital market as an alternative avenue for financing local businesses and its impact on business growth and progress of the economy.

Key CSR highlights during the quarter included the successful completion of Girls to Code Programme in Fuvahmulah, our annual Dhiraagu Special Sports Festival to empower children with various disabilities and Techstars Startup Weekend Maldives to support the startup culture and foster innovation and entrepreneurship for young people.

## 1.2 Key Commercial Highlights



### Streaming Bundles

We launched streaming bundles- data packs tailored to the streaming needs of the customers.



### DhiraaguTV Roll-Out Over Private Networks

In efforts to extend our reach to more islands, we rolled out DhiraaguTV in partnership with a private network in Th.Vilufushi.

We launched our Pay Per View service for VOD on DhiraaguTV for the first time in the Maldives.



### FBB Acquisition campaign

During November, we ran a promotion offering free connections and routers on new Fibre Broadband subscriptions.



### A+ Offer For Teachers

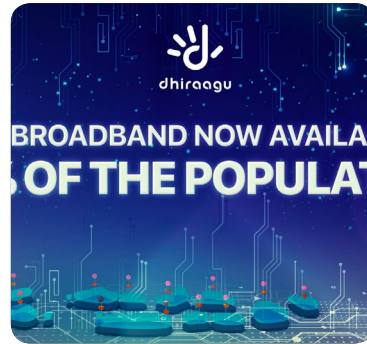
On World's Teacher's Day, we offered special deals on our services, exclusively for teachers.

## 1.2 Key Commercial Highlights



### Fleet Management

A digital Fleet Management Solution providing real time analytics for vessels was launched. It is a combination of a sophisticated GPS tracking technology along with an advanced mapping and reporting software managed by a single dashboard.



### Network Connections

We connected 155 courts across the country with high-speed dedicated internet access through one unified communications solution.



### DhiraaguPay

With bank integration, DhiraaguPay users can now directly make free transfers directly from their CBM accounts to their DhiraaguPay wallets.



### Devices

We launched iPhone11 in October with free data allowances.



# Sponsorships

Our support towards community initiatives continued throughout Q4. We offered sponsorship support and facilitated various social events and activities including:



Kids Futsal Fiesta which was organized by Ministry of Tourism as part of World Tourism Day 2019 activities.



Digital Services Partner at Marine Expo 2019, an international event for marine-related businesses to exhibit their products and services.



Digital Services Partner at Hotel Asia 2019 exhibition, the largest Food and Beverages exhibition in the Maldives.

# Sponsorships

Our support towards community initiatives continued throughout Q4. We offered sponsorship support and facilitated various social events and activities including:



Digital Services Partner at Health Expo 2019, the one and only annual medical exhibition in the Maldives



Moms Expo, organized by MOMs NGO to support women entrepreneurs.



Co-Sponsor of Capital Market Forum 2019 – First Forum of its kind hosted by CMDA to discuss the development of the capital market as an alternative avenue for financing local businesses and its impact on business growth and progress of the economy.



# 1.3 Organizational Highlights

## Awards & Recognitions



Dhiraagu Maldives Road Race (DMRR) – the largest and most popular running event in Maldives won the Bronze Award for the Best Use of Technology in Sports at the Sports Industry Awards Asia 2019 (SPIA).



DMRR was recognized among the Top 10 Candidates for Best Sports Fan Engagement Campaign of the Year, Best Integrated Marketing Campaign for a Sporting Event, Best Sports CSR Initiative of the Year and the Best Sport Tourism Destination Campaign of the Year.

## Employee Training and Engagement

We strive to maintain our focus on our employee's professional development, health, safety, and engagement. During the quarter, 38 employees completed training on technical and non-technical areas, which includes professional certifications.

## Health & Safety

- An Emergency Evacuation Drill was carried out in Dhiraagu Head Office.
- Building Inspections and Risk Assessments in Dhiraagu Head Office and Regional Operation Centers were carried out in the quarter.



## Employee Wellbeing

During the quarter we carried out health and wellbeing sessions for our employees.

- Mental Wellbeing session carried out in collaboration with Mental Health Awareness Foundation (MHAF)
- Workplace Stress Management session conducted in collaboration with Society for Health Education (SHE).
- Work Stress Release Programs conducted in collaboration with Fit4Life.
- Nutrition & Weight Management session conducted in collaboration with Health Protection Agency (HPA).



