

Telecom

Strong quarter led by tariff hikes

We expect Jio, Bharti India wireless, BHL and VIL's 2QFY25 EBITDA to grow by 10-14% QoQ, assuming that impact of most of the tariff hike (of 15-17%, announced in the 1st week of Jul'24) will be reflected in 2QFY25 while the full impact is likely to be visible only by 3QFY25. Further, ARPU growth for all players will also be aided by one more day during the quarter and the ongoing upgrades to smartphone/post-paid plans. However, all these private telcos are expected to record net wireless subs loss during the quarter due to sim consolidation in the low ARPU segment post the tariff hike and some subscribers porting out to BSNL (which has kept its tariff unchanged). We expect Jio's ARPU to grow 7% QoQ to INR 194, driving its revenue and EBITDA growth by 7.9% and 10% QoQ respectively. Bharti is expected to register 9.5% QoQ and 12.8% QoQ growth in its India wireless revenue and EBITDA on back of 9.5% QoQ growth in ARPU (to INR 231) led by the tariff hike, and aided by upgrades & improved subs mix. Similarly, BHL's wireless ARPU may grow 9.5% QoQ (to INR 224) driving 8.8% and 13.7% QoQ growth in its revenue and EBITDA respectively. VIL's revenue and EBITDA are also expected to grow 7.1% and 13.3% QoQ respectively driven by 9.5% QoQ ARPU growth (to INR 160). We expect net tenancy additions to remain robust for Indus Towers as Bharti continued its rural expansion during 2QFY25, but its EBITDA is likely to decline 2.9% QoQ, assuming recovery of ~INR 5bn of past dues from VIL (vs. INR 7.6bn recovered in 1QFY25). Bharti remains our [top pick](#) (revised 1-year TP of INR 1,850 and 3-year TP of INR 2,400) as we expect a structural uptrend in industry ARPU (10-12% CAGR to ~INR 300 in the next 3-4 years) given the consolidated industry structure, and higher ARPU requirement for Jio also to justify significant 5G capex and given Jio's potential IPO. We maintain BUY on BHL. We maintain SELL on VIL and HOLD on Indus as VIL's long-term sustainability is still contingent on significant favourable government support.

- **Jio's 2QFY25 EBITDA to grow 10% QoQ on tariff hike-led 7% QoQ growth in ARPU to INR 194, though net subs addition muted at 1.2mn:** Jio's ARPU is expected to grow 7% QoQ to INR 194 in 2QFY25, led by the tariff hike and aided by one more day during the quarter. However, its net subs addition (including FTTH/FWA) is likely to be muted at 1.2mn, after witnessing robust net subs adds (of 5mn-11mn per quarter) in the last 9 quarters (TRAI's data showed 0.8mn wireless subs loss but 0.45mn FTTH subs additions for Jio in Jul'24). This would primarily be on account of subs (subscribers) churn in the wireless segment post the tariff hike while the strong traction in FTTH/FWA additions is likely to continue with addition of ~1.35mn subs in 2QFY25. Hence, we expect 7.9% QoQ growth in Jio's standalone revenue to INR 287bn and 10% QoQ growth in EBITDA to INR 154bn – **Exhibit 1**.
- **Bharti India wireless EBITDA to improve 12.8% QoQ due to tariff hike-led 9.5% QoQ growth in wireless ARPU to INR 231; however, likely to see loss of 2mn subs net:** Bharti's ARPU is expected to improve 9.5% QoQ to INR 231 in 2QFY25, led by the tariff hike, and aided by upgrades & improved subs mix and one more day during the quarter. It is likely to report net subs loss of 2mn (lost 1.7mn net subs in Jul'24 as per TRAI). However, its mobile broadband (MBB) subs addition is likely to remain robust at 6.5mn, leading to improved subs mix (added 2.6mn MBB subs in Jul'24 as per TRAI). Hence, we build in 9.5% QoQ growth in India wireless business revenue to INR 247bn, and 12.8% QoQ rise in EBITDA to INR 141bn; the enterprise business is also expected to post EBITDA growth of 3% QoQ, while FTTH is likely to see steady additions (340k subscriber addition QoQ) – **Exhibit 3**.
- **BHL's EBITDA to grow 13.7% QoQ as ARPU is likely to improve 9.5% QoQ to INR 224 due to tariff hike:** BHL (Bharti Hexacom Ltd) is expected to register 9.5% QoQ growth in its wireless ARPU to INR 224 in 2QFY25. However, it is likely to report net wireless subs loss of 0.25mn in 2QFY25 (lost 0.2mn net wireless subs in Jul'24 as per TRAI's data) but MBB subs addition is likely to be robust at 0.6mn. Hence, we expect its revenue to grow by 8.8% QoQ to INR 20.8bn and EBITDA is likely to improve by 13.7% QoQ to INR 10.4bn – **Exhibit 4**.
- **VIL's EBITDA to grow 13.3% QoQ due to tariff hike-led 9.5% QoQ growth in ARPU to INR 160:** We expect VIL's ARPU to improve 9.5% QoQ to INR 160 in 2QFY25 (vs. INR 146 in 1QFY25) led by the tariff hike and aided by one more day during the quarter. However, its



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subs loss trend to continue, with net subs base declining by 3.5mn in 2QFY25 (has been declining by 2mn-5mn per quarter over the last few quarters) primarily due to churn in lower ARPU segment (lost 1.4mn overall subs in Jul'24 as per TRAI's data). Further, we expect MBB subs loss of ~2mn (TRAI's data suggest 1.1mn decline in VIL's MBB subs in Jul'24). Hence, we expect revenue to grow by 7.1% QoQ to INR 113bn and reported EBITDA is likely to improve by 13.3% QoQ to INR 47.6bn – **Exhibit 6**.

- **Net tenancy additions for Indus to remain robust driven by Bharti's rural rollout:** We build in ~6.1k net tenancy additions in 2QFY25 for Indus Towers vs. ~6.3k in 1QFY25; we expect strong tower additions at ~6k, primarily driven by Bharti's continued rural network expansion. However, we assume that rentals will be flat QoQ. Therefore, revenue is likely to grow 1.5% QoQ to INR 75bn while EBITDA is expected to decline 2.9% QoQ to INR 44.1bn in 2QFY25 (assuming recovery of INR 5bn of past dues from VIL vs. INR 7.6bn in 1QFY25). However, this is likely to be supported by likely normalisation of energy EBITDA margin to NIL (vs. negative INR1.5bn in 1QFY25) – **Exhibit 7**.
- **Bharti remains our top pick as it is biggest beneficiary of structural uptrend in industry ARPU:** We have kept Bharti's FY25-27 Revenue/EBITDA estimates largely unchanged while increasing Revenue/EBITDA estimates for FY28 and beyond as we raise ARPU CAGR to 8% (from 7% earlier) from FY28 onwards on improved long-term tariff hike outlook after the recent Jio-led tariff hike. Moreover, we have rolled forward our valuations to Mar'27. Hence, our 1-year DCF-based TP has gone up to INR 1,850 (from INR 1,580), implying 12.2x FY27 EBITDA for India wireless, and 3-year DCF-based TP has risen to INR 2,400 (implying 13% IRR) – **Exhibit 22-23**. Similarly, we have rolled forward our valuations to Mar'27 for BHL while keeping its FY25-27 EBITDA largely unchanged but raised the long-term ARPU growth estimate. Further, we have raised EV/EBITDA multiple to 13x (from 11.5x), at a slight premium to our 12.2x implied valuation for Bharti's India wireless business given the potential to generate EBITDA growth of 3-4% above Bharti Airtel. Hence, our 1-year DCF-based TP has gone up to INR 1,445 (from INR 1,175) and 3-year DCF-based TP has risen to INR 1,980 (implying 12% IRR) – **Exhibit 26-27**. As detailed in our [Deep-Dive note](#), we reiterate the high conviction we have on our BUY rating on Bharti and BHL as we believe India wireless tariff hikes are likely to be more frequent given the consolidated industry structure and higher ARPU requirement for Jio also to justify significant 5G capex and given Jio's potential IPO. We expect Bharti's India wireless ARPU to grow at a CAGR of ~11% to INR ~310 in FY28 (vs. INR 204 in FY24); hence, we estimate consolidated EBITDA CAGR of ~13% over FY24-28. Similarly, BHL's wireless ARPU could grow at a CAGR of ~12% to INR ~305 in FY28 (vs. INR 195 in FY24), driving ~17.7% EBITDA CAGR over FY24-28.
- **Maintain SELL on VIL and HOLD on Indus as VIL's long-term sustainability still contingent on significant favourable government support:** VIL's recently concluded ~INR 240bn equity fund-raise and ~INR 300bn network equipment deal has ensured its medium-term sustainability. However, for the company to turn around into a sustainable telco, we believe it might need: **a)** multiple significant tariff hikes that can boost ARPU to INR 370 by FY27 (vs. INR 146 in 1QFY25) so as to meet the annual INR 430bn payment obligation to government (Gol) over FY27-31 (and ~INR 291bn payment in FY26); **b)** partial relief from Gol dues (either via conversion to equity or further extension of moratorium); and **c)** ability to internally fund sharp sustainable jump in capex to INR 100bn-150bn p.a. in the long term or 15-20% of revenue (in line with 16-20% of revenue assumed for Bharti and Jio). Our calculation suggests VIL needs ARPU to jump sharply to INR 370 in FY27 to meet the annual payment obligation (**Exhibit 36**); else VIL might face a shortfall of ~INR 400bn in FY27 towards payment of Gol dues (**Exhibit 37**) which could lead to minority shareholders' stake getting diluted to ~28.7% from current ~39.7% if Gol converts this shortfall into equity (**Exhibit 38**). Hence, we **maintain SELL on VIL** (unchanged TP of INR 10/share). In our **bull case scenario, VIL's fair value could jump to ~INR 15/share (Exhibit 33-34)** assuming: **a)** sharper tariff hikes driving ARPU to INR 300 by FY30 (vs. INR 265 in our base case); **b)** it's able to hold on to its current subs base of ~210mn driven by planned capex of +INR 500bn over FY25-FY27; **c)** extension of moratorium and/or partial equity conversion of Gol dues depending upon VIL's evolving liquidity position. We **maintain HOLD on Indus Tower** (unchanged TP of INR 350) due to risk to long-term survivability of VIL (**Exhibit 39-40**).

