

Bharti Airtel

Estimate change



TP change



Rating change



Bloomberg	BHARTI IN
Equity Shares (m)	5702
M.Cap.(INRb)/(USDb)	12676.7 / 143
52-Week Range (INR)	2136 / 1511
1, 6, 12 Rel. Per (%)	9/9/26
12M Avg Val (INR M)	12129

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Net Sales	2,090	2,373	2,660
EBITDA	1,194	1,363	1,541
Adj. PAT	304	409	533
EBITDA Margin (%)	57.1	57.4	57.9
Adj. EPS (INR)	52.4	67.1	87.4
EPS Gr. (%)	73	28	30
BV/Sh. (INR)	241	312	370
Ratios			
Net D:E	1.4	0.6	0.2
RoE (%)	24.5	26.4	27.9
RoCE (%)	15.5	18.1	20.6
Div. Payout (%)	53.3	50.7	51.5
Valuations			
EV/EBITDA (x)	11.6	10.2	8.6
P/E (x)	40	31	24
P/BV (x)	8.8	6.8	5.7
Div. Yield (%)	1.3	1.6	2.1

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	53.1	53.2	54.8
DII	18.8	19.3	19.8
FII	25.2	24.7	21.9
Others	2.9	2.9	3.5

FII Includes depository receipts

CMP: INR2,110

TP: INR2,365 (+12%)

Buy

Strong margins across key segments; 2Q FCF robust

- Bharti Airtel (Bharti) posted a strong 2QFY26, with consolidated EBITDA rising 6% QoQ (3% above), fueled by better performance in Airtel Africa (AAF, 7% beat) and India wireless (2% ahead, driven by a better-than-expected ARPU uptick and a 94% incremental EBITDA margin).
- Consolidated capex surged to INR114b (+37% QoQ), though 1HFY26 India capex (ex-Indus) is still 3% lower YoY. Management reiterated that FY26 India capex (ex-Indus) should further moderate from the FY25 levels (~INR300b).
- Consolidated FCF remained robust at INR146b (vs. ~INR143b in 1Q), despite a moderation in FCF generation from Indus Towers (Indus) in 2Q, reflecting the diversified and profitable nature of Bharti's portfolio.
- Bharti's consolidated net debt (ex-leases) inched up ~INR12b QoQ to INR1.27t, due to dividend payouts and the INR depreciation hit on FX debt.
- We continue to like Bharti's superior execution on the premiumization agenda. Further, with moderation in capex intensity and a potential tariff hike, Bharti is likely to generate significant FCF (~INR1t over FY26-27E).
- We raise our FY26-28E EBITDA by 2-3%, driven by higher growth in AAF and slightly higher India wireless ARPU. We model a CAGR of 15%/18% in Bharti's consolidated revenue/EBITDA over FY25-28E, driven by 1) benefits of the ~15% tariff hike in India wireless from Dec'25, 2) continued acceleration in Home broadband net adds, and 3) strong double-digit growth in Africa.
- We reiterate our BUY rating with an SoTP-based revised TP of INR2,365. We value the India wireless and homes business on DCF (implies ~13x Dec'27E EV/EBITDA), DTH/Enterprise at 5x/10x Dec'27 EBITDA, and Bharti's stake in Indus Towers and Airtel Africa at a 25% discount to our TP/CMP.
- Bharti continues to outperform the broader market (up 33% YTD vs. 8% for Nifty-50), but we believe there are further re-rating triggers such as impending tariff hike, JPL IPO, and potential waiver on AGR dues. Further, we believe long-term risk-reward is favorable (bull case: INR2,970; bear case: INR1,770).

FCF generation robust at INR146b; net debt marginally higher QoQ

- Bharti's consolidated revenue grew 5% QoQ (+26% YoY) to INR521b, led by robust growth in AAF (+13% QoQ) and the Homes business (+8.5% QoQ).
- Consolidated EBITDA rose 6% QoQ to INR296b (up 35% YoY, 3% above), driven by robust performance in Airtel Africa (+15.5% QoQ, 7% beat), Home Broadband (+9% QoQ), and India Wireless (+4% QoQ, 2% above).
- India wireless revenue and EBITDA grew 2.6% and 4.2% QoQ, respectively (vs. 3.2%/3.5% QoQ for RJio), driven by ~2.2% QoQ ARPU uptick to INR256 (our est. of INR253) and 94% incremental margins.
- Homes continue to benefit from acceleration in subscriber additions (record high 0.95m net adds). Enterprise (B2B) revenue grew 4% QoQ (as the impact of rationalization of lower-margin business fades), while EBITDA margin was resilient at 41.6% (though it dipped 100bp QoQ). Revenue and EBITDA growth accelerated in Africa, driven by the flow-through of tariff hikes in Nigeria and favorable FX movements.

- After lower capex in 1QFY26, consolidated capex at INR114b picked up pace, with India capex (ex-Indus) rising ~33% QoQ to INR71b (16% YoY).
- Consolidated net debt (ex-leases) inched up ~INR12b QoQ to INR1.267t, with the India net debt-to-EBITDAaL dipping to 1.19x (vs. 1.35x QoQ).
- Consolidated FCF (after leases and interest payments) was broadly stable QoQ at INR146b (vs. ~INR143b QoQ), driven by better operational performance (OCF pre-WC changes rose 6% QoQ) and lower interest outgo (-22% QoQ), despite weaker FCF generation by Indus.

Key highlights from the management commentary

- **AGR issue:** Bharti welcomed the SC's recent stance on AGR dues and would push their case to be included in a broader sector-wide relief with the GoI.
- **Home broadband (HBB):** The company's home passes accelerated to ~2.5m (vs. ~1.6m in 1QFY26). While the company's net adds remain lower than RJio's, and the company intends to step up net adds further, management noted that its share on large OTT platforms is tracking well.
- **Indus stake purchase:** Bharti has taken an enabling resolution to raise its stake in Indus Towers by 5% in one or more tranches (vs. 51% currently). Management indicated that it views Indus as a vital asset for Bharti's network, one which is comparatively undervalued (vs. global towercos). However, management reiterated that there are no plans to fold Nxtra datacenter into Indus, as there are no synergies in the two businesses as such.
- **5G:** Bharti has deployed dual-mode 5G (combining SA and NSA) for FWA in 13 circles and will completely transition to SA for wireless over the next few years.
- **Capex:** The capex to switch from NSA to SA 5G is not very material, and the acceleration in HBB capex is already built into management's guidance of FY26 India (ex-Indus) capex to be lower than FY25 levels (~INR300b). However, the company is looking to raise its investments in data centers (through Nxtra as well as a recent tie-up with Google for an AI data center) over a period.

Valuation and view

- We continue to like Bharti's superior execution on the premiumization agenda. Further, with moderation in capex intensity and a potential tariff hike, Bharti is likely to generate significant FCF (~INR1t over FY26-27E).
- We raise our FY26-28E EBITDA by 2-3%, driven by higher growth in AAF and slightly higher India wireless ARPU. We model a CAGR of 15%/18% in Bharti's consolidated revenue/EBITDA over FY25-28E, driven by 1) benefits of the ~15% tariff hike in India wireless from Dec'25, 2) continued acceleration in Home broadband net adds, and 3) strong double-digit growth in Africa.
- We **reiterate our BUY rating with an SoTP-based revised TP of INR2,365**. We value the India wireless and homes business on DCF (implies ~13x Dec'27E EV/EBITDA), DTH/Enterprise at 5x/10x Dec'27 EBITDA, and Bharti's stake in Indus Towers and Airtel Africa at a 25% discount to our TP/CMP.
- Bharti continues to outperform the broader market (up 33% YTD vs. 8% for Nifty-50), but we believe there are further re-rating triggers like the impending tariff hike, JPL IPO, and potential waiver on AGR dues. Further, we believe long-term risk-reward is favorable (bull case: INR2,970; bear case: INR1,770).

