

Indus Towers

Estimate changes

TP change

Rating change



Bloomberg	INDUSTOW IN
Equity Shares (m)	2638
M.Cap.(INRb)/(USDb)	1007 / 10.5
52-Week Range (INR)	482 / 313
1, 6, 12 Rel. Per (%)	-3/-5/2
12M Avg Val (INR M)	2957

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Net Sales	345.4	358.0	372.2
EBITDA	184.9	194.6	202.7
Adj. PAT	72.7	76.0	81.0
EBITDA Margin (%)	53.6	54.3	54.4
Adj. EPS (INR)	27.6	28.8	30.7
EPS Gr. (%)	4.8	4.5	6.7
BV/Sh. (INR)	160.3	168.9	174.5

Ratios

Net D:E	-0.2	-0.2	-0.2
RoE (%)	17.5	17.1	17.5
RoCE (%)	20.6	20.3	20.7

Valuations

EV/EBITDA (x)	6.2	5.8	5.4
P/E (x)	13.8	13.2	12.4
P/BV (x)	2.4	2.3	2.2
Div. Yield (%)	5.3	6.6	7.9

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	51.3	51.3	50.0
DII	21.5	19.7	18.2
FII	23.2	25.1	27.5
Others	4.1	3.9	4.3

FII includes depository receipts

CMP: INR381

TP: INR435 (+14%)

Neutral

Vi's fundraise and RJio's tenancy renewals remain key monitorables

- Indus Towers' (Indus) 1QFY27 was slightly weaker than our estimates, with recurring EBITDA (excl. provisions) rising 1% QoQ to INR45b, largely due to higher under-recoveries and marginally lower ARPT (flat QoQ).
- Operationally, tower and tenancy additions moderated QoQ due to manufacturing constraints imposed by the West Asia conflict during 1Q.
- Management indicated that constraints have eased and the order book visibility remains robust for the next 3-4 quarters, driven by network build-out as well as movement of expiring tenancies from other towercos.
- Capex moderated 26% QoQ (in line with moderation in tower additions), leading to healthy FCF generation of INR14.4b in 1Q (vs. ~INR38b in FY26).
- Delays in Vi's potential fundraise could weigh on tenancy additions (currently bake in ~30k/~50k tenancies/5G loadings from Vi over FY26-29), while there is a risk of RJio's tenancy exits (bake in ~5k exits from RJio in 2HFY27, which is ~10% of its overall portfolio with Indus).
- We fine-tune our estimates and build in a CAGR of 4-5% in revenue/pre-IND AS EBITDA/adj. PAT over FY26-29E.
- We reiterate our **Neutral rating** with a revised **DCF-based TP of INR435**, premised on 6.4x Sep'28E pre-IND AS EV/EBITDA. We believe the risk-reward remains balanced after the recent correction in its stock price.

Slightly weaker 1Q; energy under-recoveries higher, ARPT lower

- Tower additions moderated QoQ to ~3.1k (vs. ~4.9k in 4Q, though ahead of our est. of 2.5k), while tenancy additions remained higher than tower adds at ~4.2k (though witnessed moderation from ~6.1k QoQ and our est. of 5k).
- Reported average revenue per tenant (ARPT) was stable QoQ at INR41.1k (flat YoY, slightly below our estimate of INR41.6k).
- Consolidated revenue grew 4% QoQ to INR84.3b (+5% YoY), as service revenue grew 1.2% QoQ (+5% YoY), and energy reimbursements rose ~10% QoQ (+4% YoY) due to higher diesel prices and seasonality.
- Reported EBITDA inched up 1% QoQ to INR44.8b (+3% YoY) and was ~2% below our estimate due to higher energy under-recovery and lower ARPT.
- Adjusted service EBITDA at INR46.4b (+2.3% QoQ, +6% YoY) was ~1% below our estimate, largely due to weaker ARPT.
- Energy under-recovery was higher at ~INR1.4b (vs. our estimate and YoY under-recovery of INR1.25b).
- Indus reported a bad debt provision of INR233m in 1Q (vs. INR153m QoQ, our est. of NIL and reversal of INR0.9b YoY).
- Adjusted for bad debt provisions, recurring EBITDA at INR45b (+1% QoQ, +6% YoY) was slightly weaker than our estimate of INR45.6b.
- Reported PAT declined 3% QoQ to INR17.5b (+5.5% YoY). Adjusted PAT also declined 3% QoQ to INR17.6b (+6% YoY), ~5% below our estimate.

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Healthy FCF generation as capex moderates; net cash rises ~INR15b QoQ

- With moderation in tower additions, capex declined ~26% QoQ to ~INR17.2b.
- Receivables remained largely stable at ~INR49.3b (though INR5.6b higher YoY).
- Reported FCF came in at INR14.4b in 1Q (vs. INR37.6b in FY26).
- Net cash (excluding leases) improved to ~INR64b (up ~INR14.9b QoQ).

Key highlights from the management commentary

- **Africa foray:** Management indicated that the Africa expansion remains on track, with regulatory approvals and operating licenses received across Nigeria, Uganda and Zambia. Orders have been secured from the anchor customer, supplier orders have been placed, and partner onboarding has commenced, with rollouts expected to begin in the next quarter. Management highlighted that Bharti's presence as the anchor tenant enables faster market entry and supports the business case, while engagement with other operators continues. Initial Africa capex is expected to be largely debt-funded.
- **Order book:** Management indicated that the order book remains healthy with visibility for the next 3-4 quarters, comprising both network expansion and movement of existing tenancies.
- **Moderation in tower additions during 1Q:** The initial part of 1QFY27 was impacted by supply disruptions arising from the West Asia conflict, which affected tower manufacturing. Management noted that suppliers have reconfigured manufacturing processes and constraints are now largely behind.
- **Energy under-recoveries:** Energy under-recoveries increased primarily due to seasonality and partly due to the adverse impact of past-period settlements. Over the longer term, increased solarization of sites, deployment of lithium-ion batteries and digital energy management should reduce diesel dependence and gradually reduce the energy under-recoveries.

Valuation and view

- Delays in VI's potential fundraise could weigh on tenancy additions (currently bake in ~30k/~50k tenancies/5G loadings from Vi over FY26-29), while there is a risk of RJio's tenancy exits (bake in ~5k exits from RJio in 2HFY27, which is ~10% of its overall portfolio with Indus).
- We fine-tune our estimates and build in a CAGR of ~4-5% in revenue/pre-IND AS EBITDA/adj. PAT over FY26-29E.
- We **reiterate our Neutral rating with a revised DCF-based TP of INR435** (earlier INR440), premised on 6.4x Sep'28E pre-IND AS EV/EBITDA. We believe the risk-reward remains balanced after the recent correction in the stock price.

