

Bharti Airtel

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	BHARTI IN
Equity Shares (m)	5696
M.Cap.(INRb)/(USD\$)	10039.6 / 114.8
52-Week Range (INR)	1779 / 1098
1, 6, 12 Rel. Per (%)	6/19/40
12M Avg Val (INR M)	9703

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Net Sales	1,725	2,047	2,309
EBITDA	929	1,158	1,322
Adj. PAT	212	271	375
EBITDA Margin (%)	53.9	56.6	57.3
Adj. EPS (INR)	36.9	44.9	62.0
EPS Gr. (%)	88	22	38
BV/Sh. (INR)	176	226	250

Ratios

Net D:E	1.6	0.9	0.3
RoE (%)	23.5	24.2	28.2
RoCE (%)	14.9	15.8	17.9
Div. Payout (%)	30.1	55.7	64.5

Valuations

EV/EBITDA (x)	11.9	9.6	8.1
P/E (x)	44	37	26
P/BV (x)	9.3	7.3	6.6
Div. Yield (%)	0.9	1.5	2.4

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	53.1	53.1	54.6
DII	19.6	18.8	19.7
FII	24.3	25.2	22.7
Others	2.9	2.9	3.0

FII Includes depository receipts

CMP: INR1,677 TP: INR1,990 (+19%) Buy

Strong 3Q; continues to outperform peers

- Bharti Airtel (BHARTI) reported another strong quarter, with a further ~6%/9% QoQ increase in India Wireless revenue and EBITDA, driven by a residual flow-through of recent tariff hikes and ~90% incremental margin.
- BHARTI remains the biggest beneficiary of the tariff hikes, with an **INR35 increase in wireless ARPU over the last two quarters (vs. ~INR20 for RJio)**.
- On our estimates, BHARTI **narrowed the wireless revenue market share gap with RJio by 300bp over the last two quarters**. Further, **BHARTI's India Wireless reported EBITDA (post IND-AS) is now similar to RJio's reported EBITDA**, which also includes the contribution from Home Broadband business.
- FCF generation (after interest and leases but before spectrum prepayments) improved further to INR126b as operational cash flows rose, led by the tariff hike flow-through and the consolidation of Indus Towers.
- BHARTI's consolidated net debt (excl. leases) moderated further by ~INR110b (on like-for-like basis) to INR1.3t, with the leverage ratio declining sharply to 1.3x (vs. 1.9x YoY).
- We raise our FY26E/FY27E consol. EBITDA by ~2% each on higher margins in India Wireless. We build in FY24-27 CAGR of ~15%/19% in consolidated revenue/EBITDA, driven by more frequent tariff hikes in India wireless business (~12.5% ARPU CAGR), acceleration in Homes Broadband services, and robust double-digit growth in Africa.
- We continue to like BHARTI's superior execution on the premiumization agenda. Further, with a moderation in capex intensity, BHARTI is likely to generate significant FCF (INR1t over FY25-26E), which should lead to significant deleveraging and improvement in shareholder returns.
- We **reiterate BUY on BHARTI with our SoTP-based revised TP of INR1,990**. We value India Wireless and Homes Business on DCF (implies ~13x FY27E EV/EBITDA), DTH/Enterprise at 6x/10x Mar'27E EBITDA and BHARTI's stake in Indus Towers and Airtel Africa at a 25% discount to our TP/CMP.

Robust tariff hike flow-through and 90% incremental margins drive outperformance

- India revenue (excluding Indus) at INR331b (+5% QoQ, 19% YoY) was ~1% above our estimate, driven by the continued benefits of tariff hikes in India Wireless (ARPU/revenue up 5%/6% QoQ).
- India EBITDA (excluding Indus) at INR186b (+8% QoQ, +24% YoY) was ~2% above our estimate, primarily led by robust ~90% incremental margins in the India Wireless business (vs. 49% for RJio).
- BHARTI remains the biggest beneficiary of tariff hikes in India Wireless business and once again outperformed RJio on most metrics in 3QFY25.
- India EBITDA margins (excluding Indus) expanded further ~140bp QoQ to 56.2% (~80bp beat).
- India capex (excl. Indus) was up ~10% QoQ at INR69b (still ~12% below YoY), with 9M capex at INR199 (down 20% YoY).

Aditya Bansal - Research Analyst (Aditya.Bansal@MotilalOswal.com)

Siddhesh Chaudhari - Research Analyst (Siddhesh.Chaudhari@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Net debt moderates further; FCF generation improves to ~INR126b

- Reported consol. PBT (before the share of JVs) at INR77b (+35% QoQ, 2.17x YoY) was in line with our estimate, as higher D&A (~1% ahead) was offset by lower net finance cost (~1% lower).
- Reported attributable PAT at INR148b was significantly above our estimate on account of exceptional gains on Indus consolidation.
- Adjusted for many exceptional items, PAT at INR55b (+41% QoQ, +2.2x YoY) was 11% higher than our estimate of ~INR49.5b.
- BHARTI's consolidated 9M FCF (after interest and leases but before spectrum prepayments) improved to INR292b (vs. INR213b in FY24).
- Consol. net debt moderated further by ~INR110b QoQ, on a like-for-like basis, driven by Indus consolidation and robust FCF generation.

Key highlights from the management commentary

- **Captive tower sales to Indus:** BHARTI plans to transfer 16,100 towers (12,700 from Bharti Airtel and 3,400 from Bharti Hexacom) to Indus Towers at a consideration not exceeding INR33.1b (implies ~INR2.05m/tower). This will free up BHARTI management's bandwidth and also create greater efficiency, scale and add long-term value for Indus.
- **Capex:** BHARTI management has reiterated its guidance for FY25 India capex (INR199b in 9M) to be lower than FY24 (INR330b). Management expects capex to further unwind in FY26. Going ahead, the priorities for capex would be on investments in the transport layer, Home Broadband, data center and B2B. Management expects capex as a percentage of revenue to trend lower and soon be at par with global telcos.
- **Capital allocation:** The main priorities for BHARTI would be to 1) further deleverage the balance sheet, 2) step up dividend payments, and 3) selective and prudent investments to bolster capabilities in B2B adjacencies through bolt-on acquisitions.
- **Deleveraging:** The company prepaid INR36b of spectrum dues pertaining to 2016 during 3Q (~INR355b high-cost debt prepayments in the past few years). BHARTI has now prepaid all the spectrum dues prior to 2021 spectrum auctions. As a result, India net debt-to-EBITDAaL moderated to 1.3x (vs. 2.1x YoY).

Valuation and view

- We raise our FY26E/FY27E consol. EBITDA by ~2% each on higher margins in India Wireless. We build in FY24-27 CAGR of ~15%/19% in consolidated revenue/EBITDA, driven by more frequent tariff hikes in India Wireless business (~12.5% ARPU CAGR), acceleration in Homes Broadband services, and robust double-digit growth in Africa.
- We continue to like BHARTI's superior execution on the premiumization agenda. Further, with a moderation in capex intensity, BHARTI is likely to generate significant FCF (~INR1t over FY25/FY26), which should lead to significant deleveraging and improvement in shareholder returns.
- We **reiterate BUY on Bharti with our SoTP-based TP of INR1,990**. We value India Wireless and Homes business on DCF (implies ~13x FY27E EV/EBITDA), DTH/Enterprise at 6x/10x Mar'27E EBITDA and BHARTI's stake in Indus Towers and Airtel Africa at a 25% discount to our TP/CMP.

Consolidated - Quarterly earnings summary

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3QE	Var (%)
Revenue	374	370	379	376	385	415	451	474	1,500	1,725	445	1.4
YoY Change (%)	14.1	7.3	5.9	4.4	2.8	12.0	19.1	26.2	7.8	15.0	17.5	
Total Expenditure	178	175	181	182	188	196	205	206	717	796	199	2.9
EBITDA	196	195	198	194	197	218	246	268	783	929	246	0.1
YoY Change (%)	18.6	10.9	7.4	3.6	0.6	12.0	24.1	38.3	9.8	18.7	24.0	1
Depreciation	97	97	101	101	105	110	117	122	395	455	116	0.9
Net Finance cost	56	52	66	52	52	54	57	49	226	211	55	2.6
Other Income	9	9	11	11	13	13	21	9	41	56	6	246.8
PBT before EO expense	53	55	42	52	53	68	93	106	203	320	80	16.2
Extra-Ord expense	34	16	1	25	-7	9	-75	0	76	-74	0	
PBT	19	39	41	28	60	59	169	106	127	394	80	110.0
Tax	3	18	12	7	13	17	8	36	41	74	22	-66.0
Rate (%)	18.0	46.9	30.0	25.6	21.7	29.6	4.5	33.6	32.5	18.7	27.7	
Minority Interest & P/L of Asso. Cos.	-1	8	4	0	6	6	14	9	11	34	9	
Reported PAT	16	13	24	21	42	36	148	61	75	287	50	198.6
Adj PAT	29	30	25	30	29	39	55	61	113	185	50	11.4
YoY Change (%)	91.3	44.2	25.0	13.9	0.8	32.2	121.3	107.5	38.6	63.4	98.7	

E: MOFSL Estimates

Exhibit 1: Our SoTP-based TP for Bharti Airtel stands at INR1,990

SoTP based on Mar'27	Valuation base (INR b)		Multiple (x)		Valuation	
	EBITDA	Other	EBITDA	Other	(INR b)	(INR/share)
India business						
India wireless (including Hexacom)	819		13.0	DCF implied	10,645	1,760
Less: Hexacom minority (30% minority)	61		13.0	Implied at CMP	236	39
Homes	49		13.0	DCF implied	635	105
India homes + wireless attributable value					11,044	1,826
DTH	18		6.0		107	18
Enterprise	83		10.0		827	137
Indus Towers attributable value	163	528	6.5	0.75	396	65
Other investments (Nxtra, APB)		148		1	148	25
India business enterprise value	1,060		11.8		12,522	2,071
India business net debt (including leases)					873	144
Network I2I perps					125	21
India business equity value (a)					11,524	1,906
International business						
Airtel Africa	272		3.3	Implied at CMP	910	158
Airtel Africa net debt					325	57
Airtel Africa attributable value		334		0.75	250	41
Robi Axiata + Dialog SL attributable value		33		0.75	25	4
International business equity value (b)					275	45
Dividends (c)					237	39
Bharti Airtel TP (d) = (a) + (b) + (c)					12,036	1,990