Consolidated - Quarterly Earnings Summary

(InR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	Var (%)
Revenue	385	415	451	479	495	521	526	547	1,730	2,090	511	2.1
YoY Change (%)	2.8	12.0	19.1	27.3	28.5	25.7	16.6	14.3	15.3	20.8	23.1	
Total Expenditure	188	196	205	209	216	226	224	230	798	895	224	0.9
EBITDA	197	218	246	270	278	296	303	318	932	1,194	287	3.1
YoY Change (%)	0.6	12.0	24.1	39.5	41.3	35.3	23.0	17.6	19.0	28.2	31.3	13
Depreciation	105	110	117	123	125	132	129	130	456	516	126	4.9
Net Finance cost	52	54	57	55	55	49	47	37	218	187	53	-8.9
Other Income	13	13	21	5	6	8	5	1	53	20	5	65.3
PBT before EO expense	53	68	93	97	105	123	132	152	311	512	113	9.3
Extra-Ord expense	-7	9	-75	1	0	0	0	0	-73	0	0	
PBT	60	59	169	96	105	123	132	152	384	512	113	9.3
Tax	13	17	8	-29	31	37	35	38	9	140	32	13.1
Rate (%)	21.7	29.6	4.5	-30.2	29.3	29.8	26.5	24.7	2.4	27.4	28.8	
Minority Interest & P/L of Asso. Cos.	6	6	14	15	15	19	17	18	39	68	15	
Reported PAT	42	36	148	110	59	68	80	96	336	304	65	4.6
Adj PAT	29	39	55	52	59	68	80	96	176	304	65	4.6
YoY Change (%)	0.8	32.2	121.3	76.9	103.3	73.6	44.8	84.6	55.4	72.8	66.1	

E: MOFSL Estimates

Exhibit 1: Our SoTP-based TP for Bharti stands at INR2,365

SoTP-based on Dec'27	Valuation base (INR b)		Multiple (x)		Valuation	
	EBITDA	Other	EBITDA	Other	(INRb)	(INR/share)
India business						
India wireless (including Hexacom)	881		13.1	DCF implied	11,558	1,993
Less: Hexacom minority (30% minority)	69		14.6	At our FV	303	52
Homes	64		13.1	DCF implied	844	146
India homes + wireless attributable value					12,100	2,086
DTH	14		5.0		71	12
Enterprise	102		10.0		1,016	175
Indus Towers attributable value	174	525	5.9	0.75	394	68
Other investments (Nxtra, APB)		148		1.0	148	26
India business enterprise value	1,153		11.9	Implied	13,730	2,367
India business net debt (including leases)					734	127
Network I2I perps					40	7
India business equity value (a)					12,956	2,234
International business						
Airtel Africa	354		4.6	At CMP	1,641	285
Airtel Africa net debt					426	74
Airtel Africa attributable value		762		0.75	572	99
Robi Axiata + Dialog SL attributable value		34		0.75	26	4
International business equity value (b)					597	103
Dividends (c)					162	28
Bharti Airtel TP (d) = (a) + (b) + (c)					13,715	2,365

Source: Company, MOFSL

Exhibit 2: Revisions to our estimates for Bharti

Consolidated (INR b)	FY26E	FY27E	FY28E
Revenue			
Old	2066	2327	2620
New	2090	2373	2660
Change (%)	1.1	2.0	1.5
EBITDA			
Old	1171	1327	1507
New	1194	1363	1541
Change (%)	2.0	2.7	2.3
EBITDA margin (%)			
Old	56.7	57.0	57.5
New	57.1	57.4	57.9
Change (bp)	46	39	42
Net Income			
Old	284	398	525
New	304	409	533
Change (%)	7.1	2.8	1.5

Source: Company, MOFSL

Exhibit 3: Revisions to our estimates for the India wireless segment

India Business	FY26E	FY27E	FY28E
Paying Wireless Subscribers (m)			
Old	366	377	385
New	366	374	380
Change (%)	-0.2	-0.7	-1.2
Wireless ARPU (INR)			
Old	259	286	312
New	259	289	316
Change (%)	0.1	0.9	1.0
India Wireless Revenue (INR b)			
Old	1139	1284	1436
New	1139	1290	1438
Change (%)	0.0	0.5	0.1
India Wireless EBITDA (INR b)			
Old	684	794	905
New	687	801	908
Change (%)	0.4	0.8	0.4
India Wireless EBITDA margin (%)			
Old	60.1	61.9	63.0
New	60.3	62.1	63.1
Change (bp)	24	19	14
Capex ex-spectrum (INR b)			
Old	180	185	190
New	175	181	186
Change (bp)	-2.8	-2.1	-2.3

Healthy 2QFY26; strong margin performance across key segments

- Bharti's consolidated revenue at INR521b (+26% YoY, our est. INR510b) rose 5% QoQ, driven by robust growth in Africa (+13% QoQ) and the Home broadband business (+8.5% QoQ).
- India revenue (including Indus) grew 3% QoQ to INR387b (+11% YoY) and was slightly above our estimate, largely driven by better India Wireless (+2.6% QoQ) and Enterprise (+4% QoQ).

- Consolidated EBITDA at INR296b (35% YoY, 3% above) increased 6% QoQ, driven by robust performance in Airtel Africa (+15.5% QoQ), Home Broadband (+9% QoQ), and India Wireless (+4% QoQ).
- India EBITDA (including Indus) at INR232b (+3.8% QoQ, 12% YoY) was ~3% above our estimate, driven by improved performance in India Wireless (2% above) and Airtel Business (7% above) as well as the reversal of bad debt provisions for Indus Towers.
- Reported EBITDA margin expanded ~40bp QoQ to 56.7% (+400bp YoY) and was ~50bp ahead of our estimate, driven by better margins in India wireless, Enterprise, and Airtel Africa.
- Reported PBT (before share of JVs) at INR122b (+18% QoQ, +2.16x YoY) was 9% ahead of our estimate, driven by better EBITDA and lower net finance cost (-16% QoQ, likely on favorable FX movement in Africa).
- Reported attributable PAT at INR67.9b (5% beat) grew 14% QoQ (+89% YoY on a low base) due to higher EBITDA and lower interest expenses.
- Adjusted for exceptional items in the past quarters, Bharti's PAT at INR67.9b jumped 74% YoY.

FCF generation healthy at INR146b; net debt inches up QoQ due to dividend payouts

- After lower capex in 1Q, consolidated capex at INR114b (+37% QoQ, +26% YoY) picked up pace. India capex (ex-Indus) at INR71b rose ~33% QoQ (+16% YoY), but was ~4% below our estimate.
- Bharti Airtel's consolidated free cash flow (after leases and interest payments) was stable QoQ at INR146b (vs. ~INR143b QoQ), driven by better operational performance (OCF pre-WC changes rose 6% QoQ) and lower interest outgo (-22% QoQ).
- Bharti Airtel's consolidated net debt (ex-leases) inched up ~INR12b QoQ to INR1.267t (vs. INR1.255t QoQ) as robust FCF was utilized in dividend payments. Including the impact of leases, Bharti Airtel's consolidated net debt increased ~INR31b QoQ to INR1.95t (vs. INR1.92t QoQ).
- The company's consolidated net debt (including leases) to EBITDA (annualized) declined to 1.63x (vs. 1.7x QoQ). India SA's net debt to EBITDA moderated to 1.57x (vs. 1.62x QoQ).
- Excluding the lease impact, Bharti's net debt to EBITDAaL dipped to 1.19x (vs. 1.26x QoQ) for the consolidated business and 1.32x (vs. 1.35x QoQ) for India SA.

India Wireless: Strong show with continued benefits of premiumization; margin expansion continues with 94% incremental EBITDA margin

- Bharti's India Wireless ARPU at INR256 (+10% YoY, our est. INR253) rose 2.2% QoQ (vs. +1.3% QoQ for RJio at INR211), driven by subscriber mix improvement and one extra day QoQ.
- However, the company's subscriber net adds remained subdued at 1.4m, with paying net adds (vs. 1.2m net adds QoQ and ~5.3m wireless net adds for RJio), and were weaker than our estimate of ~3m.
- The subscriber mix continues to improve as Bharti added further ~0.95m postpaid net adds (+3.6% QoQ, 12% YoY). Further, its 4G/5G net additions remained resilient at 5.1m (an improvement on ~3.9m 4G net adds QoQ).
- Bharti's India Wireless revenue rose 2.6% QoQ (vs. 3.2% QoQ for RJio, including FTTH) to INR281b (+11% YoY, our est. INR279b).

- India Wireless EBITDA rose 4.2% QoQ (vs. 3.5% QoQ for RJio, including FTTH) to INR169.5b (20% YoY, our est. INR166b).
- Reported wireless EBITDA margin further expanded ~90bp QoQ to 60.3% (+325bp YoY, vs. +20bp QoQ for RJio to 54.2%) and was 90bp above our estimate.
- Incremental margin came in at ~94% (vs. ~67% in 1QFY26 and ~60% for RJio and our estimate).
- India wireless capex increased ~33% QoQ (on a low base) to INR43b (+27% YoY), but was ~7% below our estimate.

