

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	BHARTI IN
Equity Shares (m)	5702
M.Cap.(INRb)/(USDb)	12402.7 / 136.8
52-Week Range (INR)	2175 / 1560
1, 6, 12 Rel. Per (%)	-1/1/17
12M Avg Val (INR M)	13933

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Net Sales	2,096	2,400	2,692
EBITDA	1,188	1,385	1,560
Adj. PAT	272	390	505
EBITDA Margin (%)	56.7	57.7	58.0
Adj. EPS (INR)	44.9	63.9	82.8
EPS Gr. (%)	48	42	30
BV/Sh. (INR)	263	302	355
Ratios			
Net D:E	1.1	0.5	0.1
RoE (%)	20.9	24.7	27.5
RoCE (%)	14.8	18.2	21.2
Div. Payout (%)	60.8	53.2	54.4
Valuations			
EV/EBITDA (x)	11.6	9.6	8.1
P/E (x)	45.3	31.6	24.4
P/BV (x)	7.7	6.7	5.7
Div. Yield (%)	1.3	1.7	2.2

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	48.9	50.3	53.1
DII	19.7	19.5	19.6
FII	28.8	27.5	24.3
Others	2.7	2.7	2.9

FII Includes depository receipts

CMP: INR2,038 TP: INR2,355 (+16%)

Buy

Steady 3Q; robust FCF generation aids deleveraging

- Bharti Airtel (BHARTI) reported a steady performance in 3QFY26, with consolidated EBITDA rising 4% QoQ. India performance (EBITDA +2% QoQ) was broadly in line, while Airtel Africa (+11% QoQ, 4% ahead) continued to benefit from Nigeria tariff hikes and favorable currency movements.
- India wireless revenue and EBITDA grew ~2% QoQ, driven by recovery in subscriber net adds (after two muted quarters), 1% QoQ ARPU uptick led by continued premiumization focus, and ~20bp QoQ margin expansion.
- Consolidated capex rose ~4% QoQ to INR118b (+29% YoY), largely due to higher capex in Africa. India segmental capex (excluding Indus) at INR73b rose ~3% QoQ (+7% YoY), with 9MFY26 capex down 1% YoY at INR198b.
- Consolidated FCF improved further to INR169b (vs. ~INR146b in 2Q), driven by better operational performance and WC release. For 9MFY26, Bharti's consolidated FCF stood at INR458b (vs. INR389b generated in FY25).
- Robust FCF led to ~INR141b QoQ decline in consolidated net debt (ex-leases) to INR1.125t. With pending rights issue money (~INR157b) and robust FCF generation, Bharti's India business is likely to turn net debt zero (excluding leases and long-dated Gol repayments).
- Deferral of tariff hike (vs. our initial expectations of Dec'25) is disappointing, and with several key state elections over next 2-3 months, a potential tariff hike is likely to get pushed to Jun-Jul'26.
- However, we remain structurally positive on the case for tariff hikes, given inadequate returns generated by Indian telcos amid massive investments to meet the rising data consumption. We continue to build in a ~15% tariff hike in Jul'26.
- We raise our FY27-28E EBITDA by ~2% each, driven by higher growth in AAF and slightly higher India wireless ARPU and margin estimates.
- We model a CAGR of 16%/19% in Bharti's consolidated revenue/EBITDA over FY25-28E, driven by 1) benefits of a potential ~15% tariff hike in India wireless in Jul'26, 2) continued acceleration in Home broadband net adds, and 3) strong double-digit CC growth in Africa.

We reiterate our **BUY** rating with an **SoTP-based revised TP of INR2,355**.

We value the India wireless and homes business on DCF (implies ~13x Mar'28E EV/EBITDA), DTH/Enterprise at 5x/10x Mar'28 EBITDA, and Bharti's stake in Indus Towers and Airtel Africa at a 25% discount to our TP/CMP.

Homes and Airtel Africa continue to shine; steady show in wireless

- Bharti's consolidated revenue grew 3.5% QoQ (+25% YoY) to INR540b, led by robust growth in AAF (+10% QoQ) and the Homes business (+7% QoQ).
- Consolidated EBITDA rose 4% QoQ to INR308b (up 6% YoY, 1% above), driven by robust performance in Airtel Africa (+11% QoQ, 4% above), Home Broadband (+8% QoQ), and India Wireless (+2.2% QoQ, 1% above).
- Consolidated EBITDAaL grew 4% QoQ to INR277b, with India EBITDAaL rising 2% QoQ to INR217b (margin up ~40bp QoQ).

- India wireless revenue and EBITDA grew ~2% QoQ (in line, though weaker than ~3% QoQ growth reported by RJio in 3Q), driven by ~1% QoQ ARPU uptick to INR259 (our est. of INR258) and 71% incremental margins.
- Homes continued to benefit from acceleration in subscriber additions (record high ~1.16m net adds drive ~7-8% QoQ revenue and EBITDA growth). Enterprise (B2B) revenue grew in double digits (excluding the impact of rationalization of commodity business), while EBITDA margin expanded ~35bp QoQ to 41.9%
- Africa continued to deliver robust double-digit YoY CC revenue and EBITDA growth, driven by the tariff hikes in Nigeria and favorable FX movements.
- Reported PBT (before share of JVs) at INR124b (+2% QoQ, +1.62x YoY) was 8% below our estimate, due to higher depreciation (+15% YoY) and increased net finance costs (+19% QoQ, 28% above).
- Adjusted for exceptional items, attributable PAT at INR69.2b grew ~2% QoQ (+25% YoY), though it came in ~19% below our estimate due to higher net finance cost and higher tax rate (31%, rising share of Africa in profit pool).

Key highlights from the earnings webinar

- **AGR issue:** BHARTI has written to DoT seeking parity in treatment (with Vi) on AGR dues, highlighting errors of commission, omission and computation. Management is awaiting DoT's response and will then decide on the next steps.
- **Capital structure & FCF deployment:** BHARTI is now among the least leveraged telcos globally with a consolidated net debt-to-EBITDA ratio of ~1x. While dividends would be progressively stepped up, management's preference is to invest in long-term growth (core business, DC, cloud and financial services etc.) rather than returning capital to shareholders.
- **Capex:** Management sees room for step-up in 5G and transport capex, given ~90% of new smartphone shipments are 5G enabled (vs. BHARTI's ~74% current 5G population coverage).
- **Home broadband (HBB):** BHARTI added ~2m home passes (~6m in 9MFY26), while FWA subs base scaled to 3m+. Management reiterated that total addressable market for HBB could be ~100m over the medium term and the company has stepped up investments in HBB amid the ongoing land grab mode.
- **Data center (DC):** Management reiterated its unhappiness with current presence (~12% DC market share) and its ambition to scale DC capacity to ~1GW over the next 3-4 years, targeting ~25% share in a rapidly expanding market. Investments in DC will be stepped up meaningfully over the next few years.

Valuation and view

- Deferral of tariff hike (vs. our initial expectations of Dec'25) is disappointing, and with several key state elections over next 2-3 months, a potential tariff hike is likely to get pushed to Jun-Jul'26.
- However, we remain structurally positive on the case for tariff hikes, given inadequate returns generated by Indian telcos amid massive investments to meet the rising data consumption. We build in 15% tariff hike in Jul'26.
- We continue to like Bharti's superior execution on the premiumization agenda. Further, with likely stable capex trends and a potential tariff hike, Bharti could deliver ~INR650b+ FCF in FY27 and could turn net cash by FY29.

- We model a CAGR of 16%/19% in Bharti's consolidated revenue/EBITDA over FY25-28E, driven by 1) benefits of a potential ~15% tariff hike in India wireless from Jul'26, 2) continued acceleration in Home broadband net adds, and 3) strong double-digit CC growth in Africa.
- We reiterate our **BUY** rating with an **SoTP-based revised TP of INR2,355 (earlier INR2,285)**. We value the India wireless and homes business on DCF (implies ~13x Mar'28E EV/EBITDA), DTH/Enterprise at 5x/10x Mar'28 EBITDA, and Bharti's stake in Indus Towers and Airtel Africa at a 25% discount to our TP/CMP.
- Impending tariff hike, upcoming JPL IPO and a favorable resolution of AGR matter remain the key near-term triggers, while long-term risk-reward remains attractive (bull case: INR2,875; bear case: INR1,810).