Quarterly Performance

(INR b)

Y/E March (Consolidated)	FY26				FY27E				FY26	FY27E	FY27 1QE	Var. (%) Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue from operations	80.6	81.9	81.5	81.0	84.3	87.0	87.0	87.0	325	345	84.2	0.2
YoY Change (%)	9.1	9.7	7.9	4.8	4.6	6.2	6.9	7.4	7.9	6.3		
Total Expenditure	37.1	36.2	36.7	36.8	39.5	41.0	40.2	39.7	147	160	38.5	2.5
Provisions / (reversals)	-1	-2	0	0	0	0	0	0	-2.7	0.2	-	
Recurring EBITDA	42.6	43.8	44.7	44.4	45.0	46.0	46.9	47.3	176	185	45.6	-1.3
EBITDA	43.5	45.7	44.8	44.2	44.8	46.0	46.9	47.3	178	185	45.6	-1.9
YoY Change (%)	-3.4	-6.0	-35.7	2.3	3.0	0.5	4.8	6.9	-13.7	3.8		
Depreciation	17.0	18.0	18.0	18.4	18.9	19.2	19.5	19.8	71.4	77.5	18.7	1.5
Interest	4.0	3.8	4.0	3.8	3.6	3.9	4.0	3.0	15.5	14.5	3.6	-0.2
Other Income	0.9	0.8	1.5	1.6	1.2	1.0	1.0	1.0	4.8	4.2	1.4	-10.2
PBT before EO expense	23.3	24.8	24.3	23.7	23.5	23.8	24.3	25.4	96.0	97.0	24.7	-5.1
Extra-Ord expense	(0.9)	(2.0)	(0.0)	0.2	0.2	-	-	-	-2.7	0.2	-	
PBT	22.5	22.8	24.3	23.8	23.7	23.8	24.3	25.4	93.4	97.2	24.7	-4.1
Tax	6.0	6.4	6.4	5.7	6.0	6.0	6.1	6.4	24.5	24.5	6.2	
Rate (%)	25.6	25.8	26.5	24.2	25.6	25.2	25.2	25.2	25.5	25.3		
Reported PAT	17.4	18.4	17.8	17.9	17.5	17.8	18.2	19.0	71.5	72.5	18.5	-5.6
Adj PAT	16.7	16.9	17.8	18.0	17.6	17.8	18.2	19.0	69.4	72.7	18.5	-4.7
YoY Change (%)	23.1	19.4	2.4	12.1	5.6	5.1	2.1	5.5	13.4	4.6		

E: MOFSL Estimates

Exhibit 1: We ascribe a TP of INR435/share to Indus (implies ~6.4x Sep'28E pre-IND AS EBITDA)

	2026	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E
Assumptions													
Average macro tenancies ('000)	428	445	465	483	497	509	519	527	534	540	546		
Net macro tenancy additions ('000)	22.6	17.0	20.0	18.0	14.0	12.0	10.0	8.0	7.0	6.0	5.5		
Sharing revenue per macro tenant (INR/month)	41,302	41,422	41,626	41,831	42,026	42,212	42,388	42,554	42,711	42,857	42,993		
YoY	1.1	0.3	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.3	0.3		
Revenue contribution from leaner sites (INR b)	2.7	2.8	2.9	3.1	3.4	3.8	4.2	4.7	5.4	6.1	7.0		
DCF model													
pre Ind-AS 116 EBITDA	136	139	146	151	158	163	167	171	173	176	178		
Adjusted tax expense	(19.9)	(24.5)	(25.6)	(27.3)	(28.6)	(29.7)	(30.6)	(31.3)	(31.9)	(32.4)	(32.8)		
Change in working capital	4.7	(0.1)	(1.0)	(1.1)	(1.2)	(1.2)	(1.2)	(1.3)	(1.3)	(1.3)	(1.3)		
Operating cash flow	121	115	119	123	128	132	135	138	140	142	144		
Capital expenditure	(86.3)	(68.6)	(60.2)	(54.0)	(50.9)	(48.1)	(45.2)	(42.3)	(41.2)	(40.1)	(39.5)		
Free cash flow	35	46	59	69	77	84	90	96	99	102	104	106	108
Discounted cash flow-now	-	43.8	50.3	52.5	52.6	51.4	49.5	47.2	43.7	40.4	37.0	-	-
Discounted cash flow-Y+1	-	-	56.1	58.5	58.7	57.3	55.2	52.6	48.8	45.0	41.2	37.7	-
Discounted cash flow-Y+2	-	-	-	65.2	65.4	63.9	61.5	58.6	54.4	50.2	46.0	42.0	38.4
	Now	Y+1	Y+2										
Discount rate (%)	11.5%	11.5%	11.5%										
Total PV of free cash flow	468	511	546										
Terminal value assumption													
Growth in perpetuity	2.0%	2.0%	2.0%										
FCF in terminal year	104.0	106.1	108.2										
Exit FCF multiple (X)	10.7	10.7	10.7										
Exit EV/EBITDA multiple (X)	6.3	6.4	6.5										
Terminal value	1,117	1,139	1,162										
PV of terminal value	397	405	413										
Enterprise value	865	916	959										
Implied EV/EBITDA multiple	6.3	6.4	6.4										
Net debt (ex leases)	-30	-58	-73										
Equity value (INR b)	895	973	1,032										
Equity value (INR/share)	339	369	391										
Shares outstanding (m)	2.6	2.6	2.6										
Fair value including dividends (INR/share)	353	389	435										

Exhibit 2: Valuation based on Mar'28E

DCF summary (in INR m)		Sep'28
Discount rate (%)		11.5%
Terminal growth rate (%)		2.5%
Present value of FCF		5,45,753
Present value of Terminal value		4,12,795
Enterprise value		9,58,548
Implied Sep'28 EV/ pre IND AS EBITDA (x)		6.4
Net debt (ex-leases)		-73,454
Equity value		10,32,001
Equity value (INR/share)		391
TP (including dividends, INR/share)		435
CMP (INR/share)		381
Upside (%)		14%

Source: MOFSL, Company

Exhibit 3: Summary of changes in estimates

	FY27E	FY28E	FY29E
Tower Count			
Old	2,76,514	2,86,514	
Actual/New	2,76,514	2,86,514	2,94,514
Change (%)	0.0	0.0	
Tenancy Count			
Old	4,45,014	4,65,014	
Actual/New	4,45,014	4,65,014	4,83,014
Change (%)	0.0	0.0	
ARPT (INR/month)			
Old	41,722	41,928	
Actual/New	41,422	41,626	41,831
Change (%)	-0.7	-0.7	
Service Revenue (INR b)			
Old	221	232	
Actual/New	220	230	241
Change (%)	-0.7	-0.7	
Overall Revenue (INR b)			
Old	340	352	
Actual/New	345	358	372
Change (%)	1.7	1.8	

Source: MOFSL, Company

Exhibit 4: Summary of changes in estimates

	FY27E	FY28E	FY29E
EBITDA (INR b)			
Old	187	196	
Actual/New	185	195	203
Change (%)	-1.1	-0.9	
EBITDA (ex-provisions) (INR b)			
Old	187	196	
Actual/New	185	195	203
Change (%)	-1.0	-0.9	
Pre-INDAS EBITDA (INR b)			
Old	141	148	
Actual/New	139	146	151
Change (%)	-1.4	-1.2	
Pre-INDAS EBITDA (ex-provisions) (INR b)			
Old	141	148	
Actual/New	140	146	151
Change (%)	-1.3	-1.2	
Recurring PAT (INR b)			
Old	75.9	80.7	
Actual/New	72.7	76.0	81.0
Change (%)	-4.3	-5.9	
Recurring EPS			
Old	29	31	
Actual/New	28	29	31
Change (%)	-4.3	-5.9	