Homes: In-line result; robust net adds partly offset by continued ARPU dips

- Bharti's Homes BB net adds accelerated further to ~950k (vs. ~940k QoQ, our estimate of ~975k net adds) to reach ~11.9m subs (+40% YoY), likely due to the ramp-up of the FWA services.
- The reported ARPU decline continued with further ~1% QoQ dip to INR534/month (-6% YoY, though better than our estimate of INR530).
- Homes revenue rose 8.5% QoQ to INR18.6b (+30% YoY, inline). The Homes EBITDA at INR9.3b (+9% QoQ, 30% YoY) was also in line with our estimate.
- EBITDA margin expanded ~5bp QoQ to 50.1% (-25bp YoY) and was ~25bp below our estimate.
- Capex in the Homes business remained elevated and increased ~2x YoY to INR18.6b (+28% QoQ, 26% higher than our estimate), likely on the ramp-up of the FWA offerings.

Enterprise: Revenue growth picks up; 7% EBITDA beat as margins remain elevated

- Airtel Business (Enterprise) revenue grew ~4% QoQ to INR52.8b (-7% YoY due to the exit of lower-margin business, vs. our est. INR51b).
- EBITDA at INR21.9b rose ~2% QoQ (+9% YoY) and was ~7% above our estimate, as EBITDA margins contracted ~100bp QoQ to 41.6% (but remained above our estimate of 40% and 36.3% YoY).
- Capex for the Airtel business stood at INR7.7b (+5% QoQ, -15% YoY).

Other businesses: Sustained strong growth in Africa; DTH continued to face headwinds

- Airtel DTH's revenue at INR7.5b declined ~1% QoQ (-1% YoY) as subscriber trends were weaker with 341k net declines (vs. 204k QoQ net declines in 1QFY26, our est. 200k net declines). ARPU rose ~1% QoQ to INR163 (+3% YoY, our est. INR162). DTH EBITDA at INR3.7b (-6% QoQ, -14% YoY) was ~5% below as margins contracted ~225bp QoQ to 48.6% (-730bp YoY and ~205bp below our estimate).
- Airtel Africa (AAF) continued to report strong double-digit YoY CC growth. AAF's reported revenue (in rupee terms) rose ~13% QoQ (+35% YoY, 4% ahead), while EBITDA increased ~16% QoQ (42% YoY, ~7% beat), driven by the flow-through of tariff hikes in Nigeria and favorable FX movements.

Other highlights: Data volume growth remains robust

- Data volume for the India Wireless business rose ~7% QoQ (vs. +8% QoQ in 1QFY26 and +7% QoQ for RJio, including FTTH), while data usage per sub improved to 28.3GB/month (vs. 26.9GB QoQ, 38.8GB/month reported by RJio, including FTTH).



- Voice usage on the network in India Wireless rose ~1% QoQ (vs. -1% QoQ in 1QFY26 and similar to RJio), with minutes of usage (MoU) per subscriber marginally rising to 1,145mins (vs. 1,143mins QoQ and 996mins for RJio).
- Bharti's tower additions improved to ~2.5k towers QoQ (vs. 1.8k in 1QFY26), bringing the total tower count to ~343k. Meanwhile, revenue per site inched up 2% QoQ to INR272.5k/month (+9% YoY).

Detailed takeaways from the management commentary

- **AGR issue:** The company welcomed the recent Supreme Court (SC) order permitting the government (GoI) to undertake a comprehensive reassessment and reconciliation of the AGR dues, including interest and penalties. While the order has been passed specifically for Vodafone Idea, Bharti would push their case to be included in a broader sector-wide relief with the GoI initially.
- **Home broadband (HBB):** Bharti's HBB net adds were a record high ~950k in 2Q, driven by strong traction across FWA and FTTH. The company's home passes accelerated to ~2.5m (vs. ~1.6m in 1QFY26). While the company's net adds remain lower than RJio's and the company intends to step up net adds further, management noted that its share on large OTT platforms is tracking well.
- **Indus stake purchase:** Bharti has taken an enabling resolution to raise its stake in Indus Towers by 5% in one or more tranches (vs. 51% currently). Management indicated that it views Indus as a vital asset for Bharti's network, one which is comparatively undervalued (vs. global towercos). However, management reiterated that there are no plans to fold Nxtra datacenter into Indus, as there are no synergies in the two businesses as such.
- **Capex:** The capex to switch from NSA to SA 5G is not very material, and the acceleration in HBB capex is already built into management's guidance of FY26 India (ex-Indus) capex to be lower than FY25 levels (~INR300b). However, the company is looking to raise its investments in datacenters (through Nxtra as well as a recent tie-up with Google for an AI data center), over a period of time.
- **HBB and convergence opportunity:** Driven by the adaptation of connected smart TVs and changing content consumption patterns, management expects India's HBB market to expand to ~100m (from ~56m currently) over the next 5-6 years. Bharti is leveraging IPTV and Airtel Black for driving convergence. Further, management noted that currently the companies are in a land grab mode on HBB; however, there is room for significant monetization through tariff hikes on HBB, given very low prices and generous content bundling.
- **HBB capex:** The pick-up in HBB capex is driven by acceleration in home passes to ~2.5m, while the cost for connecting homes through fiber hasn't changed materially from ~USD28-30. Further, the cost per connected home is broadly similar in Fiber ~28-30% home pass utilization) vis-à-vis FWA (high CPE cost).
- **FWA and UBR:** Bharti hasn't faced any capacity constraints on FWA yet (~2.3m FWA subs). It is experimenting with UBR technology and believes it can be a legitimate solution for providing high-speed internet in remote, rural locations, though there would be interference issues in UBR for densely populated areas.
- **5G:** The company's 5G user base expanded to 167m (vs. 152m QoQ and 234m for RJio). Management indicated that the company is gaining its fair share of 5G smartphone shipments. The company has deployed SA + non-SA dual mode in

13 circles for FWA and would gradually transition to SA even for wireless as the data traffic shifts from 4G to 5G (~40% on 5G currently, vs. 36% QoQ). However, management noted that customer experience matters the most to the company and it won't chase technology for the heck of it, given limited monetization opportunities on 5G globally.

- **Airtel Business:** Domestic business remained steady, while the order book and funnel additions in international business have improved, with some large deal wins in its recently launched sovereign cloud under Xtelify.
- **Data center (DC):** Bharti is looking to increase its DC capacity 4x to 1GW over the next few years and is willing to invest the required amount to improve the company's market share in DC from ~10-12% currently. Nxtra would partner with Google for its AI data center build-out in Vizag, while Airtel will set up the cable landing station and provide terrestrial connectivity to Mumbai and Delhi.
- **Focus on quality customers:** Bharti continues to focus on subscriber mix premiumization through upgrades from feature phone to smartphone, prepaid to postpaid, increasing penetration of international roaming (international roamers up 30% in the last two years), along with partnerships for value-added services such as Google Cloud and Perplexity as a lever for revenue growth.
- **Pricing construct:** Management reiterated that the ARPU in India is still among the lowest globally, and more tariff repair is required for the industry to be financially stable and deliver reasonable returns on a sustained basis. Further, it reiterated its stance on the need for the industry to rethink the pricing construct for usage-based plans, with reduced data allowances in the popular plans.
- **DTH:** The subscriber trends were adversely impacted by pronounced seasonality. The company is seeing encouraging response to its recent IPTV launch and would use the offering to drive its convergence play.