Consolidated - Quarterly earnings Summary

Y/E March	(INR b)											
	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3QE	Var (%)
Revenue	385	415	451	479	495	521	540	540	1,730	2,096	536	0.6
YoY Change (%)	2.8	12.0	19.1	27.3	28.5	25.7	19.6	12.9	15.3	21.2		
Total Expenditure	188	196	205	209	216	226	232	234	798	908	231	0.4
EBITDA	197	218	246	270	278	296	308	306	932	1,188	305	0.9
YoY Change (%)	0.6	12.0	24.1	39.5	41.3	35.3	25.2	13.4	19.0	27.5		
Depreciation	105	110	117	123	125	132	134	133	456	524	131	2.5
Net Finance cost	52	54	57	55	55	49	56	43	218	202	44	26.6
Other Income and JV share	13	13	21	5	6	8	8	8	53	30	7	18.9
PBT before EO expense	53	68	93	97	105	123	126	138	311	492	137	-8.2
Extra-Ord expense	-7	9	-75	1	0	0	3	0	-73	3	0	
PBT	60	59	169	96	105	123	123	138	384	490	137	-10.1
Tax	13	17	8	-29	31	37	38	41	9	147	34	10.8
Rate (%)	21.7	29.6	4.5	-30.2	29.3	29.8	30.9	29.6	2.4	29.9		
Minority Interest	6	6	14	15	15	19	19	21	39	73	17	
Reported PAT	42	36	148	110	59	68	66	77	336	271	85	-22.3
Adj PAT	29	39	55	52	59	68	69	77	176	273	85	-19.0
YoY Change (%)	0.8	32.2	121.3	76.9	103.3	73.6	25.5	47.1	55.4	55.6		

E: MOFSL Estimates

Exhibit 1: Our SoTP-based TP for Bharti stands at INR2,355

SoTP-based on Mar'28	Valuation base (INR b)		Multiple (x)		Valuation	
	EBITDA	Other	EBITDA	Other	(INRb)	(INR/share)
India business						
India wireless (including Hexacom)	897		13.0	DCF implied	11,633	1,909
Less: Hexacom minority (30% minority)	68		15.0	At our FV	305	50
Homes	71		13.0	DCF implied	925	152
India homes + wireless attributable value					12,253	2,011
DTH	14		5.0		68	11
Enterprise	105		10.0		1,051	172
Indus Towers attributable value	194	572	5.8	0.75	429	70
Other investments (Nxtra, APB)		154		1.0	154	25
India business enterprise value	1,189		11.7	Implied	13,954	2,290
India business net debt (including leases)					445	73
Network I2I perps					43	7
India business equity value (a)					13,466	2,210
International business						
Airtel Africa	394		4.8	At CMP	1,885	328
Airtel Africa net debt					408	71
Airtel Africa attributable value	927		0.75	695	114	
Robi Axiata + Dialog SL attributable value	36		0.75		27	4
International business equity value (b)					722	118
Dividends (c)					165	27
Bharti Airtel TP (d) = (a) + (b) + (c)					14,353	2,355

Source: Company, MOFSL

Exhibit 2: Revisions to our consolidated estimates for Bharti

Consolidated (INR b)	FY26E	FY27E	FY28E
Revenue			
Old	2089	2371	2653
New	2096	2400	2692
Change (%)	0.4	1.2	1.5
EBITDA			
Old	1183	1359	1530
New	1188	1385	1560
Change (%)	0.5	1.9	1.9
EBITDA margin (%)			
Old	56.6	57.3	57.7
New	56.7	57.7	58.0
Change (bp)	7	41	27
Net Income			
Old	297	400	517
New	272	390	505
Change (%)	-8.2	-2.7	-2.3

Source: Company, MOFSL

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

India Business	FY26E	FY27E	FY28E
Paying Wireless Subscribers (m)			
Old	371	375	383
New	372	376	384
Change (%)	0.2	0.3	0.3
Wireless ARPU (INR)			
Old	254	278	305
New	255	280	306
Change (%)	0.3	0.8	0.5
India Wireless Revenue (INR b)			
Old	1,124	1,253	1,394
New	1,129	1,266	1,405
Change (%)	0.5	1.1	0.8
India Wireless EBITDA (INR b)			
Old	674	771	876
New	679	790	897
Change (%)	0.8	2.5	2.4
India Wireless EBITDA margin (%)			
Old	60.0	61.5	62.9
New	60.2	62.4	63.9
Change (bp)	21	90	98
Capex ex-spectrum (INR b)			
Old	175	180	185
New	175	180	190
Change (bp)	-0.1	-0.2	2.7



Detailed takeaways from the earnings webinar

- **AGR issue:** The company has written to DoT seeking parity in treatment (with Vi) on AGR dues, highlighting errors of commission, omission and computation. Management is awaiting DoT's response and will then decide on the next steps.
- **Home broadband (HBB):** The company added ~2m fiber home passes (~6m in 9MFY26), while FWA subs base scaled to 3m+. Management reiterated that total addressable market for HBB could be ~100m over the medium term, and the company has stepped up investments in HBB amid the ongoing land grab mode. Its HBB deployment strategy is dependent on customer needs, and the first port of call remains fiber for the company, followed by FWA for connecting fiber dark areas.
- **Capital structure & FCF deployment:** BHARTI is now among the least leveraged telcos globally, with consolidated net debt to EBITDA at ~1x. While dividends would be progressively stepped up, management's preference is to invest in long-term growth (core business, DC, cloud and financial services etc.) rather than returning capital to shareholders.
- **Data center (DC):** Management reiterated its unhappiness with current presence (~12% DC market share) and reiterated its ambition to scale DC capacity to ~1GW over the next 3-4 years, targeting ~25% share in a rapidly expanding market. Investments in DC will be stepped up meaningfully over the next few years. Opportunities for consolidation in the fragmented DC industry are being evaluated.
- **Airtel Business:** The order book and funnel remained strong with multiple deal wins in connectivity and adjacencies such as Cloud and cybersecurity. Nxtra delivered strong growth with uptake in recent capacities.
- **B2B business split and growth vectors:** Management indicated that core-connectivity (industry growth of ~5-6% YoY) accounts for 45% of Airtel's B2B revenue, followed by 30% share of adjacencies (with certain business such as IoT, Cloud and cybersecurity growing upwards of ~30% for Airtel). The commoditized wholesale voice and bulk SMS business accounts for remaining of Airtel's B2B business and is facing structural headwinds. Airtel Business grew in double digits (excluding the rationalization of commoditized portfolio in base quarter) and management expects the growth rate to pick up as share of higher growth businesses in the mix improves over the medium term.
- **Upcoming call on partly paid shares:** The decision to call rights issue money was driven by no option of foreclosure, rather than any immediate cash requirements in the business.
- **Capex:** Management sees room for a step-up in 5G and transport capex, given ~90% of new smartphone shipments are 5G enabled (vs. BHARTI's ~74% current 5G population coverage). However, radio capex is likely to remain modest, with focus areas for capex deployment being HBB, DC, Cloud, Financial services.
- **5G:** The company's 5G user base expanded to 181m (vs. 167m QoQ and 253m for RJio). Management indicated that the company is gaining its fair share of 5G smartphone shipments. The company has deployed SA + non-SA dual mode in all circles for FWA and wireless. It would gradually transition to SA completely through refarming of spectrum, as the data traffic shifts from 4G to 5G.

- **Focus on quality customers:** BHARTI continues to focus on subscriber mix premiumization through upgrades from feature phone to smartphone, prepaid to postpaid, increasing penetration of international roaming (international roaming revenue up 30% YoY), along with partnerships for value-added services such as Google Cloud, Adobe Premium and Perplexity as a lever for revenue growth.
- **Pricing construct:** Management ruled out a differential pricing strategy based on technology (5G vs. 4G). However, it reiterated the need for the industry to rethink the pricing construct to usage-based plans, with heavy data consumer paying more for the data usage.
- **DTH:** The company is focusing on profitable growth amid macro headwinds. The recent IPTV launch has witnessed strong customer traction.