# 1.4 Corporate Social Responsibility

## Empowering Young People



Techstars Startup Weekend Maldives 2019<sup>1</sup> was organized together with our partner Sparkhub. Startup Weekend is a model developed by Techstars and powered by Google for Startups. The event brings together developers, designers and startup enthusiasts to network, learn how to pitch, fine tune and demo new business ideas to experience an entrepreneurial journey over an intensive course of 3 days.



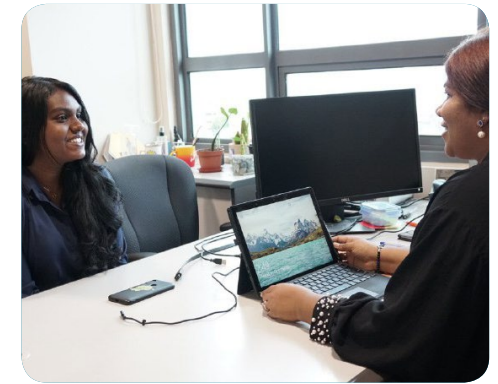
We concluded Girls to Code held in partnership with Women in Tech Maldives with 16 young girls successfully completing the programme in Fuvahmulah.

It was an exclusive programme to inspire and encourage women to join technology fields by teaching them how to code.



In line with the mental health awareness month of October, "Tea and Talk" event was held as part of our support for the Mental Health Awareness Foundation.

The event encouraged young people to talk over tea and have conversations about mental health to increase openness on the topic.



We raised awareness on the Girls Lead initiative by the Ministry of Gender, Family and Social Services to mark the International Day of the Girl Child. Under this initiative, a female student from CHSE spent the day at our head office to experience the work culture and meet women leaders at the company.

# 1.4 Corporate Social Responsibility

## Care for Children



Over 400 children, 14 schools and 4 NGOs participated in Dhiraagu Special Sports Festival 2019<sup>2</sup>, an annual sports event organized and driven by Dhiraagu for children with various disabilities.



MVR 721,652 raised through Dhiraagu Maldives Road Race 2019 was donated to our 11 partner NGOs working in the area of child protection and support.

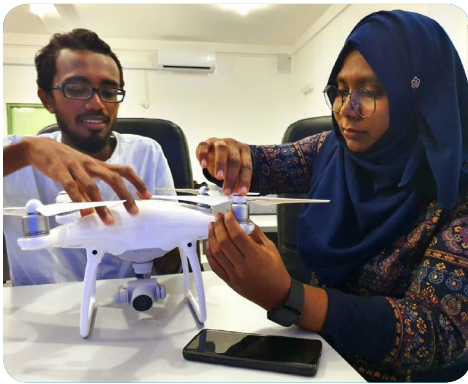


We carried out a "KidsTakeOver" initiative and joined the global celebrations to mark World Children's Day.

Under this initiative, we encouraged our staff to bring their children to work and celebrated kids taking over various departments at work.

# 1.4 Corporate Social Responsibility

## Care for Environment



In partnership with UNDP Maldives, a drone mapping training was conducted in Addu City. The event is part of the bigger project, "Drones for Resilience" to promote the use of drone technology for enhanced preparedness and disaster management under the Sustainable Development Goal 13- Climate Action.

*Footnote: Under the Regulation No. 2019/R-1050 listed companies are required to disclose any CSR activities undertaken and spending for each activity if the total is more than or equal to MVR 100,000. Three of our CSR activities in this quarter fall into this category and are disclosed in this report. The value of each has been rounded up to the nearest thousand.*

- 1 Value MVR 315,000
- 2 Value MVR 276,000
- 3 Value MVR 200,000

## Community Empowerment and Wellbeing



We supported Fannu Expo- National Exhibition<sup>3</sup> by the Ministry of Economic Development to promote the creative arts and craftsmanship of Maldives and to create an avenue for Maldivian authentic products and potential market linkages.



We supported Reveli- a key event held by Ministry of Gender, Family and Social Services to celebrate the International Day for Persons with Disabilities by showcasing their creative work.



