

DEEP-DIVE



- ARPU on a structural uptrend to justify huge capex
- Bharti's premiumisation strategy to drive 9% ARPU (and 13% EBITDA) CAGR via tariff hikes, MBB upgrades, post-paid additions and data monetisation
- Bharti's 3-year TP of INR 1,625 implies potential IRR of 18%; aided by reduction in net debt

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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,125
Upside/(Downside)	12.4%
Previous Price Target	1,125
Change	0.0%

Key Data – BHARTI IN

Current Market Price	INR1,001
Market cap (bn)	INR5,865.5/US\$70.3
Free Float	41%
Shares in issue (mn)	5,670.9
Diluted share (mn)	5,670.9
3-mon avg daily val (mn)	INR4,983.8/US\$59.8
52-week range	1,046/736
Sensex/Nifty	69,929/20,997
INR/US\$	83.4

Price Performance

%	1M	6M	12M
Absolute	7.0	20.1	19.9
Relative*	-0.7	7.5	6.6

* To the BSE Sensex

JM Financial Research is also available on: Bloomberg - JMFR <GO>, Thomson Publisher & Reuters, S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Bharti Airtel | BUY

Biggest beneficiary of structural ARPU growth story

We continue to believe India wireless ARPU is on a structural uptrend given the consolidated industry structure and future investment needs; the industry requires an ARPU of INR 270-300 in the next 3-5 years for a pre-tax RoCE of 12-15%. Further, near-term delay in tariff hike is likely to only strengthen Bharti/Jio's pricing power and market share as it could expedite the transition to a duopoly market. We expect Bharti's premiumisation strategy to drive 9% ARPU CAGR (to ~INR 300 in FY28): a) 3-4% due to MBB upgrade, post-paid additions and data monetisation; and b) 5-6% due to a regular tariff hike; this is likely to drive 13% EBITDA CAGR over FY23-28. We reiterate the high conviction we have on our BUY rating (unchanged 1-year TP of INR 1,125) as India wireless business tariff hikes are likely to be more frequent, going forward, given the consolidated industry structure and higher ARPU requirement for Jio also to justify significant 5G capex. Further, given the attractive long growth runway, we see Bharti delivering a 3-year IRR of 18% based on our 3-year TP of INR 1,625 (Exhibit 33), implying 7.7x FY28 EV/EBITDA and 18x FY28 PE. ARPU growth aided by likely moderation in capex will drive Bharti's FCF from FY25, enabling it to get to net cash by FY29 (vs. net debt of INR 2,070bn at end-2QFY24); this will also aid in accretion in equity value.

- **ARPU on a structural uptrend as industry needs ARPU to rise to INR 270-300 (at 9-10% CAGR) in the next 3-5 years to meet future capex needs:** With the consolidation of India's telecom industry largely complete, we expect the wireless industry's revenue to grow further, at 10-11% CAGR, to +INR 3,150bn by FY26E and +INR 4,450bn by FY30E vs. ~INR 2,250bn in FY23, having recovered from a low of ~INR 1,200bn in FY19 (Exhibit 3) due to structural uptrend in industry ARPU driven by future investment needs. Our calculation suggests (Exhibit 4) that in the next 3-5 years the industry needs to reach an ARPU of ~INR 270 to cover the cost of capital (12%) and ~INR 300 for a healthy pre-tax RoCE (of 15%) considering future investments including for 5G.
- **Structural ARPU growth via tariff hikes, MBB upgrade, post-paid additions and data monetisation:** ARPU in India is still one of the lowest at ~USD 2.2/month vs. the global average of USD 8-10/month (USD 6.9/month in China); India's ARPU to GDP per capita is low at ~1.0% in FY23 vs. +1.5% before FY15 — Exhibit 5-8. However, despite the lowest ARPU, India's AMDU (average monthly data usage per data subscriber) is the highest globally, and is still rising despite tariff hikes — it has risen from 11GB/month in 2QFY20 (before start of tariff hikes) to ~23.2GB/month in 2QFY24 (Exhibit 9). AMDU growth trajectory is likely to continue over the next 3-5 years with gradual pick-up in 5G penetration. Further, there is significant scope for industry's MBB (Mobile Broadband) penetration to further rise to 85-90% in the next 3-5 years, after having risen to ~73% in Aug'23 vs. ~47% in Mar'19 (before start of tariff hikes) and vs. 22% in Mar'17; MBB penetration is ~85-100% in China, Brazil and in developed countries (Exhibit 10-11). Jio and Bharti aim to upgrade a majority of the 250mn remaining feature phone users in the next 3-5 years. We don't see consumer affordability being a constraint to tariff hikes as smartphone connectivity is increasingly becoming a necessity due to rising dependency on it for

Financial Summary

Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	(INR mn)
Net Sales	1,170,812	1,400,814	1,543,336	1,733,032	1,951,712	
Sales Growth (%)	13.9	19.6	10.2	12.3	12.6	
EBITDA	580,682	722,101	821,725	903,656	1,028,935	
EBITDA Margin (%)	49.6	51.5	53.2	52.1	52.7	
Adjusted Net Profit	35,989	85,418	133,331	189,550	282,735	
Diluted EPS (INR)	6.4	15.1	23.5	33.4	49.9	
Diluted EPS Growth (%)	0.0	134.1	56.1	42.2	49.2	
ROIC (%)	6.0	9.2	9.9	11.3	14.5	
ROE (%)	5.7	11.9	16.1	19.5	23.7	
P/E (x)	155.6	66.5	42.6	29.9	20.1	
P/B (x)	8.4	7.3	6.4	5.4	4.3	
EV/EBITDA (x)	13.0	11.2	9.7	8.6	7.2	
Dividend Yield (%)	0.0	0.0	0.0	0.2	0.3	

Source: Company data, JM Financial. Note: Valuations as of 11/Dec/2023

entertainment, payments, identity, social needs, etc. Hence, despite strong tariff hikes in the last few years, MBB upgrades and data usage have continued to rise.

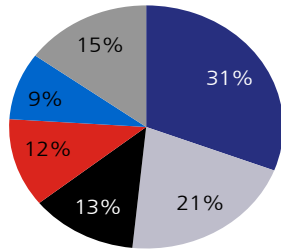
- **Bharti's premiumisation strategy to drive 9% ARPU CAGR (and 13% EBITDA CAGR); 3-4% due to MBB upgrades/post-paid addition/data monetisation and 5-6% due to tariff hikes** Bharti's industry leading wireless ARPU and relatively stronger ARPU growth is driven by the management's focus on quality customers and pushing premiumisation via: **a)** feature phone to smartphone upgrades (ARPU goes up by 55-80% due to this); **b)** pre-paid to post-paid upgrade via family post-paid plans and aggressive 5G rollout (ARPU rises by 70% due to this); **c)** data monetisation as customers opt for extra data or higher data limit plans; **d)** sharp rise in entry level pre-paid tariffs; and **e)** international roaming by simplifying plans. Bharti's post-paid subscriber (subs) base has risen from 5% to 6% in the last 1 year (but still below 20-40% in other emerging markets); the management is trying to boost it further by using 5G rollout as a pivot to attract VIL's (Vodafone idea Ltd) subs as it has not rolled out 5G. This has enabled Bharti to drive strong ARPU growth in the last few quarters, even in the absence of tariff hike-related opportunities. We expect Bharti's premiumisation focus to boost (at a CAGR of 9%) its ARPU to ~INR 300 in FY28 (vs. INR 203 in 2QFY24): **a)** 3-4% growth could continue to be driven due to MBB upgrades, post-paid additions and data monetisation; and **b)** while 5-6% growth is likely via regular tariff hikes. This is likely to drive EBITDA CAGR of 13% over FY23-28. (**Exhibit 12-20**)
- **Near-term delay in tariff hike to strengthen Bharti/Jio pricing power and market share:** Any near-term delay in tariff hike will be structurally positive for Bharti (and Jio) as it will: **a)** expedite the transition to a duopoly market (by further deterring VIL's fund-raise plan) and could, hence, **b)** significantly boost subs market share and pricing power for Bharti (and Jio) to help it get to its ARPU target of INR 300. Our calculation suggests **VIL needs ARPU to rise to ~INR 400 in FY27** to meet its payment obligations — **Exhibit 22**. Our analysis suggests **potential upside of INR 70/share to our base case TP of Bharti (of INR 1,125)** assuming 50% probability of a duopoly market — **Exhibit 23**.
- **Bharti's FCF to grow from FY25 due to capex normalisation (post 5G rollout) and structural growth in ARPU; likely to achieve net cash position by FY29:** Bharti and Jio's managements are guiding for moderation in capex from FY25 with accelerated pan-India rollout of 5G likely to be achieved by Mar'24 and Dec'23, respectively. Bharti's management capex guidance implies India business capex could decline to ~INR 200bn from FY25 (vs. INR 280bn in FY23 and similar guidance in FY24), though we continue to conservatively build in ~INR 270bn for FY25 (and INR 330bn for FY24). Hence, aided by structural ARPU growth, we expect Bharti's consolidated FCF to rise to INR 472bn in FY25 and INR 539bn in FY26 (from INR 308bn in FY24E) enabling it to accelerate reduction of its net debt. We expect Bharti to get to net cash position by FY29 vs. net debt of INR 2,070bn, including lease liability, at end-2QFY24 — **Exhibit 25**.
- **High conviction on our BUY rating on Bharti with 1-year TP of INR 1,125 and 3-year TP of INR 1,625 (implying 18% IRR):** We reiterate the high conviction we have on our BUY rating on Bharti (unchanged 1 year TP of INR 1,125; **Exhibit 32**) as India wireless business tariff hikes are likely to be more frequent, going forward. Further, given the attractive long growth runway, we see Bharti delivering a 3-year IRR of 18% based on our 3-year TP of INR 1,625 (**Exhibit 33**), implying 7.7x FY28 EV/EBITDA and 18x FY28 PE. Bharti is the biggest beneficiary of higher tariffs given the sticky and premium quality of its subs. As discussed above, ARPU growth aided by likely moderation in capex will drive Bharti's FCF from FY25, enabling it to get to net cash by FY29 (vs. net debt of INR 2,070bn at end-2QFY24); this will also aid in accretion in equity value. We believe Bharti's India wireless business should trade at a significant premium to global peers given the structural ARPU growth story.

ARPU on a structural uptrend as industry needs ARPU to rise to INR 270-300 in 3-5 years to meet future capex needs

With the consolidation of India's telecom industry largely complete, we expect the wireless industry's revenue to grow further, at 10-11% CAGR, to +INR 3,150bn by FY26E and +INR 4,450bn by FY30E vs. ~INR 2,250bn in FY23, having recovered from a low of ~INR 1,200bn in FY19 (Exhibit 3) due to continued structural uptrend in industry ARPU driven by the industry's future investment needs.

