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RJio and Bharti's active subscribers climb

Gross/Active subscriber adds seeing contrasting trends

4G adds steady for RJio/Bharti; active subscriber adds strong for Bharti

- **The Telecom Regulatory Authority of India (TRAI) has released data for Feb'21. Here are the key highlights:**
- **Industry gross subscribers increased by a healthy 8.2m MoM (5.6m in Jan'21 and flattish in 9MFY21) to 1.17b in Feb'21, led by subscriber adds in all the three major telcos. However, active subscribers adds at 3.2m (reaching 982m) were just 40% of gross adds – RJio/VIL did not see any gains, and only Bharti's active adds were in line with gross adds.**
- **Bharti added a strong 3.7m/3.8m gross/active subscribers to 348m/340m in Feb'21, continuing its average ~4m adds over the past 12M and maintaining its top spot in terms of active subscriber market share (SMS) at 34.6% (+30bp). The quality of its subscribers is reflected in the 3.5m 4G subscriber adds and an industry-leading 98% active subscriber add rate as a percentage of its gross subscribers.**
- **RJio's monthly gross and active subscriber adds reflected a contrasting view, with 4.3m gross adds and -0.2m active subscriber adds, taking the total base to 415m/324m. Its active subscriber share reduced to 78.2%, and it saw a 20bp market share loss to 33% after a 40bp loss in Jan'21. However, with the relaunch of JioPhone on 1st Mar'21, nos significantly improved – as indicated in its 4QFY21 quarterly results.**
- **VIL's gross subscribers finally turned positive after 15 months, with 0.7m adds (to 283m subscribers), but its active subscriber count has continued to decline (-0.2m) since its integration in Nov'18.**
- **Industry 4G subscriber adds continued at a strong pace, with 7.9m adds to 742m; 4G subscribers now account for 75.6% (60bp adds) of active subscribers.**
- **Bharti and RJio saw strong 4G adds with 3.5m/4.3m (42%/51% incremental share), but the difference in RJio's gross/active subscriber adds could also have a bearing on its 4G active adds (which is not provided). VIL's 4G adds, although low, stood positive at 0.6m (1.9m in Jan'21). Bharti's 4G market share improved 20bp MoM to 25%, while RJio's share remained at 50bp MoM to 55.9%.**
- **Industry wired broadband subscribers declined 0.4m to 22.3m (after steady adds since the lockdown last year), solely due to BSNL's 0.9m decline. However, RJio / Bharti / smaller players continued to add 0.2m/0.1m/0.2m subscribers.**

Contrasting trends in subscriber adds

The Telecom industry added 8.2m gross subscribers in Feb'21 to reach 1.17b (v/s a 5.6m loss in Jan'21). Feb'21 has seen contrasting trends in gross and active subscriber adds in the industry – despite the steady pace of gross additions, active subscriber adds were just 40% of gross adds at 3.2m. The top 3 players had combined gross adds of 8.7m, with a) RJio inching up the pace of adds from a weak ~2m in the last six months to 4.3m adds, b) VIL gaining subscribers for the first time since its integration in November'18, and c) Bharti maintaining its steady pace of additions at 3.7m.

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The slower pace of active subscriber adds at 3.2m (to reach 982m subscribers) was due to both RJio and VIL seeing a 0.2m decline despite posting positive gross subscriber adds. Bharti, on the other hand, continued its steady pace of 3.8m active subscriber adds.

Bharti continues steady gross/active adds; retains top spot in active SMS

Bharti added a steady count of 3.7m gross subscribers (to 348m), although lower than 5.9m in Jan’21, but in line with the trend in the last few months. Its active subscriber adds at 3.8m (to 340m) remained healthy, but lower v/s its high count of 6m adds in the last couple of months.

The telco retained its top position in active SMS with 34.6% share (+30bp MoM). The company reported a total of 32m active subscriber adds since May’20. The quality of Bharti’s subscribers is reflected in its healthy 98% active subscriber add rate as a percentage of its gross subscribers and healthy 3.5m 4G subscriber additions in line with gross/active subscriber adds.

RJio sees contrasting gross/active subscriber adds

RJio’s gross subscriber adds improved to 4.3m to reach the highest gross subscriber base in the industry at 415m. However, its active subscriber adds declined 0.2m, highlighting the churn in subscribers. However, with the relaunch of JioPhone on 1st Mar’21, nos improved significantly – as indicated in its 4QFY21 quarterly results.

Gross SMS increased 10bp MoM to 35.5%. It continues to retain the top spot. RJio’s monthly gross/MBB subscriber adds run-rate improved to 4.3m v/s ~2m for the last six months. **RJio lost 0.2m active subscribers in Feb’21 to reach 324m, with its active SMS share at 33% (down 20bp).**

VIL’s gross adds bottom out, but active adds still negative

VIL added 0.7m gross subscribers (additions turned positive for the first time after 15 months), but lost 0.2m active subscribers – taking the total gross/active subscriber base to 283m/256m in Feb’21. This indicates that gross subscribers bottomed out, but active subscribers remained negative. Gross and active subscriber adds declined 10bp MoM to 24.2%/26.1% in Feb’21.