In line with the breast cancer awareness month of October, we facilitated a donation platform through DhiraaguPay for Cancer Society of Maldives (CSM) to raise funds for the cause.

We also supported the fund raising gala dinner to help enhance cancer screening conducted by the CSM.



# 02

## Key Financial Highlights



## 2.1 Balance Sheet (Unaudited)

AS AT	Q4 vs Q3	
	Dec (Q4 2019) MVR "000"	Sep (Q3 2019) MVR "000"
<b>ASSETS AND LIABILITIES</b>		
<b>Non-Current Assets</b>		
Intangible Assets	335,806	288,968
Property, Plant and Equipment	1,791,139	1,757,121
Right of Use Asset	248,999	216,764
Deferred Tax Asset	6,144	18,571
<b>Total Non-Current Assets</b>	<b>2,382,088</b>	<b>2,281,424</b>
<b>Current Assets</b>		
Inventories	58,236	63,088
Trade and Other Receivables	690,371	675,326
Cash and Bank Balances	485,685	209,278
<b>Total Current Assets</b>	<b>1,234,292</b>	<b>947,692</b>
<b>Total Assets</b>	<b>3,616,380</b>	<b>3,229,116</b>
<b>Current Liabilities</b>		
Trade and Other Payables	(648,431)	(574,915)
Amounts Due to Related Party	(1,386)	(1,325)
Right of Use Liability – Current	(25,320)	(26,819)
Current Tax Liabilities	(73,392)	(34,318)
<b>Total Current Liabilities</b>	<b>(748,529)</b>	<b>(637,377)</b>

	Q4 vs Q3	
	Dec (Q4 2019) MVR "000"	Sep (Q3 2019) MVR "000"
<b>Non-Current Liabilities</b>		
Provisions	(130,157)	(179,453)
Right of Use Liability – Non-Current	(232,932)	(196,706)
<b>Total Non-current Liabilities</b>	<b>(363,089)</b>	<b>(376,159)</b>
<b>Total Liabilities</b>	<b>(1,111,618)</b>	<b>(1,013,536)</b>
<b>Net Assets</b>	<b>2,504,762</b>	<b>2,215,580</b>
<b>Equity</b>		
Share Capital	190,000	190,000
Retained Earnings	2,314,762	2,025,580
<b>Total Equity</b>	<b>2,504,762</b>	<b>2,215,580</b>



## 2.2 Income Statement (Unaudited)

FOR THE QUARTER ENDED	Dec (Q4 2019) MVR "000"	Sep (Q3 2019) MVR "000"
Mobile Revenue	467,553	403,399
Fixed, Broadband & Enterprise	270,652	265,803
Others	15,988	16,111
Total Revenue	754,193	685,313
Operating Costs	(353,089)	(335,739)
Depreciation and Amortization	(65,184)	(99,070)
Other Income	837	546
<b>Results from Operating Activities</b>	<b>336,757</b>	<b>251,050</b>
Net Financing Expense	3,918	(12,212)
<b>Profit Before Tax</b>	<b>340,675</b>	<b>238,838</b>
Tax Expense	(51,493)	(35,785)
<b>Profit for the period</b>	<b>289,182</b>	<b>203,053</b>
<b>Share Performance Ratios</b>		
Basic Earnings Per Share (Annualized MVR)	15.24	10.68
Basic Earnings Per Share (Quarter MVR)	3.81	2.67

## 2.3 Statement Of Changes in Equity (Unaudited)

	Share Capital MVR "000"	Retained Earnings MVR "000"	Total MVR "000"
Opening Balance at 1st July 2019	190,000	2,137,167	2,327,167
Profit for the quarter		203,053	203,053
Dividends		(314,640)	(314,640)
Closing Balance at 30th Sep 2019	<b>190,000</b>	<b>2,025,580</b>	<b>2,215,580</b>
Opening balance at 1st Oct 2019		2,025,580	2,215,580
Profit for the quarter		289,182	289,182
Dividends			
Closing Balance at 31st Dec 2019	<b>190,000</b>	<b>2,314,762</b>	<b>2,504,762</b>