Exhibit 1. Revenue market share (on AGR) for the telecom industry was fragmented in FY12

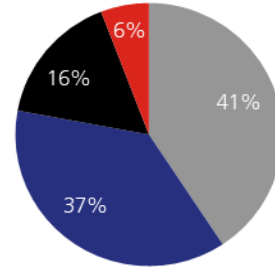
■ Bharti Airtel ■ Vodafone ■ Idea ■ BSNL ■ RCOM ■ Others



Source: TRAI, JM Financial. *Others include Aircel, TTSL, Telenor, MTS and MTNL.

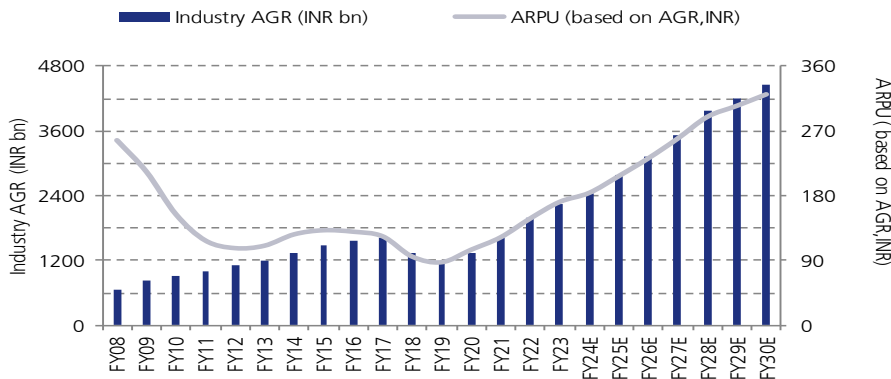
Exhibit 2. Revenue market share (on AGR) for the telecom industry has largely consolidated in 2QFY24

■ Jio ■ Bharti Airtel ■ VIL ■ BSNL/MTNL and Others



Source: TRAI, JM Financial.

Exhibit 3. Telecom industry revenue to grow at 10-11% CAGR to +INR 4,450bn by FY30E, having recovered to INR 2,250bn in FY23 (from a low of INR 1,200bn in FY19)



Source: TRAI, JM Financial.

Our calculation suggests (Exhibit 4) that the industry needs to achieve an **ARPU of INR 270-300 in the next 3-5 years for a pre-tax RoCE of 12-15%** considering the significant capex being incurred on 5G rollout (taking the total investments to ~INR 10,450bn cumulative till end-FY27E).

Exhibit 4. Estimated ARPU of INR 270-300 for a pre-tax RoCE of 12% and 15% based on future investment needs of private telcos

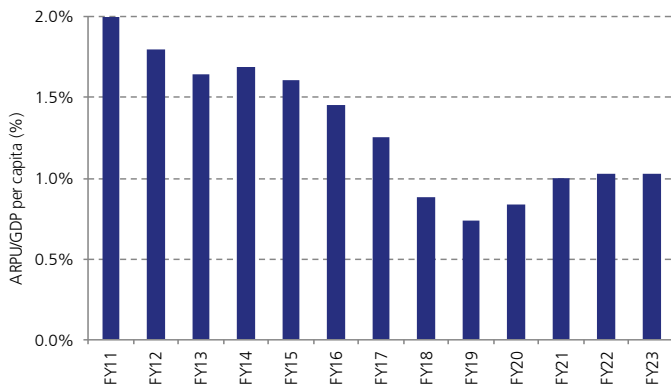
	For 12% ROCE	For 15% ROCE	Comments
Required return	12%	15%	
Total invested capital (INR bn)	10,467	10,467	Book value of net invested capital at the end of FY23 + estimated capex over FY24-27E
Required EBIT (INR bn)	1,256	1,570	
Actual non-statutory opex (INR bn)*	1,693	1,693	2QFY24 annualized opex ex-License Fees and Spectrum Usage Charges [SUC]
License Fee + SUC (%)	10%	10%	License Fee taken at 8% and SUC at ~2%
Required revenue (INR bn)	3,277	3,626	
Number of subscribers (mn)	1,001	1,001	
ARPU (INR)	273	303	

Source: Company, JM Financial. * Pre-IND AS numbers used

Structural ARPU growth via tariff hikes due to MBB upgrades, post-paid additions and data monetisation

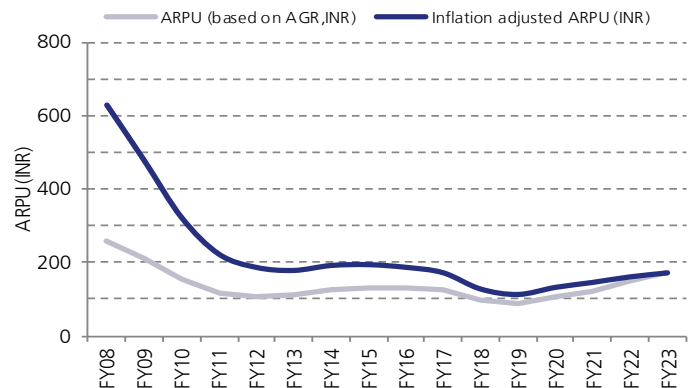
We expect structural growth in ARPU to be driven via a mix of: **a)** tariff hikes; **b)** MBB upgrade; **c)** strong post-paid additions and **d)** data monetisation driven by continued rise in data usage. We have witnessed multiple tariff hikes in the last 3-4 years: **i)** 30-40% hike in Dec'19 by all telcos across plans; **ii)** hike in entry level prepaid plan from INR 49 to INR 79 in Jul'21; **iii)** ~20% hike in Nov-Dec'21 by all telcos across plans; and **iv)** recent sharp hike in entry level pre-paid tariff (from INR 99 to ~INR 155) by Bharti across India and followed by VIL in select circles. Despite these hikes and highest data usage, **ARPU in India is one of the world's lowest at USD 2.2/month vs. the global average of USD 8-10/month** (and USD 6.9/month in China and +USD 20/month in developed countries). **India's ARPU to GDP per capita is still low at ~1.0% in FY23 vs. +1.5% before Jio's entry** (i.e., before Jio's entry), though it has recovered from a low of ~0.7% in FY19. This is because both nominal- and inflation-adjusted ARPUs are still lower than historical ARPUs despite the recent increase (**Exhibit 5-8**).

Exhibit 5. India's ARPU to GDP per capita is still low at ~1% vs. +1.5% before Jio's entry despite the recent increase



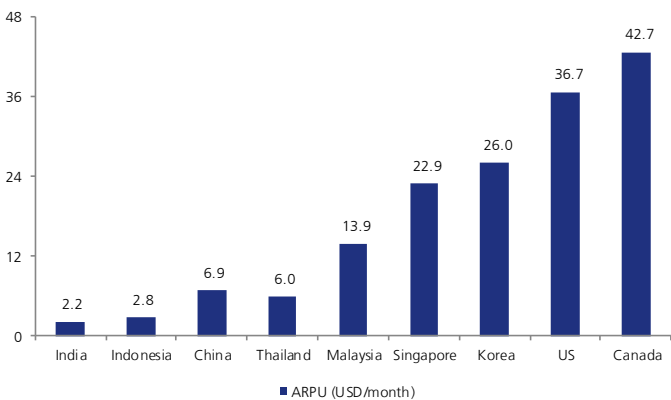
Source: TRAI, JM Financial.

Exhibit 6. Both nominal- and inflation-adjusted ARPUs still lower than historical ARPUs despite the recent increase



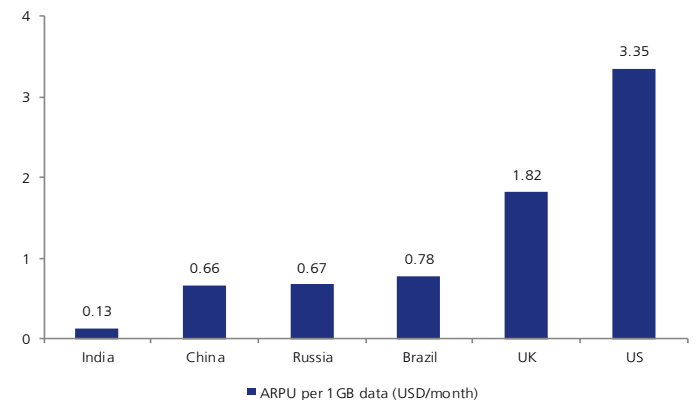
Source: TRAI, JM Financial.

Exhibit 7. At USD 2.2/month, India's ARPU one of the lowest in the world



Source: Company, Bloomberg, JM Financial.

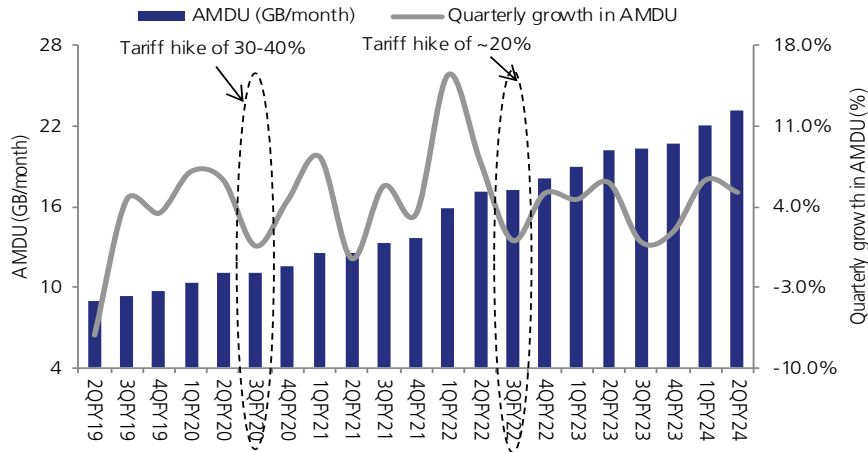
Exhibit 8. Data rates in India one of the lowest in the world at USD 0.13/GB



Source: Company, JM Financial.

However, despite the lowest ARPU, India's AMDU (average monthly data usage per data subs) is the highest globally, and continues to rise despite tariff hikes — it has risen from 11GB/month in 2QFY20 (before the start of tariff hikes) to ~23.2GB/month in 2QFY24 (**Exhibit 9**). AMDU growth trajectory is likely to continue over the next 3-5 years with gradual pick-up in 5G penetration as new use cases are developed and 5G smartphones become more affordable.

Exhibit 9. Despite tariff hikes, India's telecom industry AMDU has gone up from ~11GB/month in 2QFY20 (before start of tariff hikes) to ~23.2GB/month in 2QFY24



Source: Company, JM Financial.