Steady 3Q; INR169b FCF generation leads to ~INR140b QoQ net debt decline

- Consolidated revenue at INR540b (+25% YoY, our est. INR536b) was up 3.5% QoQ, driven by robust growth in Africa (+10% QoQ) and the Home broadband business (+7% QoQ).
- India revenue (including Indus) grew by modest ~1.4% QoQ to INR392b (+8% YoY) and was in line with our estimate, with India wireless revenue inching up ~1.9% QoQ.
- Consolidated EBITDA at INR308b (+6% YoY, 1% above) increased 4% QoQ, driven by robust performance in Airtel Africa (+11% QoQ), Home Broadband (+8% QoQ), and India wireless (+2.2% QoQ).
- India EBITDA (including Indus) at INR237b (+2% QoQ, -1.5% YoY) was broadly in line with our estimate. The YoY decline was largely attributed to the large bad debt provision reversal for Indus in 3QFY25.
- Reported EBITDA margin expanded ~35bp QoQ to 57% (-495bp YoY) and was ~10bp ahead of our estimate, driven by better margins in India Wireless, Enterprise, and Airtel Africa.
- Consolidated EBITDAaL grew 4% QoQ to INR277b, with India EBITDAaL rising 2% QoQ to INR217b (margin up ~40bp QoQ).
- Reported PBT (before share of JVs) at INR124b (+2% QoQ, +1.62x YoY) was 8% below our estimate, due to higher depreciation (+15% YoY) and increased net finance costs (+19% QoQ, 28% above).
- Adjusted for exceptional items, attributable PAT at INR69.2b grew over 2% QoQ (+26% YoY), though came in ~19% below our estimate due to higher net finance cost and higher tax rate (31%).
- Consolidated capex came in at INR118b (+4% QoQ, +29% YoY), largely due to higher capex in Africa. India capex (ex-Indus) at INR73b rose ~3% QoQ (+7% YoY), but was ~10% below our estimate.
- BHARTI's consolidated free cash flow (after leases and interest payments) jumped to INR169b (vs. ~INR146b QoQ), driven by better operational performance (OCF pre-WC changes up 5% QoQ, up ~INR15b QoQ) and WC release of INR34b (vs. INR19b QoQ).
- BHARTI's consolidated net debt (ex-leases) declined ~INR141b QoQ to INR1.125t (vs. INR1.267t QoQ), driven by robust FCF generation. Including the impact of leases, its consolidated net debt declined ~INR121b QoQ to INR1.83t (vs. INR1.95t QoQ).

- India business net debt declined sharply ~INR140b QoQ to INR982b, which should turn net cash (excluding GoI liabilities) by 4QFY26.
- BHARTI's consolidated net debt (including leases) to EBITDA (annualized) declined to 1.47x (vs. 1.63x QoQ). India net debt to EBITDA moderated to 1.39x (vs. 1.57x QoQ).
- Excluding lease impact, BHARTI's net debt to EBITDAaL dipped to 1.02x (vs. 1.19x QoQ) for the consolidated business and 1.13x (vs. 1.32x QoQ) for India SA.

India wireless: Steady quarter with ~2% QoQ revenue and EBITDA growth

- BHARTI's India wireless ARPU at INR259 (+5% YoY, our est. INR258) rose ~1% QoQ (vs. +1%/3% QoQ for RJio/Vi), driven largely by subscriber mix improvement.
- BHARTI's subscriber net adds improved to 4.4m paying net adds (vs. 1.4m net adds QoQ, +6.5m/-3.8m wireless net adds for RJio) and were ahead of our estimate of ~3.5m net adds.
- The subscriber mix continues to improve as BHARTI added further ~0.6m postpaid net adds (+2.3% QoQ, 11% YoY). Furthermore, the company's 4G/5G net additions remained resilient at 5.2m (vs. ~5.1m 4G net adds QoQ).
- BHARTI's India wireless revenue rose 1.9% QoQ (vs. 1.6%/2.8% QoQ for Vi/RJio, including FTTH) to INR287b (+9% YoY, our est. INR285b).
- India wireless EBITDA was up 2.2% QoQ (vs. ~3% QoQ for RJio, including FTTH and Vi) to INR173b (+12% YoY, our est. INR172b).
- Reported wireless EBITDA margin expanded ~20bp QoQ to 60.5% (+165bp YoY, vs. -5bp QoQ for RJio to 54.2%) and was 20bp ahead of our estimate.
- Incremental margin came in at ~71% (vs. ~94% in 2QFY26 and ~53% for RJio and our estimate of ~60%).
- India wireless capex inched up ~3% QoQ to INR44b (+1% YoY), but was ~5% below our estimate.

Homes: In-line results; robust net adds partly offset by continued ARPU declines

- BHARTI's Homes BB net adds accelerated further to ~1.16m net adds (vs. ~950k QoQ, our estimate of ~1m net adds) to reach ~13.1m subs (+42% YoY), likely on the ramp-up of FWA services.
- Reported ARPU decline continued with a further ~1% QoQ dip to INR529/month (-5% YoY, lower vs. our est. INR532).
- Homes revenue was up ~7% QoQ to INR20b (+33% YoY, inline). Homes EBITDA at INR10b (+7.5% QoQ, 34% YoY) was also broadly in line with our estimate.
- EBITDA margin was broadly stable at 50.1% (+65bp YoY), and was in line with our estimate.
- Capex in the Homes Business moderated ~14% QoQ (though still up ~41% YoY) at INR16.1b (10% lower than our estimate), despite a ramp-up in subscriber additions.

Enterprise: Growth moderates, but margin remains elevated

- Airtel Business (Enterprise) revenue grew ~1.5% QoQ to INR54b (-5% YoY due to the exit of lower-margin business, vs. our est. INR55b).
- EBITDA at INR22b rose ~2% QoQ (+13% YoY, in line) as EBITDA margins expanded ~35bp QoQ to 41.9% (vs. our estimate of 41.5% and 35.2% YoY).
- Capex for the Airtel business stood at INR8b (flat QoQ, -16% YoY).

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

- Airtel DTH's revenue at INR7.6b was flat QoQ (-1% YoY), with 73k net subscriber adds (vs. 341k QoQ net declines in 2QFY26, our est. 100k net declines). ARPU was flat QoQ at INR163 (+2% YoY, our est. INR161). DTH EBITDA at INR3.5b (-5% QoQ, -21% YoY) was ~3% below, as margins contracted ~260bp QoQ to 46% (-12pp YoY and ~220bp below our estimate).
- Airtel Africa (AAF) continued to report strong double-digit YoY constant currency growth. AAF's reported revenue (in rupee terms) was up ~10% QoQ (+40% YoY, 3% ahead), while EBITDA was up ~11% QoQ (49% YoY, ~4% ahead), driven by the flow-through of tariff hikes in Nigeria and favorable FX movements.

Other highlights: Customer engagement remains healthy; tower additions moderate further

- Data volume for India wireless business was up ~7% QoQ (vs. 7% QoQ in 2QFY26, +4%/8% QoQ for Vi/RJio including FTTH), while data usage per sub improved to 29.8GB/month (vs. 28.3GB QoQ, 40.7GB/month reported by RJio, including FTTH and 18.7GB for Vi).
- Voice usage on network in India wireless rose ~1% QoQ (vs. +1% QoQ in 2QFY26 and flat/+2% for Vi/RJio), with minute of usage (MoU) per subscriber marginally rising to 1,152 mins (vs. 1,145min QoQ and higher than 998/592 mins for RJio/Vi).
- BHARTI's tower additions moderated to ~1.1k towers QoQ (vs. 3.5k in 2QFY26), bringing the total tower count to ~344k, while revenue per site inched up 1% QoQ to INR276.2k/month (+6% YoY).