Source: Company, MOFSL

Exhibit 2: Revisions to our estimates for Bharti Airtel consolidated

BHARTI AIRTEL: Summary of Estimate Change	FY25E	FY26E	FY27E
Consol. revenue (INR b)			
Old	1724	2051	2316
New	1725	2047	2309
Change (%)	0.1	-0.2	-0.3
Consol. EBITDA (INR b)			
Old	953	1140	1295
New	929	1158	1322
Change (%)	-2.5	1.5	2.1
Consol. EBITDA margin (%)			
Old	55.3	55.6	55.9
New	53.9	56.6	57.3
Change (bp)	-145	95	130
Net Income (INR b)			
Old	200	248	346
New	212	271	375
Change (%)	6	9	8

Source: Company, MOFSL

Exhibit 3: Revisions to our estimates for India Wireless segment

India Wireless Business	FY25E	FY26E	FY27E
Paying Wireless Subscribers (m)			
Old	357	363	372
New	360	366	375
Change (%)	0.7	0.9	0.8
ARPU (INR)			
Old	233	262	294
New	233	260	291
Change (%)	0.1	-0.6	-1.3
India Wireless Revenue (INR b)			
Old	999	1141	1308
New	1003	1143	1302
Change (%)	0.4	0.2	-0.4
India Wireless EBITDA (INR b)			
Old	573	677	805
New	579	692	819
Change (%)	1.1	2.2	1.8
India Wireless EBITDA margin (%)			
Old	57.3	59.3	61.6
New	57.7	60.5	62.9
Change (bp)	40	120	135
India wireless capex ex-spectrum (INR b)			
Old	191	195	198
New	177	179	194
Change (bp)	-7.3	-8.4	-2.1



Detailed takeaways from the earnings webinar

- **Captive tower sales to Indus:** BHARTI plans to transfer 16,100 towers (12,700 from Bharti Airtel and 3,400 from Bharti Hexacom) to Indus Towers at a consideration not exceeding INR33.1b (implies ~INR2.05m/tower). This will free up BHARTI management's bandwidth and also create greater efficiency, scale and add long-term value for Indus.
- **Capex:** BHARTI management has reiterated their guidance for FY25 India capex (INR199b in 9M) to be lower than FY24 (INR330b). Management expects capex to further unwind in FY26. Going ahead, the priorities for capex would be on investments in the transport layer, Home Broadband, data center and B2B. Management expects capex as a percentage of revenue to trend lower and soon be at par with global telcos.
- **Capital allocation:** The main priorities for Bharti would be to 1) further deleverage the balance sheet, 2) step up dividend payments, and 3) selective and prudent investments to bolster capabilities in B2B adjacencies through bolt-on acquisitions.
- **Deleveraging:** The company prepaid INR36b of spectrum dues pertaining to 2016 during 3Q (~INR355b high-cost debt prepayments in the past few years). BHARTI has now prepaid all the spectrum dues prior to 2021 spectrum auctions. As a result, India net debt-to-EBITDAaL moderated to 1.3x (vs. 2.1x YoY).
- **APRU:** BHARTI once again delivered industry-leading ARPU growth in 3Q. The major drivers for ARPU growth remained upgrades from feature phone to smart phone, prepaid to postpaid upgrades, data monetization, and international roaming growth. Management has reiterated that 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 sustainable basis.
- **5G:** The company's 5G user base expanded to 120m (vs. 105m QoQ and ~170m for RJio). Further, management indicated that ~80% of overall smartphone shipments are now 5G enabled and BHARTI has been gaining its fair share in the growing 5G handset adoption. BHARTI's core network is fully ready for SA 5G on converged basis and would require just a small software fee to turn it on, as and when required.
- **Home Broadband:** Bharti added 674k users in Home Broadband through a combination of FTTH/FWA. Further, management indicated that broadband business is seeing increased momentum MoM, with Jan'25 ending better than Dec'24. BHARTI management believes that the Indian fixed broadband market size can potentially double from ~45m to 80-90m homes over the medium term. BHARTI has scaled up its performance and sees significant room to increase its competitiveness, with a focus on 1) increasing the addressable market by stepping up the rollout of Fiber Home passes (~35m currently) and FWA (live in 2000+ cities), 2) offering more value through bundled content (22 OTT Apps on platform) and IPTV offerings, 3) using the mass retail channel for selling broadband services (opening around 0.1m points of presence).
- **B2B:** Data center continues to grow steadily. In the global connectivity business, BHARTI is seeing some improvement in the order book from global OTT players in 4Q. Further, management has decided to exit the global wholesale commodity voice and messaging business over the next few quarters. This decision will impact ~10-12% of revenue over the next few quarters, but will not

have any significant impact on B2B EBITDA as margins in these businesses were very low. In domestic business, the company is seeing strong growth in digital and stable growth in connectivity. Airtel will be launching a comprehensive cloud solution in the next few months.

- **Bajaj Finance partnership:** Airtel has entered into a strategic partnership with Bajaj Finance (BAF). The partnership combines Airtel's digital and omnichannel capabilities with BAF's financial expertise in underwriting and product offerings. The partnership is expected to boost digital revenue and generate value for both through deeper market penetration. Revenue will be consolidated under Bharti Airtel through its Xtelify unit.
- **ESG:** BHARTI has deployed 43k sites over the past few years and expanded its network to connect over 89k villages. Further, it continues to harness 1) green energy by solarizing 3.3k sites in 3Q (~28k sites solarized in last six quarters) and 2) Artificial Intelligence (AI) to turn off radios based on the real-time traffic pattern to reduce carbon footprint and lower energy bills.

Strong 3Q with continued market share gains in India Wireless business

BHARTI's 3QFY25 consolidated financials are not strictly comparable on a QoQ and YoY basis, as BHARTI consolidated Indus Towers (Indus) from mid-Nov'24.

- Consol. revenue at INR451b (+9% QoQ, +19% YoY) was 1% above our estimates, due to slightly better performance in the India Wireless and Africa businesses.
- India revenue (excluding Indus) at INR331b (+5% QoQ, 19% YoY) was ~1% above our estimate, driven by the continued benefits of tariff hikes in India Wireless.
- Consol. EBITDA at INR246b (13% QoQ, 24% YoY) was largely in line with our estimate, as better incremental margins in the India Wireless business were offset by a lower-than-estimated net contribution from Indus.
- India EBITDA (excluding Indus) at INR186b (+8% QoQ, +24% YoY) was ~2% above our estimate, primarily due to better-than-expected margin expansion in the India Wireless business.
- Reported EBITDA margin expanded ~180bp QoQ to 54.5% (+220bp YoY) but was ~70bp below our estimate, primarily due to Indus' accounting.
- Reported PBT (before the share of JVs) at INR77b (+35% QoQ, 2.17x YoY) was in line with our estimate as higher D&A (~1% ahead) was offset by lower net finance cost (~1% lower).
- Reported attributable PAT at INR148b was significantly above our estimate on account of exceptional gains on Indus consolidation.
- Adjusted for many exceptional items, PAT at INR55b (+41% QoQ, +2.2x YoY) was 11% higher than our estimate of ~INR49.5b.

Leverage moderates sharply; FCF generation improves further

- Consol. capex rose ~19% QoQ to INR92b (-1% YoY) on account of the Indus consolidation and a pick-up in capex in India Wireless and Homes. India capex (excl. Indus) was up ~10% QoQ (-12% YoY, but 9% below our estimate).
- BHARTI's consol. free cash flow (after leases and interest payments, but excluding INR36b spectrum prepayments) improved further to INR126b (vs. INR98b QoQ) on account of improvement in operational cash flows (INR29b) from the Indus consolidation and tariff hikes in India Wireless.

- Consol. net debt (excl. leases) declined ~INR74b QoQ to INR1.341t (by INR110b QoQ on a like-for-like basis). Including the impact of leases, BHARTI's consol. net debt declined by a sharp ~INR236b QoQ to INR1.97t (declined INR90b QoQ on a like-for-like basis), driven by the consolidation of Indus Towers.
- Consol. net debt (including leases)-to-EBITDA (annualized) declined sharply to 1.7x (vs. 2.56x QoQ and 2x on a like-for-like basis). India SA's net debt-to-EBITDA moderated sharply to 1.58x (vs. 2.56x QoQ and 1.95x on a like-for-like basis).

India Wireless continues to outperform RJio on most metrics

- Driven by the residual benefits of tariff hikes, BHARTI's India Wireless ARPU at INR245 (+18% YoY) improved ~5% QoQ (vs. +4% QoQ for RJio) and was broadly in line with our estimate of INR244.
- BHARTI reported 4.9m paying net adds (vs. 2.9m declines QoQ, ~1.3m wireless net adds for RJio), which was better than our estimate of ~2.8m net adds.
- The subscriber mix continued to improve with 0.6m postpaid net adds (+2% QoQ, 13% YoY). Additionally, BHARTI's 4G/5G net adds improved to ~6.5m (vs. ~4.2m 4G net adds QoQ).
- India Wireless revenue was up 6% QoQ (vs. 3.4% QoQ for RJio, including FTTH) at INR261b (+21% YoY, 1% beat).
- India Wireless EBITDA was up 9% QoQ (vs. 3% QoQ for RJio, including FTTH) at INR151b (30% YoY) and was ~2% ahead of our estimates.
- Reported wireless EBITDA margin was up ~180bp QoQ at 58.8% (+375bp YoY, vs. ~25bp QoQ decline for RJio at 52.8%) and was 90bp ahead of our estimate.
- Incremental margin came in at ~90% (vs. 71% in 2QFY25 and ~46% for RJio).
- India Wireless capex was up ~9% QoQ at INR43.5b (still -34% YoY) and was ~13% below our estimate.

Homes: Robust subscriber additions offset by continued ARPU declines

- BHARTI's Homes BB net adds remained robust at ~555k (vs. 580k QoQ, but lower than our estimate of ~800k), reaching ~9.2m subs (27% YoY), likely driven by the ramp-up of FWA services.
- Reported ARPU further declined ~2% QoQ to INR554/month (-5% YoY, 1% miss).
- Homes revenue was up 5% QoQ at INR15.8b (+19% YoY) but was ~5% below our estimate. Homes EBITDA stood at INR7.5b (+4% QoQ, 17% YoY, 5% miss).
- EBITDA margins contracted ~85bp QoQ to 49.5% (-75bp YoY, 15bp miss).
- Capex in Homes business increased ~21% QoQ to INR11.4b (+46% YoY, though 7% lower than our estimate), likely due to the ramp-up of FWA offerings.