Exhibit 4: Consolidated results summary

(INR b)	2QFY25	1QFY26	2QFY26	YoY	QoQ	2QFY26E	vs est
Revenue	414.7	494.6	521.5	25.7	5.4	510.6	2.1
Access charges	18.2	12.6	13.2	(27.4)	5.1	16.5	(20.1)
License and spectrum fee	34.7	37.2	38.2	10.4	2.8	40.8	(6.3)
Network operating costs	80.1	95.5	101.2	26.3	6.0	95.0	6.5
Employee costs	15.0	17.4	18.6	24.1	6.9	18.3	1.4
SG&A expenses	48.3	53.6	54.6	13.1	1.9	53.0	3.0
Total costs	196.3	216.2	225.8	15.1	4.4	223.8	0.9
EBITDA	218.5	278.4	295.6	35.3	6.2	286.8	3.1
EBITDA margin (%)	52.7	56.3	56.7	401.5	40.8	56.2	51.3
Depreciation and amortization	110.0	124.7	131.8	19.8	5.8	125.6	4.9
EBIT	108.5	153.7	163.8	51.0	6.5	161.2	1.6
EBIT margin (%)	26.2	31.1	31.4	525.9	33.0	31.6	(16.2)
Net finance cost	51.7	49.5	41.4	(19.9)	(16.4)	49.1	(15.8)
PBT	56.8	104.2	122.4	115.6	17.5	112.1	9.2
Tax provision	17.4	30.8	36.7	110.5	19.1	32.5	13.1
PAT before minority interest	39.3	73.4	85.7	117.9	16.8	79.6	7.6
Share of associates / JVs	10.7	0.8	0.8	(92.5)	(2.2)	0.6	29.6
Minority interest	5.6	14.7	18.6	-	26.1	15.3	21.6
Extraordinary items	8.5	-	-	-	-	-	-
Reported net income	35.9	59.5	67.9	89.0	14.2	65.0	4.6
Adjusted net income	39.1	59.5	67.9	73.6	14.2	65.0	4.6
Reported EPS (INR)	6.2	10.3	11.7	88.7	14.2	11.2	4.6
Adjusted EPS (INR)	6.8	10.3	11.7	73.4	14.2	11.2	4.6

Exhibit 5: FCF (post-interest and leases) trends

FCF trends	1Q FY24	2Q FY24	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25	4Q FY25	1Q FY26	2Q FY26	FY25	FY24	FY23	FY22
Cashflow from operations	208	191	214	175	218	249	257	259	307	302	983	789	653	550
Lease payments	(20)	(21)	(20)	(18)	(18)	(20)	(16)	(17)	(17)	(16)	(72)	(79)	(76)	(76)
Capex in tangible assets	(91)	(97)	(99)	(94)	(99)	(96)	(84)	(98)	(111)	(108)	(376)	(381)	(260)	(251)
Capex in intangible assets	(13)	(44)	(4)	(80)	(71)	(57)	(35)	(69)	(2)	(6)	(231)	(140)	(129)	(183)
Paid finance cost	(23)	(55)	(23)	(39)	(42)	(64)	(33)	(38)	(33)	(26)	(175)	(140)	(67)	(132)
FCF, post-lease and interest payment	62	(25)	69	(56)	(12)	14	90	37	143	146	129	49	122	(92)
Spectrum prepayments	-	80	-	83	79	85	36	60	-	-	260	163	62	243
Adjusted FCF post leases and interest	62	55	69	27	68	98	126	97	143	146	389	213	185	152

Exhibit 6: Bharti's consolidated net debt (excl. leases) to pre-IND AS EBITDA moderated to 1.19x (vs. 1.26x YoY)

Debt and cash trends	Mar-23	Sep-23	Mar-24	Sep-24	Dec-24	Mar-25	Jun-25	Sept-25
Reported gross debt	1,655	1,578	1,520	1,465	1,418	1,484	1,374	1,401
LT debt	401	333	276	197	208	202	208	202
ST debt (inc. current maturities)	135	162	204	291	265	376	258	264
Deferred payment liabilities	1,119	1,084	1,040	977	944	906	908	935
Cash and Cash Equivalents	128	103	110	54	81	99	119	134
Net Debt excluding Lease Obligations	1,527	1,475	1,410	1,410	1,337	1,385	1,255	1,267
Lease Obligation	605	596	637	792	629	653	661	681
Net Debt including Lease Obligations	2,131	2,070	2,046	2,202	1,966	2,038	1,916	1,947
Net debt (including leases) to EBITDA	2.83	2.63	2.61	2.50	1.69	1.86	1.70	1.63
Net debt (excluding leases) to EBITDAaL	2.35		1.85	1.60	1.28	1.42	1.26	1.19

Note: Mar'23 to Sep'24 figures are not recasted for Indus consolidation, Net debt (excluding leases) to EBITDAaL is post Indus consolidation

Exhibit 7: Segmental results

	2QFY25	1QFY26	2QFY26	YoY	QoQ	2QFY26E	vs est
Segmental revenue (INR b)							
India (incl. Indus)	350	376	387	10.6	2.9	383	1.1
Wireless	248	274	281	13.2	2.6	279	0.8
Homes	14.3	17.2	18.6	30.2	8.5	18.5	0.7
DTH	7.6	7.6	7.5	(0.7)	(1.3)	7.6	(1.0)
Airtel Business	57	51	53	(6.7)	4.3	51	2.5
Passive infra	75	81	82	9.7	1.6	82	0.3
Africa	102	121	137	34.6	13.2	131	4.2
Consolidated	449	495	521	16.1	5.4	511	2.1
Eliminations	(54)	(56)	(57)			(59)	
Segmental EBITDA (INR b)							
India (incl. Indus)	208	224	232	11.6	3.8	226	2.7
Wireless	142	163	170	19.6	4.2	166	2.3
Homes	7.2	8.6	9.3	29.6	8.7	9.3	0.2
DTH	4.2	3.9	3.7	(13.7)	(5.6)	3.9	(5.0)
Airtel Business	20	22	22	8.6	1.9	21	6.6
Passive infra	50	45	47	(6.5)	5.1	44	5.9
Africa	47	58	67	42.1	15.5	63	6.7
Consolidated	255	278	296	15.9	6.2	287	3.1
Eliminations	(16)	(21)	(23)			(20)	
Segmental EBITDA margin (%)							
India (incl. Indus)	59.4	59.5	60.0	55.6	50.4	59.0	94.3
Wireless	57.1	59.4	60.3	323.4	88.7	59.4	88.2
Homes	50.3	50.0	50.1	(23.2)	6.7	50.3	(26.8)
DTH	55.9	50.9	48.6	(729.9)	(225.9)	50.7	(205.7)
Airtel Business	35.7	42.6	41.6	585.9	(99.3)	40.0	160.5
Passive infra	67.3	55.4	57.3	(991.6)	189.8	54.3	300.1
Africa	46.5	48.1	49.1	258.8	95.9	47.9	115.2
Consolidated	56.8	56.3	56.7	(13.5)	40.8	56.2	51.3
Segmental capex (INR b)							
India (incl. Indus)	76	73	96	27.1	32.6	90	7.7
Wireless	40	30	43	7.1	44.3	46	(7.2)
Homes	9.5	14.6	18.6	96.7	27.7	14.8	25.7
DTH	4.3	3.1	3.1	(28.0)	0.2	3.4	(10.5)
Airtel Business	9	7	8	(14.9)	4.8	9	(17.3)
Passive infra	15	20	26		32.4	16	61.3
Africa	14	10	17	21.5	66.4	13	31.4
Consolidated	90	83	114	26.2	36.8	103	10.7

Exhibit 8: Key performance indicators

	2QFY25	1QFY26	2QFY26	YoY	QoQ	2QFY26E	vs est.
Operating metrics							
India wireless							
Wireless ARPU	233	250	256	9.8	2.2	253	0.9
EoP reported subs (m)	351.6	362.8	364.2	3.6	0.4	365.8	(0.4)
Net adds (m)	(2.9)	1.2	1.4			3.0	
EoP prepaid subs	327.0	336.2	336.7	3.0	0.1	338.5	(0.5)
EoP post-paid subs	24.7	26.6	27.5	11.6	3.6	27.3	0.9
EoP data subs (m)	271.2	284.8	289.4	6.7	1.6	290	(0.2)
Data net adds (m)	4.0	3.5	4.7			5.3	
Data subs proportion (%)	77.1	78.5	79.5	236 bps	98 bps	79.3	19 bps
EoP 4G subs (m)	263.6	280.7	285.8	8.4	1.8	287	(0.3)
4G net adds (m)	4.2	3.9	5.1			6.0	
Data volume (b MBs)	19,775	23,388	25,033	26.6	7.0	23,927	4.6
Data usage per data sub (GB/month)	23.9	26.9	28.3	18.6	5.3	27.1	4.6
Average data realization (INR/GB)	12.8	11.9	11.4	(10.6)	(4.1)	11.9	(3.8)
Voice usage on network (b mins)	1,200	1,242	1,249	4.1	0.6	1,254	(0.4)
Minute of usage per sub (min/month)	1,135	1,143	1,145	0.9	0.2	1,147	(0.2)
Network towers ('000)	329.5	339.9	342.3	3.9	0.7	343.5	(0.3)
MBB sites ('000)	1,079.2	1,134	1,154.8	7.0	1.8	1,009.0	14.4
Revenue per tower (INR/month)	2,51,029	2,67,276	2,72,510	8.6	2.0	2,70,225	0.8
Homes							
Cities covered (#)	1,345	1,512	1,551	15.3	2.6		
Reported ARPU (INR/month)	566	537	534	(5.7)	(0.6)	530	0.7
Calculated ARPU (INR/month)	578	545	543	(6.1)	(0.4)	538	0.8
EoP reported subs (m)	8.6	11.0	11.9	39.5	8.7	12.0	(0.2)
Net adds ('000)	583	938	951			974	
DTH							
ARPU (INR/month)	158	161	163	3.4	1.5	162	0.9
EoP active DTH subs (m)	15.8	15.7	15.4	(2.8)	(2.2)	15.5	(0.9)
Net adds ('000)	(546.3)	(203.5)	(341.1)			(200.0)	
Airtel Business							
M2M subs (m)	28.4	44.7	56.3	98.0	26.1		
Net adds ('000)	155	9,852	11,657				
Airtel Africa							
Reported ARPU (USD)	2.3	2.4	2.6	9.9	6.1	2.9	(12.1)
EoP subscriber base (m)	156.6	169.4	173.8	11.0	2.6	171.9	1.1
Net adds (m)	1.2	3.3	4.4			2.5	
EoP data subscriber base (m)	66.0	75.6	78.1	18.4	3.4		
Net adds (m)	1.6	2.2	2.5				
Data subs proportion (%)	42.1	44.6	45.0	281 bps	32 bps		
EoP mobile money subs base (m)	41.5	45.8	49.8	20.0	8.6		
Net adds (m)	2.0	1.3	3.9				