Exhibit 4: Consolidated results summary

(INR b)	3QFY25	2QFY26	3QFY26	YoY	QoQ	3QFY26E	vs est
Revenue	451.3	521.5	539.8	19.6	3.5	536.4	0.6
Access charges	19.6	13.2	14.7	(25.2)	11.2	13.2	11.4
License and spectrum fee	35.7	38.2	38.5	7.7	0.6	39.4	(2.4)
Network operating costs	86.3	101.2	98.8	14.5	(2.4)	101.9	(3.0)
Employee costs	16.1	18.6	19.6	21.8	5.4	18.9	3.6
SG&A expenses	47.6	54.6	60.5	26.9	10.7	57.8	4.7
Total costs	205.3	225.8	232.0	13.0	2.7	231.1	0.4
EBITDA	246.0	295.6	307.8	25.2	4.1	305.2	0.9
EBITDA margin (%)	54.5	56.7	57.0	252 bp	33 bp	56.9	12 bp
Depreciation and amortization	117.0	131.8	134.2	14.7	1.8	130.9	2.5
EBIT	128.9	163.8	173.6	34.7	6.0	174.3	(0.4)
EBIT margin (%)	28.6	31.4	32.2	360 bp	75 bp	32.5	(34)bp
Net finance cost	52.1	41.4	49.2	(5.5)	18.9	38.4	28.1
PBT	76.9	122.4	124.4	61.9	1.6	135.9	(8.4)
Tax provision	7.6	36.7	38.0	401.6	3.5	34.3	10.8
PAT before minority interest	69.3	85.7	86.4	24.7	0.9	101.6	(14.9)
Share of associates / JVs	16.6	0.8	1.2	(93.0)	43.6	0.9	32.9
Minority interest	13.5	18.6	18.7	-	0.7	17.1	9.4
Extraordinary items	(75.5)	-	2.6	-	-	-	-
Reported net income	147.8	67.9	66.3	(55.1)	(2.4)	85.4	(22.3)
Adjusted net income	55.1	67.9	69.2	25.6	1.9	85.4	(18.9)
Reported EPS (INR)	25.5	11.7	11.4	(55.2)	(2.4)	14.7	(22.4)
Adjusted EPS (INR)	9.5	11.7	11.9	25.4	1.9	14.7	(18.9)

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

FCF trends	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	FY25	FY24
Cashflow from operations	218	249	257	259	307	302	327	983	789
Lease payments	(18)	(20)	(16)	(17)	(17)	(16)	(16)	(72)	(79)
Capex in tangible assets	(99)	(96)	(84)	(98)	(111)	(108)	(108)	(376)	(381)
Capex in intangible assets	(71)	(57)	(35)	(69)	(2)	(6)	(5)	(231)	(140)
Paid finance cost	(42)	(64)	(33)	(38)	(33)	(26)	(30)	(175)	(140)
FCF, post-lease and interest payment	(12)	14	90	37	143	146	169	129	49
Spectrum prepayments	79	85	36	60	-	-	-	260	163
Adjusted FCF post leases and interest	68	98	126	97	143	146	169	389	213

Exhibit 6: Bharti's consolidated net debt (excl. leases) to pre-IND AS EBITDA declined to 1.02x (vs. 1.28x YoY)

Debt and cash trends	Mar-23	Sep-23	Mar-24	Sep-24	Dec-24	Mar-25	Sep-25	Dec-25
Reported gross debt	1,655	1,578	1,520	1,465	1,418	1,484	1,401	1,279
LT debt	401	333	276	197	208	202	202	196
ST debt (inc. current maturities)	135	162	204	291	265	376	264	148
Deferred payment liabilities	1,119	1,084	1,040	977	944	906	935	935
Cash and Cash Equivalents	128	103	110	54	81	99	134	154
Net Debt excluding Lease Obligations	1,527	1,475	1,410	1,410	1,337	1,385	1,267	1,125
Lease Obligation	605	596	637	792	629	653	681	701
Net Debt including Lease Obligations	2,131	2,070	2,046	2,202	1,966	2,038	1,947	1,826
Net debt (including leases) to EBITDA	2.83	2.63	2.61	2.50	1.69	1.86	1.63	1.47
Net debt (excluding leases) to EBITDAaL	2.35		1.85	1.60	1.28	1.42	1.19	1.02

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

Exhibit 7: Segmental results

	3QFY25	2QFY26	3QFY26	YoY	QoQ	3QFY26E	vs est
Segmental revenue (INR b)							
India (incl. Indus)	364	387	392	7.8	1.4	393	(0.1)
Wireless	263	281	287	9.1	1.9	285	0.5
Homes	15.1	18.6	20.0	32.6	7.3	20.2	(0.7)
DTH	7.6	7.5	7.6	(0.7)	0.3	7.4	1.7
Airtel Business	56	53	54	(5.2)	1.5	55	(2.3)
Passive infra	75	82	81	7.9	(0.5)	83	(1.8)
Africa	107	137	150	40.2	9.7	146	2.8
Consolidated	469	521	540	15.2	3.5	536	0.6
Eliminations	(56)	(57)	(59)			(60)	
Segmental EBITDA (INR b)							
India (incl. Indus)	240	232	237	(1.5)	2.0	235	0.7
Wireless	155	170	173	12.1	2.2	172	0.8
Homes	7.5	9.3	10.0	34.4	7.5	10.1	(0.6)
DTH	4.4	3.7	3.5	(21.4)	(5.1)	3.6	(2.9)
Airtel Business	20	22	22	13.1	2.3	23	(1.3)
Passive infra	71	47	46	(34.9)	(1.8)	46	0.4
Africa	50	67	75	48.5	11.2	72	3.8
Consolidated	291	296	308	5.9	4.1	305	0.9
Eliminations	(17)	(23)	(22)			(21)	
Segmental EBITDA margin (%)							
India (incl. Indus)	66.0	60.0	60.4	(564.6)	38.5	59.9	46.2
Wireless	58.8	60.3	60.5	164.3	19.5	60.3	19.9
Homes	49.5	50.1	50.1	67.2	7.1	50.1	4.3
DTH	58.2	48.6	46.0	(1,212.9)	(259.2)	48.2	(217.0)
Airtel Business	35.2	41.6	41.9	678.0	34.1	41.5	39.8
Passive infra	93.8	57.3	56.6	(3,723.4)	(75.3)	55.3	124.5
Africa	47.0	49.1	49.8	276.2	66.4	49.3	48.1
Consolidated	62.0	56.7	57.0	(495.9)	33.4	56.9	11.8
Segmental capex (INR b)							
India (incl. Indus)	80	96	92	15.9	(4.1)	101	(8.1)
Wireless	44	43	44	1.2	3.1	46	(4.9)
Homes	11.4	18.6	16.1	40.8	(13.7)	17.9	(10.2)
DTH	4.6	3.1	3.3	(28.9)	7.3	3.0	8.0
Airtel Business	9	8	8	(16.4)	(0.8)	14	(44.5)
Passive infra	12	26	20		(22.9)	20	1.3
Africa	12	17	25	114.8	47.6	21	21.0
Consolidated	92	114	118	28.7	3.7	122	(3.1)

Exhibit 8: Key performance indicators

	3QFY25	2QFY26	3QFY26	YoY	QoQ	3QFY26E	vs est
Operating metrics							
India wireless							
Wireless ARPU	245	256	259	5.4	1.1	258	0.4
EoP reported subs (m)	356.6	364.2	368.5	3.4	1.2	367.7	0.2
Net adds (m)	4.9	1.4	4.4			3.5	
EoP prepaid subs	331.3	336.7	340.4	2.7	1.1	339.4	0.3
EoP post-paid subs	25.3	27.5	28.1	11.4	2.3	28.3	(0.5)
EoP data subs (m)	277.6	289.4	294.1	5.9	1.6	295	(0.28)
Data net adds (m)	6.4	4.7	4.7			5.5	
Data subs proportion (%)	77.8	79.5	79.8	196 bp	33 bp	80.2	(41)bp
EoP 4G subs (m)	270.2	285.8	291.0	7.7	1.8	292	(0.28)
4G net adds (m)	6.5	5.1	5.2			6.0	
Data volume (b MBs)	20,659	25,033	26,681	29.2	6.6	25,823	3.3
Data usage per data sub (GB/month)	24.5	28.3	29.8	21.5	5.0	28.8	3.5
Average data realization (INR/GB)	12.9	11.4	10.9	(15.6)	(4.4)	11.2	(2.8)
Voice usage on network (b mins)	1,233	1,249	1,266	2.6	1.3	1,283	(1.3)
Minute of usage per sub (min/month)	1,160	1,145	1,152	(0.7)	0.6	1,168	(1.4)
Network towers ('000)	334.8	342.3	343.5	2.6	0.3	345.3	(0.5)
MBB sites ('000)	1,100.0	1,154.8	1,171.1	6.5	1.4	1,162.3	0.8
Revenue per tower (INR/month)	2,61,698	2,72,510	2,76,281	5.6	1.4	2,74,281	0.7
Homes							
Cities covered (#)	1,427	1,551	1,591	11.5	2.6		
Reported ARPU (INR/month)	554	534	529	(4.6)	(1.0)	532	(0.6)
Calculated ARPU (INR/month)	566	543	533	(5.8)	(1.7)	540	(1.3)
EoP reported subs (m)	9.2	11.9	13.1	41.8	9.7	12.9	1.1
Net adds ('000)	674	951	1,159			1,022	
DTH							
ARPU (INR/month)	160	163	163	2.4	0.1	161	1.5
EoP active DTH subs (m)	15.8	15.4	15.4	(2.5)	0.5	15.3	1.1
Net adds ('000)	28.6	(341.1)	73.4			(100.0)	
Airtel Business							
M2M subs (m)	30.1	56.3	67.0	122.4	18.9		
Net adds ('000)	1,655	11,657	10,626				
Airtel Africa							
Reported ARPU (USD)	2.4	2.6	2.7	10.8	2.7	3.1	(14.9)
EoP subscriber base (m)	163.1	173.8	179.4	10.0	3.2	176.8	1.5
Net adds (m)	7.7	7.8	5.6			3.0	
EoP data subscriber base (m)	71.4	78.1	81.8	14.6	4.7		
Net adds (m)	5.4	2.5	3.7				
Data subs proportion (%)	43.8	45.0	45.6	183 bp	66 bp		
EoP mobile money subs base (m)	44.3	49.8	52.0	17.3	4.5		
Net adds (m)	2.9	3.9	2.2				