Strong growth in Africa; DTH improves; Enterprise growth moderates

- Airtel Business (Enterprise) revenue at INR57b (9% YoY, flat QoQ) was in line with our estimate, while EBITDA at INR19.8b (-4% YoY, -2% QoQ) was ~1% above our estimate. EBITDA margins moderated further by ~60bp QoQ to 35.2% (vs. our estimate of 34.7% and 39.7% YoY) due to the rising share of lower-margin adjacencies. Capex for Airtel business was up 6% YoY at INR9b (+1% QoQ).
- Airtel DTH revenue stood at INR7.6b (flat QoQ, -3% YoY, 2% beat), largely due to better ARPU of INR160 (+1% QoQ, -2% YoY, our estimate of INR158). Subscriber trends slightly improved with 29k net adds (vs. our estimate of 50k decline and

546k net declines in 2QFY25). DTH EBITDA at INR4.4b (+4% QoQ, +3% YoY) was ~9% above our estimate, as margins rose ~225bp QoQ to 58.2% (~340bp beat).

- Airtel Africa (AAF) continued to report strong double-digit YoY constant currency growth. Its reported revenue (in INR terms) was up ~5% QoQ (4% above), while EBITDA was up ~6% QoQ (and was ~4% above our estimate).

Other highlights: Customer engagement remains healthy

- Data volume for the India Wireless business was up 2% QoQ (vs. 3% QoQ in 2QFY25, +3% QoQ for RJio including FTTH), while data usage per sub improved to 24.5GB/month (vs. 23.9GB QoQ, 32.3GB reported by RJio, incl. FTTH).
- Voice usage on the network in India Wireless was up 3% QoQ (vs. flat QoQ in 2QFY25 and +3% QoQ for RJio), with minutes of usage (MoU) per subscriber improving to 1,160 mins (vs. 1,133 mins in 2QFY25 and 1,013 mins for RJio).
- BHARTI added further ~5.2k towers QoQ (vs. 5k in 2QFY25), bringing the total tower count to ~335k. Driven by tariff hikes, revenue per site improved further by ~4% QoQ to INR262k/month (+10% YoY).

Exhibit 4: Consolidated results summary

	3QFY24	2QFY25	3QFY25	YoY	QoQ	3QFY25E	vs est
Revenue	3,78,995	4,14,733	4,51,293	19.1	8.8	4,45,159	1.4
Access charges	18,568	18,211	19,636	5.8	7.8	18,570	5.7
License and spectrum fee	30,205	34,658	35,698	18.2	3.0	35,713	(0.0)
Network operating costs	75,926	80,115	86,267	13.6	7.7	80,833	6.7
Employee costs	13,230	14,966	16,082	21.6	7.5	15,100	6.5
SG&A expenses	42,918	48,321	47,644	11.0	(1.4)	49,273	(3.3)
Total costs	1,80,847	1,96,271	2,05,327	13.5	4.6	1,99,488	2.9
EBITDA	1,98,148	2,18,462	2,45,966	24.1	12.6	2,45,671	0.1
EBITDA margin (%)	52.3	52.7	54.5	222 bps	183 bps	55.2	(68)bps
Depreciation and amortization	1,00,743	1,10,000	1,17,042	16.2	6.4	1,16,050	0.9
EBIT	97,405	1,08,462	1,28,924	32.4	18.9	1,29,621	(0.5)
EBIT margin (%)	25.7	26.2	28.6	287 bps	242 bps	29.1	(55)bps
Net finance cost	62,051	51,690	52,058	(16.1)	0.7	52,822	(1.4)
PBT	35,354	56,772	76,866	117.4	35.4	76,799	0.1
Tax provision	12,320	17,440	7,573	(38.5)	(56.6)	22,272	(66.0)
PAT before minority interest	23,034	39,332	69,293	200.8	76.2	54,528	27.1
Share of associates / JVs	7,032	10,739	16,597	136.0	54.5	3,641	355.9
Minority interest	4,342	5,602	13,534	211.7	141.6	8,668	56.1
Extraordinary items	1,302	8,537	(75,456)			-	
Reported net income	24,422	35,932	1,47,812	505.2	311.4	49,501	198.6
Adjusted net income	24,917	39,115	55,142	121.3	41.0	49,501	11.4
Reported EPS (INR)	4.3	6.2	25.5	495.2	311.3	8.6	198.6
Adjusted EPS (INR)	4.4	6.8	9.5	117.6	41.0	8.6	11.4

Exhibit 5: FCF (post interest and leases but before spectrum prepayments) improved further to INR126b in 3QFY25

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	9MFY25	FY2024	FY2023
Cashflow from operations	208	191	214	175	218	249	257	725	789	653
Lease payments	(20)	(21)	(20)	(18)	(18)	(20)	(16)	(54)	(79)	(76)
Capex in tangible assets	(91)	(97)	(99)	(94)	(99)	(96)	(84)	(278)	(381)	(260)
Capex in intangible assets	(13)	(44)	(4)	(80)	(71)	(57)	(35)	(162)	(140)	(129)
Paid finance cost	(23)	(55)	(23)	(39)	(42)	(64)	(33)	(138)	(140)	(67)
FCF, post lease and interest payment	62	(25)	69	(56)	(12)	14	90	92	49	122
Spectrum prepayments	-	80	-	83	79	85	36	200	163	88
Adjusted FCF post leases and interest	62	55	69	27	68	98	126	292	213	210

Exhibit 6: Bharti's consolidate net debt (excl. leases) to pre-IND AS EBITDA moderated sharply to 1.3x (vs. 1.9x YoY)

Debt and cash trends	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Reported gross debt	1,655	1,660	1,578	1,588	1,520	1,415	1,465	1,418
LT debt	401	395	333	332	276	195	197	208
ST debt (inc. current maturities)	135	128	162	161	204	253	291	265
Deferred payment liabilities	1,119	1,138	1,084	1,095	1,040	968	977	944
Cash and Cash Equivalents	128	172	103	164	110	64	54	81
Net Debt excluding Lease Obligations	1,527	1,488	1,475	1,424	1,410	1,351	1,410	1,337
Lease Obligation	605	589	596	597	637	675	792	629
Net Debt including Lease Obligations	2,131	2,077	2,070	2,021	2,046	2,026	2,202	1,966
Net debt (including leases) to EBITDA (x)	2.83	2.63	2.63	2.52	2.61	2.54	2.50	1.69
Net debt (excluding leases) to EBITDAaL	2.35			1.86	1.85	1.70	1.60	1.28

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: Segment Result

	3QFY24	2QFY25	3QFY25	YoY	QoQ	3QFY25E	vs est
Segmental revenue (INR b)							
India (excluding Indus)	278	316	331	18.9	4.8	329	0.7
Wireless	216	248	263	21.4	5.8	261	0.8
Homes	12.7	14.3	15.1	18.7	5.4	15.8	(4.7)
DTH	7.8	7.6	7.6	(2.9)	0.3	7.4	2.2
Airtel Business	52	57	56	8.7	(0.2)	57	(0.3)
Passive Infra			75			16	
Africa	103	102	107	3.9	5.3	103	4.0
Consolidated	379	415	451	19.1	8.8	445	1.4
Eliminations	(14)	(14)	(73)			(14)	
Segmental EBITDA (INR b)							
India (excluding Indus)	150	173	186	23.9	7.5	182	2.1
Wireless	119	142	155	29.6	9.1	151	2.4
Homes	6.4	7.2	7.5	16.9	3.6	7.9	(5.0)
DTH	4.3	4.2	4.4	3.3	4.3	4.1	8.6
Airtel Business	21	20	20	(3.8)	(1.8)	20	1.1
Passive Infra			71			17	
Africa	51	47	50	(0.6)	6.4	48	4.5
Consolidated	198	218	246	24.1	12.6	246	0.1
Eliminations	(3)	(2)	(61)			(2)	
Segmental EBITDA margin (%)							
India (excluding Indus)	53.9	54.8	56.2	226.3	140.1	55.4	77.5
Wireless	55.1	57.1	58.8	373.6	178.5	57.9	89.5
Homes	50.2	50.3	49.5	(72.9)	(83.3)	49.6	(13.0)
DTH	54.7	55.9	58.2	349.4	223.8	54.7	342.3
Airtel Business	39.7	35.7	35.2	(455.3)	(58.1)	34.7	47.3
Passive Infra			93.8			102.9	
Africa	49.1	46.5	47.0	(214.0)	49.0	46.8	22.6
Consolidated	52.3	52.7	54.5	222.0	182.7	55.2	(68.5)
Segmental capex (INR b)							
India (excluding Indus)	78	63	69	(11.5)	9.6	75	(9.0)
Wireless	57	40	44	(24.3)	9.1	50	(13.0)
Homes	7.8	9.5	11.4	45.9	20.5	12.3	(7.0)
DTH	3.7	4.3	4.6	24.5	8.8	4.1	13.0
Airtel Business	9	9	9	6.2	0.8	9	0.3
Passive Infra			12			10	
Africa	15	14	12	(22.0)	(16.5)	15	(20.6)
Consolidated	93	77	92	(1.2)	19.4	101	(9.0)