Source: MOFSL, Company



Detailed takeaways from the management interaction

- **Africa foray:** Management indicated that the Africa expansion remains on track, with regulatory approvals and operating licenses received across Nigeria, Uganda and Zambia. Orders have been secured from the anchor customer, supplier orders have been placed, and partner onboarding has commenced, with rollouts expected to begin in the next quarter. Management highlighted that Bharti's presence as the anchor tenant enables faster market entry and supports the business case, while engagement with other operators continues. Initial Africa capex is expected to be largely debt-funded.
- **Order book:** Management indicated that the order book remains healthy with visibility for the next 3-4 quarters, comprising both network expansion and movement of existing tenancies.
- **Moderation in tower additions during 1Q:** The initial part of 1QFY27 was impacted by supply disruptions arising from the West Asia conflict, which affected tower manufacturing. Management noted that suppliers have reconfigured manufacturing processes and constraints are now largely behind.
- **Energy under-recoveries:** Energy under-recoveries increased primarily due to seasonality and partly due to an adverse impact of past-period settlements. Over the longer term, increased solarization of sites, deployment of lithium-ion batteries and digital energy management should reduce diesel dependence and gradually reduce the energy under-recoveries.
- **Airtel Synergy:** Airtel provides significant strategic synergies to Indus, particularly in Africa, where it serves as an anchor tenant and gives the company greater confidence to deploy towers from day one. Airtel's established presence and market knowledge in Africa should also help Indus accelerate market entry and leverage existing operating experience. Management remains focused on maximizing these synergies to create value for both Indus and Airtel.
- **Dividend:** Management reiterated its commitment to distributing free cash flow to shareholders through dividends or other forms of cash distribution. Importantly, the Africa expansion is viewed as a separate long-term growth strategy and is not expected to materially affect the company's distribution framework. Initial Africa capex is expected to be moderate relative to India and is likely to be largely debt-funded. Consequently, management expects India free cash flow to be available for shareholder distributions, supporting a steady and progressive distribution policy.
- **Maintenance capex:** Management indicated that the increase in maintenance capex is primarily driven by the replacement of lead-acid batteries with lithium-ion batteries under the ongoing modernization program. While upfront capex remains higher during the transition phase, lithium-ion batteries have a longer useful life, which is expected to moderate maintenance capex and reduce overall lifecycle costs over time.
- **Product portfolio:** Management expanded its infrastructure offerings by introducing integrated IBS and built-to-suit hybrid solutions for residential and commercial complexes, metro and railway stations, highways, tunnels and government establishments. The company believes these offerings strengthen its leadership position and expand addressable connectivity opportunities beyond conventional tower deployments.

1QFY27 review: Slightly weaker 1Q; higher energy under-recoveries and marginally lower ARPT

- Consolidated reported revenue grew 4% QoQ to INR84.3b (+5% YoY, in line).
- Service revenue came in at INR53.7b (+1.2% QoQ, +5% YoY, vs. our estimate of INR54.4b) as slightly higher tenancy additions were partly offset by slightly lower ARPT (flat QoQ).
- Energy reimbursements stood at INR30.5b (+10% QoQ, +4% YoY, our est. INR29.8b), likely due to higher diesel prices and seasonality.
- Consolidated reported EBITDA grew ~1% QoQ to INR44.8b (+4% YoY, 2% below our est. INR45.6b).
- Adjusted service EBITDA at INR44.8b (+1% QoQ, +3% YoY) was slightly weaker than our estimate of INR46.9b, largely due to lower-than-estimated service rentals.
- Energy under-recovery was also higher at INR1.4b (vs. our estimate and YoY under-recovery of INR1.25b).
- Indus reported a bad debt provision of INR233m (vs. INR153m QoQ and INR.9b reversals YoY). We did not build in any bad debt provision reversal for 1QFY27.
- Adjusted for bad debt provisions, recurring EBITDA at INR45b (+1% QoQ, +6% YoY) was slightly weaker than our estimate of INR45.6b.
- Reported PAT at INR17.5b declined ~3% QoQ (+5.5% YoY). Adjusted PAT at INR17.6b also declined 3% QoQ (+6% YoY) and was ~5% below our estimates.

Tower and tenancy additions moderate QoQ; ARPT stable YoY

- Net macro tower adds moderated to 3,097 (vs. 4,898 QoQ, though ahead of our estimate of 2,500); EoP macro tower count stood at ~267.6k.
- Indus' net leaner tower count declined by 20 QoQ (vs. 55 QoQ in 4Q), overall leaner tower count stood at ~14.02k.
- For the ninth successive quarter, net macro tenancy additions were higher than tower adds, at 4,236 (though moderation from 6,192 QoQ in 4Q and lower than our estimate of 5k). Indus' total macro tenant count increased to ~432.3k.
- End-period tenancy ratio was stable QoQ at 1.62x, though incremental tenancy ratio remained lower at ~1.37x.
- Reported ARPT was stable QoQ at INR41.1k (flat YoY, our est. INR41.6k).

Other highlights: Healthy FCF generation as capex moderates; net cash increases ~INR15b QoQ

- Indus' receivables were largely stable QoQ at INR49.3b (though INR5.6b higher YoY).
- Capex moderated ~26% QoQ to INR17.2b, in line with the moderation in tower additions.
- Reported adjusted fund from operations (EBITDA net of lease payment and maintenance capex) at INR29.9b rose ~3% QoQ.
- Net debt, including lease liabilities, declined ~INR11.3b QoQ to INR141.5b (vs. ~INR153b as of end-FY26); excluding lease liabilities, the company's net cash increased by ~INR14.9b QoQ to ~INR64b (vs. ~INR49.3b as of end-FY26).
- Indus' reported healthy 1Q FCF at ~INR14.4b (vs. INR37.6b generated in FY26).