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

Exhibit 9: Key assumptions for Bharti

	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E
India wireless business									
Paying subscriber base (m)	284	321	326	335	352	362	372	376	384
Net monthly additions (m)	0.1	3.1	0.4	0.8	1.4	0.8	0.8	0.4	0.6
Data subscribers (m)	149	189	208	233	261	281	299	316	330
Net monthly additions (m)	2.79	3.34	1.65	2.02	2.35	1.70	1.49	1.41	1.17
Wireless ARPU (INR/sub/month)	136	153	160	189	204	232	255	280	306
YoY change (%)	16.6	12.9	4.3	18.5	7.8	13.9	9.7	10.1	9.2
Data volumes (b MB)	21,020	32,541	45,203	54,148	65,978	81,257	1,02,406	1,25,939	1,51,126
YoY change (%)	79.2	54.8	38.9	19.8	21.8	23.2	26.0	23.0	20.0
Data consumption (GB/sub/month)	13.0	15.7	18.5	20.0	21.8	24.4	28.7	33.3	38.1
YoY change (%)	36.7	21.1	18.0	7.8	8.9	12.1	17.7	16.0	14.3
Voice traffic (b mins)	3,035	3,603	4,104	4,348	4,667	4,882	5,041	5,167	5,271
YoY change (%)	7.9	18.7	13.9	6.0	7.3	4.6	3.3	2.5	2.0
MOU (min/sub/month)	893	992	1,056	1,096	1,131	1,140	1,146	1,152	1,157
YoY change (%)	11.9	11.1	6.4	3.7	3.2	0.8	0.6	0.5	0.4
Homes business									
EoP Wi-Fi subscriber base (m)	2.4	3.1	4.5	6.0	7.6	10.0	14.2	18.5	22.5
Net monthly additions ('000s)	12	54	118	130	131	201	343	363	333
Implied ARPU (INR/month)	799	710	671	641	606	557	533	518	543
YoY change (%)	(4.9)	(11.1)	(5.5)	(4.5)	(5.4)	(8.1)	(4.4)	(2.7)	4.8
Airtel DTH									
EoP subscriber base (m)	16.6	17.7	16.0	15.9	16.1	15.9	15.4	15.1	14.9
Net monthly additions ('000s)	101.7	92.0	(140.7)	(6.8)	16.7	(20.7)	(43.0)	(23.5)	(20.8)
Implied ARPU (INR/month)	152	148	156	154	158	159	161	165	167
YoY change (%)	(34.1)	(2.5)	5.0	(1.4)	3.0	0.7	1.1	2.7	1.0
Capex (INR b)									
India (ex-spectrum and Indus)	198	193	204	281	334	303	291	314	325
As % of revenues	31.0	26.1	24.9	28.7	30.4	23.9	20.8	20.0	18.5
Consolidated (ex-spectrum)	252	238	253	342	395	395	456	463	464
As % of revenues	28.8	23.6	21.7	24.6	26.3	22.8	21.7	19.3	17.2
Consolidated overall	252	238	436	773	395	463	456	463	464
As % of revenues	28.8	23.6	37.4	55.5	26.3	26.8	21.7	19.3	17.2

Source: Company, MOFSL

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

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Segmental revenue (INR b)									
India	644	741	825	981	1,100	1,338	1,551	1,733	1,922
Wireless	460	556	629	759	850	1,003	1,129	1,266	1,405
Homes	22	23	30	40	50	59	77	102	134
DTH	29	31	32	29	30	31	30	30	30
Airtel Business	132	144	161	186	208	221	212	233	253
Passive infra	67	-	-	-	-	153	326	341	357
Africa	242	289	351	423	412	419	555	678	782
Consolidated	875	1,006	1,165	1,391	1,500	1,730	2,096	2,400	2,692
Eliminations	(82)	(40)	(41)	(49)	(55)	(156)	(233)	(250)	(269)
Segmental EBITDA (INR b)									
India	264	340	409	510	589	789	932	1,067	1,189
Wireless	170	243	312	401	468	579	679	790	897
Homes	11	13	16	20	25	29	39	52	71
DTH	20	21	21	17	17	17	14	14	14
Airtel Business	43	55	62	74	82	82	89	97	105
Passive infra	37	-	-	-	-	116	185	193	197
Africa	107	133	172	207	201	195	271	336	394
Consolidated	366	454	575	713	783	932	1,188	1,385	1,560
Eliminations	(22)	(11)	(7)	(6)	(9)	(87)	(89)	(97)	(118)
Segmental EBITDA margin (%)									
India	41.0	45.8	49.6	52.0	53.6	59.0	60.1	61.6	61.9
Wireless	36.9	43.7	49.6	52.8	55.0	57.8	60.2	62.4	63.9
Homes	50.4	57.6	52.3	50.6	50.1	49.9	50.2	51.3	53.4
DTH	68.3	68.0	66.6	58.9	56.3	55.3	47.8	45.2	45.1
Airtel Business	32.2	38.2	38.7	39.7	39.4	37.2	42.1	41.6	41.5
Passive infra	55.1					75.7	56.7	56.7	55.2
Africa	44.3	46.1	49.1	49.0	48.8	46.6	48.8	49.5	50.4
Consolidated	41.8	45.1	49.4	51.2	52.2	53.9	56.7	57.7	58.0
Segmental Capex ex-spectrum (INRb)									
India	208	199	208	282	334	336	376	382	383
Wireless	151	147	145	205	253	192	175	180	190
Homes	6	11	17	22	29	43	67	72	68
DTH	11	13	13	14	14	17	13	13	13
Airtel Business	30	22	32	40	38	51	36	50	54
Passive infra	9	-	-	-	-	35	85	67	58
Africa	46	45	49	60	61	57	79	81	81
Consolidated	254	245	257	342	395	392	455	463	464

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

Source: Company, MOFSL

Exhibit 11: For every INR10 change in ARPU, Bharti's consol. EBITDA changes by ~2%

FY27 consolidated EBITDA (INR b)	FY2027E India wireless ARPU (INR)					
	260	270	280	290	300	
FY2027E India wireless paying subs (m)	356	1,306	1,335	1,363	1,392	1,420
	366	1,317	1,345	1,374	1,403	1,432
	376	1,327	1,356	1,385	1,414	1,443
	386	1,337	1,366	1,396	1,426	1,455
	396	1,347	1,377	1,407	1,437	1,467

Source: Company, MOFSL

Exhibit 12: Near-term growth robust, led by the assumption of ~15% tariff hike in July'26

FY2025-28E CAGR (%)	Bear	Base	Bull
Paying subs	1.7%	2.0%	1.7%
Wireless ARPU	7.9%	9.7%	11.1%
Wireless revenue	10.0%	11.9%	13.2%
Wireless EBITDA	12.0%	15.7%	17.3%

Source: Company, MOFSL

Exhibit 13: LT growth contingent on ARPU hikes; we model ~8% EBITDA CAGR over FY28-35E

FY2028-35E CAGR (%)	Bear	Base	Bull
Paying subs	0.9%	1.2%	0.9%
Wireless ARPU	5.0%	6.0%	7.0%
Wireless revenue	6.0%	7.3%	8.0%
Wireless EBITDA	6.3%	7.7%	8.9%