Note: Bharti has restated total MBB sites to include 5G BTS retrospectively from 2QFY25

Exhibit 9: Key assumptions for Bharti

	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E
India wireless business									
Paying subscriber base (m)	284	321	326	335	352	362	366	374	380
Net monthly additions (m)	0.1	3.1	0.4	0.8	1.4	0.8	0.3	0.7	0.5
Data subscribers (m)	149	189	208	233	261	281	296	310	325
Net monthly additions (m)	2.79	3.34	1.65	2.02	2.35	1.70	1.27	1.13	1.25
Wireless ARPU (INR/sub/month)	136	153	160	189	204	232	259	289	316
YoY change (%)	16.6	12.9	4.3	18.5	7.8	13.9	11.6	11.4	9.4
Data volumes (b MB)	21,020	32,541	45,203	54,148	65,978	81,257	1,00,380	1,19,919	1,41,205
YoY change (%)	79.2	54.8	38.9	19.8	21.8	23.2	23.5	19.5	17.8
Data consumption (GB/sub/month)	13.0	15.7	18.5	20.0	21.8	24.4	28.3	32.2	36.2
YoY change (%)	36.7	21.1	18.0	7.8	8.9	12.1	15.9	13.8	12.5
Voice traffic (b mins)	3,035	3,603	4,104	4,348	4,667	4,882	5,064	5,166	5,269
YoY change (%)	7.9	18.7	13.9	6.0	7.3	4.6	3.7	2.0	2.0
MOU (min/sub/month)	893	992	1,056	1,096	1,131	1,140	1,161	1,164	1,165
YoY change (%)	11.9	11.1	6.4	3.7	3.2	0.8	1.8	0.3	0.1
Homes business									
EoP Wi-Fi subscriber base (m)	2.4	3.1	4.5	6.0	7.6	10.0	14.0	17.0	20.0
Net monthly additions ('000s)	12	54	118	130	131	201	330	250	250
Implied ARPU (INR/month)	799	710	671	641	606	557	538	524	574
YoY change (%)	(4.9)	(11.1)	(5.5)	(4.5)	(5.4)	(8.1)	(3.5)	(2.4)	9.5
Airtel DTH									
EoP subscriber base (m)	16.6	17.7	16.0	15.9	16.1	15.9	15.4	15.2	15.0
Net monthly additions ('000s)	101.7	92.0	(140.7)	(6.8)	16.7	(20.7)	(45.0)	(12.5)	(17.4)
Implied ARPU (INR/month)	152	148	156	154	158	159	160	163	165
YoY change (%)	(34.1)	(2.5)	5.0	(1.4)	3.0	0.7	0.5	2.0	1.0
Capex (INR b)									
India (ex-spectrum and Indus)	198	193	204	281	334	303	294	288	299
As % of revenues	31.0	26.1	24.9	28.7	30.4	23.9	20.8	18.1	16.8
Consolidated (ex-spectrum)	252	238	253	342	395	395	457	430	432
As % of revenues	28.8	23.6	21.7	24.6	26.3	22.8	21.9	18.1	16.2
Consolidated overall	252	238	436	773	395	463	457	430	432
As % of revenues	28.8	23.6	37.4	55.5	26.3	26.8	21.9	18.1	16.2

Source: Company, MOFSL

Exhibit 10: Segment-wise revenue, EBITDA, margin, capex trends, and forecasts

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Segmental revenue (INR b)									
India	644	741	825	981	1,100	1,338	1,562	1,749	1,953
Wireless	460	556	629	759	850	1,003	1,139	1,290	1,438
Homes	22	23	30	40	50	59	78	98	128
DTH	29	31	32	29	30	31	30	30	30
Airtel Business	132	144	161	186	208	221	212	231	251
Passive infra	67	-	-	-	-	153	330	350	368
Africa	242	289	351	423	412	419	538	637	723
Consolidated	875	1,006	1,165	1,391	1,500	1,730	2,090	2,373	2,660
Eliminations	(82)	(40)	(41)	(49)	(55)	(156)	(237)	(262)	(277)
Segmental EBITDA (INR b)									
India	264	340	409	510	589	789	938	1,055	1,185
Wireless	170	243	312	401	468	579	687	801	908
Homes	11	13	16	20	25	29	39	51	69
DTH	20	21	21	17	17	17	15	14	14
Airtel Business	43	55	62	74	82	82	89	96	104
Passive infra	37	-	-	-	-	116	184	173	175
Africa	107	133	172	207	201	195	265	317	367
Consolidated	366	454	575	713	783	932	1,194	1,363	1,541
Eliminations	(22)	(11)	(7)	(6)	(9)	(87)	(84)	(89)	(95)
Segmental EBITDA margin (%)									
India	41.0	45.8	49.6	52.0	53.6	59.0	60.1	60.3	60.7
Wireless	36.9	43.7	49.6	52.8	55.0	57.8	60.3	62.1	63.1
Homes	50.4	57.6	52.3	50.6	50.1	49.9	50.8	52.1	54.0
DTH	68.3	68.0	66.6	58.9	56.3	55.3	48.9	47.8	47.5
Airtel Business	32.2	38.2	38.7	39.7	39.4	37.2	41.7	41.5	41.3
Passive infra	55.1	-	-	-	-	75.7	55.8	49.5	47.5
Africa	44.3	46.1	49.1	49.0	48.8	46.6	49.2	49.8	50.7
Consolidated	41.8	45.1	49.4	51.2	52.2	53.9	57.1	57.4	57.9
Segmental Capex ex-spectrum (INRb)									
India	208	199	208	282	334	336	376	350	352
Wireless	151	147	145	205	253	192	175	181	186
Homes	6	11	17	22	29	43	64	45	45
DTH	11	13	13	14	14	17	12	13	13
Airtel Business	30	22	32	40	38	51	42	50	55
Passive infra	9	-	-	-	-	35	85	62	52
Africa	46	45	49	60	61	57	79	80	80
Consolidated	254	245	257	342	395	392	455	430	432

Note: India capex includes capex for Indus Towers from Nov'24

Source: Company, MOFSL

Exhibit 11: For every INR10 change in ARPU, Bharti's consol. EBITDA changes by ~2.1%

FY27 consolidated EBITDA (INR b)		FY2027E India wireless ARPU (INR)				
		269	279	289	299	309
FY2027E India wireless paying subs (m)	354	1,284	1,312	1,340	1,368	1,396
	364	1,295	1,323	1,351	1,380	1,408
	374	1,305	1,334	1,363	1,392	1,420
	384	1,316	1,345	1,374	1,403	1,432
	394	1,326	1,356	1,385	1,415	1,445

Source: Company, MOFSL

Exhibit 12: Near-term growth robust, led by the assumption of ~15% tariff hike in Dec'25