Exhibit 5: Indus Towers - Quarterly results (INR m)

	1QFY26	4QFY26	1QFY27	QoQ	YoY	1QFY27E	vs est
Service revenue	51,102	53,060	53,716	1.2	5.1	54,380	(1.2)
Energy reimbursements	29,440	27,879	30,540	9.5	3.7	29,798	2.5
Exit / one-off revenue	34	71	55			-	
Reported revenue	80,576	81,010	84,311	4.1	4.6	84,178	0.2
Power and fuel	(30,687)	(28,883)	(31,953)	10.6	4.1	(31,048)	2.9
Employee expenses	(2,133)	(2,307)	(2,151)	(6.8)	0.8	(2,240)	(4.0)
Other costs	(5,144)	(5,430)	(5,193)	(4.4)	1.0	(5,261)	(1.3)
Bad debt provision reversals	883	(153)	(233)			-	
Total operating costs	(37,081)	(36,773)	(39,530)	7.5	6.6	(38,549)	2.5
EBITDA	43,495	44,237	44,781	1.2	3.0	45,629	(1.9)
Service EBITDA	43,825	45,323	46,372	2.3	5.8	46,879	(1.1)
Energy EBITDA	(1,247)	(1,004)	(1,413)	40.7	13.3	(1,250)	13.0
One-offs (Exit revenue/provisions)	917	(82)	(178)			-	
D&A	(17,043)	(18,378)	(18,936)	3.0	11.1	(18,664)	1.5
EBIT	26,452	25,859	25,845	(0.1)	(2.3)	26,965	(4.2)
Net finance costs and other income	(3,114)	(2,206)	(2,371)	7.5	(23.9)	(2,237)	6.0
PBT	23,338	23,653	23,474	(0.8)	0.6	24,728	(5.1)
Provision for taxes	(5,970)	(5,724)	(6,016)			(6,224)	
Recurring PAT	16,707	18,097	17,632	(2.6)	5.5	18,504	(4.7)
EO items	883	(224)	(304)			-	
Reported PAT	17,368	17,929	17,458	(2.6)	0.5	18,504	(5.7)
Recurring EPS (INR/share)	6.3	6.9	6.7	(2.6)	5.5	7.0	(4.7)

Core operational performance analysis	1QFY26	4QFY26	1QFY27	QoQ	YoY	1QFY27E	vs est
Revenue	80,542	80,939	84,256	4.1	4.6	84,178	0.1
EBITDA	42,578	44,319	44,959	1.4	5.6	45,629	(1.5)
EBIT	25,535	25,941	26,023	0.3	1.9	26,965	(3.5)
PBT	22,421	23,735	23,652	(0.3)	5.5	24,728	(4.4)
PAT	16,707	18,097	17,632	(2.6)	5.5	18,504	(4.7)
Key operating metrics	1QFY26	4QFY26	1QFY27	QoQ	YoY	1QFY27E	vs est
Total towers (#)	2,51,773	2,64,514	2,67,611	1.2	6.3	2,67,014	0.2
Total tenants (#)	4,11,212	4,28,014	4,32,250	1.0	5.1	4,33,014	(0.2)
Tenancy ratio (end-period)	1.63	1.62	1.62			1.62	
Sharing revenue per operator (INR/month)	41,132	41,078	41,082	0.0	(0.1)	41,564	(1.2)
Sharing revenue per tower (INR/month)	67,036	66,604	66,416	(0.3)	(0.9)	69,204	(4.0)
Margins (%)							
Overall EBITDA	54.0	54.6	53.1	(149)bps	(87)bps	54.2	(109)bps
Service EBITDA (inc. one-offs)	85.8	85.6	86.4	88 bps	60 bps	86.2	22 bps
EBIT	32.8	31.9	30.7	(127)bps	(217)bps	32.0	(138)bps
PAT	20.7	22.3	20.9	(143)bps	18 bps	22.0	(107)bps
Effective tax rate	25.6	24.2	25.6			25.2	

Source: MOFSL, Company

Exhibit 6: Energy under-recoveries remained high at ~INR1.4b

	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Energy Reimbursements	27,195	26,147	27,464	27,575	27,309	26,851	29,474	29,453	28,689	27,879	30,540
Power and Fuel	-27,956	-26,725	-29,006	-28,925	-28,253	-28,266	-30,687	-30,869	-29,517	-28,883	-31,953
Energy Spread	-761	-578	-1,542	-1,350	-944	-1,415	-1,213	-1,416	-828	-1,004	-1,413
Energy EBITDA margins (%)	-2.8%	-2.2%	-5.6%	-4.9%	-3.5%	-5.3%	-4.1%	-4.8%	-2.9%	-3.6%	-4.6%

Exhibit 7: Indus' tower additions have been higher than Bharti's in past few quarters

Tower additions	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Bharti Airtel	6,327	5,045	5,214	3,272	1,831	2,479	1,147	2,426
Indus Towers (ex- Bharti deal)	6,666	3,930	5,117	4,442	2,859	4,329	3,574	4,947
Macro towers	6,174	3,748	4,985	4,282	2,755	4,301	3,548	4,892
Lean towers	492	182	132	160	104	28	26	55
delta (Indus vs. Bharti)	339	(1,115)	(97)	1,170	1,028	1,850	2,427	2,521

Exhibit 8: We believe Indus has gained ~71% share of Vi's network rollout since 2QFY25

Incremental tenancy additions	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	Cumulative
Vodafone Idea	922	3,463	7,576	1,855	1,289	5,127	3,426	3,000	26,658
Indus Towers gross adds (ex-Bharti deal)	799	2,926	4,329	3,611	499	3,168	1,989	1,497	18,818
Incremental macro tenancies	560	2,598	3,954	3,309	204	2,557	1,300	1,139	15,621
Tenancy exits	239	328	375	302	295	611	689	358	3,197
Indus' gross adds as % of Vi's rollout	87	84	57	195	39	62	58	50	71
Indus' net adds as % of Vi's rollout	61	75	52	178	16	50	38	38	59

Exhibit 9: Key metrics

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	QoQ	YoY
Consolidated financials (INR m)										
Service revenues	47,078	48,165	50,420	51,102	52,429	52,774	53,131	53,771	1.2	5.2
Energy reimbursements	27,575	27,309	26,851	29,474	29,453	28,689	27,879	30,540	9.5	3.6
Gross revenues	74,653	75,474	77,271	80,576	81,882	81,463	81,010	84,311	4.1	4.6
EBITDA	48,638	69,581	43,240	43,495	45,721	44,750	44,237	44,819	1.3	3.0
EBIT	32,837	53,896	26,310	26,452	27,713	26,771	25,859	25,885	0.1	-2.1
PBT	29,801	52,188	23,630	23,338	24,784	24,274	23,653	23,518	-0.6	0.8
Reported PAT	22,235	40,032	17,791	17,368	18,393	17,830	17,929	17,490	-2.4	0.7
pre Ind-AS 116 EBITDA	40,629	60,955	35,018	33,913	35,974	34,780	33,962	35,001	3.1	3.2
Capex	15,176	12,260	22,444	19,477	25,587	19,799	23,307	17,188	-26.3	-11.8
Maintenance capex	2,979	2,902	5,396	5,513	5,605	5,310	5,127	5,555	8.3	0.8
Operating FCF	25,453	48,695	12,574	14,436	10,387	14,981	10,655	17,813	67.2	23.4
Adjusted funds from operations (AFFO)	37,650	58,053	29,622	28,400	30,369	29,470	28,835	29,446	2.1	3.7
Operating metrics										
EoP macro towers (#)	2,29,658	2,34,643	2,49,305	2,51,773	2,56,074	2,59,622	2,64,514	2,67,611	1.2	6.3
QoQ macro tower net adds	3,748	4,985	14,662	2,468	4,301	3,548	4,892	3,097		
EoP macro colocations (#)	3,79,236	3,86,819	4,05,435	4,11,212	4,15,717	4,21,822	4,28,014	4,32,250	1.0	5.1
QoQ macro colocation net adds (#)	4,308	7,583	18,616	5,777	4,505	6,105	6,192	4,236		
Macro colocation exits (#)	-239	-328	-375	-302	-295	-611	-689	-358		
QoQ macro colocation gross addition (#)	4,547	7,911	18,991	6,079	4,800	6,716	6,881	4,594		
Tenancy ratio (end-period)	1.65	1.65	1.63	1.63	1.62	1.62	1.62	1.62		
EoP leaner colocations (#)	11,360	11,492	13,878	13,935	13,963	13,989	14,044	14,024	0.4	1.2
QoQ leaner colocations added	182	132	2386	57	28	26	55	-20		