Source: Company, MOFSL

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

	Base	Bear	Bull
Bharti - India wireless			
10-year subscriber CAGR	1.4%	1.1%	1.2%
10-year ARPU CAGR	7.1%	5.9%	8.2%
INR 300 ARPU achieved by	FY2028	FY2029	FY2028
10-yr revenue CAGR	8.7%	7.2%	9.5%
10-yr EBITDA CAGR	10.1%	8.0%	11.4%
Enterprise value (INR b)	11,633	8,968	14,019
Exit EV/EBITDA (x)	12.9	11.4	14.6
Implied Mar'28E EBITDA (x)	13.0	11.0	15.0
India wireless Enterprise value (INR/share)	1,909	1,472	2,300
Bharti SoTP based TP (INR/share)	2,355	1,810	2,875
Upside / downside to CMP	16%	-11%	42%

Source: Company, MOFSL

Exhibit 15: We ascribe INR11.6t (or INR1,909/share) valuation to Bharti's India wireless segment (~13x Mar'28 EV/EBITDA)

	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E
Assumptions													
Paying subscriber base (m)	362	372	376	384	391	397	402	406	410	414	417		
Net adds	9.3	9.9	4.5	7.5	7.0	6.0	5.0	4.5	4.0	3.5	3.0		
ARPU (INR/month)	232	255	280	306	332	359	384	407	427	444	460		
YoY	13.9	9.7	10.1	9.2	8.5	8.0	7.0	6.0	5.0	4.0	3.5		
DCF model													
EBITDA	579	679	790	897	1,000	1,106	1,206	1,296	1,377	1,447	1,511		
Adjusted tax expense	-111	-138	-170	-204	-228	-252	-275	-296	-314	-330	-344		
Change in working capital	12	10	11	11	13	12	12	11	10	9	8		
Operating cash flow	481	551	631	705	785	866	942	1,011	1,073	1,126	1,175		
Capital expenditure	-261	-175	-180	-190	-200	-210	-220	-230	-240	-245	-250		
Free cash flow	220	376	452	515	585	656	722	780	833	880	925	971	1,019
Discounted cash flow-now	340	370	382	392	398	396	388	374	358	340			
Discounted cash flow-1 year forward				409	422	433	440	438	428	414	396	376	357
Discounted cash flow-2 year forward					466	479	486	484	473	457	437	416	395
	Now	Y+1	Y+2										
Discount rate (%)	10.5%	10.5%	10.5%										
Total PV of free cash flow	3,738	4,113	4,468										
Terminal value assumption													
Growth in perpetuity	5.0%	5.0%	5.0%										
FCF in terminal year	925	971	1,019										
Exit FCF multiple (x)	19.1	19.1	19.1										
Exit EV/EBITDA multiple (x)	11.7	12.3	12.9										
Terminal value	17,652	18,535	19,461										
PV of terminal value	6,499	6,823	7,165										
Value of India wireless	10,237	10,936	11,633										
Implied EV/EBITDA	15.1	13.8	13.0										
Enterprise value (INR b)	10,237	10,936	11,633										
Shares outstanding (m)	6,094	6,094	6,094										
EV/share for India wireless (INR/share)	1,680	1,794	1,909										

Exhibit 16: For every INR10 ARPU change, Bharti's TP changes by ~INR64/share (~2.7%)

Bharti's TP	FY2027E India wireless ARPU (INR)				
	260	270	280	290	300
FY2027E India wireless paying subs (m)	356	2,182	2,245	2,307	2,369
	366	2,205	2,268	2,331	2,394
	376	2,227	2,291	2,355	2,419
	386	2,249	2,314	2,379	2,444
	396	2,272	2,337	2,403	2,469

Exhibit 17: Our SoTP-based TP for Bharti stands at INR2,355

SoTP-based on Mar'28	Valuation base (INR b)		Multiple (x)		Valuation	
	EBITDA	Other	EBITDA	Other	(INRb)	(INR/share)
India business						
India wireless (including Hexacom)	897		13.0	DCF implied	11,633	1,909
Less: Hexacom minority (30% minority)	68		15.0	At our FV	305	50
Homes	71		13.0	DCF implied	925	152
India homes + wireless attributable value					12,253	2,011
DTH	14		5.0		68	11
Enterprise	105		10.0		1,051	172
Indus Towers attributable value	194	572	5.8	0.75	429	70
Other investments (Nxtra, APB)		154		1.0	154	25
India business enterprise value	1,189		11.7	Implied	13,954	2,290
India business net debt (including leases)					445	73
Network I2I perps					43	7
India business equity value (a)					13,466	2,210
International business						
Airtel Africa	394		4.8	At CMP	1,885	328
Airtel Africa net debt					408	71
Airtel Africa attributable value	927		0.75		695	114
Robi Axiata + Dialog SL attributable value	36		0.75		27	4
International business equity value (b)					722	118
Dividends (c)					165	27
Bharti Airtel TP (d) = (a) + (b) + (c)					14,353	2,355

Source: Company, MOFSL

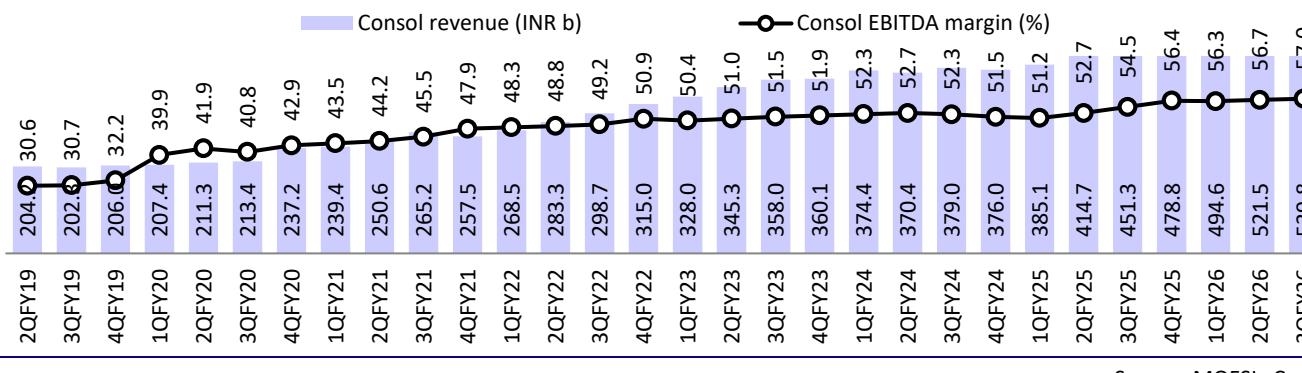
Exhibit 18: Bharti's risk-reward skew (INR/share)

Bharti Valuation Scenarios	Base	Bear	Bull
India business (INR/share)			
India wireless (including Hexacom)	1,909	1,472	2,300
Less: Hexacom minority (30% minority)	50	39	60
Homes	152	117	183
India wireless + homes attributable value	2,011	1,550	2,423
DTH	11	9	13
Enterprise	172	155	190
Indus Towers attributable value	70	65	81
Other investments	-	23	71
India business enterprise value	25	1,802	2,778
India business net debt	73	102	69
Network I2I perps	7	7	7
India business equity value (a)	2,210	1,693	2,703
International business (INR/share)			
Airtel Africa attributable value	114	90	135
Robi Axiata + Dialog SL attributable value	4	4	4
International business equity value (b)	118	94	140
Dividends (c)	27	23	32
Bharti Airtel TP (d) = (a) + (b) + (c)	2,355	1,810	2,875
<i>Upside/downside to CMP (%)</i>	16	-11	42

Source: Company, MOFSL

Story in charts

Exhibit 19: Consolidated revenue up 3.5% QoQ; margin improved ~35bp QoQ



Source: MOFSL, Company

Exhibit 20: India Mobile's revenue up 2% QoQ; margin expanded ~20bp

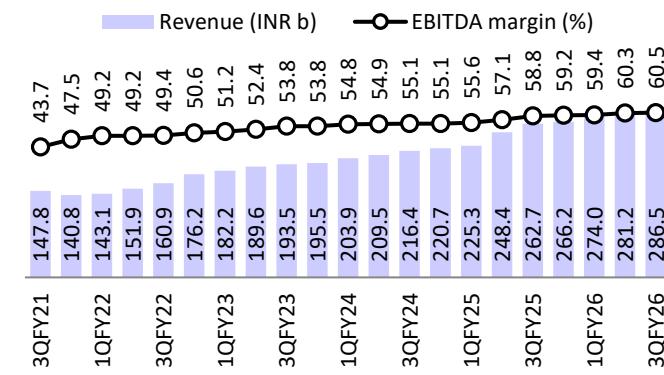


Exhibit 21: Africa revenue increased ~9.7% QoQ, driven by robust CC growth and favorable FX movement