Exhibit 8: Key performance indicators

Operating metrics	3QFY24	2QFY25	3QFY25	YoY	QoQ	3QFY25E	vs est.
India wireless							
Wireless ARPU	208	233	245	18.0	5.3	244	0.5
EoP reported subs (m)	345.6	351.6	356.6	3.2	1.4	354.4	0.6
Net adds (m)	3.3	(2.9)	4.9			2.8	
EoP prepaid subs	323.2	327.0	331.3	2.5	1.3	329.0	0.7
EoP post-paid subs	22.3	24.7	25.3	13.1	2.4	25.4	(0.6)
EoP data subs (m)	253.2	271.2	277.6	9.7	2.4	277	0.34
Data net adds (m)	7.3	4.0	6.4			5.5	
Data subs proportion (%)	73.3	77.1	77.8	459 bps	73 bps	78.1	(22)bps
EoP 4G subs (m)	244.9	263.6	270.2	10.3	2.5	270	0.01
4G net adds (m)	7.4	4.2	6.5			6.5	
Data volume (b MBs)	16,770	19,775	20,659	23.2	4.5	20,543	0.6
Data usage per data sub (GB/month)	22.0	23.9	24.5	11.6	2.5	24.4	0.4
Average data realization (INR/GB)	13.1	12.8	12.9	(1.2)	1.4	12.9	0.4
Voice usage on network (b mins)	1,161	1,200	1,233	6.2	2.8	1,213	1.7
Minute of usage per sub (min/month)	1,125	1,133	1,161	3.2	2.5	1,145	1.4
Network towers ('000)	307.7	329.5	334.8	8.8	1.6	335.5	(0.2)
MBB sites ('000)	905.6	962.6	978.8	8.1	1.7	974.6	0.4
Revenue per tower (INR/month)	2,36,817	2,51,029	2,61,698	10.5	4.2	2,59,015	1.0
Homes							
Cities covered (#)	1,267	1,345	1,427	12.6	6.1		
Reported ARPU (INR/month)	583	566	554	(4.9)	(2.1)	560	(1.0)
Calculated ARPU (INR/month)	596	578	566	(5.1)	(2.1)	572	(1.1)
EoP reported subs (m)	7.3	8.6	9.2	26.6	7.9	8.8	5.4
Net adds ('000)	359	583	674			200	
DTH*							
ARPU (INR/month)	163	158	160	(2.1)	1.1	157	1.4
EoP active DTH subs (m)	16.1	15.8	15.8	(1.9)	0.2	15.7	0.5
Net adds ('000)	387.7	(546.3)	28.6			(50.0)	
Airtel Business							
M2M subs (m)	25.9	28.4	30.1	16.0	5.8		
Net adds ('000)	3,500	155	1,655				
Airtel Africa							
Reported ARPU (USD)	2.6	2.3	2.4	(7.3)	1.9	2.6	(7.0)
EoP subscriber base (m)	151.2	156.6	163.1	7.9	4.1	159.1	2.5
Net adds (m)	3.5	1.2	6.5			2.5	
EoP data subscriber base (m)	62.7	66.0	71.4	13.8	8.2		
Net adds (m)	2.9	1.6	5.4				
Data subs proportion (%)	41.5	42.1	43.8	229 bps	164 bps		
EoP mobile money subs base (m)	37.5	41.5	44.3	18.3	6.9		
Net adds (m)	0.9	2.0	2.9				

Exhibit 9: Bharti narrowed the revenue market share gap (vs. RJio) by around ~300bp over last two quarters, on our estimates

	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	QoQ	YoY	
Wireless subs, EOP (m)										
Bharti	338.6	342.3	345.6	352.3	354.5	351.6	356.6	1.4	3.2	
Vodafone Idea	221.4	219.8	215.2	212.6	210.1	205.0	201.0	(2.0)	(6.6)	
RJio (inc. FTTH)	448.5	459.7	470.9	481.8	489.7	478.8	482.1	0.7	2.4	
RJio - wireless	439.3	450.0	460.5	470.5	477.3	464.6	465.9	0.3	1.2	
Wireless revenues (INR b)										
Bharti - wireless	201.7	207.3	214.2	218.2	223.1	246.3	259.7	5.5	21.3	
Vodafone Idea - wireless	93.3	94.0	94.6	93.7	92.6	97.1	100.6	3.5	6.3	
RJio (inc. FTTH)	240.4	247.5	253.7	259.6	264.8	283.4	293.1	3.4	15.5	
RJio - wireless	227.3	233.3	238.6	243.4	247.8	263.5	270.3	2.6	13.3	
Wireless ARPU (INR/sub/month)										
Bharti	199.8	202.8	207.9	208.9	210.6	233.0	245.3	5.3	18.0	
Vodafone Idea	139.0	142.0	145.0	146.0	146.0	156.0	165.1	5.9	13.9	
RJio (inc. FTTH)	180.5	181.7	181.7	181.7	181.7	195.1	203.3	4.2	11.9	
RJio - wireless	174.1	174.9	174.7	174.2	174.3	186.5	193.7	3.9	10.9	
Wireless EBITDA (INR b)										
Bharti	111.7	115.0	119.2	121.6	125.3	141.7	154.6	9.1	29.6	
Vodafone Idea	41.6	42.8	43.5	43.4	42.0	45.5	47.4	4.1	8.9	
RJio (inc. FTTH)	125.8	129.5	132.8	136.1	139.2	150.4	154.8	2.9	16.6	
Wireless EBITDA margin (%)										
Bharti	54.8	54.9	55.1	55.1	55.6	57.1	58.8	179	374	
Vodafone Idea	39.0	40.0	40.8	40.9	40.0	41.6	42.0	36	121	
RJio (inc. FTTH)	52.3	52.3	52.3	52.4	52.6	53.1	52.8	(25)	48	
Wireless EBIT (INR b)										
Bharti	45.2	46.8	47.9	48.3	48.4	61.9	75.0	21	56	
Vodafone Idea	(14.6)	(13.8)	(12.5)	(14.2)	(11.6)	(8.5)	(6.6)	22	47	
RJio (inc. FTTH)	74.2	77.0	78.7	80.5	83.1	93.0	96.5	4	23	
Wireless EBIT margin (%)										
Bharti	22.2	22.3	22.2	21.9	21.5	24.9	28.5	362	639	
Vodafone Idea	(13.7)	(12.9)	(11.7)	(13.3)	(11.1)	(7.8)	(5.9)	192	580	
RJio (inc. FTTH)	30.9	31.1	31.0	31.0	31.4	32.8	32.9	9	191	
Wireless revenue market share among private telcos (%)										
Bharti	38.6	38.8	39.1	39.3	39.6	40.6	41.2	60	205	
Vi	17.9	17.6	17.3	16.9	16.4	16.0	15.9	(6)	(134)	
RJio - wireless	43.5	43.6	43.6	43.8	44.0	43.4	42.9	(54)	(72)	
Wireless paying subs market share among private telcos (%)										
Bharti	33.9	33.8	33.8	34.0	34.0	34.4	34.8	41	100	
Vi	22.2	21.7	21.1	20.5	20.2	20.1	19.6	(43)	(143)	
RJio - wireless	44.0	44.5	45.1	45.4	45.8	45.5	45.5	3	43	

Source: Company, MOFSL

Bharti Hexacom: Strong 3Q on better flow-through of tariff hikes to EBITDA

- Overall 3Q revenue at INR22.5b (+25% YoY) was up 7% QoQ, driven by a residual flow-through of tariff hikes.
- Overall 3Q EBITDA at INR11.5b (+39% YoY) was up 15% QoQ on almost complete flow-through of tariff hike benefits to EBITDA in the wireless business.
- Reported EBITDA margin improved ~340bp YoY to 51.2% (+520bp YoY), but was below 56.2% for BHARTI's India operations (excl. Indus).
- Depreciation and amortization rose further ~23% YoY (though -1% QoQ) to INR5.3b, while net finance cost was up ~7% QoQ (+27% YoY) at INR1.3b.
- Reported PAT came in at INR2.6b, up 3% QoQ (23% YoY). Adjusted for exceptional items, PAT stood at INR3.7b up 45% QoQ (72% YoY)

Capex and net debt further declined QoQ

- Overall capex declined sharply ~37% QoQ to INR2.8b (-19% YoY).
- Hexacom's overall net debt (excl. leases) declined ~INR5.7b QoQ to INR42.8b. Including the impact of leases, Hexacom's consolidated net debt-to-EBITDA (annualized) declined further to 1.7x (vs. 2.12x QoQ).
- Hexacom's consolidated free cash flow (after leases and interest payments) stood at INR5.2b, higher sequentially on improvement in operational cashflows and lower cash capex.

Wireless: Even better than Airtel with almost complete flow-through of revenue to EBITDA

- Hexacom's wireless ARPU increased 6% QoQ (vs. 5% QoQ for Airtel) to INR241 (21% YoY), driven by residual benefits from tariff hikes.
- Hexacom reported 491k paying subs decline (vs. 473k net declines QoQ) and contributed ~10% of BHARTI's 3QFY25 subscriber net adds (vs. 16% QoQ and ~7.7% share in Airtel's paying subs base).
- The subscriber mix continued to improve as Hexacom added 455k 4G net adds QoQ, but Hexacom's share of BHARTI's 4G net adds increased to ~7% (vs. 3.4% QoQ and 7.7% share of Airtel's 4G subscriber base). The share of data subs in Hexacom's mix improved further ~30bp QoQ to 76.2%, but was below Airtel's 77.8% (up 75bp QoQ).
- Hexacom's wireless revenue was up ~7% QoQ (vs. 3%/6% QoQ for RJio, including FTTH and Airtel's India wireless) to INR21.9b (+26% YoY).
- Wireless EBITDA at INR11.7b (+40% YoY) was up 14% QoQ (vs. 3% QoQ RJio, including FTTH, and 9% QoQ for Airtel).
- Wireless EBITDA margins improved sharply by ~320bp QoQ to 53.5% (+550bp YoY, vs. -25bp QoQ to 52.8% for RJio) and even higher than 180bp QoQ improvement to 58.8% for Airtel's India wireless business.
- Incremental EBITDA margin was strong at 98% (vs. ~46% for RJio and 90% for Airtel's India wireless business).
- Unlike ~9% QoQ increase in wireless capex for Airtel, Hexacom's wireless capex declined ~42% QoQ to INR2.2b (-32% YoY).

Homes and Offices: Net subs adds ramp-up likely on FWA launch

- Hexacom's Homes BB subs base reached ~0.4m (37% YoY) on acceleration in net adds to ~44k (vs. 30k QoQ). Hexacom accounted for ~6.5% of Airtel's Homes BB net adds (vs. ~4.3% share in Airtel's Homes BB subscriber base).
- However, similar to Airtel, the decline in reported Homes ARPU continued, with a further 2% QoQ dip to INR499/month (-7% YoY, vs. ~2% QoQ dip for Airtel to INR554/month).