Also, there is significant scope for industry's MBB penetration to further rise to 85-90% in the next 3-5 years, after having risen to ~73% in Aug'23 vs. ~47% in Mar'19 (before the start of tariff hikes) and vs. 22% in Mar'17; MBB penetration is ~85-100% in China, Brazil and in developed countries. Jio aims to upgrade the entire existing 250mn feature phone users, while Bharti expects the industry trend of upgrade of ~40mn feature phones to smartphones annually to continue for another 3-4 years.

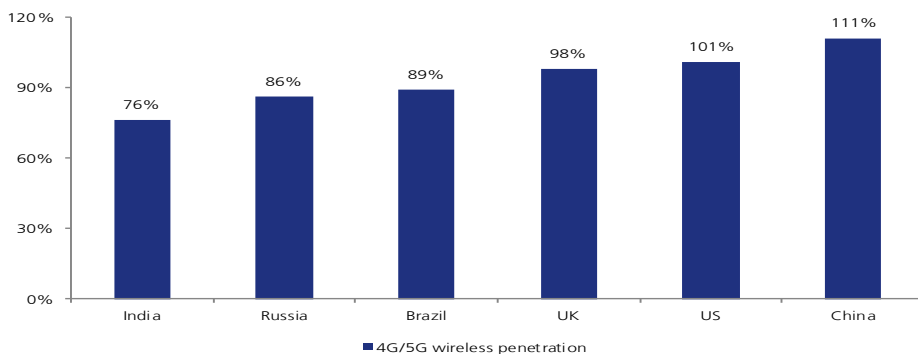
We believe continued rise in data usage and MBB upgrades, despite strong tariff hikes, indicate the consumer's ability and willingness to pay for higher tariffs as smartphone connectivity is becoming a necessity service, so future tariff hikes are unlikely to be detrimental to MBB upgrades and data usage.

Exhibit 10. Telcos' MBB penetration has risen sharply despite tariff hikes

	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Aug-23
Total EoP Subscriber base (mn)								
Bharti	274	304	325	328	352	360	371	376
VIL	209	223	395	319	284	261	237	228
Jio	109	187	307	388	423	404	430	446
Others	579	470	135	123	122	117	106	98
Total	1170	1183	1162	1158	1181	1142	1144	1148
Total EoP MBB Subscriber base (mn)								
Bharti	47	83	112	146	189	211	236	247
VIL	62	100	110	117	124	122	125	126
Jio	109	187	307	388	423	404	430	446
Others	40	25	16	17	20	24	22	22
Total	258	395	545	668	755	761	813	840
MBB subs as % of Total subs								
Bharti	17%	27%	35%	45%	54%	58%	64%	66%
VIL	30%	45%	28%	37%	44%	47%	53%	55%
Jio	100%	100%	100%	100%	100%	100%	100%	100%
Others	7%	5%	12%	14%	16%	20%	21%	22%
Total	22%	33%	47%	58%	64%	67%	71%	73%

Source: TRAI, JM Financial

Exhibit 11. 4G/5G penetration in India is still below global peers



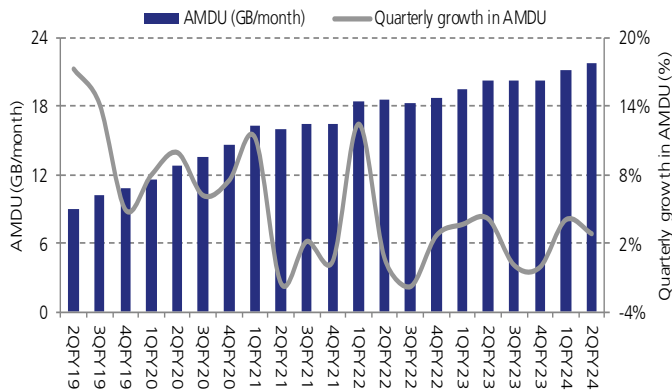
Source: GSMA, JM Financial

Bharti's premiumisation strategy to drive 9% ARPU CAGR; this is likely to drive 13% EBITDA CAGR

Bharti's industry leading India wireless ARPU (INR 203 for Bharti, vs. ~INR 172 for Jio ex-FTTH and INR 142 for VIL in 2QFY24) and relatively stronger ARPU growth, as seen in the last many quarters, is driven by the management's focus on quality customers and pushing premiumisation via: **a)** feature phone to smartphone upgrades (ARPU goes up by 55-80% due to this); **b)** pre-paid to post-paid upgrade via family post-paid plans and aggressive 5G rollout (ARPU rises by 70% due to this); **c)** data monetisation as customers opt for extra data or upgrade to higher data limit plans as they hit their daily data limits; **d)** international roaming by simplifying plans; and **e)** sharp rise in entry level pre-paid tariffs. The management is trying to boost the post-paid subscriber base from the current 6% (post-paid subs base constitutes 20-40% in other emerging markets) by using 5G rollout as a pivot to attract VIL's customers as it has not rolled out 5G.

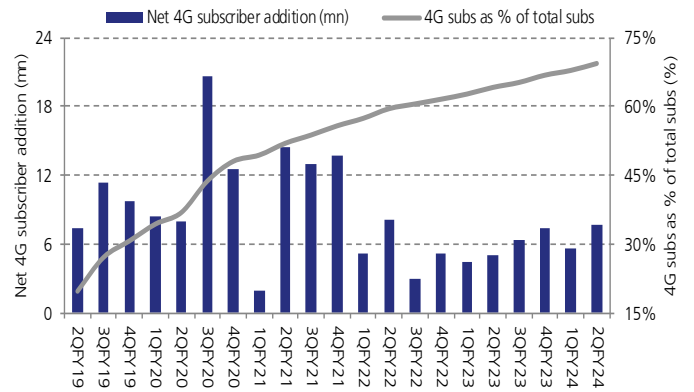
The above-mentioned levers have enabled Bharti to drive strong ARPU growth in the last few quarters, even in the absence of tariff hike-related opportunities. We expect Bharti's premiumisation focus to drive its ARPU (at a CAGR of 9%) to ~INR 300 in FY28 (vs. INR 203 in 2QFY24): **a)** 3-4% growth could continue to be driven by MBB upgrades and growth in data usage; and **b)** 5-6% growth is likely via regular tariff hikes. This is likely to drive Bharti's consolidated EBITDA CAGR of ~13% over FY23-28.

Exhibit 12. Bharti's AMDU has improved from ~9GB/month in 2QFY19 to ~21.7GB/month in 2QFY24 despite tariff hikes



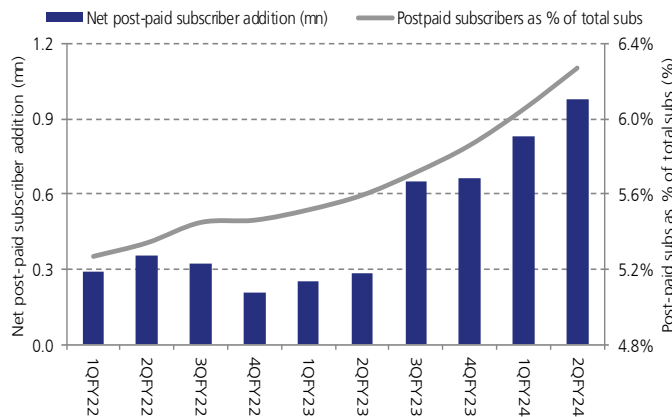
Source: Company, JM Financial

Exhibit 13. Bharti continues to record robust 4G net subs additions, leading to its 4G penetration rising to ~70%



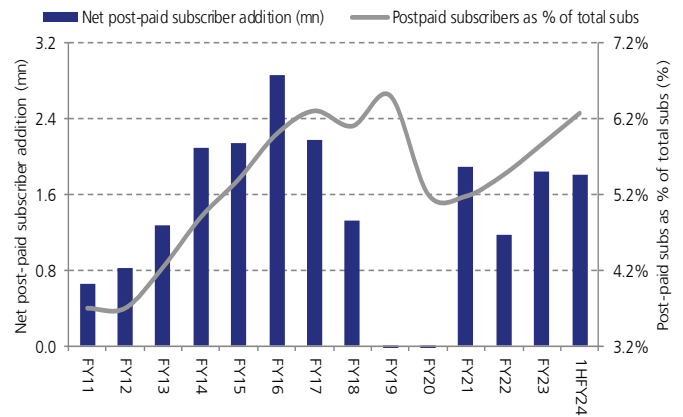
Source: Company, JM Financial

Exhibit 14. Bharti's post-paid additions strong since 3QFY23; post-paid subs still account for only 6.3% of its subs mix