## 2.4 Cash Flow Statement (Unaudited)

<b>FOR THE QUARTER ENDED</b>	<b>Dec (Q4 2019)</b> <b>MVR "000"</b>	<b>Sep (Q3 2019)</b> <b>MVR "000"</b>
Net Cash Inflow from Operating Activities	393,803	277,512
Net Outflow from Investing Activities	(93,004)	(75,580)
Net Outflow from Financing Activities	(24,482)	(427,153)
<b>Net Increase in Cash and Cash Equivalents</b>	<b>276,317</b>	<b>(225,221)</b>
Cash and Cash Equivalents at beginning of the Period	194,983	420,204
<b>Cash and Cash Equivalents at end of the Period</b>	<b>471,300</b>	<b>194,983</b>



**Robin Wall**  
Chief Financial Officer



**Ismail Rasheed**  
CEO & Managing Director



**Khulood Rashid AlQattan**  
Chairperson, Audit Committee



# 03

## Governance



# 3.1 Board Composition

No changes were brought to the composition of the Board during the last quarter of 2019.

The Board composition as at 31 December 2019 was as follows.

## Mr. Ismail Waheed

Chairperson,  
Director

Non-Executive & Independent

Chairperson, Remuneration,  
Nomination and Governance  
Committee

## Mrs. Khulood Rashid AlQattan

Deputy Chairperson,  
Director

Non-Executive & Independent

Chairperson,  
Audit Committee

## Mr. Ihab Hinnawi

Director

Non-Executive & Independent

## Mr. Imran Ali

Director

Non-Executive & Independent

Member, Audit Committee  
& RNG Committee

## Mr. Oliver McFall

Director

Non-Executive & Independent

## Mr. Khalid Hussain Taqi

Director

Non-Executive & Independent

Member, RNG Committee

## Mr. Ismail Rasheed

Chief Executive Officer & MD

Executive & Non-Independent

\* RNG Committee = Remuneration, Nomination  
and Governance Committee

## 3.2 Board Activity

During the quarter, two Board Meetings , one Audit Committee Meeting and one Remuneration, Nomination and Governance Committee Meeting were held.

## 3.3 Board Decisions

Important Board decisions made during Quarter included:

- Approval of Interim Condensed Financial Statements for the quarter ending 30 September 2019
- Review and revision of the Gift and Hospitality Policy.
- Review and revision of the Credit Control Policy.
- Approval of the Prevention of Harassment and Bullying at the Workplace Policy.
- Approval of the proposed write-off and disposal of MVR 17.6m of obsolete and damaged inventory.
- Approval to the disposal and write off of fixed assets with GBV MVR 3.3m (NBV MVR 2k).
- Approval of the proposed write-off bad debt amounting up to MVR25.8m
- Approval of the proposed Strategy and Budget for 2020

## 3.5 Legal & Regulatory Compliance

The company complied with the CMDA's Corporate Governance Code and Dhiraagu Corporate Governance Code during the quarter. Highlights include ensuring regular, timely and effective disclosures as required

by the Code. The company's Corporate Governance Code can be viewed in the investor relations section of the Dhiraagu website.

## 3.6 Reporting Compliance

This report has been prepared in compliance with CMDA's Minimum Criteria for Periodic Reporting for Listed Companies.

# 04

## Investor Relations



## 4.1 Shareholding

The company's shareholding as at 31st December 2019 was as follows:

<u>Shareholding</u>	<u>%</u>	<u>No. of Shares</u>
BTC Islands Limited (Batelco)	52.0%	39,520,000
Government of Maldives	41.8%	31,770,150
Public	6.2%	4,709,850
	100%	76,000,000

## 4.2 Trading Highlights

	<u>Q4 2019</u>	<u>Q3 2019</u>
Highest Traded Price (MVR)	110	120
Lowest Traded Price (MVR)	95	100
Last Traded Price (MVR)	105	110
Number of Shares Traded	1560	230
Number of Trades	12	6
Weighted Average Traded Price (MVR)	101.03	102.74
Market Capitalization as at quarter end (MVR)	7.98bn	8.36bn

## 4.3 Share Performance

	<u>Q4 2019</u>	<u>Q3 2019</u>
EPS (Annualized MVR)	15.24	10.68
P/E Ratio (Annualized)	6.89	10.30
Net Asset Per Share (MVR)	32.96	29.15
Dividend Yield	12%	12%
Cash flow per share (MVR)	6.2	2.57