- Homes revenue was up ~8% QoQ to INR0.65b (+19% YoY, better than ~5% QoQ growth for Airtel).
- Homes EBITDA at INR0.2b was up ~5% QoQ (-9% YoY, vs. 4% QoQ growth for Airtel), as margins declined by a further ~80bp QoQ to 30.6% (-940bp YoY). Comparatively, Airtel's Home BB margins declined by a modest ~85bp QoQ to 49.5%.
- Homes capex also declined ~4% QoQ to INR0.6b (though up 2.6x YoY).

Data engagement remains ahead of Airtel's India wireless business

- Data volume for Hexacom inched up 2% QoQ (vs. 1% QoQ in 2QFY25, similar to 2% QoQ for Airtel, though lower vs. +3% QoQ for RJio including FTTH).
- Data usage per sub improved to 26.2GB/month (vs. 25.9GB QoQ, 32.3GB reported by RJio including FTTH, and higher than 24.5GB for Airtel).
- Voice usage on network was up ~5% QoQ (+1% QoQ in 2QFY25, +3% QoQ for RJio and Airtel), with minutes of usage (MoU) per subscriber improving to 1,150mins/month (vs. 1,098 mins QoQ, ~1,013 mins for RJio, but slightly lower vs. 1,160 mins for Airtel on pan-India basis).
- Hexacom added 163 towers QoQ (vs. 200 in 2QFY25) to take the total towers to ~26.4k. Driven by tariff hike benefits, revenue per site was up 7% QoQ to INR278k/month (+16% YoY, vs. modest 4% QoQ uptick to INR262k for Airtel).

Exhibit 10: Bharti Hexacom performance summary (INR m)

	3QFY24	2QFY25	3QFY25	YoY	QoQ
Bharti Hexacom					
Revenue	18,006	20,976	22,507	25.0	7.3
Access charges	1,897	2,238	2,304	21.5	2.9
License and spectrum fee	1,655	1,923	2,074	25.3	7.9
Network operating costs	4,530	4,764	4,853	7.1	1.9
Employee costs	260	322	292	12.3	(9.3)
SG&A expenses	1,389	1,710	1,467	5.6	(14.2)
Total costs	9,731	10,957	10,990	12.9	0.3
EBITDA	8,275	10,019	11,517	39.2	15.0
EBITDA margin (%)	46.0	47.8	51.2	521 bps	341 bps
Depreciation and amortization	4,329	5,361	5,315	22.8	(0.9)
EBIT	3,946	4,658	6,202	57.2	33.1
EBIT margin (%)	21.9	22.2	27.6	564 bps	535 bps
Net finance cost	1,065	1,263	1,352	26.9	7.0
PBT	2,881	3,395	4,850	68.3	42.9
Tax provision	754	864	1,184	56.9	37.0
Extraordinary items	-	-	1,057		
Reported net income	2,127	2,531	2,609	22.7	3.1
Adjusted net income	2,127	2,531	3,666	72.4	44.8
Reported EPS (INR)	4.3	5.1	5.2	22.5	3.1
Adjusted EPS (INR)	4.3	5.1	7.3	72.1	44.8
Costs as % of revenue					
Access charges	(10.5)	(10.7)	(10.2)	30 bps	43 bps
License and spectrum fee	(9.2)	(9.2)	(9.2)	(2)bps	(5)bps
Network operating costs	(25.2)	(22.7)	(21.6)	360 bps	115 bps
Employee costs	(1.4)	(1.5)	(1.3)	15 bps	24 bps
SG&A expenses	(7.7)	(8.2)	(6.5)	120 bps	163 bps
Total costs	(54.0)	(52.2)	(48.8)	521 bps	341 bps

Source: Company, MOFSL

Exhibit 11: Segmental performance summary

	3QFY24	2QFY25	3QFY25	YoY	QoQ
Segmental revenue (INR m)					
Wireless	17,477	20,433	21,931	25.5	7.3
Homes	543	599	645	18.7	7.6
Overall	18,006	20,976	22,507	25.0	7.3
Eliminations	(14)	(57)	(69)		
Segmental EBITDA (INR m)					
Wireless	8,403	10,276	11,741	39.7	14.3
Homes	217	188	197	(9.2)	4.8
Overall	8,275	10,019	11,517	39.2	15.0
Eliminations	(345)	(445)	(421)		
Segmental EBITDA margin (%)					
Wireless	48.1	50.3	53.5	546 bps	324 bps
Homes	40.0	31.4	30.6	(940)bps	(81)bps
Overall	46.0	47.8	51.2	521 bps	341 bps
Segmental Capex (INR m)					
Wireless	3,283	3,845	2,235	(32)	(42)
Homes	232	619	598	158	(4)
Overall	3,515	4465	2833	(19.4)	(36.6)

Source: Company, MOFSL

Exhibit 12: Key operational metrics

	3QFY24	2QFY25	3QFY25	YoY	QoQ
Operating metrics					
Wireless					
Wireless ARPU	200	228	241	20.5	5.9
EoP reported subs (m)	26.8	27.1	27.6	3.1	1.8
Net adds ('000)	244	(473)	491		
EoP data subs (m)	19.1	20.6	21.0	9.9	2.2
Data net adds ('000)	551	1,445	447		
Data subs proportion (%)	71.5	75.9	76.2	470 bps	27 bps
EoP 4G subs (m)	18.8	20.3	20.8	10.3	2.2
4G net adds (m)	569	143	455		
Data volume (m GBs)	1,304	1,598	1,633	25.3	2.2
Data usage per data sub (GB/month)	23.7	25.9	26.2	10.7	1.1
Average data realization (INR/GB)	13.4	12.8	13.4	0.2	5.0
Voice usage on network (b mins)	86.7	89.9	94.4	8.9	5.0
Minute of usage per sub (min/month)	1,086	1,098	1,150	5.9	4.7
Network towers ('000)	24,874	26,172	26,335	5.9	0.6
MBB sites ('000)	77,735	80,907	81,340	4.6	0.5
Revenue per tower (INR/month)	2,39,880	2,60,768	2,77,848	15.8	6.5
Homes and offices					
Cities covered (#)	90	103	110	22.2	6.8
Reported ARPU (INR/month)	537	509	499	(7.0)	(2.0)
Calculated ARPU (INR/month)	652	594	575	(11.8)	(3.1)
EoP reported subs (k)	289	351	395	36.9	12.5
Net adds ('000)	23	30	44		
Implied other revenue (INR m)	96	85	85	(11.4)	(0.2)

Source: Company, MOFSL

Exhibit 13: Bharti Hexacom generated ~INR15b FCF (post interest and leases) in 9MFY25

	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	9MFY25	FY2024
FCF, post lease and interest payment	7,940	8,676	8,369	8,770	8,949	8,610	8,569	10,207	27,386	34,764
CF before WC changes	7,940	8,676	8,369	8,770	8,949	8,610	8,569	10,207	27,386	34,764
WC changes	(386)	305	2,537	646	(2,791)	4,475	1,826	631	6,932	697
Cashflow from operations	7,554	8,981	10,906	9,416	6,158	13,085	10,395	10,838	34,318	35,461
Lease payments	(665)	(666)	(826)	(736)	(702)	(755)	(750)	(1,004)	(2,509)	(2,930)
Capex in tangible assets	(3,318)	(4,999)	(5,241)	(5,335)	(4,902)	(4,728)	(3,787)	(3,969)	(12,484)	(20,477)
Capex in intangible assets	(0)	-	(352)	1	(0)	(0)	(1,465)	(56)	(1,522)	(352)
Paid finance cost	(1,502)	(1,771)	(1,531)	(739)	(1,315)	(1,728)	(1,661)	(671)	(4,060)	(5,356)
FCF, post lease and interest payment	2,069	1,545	3,308	2,606	(761)	5,874	4,197	5,194	15,265	6,698

Source: Company, MOFSL

Exhibit 14: Bharti Hexacom's net debt (excl. leases to EBITDAaL) moderated sharply to 1.03x (vs. 1.5x YoY)

Debt and cash trends (INR m)	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Reported gross debt	62,746	62,353	62,529	48,347	40,032	48,901	43,033
LT debt	-	-	-	-	-	-	-
ST debt (inc. current maturities)	35,053	35,013	35,189	20,001	11,686	11,907	6,040
Deferred payment liabilities	27,693	27,340	27,340	28,346	28,346	36,994	36,993
Cash and Cash Equivalents	13,153	15,775	18,605	2,774	211	340	187
Cash and Cash Equivalents	168	463	247	398	153	334	169
Investments & Receivables	12,985	15,312	18,358	2,376	58	6	18
Net Debt excluding Lease Obligations	49,593	46,578	43,924	45,573	39,820	48,561	42,846
Lease Obligation	30,361	30,968	31,792	32,700	35,600	36,229	36,054
Net Debt including Lease Obligations	79,954	77,546	75,716	78,273	75,420	84,790	78,900
Net debt (including leases) to EBITDA	2.41	2.35	2.29	2.23	2.15	2.12	1.71
Net debt (excluding leases) to EBITDAaL			1.49	1.46	1.29	1.35	1.03

Source: Company, MOFSL

Exhibit 15: For every INR10 change in ARPU, Bharti's consol EBITDA changes by ~2.5%

FY26 consolidated EBITDA (INR b)		FY2026E India wireless ARPU (INR)				
		240	250	260	270	280
FY2026E India wireless paying subs (m)	346	1,083	1,110	1,137	1,164	1,191
	356	1,092	1,120	1,147	1,175	1,202
	366	1,102	1,130	1,158	1,185	1,213
	376	1,111	1,139	1,168	1,196	1,224
	386	1,120	1,149	1,178	1,207	1,235