Source: Company, JM Financial

Exhibit 15. Bharti's post-paid subs additions momentum picks up again



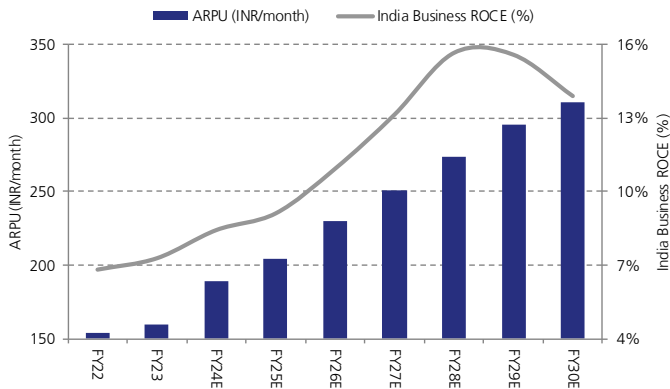
Source: Company, JM Financial

Exhibit 16. ARPU, AMDU and subscribers quarterly comparison for the three telcos

	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Revenue (INR Bn)														
Bharti (India business)	176	187	190	183	188	199	209	225	233	243	250	253	264	270
Jio (standalone)	168	177	185	174	180	187	195	209	220	226	231	235	241	249
VIL	107	108	109	96	92	94	97	102	104	106	106	105	107	107
EBITDA (INR Bn)														
Bharti reported EBITDA (India business)	77.9	85.9	85.9	89.7	92.2	98.6	104.1	114.4	118.8	126.1	131.7	134.0	141.5	145.6
Jio (standalone)	72.8	77.0	81.7	83.1	86.3	90.0	96.7	105.5	110.5	116.0	120.7	123.2	126.6	130.6
VIL reported EBITDA	41.0	41.5	42.9	44.1	37.1	38.6	38.2	46.5	43.3	41.0	41.8	42.1	41.6	42.8
EBITDA margin (%)														
Bharti reported EBITDA margin (India business)	44.3%	45.8%	45.2%	48.9%	49.0%	49.6%	49.8%	50.8%	51.0%	51.8%	52.7%	53.1%	53.7%	53.9%
Jio (standalone)	43.3%	43.6%	44.0%	47.8%	47.9%	48.0%	49.6%	50.4%	50.3%	51.3%	52.3%	52.4%	52.5%	52.5%
VIL reported EBITDA margin	38.4%	38.5%	39.4%	45.9%	40.5%	41.1%	39.3%	45.4%	41.6%	38.6%	39.4%	40.0%	39.0%	40.0%
Network Costs (INR Bn)														
Bharti reported EBITDA (India business)	39.2	41.9	42.2	45.4	43.5	46.7	49.6	49.5	49.2	50.8	51.2	52.2	52.0	55.7
Jio (standalone)	52.3	54.3	56.5	57.5	59.7	62.6	62.4	65.3	68.4	71.8	72.3	72.2	73.8	76.1
VIL reported EBITDA	24.1	24.3	26.1	21.4	24.9	26.2	26.2	20.9	23.5	27.2	26.0	24.0	25.4	25.1
SG&A Costs (INR Bn)														
Bharti reported EBITDA (India business)	13.0	12.2	12.6	12.0	14.0	13.5	15.0	17.8	18.5	20.3	22.6	21.5	24.2	21.0
VIL reported EBITDA	6.5	7.5	5.0	6.5	6.3	6.5	7.9	8.8	9.9	11.0	12.8	12.5	12.9	11.6
Overall subscribers at EoP (mn)														
Bharti (India business)	280	294	308	321	321	323	323	326	327	328	332	335	339	342
Jio	398	406	411	426	441	430	421	410	420	428	433	439	449	460
VIL	280	272	270	268	255	253	247	244	240	234	229	226	221	220
Net overall subscriber addition (mn)														
Bharti (India business)	279.9	13.9	14.2	13.4	-0.1	2.2	-0.6	3.1	1.3	0.5	4.4	3.2	3.2	3.7
Jio	10.8	7.3	5.2	15.4	14.4	-11.1	-8.5	-10.8	9.7	7.7	5.3	6.4	9.2	11.2
VIL	-11.3	-8.0	-2.0	-2.0	-12.4	-2.4	-5.8	-3.4	-3.4	-6.0	-5.8	-2.7	-4.5	-1.6
Postpaid subscribers at EoP (mn)														
Bharti (India business) - excluding IoT	15	15	16	17	17	17	18	18	18	18	19	20	20	21
Postpaid subs (as % of overall subs)														
Bharti (India business)	5%	5%	5%	5%	5.3%	5.3%	5.4%	5.5%	5.5%	5.6%	5.7%	5.9%	6.1%	6.3%
Total subscriber churn														
Bharti (India business)	2.2%	1.7%	1.9%	2.2%	2.8%	3.0%	2.9%	2.8%	3.0%	3.3%	3.0%	2.8%	2.8%	2.9%
Jio	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
VIL	2.0%	2.6%	2.3%	3.0%	3.5%	2.9%	3.4%	3.4%	3.5%	4.3%	4.4%	3.8%	3.9%	4.1%
4G subscribers at EoP (mn)														
Bharti (India business)	138	153	166	179	184	193	196	201	205	210	217	224	230	237
Jio	398	406	411	426	441	430	421	410	420	428	433	439	449	460
VIL	105	106	110	114	113	116	117	118	119	121	122	123	123	125
Net 4G subscriber addition (mn)														
Bharti (India business)	14.4	12.9	13.7	5.1	8.1	3.0	5.2	4.5	5.0	6.4	7.4	5.6	7.7	7.7
Jio	7.3	5.2	15.4	14.4	-11.1	-8.5	-10.8	9.7	7.7	5.3	6.4	9.2	11.2	11.2
VIL	1.5	3.6	4.2	-1.0	3.3	0.8	1.1	0.9	1.6	1.0	1.0	0.3	1.8	1.8
ARPU (INR)														
Bharti (India business)	157	162	166	145	146	153	163	178	183	190	193	193	200	203
Jio (including INR 6-9 from FTTH)	140	145	151	138	138	144	152	168	176	177	178	178.8	180.5	181.7
VIL	114	119	121	107	104	109	115	124	128	131	135	135	139	142
AMDU (GB/month)														
Bharti (India business)	16.3	16.0	16.4	16.4	18.5	18.6	18.3	18.8	19.5	20.3	20.3	20.3	21.1	21.7
Jio	12.1	12.0	12.9	13.3	15.6	17.6	18.4	19.7	20.8	22.2	22.4	23.1	24.9	26.6
VIL	12.8	11.8	12.2	12.9	14.7	14.5	13.7	13.9	14.3	15.0	15.1	15.1	15.7	15.8

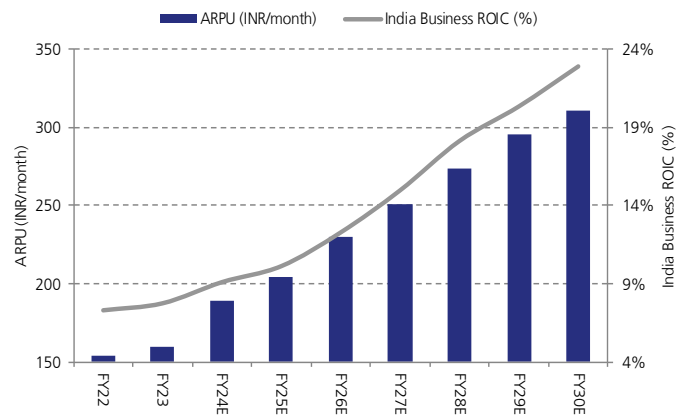
Source: TRAI, JM Financial.

Exhibit 17. Bharti's India Business ROCE to gradually improve driven by likely ARPU growth



Source: Company, JM Financial

Exhibit 18. ARPU growth to strengthen its India Business ROIC as well



Source: Company, JM Financial

Exhibit 19. Bharti has been able to hold on and grow its subs and revenue market share despite Jio's aggressive competition

	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
ARPU (INR)												
Bharti India w ireless	118	135	154	160	189	205	230	251	274	296	311	327
VIL	117	109	112	112	134	143	167	195	228	266	277	288
Jio	133	130	143	153	178	184	203	228	256	287	302	317
Subscribers (mn)												
Bharti India w ireless	283	284	321	326	335	345	350	356	363	368	374	380
VIL	334	291	268	244	226	214	208	203	199	199	195	191
Jio	307	388	426	410	439	473	484	496	504	512	522	531
Others	135	123	118	111	97	83	79	74	71	65	60	55
Subscriber market share (%)												
Bharti India w ireless	26.7%	26.1%	28.3%	29.9%	30.6%	31.0%	31.3%	31.6%	31.9%	32.2%	32.5%	32.8%
VIL	31.6%	26.8%	23.6%	22.3%	20.6%	19.2%	18.5%	18.0%	17.5%	17.4%	17.0%	16.5%
Jio	29.0%	35.7%	37.6%	37.6%	40.0%	42.4%	43.2%	43.9%	44.3%	44.7%	45.3%	45.9%
Others	12.8%	11.4%	10.4%	10.2%	8.8%	7.4%	7.0%	6.6%	6.3%	5.7%	5.2%	4.8%
RMS												
Bharti India w ireless	30.2%	30.0%	31.4%	33.5%	34.7%	35.6%	35.9%	35.3%	34.8%	34.1%	34.3%	34.5%
VIL	31.5%	26.6%	21.2%	18.5%	17.5%	16.1%	15.8%	16.0%	16.2%	16.7%	16.2%	15.6%
Jio	29.4%	35.5%	39.2%	41.5%	42.0%	42.9%	43.5%	44.5%	45.2%	45.9%	46.3%	46.9%
Others	9.0%	7.9%	8.2%	6.6%	5.9%	5.4%	4.8%	4.2%	3.7%	3.3%	3.1%	3.0%

Source: TRAI, JM Financial.

Exhibit 20. Comparison of telcos' tariff plans — Bharti maintains its tariff premium of 10-20% vs. Jio

Tariffed Voice Plans	Validity	Bharti tariff	VIL tariff	Jio tariff
Tariffed Voice Plans/ Jio-phone plans				
200MB data + 1p/sec voice tariff	28 days	155 (unlimited voice, 1GBdata, 24 days)	155 (unlimited voice, 1GBdata, 24 days)	91*
Unlimited Voice Bundles				
Daily data plans				
1 GB/day data	28 days	265	269	209
1.5 GB/day data	28 days	299	299	239
2 GB/day data	28 days/1 Month	319 (1 Month)	319 (1 Month)	299 (28 Days)
3 GB/day data	28 days	399	359	399 (6GB extra)
25 GB data	30 days	296	296	296
1.5 GB/day data	56 days	479	479	479
2 GB/day data	56 days	549	539	533
1.5 GB/day data	84 days	719	719	666
2 GB/day data	84 days	839	839	719
2 GB/day data	365 days	2999	3099	2879
Data Top-ups				
12 GB data	Unlimited/28 days	118	118	121
50 GB data	Unlimited/28 days	301	298	222
100 GB data	56 days		418	
Post-paid plans				
40GB/month + Data roll over		399	401 (50GB)	299 (30GB -Regular plan)
75GB/month + Data roll over		499	501 (90GB)	399 (75GB -Postpaid plus)
75GB/month - Postpaid Family Plan excluding OTT apps				399 (Extra 99/add-on, 3 add-ons allow ed)
100GB/month - Postpaid Family Plan including OTT apps		599 (including 1 add-on, 105GB)	601 (including 1 add-on, 110GB)	798 (699+99 for 1 add on)

Source: TRAI, JM Financial. * Refers to Jiophone plans (3GB/month, unlimited voice, 50 sms)

Near-term delay in tariff hike to strengthen Bharti/Jio's pricing power and market share

The rationale for a potential delay in near-term tariff hike is primarily due to: **a)** rise in competitive intensity from Jio in its effort to get to its 500mn subscriber target (vs. 460mn at end-2QFY24), and **b)** inflation continuing to be a key concern for the government (telecom tariff weightage in CPI basket being 1.84%) as the country enters a busy election schedule over the next 4-5 months.

Exhibit 21. India entering a busy election schedule over next 4-5 months

State	Election Month
General Election	May-24
Andhra Pradesh	Jun-24
Arunachal Pradesh	Jun-24
Odisha	Jun-24
Sikkim	Jun-24
Haryana	Nov-24
Maharashtra	Nov-24

Source: Election commission, JM Financial.

Though we don't rule out the possibility of a near-term delay in the tariff hike, a delayed tariff hike could be structurally positive for Bharti (and Jio) as it would: **a)** expedite the transition to a duopoly market (by further deterring VIL's fund-raise plan) and, hence, significantly boost subscriber market share for Bharti (and Jio); and **b)** strengthen pricing power for Bharti (and Jio) to get to its long-term ARPU target of INR 300 (enabling telcos to earn a respectable RoCE of ~15%).

The VIL management had said that the company needs to make an annual payout of INR 413bn from Mar'26 post the end of the moratorium; our calculation suggests **VIL needs ARPU to jump sharply to ~INR 400 in FY27 (vs. ARPU of INR 142 in 2QFY24)** to meet its payment obligations.