Exhibit 1. 2QFY25E expectations for telecom coverage universe

	2QFY25E	2QFY24	1QFY25	YoY (%)	QoQ (%)	Comment
Bharti Airtel						
Consolidated Revenue (INR mn)	415,911	373,742	388,699	11.3%	7.0%	
Consolidated Reported EBITDA (INR mn)	218,023	198,441	200,711	9.9%	8.6%	We build for wireless subscriber loss of ~2mm but
Consolidated Reported EBITDA margin (%)	52.4%	53.1%	51.6%	-68 bps	78 bps	MBB/4G/5G subscriber addition to continue to be robust
Consolidated PBT (INR mn)	76,561	39,397	60,253	94.3%	27.1%	at ~6.5mm (TRA's Jul'24 subscriber data show ed
Consolidated Reported PAT (INR mn)	45,697	13,407	41,599	240.8%	9.9%	~2.6mm increase in MBB subscribers). ARPU is
						expected to grow to INR 231, up from INR 211 in
India Wireless Revenue (INR mn)	246,634	209,521	225,274	17.7%	9.5%	1QFY25, led by tariff hike and aided by upgrades,
India Wireless Post IND AS EBITDA (INR mn)	141,313	115,039	125,274	22.8%	12.8%	improved subs mix and one more day during the quarter.
India Wireless Post IND AS EBITDA margin (%)	57.3%	54.9%	55.6%	239 bps	169 bps	India wireless revenue at ~INR 247bn, an increase of
India Wireless ARPU (INR)	231	203	211	13.9%	9.5%	9.5% QoQ, and India wireless EBITDA to grow 12.8%
India Wireless EoP subscribers (mn)	353	342	355	3.0%	-0.6%	QoQ to INR ~141bn. We are assuming addition of 340k
India wireless EoP 4G subscribers (mn)	266	237	259	12.0%	2.5%	households in FTTH.
India wireless EoP post-paid subscribers (mn)	24.3	21.5	23.9	13.3%	1.8%	
Bharti Hexacom						
Revenue (INR mn)	20,790	17,385	19,106	19.6%	8.8%	We build for wireless subscriber loss of ~0.25mm (TRA's
EBITDA (INR mn)	10,409	8,832	9,157	17.8%	13.7%	Jul'24 subscriber data show ed ~0.2mm decline in net
EBITDA margin (%)	50.1%	50.8%	47.9%	-74 bps	214 bps	wireless subscribers) but MBB/4G/5G subscriber addition
PBT (INR mn)	3,759	-76	5,768	NM	-34.8%	to continue to be robust at ~0.6mm. ARPU is expected to
Reported PAT (INR mn)	2,811	-1,841	5,112	-252.7%	-45.0%	grow to INR 224, up from INR 205 in 1QFY25, led by tariff
						hike and aided by upgrades, improved subs mix and one
						more day during the quarter. Hence, we expect its
-Wireless ARPU (INR)	224	196	205	14.5%	9.5%	revenue to grow by 8.8% QoQ to INR 20.8bn and reported
-EoP wireless subscribers (mn)	27.3	26.5	27.6	3.0%	-0.9%	EBITDA by 13.7% QoQ at INR 10.4bn in 2QFY25.
Jio standalone						
Revenue (INR mn)	286,883	248,560	265,800	15.4%	7.9%	We estimate Jio to record muted ~1.2mm overall subs
EBITDA (INR mn)	154,308	130,590	140,220	18.2%	10.0%	addition (TRA's Jul'24 subscriber data show ed 0.8mm
EBITDA margin (%)	53.8%	52.5%	52.8%	125 bps	103 bps	wireless subs loss but 0.45mm FTTH subs additions).
PBT (INR mn)	84,964	67,930	73,140	25.1%	16.2%	However, ARPU is expected to grow to INR 194 (vs. INR
Reported PAT (INR mn)	63,245	50,580	54,450	25.0%	16.2%	182 in 1QFY25). Hence, Jio standalone revenue is likely to
						grow by 7.9% QoQ. Further, strong traction in FTTH
						additions is likely to continue with addition of ~1.35mm
-ARPU (INR)	194	182	182	7.0%	7.0%	subs. Hence, Jio standalone EBITDA is also expected to
-EoP subscribers (mn)	491	460	490	6.8%	0.2%	grow by 10% QoQ in 2QFY25.
Vodafone Idea						
Revenue (INR mn)	112,575	107,163	105,083	5.0%	7.1%	
Reported EBITDA (INR mn)	47,644	42,828	42,047	11.2%	13.3%	We estimate loss of ~3.5mm overall subscribers in
Pre-IND AS EBITDA (INR mn)	26,644	20,600	21,000	29.3%	26.9%	2QFY25 (vs. 2.5mm subscriber loss in 1QFY25). Further,
Reported EBITDA margin (%)	42.3%	40.0%	40.0%	236 bps	231 bps	we expect MBB subs loss of ~2mm (TRA's Jul'24
Pre-IND AS EBITDA margin (%)	23.7%	19.2%	20.0%	445 bps	368 bps	subscriber data show ed ~1.1mm loss in MBB
PBT (INR mn)	-64,210	-79,202	-64,266	NM	NM	subscribers). However, its ARPU is expected to rise to
Reported PAT (INR mn)	-64,210	-87,379	-64,321	NM	NM	INR 160 in 2QFY25 (vs. INR 146 in 1QFY25) led by tariff
						hike and aided by one more day during the quarter. Hence,
- ARPU (INR)	160	142	146	12.6%	9.5%	we expect its revenue to grow by 7.1% and reported
-EoP subscribers (mn)	207	220	210	-6.0%	-1.7%	EBITDA by 13.3% QoQ at INR 47.6bn in 2QFY25.
-EoP MBB/data subscribers (mn)	135	137	137	-1.8%	-1.6%	
-EoP post-paid subscribers (including IoT) (mn)	23.8	23.1	24.2	2.9%	-1.7%	
Indus Towers						
Revenue (INR mn)	74,940	71,325	73,830	5.1%	1.5%	
EBITDA (INR mn)	44,112	34,559	45,453	27.6%	-2.9%	We build in ~6.1k net tenancy additions in 2QFY25 for
EBITDA margin (%)	58.9%	48.5%	61.6%	1,041 bps	-270 bps	Indus Towers vs. ~6.3k in 1QFY25; we expect robust
PBT (INR mn)	26,000	17,467	25,918	48.9%	0.3%	tower additions at ~6k. Further, we assume rentals to be
EoP tenancies (#)	381,030	353,462	374,928	7.8%	1.6%	flat QoQ. Hence, we expect revenue to grow by 1.5%
QoQ Tenancy additions	6,102	5,583	6,340			QoQ while EBITDA to decline 2.9% QoQ, to INR 44.1bn in
Period end sharing factor (x)	1.65 x	1.74 x	1.67 x			2QFY25 (assuming INR 5bn of past dues recovery from
Rental revenue per tenancy (INR)	41,094	40,940	41,094	0.4%	0.0%	VIL vs recovery of INR 7.6bn in 1QFY25).

Source: Company, JM Financial.

Exhibit 2. MBB subs addition trend expected to continue for Bharti/BHL while Jio/VIL likely to post MBB subs loss in 2QFY25

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E
EoP MBB subscribers (mn)										
VIL	119	121	122	123	123	125	126	126	127	125
Bharti (including BHL)	205	210	217	224	230	237	245	253	259	266
BHL				17	17	18	19	19	20	21
Jio	414	421	425	431	439	450	461	471	478	478
Total	738	752	764	795	809	830	850	869	884	889
Change in MBB subscriber base (mn)										
VIL	0.9	1.6	1.0	1.0	0.3	1.8	0.9	0.7	0.4	-2.0
Bharti (including BHL)	4.5	5.0	6.4	7.4	5.6	7.7	7.4	7.8	6.7	6.5
BHL					0.3	0.9	0.6	0.6	0.7	0.6
Jio	8.8	7.0	4.5	5.7	8.4	10.6	10.6	10.2	7.0	-0.1
Total	14.2	13.7	11.9	14.1	14.3	20.1	18.9	18.7	14.1	4.4

Source: Company, TRAI, JM Financial.

Exhibit 3. Bharti Airtel 2QFY25E segmental expectations

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ (%)	YoY (%)
India wireless								
Revenue (INR mn)	203,924	209,521	216,386	220,657	225,274	246,634	9.5%	17.7%
Post IND AS EBITDA (INR mn)	111,665	115,039	119,240	121,607	125,274	141,313	12.8%	22.8%
Post IND AS EBITDA margin (%)	54.8	54.9	55.1	55.1	55.6	57.3	169bps	239bps
EoP Subscribers (mn)	339	342	346	352	355	353	-0.6%	3.0%
Net subscriber addition (mn)	3.2	3.7	3.3	6.7	2.3	-2.0		
EoP Post-paid subscribers (excluding IoT) (mn)	20.5	21.5	22.3	23.1	23.9	24.3	1.8%	13.3%
Net post-paid subscriber (excluding IoT) addition (mn)	0.8	1.0	0.9	0.8	0.8	0.4		
Postpaid subscribers (excluding IoT) as % of total subs	6.1%	6.3%	6.5%	6.6%	6.7%	6.9%		
EoP 4G/5G subscribers (mn)	230	237	245	253	259	266	2.5%	12.0%
Net 4G/5G subscriber addition (mn)	5.6	7.7	7.4	7.8	6.7	6.5		
4G/5G subs as % of total subs	68%	69%	71%	72%	73%	75%		
EoP 5G subscribers (mn)		55	65	72	90	100		
5G subs as % of 4G/5G subs		23%	27%	28%	35%	38%		
EoP Total Data subscribers (mn)	238	246	253	261	267	273		
Net Data subscriber addition (mn)	5.5	7.7	7.3	7.7	6.3	5.7		
Data subs as % of total subs	70%	72%	73%	74%	75%	77%		
AMDU (GB/month)	21.1	21.7	22.0	22.6	23.7	23.8	0.5%	9.8%
ARPU (INR/month)	200	203	208	209	211	231	9.5%	13.9%
Total subscriber Churn	2.8%	2.9%	2.9%	2.4%	2.8%	5.0%		
Home Services (Broadband)								
Revenue (INR mn)	11,621	12,207	12,718	13,155	13,670	14,036	2.7%	15.0%
EBITDA (INR mn)	5,860	6,073	6,384	6,566	6,867	7,095	3.3%	16.8%
EBITDA margin (%)	50.4	49.8	50.2	49.9	50.2	50.5	31bps	79bps
Subscribers (mn)	6.46	6.93	7.29	7.62	7.97	8.31	4.3%	19.9%
ARPU (INR/month)	608	595	583	577	572	575	0.5%	-3.4%
Telemedia (DTH)								
Revenue (INR mn)	7,403	7,515	7,837	7,693	7,771	7,792	0.3%	3.7%
EBITDA (INR mn)	4,264	4,212	4,285	4,391	4,402	4,395	-0.2%	4.3%
EBITDA margin (%)	57.6	56.0	54.7	57.1	56.6	56.4	-24bps	36bps
Subscribers (mn)	15.9	15.7	16.1	16.1	16.3	16.3	-0.5%	3.3%
ARPU (INR/month)	154	159	163	160	159	159	0.2%	0.2%
Enterprise Business								
Revenue (INR mn)	50,545	51,100	51,948	54,616	54,765	56,408	3.0%	10.4%
EBITDA (INR mn)	19,979	20,578	20,625	20,830	19,855	20,510	3.3%	-0.3%
EBITDA margin (%)	39.5	40.3	39.7	38.1	36.3	36.4	10bps	-391bps
Airtel Africa								
Revenue (INR mn)	113,168	102,768	102,972	92,933	96,369	100,825	4.6%	-1.9%
EBITDA (INR mn)	56,031	51,158	50,590	43,237	43,617	45,917	5.3%	-10.2%
EBITDA margin (%)	49.5	49.8	49.1	46.5	45.3	45.5	28bps	-424bps
South Asia								
Revenue (INR mn)	934	933	945	961	941	936	-0.5%	0.3%
EBITDA (INR mn)	-112	-120	-151	-265	-166	-168	0.9%	39.6%
EBITDA margin (%)	-12.0	-12.9	-16.0	-27.6	-17.6	-17.9	-25bps	-503bps
Consolidated								
Revenue (INR mn)	377,883	373,742	383,393	379,160	388,699	415,911	7.0%	11.3%
EBITDA (INR mn)	199,468	198,441	202,546	196,817	200,711	218,023	8.6%	9.9%
EBITDA margin (%)	52.8	53.1	52.8	51.9	51.6	52.4	78bps	-68bps
PAT (INR mn)	16,125	13,407	24,422	20,716	41,599	45,697		

Source: Company, JM Financial. *MBB subscribers refers to 3G/4G/5G subscribers; Data subscribers include MBB subscribers and high ARPU 2G data users

Exhibit 4. BHL 2QFY25E operational metrics expectations

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ (%)	YoY (%)
Wireless								
Revenue (INR mn)	16,473	17,029	17,477	18,232	18,604	20,200	8.6%	18.6%
EBITDA (INR mn)	8,390	8,471	8,403	8,939	8,928	10,178	14.0%	20.2%
EBITDA margin (%)	50.9	49.7	48.1	49.0	48.0	50.4	240bps	64bps
EoP Subscribers (mn)	26.2	26.5	26.8	27.3	27.6	27.3	-0.9%	3.0%
Net subscriber addition (mn)	0.40	0.32	0.24	0.56	0.25	-0.25		
EoP 4G/5G subscribers (mn)	17.4	18.3	18.8	19.5	20.2	20.8	3.0%	13.8%
Net 4G/5G subscriber addition (mn)	0.35	0.92	0.57	0.64	0.70	0.60		
4G/5G subs as % of total subs	66%	69%	70%	71%	73%	76%		
EoP Total Data subscribers (mn)	17.7	18.6	19.1	19.8	20.5	21.0	2.4%	12.7%
Net Data subscriber addition (mn)	0.34	0.92	0.55	0.63	0.69	0.50		
Data subs as % of total subs	67%	70%	71%	72%	74%	77%		
AMDU (GB/month)	22.5	23.1	23.7	24.5	25.7	25.8	0.5%	11.8%
ARPU (INR/month)	194	196	200	204	205	224	9.5%	14.5%
Home Broadband & Wireline								
Revenue (INR mn)	469	500	543	547	568	591	4.0%	18.1%
EBITDA (INR mn)	161	121	217	201	189	195	3.1%	61.1%
EBITDA margin (%)	34.3	24.2	40.0	36.7	33.3	33.0	-27bps	880bps
Subscribers (mn)	0.24	0.27	0.29	0.31	0.32	0.34	5.3%	27.1%
Net subscriber addition (mn)	0.02	0.03	0.02	0.02	0.02	0.02		
ARPU (INR/month)	558	540	537	522	514	511	-0.5%	-5.3%

Source: Company, JM Financial.