Source: Company, MOFSL

Exhibit 16: Key assumptions for Bharti Airtel

	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
India wireless business									
Paying subscriber base (m)	283	284	321	326	335	352	360	366	375
Net monthly additions (m)	(1.8)	0.1	3.1	0.4	0.8	1.4	0.6	0.5	0.8
Data subscribers (m)	115	149	189	208	233	261	284	306	326
Net monthly additions (m)	2.42	2.79	3.34	1.65	2.02	2.35	1.94	1.83	1.67
Wireless ARPU (INR/sub/month)	116	136	153	160	189	204	233	260	291
YoY change (%)	(12.2)	16.6	12.9	4.3	18.5	7.8	14.2	11.8	11.6
Data volumes (b MB)	11,733	21,020	32,541	45,203	54,148	65,978	81,221	97,465	1,15,868
YoY change (%)	200.7	79.2	54.8	38.9	19.8	21.8	23.1	20.0	18.9
Data consumption (GB/sub/month)	9.5	13.0	15.7	18.5	20.0	21.8	24.3	26.9	29.8
YoY change (%)	114.4	36.7	21.1	18.0	7.8	8.9	11.5	10.8	11.0
Voice traffic (b mins)	2,811	3,035	3,603	4,104	4,348	4,667	4,886	5,100	5,272
YoY change (%)	44.4	7.9	18.7	13.9	6.0	7.3	4.7	4.4	3.4
MOU (min/sub/month)	798	893	992	1,056	1,096	1,131	1,143	1,171	1,186
YoY change (%)	42.2	11.9	11.1	6.4	3.7	3.2	1.1	2.4	1.3
Homes business									
EoP WiFi subscriber base (m)	2.3	2.4	3.1	4.5	6.0	7.6	10.0	13.0	15.0
Net monthly additions ('000s)	8	12	54	118	130	131	198	250	167
Implied ARPU (INR/month)	840	799	710	671	641	606	560	546	527
YoY change (%)	(14.2)	(4.9)	(11.1)	(5.5)	(4.5)	(5.4)	(7.6)	(2.6)	(3.5)
Airtel DTH									
EoP subscriber base (m)	15.4	16.6	17.7	16.0	15.9	16.1	15.9	15.8	15.7
Net monthly additions ('000s)	99.4	101.7	92.0	(140.7)	(6.8)	16.7	(20.5)	(4.2)	(8.3)
Implied ARPU (INR/month)	231	152	148	156	154	158	159	162	163
YoY change (%)	(0.5)	(34.1)	(2.5)	5.0	(1.4)	3.0	0.4	1.9	0.9
Capex (INR b)									
India (ex-spectrum and Indus)	234	198	193	204	281	334	269	281	303
As % of revenues	39.1	31.0	26.1	24.9	28.7	30.4	21.2	19.9	19.0
Consolidated (ex-spectrum)	287	252	238	253	342	395	363	407	421
As % of revenues	35.5	28.8	23.6	21.7	24.6	26.3	21.0	19.9	18.2
Consolidated overall	337	252	238	436	773	395	431	407	421
As % of revenues	41.7	28.8	23.6	37.4	55.5	26.3	25.0	19.9	18.2

Source: Company, MOFSL

Exhibit 17: Segment-wise revenue, EBITDA, margin and capex trends and forecasts

	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Segmental revenue (INR b)									
India	599	639	737	821	979	1,097	1,338	1,557	1,752
Wireless	416	460	556	629	759	850	1,003	1,143	1,302
Homes	22	22	23	30	40	50	59	75	88
DTH	41	29	31	32	29	30	31	31	31
Airtel Business	125	132	144	161	186	208	221	210	227
Passive infra	68	67					152	321	342
Africa	215	242	289	351	423	412	415	502	570
Consolidated	808	875	1,006	1,165	1,391	1,500	1,725	2,047	2,309
Eliminations	(84)	(82)	(40)	(41)	(49)	(55)	(157)	(235)	(251)
Segmental EBITDA (INR b)									
India	179	263	339	410	511	590	788	929	1,060
Wireless	94	170	243	312	401	468	579	692	819
Homes	11	11	13	16	20	25	30	41	49
DTH	16	20	21	21	17	17	18	18	18
Airtel Business	41	43	55	62	74	82	79	75	83
Passive infra	32	37					117	175	168
Africa	84	107	133	172	207	201	192	238	272
Consolidated	258	366	454	575	713	783	929	1,158	1,322
Eliminations	(15)	(22)	(11)	(7)	(6)	(9)	(86)	(80)	(87)
Segmental EBITDA margin (%)									
India	29.9	41.2	46.1	49.9	52.2	53.8	58.9	59.6	60.5
Wireless	22.7	36.9	43.7	49.6	52.8	55.0	57.7	60.5	62.9
Homes	48.3	50.4	57.6	52.3	50.6	50.1	50.1	54.0	55.2
DTH	38.3	68.3	68.0	66.6	58.9	56.3	57.7	58.6	57.7
Airtel Business	32.6	32.2	38.2	38.7	39.7	39.4	35.7	35.5	36.4
Passive infra	47.6	55.1					77.3	54.6	49.3
Africa	38.9	44.3	46.1	49.1	49.0	48.8	46.4	47.4	47.8
Consolidated	32.0	41.8	45.1	49.4	51.2	52.2	53.9	56.6	57.3
Segmental Capex ex-spectrum (INR b)									
India	242	207	196	204	281	334	300	342	355
Wireless	201	151	147	145	205	253	177	179	194
Homes	8	6	11	17	22	29	40	51	55
DTH	11	11	13	13	14	14	16	15	15
Airtel Business	14	30	22	32	40	38	35	36	39
Passive infra	9	9	-	-	-	-	32	61	52
Africa	44	46	45	49	60	61	62	65	66
Consolidated	287	254	245	257	342	395	362	407	421

Source: Company, MOFSL

Exhibit 18: Summary of key operational and financial metrics for Bharti's India wireless business, FY2024-27E

FY2024-27E CAGR (%)	Bear	Base	Bull
Paying subs	1.4%	2.1%	1.9%
Wireless ARPU	10.6%	12.5%	14.4%
Wireless revenue	12.9%	15.4%	17.1%
Wireless EBITDA	14.8%	20.6%	20.8%

Source: Company, MOFSL

Exhibit 19: Summary of key operational and financial metrics for Bharti's India wireless business, FY2027-34E

FY2027-34E CAGR (%)	Bear	Base	Bull
Paying subs	1.1%	1.3%	1.0%
Wireless ARPU	5.0%	6.1%	7.0%
Wireless revenue	6.1%	7.5%	8.0%
Wireless EBITDA	6.8%	7.7%	9.1%

Source: Company, MOFSL

Exhibit 20: Summary of Bharti's India wireless business valuations and upside/downside skew, FY2024-34E

	Base	Bear	Bull
Bharti - India wireless			
10-year subscriber CAGR	1.5%	1.2%	1.2%
10-year ARPU CAGR	8.0%	6.7%	9.2%
INR 300 ARPU achieved by	FY2028	FY2029	FY2027
10-yr revenue CAGR	9.8%	8.1%	10.7%
10-yr EBITDA CAGR	11.4%	9.1%	12.5%
Enterprise value (INR b)	10,645	8,008	11,572
Exit EV/EBITDA (x)	11.7	10.3	12.2
Implied FY2027E EBITDA (x)	13.0	11.3	14.0
India wireless Enterprise value (INR/share)	1,760	1,324	1,913
Bharti SoTP based TP (INR/share)	1,990	1,435	2,250
Upside / downside to CMP	19%	-14%	34%

Source: Company, MOFSL

Exhibit 21: We ascribe INR10.65t (or INR1,760/share) valuation to Bharti's India wireless segment (~13x FY27 EV/EBITDA)

	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
Assumptions													
Paying subscriber base (m)	352	360	366	375	383	390	396	401	405	408	410		
Net adds	16.8	7.7	6.0	9.0	8.0	7.0	6.0	5.0	4.0	3.0	2.5		
ARPU (INR/month)	204	233	260	291	317	341	363	385	404	422	439		
YoY	7.8	14.2	11.8	11.6	9.0	7.5	6.5	6.0	5.0	4.5	4.0		
DCF model													
EBITDA	468	579	692	819	916	1,006	1,091	1,174	1,248	1,317	1,380		
Adjusted tax expense	-81	-112	-143	-178	-203	-227	-252	-276	-294	-310	-324		
Change in working capital	7	13	11	13	12	11	11	11	9	9	8		
Operating cash flow	394	479	560	655	725	790	850	909	964	1,016	1,063		
Capital expenditure	-253	-246	-179	-194	-240	-250	-260	-270	-280	-290	-300		
Free cash flow	141	234	382	461	485	540	591	639	684	726	764	802	842
Discounted cash flow-now		233	345	378	359	362	358	351	340	326	311		
Discounted cash flow-1 year forward			382	417	397	400	396	388	376	361	343	326	
Discounted cash flow-2 year forward				461	439	442	438	428	415	399	379	361	343
		Now	Y+1	Y+2									
Discount rate (%)		10.5%	10.5%	10.5%									
Total PV of free cash flow		3,364	3,786	4,105									
Terminal value assumption													
Growth in perpetuity		5.0%	5.0%	5.0%									
FCF in terminal year		764	802	842									
Exit FCF multiple (x)		19.1	19.1	19.1									
Exit EV/EBITDA multiple (x)		10.6	11.1	11.7									
Terminal value		14,585	15,314	16,080									
PV of terminal value		5,932	6,229	6,540									
Value of India wireless		9,297	10,015	10,645									
Implied EV/EBITDA		16.0	14.5	13.0									
Enterprise value (INR b)		9,288	10,016	10,647									
Shares outstanding (m)		6,047	6,047	6,047									
EV/share for India wireless (INR/share)		1,537	1,656	1,760									

Exhibit 22: Our SoTP based TP for Bharti Airtel stands at INR1,990

SoTP based on Mar'27	Valuation base (INR b)		Multiple (x)		Valuation	
	EBITDA	Other	EBITDA	Other	(INR b)	(INR/share)
India business						
India wireless (including Hexacom)	819		13.0	DCF implied	10,645	1,760
Less: Hexacom minority (30% minority)	61		13.0	Implied at CMP	236	39
Homes	49		13.0	DCF implied	635	105
India homes + wireless attributable value					11,044	1,826
DTH	18		6.0		107	18
Enterprise	83		10.0		827	137
Indus Towers attributable value	163	528	6.5	0.75	396	65
Other investments (Nxtra, APB)		148		1	148	25
India business enterprise value	1,060		11.8		12,522	2,071
India business net debt (including leases)					873	144
Network I2I perps					125	21
India business equity value (a)					11,524	1,906
International business						
Airtel Africa	272		3.3	Implied at CMP	910	158
Airtel Africa net debt					325	57
Airtel Africa attributable value		334		0.75	250	41
Robi Axiata + Dialog SL attributable value		33		0.75	25	4
International business equity value (b)					275	45
Dividends (c)					237	39
Bharti Airtel TP (d) = (a) + (b) + (c)					12,036	1,990