Exhibit 22. VIL needs an ARPU of ~INR 400 in FY27 to meet payment obligations (vs. ARPU of INR 142 in 2QFY24)

INR bn, unless specified	FY27
Debt repayments	440
Capex	48
Total Cash Outflow	488
2QFY24 annualised pre-Ind AS EBITDA	82
Shortfall in cash to be bridged via higher ARPU	405
Incremental EBITDA margin (assumed)	60%
Required revenues	675
Subscriber base at end 2QFY24 (mn)	220
2QFY24 APRU (INR)	142
Hike in APRU required (INR)	256
Hike in APRU required (%)	180%
Required APRU (INR)	398

Source: Company, JM Financial.

Our analysis suggests a **potential upside of ~INR 70/share to our base case TP of Bharti (of INR 1,125/share)** assuming: **a)** 50% probability of duopoly market; **b)** Bharti garnering ~106mn subscribers from VIL (or 48% of VIL's total subscriber base assuming Bharti is able to get 40% of VIL's MBB subscribers and 60% of VIL's non-MBB subscribers, with Jio getting ~52% of VIL's subscribers) without any ARPU dilution; **c)** incremental capex of ~INR 400bn for Bharti to cater to these incremental subscribers.

Exhibit 23. Duopoly market could lead to potential upside of ~INR 70/share to our base case TP of Bharti (of INR 1,125/share)

Bharti Airtel	
Additional subscribers for Bharti (mn)	106
Subscriber ARPU	143
Incremental revenue (INR bn)	182
Incremental EBITDA margin	65%
Incremental EBITDA (INR bn)	119
Target EV/EBITDA (x)	10
Incremental EV (INR bn)	1,186
Incremental capex (INR bn)	397
Incremental Equity value (INR bn)	789
Probability of VIL default	50%
Incremental equity value (INR bn)	395
Optional equity value (INR)	70

Source: JM Financial.

The exhibits below show the sensitivity of Bharti's EBITDA and valuation to ARPU and subscriber growth. Every increase/decrease in ARPU by INR 10 results in increase/decrease in Bharti's consolidated FY25 EBITDA by ~1% and valuation by INR 23/share. Similarly, every increase/decrease in subscribers by 10mn results in increase/decrease in Bharti's consolidated FY25 EBITDA by ~2.3% and valuation by INR 26/share.

Exhibit 24. Bharti -Sensitivity of FY25 consolidated EBITDA (INR 904bn in base case) & Valuation (INR 1,125/share in base case) to FY25E ARPU and subscriber base (mn)

FY25 consolidated EBITDA (INR Bn) sensitivity									Valuation per share (INR/share) sensitivity								
		Subscriber base (mn)									Subscriber base (mn)						
		320	330	340	350	360	370	380			320	330	340	350	360	370	380
ARPU (INR)	200	825	844	864	883	903	923	942	ARPU (INR)	200	983	1,007	1,031	1,056	1,080	1,104	1,128
	210	830	850	870	890	910	930	950		210	1,004	1,029	1,054	1,079	1,103	1,128	1,153
	220	836	856	877	897	917	937	957		220	1,025	1,051	1,076	1,102	1,127	1,153	1,178
	230	842	863	883	904	924	945	965		230	1,046	1,072	1,099	1,125	1,151	1,177	1,203
	240	848	869	890	910	931	952	973		240	1,067	1,094	1,121	1,148	1,174	1,201	1,228
	250	854	875	896	917	938	959	980		250	1,089	1,116	1,143	1,171	1,198	1,225	1,253
	260	860	881	903	924	945	967	988		260	1,110	1,138	1,166	1,194	1,222	1,250	1,278

Source: JM Financial

Bharti's FCFF to grow from FY25 due to capex normalisation and structural growth in ARPU; likely to achieve net cash by FY29

Bharti and Jio's managements are guiding for moderation in capex from FY25 with accelerated pan-India rollout of 5G likely to be achieved by Mar'24 and Dec'23, respectively. Bharti's management has guided for India business capex for FY24 to be elevated, at the same level as the FY23 capex of ~INR 280bn, but it has guided for cumulative capex in the India business over 3 years (FY23-25) of ~INR 750bn (at the past run-rate of ~INR 250bn p.a.). This implies Bharti's India business capex could decline to ~INR 200bn from FY25, though we continue to conservatively build in ~INR 270bn for FY25 (and INR 330bn for FY24). Hence, aided by structural ARPU growth, we expect Bharti's consolidated FCF to rise to INR 472bn in FY25 and INR 539bn in FY26 (from INR 308bn in FY24E), enabling it to accelerate reduction of its net debt. We expect Bharti to get to net cash position by FY29 vs. net debt of INR 2,070bn, including lease liability, at end-2QFY24.

Exhibit 25. Bharti and Jio's FCFF to grow from FY25 aided by capex normalisation and regular tariff hikes

	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Bharti India Business													
Reported EBITDA	237,973	179,238	263,333	337,088	405,112	506,623	589,751	656,960	741,059	837,020	941,948	1,014,127	1,091,682
Cash Flow from Operations	222,197	200,207	261,161	326,769	424,719	486,970	532,015	589,934	651,366	723,976	800,476	844,633	907,562
Cash Capex (as per Cash Flow Statement)	-479,200	-242,025	-206,722	-195,647	-205,064	-280,568	-329,211	-270,844	-279,743	-299,263	-316,877	-337,162	-357,978
Free Cash Flows (FCFF)	-257,003	-41,818	54,439	131,122	219,655	206,402	202,804	319,091	371,623	424,713	483,599	507,471	549,584
Bharti Consolidated													
Reported EBITDA	344,251	299,709	377,200	471,973	580,682	722,101	821,725	903,656	1,028,935	1,166,981	1,320,003	1,437,848	1,560,260
Cash Flow from Operations	314,577	200,702	181,287	482,051	550,165	653,247	708,957	818,075	898,628	1,002,874	1,110,514	1,180,078	1,265,230
Cash Capex (as per Cash Flow Statement)	-268,175	-259,746	-190,585	-246,706	-250,616	-259,681	-400,771	-346,268	-360,129	-391,384	-416,435	-448,883	-481,619
Free Cash Flows (FCFF)	46,402	-59,044	-9,298	235,345	299,549	393,566	308,186	471,807	538,498	611,490	694,079	731,195	783,611
Net Debt/(Cash)	971,882	1,101,205	1,188,817	1,482,810	1,604,473	2,114,547	2,025,058	1,758,548	1,405,845	954,291	386,574	-264,203	-993,538
Jio													
Reported EBITDA	67,655	151,025	216,540	314,610	378,570	470,340	532,332	647,139	830,109	992,159	1,174,603	1,279,850	1,394,648
Cash Flow from Operations	35,700	66,580	165,820	326,040	312,870	480,780	460,345	553,679	689,272	813,053	952,293	1,034,464	1,125,390
Cash Capex (as per Cash Flow Statement)	-357,860	-438,390	-508,040	-257,470	-287,760	-334,810	-426,706	-306,209	-301,365	-348,450	-402,858	-432,929	-465,332
Free Cash Flows (FCFF)	-322,160	-371,810	-342,220	68,570	25,110	145,970	33,639	247,469	387,907	464,602	549,435	601,536	660,058
Net Debt/(Cash)	1,379,730	1,415,920	450,200	36,145	961,390	1,961,860	1,967,466	1,756,289	1,398,990	956,472	424,859	-160,987	-806,419
VIL													
Reported EBITDA	60,475	40,431	148,462	169,476	160,361	168,170	172,938	202,447	234,819	271,674	321,525	348,137	373,260
Cash Flow from Operations	38,873	194,270	47,549	148,494	159,175	175,238	77,110	116,079	157,433	196,883	247,348	256,002	279,081
Cash Capex (as per Cash Flow Statement)	-70,000	-102,159	-79,662	-52,844	-61,124	-56,222	-21,376	-37,291	-41,961	-47,503	-54,352	-55,878	-56,905
Free Cash Flows (FCFF)	-31,127	92,111	-32,113	95,650	98,051	119,016	55,734	78,787	115,472	149,380	192,996	200,124	222,176
Net Debt/(Cash)	579,560	1,249,491	1,123,325	1,799,600	1,894,645	2,013,572	2,142,148	2,247,262	2,318,823	2,368,895	2,244,894	2,109,903	1,945,885

Source: Company, JM Financial.

Assumption and estimates

Exhibit 26. Bharti Airtel – Key operational assumptions

Particulars	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
India wireless											
India ARPU (INR)	135	154	160	189	205	230	251	274	296	311	327
India subs EoP (mn)	284	321	326	335	345	350	356	363	368	374	380
India data subs (mn)	149	189	208	233	253	271	285	299	313	321	330
Data subs as % of total subs	52%	59%	64%	69%	73%	77%	80%	82%	85%	86%	87%
Data usage per sub (GB)	13.3	16.1	19.0	20.5	21.2	21.6	22.1	22.5	22.9	23.4	23.9
Minutes of usage per sub (MoU)	893	992	1,056	1,096	1,136	1,179	1,222	1,268	1,315	1,364	1,414
India Home Services/Broadband											
Fixed line subscribers (mn)	2.4	3.1	4.5	6.0	7.8	9.5	11.3	13.2	15.2	17.3	19.6
Fixed line ARPU (INR)	798	740	661	628	606	612	618	631	643	656	669
India DTH											
DTH subscribers (mn)	17	18	16	16	16	16	16	16	16	16	16
DTH ARPU (INR)	152	148	156	154	154	154	154	154	154	154	154
Airtel Africa											
Africa ARPU (INR)	193	210	237	262	257	261	288	321	362	397	429
Africa subs (mn)	111	118	128	140	146	151	156	160	164	169	173

Source: Company, JM Financial.