Exhibit 5. Jio 2QFY25E operational metrics expectations

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ (%)	YoY (%)
Subscribers at EoP (mn)	449	460	471	482	490	490.9	0.2%	6.8%
Net subscriber addition (mn)	9.2	11.2	11.2	10.9	7.9	1.2		
5G Subscribers at EoP (mn)		70	90	108	130	150		
5G Penetration		15.2%	19.1%	22.4%	26.5%	30.6%		
ARPU (INR)	180.5	181.7	181.7	181.7	181.7	194.4	7.0%	7.0%
AMDU (GB/month)	24.9	26.6	27.3	28.7	30.3	31.3	3.4%	17.7%

Source: Company, JM Financial.

Exhibit 6. VIL 2QFY25E operational metrics expectations

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ (%)	YoY (%)
EoP Total subscribers (mn)	221	220	215	213	210	207	-1.7%	-6.0%
Net subscriber addition (mn)	-4.5	-1.6	-4.6	-2.6	-2.5	-3.5		
EoP Postpaid subs (including IoT) (mn)	22.8	23.1	23.7	23.8	24.2	23.8	-1.7%	2.9%
Net postpaid subs (including IoT) addition (mn)	0.4	0.3	0.6	0.1	0.4	-0.4		
Postpaid subs (including IoT) as % of total subs	10.3%	10.5%	11.0%	11.2%	11.5%	11.5%	0.0%	9.5%
EoP Total Data subscribers (mn)	135.9	137.2	137.4	137.3	136.9	134.7	-1.6%	-1.8%
Net data subscriber addition (mn)	-0.3	1.3	0.2	-0.1	-0.4	-2.2		
Data subs as % of total subs	61%	62%	64%	65%	65%	65%		
EoP Total 4G subscribers (mn)	122.9	124.7	125.6	126.3	126.7	124.7	-1.6%	0.0%
Net 4G subscriber addition (mn)	0.3	1.8	0.9	0.7	0.4	-2.0		
4G subs as % of total subs	56%	57%	58%	59%	60%	60%		
Churn (%)	3.9%	4.1%	4.3%	3.9%	4.0%	6.0%		
AMDU (Monthly data usage ,GB)	15.7	15.8	15.4	15.4	15.6	15.8	1.4%	0.0%
ARPU (INR)	139	142	145	146	146	160	9.5%	12.6%

Source: Company, JM Financial. *MBB subscribers refers to 3G/4G subscribers; Data subscribers include MBB subscribers and high ARPU 2G data users

Exhibit 7. Indus Towers 2QFY25E operational metrics expectations

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	QoQ (%)	YoY (%)
EoP Macro Towers	198,284	204,212	211,775	219,736	225,910	231,911	2.7%	13.6%
QoQ Macro Tower net additions	5,410	5,928	7,563	7,961	6,174	6,001		
EoP Total tenancies	347,879	353,462	360,679	368,588	374,928	381,030	1.6%	7.8%
QoQ Tenancy additions	5,048	5,583	7,217	7,909	6,340	6,102		
Closing sharing factor	1.75x	1.73x	1.70x	1.68x	1.66x	1.64x	-0.01x	-0.05x
Average sharing factor	1.77x	1.74x	1.72x	1.69x	1.67x	1.65x	-0.01x	-0.05x
Incremental sharing factor	0.93x	0.94x	0.95x	0.99x	1.03x	1.02x		
Rental revenue per tenancy	41,503	40,940	41,454	41,435	41,094	41,094	0.0%	0.4%
Pass-through (or Energy) revenue per tenancy	26,460	26,555	25,387	23,903	24,625	24,995	1.5%	-5.9%
Energy EBITDA	-850	-618	-761	-578	-1,542	15		
Energy EBITDA margin (%)	-3%	-2%	-3%	-2%	-6%	0%		
Revenue (INR mn)	70,759	71,325	71,990	71,932	73,830	74,940	1.5%	5.1%
Reported EBITDA (post -IND AS) (INR mn)	35,138	34,559	36,216	41,026	45,453	44,112	-2.9%	27.6%
Capex (INR mn)	22,134	22,897	26,528	25,416	18,819	19,158	1.8%	-16.3%

Source: Company, JM Financial.

Exhibit 8. Bharti's estimated ARPU breakdown for past quarters

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Avg Subscribers (Mn)									
Postpaid	17.9	18.2	18.7	19.3	20.1	21.0	21.9	22.7	23.5
Prepaid Data (2G/4G/5G)	192.9	198.0	203.5	209.7	215.4	221.1	227.6	234.3	240.5
Prepaid Non-Data (2G)	115.8	111.4	107.8	104.8	101.5	98.4	94.4	91.9	89.4
	326.7	327.6	330.0	333.8	337.0	340.4	343.9	348.9	353.4
Subscribers Mix (%)									
Postpaid	5%	6%	6%	6%	6%	6%	6%	7%	7%
Prepaid Data (2G/4G/5G)	59%	60%	62%	63%	64%	65%	66%	67%	68%
Prepaid Non-Data (2G)	35%	34%	33%	31%	30%	29%	27%	26%	25%
	100%	100%	100%	100%	100%	100%	100%	100%	100%
ARPU (INR)									
Postpaid	399	399	399	399	399	399	399	399	399
Prepaid Data (2G/4G/5G)	217	226	218	206	205	209	214	214	216
Prepaid Non-Data (2G)	99	99	118	136	155	155	155	155	155
	183	190	193	193	200	203	208	209	211
Revenue (INR Bn)									
Postpaid	21	22	22	23	24	25	26	27	28
Prepaid Data (2G/4G/5G)	126	134	133	129	133	139	146	151	156
Prepaid Non-Data (2G)	34	33	38	43	47	46	44	43	42
	181	189	194	195	204	210	216	221	225
Revenue Contribution (%)									
Postpaid	12%	12%	12%	12%	12%	12%	12%	12%	12%
Prepaid Data (2G/4G/5G)	69%	71%	69%	66%	65%	66%	68%	68%	69%
Prepaid Non-Data (2G)	19%	18%	20%	22%	23%	22%	20%	19%	18%
	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Company, JM Financial. Note: Above ARPU computation for pre-paid data subs is based on assumption of all post-paid subs being on entry level post-paid plan and all pre-paid non-data subs being on entry level pre-paid plan

Exhibit 9. Jio's estimated ARPU breakdown for past quarters

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Avg Subscribers (Mn)									
Postpaid	5.8	6.1	6.4	6.7	7.0	7.4	7.8	8.2	8.6
Prepaid Smartphone (4G/5G)	319	322	324	327	331	336	340	345	348
Prepaid JioPhone (4G)	89	92	95	97	102	107	112	117	121
	414	421	425	431	439	450	461	471	478
Subscribers Mix (%)									
Postpaid	1%	1%	2%	2%	2%	2%	2%	2%	2%
Prepaid Smartphone (4G/5G)	77%	77%	76%	76%	75%	75%	74%	73%	73%
Prepaid JioPhone (4G)	21%	22%	22%	23%	23%	24%	24%	25%	25%
	100%	100%	100%	100%	100%	100%	100%	100%	100%
ARPU (INR)									
Postpaid	199	199	199	199	299	299	299	299	299
Prepaid Smartphone (4G/5G)	192	194	196	197	196	198	198	199	200
Prepaid JioPhone (4G)	91	91	91	91	91	91	91	91	91
	170	170	171	171	172	172	172	172	171
Revenue (INR Bn)									
Postpaid	3	4	4	4	6	7	7	7	8
Prepaid Smartphone (4G/5G)	183	188	191	193	195	199	203	206	209
Prepaid JioPhone (4G)	24	25	26	27	28	29	31	32	33
	211	217	220	223	229	235	240	245	249
Revenue Contribution (%)									
Postpaid	2%	2%	2%	2%	3%	3%	3%	3%	3%
Prepaid Smartphone (4G/5G)	87%	87%	87%	86%	85%	85%	84%	84%	84%
Prepaid JioPhone (4G)	11%	12%	12%	12%	12%	12%	13%	13%	13%
	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Company, JM Financial. Note: Above ARPU computation for pre-paid data subs is based on assumption of all post-paid subs being on entry level post-paid plan and all pre-paid non-data subs being on entry level pre-paid plan

Exhibit 10. VIL's estimated ARPU breakdown for past quarters

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Avg Subscribers (Mn)									
Postpaid	20.1	20.5	21.4	22.2	22.6	22.9	23.4	23.7	24.0
Prepaid Data (2G/3G/4G)	115.6	114.7	113.9	114.0	113.3	114.3	114.0	113.6	112.9
Prepaid Non-Data (2G)	104.7	99.2	93.3	89.7	85.5	82.6	77.8	75.3	73.2
	240.4	234.4	228.6	225.9	221.4	219.8	215.2	212.6	210.1
Subscribers Mix (%)									
Postpaid	8%	9%	9%	10%	10%	10%	11%	11%	11%
Prepaid Data (2G/3G/4G)	48%	49%	50%	50%	51%	52%	53%	53%	54%
Prepaid Non-Data (2G)	44%	42%	41%	40%	39%	38%	36%	35%	35%
	100%	100%	100%	100%	100%	100%	100%	100%	100%
ARPU (INR)									
Postpaid	399	399	400	401	401	401	401	401	401
Prepaid Data (2G/3G/4G)	171	183	182	177	181	166	167	168	167
Prepaid Non-Data (2G)	66	62	65	67	70	91	92	90	89
	128	131	135	135	139	142	145	146	146
Revenue (INR Bn)									
Postpaid	24	25	26	27	27	28	28	29	29
Prepaid Data (2G/3G/4G)	59	63	62	61	62	57	57	57	57
Prepaid Non-Data (2G)	21	18	18	18	18	23	22	20	20
	104	106	106	105	107	107	107	106	105
Revenue Contribution (%)									
Postpaid	23%	23%	24%	25%	25%	26%	26%	27%	27%
Prepaid Data (2G/3G/4G)	57%	59%	59%	58%	58%	53%	53%	54%	54%
Prepaid Non-Data (2G)	20%	17%	17%	17%	17%	21%	20%	19%	19%
	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Company, JM Financial. Note: Above ARPU computation for pre-paid data subs is based on assumption of all post-paid subs being on entry level post-paid plan and all pre-paid non-data subs being on entry level pre-paid plan

Exhibit 11. Telcos' wireless tariff plan comparison

(INR)	Validity	Jio tariff	Bharti tariff	VIL tariff	Bharti/VIL tariff premium over Jio (INR)	Bharti/VIL tariff premium over Jio (%)	BSNL tariff **
Entry level plans (Unlimited Voice)							
2GB data	28 days	189	199	199	108	119%	147 (10GB, 30 days)
JioBharat Phone (0.5GB/day)	28 days	123	NA	NA	NA	NA	
Jio Phone (0.1GB/day +200MB)	28 days	91	NA	NA	NA	NA	
Daily data plans *							
1 GB/day data	28 days	249	299	299	50	20%	184
1.5 GB/day data	28 days	299	349	349	50	17%	
2 GB/day data	1 month	349 (28 days)	379	379	NA	NA	228
2.5 GB/day data	28 days	399	409	409	10	3%	
3 GB/day data	28 days	449	449	449	0	0%	
25 GB data	30 days	355	355	345	0	0%	347 (54 days)
1.5 GB/day data	56 days	579	579	579	0	0%	
2 GB/day data	56 days	629	649	649	20	3%	
3 GB/day data	56 days	NA	NA	795	NA	NA	
1.5 GB/day data	84 days	799	859	859	60	8%	
2 GB/day data	84 days	859	979	979	120	14%	599
3 GB/day data	84 days	1199	NA	NA	NA	NA	
1.5 GB/day data	365 days	NA	NA	3499	NA	NA	
2 GB/day data	365 days	NA	3599	3599	NA	NA	
2.5 GB/day data	365 days	3599	3999	NA	400	11%	2399 (395 days)
Data Top-ups							
12 GB data	Unlimited/28 days	139	161	139	22	16%	
50 GB data	Unlimited/28 days	359	361	348	2	1%	
Post-paid plans *							
40-50GB/month + Data roll over		349	449	451	100	29%	199 (25GB/month)
75-90GB/month + Data roll over		449	549	551	100	22%	399 (70GB/month)

Source: Company. Note: * Jio and Bharti are offering free unlimited 5G data on all postpaid plans and select prepaid plans with daily data allowance of 2GB or more; ** BSNL offers 2G/3G services only (4G rollout completion expected by mid-CY25).