Source: Company, MOFSL

Exhibit 23: Bharti's risk-reward skew (INR/share)

Bharti Valuation scenarios	Base	Bear	Bull
India business (INR/share)			
India wireless (including Hexacom)	1,760	1,324	1,913
Less: Hexacom minority (30% minority)	39	34	42
Homes	105	79	114
India wireless + homes attributable value	1,826	1,369	1,985
DTH	18	15	21
Enterprise	137	123	150
Indus Towers attributable value	65	56	79
Other investments	25	22	67
India business enterprise value	2,071	1,585	2,302
India business net debt	144	197	145
Network I2I perps	21	21	21
India business equity value (a)	1,906	1,367	2,136
International business (INR/share)			
Airtel Africa attributable value	41	35	60
Robi Axiata + Dialog SL attributable value	4	4	4
International business equity value (b)	45	39	64
Dividends (c)	39	29	49
Bharti Airtel TP (d) = (a) + (b) + (c)	1,990	1,435	2,250
Upside/downside skew	19	-14	34

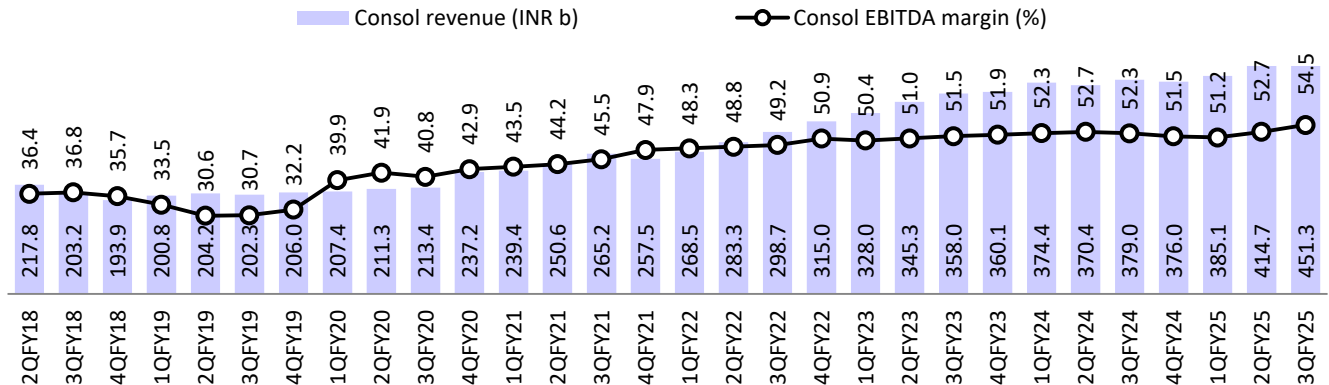
Source: Company, MOFSL

Exhibit 24: For every INR10 ARPU change, Bharti's TP changes by ~INR60/share (~3%)

Bharti's TP		FY2026E India wireless ARPU (INR)				
		240	250	260	270	280
FY2026E India wireless paying subs (m)	346	1,830	1,888	1,946	2,005	2,063
	356	1,850	1,909	1,968	2,027	2,087
	366	1,870	1,930	1,990	2,050	2,110
	376	1,891	1,951	2,012	2,073	2,134
	386	1,911	1,972	2,034	2,096	2,157

Story in charts

Exhibit 25: Consolidated revenue up 8.8% QoQ; margins expanded 180bp QoQ, boosted by Indus consolidation



Source: MOFSL, Company

Exhibit 26: India Mobile revenue up 6% QoQ, driven by residual benefits of tariff hikes; margins expanded by 180bp

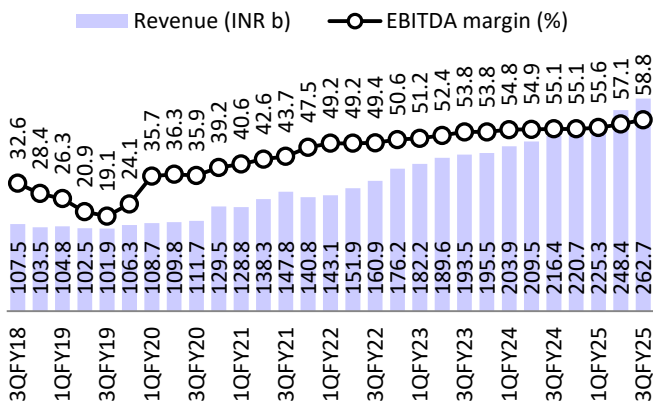


Exhibit 27: Africa revenue up 5.3% QoQ driven by acceleration in data and mobile money revenue

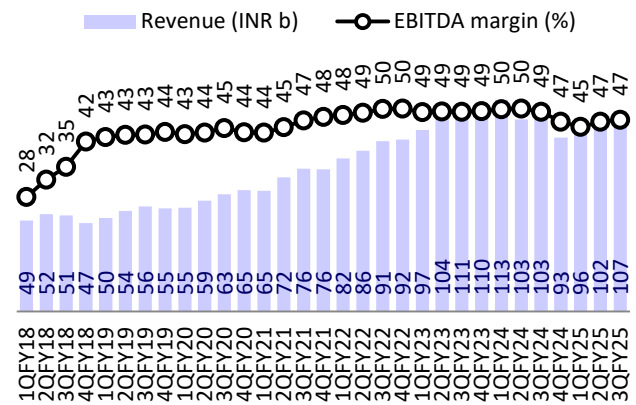


Exhibit 28: India Mobile's net adds at ~5m QoQ, while ARPU was up further ~5% QoQ to INR245

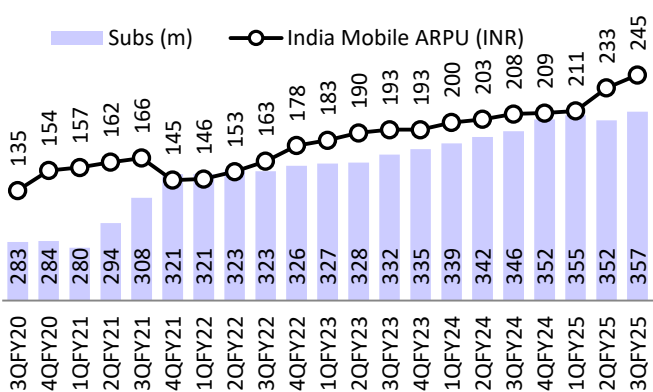


Exhibit 29: Airtel Africa ARPU and subscriber trend

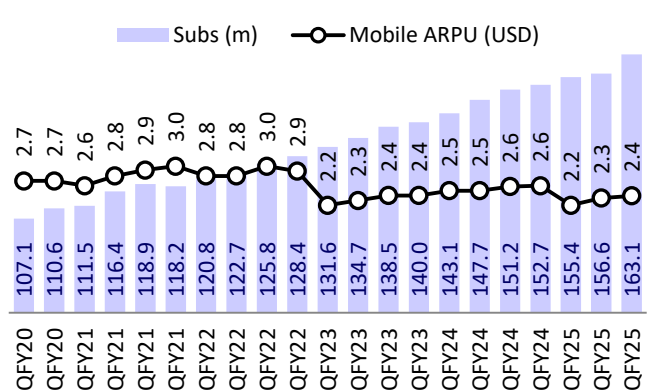
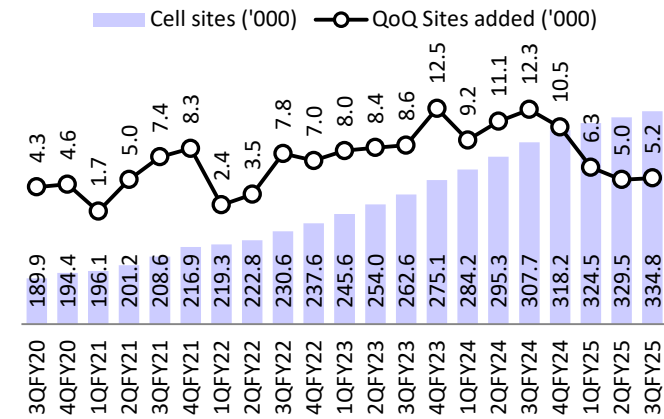
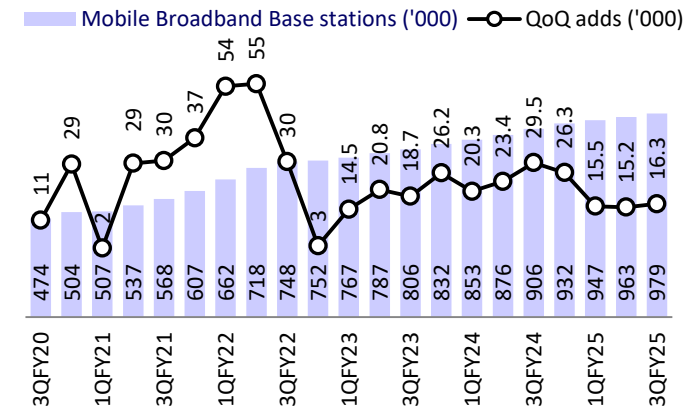
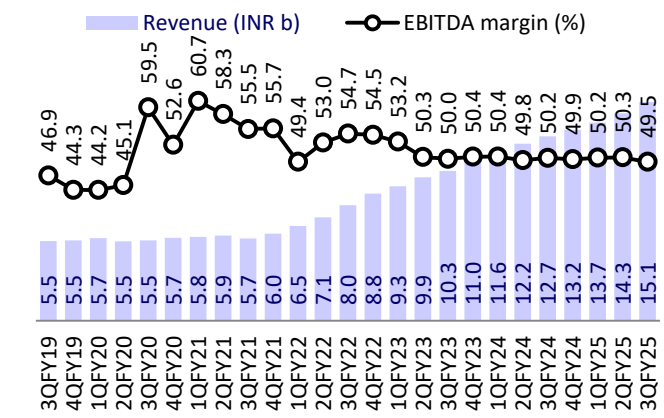