Exhibit 27. Revenue break-up for Bharti Airtel consolidated

Particulars	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Revenues (INR mn)											
India wireless	459,664	555,676	630,405	759,246	844,197	966,015	1,070,388	1,188,014	1,304,613	1,389,802	1,480,551
Home services/Broadband	22,451	23,342	30,391	40,473	50,440	63,690	77,136	92,473	109,376	127,905	148,114
DTH	29,239	30,561	31,538	29,450	29,425	29,311	29,254	29,226	29,212	29,205	29,201
Airtel Business	132,331	144,075	160,703	185,931	215,122	247,390	284,499	327,174	376,250	398,825	422,755
Africa	242,170	288,632	350,613	422,665	440,810	465,466	530,085	608,791	705,885	793,217	878,781
South Asia	4,552	4,247	3,869	2,945	3,214	2,964	2,727	2,503	2,291	2,092	1,906
Eliminations	-71,054	-53,037	-36,707	-39,896	-39,871	-41,805	-42,377	-42,559	-41,847	-38,915	-35,371
Total	886,778	1,027,513	1,170,812	1,400,814	1,543,336	1,733,032	1,951,712	2,205,621	2,485,779	2,702,131	2,925,937
Revenue proportion (%)											
India wireless	51.8%	54.1%	53.8%	54.2%	54.7%	55.7%	54.8%	53.9%	52.5%	51.4%	50.6%
Home services/Broadband	2.5%	2.3%	2.6%	2.9%	3.3%	3.7%	4.0%	4.2%	4.4%	4.7%	5.1%
DTH	3.3%	3.0%	2.7%	2.1%	1.9%	1.7%	1.5%	1.3%	1.2%	1.1%	1.0%
Airtel Business	14.9%	14.0%	13.7%	13.3%	13.9%	14.3%	14.6%	14.8%	15.1%	14.8%	14.4%
Africa	27.3%	28.1%	29.9%	30.2%	28.6%	26.9%	27.2%	27.6%	28.4%	29.4%	30.0%
South Asia	0.5%	0.4%	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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

Exhibit 28. EBITDA break-up for Bharti Airtel consolidated

Particulars	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
EBITDA (INR mn)											
India wireless	169,560	242,642	312,666	400,751	460,231	529,444	591,492	662,412	735,149	793,509	856,587
Home services/Broadband	11,309	13,434	16,030	20,494	25,656	33,528	41,390	50,456	60,570	71,789	84,170
DTH	19,959	20,788	21,006	17,344	16,729	16,669	16,639	16,624	16,617	16,613	16,611
Airtel Business	42,642	54,973	62,639	73,821	86,649	100,830	117,137	135,891	157,458	167,379	177,895
Africa	106,425	132,995	172,092	207,244	217,806	227,666	260,368	300,356	349,888	395,703	441,536
South Asia	429	131	-621	-518	-423	-494	-413	-338	-268	-204	-146
Eliminations/Adjustment	-9,294	7,010	-3,130	2,965	15,076	-3,986	2,323	1,580	590	-6,940	-16,393
Total	377,200	471,973	580,682	722,101	821,725	903,656	1,028,935	1,166,981	1,320,003	1,437,848	1,560,260
EBITDA proportion (%)											
India wireless	45.0%	51.4%	53.8%	55.5%	56.0%	58.6%	57.5%	56.8%	55.7%	55.2%	54.9%
Home services/Broadband	3.0%	2.8%	2.8%	2.8%	3.1%	3.7%	4.0%	4.3%	4.6%	5.0%	5.4%
DTH	5.3%	4.4%	3.6%	2.4%	2.0%	1.8%	1.6%	1.4%	1.3%	1.2%	1.1%
Airtel Business	11.3%	11.6%	10.8%	10.2%	10.5%	11.2%	11.4%	11.6%	11.9%	11.6%	11.4%
Africa	28.2%	28.2%	29.6%	28.7%	26.5%	25.2%	25.3%	25.7%	26.5%	27.5%	28.3%
South Asia	0.1%	0.0%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA margins											
India wireless	36.9%	43.7%	49.6%	52.8%	54.5%	54.8%	55.3%	55.8%	56.3%	57.1%	57.9%
Home services/Broadband	50.4%	57.6%	52.7%	50.6%	50.9%	52.6%	53.7%	54.6%	55.4%	56.1%	56.8%
DTH	68.3%	68.0%	66.6%	58.9%	56.9%	56.9%	56.9%	56.9%	56.9%	56.9%	56.9%
Airtel Business	32.2%	38.2%	39.0%	39.7%	40.3%	40.8%	41.2%	41.5%	41.8%	42.0%	42.1%
Africa	43.9%	46.1%	49.1%	49.0%	49.4%	48.9%	49.1%	49.3%	49.6%	49.9%	50.2%
South Asia	9.4%	3.1%	-16.1%	-17.6%	-13.2%	-16.7%	-15.1%	-13.5%	-11.7%	-9.8%	-7.6%
Total	42.5%	45.9%	49.6%	51.5%	53.2%	52.1%	52.7%	52.9%	53.1%	53.2%	53.3%

Source: Company, JM Financial. *Indus Towers has been de-consolidated post the merger from 3QFY21

Exhibit 29. Capex breakdown for Bharti Airtel consolidated

Particulars	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Capex (INR mn)											
India wireless (ex-spectrum)	178,048	146,763	145,262	204,802	253,259	193,203	192,670	201,962	208,738	222,368	236,888
Home services/Broadband	5,825	11,010	16,654	21,992	24,489	30,787	34,972	39,151	43,027	46,478	49,379
DTH	10,512	12,842	13,028	13,602	12,358	11,724	11,702	11,690	11,685	11,682	11,680
Airtel Business	30,217	21,955	30,119	40,171	39,105	35,129	40,399	46,459	53,428	56,633	60,031
Africa	45,839	45,429	67,062	60,391	70,530	74,475	79,513	91,319	98,824	111,050	123,029
South Asia	1,026	3,686	3,292	978	1,030	950	874	802	734	671	611
Total (ex-spectrum)	280,187	428,675	275,418	341,936	400,771	346,268	360,129	391,384	416,435	448,883	481,619
Capex intensity (Capex/Revenue)											
India wireless	38.7%	26.4%	23.0%	27.0%	30.0%	20.0%	18.0%	17.0%	16.0%	16.0%	16.0%
Home services/Broadband	25.9%	47.2%	54.8%	54.3%	48.6%	48.3%	45.3%	42.3%	39.3%	36.3%	33.3%
DTH	36.0%	42.0%	41.3%	46.2%	42.0%	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%	16.0%	16.0%	15.0%	15.0%	14.0%	14.0%	14.0%
South Asia	22.5%	86.8%	85.1%	33.2%	32.1%	32.1%	32.1%	32.1%	32.1%	32.1%	32.1%
Total	31.6%	41.7%	23.5%	24.4%	26.0%	20.0%	18.5%	17.7%	16.8%	16.6%	16.5%

Source: Company, JM Financial. *Indus Towers has been de-consolidated post the merger from 3QFY21

Exhibit 30. Bharti Airtel – Key operational metrics trend in last few quarters

	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	QoQ (%)	YoY (%)
India wireless												
Revenue (INR mn)	143,056	151,914	160,173	175,262	181,404	188,823	193,527	195,493	203,924	209,521	2.7%	11.0%
Post IND AS EBITDA (INR mn)	70,335	74,769	78,962	88,599	92,667	98,736	104,121	105,227	111,665	115,039	3.0%	16.5%
Post IND AS EBITDA margin (%)	49.2	49.2	49.3	50.6	51.1	52.3	53.8	53.8	54.8	54.9	15bps	262bps
Subscribers (mn)	321	323	323	326	327	328	332	335	339	342	1.1%	4.4%
Net subscriber addition (mn)	-0.1	2.2	-0.6	3.1	1.3	0.5	4.4	3.2	3.2	3.7		
Post-paid subscribers	16.9	17.3	17.6	17.8	18.1	18.3	19.0	19.7	20.5	21.5	4.8%	17.1%
Net post-paid subscriber addition (mn)	0.3	0.4	0.3	0.2	0.2	0.3	0.7	0.7	0.8	1.0		
Postpaid subscribers as % of total subs	5.3%	5.3%	5.4%	5.5%	5.5%	5.6%	5.7%	5.9%	6.1%	6.3%		
4G subscribers	184	193	196	201	205	210	217	224	230	237	3.4%	12.9%
Net 4G subscriber addition (mn)	5.1	8.1	3.0	5.2	4.5	5.0	6.4	7.4	5.6	7.7		
4G subs as % of total subs	57%	60%	61%	62%	63%	64%	65%	67%	68%	69%		
Total Data subscribers	193	200	203	208	213	219	225	233	238	246		
Net Data subscriber addition (mn)	4.3	7.1	2.9	5.5	4.8	5.8	6.2	7.4	5.5	7.7		
Data subs as % of total subs	60%	62%	63%	64%	65%	67%	68%	69%	70%	72%		
AMDU (GB/month)	18.5	18.6	18.3	18.8	19.5	20.3	20.3	20.3	21.1	21.7	2.8%	7.0%
ARPU (INR/month)	146	153	163	178	183	190	193	193	200	203	1.5%	6.8%
Total subscriber Churn	2.8%	3.0%	2.9%	2.8%	3.0%	3.3%	3.0%	2.8%	2.8%	2.9%		
Mobile service population coverage	95.5%	95.6%	95.6%	95.7%	95.7%	95.7%	95.8%	95.9%	96.0%	96.0%		
Home Services (Broadband)												
Revenue (INR mn)	6,533	7,127	7,969	8,762	9,265	9,899	10,343	10,966	11,621	12,207	5.0%	23.3%
EBITDA (INR mn)	3,230	3,779	4,292	4,729	4,878	4,918	5,173	5,526	5,860	6,073	3.6%	23.5%
EBITDA margin (%)	49.4	53.0	53.9	54.0	52.6	49.7	50.0	50.4	50.4	49.8	-68bps	7bps
Subscribers (mn)	3.35	3.82	4.16	4.48	4.79	5.21	5.64	6.05	6.46	6.93	7.3%	33.0%
ARPU (INR/month)	681	661	657	650	652	646	624	614	608	595	-2.1%	-7.9%
Telemedia (DTH)												
Revenue (INR mn)	8,095	7,979	7,912	7,552	7,482	7,288	7,390	7,290	7,403	7,515	1.5%	3.1%
EBITDA (INR mn)	5,421	5,314	5,319	4,952	4,779	4,352	4,132	4,081	4,264	4,212	-1.2%	-3.2%
EBITDA margin (%)	67.0	66.6	67.2	65.6	63.9	59.7	55.9	56.0	57.6	56.0	-155bps	-366bps
Subscribers (mn)	18.0	16.3	16.2	16.0	15.7	15.8	16.0	15.9	15.9	15.7	-1.1%	-0.1%
ARPU (INR/month)	151	163	161	157	158	155	154	153	154	159	3.2%	2.6%
Enterprise Business												
Revenue (INR mn)	37,893	39,953	41,059	41,798	43,656	46,646	47,779	47,850	50,545	51,100	1.1%	9.5%
EBITDA (INR mn)	14,685	15,922	15,641	16,390	16,945	18,146	19,050	19,680	19,979	20,578	3.0%	13.4%
EBITDA margin (%)	38.8	39.9	38.1	39.2	38.8	38.9	39.9	41.1	39.5	40.3	74bps	137bps
Airtel Africa												
Revenue (INR mn)	81,773	85,916	91,053	91,871	97,021	104,452	110,877	110,315	113,168	102,768	-9.2%	-1.6%
EBITDA (INR mn)	39,273	41,743	45,190	45,865	47,381	51,252	54,468	54,180	56,031	51,158	-8.7%	-0.2%
EBITDA margin (%)	48.0	48.6	49.6	49.9	48.8	49.1	49.1	49.1	49.5	49.8	27bps	71bps
Consolidated												
Revenue (INR mn)	270,634	284,352	300,637	315,189	329,968	347,287	360,620	362,939	377,883	373,742	-1.1%	7.6%
EBITDA (INR mn)	131,901	139,193	148,999	160,589	167,216	177,957	187,108	189,820	199,468	198,441	-0.5%	11.5%
EBITDA margin (%)	48.7	49.0	49.6	51.0	50.7	51.2	51.9	52.3	52.8	53.1	31bps	185bps
PAT (INR mn)	2,835	11,340	8,296	20,078	16,069	21,452	15,882	30,056	16,125	13,407		

Source: Company, JM Financial.