Exhibit 12. Bharti's wireless tariff history

Tariffed Voice Plans	Validity	Pre Dec'19 tariff hike	Post Dec'19 tariff hike	Pre Nov'21 tariff hike	Post Nov'21 tariff hike	Pre Jul'24 tariff hike	Current
Entry-level Plan	28 days	35 (100MB data + 1p/sec voice tariff)	49 (100MB data + 1p/sec voice tariff)	79 (200MB data + 1p/sec voice tariff)	99 (200MB data + 1p/sec voice tariff)	179	199
Unlimited Voice Bundles							
Daily data plans							
1 GB/day data	28 days	169	219	219	265	265	299
1.5 GB/day data	28 days	199	249	249	299	299	349
3 GB/day data	28 days	-	-	-	399	399	449
1.5 GB/day data	56 days	-	399	399	479	479	579
2 GB/day data	56 days	-	449	449	549	549	649
1.5 GB/day data	84 days	448	598	598	719	719	859
2 GB/day data	84 days	499	698	698	839	839	979
Post-paid plans							
40GB/month + Data roll over		399	399	399	399	399	449
75GB/month + Data roll over		499	499	499	499	499	549

Source: Company, JM Financial.

Exhibit 13. Telcos' FTTH and FWA broadband tariff plan comparison

Maximum Speed	Bundled OTTs	Bharti tariff*	Jio tariff*	BSNL
Fibre Broadband plans (FTTH)				
Monthly plans				
30 Mbps	No	NA	399	
30 Mbps **	Yes	599	599	
40 Mbps	No	499	NA	
100 Mbps	No	799	699	599
100 Mbps	Yes	899	899	699
300 Mbps	Yes	1599	1499	
1 Gbps	Yes	3999	3999	
Standby / Backup plans ***				
10 Mbps	Yes	399	398	
AirFiber plans (5G FWA)				
30/40 Mbps	Yes	699 (40Mbps)	599 (30Mbps)	
100 Mbps	Yes	999	899	
1 Gbps	Yes	-	3999	

Source: Company Note: * All Tariffs are on "per month" basis and exclusive of GST; ** Bharti offers 30Mbps plan in only select geographies;*** Standby / Backup Plans are prepaid plans with 5 months validity and are only available to new users.

Exhibit 14. Telcos' annual comparative financial matrix

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Revenue (INR Bn)													
BHL	44.1	36.1	38.7	46	54	66	71	86	96	109	122	135	150
Bharti (India business)	641	599	639	737	821	979	1,097	1,280	1,443	1,626	1,831	2,003	2,194
Jio (standalone)	202	393	544	704	772	911	1,006	1,189	1,484	1,750	2,062	2,278	2,515
VIL	283	371	450	420	385	422	427	472	518	569	616	657	700
EBITDA (INR Bn)													
BHL	8.3	0.3	5.3	11	19	29	35	44	51	58	67	76	87
Bharti reported EBITDA (India business)	238	179	263	339	409	511	590	711	809	917	1,038	1,146	1,266
Jio (standalone)	67.7	151	217	315	379	470	529	632	794	948	1,127	1,251	1,388
VIL reported EBITDA	60	40	148	169	160	168	171	201	235	271	303	335	369
EBITDA margin (%)													
BHL	18.9%	0.8%	13.7%	24.7%	35.1%	43.9%	49.2%	51.5%	52.6%	53.8%	55.1%	56.4%	57.8%
Bharti reported EBITDA margin (India business)	37.1%	29.9%	41.2%	46.1%	49.8%	52.2%	53.8%	55.6%	56.1%	56.4%	56.7%	57.2%	57.7%
Jio (standalone)	33.6%	38.4%	39.8%	44.7%	49.0%	51.6%	52.6%	53.2%	53.5%	54.2%	54.6%	54.9%	55.2%
VIL reported EBITDA margin	21.4%	10.9%	33.0%	40.4%	41.6%	39.9%	40.2%	42.7%	45.4%	47.7%	49.2%	51.0%	52.7%
Network Costs (INR Bn)													
BHL	10.8	12.2	12.6	14	15	16	17	20	22	24	26	28	30
Bharti (India business)	151	174	153	169	189	203	223	269	317	358	399	437	478
Jio	49	113	169	221	250	285	306	357	402	471	550	601	657
VIL	99	170	110	96	98	101	98	103	106	110	117	121	124
Network Opex Intensity (% of Revenue)													
BHL	25%	34%	33%	31%	27%	24%	24%	23%	23%	22%	21%	21%	20%
Bharti (India business)	24%	29%	24%	23%	23%	21%	20%	21%	22%	22%	22%	22%	22%
Jio	24%	29%	31%	31%	32%	31%	30%	30%	27%	27%	27%	26%	26%
VIL	35%	46%	24%	23%	25%	24%	23%	22%	20%	19%	19%	18%	18%
Non-Network Opex (INR Bn)													
BHL	25	24	21	20	20	21	19	21	24	26	29	31	33
Bharti (India business)	251	245	223	229	223	265	284	300	316	352	394	421	450
Jio	85	129	158	169	143	156	171	200	287	332	385	426	470
VIL	123	160	191	154	127	153	157	167	177	187	195	201	207
Non-Network Opex Intensity (% of Revenue)													
BHL	57%	65%	54%	44%	37%	32%	27%	25%	25%	24%	23%	23%	22%
Bharti (India business)	39%	41%	35%	31%	27%	27%	26%	23%	22%	22%	22%	21%	20%
Jio	42%	33%	29%	24%	19%	17%	17%	17%	19%	19%	19%	19%	19%
VIL	43%	43%	43%	37%	33%	36%	37%	35%	34%	33%	32%	31%	30%
SG&A Costs (INR Bn)													
BHL	3.8	4.0	2.2	2.6	3.2	5.0	5.4	6.2	6.6	6.7	6.7	6.6	6.3
Bharti (India business)	93	93	58	54	68	93	104	118	132	148	165	179	194
Jio	15	24	28	32	30	39	49	56	60	65	72	75	78
VIL	42	56	61	40	38	55	58	60	63	65	66	66	66
SG&A Opex Intensity (% of Revenue)													
BHL	9%	11%	6%	6%	6%	8%	8%	7%	7%	6%	6%	5%	4%
Bharti (India business)	15%	15%	9%	7%	8%	10%	9%	9%	9%	9%	9%	9%	9%
Jio	7%	6%	5%	5%	4%	4%	5%	5%	4%	4%	4%	3%	3%
VIL	15%	15%	14%	9%	10%	13%	14%	13%	12%	11%	11%	10%	9%

Source: Company

Exhibit 15. Telcos' annual comparative operational KPIs matrix

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Overall subscribers at EoP (mn)													
BHL	27.4	27.0	26.5	25.0	24.8	25.8	27.3	28.1	28.9	29.7	30.4	31.0	31.6
Bharti (India business)	304	283	284	321	326	335	352	360	365	370	375	380	386
Jio	187	307	388	426	410	439	482	499	510	518	526	537	546
VIL	195	334	291	268	244	226	213	205	203	201	199	197	195
Net overall subscriber addition (mn)													
BHL	1.6	-0.4	-0.5	-1.6	-0.2	1.1	1.5	0.8	0.8	0.7	0.7	0.6	0.6
Bharti (India business)	30.5	-21.6	1.0	37.7	4.7	9.4	16.8	7.4	5.8	4.8	4.4	5.6	5.7
Jio	77.9	120	80.8	38.7	-16.0	29.1	42.5	17.3	10.5	8.9	7.8	10.5	9.1
VIL	5.0	139.6	-43.0	-23.3	-24.0	-17.9	-13.3	-7.2	-2.1	-2.1	-2.0	-2.0	-2.0
Postpaid subscribers at EoP (mn)													
BHL - excluding IoT				0.67	0.67	0.71	0.87	0.96	1.06	1.16	1.26	1.37	1.47
VIL - including IoT		24	23	20.9	20.0	22.4							
Postpaid subs (as % of overall subs)													
BHL - excluding IoT				2.7%	2.7%	2.7%	3.2%	3.4%	3.7%	3.9%	4.2%	4.4%	4.7%
VIL - including IoT		7.8%	5.9%	4.9%	4.9%	9.9%							
Total subscriber churn													
BHL				1.8%	2.7%	2.7%	2.4%						
Bharti (India business)	3.5%	4.3%	2.5%	2.1%	2.9%	3.0%	2.8%						
VIL			3.3%	3.0%	3.4%	3.8%	3.9%						
4G/5G subscribers at EoP (mn)													
BHL				13.3	15.0	17.0	19.5	21.2	22.6	23.8	25.0	26.1	26.9
Bharti (India business)	48	87	136	179	201	224	253	271	281	291	301	311	321
Jio	187	307	388	426	410	439	482	499	510	518	526	537	546
VIL	70	81	106	114	118	123	126	128	132	136	138	140	142
Net 4G/5G subscriber addition (mn)													
BHL					1.7	2.0	2.5	1.7	1.5	1.2	1.2	1.1	0.8
Bharti (India business)		38.9	49.5	43.0	21.5	23.3	28.6	18.7	10.0	10.0	10.0	10.0	10.0
Jio	77.9	120	80.8	38.7	-16.0	29.1	42.5	17.3	10.5	8.9	7.8	10.5	9.1
VIL		10.7	24.9	8.3	4.2	4.5	3.7	2.0	4.0	4.0	2.0	2.0	2.0
Average ARPU (INR)													
BHL			119	135	145	170	195	230	252	279	307	335	366
Bharti (India business)	128	118	135	154	160	189	204	233	256	282	311	336	363
Jio (including INR 10 from FTTH)	149	133	130	143	153	178	181	201	222	248	279	298	320
VIL	120	117	109	112	112	134	142	168	190	213	234	253	274
AMDU (GB/month)													
BHL				16.8	20.0	21.8	23.5	23.9	24.4	24.9	25.4	25.9	26.4
Bharti (India business)	4.4	9.5	13.0	15.7	18.5	20.0	21.8	22.2	22.6	23.1	23.6	24.0	24.5
Jio		10.9	11.5	12.5	18.2	22.2	26.9	29.6	31.3	32.6	33.9	34.6	35.3
VIL		8.3	10.7	11.2	12.7	13.6	14.4	14.8	15.3	15.7	16.2	16.5	16.9

Source: Company

Exhibit 16. Telcos' annual comparative capex and net debt matrix

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Capex (INR Bn)													
BHL				16	9	15	20	19	20	22	24	27	29
Bharti (India business)	240	242	207	196	205	281	334	275	285	305	319	345	374
Jio (Cash capex based on Jio standalone CFS)				261	288	336	490	303	297	345	402	434	474
VIL	70.0	102	101	61	45	34	19	85	78	45	49	52	56
Net debt excluding lease liability (INR Bn)													
BHL				59	70	51	45	34	21	5	-13	-34	-58
Bharti (consolidated)		1,082	914	1,155	1,235	1,527	1,410						
Jio	1,380	1,416	450	36	961	1,962	2,099	1,897	1,565	1,148	645	77	-558
VIL		1,793	1,734	1,800	1,964	2,090	2,075						
Net Debt (excl Lease liability) to EBITDA (x)													
BHL				5.2x	3.7x	1.8x	1.3x	0.8x	0.4x	0.1x	-0.2x	-0.4x	-0.7x
Bharti (consolidated)		4.0x	2.1x	2.3x	1.9x	2.0x	1.8x						
Jio	20.4x	9.4x	2.1x	0.1x	2.5x	4.2x	4.0x	3.0x	2.0x	1.2x	0.6x	0.1x	-0.4x
VIL		25.1x	9.9x	10.2x	10.6x	12.4x	12.0x						

Source: Company

Change in Estimates and TP

Exhibit 17. Change in estimates and TP

	Revenues (INR bn)			EBITDA (INR bn)			PAT (INR bn)			TP (INR)	Rating
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E		
Bharti Airtel											
New	1,755	1,973	2,219	920	1,031	1,164	215	287	381	1850	BUY
Old	1,755	1,973	2,219	920	1,031	1,164	214	283	380	1580	BUY
Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	1.4%	0.4%	17%	
Bharti Hexacom											
New	86	96	109	44	51	58	14	19	25	1,445	BUY
Old	85	96	108	44	50	58	14	19	24	1,175	BUY
Change	0.2%	0.4%	0.3%	0.2%	0.4%	0.3%	0.5%	0.8%	0.6%	23%	
Vodafone Idea											
New	472	518	569	201	235	271	-270	-192	-153	10	SELL
Old	474	524	575	202	237	273	-270	-191	-151	10	SELL
Change	-0.5%	-1.0%	-1.1%	-0.3%	-0.7%	-0.7%	0.2%	0.8%	1.4%	0%	
Indus Towers											
New	308	328	345	186	195	184	84	84	75	350	HOLD
Old	308	328	345	186	195	184	84	84	75	350	HOLD
Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%	

Source: JM Financial.