FY2025-28E CAGR (%)	Bear	Base	Bull
Paying subs	1.4%	1.7%	1.4%
Wireless ARPU	8.7%	10.8%	13.3%
Wireless revenue	10.6%	12.8%	15.2%
Wireless EBITDA	11.5%	16.2%	18.8%

Source: Company, MOFSL

Exhibit 13: LT growth contingent on ARPU hikes; we model ~7% EBITDA CAGR over FY28-35E

FY2028-35E CAGR (%)	Bear	Base	Bull
Paying subs	1.0%	1.1%	0.9%
Wireless ARPU	5.0%	6.0%	7.0%
Wireless revenue	6.0%	7.2%	8.0%
Wireless EBITDA	6.5%	7.3%	8.6%

Source: Company, MOFSL

Exhibit 14: Summary of Bharti's India wireless business valuations and upside/downside skew, FY2025-35E

	Base	Bear	Bull
Bharti - India wireless			
10-year subscriber CAGR	1.3%	1.1%	1.1%
10-year ARPU CAGR	7.4%	6.1%	8.9%
INR 300 ARPU achieved by	FY2028	FY2029	FY2027
10-yr revenue CAGR	8.9%	7.3%	10.1%
10-yr EBITDA CAGR	9.9%	8.0%	11.5%
Enterprise value (INR b)	11,558	8,860	14,331
Exit EV/EBITDA (x)	12.0	10.4	13.6
Implied Dec'27E EBITDA (x)	13.1	11.3	15.3
India wireless Enterprise value (INR/share)	1,993	1,528	2,471
Bharti SoTP based TP (INR/share)	2,365	1,770	2,970
Upside / downside to CMP	12%	-16%	41%

Source: Company, MOFSL

Exhibit 15: We ascribe INR11.6t (or INR1,993/share) valuation to Bharti's India wireless segment (~13.1x Dec'27 EV/EBITDA)

	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E
Assumptions													
Paying subscriber base (m)	362	366	374	380	385	390	395	400	404	407	410		
Net adds	9.3	4.1	8.3	6.0	5.0	5.0	5.0	4.5	4.0	3.5	3.0		
ARPU (INR/month)	232	259	289	316	343	369	395	419	440	457	475		
YoY	13.9	11.6	11.4	9.4	8.5	7.8	7.0	6.0	5.0	4.0	3.8		
DCF model													
EBITDA	579	687	801	908	1,002	1,096	1,189	1,277	1,357	1,425	1,492		
Adjusted tax expense	-111	-143	-171	-204	-227	-251	-274	-297	-317	-334	-350		
Change in working capital	12	11	12	12	12	12	12	11	10	9	8		
Operating cash flow	481	556	642	717	787	857	927	992	1,050	1,100	1,149		
Capital expenditure	-261	-175	-181	-186	-250	-260	-270	-280	-290	-295	-300		
Free cash flow	220	381	461	531	537	597	657	712	760	805	849	891	936
Discounted cash flow-now		372	407	424	388	390	389	381	369	353	337		
Discounted cash flow-1 year forward			450	469	429	431	430	421	407	390	372	354	
Discounted cash flow-2 year forward				518	474	477	475	466	450	431	412	391	372
	Now	Y+1	Y+2										
Discount rate (%)	10.5%	10.5%	10.5%										
Total PV of free cash flow	3,810	4,154	4,464										
Terminal value assumption													
Growth in perpetuity	5.0%	5.0%	5.0%										
FCF in terminal year	849	891	936										
Exit FCF multiple (x)	19.1	19.1	19.1										
Exit EV/EBITDA multiple (x)	10.9	11.4	12.0										
Terminal value	16,207	17,017	17,868										
PV of terminal value	6,434	6,756	7,094										
Value of India wireless	10,245	10,910	11,558										
Implied EV/EBITDA	15.5	14.1	13.1										
Enterprise value (INR b)	10,245	10,910	11,558										
Shares outstanding (m)	5,800	5,800	5,800										
EV/share for India wireless (INR/share)	1,766	1,881	1,993										

Exhibit 16: For every INR10 ARPU change, Bharti's TP changes by ~INR67/share (~3%)

Bharti's TP		FY2027E India wireless ARPU (INR)				
		269	279	289	299	309
FY2027E India wireless paying subs (m)	354	2,183	2,248	2,313	2,377	2,442
	364	2,207	2,273	2,339	2,404	2,470
	374	2,231	2,298	2,365	2,431	2,498
	384	2,255	2,323	2,391	2,458	2,526
	394	2,280	2,348	2,417	2,485	2,553

Exhibit 17: Our SoTP-based TP for Bharti stands at INR2,365

SoTP based on Sept'27	Valuation base (INR b)		Multiple (x)		Valuation	
	EBITDA	Other	EBITDA	Other	(INRb)	(INR/share)
India business						
India wireless (including Hexacom)	881		13.1	DCF implied	11,558	1,993
Less: Hexacom minority (30% minority)	69		14.6	At our FV	303	52
Homes	64		13.1	DCF implied	844	146
India homes + wireless attributable value					12,100	2,086
DTH	14		5.0		71	12
Enterprise	102		10.0		1,016	175
Indus Towers attributable value	174	525	5.9	0.75	394	68
Other investments (Nxtra, APB)		148		1.0	148	26
India business enterprise value	1,153		11.9	Implied	13,730	2,367
India business net debt (including leases)					734	127
Network I2I perps					40	7
India business equity value (a)					12,956	2,234
International business						
Airtel Africa	354		4.6	At CMP	1,641	285
Airtel Africa net debt					426	74
Airtel Africa attributable value		762		0.75	572	99
Robi Axiata + Dialog SL attributable value		34		0.75	26	4
International business equity value (b)					597	103
Dividends (c)					162	28
Bharti Airtel TP (d) = (a) + (b) + (c)					13,715	2,365

Source: Company, MOFSL

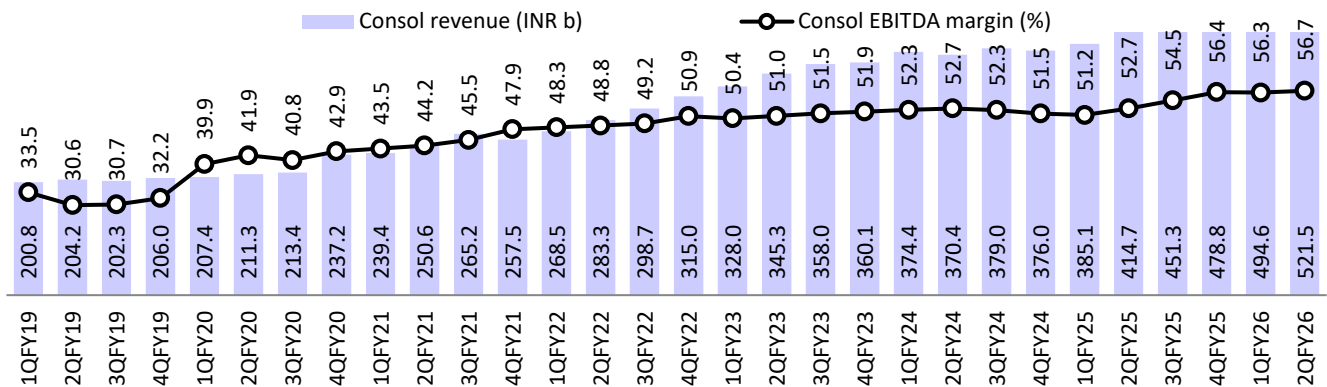
Exhibit 18: Bharti's risk-reward skew (INR/share)

Bharti Valuation Scenarios	Base	Bear	Bull
India business (INR/share)			
India wireless (including Hexacom)	1,993	1,528	2,471
Less: Hexacom minority (30% minority)	52	39	60
Homes	146	112	180
India wireless + homes attributable value	2,086	1,600	2,591
DTH	12	10	15
Enterprise	175	158	193
Indus Towers attributable value	68	57	78
Other investments	26	24	70
India business enterprise value	2,367	1,849	2,948
India business net debt	127	184	126
Network I2I perps	7	7	7
India business equity value (a)	2,234	1,658	2,814
International business (INR/share)			
Airtel Africa attributable value	99	84	120
Robi Axiata + Dialog SL attributable value	4	4	4
International business equity value (b)	103	89	124
Dividends (c)	28	23	31
Bharti Airtel TP (d) = (a) + (b) + (c)	2,365	1,770	2,970
Upside/downside to CMP (%)	12	-16	41