Exhibit 31. Bharti Airtel – Debt and Capex details

Particulars (INR bn)	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	QoQ (%)	YoY (%)
Long term debt, net of current portion	451	404	416	425	405	407	414	401	395	333	-15.7%	-18.4%
Short-term borrowings and current portion of long-term debt	116	156	156	194	167	173	172	135	128	162	26.7%	-6.4%
Deferred payment liability	788	893	759	709	729	1,075	1,086	1,119	1,138	1,084	-4.8%	0.8%
Gross debt excluding Lease Obligations	1,355	1,453	1,331	1,328	1,301	1,655	1,672	1,655	1,660	1,578	-5.0%	-4.7%
Less: Cash and Cash Equivalents	85	62	73	61	76	65	61	72	59	44	-25.8%	-32.8%
Less: Investments & Receivables	5	78	18	31	30	18	63	57	113	60	-47.2%	238.5%
Net Debt excluding Lease Obligations	1,265	1,313	1,239	1,235	1,195	1,573	1,548	1,527	1,488	1,475	-0.9%	-6.2%
Lease Obligation	331	349	352	368	478	524	549	605	589	596	1.1%	13.7%
Net Debt including Lease Obligations	1,596	1,662	1,591	1,603	1,673	2,096	2,097	2,131	2,077	2,070	-0.3%	-1.3%
Net Debt (excl Lease liability) to EBITDA	2.40	2.36	2.08	1.92	1.79	2.21	2.07	2.01	1.87	1.86		
Consolidated Capex	66	70	61	60	64	70	93	114	105	92	-12.2%	30.6%

Source: Company, JM Financial.

Valuation: High conviction on our BUY with 1-year TP of INR 1,125 and 3-year TP of INR 1,625 (implying 18% IRR)

We reiterate BUY on Bharti with a 1-year DCF-based TP to INR 1,125, implying 8.8x FY25 EV/EBITDA and 33.6x FY25 PE — Exhibit 32. Further, given the attractive, long growth runway, we see Bharti delivering a 3-year IRR of 18% based on our 3-year TP of INR 1,625 (Exhibit 33), implying 7.7x FY28 EV/EBITDA and 18.4x FY28 PE.

We reiterate the high conviction we have on our BUY rating on Bharti as we believe India wireless business tariff hikes are likely to be more frequent, going forward, given the consolidated industry structure, and higher ARPU requirement for Jio as well to justify its significant 5G capex. Bharti is the biggest beneficiary of higher tariffs given the sticky and premium quality of its subs, ensuring that tariff hikes flow through to ARPU. As discussed above, ARPU growth aided by likely moderation in capex will drive Bharti's FCF from FY25, enabling it to get to net cash by FY29 (vs. net debt of INR 2,070bn at end-2QFY24); this will also aid in accretion in equity value. Bharti's India wireless business is trading at implied ~8.8x FY25 EV/EBITDA vs. ~10.4x implied as per our base case DCF valuation (vs. global peers trading at 7-8x); we believe it should trade at a significant premium given the structural ARPU growth story with industry consolidation largely behind us.

Exhibit 32. Bharti Airtel – 1-year SoTP DCF valuation of INR 1,125/share

Particulars, Enterprise Values unless mentioned	Valuation (INR bn)	(INR / share)	Implied FY25 EV/EBITDA	Implied FY25 PE
India business				
Wireless	5,508	971	10.4	
Enterprise	940	166	9.3	
DTH	9	2	0.5	
Broadband	468	82	14.0	
Total India business EV	6,925	1,221	10.2	
India net debt	-1,189	-210		
Total India subsidiary Equity value	5,736	1,011		
Indus Towers Equity value (47.95% share of Bharti)	197	36		
Total India business Equity value including Indus Towers	5,933	1,047		
Africa business				
Africa Business Standalone EV	858	151	3.8	
Less: Africa business Net Debt	-75	-13		
Africa business Equity value (Airtel's 56% share)	439	77		
Total Equity value for Bharti Airtel	6,372	1,125	8.8	33.6

Source: Company, JM Financial.

Exhibit 33. Bharti Airtel – 3-year SoTP DCF valuation of INR 1,625/share, implying 18% IRR

Particulars, Enterprise Values unless mentioned	Valuation (INR bn)	Valuation (INR / share)	Implied FY28 EV/EBITDA	Implied FY28 PE
India business				
Wireless	6,986	1,232	9.5	
Enterprise	1,135	200	7.2	
DTH	10	2	0.6	
Broadband	662	117	10.9	
Total India business EV	8,792	1,550	9.1	
India net debt	-518	-91		
Total India subsidiary Equity value	8,274	1,459		
Indus Towers Equity value (47.95% share of Bharti)	197	47		
Total India business Equity value including Indus Towers	8,471	1,506		
Africa business				
Africa Business Standalone EV	1147	202	3.3	
Less: Africa business Net Debt	62	10		
Africa business Equity value (Airtel's 56% share)	677	119		
Total Equity value for Bharti Airtel	9,148	1,625	7.7	18.4

Source: Company, JM Financial.

Exhibit 34. Bharti – one-year forward EV/EBITDA



Source: JM Financial, Bloomberg

Exhibit 35. Global telecom valuation snapshot

Company	EV/EBITDA (x)			P/E (x)			P/B (x)			EBITDA Margins (%)			ROE (%)		
	CY22/FY23	CY23/FY24	CY24/FY25	CY22/FY23	CY23/FY24	CY24/FY25	CY22/FY23	CY23/FY24	CY24/FY25	CY22/FY23	CY23/FY24	CY24/FY25	CY22/FY23	CY23/FY24	CY24/FY25
Bharti Airtel	9.3	10.1	8.9	50.6	47.5	29.0	5.4	5.9	5.0	51.2	52.8	53.4	11.6	12.9	19.0
Jio (JMF)	15.1	13.4	11.0	31.2	27.1	20.1	2.6	2.4	2.1	51.6	52.7	53.8	8.8	9.3	11.3
Vodafone Idea	15.8	16.9	14.7	NM	NM	NM	NM	NM	NM	39.9	41.1	43.3	NM	NM	NM
Indian telcos average	13.4	13.4	11.5	40.9	37.3	24.6	4.0	4.2	3.6	47.6	48.9	50.2	10.2	11.1	15.1
AT&T	15.6	6.2	6.0	6.6	7.0	6.9	1.3	1.1	1.0	15.6	35.6	36.2	(6.6)	16.2	15.0
T-Mobile	10.5	8.8	8.1	21.5	21.8	15.6	2.5	2.8	2.8	33.6	37.7	39.3	3.7	13.3	18.6
Verizon	6.5	6.4	6.3	7.7	8.1	8.3	1.8	1.6	1.5	38.5	35.8	35.9	24.6	20.3	18.1
US telcos average	10.9	7.1	6.8	12.0	12.3	10.3	1.9	1.9	1.8	29.2	36.4	37.1	7.2	16.6	17.2
Deutsche Telekom	6.4	7.0	6.4	12.3	13.8	12.1	1.9	2.1	1.9	36.9	36.5	39.0	17.5	14.8	16.1
Orange	4.8	5.5	5.3	12.7	10.3	9.6	0.9	0.9	0.9	30.9	29.4	29.9	7.3	8.4	8.7
Telefonica	5.5	5.2	5.1	8.5	11.9	11.3	1.1	0.9	0.9	32.1	31.5	31.6	14.2	7.7	7.9
Telenor	5.9	7.7	7.3	13.2	14.4	15.9	2.1	2.4	2.5	53.2	42.9	43.8	100.9	28.9	15.0
Vodafone Plc	2.8	5.7	5.7	2.4	11.2	9.2	0.4	0.4	0.3	60.1	30.1	30.6	20.0	3.3	3.9
Europe telcos average	5.1	6.2	6.0	9.8	12.3	11.6	1.3	1.3	1.3	42.7	34.1	35.0	32.0	12.6	10.3
China Mobile	2.3	2.9	2.8	7.8	9.1	8.5	0.8	0.9	0.9	35.1	34.6	34.0	10.0	10.2	10.5
China Telecom	2.8	3.3	3.1	9.0	9.8	8.7	0.6	0.7	0.7	27.1	26.5	26.2	6.4	6.9	7.5
China Unicom	1.0	1.1	1.0	7.8	7.4	6.8	0.4	0.4	0.4	27.9	27.0	26.4	5.0	5.4	5.9
China telcos average	2.1	2.4	2.3	8.2	8.8	8.0	0.6	0.7	0.6	30.0	29.3	28.9	7.1	7.5	8.0
KT Corp	3.6	3.2	3.1	6.5	7.6	6.9	0.5	0.5	0.5	20.9	21.0	20.8	8.0	6.9	7.2
LG Uplus	3.2	3.2	3.1	7.2	6.5	6.3	0.6	0.5	0.5	25.4	25.7	25.8	8.4	8.1	8.0
SK Telecom	3.8	3.7	3.7	11.5	10.1	9.6	0.9	0.9	0.9	31.0	31.5	30.6	7.8	9.3	9.5
Korea telcos average	3.5	3.4	3.3	8.4	8.1	7.6	0.7	0.7	0.6	25.8	26.1	25.7	8.1	8.1	8.2
Axiata	6.6	5.7	5.6	NM	53.7	31.2	1.2	0.9	0.9	44.3	45.9	45.9	46.5	2.0	3.1
Maxis	10.0	9.9	9.7	25.4	23.1	21.9	4.7	4.8	4.8	40.3	39.9	39.7	18.1	20.5	22.0
Malaysia telcos average	8.3	7.8	7.6	25.4	38.4	26.6	3.0	2.9	2.8	42.3	42.9	42.8	32.3	11.2	12.5
Advanced Info	7.8	8.4	7.9	22.3	22.6	20.8	6.8	7.3	6.8	48.4	48.9	48.4	31.1	32.5	33.3
Chungwa Telecom	10.2	10.7	10.4	24.0	24.8	24.1	2.3	2.5	2.4	39.8	39.4	39.4	9.6	9.9	10.3
Converge ICT	8.6	3.9	3.6	15.7	6.7	6.5	3.4	1.3	1.1	53.5	56.8	56.3	20.9	20.5	17.9
Digi.com	15.5	NM	NM	NM	NM	NM	NM	NM	NM	44.0	46.3	46.4	9.1	10.9	12.2
Globe Telecom	6.1	6.9	6.7	8.9	13.1	11.9	2.1	1.6	1.5	54.8	45.3	45.5	25.3	13.7	12.1
Indosat	4.1	5.3	4.8	10.5	21.1	14.7	1.8	2.4	2.1	51.9	46.4	48.0	25.2	11.6	14.1
MTN Group	3.7	3.4	3.3	11.0	10.1	9.0	2.0	1.4	1.2	43.1	41.8	41.8	17.0	NM	NM
Singtel	13.4	12.8	12.1	18.2	16.0	14.4	1.6	1.4	1.4	25.4	25.7	26.3	8.2	9.4	9.8
Taiwan Mobile	9.9	12.0	10.7	24.2	24.8	23.0	4.1	4.1	4.2	20.0	19.0	18.7	17.0	17.0	18.1
Telecom Indonesia	5.8	5.6	5.3	17.9	15.2	14.0	2.9	2.8	2.7	49.3	53.1	53.5	16.5	18.7	19.1
Telstra	8.5	7.4	7.1	25.7	20.9	19.2	3.2	2.9	2.8	34.8	34.9	35.4	12.5	13.0	13.8
True Corp	11.7	7.6	7.1	NM	NM	NM	4.2	2.0	2.0	39.8	40.0	41.3	(25.7)	(5.7)	-0.7
XL Axiata	4.5	4.4	4.1	20.4	19.5	14.9	1.1	1.0	0.9	50.4	49.3	49.3	4.9	4.9	6.2
Other regional telcos average	8.5	7.4	6.9	18.1	17.7	15.7	2.9	2.5	2.4	42.7	42.1	42.3	13.2	13.0	13.9
Global telcos average	7.5	6.9	6.5	15.8	17.1	14.2	2.2	2.0	1.9	39.1	38.3	38.6	15.6	12.0	12.4