Exhibit 10: Quarterly per tenant model (INR/tenant/month)

Per tenant model	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Rentals	41,435	41,094	41,125	41,426	41,893	41,132	41,714	41,429	41,078	41,082
Energy	23,903	24,625	24,376	23,766	22,595	24,061	23,745	22,836	21,870	23,667
Exit revenue and one-offs	420	479	491	490	534	585	554	578	601	588
Revenue	65,757	66,199	65,992	65,682	65,022	65,778	66,013	64,843	63,550	65,337
Power and fuel	(24,431)	(26,008)	(25,569)	(24,587)	(23,785)	(25,051)	(24,886)	(23,495)	(22,658)	(24,762)
Employee	(1,857)	(1,767)	(1,832)	(1,886)	(1,854)	(1,741)	(1,654)	(1,767)	(1,810)	(1,658)
Other expenses	(2,249)	1,962	4,405	21,345	(2,965)	(3,467)	(2,607)	(3,940)	(4,344)	(4,164)
Repairs and Maintenance	(3,230)	(3,221)	(3,387)	(3,143)	(2,839)	(3,018)	(3,035)	(2,792)	(2,904)	(2,878)
Other expenses	(2,038)	(1,260)	(1,342)	(1,490)	(1,432)	(838)	(818)	(836)	(1,001)	(774)
CSR	(283)	(369)	(383)	(339)	(599)	(331)	(327)	(323)	(318)	(331)
Provisions (write-offs)/reversal	3,302	6,812	9,517	26,318	1,905	721	1,574	10	(120)	(181)
Total costs	(28,536)	(25,813)	(22,997)	(5,128)	(28,604)	(30,260)	(29,147)	(29,202)	(28,811)	(30,584)
EBITDA	37,221	40,386	42,995	60,554	36,418	35,518	36,866	35,641	34,738	34,753
Adj. core EBITDA	37,330	41,289	43,697	60,885	37,074	35,924	37,454	35,722	34,925	35,260
Adj. energy EBITDA	(528)	(1,383)	(1,193)	(822)	(1,191)	(990)	(1,142)	(659)	(788)	(1,095)
Depreciation and Amortization	(14,302)	(13,992)	(13,968)	(13,650)	(14,246)	(13,913)	(14,518)	(14,311)	(14,417)	(14,673)
on assets	(8,788)	(8,447)	(8,709)	(8,391)	(8,634)	(8,529)	(9,187)	(8,805)	(8,918)	(8,969)
on leases	(5,514)	(5,545)	(5,259)	(5,259)	(5,612)	(5,383)	(5,331)	(5,506)	(5,499)	(5,681)
EBIT	22,919	26,394	29,027	46,904	22,171	21,605	22,348	21,330	20,322	20,080
Interest cost (net)	2,859	(165)	281	1,568	1,005	662	836	1,294	1,398	1,408
Interest on leases	(3,026)	(2,989)	(2,965)	(3,055)	(3,260)	(3,204)	(3,197)	(3,282)	(3,128)	(3,242)
PBT	22,753	23,239	26,344	45,417	19,916	19,063	19,986	19,342	18,591	18,246
PAT	16,940	17,268	19,655	34,838	15,003	14,190	14,834	14,213	14,101	13,574
Pre Ind-AS 116 EBITDA	29,599	32,243	35,533	52,707	28,900	27,365	28,680	27,438	26,360	26,813

Exhibit 11: Quarterly per tower model (INR/tower/month)

Per tower model	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Rentals	70,027	68,562	68,080	68,349	68,582	67,036	67,924	67,285	66,604	66,416
Energy	40,396	41,085	40,353	39,212	36,989	39,214	38,664	37,088	35,460	38,262
Exit revenue and one-offs	709	800	813	808	875	953	902	939	975	950
Revenue	1,11,132	1,10,446	1,09,245	1,08,369	1,06,445	1,07,204	1,07,489	1,05,311	1,03,039	1,05,628
Power and fuel	(41,289)	(43,392)	(42,328)	(40,567)	(38,938)	(40,828)	(40,523)	(38,158)	(36,737)	(40,032)
Employee	(3,138)	(2,949)	(3,034)	(3,111)	(3,035)	(2,838)	(2,692)	(2,870)	(2,934)	(2,681)
Other expenses	(3,801)	3,273	7,292	35,217	(4,855)	(5,650)	(4,245)	(6,399)	(7,043)	(6,732)
Repairs and Maintenance	(5,458)	(5,373)	(5,608)	(5,186)	(4,648)	(4,919)	(4,942)	(4,534)	(4,709)	(4,653)
Other expenses	(3,444)	(2,102)	(2,221)	(2,458)	(2,345)	(1,366)	(1,332)	(1,357)	(1,623)	(1,252)
CSR	(479)	(616)	(634)	(560)	(981)	(540)	(533)	(525)	(516)	(535)
Provisions (write-offs)/reversals	5,580	11,365	15,755	43,422	3,119	1,175	2,562	17	(195)	(292)
Total costs	(48,227)	(43,067)	(38,070)	(8,461)	(46,827)	(49,316)	(47,460)	(47,427)	(46,714)	(49,445)
EBITDA	62,905	67,379	71,176	99,908	59,618	57,887	60,029	57,884	56,325	56,184
Adj. core EBITDA	63,088	68,886	72,338	1,00,455	60,693	58,548	60,986	58,016	56,627	57,004
Adj. energy EBITDA	(893)	(2,307)	(1,976)	(1,355)	(1,949)	(1,614)	(1,859)	(1,070)	(1,277)	(1,770)
Depreciation and Amortization	(24,171)	(23,344)	(23,123)	(22,521)	(23,322)	(22,675)	(23,640)	(23,242)	(23,376)	(23,721)
on assets	(14,851)	(14,093)	(14,417)	(13,844)	(14,135)	(13,901)	(14,960)	(14,300)	(14,460)	(14,500)
on leases	(9,320)	(9,251)	(8,706)	(8,678)	(9,188)	(8,774)	(8,680)	(8,942)	(8,916)	(9,185)
EBIT	38,734	44,035	48,053	77,387	36,296	35,212	36,389	34,642	32,949	32,462
Interest cost (net)	4,833	(275)	465	2,587	1,645	1,079	1,361	2,102	2,267	2,276
Interest on leases	(5,114)	(4,988)	(4,908)	(5,040)	(5,337)	(5,222)	(5,206)	(5,330)	(5,072)	(5,242)
PBT	38,452	38,772	43,610	74,934	32,604	31,069	32,544	31,414	30,144	29,497
PAT	28,630	28,811	32,538	57,480	24,560	23,126	24,154	23,083	22,863	21,945
Pre Ind-AS 116 EBITDA	50,023	53,795	58,822	86,962	47,311	44,599	46,700	44,562	42,740	43,348