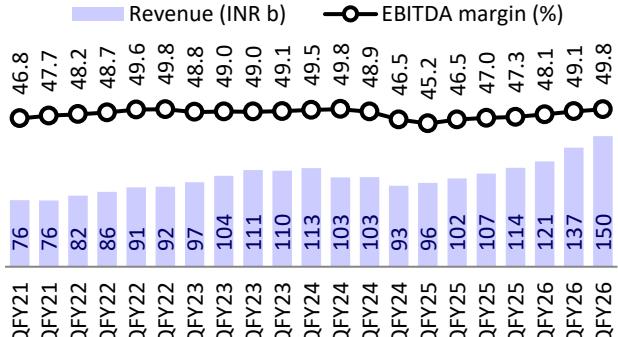


Exhibit 22: India Mobile's net adds improved to ~4.4m subs, while ARPU increased 1.1% QoQ to INR259

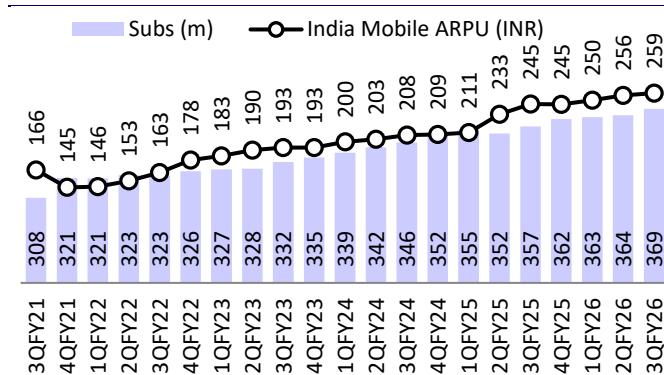


Exhibit 23: Airtel Africa's ARPU and subscriber trends

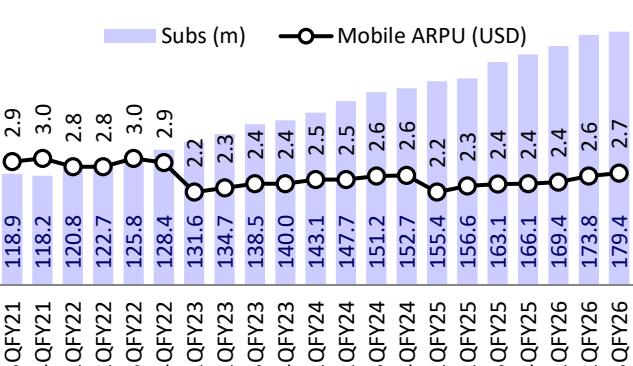
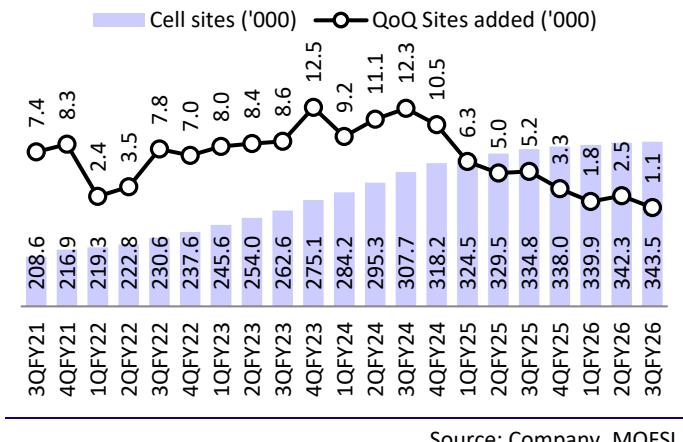
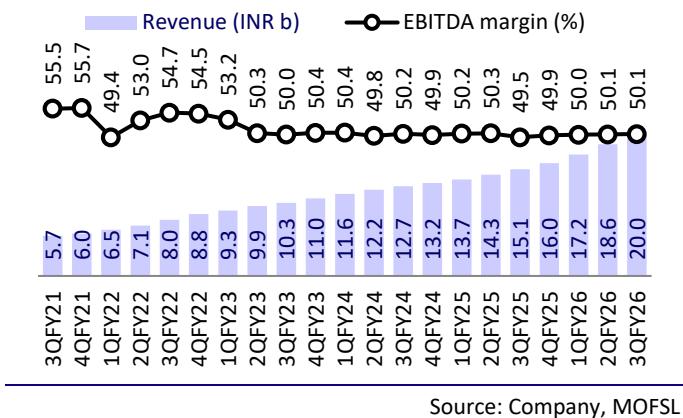


Exhibit 24: Bharti added 1.1k towers in 3QFY26



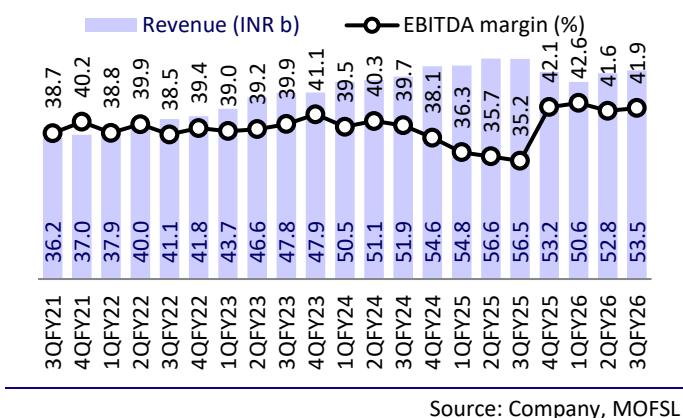
Source: Company, MOFSL

Exhibit 26: Revenue from Homes business up ~7.3% QoQ



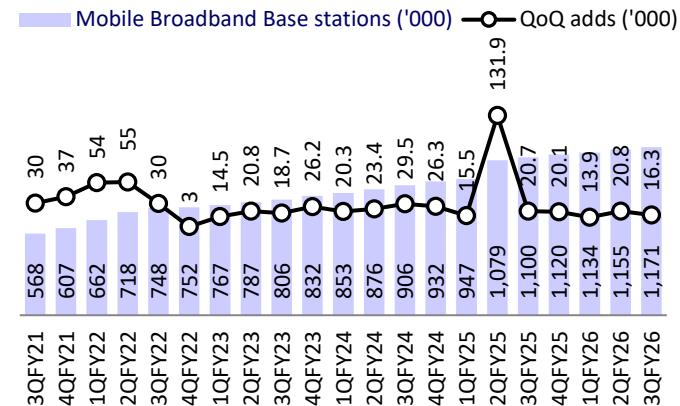
Source: Company, MOFSL

Exhibit 28: Revenue from Airtel business (B2B) grew 1.5% QoQ; margin expanded ~35bp QoQ



Source: Company, MOFSL

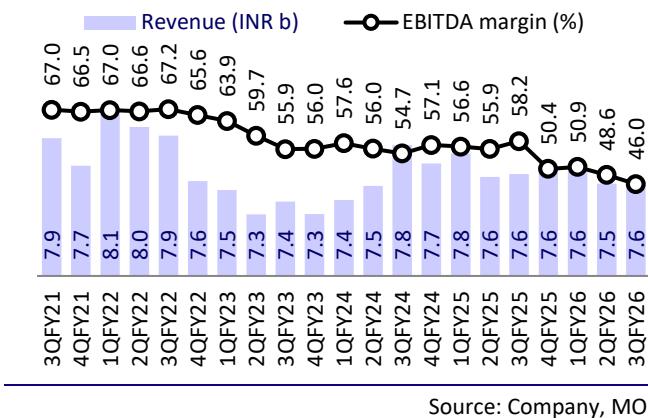
Exhibit 25: Bharti added ~16.3k MBB sites in 3QFY26