Source: Company, JM Financial.

Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Sales	1,170,812	1,400,814	1,543,336	1,733,032	1,951,712	
Sales Growth	13.9%	19.6%	10.2%	12.3%	12.6%	
Other Operating Income	0	0	0	0	0	
Total Revenue	1,170,812	1,400,814	1,543,336	1,733,032	1,951,712	
Cost of Goods Sold/Op. Exp	428,452	479,157	503,701	592,889	657,424	
Personnel Cost	44,333	48,308	51,618	56,266	63,161	
Other Expenses	117,345	151,248	166,292	180,221	202,192	
EBITDA	580,682	722,101	821,725	903,656	1,028,935	
EBITDA Margin	49.6%	51.5%	53.2%	52.1%	52.7%	
EBITDA Growth	23.0%	24.4%	13.8%	10.0%	13.9%	
Deprn. & Amort.	330,907	364,318	382,153	401,820	425,256	
EBIT	249,775	357,783	439,572	501,837	603,679	
Other Income	2,070	5,555	7,625	8,354	8,161	
Finance Cost	158,018	170,197	217,062	204,173	178,407	
PBT before Excep. & Forex	93,827	193,140	230,136	306,018	433,433	
Excep. & Forex Inc./Loss(-)	-9,125	-24,494	-9,261	0	0	
PBT	84,702	168,647	220,875	306,018	433,433	
Taxes	40,946	57,558	76,508	108,626	144,559	
Extraordinary Inc./Loss(-)	24,191	14,350	-48,869	0	0	
Assoc. Profit/Min. Int.(-)	56,231	40,713	55,991	59,184	60,887	
Reported Net Profit	60,180	99,768	84,462	189,550	282,735	
Adjusted Net Profit	35,989	85,418	133,331	189,550	282,735	
Net Margin	3.1%	6.1%	8.6%	10.9%	14.5%	
Diluted Share Cap. (mn)	5,592.8	5,670.9	5,670.9	5,670.9	5,670.9	
Diluted EPS (INR)	6.4	15.1	23.5	33.4	49.9	
Diluted EPS Growth	0.0%	134.1%	56.1%	42.2%	49.2%	
Total Dividend + Tax	0	0	0	11,407	18,716	
Dividend Per Share (INR)	0.0	0.0	0.0	1.7	2.7	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Profit before Tax	108,934	176,168	243,352	331,689	460,808	
Deprn. & Amort.	330,907	364,318	382,153	401,820	425,256	
Net Interest Exp. / Inc. (-)	24,191	14,350	-48,869	0	0	
Inc (-) / Dec in WCap.	31,547	70,124	13,509	30,887	20,390	
Others	0	0	0	0	0	
Taxes Paid	-40,946	-57,558	-76,508	-108,626	-144,559	
Operating Cash Flow	454,633	567,402	513,637	655,769	761,895	
Capex	-539,226	-1,132,130	-400,771	-346,268	-360,129	
Free Cash Flow	-84,593	-564,728	112,866	309,501	401,766	
Inc (-) / Dec in Investments	-49,485	-1,701	0	0	0	
Others	30,346	1,707	0	0	0	
Investing Cash Flow	-558,365	-1,132,124	-400,771	-346,268	-360,129	
Inc / Dec (-) in Capital	0	0	0	0	0	
Dividend + Tax thereon	15,836	10,318	20,272	-9,477	-15,550	
Inc / Dec (-) in Loans	68,927	563,424	-51,147	-276,646	-352,702	
Others	-931	1,815	-43,649	-33,513	-33,513	
Financing Cash Flow	83,832	575,557	-74,524	-319,637	-401,766	
Inc / Dec (-) in Cash	-19,900	10,835	38,342	-10,136	0	
Opening Cash Balance	80,859	60,959	71,794	110,136	100,000	
Closing Cash Balance	60,959	71,794	110,136	100,000	100,000	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Shareholders' Fund	665,543	775,629	880,363	1,060,435	1,327,620	
Share Capital	55,928	56,709	56,709	56,709	56,709	
Reserves & Surplus	609,615	718,920	823,654	1,003,726	1,270,911	
Preference Share Capital	0	0	0	0	0	
Minority Interest	253,807	288,814	278,678	278,678	278,678	
Total Loans	1,696,779	2,260,203	2,209,056	1,932,410	1,579,707	
Def. Tax Liab. / Assets (-)	0	0	0	0	0	
Total - Equity & Liab.	2,616,129	3,324,646	3,368,097	3,271,523	3,186,005	
Net Fixed Assets	2,500,380	3,268,192	3,286,810	3,231,258	3,166,131	
Gross Fixed Assets	0	0	0	0	0	
Intangible Assets	1,229,983	1,659,192	1,576,990	1,491,496	1,402,503	
Less: Deprn. & Amort.	0	0	0	0	0	
Capital WIP	0	0	0	0	0	
Investments	316,224	356,356	356,356	356,356	356,356	
Current Assets	819,956	841,784	898,477	911,336	937,647	
Inventories	0	0	0	0	0	
Sundry Debtors	161,464	171,634	189,985	212,980	239,291	
Cash & Bank Balances	60,959	71,794	110,136	100,000	100,000	
Loans & Advances	0	0	0	0	0	
Other Current Assets	597,533	598,356	598,356	598,356	598,356	
Current Liab. & Prov.	1,020,431	1,141,686	1,173,546	1,227,428	1,274,129	
Current Liabilities	443,779	487,216	519,076	572,958	619,659	
Provisions & Others	576,652	654,470	654,470	654,470	654,470	
Net Current Assets	-200,475	-299,902	-275,069	-316,091	-336,482	
Total - Assets	2,616,129	3,324,646	3,368,097	3,271,523	3,186,005	

Source: Company, JM Financial

Dupont Analysis		FY22A	FY23A	FY24E	FY25E	FY26E
Y/E March						
Net Margin		3.1%	6.1%	8.6%	10.9%	14.5%
Asset Turnover (x)		0.4	0.4	0.4	0.5	0.6
Leverage Factor (x)		4.3	4.3	4.2	3.6	2.8
RoE		5.7%	11.9%	16.1%	19.5%	23.7%

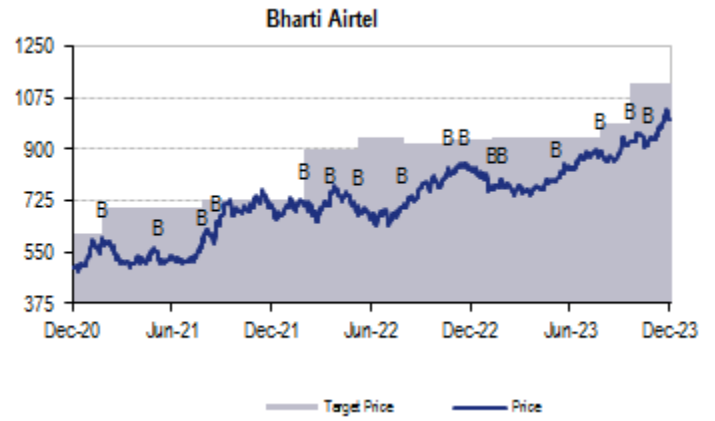
Key Ratios		FY22A	FY23A	FY24E	FY25E	FY26E
Y/E March						
BV/Share (INR)		119.0	136.8	155.2	187.0	234.1
ROIC		6.0%	9.2%	9.9%	11.3%	14.5%
ROE		5.7%	11.9%	16.1%	19.5%	23.7%
Net Debt/Equity (x)		2.4	2.8	2.3	1.7	1.1
P/E (x)		155.6	66.5	42.6	29.9	20.1
P/B (x)		8.4	7.3	6.4	5.4	4.3
EV/EBITDA (x)		13.0	11.2	9.7	8.6	7.2
EV/Sales (x)		6.5	5.8	5.2	4.5	3.8
Debtor days		50	45	45	45	45
Inventory days		0	0	0	0	0
Creditor days		181	177	183	183	183

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
11-Oct-20	Buy	600	
28-Oct-20	Buy	615	2.5
4-Feb-21	Buy	700	13.8
18-May-21	Buy	700	0.0
4-Aug-21	Buy	725	3.6
30-Aug-21	Buy	725	0.0
9-Feb-22	Buy	900	24.1
27-Mar-22	Buy	900	0.0
18-May-22	Buy	940	4.4
9-Aug-22	Buy	920	-2.1
1-Nov-22	Buy	930	1.1
29-Nov-22	Buy	930	-0.1
18-Jan-23	Buy	940	1.1
8-Feb-23	Buy	940	0.0
17-May-23	Buy	940	0.0
4-Aug-23	Buy	985	4.9
29-Sep-23	Buy	1,125	14.1
1-Nov-23	Buy	1,125	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
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.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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