Exhibit 12: Receivables remained flat QoQ

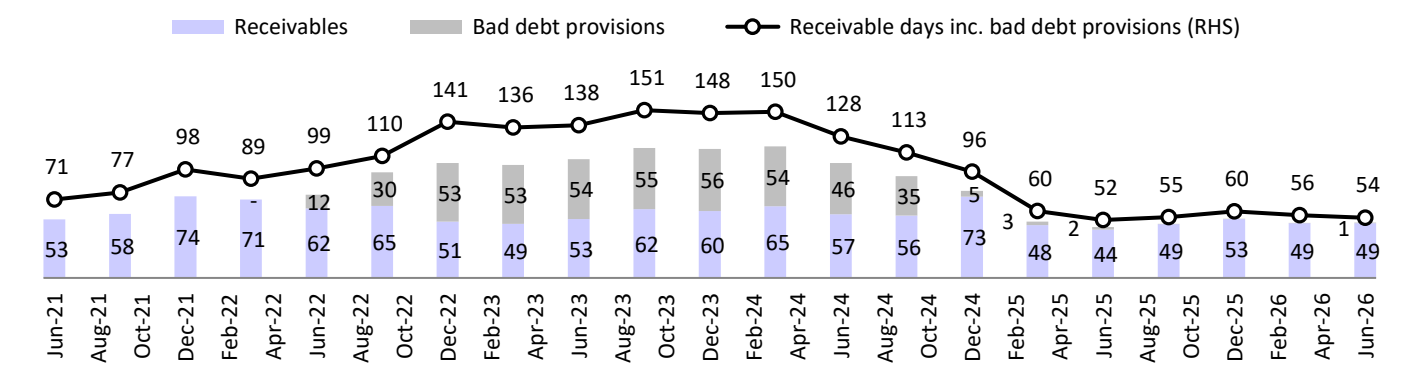
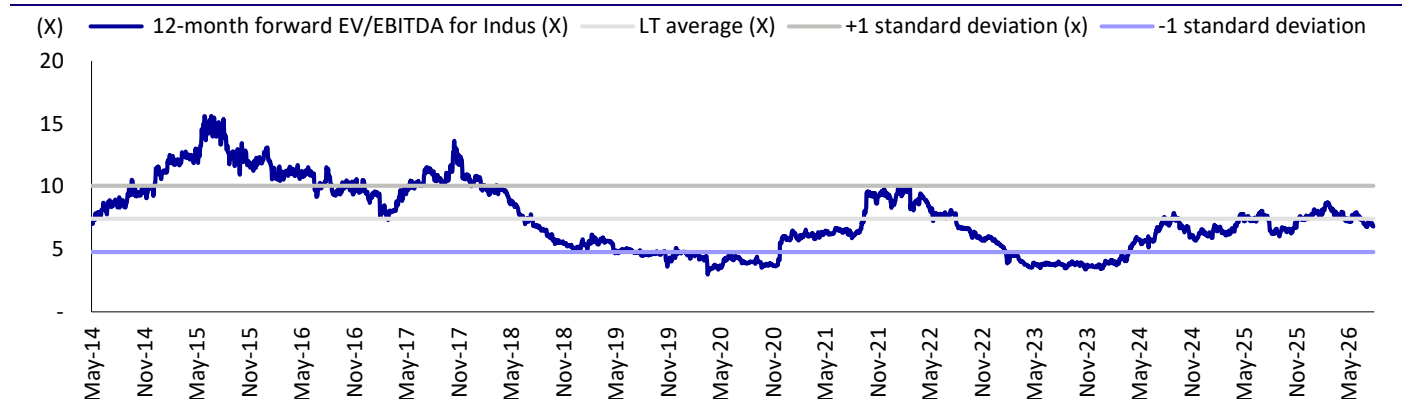


Exhibit 13: Indus trades at 6.8x one-year forward pre IND-AS-116 EBITDA, below LT Average of 7.4x



Story in charts

Exhibit 14: Consolidated revenue grew ~4% QoQ, while core EBITDA margin contracted ~136bp QoQ