Bharti Airtel: Key assumptions and Valuation

Exhibit 18. Bharti Airtel – Key operational assumptions

Particulars	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
India wireless											
India ARPU (INR)	135	154	160	189	204	233	256	282	311	336	363
YoY Growth (%)	14.6%	13.8%	3.7%	18.4%	8.0%	14.2%	9.7%	10.2%	10.2%	8.1%	8.1%
India subs EoP (mn)	284	321	326	335	352	360	365	370	375	380	386
YoY Growth (%)	0.4%	13.3%	1.5%	2.9%	5.0%	2.1%	1.6%	1.3%	1.2%	1.5%	1.5%
India data subs (mn)	149	189	208	233	261	281	294	307	320	329	338
Data subs as % of total subs	52%	59%	64%	69%	74%	78%	81%	83%	86%	87%	88%
Data usage per sub (GB)	13.3	16.1	19.0	20.5	22.3	22.7	23.2	23.6	24.1	24.6	25.1
Minutes of usage per sub (MoU)	893	992	1,056	1,096	1,131	1,171	1,214	1,259	1,306	1,355	1,405
India Home Services/Broadband											
Fixed line subscribers (mn)	2.4	3.1	4.5	6.0	7.6	9.3	11.0	12.9	14.8	17.0	19.2
Fixed line ARPU (INR)	798	740	661	628	594	588	597	609	621	633	646
India DTH											
DTH subscribers (mn)	17	18	16	16	16	16	16	16	16	16	16
DTH ARPU (INR)	152	148	156	154	158	161	161	161	161	161	161
Airtel Africa											
Africa ARPU (INR)	193	210	237	262	235	250	269	294	326	352	374
Africa subs (mn)	111	118	128	140	153	162	165	169	172	175	178

Source: Company, JM Financial.

Exhibit 19. Revenue breakup for Bharti Airtel consolidated

Particulars	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Revenues (INR mn)											
India wireless	459,664	555,676	630,405	759,246	850,488	1,004,842	1,121,045	1,251,591	1,394,595	1,526,685	1,673,743
Home services/Broadband	22,451	23,342	30,391	40,473	49,701	59,631	72,665	87,209	103,254	120,858	140,073
DTH	29,239	30,561	31,538	29,450	30,448	31,194	31,338	31,410	31,446	31,464	31,473
Airtel Business	132,331	144,075	160,703	185,931	208,209	229,030	263,384	302,760	348,023	368,730	390,670
Tower	67,430										
Others											
Africa	242,170	288,632	350,613	422,665	411,841	471,118	527,653	589,759	666,979	732,286	792,564
South Asia	4,552	4,247	3,869	2,945	3,773	3,635	3,208	2,824	2,479	2,171	1,896
Eliminations	-71,054	-53,037	-36,707	-39,896	-40,282	-44,783	-45,853	-46,520	-46,570	-44,654	-42,051
Total	886,778	1,027,513	1,170,812	1,400,814	1,514,178	1,754,666	1,973,441	2,219,034	2,500,207	2,737,541	2,988,368
Revenue proportion (%)											
India wireless	51.8%	54.1%	53.8%	54.2%	56.2%	57.3%	56.8%	56.4%	55.8%	55.8%	56.0%
Home services/Broadband	2.5%	2.3%	2.6%	2.9%	3.3%	3.4%	3.7%	3.9%	4.1%	4.4%	4.7%
DTH	3.3%	3.0%	2.7%	2.1%	2.0%	1.8%	1.6%	1.4%	1.3%	1.1%	1.1%
Airtel Business	14.9%	14.0%	13.7%	13.3%	13.8%	13.1%	13.3%	13.6%	13.9%	13.5%	13.1%
Tower	7.6%										
Others											
Africa	27.3%	28.1%	29.9%	30.2%	27.2%	26.8%	26.7%	26.6%	26.7%	26.7%	26.5%
South Asia	0.5%	0.4%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Revenue growth (%)											
India wireless	10.6%	20.9%	13.4%	20.4%	12.0%	18.1%	11.6%	11.6%	11.4%	9.5%	9.6%
Home services/Broadband	0.3%	4.0%	30.2%	33.2%	22.8%	20.0%	21.9%	20.0%	18.4%	17.0%	15.9%
DTH	-28.7%	4.5%	3.2%	-6.6%	3.4%	2.4%	0.5%	0.2%	0.1%	0.1%	0.0%
Airtel Business	6.3%	8.9%	11.5%	15.7%	12.0%	10.0%	15.0%	15.0%	15.0%	5.9%	5.9%
Tower	-1.1%										
Others											
Africa	8.4%	19.2%	21.5%	20.6%	-2.6%	14.4%	12.0%	11.8%	13.1%	9.8%	8.2%
South Asia	2.6%	-6.7%	-8.9%	-23.9%	28.1%	-3.7%	-11.8%	-12.0%	-12.2%	-12.4%	-12.7%
Total	8%	16%	14%	20%	8%	16%	12%	12%	13%	9%	9%

Source: Company, JM Financial. * The company stopped the 'others' classification from FY20 **Indus Towers has been de-consolidated post the merger from 3QFY21

Exhibit 20. EBITDA breakup for Bharti Airtel consolidated

Particulars	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
EBITDA (INR mn)											
India wireless	169,560	242,642	312,666	400,751	467,551	571,011	645,569	726,831	817,295	904,133	1,001,600
Home services/Broadband	11,309	13,434	16,030	20,494	24,883	30,827	38,341	46,828	56,306	66,831	78,456
DTH	19,959	20,788	21,006	17,344	17,152	17,541	17,616	17,654	17,672	17,682	17,687
Airtel Business	42,642	54,973	62,639	73,821	82,012	92,886	108,002	125,327	145,243	154,354	164,007
Tower	36,170										
Others											
Africa	106,425	132,995	172,092	207,244	200,860	230,359	261,434	293,842	334,130	369,418	402,901
South Asia	429	131	-621	-518	-648	-651	-543	-422	-316	-222	-141
Eliminations/Adjustment	-9,294	7,010	-3,130	2,965	5,462	-22,028	-39,000	-45,949	-53,674	-67,578	-83,981
Total	377,200	471,973	580,682	722,101	797,272	919,944	1,031,418	1,164,110	1,316,656	1,444,618	1,580,529
EBITDA proportion (%)											
India wireless	45.0%	51.4%	53.8%	55.5%	58.6%	62.1%	62.6%	62.4%	62.1%	62.6%	63.4%
Home services/Broadband	3.0%	2.8%	2.8%	2.8%	3.1%	3.4%	3.7%	4.0%	4.3%	4.6%	5.0%
DTH	5.3%	4.4%	3.6%	2.4%	2.2%	1.9%	1.7%	1.5%	1.3%	1.2%	1.1%
Airtel Business	11.3%	11.6%	10.8%	10.2%	10.3%	10.1%	10.5%	10.8%	11.0%	10.7%	10.4%
Tower	9.6%										
Others											
Africa	28.2%	28.2%	29.6%	28.7%	25.2%	25.0%	25.3%	25.2%	25.4%	25.6%	25.5%
South Asia	0.1%	0.0%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%
EBITDA margins											
India wireless	36.9%	43.7%	49.6%	52.8%	55.0%	56.8%	57.6%	58.1%	58.6%	59.2%	59.8%
Home services/Broadband	50.4%	57.6%	52.7%	50.6%	50.1%	51.7%	52.8%	53.7%	54.5%	55.3%	56.0%
DTH	68.3%	68.0%	66.6%	58.9%	56.3%	56.2%	56.2%	56.2%	56.2%	56.2%	56.2%
Airtel Business	32.2%	38.2%	39.0%	39.7%	39.4%	40.6%	41.0%	41.4%	41.7%	41.9%	42.0%
Tower	53.6%										
Others											
Africa	43.9%	46.1%	49.1%	49.0%	48.8%	48.9%	49.5%	49.8%	50.1%	50.4%	50.8%
South Asia	9.4%	3.1%	-16.1%	-17.6%	-17.2%	-17.9%	-16.9%	-15.0%	-12.7%	-10.2%	-7.4%
Total	42.5%	45.9%	49.6%	51.5%	52.7%	52.4%	52.3%	52.5%	52.7%	52.8%	52.9%

Source: Company, JM Financial. * The company stopped the 'others' classification from FY20 **Indus Towers has been de-consolidated post the merger from 3QFY21

Exhibit 21. Capex breakdown for Bharti Airtel consolidated

Particulars	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Capex (INR mn)											
India wireless (ex-spectrum)	178,048	146,763	145,262	204,802	250,894	200,968	201,788	212,771	216,162	236,636	259,430
Home services/Broadband	5,825	11,010	16,654	21,992	28,538	28,824	32,945	36,923	40,618	43,918	46,698
DTH	10,512	12,842	13,028	13,602	14,386	12,477	12,535	12,564	12,579	12,586	12,589
Airtel Business	30,217	21,955	30,119	40,171	37,876	32,522	37,401	42,992	49,419	52,360	55,475
Africa	45,839	45,429	67,062	60,391	60,988	80,090	79,148	88,464	93,377	102,520	110,959
South Asia	1,026	3,686	3,292	978	268	909	802	706	620	543	474
Total (ex-spectrum)	280,187	428,675	275,418	341,936	392,950	355,791	364,619	394,419	412,775	448,562	485,626
Capex intensity (Capex/Revenue)											
India wireless	38.7%	26.4%	23.0%	27.0%	29.5%	20.0%	18.0%	17.0%	15.5%	15.5%	15.5%
Home services/Broadband	25.9%	47.2%	54.8%	54.3%	57.4%	48.3%	45.3%	42.3%	39.3%	36.3%	33.3%
DTH	36.0%	42.0%	41.3%	46.2%	47.2%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Airtel Business	22.8%	15.2%	18.7%	21.6%	18.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%
Africa	18.9%	15.7%	19.1%	14.3%	14.8%	17.0%	15.0%	15.0%	14.0%	14.0%	14.0%
South Asia	22.5%	86.8%	85.1%	33.2%	7.1%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Total	31.6%	41.7%	23.5%	24.4%	26.0%	20.3%	18.5%	17.8%	16.5%	16.4%	16.3%
Capex proportion (%)											
India wireless	63.5%	34.2%	52.7%	59.9%	63.8%	56.5%	55.3%	53.9%	52.4%	52.8%	53.4%
Home services/Broadband	2.1%	2.6%	6.0%	6.4%	7.3%	8.1%	9.0%	9.4%	9.8%	9.8%	9.6%
DTH	3.8%	3.0%	4.7%	4.0%	3.7%	3.5%	3.4%	3.2%	3.0%	2.8%	2.6%
Airtel Business	10.8%	5.1%	10.9%	11.7%	9.6%	9.1%	10.3%	10.9%	12.0%	11.7%	11.4%
Africa	16.4%	10.6%	24.3%	17.7%	15.5%	22.5%	21.7%	22.4%	22.6%	22.9%	22.8%
South Asia	0.4%	0.9%	1.2%	0.3%	0.1%	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company, JM Financial. * The company stopped the 'others' classification from FY20**Indus Towers has been de-consolidated post the merger from 3QFY21. Note that the capex includes spectrum capex as well.

Exhibit 22. Bharti Airtel – 1-year SoTP DCF valuation of INR 1,850/share

Particulars, Enterprise Values unless mentioned	Valuation (INR bn)	Valuation (INR / share)	Implied FY27 EV/EBITDA	Implied FY27 PE
India business				
Wireless	8,897	1550	12.2	
Enterprise	1,040	181	8.3	
DTH	6	1	0.4	
Broadband	700	122	14.9	
Total India business EV	10,643	1,855	11.6	
India net debt	-651	-113		
Total India subsidiary Equity value	9,993	1,741		
Indus Towers Equity value (48.95% share of Bharti)	422	74		
Total India business Equity value including Indus Towers	10,415	1,815		
Africa business (for Airtel's 56% share)				
Africa Equity value (At CMP of Africa less 20% holding discount)	211	37		
Total Equity value for Bharti Airtel	10,626	1,850	10.4	27.8

Source: Company, JM Financial.

Exhibit 23. Bharti Airtel – 3-year SoTP DCF valuation of INR 2,400/share, implying 13% IRR

Particulars, Enterprise Values unless mentioned	Valuation (INR bn)	Valuation (INR / share)	Implied FY29 EV/EBITDA	Implied FY29 PE
India business				
Wireless	10,584	1,844	11.7	
Enterprise	1,162	202	7.5	
DTH	6	1	0.4	
Broadband	860	150	12.9	
Total India business EV	12,613	2,201	11.0	
India net debt	529	92		
Total India subsidiary Equity value	13,142	2,291		
Indus Towers Equity value (48.95% share of Bharti)	422	74		
Total India business Equity value including Indus Towers	13,564	2,365		
Africa business (for Airtel's 56% share)				
Africa Equity value (At CMP of Africa less 20% holding discount)	211	37		
Total Equity value for Bharti Airtel	13,775	2,400	9.9	22.8

Source: Company, JM Financial.