Exhibit 30: Bharti added 5.2k towers in 3QFY25

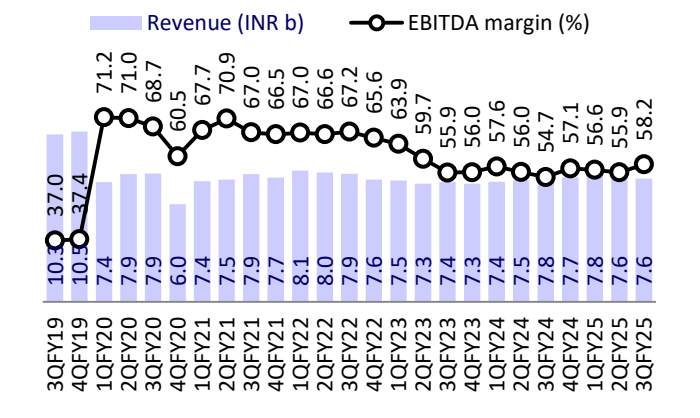
Source: Company, MOFSL

Exhibit 31: Bharti added ~16.3k MBB sites in 3QFY25

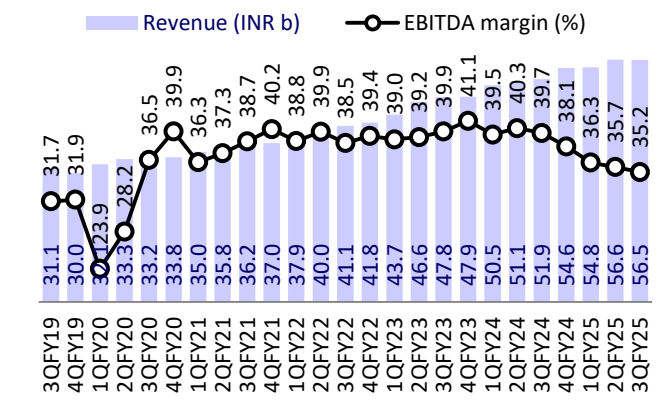
Source: Company, MOFSL

Exhibit 32: Revenue from Homes business up 5.4% QoQ

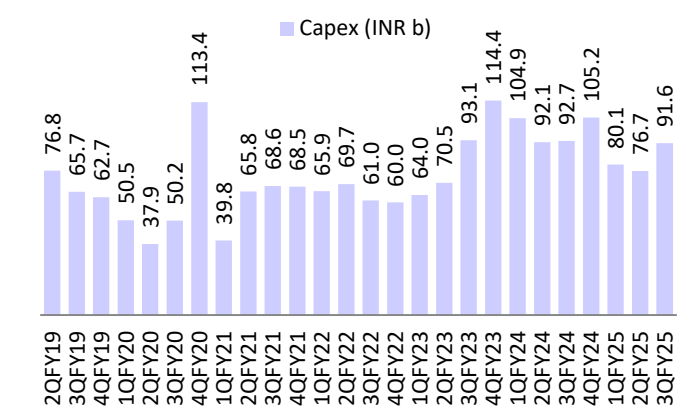
Source: Company, MOFSL

Exhibit 33: Revenue from DTH business remained flat QoQ

Source: Company, MOFSL

Exhibit 34: Revenue from Airtel business (B2B) up 9% YoY

Source: Company, MOFSL

Exhibit 35: Consol. capex increased sequentially to INR92b

Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement								(INR b)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	869	1,006	1,165	1,391	1,500	1,725	2,047	2,309
Change (%)	7.6	15.7	15.8	19.4	7.8	15.0	18.6	12.8
Total Expenditure	509	552	590	679	717	796	889	987
% of Sales	58.6	54.9	50.6	48.8	47.8	46.1	43.4	42.7
EBITDA	360	454	575	713	783	929	1,158	1,322
Margin (%)	41.4	45.1	49.4	51.2	52.2	53.9	56.6	57.3
Depreciation	276	294	331	364	395	455	526	573
EBIT	85	160	244	348	388	475	631	749
Int. and Finance Charges	135	151	166	193	226	211	193	188
Other Income	16	6	30	17	41	56	16	30
PBT bef. EO Exp.	-34	14	108	172	203	320	454	591
EO Items	-402	-159	17	-7	-76	74	0	0
PBT after EO Exp.	-437	-145	125	166	127	394	454	591
Total Tax	-123	89	42	43	41	74	125	163
Tax Rate (%)	28.2	-61.7	33.5	25.8	32.5	18.7	27.5	27.5
Profit from discontinued operations	7.1	110.6	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest	15	27	41	39	11	34	58	54
Reported PAT	-322	-151	43	83	75	287	271	375
Adjusted PAT	-41	-7	35	82	113	212	271	375
Change (%)	16.6	-82.3	-590.2	131.2	38.6	87.8	27.8	38.2
Margin (%)	-4.7	-0.7	3.0	5.9	7.5	12.3	13.3	16.2

Consolidated - Balance Sheet								(INR b)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27
Equity Share Capital	27	27	28	28	29	29	30	30
Total Reserves	744	562	638	747	791	955	1,231	1,364
Net Worth	771	590	666	776	820	984	1,262	1,395
Minority Interest	250	223	254	289	235	269	327	380
Total Loans	1,176	1,628	1,697	2,260	2,156	1,850	1,848	1,816
Lease liabilities	306	0	0	0	0	0	0	0
Deferred Tax Liabilities	-263	-222	-217	-205	-201	-181	-181	-181
Capital Employed	2,241	2,218	2,399	3,119	3,010	2,922	3,255	3,409
Net Fixed Assets	1,690	2,292	2,500	3,268	3,202	3,126	3,056	2,961
Goodwill on Consolidation	346	0	0	0	0	0	0	0
Capital WIP	40	0	0	0	0	0	0	0
Right of use assets	259	0	0	0	0	0	0	0
Total Investments	278	329	367	392	410	351	351	351
Curr. Assets, Loans&Adv.	724	617	552	596	626	776	1,328	1,668
Inventory	2	0	0	3	4	4	4	4
Account Receivables	46	36	41	40	49	50	59	66
Cash and Bank Balance	136	81	61	72	69	194	715	1,031
Loans and Advances	541	500	450	482	505	529	550	567
Curr. Liability & Prov.	1,097	1,020	1,020	1,137	1,228	1,332	1,480	1,572
Account Payables	621	1,020	1,020	849	911	768	897	980
Provisions	476	0	0	288	317	564	583	591
Net Current Assets	-373	-403	-468	-541	-602	-556	-152	96
Appl. of Funds	2,241	2,218	2,399	3,119	3,010	2,922	3,255	3,409

Financials and valuations

Ratios								
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
EPS	-7.5	-1.3	6.3	14.4	19.7	36.9	44.9	62.0
Cash EPS	43.1	52.2	65.5	79.8	91.0	119.3	142.6	169.6
BV/Share	141.4	107.3	119.1	138.8	146.7	176.0	225.7	249.5
DPS	2.0	0.0	3.0	4.0	8.0	15.0	25.0	40.0
Payout (%)	-3.4	0.0	39.4	27.2	61.6	30.1	55.7	64.5
Valuation (x)								
P/E	-224.5	-1,279.5	265.7	116.6	85.3	44.5	36.6	26.5
Cash P/E	38.9	32.1	25.6	21.0	18.4	13.8	11.5	9.7
P/BV	11.9	15.6	14.1	12.1	11.4	9.3	7.3	6.6
EV/Sales	12.1	10.7	9.4	8.4	7.8	6.4	5.4	4.6
EV/EBITDA	29.1	23.7	19.1	16.4	15.0	11.9	9.6	8.1
Dividend Yield (%)	0.1	0.0	0.2	0.2	0.5	0.9	1.5	2.4
Return Ratios (%)								
RoE	-5.5	-1.1	5.6	11.3	14.2	23.5	24.2	28.2
RoCE	3.7	12.8	8.0	10.0	9.6	14.9	15.8	17.9
RoIC	3.5	14.4	8.6	11.2	10.1	15.7	20.1	25.8
Working Capital Ratios								
Fixed Asset Turnover (x)	0.5	0.4	0.5	0.4	0.5	0.6	0.7	0.8
Asset Turnover (x)	0.4	0.5	0.5	0.4	0.5	0.6	0.6	0.7
Inventory (Days)	1	0	0	1	1	1	1	1
Debtor (Days)	19	13	13	10	12	11	11	11
Creditor (Days)	261	370	320	223	222	163	160	155
Leverage Ratio (x)								
Current Ratio	0.7	0.6	0.5	0.5	0.5	0.6	0.9	1.1
Interest Cover Ratio	0.6	1.1	1.5	1.8	1.7	2.2	3.3	4.0
Net Debt/Equity	1.5	2.5	2.3	2.7	2.4	1.6	0.9	0.3

Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	-428	-31	125	166	127	394	454	591
Depreciation	277	297	331	364	395	455	526	573
Interest & Finance Charges	137	149	165	188	219	197	184	165
Direct Taxes Paid	-23	-22	-22	-38	-29	-74	-125	-163
(Inc)/Dec in WC	-166	30	-14	-31	24	63	118	67
CF from Operations	-203	423	585	649	737	1,035	1,157	1,234
Others	384	59	-35	4	52	-97	-57	-63
CF from Operating incl EO	181	482	550	653	789	939	1,100	1,171
(Inc)/Dec in FA	-221	-334	-424	-388	-521	-431	-407	-421
Free Cash Flow	-40	148	127	265	268	507	693	750
(Pur)/Sale of Investments	-88	38	-5	-20	12	0	0	0
Others	5	27	10	16	7	20	16	30
CF from Investments	-305	-269	-419	-392	-502	-411	-392	-391
Issue of Shares	462	7	10	-5	0	0	157	0
Inc/(Dec) in Debt	-180	-118	-19	-113	-18	-176	-50	-91
Interest Paid	-110	-71	132	-67	-140	-77	-143	-132
Dividend Paid	-18	-27	-14	-36	-44	-86	-151	-242
Others	37	-40	-257	-24	-76	-158	0	0
CF from Fin. Activity	191	-249	-148	-245	-278	-497	-187	-465
Inc/Dec of Cash	68	-36	-17	16	9	30	521	316
Opening Balance	54	131	91	74	90	163	194	715
Closing Balance	131	91	74	90	99	194	715	1,031
Less :- Bank overdraft	-5	10	13	18	21	0	0	0
Net Closing Balance	136	81	61	72	78	194	715	1,031

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered/qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.