Source: Company, MOFSL

Story in charts

Exhibit 19: Consolidated revenue up 5% QoQ; margin improved ~40bp QoQ



Source: MOFSL, Company

Exhibit 20: India Mobile's revenue up 3% QoQ; margin expanded ~90bp

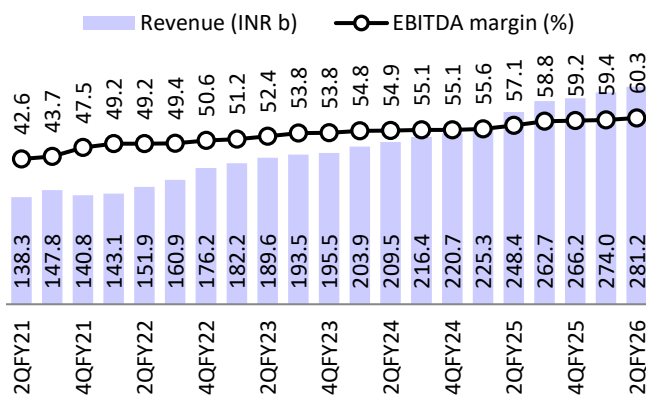


Exhibit 21: Africa revenue increased ~13% QoQ, driven by robust CC growth and favorable FX movement

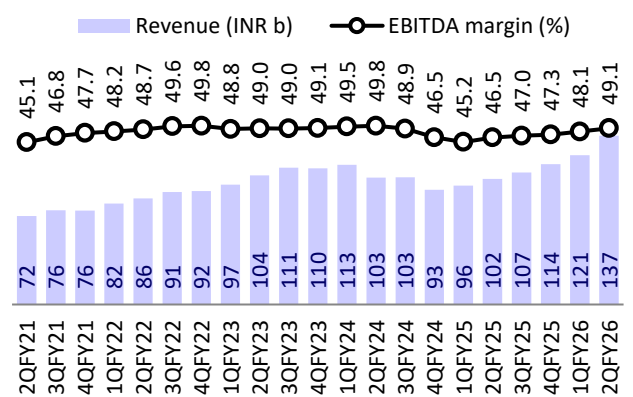


Exhibit 22: India Mobile's net adds were modest at ~1.4m QoQ, while ARPU increased 2.2% QoQ to INR256

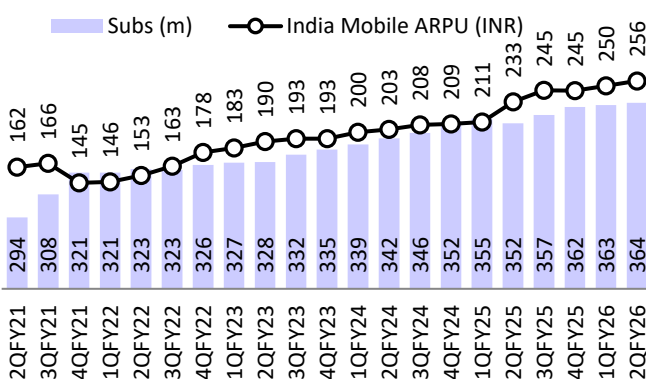


Exhibit 23: Airtel Africa's ARPU and subscriber trends

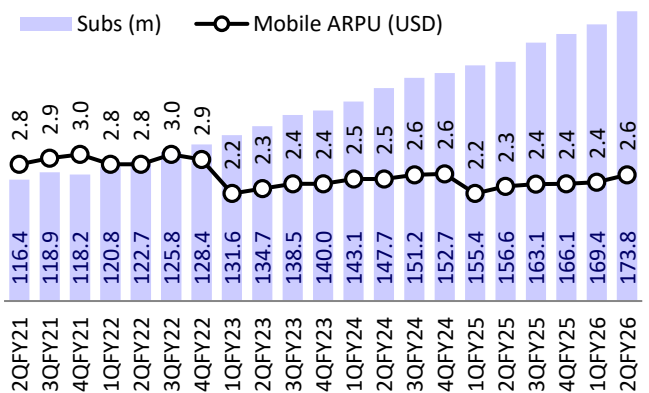
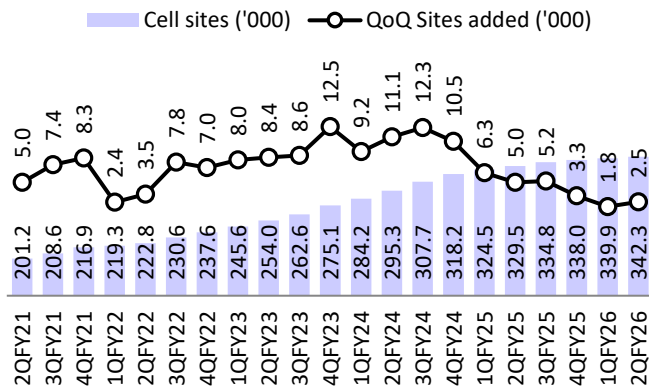
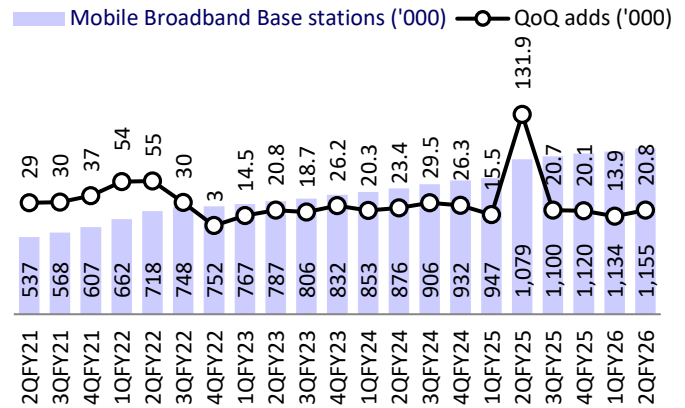


Exhibit 24: Bharti added 2.5k towers in 2QFY26



Source: Company, MOFSL

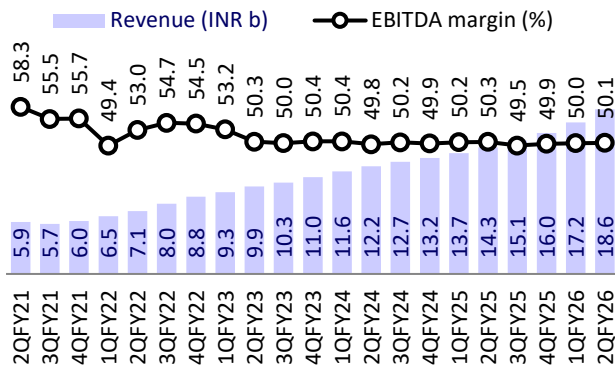
Exhibit 25: Bharti added ~20.8k MBB sites in 2QFY26