Every increase/decrease in ARPU by INR 10 results in increase/decrease in Bharti's consolidated FY27 EBITDA by ~1.4% and (1-year SOTP) valuation by INR 36/share. Similarly, every increase/decrease in subscribers by 10mn results in increase/decrease in Bharti's consolidated FY26 EBITDA by ~1.9% and (1-year SOTP) valuation by INR 33/share.

Exhibit 24. Bharti - Sensitivity of FY27 consolidated EBITDA (INR 1,164bn in base case) & Valuation (INR 1,850/share in base case) to FY27E ARPU and subscriber base (mn)

FY27 consolidated EBITDA (INR Bn) sensitivity								Valuation per share (INR/share) sensitivity									
		Subscriber base (mn)									Subscriber base (mn)						
		340	350	360	370	380	390	400			340	350	360	370	380	390	400
ARPU (INR)	252	1,053	1,073	1,094	1,114	1,134	1,154	1,174	ARPU (INR)	252	1,650	1,681	1,711	1,741	1,772	1,802	1,833
	262	1,068	1,089	1,110	1,131	1,151	1,172	1,193		262	1,684	1,715	1,746	1,778	1,809	1,840	1,871
	272	1,083	1,105	1,126	1,147	1,169	1,190	1,211		272	1,718	1,750	1,782	1,814	1,846	1,878	1,910
	282	1,098	1,120	1,142	1,164	1,186	1,208	1,230		282	1,751	1,784	1,817	1,850	1,883	1,915	1,948
	292	1,113	1,136	1,158	1,181	1,203	1,226	1,248		292	1,785	1,819	1,852	1,886	1,919	1,953	1,987
	302	1,128	1,151	1,175	1,198	1,221	1,244	1,267		302	1,819	1,853	1,887	1,922	1,956	1,991	2,025
	312	1,143	1,167	1,191	1,215	1,238	1,262	1,286		312	1,852	1,887	1,923	1,958	1,993	2,029	2,064

Source: JM Financial

Bharti Hexacom: Key assumptions and Valuation

Exhibit 25. BHL – Key operational assumptions

Particulars	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY24-26 CAGR (%)	FY24-30 CAGR (%)
Wireless												
Average ARPU (INR)	135	145	170	195	230	252	279	307	335	366	13.9%	11.1%
YoY Growth (%)	13.4%	7.4%	17.2%	14.4%	18.0%	10.0%	10.5%	10.0%	9.2%	9.2%		
EoP subscribers (mn)	25	25	26	27	28	29	30	30	31	32	2.9%	2.4%
YoY Growth (%)	-5.8%	-0.8%	4.3%	5.9%	2.9%	2.8%	2.5%	2.3%	2.1%	1.9%		
EoP 4G/5G subscribers (mn)	13	15	17	19	21	23	24	25	26	27	7.8%	5.5%
4G/5G subs as % of total subs	53%	61%	66%	71%	75%	78%	80%	82%	84%	85%		
Data usage per sub (GB)	16.8	20.0	21.8	23.5	23.9	24.4	24.9	25.4	25.9	26.4	2.0%	2.0%
Home Broadband & Wireline												
EoP subscribers (mn)	0.07	0.13	0.22	0.31	0.38	0.45	0.51	0.58	0.64	0.70	20.8%	14.8%
YoY Growth (%)	84.2%	87.1%	67.2%	39.3%	23.0%	18.7%	15.1%	12.6%	10.7%	9.3%		
Average ARPU (INR)	774	683	598	539	534	542	553	564	575	587	0.2%	1.4%
YoY Growth (%)		-11.8%	-12.4%	-9.8%	-1.0%	1.5%	2.0%	2.0%	2.0%	2.0%		
Revenues (INR mn)												
Wireless	45,300	52,976	64,247	68,829	83,382	93,645	105,477	118,059	130,996	145,109	16.6%	13.2%
Home Broadband & Wireline	723	1,076	1,543	2,059	2,179	2,667	3,175	3,684	4,194	4,705	13.8%	14.8%
Total	46,023	54,052	65,790	70,888	85,561	96,311	108,652	121,743	135,190	149,814	16.6%	13.3%
Revenue proportion (%)												
Wireless	98.4%	98.0%	97.7%	97.1%	97.5%	97.2%	97.1%	97.0%	96.9%	96.9%		
Home Broadband & Wireline	1.6%	2.0%	2.3%	2.9%	2.5%	2.8%	2.9%	3.0%	3.1%	3.1%		
Revenue growth (%)												
Wireless	18.5%	16.9%	21.3%	7.1%	21.1%	12.3%	12.6%	11.9%	11.0%	10.8%		
Home Broadband & Wireline	40.1%	48.8%	43.4%	33.4%	5.8%	22.4%	19.1%	16.0%	13.8%	12.2%		
Overall	18.8%	17.4%	21.7%	7.7%	20.7%	12.6%	12.8%	12.0%	11.0%	10.8%		
EBITDA												
EBITDA (INR mn)	11,373	18,985	28,884	34,905	44,023	50,638	58,465	67,066	76,261	86,526	20.4%	16.3%
EBITDA YoY Growth (%)	114.7%	66.9%	52.1%	20.8%	26.1%	15.0%	15.5%	14.7%	13.7%	13.5%		
EBITDA Margin (%)	24.7%	35.1%	43.9%	49.2%	51.5%	52.6%	53.8%	55.1%	56.4%	57.8%		
Capex (INR mn)												
Wireless	15,471	8,320	14,563	18,970	18,344	18,729	20,884	23,142	25,421	27,878		
Home Broadband & Wireline	296	425	599	1,265	763	800	933	1,061	1,184	1,302		
Total	15,767	8,745	15,162	20,235	19,107	19,529	21,818	24,203	26,605	29,180		
Capex intensity (Capex/Revenue)												
Wireless	34.2%	15.7%	22.7%	27.6%	22.0%	20.0%	19.8%	19.6%	19.4%	19.2%		
Home Broadband & Wireline	40.9%	39.5%	38.8%	61.4%	35.0%	30.0%	29.4%	28.8%	28.2%	27.7%		
Overall	34.3%	16.2%	23.0%	28.5%	22.3%	20.3%	20.1%	19.9%	19.7%	19.5%		
Capex proportion (%)												
Wireless	98.1%	95.1%	96.0%	93.7%	96.0%	95.9%	95.7%	95.6%	95.5%	95.5%		
Home Broadband & Wireline	1.9%	4.9%	4.0%	6.3%	4.0%	4.1%	4.3%	4.4%	4.5%	4.5%		

Source: Company, JM Financial.

Exhibit 26. BHL – 1-year Target Price of INR 1,445/share

Particulars	
EV/EBITDA multiple (x)	13.0
FY27 EBITDA (INR mn)	58,465
Enterprise Value (INR mn)	760,048
Less: Net debt (INR mn)	37,774
Equity value (INR mn)	722,274
Number of shares outstanding (mn)	500
1-year TP (INR/share)	1,445

Source: Company, JM Financial

Exhibit 27. BHL – 3-year Target Price of INR 1,980/share, implying 12% IRR

Particulars	
EV/EBITDA multiple (x)	13.0
FY29 EBITDA (INR mn)	76,261
Enterprise Value (INR mn)	991,391
Less: Net debt (INR mn)	-1,176
Equity value (INR mn)	992,567
Number of shares outstanding (mn)	500
3-year TP (INR/share)	1,980

Source: Company, JM Financial

Every increase/decrease in ARPU by INR 10 results in increase/decrease in BHL's FY27 EBITDA by ~3.4% and (1-year SOTP) valuation by INR 54/share. Similarly, every increase/decrease in subscribers by 1mn results in increase/decrease in BHL's FY27 EBITDA by ~3.2% and (1-year SOTP) valuation by INR 50/share.

Exhibit 28. BHL - Sensitivity of FY27 consolidated EBITDA (INR 58.5bn in base case) & Valuation (INR 1,445/share in base case) to FY27E ARPU and subscriber base (mn)

FY27 consolidated EBITDA (INR Bn) sensitivity									Valuation per share (INR/share) sensitivity								
Subscriber base (mn)									Subscriber base (mn)								
		26.7	27.7	28.7	29.7	30.7	31.7	32.7			26.7	27.7	28.7	29.7	30.7	31.7	32.7
ARPU (INR)	249	47.5	49.2	50.8	52.5	54.1	55.8	57.4	ARPU (INR)	249	1,152	1,196	1,240	1,284	1,328	1,372	1,416
	259	49.3	51.0	52.7	54.5	56.2	57.9	59.6		259	1,200	1,246	1,292	1,337	1,383	1,429	1,475
	269	51.1	52.9	54.7	56.5	58.2	60.0	61.8		269	1,248	1,296	1,343	1,391	1,439	1,486	1,534
	279	52.9	54.8	56.6	58.5	60.3	62.2	64.0		279	1,296	1,346	1,395	1,445	1,494	1,544	1,593
	289	54.7	56.6	58.5	60.5	62.4	64.3	66.2		289	1,344	1,395	1,447	1,498	1,549	1,601	1,652
	299	56.5	58.5	60.5	62.5	64.5	66.4	68.4		299	1,392	1,445	1,499	1,552	1,605	1,658	1,711
	309	58.3	60.4	62.4	64.5	66.5	68.6	70.6		309	1,440	1,495	1,550	1,605	1,660	1,715	1,770

Source: JM Financial

Jio: Key assumptions and Valuation

Exhibit 29. Jio – Key operational assumptions

Particulars, INR bn unless mentioned	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
EoP Subscribers (mn)	388	426	410	439	482	499	510	518	526	537	546
- Wireless	387	424	405	431	471	484	490	494	497	503	507
- FTTH	1	3	5	8	11	15	19	24	29	34	39
AMDU (GB/month)	11.5	12.5	18.2	22.2	26.9	29.6	31.3	32.6	33.9	34.6	35.3
Average realization (INR/GB)	11.3	11.4	8.4	8.0	6.7	6.8	7.1	7.6	8.2	8.6	9.1
ARPU (INR/month)	130	143	153	178	181	201	222	248	279	298	320
Key financials											
Revenue	544	704	772	911	1,006	1,189	1,484	1,750	2,062	2,278	2,515
YoY growth (%)	38%	29%	10%	18%	10%	18%	25%	18%	18%	10%	10%
EBITDA	217	315	379	470	529	632	794	948	1,127	1,251	1,388
YoY growth (%)	43%	45%	20%	24%	12%	20%	26%	19%	19%	11%	11%
EBITDA margin (%)	40%	45%	49%	52%	53%	53%	54%	54%	55%	55%	55%
Incremental EBITDA margin (%)	44%	61%	95%	66%	62%	56%	60%	58%	58%	59%	59%
Capex	215	261	729	547	448	303	297	345	402	434	474
FCF *	-84	-26	-444	-179	-29	197	329	412	497	564	631
Net Debt (including spectrum) **	450	36	961	1,962	2,099	1,897	1,565	1,148	645	77	(558)

Source: Company, JM Financial. * FCF is defined as EBITDA – Interest – Tax – Capex ** Net debt also includes other financial liabilities

Exhibit 30. Jio - DCF summary

Particulars, INR bn unless mentioned	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
EBIT X (1-tax rate)	398	502	626	708	798	892	992	1,097	1,210	1,333
Depreciation & Amortization	260	274	287	301	317	337	359	384	411	441
Changes in net working capital	3	5	6	3	3	4	4	4	4	4
Capex	-297	-345	-402	-434	-474	-517	-562	-609	-660	-714
Free cash flow to the firm [FCFF]	363	437	517	578	644	715	792	875	966	1,064
FCFF growth (%)		20%	18%	12%	11%	11%	11%	10%	10%	10%
WACC (%)	11.0%									
PV of cash flows (FY26E-35E)	3,918									
PV of terminal value	5,866									
Terminal value as % of Enterprise Value	60%									
Total Enterprise Value (INR bn)	9,784									
RIL number of shares (mn)	6,766									
Enterprise Value for RIL (INR/share)	970									

Source: Company, JM Financial.

Every increase/decrease in ARPU by INR 10 results in increase/decrease in Jio's FY27 EBITDA by ~1.7% and valuation by INR 14/share. Similarly, every increase/decrease in subscribers by 10mn results in increase/decrease in Jio's FY27 EBITDA by ~3.6% and valuation by INR 21/share.