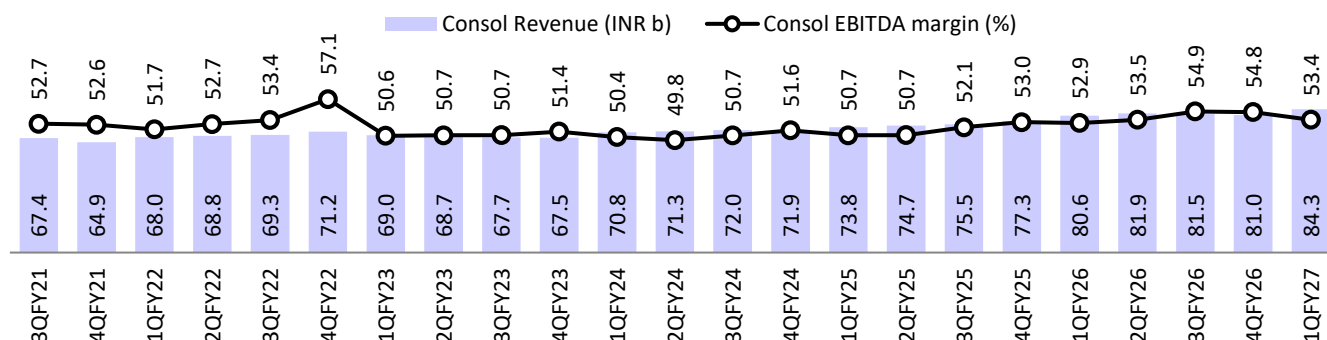


Exhibit 15: Service rentals up 1% QoQ

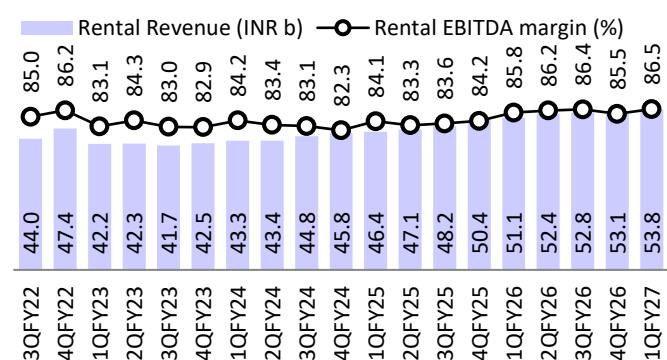


Exhibit 16: Energy margins remain negative in 1QFY27

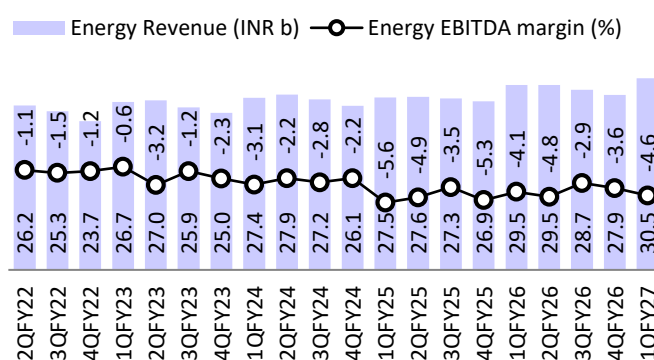


Exhibit 17: Average sharing factor stable QoQ at ~1.6x

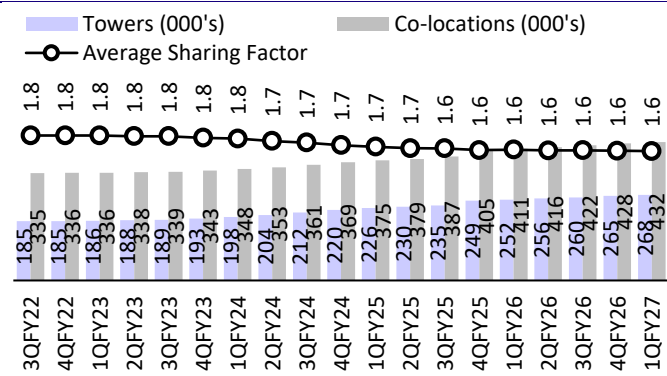


Exhibit 18: ARPT remains flat QoQ

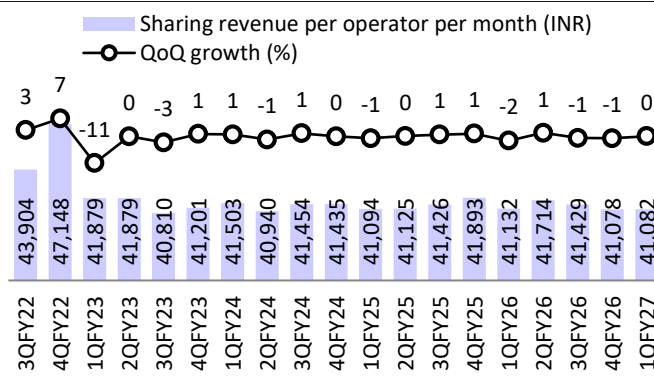
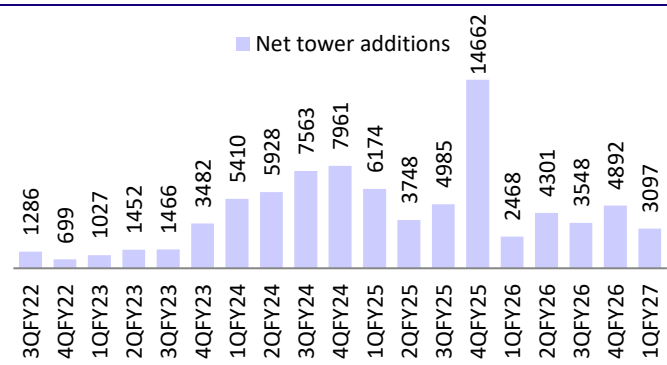
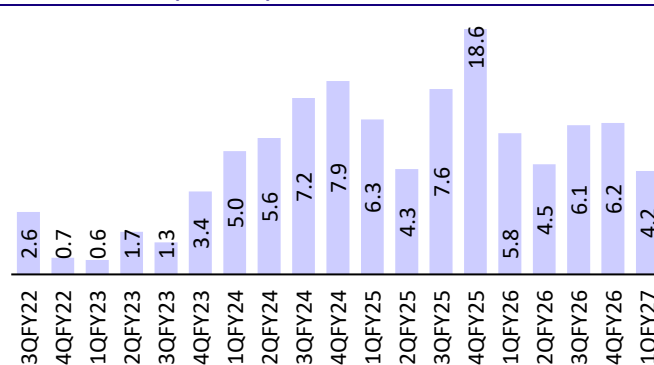


Exhibit 19: Tower additions moderated QoQ



Source: MOFSL, Company

Exhibit 20: Tenancy additions continued to outpace tower additions in 1Q (in '000s)



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement						(INR m)		
Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28	FY29
Total Income from Operations	2,77,172	2,83,818	2,86,006	3,01,228	3,24,931	3,45,352	3,58,050	3,72,235
Change (%)	8.0	2.4	0.8	5.3	7.9	6.3	3.7	4.0
Power and fuel	1,02,658	1,05,908	1,11,499	1,14,488	1,20,049	1,29,738	1,31,862	1,35,307
Employee benefits expenses	7,722	7,741	7,823	8,414	8,711	8,945	9,303	10,050
Other Expenses	17,785	73,483	21,118	-28,174	17,968	21,732	22,290	24,195
Total Expenditure	1,28,165	1,87,132	1,40,440	94,728	1,46,728	1,60,415	1,63,454	1,69,553
% of Sales	46.2	65.9	49.1	31.4	45.2	46.4	45.7	45.6
EBITDA	1,49,007	96,686	1,45,566	2,06,500	1,78,203	1,84,937	1,94,595	2,02,682
Margin (%)	53.8	34.1	50.9	68.6	54.8	53.6	54.3	54.4
Depreciation	53,252	53,239	60,599	64,021	71,408	77,548	82,566	83,065
EBIT	95,755	43,447	84,967	1,42,479	1,06,795	1,07,389	1,12,029	1,19,616
Int. and Finance Charges	14,973	14,539	7,354	18,579	18,930	18,567	19,507	20,052
Other Income	3,525	3,613	3,611	7,637	8,184	8,224	9,007	8,745
PBT bef. EO Exp.	84,307	32,521	81,224	1,31,537	96,049	97,046	1,01,529	1,08,310
EO Items	0	-4,928	0	-50,868	-2,695	233	0	0
PBT after EO Exp.	84,307	27,593	81,224	80,669	93,354	97,279	1,01,529	1,08,310
Total Tax	20,576	7,193	20,862	32,220	24,529	24,535	25,555	27,262
Tax Rate (%)	24.4	26.1	25.7	39.9	26.3	25.2	25.2	25.2
Reported PAT	63,731	20,400	60,362	99,317	71,520	72,511	75,974	81,049
Adjusted PAT	63,731	24,043	60,362	61,252	69,361	72,686	75,974	81,049
Change (%)	28.1	-62.3	151.1	1.5	13.2	4.8	4.5	6.7
Margin (%)	23.0	8.5	21.1	20.3	21.3	21.0	21.2	21.8