Broadband subscriber data – 4G subscriber adds remains steady

- **Industry 4G subscribers grow by 7.9m:** Industry 4G subscriber additions increased by 7.9m in Feb’21 to reach 742m (9.8m additions in Jan’21). The 4G subscriber share, which has been rising continuously from 64% in Oct’19, now accounts for 75.6% (+60bp MoM) of the total number of active subscribers in the market. Subscriber additions were led by Bharti/RJio/VIL at 3.5m/4.3m/0.6m in Feb’21.
- **Bharti’s market share inches up 20bp:** Bharti continued its healthy streak of 4G adds at 3.5m, in line with the gross/active subscriber adds. Bharti’s 4G subscriber market share increased 20bp MoM to 25%, with incremental 4G market share of 42% in Feb’21. This was lower than the >50% incremental share in the last few months, largely due to RJio’s weak subscriber adds.

- **RJio's 4G adds strong, but divergent v/s active subscriber adds:** RJio clocked in 4.3m 4G subscriber adds (v/s ~2m in the last five months) to reach a subscriber base of 415m. Its market share is maintained at 55.9%. However, contrasting trends in active subscriber adds could also have a bearing on 4G active adds (which is not provided by TRAI).
- **VIL's subscriber base remains steady:** VIL added 0.6m 4G subscribers in Feb'21, taking its total subscriber base to 123m. Its market share reduced 10bp to 16.6%.
- **Wired Broadband market declines due to BSNL**: After consistent additions in the last nine months, wired broadband subscribers declined 4.1m. This was solely due to BSNL posting a 0.9m drop, while RJio / Bharti / smaller players continued to add 0.2m/0.1m/0.2m subscribers.

Exhibit 1: Active subscriber base increases to 982m

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Bharti	315	307	307	311	310	313	316	320	323	329	336	340
VIL	294	280	277	273	269	265	261	260	258	257	256	256
RJio	314	306	313	310	313	318	318	319	325	328	325	324
Top three players	**923**	**893**	**896**	**894**	**893**	**895**	**896**	**899**	**906**	**913**	**917**	**920**
Other players	**67**	**65**	**64**	**64**	**63**	**63**	**62**	**62**	**62**	**62**	**62**	**62**
Total	**989**	**958**	**961**	**958**	**956**	**957**	**958**	**961**	**968**	**975**	**979**	**982**

Source: TRAI, MOFSL

Exhibit 2: Active subscriber net additions – Bharti stands ahead

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Bharti	0.9	-8.0	-0.2	3.7	-0.4	2.3	3.8	3.0	3.9	5.5	6.9	3.8
VIL	-0.8	-14.1	-2.8	-3.7	-3.8	-4.5	-3.4	-1.2	-1.9	-1.5	-0.3	-0.2
RJio	2.5	-7.2	6.2	-2.1	2.5	4.6	0.7	1.1	5.4	3.2	-3.5	-0.2
Top three players	**2.5**	**-29.3**	**3.2**	**-2.2**	**-1.7**	**2.4**	**1.1**	**2.9**	**7.4**	**7.2**	**3.2**	**3.3**
Other players	**-0.3**	**-2.0**	**-0.3**	**-0.6**	**-0.4**	**-0.8**	**-0.1**	**-0.4**	**0.1**	**-0.2**	**0.1**	**-0.2**
Total	**2.2**	**-31.2**	**2.9**	**-2.8**	**-2.2**	**1.6**	**1.0**	**2.5**	**7.5**	**7.0**	**3.3**	**3.2**

Source: TRAI, MOFSL

Exhibit 3: Active subscriber market share – Bharti regains top position (%)

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Bharti	31.9	32.1	32.0	32.4	32.5	32.7	33.0	33.3	33.4	33.7	34.3	34.6
VIL	29.7	29.2	28.8	28.5	28.2	27.6	27.3	27.1	26.6	26.3	26.2	26.1
RJio	31.7	32.0	32.5	32.4	32.7	33.2	33.2	33.2	33.5	33.6	33.2	33.0
Top three players	**93.3**	**93.3**	**93.3**	**93.3**	**93.4**	**93.5**	**93.5**	**93.5**	**93.6**	**93.6**	**93.7**	**93.7**
Other players	**6.7**	**6.7**	**6.7**	**6.7**	**6.6**	**6.5**	**6.5**	**6.5**	**6.4**	**6.4**	**6.3**	**6.3**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: TRAI, MOFSL

Exhibit 4: Trend in gross subscriber base (m)