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

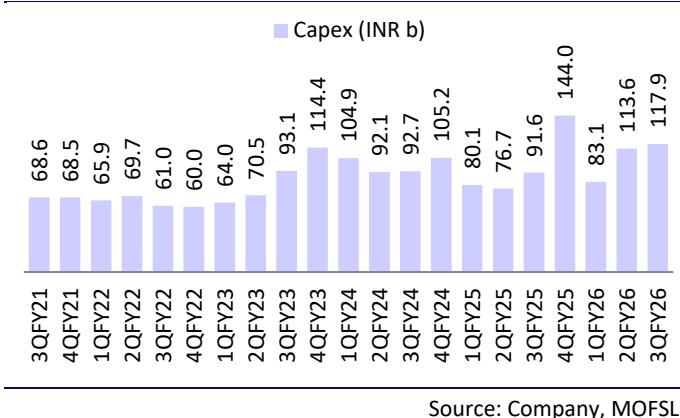
Source: Company, MOFSL

Exhibit 27: Revenue from DTH business was flat QoQ



Source: Company, MOFSL

Exhibit 29: Consol. capex increased sequentially to INR118b; India capex (excluding Indus) up ~3% QoQ to INR73b



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement								
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	(INR b) FY28E
Total Income from Operations	1,006	1,165	1,391	1,500	1,730	2,096	2,400	2,692
Change (%)	15.7	15.8	19.4	7.8	15.3	21.2	14.5	12.1
Total Expenditure	552	590	679	717	798	908	1,015	1,132
% of Sales	54.9	50.6	48.8	47.8	46.1	43.3	42.3	42.0
EBITDA	454	575	713	783	932	1,188	1,385	1,560
Margin (%)	45.1	49.4	51.2	52.2	53.9	56.7	57.7	58.0
Depreciation	294	331	364	395	456	524	562	600
EBIT	160	244	348	388	476	665	823	960
Int. and Finance Charges	151	166	193	226	218	202	184	164
Other Income	6	30	17	41	53	30	41	65
PBT bef. EO Exp.	14	108	172	203	311	492	680	860
EO Items	-159	17	-7	-76	73	-3	0	0
PBT after EO Exp.	-145	125	166	127	384	490	680	860
Total Tax	89	42	43	41	9	147	203	257
Tax Rate (%)	-61.7	33.5	25.8	32.5	2.4	29.9	29.8	29.9
Profit from discontinued operations	110.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest	27	41	39	11	39	73	88	99
Reported PAT	-151	43	83	75	336	271	390	505
Adjusted PAT	-7	35	82	113	176	272	390	505
Change (%)	-82.3	-590.2	131.2	38.6	55.4	55.0	43.0	29.5
Margin (%)	-0.7	3.0	5.9	7.5	10.2	13.0	16.2	18.7

Consolidated - Balance Sheet								
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	(INR b) FY28E
Equity Share Capital	27	28	28	29	29	30	30	30
Total Reserves	562	638	747	791	1,108	1,438	1,659	1,952
Net Worth	590	666	776	820	1,137	1,468	1,689	1,982
Minority Interest	223	254	289	235	398	471	558	657
Total Loans	1,628	1,697	2,260	2,156	2,136	1,857	1,653	1,445
Lease Liabilities	0	0	0	0	0	0	0	0
Deferred Tax Liabilities	-222	-217	-205	-201	-181	-122	-41	62
Capital Employed	2,218	2,399	3,119	3,010	3,491	3,674	3,860	4,147
Net Fixed Assets	2,292	2,500	3,268	3,202	3,995	3,975	3,915	3,816
Goodwill on Consolidation	0	0	0	0	0	0	0	0
Capital WIP	0	0	0	0	0	0	0	0
Right of use assets	0							
Total Investments	329	367	392	410	53	107	111	115
Curr. Assets, Loans&Adv.	617	552	596	626	822	1,072	1,416	1,881
Inventory	0	0	3	4	5	5	5	5
Account Receivables	36	41	40	49	75	86	92	96
Cash and Bank Balance	81	61	72	69	167	414	739	1,187
Loans and Advances	500	450	482	505	576	567	580	592
Curr. Liability & Prov.	1,020	1,020	1,137	1,228	1,379	1,480	1,582	1,665
Account Payables	1,020	1,020	849	911	792	862	937	996
Provisions	0	0	288	317	587	618	644	669
Net Current Assets	-403	-468	-541	-602	-557	-408	-166	216
Appl. of Funds	2,218	2,399	3,119	3,010	3,491	3,674	3,860	4,147

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
EPS	-1.3	6.3	14.4	19.7	30.3	44.7	63.9	82.8
Cash EPS	52.2	65.5	79.8	91.0	113.0	142.4	170.2	197.6
BV/Share	107.3	119.1	138.8	146.7	203.3	262.6	302.2	354.6
DPS	0.0	3.0	4.0	8.1	16.0	27.0	34.0	45.0
Payout (%)	0.0	39.4	27.3	62.0	27.7	60.8	53.2	54.4
Valuation (x)								
P/E	n/m	320.6	140.7	103.0	66.8	45.3	31.6	24.4
Cash P/E	38.7	30.9	25.4	22.2	17.9	14.2	11.9	10.2
P/BV	18.8	17.0	14.6	13.8	9.9	7.7	6.7	5.7
EV/Sales	12.6	11.1	9.8	9.2	7.9	6.6	5.5	4.7
EV/EBITDA	27.9	22.5	19.2	17.5	14.7	11.6	9.6	8.1
Dividend Yield (%)	0.0	0.1	0.2	0.4	0.8	1.3	1.7	2.2
Return Ratios (%)								
RoE	-1.1	5.6	11.3	14.2	18.0	20.9	24.7	27.5
RoCE	12.8	8.0	10.0	9.6	16.5	14.8	18.2	21.2
RoIC	14.4	8.6	11.2	10.1	16.0	14.5	18.7	23.0
Working Capital Ratios								
Fixed Asset Turnover (x)	0.4	0.5	0.4	0.5	0.4	0.5	0.6	0.7
Asset Turnover (x)	0.5	0.5	0.4	0.5	0.5	0.6	0.6	0.6
Inventory (Days)	0	0	1	1	1	1	1	1
Debtor (Days)	13	13	10	12	16	15	14	13
Creditor (Days)	370	320	223	222	167	150	143	135
Leverage Ratio (x)								
Current Ratio	0.6	0.5	0.5	0.5	0.6	0.7	0.9	1.1
Interest Cover Ratio	1.1	1.5	1.8	1.7	2.2	3.3	4.5	5.8
Net Debt/Equity	2.5	2.3	2.7	2.4	2.0	1.1	0.5	0.1

Consolidated - Cash Flow Statement

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	-31	125	166	127	384	490	680	860
Depreciation	297	331	364	395	456	524	562	600
Interest & Finance Charges	149	165	188	219	209	176	147	104
Direct Taxes Paid	-22	-22	-38	-29	-44	-88	-122	-154
(Inc)/Dec in WC	30	-14	-31	24	84	94	79	63
CF from Operations	423	585	649	737	1,088	1,195	1,346	1,473
Others	59	-35	4	52	-262	-67	-68	-65
CF from Operating incl EO	482	550	653	789	827	1,128	1,278	1,407
(Inc)/Dec in FA	-334	-424	-388	-521	-607	-456	-463	-464
Free Cash Flow	148	127	265	268	220	673	815	943
(Pur)/Sale of Investments	38	-5	-20	12	0	0	0	0
Others	27	10	16	7	5	11	14	16
CF from Investments	-269	-419	-392	-502	-602	-444	-449	-448
Issue of Shares	7	10	-5	0	-41	157	0	0
Inc/(Dec) in Debt	-118	-19	-113	-18	95	-262	-178	-184
Interest Paid	-71	132	-67	-140	-175	-187	-161	-119
Dividend Paid	-27	-14	-36	-44	-69	-93	-165	-207
Others	-40	-257	-24	-76	-103	0	0	0
CF from Fin. Activity	-249	-148	-245	-278	-294	-385	-504	-511
Inc/Dec of Cash	-36	-17	16	9	-69	299	325	448
Opening Balance	131	91	74	90	152	167	414	739
Closing Balance	91	74	90	99	83	466	739	1,187
Less :- Bank overdraft	10	13	18	21	0	0	0	0
Net Closing Balance	81	61	72	78	83	466	739	1,187

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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

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