Note: from 2QFY25, Bharti's MBB sites include 5G BTS

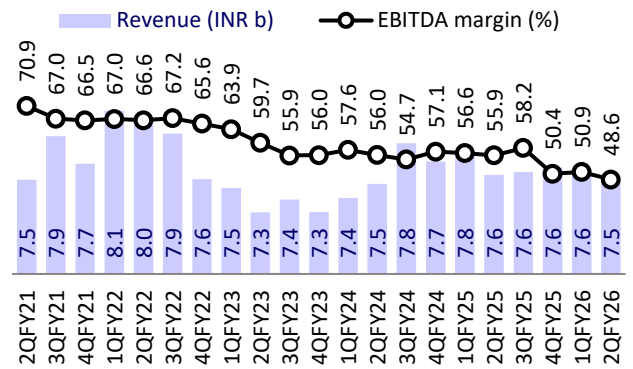
Source: Company, MOFSL

Exhibit 26: Revenue from Homes business up ~8.5% QoQ



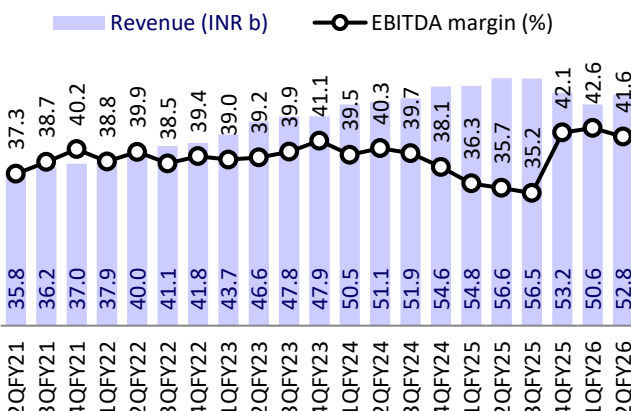
Source: Company, MOFSL

Exhibit 27: Revenue from DTH business declined 1% QoQ



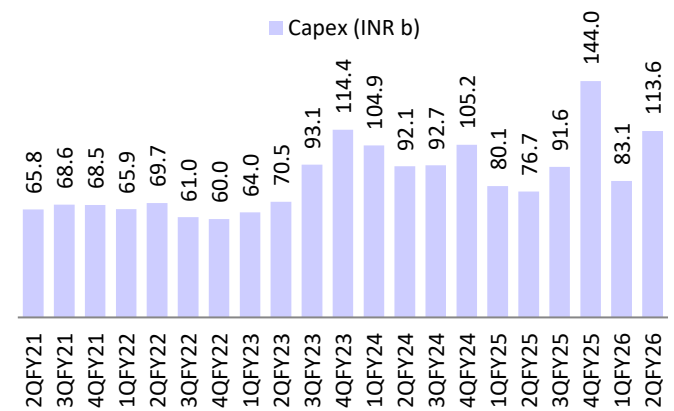
Source: Company, MOFSL

Exhibit 28: Revenue from Airtel business (B2B) increased 4% QoQ; margin dipped ~100bp QoQ, but still elevated



Source: Company, MOFSL

Exhibit 29: Consol. capex increased sequentially to INR114b



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	1,006	1,165	1,391	1,500	1,730	2,090	2,373	2,660
Change (%)	15.7	15.8	19.4	7.8	15.3	20.8	13.6	12.1
Total Expenditure	552	590	679	717	798	895	1,010	1,119
% of Sales	54.9	50.6	48.8	47.8	46.1	42.9	42.6	42.1
EBITDA	454	575	713	783	932	1,194	1,363	1,541
Margin (%)	45.1	49.4	51.2	52.2	53.9	57.1	57.4	57.9
Depreciation	294	331	364	395	456	516	551	584
EBIT	160	244	348	388	476	679	811	958
Int. and Finance Charges	151	166	193	226	218	187	189	168
Other Income	6	30	17	41	53	20	26	41
PBT bef. EO Exp.	14	108	172	203	311	512	648	830
EO Items	-159	17	-7	-76	73	0	0	0
PBT after EO Exp.	-145	125	166	127	384	512	648	830
Total Tax	89	42	43	41	9	140	178	228
Tax Rate (%)	-61.7	33.5	25.8	32.5	2.4	27.4	27.4	27.4
Profit from discontinued operations	110.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest	27	41	39	11	39	68	62	70
Reported PAT	-151	43	83	75	336	304	409	533
Adjusted PAT	-7	35	82	113	176	304	409	533
Change (%)	-82.3	-590.2	131.2	38.6	55.4	72.8	34.6	30.3
Margin (%)	-0.7	3.0	5.9	7.5	10.2	14.5	17.2	20.0

Consolidated - Balance Sheet

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	27	28	28	29	29	29	30	30
Total Reserves	562	638	747	791	1,108	1,316	1,716	2,039
Net Worth	590	666	776	820	1,137	1,345	1,747	2,070
Minority Interest	223	254	289	235	398	466	528	598
Total Loans	1,628	1,697	2,260	2,156	2,136	1,911	1,713	1,505
Lease liabilities	0	0	0	0	0	0	0	0
Deferred Tax Liabilities	-222	-217	-205	-201	-181	-181	-181	-181
Capital Employed	2,218	2,399	3,119	3,010	3,491	3,542	3,807	3,993
Net Fixed Assets	2,292	2,500	3,268	3,202	3,995	3,978	3,901	3,786
Goodwill on Consolidation	0	0	0	0	0	0	0	0
Capital WIP	0	0	0	0	0	0	0	0
Right of use assets	0	0	0	0	0	0	0	0
Total Investments	329	367	392	410	53	55	58	60
Curr. Assets, Loans&Adv.	617	552	596	626	822	983	1,410	1,783
Inventory	0	0	3	4	5	5	5	5
Account Receivables	36	41	40	49	75	97	98	109
Cash and Bank Balance	81	61	72	69	167	283	692	1,034
Loans and Advances	500	450	482	505	576	598	616	635
Curr. Liability & Prov.	1,020	1,020	1,137	1,228	1,379	1,475	1,562	1,637
Account Payables	1,020	1,020	849	911	792	859	926	984
Provisions	0	0	288	317	587	616	635	654
Net Current Assets	-403	-468	-541	-602	-557	-492	-151	146
Appl. of Funds	2,218	2,399	3,119	3,010	3,491	3,542	3,807	3,993

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
EPS	-1.3	6.3	14.4	19.7	30.3	52.4	67.1	87.4
Cash EPS	52.2	65.5	79.8	91.0	113.0	146.6	171.8	199.7
BV/Share	107.3	119.1	138.8	146.7	203.3	240.6	312.5	370.3
DPS	0.0	3.0	4.0	8.1	16.0	27.9	34.0	45.0
Payout (%)	0.0	39.4	27.3	62.0	27.7	53.3	50.7	51.5
Valuation (x)								
P/E	n/m	334.3	146.8	107.4	69.6	40.3	31.5	24.1
Cash P/E	40.4	32.2	26.5	23.2	18.7	14.4	12.3	10.6
P/BV	19.7	17.7	15.2	14.4	10.4	8.8	6.8	5.7
EV/Sales	13.1	11.5	10.2	9.5	8.2	6.6	5.8	5.0
EV/EBITDA	29.0	23.3	19.9	18.2	15.3	11.6	10.2	8.6
Dividend Yield (%)	0.0	0.1	0.2	0.4	0.8	1.3	1.6	2.1
Return Ratios (%)								
RoE	-1.1	5.6	11.3	14.2	18.0	24.5	26.4	27.9
RoCE	12.8	8.0	10.0	9.6	16.5	15.5	18.1	20.6
RoIC	14.4	8.6	11.2	10.1	16.0	15.2	18.8	23.3
Working Capital Ratios								
Fixed Asset Turnover (x)	0.4	0.5	0.4	0.5	0.4	0.5	0.6	0.7
Asset Turnover (x)	0.5	0.5	0.4	0.5	0.5	0.6	0.6	0.7
Inventory (Days)	0	0	1	1	1	1	1	1
Debtor (Days)	13	13	10	12	16	17	15	15
Creditor (Days)	370	320	223	222	167	150	143	135
Leverage Ratio (x)								
Current Ratio	0.6	0.5	0.5	0.5	0.6	0.7	0.9	1.1
Interest Cover Ratio	1.1	1.5	1.8	1.7	2.2	3.6	4.3	5.7
Net Debt/Equity	2.5	2.3	2.7	2.4	2.0	1.4	0.6	0.2

Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	-31	125	166	127	384	512	648	830
Depreciation	297	331	364	395	456	516	551	584
Interest & Finance Charges	149	165	188	219	209	169	166	130
Direct Taxes Paid	-22	-22	-38	-29	-44	-140	-178	-228
(Inc)/Dec in WC	30	-14	-31	24	84	48	66	42
CF from Operations	423	585	649	737	1,088	1,105	1,254	1,358
Others	59	-35	4	52	-262	-68	-66	-64
CF from Operating incl EO	482	550	653	789	827	1,037	1,188	1,295
(Inc)/Dec in FA	-334	-424	-388	-521	-607	-457	-430	-432
Free Cash Flow	148	127	265	268	220	579	758	863
(Pur)/Sale of Investments	38	-5	-20	12	0	0	0	0
Others	27	10	16	7	5	8	10	11
CF from Investments	-269	-419	-392	-502	-602	-449	-420	-421
Issue of Shares	7	10	-5	0	-41	0	157	0
Inc/(Dec) in Debt	-118	-19	-113	-18	95	-202	-178	-184
Interest Paid	-71	132	-67	-140	-175	-177	-175	-141
Dividend Paid	-27	-14	-36	-44	-69	-93	-162	-207
Others	-40	-257	-24	-76	-103	0	0	0
CF from Fin. Activity	-249	-148	-245	-278	-294	-472	-358	-532
Inc/Dec of Cash	-36	-17	16	9	-69	116	409	342
Opening Balance	131	91	74	90	152	167	283	692
Closing Balance	91	74	90	99	83	283	692	1,034
Less :- Bank overdraft	10	13	18	21	0	0	0	0
Net Closing Balance	81	61	72	78	83	283	692	1,034

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