Exhibit 31. Jio - Sensitivity of FY27 EBITDA (INR 948bn in base case) & Valuation (INR 970/share in base case) to FY27E ARPU and subscriber base (mn)

FY27 EBITDA (INR Bn) sensitivity									Valuation per share (INR/share) sensitivity								
		Subscriber base (mn)									Subscriber base (mn)						
		488	498	508	518	528	538	548			488	498	508	518	528	538	548
ARPU (INR)	233	802	834	867	899	931	963	996	ARPU (INR)	233	870	890	909	929	948	968	987
	243	817	850	883	915	948	981	1,014		243	883	903	922	942	962	982	1,002
	253	831	865	898	932	965	999	1,033		253	895	916	936	956	976	996	1,017
	263	846	880	914	948	983	1,017	1,051		263	908	929	949	970	990	1,011	1,031
	273	860	895	930	965	1,000	1,035	1,070		273	921	941	962	983	1,004	1,025	1,046
	283	875	910	946	981	1,017	1,052	1,088		283	933	954	976	997	1,018	1,040	1,061
	293	889	926	962	998	1,034	1,070	1,107		293	946	967	989	1,011	1,032	1,054	1,076

Source: JM Financial

Vodafone Idea: Key assumptions and Valuation

We maintain **SELL** on **VIL** (with unchanged TP of INR 10/share). In our **bull case scenario**, **VIL's fair value could jump to ~INR 15/share** assuming: **a)** sharper tariff hikes driving ARPU to INR 300 by FY30 (vs. INR 265 in our base case); **b)** it's able to hold on to its current subs base of ~210mn driven by planned capex of +INR 500bn over FY25-FY27; **c)** extension of moratorium and/or partial equity conversion of Gol dues depending upon VIL's evolving liquidity position.

Exhibit 32. VIL – Key assumptions and estimates

Particulars (INR mn)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Key operational assumptions											
EoP Subscribers (mn)	291	268	244	226	213	205	203	201	199	197	195
Data subscribers (mn)	140	140	136	136	137	140	143	146	147	148	149
Data subs as % of total subs	48%	52%	56%	60%	65%	68%	70%	73%	74%	75%	76%
AMDU(GB/month)	10.7	11.2	12.7	13.6	14.4	14.8	15.3	15.7	16.2	16.5	16.9
ARPU (INR/month)	109	112	112	134	142	168	190	213	234	253	274
YoY Growth (%)		4%	-1%	20%	6%	18%	13%	12%	10%	8%	8%
Key financials											
Revenue	449,575	419,522	385,155	421,772	426,517	471,600	518,075	568,734	615,732	656,520	700,134
EBITDA	148,462	169,476	160,361	168,170	171,260	201,364	235,043	271,029	302,999	334,795	369,231
YoY Growth (%)		14%	-5%	5%	2%	18%	17%	15%	12%	10%	10%
EBITDA margin	33.0%	40.4%	41.6%	39.9%	40.2%	42.7%	45.4%	47.7%	49.2%	51.0%	52.7%
Pre-IND AS EBITDA	57,356	74,500	65,800	83,000	84,000	114,104	147,783	183,769	215,739	247,535	281,971
Net interest cost	142,864	178,239	208,514	230,430	256,523	248,706	216,856	226,474	96,808	94,573	87,948
Capex	101,300	61,434	45,000	33,600	18,500	84,888	77,711	45,214	48,951	52,193	55,661
pre-IND AS FCF*	-160,970	-138,915	-161,008	-156,143	-161,855	-190,790	-119,597	-60,733	97,167	127,956	165,550

Source: Company, JM Financial. *FCF defined as EBITDA-interest-capex

Exhibit 33. VIL - Base Case DCF implies FV of INR 10/share

Particulars, INR bn unless mentioned	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Assumptions									
EoP Subscribers (mn)	201	199	197	195	193	191	189	187	186
Net Subs Adds (mn)	-2.1	-2.0	-2.0	-2.0	-2.0	-2.0	-1.9	-1.9	-1.8
ARPU (INR/month)	213	234	253	274	296	320	346	375	405
ARPU Growth (%)	12%	10%	8%	8%	8%	8%	8%	8%	8%
DCF									
EBIT X (1-tax rate)	-11,378	35,706	75,577	119,428	164,819	212,261	262,252	315,282	371,961
Depreciation & Amortization	138,655	123,684	115,725	106,401	98,693	92,369	87,235	83,127	79,908
Changes in net working capital	4,167	4,602	1,886	1,789	1,504	1,171	786	341	-131
Capex	-45,214	-48,951	-52,193	-55,661	-59,368	-63,333	-67,574	-72,109	-76,978
Free cash flow to the firm [FCFF]	86,229	115,042	140,994	171,958	205,648	242,469	282,698	326,641	374,760
FCFF growth (%)		33%	23%	22%	20%	18%	17%	16%	15%
WACC	12%								
PV of cash flows (FY26E-35E)	1,004								
PV of terminal value	1,937								
Terminal value as % of Enterprise Value	66%								
Total Enterprise Value	2,941								
Less: Net debt/(cash)	2,248								
Total Equity value	693								
VIL number of shares (mn)	69,540								
Equity Value for VIL (INR/share)	10								

Source: Company, JM Financial.

Exhibit 34. VIL – Bull Case DCF implies upside with FV of INR 15/share

Particulars, INR bn unless mentioned	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Assumptions									
EoP Subscribers (mn)	213	213	213	213	213	213	213	213	213
Net Subs Adds (mn)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ARPU (INR/month)	226	254	275	298	322	348	377	408	441
ARPU Growth (%)	12%	12%	8%	8%	8%	8%	8%	8%	8%
DCF									
EBIT X (1-tax rate)	-12,340	32,314	79,009	131,294	186,150	244,311	306,507	373,486	446,018
Depreciation & Amortization	157,380	154,771	146,764	136,970	129,147	123,030	118,401	115,073	112,895
Changes in net working capital	6,876	10,229	3,970	3,952	3,712	3,406	3,024	2,556	1,990
Capex	-186,374	-79,595	-85,713	-92,334	-99,497	-107,248	-115,635	-124,710	-134,529
Free cash flow to the firm [FCFF]	-34,458	117,719	144,030	179,882	219,512	263,499	312,297	366,406	426,374
FCFF growth (%)		-442%	22%	25%	22%	20%	19%	17%	16%
WACC	12%								
PV of cash flows (FY26E-35E)	965								
PV of terminal value	2,400								
Terminal value as % of Enterprise Value	71%								
Total Enterprise Value	3,365								
Less: Net debt/(cash)	2,329								
Total Equity value	1,036								
VIL number of shares (mn)	69,540								
Equity Value for VIL (INR/share)	15								

Source: Company, JM Financial.

Every increase/decrease in ARPU by INR 10 results in increase/decrease in VIL's consolidated FY27 EBITDA by ~2.9% and (Base Case) valuation by INR 1.5/share. Similarly, every increase/decrease in subscribers by 5mn results in increase/decrease in VIL's consolidated FY27 EBITDA by ~1.5% and (Base Case) valuation by INR 1.4/share.

Exhibit 35. VIL - Sensitivity of FY27 consolidated reported EBITDA (INR 271bn in base case) & Valuation (INR 10/share in base case) to FY27E ARPU and subscriber base (mn)

FY27 consolidated EBITDA (INR Bn) sensitivity								Valuation per share (INR/share) sensitivity									
		Subscriber base (mn)									Subscriber base (mn)						
		186	191	196	201	206	211	216			186	191	196	201	206	211	216
ARPU (INR)	183	236	240	244	247	251	254	258	ARPU (INR)	183	1.5	2.8	4.1	5.4	6.7	7.9	9.2
	193	244	248	251	255	259	263	266		193	2.9	4.3	5.6	6.9	8.2	9.5	10.9
	203	251	255	259	263	267	271	275		203	4.3	5.7	7.1	8.4	9.8	11.2	12.5
	213	258	263	267	271	275	279	284		213	5.8	7.2	8.6	10.0	11.4	12.8	14.2
	223	266	270	275	279	283	288	292		223	7.2	8.6	10.0	11.5	12.9	14.4	15.8
	233	273	278	282	287	292	296	301		233	8.6	10.1	11.5	13.0	14.5	16.0	17.5
	243	281	285	290	295	300	304	309		243	10.0	11.5	13.0	14.5	16.1	17.6	19.1

Source: JM Financial

VIL needs ARPU to jump to INR 370 by FY27 to meet Gol dues; else can face significant equity dilution risk

VIL's recently concluded ~INR 240bn equity fund-raise has ensured its medium-term sustainability. However, for it to turn around into a sustainable telco, we believe it might need: **a)** multiple significant tariff hikes that can boost ARPU to INR 370 by FY27 (vs. ARPU of INR 146 in 1QFY25) so as to meet the annual INR 430bn payment obligation to Gol over FY27-31 (and ~INR 291bn payment in FY26); **b)** partial relief from Gol dues (either via conversion to equity or further extension of moratorium, with debt waiver being ruled out as per new Telecommunications Act 2023); and **c)** ability to internally fund sharp sustainable jump in capex to INR 100bn-150bn p.a. in the long term or 15-20% of revenue (in line with 16-20% of revenue assumed for Bharti and Jio).

The management of Vodafone Idea Ltd (VIL) had shared that in lieu of the Gol dues of INR 2,095bn at end-1QFY25 (comprising deferred spectrum payment obligations of INR 1,392bn and AGR (adjusted gross revenue) liability of INR 703bn), it will be required to make a payment to Gol of ~INR 291bn during FY26 and ~430bn per year during FY27-FY31.

Our calculation suggests **VIL needs ARPU to jump sharply to ~INR 370 in FY27 (vs. ARPU of INR 146 in 1QFY25)** to meet this annual payment obligation of ~INR 430bn – assuming 70% incremental EBITDA margin and 210mn subs base in 1QFY25.

Exhibit 36. VIL needs an ARPU of ~INR 370 in FY27 to meet payment obligations (vs. ARPU of INR 146 in 1QFY25)

INR bn, unless specified	FY27
Repayment to govt from FY27 onw ards	430
Capex	46
Total Cash Outflow	476
1QFY25 annualised pre-Ind AS EBITDA	84
Shortfall in cash to be bridged via higher ARPU	392
Incremental EBITDA margin (assumed)	70%
Required revenues	560
Subscriber base at end 1QFY25 (mn)	210
1QFY25 ARPU (INR)	146
Hike in ARPU required (INR)	222
Hike in ARPU required (%)	152%
Required ARPU (INR)	368

Source: Company, JM Financial.

If VIL's ARPU doesn't jump to INR 370 by FY27 (as discussed above), then it might face a **shortfall of ~INR 400bn in FY27 towards payment of Gol dues – Exhibit 37**. Assuming Gol converts this shortfall into equity at say ~INR15/share in FY27 (at our bull case valuation); **minority shareholders' stake will get diluted to ~28.7% from current ~39.7% – Exhibit 38**.

Exhibit 37. VIL likely to face cash shortfall of ~INR 400bn in FY27 in regards to payment of Gol dues, unless ARPU jumps sharply to ~INR 360 by FY27

Particulars (INR bn)	FY25E	FY26E	FY27E	Cumulative FY25E-FY27E	Assumptions/Comments
Cash EBITDA	116	160	202	478	
Equity Fundraise	201			201	This includes recently concluded FPO of INR 180bn and preferential issue of INR 20.75bn
Debt Fund Raise	250	100		350	Assumed INR 250bn debt fund raise and additional non-fund based facilities of INR 100bn as guided by company
Total Cash Inflows (A)	567	260	202	1,028	
Capex	143	195	186	525	
Repayment of external dues	18	12	12	42	INR 42bn bank debt at end FY24; of which INR 18bn is payable in FY25
Repayment of vendor past dues	30	30	30	90	Assumed INR30bn p.a. payment to clear o/s payables of INR 137bn at end FY24
Total Cash outflows before paying Govt dues (B)	192	237	228	658	
Net Cash Flows (before paying Govt dues) for the period (A-B)	375	23	-27	371	
Cash available for repayment of Gol dues at EoP	375	381	46		Opening cash Balance (after paying for last year Gol dues) + Net Cash Flows during the period.
Total Gol dues to be paid	17	308	447	771	Post end of moratorium, VIL need to pay gov't INR 291bn in FY26 and INR430 bn p.a. during FY27-31. In addition has to pay INR 17bn p.a. for 5G spectrum
Cash shortfall for meeting balance Gol dues (likely to be met via equity conversion)	0	0	401	401	Based on above assumptions, VIL is expected to face cash shortfall of INR 401bn in FY27. Hence, it will require Gol to partly convert its dues into equity.

Source: Company, JM Financial.