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Bharti	328	323	318	317	320	323	327	330	335	339	345	348
VIL	319	315	310	305	301	300	295	293	290	284	282	283
RJio	388	389	393	397	401	403	404	406	408	409	411	415
Top three players	**1034**	**1026**	**1020**	**1019**	**1022**	**1026**	**1026**	**1029**	**1033**	**1032**	**1037**	**1046**
Other players	**123**	**123**	**123**	**122**	**122**	**122**	**122**	**122**	**122**	**122**	**122**	**122**
Total	**1,158**	**1,150**	**1,144**	**1,141**	**1,144**	**1,148**	**1,149**	**1,152**	**1,155**	**1,154**	**1,159**	**1,168**

Source: TRAI, MOFSL

Exhibit 5: Gross subscriber net additions (m)

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Bharti	-1.3	-5.3	-4.7	-1.1	3.3	2.9	3.8	3.7	4.4	4.1	5.9	3.7
VIL	-6.4	-4.5	-4.7	-4.8	-3.7	-1.2	-4.7	-2.7	-2.9	-5.7	-2.3	0.7
RJio	4.7	1.6	3.7	4.5	3.6	1.9	1.5	2.2	1.9	0.5	2.0	4.3
Top three players	**-2.9**	**-8.2**	**-5.8**	**-1.5**	**3.1**	**3.5**	**0.6**	**3.2**	**3.4**	**-1.2**	**5.6**	**8.7**
Other players	**0.0**	**0.0**	**0.2**	**-1.7**	**0.4**	**0.2**	**0.1**	**0.0**	**0.0**	**-0.3**	**0.1**	**-0.5**
Total	**-2.9**	**-8.2**	**-5.6**	**-3.2**	**3.5**	**3.7**	**0.7**	**3.2**	**3.4**	**-1.4**	**5.6**	**8.2**

Source: TRAI, MOFSL

Exhibit 6: Gross subscriber market share (%)

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Bharti	28.3	28.1	27.8	27.8	28.0	28.1	28.4	28.7	29.0	29.4	29.7	29.8
VIL	27.6	27.4	27.1	26.7	26.3	26.1	25.7	25.4	25.1	24.6	24.3	24.2
RJio	33.5	33.8	34.3	34.8	35.0	35.1	35.2	35.3	35.3	35.4	35.4	35.5
Top three players	**89.4**	**89.3**	**89.2**	**89.3**	**89.3**	**89.3**	**89.3**	**89.4**	**89.4**	**89.4**	**89.5**	**89.6**
Other players	**10.6**	**10.7**	**10.8**	**10.7**	**10.7**	**10.7**	**10.7**	**10.6**	**10.6**	**10.6**	**10.5**	**10.4**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: TRAI, MOFSL

Exhibit 7: Trend in 4G subscriber base (m)

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Bharti	146	142	144	149	153	156	163	168	172	176	182	185
VIL	117	111	113	116	115	120	120	120	121	121	123	123
RJio	388	389	393	397	401	403	404	406	408	409	411	415
Top three players	**651**	**643**	**649**	**663**	**669**	**679**	**687**	**694**	**701**	**706**	**715**	**724**
Other players	17	14	14	15	15	16	17	18	19	19	19	19
Total	**668**	**657**	**664**	**678**	**685**	**695**	**705**	**713**	**720**	**724**	**734**	**742**

Source: TRAI, MOFSL

Exhibit 8: Trend in 4G subscriber net additions (m)

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Bharti	2.4	-3.8	1.2	5.3	4.4	3.2	7.0	4.2	4.2	4.4	5.5	3.5
VIL	-0.8	-6.1	1.7	3.4	-1.2	4.6	-0.1	0.6	0.5	-0.2	1.9	0.6
RJio	4.7	1.6	3.7	4.5	3.6	1.9	1.5	2.2	1.9	0.5	2.0	4.3
Top three players	**6.3**	**-8.3**	**6.6**	**13.2**	**6.8**	**9.7**	**8.3**	**7.0**	**6.6**	**4.7**	**9.4**	**8.3**
Other players	-0.1	-2.9	0.7	0.8	0.1	0.7	1.1	1.1	0.3	0.2	0.4	-0.4
Total	**6.2**	**-11.2**	**7.3**	**14.0**	**6.9**	**10.4**	**9.5**	**8.1**	**6.9**	**4.9**	**9.8**	**7.9**

Source: TRAI, MOFSL

Exhibit 9: Trend in 4G subscriber market share (m)

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Bharti	21.9	21.7	21.6	22.0	22.4	22.5	23.2	23.5	23.9	24.3	24.8	25.0
VIL	17.6	17.0	17.0	17.2	16.8	17.3	17.0	16.9	16.8	16.7	16.7	16.6
RJio	58.0	59.3	59.2	58.6	58.5	57.9	57.4	57.0	56.7	56.4	55.9	55.9
Top three players	**97.5**	**97.9**	**97.8**	**97.7**	**97.8**	**97.7**	**97.6**	**97.4**	**97.4**	**97.4**	**97.4**	**97.5**
Other players	2.5	2.1	2.2	2.3	2.2	2.3	2.4	2.6	2.6	2.6	2.6	2.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: TRAI, MOFSL

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