Consolidated - Balance Sheet						(INR m)		
Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28	FY29
Equity Share Capital	26,949	26,949	26,949	26,381	26,381	26,381	26,381	26,381
Total Reserves	1,94,556	1,84,146	2,43,439	2,98,602	3,70,075	4,05,653	4,28,865	4,43,961
Net Worth	2,21,505	2,11,095	2,70,388	3,24,983	3,96,456	4,32,034	4,55,246	4,70,342
Total Loans	54,868	47,126	43,118	22,624	9,209	2,209	1,209	209
Lease liabilities	1,42,392	1,44,723	1,62,192	1,88,934	2,02,060	2,02,732	1,97,392	1,85,140
Deferred Tax Liabilities	918	-19,469	-18,471	4,049	7,662	7,662	7,662	7,662
Capital Employed	4,19,683	3,83,475	4,57,227	5,40,590	6,15,387	6,44,637	6,61,509	6,63,353
Net Fixed Assets	2,09,051	2,11,954	2,66,625	2,94,462	3,32,811	3,53,883	3,63,880	3,65,323
Capital WIP	1,787	3,546	4,219	5,672	6,301	6,301	6,301	6,301
Right of use assets	1,09,210	1,11,882	1,26,377	1,49,337	1,62,331	1,61,074	1,52,719	1,41,447
Total Investments	16,521	2,756	28	14,861	43,156	43,156	43,156	43,156
Curr. Assets, Loans&Adv.	1,43,107	1,16,117	1,42,956	1,67,347	1,68,552	1,82,736	2,00,698	2,15,422
Account Receivables	70,586	48,687	64,507	47,675	49,393	52,039	53,953	56,090
Cash and Bank Balance	9,802	224	631	18,561	15,523	24,890	39,123	49,681
Loans and Advances	62,719	67,206	77,818	1,01,111	1,03,636	1,05,806	1,07,622	1,09,651
Curr. Liability & Prov.	59,993	62,780	82,978	91,089	97,764	1,02,513	1,05,245	1,08,297
Account Payables	21,293	21,219	22,797	24,450	26,724	28,404	29,448	30,615
Other Current Liabilities	20,967	22,147	37,849	41,140	42,834	45,903	47,591	49,476
Provisions	17,733	19,414	22,332	25,499	28,206	28,206	28,206	28,206
Net Current Assets	83,114	53,337	59,978	76,258	70,788	80,223	95,453	1,07,125
Appl. of Funds	4,19,683	3,83,475	4,57,227	5,40,590	6,15,387	6,44,637	6,61,509	6,63,353

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28	FY29
Basic (INR)								
EPS	23.6	8.9	22.4	23.2	26.3	27.6	28.8	30.7
Cash EPS	43.4	28.7	44.9	47.5	53.4	56.9	60.1	62.2
BV/Share	82.2	78.3	100.3	120.6	147.1	160.3	168.9	174.5
DPS	11.0	0.0	0.0	0.0	14.0	20.0	25.0	30.0
Payout (%)	54.0	0.0	0.0	0.0	51.6	72.8	86.8	97.6
Valuation (x)								
P/E	16.1	42.7	17.0	16.4	14.5	13.8	13.2	12.4
Cash P/E	8.8	13.3	8.5	8.0	7.1	6.7	6.3	6.1
P/BV	4.6	4.9	3.8	3.2	2.6	2.4	2.3	2.2
EV/Sales	4.2	4.2	4.2	3.9	3.6	3.3	3.1	2.9
EV/EBITDA	7.9	12.3	8.3	5.7	6.5	6.2	5.8	5.4
Dividend Yield (%)	2.9	0.0	0.0	0.0	3.7	5.3	6.6	7.9
FCF per share	23.2	17.6	-3.5	34.3	10.8	17.1	22.4	26.1
Return Ratios (%)								
RoE	33.5	11.1	25.1	20.6	19.2	17.5	17.1	17.5
RoCE	29.7	13.0	23.0	27.3	22.5	20.6	20.3	20.7
RoIC	19.9	8.4	15.2	17.9	15.0	14.3	14.7	15.7
Working Capital Ratios								
Fixed Asset Turnover (x)	1.3	1.3	1.1	1.0	1.0	1.0	1.0	1.0
Asset Turnover (x)	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.6
Inventory (Days)	0	0	0	0	0	0	0	0
Debtor (Days)	93	63	82	58	55	55	55	55
Creditor (Days)	28	27	29	30	30	30	30	30
Leverage Ratio (x)								
Current Ratio	2.4	1.8	1.7	1.8	1.7	1.8	1.9	2.0
Interest Cover Ratio	6.4	3.0	11.6	7.7	5.6	5.8	5.7	6.0
Net Debt/Equity	0.1	0.2	0.2	0.0	-0.1	-0.2	-0.2	-0.2

Consolidated - Cash Flow Statement

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28	FY29
(INR m)								
OP/(Loss) before Tax	84,307	27,593	81,224	1,31,537	95,978	97,046	1,01,529	1,08,310
Depreciation	53,252	53,239	60,599	64,021	71,408	77,548	82,566	83,065
Interest & Finance Charges	16,033	16,704	12,159	14,400	15,516	10,343	10,500	11,306
Direct Taxes Paid	-19,129	-22,192	-18,700	-18,746	-19,929	-24,535	-25,555	-27,262
(Inc)/Dec in WC	-33,897	-44,048	-10,445	64,397	4,739	-68	-997	-1,114
CF from Operations	1,00,566	31,296	1,24,837	2,55,609	1,67,712	1,60,334	1,68,044	1,74,306
Others	-9,355	47,752	-44,816	-97,394	-53,079	-46,695	-48,847	-51,504
CF from Operating incl EO	91,211	79,048	80,021	1,58,215	1,14,633	1,13,639	1,19,197	1,22,802
(Inc)/Dec in FA	-28,697	-31,681	-89,529	-67,840	-86,258	-68,562	-60,209	-54,037
Free Cash Flow	62,514	47,367	-9,508	90,375	28,375	45,077	58,988	68,765
(Pur)/Sale of Investments	6,391	13,824	7,810	-44,107	-17,592	0	0	0
Others	569	557	6,261	2,841	1,867	8,224	9,007	8,745
CF from Investments	-21,737	-17,300	-75,458	-1,09,106	-1,01,983	-60,338	-51,202	-45,292
Issue of Shares	-154	-75	-130	-26,658	-263	0	0	0
Inc/(Dec) in Debt	-55,244	-37,947	-4,026	-20,507	-13,418	-7,000	-1,000	-1,000
Interest Paid	-4,418	-3,666	0	0	0	0	0	0
Dividend Paid	0	0	0	0	0	-36,933	-52,762	-65,953
Others	0	-29,639	0	15,986	15,057	0	0	0
CF from Fin. Activity	-59,816	-71,327	-4,156	-31,179	1,376	-43,933	-53,762	-66,953
Inc/Dec of Cash	9,658	-9,579	407	17,930	14,026	9,367	14,233	10,558
Opening Balance	144	9,803	224	631	1,497	15,523	24,890	39,123
Closing Balance	9,802	224	631	18,561	15,523	24,890	39,123	49,681

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NOTES

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NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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