Exhibit 38. VIL – Minority shareholders to get diluted to ~28.7% from current ~39.7% if ~INR 400bn shortfall, towards payment of Gol dues, is converted into equity at ~INR 15/share

	Current		Post Equity Conversion of dues by Govt. during FY27 * (Assuming Gol allowing dues of INR 401bn to be converted)	
	No. of shares held (mn)	Shareholding in VIL (%)	No. of shares held (mn)	Shareholding in VIL (%)
Promoters	25,910	37.17	25,910	26.87
Vodafone Group	15,721	22.56	15,721	16.30
Aditya Birla Group	10,190	14.62	10,190	10.57
Non- Promoters	43,789	62.83	70,523	73.13
Govt. of India	16,133	23.15	42,867	44.45
Non-Govt. Minority	27,656	39.68	27,656	28.68
Total	69,700	100.0	96,433	100.0

Source: Company, JM Financial. * Assumed new shares will be issued at INR 20/share (Bull Case FV) to Gol on account of ~INR400bn shortfall towards payment of Gol dues

Indus Tower: Key assumptions and Valuation

Our DCF-based TP of INR 350 is based on 50% probability of VIL turning into a sustainable telco (in which case TP comes to INR 475/share) and 50% probability of a duopoly market (in which case TP will decline to INR 225/share). We **maintain HOLD on Indus Tower** due to risk to long-term survivability of VIL.

Exhibit 39. Indus Towers – Fair value comes to INR 475/share if VIL turns into a sustainable telco...

Particulars, INR bn unless mentioned	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Vodafone co-location (#)	150,347	150,347	150,347	150,347	150,347	150,347	150,347	150,347	150,347	150,347
Bharti/Other co-location (#)	261,165	271,267	280,252	289,421	298,778	308,328	318,074	328,021	338,172	348,532
Total	411,511	421,614	430,599	439,768	449,125	458,675	468,421	478,368	488,519	498,879
Rental per tenant per month (INR/month)	41,943	42,824	43,723	44,641	45,579	46,536	47,513	48,511	49,529	50,570
Single tenancy rental hike (not applicable) (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
New rentals (INR/month)	41,943	42,824	43,723	44,641	45,579	46,536	47,513	48,511	49,529	50,570
Pass through revenue per month (INR/month)	25,846	26,244	26,648	27,048	27,453	27,865	28,283	28,707	29,138	29,575
Total revenues (INR mn)	327,641	345,250	359,825	374,372	389,505	405,246	421,621	438,655	456,374	474,807
EBITDA margin (%)	60%	53%	53%	53%	54%	54%	54%	54%	54%	54%
EBITDA (INR bn)	194,947	183,673	191,787	199,915	208,385	217,415	226,832	236,654	246,898	257,583
DCF										
EBIT X (1-tax rate)	64,004	50,022	53,243	56,553	59,407	62,569	65,908	69,432	73,151	77,073
Depreciation & Amortization	80,841	86,717	89,255	91,691	95,028	98,458	101,986	105,613	109,343	113,177
Changes in net working capital	-2,340	5,701	-1,768	-1,770	-1,843	-1,952	-2,035	-2,121	-2,210	-2,304
Capex	-49,866	-32,131	-30,837	-42,235	-43,426	-44,652	-45,912	-47,209	-48,544	-49,917
Free cash flow to the firm [FCFF]	92,639	110,309	109,893	104,239	109,165	114,424	119,947	125,715	131,739	138,030
FCFF growth (%)		19%	0%	-5%	5%	5%	5%	5%	5%	5%
WACC		12.0%								
PV of cash flows (FY26-35E)		670,162								
PV of terminal value		486,343								
Terminal value as % of Enterprise Value		42%								
Total Enterprise Value		1,156,505								
Less: Net debt/(cash)		-120,761								
Total Equity value		1,277,266								
Indus Towers number of shares (mn)		2,695								
Equity Value for Indus Towers (INR/share)		475								

Source: JM Financial.

Exhibit 40. ...however, fair value drops sharply to INR 225/share in a duopoly market

Particulars, INR bn unless mentioned	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Vodafone co-location (#)										
Bharti/Other co-location (#)	261,165	271,267	280,252	289,421	298,778	308,328	318,074	328,021	338,172	348,532
Total	261,165	271,267	280,252	289,421	298,778	308,328	318,074	328,021	338,172	348,532
Rental per tenant per month (INR/month)	41,943	42,824	43,723	44,641	45,579	46,536	47,513	48,511	49,529	50,570
Assumed Escalation due to single tenancy (%)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
New rentals (INR/month)	46,137	47,106	48,095	49,105	50,136	51,189	52,264	53,362	54,482	55,627
Pass through revenue per month (INR/month)	25,846	26,244	26,648	27,048	27,453	27,865	28,283	28,707	29,138	29,575
Total revenues (INR mn)	225,592	234,322	247,333	260,293	273,829	287,966	302,730	318,147	334,243	351,049
EBITDA margin (%)	35%	36%	36%	36%	36%	36%	37%	37%	37%	37%
EBITDA (INR bn)	79,860	83,419	88,545	93,705	99,126	104,820	110,799	117,078	123,670	130,590
Tax (% of EBITDA)	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
EBITDA*(1-tax)	68,679	71,740	76,149	80,587	85,249	90,145	95,287	100,687	106,356	112,308
Capex to sales	15.2%	9.3%	8.6%	11.3%	11.1%	11.0%	10.9%	10.8%	10.6%	10.5%
Capex	34,334	21,807	21,196	29,365	30,529	31,729	32,966	34,240	35,553	36,906
Working capital to sales assumed(%)	4%	4%	3%	3%	3%	3%	3%	3%	3%	3%
Working capital investment	7,896	8,201	6,183	6,507	6,846	7,199	7,568	7,954	8,356	8,776
FCFF	26,449	41,732	48,769	44,714	47,873	51,217	54,753	58,494	62,447	66,625
WACC		12.0%								
PV of cash flows (FY26-35E)		266,105								
PV of terminal value		221,869								
Terminal value as % of Enterprise Value		45%								
Total Enterprise Value		487,974								
Less: Net debt/(cash)		-120,761								
Total Equity value		608,736								
Indus Towers number of shares (mn)		2,695								
Equity Value for Indus Towers (INR/share)		225								

Source: JM Financial.

Telcos valuation comparison

Exhibit 41. Bharti Airtel – one-year forward EV/EBITDA



Source: JM Financial, Bloomberg

Exhibit 42. Global telecom valuation snapshot

Company	EV/EBITDA (x)			P/E (x)			P/B (x)			EBITDA Margins (%)			ROE (%)		
	CY23/FY24	CY24/FY25	CY25/FY26	CY23/FY24	CY24/FY25	CY25/FY26	CY23/FY24	CY24/FY25	CY25/FY26	CY23/FY24	CY24/FY25	CY25/FY26	CY23/FY24	CY24/FY25	CY25/FY26
Bharti Airtel	13.7	11.7	10.5	50.6	33.6	25.8	9.4	7.7	6.5	53.4	54.7	55.2	21.0	25.0	27.8
Bharti Hexacom	18.4	14.6	12.2	46.5	36.0	25.5	12.7	10.1	7.9	50.1	53.3	55.6	25.3	31.6	34.8
Jio (JMFc)	18.5	15.5	12.3	40.2	31.4	22.4	3.5	3.1	2.7	52.6	53.2	53.5	9.0	10.5	13.0
Vodafone Idea	15.1	12.3	10.2	NM	NM	NM	NM	NM	NM	42.8	45.5	48.1	NM	NM	NM
Indian telcos average	16.4	13.5	11.3	45.7	33.7	24.6	8.5	7.0	5.7	49.7	51.7	53.1	18.4	22.3	25.2
AT&T	6.8	6.6	6.5	10.1	9.8	9.5	1.4	1.3	1.2	36.5	36.8	37.0	13.8	13.3	13.1
T-Mobile	10.1	9.6	8.9	22.6	19.1	16.1	3.9	3.9	3.9	39.1	39.8	40.9	17.3	21.0	25.5
Verizon	6.8	6.8	6.6	10.1	9.6	9.3	1.4	1.8	1.6	36.2	36.2	36.5	13.8	18.4	17.6
US telcos average	7.9	7.7	7.4	14.3	12.8	11.6	2.2	2.3	2.2	37.3	37.6	38.1	15.0	17.6	18.7
Deutsche Telekom	7.0	6.4	6.2	14.4	13.1	11.6	2.3	2.2	2.1	37.4	39.6	40.1	15.4	16.5	17.2
Orange	5.3	5.0	4.9	9.7	8.8	8.0	0.8	0.8	0.8	29.9	31.1	31.5	8.4	9.0	9.5
Telefonica	5.6	5.5	5.5	13.5	12.8	12.0	1.2	1.2	1.1	32.2	32.2	32.0	8.4	8.1	8.3
Telenor	7.8	7.7	7.5	12.8	16.3	14.5	2.9	3.0	3.0	43.8	44.0	44.5	23.3	18.1	20.7
Vodafone Plc	6.3	6.0	5.9	10.0	8.5	7.2	0.4	0.3	0.3	29.7	30.1	30.2	3.3	3.8	4.1
BT Group	4.3	4.3	4.2	7.5	7.6	7.5	0.9	1.1	1.0	39.0	39.4	39.9	12.5	12.4	12.4
Europe telcos average	6.0	5.8	5.7	11.3	11.2	10.2	1.4	1.4	1.4	35.4	36.1	36.4	11.9	11.3	12.0
China Mobile	6.9	3.6	3.4	9.8	10.0	9.5	1.9	1.0	1.0	32.9	32.6	32.6	19.5	11.1	11.1
China Telecom	3.8	3.7	3.6	11.6	10.7	9.9	0.8	0.8	0.8	26.7	26.6	26.4	7.3	7.7	8.1
China Unicom	1.5	1.5	1.5	9.4	8.7	8.0	0.5	0.5	0.5	26.3	25.9	25.7	5.8	6.1	6.4
China telcos average	4.1	2.9	2.8	10.3	9.8	9.1	1.1	0.8	0.8	28.6	28.4	28.2	10.9	8.3	8.6
KT Corp	1.5	3.1	3.0	9.4	7.4	7.1	0.5	0.5	0.5	21.1	21.1	21.3	5.8	7.4	7.5
LG Uplus	3.2	2.7	2.7	8.2	6.9	6.5	0.6	0.5	0.4	24.9	24.8	24.7	7.1	6.9	7.0
SK Telecom	3.9	3.8	3.8	10.0	9.7	9.2	1.0	1.0	0.9	30.9	30.5	30.1	10.2	10.1	10.3
Korea telcos average	2.9	3.2	3.2	9.2	8.0	7.6	0.7	0.7	0.6	25.6	25.5	25.4	7.7	8.1	8.3
Axiata	5.8	5.5	5.3	30.8	22.7	18.8	1.0	1.0	1.0	45.2	45.5	46.2	3.2	4.2	4.9
Maxis	9.5	9.3	9.2	21.6	20.2	19.2	5.2	4.9	4.8	39.7	39.4	39.3	24.0	25.0	26.5
Malaysia telcos average	7.6	7.4	7.2	26.2	21.5	19.0	3.1	3.0	2.9	42.4	42.5	42.7	13.6	14.6	15.7
Advanced Info	9.4	9.0	8.8	24.2	21.7	20.2	8.3	7.9	7.6	50.7	51.3	51.8	35.5	37.0	38.2
Chungwa Telecom	11.4	11.1	11.0	25.8	24.9	24.3	2.5	2.5	2.5	38.6	38.9	38.3	9.9	10.1	10.2
Converge ICT	5.8	5.2	4.9	11.6	10.3	9.4	2.2	1.8	1.5	59.9	59.9	59.8	20.2	18.7	17.0
Globe Telecom	8.0	7.6	7.3	15.9	14.8	13.2	2.0	2.0	1.9	46.9	47.1	47.1	15.1	14.9	15.7
Indosat	5.1	4.7	4.4	15.6	12.7	10.8	2.5	2.2	2.0	48.3	49.1	49.5	15.6	17.3	18.4
MTN Group	4.3	3.8	3.3	13.7	10.1	7.6	1.3	1.2	1.1	36.5	37.1	39.5	NM	NM	NM
Singtel	15.9	15.0	14.5	20.3	17.6	15.6	2.1	2.1	2.1	26.4	27.1	27.5	10.6	11.7	13.0
Taiwan Mobile	12.4	11.9	11.6	27.6	25.4	22.5	4.1	4.1	4.0	20.4	19.7	18.7	15.5	17.5	18.8
Telecom Indonesia	4.5	4.3	4.1	11.6	10.8	10.1	2.0	1.9	1.8	51.3	51.9	52.2	17.5	18.0	17.5
XL Axiata	4.2	4.0	3.8	15.7	13.3	11.8	1.1	1.0	1.0	50.5	50.6	50.2	7.0	7.6	8.0
Other regional telcos average	8.1	7.7	7.4	18.2	16.2	14.6	2.8	2.7	2.5	43.0	43.3	43.5	16.3	17.0	17.4
Global telcos average	7.9	7.3	6.8	18.4	15.8	13.6	2.7	2.5	2.3	38.7	39.2	39.5	13.9	14.5	15.4

Source: JM Financial, Bloomberg

APPENDIX I

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Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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